



**Tim Williams, Executive Director
Ohio Manufactured Homes Association
Senate Energy and Public Utilities Committee
HB 430 proponent statement on
rent control and rent stabilization amendment
May 31, 2022**

Chairman McColley, Vice Chairman Schuring, Ranking Member Williams and members of the Senate Energy and Public Utilities Committee, I am Tim Williams and I am the Executive Director of the Ohio Manufactured Homes Association. Since 1947 the Ohio Manufactured Homes Association (OMHA) has represented all segments of the manufactured homes industry providing affordable housing to over 900,000 Ohioans living in manufactured homes. On behalf of OMHA, I am providing a supportive statement for an amendment to House Bill 430 that seeks to create a statewide framework to prevent the incursion into the free market by prohibiting political subdivisions from separately enacting rent control ordinances.

Rent control is counter to affordable housing. Manufactured Home community owners facing rent control of any sort will experience a significant, almost insurmountable, barrier to realize a return on their investment.

More importantly, rent control would be equivalent to a government “taking” of private property which compromises basic constitutional property rights—and the ability to manage and realize the benefits of one’s own property and investment. Rent in its most basic form is a contract between a property owner and a tenant, in which property owners are compensated for providing housing to a tenant. These contracts are between private parties who reach an agreement on the cost of the commodity, in this case, housing. Governments setting the baseline amounts for housing is counterintuitive to the free market housing system that exists today.

Rent control disincentivizes new development or property sales in rent-controlled jurisdictions in favor of areas without rent control. Additionally, rent control policies lead to higher rents in the uncontrolled marketplace.

Rental properties subject to rent control can potentially suffer from deterioration or lack of investment since owners may not collect enough rents to keep up with the ever-growing cost of repairs. A study in the Journal of Economic Perspectives found that more than 93 percent of U.S. economists agreed that “a ceiling on rents reduces the quantity and quality of housing available.”

SPECIFIC IMPACT OF RENT CONTROL ON MANUFACTURED HOME COMMUNITIES

Manufactured home community owners are responsible for infrastructure items and expenses that other forms of affordable housing may not incur due to the nature of the community itself. Rent control measures will severely limit the ability of manufactured home community owners to pay for improvements to infrastructure and make other necessary capital investments in their communities, which include, but are not limited to:

- Water systems – hundreds of thousands of dollars for replacement or major repairs.
- Road paving – Regular maintenance of internal road and street systems alone is in the tens of thousands of dollars.
- Septic systems – aging systems that need upgraded can have costs that approach \$1 million dollars or more.
- Snow removal costs.
- Common-use community properties such as clubhouses, playgrounds, pools, etc.

For these reasons alone, rent control should be a matter of a statewide general law designed to not only protect the property rights of property owners, but ensure affordable housing especially for Ohio’s most vulnerable citizens is available throughout Ohio.

Thank you, Mr. Chairman, and members of the Committee, for the opportunity to share the views of our members.