

May 23, 2023

Housing Committee

RE: LD1931 – Public Hearing

Committee Members,

I am testifying today in opposition to the proposed LD1931, An Act to Foster Stable and Affordable Home Ownership in Mobile Home Parks by Amending the Laws Relating to the Sale of Mobile Home Parks.

I own a manufactured home community in Mechanic Falls, and my parents own two in Lewiston. In total, we have over 450 families in our three communities. We have been community owners for 40 years in central Maine, and have supplied affordable housing to thousands of families in that time.

I also own Country Lane Homes in Lewiston, a retailer of manufactured housing, and have been in business selling affordable housing since 1984. I am also a licensed Realtor in Maine for the past 17 years.

Given my years in this industry, and my experience in real estate, reading through this proposal, I am strongly opposed. This proposal is simply unnecessary. The real estate market in our state is a free and open market where individuals and businesses are free to buy and sell whenever, and to whomever they want, as long as the buyer and seller agree to terms. The sale of a manufactured home community should be treated no differently. Real estate changes hands when there is a willing buyer and a willing seller, and terms such as price, timing, financing, etc. are agreed to in a binding purchase and sale agreement. The Representatives and co-sponsors of this proposal are asking for that free and open market to be eradicated when it comes to selling this one particular type of real estate.

There currently is nothing prohibiting residents and/or homeowners in manufactured home communities in our state from creating their own associations, making offers to purchase the communities in which they currently reside, if they desire to do so. This process should not be initiated AFTER a current community owner enters into an agreement to sell their community to another person or entity. This proposal is asking for a "First Right of Refusal", which generally is something of value that gets recorded and is a right that is paid for.

To get into more specifics of the proposal, price, terms and conditions of the sale of the community should remain private between the seller and buyer, and not disclosed. This is a private transaction between a buyer and seller. After the sale, the purchase price is public knowledge as it typically gets recorded with the City. But during negotiations and due diligence of the transaction, it should not be disclosed to third parties. Again, the homeowners can make an offer to purchase any day of the year if they so desire. Also, the community owner should not have to notify Maine State Housing Authority about an intent to sell. It is not clear to me in this proposal what use this would be for.

Also, this proposal is requiring the owner of the community to negotiate in good faith for any offer made by a homeowner association of at least 51% of the homeowners, and to allow 60 days for a purchase offer, and another 90 days for financing. It does not call for verification of funding, an earnest money deposit, or any of the standard items required in a general purchase offer. This could cost the community owner severely should the association not obtain financing after that amount of time, and the community owner has lost out on the original offer to purchase from 5 months prior. A buyer in the open market will have less incentive to offer to purchase a mobile home community in our state if this proposal passes, because they would be put in SECOND place, and have up to a 5-month waiting period before knowing if they could complete their intended transaction. The buyer likely will move on to other investments, leaving the current community owner to start all over again.

I respectfully request that this proposal be rejected as proposed. It does not comply with general real estate transaction practices in an open and free market, and it diminishes the values of the community owners and our tenants.

Thank you for your time and consideration,

Sandra Hinkley

Maple Hill Estates / Country Lane Homes

Sandra Hinkley
Falmouth
LD 1931

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