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April 1, 2025

Chip Curry, Senate Chair Traci Gere, House Chair Joint Standing Committee on Housing and Economic Development 100 State House Station Augusta, ME 04333

RE: L.D. 1145, An Act to Protect Residents Living in Mobile Home Parks

Dear Senator Curry and Representative Gere:

I write in support of L.D. 1145, *An Act to Protect Residents Living in Mobile Home Parks*. This bill will help preserve a crucial source of affordable housing across the State.

There are approximately 700 manufactured housing communities (also known as mobile home parks) in Maine. For decades, these communities have provided affordable housing for seniors and low- and moderate-income families. Mobile home park residents typically own their homes and pay monthly lot rent to the park owner. For decades, the amounts paid for lot rent have remained relatively stable, defying broader trends in the real estate market in Maine. But as parks have changed hands in recent years, that stability has suffered. From Sanford to Caribou, mobile home communities are being acquired for millions of dollars by out-of-state investors who seek higher profits through the combination of increased lot rents and park fees and decreased investment in the quality and scope of services and amenities. Many residents have no choice but to pay the higher rents and endure the deteriorating services and amenities. Other residents are being priced out of parks where they have lived for decades and confronting substantial costs to move their homes. These relocation costs are often prohibitive, so much so that many residents are forced to sell their homes at substantially discounted prices, frequently to park owners. The clear result is a crisis of affordability in Maine's mobile home parks that existing laws have proven insufficient to address. L.D. 1145 will help alleviate that crisis.

Sections 1 and 2 of the bill give residents a right of first refusal to purchase their park when the park owner decides to sell. Currently, Maine law only requires an owner to provide advance notice of a sale and to consider an offer made by residents. This has led to very few parks in Maine being acquired by residents, who often cannot compete with wealthy investors

who can self-finance a large real estate acquisition. By giving residents a right of first refusal, this bill permits residents to purchase their park notwithstanding that imbalance. So long as residents can come up with funds to match the purchase price offered by the third party, they can become the owners of their park. Resident ownership of parks is the one of the best ways to preserve affordability of these communities in Maine.

The Attorney General's Office recommends a minor change to clarify the right of first refusal that would be created by this bill. Although the statute as amended by this bill strongly implies that the right of first refusal may include a 90-day financing contingency, even when the competing offer does not, the statute could be amended to explicitly confirm that.

Section 3 of the bill requires a park owner to provide 90 days' written notice of a change in park use that will result in the termination of a resident's tenancy and to facilitate the relocation of residents' homes within a 25-mile radius at the park owner's expense. The change in use of the park is prohibited until all residents have been relocated. These provisions thus require park owners to factor into their financial considerations the real costs to residents from redevelopment and will facilitate the relocation of residents in a manner that preserves the affordability of mobile home ownership.

Sincerely,

Aaron M. Frey

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Attorney General