

May 1, 2025

Testimony in opposition to bill LD1723 An Act to Amend the Laws Governing Manufactured Housing Communities to Prevent Excessive Rent and Fees Increases

To: Senator Curry, Representative Gere, and honorable members of the Joint Standing Committee on Housing and Economic Development,

My name is Loretta Lakota and my husband Joe and I are the owners of Pleasant Acres Estates. We are members of the MHAM and thanks to them we were made aware of LD1723 and other proposed laws concerning our industry. I would appreciate it if you could please read this letter to understand some of the reasons why we are so passionately against this bill.

Pleasant Acres Estates, LLC information

Park Name - Pleasant Acres Estates

Address - 311 Oxbow Road, Palmyra, Maine

Park size - 70+/- acres

Type of park - Senior, Over 55 community

Lots - 76 larger than average size lots

Roads - There are about 1.25 miles of roads that were all paved 11 years ago when we purchased the park

Park homes - Homes in the park are clean and well maintained. When driving through the park it would be impossible to tell which homes are brand new and which homes are 35 years old or older. Most driveways are paved, all homes have sheds and 35 homes have garages. There are 56 privately owned homes and 20 park owned homes that are rented which are as clean and well maintained as the privately owned homes. All are in as-new

condition and have back- up generators or built in transfer switches for tenants to safely plug in their own back up generators.

Lot rent - \$400 / mo, includes water, sewer, rubbish removal & additional services to help maintain their lots

Lot size - lot sizes are 1/4 acre to over 1/2 acre

Lot description - lots are larger than average with enough room for vegetable and flower gardens, garages and sheds.

Water System - We have our own small water system that provides plentiful, clean, delicious water which is included in the lot rent. Our water is pure, untreated and tested regularly by our own licensed small water system operator. We recently added an emergency standby generator to provide water in case of power outages.

Residents - We have about 104 excellent residents. Most are in their mid 70's to mid to late 80's. The residents here range from low income to some very well off seniors. There is very little difference in the social or economic status between the residents that rent homes and the ones that own their own homes. Fifty units are occupied by residents who moved here to downsize, having previously owned their own stick built homes. We have exceptionally good tenants who take pride in their homes.

Rent increases - rents increase approximately \$13 per year.

Improvements since purchasing - our park had been neglected for decades and needed extensive repairs and upgrades.

- paved over a mile and a half of park roads
- 2 new entrance signs with LED lighting
- paved 15 driveways
- Hundreds of thousand of dollars to remove dangerous & fallen trees
- restored several septic systems
- added risers to 55 septic tanks
- poured slabs under existing homes
- added much fill and topsoil throughout the park
- added additional street lights
- replaced rotting utility poles

- replaced backboards on utility poles
- corrected surface water issues by clearing out drainage ditches and installing new culverts
- fixed and enlarged existing leach fields
- new leach field for pump house
- repaired septic tanks and added filters
- installed water meters, pumps & water sampling stations to the pumphouse
- installed emergency standby generator & a 500 gallon fuel tank for the pump house
- landscaping
- installed propane tanks for rentals so tenants pay less for propane
- Installed transfer switches for 20 rental homes for their generators for power outages
- completely restored 20 homes
- added a new cul-de-sac
- removed truckloads of garbage
- built an addition to maintenance building
- purchased skid-steers, excavator, tractors, dump trucks, gators, mowers, wood chippers, street sweeper, snow plows, brush cutter, stump grinder, and various implements to maintain the park

Relationship with Our Tenants

We have an excellent reputation and it is well known in town that we do not take advantage of people. We are a family owned business and live at the entrance of the park. Our tenants are our friends and neighbors and we have a very close relationship with them. Sometimes it is hard to get any work done because they all want to chat and tell us how happy they are, how lucky they feel to live here and how much they appreciate how hard we work on their behalf. I know it sounds corny but it is true. And we do work hard, but to have a nice park you also need good tenants who take pride in their homes and we know we are also lucky to have such a great bunch of residents.

How do we work with our tenants

Modest rent increases - We really should have raised rents more than we have because our increases have not kept up with our expenses. We agonize over every increase. On average our rates have increased about \$13 per year and currently it is \$400 (with water, sewer, rubbish included) which is \$200 less than other parks in the area.

No rent increases during Covid - We did not raise rates during covid and we forgave some unpaid rent for the tenants who were unable to pay during the pandemic.

Loans for repairs tenants can't afford - We've loaned thousands of dollars to tenants. Sometimes a tenant cannot afford to make a repair that is required in our rules. In these situations we offer to pay for the repair and allow them to reimburse us with whatever they can afford to pay us each month. We never charge any interest of course. We have lent money for things like siding, skirting, sheds, back-up generators and whatever is required.

Buy generators for power outages - We buy generators for tenants who cannot afford the \$1,000 cost and allow them to reimburse us monthly. We also have 5 big generators for home renters to borrow at no charge in case of power outages.

Transfer switches on all rentals - we've installed transfer switches on all rentals so tenants can heat and power their entire home during power outages.

Monitor their homes - We watch their houses when they go on vacation or to Florida for the winter. We provide them with a Honeywell Winter Watchman and light for the window which alerts us and the neighbors if the place freezes.

Free Vegetables - we donate hundreds of pounds of food every year in the form of fresh vegetables straight from our garden.

Help with fuel costs - It can be difficult for a new home renter to pay for fuel as well as the first month's rent and security. So we allow them to reimburse us

for the fuel in the tank over time. We've paid for heating oil when tenants were unable to pay often without reimbursement.

Activities - We sponsor a community yard sale in spring and fall and a Potluck BBQ in the Fall with prizes.

Dog Walking Area - We have a 5 acre field for tenants who want to walk and exercise their dogs.

Park - We made a corner park for tenants who want to get together and play games or just hang out.

Free Materials - we provide free mulch, loam, winter sand and some building materials like skirting, siding etc.

Help at no charge - We help some of the more elderly tenants with plowing, landscaping, mowing & weed wacking.

Ramps - We lend ramps to tenants who are handicapped.

Advocating for Residents in Crisis - Occasionally we have to advocate and act as a liaison for tenants in crisis who have no family. We've brought them to doctors, coordinated social services when their families abandoned them, we've cooked, shopped, cleaned their homes and yards, picked them up from the hospital and paid for their groceries. We check on them when their families can't get in touch or when we know they have no one who cares. We've arranged Maine Care and arranged for rehab and nursing homes.

We do all of the above because we are Mainers and that is what Mainers do. If we were faced with this 2.5% cap, we could never afford to be as generous with our money or our time. We enjoy helping our tenants. They are our friends and neighbors but we are terrified that LD1723 will gut us financially.

What would our tenants say about LD1723

I believe, with all my heart, that every single one of our tenants would ask the board to leave us alone and allow us to continue to operate our park as we see fit. They know this is a family business that our children will continue to operate exactly as we have done in the past. They know that the needs of the

business have always come before our own needs. We live right here among them and they can see with their own eyes that we do not live extravagantly.

What do most economists say about rent control

A simple Google search will show that most economists have a poor view of rent control, which has been around long enough for them to see the pros and cons. Economists have concluded that the few benefits are only short term and that over time it will result in a number of unintended consequences.

According to my research, academics, educational institutions, government studies and the majority of economists are vehemently against rent control and consider it a vicious, exploitative, and extortionate government practice.

According to Google, almost every state in the country has prohibited or preempted rent control laws. Alabama, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, and Wisconsin all prohibit or preempt rent control. Both so-called red and blue states are all against such practices.

Massachusetts finally decided to ban it in 1994, after almost 30 years of rent control because it discouraged new construction, incentivized landlords to neglect their property and contributed to housing shortages. Anyone who has ever run a business would agree that it would be a big mistake for Maine to adopt such laws. So many mobile home parks in Maine are already neglected and this is bound to make it worse.

1. Affordability is only short term
2. Does not always benefit those in need of affordable housing- Studies have shown that over a relatively short period of time, as much as 58% of the households who benefit from rent control are higher income households since anyone can occupy the units without vetting.

3. Reduced rental supply - It will disincentivize the development of housing, in this case, new parks
4. Decline in property quality - Landlords will not be willing to upgrade their properties or even maintain them if they cannot recoup their costs through higher rents.
5. Decline in property values - Landlords cannot maintain or upgrade their property which causes property values to decline.
6. Increased rent in non rent controlled properties - It reduces the number of non rent controlled properties. With fewer non rent controlled properties rent increases.
7. Limited Mobility- People never give up their rent controlled units, even when their circumstances change. The empty nesters continue to keep their bigger homes which prevents families who need them from having the place to live.
8. Increase Costs for Management by both state & park owners: economists state that managing such policies is costly and virtually impossible to achieve properly and that the money involved to accomplish this is better spent elsewhere
9. Self Defeating: government intervention interferes with supply and demand.

Economists Alternative Solutions

Economists' consensus is that rent control is nothing more than a band aid and they suggest a few common sense solutions. These solutions are focused on increasing inventory which makes rents more competitive. Competition always works to modify prices.

1. Zoning Reform
 - allow for higher density housing
 - allow mobile homes where they are not currently permitted
2. Give direct subsidies to low income households
3. Create policies that increase the inventory of parks

4. Offer subsidies to increase the inventory of affordable housing so that the state can regulate their lot rent. All this new competition from these parks would help to lower rents in non rent controlled parks.
 - give direct subsidies to developers to build parks
 - give free land to developers to build parks
 - give low or no interest loans to developers to build parks
 - give loan guarantees to developers to build park
5. Allow competition to modify rates

There is most definitely a housing shortage that needs to be addressed but it is the business of the state and federal government to find a way to solve this problem that does not harm the very industry that provides the most affordable housing in the state. Find ways to encourage new construction and rents will stop increasing and may even decrease. LD1723 can only make things worse. Please feel free to contact my husband or me if you have any questions concerning the information in this letter. We are proud of our community and would welcome a visit from anyone on the board who would like to see our park or speak with our tenants. Thank you for reading this letter. My contact information is below.

Loretta Lakota
Pleasant Acres Estates
207-754-6888
www.pleasantacresestates.com