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Good morning, Senator Curry, Representative Gere, and Members of the Housing and Economic Development Committee,

My name is Julie Orrego, and I am the Advocacy Supervisor at Preble Street. Preble Street's mission is to provide accessible, barrier-free services to empower people experiencing problems with homelessness, housing, hunger, and poverty and advocate for solutions to these problems. Preble Street operates 16 programs throughout Maine, and its staff works daily alongside hundreds of individuals and families who struggle with housing insecurity.

Preble Street supports LD 1723, An Act to Amend the Laws Governing Manufactured Housing Communities to Prevent Excessive Rent and Fees Increases. We want to thank Representative Golek for sponsoring this bill, which protects residents of manufactured home communities (MHC) from exploitative rent hikes by prohibiting rent increases of more than 10% over four years.

MHC residents typically have lower incomes and rent the land where their homes are, making them especially vulnerable to rent gouging. LD 1723 would require landowners to give these residents 90 days' written notice before raising their rent by any amount.

Residents of Old Orchard Village and Atlantic Village mobile home parks in Old Orchard Beach, Maine, have actively resisted significant rent increases following Follett USA's acquisition of their communities. After Follett USA instituted a 14.5% rent hike in June 2024 and rejected the residents' \$40.4 million offer to purchase the parks collectively, residents mobilized to advocate for rent control measures. In November 2024, their efforts culminated in the passage of Maine's first municipal rent control ordinance for mobile home parks, approved by 71.4% of voters. This ordinance limits annual lot rent increases to 5%, with provisions for up to 10% if justified by unforeseen expenses, and mandates a minimum of 12 months between rent hikes.

According to MaineHousing, Maine has over 600 MHCs—more than any other New England state—making up about 8% of the state's housing stock. These communities are an essential source of affordable housing amidst Maine's worsening housing shortage, which is why many out-of-state corporate investors are rapidly buying up MHCs because of their low maintenance costs and high rent potential. Currently, out-of-state investors own 1 in 5 of Maine's mobile home parks and often implement steep rent hikes, putting residents at risk of displacement or homelessness.

Housing costs have soared, <u>forcing more than a third of renters</u> to spend over 30% of their income on housing. For those with extremely low incomes, over half spend <u>more than 50%</u> of their income to keep a roof over their heads.

Without laws in place, thousands of Mainers could face severe financial strain or homelessness due to rent increases in manufactured home communities. Many communities are at risk, including young families, seniors, veterans, and people with disabilities. Everyone deserves safe, stable housing without fear of being priced out. No one should be pushed into poverty or homelessness so corporate landlords can boost profits. Preble Street urges you to pass LD 1723 because it will help safeguard housing stability.

Thank you for your consideration.