



May 23, 2023

Testimony of John Brautigam, Esq., Legal Services for the Elderly, in support of LD 1931.

Senator Pierce, Representative Gere, and honorable members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services:

On behalf of Legal Services for the Elderly we testify in support of LD 1931 – 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.

Legal Services for the Elderly (LSE) is a nonprofit legal services organization with the mission of providing free legal assistance to Maine's older adults when their basic human needs are threatened. Next year we will mark our 50th year serving this population.

As we have testified several times this session, finding stable and affordable housing is among the most pressing problems facing our clients. So we welcome a bill which promises a constructive approach to housing security for a segment of this population.

This country has thousands of mobile home parks which are home to millions of people. Maine has about 750,000 housing units, and about 8 percent of them are in mobile home parks.¹

These parks have not escaped the explosion in real estate prices, and their future is uncertain. Some park owners want to increase rents to keep pace with what they see in other types of housing. Others are tempted to sell out to opportunistic investors – often corporate landlords -- who see these parks as a quick source of profit.

Residents of mobile home parks have a unique challenge. In most cases, they own their mobile home while renting the plot of land upon which it sits. They may also have access to some common spaces, roadways, and services.

Technically, the dwelling unit is mobile and is not permanently affixed to the land, and can be moved upon completion of a lease. But the reality is quite different. Many mobile home

¹ <https://www.centralmaine.com/2022/09/02/maine-voices-trailer-parks-wrongly-overlooked-in-affordable-housing-debate/>

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structures are not travel-worthy. Attaching wheels and trailering them to another site would risk severe damage. Another obstacle is the cost of moving. Few mobile home tenants have enough savings to comfortably afford the \$5,000 it would take to relocate their unit – if they are lucky enough to find another site.

So this distorts the operation of supply and demand. If the dwelling cannot be moved affordably, the tenant is a captive customer and therefore has diminished bargaining power. Any threat to walk away from the rental would ring hollow because the landlord knows the tenant will have great practical difficulty actually moving the unit. This creates an unfair bargaining position to the disadvantage of the tenant.

On top of this, we see indications of a new class of predatory corporate landlords. They purchase the land that makes up a park and then quickly increase rent and fees. Folks who have lived there for many years on a fixed income find the rug pulled out from under them. This phenomenon has been covered in the New York Times,² National Public Radio,³ and the Des Moines Register,⁴ to name a few. In some cases, the new owners buy up a park and simply clear off the renters to make way for houses.⁵

This trend has prompted an increased interest among residents in coming together collectively to purchase the entire park through cooperatives or community land trusts. This gives tenants more control over the property and allows them to establish their own rules and regulations, including reasonable and stable rents. This protects resident owners from profit-seeking investors seeking to leverage the unique differential in economic power between the mobile home landlord and tenant.

But mobilizing a community to gather the necessary funds and navigate the complex process of purchasing a mobile home park requires significant organization, financial resources, and legal expertise. Residents may face obstacles in securing financing or finding support from external sources. And it takes time.

Nonprofits that support residents can offer technical assistance, financing options, and guidance to navigate the process of obtaining resident ownership. Several mobile home parks in Maine have been purchased by tenants using these services.

Resident ownership requires a committed community, access to financial resources, and a supportive regulatory environment. It isn't for everyone. But for communities facing escalating rents and potential displacement, resident ownership offers an alternative that empowers residents to take control of their housing destiny, reduces the anxiety of possible predation, and ensures long-term affordability.

Previous legislatures have recognized that the unique nature of mobile home parks hinders the operation of the laws of supply and demand. This is why Title 10, Chapter 953 has long

² <https://www.nytimes.com/2022/03/27/us/mobile-home-park-ownership-costs.html>

³ <https://www.npr.org/2021/09/03/1033910731/why-are-investors-buying-up-mobile-home-parks-and-evicting-residents>

⁴ <https://www.desmoinesregister.com/story/news/2019/05/05/mobile-home-tenants-wary-history-complaints-havenpark-capital-partners-waukee-north-liberty-iowa-ia/3640106002/>

⁵ <https://www.denverpost.com/2022/03/23/mobile-home-park-rent-house-bill-1287/>

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contained some notice requirements for tenants. LD 1931 would strengthen and enlarge the notice requirements and reduce the obstacles to tenant ownership while still respecting the landowners' basic rights. It would make it a little easier for residents to make a viable purchase offer.

Thank you for considering our testimony and for your commitment to the population of unhoused and housing insecure older Mainers. We ask that you support LD 1931.