



Testimony of
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Before
The Joint Standing Committee on Housing and Economic Development (132nd)

In Support of
**LD 1016: An Act to Establish the Manufactured Housing Community
and Mobile Home Park Preservation and Assistance Fund**

Senator Curry, Representative Gere, and members of the Joint Standing Committee on Housing and Economic Development, I am Erik Jorgensen Senior Director of Government Relations and Communications at the Maine State Housing Authority (MaineHousing) and I am submitting this testimony in support of *An Act to Establish the Manufactured Housing Community and Mobile Home Park Preservation and Assistance Fund*.

MaineHousing has been helping Maine people own, rent, repair, and heat their homes since 1969. We are an independent state authority (not a state agency) created to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. We are authorized to issue bonds to finance single family mortgages for first time homebuyers and for affordable multi-family housing.

We are also authorized to administer a number of state and federal programs, including rental subsidies, weatherization, fuel assistance, two housing block grants, the low-income housing tax credit program, and homeless grant programs. We receive state general fund revenue for homeless programs and receive a dedicated portion of the real estate transfer tax for the Housing Opportunities for Maine (HOME) Fund.

There has been a lot of state attention provided to manufactured home communities over the past few years. As this committee knows, these communities are unique in the affordable housing world because they operate on a business model in which the resident usually owns their own home, but not the land on which it sits. This makes these residents, who are often very or extremely low-income households, uniquely vulnerable to ownership changes. As real estate values have risen to unprecedented heights in Maine, many of these parks have become extremely valuable. When a large park is sold to investors, residents can find themselves subject to sharp and ongoing rent increases, as well as other uncertainty.

If this type of thing happens in an apartment complex it's a difficult situation, but an apartment tenant has the option of moving to a different or lower-priced unit. With a mobile home owner, the

options are much more limited, as moving a manufactured home is at best, an expensive option, and at worst, impossible. It's much better to find ways for these homeowners to remain in their communities, and for those communities to remain affordable

MaineHousing supports a variety of strategies to accomplish this. We support conversion to resident ownership; we support the purchase of parks with the participation of public housing authorities or other mission-driven entities devoted to long term housing affordability. We recently testified in favor of a bill to reward sellers who sell to co-ops or other public purpose owners with a break on their state capital gains taxes. All of those should be seen as distinct tools to help make it easier for parks to remain affordable. This is another of those tools.

LD 1016 specifies a fee charged to an investor purchaser. MaineHousing is not going to advise on what that level that fee should be, or on the particulars of how an investor purchaser should be defined – those are policy questions for you. But we approach this issue through our experience with the Mobile Home Community Preservation Fund. That fund has been instrumental in helping two large parks sell, while remaining affordable, with a third sale in the works. This flexible fund has helped by closing gaps in financing and helping to minimize the pain to residents when parks are sold.

We are grateful to the governor for proposing to continue that program in the next budget, but we don't know how long the state will be able or willing to fund it. Senator Reny's bill would help to stretch that program, and possibly to provide a non-state funded way for it to continue into the future.