



COOPERATIVE DEVELOPMENT INSTITUTE

The Northeast Center for Cooperative Business

Distinguished members of the Housing and Economic Development Committee: My name is Nora Gosselin, and I am the Director of Resident Acquisitions at the Cooperative Development Institute (CDI), testifying in support of LD 1145, *"An Act to Protect Residents Living in Mobile Home Parks."*

I'd start by noting I have a few suggestions to the proposed bill that I'd be happy to discuss for the work session. I'm also aware that there is another bill coming up later this session that would also accomplish a Right of First Refusal.

Since the Opportunity to Purchase law went into effect in October 2023, nine different communities (totaling over 1,200 homes) have received sale notice, gotten organized, and submitted a purchase offer to the seller. I personally worked with all nine of these communities. Each of these resident offers was for more money than what the park seller had on the table from another company. Of these nine, three offers were accepted, and six were rejected. These were all competitive offers from resident groups for more money than the other interested buyers, on customary commercial real estate timelines and with matching or higher deposits – and the residents were still not successful.

For example, the residents of Old Orchard Village and Atlantic Village launched a herculean organizing effort this time last year, and submitted a \$40.405M purchase offer, matching the \$40.4M offer the seller had from a then-anonymous third-party buyer. During negotiations, the resident cooperative agreed to increase their offer by an additional \$100,000 and to shorten their timeline. Still, this wasn't sufficient; the seller rejected the co-op's offer because they didn't believe there was enough resident support or that the residents could secure financing. Neither of these concerns were founded.

Here you have a mobilized group of residents advocating for themselves... connecting with their electeds, interested lenders, support systems like CDI... and under the current statute, their efforts can still be rejected in favor of a third-party, out-of-state company like Follette USA, which ended up purchasing the properties last summer. Rent in the spring of 2024, when the residents were exploring purchase, was \$520/month. Today, a home is listed in one of the communities with rent at \$698/month... another listed at \$703/month.

The Opportunity to Purchase statute has been an essential stepping stone, a proof of concept. Under this statute, two cooperatives successfully purchased their properties within the last year for \$26.3M and \$8M respectively, showing that residents can indeed pull off these transactions on competitive timelines and at competitive price tags. A third cooperative purchase is currently underway.

I do this same work in Massachusetts, Rhode Island, and Connecticut, which each have a Right of First Refusal statute. The Massachusetts law dates back to the early 1990s and has resulted in over 50 resident owned communities, 30 supported by CDI. One of the sponsors of LD 1145 sold his family's North Shore, MA park to the residents in 2021 under that Right of First Refusal statute – proof that such a law doesn't have to be an us versus them, park owners versus residents. It's simply recognizing that residents have lived in these communities for 20, 30, 40 years, and they deserve a meaningful shot at cooperative purchase. The law needs to be strengthened into a Right of First Refusal to build upon an effective model, in an environment with so many aggressive, deep-pocketed, out-of-state corporations, amid an affordable housing crisis. I strongly urge the committee to support LD 1145 and am happy to answer any questions. Thank you.