



126 Route 1

Scarborough, ME 04074

## Opposition to LD2149

Good morning, Senator Curry, Representative Gere, and members of the joint select committee

My Name Is Jacob Smith, I am the Director of Operations at State Manufactured Homes, I am also a board member of the Manufactured Housing Association of Maine and the fourth generation employed at our 84-year-old family business. We employ 18 people with 447 residents that live in our two communities in Scarborough. As we know, manufactured housing and their communities have been a hot topic, and the sales have also been wildly publicized with prices often reaching new highs.

I want to raise concerns in opposition to how section 4 "E" of LD2149 defines an entity with a net worth under fifty million dollars, and how it combines financial information from a very broad group of related parties.

The goal appears to be identifying entities with large financial resources, such as the huge investment groups and private funds out there currently buying up the rest of the communities in the US. Unfortunately, the definition goes well beyond that and severely limits entities who would receive help from exemption from the states prohibitive \$10,000 per lot fee when buying a community.

The definition of "affiliated or related entities" is extremely broad. It includes minority owners with as little as 10% voting interest, as well as officers and directors who may not own any part of the company. After years of hard work, I was gifted 11% ownership in my families business. This is something I'm extremely proud of but as the law reads, I would be penalized. It's a fact that our business offers truly affordable living solutions for Mainers. I'm extremely proud that I have been able to be involved with providing 84 years of affordable homes in Maine. After 8 decades of careful curation our family's investment has appreciated and because of our hard work, we have some of the best communities in the State. If our business wanted to grow and buy another community, not only would we have to secure financing and compete against these massive outside funds, but we would also have to pay fines that could go as high as millions of dollars for the purpose of keeping affordable housing in Maine. This 10% ownership clause directly discourages investment from any local businesses, not just our own. These are the very types of entities that drive

Office (207) 883-2512 Fax (207) 883-8089

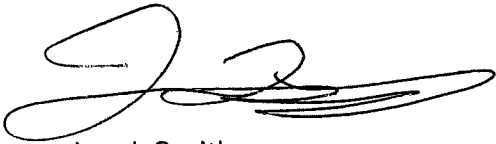
[statemanufacturedhomes.com](http://statemanufacturedhomes.com)

local growth and job creation, and the very type of entities I believe this bill should be protecting and not penalizing.

As written, this bill unintentionally harms small and mid-sized businesses, creates a small ceiling of \$50 million, and prohibited investment and participation in buying communities from actual Mainers in the industry. I'm standing before you, as the actual Mainer in the industry. Telling you this bill does not protect affordability in Manufactured Housing. I'm not the only one. There are many more like me that are motivated and excited to bring affordable housing to Maine. But we are all penalized for it, and that's why I respectfully encourage the committee to revise this language, so it more accurately reflects real financial capacity to pay this \$10,000 per lot fine and provides clearer, fairer buying conditions for Mainers.

Thank you for your time and consideration.

Respectfully,

A handwritten signature in black ink, appearing to read 'Jacob Smith', with a stylized, flowing script.

Jacob Smith

State Manufactured Homes

126 US Route 1 Scarborough Maine