



## Opposition to LD2149

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

My name is Alfie Desfosses, I work at State Manufactured Homes. We are a family business founded by my grandparents more than 80 years ago. Additionally, along with my cousin Tinamarie Smith, I co own a new company created to bring a 200 unit community to the City of Saco.

I understand that we are here today not to debate the original bill itself, but to correct language in the bill, to get it right.

Senator Bennett asked the question in a committee hearing last year, "Why aren't more Manufactured Housing Communities being built?"

Our company has been working on a project to bring a 200 unit community to the City of Saco for several years now and has invested several hundred thousand dollars beyond land acquisition, and we are not at the planning board yet.

The recent laws enacted relative to raising rents, and relative to community sales, have limited possibilities for operating revenue and put downward pressure on sale prices.

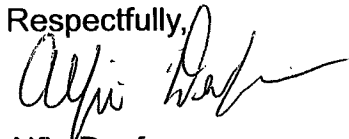
In the new law, one of the incentives designed to offset these concerns is a tax deduction of up to \$750,000, but because the partners in the company do not own greater than 50% of the company, none of us would qualify for this deduction.

To put this plainly, if we sold a 200 unit community to an outside group, a \$2,000,000 fee would be imposed, but if we sell it to a resident group, none of the incentives apply. With the astronomical amount of time, effort, and money required to create a new community, the limitations of revenue and sale proceeds are being restricted too much to make it seem like a good business opportunity.

Additionally, some effort is going into defining what a \$50 million net worth entity is for the purposes of the \$10,000 lot/fee exemption. In our new company created for the Saco project, because of the net worth of partners and investors, we cannot buy communities in Maine without paying the fee, even though it has been acknowledged we have done an excellent job with our existing communities, and are not the designed targets of the new laws. Any owner of a large community in Maine would be excluded from the exemption. While I agree that the definitions for net worth should be clear and concise, I do believe that the actual net worth targets should be increased to 500 million. This would allow Maine family business to acquire communities without penalty, while still mitigating the buying power of the large out of state investors we have had issue with. As a point of reference, UMH (United Mobile Homes) has a market cap of 1.7Billion, Sun communities has a market cap of 15 Billion, and Berkshire Hathaway has a market cap of 1Trillion.

Thank you for the opportunity to speak today. If I can answer any questions, or help in any way, I would be more than happy to.

Respectfully,



Alfie Desfosses

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