

My name is Nora Gosselin, and I work as the Market Development & Acquisitions Specialist for the Cooperative Development Institute, a nonprofit that serves resident owned communities (ROCs) here in Maine, and throughout New England.

I'd like to speak today on LD 1931, about the feasibility of a mobile home park purchase by the residents, as someone who works with both community owners and resident groups through the process.

When the Cooperative Development Institute hears a community is up for sale, we immediately begin organizing and educating. We help resident groups hire the professionals they need, from an attorney to an engineer. We meet weekly with the elected resident board of directors to review due diligence materials, interview vendors, and deliver trainings on governance.

As due diligence is completed, we work with the resident board to develop an purchase and operating budget. The Cooperative Development Institute has access to forgivable pre-development loans, strong relationships with Maine lenders like the Genesis Loan Fund, and a relationship with the national partner ROC USA, through which we have a back-up financing option if needed. Through these partnerships, we support residents in applying for 100% dedicated financing, made to the resident corporation, without regard for individual households' incomes or credit scores. With that financing committed, the residents hold a final vote to purchase.

From there, the resident corporation can quickly close on the transaction. In general, from contract to close, ROCs purchase their communities in 90 to 120 days, making them on par with other commercial real estate buyers. Residents are completing the same steps, the same due diligence, that any other buyer would do. I'd like to stress that for the seller, it really feels like any other transaction, with the Cooperative Development Institute acting as the professional intermediary between seller and residents. The process is efficient and confidential; we are not in the business of wasting anyone's time. Sellers end up getting paid fair price and benefit from residents being motivated buyers, looking for reasons to close, not reasons to back out.

In fact, many sellers find resident purchases to be preferable to other options. Ownership is kept local, here in Maine, rather than with a big, out-of-state player. Resident groups are not bidding on many properties at once like many large companies do; they are dedicated to only one transaction and can be flexible where needed (for instance if a seller needs to delay closing to take advantage of a tax benefit). It's a win-win-win: residents get a voice in their community, sellers get good value for their property, and the state of Maine ensures ownership stays local, and essential homeownership stock is permanently preserved as affordable.

As of today, the Cooperative Development Institute has converted and provides ongoing technical support to ten communities in Maine. In New Hampshire, where state statute gives homeowners notice and allows them to make a competitive matching offer to purchase, there are 146 ROCs. Without a statute that gives homeowners a chance, most communities these days are sold to investment groups and out-of-state buyers without any advertising or notice to the homeowners.

We would love the opportunity to support resident groups buy their communities, preserving their affordable housing. LD 1931 would make this possible. Thank you for the opportunity to speak in support of such a key piece of legislation.