

SB 746_Consumer Protection Division_Favorable_2023

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Position: FAV

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February 27, 2023

To: The Honorable William C. Smith
Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: Senate Bill 746 – Manufactured Homes – Sale of Manufactured Housing Communities
(Manufactured Housing Modernization Act of 2023) (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports Senate Bill 746 sponsored by Senator William G. Folden, which would create additional protections for owners of manufactured homes that comprise a vital component of Maryland’s affordable housing market. Specifically, Senate Bill 746 would require that an owner of a manufactured housing community containing two or more manufactured homes notify the homeowners of a pending sale of the community and its terms; offer homeowners the opportunity to purchase the manufactured housing community; and negotiate, in good faith, with homeowners seeking to purchase the manufactured housing community.

Despite the initial affordability of manufactured homes, manufactured homeowners stuck with new community ownership can be subject to unexpected fees, reduced services, and more expensive lot rent without the ability to avoid such unilateral changes because moving a manufactured home to a new location is prohibitively costly.¹ Requiring manufactured home community owners to provide homeowners a fair opportunity to purchase the manufactured home community before it can be sold to a third party provides stability to this affordable housing market.

For these reasons, the Division requests that the Judicial Proceedings Committee give Senate Bill 746 a favorable report.

cc: The Honorable William G. Folden
Members, Judicial Proceedings Committee

¹ See https://www.washingtonpost.com/business/economy/a-billion-dollar-empire-made-of-mobile-homes/2019/02/14/ac687342-2b0b-11e9-b2fc-721718903bfc_story.html and <https://www.nytimes.com/2022/03/27/us/mobile-home-park-ownership-costs.html>.

(2.28)SB 746 Manufactured Homes – Conversion to Re

Uploaded by: Robin McKinney

Position: FAV



SB 746- Manufactured Homes – Conversion to Real Property and Sale of Manufactured Housing Communities
(Manufactured Housing Modernization Act)
Senate Judicial Proceedings Committee
February 28th, 2023
SUPPORT

Chairman Smith, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 746. This bill will give residents a fair notice that their manufactured community is up for sale. This will give the community the chance to place an offer on the property.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program ‘VITA’, offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH’s tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Manufactured homes, more commonly known as mobile homes, are a vital component of affordable housing solutions. Also, they have a smaller environmental footprint than traditional homes. Nationally and statewide, there is a huge shortage of affordable housing for low-income families. According to the National Low Income Housing Coalition (NLIHC), Maryland has a deficit of over 130,000 affordable housing units. 39% of low-income and 86% of extremely low-income households are cost burdened to due housing expenses.¹ Cost burden is when a household is spending more than 30% of their income on housing expenses.

Residents own their homes but not the land under their homes. **This means residents in manufactured communities are vulnerable to housing insecurity.** Households that experience housing insecurity have trouble finding safe and affordable housing, access to food and other essentials, and will experience a distribution in school and work. Property owners can sell the land and force residents to move, or they face paying higher rents. Unfortunately, these residents have few protections that will allow them to stay in their community and avoid an economic crisis.

SB 746 provides low-income residents who live in manufactured communities the opportunity to remain in their homes or receive adequate notice about the sale of the community. This will allow residents to leave in a sustainable and dignified manner. This bill increases transparency for residents, informs government officials, and provides the opportunity for the residents to work together to develop a competitive offer that the seller must consider in good faith.

For these reasons, we encourage you to return a favorable report for SB 746.

¹ [NLIHC, Maryland 2019](#)

2023 SB746 Horizon Written Testimony .pdf

Uploaded by: William Castelli

Position: FWA



Senate Bill 746 – Manufactured Homes – Sale of Manufactured Housing Communities
(Manufactured Housing Modernization Act of 2023)

Position: Favorable with Amendments

Horizon Land Management Company is a Maryland owned company which manages mobile home parks in over 20 states including 10 communities in Maryland. Horizon communities are located in Washington, Montgomery, Howard, Harford, Charles, and Anne Arundel Counties.

The biggest threat to almost all mobile home park communities today are market pressures which push developers and communities to reconsider the land-use of mobile home parks. Investors purchase these parks and then push to change the land-use and redevelop the parks for a higher use, displacing park residents. Horizon Land Management is in the business of owning and managing these parks and ensuring they thrive.

With the sponsor amendments, the purpose of SB 746 is not to fix rent or to regulate land-use, including the promotion or non-promotion of resident-owned communities. Rather, the Bill's purposes are (i) to ensure that, when a Maryland mobile home park is sold to a new owner, homeowners are protected from an immediate change in land-use or a substantial and immediate increase in rent, both of which could disenfranchise and place substantial hardships on resident-homeowners, and (ii) to dissuade "bad actors," who intend to substantially increase rent, and developers, who intend to redevelop the mobile home park as a different use, from seeking to acquire mobile home parks in Maryland.

The bill accomplishes this by giving acquiring entities two options. The first option is to commit to holding rent increases down for 3 years to no more than 10% and commit to keeping the community a mobile home park for at least 5 years. Alternatively, if the acquiring entity refuses to make those commitments, the legislation requires park residents to receive notice of the sale and have an opportunity to make a purchase offer along with the acquiring interest's offer. This gives residents a chance to make an offer when a purchaser's intent to preserve the mobile home park is uncertain.

Finally, the bill adds protections for dislocated residents. Under current law, when residents are dislocated from a park, the residents may be given relocation assistance of 10 months' rent preceding the date of vacancy. That relocations assistance is increased to 12 months. Moreover, under current law, that assistance is only required for mobile home parks with more than 38 sites. SB 746 will now trigger that assistance for any community with at least 10 sites.

SB 746 offers new protections to all residents of mobile home parks, and Horizon Land Management encourages a favorable report.

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