



**Testimony to the House Environment & Transportation Committee  
HB71: Manufactured Housing Modernization Act  
Position: Favorable**

January 25, 2022

The Honorable Kumar P. Barve, Chair  
Environment and Transportation Committee  
Room 251, HOB  
Annapolis, MD 21401

cc: Members, Environment and Transportation Committee

Honorable Chair Barve and Members of the Committee:

Prosperity Now is pleased to submit comments to the Environment and Transportation Committee as it considers statutory changes to Maryland law that would preserve affordable housing, enhance homeowner security, and put Maryland at the leading edge of codifying housing stability. We strongly support HB71 and request a favorable report on the bill.

Prosperity Now is a national, nonpartisan nonprofit organization based in Washington, D.C. that works to expand economic opportunity for all Americans by promoting and advocating asset-building policies and programs. Since 2005, Prosperity Now has convened the I'M HOME Network, a nationwide coalition of service providers, lenders, intermediaries, and advocates working together to improve access to high-quality and energy-efficient manufactured homes, access to mortgage financing for manufactured homes, ensure fair chattel financing, promote resident ownership of manufactured home communities, and provide a voice for manufactured homeowners on policy issues.

The State of Maryland has over 36,000 manufactured homes, approximately half of which are sited in more than 200 manufactured home communities across the state. The majority of community residents own their homes and rent the land on which they are installed. This hybrid relationship makes family housing stability fleeting. The legislature has an opportunity to at once improve protections and options for future and existing manufactured homeowners and underscore that manufactured housing communities are a secure and affordable option for low- and moderate-income families.

Across the nation, manufactured homeowners are increasingly at risk of displacement. While affordable housing is often targeted for reuse and redevelopment, the nature of manufactured housing community

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occupancy makes these risks much more problematic to impacted residents. Quite simply, it is extraordinarily difficult and expensive to relocate manufactured homes, leading many residents to walk away from their most valuable assets with little or no compensation. Considering Maryland's worsening housing crisis, the state needs to advance all tools to preserve affordable housing in the state. HB71 is one such tool the legislature should adopt.

Importantly, [research from the University of New Hampshire](#) underscores the value of resident-owned communities. The authors found that residents in ROCs have better returns on their purchases, lower financing costs, and more stable housing costs in comparison to resident in communities owned by private entities. Although this report is about 15 years old, the relatively recent entry of private equity firms, sovereign wealth funds, and other high yield seeking investors suggest that resident ownership is key to retaining resident wealth and stability in this sector. Residents residing in communities owned or funded by these new market actors face much higher rent and fee increases than peer communities.

The fundamental reason that homeowners in manufactured home communities are so vulnerable is that they do not own the land under their homes. More than 20 states – but not Maryland – have policies that require or encourage community owners to give residents the opportunity to purchase the land on which their homes sit. While Maryland law requires that community owners provide residents with a one-year notice prior to closure of the park, state law does not provide a reasonable option for the residents to purchase the park if it is to be sold or closed by the owner. The state legislature should adopt HB71, a strong purchase opportunity law, that will better align state policy with those of its peers.

HB71 addresses key challenges by increasing the notice requirements when an owner puts the community up for sale. The seller must in good faith consider all competitive offers, therefore ensuring the owner does not lose money in the transaction. HB71 also includes an enforcement clause, which is particularly important in the current market environment.

There are examples of successful community-owned manufactured housing cooperatives in Vermont, New Hampshire, New York, Massachusetts, Oregon, and Washington. These successes would not be possible without state law recognizing the homeowners' rights to organize and to self-determination. HB71 would fill a gap in Maryland law.

Thank you for the opportunity to address the above issues that directly impact manufactured housing residents in Maryland. As a career housing advocate, and as a Maryland resident, I look forward to seeing the legislature make significant progress in this important area. Feel free to contact me at [dryan@prosperitynow.org](mailto:dryan@prosperitynow.org) or at 202-207-0155.

Sincerely,

Doug Ryan  
 Vice President, Policy & Applied Research  
 Prosperity Now