

**Testimony to the Senate Judicial Proceedings Committee
HB71: Manufactured Housing Modernization Act
Position: Favorable**

March 24, 2022

The Honorable Will Smith, Chair
Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, MD 21401
cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in support of HB71.

Manufactured housing is an important component of affordable housing. In a 2020 DHCD report, the agency reported a shortage of available affordable housing for low-income families. The national median income for households living in manufactured housing is \$35,688 compared to \$50,056 for traditional renters, and \$91,342 for traditional homeowners. The monthly costs of manufactured homes averages \$661 per month, compared to \$993 for renters, and \$1309 for homeowners. These homes are also easily customizable which makes them well-suited for individuals with disabilities who may need accommodations to live comfortably in their home. In Maryland, there are 36,318 residents of manufactured housing throughout the state.

Yet, the unique nature of these homes makes residents vulnerable to external forces. Mobile home residents own the home but not the ground that it sits upon. These households pay a monthly rent to the owner of a manufactured housing community. Should the owner of the community decide to develop the land, it costs thousands of dollars for residents to move-and many can't afford to do so and abandon their homes.

Increasingly, another scenario is more likely to occur. Private equity firms have been purchasing manufactured housing communities as investment opportunities for the past decade. When that happens, communities have seen their rents and fees for water, electricity, or snow removal increase monthly costs by 40%-60%. This makes the last bastion of affordable housing unaffordable for low-income families.

Few laws protect residents in manufactured housing from these kinds of rent increases. As a result, the state must shoulder the costs of providing shelter, food, and critical services to displaced residents who were self-sufficient prior to predatory rent increases.

HB71 increases the notice requirements if an owner decides to sell their manufactured housing community. This allows residents time to make plans to remain, to leave in a sustainable and dignified manner, or to collectively make an offer to purchase the community. The seller must in good faith consider all competitive offers. If the community's offer is accepted, the community could organize as a co-op, land trust, partnership or other venture. There are examples of successful community-owned manufactured housing parks in Vermont, New Hampshire, New York, Missouri, Oregon, and Washington states.

HB 71 expands notice for residents of mobile home communities and provides an opportunity for purchase. It provides an important update to Maryland's laws for manufactured homes, expands transparency, and creates a more informed community.

For all of these reasons, we support HB71 and request a favorable report.

Best,

Marceline White
Executive Director