



National
Consumer Law
Center

NATIONAL HEADQUARTERS
7 Winthrop Square, Boston, MA 02110
(617) 542-8010

WASHINGTON OFFICE
Spanogle Institute for Consumer Advocacy
1001 Connecticut Avenue, NW, Suite 510
Washington, DC 20036
(202) 452-6252

NCLC.ORG

TESTIMONY OF CAROLYN CARTER
before the
COMMITTEE ON HOUSING of the
CONNECTICUT GENERAL ASSEMBLY
regarding
RAISED BILL NO. 988
February 14, 2023

My name is Carolyn Carter. I am the Deputy Director of the National Consumer Law Center (NCLC). Thank you for the opportunity to testify about Raised Bill No. 988.

Manufactured housing is the largest source of unsubsidized affordable housing in the United States. Raised Bill No. 988 would go a long way to stabilize and improve manufactured home communities in Connecticut, and the lives of the people – many of whom are low or moderate income – who live there.

The National Consumer Law Center (NCLC) is a non-profit organization, founded in 1969, that specializes in consumer issues, particularly those affecting low-income and elderly consumers. NCLC provides legal and technical analysis and assistance on consumer law issues to legal services, government, and private attorneys representing low-income and elderly consumers across the country.

NCLC has long had a focus on manufactured housing. Our manufactured housing [webpage](#) highlights our many reports, issue briefs, agency comments, and testimony on these issues. Of particular relevance for this bill, we have published a [Policy Guide](#) on Promoting Resident Ownership of Communities. The Policy Guide is accompanied by a [compendium](#) of the full text of all state laws on the subject. NCLC is also the author of the widely-cited AARP [publication](#) *Manufactured Housing Community Tenants: Shifting the Balance of Power* (2004), which analyzed state manufactured home community statutes in the fifty states.

The Benefits of Resident Ownership

Resident ownership of manufactured housing communities brings enormous advantages, both for the residents and for the community at large. When residents own the land on which their homes sit, they – and the community at large -- know that their homes are secure. The danger of closure of the park, leaving hundreds of families without housing and creating a community crisis, is gone. With stable land tenure, the manufactured home becomes a true asset

for a family rather than a potential financial disaster. Stable land tenure and the protection from unreasonable rent increases that come with resident ownership also provide the groundwork for residents to secure mainstream mortgage financing for the purchase, replacement, or improvement of their homes.

Experience elsewhere has shown that, when residents own their manufactured housing community, they invest in it. They repave the roads, fix the sewer system, repair and repaint outbuildings, and add landscaping and amenities. The enhanced manufactured housing community benefits the community at large. Being able to make decisions collectively about the park also increases civic engagement and reduces societal conflict.

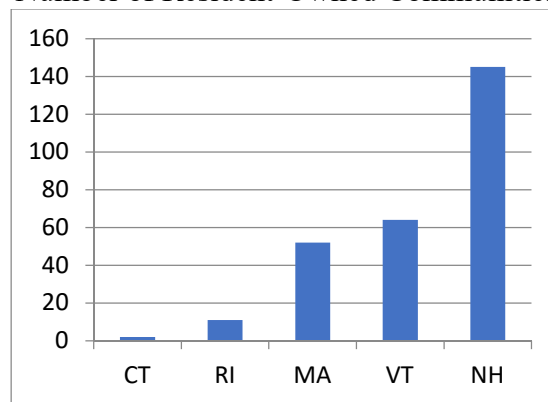
A resident purchase opportunity law like Raised Bill No. 988 will make the Ownership Society a reality for residents of manufactured housing communities and bring many benefits to the community at large. Enactment of Raised Bill No. 988 will be a benefit for residents of manufactured home communities and for Connecticut.

Why Resident Ownership Is So Rare in Connecticut

Despite the enormous benefits of resident ownership, it is rare in Connecticut. I know of only two resident owned manufactured home communities in Connecticut—one in Colchester and one in Milford that was formed in the late 1990s for residents displaced when their manufactured home community closed. Those two communities represent barely 1% of the 180 licensed mobile manufactured home communities in Connecticut.

Yet in other New England states resident-owned manufactured home communities abound. As of 2022, 52 of the 235 communities in neighboring Massachusetts—over 20% of the parks in that state--were resident-owned. In Rhode Island, 11 manufactured home communities—23% of its 48 communities--were resident-owned as of the same year. As of 2020, Vermont had converted 64 of its 238 communities to either resident or non-profit ownership. And in New Hampshire, 145 manufactured home communities – over 25% of those in the state--are resident-owned. These flourishing communities range in size from 392 lots to 4 lots, and collectively preserve more than 8,000 homes as affordable housing, safe from the danger of closure or confiscatory rent increases.

Number of Resident-Owned Communities



Why is Connecticut falling so far behind its neighbors? Having looked at resident purchase opportunity laws around the country, I can tell you that the key difference between effective laws and ineffective ones is whether the law takes a proactive or merely reactive approach. A proactive law makes sure that residents have the opportunity to make an offer to purchase a park *whenever* the park is sold. It gives the residents the opportunity to stabilize and enhance their communities *before* a crisis such as the closure of the park arises.

By contrast, Connecticut's law gives residents this opportunity only when the crisis is upon them--when the manufactured home community is being sold with the intent of closing the community and converting it to some other use such as a strip mall, glitzy condos, or a big-box store—exactly the time when it is most difficult for residents to afford to buy the park. Once a developer is prepared to buy the community and change its use, the price is likely to be too high for the residents to afford.

When a manufactured home community is being sold for continuation as a manufactured home community, however, the residents can afford to buy it almost by definition. That's because their lot rent payments will repay the developer's investment, cover all the costs of maintaining the community--and provide a profit for the new park owner. A law like Connecticut's in its current form fails to give the residents the opportunity to purchase their community at this point, when they could afford it, and gives them the opportunity only at the point when it is mostly likely to be beyond their reach.

Raised Bill No. 988 will correct this gap in Connecticut's law that has made it ineffective. For the first time, it will give residents of manufactured home communities advance notice whenever their community is being sold, so that they have the opportunity to submit an offer to buy it. It will enable Connecticut to join its neighbors in stabilizing and improving this important form of affordable housing. I urge you to vote in favor of this important bill.

