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STATE OF MAINE
114TH LEGISLATURE
FIRST REGULAR SESSION

INTERIM REPORT
OF THE
MANUFACTURED HOUSING
COMMISSION

DECEMBER, 1988

MEMBERS:

Sen. John E. Baldacci
Sen. Stephen C. Estes
Sen. Robert R. Gould

Rep. Charles R. Priest*
Rep. Donnell P. Carroll
Rep. Carl F. Sheltra
Louise Dorais
Richard Hathaway
Robert Howe
William Livengood
Joseph Riley
Arthur Ritch
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INTERIM REPORT
OF THE
MANUFACTURED HOUSING COMMISSION

EXECUTIVE SUMMARY

The 113th Legislature created the Manufactured Housing Commission during the Second Regular Session to examine several manufactured housing issues which the Legislature could not address during the session. The Commission will make its final report by December 1, 1989, and submits this interim report as required on December 1, 1988.

The Commission consists of 13 members, 6 of whom are legislators and 7 of whom represent persons or groups interested in the residential use of mobile homes. (The law creating the Commission is included as Appendix A.) The members are:

Representative Charles Priest Commission Chair	Joint Standing Committee on Legal Affairs
Senator John Baldacci	Joint Standing Committee on Business Legislation
Representative Donnell Carroll	Joint Standing Committee on State and Local Government
Senator Stephen Estes	Joint Standing Committee on Legal Affairs
Senator Robert Gould	Joint Standing Committee on State and Local Government
Representative Carl Sheltra	Joint Standing Committee on Business Legislation
Louise Dorais	Mobile home owner/park tenant
Richard Hathaway	Mobile home owner/park tenant
Robert Howe	Manufactured Housing Association of Maine
William Livengood	Maine Municipal Association
Joseph Riley	Maine Building Officials and Inspectors
Arthur Ritch	Mobile home park owner
John Schiavi	Mobile home park owner

The full Commission met 7 times between August and December, accepting testimony of many members of the public, especially mobile home owners, mobile home park owners and other persons interested in the manufactured housing industry. Through these meetings and the information presented, the Commission has developed an understanding of the complexities of the manufactured housing industry. The Commission realizes that many of the problems facing mobile home park operators and

mobile home park residents are in large part cause by the scarcity of mobile home park lots, and that many of the disputes and conflicts would disappear if more sites are made available.

The Commission's unanimous interim recommendations are as follows:

1. Adjust the composition of the Manufactured Housing Board to provide balanced representation of mobile home consumers and mobile home industry representatives;
2. Require the Manufactured Housing Board to provide booklets, which dealers will distribute, containing important information on choosing mobile homes, financing, mobile homes, warranties and other consumer rights;
3. Require the Manufactured Housing Board to develop and adopt an installation standard which is appropriate for Maine's physical and economic climate;
4. Require the Manufactured Housing Board to review compliance with the installation standard once adopted to determine if a mandatory inspection system is necessary;
5. Help municipalities comply with the statutory requirements pertaining to accommodation of mobile home parks by:
 - A. Requiring the Office of Comprehensive Land Use Planning to develop a guide for municipalities; and
 - B. Amending the comprehensive land use planning law to include compliance with the mobile home park requirements as a part of municipal comprehensive plans and implementation strategies; and
6. Direct the Maine State Housing Authority to work with the Commission to develop programs to help mobile home owners who are forced out of mobile home parks because of renovation or change of use and have to place to go.

The text of the recommendations are included as Appendix B.

The Commission and staff thank the many members of the public and other State agencies for their enthusiastic participation in the Commission's work. The Commission realizes the importance of public input and the necessity to obtain reactions from persons affected by the Commission's actions. We hope that this high level of attendance and participation continue through the remainder of the Commission's term.

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I INTRODUCTION

A. Background

In Maine, many people look to manufactured housing to fulfill their home-ownership needs. Although many rely on the affordability of manufactured housing to provide a home when they have no other housing options, others who are financially able to afford different forms of housing have chosen manufactured housing for its quality, attractiveness and convenience.

Manufactured housing consists of both modular homes and mobile homes. The Maine statutes define modular homes as structures, transportable in one or more sections, which are not constructed on a permanent chassis and which are designed to be used as dwellings on foundations when connected to required utilities, including the plumbing, heating, air-conditioning or electrical systems contained in the home. 30 MRSA §4965, subsection 1. Once the home is sited on the foundation, the owners rarely move it.

The Legislature has defined mobile homes in much the same way, except that mobile homes are constructed on a permanent chassis and are designed to be used with or without permanent foundations. 30 MRSA §4965, subsection 1. This allows the owner to move the home without structural problems if another site is desired. More and more, however, purchasers of mobile homes do not plan on moving the home once installed. Maine law defines "newer mobile homes" as being at least 14 feet wide and containing at least 750 square feet of space (30 MRSA §4965, subsection 1), but mobile homes were regularly built smaller than that before federal standards became effective in 1976.

The significant distinction between manufactured housing and site-built housing is that manufactured homes are built away from the final home site in a carefully controlled environment allowing for strict quality control and standardized parts, thereby reducing the cost. Because the homes are not built on site, they must be transported to the site. This results in the necessity of being built either wholly or in pieces small enough to be transported along roads and under bridges and utility wires. A popular form of mobile home called a "double-wide" consists of two pieces, each the size of a single mobile home, which are then attached when the home is installed at the site. The double-wide provides more space and allows a floor plan similar to site-built homes.

The Legislature created the Manufactured Housing Board in 1978 to ensure quality construction and installation of manufactured housing, to adopt and enforce regulations which will encourage the availability of decent and affordable manufactured housing and to investigate complaints. The Board

licenses manufacturers of manufactured housing (there are 3 in the State), sellers of manufactured housing (dealers and those who broker the sale of manufactured homes), mechanics (who service or install manufactured housing and who are not employed by a manufacturer or dealer) and mobile home parks. No license is required for persons who transport manufactured housing from the dealer's lot to the purchaser's site. The Board serves as the federal Department of Housing and Urban Development agent in the State to handle inspections and complaints covered by the federal construction standards.

The Board currently consists of 7 members appointed by the Governor:

- A manufactured housing owner;
- A professional engineer with demonstrated experience in construction and building technology;
- A dealer;
- An owner or operator of a mobile home park with 15 or fewer lots;
- An owner or operator of a mobile home park with more than 15 lots;
- A builder of manufactured housing; and
- A code enforcement officer with a minimum of 2 years of practical experience in building code administration and enforcement.

Each member serves for a 4 year term, and may be appointed to successive terms, although no board member may serve more than 2 consecutive terms. The staff of the Board consists of an Executive Director and a Clerk.

The Board fields complaints about manufacturing defects, which it then passes on to the Department of Housing and Urban Development. Many homeowners also file complaints with the Department of the Attorney General, which can prosecute some violations under the Unfair Trade Practices Act. The Department also sponsors a consumer mediation service which resolves some disputes involving owners of mobile homes.

The Board oversees the federal construction standards (24 CFR 3280) known as the "HUD code," which first became effective in June, 1976. The HUD code preempts all state and local standards regulating the construction of manufactured housing. All manufactured housing built after June 15, 1976, must be built to the HUD code, and is inspected at the manufacturing site for compliance. Prior to 1976, although there were voluntary codes, such as those developed by the American National Standards Institute (ANSI), there were no uniform construction or performance requirements to guide manufacturers. A major improvement under the HUD code is the fire safety aspects, mainly the upgraded wiring requirements; in fact, there have been no fatalities in Maine resulting from a fire in a mobile home built to the HUD code specifications.

The largest portion of the manufactured housing market in Maine is mobile homes. There are 126 mobile home dealers licensed by the Maine Manufactured Housing Board; 14 of the licensed dealers are located in New Hampshire and one is located in Massachusetts. In 1987, there were 2,755 new mobile homes sold in Maine. There are currently 531 licensed mobile home parks in the State, ranging in size from 3 to 358 licensed sites. (10 MRSA §9081 requires licensure of any mobile home park of 3 or more sites.) It is not uncommon for a mobile home dealer to be affiliated with a mobile home park. In fact, Commission member John Schiavi noted that mobile home parks were developed by dealers to have an attractive site for the mobile homes sold to be located. Other testimony supported Mr. Schiavi's and Commission member Robert Howe's assertions that the profits from the sales of new mobile homes are necessary to subsidize the development and operation of a mobile home park.

The purchaser of a mobile home has 2 basic choices of where to place that home. A large number choose to place the home on their own private lot in residential or rural areas (where permitted by zoning). They are responsible for obtaining electricity, water and sewer service. The homeowner must pay the mortgage on the mobile home and the mortgage on the land.

The other option is for the mobile home to be installed on a lot in a mobile home park. The owner of the park owns the land and rents lots in the park to the mobile home owners. Park owners provide access to electricity, water (municipal or private) and some form of sewer service (individual septic system per lot, community system for park or tied to municipal service). Park owners also usually provide snow plowing service, other road maintenance and street lighting, and they often provide common recreation areas for the park residents. In exchange for these services, park residents pay, in addition to the mortgage on the mobile home, lot rent, which usually does not include service and other charges. Municipalities frequently do not supply all the services homeowners outside of parks receive, and yet the mobile home is taxed at the same rate as other real property.

Mobile home owners must also comply with park rules which park owners have adopted as necessary to ensure residents' quiet enjoyment of their homes. Many mobile home owners are complaining that the rules are becoming more numerous, more burdensome and more unreasonable, while park owners counter that more rules are needed to protect the parks and other residents from unreasonable park tenants. Currently, the only potentially practical recourse most park residents have if they believe a park rule is unreasonable is to raise the question of unreasonableness in an eviction action based on violation of the rule.

Although many mobile home owners have located their homes on their own land, others have found it more convenient or easier financially to rent a lot in a mobile home park on which they have their mobile home installed. This is partly what can make mobile home living so affordable and attractive: People who cannot afford to own land and a house can still purchase and own their own home and simply rent a piece of land in a community of other mobile home owners. In southern Maine where land values are increasing dramatically, living in a mobile home park offers the only affordable home-ownership opportunity for many working Mainers.

The rise in property values has also increased the pressure on the owners of mobile home parks to fully realize the value of that land. Some park owners have sold their parks, often to residential developers. Because the park is then closed, the mobile home owners in those parks must find new sites for their homes, which has become very difficult. Many people had bought their mobile homes thinking that their futures were secure. The value of their investments has decreased as the availability of sites for mobile homes has diminished.

Not all park buyers have closed their newly-purchased parks; but, most residents in parks which have changed hands have faced difficulties. Because the purchase price of a park is based on the value of the land, the buyers of parks in high-valued areas have had to increase lot rents in order to recoup their initial investments in the park. The rent increases have been particularly large for parks where rents were kept relatively low because the former owner had held the land for several years and needed to cover only operating costs.

A few owners of parks developed many years ago have had to renovate or reconstruct the parks to replace faulty septic or other systems. Older parks, especially, were constructed with much smaller lots which cannot accommodate today's longer and wider mobile homes. Although the renovations and reconstructions are in most cases necessary to maintain the health and safety of residents (mobile home park owners have a statutory duty to provide spaces and associated services which are "fit for human habitation," 30 MRSA §4066-D), they usually result in the eviction of the homes located there; the owners of those mobile homes then have a very difficult time in finding a site on which to place their home. The eviction is necessary for the park owner to be able to afford the reconstruction or renovation. Development costs have run as high as \$15,000 per lot. Facing these expenses, a park owner often feels forced to limit entrance to the new lots to new mobile homes purchased from the park owner. The park owner can then use the profits from the sales to cover the development or redevelopment costs.

Another problem facing mobile home owners is the treatment of mobile homes built before June, 1976. As discussed above, in 1975, the Department of Housing and Urban Development adopted rules governing the construction and safety of mobile homes. Prior to that date, there were only voluntary standards that some manufacturers followed. Since June of 1976, however, all mobile homes manufactured in the United States must meet the federal standards. Mobile homes built before June, 1976, are called "pre-HUD" homes. There are major safety concerns about many pre-HUD homes, not the least of which relate to substandard wiring (leading to fire danger) and lack of proper roof snowload capacity (a very real problem in Maine).

Because of these concerns, the Maine Legislature, in 1985, enacted a law which allowed park operators to adopt rules requiring the removal of mobile homes based on the age or condition of the mobile home, provided the Manufactured Housing Board approved that park rule. As a result, many mobile home owners were unable to sell their older mobile homes because the park owner refused to let the purchaser keep the home in the park, even if the home was in excellent condition, and very few parks accept older mobile homes. allowing only new, or at least post-1976 homes. The Legislature changed the law in 1988 to prohibit the eviction of mobile homes, even at the time of sale, based solely on age. A park owner can still evict a home that he or she shows is unsafe, but its safety cannot be proved only on the basis of the date of manufacture.

Another major area of concern is very broad and covers the relationship between park owners and the mobile home owners who are tenants in the parks. Many problems are apparently traced back to the fact that there is much greater demand for mobile home park lots than there are lots to meet that demand. As a result, many park owners see little incentive to go out of their way to treat the park tenants reasonably because, 1) there is always another tenant who will fill the lot if a mobile home owner leaves, and 2) tenants are reluctant to leave even if they are treated unfairly because there are so few places to locate mobile homes. A related aspect is that park tenants are so afraid of eviction (because they have nowhere to go) that they are accepting unreasonable rules and rent as the price to pay for having a place to live. Of course, not all park owners are taking advantage of the mobile home lot market at the tenants' expense, but the few who are are making mobile home living very unattractive, if not impossible.

One cause often cited for the scarcity of mobile home park lots is the reluctance of municipalities to allow the development of new mobile home parks, or the expansion of existing parks, within their borders. Much of the hesitancy appears to stem from the traditional conceptions about mobile homes: Poor construction, unattractiveness, lack of durability. All of these aspects have been addressed in the

past several years to the point that some consumers and construction industry representatives consider manufactured housing of superior quality than some site-built homes. Municipalities have not been as quick to change their thinking as have many consumers.

B. Legislative responses

Faced with the problems discussed above, the Joint Standing Committee on Legal Affairs chose to address some of the most pressing concerns during the Second Regular Session of the 113th Legislature, while setting up this study group to deal with the more controversial problems and to spend more time crafting comprehensive solutions. The immediate (effective August 4, 1988) answers dealt with eviction of mobile homes due solely to age, municipal accommodation of pre-HUD homes on lots outside of parks, and prohibiting discrimination against families with children.

The Legislature also enacted provisions which affect municipal regulation of mobile home parks. Effective January 1, 1989, municipalities cannot require unreasonably large lots in mobile home parks, or put unreasonable requirements on roads in parks. Effective January 1, 1990, municipalities must allow mobile home parks to expand and be developed in a number of environmentally suitable locations with reasonable consideration to permit existing mobile home parks to expand in their existing locations. Public Law 1987, Chapter 770

The Legislature also created this Commission, the Manufactured Housing Commission, to study the issues for which there were no readily available solutions. The Commission consists of 13 members, 6 of whom are legislators and 7 of whom represent persons or groups interested in the residential use of mobile homes. (The law creating the Commission is included as Appendix A.) The members are:

Representative Charles Priest	Joint Standing Committee
Commission Chair	on Legal Affairs
Senator John Baldacci	Joint Standing Committee
	on Business Legislation
Representative Donnell Carroll	Joint Standing Committee
	on State and Local
	Government
Senator Stephen Estes	Joint Standing Committee
	on Legal Affairs
Senator Robert Gould	Joint Standing Committee
	on State and Local
	Government
Representative Carl Sheltra	Joint Standing Committee
	on Business Legislation
Louise Dorais	Mobile home owner/park
	tenant
Richard Hathaway	Mobile home owner/park
	tenant

Robert Howe

William Livengood

Joseph Riley

Arthur Ritch

John Schiavi

Manufactured Housing
Association of Maine

Maine Municipal
Association

Maine Building Officials
and Inspectors

Mobile home park owner

Mobile home park owner

The Commission has a final reporting date of December 1989, but is also required to complete an interim report by December 1, 1988.

II. MANUFACTURED HOUSING COMMISSION'S WORK TO DATE

A. August 25, 1988

The Commission's first meeting was convened on August 25, 1988, by the Executive Director of the Legislative Council, Sarah Diamond. Representative Charles Priest was elected to chair the Commission. The members discussed their interests and concerns, and their expectations for the Commission's work. The Commission scheduled the next five meetings, and the non-legislative members agreed to form small, informal subcommittees and to bring to the next meeting one-page summaries of the primary concerns facing the groups they represent.

B. September 8, 1988

In its first substantive meeting, the Commission heard and discussed the concerns of the interests represented.

1. **Mobile home owners.** Commission members Dick Hathaway and Louise Dorais presented a list of the primary issues facing mobile home owners.

a. **Eviction of homes.** Dick and Louise asserted that an "alarming" number of homes are evicted from parks for reasons unrelated to the tenant's conduct or pay history, but rather to "upgrade" the park and sell new mobile homes to fill those lots. They cited a specific case in which the mobile home owner was forced to move her home out of a park and, although her 1979 home was valued at \$35,000-\$40,000, because there was no place to put it, she was able to sell the home for only \$10,000, \$8,000 less than she paid for it in 1981. This disparity between the value of a mobile home remaining in a park and the same mobile home when no site is available was not predicted in most cases when the mobile home was originally purchased, and causes financial hardship for mobile home owners who thought their future housing needs were met.

b. **Drastic rent increases.** Although a 30-day notice is required for all rent increases, there is no limit on the amount of increase. An example was cited of a 33% (\$40) increase over a 13-month period.

c. **Unreasonable rules.** There are no statutory guidelines governing the content of most park rules. (The law does provide guidance for rules governing eviction of mobile homes when sold.) Some park rules prohibit personal automotive work, washing cars, construction of homemade storage sheds and other activities which many tenants find

to be reasonable activities. A specific example cited was the recent case where a district court judge held that a park owner could evict a tenant who erected a fence in violation of park rules.

d. Municipal zoning. In many areas, especially the more populated areas, zoning requirements make it economically infeasible to purchase and develop land for one or more mobile home sites, which makes each existing site more valuable and in demand. These restrictive zoning ordinances often require large lots or considerable road frontage for all single-family house lots, which apply to mobile home parks; if mobile home parks are allowed at all, additional conditions are placed on the developments, such as granite curbing, or the areas which are zoned for mobile home parks are unsuitable for residential development or, in a few places, for development of any kind. There are some municipalities which, without specifically banning mobile home parks, do not provide for parks in their comprehensive plan or ordinances.

e. Powerless tenant organizations. Without protective laws, tenants believe they have little leverage but great fear of reprisals when negotiating with park owners and operators.

f. Excessive or unreasonable fees. Many tenants do not believe all the additional fees charged are justifiable. The specific charges mentioned were for number of occupants, number of cars, pets and sewerage fee per person.

The representatives of park owners responded to the concerns. They maintained that if tenants were more responsible, restrictive rules would not be necessary. For example, some tenants have drained oil from the cars they are working on directly onto the ground, which can require an expensive clean up under state environmental laws. Additional fees are usually related to the services provided. For example, if the park provides water and sewer service, there are costs associated with additional persons living in the mobile home.

2. Mobile home park owners/operators. Commission members Bob Howe, Art Ritch and John Schiavi presented a list of park operators' concerns.

a. Over regulation by state and local governments. Many park operators believe that there are too many restrictions on running a

mobile home park, reducing the incentive to operate parks. The worry exists that more restrictions will be imposed on all park operators in response to a few, localized problems.

b. Problem of older homes in parks: Will the new law work? Park owners are concerned about the safety and appearances of parks, and are therefore worried that it will be difficult to maintain quality and safe parks under the requirement that the park owner or operator has the burden of showing that the mobile home does not meet the standards as allowed by law.

c. Difficulty of affecting an eviction. Art Ritch said he has just about given up on evictions because they take so much time and effort to accomplish. With the scarcity of mobile home spaces, park owners see judges as more reluctant to evict mobile homes except in egregious cases.

d. Towns defying state law on lot size and other local restrictions on expansion of parks; subdivision standards. Park owners have seen evidence that some towns have no intention of complying with the new (effective January 1, 1989) state law prohibiting large lot size requirements.

e. Property tax assessments. Apparently, some towns are assessing mobile home parks based on the income the park is generating. In any event, property tax increases are passed on to tenants, which can result in large rent increases.

f. Costs of water and sewer. The costs of water and sewers, whether town sewer systems or private septic systems, are also increasing constantly.

g. Water quality testing. Parks which have their own water systems will have to comply with stricter regulations covering "community water supplies."

h. Ineffective late rent charge provision. Park owners believe that some tenants abuse the late rent charge because the maximum penalty is so low. Park owners can charge a late fee of 5% of the rent due or a maximum of \$5. One park operator even said that tenants use the parks like banks, which is worthwhile because the interest rate is lower than banks charge on loans.

i. Insurance costs/liability. Liability insurance costs are increasing steadily. Many parks have eliminated playgrounds because of the liability aspect.

j. Trash removal. Just as the rest of the state is struggling with the question of what to do with solid waste, park owners must face the same problems; tipping fees have also increased.

k. Septic system issues. Art Ritch expressed his frustration that state laws do not allow methods of reducing pressures on park septic systems, such as separating "gray water" from sewage.

l. Lack of police protection. Park owners claim that the police will not patrol mobile home parks, although they will respond if called.

3. Municipalities. Commission member Bill Livengood listed the following issues identified by the Maine Municipal Association with respect to municipal zoning and availability of spaces for mobile homes.

a. What is the extent and cause of the problem? The Commission should collect specific information on how many spaces are available and what the demand is for those spaces. Also, can municipal regulation be considered the cause of the scarcity, or do State regulation and the real estate market play more significant roles?

b. Has the issue of municipal regulation already been dealt with? Many of the municipal regulation issues were addressed in Public Laws 1987, chapter 770. It may be premature to reconsider these issues at this time because the new restrictions do not go into effect until 1989 and 1990 and municipalities have not had enough time to respond.

c. Maintain consistency with Growth Management Law. Maine's new growth management law (PL 1987, c. 766) requires that municipalities meet specific state goals, including opportunities for affordable housing, through local development of comprehensive plans and implementation programs by certain dates. Any further state restriction of municipal authority should be consistent with the emphasis the law places on comprehensive planning.

d. Is the density permitted in mobile home parks by current state statute reasonable? The new law prohibits municipalities from requiring that the individual lots in parks be larger than the minimum required by the Manufactured Housing Board (5,000 square feet per unit if served by a central sewage system). Municipalities have raised the concern that this would lead to very high relative density if a park is located in a rural area, or where site-built house lots must be at least 2 acres or 100,000 square feet.

4. Existing information and commentary. The Commission briefly reviewed the availability of past reports:

a. Report on Current Practices Relating to Siting of Manufactured Housing, Dept. of Business Regulation, 1980. The report, produced through examination of the ordinances of almost all the municipalities in the State, details the requirements prescribed by many Maine towns for the siting of mobile and modular homes as of 1980. The town practices are categorized according to the type of regulation: Whether permitted at all, permitted on separate lots or in parks, by right or by special use or conditional use permit; percentage of town in which allowed; requirements for setback, lot area, floor area, and other unique provisions. The report also analyzes case law through 1980. The cases at the time presented a mixed bag of results. The Supreme Judicial Court decisions generally upheld municipal action, as long as the ordinances contained sufficient standards for decision-making. The report also lists the number of mobile homes and mobile home parks in each municipality. Finally, the report provides possible alternative solutions, ranging from doing nothing to providing educational programs to establishing legislative standards for zoning.

b. Final Report of the Review Committee on Manufactured Housing, Joint Standing Committee on Local and County Government, 1981. The Current Practices report discussed above was prepared for the use of the Review Committee on Manufactured Housing. This report summarizes the Current Practices report, and, on the basis of that information, makes recommendations. The recommendations include directions to municipalities to review their ordinances in light of the committee's concerns about restrictions, and encouraging the State Planning Office to conduct an educational program on manufactured housing. The Joint Standing Committee on Local and County Government would monitor and review municipal actions and, if necessary, introduce siting legislation.

c. Update of 1980 Study of Municipal Mobile Home Siting Requirements, State Planning Office, 1983. This report, consisting of many charts, uses the Current Practices report as baseline information to track changes through April, 1983. The report lists municipalities in groups as

either imposing "major" restrictions or "minor" restrictions. Any action taken from 1980 through 1983 is recorded and analyzed.

d. A Guide to Maine's New Manufactured Housing Law, State Planning Office, 1984. This report summarizes 1983 legislation which requires municipalities with zoning ordinances and land use regulations to allow manufactured homes on individual house lots in a variety of locations. The report was prepared to help municipal officials comply with the law, and provides information and answers to many questions concerning the implementation of the 1983 law.

e. Municipal Compliance with Maine's New Manufactured Housing Law, State Planning Office, 1985. This report summarizes the changes enacted by the 39 municipalities after the 1983 law changes (which had a compliance deadline of January 1, 1985).

5. Economics of running a mobile home park. Bob Howe made a presentation on the economics of developing and running a mobile home park. According to his analysis, rents alone do not cover the costs of investing in and building a mobile home park; the sale of mobile homes helps pay for the development costs. Bob estimates the costs of developing or renovating a park at as high as \$15,000 per lot. In a well-established park for which the development costs are fully amortized, the rent can cover the operating costs. In such cases, the rent does not reflect the value of the land. If the park owner sells the land, the new owners would most likely raise the rent to help recoup their investment. The Manufactured Housing Association of Maine is now encouraging mobile home park owners to increase rents annually to more closely reflect the value of the land and to reduce the "shock" the park tenants experience when the park is sold and the new owner raises rents. Most parks which are under construction or expanding are dealer-related because the park owner needs the profit from the sales of homes to cover the construction costs. John Schiavi said that mobile home parks were created to provide sites for mobile homes in order to support sales, but most developer-dealers did not operate the two activities as separate economic entities.

6. Rent control. The Commission viewed a video tape which claims that rent control actually decreases the number and quality of the housing stock. The Commission received a law review article claiming that rent control is appropriate in areas undergoing "gentrification," that is, the lower-priced housing is rehabilitated and

higher-income people move in, forcing out the lower-income residents. Gentrification also reduces the housing stock on the lower-income end of the housing spectrum.

7. Planned speaker. The Commission agreed to invite to the next meeting Michael Liberty, owner of Katahdin Homes, which has recently purchased mobile home parks.

C. September 22, 1988

1. Code enforcement issues. Commission member Joe Riley discussed code enforcement problems concerning mobile homes, and listed 3 major areas of concern:

a. The municipal inspection department has no generally recognized right of entry to inspect mobile homes in mobile home parks.

b. The municipal inspection department should have authority to inspect and accept/reject interior plumbing outside the scope of the manufacturer's work.

c. Many mobile home owners have added unsafe additions (e.g. roof additions, changing from flat to peaked roof).

Joe also shared the story about a mobile home, sold by a dealer in New Hampshire, which fell off the wheels on the way to the purchaser's lot. The mobile home was severely racked, yet it was delivered to the site and the purchaser has no readily available recourse against the dealer because the dealer is located in New Hampshire and not licensed by the Maine Manufactured Housing Board. (If the dealer were located in Maine, the home buyer would be protected by Maine law.)

According to John Schiavi, a local building inspector has no authority to enter a mobile home with a HUD seal and inspect any factory-installed systems. Any on-site connections, dealer-installed or non-factory-installed equipment are subject to municipal inspection. An inspector may enter a mobile home to make sure it is a "HUD-seal" home. Bill Livengood clarified that a municipal inspector can go to district court and obtain an administrative inspection warrant if he or she believes a code violation exists. There is also a statute which gives building inspectors the authority to enter a building if a fire hazard exists.

2. Comments from mobile home park owner: Park renovation. Theresa Defosses, the owner of Pinecrest Park in Scarborough, explained why she is undertaking a

major renovation of the park. (This is the park from which the mobile home owner was evicted, as discussed at the last meeting.) The old lots are small, which means the mobile homes are close together, and the plumbing and sewage systems are worn out. Ms. Defosses, in 1982, notified all the residents that the park would be renovated. In addition, she gives each section at least a year's notice in advance that they will have to move their mobile homes. If there are vacant lots in sections that have not been renovated, she allows the displaced homes to move there. Once the rebuilt lots are complete, however, she allows only new mobile homes, which she sells, to be installed. Ms. Defosses estimates that the development costs will be recouped with the sale of the new mobile homes, and that operating costs will be covered by rent.

3. Economics of running a mobile home park, revisited. Louise Dorais, using the figures supplied by Bob Howe at the last meeting, outlined a "property analysis" based on rent of \$125/month and \$210/month per lot. By including 10% annual property appreciation, the net annual rate of return is 24.69% if \$125/month is charged for rent, and 42.59% for rent of \$210/month. Others commented that those rates of return are not accurate because an annual appreciation 10% cannot be guaranteed, and that the appreciation, no matter what magnitude, cannot be realized until the property is sold.

4. Comments from the representative of a mobile home park owner/operator. Dick Trafton, an attorney who represents Bob Foss, owner of Stetson Brook Estates and Country Lane Estates, spoke on his own behalf and answered questions for Mr. Foss. Mr. Trafton said the real combatants were not the park owners and the residents, but the park owners and municipalities. He suggested that an effort be undertaken to educate municipalities about the benefits mobile home parks can contribute:

a. Roads and utilities are provided, but not only are they not the responsibility of the town to install and maintain, but they can be taxed.

b. New and expanded mobile home parks increase the tax base, mainly because mobile homes are now worth much more.

c. Mobile home parks do not create areas with lots of children whose education the town must finance. Mobile homes do not have more than 3 bedrooms, which cannot be said of most subdivisions of site-built housing.

d. Many of the safety concerns and aesthetic considerations have been addressed through the HUD code and industry improvements.

Mr. Trafton also suggested enacting a state policy to encourage mobile home parks, much as the Legislature did for community living facilities for mentally handicapped or developmentally disabled persons (30 MRSA §4962-A). The State should supply the appropriate criteria for decision making, but leave the decisions up to the municipalities.

5. Maine State Housing Authority. Priscilla Froehlich of the Maine State Housing Authority (MSHA) explained the lending programs for the purchasing of mobile homes. MSHA will finance new or used mobile homes in parks or on privately-owned lots, but only HUD-code mobile homes qualify. The mortgage is for 30 years. If the mobile home will be placed on a lot that the purchaser does not own, MSHA requires a 40-year lease with the park (10 years longer than the mortgage, which provides a real estate interest to secure the loan). Members of the Commission voiced concerns about the lack of flexibility a 40-year lease gives the park owner. Ms. Froehlich said that about 1% of MSHA's \$500,000,000 is currently financing mobile homes. This program is available for only first-time home buyers.

6. Dispute resolution. Dick Hathaway provided a summary of the role of a tenant's association in resolving disputes, and different types of mediation. He also suggested establishing a Mediation Review Board, whose duties would include review of park rules.

D. October 13, 1988

1. Comments from mobile home parks owner. Michael Liberty, owner of Katahdin Homes, asserted that his company is in the mobile home park business on a long-term basis and not just to make a quick profit. He emphasized the need for affordable housing opportunities for the elderly and low-income families in Maine. He explained that it is cheaper to buy an old park than to build a new park (\$8,000-\$12,000 vs. \$15,000• per lot).

In the case of Baybridge Estates (formerly Crooker Mobile Home Park), Katahdin determined that a large rent increase was necessary to cover operating costs. Tenant outcry led to negotiations and reduced rent increases. Mr. Liberty claimed that because his is a significant corporation, it was able to handle the smaller rent increases, which resulted in an actual cash loss of \$200,000. It will take about 5 years to recoup losses in that park even with annual rent increases.

Mr. Liberty reiterated that lot rents must be subsidized by the sale of new mobile homes or each lot will cost at least \$240/month to rent. There must be means to build a park (he estimated costs at \$15,000/site) and get a fair return. Mr. Liberty has worked hard with banks to convince them to recognize that mobile home parks need financing commitments. Even now, banks will not provide fixed rate financing for longer than 3 years for mobile home parks.

When asked what he considered a "fair return," Mr. Liberty said that people have different opinions, but that some short-term gain is needed and that 15% might be the minimum he could accept. Not everyone can afford to sell mobile homes due to the large up-front costs, yet one needs to sell new mobile homes to keep rents low.

Mr. Liberty said he would accept a 40-year lease to make Maine State Housing Authority financing possible, provided the lease language is appropriate. Mr. Liberty cited the "Catch-22" situation which results from the facts that more sites are needed for older mobile homes, but a developer developing new lots cannot afford to develop those lots without the proceeds from the sale of new mobile homes.

Mr. Liberty pursued financing through banks rather than the Finance Authority (FAME) because FAME will not finance a project unless no other financing is obtainable. Because the Katahdin corporation is significant, conventional financing was available; this is not always true for smaller operations.

Mr. Liberty agreed that eventually the subsidy from new home sales runs out because the sales drop off as the lots are filled, but that by then the mobile home park can adjust and become self-sufficient. He estimated that it takes 11 years to make a profit with a new mobile home park. Katahdin will be announcing a new financing program in the next couple of months.

In his parks, Mr. Liberty said they considered a new mobile home as "there for the duration." They can last as long as a stick-built home if properly maintained. Katahdin tries to work with people with older homes to avoid conflicts.

Mr. Liberty added that mobile home park developers and operators are not getting the credit they deserve for developing the resources needed by the communities. The State should recognize that mobile homes are a good and viable method of providing affordable housing. Pressure needs to be put on communities to help address the affordable housing problem by allowing more sites.

Mr. Liberty said he did not believe that mandatory mediation was necessary, as long as park owners approach potential conflicts in reasonable, orderly way.

2. Comments from mobile home owners concerning defects. Although not originally scheduled, Rep. Dan Gwadosky (Fairfield) requested that the commission hear the stories from several people who bought new mobile homes which had defects. The dealers (in-state) and manufacturers (out-of-state) mentioned have been slow to respond and their responses often are not satisfactory. Rep. Gwadosky mentioned that this is the main problem in the Waterville area, not that there are not enough spaces. The consumers testifying were: Ginny Deemo (Oakland), Sharon Ingalls, Michelle Sanders, Diane Hall and Ruth Marquis.

3. Mediation program available through the Attorney General. Jim McKenna, Assistant Attorney General, spoke to the Commission about the consumer mediation program operated by the Department of the Attorney General and which is staffed by volunteers. If either party involved does not want to mediate, then mediation is not forced. The mediation program was adopted because the Attorney General's office was overwhelmed with complaints. The office cannot act as private attorneys for people with complaints. The State will bring suit if there are enough incidents to show a pattern of unfair trade practices. Mr. McKenna agreed to submit an outline of his legislative suggestions addressing these issues.

4. Comments from a mobile home park owner/operator. Sherry Davis, owner and operator of Maplewood Manor and Merrymeeting Mobile Home Parks in Brunswick distributed letters which she had sent to her tenants. She and her husband are selling one of the parks and will continue to manage it for at least 2 years after the transfer scheduled for April, 1989. At this point, the new owner is planning to continue to operate the park as a mobile home park indefinitely.

5. Mediation. Louise Dorais asserted that tenants need the protection of the law when it comes to requiring park owners to participate in mediation concerning unreasonable rules. Bob Howe said he needs to see actual examples of unfair rules before he will be convinced that statutory remedies are necessary. Christopher St. John of Pine Tree Legal Assistance agreed to help put the rules samples together. He also mentioned that right now the only way to determine if rules are unreasonable is to raise the unreasonableness issue as a defense to an eviction proceeding. Tenants are reluctant to do this because of the scarcity of

sites for homes. Mr. St. John also addressed the warranty issue, pointing out that Pine Tree cannot represent anyone in a warranty case because of the possibility of the award of attorney's fees. He believes that there should be more publicly-financed remedy procedures.

Although at least 5 states have some sort of mediation provisions on the books, Bob Howe has discovered that only Florida has much experience using those laws. The Florida law might be a good starting place for developing legislation for Maine.

6. Comments from a mobile home dealer. Paul Farrington (former legislator), a sales consultant with Central Maine Mobile Homes, made 3 points. First, that the line must be drawn dividing what is warranty work on new mobile homes from what is the responsibility of the homeowner to maintain. The second suggestion was that the "overnight" mobile home sales companies should not be allowed to exist. Third, many manufacturers are building more mobile homes than they can competently handle, which results in the lack of quality some consumers are experiencing.

7. Mobile home park survey. The draft survey form which will go out to all licensed mobile home parks was discussed. Additions to be considered include: numbers concerning sites with children; visitation policies in adult parks; whether the park owner is affiliated with a dealer and whether park access is limited to purchasers; park entry fee; communication with tenants; effect of DEP process; MSHA financing; use of leases; rent increase; cost increases. It would also be helpful to have the parks send copies of their rules.

E. October 27, 1988.

The Commission met to receive legislation proposals and to continue discussions.

1. Legislative proposals. Jim McKenna, Assistant Attorney General with the Consumer and Antitrust Division, presented a memo outlining his suggestions for legislation concerning mobile homes and mobile home parks. His proposals are based on his experiences with consumer complaints and what he sees as the causes of the problems. Although Attorney General Tierney is following the work of this Commission closely, Mr. McKenna's proposals do not necessarily represent Mr. Tierney's position.

The mobile home complaints received by the Attorney General's office fall into 2 major areas in which, Mr.

McKenna believes, the consumers are not adequately protected: 1) Sale and installation of defective mobile homes; and 2) Unfair practices by mobile home park owners. The consumer problems seem to be caused by a lack of enforceable state standards and the failure of the parties to communicate rather than an intent to defraud or deceive.

The Consumer and Antitrust Division has received a significant number of consumer complaints dealing with defective homes and improper installation. Mr. McKenna suggested that the best solution is to provide for inspections of mobile homes and installations, and to expand and clarify the Manufactured Housing Board's authority to order corrections, levy fines and suspend and revoke licenses.

The other area in which Mr. McKenna suggested legislation is improving the relationship between mobile home park owners and tenants. The Division has received increasing numbers of complaints about unfair evictions, unfair restrictions on the sale of mobile homes, lack of access to mobile home parks without paying a sizeable entry fee or being forced to purchase a new mobile home and ever-increasing rents. A key concept Mr. McKenna would like to see the Legislature adopt is that park owners should make their profits from rent, not entry fees, other charges or the sale of new homes. This would eliminate some practices identified as unfair by tenants.

Mr. McKenna based his suggestions on the premise that if tenants are empowered to at least discuss with park owners the park conditions they consider unfair, then many problems will be resolved without further state intervention. Mr. McKenna makes the following recommendations:

- a. Tenants should have the right to organize and seek mediation on park conditions. Mr. McKenna suggests that the Florida statute (§§723.075-723.079) be used as a model to provide these protections and opportunities to park tenants.

- b. There should be no entry fees or other barriers which offer park owners an incentive to evict. Mr. McKenna suggests that the Legislature prohibit any park from conditioning entry to the park on the purchase of a new mobile home. New or renovated parks could charge a "development fee" to help cover the cost of construction or reconstruction. The Legislature should adopt a

principle that new tenants should not be required to pay extra fees to gain entry to the park, whether from inflated profits on the purchase of a new mobile home or park entrance (or exit) fees, unless the fee is for specific services rendered.

c. Park services charges should be limited to the actual costs incurred. This would eliminate fees which could not be justified.

d. Tenants should have the right to sell their mobile homes to prospective park tenants. Park owners should be required to provide in writing reasons a potential purchaser is not accepted as a tenant. This will help mobile home owners in their search for buyers, and eliminate rejections based on harassment targeted at removing older homes.

e. Tenants associations should be given the opportunity to purchase a mobile home park being converted to another use. This practice is followed by both Florida and Massachusetts.

f. Tenants should receive fair notice of park renovations or conversions. (Mr. McKenna mentioned 3 years as reasonable notice.) In addition, if a tenant's lot is renovated, the tenant should be given the opportunity to move the mobile home back on the lot when the renovation is completed as long as the tenant is willing to pay the "development fee."

g. Specific examples of unreasonable park rules should be listed in the statute. Mr. McKenna also suggests a requirement that park owners deal with tenants "fairly" and in "good faith" as is required under Florida and Arizona law.

h. The membership of the Manufactured Housing Board should be expanded to include mobile home park tenants and owners of manufactured housing.

The third area in which Mr. McKenna recommended review is municipal zoning for mobile homes. He suggested that the Legislature should commission an intensive study, to be completed in the next year, of all municipalities' zoning practices and treatment of manufactured housing and mobile home parks. Legislation should then be proposed that requires municipalities to make at least some accommodations for mobile home parks and other forms of cluster housing.

Mr. McKenna provided an anticipated annual budget for his proposal for a mobile home inspection system, drafted by Dave Preble, Executive Director of the Manufactured Housing Board.

2. Comments from a licensed broker of mobile homes.

Donna Tremblay, a real estate broker based in New Hampshire and licensed by the Maine Manufactured Housing Board to sell and broker the sale of mobile homes in Maine, addressed the Commission concerning her involvement in 2 lawsuits concerning the now-repealed statute allowing park owners to require the removal of older mobile homes when sold. She also spoke about the fact that the current ability of park owners to evict upon sale mobile homes which are narrower than 11'6" has not helped the owners of pre-1976 mobile homes very much, and that there are still new 10'-wide homes available. In contrast to Maine law, New Hampshire considers mobile homes realty and therefore regulates the sellers and brokers more thoroughly, resulting in more protection to consumers, than in Maine. (Mobile homes are considered personal property in Maine.) The Commission did not, however, express an interest in removing the 11'6" criterion from the law governing removal of mobile homes from parks.

3. Legislative proposals. Andrea Cianchette Maker, representing the Mobile Home Owners Association of Maine, Inc., proposed 6 areas of legislation to address park owner/operator-tenant issues.

a. Formation and protection of tenants' associations. Ms. Maker suggested that legislation should be enacted to provide protection and recognition for tenants forming associations. Protection would include prohibiting retaliatory action by park owners. The associations would be authorized to approach park owners and use mediation to resolve disputes. Mediation would provide a more flexible dispute resolution system than the courts can currently provide.

b. Mediation. Ms. Maker recommended that a mediation service be established with mediators knowledgeable in mobile home issues. The costs would be borne by the parties involved, or by the Manufactured Housing Board.

c. Tenants' associations' right of first refusal to purchase park. Allowing tenants to purchase the park at the same price as a bona fide purchase offer would not harm the seller and would

alleviate some problems experienced due to the nature of some purchases.

d. Revise the current makeup of the Manufactured Housing Board. Ms. Maker suggested that 2 more manufactured home owners be added to the Board to have equal representation of industry representatives and home owner representatives. Ms. Maker sees certification of tenants' associations as an appropriate role for the Board to undertake.

e. Park rules. Ms. Maker proposed a requirement that any fees charged in addition to the monthly rent be justified by the associated costs incurred. The statute should also provide that the park rules must address:

(1) The nature of the services provided by park management, maintenance and operation;

(2) A description of all improvements required to be installed by mobile home owners as a condition of occupancy;

(3) The manner in which utility and other services will be provided;

(4) An explanation of the manner in which rent and fees will be raised, identifying which fees will be assessed and justification of those fees;

(5) Traffic;

(6) Guest policies;

(7) Health; and

(8) Safety.

Ms. Maker also recommended strengthening enforcement of the current law requiring that written park rules be distributed to all tenants.

f. Displacement. Ms Maker suggested that new or redeveloped mobile home parks be required to accept at least 25% "used" (i.e., already been lived in) mobile homes. The proposal also requires the park owner that is evicting mobile homes to provide financial and other assistance in locating a new site. If no reasonable site is found 8 months after the one-year eviction notice, the home cannot be evicted. Tenants evicted

within 2 years of locating in a park due to redevelopment, the park owner would repay a pro rata portion of the entrance fee.

4. Fair Housing Act: Discrimination against families with children. The Commission discussed the 1988 Amendments to the Federal Fair Housing Act which preempt state law concerning discrimination against children in the sale and rental of housing. There can be no discrimination against families with children in mobile home parks; the exceptions are parks where each person is at least 62 years old, or where each unit has a resident who is at least 55 and special requirements are met. The federal law does not preempt state or local occupancy limits, but the effect on park occupancy limits is unclear. Parks are treated as in compliance as of the date the federal law was signed (September 13, 1988), but all new residents must comply with the law. Because the Maine Human Rights Commission will undertake enforcement of the federal law, the Commission will request a representative of the Maine Human Rights Commission appear at the next meeting.

5. Comments from mobile home park tenants: Unfair evictions. Two mobile home owners discussed their experiences and the receipt of eviction notices. Ethel Boudoin bought a 1975 mobile home in a park in Old Orchard Beach. After living there for 1 year, she received a 2-year eviction notice for change of use. She has a \$16,000 mortgage, made a \$4,000 down payment, and just invested \$2,100 for new windows. She now finds there is no place for her to take the mobile home, and is told it could be sold for no more than \$8,500. Diane Pratt and her husband bought a new mobile home and placed it in a park in Turner. After a few conflicts with the owner over rules, the Pratts helped to organize a tenants' organization. Nineteen days later they received an eviction notice because the park owner wants to divide and reconstruct their lot. Ron Poulin, the owner of the park, explained that the timing of the eviction notice with the tenants' organizing was just a coincidence. He offered them a choice of the 2 lots created from their present lot if the Pratts can remove their mobile home for 3 months while the 2 lots are constructed.

6. Unreasonable rules. Christopher St. John (Pine Tree Legal Assistance) brought up examples of what he considered minor rule infractions which were cited by the park owner as reasons for evictions. The Commission discussed (without conclusions) differences between health and safety rules and other rules, how to make tenants take rules seriously if eviction were not a possible consequence, and the use of fines for rule

violations. A list of blatantly unreasonable rules to be included in the statutes may be a possibility.

F. November 17, 1988

The Commission met to receive additional testimony and to discuss preliminary drafts of recommendations.

1. Comments from Dave Preble, Executive Director of Manufactured Housing Board.. Dave Preble explained that the Board entered into a cooperative agreement with the Department of Housing and Urban Development to be the state agent for consumer complaints regarding manufacturing defects.

There is very limited consumer recourse. Upon complaint by the Board, HUD will inspect to see if there is a manufacturing defect and will require that the manufacturer correct all substantial defects. With over 20,000 HUD-seal homes in Maine, there have been no fatalities from fires in those homes, and only 1 injury. Mr. Preble said that many purchasers of "economy" mobile homes (under \$30,000) do not realize that despite the fact that the homes are built to the HUD standard, the quality of the work and materials is not as high as in more expensive models.

HUD pays the Board \$12 for each mobile home brought into Maine. Mr. Preble said there were 110 complaints filed with the Board last year, and 90-100 were against out-of-state manufacturers. Most of the complaints were resolved under the federal program, but the consumers are not satisfied. Civil action, resulting in a steep fine, is possible under the federal program, but the Attorney General has been reluctant to take that action against out-of-state manufacturers. Even if not licensed in Maine, out-of-state manufacturers can still sell mobile homes in Maine by retaining no business presence in the state.

Mr. Preble showed a video tape of the mobile home that was severely damaged when it fell off the wheels on route to the site. Installation now is usually part of the contract of sale with the dealer. A lot of problems with the home and the installation could be discovered in an inspection at the time of installation.

John Schiavi said he was reluctant to endorse required inspections for all installations, especially if the bulk of the problems are on private lots. A park owner is required by law through the warranty of habitability to provide an appropriate and proper site.

Richard LaChance of Peoples Heritage Bank made 270 loans

for mobile homes this year, about 50% on private lots. The Bank's usual policy is not to close until the mobile home is delivered and installed. In contrast, most dealers will not deliver a home until they are paid, leaving consumers with little leverage.

2. Comments from Patricia Ryan, Executive Director of the Maine Human Rights Commission. The Maine Human Rights Commission is the administrative agency for HUD in Maine. Ms. Ryan discussed the additions to the Federal Fair Housing Act and its protection of familial status from discrimination. HUD has published draft regulations, for which the comment period ends December 9. The draft regulations require mobile home park owners to comply with the law as of September 13, 1988, to qualify for exemptions, even though the law does not go into effect until March 12, 1989. The State law conflicts with the new federal law, and the federal law will preempt the State law in those areas beginning in March. Anyone who complies with the 55 or over housing requirements now, as required by the draft regulations, will be in violation of State law. Ms. Ryan suggested that the Maine Human Rights Act be amended to conform with the federal law as soon as possible. The members of the Manufactured Housing Commission agreed to support such legislation in the upcoming special session.

3. Comments of Bob Howe, Executive Director of the Manufactured Housing Association of Maine. Bob Howe discussed the MHAM's concerns about over-regulation and the scarcity of mobile home spaces. He also presented proposals to limit abusive practices and to ease the regulatory burden. The Association supports:

a. A strong manufactured housing installation standard to be enforced by the Manufactured Housing Board with sufficient sanctions to ensure compliance;

b. The addition of staff to the Manufactured Housing Board sufficient to respond in a timely fashion to all consumer complaints, as well as to inspect all parks on a routine, annual basis;

c. The right of park residents to be notified of the intent to sell the park in which they live or to lease it for a purpose which would result in its discontinuance, their right upon some minimal showing of organizational and financial viability to be given notice of any bona fide third party offers, and their right to submit competing offers on the same terms and conditions;

d. A review by the Manufactured Housing Board of

park renovations or reconstructions which lead to evictions to ensure that they are reasonably related to protecting the health and safety of residents of the park;

e. A voluntary mediation process for park operators and park residents to discuss residents' concerns, assuming that it is not a proxy for rent control and that the costs are shared by both parties;

f. Clarify the new provisions on safety standards so that park owners have the right to require older homes to undergo safety inspections at the owners' expense;

g. Permitting park owners to impose reasonable aesthetic standards at the time the homes are sold with a presumption that the improvements add to the value of the home and thus are not a financial hardship;

h. Increasing the permissible penalty on late payment of rent or other charges;

i. Permitting park operators to serve eviction notices either by certified or registered mail, or in person; and

j. Permit the award of attorney's fees in consumer warranty cases only where there is a substantial defect in the home, and the retailer and manufacturer have been given a reasonable opportunity to correct it and have failed to do so.

4. Comments of mobile home owner. Laverne Mahler addressed the Commission about increased rents. She lives in a mobile home park in Auburn, and annual rent increases have just about equalled her cost of living adjustments to her disability and social security payments. The Commission will invite the State Tax Assessor or other representative of the Bureau of Taxation to review the use of the Elderly and Low-Income Property Tax and Rent Refund Program by mobile home owners renting park lots.

5. Comments of mobile home owner. Rick Rioux lives in a 1974 home in Worumbo Estates in Lisbon. He is being evicted because his lot is being reconstructed, and he has found no place to put his home.

Ed Wall, the owner of the park, explained how he needs to improve the lots. He will try to work something out.

6. Comments concerning lot size, Maine Municipal Association. Gary Wood, legislative attorney for the Maine Municipal Association, proposed that the maximum lot size provision (which will become effective January 1, 1989) be amended to 10,000 square feet in towns whose zoning includes a minimum lot size of at least 10,000 square feet. The difference in density could cause difficulty for towns. The Commission raised questions about the increased development costs associated with less dense development. The Manufactured Housing Board rule allows 5,000 square foot lots for homes on a community septic system as long as there is an additional 15,000 square feet for each lot set aside for a total of 20,000 square feet for each lot.

Gary Wood will discuss whether MMA has changed positions on the lot size issue with MMA's Legislative Policy Committee.

8. Comments concerning lot size, mobile home park owner. Bob Foss, Country Lane Homes, made a presentation about his difficulties in operating and developing mobile home parks in Lewiston. Lewiston has dedicated only 200 acres for mobile home parks, and a good portion of that area is ledge and hills. Additional requirements have been placed on Mr. Foss's property which do not apply to stick-built developments.

Ed Wall owns property adjacent to Worumbo Estates on which he would like to expand the park. If the 5,000 square foot limit is raised, his plans will be thrown out.

9. Comments concerning lot size, municipality. Paul Bouchard of LeVant explained that things are different in Central Maine compared to Southern Maine. The pressures and land prices are not as great.

10. Deliberations. The attending members of the Commission discussed the drafts prepared for discussion. The drafts were not accepted as written, but no consensus was reached.

A subcommittee (consisting of Bob Howe, Louise Dorais, Charlie Priest and Bill Livengood) was appointed to develop drafts to bring back to the full Commission.

G. November 29, 1988.

The Commission held its final meeting before the interim reporting deadline and discussed its findings and recommendations. The members agreed to include in the interim report only those recommendations which were backed unanimously. The findings and recommendations are included in Part III, with drafts included in Appendix B.

III. INTERIM FINDINGS AND RECOMMENDATIONS

The Commission, despite the differing and often adversary interests represented, unanimously agreed to recommend legislation when submitting the required interim report, due December 1, 1988. The following are the findings and recommendations made by the Commission so far in its work. The recommendations are designed to address specific areas which were raised through testimony before the Commission and information collected for the Commission's use. The legislative recommendations will be submitted in the form of 3 resolves and one bill. The text of the drafts of the recommendations are included in Appendix B.

Composition of Manufactured Housing Board

The Commission envisions a slightly expanded role of the Manufactured Housing Board in the future, which may include some form of recourse for mobile home park owners and their tenants who are involved in disputes. With that in mind, the Commission finds that the present composition of the Board is slightly skewed in favor of the manufactured housing industry as opposed to consumers. The Commission therefore recommends that 3 members, all owners of manufactured housing, be added to the Board to provide equal representation of consumer and industry interests.

Information for consumers

The Commission heard testimony from many members of the public indicating that purchasers of mobile homes are not sufficiently aware of the options available, methods of financing mobile homes, that installation will be required, that a warranty is required by state law, and that they have other consumers' rights. Many consumers are not even aware that the Manufactured Housing Board exist. The Commission finds that the State, through the Manufactured Housing Board, has a role to play in informing consumers, and that it is in the best interests of sellers of mobile homes to help in distributing that information. The Commission therefore recommends that the Manufactured Housing Board produce the information in a convenient form for dealers to distribute to those interested in receiving the information.

Installation standard

The Commission heard testimony concerning the damage and potential damage resulting from improper installation of mobile homes on the home site. Although the Manufactured Housing Board has the authority to adopt a statewide installation standard, it has not done so. (The Board did adopt the BOCA code requirements for the installation of modular homes.) The only information available to installers are the manufacturers' instructions, which often appear to be much too complicated or inappropriate for installations in Maine. At least one park owner testified that manufacturers see their role in providing installation instructions as absolving themselves of all responsibility for improper installation, rather than providing assistance to make sure the home is properly installed.

Although there appear to be more problems with installations outside of parks, there are sufficient numbers of park installations to indicate that the State should take action to protect both purchasers and sellers of mobile homes. There is currently no system to determine whether homes are properly installed, or even where they are installed. In fact, there is no baseline from which to determine what a "proper" installation is, other than reviewing how a mobile home performs after it has been installed (i.e., does it sag, buckle, crack, etc.). No standard for installation developed by national standards institutes is completely appropriate for application to Maine sites.

The Commission recommends that those licensed to perform installations (dealers and mechanics) be required to inform the Board monthly where they have installed mobile homes. This will help the Board keep accurate figures about mobile homes in general, but will also assist in the processing of complaints about manufacturing defects and other problems. The installers will pay a nominal fee of up to \$10 per installation to the Board. The revenue will pay for a compliance officer and part-time clerical staff to help the Board respond to complaints and compile information necessary for the Board to fulfill its statutory responsibilities.

The Commission recommends that the Manufactured Housing Board hire a professional engineer to develop an installation standard for statewide application. Based on the engineer's recommendations, as well as other important considerations, the Board should adopt an installation standard so installers will know what will be considered a proper installation. The Board needs to keep in mind the fact that mobile homes are, in fact, mobile, and that the standard needs to address the transferability of mobile homes from one site to another. The Board must also remember, however, that mobile homes do provide housing for some people who could not otherwise afford it, and should not adopt a standard which will make owning a mobile home too expensive.

The Commission recommends that the Board review municipal installation requirements as well, and make a recommendation to the Commission whether the state installation standard should completely preempt all municipal installation requirements. The Board should also look at how other state standards, such as the requirements for financing a mobile home through the Maine State Housing Authority, are affected by the installation standard.

Once a standard is adopted, there will be no need for a mandatory inspection system unless installers are not complying with the standard. The Board will have no way of knowing what the compliance rate is without surveying the installations made after the adoption of the standard. The Commission therefore recommends that the Board conduct such a survey and report the results to the Legislature no later than December 1, 1990.

Municipal compliance with law

During the Second Regular Session of the 113th Regular Session, the Maine Legislature enacted provisions which are intended to help increase the supply of mobile home park spaces by requiring municipalities to accommodate the development of new and expansions of existing mobile home parks. Public Law 1987, Chapter 770. It has come to light that many municipalities are either not aware of the requirements, which become effective January 1, 1990, or are unsure as to how to comply with the law while maintaining the quality of their communities. The Commission believes that this uncertainty stems, at least partly, from the long-held and now mistaken belief that mobile home parks are by definition unsightly, reduce property values and burden municipal services. It is therefore important to provide information to municipalities to eliminate that perception and to help the communities accommodate parks without disrupting usual planning activities.

In 1984, the State Planning Office prepared a guide to help municipalities comply with the law requiring accommodation of single manufactured housing on individual lots. The guide was very helpful practically and in dispelling some of the myths about manufactured housing. The Commission determines that a similar guide on mobile home parks would not only be helpful, but is necessary to ensure compliance with the law.

Public Law 1987, chapter 766, requires municipalities to develop comprehensive plans which include an affordable housing strategy. Under that law, municipalities are required to "seek to achieve a level of 10% of new residential development, based on a 5-year historical average of residential development in the municipality, meeting the definition of affordable housing." 30 MRSA §4960-C, subsection 4, paragraph C, subparagraph (7). Affordable housing is defined to mean:

[D]ecent, safe and sanitary dwellings, apartments or other living accommodations for households making the full range of incomes at or below 80% of the median household income as determined by the Department of Economic and Community Development. Affordable housing includes, but is not limited to, government assisted housing, housing for low-income and moderate-income families, **manufactured housing**, multi-family housing and group and foster care facilities.

30 MRSA §4960-B, subsection 1; emphasis added. Municipalities can comply with both the requirement that mobile home parks be accommodated and the affordable housing requirement of the growth management legislation by working with park owners and developers to provide mutually agreeable opportunities for quality mobile home parks. In helping municipalities include accommodation of mobile home parks in their planning process, the Commission recommends that the Land Use Planning laws specifically reference those provisions as a component of each comprehensive plan.

Displaced mobile homes

The Commission heard testimony from several people who have been or are being forced to remove their mobile home from mobile home parks because the parks are sold or being renovated. The owners then have no place to take their homes, and, if they can sell the homes, suffer substantial losses compared to the price they paid for the homes when they were located in mobile home parks.

The Commission finds that the State should help mobile home owners who are displaced from parks with no place to move. A promising solution may be to help finance the development of new parks and park expansions, creating an incentive for park owners to accept these mobile homes instead of selling new mobile homes for at least a portion of the new spaces. The Commission relies on the expertise of the Maine State Housing Authority to develop such a program. The added benefit will be the addition of mobile home spaces, even if a majority are available only for purchasers of new homes.

Finding funding and getting the program off the ground will take time, as will the construction of additional spaces; people who have been evicted or whose eviction is imminent do not have the luxury of time. The Commission also recommends that the Maine State Housing Authority design a program that will help the mobile home owners gain access to existing spaces, possibly by providing a grant or loan to overcome the profits relied on by the park owner when renting the lots to purchasers of new mobile homes.

IV. Anticipated work

The Commission will be working for another 12 months on issues that have not yet been resolved. Areas discussed include: Mediation or other forms of alternative dispute resolution; clarification of protection of tenants from retaliation of mobile home park operators for protected activities engaged in by tenants; clarification of the park operator's burden of proving a mobile home is unsafe in order to require its removal; the reasonableness of fees and charges; entry fees and exit fees; regulation of pre-1976 mobile homes; and whether a subsidy program for mobile home owners who rent lots in mobile home parks is feasible (the Maine State Housing Authority has already put together a preliminary draft of such a program). The Commission will be collecting information about lot availability and other concerns through a survey which will be sent to all 531 mobile home park owners.

6935*

APPENDIX A

LEGISLATION CREATING THE
MANUFACTURED HOUSING COMMISSION

APPROVED

CHAPTER

MAY 2 '88

139

BY GOVERNOR

P & S LAW

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-EIGHT

H.P. 1510 - L.D. 2060

AN ACT to Create a Commission to Examine
Rent Increases and Other Issues Concerning
Mobile Homes.

Emergency preamble. Whereas, Acts of the
Legislature do not become effective until 90 days
after adjournment unless enacted as emergencies; and

Whereas, a rapid increase in land and housing
costs have made mobile home parks an important housing
option for many Maine citizens; and

Whereas, the shortage of mobile home park spaces
has led to several recent increases in rent; and

Whereas, in the judgment of the Legislature, these
facts create an emergency within the meaning of the
Constitution of Maine and require the following
legislation as immediately necessary for the
preservation of the public peace, health and safety;
now, therefore,

Be it enacted by the People of the State of Maine as
follows:

Sec. 1. Commission created; duties. There is
established the Commission on Manufactured Housing to
examine issues affecting manufactured housing,
including mobile home parks and mobile home owners.
Among the issues to be examined are: Unreasonable
rent increases; the eviction process for removing
tenants of mobile home parks; unreasonable rules;

unreasonable fees or charges; conduct of real estate agents in the sale of mobile homes; tenants' rights of first refusal when the park is for sale; protection of tenants' organizations; prohibiting the importation of pre-1976 mobile homes into the State or municipalities; the safety of mobile homes; the role manufactured housing plays in providing affordable housing; zoning for mobile homes and mobile home parks, especially as it relates to older mobile homes; municipal regulation of mobile home parks; and any other issues which affect the health, safety and continued viability of mobile home owners, mobile home parks and manufactured housing in general. The commission shall consult with the Maine State Housing Authority and the Manufactured Housing Board which shall provide information and assistance.

Sec. 2. Commission membership. The commission shall consist of 13 members to be appointed as follows: Two members of the Joint Standing Committee on Legal Affairs, one to be appointed by the Speaker of the House and one to be appointed by the President of the Senate; 2 members of the Joint Standing Committee on Business Legislation, one to be appointed by the Speaker of the House and one to be appointed by the President of the Senate; 2 members of the Joint Standing Committee on State and Local Government, one to be appointed by the Speaker of the House and one to be appointed by the President of the Senate; 2 representatives of mobile home park owners and operators, one to be appointed by the Speaker of the House and one to be appointed by the President of the Senate; 2 representatives of mobile home owners, one to be appointed by the Speaker of the House and one to be appointed by the President of the Senate; one representative of manufacturers and retail dealers from the Manufactured Housing Association of Maine, to be appointed by that organization; one representative of the Maine Building Officials and Inspectors Association to be appointed by that organization; and one representative of the Maine Municipal Association to be appointed by that organization. The appointing authorities shall make the required appointments by September 1, 1988 and shall notify the Executive Director of the Legislative Council when the appointments have been made.

Sec. 3. Commission compensation. The commission members shall be compensated for expenses only.

Sec. 4. Commission schedule; meetings; staff. The Executive Director of the Legislative Council shall convene the first meeting of the commission within 30 days of the effective date. The commission shall elect a chairman from the membership at the first meeting. The commission shall hold up to 10 meetings as necessary to carry out its responsibilities. The Legislative Council and the Department of the Attorney General shall provide staff and assistance to the commission.

Sec. 5. Report; reporting date. The commission shall submit an interim report summarizing its findings and recommendations, including any suggested legislation to the 113th Legislature by December 1, 1988, and a final report to the Second Regular Session of the 114th Legislature in a written report submitted by December 1, 1989.

Sec. 6. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1988-89

LEGISLATURE

Commission on Manufactured Housing

All Other \$8,800

Provides funds for the travel and related expenses of the Commission on Manufactured Housing.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

APPENDIX B

TEXT OF
INTERIM RECOMMENDATIONS
OF THE
MANUFACTURED HOUSING COMMISSION

FIRST REGULAR SESSION

ONE HUNDRED AND FOURTEENTH LEGISLATURE

Legislative Document

No.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY NINE

AN ACT to Implement the Interim Recommendations of
the Manufactured Housing Commission.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 10 MRSA §9003, sub-§2, is repealed and the following enacted in its place:

2. Composition and terms of the members. The members of the board shall include:

A. A representative who is a manufactured housing owner, and whose home is not located in a mobile home park or similar rental community;

B. Three representatives who are manufactured housing owners, and the manufactured housing units are located on lots within mobile home parks or similar rental communities which the manufactured housing owners do not own;

C. A representative who is a professional engineer with demonstrated experience in construction and building technology;

D. A representative who is a dealer;

E. A representative who is an owner or operator of a mobile home park with 15 or fewer lots;

F. A representative who is an owner or operator of a mobile home park with more than 15 lots;

G. A representative who is a builder of manufactured housing; and

H. A representative with a minimum of 2 years of practical experience in building code administration and enforcement and is currently employed as a code enforcement officer.

The term of office of the appointed members is for 4 years, except that initially one member shall be appointed for one year; one member for 2 years; one member for 3 years; and 2 members for 4 years. Members may be appointed to successive terms. Members shall serve for their appointed term and until their successor is appointed and duly qualified, except that any member of the board may be removed for cause by the Governor. No board member may serve more than 2 consecutive terms.

Sec. 2. 10 MRSA §9006-A is enacted to read:

§9006-A. Notice of installation

1. Notice of installation. All dealers and mechanics shall notify the Manufactured Housing Board every month of the installations completed by that dealer or mechanic that month. The notice must include the location of each unit of manufactured housing, the owner of each unit at the time of installation and the name and address of the dealer or mechanic who installed the unit. The information must be submitted within 10 days after the end of each month in the form and manner prescribed by the Board by rule.

2. Fee. Along with the notice of installation, the dealer or mechanic shall pay a fee of up to \$10 to the Board for each unit installed.

3. Failure to file. The Board may require any dealer or mechanic who fails to comply with this section to pay a fine of not less than \$5 and not more than \$100 for each day the notice is late.

Sec. 3. 30 MRSA §4960-C, sub-§4, ¶C, sub-¶(7), is amended to read:

(7) Ensure that its land use policies and ordinances encourage the siting and construction of affordable housing within the community, and comply with the requirements of section 4965 pertaining to individual mobile home and mobile home park siting and design requirements. The municipality shall seek to achieve a level of 10% of new residential development, based on a 5-year historical average of residential development in the municipality, meeting the

definition of affordable housing. The municipality is encouraged to seek creative approaches to assist in the development of affordable housing, including, but not limited to, cluster zoning, reducing minimum lot and frontage sizes and increasing densities;

Sec. 4. Allocation. The following funds are allocated from the Manufactured Housing Board to carry out the purposes of this Act:

Personal services	(1 1/2)
All other	
1 Compliance officer	\$22,000
1/2 Clerical	8,200
Benefits	6,000
Computer, travel, telephone, offices supplies	7,000
Capital reserve	3,000

STATEMENT OF FACT

This bill includes three of the interim recommendations of the Manufactured Housing Commission, created by Private and Special Laws of 1987, Chapter 139.

Section 1 of the bill affects the composition of the Manufactured Housing Board. The Board is currently authorized to consist of 7 members, one who is a manufactured housing owner and 4 who are represent the manufactured housing industry: One dealer, one builder or manufacturer and 2 mobile home park operators. The other 2 members are a code enforcement officer and a professional engineer.

This section amends the membership of the Manufactured Housing Board to equally represent both the industry and consumers. Three additional manufactured housing owners are added. This section also specifies that 3 of the manufactured housing owners must live in mobile home parks or similar rental communities, while the fourth manufactured housing owner cannot live in a park while on the Board.

Section 2 of the bill requires any person who is licensed to install manufactured housing to notify the Manufactured Housing Board monthly when they install manufactured housing, whether on a private lot or in a mobile home park. The notice must be given for new as well as used homes. This will provide the Board with information necessary to respond to consumer complaints. It will also provide numbers of mobile homes in Maine which are not currently available. A nominal fee of not more than \$10 per installation must be paid to the Board to provide for administration and additional staff to respond to complaints.

Sections 3 and 4 amend the land use planning statutes added by PL 1987, c. 766. The purpose of the amendments is to make certain that municipalities are aware of their responsibilities to make available suitable areas for development and expansion of mobile home parks. By incorporating a reference to that existing requirement in the comprehensive planning laws, municipalities will be sure to include their methods of compliance with the requirements in their implementation strategies as part of their comprehensive plans. It will also enable the Office of Comprehensive Land Use Planning to better assist municipalities in fulfilling their planning responsibilities.

Section 5 of the bill allocates the revenue from the installation notice fee to provide for one full-time compliance officer and one part-time clerical staff person. The Board currently operates with only the Executive Director and the Board Clerk.

Information pamphlet

FIRST REGULAR SESSION

ONE HUNDRED AND FOURTEENTH LEGISLATURE

Legislative Document

No.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY NINE

RESOLVE, to Direct the Manufactured Housing Board
to Provide Information to Purchasers of
Manufactured Housing

Sec. 1. Production of information. Resolved: That the Manufactured Housing Board provide information for purchasers of manufactured housing concerning choosing and purchasing manufactured housing, financing manufactured housing, the installation of manufactured housing and consumers' rights concerning the purchase, financing, installation and ownership of manufactured housing. To fulfill this responsibility, the Board may reproduce an existing publication which provides the required information.

Sec. 2. Distribution. Resolved: That the Board provide copies of the information to all manufactured housing dealers licensed in this State. Each dealer shall prominently display a sign which states that the information is available and the dealer will supply a copy to anyone who requests a copy.

STATEMENT OF FACT

This Resolve is an interim recommendation of the Manufactured Housing Commission, created by Private and Special Laws of 1987, Chapter 139. This Resolve requires the Manufactured Housing Board to produce, and manufactured housing dealers to distribute, a pamphlet providing information to purchasers. It appears many purchasers and potential purchasers of manufactured housing are not aware of the many facets of manufactured housing shopping and ownership. This pamphlet will help consumers before and after they purchase manufactured housing.

Installation standard study

(EMERGENCY)

FIRST REGULAR SESSION

ONE HUNDRED AND FOURTEENTH LEGISLATURE

Legislative Document

No.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY NINE

RESOLVE, to Require the Manufactured Housing
Board to Develop a Manufactured Housing
Installation Standard

Emergency preamble Whereas, Acts of the Legislature do
not become effective until 90 days after adjournment unless
enacted as emergencies; and

Whereas, the Manufactured Housing Board has not adopted a
standard for the installation of mobile homes on lots; and

Whereas, some mobile homes have been damaged by improper
installation, although there is no information about how many
mobile homes have been improperly installed; and

Whereas, the Manufactured Housing Board does not have
sufficient information to implement a statewide standard at
this time; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace; health and safety; now, therefore, be it resolved

Sec. 1. Standard appropriate for Maine. Resolved: That the Manufactured Housing Board contract with a professional engineer to develop an installation standard for mobile homes that is appropriate for the physical conditions present in Maine. The standard may be an adaptation of existing or proposed national standards. The standard must be specific enough to eliminate ambiguity in what is required, yet flexible enough to cover varying site requirements and to help keep manufactured housing an affordable housing option in Maine. The Board shall also consider the need to be able to move a mobile home from one site to another, the issue of exempting current installations from the application of the standard and the interaction of the standard with other state requirements. For the purposes of this Resolve, "installation" has the same meaning as provided in 10 MRSA @9002, subsection 6, which is the process of affixing or assembling or setting up manufactured housing on foundations or supports at a building site and includes the connection to existing electrical, oil burner, gas, water, sewage and similar systems which are necessary for the use of the house for dwelling or commercial purposes; and be it further resolved

Sec. 2. Preemption. Resolved: That the Manufactured Housing Board review the issue of preemption as it relates to a state installation standard, specifically examining the desirability and feasibility of a state installation standard that preempts municipal standards either in all cases or only when the municipal standard is less strict or creates a conflict; and be it further resolved

Sec. 3. Report. Resolved: That the Manufactured Housing Board report to the Manufactured Housing Commission by July 30, 1989, concerning the installation standard and the Board's recommendations regarding the issue of preemption; and be it further resolved

Sec. 4. Adopt standard. Resolved: That the Manufactured Housing Board adopt an installation standard after reviewing the standard recommended by the professional engineer and the other considerations in Section 1; and be it further resolved

Sec. 5. Survey; report. Resolved: That the Manufactured Housing Board conduct a statistically valid survey of manufactured housing installations completed after the adoption of the installation standard to determine if an installation inspection system is necessary to ensure compliance with the standard. The Manufactured Housing Board shall report the results of the survey to the 114th Legislature no later than December 1, 1990; and be it further resolved

Sec. 6. Allocation. Resolved: That the following funds be allocated from the Manufactured Housing Board Account to carry out this resolve:

(costs undetermined at time of printing; Commission believes can be absorbed by Board's existing resources)

Emergency clause. In view of the emergency cited in the preamble, this Resolve shall take effect when approved.

STATEMENT OF FACT

This Resolve is an interim recommendation of the Manufactured Housing Commission, created by Private and Special Laws of 1987, Chapter 139. This Resolve requires the Manufactured Housing Board to hire an engineer on a temporary basis to develop a standard for the installation of manufactured housing in Maine. The current American National Standards Institute standard for mobile home installations is very ambiguous in some areas, and requires a few practices which may not be appropriate for the climate and geology of Maine. The engineer will develop a standard for installations in Maine which addresses these concern. The engineer can start with the ANSI standard and make the necessary modifications, use any other standard as a starting point or start from scratch. The Board will consider the need to protect the transferability of mobile homes from one park to another. Also to be considered are the effects of other state requirements, like Maine State Housing Financing Authority financing standards, as well as the appropriateness of exempting existing installations.

The Board will review the issue of whether the state installation standard should preempt municipal installation standards in all cases. This may be easier, for the installers would need to know only one standard no matter where they worked. On the other hand, as long as the minimum requirements are met, municipalities may want to require additional instructions to address local concerns. The Board must examine this issue, then report its recommendations to the Manufactured Housing Commission by July 30, 1989.

The Board will also explain its recommended installation standard by July 30, 1989.

The Board shall adopt the standard as a rule through the rule-making procedures under the Maine Administrative Procedure Act.

After the rule has been adopted, the Board will conduct a survey of compliance with the rule. The survey must be developed and conducted to produce statistically valid results. The Board shall provide the results of the survey to the 114th Legislature no later than December 1, 1990. The results of the survey will be used to determine if a statewide inspection system of installations is necessary.

The costs of the engineer's contract and the survey shall be paid from the current resources of the Manufactured Housing Board. The Board's balance at the end of fiscal year 1989 (June 30, 1989) is projected to be over \$77,851.

Guide for municipalities

(EMERGENCY)

FIRST REGULAR SESSION

ONE HUNDRED AND FOURTEENTH LEGISLATURE

Legislative Document

No.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY NINE

RESOLVE, Directing the Office of Comprehensive
Land Use Planning to Prepare a Guide to
the Manufactured Housing Laws

Emergency preamble Whereas, Acts of the Legislature do
not become effective until 90 days after adjournment unless
enacted as emergencies; and

Whereas, manufactured housing often offers the only form of
affordable housing to some Maine citizens; and

Whereas, the Legislature enacted legislation in 1988
designed to ease the scarcity of mobile home park spaces, and
the components of that legislation have effective dates of
January 1, 1989, and January 1, 1990; and

Whereas, municipalities must comply with the requirements
of these laws, but often do not have the staff or expertise to
determine appropriate methods of meeting the requirements; and

Whereas, the Office of Comprehensive Land Use Planning will be assisting municipalities in fulfilling their comprehensive planning responsibilities under Public Laws of 1987, Chapter 766; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it resolved

Sec. 1. Preparation of guide. Resolved: That the Office of Comprehensive Land Use Planning, with help from the Maine Municipal Association and the Manufactured Housing Association of Maine, to prepare a guide to assist municipalities in complying with the statutory requirements concerning opportunities for new and expanded mobile home parks, as enacted by Public Laws of 1987, Chapter 770; and be it further

Sec. 2. Deadline. Resolved: That the Guide be produced and distributed within 4 months of the effective date of this Resolve.

STATEMENT OF FACT

This Resolve is an interim recommendation of the Manufactured Housing Commission, created by Private and Special Laws of 1987, Chapter 139. This Resolve requires the Office of Comprehensive Land Use Planning in the Department of Economic and Community Development to work with the Maine Municipal Association and the Manufactured Housing Association of Maine to develop a guidebook for municipalities to use in complying with the law governing the regulation of mobile home parks by municipalities. The State Planning Office was responsible for a similar guide in 1984 which was of tremendous help to municipalities in meeting the state requirements for acceptance of manufactured housing placed on individual lots.

It is anticipated that the costs of producing the guide can be absorbed within existing resources which were appropriated for planning assistance purposes. Because compliance with Public Law 1987, Chapter 770, requires towns to revise their planning and zoning efforts to include manufactured housing, production of the guide is an appropriate use of those funds.

MSHA: Program for displaced homes.



MAINE STATE LEGISLATURE
Augusta, Maine 04333

December 1, 1988

Elizabeth H. Mitchell, Director
MAINE STATE HOUSING AUTHORITY
State House Station 89
Augusta, Maine 04333

Dear Ms. Mitchell:

Chapter 139, of the Private and Special Laws of 1987 (copy attached), created the Manufactured Housing Commission to examine many issues concerning manufactured housing. The Manufactured Housing Board and the Maine State Housing Authority were directed to provide assistance when necessary.

The Commission is concerned about the serious, although not widespread, problem of mobile homes displaced through renovation or change of use of mobile home parks. In too many cases, the owners of mobile homes, especially older mobile homes, are left with no place to locate their mobile homes. This greatly reduces the opportunity for manufactured housing to provide a viable affordable housing option.

The Commission requests that the Maine State Housing Authority develop a program to help these displaced mobile home owners. A long term option may be in the form of financial assistance (subsidizing a few percentage points of interest?) for developers of manufactured housing communities, such as mobile home parks, who set aside a certain number or proportion of spaces for pre-owned mobile homes. The intent would be to encourage the development of spaces which are not tied to the purchase of a new mobile home.

This solution, although potentially helpful in the future, cannot provide the assistance immediately necessary for those home owners displaced before new sites are developed; the Commission is also interested in developing a program to help these people as soon as possible. An option considered by the Commission is a grant available to mobile home owners which they could use to gain access to existing parks.

page 2

Elizabeth H. Mitchell
Maine State Housing Authority
Displaced mobile homes program
December 1, 1988

The Commission relies on your expertise to develop programs to address these two concerns. The Commission does not expect the Housing Authority to provide or develop funding resources, although any advice or recommendations would be greatly appreciated. Our Legislative Analyst, Peggy Reinsch, will work with you as the legislative session allows.

Thank you for your help so far, and we look forward to working with you in the future. If you have any questions, please do not hesitate to contact Peggy Reinsch in the Office of Policy and Legal Analysis.

Sincerely,

Charles R. Priest

Rep. Charles R. Priest,
Chair
Manufactured Housing Commission

attachment