

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES  
URBAN AFFAIRS COMMITTEE

IRVIS OFFICE BUILDING  
ROOM G-50  
HARRISBURG, PENNSYLVANIA

WEDNESDAY, SEPTEMBER 3, 2008  
10:07 A.M.

BEFORE:

HONORABLE THOMAS C. PETRONE, MAJORITY CHAIRMAN  
HONORABLE PAUL COSTA  
HONORABLE EUGENE DEPASQUALE  
HONORABLE THOMAS R. CALTAGIRONE  
HONORABLE KATHY MANDERINO  
HONORABLE MICHAEL H. O'BRIEN  
HONORABLE JOHN TAYLOR, MINORITY CHAIRMAN  
HONORABLE KAREN D. BEYER  
HONORABLE SCOTT A. PETRI  
HONORABLE JIM COX  
HONORABLE GARTH D. EVERETT  
HONORABLE JAY R. MOYER  
HONORABLE MARGUERITE QUINN  
HONORABLE DOUGLAS G. REICHLEY

---

BRENDA J. PARDUN, RPR  
P. O. BOX 278  
MAYTOWN, PA 17550  
717-426-1596 PHONE/FAX

JON CASTELLI, MAJORITY EXECUTIVE DIRECTOR

CHRISTINE GOLDBECK, MINORITY EXECUTIVE  
DIRECTOR

MARY GINGRICH, MAJORITY LEGISLATIVE ASSISTANT

BONNIE GLADFELTER, ADMINISTRATIVE ASSISTANT

BRENDA J. PARDUN, RPR  
REPORTER - NOTARY PUBLIC

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P R O C E E D I N G S

CHAIRMAN PETRONE: Good morning,  
ladies and gentlemen. Welcome to the House  
Urban Affairs Committee meeting, public  
hearing on House Bill 1673.

I'm Representative Thomas Petrone  
from Pittsburgh, Allegheny County. On my  
right is Chairman Taylor.

We'd like the other members who are  
present to introduce themselves and also state  
their legislative district or the county --  
and the county they represent, starting from  
my right.

REPRESENTATIVE PETRI: Thank you,  
Mr. Chairman. Scott Petri, 178th, Bucks  
County.

REPRESENTATIVE O'BRIEN: Good  
morning. Mike O'Brien, 175th, Philadelphia.

REPRESENTATIVE BEYER: Good morning.  
Karen Beyer, 131th, Lehigh, Northampton  
Counties.

REPRESENTATIVE COSTA: Good morning,  
everybody. I'm Paul Costa, representative for  
the 34th Legislative District, which is  
eastern suburbs of Allegheny County.

1                   REPRESENTATIVE EVERETT:   Garth  
2                   Everett, 84th District, Lycoming County.

3                   CHAIRMAN PETRONE:   Thank you.  
4                   There'll be other members joining the hearing  
5                   as we proceed.

6                   I'd like to introduce our staff.   Our  
7                   majority staff is, on my left, Jon Castelli,  
8                   who is the executive director, and Mary  
9                   Gingrich, legislative assistant.   And to my  
10                  right, Christine Goldbeck, executive director,  
11                  and Bonnie Gladfelter, administrative  
12                  assistant.

13                 Perhaps the most critical situation  
14                 many mobile home occupants face is the threat  
15                 is displacement, loss of property, and even  
16                 homelessness resulting from potential mobile  
17                 home park closures.

18                 According to a national study  
19                 conducted by the Association for the  
20                 Advancement of Retired Persons, nearly half of  
21                 manufacturing homeowners lease the land on  
22                 which their homes are placed, usually in  
23                 mobile home parks.

24                 Throughout the country, including  
25                 many Pennsylvania mobile home parks, many are

1 closing for a number of reasons. Problems  
2 associated with closures are perhaps most  
3 severe in high-cost areas where park land is  
4 becoming more valuable for malls or  
5 subdivision, and where relocation sites are  
6 cost prohibitive.

7           However, in sparsely populated and  
8 lower-cost areas are not immune to the  
9 problems caused by such closure.

10           Since the 1960s and '70s, most  
11 manufactured homes have been generally  
12 designed to be placed permanently on a pad and  
13 then maintained there for their useful life.  
14 Once their mobile home park closes, it is  
15 often difficult to relocate the home to  
16 another park.

17           One obvious reason older mobile homes  
18 cannot be relocated is their physical  
19 condition. Many of these homes have  
20 deteriorated to the point where they are no  
21 longer structurally sound. Relocation also  
22 may be hindered by local zoning and land use  
23 regulations.

24           Because of some negative stereotypes,  
25 some zoning codes ban older and smaller-sized

1       manufactured housing or restricted to remote  
2       areas where infrastructure is lacking.

3               Such zoning restrictions severely  
4       limit the location options for manufactured  
5       home placement and the relocation options when  
6       mobile home parks close.

7               The subject of today's public  
8       hearing, House Bill 1673, introduced by  
9       Representative Freeman, will amend the  
10      Commonwealth's Mobile Home Park Rights Act to  
11      provide additional rights for residents in the  
12      event of pending closure of a mobile home  
13      park, including first right of refusal to  
14      purchase the park by the residents and  
15      recuperation of relocation costs.

16              Chairman Taylor, do you have any?

17              Okay. We will proceed. First we  
18      have our primary sponsor, Representative  
19      Robert Freeman. With him, Mr. Alan Jennings,  
20      executive director of Community Action  
21      Committee of the Lehigh Valley, and Mr. Donald  
22      Miles.

23              Welcome. Good morning.

24              REPRESENTATIVE FREEMAN: Good  
25      morning, Mr. Chairman. I'd like to just note

1       that Mr. Jennings, on my right, and Mr. Miles  
2       were instrumental in the drafting of the  
3       legislation that became House Bill 1673, and  
4       after my brief introductory comments, they  
5       will be giving testimony as well.

6               I trust the members have been  
7       distributed our copies of testimony.

8               Chairman Petrone, Chairman Taylor,  
9       members of the House Urban Affairs Committee,  
10      I wish to thank you for holding today's  
11      hearing on my legislation, House Bill 1673,  
12      which would amend the Mobile Home Park Rights  
13      Act to provide much-needed protections to the  
14      owner of mobile homes, or manufacturing  
15      housing, as known today.

16              As is true of the vast majority of  
17      Americans, the purchase of a home is their  
18      greatest investment and represents their  
19      greatest asset. Owning a home is the very  
20      cornerstone of the American dream.

21              For those of lesser or limited  
22      economic means, manufactured housing is  
23      oftentimes the only way to realize that  
24      dream. It is, nevertheless, the fulfillment  
25      of aspirations of owning a home and is as much



1 a source of pride and security to them as it  
2 is to those with the economic means to own a  
3 grander home.

4 And yet the position of manufactured  
5 homeowner is a precarious one. Their dwelling  
6 is neither fish nor fowl. They own the  
7 structure, but a landlord owns the land upon  
8 which it resides. This puts their version of  
9 the American dream at risk, particularly in  
10 high-growth areas where the land where their  
11 manufactured housing is located can oftentimes  
12 fetch a higher price from would-be  
13 developers.

14 House Bill 1673 is drafted to ensure  
15 that the owners of manufactured housing will  
16 not see their American dream turned into an  
17 American nightmare. It is designed to prevent  
18 the usurpation of their property.

19 They should not have to face the  
20 prospect of having their only real financial  
21 asset turned into mere scrap metal because the  
22 landlord of the land upon which it resides and  
23 a developer interested in turning that land  
24 into another use can easily sweep away their  
25 investment of a lifetime, depriving them of a

1 home and robbing them of their property.

2 House Bill 1673 was prompted by a  
3 situation that took place in Bethlehem  
4 Township in the Lehigh valley when a mobile  
5 home park owner decided to sell the land of  
6 the facility to a developer for a new housing  
7 development. As a result, the residents were  
8 forced to vacate the site with little notice  
9 and only to find out that they could not move  
10 their manufactured homes to another location,  
11 either because of the cost of moving that they  
12 would incur, the fact that the mobile home  
13 park owner had long ago discarded the  
14 equipment of the trailer necessary to  
15 transport that trailer elsewhere, or because  
16 no mobile home park owner would agree to  
17 accept an older trailer.

18 These homeowner were, in effect, made  
19 homeless and saw their property unfairly  
20 devalued.

21 What, then, are the provisions of  
22 House Bill 1673, and how would it protect the  
23 owners of manufactured housing?

24 My legislation provides for a number  
25 of commonsense safeguards to ensure a fair

1 resolution to the plight of manufactured  
2 homeowners faced with displacement or  
3 devaluation of their property.

4 To begin with, under my bill, mobile  
5 home park owners would have to provide written  
6 notice of any pending sale of the mobile home  
7 park to the residents within 30 days of  
8 entering into any agreement for sale of the  
9 park.

10 They would also have to provide  
11 prospective tenants, prior to leasing a mobile  
12 home space in the park, notice about the  
13 subject of the agreement of sale.

14 In addition, they would also have to  
15 provide right of first refusal to the  
16 residents of the park to give them the chance  
17 to purchase the park and thereby save their  
18 homes.

19 If forced to move due to the sale,  
20 the mobile home park owner would have to pay  
21 relocation expenses and pay the appraised  
22 value of the mobile home if the owner of that  
23 mobile home is unable to find a suitable  
24 replacement site.

25 Additionally, no resident would be

1 required to vacate the premises until at least  
2 a hundred eighty days after the resident  
3 received notice of a pending sale, in order  
4 for them to have adequate time to find  
5 alternative accommodations.

6 Finally, mobile home park owners with  
7 mobile home spaces available would not be  
8 allowed to reject used mobile homes from their  
9 facility, provided that the used mobile home  
10 is in good and tenantable condition and  
11 complies with the building codes.

12 I realize that the provisions of my  
13 legislation may require refinement. However,  
14 the principals and provisions embodied in this  
15 proposal are nothing if not sound and, in my  
16 opinion, just.

17 I call upon the members of this  
18 committee to bring this bill up for a vote in  
19 the very near future so that we can ensure the  
20 fair and reasonable protection of the property  
21 of our fellow citizens who own manufactured  
22 homes.

23 I thank you, Chairman and the  
24 committee, for their consideration of House  
25 Bill 1673.

1                   CHAIRMAN PETRONE: Thank you,  
2                   Representative Freeman. Makes sense to me.  
3                   I've seen a lot of these examples in my area  
4                   of Pittsburgh, Allegheny County, and other  
5                   areas of the state where people were  
6                   displaced, sadly.

7                   I think it just happened not too long  
8                   ago up in Erie, upstate.

9                   Gentlemen, you have comments?

10                  REPRESENTATIVE FREEMAN: At this  
11                  point, I'd like to turn it over to  
12                  Mr. Jennings and a follow-up with Mr. Miles,  
13                  and we'd be happy to stay for questions.

14                  MR. JENNINGS: Thank you,  
15                  Representative Freeman.

16                  Mr. Chairman and members of the House  
17                  Urban Affairs Committee, I do want to thank  
18                  you all. Especially nice to see my friends  
19                  Karen Beyer and Doug Reichley present. Thanks  
20                  for being here.

21                  I'm here today to argue on behalf of  
22                  the amendment to the Mobile Home Park Rights  
23                  Act offered by my friend, Representative Bob  
24                  Freeman. Representative Freeman and I learned  
25                  the hard way that under current Pennsylvania

1 law, mobile home owners have almost no rights,  
2 at least not when it comes to the sale of the  
3 land under them.

4 Neither Representative Freeman nor I,  
5 though, learned that as painfully as the  
6 residents of Peaceful Meadows Mobile Home  
7 Park.

8 Bethlehem Township is one of those  
9 increasingly common once-rural townships that  
10 have rapidly turned into high-growth  
11 municipalities, where farms are being gobbled  
12 up by high-priced housing subdivisions.

13 Decades ago, though, before the land  
14 became some of the most developable in the  
15 Lehigh valley, it was a great spot for a  
16 mobile home park. Peaceful Meadows became the  
17 home of more than forty families, nearly every  
18 one of which was elderly, disabled, and/or  
19 working poor. They were proud of their homes,  
20 and many have lived there for decades.

21 As the price of land rose rapidly,  
22 pressure on the owners to capitalize became  
23 irresistible and sold it to a local developer  
24 who proposed a housing development with sale  
25 prices several times higher than these modest

1       trailers were worth.

2               When the transaction was announced,  
3       the occupants were given six months to vacate,  
4       which is twelve times more than the law -- the  
5       current law required. Alarmed by the  
6       dislocation of the park occupants, my agency  
7       stepped in as advocates, which is what we do.

8               I called the developer, who happened  
9       to be a friend, Lou Pektor, whose firm is one  
10      of the premier developers in the Lehigh  
11      valley, and, frankly, is an unusual guy.

12              However, I expected he would think I  
13      was nuts when I called him to suggest that he  
14      had some kind of moral obligation to offer  
15      assistance to the occupants. I thought I'd  
16      have to threaten him with organizing a  
17      campaign against him if he didn't do the right  
18      thing.

19              Instead, he offered up to \$6,000 in  
20      compensation to each owner and \$2500 to each  
21      renter. Pretty amazing.

22              Impressed and moved by his sense of  
23      decency, I offered my own agency's resources  
24      and assistance in helping with relocation and  
25      administering the payments.

1                   Despite the generosity of the  
2           developer, residents were understandably  
3           alarmed. This was not just about the  
4           disruption of their lives. It was not just  
5           about the huge financial losses some of them  
6           took. It was not just about their kids having  
7           to change schools, costing them their friends.  
8           This was about their very homes, something  
9           they thought they owned, where they could find  
10          comfort and rest. It was modest, but it was a  
11          source of pride. And it was being taken away  
12          from them.

13                   As we looked into the situation, we  
14          discovered what may be one of the last  
15          vestiges of the old plantation: They owned  
16          their home but have fewer rights than  
17          tenants. They paid real money, got a real  
18          loan, but their equity could be wiped out  
19          literally overnight.

20                   On this last point, let me explain.  
21          We could find no other mobile home parks  
22          within at least 30 miles that would accept a  
23          used home. It didn't matter whether the home  
24          was two months old or ten years old and in  
25          great condition. In some cases they had



1 outstanding loans, lost their homes, but still  
2 owed payments, big payments, on their loan.

3 The whole situation appears to me to  
4 be a form of discrimination, what we used to  
5 call redlining, but it's legal, and it has the  
6 effect of stripping all the home's equity  
7 except the value of the scrap. Their homes  
8 were reduced to scrap.

9 Representative Freeman's amendments  
10 are fair, reasonable, and offer the kind of  
11 protections that most Americans take for  
12 granted. They provide for disclosure in event  
13 that the transaction has affected their  
14 circumstances. They provide the opportunity  
15 for residents to organize to collectively buy  
16 the land at a fair price, not at a discounted  
17 price, just a fair price, to keep their  
18 homes.

19 They provide for reasonable  
20 relocation expenses. They provide for just  
21 compensation for the loss of their home. They  
22 provide for adequate notice of the need to  
23 vacate. And they provide some amount of  
24 protection that their homes will not be  
25 stripped of their equity as a result of the

1 sale.

2           There is nothing in these provisions  
3 that are not offered other tenants or owners  
4 in similar circumstances or that other states  
5 don't offer their residents in similar  
6 circumstances.

7           Now, I have no doubt that the people  
8 who want to protect the plantation owners will  
9 argue that this is unfair to them. Current  
10 law, after all, is on their side. But this  
11 gets at some of the most basic values that we,  
12 as a society, hold most dear.

13           And as more and more of Pennsylvania  
14 sprawls, the story of Peaceful Meadows in  
15 Bethlehem Township will find sequels because  
16 that land isn't getting any cheaper and  
17 finding affordable housing isn't getting any  
18 easier.

19           It is time to bring the Mobile Home  
20 Park Rights Act up to date and protect the  
21 good people who bought into the American  
22 dream, paid their bills and played by the  
23 rules.

24           This is an issue about fairness,  
25 about the dwindling supply of affordable

1 housing for working, retired, and disabled  
2 people. It is about due process. And it is  
3 about time to deal with it.

4 Thank you, Mr. Chairman.

5 THE CHAIRMAN: Thank you very much,  
6 Mr. Jennings. Well said.

7 I should note the arrival of -- I'm  
8 sorry -- Representative Reichley and  
9 Representative Cox, who joined us for this  
10 hearing.

11 Mr. Miles, do you have some remarks?

12 MR. MILES: Yes.

13 CHAIRMAN PETRONE: Please proceed.

14 MR. MILES: Good morning, Chairman,  
15 members of the committee and staff. Thank you  
16 for inviting me to testify before the  
17 committee today.

18 My name is Donald Miles. I'm an  
19 attorney with offices at 1814 Homestead  
20 Avenue, Bethlehem, Lehigh County,  
21 Pennsylvania, where I've practiced for the  
22 past thirty-four years.

23 I'm a former judicial law clerk and  
24 former legal services managing attorney, and  
25 current municipal planning commission

1        solicitor. I have recently represented  
2        residents of several mobile home parks in  
3        Pennsylvania in connection with their eviction  
4        from their homes when the park closed.

5                I would like to provide the committee  
6        with some background on the crisis faced by  
7        mobile home park residents when faced with the  
8        imminent loss of their home when their park is  
9        sold for a shopping mall or condominium  
10       development.

11               Mobile home parks began to be opened  
12       in the late 1950s, generally on inexpensive  
13       land at the outskirts of existing  
14       communities. Pennsylvania has long  
15       manufactured a significant portion of the  
16       mobile homes produced in the United States.

17               Mobile homes have, for over sixty  
18       years, been one of the types of housing that  
19       was affordable for low-income families. In  
20       fact, mobile homes are marketed as  
21       alternatives to rental apartments. And in  
22       recent years they often house low-income  
23       people who are also elderly and disabled.

24               When created in the 1950s through the  
25       1970s, the land value of mobile home parks was

1 not great, situated where they were on the  
2 outskirts of towns. However, a half century  
3 later, many mobile home parks have been  
4 enveloped by urban sprawl, leaving the land  
5 they occupy as some of the last large urban  
6 acreages available to commercial developers.

7           Around the United States, mobile home  
8 parks that have housed their residents for  
9 many decades are being closed and sold to  
10 developers of shopping malls and condo  
11 projects. In our written statements, I  
12 include the web pages of four press articles  
13 about four such closings from different parts  
14 of the United States.

15           Although they are called mobile,  
16 moving a mobile home requires hiring a  
17 tractor-trailer hauler, and it is quite  
18 costly, making their transports cost  
19 prohibitive for many of their owners.

20           To complicate matters further, few  
21 mobile home parks operators are interested in  
22 allowing owners of used mobile homes to become  
23 new residents in their parks, preferring to  
24 make their park lots available to purchasers  
25 of new mobile homes, usually purchased from

1       that mobile home park owner.

2               An added difficulty for most mobile  
3       home residents is that the purchase money  
4       loaned for mobile homes have high interest  
5       rates and short loan terms, more akin to car  
6       loans than mortgages.

7               And since the market value of mobile  
8       homes depreciates rapidly, the homeowner may  
9       find that when she tries to sell a mobile  
10      home, she owns the loan company more than the  
11      home's worth.

12              The economic result for the typical  
13      resident owner of a mobile home is that the  
14      home, even if relatively new, is only able to  
15      be sold for a small fraction of its original  
16      cost, if it can be sold at all, and at a sales  
17      price that would leave the seller with an  
18      unpaid debt to a loan company.

19              But when the resident, instead, seeks  
20      to move the mobile home to another mobile home  
21      park, she discovers it is virtually impossible  
22      to locate one to do so.

23              Thus, for all practical purposes,  
24      most mobile home residents, if evicted from  
25      their lots by the mobile home park owner, have

1 no choice but to abandon their mobile home  
2 where it sits, often taking on a large loan  
3 debt in the process, and attempts to find some  
4 kind of alternative housing, a great  
5 difficulty for the typical low-income and  
6 often elderly or disabled mobile home park  
7 resident.

8 An example of the dilemma faced by  
9 typical mobile home park residents when faced  
10 with eviction due to the sale of their mobile  
11 home park were the residents I represented  
12 five years ago.

13 Two hundred persons resided in a  
14 35-acre mobile home park in Hanover Township,  
15 Lehigh County, just outside of the Allentown  
16 city limits, near the Lehigh Valley  
17 International Airport. The park had housed  
18 them for over thirty years, and its land was  
19 zoned residential.

20 However, in early 2003, all residents  
21 received an eviction notice from the park  
22 owner giving them thirty days to vacate their  
23 lots by removing their mobile homes. The  
24 mobile home park was being sold to a developer  
25 to build a large shopping center which would

1       require a rezoning of the land. The mobile  
2       home park owner had even leased lots to new  
3       tenants after entering into the agreement to  
4       sell the park.

5               The mobile home park residents formed  
6       a community group and requested me to attempt  
7       to save the mobile park home. Existing  
8       Pennsylvania law provided them with little  
9       relief.

10              The Mobile Home Park Rights Act of  
11       1976, which is Section 393.3 of Title 68 of  
12       the Purdon's Statutes and the Landlord-Tenant  
13       Act, permits residents to be evicted with only  
14       fifteen days' notice, since most mobile home  
15       park residents are on a month-to-month or  
16       annual lease, in the event the mobile home  
17       park is terminated.

18              As explained, most residents could  
19       neither sell their mobile homes or relocate  
20       them to another mobile home park.

21              By challenging the municipal rezoning  
22       request of the developer and the technical  
23       procedures of the mobile home park owner's  
24       evictions proceeding, we attempted to gain  
25       time for the residents to negotiate with the



1 mobile home park owner to either have the  
2 community group purchase the park, because  
3 they believe they could attain financing to do  
4 so, or at least obtain for each resident  
5 substantial relocation expenses from the park  
6 owner.

7           The mobile home park owner was  
8 recalcitrant and refused to offer any  
9 relocation expenses. We sought such funds  
10 from the developer, also to no avail. The  
11 municipality, despite a large turnout of  
12 residents opposing the rezoning, both  
13 residents from the mobile home park and from  
14 nearby residents of single-family homes, and  
15 despite both the county and municipal planning  
16 bodies refusing to support the rezoning  
17 request, nonetheless caved in to the well-  
18 financed commercial developer and rezoned the  
19 land from residential to retail commercial.

20           In so doing, Hanover Township,  
21 Lehigh County, population 1900, effectively  
22 eliminated 10 percent of its resident  
23 population, probably a first for any  
24 Pennsylvania municipality.

25           The local court was unsympathetic to

1 the residents' plight and refused to delay the  
2 evictions to allow negotiations.

3 After a six-month legal struggle, all  
4 two hundred of the residents were forced to  
5 move, many abandoning their mobile homes, all  
6 of which were sold for scrap by the mobile  
7 home park owner later.

8 The mobile home park owner received  
9 \$10 million from the shopping center  
10 developer. Five years later, this year, the  
11 developer sold 25 percent of the site's  
12 acreage, just one quarter of the site, to the  
13 huge retailer Target for \$6.3 million,  
14 suggesting that the current value of the  
15 former mobile home park land is now in the \$25  
16 million range.

17 We had sought only \$5,000 relocation  
18 expenses for each mobile home park lot, a  
19 total of about \$500,000, representing only 5  
20 percent of the windfall profit obtained by the  
21 mobile home park owner and less than 2 percent  
22 of what the land was worth when construction  
23 actually began in early 2008.

24 My clients have been forced to  
25 abandon their homes in less than six months

1 back in 2003. Yet, in reality, there was no  
2 urgent need to evict them. The land for the  
3 mobile home park -- from the mobile home park  
4 sat vacant without any construction whatsoever  
5 for over four years after they were evicted.

6 The revisions to the Pennsylvania  
7 Mobile Home Park Rights Act proposed by HB1673  
8 proposed by Representative Freeman would help  
9 prevent such unnecessary tragedies from  
10 occurring again. The bill would provide  
11 mobile home park residents with prompt notice  
12 of a sale of their mobile home park within  
13 thirty days of the signing of the agreement.

14 It would prohibit eviction of any  
15 mobile home park residents until six months  
16 after notice of the sale.

17 It would provide notice to  
18 prospective mobile home park tenants of any  
19 pending sale of their park.

20 It would provide the residents of the  
21 park with the right of first refusal and  
22 require negotiations by the mobile home park  
23 owner in good faith so the residents could  
24 attempt to purchase the park in lieu of the  
25 prospective sale.

1           It would require payment of  
2       relocation expenses equivalent to six months'  
3       rent to each mobile home park owner -- each  
4       mobile home owner.

5           It would require the mobile home park  
6       owner to purchase -- mobile home park owner to  
7       purchase at fair market value a resident's  
8       mobile home if the resident is unable to find  
9       a suitable relocation site for the home.

10          And it would prohibit mobile home  
11       park owners from refusing to rent lots to  
12       owners of used mobile homes so long as they  
13       are in good condition.

14          None of these provisions will be  
15       onerous for Pennsylvania mobile home park  
16       owners. The six-months'-notice period will  
17       not hinder development, since large commercial  
18       or residential developments rarely, if ever,  
19       begin actual construction within six months of  
20       signing a sales agreement, particularly since  
21       land use approvals and permits take at least  
22       that long.

23          While many mobile home park owners  
24       are small businesses with small operating  
25       profit margins, the relocation expenses to be

1 provided to the mobile home owners here  
2 represent just a small percentage of the  
3 windfall profit that a mobile home park owner  
4 receives when selling a park to a commercial  
5 developer, and those relocation expenses will  
6 not be paid until the mobile home park owner  
7 has reaped his sales profit, not during the  
8 regular operation of a mobile home park.

9 Other states have provided similar  
10 and often greater relief to mobile home park  
11 residents facing eviction due to sale of the  
12 park. New York, for example, provides one  
13 year's notice, not just six months, of the  
14 eviction of a mobile home park resident. And  
15 in Florida, \$3,000 relocation expenses are  
16 provided.

17 I urge you to act promptly to  
18 recommend HB1673 to the House of  
19 Representatives for enactment since it will  
20 provide urgently needed relief to some of the  
21 most vulnerable residents of the commonwealth  
22 during a time of great economic hardship for  
23 many.

24 These amendments treat mobile home  
25 park residents fairly and humanly and prohibit

1 current practices that should not be allowed  
2 by any caring community.

3 Thank you.

4 CHAIRMAN PETRONE: Thank you very  
5 much, Mr. Miles.

6 I should note that we've been joined  
7 by Representative Marguerite Quinn to my  
8 right, Representative Kathy Manderino, and  
9 Representative Eugene DePasquale.

10 Thank you again. I have a lot of  
11 questions I was going to ask you about what  
12 other states do. Obviously this is not just a  
13 problem in certain areas of the country. It  
14 is a problem all over America. But I will  
15 refrain because my colleagues have many  
16 questions to ask.

17 And first, Representative Reichley,  
18 questions.

19 REPRESENTATIVE REICHLEY: Thank you,  
20 Mr. Chairman.

21 Attorney Miles, Mr. Jennings, nice to  
22 see you both, along with Representative  
23 Freeman.

24 I believe, Attorney Miles, you're the  
25 solicitor for the planning commission in Lower

1 Macungie Township.

2 MR. MILES: Yes, guilty.

3 REPRESENTATIVE REICHLEY: My first  
4 question to you is, regarding the property  
5 that you represented, the mobile home owners,  
6 when you said nothing was erected for four  
7 years, is that the site off Airport Road  
8 currently being developed now?

9 MR. MILES: Yes. The foundation for  
10 the Target is going up, to my wife's great  
11 relief.

12 REPRESENTATIVE REICHLEY: I guess my  
13 question, it's certainly not unheard of in  
14 Lehigh valley that once a sale of land takes  
15 place, there's still a need for the proposed  
16 developer to go through planning commission of  
17 municipalities to get approvals and then go to  
18 DEP where we've seen permits being held up for  
19 over a year.

20 What was going on with this  
21 particular property with regard to seeking  
22 local permitting approvals and through the  
23 department?

24 MR. MILES: The rezoning was obtained  
25 by the original proposed developer in late

1       2003. However, that developer, for whatever  
2       reasons I don't know, did not develop the  
3       property and sold it to the current  
4       partnership that is developing it about a year  
5       and a half later. They then had to go through  
6       land development and subdivision approvals,  
7       and that took the time that expired, up  
8       till -- I believe construction started in  
9       April, approximately April of this year.

10               I've been a municipal solicitor for  
11       almost 25 years. I've never seen a large  
12       project like this go through land development  
13       approvals in less than four to six months and  
14       usually longer because of the need to come  
15       back and make revisions. That's just with the  
16       municipality.

17               Then, as you said, they have to get  
18       DEP approvals, county conservation district  
19       approvals, sometimes Army Corps of Engineer  
20       approvals, PennDOT approvals. A six months'  
21       delay between the time the agreement is  
22       signed, and don't forget, at that time,  
23       nothing's happened. They've just signed a  
24       piece of paper.

25               Between that time and six months from



1       then -- there's no large project like this  
2       that would get approvals within six months.  
3       No bulldozer would be ready to hit the ground  
4       within six months.

5               REPRESENTATIVE REICHLEY: I'm not  
6       really contesting the idea of a six-month  
7       window of time to give the residents adequate  
8       notice to move on and make preparations. I  
9       think it just struck me that describing that  
10      particular situation as one where the land  
11      appeared to be vacant, nothing happening for  
12      four years, may not have been completely  
13      accurate. Things were going on while  
14      construction was not taking place because the  
15      owner was attempting to get further  
16      development plans approved and the permitting.

17             MR. MILES: The land development  
18      approvals did not begin until late in 2004,  
19      which was over a year and a half after my  
20      clients had to leave. We just asked for a  
21      little time. And neither the mobile home park  
22      owner nor the developer nor the local court  
23      would give us that time.

24             My clients were gone in six months.  
25      The first application for approval to Hanover

1 Township by the second developer didn't happen  
2 until almost two years later.

3 REPRESENTATIVE REICHLEY: Now, while  
4 the court may say, Look, this is something  
5 negotiated by the parties, we're not going to  
6 interfere with this, either you or  
7 Representative Freeman might be -- or  
8 Mr. Jennings, when in the bill it describes  
9 that the residents are given the right of  
10 first refusal to negotiate with the park  
11 owners, I'm not very well versed in this kind  
12 of a situation. Are you stating that once the  
13 park owner has an agreement pending with a  
14 potential buyer to buy the land for, say, a  
15 million dollars, the residents then get the  
16 opportunity to try to put together a million  
17 dollars?

18 MR. MILES: Within forty-five days of  
19 when they receive notice that there's a sales  
20 agreement, they would have the right to notify  
21 the mobile home park owner that they would  
22 like to attempt to better that price. The  
23 mobile home park owner would have to negotiate  
24 with them in good faith.

25 If negotiations broke down or if they

1 extended for a reasonable amount of time, the  
2 mobile home park owner could say, I've  
3 negotiated in good faith. You people aren't  
4 serious. I'm going ahead with the deal that I  
5 have.

6 But at least give them the  
7 opportunity to try to do that, and virtually  
8 all the states that have adopted amendments to  
9 their mobile home park statutes in this  
10 fashion have given the residents of the park  
11 some period of time. Some states give them a  
12 set period of time.

13 We thought forty-five days gave them  
14 time to try to organize. If they got their  
15 act together, they could go to the mobile home  
16 park owner and say, Look, we have an  
17 association. We've made an application for a  
18 bank loan. Please negotiate with us.

19 If they can't do that within forty-  
20 five days, then everything just proceeds.

21 REPRESENTATIVE REICHLEY: I guess,  
22 while I agree with the idea of giving the  
23 window of time for the residents to make their  
24 own plans and also some degree of relocation  
25 expenses based upon the rent payment, it would

1       seem to me in that situation, first refusal,  
2       the potential buyer might just inflate the  
3       price to calculate in the relocation expenses,  
4       making it almost impossible for the residents  
5       to put together financing, because, as you  
6       said, primarily they're low-income people.  
7       They're elderly, they're disabled, not really  
8       going to have the resources to be able to  
9       cobble together a million dollars or whatever  
10      it might be.

11               Because there's so many questions,  
12      let me just limit it to two more. You  
13      mentioned about the appraised value of a  
14      mobile home have to be paid to the owner of  
15      the home if that person's unable to find a  
16      suitable replacement, and that's -- I'm sorry,  
17      on page two at line fifteen, and then further  
18      down that page -- last line, actually -- where  
19      a mobile home park would not be able to refuse  
20      a used mobile home as long as it's good and in  
21      tenantable condition.

22               I'm just curious as to whether  
23      there's any resources at this time that define  
24      how you determine if the mobile home owner is  
25      unable to find a suitable replacement location

1 and is there an agency that determines or  
2 other guidelines right now that defines what  
3 is a good and tenantable condition of the  
4 mobile home?

5 That will be the end of my questions.  
6 Thank you.

7 REPRESENTATIVE FREEMAN: I should  
8 note that we have been in discussions with  
9 various groups that are supportive of this  
10 legislation as well as those that have some  
11 questions of mobile home park owners, and we  
12 are looking at the possibility of providing  
13 tighter language that would have a role for  
14 DCED in terms of the condition of the units  
15 and how that would be applied or inspected.

16 We recognize it has to be a standard  
17 that's reasonable, that the trailer in  
18 question has to be in decent shape. But we  
19 don't think that just because it's a used  
20 trailer, that should exclude it from being  
21 able to be relocated in some other mobile home  
22 facility.

23 REPRESENTATIVE REICHLEY: When unable  
24 to relocate parks, who makes that  
25 determination that you think, Well, I can't

1 find another location in five miles, and the  
2 mobile home park owner says, Well, there's one  
3 fifty miles away? Do you wind up going to  
4 court and asking a judge what's a reasonable  
5 relocation site?

6 REPRESENTATIVE FREEMAN: I think if  
7 the site -- obviously with any laws that we  
8 pass in the legislative process, sometimes  
9 they get defined in the court process.  
10 However, I think if it is a reasonable  
11 proposal, and the manufactured housing owner  
12 decides, Well, I don't want to go there, they  
13 would lose their option of being able to get  
14 appraised value because it is reasonable.

15 Might that end up in court? That's  
16 true of anything that you pass as legislation,  
17 but I think this at least sets a standard that  
18 it has to have an opportunity to relocate, and  
19 if they can't find a place to relocate, they  
20 have to compensate.

21 MR. MILES: There might be other  
22 factors besides just the distance of the  
23 nearest park that might accept it. If the  
24 cost to hire a tractor-trailer is \$5,000 and  
25 the person doesn't have any money, that might

1       be another factor, so I think DCED would  
2       probably have to come up with some standards  
3       of the kinds of things that might reasonably  
4       preclude somebody from moving the home.

5               REPRESENTATIVE REICHLEY: Thank you.

6               MR. JENNINGS: If I could just  
7       comment on that last point. Our experience  
8       with the Peaceful Meadows project was that we  
9       couldn't find another park within fifty  
10      miles. I was shocked by that. I mean, this  
11      is something that I just didn't know was going  
12      on.

13              And we actually had a park that was  
14      about fifty or fifty-five miles away call us  
15      and offer us the opportunity for people to  
16      move there. Very kind of them, but it was  
17      because they were so remote that they couldn't  
18      get anybody to go there. And the folks that  
19      we're talking about need to be near services.  
20      They're elderly, family, disabled. Fifty  
21      miles away was just easily definable by my  
22      definition as unreasonable.

23              But I'd be very receptive,  
24      Representative Reichley -- you always ask  
25      really sharp, good questions, and I don't

1 know, this might be bad legislative strategy,  
2 and my friends might kick me under the table  
3 for this, but I'd be really interested in, if  
4 you're sympathetic, helping us resolve those  
5 issues.

6 REPRESENTATIVE REICHLEY: I'm always  
7 glad to work with you, Mr. Jennings, and  
8 Representative Freeman and Attorney Miles, so  
9 you don't have to kick Representative Freeman  
10 under the table.

11 CHAIRMAN PETRONE: Thank you.

12 I personally think there ought to be  
13 a percentage of the rental agreement put in  
14 escrow to ensure the liability of the people  
15 whenever -- in other words, so much a month  
16 every month is put into escrow to guarantee if  
17 anything happens, when it does, that they're  
18 going to have some -- you know, they're going  
19 to be able to be at least made whole.

20 Representative Petri. We have a lot  
21 of questions. Our chairman's next and three  
22 representatives in the back, so we're going to  
23 have to move along, please.

24 REPRESENTATIVE PETRI: I will,  
25 Mr. Chairman.



1                   Chairman Freeman, I see you never shy  
2                   away from the tough topic, and you picked  
3                   another one.

4                   I'm interested -- and I don't see  
5                   them on the list, so maybe they haven't taken  
6                   a position yet -- but the Pennsylvania  
7                   Association of Townships -- and being chairman  
8                   of local government, I know that you know how  
9                   to get a hold of them. I'm wondering, from a  
10                  land use perspective, whether the townships  
11                  have weighed in on this.

12                  And I want to kind of give you a  
13                  hypothetical. Maybe I can pick on the  
14                  planning commission solicitor and get an  
15                  opinion.

16                  MR. MILES: Go ahead. Everyone else  
17                  does.

18                  REPRESENTATIVE PETRI: There's been  
19                  this concept of fair share and every township  
20                  has to have their fair share. In hypothetical  
21                  where the municipality only has one trailer  
22                  park in its community and you can't find  
23                  another place to put it and -- in other words,  
24                  it flips, like the hypothetical you gave, and  
25                  I'm just wondering from purchase perspectives,

1 is there -- is there a potential that the  
2 township faces a challenge to rezone another  
3 parcel within its community that maybe it  
4 never intended to have a mobile home park when  
5 it loses that mobile home park under some sort  
6 of fair share?

7 In other words, you had a mobile home  
8 park. That was your fair share, but it's now  
9 gone, so I own the property over here and  
10 maybe it doesn't have public water and public  
11 sewer and all that, but, guess what, I now  
12 want you to rezone that parcel to accommodate  
13 a mobile home park. Any thoughts?

14 REPRESENTATIVE FREEMAN: Well, I  
15 think, as my colleague well knows, the  
16 application of zoning in Pennsylvania, based  
17 on court decisions, has ruled that if you  
18 zone, you must zone for every conceivable  
19 use. And that has its share of frustrations,  
20 particularly the smaller communities that  
21 can't quite accommodate a nuclear power plant  
22 or an airport, but it is one of the  
23 frustrating aspects of trying to provide good  
24 planning within the confines of the court's  
25 interpretation of zoning.

1           I think what you'd find, and I know  
2       you've experienced this in your neck of the  
3       woods and we have as well in the Lehigh  
4       valley, that oftentimes developers, in attempt  
5       to get what they want, will use the curative  
6       amendment process and misuse it, in my  
7       opinion, going into a community, looking at  
8       their zoning, saying you haven't provided for  
9       a mobile home park, and as such you're not  
10      meeting the court standard, would it bust your  
11      zoning ordinance, and they never really intend  
12      to build a manufactured housing facility.  
13      What their intent is is to give them  
14      bargaining strength in going to the  
15      supervisors and hold it over their head and  
16      then get them to agree to maybe build single-  
17      family homes on quarter-acre lots, which is  
18      what they really intended to do.

19           I think in this case, whenever you're  
20      in the path of growth, of extensive growth,  
21      you will find that just about any land that is  
22      zoned, a developer who can get a higher price  
23      for their product, will seek to rezone that,  
24      as they did in the case of the Bethlehem  
25      Township mobile home park -- or Hanover

1 Township, for some other use, and make  
2 extensive efforts to get that higher value out  
3 of it.

4 So I don't think this poses any real  
5 problem for the township. What standards  
6 exist in zoning already exist. They're then  
7 interpreted by the courts. Although, I do  
8 think it does provide some safeguards for the  
9 owners of manufactured housing, which is our  
10 intent.

11 MR. MILES: The case law of the  
12 Commonwealth Court has not made the fair share  
13 doctrine as onerous as people sometimes think  
14 it is. If a municipality has an adjacent  
15 municipality that has the use that's in  
16 question available, the courts have held that  
17 it's not necessary for that municipality to  
18 have the use.

19 Also for municipalities such as Lower  
20 Macungie Township, for example, that have  
21 multimunicipal zoning and land use planning,  
22 there's five municipalities that share the  
23 fair use doctrine, so to speak, so if  
24 something is not available in one municipality  
25 but is available in one of the other

1 municipalities that has joint planning, and  
2 that kind of joint planning is increasingly  
3 common in Pennsylvania, that would not be the  
4 case.

5 I suppose if you had a municipality  
6 that had only one mobile home park zone for  
7 mobile home parks and within 30 miles there  
8 wasn't another municipality that had one,  
9 there might be a problem, but I doubt that's  
10 going to be very common.

11 REPRESENTATIVE FREEMAN: I should  
12 note Attorney Miles is absolutely correct. As  
13 more municipalities joining together in Act 67  
14 joint comprehensive plans, the issue of saying  
15 that you're not providing for every  
16 conceivable use will probably be less potent.  
17 And we are seeing more and more municipalities  
18 joining in those joint comprehensive plans.

19 REPRESENTATIVE PETRI: And I  
20 appreciate both of your comments. We've seen  
21 in my own municipality this argument that even  
22 if your comprehensive plan allowed for, let's  
23 say, high density and it all got used up in  
24 the first five years, we've had developers  
25 come in and argue, Well, now you have to

1 rezone more property as high density. It's  
2 never been to the courts yet, that that's the  
3 argument that's being made.

4 Actually, my point was that this  
5 provision may actually assist some  
6 municipalities as far as being able to say,  
7 Well, this provides for fair and equitable  
8 opportunity to relocate people.

9 It would just be interesting to hear  
10 from PSATS and see what their position is and  
11 if they have any suggestions, because it does  
12 have zoning overtones to it. But thank you.

13 REPRESENTATIVE FREEMAN: Point's well  
14 taken.

15 CHAIRMAN PETRONE: Thank you.

16 This topic obviously got a lot of  
17 interesting questions coming. Mine was about  
18 what did FEMA do when they had to place a  
19 million mobile homes to help people with  
20 Katrina. Was there any rules or regulations  
21 they had to go by or they just can do whatever  
22 they want?

23 MR. MILES: I have a son who lives in  
24 New Orleans. I can tell you a number of  
25 municipalities refused to accept them based on

1           their zoning. And FEMA caved in.

2                   CHAIRMAN PETRONE: Honestly.  
3           Interesting.

4                   Chairman Taylor.

5                   REPRESENTATIVE TAYLOR: Thank you,  
6           Mr. Chairman.

7                   If you call on Kathy and Garth next,  
8           you'll get all of the lawyers out of the way.  
9           Promise not to come back.

10                  You know, Alan, I think you asked  
11           about whether we're sympathetic. I think we  
12           sure are, but we found out with our  
13           conservatorship bill, getting from sympathetic  
14           to legislation is a tall order sometimes.

15                  And I apologize for some of the  
16           questions because this is very foreign to  
17           those of us that are actually urban. This is  
18           an urban matter, the Dave Argall definition of  
19           what is urban.

20                  But, nevertheless, let me just start  
21           off with your provision with the Section 11.1  
22           with the agreement of sale. I imagine that  
23           the thirty-days' notice prior to an agreement  
24           of sale.

25                  REPRESENTATIVE FREEMAN: After.

1                   MR. MILES:   Within 30 days after it's  
2                   signed.

3                   REPRESENTATIVE TAYLOR:   Okay.   We  
4                   have "prior" here in a couple places, so I'm  
5                   trying to see.   Maybe it is in -- I saw the  
6                   word "prior" somewhere, so if it's not prior,  
7                   that's fine.

8                   Was there a reason, then, for the  
9                   forty-five days being inconsistent with that  
10                  for right of first refusal?

11                  REPRESENTATIVE FREEMAN:   I think it  
12                  is fair to say that for the residents of such  
13                  a facility to be able to come to an agreement  
14                  amongst themselves that they want to pursue  
15                  the possibility of taking over the owner of  
16                  the park, getting to the bank, finding the  
17                  financing, that forty-five days actually might  
18                  be too short, but I think at least it gives a  
19                  reasonable standard in which to let them get  
20                  their act together and try to put forward an  
21                  alternate proposal to try to purchase the  
22                  park.

23                  REPRESENTATIVE TAYLOR:   I'm just  
24                  wondering if those should match in some way.

25                  REPRESENTATIVE FREEMAN:   Thirty days



1       would be too short, one, to get everyone in  
2       the park to come to an agreement that, yes,  
3       they want to pursue purchasing or at least  
4       offering another proposal, and, two, to be  
5       able to line up financing, particularly in  
6       today's banking market.

7               But under any circumstances, I think  
8       forty-five days is reasonable if not possibly  
9       too short.

10              REPRESENTATIVE TAYLOR:  What I'm  
11       getting at, in the event that -- if it's not  
12       prior, so they signed agreement of sale.

13              REPRESENTATIVE FREEMAN:  Right.

14              REPRESENTATIVE TAYLOR:  I guess by  
15       law they have to put the fact in the  
16       agreement, the right of first refusal.

17              REPRESENTATIVE FREEMAN:  If this were  
18       to become law.

19              REPRESENTATIVE TAYLOR:  In their  
20       agreement of sale.

21              REPRESENTATIVE FREEMAN:  Correct.

22              REPRESENTATIVE TAYLOR:  Let's go to  
23       the agreement or the lease.  If you haven't  
24       done so, if any of you can provide just maybe  
25       standard copies of leases between mobile park

1 owners and tenants.

2 MR. MILES: Many tenants don't have a  
3 lease. Many tenants are just on an oral,  
4 month-to-month lease.

5 REPRESENTATIVE TAYLOR: That's  
6 problem number one we can solve.

7 MR. MILES: That's probably more  
8 common than having a lease.

9 REPRESENTATIVE FREEMAN: In most  
10 circumstances.

11 REPRESENTATIVE TAYLOR: That would --  
12 that's not in this bill though; right? That  
13 might be easier than some of the things we're  
14 talking about doing here. I would ask to see  
15 what a standard lease would be in terms of  
16 notice provisions. I mean, you would all have  
17 to educate me on whether or not this is common  
18 in terms of transferring these lands.

19 I mean, obviously, you're coming from  
20 a perspective of big developer -- Target,  
21 Wal-Mart -- and trust me, I'm no fan of some  
22 of those. But I guess they all don't happen  
23 in that type of scenario; right?

24 MR. MILES: The typical --

25 REPRESENTATIVE TAYLOR: I mean, how

1       often -- if I own a mobile home, what would my  
2       expectation be?

3               MR. MILES:   The typical leases that  
4       I've seen only provide them with the notice  
5       that the Landlord-Tenant Act provides them,  
6       which is fifteen days.

7               REPRESENTATIVE TAYLOR:   I understand  
8       that.   What's just -- I'm off the lease a  
9       second.   How often could people go through  
10      this?

11              REPRESENTATIVE FREEMAN:   I think it  
12      depends on the circumstance of the region.

13              REPRESENTATIVE TAYLOR:   Does somebody  
14      have the expectation of being there forever  
15      when they walk in?

16              REPRESENTATIVE FREEMAN:   Yes.   I  
17      think most people do.

18              MR. JENNINGS:   They think they own a  
19      property and that's where they're staying.

20              REPRESENTATIVE FREEMAN:   And we're  
21      seeing an increasing number of senior citizens  
22      opting for manufactured housing.   It's  
23      affordable.   Some of the newer manufactured  
24      housing is actually quite nice.

25              REPRESENTATIVE TAYLOR:   But they have

1 an expectation.

2 REPRESENTATIVE FREEMAN: That's their  
3 retirement.

4 REPRESENTATIVE TAYLOR: Without a  
5 written document. I can just see -- sounds  
6 like this problem, you have to almost go back  
7 to square one on how these things are done if  
8 these problems are occurring to the point  
9 where you have a very detailed lease that has  
10 all sorts of notice provisions and warnings,  
11 and as the chairman said, escrow funds.

12 MR. MILES: Harking back to the  
13 Hanover Township example that I cited in my  
14 statement, that mobile home park had been  
15 founded thirty years before by the gentleman  
16 who still technically owned it. And he went  
17 around to every mobile home park resident  
18 frequently and reassured them, You're here  
19 forever, as long as I'm around.

20 Within a couple of weeks after he was  
21 put in a nursing home, his two sons negotiated  
22 the sale of the mobile home park to the  
23 developer, so folks were sitting there  
24 thinking, Well, John is going to keep us here  
25 forever, but John isn't forever.

1                   REPRESENTATIVE TAYLOR: That's  
2           interesting that they normally don't have a  
3           lease, but, you know -- and we just -- we have  
4           some definitions in this bill such as  
5           "suitable," which is sort of vague, and, I  
6           mean, we've -- we just had a bill that we  
7           think is a slam dunk for everybody that looks  
8           at it. It's not. We're still not done.

9                   So the words "decent" and "suitable"  
10          and things like that are going to be  
11          problematic, and I think this committee has  
12          the wherewithal to put this together and try  
13          to find something that solves the problem. I  
14          mean, the problem is evidence.

15                  And this may not be a question for  
16          the three of you, but manufactured housing,  
17          that's not always mobile housing, is it?

18                  REPRESENTATIVE FREEMAN: The  
19          terminology has changed over time. The more  
20          common term now is manufactured housing, which  
21          covers a broad array of that kind of housing.  
22          At one time they were known as trailers, at  
23          one time mobile homes.

24                  REPRESENTATIVE TAYLOR: You get some  
25          pretty high-end manufactured housing.

1           REPRESENTATIVE FREEMAN: Some of it  
2           is. And most of it being produced at the  
3           higher end really isn't mobile. It's meant to  
4           be in place, but it still comes under all the  
5           requirements and limitations of being a  
6           manufactured mobile home.

7           REPRESENTATIVE TAYLOR: We have had  
8           an entire block developed in three days. They  
9           own the land, though.

10          REPRESENTATIVE FREEMAN: There was a  
11          manufactured housing development just outside  
12          my district that I think was built probably  
13          about five, six years ago, just across from  
14          Representative Grucela's district, and it was  
15          sold as a retirement home. The units are  
16          quite nice but they are manufactured housing  
17          and they're small in scale, but they would  
18          still suffer the potential fate that we're  
19          talking about.

20          REPRESENTATIVE TAYLOR: They don't  
21          own the land.

22          REPRESENTATIVE FREEMAN: They don't  
23          own the land. It's a neither-fish-nor-fowl  
24          situation.

25          REPRESENTATIVE TAYLOR: I see my

1 chairman's wiggling around in his chair.

2 CHAIRMAN PETRONE: Time wise, we have  
3 a lot of people that have some interesting  
4 topics they want to talk about. But I'd like  
5 to mention we've been joined by our colleagues  
6 Representative Thomas Caltagirone and also  
7 Representative Jay Moyer here with us.

8 So this is really very interesting.  
9 I'm sure we are going to have a lot more going  
10 on with it as time goes on.

11 We have questions from Representative  
12 Beyer and then Costa and then Everett and  
13 Quinn. Okay. So fire away.

14 REPRESENTATIVE BEYER: Well,  
15 Mr. Chairman, I'm going to take my time and  
16 ask as many questions --

17 CHAIRMAN PETRONE: We better order  
18 dinner.

19 REPRESENTATIVE BEYER: -- because we  
20 have a female running for vice president.  
21 Just very quickly -- and by the way, Bob,  
22 Alan, Don, very good to see the three of you.

23 What are the provisions of eminent  
24 domain, Bob, where PennDOT or government comes  
25 in and tells homeowners, you know, We are

1 going to take your land because we're going to  
2 build a road there? What are the provisions  
3 of that? How much notice do they get? How  
4 much --

5 REPRESENTATIVE FREEMAN: Not being an  
6 attorney, I can't speak to all of the legal  
7 angles of eminent domain, but, as you know, we  
8 passed legislation to tighten the application  
9 of eminent domain several years ago, and they  
10 do have to pay what is considered a fair value  
11 for the land or for the property that's being  
12 taken. Perhaps Attorney Miles might know.

13 REPRESENTATIVE BEYER: Do you know,  
14 Don?

15 MR. MILES: I don't handle eminent  
16 domain cases, but I know the general  
17 procedure. I don't remember what the notice  
18 time is, but it's at least thirty days. It  
19 might be sixty. Then the person has the right  
20 to challenge the money that's being offered.  
21 They go to court and it becomes a regular  
22 court case. There's a board of overseers  
23 appointed. The whole process could take at  
24 least six months, if not longer, so as a  
25 practical matter, if they challenge the amount



1 of money they're offered, they don't have to  
2 move very quickly.

3 REPRESENTATIVE BEYER: So the problem  
4 I have with the legislation generally is if --  
5 we're getting into the business of restricting  
6 what people have the right to do with their  
7 own property. I mean, if you're a mobile home  
8 park owner, you know, you want -- you get a  
9 great offer and can't imagine why we would  
10 want to restrict the ability -- I just don't  
11 know what kind of slippery slope all that  
12 ultimately becomes.

13 REPRESENTATIVE FREEMAN: I guess my  
14 response to that would be we're trying to  
15 protect the property of those who own  
16 manufactured housing. And if you look at the  
17 structure of the legislation, we don't  
18 prohibit the sale, we don't stop it from  
19 occurring, we just try and build in certain  
20 safeguards of proper notice, reasonable  
21 relocation expenses, the kind of things that  
22 would ease the pain that people of lesser  
23 means that tend to own manufactured housing  
24 would definitely face in today's society.

25 REPRESENTATIVE BEYER: Bob, isn't

1 PennDOT involved in the licensing on mobile  
2 homes? Doesn't it have to have certain permit  
3 from PennDOT? Aren't they in a different  
4 classification?

5 MR. MILES: Classified as vehicles.

6 REPRESENTATIVE FREEMAN: They are  
7 classified as vehicles to move them. Again,  
8 it's a very neither-fish-nor-fowl  
9 circumstance. And that's one of the limbo  
10 situations that people who own manufactured  
11 housing have found themselves in throughout  
12 the years here in Pennsylvania.

13 REPRESENTATIVE BEYER: Why not place  
14 restrictions on folks who make the decision to  
15 have a mobile home park on their land? Why  
16 not require them to meet certain guidelines  
17 that they have to make certain commitments  
18 that if you decide as a land owner you're  
19 going to have a mobile home park there, you  
20 must have it there for fifty years or you  
21 must pay these certain costs if you make the  
22 decision to sell it?

23 REPRESENTATIVE FREEMAN: Getting back  
24 to your --

25 REPRESENTATIVE BEYER: Why not get a

1       special permit for mobile home park owners  
2       like if you want to own a mobile home park,  
3       you have to have these kinds of permits and  
4       facilities?

5               REPRESENTATIVE FREEMAN:   Getting back  
6       to your original point about property rights.  
7       We're not proposing that we are going to tie  
8       up someone's property for fifty years.   We  
9       just want to build in safeguards that the  
10      people who own the manufactured housing get  
11      sufficient notice, get sufficient compensation  
12      for the loss of their property.

13             I think it might be more onerous from  
14      a property-right standpoint to say, You've got  
15      to keep that mobile home for fifty years and  
16      you can't touch or interchange it in any way.  
17      While in a nicer world, that might sound very  
18      appealing, I think that would be a tougher  
19      piece of legislation to push.

20             I think a lot of what both  
21      Representative Taylor and yourself have raised  
22      as far as conditions, we are providing for  
23      that here in this legislation.   It might be  
24      not part of a lease but, in fact, becomes part  
25      of the statute, which, in many respects, is a

1 greater safeguard because trying to meddle in  
2 the structuring of a lease can be a tricky  
3 legal question. And if you have this  
4 safeguard, it would protect those who would or  
5 would not have a lease as well.

6 REPRESENTATIVE BEYER: You know, Bob,  
7 I understand -- and Alan and Don -- and I know  
8 exactly what you're doing, and you know that  
9 I'm trying to be as supportive as I can, but I  
10 have to agree with Chairman Taylor in at least  
11 the road that he was going down, which is, you  
12 know, to get a response that most of these  
13 people don't even have a lease, there's no  
14 provisions and they're not aware of their  
15 rights, I mean, don't you know what you're  
16 getting into when you buy a mobile home versus  
17 renting an apartment or --

18 REPRESENTATIVE FREEMAN: You'll find  
19 many people that rent apartments don't have  
20 leases either. They're protected by the  
21 Landlord-Tenant Act in terms of the provision  
22 of eviction, thirty days' notice or fifteen  
23 days' notice. All of those provisions are in  
24 the statutes, just as what we're trying to  
25 achieve here.

1           You could go down another path of  
2       trying to mandate leases and mandate  
3       requirements. I think this is an easier path  
4       and it solves the problem more quickly.

5           REPRESENTATIVE BEYER: Alan, do you  
6       have any thoughts?

7           MR. JENNINGS: My thinking,  
8       Representative Beyer, is that I'm an advocate  
9       for affordable housing, and I've done that  
10      work for 25 years, but we do a lot of housing  
11      counseling and lot of home ownership  
12      counseling, and I would have to say that  
13      there's got to be some point at which mobile  
14      home park owners start to recognize that this  
15      is good for their market, because I would -- I  
16      would argue that this is a terrible deal that  
17      anybody who is buying a mobile home park is  
18      buying into a disastrous -- potentially  
19      disastrous situation, and I think the  
20      protection of those people's consumer  
21      situation would be good for the market, for  
22      mobile home parks.

23           I probably sound a little twisted,  
24      but, you know, when this was going on, I very  
25      publicly said people ought to learn a lesson

1 from this. Don't get into a mobile home.  
2 This is a disastrous situation. This is an  
3 awful deal for anybody involved. At any point  
4 in time, the entire value of their home could  
5 be wiped out in fifteen days. I mean  
6 literally fifteen days.

7 So, you know, I understand your point  
8 about property rights, but we are also talking  
9 about the property rights of the person who  
10 bought a home thinking they bought a home and  
11 they really didn't. They bought a temporary  
12 arrangement.

13 MR. MILES: Although property rights  
14 of a mobile home park owner needs to be  
15 protected, the commonwealth does have, I  
16 believe, an interest in trying to preserve  
17 communities where possible, and all the mobile  
18 home park -- all the mobile home parks that  
19 I've come in contact with are real  
20 communities. They're like little villages.  
21 The people know each other. Most of them do  
22 have resident groups, organizations; without  
23 being required to put one together to buy the  
24 mobile park, they just have one because it  
25 deals with their common issues.

1                   And I do think that the commonwealth  
2           has some interest in doing some things to try  
3           to preserve that community. And here all  
4           we're saying is let the people know that  
5           there's going to be a sale. Give them a  
6           short, reasonable time to try to preserve that  
7           community by buying it.

8                   Obviously, they're going to be in  
9           competition with the Targets and the  
10          Wal-Marts, and it's going to be hard, but at  
11          least give them the opportunity to try to  
12          preserve the community. And I think the  
13          commonwealth has as much responsibility to try  
14          to preserve those low-income communities that  
15          we can, affordable housing that Alan worked so  
16          hard for, as preserving the right of the  
17          mobile home park owner.

18                   We are not interfering with his  
19          rights to sell. He can sell. He can sell to  
20          the best offer. We're just saying, Let the  
21          mobile home park residents, if they can get  
22          their act together, have a seat at the table.

23                   REPRESENTATIVE BEYER: You know, Don,  
24          I agree wholeheartedly with what you said.  
25          And I would be remiss if I didn't sit here now

1       and just say I'm so glad to see Alan Jennings  
2       because he is truly a champion of the average  
3       person in the Lehigh valley, especially for  
4       people who need help the most, and he knows he  
5       has my friendship and admiration.

6               I -- I think, though, Bob, you know,  
7       as Chairman Taylor said, this is going to be a  
8       tough piece of legislation to get through, and  
9       we can still make, I think, reasonable  
10      modifications in other parts, and so I'm  
11      looking forward to the remainder of the  
12      discussion, and thank you all very much for  
13      being here today.

14             Thanks, Mr. Chairman.

15             CHAIRMAN PETRONE: Thank you,  
16      Representative Beyer.

17             Comment from Chairman Taylor.

18             REPRESENTATIVE TAYLOR: Robert, just  
19      a follow-up. We very often mandate things in  
20      agreement of sales for the purchase of a home.

21             REPRESENTATIVE FREEMAN: True.

22             REPRESENTATIVE TAYLOR: And I just  
23      don't think it would be outrageous at all from  
24      the tenant point of view or the buyer of the  
25      mobile home -- the tenant of the land and the



1 owner of the land to have a standardized,  
2 thorough lease that kind of lays out all the  
3 rights and remedies, and I think that that --  
4 if you're suggesting people get into these  
5 deals without even a written lease, no wonder  
6 we're in these kind of problems.

7 REPRESENTATIVE FREEMAN: That would  
8 be another approach. I think you achieve the  
9 same end in the legislation.

10 REPRESENTATIVE TAYLOR: I don't  
11 really understand how. The notice provisions,  
12 I think, you're fine with most of the notice  
13 provisions.

14 REPRESENTATIVE FREEMAN: I mean --

15 REPRESENTATIVE TAYLOR: Thereafter,  
16 it gets a little wobbly.

17 REPRESENTATIVE FREEMAN: The  
18 comparison is the Landlord-Tenant Act, which,  
19 as you know, Mr. Chairman, we established to  
20 safeguard people who have a lease or don't  
21 have a lease. It set down certain standards.  
22 And it said that these provisions of  
23 notification must be observed whether you are  
24 under a lease or not and you cannot abrogate  
25 the provision of the Landlord-Tenant Act to

1       accommodate something that the landlord might  
2       feel is a better deal as far as eviction or  
3       something of that nature.

4               In a sense, we're doing the same  
5       thing here. Regardless of the lease  
6       provisions or lack thereof, you would still  
7       have protections of notification, just as  
8       under the Landlord-Tenant Act renters do in  
9       this commonwealth.

10              CHAIRMAN PETRONE: Thank you. Before  
11       we proceed now, there are some testifiers here  
12       that are on a very critical time schedule. We  
13       are going to change our routine to allow them  
14       to testify and so that we can get their time  
15       in.

16              And next we have Representative Costa  
17       and then Representative Everett.

18              REPRESENTATIVE COSTA: Thank you,  
19       Mr. Chairman.

20              Gentlemen, thank you very much for  
21       your testimony. Chairman Taylor and  
22       Representative Beyer addressed most of the  
23       questions I have, there again proving that  
24       great minds think alike, but I just want to be  
25       clear, if I own a mobile home, and you're the

1 mobile home park, you provide me with a space,  
2 you provide me with utilities, and I pay you  
3 for that space. Is that how it works?

4 MR. MILES: Yes.

5 REPRESENTATIVE COSTA: You're telling  
6 me there's no lease when these people walk in;  
7 there's not a contract?

8 REPRESENTATIVE FREEMAN: It varies.  
9 There can be leases. There is no obligation  
10 on the part of the landlord to offer a lease.  
11 It varies from mobile home park to mobile home  
12 park.

13 REPRESENTATIVE COSTA: And how  
14 long -- how are they typically charged?  
15 Depending on the size of the space or the  
16 location of it?

17 REPRESENTATIVE FREEMAN: That  
18 varies.

19 REPRESENTATIVE COSTA: Does this vary  
20 inside the park also?

21 REPRESENTATIVE FREEMAN: It can, I  
22 believe, but it also --

23 MR. MILES: The clients I represented  
24 paid around 5- or \$600 a month.

25 REPRESENTATIVE COSTA: A month.

1                   MR. JENNINGS: In our case, it was  
2                   less than that. It was closer to two  
3                   hundred.

4                   REPRESENTATIVE FREEMAN: It will vary  
5                   from region to region and nature of the park.

6                   REPRESENTATIVE COSTA: I thought I  
7                   heard you gentlemen saying that people that  
8                   are leasing this land, they think that they're  
9                   leasing to buy it?

10                  MR. MILES: No.

11                  REPRESENTATIVE COSTA: They're not  
12                  clear --

13                  MR. JENNINGS: You're right it's not  
14                  clear, but not necessarily lease to own.

15                  REPRESENTATIVE FREEMAN: They realize  
16                  the land itself is not their possession.

17                  REPRESENTATIVE COSTA: And they're  
18                  aware of that.

19                  MR. JENNINGS: But they were all  
20                  shocked -- when we brought them all together  
21                  to offer them the relocation help, they were  
22                  all shocked to learn that they had basically  
23                  no rights. They didn't realize they only had  
24                  fifteen days.

25                  REPRESENTATIVE FREEMAN: To vacate.

1       Something which is difficult to do if you live  
2       in an apartment. It is absolutely impossible  
3       if you have a piece of property that is very  
4       difficult to move or maybe impossible to move,  
5       given the fact that a lot of the equipment  
6       that was there is no longer there.

7               REPRESENTATIVE COSTA: And these  
8       other states that provided relocation costs,  
9       did they find that the lease price went up?  
10      Or did they do like Chairman Petrone  
11      suggested, an escrow account?

12             MR. MILES: I'm not sure. We can  
13      certainly look into that. The one that I  
14      cited was Florida. They adopted that  
15      provision a few years ago. They probably have  
16      some history as to what's happening.

17             I would guess that that would be  
18      factored into the purchase price. Most of  
19      these mobile home park operators don't have a  
20      large surplus of money sitting around to pay  
21      these things, so the money essentially is  
22      coming from the purchase price by the  
23      developer.

24             REPRESENTATIVE COSTA: Thank you.

25             CHAIRMAN PETRONE: Thank you.

1 Representative Everett.

2 REPRESENTATIVE EVERETT: Yes. I'd  
3 just like to state what I think a few people  
4 already have noted: The notice provisions  
5 make total sense to me.

6 Just to let me explain, I'm from  
7 rural Lycoming County. I'm not sure how I got  
8 on the Urban Affair Committee in the first  
9 place, but maybe it's because of legislation  
10 like this.

11 CHAIRMAN PETRONE: It's punishment.

12 REPRESENTATIVE EVERETT: I probably  
13 have -- just to explain, I probably have ten  
14 to twelve mobile home parks in the district  
15 that I represent. Because the largest  
16 metropolis in the district that I'm from is  
17 under 5,000 people, very rural, lot of mobile  
18 home parks. And most of them are owned, have  
19 been there for forty to fifty years, that are  
20 run by family operations, maybe third  
21 generation by this point.

22 They're mom-and-pop operations. They  
23 run small sewer systems. They're being forced  
24 to get onto public sewer systems and pay  
25 unbelievable tap fees. These folks are

1 hanging onto these parks, you know, by their  
2 fingernails. These are not rich developers  
3 that are flipping to rich developers.

4 They work hard with the people that  
5 are in their parks. A lot of times, you're  
6 right, they don't have leases. The folks are  
7 low income. They're transient to some  
8 extent. They come and they go.

9 So, I mean, with that backdrop,  
10 I mean, I know that the rest of the folks live  
11 in areas where there is a lot of suburban  
12 sprawl, but I can see this as a real hardship  
13 on some folks who -- it's basically like  
14 selling the family farm. This is a one-time  
15 opportunity for them possibly to sell, and I  
16 just see a few problems it would present.

17 And one question that I have is what  
18 if I choose just to cease my operation? No  
19 agreement of sale, no nothing. I provide  
20 notice provisions of whatever this law says,  
21 and six months later, I guess it would be, the  
22 thirty plus one eighty, two hundred ten days,  
23 I'd say, Move your stuff. What happens?

24 REPRESENTATIVE FREEMAN: I think you  
25 make a very good point. Perhaps we need to

1 incorporate that into the legislation.

2 REPRESENTATIVE EVERETT: That's  
3 obviously a ploy, when you say something's  
4 going to -- if I've got land that's suddenly  
5 worth -- I'm getting a \$10 million offer, I'll  
6 close the place up in a heartbeat.

7 REPRESENTATIVE FREEMAN: I think  
8 you'd find in most circumstances that very  
9 few -- as far as the strategy, very few owners  
10 of the mobile home park would close it unless  
11 they had an agreement of sale, in which case  
12 this provision could kick in.

13 But if they were just to cease to  
14 operate and hope that somewhere down the road  
15 they could sell their land, maybe you raise a  
16 very good point as far as applying these  
17 conditions to that circumstance as well.

18 MR. MILES: I think the intention of  
19 the proposed legislation was not to impose  
20 relocation costs on just the mobile home park  
21 owner that -- as far as normal operating  
22 expenses. We realize that they don't have any  
23 cushion for anything like that. This is  
24 intended to kick in only when the windfall  
25 arrives.



1                   REPRESENTATIVE FREEMAN: That is a  
2                   very good point which I'd like to speak to,  
3                   only that you're absolutely right that many of  
4                   the mobile home park owners do have a sort of  
5                   subsistent existence in terms of their  
6                   property and their operation.

7                   What we are looking at are those  
8                   circumstances that you're in the path of  
9                   development, all of a sudden the windfall  
10                  comes to the owner. We understand that. We  
11                  understand their right to be able to deal with  
12                  their property. We just want to build in some  
13                  safeguards for the tenants who also own  
14                  property that happens to reside in those  
15                  facilities.

16                 And I think what we've put forth here  
17                 are reasonable provisions that allow them to  
18                 maintain the value of the property that is  
19                 their sole asset.

20                 REPRESENTATIVE EVERETT: If I, as a  
21                 mobile home park owner, provide -- find a  
22                 suitable spot for folks to go, whatever that  
23                 would mean as the regulations are developed  
24                 and the courts decide what a suitable spot  
25                 would be, and I say, Okay, I'm hiring -- I'm

1       going to bring the tractor-trailers and put my  
2       wheels back under it and take it over to the  
3       new mobile home park, I'm going to sit it  
4       there, as a mobile home park owner what else  
5       would I be liable for under this legislation?

6               MR. MILES: I think if the mobile  
7       home park owner did that, he should be able to  
8       get the credit for all the expenses that he  
9       incurred against what the relocation was.  
10       Suppose six months worked out to \$3,000, and,  
11       you know, what he did there was, you know,  
12       \$2500 worth of his expenses, that should  
13       certainly be credited as having been given to  
14       the mobile home owner, so there is no double-  
15       dipping.

16               REPRESENTATIVE EVERETT: And one of  
17       the other concerns that I have, I can think of  
18       at least four shades of mobile home parks just  
19       in my particular district. And so -- and some  
20       of the ones that I'll call higher end, you can  
21       only put a double-wide in. You can't do this  
22       and you can't do that. There's covenants and  
23       deed restrictions and all kinds of things that  
24       go with it. And this legislation would allow  
25       a 1950s single-wide to be forced into a park

1       like that?

2               REPRESENTATIVE FREEMAN:   It would  
3       have to meet the conditions, which is that it  
4       is in good shape, that it's tenantable, and  
5       that it meets --

6               REPRESENTATIVE EVERETT:   That it's  
7       double-wide?

8               REPRESENTATIVE FREEMAN:   That it  
9       meets all applicable codes, so if the facility  
10      in question has a standard that requires  
11      double-wide, that may not meet the code.

12              Now, as I mentioned, we are open to  
13      the idea of refining that language. We'd love  
14      to have DCED have a greater role in how that  
15      is carried out or administered. So we're open  
16      to refinements in that regard.

17              REPRESENTATIVE EVERETT:   So as you  
18      said, a lot of these places are communities.  
19      They take a lot of pride in, believe it or  
20      not, what their mobile home parks look like,  
21      and you can't just take one of the old ones  
22      and put it into one of the newer parks that's  
23      been developed.

24              And my last question, and I'll try to  
25      be brief, under the right of first refusal, I

1 don't quite understand what you negotiate on a  
2 right of first refusal. I mean, I have an  
3 agreement of sale for \$10 million. You got  
4 forty-five days to come up with \$10 million.  
5 What is there to negotiate in the right of  
6 first refusal?

7 MR. MILES: The forty-five days is  
8 the period that they would have to notify the  
9 mobile home park owner that they want to  
10 negotiate. The negotiations wouldn't have to  
11 be completed within that time. They would  
12 have to be completed within a reasonable time,  
13 and obviously regulations would have to be  
14 developed as to how you calculate that.

15 Most mobile home park associations  
16 aren't going to be able to come up with the  
17 money, but this at least gives them the  
18 opportunity to try.

19 REPRESENTATIVE EVERETT: I think that  
20 you should, if you're -- if that's going to be  
21 in this legislation, you need -- rather than  
22 somebody developing the regulations, I think  
23 we should put in how long the time period is  
24 that they get to come up with the money.

25 And, again, I don't understand what

1       there would be to negotiate. I mean, they  
2       either come up with the money or they don't  
3       come up with the money. There's -- what is  
4       there to negotiate. I just don't understand,  
5       as an attorney, what there is to negotiate  
6       under a right of first refusal.

7                You get -- every right of first  
8       refusal I've seen says you get ninety days to  
9       come up with the money or your option  
10      disappears.

11               What would you negotiate? And why is  
12      the term "negotiate" used in the legislation?

13               MR. MILES: Obviously, there's lots  
14      of things to negotiate in the sense that  
15      the -- how the purchase would be structured is  
16      something that would be on the table. Some  
17      mobile home park owners might be in a position  
18      to take back part of the price. Others might  
19      demand that all be commercially financed.

20               Those are the types of things that  
21      are in place in any kind of a real estate  
22      transaction. And as long as there was good  
23      faith negotiations going on, and I understand  
24      that we have to have regulations to show what  
25      that period is, the intention was to give the

1 mobile home park association the chance to try  
2 to work out terms of purchase that would be  
3 acceptable to the owner.

4 REPRESENTATIVE EVERETT: So if I --  
5 if the offer was made to me that I'm -- I'm  
6 the mobile home park owner, and the \$10  
7 million purchase price is going to be -- I get  
8 a hundred thousand dollars down and then  
9 they're going to pay the rest over time at  
10 some interest rate, who decides whether I have  
11 to accept that or not?

12 MR. MILES: You don't have to accept  
13 it.

14 REPRESENTATIVE FREEMAN: The owner is  
15 still --

16 MR. MILES: Good faith negotiation.

17 REPRESENTATIVE EVERETT: For a period  
18 of time that goes on into --

19 MR. MILES: No, the period of time  
20 could certainly be written into the  
21 legislation, whatever would be a reasonable  
22 period of time, but the way the legislation is  
23 written now, the forty-five days refers to  
24 when the people would have to let the owner  
25 know that they have their act together enough

1 to negotiate.

2 REPRESENTATIVE EVERETT: I fully  
3 understand that. I just say I think -- well,  
4 if -- I will offer an amendment that will put  
5 a finite cap on this because there is no way  
6 that somebody should be drug into a  
7 negotiation that has no end to it just to  
8 stall what's going to -- what's going to  
9 ultimately happen, which they're not going to  
10 be able to come up with the money, which, as  
11 you know -- I don't know of any association of  
12 a group that lives in the trailer parks in my  
13 district that would ever be able to come up  
14 with the financing to handle such a thing. I  
15 think it's a feel-good measure rather than  
16 something that's actually going to take place.

17 REPRESENTATIVE FREEMAN: If I may,  
18 Representative, I think that a defined period  
19 of time for how long that kind of negotiation  
20 goes on reasonable as long as that time frame  
21 is reasonable.

22 I think what we are trying to  
23 preserve here -- and it is a very important  
24 part of, I think, what America believes in --  
25 is the opportunity. It might be a tough

1 opportunity. It might be difficult for people  
2 of lesser economic means to pull together, but  
3 if we at least write into the law the ability  
4 of first right of refusal and they are able to  
5 pull the resources together, and they are able  
6 to let the mobile park owner get what they're  
7 asking for, why not give that opportunity to  
8 allow people to not have the kind of  
9 dislocation, disruption, and devaluation of  
10 their property occur.

11 I think it is only a reasonable  
12 provision that opens the door to opportunity.  
13 It may be one that maybe one in a hundred  
14 mobile home parks can ever achieve, but if  
15 it's only one, we have kept intact a  
16 community, we've allowed people to maintain  
17 their homes in their location, and we've  
18 ensured that owner of the property is made  
19 whole. So why not make that a provision?

20 REPRESENTATIVE EVERETT: I don't  
21 disagree with the goals of your legislation.  
22 Obviously, since I have about twelve mobile  
23 home parks in my district, I would estimate --  
24 I was just trying to do the math -- I probably  
25 have 3600 constituents that live in those



1 mobile home parks, and only 12 people who own  
2 them, so I mean, as far as I'm concerned, I'm  
3 all for taking care of the people that live in  
4 mobile home parks because I have a large  
5 constituency there.

6 I just want to see -- if we're going  
7 to do something, I want it to be meaningful  
8 and practical so it really does what we're  
9 intending to do rather than just appear to do  
10 what we're trying to do.

11 MR. MILES: That's completely  
12 reasonable, and I think we should also keep in  
13 mind it's not always \$10 million. The Hanover  
14 Township site was on the main highway of the  
15 Lehigh valley, Route 22, one mile from the  
16 airport. Not every piece of land is worth  
17 \$300,000 an acre like that one was.

18 I suspect some of the mobile home  
19 parks in Lycoming county probably aren't worth  
20 \$300,000.

21 CHAIRMAN PETRONE: Do they vote,  
22 Representative? Do they vote? What are the  
23 voting patterns?

24 And if it came up, I didn't hear it.  
25 How many mobile home parks are there in

1       Pennsylvania?  Anyone know?

2                   MS. DALEY:  1665.

3                   CHAIRMAN PETRONE:  Okay.  The  
4       industry's going to inform us of a lot of the  
5       questions that you have, so I might caution  
6       you, we are approximately one hour behind.

7                   And Representative Quinn has a  
8       question.

9                   We are going to move Mr. Ed Geiger  
10      from the Community Development DCED and Mary  
11      Gaiski and Debra Romig up in the rotation.

12                  Representative Quinn.

13                  REPRESENTATIVE QUINN:  Thank you,  
14      Mr. Chairman.  You heard from the lawyers,  
15      now from the realtor.  And I promise to be  
16      brief.

17                  I'll just -- in the essence of time,  
18      just go down to one main point or two main  
19      points that I have.  One, I agree with  
20      Chairman Taylor, the word "suitable" in there  
21      is a scary slope.  Couple years ago when homes  
22      were selling so quickly, I saw many agreements  
23      of sale written:  This contract is contingent  
24      upon seller finding suitable housing.  And it  
25      was a mess -- it was just a mess in our

1       agreements.

2               Secondly, I'm confused. In my  
3       experience, a mobile home, as Representative  
4       Beyer mentioned, it's actually transferred by  
5       title that's akin to do it in a B & K auto tag  
6       place. So I'm confused why a certified real  
7       estate appraiser would be involved with  
8       setting the value.

9               You know, it would seem to be it  
10       would be more like a Blue Book type of value,  
11       because you're appraising it independent of  
12       the land. This is personal property, not real  
13       estate, so I just caution that --

14              REPRESENTATIVE FREEMAN: Again, it is  
15       a neither-fish-nor-fowl circumstance. In some  
16       respects, it's a home. In other respects,  
17       it's a vehicle. So we do get into a very  
18       tough way of defining how best to appraise  
19       that.

20              Given your expertise, I'm open to  
21       talking to you about how we can possibly  
22       refine that. But I think it's important that  
23       there be a fair appraisal of the land rather  
24       than just a Blue Book value.

25              REPRESENTATIVE QUINN: But my thought

1           then, what land are you appraising? The  
2           land it's coming from?

3                   REPRESENTATIVE FREEMAN: Not the  
4           land. I meant the structure, not the land. I  
5           apologize.

6                   REPRESENTATIVE QUINN: And I have  
7           no -- this is a home, and I have so much  
8           respect for. I've been in many of them.  
9           They're beautiful homes. There are many  
10          houses that aren't homes. But it's the land,  
11          real property, that would be thrown under this  
12          category of certified real estate appraiser.

13                  REPRESENTATIVE FREEMAN: Sure. But  
14          when they appraise, they also appraise the  
15          value of a house.

16                  REPRESENTATIVE QUINN: That's tied to  
17          land because that land is taken into account  
18          in the appraisal.

19                  REPRESENTATIVE FREEMAN: Location,  
20          location, location. But I think they also --  
21          nevertheless, there's still something about  
22          whether you have one bathroom or two, how many  
23          bedrooms you have, all the features that come  
24          with the structure, which come up with the  
25          appraised value of the building itself.

1           REPRESENTATIVE QUINN: True. I just  
2 think it's the wrong category for that.

3           REPRESENTATIVE FREEMAN: We can have  
4 discussions as to why it might be more --

5           MR. JENNINGS: Is it possible to have  
6 both and average them?

7           REPRESENTATIVE FREEMAN: Interesting  
8 approach.

9           REPRESENTATIVE QUINN: I still think  
10 it has to be tied to the land, and whether  
11 it's land it's coming from or the land it's  
12 going to, and that's where -- you know, even  
13 within one community, you'll have different  
14 rental prices for that same structure.

15           So thank you.

16           CHAIRMAN PETRONE: Thank you,  
17 Representative Quinn.

18           Thank you, gentlemen. Appreciate  
19 your testimony. We'll look forward to  
20 speaking with you as we proceed with this  
21 legislation.

22           MR. MILES: Thank you, Mr. Chairman.

23           CHAIRMAN PETRONE: Next, we call upon  
24 Mr. Geiger, Mr. Edward Geiger, director of the  
25 Center for Community Development.

1                   Welcome, Mr. Geiger. Sorry for the  
2                   delay, but obviously there's a lot of  
3                   questions on this. We had a lot more.

4                   MR. GEIGER: Thank you for  
5                   accommodating me to be out of here a little  
6                   bit before noontime for an international phone  
7                   call from a professional association.

8                   Chairman Petrone, Chairman Taylor,  
9                   and members of the committee, good morning and  
10                  thank you for this opportunity to speak before  
11                  the House Urban Affairs Committee regarding  
12                  House Bill 1673, known as the Mobile Home Park  
13                  Rights Act.

14                  The Department of Community and  
15                  Economic Development recognizes that growth  
16                  and development pressures as well as the aging  
17                  business owners results in the sale of what  
18                  are commonly known as mobile home parks or  
19                  communities, but which are also known through  
20                  the building codes as manufactured homes.

21                  DCED acknowledges that hardships may  
22                  result from the sale or closing of a  
23                  manufactured home community. We also  
24                  recognize that the 1400 manufactured home  
25                  communities throughout the commonwealth also

1 provide affordable housing for Pennsylvania  
2 families from all walks of life.

3           Manufactured home communities provide  
4 diverse housing options that are located  
5 virtually statewide. There are manufactured  
6 home communities that cater to our 55-year-  
7 old-and-older population as well as those that  
8 are available to accommodate families of all  
9 ages.

10           There are communities designed for  
11 the traditional, single-section homes that are  
12 twelve feet wide and communities that can  
13 provided sites for multisection homes up to  
14 thirty-two feet wide. While some communities  
15 are relatively small, there are many  
16 communities of two hundred to three hundred  
17 homes or more.

18           While the manufactured housing  
19 industry as its genesis constructed units that  
20 were designed to be easily moved, all of  
21 today's homes are placed on either permanent  
22 foundations or anchoring systems that require  
23 significant work to disassemble.

24           Consequently, the cost and exertion  
25 involved in relocating a manufactured home can

1 be as significant as relocating a typical  
2 site-built home.

3 DCED supports efforts to protect the  
4 residents of these communities from the  
5 economic and personal disruption of a  
6 manufactured home community closure while  
7 understanding that community ownership is a  
8 business. And like any business, can be  
9 adversely affected by unbalanced regulation.  
10 That is why we are pleased to offer our  
11 comments to this committee.

12 House Bill 1673 attempts to protect  
13 the residents of a land-lease manufactured  
14 home community by requiring notices regarding  
15 the pending sale of manufactured home  
16 communities and options for the residents to  
17 jointly purchase the community.

18 The bill also requires a community  
19 owner to compensate the residents for  
20 relocation expenses and would provide for  
21 additional compensation if the residents were  
22 unable to find a suitable relocation.

23 This bill would also require that  
24 existing communities rent any available lot to  
25 owners of used manufactured homes if the home



1 is in good and tenantable condition.

2 Section 11.1 Subsection 1 requires  
3 written notification to residents pending the  
4 sale of a manufactured home community. We see  
5 the merit of the sale leads to the closing of  
6 the community; however, that is not always the  
7 case. More often than not, these land-lease  
8 communities are sold and the residents are  
9 unaffected. Revisions could be considered to  
10 avoid unnecessary notification and concerns.

11 Section 11.1 Subsections 4 and 5 also  
12 attempt to acknowledge the added cost that a  
13 manufactured homeowner faces when evicted from  
14 a leased space in a park or community. It is  
15 a much more complicated situation than when a  
16 typical renter is forced to move because of a  
17 change in use in that rental property.

18 Clearly, low- and moderate-income  
19 homeowners face significant adversity in  
20 moving their primary residence that may  
21 require assistance.

22 DCED is prepared to work with the  
23 General Assembly, industry representatives,  
24 and homeowners to define an appropriate  
25 framework for relocation assistance.

1           Section 11.2 of this bill also  
2           presents two other unique problems in that  
3           community owners would be required to accept  
4           used manufactured homes into their communities  
5           if their homes are determined to be good and  
6           tenantable.

7           There are potential difficulties  
8           determining the structural condition of  
9           manufactured homes and the appropriateness of  
10          units for relocation.

11          One, the benchmark of good and  
12          tenantable and in compliance with any  
13          applicable building codes are extremely broad  
14          terms that do not give adequate instruction as  
15          to the standards that will govern the  
16          structural adequacy of a manufactured home and  
17          the process for installation.

18          Two, many manufactured homes are  
19          conscientious in maintaining consistent design  
20          standards as a means of assuring the  
21          aesthetics of the community. These  
22          communities also have in place infrastructure  
23          that may not accommodate all of the potential  
24          homes that could seek to be relocated there.

25          For example, parks that are built for

1       manufactured homes that are single twelve-  
2       feet-wide units may not be appropriate and may  
3       not have the infrastructure to accommodate  
4       thirty-two-feet-wide, two-story homes.

5               The language in this section would  
6       undermine the ability of community owners to  
7       control the design and development  
8       characteristics of their communities. It  
9       could be a deterrent to future developments.  
10      In addition, compelled inappropriate unit  
11      placement could adversely affect the property  
12      values for existing homeowners.

13             As you may know, the Department of  
14      Housing and Urban Development establishes  
15      construction standards for manufactured  
16      housing, while DCED establishes the  
17      installation standard for all new manufactured  
18      homes sited in the commonwealth.

19             Used and preowned manufactured  
20      housing are not governed by HUD or DCED  
21      regulation. Additionally, there is no  
22      guidance under Pennsylvania's Uniform  
23      Construction Code that speaks specifically to  
24      manufactured housing.

25             We have, however, long recognized the

1       need for a habitability and installation  
2       standard for preowned manufactured homes,  
3       especially for homes placed in land-lease  
4       communities.

5               DCED is willing to work with the  
6       committee and the industry to develop a clear  
7       standard of good and tenantable.

8               Again, I thank you for the  
9       opportunity to comment to House Bill 1673.  
10      Obviously the department stands ready to work  
11      with this committee in the coming weeks and  
12      months as this legislation progresses and is  
13      able to offer expertise.

14              I'm happy to answer your questions  
15      you may have at this time. And I have brought  
16      along with me Mark Conti, who is our division  
17      director for housing standards, which  
18      regulates both manufactured and industrialized  
19      housing.

20              CHAIRMAN PETRONE: Thank you very  
21      much, Mr. Geiger.

22              I have one question. The total units  
23      in the 1400 parks, any number for that one?  
24      Do you have the number for that?

25              MR. GEIGER: Offhand, I don't think

1 we have a total number of units. And I think  
2 we had a different number than what was  
3 discussed earlier, the number of communities.

4 CHAIRMAN PETRONE: That would be  
5 significant, 1400 parks. I just wondered what  
6 the total might be statewide.

7 MR. GEIGER: Perhaps the industry  
8 folks might have an estimate.

9 CHAIRMAN PETRONE: I'm sure. Thank  
10 you very much.

11 And we have a question from  
12 Representative Manderino.

13 REPRESENTATIVE MANDERINO: Thank  
14 you.

15 Thank you for your testimony. Let me  
16 start first with DCED's role vis-a-vis  
17 manufactured housing. Irrespective of whether  
18 that manufactured housing is being placed on  
19 land -- leased land or owned land, you have a  
20 role; correct?

21 MR. GEIGER: We do. We are the state  
22 administrators for what is a national code  
23 that is established by HUD, and we administer  
24 and make sure that the units are properly  
25 constructed, and then there is separate state

1       legislation that governs installation.

2               REPRESENTATIVE MANDERINO:   Okay.

3       Now, if I am installing manufactured housing  
4       on a piece of property that I own, we don't  
5       have to worry about any of these problems.

6               MR. GEIGER:   Correct.

7               REPRESENTATIVE MANDERINO:   Okay.

8       Now, why do we, as a matter of state law --  
9       let me say it this way.   Obviously,  
10       manufactured housing has changed a lot over  
11       the years.   And our laws, it seems to me, have  
12       stayed stagnant over the years.

13               So what we have now is a situation  
14       where folks are really building permanent  
15       housing on a site, in the case of a lease  
16       of -- a property lease situation, where they  
17       do not own the property underneath it.   It's  
18       not the typical standard that we are used to  
19       with regard to building.   And I think we have  
20       a consumer education problem that the law is  
21       enabling and facilitating.

22               And what I mean by that is, I'm not  
23       sure why, as a matter of state law, we even  
24       allow permanent foundation and anchored  
25       systems where people are having their homes

1       there on a piece of property that they don't  
2       own.

3               MR. GEIGER: I'll attempt to answer  
4       your question. I think the first part of it  
5       you sort of answered yourself in that, yes,  
6       the nature and design of manufactured housing  
7       has changed over the years and the laws have  
8       not.

9               Besides it being permanent, I think  
10       there's also an issue of mechanical  
11       difficulty, that some of the older homes that  
12       had been designed to be somewhat more mobile  
13       to simply pick up and now move.

14              The other portion of your question  
15       would be, say, the reason we're placing units  
16       on what are considered more permanent  
17       foundations and structures is really a matter  
18       of durability and soundness. You've often  
19       heard the concern about wind and damage that  
20       occurs in hurricanes and tornadoes associated  
21       with manufactured housing.

22              Well, the kind of anchoring and the  
23       foundation systems that are used today,  
24       they're designed to be, in many cases, as  
25       durable as site-built homes. And so it is a

1 matter of safety and soundness, durability.

2 REPRESENTATIVE MANDERINO: So we've  
3 evolved from a housing -- type of housing  
4 structure that was temporary to a type of  
5 housing structure that is permanent, but the  
6 land-lease or the land-ownership issues  
7 underneath it haven't kind of followed along,  
8 and where I'm getting with this is, correct me  
9 if I'm wrong, but most manufactured housing  
10 developments -- as a matter of fact, you said  
11 in your testimony all of today's homes are  
12 placed on either permanent foundations or  
13 anchoring systems that require significant  
14 work to disassemble.

15 Now, would I be incorrect if I made  
16 the assumption that in those communities that  
17 are being built today, the person who owns the  
18 property is developing the manufactured  
19 housing community his or herself or in  
20 conjunction with somebody else, so that the  
21 profit from the sale of the manufactured  
22 housing is somehow also connected to the  
23 person who owns the land and will have a  
24 continued leasing relationship with these  
25 homeowners/tenants?



1                   MR. GEIGER: There is definitely a  
2                   connection between the sale and development of  
3                   homes to quite often, especially in a land-  
4                   lease situation, who's going to own that home,  
5                   but it is not always universal that you've  
6                   got, in fact, a partnership or business that's  
7                   one and the same. They can be separate.

8                   REPRESENTATIVE MANDERINO: Okay.  
9                   Shouldn't the law -- if we're looking at  
10                  updating our law, shouldn't the law  
11                  distinguish between the obligations on the  
12                  back end, should the land been sold, between  
13                  the person who developed the community and  
14                  made a profit from the development of the  
15                  community and continues to make a profit from  
16                  the lease of the land, versus -- I think the  
17                  way our current law was written --  
18                  envisioning -- and I don't think this in any  
19                  negative way -- almost like a campground.

20                 Here's a campground. I own the  
21                 property. I have 20 sites or 200 sites for  
22                 people to come plug into, and I'm making --  
23                 and you kind of wheel in with your tent or you  
24                 wheel in with your mobile home or you wheel in  
25                 now with the newest version of manufactured

1       housing, but I'm -- all I'm doing is leasing  
2       you the spot. Don't you think there is -- the  
3       law ought to recognize -- now we're on the  
4       back end. Now we're on the back end of what  
5       happens to that land.

6               Don't you think the law should  
7       recognize a difference in obligations to the  
8       person from whom I basically sold you the  
9       whole package and I continue to have an  
10      ongoing relationship with you in the developed  
11      community that I developed and profited from  
12      beginning to end -- shouldn't I have a bigger  
13      obligation for you under the law in what  
14      happens on the back end versus the person who  
15      had a parcel of land and said, Come plug in  
16      and pay me rent?

17             MR. GEIGER: I don't know that I can  
18      adequately state a policy position the  
19      department has at this point. I think this  
20      legislation, though, essentially acknowledges  
21      the point that you just made, and you've  
22      looked at it, I think, more from a perspective  
23      of the financial rewards and obligations

24             REPRESENTATIVE MANDERINO: But the  
25      legislation is attempting to give -- right

1       now, your role is just with the standards of  
2       the structure of the building.

3               MR. GEIGER:   Correct.

4               REPRESENTATIVE MANDERINO:   If the  
5       legislation as it's envisioned passed, you  
6       would have a much broader role.

7               MR. GEIGER:   The legislation as it's  
8       currently written gives DCED no new role.

9               REPRESENTATIVE MANDERINO:   Okay.  
10      Maybe I misunderstood what was attempting --

11              MR. GEIGER:   There's been proposed  
12      discussion and presenters before here said  
13      they would like to give us a role, but that's  
14      not written into the current version of the  
15      bill.

16              REPRESENTATIVE MANDERINO:   Okay.  
17      Then let me ask the question now, and you may  
18      not be prepared to answer it now, but I would  
19      be interested in -- I just can't kind of see  
20      DCED as a state agency being an overseer of  
21      land lease -- I don't know.   I'm sorry.   I'm  
22      struggling here.

23              Is DCED comfortable with the kind of  
24      role that then was outlined by prior  
25      presenters?   It seems to be out of the scope

1 of what an agency like DCED does.

2 MR. GEIGER: It's -- I can't speak to  
3 whether we would or wouldn't be comfortable  
4 because we'd have to see what are the  
5 provisions.

6 I can speak to the fact that right  
7 now we do regulate not only the construction  
8 out of the factory but also the installation  
9 on site.

10 Depending on what the bill would  
11 actually do, it could be very well within the  
12 scope of what the agency currently does, but,  
13 again, that depends on what provisions we're  
14 talking about.

15 I think that the discussion looked  
16 mostly at, with the previous presenters, the  
17 notion that DCED playing a role around the  
18 movement and definition of what is considered  
19 good and habitable. From that perspective, we  
20 could conceivably play a role.

21 We'd like to be involved in further  
22 discussion with the committee and the industry  
23 about exactly what is the nature of DCED's  
24 role, but it is not potentially outside our  
25 scope. It really depends on exactly how the

1 bill's drafted.

2 REPRESENTATIVE MANDERINO: But isn't  
3 the good -- and this is my last question,  
4 Mr. Chairman -- isn't the good and habitable  
5 part of the bill -- it's not just about  
6 whether or not it's safe to move this thing;  
7 it's about whether or not the next community  
8 that we want to put it in thinks it meets the  
9 suitability of our community standard.

10 I mean, that starts to get into  
11 something very subjective about and affect the  
12 rights of all the other property owners,  
13 tenants, et cetera, of where you want to move  
14 to.

15 MR. GEIGER: And at that point, we'd  
16 probably look at our counterparts within DCED  
17 that work with local government on things like  
18 zoning, planning, land use, that really  
19 address what is considered acceptable,  
20 consistent kind of standard.

21 REPRESENTATIVE MANDERINO: Thank  
22 you.

23 Thank you, Mr. Chairman.

24 CHAIRMAN PETRONE: Thank you,  
25 Representative Manderino.

1                   Thank you very much, Mr. Geiger, for  
2                   your testimony. We appreciate it. I'm sure  
3                   we'll be calling on you in the future as we  
4                   proceed with the legislation.

5                   MR. GEIGER: Thank you.

6                   CHAIRMAN PETRONE: Thank you very  
7                   much, sir.

8                   Next we have Miss Mary Gaiski,  
9                   executive director, vice president of  
10                  Pennsylvania Manufactured Housing Association,  
11                  and Debra Romig, chief executive officer and  
12                  general manager, Hereford Estates, Hereford,  
13                  PA.

14                  Welcome, ladies.

15                  MS. GAISKI: Thank you. Good  
16                  morning.

17                  Good morning, ladies and gentlemen of  
18                  the committee. The Pennsylvania Manufactured  
19                  Housing Association is a nonprofit trade  
20                  association representing the factory-built  
21                  housing industry, and our membership consists  
22                  of the manufacturers who build manufactured  
23                  homes and the modular, which are two products  
24                  of the factory-built housing industry, and  
25                  retailers who sell the homes, installers,

1       suppliers, lenders, as well as developers and  
2       managers of the land-leased manufactured  
3       housing communities which we are here to talk  
4       about today.

5               Factory-built housing is big business  
6       in Pennsylvania. Not only does it provide a  
7       viable, affordable housing option to the  
8       citizens of the commonwealth, it also provides  
9       jobs to over 18,000 residents and contributes  
10      well over \$2 billion to the economy.

11              House Bill 1673 will negatively  
12      impact the land-lease segment of this  
13      affordable housing industry.

14              The question that you had earlier  
15      about the amount -- the number of communities  
16      that are located in the commonwealth, by  
17      definition of Act 261.2, more sites, you're  
18      talking anywhere from 2000 to 1800 communities  
19      are located within the commonwealth, with most  
20      of those being probably on the average within  
21      like seventy-five to a hundred fifty sites,  
22      and then you have your larger communities  
23      which are a smaller amount of that, which are  
24      two hundred, and then we have some that exceed  
25      up to five, six hundred sites or a little

1 under a thousand outside of Philadelphia as a  
2 community, in that size.

3 We have had several meetings with  
4 Representative Freeman regarding concerns with  
5 the current version of 1673. And on behalf of  
6 the manufactured housing industry, we would  
7 like to thank the committee for this  
8 opportunity to share those concerns.

9 First of all, we think it's important  
10 that the committee understand that the homes  
11 talked about here today are built to a code  
12 that in some cases exceeds local building  
13 codes while at the same time they have for  
14 years faced extreme discrimination when trying  
15 to build land-lease communities or even to  
16 site them on private property, discrimination  
17 that's still practiced today by local  
18 governments.

19 It is this discrimination that has  
20 caused the problems that we are here to talk  
21 about today that's found in 1673.

22 The one area of change that we  
23 support at this time is the notification  
24 time. We understand, you know, Act 261 was  
25 enacted back in 1976, so it is an old law



1       that's being used. And at that time it  
2       probably wasn't well thought out on what was  
3       going to happen with these communities down  
4       the road, so we would support some changes in  
5       the notification time that's found in Act 261,  
6       which is thirty days. And that is what we  
7       inform our membership.

8               I always want to point out,  
9       notification time on any other type of  
10      evictions within a community, it's twenty days  
11      from April 1st, and it's thirty days September  
12      1st. So those are your notification times for  
13      evictions in accordance with Act 261.

14             Due to the history of discriminating  
15      against the building and expansion of the  
16      land-lease communities for manufactured homes,  
17      we fully understand the challenges that the  
18      residents face today.

19             Many times there just isn't anywhere  
20      for them to go if a community does decide to  
21      close. And trying to move a home within that  
22      thirty-day window, it is difficult because we  
23      understand the resident's trying to locate,  
24      number one, somewhere to place the home, and  
25      then also making the arrangements. These are

1 oversized loads, so they're restricted on  
2 highway time and all, so trying to make those  
3 arrangements, we understand there're  
4 challenges.

5 Whenever we get a call from our  
6 membership or someone -- a resident in the  
7 community that might not be a member and they  
8 are finding out that the community is closing,  
9 there's no guidelines out there, but what we  
10 use within our organization, first of all, we  
11 do identify what the law gives as notification  
12 time to the community owner or this  
13 information is fed to the residents.

14 But we help them understand what  
15 they're working with within the law. At the  
16 same time, we highly encourage them to give  
17 them as much time as they can. And  
18 understanding that the negotiations that are  
19 happening with -- if they are selling the  
20 community to somebody with the intent to  
21 change the use, many times that -- the  
22 individual that's purchasing that community  
23 for the intent of changing the use of that  
24 community understands what's going to happen  
25 down the road if they would purchase it as

1       a -- you know, as a community, and so they  
2       give the responsibility of making the land  
3       vacant, so to speak, to the community owner.  
4       They feel that that's an easier buy for them.

5               So what's happening behind the scene  
6       I don't think is always known, and I know  
7       there was some discussion earlier about that.  
8       So that identifies how that transaction's  
9       going to take place.

10              In the last five years of the  
11       closures that we've been involved with, we  
12       have found that they have given anywhere from  
13       three months' to well over twelve months'  
14       notification time. And once again, in  
15       discussions, it really depends on what's  
16       happening from the perspective of, you know,  
17       why the intent of closing that community is  
18       happening there.

19              In House Bill 1673, we do have a  
20       concern with the language in that they assume  
21       that the home -- that just because the  
22       community -- or this is our interpretation --  
23       that the community is being sold that it is  
24       going to be changed for use. You know, that's  
25       not the case. If a community is well kept and

1 in a very viable area, it's a good investment  
2 for anybody.

3 So the intent to just close these  
4 down is not happening out there. These are  
5 unique situations that happen.

6 And also we view manufactured housing  
7 communities as a business. And they -- in our  
8 opinion they should be afforded the same  
9 rights as any other business out there.

10 As with any business, the basic costs  
11 of operating that business needs to be taken  
12 into consideration, and when you're -- and  
13 that's done when determining the cost and good  
14 of the service.

15 In this case, your cost or good -- or  
16 service is leasing the space in that  
17 community. Act 261 requires the land to be  
18 habitable and places the responsibility along  
19 with the safety and general welfare of those  
20 using the land on the landowner. This  
21 responsibility does not come without a price  
22 tag.

23 Over the last ten years we have seen  
24 communities close for a variety of reasons.  
25 They include -- the biggest one is regulatory

1 changes. Your water, your waste water costs  
2 out there. Zoning has helped communities  
3 close. As they zone commercial land around  
4 the community -- we had a situation down on  
5 the Carlisle Pike. For those of you familiar  
6 with this area, that's all commercial  
7 property, retail. And so what happens is, it  
8 become cost prohibitive to operate some of  
9 those communities whenever they're being  
10 pressured to change that use of that  
11 community.

12 Local governments refusing newer or  
13 larger homes on existing sites. What that  
14 does is it limits the amount of homes that's  
15 in that community; therefore, the cost to run  
16 that community becomes cost prohibitive if  
17 they cannot have enough homes to sustain the  
18 general cost, the basic cost.

19 Changing demographics which causes  
20 local government zoning changes, therefore  
21 created a better use of the property. And the  
22 laws do provide property rights to these  
23 people, and if there is a better use for that  
24 property, these property owners, in our  
25 opinion, should have the right to pursue

1       that.

2               Environment changes, which I brought  
3       up earlier, but a community -- if the  
4       community cannot meet increased regulatory  
5       mandates, they no longer can provide a safe  
6       and healthy environment for its residents.  
7       Therefore, they're not meeting their mandates  
8       under Act 261; they're going to have to close  
9       that community.

10              Also as was alluded to earlier, the  
11       small -- these are mom-and-pop, as we call  
12       them, communities. They're family  
13       communities. And if they have nobody to pass  
14       the torch to, so to speak, then they find a  
15       need to, you know, sell the community because  
16       they have nobody to pass it onto.

17              All of these have been viewed over  
18       time as valid reasons to close down any other  
19       type of business, and a manufactured housing  
20       community should not have -- should not be an  
21       exception to that rule.

22              We have two situations that are  
23       happening, just to give you an understanding,  
24       in northwestern Pennsylvania and southwestern  
25       Pennsylvania, that are DEP is closing down

1       those communities. They cannot -- what has  
2       happened there, they -- they met the water  
3       regulations prior to the safe drinking water  
4       act where you have 15 connections per site or  
5       on a system. And they have, say, three  
6       wells.

7               Well, DEP will no longer allow them  
8       to split -- to have a split system. So  
9       they're requiring them to build a water  
10      system. And to build that water system is  
11      cost prohibitive. So they have pulled their  
12      permits, and they're now required to close  
13      down those systems.

14             So -- and we feel that Act 1673 does  
15      not address those situations should they  
16      happen.

17             We do not support the right-of-first-  
18      refusal language in the bill. The language  
19      requires residents to make their request  
20      within forty-five days of receiving notice  
21      that the community is for sale. However, the  
22      language in the legislation does not provide  
23      guidance and timelines for offers and  
24      counteroffers. The residents could unfairly  
25      tie up the sale for years. This is not good

1 business, and we know of no other business in  
2 the commonwealth subjected to those delays.

3 As the language stands today, House  
4 Bill 1673, this would be the procedure if the  
5 community is sold to remain a community or the  
6 community is sold for another use. So it's  
7 not clearly defined there.

8 Again, you know, it's rarely that a  
9 community is sold, and many times if a -- the  
10 other thing I think you need to understand,  
11 most of the communities that are sold today  
12 are your smaller and we call them aged  
13 communities.

14 We have a real concern with the  
15 language providing relocation costs and  
16 buyouts if the home cannot be relocated.  
17 These issues need to be thought out clearly  
18 since each situation is different and should  
19 be treated as such.

20 If a community owner has -- if  
21 they're under mandates of Act -- or, I'm  
22 sorry, DEP mandates, by the time they're done  
23 negotiating with DEP over years of trying to  
24 meet their requirements, hiring professional  
25 legal fees, paying fines and penalties that



1       they throw upon them, when they're all said  
2       and done, there's no money there to buy  
3       anybody out. They're lucky if they're going  
4       to be able to pay the mortgages on their  
5       homes.

6               Also I want to point out that Act 261  
7       and past policy of the attorney general limits  
8       the authority that a community has, a  
9       community owner has, in mandating the upkeep  
10      of the homes in the community. The attorney  
11      general has come at the industry time and time  
12      again on this particular issue.

13             It's the resident's responsibility to  
14      keep their homes in good repair, and if the  
15      home is not kept in good repair, then it  
16      limits the ability of the homes to be  
17      relocated. We have found this time and time  
18      again as communities are closed. You'll find  
19      many times they can't -- they're not  
20      transportable because they haven't been  
21      made -- kept in good repair.

22             It's not fair to require a community  
23      owner to purchase a home simply because the  
24      resident did not practice good maintenance on  
25      that home.

1           Many times a community's closing are  
2           due to problems tied to the environmental,  
3           which we talked about, or infrastructure  
4           challenges. And, once again, bank accounts  
5           are quickly depleted when this happens.

6           Finally, the association is opposed  
7           to the language found at the end of House Bill  
8           1673 saying that existing communities must  
9           allow preowned homes if they have sites  
10          available. Act 261 is clear that a community  
11          owner cannot prevent the sale of a home in  
12          their community. Therefore, they need other  
13          outlets to keep the community looking good.  
14          Regulating the age of the homes coming into  
15          the community is the only way a community  
16          owner can upgrade their community.

17          A community owner needs the tools  
18          such as this to maintain the general aesthetic  
19          value of the community. Not allowing them the  
20          right to do so will greatly impact the market  
21          value of the individual homes within the  
22          community.

23          It is our experience that people who  
24          choose to purchase a manufactured home and  
25          lease the property still have a high level of

1 home ownership pride. This is expressed in  
2 the way they keep their homes in good repair  
3 and the time they spend on the landscaping.

4 Why would you want to punish those  
5 residents by forcing them to accept a home  
6 next to them that has not been kept in the  
7 same standard as their home. It should be  
8 your responsibility to protect their property  
9 values, not reduce them.

10 Not allowing the community owners and  
11 the home owners value -- property value  
12 protection will only create slums and blighted  
13 areas.

14 We encourage the committee to not  
15 support the language currently found in House  
16 Bill 1673 as it sends the wrong message to  
17 existing manufactured housing landlords,  
18 developers looking to develop future land-  
19 lease manufactured housing communities, and to  
20 the current residents wanting to maintain the  
21 value of their homes.

22 We thank you for this opportunity,  
23 and I know there was some other questions that  
24 I can probably help you answer as it pertains  
25 to questions on the industry in general.

1 MS. ROMIG: I have a few statements  
2 to make as the only owner in the room, so  
3 please don't shoot me.

4 My name is Deb Romig. We have two  
5 communities. One is 331 homes; one is 279.  
6 We started in 1965 as a very small community.  
7 We're family owned, and we've grown over the  
8 years. We're very fortunate that the next  
9 generation is going to continue with our  
10 business so we don't expect to be closing in  
11 the future.

12 One of our main concerns is the end  
13 of the paragraph where we are expected to take  
14 homes from other communities. We have done  
15 this in the past. I've also turned some  
16 away. The main reason for me is I do have a  
17 ten-year rule on homes coming into the  
18 community. We have been in existence since  
19 1965. I have a fair share of old homes. In  
20 order to improve the condition.

21 Now, you sit here, and there have  
22 been people that have called them trailers  
23 today. They're homes. I don't say, I'm going  
24 to my colonial. I'm not going to my ranch  
25 home. I'm going home.

1           In our communities, we have old  
2       retired people living out their days. We have  
3       young people raising family. We have all  
4       range of families. We don't call them  
5       trailers. They're homes to these people.

6           One of our concerns mainly is, I have  
7       a policy on credit. It's handed out with  
8       every application for every prospective client  
9       that comes in, and ones that either buy a home  
10      or move into an existing home. We do criminal  
11      checks on every single person that comes in to  
12      make sure that our community is still a  
13      community of value.

14          Every home that's brought in, an  
15      older home, up to ten years old, we want to  
16      see the condition of that home. Nothing is  
17      pertained in any of these legislations that  
18      you're proposing to protect me as a business  
19      renting community on the type of people I need  
20      to take, not just the home.

21          Now, we do have older homes, older  
22      communities, but we are building a new  
23      community of a hundred and eight homes, which  
24      is 55 and older. In that new community we  
25      will have double-wides. They will all be

1 gabled entry. They will all have second  
2 garage hopefully next to it. We have  
3 standards.

4 In order to sell these communities,  
5 these people are going to come in and they  
6 know what the community will look like. You  
7 cannot ask me then to take in a 20-year-old  
8 home that's a single-wide and put it next to  
9 these people that have just bought brand-new  
10 homes because this is what we sold them.

11 That's it. Thank you.

12 CHAIRMAN PETRONE: Thank you very  
13 much, Debra and Mary.

14 Questions from colleagues?

15 Representative Reichley.

16 REPRESENTATIVE REICHLEY: Thank you,  
17 Mr. Chairman.

18 Trying to think. Miss Romig, are  
19 your facilities up the hill from the Turkey  
20 Hill down there --

21 MS. ROMIG: Yes, they are. There  
22 along Route 100, eastern Berks County. It's  
23 Hereford Township and Long Swamp.

24 REPRESENTATIVE REICHLEY: Right. The  
25 Hereford, at least, is in my district.

1 MS. ROMIG: Yes, we are.

2 REPRESENTATIVE REICHLEY: And I guess  
3 I'm curious, in the first panel,  
4 Representative Taylor had made some  
5 suggestions about requiring written leases and  
6 notice provisions and escrow deposits. And  
7 I'm curious, from an industry perspective, is  
8 that -- what's your position on that and how  
9 would you be receptive to that kind of  
10 suggestion?

11 MS. ROMIG: We do have a written  
12 lease. We, in the industry, as a member of  
13 PHMA, we try to educate not just our community  
14 owners but the public.

15 To put money aside out of the rent,  
16 you know that I'm going to raise my rent in  
17 order to put that money aside.

18 Right now my residents are paying  
19 \$340 a month. I have three public waste  
20 systems and three public water systems that I  
21 need to maintain. You can say I have six  
22 hundred homes and \$340 a month. That is a lot  
23 of money. I can tell you the cost of running  
24 public systems is a lot of money.

25 So when you say I'm going to put

1 money aside out of my rent to create a fund, I  
2 will probably raise my rent in order to do  
3 that.

4 MS. GAISKI: Also on the question  
5 that you asked about the lease, it is really  
6 interesting because -- I would say the  
7 majority of the communities do not have  
8 written leases. We encourage written leases.  
9 But the interesting thing is for those  
10 communities who do not have written leases and  
11 they down the road try to impose written  
12 leases within their guidelines and all, the  
13 residents scream left and right and the  
14 majority of them don't sign them.

15 So it's a real -- it's interesting  
16 because as a person myself, I would want a  
17 written lease, and so I don't understand the  
18 mentality that is coming back from them. Most  
19 of the leases that are out there are the  
20 month-to-month leases, even though they are  
21 written, that are membership uses.

22 REPRESENTATIVE REICHLEY: Okay. I  
23 think that it might add to the protection of  
24 the -- Miss Romig, you were seeking that there  
25 be some protection for the park owners as well



1 as for the tenants. If that was put in just  
2 as a Landlord-Tenant Act, you can go to a  
3 month-to-month lease in the Landlord-Tenant  
4 Act as well.

5 MS. ROMIG: Right.

6 REPRESENTATIVE REICHLEY: I think  
7 that is something that the chairman's staff  
8 might want to follow up with Representative  
9 Freeman as well. Thank you.

10 MS. GAISKI: And the space costs out  
11 there are anywhere from a hundred fifty  
12 dollars to well over 5-, \$600, depending on  
13 the economies of scale across the  
14 commonwealth.

15 CHAIRMAN PETRONE: Thank you.

16 The question I have, you have to  
17 elaborate, is that you can stipulate that  
18 these communities can be seniors only?

19 MS. GAISKI: Yes.

20 MS. ROMIG: Yes, I can. It is 55 and  
21 older, and I have requirement set by law where  
22 I need to follow.

23 CHAIRMAN PETRONE: I thought that was  
24 very interesting.

25 A question from Representative

1 Manderino.

2 REPRESENTATIVE MANDERINO: Thank  
3 you.

4 If you know, Mary, because I assume  
5 there are manufactured housing associations in  
6 other states, and I don't know if there's some  
7 national associations that you might have a  
8 connection to, have any states distinguished  
9 in their laws between housing that is truly  
10 mobile and housing that is put in place, and  
11 even if -- and permanently anchored?

12 MS. GAISKI: Well, we have mandates  
13 from the federal government. Under -- our  
14 homes are built to federal building code, HUD,  
15 and we are mandated by HUD across the nation  
16 to properly secure, site-anchor these homes.

17 And so when you come to how to define  
18 "mobile" versus "permanently sited," if a home  
19 is one of the -- the typical method is a pier  
20 system under the home. But that pier system  
21 must be on a frost-protected foundation  
22 system, and they have to be properly anchored  
23 in order to meet the wind standards out  
24 there.

25 So that's what DCED was talking about

1 earlier. I mean, they can be mobile, but the  
2 most mobile you're going to find are going to  
3 be the single sections because they're not  
4 going to be as intense to -- you know, to take  
5 them apart and all.

6 But we have traditionally gotten away  
7 from the "mobile" because it sends out the  
8 wrong signals and everybody's thinking that's  
9 a bad thing, so to define between the two,  
10 you're not going to find that.

11 REPRESENTATIVE MANDERINO: Do you  
12 know when the HUD standards went into effect?

13 MS. GAISKI: Well, the federal  
14 HUD standards -- the law was passed in '74;  
15 the standards went into effect in '76.

16 REPRESENTATIVE MANDERINO: That's  
17 when our state one went into effect.

18 MS. GAISKI: No, that is when the  
19 federal law, federal HUD code -- the federal  
20 HUD law was passed in '74 and the standards  
21 were enacted in '76. And the recent adoption  
22 of the installation standards --

23 REPRESENTATIVE MANDERINO: And that's  
24 where the permanency and the wind and all that  
25 kind of stuff came into effect?

1 MS. GAISKI: That's correct.

2 REPRESENTATIVE MANDERINO: When was  
3 that?

4 MS. GAISKI: That was MHIA of 2000,  
5 and then our regulations went into effect here  
6 in the state in 2004.

7 REPRESENTATIVE MANDERINO: Which  
8 regulations went into effect in 2004?

9 MS. GAISKI: For the mandate of the  
10 installation per manufacturer's requirements,  
11 which solidifies the -- the anchoring, the  
12 proper anchoring and protection from wind has  
13 always been there. It's just not been heavily  
14 enforced. And that was done then in 2000,  
15 2004 with the regulations.

16 REPRESENTATIVE MANDERINO: Are there  
17 any states that you know of that disallow or  
18 prohibit what I'm going to call the split  
19 ownership of structure and property?

20 MS. GAISKI: No, I don't know of any  
21 state -- I don't know if -- there might be  
22 some out there, but I don't know of anyone  
23 that does prohibit that.

24 REPRESENTATIVE MANDERINO: Okay.  
25 Thank you.

1           Mr. Chairman, I guess this is more a  
2       comment for staff, and I'm glad Representative  
3       Freeman is here. I mean, this is obviously a  
4       very complex issue. And one of the reasons is  
5       that we have, in the case of these types of  
6       homes, what I will call a shared risk. And so  
7       then when the risk happens and somebody feels  
8       like they're carrying too much of the burden  
9       of the risk, that's where these fights or  
10      these concerns come in that we're trying to  
11      address.

12           And what I mean by that is, if I  
13      develop a piece of property and develop the  
14      homes and sell the homes along with the  
15      property underneath it to the property owner,  
16      I may have had the risk of the building and  
17      the selling, but when it's all said and done I  
18      have totally transferred the risk to the  
19      homeowner.

20           On the other hand, if I develop a  
21      property as a rental community, I own both the  
22      property and the structure, and I continue to  
23      have the risk on my own, unless it's a  
24      cooperative. But in a cooperative, I have  
25      transferred the risk of not only the structure

1 but the property to the shared folks who have  
2 the risk, meaning the people who own the units  
3 share also in the risk of the property.

4 What has developed over time here is  
5 something that started with a notion that I  
6 don't think is valid anymore, and that is  
7 truly -- I mean, our act is called the Mobile  
8 Home Park Rights Act. And it truly was  
9 envisioned and that you can have a risk from a  
10 land that is totally separate from a risk from  
11 the structure, and that those two things can  
12 be separated.

13 What we have today is those two  
14 things can't be separated for all practical  
15 purposes. And so, I think that the essence of  
16 the law or the amendments to the law that we  
17 have to make is saying, now there is a shared  
18 risk, and whether business owners, property  
19 owners want to recognize it or not, there is a  
20 shared risk, and whether mobile home owners  
21 want to recognize it or not, there is a shared  
22 risk that they both entered into nowadays with  
23 the -- it may be your property, but the home  
24 that's on it, the person who owns that home is  
25 sharing the risk of your land.

1           And for the homeowner, it may be your  
2           home, but you're sharing the risk of the  
3           property owner, and it could be a risk such as  
4           the land gets sold out from under you, or it  
5           could be risk as in the septic systems don't  
6           handle it anymore, but there is now a shared  
7           risk between these two people, both of whom  
8           have property rights.

9           And it seems to me that the changes  
10          that we make to the law needs to be about how  
11          those shared risks are allocated, and I  
12          understand that that's what you're trying to  
13          do here. But I don't really know how we're  
14          going to be able to define that by law, and  
15          I'm, quite frankly, very interested in whether  
16          or not, from a consumer point of view and from  
17          a -- but particularly from the consumer point  
18          of view, whether there are any states who just  
19          said, You know what, this shared-risk concept  
20          doesn't work. And if a house can't be moved  
21          and you can't pick it up and leave it, do we  
22          allow, from a consumer point of view, for  
23          folks to kind of build a permanent structure  
24          on a property that isn't theirs?

25          And I don't really know what the

1       answer to that is, but it seems to me that  
2       we're not necessarily solving it by trying to  
3       make the round hole -- the round peg fit the  
4       square hole, and push this kind of situation  
5       into a Mobile Home Park Rights Act of  
6       Pennsylvania.

7               So, Mr. Freeman, Chairman Freeman and  
8       Chairman Caltagirone, I just really think it  
9       is very complex and I am happy to try to help  
10      you figure it out from a legal point of view,  
11      but I don't think it's simple at all. And  
12      sorry I don't have a specific answer but --

13             MS. GAISKI: Can I make a comment  
14      on -- we also -- our industry has been faced  
15      in the past on that whole situation of the  
16      developer and if they sell the home and own  
17      the community, there's tying arrangements  
18      there, according to the office of the attorney  
19      general.

20             So we've always walked a thin line  
21      there. Basically their viewpoint is you  
22      either sell the home or you lease the  
23      property.

24             So, you know, when you're looking at  
25      the situation as you explained it, you're



1 going to have to keep those ideas in mind as  
2 well.

3 And one other thing, too, when you  
4 asked about a seniors community, and in the  
5 nation there's only three legal communities.  
6 You either have an all-age, a 55-plus or a  
7 62-and-over. So when she's talking about  
8 being a seniors community, she's a 55-plus,  
9 just for clarification and for legality  
10 reasons.

11 CHAIRMAN PETRONE: Thank you. That's  
12 an interesting subject.

13 We've been joined, I should note, by  
14 Representative Mark Cohen from Philadelphia.  
15 Welcome, Representative Cohen.

16 And our director, Christine Goldbeck,  
17 has a question for you.

18 Christine.

19 MS. GOLDBECK: Thank you. When you  
20 talk about creating the 55-plus community, are  
21 you then setting up a community under Title 68  
22 under the Uniformed Planned Communities Act,  
23 or what do you use to guide you in creating  
24 the communities?

25 MS. GAISKI: Well, it really depends

1 on what the zoning is going to lay out, but  
2 it's not usually done under the Planned  
3 Community.

4 MS. ROMIG: It really depends on the  
5 communities.

6 MS. GAISKI: Many times there's an  
7 ordinance called the mobile home park  
8 ordinance, which is different from the planned  
9 community, but there's -- they cross over.

10 MS. GOLDBECK: So the ordinance is at  
11 the local level?

12 MS. GAISKI: Correct. Yes, they  
13 would decide. They would decide how it would  
14 be done through whatever their ordinances will  
15 allow.

16 MS. GOLDBECK: And could you just  
17 elaborate, I mean, on what you meant by  
18 there're only three right now, the 55, the  
19 62-plus --

20 MS. GAISKI: Under the federal Fair  
21 Housing amendments of 1988, you have three  
22 legal communities if you're going to talk  
23 about the age of the residents within the  
24 community, and that's an all-age community,  
25 that's a 55-plus community, or a 62-and-over

1 community.

2 MS. GOLDBECK: Thank you.

3 CHAIRMAN PETRONE: Thank you.

4 Before we proceed, I'd like to give  
5 our reporter a break for a few minutes before  
6 her fingers fall off. I think it's time.  
7 You've been doing this for about two hours and  
8 twenty minutes, so take about a five-minute,  
9 at least, break.

10 (Whereupon, a brief break was taken.)

11 CHAIRMAN PETRONE: Okay. Next we  
12 have Miss Carolyn L. Carter, Esquire, deputy  
13 director of advocacy, National Consumer Law  
14 Center.

15 Welcome.

16 MS. CARTER: Thank you. Thank you.

17 Thank you for allowing me to testify,  
18 Mr. Chairman and members of the committee.

19 My name is Carolyn Carter. I'm the  
20 deputy director for advocacy at the National  
21 Consumer Law Center. We're one of the  
22 authors -- I was one of the authors -- one of  
23 the co-authors of the AARP report that you've  
24 mentioned, which includes a model law that  
25 contains provisions, many of the provisions

1       that you're discussing today.

2               I'd like to confine my remarks,  
3       though, to one particular provision which is  
4       the resident-purchase-opportunity provision of  
5       your proposed law. That's because that is the  
6       most central and the most transformative of  
7       the provisions you're considering.

8               For the past two years, my program  
9       has been involved in an effort to evaluate the  
10      state laws that provide a resident purchase  
11      opportunity, evaluate what they are, what's  
12      effective, and how they're working on the  
13      ground.

14              Now, it's too bad -- I think it was  
15      Representative Taylor asked whether a  
16      resident-purchase opportunity -- isn't it just  
17      a feel-good strategy. It's too bad he's not  
18      here anymore because I'd like to address that  
19      specifically.

20              REPRESENTATIVE TAYLOR: I'm here, but  
21      I don't think --

22              MS. CARTER: It wasn't you. It  
23      was --

24              MS. GINGRICH: Costa or O'Brien.

25              MS. CARTER: I think it was

1 Representative Costa.

2           It's a proven strategy. It's enabled  
3 thousands of residents of manufactured home  
4 communities across the country to buy their  
5 communities. There are resident-purchase-  
6 opportunity laws now in fourteen states.

7           For example, in New Hampshire,  
8 there's a resident purchase opportunity that  
9 gives the residents sixty-days' advance notice  
10 whenever the park is sold. Then the owner has  
11 to consider any offer the residents make in  
12 negotiating in good faith with them.

13           In the twenty years since that law  
14 was passed, ninety communities have been  
15 bought by the residents. That's preserved  
16 over 5,000 homes. It's 20 percent of the  
17 manufactured housing communities in the state  
18 of New Hampshire. These range in size from  
19 fifteen units to three hundred ninety-two  
20 units, and they are run by resident leaders  
21 from all walks of life.

22           California has at least a hundred  
23 resident-owned communities. Florida has  
24 several hundred. Massachusetts, Rhode Island,  
25 and Vermont all have substantial percentages

1 of their communities converted to resident  
2 ownership.

3 And seeing their success, Delaware  
4 and New York passed resident-purchase-  
5 opportunity laws just this past year, and many  
6 other states are considering them, including  
7 Illinois, North Carolina, Ohio, Georgia,  
8 Maryland, Utah.

9 One of the representatives asked how  
10 do the residents afford it? And the key to  
11 enable residents to actually afford to  
12 purchase the home is to require notice and a  
13 purchase opportunity whenever the park is  
14 sold, not just when it's sold for change in  
15 use.

16 When it's sold for a change in use,  
17 at that point the park has development value,  
18 and it will be unaffordable to the residents  
19 unless the public, the county or the some  
20 charitable organization is going to jump and  
21 put a lot of extra money into the sale.

22 But when it's being sold just to be  
23 operated again as a manufactured housing  
24 park -- and the previous witnesses are  
25 correct, that that's very common, they're sold

1 all the time -- then the residents can afford  
2 it because it's their rent, really they're  
3 paying the parks expenses at that point, and  
4 if they pool their rents, they can pay the  
5 park expenses themselves and then plow the  
6 profits back into the park rather than use the  
7 profits for other purposes.

8 So the key to a successful resident-  
9 purchase-opportunity law is giving the  
10 residents a purchase opportunity whenever the  
11 park is sold. If you only do it when there's  
12 a change in use, then you give them the  
13 opportunity only when it's unaffordable,  
14 having passed by opportunity after opportunity  
15 when they could have afforded it.

16 Now, another question -- another  
17 question about can they afford it? The --  
18 this bill is particularly opportune, comes at  
19 a particularly opportune time because a new  
20 nationwide organization called ROC USA --  
21 that's R-O-C, stands for Resident-Owned  
22 Communities USA -- was just launched this past  
23 spring. And it's an outgrowth of the New  
24 Hampshire Community Loan Fund that has a lot  
25 of experience putting deals together. Its

1 mission is to provide technical assistance and  
2 financing on a nationwide basis to enable  
3 residents to buy their communities.

4 And so -- and that would include  
5 Pennsylvania, so passing this law would not  
6 only help residents but it would bring money  
7 into the state through the offices of the --  
8 of ROC USA.

9 Let me just say a few things about  
10 the benefits of resident ownership. Usually  
11 when residents -- resident-owned communities,  
12 when the residents buy the park, what it means  
13 is that they form a cooperative that then buys  
14 the land. The residents then become members  
15 of the cooperative. Decisions about rents,  
16 rules, regulations, improvements, community  
17 management are made by the cooperative. The  
18 residents still own their homes individually,  
19 but they own the land collectively through the  
20 co-op.

21 There is just enormous advantages to  
22 resident ownership. When they own the land on  
23 which the home sits, they and the community at  
24 large know that the homes are secure. And  
25 this is a proactive strategy because it



1 creates that security before the crisis comes  
2 that Wal-Mart wants to buy the land. It  
3 stabilizes the manufactured home communities  
4 for the long term.

5 The danger of closure, throwing  
6 hundreds of families out of their homes, is  
7 gone. It preserves this key source of  
8 affordable housing. And it makes the homes  
9 true assets rather than potential financial  
10 disasters.

11 But the changes to the park itself  
12 are even more dramatic. When residents see  
13 themselves as owners rather than as tenants,  
14 they buy into the park rules. They invest  
15 time and effort working out problems with  
16 their neighbors. There are fewer police  
17 calls. There's less destruction. It's better  
18 for the whole community.

19 When residents own the park, they  
20 invest in it. They re-pave the roads. They  
21 fix the sewer system. They plant shrubs.  
22 They fix the outbuildings. They build  
23 amenities. They make it a nice place to  
24 live. And a place that they and the community  
25 at large can be proud of.

1           Now, I agree with the -- some of the  
2       previous speakers have suggested some language  
3       changes. I absolutely agree that the language  
4       of the bill should be tightened. There should  
5       be a period of time for -- that the residents  
6       have to close. And I'd suggest that you look  
7       at the model law in the AARP booklet.

8           I'd also be happy to assist, and I've  
9       given more details in the -- in my written  
10      testimony.

11           One other question I'd like to  
12      address is -- one of the representatives  
13      asked, Well, if there's a right of first  
14      refusal, what is there to negotiate?

15           And the way these usually -- these  
16      sales to the residents usually work is  
17      typically the park owner will get an offer  
18      from a developer or another purchaser, just  
19      another purchaser who's going to buy, run it  
20      as a manufactured home park. And the park  
21      owner and the purchaser will sign a purchase  
22      agreement contingent upon compliance with the  
23      residents' purchase opportunity, and then the  
24      residents get notice. They have a certain  
25      period of time to match the offer.

1           The question was, What is there to  
2     negotiate? Well, if the price is \$10 million,  
3     there isn't anything to negotiate about the  
4     price enough to match that, but there are all  
5     sorts of other aspects of the real estate  
6     sales contract that are subject to  
7     negotiation, like the closing date, the terms  
8     and conditions, who provides the environmental  
9     study, what are the contingencies and all of  
10    those it's important to require the park owner  
11    to negotiate in good faith.

12           So, in conclusion, I'd like to say  
13    that the resident purchase opportunity, if you  
14    adopt it, will make the ownership society a  
15    reality for residents of manufactured home  
16    communities. It would bring enormous benefits  
17    to the community at large, and I thank you for  
18    inviting me to testify.

19           And I'd be happy to provide detail  
20    about other laws and other states, if you need  
21    more information, or provide any suggested  
22    language if you decide you want to make the  
23    bill -- put more specificity and clarity into  
24    the bill.

25           CHAIRMAN PETRONE: Thank you,

1 Carolyn. We appreciate your help. I'm sure  
2 we'll be calling on you in the future as we  
3 move along.

4 Questions from anyone?

5 Representative Taylor? Chairman  
6 Taylor?

7 Representative Freeman, would you  
8 like any comments regarding --

9 REPRESENTATIVE FREEMAN: Thank you,  
10 Mr. Chairman. I'm obviously not a member of  
11 the committee but appreciate the courtesy.

12 I was intrigued by your reference to  
13 the AARP model law. Would we be able to  
14 obtain a copy of that from you?

15 MS. CARTER: I anticipated that and I  
16 brought an extra copy.

17 REPRESENTATIVE FREEMAN: Thank you.  
18 Appreciate that.

19 And in terms of the residential  
20 option to buy --

21 MS. CARTER: Yes.

22 REPRESENTATIVE FREEMAN: -- to drive  
23 home that point, you say that that has  
24 occurred in many other states.

25 MS. CARTER: Yes. Yes. Yes.

1       Although the state laws vary in their success  
2       rate. I said there were fourteen states, but  
3       I think I only mentioned about eight where  
4       they've -- where there have been a lot of  
5       resident purchases, and the key difference --  
6       one key difference is, do they require a  
7       notice and an opportunity to purchase for all  
8       sales or do they just confine it to sales  
9       where there is going to be a change in use.  
10      The ones that confine to sales where there's  
11      going to be change in use guarantee that the  
12      law will be ineffective.

13                Another key question is how long is  
14      the notice period? And this bill is forty-  
15      five days. New Hampshire has --

16                REPRESENTATIVE FREEMAN: It's  
17      actually thirty for notice, forty-five to  
18      exercise the right of first refusal.

19                MS. CARTER: Maybe that's for lack  
20      of -- I think I wasn't quite sure when I read  
21      it on both, so I think you need at least  
22      forty-five days' notice before the residents  
23      express an interest or express a willingness  
24      to sign a purchase agreement, and then you  
25      need a period of time after that for them to

1 close the sale and come up with financing.

2 REPRESENTATIVE FREEMAN: So your  
3 recommendation is that we apply this to all  
4 standards of sale, not just change of use?

5 MS. CARTER: Absolutely. And I think  
6 it is reasonable, though, to make exceptions  
7 for -- and there's some exceptions in the  
8 model, AARP law, for transfers from one family  
9 member to another family member. If they want  
10 to keep it in the family, I don't think -- I  
11 think that that's fine, and that is not really  
12 a substantial change in ownership, and also  
13 perhaps transfers from one partnership to --  
14 from one member of a partnership to another.  
15 There is a list of little exceptions like  
16 that. But all sales, regardless of whether  
17 there's a change in use.

18 REPRESENTATIVE FREEMAN: And just my  
19 final question, the circumstance was raised, I  
20 think, by one of the members of the committee  
21 as to what would happen if someone decided, I  
22 don't want a trailer park anymore. I want to  
23 keep the land, but I decided everyone's got to  
24 go.

25 MS. CARTER: Right. So that is a

1       problem that the resident-purchase-opportunity  
2       law doesn't really address. I do think it is  
3       unusual that -- that a park owner would close  
4       the community.

5               REPRESENTATIVE FREEMAN: And lose  
6       income.

7               MS. CARTER: And lose income and let  
8       that land just lie vacant without having  
9       already lined up a seller, so if you apply it  
10      to all sales, then I think you -- you go a  
11      long way to solving that problem.

12              One other benefit of the resident-  
13      purchase-opportunity approach is there have  
14      been a lot of questions in the testimony about  
15      the relocation funds and moving homes, old  
16      homes, into new parks and things like that.  
17      If there's a resident purchase opportunity, it  
18      really minimizes all of those other problems.  
19      If it really is a successful resident-  
20      purchase-opportunity program, then you don't  
21      need the relocation fund because you can start  
22      phasing that out or maybe you never even have  
23      to do it.

24              REPRESENTATIVE FREEMAN: Thank you.

25              CHAIRMAN PETRONE: Thank you.

1 MS. CARTER: Thank you.

2 CHAIRMAN PETRONE: Thank you.

3 Jon Castelli, question.

4 MR. CASTELLI: Carolyn --

5 MS. CARTER: I'm sorry. I'm sorry.

6 MR. CASTELLI: Just wanted to go back  
7 to a concern that Representative Manderino had  
8 stressed --

9 MS. CARTER: Yes.

10 MR. CASTELLI: -- about how this  
11 particular type of housing has developed over  
12 the years.

13 MS. CARTER: Yes. Yes.

14 MR. CASTELLI: And intended to be  
15 mobile.

16 MS. CARTER: Yes. Right.

17 MR. CASTELLI: And now it's really  
18 permanent.

19 MS. CARTER: Yes.

20 MR. CASTELLI: Have other states  
21 revised their laws to -- laws that oversee  
22 manufactured housing parks, have they dealt  
23 with the change over time that's occurred?

24 MS. CARTER: Well, a lot of states  
25 have adopted manufactured housing park laws,



1       like Pennsylvania has. I think that -- I  
2       think the way -- the only way in which the  
3       disconnect between the land ownership and the  
4       home ownership has been addressed has been  
5       through the resident-purchase-opportunity  
6       laws.

7               One of the members of the committee  
8       said that the law hasn't kept pace with the  
9       reality, and that's absolutely a correct  
10      statement. There aren't any states that  
11      prohibit land-lease communities for  
12      manufactured homes.

13             Okay. Thank you.

14             CHAIRMAN PETRONE: Thank you again,  
15      Miss Carter. Appreciate your presence.

16             MS. CARTER: Thank you.

17             CHAIRMAN PETRONE: Next we have Miss  
18      Cynthia Witman Daley, policy director from the  
19      Housing Alliance of Pennsylvania; Christopher  
20      Gulotta, executive director of the Cumberland  
21      County Housing and Redevelopment Authority;  
22      Thelma Walters, housing case manager, Housing  
23      Transitions, Incorporated, State College, PA;  
24      and Kathy Nelson Small, president of United  
25      Way of Adams County.

1                   Welcome, everybody. Nice to see you  
2 all.

3                   MS. DALEY: Good afternoon. My name  
4 is Cynthia Daley. I'm the policy director at  
5 the Housing Alliance of Pennsylvania. Let me  
6 first note that Chris Gulotta had to leave.  
7 He asked that we make a few points for him,  
8 which I'll do after the others have finished.

9                   The Housing Alliance represents over  
10 five hundred organizational and individual  
11 members across the state and we advocate for  
12 homes within reach.

13                  I did submit written testimony, which  
14 you have in front of you. I assume, rather  
15 than read it, I'd like to summarize and leave  
16 more time for the other members of the panel.

17                  Just insert a thought, in response to  
18 Jon's question on behalf of Representative  
19 Manderino about the protections or the  
20 relationship between being tenants and being  
21 homeowners, the Mobile Home Park Rights Act  
22 does provide greater protection for tenants  
23 who are the homeowners in mobile home parks,  
24 in manufactured housing communities, than are  
25 provided under standard Landlord-Tenant.

1 In fact, both laws apply to residents of  
2 manufactured housing communities.

3 For instance, in instances of  
4 nonpayment of rent or to breach of the lease,  
5 you have to go to process. Under the Mobile  
6 Home Park Rights Act and the Landlord-Tenant  
7 Act, the legislature did in the mid 1990s, I  
8 think -- or it may have been later than that,  
9 was in response to a court case -- basically  
10 say that the owner can't terminate a lease  
11 except for good cause, is recognition that it  
12 is difficult to move these homes.

13 But the exception is closure of the  
14 park. And so if the owner decides to sell, to  
15 close the park, the community, then there are  
16 no protections, basically, and that's where  
17 the risk comes in.

18 So if they don't pay rent, they have  
19 protection. But if the park is closing, there  
20 really are no greater protections stated.

21 What I'd really like to do today is  
22 place the discussion of manufactured housing  
23 communities within the broader context of the  
24 affordable housing crisis. And by this I'm  
25 not referring to the mortgage foreclosure

1 crises that we've been hearing a lot about in  
2 the past year or so. I'm talking a larger,  
3 ongoing, quiet crisis of affordability.

4 In Pennsylvania, 90,000 households  
5 are on waiting lists for rental voucher for  
6 public housing. Almost a third of homeowners  
7 with mortgages and almost half of all renters  
8 pay more than 30 percent of their income for  
9 housing expenses, the figure's determined to  
10 be affordable by the federal government.

11 And those figures are up dramatically  
12 from 2000. They're actually 2006 numbers.  
13 I'm sure when we get the 2007 and '8 numbers,  
14 we're going to see more sharp increases.

15 To provide more choices in the real  
16 estate market for low-, moderate-income --  
17 low-, moderate-income households, we do urge  
18 the General Assembly to create a housing trust  
19 fund, subject of another hearing coming up.

20 But, today, to talk about  
21 manufactured housing, that's one way that many  
22 Pennsylvanians have addressed the issue of  
23 affordability is to buy manufactured housing.  
24 In some counties, manufactured housing  
25 accounts for more than 20 percent of all

1       housing types.

2               Now, most -- we don't know exactly  
3       how many -- most of the manufactured housing,  
4       I'd say at least until recently, has gone into  
5       these communities. I'll defer to the industry  
6       figures of 1800 to 2000. We had compiled a  
7       list of 1665 off of an Internet website in  
8       every county in the state except Philadelphia  
9       and Cameron. Maybe some of the other couple  
10      hundred are in Cameron County.

11              So it is a substantial form of  
12      affordable housing. In many rural areas,  
13      there is no other affordable housing.

14              Because homeowners in the  
15      manufactured housing communities rent the land  
16      that their homes are on, they are vulnerable  
17      to forces beyond their control, such as  
18      increase in real estate value and the business  
19      concerns of the community owners.

20              When communities are sold so that the  
21      land can be used for commercial or high-end  
22      residential development, residents are  
23      displaced. They often, as you've already  
24      heard many times, cannot move their homes,  
25      either because they're in poor condition or

1       because there are no sites available to put  
2       them on.

3               Finding a new place to live in the  
4       surrounding community can be very difficult,  
5       as you will hear, because of the affordability  
6       crisis. I checked one website yesterday and  
7       saw 21 communities listed for sale at the  
8       moment. I'm not sure how many sites that  
9       represents because that wasn't listed.

10              The Housing Alliance supports House  
11      Bill 1673 because it provides protections for  
12      the homeowners and manufactured housing  
13      communities. In particular, we think the  
14      notice provisions contained in the bill are  
15      essential. Currently residents often receive  
16      short notice. I'm pleased to hear that many  
17      owners get longer notice but many don't, as  
18      you've also heard.

19              And there's no requirement currently  
20      that prospective residents receive notice that  
21      a park is being sold prior to moving in.

22              We also support the right of first  
23      refusal, giving residents the opportunity to  
24      purchase, and urge the state to establish a  
25      fund to help with resident purchases, as has

1       been done in some other states.

2               I'd also note, there was brief  
3       reference made to the fact that they are --  
4       the homes are not considered real estate.  
5       They are titled more like cars, and,  
6       therefore, the homeowners cannot avail  
7       themselves a traditional mortgages. They pay  
8       higher rates, less favorable terms.

9               And it would be worthwhile to look  
10       into this sort of lending product for these  
11       sort of purchases as well as home improvements  
12       loans. One of the reasons that homes  
13       deteriorate is it is difficult for the owners  
14       to avail themselves of financing.

15              And we do also support the  
16       compensation rehabilitation benefits  
17       provision.

18              In our written testimony, we offer  
19       suggestions to enhance the bill, including, in  
20       addition to notifying the residents, notifying  
21       the state and the local government of proposed  
22       sale, and option to purchase the community  
23       when it's to be closed without a sale, an  
24       option to purchase being slightly different  
25       than a right of first refusal to match an

1 offer.

2 And something to consider, we talked  
3 about the -- whether it is really practical to  
4 expect that the residents are going to be able  
5 to purchase. I think that it's worth  
6 considering granting that right also to a  
7 nonprofit organization who would have greater  
8 capacity to step in.

9 So I would now like to turn the floor  
10 over to the other members of the panel unless  
11 there are any questions. And thank you.

12 CHAIRMAN PETRONE: Thank you,  
13 Cynthia.

14 Thelma or Kathy, whoever.

15 MS. WALTERS: My name's Thelma  
16 Walters, and I'm with Housing Transitions in  
17 State College, Pennsylvania. I want to thank  
18 you for the opportunity to come and talk about  
19 the experience I had as Centre County Housing  
20 case manager in the displacement of residents  
21 of a mobile home park.

22 On November 7th of 2006, 69  
23 households at the Mellott Mobile Home Park  
24 received notification that the owners intended  
25 to close the park. And I would like to say



1       that I believe that consideration should be  
2       given to make an amendment to the proposed  
3       bill to include change in usage of the land.  
4       Because in spite of the fact that the property  
5       was not sold in this situation, the residents  
6       still experienced extreme desperation with  
7       this situation, as I'm about to explain in  
8       more detail.

9               Mellott's mobile home park was the  
10       third mobile home park to close in State  
11       College in the past five years. And all of  
12       them closed their -- closed the park, and the  
13       owners used the property as commercial  
14       development. So that does happen, and that's  
15       what we've seen in Centre County strictly as a  
16       reason for closing.

17              I was asked to assist in the  
18       relocation efforts in -- for the residents of  
19       the park, and over the next eleven to twelve  
20       months I worked very closely not only with the  
21       residents of the park but also with the  
22       owners, the owners of the property.

23              The mobile home park was developed  
24       over 30 years ago on the outskirts of the  
25       borough of State College, just off North

1     Atherton Street. The park was close enough  
2     to town that families had easy access to  
3     public transportation, employment  
4     opportunities, grocery stores, pharmacies, and  
5     healthcare services.

6             Home of Penn State University,  
7     development of the community was significant,  
8     and the commercial development expanded beyond  
9     Mellott's to the west, and there were  
10    residential homes to the east.

11            The park owners believed that the  
12    mobile home park, in their words, was a  
13    decaying asset, and the property had  
14    considerable potential as commercial  
15    property.

16            North Atherton Street became the  
17    corridor for Interstate 99 with its new  
18    development. And so the owners announced that  
19    they intended to rezone the property, and even  
20    if they couldn't get the commercial zoning to  
21    approve, they intended to close the park  
22    anyway because they intended to -- as a second  
23    resort, build student housing opportunities  
24    there.

25            So the families were going to be

1 displaced, no matter what happened with the  
2 zoning of the property.

3 The owners reached out to the  
4 community resources for assistance, and the  
5 relocation response team was developed. The  
6 owners agreed to provide financial resources  
7 to the residents for the relocation  
8 assistance.

9 Interfaith Mission oversaw the  
10 distribution of the funds that went out to pay  
11 for needs that the residents needed to do  
12 their relocation. And I was the first point  
13 of contact for the residents' relocation  
14 assistance.

15 I met individually with every  
16 household at the Mellott Mobile Home Park to  
17 assess their needs, their resources, and to  
18 help them to be informed about their housing  
19 options, help them to look at what affordable  
20 options were available to them.

21 Nearly all of the residents of the  
22 Mellott Mobile Home Park were homeowners and  
23 renters. They rented the land and 80 percent  
24 of the household had very low income, at 50  
25 percent of the area median income or below.

1                   Affordable housing for this  
2                   population had a waiting list of a minimum of  
3                   six to eighteen months long. Special  
4                   tabulation of the 2000 census indicated that,  
5                   according to the National Low Income Housing  
6                   Coalition, there was a deficit of 8,908 rental  
7                   units affordable and available to extremely  
8                   low-income households in the Pennsylvania 5th  
9                   Congressional District.

10                  The high cost of renting in the State  
11                  College area contributes to households  
12                  burdened with housing expenses. Centre County  
13                  conducted an affordable housing needs  
14                  assessment, and they also used the 2000 census  
15                  to indicate that in the center region, the  
16                  State College area, 32.2 percent of the  
17                  renters were paying more than 50 percent of  
18                  their income toward rent, and this was the  
19                  area in which Mellott's is located. And  
20                  that's higher than the state average of 23.3  
21                  percent.

22                  Having knowledge of the rental market  
23                  in Centre County, I anticipated the challenge  
24                  we were about to face in our efforts to  
25                  relocate these sixty-nine households.

1           In addition, I had experienced a  
2           housing crisis of my own when Hurricane Ivan  
3           overflowed the banks of the Susquehanna River  
4           and my home was flooded with -- first floor  
5           with fifty-six inches of water. I knew how  
6           vital emotional support and access to  
7           resources are to creating a positive outcome  
8           during a crisis, and I was eager to provide my  
9           assistance to the families.

10           I could only imagine the devastation  
11           that these families must have felt when the  
12           news arrived at their doorstep on that cold  
13           day in November just before the holidays. But  
14           the months to follow were a greater challenge,  
15           when I expected, as I listened to each of --  
16           the months to follow were a greater  
17           challenge -- greater challenge than I  
18           expected, as I listened to each of their  
19           stories.

20           I became weak in the knees when I  
21           read the letter, one resident stated,  
22           referring to the notification of intent to  
23           rezone the property: I'm just going through  
24           the motions this holiday. I decorated only  
25           for the children, a young mother explained as

1 we talked about her housing situation.

2 I want to just stop for a brief  
3 second because, obviously just sitting here  
4 today in this position and talking about the  
5 situation and the people that I worked with is  
6 emotional.

7 Considering their income, the  
8 majority of the families were not in the  
9 position to pay relocation expenses, take out  
10 a loan, pay fair market rent in the future.  
11 They were angry about their situation and the  
12 fact that they had no rights at homeowners.

13 The land owners had the right to  
14 change the use of the property, but the  
15 homeowners had no way to protect their home,  
16 leading to the feelings of anger,  
17 hopelessness, helplessness, despair.

18 They had to trust the people who were  
19 kicking them out to follow through with  
20 providing financial assistance of any kind.  
21 They had no idea just how much money they were  
22 going to be provided or how much time they  
23 were going to be given.

24 The elderly were angry because they  
25 wanted to live out the rest of their lives in

1        their homes. Some of them had lived there for  
2        as many as thirty-four years. One elderly  
3        women uttered, with tears running down her  
4        face, I've worked hard all my life and I  
5        finally own my home, and now I'm going to lose  
6        it.

7                Others were angry because they had  
8        recently invested thousands of dollars into  
9        their home, doing renovations, preparing for  
10       winter, putting in a new furnace. Some of  
11       them were Sheetrocking, putting in new carpet,  
12       only to find out that their home wasn't  
13       movable and all that investment was lost.

14               Some homeowners, not able to move  
15       their homes, still owned money on the loans  
16       from the house purchase. These families would  
17       now have to pay approximately \$742 a month to  
18       rent a two-bedroom apartment that was an  
19       example of HUD's fair market rent in State  
20       College area, instead of \$265 for lot rent,  
21       and the home loan that they had when the home  
22       was demolished.

23               I remember walking out of housing  
24       case management interviews thinking, Wow, this  
25       family is in a really difficult situation. It

1       wasn't long before I realized that I was  
2       saying that every time I walked out of the  
3       interview.

4               I realized how challenging this was  
5       going to be for the majority of the  
6       residents. And as we looked at the household  
7       resources, financial resources were limited,  
8       at best.

9               We were fortunate that the park  
10       owners were willing to provide financial  
11       relocation assistance, but how were we going  
12       to afford the increase -- how were they going  
13       to afford increase in housing expenses on an  
14       ongoing basis?

15              Many residents didn't have  
16       transportation. They either walked to work,  
17       stores and appointments, or they relied on  
18       public transportation. Public transportation  
19       doesn't -- didn't foster -- in most counties,  
20       doesn't foster evening and weekend work  
21       schedules, significantly limiting the housing  
22       options and the ability to meet -- and/or the  
23       ability to maintain their employment.

24              Other challenges included  
25       availability of accessible units for



1 individuals with handicapped and pet-friendly  
2 options for households with pets.

3           There was only so much I could do, in  
4 spite of my good intentions. I couldn't pull  
5 a rabbit out of my hat, as much as I would  
6 have liked to, and have affordable housing  
7 solutions for all of these families.

8           Sometimes all I could do was validate  
9 how difficult the situation was and remind  
10 that them the park owners were providing  
11 assistance.

12           In spite of the fact that the park  
13 owners of the Mellott Mobile Home Park were  
14 not required by law, they did provide  
15 residents financial relocation assistance and  
16 ample time for the residents to relocate.

17           The park owners did not provide any  
18 compensation for the value of the home in the  
19 event that the home was not moveable. These  
20 families received financial assistance for  
21 first month's rent, security deposit, possibly  
22 a moving truck, and demolition of their home.

23           With the assistance that was  
24 provided, 37 percent of the households were  
25 able to move their mobile home. Seventeen

1       percent purchased another mobile home. Four  
2       percent were able to actually buy a house.  
3       Another 37 percent had to return to renting.

4               And, unfortunately, five percent  
5       ended up homeless. They doubled up with  
6       family or friends because they couldn't find  
7       affordable housing.

8               A total of 58 percent continued to be  
9       homeowners and 88 percent of the homeowners  
10      are still renting their lots that their home  
11      is situated on.

12              While there may be stigma associated  
13      with living in a trailer park, the low-income  
14      families at the Mellott Mobile Home Park all  
15      lived independent of any housing subsidies  
16      prior to the closure of the park, in spite of  
17      the fact that 80 percent of the households had  
18      low income, extremely low income, and were  
19      eligible for HUD's Housing Choice Voucher  
20      program for subsidized housing.

21              They were proud of the fact that they  
22      owned their home, and, quite honestly, should  
23      be, under the circumstances with their low  
24      income and being eligible for a subsidy, yet  
25      they owned their home.

1                   Currently, I believe that it's safe  
2                   to say that the lower-income families  
3                   displaced from the Mellott's mobile home park  
4                   that were not able to move their home are  
5                   either receiving a housing subsidy or they're  
6                   burdened with housing costs, paying over 50  
7                   percent of their income towards housing.

8                   As mobile home parks are closing in  
9                   the Centre region, the lack of affordable  
10                  housing for low-income families is magnified.  
11                  Low-income families are forced to move to more  
12                  rural areas of the county that do not have job  
13                  opportunities or public transportation options  
14                  adequate to foster low-income families living  
15                  independent of housing subsidies.

16                  Remaining in State College are four  
17                  other mobile home parks with approximately  
18                  three hundred households at risk of  
19                  displacement. One of these park owners  
20                  expressed his intent to a member of the  
21                  Mellott relocation response team to provide  
22                  his residents nothing when he sells or closes  
23                  his park.

24                  I don't want to think about how  
25                  desperate the Mellott situation would have

1       been without the financial support provided by  
2       the owners, and their flexibility with the  
3       time limits. And with each park closing, the  
4       deficit in affordable rental units available  
5       to low-income houses is increased as the  
6       demand for these units increase as well.

7               I want to thank you for the  
8       opportunity to be able to testify, and I would  
9       just also -- excuse me -- like to make one  
10      more comment about a possible amendment of the  
11      bill, which is the line 17, where it says the  
12      appraised value must be provided by a  
13      certified residential real estate appraiser.

14      I did speak with the former owners of the  
15      Mellott Mobile Home Park to get their opinion  
16      on the legislation, and they thought that that  
17      would end up holding up the process because,  
18      in their experience, certified residential  
19      real estate appraisers will not do an  
20      appraisal on a mobile home, at least in our  
21      area.

22              Thank you.

23              CHAIRMAN PETRONE: Thank you very  
24      much, Thelma. What you described is some  
25      really shaking problems that have occurred

1       that you've experienced and other people with  
2       you in that area, so hopefully we can do  
3       something to correct it as the legislation  
4       proceeds.

5               MS. WALTERS:   Yes.   Thank you.

6               CHAIRMAN PETRONE:   Kathy, you have  
7       some testimony?

8               MS. NELSON-SMALL:   I do indeed.

9               CHAIRMAN PETRONE:   Please proceed.

10              MS. NELSON-SMALL:   Members of the  
11       House Urban Affairs Committee, thank you for  
12       this opportunity to provide support for House  
13       Bill 1673 by sharing some of Adams County's  
14       mobile home park relocation experiences.

15              My name as Kathy Nelson-Small.   I am  
16       the chief professional officer for United Way  
17       of Adams County.   And I've held that position  
18       since 1987.   It's my privilege, my challenge,  
19       and my nightmare to help facilitate not one  
20       but two park relocation efforts.

21              A little bit about Adams County.  
22       It's rural, home to a hundred thousand  
23       people.   Eighty-nine percent are white, 3  
24       percent African-American, 8 percent are  
25       Hispanic.   Eighty-six percent of the

1 population is younger than 65. Eight percent  
2 live in poverty.

3 Median household income is \$48,439.  
4 The median home price is \$190,000. The  
5 average rent for a two-bedroom apartment, if  
6 you can find one, is \$800 per month plus  
7 utilities

8 Affordable housing in the county is  
9 and has been a serious issue for at least 20  
10 years. Agriculture and tourism are the  
11 leading industries.

12 Whether you call it a trailer, a  
13 mobile home, or a manufactured house, to the  
14 families who reside within its four walls, it  
15 is home. It's the place where the day begins  
16 and ends, where family laugh, love, and shed  
17 tears, where children play and Santa visits.  
18 It is a refuge from the outside world. It's  
19 home. Except when a family owns a mobile home  
20 within a mobile home park.

21 While they truly believe they are  
22 homeowners, they have their own piece of the  
23 American dream, the family, in reality, only  
24 owns a very large, very hard-to-move vehicle.  
25 Their home is titled like a car, not deeded

1       like a regular house, regardless of the size  
2       of their mortgage payment.

3               Let me be clear, I understand, as  
4       does everyone in this room, that it is the  
5       property owner's right to sell his or her  
6       property as he or she sees fit. However,  
7       unlike the sale of agricultural land for  
8       development, where there is little impact upon  
9       people, the sale of a mobile home park land  
10      disrupts the lives of many.

11             There should be an ethical and a  
12      financial obligation to the men, women, and  
13      children who are displaced. And, sadly, these  
14      obligations are almost always disregarded.

15             For four decades, Natural Springs  
16      Village was home to countless families of all  
17      ages, sizes, races, and socioeconomic means.  
18      It was a neighborhood in the truest sense of  
19      the word. The residents took pride in their  
20      homes, took care of their yards and gardens,  
21      watched over their children.

22             A hundred and seventeen families  
23      lived in the village in late 1996 when  
24      approximately half of the property was sold  
25      for development. Sixty-seven families and two

1       apartments and sixty-five mobile homes were  
2       ordered to vacate or move their homes by June  
3       of 1997.

4               The eviction notice was the only  
5       communication that the residents received from  
6       the owner. The park manager was helpful when  
7       it benefited the park.

8               The community around them was  
9       outraged. Former County Commissioner Tom  
10      Collins and twenty-five community human  
11      service organizations and businesses rallied  
12      together to help the families relocate.

13              The Natural Springs Village Task  
14      Force raised funds to hire a housing  
15      specialist to assist the displaced residents,  
16      who directed them to available resources and  
17      helped them find new homes or apartments. The  
18      United Way served as a fiscal agent for the  
19      task force.

20              As a result of the formation of the  
21      task force, it was a critical component in  
22      securing more than a hundred fifty thousand  
23      dollars from the developer and the anchor  
24      store to be distributed to families for  
25      relocation assistance. Each single-wide



1 homeowner would receive \$2500. Each double-  
2 wide, 5,000.

3 No homeowner, however, was  
4 compensated for the assessed value of their  
5 home. If they were unable to move their home  
6 to another location, they lost their home and  
7 financial security.

8 In the end, it took nine months to  
9 relocate all of the families.

10 If I can go off testimony for a  
11 second, I will tell you the story of one  
12 family whose home was a manufactured house, a  
13 double-wide, appraised at \$40,000. They lost  
14 it all and had to continue to make the  
15 payments. They have since filed for  
16 bankruptcy, and we have seen them in our  
17 office on numerous occasions to provide them  
18 rent and mortgage assistance in the ten years  
19 since they were asked to leave.

20 Flash forward ten years. Fifty  
21 families still live in Natural Springs  
22 Village, and it's late March 2007, and rumors  
23 began to circulate that the remaining park  
24 property had been sold for development.

25 The county commissioners called the

1 task force back into action. Most of the  
2 original 1997 team still served the  
3 community. We were all still there.

4 The rumor was confirmed in April.  
5 The eviction letters were sent in May. Fifty  
6 families would need to find new homes by  
7 August 31st, a little more than a hundred days  
8 after notice.

9 These fifty families reflected all of  
10 Adams County: 40 were white, three African-  
11 American, seven Hispanic. Nine families were  
12 retired seniors; thirty-eight went to work  
13 every day. Three were disabled and on public  
14 assistance. Forty-four owned their homes; six  
15 rented.

16 Again the county commissioners  
17 secured a hundred seventy-five thousand  
18 dollars from the developer to be distributed  
19 to families. Thirty-two hundred dollars for  
20 single-wide owners, \$6400 for double-wide  
21 owners.

22 The commissioner used an additional  
23 \$100,000 from Act 137 funds to help pay  
24 relocation costs. An intern, the county's  
25 grant manager, and I served as case managers

1       in this relocation effort, logging more than a  
2       hundred hours talking with park residents  
3       while we did our real jobs too. The last  
4       family left the park in October.

5               And like Thelma, I can tell you  
6       stories that would make your head spin about  
7       moving those fifty families from the park.

8               Once again, the park's owner offered  
9       nothing in compensation. It should be noted  
10      too that even after the sale went through, the  
11      park owner continued to offer spaces for rent  
12      until April. The eviction notices went out  
13      twenty days later. There was no -- what is  
14      the real estate term? There was no disclosure  
15      that the park was for sale and had been sold.  
16      Absolutely none.

17              We recognize that these practices are  
18      legal and within the rights of the landowner.  
19      Yet there is something inherently inhuman  
20      about the practice.

21              House Bill 1673 would provide much  
22      needed time and economic relief to mobile home  
23      owners. It was our experience that it can  
24      take six months or more for residents to find  
25      new housing, especially when housing stock is

1 at a premium.

2 Like State College, ten years ago,  
3 the wait list for Section 8 housing was two  
4 years. Last year, it was only eighteen  
5 months.

6 To receive six months of lot rental  
7 fees is a start. It can help facilitate  
8 relocation in a timely fashion. For our  
9 residents, six months of relocation fees was  
10 about \$1800.

11 And one of the representatives asked  
12 if rental fees varied. In Natural Spring  
13 Village, it did. It depended on whether you  
14 had children, the number of children you had,  
15 the number of pets you had, and whether you  
16 had a shed or not. So what you paid in lot  
17 rent was anybody's guess on any given day.

18 If this House Bill 1637 would provide  
19 the assessed value of a home, for a homeowner  
20 to receive that would secure their financial  
21 future. The average fair market value of a  
22 home at Natural Spring Village is over \$7500.

23 It also gives older mobile home  
24 owners access to all mobile home parks. Many  
25 of the homes at Natural Springs were not new,

1 but almost all of them were in good  
2 condition. Some parks would not accept the  
3 homes that needed to be moved.

4 And here's the crux of the matter, I  
5 think, as we go forward. The Manufactured  
6 Housing Association and industry has changed  
7 rapidly and there is a difference between a  
8 trailer and a mobile home, and most of the  
9 older communities do not include manufactured  
10 housing, and that is going to be a problem,  
11 and we recognize that.

12 If you've ever watched a mobile home  
13 become mobile again, this is what it takes:  
14 Two sets of permits, one to tear it down and  
15 one for it to move on the highway, and one set  
16 of permits for the new location, removal of  
17 all the skirting, all the awnings, securing  
18 the internal structure, unhooking the water,  
19 sewer, and utilities, unblocking the home,  
20 reinstalling axles and tires, escorted  
21 transportation to the new site, setup at the  
22 new site, removal of the tires and the hitch,  
23 installing tie-downs, leveling the home,  
24 reconnecting the water, sewer, and utilities,  
25 installing new skirting and decking, receiving

1 an occupancy permit, and then finally moving  
2 back in.

3 That can take anywhere from one day  
4 to three weeks, depending upon the  
5 availability of moving and the weather and the  
6 grace of God.

7 What does it cost? The average cost  
8 for a single-wide home, in our experience, in  
9 2007 was \$7,000. For a double-wide, it's 10  
10 to 12.

11 Without the financial assistance from  
12 the county commissioners, none of the families  
13 would have been able to relocate their homes.  
14 For every family forced to leave their home,  
15 there is a story. Some have happy endings;  
16 some don't.

17 The ultimate irony, of course, is  
18 that, one year later, after the last family  
19 was relocated, the land remains vacant, and  
20 undeveloped. The sale fell through.

21 And if the rumors are to be believed,  
22 the owner plans a new mobile home park on the  
23 same site.

24 So on behalf of the hundred and  
25 seventeen families of Natural Spring Village,

1 I urge you to consider House Bill 1673.

2 Thank you.

3 CHAIRMAN PETRONE: Thank you very  
4 much, Kathy. What you've described in detail  
5 is quite a horror story, and really a lot of  
6 people have been hurt by this. So, hopefully,  
7 House Bill 1673 can go a long way in trying to  
8 help solve the problems that not only these  
9 people had and many other people throughout  
10 the commonwealth.

11 Cynthia wanted some more comments.

12 MS. DALEY: Thank you. I just want  
13 to pass along a few comments from Chris  
14 Gulotta. He is the executive director of  
15 Cumberland County Housing and Redevelopment  
16 Authority.

17 Just to emphasize that this is a  
18 problem across the state. You've heard from  
19 Lehigh valley, Centre County, Adams County  
20 and Cumberland County. They got involved in  
21 the closure of -- I'm sorry, I don't know the  
22 name of the community on Carlisle Pike. I  
23 believe you have his testimony.

24 Chris emphasized to me that while  
25 they did ultimately get relocation benefits

1 from the -- I guess it was the buyer  
2 eventually, but built into the deal that it  
3 never would have happened if the Housing  
4 Authority hadn't gotten involved and been very  
5 forceful in its negotiations on behalf of the  
6 residents.

7 He does suggest also that usually the  
8 benefits come out of an agreement, as part of  
9 the sales agreement, the price or an agreement  
10 with the buyer -- perhaps that's where the  
11 burden should go, also with the buyer -- but  
12 that relocation benefits are essential, and in  
13 some cases, the owners voluntarily will  
14 provide, but in many cases, it doesn't happen,  
15 or it wouldn't happen without a strong  
16 advocate, and we would be looking for changes  
17 in the law to protect these homeowners.

18 Thank you

19 CHAIRMAN PETRONE: Thank you very  
20 much, Cynthia. Appreciate all your  
21 participation today, and everyone.

22 I presume we will be having more  
23 hearings on this legislation.

24 Any other questions?

25 Chairman?



1                   Comments?

2                   MR. CASTELLI:   Just curious.   The  
3                   experience that you two have described, the  
4                   individuals that you worked with, was there  
5                   some confusion, misunderstanding maybe, when  
6                   they entered into these agreements?   I mean,  
7                   they mentioned they're very proud they owned  
8                   their homes.

9                   Did you find that perhaps they  
10                  thought there was some -- that this couldn't  
11                  happen to them?   That they're paying what  
12                  they're asked to pay, and -- just curious.

13                  MS. NELSON-SMALL:   I think that's the  
14                  obvious quid pro quo.   I don't think that it's  
15                  ever explained to them in terms of shared  
16                  risk.   They are looking for affordable  
17                  housing, and they have found it.

18                  And in many cases, it's the answer to  
19                  all of their problems.   It is within walking  
20                  distance of their jobs.   It is within walking  
21                  distance of stores.

22                  In Adams County, there is no public  
23                  transportation.   So that if you don't have a  
24                  car or you don't live close to all of those  
25                  opportunities, you must rely on someone else

1 to get you where you need to go.

2 But I think that that's -- that's  
3 part of what they think. And nothing else is  
4 ever explained to them. No one ever says, Oh,  
5 by the way, I may sell this next week.

6 It's never explained that way. And  
7 even the letter to quit is basically, You have  
8 X number of days to get out, end of  
9 discussion. Don't call me, we'll call you if  
10 you don't continue to pay your lot rent until  
11 you have to leave.

12 It is fortunate that there are mobile  
13 home park owners like the woman in the back of  
14 the room. She's the exception to the rule.  
15 And that's wonderful to see. But I don't know  
16 that people who purchase a home or move a home  
17 into a mobile home park, especially the older,  
18 well-established communities, understand that.

19 MR. CASTELLI: And the fact that they  
20 actually own their home --

21 MS. NELSON-SMALL: In their mind,  
22 they're a homeowner. They own their home.

23 MR. CASTELLI: They have some --

24 MS. NELSON-SMALL: Stability.

25 MR. CASTELLI: Permanency.

1 MS. NELSON-SMALL: Absolutely.

2 MS. WALTERS: I truly believe that  
3 some of the residents really just could not  
4 believe that in America today that they would  
5 have no rights owning their home, that they  
6 could be forced out of the park.

7 MS. NELSON-SMALL: The hardest one to  
8 explain and have a conversation with is the  
9 family who moved in twenty days before the  
10 eviction notices were sent.

11 CHAIRMAN PETRONE: And they have to  
12 get out.

13 MS. NELSON-SMALL: And they had to  
14 get out. They just moved in.

15 CHAIRMAN PETRONE: Almost sounds like  
16 the sharecroppers in Grapes of Wrath, if you  
17 remember the story, when they decided to come  
18 in and bulldoze their homes.

19 Thank you.

20 Chairman Taylor?

21 REPRESENTATIVE TAYLOR: I don't have  
22 any questions, Mr. Chairman, but I would just  
23 like to say that this is certainly an  
24 education process today. We appreciate your  
25 specific testimony to illustrate the problems,

1 and I think that we have our work cut out for  
2 us to find a solution that works for  
3 everybody.

4 I think that 1673, a good portion of  
5 it, could become law in a matter of weeks.  
6 Other parts need to be reworked as well as the  
7 notion of the industry today versus the laws  
8 from yesterday and combines the two.

9 I don't know that eventually will  
10 fall on this committee or Representative  
11 Freeman, Chairman Freeman, but a lot of work  
12 has to be done. But, you know, certainly  
13 another set of problems we need to address.

14 CHAIRMAN PETRONE: Thank you,  
15 Mr. Chairman.

16 Thank you all.

17 And obviously this is a very, very  
18 critical issue that we should look at in great  
19 depth and try to come up with solutions, no  
20 matter how much it's going to hurt. But these  
21 people certainly are deserving of having all  
22 of the help from everyone that's experts in  
23 the field.

24 And I presume we are going to proceed  
25 with this along those lines. How far we get

1 before the end of session, I don't know, but  
2 we're going to do our best.

3 Again, thank you very much. We'll  
4 look forward to seeing you in the future. And  
5 the hearing is over.

6 1:29 p.m.

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## REPORTER'S CERTIFICATE

I HEREBY CERTIFY that I was present  
upon the hearing of the above-entitled matter  
and there reported stenographically the  
proceedings had and the testimony produced;  
and I further certify that the foregoing is a  
true and correct transcript of my said  
stenographic notes.

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BRENDA J. PARDUN, RPR  
Court Reporter  
Notary Public