

May 12, 2022

The Honorable Raymond A. Hull
Chair, House Municipal Government and Housing
Rhode Island State House
Providence, RI 02903

Re: H7943 Sub-A, H7948 Sub-A

Dear Chairman Hull and Members of the House Municipal Government and Housing Committee:

On behalf of the Housing Network of Rhode Island, I write to offer our strong support of the Sub-A introductions of **H7943 and H7948**. We commend Speaker Shekarchi, the bill sponsors and the members of this Committee for their leadership and prioritization of affordable housing as we seek to make our State a place where all Rhode Islanders have access to safe and decent homes that are affordable to them in the community of their choice.

H7948-A empowers mobile home owners to become cooperative landowners, supporting equity and generational wealth building, and redistributes decision making power to the households living within the mobile home community.

By the nature of the structure, mobile and manufactured homes represent a lower cost housing opportunity and make homeownership an option for some of our countries lowest income households. National data reports that the average household income of mobile home owners is approximately \$35,000 annually.

What ultimately affects the true affordability of mobile and manufactured homes is the land beneath the homes. Historically, mobile home parks are situated on privately held land, held by either a private owner or a corporate entity, who charge residents a monthly pad fee for the use of the land. Very often we see these pad fees are actually quite high (\$400-600 per month) and not affordable to the residents living in the mobile home, based on their income. Very much like a tenant, privately owned parks also leave mobile home owners vulnerable to rent increases at the whim of the owner. Unlike a tenant, mobile home owners own the housing structure on top of the land, and so are a bit restricted in their ability to make choices when land rent increases happen. There are significant costs associated with moving the home off the land (average \$5,000-8,000 according to national data) and would require the availability of a pad site at another park or a piece of land equipped with water and septic/sewer to accommodate.

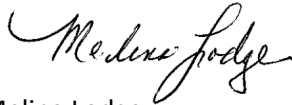
Mobile and manufactured homes are taxed as personal property and generally do not appreciate over time, so the opportunity for owners to build any equity (in a privately owned park) is virtually nonexistent. **H7948-A** proposes to incentivize municipalities to support the conversion and development of mobile homes as Resident Owned Communities and allowing the community to receive partial credits towards their LMIH count for doing so. Resident owned communities is an emerging best practice across the

country that seeks to support the owners of mobile homes to become landowners in a cooperative ownership structure. You can learn more about this model at www.roc.org. **H7948-A** encourages municipalities to explore tools they can leverage to assist mobile homeowners in their efforts to organize and become resident owned communities, and can improve housing quality standards, affordability, and stability for some of our lowest income homeowners. There are presently tools at a town's disposal (e.g., fee in lieu of development revenue and Community Development Block Grant funds) which could be used to support such an activity by providing the upfront capital needed to purchase or finance the land and there are more tools that could be explored if Towns were motivated to do so. **H7948-A** provides this motivation.

H7943-A presents an opportunity for the State to explore the adaptive reuse of vacant school buildings for low- and moderate-income homes. By conducting a multi-stakeholder feasibility evaluation on each available property, particularly in communities that have not been successful in achieving their 10% affordable housing goal, the State is empowered to capitalize on development opportunities and strategically deploy its resources to be responsive to the needs of households most impacted by the housing shortage and demand for low and moderate income homes.

Thank you for the opportunity to share my support with this Committee and for your consideration of **H7943-A** and **H7948-A**. I am available to answer any questions you might have and can be reached at 401-721-5680 ext. 38 or mlodge@housingnetworkri.org.

Respectfully submitted,

A handwritten signature in cursive script that reads "Melina Lodge".

Melina Lodge
Executive Director