

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES
COMMITTEE ON URBAN AFFAIRS

In re: House Bills 1511 and 1513 - Manufactured Housing
Concerns in Pennsylvania

* * * * *

Stenographic report of hearing held
in Room 140, Majority Caucus Room,
Main Capitol Building, Harrisburg, PA

Thursday
January 23, 1992
9:30 a.m.

HON. RUTH B. HARPER, CHAIRPERSON

MEMBERS OF COMMITTEE ON URBAN AFFAIRS

Hon. Alan J. Butkovitz	Hon. Edward H. Krebs
Hon. Mario J. Civera	Hon. Connie McHugh
Hon. Charles W. Dent	Hon. Joseph Preston
Hon. Frank Dermody	Hon. William R. Robinson
Hon. James Gerlach	Hon. Michael P. Sturla
Hon. Ellen Harley	Hon. Peter C. Wambach
Hon. Harold James	Hon. Joseph Uliana

Also Present:

Hon. John E. Barley, Prime Sponsor
Gail Davis, Executive Director
Richard A. Scott, Chief Counsel
Leonard Buchta, Research Analyst
Jere Stumpf, Republican Executive Director

Reported by:
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APPENDIX

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1 CHAIRPERSON HARPER: Good morning. We
2 are ready to begin our public hearing on mobile homes.
3 I am Representative Ruth Harper, Chairperson of the
4 Urban Affairs Committee. And we will have the
5 introduction of our members that are here.

6 MS. DAVIS: Harper.

7 CHAIRPERSON HARPER: Here.

8 MS. DAVIS: Acosta, Butkovitz, Dermody.

9 REPRESENTATIVE DERMODY: Here.

10 MS. DAVIS: James, Krebs.

11 REPRESENTATIVE KREBS: Here.

12 MS. DAVIS: McGeehan, McNally, Mihalich,
13 Preston.

14 REPRESENTATIVE PRESTON: Here.

15 MS. DAVIS: Robinson.

16 REPRESENTATIVE ROBINSON: Present.

17 MS. DAVIS: Stetler, Sturla, Wambach,
18 Civera.

19 REPRESENTATIVE CIVERA: Present.

20 MS. DAVIS: Anderson.

21 REPRESENTATIVE ANDERSON: Present.

22 MS. DAVIS: Dent.

23 REPRESENTATIVE DENT: Here.

24 MS. DAVIS: Gerlach.

25 REPRESENTATIVE GERLACH: Here.

1 MS. DAVIS: Harley.

2 REPRESENTATIVE HARLEY: Here.

3 MS. DAVIS: McHugh.

4 REPRESENTATIVE MCHUGH: Here.

5 MS. DAVIS: Taylor, Uliana.

6 REPRESENTATIVE ULIANA: Here

7 MS. DAVIS: Wright, Matthew Wright.

8 Robert.

9 CHAIRPERSON HARPER: First, I would like
10 to recognize Representative Civera, he's the Minority
11 Chairperson of the Urban Affairs Committee.

12 Representative Civera.

13 And good morning to everyone. As you
14 know, one of the priorities of this committee for the
15 '90's is the issue of providing decent housing for all
16 Pennsylvanians. Not long ago, members of the
17 Legislative Housing Caucus worked cooperatively with
18 the nonprofit and private sectors in an effort to
19 develop a comprehensive housing policy that would be
20 implemented by legislation. During this time, many
21 members of the caucus kept coming back to manufactured
22 housing as an alternative way of providing decent,
23 affordable housing for their constituents. In
24 Pennsylvania, as in many States, people in search of
25 decent housing have increasingly opted for manufactured

1 housing, which is otherwise known as mobile homes.

2 We are here today to bring the concerns
3 of the residents and operators of mobile home
4 communities before the committee. At this time, we
5 also will receive testimony on House Bill 1513, which
6 would establish an Office of Manufactured Housing
7 Ombudsman and Manufactured Housing Hearing Board.
8 Under this bill, the ombudsman would be responsible for
9 resolving disputes between homeowners and the managers
10 and owners of mobile home communities regarding the
11 interpretation of the Mobile Home Park Rights Act as
12 well as other problems. House Bill 1513 would amend
13 the Mobile Home Park Rights Act of 1976 to establish
14 additional regulations pertaining to eviction
15 procedures, maintenance and repairs and overnight
16 guests.

17 Also included in this package of bills
18 but not being reviewed today is House Bill 1512, which
19 would allow licensed real estate agents to list
20 owner-occupied mobile homes for sale. However, the
21 language in that bill is included in Senate Bill 263,
22 which was sponsored by Senator Craig Lewis and signed
23 into law as Act 41.

24 The committee will receive testimony
25 today from residents, managers and owners of mobile

1 home communities. Some feel that this legislation is
2 pro-tenant and hinders their ability to manage their
3 property. However, others feel that this legislation
4 is needed in order to keep the constitutional rights of
5 residents of mobile homes from being violated.

6 The committee is here to listen to all
7 the concerns regarding this issue. Please keep your
8 testimony short and to the point so that everyone can
9 be heard. The committee will look past the rhetoric to
10 the facts when making our unbiased decision on whether
11 to approve this legislation.

12 And the first person on the agenda is
13 Renardo Hicks, Director, Bureau of Consumer Protection,
14 Office of Attorney General. We will hear from Mr.
15 Hicks.

16 MR. HICKS: Thank you very much,
17 Chairwoman Harper.

18 For the record, I have seated with me Jim
19 Donahue, who is an attorney in our Antitrust Division
20 in the Office of Attorney General.

21 And as you've indicated, my name is
22 Renardo Hicks. I am Director of the Bureau of Consumer
23 Protection in the Office of Attorney General.

24 Please accept my apologies because we
25 found a glitch of sorts in my testimony this morning

1 and I've had several copies of those reproduced. I
2 hope they're here, and they're now being circulated for
3 the committee. So I'm not just stalling, I'm trying to
4 give you all an opportunity to get a copy of it.

5 Chairwoman Harper, Chairman Civera,
6 Representative Barley and distinguished members of this
7 committee, I thank you for the opportunity to testify
8 today on House Bills Number 1511 and 1513 because in my
9 opinion these two bills would provide necessary and
10 important protections for Pennsylvania consumers.

11 As Director of the Bureau of Consumer
12 Protection in the Office of Attorney General, it is a
13 particular pleasure for me to testify on these bills
14 because I have learned in our efforts to help
15 manufactured home owners that they believe that current
16 Pennsylvania laws aren't adequate to protect them. And
17 in general I think they're right.

18 I must commend Representative Barley and
19 this committee for your efforts to resolve some of
20 these very difficult and I think important questions,
21 and for your serious consideration of this legislation.
22 But before I begin my formal remarks, I must extend to
23 you the greetings of Attorney General Ernest D. Preate,
24 Jr. As you know, the Attorney General has already
25 announced his very strong support for this legislation

1 and he has made it clear to me that he is personally
2 committed to working to remove the potential for
3 consumer abuse wherever it exists.

4 And when I think about the people who I
5 have met who live in manufactured housing communities,
6 I am reminded of the fact that these people are
7 generally homeowners. They are generally people who
8 have borrowed money or saved money to earn their own
9 home. And as I'm sure this committee is aware, the
10 critical feature which distinguishes an owner of a
11 manufactured home from an owner of any other home is
12 the fact that unless they find their own place, when
13 they live in a manufactured home community they don't
14 own the land where their homes sit.

15 I am sure that it is also no surprise to
16 anyone that the landowners' current ability to enact
17 rules or regulations at any time without the approval
18 or participation of homeowners creates a tremendous
19 potential, underline potential, for consumer abuse.
20 The proposed legislation directly addresses some of the
21 concerns of manufactured homeowners and provides a
22 number of genuine protections to those homeowners
23 against this potential for abuse.

24 It is important to note that many
25 manufactured home community managers and landowners

1 deal honestly and fairly with their residents. They
2 have an obligation to make rules and regulations to
3 protect the health and safety of their communities, and
4 they have a right to earn a reasonable profit. Many of
5 them do so while acting fairly and legally. However,
6 based upon our efforts to attempt to resolve some of
7 the problems experienced by manufactured housing
8 residents, we know that many of the concerns they raise
9 are legitimate. We know that manufactured housing
10 residents are often the victim of unreasonable and
11 illegal rulings, and that actions initiated by
12 manufactured housing landowners are not always
13 reasonable or legal.

14 The Bureau of Consumer Protection has had
15 significant experience with manufactured housing
16 community complaints over the past several years. And
17 in 1989, in particular, the Bureau received 365
18 complaints from Pennsylvania citizens regarding
19 manufactured housing. In 1990, the Bureau received 446
20 complaints regarding manufactured housing. And in
21 1991, our preliminary data, what we have compiled thus
22 far, shows that we received approximately 350
23 complaints regarding manufactured housing issues.
24 These numbers suggest that each year residents are
25 confronted with significant problems in manufactured

1 housing communities and problems that just don't seem
2 to go away with the passage of time.

3 The areas where these complaints come
4 from also suggest that these are problems that exist in
5 communities throughout the entire State. The
6 complaints we've received are indicated on page 3 in my
7 testimony, and rather than go through the entire table,
8 what I'd like to do is to bring to this committee's
9 attention the hot spots, so to speak.

10 In the Harrisburg area, for example, in
11 1989 there were 119, in 1990 there were 107, and 1991
12 there were 119 complaints again. These complaints in
13 the Harrisburg region essentially represent some 30
14 percent or more on average of the complaints that we
15 receive.

16 I also direct the committee's attention
17 to the figures for Allentown because in the Allentown
18 area in '89 there were 85, in '90 there were 69, and in
19 '91 there were 46. On average representing anywhere
20 from 13 to 23 percent of the complaints we received on
21 manufactured housing.

22 I just want to indicate too that the
23 areas represented -- the complaints represented in the
24 areas of Erie and Scranton also top out our list, so to
25 speak.

1 Overall, these figures indicate that
2 while the counties covered by the Bureau of Consumer
3 Protection's regional offices in Harrisburg, Allentown,
4 Erie and Scranton generate the highest number of
5 complaints to this office concerning manufactured
6 housing, residents in all of the regions where our
7 offices are placed complain to the bureau about
8 problems related to manufactured housing. For the
9 committee's benefit, I have attached a county map of
10 our regional offices of Consumer Protection to the end
11 of my testimony, which makes it clear exactly what
12 counties these regional offices serve.

13 In 1991, the Office of Attorney General
14 filed a number of legal actions in an effort to address
15 some of the concerns of residents of manufactured
16 housing communities. We filed a lawsuit against the
17 largest manufactured home dealer in Lancaster County
18 for tying up all of the available park spaces in the
19 county and requiring individuals to buy a home only
20 from him if they wished to live in any of those
21 communities. We later amended our complaints to add a
22 number of individual community landowners as
23 defendants, and in that case we alleged that in
24 addition to agreeing to this illegal tie-in with the
25 dealer they received substantial entrance fees for each

1 space which they rented, and of course all of the costs
2 of the tie-in and the interest fees were passed on to
3 the manufactured home resident.

4 Well, Jim Donahue from our Antitrust
5 Office who is here with me is the lawyer who has
6 handled that case for the Office of Attorney General,
7 and today I am happy to announce that we have settled
8 with those manufactured home community owners and we
9 have actually negotiated tentative settlements with
10 several of those manufactured home community owners and
11 they have agreed to pay a total of \$125,000, most of
12 which will be refunded to consumers, manufactured home
13 residents, when those agreements are finalized and
14 approved by the courts.

15 In addition, the owners have agreed to
16 keep their communities open to consumers, and we are
17 proceeding in our litigation against five other
18 manufactured home community owners and the dealer in
19 particular who is responsible, in our view, for
20 creating this tie-in relationship.

21 In another case, we also sued a park for
22 evicting a resident without cause. It seems like a
23 very simple issue, but I think it's a very important
24 issue. We have argued that it is inconsistent with the
25 intent of the present Mobile Home Park Rights Act to

1 arbitrarily evict a resident who has obeyed all the
2 park rules and has paid their rent. So this is a case
3 that I think will be an important case for residents of
4 manufactured housing communities.

5 We have also sued a landowner for
6 creating a rule which requires all residents to pay for
7 making capital improvements to their property, property
8 that is adjacent to their homes. The landowner
9 specifically directed residents to pay for converting
10 below ground fuel tanks to above ground tanks. And in
11 some cases, these tanks had been in the ground for
12 several years before the residents purchased the
13 properties which were attached to the land. Our
14 lawsuit questions whether this is a reasonable rule or
15 regulation.

16 Many residents have complained to the
17 Bureau about rules restricting their ability to sell
18 their homes on a lot where it is placed, and they argue
19 that rules requiring that they seek the landowner's
20 approval in advance before completing the sale or
21 before accepting a tenant to replace them served to
22 reduce the value of their property.

23 The Office of Attorney General takes
24 seriously its current responsibility to enforce the
25 Mobile Home Park Rights Act. However, despite all our

1 good efforts, we know that other violations of the law
2 go unprosecuted because for one reason or another,
3 manufactured home residents do not complain to us or
4 because our limited resources might not perhaps permit
5 us to do all that we would like to do. House Bill
6 Number 1511 -- excuse me, 1513 makes it more likely
7 that many more violations of law in this area will be
8 prosecuted by its creation of a manufactured housing
9 ombudsman - a person with powers to investigate and
10 resolve complaints and disputes of manufactured home
11 community residents. In a sense, it's a lot like
12 adding another entire division to a military support
13 team. This manufactured housing ombudsman would make a
14 significant contribution in that way.

15 It is important to note that while the
16 Office of Attorney General is only authorized to file a
17 lawsuit on behalf of the Commonwealth, the creation of
18 an ombudsman would authorize this person to act as a
19 mediator, an arbiter and a legal representative, and I
20 think this is, to the individual manufactured housing
21 community residents, something that the Office of
22 Attorney General is not currently statutorily empowered
23 to do. This ombudsman, as it is currently crafted,
24 would have authority to act on behalf of residents in
25 Federal and State courts and agencies. The ombudsman

1 would have authority to act in disputes between
2 residents and managers or owners of manufactured
3 housing communities, disputes concerning
4 interpretations of the Manufactured Housing Act,
5 disputes concerning approval of prospective purchasers
6 of existing manufactured home, disputes concerning the
7 reasonableness of community rules and regulations, and
8 disputes concerning environmental concerns, provisions
9 in lease agreements, proposed rent increases, and
10 eviction proceedings.

11 Further, the creation of a manufactured
12 housing board to review decisions of the ombudsman,
13 particularly requiring a review of proposed rent
14 increases occur within 30 days of the filing of such a
15 request should provide consumers with a much more
16 speedy resolution of their problem than is currently
17 available.

18 Even if every violation of a current law
19 could be prosecuted, the present laws simply do not
20 provide sufficient protections for residents from
21 arbitrary, unfair rules and regulations, evictions,
22 excessive rent increases, substandard park conditions,
23 or many of the other problems that confront
24 manufactured home owners. House Bill 1511 begins to
25 correct the situation by prohibiting eviction of

1 residents for their participation in any manufactured
2 housing community association. It also provides that
3 no manufactured home community owner or agent can
4 require a resident to purchase a home or equipment from
5 them as a condition of leasing a space from them. This
6 directly corrects the problem we have confronted in
7 Lancaster County.

8 Further, it gives residents a greater say
9 in determining the reasonableness of community rules
10 and regulations by permitting 51 percent of the
11 residents to seek an order from the Office of Attorney
12 General's Bureau of Consumer Protection, which would
13 determine the reasonableness of a particular rule or
14 regulation which was implemented in their community.

15 For all of these reasons, the Office of
16 Attorney General strongly endorses House Bills 1511 and
17 1513. These proposed laws strengthen the present law
18 where it is deficient and reduce the likelihood of
19 resident abuse.

20 Chairwoman Harper, Chairman Civera,
21 Representative Barley and distinguished members of this
22 committee, Attorney General Preate and the Attorney
23 General's Bureau of Consumer Protection applauds this
24 committee's efforts to deal with this problem.

25 At this point, I would be happy to answer

1 any questions that you might have.

2 Thank you.

3 CHAIRPERSON HARPER: Thank you very much,
4 Mr. Hicks.

5 First, I would like to offer
6 Representative Barley the opportunity to ask questions,
7 since he is the prime sponsor of this bill.

8 REPRESENTATIVE BARLEY: Thank you,
9 Representative Harper.

10 I really don't have any prepared comments
11 or questions, for that matter. I think the Attorney
12 General's Office and my staff and myself personally had
13 ample opportunity to work with you and you were very
14 helpful in directing and guiding us in many of the
15 areas that you saw as being deficient, so we appreciate
16 the opportunity to work with you to date and certainly
17 appreciate your support.

18 I want to thank Representative Harper for
19 holding the public hearing and giving us an opportunity
20 to have an airing of the issue and hopefully through
21 this why we can hear the concerns of both sides of the
22 issue and through that bring a resolution and hopefully
23 the legislation can be voted out of committee and end
24 up helping the citizens, both residents and owners of
25 manufactured housing here in Pennsylvania.

1 Thank you.

2 CHAIRPERSON HARPER: Thank you,
3 Representative Barley.

4 Are there any other questions?
5 Representative Civera.

6 BY REPRESENTATIVE CIVERA: (Of Mr. Hicks)

7 Q. Mr. Hicks, being associated with the
8 Attorney General's Office, what's the, and you mention
9 it in your testimony here, could you give the committee
10 some kind of an idea of the complaints on either side
11 of the exactly as far as the owner of these parks or
12 the people that are living in there? I mean, what has
13 your experience been in the complaints that you have
14 received in the Attorney General's Office in particular
15 of either side? I think that's what we want to get a
16 view of.

17 A. All right. If I understand the question
18 correctly, Chairman Civera, the numbers that I
19 reference in my testimony on page 3 reflect our -- some
20 of our numerical experience with respect to
21 manufactured housing, but they don't tell the story
22 about what those people are complaining about.

23 The kinds of complaints that we receive
24 in terms of the substance of what manufactured home
25 community residents are talking about often relate to

1 rules that they think are unreasonable. And one of the
2 cases that we filed really goes at what is a reasonable
3 rule or regulation. One of the cases I mentioned in my
4 testimony relates to a person who came to us and said,
5 I've been paying my rent every month on time. I adhere
6 to all the park rules and regulations, but this guy
7 wants me out of the mobile home park. And what we have
8 said is that despite the fact that they don't have a
9 lease outlining a particular term in which they're
10 supposed to be there, they have put their home down on
11 the property, they have paid their rent and they're
12 adhering to the rules and regulations, so we think the
13 intent of the Mobile Home Park Rights Act permits that
14 person, as long as they are following the rules and
15 have not done anything illegal and have paid their
16 rent, to stay there as long as they are doing what the
17 rules said. That's not crystal clear in the law, but
18 it's something that we want to make crystal clear in
19 the law.

20 In addition, we in the Antitrust Division
21 have seen these connections between people who sell
22 manufactured houses and people who run those
23 communities become more and more explicit, and we want
24 to make it clear that those aren't explicit
25 relationships, that there shouldn't be a tie-in between

1 who sells you a manufactured home and who rents you a
2 space on which to put it down, so to speak. So we've
3 actually seen rules and regulations as an area where
4 there's a great deal of complaints from the residents.
5 And as I've indicated in my testimony, we have seen
6 mobile home managers and owners who do the right thing,
7 who operate in accordance with the law and who make
8 what I think is a reasonable profit as well. So it can
9 be done.

10 Q. Do you believe that the process is fair
11 at this point?

12 A. If what you mean by "the process" the
13 existing Mobile Home Park Rights Act permitting people
14 to file a complaint with the Bureau of Consumer
15 Protection as -- if the question is is that enough to
16 take care of these peoples' concerns? Is that correct?

17 Q. Yes.

18 A. Well, as I indicated in my testimony, I
19 don't think that's enough. I think that my office,
20 which has seven regional offices and as attached to my
21 testimony responsibility for a number of counties in
22 each office, has this past year had 29,300 formal
23 written complaints filed in it. And with a burden of
24 29,300 written complaints that we have to respond to,
25 even with the absolute best intentions we probably will

1 not be able to address all of the concerns of all of
2 these people.

3 CHAIRPERSON HARPER: Thank you very much,
4 Mr. Hicks.

5 Representative Wambach.

6 REPRESENTATIVE WAMBACH: Thank you, Madam
7 Chairman.

8 BY REPRESENTATIVE WAMBACH: (Of Mr. Hicks)

9 Q. Mr. Hicks, I'm concerned about your
10 position on House Bill 1513 in regards to the ombudsman
11 representing the individual resident in State or
12 Federal courts against a park owner. Do you know of --
13 let me ask you this: I don't know of any cases of the
14 Attorney General acting on behalf of individuals rather
15 than the State acting on behalf of a class action, if
16 you will, for residents of Pennsylvania rather than
17 becoming the attorney of record, if you will, through
18 an ombudsman through the Attorney General's Office for
19 an individual. It's almost as if we're now in the
20 legal business for individual residents of Pennsylvania
21 rather than let that up, if you will, to neighborhood
22 Legal Aid or something of that sort.

23 A. Well, it's my understanding that the
24 ombudsman as presently proposed would not come under
25 the Attorney General's Office but would be under the

1 Governor's Office. So there is sort of a legal
2 separation between the two.

3 Q. But you also mention specifically in your
4 testimony obviously through the language in 1513 that
5 the ombudsman would represent an individual.

6 A. Right.

7 Q. In a suit.

8 A. And--

9 Q. What about the constitutionality of that?

10 A. This is clearly a legal question, as you
11 have properly characterized. The current statutory
12 authority of the Office of Attorney General to act is
13 based on the Attorney General's Office and the Bureau
14 of Consumer Protection in particular acting on behalf
15 of the, quote, Commonwealth. And in the case of this
16 antitrust lawsuit that we filed, we filed under our
17 parens patriae authority, which is essentially the
18 opportunity to act as a class action lawyer. Both of
19 those are very different from what is proposed in the
20 House Bill 1513, the ombudsman jurisdictional
21 responsibility. This does provide the possibility for
22 the ombudsman to deal with the individual problem of an
23 individual person and to take it as far as the
24 ombudsman I think is appropriate.

25 I suspect as an operational level

1 question the ombudsman will be faced with the same
2 decisions that I am faced with as Director of the
3 Bureau of Consumer Protection, and that is, what is the
4 best cut for the resources that you have, given the
5 caseload that you have before you? So as a practical
6 matter, it may not be that every individual who comes
7 to the ombudsman will have that ombudsman represent
8 them individually, but as a legal matter, it may be
9 permissible for that ombudsman to take that individual
10 case as far as it needs to go through State and Federal
11 courts and agencies.

12 So it is a difference. I think it's an
13 important difference because it is not something that
14 exists in the current State of Pennsylvania law.

15 Q. But do you think under the authority
16 vested on behalf of suits of the Commonwealth and
17 Commonwealth class action suits that the parameters
18 expressed in 1513 would fit that when we're talking
19 about an ombudsman representing an individual?

20 A. I don't know the answer to that question,
21 Representative. It's not something--

22 Q. I'm of the opinion that I don't think it
23 would, and that's my concern. I think the package of
24 bills are important enough that I think we should
25 clarify, if you will, whether or not 1513 goes beyond

1 the constitutional limitations of individual
2 representation rather than the Commonwealth or class
3 action approach.

4 REPRESENTATIVE WAMBACH: Thank you,
5 Chairman.

6 CHAIRPERSON HARPER: Are there any other
7 questions?

8 REPRESENTATIVE ULIANA: One quick
9 question.

10 BY REPRESENTATIVE ULIANA: (Of Mr. Hicks)

11 Q. On page 4, landowner specifically
12 directed residents to pay for converting below ground
13 fuel tanks to above ground tanks. This is an area of
14 underground storage tanks which has gotten a lot of
15 interest on other areas, especially with the high costs
16 and now the new liabilities according to Federal
17 regulations. How does this come into conflict with
18 Federal regulations, you know, governing underground
19 storage tanks, the practice that you see here and can
20 under Federal regulations mobile home park owners now
21 force the residents to pay for such an operation?

22 A. It is a tough question, and it's a tough
23 question not just because you asked it, it's a tough
24 question because we find mobile home park residents --
25 or mobile home or manufactured housing park residents

1 and manufactured housing owners both with some genuine
2 legal requirements that they have to adhere to.

3 Manufactured home community owners have
4 an obligation to make their property safe for everyone
5 who lives there, and there are Federal regulations
6 which at least relate, I'm not sure they directly
7 address but at least relate, to removing tanks from
8 below ground and putting them above ground so that it
9 doesn't affect the water and the sewer systems of
10 people in that area. I'm not quite sure they directly
11 address that. But let's assume for a moment that an
12 owner decides to make that change because it's a
13 practical thing to do to prevent contamination of their
14 own water system or related water system. The next
15 question becomes, by virtue of that change desired by
16 the owner, they can create a rule which says
17 everybody's got to pay for me to do that, or whether
18 they can explore some other method of recouping those
19 costs. Our case says that there are other methods, and
20 without trying to be counsel for other people, the
21 creation of the rule is not necessarily the mechanism
22 by which to recoup those costs. So it's a tough
23 situation for both the parties involved.

24 I might add, too, that one of the things
25 that we do in connection with our cases in the Bureau

1 of Consumer Protection of the Office of Attorney
2 General is to give money back to people when the money
3 wasn't properly taken from them. So while we don't
4 represent the individuals currently, what we have
5 embarked on doing in every one of these cases is to get
6 restitution back to these individual consumers. So I
7 think the restitution mechanism does go far, but it
8 doesn't permit us to address some of the legal issues
9 that relate to an individual resident's circumstances.

10 Q. I hate to belabor this, but I think you
11 touched on a point there and in your discussion with
12 Representative Wambach, is the ombudsman to be like a
13 consumer advocate would be or is there a difference?
14 Because when you talked there it became almost like you
15 were talking about a consumer-advocate-like individual
16 with consumer-advocate-like powers. Could we
17 extrapolate that the ombudsman would act like a
18 consumer advocate for the home park residents?

19 A. I think to a large extent that's true,
20 but to some extent it is not. Based on the way that
21 the bill is currently drafted, the ombudsman has a bit
22 more authority than the consumer advocate does to act
23 on behalf of individual people. And I think there are
24 probably some very good reasons for that, but as an
25 operational matter, I would imagine that the

1 ombudsman's office would function very much like a
2 consumer advocate and would very much champion the
3 causes of manufactured home community residents in
4 addressing the imbalance of power between the owners
5 and the residents themselves. It would be likely that
6 the ombudsman would come down on the side of the
7 residents.

8 Q. So it would be following a precedent like
9 we set with small businessmen with the PUC where we all
10 have consumer advocates to protect the consumer's, who
11 is the resident, rights?

12 A. I think that is, to a large extent,
13 correct.

14 Q. Thank you, and we appreciate, I'm sure,
15 everyone on the committee, the attention of the
16 Attorney General on this important legislation.

17 A. You're welcome. Thank you.

18 REPRESENTATIVE ULIANA: Thank you, Madam
19 Chairperson.

20 MS. DAVIS: Mr. Hicks, you indicated that
21 a copy of the regional distribution of your office was
22 attached. It's not. Could you please make sure that
23 we get a copy of that and we can--

24 MR. HICKS: Fran Cleaver has brought that
25 to my attention and I promise to have that here before

1 this committee rests today.

2 CHAIRPERSON HARPER: Thank you very much,
3 Mr. Hicks.

4 MR. HICKS: You're welcome.

5 CHAIRPERSON HARPER: Very well. We will
6 move on to our next speaker for the morning, and we
7 will hear from Deborah Chapman, President of the
8 Pennsylvania Manufactured Home Owners of America.

9 MS. CHAPMAN: Good morning. Thank you,
10 Chairman Harper and House Urban Affairs Committee, for
11 holding this hearing today.

12 My name is Deborah Chapman, and I'm
13 founder and president of Pennsylvania Manufactured Home
14 Owners of America, Incorporated. I am pleased to have
15 the opportunity to bring testimony to you on behalf of
16 700,000 residents of manufactured housing in the
17 Commonwealth which our organization is proud to
18 represent.

19 Although it was not on purpose, I must
20 comment on how timely it is that this hearing is being
21 held during the week of Martin Luther King's birthday.
22 Dr. King was a man who gave his whole being for social
23 justice, equality and freedom - concepts I think you
24 will find ring true here today as you listen to
25 testimony from the homeowners. It is passionate and it

1 is heartfelt. You will also receive written testimony
2 from people who were not able to get on the agenda
3 today. Please read those very carefully.

4 PAMHOA was not founded by a few
5 disgruntled homeowners or a group of radicals, as the
6 industry would like you to believe. We were founded to
7 promote the constitutional rights of manufactured
8 homeowners who experience monumental abuses. We
9 believe very strongly in the free enterprise system of
10 our country, as long as it does not compromise the
11 basic human rights of an individual or a family.

12 The homeowners are seeking a balance to
13 this issue, which is characterized by inhumane and
14 unconstitutional living conditions. This mode of
15 housing covers a wide range of age and economic groups
16 from single-parent families to retired senior citizens;
17 from fixed income households to middle class. They
18 chose the manufactured home lifestyle because they
19 believed it would be low maintenance, affordable
20 housing.

21 Manufactured home owners are most
22 definitely in a unique housing situation, as the
23 residents are not only taxpaying homeowners but they
24 are also in a rental position. Unlike apartment
25 dwellers, they do not have the option to easily pack

1 their belongings in search for another home. The most
2 important of their belongings is their home, a home
3 which cannot be moved, in most cases, not because it is
4 immobile but because of complications existing as a
5 direct result of the antitrust monopoly between dealers
6 and landowners not only in the State of Pennsylvania
7 but across the United States. Another severe problem
8 complicating this issue is discriminatory zoning
9 existing in too many municipalities making it
10 impossible to purchase a single homesite for the
11 purpose of placing a manufactured home.

12 Manufactured home owners favor reasonable
13 rules and regulations in their communities, for they
14 help to keep order and maintain an aesthetic
15 atmosphere. Consisting presently in most communities
16 are outrageous rules and regulations and management's
17 firm statement that noncompliance will result in
18 immediate eviction. We have watched in numerous cases
19 how one by one when a family is banished from a
20 community they are forced to either abandon their home,
21 sell it to a dealer or landowner at a big loss, or even
22 sign their title over to save. What conventional
23 homeowners would ever have to abandon or lose their
24 property simply because they walked out of their home
25 after dusk, purchased the wrong color shed, gave birth

1 to more than two children, went on vacation without
2 telling anyone, had a pizza delivered to their home, or
3 allowed a visitor to sleep overnight?

4 The Barley legislation gives residents
5 the protection they need to fight unscrupulous tactics
6 by a community owner. Guaranteed to all citizens are
7 the protections of the United States Bill of Rights,
8 our legacy. Why then do manufactured home owners have
9 to work so hard to achieve that equal justice they were
10 born with in this country?

11 The First Amendment insures, among other
12 things, the right of the people to peaceably assemble.
13 Landowners have attempted time and again to refuse to
14 allow their residents to exercise that right,
15 forbidding them to form and operate resident
16 associations. In many communities they are told that
17 they must get written permission to attend one of our
18 organization's meetings or retaliatory actions will
19 result. House Bill 1511 will define Act 261 to insure
20 that the right of peaceable assembly is restored.

21 The Fourth Amendment assures the right of
22 the people to be secure in their houses against
23 unreasonable searches and seizures. Although Act 261
24 has provisions on this subject, community owners and
25 their management are entering homes without consent,

1 conducting inspections without consent, and insisting
2 that before a home is sold within the community both
3 the exterior and interior must be inspected. Some
4 residents' homes are actually seized in some cases
5 because they absolutely cannot find new locations to
6 which to move them. House Bills 1511 and 1513 will
7 define homeowner's rights and provide a much needed
8 avenue for somehow determining just what is reasonable.
9 There needs to be a judgment call.

10 The Fifth Amendment states in part, "nor
11 be deprived of life, liberty, and property, without due
12 process of law." When a community is closed because of
13 change of land use, the majority of homeowners abandon
14 their homes after trying relentlessly to locate another
15 homesite or to receive some kind of compensation for
16 the homes.

17 Let us bring equal justice to the
18 manufactured home owners as we celebrate the 200th
19 anniversary of the U.S. Bill of Rights. Some may say,
20 why aren't these two groups, the industry and the
21 homeowners, communicating? Why must we enact and amend
22 laws and develop yet one more government program?
23 PAMHOA has attempted to mediate some of these disputes,
24 to work with members of Pennsylvania Manufactured
25 Housing Association, but they have not responded in

1 kind.

2 There are some reputable dealers and
3 community owners out there, in our opinion, who run
4 fair communities without unscrupulous maneuvers.
5 Unfortunately, they are few and far between. However,
6 we do commend them for their honesty. The few we have
7 met with do not oppose this legislation. They have, in
8 fact gone, back to PMHA and James Moore explaining
9 their desire to work with the homeowners, but they have
10 only met with hostility, being labeled traders of the
11 industry organization. So bad is that situation that
12 they were reluctant to testify today because of
13 retaliation which will result within their
14 organization, much like that which the homeowners
15 experience every day and have experienced for years
16 whenever they speak out. It's industry's answer to
17 everything - if you don't like it, leave. A powerful
18 tactic.

19 Glenn Kummer, manufacturer and president
20 of Fleetwood Homes, addressed the delegates attending
21 the National Foundation of Manufactured Home Owners
22 Convention last fall. In his speech he admitted, in
23 his words, "the industry is stupid, and they just don't
24 care about existing problems." That was acceptable to
25 Kummer, who sits on the board of the Manufactured

1 Housing Institute, because he feels they will do
2 themselves in and he will survive. He admits that he
3 is greedy and in the end he will make a lot of money.

4 Monetary reasons are why the industry has
5 been fighting the Barley legislation so hard for so
6 long. They have it made. A community owner does not
7 have to stand accountable for unscrupulous, unjust
8 actions. They have a one-dimensional view of this
9 issue as a whole. They may set any rule or regulation
10 that they wish, they may gouge rents with monthly
11 increases if they so desire. In California, the
12 situation reached such extremes that residents were
13 actually charged up to \$3,000 per month per homesite.

14 We are not looking for rent control or a
15 ceiling on rents. What House Bill 1513 will allow the
16 ombudsman to do is determine reasonableness of a rent
17 increase by examining comparable communities within a
18 geographic area, by considering the rate of inflation
19 since the last increase, changes in the Consumer Price
20 Index, historic trends of prior rent increases by a
21 landowner, financial data and improvements made. All
22 these factors can be brought to the attention of the
23 ombudsman by the owner of a community to show just
24 cause for a rental increase.

25 Residents most times do not object to

1 reasonable increases, especially if they perceive that
2 improvements have been made to major problems in their
3 communities. A \$10 increase in rent in most cases is
4 reasonable, but we are seeing the other side of the
5 spectrum too often. Owners of communities seem to feel
6 no qualms about raising a homesite rent by \$100, by
7 \$150, or even by \$250 per month. There are new rules
8 and regulations charging residents up to \$150 extra per
9 month for having children over the age of 18 live with
10 them. What loving parent in 1992 tells an 18-year-old
11 child to move out of the family home to fend for
12 himself simply because he has a birthday?

13 Manufactured home owners living on fixed
14 or low incomes cannot economically survive with this
15 abuse, and many are forced to choose between buying
16 food for their families or paying the rent. They are
17 simply being priced out of their homes. Keep in mind
18 that the majority of the homeowners have consumer loan
19 payments on top of rental payments. They are not able
20 to obtain regular mortgages for their homes, although
21 they do pay real estate taxes. Not to mention the
22 double taxation existing for them. You see, they pay
23 sales tax for their homes at time of purchase. The law
24 states that a manufactured home is a vehicle until it
25 is connected to utilities, at which time it becomes

1 real estate. However, if the home is resold, the new
2 owners must pay 6 percent sales tax once again.

3 House Bill 1668, legislation introduced
4 on behalf of industry, is simply a smoke screen. It
5 is, however, an outright admission from industry that
6 problems and abuses exist. The most erroneous part of
7 this legislation will repeal Act 261, the Mobile Home
8 Park Rights Act, an action which is unheard of. There
9 is case law on this act. They want to erase what now
10 exists. We need Act 261, the only law manufactured
11 home owners have to protect their rights. While it may
12 not be perfect, it does exist, and we believe that it
13 only needs to be amended. Please don't further strip
14 the homeowner of more rights.

15 Industry minimizes and trivializes the
16 significance of the existing problems, citing a few
17 unscrupulous landowners. The truth is that
18 unfortunately, they are the norm and not the exception.
19 The problem isn't uncertified communities, the problem
20 is people losing their homes, unreasonable rules and
21 regulations, rent gouging and antitrust actions between
22 dealers and landowners, just to name a few. We need
23 legislation to resolve these daily problems. House
24 Bills 1511 and 1513 do just that. House Bill 1668,
25 industry's answer, does not. It matters very little if

1 a community is licensed. Abuses go unchecked, and
2 community owners are never held responsible for their
3 actions. We need a process to say that it is or is not
4 reasonable. And the ombudsman concept would speak to
5 that. The Barley legislation brings balance and solves
6 the problems.

7 Working as a legislative assistant for
8 State government, I see and understand why some
9 government programs in many cases do not work.
10 Sometimes, however, they are needed when there exists
11 rampant abuses, monetary losses by citizens and
12 violations of the very basic of human rights that we
13 are supposed to enjoy in this country. This situation
14 reeks of totalitarianism in its most basic form.

15 A person who first hears about this issue
16 usually thinks, why would anyone make such an
17 investment and place this home on rented land? The
18 answer is that at the first encounter they are painted
19 a very colorful, cheery scenario about how maintenance
20 free and affordable manufactured housing is. After the
21 purchase is made, the dark side begins. The homesite
22 they chose is no longer available. They are handed 82
23 outrageous rules and regulations. Many times they
24 experience rent increases and hidden costs within the
25 first three months of homeownership, and they find

1 unhealthy water and sewage problems. But now the
2 landowner or management takes on the attitude, if you
3 don't like it, leave. Don't bother me.

4 As this legislation gains recognition by
5 the legislature, our members have been reporting
6 shocking rent increases, with their landowners
7 explaining that if the Barley legislation passes, they
8 won't be able to make the increases they want. Another
9 small example of their fear tactics.

10 The industry has chosen to ignore the
11 outcry coming from their consumers. Nowhere in this
12 legislation does it state that a homeowner will be
13 placed in the office of ombudsman or serve on a hearing
14 board. As someone who helped to draft this
15 legislation, I can assure you that this thought never
16 came to mind. And allowing someone from industry in
17 any of those positions will most definitely defeat the
18 purpose.

19 I thank you for your attention and
20 consideration, and I ask that you please vote out House
21 Bills 1511 and 1513 very quickly.

22 CHAIRPERSON HARPER: Thank you, Ms.
23 Chapman.

24 Do we have any questions from the
25 committee?

1 Yes.

2 BY REPRESENTATIVE DERMODY: (Of Ms. Chapman)

3 Q. Ms. Chapman, just a few questions. In
4 the beginning of your testimony you mentioned that you
5 represent 700,000 residents I imagine of the
6 Commonwealth.

7 A. Yes.

8 Q. Are they all dues paying members? I
9 would just like a little background about your group.

10 A. No, but I think that our efforts are
11 supporting every one of them.

12 Q. So this 700,000 of them would be
13 manufactured home owners throughout the Commonwealth?

14 A. Yes, that's the figures we've compiled of
15 the homeowners living in this State.

16 Q. How do you become a member of your
17 organization? I mean, do you pay dues to become a
18 member of the organization?

19 A. Yes.

20 Q. How many do you have, how many members?

21 A. That's not something we divulge.

22 Q. Well, I'm from Allegheny County.

23 A. Um-hum.

24 Q. And there are a few manufactured home
25 communities in my area that I'm not familiar with the

1 group. I was wondering, how many chapters do you have
2 in western Pennsylvania?

3 A. We're kind of a fledgling organization.
4 We have one established in Montgomery County, but there
5 are quite a few more in the process.

6 Q. So out in Allegheny County or western
7 Pennsylvania there probably aren't any members of this
8 group?

9 A. We have some. It's not the majority of
10 our membership, but we have some.

11 Q. Do you have any idea how many?

12 A. Not today.

13 Q. Thank you.

14 A. Okay.

15 CHAIRPERSON HARPER: Thank you,
16 Representative Dermody.

17 We will now hear from Representative
18 Harley.

19 BY REPRESENTATIVE HARLEY: (Of Ms. Chapman)

20 Q. Ms. Chapman, thank you very much for
21 joining us today. I was very concerned about some of
22 the information as you presented it. It's very
23 alarming information.

24 First of all, you talk about on page 3
25 you talk about loss of property simply because they

1 walked out of their home after dusk, purchased the
2 wrong color shed, gave birth to more than two children,
3 et cetera, et cetera. Are you being quite literal
4 here, or is this just a metaphorical statement?

5 A. No, those are actual rules and
6 regulations that people receive.

7 Q. Do they actually lose their homes because
8 of this?

9 A. There have been actions for eviction on
10 those rules and regulations, yes.

11 Q. I see. What about this situation giving
12 birth to more than two children? Are there
13 restrictions on the amount of children in these homes?

14 A. Yes, sometimes.

15 Q. Do the Federal fair housing laws cover
16 manufactured homes? Because that's clearly in
17 violation of the Federal Fair Housing Act.

18 A. Yes, it should be.

19 Q. I see. But there is no agency at this
20 point that intercedes on behalf of the homeowners?
21 Because as I said, that's a violation.

22 A. It's been very difficult to get -- I
23 think most people have been going through the
24 Attorney's General Office and not through fair housing.
25 I couldn't really tell you how fair housing would

1 handle that. But in many, many communities they have a
2 rule that you may not have more than two children, or
3 if you do have more than two children you have to pay
4 extra fees for those children.

5 Q. Have you looked into the Federal fair
6 housing laws to see how these owners of these parks
7 comply with that? Is that some of the work of your
8 organization?

9 A. It's something we're attempting, yes.

10 Q. Okay, good. What about this: You say
11 further down, forbidding them to form and operate
12 resident associations. In many communities they are
13 told they must get written permission to attend one of
14 the organization's meetings. Again, is this -- are you
15 taking license here or is this a fact?

16 A. Many of these things -- no, everything I
17 said is fact. Everything I said is a rule and
18 regulation in somewhere in someone's documentation.

19 Could you repeat what you just said, the
20 end of what you said?

21 Q. Well, I'm just wondering if that in fact
22 is true. I find that just shocking.

23 A. It is shocking, and a lot of these
24 things, such as not going out of their home after dusk,
25 obviously they cannot uphold that, but it's the fear

1 tactics they use.

2 Q. I see.

3 A. That's what it all comes down to.

4 Q. And the residents then, if I understand
5 this correctly, even though these are constitutionally
6 provided and people are allowed to do these based on
7 the United States Constitution, why then don't people
8 take issue with these as residents?

9 A. Basically because of fear. They are
10 afraid of retaliation.

11 Q. What is retaliation? What constitutes
12 retaliation?

13 A. They are harassed constantly. Landowners
14 have primarily used a "divide and conquer" kind of
15 situation and they will award some of their residents
16 for complying or doing what they want them to do, and
17 if someone ever speaks out or opposes them, that person
18 is harassed constantly.

19 Q. I see. Are there any funds or any sort
20 of group at this point, we're talking about an
21 ombudsman, but before we get to that point or pass that
22 kind of legislation, is there anything in place right
23 now that would protect these consumers and is there a
24 place where they can go to complain about this and get
25 some relief?

1 A. The only place I know that it's stated in
2 law is the Attorney General's Office or the county
3 district attorney, and it's not working.

4 Q. I see. One last point. I see in here
5 you talk about that owners of manufactured homes are
6 not able to obtain regular mortgages so that they get
7 consumer loan payments. Could you tell us a little bit
8 about how that works? What is a consumer loan and who
9 makes those loans? Who makes those loans?

10 A. Finance companies, and many times if
11 you're going through a dealer there's a tie-in their
12 also and you go through his financial institution.

13 Q. So that the dealer actually makes that
14 transaction at the time of sale?

15 A. Yes.

16 Q. I see.

17 A. Most times. Most times.

18 Q. Does the dealer make a brokerage fee on
19 that?

20 A. That's what we've heard.

21 Q. But is there any regulation of that as to
22 whether or not that--

23 A. I don't know.

24 Q. --that person makes a fee and how much
25 that percentage is allowed?

1 A. I don't know.

2 Q. All right. Okay, thank you very much and
3 thank you for coming.

4 A. Thank you.

5 CHAIRPERSON HARPER: Representative Dent.

6 REPRESENTATIVE DENT: Thank you, Madam
7 Chairperson.

8 BY REPRESENTATIVE DENT: (Of Ms. Chapman)

9 Q. As I read your testimony, I guess it was
10 on page 3, you mentioned that people who purchased the
11 wrong color shed have been evicted or threatened to be
12 evicted. Are there other situations where residents
13 are threatened with eviction for, you know, wanting to
14 make improvements or actually making improvements to
15 the property, aesthetic improvements, maybe putting up
16 a deck or just a wrapping--

17 A. Yes, if it's not what the landowner
18 wants. There are some communities where you're not
19 allowed to have decks at all.

20 Q. Okay, but any other external improvement
21 on the building? I represent a district where I don't
22 have any manufactured housing parks in my district, so
23 I guess I'm a little naive on some of the questions,
24 but if you were to put maybe certain kind of shutters
25 or some improvement of that sort, they do get

1 criticized in some cases?

2 A. Yeah. A lot of times it's the skirting,
3 which goes around the bottom of the home. They have to
4 purchase a certain type of skirting, and usually it's
5 through a certain dealer or--

6 Q. You can't contract with your--

7 A. You're supposed to be able to, but that's
8 what will be defined in 1511.

9 Q. Okay, thank you.

10 A. Um-hum.

11 CHAIRPERSON HARPER: Representative
12 Sturla.

13 BY REPRESENTATIVE STURLA: (Of Ms. Chapman)

14 Q. I must apologize for getting here late,
15 but I've been reading over your testimony. To follow
16 up on Representative Dent's questions with regard to
17 restrictions, a lot of residential developments, and I
18 too come from a district that has no manufactured home
19 parks in my district, as a matter of fact we're a
20 built-out city, so this doesn't even apply to a lot of
21 the areas that I'm going to be talking about, but a lot
22 of new suburban developments place a lot of
23 restrictions on the homeowners in terms of wash can't
24 be hung out, fences can only be a certain height.
25 Within the city there are restrictions on fence

1 heights, within historic districts there are
2 restrictions on the kind of shutters you can place on
3 your house, the type of material you can use. Would
4 you seek to, in -- I mean, some of the restrictions
5 that you talked about, not being able to have children,
6 things like that, also go on in some senior citizen
7 communities where children are not allowed.

8 A. Um-hum.

9 Q. And now, at this point in time, you are
10 allowed to discriminate against children. Do you seek
11 to roll any of that back with this legislation?

12 A. I'm talking about family communities and
13 they're limited on how many children they're allowed to
14 have. And as far as limitations in an historic section
15 of town I think is very different from a manufactured
16 housing community. There's a purpose in preserving
17 history, but there is no purpose in limiting a
18 manufactured home owner in his home.

19 Q. Okay. The other question I have is with
20 regard to your testimony on page 5, I guess, where you
21 say we're not looking for rent control. This is an
22 issue that is of particular concern in my district
23 because there are people who seek rent control and
24 there are other people who say we would absolutely
25 devastate the rental market if we sought rent control.

1 How do you propose to have an ombudsman in essence
2 determine the rental rates without in essence having
3 rent control?

4 A. Well, that's in here very specifically
5 what he would be able to look at, and that's on the
6 next page, page 6 in the second paragraph. We're not
7 looking to cap this rent, it's just keeping it within
8 an affordable means for the people. And, you know, I
9 think that you really have to consider that this is a
10 very special mode of living. The people have an
11 initial investment in those homes and, you know, they
12 shouldn't lose that investment, because many times it's
13 their whole life savings. It's the only home they can
14 afford. And we're talking also about senior citizens
15 living on \$9,000, \$10,000 Social Security a year, and
16 there have been people that have been, you know, they
17 disappeared. They abandoned their homes, and most
18 likely they're homeless.

19 Q. Okay, Please don't get me wrong, I
20 support this legislation. What I'm trying to do is, in
21 essence play devil's advocate for a minute because what
22 will happen, it's my sense that these are the areas
23 that this legislation will be attacked because it can
24 set a precedent for other things like historic
25 districts and suburban areas and things like that, so

1 what I'm trying to do is figure out how we can have it
2 apply perhaps in this particular case and not in
3 another particular case and not knowing enough about
4 law to know whether we can do that or not, I'm trying
5 to resolve that situation, so thank you.

6 A. Thank you.

7 REPRESENTATIVE ULIANA: One.

8 CHAIRPERSON HARPER: Yes.

9 REPRESENTATIVE ULIANA: Madam
10 Chairperson, just a statement.

11 I think we are all riveted up here by
12 some of the statements you have made about what's going
13 on in the manufactured home parks. If you could, for
14 the committee's sake, have your organization provide us
15 some examples, you can delete the names of the
16 individuals, you can delete the names of the parks, the
17 locations where it's happening, but some real concrete
18 evidence towards that I think would be very beneficial
19 for us in understanding the need for this legislation
20 and I think it would really go at some of the things
21 that Representative Dermody was getting at and really
22 give us a concrete fix on what are really the problems
23 out there and really what's going on actually in the
24 field. If you could do that for the committee, I think
25 it would be greatly appreciated.

1 MS. CHAPMAN: Okay, sure. I did bring
2 two other testimonies with me today of people that were
3 not able to get on the agenda and they do have
4 documentation attached to their testimony that will be
5 helpful in this.

6 REPRESENTATIVE ULIANA: I think that
7 would be excellent, and we appreciate you coming out
8 today.

9 CHAIRPERSON HARPER: Thank you,
10 Representative Uliana.

11 Do we have any other?

12 Representative Civera.

13 REPRESENTATIVE CIVERA: I just want to
14 ask one question.

15 BY REPRESENTATIVE CIVERA: (Of Ms. Chapman)

16 Q. A person moves into these type of parks,
17 and you have to excuse me because I don't have any of
18 these in my legislative district either. What is
19 basically the general lease agreement or that person's
20 right that they have when they move or they move this
21 manufactured home onto this site? Is it -- what's a
22 normal lease agreement of that lease of that ground?
23 Is it one year, two years, five years, whatever? Is
24 there any type--

25 A. It's usually month to month.

1 Q. In other words, let me get this straight.
2 Let me understand this correctly. You go out and spend
3 maybe anywhere between \$25,000 to \$30,000 for a home,
4 you have that home put on that--

5 (Protestation from audience.)

6 REPRESENTATIVE CIVERA: Higher? Say
7 \$50,000.

8 WOMAN IN AUDIENCE: How about \$90,000?

9 BY REPRESENTATIVE CIVERA: (Of Ms. Chapman)

10 Q. How about \$90,000? And you move that
11 home onto that site and you only can maybe sign a month
12 lease or two-month lease or month-to-month lease. How
13 does that work?

14 A. I think they are basically kind of set up
15 like a year lease but they are month to month. I don't
16 know the exact language on that. They are -- a
17 landowner in most cases is allowed to change rules and
18 regulations or change his lease every month, and many
19 of the landowners have gone to leases like that. You
20 can obtain some leases, maybe a year lease or a
21 two-year lease, but that's very unusual. They are just
22 not available.

23 Q. That's very unfortunate. That's
24 something that I think the committee should know.
25 That's why I was asking the question. I mean, you're

1 making a major investment and you're really maybe no
2 more than there two or three years and then you have to
3 go back and renegotiate and with, you know, different
4 clauses in that?

5 A. A lot of times they don't -- they are so
6 caught up in buying the home and the wonderful cheery
7 scenario that I mentioned that the lease doesn't come
8 up until after the purchase. They don't get the rules
9 and regulations until after the purchase. And that's
10 something that is addressed in the legislation that
11 they will have to have the lease agreement, the rules
12 and regulations before they sign any papers.

13 Q. And what is the increase? Just give me
14 an idea of once you sign that lease, your lease expires
15 two years down the road or three years or whatever,
16 whatever the terms of it are, basically what is the
17 increase in the rent? Does it go up 15 percent, 20
18 percent, some type of an idea?

19 A. I couldn't give you an idea. It's so,
20 the figures are so widespread it isn't, you know, it
21 could be a \$10 month increase, it could be a \$250 a
22 month increase, so.

23 Q. Okay, thank you very much.

24 A. Um-hum.

25 REPRESENTATIVE BARLEY: Madam Chairwoman,

1 not so much a question as I would just like to make a
2 statement or so.

3 I think that we've really crystallized
4 the issue here in a couple of the statements.
5 Representative Sturla and Representative Harley I think
6 both made some real significant points, and it was
7 mentioned that, well, what's different here with
8 regulations that are put on a home that someone may buy
9 in a senior citizens area or whatever. Well, I think
10 the distinct difference is that in most cases you're
11 buying a stick-built conventional home with a
12 conventional deed restriction. That's not uncommon.
13 And so upfront you have that deed presented to you,
14 reviewed by your attorney, it's recorded in the
15 courthouse, your mortgage company has reviewed that and
16 you are, at that point, aware of the deed restrictions
17 that are permanently attached to that investment that
18 you have made.

19 The difference here, and I think that we
20 have to understand that this is the distinct
21 difference, we are dealing with someone making the
22 upfront purchase on the home, but then they are leasing
23 the land that is subject to an ever-changing set of
24 rules and regulations that are comparable to the deed
25 restrictions that were put upfront before the money was

1 ever spent.

2 So somehow or another that's the area
3 that I think we really have to deal with.
4 Representative Harley's example, and a very good one,
5 about the two children rule. You know, it's possible,
6 it's conceivable that those rules change after the
7 family has made the decision to locate in that park,
8 and that's the dilemma that the folks find themselves
9 in.

10 CHAIRPERSON HARPER: Thank you,
11 Representative Barley.

12 Any other questions from the committee?
13 (No response.)

14 CHAIRPERSON HARPER: That's fine. Thank
15 you very much, Ms. Chapman. Thank you for your
16 testimony.

17 MS. CHAPMAN: Thank you.

18 CHAIRPERSON HARPER: Mr. Scott Hartman
19 could not attend the meeting this morning but he sent a
20 statement for the record.

21 (See Appendix for a copy of the submitted
22 statement from Mr. Hartman.)

23 CHAIRPERSON HARPER: And the next person
24 on the agenda is Bob Mills, legal counsel, McNees,
25 Wallace & Nurick.

1 Is Mr. Mills here?

2 MR. MILLS: I am.

3 CHAIRPERSON HARPER: If anyone would like
4 to sit, we do have closed circuit TV in the outer area.
5 We have chairs out there and also closed circuit TV in
6 the Rotunda.

7 We are ready to continue. The next
8 person on the schedule is Mr. Bob Mills, legal counsel
9 from McNeese, Wallace & Nurick. Mr. Mills.

10 MR. MILLS: Thank you, Madam Chairman,
11 members of the committee.

12 My name is Robert Mills, partner in the
13 Harrisburg law firm of McNeese, Wallace & Nurick. We
14 are counsel to the Pennsylvania Manufactured Housing
15 Association. We are testifying specifically in
16 relation to House Bill No. 1511, although of course if
17 the committee has questions concerning this testimony
18 or concerning the other bill on the agenda we are most
19 happy to respond.

20 PMHA is a Pennsylvania nonprofit
21 corporation composed of approximately 750 members. Its
22 membership is quite diverse. It includes manufactured
23 housing dealers, manufactured housing manufacturers,
24 insurance companies, financial institutions. The
25 association also represents approximately 400

1 manufactured housing community owners and operators.
2 All of its members are interested in expanding and
3 improving manufactured home living in Pennsylvania.

4 The Mobile Home Park Rights Act, which is
5 Act 261, which House Bill 1511 proposes to amend, is 15
6 years old. In spite of the fact that it imposes very
7 serious responsibilities on manufactured housing
8 communities, it occasionally is difficult for our
9 members to interpret. We agree that this act is in
10 need of comprehensive amendments to address problems
11 that have arisen in the intervening 15 years.

12 Furthermore, as you are aware, defining
13 relationships between two parties which could on
14 occasion be antagonistic, that is the manufactured
15 housing community owner or operator on the one hand and
16 the resident on the other, really requires two efforts.
17 The first is to wrestle with an even-handed approach so
18 that any statute treats both sides fairly. The second
19 is with respect to the enforcement of that statute.
20 Currently, the act provides that the Attorney General
21 has the power and duty to enforce this act. We believe
22 that many of the disputes between park owners and
23 residents could be resolved by more vigorous
24 enforcement by the Commonwealth, and parenthetically we
25 appreciate the remarks of Mr. Hicks, who does seem to

1 indicate that over the last several years the Attorney
2 General's Office has been more vigorous in enforcing
3 this act. We would consider alternate methods whereby
4 disputes under this act are resolved more efficiently.

5 House Bill No. 1511 makes approximately a
6 dozen changes in Act No. 261. Since these changes have
7 been suggested by PMHOA, a pro-tenant organization, it
8 is not surprising that the amendments are entirely
9 one-sided, and I believe the previous witness has
10 confirmed that fact. Some of the changes we generally
11 agree with, some we oppose, and some we take no
12 position on. In the interest of time, I would like to
13 concentrate on the five or so changes that we feel are
14 most noteworthy and just highlight some of our other
15 comments.

16 The first in our testimony is the fact
17 that the bill changes the title of the act to
18 Manufactured Home Community Rights Act and uses such
19 terms as "manufactured home," "manufactured home
20 community," et cetera. These are good suggestions.
21 PMHA has tried for many years to have its industry part
22 of the housing industry, not the vehicle industry.
23 Many years ago we rejected the term "trailer," and
24 these definitional changes improve the image of the
25 industry and the residents who purchase manufactured

1 housing. One small point. We believe the definition
2 of "manufactured home" should comport with the
3 definition contained in Federal law, but that is in
4 fact a very small point.

5 Number two, we'll simply mention this is
6 this provision in the bill where evictions may not
7 occur for the sole reason that a resident belongs to a
8 community association. We have no problem with that
9 but the bill the way it's drafted seems to reverse the
10 current prohibition against evictions for self-help
11 measures, which is a very pro-consumer provision. I
12 don't think that's what the drafters of the bill meant,
13 but in any event, we have no problem with the community
14 association language.

15 Three, the bill requires notification of
16 a right to file a complaint with the ombudsman before
17 any eviction proceeding can be maintained. It already
18 is very difficult for a community owner to evict a
19 resident. And I would say, incidentally, later on
20 today we do have some community owners who will be
21 testifying and I think they will give you some of their
22 experiences as to eviction processes that they have
23 gone through.

24 The community owner must determine the
25 reason for eviction, send the appropriate notice, must

1 await the return receipt, must wait until a second
2 violation of rules or rental payments within six months
3 occurs, must commence eviction proceedings within 60
4 days of the last rule violation, must send a second
5 notice, must file a complaint with the local magistrate
6 together with filing in-service fees, must attend a
7 hearing, must obtain an order for possession if
8 judgment is given, must arrange for the removal of the
9 home, and must suffer further delay if an appeal is
10 taken. This would add an additional procedure to that
11 already lengthy process, and we are opposed to this.

12 Number four. The bill provides for a
13 six-month delay in a resident moving the home from the
14 community in the event eviction is for violation of
15 rules. As we just pointed out, evictions are not
16 something that occur easily. In fact, eviction actions
17 normally are begun only after other residents complain
18 to the community owner about disturbing actions by the
19 residents sought to be evicted. Although the one-sided
20 provision of the bill obviously contemplates a wrongful
21 eviction against a resident, we would like to point out
22 that this would also benefit a resident who disturbs
23 the peaceful enjoyment of other residents in the
24 community by holding loud parties, having his home fall
25 into a state of disrepair, operating a noisy vehicle in

1 the community at all hours, et cetera. The resident
2 could continue these actions during a course of the
3 eviction proceedings and for six full months thereafter
4 before being required to move.

5 Furthermore, the community owner must
6 actively assist the resident in relocating. One can
7 imagine the difficulty this would impose in assisting a
8 resident in relocating where that tenant has a lengthy
9 record for violating community rules. Frankly, because
10 of the scarcity of community space in most areas of the
11 State, and because no second community owner would take
12 such a resident, this requirement simply will not work.

13 Number five, I would just like to
14 mention, this is the perpetual lease provision. As we
15 say at the bottom of that comment, we make no comment
16 concerning this proposal. There is at least -- it is
17 at least arguable that current law requires a perpetual
18 lease, although there are some court cases that have
19 gone on in two separate directions and I believe the
20 Attorney General did testify that he has a case in
21 Commonwealth Court on this issue, but we make no
22 comment with respect to the perpetual lease.

23 Six is the placement of a "for sale"
24 sign. I believe that is also covered in Act No. 41
25 that was referred to earlier in the testimony today.

1 Number seven, we will mention the bill
2 also removes from the community owner the ability to
3 adopt and promulgate rules and regulations. Thus, it
4 permits the residents who do not own the real estate,
5 made no monetary investment in the community, not at
6 risk with respect to the finances of community, do not
7 have to meet a payroll, et cetera, to manage the
8 community. In fact, it places into jeopardy not only
9 new rules but every single existing rule on every
10 community in the State. Most community owners have a
11 number of rules because they may not evict a tenant by
12 giving a 30-day notice the way an apartment landlord
13 may do so.

14 The only way of insuring that residents
15 assist in keeping the community a place where people
16 want to live is by developing a complete and thorough
17 set of rules and regulations. The act already requires
18 that these rules be related to health or safety of
19 residents or upkeep in the community. The act also
20 prohibits a community owner from enforcing certain
21 rules against one resident and other rules against
22 another resident. Community owners would be happy to
23 have far fewer rules, but the difficulty of evicting
24 tenants when there is not a rule that the community
25 owner can point to makes having a number of rules

1 necessary.

2 Number eight, I'll simply mention
3 evictions because of the change of the use of the
4 community, the bill seems to provide that that can
5 occur at the expiration of the term. That would permit
6 people to be evicted on a change of use on a 30-day
7 notice. Again, I'm not sure that's what the drafters
8 of that intend.

9 Nine, I will again mention in the notice
10 section of the bill is the fact that the maintenance
11 and repairs on the home may be performed by the
12 resident. We don't have a problem with this. We
13 believe that should appear someplace in the substantive
14 section of the body of the bill, and we also would note
15 that there might be some type of maintenance and repair
16 work beyond the home that goes into the real estate
17 that should be limited to the park owner. I think that
18 section we are generally in accord with the intent of.

19 Ten. This is the ordering of subsequent
20 changes to understand skirting awnings, et cetera.
21 Again, that section is pretty well drafted. We would
22 simply observe that there might be technological
23 advances or improvements that might militate towards
24 permitting a rule to require a subsequent change in
25 underskirting and awnings. Again, I think that can be

1 overcome by further addressing that section.

2 Number eleven is something I would like
3 to spend some time on, and I would say that in the
4 local paper this week there were a couple of articles,
5 one announcing this hearing in which it said, "A pair
6 of bills designed to protect the rights of manufactured
7 housing owners and to encourage more affordable housing
8 are the focus of the public hearing." Also on the
9 "Heard on the Hill," I believe it was yesterday, was
10 this quote, "'It is the only hope many young families
11 have of obtaining their dream of homeownership,'
12 Representative John E. Barley, R-Lancaster, on the need
13 for making more land available for manufactured
14 housing." We agree. We agree with those very laudable
15 purposes.

16 Now, this is a hearing on these bills. I
17 feel constrained to confine my comments to these bills,
18 but we do have a proposal in here that we think the
19 committee should consider along the lines of
20 encouraging more affordable housing and manufactured
21 housing community spaces.

22 The bill prevents a community from
23 requiring a resident to purchase equipment for the home
24 from the community owner or a designated dealer. We do
25 not oppose the change as it relates to equipment, we

1 believe that existing law would prevent a requirement
2 for the purchase of equipment from the community owner
3 or a designated dealer. The prohibition against the
4 purchase of the home itself from the owner, that is the
5 community owner, or from a designated dealer is one of
6 the most serious problems facing the industry at the
7 present time. We would like to divide that first of
8 all with respect to space in existing communities. And
9 we would point out that the current statute, that's Act
10 261, affects the rights and responsibilities between
11 the community owner and the resident. In many cases
12 where this issue arises it is not a situation where the
13 community owner requires a resident to purchase a home
14 from the owner or a designated dealer. A dealer in the
15 area may have spent time, effort and expense in renting
16 vacant spaces in manufactured housing communities.

17 The reason that the owner cannot permit a
18 resident to occupy that space is that it is under lease
19 to someone else. By accepting rent from this
20 designated dealer, the community owner is able to
21 insure a rental flow of income for that space which
22 operates to keep rents as a whole from increasing.
23 Nonetheless, we do realize that this does create a
24 problem in existing communities which spaces do open up
25 or spaces do occur and we essentially remain neutral on

1 this issue.

2 But, a far different problem arises in a
3 situation where the developer of new community space,
4 either for new community or the expansion of an
5 existing community, seeks to condition the acquisition
6 of that space, that is new spaces, on the initial
7 purchase of a home from the developer or from a company
8 or agent designated by the developer. This other
9 company might be one which has assisted the community
10 owner in the development. Frankly, we question whether
11 it is wise public policy to prohibit this type of
12 transaction.

13 PMHA believes that the first sale of a
14 home in a newly constructed or expanded community
15 should be permitted to be limited to a sale made by the
16 developer or some designated dealer. There currently
17 is a tremendous disincentive for the development of
18 manufactured housing communities. The time, effort and
19 expense in overcoming restrictive zoning rules are
20 disincentives. The cost for land development is so
21 exorbitant that many potential developers simply will
22 not expend the capital necessary unless they can
23 recapture a portion of that initial investment by the
24 way of a first sale into that development.
25 Alternatively, new community space requires that the

1 investment be recouped by charging prohibitive rental
2 fees to those seeking to acquire space in that
3 development. We believe it is wise public policy to
4 encourage more space development for the location of
5 manufactured housing whether on real estate owned by
6 the owner of the home or in a community. If more space
7 existed, we would go from what is a seller's market to
8 one that would be closer to a buyer's market. We
9 believe that many of the disputes or problems that you
10 will listen to today could be avoided if more space
11 were available.

12 Yet the prohibition against the first
13 sale in a new development actually harms the consumer
14 in two case. First, to the extent that development is
15 discouraged, consumers are faced with a severely
16 limited market featuring an inadequate number of
17 spaces.

18 Secondly, spaces within those communities
19 that are newly developed are leased at rental fees
20 beyond what the average consumer can afford. Thus, we
21 believe it to be wiser public policy to omit the first
22 sale of manufactured housing in a newly developed
23 community to be limited to the developer or to a
24 designated dealer.

25 The remainder of our comments on 12 is

1 the registration of overnight guests. We would simply
2 point out that the existing act does permit the
3 revision of rent when persons living in the house
4 increase, and that is according to existing law. I
5 think the two provisions need to be dovetailed.

6 Third, the increase in damages, civil
7 penalties, violations in another law, we simply would
8 comment that we need to take a look at current
9 penalties to see whether the existing penalty
10 provisions are so weak that additional damages in civil
11 penalties are required.

12 Now, that ends our comments with respect
13 to House Bill 1511. In spite of these concerns that we
14 have expressed, we agree that the current law
15 desperately is in need of comprehensive revision.
16 Rather than making unrelated changes, we respectfully
17 suggest that interested persons work with legislators,
18 staff persons, administrative officials and others to
19 provide a comprehensive set of amendments which would
20 be fair to both the residents and to the community
21 owner. We would support legislation that would begin
22 with the idea that there are problems created on both
23 sides that need to be addressed and the best way of
24 addressing these problems is to create a statute that
25 will be enforced by a fair and impartial panel composed

1 of interested persons on all sides of the issue.

2 Now, we list a couple of, about 10 or 12
3 substantive changes we would agree with. I would
4 simply point out, and I'll mention some of these, that
5 about half of these I would characterize as pro-tenant
6 or pro-resident. For example, number two, require that
7 a second notice of violation of the rule is required
8 before an eviction action is commenced. Number four,
9 require that changes or additions in community rules be
10 unenforceable until 30 days' notice has been given.
11 Number six, include specific language in the statute
12 that a resident has the right to invite to his home
13 such employees, business visitors, tradesmen, et
14 cetera, as he or she wishes. Eight, insert security
15 deposit provisions into the act. Nine, provide
16 specific reasons as when a community owner may approve
17 or disapprove a purchaser as a resident. No other
18 section of the act creates more problems than this
19 section. Ten, a procedure for insuring that all
20 parties know their rights and responsibilities with
21 respect to the sale of the home and the park.

22 Well, suffice it to say we hope that you
23 will appreciate that members of our industry are
24 attempting to find some middle ground to address the
25 problems that obviously currently exist. Most

1 community owners do not oppose all changes in the
2 relationship between themselves and their residents.
3 Frankly, if several communities operate in a
4 high-handed, officious and meddlesome manner with
5 respect to their residents, it does not serve the
6 industry well. We all suffer from the acts of a few.

7 We appreciate your consideration of these
8 remarks.

9 CHAIRPERSON HARPER: Thank you very much,
10 Mr. Mills.

11 Do we have questions from the
12 committee?

13 Representative Civera.

14 REPRESENTATIVE CIVERA: Thank you.

15 BY REPRESENTATIVE CIVERA: (Of Mr. Mills)

16 Q. On page number 5, you stated that the
17 bill removes from the community owners the ability to
18 adopt and promulgate rules and regulations. I believe
19 that's not really true, that they can propose any
20 regulations they want. Could you give me some more
21 explanation?

22 A. Well, maybe what I should say, to adopt,
23 promulgate and enforce, because if adopt, promulgate or
24 enforce rules. And I think this section, I tried to
25 also dovetail with the provision in 1513 and because of

1 the interest of time I didn't want to get into 1513,
2 but there is a provision in this section, as I recall,
3 that the ombudsman passes upon its rules and
4 regulations. So it really takes from the owner of the
5 real estate the determination as to how he or she
6 wishes to manage the park and puts it into somebody
7 else's hands, in this case the residents or the
8 ombudsman or somebody else.

9 Q. Well, what my staff was just advising me
10 was that it really just says to the opposite, that they
11 can take whatever, you know, in other words, you as the
12 person could go either direction that you want and
13 advise, am I correct?

14 A. I think the community owner could
15 promulgate, but then as I understand, and I guess I
16 have to go back to 1511. 1511, I believe, requires or
17 permits the rule to be overcome by a 51-percent vote of
18 the residents, and then the Attorney General I think
19 can agree with that.

20 Q. But Madam Chairman, if you don't mind,
21 could Jere Stumpf from the Republican staff respond to
22 that? He has some things that I think would be
23 interesting.

24 MR. STUMPF: Just to clarify that.

25 CHAIRPERSON HARPER: That would be fine.

1 MR. STUMPF: I think what the intent in
2 the bill and what it states is that if residents felt
3 that a proposed rule was unreasonable, if 51 percent of
4 the residents petition the Attorney General's Office,
5 they could get a ruling on whether it was or wasn't
6 reasonable. That ruling would be made by the Attorney
7 General's Office and the intent there is that just so
8 this isn't something that's frivolous that one person
9 is concerned about, it would have to be a majority of
10 residents and a park owner could promulgate any rule he
11 wanted to. It doesn't take any power away from the
12 park, but whether it's reasonable or not would be
13 determined by the Attorney General's Office, because
14 presently this is the whole bottom line, there's
15 nothing in law to determine when a rule is
16 unreasonable.

17 MR. MILLS: Who makes the current
18 determination as to whether or not rules may be
19 promulgated currently?

20 MR. STUMPF: At the present time the park
21 owner is solely the determining factor who--

22 MR. MILLS: And who would make it under
23 this?

24 MR. STUMPF: The Attorney General's
25 Office, if petitioned.

1 MR. MILLS: That was the point of our
2 testimony. It takes from the park owner the current
3 ability to adopt and promulgate rules and give it to
4 someone else.

5 MR. STUMPF: I don't think it does. I
6 mean, you have the power to adopt anything you want to.
7 All this does is says if the residents feel it is
8 unreasonable, they may petition the Attorney General's
9 Office for an interpretation. You have the power to
10 adopt any rule you want to.

11 MR. MILLS: If the Bureau of -- I'm
12 reading on page 7, line 24, "If the Bureau of Consumer
13 Protection determines--"

14 REPRESENTATIVE ULIANA: What bill was
15 that?

16 MR. MILLS: I beg your pardon. 1511,
17 page 7, line 24. "If the Bureau of Consumer Protection
18 determines that a rule or regulation is unreasonable,
19 it shall order the owner or owners of a manufactured
20 home community to rescind the rule or regulation."

21 MR. STUMPF: No question about it. That
22 would be no different in 1513. You have the power to
23 promulgate. It's simply that right now all the
24 testimony that we've heard is the problem results when
25 it's abuse, and when a park owner determines and

1 promulgates a rule or regulation that residents feel is
2 onerous and unfair, there's nowhere in law to determine
3 what is. This simply says that if residents petition
4 the Attorney General's Office, a ruling could be made.
5 If the ombudsman bill passes, the residents could
6 petition the ombudsman to make a determination. If
7 they felt it was fair, it goes into effect. There's no
8 problem.

9 MR. MILLS: I understand, and I don't
10 think we have a difference over what this provision
11 says, I think we have a difference over what my
12 testimony said, and I stand by my testimony. It takes
13 from the park owner the ability to manage the park. It
14 turns it over to someone else. The ombudsman, the
15 Bureau of Consumer Protection, someone else is going
16 the order the rescinding of a rule, and it isn't going
17 to be the park owner. And you may think that that's
18 what ought to happen, and I appreciate that concern
19 that you have, but I'm standing by my testimony.

20 MR. STUMPF: Thank you.

21 CHAIRPERSON HARPER: Thank you, Mr.
22 Stumpf.

23 Next, Representative Barley.

24 REPRESENTATIVE BARLEY: Thank you,
25 Representative Harper.

1 REPRESENTATIVE BARLEY: Just maybe a
2 quick comment, Mr. Mills, and I certainly appreciated
3 the overwhelming majority of your testimony and the one
4 statement you made, you're looking forward to sitting
5 down with the folks involved, both sides, the people
6 drafting the legislation. I want you to know from my
7 standpoint as a prime sponsor, my door is open and I
8 welcome that and I will look forward to that.

9 Being a bit more specific, on page 9, the
10 paragraph that -- page the 9 of your testimony.

11 MR. MILLS: Yes.

12 REPRESENTATIVE BARLEY: The paragraph
13 that states clearly that PMHA believes that the first
14 sale of a home in a newly constructed or expanded
15 community should be limited to the sale made by the
16 developer or designated dealer, and again, I think
17 that's certainly something that's reasonable and could
18 be, if this legislation, it was not my intent, there
19 are some technical drafting in there that clearly
20 outlaws that, in my opinion I don't believe it does and
21 that's not the intent. That certainly needs to be
22 taken care of because again, comparing that to
23 conventional or stick-built type homes, we do that many
24 times. If a developer develops an area, he has
25 inclusive rights to the building and to the sale, and I

1 think as long as that doesn't violate antitrust or any
2 of those kind of laws that the Attorney General would
3 be concerned about, I certainly think that's something
4 that's reasonable and should be worked out.

5 CHAIRPERSON HARPER: Thank you,
6 Representative Barley.

7 Representative Harley.

8 REPRESENTATIVE HARLEY: Thank you very
9 much.

10 BY REPRESENTATIVE HARLEY: (Of Mr. Mills)

11 Q. Mr. Mills, I'd like to ask you about a
12 couple of things. First of all, on page 3 of your
13 testimony you talk about the prohibition -- well, "the
14 bill seems to reverse the prohibition against evictions
15 for self-help measures," and you go on to say what
16 those are, and you say then that "we doubt if any
17 eviction proceeding," and you go on. But the word
18 "doubt" concerns me.

19 A. Um-hum.

20 Q. Would this, does this mean that -- could
21 this become a regulation? In other words, if someone
22 could -- could the eviction occur just simply because a
23 resident belongs to a community association? Is there
24 anything right now statutorily or regulatory that would
25 preclude an owner of a manufactured home park to put

1 this in as part of the lease agreement?

2 A. I think that goes to the effect of having
3 rules and regulations. A rule and regulation, in order
4 to have any effect at all, must be reasonable, it must
5 be related to health, safety and upkeep of the park.

6 Now, I must tell you, I have difficulty
7 in my own mind of framing a rule that would prohibit a
8 resident from joining an association as being
9 reasonable and related to the health, safety or upkeep
10 of the park. But let's assume that there is such a
11 rule. What is the effect of that rule? If someone
12 joins an association and the park owner or the
13 community owner wants to enforce that rule, he or she
14 then begins eviction proceedings. Now you go to a
15 magistrate or a trier of fact and have to convince that
16 individual that that rule against joining an
17 association is reasonable under Act 261, and if it is,
18 which I will tell you I doubt, then the magistrate will
19 order an eviction. If that rule is determined not to
20 be effective, not to be reasonable, then the eviction
21 action will not stand up.

22 And that's why I say I doubt. And I
23 frankly do doubt. I do not know of anything in Act 261
24 that indicates that a resident may not join or may join
25 an association. If there's any doubt about that, I

1 have no problem with having that put in Act 261. My
2 problem with the way it was drafted is that the current
3 section of the law absolutely prohibits self-help
4 evictions. That is where instead of going through the
5 judicial process you shut off utilities, you padlock
6 the doors, you move the home out of the park without
7 going through any judicial process. That is not
8 permitted under Act 261, and I don't believe the
9 drafters want to reverse that prohibition. I think
10 they want to address the belonging to a community
11 association somewhat differently.

12 Q. I see. Also on page 9, Representative
13 Barley was talking about this, I am just curious about
14 it, that the sale of a home would be a limited sale
15 made by the developer or some designated dealer. Does
16 that preclude a real estate agent then?

17 A. No, it doesn't address that problem at
18 all. We're talking about who actually makes the sale,
19 who is the seller and who is the buyer, not who acts as
20 the intermediary, and I think again there is a
21 provision now that has been passed that permits
22 realtors to sell homes in a manufactured housing
23 community.

24 Q. All right. When you say that they can
25 recapture a portion of that initial investment by the

1 way of a first sale into that development, is that
2 amount of money, I'm assuming that some sort of
3 percentage or commission type thing, is that disclosed
4 to the consumer at the time of purchase or is that in
5 any way required to be disclosed?

6 A. I do not believe that it does need to be
7 disclosed. Other than truth-in-lending requirements
8 when homes are purchased on credit or financed, I don't
9 believe there is any mandatory disclosure requirement
10 for any of the cost of doing business of that dealer.
11 So my answer is -- I'm trying to be very candid with
12 you -- I don't believe it needs to be disclosed.

13 Q. All right, but the truth-in-lending laws
14 as relates to the purchasing of homes has to do with
15 mortgages and that's not covered, because these are not
16 mortgaged properties.

17 A. Truth-in-lending does cover installment
18 sales of vehicles, in addition to mortgages.

19 Q. Okay, so in other words, what you're
20 saying is that these commissions by the developer or
21 the designated dealer would be disclosed?

22 A. No, I was thinking while I was trying to
23 answer and I was thinking of mandatory disclosures and
24 I do not believe they need to be disclosed. I'm not
25 sure, but I do not believe.

1 Q. So the homeowner does not know then the
2 amount of profit, has no way of knowing that?

3 A. I believe that's correct.

4 Q. Because I know when you buy a property as
5 a homeowner from a real estate agent, you know, I mean,
6 you can ask, it's available, it's information that's
7 available, whereas in this situation it sounds to me
8 like that information is not available and is just at
9 the subjective rationale of the developer or however
10 much he decides he wants to charge, or a designated
11 dealer.

12 A. Are you saying, and I want to make sure
13 that I understand you, the realtor, if a realtor is
14 acting for the seller, let's say, you don't know really
15 what profit the seller is making. I mean, at least I
16 would assume that's correct.

17 Q. I'm talking about commissions.

18 A. Okay, but that's between, if there is a
19 brokered arrangement between the two, if a realtor is
20 going to act as the intermediary here, I would assume
21 that would have to be disclosed.

22 Q. I'm talking about the designated dealer
23 acting as a broker.

24 A. Let me explain how maybe conceptually how
25 I think that might work. And I'm going to throw some

1 numbers out here that probably have no relationship to
2 reality. But let's say a person has 10 acres and it's
3 going to cost a million dollars to develop those 10
4 acres. Now, that may be bogus money. And when you
5 divide the number of units that is going to go on per
6 acre, the development cost, let's say, is \$30,000 per
7 space. If you do your calculations correctly, you will
8 find that in order to defray or discharge that debt,
9 you're going to have to pay rent, charge rent of \$1,500
10 a month. Well, obviously, that converts what should be
11 low- or moderate-priced housing into something else.
12 What we are saying there is if the law now currently
13 prohibits a relationship between a dealer and the
14 developer, that is unwise public policy and that dealer
15 who makes his profit from selling the home and cannot
16 sell the home unless there's a place to put it, let's
17 let that person somehow get involved in this
18 development and defray some of these expenses so that
19 development does occur. Now he can make his sale which
20 he couldn't otherwise before because there was not any
21 space to put it. That's the concept. So you might be
22 driving the costs, and I forget what I said, \$25,000,
23 let's say maybe \$15,000. Now the rents come down, now
24 you have housing on a site that can be occupied. New
25 housing only, not existing spaces.

1 Q. Okay, but so that the designated dealer
2 acts like a broker, acts like a real estate broker?

3 A. No, the designated dealer acts as a
4 person who owns and transfers title to the manufactured
5 home to the consumer.

6 Q. Does he make any kind of commission or
7 profit on that?

8 A. He makes a profit. He purchases the
9 product from the manufacturer or ends up in some
10 financial arrangement and then he sells it for a
11 profit, like an automobile dealer.

12 Q. I'm talking about does he make a profit
13 in his relationship with the developer? Is there some
14 relationship there? Because if there is, then that
15 would seem to me that he would be acting as a real
16 estate broker.

17 A. I didn't contemplate it that way. What
18 we were trying to do is to make sure that more space
19 was developed, and one way is to permit dealers,
20 sellers of manufactured housing, to enter into
21 arrangements with developers so that they can sell that
22 unit into the park and not be accused of tying up all
23 the park space, for example. That's the concept here.
24 If he has some sort of an arrangement where he is also
25 acting as a broker for the developer, I would assume

1 that would have to be disclosed, yes.

2 Q. Thank you very much.

3 CHAIRPERSON HARPER: Thank you,
4 Representative Harley.

5 We are running behind schedule. We will
6 have our last few questions from Representative Sturla.

7 BY REPRESENTATIVE STURLA: (Of Mr. Mills)

8 Q. If I could just follow up on
9 Representative Harley's comments.

10 I believe in conjunction with what
11 Representative Barley said earlier, if you look at that
12 arrangement between the dealer and the park owner as
13 the same type of arrangement between a developer and
14 builder, if you view the dealer as the builder, there
15 are arrangements in current stick-built situations
16 where the developer in essence gets money to help in
17 the development as long as the builder gets exclusive
18 rights to build. And that exclusive right is built
19 into the cost of the home itself. So in this
20 particular case if a dealer is buying exclusive rights
21 to the sale of that first portion of land, he builds
22 that into the cost of his home. So I don't know how
23 you would determine a percentage of that profit or in
24 essence announce it somehow because it may vary
25 depending upon profit margins that you're going to

1 accept at that particular point in time you want to
2 move a house or not. That's my understanding.

3 A. It was a better understanding and a
4 better explanation, and I apologize, than I made.
5 That's correct.

6 Q. If I could just follow up with a couple
7 other questions. On page 4 of your testimony, where
8 you talk about the park owner having to actively
9 assist, I can understand some of your concerns there if
10 it is a particularly troublesome tenant and the park
11 owner then has to go out and try to sell that tenant to
12 someone else. However, I have a question about your
13 testimony at the top portion of page 4 where you talk
14 about the six months being extraordinary after a
15 lengthy process.

16 A. Um-hum.

17 Q. Than already exists. Is that six months
18 from the time the judgment is given? Is that your--

19 A. That's what I thought it meant.

20 Q. Okay. Well, my concern here is that if
21 you say that it's a lengthy process, but I'm assuming
22 that the person who is in that process, the homeowner,
23 is assuming -- the reason that they're in that process
24 is because they're assuming they did no wrong. They
25 don't believe they violated a rule, that's why they

1 took it to court.

2 A. I think reasonable minds can differ.

3 That's correct.

4 Q. So if you then get to the point where you
5 have a judgment and up until the day of judgment the
6 person believes they have done no wrong, unless you
7 give them six months to move their house at that point
8 in time, if every time they are brought before in a
9 proceeding they have to assume that they're going to
10 move and have to start making arrangements, even though
11 you're assuming guilt before that person is ever judged
12 guilty, and my concern is that you give that person a
13 due amount of time to move a home after that judgment
14 is made rather than assuming that a judgment is going
15 to be made against that person beforehand and they have
16 time to get their house arrangements done.

17 A. Well, I suppose either side can point to
18 the unfairness of that, and I would concede that that's
19 what that is probably designed to address, and I think
20 we were very candid in our testimony it assumes a
21 wrongful eviction against a resident. I would simply
22 like to point the other side out, and that is that it
23 would add six more months to a lengthy proceeding where
24 you could, in fact, have a troublesome resident.

25 Q. One last question, which I believe

1 certainly gets to the crux of what we're trying to
2 accomplish here. A lot of the reasons that some of
3 these rules exist, that some of the arrangements exist
4 that do currently, as you pointed out, are because
5 there is not an availability of sites, and so in a
6 market where there's not much competition people can do
7 anything they want and they still have, there's a
8 demand for bad situations in some cases.

9 A. I agree with the -- I'm not sure anything
10 they want, but I will agree with the tenor of the
11 comment.

12 Q. Okay. How can we get, and it may be
13 addressed in this bill and it may not, what do we have
14 to do to insure that there are those provisions
15 available that create competition? That's what the
16 whole free market system is about.

17 A. More sites would, in our view, would go a
18 long way to doing that. And again, we've tried to be
19 very candid in our testimony, and also to point out
20 what was said in advance of this meeting in the paper,
21 that that's what I think the legislature should be
22 addressing, requiring or in some fashion encouraging
23 more site development, more community park space. I
24 think a lot of these problems would disappear.
25 Obviously, you have problems on both sides, but I think

1 you would go a long way to leveling the playing field.

2 CHAIRPERSON HARPER: Thank you very much,
3 Representative Sturla, and thank you, Mr. Mills. We've
4 gone over time, but we certainly appreciate your
5 testimony.

6 MR. MILLS: Thank you.

7 CHAIRPERSON HARPER: We have to move on.
8 And the next person on the schedule is Jim Sinkus,
9 mobile home owner/resident, West Spring Hollow South.
10 Thank you very much, Mr. Sinkus. You may
11 begin.

12 MR. SJNKUS: Dear members of the House
13 and committee. My name is Jim Sinkus. I am a
14 manufactured home owner. I almost feel embarrassed to
15 stand up here and admit this. It's like standing up at
16 an AA meeting and admitting that you're an alcoholic.
17 You feel the stigma of a label. You feel the
18 vulnerability of being grouped into this class of
19 people. You feel like a second-class citizen, because
20 most of the time that is how you are treated. But that
21 is not the case. We are not second-class citizens, and
22 that is why we are here before you today, to clarify
23 the stigmatism of that label.

24 We are here to substantiate and validate
25 the need for House Bills 1511 and 1513 to authorize and

1 enforce the need of added protection to Act 261,
2 because that act itself does not properly protect the
3 rights of people in manufactured housing. Either that,
4 or Act 261 has been ignored for so long by our publicly
5 elected officials that people living in manufactured
6 housing think that the law is no longer in effect
7 because it is never acted upon or enforced.

8 This legislation is greatly needed
9 because if peoples' rights are to be protected and the
10 laws of Act 261 put into effect, it appears as though
11 the State Attorney General's Office can't handle the
12 number of complaints it receives from the people in
13 manufactured housing. The creation of the ombudsman
14 position would alleviate some of the workload on the
15 Attorney General's Office. It would give people in
16 manufactured housing somewhere to go to seek a fair and
17 honest resolution to some of their problems.

18 We are living at a time in this world
19 when we have seen the fall of the Berlin Wall, the fall
20 of communist Russia, freedom for the East Germans, the
21 Serbians, the Russians, but what about the tyrannical
22 rule here in our own country that people living in
23 mobile home parks fall under? We are under the anarchy
24 and dictatorship of the landlords. We pay the real
25 estate taxes and we own the property. We are told to

1 do everything accepting as to what color to polish our
2 shoes, but I'm sure that will be next.

3 The owner's demands on the upkeep of our
4 homes and the lots are relentless, but when it comes
5 time for the owners to do their jobs on the upkeep of
6 their parks, that's a different story. We have paid
7 years and years of lot rent increases and literally
8 have not been shown any improvements in the parks.
9 People are sending eviction notices over the littlest
10 things, yet the owners let fences go, abandoned lots
11 grow over with weeds three feet high, limited use of
12 swimming pools, little or no snow removal, little or no
13 grass cutting of playgrounds and picnic areas. No
14 improvements whatsoever to substantiate these lot rent
15 increases year after year.

16 I know in the park that I live in, having
17 been the secretary of the tenants association, we have
18 had to go to the township several times to get the
19 grass cut on abandoned, rodent infested lots, and to
20 get the dangerous holes where fuel oil tanks had been
21 excavated filled in and contaminated dirt hauled away.
22 This was also done with the help of the DER and EPA.

23 A key word in this issue is involvement.
24 We elect you, our public officials, and nobody wants to
25 become involved. I want to take this opportunity to

1 thank some of the political figures who have become
2 involved and who have helped us immensely, for without
3 their help we would not have come this far.

4 Representatives Bob Nyce and John Barley.
5 Senator Jeannette Riebman. Deb Chapman and Jere Stumpf
6 of PAMHOA, and some of our local township
7 commissioners. We have also come this far without help
8 from Congressman Don Ritter, from whom we received a
9 form letter saying he would look into this for us.
10 This was over two years ago. We have yet to hear from
11 him again. We also received the same basic form letter
12 from Governor Casey stating that he could do nothing,
13 and to say that Attorney General Preate's office got
14 involved on this up until this point would be an
15 overstatement. After much public outcry and help from
16 our public officials we do now have that office
17 involved also.

18 Then there are also the township
19 commissioners and district magistrates look the other
20 way on this issue. Our local district magistrate has
21 made rulings that are in total conflict of Act 261 and
22 violated the context of its laws. Most are not even
23 familiar with Act 261, nor do they care to familiarize
24 themselves with them. People living in manufactured
25 housing are three-quarter of a million strong in this

1 State. Don't think that we can't affect the outcome of
2 an election, as we already have. This is an election
3 year, I'm sure you're all quite well aware of that. On
4 election day we will remember those of you who have
5 remembered us.

6 From the opposition today you will hear
7 the argument of House Bill 668. Listen and read
8 carefully and closely. There are no solutions in this
9 bill, just more tyrannical propaganda. Read it and
10 then read Bills 1511 and 1513. Which side sounds like
11 they want to work at a logical, fair and rational goal
12 of justice for parties on both sides? Bill 1668 is
13 just the owners of mobile home parks trying to rebuttal
14 Bills 1511 and 1513 for fear of losing the iron fist
15 grip they have on their tenants. They do not want to
16 lose that dictatorship type of rule. They don't want
17 us to have any rights or to be able to stick up for
18 ourselves. They want to maintain that king-to-peasant
19 relationship.

20 To give you an example as to where the
21 ombudsman could have mediated a solution, a couple were
22 trying to sell their manufactured home. The landlord
23 had imposed one of its crazy rules that they should be
24 allowed into the couple's home to inspect it. The
25 couple fought this rule and filed a complaint with the

1 local Attorney General's Office Bureau of Consumer
2 Protection. They waited over a month to get a response
3 from that office. This rule that the landlord had
4 imposed violates Act 261. Tired of waiting for a
5 response, they called the Consumer Protection Office.
6 The landlord did back out on the inside inspection of
7 the home, and the letter was dated a month prior to the
8 couple calling the Attorney General's Office of
9 Consumer Protection. And waiting a month for a
10 response from this office, a response they already had
11 on file from the landlord, the couple, my wife and I,
12 lost the sale of our home. Had we had a board or a
13 panel or an ombudsman's office to mediate this dispute
14 and expedite the decision, we could have sold our home.
15 We based our complaint on the fact that the landlord
16 had no legal rights to come into our home. These are
17 our own personal and private homes, not like apartment
18 buildings that they might own.

19 Lastly, again to show you the injustices
20 done by landlords, our landlord dictated a new rule to
21 us, the tenants, that we should buy new fuel oil tanks
22 to be put above ground to replace the ones that we were
23 using that were in-the-ground tanks, that were
24 in-ground tanks. This was supposedly for environmental
25 purposes. Now, the tenants thought that idea was fine,

1 but the tanks should not have had to have been replaced
2 by the tenants because we did not purchase or install
3 the original tanks. They belong to the landlord. The
4 tenants association fought this for awhile, as even the
5 Attorney General's Office did not offer its support.
6 We have a lot of elderly widows and widowers in our
7 park and most everyone folded when they were sent
8 threatening, harassing, intimidating eviction letters.
9 A few people fought it. Over a year later, the
10 Attorney General's Office looked into the case due to
11 our public outcry. They are in the process of a
12 lawsuit against this landlord right now. It's a little
13 late for one tenant though. Our landlord evicted a
14 woman for not replacing her fuel oil tank, and then he
15 turned around and gave, free of charge, tanks to two
16 other tenants. Is this fair? Where is justice here?

17 This woman's whole life was turned into
18 turmoil because the landlord just uprooted her like a
19 weed and tossed her aside. She had to find and pay for
20 the cost moving a mobile home, then also the cost of
21 storing a mobile home somewhere. She cannot sell it
22 now and get the price she could have gotten for it all
23 set up on a mobile home park. Had the State Attorney
24 General's Office intervened initially, as it should
25 have, or if we had an ombudsman, this never would have

1 taken place.

2 People living in manufactured housing do
3 not have a lot of money. If we did, we would live in
4 conventional housing. Not only to have a nicer home,
5 but to be out from under the thumbscrews of a
6 tyrannical landlord. Because we don't have much money
7 it seems that we don't carry much clout. Attorneys are
8 not versed on Act 261 because they are not interested
9 in clients whom they feel cannot pay them for their
10 services. Here again we have that stigma attached to
11 us - we are people from a trailer court; or those
12 people who live in a trailer. What does this mean?
13 That we are second-class citizens and should be denied
14 our constitutional rights that people in conventional
15 homes have? I don't think so.

16 I must say though that our landlord has a
17 solution to all of our problems. In the words of he
18 and his attorney, if you don't like it here, get out.
19 Easier said than done. Mobile homes are not really all
20 that mobile. Once they are set up, they usually spend
21 their lifetime right on the initial lot that they were
22 set up on. And when the landlord says get out, where
23 are we to go? Most parks won't take a mobile home in
24 unless it was bought from that park. Zoning Ordinances
25 prohibit mobile homes being set up but in some very

1 specific places. It's not like we can hook these
2 things up to the bumpers of our cars and pull them out
3 of the park and park them on the berm of I-78. When
4 people hear the term "mobile home," they think
5 temporary home. This is not the case. These are not
6 just starter or temporary homes for a lot of people,
7 but they're one chance in a lifetime of owning their
8 homes, and many people live in them all their lives.

9 The things we are telling you here today
10 are just a scratch on the surface. I'm sure the people
11 testifying before you here today can go on and on with
12 a list of abuses that are rife in mobile home parks
13 today. We hope upon scratching the surface that you,
14 the members of the House and of this committee, will
15 dig deeper and get a real view of what life is like
16 living in a manufactured home in a manufactured home
17 park. Most people have the viewpoint that if they
18 don't experience it, they don't live in a manufactured
19 home, that this is not applicable to them and it
20 doesn't affect them. We hope you don't have that
21 viewpoint. We are in a situation where we need you,
22 our publicly elected officials, to help us. That is
23 why we elected you.

24 Please give us somewhere to go when we
25 are hit by things such as exorbitant lot rent

1 increases. My lot rent now is more than double of what
2 my house payments was. House Bills 1511 and 1513 would
3 give us some of our rights and some protection from the
4 injustices that we've been experiencing for years.
5 Protection from evictions, like the woman mentioned
6 here over the fuel oil tank issue. Discriminatory
7 issues like this take place, and in the same park you
8 have other violations by other tenants that have been
9 going on, ongoing violations for years yet are totally
10 ignored by the landlord. To say we need your help
11 would be an understatement. To not give your help
12 would be a great blow to our rights, to our protection
13 and to the laws of Act 261. Please give these bills
14 your utmost scrutiny and consideration.

15 Thank you very much.

16 REPRESENTATIVE ULIANA: Madam
17 Chairperson?

18 CHAIRPERSON HARPER: Thank you, Mr.
19 Sinkus.

20 REPRESENTATIVE ULIANA: Mr. Sinkus is a
21 fellow resident of Northampton County. I am very proud
22 to see you coming out here today, and we worked along,
23 I know I share an office with Representative Bob Nyce
24 and he spent a great deal of his time working on this
25 issue because, I believe, of the concerns that you and

1 your tenants group brought up, and I would urge you to
2 continue that because you have a lot of strong support
3 amongst the whole Lehigh Valley delegation for House
4 Bills 1511 and 1513.

5 I would also like to thank the other
6 people from Northampton County who came out here.

7 BY REPRESENTATIVE ULIANA: (Of Mr. Sinkus)

8 Q. Two quick questions for you, and give us
9 a perspective. Mr. Mills sat down here and in his
10 testimony and on page 3 said, it is already very
11 difficult for a community owner to evict a resident.
12 Ms. Chapman, I believe, pointed to several areas where
13 it is very easy to evict a tenant. As a tenant, as a
14 person in a tenants' rights organization, who's true?
15 Who's telling the truth? Who's making up something?

16 A. Well, from my point of view being on my
17 side, it's hard to be objective here, but if you would
18 go through and see what our owner has done, you know,
19 we do have the king-peasant type relationship, and it
20 is very simple to evict a tenant. They can drum up a
21 charge. It doesn't have to be the same two charges
22 within a six-month period. We had a tenant that was
23 cited for riding his motorcycle too fast, and then
24 shooting off fireworks. So that's two violations
25 within a six-month period of time, so you're evicted on

1 whoever the district magistrate believes.

2 Q. So what you're saying is that the
3 district magistrate has become a key here in the fact
4 that they are not enforcing Act 261, has also become a
5 problem that we should be looking into?

6 A. Right. Or another case specifically, I
7 went to court and defended -- well, I testified for a
8 person in our park that was being evicted for the fuel
9 oil tank situation. I myself somehow slipped through
10 the cracks and I was not notified. So according to Act
11 261, you cannot evict one tenant for something else
12 another tenant is doing. If everybody is putting
13 plastic over their windows, everybody that puts plastic
14 over their windows has to be evicted for that thing.
15 You can't have a discriminatory eviction, according to
16 Act 261. This tenant was evicted. We gave the judge
17 the Act 261, said right there you can't do this, he
18 ruled against Act 261.

19 REPRESENTATIVE ULIANA: Well, I thank you
20 again for taking the time and coming out here and
21 driving on I-78 and I-81, and please, keep us informed.
22 We are really targeting and trying to work with House
23 Bills 1511 and 1513 to get at the problems that you put
24 your finger on that gives tenants a law with teeth in
25 it that can provide their rights. Thank you again.

1 Thank everyone from Northampton County
2 who came out here today.

3 CHAIRPERSON HARPER: Thank you,
4 Representative Uliana.

5 Representative Harley.

6 REPRESENTATIVE HARLEY: Thank you very
7 much.

8 BY REPRESENTATIVE HARLEY: (Of Mr. Sinkus)

9 Q. You mentioned the costs of setting up a
10 mobile home. Could you -- do you have any idea as to
11 how much it actually, and that they aren't really
12 mobile once they are -- they're not mobile. That
13 they're really homes, they're permanent homes. How
14 much does it cost to initially set up a manufactured
15 home?

16 A. As far as the costs to who you buy it
17 from, that I couldn't tell you, okay? Usually that's
18 included when you buy it from whoever you buy it from.
19 But the cost of having it pulled out runs anywhere from
20 \$2,000 to \$3,000.

21 What happens, when they bring them in the
22 park a lot of times they will take the tires off of the
23 trailer itself and either sell them or they will leave
24 the tires on and the rubber will dry rot. You've got
25 to buy new tires and have them put on, you've got to

1 have it jacked up, you know, to get the tires on. The
2 lady that was evicted spent a lot of money just getting
3 it out of there and putting it in storage.

4 Q. Are there places that actually store
5 manufactured homes?

6 A. She was lucky enough to have a relative
7 that had some property that she could put it on. Other
8 than that, I don't know. You can't take it to your
9 basic storage outfit and store them.

10 Q. Let me ask you something else, too. I
11 understand that if a home is not level and if it's not
12 actually put in correctly originally that you can have
13 all sorts of structural problems that occur because it
14 hasn't been put in correctly originally. Is there any
15 sort of regulation or any sort of certification by
16 whomever puts it in originally that in fact it is level
17 and that things have been put in a certain way? I
18 mean, is there any sort of requirements on how those
19 homes are put in?

20 A. That is a good question. I don't think
21 that, you know, I think landlords hire people and they
22 get people as inexpensively as they can get them. I
23 don't think that if you would go back and look at their
24 employment record that they have certified electricians
25 or certified carpenters or certified plumbers connect

1 these things up. We have an ongoing battle in our own
2 park where a home was set up and it was structurally
3 defunct and the party had an outside engineer come in
4 and it's just, you know, shifted and like you said,
5 it's a mess. So as far as certified people doing it,
6 you know, I tend to think that most of them are not.

7 Q. But do you get a letter of certification
8 from someone that in fact that that manufactured home
9 has been -- are there certain standards that it has to
10 be set up by and is there a certification that in fact
11 it has been placed on the lot within those certified
12 standards?

13 A. Not that I know of. I recently went down
14 to our township to get the township zoning ordinances
15 on that and since 1983 there are a lot of new zoning
16 ordinances for the set-up of mobile homes in a mobile
17 home park, all of which have never been done to homes
18 in our park. So the township does have standards that
19 they should abide by. The problem is depending on
20 which township commissioner you get on the phone, some
21 of them will say, yeah, you're right, and some of them
22 will say, well, you know, what do you want me to do?

23 REPRESENTATIVE ULIANA: Yeah, I would
24 say, Representative Harley, dealing with this issue--

25 CHAIRPERSON HARPER: Thank you,

1 Representative Harley.

2 Next is Representative Dermody.

3 REPRESENTATIVE DERMODY: Thank you, Madam
4 Chairman.

5 BY REPRESENTATIVE DERMODY: (Of Mr. Sinkus)

6 Q. Mr. Sinkus, I just have a few questions
7 about the eviction process. After there are two
8 violations in that six-month period, a notice process
9 begins, is that right? The owner has to then file
10 notice?

11 A. Correct.

12 Q. How long did it take, in your experience,
13 from the time the notice procedure began to a hearing
14 at a district justice's office?

15 A. Oh, it depends. From the few that I've
16 seen I would say anywhere from four to six weeks.

17 Q. Four to six weeks?

18 A. Yeah.

19 Q. Now, in the case that you mentioned with
20 I guess it was the fuel tank case where you have the
21 Act 261 and you showed the district justice -- I
22 imagine at the time of hearing you showed the act to
23 him and he still ruled against that?

24 A. Yes.

25 Q. Did you appeal that decision to the Court

1 of Common Pleas?

2 A. Yes.

3 Q. How did you do at the Court of Common
4 Pleas?

5 A. The landlord chose not to fight it and
6 gave the tenant that he was fighting, he gave the
7 tenant a tank.

8 Q. So she ultimately won and was not
9 evicted, is that correct?

10 A. No, this was another tenant.

11 Q. All right.

12 A. The woman was evicted. It was a man that
13 was fighting it, and the owner did give that man a tank
14 but evicted the woman for the same thing.

15 Q. But the person who appealed was
16 vindicated at the Court of Common Pleas, is that right?

17 A. The landlord chose not to go to appeal.

18 Q. How long did it take you to get to the
19 Court of Common Pleas? Do you have any idea, did they
20 get that case?

21 A. You know, we never got there. I bet it
22 was six to eight months after the district magistrate
23 level and there were still no date set up for the Court
24 of Common Pleas.

25 Q. Still didn't have a date for a hearing at

1 that point?

2 A. Correct.

3 Q. And he settled prior to that hearing?

4 A. Correct.

5 Q. Thank you.

6 CHAIRPERSON HARPER: Thank you very much,
7 Mr. Sinkus and Representative Dermody.

8 Well, we have three people and we are far
9 behind, so we are going to close right here. Thank you
10 for coming.

11 And the next person is William Pogany,
12 vice president of Bucks County Mobile Home Association.
13 And his testimony is right in the packet, so we can
14 just move right along.

15 MR. POGANY: Madam Chairman, I revised my
16 testimony. I would like to just distribute my
17 testimony.

18 CHAIRPERSON HARPER: We are ready, Mr.
19 Pogany.

20 MR. POGANY: My name is Bill Pogany. I
21 have been a manufactured home owner since 1984,
22 residing in Pennwood Crossing Community, Falls
23 Township, lower Bucks County. I am presently the vice
24 president and founding officer of the Bucks County
25 manufactured home owners association since 1988. We

1 currently have a membership that includes residents of
2 several manufactured home parks in lower Bucks County,
3 including the 900-home community in which I reside.

4 Over the years I have become familiar
5 with a broad range of problems facing all manufactured
6 home owners. Our association has been contacted and
7 examined legislation regulating manufactured home
8 communities in other States. My testimony today, as I
9 had previously testified three years ago, is on behalf
10 of myself and all manufactured home owners in lower
11 Bucks County and throughout the State of Pennsylvania.

12 My presence before this committee first
13 is I wish to express my sincere thanks for you allowing
14 me to address you. It assures me and all manufactured
15 home owners there was someone willing to listen and to
16 act. We ask your utmost consideration of what we what
17 we ask you today.

18 I'm asking for your support and passage
19 of a much needed legislation presently being submitted
20 by Representative Barley and with the full support of
21 our Pennsylvania Manufactured Home Owners of America,
22 Incorporated. These House Bills, 1511, 1512 and 1513,
23 are desperately needed at this time. Let me read you
24 recently a letter I had received to the residents of
25 Pennwood Crossing from the management. This letter,

1 dated December 31, is revised amendments to the
2 covenant. I will not read the entire letter, I will
3 just read the amendments.

4 Add to page 7, Section L, the following:
5 "17. Siding: All new homes, and resold homes, must
6 have vinyl or aluminum lap siding which has been
7 approved by the management. Said improvement is to be
8 at homeowner's expense and homeowner must also meet any
9 other requirements."

10 "18." -- added amendment -- "Roof: All
11 new homes must be constructed with asphalt roof
12 shingles which have been approved by the management.
13 Said improvement is to be at the homeowner's expense
14 and owner must also meet any other requirements."

15 I sent off a copy of this letter to the
16 Attorney General's Office back on January 6th, and my
17 letter to the Attorney General was this copy of this
18 letter and it stated: "Copy of this letter received by
19 every resident here in Pennwood Crossing Community.
20 What can your office add to our aid in referenced
21 matter? Waiting upon your reply, is it legal or
22 illegal?"

23 We also got a letter out to the
24 management or the owner of Pennwood Crossing. This
25 letter went to Morey Greener, the owner of Pennwood

1 Crossing.

2 "Dear Morey," this was in reference to
3 the covenant amendments of December 31, 1991.
4 "Management's letter dated 12/31/91 was certainly a
5 poor way of wishing the residents of Pennwood Crossing
6 a happy new year. Was it done deliberately to show
7 again the arrogance of management or was it simply a
8 bad public relations judgment? In any case, the number
9 of phone calls the Association has received (and
10 probably the Manager's office also) shows how angry and
11 upset the residents are by this letter.

12 "At our last meeting you expressed your
13 willingness to allow the Bucks County Manufactured Home
14 Owners Association to review any further amendments to
15 the covenant before enacted them. What happened? Why
16 were we not given the opportunity to consult with
17 management before this letter was sent out? We have
18 worked hard to improve the rapport between residents
19 and management but this has destroyed any progress we
20 were making.

21 "We are well aware that this is your park
22 and you can do as you please with it within the legal
23 boundaries but surely you know we have our legal rights
24 too. We realize that rules are needed to ensure a
25 clean, healthy, and attractive community. Those are

1 our concerns also. Only by establishing a harmonious
2 relationship between owner, management and residents
3 can these aims be fulfilled, but this latest action
4 seems to say, 'Residents be Damned.'

5 "I'm sure you are aware of Act 261, Nov.
6 24, 1976, which protects the rights of manufactured
7 home owners. This bill needs much updating and
8 improving. Coming up for public hearings on," this
9 date, "are House Bill 1511 and 1513. We will be giving
10 full support and testimony in Harrisburg, Pennsylvania
11 for the passage of these bills which will help protect
12 the manufactured home owners from unreasonable and
13 unfair regulations such as those in your letter of
14 12/31/91. We also have the full support of the
15 Pennsylvania Manufactured Home Owners of America.

16 "The amendments in your letter of
17 12/31/91 need clarification even though we disagree and
18 will investigate the legality of it.

19 "1. Section L really begins on page 6
20 not on page 7." I was giving a little humor there.

21 "2. Section 17 Amendment: Siding.

22 "A. Does this apply to the many existing
23 homes in the park with vertical metal siding?

24 "B. Does Falls Township Mobile Home Code
25 150 include these requirements?

1 "C. Does this mean management decides
2 the colors to be used?

3 "D. 'At the homeowner's expense. Why
4 can't it be at the buyer's expense? Do you have the
5 legal right to say the owner must bear this expense?

6 "E. What is meant by 'other
7 requirements'? This statement puts the resident of
8 having to meet any and all requirements you might come
9 up with in the future. List all these requirements.

10 "3." second page, "Section 18 Amendment:
11 Roof.

12 "A. It is not fair or legal that the
13 management has the final decision of what type a of
14 roof an owner decides to have on his home.

15 "B. Does this mean that now you pick the
16 manufactured style and color of shingles?

17 "C. Again, does this apply to resold
18 homes as stated in 17-Siding? Does this mean asphalt
19 shingles must be on a house up for sale?

20 "D. Again, 'any other requirements.'
21 Must owner be expected to meet any whims of the
22 management? List them.

23 "This entire situation is pure harassment
24 - illegal, unfair and very upsetting to all the
25 residents of Pennwood Crossing. It has nothing to do

1 with the proper maintenance of home and community as
2 stated in the Revised Covenant 11/89, page 4 (K) Home
3 Site Maintenance: 'Each resident must keep his/her
4 site and home in a clean, neat appearing condition,
5 free of fire hazards and in a good state of repair.'
6 Why add this harassment to our covenant? It is
7 completely uncalled for. With the constant rent
8 increases, just how do you suggest residents will be
9 able to pay for now new siding and roofs? What will
10 happen then? Will we be asked to relocate?

11 "The office of Bucks County Manufactured
12 Home Owners Association request that a meeting be
13 arranged so that the owners, the management and
14 residents can discuss this matter together. We all
15 want to live in a community where there is cooperation
16 between the park and residents. This will result in a
17 finer park and living conditions which will improve for
18 all residents.

19 "On another subject - has Lou kept you
20 informed" -- Lou is the park manager -- "kept you
21 informed on local issues which are of importance to the
22 park as well as the residents? I understand you
23 offered to support the Association in such matters. We
24 would welcome your assistance in dealing with such
25 matters of air, soil and water pollution in this area,

1 and the excess truck traffic, road repairs, and so
2 forth.

3 "Our next meeting of our association is
4 Tuesday, January 28, 1992 at 7:00 p.m. We hope to have
5 your reply before that date so we can give the
6 residents more detailed information concerning your
7 letter of 12/31/91. If you are in the area we would be
8 glad to have you attend this meeting."

9 Signed by the vice president, Mr. Pogany.
10 The previous letters which I have just read would not
11 have to be and I would not have to be here pleading
12 with you people because if we adopt the present bills
13 that are being suggested before us, in House Bill 1511
14 on page 13, line 26-30, and page 14, line 1-5, these
15 letters which I said would not have to be read because
16 of these words: "The owner of a manufactured home
17 community may not order subsequent changes to the
18 underskirting, awnings, porches, fences or other
19 additions or alterations to the exterior of the
20 manufactured home and tie-down equipment following the
21 initial installation by a manufactured home resident at
22 the request of a manufactured home owner, except for
23 the purpose of replacing damaged items which pose a
24 threat to the public safety of residents and visitors
25 or which, in their damaged condition, negatively affect

1 the aesthetic quality of the manufactured home and its
2 surroundings." These we wholeheartedly agree with.

3 In closing, I would like to read a bill
4 of rights that I came upon from the California
5 association. I will not read all the bill of rights
6 but just the pertinent ones which I feel are very
7 important to us here this afternoon, or it's still
8 morning. Still morning. Thank you.

9 Number 5 of these bill of rights.
10 "Residents of manufactured housing communities shall be
11 entitled to clean air, safe drinking water, sanitary
12 sewage disposal, utility service, open space, police
13 and fire protection, trash disposal, and similar
14 services enjoyed by residents of conventional
15 single-family homes.

16 "Number 6. Regulations governing
17 residency in a manufactured housing community shall be
18 fair and equitable to all residents."

19 And number 8 of the bill of rights, "The
20 right that residents of manufactured housing
21 communities shall not be subjected to unconscionable,
22 unreasonable, and unjustified lot rental increases nor
23 shall the regulation promulgated by any owner of a
24 manufactured housing community unduly restrict the
25 resale of a manufactured home located in the community

1 by the owner to prevent the purchaser from keeping the
2 home in the community after ownership."

3 In closing, in reading these bill of
4 rights, we feel our constitutional rights are being
5 denied because of these unconscionable, unreasonable
6 and unjustifiable lot rent increases, rules and
7 regulations of the park owner. We, in lower Bucks
8 County, Falls Township, are being ignored by our local
9 officials in matters pertaining to manufactured home
10 owners.

11 Again, thank you for this opportunity to
12 be heard. God bless all of you. These words are from
13 the heart of all manufactured home owners. We enjoy
14 manufactured home living, and with your support and
15 passage of these bills you will be assuring all of us a
16 happier and a more secure future.

17 Thank you.

18 CHAIRPERSON HARPER: Thank you, Mr.
19 Pogany. By our schedule it is morning but by the clock
20 it's afternoon.

21 Do we have any questions from the
22 committee?

23 (No response.)

24 CHAIRPERSON HARPER: Very well. Well,
25 you certainly put it to us, to the committee very well,

1 so we don't have any questions. That means that we can
2 move on a little faster. Thank you so much for your
3 testimony, and we will take it into consideration.

4 MR. POGANY: I appreciate that, and
5 again, like I said, anything we can do to assist, our
6 number is in the book and we're in the lower Bucks
7 County community, so come down and visit us, please.

8 CHAIRPERSON HARPER: Thank you.

9 MR. POGANY: By the way, I would like to
10 say Representative Corrigan is supporting us on these
11 things.

12 CHAIRPERSON HARPER: Very good.

13 All right, the next person is Mr. Leonard
14 Wehrman, Vice President of Government and Industry
15 Relations, National Foundation of Manufactured Home
16 Owners.

17 I think we're ready, Mr. Wehrman.

18 MR. WEHRMAN: Good morning, Chairman
19 Harper. I suppose I should have said afternoon.
20 Ranking minority, Representative Barley, and members of
21 the Urban Affairs Committee. I would like to request
22 first that my written testimony be made a part of the
23 record, if I may, please.

24 CHAIRPERSON HARPER: Certainly.

25 MR. WEHRMAN: My name is Leonard Wehrman.

1 I serve as the Vice President of Government and
2 Industry Relations for the National Foundation of
3 Manufactured Home Owners. The national foundation is
4 comprised of the statewide and local homeowner
5 associations representing the owners of manufactured
6 housing and mobile homes across the United States and
7 their common interests. Part of our charter is to
8 insure that owners of manufactured housing receive fair
9 and equitable considerations as homeowners, that their
10 property, economic ownership and residency rights are
11 protected by sound and workable legislation. To
12 educate the public officials, governmental agencies and
13 administrative agencies and regulators, and the general
14 public on issues pertaining to this form of housing and
15 shelter.

16 Chairperson Harper, we are here today on
17 behalf of the Pennsylvania Manufactured Home Owners of
18 America, who are a member of our national foundation.
19 And may I add at this point in time that Representative
20 Barley and I are a member of the National Commission on
21 Manufactured Housing. Mr. Barley, if it ever comes to
22 the light of day that the Senate will make the
23 appointments, some of the issues confronting
24 manufactured housing in broad terms will be addressed.

25 On their behalf, we are here to petition

1 the Commonwealth of Pennsylvania legislature to enact
2 House Bill 1511 containing amendments to the Mobile
3 Home Park Rights Act, and to enact House Bill 1513 that
4 makes amendments to the Manufactured Housing Ombudsman
5 and Hearing Board Act. We believe this legislation
6 will go a long way to reduce and resolve some of the
7 immediate concerns of the current homeowners and
8 establish a more stable environment for the citizens of
9 the Commonwealth that utilize this form of housing and
10 placement in mobile home parks.

11 Equally significant, we are here in
12 opposition to House Bill 1668 that makes amendments to
13 the Mobile Home Community Certification Act, and may I
14 in my testimony skip down to the last paragraph.

15 The basic provisions in House Bill 1668
16 are very cumbersome in the area of disciplinary
17 proceedings, suspension, revocation, and similar areas
18 of operation throughout the bill. We would highly
19 question that if a community license were suspended or
20 revoked that the business enterprise would cease to
21 function immediately, that is it might be illegal to
22 continue to operate, to collect rent, might nullify
23 leases and rental agreements or private contracts. The
24 lenders might be calling in their loans, and chaos and
25 disruption. The reason for that would be is any

1 licensee, if an electrician loses his license, he for
2 all intents and purposes is out of business. He can no
3 longer function, he can't perform his work that he
4 normally does and contracts that he has. We would
5 think that any time that you issue a license, that is a
6 license to operate. When you remove that license, that
7 means a license no longer to operate.

8 Commissions that are noted in here that
9 function only several times a year are of very limited
10 value even at the best. Chairman Harper, much of the
11 Bill Number 1668 is just very simply poor legislation.
12 While certain licensing provisions of the House Bill
13 may have future benefits, the bureaucratic nightmare in
14 the remainder of the bill will never work, and we
15 frankly ask that House Bill 1668 be defeated in
16 committee.

17 The national foundation has followed the
18 activities of the mobile home owners in Pennsylvania
19 for many years, long before the establishment of the
20 Pennsylvania Manufactured Home Owners of America. We
21 knew that the owners had practically no statutory
22 homeownership type legislation and that the park
23 owners, in fact the rest of the industry as well, were
24 taking advantage of that situation. It was only a
25 matter of time that the homeowner leadership which

1 stepped forward and started to address the major
2 issues.

3 In our opinion, the homeowners probably
4 set no specific geographics, such as western
5 Pennsylvania, northern, central, southeastern. In
6 fact, they are about the same as in selected States in
7 the midwest, south, or the eastern coast of the United
8 States. It is interesting that when a new State
9 homeowner association first becomes a member of the
10 national foundation, the first thing that they discover
11 is that their problems are not unique. They are just
12 like elsewhere. But how they are dealt with, and
13 that's what you have to deal with, makes all the
14 difference in the world.

15 They are not as isolated or unique as you
16 had thought. By contrast, the California Golden
17 State's Mobile Home Owners League has been chartered
18 for 30 years and still has every day, every week, every
19 year a new set of problems, a new set of issues to deal
20 with.

21 Yes, homeowners are all agreed. This is
22 a serious indictment of the industry segment. As
23 evidence at this time, the mobile home owners are also
24 having to defend their economic rights and lifestyle
25 before the United States Supreme Court. Oral arguments

1 were presented yesterday, January 22, 1992, in the
2 nation's capital in a lawsuit brought by the park
3 owners and other industry segments across the nation.
4 I was in the chambers yesterday and not only heard the
5 oral arguments, I have read all of the some 35 briefs
6 and in fact have followed this issue for the past 16
7 years and I think by now I know something about it, and
8 I would be glad to share that with you, if you wish.

9 We believe that this class of homeowners,
10 especially young working families in their first time
11 home and senior adults on limited or fixed income,
12 deserve the same protections as other forms of
13 owner-occupied housing. Our strained economy is
14 impacting the mobile home owners at a rate many more
15 times than the general public. The Pennsylvania
16 General Assembly now has the opportunity to correct
17 some of the injustices directed to mobile home owners
18 over the past years, and certainly at the present time.
19 Several hundred thousands of Pennsylvania citizens, the
20 mobile home owners, need your fullest and direct
21 consideration.

22 Chairman Harper, we call upon this
23 committee and the General Assembly of Pennsylvania to
24 move this legislation, House Bill 1511 and House Bill
25 1513, forward to the final adoption. Representative

1 Barley, I have to commend you for this legislation. We
2 note specifically that there are 78 House members, I
3 hope I have my numbers right, 78 House members who have
4 signed on to House Bill 1511 and 1513, and we thank
5 you, Representative Barley and all the members who have
6 signed on. That certainly indicates to us and it
7 should indicate to you that there is widespread abuse
8 in this State, therefore there should be some degree of
9 concern about the solution to it.

10 I will leave the rest of my remarks
11 relative to the specifics on 1511. I think you by now
12 or will hear enough on that particular thing, except
13 that we simply endorse the concept of what's in 1511
14 and 1513. I will stand for any questions, if you have
15 any.

16 CHAIRPERSON HARPER: Thank you very much,
17 Mr. Wehrman.

18 Do we have questions?

19 Representative Sturla.

20 BY REPRESENTATIVE STURLA: (Of Mr. Wehrman)

21 Q. Yes. I've got a couple questions about
22 the Manufactured Home Owner's Bill of Rights.

23 A. Yes, sir.

24 Q. While I generally agree with their
25 intent, I have some concern that in item number 5,

1 number 7, and number 10 you talk about that you want
2 the same rights as conventional single-family housing
3 owners. A lot of the things that we've been talking
4 about here today are not rights that are enjoyed by
5 conventional single-family housing owners, and I think
6 Representative Barley addressed this somewhat by saying
7 that, well, conventional single-family housing owners
8 know that upfront and therefore when they buy their
9 home they know all these conditions are going to be
10 placed on them and the manufactured housing people do
11 not know that. If we just said you need to know
12 everything upfront, is that enough protection?

13 A. Representative, let me ask you, the first
14 question, is there anything that's specifically in 5
15 that you think that a normal human being, whether they
16 are in an apartment house or mobile home park or in a
17 subdivision or single-family housing, aren't deserving
18 of all, of equal considerations? Anything in there?
19 Because it just appears to me that these are logical
20 things that the citizens of the Commonwealth of
21 Pennsylvania are entitled to because they simply are a
22 resident of the State, regardless of where they live or
23 the terms and conditions for which they live there.

24 Q. I understand and I'm not, within those
25 specific things I understand that, but my concern is

1 that once you establish that -- when you start
2 comparing things with conventional single-family homes,
3 then you need to compare them across the board. You
4 can't say, well, we want to be the same as conventional
5 single-family homes in this case but we don't want to
6 be the same as conventional single-family homes in
7 another case. And I guess I'll get back to the rent
8 control situations. In number 8 where you talk about
9 the right of residents of manufactured housing
10 community shall not be subject to unconscionable,
11 unreasonable and unjustifiable lot rental increases.
12 People who rent single-family homes often are subject
13 to unconscionable, unreasonable, unjustifiable rental
14 increases. When you talk about the sale of a home,
15 manufactured home, the lot owner cannot prevent you
16 from keeping that home on the lot, if you sell it to
17 someone else. In fact though, if you lease the land
18 from that owner, you are creating a sublease to that
19 second person. There are restrictions against
20 subleases that people sign. If you sign that upfront,
21 don't you know the same thing as everybody else who
22 owns a conventional or rents a conventional
23 single-family home?

24 I guess my question, what I'm trying to
25 do is get some sort of consistency here so that I have

1 a reason to say it's going to be across the board
2 rather than saying, well, you're treated this way and
3 you're treated some way else. And that's where we get
4 into trouble, if we don't treat everyone equally.

5 Q. Representative, you really have to go
6 back and look at how manufactured housing all came
7 about and the relationship that the homeowner has
8 basically with the rest of the industry, and
9 particularly it has with that community owner as
10 opposed to any other type of affordable housing.

11 First of all, when a person rents a
12 house, he is not an owner-occupied resident, he is only
13 an occupant resident. He does not have a vested value
14 in that home. And he puts no money into it. You've
15 already heard these folks say they've put up many
16 thousands of dollars - \$50,000, \$60,000, \$70,000,
17 \$80,000 upfront and then subject themselves, in the
18 State of Pennsylvania particularly, to a month-to-month
19 condition, which should never have happened in the
20 first place. We should cure that almost instantly
21 overnight that that kind of situation doesn't allow.
22 Because what happens is that when that rent exceeds \$10
23 a year per month or simply higher than inflation or
24 CPI, the home value continues to go down. And as long
25 as we continue to allow that to go down, the equity in

1 the home will go down, the industry goes down, lenders
2 will not lend money. You're going to get inundated
3 with more problems than you can ever believe, and all
4 we're going to do is we're going to be chasing this
5 thing forever. What we have to do is call a screeching
6 halt to some of this and stop back and look at the
7 bigger picture so that as we move forward in rent and
8 leases and rental agreements, et cetera, that we do not
9 lose sight of the homeowner's rights, economic rights,
10 property rights, constitutional rights, and all of the
11 other things that people in Pennsylvania enjoy.

12 What you have heard for years, what the
13 Attorney General is hearing, is the abuses of this
14 system merely because we have a dominant landlord and a
15 captive tenant on the other side and they can't meet
16 each other somewhere equitably. Until we can meet
17 equitably on some kind of a common ground, this thing
18 will go on forever. Part of my whole program is to get
19 to the various States and see if we can't calm this
20 down. And in truth, that is exactly the very principle
21 that was before the Supreme Court yesterday. It's
22 called economic rights of both parties. One does not
23 abuse the other.

24 CHAIRPERSON HARPER: Thank you,
25 Representative Sturla.

1 Representative Dermody.

2 REPRESENTATIVE DERMODY: Thank you, Madam
3 Chair.

4 BY REPRESENTATIVE DERMODY: (Of Mr. Wehrman)

5 Q. I just have a few questions, Mr. Wehrman.
6 On page 2 of your testimony you indicated
7 the national foundation has followed the activities of
8 Pennsylvania for a long time.

9 A. Yes.

10 Q. I was just trying to get some background
11 on the national foundation, how long you've been in
12 existence, that type of thing.

13 A. I'm very pleased to tell you that,
14 Representative. I am one of the co-founders, along
15 with a gentleman from the State of Washington. Back in
16 1972 when the industry was basically in Chicago moving
17 to Washington, D.C., we got the idea that in essence as
18 the industry grows and moves forward, hopefully, that
19 the homeowners certainly had to be protected in this.
20 When the Congress passed the 1974 act on construction
21 codes and standards and placed that under what we now
22 know as the HUD Code, we formed the first organization
23 of national homeowners groups. At that time there was
24 only 6 or 7 States. We have now grown to approximately
25 22.

1 We restructured ourselves in 1982 because
2 quite frankly this industry is forever changing and we
3 had to keep up with that. In 1988, there was a series
4 of things going on in the industry across the United
5 States and we had to change our national focus one more
6 time and restructured ourselves.

7 So what the National Foundation of
8 Manufactured Home Owners is all about is protecting
9 that interest and working with and trying to work with
10 all the government and industry relationships across
11 the country to make manufactured housing frankly more
12 acceptable.

13 Q. Now, you represent individual homeowners?

14 A. No.

15 Q. Or you represent organizations within
16 each State?

17 A. Our representation, our membership, for
18 example, is the Pennsylvania Manufactured Home Owners
19 of America. They are one entity, they are one
20 organization, and we do not represent individuals, per
21 se. We represent the State associations per se and we
22 represent interests, third party interests as the
23 individual homeowners.

24 Q. You have 22 members now?

25 A. We have 22 State homeowners associations

1 very similar to here what you have in Pennsylvania.

2 Q. And how about your general membership?

3 A. Well--

4 Q. Is that it, 22 State associations?

5 A. Yes, just the 22. And I might just add,
6 that includes approximately one-half million household
7 dues paying members, or approximately 1 million people
8 that are dues paying members within those State
9 organizations.

10 Q. Okay. Thank you.

11 CHAIRPERSON HARPER: Thank you very much,
12 Representative Dermody.

13 MR. WEHRMAN: May I just make one comment
14 about the bill of rights, if I may?

15 CHAIRPERSON HARPER: Very brief.

16 MR. WEHRMAN: Because it was brought up
17 by the gentleman from Bucks County.

18 If you notice and correllate this, 161
19 Franciscan Drive happens to be where the national
20 foundation is and where I am from. I am one of
21 co-authors of this, there are many who contributed to
22 this. We are very pleased about this document. Even
23 though this document basically says we want to be
24 treated like conventional housing, what it simply means
25 is that we think that we are first-class citizens like

1 everybody else and deserve the same kind of treatment.

2 CHAIRPERSON HARPER: We will have a few
3 remarks from Representative Civera and that will be it.

4 REPRESENTATIVE CIVERA: Thank you, Madam
5 Chairman.

6 Mr. Wehrman, I think your testimony was
7 excellent and I think though what Representative Sturla
8 was trying to bring out to you was that if we compare
9 the conventional housing cycle or situation with the
10 manufactured housing and we have to have some
11 justification clause of how we are comparable on both
12 items. However, I think what the committee is learning
13 today and I am learning that in the rental situation, I
14 don't think that we can be as particular as the
15 conventional market or the conventional housing market
16 for the reasons that you have testified here. It's a
17 little bit different. And if you compare it a
18 commercial property, forget mobile homes, manufactured
19 homes, but if you go into a commercial area where a
20 person will build a commercial building, the developer
21 will own the ground and you build the building. So the
22 developer, he has the ownership of the ground and that
23 person of what type of business that he's going to
24 build there, such as a McDonald's, and you see it among
25 fast food chains a lot, in those contractual agreements

1 they are well protected. They are protected over many
2 years of cost of increase to that land, of taxes, and
3 what I'm learning here today is that under the mobile
4 situation, that is not the case. And that's what has
5 to be really looked at.

6 So when you say, you know, the committee
7 I think is fearful to go in to say, well, as you listen
8 to the testimony in the beginning of are we going to
9 set a precedent that we're going to control rents not
10 only for the mobile homes but for the conventional
11 market, well, they are two different issues. They are
12 just two entirely different issues, and I think the
13 committee ought to learn that today. I think it's
14 something that I was corrected by the public that when
15 you make that substantial investment on that mobile
16 type of home, you transport it to that site, to move
17 that mobile home to another site we're not talking
18 about moving as a rental market in a conventional home
19 of say \$500 or \$600, you're talking \$10,000 and \$12,000
20 and \$13,000 to move that location. Most of the people
21 in this room can't afford that.

22 So I think you have justification for it
23 and I think that's what Representative Sturla was
24 trying, so we understand that, now how do we legislate
25 that, and that's something that we have to work out.

1 Thank you.

2 CHAIRPERSON HARPER: Thank you very much.

3 We are 30 minutes over, so we are going
4 to move on to the last witness of the morning.

5 MR. WEHRMAN: I thank you very much.

6 CHAIRPERSON HARPER: The next person
7 scheduled is Mrs. Anna Kerestes of AARP, Capital City
8 Task Force.

9 MS. KERESTES: Well, I think you'll be
10 happy to learn that the version that I'm going to give
11 you is not the lengthy one that you have in front of
12 you, so that's going to help us some.

13 CHAIRPERSON HARPER: Thank you.

14 MS. KERESTES: I am Anna Kerestes, a
15 member of the Capital City Task Force of the State
16 Legislative Committee of the American Association of
17 Retired Persons in Pennsylvania. And with me I have
18 Jack Arthurs, who is Chairman of the Capital City Task
19 Force and a member of the State Legislative Committee.

20 The State Legislative Committee is
21 authorized to specifically speak for State AARP
22 membership - 1.9 million persons - on State legislation
23 and regulatory matters. AARP appreciates this
24 opportunity to testify before your committee on House
25 Bill 1511, the Manufactured Home Community Rights Act,

1 and House Bill 1513, the Manufactured Housing Ombudsman
2 and Hearing Board Act.

3 Our recommendations can be summarized as
4 follows: Enact into law the provisions of House Bill
5 1511 and House Bill 1513. Require park operators to
6 offer a lease of at least one year and preferably five
7 years under House Bill 1511. Require under House Bill
8 1511 that proposed park rules to be submitted to
9 resident associations for review and all approval.
10 Strengthen the prohibition against retaliatory
11 evictions in House Bill 1511 by explicitly prohibiting
12 park owner harassment of resident associations and
13 permitting resident associations to post meeting
14 announcements and meet on park premises. And provide
15 adequate funding for the manufactured housing ombudsman
16 and hearing board.

17 Manufactured homes, more commonly
18 referred to as mobile homes, are a major source of
19 housing for older persons. Limited financial
20 resources, the higher costs of maintaining an older
21 home, increased medical costs associated with aging
22 make older residents of manufactured housing parks
23 particularly vulnerable to increases in park rent and
24 other fees. Forty-three percent of older residents of
25 manufactured housing have annual incomes below \$10,000,

1 and 80 percent have annual incomes below \$20,000.

2 The proposed amendments to the
3 Pennsylvania Mobile Home Rights Act of 1976 contained
4 in House Bill 1511 closely parallel recommendations of
5 AARP's model statute, the Manufactured Home Owners Bill
6 of Rights, and would go a long way toward making
7 protections for park residents more effective and
8 comprehensive. The consumer disclosure and
9 notification requirements in House Bill 1511 are
10 excellent, and the bill includes essential prohibitions
11 on the tie-ins and other unfair practices. In
12 addition, House Bill 1513 provides an arbitration and
13 enforcement mechanism that is necessary to permit park
14 residents to negotiate successfully on key issues of
15 tenancy, such as rents and lease terms.

16 I would like to comment briefly on
17 several aspects of these bills and make a few
18 recommendations for additional provisions that AARP
19 feels would improve the overall effectiveness of the
20 proposed legislation. The automatic renewal of leases
21 contained in Section 4 of House Bill 1511 is extremely
22 important. AARP's analysis of existing State laws
23 concluded that many of the problems faced by
24 manufactured housing park residents result from the
25 prevalence of short-term rental agreements. When one

1 considers the difficulties of moving a home, the size
2 of the homeowner's investment and the fact that it
3 could be lost if the lease is not renewed, it is easy
4 to see why homeowners often feel helpless to resist
5 park operator demands.

6 AARP would recommend strengthening
7 Section 4 by requiring park operators to offer leases
8 for terms of at least one year. Thirteen States,
9 including New York, Maryland and Delaware, already have
10 such requirements. The longer term leases should be
11 required to have the same terms and conditions as those
12 of shorter duration. Long-term leases reduce the
13 potential for unexpected and frequent rent increases
14 that often burden park residents. In addition, they
15 provide a better opportunity for residents to negotiate
16 the terms of park tenancy and reduce the potential for
17 abusive situations to occur.

18 Eviction in a manufactured home park is
19 closer to foreclosure of a mortgage than eviction of
20 the tenant of an apartment and therefore should only be
21 permitted for good cause. AARP strongly supports the
22 provision in House Bill 1511 prohibiting evictions in
23 retaliation for participation in park resident
24 associations. Park resident associations can play an
25 important role in helping negotiate park rules, rent

1 and service charges with park operators. They can also
2 help assure compliance with the Mobile Home Park Rights
3 Act. Harassment of resident associations should be
4 expressly prohibited by the act. Resident associations
5 should be permitted to post announcements of meetings
6 and meet on park premises.

7 The eviction notification and appeal
8 provisions in House Bill 1511 are also strongly
9 supported by AARP. However, in cases of eviction for
10 violation of park rules, there should be a requirement
11 in the statute that the regulation be reasonable. Many
12 manufactured home parks are notorious for numerous and
13 petty rules. The AARP model statute, Section 110,
14 requires that a park rule or regulation may be used as
15 grounds for eviction only if the rule has been
16 promulgated so that the residents are aware of its
17 existence and that it is not unfair, unreasonable or
18 unconscionable.

19 Another approach to park rule disputes
20 would be to require proposed rule changes to be
21 approved by resident associations. This agreement
22 between park residents and owners could still be
23 submitted for final arbitration to the Bureau of
24 Consumer Protection in the Office of the Attorney
25 General as proposed in Section 5. Such an arrangement

1 would strengthen and encourage formation of park
2 resident associations. If approached openly and
3 creatively by all parties, a resident association
4 review process could provide a reality check for
5 proposed regulations and potentially reduce the number
6 of cases brought to the Attorney General for a review.

7 AARP strongly supports the provisions of
8 House Bill 1511 which prohibit tie-ins between the
9 rental of park spaces and the sale of homes. Thirteen
10 States, including New York, Ohio, Michigan, Arizona and
11 Wisconsin, prohibit such arrangements and the current
12 shortage of rental sites gives dealer/park operators
13 the opportunity to pressure prospective residents to
14 purchase a home from a dealer affiliated with the
15 operator or from a dealer specified by the operator.
16 Recently, the Attorney General filed suit against a
17 major dealer and a number of parks charging restraint
18 of trade. The housing choices of consumers should not
19 be limited by such unfair practices.

20 Essential to implementing the enhanced
21 protections of House Bill 1511 is the proposed
22 Manufactured Housing Ombudsman and Hearing Board Act.
23 AARP's study of existing State manufactured home park
24 statutes found there is often a lack of enforcement and
25 viable legal remedies. Frequently, there is not a

1 State agency charged with the responsibility for
2 addressing manufactured home park problems. For this
3 reason, AARP supports the designation of an agency at
4 the State level. Michigan has such an agency.

5 The ombudsman would be invaluable in
6 helping such park residents achieve an impartial
7 hearing on grievances and redress. However, the
8 enactment of these powers would be meaningless without
9 funding to implement the ombudsman program. AARP
10 strongly supports and urges the assembly to appropriate
11 the full authorized amount for this program.

12 Madam Chairman, once again, I want to
13 thank you for the opportunity to testify on this
14 important legislation. AARP looks forward to working
15 with you to improve protections for manufactured home
16 park residents and assure that manufactured housing
17 remains an affordable housing option for older persons.

18 CHAIRPERSON HARPER: Thank you very much,
19 Mrs. Kerestes.

20 And I would like to also welcome, Mr.
21 Arthurs, Jack Arthurs, a former member of the House of
22 Representatives, so I'm sure you feel right at home.

23 MR. ARTHURS: I do. Thank you.

24 CHAIRPERSON HARPER: We will take about
25 two minutes, because we are already five minutes over

1 time.

2 Representative Harley. I thought we
3 would get away.

4 REPRESENTATIVE HARLEY: Thank you very
5 much. I promise to be short, very short.

6 CHAIRPERSON HARPER: Good.

7 REPRESENTATIVE HARLEY: Just very
8 quickly, could you explain your statement that "AARP
9 strongly supports the provisions of House Bill 1511 to
10 prohibit tie-ins between the rental of park spaces and
11 the sale of homes...the current shortage of rental
12 sites gives dealer/park operators the opportunity to
13 pressure prospective residents to purchase a home from
14 a dealer affiliated...." Could you please explain that
15 relationship and why that's a problem?

16 MR. ARTHURS: Yes. I think what we are
17 relating to there is what's been discussed here, and
18 that is where, and I believe you had this concern,
19 where a home park owner might act as the real estate
20 person in selling, and it has been our understanding,
21 in discussion with some of our membership, that they
22 are tied in to the owner of the park being the only
23 person who could resell that home. And we are
24 concerned that there might be undue pressures or
25 profits earned or amounts taken for the sale of this

1 house or for the home.

2 Secondly, that because of restrictions
3 being put on that the home might just slowly be
4 deteriorating in costs, and for that reason the home
5 then will sell for a lesser amount than it would if it
6 could be sold through a real estate person at a more
7 opportune time than when it would be chosen to be sold
8 by the park owner or his designee.

9 Also, in a case like that we feel that
10 homes, if you would be able to get a realtor or sell
11 that home yourself, that you might be able to pick a
12 more prime time to sell it where you would be able to
13 recover your money at a greater amount.

14 REPRESENTATIVE HARLEY: So you're talking
15 about the resale of the home then once it's been placed
16 on the site and someone should want to sell it. You
17 believe, or the AARP's position is that you would like
18 to be able to have the option of having a real estate
19 agent come in and do that work for you?

20 MR. ARTHURS: Yes, that's right. And the
21 idea being that you would be able to recoup more for
22 that property or at least would be your choice to try
23 and do that, yes.

24 REPRESENTATIVE HARLEY: Thank you. Thank
25 you.

1 CHAIRPERSON HARPER: Thank you,
2 Representative Harley.

3 We are going to break for lunch and we
4 are going to reconvene at 1:15, so that will give us 30
5 minutes for lunch.

6 (Whereupon, the proceedings were recessed
7 at 12:45 p.m., and were resumed at 1:30 p.m.)

8 CHAIRPERSON HARPER: The next person
9 scheduled to testify is Bob Flint, mobile home owner/
10 resident, Red Hill Estates.

11 Mr. Flint.

12 I guess when you break for lunch you lose
13 some of your people, but we are going to move on anyway
14 because we are late anyhow.

15 MR. FLINT: Thank you.

16 First, I would like to say,
17 Representative Harper, It is an esteem honor for me to
18 be here today to testify in front of you and the
19 esteemed members of your committee.

20 CHAIRPERSON HARPER: You have to turn the
21 mike on.

22 MR. FLINT: Thank you.

23 As I was saying, it is quite an honor for
24 me to be here today to testify in front of
25 Representative Harper and the members of the committee.

1 Good afternoon. My name is Robert C.
2 Flint, and I am a manufactured home owner living in a
3 manufactured home community located in Red Hill
4 Borough, Montgomery County. I thank this committee for
5 the opportunity to testify here today in our State
6 Capitol.

7 Indeed, I am here not just as a
8 manufactured home owner but also I am the elected
9 Republican committeeman for Red Hill Borough and also
10 the elected official of Red Hill Borough Council.
11 Today we have an opportunity to continue the ongoing
12 celebration of the Bill of Rights. Today we can end
13 the violations of constitutional rights of thousands of
14 manufactured home owners living in Pennsylvania's many
15 so-called park communities. Today we can help create
16 legislation that will give absolute protection under
17 the law for a most desirable commodity in our State,
18 affordable housing.

19 Protective legislation that will help
20 support affordable housing in Pennsylvania, House Bill
21 1511 and House Bill 1513. These two bills constitute
22 good lawmaking by amending an existing law, the 1976
23 Mobile Home Parks Rights Act 261, by utilizing the
24 law's strong points, redefining its weak points, and by
25 doing so create a better law that will truly stand for

1 justice for all. Justice for all really means that
2 when elected officials of government - State, local -
3 take their oath of office to serve with fidelity, they
4 have placed themselves morally and legally to govern
5 all the people all the time all the way.

6 The honorable members of the House Urban
7 Affairs Committee are well aware that good government
8 is a byproduct coming from good laws. The committee
9 members also understand a bill that will create a
10 standard of law must be very clear in its language,
11 intent and motivation in order to be fair and
12 responsive to all parties involved. With House Bill
13 1511 and 1513, you can understand without a doubt what
14 the law says, why it's needed, and how it will be
15 enforced.

16 I ask the committee members if they
17 understand House Bill 1668, which is considered a bill
18 for amending manufactured home owners, -- excuse me,
19 park owners. I ask the committee members if they
20 understand House Bill 1668, its terminology, who it
21 really benefits and the reason for its existence.
22 House Bill 1668 repeals the Mobile Home Park Rights Act
23 261 of 1976, for what reason? You don't create a
24 better law. You don't create a better law by
25 destroying its previous foundation which also

1 terminates all past decisions that just happen to
2 defend the manufactured home owners living on rented
3 land from unreasonable and unjust treatment. Good laws
4 don't misrepresent what is said and who is doing what.
5 Law by definition, if you will.

6 House Bill 1668 from its beginning to its
7 end refers to the park landowner as the community.
8 Webster's definition of "community," a unified body of
9 individuals with common interests living in a
10 particular area, a joint ownership or participation.
11 Under House Bill 1668, the community evicts, the
12 community raises the rent, the community creates the
13 rules. Is this the truth?

14 Before today is over, this committee will
15 know what the truth is, it will understand the problems
16 facing thousands of Pennsylvania manufactured home
17 owners being treated as second-class citizens of
18 Pennsylvania, just because they own a home on land that
19 happens to belong to someone else. This is a proven
20 fact by testimony given before this committee with many
21 cases investigated by the Pennsylvania Attorney
22 General's Office.

23 The truth before us is quite clear:
24 Honest and fair park landowners don't want to be
25 labeled as dictators who rule from fear and

1 intimidation. And likewise, manufactured home owners
2 want and deserve human rights plus due process of law
3 which are given under the United States Constitution.
4 Sad to say, they are violated in many Pennsylvania
5 manufactured housing park communities.

6 House Bills 1511 and 1513, with a
7 completely neutral, unbiased hearing board that will be
8 appointed by the leaders of the Pennsylvania Senate and
9 House, who have sworn to serve with fidelity, will
10 protect and enforce the truth. House Bills 1511 and
11 1513, the bill of rights for manufactured home owners
12 and park landowners, represent good government, justice
13 for all, and are worthy of this committee's dedication
14 to all the people living in Pennsylvania.

15 And I would like to refer the committee
16 to a copy of two letters I have connected to my
17 testimony as two examples that I think exists with park
18 landowners and manufactured home owners. And I think
19 the word there, and it's a key word, is attitude. You
20 see the first letter is addressed to the park owner,
21 where I reside, Red Hill Estates, and I pointed out to
22 the park owner a particular problem that has existed
23 since last summer on the street in the community, a
24 junk pile, and I mean a junk pile, being disguised as a
25 storage area. Mainly part of the junk being 10, 15

1 feet from the last home that was on the lot in the
2 street. The homeowner had went to management several
3 times to ask, please, would you remove this junk or can
4 you tell me when I can reasonably have guests over to
5 my house and not be embarrassed and have their safety
6 violated? Management kept on saying the usual answer
7 in my park and many others, we're working on it. We're
8 working on it. We'll take care of it. We'll take care
9 of it. Well, nothing happened, and this homeowner came
10 to me and addressed the problems to me, knowing quite
11 well that I am a member of the local government and
12 also a resident of the park.

13 I went to the Borough Solicitor of Red
14 Hill, Mr. David Jordan, to speak to about this. Mr.
15 Jordan confirmed my idea that laws were being violated,
16 and he was quite willing to write a letter to the owner
17 of the park. I said, no, I want to give him the
18 benefit of the doubt, like I always do and always have.
19 So I wrote him this letter, the copy that you have in
20 front of you, and I at least expected a courtesy of a
21 reply, which I did not get, but which I did hear
22 something that distresses me immensely, the attitude
23 problem, if you will. This homeowner, who tried and
24 tried to get the problem, and I'm telling you, it is a
25 nasty problem to solve, was approached by a member of

1 management who said to this homeowner, why did you go
2 to Bob Flint? It's none of his business. Why did you
3 go to him? And she replied, well, I've been trying to
4 go to you and nothing happens. Now I'm going to a
5 representative of my local government.

6 And here you have management speaking for
7 a park owner telling a homeowner, don't you go to your
8 local government, a member of your local government.
9 To me, that is reprehensible. To me, that is a direct
10 violation of that homeowner's constitutional rights.
11 And that's all we're talking about. Not all park
12 owners. No. There's a lot of good ones out there, but
13 there's a lot of bad ones, too. And we have to draw
14 the line of bringing private enterprise, draw the line
15 that when you violate individual rights, it's a
16 continual saga in this country, our great country.
17 Free enterprise, which you all go for, we all attest
18 to, is the American dream. But again, you must
19 coincide with the individual rights.

20 I refer to you the second letter, again I
21 addressed to the owner of Red Hill Estates. It's dated
22 August 18, 1991. I just wanted to ask my owner to
23 write to Representative Barley and get the facts from
24 him. I would ask the owner to understand the bills at
25 hand and would he support them, and I gave him some

1 reasons. I quoted in our park, as in many others, the
2 homeowners have spent thousands, I mean thousands, of
3 their own dollars making their home and the park
4 owner's land more beautiful. I'm talking about
5 landscaping, et cetera. Thousands of dollars of their
6 money that makes the park look attractive to
7 prospective buyers. You know, park owners don't have
8 to spend money on advertisement and such and so on.
9 Most of the parks of the State of Pennsylvania, as well
10 as this country, have lawabiding, decent citizens,
11 great people who take pride in their homes, pride, and
12 they'll spend their money knowing well they're going to
13 help somebody else, but they spend their money
14 knowingly because that's the type of people they are.
15 They are not second-class citizens. No, they're not.
16 Decent, lawabiding Americans who need protection under
17 the law, due process under the law.

18 And again, I expected some kind of reply
19 and I did not, and again, I think this reflects a key
20 attitude we have here between park landowners' and
21 manufactured home owners' attitude. We are not against
22 private enterprise. In fact, I have been labeled
23 anti-business for coming here today. Anti-business.
24 When did you ever call a Goldwater conservative
25 Republican anti-business? But I also ascribe to the

1 fact to my Democrat Party colleagues' individuals
2 rights and I will do anything to protect those rights.
3 You must draw the line, and I'm afraid that is the
4 business at hand of this committee. A difficult,
5 difficult decision. I wouldn't want to be in your
6 shoes. Where do we draw the line of private
7 enterprise, free private enterprise stepping over the
8 boundaries of violating human, constitutional rights
9 that were given to us under our Constitution by our
10 founding fathers?

11 That's the point at hand, and with that I
12 want to thank this committee for having an opportunity
13 to have my say, and I was really pleased to be here.

14 Thank you.

15 CHAIRPERSON HARPER: Thank you very much,
16 Mr. Flynn.

17 Do we have any questions?

18 (No response.)

19 CHAIRPERSON HARPER: Thank you.

20 The next person scheduled to testify is
21 Terry Rose, President of Montgomery County Chapter,
22 PAMHOA.

23 MS. ROSE: Good afternoon, Madam
24 Chairman, members of the committee. My name is Terry
25 Rose. I am president of the Montgomery County Chapter

1 of Pennsylvania Manufactured Home Owners of America.
2 Thank you for allowing my testimony today on House
3 Bills 1511 and 1513 as amendments to the Mobile Home
4 Rights Act.

5 In 1988, my husband and I chose a
6 manufactured housing community as an alternative to the
7 rising costs and increasing real estate taxes of our
8 conventional home. Facing retirement in a few years,
9 this seemed the perfect answer to affordable housing.
10 We purchased a new \$70,000 double-wide manufactured
11 home in the adult community of Red Hill Estates in
12 Montgomery County. This community was rather unique in
13 appearance to most other manufactured housing
14 communities. It is located in a borough, has borough
15 streets and sidewalks and looks very much like any
16 community of conventional ranch homes. This was
17 certainly on the plus side in our decision. Other
18 factors were water and sewer, trash removal, and cable
19 TV were all included in our lot rent of \$300 per month.
20 We would never pay real estate taxes, our only
21 responsibility would be a 1-percent personal property
22 tax. And Exhibit 1 is attached. The only rules were
23 pets must be kept on a leash, our grass mowed, and snow
24 removed from our sidewalks.

25 Our first surprise was at settlement when

1 we were asked for a one-month security deposit,
2 apparently an oversight of the salesman. Two days
3 later, a 23-page book of rules and regulations arrived.
4 Now we became concerned. We realized how very easy it
5 would be to be evicted and lose our home, our lifetime
6 investment. A few weeks later, we received a school
7 tax bill of \$780, and a borough and county tax bill of
8 \$193. Shortly, water meters were installed and we were
9 informed we would pay all water and sewer charges. How
10 could this be happening, we asked ourselves? We had
11 everything that was to be included in our lot rent in
12 writing. Aside from this, we had paid a 6-percent
13 sales tax as tangible property. We received a title as
14 you would an automobile, not a deed. I know of no
15 other product that is tangible and then becomes real.
16 However, this is another issue that really needs to be
17 addressed in the future.

18 Our dream of affordable housing had
19 become our worst nightmare. The residents, most of
20 whom are senior citizens, grouped together. We
21 consulted an attorney and the Department of Consumer
22 Protection. Both assured us we could prove fraud. We
23 faced the landowner with our objections to the
24 misrepresentation in our purchase. His response: It
25 was a mistake. We never meant to put those things in

1 writing. If you don't like it, get out. As for fraud,
2 try anything and I will declare bankruptcy and you will
3 all be out on the street. The residents panicked.
4 Fear of the present replaced common sense and fear of
5 the future.

6 I watched some of the hardships of the
7 older residents on fixed incomes. At a time in their
8 lives when their lives should be secured, they were
9 faced with trying to seek part-time employment to
10 afford these unexpected charges. They were too afraid
11 to take any action against the landowner. And I was
12 overwhelmed.

13 I became determined to help my neighbors
14 and myself. I became familiar with Act 261, contacted
15 State Representatives, State Senators, and the Bureau
16 of Consumer Protection. During this time, I became
17 acquainted with Debra Chapman and Pennsylvania
18 Manufactured Home Owners of America. I visited many
19 manufactured housing communities throughout
20 Pennsylvania, and in all but a few found various types
21 of misrepresentation common practice in the sale of new
22 homes. The most common was real estate taxes, and
23 there are various ways this is done.

24 In traveling to other communities, I also
25 discovered the real horror of this type housing -

1 illegal evictions, poor water and sewerage, inadequate
2 electricity where residents are sometimes without water
3 or electric for days. Rent increases that range from
4 \$10 to \$200 per month, and sometimes two or three
5 increases in a year. Inspection fees in order to sell
6 your home to be paid to the landowner. They ranged
7 from \$35 to as much as \$150, and if repairs are to be
8 performed, another inspection and another inspection
9 fee. Then there are the extra charges. Charges for
10 pets, even birds in cages. One Berks County landowner
11 charges \$25 per pet. Charges for children over 18 and
12 under 18. These range anywhere from \$2 to one-half
13 your monthly rent per child. Is this certainly not a
14 violation of fair housing? Charges for over two
15 residents. Those range from \$10 to \$75. In most
16 cases, extra charges for over two residents is actually
17 against children, since most families over two are
18 children. Is this not discrimination against children?

19 And I cite the case of Benjamin and Joyce
20 Lepore vs. L & L Mobile Home Park filed in December of
21 1991. The court found in favor of Mrs. Lepore, who was
22 faced with eviction because she had become pregnant.
23 Why, when our homes are for our families, must we pay
24 for our children who make up that family?

25 Our landowner now charges \$25 per

1 resident over two. He informed us that due to the new
2 fair housing regulations we would no longer be
3 considered an adult community. He told us he was
4 charging this to deter families with children, so we
5 now have children and the \$25 extra charge. In another
6 community that he owns the fee is \$50, and this was
7 never an adult community. One resident reported that
8 their landowner charged \$10 per visitor to their homes
9 on Christmas day. Another has to pay \$195 per month
10 per visitor for anyone staying over seven days. To me
11 as a homeowner, these charges are absurd. We are not
12 tenants in an apartment, we are homeowners and
13 taxpayers.

14 I find the solution to these and many
15 other problems of the residents, including the
16 misrepresentation, in Representative John Barley's
17 House Bills 1511 and 1513. In this proposed
18 legislation we have Act 261 being amended, the language
19 of this act clearly defined and an ombudsman with a
20 Manufactured Housing Hearing Board. This is truly what
21 is needed to protect the manufactured housing residents
22 and stop the abuse we have suffered in the past.

23 There are some reputable landowners, as
24 one you recently heard of, who mows grass, rakes leaves
25 and shovels the snow for some 200 residents. However,

1 there are too many unscrupulous ones.

2 I firmly believe a landowner is entitled
3 to a fair return on his investment, but when they abuse
4 homeowners and take away their constitutional rights,
5 it is time to say no more.

6 We certainly need rules and regulations
7 for the good of the community and to protect the
8 residents. Rules within reason would most likely be
9 welcome in most communities. Most rules and
10 regulations that I have seen only differ slightly from
11 the rules of most vacationing campgrounds.

12 I firmly believe House Bills 1511 and
13 1513 would give us the opportunity to question unfair
14 rent increases, ridiculous extra charges and
15 unreasonable rules and regulations. 1511 and 1513 are
16 equally fair to the landowner and the residents. Both
17 will be able to present their position for a fair and
18 just decision by the ombudsman, and a reputable
19 landowner has nothing to fear in this legislation.

20 I have also reviewed House Bill 1668,
21 which is being supported by Mr. James Moore, Executive
22 Vice President of the Pennsylvania Manufactured Housing
23 Association. I find this bill to be absurd. To repeal
24 Act 261, as this bill proposes, is ludicrous. The many
25 case histories associated with this act would also be

1 repealed, most important of these being perpetual
2 lease. Amend the act, yes, but not repeal. The
3 proposal of the hearing board that would only meet four
4 times a year is certainly not the protection I want.
5 We need daily protection.

6 This bill also makes certification of a
7 community a big issue. In studying this bill I find
8 that certification really means nothing. House Bill
9 1668 also referred to the Landlord and Tenant Act
10 concerning security deposits but does not disclose that
11 if a two-month security deposit is required, one of
12 these months must be returned to the resident after one
13 year, and I refer to Section 511(1), Section B, of the
14 Landlord and Tenant Act.

15 In August of 1989, Mr. Moore testified at
16 a hearing on House Bills 606 and 1719. At that time he
17 stated that he believed when a resident sold their home
18 they should split the profit with the landowner.
19 Representative McHale and Representative Lloyd had as
20 much difficulty understanding this as I have. In
21 questioning him they asked, if the landowner were to
22 sell the land, would he or she then split the profit
23 with the residents? Mr. Moore replied that that was
24 different. Is it any wonder, with the ideas of Mr.
25 Moore, that we have unscrupulous landowners?

1 I hope in my testimony today I have shed
2 some light on our need of Representative Barley's
3 bills. I ask you to please give this legislation your
4 consideration.

5 In closing, I would like to personally
6 thank Representative Barley for recognizing our need
7 and doing something on our behalf. I thank you also to
8 the Representatives who have co-signed these bills. We
9 truly need help. You, as our legislators, are the only
10 hope we have for the security of our senior citizens,
11 the future of the single parent with children to raise,
12 young families, and those of low income. Our hope to
13 recapture our dignity and our constitutional rights to
14 live with the same respect as conventional homeowners
15 in Pennsylvania is entirely in your hands.

16 Thank you.

17 CHAIRPERSON HARPER: Thank you very much,
18 Mrs. Rose, for that testimony. And do we have -- we
19 have a question from Representative Harley.

20 REPRESENTATIVE HARLEY: Thank you, Madam
21 Chairman.

22 BY REPRESENTATIVE HARLEY: (Of Ms. Rose)

23 Q. And thank you very much, Ms. Rose, for
24 joining us.

25 A. Thank you for having me.

1 Q. I'm a Representative from Montgomery
2 County.

3 A. I know that.

4 Q. And I'm glad to see all of you here, and
5 I appreciate you have your sweatshirts.

6 Would you please talk a little bit more
7 on this House Bill 1668, the repealing of Act 261,
8 which I understand it is also put back into the bill,
9 some segments of that.

10 A. Some segments, yes.

11 Q. But you say here that the case histories
12 that revolve around protection of tenant rights
13 associated with this act would also be repealed.

14 A. Right.

15 Q. Is that correct?

16 A. Yes. My understanding, that's correct.

17 Q. Okay. Thank you.

18 A. Um-hum.

19 CHAIRPERSON HARPER: Thank you,
20 Representative Harley.

21 Do we have any other questions?

22 (No response.)

23 CHAIRPERSON HARPER: No other questions
24 from the committee. Thank you so much, Mrs. Rose, for
25 your testimony.

1 MS. ROSE: Thank you.

2 CHAIRPERSON HARPER: Next we have Mary
3 Loschiavo. I'm sure I pronounced that wrong and you
4 can make that correction at the mike. She is a member
5 MHRBA and PAMHOA, resident, Red Hill Estates.

6 MS. LOSCHIAVO: You were close enough,
7 Madam Chairman.

8 My name is Mary Loschiavo. I would like
9 to thank Madam Chairman, all the Representatives here
10 for allowing me to testify. I'm a little nervous.
11 This is something I have never done before, so bear
12 with me.

13 I'm a manufactured home owner in Red Hill
14 Estates, Montgomery County. And I'm also vice
15 president of the Montgomery County chapter of
16 Manufactured Home Owners of America. And I'm also a
17 secretary in my community organization.

18 In 1988, I was first introduced to
19 manufactured housing by my uncle. He, like my husband
20 and I, always resided in conventional homes. I
21 immediately fell in love with the homes in this type of
22 community living. The only drawback was that we would
23 not own the ground. Prior to moving to Red Hill, we
24 sold our home in White Marsh, Montgomery County, and
25 after approximately two years of searching -- sorry.

1 CHAIRPERSON HARPER: That's all right.

2 Take your time.

3 MS. LOSCHIAVO: After approximately two
4 years of searching for affordable housing, we chose our
5 lovely Pine Grove manufactured home. We moved into our
6 home in January of 1991. In April of that year, a new
7 business association was being formed in our community.
8 I wish I could describe my feelings when my neighbors
9 began to speak out about the problems they were having
10 and that their complaints fell on deaf ears. These
11 were very serious problems - faulty electric wiring,
12 plumbing problems, leaking pipes everywhere, toilets
13 that didn't work or backed up when another toilet was
14 flushed. You name the problem and it was happening to
15 someone. They were angry and outraged by the lack of
16 concern on the part of the landowner.

17 One homeowner had 24 leaks in her home.
18 Her carpeting was covered so many times with water she
19 was afraid to leave her home for any length of time.
20 This was my introduction to PAMHOA. This was also my
21 introduction to the nightmares that some homeowners
22 face every day. Homeowners are ignored, harassed, and
23 in some cases threatened with rent increases.
24 Homeowners often hear, if you don't like it here, get
25 out. I ask you, get out to where? Sometimes that's

1 the answer to all kinds of problems.

2 As Terry Rose and I traveled to the
3 different communities in Pennsylvania, one of the
4 things you feel is fear. Another is betrayal. You
5 sense this from almost all homeowners that you meet.
6 Sometimes I wonder why I'm not afraid. Maybe I'm just
7 dumb enough to believe in the Bill of Rights and what
8 they stand for.

9 The homeowners' fear of some kind of
10 retaliation for attending a meeting or handing out
11 information about a meeting are very real. The
12 following are three types of fear that I've heard from
13 just this past week:

14 A family of four - the man, his wife and
15 two children, ages 2 and 4 - they live in a
16 family-oriented community in Bucks County. Their
17 ground rent was \$275 a month. Around October 1991,
18 their rent increased by \$100 per month, \$50 per child.
19 In this community, as in many other similar
20 communities, there are no areas set aside where the
21 children can play. The rules prohibit play equipment
22 on the ground that they rent, and all play and all
23 other children's games are frowned upon. They've
24 already been told they'll have another rent increase in
25 April.

1 This second one applies to the landowner
2 in Montgomery County -- I'm sorry, that's Berks County
3 -- that supplies the water and electric to his
4 homeowners. The homeowners then pay him their utility
5 bills. When the landowner gets mad, angry, whatever
6 you want to call it, he conveniently turns off the
7 utilities. Sometimes for as long as a weekend,
8 sometimes only the water will be turned off say from
9 11:00 o'clock until 7:00 in the morning.

10 Now, the third one is one of the ones
11 that hit me hardest because I raised children and my
12 husband is a stonemason. We kind of had it bad in the
13 winter and good when the weather was good. But one of
14 the things, we could fix our home ourselves and so we
15 didn't have to pay someone else, and this man, we
16 happened to be at a meeting and the landowner was
17 there. And most of the people were very upset that
18 they had to say these things in front of the landowner.
19 But finally the young man stood up, his wife was
20 sitting next to him and he said he wanted to enclose
21 the deck on his home, like many other families had
22 done, to make more room for his family. But he had to
23 get the building permit through the owner of the park.
24 I hate "park," but I will call it "park" because he
25 did. And the park owner then goes to the building

1 inspector in that particular township and gets the
2 building permit. But first he says to the homeowner,
3 in order for you to do this and so I can make sure you
4 do a good job, you have to pay me to help you. And so,
5 the homeowner said, but the reason I'm doing it myself
6 is because I can't afford to hire anyone. Well, the
7 man did not get his addition.

8 You have to understand that the
9 landowner, he said at the meeting that he's only doing
10 it for the good of the homeowner, even though this man
11 knew and had to do the work. Because it's his -- he
12 wants to make sure his community looks fine, but he
13 chooses who can do it and who cannot fix their home.
14 And the landowner has the final say. That's kind of
15 astonishing because they complain about people that
16 don't want to take care of their homes but they take it
17 away from them.

18 Okay. I compare our plight with physical
19 abuse. Physical abuse continues due to fear of
20 misunderstanding, fear of retaliation from the abuser.
21 Abused people feel alone when trying to seek help. And
22 last but most important, society allows it to happen.
23 We, too, as abused homeowners, feel alone in our fight
24 for help. Our fears go unrecognized by most people in
25 our society. We are real, we pay taxes too.

1 Homelessness, lack of adequate health
2 care and the family structure must be reinforced.
3 Homeowners on leased ground are threatened with extra
4 charges, in some cases as high as half their month's
5 rent per each person. This may be the extreme, but if
6 one unscrupulous landowner can do this, it's one too
7 many.

8 Our home is not our sanctuary, our haven
9 against homelessness. Pennsylvania Manufactured Home
10 Owners of America will fight to make it so. We'll
11 continue our fight until all unscrupulous landowners
12 cannot have their way with unjustified rent increases
13 and unfair rules.

14 In Representative Wright's Bill 1668 we
15 will have guidelines along with rules which in my
16 opinion are not clearly defined. What homeowners don't
17 need are more rules that will be misinterpreted. Fear,
18 intimidation, and harassment are real. They are not
19 exaggerated.

20 When a homeowner complains and the
21 landowner responds quickly, we call that a miracle. In
22 my case, it took eight months for some of my home and
23 ground repairs to be made. My shed is still on the
24 list to be leveled. I should add at this time I obey
25 all rules and pay my rent on time.

1 As secretary of our community
2 association, we sent a letter of introduction to our
3 landowner, which I have attached, and we never received
4 an answer. After many phone calls that were ignored,
5 we sent another letter certified. Early one morning my
6 landowner called and stated at this time that he would
7 not meet with the residents and he was not responsible
8 for rumors that are always started. And the homeowners
9 in most communities know that rumors -- that most
10 rumors concerning rent increases and rule changes
11 usually happen. He also stated that if House Bills
12 1511 and 1513 were to become law, many landowners would
13 sell. He will not have anyone tell him how to run his
14 parks. There is no way that he would travel to
15 Harrisburg twice a week, and any time the government is
16 involved it will raise taxes and that would be passed
17 on to the homeowners as rent increases.

18 It seemed to me most of what he said will
19 happen if Bill 1668 is passed. Most landowners, mine
20 included, believe that Representative Barley's bills
21 will take away some of their authority, which is not
22 true. These bills are fair to the landowner as well as
23 the homeowner. The good landowner, I'm sure there are
24 many, will not have political intrusion. They will
25 have the same rights as they have now with Act 261.

1 Everything we hear is about the landowner
2 and their rights. What protection do we, the
3 homeowners have? Our homes are the single most
4 important investment that people make. Why are we the
5 troublemakers when we fight to protect our investment,
6 our homes?

7 Before 1976, people living in trailers,
8 as they were called, on leased ground had the same
9 problems that we had, the manufactured home owners
10 today. Act 261 didn't address the problems that
11 homeowners have with a clear understanding and with the
12 interpretation of this law. Act 261 is, at the present
13 time, the law by which we are governed. We won some
14 rights with this law. We don't want them taken away.
15 Bills 1511 and 1513, if passed, will amend not discard
16 this law. These bills will make this law more
17 understandable and enforceable for the landowner and
18 the homeowner. Can that be bad? Can't we love our
19 homes, our communities and also the landowner?

20 Before I close I must say my landowner is
21 not the community, as he is referred to in Bill 1668.
22 His hard-nosed approach to his homeowners, his lack of
23 understanding and respect, his choice to ignore those
24 homeowners who try to help themselves gain back the
25 rights and their dignity, hopefully some day when he

1 can address all his homeowner's equally I will then
2 call him community.

3 In conclusion, we are the disabled and
4 retired who are buffeted by the wind of misfortune,
5 sharecroppers, if you will, of the '90's. Who of us in
6 this chamber, either testifiers or listeners, do not
7 share the universal fear of being without, being alone,
8 being destitute or homeless? The major difference
9 between yourself and ourselves is the capacity to work
10 and the ability to defend yourself against the
11 primordial fear of being alone and helpless.

12 Thank you very much.

13 CHAIRPERSON HARPER: Thank you very much.

14 I think Representative Harley has some
15 remarks.

16 REPRESENTATIVE HARLEY: Well, I just want
17 to say that this has really been a wonderful day for
18 me. I've always been an affordable housing advocate
19 and I have to tell you, this kind of testimony really
20 brings tears to my eyes and I'm so glad we're doing
21 this and I'm looking forward to helping you.

22 MS. LOSCHIAVO: I would like to add here
23 that if we compare parks, I don't like that word, but
24 communities, we live in a lovely community. My
25 neighbors are super, and our landowners should be very

1 happy because when he brings a perspective buyer down
2 our street, I'm always proud when a woman moves in and
3 says, I picked your house because it looked so cute.
4 But you have to understand that when I go around, when
5 I try to help someone else, my landowner, I don't know
6 what to expect. I wanted to talk about my landowner
7 because he was the one I knew about. And I cannot
8 understand when I put -- I will say paid for my home, I
9 paid right away for my shed, I paid for everything and
10 then he doesn't have the right to talk to me. He
11 doesn't want to talk to me. I don't know why.

12 But when you get to my situation, which
13 is pretty good. They go someplace else, like that man
14 who wanted to fix his house, the landowner said, well,
15 I just want to make sure you do a good job. What kind
16 of answer is that? Here's this man who helped his
17 friends and neighbors put additions on and he can't
18 even put an addition on his own home? I mean -- well,
19 anyway, when you get around and you hear these things
20 and for people that cannot help, they have no choices.
21 They can't afford a lawyer.

22 And so if we united, and Deb Chapman and
23 Jere Stumpf, I can't tell you how much they have
24 encouraged and helped all of us to attain just what we
25 have today, but we're going to go. Deb never gave up

1 and we're not going to give up for her.

2 So thank you again.

3 CHAIRPERSON HARPER: Representative Dent.

4 REPRESENTATIVE DENT: Thank you, Madam
5 Chairperson.

6 BY REPRESENTATIVE DENT: (Of Ms. Loschiavo)

7 Q. I represent the Lehigh Valley and I
8 attended a meeting some months ago where we had several
9 hundred residents speaking about issues similar to what
10 you've talked about. My question is, how common is the
11 intimidation practices that you've described and others
12 have described? I've brought that to the attention of
13 some park owners and they said, oh, it's just a few
14 malcontents. And 300 is more than a few and they
15 didn't look like the malcontent types to me. So my
16 question is, how commonplace is this intimidation and
17 are the residents -- I'm trying to phrase this as best
18 I can, are there residents within the parks who are
19 relatively happy with the situation as it is?

20 A. Oh, yes. Yes. We have people that --
21 you have to understand that nobody, you can't get, I
22 mean, the people here are great and they support us and
23 they took off of work today and came here and the room
24 outside is full. But you know how hard it is to get
25 people to stand up against this man who just by his

1 fact that he doesn't look in your direction, people get
2 their heart flutter and say, oh, my gosh, did I do
3 something wrong? Was I bad today? Yes, it happens all
4 the time. And it happens most to the people who cannot
5 fight back because they are afraid. They are
6 absolutely intimidated.

7 My landowner, I've been there a year and
8 I have letters attached that I wrote to him trying to
9 communicate. And he thinks, why should I talk to you?
10 And all I wanted to do was help make the community
11 better. I wanted to work with him. And I'm so dumb, I
12 said, here we had our association and I was going to
13 suggest to our people, let's plant some trees and
14 bushes at the corner because it looks so terrible. We
15 keep our houses and the landowner keeps his like a
16 piece of crap, excuse me. I'm sorry. But anyway,
17 that's how I felt. I thought, you know, we're a
18 community. We all take care of things and pride in it,
19 and that would be fine. But I tried to address that to
20 him and all he talks about is fair. You know, we are,
21 our -- what we want is an unfair thing. It's unfair.
22 And that's all you hear.

23 So yes, people that are on a fixed income
24 or alone, that home is all they have. And without that
25 home, even if it's not a \$70,000 home, this is what you

1 have to understand. If I retired 20 years ago and my
2 trailer is only worth \$2,000, to that person who's
3 living in that and paying his rent, that's worth
4 \$100,000, because without that he has nothing and he's
5 homeless. So they're the important things. The price
6 is different, but your home is your home, and I don't
7 care where you live. I don't care if it's a cave. If
8 it's your cave, it's your home. Sorry.

9 CHAIRPERSON HARPER: Any other questions?

10 (No response.)

11 CHAIRPERSON HARPER: Very well. Thank
12 you very much.

13 MS. LOSCHIAVO: Thank you.

14 CHAIRPERSON HARPER: We are moving right
15 along beautifully.

16 Next, we will hear from Mr. Timothy
17 Haught, President of Woodland, Hereford Estates,
18 Mountain Village and Mountain Scene Manufactured
19 Housing Resident Association.

20 MR. HAUGHT: Madam Chairman,
21 distinguished members of the House Urban Affairs
22 Committee, I would like to thank you for this
23 opportunity to bring testimony concerning House Bills
24 1511, 1512, and 1513 before you today. My name is
25 Timothy Haught, and I am here in my capacity as the

1 president of a resident association that includes the
2 four communities in Hereford and Long Swamp Townships
3 in Berks County, Pennsylvania. Also, I'm here today as
4 the owner of Tim's Mobile Home Service. I am part of
5 the industry that these bills will be affecting.

6 My wife and I, like most people,
7 purchased our manufactured home as an alternative to
8 site built housing because of its affordability. We
9 purchased our home in 1985 and moved into the community
10 that was then charging \$125 a month lot rent. The
11 community had dirt roads, but this wasn't a problem
12 because the owner had assured us that the following
13 year the roads would be paved. Now, six years later,
14 the only thing that has changed in the community is the
15 name of the owner and the amount of lot rent that we're
16 paying. Lot rent has steadily gone up from \$125 a
17 month to \$270 a month. And on top of this space lot
18 rent we pay additional for children and pets.

19 The owner of our community seems to run
20 the entire show in our townships. The supervisors seem
21 to be afraid to do anything to help us. In Hereford
22 Township we have a very good Mobile Home Park
23 Ordinance, but it is not enforced. It was enforced
24 against the old owner of our community, but since the
25 new owner bought it two years ago, constant inspections

1 have stopped. Before the community was sold the
2 township solicited Middle Department Inspection Agency
3 to do an electrical inspection of the community. The
4 report concluded that the electrical system was in fact
5 life threatening to the residents. The township was
6 trying to force the old owner to repair the electrical
7 system and the owner did not have the money to do so.
8 This forced the owner to sell the property. After the
9 new owner took possession of the property, the
10 electrical inspection and the needed repairs were
11 forgotten. To this date, the resident are living with
12 an electrical distribution system which is a threat to
13 human life, even though the report was recently brought
14 to the attention of the supervisors again by our
15 organization. The last page in my testimony is a copy
16 of the electrical inspection that was done at our
17 community.

18 Since I started the tenants association
19 in July of 1991, the park has diverted runoff water
20 from a filter house through a pipe to run directly
21 under my home. My home was damaged in a storm and has
22 been under construction. They keep coming around and
23 taking pictures of it. Now, I'm not saying that there
24 isn't a mess around my home because any time there's
25 major construction there is a mess. But I have a man

1 who periodically comes and cleans the mess and hauls it
2 away. This is just the way the community has to harass
3 me for starting the tenants association, because there
4 are others who are worse than me and the park doesn't
5 take pictures of their lots.

6 There have been other people who have
7 tried to start tenants groups and failed because of
8 threats and harassment by the park. One group even had
9 their homes and other possessions damaged.

10 The biggest problem is once you purchase
11 a manufactured home and put it in a community, you're
12 entirely at the mercy of the community owner. If he
13 doesn't like you for some reason, you will be
14 constantly harassed and targeted for abuse. Also, if
15 you decide to sell your home and to get out of the
16 community, they will not approve potential buyers.
17 Legally, they can't unreasonably withhold approval for
18 these people, but how can you prove that they are being
19 unreasonable when they interview the potential buyer
20 behind closed doors and give no explanation of denial
21 in writing? This puts you in a situation where you
22 have to move your home, but there are no other
23 communities that will let you pull a used home in. The
24 reason for this is community owners usually sell homes,
25 and if they don't, they are getting kickbacks from

1 dealers. This doesn't leave the homeowner with a lot
2 of options to sell his home. Most of the time the
3 community owner will offer to buy the home at a
4 substantially discounted rate, and usually instead of
5 losing everything the homeowner will sell.

6 I brought with me today several
7 photographs to submit to the committee of the
8 conditions residents have to live with. The photos
9 deal only with electrical violations that could cause
10 possible -- that could possibly cost someone their
11 life. Other problems faced by residents are backed up
12 sewage, power outages, no water, and a community owner
13 who expects the resident to keep an immaculate house
14 when the community is in total disrepair. The reason
15 for this is if the place looks nice, no one will
16 suspect that the underground utilities are a shambles,
17 and the community is run by tyrants.

18 Also, some rules that communities impose
19 on the residents are ridiculous, and the problem is the
20 rules may have been reasonable when you moved into the
21 community but the community owners change the rules
22 whenever it suits them, and then you are expected to
23 live with them. Rules such as no doing your laundry on
24 Sunday. Who are the owners to tell you when to do your
25 laundry? Also no repairs to your automobiles. Now, if

1 they're going to make a rule like that, it's only fair
2 that they be willing to pay garage bills for you,
3 because many are living in the communities are
4 low-income families and this is the only way they will
5 ever own their own home. Also, many are retired
6 couples or widows or widowers who are on fixed incomes
7 and sold their homes because they could no longer
8 afford it.

9 Manufactured housing communities at this
10 time is one of the most profitable businesses to be in.
11 After your initial investment, there is very little
12 capital investment you ever have to make again. There
13 are no laws to make you repair or maintain the
14 facilities. So you sit back and rake in the cash. And
15 once the people are in, they can't go anywhere else.
16 Now, if you really want to make money, you also start
17 selling homes. Most dealers I am familiar with charge
18 at least double what they pay for a home, and
19 double-wides are usually marked up more. This is what
20 creates the need for unreasonable rules. If you can't
21 find a reason to evict a resident, you can't sell new
22 homes if all your lots are full.

23 Now, for example, if lot rent is \$270 a
24 month, the community owner will make \$3,240 a year for
25 that year. Now, if he evicts a resident and sells a

1 new home, he will make approximately \$14,000, plus he
2 will still get the lot rent. And if he sells a
3 double-wide, he'll make more. This is the reason for
4 the unreasonable rules, not for the benefit of the
5 residents, as the community owners claim.

6 When you come to a community or to a
7 dealer to look at a new manufactured home, the
8 salesperson will do his absolute best to get you so
9 excited with a particular home or location that you
10 overlook a lot of basic things, like most of their
11 promises are never put into writing. Also, dealers
12 will keep the excitement high by promising a low
13 downpayment, then they will come back when it's time to
14 finalize the paperwork and say at the last minute the
15 bank insisted on an additional amount for downpayment.
16 Sometimes the dealer will offer a separate loan that
17 they are willing to extend with a signed demand note as
18 collateral listing anything from your furniture to your
19 home as the real collateral. I've personally seen this
20 done. Despite the fact that you would think that the
21 buyer would turn it down, they usually do not. And
22 before the home is set and ready to move into, dealers
23 will try to get people to sign off so the banks will
24 pay the balance of the mortgage. And most people will
25 do this because they know they would want their money

1 if it was due to them.

2 The problem with this is that all the
3 promises that were made and not put into writing are
4 forgotten with all the signing. Also, most often it's
5 next to impossible to get any work performed to the
6 home to make it satisfactory if the bank is already
7 paid in full. Usually you have to contact an attorney
8 or threaten to get action. And very often people like
9 myself get called in so the employees of the dealer
10 don't have to take the grief. On many occasions I've
11 had people screaming at me because they thought I
12 worked for a dealer who sold them their home. Then
13 after I explained I was an independent businessman,
14 they would proceed to tell me about the, excuse this,
15 screwing they took from the dealer.

16 Some of the other problems encountered by
17 the homeowner are community owners who tell you who to
18 purchase heating fuel from, who you can have come into
19 the community to work on your home, who you have to
20 sell your home through, and finally they tell you that
21 before sale you have to have the home inspected, and it
22 is to be inspected by them or someone they specify.
23 Then you have to pay for that inspection and have it
24 done every three months if it doesn't sell. Also, if
25 you decide not to sell, you still have to fix anything

1 that they say is wrong with the home.

2 Now, one of the first things out of
3 community owner's mouth is something is wrong with this
4 park is that it's pre-existing nonconforming. If this
5 is true for their property, why then is it not true for
6 the homeowner?

7 The manufactured housing industry in the
8 State of Pennsylvania is full of liars and people who
9 feel that they can rule other people through
10 intimidation. I'm sorry to say that it is a corrupt
11 industry that is not capable of controlling its own
12 ranks. I am a business owner and I don't believe
13 someone should tell me how much profit I'm allowed to
14 make. But one big difference between myself and a
15 community owner is if the homeowner doesn't like my
16 price, he can go elsewhere. But if his lot rent is
17 raised to the point he can't afford it, he stands a
18 good possibility of losing his home, which nowadays is
19 no small investment.

20 The Mobile Home Park Rights Act of 1976
21 as it stands is not a whole lot of protection for the
22 homeowner, but it with the court cases associated with
23 it are a lot better than no protection at all, which is
24 what the industry is trying to do with the introduction
25 of House Bill 1668. We do not need to pass legislation

1 that is lopsided for a corrupt industry. What we need
2 is to pass House Bills 1511, 1512 and 1513 for the
3 protection of the low income, the elderly, and also the
4 young first-time home buyers.

5 I don't believe in passing laws that
6 regulate and cut down on profits, but with me being in
7 the heating and air conditioning business, there are
8 laws being passed all the time regulating what I must
9 do. These laws are enacted for the benefit of the
10 majority and therefore are good laws. I, being a
11 business owner, have the choice to either spend the
12 necessary money to remain in business or sell my
13 business. This is a hard choice, but when you are in
14 business that affects a lot of people and you ignore
15 their health, safety and welfare, sooner or later
16 something has to be done about it.

17 If it were not against the law to dump
18 hazardous waste along the highway, a lot of chemical
19 companies would do so. Even with laws against it you
20 still read about it going on. Regulatory laws do not
21 make an industry perfect. You will always have people
22 who assume they are above the law and do what they
23 want. But if a law exists, at least there is a measure
24 that can be taken if they are caught. Without the law,
25 they can do whatever they want.

1 Now is the time to tell the manufactured
2 housing industry that they have to clean up their act,
3 and it's not going to be left up to them to do it. We
4 have approximately \$1.4 million residents calling for
5 legislation to be enacted that will protect them and
6 their families, protect them from unscrupulous
7 landowners who will do anything to make a profit,
8 whether it is legal or not. To protect them from
9 having to live like second-class citizens. To protect
10 them from KGB tactics many landowners use to intimidate
11 residents. Let the residents know that there are
12 people who care about the way they are being forced to
13 live and you are doing something about it.

14 We must say to ourselves now that the
15 intimidation of the nearly 700,000 families in this
16 State is going to end, that an industry that has
17 allowed the corruption and intimidation to go on for
18 all these years is not capable of patrolling its own
19 ranks. It is too late to allow this industry to set
20 its own standards and expect them to be any different
21 than they have been. House Bills 1511, 1512 and 1513
22 will help put an end to the corruption, but House Bill
23 1668 would only serve to perpetuate the corruption that
24 exists in self-regulation.

25 Thank you.

1 CHAIRPERSON HARPER: Thank you very much,
2 Mr. Haught, for that testimony.

3 Do we have any questions from the
4 Representatives?

5 (No response.)

6 CHAIRPERSON HARPER: Thank you, no
7 questions.

8 MR. HAUGHT: Thank you.

9 CHAIRPERSON HARPER: We will move on to
10 the next person to testify is Mr. James Moore,
11 Executive Vice President of Pennsylvania Manufactured
12 Housing Association.

13 MR. MOORE: Madam Chairman, Vice Chairman
14 Civera, Representative Barley, ladies and gentlemen of
15 the Urban Affairs Committee, my association colleagues,
16 Lynn Wehrman and Deborah Chapman. Inasmuch as our
17 attorney Bob Mills did cover some of our Pennsylvania
18 Manufactured Housing Association, I'll skip over some
19 of my written testimony. I'll cover some of it though
20 and hit with some generalities.

21 As Pennsylvania legislators, you're
22 continually dealing with potential new laws or new
23 regulations that affect all businesses or peoples in a
24 class of businesses or activities. Too often a new
25 laws is passed that adversely affects, or monetarily

1 costs, the good apples as well as the bad apples in any
2 grouping. And with rare exception, that is unfair to
3 the good apple businesses or individuals who must bear
4 the added burden of the new law because of their peer
5 bad apples.

6 We at the PMHA oppose shackling all
7 mobile home community owners rather than setting up a
8 system to succinctly address the bad apple mobile home
9 community owners. That is exactly what House Bills
10 1511 and 1513 are designed to do, treat all community
11 owners as bad apples, whether they are guilty of
12 anything or not.

13 House Bill 1513 would set up a committee
14 to rule all community owners with no community owners
15 represented on that committee. Just tenants and
16 consumers. Over the past eight years we've worked with
17 Consumer Protection, the Vehicle Licensing Board, DER,
18 PennDOT, Revenue and Community Affairs to formulate a
19 legislative idea that would address the despot
20 community park owner, protect the tenants, and not
21 malign the good apple community owner.

22 Much of that dialogue which has been
23 promulgated by our law firm in meetings with House
24 staff and House attorneys is now in House Bill 1668. I
25 would like to interject here at this time, there's been

1 a lot of talk so far that House Bill 1668 does away
2 with Act 261. It certainly does not. You must
3 understand the legislative process that it takes Act
4 261 and adds the Landlord/Tenant Act to it, because any
5 mobile home park must now adhere to Act 261, which is
6 the Mobile Home Park Tenant Act, but there are certain
7 things that Act 261 does not have, therefore the
8 Landlord/Tenant Act does legally take effect in any
9 areas not covered. Deposits are one. And therefore,
10 in addition, any park where the park owner owns the
11 home and the park and therefore collects rent, not only
12 for the site but the home itself, Act 261 has nothing
13 to do with that. It's clearly legally covered by the
14 Landlord-Tenant Act. And therefore, in 1668 we're
15 merely suggesting, put it all on one book so you don't
16 have two different books to refer to the acts and the
17 rights in a mobile home park.

18 1668 sets up a hearing or administrative
19 board to hear 10 complaints, except it has both tenants
20 and community owners on board. Representative Dave
21 Wright is the prime sponsor of House Bill 1668. And I
22 state that Pennsylvania does not really have a
23 statewide mobile home problem. We've heard from the
24 areas here. We also have problems that I'm aware of in
25 the Wilkes-Barre, Bucks, Chester, Lancaster, York and

1 Harrisburg areas. Western Pennsylvania has far fewer
2 park/tenant problems. As the Bureau of Consumer
3 Protection said, to their knowledge the Erie area is
4 the only area in western Pennsylvania where they have
5 had complaints.

6 And I might add that the statistics of
7 the Bureau of Consumer Protection average a little
8 under 500 over a three-year period. Let's take the
9 figure 500 and let's take the 700,000, as the number of
10 people. It's a ridiculous fraction of 1 percent. Now,
11 I don't profess that I am convinced there is more than
12 500 complaints. Just because they haven't brought them
13 to the Bureau of Consumer Protection doesn't mean
14 they're there, and I am also not convinced there's
15 700,000.

16 If the suspicion is that House Bill 1668
17 is totally weighted against tenants, read it. Many of
18 our community owners feel it's too tough on them. It
19 is a much fairer or evenhanded proposal. We at the
20 PMHA are seeking a level, fair playing field. PMHA
21 strongly feels that setting up an arbitration board of
22 tenants and community owners would ultimately be
23 fairest to both sides. Do not believe for a moment
24 that community owners on an arbitration board will be
25 sympathetic to the bad apple community owners. I

1 suggest they will be tougher on them than the tenants
2 on that arbitration board because those bad apples are
3 negatively affecting community owners' image, not the
4 tenants.

5 And even furthermore, I do not believe
6 tenants on an arbitration board, which is more fairly
7 composed, will stick up for bad apple tenants when they
8 hear discussion of both sides, such as non-payment of
9 rent or conduct which grates against and negatively
10 affects the other tenants. We at PMHA would want swift
11 action and justice against negative community owners
12 and negative tenants. But we also do not want new,
13 burdensome, costly restrictions on the many positive
14 community owners and tenants.

15 Nevertheless, we at PMHA wish to
16 establish an improved park/tenant law which addresses
17 issues and fairly dispenses justice. The good news is
18 I think that, as already testified, we had no input
19 into the bills at hand here, but the good news is there
20 is felt that the -- there is a need for a board to
21 address this. We agree with that. We just don't feel
22 it should be one-sided. I'm sure if we had a bunch of
23 car owners on an arbitration board to determine whether
24 the car manufacturers are putting out good cars or not,
25 that would be weighted. We just would like to have an

1 arbitration board on both sides. We approached some
2 members in the Senate and they have said clearly they
3 do not want another licensing board. I'm not sure why.
4 It's a budget thing, I guess. So that 26 licensing
5 boards, they say it's not our original language. They
6 say, come up with an arbitration board, you can
7 probably get something quicker anyhow than with some of
8 the bureaucracy in a licensing board.

9 So we are for this. We are not
10 protecting the despot community owner. It's
11 embarrassing, and some of the stories are horrifying.
12 I think some of the stories you've heard today are
13 true. If you think I'm here to say they can't be true,
14 I'm telling you why not have a system -- let's face it,
15 the system we have now is very legally set up to take
16 care of this, but it doesn't work. Your district
17 attorneys and the Attorney General's Office clearly
18 have a legal right to take care of every problem that's
19 been brought up here, but they are so burdened down
20 with other so-called, quote, "more serious" crimes that
21 these type of things get the bottom of the barrel
22 attention. So we know that the system right now, even
23 though legally is supposed to cover it, that's why we
24 strongly feel, let's sit down and let's get something
25 done, and I would offer an olive branch in the future

1 to sit down and try to get out legislation which covers
2 this.

3 But clearly, we are never going to take
4 the position that we think a bunch of tenants should
5 dictate the law to every park in the State, no more
6 than they would like to have a bunch, an arbitration
7 board consisting of a bunch of mobile home park owners
8 telling the tenant whether he's right or wrong. To me,
9 either extreme is bad.

10 Madam Chairman, I might also address,
11 Representative Harley brought up something earlier on
12 installation. We are putting legislation together
13 coincidentally just yesterday in our language to try to
14 get installation of manufactured homes in Pennsylvania
15 to be licensed and certified persons through the
16 Department of Community Affairs.

17 I talked with some of our PMHA
18 executives, and, you know, the legislation would have
19 this 51 percent rule where 51 percent of the people in
20 the park get together and decide, well, that regulation
21 is not one we like, we ought to be able to vote for it,
22 and then you go to the Attorney General's Office and
23 have them rule on it. You could do that now legally.
24 I mean, the Attorney General's Office always right now
25 could tell you whether it's right or wrong.

1 We would suggest, and if you take all the
2 regulations of every park owner in this State and
3 compile it, I would offer that we would -- let's take
4 this list, put it together, go to the Attorney
5 General's Office, have them say, okay, these rules are
6 okay; these rules are not okay. Publish them to every
7 park owner and if he comes up with a rule that's not in
8 either pile, it's a new one. Nevertheless, I think we
9 can do that even now with this legislation. I throw
10 that out to the Madam Chairman.

11 Also was mentioned the Fair Housing Act,
12 and I suspect that most tenants just really don't know
13 this Federal Fair Housing Act. I might also mention,
14 we fought against it but AARP was one of the
15 organizations during the Reagan administration that got
16 it passed legislatively, but it causes a lot of
17 problems to the State. If anything, there is
18 legislation in Florida which we're pushing, we think
19 that there's an indirect discrimination against elderly
20 people or retired people because of the Fair Housing
21 Act. There are ridiculous decisions by the Federal
22 government on this.

23 For instance, legally, and I'm sure some
24 parks will have it, if you have a sign in the park that
25 says "No children playing on street," that is an

1 illegal sign because you are discriminating. You must
2 say no persons or people playing on the street. You
3 are not allowed any longer to discriminate between
4 children and adults. You are not allowed in your
5 advertising to use the word "adult" or "retired" for
6 any housing community, manufactured housing communities
7 or other housing community. So in itself, this is
8 another burden that many parks get fined tens and
9 hundreds of thousands of dollars, and that's just
10 within the last 18 months.

11 As an alternative, the alternative if all
12 this goes down the tubes is not good. As has been
13 mentioned, it's very expensive to build a mobile home
14 park, and the costs are going up. In Pennsylvania,
15 we're talking \$15,000 to \$20,000 dollars per site,
16 exclusive of the costs of the land. Now, as also was
17 mentioned, a person would be foolhardy to put their
18 money into developing this park if they have to spend
19 \$15,000 to \$20,000 above the cost of the land, and try
20 to get their money back by strictly a monthly rent for
21 the next 20 years. If you put the numbers to that,
22 it's incredibly bad. And in fact, unless a developer
23 can get some land and have the right of first sale to
24 put a home in there, they're not going to do it. And
25 if they don't do it, what do we have? We're going to

1 have more hearings like this because the value of the
2 existing manufactured housing park is going to go up
3 and up. Every one of those sites is going to go up.
4 We have that in central and eastern Pennsylvania. Now,
5 there aren't empty sites. Part of the bill will say,
6 well, you've got to go get another site. Empty sites
7 just don't happen very often. You do have some in
8 western Pennsylvania, granted.

9 So on behalf of PMHA, I would tell you
10 the alternative is for an individual no longer -- these
11 sites, these mobile home sites are going to go up in
12 price so high that it won't be low-cost living to go
13 into manufactured housing community anymore. The
14 alternatives are not good. The alternatives are there
15 today. A person is going to have to go out and put in
16 money to buy land, to get the water in, the sewer in,
17 and believe me, if you never have paid to get an
18 electric pole out in the country set up, these are all
19 expenses, and then have your home set up, have
20 driveway, landscaping, et cetera, et cetera. You now
21 do not have to worry about paying that mobile home park
22 rent. You can do that now. But I tell you now, all
23 factors as they're going with expenses are already
24 leading to that.

25 We have parks in the districts which have

1 testified here where we have homes that are 10 years
2 old in the park selling for over \$70,000. Is it
3 because those homes are that wonderful? Frankly, they
4 are well taken care of and in good shape, yes. No.
5 You have supply and demand. What sells in Bucks
6 County, in Montgomery County in Cumberland County and
7 other counties is different. It's real estate values.
8 You know you take the same house, put it in D.C.
9 Harrisburg, out in the boondocks, it's a different
10 price. The same element is here. You take the same
11 brand home, you could go into 20 different places
12 around the State and the price will be lower. If you
13 took the same stick-built manufacturer and he built a
14 home in 20 different municipalities, the price would be
15 higher too because the taxes are higher. You go down
16 and buy in a store in D.C. and prices are higher. The
17 same house.

18 So Madam Chairman, I remain available for
19 any questions that your committee may have.

20 CHAIRPERSON HARPER: Thank you very much,
21 Mr. Moore.

22 REPRESENTATIVE DENT: Madam Chairman?

23 CHAIRPERSON HARPER: Yes. Representative
24 Dent.

25 REPRESENTATIVE DENT: Thank you, Madam

1 Chair.

2 BY REPRESENTATIVE DENT: (Of Mr. Moore)

3 Q. In your testimony, sir, you had indicated
4 that you talked about the good and the bad apples, and
5 at one point I guess you said, and I'll read from your
6 statement, "Too often a new law is passed that
7 adversely affects, or monetarily costs, good apples, as
8 well as the bad apples of any grouping...and with rare
9 exception that is unfair to the good apple businesses
10 or individuals who must bear the added burden of the
11 new law because of their peer bad apples."

12 I understand what you're saying, but is
13 this a reason then not to regulate? In other words, if
14 there are good business people, good apples, as you
15 would suggest, is what we're proposing here going to
16 affect them adversely? And if they are doing, what
17 ought to be done?

18 A. If anything, we think the so-called Act
19 261 here needs to be changed. We believe there are
20 problem areas. Frankly, there's gray areas. And the
21 gray areas cause time consumption just to get lawyers
22 and argue it out. But yes, it will cost more. Any
23 time that any group of businesses has new regulations
24 on it that are usually designed to take care of the bad
25 guy, just this past year you as a legislator passed

1 some bills that required vehicle dealers all to do
2 different things. Well, that doesn't mean that all
3 those had been had in the first place. For instance,
4 when one bill passed that says any time you buy a
5 vehicle, and a mobile home I might add, too, any time
6 you buy a vehicle in the State of Pennsylvania, you are
7 no longer allowed to send the title paperwork in with a
8 dealer check. You can only use a bank check or a
9 consumer check. Well, that was because of some bad
10 apples. Then you repealed that. That's what I'm
11 saying.

12 Q. Just a quick follow-up question. Well, I
13 know that I've spoken to Representative Barley about
14 these bills and others, and it's my understanding, and
15 I know he and members of the Urban Affairs Committee
16 are willing to sit down and discuss House Bills 1511
17 and 1513 and try to rectify any inequities that may
18 presently exist, and I think that's been the approach
19 taken by many of these people. I know that
20 Representative Barley in particular, he's a small
21 businessman himself so he understands, I think, the
22 plight of people who are in business for themselves and
23 the problems with regulation, and I know that all of us
24 would like to work to come up with some kind of a just
25 solution. So I would urge that you had stated that you

1 hadn't been consulted, but we're inviting you too as
2 part of this process.

3 A. I would like to. I might add that once
4 you get past park/tenants problems, Representative
5 Barley is one of the pro legislators on behalf of our
6 industry, and just as he would say in some of the
7 quotes he's had in our paper prove that.

8 CHAIRPERSON HARPER: Thank you,
9 Representative Dent.

10 Representative Civera.

11 REPRESENTATIVE CIVERA: (Of Mr. Moore)

12 Q. Mr. Moore, you mentioned in your
13 testimony that if we were to adopt House Bill 1668,
14 that it would not repeal Act 261?

15 A. Nearly all of the essence of Act 261 is
16 in that bill, plus the Landlord-Tenant Act. And I
17 don't know, you know better than I, an act becomes an
18 act because you pass a statute which a law that didn't
19 exist before. But sometimes when you really amend,
20 amend, amend, rather than just amend it in that act you
21 make it a new act. It may not become a new act, but I
22 suspect it would be.

23 Q. Well, just for your information, and I'm
24 sure that you've read House Bill 1668, and if you
25 didn't, you should get a copy of it, on the last page

1 of it it says, "The Act of November 24, 1976, No. 261
2 known as the Mobile Home Park Rights Act is repealed."
3 And my concern is that when we passed Act 261, there
4 were, and based on the two court cases that protected
5 the residents of those mobile parks because of the
6 legislative intent, it would wipe that out. There
7 would be no legislative intent at that point if we
8 repealed Act 261.

9 A. Well, let me assure you, sir, in 40
10 pages, the language of Act 261 is in there.

11 Q. But it doesn't matter. If that's the
12 case then there's an inadequacy in the legislation the
13 way it is drafted. I'm reading to you that, "The act
14 of November 24, 1976, No. 261 known as the Mobile Home
15 Parks Rights Act is repealed," if this bill was to pass
16 in legislation.

17 I think, and I've listened to you
18 carefully, and let me just say this to you, and I don't
19 mean to be too critical of you because this was the
20 first time that as a member of the Urban Affairs and
21 minority chairman I was brought into this situation,
22 after Representative Barley introduced those bills.
23 There is a need, a big need to reform the mobile home
24 park situation in this State. If an investor does not
25 feel that it is profitable for him to buy that tract of

1 land because the dollars that he put will not be
2 returned on his investment, then he doesn't buy it.
3 This Commonwealth is not putting a gun to anybody's
4 head to go out and buy a tract of land and develop a
5 mobile home park. But what this Commonwealth is trying
6 to do is the ones that are in existence, and we're
7 talking about basic low-income, medium-income living
8 people, have to be some way, somehow, just as you
9 people have to be protected, they have to be protected.

10 It seems to me at this point in time that
11 we're a little bit one-sided here and we have to get
12 into this. Nobody in this legislature, and believe me,
13 I commend Representative Harper for holding these
14 public hearings. I think we're acting in a bipartisan
15 way right down the line here. Nobody, both Republican
16 or Democrat, is trying to hurt this business community
17 in this Commonwealth. But at the same time, and I'm
18 not saying this because I got a crowd of people in
19 front of me and I'm grandstanding. I don't have a
20 mobile in my legislative district. I have a different
21 type of district. But at the same time, these people
22 have to be protected. Something has to change. For
23 them to get up and testify in front of this committee
24 today that their utilities have been shut off for a
25 weekend, that they have been evicted because they have

1 more than two children in a mobile park, that they
2 wanted to put a deck on and they weren't allowed to do
3 and they had to pay a fee to the owner of the mobile
4 park before he would obtain a permit, there's something
5 wrong.

6 A. I agree.

7 Q. There's something wrong. And I don't
8 really think, and again, I'm going to be perfectly
9 honest with you, I haven't read House Bill 1668. I
10 haven't read it, okay? I looked at some of it, I went
11 over it a little bit, but I haven't read the contents
12 of it, and I don't think that will be the answer
13 either. Just like 1511 is not the answer for you. But
14 what I'm trying to say is that we're going to have to
15 come up with some kind of an answer. To draw
16 regulations or to adopt legislation and then bring it
17 to the Attorney General's Office like you have
18 mentioned, that's not our part as legislators. We are
19 the legislative branch of government. That's our task.
20 We can take recommendations from the Attorney General's
21 Office, and he testified here this morning. I think
22 you were here.

23 So I think that maybe we should depart in
24 this respect is that we would be more than happy to sit
25 with you, but we want a constructive, unbiased

1 situation put together so we could digest it, look at
2 it, and look at both sides of this, and that's what
3 these hearings did today. I mean, there is some
4 drastic need for reforming this, believe me. And
5 nobody is trying to hurt the investor, but nobody is
6 helping what's out there. Believe me.

7 A. Sir, I agree totally with you. I am just
8 saying that the legislation as presented is the one
9 side and we haven't had the other side. I really
10 believe we probably need to mesh both of these into
11 bills through amendments one way or the other, and I'm
12 optimistic this will be done and can be done in the
13 near future.

14 Q. But the problem that we look at is that
15 you don't support House Bill 1511 but you do support
16 House Bill 1668, which repeals Act 261. So we're right
17 back to where we started from.

18 A. If that element in itself is the problem,
19 that's not a problem. I did not put that language in.
20 This was done, I assume, by the legislative staff that
21 put this together. I'm not sure on that. But
22 nevertheless, all I'm saying is that a Landlord-Tenant
23 Act exists. It needs to be upgraded in many areas, but
24 I don't think it needs to be upgraded strictly from a
25 tenants's viewpoint, it needs to be upgraded on both

1 sides.

2 Q. Well, now that you know that language is
3 in there, would you still support it?

4 A. 1668?

5 Q. Yeah. Now that you know that it repeals
6 Act 261, would you still then support it?

7 A. I would only support it if it was amended
8 to be properly worded.

9 Q. So you're not in support of it in its
10 present form right now?

11 A. If that one sentence is the problem, I am
12 not supportive of it. I am supportive of the essence
13 of what is in it, but I'm saying it's not exact. I'm
14 sure it needs to be amended in other areas and can be.

15 REPRESENTATIVE CIVERA: No further
16 questions, Madam Chairman.

17 CHAIRPERSON HARPER: Thank you,
18 Representative Civera.

19 Representative Barley.

20 REPRESENTATIVE BARLEY: Thank you, Madam
21 Chairman.

22 BY REPRESENTATIVE BARLEY: (Of Mr. Moore)

23 Q. Mr. Moore, just a quick question or two
24 and maybe an observation.

25 First of all, I think you and I do agree

1 on several points that have been made here already by
2 you this afternoon. I'm glad to hear that.

3 Specifically, on page 2, as you have it
4 indicated here on line 8, "Frankly, the State of
5 Pennsylvania does not have a state-wide...problem," and
6 you go on to mention some counties. But in my opinion,
7 the time to enact proper legislation and the time to
8 make the proper adjustments would be before that
9 problem spreads throughout Pennsylvania. I mean, would
10 you agree with that?

11 A. It's a very good point.

12 Q. So therefore, the fact that we don't have
13 a problem in western Pennsylvania, I don't see that as
14 a reason not to address it.

15 Representative Civera made the point
16 rather well what I was going to address, the suggestion
17 of working with the Attorney General's Office in a
18 series of regulations and having the Attorney General
19 somehow arbitrate or somehow make decisions. First of
20 all, there's 203 members in the House elected to make
21 rules; we have 50 over in the Senate. That's our
22 responsibility. The Attorney General is to enforce
23 them and to do their job, and I'm sure you understand
24 all that, and I personally would have a problem with
25 him over, and I think Ernie Preate's doing a fine job,

1 but I have a problem with him getting into the business
2 of lawmaking.

3 Now, we pursued some of that with him and
4 with his office, and that was their very reason for
5 recommending much of what we embodied in House Bill
6 1511 and 1513 because it put them in a conflicting role
7 of lawmaker, law interpreter, almost a judge, and plus
8 law enforcement.

9 Finally, I am inviting you, I am
10 disappointed, if that's the right word, that we haven't
11 had greater opportunity to have more dialogue. I can't
12 have a very good dialogue with an empty chair, and you
13 can't either. So when we leave today I'll give you my
14 card and my door is open and you will be invited to
15 come in and I certainly want to try and address your
16 concerns as well.

17 A. Thank you, sir. And I might mention, we
18 chose the Department of Community Affairs to have an
19 arbitration board since that is the regulatory body
20 dealing with housing.

21 CHAIRPERSON HARPER: Thank you, Mr.
22 Moore, and thank you, Representative Barley.

23 We are going to move on our next speaker,
24 Mr. Josh Sigman, owner/operator of Sigman Mobile Homes.

25 You may begin, Mr. Sigman.

1 MR. SIGMAN: Thank you very much.

2 My name is Josh Sigman, owner/operator of
3 Sigman Mobile Homes in Carlisle, Pennsylvania. I have
4 a tendency to believe that testifying toward the end of
5 the day an awful lot of things kind of get repeated, so
6 an awful lot of this will be repeats from previous
7 people.

8 But I would like to take a few seconds
9 initially here to give you just a few seconds of my
10 background in the industry here. My family was
11 involved in starting selling of mobile homes, or
12 trailers even in that day, in 1959, and we started in
13 the park business, starting building with the first of
14 two modest size mobile home parks in 1957. In 1957.
15 And I like to the think that my years of experience in
16 the sales and in the park operations have gained me
17 some knowledge in tenant/customer and owner/operator
18 needs.

19 Secondly, I would like to really express
20 my concerns for the tenants here today that have had a
21 lot of problems living in our mobile home or
22 manufactured housing communities. There was a lot of
23 real reasons for changes to be made here, really. And
24 I also mean in no way to take away from the credibility
25 of the people that are involved in House Bills 1511 and

1 1513 as to their good intentions of improving things
2 for everybody.

3 I believe that the needs and the rights
4 of the majority of our tenants, along with a workable
5 solution for merely owners or landlords, should be
6 strongly considered in all legislation and that care
7 should be taken not to overprotect the minority at the
8 cost of the majority. House Bills 1511 and 1513
9 concern me that it appears to me that it overprotects
10 the tenant and somewhat neglects the landlords, not
11 serving a good balance to serve the needs of the
12 majority of the tenants well.

13 Tenant/landlord relationships are and
14 should be a unique balance to serve the needs of both.
15 We realize that we are totally dependent on each other
16 for our living, really, and most owner/operators
17 realize the importance of a tenant, and most tenants
18 realize that we have to make a profit and things have
19 to be profitable for us also.

20 Very admittedly, there are problems
21 concerning park management, tenants, evictions,
22 eviction processes. At this point it's pretty much
23 confined the bulk of these problems on several major
24 counties. The rest of our State has relatively few of
25 these problems at this point. But I think what we have

1 to be careful of is not to upset or worsen the balance
2 that is needed to serve the interest of both of us, the
3 tenant and the community owner. And we have to make
4 sure that we don't penalize the majority of the owners
5 and the majority of the tenants for some gain in some
6 areas for a minority.

7 Most always evictions take place because
8 of tenants not being able to tolerate other tenants is
9 the main reason why evictions take place. Because of
10 park rules that are violated such as noise, parties all
11 weekend, trash around after parties, this type of thing
12 is the most common reason for evictions to take place.
13 And most of my tenants, the desire to be rid of their
14 problem neighbors almost always come to me with some of
15 these comments and concerns during the process: Why is
16 it so hard to get rid of these people? Why does it
17 take so long? Why do I have to put up with these
18 problems? Why does the law protect them and not
19 consider me? How about my rights to live in peace?
20 I'm not wrong, they are. Why am I paying the price?

21 Now, in House Bill 1511, we would have to
22 be expected to go to these tenants and explain to them
23 after evicted they would have six months to tolerate
24 this person and that I, the landlord, would have to go
25 out and assist in finding and relocating a comparable

1 site for these people to move to. Already we have the
2 problem of a long, drawn out process which people don't
3 like that live in the community. They want rid of
4 their problem in an expedient way and a fair way. But
5 this would not help that situation.

6 In my mind, this would tend to discourage
7 the rule-abiding tenant to the point where he might
8 consider moving to get rid of these problems because he
9 no longer has a right for a peaceful neighborhood to
10 exist in. Who is going to pay for this rent for the
11 additional six months? Is the evicted tenant really
12 going to pay for this? Is the landlord going to absorb
13 these costs? Or are some of these costs going to get
14 passed on to the lawabiding, ruling-abiding tenant that
15 can't get rid of his problem next door?

16 Finding evicted people a comparable site
17 seems to me creates a real problem for the operator of
18 the establishment. Are we supposed to become
19 out-and-out liars and call our competition and other
20 operators in the area and say this gentleman, yes, he
21 is evicted here and I think he's really going to make
22 you a fine tenant although my tenants can't bear to
23 live around him anymore? So all in all, I find that
24 the staying for an additional six months and relocating
25 or assisting in relocating of an evicted person doesn't

1 solve much of the problem, possibly creates some
2 additional problems.

3 House Bill 1513 would establish a
4 Manufactured Housing Hearing Board consisting of five
5 members. And remember, landlords and tenants must have
6 a workable situation that does meet the needs of both.
7 I cannot understand how a board can serve the needs of
8 the operators of these establishments if we are the
9 only people that are denied to be a member to be
10 represented on that board.

11 This bill also requires a notice to be
12 given to future buyers or renters of space 48 hours
13 prior to the purchase of signing or leasing of a space.
14 I personally find this to be unnecessary and possibly
15 somewhat unfair. I see no need for that type of a
16 situation at all. We must try to keep our costs down
17 and our rents affordable. We must be able to have our
18 communities livable, free from annoying problems for
19 our tenants. We must try to provide the best living
20 possible for our tenants for the dollar. You have to
21 be fair and profitable. We must encourage investors to
22 build much needed communities for our products or
23 expand existing ones. Most of our problems stem from
24 the lack of available sites. That's one of the things,
25 that's the major thing that causes these kind of

1 problems that we're hearing about today. An awful lot
2 of them are very legitimate things that need to be
3 rectified somehow by some bill by somebody. But let's
4 encourage investigators to build and meet the needs for
5 our tenants and to have fair legislation.

6 House Bills 1511 and 1513 I don't feel
7 serve the above needs as well as they should. I
8 personally feel that House Bill 1668, if it's read
9 carefully, addresses the problems in a somewhat fairer
10 way. My main concern here is of course that there's a
11 lot of good aspects of these bills, very admittedly. I
12 think there's some stumbling blocks. I think some of
13 this gets passed back to the tenants in costs and red
14 tape also that is inconvenient and won't serve the
15 needs of the tenants quite as good as what first meets
16 the eye.

17 That's all I have to say. Thank you.

18 CHAIRPERSON HARPER: Fine. Thank you
19 very much, Mr. Sigman.

20 Do we have any questions?

21 (No response.)

22 CHAIRPERSON HARPER: No questions. Very
23 well. Thank you very much.

24 MR. SIGMAN: Thank you.

25 CHAIRPERSON HARPER: We'll move on.

1 Following the schedule, we have testimony
2 from Mr. Sampson. He submitted his testimony for the
3 record.

4 (See Appendix for submitted testimony of
5 Mr. Sampson.)

6 CHAIRPERSON HARPER: Now we will skip
7 down to Mr. Ralph Detz, mobile home owner/resident,
8 Lake View Mobile Home Park.

9 MR. DETZ: I would like to thank the
10 Chairman and the House of Representatives for giving me
11 this time to speak.

12 My name is Ralph Detz, I live at Lake
13 View Mobile Home Park. My wife and I, we decided to
14 sell our home and go into something smaller, like a
15 mobile home. I'm a construction worker and I'm never
16 home, and I thought this would be less upkeep for her
17 to take care of and manage. So we discussed it and
18 decided to go up to Lakeview Mobile Home Park. That
19 was in 1983. We've been there roughly nine years. And
20 in the time that we have experienced a community of
21 people coming in, I had people come up to me that I
22 never knew and asked what do we think of the park?
23 Well, I think it was very nice, it still is. Whenever
24 something goes wrong, we talk to our landowners, they
25 seem like they wanted to help us out.

1 I heard a lot of other testimony, the
2 problems they are having and saying about rent going
3 up. When I went in in 1983 I think our rent was \$115
4 or \$125. I'm not quite sure. In the nine years, my
5 rent has only went up \$100 in the nine years that we've
6 been there, and I think that isn't too bad, the raising
7 of any type of rent. If you have a problem, any one of
8 us, we can talk to the landowner and they talk with us.
9 We also had some meetings with our landowners. We
10 would go up to their residence and we sort of worked
11 everything out.

12 Now, maybe at the time we might have
13 wanted to have your lot like something straightened up.
14 Well, they tried their best to get there as soon as
15 possible to do the work that you wanted done. Like
16 when we have a snow, I know 4:00 o'clock, 4:30 I get up
17 sometimes to leave for work and if there's snow we had,
18 our lot owners are out there plowing all the snow away
19 so I'm able to get out in order to get to work. They
20 only ask in return that we keep our lots looking nice
21 and our trash or anything. Everything I don't think
22 they're asking too much of us. I sure wish all the
23 other mobile home parks was like ours. And like I
24 said, I feel sorry, nobody is putting anything into my
25 own mind. This is the truth coming from me because I

1 have lived in that mobile home park for 10 years.

2 Then today it was brought up about our
3 lease. A year or two, when it's like month-to-month
4 basis. When you pay your rent that month, that
5 entitles you for another month there. If I was to be
6 called out on my job and would have to relocate, if it
7 was a three-year lease, I'm only using this as an
8 example, then I'm in there four months in that park
9 then I've got to be transferred, does that mean then I
10 still have to pay my lot owner all that rent because it
11 was on the a year or two-year or three-year lease in
12 order for me to move out of there to be relocated?
13 Which is possible. That can happen with the type of
14 work that you're in.

15 Now, on the month-to-month basis, like I
16 say, if you're paying your rent, you should have no
17 problem. In plain words, we have to pay our taxes, why
18 shouldn't we have to pay our rent? Because our
19 landowners, they have to pay for what they accomplish
20 there. Up here where I'm living at, like I say, my
21 landowner, he had never once come and told me anything
22 to say to prepare for this. This is my own honest
23 opinions. I seen him work day and night in that court
24 to make it a nice looking community to live. We have
25 macadam roads, we have macadam parking spaces. It's

1 just a beautiful community to live in, and like I say
2 again, I wish all the other parks could be like the one
3 that I am living in. And I believe by communicating
4 with all the neighbors, people in your community there,
5 and we talk an awful lot between everybody, that I
6 wouldn't want nobody beside me that was partying like
7 that one gentleman spoke awhile ago and carrying on and
8 loud noise, drinking going on, or having other people
9 come in to there not actually belong in the park. So I
10 can see why they set some of these rules.

11 I would not, if I was the owner, I would
12 have some rules, too, and I think some of the rules are
13 just ordinary ones. And now I can't speak for all of
14 the other residents where they live at, but I do know
15 up in our like I said, we got maybe two or three
16 changes. All they ask is to keep our grass cut, keep
17 up the trash, and have it nice looking around there,
18 and we do have a nice community. And like I say, maybe
19 I'm not too good of a speaker, but I want to speak the
20 truth. And I mean, if I could, if I would have had
21 time, I believe everybody in our community, which you
22 will have, like Mr. Moore said, a few bad apples. They
23 shouldn't suffer onto everyone, because I think we
24 have, my wife and I and my son and my other family, my
25 children, I have seven, I really look up to my

1 landowners and like I said, I haven't seen that man
2 take a paycheck out of the park. It takes an awful lot
3 to keep it looking like that, and I imagine it costs a
4 lot of money to get a lot ready. And we're very well
5 pleased and I hope it can be settled between the
6 residents and the landowners.

7 And I thank you again for letting me
8 speak.

9 CHAIRPERSON HARPER: Thank you, Mr. Detz.
10 Do we have any questions from the
11 members?

12 (No response.)

13 CHAIRPERSON HARPER: Well, as the
14 Chairperson, Mr. Detz, I will take the liberty of
15 saying we have a satisfied customer in you. But I do
16 know that people, a lot of people are having problems
17 and you are very fortunate and I would like to see
18 anyone, if you're having a problem, to be able to
19 express it and get something done about it. And
20 certainly the people that are here today, I hope that
21 they will not have any retaliations from their comments
22 here today, and if they do, I want you to contact my
23 office because I believe in freedom of speech and I
24 believe when you are not being treated right, do
25 something about it.

1 Thank you very much.

2 And our last speaker for today is Cathy
3 Whitsel, community owner of the Starview Countryside
4 Communities.

5 MS. WHITSEL: Madam Chairman and members
6 of the committee, I'm going to keep it brief. I didn't
7 even bring anything written out for you. I really
8 wanted to hear the comments today and I might add that
9 I am shocked. I've been managing nine communities
10 since about 1978, it's a little over a thousand sites,
11 and we don't go through what I hear these people going
12 through. We do not throw people out of their homes.
13 We give them an opportunity, whether it be paying up
14 the rent or correcting a rule violation. And to the
15 people that are here today, I feel for them.

16 What I'd like to do is just present
17 another view based on some of the things that I heard
18 today and hopefully give you all something to think
19 about throughout all of this. I believe that the
20 majority of the community residents are good tenants
21 and the majority of community owners and managers are
22 good also and they show care and concern for those
23 residents and protecting their own community.

24 A prospective resident, at least for us,
25 comes into our office and reviews our rules, our lease,

1 the guidelines, and that person makes a decision before
2 he signs on whether he wants to become a resident. Not
3 after he signs. The rights of the residents and the
4 community owners are currently protected under the
5 State's Mobile Home Park Rights Act 261, which is 15
6 years old. I also believe that it's vague, that it's
7 missing a lot of items that occur today in communities
8 by park owners and by park residents. As I said
9 before, not all park owners are bad and not all park
10 residents are good.

11 Last year, out of I believe 1,050 sites
12 that we have, we had 4 evictions, actual evictions
13 where people had to move out. All of them pertain to
14 not living by the guidelines. All of them were given
15 oral warnings a few times. All of them were given
16 their required notices as per Act 261. All of them
17 were taken to the district magistrate's for that
18 particular area, and the decision for eviction was up
19 to the district magistrate, not myself. In my
20 position, we really try to work with the tenants, and I
21 happen to think that's why we only had four evictions
22 last year.

23 Community owners or managers are not
24 often initiators of this action. All four of these
25 started out by complaints from neighbors. If you don't

1 do something about it, the complaints from good
2 residents won't stop.

3 All right, one of the topics today was
4 resale inspections, inside and outside of the homes.
5 There's a very good reason for resale inspections. We
6 have one going on right now. The home is 20 years old.
7 I don't care. And the community is very nice and we
8 consider it the nicest one in York County. The home
9 needs some work done on the outside, some painting
10 which can't be done this time of the year, but we'll
11 work with the buyer. The inside, in the electrical
12 box, someone went in there and put a new panel in, a
13 breaker panel, but they do not have the correct
14 service. The electric stove is wired in above the
15 breakers. If there is a problem with the stove, there
16 is no breaker to kick it off. It's a safety hazard.
17 There is a reason for resale inspections. On behalf of
18 myself and the people who work out of my office, we're
19 looking for safety hazards and aesthetically outside.
20 We also do not charge for resale inspections.

21 As far as sheds, additions, and the color
22 of them, it has happened. A resident will get mad at
23 you and paint his home pink. Improvements to the
24 property of the residents, such as decks, awnings,
25 outer rooms, skirting, park owners have to be concerned

1 about that for underground utilities, to be sure that
2 it's put up to go along with the type of community that
3 you live in. If somebody is going to make an addition
4 or put up a deck in one of our parks, we want it to be
5 done correctly. They can do it themselves, but we
6 would like to have it done correctly. We ask that they
7 submit -- no, we require that they fill out a form that
8 we have and they write everything down that they're
9 going to do, and it's all right there and that allows
10 us to ask questions if we don't understand it or for
11 them to make changes if necessary, and we don't have
12 any problems, and it just keeps everything in harmony
13 and safer that way.

14 Residents abandoning homes. I have had
15 one time that that happened that they literally just up
16 and left, couldn't find them anywhere, couldn't pull
17 the home out of the park because there were taxes owing
18 on it. And it sat for two years because you just don't
19 know what to do because you want to do it legally. So
20 the home, I finally got with the tax department at the
21 courthouse, they went to look at the home and saw the
22 deplorable condition of it, exonerated the taxes. We
23 had to tear it apart. We couldn't even move it. Those
24 things happen occasionally, but not that often. Most
25 times when someone abandons a home there's rent owing.

1 You call the lender, there's money owing at the lender
2 or to the lender. There's probably taxes owing on the
3 property. I've had occasions where the residents came
4 in to see me when they were in that situation so we
5 could all work together to get it resolved by calling
6 the lender or the tax department or what have you, and
7 it's much easier working together than trying to throw
8 someone out.

9 Leases. You were discussing
10 month-to-month leases. We have month-to-month leases.
11 They sell for new. You will never be able to go back
12 out in a community and get every resident to resign a
13 lease. If you purchase a new park and you want to get
14 everyone on a lease and you go door to door, you will
15 never get everyone to sign. They just refuse. Even if
16 it's for their protection. It's a signature and they
17 don't want to do it. Month-to-month leases, yes. With
18 a 30-day notice rent can be increased. I'm really
19 sorry to hear that people are doing that. I'm here to
20 tell you that we don't do that.

21 As far as purchasing a home and getting
22 the space for that home, the only point I want to make
23 on this is we, the park owners or operators, cannot
24 control whether you as an individual buy the home first
25 or get a space to put that home first. I know that's a

1 problem, and I've told many people many times when they
2 call looking for spaces, don't buy the home until you
3 know you have a place to put it, because there just
4 aren't enough spaces.

5 Right now the owner of these properties
6 is currently in the process of trying to expand two
7 communities and develop two new communities. We have
8 been before the township zoning board three years. At
9 this point, one case I believe is at Commonwealth
10 Court, one case is at the county court, and one case
11 has now been remanded back to the Zoning Hearing Board.
12 They would approve none of our special exceptions
13 because you see in order to put in or develop a mobile
14 home park, we have to have a special exception. They
15 met none of them. The townships do not want
16 manufactured housing. We've certainly fought with
17 them. We feel that these communities have first-class
18 citizens. They are not trailer trash. We're looking
19 to put in a nice community, and we need spaces. And if
20 we don't get them, the 20-year old homes are going to
21 keep selling and keep going up in price, and it's just
22 -- we need help. We need help in this industry, as
23 well as the tenants or the residents needing help.

24 The cost to date, since we've been
25 working on this, is just over \$200,000. There has been

1 no development yet. There has been no approvals for
2 anything. We haven't even filled out any modules for
3 DER for a sewage treatment plant. And this is
4 everywhere. And it is a problem.

5 I think the word "eviction" is used very
6 harshly, and it is a harsh word, but at least in our
7 case you don't just evict. There is a process to
8 follow. The magistrate, district magistrate makes that
9 decision, and we don't. And they abide by your laws.

10 It was also mentioned about real estate
11 agents selling homes in parks, which I understand they
12 are now allowed to do. On behalf of the residents of
13 parks that are sitting in this room, if that home is
14 sold by a real estate agent, I would suggest that you
15 be sure that the sales tax is collected and paid to the
16 State, that the title has been transferred properly,
17 and that the park has approved the buyers of that home
18 when you make these deals. I heard it said before that
19 the State didn't get their money, and that's the way it
20 was put, and I can see why. Real estate agents are not
21 licensed dealers. They'll learn over the years and
22 they'll learn how to do it, I hope. But until then, it
23 will create problems for the residents and for the park
24 owners, and I would like the residents to be aware of
25 that and look out for it.

1 I'm also president of the York Area
2 Manufactured Housing Association. We had a meeting
3 last night and we went over all of these bills - 1511,
4 1513 and 1668. I'd like to tell you that the park
5 owners and operators didn't like either one of them,
6 Barley's legislation or Representative Wright's
7 legislation. They don't want to be told how to run
8 their park. They don't want to have to go through a
9 requirement of continuing education. My response to
10 them is that the industry is changing, we have to
11 change with it and we have to grow with it. You can't
12 continue to operate these little "mom and pop" parks.
13 The changes have to be made, and I think change is fair
14 to all parties involved.

15 My concern is that the bad park owners
16 and the bad residents are dealt with effectively
17 without jeopardizing the good park owners, the good
18 residents. One park in particular that we have is in
19 Bedford County. There's about 80 homes in that park.
20 As of January, we probably had a delinquent list of 20
21 names. They are truckers, they were out of work, we
22 had the holidays. We have evicted no one. We've
23 worked with every one of those tenants and we probably
24 have it down to a few names at this point, and I quite
25 frankly am proud to say that because I think we run a

1 good park.

2 Will you get complaints from the tenants
3 in my parks? You bet you will, and you'll get them
4 from every park. But you have to look at those
5 complaints and ask yourself if they're logical. I came
6 up here today and I heard there was a resident here
7 from one of my parks and that he's sending a petition
8 around and I really don't know what's on it, with one
9 exception. Apparently he received a letter from our
10 office about having his car up on jacks. We don't
11 allow it. You can't keep your car up on blocks or
12 jacks. That is a liability to the park owner, a
13 liability to that resident. If the car falls on a
14 child, whose fault is it going to be? Who is going to
15 be blamed?

16 I think most rules and regulations can be
17 logical. I can tell you that when I first started
18 doing this, and I read rules and regulations, I wanted
19 to make changes because I thought they were ridiculous.
20 What I found out over the years is you have to be
21 specific. If you are not specific, you can say you
22 have to mow the grass. But in some cases, as I found
23 out, if you don't just go a little further and tell
24 them they should keep it mowed weekly or keep it to a
25 certain height, it will grow.

1 I invite your questions, and if I can be
2 of any assistance, you're welcome to view the community
3 that I am of the central office, and I would be glad to
4 help out in any way I can. I really would like to see
5 this resolved. Quite frankly, I like the business, I
6 like my job and I like the residents in the community,
7 and hopefully this can be resolved to satisfy all
8 parties.

9 Thank you.

10 CHAIRPERSON HARPER: Thank you, Mrs.
11 WhitseI.

12 For your information we don't have anyone
13 here from your Starview Countryside Community on our
14 list.

15 But I would just like to ask you one
16 question. Why -- you don't give leases only on a
17 month-to-month bases or a two-month. What about a
18 yearly lease?

19 MS. WHITSEL: Why don't we give a yearly
20 lease?

21 CHAIRPERSON HARPER: Yes.

22 MS. WHITSEL: Honestly, when I started
23 back in '78, the leases were month-to-month. What I
24 found out with them is they are month-to-month, they
25 self-renew, and as I said before, trying to go around

1 and get every resident's signature on a new lease is
2 impossible. We tried that already when we purchased
3 the communities.

4 I understand your concern for
5 month-to-month because of rental increases. And again,
6 I'm sorry to hear that. We don't operate that way.

7 CHAIRPERSON HARPER: Representative
8 Sturla.

9 BY REPRESENTATIVE STURLA: (Of Ms. Whitsel)

10 Q. You talked about the fact that some
11 people buy homes without lots and you always encourage
12 people to find their lot first and then go buy the
13 home. Would it be prudent for us to look into perhaps
14 controlling the sales in essence by requiring that in
15 order for a sales agreement to be final that the buyer
16 must have a lot that is acceptable to them?

17 A. You're asking or requiring the retailers
18 to make sure?

19 Q. In other words, in essence if the
20 retailer, if the person who's selling the mobile home
21 did not insure somehow that the person had a lot to put
22 it on, the sale would not be final until that was done.
23 So that if somebody walked in and said, yes, I'll take
24 your \$90,000 mobile home today and they signed an
25 agreement and a week later find out that there's no

1 place within 100 miles that they can put it, isn't
2 there something incumbent upon the seller to let the
3 person know that there's nothing, or is there not?

4 A. I don't--

5 Q. Is it a "buyer beware" market?

6 A. I don't know that there is. And quite
7 frankly, I didn't know how you would address that. On
8 behalf of the retailers, we get phone calls all the
9 time looking for spaces. I mean, they are too looking
10 for spaces for buyers of their homes. I did have a
11 call from not from a retailer but I don't remember the
12 man's name calling one of our parks, he had been
13 through it, there were spaces there and wanted to know
14 if they were available. Yes, they were. My first
15 question was, did you buy your home, what size is it,
16 and along that route. But I don't feel that I can
17 answer your question properly.

18 REPRESENTATIVE STURLA: Okay. Thank you.

19 CHAIRPERSON HARPER: I agree with you,
20 Representative Sturla. I think that there should be
21 some sort of a clause for the seller to ask the buyer
22 if they have a place to locate that home before they
23 sell it, at least let them know that that should be a
24 part of the transaction. People should know that they
25 must have a place to place this home, you know, before

1 they purchase it. At least let them know what's
2 happening.

3 MS. WHITSEL: Well, it's not all just
4 retailers. This can be between a private sale.
5 Nothing more than a private sale, you know.

6 CHAIRPERSON HARPER: Well, any time a
7 home is being sold, that's what I'm getting at,
8 regardless of whether it's a private sale or a realtor,
9 the people should know or be reminded that they must
10 have a place to put, to locate this home.

11 Any other questions?

12 (No response.)


13 CHAIRPERSON HARPER: Thank you very much.
14 That is all.

15 MS. WHITSEL: Thank you.

16 CHAIRPERSON HARPER: That ends our
17 testimony for today, and thank you, everyone.

18 (Whereupon, the proceedings were
19 concluded at 3:40 p.m.)
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25

1 I hereby certify that the proceedings
2 and evidence are contained fully and accurately in the
3 notes taken by me during the hearing of the within
4 cause, and that this is a true and correct transcript
5 of the same.

6
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8 ANN-MARIE P. SWEENEY

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