

MINUTES

MOBILE MANUFACTURED HOME ADVISORY COUNCIL

DECEMBER 10, 2008

The Mobile Manufactured Home Advisory Council convened at 10:10 a.m. in Room 117 of the State Office Building, 165 Capitol Avenue, Hartford, CT 06106.

Members Present:	Bennett Pudlin Jennifer Ponte Leonard S. Campbell Keith Jensen Marcia L. Stemm Mark Berkowitz Michelina G. Lauzier Al Hricz Erwin Cohen, Ph.D	Attorney at Law, Acting Chairperson DECD Representative Town Planner Park Owner Park Owner Park Owner Park Tenant Park Tenant Senior Citizen
Member Absent:	Ben Castonguay Timothy Coppage George Cote Myriam Clarkson	CT Real Estate Commission Member CT. Housing Finance Authority Rep. Banking Industry Representative Mobile Manufactured Home Industry Rep.
Board Vacancies:	One Representative of the Housing Advisory Committee One Park Tenant	
DCP Staff Present:	Nelson Leon, Advisory Council Secretary Vicky Bullock, Administrative Hearings Attorney	
Public Present:	Rose Holbrook Carol DeRosa Nancy Dickal Raphael Podolsky, Esquire	

Note: The administrative functions of this Advisory Council are carried out by the Department of Consumer Protection, Occupational and Professional Licensing Division.
For information call Richard M. Hurlburt, Director, at (860) 713-6135.

Agency Web site: www.ct.gov/dcp

NEW ADVISORY COUNCIL MEMBER APPOINTMENT

Appointment letter dated November 20, 2008 from the Honorable Governor M. Jodi Rell, concerning the appointment of Mark Berkowitz to the Mobile Manufactured Advisory Council as an owner of a manufactured mobile home park, in succession to Lawrence Hallisey.

Mark Berkowitz was sworn-in by Attorney Bullock.

MINUTES OF PREVIOUS MEETINGS

The Advisory Council voted unanimously to approve minutes of the September 17, 2008 Mobile Manufactured Home Advisory Council meeting.

REPORT FROM SUB-COMMITTEES

EDUCATION COMMITTEE – No Report

LEGISLATIVE COMMITTEE

Mr. Podolsky informed the Advisory Council that the legislative committee needs to meet again to go over the interpretation of the abandonment statute, which is being challenged in court by the town of Shelton, questioning whether all liens on an abandoned property are removed for the re-sale of the property.

FINANCE COMMITTEE – No Report

OLD BUSINESS

Harrington Mobile Home Park (HMHP)

Appearing before the Mobile Manufactured Home Advisory Council at their September 17, 2008 meeting was the Connecticut Legal Services attorneys (Joelen Gates and Myklyn Mahoney), representing tenants who are elderly, disabled and/or low-income at Harrington Mobile Home Park (HMHP) in Plainfield, CT together with Erik Ness from Shipman and Goodwin LLP, who represent the owner of HMHP, asking the Mobile Manufactured Home Advisory Council for support and assistance in finding financial resources to pay for extensive water and sewer improvements in the park which have been ordered by the state Departments of Public Utility Control, (DPUC) Public Health (DPH) and Environmental Protection (DEP).

This matter concerns the Harrington Mobile Home Park (HMHP) which is at risk of closing because the sole owner, Constance Hoyle, an elderly widow in her eighties, does not have the financial resources to pay the estimated cost of over \$1.2 million to connect the park to the public water supply and municipal sewer system as ordered by the state regulatory agencies. HMHP has about 32 to 35 tenants who will be homeless and lose their mobile homes if the park is condemned and closed for lack of water and sewer.

CLS represents thirteen of the tenants at HMHP who qualify for legal aid, but the interest of all tenants in the park, regardless of income, is to keep the park open with affordable rents. Mrs. Hoyle, the owner, is also working to keep the park open with reasonable rents. If other financial resources can be found to pay for the infrastructure, she has promised to keep the rents reasonable with only modest, cost of living rent increases, as she has done for over 20 years.

The owner's and tenants' attorney believe the park could remain open and affordable if two sources of funding can be obtained:

1. The DPUC and DPH must order that the cost of connecting the park to the public water supply be socialized or spread among all Connecticut Water Company customers, which was estimated to be a one time charge of about \$1.00 per customer; and
2. The Town of Plainfield or a municipal entity such as the Plainfield Housing Authority must apply for a federal grant and low-interest loan for the sewer project which is available from Rural Development, part of the U.S. Department of Agriculture.

The Mobile Manufactured Home Advisory Council drafted a letter encouraging the Town of Plainfield to work with the attorney for the park owner and the residents to explore all avenues, including applying for the federal sewer grant.

Evaluation and Program Recommendations for Mobile Manufactured Homes Mortgage Program

Connecticut Public Act 06-194, Section 8 – For the purpose of assisting Connecticut residents to purchase mobile manufactured homes to be located in a manufactured housing community, the authority shall set aside not less than two million dollars to be used to provide loans directly to such residents. Such loans shall not require the purchase of private mortgage insurance, and shall accept an annual renewable lease for the lot on which such home is located.

Program background – The program was launched in November 2006. The program was designed to provide mortgages to first-time homebuyers purchasing mobile manufactured homes to be located in one of the Connecticut's 200 mobile manufactured home communities licensed by the Department of Consumer Protection. The program required a 30% or more down-payment as well as a "security deposit" equaling the value of one-year's land lease.

The program is funded under the Authority's single family mortgage program which is funded with tax-exempt mortgage revenue bonds. As a result, CHFA sales price and income limits apply. In addition, due to the restrictions of tax-exempt bonds, the borrowers must be a first-time home homebuyer or not had a homeownership interest in the past three years.

Staff met with representatives of the Mobile Manufactured Home Advisory Council to also get their feedback on terms of the program and which, if any, need reconsideration in order to reach the target market.

Applicant eligibility – The program as currently designed restricts eligible borrowers to first-time homebuyers. White data from the Mobile Manufactured Home Council confirms that the first-time home-buying families are a vital segment of the market, a more significant proportion of these homes are sold to elderly households who have sold larger homes in an effort to downsize. These buyers are currently not eligible for the Pilot mortgage if they have had a homeownership interest in the last three years. Discussion focused on how the program could be expanded to meet the needs of seniors who were downsizing and purchasing a mobile home as they tend to be mortgage holders with established credit.

30% Down-payment requirement – The current policy of requiring 30% down was discussed by the group. Suggestions were made to consider the following:

- Bring the down-payment requirement to 20% which is normal industry practice for loans without private mortgage insurance.
- Consider down-payment assistance program for first time buyers based on credit score.
- Graduated down-payment based on credit risk.

Land -lease security deposit – The program requires a cash deposit of a year’s value in land lease. This was intended to provide protection to the Authority in the event of default, allowing enough capital to continue to pay the land lease while marketing for a new buyer. However, in addition to the 30% down, this requirement creates a financial burden on the borrower. Options discussed included:

- Eliminating this requirement and having prepaid escrows for rent, taxes and insurance allowing the monthly escrows to be paid from these escrows.
- Park owners do not want to execute the collateral assignment of the lease. Owners do not feel comfortable signing a document that covers the entire term of the loan.

Interest charged on loan – The current interest rate is ¼% above the CHFA Homebuyer Program rate. The group suggested that Mobile Home borrowers not be penalized with a higher rate and recommend that the rate be the same as what is available to the general public.

Review current restrictions on age of mobile homes – Under current program guideline CHFA will not finance the purchase of mobile homes manufactured prior to 1976. The suggestion was not to limit the purchase based on the age, but on the remaining economic life indicated on the appraisal.

Other discussion items – Change parameters of program but do targeted marketing based on geographic location of the park.

Carol DeRosa, CHFA Representative, informed the Advisory Council that the CHFA has a new president, Tim Bannon, providing for a new direction opportunity.

NEW BUSINESS

From: **Nancy Dickal** <nancydickal@gmail.com>

Date: Thu, Oct 30, 2008 at 9:19 PM

Subject: Manufactured Home Installation Program

I would like some answers to a few questions. There was a Federal Law that became effective Oct. 20, 2008, concerning the above matter. I was told by the govt. that it was passed down to HUD states. They told me that CT. is a HUD state. I was told that any individual, firm or organization that now you have to be a trained installer to operate in a HUD state. Also have to complete and submit an Application HUD-308 for HUD to certify trainers and training program. I have one law in particular that stands out 24 CFR PART 3286. There is also two others that are listed. I am @ wk and forgot them. But I can provide them for you @ your request. Can you please send me information regarding this new law? How long would it take before someone became certified? I was told that this law is to protect individuals who now purchase these Mobile Manufactured Homes. Would a landowner who owns a park in CT. have to adhere to this program? My address is 46 Hemlock Drive, Shelton, CT 06484. Thank-you kindly, Nancy Dickal.

Nancy Dickal appeared before the Advisory Council today to speak about and inquire on the above subject matter and to request of the Advisory Council the process for being appointed to the Advisory Council.

Mr. Jensen reports that there is currently no mechanism for certifying mobile home installers. However, CT is a default state under HUD and already has an administrative process and mechanism similar to the Mobile Home Improvement Act for handling disputes, licensing mobile home parks, enforcement of the conditions of the park. A default state is a HUD administered state in which HUD regulates installations. The default state must only have minimum set-up standards and training. If a particular state does not want HUD to be their regulator, that state must apply to HUD to be certified and is only required to meet the equivalent of HUD minimal standards.

Attorney Podolsky suggested that this discussion should be moved to the legislative committee meeting and that Ms. Dickal and the people who have interest in the subject matter should be invited to the meeting. The legislative committee should also decide if the industry has a position on whether CT should or should not be a default state. The Department of Consumer Protection is responsible for the enforcement of the condition of a mobile home park and any complaint about the park is well within the jurisdiction of the Department of Consumer Protection.

Attorney Pudlin suggested that the legislative committee research the law and clarify with HUD, the procedures and rules under this particular federal law and report back to the Advisory Council at their next meeting scheduled Wednesday, February 18, 2009.

SOLAR ALTERNATIVE ENERGY

Mr. Cohen provided and reported to the Advisory Council information concerning solar alternative energy which offers up to fifty percent funding under the Clean Energy Act. People are doing this to reduce carbon emissions and to promote clean and renewable energy use in CT in order to protect the environment and stabilize energy costs and clean energy awareness. The Advisory Council suggested Mr. Cohen obtain additional information concerning state funding on this matter and share it with the Advisory Council at their next meeting.

COMPLAINT UPDATE

The Advisory Council is requesting that DCP provide them with a “Complaint Update” report at every meeting.

There being no further business, the meeting adjourned at 11:40 a.m.

Respectfully submitted,

Nelson Leon
Advisory Council Secretary

The next meeting of this Advisory Council is scheduled for Wednesday, February 18, 2009.