

MEETING ITEM COMMENTARY

- AGENDA ITEM:** (New Business) Mobile Home Park Lot Rent Stabilization Ordinance
(Proposed to be Chapter 145 in City Code)
- COUNCIL RESOURCE:** Councilor Bill Doyle, Ward 3
- STAFF RESOURCES:** Emily Cole-Prescott, Deputy City Administrator
Ryan Pelletier, City Administrator
- BACKGROUND:** In Fall 2025, the City Council enacted a temporary emergency moratorium on mobile home park lot rental increases. On March 9, 2026, the City Council repealed that moratorium. During that process, City Staff was instructed to draft a Mobile Home Park Lot Rent Stabilization Ordinance. Over these past several meetings, the City Council has provided high-level policy direction for such an ordinance. However, City Staff anticipates that there will be revisions to this draft ordinance as it moves through the review and adoption process outlined in City Charter Section 2.09 (Ordinances in General). After this New Business review, the process is as follows:
- First Reading
 - Public Hearing
 - Second/Final Reading
- EXHIBITS:**
1. Proposed Chapter 145: Mobile Home Park Lot Rent Stabilization Ordinance
 2. [June 1, 2026 City Council New Business Materials](#)
- RECOMMENDATION:** Staff recommend the City Council review the New Business materials.
- MOTION:** As this is a New Business item, no motion is necessary this evening.

Chapter 145: Mobile Home Park Lot Rent Stabilization Ordinance

Article I. Purpose. The purpose of this ordinance is to protect the health, safety, and welfare of residents living in Mobile Home Parks by preventing unreasonable lot rent and fee increases. Because residents in Mobile Home Parks typically own their homes but not the land underneath them, they face unique vulnerabilities to excessive rent and fee increases. While Mobile Home Park Owners should expect to receive a reasonable return on their investment, residents of those parks should expect to be protected from unnecessary, excessive cost increases because they may be put at risk of severe housing insecurity.

Article II. Applicability and Exemptions.

Section 2.01 Applicability: This ordinance applies to every Mobile Home Park within the City of Saco except those to which an exemption applies.

Section 2.02 Exemptions: This ordinance shall not apply to:

- (a) Mobile Home Parks owned by a cooperative or other entity in which membership is limited to Mobile Home Residents;
- (b) Mobile Home Lots subject to any agreement that restricts lot rent or fee increases in a manner that is more restrictive than this ordinance.

Article III. Definitions.

Section 3.01 Interpretation. In the interpretation and enforcement of this chapter, undefined terms are given their common and generally accepted meanings unless the context requires otherwise. In the case of any difference of meaning or implication between the text of this Chapter and any map, illustration, or table, the text shall control.

- (a) The word "person" includes a firm, association, organization, partnership, trust, company, or corporation, as well as an individual or any other legal entity.
- (b) The present tense includes the future tense; the singular number includes the plural, and the plural number includes the singular.
- (c) The words "shall" and "will" are mandatory; the word "may" is permissive.
- (d) The word "lot" includes the words "plot" and "parcel."

Section 3.02 Definitions. The following words shall have the following meaning:

- (a) Base Rent: "Base Rent" means the rent amount charged for any Mobile Home Park Lot which is in effect on any specific date.
- (b) Consumer Price Index (CPI): "Consumer Price Index" or "CPI" means the Consumer Price Index for All Urban Consumers (CPI-U), Northeast Region, as published by the U.S. Department of Labor, Bureau of Labor Statistics.
- (c) Mobile Home: "Mobile Home" means a structure, transportable in one or more sections, which is 8 body feet or more in width and 32 body feet or more in length, is built on a permanent chassis, is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning and electrical systems contained in the structure.

- (d) Mobile Home Park: "Mobile Home Park" means any parcel(s) of land under single or common ownership or control which contains, or is designed, laid out or adapted to accommodate, two or more mobile homes.
- (e) Mobile Home Park Lot: "Mobile Home Park Lot" means the area of land on which an individual mobile home is situated within a mobile home park and which is reserved for use by the occupants of that Mobile Home.
- (f) Mobile Home Resident: "Mobile Home Resident" means an occupant of a Mobile Home who rents a parcel of land in a Mobile Home Park.
- (g) Operating Expenses: "Operating Expenses" means annual expenses reasonably incurred by the Park Owners directly related to the operation of the Mobile Home Park, including but not limited to:
 - i. Real estate and personal property taxes
 - ii. Utilities
 - iii. Maintenance and repair
 - iv. Administrative and payroll costs
 - v. Insurance
 - vi. Capital Improvements (amortized)
 - vii. Reasonable reserve contributions
 - viii. Interest expenses related to acquisition or capital improvements
- (h) Park Owner: "Park Owner" means a person, corporation or other entity that owns a Mobile Home Park.
- (i) Reasonable Rate of Return: "Reasonable Rate of Return" means a rate of return on investment and operation that provides a Mobile Home Park Owner with a fair and reasonable opportunity to recover operating expenses, maintenance costs, capital improvements, debt service, taxes, insurance, utilities, and other legitimate costs of ownership and operation, together with a reasonable profit, while balancing the purpose of this Ordinance to protect residents from excessive, unreasonable, or destabilizing lot rent increases.
- (j) Rent: "Rent" means the total consideration, including any bonus, benefit, or gratuity, demanded, or received by a Mobile Home Park Owner for or in connection with the use or occupancy of a Mobile Home dwelling unit.
- (k) Rent Increase: "Rent Increase" means any additional lot rent or fees demanded of, or paid by, a mobile home resident, and includes any reduction in services without a corresponding reduction in the amount demanded or paid for in lot rent or fees.
- (l) Rent Stabilization Board: "Rent Stabilization Board" means the municipal body appointed to hear and decide petitions for rent increase(s) that require a hearing.

Article IV. Rent Stabilization Board.

Section 4.01 The Rent Stabilization Board ("Board") is created to hear requests by Park Owners for lot rental and fee increases that require a hearing as enumerated in Article 5.

- (a) Membership and Terms. The Board shall be comprised of five members with initial terms of one year for one; two years for two; and three years for two. Thereafter, terms will be for three years.
- (b) Appointments and Residency Requirement. Members will be appointed by the Mayor and confirmed by the City Council. Board members shall be residents of Saco. At its organizational meeting, the Board shall elect a Chair and a Vice Chair.
- (c) Quorum. A Quorum is a minimum of three members, and decisions shall be made by a majority of Board members present and voting.
- (d) Annual Meetings. On an annual basis, the Board shall meet to complete Board training, and approve an informational fact sheet for mobile home park lot rent stabilization.

Section 4.02 Board Authority. The Board shall have the authority, in connection with any written petition for hearing under Section 5.05, to:

- (a) Review all non-lot rent fees;
- (b) Determine whether such fees comply with this Ordinance and state law; and
- (c) Disallow, reduce, or otherwise adjust any fee found to be excessive, non-compliant, or inconsistent with the purpose of this Ordinance.

Section 4.03 Processes and Decisions.

- (a) Decisions. The Rent Stabilization Board shall approve, deny, or modify the requested increase in a manner that ensures the Park Owner is able to obtain a Reasonable Rate of Return based on the evidence presented.
- (b) Hearings. The Board shall conduct a public hearing regarding a petition for a rent or fee increase within 30 days of receipt of such complete petition for a rent or fee increase unless an extension of time is agreed to by the petitioner. The Board shall issue a written decision that includes the Board's findings and conclusions within 30 days of the close of the public hearing, unless an extension of time is agreed to by the petitioner.
- (c) Notice to Mobile Home Residents. The Park Owner shall provide a written notice of the petition to the Mobile Home Residents at least 14 days prior to the public hearing on the petition that includes a copy of the filing of the signed written petition and supporting documents to the Mobile Home Residents, and shall also include the hearing date, time, and location. Proof of said notice shall be provided to the Board in advance of the public hearing, and shall be considered part of a complete request for review.
- (d) Evidence. The Board may receive any oral or documentary evidence but may exclude irrelevant, immaterial or unduly repetitive evidence. Any interested party to the proceeding, including the Park Owner, Mobile Home Residents, and/or any agent or representative association thereof has the right to present the party's case by oral or documentary evidence, to submit rebuttal evidence, and to conduct any cross-examination that is required for a full and true disclosure of the facts.
- (e) Burden of Proof. Decisions will be made by a preponderance of the evidence, and the Park Owners will have the Burden of Proof to establish the amount of a rent or fee increase that is a Reasonable Rate of Return.

- (f) Standard for Approval. The Board shall approve an increase that requires a hearing only upon a finding that the increase is necessary to provide a Reasonable Rate of Return and:
- 1) Address health and safety conditions;
 - 2) Fund capital improvements essential to the operation of the Mobile Home Park;
 - 3) Cover increased Operating Expenses; or
 - 4) Reflect enhanced services.
 - 5) Park Owners that fail to maintain a Mobile Home Park in decent, safe, sanitary condition, shall not be allowed to exceed the basic rent increase unless the increase is used to correct health and safety violations in the Mobile Home Park.

Article V. Lot Rent and Fee Increase Limitations.

Section 5.01 Limitation on number of rent increases: A park owner may not increase the lot rents or fees more than one (1) time in any twelve (12)-month period.

Section 5.02 Base Rent Calculation: Except as provided herein, a Park Owner shall not demand, accept or retain rent for a Mobile Home Park Lot that exceeds the rent in effect for that lot on *date to be indicated*. In the event the lot was not occupied on *date to be indicated*, the Base Rent for that lot shall not exceed the most recent lot rent plus an amount up to that specified in Section 5.04.

Section 5.03 Notification Requirements: The Park Owner shall provide notice of any planned increase in lot rent or fees to the affected Mobile Home Residents, no less than 90 days before the effective date of the increase. The 90-day notice must include:

- (a) The name, address, telephone number and e-mail address of the Park Owner; and
- (b) The amount of the increase in lot rent or fees, in dollars, and the type of any fee increased.

Section 5.04 Presumption of Reasonableness: A proposed Rent Increase shall be presumed to provide a Reasonable Rate of Return and shall not require a hearing by the Board if the proposed increase is less than:

- (a) The most recently posted annual percentage change in the Consumer Price Index (CPI) plus 1% or
- (b) Five percent of the current Base Rent.

Section 5.05 Written Petition for Hearing. A Park Owner seeking a Rent Increase which is not presumed to provide a Reasonable Rate of Return pursuant to Section 5.04 above must submit a signed, written petition to the City Clerk's Office. The City Clerk's Office shall forward the petition to the City Administrator's Office, which will then schedule it with the Rent Stabilization Board for a hearing. The petition must be filed in advance of the rent or fee increase notice described in Section 5.03 above and contain documentation that the increase is necessary to cover increases in operating or maintenance expenses, the cost of eligible capital improvements, or unforeseeable expenses incurred at the Mobile Home Park.

Section 5.06 Vacancy Base Rent: A Park Owner shall be permitted to increase the lot rent by up to 15% whenever a lawful vacancy occurs, and this amount shall be considered the new base rent for that mobile home park lot.

Article VI. Violations and Enforcement.

Section 6.01 Violations and enforcement of this Ordinance shall be as provided in Section 1-18 of City Code. Each lot where a violation occurs shall be considered a separate violation.

Article VII. Appeals.

Section 7.01 An appeal of the Board's decision must be made to Superior Court within 30 days of the vote on the original decision.

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