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September 27, 2021

Delaware General Assembly
411 Legislative Avenue
Dover, Delaware 19901

RE: Delaware Manufactured Home Owner Attorney Fund Annual Report

Members of the Delaware General Assembly:

In accordance with 25 *Del. C.* § 7046(d), the Department of Justice shall file an annual report with the General Assembly providing information for the Manufactured Home Owner Attorney Fund.

As of June 30, 2021, the amount in the Attorney Fund was \$138,006.38. The amount spent between July 1, 2020 and June 30, 2021 was \$13,550. The contract with Community Legal Aid Society, Inc. ("CLASI") was finalized at the end of December 2020. As such, no money was spent from the fund until the first quarter of 2021. The totals listed do not include expenditures by CLASI for work done during the second quarter of 2021 because invoices are sent after the end of the relevant quarter. Those expenditures will be included in the 2022 report.

During this reporting period, CLASI worked on 32 cases and represented 468 manufactured home owners. The cases include:

1. In one of the first uses of Delaware's tenant's receivership statutes, CLASI represents (through their HOA) the home owners in Mariner's Cove MHC (Manufactured Home Community). The complaint alleges that the community's failure to maintain bulkheads in the community for several years has created conditions that have caused damage to homeowners' foundations and has put the 200 homeowners whose homes are on the shoreline at growing risk of further damage and injury. Trial is scheduled for October 2021. *Mariners Cove HOA v. Equity Lifestyle Properties, JP17-20-003850*.
2. CLASI represents home owners (through their HOAs) in several challenges to rent increases under the Rent Justification Act. In one set of cases, home owners allege that the community owner is seeking excessive rent increases to force home owners to accept a "negotiated" rent increases even if they believe the rent increase to be unjustified. The home owners argue that the community owner only seeks the larger rent increases to take advantage of the fact that home owners must pay the larger rent increase while the rent increase challenge is litigated. CLASI represents home owners in these communities in their challenges of these rent increases.

3. CLASI represents a senior citizen in a manufactured home community who has been in a nursing home for 1.5 years and whose home was damaged by a falling tree. The community owner is attempting to evict the senior citizen for failure to repair the house. CLASI is engaged to protect his tenancy and secure funds for repairs to the home.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Brian Eng

Brian Eng
Manufactured Housing Ombudsman

cc: Alexander Mackler, Chief Deputy Attorney General
Robert Coupe, Chief of Staff
Andrea Godfrey, Deputy Chief of Staff
Owen Lefkon, Director of the Fraud Division
Marion Quirk, Director Consumer Protection