Manufactured Home Park Communities
Support SB 322-1
Background

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An Important Source of Safe and Affordable Housing for Oregonians:

- Manufactured housing communities allow home owners to rent space on which to place a manufactured home. In addition to providing space, the community provides basic utilities such as water, sewer, electricity, or natural gas and other amenities such as garbage removal, community rooms, pools, and playgrounds.

- The original focus of this form of housing was its ability to relocate easily (hence the term "mobile" home). Now, these homes are typically permanently installed with a masonry foundation. The mobility of units has decreased considerably, and we no longer use the term "mobile home."

- Modern manufactured homes can be identical in appearance to site-built homes. Newer homes tend to be built to much higher standards than their predecessors.

- Although most parks appeal to meeting basic housing needs, some communities specialize as retirement communities, and restrict residents to those aged 55 and older. Park communities are an especially important source of housing for our senior populations.

- The relationship between park owners and park residents is important to Oregon communities, and is the basis for the Manufactured Housing Landlord-Tenant Coalition which has worked since 1995 to develop consensus proposals regarding manufactured housing laws.

Park Residents Impacted by Park Closure or Sale:

- In the early 2000's, with skyrocketing land prices, many park owners chose to close or sell parks, putting residents at risk of losing their homes or of becoming subject to significant rent increases by new owners.

- Many park residents live on a fixed income. The cost and struggle of moving creates significant health, safety, and financial burdens for these residents.

- Often, residents' homes cannot be moved. If a home cannot be moved from a closed park, it becomes virtually worthless. If a home can be moved to another park, it is only at great expense.

- When a park is sold, but not closed, long-term residents often face significant rent increases they cannot afford.

- In the aftermath of a park sale or closure, many vulnerable residents are faced with potential homelessness.

- The Oregon Manufactured Housing Landlord Tenant Coalition worked to pass two tax laws in 2007 designed to help alleviate the impact of closures on residents, and to facilitate the sale of parks to residents or non-profit entities.

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Extends Sunset on Tax Credit for Manufactured Home Park Residents Displaced by Park Closures:

Under current law, there is a $5,000 refundable tax credit to help offset costs to manufactured home park residents if they are displaced because the park is closed. That tax credit sunsets at the end of 2014. SB 322-1 (and its mirror bill in the House, HB 2447-1) would extend the tax credit through 2020.

Objective:

> **Continue to provide financial assistance to displaced residents of closed manufactured home parks.**

Key points:

- This tax credit was created in 2007, as part of a Manufactured Home Park Landlord-Tenant Coalition bill that provided relief to the many Oregonians who were displaced by the rampant closure of manufactured home parks across the state. The bill also required landlords to assist displaced residents with some portion of moving costs.

- When a manufactured home park closes, the burden on residents is great. They struggle to find a new place to live, at the same time they are faced with the sudden de-valuing of their manufactured homes. Residents are generally seniors, and have been long-term, paying residents of a valued community when they are forced to move.

- The cost of moving, coupled with the de-valuation of their homes, has a significant financial impact on residents in parks that close.

- The tax credit offsets the costs of this move, easing the burden on vulnerable homeowners and helping to avoid homelessness.

- This bill would not create a new tax credit. It only maintains the current credit.

- LRO has projected the impact of the tax credit over the next three biennia at $0, $100k, and $100k, respectively. The Governor has projected it at less than $100k for the next two biennia each.

- The cost of the credit has been low because of the crash in the real estate market in 2008. When the market revives, manufactured home parks will become vulnerable to closure and redevelopment again.

- The $5,000 tax credit is found in small print following ORS 316.116. The source is 2007 Oregon Laws c. 906 (17) and (18) and 2009 Oregon Laws c.913 (33) (scheduled review by legislature).

- The Governor has recommended the extension.

- The Dash-1 Amendments are to fix a small technical error and ensure that the sunset on the provisions regarding notice to residents of the tax credit are also extended to 2020.

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