

B-Engrossed
House Bill 2896

Ordered by the House June 20
Including House Amendments dated March 15 and June 20

Sponsored by Representatives MARSH, SMITH G, Senator HANSELL; Representatives FAHEY, GOMBERG, HELT, KENY-GUYER, LEIF, LIVELY, MCKEOWN, MEEK, PRUSAK, WILDE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Requires] **Establishes programs within** Housing and Community Services Department to provide loans to one or more nonprofit corporations to develop programs that support manufactured dwelling park preservation and affordability for tenants. Allows department to forgive loans in amount not to exceed programs' losses.

Requires nonprofit corporations to provide semiannual reports to department and department to provide biennial report to Legislative Assembly.

Requires Office of Manufactured Dwelling Park Community Relations to disseminate notices of manufactured park closures or sales.

Establishes programs within department to provide supplementary loans to individuals for new energy efficient manufactured dwellings and to provide grants for decommissioning and disposing of manufactured dwellings. Establishes advisory committee on manufactured housing within department. Requires committee to conduct annual evaluations of goals. Establishes Manufactured Home Preservation Fund for grant and loan programs and advisory committees.

Establishes program within department to provide grants to nonprofit organization to develop infrastructure for new manufactured dwelling park in Springfield, Oregon. Appropriates moneys for deposit in Manufactured Dwelling Parks Account for grants. Requires department to submit report to Legislative Assembly on grants by December 15, 2020. Sunsets program June 30, 2023.

Renames Mobile Home Parks Purchase Account to Manufactured Dwelling Parks Account. Expands allowable uses of account to support infrastructure for newly purchased manufactured dwelling parks, to support displaced individuals from closed parks and to supplement manufactured dwelling park grants to nonprofit organization.

Appropriates moneys from General Fund to department for *[loans]* purposes of Act.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to manufactured dwellings; creating new provisions; amending ORS 90.840, 90.849, 456.579
3 and 456.581; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 and 6 to 9 of this 2019 Act are added to and made a part of ORS**
6 **chapter 458.**

7 **SECTION 2. (1) As used in this section:**

8 (a) "Average income" means an income that complies with income restrictions deter-
9 mined at the advice and consent of the Oregon Housing Stability Council, but not to exceed
10 the greater of 100 percent of the statewide or local area median income adjusted for house-
11 hold size as determined annually by the Housing and Community Services Department using
12 United States Department of Housing and Urban Development information.

13 (b) "Nonprofit corporation" means a corporation that is exempt from income taxes under
14 section 501(c)(3) or (4) of the Internal Revenue Code as amended and in effect on December

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 31, 2016.

2 (2) The Housing and Community Services Department shall provide one or more loans to
3 nonprofit corporations to create manufactured dwelling park preservation programs that
4 invest in, and provide loans for, the preservation and affordability of manufactured dwelling
5 parks in this state.

6 (3) To be eligible for a loan under this section, a nonprofit corporation shall demonstrate
7 to the satisfaction of the department that the nonprofit corporation:

8 (a) Is a community development financial institution operating statewide to support in-
9 vestment in, and acquisition, renovation and construction of, affordable housing;

10 (b) Has the ability and capacity to provide the services and reporting required of the
11 program described in subsections (4) and (6) of this section; and

12 (c) Meets other requirements established by the department regarding financial risk and
13 availability or accessibility of additional resources.

14 (4) An eligible nonprofit corporation, with input from the department, shall develop a
15 manufactured dwelling park preservation program that:

16 (a) Invests in, and loans funds to, other nonprofit corporations, housing authorities,
17 manufactured dwelling park nonprofit cooperatives as defined in ORS 62.803, local units of
18 government as defined in ORS 466.706, agencies as defined in ORS 183.310, or any entity in
19 which a nonprofit corporation has a controlling share, to purchase or refinance manufac-
20 tured dwelling parks that will maintain the parks as parks long term;

21 (b) Emphasizes, when providing loans under paragraph (a) of this subsection, the fi-
22 nancing of parks whose residents are predominantly members of households with income less
23 than average income; and

24 (c) Preserves the affordability of the park space rent to park tenants who are members
25 of households with income less than average income.

26 (5) An eligible nonprofit corporation shall create a park preservation account to be used
27 by the nonprofit corporation for the manufactured dwelling park preservation program and
28 shall deposit the moneys loaned by the department into the account.

29 (6) An eligible nonprofit corporation shall ensure that all financial activities of the pro-
30 gram are paid from and into the park preservation account created under subsection (5) of
31 this section. Each nonprofit corporation shall report to the department no less than semi-
32 annually, showing the expenses and incomes of the park preservation account and the results
33 of the manufactured dwelling park preservation program.

34 (7) A loan made by the department under this section:

35 (a) May require the nonprofit corporation to pay interest.

36 (b) May not require the nonprofit corporation to make any loan payments before the
37 maturity date of the loan.

38 (c) Must have a maturity date of no later than September 15, 2036.

39 (d) May have its maturity date extended by the department.

40 (e) Shall have all or part of the unpaid balance forgiven by the department in an amount
41 not to exceed the losses incurred on investments or loans made by the nonprofit corporation
42 under subsection (4)(a) of this section.

43 (f) May include such agreements by the nonprofit corporation practical to secure the loan
44 made by the department and to accomplish the purposes of the program described in sub-
45 section (4) of this section.

1 **(8) The department or the State Treasurer shall deposit moneys received in servicing the**
2 **loan into the General Housing Account of the Oregon Housing Fund created under ORS**
3 **458.620.**

4 **SECTION 3. No later than September 15, 2021, and no later than September 15 of each**
5 **odd-numbered year thereafter, the Housing and Community Services Department shall re-**
6 **port, in the manner provided by ORS 192.245, to the appropriate interim committee or com-**
7 **mittees of the Legislative Assembly on the implementation of the manufactured dwelling**
8 **park preservation program created pursuant to section 2 of this 2019 Act.**

9 **SECTION 4. Section 3 of this 2019 Act is repealed on January 2, 2038.**

10 **SECTION 5. ORS 90.849 is amended to read:**

11 90.849. **(1) In addition to providing notice as required by ORS 90.842, upon sale of a manufac-**
12 **tured dwelling park under ORS 90.842 to 90.850 or upon any sale, transfer, exchange or other**
13 **conveyance of a manufactured dwelling park described in ORS 90.848, the owner shall give notice**
14 **of the conveyance to the Office of Manufactured Dwelling Park Community Relations stating:**

15 **[(1)] (a) The number of vacant spaces and homes in the manufactured dwelling park;**

16 **[(2)] (b) If applicable, the final sale price of the manufactured dwelling park;**

17 **[(3)] (c) The date the conveyance became final; and**

18 **[(4)] (d) The name, address and telephone number of the new owner.**

19 **(2) Upon receipt of a notice under ORS 90.655 (1) or 90.842 (3) or subsection (1) of this**
20 **section, the office shall make available on a website any public information contained in the**
21 **notice and shall deliver the information to any person who has requested copies in a manner**
22 **prescribed by the office.**

23 **SECTION 6. (1) The Housing and Community Services Department shall establish a pro-**
24 **gram to provide loans to individuals to buy and site manufactured dwellings that replace**
25 **older and less energy efficient manufactured dwellings.**

26 **(2) The department may make loans under the program only to individual borrowers who:**

27 **(a) Are members of households with income that complies with income restrictions de-**
28 **termined at the advice and consent of the Oregon Housing Stability Council, but not to ex-**
29 **ceed the greater of 100 percent of the statewide or local area median income adjusted for**
30 **household size as determined annually by the Housing and Community Services Department**
31 **using United States Department of Housing and Urban Development information; and**

32 **(b) Will purchase a manufactured dwelling that:**

33 **(A) Meets energy efficiency standards as prescribed by the Housing and Community**
34 **Services Department;**

35 **(B)(i) Will be sited in a manufactured dwelling park that has registered with the Office**
36 **of Manufactured Dwelling Park Community Relations and either has entered into a regula-**
37 **tory agreement with the department or is negotiating a regulatory agreement that is at least**
38 **partially conditioned upon the replacement of the dwelling; or**

39 **(ii) Will be sited on land owned or purchased under a land sale contract by the individual**
40 **borrower; and**

41 **(C) Will be the primary residence of the borrower throughout the term of the loan.**

42 **(3) A loan under this section may not exceed \$35,000 per individual. The department shall**
43 **prescribe by rule lending requirements and terms for loans made under this program, in-**
44 **cluding:**

45 **(a) Interest rates charged to borrowers, if any;**

- 1 (b) Repayment requirements, if any;
- 2 (c) Loan forgiveness opportunities, if any;
- 3 (d) Affordability requirements; and
- 4 (e) Remedies upon transfer or default.

5 (4) In servicing loans under the program, the department shall deposit all moneys re-
6 ceived into the Manufactured Home Preservation Fund established in section 9 of this 2019
7 Act.

8 (5) The council may establish priorities for evaluating loan applications and shall give
9 consideration to prioritizing loans to borrowers who are:

10 (a) From low income households; and

11 (b) Decommissioning and replacing manufactured dwellings that are older or less re-
12 source or energy efficient.

13 **SECTION 7.** (1) The Housing and Community Services Department shall establish a pro-
14 gram to provide grants to persons for safely decommissioning and disposing of a manufac-
15 tured dwelling as defined in ORS 446.003.

16 (2) The department may award grants under the program only to a person that is:

17 (a)(A) An individual who owns a manufactured dwelling sited:

18 (i) In a manufactured dwelling park that has registered with the Office of Manufactured
19 Dwelling Park Community Relations and either has entered into a regulatory agreement with
20 the department or is negotiating a regulatory agreement that is at least partially conditioned
21 upon the replacement of the dwelling;

22 (ii) On land owned by the individual; or

23 (iii) On land being purchased by the individual under a land sale contract as defined in
24 ORS 18.960; or

25 (B) An entity described in paragraph (b)(B) of this subsection that has a controlling in-
26 terest, including a controlling interest in a general partner of a limited partnership, in:

27 (i) The manufactured dwelling; or

28 (ii) A manufactured dwelling park where the manufactured dwelling slated for disposal
29 is sited; and

30 (b)(A) An individual who is a member of a household with income that complies with in-
31 come restrictions determined at the advice and consent of the Oregon Housing Stability
32 Council, and not exceeding the greater of 100 percent of the statewide or local area median
33 income adjusted for household size as determined annually by the Housing and Community
34 Services Department using United States Department of Housing and Urban Development
35 information; or

36 (B) A nonprofit corporation as defined in ORS 317.097, a manufactured dwelling park
37 nonprofit cooperative as defined in ORS 62.803, a housing authority as defined in ORS 456.005,
38 a local unit of government as defined in ORS 466.706 or a state governmental entity.

39 (3) Grants awarded under the program may not exceed 80 percent of the cost of decom-
40 missioning and disposing of the manufactured dwelling.

41 (4) The Oregon Housing Stability Council may establish priorities for the evaluation of
42 grant applications and shall consider prioritizing grant awards:

43 (a) For the safe remediation of dwellings with environmental and public health hazards
44 and risks, including asbestos, lead paint and mold;

45 (b) To owners from low income households; and

1 (c) For the decommissioning of manufactured dwellings that are older or less resource
2 and energy efficient.

3 **SECTION 8.** (1) The Director of the Housing and Community Services Department shall
4 appoint an advisory committee on manufactured housing. The director has the discretion to
5 determine the membership of the committee and the terms of committee members, but shall
6 consider for membership representatives from the following groups:

7 (a) State agencies such as the Housing and Community Services Department, the De-
8 partment of Land Conservation and Development, the Department of Environmental Quality,
9 the Department of Consumer and Business Services and the Oregon Business Development
10 Department;

11 (b) The United States Department of Housing and Urban Development and the United
12 States Department of Agriculture Rural Development;

13 (c) Local governments and local government agencies;

14 (d) Owners of manufactured dwelling parks that have an interest in providing affordable
15 housing, or nonprofit corporations or cooperative corporations that own manufactured
16 dwelling parks;

17 (e) Representatives of organizations that have a particular focus on serving people of
18 color and that provide financial counseling, education or the opportunity to purchase af-
19 fordable housing to individuals and families;

20 (f) Lenders or other persons that offer financing for manufactured dwelling parks or for
21 purchasing manufactured dwellings; and

22 (g) Manufactured dwelling park tenants or owners of manufactured dwellings.

23 (2) The advisory committee shall:

24 (a) Advise the Housing and Community Services Department and other state agencies
25 with respect to matters of interest and concern that are related to manufactured housing,
26 manufactured dwellings and manufactured dwelling parks;

27 (b) Develop and promote strategies to maximize long-term preservation of manufactured
28 dwelling parks as affordable housing;

29 (c) Identify and propose solutions to overcome barriers that prevent development of
30 manufactured dwelling parks;

31 (d) Identify strategies to fund, preserve and improve infrastructure in manufactured
32 dwelling parks;

33 (e) Develop and propose fair and equitable sources of financing for purchasing manufac-
34 tured dwellings;

35 (f) Identify and promote strategies and services for assisting owners of manufactured
36 dwellings to weatherize existing manufactured dwellings or replace deteriorating manufac-
37 tured dwellings;

38 (g) Develop, approve or promote courses to counsel home buyers with respect to pur-
39 chasing manufactured dwellings in this state;

40 (h) Identify and propose solutions to overcome barriers that prevent using manufactured
41 dwellings as accessory dwelling units;

42 (i) Encourage the development of capacity for nonprofit corporations and residents of
43 this state to acquire, own and maintain manufactured dwelling parks in fair market trans-
44 actions;

45 (j) Conduct annual evaluations of the committee's efforts and the efforts of the Housing

1 and Community Services Department and other state agencies in achieving the actions, pri-
2 orities, goals and functions described in this subsection;

3 (k) Encourage and promote home buyer and homeowner counseling and education; and

4 (L) Meaningfully engage culturally specific and culturally responsive organizations and
5 their constituents, including federally recognized Indian tribes located within this state.

6 (3) In undertaking the duties described in subsection (2) of this section, the advisory
7 committee shall take account of the capacity of the department's staff and resources and the
8 staff and resources of other state agencies.

9 (4) The advisory committee shall compile and report the results of the committee's
10 evaluations under subsection (2)(j) of this section to the Oregon Housing Stability Council
11 not later than March 30 of each year.

12 **SECTION 9.** (1) The Manufactured Home Preservation Fund is established within the
13 State Treasury, separate and distinct from the General Fund. Interest earned by the Manu-
14 factured Home Preservation Fund shall be credited to the fund.

15 (2) Moneys in the Manufactured Home Preservation Fund consist of:

16 (a) Amounts donated to the fund;

17 (b) Amounts appropriated or otherwise transferred to the fund by the Legislative As-
18 ssembly;

19 (c) Amounts received from state or federal sources to be deposited into the fund;

20 (d) Income derived from moneys in the fund; and

21 (e) Other amounts deposited in the fund from any source.

22 (3) Moneys in the fund are continuously appropriated to the Housing and Community
23 Services Department to:

24 (a) Carry out the provisions of sections 6 to 8 of this 2019 Act; and

25 (b) Pay the administrative costs associated with the fund and with implementing and
26 maintaining the programs and advisory committee established under sections 6 to 8 of this
27 2019 Act.

28 **SECTION 10.** (1) The Housing and Community Services Department shall provide one or
29 more grants to a nonprofit organization for the purposes of developing or improving
30 infrastructure for a manufactured dwelling park.

31 (2) A nonprofit organization eligible for grants under this section must:

32 (a) Have experience in manufactured dwelling park development and redevelopment; and

33 (b) Own or have made plans to purchase or develop a manufactured dwelling park in
34 Springfield, Oregon.

35 (3) A nonprofit organization receiving grants under this section shall enter into an
36 agreement with the department and a local housing authority that requires the nonprofit to:

37 (a) Ensure that the manufactured dwelling park primarily supports residents who are low
38 income or who have been displaced by the recent closure of an existing park;

39 (b) Provide a report to the department on or before November 15, 2020, that includes:

40 (A) The nonprofit organization's accounting and use of grant moneys under this section;

41 (B) Identification of other moneys or other assistance that the nonprofit organization
42 was able to obtain or plans to obtain to support the acquisition and development of the park
43 or to acquire manufactured dwellings made available for rent or purchase by the nonprofit
44 organization in the park;

45 (C) Identification of other moneys or other assistance that the nonprofit organization

1 obtained, or assisted the residents of the park in obtaining, that provided direct support to
2 the park's low income and displaced residents, including outreach and counseling, and ac-
3 quisition, rehabilitation, transportation or demolition of manufactured dwellings;

4 (D) Outreach, counseling and other resources that the nonprofit has provided or plans
5 to provide to the park's low income and displaced residents; and

6 (E) Lessons learned and any best practices identified by the nonprofit regarding subpar-
7 agraphs (A) to (D) of this paragraph; and

8 (c) Meet any other requirements that the department may establish.

9 **SECTION 11.** In addition to the funds appropriated by section 18 (3) of this 2019 Act,
10 notwithstanding ORS 456.579 (1) and 456.581, the Housing and Community Services Depart-
11 ment may use moneys available in the Manufactured Dwelling Parks Account established
12 under ORS 458.579 to fund grants under section 10 of this 2019 Act.

13 **SECTION 12.** No later than December 15, 2020, the Housing and Community Services
14 Department shall provide a report to the Legislative Assembly or an appropriate committee
15 of the Legislative Assembly in the manner provided under ORS 192.245 on the use of grant
16 moneys under section 10 of this 2019 Act, including the information reported by the nonprofit
17 organization that received grant moneys under section 10 (3)(b) of this 2019 Act.

18 **SECTION 13.** Sections 10, 11 and 12 of this 2019 Act are repealed on June 30, 2023.

19 **SECTION 14.** (1) The amendments to ORS 456.579 by section 15 of this 2019 Act are in-
20 tended to change the name of the "Mobile Home Parks Purchase Account" to the "Manu-
21 factured Dwelling Parks Account."

22 (2) Whenever, in any statutory law or resolution of the Legislative Assembly or in any
23 rule, document, record or proceeding authorized by the Legislative Assembly, reference is
24 made to the Mobile Home Parks Purchase Account, the reference is considered to be a ref-
25 erence to the Manufactured Dwelling Parks Account.

26 (3) For the purpose of harmonizing and clarifying statutory law, the Legislative Council
27 may substitute for words designating the "Mobile Home Parks Purchase Account," wherever
28 they occur in statutory law, other words designating the "Manufactured Dwelling Parks Ac-
29 count."

30 **SECTION 15.** ORS 456.579 is amended to read:

31 456.579. (1) There is established separate and distinct from the General Fund an account to be
32 known as the [*Mobile Home Parks Purchase*] **Manufactured Dwelling Parks** Account. [*Except as*
33 *otherwise provided by law, all moneys credited to the Mobile Home Parks Purchase*] **Moneys in the**
34 account are **continuously** appropriated [*continuously*] to the [*Director of the*] Housing and Commu-
35 nity Services Department for the purpose of carrying out the duties and responsibilities imposed
36 upon the [*Housing and Community Services*] department under ORS 90.800 to 90.850 and 456.581 and
37 this section. Interest earned on [*moneys in*] the account [*must be*] **is** credited to the account.

38 (2) Except for loans provided in ORS 90.840, moneys in the account described in subsection (1)
39 of this section may not be connected to or commingled in any way with the moneys in the fund de-
40 scribed in ORS 456.720.

41 (3) For the purpose of carrying out the provisions of ORS 90.800 to 90.850 and 456.581 and this
42 section, the [*Housing and Community Services*] department may seek moneys from any lawful source.
43 Moneys obtained by the department pursuant to this subsection must be credited to the [*Mobile*
44 *Home Parks Purchase*] account.

45 **SECTION 16.** ORS 456.581 is amended to read:

1 456.581. The [*Mobile Home Parks Purchase*] **Manufactured Dwelling Parks** Account established
2 in ORS 456.579 shall be used by the Housing and Community Services Department to provide:

3 (1) Technical assistance to tenants' associations, manufactured dwelling park nonprofit cooper-
4 atives, tenants' association supported nonprofit organizations and housing authorities and to help
5 tenants in activities related to the purchase or preservation of a mobile home park or a manufac-
6 tured dwelling park by a tenants' association, a manufactured dwelling park nonprofit cooperative,
7 a tenants' association supported nonprofit organization, a housing authority or a corporate entity
8 legally capable of purchasing real property that is formed by or associated with tenants pursuant
9 to ORS 90.844.

10 (2) By rule, loans for initial costs for purchasing a mobile home park or manufactured dwelling
11 park **or the development of infrastructure for a newly purchased park** that the department
12 determines has a significant percentage of tenants who are individuals of lower income **or who have**
13 **been displaced by the recent closure of an existing park**. Loans provided under this section may
14 be made only if the department is of the opinion that the purchase is economically feasible and only
15 to:

16 (a) A tenants' association, a manufactured dwelling park nonprofit cooperative, a tenants' asso-
17 ciation supported nonprofit organization or a housing authority; or

18 (b) A corporate entity legally capable of purchasing real property that is formed by or associ-
19 ated with tenants pursuant to ORS 90.844 and that includes more than 50 percent of the tenants
20 residing in the park.

21 **SECTION 17.** ORS 90.840 is amended to read:

22 90.840. (1) The Director of the Housing and Community Services Department may lend funds
23 available to the Housing and Community Services Department to provide funds necessary to carry
24 out the provisions of ORS 456.581 (2). Such funds advanced shall be repaid to the Housing and
25 Community Services Department as determined by the director.

26 (2) Notwithstanding any budget limitation, the director may spend funds available from the
27 [*Mobile Home Parks Purchase*] **Manufactured Dwelling Parks** Account to employ personnel to
28 carry out the provisions of ORS 456.581 (1).

29 **SECTION 18.** In addition to and not in lieu of any other appropriation, there is appro-
30 priated to the Housing and Community Services Department, for the biennium beginning July
31 1, 2019, out of the General Fund:

32 (1) The amount of \$9,500,000 for administering and funding loans under section 2 of this
33 2019 Act and for carrying out the requirements of the Office of Manufactured Dwelling Park
34 Community Relations under ORS 90.849 (2).

35 (2) The amount of \$2,500,000 for deposit into the Manufactured Home Preservation Fund
36 established in section 9 of this 2019 Act.

37 (3) The amount of \$3,000,000 for deposit into the Manufactured Dwelling Parks Account
38 established under ORS 456.579 to fund grants under section 10 of this 2019 Act.

39 **SECTION 19.** Notwithstanding any other law limiting expenditures, the limitation on
40 expenditures established by section 2, chapter __, Oregon Laws 2019 (Enrolled Senate Bill
41 5512), for the biennium beginning July 1, 2019, as the maximum limit for payment of expenses
42 for operations, from fees, moneys or other revenues, including Miscellaneous Receipts and
43 federal funds from the United States Department of Housing and Urban Development for
44 contract services, but excluding lottery funds and federal funds not described in this section,
45 collected or received by the Housing and Community Services Department, is increased by

1 **\$5,500,000 for expenditures related to sections 6, 7, 8 and 10 of this 2019 Act.**

2 **SECTION 20. This 2019 Act takes effect on the 91st day after the date on which the 2019**
3 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

4
