

House Bill 2896

Sponsored by Representatives MARSH, SMITH G, Senator HANSELL; Representatives GOMBERG, KENY-GUYER, MEEK, 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 **as introduced**.

Requires Housing and Community Services Department to provide loan to nonprofit corporation to develop program that supports manufactured dwelling park preservation and affordability for tenants. Forgives loan in proportion to program's losses.

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

Appropriates moneys from General Fund to department for loan.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to manufactured dwellings; and prescribing an effective date.

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

SECTION 1. (1) As used in this section

4
5 (a) **"Average income" means an income that complies with income restrictions deter-**
6 **mined at the advice and consent of the Oregon Housing Stability Council, but not to exceed**
7 **the greater of 100 percent of the statewide or local area median income adjusted for house-**
8 **hold size as determined annually by the Housing and Community Services Department using**
9 **United States Department of Housing and Urban Development information.**

10 (b) **"Nonprofit corporation" means a corporation that is exempt from income taxes under**
11 **section 501(c)(3) or (4) of the Internal Revenue Code as amended and in effect on December**
12 **31, 2016.**

13 (2) **The Housing and Community Services Department shall provide a loan to a nonprofit**
14 **corporation to create a manufactured dwelling park preservation program that invests in,**
15 **and provides loans for, the preservation and affordability of manufactured dwelling parks in**
16 **this state.**

17 (3) **To be eligible for the loan under this section, a nonprofit corporation shall demon-**
18 **strate to the satisfaction of the department that the nonprofit corporation:**

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

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

23 (c) **Has available other commitments, totaling no less than \$_____ , including**
24 **cash or cash equivalents of no less than \$_____ , credit and other sources of capital,**
25 **to dedicate to the nonprofit corporation's park preservation account under subsection (5) of**
26 **this section.**

27 (4) **The nonprofit corporation, with input from the department, shall develop a manufac-**
28 **tured dwelling park preservation program that:**

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

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

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

11 (5) The nonprofit corporation shall create a park preservation account to be used by the
 12 nonprofit corporation for the manufactured dwelling park preservation program and shall
 13 deposit the moneys loaned by the department and the cash or cash equivalents dedicated
 14 under subsection (3)(c) into the account.

15 (6) The nonprofit corporation shall ensure that all financial activities of the program are
 16 paid from and into the park preservation account created under subsection (5) of this sec-
 17 tion. The nonprofit corporation shall report to the department no less than semiannually,
 18 showing the expenses and incomes of the park preservation account and the results of the
 19 manufactured dwelling park preservation program.

20 (7) The loan made by the department under this section:

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

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

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

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

26 (e) Shall have all or part of the unpaid balance forgiven by the department. A forgiveness
 27 of the unpaid balance must be at least the proportion of the amount loaned by the depart-
 28 ment to the total initial cash balance in the park preservation account created under sub-
 29 section (5) of this section, multiplied by any losses of the account during the term of the
 30 loan.

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

34 (8) The department or the State Treasurer shall deposit moneys received in servicing the
 35 loan into the General Housing Account of the Oregon Housing Fund created under ORS
 36 458.620.

37 **SECTION 2.** No later than September 15, 2021, and no later than September 15 of each
 38 odd-numbered year thereafter, the Housing and Community Services Department shall re-
 39 port, in the manner provided by ORS 192.245, to the appropriate interim committee or com-
 40 mittees of the Legislative Assembly on the implementation of the manufactured dwelling
 41 park preservation program created pursuant to section 1 of this 2019 Act.

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

43 **SECTION 4.** In addition to and not in lieu of any other appropriation, there is appropri-
 44 ated to the Housing and Community Services Department, for the biennium beginning July
 45 1, 2019, out of the General Fund, the amount of \$3,000,000 for the administration and funding

1 of the loan under section 1 of this 2019 Act.

2 **SECTION 5.** 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
