

House Bill 3218

Sponsored by Representative MARSH

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**.

Expands allowable uses for Housing and Community Services Department's manufactured dwelling programs to support dwellings and parks destroyed by natural disaster.

Allows department to contract for administration of manufactured dwelling replacement loans. Removes cap on loans per individual.

Adjusts cap on department's manufactured dwelling decommissioning and disposal grants.

A BILL FOR AN ACT

1
2 Relating to manufactured dwellings; amending ORS 458.352, 458.356 and 458.358.

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

4 **SECTION 1.** ORS 458.352 is amended to read:

5 458.352. (1) As used in this section:

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

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

13 (2) The Housing and Community Services Department shall provide one or more loans to
14 nonprofit corporations to create manufactured dwelling park preservation programs that invest in,
15 and provide loans for, the preservation and affordability of manufactured dwelling parks in this
16 state, **including through:**

17 **(a) The repair or reconstruction of parks destroyed by natural disasters; or**

18 **(b) The acquisition and development of land for parks or for the expansion of parks in**
19 **areas that have been affected by a natural disaster.**

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

22 (a) Is a community development financial institution operating statewide to support investment
23 in, and acquisition, renovation and construction of, affordable housing;

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

26 (c) Meets other requirements established by the department regarding financial risk and avail-
27 ability or accessibility of additional resources.

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

30 (a) Invests in, and loans funds to, other nonprofit corporations, housing authorities, manufac-

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 tured dwelling park nonprofit cooperatives as defined in ORS 62.803, local units of government as
 2 defined in ORS 466.706, agencies as defined in ORS 183.310, or any entity in which a nonprofit cor-
 3 poration has a controlling share, to:

4 (A) Purchase or refinance manufactured dwelling parks that will maintain the parks as parks
 5 long term; or

6 (B) **Develop, expand, repair or reconstruct parks destroyed by natural disasters;**

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

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

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

15 (6) An eligible 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 section. Each
 17 nonprofit corporation shall report to the department no less than semiannually, showing the ex-
 18 penses and incomes of the park preservation account and the results of the manufactured dwelling
 19 park preservation program.

20 (7) A 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 maturity
 23 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 in an amount not to
 27 exceed the losses incurred on investments or loans made by the nonprofit corporation under sub-
 28 section (4)(a) of this section.

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

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

34 **SECTION 2.** ORS 458.356 is amended to read:

35 458.356. (1) The Housing and Community Services Department shall establish a program to pro-
 36 vide loans to individuals to buy and site manufactured dwellings that replace older and less energy
 37 efficient manufactured dwellings, **or manufactured dwellings destroyed by a natural disaster.**
 38 **The department may contract with local governments or public or private housing sponsors**
 39 **to carry out the department's responsibilities under this program.**

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

41 (a) Are members of households with income that complies with income restrictions determined
 42 at the advice and consent of the Oregon Housing Stability Council, but not to exceed the greater
 43 of 100 percent of the statewide or local area median income adjusted for household size as deter-
 44 mined annually by the Housing and Community Services Department using United States Depart-
 45 ment of Housing and Urban Development information; and

(b) Will purchase a manufactured dwelling that:

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

(B)(i) Will be sited in a manufactured dwelling park that has registered with the department and either has entered into a regulatory agreement with the department or is negotiating a regulatory agreement that is at least partially conditioned upon the replacement of the dwelling; *[or]*

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

(iii) Is in a manufactured dwelling park that has been affected by a natural disaster and has been provided a waiver by rule of the department; and

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

(3) *[A loan under this section may not exceed \$35,000 per individual.]* The department shall prescribe by rule **the maximum loan amount per individual**, lending requirements and terms for loans made under this program, including:

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

(b) Repayment requirements, if any;

(c) Loan forgiveness opportunities, if any;

(d) Affordability requirements; and

(e) Remedies upon transfer or default.

(4) In servicing loans under the program, the department shall deposit all moneys received into the Manufactured Home Preservation Fund established in ORS 458.366.

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

(a) From low income households; and

(b) Decommissioning and replacing manufactured dwellings that are older or less resource or energy efficient.

SECTION 3. ORS 458.358 is amended to read:

458.358. (1) The Housing and Community Services Department shall establish a program to provide grants to persons for safely decommissioning and disposing of a manufactured dwelling as defined in ORS 446.003.

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

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

(i) In a manufactured dwelling park that has registered with the department and either has entered into a regulatory agreement with the department or is negotiating a regulatory agreement that is at least partially conditioned upon the replacement of the dwelling;

(ii) On land owned by the individual; or

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

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

(i) The manufactured dwelling; or

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

(b)(A) An individual who is a member of a household with income that complies with income restrictions determined at the advice and consent of the Oregon Housing Stability Council, and not

1 exceeding the greater of 100 percent of the statewide or local area median income adjusted for
2 household size as determined annually by the Housing and Community Services Department using
3 United States Department of Housing and Urban Development information; or

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

7 (3) Grants awarded under the program may not exceed [*80 percent of the*] **\$15,000 or the** cost
8 of decommissioning and disposing of the manufactured dwelling.

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

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

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

14 (c) For the decommissioning of manufactured dwellings that are older or less resource and en-
15 ergy efficient.

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