

House Bill 3151

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**.

Limits improvements that landlord of manufactured dwelling park may require of tenant. Requires Attorney General to update model statement by January 1, 2025.

Extends until January 2, 2027, sunset for grants for legal assistance for low-income facility tenants and for existence of Manufactured and Marina Communities Dispute Resolution Advisory Committee. Amends legal assistance grant program.

Limits income-to-rent ratio for facility applicants who receive disability or Social Security income.

Expands affordable housing that is developable on nonresidential lands.

Expands manufactured dwelling park preservation loan program to allow loaned moneys to be used to develop new parks. Allows Housing and Community Services Department to apply program change to moneys already loaned.

A BILL FOR AN ACT

1
2 Relating to housing; creating new provisions; and amending ORS 90.304, 90.514, 197.308 and 458.352
3 and sections 9 and 12, chapter 625, Oregon Laws 2019.

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

TENANT IMPROVEMENTS TO MANUFACTURED DWELLING SPACES

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8 **SECTION 1.** ORS 90.514 is amended to read:

9 90.514. (1) Before a prospective tenant signs a rental agreement for space in a manufactured
10 dwelling park or for a converted rental space, the landlord must provide the prospective tenant with
11 a written statement that discloses the improvements that the landlord will require under the rental
12 agreement. The written statement must be in the format developed by the Attorney General pursu-
13 ant to ORS 90.516 and include at least the following:

14 (a) A notice that the tenant may select and contract directly with a contractor to be the pro-
15 vider of an improvement.

16 (b) Separately stated and identifiable information for each required improvement that specifies:

17 (A) The dimensions, materials and finish for improvements to be constructed **or repaired**;

18 (B) The *[installation charges imposed by the landlord and the]* installation fees imposed by gov-
19 ernment agencies; **and**

20 *[(C) The system development charges to be paid by the tenant; and]*

21 *[(D)]* (C) The site preparation requirements and restrictions, including, but not limited to, re-
22 quirements and restrictions on the use of plants and landscaping.

23 (c) Identification of the improvements that belong to the tenant and the improvements that must
24 remain with the space.

25 **(2) A landlord may not require as part of the improvements under the rental agreement**
26 **that a tenant:**

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) Pay any fee to the landlord for improvements.

2 (b) Pay any system development charges.

3 (c) Construct an improvement that cannot be reasonably removed and owned by the
4 tenant at the termination of the tenancy, except for porches, stairs, decks, awnings,
5 carports, sheds or vegetative landscaping on the site or any other improvements necessary
6 for the safe and lawful installation of the manufactured dwelling.

7 [(2)] (3) Except as provided in ORS 41.740, a written statement provided under this section is
8 considered to contain all of the terms relating to improvements that a prospective tenant must make
9 under the rental agreement. There may be no evidence of the terms of the written statement other
10 than the contents of the written statement.

11 **SECTION 2.** The Attorney General shall update the model written statement under ORS
12 90.516 to include the provisions in the amendments to ORS 90.514 by section 1 of this 2023
13 Act on or before January 1, 2025.

14
15 **DISPUTE RESOLUTION FOR FACILITY TENANTS**

16
17 **SECTION 3.** Section 9, chapter 625, Oregon Laws 2019, is amended to read:

18 **Sec. 9.** (1) The Housing and Community Services Department shall award grants to persons to
19 provide legal [*representation*] **assistance** to low-income facility tenants in addressing disputes in-
20 volving legal matters arising under ORS chapter 90. **The legal assistance may be in the form of**
21 **outreach, education, advice, case representation and similar efforts. Grants may be used to**
22 **cover the employee-related expenses of attorneys who provide legal assistance under this**
23 **section.**

24 (2) The department may adopt rules and income level criteria to implement this program.

25 (3) In selecting entities for grants under this section, the department shall consider the experi-
26 ence and qualifications of the entities relating to:

27 (a) Representing tenants in disputes arising under ORS chapter 90;

28 (b) Serving tenants throughout the state, including by telephone or online communications or
29 resources when appropriate; and

30 (c) Ability to network with other attorneys to leverage the available legal assistance.

31 (4) Total grant amounts awarded under this section may only come from the Manufactured and
32 Marina Communities account under ORS [*446.533*] **456.414** and may not exceed \$200,000 per
33 biennium.

34 **SECTION 4.** Section 12, chapter 625, Oregon Laws 2019, is amended to read:

35 **Sec. 12.** Sections 9 and 10, **chapter 625, Oregon Laws 2019**, [*of this 2019 Act*] are repealed
36 January 2, [*2024*] **2027**.

37
38 **MANUFACTURED DWELLING PARK SCREENING**

39
40 **SECTION 5.** ORS 90.304 is amended to read:

41 90.304. (1) If a landlord denies an application after the landlord's application of screening or
42 admissions criteria, within 14 days of the denial the landlord must provide the applicant with a
43 written statement of one or more reasons for the denial.

44 (2) The landlord's statement of reasons for denial required by subsection (1) of this section may
45 consist of a form with one or more reasons checked off. The reasons may include, but are not limited

1 to, the following:

2 (a) Rental information, including:

3 (A) Negative or insufficient reports from references or other sources.

4 (B) An unacceptable or insufficient rental history, such as the lack of a reference from a prior
5 landlord.

6 (C) A prior action for possession under ORS 105.105 to 105.168 that resulted in a general judg-
7 ment for the plaintiff or an action for possession that has not yet resulted in dismissal or general
8 judgment.

9 (D) Inability to verify information regarding a rental history.

10 (b) Criminal records, including:

11 (A) An unacceptable criminal history.

12 (B) Inability to verify information regarding criminal history.

13 (c) Financial information, including:

14 (A) Insufficient income.

15 (B) Negative information provided by a consumer credit reporting agency.

16 (C) Inability to verify information regarding credit history.

17 (d) Failure to meet other written screening or admission criteria.

18 (e) The dwelling unit has already been rented.

19 (3) The statement of reasons for denial must include:

20 (a) The name and address of any tenant screening companies or consumer credit reporting
21 agencies that provided a report upon which the denial is based, if not previously disclosed to the
22 applicant;

23 (b) Any supplemental evidence provided by the applicant that the landlord considered and an
24 explanation of the reasons that the supplemental evidence did not adequately compensate for the
25 factors that informed the landlord's decision to reject the application; and

26 (c) A right of the applicant to appeal the determination, if any right to appeal exists.

27 (4) Except as provided in subsection (3)(a) of this section, a landlord need not disclose the re-
28 sults of an applicant screening or report to an applicant, with respect to information that is not
29 required to be disclosed under the federal Fair Credit Reporting Act. A landlord may give to an
30 applicant a copy of that applicant's consumer report, as defined in the Fair Credit Reporting Act.

31 (5) Before denying an application for housing on the basis of criminal history, a landlord must:

32 (a) Provide an opportunity for the applicant to submit supplemental evidence to explain, justify
33 or negate the relevance of potentially negative information.

34 (b) Conduct an individualized assessment of the applicant, including any supplemental evidence,
35 taking into consideration:

36 (A) The nature and severity of the incidents that would lead to a denial;

37 (B) The number and type of incidents;

38 (C) The time that has elapsed since the date the incidents occurred; and

39 (D) The age of the individual at the time the incidents occurred.

40 **(6) A landlord of a facility may not require an applicant to show an income under sub-**
41 **section (2)(c)(A) of this section that is more than twice the space rent if, notwithstanding**
42 **ORS 659A.421, the tenant's source of income is from a state or federal disability program or**
43 **income from Social Security.**

44 ~~[(6)]~~ (7) If a landlord fails to comply with this section, the applicant may recover from the
45 landlord \$100.

AFFORDABLE HOUSING ON NONRESIDENTIAL LANDS

SECTION 6. ORS 197.308, as amended by section 4, chapter 47, Oregon Laws 2022, is amended to read:

197.308. (1) As used in this section, “affordable housing” means residential property:

(a) In which:

(A) Each unit on the property is made available to own or rent to families with incomes of 80 percent or less of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development; [or]

(B) The average of all units on the property is made available to families with incomes of 60 percent or less of the area median income; [and] **or**

(C) If the property is a manufactured dwelling park, space rent is affordable as described by the Housing and Community Services Department by rule; and

(b) Whose affordability is enforceable, including as described in ORS 456.270 to 456.295, for a duration of no less than 30 years.

(2) A local government shall allow affordable housing, and may not require a zone change or conditional use permit for affordable housing, if the proposed affordable housing is on property that is:

(a) Owned by:

(A) A public body, as defined in ORS 174.109; [or]

(B) A nonprofit corporation [that is organized as a religious corporation; or];

(C) A housing authority, as defined in ORS 456.005; or

(D) A manufactured dwelling park nonprofit cooperative, as defined in ORS 62.803; or

(b) Zoned:

(A) For commercial uses;

(B) To allow religious assembly; or

(C) As public lands.

(3) Subsection (2) of this section:

(a) Does not apply to the development of housing not within an urban growth boundary.

(b) Does not trigger any requirement that a local government consider or update an analysis as required by a statewide planning goal relating to economic development.

(c) Applies on property zoned to allow for industrial uses only if the property is:

(A) Publicly owned;

(B) Adjacent to lands zoned for residential uses or schools; and

(C) Not specifically designated for heavy industrial uses.

(d) Does not apply on lands where the local government determines that:

(A) The development on the property cannot be adequately served by water, sewer, storm water drainage or streets, or will not be adequately served at the time that development on the lot is complete;

(B) The property contains a slope of 25 percent or greater;

(C) The property is within a 100-year floodplain; or

(D) The development of the property is constrained by land use regulations based on statewide land use planning goals relating to:

(i) Natural disasters and hazards; or

(ii) Natural resources, including air, water, land or natural areas, but not including open spaces

1 or historic resources.

2 (4) A local government shall approve an application at an authorized density level and author-
3 ized height level, as defined in ORS 227.175 (4), for the development of affordable housing, at the
4 greater of:

5 (a) Any local density bonus for affordable housing; or

6 (b) Without consideration of any local density bonus for affordable housing:

7 (A) For property with existing maximum density of 16 or fewer units per acre, 200 percent of
8 the existing density and 12 additional feet;

9 (B) For property with existing maximum density of 17 or more units per acre and 45 or fewer
10 units per acre, 150 percent of the existing density and 24 additional feet; or

11 (C) For property with existing maximum density of 46 or more units per acre, 125 percent of the
12 existing density and 36 additional feet.

13 (5)(a) Subsection (4) of this section does not apply to housing allowed under subsection (2) of this
14 section in areas that are not zoned for residential uses.

15 (b) A local government may reduce the density or height of the density bonus allowed under
16 subsection (4) of this section as necessary to address a health, safety or habitability issue, including
17 fire safety, or to comply with a protective measure adopted pursuant to a statewide land use plan-
18 ning goal. Notwithstanding ORS 197.350, the local government must adopt findings supported by
19 substantial evidence demonstrating the necessity of this reduction.

20
21 **MANUFACTURED DWELLING COTTAGE CLUSTERS**

22
23 **SECTION 7. On or before January 1, 2026, the Department of Land Conservation and**
24 **Development shall:**

25 (1) **Amend its model middle housing ordinances developed under section 3 (2), chapter 639,**
26 **Oregon Laws 2019, to include a mechanism by which cities may develop cottage clusters**
27 **through the use of manufactured dwellings as defined in ORS 446.003; and**

28 (2) **Amend policies or rules relating to housing production strategies to encourage cities**
29 **to adopt land use regulations consistent with the model ordinance developed under sub-**
30 **section (1) of this section.**

31
32 **MANUFACTURED DWELLING PARK LOAN PROGRAM**

33
34 **SECTION 8.** ORS 458.352, as amended by section 20, chapter 54, Oregon Laws 2022, is amended
35 to read:

36 458.352. (1) As used in this section:

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

42 (b) "Manufactured dwelling park" has the meaning given that term in ORS 446.003.

43 (c) "Nonprofit corporation" means a corporation that is exempt from income taxes under section
44 501(c)(3) or (4) of the Internal Revenue Code as amended and in effect on December 31, 2016.

45 (2) The Housing and Community Services Department shall provide one or more loans to

1 nonprofit corporations to create manufactured dwelling park preservation **and development** pro-
2 grams that invest in, and provide loans for, the preservation [*and affordability of*], **development and**
3 **expansion of affordable** manufactured dwelling parks in this state[, *including through:*]

4 [(a) *The repair or reconstruction of parks destroyed by natural disasters; or*]

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

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

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

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

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

15 (4) An eligible nonprofit corporation, with input from the department, shall develop a manufac-
16 tured dwelling park **development and** preservation program that:

17 (a) Invests in, and loans funds to, other nonprofit corporations, housing authorities, manufac-
18 tured dwelling park nonprofit cooperatives as defined in ORS 62.803, local units of government as
19 defined in ORS 466.706, agencies as defined in ORS 183.310, or any entity in which a nonprofit cor-
20 poration has a controlling share, to:

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

23 (B) **Construct**, develop, expand, repair or reconstruct parks [*destroyed by natural disasters*];

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

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

29 (5) An eligible nonprofit corporation shall create a park **development and** preservation account
30 to be used by the nonprofit corporation for the manufactured dwelling park preservation program
31 and shall deposit the moneys loaned by the department into the account.

32 (6) An eligible nonprofit corporation shall ensure that all financial activities of the program are
33 paid from and into the park **development and** preservation account created under subsection (5)
34 of this section. Each nonprofit corporation shall report to the department no less than semiannually,
35 showing the expenses and incomes of the park **development and** preservation account and the re-
36 sults of the manufactured dwelling park **development and** preservation program.

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

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

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

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

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

43 (e) Shall have all or part of the unpaid balance forgiven by the department in an amount not to
44 exceed the losses incurred on investments or loans made by the nonprofit corporation under sub-
45 section (4)(a) of this section.

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

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

6 **SECTION 9. The Housing and Community Services Department may negotiate with**
7 **nonprofit corporations that received loans under ORS 458.352 (2) before the effective date of**
8 **this 2023 Act to allow the nonprofit corporation to use those moneys consistent with ORS**
9 **458.352 as amended by section 8 of this 2023 Act.**

10
11 **CAPTIONS**

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13 **SECTION 10. The unit captions used in this 2023 Act are provided only for the conven-**
14 **ience of the reader and do not become part of the statutory law of this state or express any**
15 **legislative intent in the enactment of this 2023 Act.**