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March 1, 2023

VIA E-MAIL

Representative Maxine Dexter, Chair
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VIA EMAIL

Representative Mark Gamba
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VIA EMAIL

Representative Jeffrey Helfrich
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Representative Emerson Levy
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Representative Boomer Wright
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Re: Opposition to HB 3151

Dear Chair Dexter and Honorable Committee Members:

I am an attorney in Lake Oswego, Oregon. My firm represents the Oregon Park Owners' Alliance, also known as OPOA. OPOA was formed in 1999 to support manufactured dwelling park owners and operators and the important role they play in providing affordable housing to

many Oregonians. OPOA members own and manage 6,347 park spaces throughout the State of Oregon.

HB 3151 would significantly alter a manufactured dwelling park owner's ability to require that basic improvements be made to the manufactured home and rental space by a new, incoming resident and during the course of the tenancy. It specifies, in part, that:

> "[a] landlord **may not require** as part of the **improvements** under the rental agreement that a tenant: . . . (c) Construct an improvement that cannot be reasonably removed **and owned by the tenant** at the termination of the tenancy, except for porches, stairs, decks, awnings, carports, sheds or vegetative landscaping on the site or any other improvement necessary for the safe and lawful installation of the manufactured dwelling." (Emphasis added)

In other words, if the improvement will no longer continue to be owned by the tenant upon and after termination of his or her tenancy, like a new roof or siding for the home, it cannot be required by the landlord. The moment a tenant sells his or her home, that home--along with all accessory structures and improvements made thereto—cease to be owned by the selling tenant as a matter of law.

The definition of an "improvement," as set forth in ORS 646A.050 (3), applies here and is very broad. There are many types of home and space improvements which fit within this definition but which would be expressly prohibited under HB 3151. The following improvements, which are common and typically required as part of a park tenancy, and which have nothing to do with the safe and lawful installation of the home, would be prohibited by HB 3151: sidewalks; concrete work; skirting; railings; garages; gutters; downspouts; rain drains; heat pumps; and air conditioners. Other improvements not mentioned in ORS 646A.050 but which would also be banned are siding; rotten window casings; roofing; skirting; and utility connections or upgrades made after the home has been installed.

None of these items fit within HB 3151's exclusion of "any other improvements necessary for the safe and lawful installation of the manufactured dwelling," and they benefit and enhance the resident's manufactured home and its ultimate sale price. However, as none of them will be owned by the tenant after the home is sold, they could not be required at any time by the landlord if HB 3151 were to become law. It is also worth noting that because the definition of an "improvement" under ORS 646A.050 (3) includes but is not limited to the examples given, it could include the priming and painting of the home's exterior—something which also will not be owned by the tenant after the termination of tenancy.

Chair Dexter and Honorable Committee Members, the reality is that living in a manufactured home which you own in a park where you rent space has certain associated expenses. The cost of basic improvements has always been such an expense, both at the outset and during the course of the tenancy. The exclusions in HB 3151 of installation costs and the six

(6) items listed is a partial and incomplete list of the required improvements; however, it is also arbitrary. Why are porches, stairs and decks allowed, but not gutters, siding and roofing?

A manufactured dwelling park is a business which provides a very valuable service to its residents. Like most residential landlords, they have suffered tremendously during the pandemic. Let's not kick them when they are down but give them a chance to recover. Moreover, requiring improvements of residents not only increases the value of their homes, but of the park as a whole.

ORS 90.632 allows a park landlord to terminate a park tenancy due to the disrepair or deteriorated condition of a manufactured dwelling or accessory structure. ORS 90.505 (1)(a) defines "deterioration" as including:

> "[a] collapsing or failing staircase or railing; one or more holes in a wall or roof, an inadequately supported window air conditioning unit, falling gutters, siding, or skirting or paint this is peeing or faded as to threaten the useful life or integrity of the siding."

Other than a staircase (which is excluded under HB 3151), as these items would not be "owned" by the tenant upon termination of the tenancy, they could not be required of the tenant at any time under HB 3151.

"Disrepair" is defined under ORS 90.505 (1)(b) as follows:

> "(A) [T]he state of being in need of repair because a component is broken, collapsing, creating a safety hazard or generally in need of maintenance.
> (B) Includes the need to correct a failure to conform with applicable building and housing codes at the time of:
> (i) Installation of the manufactured dwelling or floating home on the site; [or]
> (ii) Making improvements to the manufactured dwelling or floating home following installation."

There is no question that such maintenance, repair and code correction items will not be owned by the tenant when he or she sells the home and the tenancy ends. As they are not excluded from coverage under HB 3151, they too could not be required of the tenant by the landlord <u>at any time</u> during the tenancy—not just at the outset. As such, the landlord's ability to invoke ORS 90.632 to terminate a tenancy for deterioration or disrepair would cease to exist for an item not specifically permitted by HB 3151.

OPOA was part of the work group in 2000 led by then Attorney General Hardy Myers, and which resulted in the current version of ORS 90.514 to 90.518. The Attorney General's Office then developed a standardized form of disclosure. Attached is the same for your reference. The Attorney General's form has been used for every rental agreement where

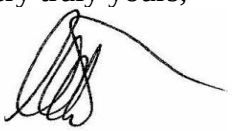
improvements are required for the last 23 years. There is nothing to suggest that it has been inadequate.

Of no less importance, ORS 90.514 to 90.518 in their current form were the result of an agreement reached in 2001 in the manufactured dwelling park legislative coalition group of which OPOA was a stakeholder. Although findings made by the Attorney General were included, the agreement was the result of give and take and a difficult, protracted negotiation between the park owners and the residents. HB 3151 not only ignores this deal but unravels it. Had the proponents of HB 3151 not decided to eliminate the park legislative coalition group in 2021, what you see before you could have been discussed with park owners; there could have been negotiation about it like there was in 2001; however, that did not happen here.

HB 3151 is a one-sided bill which reflects only the proponents' position; it is "their way or the highway." More importantly, if consensus legislation reached in the coalition in years past can now be summarily destroyed by one of the parties, the integrity of our legislative system is in dire jeopardy as the same thing could happen to all prior agreements.

For these reasons, we respectfully request that you vote against and make a recommendation of "do not pass" for HB 3151. Thank you for your time and attention to this matter.

Very truly yours,



Charles M. Greeff

CMG:emg
Enclosure
OPOA/2023 Testimony HB 3151
cc: Oregon Park Owners' Alliance (w/enclosure)