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Testimony of Bill Miner, Counsel to Manufactured Housing Communities of Oregon regarding HB 3151A

Chair Jama, Vice Chair Anderson and Senators, my name is Bill Miner and I am an attorney in Portland testifying on behalf of the Manufactured Housing Communities of Oregon (MHCO). MHCO represents owners and operators of 715 manufactured home parks and floating home communities covering approximately 42,500 spaces and slips.

MHCO is "neutral" on the bill after the -3 amendment passed in the House. Thank you again to Representative Marsh for her work on affordable housing and continuing to view manufactured home communities as a part – and MHCO as a partner - in that work. MHCO appreciates Rep Marsh listening to MHCO's concerns about the underlying bill and agreeing to changes to the income to rent ratio portion of the bill.

Most park owners, like mortgage lenders and multi-family landlords, use a 3:1 income to rent ratio to ensure that tenants can afford their housing. The original language of the bill would have required park owners to use a 2:1 income to rent ratio. Such a restriction would *require* landlords to rent to individuals who simply cannot afford their space rent. Such a requirement could have a disastrous effect where landlords will be forced to evict these tenants – who own their homes - when they can't afford their rent. Rather than further restrictions on park owners, MHCO urges this committee to continue to focus on increasing housing supply, especially to our State's most vulnerable. That increase in supply, will keep rents affordable.

I want to turn to the primary thrust of the bill, which modifies ORS 90.514. MHCO's understanding is that the primary purpose of section 1 of HB 3151A is to clarify what are "landlord improvements" vs. "tenant improvements". The addition of the language "or repair" will help clarify the responsibilities of tenants when a home is sold and left on a space; not just when a home is brought into a community and installed.

MHCO, and most of our members, understand that permanent improvements that run with the land are part of the manufactured home park and are a landlord's responsibility to construct and maintain. The cost should factor into monthly rent.

MHCO members further understand that items that the tenant could reasonably take with them are the responsibility of the tenant to construct, maintain and repair with enumerated exceptions and a catchall exception. The items that a tenant could reasonably take with them would include things like skirting, gutters, downspouts, AC units and heat pumps.

The exceptions listed in section 1 clearly set forth the most common types of improvements that should also be the responsibility of the tenant as they are the only ones using them: porches, stairs, decks, awnings, carports, sheds and vegetative landscaping. In my experience, these are the improvements where most disputes between landlords and tenants arise. One item that is missing are fences. But section 1 includes a broader catchall of "any other improvements necessary for the safe and lawful installation of the manufactured dwelling." If a city requires a fence or a garage in order for a home to be installed or permitted, then that would be the tenant's responsibility per ORS 90.514.

What MHCO likes about the -3 amendment, is that a landlord can now clearly require an incoming tenant to repair those improvements at the change of tenancy. The previous language was not necessarily clear.

Finally, nothing in the bill affects a landlord's ability to require improvements to the home itself pursuant to ORS 90.680 at change of ownership, or during the tenancy pursuant to ORS 90.532.

Section 3.

I want to address Section 3 of the bill. There is no doubt that MHCO opposes state funding to be used to sue housing providers. Afterall, why should the government be supporting one "side" in a civil suit? Tenant lobbyists have argued that these funds are the tenants' own money because they are fees paid by tenants. MHCO is confident the Department of Treasury would disagree with the tenant lobby's position – these are fees paid by tenants to the State for the Legislature to decide how to spend.

Regardless of who gets to decide where those funds are spent, paying for lawyers for tenants was one of the purposes of the grants created by the Legislature. By no means should those grants be awarded *only* for the ability of tenants to sue their landlords. MHCO believes the original purpose of those grants was, in part, to educate and advise tenants with the hope that lawsuits can be avoided. MHCO would much rather have those grants be used for education, outreach and advice, than hiring attorneys to sue our members.

Thank you for the opportunity to present MHCO's position and I am available to the Committee to answer any questions.