



## FISHHAWK LAKE RESERVE & COMMUNITY, INC.

May 18, 2025

Senate Committee on Housing and Development  
Oregon State Capitol  
900 Court St. NE  
Salem, Oregon 97301

**Dear Chair Pham, Vice Chair Anderson, and members of the Committee:**

For the record, my name is Nicole Case, and I write to you as the Vice President of the Board of Directors of the Homeowners Association (HOA) at Fishhawk Lake Reserve & Community, Inc. (FLRC). On behalf of our community, I am expressing strong opposition to House Bill 3545, as passed by the State House.

### **FLRC's Concerns with HB 3545**

HB 3545 would threaten FLRC's financial stability by increasing the likelihood of property foreclosures and devaluing properties in our community. If enacted, the bill would delay and prevent FLRC from collecting critical HOA dues needed to maintain our water and sewer systems, essential infrastructure for residents, and preserve local aquatic habitats. These financial shortfalls jeopardize FLRC's ability to meet its commitments under a state settlement agreement to improve water quality and support aquatic species.

Worse still, the bill could place FLRC at risk of defaulting on a \$4 million loan balance used to finance the construction of a new spillway and fish ladder—vital infrastructure completed in cooperation with the State of Oregon.

### **About Our Community**

FLRC is a small community made up of 257 lots surrounding a lake. The lake, which acts as an inland estuary, supports endangered coho salmon, steelhead, trout, lamprey, and other aquatic species. It is also home to bald eagles, blue herons, and a family of river otters. Our residents are committed to environmental stewardship. For example, since incorporation, our governing documents have prohibited gasoline-powered watercraft to prevent pollution and disruption to wildlife.

The HOA is responsible for operating and maintaining all essential systems—water, sewer, and roads—and the lake itself. We work closely with multiple state agencies to ensure our systems meet all environmental and public health standards. Most recently, we completed a \$6 million spillway and fish ladder project and are developing a water quality management plan.

**About one-third of our property owners are full-time residents, many are retired and living on fixed incomes.** FLRC is keenly aware that the rising costs of maintaining our systems and fulfilling our obligations to protect the environment and aquatic species place a significant financial burden on these residents. We are committed to carefully managing our budget. We strive to keep annual dues as low as possible. **Any additional costs, such as covering the HOA dues and fees related to county-owned property, will create financial hardship for many in our community.**

### **Counties' Lack of Engagement**

Currently, within FLRC, Clatsop County owns two properties and Columbia County owns one property. Neither county contacted the HOA to discuss potential financial hardship before testifying in support of HB 3545. This lack of communication is deeply disappointing, particularly given the expected impact of the proposed legislation on our small, rural community.

FLRC has a long-standing tradition of working compassionately with residents facing financial difficulty, offering payment plans when possible. We are open and willing to collaborate with the counties to explore fair and equitable solutions. Rather than seeking dialogue, the counties have chosen to support legislation that exacerbates the very problem it claims to address.

We reached out to Clatsop County leadership several days ago to discuss HB 3545 and appreciate their willingness to discuss solutions. We will do the same with Columbia County.

### **Why HB 3545 Is Harmful**

FLRC's financial health relies on the timely collection of dues. HB 3545 allows counties to indefinitely defer payment on foreclosed properties, turning unpaid dues into liens without a guarantee of reimbursement to the HOA. This could force FLRC to delay essential maintenance, disrupt basic services, and raise dues for other property owners, causing further foreclosures and plummeting property values. The resulting financial instability could lead our bank to call our \$4 million loan due—a catastrophic outcome that could push the HOA toward insolvency.

### **Four Major Problems with HB 3545**

#### **1. Unjust Transfer of Financial Burden to Other Community Members Threatens Homeownership and the Financial Stability of the Community**

HB 3545 allows counties to forgo paying HOA dues on foreclosed properties, shifting the burden to other property owners to maintain systems—water, sewer, roads, and



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environmental safeguards—that directly benefit county-owned property by ensuring that property is marketable. There is no guarantee these liens will ever be repaid.

FLRC's costs to maintain the community's systems and meet our ecological and other commitments do not go away because the county does not pay its dues. FLRC will be faced with delaying critical investments in the community and the environment or raising dues for all other property owners. This could mean increased foreclosures, property devaluation, and insolvency. HB 3545 creates an inequitable and unsustainable outcome.

### **2. Lack of a Deadline for County Decisions on Foreclosed Properties**

The bill imposes no deadline for counties to decide whether to retain, lease, or sell foreclosed properties. As a result, properties may sit in legal and financial limbo indefinitely, with dues unpaid and liens accruing. It also makes county-owned property unmarketable as few buyers will pay tens of thousands of dollars in liens to purchase the property, a likely outcome based upon HB 3545 as currently drafted.

### **3. Clatsop County's Position on the 2019 Lake Drawdown and Associated Costs**

In its March 18, 2025, testimony, Clatsop County referenced the 2019 lake drawdown. However, FLRC strongly disagrees with the County's characterization of that event and its implications. At the time of the drawdown, Clatsop County was a property owner within the community. As such, the County received full and proper notice of HOA meetings and the decisions made regarding the drawdown. The purpose of that action was to comply with the State of Oregon's mandate to repair the dam's underdrain.

At any time before the drawdown, Clatsop County had the opportunity to appear before the FLRC Board of Directors as a property owner to raise concerns or propose alternatives. It chose not to engage. By remaining silent during the decision-making process, the County bears shared responsibility for the resulting costs.

My family purchased our property at the lake in 2020, after the drawdown occurred. Since then, we have paid over \$20,000 to support the community's compliance with state requirements. We could not influence the decisions made in 2019. Clatsop County could but chose not to. It is disingenuous for the County to now challenge the costs of compliance—costs incurred from decisions made during a period when the County had both the right and the opportunity to contribute input. Exempting the County from shared financial responsibility sets a dangerous precedent and unfairly shifts the burden to private property owners who had no role in those earlier decisions.

**Recommendation**

FLRC understands the counties' concern about paying HOA dues on properties that may be difficult to sell and provide little direct benefit to the broader county. However, HB 3545 is not a viable solution. Rather than resolving the issue, it risks compounding the problem by increasing foreclosures, placing financial strain on retired residents who may lose their homes, devaluing properties within our community, and potentially pushing FLRC toward insolvency.

Given the serious and wide-ranging consequences of HB 3545, I respectfully urge that the bill be **withdrawn**. Instead, FLRC asks that HB3545 be replaced with a **study** that examines:

- The financial impact on HOAs of deferring dues as liens on foreclosed properties;
- The potential reduction in county property tax revenues caused by declining property values; and
- Options for addressing County and HOA concerns.

**Conclusion**

I urge you to consider the unintended, but very real, consequences this legislation would have on our community, its residents, many of whom are vulnerable, and the environment we work so hard to protect. Fishhawk Lake Reserve & Community remains committed to partnering with all stakeholders to find responsible, equitable, and sustainable solutions.

**Sincerely,**

**Nicole Case**

Vice President, Board of Directors  
Fishhawk Lake Reserve & Community  
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