

REVENUE: No Revenue Impact
FISCAL: No Fiscal Issued

Action: Do pass
Vote: 7-0-2
Yeas: Berger, Butler, Gelser, Olson, Rosenbaum, Witt, Barnhart
Nays:
Exc.: Bruun, Read
Prepared By: Mary Ayala, Economist
Meeting Dates: 2/20, 3/2

WHAT THE BILL DOES: Creates a “manufactured dwelling park non-profit cooperative” designation; and adds these cooperatives to the list of eligible entities that may receive capacity funding from the Department of Housing and Community Services. Permits loans to be guaranteed by the Guarantee Fund, based on a higher percentage of principal, not to exceed 100%; and permits these loans to be secured by a security interest of first or second priority. Revises definition of “elderly” as a person who is 55 years or older, and the definition of “a family of lower income” in order to be in compliance with the federal law. Revises maximum income limitations for financing by elderly households the purchase of multifamily structures.

ISSUES DISCUSSED:

- Fiscal implications - Additional risks to the Loan Guarantee Fund are not anticipated because only the land in the parks are financed; and only the second secured amounts are guaranteed.
- The scope of the measure does not preclude financing new park sites.
- Testimony indicates that some mobile homeowners are interested in financing these cooperatives.

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: Current law permits the Department to help finance the construction of housing developments. However, less conventional forms of financing are needed for non-profit mobile homes park cooperatives. According to the Department of Housing and Community Services, 1,300 mobile home parks in Oregon are homes to some moderate-low, income-earning households. As such, preservation of these park sites is a financial alternative to their replacement with alternative forms of housing in the event that some of these parks are closed.

The current definition of elderly household for the purposes of ORS 456.515 to ORS 456.725, is a person who is 58 years of age or older, and who can not obtain open market housing including the cost of utilities and taxes for less than 25% of his gross household income.