

Oregon Park Managers Association

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TO: Oregon House of Representatives
House Human Services and Housing Committee
Regina Wilson, Administrator

RE: Testimony of Michael O. Whitty in favor of HB-3007

I became a Tenant at Summer Oaks Manufactured Home Park, Eugene, Oregon, in 2001. Summer Oaks is an age 55 and over park of 102 spaces. It is a gated community. I paid \$100,000 for my 1,890 sq. ft. triple-wide. Before making the purchase, I read the park documents, and, as a practicing attorney, fully understood what I was getting into.

In 2004 I retired from active attorney practice with the SAIF Corporation Legal Division and became the manager of the park where I owned the home. I became the assistant manager to my spouse in 2008, and still act in that capacity. In 2012 I purchased another manufactured home in a similar park to the one where I am the assistant manager, and live in that home.

I started teaching the required continuing education class for managers of manufactured home parks at the very beginning of the continuing education requirement in 2006. I occasionally go about the state and visit parks, handing out my class information. I have visited at least 300 parks in Oregon.

The Oregon Park Managers Association was formed by me in 2006, to provide the statutory required continuing education classes for managers and owners of manufactured home parks. Through that organization I have taught my park manager continuing education classes 57 times, and by the end of next week it will be 60. The class is presented in seminar fashion, where I take questions and provide the best answer I can give. We have issued more than 1020 certifications of completion of my classes, to about 500 different managers and owners.

I provide continuing advice to people who take my classes, a service that I include as part of the tuition for the class. In that capacity, I answer from three to eight questions a week about matters concerning manufactured home parks. With my 11 years as a tenant, nearly nine years in park management, and seven years as a State approved instructor of continuing education, I believe I have a good sense of the manufactured home park business.

HB 3007 is a positive action for the manufactured home park industry and for continued low-cost housing in Oregon. Tenant ownership of manufactured home parks provides certainty of home security for the tenants. The possibility of tenant ownership of parks gives the park owner another potential buyer with no substantial negative impact.

Opposition to this bill emanates from a fear of the unknown, not from any demonstrated losses to park owners. Park owners look at the make-up of the homeowners in their parks and believe that group simply does not have the resources to buy and operate their park. So, some park owners believe that dealing with tenants' opportunity to purchase will unnecessarily impede a sale to a bona fide buyer. The reality is that the financing and professional management

resources available to tenants are the equivalent of, possibly even greater than those of other buyers. The possibility of selling to tenants increases the bargaining power of the park owner who wants to sell. Adding the Oregon capital gains exemption for sales to tenants, the opportunity to purchase is profitable to the park owner.

I have participated in the Manufactured Housing Coalition since 2006. On the issue concerned in this bill, the Landlord contingent made no effort to reach agreement, even though they have known that the tenant opportunity to purchase has been a high priority to tenants for more than two years. Once park owners understand that tenants are a viable option for selling their parks, rather than selling to an out-of state corporation, I believe park owners' attitude about tenant opportunity to purchase will change. If landlord groups would take a positive approach, and educate their members, there would be little or no opposition to this bill. There is, however, the reality that when tenant cooperatives own parks they are exempt from the continuing education requirement and related fees paid to landlord groups that provide continuing education classes. They also would not be potential members for existing landlord groups.

I participated with CASA in a tenant purchase of a park by attending the first and subsequent tenant meetings, helping with formation of the legal purchasing entity, a cooperative, and providing a legal opinion at the request of the financing entity. Today, that tenant-owned park is a much better place to live than it was under the former owner. The tenants there have made substantial infrastructure improvements and now have the certainty that the land under their homes will not be sold for a different use. They also are immune from unreasonable increases in space rent. Tenant ownership of manufactured home parks is not greatly different from condominium associations, except that the financial institutions that loan on the former require that the tenant-owned cooperative use licensed professional management for park operation. Tenant ownership of parks is the wave of the future in low cost housing, and needs to be facilitated by this legislature.

Sincerely,

Michael S. Whitty,
Director, Oregon Park Managers Association