

House Bill 3007: Preserving Affordable Housing in Manufactured Home Parks "Opportunity to Purchase"

What it is: Opportunity to Purchase. What is not: Right of First Refusal.

Short description: An owner must notify the residents of intent to sell, and give time to the residents to come up with an offer to buy the park. The owner is able to refuse the offer, sell to them, or sell to someone else. This adds a tool to help keep existing neighborhoods intact, and prevent the loss of some of Oregon's most affordable housing. We know that the existing statute is imperfect, and both residents and park owners will benefit from clarifying the process and adding some sideboards.

The Situation

MHP's: 1,106 mobile and manufactured home parks in Oregon; 63,133 spaces. Compared to landlord-tenant law: landlord=**land owner**, tenant=**home owner**, or resident.

Statute: Before 2000: landlord-tenant law, and language regarding parks, including requiring negotiating in good faith (loose language, lacking definitions, time limits, and other constraints). 2007: enable residents of manufactured home parks to form associations or co-op's to purchase their park. 2009: added 14-day right of first refusal; time frame too short to prepare a good proposal, process needs clarification.

Closures: Since 1997, at least 68 park closures in Oregon, loss of 2,713 spaces. Some of the most vulnerable residents will be unable to relocate their home to another park, and unable to find suitable housing with that social network, and will end up moving into assisted living facilities or other supported housing. (Additional cost to the state.) One example: 297 tenants displaced in 2008 when Thunderbird park, Wilsonville, closed. Per *just one* case worker, three residents receiving in-home care (average yearly cost to state \$5,000 per person), moved to assisted living facilities (\$11,000 per year per person).

Objectives and benefits:

- **Help preserve neighborhoods, Help preserve affordable housing.** Many or most of the homes cannot be moved; address problems of rent increases and poor onsite management.
- **Avoid more costly solutions** when parks close.
- **Clarify and improve business and legal situation for owners:** adds sideboards, constraints and time limits; eliminates open-ended requirements. For example:
 - rules and time limits about tenant opportunity to declare intent and make an offer, better than current law which lacks definitions and time limits. Residents have 30 days to show substantive progress toward purchasing, and then 20 more to reach a deal. If a deal is reached, limited to 50 more days to close.
 - off-ramps to decline offer or stop the process
 - information disclosure is clarified and limited
 - applies only if owner is seeking a buyer for the park; unsolicited offer to purchase is exempt from this process (e.g. 1031 Exchange related to deferring federal capital gains taxes)
 - These improvements to the law were suggested by landlords during landlord/tenant coalition negotiations, and residents agreed.

(Most seniors in parks expect this to be their final home. Some of the residents are medically or financially vulnerable. Residents often share a strong sense of community.)

Oregon House Districts and Registered Manufactured Dwelling Parks



Oregon State House District	Count of Manufactured Dwelling Parks	Number of Spaces in Manufactured Dwelling Parks
1	50	1,459
2	32	1,608
3	26	1,450
4	43	2,031
5	43	3,229
6	10	892
7	51	2,628
8	9	547
9	40	1,614
10	31	1,137
11	21	1,252
12	14	1,406
13	12	1,029
14	26	2,378
15	22	1,751
16	11	936
17	24	1,216
18	23	985
19	17	1,947
20	9	486
21	16	1,399
22	18	841
23	16	1,024
24	19	1,467
25	17	1,298
26	7	462
27	2	152
28	1	162
29	15	1,309
30	3	491
31	29	943
32	26	1,027
33	0	0
34	4	494
35	2	53
36	1	38
37	6	750
38	0	0
39	26	1,783
40	18	1,840
41	15	587
42	0	0
43	2	140
44	7	862
45	2	88
46	6	155
47	12	692
48	25	946
49	29	1,641
50	10	616
51	18	1,106
52	25	1,048
53	16	636
54	13	1,337
55	27	949
56	40	1,715
57	36	1,695
58	27	935
59	29	1,254
60	27	1,217
total	1,106	63,133

Data Source: March 2013 Oregon Manufactured Dwelling Park Registry

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