

MANUFACTURED HOUSING OVERVIEW

Prepared by the Office of Representative Julie Fahey

BACKGROUND

Manufactured (or “mobile”) home parks are a cost-effective source of affordable housing.

Typically, park residents own their homes and rent the land where they are sited. In 2015, the average cost for a new single-wide mobile home in Oregon was \$50,200 (\$83,600 for a double-wide).¹ This price-per-square-foot is roughly half that of conventional house.

Mobile homes make up about **10% of Oregon’s housing stock**,² and Oregon has over 1,000 parks with over 60,000 units. The counties with the most parks are Lane (110), Jackson (103), and Clackamas (101).

Many park residents are low-income families or seniors on fixed incomes. The average income for a manufactured home resident, nationally, is \$2,000 per month.³

The **Manufactured Communities Resource Center (MCRC)**, under Oregon Housing & Community Services, is responsible for helping tenants of manufactured homes understand their rights under Oregon law. The program offers free mediation services and training for both landlords and tenants. They register parks and maintain a directory of all manufactured home parks in the state.

MCRC currently **has a dispute resolution service to mediate conflicts between landlords and tenants** with issues around evictions, property disputes, neighbor disputes, environmental concerns, park rules, and communication difficulties. However, this mediation may not include consideration of increases to space rent.

Unlike most renters, manufactured home park tenants are **already protected from no-cause evictions**.

CHALLENGES

SPACE RENT: Despite their name, “mobile” homes are not very mobile. It can cost \$5,000 to \$20,000 to move a unit, and often a unit’s age or condition make moving impossible. So, park residents have even fewer relocation options than other tenants, and **the manufactured home space rent market is not a true free market**.

Large, unexpected increases in space rent can be financially devastating to many park residents on fixed incomes. Residents who cannot afford a space rent increase face the choice of either selling their home (often at a substantial loss), abandoning their home, or making sacrifices in other areas like food or prescription medication.

DISREPAIR: Under current law, a landlord may terminate a rental agreement, with 30 days’ notice, and require removal of unit if its physical condition is not up to the park’s standards, with some exceptions.

PARK CLOSURES: Park owners must pay tenants a fixed amount to offset some of their relocation expenses when parks close, but these amounts have never been updated to reflect inflation.

PARK SALES: Existing law requires owners to give tenants notice when a park goes on the market, and they have 10 days to decide whether to pursue purchasing the park.

TENANT RIGHTS: Oregon law offers tenant protections, but tenants are not always fully informed of their rights and are often less able to retain legal representation as park owners are in case of legal action.

ENFORCEMENT: There is currently no enforcement mechanism for violations of the manufactured housing/floating homes section of ORS Chapter 90. In the State of Washington, the DOJ is the enforcement agency.

¹ “Average Sale Price of New Manufactured Homes Placed by Size of Home by State,” *U.S. Census Bureau*, accessed October 25, 2016.

² “Historical Census of Housing Tables,” *U.S. Census Bureau*, accessed Oct 25, 2016.

³ “Manufactured Housing Consumer Finance in the United States,” *Consumer Financial Protection Bureau*, published September 2014.

MANUFACTURED HOUSING BILLS

By protecting tenants from large rent increases and helping tenants exercise their rights, the legislature can reduce the number of people forced into subsidized housing or homelessness.

HB 2008 *Rep. Fahey & Rep. Marsh*

This bill is part of Speaker Kotek’s housing agenda and has several components. This package would:

1. **Update the required relocation payments to tenants when a park closes.** Current law requires \$5k/\$7k/\$9k for a single/double/triple-wide home. HB 2008 requires the greater of \$6k/\$8k/\$10k **OR actual reimbursements of real costs** up to a maximum of \$20k (Sections 1, 2, & 11)
2. **Require park owners, upon sale, to notify the Manufactured Communities Resource Center (MCRC)** of the date of sale, price, purchaser, and number of vacant spaces (Section 3)
3. **Require MCRC to prepare handouts regarding tenants’ rights** with a toll-free complaint number and explanation of the complaint process (Section 6)
4. **Instruct MCRC to maintain a database about complaints made against landlords** (Section 9)
5. **Gather additional data** during the annual park registration process (e.g., on space rent) and compile a biennial report summarizing this data (-2 amendments)
6. **Establish an enforcement process through MCRC for both landlords and tenants** to investigate violations, make determinations, and impose penalties for landlord violations – and report annually to the legislature on the effectiveness of this process (Sections 7, 8, & 14)

HB 2990 *Rep. Marsh*

This bill **gives tenants a 15-day right of first refusal** for purchasing their park when it is being sold. This right gives homeowners the opportunity to purchase their parks and preserve affordable housing while still allowing sellers to receive full market value. The bill also increases the window of time for tenants to form a committee to purchase their park from 10 days to 60 days.

HB 3330 *Rep. Fahey*

This bill **lifts the statewide preemption on rent control for manufactured housing.**

HB 3331 *Rep. Fahey*

This bill **adds large space rent increases to the list of conflicts that can be mediated by MCRC’s landlord-tenant dispute resolution process.** This proposal, modeled after a program in the State of Vermont, gives residents a process for challenging large rent increases. If rent increases are greater than one percent above CPI-U, then the tenants can vote to go to mediation.