



OREGON MANUFACTURED  
HOUSING ASSOCIATION

## Oregon Manufactured Housing Association

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### **House Human Services and Housing Committee March 4, 2019 – 1:00 p.m. Informational Hearing Relating to Manufactured Housing Genoa Ingram**

The Oregon Manufactured Housing Association (OMHA) is a non-profit professional and trade association representing the interest of our members including builders of factory constructed homes, retailers, financial services, developers, some community owners and their supplier companies. The Association was founded in 1968 to advance the availability of affordable housing opportunities by promoting the sale of factory constructed housing and the development of desirable sites and communities in Oregon.

The OMHA has been asked to provide an overview of the manufactured housing industry in context of the following proposals currently before the Committee:

- HB 2893, establishing an advisory committee on manufactured housing within Housing and Community Development Department
- HB 2894, establishing a program within Housing and Community Services Department to provide supplementary loans to individuals for new energy efficient manufactured dwellings
- HB 2895, establishing a program within Housing and Community Services Department to provide grants for decommissioning and disposing of manufactured dwellings
- HB 2896, requiring Housing and Community Services Department to provide loans to nonprofit corporation to develop program that supports manufactured dwelling park preservation and affordability for tenants.

OMHA is generally supportive of these concepts.

In August of last year the OMHA commissioned a study to determine the perception of the legislature regarding manufactured housing as a viable and affordable housing source. Nineteen Oregon state legislators were interviewed regarding the role and value of the manufactured housing industry. We selected legislators in leadership positions, those who served on committees that set policy affecting manufactured housing industry, and that reflect the partisan split in the legislature. In compiling our list, we strove to capture an accurate cross-section of Oregon's urban-rural divide and politically diverse legislative districts.

What we discovered was very revealing:

- While the level of knowledge varies greatly among legislators, there is strong, broad bipartisan support for the manufactured housing industry in Oregon. Legislators cited the affordability and quality of the product ('It brings affordable housing into reality,' said one). Others noted that regulations put in place by the state have made it more difficult for many people to access this type of affordable housing. Several noted it as being a key piece of any fix to statewide housing issues. Regardless of their level of knowledge, legislators were unanimous in their strong support of the industry.
- The need exists to continue to work to educate legislators on the quality and durability of the product, and the different housing options provided by the industry. Several legislators cited the dilapidated look of some mobile home parks and noted that many are in need of repair. Only three knew that industry standards have changed dramatically and serious quality improvements have been made, and today's manufactured housing units (including homes in manufactured home parks) are of much higher quality.

The industry has long battled the preconceived notions that all manufactured housing is in dilapidated mobile home parks. While that was cited by legislators, the second question asked legislators to describe their overall view of manufactured housing and the answer was unanimously 'positive' (the highest rating possible).

An interesting double standard arose when delving deeper into certain questions with legislators. Many of the same legislators who made mention of the deteriorating condition of some mobile home parks also noted the quality, affordable easy-to-build product provided by the industry. They cited them as 'great starter homes,' and lived in by 'people who have an idea of what the best bang for their buck is and want quality in their living space.'

- Many legislators continue to associate manufactured housing with landlord/tenant issues, and all the negative connotations that come with that. Through the course of our interviews (with few exceptions) legislators repeatedly associated 'manufactured housing' with mobile home parks, and the landlord/tenant issues that accompany some of them. Even when attempts were made to steer the conversation to other types of manufactured housing, some legislators would return to the issue. Very few legislators (four out of 19) cited the difference between the park models that are seen in mobile home parks and other, more complex types of manufactured housing. In the words of one well-educated legislator, 'landowner versus tenant continues to cloud the discussion.'

Even when citing manufactured housing as the perfect affordable housing, some legislators associated the product with mobile home parks.

- Legislators unanimously believe that the manufactured housing industry has a role to play in solving the housing crisis in Oregon. Legislators were asked three consecutive questions regarding the housing crisis in Oregon:
  - Whether manufactured housing has a role to play in meeting the housing shortage;
  - Whether manufactured housing has a role to playing in increasing housing affordability; and
  - Whether manufactured housing has a role to play in reducing homelessness in Oregon.

The first two questions went nearly hand-in hand. Legislators believe that manufactured housing can both meet the housing shortage and increase housing affordability. As one legislator cited, the state needs an additional 135,000 housing units and there is a shortage of both workforce and equipment. Nearly unanimously, legislators cited manufactured housing as an important part of the solution to that issue. Many references were made to the reduced construction time for manufactured housing, and the lower price point for consumers. In the words of one legislator, manufactured housing ‘offers another, lower-priced opportunity to be a homeowner.’

Asked whether manufactured housing has a role to play in reducing homelessness, the answers were a bit more varied. Some pointed to the great variance in reasons that people are homeless and noted that some people choose to be homeless. In the words of another, it would only help the approximately one-third of the homeless population who are looking for housing but can’t afford it. As multiple legislators said, it can be used as a place for those experiencing homelessness to get back on their feet.

Apart from manufactured housing as a valuable component to addressing affordable housing, it is also important to look at the how this industry is trending in Oregon. Of the original 17 manufacturing plants that existed in the 1980s and 90s, only five plants remain today. Our industry suffers from any increase in taxation and over burdensome regulatory fees that result in our products becoming more expensive, as those costs are passed to the consumer.

While ORS 197.314 requires all land zoned for single-family residential uses to allow for siting of manufactured homes, some communities are slow to implement this policy. These issues, combined with Oregon’s strict land-use planning regulations, represent challenges to keeping our homes affordable.

The Oregon Manufactured Housing Association looks forward to being a part of the discussion as to the how the legislation currently before your committee can improve access to home ownership and assist those homeowners in need of upgrading or replacing the existing homes.

On behalf of the OMHA, thank you for including us in the discussion.