

Enrolled
House Bill 2896

Sponsored by Representatives MARSH, SMITH G, Senator HANSELL; Representatives FAHEY, GOMBERG, HELT, KENY-GUYER, LEIF, LIVELY, MCKEOWN, MEEK, PRUSAK, WILDE

CHAPTER

AN ACT

Relating to manufactured dwellings; creating new provisions; amending ORS 90.840, 90.849, 456.579 and 456.581; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Sections 2 and 6 to 9 of this 2019 Act are added to and made a part of ORS chapter 458.

SECTION 2. (1) As used in this section:

(a) "Average income" means an income that complies with income restrictions determined at the advice and consent of the Oregon Housing Stability Council, but not to exceed the greater of 100 percent of the statewide or local area median income adjusted for household size as determined annually by the Housing and Community Services Department using United States Department of Housing and Urban Development information.

(b) "Nonprofit corporation" means a corporation that is exempt from income taxes under section 501(c)(3) or (4) of the Internal Revenue Code as amended and in effect on December 31, 2016.

(2) The Housing and Community Services Department shall provide one or more loans to nonprofit corporations to create manufactured dwelling park preservation programs that invest in, and provide loans for, the preservation and affordability of manufactured dwelling parks in this state.

(3) To be eligible for a loan under this section, a nonprofit corporation shall demonstrate to the satisfaction of the department that the nonprofit corporation:

(a) Is a community development financial institution operating statewide to support investment in, and acquisition, renovation and construction of, affordable housing;

(b) Has the ability and capacity to provide the services and reporting required of the program described in subsections (4) and (6) of this section; and

(c) Meets other requirements established by the department regarding financial risk and availability or accessibility of additional resources.

(4) An eligible nonprofit corporation, with input from the department, shall develop a manufactured dwelling park preservation program that:

(a) Invests in, and loans funds to, other nonprofit corporations, housing authorities, manufactured dwelling park nonprofit cooperatives as defined in ORS 62.803, local units of government as defined in ORS 466.706, agencies as defined in ORS 183.310, or any entity in which a nonprofit corporation has a controlling share, to purchase or refinance manufactured dwelling parks that will maintain the parks as parks long term;

(b) Emphasizes, when providing loans under paragraph (a) of this subsection, the financing of parks whose residents are predominantly members of households with income less than average income; and

(c) Preserves the affordability of the park space rent to park tenants who are members of households with income less than average income.

(5) An eligible nonprofit corporation shall create a park preservation account to be used by the nonprofit corporation for the manufactured dwelling park preservation program and shall deposit the moneys loaned by the department into the account.

(6) An eligible nonprofit corporation shall ensure that all financial activities of the program are paid from and into the park preservation account created under subsection (5) of this section. Each nonprofit corporation shall report to the department no less than semi-annually, showing the expenses and incomes of the park preservation account and the results of the manufactured dwelling park preservation program.

(7) A loan made by the department under this section:

(a) May require the nonprofit corporation to pay interest.

(b) May not require the nonprofit corporation to make any loan payments before the maturity date of the loan.

(c) Must have a maturity date of no later than September 15, 2036.

(d) May have its maturity date extended by the department.

(e) Shall have all or part of the unpaid balance forgiven by the department in an amount not to exceed the losses incurred on investments or loans made by the nonprofit corporation under subsection (4)(a) of this section.

(f) May include such agreements by the nonprofit corporation practical to secure the loan made by the department and to accomplish the purposes of the program described in subsection (4) of this section.

(8) The department or the State Treasurer shall deposit moneys received in servicing the loan into the General Housing Account of the Oregon Housing Fund created under ORS 458.620.

SECTION 3. No later than September 15, 2021, and no later than September 15 of each odd-numbered year thereafter, the Housing and Community Services Department shall report, in the manner provided by ORS 192.245, to the appropriate interim committee or committees of the Legislative Assembly on the implementation of the manufactured dwelling park preservation program created pursuant to section 2 of this 2019 Act.

SECTION 4. Section 3 of this 2019 Act is repealed on January 2, 2038.

SECTION 5. ORS 90.849 is amended to read:

90.849. (1) In addition to providing notice as required by ORS 90.842, upon sale of a manufactured dwelling park under ORS 90.842 to 90.850 or upon any sale, transfer, exchange or other conveyance of a manufactured dwelling park described in ORS 90.848, the owner shall give notice of the conveyance to the Office of Manufactured Dwelling Park Community Relations stating:

[(1)] (a) The number of vacant spaces and homes in the manufactured dwelling park;

[(2)] (b) If applicable, the final sale price of the manufactured dwelling park;

[(3)] (c) The date the conveyance became final; and

[(4)] (d) The name, address and telephone number of the new owner.

(2) Upon receipt of a notice under ORS 90.655 (1) or 90.842 (3) or subsection (1) of this section, the office shall make available on a website any public information contained in the notice and shall deliver the information to any person who has requested copies in a manner prescribed by the office.

SECTION 6. (1) The Housing and Community Services Department shall establish a program to provide loans to individuals to buy and site manufactured dwellings that replace older and less energy efficient manufactured dwellings.

(2) The department may make loans under the program only to individual borrowers who:

(a) Are members of households with income that complies with income restrictions determined at the advice and consent of the Oregon Housing Stability Council, but not to exceed the greater of 100 percent of the statewide or local area median income adjusted for household size as determined annually by the Housing and Community Services Department using United States Department of Housing and Urban Development information; and

(b) Will purchase a manufactured dwelling that:

(A) Meets energy efficiency standards as prescribed by the Housing and Community Services Department;

(B)(i) Will be sited in a manufactured dwelling park that has registered with the Office of Manufactured Dwelling Park Community Relations and either has entered into a regulatory agreement with the department or is negotiating a regulatory agreement that is at least partially conditioned upon the replacement of the dwelling; or

(ii) Will be sited on land owned or purchased under a land sale contract by the individual borrower; and

(C) Will be the primary residence of the borrower throughout the term of the loan.

(3) A loan under this section may not exceed \$35,000 per individual. The department shall prescribe by rule lending requirements and terms for loans made under this program, including:

(a) Interest rates charged to borrowers, if any;

(b) Repayment requirements, if any;

(c) Loan forgiveness opportunities, if any;

(d) Affordability requirements; and

(e) Remedies upon transfer or default.

(4) In servicing loans under the program, the department shall deposit all moneys received into the Manufactured Home Preservation Fund established in section 9 of this 2019 Act.

(5) The council may establish priorities for evaluating loan applications and shall give consideration to prioritizing loans to borrowers who are:

(a) From low income households; and

(b) Decommissioning and replacing manufactured dwellings that are older or less resource or energy efficient.

SECTION 7. (1) The Housing and Community Services Department shall establish a program to provide grants to persons for safely decommissioning and disposing of a manufactured dwelling as defined in ORS 446.003.

(2) The department may award grants under the program only to a person that is:

(a)(A) An individual who owns a manufactured dwelling sited:

(i) In a manufactured dwelling park that has registered with the Office of Manufactured Dwelling Park Community Relations and either has entered into a regulatory agreement with the department or is negotiating a regulatory agreement that is at least partially conditioned upon the replacement of the dwelling;

(ii) On land owned by the individual; or

(iii) On land being purchased by the individual under a land sale contract as defined in ORS 18.960; or

(B) An entity described in paragraph (b)(B) of this subsection that has a controlling interest, including a controlling interest in a general partner of a limited partnership, in:

(i) The manufactured dwelling; or

(ii) A manufactured dwelling park where the manufactured dwelling slated for disposal is sited; and

(b)(A) An individual who is a member of a household with income that complies with income restrictions determined at the advice and consent of the Oregon Housing Stability Council, and not exceeding the greater of 100 percent of the statewide or local area median income adjusted for household size as determined annually by the Housing and Community

Services Department using United States Department of Housing and Urban Development information; or

(B) A nonprofit corporation as defined in ORS 317.097, a manufactured dwelling park nonprofit cooperative as defined in ORS 62.803, a housing authority as defined in ORS 456.005, a local unit of government as defined in ORS 466.706 or a state governmental entity.

(3) Grants awarded under the program may not exceed 80 percent of the cost of decommissioning and disposing of the manufactured dwelling.

(4) The Oregon Housing Stability Council may establish priorities for the evaluation of grant applications and shall consider prioritizing grant awards:

(a) For the safe remediation of dwellings with environmental and public health hazards and risks, including asbestos, lead paint and mold;

(b) To owners from low income households; and

(c) For the decommissioning of manufactured dwellings that are older or less resource and energy efficient.

SECTION 8. (1) The Director of the Housing and Community Services Department shall appoint an advisory committee on manufactured housing. The director has the discretion to determine the membership of the committee and the terms of committee members, but shall consider for membership representatives from the following groups:

(a) State agencies such as the Housing and Community Services Department, the Department of Land Conservation and Development, the Department of Environmental Quality, the Department of Consumer and Business Services and the Oregon Business Development Department;

(b) The United States Department of Housing and Urban Development and the United States Department of Agriculture Rural Development;

(c) Local governments and local government agencies;

(d) Owners of manufactured dwelling parks that have an interest in providing affordable housing, or nonprofit corporations or cooperative corporations that own manufactured dwelling parks;

(e) Representatives of organizations that have a particular focus on serving people of color and that provide financial counseling, education or the opportunity to purchase affordable housing to individuals and families;

(f) Lenders or other persons that offer financing for manufactured dwelling parks or for purchasing manufactured dwellings; and

(g) Manufactured dwelling park tenants or owners of manufactured dwellings.

(2) The advisory committee shall:

(a) Advise the Housing and Community Services Department and other state agencies with respect to matters of interest and concern that are related to manufactured housing, manufactured dwellings and manufactured dwelling parks;

(b) Develop and promote strategies to maximize long-term preservation of manufactured dwelling parks as affordable housing;

(c) Identify and propose solutions to overcome barriers that prevent development of manufactured dwelling parks;

(d) Identify strategies to fund, preserve and improve infrastructure in manufactured dwelling parks;

(e) Develop and propose fair and equitable sources of financing for purchasing manufactured dwellings;

(f) Identify and promote strategies and services for assisting owners of manufactured dwellings to weatherize existing manufactured dwellings or replace deteriorating manufactured dwellings;

(g) Develop, approve or promote courses to counsel home buyers with respect to purchasing manufactured dwellings in this state;

(h) Identify and propose solutions to overcome barriers that prevent using manufactured dwellings as accessory dwelling units;

(i) Encourage the development of capacity for nonprofit corporations and residents of this state to acquire, own and maintain manufactured dwelling parks in fair market transactions;

(j) Conduct annual evaluations of the committee's efforts and the efforts of the Housing and Community Services Department and other state agencies in achieving the actions, priorities, goals and functions described in this subsection;

(k) Encourage and promote home buyer and homeowner counseling and education; and

(L) Meaningfully engage culturally specific and culturally responsive organizations and their constituents, including federally recognized Indian tribes located within this state.

(3) In undertaking the duties described in subsection (2) of this section, the advisory committee shall take account of the capacity of the department's staff and resources and the staff and resources of other state agencies.

(4) The advisory committee shall compile and report the results of the committee's evaluations under subsection (2)(j) of this section to the Oregon Housing Stability Council not later than March 30 of each year.

SECTION 9. (1) The Manufactured Home Preservation Fund is established within the State Treasury, separate and distinct from the General Fund. Interest earned by the Manufactured Home Preservation Fund shall be credited to the fund.

(2) Moneys in the Manufactured Home Preservation Fund consist of:

(a) Amounts donated to the fund;

(b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly;

(c) Amounts received from state or federal sources to be deposited into the fund;

(d) Income derived from moneys in the fund; and

(e) Other amounts deposited in the fund from any source.

(3) Moneys in the fund are continuously appropriated to the Housing and Community Services Department to:

(a) Carry out the provisions of sections 6 to 8 of this 2019 Act; and

(b) Pay the administrative costs associated with the fund and with implementing and maintaining the programs and advisory committee established under sections 6 to 8 of this 2019 Act.

SECTION 10. (1) The Housing and Community Services Department shall provide one or more grants to a nonprofit organization for the purposes of developing or improving infrastructure for a manufactured dwelling park.

(2) A nonprofit organization eligible for grants under this section must:

(a) Have experience in manufactured dwelling park development and redevelopment; and

(b) Own or have made plans to purchase or develop a manufactured dwelling park in Springfield, Oregon.

(3) A nonprofit organization receiving grants under this section shall enter into an agreement with the department and a local housing authority that requires the nonprofit to:

(a) Ensure that the manufactured dwelling park primarily supports residents who are low income or who have been displaced by the recent closure of an existing park;

(b) Provide a report to the department on or before November 15, 2020, that includes:

(A) The nonprofit organization's accounting and use of grant moneys under this section;

(B) Identification of other moneys or other assistance that the nonprofit organization was able to obtain or plans to obtain to support the acquisition and development of the park or to acquire manufactured dwellings made available for rent or purchase by the nonprofit organization in the park;

(C) Identification of other moneys or other assistance that the nonprofit organization obtained, or assisted the residents of the park in obtaining, that provided direct support to

the park's low income and displaced residents, including outreach and counseling, and acquisition, rehabilitation, transportation or demolition of manufactured dwellings;

(D) Outreach, counseling and other resources that the nonprofit has provided or plans to provide to the park's low income and displaced residents; and

(E) Lessons learned and any best practices identified by the nonprofit regarding subparagraphs (A) to (D) of this paragraph; and

(c) Meet any other requirements that the department may establish.

SECTION 11. In addition to the funds appropriated by section 18 (3) of this 2019 Act, notwithstanding ORS 456.579 (1) and 456.581, the Housing and Community Services Department may use moneys available in the Manufactured Dwelling Parks Account established under ORS 458.579 to fund grants under section 10 of this 2019 Act.

SECTION 12. No later than December 15, 2020, the Housing and Community Services Department shall provide a report to the Legislative Assembly or an appropriate committee of the Legislative Assembly in the manner provided under ORS 192.245 on the use of grant moneys under section 10 of this 2019 Act, including the information reported by the nonprofit organization that received grant moneys under section 10 (3)(b) of this 2019 Act.

SECTION 13. Sections 10, 11 and 12 of this 2019 Act are repealed on June 30, 2023.

SECTION 14. (1) The amendments to ORS 456.579 by section 15 of this 2019 Act are intended to change the name of the "Mobile Home Parks Purchase Account" to the "Manufactured Dwelling Parks Account."

(2) Whenever, in any statutory law or resolution of the Legislative Assembly or in any rule, document, record or proceeding authorized by the Legislative Assembly, reference is made to the Mobile Home Parks Purchase Account, the reference is considered to be a reference to the Manufactured Dwelling Parks Account.

(3) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel may substitute for words designating the "Mobile Home Parks Purchase Account," wherever they occur in statutory law, other words designating the "Manufactured Dwelling Parks Account."

SECTION 15. ORS 456.579 is amended to read:

456.579. (1) There is established separate and distinct from the General Fund an account to be known as the [*Mobile Home Parks Purchase*] **Manufactured Dwelling Parks** Account. [*Except as otherwise provided by law, all moneys credited to the Mobile Home Parks Purchase*] **Moneys in the** account are **continuously** appropriated [*continuously*] to the [*Director of the*] Housing and Community Services Department for the purpose of carrying out the duties and responsibilities imposed upon the [*Housing and Community Services*] department under ORS 90.800 to 90.850 and 456.581 and this section. Interest earned on [*moneys in*] the account [*must be*] **is** credited to the account.

(2) Except for loans provided in ORS 90.840, moneys in the account described in subsection (1) of this section may not be connected to or commingled in any way with the moneys in the fund described in ORS 456.720.

(3) For the purpose of carrying out the provisions of ORS 90.800 to 90.850 and 456.581 and this section, the [*Housing and Community Services*] department may seek moneys from any lawful source. Moneys obtained by the department pursuant to this subsection must be credited to the [*Mobile Home Parks Purchase*] account.

SECTION 16. ORS 456.581 is amended to read:

456.581. The [*Mobile Home Parks Purchase*] **Manufactured Dwelling Parks** Account established in ORS 456.579 shall be used by the Housing and Community Services Department to provide:

(1) Technical assistance to tenants' associations, manufactured dwelling park nonprofit cooperatives, tenants' association supported nonprofit organizations and housing authorities and to help tenants in activities related to the purchase or preservation of a mobile home park or a manufactured dwelling park by a tenants' association, a manufactured dwelling park nonprofit cooperative, a tenants' association supported nonprofit organization, a housing authority or a corporate entity

legally capable of purchasing real property that is formed by or associated with tenants pursuant to ORS 90.844.

(2) By rule, loans for initial costs for purchasing a mobile home park or manufactured dwelling park **or the development of infrastructure for a newly purchased park** that the department determines has a significant percentage of tenants who are individuals of lower income **or who have been displaced by the recent closure of an existing park**. Loans provided under this section may be made only if the department is of the opinion that the purchase is economically feasible and only to:

(a) A tenants' association, a manufactured dwelling park nonprofit cooperative, a tenants' association supported nonprofit organization or a housing authority; or

(b) A corporate entity legally capable of purchasing real property that is formed by or associated with tenants pursuant to ORS 90.844 and that includes more than 50 percent of the tenants residing in the park.

SECTION 17. ORS 90.840 is amended to read:

90.840. (1) The Director of the Housing and Community Services Department may lend funds available to the Housing and Community Services Department to provide funds necessary to carry out the provisions of ORS 456.581 (2). Such funds advanced shall be repaid to the Housing and Community Services Department as determined by the director.

(2) Notwithstanding any budget limitation, the director may spend funds available from the [*Mobile Home Parks Purchase*] **Manufactured Dwelling Parks** Account to employ personnel to carry out the provisions of ORS 456.581 (1).

SECTION 18. In addition to and not in lieu of any other appropriation, there is appropriated to the Housing and Community Services Department, for the biennium beginning July 1, 2019, out of the General Fund:

(1) The amount of \$9,500,000 for administering and funding loans under section 2 of this 2019 Act and for carrying out the requirements of the Office of Manufactured Dwelling Park Community Relations under ORS 90.849 (2).

(2) The amount of \$2,500,000 for deposit into the Manufactured Home Preservation Fund established in section 9 of this 2019 Act.

(3) The amount of \$3,000,000 for deposit into the Manufactured Dwelling Parks Account established under ORS 456.579 to fund grants under section 10 of this 2019 Act.

SECTION 19. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2, chapter __, Oregon Laws 2019 (Enrolled Senate Bill 5512), for the biennium beginning July 1, 2019, as the maximum limit for payment of expenses for operations, from fees, moneys or other revenues, including Miscellaneous Receipts and federal funds from the United States Department of Housing and Urban Development for contract services, but excluding lottery funds and federal funds not described in this section, collected or received by the Housing and Community Services Department, is increased by \$5,500,000 for expenditures related to sections 6, 7, 8 and 10 of this 2019 Act.

SECTION 20. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.

Passed by House June 25, 2019

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate June 29, 2019

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2019

Approved:

.....M,....., 2019

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2019

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Bev Clarno, Secretary of State