House Bill 2896

Sponsored by Representatives MARSH, SMITH G, Senator HANSELL; Representatives GOMBERG, KENY-GUYER, MEEK, WILDE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor’s brief statement of the essential features of the measure as introduced.

Requires Housing and Community Services Department to provide loan to nonprofit corporation to develop program that supports manufactured dwelling park preservation and affordability for tenants. Forgives loan in proportion to program’s losses.

Requires nonprofit corporation to provide semiannual report to department and department to provide biennial report to Legislative Assembly.

Appropriates moneys from General Fund to department for loan.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to manufactured dwellings; and prescribing an effective date.

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

SECTION 1. (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 a loan to a nonprofit corporation to create a manufactured dwelling park preservation program that invests in, and provides loans for, the preservation and affordability of manufactured dwelling parks in this state.

(3) To be eligible for the 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) Has available other commitments, totaling no less than $____________, including cash or cash equivalents of no less than $____________, credit and other sources of capital, to dedicate to the nonprofit corporation’s park preservation account under subsection (5) of this section.

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

NOTE:  Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in boldfaced type.

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(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) The 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 and the cash or cash equivalents dedicated under subsection (3)(c) into the account.

(6) The 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. The nonprofit corporation shall report to the department no less than semiannually, showing the expenses and incomes of the park preservation account and the results of the manufactured dwelling park preservation program.

(7) The 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. A forgiveness of the unpaid balance must be at least the proportion of the amount loaned by the department to the total initial cash balance in the park preservation account created under subsection (5) of this section, multiplied by any losses of the account during the term of the loan.

(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 2. 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 1 of this 2019 Act.

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

SECTION 4. 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, the amount of $3,000,000 for the administration and funding
of the loan under section 1 of this 2019 Act.

SECTION 5. 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.