

## **HB 2364 A STAFF MEASURE SUMMARY**

### **Senate Committee On Housing and Development**

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**Meeting Dates:** 5/4, 5/18

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#### **WHAT THE MEASURE DOES:**

Extends time tenants have to form committee and notify manufactured parks owner of tenants' intent to purchase facility from 10 days to 15 days after receipt of owner's notice of intent to sell. Extends time owners have to provide financial information requested by tenants from seven to 14 days after receipt of tenants' request for financial information. Adds total operating expenses for facility in calendar year before delivery of notice to required financial information. Extends time tenants committee has to incorporate and offer to purchase facility from 15 to 45 days after receipt of tenants' request for financial information. Requires owner to act in good faith when considering tenant offers and negotiating. Allows tenants to recover 10 percent of facility sale price if owner fails to comply with process requirements. Designates, upon award of damages, Department of Justice and prevailing party as judgment creditors for 50 percent, respectively, of award, and allocates department's share of award to Manufactured Parks Account after deduction of collection costs. Requires prevailing party to notify department of award within seven days following award judgment.

#### **ISSUES DISCUSSED:**

- Right of first refusal
- Subsidies for purchase of manufacturing parks
- Penalties for failing to meet sales process requirements
- Judgment creditor designation
- Housing and Community Services rulemaking
- Mobility of manufactured park residents

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

Manufactured housing is one of the largest sources of unsubsidized affordable housing in the country. In Oregon, manufactured homes account for eight percent of the state's total housing volume, and 16 percent of the state's affordable housing stock, according to American Community Survey five-year estimates (2013-2017).

In manufactured dwelling parks — referred to as a "facility" in statute — owners may rent a space to a tenant for a manufactured home. The park provides basic utilities, plus amenities such as community and shared recreational areas. When a park is sold, residents are at risk of losing their homes or are subject to rent increases that pose difficult challenges for people with low or fixed income. The burden of relocation for many residents is also high: a home can be moved to another park, but at significant expense; and if it cannot be moved, its value is greatly diminished. In 2014, the Legislative Assembly enacted House Bill 4038 to create a process to permit individual tenants to organize and compete to purchase a manufactured dwelling park facility. The Manufactured Dwelling Parks Account provides technical assistance to nonprofits, housing authorities, and park resident co-ops in the purchase and rehabilitation of manufactured dwelling parks.

House Bill 2364 A extends the time tenants have to form a committee and notify the manufactured parks owner of the tenants' intent to purchase the facility from 10 to 15 days after the receipt of the owner's notice of intent to sell. Owners will have 14 instead of 7 days to provide financial information requested by their tenants. Total

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operating expenses for facilities, in the calendar year before the delivery of the notice to provide financial information, will be required financial information for the owner to provide to tenants. Tenants will have 45 instead of 15 days to incorporate their committee into an entity legally capable of purchasing the facility and make an offer to the owner by written notice. Owners will be required to act in good faith when considering offers and negotiating. If owners violate process requirements, tenants may recover 10 percent of the facility's sale price. The Department of Justice and prevailing party will be designated judgment creditors for 50 percent of the award, respectively, allocating the department's share of the award to the Manufactured Parks Account of the deduction of collection costs. In addition, the prevailing party must notify the department of the award within seven days following the award judgment.