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House Interim Committee on Housing and Homelessness

Testimony: Bill Van Vliet, Executive Director with NOAH

My name is Bill Van Vliet, Executive Director with NOAH, the Network for Oregon Affordable Housing. NOAH is a statewide nonprofit that provides financing for the multifamily affordable housing industry. We administer \$420MM in capital across a range programs--from land acquisition to predevelopment to permanent loans.

NOAH has a long history of financing Manufactured Home Parks (MHPs) using either short-term acquisition loans or long-term permanent loans. The short-term loans allow nonprofits and tenants to quickly secure a park while they line up public resources needed to make critical infrastructure improvements and assure long term affordability.

NOAH is also active in housing policy, especially around preservation of existing affordable housing, including preservation of MHPs by nonprofits, resident cooperatives, and public housing authorities. Under the leadership of Rep. Marsh, we've worked on several pieces of legislation aimed at preserving MHPs, supporting owners of manufactured homes (MH), and removing barriers to the use of MH in new developments.

MH is an important source of affordable housing in Oregon, offering lower cost homeownership opportunities. Modern manufactured housing is well-built and offers cost advantages over other types of construction. There are great opportunities for MH to be a larger part of the affordable housing solution.

Here's a few statistics on MH in Oregon:

There are over 140,000 MH in Oregon, and the number is growing.

About 80,000 of those were built before 1980 when the first national building code for manufactured housing was fully implemented. This code is referred to as the HUD code and is regulated nationally. The code is credited with improving the quality and energy efficiency of manufactured homes.

60,000 of the homes are owned by very low-income households.

About 66,000 homes are located in over 1,000 MHPs throughout the state. Homeowners in MHPs face the challenge and risk of owning their home, but renting the land beneath it. Almost all of these communities are owned by private investors.

Thanks to legislative funding for programs through OHCS, several affordable housing organizations have purchased and preserved 36 of those parks containing about 2,400 spaces. 27 were purchased by tenants with CASA's assistance, and 9 are owned by nonprofits.

Smaller parks with fewer than 25 spaces remain a particular challenge to preserve since they are generally not feasible for resident cooperative ownership. Thousands of homes across Oregon are located in smaller parks.

Last month, NOAH hosted a three-day manufactured housing training program with a goal of educating nonprofits, housing authorities, and tribal organizations about various ways manufactured housing can be incorporated into affordable housing solutions. One of our goals was to generate interest by participants to acquire those smaller parks, and also consider building new parks as a housing strategy.

The program was sponsored by OHCS, Meyer Memorial Trust, and the Oregon Manufactured Housing Association (home factories). Sessions focused on MHP acquisitions and operations, new MHP development, and ways to use MH for residential infill. The program was well attended—16 nonprofits, 6 housing authorities, and 2 tribes participated.

The legislature has also allocated funding to a pilot home replacement program through OHCS to address the large number of older, poor quality and dilapidated homes. This program has helped homeowners remove and upgrade old homes to healthy and energy efficient housing. The program has routinely deployed all of its funding.

Looking forward, we need more resources for the acquisition and preservation of existing parks and funding for construction of new parks to help add to supply.

In addition, we need to focus on better home financing opportunities for consumers, especially for homes located in manufactured home parks where collateral issues are challenging. This is an area where a public/private partnership could have a large impact in Oregon.

Thank you.