



House Housing Committee

February 3, 2025

Testimony in support of HB 3054

Bill Van Vliet, Executive Director
Network for Oregon Affordable Housing (NOAH)

Chair Marsh, Co-Vice Chairs Anderson and Breese-Iverson, and members of the committee, my name is Bill Van Vliet, Executive Director of NOAH, the Network for Oregon Affordable Housing and I'm here in support of HB 3054.

NOAH is a statewide nonprofit that provides financing for multifamily affordable housing projects throughout the state.

We currently offer a wide range of financing and have over \$420 million of capital available to lend in our work. Several of our loan programs include financing manufactured home parks, so long as those parks are owned by mission-based ownership entities such as resident cooperatives, non-profits, and housing authorities.

For many years we've been active in policy discussions and advocacy for expanded use of manufactured housing as an affordable housing resource, and in and support of the residents of manufactured home communities.

The market demand for manufactured home parks in Oregon remains strong. I had a recent conversation with one of our appraisers who confirmed that while sales volume is down slightly from the peaks during 2020-2022, park valuations remain strong.

Larger parks are typically purchased by well capitalized major investors, and the most attractive of those parks draw interest from Wall Street investment

funds. Smaller parks under 100 spaces also have strong demand, but typically from local and regional investors.

Manufactured home parks remain an attractive investment opportunity because of limited competition for tenants and a tenant base that's captive because they cannot move their homes.

In other words, traditional market forces don't exist to help regulate rents. Park buyers know that residents have few choices, so they can plan for steady rent increases to support high purchase prices.

Our appraiser estimates that 60-80% of parks in the main markets have regularly increased rents at the maximum allowable amount. That's not sustainable for the people that live in those communities.

NOAH has financed over 20 parks around Oregon, with more in our pipeline. We have not seen rent increases at or near the maximums in our portfolio, the increases have been modest, even during the recent high inflation years. Those projects are performing well without the large increases.

With Oregon's overall housing shortage and captive tenants living in parks, owners can raise rents without much consequence. Persistent high rent increases put homeowners in those communities at risk of losing their home.

Homeowners also lose equity in their homes every time rents increase. I think that's why we're here today, to consider bringing some balance back to the market.

Thank you.