



March 4, 2019

Chair Keny-Guyer, Vice Chairs Sanchez and Noble and Members of the House Committee on Human Services and Housing:

My name is Peter Hainley and I am Executive Director of CASA of Oregon. CASA is a nonprofit community development organization that works throughout Oregon to support thriving communities. We work with local nonprofits, housing authorities, governments and communities to help meet the housing needs of families, farmworkers, seniors and the disabled. We also provide asset-building opportunities via individual development accounts, small dollar loans and financial inclusion services.

The CASA Community Loan Fund, a US Treasury-certified Community Development Financial Institution, further supports our work. Our loan fund currently has about \$10 million in assets. Nearly half of our fund is invested in manufactured home communities (MHCs), including 12 loans to Resident-Owned Communities (ROCs). (CASA has submitted separate testimony on OLIS that describes our ROC work as well as details on each of the 14 ROCs).

Thank you for the opportunity to testify on **HB 2893, 2894, 2895 and 2896**, all of which we support and are related to our work with residents in ROCs.

### **HB 2893 – Creates Advisory Committee on Manufactured Housing**

The advisory team that would be created under this proposed bill would be managed by OHCS. CASA believes that a "Manufactured Housing Advisory Team" (fashioned after the productive and legislatively mandated "Agriculture Workforce Housing Facilitation Team") is the ideal manner to deal with the myriad of issues related to MH and MHCs. We believe that a formal effort to bring state agencies to the table with other government and private interests would be well worth the effort. This advisory committee builds on the success of various efforts that coordinate MH activities. For the last few years, NOAH and others have been involved in efforts to address various issues related to MH and MHCs including:

- Purchase of manufactured home communities by residents and non-profits
- Looking at the various infrastructure needs with MH and MHCs
- Coordination of enforcement and corrective actions with DEQ, OHA, local water and sanitation districts, local health authorities and other jurisdictions due to failing septic and water systems
- Determining the extent that unsafe and unsanitary homes pose public health risks
- Land use issues when siting replacement homes

- Coordination of public and private financing in replacing dilapidated housing

I have previously discussed with Rep Marsh about the need to coordinate our work. While OHCS, NOAH, CASA and others have done an admirable job of trying to stay on top of all of this, I believe a more coordinated effort is called for. HB 2893 would be a great first step in that coordination. The only addition I would make to the bill is including the Oregon Health Authority as one of the state agencies to participate as one of their purviews is safe drinking water, a key need in some of these communities.

#### **2894**

This bill would help eliminate many of the dilapidated MH units with new, energy efficient units. Numerous agencies (Community Action Programs of Oregon, Energy Trust of Oregon, USDA Rural Development, NOAH and others) have been working with CASA to begin replacing units. With the support of Meyer Memorial Trust, CASA of Oregon is presently hiring staff to pilot a portion of this work. This funding would be key in helping us deliver replacement homes to those in need.

#### **2895**

This bill provides for the decommissioning and disposal of MHs that are no longer suitable for occupancy. In CASA's experience, the cost of decommissioning and disposal is between \$10,000 and \$20,000. The higher end is partially due to the high cost of asbestos abatement. With the funds provided by this bill, we could decommission between 25-50 homes. We could also learn valuable lessons on how we might lower disposal costs by negotiating lower disposal fees, greater efficiency in asbestos determinations and other possible cost efficiency measures.

#### **2896**

This bill is a key opportunity to help fund MHC purchases by non-profits and residents. Currently CASA is able to convert two or three communities to ROCs each year. While we would love to ramp up production, limited funding for the acquisition of these communities prevents us from doing so.

The CASA Community Loan Fund typically occupies the top risk position as a subordinate debt lender. We also provide predevelopment funding prior to purchase. As such, we take on a huge amount of risk up front and in the initial years of the loan. Since our operations are funded primarily through foundation grants, developer fees and loan interest/fees, we assume an inordinate amount of risk from the moment we place an offer to purchase an MHC through the organizing of the residents to the actual purchase and then the ongoing assistance we provide to the cooperative. We believe that 2896 would help CASA in our efforts to bring resident ownership to more MHCs throughout the state.

Thank you for the opportunity to offer this testimony and please support HB 2983, 2894, 2895 and 2896.