



June 7, 2019

Joint Ways & Means Subcommittee on Transportation and Economic Development

Subject: HB 2896 with -A8 amendments related to manufactured dwellings

Dear Co-Chairs Sen. Manning and Rep. Gomberg and members of the committee,

The purpose of this letter is to urge your support for HB 2896 with the -A8 amendments. The amended bill assembles important resources to improve housing stability, energy efficiency, and health outcomes for homeowners in manufactured dwellings in Oregon.

NOAH is a statewide nonprofit formed in 1990 for the purposes of providing financing for multifamily affordable housing projects throughout the state. We currently offer a wide range of financing products to support affordable housing development in Oregon, and have over \$250 million of capital available to lend in our work.

Since 2008, NOAH has provided financing for manufactured home parks owned by mission oriented organizations (non-profits, resident-owned cooperatives, or housing authorities). Manufactured housing is also one of the areas where NOAH has a dedicated policy focus. For the past three years NOAH has served as convener of an informal group of interested public and private sector stakeholders working with manufactured housing. The workgroup has focused on challenges and solutions to manufactured home park preservation, home financing and replacements, and related policy formation to support our collective work.

About manufactured housing in Oregon:

- There are approximately 140,000 manufactured homes throughout Oregon.
- About 62,000 of those are located in over 1,000 manufactured home parks where homeowners own their home but rent the land beneath it. This structure places the homeowners at risk of unsustainable rent escalation or potential closure of the communities where their homes are located.
- Nearly half of Oregon's manufactured housing stock was built prior to 1980, which is about the time HUD's first manufactured home building code was fully phased in.
- Many of these older homes are in disrepair, some severely, are unhealthy due to mold and other hazardous materials such as asbestos and lead. Many have leaking and collapsing roofs, rotting floors and failing systems. These conditions lead to increased short and long-term health risks.
- These older homes are energy inefficient, resulting in high utility consumption and additional cost burdens while also contributing disproportionately to climate change.

- Compared to all Oregon homeowners, owners of manufactured homes are more likely to be over the age of 65, receive SNAP benefits, and have lower median incomes (approximately \$35,000 per year-- about half the income of all homeowners).
- Residents in manufactured home parks are at risk of losing their home if their park closes.

HB 2896 with the -A8 amendments addresses risks identified for low income homeowners to preserve manufactured home parks in Oregon through acquisitions by mission-oriented owners and resident-owned cooperatives, and to begin the important work of replacing older, deteriorating homes to improve housing quality, health and energy efficiency.

Specifically, HB 2896 with the -A8 amendments will accomplish the following measures:

1. Establishes an advisory committee at Oregon Housing and Community Services Department (OHCS) on manufactured housing;
2. Allows OHCS to make loans to low income manufactured homeowners to replace older, less energy efficient manufactured homes;
3. Allows OHCS to make grants to manufactured homeowners with low incomes to properly decommission and safely dispose of older manufactured homes;
4. Allows OHCS to help establish one or more acquisition funds to finance the purchase of manufactured home parks by mission-oriented organizations to preserve their affordability and protect the communities from possible closure;
5. Allows OHCS to support the City of Springfield to develop a new manufactured home park for homeowners displaced by park closures;

Collectively, these actions will result in improved homes for low income Oregonians while accelerating the pace at which mission-oriented organizations can acquire MHPs. The result will be healthier homes, greatly improved energy efficiency, and more homeowners protected from potential park closures or steady rent increases that eventually will price them out of their homes.

Please support HB 2896 and the -A8 amendments.

Sincerely,



Bill Van Vliet
Executive Director