

Last session we passed legislation allowing residents of MH parks to form associations or co-op's to purchase their park – so they could remain in their home and keep their neighborhood in tact. This bill would give added meaning to that action, giving them a crack at buying the park. It says, simply, that an owner must notify the residents of intent to sell, and give 14 days to the residents to come up with an offer to buy the park. If they can match the offer, their offer must be considered first. The owner will be able to sell in either case, but this bill would help keep existing neighborhoods intact, and prevent the loss of some of Oregon's most affordable housing.

"In Connecticut, Florida, Massachusetts, Minnesota, New Jersey and Rhode Island, residents have a right of first refusal upon receiving notice of an impending sale of the community. A right of first refusal means that, if the residents can match the existing offer, they have the right to purchase the community."<sup>1</sup>

- There are about 66,000 manufactured or mobile homes in these parks in Oregon – nearly 800 of those are in my north Eugene district.
- This is affordable housing that already exists – let's not lose it. National sources show that the average household size is 2.3 people, and slightly more than half are employed full time. So while some of the residents are the working poor, others are often vulnerable – medically, or financially. Moving is often not an option, because they are unable, or there is no place to move their home to.
- The residents often share a strong sense of community. The social network is strong, and supportive, helping people who may struggle without that network: low-income families, disabled and elderly persons.
- When a park is closed, a neighborhood – a community – is wiped out.
- This bill will help preserve neighborhoods, save pain and suffering, and save money.

Since 1997, there have been 70 park closures in Oregon -- a loss of 2,774 spaces.

Under current law, a developer can make an offer on a park and the landlord can agree and the park can be cleared one year after giving notice. What happens to the residents? It's hard to say, but we can reasonably say that many of the most vulnerable residents, who depended on neighbors for helping with daily living, will be unable to relocate their home to another park, and unable to find suitable housing with that social network, and will end up moving into nursing homes or assisted living facilities – at a great cost to their happiness, a cost to their health, and additional cost to the state as well.

Under current law, manufactured home park owners are required to "negotiate in good faith...and provide...an opportunity to purchase the facility." The current statute creates confusion for both parties on what is required of them in negotiation. While the intent might

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<sup>1</sup> National Consumer Law Center's MANUFACTURED HOUSING RESOURCE GUIDE: *Promoting Resident Ownership of Communities*

sound good, it's not clear, so in fact the residents don't get that opportunity to buy the park. House Bill 2383 will clarify this situation by allowing an association of tenants of mobile or manufactured home parks a **14-day right of first refusal** for purchasing the park within the 14-day period following the delivery of the notice of sale.

So how tough will this be for park owners? I don't think it will be that tough. A couple of weeks doesn't seem an onerous burden, and especially knowing that there is already a tax advantage for the owners to sell to the residents, since the capital gains from sale of a mobile home park to a tenants association is exempt from Oregon income tax.

We say we value home ownership; we should be prepared not only to encourage home ownership, but to step in and help people keep the homes they already own, and keep them in the neighborhoods in which they live. Moving is often not a viable option- either financially, or logistically. When Oregon first started legislating to help mobile home park tenants – and remember, they are tenants of the property, but they own their home- most mobile homes were just that, they were mobile. In the intervening decades, the mobile homes aged, and the structures weakened. Building codes changed, and the manufactured home industry grew. These affordable homes are now built in a factory and moved to a site. Many of the older *and* newer mobile or manufactured homes are really not, or no longer, movable. Even if the home were moveable, there may be no place to move it to. And if there were places to move to, then all of the investments in street lighting, landscaping, and years of friendships and mutual neighborhood support are lost.

Preserving affordable housing is far less expensive than developing new affordable housing. This bill gives the tenants the opportunity to work together to keep their homes and preserve their neighborhoods. The cost of having so many people displaced becomes more of a burden for the state. It has the potential to cost a significant amount to put displaced tenants in new low-income housing, and it increases cost of Medicaid.

As I've discussed this with several colleagues and proponents, other good suggestions have been made to clarify or strengthen the bill, and I'd be pleased to help with amendments if desired. This bill will help preserve neighborhoods, save pain and suffering, and save money, and I ask for your consideration.