Manufactured Housing Metropolitan Opportunity Profile: Policy Snapshot

MANUFACTURED HOME COMMUNITIES IN PORTLAND, OR

STATE, LOCAL AND MUNICIPAL MANUFACTURED HOUSING POLICY
Overall, Oregon has a strong policy infrastructure around protections for homeowners living in manufactured home communities. Oregon law provides affirmative protections for fundamental freedoms, protection against retaliation, advanced notice of community closure of at least one year, and a recently strengthened opportunity to purchase law. However, there is plenty of room for improvements in policies that govern how manufactured homes are titled, the administrative complaint process and housing finance programs.

This Policy Snapshot also includes an in-depth examination of local and municipal treatment of manufactured homes in four counties in Oregon: Clackamas, Multnomah, Washington and Curry.

LAWS PROTECTING HOMEOWNERS IN MANUFACTURED HOME COMMUNITIES

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- **Affirmative protections for fundamental freedoms**
- **Protection against retaliation**
- **Notice before closure**
- **Purchase opportunity**
- **Protection against arbitrary eviction**
- **Right to sell home in place**
- **Relocation expenses**
- **Requires lease of at least one year**
- **Requires community owner to maintain the community**
- **Administrative complaint procedure**
- **Resident ability to enforce the laws**

AFFIRMATIVE PROTECTIONS FOR FUNDAMENTAL FREEDOMS
Almost half the states, including Oregon, affirmatively guarantee fundamental freedoms for residents of manufactured home communities, such as the right to canvas their neighbors, hold meetings, distribute flyers and invite public officials and candidates to speak to community residents.

PROTECTION AGAINST RETALIATION
Oregon prohibits eviction of a resident from a manufactured home community in retaliation for exercising legal rights. Oregon also prohibits eviction because a tenant has organized or joined a resident organization. This retaliation protection also covers other retaliatory acts, such as rent increases or decreases in services.

NOTICE BEFORE COMMUNITY CLOSURE
About half the states require a substantial notice period before a manufactured home community closes. Oregon requires a one-year advance notice.
PURCHASE OPPORTUNITY
One of the primary reasons that homeowners in manufactured home communities are so vulnerable is that they do not own the land under their homes. Nineteen states have a policy that requires or encourages community owners to give residents the opportunity to purchase the land on which their homes sit. Oregon had a weak, ineffective purchase opportunity law for many years, but this law was strengthened in 2014 and is now producing purchase opportunities. The state also provides a capital gains tax exclusion for community owners who sell their parks to the residents, a nonprofit or a housing authority. To encourage low-cost loans, Oregon offers a tax credit equal to the value of a four percentage point reduction in the loan interest rate for lenders who finance a purchase by a resident group, nonprofit or housing authority. While the borrower benefits from a below-market loan, the credit provides the lender with a market-rate return, offsetting the reduced interest rate.

PROTECTION AGAINST ARBITRARY EVICTION
Oregon protects homeowners in manufactured home communities from eviction or nonrenewal of their leases unless they have done something wrong, such as failing to pay lot rent or violating a rule.

RIGHT TO SELL HOME IN PLACE
Owners of manufactured home communities can effectively prevent homeowners from selling their homes by reserving the right to reject any potential buyer as a resident. Oregon prohibits arbitrary rejection of a buyer’s application for residency.

RELOCATION EXPENSES
About a third of the states, including Oregon, have programs that provide relocation assistance if a manufactured home community closes. Oregon’s program, like many others, is partially funded by community owners. The community owner must pay $5,000/$7,000/$9,000 for a single-/double-/triple-wide, respectively, and the state provides a cash tax credit of $5,000.

REQUIRES LEASE OF AT LEAST ONE YEAR
About twenty states require the owner of a manufactured home community to offer homeowners leases of at least one year. This requirement provides a modicum of security of tenure. In Oregon, leases must be month-to-month or have a fixed term of at least two years, but either may be terminated by the community owner only for cause, so Oregon homeowners have protection equivalent to that of a long-term lease.

REQUIREMENT THAT COMMUNITY OWNER MAINTAINS THE COMMUNITY
Oregon specifically requires manufactured home community owners to maintain common areas, utility service and other services so that they are clean, safe and in good working order.

ADMINISTRATIVE COMPLAINT PROCEDURE
Some states offer a simple administrative procedure for resolving residents’ complaints about their manufactured home community. Oregon requires community owners and residents to establish informal dispute resolution procedures concerning the lease and has a state agency—the Manufactured Communities Resource Center—which facilitates mediation and provides education, but does not have a program allowing residents to resolve a problem through a state agency.

RESIDENT ABILITY TO ENFORCE LAWS
A right without a remedy is unlikely to be effective. Recognizing this, many states specifically provide that residents have the right to enforce the manufactured home community protections. Oregon’s statute explicitly provides this right for specified provisions of its manufactured home community laws. More generally, Oregon allows either party to enforce its landlord-tenant laws, including those applicable to manufactured home communities.
TITLING: RIGHT TO TREAT HOME AS REAL PROPERTY

The way in which a state governs the titling of manufactured homes, especially when homes may be converted from personal property to real property, has major implications for owners and purchasers. A modern manufactured home may be indistinguishable from a site-built home. However, manufactured homes are typically considered personal property, like a car or a television set, rather than real property, absent some sort of conversion to real property. This classification as personal property, along with other issues common to manufactured housing, often keeps homeowners from enjoying the same security and potential for wealth creation enjoyed by owners of site-built homes.

In Oregon, manufactured home owners can only convert a home to real property if the owner owns the land where the structure is located, holds a recorded lease of 20 years or more that specifically permits the owner to record the structure or is a member of a manufactured home cooperative that owns the land where the structure is located. Allowing homes in cooperatives to be treated as real estate is an improvement over the laws in many states. However, because of the 20-year lease requirement, homes in most land-lease communities cannot be treated as real property. As a result, homeowners are relegated to high-cost chattel financing rather than regular mortgage loans.

STATE POLICIES AND PROGRAMS THAT AFFECT NONPROFIT MANUFACTURED HOUSING DEVELOPMENT AND PRESERVATION

LICENSING ISSUES FOR NONPROFIT HOUSING DEVELOPERS
A license is required to sell manufactured homes in Oregon. A licensee must pay an application fee of $542 and post a $40,000 surety bond or letter of credit. There are no non-financial requirements for licensure that would be difficult for a nonprofit manufactured housing developer to meet.

STATE WEATHERIZATION PROGRAMS AND OTHER MANUFACTURED HOUSING PROGRAMS
The Oregon Weatherization Assistance Program (WAP) serves families living in manufactured housing under the same processes and rules as families living in site-built homes. Manufactured homes require different types of weatherization procedures than site-built homes and WAP program providers are trained in how to properly weatherize manufactured homes.

The Energy Trust of Oregon offers free energy usage reduction measures to owners of existing manufactured homes who heat their homes with electricity or natural gas supplied by Portland General Electric, Pacific Power, Cascade Natural Gas or NW Natural. Utility districts, municipal utilities and electric cooperatives also service cities throughout Oregon.

A number of cities and counties in Oregon provide weatherization assistance for which manufactured homes are eligible. For example, Washington County’s Community Action Energy Conservation program provides no-cost weatherization assistance to income-qualified residents of Washington County. Both homeowners and tenants are eligible and mobile and manufactured homes are included.

USDA PILOT PROGRAM
The U.S. Department of Agriculture (USDA) Rural Development (RD) recently expanded its pilot program, which permits the 502 Direct and 502 Guaranteed loan programs to finance the purchase of energy efficient manufactured homes, to Oregon. USDA launched the pilot in August 2015 in Vermont and New Hampshire.

STATE AND LOCAL HOUSING FINANCE PROGRAMS

The Oregon Housing and Community Services Department makes its single-family financing programs equally available for site-built homes and manufactured homes which are permanently affixed to “acceptable foundations.” Manufactured homes must also meet mortgage insurers’ requirements, including a manufactured date after June 14, 1976, and have a living area of at least four hundred square feet. Homes on land owned by the homeowner may meet the foundation requirement, but most homes in investor-owned and resident-owned manufactured home communities do not. The agency also makes grants and Oregon Affordable Housing Tax credits available for nonprofit or resident cooperative purchases of manufactured home communities.
The statewide residents’ organization, Manufactured Housing/Oregon State Tenants’ Association (MH/OSTA), has a program that grants up to $250 for a repair or improvement to a manufactured home of one of its members, if the member or the local MH/OSTA chapter in that manufactured home community matches it.

**Clackamas County** offers an Owner Occupied Housing Rehabilitation Loan Program for the North Clackamas Revitalization Area. Eligible dwellings for rehabilitation loans include a “manufactured dwelling unit if the owner-occupant owns both the unit and the real property on which the unit is located. Manufactured dwelling units in parks or on rented land are not eligible because the loan cannot be secured with a lien on the real property.”

The **Washington County** Office of Community Development offers low-interest housing rehabilitation loans and grants to benefit low- and moderate-income Washington County residents. One such program is the Home Access & Repair for the Disabled and Elderly (HARDE), which offers loans or grants for urgent repairs and accessibility improvements. Both conventional and mobile homes may qualify for the program.

**Curry County** launched a pilot project in 2013 to replace and repair old and dilapidated manufactured homes—which, according to the Board of Commissioners, make up roughly 20% of the Curry housing stock—with new energy efficient homes through secured low-interest loans and grants. The project is currently limited to manufactured homes on owned land, but the county is working on expanding it to homes in manufactured home communities. The program was supported by the home manufacturers’ organization, Oregon Manufactured Housing Association, and funded in part by NOAH, a nonprofit bank consortium.

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**WHAT IS THE LOCAL AND MUNICIPAL POLICY ENVIRONMENT?**

This summary includes state-level policies that affect local advocacy and specific policies in three Portland-area counties: Multnomah, Clackamas and Washington. In order to represent less urban areas of Oregon, it also includes one rural county, Curry County, a relatively low-income jurisdiction, where manufactured housing accounts for 33% of the housing stock, thereby making local policy particularly impactful.

**MANUFACTURED HOUSING INCLUSION IN COMPREHENSIVE PLANS**

A comprehensive plan acts as a framework for zoning, subdivision regulations, annexations and other policies. Like most states, Oregon provides for local governments to adopt comprehensive plans that address land use, present and future housing needs and other matters. Like several other states, Oregon requires comprehensive plans to address manufactured homes or manufactured home communities.

Of the counties surveyed, **Clackamas County**’s comprehensive plan is most supportive of manufactured housing. The housing needs section and the community plans and designs section both note that homeownership needs can be met, in part, with manufactured dwellings and condominiums. The plan encourages affordable housing through the creation of more manufactured dwellings and the continuation of existing manufactured dwelling parks. It supports the provision of “needed manufactured dwelling sites throughout the County,” and states that the county will attempt to preserve existing manufactured dwelling parks by requiring an approved plan for relocation of existing tenants before the park is allowed to redevelop.

**Washington County**’s Comprehensive Plan “supports the provision of needed mobile home sites in mobile home parks and mobile home subdivisions throughout the county.” It recognizes that a variety of housing types, including manufactured homes, will continue to be in demand, but points out that the need for repair is very high among pre-1976 mobile and manufactured homes in parks where the homeowners do not own the land.¹

**Multnomah County**’s Comprehensive Framework Plan recognizes manufactured homes as “an increasingly popular housing choice which should be integrated into the community without conditions in certain zoning districts.” The plan also states that manufactured housing must be permitted outright, as it is defined by the Oregon Statutes as a “needed housing type,” and sets out locational and structural criteria for mobile homes.²

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¹ Washington County’s Comprehensive Plan does not make a distinction between “mobile homes” and “manufactured homes,” and uses the terms interchangeably. Manufactured homes are constructed according to a code administered by the U.S. Department of Housing and Urban Development. “Mobile homes” are factory-built homes built before June 15, 1976 and do not meet HUD Code standards. We have left the original language of the Comprehensive Plan intact, but we assume the use of “mobile homes” in this context includes both pre-1976 mobile homes and manufactured homes.

² See footnote above. Multnomah County’s Comprehensive Plan treats mobile and manufactured homes in a similar manner as Washington County.
Curry County’s Comprehensive Plan, updated through 2009, recognizes that a large percentage of the population live in mobile homes— in 1990, 33% of the county’s dwelling units were mobile homes. In consideration of future housing needs, Curry County notes that manufactured homes will likely be an appropriate form of new housing for working families, because their incomes are expected to remain low, and for retirees looking for small, conveniently-located housing. The plan recognizes the need for many types of housing, and, as part of its set of housing goals, notes that the county has designated lands for residential use “with conventional homes, multi-family dwellings, manufactured dwellings and mobile homes.” The Curry County plan does not address preservation of manufactured home communities.

ZONING FOR FEE-SIMPLE MANUFACTURED HOMES AND MANUFACTURED HOME COMMUNITIES

Some states prohibit local jurisdictions from using zoning, subdivision or similar regulations to exclude manufactured homes or manufactured home communities. Oregon prohibits counties and municipalities from completely excluding manufactured homes. It also requires cities and counties to allow manufactured homes in all residential districts within urban growth boundaries, as long as the home meets the same standards that apply to site-built homes, in addition to standards on a few topics such as roof pitch that local jurisdictions are permitted to adopt. State law also requires cities and counties to provide for manufactured home communities as an allowed use.

At the county level, Clackamas County includes a number of zoning provisions in its comprehensive plan. The plan states that the county will allow new manufactured home parks as a primary use in Medium Density Residential zoning districts, and will permit mobile homes in lieu of single-family dwellings in future urban, unincorporated community, rural, agriculture and other areas.

Multnomah County’s comprehensive plan permits manufactured homes in Rural and Natural Resource Areas, and in Urban Residential Districts. Mobile home parks must be located in either a Medium Density Residential zoning district or a Low Density Residential zoning district. The county has a zoning ordinance that implements these policies.

Washington County’s comprehensive plan specifies a number of zoning standards: single-section manufactured homes are permitted in R-5 and R-6 districts; manufactured dwelling parks and subdivisions are permitted in R-6 districts; and manufactured homes are permitted on the same basis as conventional dwellings in the rural/natural resource area, except in the Rural Residential Land Use District. The Community Development Code section of the Comprehensive Plan includes detailed construction and siting standards for all manufactured home communities, manufactured dwelling parks and manufactured dwelling subdivisions (in which the lots are sold rather than rented). The code notes that manufactured homes “may be placed on a lawfully created lot or parcel, that is not within a manufactured dwelling subdivision, in the R-5, R-6, R-9, R-15, R-24, R-25+, FD-20, and FD-10 Districts subject to compliance” with the provided standards.

A Curry County zoning ordinance states that manufactured dwellings are “permitted outright” in the following residential zones: Residential-One Zone, Residential-Two Zone, Residential-Three Zone and Rural Resort Commercial. Special structural requirements are outlined in Section 4.070 for manufactured homes in Residential-One Zone. Mobile homes (pre-1976) are “permitted outright” in the following zones: Rural Residential Zone, Rural Community Residential, Residential-Two Zone, Residential-Three Zone, Rural Commercial Zone and Rural Resort Commercial.

CONSOLIDATED PLANS

Consolidated plans are documents that local jurisdictions submit to the U.S. Department of Housing and Urban Development (HUD) as part of the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funding process. HUD lists just Clackamas and Washington Counties as having their own consolidated plans.

The 2012-2016 Consolidated Plan for Housing and Community Development in Clackamas County establishes as its second housing goal the stabilization of existing homeownership as well as the provision of opportunities for new homeowners. The plan supports the use of manufactured homes and mobile home parks as a reasonable method of obtaining affordable housing, especially in rural areas. The plan addresses the closure of three parks since 1999, which displaced 349 residents, including many elderly residents, and also mentions the Manufactured Dwelling Parks Preservation Fund, established in Oregon in 2009, which is an “avenue for qualified MFH residents to obtain control of the land when owners are considering selling.”

Washington County’s 2015-2020 consolidated plan (submitted jointly with the cities of Beaverton and Hillsboro) does not mention manufactured housing or mobile homes.

Several cities in Oregon also have consolidated plans. Portland’s consolidated plan notes that “the affordable housing supply includes privately owned market-rate units, particularly in older buildings and manufactured home parks,” and that the city has 73 manufactured home communities with 3,629 spaces. The plan’s only other reference to manufactured housing is a statement that the Portland Housing Bureau will continue outreach efforts to inform manufactured home residents about its homebuyer and foreclosure education and counseling activities.
MORATORIUMS ON REDEVELOPMENT
Oregon allows local jurisdictions to adopt a temporary moratorium on development. Moratoriums can be a way to stop the closure of manufactured home communities while the jurisdiction works out a long-term solution.

LOCAL TAX AND OTHER FINANCIAL INCENTIVES
The State of Oregon provides tax incentives for manufactured home community owners who sell the community to residents. However, on the local level, no municipalities in Oregon are known to have adopted tax or other financial incentives for preservation of manufactured home communities.

LOCAL RENT CONTROL
A state statute preempts local governments from adopting rent control, and no municipalities in Oregon are known to have adopted rent control ordinances for manufactured home communities.

STATE AND LOCAL POLICY ADVOCATES

A ROC USA Certified Technical Assistance Provider, CASA of Oregon, operates in Oregon and is available to help manufactured home community residents buy their communities. Community Frameworks, affiliated with NextStep, services various counties in Oregon. The statewide residents’ organization, Manufactured Housing/Oregon State Tenants’ Association, is another resource for manufactured homeowners and residents of manufactured housing communities.