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Policy Responses to the Closure of Manufactured Home Parks in Oregon

by

Andrée Tremoulet

A dissertation submitted in partial fulfillment of the
requirements for the degree of

Doctor in Philosophy
in
Urban Studies

Dissertation Committee:
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Abstract

This is a case study about policy responses to a specific form of gentrification at the urban fringe: the closure of manufactured home parks in Oregon.

The study analyzes the following research questions: (a) What factors affected the quantity and distribution of manufactured home parks? (b) Why did parks close? (c) How did the state legislature respond and why? (d) What are the likely impacts of the state response? A wide variety of sources (e.g., key informant interviews, observations of meetings and public hearings, focus groups of park residents, archival materials and secondary data about manufactured home parks) are employed to investigate a phenomenon imbedded in its context.

Parks subject to development pressures, as evidenced by their location in an area experiencing population growth and within an Urban Growth Boundary, were significantly more likely to close than other parks. Manufactured home parks were replaced by compact, mixed-use development in urban or urbanizing areas—smart growth. Based on this evidence, this study concludes that gentrification, in the form of park closures, is integral to Oregon's process of metropolitan restructuring.

In the wake of mounting publicity about park closures, the 2007 Oregon legislature adopted legislation that supported two ameliorating strategies: (a) reduce the harm caused to displaced manufactured homeowners through financial assistance, and (b) preserve parks where possible through enabling resident purchases from willing sellers. Who pays for the costs of this legislative package and preemption of

local ordinances were the most contested issues.

This research is one of the first to analyze gentrification in urban fringe areas. To understand the economic dynamics, it applies rent gap theory to the special case of divided asset ownership. It explores the likely efficacy of two types of policy remedies. Finally, by establishing park closures as a form of gentrification related to metropolitan restructuring, this case study raises the question of whether policies could support a kind of metropolitan restructuring that does not take the toll on people and places exacted by gentrification.

Dedication

This research is dedicated to my husband and life companion, Christopher Michael Cross, whose love and support are the wind under my wings, and to the memory of my parents, Stella Dolhonde Tremoulet and J. Charles Tremoulet.

Acknowledgements

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CHAPTER 1: INTRODUCTION

This is a case study of the policy responses to manufactured home park closures in Oregon. Approximately 2,800 households in the state were displaced from 2001 through 2007 when the owners of 69 manufactured home parks decided to close their parks to make way for new development (Oregon Housing and Community Services, 2008). Most residents had low incomes[1] and many were older adults, age 62 and older. Most were homeowners[2] (Oregon Population Survey, 2006). Although this case study is about Oregon, it is important to note that park closures were not limited to one place; this phenomenon occurred in many states, from Florida to Washington, during the housing and real estate boom of 2001 through 2006.

The primary theoretical basis for this analysis is the literature on gentrification. In recent years, scholars have taken a broader view of what constitutes gentrification—beyond a center city phenomenon—so as to better understand its essential features. Clark (2005) argued that anything that incorporated three essential features constituted gentrification: (a) the displacement of one group of residents by another of a higher income stratum; (b) a change in the physical environment, and (c) new investment in fixed capital. Manufactured home park closures are a form of gentrification because they involve all three of these features. The object of gentrification (later called the "what" of gentrification) bounds this case study.

[1] This research adopts the U.S. Department of Housing and Urban Development (HUD) definition of low income as applying to households and individuals whose incomes are at or below 80% of median family income for the area.

[2] Approximately two thirds of all mobile home park residents in Oregon were homeowners in 2006 (2006 Oregon Population Survey).

Although this case study addresses the causes and impacts of park closures, its primary focus is the attempt to develop policy solutions, and the likely effects of those policies on displaced residents, local communities, and the continued viability of this housing form. I analyze the efforts of the Manufactured Housing Landlord Tenant Coalition, a statewide group of landlords, tenants, tenant advocates, property managers and others involved with the manufactured home park industry to develop a statewide policy response to park closures during the 2007 Oregon legislative session. This case study also considers the development of local policies by three cities in response to impending closures prior to the 2007 session, and how this influenced the outcome of the session.

Why Study Manufactured Home Park Closures?

Manufactured housing has been called the "largest stock of affordable unsubsidized single family housing available for low income Oregonians" (Community Development Law Center and Community And Shelter Assistance Corporation [CASA] of Oregon, 2007). Nationally, one in 13 homes (7.6% of all housing units) is a manufactured home (Bureau of the Census, 2000). In Oregon, one in ten homes (10.3% of all housing units) is a manufactured home (U.S. Census Bureau, 2000). Approximately half of all manufactured homes nationally are located in manufactured home parks (Apgar, Calder, Collins and Duda, 2002). With 40% of the manufactured housing population living in parks, Oregon is similar to other states

in this regard (Oregon Population Survey, 2006). One in twenty Oregon households (4% of all households) lives in a manufactured home park.

For a housing form that serves so many people, manufactured home parks have attracted relatively little scholarly attention. In popular culture, stereotypes abound about manufactured home parks and their residents. In Oregon, manufactured home parks were largely ignored by the current generation of affordable housing advocates and community development professionals until park closures began to make the news.

The lack of research on such a significant form of affordable housing makes the following study of manufactured home parks a valuable contribution to the literature. Manufactured home park closures are important because they represent the loss of a sizable source of affordable housing. What is at stake is not just the loss of a few isolated manufactured home parks, but potentially the continued viability of this housing form in urbanizing areas of the state.

What may appear to be a straightforward inquiry about an offbeat phenomenon related to gentrification evolves into a vehicle for engaging with some of the central themes in urban studies research. For example, analyzing park closures provides a pathway to examine tensions inherent in Oregon's land use planning system. Tracking and mapping park closures leads to larger questions about the role of gentrification in metropolitan restructuring. Documenting the development of policy proposals provides lessons in the interplay of agency and structure in a political environment.

This research considers these themes within the context of the narrative of events that frame park closures and the policy response in Oregon.

This research focuses on two primary research questions: 1) why specific policy solutions to the closure of manufactured home parks were adopted during the 2007 Oregon legislative session, and 2) the potential impacts of these policies on park residents, affordable housing availability and the continued viability of this housing form. The section below describes how I have organized my investigation and analysis of these questions.

The Organization of This Research

Chapter 2 expands on the research questions identified above. I present the theoretical model depicting the interaction of structure and agency through driving and steering variables that underpin my research design. According to Savitch and Kantor (2002), driving variables are factors that propel the action forward and over which actors have little ability to directly affect. In an agency/structure framework, driving variables are associated with structure. An example of a driving variable is the economy. In contrast, steering variables are factors over which individual actors can exert influence. Steering variables are associated with the direction in which the action moves forward. An example of a steering variable in this case study is the political culture.

Chapter 3 reviews the relevant scholarly literature on gentrification as the basis for forming theory-based propositions to guide the research. The literature review

focuses on definitional issues, the role of gentrification in metropolitan restructuring and the role of property rights in gentrification. The literature review includes a summary of research about another form of gentrification that may have parallels to manufactured home park closures—the closure of residential hotels. I conclude with six propositions that link this case study to current topics in gentrification theory.

Chapter 4 provides an overview of manufactured housing in the U.S., its residents, and the larger policy context pertaining to this kind of housing. Existing data sets, such as the Decennial Census and the American Housing Survey, as well as secondary information from industry sources such as the Manufactured Housing Institute, are used for this analysis. In Chapter 5, I consider how manufactured home parks in Oregon compare to parks nationally using national and state data. I also present a statistical profile of park residents in the state using the 2006 Oregon Population Survey.

Chapter 6 analyzes park closures in Oregon. I examine two key factors derived from my theoretical model that might drive park closures in Oregon, namely development pressure (expressed as population growth) and whether they are located in an area designated for growth. I also examine the spatial distribution of park closures and the relative frequency of their occurrence near the urban-rural fringe. These findings provide a basis for exploring the relationship of park closures to the process of metropolitan restructuring in Oregon.

From an overview of parks and park closures, the research progresses to a consideration of aspects of the Oregon political economy in which park closures are

embedded. Due to their direct bearing on both the phenomenon of park closures and who became involved in the legislative efforts, I have chosen to focus on two aspects of the political economy in Chapter 7: Oregon land use policy and manufactured housing landlord tenant law. Through primary and secondary texts and interviews with key participants, I explore how and why a place was carved out for manufactured housing as a form of affordable housing within the evolution of Oregon State Planning Goal 10, Housing, and related administrative rules and case law.

Chapter 8 reconstructs the principal events leading to the adoption of legislation during the waning days of the highly partisan 2005 legislative session. It then follows the events that led to the closure of manufactured home parks being elevated to an issue whose time had come during the 2007 session. To document these developments, I searched newspaper databases for articles related to park closures, tracked changes in the composition of the Oregon legislature by political party, and followed the new affiliation of members of the affordable housing development community with a national effort to promote resident purchase and ownership of manufactured home parks.

In Chapter 9, I examine what occurred in three jurisdictions where closures had taken place and the public sector had responded by developing local ordinances to assist residents. I chose the three cities that subsequently were the most active in lobbying the state legislature: Wilsonville, Eugene and Bend. I utilize key informant interviews, newspaper articles and other documentation to establish chronologies and explore why the jurisdictions elected to respond the way they did.

Chapter 10 analyzes how the two primary pieces of legislation to be adopted during the 2007 session were created. I utilize direct observation at stakeholder meetings, documentation pertaining to the development of legislation, and interviews with key informants as data sources.

Having set the context for the 2007 session, I proceed to analyze the events of the 2007 session in Chapter 11. This chapter describes how and why the principal piece of legislation dealing with park closures changes as it goes through the political process. This chapter is based on direct observation at legislative sessions, interviews with legislators and other key informants and documentary evidence (e.g., written testimony submitted at public hearings). Chapter 12 examines the potential impacts of the legislation on park residents, local communities and the continued viability of this housing form. Since timing and changes in economic conditions prevented data collection and analysis of the actual impacts of the legislation, I use a with-and-without comparison (Patton & Sawicki, 1993) to analyze the hypothetical impacts.

Chapter 13 explores theoretical concepts that could inform additional policy development related to park closures. In particular, I describe how using a rent gap analysis (Smith, 1979) leads to new insights about the true costs of park closures and who bears them. I also utilize the ideas underlying tax increment financing to explore ways to fund the creation of new affordable housing to help replenish that which was lost through a park closure. The dissertation concludes in Chapter 14 with a discussion of areas for future research.

CHAPTER 2. RESEARCH DESIGN AND METHODS

This research is a mixed methods case study of policy development and implementation in response to mobile home park closures that occurred in Oregon from 2001 through 2007. The overarching research goals are to understand the factors and conditions that influenced the adoption of policy solutions during the 2007 Oregon legislative session, to preliminarily assess the impacts of these policies, and to explore if and how these policies represent a response to an emerging form of gentrification and displacement. The preliminary assessment of policy outcomes will consider impacts on displaced individuals, the availability of affordable housing, and the continued viability of manufactured housing in privately-owned parks as a form of affordable housing in Oregon.

This study considers the following research questions:

- What factors affected the quantity and location of manufactured home parks in the state?
- What factors influenced the increased incidence of park closures?
- Why were specific policy solutions to the closure of manufactured home parks adopted during the 2007 Oregon legislative session?
    - Why did the legislature address this issue?
    - Why did legislators choose the particular set of solutions that they approved during that session?

- How might the policy solutions adopted by the 2007 Oregon legislature impact displaced park residents, affordable housing availability and the continued viability of this form of housing in Oregon?

The research encompasses these elements:

- A selective inquiry into the broader environment---the political economy---that gave rise to the creation of manufactured home parks, the closure of manufactured home parks and the kinds of solutions that were adopted;
- An inquiry into how actors representing differing interests and institutions brought their perspectives and skills to bear in a complex interactive process of creating legislative packages;
- An analysis of how and why the legislation changed as it moved through the adoption process;
- A preliminary assessment of the likely effects of policies adopted in 2007 and the identification of areas for future work;
- A description of how this study contributes to the body of scholarly analysis of the phenomenon of gentrification.

An understanding of the context in which the problem of park closures arose and solutions were proposed is central to this research. The preferred method for analyzing a phenomenon embedded in its context is the case study. According to Yin (2003, p. 9), a case study approach is appropriate when "a 'how' or 'why' question is being asked about a contemporary set of events, [stat] over which the investigator has

little or no control." This research takes the form of a case study that utilizes both qualitative and quantitative data and analytical methods to explore the research questions listed above. According to Yin (2003), a case study research design should consist of five elements:

Research questions (stated above).

Propositions that describe what I expect to discover regarding the research questions. Propositions are typically based on theory, information from related case studies or preliminary observations about the phenomenon in question which one now proposes to investigate more systematically. Since most of my propositions are derived from the literature on gentrification, with attention to related case studies about the closure of residential hotels, they are placed immediately after the literature review in the following chapter.

Units of analysis. My primary unit of analysis is the policy response to the closure of manufactured home parks during the 2007 Oregon legislative session. The policy response includes the development of bills by interest groups and legislators and their vetting and adoption through the legislative process. Although I focus on the development of the bill that impacted the greatest number of people and was the most contested, I also track other bills that were proposed, as they represent either complementary or alternative strategies to addressing the impacts of park closures.

I am particularly interested in the environment in which these policies were adopted, and thus my research encompasses other factors that may affect both the creation of the problem to be solved (the closure of parks) and the solutions

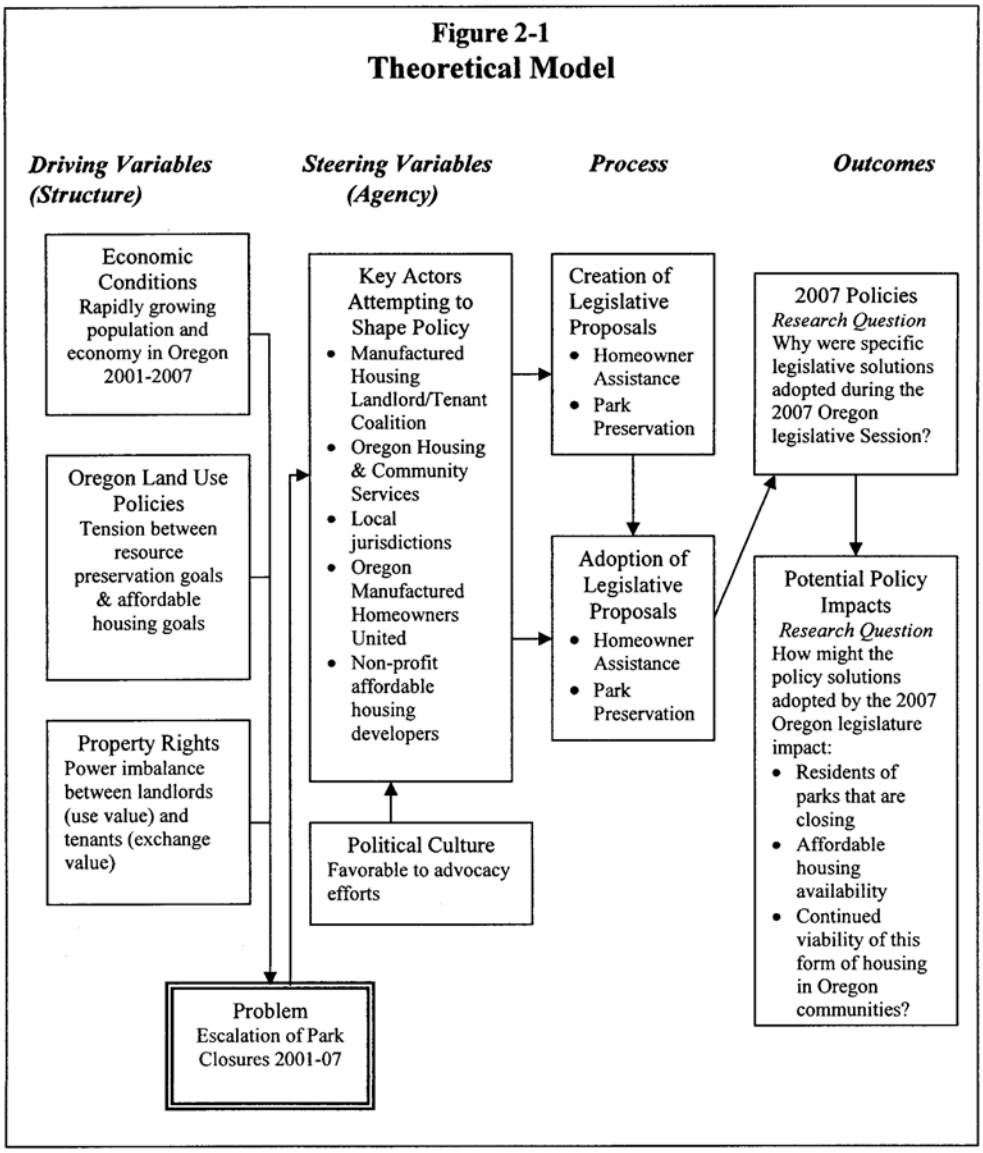
developed. Some of these other phenomena have different units of analysis. For example, when I examine the incidence of park closures in the state, my unit of analysis is the manufactured home park. When I examine how local communities respond to park closures, my unit of analysis is the committee or group of people involved in developing the response in a particular jurisdiction (e.g., local elected officials, park owners and park residents). When I examine how the 2007 legislation might affect the impacts of park closures on individuals, my unit of analysis is the displaced person. These units of analysis (and the others that occur throughout this research) are secondary to my primary focus, the policy response, and serve to provide a more complete picture of a complex phenomenon.

Logic linking data to the propositions. Yin offers three general strategies for analyzing data: relying on theoretical propositions, thinking about rival explanations, and developing a case description. The theoretical model presented in Figure 2-1 links my research to the political economy literature.

The theoretical framework for this research draws extensively on the model developed by Savitch and Kantor (2002) to explain how various cities responded to the challenges of global capitalism and increasing international competition for economic development. Their research relied heavily on a political economy framework. In their multiple case study of urban development in North America and Western Europe, they analyzed how the interaction between agency and structure explained the economic trajectories of ten global cities. They defined structure as the "long-term, underlying, relatively fixed forces that configure decision making" (p. 30).

In contrast, they associated agency with "human volition, personal discretion and freedom of action" (p. 30-31). Their explanatory theory posited that constrained choice results from the interaction of driving variables and steering variables. Driving variables are the factors that propel action forward and do not easily lend themselves to short-term change, such as long-term economic conditions. They are associated with structure. Steering variables, associated with agency, are factors that actors can affect, such as the local political environment. They used these two kinds of variables to develop an explanatory theory that described how and when structure or agency matters.

Figure 2-1
Theoretical Model



My case study of park closures and the responses to them is also a study of the political economy of urban development. To use Savitch and Kantor's language, economic conditions in Oregon during 2001 through 2007 may have driven metropolitan restructuring, but the form that the metropolitan restructuring took and how it impacted particular groups of people (e.g., manufactured home park residents) is affected by policies regarding growth management, affordable housing, and landlord tenant law. Within this process of metropolitan restructuring, there are winners and losers. I am interested in the impacts of metropolitan restructuring on a group defined by the kind of housing in which that group lives. Both economic logic and political logic are relevant in this analysis.

In this diagram, the driving (structural) variables are the rapidly growing Oregon population and economy, the longstanding tension between resource preservation goals and affordable housing goals within the Oregon land use system, and deference given to individual property rights. The diagram depicts these structural variables as contributing to the escalation in park closures during the 2001 to 2007 time period.

Key actors responded to these closures by attempting to elevate the stature of park closures so that they would be an issue that the state legislature would deal with during the 2005 and 2007 sessions. They attempted to shape the political response in ways favorable to their interests. These key actors include the Manufactured Housing Landlord Tenant Coalition and its constituent landlord and tenant organizations, Oregon Housing and Community Services (the state housing agency), local

jurisdictions, and a newly formed tenants' group, Oregon Manufactured Homeowners United. The key actors were aided in their efforts to influence legislation by a political culture open to advocacy in Oregon. The key actors and the political culture constitute the steering variables in this model.

The process for changing the policies pertaining to park closures involved the development of legislative proposals. It also involved the events of the 2007 legislative session, including the lobbying efforts of key actors and the responses of legislators. The key policy proposals developed in response to park closures logically fall under two complementary strategies: forestalling the event (park preservation) and reducing the impacts of the event (homeowner assistance). The final outcomes consist of the new laws adopted during the 2007 session and the impacts of the policies on affected residents, affordable housing availability and the continued viability of this form of housing in Oregon communities.

Embedded within the political logic of my model is the importance of power. How power is distributed among key actors affects policy outcomes. In this case, the distribution of power between landlords and tenants, and how policies pertaining to property rights affect that distribution, are important considerations. I propose that, because property rights are so deeply ingrained in U.S. culture, the resulting power imbalance between landlords and tenants is a structural impediment to fully addressing the impacts of gentrification.

In addition to this theoretical model based on a political economy framework, I also rely on a set of propositions based on gentrification theory to interpret and

analyze data that I collect. These additional theory-based propositions are presented within the context of the literature review, which comprises the next chapter. I indicate within that chapter what data are used to explore each theory-based proposition and where this analysis occurs within the overall research.

In certain instances, I think about and explore the relevance of rival (competing) explanations for a particular point I wish to make. For example, when I examine the question of whether park closure could have led to premature death by residents, I consider the possibility of the mortality rate being within the normal range for a population of the age and race of the park residents.

Criteria for interpreting the findings. For explanatory case studies, Yin recommended using an explanation-building approach. The logic behind my explanations is encompassed in the theoretical model presented in the section above. The goodness-of-fit between the theoretical model and the findings is the primary way to evaluate and interpret the relevance of the findings.

A secondary means of interpreting the fit of the data to the model is provided through a time-sequence approach. The events described above occurred in a time sequence that, to a degree, helped establish a chain of cause and effect. If one event causes a second one, the first event must occur before the second one can take place. Yin encouraged researchers to utilize the chronologies not just as a descriptive device, but also as an analytical one because "the basic sequence of cause and its effect cannot be temporally inverted" (2003, p. 125).

I use chronological narratives extensively in this research to describe, analyze and explain what occurred with respect to the creation and adoption of policy. Because I was present as an observer or a participant observer during much of the policy creation and adoption process, I, too, was experiencing the flow of information and actions in a sequence not dissimilar to that of the primary informants; thus, I am in a position to understand the relevance of time sequence.

In adopting an explanation-building approach to the first research question, I do not claim to rule out all other explanations for what occurred. A different researcher, utilizing the same data but informed by a different set of theories, could possibly reach a different set of explanatory conclusions than I did. But these alternative explanations are not necessarily rival explanations that invalidate the truth or accuracy of my explanation. They can be complementary explanations, based, for example, on theory that comes from a different discipline. As an urban studies scholar, I have been encouraged to draw on many different disciplines (e.g., planning, sociology, anthropology, history, geography, gerontology, political science and economics)[3], and I see complementary explanations as contributing to a more robust understanding of what occurred. What I do claim is that the explanations I offer, informed primarily by the scholarly literature on gentrification, are substantiated by the data. The data fit the theory, and vice versa.

[3] References to theories that come from these other disciplines are included throughout the body of this research, as their explanatory power become relevant. However, the backbone of this research, and the basis of the propositions, is the scholarly literature on gentrification.

Data Collection and Analytical Methods

As Fainstein (2001, p. 19) succinctly stated in her comparative case study of urban redevelopment in New York and London, the challenge in a case study is "to figure out not what matters in general, but what matters when, for what results." In making decisions about what is relevant and what is not relevant in a dense environment of detail, I utilize two guides:

- The theoretical propositions underlying this research, which are explored above and in the literature review, and
- As both an observer of, and, to a lesser degree, a participant in the policy development process, my judgment about what propelled the process forward. My role as a participant observer is discussed in the final portion of this section.

In conducting this research, I use a wide variety qualitative and quantitative data sources. Primary data sources include five of the six potential categories of evidence that Yin specifies: documentation (e.g., meeting agendas, e-mails, written testimony), archival records (e.g. historical reports, newsletters, memos, notes for speeches), interviews (e.g., one-on-one interviews and focus groups), direct observations (e.g., meetings, public hearings) and participant observations (e.g., as a volunteer committee member for a non-profit organization)[4]. Because the data sources are numerous, I have elected to include detailed protocols related to specific

[4] The sixth is physical artifacts. While I do include photographs of random ephemera depicting current stereotypes about manufactured home park residents, I provide this evidence for illustrative purposes.

data sets in the appendices (Appendices 2-1 through 2-4). The protocols include sample selection, data collection and methods of analysis.

The case study methodology allows a researcher to put a phenomenon on a platform, much like a three-dimensional sculpture, and then to walk around it to view it from many different perspectives to gain a richer understanding. The chapters in this dissertation represent my circumnavigation of the phenomenon of park closures in Oregon and the attendant legislative response. The table below summarizes the subject matter, data sources and analytical tools that I use to understand park closures and the legislative response from various perspectives.

Table 2-1
Research Topics, Sources and Analytical Approaches

Chapter	Principal Data Sources	Analytic Approaches
4. Manufactured Housing, Its Residents and Policy Context	Publicly available data sources such as American Housing Survey, Census, and American Community Survey; trade publications; governmental and scholarly publications on manufactured housing	Exploration of data to determine whether this housing form is worthy of serious scholarly and policy consideration—includes presentation of descriptive statistics pertaining to manufactured housing and its residents and exploration of stereotypes regarding manufactured housing residents
5. Oregon Manufactured Home Parks and Their Residents	Data on Oregon parks collected by Oregon Housing and Community Services and 2006 Oregon Population Survey	Presentation of descriptive statistics—use of descriptive statistics, related research studies and observations of Oregon park residents to construct three clusters of residents distinguished by income, tenure and life stage

6. An Analysis of Park Closures in Oregon	Data on Oregon park closures collected by Oregon Housing and Community Services; information on county population growth rates provided by PSU Population Center	Portrayal and analysis of park closures using Geographic Information Systems (GIS),[5] hypothesis testing using inferential statistics
7. Manufactured Home Parks in Oregon's Political Economy	Written texts, interviews with key informants, electronic searches of relevant websites and review of legislative history	Extraction of factual information and data triangulation, construction of chronologies, validation through review by key informants
8. Manufactured Home Park Closures Enter the Political Agenda	Search of newspaper articles, interviews with key informants, published real estate price data and review of legislative history	Extraction of factual information and construction of chronology; counting (numbers of stories); presentation of descriptive statistics
9. Profile of Closures in Three Jurisdictions	Interviews with key informants and newspaper articles (documentation)	Extraction of factual information and data source triangulation to promote accuracy
10. The Development of Legislative Proposals for the 2007 Session	Meeting observations, electronic communications, and legislative proposals	Construction of chronology and extraction of factual information and triangulation of sources
11. 2007 Legislative Session: Analysis and Discussion	Public meeting observations, documentation, audio recordings of public sessions and interviews with key informants	Construction of chronology and thematic analysis of interviews with key informants
12. Analysis of the Significance of the Legislation	Focus groups, documentation, electronic communications and interviews	With and without policy analysis, comparison of theory and findings

[5] I am indebted to two Masters in Urban Planning students, Brendon Haggerty and Daniel Costantino, for their assistance with GIS. I am also indebted to Dr. Natalie Huguet and a colleague in the Urban Studies Ph.D. program, Ann McQueen, for assisting me with the statistical analysis in this chapter.

Principal original data sources include 30 interviews with 26 stakeholders, seven focus groups with manufactured home park residents, observations of nine meetings of a statewide coalition of landlords and tenants (the Manufactured Housing Landlord Tenant Coalition), observations of legislative proceedings, written testimony submitted at public hearings before legislative committees and a private collection of historical reports[6]. To further immerse myself in the topic, I also attended resource fairs for parks that were closing, two annual manufactured housing trade shows in Oregon and two national multi-day seminars on the use of manufactured housing as an affordable housing tool by nonprofit developers.

As a researcher, I was granted the privilege of observing the full meetings of the Landlord Tenant Coalition as members worked to craft the key legislative proposal, which eventually became House Bill 2735 (HB 2735). I was present at nine meetings and received notes for a tenth from a landlord who was willing to share his information with me. Other meetings may have been conducted by the Coalition prior to my joining this group, but I was present for the meetings at which the principal decisions were made. I was also included on the Coalition's general e-mail distribution list, so I had access to draft proposals and regular updates on the legislative process as seen through the eyes of key Coalition lobbyists. I was granted access with the understanding that I would not quote participants directly without their permission, but instead would utilize the information as background data that

[6] I was permitted to examine the papers of Betty Niven, the founder of the state's housing agency and an important figure in the development of state and national policy with respect to manufactured housing from the 1970s through the 1980s. I subsequently facilitated their transfer to the Portland State University library for accession within their special collections.

informed my approach to interviews with key actors. I could also describe in general what occurred at the meetings but not report on specific actions by specific individuals. I analyze data from these meetings (hand-written field notes and handouts from the Coalition), the key informant interviews and the e-mails to determine why specific policy solutions were proposed and others were rejected.

I develop a profile of residents living in the state's parks through an original analysis of the 2006 Oregon Population Survey combined with qualitative information gained from visiting parks, interviewing park residents, attending resource fairs for displaced residents and conducting focus groups with park residents. I use this information to construct descriptive clusters of residents and compare this typology to that developed by another researcher.

I analyze park closures in Oregon from 2001 through 2007 using an electronic inventory of parks and park closures maintained by the state of Oregon based on information collected from county assessors and park owners. This information is mapped and analyzed to determine whether there is a statistically significant relationship between park closures and (a) their location within areas designated for growth and (b) the growth rate of the county where closures occurred.

Information on the 2007 legislative process was available through several means. The Oregon State Legislature website has a detailed archive of bills and laws (http://www.leg.state.or.us/bills_laws/), which I utilized for texts and schedules. I attended six hearings and/or committee meetings on HB 2735 and related bills, and, to the extent possible, obtained copies of written testimony from legislative staff and

participants. I listened to audio-recorded versions of the sessions that I was not able to attend in person. Finally, I interviewed five legislators before or during the legislative session and conducted second interviews with four legislators and a third interview with one. A complete list the people whom I interviewed appears in Table 1 of Appendix 2-1.

Lacking systematic data about actual impacts, I analyze the hypothetical benefits of the legislation on various clusters of Oregon manufactured home park residents. This is called a with-and-without comparative analysis (Patton & Sawicki, 1993). Although this analysis primarily utilizes data previously mentioned, two new sources are considered as well. The first is seven focus groups with park residents statewide. The second, which I obtained from residents and an employee of the local senior center, consists of more in-depth documentation about one particular manufactured home park that closed, Thunderbird Mobile Club in Wilsonville. This documentation included a resident directory published the year before the closure was announced and a detailed list of how approximately 70% of the residents resolved their need for housing after they left the park.

Four Tests of Quality and Analytic Generalizability

Yin (2003) identified four tests that are commonly used to establish the quality of empirical social research. They are construct validity, internal validity, external validity and reliability. I address each below.

Construct validity deals with whether the data that the researcher examines correctly operationalizes the concepts being analyzed. Yin recommended using multiple sources of evidence to promote convergent lines of inquiry, maintaining a clear chain of evidence to help link the data with the concept being analyzed, and inviting key informants to review the case study. I employ all three strategies to some degree, with greatest reliance on the first. I use multiple sources of information to help establish the validity of facts (such as the date something occurred), and I interview people with a variety of different perspectives (e.g., landlords and tenants, conservative legislators and progressive legislators, members of the Manufactured Housing Landlord Tenant Coalition and members/associates of a rival group, Oregon Manufactured Homeowners United) to help ensure that I have the benefit of exploring the logic of what occurred from multiple vantage points.

My primary chain of evidence consists of several chronologically-organized notebooks that pulled together data from multiple sources to chronicle the relevant events before, during and immediately after the 2007 legislative session. I also generated six handwritten notebooks that included field notes on observations and reflections on what I experienced. Finally, I gave drafts of relevant sections of the dissertation to three key informants to review for factual accuracy. Although I did not subject all of the chapters to this review, I did this for the sections that I felt were the most sensitive or about which I still had unresolved questions.

Internal validity pertains to the accuracy of causal relationships in explanatory case studies. My theoretical model shown above in Figure 2-1 depicts the

relationships between causes and effects that underpin this research. My prior description of this model presented the basis for these causal relationships and thus my approach to promoting internal validity.

External validity pertains to identifying the broader domain to which the case study is generalizable. Yin distinguished between analytical generalizability, which applies to case studies, and statistical generalizability, which applies to research in which one uses inferential statistics to draw conclusions about a population based on information collected from a valid sample of the population. The goal of analytical generalizability is to understand and explain the relationship between a set of results and broader theory.

My research is generalizable to the domain of gentrification theory. It helps to flesh out how broader gentrification theory pertaining to metropolitan restructuring applies to the specific case of manufactured home park closures within a state that has strong urban growth management policies. It portrays the specifics of how this theory applies and under what conditions. As a single case study, however, it is only the first step in building the case for the validity of this body of theory.

Yin stated that the ideal way to establish analytical validity is to test theory using at least two cases. He wrote, "If two or more cases are shown to support the same theory, replication may be claimed. The empirical results may be considered yet more potent if two or more cases support the same theory but do not support an equally plausible rival theory" (2003, p. 32-33).

Because this is a single case study, I cannot claim the explanatory power that results from a case study consisting of multiple cases. This is a limitation of my research design. Nevertheless, I can claim that my case study validates (or fails to validate) the propositions set forth in this chapter and the theory-related propositions set forth in the next one. Furthermore, by carefully documenting my conceptual model, research design and methods, I provide a pattern for undertaking additional (replicating) studies.

Reliability deals with the question of whether someone else could follow the same procedures that the researcher did and arrive at the same results. Thus, the primary way that one assures reliability is through documenting the evidence and the procedures used to examine it. Yin's advice was "to conduct research as though someone were looking over your shoulder" (p. 38). My primary database consists of my field notes of observations and reflections, the transcripts and notes from interviews and focus groups, files organized by topic, and the chronologically-organized notebooks of data compiled from multiple sources described above. I have documented my analytical approaches both in this chapter and in Appendices 2-1 through 2-4. This information provides sufficient documentation for another researcher to follow the same procedures and test my results. As stated previously, however, it is my belief that researchers trained in different disciplines are likely to work with the same data differently. This is, in part, because they may approach the data with different understandings of how the world works that are informed in part by the theories unique to their discipline.

Limitations of This Research Design and Methodology

Inherent in this research design are three primary limitations. The first has been discussed above: my research is a single case study and thus lacks the explanatory power that could result if the same outcomes were confirmed by two or more cases. Nevertheless, this research does contribute elements of specificity to general theories about gentrification by describing how they apply in a particular context. This case study is more about "fleshing out" the particulars of a broader theory (making it more robust) than it is about providing conclusive evidence regarding the validity of that theory.

The second weakness pertains to the analytic rigor with which I am able to approach the research question pertaining to the impacts of the legislation. My research began just as the wave of park closures crested and then came to a standstill. Most parks that were closing during this period were at least partially empty prior to my being able to begin this analysis. Thus, I had little opportunity to systematically measure the actual impacts of park closures or the benefits provided to residents by the 2007 legislation. This would have been the preferred approach to describing the impacts of the 2007 legislation. However, I was able to approach the question about the impacts of the legislation by analyzing the financial benefits available to different kinds of park residents before and after the effective date of the 2007 legislation.

A third possible weakness is the potential bias that could be introduced as a result of my role as a participant observer in aspects of this study. This is discussed in the concluding section below.

Participant-Observer Role

I have been involved in community development work at the local level for more than twenty-five years. While undertaking this research, I continued to remain active as a planning and community development practitioner in Oregon. Because I have been involved with affordable housing issues in the Portland Metro region for eight years, I was viewed by some as not only an observer, but as a potential ally and resource. This involvement meant that I became, to a degree, a participant observer in the policy development and implementation process that is the subject of this analysis.

There are two specific instances of professional involvement that are important to disclose: my position as a part-time Housing Services Specialist for the Washington County Office of Community Development, and my role as an independent consultant directly under contract to Community and Shelter Assistance Corporation (CASA) of Northwest Oregon and indirectly to Oregon Housing and Community Services (OHCS) for research related to manufactured home parks residents.

While conducting this research, I was employed by the Washington County Office of Community Development as a co-manager of U.S. Department of Housing and Urban Development's HOME Investment Partnerships Program. Washington County uses these funds to support affordable housing development. The county was the epicenter of park closures from 2001 through 2007; approximately 40% of the manufactured home sites lost in the state were located there. The 1,100 spaces lost in the county dwarfed the number of new rent-restricted affordable housing units created

during the same period. As a Washington County employee, I was in dialogue with program managers, non-profit community development corporation directors and others about possible ways to help those in need and deal with the impacts of park closures on our affordable housing supply.

During the summer of 2007, CASA of Northwest Oregon contracted with me to conduct focus groups at seven manufactured home parks in the state to determine the kinds of services park residents wanted in order to support the continued viability of this housing option. This provided an invaluable entrée to park residents and to understanding park living from their point of view. The Portland State University Human Subjects Review Committee approved the focus group protocols before the groups were conducted, and the results of those sessions are, with CASA's permission, included in this research.

In addition to these two formal roles, from time to time colleagues requested information or updates from me on the legislative process or on manufactured housing generally. For example, CASA staff invited me to be on an organizing committee pertaining to promoting resident ownership of manufactured home parks, and colleagues at Community Development Law Center sent me drafts of their guide to strategies to preserve manufactured home parks to review. I assisted CASA with analyzing and summarizing the data resulting from a written survey of residents of a park that was under consideration for conversion to resident ownership. I provided a summary of legislation adopted in Washington State to the members of the Coalition.

In general, I followed several key protocols to manage this dual role of participant (practitioner) observer (researcher). First, I attempted to be clear about which "hat" (researcher or community development practitioner) I was wearing in a particular context, and to be thoughtful and intentional about how I used the information I received when in the field. If relevant, I disclosed both of my hats to those with whom I was interacting and indicated which one I was wearing at that time. I was careful to note information that I received as a researcher that I was not at liberty to disclose in my county workplace and vice versa. Although I was asked twice to participate and testify at hearings (one state and one local), I refused both requests because I viewed each to be too direct a conflict between my roles as community development practitioner and researcher. To help myself gain perspective on, manage and be able to critically evaluate my dual role, I maintained a file documenting specific instances when I was called upon to move into more of a participant role.

The participant-observer role offered many advantages, but it also gave rise to complex situations that needed to be carefully managed. One advantage is that it provided a window on the day-to-day problems associated with park closures. Being a participant observer resulted in easier access to some participants and a higher level of trust on the part of some interviewees. Conversely, being a participant observer might have compromised the degree of openness with which other interviewees were willing to engage with me, as they might have thought that my belief system was not in accord with theirs. To counteract potential negative aspects of being a participant observer, I worked to dispel distrust by becoming a familiar, silent and attentive observer at

Manufactured Housing Landlord Tenant Coalition meetings. During meeting breaks, I regularly approached park owners and managers (instead of park residents and their advocates) to talk with them about something that they had said or to simply establish rapport. Although I found all but one interviewee to be open and communicative (that person refused an interview), it is impossible to ascertain to what degree my dual role resulted in filtering and self-censorship by park owners and those sympathetic to their interests.

Although my perspective is informed by my role as practitioner, it is not limited to that. As a researcher, I have grounded my understanding of the problem of park closures in both a scholarly context and a genuine attempt to understand how others comprehended the problem and its solutions. I have respect for all of the actors involved in this work. Instead of aiming for pure objectivity, I have instead attempted to achieve transparency and balance by disclosing the general nature of my dual role and its impacts on my perspectives and the more specific instances of when being a participant observer influenced the day-to-day decisions I made while conducting this research.

CHAPTER 3. LITERATURE REVIEW

This research approaches the topic of manufactured home park closures as a heretofore largely unexplored area of gentrification scholarship within housing policy. Although much of the literature on gentrification is about its "where," "why" and "how" aspects, less attention has been focused on the "what" of gentrification as the framing issue that determines the scope of a study. The "what" refers to the housing form that is lost, such as the loss of apartments through condominium conversions or the demolition of downtown residential hotels. While practitioner- and policy-oriented research on condo conversions (Eilbott, 1985; Jewel, 1980; Moye, 1980; Silver, 1980; U.S. Department of Housing and Urban Development, 1980) and scholarly research on residential hotels (Groth, 1994; Hoch & Slayton, 1989) does exist, the academic community has not yet taken up the topic of manufactured home park closures.

In this research, the issue of what (manufactured home park closures) is the starting point for asking questions about who, where, why, and how. A consideration of the "where" question opens a rich area of inquiry. The majority of Oregon's manufactured home parks closures occurred either at the periphery of older urban areas or in areas that have become urban more recently. Thus, in the parlance of geographers (Goodall, 1997; Johnson et al., 2000), this research is also concerned with rural-urban transformation, or, to be more precise, the transformation of the periphery. This process involves the dispersal of urban form, population groups, lifestyles,

cultures and consumption patterns to less intensively developed places in the periphery and body of urban areas, and the attendant impacts of this change on existing housing and residents.

The "how" and "why" questions relate to an analysis of the causes of gentrification and the underlying conditions that are complicit in the gentrification process. In Oregon, urban growth is guided by a set of statewide land use policies. Since park closures occurred in areas that were becoming more urban in nature, this research will take up the question of whether the state's land use policies played a role. In other words, this research looks to Oregon's state land use system as a means of exploring the political economy of manufactured home park closures. In particular, this research will explore how the inherent tension between urban growth management goals and affordable housing goals, and planners' efforts to broker compromises between them, affected the rise and decline of manufactured home parks in the state.

The scholarly discourse on gentrification is the foundation of this study. Of particular relevance is research that analyzes different kinds of gentrification, case studies that describe the underlying policies that support gentrification, models that elucidate gentrification's economic triggers, and case studies of policy responses to gentrification. Although relatively rare, case studies that focus on a particular housing type (the"what" of gentrification) are particularly relevant. The sections below highlight elements of the literature on gentrification relevant to this inquiry.

An Evolving Definition of Gentrification

Gentrification has evolved from its roots as a center-city phenomenon of the 1960s, and the scholarship and research has grown with it. British sociologist Ruth Glass first coined the term to describe a class-based transformation of the "shabby, modest mews and cottages" of the working class in London into "elegant, expensive residences" (Glass, 1964, p. xviii-xix). Gentrification was seen as rooted in the center city and tied to reinvestment in an older, often historic, building stock. The buildings were renovated or rehabilitated to elevate them to a standard in accordance with the tastes and preferences of more affluent residents, resulting in the displacement of existing residents, their economy and their culture.

As researchers discovered a similar pattern in other locations, debates occurred about whether gentrification could be about anything other than changes at the core, and whether those changes could include redevelopment and new construction as well as rehabilitation and renovation of older buildings. Over time, the literature began to include case studies of different "mutations" of gentrification (Lees, Slater, & Wyly, 2008), including "greentrification" or rural gentrification (Parsons, 1980; Smith & Phillips, 2001), studentification (Smith, 2002), new build gentrification (Zukin, 1991) and tourism gentrification (Gotham, 2005). Currently, there appears to be growing agreement that, four decades after the term was first coined, gentrification can assume a variety of forms. Clark (2005) posed a broad definition of gentrification that accommodates all of these divergent manifestations. Using a broad definition allows

one to focus on the essential elements of gentrification that are common to all of its many forms. His description, which I adopt as my operative definition, is as follows:

> Gentrification is a process involving a change in the population of land-users such that the new users are of a higher socio-economic status than the previous users, together with an associated change in the built environment through a reinvestment in fixed capital. (Clark, 2005, p. 258)

This definition identifies three essential components of the gentrification process: the displacement of lower income land users, changes in the built environment, and reinvestment in fixed capital. Gentrification also incorporates the consequences that stem from the displacement of one group of people by a more affluent one, such as changes in life styles, social networks and local economies. It is a phenomenon that can be studied and understood in economic, social, political and geographic terms. To a large degree, many of the early debates about the definition of gentrification were about which lens one was using to examine and understand the phenomenon. There is growing agreement that all of these explanations may be relevant, and that scholarship is likely to be most robust when multiple streams are brought together through a multi-disciplinary quest to understand this phenomenon and its consequences.

The "Where" of Gentrification: Center City + Rural + Suburban Gentrification = Metropolitan Change

Gentrification can manifest itself in a wide variety of locations and at different scales. Of particular relevance to this analysis is an understanding of the literature on

gentrification at three different locations at the metropolitan scale: center city, rural and suburban.

Classic center city gentrification is about re-investment in the core after a period of decline and devaluation. In contrast, rural gentrification is primarily about the movement of a higher-income population in pursuit of "idyllic rurality" (Horton, 2008). Rural gentrification is characterized by the "consumption of rurality" by vacationers, second home residents and others in search of views, recreation and the bounty of nature (Darling, 2005; Ghose, 2004; Walker & Fortman, 2003).

Unlike center city gentrification, rural gentrification need not be preceded by disinvestment and decline, as in the development of second homes in wilderness areas. In other instances, it can involve the flow of capital to places where a decline in traditional resource-based economies (especially farming) led to a drop in land values, thus setting the stage for new investment. Like center city gentrification, it involves the displacement of lower income people and their economy, institutions and way of life by a more affluent class and their consumption patterns. Instead of occurring all at once, displacement may occur over the course of a generation, as the children of existing residents become priced out of the existing housing market and can no longer find jobs in the resource-based industries that had provided a livelihood for their parents. A growing array of case studies explored the variants of rural gentrification and its potential range of causes (e.g., Darling, 2005; Riebsame, Gosnell & Theobald, 1996; Walker & Fortmann, 2003; Phillips, 1993, 2002, 2005; Smith, 2005).

Although scholarship about rural gentrification is increasing primarily through case studies that lead to an understanding of the underlying processes and characteristics, scholarship about suburban gentrification is at a relative infancy. From a theoretical perspective, Smith (1996) predicted that once the center had regained ascendancy, suburbs would become the less prosperous areas where immigrants and lower income households would gravitate because they could afford to live there. He suggested that those areas might eventually decrease in value sufficiently to induce redevelopment. Smith positioned suburban gentrification as a possible outcome of the reinvestment that occurs after an outward wave of disinvestment.

Lower-income households and newcomers are indeed moving to lower-cost housing in some suburban areas. Overall, in the U.S. there are a million more suburbanites with incomes below the poverty level than city dwellers (Katz & Bradley, 2009). But this pattern of socioeconomic change is not uniform; some suburbs are prospering and others are not. A national study of U.S. suburbs found that older inner suburbs (contiguous to the city) with a post-war housing stock built between 1950 and 1969 experienced a decline in the socioeconomic status of their residents over a 20-year period from 1980 to 2000. In contrast, classic inner suburbs with some historic housing stock (one quarter built in or before 1939) experienced advancing socioeconomic status. It is not known whether these suburbs experienced significant disinvestment followed by reinvestment (as Smith suggested), or if they retained their value and then became the target of new investment. Newer suburbs (those with a housing stock built after 1969) also experienced advancing

socioeconomic status. As they have in the past, race and ethnicity appear to have played roles in the changing fortunes of suburbs. Increasing minority populations were associated with both newer and older inner suburbs in crisis (Hanlon, 2008). These findings, while consistent with Smith's prediction, present a more nuanced picture of the variety of changes within U.S. suburbs.

Hanlon's study analyzed suburban change via changes in the socioeconomic status of the population. It was not a study of gentrification per se, but a study of how different kinds of suburbs changed over a twenty-year period. By focusing on the age of the housing stock as a critical factor, Hanlon's study paralleled the early studies of gentrification as a form of socio-economic change associated with rehabilitation and renovation of "rediscovered" older housing stock. It provides a useful backdrop for considering the various kinds of change that might take place in suburban areas.

Urban, rural and suburban gentrification are related phenomena with distinct causative agents. Collectively, they are elements of metropolitan change. They can either be studied individually or as a part of a larger process. When considered individually, the focus is on their distinguishing characteristics and the differences among them. When considered as parts of a bigger process, what stands out is not so much their uniqueness but their contributions to a larger process of metropolitan change.

Gentrification has been described as "one of the major 'leading edges' of contemporary metropolitan restructuring" (Hamnett, 2001, p. 174). By thinking in terms of metropolitan restructuring, the focus shifts from an isolated examination of

changes at one particular place to a broader understanding of how metropolitan areas change overall. Indeed, changes at the core may be related to changes in other places within a metropolitan environment, including changes at the fringe. In this vein, gentrification is not viewed as a randomly occurring economic clash over the use of property, but as a process integral to how metropolitan areas grow and change in physical, social and economic ways.

Let us now combine what we have learned about suburban change and metropolitan restructuring to consider ways in which the fringe can change. One way is suggested by the study of suburbs noted above: through the claiming and transformation of historic, closer in suburbs by a more affluent class. When metropolitan change is associated with population growth, other kinds of change in fringe areas also become possible. One possibility is for older, less intensive land uses to get displaced by denser, more compact and more diverse (mixed use) development patterns typically associated with urban areas. Butler captured the essence of this concept when he wrote:

> The inner city is no longer the pit of despair, but—for a significant number—the catwalk of conspicuous consumption. Some established suburbs are becoming rapidly urbanized and are themselves becoming new theatres for displacement and class change. (Butler, 2005, p. 177)

The "urbanizing" of the suburbs, and the attendant possibility of gentrification, can thus be viewed as part of a larger process of metropolitan restructuring.

The "Why" and "How" of Gentrification

Questions about "why" and "how" deal with the causes and processes of gentrification. The oldest body of scholarship on these topics debates the economic and social causes of gentrification. A relatively new and less-traveled road among gentrification scholars is research about the meaning of ownership, otherwise known as property rights. I take up each of these topics in turn.

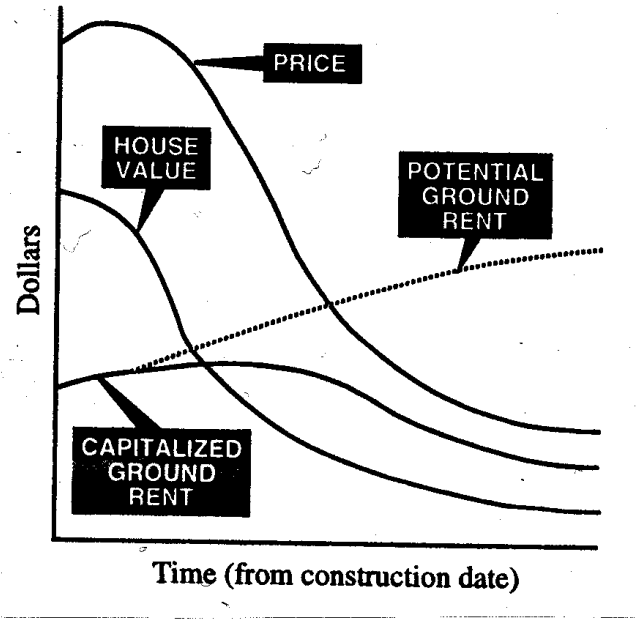
Social and Economic Causes

Early scholarship about gentrification centered on debates about its economic and cultural causes, as exemplified by production/supply side and consumption/demand-side theories. Supply side theorists argued that gentrification was a structural product of the land and housing markets. They believed that gentrification was best understood by analyzing the movement of capital (Smith, 1979, 1986). In contrast, demand side theorists argued that the post-industrial restructuring of the labor market led to the rise of a new elite, the service-sector executive class, whose consumption preferences were best satisfied by an urban lifestyle in first-tier global cities (Ley, 1980, 1986). These researchers stressed the role of choice, culture, and consumer preferences over a neo-Marxist focus on capital and class. Over time, other theorists brought the two arguments together by arguing that neither approach alone is sufficient to explain the economic and social processes of gentrification (Hamnett, 1991). Both offer useful lenses through which to understand and analyze

specific examples of gentrification. One approach of potential relevance to this research is Smith's (1979, 1996) rent gap model.

Smith's focus on capital led him to theorize about the economic rationale behind a landowner's decision to discontinue the existing use of his or her property and invest capital in pursuing another, displacing existing land users in the process. His rent gap model provides a useful framework to examine the underlying production-based dynamics of gentrification. Smith defined rent gap as the difference between the value of the land in its current use (capitalized ground rent) and the value of the land in its theoretical highest and best use—the use that would bring the greatest return on investment (potential ground rent). When this rent gap gets big enough to accommodate the cost of redeveloping the site while still returning a profit to the developer, gentrification may occur. The diagram that follows shows how the relationships among the sales price of the property, the value of the structure, the potential ground rent and the capitalized ground rent change over time.

Figure 3-1
The Devalorization Cycle and the Evolution of the Rent Gap



Source: Smith, Neil. (1996). The New Urban Frontier: Gentrification and the Revanchist City. Figure 3-2, p. 66.

In Smith's model, the sales price equals the sum of the capitalized ground rent and the value of the structure; it is what a third party is willing to pay for the land and structure in its current use. The value of the structure is at its peak when it is first built. The value begins to decline as the structure becomes less fashionable and begins to deteriorate. The decline in value due to deterioration can be forestalled in part through maintenance and repair. The capitalized ground rent, the value of the land in its current use, is high initially because the new development is desirable. It remains high as the new development is fully built out. But when the value of the

neighborhood begins to decline as newer and more fashionable areas are developed, the capitalized ground rent begins to decline as well. Initially, the potential ground rent and the capitalized ground rent have the same value, assuming that the new development represents the land's highest and best use at that time. But, as the value of the neighborhood declines and the structure deteriorates, the gap between the capitalized ground rent and the potential ground rent grows.

At some point, the difference between the capitalized ground rent and the potential ground rent (the rent gap) grows to where an investor can profitably purchase the property and redevelop or renovate it for a different, more remunerative use. This occurs when the rent gap is large enough to accommodate the cost of renovation or demolition/redevelopment and the profit.

The rent gap model helps to explain the economic dynamics of gentrification at the level of the individual decision to discontinue one use, displace the users and invest in a new use of the property. In particular, it highlights the role of the land value (both current and potential) in this decision-making calculus. While researchers have found that it, alone, cannot be used as a basis for predicting where and when gentrification will occur, the model is still considered relevant by some today.

The Meaning of Ownership: Property Rights

One of the root causes of gentrification is the commodification of space (Clark, 2005). The commodification of space is enabled by a body of law that upholds the rights of property owners to buy, sell and use their property in the marketplace. The

concept of private property is a social institution, created by humans, embodied in law, profoundly affected by current values and institutions, and mutable (Freyfogle, 2003; Blomley, 2004). An analysis of various kinds of claims to property (including the right to use property, the right to exclude others from the property, the right to sell property and the right to benefit from the profit made from the sale of property) is an integral, but infrequently analyzed, aspect of the dynamics of gentrification. In particular, Blomley (2004) suggested that, in gentrification research, "a focus on real estate [the market dynamics of gentrification] can usefully be supplemented by attention to real property [competing claims to the use and exchange value of property]" (p. xv).

For the purposes of this analysis, it is helpful to venture into the realm of property rights by unbundling what creates value. It is common to think about property in terms of its use value (the immediate benefits derived from its inherent nature, such as shelter) and its exchange value (the value it brings in the marketplace). Most manifestations of gentrification are about the opposing claims of the users of space and the owners of space (Clark, 2005). In the U.S., the vast body of private property law favors the claims of the owners of space. America is an "ownership" society, where the institution of private property is seen as being good for society as a whole (Freyfogle, 2003). The institution of private property, with all of its attendant use and exchange value claims, has assumed an iconic status within American culture. These claims are protected through a vast body of common law (Freyfogle, 2003).

Property rights are a social institution that has changed over time in response to the contemporaneously dominant values and beliefs about them. In late eighteenth century America, the concept of private ownership and the ability to fully utilize one's property was balanced by obligations to avoid doing harm to one's neighbors or to what was perceived as the common good. These two principles, derived from British Common Law, are known as *sic utere tuo ut alienum laedas* (use your own so as to cause no harm) and *salus populi suprema lex est* (the good of the people is the supreme law), respectively. An individual's property rights existed in relationship to the rights of others and the good of the community overall. With the rise of industrialism in the nineteenth century and the push to more fully utilize land and natural resources to produce goods, a shift in philosophy about property rights began to occur. This change came about primarily through a series of legal decisions. For example, in *Palmer v. Mulligan* (1805), Judge Brockholst Livingon set a precedent in finding that one property owner could harm a neighbor as long as the harm was not "manifest and serious." *Sanderson v. Pennsylvania Coal Company* (1886) took this one step further. The Pennsylvania Supreme Court found that the coal company did not have to pay damages to Mrs. Sanderson, whose pond was fouled and whose plumbing was destroyed by impurities resulting from the mining operation. This decision set the precedent that a landowner was not liable for harm—even serious harm—to neighbors caused by how he used his property as long as he avoided negligence and malice. While not all states went as far as Pennsylvania did in protecting an owner's right to use one's land, this case was indicative of a general shift

during the industrialization of America. Court decisions in general strengthened individual property rights and weakened a landowner's obligations to neighbors and the community (Freyfogle, 2003).

Eventually the pendulum swung a bit back the other way. If the landowner did not operate in a system of common law that bounded the individualistic property rights of an owner, where would restraint come from? Who would protect the common good? During the 20th century, the government came to assume the role of the protector of the common good. Government laws and regulations (e.g., land use and environmental laws), instead of a body of legal opinions resulting from lawsuits between private owners, restrained the overuse and depletion of land by the owner. Instead of all property owners collectively participating in a system that was guided internally by the *salus populi* and the *sic utere tuo* principles of eighteenth century America, government was the watchdog (Freyfogle, 2003).

In current times, the state sometimes enters the fray between the owners and users of property. Landlord-tenant law is an example of the state's effort to redress the differential in power between an owner and a user of property. It is based on the concept that owners and renters both have rights and responsibilities. But there are also other instances of the state entering the fray when gentrification and displacement are either likely or imminent through measures such as rent control and demolition moratoria. These instances raise questions about why the state might take the side of one set of claimants over another, and how it justifies that role.

Toward Order and Simplicity

Clark (2005) suggested three root causes of gentrification: the commodification of space, the predominance of an externally-generated vision of what should be over an appreciation of what is there, and unequal power relations. The preceding section dealt with the commodification of space and unequal power relations between the users and owners of space. This final section deals with the concept of the displacement of what is by a more powerful vision of what can or should be.

Where does this externally-generated vision originate? In most places in the U.S., a combination of land markets and local planning ordinances (as well as the choices of land owners and developers) profoundly affect the distribution of property uses in a community. Although reference is often made to the principle of "highest and best use" as though landscapes were made by an inanimate force (like gravity or magnetism), in fact human agency is operative. Landscapes are a product of the political economy, and behind the concept of political economy is the notion of people making policy and economic decisions while others attempt to influence them. In other instances, the role of the state and its agents in creating and realizing a vision for an area is more transparent, as in the case of urban renewal. By virtue of its ability to sanction one vision of what a place should be over all others, and then back that vision up with incentives, disincentives and public funds, the state, along with the people behind it and influencing it, is a powerful agent in re-visioning and remaking places.

The "What" of Gentrification: The Closures of Residential Hotels

Case studies about residential hotels provide lessons about how to approach an analysis of the evolution of policy pertaining to gentrification and displacement. Two excellent case studies about the loss of residential hotels exist: a study of San Francisco by Paul Groth (1994), and a broader analysis framed around the story of Chicago by Hoch and Slayton (1989). Appendix 3-1 presents a comparison between the closure of residential hotels as form of gentrification and the closure of manufactured home parks.

Groth's (1994) analysis was organized around the idea of cultural pluralism. He wrote, "the argument of this book is fairly straightforward. Public and professional housing attitudes—in particular, doctrinaire idealism and deliberate ignorance—have devastated an important supply of American urban housing" (p. 294). Two additional studies validated the hypothesis that, for some people, residential hotels provided a well-suited and even preferred form of housing. Burki (1982) found that hotel residents liked that their homes were inexpensive, conveniently located, provided independence, included good neighbors and offered housekeeping services. Siegal (1978) found that, for some hotel residents with mental health and/or substance abuse issues, the residential hotel provided informal caretakers and social structures that allowed residents to function and live outside an institutional setting successfully. A key component was the combination of toleration toward deviant behavior and informal indigenous social controls.

Hoch and Slayton's (1989) organizing theme echoed that of Groth. They stated, "Residential hotels provide private and secure dwellings for the single urban poor, as well as a residential community offering unique social and economic benefits" (p. 172). They found that residential hotels provided single-person households with both access to urban resources and to the benefits of living in a community with others like themselves. While members of a traditional family household could turn to each other and their private home as their anchors in the world, single-person households found community and a place to live in SRO hotels. Hoch and Slayton argued for interventions that respected the desires of the residents for autonomy and community, and against interventions that imposed social control.

Residential hotels, a form of permanent, year-round housing that had been a prominent fixture in American cities for more than 200 years, all but vanished in the last half of the twentieth century. Residential hotels came in a variety of forms, each designed to meet the needs and income levels of its intended occupants, from the luxury hotels such as the Waldorf Astoria in New York, to flophouses, dormitories and cage hotels serving the needs of the working class (Groth, 1994). Post-World War II suburbanization and the rise of the single-family, detached home as the proper vessel to contain and nurture family life led to a decline in upper middle and middle class interest in residential hotels. New hotels were not built, old ones were not refurbished, and, over time, many of the less elegant ones that remained became a refuge for lower-income households and individuals. Federal Urban Renewal provided the legal authority and money to acquire and demolish downtown residential hotels from the

1950s through the 70s. They were seen as being antithetical to the goal of the Housing Act of 1949 of providing "decent, safe and sanitary" housing. Even without the subsidy of Urban Renewal to help, the rent gap---the difference in the value of the land in its present use and the value if it were redeveloped---was substantial enough to fuel privately-funded redevelopment, gentrification and displacement. No national tallies exist of the number of units that were destroyed before 1970, but estimates run in the millions (Groth, 1994).

The tide began to turn for residential hotels in the late 1960s, when the inventory of available rooms had shrunk to the point that displaced tenants had difficulty finding a new place to live. Growing concerned about the health and political implications of the situation, some planners, social workers, public health officials, attorneys and journalists began to recognize the beginning of a crisis. A pro-residential hotel movement began to form. Efforts began to inform and organize residential hotel tenants, with visible outcomes in the form of tenant-led demonstrations and protests. Over time, the pro-residential hotel movement began to win over local policy makers in cities and at the national level. In essence, advocates for the poor (not affordable housing development interests) worked with tenants to make this nearly invisible population visible and enlist public support. A hallmark piece of legislation for residential hotels was the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), which required that hotel residents be recognized as tenants and be afforded the benefits provided to other

displaced persons, including assistance with finding a comparable unit in which to live and funds to cover a rent differential and moving costs, up to a total value of $4,000.

Although the affordable housing development community was not initially in the forefront of efforts to assist residential hotel tenants, it eventually came on board and helped reframe the problem as a development opportunity. In the late 1980s, after lobbying by pro-residential hotel groups, HUD created a demonstration program to test whether residential hotels were a valid housing form. The Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO) Dwellings for Homeless Individuals, part of the Stewart B. McKinney Homeless Assistance Act of 1987, provided $35 million to fund thirty projects for acquisition and rehabilitation of buildings (typically old hotels or YMCA/YWCAs) as SRO units for permanent housing for the homeless[7].

Before this demonstration program, the U.S. Department of Housing and Urban Development's minimum property standards required each standard housing unit to have a complete bathroom and kitchen; those which did not were considered substandard. In contrast, SRO units were small, often 120 square feet or less, with shared toilets, showers and (sometimes) kitchens. The SRO demonstration program evaluation had the powerful impact of legitimizing SROs as a form of permanent housing worthy of public investment. It found that they were a sound and cost-

[7] In Portland, as part of the demonstration program, REACH CDC partnered with the Housing Authority of Portland to create Rose Apartments, a 57-unit SRO facility for women experiencing substance abuse, domestic violence and mental illness. The Burnside Consortium, which became Central City Concern, led a major effort to restructure how the community dealt with single individuals with substance abuse issues and to preserve and manage the supply of SRO units in downtown Portland.

effective long-term (not just transitional) housing option for single individuals (U.S. Department of Housing and Urban Development, 1990).

The story of the policy responses to the closure of residential hotels offers three important lessons. The first is about the types of solutions pursued. The federal response was built on two primary strategies: 1) easing the burden on the impacted residents and 2) creating a community-development response aimed at preservation of the structures. Before either could happen, advocates had to convince policy makers that residential hotels provided a form of permanent housing worth preserving because they provided a place to live that was well-suited to the needs of its residents. For many, residential hotels were more than housing of last resort.

The second lesson pertains to the interaction of two "battlefields" in the struggle to gain legitimacy and policy protection for this housing form, the local and the national. Advocacy and policy making occurred at both scales, starting initially at the local. The SRO experiences of the 1970s show that local grassroots efforts were effective in provoking local responses. Subsequently, advocates for SROs fought and won a major policy battle for recognition and legitimacy at the federal level. The McKinney Act continues to provide funding for SRO development, and HOME funds can be used to provide development assistance for SROs as a form of transitional or permanent housing. The URA classifies SRO residents as displaced persons entitled to full relocation benefits. None of this would have happened without advocacy that began in response to a phenomenon initially encountered at the local level that was

subsequently recognized as being more widespread. Thus, the second lesson deals with the interplay of the local and the national.

The third and final lesson comes from observing which types of community development advocates became involved at various stages of the evolution of policy. Local legal aid attorneys and other advocates for the poor were the first on the scene to work with residents being displaced. Later, they were followed by local non-profit housing entrepreneurs, including Community Development Corporations (CDCs). These development-oriented groups played a major role in preserving and improving SRO units, once federal funds were available to do so. Thus, the initial advocacy response was followed by entrepreneurial responses led by different actors with a different skill set than the advocates.

These insights from case studies about residential hotels raise the question of whether similar lessons will arise in this case study about the closure of manufactured home parks in Oregon. In particular, I will look for the following parallels:

- Whether there are there two kinds of policy responses, one to mitigate harm and the other to preserve housing;
- Whether state policy outcomes are affected by an interplay of action at a local and broader level;
- Whether advocates and community development entrepreneurs are both involved, and if and how this affects the solutions adopted;
- Whether cultural pluralism (or a lack thereof) affects the policy response to the closure of manufactured home parks.

Manufactured Home Parks and Divided Asset Ownership

The dynamics of gentrification can be analyzed in terms of the competing claims of owners and users of property. But what if ownership is divided between the owner of the land and the owner of the improvement, who is also the user of both? "Divided asset ownership" (Hirsch and Rufolo, 1999) is a distinguishing feature of manufactured home parks.

Divided asset ownership can expose the owner of the improvement to negative consequences resulting from the landowner's choices. This exposure is exacerbated when a nearly immobile improvement (such as a manufactured home) is placed on the land because the homeowner would incur a substantial cost to move to escape the consequences of the landowner's choices. The use value of the property (land and improvement) to the homeowner depends on his or her continued ability to use the land on favorable terms. These terms may include the cost of using the land (rent and fees), the overall quality of the park environment, various "park rules" about the use of the land (such as the ability to have animal companions), and ongoing access to use the land (non-displacement). Many of these terms are addressed in a lease or by state landlord tenant law.

The notion of divided asset ownership is at the heart of the legal case history on manufactured home parks. A quick search in LexisNexis resulted in 243 articles pertaining to manufactured homes from 1995 to 2006. Issues included the status of a manufactured home as a homestead under state bankruptcy law, consumer (chattel) loan financing problems, cases against specific home manufacturers and the

competing claims of banks and landlords when a homeowner both defaults on the home loan and also fails to pay rent. While the details of these topics are beyond the scope of this analysis, the sheer volume of material is noteworthy. It suggests that, on a national scale, the policy vehicle of landlord tenant law has been a major means for resolving conflicts resulting from divided asset ownership.

The nature of manufactured home parks as a form of divided asset ownership is a topic of major importance to this research. Furthermore, divided asset ownership is a key characteristic of manufactured home parks that affects the research questions posed in this study.

Relevance of the Literature to This Research

In summary, a review of the literature on gentrification suggests that there are several questions that can inform this analysis of the closure of manufactured home parks. The questions can be reformulated as theory-based propositions to guide the research. Below, I have listed the questions, the propositions and the logic that links the propositions with the data examined in this case study.

The Transformation of the Urban Periphery: Do manufactured home park closures tell us anything about the role of gentrification in the transformation of the urban periphery in Oregon?

- Proposition: The infiltration of a denser urban form into more sparsely developed fringe areas results in the functional obsolescence and devaluation of patterns of

development not amenable to adaptation. These areas become ripe for change. The displacement of some existing land users may occur as a result of these changes.

- Logic linking data to proposition: In Chapter 6, interview data with policy makers, information about land prices, population growth and the proposed future uses of former parks is used to establish whether park closures are associated with the infiltration of a more urbanized development pattern into lesser-developed areas within the metropolitan environment. Industry information discussed in Chapter 4 is used to address whether manufactured home parks are a development form easily adapted to a denser development pattern.

Metropolitan Restructuring: Is the closure of manufactured home parks symptomatic of a broader process of metropolitan restructuring?

- Proposition: Many of the manufactured home parks closures that occurred during 2001through 2007 were part of a process of metropolitan growth and change. Economic conditions and the state-sanctioned vision for how metropolitan areas should grow (as codified in Oregon law) drove and steered Oregon's metropolitan restructuring and how it impacted manufactured home parks.
- Logic linking data to proposition: An examination of state urban growth management and affordable housing policies provides a window on the role of policy in park closures. The role of the economy in promoting park closures is explored initially through associating park closures and rising land prices generally

and then confirmed by the observations of key informants who are in a position to see the mechanics of causation behind the closure of individual parks. This analysis occurs in Chapter 7, which is about Oregon's political economy.

Rent Gap Theory: Does Smith's rent gap model apply to the economic dynamics of manufactured home park closures?

- Proposition: Rent gap theory is relevant to understanding park closures, and it can be adapted to address divided asset ownership more generally, where one entity owns the land and another owns the improvement.
- Logic linking data to proposition: If the rent gap model is relevant to explaining park closures, it may provide a basis for developing or evaluating solutions. The solutions developed to park closures are examined in Chapter 12, and the relevance of the rent gap model is explored in Chapter 13.

Property Rights: Does the iconic nature of property rights affect the solutions that were generated, debated and adopted? Do perspectives about the role of the state held by legislators and other key actors inform this process and its outcomes?

- Proposition: The issue of property rights affects how the closure of manufactured home parks was problemitized and which solutions were adopted.
- Logic linking data to proposition: If property rights are an underlying issue, they should show up as a topic in the interviews with key informants or in testimony pertaining to the legislation. These data are examined in Chapters 11 and 12.

Landlord Tenant Laws: Do Oregon's landlord tenant laws that pertain to manufactured home parks provide a basis for the state to address competing claims between owners and users of property?

- Proposition: Oregon's landlord tenant laws are an important part of the political economy of manufactured home park closures and present a window on how the state mediates the claims between owners and users.
- Logic linking data to proposition: I explore the extent to which this landlord tenant framework provides a vehicle for developing policy responses to the closure of manufactured home parks in the section of Chapter 7 that discusses the creation of the state's landlord tenant law and the formation of the Manufactured Housing Landlord Tenant Coalition.

Divided Asset Ownership: To what extent does a signature feature of manufactured home parks, divided asset ownership, affect the economic dynamics and property rights claims that are integral to an understanding of gentrification?

- Proposition: Divided asset ownership is one of the features that makes the gentrification of manufactured home parks somewhat different from other kinds of gentrification that have been studied to date. Divided asset ownership affects how Smith's rent gap model applies to manufactured housing. Divided asset ownership affected the solutions adopted to park closures and the deliberations related to them. Divided asset ownership results in a different range of social and human

consequences than traditional displacement. Divided asset ownership affects the continued viability of this housing form in the state.

- Logic linking data to proposition: The concept of how divided asset ownership makes the closure of manufactured home parks a special case of gentrification has been explored previously in this chapter. If divided asset ownership affects how the rent gap model works, this will appear in the application of the model to the various solutions developed by the state and cities (considered in Chapter 12). How divided asset ownership impacts displaced residents and the continued viability of manufactured home parks in Oregon is also addressed in Chapter 12.

Collectively, these questions and propositions frame the analysis of park closures and policy responses that appears in chapters 4 through 13. They place park closures, which might at first blush seem to be an odd outlier of a phenomenon to study, at a place near the heart of gentrification research. Looking at the closure of manufactured home parks in Oregon provides a window on broader questions dealing with the role of gentrification in metropolitan growth. Examining why certain policies were adopted provides a reason to look at the political economy of gentrification and growth management. My evaluation of the policy responses to park closures raises broader questions of who does pay and who should pay for the negative consequences of gentrification (and why) when it occurs as an outcome of sanctioned metropolitan growth.

Having thus positioned this research within the scholarly discourse on gentrification, it is appropriate now to turn our attention to the "what" of

gentrification: manufactured home parks. The next chapter provides an overview of the role of manufactured housing within the U.S. housing system and examines the attitudes and concerns that both create and limit this role.

CHAPTER 4. MANUFACTURED HOUSING, ITS RESIDENTS AND ITS PLACE IN HOUSING POLICY

Stereotypes and misconceptions about manufactured housing and its residents abound, as illustrated by the photographs of contemporary ephemera shown in Appendix 4-1. This chapter seeks to set the record straight on manufactured housing through a fact-based journey through the statistics and literature on manufactured housing, manufactured home parks and their residents. It makes the case for including manufactured housing as a more integral part of mainstream housing policy research.

To accomplish these objectives, the chapter begins with definitions of the housing form and background information on the evolution of manufactured housing. This history is important because it partially explains the origins of stereotypes. The chapter next proceeds to a detailed fact-based profile of manufactured housing and its residents organized around questions that help establish why this is a housing option worthy of scholarly analysis and public intervention. It then concludes with information about a foundation-sponsored national initiative to make manufactured housing a more integral part of nonprofit affordable housing development.

Defining Manufactured Housing and Manufactured Home Parks

Much confusion exists about what to call a factory-built home that is brought to a site largely intact (or, in the case of double- or triple-wides, in sections) and installed as a place to live on a semi-permanent basis. The industry calls this housing

form “manufactured homes” or “manufactured housing;” most residents (62%) call them by an earlier name, “mobile homes” (Foremost, 2002). The present research is primarily concerned with owner-occupied manufactured and mobile homes placed on land owned by a separate landlord who leases spaces to the residents, commonly called mobile home parks, manufactured home parks or land-lease communities.

The reason for the confusion may have its roots in the evolution of the contemporary manufactured housing industry from homemade travel trailers in the late 1920s. Arthur G. Sherman, the owner of a pharmaceutical company, constructed a travel trailer to take his family on vacation to the Upper Peninsula of Michigan during the summer of 1929. Displeased with the tents on boxes he found on the market, he built a wooden box on wheels that was nine feet long and six feet wide with bunks and a coal-burning stove. Noticing the interest in his homemade trailer, he rented a garage, hired a couple of workers, and started constructing trailers that sold for approximately $300 at the time (Hart, Rhodes & Morgan, 2002).

From these modest beginnings, the industry grew. Although many units were used as vacation travel trailers, during the Depression, when the decline in housing starts resulted in a housing shortage, the use of trailers as year-round housing grew. Trailers were a prominent feature in some “Hoovervilles,” which were Depression-era shanty towns and encampments of people who had nowhere else to live (Hart et al., 2002). Many lacked adequate sanitation. As with tenements during an earlier era, public concern grew over the potential for loose morals and lax ways in such crowded conditions. By the late 1930s, trailer parks had landed a reputation for being unsavory

places. *Fortune* magazine called them "crowded rookeries of itinerant flophouses" in 1937 (Hart et al., 2002, p. 9).

World War II provided a turning point for the transition from travel trailers to trailers built for year-round use. The federal government bought thousands of them to provide housing for war industry workers. At one point, the National Housing Agency oversaw more than 35,000 trailers. After the war, many were dispersed to colleges and universities for married-student housing.

The transition from trailer to mobile home happened in the mid 1950s, when Elmer Frey, owner of the manufacturer Marshfield Homes in Marshfield, Wisconsin, developed a ten-foot wide model that required a special permit to move down the highway. He did not design his model with the intention of it being pulled behind a vehicle on a regular basis. Instead, it was a year-round home constructed in a factory that was hauled to a site where it was installed. He argued that it was not a travel trailer, but instead a "mobile home" (Hart et al., 2002).

Mobile homes of varying quality were produced in the 1960s. To address concerns about quality, in 1974 Congress adopted the first and only national building code, the Mobile Home Construction and Safety Act, commonly called the "HUD[8] Code." It pre-empted all other state and local codes that dealt with the construction of mobile homes. To this day, manufactured homes are the only type of housing constructed in compliance with a national building code that addresses regional differences in environmental conditions.

[8] HUD is the acronym for the U.S. Department of Housing and Urban Development, the nation's housing agency.

A "manufactured home" is a mobile home built after June 15, 1976 (the effective date of the HUD Code) and constructed in conformance with the HUD Code. The distinguishing characteristics of a manufactured home, besides complying with national standards for general construction, plumbing, heating, electrical systems and fire safety, are that it is built in a factory, has an integral chassis, and is transported to a site on axles and wheels attached to the chassis. For transport down a public highway, a manufactured home also has dimensional restrictions. It may be constructed and transported in sections, and the sections assembled onsite. It is distinguished from pre-fabricated housing, which is another form of factory-built housing, in that it is largely assembled in the factory and transported on its own chassis rather than on a flatbed or other hauling device.

Although that is HUD's official definition of a manufactured home, other federal and local government agencies have definitions that describe distinctions between manufactured structures, manufactured dwellings, mobile homes, residential trailers, recreational vehicles, and a host of other factory-produced permanent or temporary housing that evolved from Arthur Sherman's home-made travel trailer. For example, the U.S. Census includes "mobile home" among its list of housing options, and respondents decide for themselves whether they want to say that they live in a mobile home or a single-family detached home (the other likely option).

Some states also have their own definitions. Oregon state law defines three types of manufactured dwellings: manufactured homes, mobile homes and residential trailers, all of which are structures intended for human occupancy, constructed for

movement on a public highway, and equipped with sleeping, cooking and plumbing facilities. These three terms represent three different periods of factory-built housing differentiated by the building codes that were applicable at the time. Manufactured homes were constructed on or after June 15, 1976 in compliance with the national HUD code. Mobile homes were constructed between January 1, 1962 and June 15, 1976 in compliance with an Oregon building code, which pre-dated the HUD Code. Residential trailers were constructed prior to January 1, 1962, and no particular building code was applicable at the time. Manufactured dwellings do not include recreational vehicles or recreational structures that lack plumbing, heating or cooking facilities and that are intended for use on a seasonal basis, such as yurts (ORS 446.003). A diagram that depicts these Oregon definitions appears as Appendix 4-1.

Colloquially, many different terms are used for a place where a land owner leases space to homeowners to place their homes, including mobile home park, mobile estate, trailer park, manufactured housing community, and land lease community. Oregon state law (ORS 446.003) distinguishes between a manufactured dwelling park, which is limited to pre-HUD code mobile homes and post-HUD code manufactured housing, and a mobile home park, which may include not only mobile homes and manufactured housing, but also residential trailers, recreational vehicles, yurts and cabins. Both manufactured dwelling parks and mobile home parks consist of a single lot on which four or more dwellings are situated within 500 feet of each other (ORS 446.003). A single party whose primary purpose is to lease spaces for manufactured dwellings for a fee owns the lot. Manufactured dwelling parks exclude manufactured

dwelling park subdivisions, where each home is located on separate parcel owned by homeowner.

As indicated in the previous chapter, a primary distinguishing feature of this living situation is divided asset ownership. The homeowners pay the landlord "space rent" for the right to place their home on the land and utilize the common area improvements. Both state landlord tenant law and, in most cases, a lease define the arrangements between the landlord and the homeowner. The homeowner is typically the owner occupant of the home but, in some instances, the homeowner may lease the home to another party who resides there and pays rent to the homeowner and the park owner. Sometimes a park owner also owns some of the homes and leases both the home and the space to a resident. In this last example, the resident is a renter pure and simple, and the condition of divided asset ownership does not exist.

Divided asset ownership may have been less of a problem when mobile homes were truly mobile, spaces to put them were plentiful, and parks were less likely to close. But mobile homes and manufactured housing are not easily movable anymore. Although they are constructed to travel down the highway on their own integral chassis when they are new, more than three quarters (75.6%) are anchored to the site with tiedowns, bolts or other means. Although more than half (56.4%) are up on concrete blocks, almost one in five (17.8%) is set on a permanent masonry foundations (U.S. Census Bureau, 2005 American Housing Survey National Detailed Table 1A-1). Once the home is on its site, finishing work needs to be done, especially in the case of doublewides or larger homes, where the house segments (called "floors") must be

joined, carpet and linoleum installed, siding completed, and other final work undertaken. Often homeowners add skirting, outbuildings, carports, walkways and gardens that must be moved or lost if the home is relocated. In 2006, one Oregon homeowner who was displaced from her park itemized the costs to move her doublewide mobile home and found that they totalled $24,445. (See Appendix 4-2 for itemized costs.)

Another issue limiting the mobility of these homes is the lack of land or manufactured home park spaces on which to locate them. This lack of mobility of manufactured and mobile homes sited on leased land is a pivotal issue in this research.

Park owners may establish standards for the kinds of homes for which they will lease space. Some park owners find it more advantageous to set high standards to maintain park ambiance (and thus establish a basis for a higher space rent). They may require not only more recent manufactured housing, but also carports or garages, foundations and/or skirting that make the homes look more like site-built homes, and other amenities such as landscaping. Others find it more advantageous to rent to all comers, and still others set a standard somewhere between these two extremes. Although the age of the structures generally correlates with the physical quality of the parks, there are outlier parks that feature extraordinarily well-maintained older and smaller homes. And the quality of the homes is only one factor related to the quality of the living environment; another is the sense of community (bonding social capital) among residents. The design and social homogeneity of the park can contribute to a sense of place and belonging (Johnson, 1971; Wallis, 1991).

The origin of manufactured housing as an inexpensive and temporary form of shelter pressed into long-term use by those without better housing options, the continued existence of aging mobile homes, and the variety of conditions that exist in manufactured home parks all contribute to negative popular images. Like residential hotels, manufactured home parks are a marginalized form of housing. But the reality of manufactured housing nationally and in Oregon is more complex and nuanced. There is no reason why the range of quality of manufactured home parks should be any narrower than that of low to middle income neighborhoods. Yet stereotypes persist.

Before leaving this section on history and definitions, a final word about the terminology used in the remainder of this research is warranted. Since the intent of this research is to focus on the loss of housing by homeowners who live in a manufactured home on leased land, the distinctions among various kinds of housing and various kinds of parks could become a distraction rather than a useful distinction. My primary emphasis is on the challenges of divided asset ownership rather than on the age of the housing or the type of park. When a distinction needs to be made, it will be made clearly and with reference to what definition is being used to describe a category of housing or parks. Thus, the terms mobile home, manufactured home and manufactured housing are used interchangeably in this research, and the terms mobile home park, manufactured home park, manufactured housing park, and, simply, park, are used interchangeably as well.

A National Perspective on Manufactured Housing, Its Residents, and Its Relevance to Affordable Housing Policy

Although stereotypes persist, what are the facts about manufactured housing? This section probes the scholarly, industry-generated and popular literature on manufactured housing and relevant statistical sources such as the decennial Census, the American Housing Survey and other sources for relevant information. The facts are organized around a series of questions intended to address why this housing form is worthy of serious scholarly and policy consideration. The section concludes with a review of recent developments related to efforts to promote manufactured housing as a viable affordable housing option to community development practitioners.

The questions are as follows:

- Characteristics of Manufactured Housing: How widespread is the use of manufactured housing and manufactured home parks? Where are they located?
- Physical Aspects of Manufactured Housing: To what extent does manufactured housing present a safe, durable and healthy affordable housing option for low-income households?
- Financial Aspects of Manufactured Housing: For whom and under what conditions does manufactured housing represent a sound financial housing option?
- Data Concerning Manufactured Home Park Residents: Who lives in manufactured housing?
- Social Aspects of Manufactured Home Parks: What do we know about the social environment of manufactured home parks?

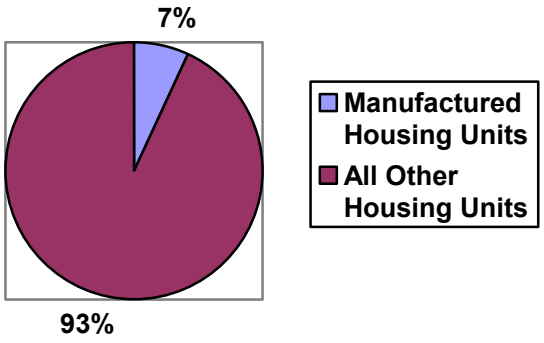
- Community Acceptance of Manufactured Housing: If it is a viable housing option, why is manufactured housing not more widely embraced by planners, community development practitioners and affordable housing advocates?

Characteristics of Manufactured Housing: How widespread is the use of manufactured housing and manufactured home parks? Where are they located?

Manufactured housing constitutes a surprisingly large portion of the housing stock nationally. In the U.S., nearly one in 13 housing units was a manufactured home in 2000. According to Census 2000 data, there were 8,779,228 mobile homes in the U.S., which constituted 7.6% of total housing units, as shown in Figure 4-1 below[9]. Mobile homes constituted 8.4% of all owner-occupied units (more than one in 12 owner-occupied housing units) and 4.3% of all rental units (nearly one in 20 rental units). Two-thirds of all manufactured homes are owner-occupied and the remainder are rentals (U.S. Census Bureau, Census 2000 Summary File 3).

[9] These data were generated by the Census by asking, "Which best describes this building?" One of the ten choices for an answer was "A mobile home." Other choices which may overlap with a mobile home included "A one-family house detached from any other house" and "Boat, RV, van, etc." This question was included on the Census 2000 Long Form.

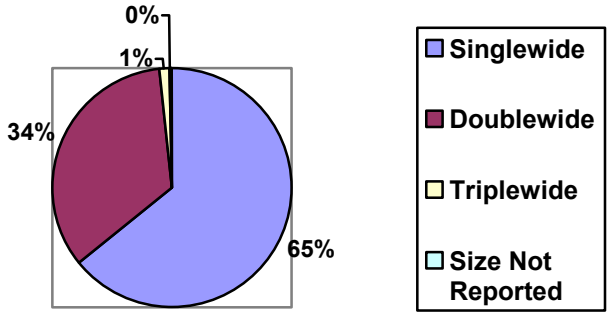
Figure 4-1
All US Housing Units, 2000



Source: U.S. Census Bureau, Census 2000 Summary File 3

In 2005, almost two-thirds (64.7%) of all manufactured homes were singlewides, the smallest option available. A third (33.6%) were doublewides, and only a small portion were triplewides or larger (1.4%) (U.S. Census Bureau, 2005 American Housing Survey National Detailed Table 1A-1).

Figure 4-2
Manufactured Home Size, 2005



Source: U.S. Census Bureau, 2005 American Housing Survey National Detailed Table 1A-1

Although commonly viewed as a rural housing form, more than a third of all manufactured housing is located in metropolitan statistical areas (MSAs), as shown in

Figure 4-3. According to 2005 American Housing Survey data, 35.3% of all manufactured homes are located inside MSAs, with 7.9% located in central cities and 27.4% located in suburbs. Although manufactured housing represents a large proportion of rural housing units (18.9% of all non-MSA housing units), manufactured homes also constitute one in 25 suburban homes (4.0% of all suburban homes) and nearly one in 50 central city homes (1.9%) (U.S. Census Bureau, 2005 American Housing Survey National Detailed Table 1A-1). The presence of suburban manufactured housing is particularly pronounced in the South, where it represents 6.8% of all suburban housing units (U.S. Census Bureau, 2005 American Housing Survey National Detailed Table 1C-1).

Figure 4-3
Location of Manufactured Housing, 2005

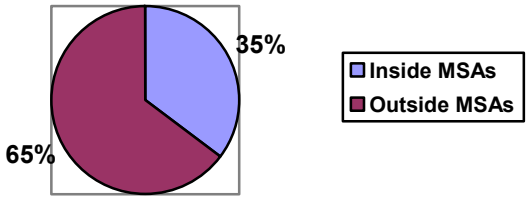
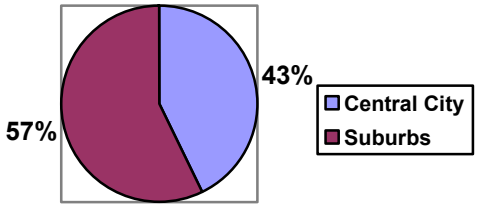


Figure 4-4
Location of Manufactured Housing Within MSAs, 2005



Source: U.S. Census Bureau, 2005 American Housing Survey National Detailed Table 1A-1

The majority of manufactured housing in the U.S. is located in the South, where it constitutes 10.6% of the housing stock. As Table 4-1 indicates, the Northeast

has the fewest manufactured homes, where they comprise only 7.1% of the total housing stock.

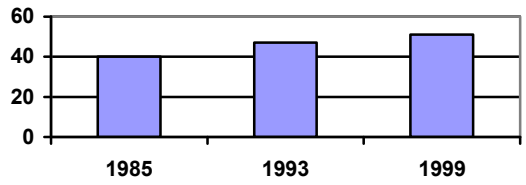
Table 4-1
Regional Distribution of Mobile Homes, 2005
Housing Units in 1,000s

Regions	All Units	Mobile Homes	% of Total Mobile Homes in Nation	Mobile Homes as % of Total Units in Region
Northeast	22,839	617	7.1%	2.7%
Midwest	28,642	1,493	17.3%	5.2%
South	46,400	4,927	57.1%	10.6%
West	26,496	1,594	18.5%	6.0%

Source: U.S. Census Bureau, 2005 American Housing Survey National Detailed Table 1A-1

A growing proportion of manufactured home owners also own the land on which their house is located, as indicated in the figure below. By 1999, slightly more than half of all owner-occupied mobile homes were located on land owned by the homeowner. Conversely, the proportion of all manufactured housing that is located in land-lease communities has declined over time, as more manufactured home owners locate their homes on their own land.

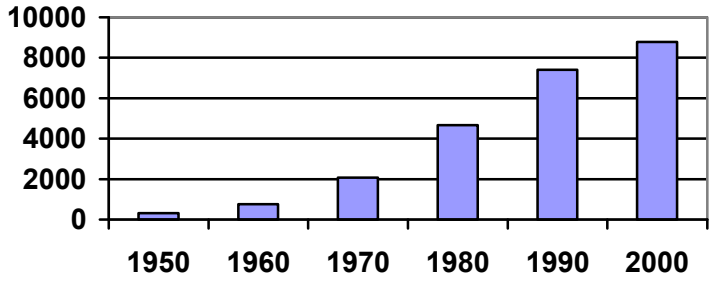
Figure 4-5
Percentage of Manufactured Homeowners Who Own Land



Source: Adapted from Apgar et al., p. 7. 1985, 1993 & 1999 American Housing Surveys

The absolute number of manufactured homes in use has grown over time. According to U.S. Census data, as shown in Figure 4-6, the peak growth in manufactured housing use occurred in the 1970s and 1980s, and the pace of growth slowed in the 1990s (Bennefield & Bonnette, 2003).

Figure 4-6
Number of US Mobile Homes
Numbers in Thousands



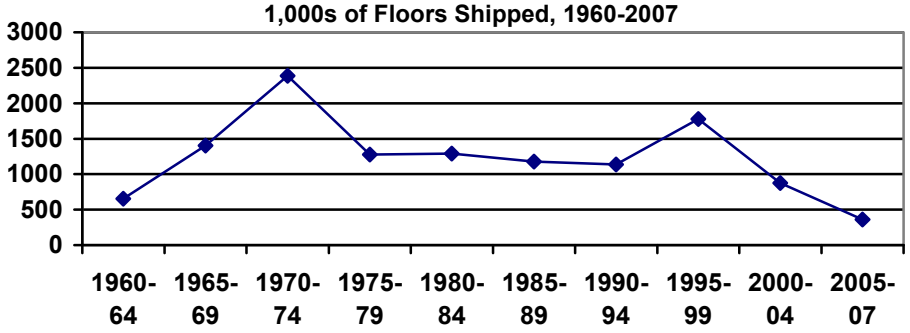
Source: U.S. Census Bureau, Census of Population and Housing, Decennial Volumes

Manufactured housing accounted for 15% of all U.S. housing starts in 2001 (Capozza, Israelson & Thompson, 2005) and 38% of all new homes built in non-metropolitan areas in the U.S. during the preceding five years (Collins, 2003). The manufactured housing industry maintains records on the number of "floors," or house segments, produced since the 1960s[10]. The production of "floors" had two principal peaks, one in the early 1970s before the HUD Code was adopted in 1975 and a second one in the late 1990s, before the mobile home financing crisis (discussed in a subsequent section) occurred in 2001-2003. As of 2009, the manufactured housing

[10] A singlewide consists of one floor and a doublewide home consists of two floors.

industry is still in a slump, as a large supply of existing mobile homes for sale was created by homes repossessed during the loan crisis and the displacement of homes from parks that closed in the early and mid 2000s.

Figure 4-7
Manufactured Housing Shipments
1,000s of Floors Shipped, 1960-2007



Source: Manufactured Housing Institute

In summary, manufactured housing comprises a large segment of the U.S. housing stock. It is not an isolated rural housing form concentrated in the Southern states; instead, manufactured housing is found in all parts of the country and in rural, suburban and urban areas. Although the sheer magnitude of this housing segment would seem to make it worthy of policy consideration, its importance is further heightened by its role as a form of affordable housing. Manufactured housing is said to be one of the largest sources of affordable unsubsidized single family housing available (Community Development Law Center & CASA of Oregon, 2007).

Physical Aspects of Manufactured Housing: To what extent does manufactured housing present a safe, healthy, affordable housing option for low-income households?

Manufactured homes vary as much in quality as site-built housing. They range from tiny, dilapidated pre-HUD Code homes to new, sturdily-constructed, energy-efficient, attractive multi-sectioned homes that fit seamlessly into older urban neighborhoods. The industry has even generated a small number of two-story models (Cytron, 2005), attached multi-family models (Manufactured Housing Research Alliance, 2003), and "green" manufactured home parks (PATH, n.d.). Although stereotypical slum-like "trailer courts" do exist, the reality of manufactured homes and parks is more complex than commonly understood. The production of housing in a factory setting according to standardized building techniques does not automatically result in poor quality housing. Instead, it can (and does) lead to considerable cost savings that result from standardized designs and materials, assembly-line production techniques, a controlled (indoor) construction environment, economies of scale realized by bulk materials purchase, and the avoidance of construction delays resulting from inspections and approvals of the structure by local building officials (Apgar et al., 2002).

The implementation of the HUD Code in 1976 established a minimum standard for housing quality and processes for ensuring quality control. In the 1980s both the popular press and scholarly journals began to report favorably on the improved physical soundness of post-1976 manufactured homes and their promise as a cost-effective housing form (Davis et al., 1989; Laquatra, 1986; Maloney, 1982; Rose & Duncan, 1985). Since the adoption of the HUD Code, occasional revisions have provided refinements and addressed new areas of concern. Updates in the 1990s dealt

with energy efficiency, ventilation and wind resistance. The Manufactured Housing Improvement Act of 2000 further updated the HUD Code to address an important weak link in the system: the installation of homes on site. This act required states to adopt either their own or national installation standards, institute installation inspections and create a dispute-resolution system to protect consumers from the shifting of blame for faulty homes among manufacturers, installers and excavation companies.

Despite the HUD Code and continuing efforts to improve its efficacy, problems with housing quality do exist. Sometimes poorly constructed homes slip through the quality control process. Sometimes manufacturers fail to follow their own specifications for quality control. Furthermore, the industry was plagued by a few prominent material choices that met code but were inferior and led to consumer problems. According to Steve Knoll, an author, consultant and lecturer on manufactured housing, many manufacturers in the 1970s and 80s used particle board flooring instead of plywood or oriented strand board (OSB) flooring. Once wet, particle board looses some of its structural integrity and has proven to be a poor material choice for flooring, especially in bathrooms and kitchens. For a few years, manufacturers and site-built homebuilders both used polyvinyl chloride (PVC) plumbing, which did not prove to be durable. Finally, instead of sheet rock, the early homes had Masonite paneling, which is nearly impossible to fix if "dinged," scratched or otherwise damaged. Industry corrections occurred, and none of these products are commonplace in new homes today (Knoll interview, December 11, 2007). Some

researchers report ongoing concerns about indoor air quality (Kilburn, 2000; Hodgson et al., 2002). Even though there is no evidence that manufactured housing produces more consumer complaints than new site-built housing, negative perceptions persist.

In fact, recent studies document widespread consumer satisfaction with manufactured homes (Boehm, 1995; Beamish et al., 2001). A 1999 AARP survey of a national sample of 933 manufactured home owners found that, on average, homeowners rated their satisfaction level as four on a scale of one to five, with one being very dissatisfied and five being very satisfied (AARP, 1999). As in the case of residential hotels, manufactured housing represents a preferred and well-suited housing option for many who live in them. The most recent comprehensive study of consumer satisfaction was completed by Boehm and Schlottman in 2004 under contract to the U.S. Department of Housing and Urban Development. Using American Housing Survey data from 1993 to 2001, the authors reported that low-income manufactured home residents ranked the structural quality of their homes and the quality of the neighborhoods in which they were located lower than site-built single family homes but higher than apartments in general. They found no evidence that the perceived quality of manufactured housing deteriorated more rapidly than that of traditional site-built housing. They concluded that "manufactured housing appears to be a 'good value' for low-income households" (Boehm & Schlottman, 2004, p. 1).

Most problems of health and safety arise not from HUD Code homes, but from the two million mobile homes in existence today that were constructed prior to the adoption of the HUD Code. Loans for improving these homes are hard to find; thus,

improvements are typically financed from the owners' own resources, which can be extremely limited because the homeowners themselves have very low incomes. The problem is compounded when the resident is a renter, not a homeowner, and is living in a poorly-maintained, physically distressed home owned by a landlord who has no incentive to improve it. Practitioners, consumers and industry representatives do not offer promising strategies for resuscitating pre-HUD code units (Apgar et al., 2002). The persistence of a stock of older, smaller, poorly maintained homes helps perpetuate a negative popular image of manufactured housing.

Although new manufactured homes are not inherently inferior or superior to comparable site-built homes in terms of building quality, a separate issue arises from aesthetic concerns about their appearance; they are easily identifiable by their shape and roof pitch. Over the years, manufacturers have developed ways of disguising the form through innovations such as hinged roofs to increase roof pitch, onsite additions such as porches and garages, and unusual ways of combining multiple floors into multi-sectioned homes (doublewides, triplewides, etc.). Some of these improvements increase the cost of the home, however, and detract from its ability to provide true low-cost housing. This trade-off between adding finishing details to improve appearance and keeping costs in line is a conundrum for all affordable housing development and not just manufactured homes.

Evaluated only as a form of shelter, manufactured housing can provide a safe, healthy housing option for low-income households. Although well-maintained manufactured housing can be a source of physically sound low-cost housing, older,

poorly-constructed homes and homes in parks are easily identifiable as "mobile homes," leading to problems with community acceptance and the possibility of stigmatization, issues considered later in this chapter. The additional question of whether manufactured housing is a sound financial choice is considered below.

Financial Aspects of Manufactured Housing: For whom and under what conditions does manufactured housing represent a sound financial housing option?

One of the main reasons why households elect to live in manufactured housing is because of its affordability. Although the low purchase price is what draws many consumers to this housing choice, other factors, such as the cost of financing and the asset-appreciation potential of the home, should be taken into consideration as well. Not all of these factors are equally weighted for all consumers. For example, an older adult may be less concerned about asset appreciation (selecting a home with the maximum possible potential for growth in the exchange value) and more concerned about securing a satisfactory quality of life with the resources available to him or her (optimizing the use value). All three factors—cost, financing and asset appreciation potential—are considered below.

Manufactured housing is less expensive to construct than site-built homes, and some of these savings are passed along to homebuyers. On a periodic basis, the Manufactured Housing Institute, an industry-driven research center, prepares an "apples to apples" comparison between the cost of manufactured housing and site built housing based on U.S. Census data. The most recent data show that, on a square foot

basis, manufactured housing is less than half (43%) as costly as site-built housing (Manufactured Housing Institute, 2006). The total cost for an average new singlewide was found to be approximately one-sixth that of the average new site-built home, and a new doublewide was approximately one-third the cost, as shown in Figure 4-9 below. The comparisons are between installed manufactured housing less land cost and site-built housing less land cost.

Figure 4-8
Price per Square Foot, 2005

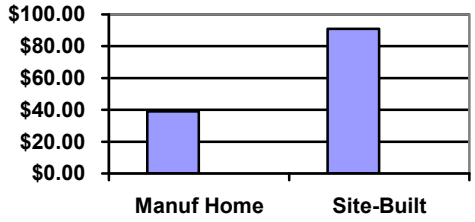
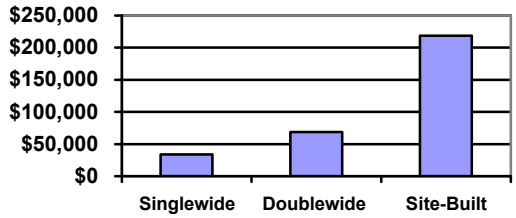


Figure 4-9
Average Home Prices, 2005



Source: Manufactured Housing Institute, 2006

The National Association of Home Builders (NAHB) Research Center used a modeling approach to compare the cost of manufactured housing and site-built homes (Table 4-2). It estimated that a 2,000 square-foot installed manufactured home cost less than half the price (45%) of a site-built home ($48,960 vs. $109,414). In this 1998 report for the U.S. Department of Housing and Urban Development, the NAHB Research Center concluded that "manufactured homes are less expensive than the site-built or modular homes due to their lower square-foot production costs, even after correction for major contributing factors including land, square footage and differences in foundation costs" (NAHB Research Center, October 1998, p. ii). Thus,

purchasers can realize significant up-front cost savings by choosing a manufactured home.

Table 4-2
Comparison of Financing of "Identical" 2,000 Square Foot Homes

	Site-Built Home on Private Land	Manufactured Home on Private Land	Manufactured Home on Leased Land
Construction costs	77,140	38,000	38,000
Overhead/Financing	32,274	6,460	6,460
Land costs	35,314	35,314	0
Delivery & set-up	0	4,500	4,500
Total Sales Price	**$144,728**	**$84,274**	**$48,960**
Type of loan	Real property	Real property	Personal property
Interest rate	8%	8%	10%
Term in years	30	25	25
Down payment (%)	10%	10%	10%
Down payment ($)	$14,473	$8,427	$4,896
Closing costs (4%)	$5,210	$3,034	
Sales tax (3%)	0	$2,528	$1,433
Security deposit	0	0	$250
Initial Cash Outlays	**$19,683**	**$13,989**	**$6,579**
Loan amount	$130,255	$75,847	$44,064
Monthly loan payment	$956	$585	$400
Monthly land rent	0	0	$250
Total Monthly Payment before taxes, insurance & utilities	**$964**	**$561**	**$645**

Source: NAHB Research Center, *Factory and Site-Built Housing: A Comparison for the 21st Century*, 1998. Adapted from Table 23, page 110

In addition to lower up-front purchase costs, manufactured housing also offers considerably lower monthly housing costs than either renting or owning traditional site-built housing. The median monthly housing cost (actual costs incurred)[11] for all owner-occupied housings in 2005 was $853; the median monthly housing cost for owner-occupied manufactured housing totaled $436, which is slightly more than half of all units combined. The median rental costs for all rental housing was $694 per

[11] The American Housing Survey defines monthly housing costs for homeowners as including mortgage payments, real estate taxes, property insurance, homeowner/condominium/cooperative fees, mobile home park fees, land rent, utilities and maintenance costs. For renters, monthly housing costs include contract rent, utilities, property insurance and mobile home park fees.

month. Although this comparison does not control for differences in the home size and the economic value of the location for these three housing options, manufactured housing does present itself as being an attractive option for the cost-sensitive consumer. (U.S. Census Bureau, 2005 American Housing Survey National Detailed Table 1A-7).

The NAHB study reached a similar conclusion by comparing dwellings of the same size. Monthly housing costs for a 2,000 square foot manufactured home are estimated to be 58% to 67% of the costs for site-built home of the same size, depending on whether the manufactured home is on leased land (see Table 4-2). Any way one looks at it, manufactured housing is, on average, a lower-cost housing option than comparable site-built housing and, in many cases, may be less expensive than renting.

The NAHB data provide a basis for considering the trade-offs between purchasing land on which to place a home and renting space in a park. If the space rent in a mobile home park were to stay constant at $250 per month (a somewhat unlikely scenario), it would take approximately seven and one-third years for the total outlay for living in a park in a manufactured home to exceed the cost of living in a manufactured home on land owned by the homeowner[12]. If one plans to live in a manufactured home for more than five or six years, there are many advantages to purchasing land on which to locate the home, including avoidance of rent increases,

[12] A full cost comparison would also consider insurance, taxes and utilities into the equation.

security of tenure, avoidance of park management changes, and the possibility of appreciating land values.

A major weakness in the manufactured housing production and delivery system is the limited and poor-quality financing options available to homebuyers. If an individual is purchasing a new manufactured home and installing it on a parcel that he or she owns, then that household is potentially eligible for mortgage financing, because in most states the home and land together would be considered to be real property. All of the existing consumer protections associated with mortgage financing would cover that transaction. If, however, the homebuyer were purchasing a new or older home to be sited on leased land in a manufactured home park, in almost all instances her or his only option would be a consumer, or "chattel," loan[13]. This is the point in the production and delivery system where manufactured housing reverts back to its origin as a cousin to the automobile instead of claiming its current incarnation as a member of the family of permanent housing options.

Chattel loans for manufactured housing have a history fraught with problems and deceptive practices. The loans are not mortgages, and thus they need not comply with the truth-in-lending consumer protections mandated for the mortgage industry. For example, there is no mandated uniform descriptive statement of loan terms that permits potential homebuyers to compare different loan offers. There are no standard terms. A 2002 Consumers Union study of 400 complaints filed with the Texas Attorney General in 1999 and 2000 found widespread problems with dealer fraud and

[13] For a time, Freddie Mac offered a secondary market for loans for manufactured housing on leased land if the lease term extended at least five years beyond the term of the loan.

misrepresentation (Consumers Union, 2002). Specific practices included falsified down payment information, misrepresentations about loan terms, bait and switch tactics and inclusion of hidden costs for items such as insurance, points and other charges that resulted in multiple years of negative equity for homebuyers.

Part of the problem with the current system of manufactured housing chattel loan financing comes from the fact that dealers also act as loan brokers and thus earn commissions not only on home sales but also on financing, which is a system similar to that found in car dealerships. The incentive is to sell product without regard to the credit-worthiness of the customer. In a move that eerily foreshadowed the 2006 turmoil in the U.S. mortgage industry, the manufactured housing chattel loan industry underwent a major collapse and restructuring in 2001-2003, with more than 90,000 home repossessions occurring in 2002 alone. In that same year, one of the industry's major lenders, Conseco (formerly Greentree Finance) filed for bankruptcy due to an unsustainable level of foreclosures (Jewell, 2003). Other smaller lenders collapsed as well. Repossessed homes dampened the demand for new homes, and, in 2009 manufacturing levels still have not reached their pre-collapse high. Today, there are fewer lenders in the market, underwriting is more conservative and loans are harder to obtain.

For many U.S. households, their home is their primary financial asset and their largest source of wealth. Many households purchase homes not just as a place to live on a day-to-day basis (use value of home), but also for their ability to appreciate in value and create wealth (exchange value). Approximately fourteen studies conducted

since 1990 have examined whether manufactured housing appreciates, and, if so, under what conditions (Jewell, 2002). One of the most comprehensive analyses was completed by Jewell in 2002 for the Consumers Union. Using three different approaches to analyzing national American Housing Survey data, he found that manufactured housing on leased land, on average, appreciated at a negative rate (depreciated), while manufactured housing on land owned by the homeowner and site-built housing appreciated. Using matched pairs regression, he found that the largest single identifiable factor causing the different rates of appreciation was whether the homeowner owned or leased the land. He also found that larger homes, homes on larger lots, investments in maintenance, a location in an urban environment and a location in the West or Northeast positively correlated with appreciation ($p < .01$), while moving a home and overcrowding resulted in significantly lower values.

Boehm and Schlottman's (2004) analysis of data from the American Housing Survey resulted in similar findings. These researchers compared the advantages and disadvantages of rental housing, site-built housing, manufactured housing on homeowner-owned land and manufactured housing on leased land. They found that manufactured housing on leased land did not appreciate in value. Manufactured housing on homeowner-owned land did, in general, appreciate at a rate similar to that of conventional site-built homes, but there was a wide variation among the individual cases. Furthermore, the authors found that manufactured housing on owner-occupied land provided a lower-cost alternative to renting and provided the possibility of wealth accumulation through savings and land value appreciation.

From a financial perspective, owner-occupied manufactured homes in traditional land-lease communities (mobile home parks) offer the benefits of a low purchase price and lower monthly housing costs. Drawbacks include navigating a dealer and loan system that lack the consumer protections that cover conventional housing, investing in a major purchase with poor asset-building potential, and the ongoing risk of displacement should the park owner decide to close the park. For some low-income households, manufactured home park life represents an improvement over an apartment, the first step toward traditional homeownership, a way to maximize the use value of one's investment in housing, and a cost-effective way to purchase shelter.

Data Concerning Manufactured Home Park Residents: Who lives in manufactured housing and manufactured home parks?

Stereotypes abound about residents of mobile home parks. "People think because you live in a trailer, you're trash. It doesn't matter if you own, or if you keep your place better than theirs," according to an Indiana mobile home resident (Wallis, 1991). A 1993 *American Demographics* article contrasts the stereotype of manufactured housing residents as "the other" or "those people" to their actual place in American society:

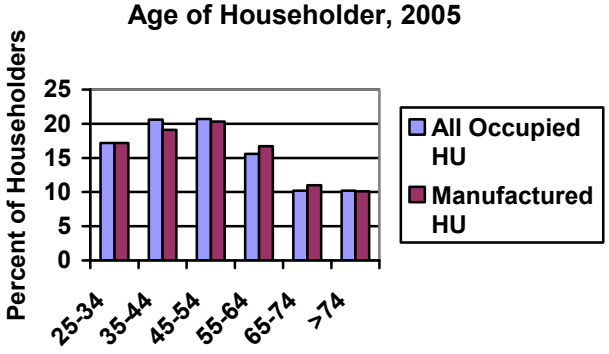
> Who lives in a trailer? The question conjures up images of poverty-stricken widows and over-burdened single mothers. Who lives in a manufactured home? The answer is 1 in 16 Americans. Whatever you call them, mobile homes and their residents defy stereotypes. (O'Hare, W., 1993, p. 26)

The "poverty stricken-widows and overburdened single-mothers" stereotype depicted by the *American Demographics* article is given an only slightly more positive

spin by the manufactured housing industry, where the common wisdom used to be that the market for mobile homes consists of two primary segments, "the newly wed and the nearly dead." Manufactured housing was marketed as a low-cost homeownership option for first-time homebuyers who did not have the up-front resources for down payments on traditional site-built homes. It was also marketed to older homeowners who wanted to downsize, reduce maintenance chores and free up some of the capital tied up in their home to pay for living expenses. Manufactured home parks that catered to older adults were created to provide a lower-cost alternative to more expensive country club retirement communities.

Although a presentation of descriptive statistics does not begin to portray the complexity and breadth of who lives in manufactured housing, it does illustrate some broad facts about this population in the aggregate. The figures below compare the demographic profile of manufactured housing residents to that of all residents of occupied housing units in 2005 (U.S. Census Bureau, 2005 American Housing Survey, National Detailed Tables 2-1, 2-9 and 2-12). Overall, the characteristics of manufactured housing residents mirror the population as a whole in terms of age, with a slight edge in the age 55-74 cohort (Figure 4-10). White and American Indian/Alaskan Native households represent a disproportionately larger share of the households living in manufactured housing. Manufactured housing residents have slightly smaller households than the population as a whole (Table 4-3).

Figure 4-10
Age of Householder, 2005



Source: U.S. Census Bureau, 2005 American Housing Survey, National Detailed Table 2-9

Table 4-3
Race and Ethnicity of Householder of Occupied Housing Units, 2005

	Total Occupied Housing Units	Manufactured Housing
Race		
White	82%	88%
Non-White	17%	11%
Two or more races	1%	2%
Non-White Races		
Black	75%	80%
Asian	19%	4%
American Indian	4%	16%
Pacific Islander	1%	0%
Ethnicity		
Hispanic-Latino	11%	8%
Not Hispanic-Latino	89%	92%

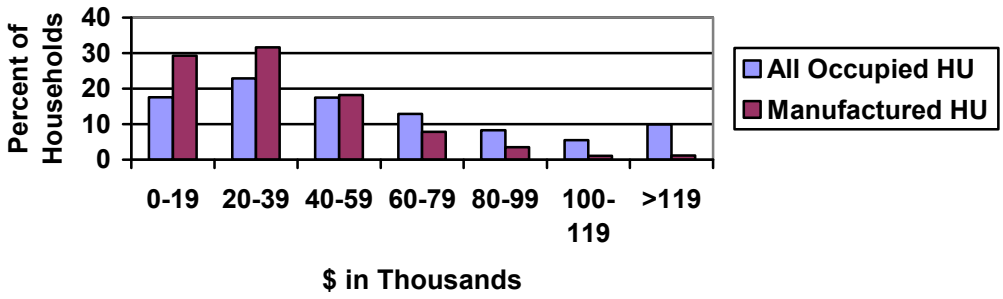
Source: U.S. Census Bureau, 2005 American Housing Survey, National Detailed Table 2-1

The major differences between the population of manufactured housing residents and U.S. residents in general appear in the areas of income and educational attainment levels, but even in these areas manufactured housing residents defy stereotypes. As one might expect of residents of affordable housing, manufactured

housing residents have lower median incomes than the population as a whole (Figure 4-11). The median household income for all households is $44,503; the median household income for manufactured housing residents is $27,452. Nearly one in eight (12.9%) of households living in manufactured housing have incomes below the federal poverty level, compared to approximately one in fourteen (7.4%) of all U.S. households (Figure 4-12). Nearly 60% of all manufactured housing households obtain the majority of their incomes from wages and salaries, compared to 67.3% for all households (Figure 4-13). If any stereotype were to be applied to manufactured home owners overall, the image of low-wage working households would be more apt than "poverty stricken widows and over-burdened single mothers."

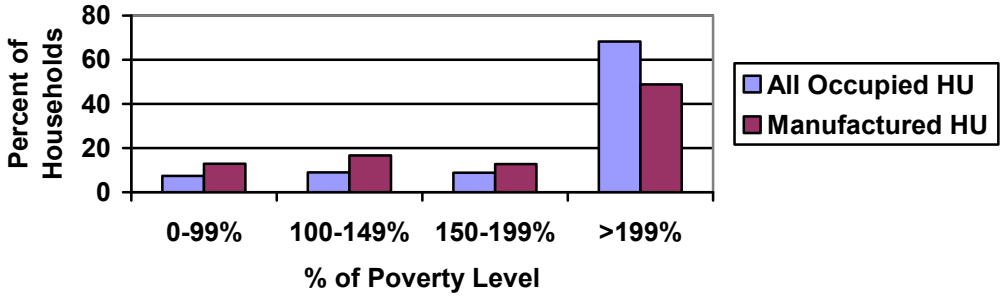
Although the tendency is to focus on households at the lower end of the economic spectrum, a small segment of manufactured home park owners have higher incomes and net worth. In 2005, 5.8% of all households who live in manufactured housing had an income of $80,000 or greater. Industry data based on a national survey of manufactured homeowners found that more than one in ten respondents (11%) reported a net worth of $250,000 or greater, and 4% reported a net worth of half a million or greater (Foremost Insurance Company, 2002). Many of these owners live in higher quality subdivision-style communities with amenities such as pools, recreation centers and golf courses (Genz, 2001).

Figure 4-11
Household Income, 2005



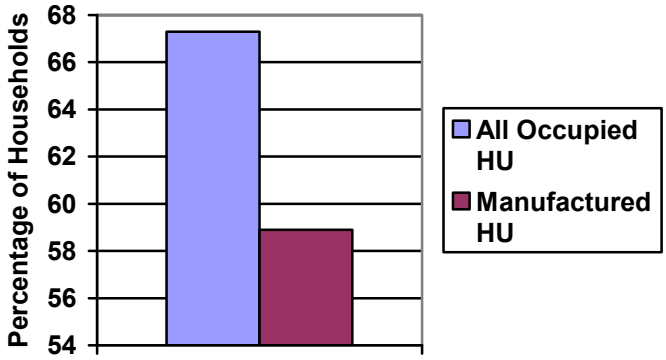
Source: U.S. Census Bureau, 2005 American Housing Survey, National Detailed Table 2-12

Figure 4-12
Household Income as Percent of Poverty Level, 2005



Source: U.S. Census Bureau, 2005 American Housing Survey, National Detailed Table 2-12

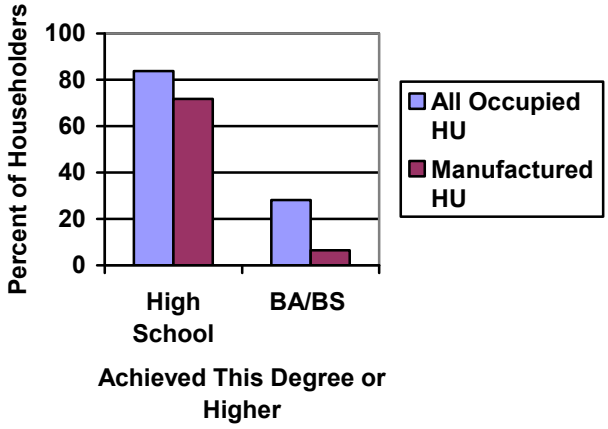
Figure 4-13
Households for Which Wages & Salaries Were Majority of Income, 2005



Source: U.S. Census Bureau, 2005 American Housing Survey, National Detailed Table 2-12

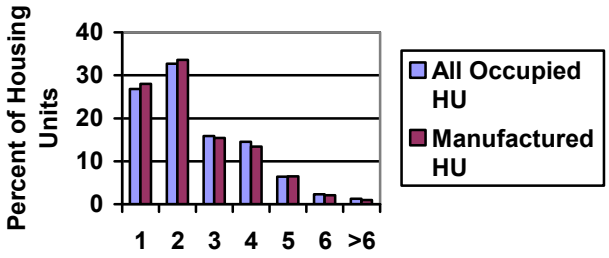
Manufactured housing residents on average have lower educational attainment levels than the population as a whole. Seventy-one percent of manufactured housing householders are have a high school diploma or higher degree, while 83.7% of all householders meet this description. More than one in seven manufactured housing householders (15.7%) have attended some college as their highest educational level, and 5.7% have an associate degree; in comparison, 17.7% of all householders have attended some college, and 7.4% have attained an associate degree. The disparity in education is most apparent at the college level, where 6.2% of manufactured housing householders have a bachelor degree or higher, compared to 28.2% for all householders (Figure 4-14).

Figure 4-14
Educational Attainment of Householder



Source: U.S. Census Bureau, 2005 American Housing Survey, National Detailed Table 2-9

Figure 4-15
Number of Persons in Housing Units, 2005



Source: U.S. Census Bureau, 2005 American Housing Survey, National Detailed Table 2-12

A colorful picture of the preferences and lifestyles of manufactured housing residents can be drawn from a national survey of manufactured housing residents

commissioned by Foremost Insurance Group in 2002. The study reports the following findings:

- 63% of respondents reported that they regularly listen to country music radio stations, followed by oldies, at 46%.
- The favorite magazine was *Readers Digest* (33% of respondents), followed by *Family Circle* (26%) and *Women's Day* (23%).
- Favored leisure activities include attending county fairs (34%), state fairs (17%), fishing/hunting shows (12%) and stock car races (12%).
- 56% of all respondents had a personal computer in their home, and 98% had cable TV or satellite service.
- 53% of respondents said that they were very satisfied with mobile home living, and 35% said that they were somewhat satisfied. Only 11% reported that they were somewhat or very dissatisfied.
- When asked how many more years were they planning to own their current mobile home, 57% said "always."

Although outsiders may tend to gravitate toward negative stereotypes of manufactured housing and manufactured housing residents, the level of satisfaction reported by the residents themselves indicates a strong affinity for this lifestyle. Furthermore, it suggests that some residents may view manufactured housing as a housing of choice instead of a housing of last resort. Studies of the diversity of social environments in manufactured home parks provide some additional clues about their appeal.

Social Aspects of Manufactured Home Parks: What are the negative and positive features that result from the social environment of manufactured home parks? Are they healthy, desirable places to grow up or grow old?

Two sociological/urban anthropological case studies provide insights regarding the potential for manufactured home parks to provide a sense of community and a network of informal social supports that allow people to remain healthy and independent. The earliest study is an urban anthropological case study of a senior housing park in California undertaken by Sheila Johnson (1971). She found that many residents moved to the park to be close to friends and relatives; thus, the park had an extensive network of social ties among its residents. Johnson documented a system of reciprocity that allowed older people to support one another and prolong independent living. Over time, as people aged and their needs could no longer be met through a simple system of peer reciprocity, they eventually moved from the park. Thus, this research suggests that some parks have complex peer support systems, and eliminating the park may result in increased demands on families and social services to support the needs of displacees.

A recent ethnographic study of rural, southern African American mobile home park residents found that being involved in overlapping networks of kinship, church and neighborhood helped families survive economically and socially. These networks allowed them to assemble more resources than they would have had without them. The networks were found to provide a level of comfort and predictability in knowing

that assistance would be forthcoming in times of crisis and financial stress. The families who maximized their social networks thrived more than those who did not (Eley, 2006).

In contrast, two other case studies depicted how residing in a trailer park stigmatized young residents and limited their access to larger life opportunities. Miller and Evko (1985) found that adolescents living in a mobile home park were shunned and regarded as outsiders by their peers in a suburban high school and had an adversarial relationship with park management at home. MacTavish and Salamon (2006) found that young people growing up in a trailer park experienced barriers to accessing pathways offering broader life opportunities. Some of the factors creating the barriers were inherent to being part of a poor working class family, while others were unique to living in a trailer park in a small town.

This interplay of case studies depicting the importance of manufactured home park social networks in sustaining well-being on one hand and in denying access to opportunity and limiting escape on the other is also reflected in the research regarding residents of Skid Row and residential hotels. Social problem analysts regarded Skid Row homelessness as a social problem needing attention and homeless individuals as a group of people requiring treatment. Their work documented the scope and nature of deviant characteristics and behaviors of Skid Row residents. Proposed solutions were usually framed as social service programs to address the problems. On the other hand, social order analysts looked for the possibility of helpful social bonds and successful adaptive behaviors among the homeless. They entered the world of the

homeless as participant observers in search of social meaning. They documented instances of successful adaptations by homeless residents to overcome the challenges of poverty and illness. Their solutions involved recognizing the strengths of the subculture and recommending that officials not disrupt its social bonds and adaptive behaviors (Hoch & Slayton, 1989).

From this research, one may conclude that policy development should consider what kinds of impacts, both negative and positive, the elimination of manufactured home parks might have beyond the loss of affordable housing, and what might be done about them. Humans are social beings and require community to thrive. An analysis of the loss of manufactured home parks needs to take into account not only the financial impacts on residents, but also the loss of community. Furthermore, the existing research suggests an approach to policy development that draws on the strengths and assets of mobile home park residents rather one that focuses exclusively on needs. The focus groups conducted at manufactured home parks as part of this research provide the basis for further exploration of this topic.

Acceptance of Manufactured Housing: If it is a viable housing option, why is manufactured housing not more widely embraced by residents, planners, community development practitioners and affordable housing advocates?

For decades, authors writing in a range of publication types have predicted or urged greater acceptance of manufactured housing (Apgar et al., 2002; Atkins, 2006; Bucholz, 2005; Files, 1996; Genz, 2001; Goss, Atiles & Kim, 2001; Hood, 1998; Kirk,

2007; Krajick, 2003; O'Hare & O'Hare, 1993; Rust & Skillern, 2006; Watson, 2002). "Mobile Homes are Here to Stay," proclaimed the title of a 1982 article by Deborah Baldwin in *Environmental Action*; a *Dallas Morning News* article headline from 1996 read, "Factory Built Homes Grow in Quality, Consumer Acceptance" (Files, 1996). An article by Atkins written for the National Conference of State Legislators in 2006 directly confronted the misconceptions about manufactured housing with the title, "Manufactured Housing: Not What You Think." Nevertheless, community resistance persists.

The importance of people's perceptions of manufactured housing residents in determining community acceptance of manufactured housing is a theme taken up by scholars as well. To understand this literature, it is useful to approach it in terms of three questions: What does "the public" think about manufactured housing? What factors may affect the views of local government officials? What factors might affect the resistance of housing advocates to manufactured housing? Understanding the factors that affect the attitudes of these three groups is relevant to understanding the attitudes of key actors involved in state and local policy development in Oregon during 2007.

A body of literature consisting of focus group research and surveys documents public attitudes toward manufactured housing. A 1998 study by Atiles, Goss and Beamish explored factors affecting the level of community acceptance of manufactured housing. The researchers found that, among the 416 Virginia site-built homeowners who participated in their survey, the most important factor in

determining acceptance of manufactured housing was the respondents' perceptions of the behavior of mobile home residents. Other relevant factors rising to the level of significance were the proportion of housing units in the county that were manufactured homes, the perceived condition of the manufactured homes, the type of manufactured home (doublewide or singlewide), and the respondents' knowledge of manufactured housing. Residents from counties with a higher proportion of manufactured homes were more likely to be accepting of manufactured housing. Similarly, knowledge of manufactured housing correlated positively with greater acceptance. Doublewides were more acceptable than singlewides.

In a subsequent analysis that compared the perceptions of manufactured home residents to those of other area residents, Beamish, Goss, Atiles and Kim (2001) found that area residents generally had negative perceptions of manufactured homes. The concerns of area residents related to both the potential economic impacts of manufactured homes on the neighborhood and the kinds of people who lived in manufactured homes. The study by Beamish et al. of attitudes in eight Virginia non-metro counties found that non-residents of manufactured homes thought of manufactured housing as "[being] old, having a fairly bad appearance, and housing people who exhibit bad social behavior" (Beamish et al., 2001, p. 386). Non-residents found doublewide homes more acceptable than singlewide homes. Non-residents thought that manufactured home residents had significantly lower levels of education and income than they actually had.

These studies suggest that negative perceptions of manufactured home residents (whether unjustified stereotypes or experience-based perceptions) help explain why community residents reject manufactured housing, and that increasing familiarity and contact with manufactured housing promotes greater acceptance. Stated more starkly than the authors state it, resistance may stem in part from the fact that some community residents do not want "those people" living in their community, but this resistance may dissipate with increased knowledge and familiarity.

The other major source of resistance to manufactured housing that surfaced in the research by Atiles et al. pertains to the fear that manufactured home parks would depress adjacent property values. Since the 1980s, real estate economists have employed various methods and data sets to analyze whether manufactured homes and/or parks have a measurable negative impact on property values or appreciation rates of nearby site-built and/or single family housing (Wubneh & Shen, 2004). One study found that mobile home parks generated an adverse impact on the value of nearby single-family homes (Munneke & Slawson, 2000, as cited in Wubneh & Shen, 2004). Another study found that, the further away a home was from a manufactured home, the higher the site-built property value, all other things being equal (Wubneh & Shen, 2004). Five studies, however, found that there was not a negative impact (George, 1989; Gruber, 1986; Hicks, 1982; Shen & Stephenson, 1997; all as cited in Wubneh & Shen, 2004). In a similar vein, three other studies found that evidence did not support the conclusion that there was a negative impact (MaRouse, 1996; Nutt-Powell et al, 1986; Warner, 1993; all as cited in Wubneh & Shen, 2004). Two studies

found mixed results; in some instances, negative impacts were found, while in others, no negative impacts were found (Hegji & Mitchell, 2000; Malnight, 1980; all as cited in Wubneh & Shen, 2004). Thus, most studies did not find an empirical basis for the fear that manufactured homes and parks depress property values. Yet negative attitudes persist.

Research by Genz (2001) suggested that resistance from local officials may have stemmed in part from the negative impacts of manufactured housing on the city's fiscal health. Genz pointed out manufactured housing are a drain on local budgets when they combine lower-value units with households that make substantial demands on local services.

Affordable housing advocates have been slow to warm to the idea of manufactured homes as a viable form of affordable housing. Scholars have documented attitudes among housing advocates that have ranged from a lack of interest to outright hostility (Genz, 2001). A national survey of 120 community development professionals conducted in February 2002 found that approximately 75% said that they knew very little about manufactured housing or that they knew a little but needed to learn a lot more (Apgar et al., 2002).

Although the reasons for this cold shoulder from advocates may be more complex than a spill-over from attitudes held by community residents in general, this body of literature provides a good starting point for exploring why policy makers and affordable housing advocates have been slow to pay attention to manufactured homes as a viable affordable housing resource. It also suggests that the degree to which a

policy maker is familiar with the housing may help shape his or her attitudes and potentially affect his or her level of involvement and stands on related policy issues.

Manufactured Housing and the Community Development Community

Since 2000, there has been a movement among some affordable housing and community development advocates to re-position manufactured housing as a viable housing form with identifiable and solvable problems instead of a housing option that should be rejected out-of-hand (Atkins, 2006; Genz, 2001; Rust, 2007; Temkin, Hong, Davis, Hudson & Cantrell, 2007; VanLandingham, 2008). Around 2002, CFED (formerly Corporation for Enterprise Development), in partnership with the Ford Foundation, Fannie Mae, NeighborWorks America, Opportunity Finance Network and ROC USA, launched the I'm Home initiative to encourage innovations in manufactured housing and promote the use of this housing form in community development work nationally. The initial goals included the following:

- Find creative uses of manufactured housing and drive the industry to respond with products
- Develop effective replacement strategies for older pre-HUD code homes
- Foster site control for [home]owners in investor-owned parks—manufactured home park conversion to resident-owned communities (ROCs)
- Develop high quality lending for purchase, resale and home improvement
- Establish better state-level policies (McCarthy, 2006).

Through grant programs, the convening of symposia and the funding of research, the I'm Home initiative succeeded in raising the visibility of manufactured housing within the community development field. George McCarthy, a senior

program officer at the Ford Foundation, reported on the results of five years of work at a symposium in Atlanta, Georgia, in February 2006. He cited the following outcomes:

- Although creative uses of manufactured housing by non-profit affordable housing developers have occurred, they remain "niche-y" instead of a commonly-accepted practice. The manufacturers have been slow to respond with new, innovative products, perhaps in part due to the fact that the demand for their products for community development remains small. McCarthy reported that the industry has "little confidence in non-profit organizations and their ability to reach meaningful scale" (McCarthy, 2006).
- Replacement of older units is happening, but this strategy has not achieved scale.
- From 2002 to 2008, approximately 50 new parks were anticipated to be converted to resident-owned communities (ROCs), primarily in New Hampshire, through the efforts of the New Hampshire Community Loan Fund. This group has spun off ROC USA to provide technical assistance and other support to assist local nonprofits nationally with creating ROCS. ROC USA was providing assistance to nonprofits in 20 states, including CASA of Oregon, by 2007. A $25 million preservation fund was created to provide financing for park conversion.
- In 2002, in response to the manufactured housing chattel lending crisis, Fannie Mae and Freddie Mac exited the secondary market for manufactured housing loans, and banks were pulling out of this market as well. By 2007, pilot efforts that demonstrated effective lending for purchase, resale, home improvement and refinance were occurring in a few locations, and Freddie Mac and Fannie Mae were

experimenting with programs in two markets. In 2002, over three-quarters of the states treated all manufactured housing as personal property; by 2007, the majority of states had provisions for classifying manufactured housing permanently sited on land owned by the homeowner as real estate, thus permitting the possibility of mortgage financing.

The development of the I'm Home initiative is directly relevant to this research because of the participation of key Oregon actors in this effort, including Oregon Housing and Community Services staff, the convener of the Manufactured Housing Landlord Tenant Coalition, and staff from CASA of Oregon, a non-profit affordable housing technical assistance provider. CASA of Oregon received funding from I'm Home that helped support its work and that of partner organizations for research, state policy changes and community organizing to support the creation of ROCs in Oregon. I'm Home provided models, information, access to experienced practitioners, encouragement and funding that made a difference in what occurred in the 2007 Oregon legislative session. The specifics of this assistance are covered in a subsequent section of this paper. Thus, Oregon is one of the places where community development practitioners began to take a new look at the potential of manufactured housing to provide decent quality affordable housing for low-income residents.

Summary of Findings from National Research and Data Sources

This review leads to the following conclusions that frame my understanding of manufactured housing, its residents and its policy context:

- Manufactured housing and manufactured housing residents defy stereotypes. The housing form is more prevalent (7.6% of all housing units in 2000), more geographically dispersed (in terms of regions and rural/suburban/urban locations), and more popular with its residents (consumer satisfaction average score of 4 on scale of 1 to 5) than it is commonly perceived to be. Its very scale makes it worthy of more policy and scholarly attention than it has received.
- Manufactured housing residents mirror the population as a whole in terms of age, but tend to be whiter, have lower incomes and possess lower educational attainment levels than the population overall. But the actual differences in these areas are not as great as the perceived differences.
- Manufactured housing is a sound choice for people of limited means who are primarily concerned about the use value of their home and are less concerned about building wealth through homeownership. The quality of manufactured homes has improved over time. The majority of quality problems are with older, pre-HUD code homes, which comprise approximately 30% of the stock.
- The most troubled areas of the industry are financing and sales, where manufactured housing has more in common with automobiles than housing. Of particular concern is the mostly unregulated area of chattel loans, a form of consumer loan. Chattel loans are the only form of loan available to most residents of manufactured home parks because their home is not considered real estate in most states. Chattel loans typically have higher interest rates, shorter terms and

other unfavorable terms, particularly in comparison to traditional mortgage financing.

- A primary weakness of manufactured home parks, and a focus of this research, is divided asset ownership. Although case history related to landlord tenant law covers this area to some extent, what is missing in the literature is a theoretical framework for understanding the issues presented by divided asset ownership of manufactured housing within the context of gentrification. This research will attempt to contribute to knowledge in this area.
- The stereotyping of manufactured housing and its residents has real consequences. The marginalization of this kind of housing has resulted in inadequate attention to developing policies and programs applicable to manufactured housing in financing, consumer protection, definitions of property (until recently), and tenants rights.
- The stereotyping of manufactured home park residents may have fostered bonding social capital formation within parks but inhibited bridging social capital formation between these residents and the larger community. The isolation of manufactured home park residents appears to be particularly harmful in small, rural communities and for families with children.
- Familiarity with manufactured housing helps to overcome tendencies toward stereotyping and fosters more positive opinions.
- For many, manufactured housing represents affordable housing of choice instead of housing of last resort. More than half of survey respondents said that they were

very satisfied with mobile home living, and 57% said that they planned to always live in their current home.

- Manufactured housing advocates argue that it is a viable low-cost housing form, but its broader application is currently limited by identifiable problems that could be solved through changes in government policy and programs, industry practices, public understanding and community acceptance.

By the sheer volume of its presence, manufactured housing deserves a more prominent place in affordable housing policy and scholarship. But it deserves more attention for another reason as well: if its drawbacks can be addressed, it promises to be an option of growing importance in the nation's system of subsidized affordable housing. In addition to improvements to the financing and sales systems, the issues of divided asset ownership and environmental sustainability (discussed in the final chapter of this dissertation) need to be addressed. For now, manufactured housing, like residential hotels in an earlier decade, is still struggling for acceptance as "real housing" and for greater attention in policy and research.

CHAPTER 5. OREGON MANUFACTURED HOME PARKS AND THEIR RESIDENTS

After the prior chapter's overview of the landscape of manufactured housing and parks nationally, this chapter focuses on Oregon manufactured home parks and their residents. I use national and state data sources to describe manufactured housing and parks in Oregon and provide a sense of how Oregon compares to the nation as a whole. Although the applicability of this case study is not predicated on whether Oregon's manufactured housing and parks are typical of those throughout the country, it is helpful to have a comparison, insofar as the information is available. This kind of information is intended to help readers to sort out what aspects of Oregon's story may be relevant in other contexts.

The chapter concludes with an analysis of who lives in Oregon's parks that draws on both quantitative and qualitative data sources. This portrait of Oregon park residents establishes a framework for analyzing the impacts of park closures on three clusters of park residents, the topic of a subsequent chapter of this study.

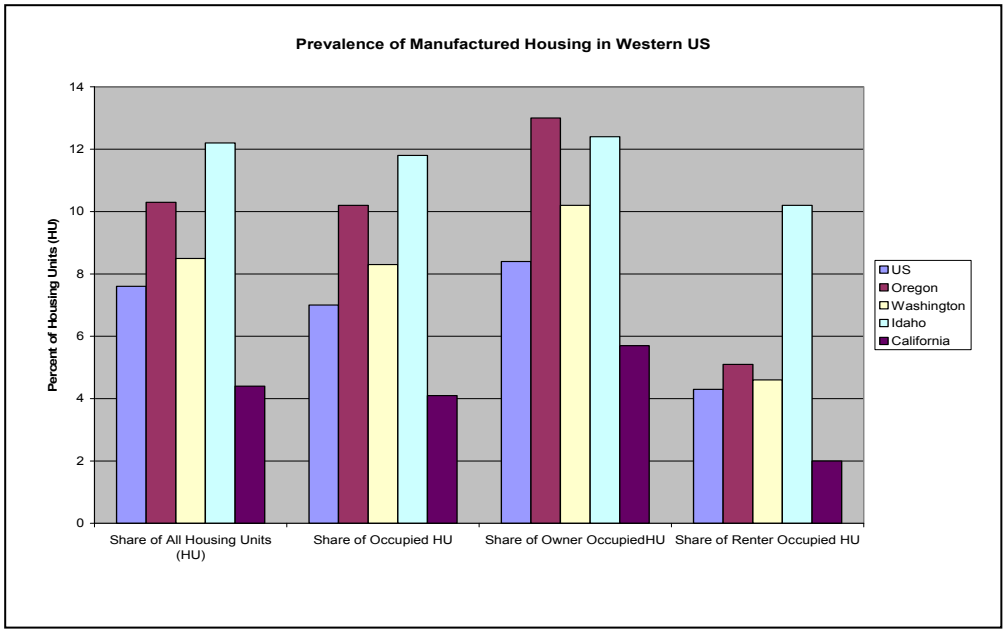
Manufactured Housing in Oregon

More than one in ten housing units in Oregon (10.3%) is a manufactured home. This compares to about one in fourteen nationally (7.6%). The state with the highest concentration of manufactured housing units is South Carolina (20.3%), followed by New Mexico (18.6%), West Virginia (16.9%), Mississippi (16.6%), North Carolina

(16.4%) and Alabama (16.3%). Oregon ranks in the second quartile of states in terms of the concentration of manufactured housing units, with 17 states having a higher concentration and 32 having a lower concentration (Bureau of the Census, Census 2000, SF3).

Figure 5-1 compares the concentration of manufactured housing in Oregon to that of other Western states. Of particular interest is the role manufactured housing plays in owner-occupied housing in the state. Although manufactured housing represents only 8.4% of all owner-occupied housing units nationally, in Oregon it represents 13%. One in eight owner-occupied housing units in Oregon is a manufactured home. Nationally Oregon is ranked 13th among the fifty states in terms of the concentration of owner-occupied homes that are manufactured housing. Factors that may contribute to this high concentration in Oregon are considered in a subsequent chapter on the political economy of manufactured housing.

Figure 5-1



Manufactured housing is not evenly distributed across the state, as shown by the map in Appendix 5-1. It appears to be more predominant in rural areas and in counties with U.S. Indian reservations. Among Oregon counties, the concentration of manufactured housing ranges from a high of 36% in Sherman County to a low of 2% in Multnomah County, where the city of Portland is located. Manufactured housing accounted for at least one quarter of all housing units in six rural counties: Morrow (36%), Lake (30%), Jefferson (29%), Grant (27%), Curry (26%) and Harney (25%).

Taken together, these facts indicate that manufactured housing is an important part of the state's housing supply. They further suggest that Oregon is not an "outlier" among states in terms of the concentration of manufactured home parks, but it is a state where manufactured housing issues are likely to be of concern to a larger than average share of the population. When one considers how to apply lessons from this case study to other places, Oregon should be regarded as a "middle of the pack" state in terms of the prevalence and concentration of manufactured housing.

Oregon's Manufactured Home Parks

An estimated 40% of Oregon's manufactured housing stock is located in manufactured home parks (Oregon Population Survey, 2006). The remainder is either the sole use on a single parcel (i.e., the resident owns the home and also the parcel of land on which it is located), as a secondary use or dwelling on a single parcel (e.g., an extended family with a primary site-built home and one or more manufactured homes), or in clusters that that do not otherwise qualify as manufactured home parks

under state law (e.g., a parcel with three manufactured home spaces for lease). According to Oregon Housing and Community Services (OHCS), Oregon had approximately 1,300 manufactured home parks as of May 2007. These parks included approximately 64,800 spaces. Parks ranged in size from 4 to 498 spaces and were located throughout the state. Three counties accounted for more than a quarter (26.5%) of the state's total parks: Lane (a Willamette Valley county that stretches west to the coast and includes the cities of Eugene and Springfield), Jackson (a southern Oregon county) and Clackamas (a Portland metropolitan area county).

Data on manufactured home parks are collected at the state level, if at all. Many states do not maintain inventories of their parks. Thus, reliable comparisons of the number and kinds of parks in Oregon with those of other states cannot be made.

Manufactured Home Park Residents in Oregon

Describing a group of people who have just two primary characteristics in common (the state where they live and their housing type) is a daunting task. Since neither a quantitative nor a qualitative perspective alone presents a complete picture, I use both. Quantitative data and descriptive statistics provide a birds-eye view of the principal characteristics of this population through focusing on averages or norms instead of the particular. Qualitative data from focus groups at seven manufactured home parks provide a richness of detail, instill humanity and offer a better basis for understanding lives as lived. Knowing that my qualitative findings were limited by my sample and colored by my point of view, I also look to qualitative data from other

sources, including vignettes from Oregon newspaper articles and articles in peer-reviewed journals. I use all these sources to construct an understanding of who lives in Oregon's manufactured home parks.

Quantitative Data About Park Residents: Oregon Population Survey 2006

Oregon is unusual in that the state has a source of quantitative data on the characteristics and opinions of its residents that it updates every two years. On a biennial basis, the Oregon Progress Board commissions a survey to gather information related to statewide benchmarks and resident attitudes. The Oregon Progress Board makes not only its reports but also the data files available online as the Oregon Population Survey, described further in Appendix 2-3.

The analysis below is based on the Oregon Population Survey for 2006. In the summer and fall of that year, the Northwest Research Group conducted telephone interviews with approximately 4,500 household representatives statewide. This survey occurred just as media accounts of park closures were on the rise and public awareness was growing. Because the survey included not only a question that indicated whether the respondent lived in a manufactured home, but also whether that home was located on leased land or on land owned by the respondent, it was possible to retrieve and analyze data regarding residents of Oregon's manufactured home parks. Further information concerning my analytical methods can be found in Appendix 2-3. The section below summarizes my key findings from a descriptive analysis of that data.

Table 5-1
Findings about Oregon's Manufactured Home Park Residents in 2006: Descriptive Statistics from the Oregon Population Survey

Household Composition

- A total of 201,264 households lived in mobile or manufactured homes in Oregon in 2006.
    - Of these households, 40.6% lived either in a rental park or on leased land. This constitutes 79,229 households.
    - In contrast, the Oregon Housing and Community Services (OHCS) database of parks, compiled from tax assessor data and other sources, indicated that manufactured home parks statewide contained spaces for approximately 65,830 homes in 2006. The difference between the two figures may result partially from the fact that the OHCS includes only parks consisting of four or more units, and the Oregon Population Survey includes all manufactured homes on rented land, whether in a formal park recognized by the state or not.
    - Fifty-nine point four percent of manufactured home residents located their home on land that they owned outright.
- On average, manufactured home park households were smaller in size than the norm. The average household size for manufactured home park households was 2.17 persons. The average household size for the state as a whole was 2.32 persons.
    - Approximately one third (34.7%) of manufactured home park households consisted of one member, compared to 27.5% statewide.
    - More than three-quarters (77.3%) of manufactured home park households consisted of only one or two members, compared to 69.8% statewide.
- Manufactured home park households had fewer children under the age of 18 than the statewide average.
    - Seventy-eight point one percent of manufactured home park households had no children, compared to 75.6% statewide.
    - There was one child for every 2.4 manufactured home park households, and one child for every 2.2 households statewide.

Socioeconomic Descriptors

- Manufactured home park residents, on average, had lower household incomes than the population as a whole.
    - More than one and one half times as many manufactured home park households (22.2%) had incomes below the federal poverty level as did all Oregon households (13.4%).
    - Approximately two-thirds (64.4%) of park households had incomes below $30,000 per year, compared to approximately one-third (36.7%) of households statewide.

    - Twelve percent of manufactured home park households had incomes above $55,000 per year, compared to approximately a third (33.8%) of residents statewide.
- Respondents from manufactured home parks were more likely to identify their race as white (94.2%) than respondents statewide (89.7%).
- Approximately the same percentage of manufactured home park respondents identified themselves as being Spanish, Latino or Hispanic (7.1%) as did the state as a whole.
- Although respondents from manufactured home parks had lower educational levels on average than the state as a whole, people with a wide range of educational backgrounds lived in parks.
    - Seventeen point two percent of respondents did not have a high school diploma or GED, compared to 9.2% of respondents statewide.
    - Fourteen point two percent of respondents from manufactured home parks had a bachelor's degree or higher, compared to 32.3% statewide.
    - One point nine percent of manufactured home park respondents had a master's degree, .4% had professional degrees (MD, JD, DVM or DDS) and .4% had doctorates. Statewide, 10% of respondents had a master's degree, .9% had a professional degree and 2.3% had a doctorate.

Housing

- Manufactured home park respondents were more likely to be homeowners; 28.7% of park residents rented their homes, compared to a rental rate of 32.4% statewide.
- Almost half (46.9%) of manufactured home park residents owned their home free and clear, while 17.3% had a loan that they are paying off. Statewide, less than a quarter (24.1%) of households owned their home free and clear, while 41.2% was paying down a mortgage or loan.

Additional Descriptors

- Eighty percent of respondents from manufactured home parks had checking accounts; 91% of respondents statewide had checking accounts.
- Fifty-eight percent of manufactured home park households had a home computer, whereas 77% of households statewide had a home computer.
- Respondents from manufactured home parks were more likely to have been without health insurance at some time in the last year. Twenty-three point three percent of park respondents had been without health insurance, compared to the state figure of 17.1%
- Twenty nine point five percent of respondents from manufactured home parks had not visited a dentist in the last five years, compared to 14.5% of respondents statewide.

Opinions

- Manufactured home park households were more likely to say that they felt very strongly that they were part of their community (31.1% gave a rating of five on a five-point scale) than Oregon households overall (25.1%). Interestingly, a slightly larger share of manufactured home park households were also more likely to say that they did not at all feel that they were part of their community (6.4% gave a rating of one) than the state as a whole (3.3%).
- Slightly more than half of manufactured home park respondents (54.6%) said that their feelings about Oregon were very positive (rating of five on a five-point scale), compared to slightly less than half (45.3%) of respondents statewide.
- Approximately the same percentage of manufactured home park respondents (57.3%) and statewide respondents (59.3%) rated the state's performance in helping individuals and families in need positively (ratings of four or five on a five-point scale). But manufactured home park respondents were more strongly positive in their response, with 27.7% saying that the state was doing a very good job (score of five), compared to 15.9% statewide.

In sum, according to the Oregon Population Survey for 2006, as many as one in seven Oregon households lived in manufactured home parks or in a manufactured home on rented land. In general, park households were smaller, less affluent and whiter than the population as a whole. Although park residents had lower average educational levels than the state as a whole, more than four of five respondents had at least a high school diploma or GED, and one in seven had a bachelor's degree. They were more likely to own their home outright instead of having a loan. They felt more part of their community than the average Oregonian, and they were more positive about the state overall.

Qualitative Data Concerning Park Residents from Focus Groups

During the summer of 2007, I collected data from seven focus groups conducted at manufactured home parks throughout the state. I collected these data

both for use in this dissertation and also for a project for Oregon Housing and Community Services and CASA of Oregon, a non-profit community development and affordable housing technical assistance provider. The principal topics were residents' views on manufactured home park living, strategies for dealing with park closures, and existing and desired services to assist with the challenges of park living. The research design, sampling strategy, protocols and analytical methods are described in Appendix 2-2. In total, the research included 66 residents from parks selected for their diversity on seven dimensions: park size, park type (family or senior), resident incomes, race/ethnicity of residents, geographic location, rural/suburban/urban location and closure status.

From these focus groups, I learned that manufactured home park residents in Oregon defy stereotypes. Focus group participants included an active but retired 86-year old attorney, a former journalist for a major paper, a civil engineer, a truck driver, a retired college professor and the former assistant to the county sheriff. Focus group residents also included agricultural workers, husbands and wives with school-age children, disabled younger adults and veterans.

Questions about why people live in manufactured home parks revealed as much about the residents themselves as did the data about the parks. For older adults in particular, moving to a manufactured home park tended to represent a lifestyle choice. Although participants cited financial considerations as a reason to live in a park, they were not the only consideration. For many, it was the housing option that participants chose after considering several other alternatives within their means. A

move to a manufactured home park often occurred after some triggering event, such as divorce, death of a spouse, a change in one's physical condition (a need for a single-floor home or a home that involved less maintenance) or the desire to travel more, caused them to re-evaluate their housing situation and downsize from a single-family detached home.

Participants from both family and parks for people age 55 and older (called 55+ parks or senior parks) said that they found manufactured home park living far superior to living in an apartment. Among seniors, the principal benefits of living in a park instead of an apartment were a sense of personal safety and security, community, greater privacy, and the ability to continue to do the kinds of things (gardening, home improvement projects, etc.) that one could do in a site-built home that one owns. One woman said, "We sold our [site-built] home and we looked into an apartment and decided that he wouldn't have anything to do besides watch TV. He needed something to do." Families said that manufactured home park living provided a better environment than apartments for their children. One father said, "The kids are happy, instead of being locked up in an apartment." Another added, "They are used to the freedom to be on the street and play and have fun with other kids."

Participants from both family and senior parks cited a sense of community and the feeling of personal safety that results as major benefits of living in a manufactured home park. Participants used phrases such as "It's very friendly," "Like a family situation," and "We live very comfortably here, like if we were a community," to describe how they felt about where they live and their connections with their

neighbors. One father said that the kids play together in the protected private streets of the park as if they were part of one large family.

The sense of community at senior parks appeared to play a role in helping residents remain independent and age in place in their own home instead of having to move to housing that provided formal services. If a resident had not been seen for a while, participants said that a neighbor would likely check on that person. Several said that if they needed assistance in an emergency, they felt that they could call their neighbors. A woman said that her father died peacefully because he knew that his wife would be taken care of by the other residents in the park where they lived.

Senior parks in particular seemed to offer a living environment where residents could strike a balance between community and personal privacy/autonomy that may prolong independent living. One participant described the relationships between residents in her park as follows:

> [The downside of getting too close to your neighbors is] nosiness, everybody knows your business. You don't want everyone to know your business…If you don't want do this at 8:00, somebody is calling you [and asking], "How come you are not doing it at 8:00?" But the upside is that you know certain people in the community you live in, and, God forbid, you get sick or hurt, or something happens…[another participant finishes her sentence] they're there if you need somebody…[the original speaker continues] Then there's people there and you can turn on that 100%.

For low-income families with sporadic work, the low cost of living in a manufactured home park permitted housing stability for the children even when work fluctuated. A resident at a family park with a number of agricultural workers said, "Whatever we make in the month is enough to live well here."

When I visited parks and listened to what residents said about where they lived, I found strong social networks and environments that may have promoted aging in place. Flourishing flower gardens and well-tended private lawns indicated a pride of place. In some parks, the homes were small, old and located close to each other; other parks had double and triple-wides with carports and outbuildings located on spacious lots. In general, I found people taking care of themselves and each other and proud to be doing so.

But there may be a side to manufactured home parks in Oregon that I did not see in my selection of parks. The people whom I met were homeowners. According to the Oregon Population Survey, approximately 28.7% of park residents rented their homes as well as the spaces on which they were located. It is possible that, for a significant portion of these renters, their trailer or mobile home is not so much housing of choice as the housing that they can afford or access, given their personal histories. It may be housing of last resort, as explained below.

Katherine MacTavish, a researcher at Oregon State University, identified four types of manufactured home parks nationally: seasonal communities of retired couples who go south to the Sunbelt in the colder months; rental mobile home communities comprised of residents who rent their homes as well as the land; land-lease park communities where residents own their homes and rent a space, and cooperative and subdivision communities, where residents own their home and either the land or a share in the land (MacTavish, 2007). The parks that I visited were primarily land-

lease communities[14]. MacTavish targeted rental mobile home communities in Oregon in her fieldwork. She characterized these communities as follows:

> Second are the *rental mobile-home communities* in which the landlord owns the land as well as the homes and rents to tenants—often the only affordable housing available to impoverished rural families. Often found adjacent to railroad tracks, highways, junkyards and water treatment plants at the edges of small towns, rental parks are typically shabby. Popular media images liken the rental parks to a rural version of an inner-city ghetto, given the dense concentration of households with too few resources, too many children and dogs who "don't just bark—they bite." (Dean, 1999, p. 134). Rental parks perpetuate the negative stereotype of trailer parks as transient places housing a substantial share of "hard living," poor, less well-educated people subject to job and housing instability. The Oregon field study targeted such parks. (K. MacTavish, 2007, p. 3)

Summary of Description of Park Residents

Although manufactured home park residents in Oregon include people from a wide variety of backgrounds, it appeared to me that there were clusters of household types differentiated by life circumstances. I constructed three broad clusters from the quantitative and qualitative data above: working class retirees, younger working class families and individuals, and very low-income families and individuals. These clusters do not necessarily include all park residents, and it is possible that some park residents may fall into more than one. I offer these three clusters not as a definitive portrait of who lives in manufactured housing in Oregon, but because they are

[14] I supplemented my formal data collection at parks with informal visits to other parks, attendance at park closing resource fairs, attendance at two statewide manufactured home shows, and participation in other events and activities that provided an opportunity for informal observation of manufactured home park residents. Through these observations, I saw residents who most likely resided in what MacTavish calls mobile home rental communities.

consistent with the data and my observations and because they are useful in analyzing the potential impacts of park closures and the state legislation to deal with them.

- Working class retirees: This cluster includes households that are very low to moderate income, have low to higher educational levels, and primarily consist of single individuals and couples. It is likely to include people who worked all of their lives, owned a home while they were working and then downsized to a manufactured home that they purchased outright. Almost half of all park residents owned their homes outright, which is more than the state average. Perhaps they bought manufactured homes when they downsized, and then planned to live on a modest monthly retirement income. This cluster may include a large percentage of widows. It may also include working-age adults with disabilities who had access to resources to purchase a home and who now live primarily on disability payments. This cluster is likely to include people who said that they felt a very strong sense of connection to their community. For them, parks provide an environment conducive to building strong social networks and promoting bonding social capital. For many of these residents, living in a manufactured home park was a matter of choice and not an act of desperation. These residents lived primarily in what MacTavish called land-lease communities. My focus groups were composed principally of people from this cluster.
- Working class families and individuals: This cluster includes households with low to moderate incomes and residents with modest educational levels. It includes households with and without children. It is likely that this group includes many

homeowners who do not own their home outright, but who are making payments on a home loan (17.3% of park residents, per the previously reported 2006 Oregon Population Survey data). For some, manufactured housing may represent the best housing choice that they could afford. They are not without other options, such as renting a home or purchasing a multi-family condominium unit, but a manufactured home may represent to them the first step toward securing the American dream of owning a single-family detached home. These residents, too, primarily lived in what MacTavish called land-lease communities. My focus groups included some households from this cluster.

- Very low-income families and individuals: This cluster includes households with very low incomes and low to modest educational levels. It probably includes both households with and without children. According to the 2006 Oregon Population Survey, 28.7% of park residents rented their homes as well as the spaces on which they were located. It is likely that, for a significant portion of these residents, their trailer or mobile home represented housing of last resort. In some cases, the parks and the homes may have been poorly maintained. It is likely that the stereotypical trailer park is based on this last cluster. These households lived in what MacTavish called rental mobile home communities and were the focus of her research. My research did not target this group of park residents.

This approach to understanding the data yielded three clusters of residents, three reasons for living in manufactured housing and three kinds of housing environments. In a subsequent chapter, I use these three clusters to analyze the range

of impacts that park closures had on Oregon residents and how the 2007 legislation addressed these impacts.

This chapter provides an overview of the "what" and "who" involved with this case study of gentrification: Oregon's manufactured home parks and its residents. The next chapter considers aspects of the "why" and "where" of this example of gentrification by analyzing the economic causes of park closures and their spatial distribution.

CHAPTER 6: AN ANALYSIS OF PARK CLOSURES IN OREGON 2001-2007

This chapter begins with the "what" of gentrification: the closure of manufactured home parks in Oregon from 2001 through 2007. Holding the "what" constant, the chapter analyzes "where" park closures occurred. Finally, it explores the "why"—whether these closures were indicative of changes in the periphery of the state's urban areas, and, if so, whether these changes relate to a broader process of metropolitan restructuring. Stated plainly, does the process of urban growth in Oregon have something to do with the pattern of park closures in the state? This chapter addresses the following questions:

- What can an analysis of the closure of manufactured home parks in Oregon contribute to our understanding of gentrification?
- Do manufactured home park closures tell us something about the role of gentrification in the transformation of the urban periphery in Oregon?

The place to start is with descriptive information about park closures in the state.

Magnitude of Park Closures in Oregon

From 2001 through 2007, 69 parks closed or issued notices that they would close within a year, affecting a total of 2,824 spaces[15] (Oregon Housing and Community Services, 2008). Although no firm data exist on the number of people affected by these closures, I estimate that 2,800 households and more than 6,000

[15] A small proportion of the parks for which closure notices were issued in the latter years actually may not have closed as of 2009 because the U.S. real estate market underwent dramatic changes in 2008.

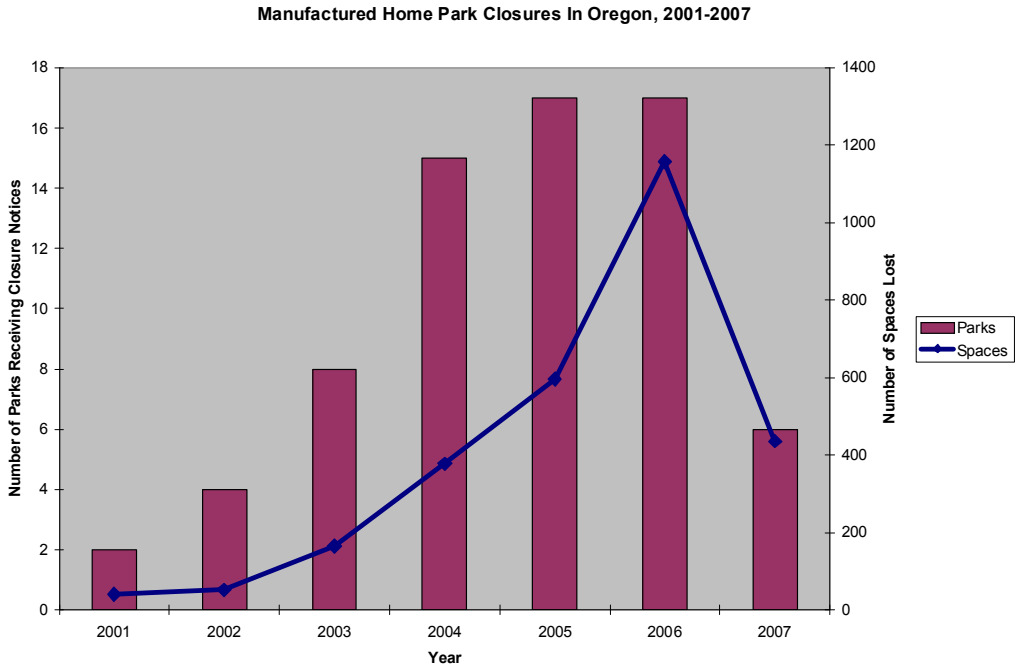
people were displaced, based on an average mobile home park household size of 2.17 (Oregon Population Survey 2006). It appears that most residents were not able to find new parks for their homes (M. Fitzpatrick, Oregon Department of Revenue, personal communication, October 30, 2008), so they either sold or abandoned them[16]. In terms of the impact on this housing form, these closures represent the loss of 5.0% of the parks and 4.2% of the spaces statewide during this seven-year period. The magnitude of the closures and the media coverage they engendered made industry experts nervous about the signals being sent about the ongoing viability of this housing form.

The Oregon Housing and Community Services (OHCS) department maintained a database of parks and was supposed to receive notice when parks closed. It appears that OHCS staff created this database and began recording closures in the late 1990s or early 2000s. Those who maintained the database were the first to admit that the information was not perfect, as it was originally created from information sent by county assessors to the state. When OHCS staff were in the field, it was not uncommon for them to discover parks that were not listed, places that were listed as parks but did not meet the state definition of a manufactured dwelling park, and parks that had closed without notice. The database's first record of a park closure is in 1997, when a park consisting of five spaces closed in rural Baker County. Two parks are on record as closing in 2000. Nevertheless, this database, although not completely accurate, provides a reasonable basis for analyzing the nature and scope of park closures at the level of detail and accuracy required for this study.

[16] The impact of closures on park residents is considered more fully in a subsequent chapter.

Figure 6-1 below shows the numbers of parks and spaces that were lost each year from 2001 through 2007. The number of park closures nearly doubled each year from 2001 through 2004, and then leveled off during 2005 and 2006. The peak year for displacement was 2006, when closure notices resulted in the displacement of approximately 1,100 households.

Figure 6-1



Source: Oregon Housing and Community Services

In this analysis, I approach the escalation of closures as a single phenomenon arising from a common set of issues instead of as a series of unrelated occurrences. As a phenomenon, the incidents should have identifiable characteristics in common. If they result from the growth of Oregon's urban areas during the real estate boom, then

they should be concentrated in areas of the state experiencing growth. If they relate to the transformation of urban periphery, then the closures should be concentrated in that area. The following sections explore those ideas further.

Location of Park Closures

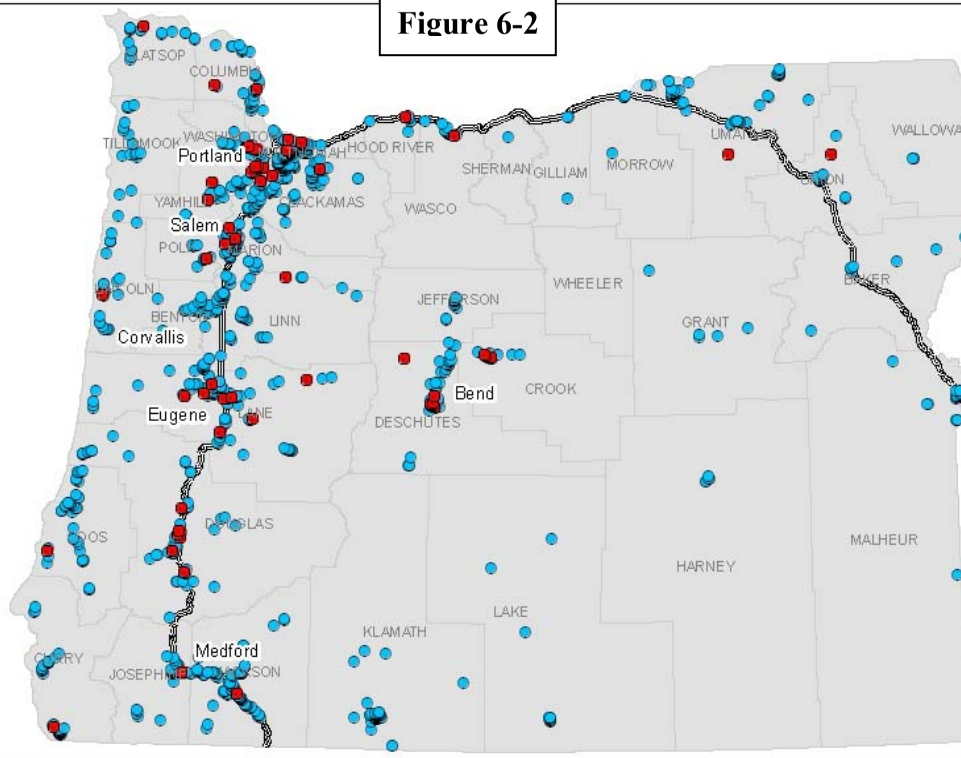
Geographers define the rural-urban fringe as a frontier of discontinuity between city and country, where rural and urban land uses intermingle (Goodall, 1987; Johnson et al., 2000). The transformation from rural to urban is characterized by a number of different physical, social and economic changes, such as the following:

- Land use changes from rural to urban uses,
- Population increases as a result of net in-migration,
- The intensity of development increases (increasing density),
- The demographics of who lives there change,
- The social structures become more urban in character, and
- The network of economic activities becomes more urban.

If park closures are associated with the transformation of the rural-urban fringe in Oregon, then one would expect them to be located in the fringes of places that are experiencing growth. In Oregon, the rural-urban fringe is delineated by a clear boundary, called the Urban Growth Boundary (UGB), which separates areas of the state designated for growth from areas of resource use (e.g., farming and timber) and preservation. Maps of park closures provide the first clue about whether park closures may be located at the periphery of metropolitan areas experiencing growth.

Figure 6-2 below is a map of all the parks that existed in the state as of 2000. It shows both the parks that remained open (indicated by light blue dots) and those that had closed as of the end of 2007 (indicated by dark red dots).

Figure 6-2



Oregon Manufactured Home Park Closures 2000-2007

December 17th, 2008
Author: Brendon Haggerty
Prepared for: Andree Tremoulet
Data Source: Oregon Housing & Community Services
Closed Parks represent those closed from 2000 through 2007.

Legend

Closed Parks
Interstates
Open Parks

N
W
E
S

0 12.5 25 50 75 100
Miles

This map reveals that park closures were not evenly distributed throughout the state. Instead, it shows that they appear to be concentrated in rapidly growing areas, including the Portland metropolitan region, the rest of the Willamette Valley (located along the north-south Interstate 5 corridor shown on the map) and central Oregon (the Bend area). Appendix 6-1, a county-by-county analysis of the number and percentages of parks and spaces lost, provides additional data that support this observation. In particular, one county located in the Portland metropolitan region, Washington County, accounted for nearly two in five of the spaces lost (39.2%) in the state as a whole from 2001 through 2007. This county shed more than a quarter of its total parks (25.4%) and more than one in five (20.4%) of its total spaces. Deschutes County in central Oregon, which includes the rapidly growing city of Bend, accounted for 14.3% of the spaces lost. Bend was the sixth fastest growing metropolitan area in the country during this period (Casey, 2009). A second Portland metro county, Clackamas County, accounted for 12.4% of the spaces lost statewide.

Detail maps of the six key urban areas in Oregon provide additional information about the location of park closures. (See Figures 6-3, 6-4, 6-5, 6-6 and 6-7.) The maps below depict the location of parks (open and closed) relative to the city limits (the boundary of the incorporated area) and the UGB. The line represents the incorporated area boundary, and the shaded area represents the area inside the UGB. The first map, Figure 6-3, which is of the Portland metro area, shows that most of the

parks and most of the closures occurred on the fringes of the UGB, and a few occurred outside the UGB in more rural areas of the state.

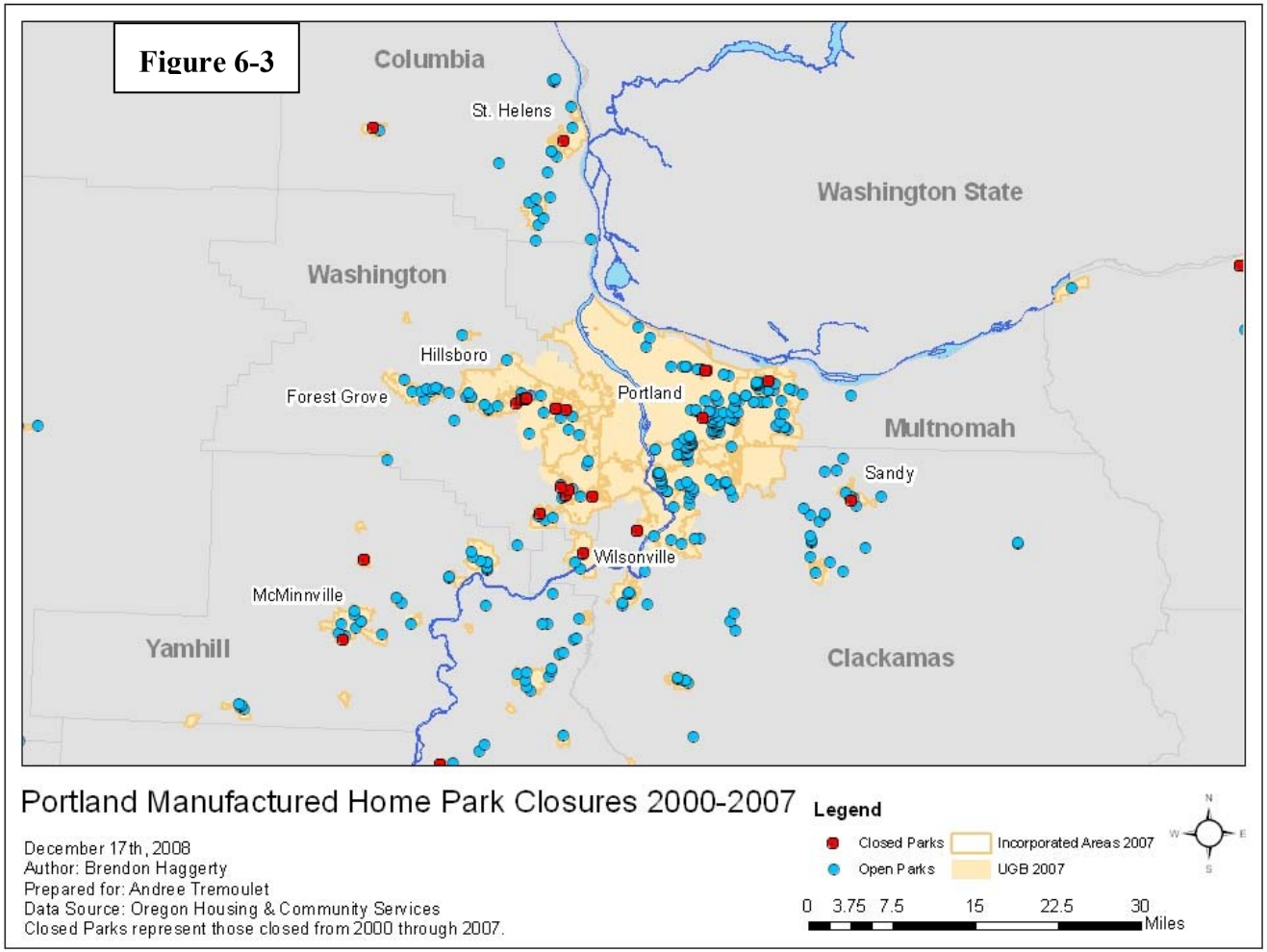


Figure 6-3
Columbia
St. Helens
Washington State
Washington
Hillsboro
Forest Grove
Portland
Multnomah
Sandy
Wilsonville
McMinnville
Yamhill
Clackamas
Portland Manufactured Home Park Closures 2000-2007
December 17th, 2008
Author: Brendon Haggerty
Prepared for: Andree Tremoulet
Data Source: Oregon Housing & Community Services
Closed Parks represent those closed from 2000 through 2007.
Legend
Closed Parks
Open Parks
Incorporated Areas 2007
UGB 2007
0 3.75 7.5 15 22.5 30
Miles
N
W
E
S

The maps of Salem, Eugene, Medford and Bend indicate a similar concentration of parks and park closures at the periphery. Park closures in rural areas appear to be relatively few in number in comparison to the occurrence of closures in cities and inside urban growth areas.

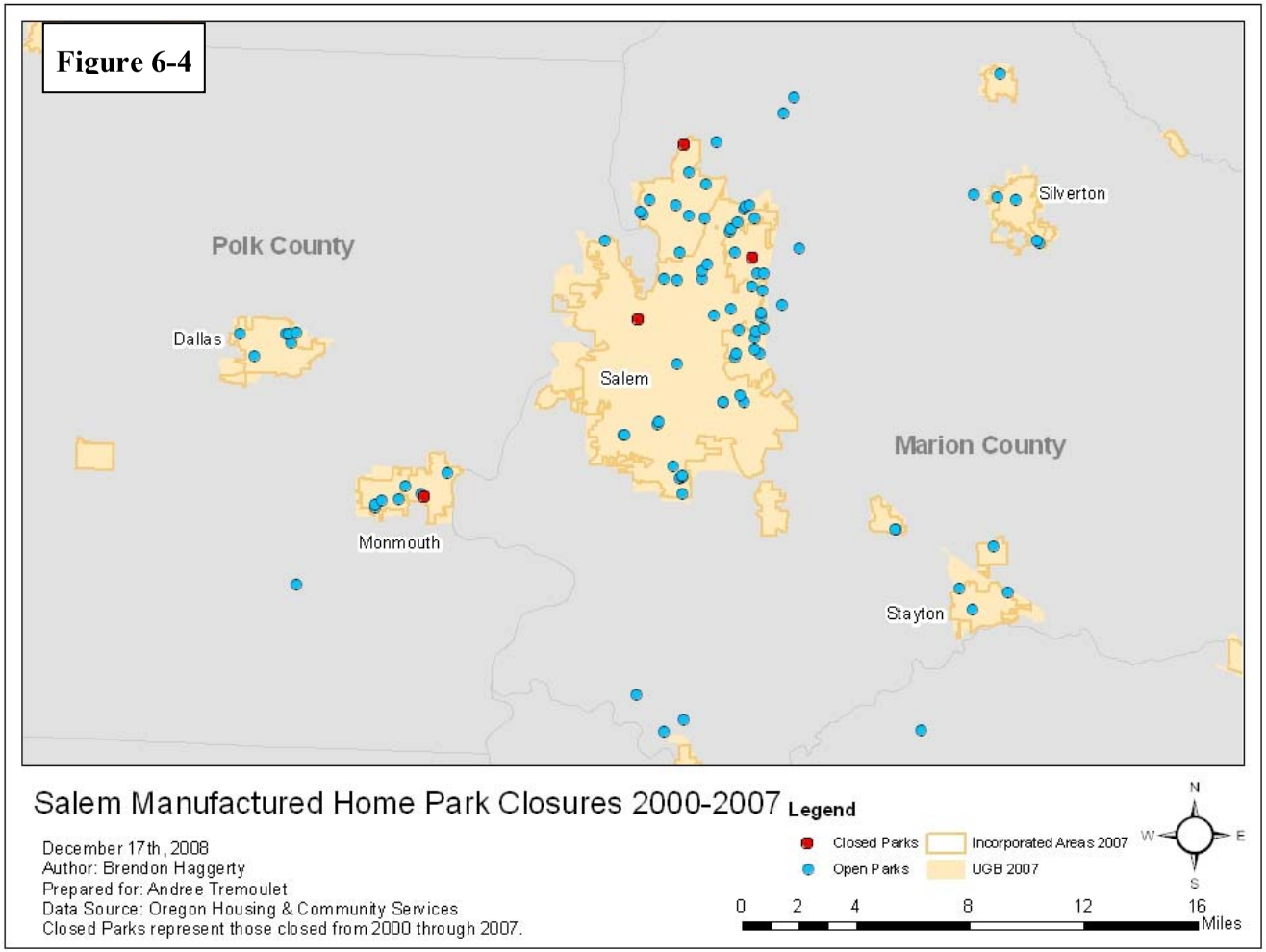


Figure 6-4
Polk County
Marion County
Silverton
Dallas
Salem
Monmouth
Stayton
Salem Manufactured Home Park Closures 2000-2007
Legend
Closed Parks
Open Parks
Incorporated Areas 2007
UGB 2007
N
W
E
S
0 2 4 8 12 16
Miles
December 17th, 2008
Author: Brendon Haggerty
Prepared for: Andree Tremoulet
Data Source: Oregon Housing & Community Services
Closed Parks represent those closed from 2000 through 2007.

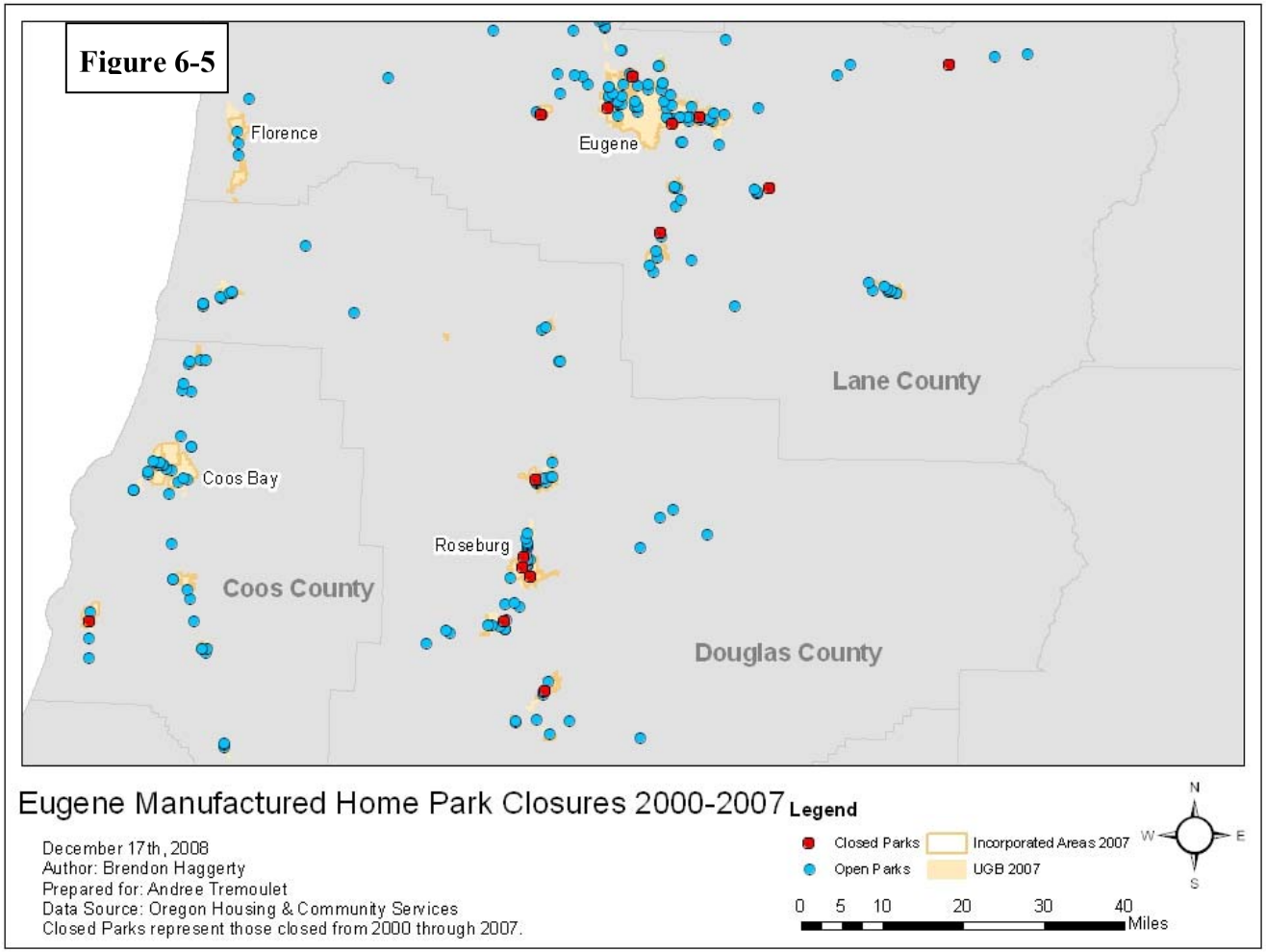
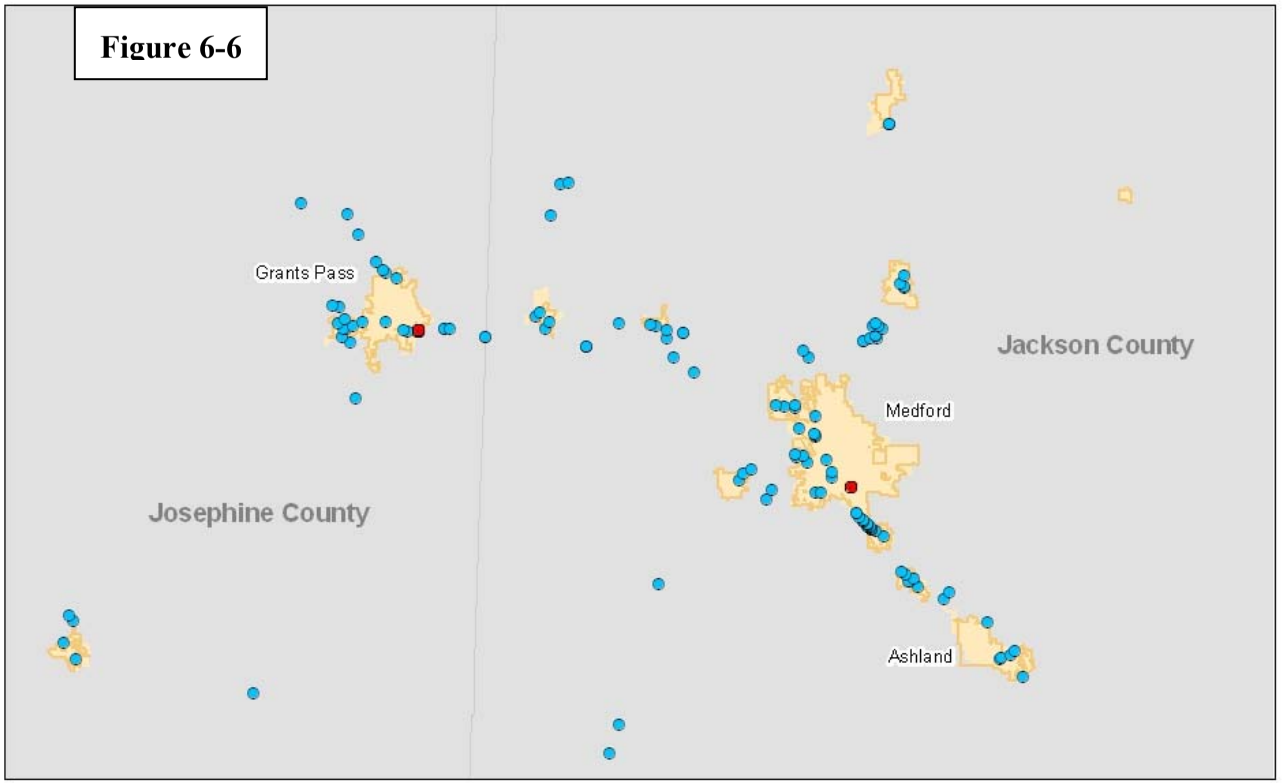


Figure 6-5
Florence
Eugene
Lane County
Coos Bay
Roseburg
Coos County
Douglas County
Eugene Manufactured Home Park Closures 2000-2007
December 17th, 2008
Author: Brendon Haggerty
Prepared for: Andree Tremoulet
Data Source: Oregon Housing & Community Services
Closed Parks represent those closed from 2000 through 2007.
Legend
Closed Parks
Open Parks
Incorporated Areas 2007
UGB 2007
N
W
E
S
0 5 10 20 30 40
Miles

Figure 6-6


Grants Pass
Jackson County
Medford
Josephine County
Ashland
Medford Manufactured Home Park Closures 2000-2007
December 17th, 2008
Author: Brendon Haggerty
Prepared for: Andree Tremoulet
Data Source: Oregon Housing & Community Services
Closed Parks represent those closed from 2000 through 2007.
N
W
E
S
Legend
Closed Parks
Open Parks
Incorporated Areas 2007
UGB 2007
0 3 6 12 18 24
Miles

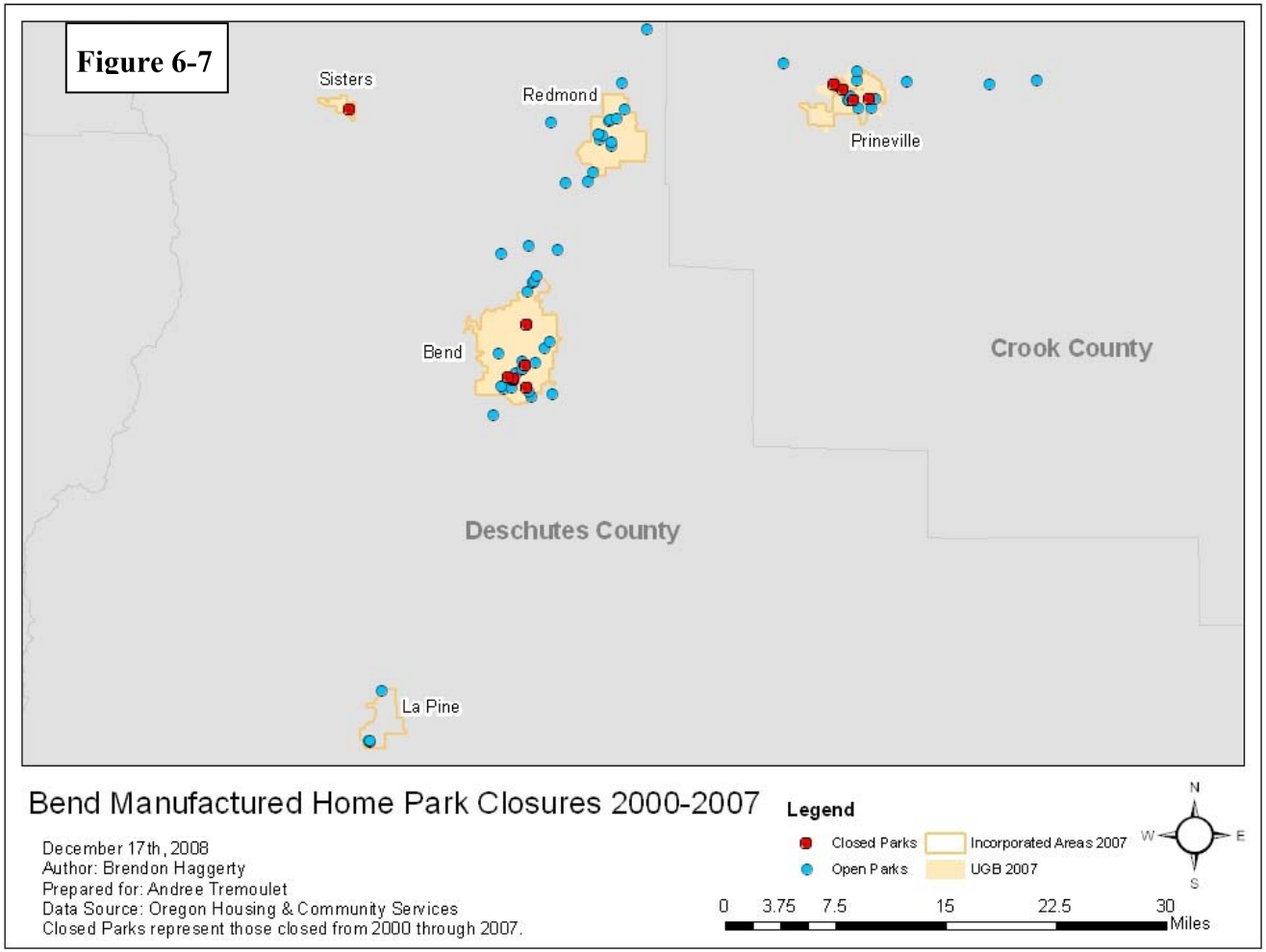


Figure 6-7
Sisters
Redmond
Prineville
Bend
Crook County
Deschutes County
La Pine
Bend Manufactured Home Park Closures 2000-2007
December 17th, 2008
Author: Brendon Haggerty
Prepared for: Andree Tremoulet
Data Source: Oregon Housing & Community Services
Closed Parks represent those closed from 2000 through 2007.
Legend
Closed Parks
Open Parks
Incorporated Areas 2007
UGB 2007
N
W
E
S
0 3.75 7.5 15 22.5 30
Miles

These observations, while interesting, do not prove that closures were concentrated in the fringe of urban areas experiencing growth. To determine whether that is the case, we turn next to an analysis using inferential statistics.

Statistical Analysis of Park Closures in Oregon

Manufactured home parks can close for idiosyncratic reasons as diverse as the people and corporations that own them. These reasons may have to do with the personal goals, stage of life or financial needs of the owners, as well as other factors.

The issue that I wish to analyze is whether there was a discernible pattern of park closures, despite this statistical noise. In particular, I want to examine whether parks located in areas of the state designated for development and experiencing rapid growth during the time period in question had a greater likelihood of closing. This leads to four questions:

Question 1: Is there a statistically significant relationship between park closures and whether the park was located inside or outside an area designated for development?

Question 2: Is there a statistically significant relationship between areas that were growing rapidly (measured by county population change) and park closures?

Question 3: Were manufactured home park closures disproportionately concentrated in rapidly urbanizing areas of the state, defined as areas within UGBs with high growth rates?

Question 4: Where were parks most likely to close: in urban areas (inside cities and UGBs), in fringe areas (inside UGBs but outside cities) or in rural areas (outside cities and UGBs)?

The data set consisted of 1265 manufactured home parks. The protocols used to obtain, clean and manage this data set are described in Appendix 2-4. Closure notices had been issued for 71 parks[17]. Nearly three quarters of these parks (938 parks, or 74.2%) were inside a UGB, and the remainder (327 parks, or 25.8%) were outside a UGB.

A Pearson Chi-Square test was used to determine whether a significant difference existed between the proportion of parks located inside an Urban Growth Boundary (UGB) that issued closure notices from 2000 through 2007 and the proportion of parks located outside a UGB that issued closure notices. There were 1265 parks at the beginning of 2000 and, by the end of 2007, 71 (5.6%) had issued closure notices. Approximately 7% of the parks located inside UGBs (66 of 938 parks) had issued closure notices, and approximately 1.5% of the parks located outside UGBs (5 of 327 parks) had issued closure notices. Thus, parks inside UGBs were significantly more likely to issue closure notices than those located outside UGBs in Oregon, $\chi^2_{(1)} = 13.882$, $p < .001$. The relationship between park closure and UGB was small in magnitude (Phi=.10).

A simple logistic regression analysis was conducted to determine whether there was a significant relationship between the average annual growth rate (2002 –

[17] This data set included all parks that were in existence in 2000. Two parks closed in 2000, so the total number of closed parks included in this analysis was 71.

2007) of the county in which the park was located and the likelihood of park closure. The annual growth rate ranged from (-.04%) to .56%, with an average of .12%. The results indicated that each 1% increase in the growth rate resulted in increasing the likelihood of park closure by a factor of approximately 39. (Odds Ratio [OR] = 38.71, 95% CI 9.52-157.37).

To identify factors that predict the likelihood of park closures, a multiple logistic regression analysis was conducted by considering the growth rate of the county in which the park was located and whether the park was located inside a UGB (UGB placement). The results indicated that, taken together, UGB placement and county growth rate significantly affected the likelihood of park closure (likelihood ratio $\chi^2 = 40.718$). The Nagelkerke R^2 indicated that approximately 9% of the variance in whether a park closed or not was accounted for by both predictors combined. Parks located inside a UGB were 5.3 times more likely to close than those outside a UGB, after controlling for the variation in county growth rates (OR = 5.33, 95% CI 2.11-13.49). Each 1% increase in the average one-year growth rate resulted in increasing the likelihood of park closure by a factor of approximately 50, after controlling for UGB placement (OR =50.19, 95% CI 11.77-213.98).

The next analysis examined whether the geographic location of a park was related to the likelihood of being issued a closure notice. Three geographic locations were selected: urban (inside cities and UGBs), fringe (inside UGBs but outside cities)

and rural (outside UGBs and cities)[18]. Approximately 5.6% of all parks closed (71 of 1257 parks). The closure rate was highest in fringe areas, with 7.4% of parks closing (18 of 243 parks), followed closely by a 6.9% closure rate for parks inside urban areas (48 of 695 parks). Only 1.6% of rural parks closed (5 of 314). Results from a simple logistic regression showed that, compared to parks in rural locations, parks in fringe areas were about five times more likely to close (OR = 5.02, 95% CI 1.84 - 11.82) and urban parks were about 4.7 times more likely to close (OR=4.66, 95% CI 1.84 -13.73). There were no significant differences between fringe and urban parks. The overlapping CIs suggest that the difference between fringe and urban is not significant.

To summarize, this analysis resulted in the following findings:

Question 1: There is a statistically significant relationship between park closures and whether the park was located inside or outside an area designated for development. Approximately 7% of the parks located inside UGBs issued closure notices, whereas only 1.5% of the parks located outside UGBs issued closure notices. Parks located inside a UGB were more than five times more likely to close than those outside a UGB, after controlling for the county's growth rate.

Question 2: There is a statistically significant relationship between areas that were growing rapidly (measured by county population change) and park closures. For each 1% increase in a county's average annual growth rate for the period of 2002 through 2007, the likelihood of park closure increased by a factor of 50, after controlling for

[18] Only eight of 1265 parks were located inside a rarely-occurring type of area in Oregon that consists of land inside a city but outside a UGB. Because none of these parks closed, this group was not considered in this analysis.

park placement inside or outside a UGB. The annual county growth rates ranged from –.04% (representing a decrease in population) to .56%.

Question 3: Manufactured home park closures were disproportionately concentrated in rapidly urbanizing areas of the state, defined as areas within UGBs with high growth rates. Together, these two factors accounted for approximately 9% of the likelihood of a park closure.

Question 4: Manufactured home parks were approximately five times more likely to close in urban areas (incorporated areas designated for growth) and fringe areas of the state (areas designated for growth but outside incorporated areas) than in rural areas.

Discussion

The closure of manufactured home parks in Oregon is a type of gentrification linked to place. Despite all the idiosyncratic reasons why parks close, there was a discernable geographic pattern to park closures in Oregon from 2000 through 2007. The results are consistent with a model of park closures being driven in part by a "densification" process wherein manufactured homes were replaced with denser, more high-end housing sometimes coupled with commercial uses—in other words, manufactured home parks gave way to an incarnation of smart growth. An analysis of the Oregon area maps shows that closures seemed to be located primarily at the urban fringe in older areas and throughout smaller cities that were becoming more urban. Manufactured home park closures in Oregon represent a type of gentrification concentrated primarily in urban and fringe areas, both places designated for growth.

The "hot" real estate market was commonly cited as the primary cause for the spike in park closures[19]. For example, Greg Harmon of Commonwealth Management, a firm that specialized in managing manufactured home parks for park owners, told a group of community development representatives in January 2006 that several of his clients had received cold calls from developers in California interested in purchasing their parks for amounts significantly higher than their value as a manufactured home park. Park owners who had not actively considered selling their parks were considering doing so as a result of receiving these calls, he reported.

But a more thoughtful consideration of the causes of park closures should dig deeper than economic cause and effect, however relevant that may be. While rising land values were a trigger for park closures, what were the factors that resulted in so many parks being located in areas that were becoming denser? Why were so many parks located in Oregon's urban areas and rural-urban fringes? And what role does Oregon's growth management system play in the drive for denser, more compact urban areas? These questions need to be considered to understand how the closure of manufactured home parks is symptomatic of a broader process of metropolitan restructuring.

This chapter explored manufactured home park closures as a type of gentrification linked to place; the next chapter explores the links to policies.

[19] See Chapter 8 for a more complete discussion of this topic.

CHAPTER 7. MANUFACTURED HOME PARKS IN OREGON'S POLITICAL ECONOMY

Two historical threads of Oregon's political economy illuminate the conditions that led to the closure of manufactured home parks and the legislation that resulted from this phenomenon:

- The evolution of the role of manufactured home parks within the Oregon land use system, and
- The evolution of landlord tenant law in Oregon as it pertained to manufactured home parks.

As revealed in Chapter 6, the closure of manufactured home parks is a form of gentrification related to metropolitan restructuring. Although a number of market- and policy-related factors affect the form of metropolitan restructuring, one of those factors is the cumulative effect of the choices that Oregonians made over time with respect to how land can be used in the state. The Oregon land use system is based on managing sprawl through concentrating growth within designated areas. Concerned about possible increases in the value of developable land, policy makers, housing advocates and agency staff active in the early years of Oregon's current land use system turned to manufactured housing as a way to soften some of the potential consequences of the Oregon approach to growth management.

Landlord tenant law provided a means of mediating inherent conflicts between those who valued land primarily for its exchange value (landlords) and those who

valued land primarily for its use value (tenants). Increasing land values stimulated park closures and led to a renegotiation of certain arrangements between landlords and tenants via the legislative process in 2007. The sections below trace the evolution of these two threads from the inception of Oregon's land use system in the 1970s to 2005.

The Evolution of the Role of Manufactured Housing within Oregon's Land Use System

By the end of the 1960s, sprawl in the Willamette Valley, which contained the majority of the most fertile farmland in the state, had become a major concern. Governor Tom McCall cast sprawl as the antagonist in an environmental battle that, if not waged, would result in further loss of scenic landscapes and resource land. In particular, the preservation of resource land---highly productive farmland and forestland—for use by agricultural and timber industries was an impetus behind the creation of the current land use system (Abbott, Howe and Adler, 1994). Ultimately, legislators chose to manage growth by concentrating development in urban centers of varying scales and densities. A system of urban growth boundaries around cities and "exception areas" of small-scale settlements in the countryside were the principal tools used to geographically contain growth.

As the system evolved in the 1970s, policymakers carved out a niche for manufactured housing because they viewed it as a solution to the need for low-cost housing. But the evolution of the economics of land made this solution less viable in

urbanizing areas of the state in the latter 1990s through 2007. This section explains how manufactured housing shifted from being designated as a form of "needed housing" in the 1970s to becoming an endangered species in parks located in urbanizing areas in the 2000s. This history is critical to an understanding of how political and economic forces led to a dramatic increase in park closures from 2001-2007. It is a chapter of the story of suburban and exurban gentrification in Oregon.

The first successful step toward creating the current land use system occurred in 1969, when the Oregon legislature adopted Senate Bill 10, which mandated the adoption of local plans and established ten land use goals for the state. The goals were intended to serve as a guide to the Governor should he exercise his option to preempt local land use planning authority in the event that a local jurisdiction failed to do so within the required timeframe. Senate Bill 100, adopted in 1973, mandated that local plans be consistent with state goals, provided policy guidance on state goal formation, and created the Land Conservation and Development Commission (LCDC) to formulate the state goals and ensure that local plans were consistent with them (Knaap, 1994).

Nineteen statewide planning goals formed the backbone of Oregon land use policy. They were adopted in three installments from 1974 through 1976 by LCDC as a framework for creating and evaluating local comprehensive plans (Knaap, 1994). Although most of the goals have been amended over the years, their original intent remained intact. They covered topics that ranged from citizen involvement (Goal 1) to agricultural and forest land (Goals 3 and 4, respectively) to transportation (Goal 12)

and coastal resources (Goals 16 – 19). Of particular relevance to manufactured housing are Goals 10 and 14, the housing goal and the urbanization goal, respectively. Goal 10 required that the plans created by local jurisdictions accommodate housing units that are priced at ranges affordable to Oregon households and provide a range of densities, locations and types. Because it required that local jurisdictions consider the varying abilities of Oregon residents to pay for housing, it was the first goal to explicitly address issues of social equity within Oregon's land use planning framework (Toulan, 1994).

Goal 14 both ensured that there was enough land to accommodate projected population growth and contained that growth within defined urban areas. It established a system of urban growth boundaries to "separate urbanizable land from rural land…to provide for an orderly and efficient transition from rural to urban land use" (OAR 660-015-0000 (14)). Among the factors that planners were required to consider in implementing this goal was the need to provide sufficient land for "housing, employment opportunities and livability" in a manner consistent with "maximum efficiency of land uses within and on the fringe of existing urban areas" (OAR 660-015-0000 (14)). By subsequent rule making, LCDC established that the land inside UGBs must be sufficient to accommodate 20 years of population growth.

Some affordable housing advocates were concerned about the possibility of the new land use laws resulting in higher home prices and a decline in the supply of market-provided affordable housing (Toulan, 1994). Goal 14 limited sprawl by simultaneously planning for and constraining the supply of land available for

development. According to the laws of economics, constraining the supply of a commodity for which there is a demand generally results in price increases. Although the quantity of housing was not constrained by Goal 14, it did constrain the supply of land available for development. Although local governments could promote affordable housing by zoning for smaller houses on smaller lots, there was a built-in disincentive that discouraged jurisdictions from doing so; larger houses on larger lots typically generated higher tax revenues and required a lower level of services per acre than denser housing (Nelson, 1994).

In 1974, Betty Niven, a civic leader from Eugene, drafted a proposal for a statewide housing goal as an element of the statewide land use system in her capacity of chair of the State Housing Council. The State Housing Council had been created in 1971 as a seven-member citizen advisory board to the Administrator of the Housing Division of the Oregon Department of Commerce (Nauta, 1987). The Council advised the Housing Division on matters pertaining to housing policy and financing and was instrumental in promoting legislative initiatives during the formative years of Oregon's land use system and the devolution of affordable housing programs from the federal to state and local levels in the 1970s and 80s. Niven proposed the creation of a state housing goal "to ensure that fulfilling the other goals of the statewide land use plan will not unreasonably impact the supply of modestly priced housing" (Niven, 1974, p. 1). She went on to write, "it would be a grievous error for the state to not recognize this potential conflict between housing needs and the conservation of the state's natural resources and to fail to take steps to minimize it" (Niven, 1974, p. 1).

Goal 10 was put in place to address this conflict and counteract market tendencies toward higher home prices. Goal 10, adopted on December 27, 1974, required local jurisdictions to inventory buildable lands and provide for "the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density" (OAR 660-015-0000(10)). In looking back on the impacts of Goal 10 in 1983, Niven said, "Goal 10 has forced governing bodies to face the fact that many Oregonians may choose never to become homeowners and that many more may choose to own a different kind of home—a row house, a mobile home, a condominium—and cities and counties have the obligation to make these choices possible by appropriate planning and zoning…Some of these Goal 10 consequences, such as more multi-unit housing and more provision for mobile homes, have not been easy for cities to accept" (Niven, 1983).

In practice, Goal 10 provided a necessary, but not sufficient, condition for generating affordable housing. Even if a buildable parcel were zoned for multi-family housing, there was no guarantee that low-cost housing would be constructed. For example, land that was zoned for multifamily use could provide either high-end condos and lofts or government-subsidized low rent affordable housing. Goal 10 required that appropriately zoned land be available; market conditions and further public policy and program development determined what would actually get built. The net effect of Goal 10 was to put in place a law that, in the interest of social equity,

ensured that market tendencies and local policy choices did not result in a zoning pattern that excluded the possibility of low-cost housing. It did not, however, ensure the actual availability of land for low cost housing, nor did it address the land price, which was set by market conditions.

The Metro Housing Rule (OAR 660-007), adopted by LCDC in 1981, further extended the principles of Goal 10 by establishing requirements concerning tenure, single/multi family mix and minimum density for jurisdictions within the Portland Metro Urban Growth Boundary, the largest metropolitan area in the state. Jurisdictions in the Metro Area were required to designate sufficient land so that at least 50% of new residential units could be constructed as attached single family or multifamily housing. The Metro Housing rule further promoted affordability by requiring minimum average densities of ten to six units per net buildable acre for the area subject to the 50% test, depending on the jurisdiction. Portland and Multnomah County were required to zone for an average minimum of at least ten units per net buildable acre; the smallest metro area cities had to zone for an average of at least six units per net acre. Abbott, Howe and Adler (1994) argued that this rule promoted a more even distribution of low cost housing across the metro area and reduced the opposition to each jurisdiction taking on its "fair share" of smaller, denser homes.

As LCDC reviewed the comprehensive plans submitted by local jurisdictions in the 1970s and early 1980s, further interpretations and refinements of Goal 10 occurred. Principal among these was the evolution of the concept of needed housing. In 1979, LCDC adopted a policy statement intended to ensure that the standards,

conditions and procedures for regulating housing in local comprehensive plans were clear and objective and did not result in unreasonable costs or delays that could discourage the development of the range of housing types needed by current and future residents. The so-called St. Helens Policy (named in honor of the city whose comprehensive plan inspired its creation) was codified as state law by the 1981 legislature. SB 419 defined needed housing as "housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels" (ORS 197.303). Further administrative rulemaking ensured that jurisdictions were permitted to apply only "clear and objective standards" to regulating needed housing, and these standards could not "have the effect, either of themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay" (OAR 660-008-0015). Advocates for manufactured housing were successful in convincing legislators to declare manufactured housing (in both parks and subdivisions) to be a form of needed housing and entitled to all the protections available thereunto.

During the 1970s and early 1980s, manufactured housing's allies included not only the industry group Oregon Manufactured Housing Association (OMHA), but also the State Housing Council and 1000 Friends of Oregon. All three groups supported manufactured housing as a way of delivering low-cost single-family housing and thus enhancing the range of housing options that should be available throughout the state.

Prior to her role as chair of the State Housing Council, Niven had analyzed the pros and cons of mobile homes in her home city of Eugene, Oregon, as chair of the

Joint Housing Committee of the Eugene City Council and Planning Commission. Well aware of the negative stereotypes, she researched relevant information and wrote an influential fact-based report entitled, "Mobile Homes and Mobile Home Parks: Their Place in the Community." After an extensive review of data on fire safety, the incomes of park residents, the impact of mobile home parks on school enrollment, and other factors, she concluded, "There are no technical reasons for not allowing mobile homes on single [family] lots [in Eugene]…[T]here appears to be so much going for mobile home parks that one wonders why they are not being universally encouraged" (Niven, 1974, p. 2). The report circulated beyond Eugene and was reprinted in 1980 due to demand from other jurisdictions in the state.

Niven's analysis of manufactured housing earned her a position on the national board that advised the Secretary of the U.S. Department of Housing Development on the creation of a national building code for manufactured housing. Until the late 1970s, mobile homes were of highly varying quality. Oregon was one of a handful of states that had a state construction code for manufactured housing, and it dated back to January 1, 1962 (ORS 446.003). In response to the growing interest in manufactured housing and the lack of standards pertaining to durability and fire safety, Congress included provisions for creating a new national code in Title VI of the Housing and Community Development Act of 1974. The purposes of Title VI were "to reduce the number of personal injuries and deaths and the amount of insurance costs and property damage resulting from mobile home accidents and to improve the quality and durability of mobile homes" (42 USC 5401 et seq.). The Secretary of HUD appointed

Betty Niven to the 24-member national advisory committee in 1975 as one of eight government representatives. She represented Eugene's Joint Housing Committee and was the only representative of local government. She chaired the Council in 1976 (the year that the Code became effective) and served on the Council through 1977 (Niven, 1975, 1980).

Another supporter of manufactured housing was the influential land use advocacy group, 1,000 Friends of Oregon. The headline of the September 1977 edition of the 1000 Friends of Oregon newsletter read, "Mobile Homes Can Help Meet Oregon Affordable Housing Needs." Author Richard Benner concluded that mobile homes could provide affordable owner-occupied housing to 47% of Portland metro area families who could not afford a new single family site-built home[20]. He concluded, "Mobile homes should play a major role in meeting the housing needs of Oregonians" (Benner, 1977).

Don Miner was hired by Oregon Manufactured Housing Association (OMHA) right out of law school in 1979, in his words, "to change the laws relating to zoning" (D. Miner, personal correspondence, February 9, 2007). According to Miner, the state associations for homebuilders and Realtors were among the groups advocating for affordable housing in the 1980s. The State Housing Division had one full-time staff person dedicated to reviewing local plans for compliance with Goal 10. On issues relating to needed housing within these local plans, the State Housing Division staff

[20] Benner estimated that 36% of metro area households could afford a new single family dwelling in the mid 1970s, and that 83% of these families could afford a new mobile home. His estimate of 47% was based on the difference between 83% and 36%.

person, the homebuilders, the Realtors and OMHA often found themselves on the same side, pushing the local jurisdictions to do more to provide for affordable housing.

Ultimately, these advocates helped to secure a solid place for manufactured home parks within the Oregon land use system. Over the course of successive legislative sessions, a compromise was reached among the representatives of the cities, who wanted to preserve local property values by ensuring that the manufactured homes fit in with site-built homes, the affordable housing interests, who wanted to ensure a supply of affordable housing, and OMHA, whose members wanted to ensure places to put their product, manufactured homes. By 1993, state law contained the following provisions:

Single-site Manufactured Homes

- Needed Housing: Cities with a population of 2,500 or greater and counties with a population of 15,000 or greater must plan for both manufactured housing and manufactured home parks as forms of needed housing (ORS 197.303). These jurisdictions are prohibited from adopting standards or conditions that discourage needed housing through unreasonable cost or delay (ORS 197.307(6)). They may adopt only "clear and objective standards" to regulate the appearance of needed housing (including manufactured housing) (ORS 197.307(3)).
- Manufactured Housing Cannot Be Prohibited: Jurisdictions may not adopt charters that prohibit manufactured housing in all residential zones (ORS 197.312(1)).

- Manufactured Housing Permitted Use in Single Family Zones: If a multi-sectional manufactured home (doublewide or larger) meets standards pertaining to size, type of foundation, roof pitch, exterior siding and roofing materials, thermal qualities, and presence of carport or garage, cities with a population of 2,500 or more must permit it to be located in any area zoned for single family housing, provided that it otherwise complies with the zoning requirements for other single family housing (ORS 197.307(5)). The principal exception to this rule is historic districts, where jurisdictions are allowed to deny permits for manufactured housing (ORS 197.307(3)(e)).

Manufactured Home Parks

- The Principle of Residential Choice: In the interest of providing a variety of residential choices within each urbanized jurisdiction in the state, cities and counties must provide for manufactured home parks within urban growth boundaries. (ORS 197.475)
- Parks Must Be Allowed: All cities and counties must provide for sufficient buildable land within their urban growth boundaries to accommodate the demand for manufactured home parks. The land must be located in zones with a residential density of 6 to twelve units per acre. Jurisdictions must project the demand for manufactured home parks by considering population projections, income levels, existing supply of parks, and market trends. They must also consider the need for land in the event of park closures. Only clear and objective criteria may be used to

regulate the placement and design of manufactured home parks; they many not be subjected to exclusionary zoning tactics (ORS 197.480). Parks belong in residential zones; they may not be a permitted use in commercial or industrial zones (ORS 197.490).

- Minimum Size for Parks: Jurisdictions may not require that the minimum lot size for a manufactured dwelling park (the size of the entire park, not of the individual spaces in the park) be greater than one acre (ORS 197.314(5)).

Taken together, these statutes secured a place both for manufactured housing within single-family residential zones and also for manufactured home parks within residential zones. The legislation pre-empted and/or blocked attempts by local jurisdictions to use exclusionary zoning tactics against manufactured housing and imposed an affirmative obligation that they plan for manufactured home parks. These laws help explain why manufactured home parks represented a common form of development not just in rural areas, but also in urban areas of the state.

One of the outcomes of this legislation was the embodiment in policy of a distinction between (a) manufactured home parks located on residentially-zoned land and (b) those in commercial or industrial zones or located in flood plains. In a 2005 memo to the Eugene-Springfield Intergovernmental Housing Policy Board, John VanLandingham, a Legal Aid attorney who helped create and facilitate a group called the Manufactured Housing Landlord Tenant, described the difference as follows:

> Prior to the 1980s, parks were considered to be temporary and noxious uses—undesirable. Parks were typically located on land zoned for another purpose,

> such as a commercial or industrial use, with the thinking that someday the park would close and the land would have a more valuable use. This is also true for flood-plain land…The Eugene code refers to [these older parks on non-residential land or in flood plains] as "at risk parks," because they are at risk—even expected to—of closing someday and converting to a different land use. (J. VanLandingham, personal communication, November 7, 2005)

By requiring that new parks be located exclusively on residentially-zoned land, manufactured housing advocates believed that they had created a secure, long-lasting place for this form of affordable housing within the residential options available in the state. And, as the quotation below from a 1986 Oregon State Housing Council document indicates, some were willing cede the loss of older parks that had either been built in the countryside before zoning existed or had been constructed on commercial, industrial or flood plain land to gain recognition for newer parks as permanent housing comparable, in many respects, to single-family subdivisions. When some of these older parks began to close in the face of development pressures in the 1980s, here is how the closures were described (emphasis added):

> [A] major issue identified by park residents has been park closures and resultant mobile home displacement. In Oregon and the rest of the nation, planners once considered mobile home parks an interim use of the land. Developers were encouraged to place parks along freeway interchanges, major arterials, and other areas likely to become prime industrial sites. *Many of those sites now have more appropriate uses than mobile home parks*…These park closures are inevitable because of planning errors made in years past for the location of mobile home parks. Mobile homes are not, in fact, very mobile and should be treated as residential development. Oregon planning laws now require this. However, the planning errors of past years will continue to have an impact on residents for years to come, as *older mobile home parks are converted to shopping malls, industrial parks and other uses more appropriate for the site*. (Wood, 1986, p. 4-5)

Advocates believed that new manufactured housing constructed after the adoption of the federal building standards (the 1976 HUD Code) was a form of

permanent, stationary housing instead of make-shift lodging or peripatetic travel trailers pressed into service as year-round housing. By requiring a type of parity with site-built housing in residentially zoned land, the advocates for manufactured housing believed that they had secured a permanent place for manufactured housing in Oregon's communities (D. Miner, personal communication, February 9, 2007; J. VanLandingham, personal communication, November 10, 2007).

But these protections did not prove to be strong enough to withstand the challenges brought on by changes in the housing market. The ultimate challenge for manufactured home parks, including those built on residentially-zoned land, was brought on by rising land prices and increasing market acceptance of denser housing.

Beginning in the 1990s, land costs increased more rapidly than construction costs, and developable land became harder to find. From 1990 to 2005, the price of vacant residential land in the Portland region grew at an annual average rate of 12.6%, or 494% over the entire 15-year period[21] (Hall & Mildner, 2006). A virtual tipping point for manufactured housing occurred when land costs increased to the level that higher density became a necessary component of affordable housing production. Eventually, it was not enough to have a construction method that cost less than half of that of site-built housing if this housing form consumed considerably more land per unit. In Oregon, even the older, denser manufactured home parks supported only five to eight units per acre (D. Miner, personal communication, June 10, 2008). Cost-saving construction was not enough to achieve affordability if land could be developed and units sold at a density of 20 units per acre instead of five to eight units per acre. In

[21] The inflation-adjusted rates are 9.6% and 297%, respectively.

areas of growing population and density, manufactured home parks became ripe for purchase and redevelopment around 2003, when the number of units lost annually more than tripled from that of each of the two previous years.

Land costs rose due to a complex combination of reasons. Although it is significantly beyond the scope of this study to parse out the relative contribution of each factor, it is useful to describe in general terms some of the likely contributors. These inter-related factors included the escalating number of households in Oregon, the increased consumer demand for urban living, the rise in oil prices and the resulting impact on transportation costs, the growing marketability of denser housing, the successful regeneration of downtowns and neighborhood commercial districts, and, most likely, the success of policies intended to promote denser living environments and manage sprawl.

Although it is too simplistic to say that Oregon's state land use policies led to park closures, it is not too simplistic to say that state and local policies encouraged the development of parks in urban areas and also supported increased density within those areas as a means of preventing sprawl. In a cruel twist of fate for affordable housing advocates, the fact that manufactured home parks were promoted as affordable housing in the 1970s and 80s and attained a protected place in state law may have contributed to a supply of parks that were subsequently vulnerable to closure due to rising land costs during the 2000-2007 period. What is clear is that, with the 2007 Oregon legislative session, the state began writing a new chapter of the story about the tension between Oregon's conservation goals (resource land preservation) and

development goals (including affordable housing), in which manufactured housing played a lead role.

The Evolving Role of the Non-Profit Housing Sector in Manufactured Housing

One last observation about shifts in the political economy of affordable housing in Oregon from 1970 - 2007 is important. The industries involved in affordable housing provision and the role of the state (in particular, the means that the state used to promote housing affordability) changed. Instead of private sector interests having a lead role in advocating for affordable housing as they did in the 1970s, the main actors in 2007 were non-profits that provided subsidized housing with long-term affordability provisions. Government restrictions that limited rent increases and required long-term affordability discouraged for-profit participation in supply-side subsidy programs. Instead, non-profits created a modest supply of housing that stood outside traditional marketplace transactions. Some call this housing with long-term affordability restrictions the social housing sector. Community Development Corporations (CDCs), non-profit affordable housing development organizations, were scarce in Oregon until the very late 1980s and early 1990s. *The Housing Resource Guide*, published by the State Housing Council in January 1988, identified public housing authority projects and "privately owned and managed projects" as the sole sources of subsidized housing (State Housing Council, 1988). REACH Community Development Inc., Habitat for Humanity (both of Portland) and Overland Park Neighborhood Housing Services (of Milwaukie) were listed as providing

homeownership programs. By 1992, however, there were enough non-profit housing developers statewide to form the state industry group, the Association of Community Development Organizations (AOCDO). The Portland-based Community Development Network became a funded, staffed organization in 1994. By the mid 1990s, CDCs were a principal source of affordable housing in Oregon.

Community development corporations created affordable housing by bringing together numerous public and philanthropic sources of capital with private sector loans to generate subsidized housing. The primary emphasis was on subsidy, not regulation, to generate housing for those who were not being served by the private market. Their products, together with public housing and privately-owned, federally subsidized rental housing with rent restrictions, created a housing tier outside the market economy.

With the rise of CDCs and a growing reliance on public subsidy as a means of generating affordable housing, a markedly different alignment of interests began to take shape. By the late 1990s, in simplistic terms, affordable housing advocates and non-profit developers were on one side, and those who participated in the market economy were typically on the other (i.e., the industry associations for Realtors and homebuilders). The former sought to create affordable housing outside the market system and subsidize it through dedicated government funding streams, and the latter argued that affordability can best be achieved through fewer land constraints and fewer government-imposed development costs (system development charges and various fees) and regulations.

With the rise of CDCs, manufactured housing, once part of the platform of affordable housing advocates, drifted out of view as advocates increasingly embraced a system built on subsidy. One of the outcomes of this shift was that affordable housing advocates and non-profits in the urban areas of the state during the 1990s and 2000s did not see manufactured housing as part of their area of concern. To be more precise, they did not see it at all[22]. In general, they did not develop programs targeted to serving the needs of this constituency or housing type. But when park closures became a crisis, CDCs did take notice, because low-income households were being displaced. How CDCs became engaged in this issue and which solutions they supported form part of the story of the 2007 legislative session recounted in Chapters 10 and 11.

The Evolution of Landlord Tenant Law

The account above describes the role of manufactured housing in Oregon's land use policy. A second way to analyze the political economy of manufactured home parks is to consider the evolution of landlord-tenant law in the state. The challenge of park closures faced by the legislature during the 2007 session had an antecedent in legislative responses to earlier waves of closures that occurred starting in the 1980s. Although the 2007 strategies have parallels to those adopted in previous periods, there are contrasts in both the underlying issues and the process that led to the creation of the legislative responses. This section examines those processes and issues

[22] This observation is based on my professional experience as an affordable housing planner and participant in the network of Portland-area CDCs from 1997 through the present.

through a chronological examination of the evolution of landlord tenant law in Oregon and the interests who shaped it.

There are two main "eras" in the evolution of landlord tenant law as it pertains to manufactured housing. During the first era, law making was a highly contentious process, with lobbyists and advocates for each side striving for victory during the legislative session itself. During the second era, negotiations occurred between manufactured home park landlord and resident interest groups before the session, and a compromise package was delivered to a selected legislator for filing before the beginning of the session. The Manufactured Housing Landlord Tenant Coalition, formed around 1997, was the organizational umbrella for those negotiations. Its formation marked the end of the first era and the beginning of the second.

First Era: Competition among Manufactured Housing Landlord & Tenant Interests

Prior to the formation of the Manufactured Housing Landlord Tenant Coalition, park landlord groups and tenant groups each vigorously advanced their interests during the biennial legislative session. What happened or did not happen during any given session was governed by two primary factors:

- Whether or not the issue was important enough to rise to the top of the mass of legislation working its way through the roughly six-month legislative calendar, and
- Whether one side (either landlords or tenants) could sufficiently dominate the process to get its legislation through over objections from the other side.

This dynamic tends to lead to a more aggressive, hard-line approach to advocacy in which each side attempts to discredit the legitimacy of the other sides' claims while simultaneously championing its own. Who wins and who loses depends on having a champion in the legislature and sufficient votes. Typically, Democratically-controlled legislatures were more sympathetic to the claims of tenants, and Republican-controlled legislatures were more sympathetic to those of park owners.

During the pre-Coalition phase, one primary group represented tenants, and several groups represented landlords. The statewide membership organization that advanced the interests of manufactured home tenants, the Oregon State Tenants' Association (OSTA), was created in 1977 (P. Schwock, personal communication, February 9, 2007). It had a board of directors, a part-time executive director/legislative committee chair, local chapters, a newsletter and an annual membership meeting. OSTA ran less on the strength of its financial resources (which were limited) and more on the hard work and dedication of its leadership. Its mission was "to enhance the livability of manufactured/mobile home park living" (The OSTA Review, 2008, p. 2).

After an initial burst of energy during its early years, OSTA waned after one of its primary leaders, Milt Scofield of Salem, died in the mid 1980s. Its leaders during the 2007 legislative session, Fred and Pat Schwock, subsequently revived the organization (J. VanLandingham, personal communication, August 19, 2007). Although the name was changed to Manufactured Home Owners of Oregon, Inc., to avoid confusion with apartment dweller tenant groups, it kept the initials OSTA

because state legislators recognized that name. In addition to the legislative advocacy work, OSTA also provided services to its members, including help with organizing park homeowner associations, providing information about their rights under state law, and guidance to member chapters when issues with park management arise (The OSTA Review, 2008). Until the 2007 Oregon legislative session, no other organized group contested the role of OSTA as the grassroots voice of manufactured home park residents in the state.

The issue of who speaks on behalf of park owners was more contested over the years. The primary organization active in the Coalition during the 2007 session, Manufactured Housing Communities of Oregon (MHCO), was formed in 1990 from the merger of two associations (J. Brenneman, personal communication, February 9, 2007). MHCO is a non-profit trade association of owners of manufactured home parks and related businesses. In 2007, it had approximately 500 members, full-time staff, a paid lobbyist, and a range of services for its members.

After disagreements about elements of the legislative package in the late 1990s, some of the landlords broke away from MHCO and formed a second group, called Oregon Park Owners Association (OPOA) (P. Brewer, personal communication, February 28, 2007). The OPOA membership was small and, according to VanLandingham, consisted primarily of park owners from California. OPOA did not have full-time staff, but in 2007 and in earlier sessions, it had a paid lobbyist, Larry Campbell, who was a former Speaker of the Oregon House of Representatives and an important person within the Oregon Republican party. Brewer

and Campbell represented OPOA at Manufactured Housing Landlord Tenant Coalition meetings for the 2007 legislative session.

Second Era: Brokered Compromise

The Manufactured Housing Landlord Tenant Coalition came together as a group for the first time in 1997. It was an outgrowth of a group called the Landlord Tenant Coalition, which focused primarily on the interests of site-built rental housing (such as apartment buildings) and the tenants of that housing. The rationale for the creation of the Landlord Tenant Coalition in the early 1980s has a direct bearing on the way that the Manufactured Housing Landlord Tenant Coalition conducted its business during the 2007 session. After the adoption and modification of the model landlord-tenant law, the Uniform Residential Landlord Tenant Act (URLTA), in 1973-75, both landlords and tenants found it difficult to get their respective proposals passed by the legislature. State legislators, who only met every two years for approximately six months each session, were not eager to champion what they viewed as a low-priority item in which the two sides were at odds with one another. The story goes that a state legislator took the primary representatives of each side into the hallway and told them that the only way that they would get a bill passed was to work out a compromise proposal and bring it to the legislature jointly. From that point forward, varying numbers of people representing landlord and tenant interests met prior to almost every biennial legislative session to hammer out a compromise legislative proposal. John Brenneman, a former legislator, former mayor and currently the

lobbyist for one of the two manufactured housing landlord groups that participated in the Coalition, described the benefits of being able to bring a compromise solution to a conservative legislator as follows:

> You know how Pat [Schwoch, the lobbyist for the statewide tenants' association] and I get when we walk into a room together. The legislator is--that's great, if the two of you are on board, count me in. It takes some of the pressure off of them. It was tremendous pressure when you're a legislator--when you have conservative business views on land rights and everything, then you have 100 people in a park chewing on you for rent control or something else. And there's one guy here [the park owner on one side], 100 here, and they've all got gray hair and they vote [the park residents on the other side]. So it puts tremendous pressure on them [the legislators with conservative business views on property rights]. You come in with a deal, they [the legislators] say thank God, it gets us off the hook. Then we said there are tenants that don't like it, there are landlords that don't like it, there are lenders that don't like it, so they [the legislators] say it must be a good bill. (J. Brenneman, personal communication, February 9, 2007)

According to John VanLandingham, facilitator of the Manufactured Housing Landlord Tenant Coalition since its inception, the primary dynamics that drove the Manufactured Housing Landlord Tenant Coalition to come to agreement each session were the underlying beliefs that each group (landlords and tenants) (a) had shared interests and (b) was more likely to get what it wanted in the long run by working with the other side than by going it alone. In addition, each side had to get something from the process each session to keep them at the table. Both landlord and tenant interests were served if the public considered manufactured home parks as a reasonable and viable housing option. Landlords gained because tenants would continue to lease spaces and bring in revenue. Tenants gained because they would be able to live in decent circumstances and their home would have value when they sold it in a viable park. Although landlords might be able to dominate and get laws passed that favored

their interests when Republicans dominated the legislature, the tables would be turned on them when Democrats dominated. The reverse held true for tenants. And they both risked the possibility of not having any package approved if the bill were presented as controversial and contested by one side or the other. For the legislature to be willing to work through a contested bill, the subject of the legislation had to be important to them. Changes to Oregon's landlord-tenant law did not merit this status in normal times, when park closures were not a crisis (J. VanLandingham, personal communication, June 17, 2009).

Not all landlords or tenants over the years subscribed to a coalition/compromise approach. Some landlords viewed those who supported compromises generated by the Manufactured Housing Landlord Tenant Coalition as selling out. In fact, this is what had led to the creation of OPOA by Paul Brewer and others in the late 1990s. VanLandingham said that he thought that the key tension that the Coalition faced "always, every time, was whether one side thinks it has the votes in the legislature to run on the other and is willing to take this risk, [or whether it] wants to avoid it and the fight [in the legislature] and take what it can get [through participating in the Coalition negotiations]" (J. VanLandingham, personal communication, June 17, 2009).

The Manufactured Housing Landlord Tenant Coalition got its start when Pat Schwoch, the Legislative Director for OSTA, took issue with provisions of Landlord Tenant Coalition's legislative proposal for the 1995 session. Until that time, the issues of manufactured home parks were not a focal point of the Landlord Tenant Coalition

(J. VanLandingham, personal communication, August 19, 2006). VanLandingham recalled this moment as follows:

> I was trying to shepherd the [Landlord Tenant] Coalition, when, out of the blue, unbeknownst to me, … Pat Schwock showed up and claimed that our bill was …[likely to have adverse effects on] residential park tenants…She arrived and there she was, mucking with everything…

Although Schwoch's objections to the specific provisions that year were based on a misinterpretation of the draft legislative proposal and were quickly resolved, her advocacy for manufactured home park tenants was on point. Her advocacy catalyzed the formation of a parallel group to focus exclusively on the interests of manufactured home park residents and owners, the Manufactured Housing Landlord Tenant Coalition (the Coalition)[23]. VanLandlingham facilitated both groups and, since 1997, has drafted legislative proposals to amend state landlord tenant law (ORS 90, Residential Landlord and Tenant Property Rights and Transactions) in a manner consistent with the negotiated compromises of both coalitions. Both coalitions were loosely-formed groups that met for one primary purpose: to reach consensus regarding a legislative package in order to be able to present a united front to the legislature and get their (usually) uncontested package approved during the short biennial sessions. The Coalition was a major initiator of proposed changes in this subspecialty of landlord tenant law from 1997 through 2005.

[23] For the remainder of this study, the term "the Coalition" will be used exclusively to refer to the Manufactured Housing Landlord Tenant Coalition.

Manufactured Housing Enters Oregon's Landlord Tenant Law

The first wave of legislation pertaining to manufactured housing landlord tenant law occurred during the 1970s, prior to the formation of either coalition. After several unsuccessful attempts to adopt tenant protections during the late 1960s and early 1970s, in 1973 the Oregon legislature adopted a slightly modified version of a new national model landlord-tenant law, the Uniform Residential Landlord Tenant Act (URLTA). Primary supporters of this effort included Nancie Fadeley, a Democratic legislator from Eugene, and James Clark, a Portland attorney and an Oregon representative to the National Conference of Commissioners on Uniform State Laws, the national commission that created the URLTA in 1972. While URLTA was an important new tool for Oregon, it dealt with landlord-tenant issues in general and did not separately address the specialized concerns of manufactured home park residents. Among attorneys there was disagreement about the degree to which URLTA applied to mobile home parks. In response to this missing element, during the 1975 session the Oregon legislature adopted amendments to the 1973 statute that added provisions specifically addressing manufactured home park landlord-tenant issues (B. Niven, personal communication, December 23, 1974; J. VanLandingham, personal communication, August 19, 2006).

The 1975 statute required park owners to provide 120-day notice of the landlord's intention to cease operations of a park. In 1977, the notice period was changed to 365 days. In 1987, the legislature allowed two options: park owners could either provide a 365-day notice and no payment or provide a 180-day notice, a suitable

place to move the home and up to $2,500 for moving costs. In 1989, the payment amount was increased to $3,500, where it stood at the beginning of the 2007 session (J. VanLandingham, personal communication, October 26, 2006).

During the 1980s and early 1990s, in the wake of an increasing number of park sales to out-of-state investors and the closure of some parks on non-residentially zoned land, the legislature continued to take up measures pertaining to park closures. Some of the new investors purchased the parks inexpensively and then increased rents substantially. According to Bob Repine, a Republican Oregon state legislator from 1989 through 1998 and the director of the state housing agency, Oregon Housing and Community Services (OHCS), from 1998 through 2006, some of these new investors purchased manufactured home parks in Oregon "on the backs of tenants," (R. Repine, personal communication, October 12, 2006). The park purchases may have been related to the adoption of the Tax Reform Act of 1986 (TRA-86), which phased out many investment incentives for rental housing, most notable among them accelerated depreciation. When apartment buildings no longer provided tax shelters, some investors sought other places to put their capital. Manufactured home parks were an attractive option because they generated significant cash flow from a relatively small investment (P. Brewer, personal communication, February 8, 2007). In particular, some California investors looked to Oregon for investment opportunities (Repine, 2006).

Facing rising rents, tenant interests lobbied for rent control legislation. According to John Brenneman, the lobbyist for Manufactured Home Communities of

Oregon, "rent control is the defining issue that has been there forever" (J. Brenneman, personal communication, February 9, 2007). After several unsuccessful attempts by manufactured home park tenant advocates to get rent control legislation approved, in 1993 a bill finally made its way out of committee to the floor of the state Senate. The bill called for eliminating the state pre-emption of local rent control laws in the case of manufactured home parks. The opponents of rent control, principally the manufactured home park landlords and the apartment landlords, succeeded in defeating the bill on the floor of the Senate (J. Brenneman, personal communication, February 9, 2007).

Although out-of-state interests were purchasing some parks as investment property in the mid and late 1980s, it appears that other parks, principally those on commercial or industrial land or in flood plains, were closing (J. VanLandingham, personal communication, October 26, 2006). Although no hard data exist on the number of park closures that occurred during the 1980s, in 1986 Deborah Wood, staff to the State Housing Council, wrote that "there have been increasing concerns regarding rental increases in mobile home parks and with the closure of older parks" (Wood, 1986, p. 1). As indicated above, it is likely that most of these closures occurred in parks located on non-residential land or in flood plains. The closures were of sufficient concern that the staff for the State Housing Council spent the better part of a year developing a manual for park residents to guide them in the cooperative purchase of their parks.

In the 1980s and the early 1990s, two complementary legislative strategies emerged to deal with the closure of parks. As described previously, the first strategy was to buffer the impact of a park closure on residents by providing a notice period and, potentially, payments by the landlord. The second strategy was to provide tools that enabled residents to purchase their park and thus prevent its closure. The resulting laws are described below. The legislature also adopted other provisions to protect tenants generally, including the creation of a voluntary registry of park owners so that park residents could find out who owned their park. They created a state Ombudsman Program to assist in mediating disputes between manufactured home park owners and residents, and they financed the program through a $3 annual fee (subsequently increased) charged to park tenants. The legislature put in place a one-time-only assessment of $5 per home (paid by the homeowners) to capitalize a loan fund of approximately $425,000 to assist with resident purchases of parks.

Although some amendments were adopted during the intervening years, the laws adopted in the 1980s and early 1990s formed the foundation of state policy in place when the second round of closures (those involving parks on residentially-zoned land) occurred from 2001-2007. The only major changes that occurred prior to the 2007 session were initiated by Representative Krummel (R-Wilsonville) during the 2005 session (and are discussed in Chapter 8). The first comprehensive renegotiation of the earlier provisions occurred under the leadership of the Coalition during the 2007 legislative session. Below are the principal provisions of state law that existed at the beginning of the 2005 legislative session:

Resident Protection Provisions

- Park Closures Trump Existing Leases: Landlords may terminate both fixed-term leases and month-to-month leases if they plan to close a park or a part of it and convert it to a different use. This is true even if tenants have 15-year leases for their spaces. There are no requirements stating that the landlord must compensate tenants for the remaining term of the lease. (ORS 90.930. (5))
- Notices and Payments to Tenants: There are three options that landlords may choose from:
    - 365-day notice to tenants of park closure and no payments
    - 180-day notice to tenants of park closure and payment of a maximum of $3,500 per home for moving and set up expenses. This amount was not indexed to inflation and had not changed since the 1987 session.
    - Some other arrangement which is mutually agreeable to the landlord and tenants. (ORS 90.930. (5-6))

  In practice, landlords closing parks chose the 365-day notice and no payment option. Some voluntarily provided financial assistance even though the law did not require it (J. VanLandingham, personal communication, June 6, 2006, and G. Harmon, personal communication, November 20, 2007).
- Information provided to Oregon Housing and Community Services: The landlord must provide to the state housing department, Oregon Housing and Community Services, a list of the names and addresses of the tenants to whom he or she provides closure notices. (ORS 90.635)

Park Purchase Provisions

- State Policy on Park Purchases by Tenants: By statute, the legislature voiced the intention of encouraging park residents to "participate in the housing marketplace" by organizing and purchasing their park (ORS 90.800(2)). In the 1980s, the state provided a technical guide to park purchases, capitalized a loan fund and required that residents be notified of an owner's intent to sell. In 1986, Deborah Wood, on behalf of the State Housing Council, authored a 155-page manual to assist park residents with purchasing their park (Wood, 1986). The loan pool was initially capitalized by a one-time tax imposed on tenants in the 1980s or 1990s. Although the Mobile Home Parks Purchase Account was used for short-term financing for the purchase of at least one park, by 2006 the principal was small (less than $500,000) compared to 21st century land costs. Some of the principal was drawn down to pay for state housing staff (R. Repine, personal communication, October 12, 2006, ORS 90.840).
- Notification of Listing or Offer: Tenants may form a tenant association or a facility purchase association. The park owner must notify this group should he or she list the park for sale or receive a bona fide sales offer. To receive this notice, the group must notify the landlord that it wants to be so notified and designate three people whom the landlord should contact.
- Statement of Interest: After it receives the landlord's notice, the resident association or facility purchase association has 14 days to notify the landlord that

the group, working alone or in cooperation with a non-profit organization, is interested in purchasing the park.

- Negotiation: Upon receipt of the notice, the landlord is required to "negotiate in good faith" with the group and provide an opportunity for the group to purchase the park "as the owner would any bona fide third party potential purchaser." (ORS 90.820) State law does not say how long such negotiations must last, provide a deadline for the group providing a bona fide offer, or further clarify the standard for "good faith" negotiations.

Several striking differences in the context set the stage for the 2007 session. When the closures began to happen in 2001 through 2007, advocates had an existing legal framework of landlord-tenant law to draw upon; the same was not true in the late 1980s and early 1990s. The parties to the negotiations had changed by 2007. With the departure of Betty Niven, the State Housing Council no longer played as visible an advocacy role for affordable housing generally and manufactured housing specifically. Instead, the primary platform for negotiating and advancing the interests of tenants was staged outside the legislative session, by the Coalition. The Coalition was managed by one of Niven's protégés, John VanLandingham. CDCs had not played a significant role in the adoption of the prior round of legislation, most likely because there were so few of them. One of the open questions at the beginning of the 2007 session was what role the non-profit housing sector would play in park preservation or conversion.

A second major area of difference was the nature of the parks and homes themselves. In 2007, the park closures were occurring on residentially-zoned land that some had assumed were immune from closures; the prior round had occurred in parks on commercial and industrial land that planners and even affordable housing advocates had assumed would close eventually. In 2007, parks that were closing were not populated solely by older trailers and mobile homes of questionable construction standards; they included doublewides and triplewides of substantial permanence built after the adoption of the HUD Code. Together, the twin historical threads of land use law and landlord tenant law formed the protections that the state provided to a needed form of affordable housing. By 2007, those protections were failing, and park residents and their advocates called for a legislative overhaul.

Principal Findings and Discussion

In its approach to planning, Oregon policymakers sought to develop a system that would simultaneously promote two positive outcomes: compact development and affordable housing. They put in place protections for manufactured housing and manufactured home parks because they were viewed as being forms of development that could help achieve both outcomes. By prohibiting the formation of manufactured home parks on industrial or commercial land, policymakers discouraged short-term land banking and promoted the permanence of what once had been regarded as a transitional land use. But, as the population continued to grow and consumer demand

for denser urban living was on the upswing, parks on residentially-zoned land were sought as prime real estate to redevelop.

Gentrification has been described as the predominance of an externally generated vision of what should be over an appreciation of what is there (Clark, 2005). Oregon land use policy helped create a vision for the state of compact urban areas and smaller cities of varying densities surrounded by resource lands. As the state's population increased, so did the need for increased density. At five to seven units per acre, by 2000 manufactured home parks were no longer dense enough to fit this vision in some urban areas in the state.

The closure of manufactured home parks from 2001-2007 thus appears to be linked to a process of metropolitan restructuring affected by state land use policy. Specifically, state policy steered metropolitan restructuring toward a compact urban form. Rising land values increased the pace of metropolitan restructuring by making certain development opportunities economically feasible when they had not been so previously. As a result, sparsely developed fringe areas and holes in the urban fabric, including manufactured home parks, were ripe for change.

State policy had established a path that would affect how the 2007 legislature responded to park closures. During an earlier round of park closures, state officials and the legislature had developed a two-pronged response: (a) ease the burden on affected residents, and (b) preserve the parks through a community development strategy. Advocates of residential hotels had adopted a similar same two-pronged response.

By 2007, certain institutional arrangements had solidified between landlords and tenants. The two camps were accustomed to meeting prior to the session to develop a legislative package that addressed what they viewed as being the critical manufactured home park issues of the biennium. Since Coalition members had been successful in working together and generating proposals that were adopted with few changes by the legislature, these institutional arrangements had a certain amount of momentum going into the 2007 session.

Chapter 8 considers how these arrangements and other important conditions set the stage for the legislative response to the closure of manufactured home parks in 2007.

CHAPTER 8. MANUFACTURED HOME PARK CLOSURES ENTER THE POLITICAL AGENDA

According to political scientist John W. Kingdon (1995), political agenda change is most likely to occur when three policy process streams converge to reinforce each other: problem recognition, policy formation and political environment. In this chapter, I use these streams to trace how manufactured home park closures rose from the soup of issues competing for attention preceding the 2007 session to become "an idea whose time has come" (Kingdon, 1995, p. 1). To understand what took place during the 2007 Oregon Legislative session, it is helpful to first consider what preceded it. This chapter begins with the 2005 legislative session, a time during which manufactured home park closures surfaced as an issue of public concern both in the media and in the legislature.

The 2005 Legislative Session

In June 2005, the residents of Thunderbird Mobile Club, a senior park of 269 spaces in the city of Wilsonville in Clackamas County, received an informal notice from owner Roger Ash that he was considering selling the park for potential redevelopment. The residents of Thunderbird and Willamette Cove, another senior park in Clackamas County under threat of closure, organized a meeting on June 30, 2005, with city, county, state and federal representatives to plead their case and investigate what could be done. After listening to two hours of discussion, state

Representative Jerry Krummel left the meeting, according to his account, committed to exploring what could be done at the state level (J. Krummel, personal communication, January 30, 2007).

As a former resident of a manufactured home park himself, Krummel had a first-hand, in-depth understanding of the dynamics of manufactured home park tenure and what is required to move manufactured homes. As a young man, he and his wife had helped organize the residents in the Wilsonville park where they lived when a new owner imposed new rules that negatively impacted some residents. More recently, he had assisted his mother with a planned relocation from her mobile home park. To some extent, he identified with the plight of the residents, as indicated below by his response to the meeting.

> I sat there [at the June 30 meeting with Thunderbird residents], and, as I'm mulling this over, taking a few notes here and there, I'm realizing #1, these folks—this is kind of a special situation—these folks need some help. We need to probably do something at the state level. And I mulled it over some more after we got home, talked it over with my wife a little bit. We were kicking it around, and remembering our own situation in a mobile home park…Anyway, I said this is, there's got to be something we can do here. (J. Krummel, personal communication, January 30, 2007)

After the meeting, Krummel asked his chief of staff Dawn Phillips to make some calls. Krummel and Phillips met individually with state experts in the field, including many members of the Coalition, to solicit ideas and shape a response. According to Krummel, it was Don Miner, Executive Director of Oregon Manufactured Housing Association, who first proposed a tax credit. Miner cited a precedent for such an approach. The state legislature had authorized a tax credit of

$1,500 per household from 1999 through 2001 to assist with moving costs as a means of addressing an earlier wave of park closures.

Krummel convened a meeting of interested parties, including many members of the Coalition, eight days after the Thunderbird meeting. The group settled on a proposal: a $10,000 tax credit to reimburse costs associated with an involuntary move of a modest manufactured home[24] for households with an annual income of $60,000 or less. If the household had a low income (200% of poverty level or less), and did not have sufficient taxes to take full advantage of the credit, the balance was to be provided as a refund. According to Krummel, the $10,000 figure was a PFA, a "point from air" (J. Krummel, personal communication, January 30, 2007). Participants agreed that $1,500 was insufficient, as it could easily cost $15,000 - $20,000 to move a home. They settled on $10,000 as a reasonable boost to assist displaced households with moving costs.

To encourage the sale of parks to residents or other friendly entities that would preserve the park, the group also decided to provide a state capital gains tax exemption on sales to tenants' associations, facility purchase associations, a non-profit affiliated with one either of these groups, a CDC or a housing authority—all groups that would likely maintain the existing use of the manufactured home park. It was the first known incentive of this kind nationally and was picked up as a model statute by national manufactured home park resident advocacy groups and advocates from other states.

[24] Krummel's bill called for the tax credit to apply to homes valued at $110,000 or less.

Timing was a challenge. Krummel proposed a new legislative concept on Monday, July 11. Not only was the deadline for filing new bills long past, legislators were unhappy that the biennial session was extending beyond the July 4 holiday, as sessions usually ended in June. Krummel used a technique called "gut and stuff" to introduce the measure. "Gutting and stuffing" means taking a bill that has been introduced previously and, with the consent of the sponsoring legislator, removing its contents and replacing them with those of the bill one is trying to move forward. The bill being gutted must have a "relating to" clause that is appropriate for the new contents. According to Krummel, Don Miner suggested gutting and stuffing one of his bills that was stuck in committee, HB 2389[25].

Krummel and Phillips rallied the bill's supporters, including some members of the Coalition, to make the rounds of legislators to seek co-sponsors for HB 2389. They garnered the support of 57 of 60 representatives and 21 of 30 senators as co-sponsors. OHCS Director Bob Repine, a former Republican legislator himself, pledged the support of his department and aided in the measure's passage by indicating that it had no budget impact on his department (J. Krummel, personal communication, January 30, 2007).

After much legislative maneuvering by Coalition members to bring the bill up for consideration, the Senate Rules Committee held a work session on the gutted and stuffed HB 2389 on July 25 and voted on it on July 28. It next moved to Senate Revenue, where committee members approved the bill with the inclusion of a two-

[25] HB 2389 stands for House Bill 2389. Similarly, SB 38 would stand for Senate Bill 38. Once a draft bill is finalized by state Legal Counsel, it is assigned a number for filing by the bill's legislative sponsor.

year sunset clause, so that the tax credit to residents would be effective for involuntary moves that took place only from January 1, 2006 through December 31, 2007. Similarly, the state capital gains tax exemption for owners selling to a friendly entity was also changed so that it would sunset on December 31, 2007. Although Krummel chafed at the two-year sunset clause, it ultimately provided a rationale for revisiting the issue of manufactured home park closures in the 2007 session. The final approval of the bill occurred on the last day of the session, August 4, with approval by the senate and a vote of concurrency in the senate amendments by the house. The vote was nearly unanimous in both houses, with one house member absent and one senator with an excused absence due to illness.

It is important to note that HB 2389 was not the product of the Manufactured Housing Landlord Tenant Coalition, although many of its members were individually instrumental in its passage. It did not have the characteristics of a Coalition solution, a brokered compromise crafted over several months through a bargaining process between landlord and tenant interests. Instead, it was an agile and immediate response to a crisis led by the office of a single legislator who won the support not only of Coalition members, but also nearly all the legislators of both parties. As Krummel quoted, "politics is the art of the possible," and, with single-minded determination and nimble maneuvering, HB 2389 proved to be possible in the last 28 days of the 2005 session. It was a Republican solution; it provided a tax credit (a reduction in government revenue) instead of a new program requiring an appropriation. It provided

a one-time financial boost to help people in crisis; it was not an ongoing social service program.

Critics of HB 2389 pointed out that the tax credit only covered reimbursement for costs associated with moving a home; it provided no relief to residents who were not able to move their home. Many residents, especially those with low incomes, had homes that were too old to move. Even if the home could be moved, spaces in other parks were scarce.

It is true that HB 2389 provided no relief to the majority of residents who faced closures. An estimated 700 displaced homeowners may have been income eligible for claiming the tax credit in 2006[26]. According to the Oregon Department of Revenue, a total of 119 households, or 17% of 700, benefited from the tax credit in 2006 (M. Fitzpatrick, Oregon Department of Revenue, personal communication, October 30, 2008). Sixty-eight very low-income households filed for the refundable tax credit. They received an average of approximately $3,175 per return, or approximately $200,000 as a group. Another 51 households received a tax credit that collectively totaled $63,000. Since the tax credit could be carried forward over three tax years, the cumulative benefit to those households is not yet known. Data for the residents who moved their home in 2007 were not yet available.

Although HB 2389 ultimately did not prove to be a widely-utilized solution, Krummel's leadership in the 2005 session did focus attention on an important

[26] According to OHCS records, in 2005-2006 owners of 34 parks sent out one-year closures notices affecting a total of 1,754 spaces. If 80% of these spaces were occupied by homeowners who had incomes at or below $60,000, and half of these homeowners moved in 2006, then 702 households were eligible for the tax credit in 2006 if they moved their home.

problem, galvanize a bipartisan response in the ending days of a contentious session, and set the stage for a more considered response in 2007. It was the creative product of a remarkable 28 days of single-minded advocacy and politics. HB 2389 provided a prototype that could be analyzed, critiqued and potentially improved upon during the 2007 session. Although we will never be able to know what would have happened during the 2007 session if HB 2389 had not been approved in 2005, we do know that the Coalition would have started the 2007 session with a blank slate instead of both a solution to critique and a group of legislators already aware of the issue.

During the 2005 session, the Manufactured Housing Landlord Coalition did not deal with park closures as part of its legislative package. Timing may have been the principal reason for this lack of response. The bill that the Coalition did sponsor, HB 2247, was created in fall 2004, before the full magnitude of park closures was understood. Between January 1, 2003 and December 31, 2004, only one article appeared in *The Oregonian* concerning park closures.[27] Although informal networks buzzed by early 2005 with news about Oregon park owners receiving unsolicited sales offers from out-of-town developers, when the Coalition was selecting its legislative focus in late summer and early fall of 2004, the magnitude of phenomenon may not have been recognized.

Instead of park closures, the Coalition focused on issues from its ongoing list of landlord-tenant problems. HB 2247 dealt with park owner and manager training, sub-metering utilities, and issues pertaining to Recreational Vehicles (RVs) in parks.

[27] An article by Jerry Boone about the closure of Baseline West in Washington County appeared in the West Zone edition of *The Oregonian* on September 4, 2003.

Specifically, the Coalition bill, HB 2247 (originally introduced as SB 636), addressed the following issues:

- Mandatory registration of manufactured home parks with Oregon Housing and Community Services. Prior to this bill, OHCS relied on data from county assessors to create a database of manufactured home parks. By having a database, even one created using tax data, Oregon was actually ahead of many states. Many do not have a centralized listing of parks.
- Mandatory training for owners. This bill required that at least one representative of each manufactured home park (the owner or manager) take at least six hours of continuing education training on the management of these facilities every two years. The training was required to include modules on Oregon landlord tenant laws and federal Fair Housing regulations.
- Provisions for sub-metering utilities. The bill specified that, if the landlord decides to sub-meter utilities so that individual tenants pay for some or all of their public utilities, then he or she must give the tenants at least 180 days notice. The bill specified three options for sub-metering the facilities.
- Provisions for prohibiting local governments from placing a limit on duration of occupancy of an RV with or without motive power in manufactured dwelling parks, mobile home parks and RV parks if certain conditions are met. The RV was required to be legally connected to water, electric and sewage disposal system. The bill required landlords to provide a written rental agreement for month-to-month, week-to-week or fixed-term tenancy for RVs in these parks.

SB 636 was non-controversial. Nevertheless, it became stuck in a senate committee, and Coalition members had to scramble in June to save their bill. They used the "gutting and stuffing" technique to get it approved. From May through the bill's passage on July 10, 2005, the Coalition leadership and lobbyists focused on saving it from a premature death in committee and then getting it through the legislature before the anticipated session end prior to the July 4 holiday. Just as Krummel's bill was surfacing, the Coalition was finishing its work. As individuals, some influential Coalition members assisted Krummel substantially with the creation and passage of HB 2389, but there was neither the availability of some key members nor the precedent to reconvene the Coalition as a whole that late in the 2005 session. The only bill to deal with park closures during the 2005 session was HB 2389.

Inter-Session Factors

Between the end of the 2005 session and the beginning of the 2007 session, manufactured home park closures became a hot topic in Oregon and beyond. Closures continued to escalate, and the media publicized the plight of homeowners faced with displacement. In Oregon, some local jurisdictions took an active role in responding to the impacts of park closures on vulnerable residents, while others remained silent. The small program within Oregon Housing and Community Services that provided dispute resolution services for park tenants and landlords was under-resourced in the face of the new challenge and struggled to respond to the volume of calls and the new kinds of assistance needed.

As the crisis mounted in Oregon, the Ford Foundation and other major funding partners continued to expand a program launched in 2001 to promote manufactured housing as an effective affordable housing and community development option. Local affordable housing practitioners connected with this national program and accessed both expertise and funding for local policy research, organizing and informational resource development. These connections affected the legislative proposals drafted for the 2007 session and also forged new working relationships at the community level. To set the stage for the 2007 session, in this section I describe these and other phenomena that likely affected how the primary actors during the 2007 legislative session (legislators, lobbyists, members of the Manufactured Housing Landlord Tenant Coalition, and others) conceptualized and developed solutions to park closures.

The Hot Real Estate Market, Escalating Park Closures and Media Coverage

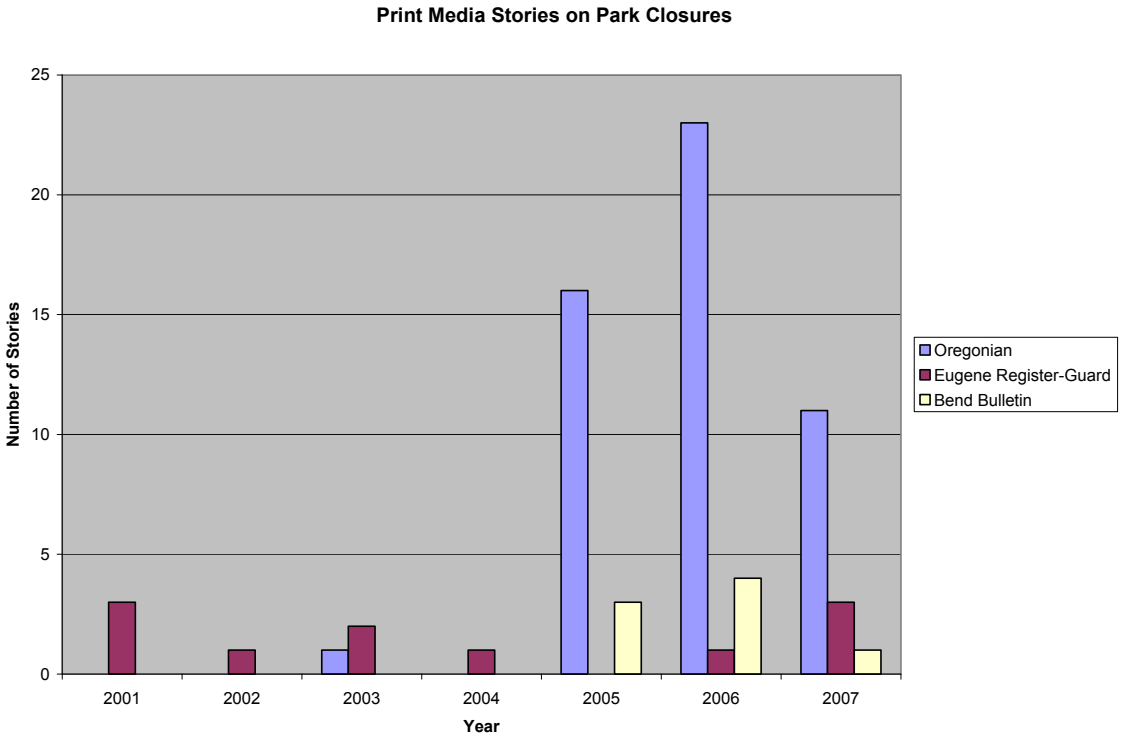
On January 30, 2006, John VanLandingham and leading staff from Oregon Housing and Community Services invited community development and affordable housing practitioners to attend a meeting in Portland to discuss manufactured home park closures and a model developed in Vermont for facilitating resident purchases of parks. Greg Harmon, a principal at Commonwealth Property Management, a firm that specialized in the management of manufactured home parks, said that some of his clients had received unsolicited phone calls from out-of-state investors interested in purchasing their parks for higher-end development. Discussions about impending deals circulated among meeting attendees.

Oregon was not the only state to see an escalation of park closures during this period. From August 2005 through June 2007, 27 parks closed in Washington, resulting in the displacement of an estimated 1,038 households. Eleven additional parks were slated to close during the remainder of 2007, which would have displaced an additional 376 households (Paynter, 2007). Reports of closures in Florida, California and other states appeared in media outlets.

Figure 8-1 below demonstrates that there was a spike in print media stories about park closures during 2006. At least 23 stories appeared in the *Oregonian* newspaper concerning park closures in 2006. Articles also appeared in other news outlets, including the *Eugene Register-Guard* and the *Bend Bulletin*[28]. During the intersession period of August 6, 2005 through January 7, 2007, 34 articles appeared in the *Oregonian*. In general, the articles focused on the hardships experienced by park residents who were being displaced. Headlines read, "Way of life fades as manufactured home park shuts down," (Lednicer, 2006); "Uproot parks and scatter communities," (Boone, 2006); "Demand for land pushing aside mobile home tenants, (Balingit, 2006), and "Endangered species: fewer places to park your home," (Anderson, 2006). As this small sample of headlines indicates, the spike in stories was not generated by a single reporter focusing on the issue, but instead was created by several reporters describing what was taking place in their beats.

[28] Data for the *Bend Bulletin* were available only from January 1, 2005 through the date of retrieval, October 31, 2008.

Figure 8-1

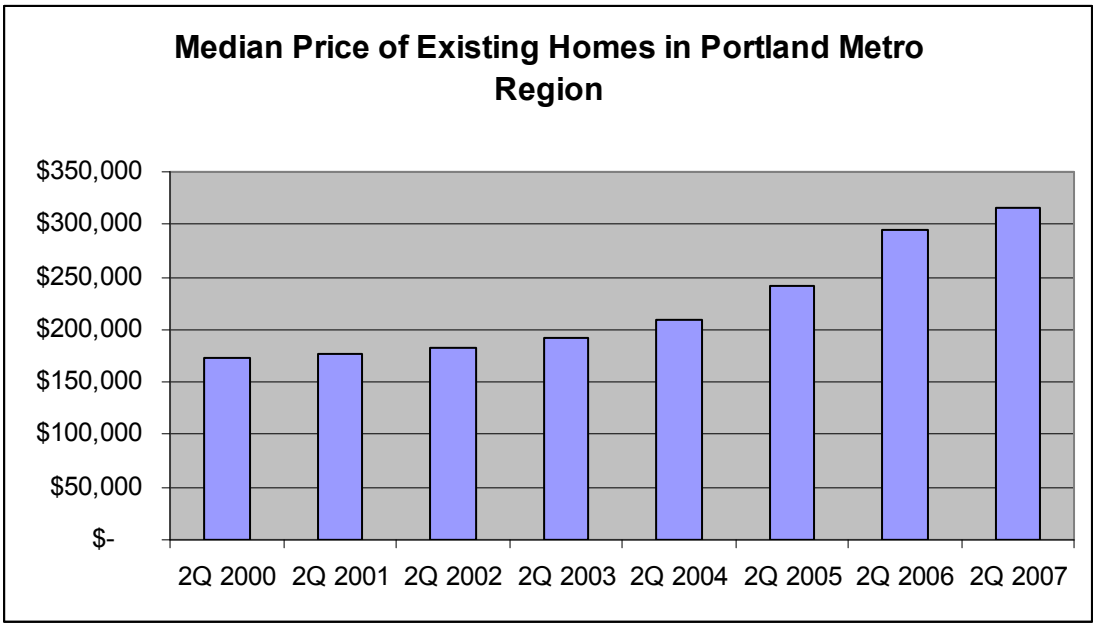


Sources: The Oregonian, The Register-Guard & The Bend Bulletin

The most common reason for park closure cited in the articles was the dramatic increase in property values. Jack Meeke, the owner of the Mobile Home Corral in the center of Beaverton, was quoted as saying that he was offered $6.5 million for the 7.5 acre park with 85 spaces in 2006 (Anderson, 2006). Anderson, an *Oregonian* reporter, concluded that, "Park owners are selling as the cost of property soars. The land underneath the manufactured homes is more valuable for single family detached homes or other more intensive uses…Park owners are finding they can make a lot more money selling to developers than collecting monthly rent of $300 to $500 per space."

In fact, the price of homes and residential land did increase substantially from 2001 through 2006. Figure 8-2 shows the median sales price of an existing home in the Portland metro region. From the second quarter of 2001 through 2007, the value of an existing home increased 68%. Other areas in the state with growing populations also experienced significant increases in sales prices (Warren, 2008).

Figure 8-2

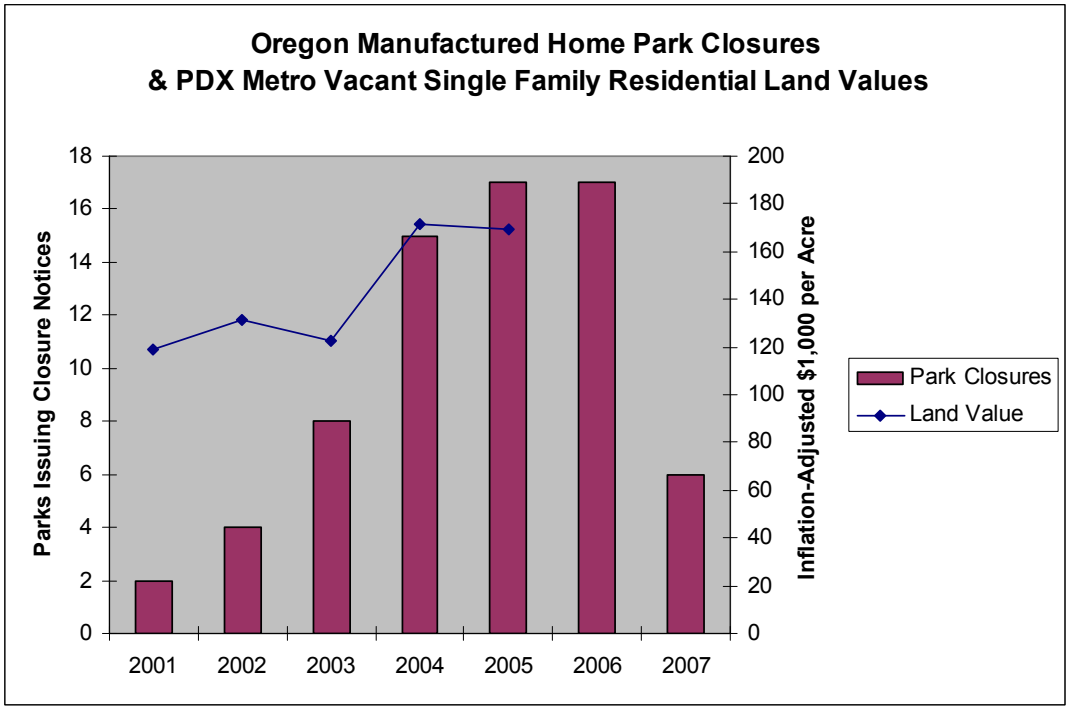


Source: Elizabeth Warren, Housing Market Analysis, *Center for Real Estate Quarterly & Urban Development Journal*, 4th Quarter 2008. Compiled from Realtor Multiple Listing Service data, September 2008.

The relationship between park closures and escalating land values is illustrated by Figure 8-3 below, which superimposes data about the cost of vacant residential land in the Portland Metro area from 2001 through 2005 on data concerning the number of park closures from 2001 through 2007. Residential land prices increased 150% from 2001 through 2005; the number of park closures increased 750%. In 2001,

the number of spaces lost due to park closures was 40; in 2006, 1158 spaces were lost, an increase of 2,800%.

Figure 8-3



Sources: Oregon Housing and Community Services; Hall & Mildner, May 2006.

Between the 2005 and the 2007 sessions, legislators saw increasing media coverage of the experiences of displaced residents. They also saw land prices continue to soar and read about park owners who were able to get top dollar for their land. Rather than being a low priority topic as it had been in prior sessions, manufactured home park issues were poised to receive significant legislative attention during the 2007 session.

The Added Momentum of National Partners: The I'M HOME Initiative

Just as the destabilization of manufactured home parks became a newsworthy problem in Oregon and other states, a national organization was beginning to champion manufactured homeownership as a pathway to wealth creation for lower income households. CFED, an organization focused on fostering broader access to economic opportunity, launched Innovations in Manufactured Homes (I'M HOME) in 2002 with initial funding from the Ford Foundation. The goal of the initiative was to strengthen the asset-building potential of manufactured housing as a tool for building wealth for those priced out of the traditional site-built homeownership market. I'M HOME worked at the state and national level to support the adoption of policies and laws that provided manufactured housing with parity with site-built homes in the areas of financing, real estate and asset accumulation. I'M HOME also promulgated a model of resident ownership of manufactured housing communities pioneered and proven by the New Hampshire Community Loan Fund. It induced action in places across the country by providing funding to local partners to pursue projects in the areas of state policy development and park conversions to resident ownership.

By 2005, key Oregon manufactured housing advocates were involved with I'M HOME and the New Hampshire Community Loan Fund. John VanLandingham and staff from OCED traveled to meet with New Hampshire Community Loan Fund staff and explore the applicability of the New Hampshire model to Oregon. Between 1984 and 2005, the Fund had provided technical assistance and financing that enabled residents at 72 parks to purchase their community. As a result of this trip,

VanLandingham and OCED organized the previously described January 2006 meeting with affordable housing providers and others to share the New Hampshire model and test the water for interest in pursuing this strategy. They jokingly compared their experience in New Hampshire to a type of religious conversion by saying that they "had drunk the Kool Aid."

A group of non-profits met in April 2006 to coordinate the submission of a unified Oregon response to a Request for Proposals from I'M HOME for project and policy development funding. Ultimately, CASA of Oregon, an affordable housing technical assistance provider and development consultant known for its work creating farm worker housing in rural Oregon, became the lead applicant. CASA's application was successful. The funding provided resources for CASA and the Community Development Law Center to research and produce a technical guide to options for resident ownership under Oregon state law and to assist with the conversion of parks to resident ownership.

Beyond the funding, however, the contact between Oregon interests and the I'M HOME program also had a profound effect on the legislative packages proposed for the 2007 session. First, the New Hampshire Community Loan Fund's experience generated a model that Oregon advocates sought to adapt and replicate at home. This included the creation of a new legal entity under state law, the Manufactured Dwelling Park Cooperative, which is discussed in subsequent chapters. Second, it created an ongoing flow of information between the Oregon advocates and the staff at both the New Hampshire Community Loan Fund and also I'M HOME. Oregon advocates

were now in touch with the nation's experts and had access to an information network that included, for example, research on legislation in all 50 states. CASA staff began attending national conferences, including a symposium on "Manufactured Housing and the Future of Affordable Housing" sponsored by the I'M HOME national funding partners in conjunction with a NeighborWorks training in Atlanta, Georgia in February 2007. Third, I'M HOME recast park closures as development issue that could be addressed by affordable housing non-profits with housing development and finance skills. This provided a reason and a mechanism for CDCs and their local technical assistance providers like CASA of Oregon and the Community Development Law Center to get involved with park closures. Finally, it established CASA and the Community Development Law Center, as the "go to" non-profit organizations on park conversions in Oregon[29].

The Housing Alliance

For many years, CDCs, housing authorities and other non-profit affordable housing developers in Oregon bemoaned the lack of an effective presence at the state capitol. In 2003, housing advocates in Oregon came together to create the Housing Alliance, staffed by the Neighborhood Partnership Fund. The vision was to create a broad-based alliance of interests concerned about Oregon's lack of affordable housing

[29] Although CASA of Oregon became a technical assistance provider for the conversion of parks to permanently affordable resident-owned communities, Deane Sargent, principal of PMC Financial Services in Hillsborough, CA,, had helped residents of more than 30 parks nationally with purchasing their park prior to CASA's involvement. Sargent had helped one park in Oregon, Springlake Park of Scappoose, convert to resident ownership in 2003 and assisted another Oregon park, Lakeshore Mobile Estates of Corvallis, convert in 2007. Sargent used a different model, and the resulting homes were not necessarily permanently affordable.

and committed to change at the state level. The group included not only CDCs and housing authorities, but also local governments, service providers, faith-based organizations, and others committed to the agenda of increasing resources for affordable housing (Housing Alliance website, www.oregonhousingalliance.org, retrieved November 30, 2008).

On December 5, 2006, representatives of 53 voting members formally adopted a six-item Housing Opportunity Agenda at a Housing Alliance Congress. According to a staff summary of the event, the members "confirmed commitment to our $100 million agenda [for funding for affordable housing development], working to overturn the preemption [on inclusionary zoning] and *working on the manufactured home park issue* [emphasis added] (A. Fauver, personal communication, December 19, 2006). At the Housing Alliance Congress, John VanLandingham, who not only chaired the Manufactured Housing Landlord Tenant Coalition, but was also a member of the steering committee of the Housing Alliance, presented a two-pronged legislative strategy for dealing with park closures: 1) create a community loan fund modeled on The New Hampshire initiative to finance the purchase of manufactured home parks by resident cooperatives, and 2) strengthen notification requirements in the event of park closures. Because sufficient detail was not available on the legislative proposals, the Alliance instead adopted the following broad measure as part of its six-item agenda[30]:

[30] The other five items on the 2007 Housing Opportunity Agenda were passage of an allocation of $100 million in state funds for homes for families and individuals on fixed income, lifting the legislative ban on inclusionary zoning, helping renters displaced by condo conversions, addressing the need to preserve housing projects reaching the end of their affordability periods and broadening the investment guidelines of the Housing Trust fund to generate more proceeds to fund affordable housing.

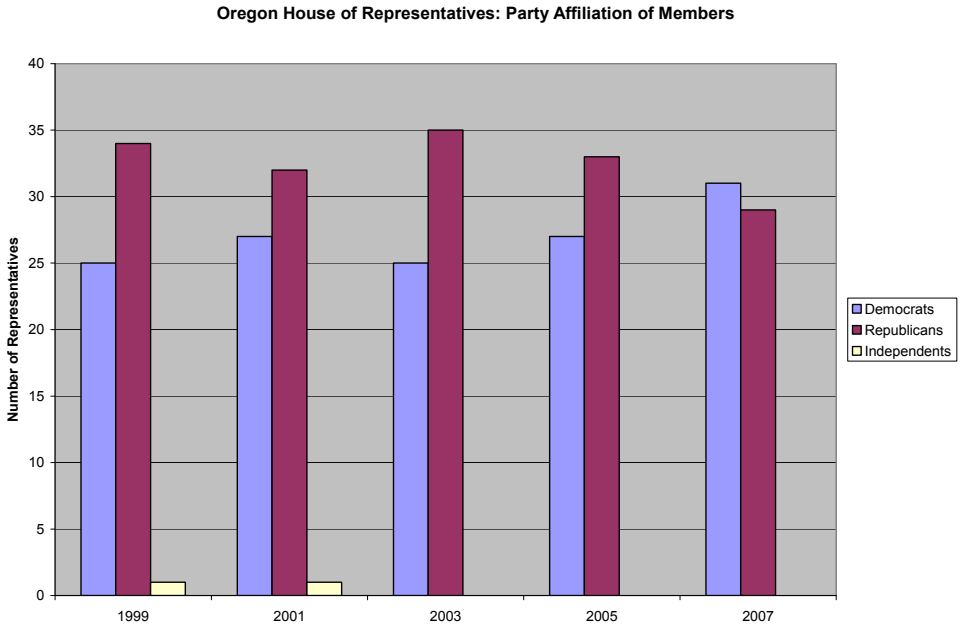
> ITEM 5: Assist residents whose homes may be lost by closure of manufactured home parks. Skyrocketing land values are prompting park owners to sell land for development, leaving residents homeless and often in debt on mobile homes that they cannot relocate. We need strategies to assist residents to replace or save these units. (Housing Alliance website, 2006)

With John Vanlandingham and staff from CASA and the Community Development Law Center as the principal intermediaries, manufactured home park closures were on the minds and legislative agenda of non-profit affordable housing developers statewide.

Political Parties and Changes in the Composition of the Legislature

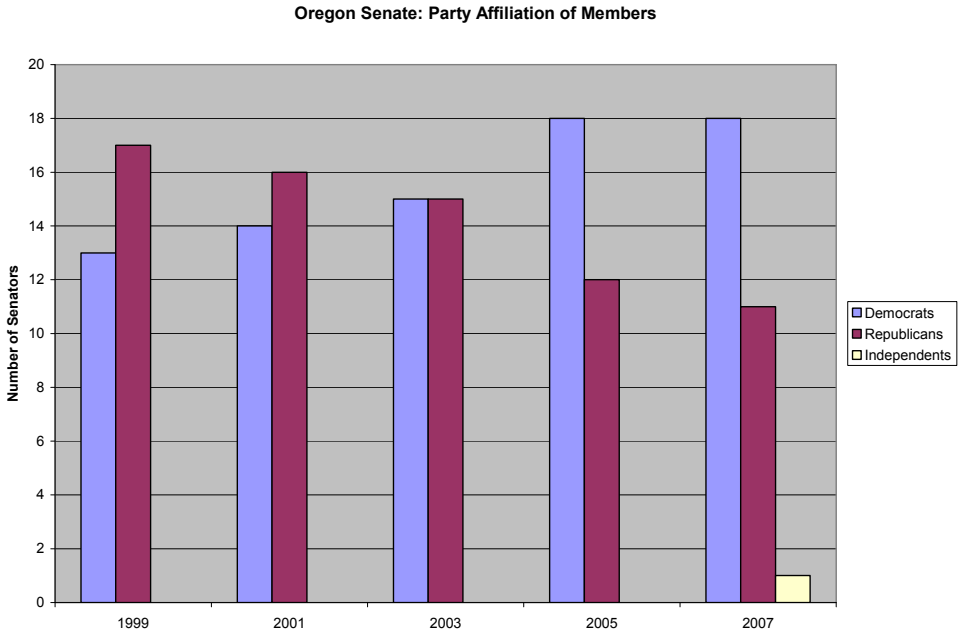
Another important shift that occurred between the 2005 and 2007 was in the political composition of the Oregon Senate and House of Representatives. As Figures 8-4 and 8-5 below indicate, the 2007 session was the first in recent times when Democrats controlled both houses. Although Democrats had led the Oregon Senate since 2003, the House did not change to Democratic leadership until the 2007 session. A change in political leadership opened the door to different ways of conceptualizing the problem and pursuing solutions. It also meant that the tenant side of the Coalition had more leverage within their internal negotiations on a legislative package than previously. This topic will be explored further in Chapter 10.

Figure 8-4



Source: Oregon State Archives

Figure 8-5



Source: Oregon State Archives

Property Rights as the "Third Rail"

In 2004, Oregon voters approved a major property rights ballot initiative. Measure 37 required the state, counties, cities and metropolitan service districts to either compensate property owners for reduced property values that result from enacting or enforcing land use restrictions or forgo enforcement of the restrictions. The approval of this measure both had far-reaching consequences on the Oregon land use system and created a legal and administrative morass related to processing Measure 37 claims. Since neither state nor local governments had the funds to reimburse property owners for reduced property values, the nearly universal response was to forgo enforcement of zoning and other affected regulations. More than 6,400 claims were filed within approximately two years (Sightline Institute, 2007). The media covered the issue extensively; stories about individual claims and the potential cumulative impact of claims filed upon local jurisdictions were common.

From the beginning, there were problems associated with the meaning and interpretation of Measure 37. The problems only intensified over time. And, over time, the impacts of Measure 37 on those who did not file claims became more apparent, such as potential reduction in property value or usefulness of land. Concern began to build regarding the impact of Measure 37 on safeguards protecting community health, safety and quality of life. In December 2006, the *Oregonian* editorial board wrote, "Two years after the voters approved it, Measure 37 appears to be not so much rectifying injustice as inflicting it" ("Revealing the True Game,"

2006). Thus, one of the primary issues that faced the 2007 Oregon legislature was how to deal with Measure 37.

The issue of property rights was perhaps the most sensitive topic of the 2007 session. It was one to which legislators of all persuasions had given considerable thought. The legislators I interviewed talked about many aspects of property rights, such as the role of government in protecting property rights, who has property rights, what is property, what is ownership, and others. This heightened sensitivity concerning property rights meant that the Coalition and others working on a legislative response to closures needed to avoid solutions that could be challenged as provoking a potential Measure 37 claim. Solutions must not appear to encroach upon the property rights of park owners by causing harm or constituting a taking. If a legislative solution created an avenue for park owners to file Measure 37 claims, it would likely become tied up with a host of other legal challenges to Measure 37. The theme of property rights is central to the analysis of why the legislature chose the solution that it did, and it is considered further in Chapter 11.

Conclusion

A number of factors combined to move manufactured home park closures to the political forefront of the 2007 legislative session. In fall 2006 and winter 2007, three major public policy process streams began to converge: recognition of manufactured home park closures as a problem, policy formation around a response and changes in the political environment favorable to consideration of park closures

by the legislature. This chapter described the problem recognition and political environment streams.

Through its coverage of park closures, the Oregon media had publicized a condition. To use Kingdon's framework (1995), Krummel's advocacy in 2005 helped transform park closures from a condition (something that exists) to a problem (something that demands action) requiring the attention of the state legislature. Further media coverage between the 2005 and 2007 sessions only added fuel to the flames. By the 2007 session, problem recognition had occurred. Representative Jeff Merkley, the newly-elected House Speaker and a former housing advocate, told other legislators that he wanted to address the problem of park closures during the 2007 session.

Kingdon (1995) described the political stream as being composed of elements such as public mood, partisan distributions of governing bodies, and the efforts of organized political forces. Although a Republican had championed a remedy to the closure of manufactured home parks in the 2005 session, the Democrats took control of the problem definition and solution refinement process during the 2007 session. The very fact that the Democrats had the leadership of both houses and the Governor's office affected the package that the Coalition developed. Because of the broad publicity about park closures, a wider range of organized political forces than usual had manufactured housing on their radar screens. During prior sessions, the Coalition found it challenging to get a bill dealing with manufactured home park issues through the legislature at all; in the 2007 session, not only was a bill likely, but other existing

political groups (including the Housing Alliance, the League of Oregon Cities, the Association of Oregon Counties, and others) were paying attention to the issue as well.

The final stream is that of policy development. As this chapter indicates, policy formation began in 2005, with Krummel's end-of-session push to enact state tax credit legislation to provide benefits to park residents who were forced to move their homes. Between the sessions, additional actors became involved in either advocating for the development of additional solutions (e.g., the Housing Alliance) or formulating solutions (e.g., OHCS, CASA, the Community Development Law Center and the Coalition). Chapter 10 picks up this policy development narrative by describing and analyzing the creation of the principal bills dealing with park closures for the 2007 session.

Before focusing on policy development at the state level in 2007, however, I want to sample policy development in local communities. With the state legislature adjourned from August 5, 2005 until January 8, 2007, the principal arena for official government action shifted to local cities and counties. Local ordinances provided both models for state policy options and also testing grounds for the legality of those options. New local activists (people not active with the Coalition) emerged from these local arenas, eager to take their cause and solutions to the state level in 2007. These local activists affected both the process and the outcome of the 2007 session, as detailed in Chapter 9.

CHAPTER 9. HOW LOCAL JURSIDICTIONS RESPONDED: A TALE OF THREE CITIES

An analysis of what happened at the 2007 state legislature to address the closure of manufactured home parks would not be complete without also considering what happened at the local level, in Oregon's cities and counties. From 2005 through 2007, these two narratives, local responses and the state response, interwove in complex ways. Chapter 8 suggests one reason why a dual-level response occurred: local park residents and their advocates, faced with the possibility of a closure, simultaneously reached out to multiple levels of government for assistance. Another reason that residents turned to local government was because the state legislature meets only every two years in Oregon. Thus, there was a gap in time when some local jurisdictions stepped into the breach to attempt to provide park residents with a higher level of assistance than what was available statewide at the end of the 2005 legislative session.

This chapter profiles the development of legislation by three jurisdictions: Eugene, Wilsonville and Bend. I chose these three jurisdictions because they were the most proactive in responding to local conditions. Although they are not representative of all jurisdictions statewide, they are exemplars of three somewhat different approaches to addressing what was viewed as a local problem with local impacts. Each jurisdiction had a slightly different policy response due to a combination of local circumstances, past history in dealing with park closures, and the prevailing political

climate. The chapter concludes with some observations about how the development of local legislation affected the state-level response.

In total, four cities—Wilsonville, Eugene, Bend and Oregon City[31]—adopted or amended legislation to address the closure of manufactured home parks during the period of 2005 through 2007. One county, Clackamas County, also had a park closure ordinance on the books but did not amend it until after the end of the legislative session[32]. These five local jurisdictions were the exception rather than the rule; the state's remaining cities and counties did not have laws that addressed park closures. West Linn and Ashland city councils considered developing local ordinances, but then did not adopt them.

In some case, instead of (or sometimes in addition to) developing local ordinances, local jurisdictions participated in negotiations with park owners who planned to close their parks. For example, in 2006 Washington County participated in negotiations with developer Sawara Property Group and tenant advocate Pat Schwoch of OSTA that resulted in a mitigation package for residents of three parks located a few blocks away from the Nike World Campus. The developer voluntarily offered a tenant relocation package consisting of financial assistance and help with finding a new place to live. In exchange for leaving the site in six months, Sawara Property Group offered residents an early termination payment of $5,250 and no charge for disposal of abandoned homes, which Schwoch called more generous than offers by

[31] I did not undertake a separate profile of Oregon City because it essentially followed Wilsonville's lead. Time and resource limitations also resulted in a need to limit my sample to three jurisdictions.
[32] The fact that Clackamas County had a local ordinance did not surface until after the end of the 2007 legislative session. Unlike the four cities, Clackamas County was not active in addressing this issue during the 2007 state legislative session.

other developers (Pitz, 2006). Developer representative Edward Kawasaki quietly attended the resource fair that his consultants organized in August 2006 and appeared visibly moved by the residents' distress[33].

The focus in this chapter is on the three cities, as they illustrate how laws can be crafted to address specific local conditions.

Eugene

The City of Eugene had the earliest local park closure ordinance in the state, dating back to 1989. Eugene City Council adopted that ordinance in response to a wave of closures that occurred in the 1980s and patterned it after a condominium conversion ordinance that had previously been adopted. The Eugene ordinance applied only to "at risk" parks, defined as parks on land designed or zoned for non-residential uses or located in a flood plain. Thus, it applied to parks that were built prior to the adoption of the state law requiring that new parks be located on residentially zoned land (Memo of J. VanLandingham to Housing Policy Board, November 7, 2005, copy in author's possession).

The Eugene ordinance required the owners of at-risk parks to offer benefits to "special category tenants," defined as tenants who were age 70 and older, disabled or had low incomes (incomes at or below 80% of median). Those benefits consisted of (a) a payment to the tenant of up to $3,500 in moving costs, or $500 if the home could not be moved, and (b) the provision of a housing counselor to assist residents with finding either a new place to put their mobile home or a new place to live. The

[33] This is based on my observations at the resource fair, which I attended.

benefits for residents whose incomes were above 50% of median were reduced by a quarter to one half, depending on their income. The payment amount was not adjusted for inflation and had not changed since the ordinance was initially adopted.

In 2005, after the end of the legislative session and as park closures were starting to occur more widely in the state, members of the Intergovernmental Housing Policy Board for Lane County and the cities of Eugene and Springfield considered whether they wanted to address park closures. There were at least 128 parks providing 7,123 spaces in these three jurisdictions; this represented approximately 10% of all the spaces in the state (OHCS, 2007). In a November 7, 2005 memo to the Housing Policy Board, John VanLandingham, the Board chair, reviewed the current patchwork quilt of protections that applied in these three jurisdictions and stated that it was too early to know if the Manufactured Housing Landlord Tenant Coalition would reach agreement and recommend to the 2007 legislature a more comprehensive statewide package of assistance than what was currently available. He suggested that additional protections that could be provided locally included expanding Eugene's ordinance to cover all parks and residents, increasing the payment amount, adopting an ordinance in Springfield, and requiring that landlords include a damages provision within their rental agreement.

In March 2006, the Intergovernmental Housing Policy Board elected to appoint a special committee, the Manufactured Home Parks Committee, to "examine issues related to the conversion and closure of these parks and make policy recommendations for consideration by the City of Eugene, the City of Springfield and Lane County"

(City of Eugene, n.d.). The Committee consisted of two members of the Intergovernmental Housing Policy Board (VanLandingham and a Eugene City Council member Jennifer Solomon), park resident Jerry Harden, park owner Troy Brost (who was also a member of the statewide Manufactured Housing Landlord Tenant Coalition), park manager Mike Whitty (also a Coalition member), and two at-large representatives, one who lived in Lane County and one who lived in Springfield.

The Committee met at eight times from June through December 2006 to craft its recommendations to the Housing Policy Board. During this same period, the Manufactured Housing Landlord Tenant Coalition met to craft statewide legislation. The minutes from the September 6, 2006 Committee meeting report that VanLandingham encouraged fellow members on the local Committee to continue their work, because local efforts helped keep the pressure on the Coalition to reach agreement on a statewide solution (City of Eugene, September 6, 2006).

Although the Committee attempted to reach consensus, Brost provided the sole vote against the final recommendation. In his later testimony before the Eugene City Council, he stated that he voted against it because he believed that it unfairly transferred the cost burden of providing affordable housing onto individual property owners. He said that he believed that affordable housing was a societal issue with a cost that should be assumed by government. He advocated instead for a "four-legged stool" to support the cost of displacement, with local government, state government, the park owner and park residents each assuming a share (Jones, June 25, 2007).

The Intergovernmental Housing Policy Board reviewed the Committee's recommendations in February and March 2007, just as the legislature began to consider statewide legislation. The Board recommended that the three local jurisdictions consider adopting ordinances that provided protections for residents of manufactured home parks when the owner voluntarily closed the park. Specific recommendations were as follows:

- Local ordinances should cover all parks (not just at-risk parks), all owners of manufactured homes (not just special-category tenants), and all voluntary park closures or conversions of parks to subdivisions.
- Residents who could move their home should be entitled to either actual reasonable moving costs available retroactively or a flat amount paid in advance of park closure ($11,000 for a singlewide, $17,000 for a doublewide and $21,000 for a triplewide or larger, adjusted periodically for inflation). The resident should be able to choose which option they get.
- Residents who could not move their home should be entitled to, at their option, either the assessed value of their home plus a flat amount for moving costs established by the local jurisdictions and adjusted for inflation or a flat amount for their home and moving costs as determined by the payment standards established by the federal government for relocation compensation under the Uniform Relocation Act (URA). In this latter option, a singlewide would equate to a two-bedroom home under the URA, a doublewide would be a three-bedroom home and a triplewide or larger would be a four-bedroom home.

- The park owner should pay for these costs, less any compensation provided by state law. In addition, the committee recommended that local jurisdictions consider crediting all or part of these payments against the System Development Charges (SDCs) owed by the park owner on the new project as a way for local government to participate in the cost of relocating park residents.
- Residents of parks in commercial or industrial zones or in flood plains should only receive 50% of the payment above, as these parks had long been anticipated to close to convert to other uses.

The Springfield City Council and the Lane County Board of County Commissioners took no action on these recommendations. The City of Eugene, however, did move forward; it had existing code that Council members wanted to amend. Eugene had 34 manufactured home parks with 3,136 spaces; only 38% of these spaces were located in at-risk parks covered by the existing city code. (Weinman, June 11, 2007). Initially, a work session was scheduled in April 2007 but was postponed until June 11. At the work session, staff presented a draft ordinance that included all of the Board's recommendations except for the SDC credit, which, due to state law, was only available in limited circumstances. Council agreed to accept the city manager's recommendation of moving forward with a public hearing on the proposed changes to city code.

For the public hearing on June 25, staff prepared a report that compared the provisions of the proposed new local ordinance to those of the bill currently under

consideration at the state legislature. In general, the city ordinance provided a higher level of benefits to displaced residents than the statewide bill. Seven people testified at the public hearing, two against the proposed ordinance and five generally in favor. The two who testified against the ordinance were Brost and Chuck Carpenter, the Executive Director of a statewide association of park owners. Those testifying in favor included Peter Ferris (an advocate and park resident from another part of the state), Jerry Harden (the park resident who had participated on the Committee), Barbara and Tom Mitchell (residents of a Eugene park) and Zachary Vishanoff (a Eugene resident who regularly attended council meetings and testified on matters it was considering). With little additional discussion, City Council unanimously approved the ordinance at its July 9, 2007 meeting, with an effective date of August 10, 2007.

The Eugene approach is interesting because it followed a process similar to that followed by the Manufactured Housing Landlord Tenant Coalition. Specifically, representatives from two primary sides of the issue (landlords and tenants) participated in developing a compromise solution that "attempt[ed] to strike a balance between the rights of the property owners and the risks to the homeowners" (Weineman, June 11, 2007). Although the park owner on the Committee ultimately testified against the solution because he believed that it placed too much of the cost burden on park owners, the Committee and Board recommendations did show evidence of trying to distribute the burden by recommending SDC offsets and reducing payments to residents living in at-risk parks. Perhaps one of the reasons that this process mirrored

that of the Coalition was because three of the Committee members also participated in the Coalition. The overlapping membership also enabled knowledge transfer between the two groups. An interesting contrast is the differences that existed between Eugene's political environment and that of the state legislature. Eugene had a long history of progressive/liberal politics that gave park residents more power, whereas the state legislature encompassed elected representatives who had a more diverse range of viewpoints on issues such as property rights and the role of government.

Wilsonville

The City of Eugene pursued amendments to its existing city code dealing with park closures even though no closures were known to be imminent. In contrast, the City of Wilsonville crafted a new ordinance in response to the threat of closure of a particular park whose 340 residents comprised 2.4% of the city's population in 2005 (N. Downs & C. Kaufman, n.d.; U.S. Census Bureau, 2000). When Thunderbird Mobile Club (TMC) residents came forward in June 2005 with news about the possible sale and closure of their park, it spurred not only Representative Krummel into action, but also the City of Wilsonville. According to former Wilsonville Mayor Charlotte Lehan, she first heard about the potential park closure from the city manager, who knew about it because TMC residents had contacted City staff to ask for assistance. City representatives, as well as Krummel and other state and federal elected officials or their representatives, attended the June 30, 2005 meeting organized by park resident Nancy Downs to discuss what government could do to help.

To understand the importance of TMC in Wilsonville, a bit of history is in order. Thunderbird Mobile Club (TMC) opened in 1961 on 60 acres of land in Wilsonville, then an unincorporated place in Clackamas County in the Portland metropolitan area. Roger Ash, an industrial auctioneer, loaned his business partner funds to develop the park and eventually bought him out when the partner was unable to complete it. Initially, the park was very popular. According to Stan Ash, Roger's son, TMC had a waiting list in the 1970s. "It was amazing," he said. "We practically had to beat them off with a stick" (S. Ash, personal communication, September 10, 2009).

Unlike most other parks whose residents are typically not part of the political power structure, the park had been home to one of Wilsonville's former mayors as well as members of the planning commission, the design review board and the parks advisory board. According to Krummel, the park was well known to be a source of local volunteers and an example of civic engagement and community service (Lednicer, March 1, 2007). Some of the park residents were also active in the Wilsonville Senior Center. In 2005, the residents of TMC comprised 2.4% of the city's population (N. Downs & C. Kaufman, n.d.; U.S. Census Bureau, 2000). TMC residents had both political influence and the strength of their numbers on their side.

Initially the park provided housing for families, but in the 1990s it became a park for older adults. According to long-time residents and park managers Roy and Rosemary Acker, the park had a strong community life. "The camaraderie was wonderful," Rosemary said. "It was just like a community. People pretty much knew

everybody, and we had a lot of social activities in the park" (R. Acker, personal communication, August 28, 2009). As the park owner, Roger Ash supported park social life. Twice a year, at Christmas and during the summer, he sponsored very popular catered parties for park residents. Sometimes he provided wine for the monthly potlucks (Lednicer, March 1, 2007). According to Stan Ash, his father was a successful Depression-era business person who was friendly, liked to work with people and conducted business based on the relationships he had established.

It was at one of these social events in winter/spring 2005 that word leaked out that Roger Ash was planning to list the park for sale (R. Acker, personal communication, August 28, 2009). In June 2005, Ash sent a letter to park residents letting them know that he was considering selling the park, and he would not close the park but instead leave that decision up to a potential buyer. The letter also said that Ash would be willing to negotiate with park residents on the same basis that he would any other buyer if they wanted to purchase the park, as was required by state law (P. Lee, personal communication, January 10, 2009).

"The owner had told us many years ago that he would never sell the park. And if he something happened to him, it would still stay a park," Roy Acker said. Anxious about their future, some park residents began moving out.

According to Stan Ash, financial considerations caused his father to decide to close the park. In 2000, the park was nearly full, with residents leasing 268 of 270 spaces; by 2005, the vacancy rate jumped from two spaces (less than 1%) to twenty (7.4%) (Lednicer, March 1, 2007). In addition, Roger Ash had taken out a loan

against the park, making it imperative that it generate sufficient income after operating expenses to meet this new financial obligation (S. Ash, personal communication, September 10, 2009). Court records later showed that Ash had lost money on the park every year since 2003. In 2004 alone, the park had a loss of $663,670 (Lednicer, March 1, 2007). The combination of cash flow problems and the rising value of real estate was enough to tip the balance in favor of closing the park for either sale or redevelopment by the family for a different use, Stan said.

According to Mayor Charlotte Lehan, theWilsonville City Council decided in mid-summer 2005 that Krummel's bill would not provide enough of a safety net for park residents, and it instructed legal counsel to research what further actions might be possible (C. Lehan, personal communication, August 27, 2009). In particular, council members were concerned about the residents who were not able to move their homes, as current state law provided them no financial relief. "There were a lot of …tear-jerking, gut-wrenching accounts of what would happen should the park close, the 'no where to go,' the 'I thought I was going to live out my life here,' just horrible things," Assistant City Attorney Paul Lee said (P. Lee, personal communication, January 19, 2009).

City Council members knew that they were risking a legal challenge from Ash should they decide to pursue a local ordinance (C. Lehan, personal communication, August 27, 2009). She attributed the Council's willingness to pursue a local ordinance anyway to two factors, "a progressive Council comprised of outside-the-box thinkers,"

and its access to legal staff who were bolder than most in their approach to problem solving.

Because of the possibility of a lengthy legal process and the resulting delay in the provision of benefits to residents, Lehan said that city staff worked very closely with residents to ensure that they understood the risks associated with this path. City officials were blunt with residents and told them that litigation and appeals might extend the process so far out into the future that they might not see payments in their lifetimes. Nevertheless, residents gave city staff the go-ahead to proceed because, in addition to seeking their own relief, they also wanted to provide a legally tested local ordinance that could serve as a model for other jurisdictions that wanted to ensure that park residents were compensated for displacement (C. Lehan, personal communication, August 27, 2009).

Lee researched what local ordinances in Oregon and other states provided. At that time, Eugene's ordinance provided benefits only to special category tenants who were displaced from at risk parks, and the benefit levels had not been revisited since they had been adopted in 1989. Ashland had begun to draft an ordinance in early 2000 but abandoned the effort in part because of concern about litigation over Constitutional issues. Lee turned to California and found useful models there (P. Lee, personal communication, January 19, 2009). George Turk, Executive Director of Millennium Housing California, sent the city of Wilsonville a copy of the ordinance from Citrus Heights, California, and this became Wilsonville's model (G. Turk, personal communication, September 11, 2009).

The Wilsonville ordinance, adopted in the fall of 2005, required that park owners intending to sell or close their park apply for a local mobile home park closure permit, prepare a closure impact report and submit a relocation plan for park residents. In the relocation plan, the owner must provide for paying tenants "all reasonable relocation costs to a comparable mobile home park space within 100 miles" (City of Wilsonville, Ordinance No. 600 showing changes as per Ordinance No. 603, 2005). The owner was required to purchase homes that could not be relocated at a price equal to their real market value per the most recent property tax assessments. Park owners could apply to City Council for relief from meeting the full requirements of the ordinance on the grounds that the requirements were unduly oppressive. Finally, the ordinance enabled park residents and the park owner to negotiate and reach an alternative solution to addressing the impacts of park closure that was satisfactory to both parties. To grant the closure permit, City Council was required to conduct a public hearing on the application and certify that the relocation plan conformed to the requirements of the ordinance. This ordinance applied to TMC and the other three parks within city limits. Roger Ash's response to the ordinance was to file suit on the grounds that the law amounted to an unconstitutional taking of private property and improperly went beyond the provisions of state landlord-tenant law (Lednicer, August 22, 2006).

Meanwhile, Roger Ash tried to sell his property, but deals kept falling apart. The property was initially listed for sale for $49.5 million by Grubb & Ellis, a local commercial real estate company, in 2005 (Lednicer, March 1, 2007). According to

Lehan, this was a much higher price than other comparable property in the area (C. Lehan, personal communication, August 27, 2009). Stan Ash agreed, stating that he believed that a more reasonable price would have been $30 million to $32 million, based on the fact that unimproved property was selling for $300,000 to $350,000 per acre in the area (S. Ash, personal communication, September 7, 2009).

The first offer that Roger Ash received was for $40 million, and he accepted it. But this local developer was not able to perform, and the deal fell apart by spring 2006. According to Stan Ash, the developer eventually ended up filing for bankruptcy (S. Ash, personal communication, September 7, 2009).

Peggy Watters, Wilsonville's Community Services Director, contacted a nonprofit organization based in California that purchased manufactured home parks to maintain them as affordable home parks in perpetuity (G. Turk, personal communication, September 11, 2009). Instead of fostering direct resident ownership, Millennium Housing pursued a strategy of purchasing, rehabilitating and holding parks, an option that its leadership viewed as being more viable. Since its inception in 1991, Millennium Housing had used a variety of funding sources, including tax-exempt revenue bonds and grants and loans from redevelopment authorities, to acquire and preserve 16 parks in California (Milleunim, n.d.). The hope was that Millennium Housing could do the same for TMC.

Although Millennium Housing initiated discussions with Ash, the dialogue fell apart over the sales price. Rumors circulated among TMC residents that Millennium had offered $25 million for the park. Although Millennium Housing President George

Turk was not able to confirm an offer price due to a confidentiality agreement he signed with Roger Ash, he did state that he sent Roger Ash's attorney a memo indicating that Millennium could not meet the asking price, which Stan recalled as being $39 million (S. Ash, personal communication, September 7, 2009; G. Turk, personal communication, September 11, 2009). Although Turk said his memo indicated that he would follow up with a formal offer in a few days, he said Ash's attorney responded by making it clear that the asking price was not negotiable. In addition, Turk indicated that the increasing vacancy rate resulting from the fact that Ash had told residents that he was planning to sell the park was also a factor in his decision to not pursue a deal further. Thus, it is not clear that a formal offer was ever made. Stan Ash confirmed that his family never saw a formal written offer for $25 million from Millennium Housing. Ironically, he said that he believed that his father would have accepted it had he received it.

Two additional purchase offers then came in around the same time, but neither bore fruit. The first was from a high-profile local developer who wanted to co-develop the park with Roger Ash. This offer was rejected because Roger, who was 91 years old, wanted to cash out by selling the park instead of continuing to be involved with it. Another developer offered $25 million for the park, but a variety of issues—the softening real estate market, the availability of financing and city expectations for the site—resulted in this offer being withdrawn (S. Ash, personal communication, September 7, 2009).

Rather than immediately going to trial over Ash's lawsuit, the City of Wilsonville, TMC residents (who by that time had formed an organization called Save our Seniors, otherwise know as SOS) and Roger Ash entered into a formal mediation process in July 2006 to see if it would be possible to reach a negotiated settlement (Lednicer, August 26, 2006). According to Stan Ash, the parties did reach agreement in principle. He said that the negotiated agreement called for relocation payments to tenants and the dedication of three acres of the new project for the construction of replacement affordable housing in return for a favorable review by the City with respect to allowing Ash to increase the density of the site. However, the attorney for SOS wanted to put a lien against the property to ensure that residents would get paid when they moved out. The lien likely would have hindered the developer's ability to obtain financing for the project, Ash said. Furthermore, he said that his father felt personally insulted by this requirement, and in August 2006 Roger Ash decided to go to court to challenge Wilsonville's ordinance (S. Ash, personal communication, September 7, 2009).

After a few delays, the case went to trial in Clackamas County Circuit Court in November 2006. Roger Ash's attorney Bill Dickas argued that the city was attempting to solve a public problem—the lack of affordable housing—at the expense of one mobile home park owner, his client. Mayor Lehan countered by saying that the public sector subsidized the long-term cost of providing affordable housing, and that all that the city wanted was for Roger Ash to assume responsibility for compensating residents for the initial costs associated with their displacement (Jagernauth,

November 17, 2006). Circuit Court Judge Eve L. Miller found that Wilsonville's ordinance unlawfully infringed on a manufactured home park owner's right to close a park with a 365-day notice, a right provided by the existing state statute regulating park closures (ORS 90.630). She found that state statute preempted the city's ordinances (*Thunderbird v. City of Wilsonville*). The City of Wilsonville appealed the Circuit Court decision to the Court of Appeals, where oral arguments were not heard until 2009.

On February 14, 2007, Roger Ash sent out the formal notices to the remaining residents that he was closing TMC and that they had 365 days in which to vacate the park. As of October 2009, the homes are gone, the site of the former TMC stands vacant, no new offers to purchase the site have come in, the Ash family faces financial challenges (S. Ash, personal communication, September 7, 2009), and the Court of Appeals has not ruled on the Wilsonville ordinance.

Although it had no prior experience in creating subsidized housing, the city of Wilsonville partnered with Northwest Housing Alternatives, a local community development corporation with an extensive history of creating and managing affordable housing, to develop a plan for new affordable senior housing. They broke ground in the fall of 2009 for a new 84-unit apartment building called Creekside Woods on land adjacent to the city's community/senior center. The housing is intended to serve as "a new home for many seniors displaced by the closure of Thunderbird Mobile Club," the city's October 2009 newsletter reported ("Work Begins on Creekside Woods, 2009, p. 7).

Wilsonville's effort is important because it broke new ground in Oregon in terms of the level of assistance that it provided to park residents who could not move their homes. When Wilsonville adopted its ordinance in fall 2005, the only local law known to be on the books in the state was Eugene's, which, at that time, covered only special category tenants living in at-risk parks and only provided tenants with a housing counselor and a maximum benefit of $500 to $3,500. The idea of paying residents real market value for their homes was new to the state.

The Wilsonville ordinance provided a model for other jurisdictions. Oregon City based its ordinance on Wilsonville's, and the City of Bend (discussed below) adapted the Wilsonville approach to fit its local context in central Oregon. Wilsonville's lawsuit became the test case for this kind of local ordinance and was followed carefully by other jurisdictions who wanted to see if it would withstand a court challenge (Lednicer, August 22, 2006).

Wilsonville provided a training ground for producing savvy advocates. *Oregonian* reporter Lisa Lednicer called Wilsonville and TMC "the epicenter of affordable housing activism in the Portland suburbs" (Lednicer, March 1, 2007). Lednicer credited the activism of TMC residents with "spark[ing] a statewide movement to preserve affordable housing for senior citizens." Wilsonville Mayor Charlotte Lehan became a vocal and committed advocate for park residents, personally producing a DVD that featured before and after photos of TMC. Furthermore, Lehan argued that local jurisdictions were in the best position to craft solutions that addressed the particular conditions present in any specific location

(written statement of C. Lehan submitted to House Consumer Protection Committee, April 18, 2007).

Bend

As one of the fastest growing places in the state, the city of Bend in central Oregon was significantly impacted by park closures. Owners of eight parks with Bend addresses issued closure notices in 2005 through 2006, impacting 316 spaces (OHCS, 2007). The city responded by developing an innovative approach that built on Wilsonville's ordinance and added new elements specifically crafted to address local conditions in Bend.

In a May 15 City Council Issue Summary, City of Bend Affordable Housing Manager Jim Long recommended a comprehensive response to park closures that consisted of the following four elements:

- Adopt a closure ordinance modeled on that of Wilsonville to require that park owners provide financial and relocation assistance to displaced park residents.
- As funding becomes available from the state, support the acquisition of existing parks by non-profit housing providers, the housing authority or a co-op of park residents.
- Develop a Manufactured Housing Park Zoning Overlay District to protect existing parks. To close a park in the District, the developer would have to petition to remove the overlay. This action would require the developer to create a conversion

impact report and park closure plan that would be subject to a public review process and approval by Council.

- Develop new publicly owned parks as replacement sites for houses that are displaced when parks close. The pros and cons of five sites currently under public ownership were discussed.

The Bend Council responded quickly, requesting that a closure ordinance similar to Wilsonville's be presented for consideration at a full Council meeting two days later, on May 17. After hearing public testimony, including that of representatives from a new group named Tenants United for Fairness (TUFF), the Council voted to adopt the Wilsonville ordinance to provide immediate help in the short-term while simultaneously establishing a Mobile Home Task Force of stakeholders to include park residents and park owners to study the problem further and provide recommendations on how to mitigate the harm caused by park closures.

At the community level, park residents and their advocates rallied around the closure issue. A local nonprofit organization, Central Oregon Jobs with Justice, helped organize TUFF (Central Oregon Jobs with Justice, n.d.). TUFF representatives participated in the Mobile Home Task Force and mobilized support for the resulting ordinance.

The Task Force recommended an ordinance which provided four options to park owners wanting to close their parks:

- Pay displaced homeowners' reasonable relocation costs for homes that could be moved. For homes that could not be moved, buy them at the real market as

established in the most recent city tax roll. If either party appeals that value, a specified appraisal process would be used to establish the value. This option is similar to that adopted by Wilsonville.

- Enter into a sales agreement with a tenant co-operative.
- Develop another solution that was mutually acceptable to the park owner and homeowners.
- Enter into a development agreement with the City of Bend specifying that the park owner provide onsite replacement housing for park residents in exchange for the city granting a density bonus that would permit the park owner to build more units than normally permitted by Bend zoning code. In general, the developer had to provide one affordable housing unit for each manufactured home that could not be moved to another site. The ordinance utilized elements of HUD guidelines to establish affordability standards and specified that the replacement housing had to be affordable for at least 20 years.

With minor revisions, City Council adopted the ordinance on January 17, 2007.

Bend's approach of providing a density bonus represented an important new innovation. This option simultaneously addressed the needs of displaced residents, sheltered the supply of affordable housing from diminution by park closures, and potentially upgraded housing quality by replacing older mobile homes with new housing. It potentially provided a win-win solution to developers by offering the density bonus in exchange for replacement housing. This solution was uniquely suited to Bend's comprehensive plan and zoning ordinance, which supported density

levels lower than some other urban areas of the state. This approach likely would not have been effective in jurisdictions where developers saw little need for density bonuses.

Conclusion

The efforts of cities to provide remedies for park residents had a profound effect on the 2007 legislative session. One implication of these local efforts was the development of new passionate, informed advocates, both elected officials and park residents. Although a few were involved with the Coalition's efforts to develop statewide legislation, most were not. Having won a victory at the local level, several park tenants from these three jurisdictions went on to advocate and testify at the state level. As they shared information among themselves, they began to form a network. Elected officials from these three jurisdictions plus Oregon City found common ground on this issue and moved park closures toward the top of their lists of statewide concerns in which they participated during the 2007 legislative session. They added their voice and political weight to that of park residents.

A second consequence of this local activism was to put pressure on the Coalition to develop a statewide solution. In particular, local activism helped to keep the park owners within the Coalition at the bargaining table because they wanted a statewide ordinance that preempted local laws. Looking back at the 2007 session, Mayor Lehan put it more forcefully, as follows:

> The only reason that the Landlord Tenant Coalition got its act together…is because Wilsonville passed that ordinance, and then so did others. They were

> coming fast and furious—Oregon City, Bend, Beaverton was looking at theirs, Sherwood was looking at theirs. If they didn't do something right away, all these cities were going to pass ordinances, and what were they going to do about that? They went down there for one reason, and that was to preempt local government. (C. Lehan, personal communication, August 27, 2009)

Although it is not likely that preemption was the only thing that kept landlords at the bargaining table, local activism was certainly a factor in the dynamics of the negotiations that occurred within the Coalition. Most Coalition meetings began with a report about what was occurring in terms of park closures and local ordinances throughout the state. Having set the stage, it is to the Coalition's efforts to develop a legislative proposal that this analysis now turns.

CHAPTER 10. THE DEVELOPMENT OF LEGISLATIVE PROPOSALS

This chapter describes how key actors framed legislative initiatives for submission in the 2007 session. The initiatives fall into two principal categories, as follows:

- Homeowner Assistance: Proposals aimed at softening the impact of park closures on those who were displaced, and
- Park Preservation: Proposals aimed at providing a way for parks to remain open and become a stable form of permanent housing.

Appendix 10-1 provides a comprehensive summary of the manufactured home park closure legislation filed during the 2007 session. I focus my analysis in this chapter on development of the primary bills that the legislature amended and adopted, HB 2735, the Manufactured Housing Landlord Tenant Coalition bill, which addressed homeowner assistance, and HB 2096, the Oregon Housing and Community Services bill, which provided a vehicle for park preservation through resident purchases.

Previous chapters have described the history of landlord tenant law, the evolution of the role of manufactured home parks within Oregon's land use system, the political environment leading up to the 2007 session, and local government responses to park closures in various cities in the state. All of these factors and more influenced both the solutions proposed and how the legislature responded. But the two categories of legislative packages diverged in terms of how they were developed. The legislative package related to Homeowner Assistance followed the course of path dependency—the concept that prior actors and their existing institutional habits of

mind (Allison & Zelikow, 1999), including preferred processes, approaches to problem formulation and solutions, framed how future legislative packages would be developed. Importation of models from other places best describes how Park Preservation legislation was developed by OHCS and affordable housing development interests.

This chapter deals with the framing of the key legislative proposals by private parties and a state agency. Chapter 11 examines what happened to these proposals when they reached the public arena and were considered by the state legislature. I focus first on the Coalition's legislative initiative to provide assistance to manufactured homeowners displaced by park closures.

The Evolution of HB 2735: The Manufactured Housing Landlord Tenant Coalition Bill for Homeowner Assistance

The Manufactured Housing Landlord Tenant Coalition made park closures the central focus of its legislative initiative for 2007. The Coalition's primary piece of the solution was the development of a proposal intended to soften the impact of park closures on residents forced to move.

In most prior years, the development of the Coalition's package had taken the form of negotiations between landlord and tenant representatives. The Coalition's preparation for the 2007 session was no different in this regard. The framework that best described the Coalition's approach to policy development was a legal one: the negotiation of an agreement between two parties who generally wanted different

things. The negotiation was a zero-sum game of allocating finite resources; what tenants wanted generally required concessions by landlords, and vice versa. Yet both parties realized that, by making concessions in this framework of tradeoffs, they were promoting the continuity of manufactured home park living as a viable and desirable housing option, which benefited both landlords and tenants. Each party worked to obtain what they wanted the most and concede what mattered to them the least. As part of the negotiation process, each side came to understand the interests and concerns of the other better. Ideally, the end result was a compromise with which both sides could live.

John VanLandingham, the facilitator of the Coalition, said that an important dynamic among Coalition members from the inception of the group was the concern that participants might be out-flanked and criticized by the more radical members of their own group as being too ready to give into the demands of the other side. He viewed the Coalition as being composed of more "centrist" landlords and tenants who realized that landlords and tenants shared some mutual interests. The more centrist landlords were at risk of being denounced by the more radical landlords as being too soft on tenants if they were perceived as being too responsive to tenant demands. Similarly, the more centrist tenants were at risk of being denounced by the more radical tenants as "being in bed with landlords" if they were perceived as not holding their ground on tenant demands. As the facilitator of the Coalition over many years, VanLandingham said that he viewed this dynamic as being one of the principal ones

that affected the bargaining that occurred within the Coalition (John VanLandingham, personal communication, June 17, 2009).

Three factors are particularly important in determining the outcomes of a negotiated agreement: (a) who has standing to participate, (b) the balance of power between the parties, and (c) the boundaries of what can (and cannot) be negotiated. In the case of the Coalition, the rules about who could belong or participate were somewhat fuzzy. The principal participants (as defined by the rosters of active members shown in Appendix 10-2) were landlord and tenant representatives augmented by park managers, manufacturers and, on occasion, lenders. David Kaufman from OHCS's Manufactured Dwelling Park Community Relations Program attended as an observer and resource. Through the courtesy of VanLandingham, I attended nine of the ten meetings of the Coalition that occurred from October 2006 through March 2007 as a silent observer.

The group was not closed to new participants, but, as the facilitator, VanLandingham appeared to play an informal role in managing participation. Although the Coalition had a history dating to 1997, not all of that history contributed toward easygoing relationships among current members. Reaching an agreement on a legislative package with these existing members was challenging; adding new members could have been even more difficult. Nevertheless, the Coalition did open up to new participants who asked to attend, and relevant e-mails about the work of the Coalition were circulated to a broad list of interested parties. VanLandingham called himself the "electronic secretary" for the group and maintained the list of people who

received notices about meetings. "The only admission criteria were some role in manufactured home parks/law and no legislators," he said (John VanLandingham, personal communication, June 17, 2007). The meeting was open to others who asked to attend, including myself as a researcher. During the meetings I attended, a park owner from rural Oregon participated in two meetings to express his strong objection to payments to displaced tenants on the grounds that they put an extreme burden on mom-and-pop park owners who operated on thin profit margins in rural areas. Dissenting tenants also attended a few meetings, including Peter Ferris and Fernando Gapasin, who were leaders of a group that formed around the time of the 2007 session, Oregon Manufactured Homeowners United (OMHU). The only person who said privately that she was not allowed to attend was Dawn Phillips, Representative Krummel's Chief of Staff. Legislators and their staff were not allowed to attend because of the concern that participants might posture in their presence, thus hindering negotiations (John VanLandingham, personal communication, June 17, 2009).

To summarize, the main participants in the negotiations were landlord representatives and tenant representatives. The Coalition was not a formal group and did not have structured membership rules. Past practice (who participated in prior years) appeared to be the primary determinant of membership. The Coalition was permeable and did allow new participants and observers, if they sought to be involved. Although Coalition members consulted with other groups as needed (such as representatives from cities with local park closure ordinances and staff from the

League of Oregon Cities), I did not witness efforts to recruit new members. For the 2007 session, it was business as usual for the Coalition.

The second factor to consider in a negotiated agreement is the distribution of power between the two main parties. Two dimensions of power are relevant: structural power and individual power. The structural dimensions of power refer to the hand that the participants were dealt by existing circumstances. Individual power refers to the leverage and influence exerted by individuals or groups of individuals involved in a negotiation.

In the U.S. system of property ownership, the land owner is assumed to have all the rights vested in ownership unless abridged by law. Laws at the national, state and local level provide rules about how owners can use or dispose of their property. For example, at the national level Fair Housing law describes the terms by which landlords can advertise and lease real property to tenants. At the state level, landlord tenant laws describe landlords' obligations to tenants and vice versa. State torts law provides for the enforceability of leases, a type of contract. At the local level, zoning codes affect how an owner can use his or her property, and maintenance codes set minimum conditions of habitability.

In the case of negotiations between landlord and tenant representatives in the Coalition, the structural dimensions of power favored the landlords. The U.S. system of ownership gave them the preponderance of the power and the upper hand in the negotiations. By necessity, tenant representatives negotiated from the weaker position of asking for concessions that the law did not then require.

Two professional associations, Manufactured Housing Communities of Oregon (MHCO, the principal group) and Oregon Park Owners Association (OPOA, a separate landlord group that had splintered off from MHCO), represented landlords in the Coalition. In addition, two representatives from the site-built multifamily housing sector sometimes attended, Morton Cabell of the Oregon Rental Housing Association and Emily Cedarleaf of the Multifamily Housing Council. A total of eight people representing MHCO and OPOA attended most (if not all) meetings, including three former Republican state legislators turned lobbyists or industry association directors, one of whom had been Speaker of the House. Collectively, the landlord representatives had substantial political acumen and knowledge of the legislative process. They did not, however, act as a political block. Some items were of more importance to OPOA than MHCO, and vice versa. Occasionally, the two landlord groups had different bottom lines.

The tenant interests were represented by Oregon State Tenant Association/Manufactured Home Owners of Oregon (OSTA) and representatives of Legal Aid-type organizations. At a typical meeting, two to four tenant representatives were present, including VanLandingham and Pat Schwoch, who was legislative director of OSTA and a park resident. Often at least one Legal Aid association representative was present and often a second park resident (either Pat's husband Fred or Myrna Martinez).

Usually the manufacturers, represented by Don Miner of the Oregon Manufactured Housing Association (OMHA), found their interests in alignment with

those of tenants. However, unlike tenants, who typically found a sympathetic audience among Democratic legislators, OMHA's legislative alliances were primarily with Republicans. The park managers aligned themselves either with tenants or with landlords, depending on the issue. Greg Harmon of Commonwealth Property Management, who served on the board of the principal landlord group, Manufactured Housing Communities of Oregon (MHCO), typically sided with landlord representatives. On the other hand, Mike Whitty, the resident manager of a park in Eugene, often sided with tenant representatives. Bryan Peck, a manufactured home lender, had interests that were different from those of either landlords or tenants with respect to park closures.

Although the tenant side was smaller in its size, the discussions during the meetings left little question that VanLandingham and Schwoch commanded the respect of landlord interests. VanLandingham was in an unusual position, in that he both facilitated the meetings and also acted as an advocate for tenants, a very difficult dual role to fulfill. Nevertheless, no one objected, and it appeared that the landlord representatives were comfortable with this arrangement. He (along with Don Miner) brought a detailed knowledge of state law to the group. As facilitator, he set the meeting agendas and moderated meetings. He did not appear to use his management of the meeting agendas to neglect items of interest to landlords or fill the agenda with tenant items. Instead, he appeared to create agendas designed to move the negotiation process forward in a logical way, considering a wide array of options at each step. He

ensured that each side had a chance to present its views and that no one spokesperson dominated.

Structural power favored the landlords. With respect to the personal dimension of power, it is impossible to determine whether the two sides were equally matched. It is possible to say that an imbalance was not immediately apparent. But because they were bargaining from the position of asking for concessions, tenant interests were in the weaker position.

The third factor to consider is the scope of what could be negotiated as part of the agreement. By October 2006, both sides had concluded that the following items should be considered in the development of a Coalition proposal to address park closures:

- Closure notice: how much time the landlord must provide tenants prior to closing a park.
- Fixed-term tenancies: whether landlords should be required to buy out existing leases before closing a park. State law allowed landlords to cancel leases without compensation if they provided the required notice to tenants.
- Compensation to displaced tenants:
    - Size and nature of compensation (including possible continuation of the sunsetting tax credit from the 2005 session)
    - Distribution of burden of compensation: who pays and how much
    - Who is entitled to compensation
    - Timing of compensation payment

    - Whether a relocation specialist should be employed to help homeowners, and who pays for this
- Pre-emption of local ordinances
- Notice of sale to resident associations and requirements to negotiate (J. VanLandingham, personal communication, October 12, 2008).

Certain items were not on the table for consideration. In general, these were items that most directly challenged the right of property owners to dispose of their property as they chose. Neither a moratorium nor an outright ban was taken up by the group. Even the Coalition's tenant representatives believed that, given the heightened sensitivity to property rights due to Measure 37, anything that blocked an owner's ability to dispose of his property would either not be approved by the legislature or, if it were, be subject to legal challenges that would likely render it ineffective for a long time. Perhaps this caution about provoking a Measure 37 claim, which addressed a legitimate concern, made the tenant side more tentative in its negotiations than it would have been if the environment had been different.

The Coalition hammered out its package over the course of more than twenty three-hour-long meetings from August 2005 through March 2007[34] (Written statement of J. VanLandingham, March 2, 2007, submitted the House Consumer Protection Committee). Existing Oregon law was its starting point. The Coalition looked to laws in other states and ordinances under consideration by Oregon cities (primarily Wilsonville) and counties as potential models for approaches to adopt or avoid.

[34] I observed ten meetings from October 12, 2006 through March 2007.

Ultimately, however, Coalition members primarily relied on concepts and principles that arose during their meetings to develop the 2007 package. The chart below compares Oregon law pre-2007 to the legislative package proposed by the Coalition and provides a brief overview of the deliberation between landlord and tenant representatives[35].

Table 10-1 **Primary Homeowner Assistance Provisions of HB 2735** **As Proposed by Manufactured Housing Landlord Tenant Coalition**	
Existing Oregon Legislation 12/31/2006	**Coalition Proposal 2007**
Tenant Notice of Closure: Landlords can choose one of two options: • 365 days and no payment to tenants • 180 days and $3,500 payment per home. In practice, landlords used the first option.	Tenant Notice of Closure: 365 days. This was the first element around which the Coalition reached agreement. Since landlords were not using the 180-day option, they did not object to eliminating it. (Initially the tenants offered a shorter notice period, but this concession was not important enough to landlords to put it in place. Most tenants try to move quickly once they receive a closure notice.)
Fixed Term Tenancies: Landlords can close parks during a fixed term tenancy (such as a five-year lease) without compensating tenants for remaining term. Tenants can terminate a fixed term tenancy with a 30-day notice without cause.	Fixed-Term Tenancies: No change. The Coalition did not take up this potentially contentious issue until two meetings before VanLandingham submitted the concepts to Legislative Counsel for drafting as a bill. With low likelihood of reaching an agreement in such a short time frame, both sides agreed to table this item (important to VanLandingham in particular) until a later legislative session.
Compensation to Tenants: • By landlords: Since none chose the 180 option, the required payment was $0 with a 365-day notice.	Compensation to Tenants: • By landlords: Coalition recommended payments of $5,000 for singlewide, $7,000 for doublewide,

[35] I do not provide the names of participants in the descriptions of what occurred at Coalition meetings because, as an observer, I committed to confidentiality of sources. Instead, I identify participants by their general affiliation, such as "a tenant representative."

• By the state: Tax credit of up to $10,000 is provided to cover qualified moving costs for households with an income of $60,000 per year or less. Tax credit was reimbursable for low-income residents (200% of poverty level). Provision in effect January 1, 2006 through December 31, 2007 only (sunset in 2007).	$9,000 for triplewide. The payment must be made in two installments; half paid before moving to help provide cash for relocation costs and half paid after tenant has moved. If tenant abandons home, landlord must pay disposal costs. • By the state: Coalition recommended a flat $10,000 tax credit per household, regardless of whether they moved the home or not. The tax credit was to be universal (i.e., not means-tested). Tax credit was to be reimbursable for low income residents. The sunset was eliminated.
<u>Pre-Emption of Local Ordinances:</u> Not addressed in existing state law. However, it should be noted that the Clackamas County Circuit Court, in the Thunderbird vs. Wilsonville case, ruled in December 2006 that the state law preempted Wilsonville's ordinance. This ruling is under appeal.	<u>Pre-Emption of Local Ordinances:</u> • All local government ordinances regulating park closures were to be pre-empted, except the application of existing local ordinances to parks for which a closure notice was given prior to the effective date of the new state law. • Preemption did not affect litigation over local ordinances if the litigation was underway prior to the effective date of the new state law.
<u>Notice of Sale to Tenant Associations and Negotiation Requirements:</u> • Park owner must notify tenant association within 10 days of either receiving a bona fide purchase offer which he or she intends to consider or listing the property for sale. • If the tenant association is interested in negotiating to purchase the park, its representative must notify the park owner within 14 days of the delivery of the owner's notice. • The owner must "negotiate in good faith" with the association as it would any bona fide buyer.	<u>Notice of Sale to Tenant Associations and Negotiation Requirements:</u> No change. Although tenant representatives wanted to discuss this item, they found that the subject was complex and contentious, and there was not sufficient time to reach a compromise prior to submitting the package to the Legislature's Legal Counsel for drafting a bill.
	<u>New Elements</u>: • The Coalition recommended a five-

	year freeze on the assessed value of a park that is closing, beginning with the closure date. This was to result in reducing the local real property taxes to be paid by landlords. • Landlords were prohibited from increasing rent during the closure period.

What kept each side at the table session after session of the legislature was the belief that they had more to gain in the long term by working together to craft a solution than by fighting it out at the legislature. Although landlords would likely make headway in years when the Republicans dominated the legislature, their fortunes would be reversed when the Democrats dominated. And the converse was the case for the tenants. If the two sides fought it out at the legislature rather than working out a compromise ahead of time, they risked a strong likelihood that no bill would be adopted dealing with landlord tenant issues that session.

For the 2007 session, what tenant representatives most wanted was as comprehensive a package of assistance for displaced homeowners as possible. While landlord representatives were willing to consider some level of payment to tenants, what they wanted in return was pre-emption of local ordinances. They wanted to negotiate a solution once, at the state level, and to avoid new local ordinances or the need to initiate more lawsuits to challenge adopted local ordinances. They also wanted to retain the right to dispose of their property when, how and to whom they wanted. Within the context of the ongoing dynamic that was driving Coalition deliberations and the bargaining positions of each side regarding solutions to park

closures, two catch phrases arose which appeared to bring the sides together and helped yield a compromise package.

The first catch phrase was a metaphor, "the four legged stool." MHCO representatives introduced it at the onset of Coalition deliberations in October. The four-legged stool was shorthand for the idea that four groups should share in the costs and burdens of tenant displacement: park owners, the state (through foregone income tax revenue from the tax credit), local government (through foregone property tax revenue through the assessed value freeze), and the tenants themselves. According to MHCO representatives, the state should pay because urban growth boundaries drove up the cost of land and was the engine behind park sales and closures and also because the harm that resulted to tenants from park closures was a societal problem that should be addressed by state government. Local governments should pay because they would benefit from development fees and increased property tax revenue that resulted from a change in use.

MHCO argued that tenants should bear part of the burden because they had prior warning through a required disclosure statement in leases that parks can close and also because park rents were relatively affordable because the tenants do not bear the cost and risk of buying and developing the land on which their homes set. MHCO representatives agreed to landlord payments because they were concerned that, if such payments were not offered, a Democratically-controlled legislature would extract payments from them that were even higher than the ones that they offered. They recognized that some park owners made a huge profit when they closed their parks for

redevelopment, and that this fact was not likely to go unnoticed by legislators. By proactively putting forth a proposal with specific dollar amounts, MHCO representatives believed that they would be better able to control the size of their contribution (Chuck Carpenter, personal communication, December 14, 2007).

Tenant representatives said that they entered the negotiation with the understanding that it was unlikely that landlords would fully compensate them for the loss of a place to locate their home. They wanted Krummel's $10,000 tax credit to continue, but also to be universal—available to all displaced households regardless their ability to move their home and regardless of income, as some tenants had moderate incomes (instead of low incomes) but still suffered significant losses when their parks closed (J. VanLandingham, personal communication, December 7, 2006). Initially, they resisted the idea that local governments should be part of the deal because they were concerned that this provision could prove fatal due to potential local government resistance once the bill reached the legislature.

The second catch phrase arose during a discussion at one of the later meetings, as the group was finalizing the details of the legislative package. In general, landlord and tenant representatives had agreed that they did not want the package to encourage the abandonment of homes. Although the state tax credit was a step toward encouraging abandonment, tenant representatives had agreed upon it in part because the most vulnerable displaced tenants were those with the fewest resources, who tended to be those with homes too old or in too poor repair to move or with insufficient up-front cash to cover moving expenses. With agreement on this

provision, they wanted to ensure that the rest of the solution did not further encourage home abandonment. The lender representative was particularly concerned about this issue, as lenders did not want to chase down scattered homeowners or be swamped with repossessed homes in a glutted market.

In this context, one landlord representative said that the Coalition package should be about "moving people, not homes." This struck a chord with tenants and landlords alike. In effect, landlord representatives said that they wanted to focus their contribution on alleviating the hardship experienced by their tenants as a result of their exercising their legal right to close the park. This principle turned the discussion from the abstractions of property rights and opened the door to both sides acknowledging the pain caused by park closures. Indirectly, this statement acknowledged the pain and suffering caused by park closures, a condition extensively portrayed in the media. The tenant representatives, who occasionally told stories about individual displacees at meetings, were clearly moved, as were the landlord representatives. Nevertheless, landlord representatives also acknowledged the practical side of this principle. One said that legislators were more likely to be moved to address the needs of elderly displaced homeowners from their districts than to protect the interests of a bank or consumer loan company. The phrase "we're moving people, not homes" was a principle that drew the two sides together around solving a painful problem and also positioned their solution in a way that was meaningful to the legislators.

A turning point in the discussions took place at the November meeting, held days after the election that resulted in a Democratic majority of both houses of the

state legislature. Landlord representatives were noticeably subdued at the beginning of that meeting. One of the tenant representatives happened to wear a leopard-print jacket to the meeting. With gallows humor, a landlord representative remarked about her coat and asked her if she were wearing it to celebrate the election outcome. Everyone laughed, the ice broken. He then asked the tenants what their intentions were, now that the Democrats were in charge of both the executive branch and the legislative branch. He wanted to know whether they would stay at the table and negotiate in good faith. In particular, he wanted to know whether tenants were serious about considering pre-emption and standing behind a solution that included it. A tenant representative replied that he believed a statewide solution was important even if individual local solutions were more favorable to tenants because ultimately it would help more displaced homeowners. It was a moment of both sides putting their cards on the table (instead of posturing), and the tone of the meetings was different after that.

With the elections behind them and time running out before the opening session of the legislature, Coalition members reached the general terms of a compromise at the December 7 meeting. The MHCO board planned to meet the following week, and its representatives pushed the discussion toward a consideration of specifics such as payment amounts instead of more dialogue about general principles. At prior meetings, Coalition members had generated no fewer than seven alternative answers to the question of who pays. They had also identified seven other dimensions of the solution that needed to be addressed, including payment amount,

when the payments should occur, and how to deal with home lien holders (J. VanLandingham, personal communication, November 9, 2006.)

After preliminary discussion, both sides (landlords and tenants) caucused independently and then reconvened to put their recommendations on the table. This happened four times before they reached agreement. The sticking points were the dollar amount of landlord payments, whether tenants should bear the cost of moving their homes, whether to have two payment levels (singlewides and doublewides) or three (the first two plus triplewides and larger), and whether to include a local property tax freeze. After the fourth round, they reached agreement on all the issues and left details concerning the nature of the preemption of local ordinances to be decided at a subsequent meeting. Because litigation of the Wilsonville ordinance had resulted in extraordinarily high attorney fees that probably would be paid by whichever side lost the final appeal, Coalition members ultimately decided to honor the City's request to not interfere with the existing lawsuit. The Coalition package grandfathered the application of existing local ordinances to parks for which a closure notice was given prior to the effective date of the new state law. The package preempted the adoption of any new local ordinances and also the application of existing local ordinances to closures for which notice was given on or after the effective date of the new state law.

The intense negotiations and the achievement of an agreement resulted in a higher level of trust and solidarity among members than had been apparent previously. Paul Brewer, a director of the Oregon Park Owners Alliance and a member of the Coalition, described the change as follows in written testimony to the legislature:

> I have seen a dramatic shift in how [Coalition] members tackle problems confronting our industry. The active members representing park residents, park landlords, manufacturers, lenders and the Oregon Housing and Community Services have learned to respect and more importantly *listen* to each others' ideas. (P. Brewer, personal communication, April 2, 2007)

The new camaraderie at meetings was a clear indication of this shift, as well as being an expression of relief at having reached an agreement and pulled back from the brink of an all-out war in the legislature. As promised, they stood together for their package. They also monitored and reported on other efforts to develop legislative solutions. Instead of being the only group to propose legislation dealing with a somewhat obscure part of state law, they found that individual legislators, a newly forming statewide tenant group, cities, county assessors, and affordable housing advocates were all interested in the issue and, in some cases, developing their own legislative solutions. Their resolve to act together to back their package as written was to be put to the test during the 2007 session.

The Evolution of the Park Preservation Bills: HB 2096 and the Finance Bills (HB 3551 & SB 984)

Oregon state law had both policy and tools in place to support park purchases prior to the 2007 session, but only one resident purchase had occurred. The existing legislation was adopted in the wake of an earlier round of park closures discussed in Chapter 7. As indicated in Table 10-2 below, the existing law required a park owner to notify a tenants' association or facility purchase association within ten days of either the listing of a park for sale or the receipt of a bona fide purchase offer. A

facility purchase association was defined as a "group of three or more tenants who reside in a facility [a manufactured home park with spaces for at least four homes] and have organized for the purpose of eventual purchase of the facility" (ORS 90.100 (12)). The tenant group or a nonprofit acting in its behalf had 14 days to notify the landlord that it was interested in making an offer for the park. The landlord was then required to negotiate in good faith with the group as with any other potential buyer.

State law had imposed a one-time $5.00 per home fee on all manufactured home owners to capitalize a fund to help finance resident purchases. The one time that the Park Purchase Account was used, it served as a short-term low cost loan to provide early financing until the permanent loan was in place. In 2007, the Account had a balance of approximately $160,000, which represented a tiny portion of the millions of dollars required to purchase a park at that time (R. Repine, personal communication, October 12, 2006).

New Hampshire was one of a few other states that also had policy and tools in place to support park purchases. It had an organizing, technical and financial assistance provider with a well-scripted process for helping homeowners evaluate the viability of purchasing their park within 60 days. In contrast to Oregon, the New Hampshire Community Loan Fund (NHCLF) had assisted residents at 82 parks organize and purchase their land from willing landlords from its inception in 1983 through 2006. As described previously, VanLandingham and staff from OHCS had visited NHCLF in 2005 and came back strongly motivated to bring the New Hampshire model to Oregon.

VanLandingham and OHCS staff introduced the New Hampshire model to Oregon community development interests at a meeting on January 30, 2006. Approximately 50 people attended, including representatives from the state's two Community Development Corporation (CDC) associations, the affordable housing advocacy group, several CDC/affordable housing technical assistance providers, the association of Oregon Housing Authorities, a few local affordable housing agencies, and several CDCs. Those assembled represented a sizable portion of the major players in affordable housing development and advocacy in the state. In addition to VanLandlingham, Pat Schwock, Greg Harmon and Sally Harrington attended from the Coalition. VanLandingham presented park closures as the loss of affordable housing, a problem clearly within the arena of concern for this group. VanLandingham explained the solution by presenting the New Hampshire model. At one point, when the discussion veered toward assistance to displaced residents, VanLandingham steered the group away from that issue, saying that it was the purview of the Coalition, a group unfamiliar to the community development practitioners (J. VanLandingham, personal communication, February 20, 2006). VanLandingham encouraged the CDC group to focus on park closures as an affordable housing problem that could be addressed by affordable housing development solutions.

There were four kinds of changes needed to redesign park preservation in the likeness of the New Hampshire model. The state needed to create a new kind of legal entity to facilitate resident purchase and management as permanently affordable housing. The state and local lenders needed to develop sources of financing for park

purchase and rehabilitation. The legislature needed to clarify and improve the laws regarding negotiations between landlords and tenant purchase groups. Finally, a nonprofit group or the state needed to develop the capacity to help tenant groups organize, purchase and manage their parks. VanLandingham appeared to steer these issues to the following groups:

- New entity: OHCS
- Financing: OHCS (initially), with the Housing Alliance and Network for Affordable Housing (NOAH)
- Revised negotiation processes: the Coalition
- Organizing and technical assistance: affordable housing and community development technical assistance providers

After some discussion and meetings among affordable housing financing and technical assistance providers in winter and early spring 2006, CASA of Oregon, a rural and farm worker affordable housing developer and technical assistance provider, emerged as the lead nonprofit to take on the role of park organizing. Founded in 1988, CASA's mission was to "develop housing, programs and facilities that improve the quality of life and self-sufficiency of farmworkers and other low-income populations" (CASA of Oregon, n.d., Mission). CASA had a long and successful track record and was well respected by OHCS staff and others. CASA's partner in the effort was the Community Development Law Center (CDLC), a project of Legal Aid Services of Oregon. CDLC's expertise was in providing legal representation to affordable housing and economic development non-profits in the areas of real estate, land use,

construction, corporate, and employment matters (Community Development Law Center, n.d., Welcome). The two organizations had collaborated previously. For this project, CDLC focused on legal and policy research and technical assistance, and CASA focused on organizing, financing and steering the overall effort. CASA led a successful effort to obtain research and program development funding from the new national I'M HOME initiative supported by the Corporation for Enterprise Development and the Ford Foundation. With foundation resources and funding from OHCS in hand, CASA and CDLC began to research the viability of various models for preserving parks through resident or non-profit ownership and to talk with park tenant groups to identify those that had a willing seller and residents who wanted to explore purchasing their community.

Meanwhile, VanLandingham continued to meet with OHCS staff in winter and spring 2006 regarding financing and the creation of a new kind of legal entity for park preservation (J. VanLandingham, personal communication, March 21, 2006). Based on these discussions, OHCS drafted a Legislative Concept paper based on the New Hampshire model. Legislative Concepts are budget and policy ideas drafted by state departments and submitted to the Governor and the Department of Administrative Services for review and possible inclusion in the Governor's budget for the biennium. A draft of the proposed park preservation package provided by OHCS staff showed that Legislative Concept 340 had a cost of approximately $30 million and consisted of the following elements:

- Approximately $700,000 for technical assistance teams to work with park residents to purchase and manage their own parks.
- $24.2 million to capitalize a revolving loan fund to pay the first 20% of the cost of purchasing a park
- $5.6 million for loan guarantees for private financing for the remaining 80% of the purchase cost
- Approximately $275,000 in agency staff, overhead and administration costs (J. Fletcher, personal communication, August 31, 2006).

OHCS justified the expenditure by saying that "preserving existing affordable housing is far less expensive than developing new affordable housing, which costs approximately $150,000 per unit" or $150 million for 1,000 units (LC 340, 2006). OHCS staff positioned the preservation of manufactured home parks as being a more cost-effective solution, as they estimated that the cost of preserving 1,000 homes in ten parks would be about $30 million. Furthermore, they said that the preponderance of the investment, the capitalization of the $24.2 million revolving loan fund, was a one-time expenditure, as they believed that the revenue generated by loan repayments would be sufficient to fund the purchase and preservation of additional parks. Staff documented the urgency of the matter by saying that 54 parks had closed or were in the process of closing since 2003, resulting in the loss of more than 1,900 spaces (LC 340, 2006).

Nevertheless, the Governor did not include Legislative Concept 340 in his proposed budget. In response to a query by Representative Krummel, Victor Merced,

who was the director of OHCS, explained the Governor's rationale in an e-mail to Krummel, as follows:

> As you have heard, the Governor's Budget did not include funding for this package. While the Governor recognized manufactured dwelling park closings as an important issue, existing budget resources were insufficient to fund this package. The Governor indicated that he might support putting this package on an "add back" list, should additional resources be found during the session…There are other initiatives that will help manufactured dwelling parks that will be presented to the legislature this coming session. The Housing Alliance proposal, for example, will provide additional funding for affordable housing, including the preservation of manufactured dwelling parks…In summary, while there were budget constraints that precluded the manufactured dwelling park preservation package from being included in the Governor's Budget, there are other encouraging initiatives that will be brought before the legislature this session. (V. Merced, personal communication, January 2, 2007)

Since CASA and CDLC were providing technical assistance using existing state funding sources and foundation support, the request for additional money for technical assistance was dropped. But efforts to secure financing for park purchases continued.

During fall 2006, VanLandingham and OHCS staff worked with the statewide affordable housing advocacy group, the Housing Alliance, to include park financing in their legislative proposal. Once again, VanLandingham played an important bridging role because he served on the steering committee for Housing Alliance. He also served on the board of directors for Network for Oregon Affordable Housing (NOAH), a nonprofit consortium of banks that provided permanent loans for affordable housing throughout Oregon. NOAH was considering developing a program for permanent financing for the purchase of manufactured home parks modeled on the New Hampshire Community Loan Fund (J. VanLandingham, personal communication, March 8, 2007).

The strategy for financing acquisition and rehabilitation of parks as permanently affordable housing owned by either the residents themselves or a nonprofit came to consist of the following primary elements:

- The initial 20% of the purchase cost was to be financed through a new affordable housing financing resource supported in large part by a new statewide fee for recording legal documents. Rather than accessing a fund limited to park purchases, as was the case in LC 340 proposal, tenant groups and other qualified non-profit buyers would access this new resource to help finance park purchases. The Housing Alliance was the lead on the document recording fee, and its bill for this was SB 38/HB 3551 (Housing Alliance, n.d., 2007 Housing Opportunity Agenda).
- The remaining 80% was to be financed through private loans, most likely through NOAH. To reduce the effective interest rate, OHCS proposed expanding the use of Oregon Affordable Housing Tax Credits (OAHTC) to include park purchases. Oregon allocates these tax credits to lenders that provide financing for affordable housing projects, and the lenders pass on the savings to the nonprofit developers as lower interest rates. Even without this new use, CDC demand for OAHTC exceeded the existing supply, which was capped by the legislature. The only way for other affordable housing developers to support this expanded use of a scarce resource was to increase the supply by raising the cap on tax credits to accommodate the additional demand on this resource. In early February 2007, Housing Alliance members voted to support asking for a higher cap and including

manufactured home park purchases as an eligible use with no set-aside (A. Fauver, personal communication, February 20, 2007). SB 984 was the bill that resulted.

- In addition, Krummel and the Coalition proposed legislation to continue the capital gains tax break to park owners who sold their parks to resident cooperatives, community development corporations and public housing authorities for affordable housing. The provision was due to sunset at the end of 2007.

OHCS initiated HB 2096 to authorize the formation of a new kind of legal entity, a manufactured dwelling park cooperative (MDPC). Current state law allowed the formation of a cooperative, but it was not a nonprofit entity. This new kind of entity enabled the preservation of housing affordability. Membership in the MDPC was limited to resident homeowners. HB 2096 capped the membership fee or share price at a low amount. If a MDPC purchased a park, residents who joined would be both members of the cooperative that owned the park and also renters from that same entity. Although the homeowners could sell their homes on the open market, the value of MDPC shares was set at a nominal level, thus helping to preserve affordability of the housing.

HB 2096 also included provisions to enhance the financing and technical assistance/organizing packages described above. The bill allowed OCHS to provide financing and technical assistance to manufactured home parks with a significant percentage of low-income[36] residents instead of only parks where 100% of the residents had low incomes. HB 2096 increased the maximum loan guarantee that

[36] Low income was defined as 80% of median family income.

OHCS could provide from 25% to 50% of the principal amount provided by a private lender. Finally, the bill changed the definition of elderly from 58 to 55 years old, so that the existing elderly and disabled bond program could be used to assist with purchases of age-restricted parks.

Table 10-2 compares the laws on the books at the beginning of the 2007 session to the primary bills filed to support manufactured home park preservation.

Table 10-2
Primary Park Preservation Provisions of HB 2096, SB 38/HB 3551 and SB 984

Existing Oregon Legislation	2007 Proposal
Ownership Entity • Defines "facility purchase association" for the purposes of providing a vehicle for tenants to let owner know of their interest in purchasing the park and triggering the notice and negotiation requirements described below. Facility purchase associations are not recognized under corporate law; they would have to incorporate as a cooperative, non-profit corporation or other type of entity to be so recognized.	Ownership Entity • Facility purchase association remained. • HB 2096 authorized formation of a new type of legal entity, a manufactured dwelling park cooperative as a means to preserve housing affordability
Notice of Sale to Tenant Associations and Negotiation Requirements • Park owner must notify tenants' association within 10 days of either receiving a bona fide purchase offer that he or she intends to consider or listing the property for sale. • If the tenants' association is interested in negotiating to purchase the park, its representative must notify the park owner within 14 days of the delivery of the owner's notice. • The owner must "negotiate in good faith" with the association as he or she would with any bona fide buyer.	Notice of Sale to Tenant Associations and Negotiation Requirements • No change. • Part of Manufactured Housing Landlord Tenant deliberation; not part of the OHCS bill. By the time the Coalition had reached agreement on the tenant assistance package, little time remained to address this issue. Tenant interests wanted something more specific than "negotiate in good faith" for an unspecified length of time. Ideally, they wanted negotiating terms similar to those in New Hampshire, which requires landlords to negotiate with interested resident

	groups for at least 60 days or face a fine. Landlord interests were opposed to conceding anything that approached "a right of first refusal," which they viewed as an encroachment on their right to dispose of their property in an open marketplace to whomever they chose. Since a timely compromise was unlikely, the Coalition agreed to defer this issue to a later legislative session.
<u>Funding</u> • A Park Purchase Account was capitalized by a one-time $5 charge added to the property taxes paid by each manufactured home owner. It was used once to provide short-term financing associated with the purchase of Springlake Park in Scappoose. Deane Sargent, a private consultant in park purchases from California, provided the technical assistance related to this resident purchase. The balance of the Park Purchase Account at the beginning of the 2007 was approximately $160,000.	<u>Funding</u> • Park Purchase Account remained but played insignificant role. • HB 3551 created new revenue stream derived from statewide document recording fee to fund affordable housing development. Manufactured home park purchases would be one of the eligible uses. • SB 984 increased the cap on Oregon Affordable Housing Tax Credits and included manufactured home park purchases as an eligible use. • HB 2096 made minor adjustments to existing definitions to enable the provision of existing financing and technical assistance to manufactured home parks. • HB 2096 increased the maximum loan guarantee to 50% of the private loan. • HB 2735 and a bill proposed by Representative Krummel continued the capital gains tax exemption for purchases by coops and other designated nonprofits.

The Coalition had developed resident assistance legislation through a zero-sum negotiation between opposing interests. In contrast, the process of developing the park preservation side of the initiative resembled the patching together of a quilt by

many parties. Although there were some negotiations over which group should take on which portion and under what terms, the parties associated with park preservation were united in seeing the problem as a development problem with a development solution. Indeed, the development of the park preservation strategy provided an opportunity for two entrepreneurial nonprofits, CASA of Oregon and CDLC, to start a new line of business. Unlike the residents and the park owners, each of whom was losing something as a result of park closures, these two organizations in particular and the affordable housing development community in general experienced park closures as presenting an opportunity to expand their services.

Although, on the surface, this approach to addressing the problem of park closures might appear fragmented and dispersed over a large number of groups with different concerns and ways of doing business, in fact it was intentional. Each group had different skill sets and histories that enabled it to work on specific pieces of the solution. There was one person at the center who both coordinated the process (insofar as it could be coordinated) and kept all parties informed about what the others were doing. John VanLandingham had multiple formal roles that put him at the heart of the action, including the following:

- Facilitator of the Manufactured Housing Landlord Tenant Coalition,
- Along with others, represented tenant interests in the Coalition,
- Steering committee member for the Housing Alliance, the statewide affordable housing advocacy group,

- Board member of NOAH, the non-profit Oregon bank consortium that provided permanent financing for affordable housing projects,
- On the steering committee for CASA's organizing and technical assistance initiative,
- Registered lobbyist for Lane County Legal Aid and Advocacy Center,
- Chair of the Eugene-Springfield-Lane County Housing Policy Board (Eugene had the oldest manufactured home park closure ordinance in the state, and VanLandingham had been involved in its creation as a planning commissioner),
- Board member of Fair Housing Council of Oregon,
- Board member of the Oregon Alliance for Land Use and Affordable Housing, and
- Chair of the state's Land Conservation and Development Commission, which recommended policies and adopted administrative rules regarding the state's land use program.

More than any other participant, he appeared to understand the big picture for this session and worked tirelessly to keep all the pieces in motion. He also had the technical skills and knowledge to work effectively with all of these different groups, and he appeared to be respected for his breadth of understanding. What made it all work, in his view, was his partnership with Pat Schwoch, whom he called "the emotional heart and leader of the largest and oldest resident group." He described this partnership as follows:

> We built trust over ten years. She provided the emotional connection to park residents statewide and to legislators and was a sounding board for my role as the one who figured out how to change the law to address resident concerns. (J. VanLandingham, personal communication, June 17, 2009)

Conclusions

As in the case of residential hotels, the response to resident displacement followed two paths: (a) assistance to displacees to address the harm done to individuals who are affected (impact on individuals) and (b) a community development strategy aimed at preservation to address the loss of an affordable housing resource (impact on communities/society at large). Oregon had first followed this twin path approach during an earlier round of closures of parks on commercial and industrial land. The partners involved in developing each of these strategies were significantly different from each other, and they had different skill sets, problem definitions, histories, institutional arrangements, and conventions.

When the Coalition created the homeowner assistance legislation, it followed the path—the conventions and processes—that it had used in previous years. The significance of a path-dependent process is described by Orren and Skowronek (2004) as follows:

> At any given moment, the different rules, arrangements, and timetables put in place by changes negotiated at various points in the past will be found to impose themselves on actors of the present and to affect their efforts to negotiate changes of their own. (p. 11)

Although Orren and Skowronek's quote above describes how institutional arrangements made by a prior generation affect how a successive generation does its work, I propose that conventions developed a few years ago by a group can be carried forward and affect how solutions are generated to address a contemporary problem. The Coalition's history dated back to 1997, and over this period participants had

developed expectations about how the group would work together to produce a package and then lobby for its passage. Coalition members also had expectations about how the legislature would react to the package. In particular, the Coalition's conventions defined who should participate in developing the package, created the expectation of a certain amount of give-and-take during negotiations, and prescribed how to communicate about the work while it was occurring. What became more explicit during the development of the 2007 legislative package was the rule that members needed to remain true to the original agreement and not deviate from it should the legislature attempt to change it.

These institutional arrangements, rules and expectations were those of the Coalition as a whole. They were developed over a period of years when manufactured home parks were not an issue of significant public and legislative concern and when the Coalition had to push hard to get a non-controversial package through the hectic and time-limited legislative session. But the 2007 legislative session was different.

The park closure problem of 2007 was of a scale and type not experienced previously in Oregon. Closures were happening in unprecedented numbers to parks on residentially zoned land, where they were intended by policymakers to be permanent uses. Although existing laws may have provided relief to some displaced residents when they were first adopted, the $3,500 payment was not indexed to inflation, and, in practice, park owners opted to provide a 12-month closure notice instead of a payment. When the legislature had dealt with park closures in the late 1980s and 1990s, new parks were still being developed. The same was not true for the

closures that occurred in 2000 through 2007. Only a few tenants with newer homes were able to find a place to which they could move them. The media had covered this crisis extensively, sensitizing the public at large to the issue of park closures. Legislators were aware of the problem not only from the media, but also from constituents affected by it. Many park residents were older adults, and legislators understood the voting power of this age group. A well-publicized crisis was at hand, which practically ensured that the legislature would attempt to deal with it in some manner.

Nevertheless, the bargaining parties involved in the Coalition's 2007 legislative package were essentially the same as those who had been involved in prior sessions, when the Coalition had to work hard to simply get its package considered by the legislature before it ended the session. But the four-legged stool that Coalition members created as a solution depended not only on the "legs" of the landlords and the tenants, but also on state and local government. By including preemption and a local property tax freeze, the Coalition had created a package certain to attract the attention of local cities and counties and the League of Oregon Cities. Although the Coalition consulted with the League and individual jurisdictions with local ordinances between meetings, cities and counties were not at the table when the deal was struck among landlord and tenant interests at the Coalition meeting in January 2007. The Coalition carried on business as usual, involving the same parties in the negotiations as it had in prior years. Perhaps that was the only feasible path to take. Reaching a compromise among landlord and tenant interests only was difficult and time-

consuming; it may not have been possible at all if more parties had been added. But not adding more parties had a major impact on how the package was received by the legislature, the topic of the next chapter.

In contrast, the state and affordable housing community approached park closures as a development problem that could be solved by publicly-funded development solutions. Dealing with park closures presented the opportunity of seeking public and foundation support for a new line of business. They borrowed from the New Hampshire model to create a Park Preservation legislative package. As in the case of the conversion of privately-owned residential hotels into government-supported SRO housing, a non-profit community development organization stepped forward as the entrepreneurial agent to undertake the transformation of a threatened housing form into a stable affordable housing option.

By the deadline for introducing new bills, all of the pieces described above were on their way. Our venue now shifts from the meetings of key players and advocacy groups to the public process of the state legislature. Chapter 11 takes up this part of the narrative.

CHAPTER 11. The 2007 OREGON LEGISLATIVE SESSION

The Manufactured Housing Landlord Tenant Coalition's proposal to the 2007 Oregon state legislature was described as "the most generous and comprehensive mobile home park closure bill in the United States," by Greg Harmon, the president of Commonwealth Real Estate Services (Law, 2007). Through the initiative of Representative Krummel, his chief of staff Dawn Phillips and members of the Coalition, the bill (introduced as HB 2735 in the Legislative Assembly and SB 17 in the Senate) had more cosponsors than any other bill before the state legislature (Testimony of Representative J. Krummel at March 2, 2007 hearing of the House Consumer Protection Committee)[37]. Given the extensive media coverage of the suffering caused by closures and the level of support from legislators that the Coalition proposal enjoyed going into the process, it might seem like smooth passage was assured. But that was not to be the case.

Opposition came both from a disaffected former participant in the Coalition and also from the outside— from cities, counties, special assessment districts and, not insignificantly, from a new tenants' rights group called Oregon Manufactured Homeowners United, organized by the former Coalition participant. Near the end of the session, one of the state legislators who became deeply involved in the bill, Representative Chris Edwards, a Democrat representing a section of Eugene, declared that this bill had taken as much of his time as any other this session (testimony of

[37] Unless otherwise referenced, descriptions of the legislative hearings are drawn from the author's own observations and notes.

Representative C. Edwards at June 21, 2007 hearing of the Senate Revenue and Finance Committee). The stress of the process left both tenant and landlord interests exhausted, hurt and angry, and, by the end of the session, the future existence of the Coalition was in question.

This chapter examines how and why the 2007 Oregon Legislature adopted a specific set of measures to deal with park closures. Through a chronological examination of the significant events of the adoption process, I analyze how actors brought arguments and actions to bear in a public process that resulted in legislation. Prior chapters have described the political, policy-related and economic context in which this action occurs, the most important features of which are the change to a Democratic-controlled legislature and executive branch, the sensitivity to property rights because of the passage of Ballot Measure 37 by voters in 2004, and a booming economy reaching its peak. In large part, the chapter is about how and why the Coalition's proposal, positioned for success, was amended as it progressed through the legislative process.

An Overview of the Evolution of HB 2735

As indicated by Table 10-1 in the previous chapter, there were about a dozen significant elements in HB 2735 pertaining to park closures. Ultimately, the substance of the Coalition's proposal centered on two main items: (a) a plan for dispersing the costs of displacement among four entities and (b) a statewide solution to park closures that preempted local ordinances. The arguments supporting cost dispersal (also

known as the four-legged stool) and preemption, as advanced by the Coalition, were as follows:

- Property owners: Park owners agreed to a tiered payment schedule of $5,000, $7,000 and $9,000 for singlewides, doublewides and triplewides, respectively. They also agreed to pay for the disposal costs of abandoned homes. When asked why the landlord groups in the Coalition had agreed to these payments, Chuck Carpenter, Executive Director of Manufactured Home Communities of Oregon, offered the following rationale:

  > I think that we had just read the political tea leaves, and our lobbyist, John Brenneman, had advised, given the way the Oregon legislature had gone [with Democrats controlling both houses and the executive branch], that it was not going to be a legislature that was going to be friendly to property rights, and I guess it's better to try to maintain some control of the agenda, or at least have some significant influence, so I think that was the reasoning behind that. (C. Carpenter, personal communication, December 14, 2007)

  Thus, by proactively offering these payments, park owners sought to limit the possibility of legislation that would exact even higher payments. The fact that the Democrats were in power appears to have been pivotal in the park owners making this concession during the Coalition negotiations.

- Local government: Park owners argued that local government should help pay for relocation because they would benefit from increased property tax revenues and one-time system development charges and permit fees as a result of the park conversions. In testimony before the House Consumer Protection Committee on March 2, 2007, Greg Harmon of Commonwealth Property Management said that some localities encouraged the redevelopment of parks to higher-yielding uses. It

is important to note that the local government contribution went to landlords, not tenants, in the form of a five-year local property assessed value freeze. Landlords argued that this helped cover a portion of their payments to tenants. Although tenant representatives did not express a strong opinion about the rationale for local government payments, they agreed to the assessed value freeze in the interest of reaching a compromise on the amount of landlords' payments to tenants.

- State government: Park owners argued that state government had a role to play for two primary reasons. First, they said that that state land use policy promoted park closures by constraining the land available for development, thus making parks targets for closures and conversion to higher-yielding uses. They argued that costs associated with a park closures should be paid by the state since state policy caused it. Second, government should provide housing for those who are not able to afford market-rate housing. Some landlords claimed that manufactured park owners had provided low-cost affordable housing at no expense to the state for many years. Furthermore, they said that the forgone revenue (in the form of higher land rents) that landlords did not capture as long as they did not redevelop their parks constituted a kind of housing subsidy. By redeveloping the land, park owners were just claiming what was rightfully theirs, the full revenue potential of their property. Thus, they argued that government should be responsible for helping people who were displaced when owners claimed their full property rights. While tenant representatives within the Coalition did not an express an opinion about these justifications, they agreed to support the continuation of the $10,000 tax credit.

- Park Residents: Park residents accepted that they would assume some of the costs of displacement because they signed leases that said that they would have to move in the event of a park closure. Furthermore, 2005 state law clearly gave landlords the right to close their parks and displace tenants with proper notice, even if tenants had a lease with a term that extended beyond the date of park closure (ORS 90.645, 1995). "Straight Talk Disclosures," a section of the website of the state's largest park management firm, Commonwealth Real Estate Services, clearly warned residents that their "tenancy may legally terminate …if the park closes [or] when your rental/lease agreement term expires and is not renewed"(Commonwealth Real Estate Services, n.d.). From the landlords' perspective, the tenant took a chance that the park would not close and thus should pay some of the costs of displacement. By closing a park and displacing tenants, owners claimed that they were merely exercising their rights under state-sanctioned landlord-tenant law. Park resident representatives did not contest that landlords were legally entitled to close parks, and they agreed that tenants should bear part of the costs of displacement.
- Preemption: In return for agreeing to payments to tenants, landlords wanted preemption of all local ordinances. They argued that park closures were a statewide problem that needed a statewide solution. The Coalition bill included full preemption, which meant that no jurisdictions without pre-existing ordinances dealing with park closures could adopt such laws and that the four[38] jurisdictions

[38] Clackamas County had local provisions pertaining to park closures in its zoning ordinance, but this information only surfaced after the end of the legislative session.

with local laws (Eugene, Wilsonville, Bend and Oregon City) could not apply their local provisions to parks issuing closure notices after the effective date of the state law. Reluctantly, landlord representatives had agreed that the application of a new statewide law would not preempt the application of a local law to a park closure that was under appeal in the court system, as was the case for Wilsonville[39]. On numerous occasions and in multiple public hearings, John VanLandingham explained the rationale behind his support for preemption as "trading four cities for the whole state." By this, he meant that only four cities were known to have adopted ordinances protecting park residents in the event of the closure. He did not believe that many other places would do so. Some, as in the cases of Sherwood and West Linn, elected not to do so because council members could not reach agreement about if and how to respond. He believed that other city councils and county commissions had not and would not consider the issue because they were not ideologically disposed to do so. In the end, he said that he was willing to sacrifice the higher benefits of those four cities for protections for all displacees statewide.

Throughout the hearings, representatives of both tenant and landlord interests in the Coalition referred to this as the compromise that had been struck through negotiations that occurred before the session began. Members of the Coalition reinforced the legitimacy of this compromise by repeatedly informing legislators of the number of months (eighteen) and the number of three-hour meetings (at least 20)

[39] It should be noted that two members of the Coalition owned parks in cities with ordinances. Paul Brewer, President of Oregon Park Owners Association, owned a park in Bend, and Troy Brost, legislative chair for Manufactured Home Park Communities of Oregon, owned a park in Eugene.

that landlords and tenants had invested in reaching this compromise. They also reminded legislators of the number of legislative sessions (six, including this one) that the Coalition had worked together to bring a bill to the legislature that represented the joint interests of tenants and landlords (written statement of P. Schwoch, March 2, 2007, submitted to House Consumer Protection Committee; Written statement of J. VanLandingham, March 2, 2007, submitted to House Consumer Protection Committee).

Initially, state legislators applauded this agreement and complimented Coalition members for coming together to reach a compromise. But this spirit of unanimity was not to last for long. Interests who were not active negotiators within the Manufactured Housing Landlord Tenant Coalition challenged provisions of the bill and the legitimacy of the Coalition itself. The principal contested provisions were as follows:

- Preemption: Local government representatives were not part of the negotiations to develop this agreement, and some actively and forcefully opposed preemption of local laws.
- Local Property Tax Freeze: Taxing bodies (counties, cities and special assessment districts such as fire districts) were not part of the negotiations and opposed this provision.
- Amount of Tax Credit: Since a tax credit represents foregone revenue for the state to carry out the business of government, some legislators were unwilling to incur the cost of a $10,000 tax credit to every displacee.

Additional contested provisions included:

- Who Pays and Amount of Payment to Tenants: Oregon Manufactured Homeowners United (OMHU) representatives argued that the four-legged stool should be a two-legged stool, with landlords reimbursing tenants for the assessed value of their home plus moving costs, and the tenants bearing the remaining financial and psychological costs of relocation.
- Housing Counselor: OMHU representatives pointed out that the Coalition bill did not cover the costs for a local housing counselor to work with residents to help them examine their options and plan for moving, and they argued for this being included in the package.
- Not a Comprehensive Package: OMHU representatives complained that HB 2735 was not a comprehensive package because it did not include provisions that permitted and provided funds for purchase of parks by residents. In fact, other bills making their way through the legislature (and discussed at the conclusion of this section) did address this issue.

The key opponents to the bill were the four cities with existing legislation (that were often represented by their mayors), Oregon Manufactured Homeowners United (most frequently represented by Peter Ferris and Jerry Hardin), Washington County and the Special Districts Association of Oregon, which opposed the local tax freeze, and various tenants (many of whom were from the Eugene area) concerned about how the proposed legislation would fail to provide the assistance that they felt

they needed. Other groups also joined the opposition as the process evolved. In general, the opponents (with the exception of two park owners who each testified once against the Coalition proposal) were not against providing relief to tenants, but instead either opposed specific provisions of the Coalition bill or wanted stronger protections and more help for tenants than the bill provided.

The most straightforward way to understand why a bill that entered the legislative process with so much momentum in its favor was altered along the way is through a chronological examination of what happened and why at various stages of the legislative process. The process that the bill followed is summarized in Appendix 11-1, and the guide to the changes in the bill's principal provisions made by legislative committees appears as a table in Appendix 11-2. The chronological account of the process begins with the Public Hearing before the House Consumer Protection Committee, chaired by Representative Paul Holvey, a Democrat from the Eugene area.

Round 1: The Parties State Their Cases

There was standing room only when the House Consumer Protection Committee opened the public hearing on HB 2735 on March 2. First to speak were five legislators testifying in favor of HB 2735 as a balanced solution brought to the legislature by traditional adversaries who had hammered out a compromise before the beginning of the session. Representative Deborah Boone, a Democrat, said, "The fact that several former adversaries are now coming together speaks volumes as to the consensus that has [been] achieved" (written statement of Representative D. Boone,

March 2, 2007, submitted to House Consumer Protection Committee). Representative Chris Edwards, a Democrat, said, "I urge you to pass House Bill 2735, a common sense solution and reasonable compromise agreed upon by tenants and landlords alike" (written statement of Representative C. Edwards, March 2, 2007, submitted to House Consumer Protection Committee). Representative Krummel, a Republican, said, "In the end, we all care about affordable housing and the public and private sector should come together around this to ensure the quality of life in Oregon." He further commented that it must be a good bill because some say it goes too far in providing tenant support, and others say that it doesn't go far enough, so the solution must be just about right. Representative Galazio congratulated his colleagues for the bipartisanship shown in the effort to support this bill[40].

Three members of the Coalition, John VanLandingham as facilitator of the Coalition and a tenant representative, Pat Schwoch as tenant representative and legislative liaison for the longstanding statewide tenant association, Manufactured Homeowners of Oregon, Inc., and Greg Harmon, a member of the main landlord group, Manufactured Home Communities of Oregon, described the main provisions of HB 2735 and urged the committee's support. Collectively, they explained the urgency for action on this matter, the track record and legitimacy of the Coalition, the logic behind the four-legged stool, the fact that this was the most generous package of its kind, and that opposition from a few people on both sides (tenants and landlords) simply meant that it was a balanced solution. Kay and Larry Simpson, residents of

[40] This information is based on my notes from my observation of the meeting.

Silverton Mobile Home Park, a senior park, urged the committee to approve the bill because seniors like them were living on social security and needed something to help them. The Coalition took a simple, clean approach, led by a legal expert, embellished by spokespeople from both landlords and tenants and humanized by two charming senior citizens who clearly drew the attention and sympathy of the committee.

Leading the opposition to provisions of HB 2735 were representatives of the four cities with local ordinances: two mayors (Charlotte Lehan of Wilsonville and Alice Norris of Oregon City) and authorized spokespeople for two others (John Russell, Bend Economic Development, and Alex Cuyler, legislative analyst for Eugene). Their main concern was with preemption of local ordinances. The first reason that they objected to preemption was procedural: local governments were not at the table when the deal was struck between landlords and tenants within the Coalition that included full preemption. Mayor Lehan told the committee, "We were not able to say what our interest was or participate in the negotiation." The second reason that they objected to preemption was substantive and based on the belief that local government was in a better position to craft a solution that met the needs of residents than state government because local conditions varied so much throughout the state. They argued that a statewide one-size-fits-all approach would not be effective. A fair settlement for tenants in a community with a hot real estate market may not be fair for landlords in places with low housing prices, and vice versa. Lehan recommended the following solution:

> A far better approach to this emerging social and economic problem would be to allow cities to conceive and write ordinances which meet the needs of local

> mobile home park residents, provide economic remedy to the problems of dislocation, and address the unique local concerns, rather than try to anticipate a solution which applies to all of Oregon's diverse communities. (written statement of C. Lehan, March 2, 2007, submitted to House Consumer Protection Committee)

Four park residents from Eugene and two from Wilsonville joined the four city representatives in their objections to preemption.

Initially, it appeared that the chair of the committee, Representative Holvey, a Democrat, was sympathetic to the Coalition's "full preemption" approach. He commented, "I'm a local government guy, [but] I get the issue about preemption. We are getting coverage statewide in exchange for giving up gains in four cities. We are trading four cities for the state. I don't see Lane County or Springfield adopting something as good."

Representative Gilliam, a Republican, asked Lehan how closed the Coalition process was. Lehan responded that she knew about it from her city attorney, who was kept informed by the Coalition about what was going on[41], but that they were not involved in the meetings or in developing the compromise. Upon hearing this, Representative Holvey commented that local jurisdictions should have the ability to tailor rules to their own circumstances. He said that that the Coalition's statewide solution should be the floor, and that local jurisdictions should be able to craft solutions that provide a higher level of benefits and protections for local tenants. When he testified, Cuyler echoed Holvey's comment and extended it into a phrase that

[41] This communication was corroborated by VanLandlingham. During the Coalition deliberation process prior to the start of the session, VanLandingham reported to the members several times about his discussions with Wilsonville's attorney.

was to become a rallying call for those opposed to pre-emption: the Coalition bill "should be the floor, not the ceiling."

A second issue to surface at this hearing was the amount of landlord payments. Lehan called them "arbitrary and inadequate." Jean Bradley, a park resident of Eugene, criticized the Coalition's approach of spreading the costs of displacement. She said, "They [the Coalition] say a four-legged stool, but it doesn't seem fair to include taxpayers. Those who profit should pay." Tom and Barbara Mitchell, park residents from Eugene, seconded this comment and proposed an alternative formula for compensation. They said that fair compensation by landlords to tenants should consist of either (a) the full costs of moving, which their Eugene committee found to range from $17,385 to $28,320, depending on the size of the home, or, (b) if a resident does not move his or her home, the real market value of the home as determined by the assessor plus a flat amount for moving costs (written statement of B. Mitchell and T. Mitchell, March 2, 2007, submitted to House Consumer Protection Committee). Nancy Downs, a park resident from the Thunderbird in Wilsonville, pointed out that "Wilsonville's ordinance pays for the cost of moving or the assessed value of the home. This is what is fair" (written statement of N. Downs, March 2, 2007, submitted to House Consumer Protection Committee). In effect, they argued that the benefits provided in the Wilsonville ordinance should be available statewide.

Two landlords also testified. They had different styles but a similar message: if you adopt this law, you are changing the rules for existing park owners in the middle

of the game, and that is not fair. Furthermore, more parks may issue closure notices before the effective date of this legislation to avoid the unfair costs it imposes on us. Susan Springer, owner of a well-maintained park[42] in Beaverton called Springwood, said that her concern was with over-regulation. Thomas Skach, owner of a park in rural Oregon, said that the imposition of payments to tenants would "criminalize the closure of mobile home parks [and]…force park owners to fund the social service of relocating their tenants" (written statement of T. Skach, March 2, 2007, submitted to House Consumer Protection Committee).

The second claim against the legitimacy of the Coalition to broker a fair deal (besides that which was made by the cities) came not from landlords, but from a tenant. Jerry Harden, a resident of a senior mobile home park in Eugene and the tenant member of the Lane County Housing Policy board's committee that was studying the impact of park closures, said the following [emphasis added]:

> This is a bill written by the Mobile Home Park Owners/Tenants Coalition. This *park owners dominated group* has only one purpose—protecting park owners opportunity to gain unwarranted profits. The rhetoric and writings of the coalition is carefully crafted to appear to be responsible and beneficial to homeowners. A thorough analysis of this bill will reveal that its key provisions act primarily to protect profits gained upon the sale of a park. Whereas the bill maximizes profit potential to owners, it will be beneficial to very few homeowners, and a total disaster for most homeowners experiencing eviction. (written statement of J. A. Harden, March 2, 2007, submitted to the House Consumer Protection Committee)

A final challenge to the Coalition's proposal came from Peter Ferris, who introduced himself to the Committee as "a citizen lobbyist for Oregon Manufactured Homeowners United, …a new organization working for fairness regarding park

[42] Based on author's observations of the park while attending a resident meeting there in spring 2007.

closures" (written statement of P. Ferris, March 2, 2007, submitted to the House Consumer Protection Committee). He began by painting a compelling picture of the real hardships experienced by displaced residents by presenting data about the residents of the Thunderbird Mobile Home Club in Wilsonville.

> We recently received data about what happened in a 55-and-older park; a copy is provided to you. It is also posted on our website. It was collected by a local resident of Thunderbird Mobile Club in Wilsonville regarding 111 residents who resided in 68 homes. They began moving out 20 months ago, when the owner first announced the park was up for sale…In this sample, we find that single women are most affected, as they constitute 57% of the population, while couples 29% and single men 13%. Only 8 of the homes (12%) were moved by their owners and sited elsewhere. Others (26%) sold, deeded their homes to TMC [the park owner], or had them repossessed, losing much or all of their value in the process. A majority of the homes (58%) were or will be demolished; a few (4%) remain for sale. Seven residents went bankrupt, six died and 11 ended up living with family or in assisted living centers. (written statement of P. Ferris, March 2, 2007, submitted to the House Consumer Protection Committee)

Ferris praised the efforts of the City of Wilsonville to provide a fair package to tenants[43] and contrasted it to the Coalition proposal, which he characterized as providing park residents with "meager compensation…borne chiefly by the taxpayers, not the owners." Ferris would be a persistent, vocal and strategically savvy opponent of the Coalition in the months ahead.

Representative Holvey questioned VanLandingham about how the Coalition came up with the 5, 7, and 9 scheme as the appropriate compensation by landlords to tenants. He asked if landlords could come up with more. VanLandingham said that, over the course of their negotiations, the Coalition had generated twenty-one drafts of

[43] The Wilsonville package required the landlord to pay tenants fair market value for their homes, based on the assessed value.

the bill's main provisions and had considered a wide range of options. He said that the Coalition decided to go with flat amounts because they were more easily understood and enforced. He added that landlords could voluntarily provide more than the required amounts because the wording in the bill referring to the amount of the compensation included the term "at least." VanLandingham thus justified the amounts as the products of negotiations and did not offer a justification based on costs actually incurred by tenants.

By the end of the first hearing, it was clear that things were not going well for the Coalition's proposal. It met not only with the opposition of disgruntled individual landlords and tenants, but with that of four cities and a group of tenants who appeared to have coordinated their messages before the first hearing. The principal non-Coalition speakers who spoke in favor of the Coalition proposal were legislators. The legislators on the committee appeared to be taking in the comments of the opposition and trying to separate rhetoric from nuanced facts through their follow-up questions. The key issues of this opening session, listed below, were echoed and elaborated upon in successive hearings and work sessions, and, along with two additional issues which surfaced a bit later, became the core messages of those who wanted to change the Coalition proposal:

- The Coalition's proposal is not legitimate because:
    - The Coalition is a landlord-dominated group. Thus, their solution does not do enough for tenants and rewards landlords too much.

    - Cities were not involved with the negotiations and are now expected to agree with a statewide law that addresses a problem with significant local consequences. This is not fair.

- A statewide law should be the floor, not the ceiling. Full preemption of local ordinances must be changed.
    - Local governments are best able to craft solutions that fit local circumstances.
- The Coalition's proposal fails to provide sufficient assistance to displacees.
    - The $5,000 - $9,000 compensation amounts were arbitrary and based not on what tenants needed, but on what landlords were willing to provide.
    - Landlords should pay more and taxpayers less.
    - Tenants who lose their homes should receive the fair market value for them. Tenants who can move their homes should be reimbursed for moving expenses.
    - Landlords should pay for a housing counselor to assist tenants with relocation.

The account of the March 2 hearing that appeared in the Wilsonville newspaper aptly summarized the meeting's outcome:

> Although nearly all the 90 members of the House and Senate signed up to co-sponsor House Bill 2735, which was drawn up after a year and a half of work by a landlord tenant coalition, the proposal's passage may not be a smooth one. (Howell, March 21, 2007)

Round Two: The Opposition Organizes and Gains Momentum

If the first public hearing before the House Consumer Protection Committee provided a forum for members of the opposition to proffer their concerns, the second hearing, which took place a month later on April 2, 2007, was a demonstration of effective public theater. Speaking on behalf of HB 2735 were five Coalition members and one park resident. The Coalition speakers included VanLandingham, who presented a reasoned case against each of the concerns that had been raised at the prior hearing, Schwoch, representatives of the two landlord groups, and a park manager. Speaking against HB 2735 were three cities, four park residents, one park owner and representatives of two statewide senior citizen groups. The force of the opposition's message came not from packing the hearing room with speakers, but from the weight of what the speakers brought with them. Park residents presented the committee with a petition against HB 2735 signed by 628 residents of manufactured home parks in Eugene and Roseburg. The cities presented a letter signed jointly by the mayors of Wilsonville, Oregon City and Eugene recommending a specific counter-proposal regarding their chief issue, local preemption.

Gary Davis, a park resident from Eugene, presented the petition package, which read as follows (emphasis included in original):

> Petition Against House Bill 2735
> We are homeowners residing in manufactured home parks in Oregon.
> 1) We OPPOSE state preemption of local laws in HB 2735. This preemption would wipe out better local benefits in the event of park closures by owners. DELETE preemption clause.
> 2) HB 2735 FAILS to provide sufficient funds to move our homes. Amounts of $5,000 - $7,000 are not enough compared to moving costs of $17,000 to $28,000.

> 3) HB 2735 FAILS to pay for our homes when they cannot be moved due to few vacant spaces in area parks. Some local laws would require park owners to pay real market value (based on assessor's records) when our homes cannot be moved. (Petition against House Bill 2735, April 2, 2007, submitted to House Consumer Protection Committee)

In delivering the petition, Davis reminded the committee that many park residents were elderly, disabled and/or on low income, and he further stated that he believed that it was morally wrong for park owners to profit at their expense (written statement of Gary Davis, April 2, 2007, submitted to House Consumer Protection Committee). His testimony was followed by the fiery oratory of Ernie Howell, a park resident from Roseburg, who reminded the committee that many park residents were veterans, as follows.

> We have the battle-weary Veterans of three wars [living in my park]…Now you sit in a position to honor Veterans of all counties of the great State of Oregon…you can delete preemption in HB 2735, thereby protecting the homes and livelihoods of our Veterans in their retirement years…or you can dishonor tens of thousands Veteran families in the state of Oregon. You can dishonor their service to our country by rendering them virtually homeless. …Some made the ultimate sacrifice and are survived only by their families. These people are <u>heroes</u>, by any definition of the word… You can dishonor these hard-working, patriotic American families by stripping them of their last shred of dignity. (written statement of E. Howell, April 2, 2007, submitted to House Consumer Protection Committee)

Fernando Gaspasin, the President of the AFL-CIO Central Labor Council in Bend, echoed the pleas of the prior speakers and added behind it the weight of organized labor in central Oregon, as follows:

> Speaking in behalf of the Central Oregon Labor Council which represents 5000 union men and women in Central Oregon, I wish to express our opposition to the preemption clause in HB 2735…Regular working folks find it very difficult to find affordable housing in Bend. There are many union members, including myself, who are residents of mobile home parks…If state legislators

> preempt our ordinance they would be ignoring the unique circumstances of our community and negating the collective efforts of our local civic leaders, affordable housing advocates, tenants and park owners. Our local ordinance resulted from a social movement created by hundreds of tenants and resulted in the creation of real collation that represented all of our interests. We believe our local ordinance is a model for other communities throughout Oregon and the U.S. (written statement of F. Gaspasin, April 2, 2007, submitted to House Consumer Protection Committee)

While the tenants' pleas were emotionally charged, the message of the cities was precise. The cities offered the committee an alternative solution to the preemption issue that they jointly supported. The provisions were as follows:

- No preemption for local jurisdictions that have adopted local ordinances. Allow them to continue to enforce the ordinances that they have on the books in perpetuity as long as they provide equal or better protections for tenants.
- Provide a 180-day grace period after the end of the legislative session for new jurisdictions to adopt ordinances. After the end of that grace period, no local jurisdictions would be permitted to adopt ordinances pertaining to park closures.
- To avoid legal challenges, local ordinances must include a due-process element that provides park owners with the opportunity of requesting a hearing to determine the cost reasonableness of the impacts of the ordinance. The outcome of this hearing before the local governing body must be appealable by writ of review.

Mayor Kitty Piercy of Eugene, Mayor Charlotte Lehan of Wilsonville and Mayor Alice Norris of Oregon City signed the statement and committed to supporting HB 2735 with these changes (written statement of C. Lehan, A. Norris and K. Piercy dated

March 28, 2007, submitted to House Consumer Protection Committee on April 2, 2007).

The final groups to speak about their concerns regarding full preemption were two statewide groups representing senior citizens. Robert Lawrence, the Legislative Coordinator for the Governor's Commission on Senior Services, said that his group had conducted forums in 20 cities across the state and found that affordable housing was a universal theme. He said that he supported the concept of shared responsibility for the costs of dislocation among tenants, park owners, developers, state government and local government, but that he was concerned about any solution that preempted the ability of local governments to enact ordinances tailored to unique local circumstances. He said that he supported HB 2735, except for preemption, and that state standards should be the floor, not the ceiling (Written statement of R. Lawrence, April 2, 2007, submitted to House Consumer Protection Committee). Similarly, Richard Bennett, the statewide spokesperson for AARP, said that he had two concerns about HB 2735: pre-emption and the proposed five-year freeze on the assessed value of the park.

Significantly, Linda Ludwig, spokesperson for the League of Oregon Cities, also spoke, but maintained a neutral stance on the preemption issue. She said she had members on both sides of the issue.

At this hearing, the opponents of HB 2735 demonstrated a depth of grassroots opposition against full preemption as proposed by the Coalition. They reminded legislators that their decision on this bill would affect senior citizens, veterans and

organized labor. The strong showing from Eugene and the statement from a labor representative may well have been strategically aimed at getting the attention of Representative Holvey, the committee chair. The opponents showed that they had the ability to mobilize. It is unlikely that legislators overlooked the fact that the people whom they mobilized were from populations that have higher than average voter participation rates.

In comparison, OSTA, the tenant group involved in the Coalition, did not rally its troops or make a show of strength at either of the committee hearings. The only park residents to speak in behalf of OSTA before House Consumer Protection besides Pat Schwoch were one or two additional park residents at each of the hearings. Unlike the well-informed park residents who spoke against the Coalition bill, these additional park residents (excluding the Schwochs) did not demonstrate in-depth knowledge of the Coalition proposal. While Peter Ferris waged an outreach and public relations campaign through e-mails, a frequently updated web site and letters to the editor to create OMHU and build support for its concerns, I saw no evidence of OSTA undertaking a similar information and outreach effort with its members. OSTA appeared to rely on its quarterly printed newsletter as a primary means of communication to members. In the absence of mobilization by OSTA, on March 27, Dawn Phillips, chief of staff for Representative Krummel, e-mailed the state's print media a bipartisan commentary from Krummel and State Senator Brad Avakian, a Democrat from Beaverton, urging support of the Coalition proposal (D. Phillips,

personal communication, March 27, 2007). The commentary was printed by several community newspapers in the state.

As committee chair, Holvey held an important position relative to the progress of HB 2735. He set committee agendas and decided when various bills moved through the amendment and adoption process. Although he could be influenced by other committee members or party leadership, his take on the testimony and issues regarding HB 2735 was pivotal at this point in the process. He represented southern Lane County, including the southern portion of Eugene and, as Community Relations Representative for The Pacific Northwest Carpenters Union, came from an organized labor background. In an interview in his office between meetings on April 17, 2007, Representative Holvey outlined his personal conclusions about HB 2735 as follows:

- HB 2735 did not seem to provide tenants with much help. The preponderance of testimony from tenants indicated that many were not happy with the solution as proposed.
- Whether the four cities were welcomed in the Coalition deliberations was a debatable issue.
- He saw value in making HB 2735 the floor, not the ceiling, on assistance to displaced park residents. He thought it was significant that the League of Cities had not taken a formal stand on this issue.
- The Coalition told him that it may fall apart if the state legislature changes the provisions of HB 2735. They said that there would be no landlord-tenant group in place to propose improvements to the law for future legislative sessions, and much

remains to be done. But he had doubts about whether this would be the case, as he saw no logical justification for Coalition landlords holding Coalition tenants responsible for changes made by his committee.

Holvey faced a delicate situation. He wanted to ensure that a bill protecting tenants was adopted this session. Thus, he did not want to move HB 2735 out of his committee until he knew that he had a version that would be approved on the floor of the House. He said, "I'm trying to figure out what the votes on the committee are, what the votes on the floor are, as far as passing out a bill that has preemption, a bill that grandfathers existing ordinances, and/or a bill that does something else" (P. Holvey, personal communication, April 17, 2007). But Holvey also faced time pressure. Because the 2005 legislative session had lasted several months longer than usual due to partisan infighting, the Speaker of the House had imposed a strict timetable for moving bills forward during the 2007 session. Thus, Holvey was under pressure to move HB 2735 forward expeditiously but also to take sufficient time to consult with other representatives to ensure that whatever came out of his committee would not die for lack of support when the full House voted on it.

The committee work session on HB 2735 occurred on April 23. The committee accepted amendments that closely mirrored the limited preemption proposal made by the three mayors. The amended bill passed out of committee with a vote along party lines (4 Democrats in favor and 3 Republicans opposed), with the following changes:

- Cities with existing local ordinances were permitted to continue to enforce them. The proposed state law would not preempt them.
- Cities that did not have a local ordinance were granted up to 90 days after the end of the legislative session to adopt one. This was less than the 180-day window requested by the three mayors. Local ordinances were required to provide equal or better protections for tenants than state law.
- The new state law would go into effect 91 days after the end of the session.

The reaction of landlord members of the Coalition was strong. Chuck Carpenter, executive director of MHCO, said that his group would work to kill the bill (thus eliminating landlord payments to tenants and other tenant protections provided by HB 2735) if full preemption was not restored (Law, 2007, April 25). Tenant members of the Coalition were now in the position of arguing for restoring a form of preemption that would provide fewer benefits to residents in cities that had local ordinances. The commitment of Coalition members to the deal that they had reached would be put to the test during the remaining months of the legislative session.

Round Three: New Problems Arise for the Coalition

After the vote by House Consumer Protection, problems for the Coalition continued to mount. First, state legislative economists drafted a revenue impact statement that estimated that the $10,000 tax credit to displaced tenants would cause the state to lose $10 million during the 2007-09 biennium, based on displacing 1,000 households over the two year period. State staff based their estimate on information

that approximately 1,500 spaces were lost in 2005 and 2006 combined[44]. A revenue impact estimate this large would render the tax credit in its current form unpalatable to many legislators. Second, opposition to the local property valuation freeze began to grow, led by Washington County and the Special Districts Association of Oregon. Third, on May 14, the Senate withdrew its consideration of SB 17 (identical to HB 2735), thus effectively eliminating any "back door" to adopting a bill that provided full preemption.

From the House Consumer Protection Committee, the bill progressed to House Revenue for review of the impact of the $10,000 tax credit. The Coalition's primary goal at this point was to reinstate full preemption, as its members had originally proposed. Members were willing to negotiate on the assessed value freeze. The opponents to the Coalition bill as introduced still had a variety of concerns that they continued to pursue at this juncture. OMHU, park residents from the Eugene area and the four cities (Wilsonville, Eugene, Oregon City and Bend) wanted to expand the window for adoption of new local ordinances and amendments to existing ones from 90 days to 180 days, as they had originally proposed. The Special Districts Association of Oregon and Washington County opposed the proposed five-year local assessed value freeze because it would negatively impact tax revenues. Although the assessed value freeze was not their primary concern, the four cities said that they were willing to support these efforts to address this issue (written statement of C. Lehan, K. Piercy, A. Norris and B. Abernathy, May 18, 2007, submitted to Revenue Committee). In particular, the City of Eugene wanted the extra time to complete a process that was

[44] In fact, closure notices were issued that impacted an estimated 1,750 spaces during this time period.

underway to amend its existing ordinance dealing with park closures, and Mayor Lehan said that the city could not do it in 90 days and provide adequate time for public input. In addition to opposing the assessed value freeze and supporting the 180-day window, OMHU continued to request a $10 million loan fund for park purchases and associated changes to the terms by which landlords were required to negotiate with resident groups on park purchases.

The principal moment of drama during the public hearing on May 22 occurred when Peter Ferris, the citizen lobbyist for OMHU, testified. Ferris was seated at the table with microphones along with Fred Schwoch, president of OSTA and a member of the Coalition. When he spoke, Ferris referred to OMHU as a *coalition* of park residents, cities and counties, and the Coalition's bill as *the park owners' bill*. This confused committee members, who were just becoming acquainted with the bill and its various proponents and opponents. A committee member asked if there were two coalitions and which ones were supporting which amendments. The confusion worked to the benefit of OMHU (and to the detriment of the Coalition). In effect, Ferris had presented OMHU and the Coalition as groups of equal status and stature and had confused the committee by describing the Coalition as a landlord-dominated group. Committee members then asked Schwoch technical questions about the bills--questions that John VanLandingham, an attorney, usually fielded for the Coalition. Schwoch struggled to answer the questions. Ferris, sitting at the microphone, stepped in and answered the questions, which appeared to have the effect of further enhancing

the status of OMHU as a credible and informed group before the House Revenue Committee.

A bit of background on OMHU is appropriate here. OMHU was an informal group created in response to park closures in Oregon. As of the 2007 session, it had no formal membership structure, officers or legal status, but it had a website and politically adroit and experienced leadership. The principal person affiliated with OMHU was Peter Ferris, who identified himself in his communications to the legislature as "a citizen lobbyist for Oregon Manufactured Homeowners United" (written statement of P. Ferris, May 22, 2007, submitted to House Revenue Committee). Ferris had lived in a manufactured home park since 2003, first in the Eugene area and then in Waldport. He was well-educated, having attended Stanford University and taught English and linguistics. He had prior experience lobbying the California legislature on matters pertaining to adjunct/part-time instructors at community colleges. He initially participated in the Coalition and attended a few meetings, but left "out of disgust" after eight months (P. Ferris, personal communication, December 12, 2007). Others affiliated with OMHU at various times included Fernando Gapasin (a labor and social justice activist, author and university professor who lived in manufactured housing in central Oregon) and Jerry Harden, a very well-spoken park resident from Eugene.

The contrasts between OMHU and OSTA were striking. OSTA was a legally incorporated membership organization with a formal board structure and a thirty-year history. It claimed to have over 2,000 members in 18 counties and 62 cities in

Oregon. The leaders were Pat and Fred Schwoch, who had joined OSTA in 1989 and been in leadership positions since 1992. Over the years, OSTA had played a role in winning a number of protections for park residents through their work with the state legislature. Pat was known by a number of legislators, as she had represented OSTA in the legislature since 1995 (John VanLandingham, personal communication, May 30, 2007). She and Fred were known and respected by a number of park residents statewide for their advocacy and assistance.

VanLandingham characterized OSTA as being "moderate" in that it worked from the premise that landlords and tenants shared a common interest in making manufactured home parks a sound living choice. This common interest provided the glue for the two sides to work out compromises to bring to the legislature as a joint package (J. VanLandingham, personal communication, June 10, 2009). In contrast, OMHU was more radical. Its spokespeople appeared to lobby from the perspective that landlords and tenants had opposing interests, and that the best way to protect the interests of tenants was to expose the underlying imbalance of power. As demonstrated at prior meetings, OMHU was adept at demonstrating grassroots support, engaging in political theater, and disseminating information to supporters in a timely way, principally through e-mail and its website. In contrast, OSTA was accustomed to being accepted as the legitimate voice of tenants, did not appear to disseminate information quickly to its membership, and did not effectively demonstrate the strength of its membership through a show of force. It had not needed to do these things in recent history because there was no organized resistance from

other tenants. Over time, the tension between the two tenant organizations grew more intense, tempers flared, personal animosity grew and harsh words were exchanged verbally and in writing on more than one occasion. This added to the heavy toll that the session was exacting from the spokespeople from both groups.

In the wake of the confusion at the first public hearing, the chair of the House Revenue Committee, Representative Phil Barnhardt, asked Representative Chris Edwards of Eugene, who was a co-sponsor of HB 2735, to establish and lead a work group to see if it were possible to reach compromises on any of the contested issues. While more than 25 people asked to serve on the work group, Edwards invited Representative Krummel and his chief of staff Dawn Phillips; Coalition members John VanLandingham, Pat Schwoch and John Brenneman; League of Cities staff Linda Ludwig; Jerry Harden of OMHU and Mary Ayala, an economist with the Legislative Revenue Office. They were asked to look at four issues, and they were able to reach agreement on three of them, as follows:

- Displaced homeowner tax credit of $10,000: When presented with further information (primarily gathered by Phillips), legislative analyst Mary Ayala revised the budget impact of the tax credit downward from $10 million to $4.06 million for the biennium. The new factors she included in her calculations were a 65% home ownership rate, an 80% occupancy rate and the likelihood of 15% of the spaces being saved through park purchases by resident groups and non-profits (Ayala, 2007). To further mitigate the impact of the tax credit, the work group agreed to a ten-year sunset.

- Housing counselor: Although the landlords did not agree to pay for housing counselors, they did agree to allow the $6 annual fee paid by park homeowners to the state for mediation services to be used for hiring local housing counselors to assist residents with their relocation plans.
- Assessed value freeze: Washington County had presented an example that showed that, in some cases, the value of the five year freeze on the assessed value of the park would more than equal the landlord's payments to the tenants (the $5,000 - $9,000 per home) plus the cost of disposing of abandoned homes. It soon became clear that the Coalition had not done its homework on this element by running the numbers on a few examples before agreeing to include it in their package.

There may have been reasons for this oversight. As described in a prior section, this element of the package was a last-round addition offered by landlords in exchange for agreeing to tenant payment amounts that exceeded what they had originally proposed; time was running out to file a bill at the time this idea surfaced. Nevertheless, the failure to estimate the impacts left the Coalition open to charges that they had created a package that was too one-sided in favor of landlord interests. Initially, the Coalition proposed to cut the tax freeze in half, but in the end agreed to forgo it entirely. In return, the cost of living accelerator that applied to landlord payments to tenants was removed.

The fourth issue was preemption. The group was not able to reach a compromise on it.

At a work session on June 8, the House Revenue Committee took up HB 2735 once again, this time armed with more information and with the report from the work group. In a technically complicated session, the committee systematically considered nineteen amendments that proposed different changes to different parts of the bill. Ultimately, they adopted the recommendations from the work group on the first three issues. With respect to preemption, the House Revenue Committee adopted the proposal from the City of Eugene, as modified by a small technical fix recommended by the League of Cities. It expanded the window of opportunity for jurisdictions to adopt or amend local ordinances pertaining to manufactured home parks to 180 days. The amended bill passed out of House Revenue to the House floor with a vote along party lines.

House Floor Vote: Questions Arise about the Coalition's Legitimacy and Role

HB 2735 was taken up by the full House of Representatives on June 19. Through the agency of Representative Butler, the Coalition tried one last time to substitute a bill with full preemption for the Majority Report. Representative Krummel gave an impassioned speech in favor of the Minority Report, including informing the assembled representatives that the League of Cities had undertaken a telephone poll of Oregon cities with a population of 25,000 or more and found none with plans to adopt a local ordinance regulating park closures. The Minority Report failed to be adopted, with a vote along party lines: 29 in favor of the substitution and

31 against. The House approved the amended bill as it came out of the House Revenue Committee with a vote of 36 to 23.

The principal new issue to arise in the floor debate was the legitimacy of the Coalition. Here is the context: in his floor speech, Representative Girard praised the Coalition for coming up with a response to park closures and asked rhetorically why anyone serving on a task force would make concessions if a deal brokered by that group was likely to be changed by the legislature. Representative Edwards responded to this question by drawing a distinction between a legislatively appointed task force and a voluntary private coalition. "The Coalition is not a task force," he said. "It's a good effort, but not a task force." Edwards pointed out that cities were affected by the deal brokered by the Coalition but were not involved in the negotiations. He further argued that legislators had a responsibility to take a stand on what they viewed as being good for their constituents. Butler rose to the defense of the Coalition by saying that it was not an ad hoc group, but instead a group that had worked successfully on manufactured housing landlord-tenant issues for five prior sessions.

If there was ever any doubt, the rhetoric on the House floor on June 19 established that several legislators viewed manufactured home parks as a significant source of affordable housing in the state, and that state government needed to act to protect them and their residents. Representative Nancy Nathanson, from Eugene, described them as "the state's largest source of unsubsidized affordable housing." She said that this source was "largely invisible until it started disappearing." Representative Tina Kotek, from Portland, described how parks offered "a unique

combination of community and affordable housing" uncommon in other settings. Nathanson said that park residents experienced risk due to "the immobility of mobile homes," and Kotek said that the state had a role to play in "providing a stronger framework of financial support for our most vulnerable residents" to continue to live with "dignity and independence."

The Final Round: Coalition Regains Some Lost Ground

The session was drawing to a close when HB 2735 was considered by Senate Finance and Revenue. The Coalition was successful in having the bill referred to Finance and Revenue, where it would likely have a more favorable hearing than in other committees. At this point, the pressure was on to get a bill approved before the legislature concluded its session at the end of the month.

In an effort to consolidate the review of tax credits and other measures that reduced the state's revenue stream, all of the individual proposals were stripped from the bills in which they originated and moved to one large omnibus bill. Senator Ryan Deckert, Chair of Senate Finance and Revenue, a legislator with a history of wanting to limit tax exemptions, chose to do it this way so that all of the tax credits could be evaluated against each other and their cumulative impact on the state's revenue tracked. On June 19, the Senate finished work on HB 3201, the omnibus tax bill, adding in a reduced tax credit of $5,000 per manufactured home owner at the last minute (Lednicer, 2009, June 19). The sunset on this tax credit was moved up from ten years to six years.

Deckert scheduled the public hearing on HB 2735 for June 21. Prior to the session, Senator Rod Monroe, a Democratic member of Finance and Revenue, had begun to work on a compromise bill that restored not the full preemption that the Coalition wanted, but a shorter window of time for new ordinances to be adopted by jurisdictions other than the four that had them. The "Monroe Amendments" as they came to be known that day, initially grandfathered existing ordinances, gave Eugene up to 90 days after the end of the session to amend its ordinance because it currently provided protections to tenants that were not as good as those provided by the state, and all but closed the window for other new ordinances to be adopted. Eugene objected to the 90 days, maintaining that it required more time to complete its work in a manner that provided adequate public input.

Senator Deckert asked VanLandingham if the Coalition supported the Monroe Amendments. VanLandingham chose his words carefully, saying that he could not speak for the Coalition, but that he believed that they would be amenable to the Monroe Amendments. But he added that he thought that a bill based on the Monroe Amendments would not achieve concurrence in the House[45] due to the City of Eugene's resistance to it[46]. Senator Monroe added that he had just learned that not only Eugene, but also the other three cities, wanted an opportunity to amend their ordinances. Deckert asked John Brenneman, lobbyist for MHCO, whether he would

[45] If a bill is amended by the second chamber after it has been adopted by the first chamber, the originating chamber must either concur with the change or establish a conference committee to see if agreement could be reached. Since time was too short for a conference committee, the only way that HB 2735 would become law was if the House concurred in the Senate amendments.

[46] The bill is referred back first to the chair of the House Committee where it originated for concurrence. Representative Holvey, chair of House Consumer Protection, was from Eugene. Holvey had said that he would not agree to a shorter time frame for amendments unless the City of Eugene agreed to it. Thus, the City of Eugene held the critical card at this point in the game.

support the Monroe amendments. He said a reluctant yes, as long as only the four cities were grandfathered. But he added that he thought that the four cities should finish amending their laws within the 90-day window.

At this final stage of the process, the League of Oregon Cities finally took a formal stand on HB 2735. Ludwig spoke in favor of the version that was approved by the House, which provided a longer window for cities to adopt local ordinances. The League had surveyed Oregon's 25 cities with populations in excess of 18,000 people and found that, while it was unlikely that they would adopt an ordinance, one or two would like to have a 90-day window to consider the matter further[47]. She reinforced that the cities were not included in the Coalition negotiations by saying that she had worked for the League of Cities for ten years but did not hear about the statewide solution proposed by the Coalition until the beginning of the session.

After the public hearing closed, Representative Monroe continued to work with the interested parties through the evening. The next morning, the Senate Finance and Revenue Work Session on HB 2735 opened with Representative Monroe saying that he had an amendment that made the various parties "a little happier but not totally unhappy." His proposal was to grandfather existing ordinances and provide up to 180 days for amendments. New ordinances were to be prohibited as of July 1, 2007 (a window of six days). The committee approved the bill with the revised Monroe amendments.

[47] It appears that this is the "telephone poll" by the League of Cities that Representative Krummel referenced in his speech on the floor of the House of Representatives, despite the discrepancy between the 18,000 population threshold cited by the League and the 25,000 population threshold cited by Krummel.

In the final days of the session, the Senate approved the bill on June 24 with a 27 to 2 vote (one absent), and the House concurred with a 38 to 20 vote (two absent). After the governor signed HB 2735 on August 6, it became the law of the state effective September 27, 2007.

What Changed, Who Won and Who Lost

After six months of legislative process, the principal changes to the Coalition's proposal involved preemption, the local assessed value freeze, and the diminution of the tax credit available to displaced homeowners. One leg of the Coalition's four-legged stool (local government's share) had been removed, a second (the state's share) had been cut in half, and the other two (the shares borne by displaced homeowners and park owners) had been lengthened. The future of the Coalition was uncertain.

While MHCO representatives were extremely unhappy with the adoption of limited preemption instead of full preemption, the actual impact of this change overall was not extensive. Only one new jurisdiction, Forest Grove, attempted to enact an ordinance within the six-day window. However, because City Council acted on July 1 instead of on June 30, the ordinance was null and void. A misreading of the adoption deadline resulted in this occurrence. Although at least one Portland commissioner privately considered action, none was taken (Erik Sten, personal communication, June 2007). Thus, only jurisdictions with prior ordinances were allowed to regulate park closures locally. Collectively, the four cities had 113 parks, which constituted 8.6% of

the parks statewide, and approximately 5,200 spaces, which constituted 7.8% of the total spaces statewide.

The one major new development was the discovery of the fact that Clackamas County also had an ordinance pertaining to manufactured home parks. Clackamas County had three-quarters again as many parks as the four cities collectively[48]. Within the county's Zoning and Development Ordinance, Section 825.3 required park owners to provide a relocation plan for displaced tenants. Staff recommended an amendment to this section that provided homeowners a payment of the greater of $15,000 or the assessed value of the property, less the amount of the state tax credit. The $15,000 was indexed to account for inflation. In addition, the proposal also called for granting park residents first right of refusal to purchase the park (Dickerson, 2007). Representatives of Manufactured Home Communities of Oregon came out in force at the public hearings to oppose the ordinance change, as did tenant representatives. By a vote of two to one, the Clackamas County Board of County Commissioners approved an amendment that provided less compensation to displaced homeowners with leases than the staff proposal had recommended, but more than state law required. After this action, displaced manufactured homeowners in Clackamas County were entitled to compensation from landlords that was $1,000, $4,000 or $6,500 more than the base set by state law (for single, double and triple wide homes respectively), and their payments were indexed to fluctuations in the Consumer Price Index.

[48] The Clackamas County ordinance applied only to the unincorporated areas of the county, thus affecting 85 parks (Chuck Carpenter, personal communication, December 14, 2007).

Ironically, including a provision for full preemption in HB 2735 may have worked against park owners with lawsuits against Wilsonville and Bend. Until HB 2735, state law was silent on whether local ordinances were permitted. Prior to adoption of HB 2735, in two separate cases trial court judges found that the city ordinances were invalid because state law dealt with remedies to tenants in the event of a park closure, and these remedies were broad enough in scope to support a claim of implicit preemption. HB 2735 explicitly grandfathered in existing ordinances and allowed a period of time for them to be changed. What had been a grey area suddenly became clear, to the detriment of park owners with pending cases in these cities (J. VanLandingham, personal communication, October 10, 2007). This outcome is especially ironic, given that two of the park owners most active in the Coalition, Paul Brewer of Oregon Park Owners Association and Troy Brost of Manufactured Home Communities of Oregon, had parks in Bend and Eugene, respectively.

Although the loss of the assessed value freeze also negatively impacted the landlords' interests, they did not fight as hard to keep it, nor did they appear to be as angry about its loss. The Coalition did not do its homework on the impacts of the freeze prior to including it. In contrast, the Special Districts Association of Oregon and Washington County circulated an example of the calculation of the net value of the freeze for a park closure that appeared to result in windfall profits for the park owner above and beyond the cost of benefits provided to displaced tenants. Although the calculation included several errors that significantly magnified the estimated benefit to the park owner, for this example even a corrected calculation still indicated

that the park owner would make more than he or she paid. Even though the example was incorrect, it still damaged the "balanced solution" claim made by the Coalition about its legislative proposal.

The Coalition could have avoided this by including a provision to cap the value of the freeze at some percentage of the total benefits paid by park owners to residents, but, in the haste of trying to finish their package before the beginning of the session, this idea did not arise. When the Coalition offered to add a cap later during the committee process, it was too late. While the Coalition agreed to remove the assessed value freeze, the damage to its credibility was already done.

The final leg of the stool to be affected was the tax credit available to homeowners. Although Representative Krummel and the Coalition were unhappy to see the proposed amount cut in half, HB 2735 did make some significant improvements to existing law. Without HB 2735, there would not have been a tax credit after 2007, as it was due to sunset on December 31 of that year. HB 2735 also made the tax credit universal so that displaced residents of all incomes received it regardless of whether they moved their home. Under the prior law, only residents with annual incomes below $60,000 could apply for the tax credit, and the credit could only be used for reimbursement of the cost of moving a home.

Although tenant benefits were not all that advocates had hoped, there is little question that tenants had better protections after HB 2735 than they did prior to its passage. Although landlords did not win the full preemption that they wanted, they did close the door on any new local ordinances. Furthermore, approximately 85% of

the parks statewide were covered by the provisions of state law, and only five local laws were left standing, and they applied to approximately 200 parks, or only 15% of the parks statewide. With this level of success over a contentious issue, why, then, did the Coalition end the session with its members dispirited and discouraged?

One of the reasons is that the more moderate landlords and tenants who came together to compromise as part of the Coalition were criticized by the more radical elements of their own constituencies. For example, Pat and Fred Schwoch, who had spent approximately 30 years advocating for tenants' rights, were deeply offended by Peter Ferris's claims that the Coalition was a landlord-dominated group. This statement implied that they, along with VanLandingham, compromised too much and did not adequately stand up for tenants within the Coalition. VanLandingham commented, "A number of the testimonies, I took them personally. For example, there [was].the allegation that landlords dominated the Coalition. That offends me. I'm the one that's being dominated by landlords…so I found it a very hurtful session" (J. VanLandingham, personal communication, October 10, 2007).

Conversely, Ferris, who spent countless hours and scarce personal resources to wage his campaign, was offended by what he perceived as the Schwoch's attempts to discredit him (P. Ferris, personal communication, May 25, 2007). Representative Krummel commented that Ferris's tactics amounted to "serving it up as a class warfare. It's the big, bad, rich landowners against the poor, defenseless homeowner" (J. Krummel, personal communication, December 9, 2007).

Although I am not able to document instances of parallel claims and counter claims among landlords, participants in the Coalition said privately that they did take place. The landlords who sought common ground with tenants to address the closure problem because they believed that it hurt their industry were criticized by those who looked at landlord-tenant negotiations as a zero-sum game (i.e., something that helped tenants de facto harmed landlords). The more hard-line landlords claimed that the others were too soft on tenants and complained that they gave away the store. All that Chuck Carpenter, executive director of Manufactured Home Communities of Oregon would say was that "this [session] was much more emotional than we've had in years past" (C. Carpenter, personal communication, December 14, 2007).

Besides the toll on the participants, the session also affected the future of the Coalition. Interestingly, this outcome occurred despite the members' stout loyalty to the Coalition and each other. No Coalition member said that he or she felt betrayed by others. Greg Harmon, a member of Manufactured Home Communities of Oregon spoke for many when he said, "I don't know of anybody that felt betrayed by the Coalition members…Everybody on the Coalition is still friends; we still communicate" (G. Harmon, personal communication, November 20, 2007).

It was not loyalty, but a new assessment of the level of risk that the legislature might change a negotiated package, that left some members of the Coalition unsettled. In a political season with a Democratic-controlled legislature, it was the landlords who bore the brunt of the risk. As a result, the landlords said that they were reluctant to

return to the table right away. Carpenter described the stance of his organization as follows:

> Interviewer: Has there been fallout within your association over this past session?
> Carpenter: I think the fallout is that people are tired of laws changing, and I think there's a fallout that people are tired of talking abut changing laws next session. What are we going to talk about? I think there's just a general feeling of, it's come time, we just need to let things lay for awhile. The world is not going to end if we don't change Chapter 90 next session. The world is not going to come to an end of we don't make other changes in things that affect manufactured home community living. We've had a lot of very significant changes over the last four years, and I think we need to let those things work through. (C. Carpenter, personal communication, December 14, 2007)

Harmon described how he believed the character of the Coalition would be altered because of the 2007 session as follows:

> I think the Coalition has to exist. It would be terrible to see it, after all these years of building it and getting people willingly to sit at the same table, it would be a shame to see it go away. But the next session, it's going to be a completely different Coalition because everyone is going to be skeptical because they're going to feel like …they're maybe doing a bunch of work for nothing, which they never felt until the 2007 session. (Greg Harmon, personal communication, November 20, 2007)

If the landlords failed to come to the table until they had the advantage politically, then the future of the Coalition to provide a negotiating platform one step removed from partisan politics was jeopardized.

The Role of Path Dependency in the Trajectory of HB 2735

In the past, the Coalition attempted to adopt a role that was effective in getting compromise landlord tenant laws adopted regardless of who controlled the legislature. In prior sessions, legislators were not eager to take up landlord tenant law, in part

because the issue was not a usually an urgent one. The only way to get a landlord-tenant bill through the legislature was to present it as a non-controversial issue (one that both landlords and tenants supported) and to hope that they had a few Coalition members with enough political clout to get it through the legislative process before the session ended.

The 2007 session demonstrated that, if manufactured home parks were politically important to legislators, they might change the compromise, especially if they heard dissenting voices from those not in the Coalition but affected by its proposal. The publicity around park closures made the problem "an issue whose time has come" (Kingdon, 1995). Other parties besides the landlord tenant interests represented in the Coalition had a stake in both the problem and the solution, and they actively participated in the 2007 session. As in the case of the closure of residential hotels, some of the potential displacees who were active at the local level went on to testify and lobby at a higher level, much to the surprise of Coalition members. Other advocates included two statewide senior citizen groups, local jurisdictions, taxing districts and the League of Cities.

At this moment, manufactured housing, usually the province of a small group of highly invested landlord and tenants who came together as the Coalition, became an issue of concern not only to a broader set of advocates, but also to legislators. Because of the widespread publicity manufactured home park closures had received, the legislature was likely to adopt some kind of a bill. The legislators most heavily involved in negotiating the elements of a solution were ones who represented cities

with local ordinances, principally Eugene and Wilsonville. Ultimately, the principal bill that addressed the displacement of manufactured home park tenants was the product of not just the Coalition's negotiated agreement, but also the political pressure and advocacy exerted by a group of actors (legislators and advocates) in a time-limited arena.

In 2007, following the path that they had followed in prior years resulted in disappointment and frustration for Coalition members. Some did not understand, nor adequately prepare for, how different the political trajectory would be due to the high level of interest in what had once been an obscure topic that even most affordable housing advocates had failed to follow closely in prior sessions. The institutional arrangements, expectations and conventions that had served them well in prior years led to a sense of disappointment in 2007. Path dependency (the tendency for rules and arrangements developed at a prior time to shape attempts to address a subsequent situation), combined with the expectation that 2007 would be a session like any other prior session, resulted in frustration and a sense of defeat for some Coalition members. They were unprepared for challenges to the credibility of their compromise as a balanced solution and challenges to the Coalition's claim to be the legitimate framer of issues pertaining to manufactured housing.

From an outsider's perspective, however, the passage of the amended HB 2735 appeared to achieve the principal goals that the Coalition's tenant and landlord members had in their sights at the beginning of the process. Specifically, HB 2735 represented a substantial step forward in providing a level of assistance to displaced

park residents that was both higher and more broadly available than that which was in place before the session began. And, with the exception of four cities and one county that had laws in place, the park owners had succeeded in closing the door on the possibility of local ordinances.

The Other Half of the Solution: The Park Preservation Strategy

During this session, politicians spoke about the closure of manufactured home parks as an affordable housing issue. The potential loss of this "hidden" form of affordable housing was no longer the sole provenance of those concerned about landlord-tenant law, but instead became part of a larger question of how to provide decent housing for those whose needs were not met by the private market. This section provides a brief summary of the outcome of the bills aimed to help park residents purchase their parks and preserve them in perpetuity as affordable housing.

HB 2096, the product of Oregon Housing and Community Services working in collaboration with non-profit affordable housing development entrepreneurs, provided for the creation of a new type of legal entity, a manufactured dwelling park nonprofit co-operative. Although existing state law permitted the formation of co-operatives, there was no provision for creating nonprofit co-operatives. The nonprofit status was important, in the view of the bill's creators, so that the resulting park would remain affordable to successive co-op members. It thus created a vehicle in which the state could invest public funds with the assurance that the benefit of the public funds would not inure to the current co-op members exclusively, but instead be passed down to

successive homeowners who purchased homes in the park. It was intended to create a permanently affordable housing site. Thus, this arrangement permitted homeowners to enjoy the use value of the land with a sense of permanency, but, instead of current homeowners benefiting from the exchange value of the park, the affordability was preserved for the benefit of future resident homeowners.

Resident-owned communities existed in Oregon prior to the passage of HB 2096. Deane Sargent, the principal of PMC Financial Services, a California-based consulting firm that specialized in setting up park purchases for resident groups, nonprofit corporations and affordable housing providers, had developed a successful resident purchase model based on a mutual benefit corporation as the legal vehicle that owned the park. Park resident homeowners were members of the mutual benefit corporation, if they chose to buy in when the conversion to resident ownership occurred. When a park resident homeowner sold the home and his or her stake in the mutual benefit corporation, in effect he or she was able to sell them as a package on the open market, thus accessing the full exchange value of both the home and the state in the park. Thus, while continuing affordability was not assured, this model provided a means for the initial homeowner to build more equity than the co-operative model allowed.

Some community development practitioners criticized the lack of affordability of this model and the fact that it worked best for park conversions where most of the residents were moderate (instead of low) income. The initial cost to buy into the mutual benefit corporation could be as high as $30,000 to $40,000. Although PMC

Financial Services was able to help park residents obtain financing for this cost, the resulting financial structure required more income than some manufactured homeowners could afford. As of March 2007, Sargent had completed two park conversions in Oregon, Lakeshore Estates in Corvallis and Springlake Park in Scappoose, and many others in California (PMC Financial Services, n.d.).

In contrast, HB 2096 prohibited co-op members from selling their share for more than their initial membership fee plus a cost of living adjustment. Although not explicitly stated in the legislation, the drafters intended that the initial membership fee would be low (approximately $500). The only people who could be members of the co-op were owner occupants of the manufactured home parks. HB 2096 also prohibited the payment of dividends or net proceeds to members. When co-op members/homeowners sold their homes, they were able to sell them on the open market. Hypothetically, because the home was located in a park with a stable rent structure and modest rents, it might have a higher value than an identical home in a comparable park owned by an investor owner. Should the co-op dissolve, it was required to distribute its net assets to either another manufactured dwelling park nonprofit co-operative, another nonprofit charitable organization, a housing authority or a public entity (local or state government).

HB 2096 sailed through two House committees and was approved by unanimous vote of the House in less than 60 days. Once the Senate committee held a public hearing, the bill moved quickly through the Senate side and was approved unanimously in less than a month.

Compared to HB 2735, the legislative process for HB 2096 was simple and straightforward. It had no opposition and many supporters. The reason for this contrast is that HB 2735 challenged the existing power relationships between landlords and tenants in the political economy of manufactured home parks. HB 2735 required landlords, the party with greater structural power, to make concessions to tenants, the party with less structural power. Furthermore, HB 2735 affected the property rights of owners in that it affected the terms by which they could sell their land in an open market.

In contrast, HB 2096 simply enabled park residents to form a co-operative for the purpose of bidding on and purchasing their park on the open market; it did not limit the park owner's ability to dispose of the property as he or she saw fit. While HB 2735 evoked concerns about property rights, HB 2096 only provided a tool that helped park residents compete in the marketplace. HB 2096 did not change the existing structural power arrangements between landlords and tenants within the political economy of manufactured home parks. Unlike HB 2735, it did not require landlords to cede any of their rights or power to tenants.

The bills containing the financing to support park purchases did not have as easy a passage through the legislature. As discussed previously, the proposed financing package consisted of two primary elements. The initial 20% of the purchase cost of the park was to be financed through a new affordable housing resource funded by a dedicated revenue source, a document recording fee. The remaining 80% was to be financed through private loans with interest rates lowered through the application

of Oregon Affordable Housing Tax Credits (OAHTC). SB 984 addressed the need for OAHTC for park purchases by raising the cap on the amount of credits that Oregon Housing and Community Services could allocate and also specifically added manufactured home park purchases by residents or nonprofits as an allowed activity for OAHTC use. SB 984 was eventually rolled into HB 3201, the omnibus tax credit bill, which was approved at the end of the legislative session.

The document recording fee bill, HB 3551, created a fund to support a variety of affordable housing development and asset management purposes. Initially, with 12 Republican representatives joining the majority of Democrats in the House, it appeared headed for approval. In the last days of the session, when the legislative process was at its most partisan, HB 3551 became "tied up in legislative wrangling" (J. Byrd, personal communication, June 26, 2007). With the Republican leadership in the house asking its members to vote against the bill, HB 3551 failed to be approved, with a vote mostly along party lines. This initial financing was thought to be critical to having a program to finance resident purchases, and its proponents in the nonprofit development community were very disappointed in its defeat. Thus, the session ended with a new legal vehicle in place for resident purchases, but without the complete financing package as planned.

The collection of bills that constituted the park preservation strategy represent an effort by affordable housing entrepreneurs and Oregon Housing and Community Services to address the problem of park closure as an affordable housing issue. While HB 2735 can be viewed as an effort to address the needs of park residents that resulted

from a longstanding power imbalance among private parties (landlords and tenants) within the political economy of manufactured home parks, the park preservation bills mark a different kind of strategy entirely.

In the 1970s, "affordable housing" primarily meant inexpensive housing provided by the workings of the private sector. By this definition, manufactured home parks were a form of affordable housing because they provided modest, inexpensive residences where households with lower incomes could afford to live. By 2007, affordable housing had come to mean government-subsidized housing provided primarily (but not exclusively) by nonprofit affordable housing entrepreneurs using government subsidies and assistance. The government subsidies bought long-term affordability and removed the housing from the normal workings of the marketplace. Stone (1993) called this kind of housing "social housing."

Social housing is housing that is "removed permanently from the possibility of resale in the private market" (Stone, 1993, p. 192). Households who live in social housing fully enjoy its use value, but cannot access its full exchange value to build personal wealth. Instead, social housing remains affordable for future residents. According to Stone, ideal social housing should provide residents with a stake in their homes by providing permanent residency and the ability to modify the homes (within limits) to suit their tastes and needs. Oregon's new manufactured housing dwelling park nonprofit co-operatives represented this more advanced form of social housing, as did community land trusts.

Thus, HB 2735 addressed power imbalances within the market system, and HB 2096 provided a pathway for taking manufactured home parks out of the market because a market system could not provide permanence. They represent two very different approaches to dealing with problems inherent in the political economy of manufactured home parks.

The final sections of this chapter consider two themes that arose in interviews with legislators and other key informants: property rights v. homeownership and the role of the state in addressing gentrification. This thematic analysis surfaces issues deeply imbedded in the particulars of Oregon's political economy and in mobile home parks as the "what" of gentrification. The final section considers if and how this discussion of the central debates in developing a legislative response to manufactured home park closures may provide clues about issues likely to inform the creation of remedies to gentrification's effects in general.

Themes of Property Rights and Homeownership

Property rights and homeownership are two institutions deeply imbedded in the American way of life. In anthropological terms, they could be considered to be summarizing symbols of American culture, which means that they sum up or express in an emotionally powerful way some fundamental element key to the organization of the culture (Ortner, 1974). Property rights and homeownership are integral to ideals of personal freedom, the pursuit of happiness and upward mobility. A politician opposes them at her or his own risk. Yet, in the search for legislative solutions to

manufactured home park closures, these two institutions pulled stakeholders in different directions because they worked in opposition to each other. On one hand, the appeal of supporting real property rights bolstered the park owners' claim of disposing of the land as they chose. On the other hand, homeownership supported the residents' claim of having to a place to live or being compensated for its loss. Divided asset ownership set in motion a battle between two fundamental principles, a battle specific to forms of displacement and gentrification involving manufactured home parks.

Legislators are typically careful about their stands on property rights. This session, this normal sensitivity was further heightened because of the pressure on legislators to develop a solution that addressed the problems raised by Measure 37. This ballot initiative, which was approved by 61% of Oregon voters in 2004, permitted property owners to seek compensation from state and local governments if the value of their property was reduced by land use-related regulation. If government could not compensate a landowner within two years, then the owner could use the property for all uses permitted when he or she had originally purchased it. By fall 2006, concern over the potential impacts of Measure 37 on environmental quality, community livability and adjacent land values had grown to a point where, according to a poll commissioned by Defenders of Wildlife Action Fund, a majority of Oregon voters (66%) would vote against Measure 37 if it were on the ballot at that time (Defenders Action Fund, October 25, 2006). Thus, the onus was on the 2007 legislature to develop a plan to moderate the impacts of Measure 37. "Moderate" did not mean "overturn," however, and the pro-property rights sentiment remained strong.

In this environment, the issue of property rights came up frequently in interviews with legislators and other key informants involved with the passage of HB 2735. Property ownership is often thought of as consisting of the possession of a bundle of rights pertaining to real estate, such as the right to buy and sell real estate on an open market, the ability to exclude others from the property, the right of quiet enjoyment, the ability to alter and extract resources from the property, and the ability to lease the property to a third party. None of the key informants (including those representing the homeowners' interests on the Coalition) contested the park owners' right to close the park and sell the property. There were several reasons for this. First, the tenant representatives did not think that they would win if they brought this approach to the legislature for several reasons. First, state law at the beginning of the session enabled landlords to close the park with 180 to 365 days' notice, even if they had tenants with existing month-to-month or fixed-term tenancies (ORS 90.630 (5), 2005). Second, if the legislature did pass a law that prevented closure, it was very likely that landlords would bring suit to test whether it was valid under the US Constitution. Measure 37 had led to a flurry of lawsuits contesting the Constitutionality of the measure and seeking to clarify the intent, extent and method of implementation of the law at the local level. With Measure 37 cases flooding the courts, all parties were reluctant to pursue a solution for park closures that would spawn similar lengthy and costly legal battles, especially when so many elderly and vulnerable tenants needed assistance quickly.

The issue that was in play was whether homeowners were entitled to some kind of assistance or compensation from park owners. Many of the park owners closing their parks during this period were likely to make a significant profit on the sale of the land. In contrast, the homeowners in the park typically were low to moderate income people who lost their home, their community, all that was familiar, and their most significant financial asset when the park closed. The existing law permitted park owners to close parks with no payments to residents with a year's notice. Leases park owners provided to residents typically included a clause that informed the residents of this right of closure. Nevertheless, some lawmakers were troubled by the fairness of this arrangement. Although no one was willing to impede the landowners' right to dispose of their property in an open market, the vote on HB 2735 indicated that a majority agreed that park owners should pay homeowners who were displaced.

Claims and counterclaims about property rights are at the core of a response to the impacts of gentrification and displacement because they deal with the relationship between the displacer and the displacee. In the case of manufactured home parks, a form of divided asset ownership, the claims of the displacees are strengthened by the fact that they, too, are property owners by virtue of being homeowners. In this case study, the central question is whether the homeowner is somehow vested in the bundle of rights associated with land ownership and is thus entitled to a share of the profit on the sale of the land. This question is explored in the following chapter.

The Role of Government in Addressing Gentrification

Although it was not a topic that I introduced through the interview questions, the role of government in dealing with gentrification came up repeatedly in the course of conversation with legislators and other key informants. There were two primary inter-related sub-themes: the role of government in a private market economy and the role of the legislature v. the role of a private coalition in creating legislation.

Senator Avakian offered the most complete description of his view of government in a private market economy. As the interview excerpt below demonstrates, he viewed the role of government to be that of addressing equity issues that arise in a free market economy.

> Gentrification is often, it's always something the individual can't solve on their own, something is being imposed on them by a greater power, whatever that happens to be. And in those situations there is a role for the government to protect the individual's rights. I don't mean Constitutional rights, contractual rights, whatever rights you want to call it. And, in that instance, sure it would be appropriate for the government to create policy that balances the power that has been unbalanced by gentrification… A government is not a business. It's appropriate for government to be able to protect the rights of people who don't have the power to operate in a world that has left them powerless.
>
> In a completely free enterprise model, you would say this [a park closure] is just a business transaction, a person gets a loan, they take a risk, and it didn't work out for them…[The legislature] exists to protect the people that have no protection in that type of system. This [the closure of manufactured home parks] happens to be an issue that's appropriate for government intervention. (B. Avakian, personal communication, November 20, 2007)

Avakian believed that, as the weaker bargaining party, park residents also bore more of the risk, because if the divided asset arrangement were to cease, they lost their homes, while a park owners only lost an investment. He believed that government

should do more than uphold property rights or Constitutional rights; it should identify and deal with issues of equity and the uneven distribution of power.

Although he did not discuss the role of government directly, Representative Holvey proposed a solution to gentrification that indicated that he believed that government should step in and implement a form of redistribution aimed at creating a more equitable division of the profits from the park sale. He proposed that the state should use its tax structure to tax the capital gains from parks and then distribute some of the tax proceeds to park residents. But, he then acknowledged that imposing a higher capital gains tax on park sales (a cost to park owners) should be balanced by an up-front government assistance through "tax incentives, or tax breaks for the developer, or whether the state just has affordable housing money [that we can use to] subsidize the development directly" (P. Holvey, personal communication, October 17, 2007). Thus, his solutions involved a mixture of private sector carrots to encourage park development by private sector interests and public sector sticks that had the effect of both discouraging park closures and, should the park close, distribute some of the profits to park residents to share in the profit from the sale. By his policy recommendations, Holvey implied that he believed that, in the political economy, government should address equity issues through incentives and, where necessary, redistributive actions.

Representative Krummel believed that government should step in to help park residents who were displaced, but, as an advocate of limited government, he called this "a special case" involving "people that need some kind of assistance" (J.

Krummel, personal communication, December 30, 2007). Krummel identified with park residents; he reflected on his own time as a homeowner in a park and the challenges he experienced later in life when he moved his mother from a park. He wanted to ensure that whatever assistance occurred did not create dependency or a sense of entitlement on the part of the recipients, which he called "a free lunch kind of deal." Instead of creating a social program that required public resources, he advocated for a tax credit, which, while it worked like an income transfer to displacees, had the effect of reducing the revenues for other government programs. He appeared to advocate for a bit of one-time help from government when the market produced an outcome that left people stranded. Unlike Avakian and Holvey, he did not advocate for a redistribution of power or other changes to the market system that led to this outcome.

All three legislators, regardless of party affiliation, believed that the ultimate solution to park closures involved the creation of more affordable housing. Holvey said, "We need to, as a government or as a society, figure out how we're going to provide housing for low income people, and that's all related to our economy" (P. Holvey, personal communication, May 22, 2007). They all mentioned different kind of affordable housing solutions. As a believer in the role of the private sector to provide needed goods and services, Krummel advocated for public sector tax incentives to induce developers to include affordable housing when they develop market rate housing (J. Krummel, personal communication, December 9, 2007). Holvey mentioned the idea of some kind of government action to make more land available

for affordable housing and also the need to generate additional government revenue to support affordable housing development programs overall (P. Holvey, personal communications, November 17, 2007 and April 17, 2007).

Relevance of the 2007 Session to the Development of Responses to Gentrification

I have argued that gentrification is an integral part of metropolitan restructuring through the workings of the market system as mediated by socially-constructed policies. In the market system, certain uses become destabilized because of the expansion of urban form to the fringes of an urban area or to holes in an otherwise consistent urban fabric. The value of the land in these fringe areas and holes increases. In a pure market system propped up by an individualistic understanding of property rights, the landowner would be able to sell the land and change uses without regard to impacts on displacees, neighboring land owners or others that might be affected by these changes.

In the case of manufactured home park closures, however, all parties—even the landowners, as represented by their two associations—wanted to ameliorate the condition of residents while preserving the park owner's ability to sell the land. Interviews with legislators indicated that there were particulars about the closure of manufactured home parks that spurred on government intervention. The displacees were homeowners who had invested more in the land than ordinary renters would. They were older adults, formerly working class if not middle class, a demographic known for its likelihood to vote. The images of a displaced elderly widow and an

elderly man who had worked hard all his life but was now without a place to live were compelling ones. There was something about the divided asset ownership of manufactured home parks and the people who lived in them that made this form of gentrification and displacement, in the words of Representatives Krummel and Avakian, a Republican and a Democrat respectively, "a special case."

In this case, all agreed that government should get involved in this clash between the opposing claims of the users of space and the owners of space, the heart of gentrification (Clark, 2005). The most aggressive legislators (i.e., Avakian, Holvey), believed that there was a power imbalance among market actors that meant that one set of actors (the homeowners) were more vulnerable to harm than the other (the landowners). Avakian believed that the role of government was not merely to uphold the automatic workings of the market within its socially-constructed conventions, such as private property rights. He argued that government should intervene where the outcome of market transactions was: 1) based on a significant imbalance of power and 2) resulted in great harm to one side. These are powerful ideas that get to the heart of when and why government should respond to gentrification. While, in Oregon, this approach is only being applied in the special case of manufactured home parks, where the competing American icons of homeownership and property rights clash, perhaps it could have broader application in other instances and places where there is similar political will.

Property rights—especially the ability to buy and sell property on the open market in an unfettered way—are so much a part of how Americans see their country

as a land of personal freedom and opportunity that there is a tendency to forget that they are socially constructed and have changed over time. Freyfogle (2003) presented a cogent history of the evolution of property rights in the US from the early principles of *sic utere tuo ut alienum non laedas* (use your own property so as to not harm another) and *salus populi suprema lex est* (the good of the people is the supreme law) to a more individualistic view of private property in which landowners "had few duties to neighbors and little or no obligation to keep their activities consistent with the community's well-being" (p. 83). Because the system of common law no longer applies these principles to the negative impacts of land uses (now considered externalities in market transactions), it has fallen to the state to do so. Although Freyfogle's argument is about why the state now has a role in protecting the environmental quality of places for the good of all, a similar argument for government intervention in the case of gentrification can be made. In fact, Avakian made this argument when he called for the state to intervene in park closures because market transactions were based on a power imbalance between the parties and resulted in great exposure to harm by one side. The power imbalance was created, in part, by the socially-constructed ascendancy of the claim of private property rights by the owners of space over competing claims by the users of space to either continuation of use or payment for harm inflicted.

Although many legislators who voted for HB 2735 might not agree with Avakian's ideas about the role of the state, they did at least agree that something needed to be done in this special case of gentrification and displacement. That is why

the real-life political responses to this particular kind of gentrification are interesting to examine. Instead of doing nothing, legislators did something. And even landowners agreed to pay.

The relevance of this case study does not depend on how typical Oregon is of other places in the country. The relevance is based on what it reveals about the larger ideas that come into play about gentrification when they are imbedded in this particular context. This case study has illustrated how beliefs about property rights (particularly how to address the competing claims of users and owners of property) and the role of the state are central to shaping a political response to the impacts of gentrification.

CHAPTER 12. ANALYSIS OF SIGNIFICANCE OF LEGISLATION

The 2007 Oregon legislature approved new laws to assist manufactured home park residents faced with park closure. One strategy aimed to lessen the burden on displaced residents, and the other was aimed at preserving parks through purchase by a resident co-operative. But what did these strategies achieve, and what can we learn from them about the barriers to fully addressing the impacts of gentrification? This chapter examines three levels of the legislation's impacts: those affecting individuals displaced by park closures, those affecting the availability of affordable housing in local Oregon communities, and those affecting the future of manufactured housing in the state.

Impacts of the Legislation on Individuals

This section analyzes the impacts of the 2007 legislation by comparing conditions before and after the policy is in place[49]. Under ideal conditions, a researcher would collect data from representative samples of the affected population before and after the policy and analyze them to determine whether there is a statistically significant difference between various conditions of the two samples, controlling for extraneous factors. Unfortunately, the data for this kind of systematic

[49] This is sometimes called a "with-without analysis," which refers to a process of comparing conditions with the legislation to conditions without the legislation.

analysis of the impacts of the legislative packages dealing with park closures on displaced residents is not available[50].

Instead, this analysis is based on a comparison of the remedies and resources available to the affected population before and after the 2007 legislation took effect. Because some information is available for Thunderbird Mobile Club residents, the Wilsonville park described in Chapter 9, I use data about residents in this park to project potential effects of the legislation. Although this approach does not yield statistically significant results based on the collection and analysis of data concerning actual impacts, it does provide insights about the probable implications of the 2007 park closure legislation for the individuals it was intended to assist. The method of comparing the impacts of park closures with the legislation in place to the impacts without the legislation is called a with-and-without comparative analysis (Patton & Sawicki, 1993).

In Chapter 5, the following three population clusters were identified:

- Working class retirees: primarily people who worked all their lives, owned a site built home while they were working and then downsized to a manufactured home. Their income consists primarily of social security payments and modest pensions or retirement savings. This group is primarily comprised of widows and married couples. They chose to live in a manufactured home park because it is affordable, safe and has a strong sense of community.

[50] Data were not systematically collected from a representative sample of displaced park residents prior to the implementation of the 2007 session. Timely data were not available on displaced park residents whose park closure was governed by the 2007 legislation. As of summer 2009, only three parks with a total of 48 spaces among them have closed since the effective date of the 2007 legislation.

- Working class families and individuals: households with low to moderate incomes, some with children and some without. Typically, they do not have sufficient income or savings to purchase a site-built home, and they chose to purchase a home in a park over renting an apartment or home, their other likely housing options. They either own the home outright or make payment on a loan for it.
- Very low-income renters: individuals and families with very low incomes who rent both the home and the space. Although some might be able to afford an apartment, they prefer the space and privacy of renting a manufactured home in a park.

The legislative solutions developed during the 2007 session focused on manufactured home owners, represented by the first two clusters above, and addressed the challenges of divided asset ownership. There was little discussion about residents who rented their homes as well as their spaces during Coalition meetings, and the public discourse during the session was about homeowners. In the Coalition meetings, the primary rationale mentioned for not addressing the needs of renters was that they were assumed to be more mobile because they did not own a home. It was assumed that they would be displaced in much the same manner that renters in an apartment complex would be displaced if the owner wanted to redevelop the property. In the Coalition and among legislators, there appeared to be little appetite for developing legislation that dealt with the needs of manufactured home renters. Consequently, neither legislative strategy – neither assistance to residents nor park preservation—was intended to help low income home renters.

HB 2735, the primary park resident assistance law, did not provide relocation benefits to residents who leased their home as well as the space. For some in this group, however, renting a space in a mobile home park represented housing of last resort. Some might be hard-pressed to find another place that they could afford. Others might have a criminal record or other problems with their personal histories that made traditional rental housing (including subsidized or public housing) impossible for them to obtain. It is likely that some renters became homeless when their park closed. Statewide, at least 28 households reported that they were homeless in 2007 because of the closure the manufactured home parks where they lived, according to the results of the One-Night Shelter Count organized by Oregon Housing and Community Services (OHCS, 2007). These households included 22 families with a total of 31 children under the age of 12. The central Oregon Tri-County area accounted for most of the homeless former park residents[51]. Twenty-five of the 28 households statewide reported in the One-Night Shelter Count lived in this area.

The park preservation legislation that enabled the cooperative purchase of manufactured home parks by residents also focused on homeowners. According to Chelsea Catto, the CASA staff person managing the park conversion initiative, all residents in a co-op must own their own homes (C. Catto, personal communication, August 10, 2009). Thus, all park residents must be homeowners for this model to work. If a co-op conversion were attempted in a park with renters, the renters would

[51] Because of the difficulty of finding and talking with homeless individuals, practitioners commonly regard the One Night Shelter Count as under-representing the true number of homeless people in the community. At the state level, the relative accuracy of the counts from various counties is likely vary significantly, as it depends on the ability of local agencies to recruit and train volunteers to go out into the field to find and speak with homeless persons on specific winter nights.

either have to purchase their homes somehow or leave. The only potential benefit to renters was an accidental one based on existing federal law and not on 2007 state legislation. If federal financing were involved in the co-op purchase of the park and renters were displaced, they would likely be eligible for relocation benefits under the federal Uniform Relocation Act. These benefits could be substantial, as they include moving costs, assistance with finding a comparable place and a partial rent payment for several years.

The remainder of this analysis focuses on the two groups of homeowners. The kinds of impacts that they likely experienced as a result of park closures are enumerated below, and then explored in the following sections.

Financial Impacts of Park Closures on Homeowners

- Likely loss of access to low-cost housing; likely increase in monthly housing costs.
- Potential loss of their primary asset, the home, if they were not able to relocate it.
- Loss of homeowner's improvements to the site, such as landscaping, carport or patio.
- Moving costs if they were able to relocate their homes.
- If the homeowner was making loan payments to purchase the home, the homeowner faced possible financial ruin if they had to abandon it. This may have resulted in the need to file for personal bankruptcy.

Non-Financial Impacts of Park Closures on Homeowners

- Loss of community and friends.
- Psychological impacts of a forced move: lowered self-esteem, depression, despondency, etc.
- Loss of convenience.
- Loss of cherished belongings if residents had to move into a smaller place. This loss could extend to pets if their new residences did not allow them.
- Potential loss of independence (for older retirees in particular)
- Potential decrease in the degree of control over the space in which one lives.
- Loss of all that is familiar; having to establish new essential routines and necessary patterns of day-do-day life.

Case Study of the Financial Impacts on Homeowners: Thunderbird Mobile Club

The experiences of the displaced residents of Thunderbird Mobile Club (TMC), profiled in Chapter 9, provide a means to explore the financial impacts of park closures on older adults. Cathy Kaufman, the president of the residents' association, maintained detailed records about the choices made by TMC residents when they learned that the owner intended to close the park. Additional information came from interviews with park residents and others close to the project.

Although each park is a unique community with its own distinctive character, TMC was not atypical of other senior (age 55 and older) parks in the state. About half of TMC residents (48%) were female single-person households, about a third (30%)

were two-person households (most likely married couples), and the remainder (22%) were male single-person households. They had a very active community, with monthly resident meetings in the Club House and a busy schedule of social activities that included weekly knitting, oil painting and bowling gatherings, monthly social dinners, an annual yard sale and holiday bazaar, and much more (N. Downs & C. Kaufman, n.d.).

By fall 2007, approximately two and one-half years after the owner had first broached the topic of park closure with the residents, 163 households (62% of the 262 households who had lived there in 2004-05) had moved, and the plans of another 21 households were known (C. Kaufman, 2007). Thus, information is available about the choices made by approximately 70% of the households in TMC[52].

The table below shows that nearly three in five of households (59%) abandoned their homes and moved elsewhere. Slightly more than one of four households (28%) were able to recoup some of the value of their homes by selling them, but then had to find other places to live. Only 8% of the households were able to move their home to another park or other piece of land. Six percent of the residents died prior to the time that they would have had to move.

[52] Per an interview with Rosemary and Roy Acker on August 28, 2009, the number of units was reduced to 260-261 at some point, when two lots were merged into a single larger lot.

Table 12-1 Known Status of TMC Households as of November 11, 2007		
Status of household	**Number of Households**	**Percent of Total Households**
Homeowner abandoned home	108	59%
• Went bankrupt	8	4%
Homeowner sold home	51	28%
• Moved into care center/assisted living	11	6%
• Moved in with family	4	2%
Homeowner moved home to another location	15	8%
Homeowner died[53]	11	6%
Total households for whom status is known	184	100%

Source: Kaufman, C. (2007, November 11). *TMC Resident Information.* Copy in author's possession.

The types of financial impacts that residents experienced can be categorized by what happened to their homes. The fifty-nine percent of households who abandoned their homes lost their access to affordable housing, their primary financial asset and the value of tenant improvements to the site. They also incurred the cost of moving their personal effects. If they still owed money on the house, they faced the need to make payments on an asset they no longer owned. At least eight homeowners filed for bankruptcy as a result.

The 28% who were able to sell their homes were able to recoup some of the value of this asset. These displacees lost access to low-cost housing, their primary financial asset and the value of site improvements. They, too, incurred the cost of moving their personal property. Although the home sale provided resources to help cover these costs, some park residents felt that the buyers were taking advantage of

[53] Ten homeowners died before the time came to move. Another ten residents or former residents also died between summer 2005 and fall 2007.

their vulnerability and not paying a fair price for the homes. Cathy Kaufman witnessed a lot of these transactions and offered the following observation.

> Seems like we have lots of empathy, but I don't think people truly understand the depth of what has really happened to us as residents who have been forced to leave our homes. You would think that those coming into the park to buy homes would also feel our loss and be fair with the homeowner when buying their homes, but no, it doesn't work that way, we are between a rock and a hard place and they know that, so they offer as little as possible for the homes. (C. Kaufman, personal communication, November 9, 2007)

The 8% who were able to move their homes lost the value of their tenant improvements and incurred moving costs. According to estimates developed by the Eugene committee working on amendments to the local ordinance, moving costs in their area averaged from $17,385 for a singlewide to $28,320 for a triplewide (written statement of Barbara Mitchell & Tom Mitchell, March 2, 2007, submitted to House Consumer Protection Committee). They also incurred costs associated with tenant improvements to the new site.

Tragically, six percent of the households died before moving. Another 8% were no longer able to live independently and either moved into a licensed adult care facility or with their family, typically their children. It is not known whether or how long the residents moving to housing with assistance would have been able to live independently if TMC had not closed.

The table below shows the financial assistance that HB 2735 would have provided to the residents of TMC, if it had applied to them[54].

[54] It did not apply because Wilsonville had adopted its own ordinance, which, if upheld by the courts, would provide a higher level of benefits to park residents than the provisions of HB 2735. Wilsonville's ordinance was not preempted by state law, per the provisions of HB 2735.

Table 12-2
How HB 2735 Addressed the Financial Impacts of Park Closures on Residents

Financial Losses	Financial Assistance Before HB 2735	Financial Assistance Provided by HB 2735
Residents Who Abandoned Homes (59% of TMC Households)		
• Value of home • Moving costs of personal effects • Loss of homeowner's site improvements • Likely increase in housing costs	• None, if owner gave 365-day notice. • Resident liable for demolition costs	• $5,000 - $9,000 from park owner • $5,000 refundable tax credit • Demolition costs paid by park owner
Residents Who Sold Homes & Moved (28% of TMC Households)		
• Value of home less the value recaptured by selling it • Moving costs of personal effects • Loss of homeowner's site improvements • Likely increase in housing costs	• None, if owner gave 365-day notice	• $5,000 - $9,000 from park owner • $5,000 refundable tax credit
Residents Who Moved Homes (8% of TMC Households)		
• Loss of homeowner's site improvements at TMC • Moving costs of home • Moving costs of personal effects • Improvements at new site • Likely increase in space rent at new site.	• Up to $10,000 tax credit in moving costs if homeowner's annual income less than $60,000. Tax credit was refundable if homeowner was low income (200% poverty level or less). Tax credit available only to residents who involuntarily moved their homes from January 1, 2007 through December 31, 2008; thus, it did not apply to most TMC residents.	• $5,000 - $9,000 from park owner • $5,000 refundable tax credit

Before HB 2735, a maximum of 8% of the residents of TMC—those who moved their homes—might have had access to financial assistance, and the amount of this assistance (the refundable tax credit) was capped at $10,000 and varied according to the cost to move the home and the household's income. It was available to residents who moved their homes in 2007 through 2008 in response to a park closure; thus, it did not benefit most TMC residents who moved their homes. Because this assistance was provided by the state in the form of a tax credit, it was not available at the time of the move. After HB 2735, all residents would have had access to at least $10,000 in assistance. At least $2,500 was available when they gave notice that they were moving, and at least another $2,500 was available shortly after they had moved. Although this amount does not begin to cover the costs enumerated in the first column in the table above, HB 2735 made assistance universal to all homeowners and required that some of it be provided when it was needed the most. This represents a significant improvement.

Although the percentages of residents who fall into each category will vary from park to park, this analysis of the financial impacts of park closure is applicable to any kind of park where the residents own their homes. Thus, the categories of the impacts of displacement and the remedies provided by HB 2735 are similar for parks where working class retirees live and for parks where working class families and individuals live. Within the categories, however, there are likely to be differences between the groups. For example, although both groups lose access to low cost housing when the park closes, the cost of a new residence for an older adult that must

move into a licensed care facility (such as assisted living) is likely to be higher than that of a family that is able to rent an apartment or house.

Non-Financial Impacts on Homeowners

> It is heart-rending to watch your friends and neighbors, one by one, scramble to find a way to relocate that is within their budget and, hopefully, in the same area where they can remain close to their friends, their doctors and their families. Some fight this stressful battle alone, while those who do not have the stamina or the means turn to the county or the city for help. Not many people, outside of a natural disaster or war, have to watch as their neighbors and friends pack up their trucks with their lives and wave goodbye. Some, of course, are still nearby but others have had to go farther away, where it is very unlikely that we will ever meet again.
>
> Then, to watch as one by one your neighbors' homes are moved out, left empty, sold for little or nothing or knocked down and tossed into dumpsters and hauled away in pieces. Their lovingly tended yards and gardens are dug up by others and carried away or just sprayed with weed killer to turn brown.
>
> And, finally, the street lamp for each home is removed, and your street becomes darker and darker as each family disappears. This is my story of the death of TMC. (Powell, 2007)

This letter to the editor, published by the local Wilsonville weekly in May 2007, was written by Jane Powell, a resident and one of the lead activists of TMC. It illustrates how the non-financial impacts of closures on homeowners may be difficult to quantify but are nevertheless real, especially to those experiencing them.

Residents of other parks testified at legislative public hearings about why they chose to live in a manufactured home park and what it would mean to them to lose this lifestyle. A Eugene resident of an age-restricted park spoke about how she prized the independence that manufactured home parks gave them—"an independent life instead of existing on welfare programs" (Testimony of C. Ulrich, March 2, 2007, submitted

to the House Consumer Protection Committee). Their advocates talked about how a park closure meant the loss of "their home, their friends and community" (Testimony of R. Bennett, AARP, March 2, 2007, submitted to the House Consumer Protection Committee). When they lose their park, they also lose access to affordable housing. It is unlikely that they will be able to find the housing with similar amenities at a price that they can afford in the same general area.

The anthropological literature offers a metaphor that begins to capture the totality of what was lost for these residents. Anthony Wallace (1957) coined the term "mazeway disintegration" to describe community disintegration and the loss of one's tribe. He wrote, "Human beings can be described as organisms whose peculiarity it is to construct and modify, slowly and laboriously…very complicated sets of mazes for themselves…with elaborate interconnecting doors and pathways; and also to construct complex rules for interaction and even mutual aid in operating the maze, as 'the way' to satisfy their multifarious wants" (p. 24). Although Wallace was describing the construction of a culture over centuries, on a smaller scale people in community construct a maze of social relations and conventions that give rhythm, meaning and comfort to their day-to-day encounters. This maze is likely to be particularly important for those whose mobility is limited and therefore spend much of their time in the park and for those who, because of physical health or cognitive ability, are less resilient when faced with change. When the maze is ruptured or destroyed, Wallace said that individuals experience tremendous shock, lose their bearings and become temporarily unable to act with insight or judgment. The individual loses the

knowledge of what steps to take next because the maze—the source of predictable options and outcomes—is gone.

Fried's 1963 study of the forced relocation of residents of the West End of Boston due to urban renewal provided evidence of the actual impacts of community-wide displacement on residents. Fried documented the grief that residents experienced after moving. He described feelings of painful loss, continued longing for the home and community lost, symptoms of psychological distress, a sense of helplessness, anger, and a tendency to idealize that which was lost. Because of the multi-faceted nature of how humans at various life stages interact with their homes, its unexpected loss ripples through many aspects of a person's being.

Mindy Thompson Fullilove, a physician and researcher, built on Wallace's metaphor and developed the concept of "root shock," the term she used to describe the consequences of uprooting and displacing whole communities. In her 2005 book on the impacts of urban renewal on African Americans in Roanoke, Philadelphia, Newark, and Pittsburgh, she explained her choice of this term as follows:

> When I bumped into the emotional pain related to displacement, I had the option of using labels like "posttraumatic distress disorder," "depression," "anxiety," and "adjustment disorders." But I didn't think those labels—useful as they are—were enough to tell the whole story…[about] the loss of a massive web of connections—a way of being—that had been destroyed. (Fullilove, 2005, pp. 3 – 4)

The gerontological literature supports the likelihood of negative consequences resulting from involuntary relocation of older adults. Relocation stress syndrome (RSS) is the medical term used to describe the physiological and psychosocial disturbances that occur as a result of an individual transferring from one environment

to another. RSS can include anxiety, apprehension, increased confusion, depression and loneliness (Manion & Rantz, 1995; Walker, Curry & Hogstel, 2007). Diamond, McCance, King, Benoliel and Chang (1987) found that forced relocation did not affect all older adults equally or in the same ways. Older adults who experienced an involuntary location responded with varying degrees of grief, resulting in varying levels of decreased health, self-esteem and mood and with varying levels of increased worry and alienation. Schulz and Brenner (1977) argued that an older adult's response to a move is likely to be affected by the perceived predictability and controllability of events surrounding the move and the subsequent post-relocation environment. Subsequent research (Laughlin, 2005; Thomasma, Yeaworth & McCabe, 1990; Thorson, 1988) confirmed that the perception of control and the ability to make meaningful choices that affect the future are important predictors of the degree of ease with which older adults make environmental transitions. There is evidence to suggest that the period immediately prior to and after the relocation are the times of highest stress (Thomasma, Yeaworth & McCabe, 1990; Thorson, 1988).

This literature, drawn from the disciplines of anthropology, sociology, psychology, gerontology and community health, depicts the kinds of non-financial impacts that residents might be expected to experience when they lose their community. In the remaining section of this chapter, I explore the relevance of this research to the closure of manufactured home parks through analyzing data from focus groups and interviews that I conducted, and also from written testimony of park residents at public hearings.

During the summer of 2007, I collected data from seven focus groups comprised of park residents. The focus groups were conducted at seven different locations throughout the state. The sampling methodology and the data collection and analysis protocols are described in Appendix 2-2. Closure notices had been issued at two of the parks and a third park was for sale. Although the other parks were not known to be in immediate danger of closure, residents from a fourth park, located in an escalating real estate market, were concerned about their future. All participants were aware of closures that had happened throughout the state. Focus group topics included respondents' perspectives on manufactured home park living in general, their concerns about park closures, and the kinds of information and assistance that they would like to have when faced with a closure.

Focus group participants spoke about the strong sense of community that existed in their manufactured home parks. Participants from both family parks and age-restricted parks cited a sense of community and the feeling of personal safety that results as major benefits of living in a manufactured home park. Participants used phrases such as "It's very friendly," "Like a family situation," and "We live very comfortably here, like if we were a community," to describe how they felt about where they live and their connections with their neighbors. One father said that the kids played together in the protected private streets of the park as if they were part of one large family.

In age-restricted parks in particular, neighborly relationships helped to create a sense of physical security and safety. Residents said that they felt safe walking in

their park after dark. One participant said, "I've lived in a [site-built] home for 45 years in a very nice neighborhood. Would I have sat in the living room with my front door and my back door open and unlocked? Not a bit, but I do it here [at my home in a manufactured housing park]." Participants at several parks said that residents routinely watch out for one another.

Social activities, both formal and spontaneous, seemed to play a major role in building community. One park had no scheduled social activities, but it did have a pool that served as social hub during warm weather months. Another park had a beautifully maintained clubhouse and an impressive list of groups and activities organized by residents. The social committee at the latter park published a monthly newsletter with a calendar of events, which ranged from cookouts to card clubs. One woman at an age-restricted club said that she would strongly recommend that recent widows choose a park with a lively schedule of activities. Social activities in the park were convenient to access (residents could walk to them) and provided an opportunity for interactions with familiar people.

The design and social structure of parks appear to offer a living environment in which residents can achieve a balance between community and personal privacy/autonomy. One participant described how this unusual combination of community and privacy functioned in her park as follows:

> [The downside of getting too close to your neighbors is] nosiness, everybody knows your business. You don't want everyone to know your business…If you don't want to do this at 8:00, somebody is calling you [and asking], "How come you are not doing it at 8:00?" But the upside is that you know certain people in the community you live in, and, God forbid, you get sick or hurt, or something happens…[another participant finishes her sentence] they're there if

> you need somebody…[the original speaker continues] Then there's people there and you can turn on that 100%.

Physically, a manufactured home park can function a bit like a working class gated community. Many parks are inward-facing and oriented toward some central meeting place, such as a pool or clubhouse. Parks are often surrounded by a fence. Although there is no staffed gatehouse and hired security guards, entry into the park is often informally monitored by nearby residents; an unfamiliar vehicle or person is watched. Park streets are private roads that do not connect to the street grid around them. They are not built to public street standards and typically have a very low speed limit of 10 to 20 miles per hour. As an outsider, I had strong sense of entering a place that was territorially bounded, possessing a coherent internal structure that was distinctive from that of its surroundings, and socially controlled by the residents who lived there.

The sense of community at age-restricted parks appears to play a role in helping residents remain independent and age in place in their own home instead of having to move to housing that provides formal services. If a resident had not been seen for awhile, participants said that a neighbor would likely check on that person. Several said that if they needed assistance in an emergency, they felt that they could call their neighbors. A woman said that her father died peacefully because he knew that his wife would be taken care of by the other residents in the park where they lived.

When parks close, residents lose more than a place to live. Moving means being taken from a supportive and familiar network and entering an unfamiliar, often impersonal and sometimes (if they move into assisted living or another kind of adult care facility) a more institutionalized environment that can constrain their ability to live independently. It is difficult, if not impossible, to recreate at an affordable price the combination of community and privacy, of community-friendly design and private space, offered by manufactured home parks.

Most residents also lose their home when parks close because they are unable to move it. For most people, home is more than shelter. It means comfort, personal safety and the ability to express oneself within a private domain. For many, it anchors one's sense of well being. It profoundly affects one's sense of belonging in the world. For older adults with limited mobility, it is the place where their daily lives unfold.

Although the homes of park residents may seem modest and even undesirable to those who do not live in them, to many focus group residents, living in them represented a preferred lifestyle, given the other options available. They were attracted to manufactured home park living because of the lower housing costs, the smaller yards that required less maintenance and the benefits of one-story living, which was especially important to older adults. They cherished the privacy associated with being able to live in their own homes. Residents who were not able to move their homes lost these benefits when they were forced to relocate.

Data on homelessness statewide indicates that, for some park residents, closure meant the loss of shelter entirely. As reported previously, according to the state's One Night Homeless Count for 2007, at least 28 households—70 to 90 individuals (including 31 young children under the age of 12)—cited the closure of their manufactured home park as a reason for their homelessness. Some may have been homeowners; others may have been renters. The physical, psychological and (for children) educational and developmental impacts of homelessness are well-documented as being severe.[55] Fitzpatrick and LaGory (2000) frame the impacts of homelessness as erosion of social supports and inner resources that permit housed individuals to withstand health stressors that people experience on a day-to-day basis. They describe the condition of homelessness as being "profoundly pathological, denying the most basic needs of food, shelter, clothing and defense" (p. 147).

For a few, the abrupt loss of home and community was too much to bear. When I visited manufactured home parks that had received closure notices, it was not uncommon to hear stories about residents who had become despondent over the prospects of their forced move. One particularly poignant story was about an older resident with dementia, a former resident of TMC, who drowned while attempting to find her way back to Wilsonville from her new residence in Oregon City. Her body was found in a creek bed (P. Ferris, personal communication, November 27, 2007).

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[55] See, for example, the publications available through the The National Coalition for the Homeless (http://www.nationalhomeless.org/), the National Alliance to End Homelessness (http://www.endhomelessness.org/), the US Department of Health and Human Services' webpage on homelessness (http://www.hhs.gov/homeless/), the Coalition for Supportive Housing (http://www.csh.org/), the Homelessness Resource Center of the Substance Abuse and Mental Health Services Administration (http://www.nrchmi.samhsa.gov/Default.aspx), and the National Low Income Housing Coalition (http://www.nlihc.org/template/index.cfm) .

Other stories were less dramatic, but quite a few ended in the death of the resident. These anecdotal accounts of the death of residents in the wake of park closure announcements raised the question of whether there might be a statistically significant relationship between park closures and mortality rates.

Unfortunately, data needed to determine whether the death rate of park residents was significantly higher than persons of their age and race were not available. The closest approximation to this kind of information came from Thunderbird Mobile Court, but, even in this case, the ages of park residents were not known. According to Cathy Kaufman, 20 residents of the approximately 240 residents whose status was known died between summer 2005 and November 2007, a period of approximately 2.5 years. This translates to an annual mortality rate of 34.56 per thousand residents. According to the Center for Disease Control, the annual mortality rate of white persons in the U.S. by age group in 2006 was as follows:

Table 12-3
Mortality Rate per 1,000 Persons in the US, 2006
White, Ages 55 and Older

Age range	Mortality rate
55- 59 years	7.301
60-64 years	11.102
65-69 years	16.565
70-74 years	25.548
75-79 years	40. 334
80 – 84 years	65.240
85 years and older	132.531

Source: Center for Disease Control, National Vital Statistics Report, April 17, 2009, Volume 57, Number 14, Table 3

This chart indicates that, for a mortality rate of 34.56 per thousand to be normal, the average age of TMC residents would likely have had to have been in the

75 to 79 year range. Since the ages of park residents are not known, it is not possible to tell whether more park residents died than what would have been normal for their age groups. Although a conclusive finding is not possible, this analysis supports the need for a more rigorous inquiry into the relationship between park closure and mortality rates. This remains an area for future research.

The homeownership assistance strategies of the 2007 session did not directly address any of these non-financial impacts on displacees. It is likely, however, that the testimony of residents during the session and the extensive media coverage about the personal stories of displacees increased the pressure on legislators to address this issue before the session ended. The legislative initiative to preserve parks, HB 2096 and related bills, attempted to preserve and enhance this environment through resident ownership. The impact of the preservation approach was limited, however; only two parks were converted to resident ownership using the provisions of this legislation by fall 2009, more than two years after the end of the session.

This meant that the park residents, their support networks of family and friends, and the communities where they lived (local governments and organizations) absorbed the majority of the impacts of park closures. The next section considers the impact of park closures on local communities.

Impacts of Legislation on Communities

When the Coalition prepared its legislative package, it was focused on ameliorating the impacts of park closures on residents. Their package did not address the impacts of closures on the places—the counties and cities—in which they were located. In fact, park owners argued that local governments would benefit from closures because the parks would be replaced with higher-value development. They said that counties and cities benefited from both the increased tax revenues generated by the former parks and also the permit fees and system development charges assessed during construction of the new use[56]. Based on this reasoning, park owners argued that local government should provide one leg of the four-legged stool that supported the assistance made available to displaced park residents. Due to the lobbying efforts of local government, this leg was removed during the legislative process. Nevertheless, it is interesting to note that the Coalition proposal would have increased the impacts of park closures on communities instead of ameliorating them.

Unfortunately, data do not exist to quantify the impacts of park closures on local governments and community safety net systems. But it is possible to categorize the principal kinds of impacts that likely occurred. The first category is comprised of the immediate impacts resulting from addressing the pressing needs of displaced residents. These may include additional strains on social services organizations, increased demands on adult care facilities, increased pressure on already stressed

[56] In this analysis, the park owners failed to consider any increase in the cost of delivering services to that parcel that might result from the change in use. For example, a change in use from an age-restricted park for older adults to a more intensive, higher income mixed use development might result in increased police and fire calls, as commercial uses typically have a higher demand per parcel for these services. Similarly, more intensive uses are likely to result in more vehicular traffic and a higher level of maintenance and repair for streets.

affordable housing and homeless services programs, new demands on hospitals and mental health programs, and other demands on social programs that support the well-being of lower-income families and older adults. These impacts are important, but they are time-limited. At some point, the family or individual no longer needs assistance, and the surge in need flattens out or decreases over time.

The second category of impact is the loss of affordable housing. This loss is permanent; park closures create a deficit in the affordable housing supply that will take a long time to fill. In many communities, manufactured home parks provide an important segment of the affordable housing supply: modest, unsubsidized, single-family detached housing for moderate-income households. From the focus groups conducted during summer 2007, it was evident that many people who live in manufactured home parks found traditional apartment living to be less desirable; they prized the space, personal control and combination of privacy and community that parks provided. In a certain sense, the loss of manufactured home parks is permanent because they are not likely to be replaced with housing that has similar amenities and is affordable to the same income stratum.

If the manufactured home park spaces lost from 2001 through 2007 were to be replaced with publicly subsidized apartments, a different kind of housing, the cost would be staggering. Based on an estimated $150,000 per unit cost the total cost to replace 2,824 spaces would be approximately $423 million (J, Fletcher, personal communication, August 31, 2006).[57] To understand the scale of this affordable

[57] $150,000 is estimated per-unit cost for subsidized housing used in Oregon Housing and Community Services' Legislative Concept 340, which pertains to manufactured home park closures. The

housing loss, it is useful to compare these figures to the number of subsidized rental housing units financed by Oregon Housing and Community Services (OHCS) during the same period. From 2001 through 2007, Oregon Housing and Community Services provided $606,282,739 in grants, loans, tax credits and other resources to assist with the development of 17,016 units of low-cost, rent-restricted affordable rental housing (W. A. Carpenter, personal communication, August 24, 2009). The number of manufactured home park spaces lost from 2001 through 2007 equals 16.6% of the new affordable rental housing units funded by OHCS during that same period. The cost to replace the lost manufactured home park spaces represents approximately 70% of the department's expenditures to finance affordable rental housing construction during that period.

The park preservation strategy (the conversion of parks to resident co-ops) represented an attempt to forestall the loss of affordable housing. Although the legislation did create a new legal vehicle needed to create resident-owned communities, the key piece of legislation that would have created a new financial resource to assist with park purchases was not approved during the 2007 session. But, even if it had passed, there were other finance-related issues inherent in the program design that likely would have limited the degree to which this strategy would have succeeded in reducing the loss of affordable housing.

The Oregon approach was based on the very successful New Hampshire model, which had financed the creation of 87 resident co-ops in from 1984 through

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Legislative Concept, an internal communication from OHCS to the Governor's Office, was obtained from John Fletcher, a policy analyst with Oregon Housing and Community Services, via e-mail on August 31, 2006.

2007, a period of 23 years (New Hampshire Community Loan Fund, n.d.). Land is substantially less expensive in New Hampshire than in many of the places in Oregon where park closures were taking place. Thus, rent payments of park residents in New Hampshire went further in supporting the cost of purchasing, rehabilitating and converting parks to co-op ownership than in Oregon. Consequently, Oregon parks faced a financing problem (an equity gap) that New Hampshire parks did not face. Park purchases in Oregon were possible only if the land were sufficiently inexpensive and/or if funds that functioned like equity could be found to fill the gap. In part, this is why only two parks were converted into resident-owned co-ops in Oregon as of fall 2009.

At the local level, the strategies of the cities of Wilsonville and Bend to deal with park closure, described in Chapter 9, addressed the loss of affordable housing. Wilsonville made land adjacent to the senior center available to a nonprofit affordable housing developer to build new senior housing. Bend's multi-pronged strategy included developer incentives to build new replacement affordable housing as well as efforts to develop a new publicly-owned park. In terms of developer incentives, Bend gave park owners a choice: either purchase at in-place fair market value[58] the homes of residents who are unable to move them or provide affordable replacement housing in the new development occurring on the park site.

The loss of 2,800 manufactured housing units in Oregon has left a hole in the affordable housing supply that is not likely to be filled through either publicly-subsidized development or private sector initiatives in the near future. Although park

[58] Fair market value as established in the most recent property tax assessment roll.

closures stopped with the downturn in the housing market and beginning of the economic recession, when conditions improve and the excess housing inventory constructed from 2000 through 2006 begins to be absorbed, the demand for developable land will rise and renew the pressure to close manufactured home parks inside the urban growth boundary of places with escalating population. This raises the final question to be considered in this chapter: Did the 2007 legislative session do anything to change the future of manufactured home parks in the state?

Impacts of Legislation on the Future of Manufactured Home Parks in Oregon

Chapters 6 and 7 presented a case for how manufactured home park closures were linked to a process of metropolitan restructuring mediated by state land use policy. State policy steered metropolitan restructuring toward compact urban form. Although policy had actively supported the development of manufactured home parks as a form of private sector affordable housing, eventually the appetite for density grew, and manufactured home parks were no longer dense enough to survive. Chapter 6 examined the geographic location of park closures and confirmed that they occurred in rapidly growing areas inside the UGB. Therefore, the key question about the future of manufactured home parks in the state is whether the 2007 session did anything to change the conditions in the political economy that had enabled park closures to occur.

The approved legislation dealt with helping tenants and preserving parks, not with changes to the underlying policies that had helped set the stage for park closures.

One bill was introduced which might have encouraged the development of new parks at the edge of urban areas, but it died in committee. Senate Bill 187, developed by John VanLandingham and introduced through the Department of Land Conservation and Development, proposed providing the opportunity for local jurisdictions to adopt a streamlined process for the inclusion of parcels of land within the UGB if the land were to be used to provide affordable housing. The bill indicated that affordable housing could include manufactured home parks. The land would have to remain available for affordable housing over the long term and be planned so as to limit the conversion to other uses. The bill did not progress beyond a single public hearing, which was held on February 6, 2007, and it remained in the Senate Environment and Natural Resources Committee upon adjournment.

Thus, it seems likely that, as part of metropolitan restructuring, manufactured home parks will continue to close in rapidly growing areas of the state as the underlying land values support more intensive and remunerative uses. More closures of parks located on residentially-zoned land are likely to occur after the housing market rebuilds momentum in places such as the Willamette Valley and perhaps, in time, central Oregon. In places where development pressure is not as great, which includes eastern Oregon and other more sparsely inhabited parts of the state, manufactured home parks remain a viable housing option for the foreseeable future. Thus, it appears that the outcome of the 2007 session was to lighten the burden on displaced park residents and perhaps preserve a few parks through co-op conversion,

which represent short-term solutions. The 2007 session did not yield a long term solution that addressed the likelihood of continued gentrification and displacement.

Conclusion

Manufactured home park closure laws in Oregon are an exception to the prevailing tendency to sanction displacement without compensation; because of the events of the 2007 session, property owners and the state must provide a measure of financial assistance to displacees. This is a victory because it was better than what had existed previously. But, as this chapter has demonstrated, displacees still bear much of the financial and all of the non-financial impacts of a system that legalizes displacement. In most jurisdictions, the affordable housing that was lost when parks closed was not replaced by other housing. Gentrification of manufactured home parks and displacement of its residents appear to be integral, albeit painful, components of Oregon's process of metropolitan restructuring.

CHAPTER 13. CONSIDERATIONS FOR FUTURE POLICY DEVELOPMENT

This chapter steps outside the context that led to policy development during the 2007 session and asks the question, "what if." The prior chapters explicated what did happen. The purpose of this chapter is not to speculate about what should have happened under current law and conventions, which primarily support the claims of property owners, but to explore what could happen if these laws and conventions were re-examined with greater consideration given both to the harm caused to residents and residents' contributions to the value of manufactured home parks. In this chapter, I present four new ideas that were not part of the policies adopted during the 2007 session. Three address the impacts of gentrification and displacement on park residents and one pertains to the development of new affordable housing to help compensate for that which was lost. These ideas come from a variety of sources. Some originated with key informants and surfaced in the interviews that I conducted with them; others were derived from the academic literature on gentrification, and some arise from my professional experience as planner and community development practitioner. The four concepts are:

- The use value of manufactured homes
- Rent gap and the full value of the park
- Divided asset ownership and the vesting of homeowners
- Tax increment financing to support affordable housing production

The Use Value of Manufactured Homes

When parks close, residents lose a place to live. A manufactured home in a park has a value as a place to live (its use value) that is different from its sales price unattached to land (its exchange value as a stand-alone home). Residents who can use their home in a new park incur moving and set-up costs associated with making their homes usable again. Because residents who are unable to move their home lose the entire use of their home when a park closes, it seems logical to base their compensation on this loss of use.

This principle—compensating residents for the loss of the use of their residence—is partially addressed by the compensation offered to renters who are displaced as a result of the investment of federal resources, per the Uniform Relocation Act. Often it is difficult to find a comparable place to offer as an alternative that has a monthly rent as low as the place from which renters were forced to move. Thus, the agency causing the displacement is required not only to find several comparable places for the displaced renters to live, but to also pay the difference in rent between the former and new residences for a period of 24 to 48 months, depending on the income of the household.[59] The point here is that, under the Uniform Relocation Act, the displaced person must be compensated for the loss of the use value of his or her former residence, even if that involves finding a new place of equivalent quality that has higher housing costs than the former place.

One of the challenges that displaced manufactured home owners face who cannot move their homes is the likelihood that any other place that they find to live is

[59] Lower income renters receive the rent differential for the longer period of time.

likely to cost more than living in a park. Although the preferred solution would be to provide resources to cover the gap between former housing costs and new (higher) housing costs for a period of time, the cost of this approach is likely to be prohibitive. The next best approach would be to ensure that the value assigned to the home for which a resident is compensated is based on the loss of its use value.

There are at least three ways to arrive at a value for a manufactured home that cannot be moved to a new park by the existing resident. The first is its value as a "going concern," in a park with a certain rent structure, amenities and rules. The second is as a home unattached to land, for sale in the marketplace to both individual and corporate buyers of used manufactured housing. This value would likely be considerably lower than the going concern value. The third is as scrap, which may actually have a negative value, depending on the demand for the kinds of scrap materials available in a particular home. The negative value results from the cost of demolishing the home and hauling the resulting materials to a landfill that deals with these kinds of waste products.

The first method described above is likely to result in an estimate that is the closest to the use value of the home. One way to establish this value using a standard appraisal methodology is through comparables—the sales value of a similar home with similar site improvements and similar ground rent in a park with similar amenities in the vicinity. Since there is a market for homes in parks, and listings of homes for sale are readily available[60], this would not be difficult to do.

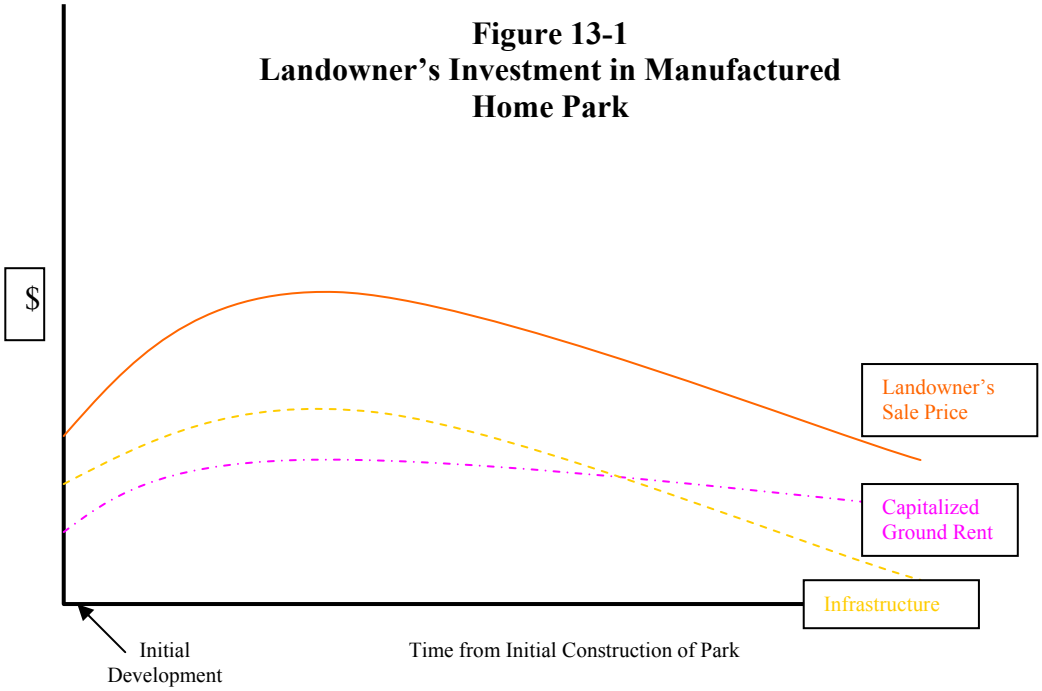
[60] See, for example, listings found at http://nwhomebuyers.net/, http://www.jandmhomes.com/listings/, and http://www.mhvillage.com/Communities/MobileHomeParksState.php?state=OR

The method of compensating residents who can move their homes is more straightforward. They should be paid the cost of restoring their home to a useful state in a new park. This would include reasonable moving and set-up costs. In either case (homes that cannot be moved and homes that can), residents still bear a significant portion of the burden of moving, as they lose their connections to community and the convenience and familiarity of their old location.

A Rent Gap Analysis of Divided Asset Ownership

A manufactured home park consists of more than land; it is more than land that is transformed when a park sells. To explore how to value the loss of this productive whole, this chapter turns to one of the formative ideas in gentrification theory. Neal Smith's rent gap model (1979) can be adapted to the special case of divided asset ownership to illuminate each party's contribution to the value of the productive whole, (e.g., the "full value of the park") and what happens to those contributions when a park closes. The example below begins by considering only the landowner's investment in the productive whole. The land has value and provides a return based on its current use, and the owner's investment in the park infrastructure, such as utilities, roads and common area improvements also has a value, which declines over time as the systems age. The sum of these two values equals the landowner's theoretical sales price for the property. Figure 13-1 illustrates these concepts.

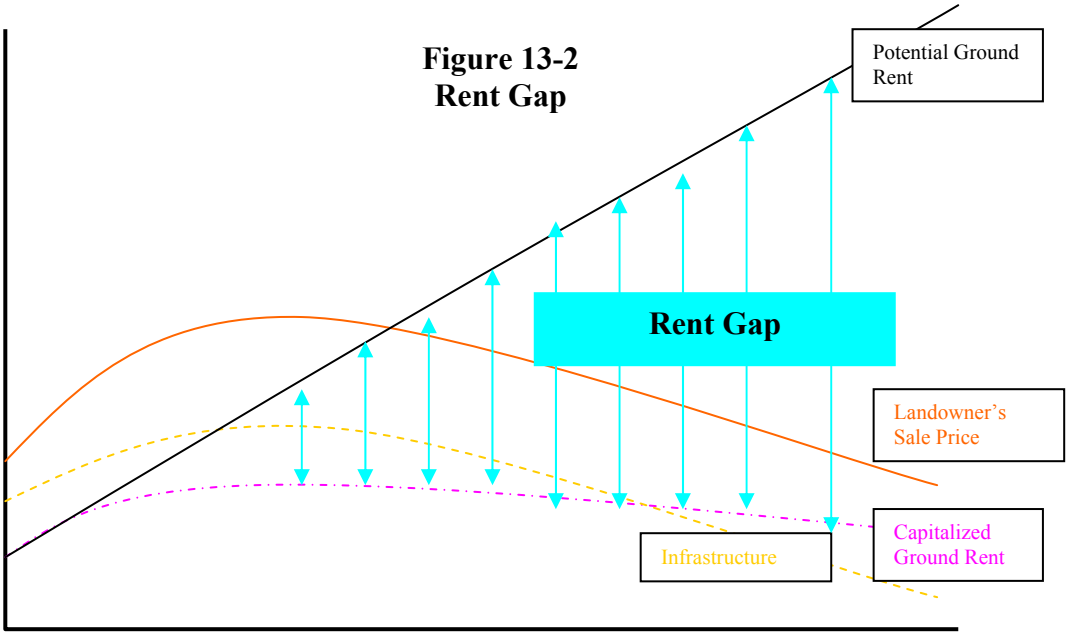
Figure 13-1
Landowner's Investment in Manufactured Home Park



Landowner's Sales Price =	**Infrastructure and Common Area Improvement Value + Capitalized Ground Rent**

Meanwhile, the potential ground rent—the value of the land in its most remunerative use—continues to rise as it becomes more valuable for its location than for the income it derives as a manufactured home park. The difference between the capitalized ground rent in its current use and the potential ground rent equals the rent gap, which is illustrated by the area shown by the arrows in figure 13-2.

Figure 13-2
Rent Gap

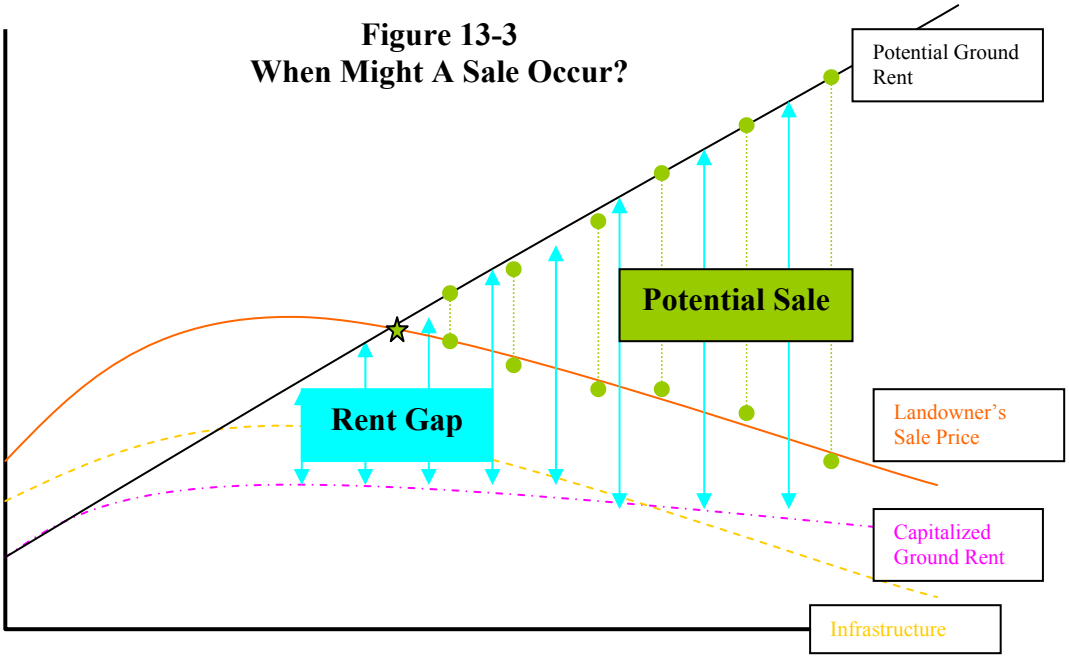


From the point of view of the park owner, selling the park for the purpose of demolishing it and developing the land for a different use is a logical choice when two conditions are met:

- The rent gap is large enough to pay for the acquisition, demolition of the park and construction of a new use while generating a sufficient return to the new developer, and
- The actual sales price is equal to or greater than the price set by the current landowner.

The area of a potential sale is shown in figure 13-3.

Figure 13-3
When Might A Sale Occur?

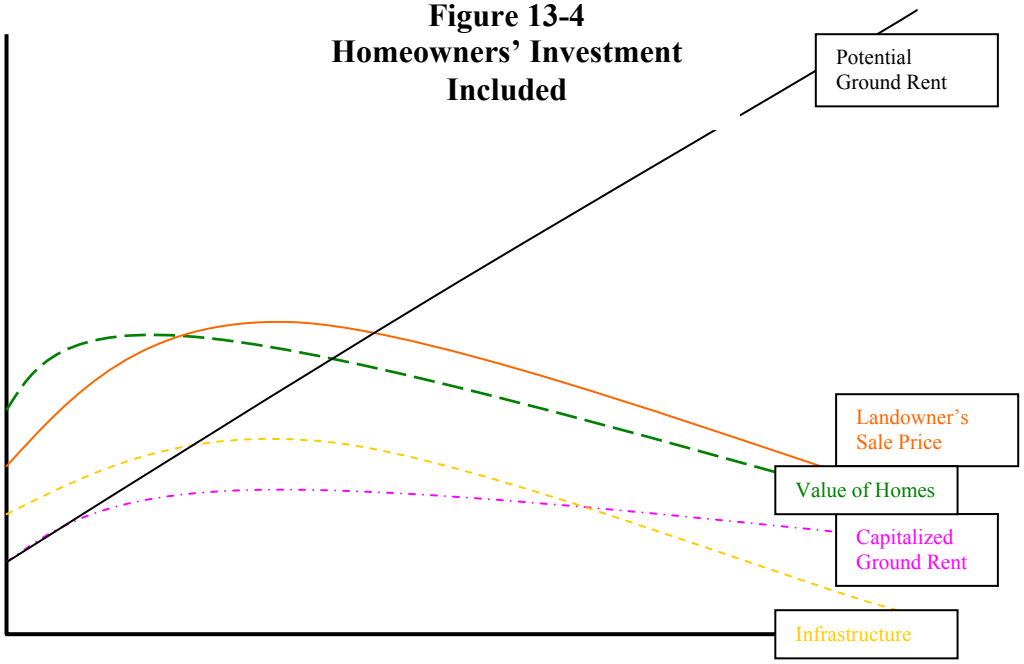


A sale can occur when two conditions are met:

- The rent gap is large enough to pay for acquisition, demolition of manufactured home park and construction of new use while generating a sufficient return to the developer, and
- The actual sales price is equal to or greater than the price set by the current landowner

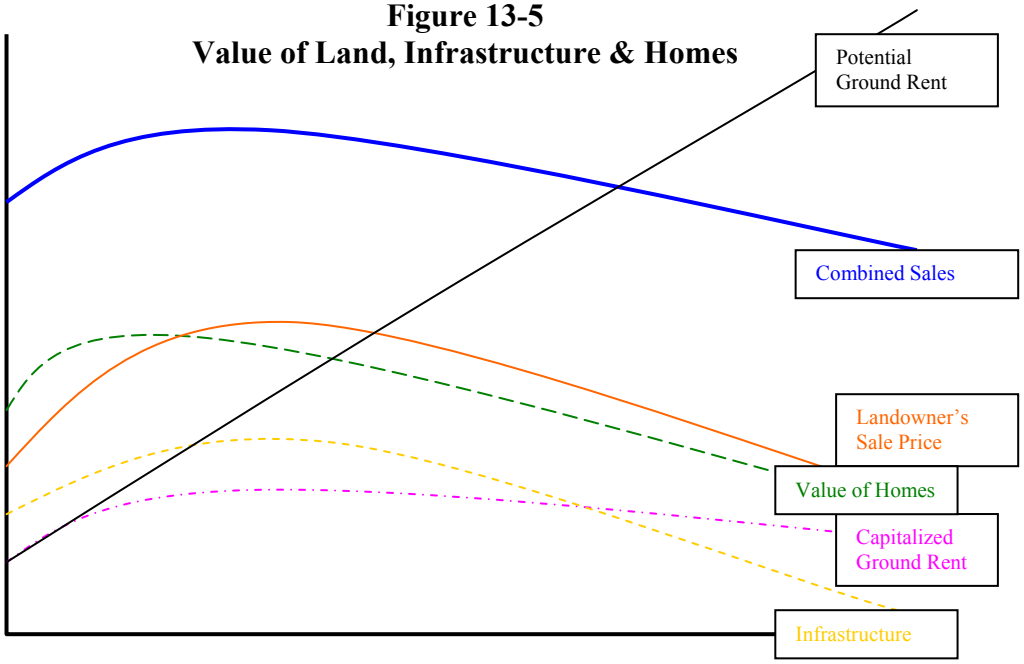
But this figure is missing something important: the value of the individual homes located in the park. So let's add this in with a dashed line in figure 13-4.

Figure 13-4
Homeowners' Investment Included



The full value of the park includes the value of the land, the infrastructure and the homes. This is shown by the heavy line in the figure below. Theoretically, this would represent the sales price of the park if the park owner was paid for the property and the homeowners were paid for their homes.

Figure 13-5
Value of Land, Infrastructure & Homes

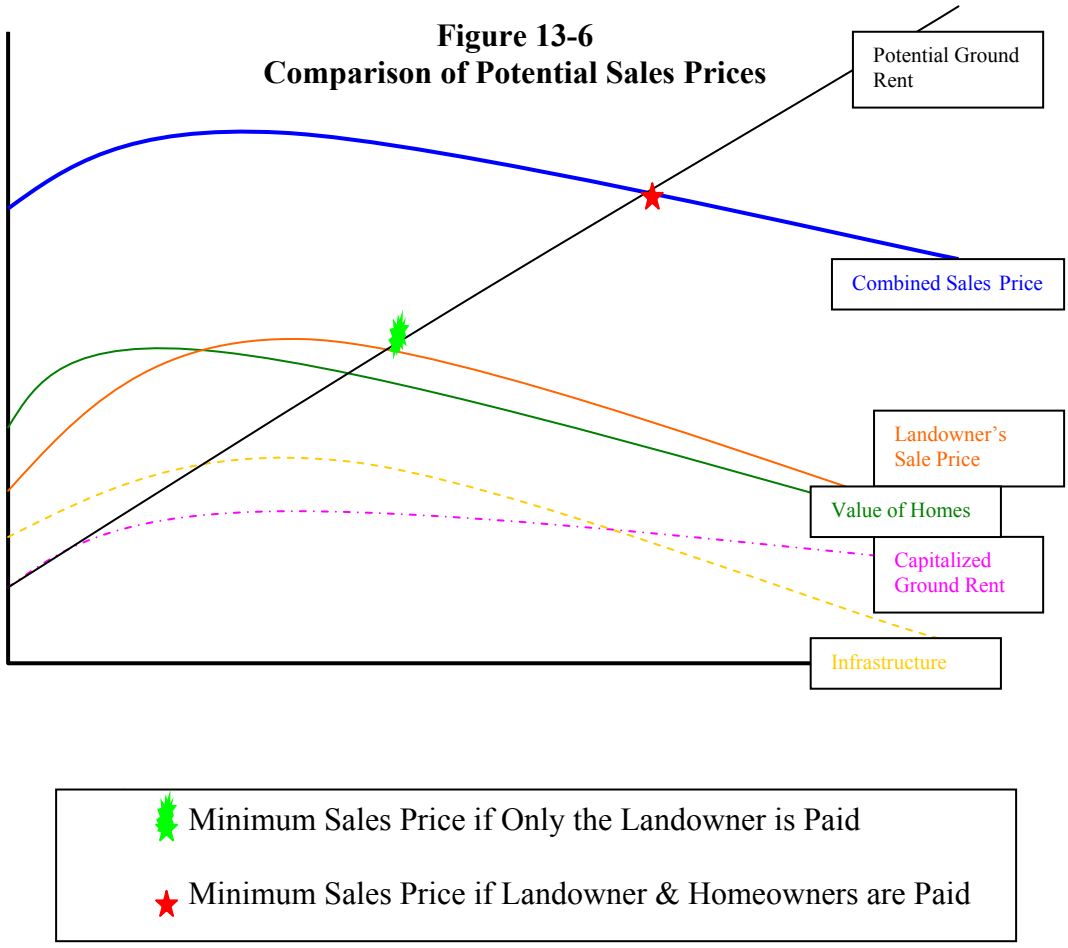


Combined Sales Price = Capitalized Ground Rent + Infrastructure + Value of Homes

But the sales price of the park does not address the value of the homes, even though the value of the homes affects the capitalized ground rent. Furthermore, the value of the homes is treated as an externality; it does not figure into the decision-making calculus of the park owner. What difference does externalizing the value of the homes make? It increases the sales price of the development.

The final graph in this series, figure 13-6, contrasts the potential sales price if only the park owner is paid for his investment in this piece of land (lower marker) to the potential sales price if the park owner and the homeowners are compensated (higher star).

Figure 13-6
Comparison of Potential Sales Prices



The 2007 state law required park owners to pay a flat fee to displaced homeowners of $5,000 to $9,000, based on the size of the home. It is not clear how this payment standard compares to the actual value of the homes. In contrast, the Wilsonville, Bend and Oregon City ordinances come closer to addressing the full value of the park because park owners in these cities have to consider the value of the homes that cannot be moved and the moving costs of those that can. Further consideration should be given to whether park owners should be required to address the full value of their parks when they put them on the market.

Vesting Homeowners

Under divided asset ownership, there are two kinds of owners: the owners of the land and the owners of the structures. What is significant about this housing form is that both pieces, the land and the structure, have to be present for either of them to be productive. To be productive means that the resulting structure + land, the "productive whole," provides a place to live for the homeowner and income for the landowner. Most other kinds of residential rental situations do not require the resident to make as significant of an investment to have a place to live.

In a sense, the homeowner and the park owner are both owners of and co-investors in creating this form of housing, and each derives a benefit as long as the park is a going concern. It is when the park is closed so that it no longer provides a place to live that the shortcomings of this arrangement appear. The question that I will address here is whether there is an argument to be made for homeowners sharing in the proceeds of a park sale because they are co-investors in the productivity of the park, and, as co-investors, should not see their benefits end when the land owner decides to cease operation.

During the 2007 session, Representative Holvey, chair of the pivotal House Consumer Protection Committee, considered the possibility that the homeowner was vested in the park because her or his investments helped generate its value[61]. In

[61] Investments can include the home (better quality homes support an environment conducive to charging higher rents), landscaping and additional structures such as carports and sheds, as well as home and yard maintenance and the portion of the rent that supports park maintenance and capital improvements.

interviews during and after the session, Holvey argued that, in an ideal world, the homeowner should be able to share in the profit made by the landowner when the property is sold. Holvey based his conclusion in part on the fact that parks are marketed as a place where you can retire and live out the rest of your life in a community. He believed that residents invested in their homes and the sites around them based on the perception of their ongoing availability. Although he viewed profit-sharing to be a fair solution, he acknowledged that it was not a practical one because of the likelihood of legal challenges and the urgency of providing assistance to vulnerable residents. He said:

> We're in a private property rights versus social responsibility argument, and where do you limit one and stop subsidizing the other? That's a balance. I suggested in fact perhaps when the mobile home park owners sell, that the tenants share in the capital gains, to allow them the opportunity to find another place to live, based on what I described was their perception of what they were buying when they moved into the mobile home park community…You don't just close a community…
>
> So, to some degree, I consider the tenants in mobile home parks to be vested in real property interests in the mobile home park. So, as such, it seems to me that the state could go as far as saying in the tax structure of selling this property, those interests should be compensated.
>
> That's a pretty radical approach to private property, and, when I offered that, everybody looked at me sideways and thought, "Boy, you're a heck of a lot more liberal than I thought you were." And, you know, it's just based on [a consideration of] what social responsibility do we have as a private economy in a private investment world to compensate those that have an interest in the land. [The park owners are] being profited from [the changes in] the economy in general as real estate values rise, and the economy grows, and land becomes more valuable. (P. Holvey, personal communication, May 22, 2007)

Holvey recommended using the tax system to effect the income transfer, as follows:

> Maybe we should just have an extra tax on the sale of the property and make sure the tenants share in that capital gain, based on the value of the community

> they're in—a certain set percentage, or something like that. (P. Holvey, personal communication, May 22, 2007)

It is interesting to note that Representative Krummel, the Republican legislator most involved with this issue, also expressed the view that homeowners had property rights of some kind. Unlike Hovey, Krummel emphasized that the homeowners' property rights needed to be balanced with those of the park owners, which included the right to buy and sell land on the open market. Although he did not say that he believed that park residents had a vested interest in the land, he argued that the improvements that the homeowners made in their homes and space enhanced the value of the park. If the homeowners did not maintain their homes and lot, the park would likely ratchet down to a lower rent structure, thus decreasing the revenue stream and depressing the return on the park owner's investment. He viewed the $5,000 to $9,000 payments by the park owners as appropriate compensation for the homeowners' investment, as the following interview excerpt indicates. Unlike Holvey, Krummel did not recommend that park owners should share the proceeds of the sale with the homeowners.

> I think that one of the things we want to recognize in terms of this is to say, look, both parties have an investment. Both parties have a right to expect some kind of return on their investment. And for the renter, it is pretty hard to accept just paying rent, and my return on my investment is I can keep parking my car here and I can keep sleeping here…
>
> We've got some park owners out there saying yeah, we do need to recognize that, so, in [HB 2735] is a piece where the park owners are basically saying, "Put it in state law that we will pay on a forced move situation." (J. Krummel, personal communication, January 30, 2007)

This idea—that the users of the land in the case of divided asset ownership help create the value of the land through their investments—represents an important new line of

thinking about property rights within the field of gentrification. It is not an idea that has traction within our existing legal framework. Currently, leases (such as the ones held by homeowners) are typically considered to be personal property and not real property (Abbott, 2000). Because the legal system confers the majority of the power to landowners, they have the upper hand in constructing leases that serve their interests in capturing the maximum exchange value of the land when it sells.

Based on this understanding of homeowners as co-investors in the park, it is possible to argue that homeowners should be entitled to share in the profit resulting from the sale. Stated differently, but for a park resident's investment in his or her home, landscaping and other site improvements, the park owner would not have been able to charge rent at the level that was imposed. If another investor wanted to buy the park and keep it as a park, the rent levels and the condition of the homes would affect the level of the sales offer. Thus, the park residents' investments help establish the value (and price) of the site as a manufactured home park.

A straightforward way to share the proceeds suggested by former Mayor Lehan would be to divide the profit resulting from the sale[62] by each party's proportionate share in creating the value of the park. Thus, if the current value of the land owner's investment represented 80%, and the use value of the homeowners represented 20%, the park owner would receive 80% of the profit and the homeowners would divide the remaining 20%.

[62] The profit can be defined as the sales price less the sum of the current value of the owner's investment in the land and improvements, the payments to the homeowners to compensate them for the loss of the use value of their homes and any sellers' costs

A more complicated way of sharing proceeds based on concepts based on the rent gap model. This approach is likely to be more challenging to operationalize in practice because of the difficulty of deriving some of the values needed to complete the calculations. Nevertheless, I present it for its theoretical benefits. Figure 13-7 below illustrates this approach.

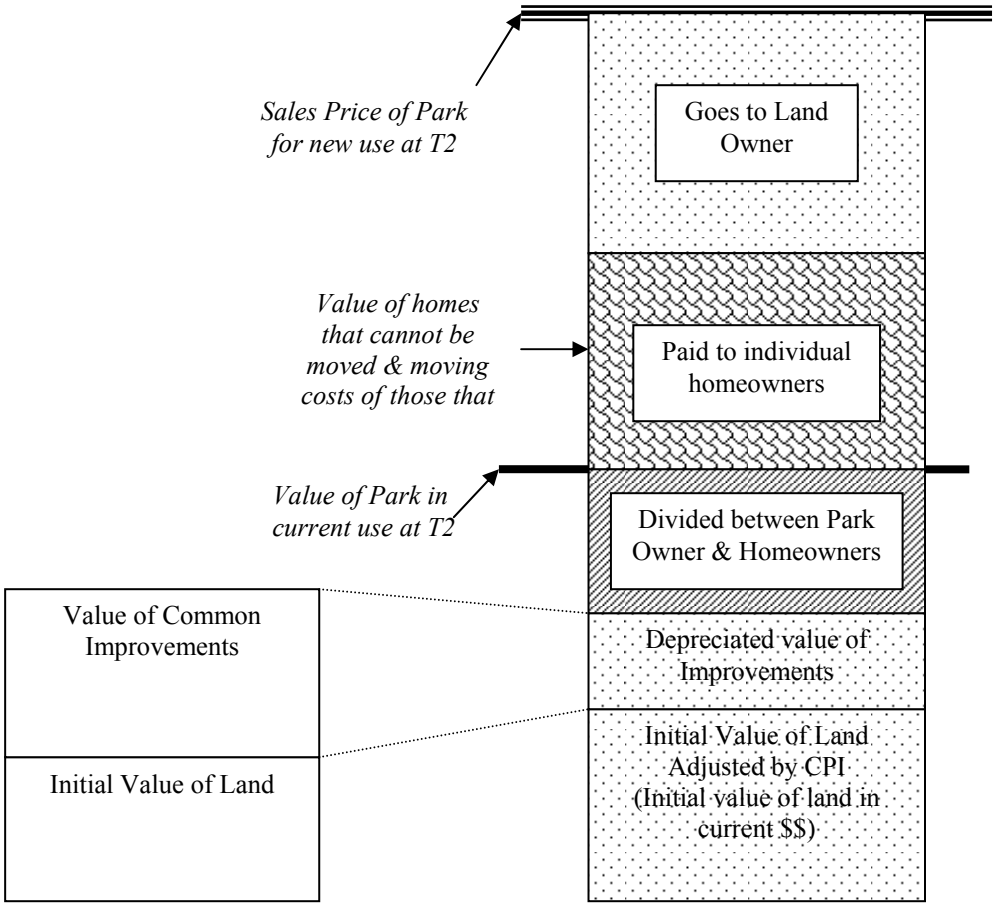
This scenario is based on the following principles:

1. The park owner should receive the value of the initial purchase price of the land, adjusted for inflation.
2. The park owner should receive the depreciated value of the improvements that he or she made over time.
3. Since the park owner and the residents are co-investors in creating the value of the park as a park, they should both share in that part of the proceeds that fall within this value. Although the legal system does not currently recognize this value if no buyer has made an offer to purchase the park and maintain it as a park, the standard real estate formula of Value of Asset = Annual Net Operating Income/Cap Rate could be used to estimate the value of the park as a park. Property managers, the state associations of park owners, real estate companies that specialize in the sale of manufactured home parks and specialized consultants represent sources of information that could be used to establish the Cap Rate. The challenge comes with obtaining a reliable figure for the Annual Net Operating Income from the park owner.

4. The respective shares of the park owners and homeowners in the part of the proceeds that fall within the value of the park as a park should be proportional to the current (depreciated) value of their investments.
5. The park residents should be compensated for the use value of their homes, discussed in the prior section on use value.
6. Once these payments are made, the park owner should receive the remaining "speculative" value of the land because he or she assumed the risk associated with land ownership.

Under this approach, the park owner would continue to enjoy the right to buy and sell property on the open market. Although he or she would profit from the sale, these profits would be reduced by internalizing the costs that would have otherwise been placed upon the community (government) and displaced individuals in the event of park closure. The owner's share of the exchange value would also be reduced by the claim of the homeowners to a portion of the proceeds. The homeowners would be compensated for the loss of the use of their homes, and they would also receive a small share of the proceeds from the sale because their ongoing investment helped create the value of the park.

Figure 13-7
Division of Sale Proceeds Incorporating Asset-Sharing and Impact Reduction Strategies



These three ideas to address the financial losses of homeowners are not fully supported by our current system of real property law. As Holvey indicated, any approach based on the notion of the residents being vested in the park would likely face significant legal challenges. Although the concept of use value is latent within

the payment standards of the Uniform Relocation Act, it is not an idea that has been applied to the displacement of residents by a private landowner using private resources. Park owners likely would argue against efforts to further transfer the costs of displacement (as described in the Rent Gap approach) to them as an infringement on their property rights to buy and sell their land on the open market.

The point here is that the choice of who should pay for the costs of gentrification is a political one. Cogent arguments can be made on both sides. Park owners have the weight of our contemporary owner-centric view of property rights, and the preponderance of laws that maintain this uneven distribution of power, on their side. Park residents, the underdog in the current system, have the gravity of their stories and the righteous indignation that they can stir, on their side. Who pays for gentrification is a matter of choice and not something ordained by immutable laws or market principles.

Tax Increment Financing as a Vehicle for New Affordable Housing

One of the impacts of park closures not addressed by state legislation was the loss of affordable housing. One possible approach to dealing with this loss is by using some of the additional local tax revenue generated by the new use to help fund onsite affordable housing within the new development.

In most cases, the planned use to replace the manufactured home park would generate additional tax revenue for local jurisdictions because the assessed value of the new use would likely be substantially higher than that of the manufactured home

park plus the homes on the site. Although local jurisdictions would likely argue that this increased revenue would be needed to provide urban services to the site, one could argue that a portion of this revenue increase for a specific period of time should be used to create new affordable housing. Perhaps this revenue stream could be matched (either one to one or at some other appropriate proportion) by state government.

The state could then use these projected revenue streams to finance the issuance of bonds. The bonds would be available first to the owner of the site for the purpose of financing affordable housing within the new development proposed for the site. If the owner did not choose to use this resource, it could then be available to the local jurisdiction to allocate to another developer for the creation of affordable housing. If the local jurisdiction elected not to use this funding source, it would then be rolled into the financing available at the state level generally for the development of affordable housing.

As in so many concepts such as this, the devil is in the details. For example, to provide a further inducement to the site owner to use this resource, it may be advisable for the state to charge the owner a flat per-unit payment for each manufactured home displaced. This new income source could be added to the other two (from local and state government) that is used to support the issuance of bonds. To enhance the political viability of this approach, some local taxing bodies that are particularly stressed, such as school districts, might be excluded from contributing a portion of their annual revenues. The number and type of affordable housing units to be created,

the per-unit subsidy and the affordability period are also important features of the program design.

Considerable work would be required to test the economic and political feasibility of this approach. But, unlike the ideas pertaining to further compensating park residents above, this concept likely falls within existing legal conventions. Politically, the most difficult issues would likely be the reluctance of local taxing bodies to allocate a portion of the tax increment to this purpose and the unwillingness of park owners to contribute to funding replacement housing. Financially, the challenge would be to generate sufficient revenue to make the program worthwhile and effective. As in any new program, another challenge would be to control administrative costs so that a sufficient proportion of the new resource is used to actually develop new affordable housing. Although this concept would not necessarily result in replacement housing for displaced residents, it could potentially help to restore the stock of affordable housing lost through park closures.

CHAPTER 14. RETROSPECT AND PROSPECT

This case study has been about a particular form of gentrification, its impacts and the policy response to it. It is delimited by the "what" of gentrification—manufactured home parks—and has used that focus as the basis for examining questions of where—in urban areas and their fringes—and why—rising land prices and divided asset ownership—gentrification occurred. Rising land values are caused by a number of factors; among them is the process of metropolitan restructuring, which consists of the social, economic, and geo-political changes that occur as metropolitan areas evolve over time. Divided asset ownership made manufactured home parks particularly susceptible to gentrification because it enabled the land owner to externalize most of the costs of displacement and removing old uses.

Throughout, I have noted instances when the problem and policy responses mirrored those of gentrification associated with residential hotels. One of the most striking parallels is the way in which both these housing forms served their residents well, and were even preferred by them, while they were simultaneously discounted as inferior housing by outsiders. This study, then, gives credence to the description of gentrification as the ascendancy of an externally-generated vision of what should be over an understanding and appreciation of what is. The evidence that I gathered through focus groups in seven manufactured home parks throughout the state prompts me to echo Groth's call for cultural pluralism and a greater appreciation for how the users of housing value and utilize what they have (1994). Accounts of the hardships,

both financial and emotional, experienced by displaced residents provided evidence of the harm caused to individuals when they are uprooted from all that is familiar to them. "Root shock" is not too extreme of a term to use for the loss of one's community and culture (Fullilove, 2005).

Although this study focused on a particular era of park closures and policy responses, the story is far from over in Oregon. As of fall 2009, OHCS lists 1,270 parks with 65,572 spaces in the state, 25% of which are in the tri-county Portland metro area, traditionally a growth area in the state. The real estate crisis put an abrupt end to closures in 2007, but the same underlying conditions remain in place to fuel more closures once land prices begin to rise again. Although park residents have access to more assistance than they did before the 2007 legislative session, they are still vulnerable to displacement.

During the 2009 Oregon legislative session, there were no major changes to the compensation package for tenants developed during the 2007 session. Senator Chris Edwards introduced a bill that retroactively extended the timeframe in which the five local jurisdictions that had local ordinances could amend them. The original deadline was in December 2007; this bill, which had the Coalition's nod of approval, extended the deadline by approximately two years to December 31, 2009. It was approved by the legislature and signed into law. To date, no jurisdiction has utilized this extended window. There were also some minor technical fixes to the co-op purchase bill that OHCS proposed and the legislature enacted. The legislature also approved creating a major new funding stream for affordable housing through imposing a document

recording fee. Among the many authorized new uses is gap financing for funding the acquisition of manufactured home parks. Since rulemaking is just now underway by OHCS, it is not yet known how much funding might be available for this purpose.

According to John VanLandingham, the Coalition "did survive… HB 2735, albeit with a lengthy struggle to rebuild our relationship" (J. VanLandingham, personal communication, October 20, 2009). The Coalition produced another compromise bill, SB 772, which addressed residency issues of immediate concern to park residents, including establishing parameters for charging fees for utilities and services. A few large corporate park owners had recently attempted to increase revenues by adding new costs for utilities and services that had not previously been a separate charge in addition to the space rent. SB 772 also required landlords to pay a registration fee to help fund OHCS's work in enforcing the mandatory training. The bill was approved by a large majority of both houses and was signed into law.

OMHU, led by Peter Ferris, also continued its work separately from the Coalition. OMHU was instrumental in creating and supporting two bills: HB 3196, a statewide manufactured home park rent control bill that capped annual rent increases to the Consumer Price Index plus a pro-rated share of capital improvements, and SB 510, which removed the preemption of new local ordinances addressing manufactured home park closures. Both received public hearings but died in committee at the end of the state legislative session.

New tools are needed if new parks that provide decent, stable affordable housing are to be developed in metropolitan areas of the state. These tools should be

built on the premise that manufactured home parks represent a permanent form of housing involving divided asset ownership. One tool that could be developed by a group such as the Manufactured Housing Landlord Tenant Coalition would be a long term lease that either limits the park owner's ability to voluntarily close a park or that includes a significant compensation package for residents in the event of a closure. The rent structure in such a park would need to ensure that the park owner is fairly compensated for delaying fully recapturing the exchange value of the property in its most remunerative use, should the value of land continue to increase in the area. A second tool might be a new kind of hybrid co-operative park in which residents collectively own a majority share, but that also involves outside investors who make a reasonable return on their investment from the cash flow generated by the rent.

A second area for additional research would be to explore the relationship between park rents and the likelihood of park closure. The statistical analysis presented in this research linked park closures to development pressure. It would be interesting to add a third independent variable to this analysis: the difference between a park's rent and the average rent of apartments in the same area. The hypothesis is that the larger the gap, the more likely a park is to close. This analysis would provide a means of testing the divided asset ownership rent gap model presented in Chapter 13.

A third area for additional research is to analyze what happened to the sites where manufactured home parks closed. It would be interesting to study, in a systematic way, what kind of development replaced the parks (e.g., use, density,

design and intended market) and how long it took for this new development to occur. This research would enrich our understanding of how the closure of manufactured home parks is related to urban restructuring by looking at the second half of the equation. The current study examined what was lost; the proposed additional research could examine what was gained and how it relates to policies pertaining to Smart Growth.

With respect to manufactured home parks, one area for additional research is understanding if and how they support aging in place. During the focus groups, residents suggested that the physical design of parks as separate, safe, enclosed communities and the active social programs supported neighborliness and aging in place. The focus groups surfaced sufficient anecdotal evidence to warrant a more systematic comparative study of 1) manufactured home parks, 2) similarly-priced retirement communities and 3) similarly-priced neighborhoods to see what supports exist in these different environments to enable aging in place.

Further research is also needed to document the impacts of park closures. Information needs to be collected systematically on the short and long term impacts of forced moves on individuals' physical and emotional health and overall sense of well-being. It would also be helpful to know what housing choices displacees believed that they had and what factors influenced which one they chose. From a policy perspective, this information could be used to make a case for an improved package of benefits to assist residents when they are forced to move.

In the broadest sense, additional research and theory development needs to occur to explicate the various ways in which gentrification plays a role in metropolitan restructuring. Researchers have documented gentrification's role in center-city urban renewal. Researchers are beginning to document gentrification's role in changing the physical and social landscape of rural areas subject to pressure from those seeking the rural idyllic. There is less information about ways in which gentrification plays a role in changing suburban and fringe areas; this case study is a contribution to that body of research. Over time, it would be useful to generate a catalog of the various ways in which gentrification at the fringe occurs. Comparing and contrasting the causes, impacts and responses to gentrification at the fringe through several different case studies would likely provide a platform for making larger generalizations about this phenomenon and contribute to gentrification theory.

Beyond documenting and analyzing the role of gentrification in metropolitan restructuring, however, lie fundamental questions at the frontier of gentrification research. Is gentrification a necessary outcome of metropolitan restructuring? Is it possible to imagine ways to support and guide the growth and change of metropolitan areas without causing (or at least minimizing) the displacement of lower-income people at the margins of society? What policies and tools can support this kind of change?

Answering these questions is significantly beyond the scope of this case study. But systematically looking at park closures in Oregon, how closures are embedded in the state's political economy, and how policy was made to address their consequences

enables one to pose these larger questions and understand how this analysis of a particular kind of gentrification might contribute to the evolution of research on socially sustainable development.

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Appendix A: Data Accompanying Chapter 2

2-1 Interview Protocols and Analytic Processes

The Use of Interviews

Interviews were used to obtain two distinctly different kinds of information:

- Information about the beliefs and values of those directly involved with the policy formation process, including advocates for landlords, advocates for tenants, legislators, local elected officials and representatives of those not initially included in the policy formation process. Triangulation was not necessary, since the intent was to probe perspectives, not validate facts. Follow-up interviews were sometimes conducted to gain additional information on an individual's perspective later in the policy process.
- Facts about a variety of subjects covered in the dissertation, including the history, background and political economy of manufactured home parks in Oregon, details concerning the legislative process, and information about the adoption of local ordinances. Gathering this information involved interviews with planners, lobbyists, attorneys, public officials, tenants, landlords and other knowledgeable sources. To the extent possible, triangulation was used among interviews and written sources to establish the validity of the information.

Depending upon the participant, individual interviews might include questions related to both kinds of information, because he or she may have a long history of involvement with manufactured housing in Oregon and also be an active participant in policy development during the period included in this study.

Sample Selection and Gaining Access

Participants were intentionally selected based on their being able to provide one or both kinds of information described above:

- The participant was actively involved with the policy development process pertaining to manufactured home parks in 2007, or
- The participant had knowledge or experience pertaining to other related topics covered in this research, such as the evolution of land use law in Oregon.

Among those who were involved with the policy development process, I chose individuals who represented divergent interests, including park owners and their advocates, park residents and their advocates, Republican legislators and Democratic legislators. I used my observations of the Manufactured Housing Landlord Tenant Coalition meetings to determine which participants to interview; I selected those who were most active and helped to propel the process forward. Initially, I asked members of the Coalition (a tenant advocate and a landlord advocate) which legislators to interview. As the legislative session progressed, I used my observations of public meetings to identify other legislators to interview, based on who helped to propel the process forward (or stall it). In several instances I conducted follow-up interviews. Typically, a second interview was conducted when the first interview was completed early in the legislative process, and there was a likelihood that an individual's

continued involvement with the issue may have resulted in a more nuanced and informed perspective. In a few cases, a second interview was conducted because I wished to collect additional information from the individual.

My choice of who to interview regarding the history of manufactured home parks was based a person's role in policy development (legislation, local ordinances or case history) or administration of state and local programs. My advisor, Sy Adler, provided invaluable guidance and access to key individuals. John VanLandingham also provided guidance and contacts. Once I gained access to this network, interviewees guided me to additional people who had key information to provide.

Newspaper accounts and conversations with members of the Coalition helped me to identify the people to contact about local case summaries. Sometimes contacts came my way serendipitously. For example, the sister of a colleague worked at the senior center in Wilsonville and was able to help set up interviews with former Thunderbird Mobile Club residents who attended the center. My professional career in affordable housing and community development in Oregon made it easy for me to network with colleagues in other jurisdictions, and interviews with planners and other staff were often established this way.

Data Collection Methods

Prospective interviewees were contacted in person, by phone or by e-mail, depending on the most convenient way to reach them. They were informed of the purpose of the interview and the general topic of my research, and they were asked if they would have time to participate. Only one person declined to participate, a lobbyist and attorney for one of the landlord associations. He referred me instead to the chair of the organization he represented, who granted an extensive interview. When feasible, I sent the participant a list of questions and the formal Human Subjects consent form via e-mail for their review and consideration before the interview.

If I were interested in obtaining information about the ideas and perspectives of the participant, I used a standardized list of questions as a starting point for my interview guide and customized it based on the time availability and background of the individual. A copy of the standard script is attached. If I were obtaining facts from the interviewee, then the questions were far more customized and based on the information I wished to obtain.

Informed Consent and Data Management

Signed consent forms were obtained from all interviewees who were not elected officials or government representatives prior to my conducting the interview. Interviewees were provided with an unsigned version for their records.

With the participant's explicit consent, the interview was audio-tape recorded. A thank you note or e-mail was sent to each participant after the interview was over.

The interviews were professionally transcribed unless otherwise noted on the attached list. For the few that were not transcribed, I developed a detailed summary by listening to the tape and taking notes.

These are not confidential interviews; the identities of the participants can be divulged. The audio tapes are stored in an unlocked file cabinet in my home while I am using them. They will be transferred to a safety deposit box for safe keeping. The electronic transcripts are stored on the University server.

Analytic Methods

Establishing Facts: In many instances, I found myself needing to answer the question, "what happened?" An annotated chronology that noted the sources of information for the events listed proved to be a useful tool in answering that question. In particular, I built chronologies that integrated information from interviews, documents, historical data, field notes, media accounts and other sources to analyze and tell the following stories:

- Creation of the Manufactured Housing Landlord Tenant Coalition
- Evolution of the role of manufactured housing and manufactured home parks in Oregon
- Case studies of the responses of local jurisdictions to park closures
- Events of the 2005 legislative session pertaining to manufactured home parks
- Evolution of the legislative proposal that became HB 2735
- The events of the 2007 legislative session pertaining to HB 2735.

Understanding Beliefs and Values: In other cases, I wanted to understand why certain things happened, and thus the ideas and perspectives of some of the key actors were the subject of analysis. In some cases, these beliefs and values surfaced in interviews in response to a specific question, such as "what are your views about manufactured housing as a form of housing?" In other cases, the participants explained their views and values of their own accord in the course of the conversation.

In reviewing my interviews, I identified 21 as expressing beliefs or values that appeared to be relevant to what happened during the 2007 legislative session or to the future of manufactured home parks. I then read and reread the interviews and identified the following themes as both central to my research and topics that were covered in multiple interviews:

- Who should pay for park closures
- Role of government in dealing with this issue
- What level of government is best positioned to deal with this problem and why
- Role of Oregon's land use system in creating and resolving this problem

- Property rights
- The future role of manufactured home parks in providing affordable housing.

I also had a "miscellaneous" category for other strongly-held views or beliefs that were not captured in the themes above. I then coded the interviews thematically and assembled for each theme a collection of the relevant quotes from all the interviews. When quotes fit into more than one category, I included them in all that were relevant.

My initial intention was to devote a chapter to the results of this thematic analysis. As I worked with the interviews, however, I found that this approach did not work well, in large measure because I could not say that individual interviewees were representative of larger groups of people involved in this process. For example, although Senator Avakian had interesting and provocative things to say about his beliefs about the role of the state in addressing this problem, I had no basis upon which to judge how broadly this view was shared by other legislators. Upon reflection, I decided that it was not clear if and how this kind of analysis furthered my goal of explaining why certain legislative solutions to park closures were adopted during the 2007 session. If I had conducted interviews with a larger percentage of legislators, or if I had used the grounded theory approach of conducting interviews until I reached saturation (until new interviews did not add significant new information), this approach may have been feasible.

Instead, I used elements of this analysis in two chapters: Chapter 11 on the 2007 legislative session and Chapter 12 on the potential impacts of the legislative session. I use interview data to illustrate points or provide a window on what certain key actors believed about an important idea. When I used the interviews this way, I found that they added color and nuance to explaining important ideas.

Table 1 of Appendix 2-1 List of Interviews Conducted		
Interviewee	**Why Selected**	**Dates of Interviews**
Manufactured Housing Landlord Tenant Coalition Members		
John VanLandingham	Coalition convener, Lane County Law & Advocacy Center. Long history. Writes the statutes. Linchpin with interlocking memberships. Represents tenant interests.	8/19/07, 12/10/07
Paul Brewer	President of Oregon Park Owners Association, a smaller splinter group of park owners. Owns parks in state.	2/8/07
Don Miner	Executive Director of Oregon Manufactured Housing Association, state association of manufacturers and others involved in industry. Very long history of involvement.	2/9/07
Pat and Fred Schwoch	Legislative Director and Chair of Manufactured Home Owners of Oregon/OSTA. Park residents and advocate. Long history.	2/9/07
Chuck Carpenter	Executive Director of Manufactured Home Communities of Oregon, the principal association of park owners.	12/14/07
John Brenneman	Lobbyist for Manufactured Home Communities of Oregon. Long history. Former legislator.	2/9/07
Greg Harmon	Commonwealth Property Management. Largest professional manager of parks in state. Member of Manufactured Home Communities of Oregon	11/20/07
Oregon Manufactured Homeowners United		
Peter Ferris	Lobbyist and founder of rival tenants association, Oregon Homeowners United	12/13/07
State Legislators		
Senator Brad Avakian (D)	HB 2735 sponsor 2007.	2/2/07, 11/20/07
Representative Jerry Krummel (R)	Legislation sponsor 2007. Successfully championed cause in 2005 session also. One of his key issues in 2005 & 2007.	1/30/07, 12/9/07
Representative Chris Edwards (D)	HB 2735 sponsor 2007. Freshman legislator. One of his key issues in 2007.	4/17/07, 11/27/07
Representative Paul Holvey (D)	Chaired Consumer Protection Committee, where key decisions were made about HB 2735.	4/17/07, 5/22/07, 10/17/08
Representative Mike Schaufler (D)	HB 2735 sponsor	5/22/07

History of Manufactured Home Parks in Oregon		
Bob Repine	Former state legislator and former director of Oregon Housing and Community Services, currently director of Oregon Economic and Community Development Department. Involved with manufactured housing legislation and rule making in former roles.	10/12/06
Bob Clay	Planner for the state during the formative years of Oregon land use policy as it pertains to affordable housing.	10/2/08
Ed Sullivan	Attorney who represented local jurisdictions during the formative years of Oregon land use policy as it pertained to affordable housing.	4/30/09
Greg Winterowd	Plan reviewer for the state during the formative years of Oregon land use policy as it pertains to affordable housing.	6/8/09
Robin Johnson	Staffed the City of Eugene Joint Housing Committee, for which citizen volunteer Betty Niven was the chair. Betty Niven was instrumental in creating State Housing Goal 10 and Oregon Housing and Community Services, the state housing agency.	9/12/08
Janet Byrd	Facilitator of Housing Coalition, lobbying group for affordable housing. History of involvement with affordable housing and landlord-tenant interests	12/20/07
Local Case Summaries		
Charlotte Lehan	Former mayor of Wilsonville	8/27/09
Stan Ash	Son of owner of Thunderbird Mobile Club in Wilsonville	9/7/09
Rosemary and Roy Acker	Former resident managers of Thunderbird Mobile Club in Wilsonville	8/28/09
Peggy Mott	Former resident of Thunderbird Mobile Club in Wilsonville	8/28/09
National Industry Experts		
Roderick Knoll & Steve Hullibarger	Nationally-recognized consultants on manufactured home park financing and manufactured housing construction and siting, respectively	12/11/07

Table 2 of Appendix 2-1
Sample Interview Guide

1. How and when did you become interested in mobile home parks as a legislative issue?

2. The 2007 legislature can only deal with a finite number of issues. Why do you think that manufactured home park closure legislation should be on the 2007 legislative agenda?

3. What are your views about manufactured housing as a form of housing?

4. What are the up-sides and the down-sides of manufactured home parks?

5. Who lives in manufactured home parks in Oregon?

6. What housing need do manufactured home parks serve? Do you think that there are better ways of meeting this need?

7. What, if any, are the problems that need to be solved by the closure of manufactured home parks in Oregon?

8. What do you see as being the solutions to these problems?

9. Why are these solutions the best approach?

10. Any final thoughts that you would like to add?

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2-2 Focus Group Protocols and Analytic Techniques

Overview

Focus groups were conducted in seven manufactured home parks in Oregon in summer 2007 to obtain their views on the following topics:

- Manufactured home park living
- Strategies for dealing with park closures
- Existing and desired services to assist with the challenges of park living.

The focus groups served two purposes. They were the basis of a report submitted to Oregon Housing and Community Services (the state's housing agency) and CASA of Oregon (an affordable housing and community development non-profit technical assistance provider) to help them develop strategies and program models for delivering services to park residents. The data were also available for my use in my research on manufactured home parks. Portland State University's Human Resources Review Committee approved the research protocols for the focus groups on May 22, 2007, which represented an expansion of the original research design approved by the Committee on January 18, 2007.

Profile of Parks Selected for Focus Groups

Focus groups were conducted in seven parks in Oregon from July 18 through August 22, 2007. The parks were intentionally selected to sample variations in the types of parks that exist in Oregon. The following dimensions of variation were considered:

- Park size based on number of spaces
- Whether park is limited to households with a resident age 55 and older (55+ parks) or a family park comprised of households with no age restrictions
- The geographic area of the state in which the park is located
- Whether it is situated in a rural, suburban or urban location
- Primary race/ethnicity of park residents
- Estimated economic status of residents
- Whether the park has experienced a threat of closure.

Table 1 of Appendix 2-2 displays the characteristics of the seven focus groups along these dimensions. In six of seven focus groups, participants came from a single park. One focus group was comprised of residents from several parks in the area, most of whom were leaders or otherwise very active in their park.

Oregon State Tenant Association (OSTA) and CASA recruited the parks through utilizing their existing network of contacts. At least one resident in each of the parks had had some prior contact with one or both of these organizations. The relationships between the parks and these two organizations are described in Exhibit 1.

Table 1 of Appendix 2-2
Oregon Manufactured Dwelling Park Focus Groups
Conducted July 18 – August 22, 2007

Park	Dimensions of Variation Among Parks							Number of Participants in Focus Group	Date of Focus Group	Parks' Relationship with OSTA & CASA
	# spaces	55+	Race/ Ethnicity	Econ Status	Threat of Closure?	Geographic Area	Rural/ Suburban/ Urban			
1	151-200	N	Primarily white	Mixed	Park was for sale but purchase rescinded	Portland Metro	Suburban	14	7/18/07	OSTA: 1-5 members, no chapter CASA: Assisting
2	51-100	N	Primarily white	Low-Mixed	Notice given and extended	Central Oregon	Suburban	9	8/3/07	OSTA: No relationship CASA: One phone contact prior
3	51-100	Y	Primarily white	Low	No notice	Mid- Valley	Suburban	8	8/10/07	OSTA: 6-10 members, no chapter CASA: No relationships
4	NA—Multiple Parks	Y	Primarily white	Upper-Mixed	No notice, little concern	Southern Oregon	Rural	12	8/11/07	OSTA: Participants very active in OSTA. Several chapters CASA: No relationship
5	1 - 50	Y	Primarily white		No notice, little concern	Eastern Oregon	Rural	2	8/13/07	OSTA: 1-5 members, no chapter CASA: No relationship
6	101-150	Y	Primarily white	Mixed	No notice, little	Portland Metro	Suburban	7	8/16/07	OSTA: 26-30 members, have

					concern					chapter CASA: No relationship
7	1-50	N	Mixed white & Latino	Very Low	Notice given	NW Oregon	Suburban	14	8/22/07	OSTA: No relationship CASA: Assisting

Profile of Participants in Focus Groups

OSTA and CASA of Oregon managed the selection of focus group participants from the parks. Staff identified and worked with a local leader at the park, who was the person who actually recruited the focus group participants. Staff asked the local leader (a volunteer) to recruit "a cross-section of residents" who represented the range of incomes, ages and household types present in the park. A degree of self-selection typically occurs when potential participants accept or decline an invitation to join a focus group. Although there are no statistics to prove it, it is likely that the focus group participants in this study are more active and involved with their park and manufactured dwelling park issues than park residents in general.

A total of 66 people participated in the seven focus groups. The profile below is a composite snapshot of the participants based on their answers to a questionnaire about their households and their homes (Figure 1). All but fourteen participants completed the questionnaires (participation rate of 79%). Ten of those who did not complete the questionnaires were from the same focus group, which was conducted in Spanish at a family park.

- Most of the participants were older adults with no children living with them.
    - Almost three-quarters of the participants (73%) were age 60 or older. Two others reported living with or representing someone who was age 60 or older.
    - Eighty-eight percent of participants reported that there were no children age 18 or younger living with them.
- The majority of households—57%—were composed of one or two people. Forty percent of participants lived alone. Seventeen percent lived with one other person. One participant indicated that he had a large family and that seven other people lived with him.
- The majority of participants lived in older homes.
    - Only two percent of residents reported living in a home built during the last ten years.
    - Forty-four percent reported living in pre-HUD Code homes built before 1977.
- Although most participants lived in modest homes, a few lived in higher-value homes.
    - More than half of the participants (56%) lived in a doublewide, and a third (33%) lived in a singlewide home.
    - Half of the participants (50%) estimated the value of their homes at $20,000 or less. Eight percent valued their homes at more than $100,000. Almost a quarter (23%) did not provide an estimated value for their home.
- Eighty-eight percent owned their home outright, with no loan to pay in addition to rent.
- Participants varied considerably in the duration of their experience with manufactured home living. A quarter of participants had lived in a manufactured home for three or fewer years. Seventeen percent had lived in a manufactured home for more than 18 years.

- Sixty percent had lived in their current park for six or fewer years.
- Slightly more than half (52%) reported having access to the Internet on a regular basis for e-mail and visiting websites.

Comparison of Participants to Population of Park Residents

A comparison with the demographics of all Oregon manufactured home park dwellers derived from the 2006 Oregon Population Survey indicated that the focus group participants were less likely to have children living with them than the population of park residents in Oregon overall. Approximately 88% of focus group participants did not live in a household with children under the age of 18, compared to 78% for the state overall. Two factors may account be relevant. Approximately 44% of the participants came from senior parks. In general, adults without children are more available for community activities such as this.

As indicated earlier, it is likely that these participants were more active and involved in their park and community than average residents. It is probable that the findings portray the views of older residents from small households more fully than the views of younger families with children in parks.

Organizing the Focus Groups

Volunteer leaders in each park recruited the focus group participants. Typically, they also identified an appropriate location. Most focus groups were conducted in the park clubhouse. When a clubhouse was not available, the focus group was conducted in another nearby location, such as a resident's home or a church.

The focus groups ranged in size from two to fourteen participants, with most falling in the range of seven to twelve participants. Typically, a facilitator (the researcher or trained staff) and an assistant led the focus groups. Only a facilitator was present at the focus group attended by two park residents. The focus groups were audio-taped with the permission of the participants. They typically lasted from 60 to 90 minutes.

CASA provided light refreshments for participants. At the end of the focus group, participants were provided with a $10 gift certificate to a nearby store from CASA as a way of saying thank you.

Informed Consent

The facilitator introduced the focus group's purpose and explained that the findings would be used in a report that CASA was preparing for the State on the kinds of services residents in manufactured home parks would like to have. The facilitator also discussed the ground rules, including the request that participants not discuss what was said during the focus group with others. The facilitator assured residents that every effort would be made to preserve the confidentiality of their responses by not linking them with an identifiable park or a particular resident. The facilitator invited questions and asked participants to complete the demographic questionnaire.

Participants signed consent forms that explained their rights as a focus group participant and kept one copy of the form for their records.

I led five of the seven focus groups and trained the CASA staff members who conducted groups 5 and 7 in Exhibit 1. CASA staff or a volunteer whom I recruited assisted me with the five focus groups.

Focus Group Content

The facilitator guided the discussion by asking questions in the following topic areas:

- Manufactured home park living in general
- Problems in parks and what services residents accessed to address them
- Park closures
- An ideal network of services for park residents.

Participants responded to the questions as they wished and engaged in dialogue with each other as part of the process. To jump-start the discussion on an ideal network of services, residents individually completed a questionnaire that asked them to rate nine potential services and add any additional ones that are important to them. A copy of the Focus Group script is attached as Figure 2.

Requests for Information

From time to time, focus group participants asked factual questions or wanted information about topics such as state laws or available services. When this occurred, the facilitator would reinforce that the purpose of the focus group is to hear what residents have to say. The facilitator said that she would write down the questions and respond to them after the focus group had concluded. In most focus groups, the participants did have questions, and either the facilitator or the assistant responded either while they were all still gathered at the conclusion of the focus group or at a later time.

Analysis of Focus Group Results

CASA staff transcribed the focus group tapes. Each transcript was read, and important passages were highlighted. Themes were developed from the highlighted passages. I prepared an outline for each focus group consisting of these themes and the quotations and key ideas associated with them.

I then conducted a thematic analysis across focus groups. Information from multiple parks was compiled under unifying themes, which provided an opportunity to compare and contrast how different focus groups responded to the central topics.

Throughout these first two steps, my goal was to remain as close as possible to what the residents actually said. The third step involved trying to interpret the results in a way that would remain true to the words and meanings of the participants while drawing conclusions about them. I developed a composite summary of the themes and added comments and conclusions. The composite summary formed the basis of the findings.

Report

A complete copy of the full 45-page report submitted to the state is available upon request to Andrée Tremoulet at atrem@pdx.edu. For the purposes of this dissertation, I have drawn primarily on the sections about manufactured home park living and park closures.

Figure 1 of Appendix 2-2
Some Questions for Manufactured Home Park Residents

Thank you for participating in this group discussion today about your ideas and concerns regarding being a homeowner in a manufactured home park. Please take a few minutes before we begin to answer the following questions. If you are not comfortable with answering a question, skip it and go to the next one. All answers are confidential.

Please tell us about yourself.

1. How long have you lived in a manufactured home? _____
2. How long have you lived in this park? _____
3. How many people live with you in your home? _____
4. Are you 60+ years old? _____
5. How many people age 18 or younger live in your home? _____

Please tell us about your home.

6. Do you live in a single, double, triple-wide or larger home? _____
7. Approximately when was your home built? _____
8. Do you own your home outright, or are you paying down a loan? _____
9. What do you think is the current value of your home? _____

Other questions

10. Do you have access to the Internet on a regular basis for e-mail and websites?

Yes No Other
_____

11. Please circle all the organizations with which you are familiar.

AARP OSTA OMHU OMCA OHCS MDPCR

12. If you needed help or advice on something pertaining to living in your park, to whom would you turn first? (Please circle one answer.)

Park Manager Friend who lives in park Relative Other: _____

13. Are you familiar with Title 10, Chapter 90 of state law (Oregon Revised Statutes)? ____

Figure 2 of Appendix 2-2
Focus Group Script

As people arrive	People come in, are welcomed and get name tent, short survey and consent form. Invited to help themselves to refreshments.
15 minutes	**Introductions** • Welcome, and thank you for coming out today. My name is Andrée Tremoulet, and I am a graduate student at Portland State University working with CASA of NW Oregon. I am conducting research on manufactured home parks in Oregon for my dissertation. Together, CASA and I are working on a report that will go to the state about the kinds of information and services that MHP residents would like to have. We are talking with about six groups like this one all over the state to get a variety of perspectives. • Hopefully, you have had a chance to get a snack and complete the survey and consent form. Does anyone have any questions about either? • In just a minute, we'll go around the table so everyone can introduce themselves. But first, I'd like to talk a little bit about what we'll be doing today and some ground rules. o We are here to listen to what you have to say. There are no wrong or right answers to any question---you should just say what you think. o Answers are confidential. What is said here should stay here---we ask that you not talk about others answers outside this meeting. This is to ensure that everyone is comfortable with saying what they want to say. o And to make sure that we get it all, I will be audio taping today's session. o When we do our report, we will be reporting on what people said in general, so what you say will not be identified with you or anyone else. The only thing that we will provide is a list of the parks that participated. o There's no need for us to go around the table for each question. Just speak up if you have something to say. o We do ask that only one person speak at a time, and that you listen to what the others say. And that everyone is courteous and respectful of others' opinions, even if you do not agree. o Give everyone a chance to talk. If you've had a lot to say, consider listening for a while. o As the facilitator, I will be leading the discussion. But you can talk to each other, too---if someone says

	something that makes you think of something you want to say, that's fine. o If you need to take a rest room break, just get up when you need to. Same goes for refreshments. o OK, so the basic ground rules are confidentiality, courtesy and only one person speak at a time. Do you have any questions? • Let's do some introductions. Please say your first name, and how long you have lived in MH and how long you have been at this park.
10 minutes	**General views about manufactured home park (MHP) living** • What was it that attracted you to buying a MH and living in a MHP? • Now that you've lived in a park for a while, would you make that same decision to live in a MHP again? o If so, why? o If not, what would have to change? [What assurances would you want to have to move to a MHP again?] • Is there anything that you foresee that might get in the way of your living here as long as you want to? • Would you recommend living in a MHP to a friend?
15 minutes	**Information about MHP residency issues** • I'd like you to think about whether, in the last few years, you have wanted help with problem in your park. o What kind of problem was it? o Did you know where to turn for help? (If so, where was that?) o Did you encounter any difficulties or barriers in trying to get the help you wanted? (If so, what were they?) o Ultimately, did you get the help you wanted? [On a scale of 1 – 5, with 5 as very satisfied, how happy were you with the help you received?] • What suggestions do you have about the kinds of help that you think should be available to MHP residents to deal with issues unique to MHP living?
15 minutes	**Information about MHP closures** Recently there's been a lot of information in the news about MHP closing in different places in Oregon. [Check in with group: Have you been following any of this?] • Before park closures were in the news, was this something that you were concerned about? What about now? • I'd like you to think about when you first started paying attention to this issue. o Where did you turn for more information about

	closings in general? o Your park in particular? o Did you get the information that you wanted? o Do you trust the source? • What kind of information do you think should be available to MHP residents in general so that they can be better informed about park closures, even if there are no plans for their park to close? o What's the best way to provide this information?
15 minutes	**Park Closure---What would you do?** I'd like to invite you, for a moment, to put yourself in the place of the park residents who have found out that their park is closing. Specifically, please imagine that you have received a notice from your landlord saying that he or she intends to close the park in 365 days. • Where would you turn for information and help? o What kinds of information would you want? o What kinds of assistance would you want? o What would be the best agencies or organizations to provide this information and assistance? [Who would you trust?] o What are the best ways of providing it? [Meetings, counselor available, online, someone to answer phone calls, etc.] • What kinds of housing options do you see for yourself if your park were to close? • Do you think you would try to move your home? o How moveable is it? o Do you think you could find a place for it? Where would that be---another park? • What kinds of information and assistance should be available to park residents when they find out that their park is going to be closed? o What's the best way of providing that assistance? • In some places, park residents have come together to form an entity to buy the park---so that they actually own the park that they live in. o Is this something that interests you? o Would you like to know more about resident-owned communities---how they are formed and how they work? o Could you imagine this working where you live? [Why or why not?]
15 minutes	**Imagining a New Network of Services** As we get ready to close, I would like to invite you to dream a little. Imagine that, in the future, it is possible to create a strong, coordinated

	network of services to help residents with the kinds of questions and challenges that come up for people who live in manufactured home parks. • Here's a list of services that a network like this might provide. We'll go through them together, and I would like you to mark on your paper how important it is to have this service. [Read through list with them.] • What services did you add to the list? • What are the most important services to provide? • What kinds of organizations would you trust to provide these services? [state, statewide tenant association, local community action agency, the county…] • If there were a primary place that you could call to access services through this network, how long do you think is a reasonable length of time for them to get back to you?
5 minutes	Is there anything you would like to say that you did not get a chance to discuss during our time together?
	THANK YOU

Appendix 2-3
Descriptive Statistics from Oregon Population Survey 2006

Oregon Population Survey 2006

The Oregon Population Survey has been conducted by the Oregon Progress Board and the Office of Economic Analysis every two years from 1990 through 2006 to ask Oregonians questions about topics such as child care, employment, transportation and commuting, volunteer work, education, personal shopping patterns, technology use, access to health care and level of satisfaction with the state. According to the press release on the 2006 survey, the result is "an in-depth picture of the lives, families and jobs of Oregonians and the state's quality of life" (http://www.oregon.gov/DAS/OPB/docs/PopSurv/OPS06_Press_2-1-07.doc, downloaded 1/31/09).

The 2006 survey, conducted by Northwest Research Group, involved a sample of 4,500 households. The sample was purchased from Survey Sampling International and utilized the random digit dial technique. The interviewee to be surveyed was selected randomly, using the "last birthday" method to reduce selection bias. A qualified respondent was defined as a householder age 18 or older. The response rate of the base survey was 33%, and the response rate of a survey augment was 25%. The survey augment utilized the same questionnaire as the base survey, but the sample consisted solely of members of specific racial and ethnic groups to ensure their adequate representation. The resulting data from the base and survey and augment were weighted to more accurately reflect the actual population. Additional information about the methodology can be found in the Technical Report to the 2006 Oregon Population Survey, found online at http://www.oregon.gov/DAS/OPB/popsurvey.shtml#2006_Oregon_Population_Survey

Analysis of Manufactured Home Park Residents

The Oregon Population Survey data sets from 1990 through 2006 are available online at http://www.oregon.gov/DAS/OEA/popsurvey.shtml . I consulted extensively with Andi Howell, Community Resource Analyst of Oregon Housing and Community Services, to ensure that my approach to the analysis of the data was appropriate.

I utilized responses to the following two questions to isolate cases that represented residents who lived in manufactured housing in manufactured home parks or on other leased land.

1. Which of the following best describes your living unit?
   - One-family manufactured dwelling (mobile home or manufactured home).
   - A one-family house detached from any other house.
   - A one-family house or condominium attached to one or more houses.
   - A building with 2 or 3 apartments.
   - A building with 4 or more apartments.

- Other (boat, RV, van, etc.).
- Don't know/not sure.
- Refused/no answer.

2. [If it is a one-family manufactured dwelling], is it located…
   - In a rental park or on leased land.
   - On land owned by you or someone in this household.
   - Don't know/refused.

The response to the first question consisted of 4314 valid responses and 18 responses characterized as missing (don't know/not sure, refused/no answer, field blank). The missing rate was .4%. There were 620 respondents who indicated that they lived in a mobile or manufactured home.

The response to the second question consisted of 607 valid responses and 13 missing responses. The missing rate was 2.1%. There were 220 respondents who indicated that they lived in a rental park or on leased land.

I applied the "household weight" to the resulting sample. The household weight adjusts the sample so that the result is representative of Oregon households. Thus, all of the descriptive statistics that I provide are about households, not individuals. Other weighting factors can be used to adjust the responses to make them representatives of Oregon residents overall.

The percentages in the text of this analysis represent valid percentages that exclude missing data. In all but the questions about household income and how well the state is doing in taking care of people in need, the percentage of weighted cases where the data were missing was less than 1%. Approximately 6.6% of the cases had missing data for household income level, and approximately 11.3% of the cases had missing data for whether or not the household had income above the poverty level. Approximately 2.7% of the cases were missing information on helping individuals and families in need.

Appendix 2-4
Data Collection and Management Protocols for Park Closure Analysis

The Manufactured Dwelling Park Community Relations Program (MDPCR) of Oregon Housing and Community Services (OHCS) maintained a database of manufactured home parks (both open and closed) in the state. Interested parties were able to access information from this database online at the OHCS website, http://www.oregon.gov/OHCS/MDP_Manufactured_Dwelling_Park_Services_Oregon.shtml. Initially, MDPCR staff compiled the information from records sent to OHCS by county assessors statewide. Over time, the data were edited based on field reports and information provided by clients contacting MDPCR. As of 2009, the directory was based on information provided by park owners and managers as a result of new state law adopted in 2005 that mandated park registration and periodic training for park managers. OHCS's website posted a disclaimer that the agency could not verify the validity of the data and thus made no warrantees pertaining to their accuracy or completeness. Although OSTA board members criticized the accuracy of some of fields (park manager, owner's address, etc.) for some listings in 2007, overall the database was likely to contain reasonably accurate information about park locations (addresses) and status (open or closed). The data cleaning steps described below (and summarized in Table 1) were used to further improve the accuracy of this information.

In October 2007, I obtained a data file of manufactured home parks in Oregon from David Kaufman of MDPCR consisting of 1776 cases. The data included information on 73 cases (parks) that OHCS described as closed/closing, 1610 described as open, 44 RV (recreational vehicle) parks, 24 subdivisions and 25 cases classified as other. All but the open and closed/closing cases were eliminated from further consideration because they were not manufactured home parks.

The list of open parks contained 259 duplicate items. Once these were eliminated, we attempted to geo-code the remaining 1351 open and 73 closed parks. We were not able to geo-code 157 open (11.6%) and 2 (2.7%) closed parks because they lacked sufficient address information. A review of the list confirmed that this was more likely to occur for parks in rural areas, where no street number is provided. Thus, it is likely that most, if not all, these eliminated parks were located outside the state's Urban Growth Boundaries (UGBs). The final data set consisted of 1265 cases, of which 71 were closed and 1194 were open.

The final modification to the data set was the addition of two fields not included in the original OHCS data. To determine which parks were located inside a UGB and which were not, the parks were mapped. Of the 1265 cases, 938 were located inside a UGB and 327 were located outside a UGB. The final step was the addition of the five-year population growth rate from July 1, 2002 through July 1, 2007 of the county in which the park was located. This period was chosen because it represented the years during which park closures were most pronounced. The five-year growth rates were derived from annual population estimates from the Portland State University Population Research Center available at http://pdx.edu/prc.

It is relevant to explore the potential impact of data cleaning on the statistical analysis. If all 1424 unduplicated open and closed parks were valid cases, then the actual closure rate of 1424 cases was 5.1% instead of the rate found in the analysis, 5.6%. The eliminated cases had a lower "closure rate" (1.3%) than that of the cases used in the analysis. If the preponderance of the parks that were eliminated from the analysis due to insufficient address data were located outside UGBs (as is most likely the case), then there is likely to be a stronger relationship between park closures and the location of a park inside a UGB than the analysis indicates. It appears that the data cleaning may have resulted in an analysis that slightly underestimated the strength of the tested correlation.

Table 1 of Appendix 2-4 **Summary of Data Cleaning Protocols**
Database received from OHCS = 1776 cases • 73 "closed/closing" • 1610 "open" • 25 "other" • 44 "RV" • 24 "subdivisions"
Step 1: Remove extraneous cases Result: 1683 cases • 73 closed • 1610 open
Step 2: Remove duplicate cases Result: 1424 cases • 73 closed • 1351 open
Step 3: Geo-code cases Result: 1265 cases • 71 closed (2 cases eliminated; 2.7% of closed parks) • 1194 open (157 cases eliminated; 11.6% of open parks)

Appendix B: Data Accompanying Chapter 3 3-1 Comparison of Two Housing Types Affected by Gentrification/Displacement		
Topic	**Residential Hotels/SROs**	**Manufactured Home Parks in Oregon**
Public perceptions of housing form: Does it provide a suitable home?	Public opinion: unsuitable place to live for moral and health reasons.	Public opinion: Although there is variety among parks, manufactured home parks usually are not viewed favorably. Thought to reduce adjacent property values. Housing thought to be ugly, substandard and unsafe.
Importance in housing market	In 1990, hotel residents outnumbered public housing residents in the US.	In Oregon in 2000, more than one of ten occupied housing units was a mobile home.
Permanent or temporary housing	Some hotels were transitional; people did not expect to live in them permanently. Others provided permanent homes for residents.	Usually permanent housing. Some rental homes in parks or elsewhere might be short-term rentals.
Public perceptions of residents	Socially marginal individuals with poor morals	Less income and less education than residents have in reality; living in mobile home park is a stigma for teenagers.
Cheapest housing in its class	Least expensive housing close to downtown and its services	Least expensive housing; on average, monthly housing costs less than that of apartments or single family homes.
Historical Types	Historically, there were: Palace hotels for the wealthy Midpriced hotels for white collar workers and vacation-seekers Rooming houses for working people Cheap lodging houses (note: other researchers have other classifications)	Historically, there were: Travel trailers Mobile homes Manufactured homes
Public policy goals that potentially support demise of housing type	End urban blight Eliminate substandard housing	To be explored. May include: Promote dense, mixed use urban neighborhoods Highest and best use of land

What specific policies played a role in causing this housing form to be threatened?	Diffuse range of policies caused both of a decline in the production of new residential hotels and the demolition of existing ones. Included are Urban Renewal, de-institutionalization of mental hospitals, policies supporting suburbanization.	This is one of the research questions of this study.
Economic pressures to change the use	Expansion of downtown office and retail districts made redevelopment value of land higher than present value as a hotel. Also, land owners wanted to eliminate the "nuisance factor" created by the residents of the hotels. Undervalued plot of land in a valuable setting---downtown.	In Oregon, the comparatively low value of the land as a manufactured housing park vs. its potential value as a "higher and better" use, such as condos and mixed use retail/housing. Undervalued plot of land in a valuable setting—large, flat, with access to utilities, not far from burgeoning town centers.
Opportunity for Profit	Higher potential return from developing suburban real estate or downtown office buildings than running a residential hotel	Higher potential return from redevelopment of land as condos, mixed use, single family housing, etc. than from retaining as a manufactured home park.
Financing issues supporting demise of this housing form	Redlining	To be explored; the unregulated nature of the chattel loan industry may play a role.

Source of Information on Residential Hotels*:* Groth, P. (1994). *Living Downtown.*

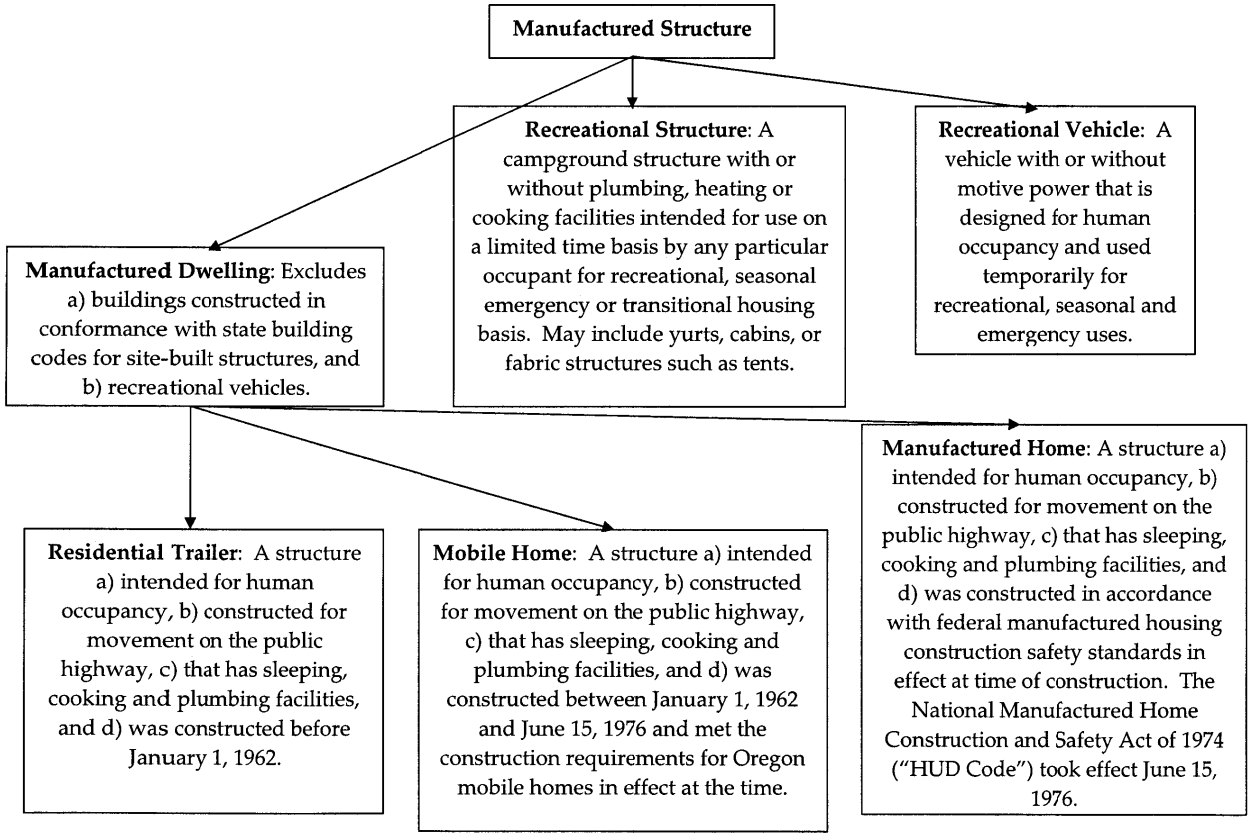
Appendix C: Data Accompanying Chapter 4
4-1 Ephemera Depicting Stereotypes of Manufactured Home Park Residents

Photo of two talking dolls acquired in 2007, Trash Talkin' Turleen & JerWayne Junior. Turleen is holding a baby. JerWayne is holding a bottle labeled "Beer." The box covers feature drawings of a trailer.

The greeting card features two young girls in a trailer park holding Easter Baskets. The girl on the right says, "Hey, Mama, I thought you said the Easter Bunny doesn't visit trailer parks!"

4-2 Definitions of Manufactured Structures

Source: Oregon Revised Statutes 446.003 Definitions



4-3 Example of Itemized Moving Costs

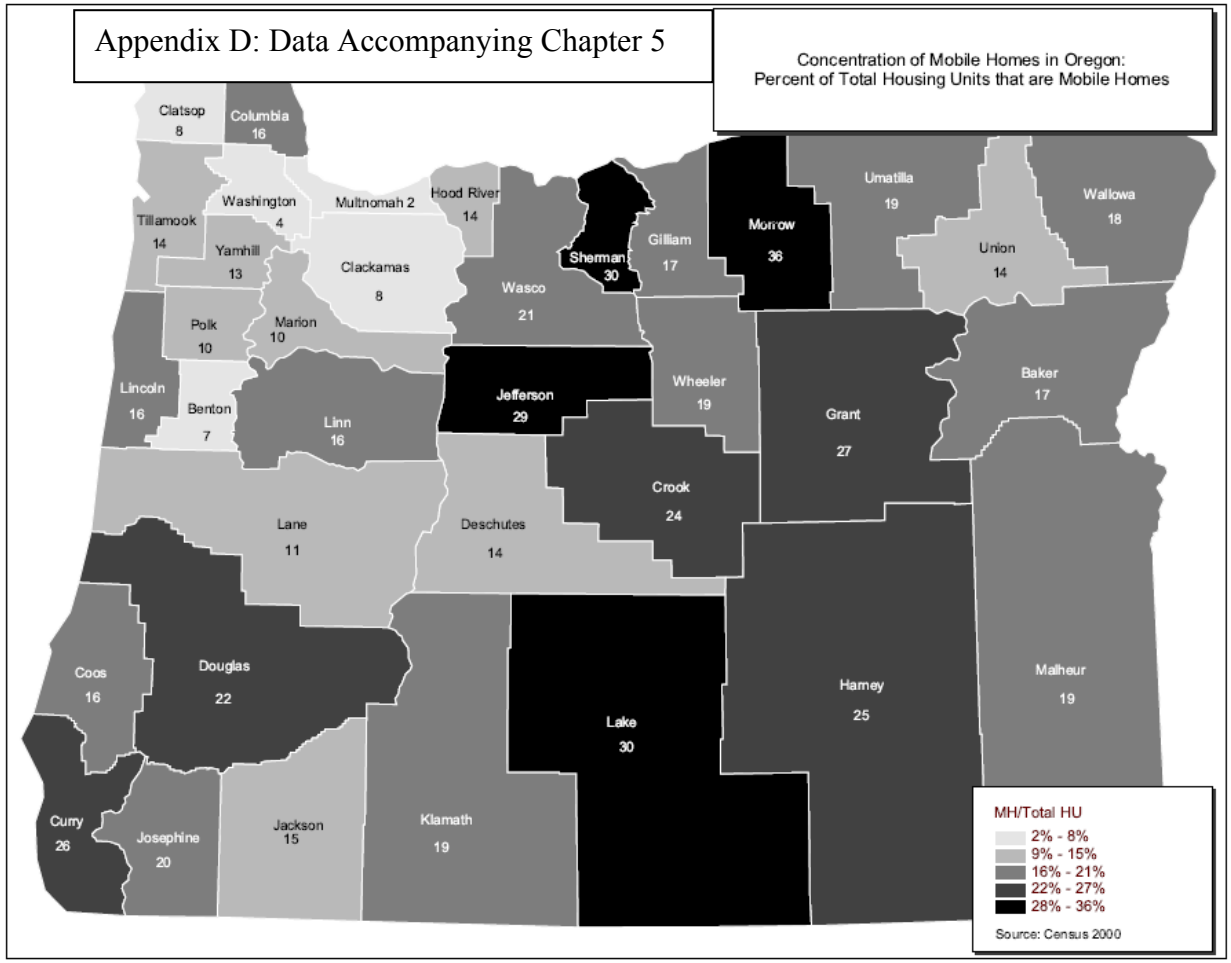
Vivian Fairburn
4155 NE Three Mile Lane #125
McMinnville, OR 97128 503-939-1998

MOVING SCHEDULE

1.	Find a new park with comparable space for current home (2 month search)	
2.	Obtain park approval and security check and deposits Negotiate costs for site prep, driveways and hookups.	$360
3.	Apply for building permit at City or County of new park. Provide detailed drawings to scale of lot and house sited on lot 1 month in advance	$250
4.	Contract with MH Transport company to move home and set date 1 month or more in advance	$8835
5.	Find a contractor to remove skirting, decks, porches, & sheds Contract to replace same at new location. New carport required	$8000
6.	Arrange for temporary housing for 2-3 weeks while house is being moved	
7.	Contract PODS to store and deliver household goods	$500
8.	Contract moving company to load and unload PODS	$500
9.	Arrange for disconnect and new install of utilities	$100
10.	Contract heat pump disconnect, move, and reconnect	$600
11.	Contract with electrical company to hook-up electrical at new site	$750
12.	Contract with masonry company for new skirting Stone required at new park; existing skirting destroyed	$2700
13.	Contract for backfill if not included in park's contract	$500
14.	3 Weeks before move pay taxes and purchase Trip Permits	$10
15.	1 Week before move purchase Trip Insurance for move	$75
16.	House moved, put back together – 1 week	
17.	Arrange for electrical inspection	
18.	Arrange for building dept inspection. Call Power company for turn on	
20.	Apply for permit for driveway & carport from Building Codes Dept	$465
21.	Move in. Make necessary repairs, caulk and paint as needed	$300
22.	After carport and shed are built, deck, steps, irrigation systems and landscaping can be planned and implemented	$500
	TOTAL COSTS	$24, 445

Estimated time frame from start to move in – 5 to 6 months
Due to rainy season, I do not yet have driveway, carport, shed or deck.
Landscaping won't be done until May. Total time frame for me - 1 year

Source: Written testimony of Vivan Fairburn submitted to House Consumer Protection Committee April 2, 2007


Concentration of Mobile Homes in Oregon:
Percent of Total Housing Units that are Mobile Homes
Clatsop 8
Columbia 16
Tillamook 14
Washington 4
Multnomah 2
Hood River 14
Sherman 30
Gilliam 17
Morrow 36
Umatilla 19
Wallowa 18
Union 14
Yamhill 13
Clackamas 8
Wasco 21
Polk 10
Marion 10
Lincoln 16
Benton 7
Linn 16
Jefferson 29
Wheeler 19
Grant 27
Baker 17
Crook 24
Lane 11
Deschutes 14
Coos 16
Douglas 22
Curry 26
Josephine 20
Jackson 15
Klamath 19
Lake 30
Harney 25
Malheur 19
MH/Total HU
2% - 8%
9% - 15%
16% - 21%
22% - 27%
28% - 36%
Source: Census 2000

Appendix E: Data Accompanying Chapter 6

6-1Manufactured Home Parks in Oregon as of December 31, 2007

	County's Inventory Lost		County's % of State Loss		County's % of State Total	
County	**% Parks Lost**	**% Spaces Lost**	**Parks**	**Spaces**	**Parks**	**Spaces**
Baker	0.0%	0.0%	0.0%	0.0%	0.6%	0.3%
Benton	0.0%	0.0%	0.0%	0.0%	1.2%	1.8%
Clackamas	2.6%	5.1%	4.3%	12.4%	8.3%	9.9%
Clatsop	5.6%	3.6%	1.4%	1.0%	1.3%	1.1%
Columbia	2.9%	4.2%	1.4%	1.8%	2.5%	1.8%
Coos	2.1%	1.7%	1.4%	0.9%	3.4%	2.1%
Crook	16.7%	14.1%	4.3%	2.3%	1.3%	0.7%
Curry	2.2%	0.6%	1.4%	0.3%	3.3%	1.9%
Deschutes	15.4%	15.1%	11.6%	14.3%	3.8%	3.9%
Douglas	6.8%	4.9%	8.7%	6.7%	6.4%	5.6%
Gilliam	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%
Grant	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%
Harney	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%
Hood River	23.1%	12.9%	4.3%	1.9%	0.9%	0.6%
Jackson	0.9%	0.4%	1.4%	0.8%	8.4%	8.8%
Jefferson	0.0%	0.0%	0.0%	0.0%	1.0%	0.6%
Josephine	5.9%	1.7%	2.9%	0.9%	2.5%	2.3%
Klamath	3.3%	2.1%	2.9%	1.5%	4.4%	2.9%
Lake	0.0%	0.0%	0.0%	0.0%	0.9%	0.3%
Lane	5.9%	1.7%	11.6%	4.2%	9.8%	10.4%
Lincoln	2.9%	0.4%	1.4%	0.2%	2.5%	2.1%
Linn	2.0%	0.2%	1.4%	0.2%	3.6%	4.1%
Malheur	0.0%	0.0%	0.0%	0.0%	1.2%	1.2%
Marion	2.0%	2.2%	2.9%	5.0%	7.3%	9.4%
Morrow	10.0%	4.3%	1.4%	1.0%	0.7%	0.9%
Multnomah	3.5%	0.7%	5.8%	1.4%	8.2%	8.2%
Polk	11.8%	4.1%	2.9%	1.3%	1.2%	1.4%
Sherman	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tillamook	0.0%	0.0%	0.0%	0.0%	1.4%	0.9%
Umatilla	0.0%	0.0%	0.0%	0.0%	3.4%	3.1%
Union	5.6%	4.7%	1.4%	0.8%	1.3%	0.8%
Wallowa	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Wasco	0.0%	0.0%	0.0%	0.0%	1.1%	1.0%
Washington	25.4%	20.4%	21.7%	39.2%	4.3%	7.9%
Wheeler			0.0%	0.0%	0.0%	0.0%
Yamhill	5.9%	2.3%	2.9%	1.9%	2.5%	3.4%
TOTAL	**5.0%**	**4.1%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Oregon Housing and Community Services

Appendix F: Data Accompanying Chapter 10
10-1 Bills Pertaining to Manufactured Dwellings
2007 Oregon State Legislative Assembly

Key:
Bills in standard font were approved.
Bills in italics were not approved.

This list represents the provisions of bills at the end of the session. It does not systematically track amendments that were made during the session.

A. Legislation Providing Assistance to Displaced Homeowners

1. HB 2735 (Landlord Tenant Coalition Bill: Effective September 27, 2007)

Primary Provisions:

- Notice: Landlords who wish to close park or portion of a park and convert it to another use must provide a 365 day written closure notice to each displaced tenant household.
    - Landlord must also provide a written copy of the closure notice to the Oregon Housing and Community Services Department.
    - Landlord must also provide a written copy of the closure notice to any non-occupant owner or lien holder by first class mail and certified mail return receipt requested.
    - OHCS is directed to prepare a sample closure notice form that includes information about the state tax credit and a tenant's ability to challenge property tax assessments.
    - If park closure is due to eminent domain or agency order (i.e., health and safety violations), the landlord must notify the tenants in writing within 15 days of receipt of the notice by the landlord. The notice must designate the date of the park closure, explain why the closure is taking place, describe the tax credit available and provide information on government relocation benefits known by the landlord.
    - If park closure is due to conversion of park to manufactured housing subdivision, then notice period is reduced to 180 days.
- Payments by Landlords: Landlords who wish to close a park or portion of a park and convert it to another use must pay each displaced tenant household that owns the home that they live in:
        - $5,000 for a singlewide.
        - $7,000 for a doublewide.
        - $9,000 for a triplewide.
    - To receive the payment, a tenant must provide the landlord with a written notice specifying his or her moving date within the 365 day period. The

notice period must be for a period of not less than 30 days and not more than 60 days prior to the tenant's moving date.
    - The landlord must pay one-half of the payment within seven days of receiving a tenant's notice and the remainder within seven days of the tenant's move.
    - Tenants do not have to pay state income tax on the landlord payments.
    - If park is converted to manufactured housing subdivision and the tenant buys the space or sells the home to someone who buys the space or lot, the payments above do not apply.
    - Tenant payments do not apply to parks closed by exercise of eminent domain or order of an agency.
- Tax Credit for Displaced Tenants: (Referenced in this legislation, but moved to HB 3201, which is the principal legislation that prescribed tax credits in the 2007 session.) The 2005 refundable tax credit for displaced residents, which had a January 1, 2008 sunset, was extended and expanded so that it is available to tenants regardless of income and regardless of whether they can move their homes. The tax credit changes were made retroactive for moves that occurred on or after January 1, 2007, and include future moves through December 31, 2012. The amount of the credit was reduced from $10,000 to $5,000 per qualifying household. The credit remains a refundable credit; it is available as a payment by the state if the tenant does not owe sufficient taxes to take it as a credit. The tax credit sunsets in six years, on January 1, 2013.
- Abandoned Homes: Landlord may not charge tenant if tenant elects to abandon home as a result of the closure. Landlord pays for disposal.
- Extra Charges Prohibited: Landlord cannot charge tenant a penalty for leaving early during the closure notice period. Landlord cannot raise rent during the closure notice period.
- Reporting after Closure: Within 60 days of the closure, landlord must report to Oregon Housing and Community how many tenants were able to move their homes and how many abandoned their homes.
- Capital Gains Tax Break for Preferred Purchasers: The sunset on the capital gains tax break for landlords who sell to a manufactured dwelling park nonprofit cooperative, housing authorities or non-profits who preserve the park as affordable housing was moved forward from January 1, 2008 to January 1, 2014.
- Expansion of Prohibition on Local Government Restrictions: Expands an existing prohibition on local government restrictions on relocating manufactured homes displaced by park closures solely due to the age of the home to include legal lots outside Urban Growth Boundaries (UGBs) as well as land inside UGBs.
- Partial Pre-Emption of Local Ordinances: All local governments have through June 30, 2007 to adopt local ordinances regulating park closures, after which time new local ordinances regulating closures are prohibited. (This was a short window; the bill was adopted by both houses as of June 25, 2007, signed into law as of August 8, 2007 and had an effective date of September 27, 2007). Local

governments that have an ordinance in place as of June 30, 2007 have through December 26, 2007 (90 days after the effective date of the bill) to amend their ordinances, after which time no additional changes are allowed. Amendments may not decrease the rights provided to tenants under HB 2735.

- Use of Annual $6 Assessment: Oregon Housing and Community Services may use the $6 annual assessment to help pay for counseling tenants displaced by park closures in addition to using the funds to pay for the mediation and education services currently authorized.
- Other Provisions: Deals with other landlord tenant matters, including waiver, mandatory education and registration for park operators, and maintenance of vacant spaces.

Final Sponsors of HB 2735*:* Representatives Schaufler, C Edwards; also Representatives Hunt, Kotek, Nathanson, Senator Avakian. (Note: Kotek, Hunt, Nathanson & Avakian added, Krummel & Garrard removed from when introduced).
Final Status HB 2735: Amended version passed along mostly party lines.
Sponsors SB 17: Senator Avakian; also Senator Burdick. SB 17 initially mirrored the provisions of HB 2735.
Final Status SB 17: Passed with amendments from Senate Business, Transportation and Workforce Development. Died in Finance and Revenue, as HB 2735 became the relevant vehicle for addressing this issue.

2. HB 2600 (Son of Krummel)

Primary Provisions:

- *Extends the sunset on the $10,000 tax credit. Refundable tax credit to all who are displaced, regardless of income or whether they move home. (Same as HB 2735/SB 17)*
- *Extends the sunset on the capital gains tax break for landlords who sell to residents, housing authorities or non-profits who preserve the park. (Same as HB 2735/SB 17).*
- *Prohibits jurisdictions from prohibiting placement of a manufactured dwelling on a lot or parcel outside the UGB solely due to the age of the dwelling if home relocation is due to park closure.*

Sponsor HB 2600: Representative Krummel; also 54 representatives and 24 senators.
Final Status: Provisions folded into HB 2735, with sponsor's consent. Died in House Consumer Protection after public hearing.

3. HB 2601 (Relocation Fund)

Primary provisions:

- *Provides for creation of a Manufactured Structure Relocation Fund to be funded by $10 million from the General Fund.*
- *Purpose of fund: Providing financial assistance to manufactured structure owners who receive a notice of park closure.*

- *Fund to be used for low-interest loans (for households with incomes above poverty line) or grants (for households with incomes below poverty line) of up to $10,000 per displaced park resident.*
- *Moving and set up costs for manufactured home is identified as a priority use of funds. Funds can serve as an "advance" on $10,000 tax credit.*

Sponsor HB 2601: Representative Krummel, Senator Avakian; also Representatives Burley, Komp, Nathanson, Riley, Schaufler and Senator L George.
Final Status: Died in House Consumer Protection after public hearing.

4. SB 837 (Oregon Manufactured Homeowners United Bill on Payments and Preservation)

Primary Provisions:

- *Closure notice options:*
    - *180 days if suitable space for home is found and landlord pays $3,500 plus additional payments described below.*
    - *180 days if tenant agrees to abandon home and landlord pays $3,500 plus additional payments described below.*
    - *365 days with payments described below.*
- *Landlord payment to tenants:*
    - *If they move home, actual receipted costs of moving or flat amount established by OHCS. Flat amount paid one week before move.*
    - *If they abandon home, fair market value as established by tax assessment or flat amount established by OHCS.*
        - *Assessed value appealable by tenant. Tenant negotiates with landlord. If no resolution, OHCS appoints appraiser, and cost of appraisal split by landlord and tenant. Appraiser's value accepted only if higher than assessed value.*
    - *Landlord may elect to provide more than the minimum payment and/or contract with tenant to arrive at a mutually acceptable arrangement.*
- *If park is being closed and land sold, landlord pays local jurisdiction up to 5% of net long-term capital gain resulting from sale. Amount set by local ordinance. Funds must be used exclusively for affordable housing*
- *Preemption of local ordinances: Local jurisdictions cannot impose restrictions, prohibitions, fees, penalties or other sanctions on park owner for closure or conversion.*
- *Landlord closing a park must hire relocation specialist from an OHCS approved list to assist tenants. Relocation specialist reports results to OHCS.*
- *Tenant association or their non-profit representative has 90 days in which to notify landlord that they are interested in purchasing park. After such notice, landlord required to negotiate in good faith with the association. No time limit on negotiations.*

- *Most provisions go into effect January 1, 2008. The 90 day window for tenants to notify owner of their interest in purchasing park becomes effective upon passage of the legislation.*

Sponsor SB 837: Senator Avakian.
Final Status: Died in Senate Business, Transportation and Workforce Development without a public hearing.

5. HB 3249 (Abbreviated Version of HB 2735)
Primary provisions:
- *Mirrors the provisions of HB 2735 (as introduced) as it pertains to tenant notice of park closures and landlord payment to tenants. Does not include the other sections of HB 2735 pertaining to other landlord tenant matters, such as waiver, mandatory education and registration for park operators, and maintenance of vacant spaces.*

Sponsor HB 3249: Representative Nathanson; also Representatives Barnhart, Clem, Cowan, Edwards, Gilliam, Hunt, Kotek, Maurer, Riley, Roblan, Rosenbaum, Shields and Tomei.
Final Status: Died in Consumer Protection without a public hearing.

B. Legislation to Preserve Manufactured Dwelling Parks

1. HB 2096 (Resident Purchase Bill)
Primary provisions:
- Authorizes formation of manufactured dwelling park cooperatives (MDPC)
    - Membership limited to resident homeowners.
    - Membership fee/stock price is limited. No distribution of dividends, net proceeds, etc. to members.
    - Upon dissolution, assets go to another MDPC, a charitable organization, a religious organization, a housing authority, a tax-exempt organization or government (federal, state, local).
- Allows OHCS to provide assistance to parks with a "significant percentage" of lower income residents (80% MFI) instead of requiring all residents to be low income. Assistance includes technical assistance and financing, as specified below.
- Allows OHCS to make gap financing loans to manufactured dwelling park cooperatives. OHCS loan can be in second lien position, after private lender.
- Allows OHCS to make loan guarantees of up to 50% of the loan principal amount on loans provided by private lender, instead of the current guarantee limit of 25%.
- Changes the definition of elderly from 58 to 55 years old. Since the current definition of senior park applies to parks that are restricted to residents with household members 55 and older, this makes elderly and disabled bonds available to assist with senior parks.

Sponsor HB 2096: Pre-session filed at the request of the Governor.
Final Status: Amended version (amended by Senate Business, Transportation and Workforce Development) approved unanimously in both houses.

2. HB 3201 (Omnibus Tax Credit Bill)
Primary Provisions:

- This is the omnibus bill dealing with tax credits of all kinds. It included two provisions pertaining to park closures that originated with SB 984 (Section 61) and HB 2735 (Section 82).
- SB 984 amended the Oregon Affordable Housing Tax Credit by increasing the cap and specifically adding as an allowed activity a loan to a qualified borrower for the construction, development, acquisition or acquisition and rehabilitation of a manufactured home park that will continue to be operated as a park throughout the period of the tax credit.
    - The OAHTC historically has allowed Oregon banks to lend money for affordable housing at up to 4 percentage points below market and take the lost income as a tax credit.
    - A qualified borrower is a non-profit, a manufactured housing nonprofit cooperative, housing authority, unit of local government (or other entity that has agreed to restrictive covenants pertaining to affordability) that has controlling interest in the real property.
- HB 2735 provided for a refundable tax credit of $10,000 for tenants of a manufactured dwelling park who were displaced by park closure. HB 3201 reduced the benefit to $5,000, made it retroactive to moves that took place after January 1, 2007, and sunsetted it January 1, 2013.

Sponsors HB 3201: Representative Nelson; also Representatives Berger, Bruun, Flores, Garrard, Senator Ferrioli.
Final Status: Approved overwhelmingly by both houses.

3. HB 2688 (Expansion of Permitted Uses of Homeowner Tax Credit)
Primary Provisions:

- *Expands the existing $10,000 tax credit so that it can also be used for costs incurred in purchase of manufactured dwelling park by residents in addition to being used for costs associated with moving a home.*
- *Effective exclusively for park purchases occurring January 1, 2007 – December 31, 2007.*

Sponsor HB 2688: Representative Burley; also Representatives Dallum, D. Edwards, Krummel.
Final Status: Died in House Consumer Protection after public hearing.

4. HB 3551 (Housing Alliance Bill Creating Affordable Housing Fund from Document Recording Fee Increase)
Primary Provisions:

- *Increases document recording fee from $21 to $36 and dedicated the revenue (approximately $35 million per biennium) annually to affordable housing*

development, including equity/gap financing for purchases of manufactured home parks for preservation as affordable housing.

Sponsors HB 3551: Representatives Boone, Holvey, Nolan; Senators Carter, Deckert; also Representative Dingfelder.

Final Status: Failed on party lines in the House at end of session.

5. HB 3247 (Tenant Association Right of First Refusal)

Primary Provision:

- *Provides tenant association and their affiliates a fourteen-day right of first refusal to purchase manufactured home park after they are notified that the owner has received a bona-fide purchase offer or listed the park for sale.*

Sponsor HB 3247: Representative Nathanson; also Representatives Barnhart, Bonamici, Buckley, Clem, C. Edwards, Galizio, Garrard, Gelser, Gilliam, Hunt, Kotek, Morgan, Riley, Roblan, Rosenbaum, Schaufler, Shields, Tomei, and Witt.

Final Status: Died in Consumer Protection without a public hearing.

6. HB 3248 (Appropriates $10.2 M to finance park purchase by low income tenants)

Primary Provision:

- *Appropriates $10.216 M to provide long or short term financing for manufactured home park purchases by low income tenants or the organizations representing them.*

Sponsor HB 3248: Representative Nathanson; also Representatives Barnhart, Buckley, Clem, Cowan, C. Edwards, Garrard, Hunt, Morgan, Roblan, Rosenbaum, Schaufler, Shields and Witt.

Final Status: Died in Consumer Protection without a public hearing.

7. SB 839 (Appropriates $10 M to Mobile Home Parks Purchase Account)

Primary Provision:

- *Appropriates $10 M to Mobile Home Parks Purchase Account to provide financing for manufactured home park purchases by tenants.*

Sponsor SB 839: Senator Avakian.

Final Status: Died in Business, Transportation and Workforce Development without a public hearing.

8. HB 3447 (Extends Time Period for Tenant Association to Notify Park Owner of their Interest in Purchasing Park from Fourteen to Sixty Days)

Primary Provision:

- Tenant association has sixty days (instead of fourteen) after they receive landlord's notice that he is considering either selling the park to a buyer who has submitted a written purchase offer or listing the park for sale of the association's interest in purchasing the park.

Sponsor HB 32447: Representative C. Edwards; also Representatives Barker, Barnhart, Bonamici, Boone, Buckley, Clem, Cowan, D Edwards, Garrard, Gelser, Hunt, Markley, Nathanson, Riley, Roblan, Tomei and Witt.
Final Status: Died in Consumer Protection without a public hearing.

Note: In addition to the bills described in Section B, certain provisions of some bills listed in Section A also supported preservation, as indicated below.

- HB 2735 & SB 17: Capital gains tax exemption for landlords selling to residents, housing authorities or non-profits. Landlords must negotiate in good faith with tenants for 60 days
- HB 2600: Capital gains tax exemption for landlords selling to residents, housing authorities or non-profits
- SB 837: Gives tenants 60 days to provide letter of interest in purchasing park to landlord.

C. Other Legislation

1. HB 2602 (Tax Liability Limitation for Landlord)
Primary Provision:

- *Limits the property tax liability of a landlord who takes possession or control of an abandoned manufactured dwelling to dispose of it.*

Sponsor HB 2602: Representative Krummel, Senator Avakian; also Representatives Burley, Galizio, Komp, Nathanson, Riley, Schaufler and Senator L. George.
Final Status: Died in House Consumer Protection after public hearing.

2. SB 187 (UGB Expansion for Affordable Housing)
Primary Provisions:

- *Allows LCDC to establish a process to allow cities to expedite the addition of land dedicated to affordable housing to the area within the Urban Growth Boundary.*
- *Land must be adjacent to UGB and capable of being served with water, sewer transportation and other public facilities within six months of inclusion.*
- *LCDC establishes definitions of affordable housing and the mix of market rate and affordable housing permitted. LCDC directed to consider issues related to the need for land for new mobile home parks in defining affordable housing.*
- *Establishes priority for which kinds of land should be considered before others.*

Sponsor SB 187: Pre-session filing at request of Governor for LCDC.
Final Status: Died in Senate Environment and Natural Resources after public hearing. Note: Work to continue during the intersession by LCDC/DLCD.

3. SB 765 (Oregon Manufactured Housing Association Bill on Replacement Land for Manufactured Dwellings)
Primary provisions:

- *Requires local governments to project amount of land currently used for manufactured dwellings (not just manufactured dwelling parks) within the UGB that will be converted to another use.*
- *Requires local governments to assume conversions of parks for another use in projections above if the land is zoned for a higher density residential use, commercial use or industrial use.*
- *Requires local governments to zone a sufficient amount of land outside the UGB for manufactured dwellings forced to relocate because the land is converted to another use.*

Sponsor SB 765: Senator Morrisette.
Final Status: Died in Senate Environment and Natural Resources after public hearing.

4. SB 440 (County Tax Assessors' Bill)
Primary Provisions:
- Requires manufactured structure documents (including manufactured dwelling units) to include an identification number, make, model, identifying characteristics, most recent sales prices and date of sale, and any other information to be required by department rule.
- Requires that the notice of manufactured structure sale presented by the seller to the county assessor be accompanied by documentation that all taxes and special assessments for past years are paid or cancelled.

Sponsor SB 440: Committee on Business, Transportation and Workforce Development.
Final Status: Amended version passed nearly unanimously.

5. HB 2489 (Penalties for Failure to Deliver Seller's Disclosure Statement)
Primary Provisions:
- *Makes the failure of a seller to deliver a seller's real property disclosure statement a Class A violation punishable by a fine of $720. Applies to manufactured homes only if the land and home are owned by the same person.*

Sponsor HB 2489: Representative Esquivel; also Representative Boone, Buckley, Garrard, Lim, Riley, and Thatcher.
Final Status: Died in Business and Labor without a public hearing.

6. SB 825 (Income Tax Credits for Seniors)
Primary Provisions:
- *Provides a state income tax credit for seniors with adjusted gross of $35,000 or less whose residential property tax bill equals or exceeds 3.5% of their earned income*
- *The tax credit equals $1,500 or 3.5% of their earned income, whichever is less.*
- *Includes property taxes on manufactured housing (real or personal property)*

Sponsor SB 825: Senators Monnes Anderson, Verger.

Final Status: *Died after public hearing in Senate Finance and Revenue.*

7. HB 2608 (Tenant Notification Bill)

Primary Provision:

- *Requires local jurisdictions to notify residents (in addition to property owners) of proposed land use decisions, limited land use decisions and other governmental decisions affecting real property.*

Sponsor HB 2608: *Representative Thatcher.*

Final Status: *Died in House Agriculture and Natural Resources without a public hearing.*

10-2 Manufactured Housing Landlord Tenant Coalition
Active Members: March 2007

Source: Written Statement of Manufactured Housing Landlord Coalition submitted to House Consumer Protection Committee on March 2, 2007

A. Landlord Groups

1. Manufactured Housing Communities of Oregon
    a. Chuck Carpenter, Executive Director
    b. Troy Brost, Legislative Chair & Eugene park owner
    c. Greg Harmon, Commonwealth Property Management
    d. Sally Harrington, Commonwealth Property Management
    e. Debbie Berning, Florence park owner
    f. John Brenneman, Lobbyist

2. Oregon Park Owners Association
    a. Paul Brewer, owner of three parks, in Bend, Grants Pass & McMinnville
    b. Larry Campbell, Lobbyist

3. Oregon Rental Housing Association
    a. Norton Cabell, Eugene landlord and Legislative Director

B. Tenant Groups

1. Oregon State Tenants Association/Manufactured Homeowners of Oregon
    a. Pat Schwoch, Legislative Director and park resident
    b. Myrna Martinez, park resident

2. Legal Aid Type Programs
    a. John VanLandingham, Land County Legal Aid & Advocacy Center
    b. Michelle Ryan, Oregon Law Center

C. Park Managers

1. Mike Whitty, Eugene
2. Larry Henson, Newport

D. Manufacturers: Oregon Manufactured Housing Association

1. Don Miner, Executive Director

E. Oregon Housing & Community Services

1. Manufactured Dwelling Park Community Relations Program
    a. David Kaufman

Appendix G: Data Accompanying Chapter 11
11-1Chronology of Legislative Process for HB 2735 in 2007

Date	Who	Action
2/20	H	First reading. Referred to Speaker's Desk
2/23	H	Referred to Consumer Protection with subsequent referral to Revenue
3/02	H	Consumer Protection: Public Hearing
4/02	H	Consumer Protection: Public Hearing
4/23 & 5/08	H	Consumer Protection: Work Session. Recommendation: Pass with amendments, print as A-Engrossed
5/22	H	Revenue: Public Hearing
6/08 & 6/15	H	Revenue: Work Session • Pass with amendments, print as B-Engrossed • Minority Recommendation, pass with different amendments, print as Minority Report B-Engrossed
6/19	H	Full Session of the House • Motion to substitute Minority Report for Committee Report fails 29 to 31, vote was along party lines • Committee Report adopted, 31 to 28, 1 absent • Final reading in house. Carried by Chris Edwards. B-Engrossed adopted 36 to 23, 1 excused
6/20	S	First Reading. Referred to President's Desk. Referred to Finance & Revenue
6/21	S	Finance & Revenue: Public Hearing & Work Session
6/22	S	Finance & Revenue: Work Session. Recommendation: Pass with amendments, print as C-Engrossed.
6/24	S	Full Session of the Senate • Final reading in Senate. Carried by Rod Monroe. C-Engrossed adopted 27 to 2, 1 absent.
6/25	H	House concurs in Senate Amendments, 38 to 20, 2 absent.
8/26	Gov	Governor signs
9/27/07	-	Effective date of new law

Source: Oregon Legislature Website: http://www.leg.state.or.us/cgi-bin/searchMeas.pl Retrieved November 27, 2007

11-2 The Evolution of HB 2735 Principal Changes as Bill Moves Through Legislative Process (Table 1 of 2)			
Main Provisions	**State Law Prior to 2007 Session**	**HB 2735: Introduced First Reading February 20, 2007**	**HB 2735: A-Engrossed House Consumer Protection May 8, 2007**
Tenant Notice of Closure	Landlords can choose one of two options: • 365 days and no payment to tenants • 180 days and $3,500 payment per home.	365-day notice only; other option removed.	No change
Landlord Payments	$3,500 per home if landlord closed park with 180-day notice. In practice, landlords gave 365-day notice.	$5,000 for singlewide $7,000 for doublewide $9,000 for triple or larger Exempt from state income tax. Adjusted to CPI.	No change
Cost of Disposing of Home	Not addressed.	No charge to resident if home is abandoned; park owner pays disposal cost (estimated at $2,000 - $4,000 per home)	No change
Tax Credit to Displaced Homeowners	Tax credit of up to $10,000 to cover qualified moving costs for households with an income of $60,000 per year or less. Tax credit was reimbursable for low income	$10,000 tax credit available to all homeowners displaced on or after January 1, 2008, regardless of income or whether they are able to relocate their home.	No change

	residents (200% of poverty level). Provision in effect January 1, 2006 through December 31, 2007 only.	Remainder refundable regardless of homeowner income. Permanent availability of tax credit; no sunset.	
Notice of Sale to Tenant Associations and Negotiation Requirements	• Park owner must notify tenants association within 10 days of either receiving a bona fide purchase offer which he or she intends to consider or listing the property for sale. • If the tenant association is interested in negotiating to purchase the park, its representative must notify the park owner within 14 days of the delivery of the owner's notice. • The owner must "negotiate in good faith" with the association as it would any bona fide buyer.	No change.	No change
Freeze on Assessed Value of Manufactured Home Park Real Property	Not considered. No freeze authorized.	The local property tax valuation of the park (the landlord's property) frozen for five years after park closure.	No change

Capital Gains Tax Exemption for Sale of Park to Qualified Entities for Preservation	Sale of park to tenants' association, community development corporation, housing authority or resident cooperative are exempt from payment of state capital gains tax. Sunsets January 1, 2008.	Same provisions; sunset removed.	No change
Preemption of Local Ordinances	Not addressed.	Full preemption • No local ordinances can be adopted or enforced after the effective date of the state law. • Exception to pre-emption: cases currently under appeal.	Modified preemption with 90-day window. "Floor, not ceiling" • Existing local ordinances and new ordinances that go into effect within 90 days of the end of the session stand, as long as they provide equal or better rights for tenants than state law • No new local ordinances can be adopted after that 90-day window.
Notification of Others of Park Closure	Copy of closure notice sent to OHCS with list of names & addresses of tenants.	Copy of closure notice to be sent to Oregon Housing & Community Services (OHCS) and all lien holders (home lenders).	No change

Report After Closure	Not addressed	Report on numbers of homeowners who moved homes and abandoned homes due to OCHS within 60 days of closure	No change
Housing Counselor to Assist Displaced Residents	Not addressed	Not addressed.	Not addressed

11-2 The Evolution of HB 2735 Principal Changes as Bill Moves Through Legislative Process (Table 2 of 2)			
Provisions	**HB 2735: B-Engrossed House Revenue June 15, 2007**	**HB 2735: C-Engrossed Senate Finance & Revenue June 24, 2007**	**HB 2735: Enrolled Approved by Senate June 24, 2007 House Concurs June 25, 2007 Governor Signed August 6, 2007**
Tenant Notice of Closure	No change	No change	No change
Landlord Payments	Payments the same ($5,000, $7,000 and $9,000), but CPI adjustment removed.	No change	No change
Cost of Disposing of Home	No change	No change	No change
Tax Credit to Displaced Homeowners	Tax credit is the same, but sunsets in 10 years	Moved from this bill to omnibus tax credit bill, where it was reduced to $5,000 and made to sunset in six years.	No change
Notice of Sale to Tenant Associations and Negotiation Requirements	No change	No change	No change
Freeze on Assessed Value of Manufactured Home Park Real Property	Removed.	No change	No change
Capital Gains Tax Exemption for Sale of Park to Qualified Entities for	No change.	Sunsets in six years	No change

Preservation			
Preemption of Local Ordinances	Modified preemption with 180-day window • 90-day window for local jurisdictions adopting ordinances expanded to 180 days. • Local ordinances only have to be adopted within 180 window; they do not have to also go into effect within it.	Major changes ("Monroe Amendments") • Window for local jurisdictions adopting new legislation shrunk to June 30, 2007 (six days). These ordinances stand (not preempted). • Window for amending existing ordinances extends for 180 days after the end of the session, as long as the local ordinance exceeds floor established by state law.	No change
Notification of Others of Park Closure	No change	No change	No change
Report After Closure	No change	No change	No change
Housing Counselor to Assist Displaced Residents	OHCS authorized to use the $6 annual fee that it collects from manufactured homeowners to pay for housing counselors (in addition to using it for currently authorized use, dispute resolution services)	No change	No change

Appendix H: Data Accompanying Chapter 12
12-1 Data Concerning Residents of Thunderbird Mobile Club (TMC)

Characteristics of Residents of Thunderbird Mobile Club in 2004-05 (Prior to Announcement of Potential Park Closure in Summer 2005)	
Number of households listed	262 households
Number of persons listed	340 individuals
Number of two-person (likely married couple) households	78 households
Estimated number of female single-person households	127 households
Estimated number of male single-person households	57 households

Source: Downs, N. and Kaufman, C. (n.d.) *Thunderbird Mobile Club 2004-2005 Directory*. [Booklet]. Wilsonville, OR: Thunderbird Association, Inc. Copy in author's possession.

Known Status of TMC Households as of November 11, 2007		
Status of household	Number of Households	Percent of Total Households
Homeowner abandoned home	108	59%
• Went bankrupt	8	4%
Homeowner sold home	51	28%
• Moved into care center/assisted living	8	4%
Homeowner moved home to another location	15	8%
Homeowner died	10	5%

Source: Kaufman, C. (2007, November 11). *TMC Resident Information.* Copy in author's possession.

Note: This list included data on the status of 184 households (70% of those listed in the 2004-05 directory above). Of the 184 households, 163 (89%) had moved. The information on the other 21 households is based on Cathy Kaufman's knowledge of their plans.