

To: Senator Kayse Jama, Chair, and Members
Senate Committee on Housing and Development

From: Al Johnson, retired land use attorneyⁱ

Re: House Bill 3151A, April 12, 2023, Public Hearing

Date: April 11, 2023

Greetings, Chair Jama and Committee Members:

I respectfully urge you to send HB 3151A to the Senate Floor with a do-pass recommendation.

HB 3151A makes several reforms that will go a long way towards making a key affordable housing choice also a secure housing choice for Oregonians across the state. I will focus on the reform that, to my mind, is the most important: allocating up-front costs of permanent improvements to landowners instead of homeowners.

Homeowners in manufactured home parks are also renters. They own their homes but rent the land beneath their homes. Ownership of the home provides apparent affordability, but renting the land too often makes that an illusion: Manufactured home park homeowners are typically locked into a tenancy situation in ways that apartment renters are not. When they move, they have to take the house with them, which is always costly and often impossible. They are captives of the company store and helpless when the current park owner or an outside investor raises rents. The door gets an additional lock when the homeowner has had to pay for permanent improvements and systems development charges, which will be left behind with the owner.

These permanent charges are typically and properly recognized as long-term landowner expenses for financing, property value assessment, and tax purposes. They are typically and properly financed and depreciated over the life of an apartment project, not over the period of an apartment lease. Park tenants should not have to give their landlords--or future tenants--a free ride or pay what amounts to a regressive transfer tax.

Thank you for your continued commitment to helping Oregon achieve, at long last, the objectives of its half-century-old statewide housing goal, which is to encourage affordable homeownership opportunities as well as affordable rentals "for all Oregonians."

ⁱ Statewide practice 1974-2010. Wide range of clients, public and private, for-profit and non-profit, residential, commercial, industrial, governmental. Several low-income housing projects approved over neighborhood opposition with help of Oregon's needed housing statutes and statewide housing goal.

Housing related volunteer work has continued since retirement, including:

- Co-chair, Bend Residential Lands Technical Advisory Committee, during 2014-201 BLI-HNA-UGB update.
- Member, Steering Committee, Wild Rivers Coast Alliance (focus on workforce housing inside coastal UGBs).
- Member, DLCD Regional Housing Needs Analysis (OHNA) advisory committee and Housing Capacity work group
- Alternate, DLCD Climate-Friendly and Equitable Communities rulemaking advisory committee.

Served as LCDC hearings official in 1970's. Drafted early LCDC statewide housing goal decisions including *Seaman v Durham* (explaining least cost, regional fair share requirements of Goal 10) and *Kneebone v Ashland* (restricting density reductions). Co-editor of Oregon State Bar Administrative Law handbook.

Represented prevailing party in leading cases enforcing Oregon's statewide housing and needed housing statutes, including:

- Opus v. Eugene* (requiring cities to account for impacts of site review standards on housing inventories)
- Jaqua v. Springfield* (limiting type and scale of nonresidential uses on urban residential lands)
- Creswell Court v Creswell* (prohibiting city from excluding manufactured home parks without coordinating with nearby cities)
- Homebuilders/Eugene Chamber v Eugene* (2002 Eugene code update (requiring cities to account for losses to residential lands inventories from amendments overlaying up to 200,000 density-reducing tree buffers on inventoried 20-year residential land supply)).