

SENATE COMMITTEE ON BUSINESS, HOUSING AND CONSUMER AFFAIRS

February 17, 1993 Hearing Room 343 3:00 p.m. Tapes 15 - 16

MEMBERS PRESENT: Sen. Bill Dwyer, Chair Sen. Bill Kennemer, Vice-Chair
Sen. Brady Adams Sen. Ron Cease Sen. Peg Jolin

MEMBER EXCUSED:

VISITING MEMBER:

STAFF PRESENT: Cherie Copeland, Committee Administrator Richard
Day-Reynolds, Committee Assistant

MEASURES CONSIDERED: Possible Introduction of Committee Bills

Public Hearing and Possible Work Session SB 333 - Changes
definition of "manufactured dwelling park" and "mobile home
park."

SB 390 - Deletes specific procedures concerning
manufactured dwelling and floating home space
tenants objecting to substantial modification of
rental agreement.

SB 391 - Modifies termination of tenancy of rental space for
manufactured dwellings, residential
vehicles and floating homes.

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These minutes contain materials which paraphrase and/or summarize
statements made during this session. Only text enclosed in
quotation marks report a speaker's exact words. For complete contents
of the proceedings, please refer to the tapes. [--- Unable To Translate
Graphic ---]

TAPE 15, SIDE A

013 CHAIR DWYER: Calls the meeting to order at 3:05.

022 SEN. ADAMS: Declares potential conflict of interest on SB 163
voted on in previous committee meeting. [See minutes of February 15,
1991]

(Tape 15, Side A) INTRODUCTION OF COMMITTEE BILLS -LC 2078, LC 3069.

029 CHAIR DWYER: We've been asked to introduce LC 2078 and LC
3069 as committee bills. Are there any objections? Hearing no

objection, SO

ORDERED.

(Tape 15, Side A) SB 390 - DELETES SPECIFIC PROCEDURES CONCERNING MANUFACTURED DWELLING AND FLOATING HOME SPACE TENANTS OBJECTING TO SUBSTANTIAL MODIFICATION OF RENTAL AGREEMENT - PUBLIC HEARING Witnesses:

Frank Burleson, Greenway Tenants Association John Brennemen, Manufactured Housing Communities of Oregon Sally Harrington, Manufactured Housing Communities of Oregon Jim Orfield, Citizen Chuck Corrigan, Manufactured Housing Communities of Oregon

042 FRANK BURLESON, GREENWAY TENANTS ASSOCIATION: Introduces (EXHIBIT A). Cites ORS. HB 2968 from the 1991 Session has several components that

are unfriendly to mobile home park tenants. The 51% negative response component is the primary problem. HB 2968 allows mobile home park owners to make any change they like as long as 51% of the tenants don't come forward to stop him, regardless of what might be in an individual tenant's written contract. This is an undemocratic voting process.

102 SEN. KENNEMER: Aren't the owners required to disclose what the time line and rules are on the agreement?

109 BURLESON: The experience in our park is that there is no disclosure. Eleven days after the new law, we were handed the new rules and told to sign them. This is a bankrupt policy. Government has no business

breaking existing contracts unless there is an overwhelming need to do so, and there was no such need demonstrated in 1991. Tenants have been damaged under the provisions of ORS 90.610. SB 390 would abolish 90.610 (2), and we ask you pass the bill.

162 CHAIR DWYER: Who and how many people have been damaged by these rules?

165 BURLESON: All of the people in our park have potentially been damaged by this. Cites specific examples.

222 SEN. KENNEMER: Who and how many are in the Greenway Tenants Association?

BURLESON: It is an independent tenants association in our park. We have 161 members out of a possible 265.

251 SEN. ADAMS: Was there opposition last session from other tenant associations?

260 BURLESON: Yes, but the park tenants are poorly organized. They weren't able to mobilize for hearings, and they weren't very effective. [QUOTE] "Just because the park tenants of Oregon are poorly organized doesn't

mean they should be subject to predation."

277 SEN. JOLIN: Any time changes are made, it really impacts older tenants. It can cost thousands of dollars to move and spaces to move to are hard to find. Some areas are reluctant to allow mobile homes in.

328 JOHN BRENNEMAN, MANUFACTURED HOUSING COMMUNITIES OF OREGON: Introduces SALLY HARRINGTON, PRESIDENT AND MANAGER OF GREENWAY, JIM ORFIELD, TENANT OF GREENWAY MOBILE HOME PARK.

341 ORFIELD: I belong to a committee that was drawn up by the management. I am going to read from my testimony (EXHIBIT B). Opposes the measure. I feel that the management has been very cooperative.

TAPE 16, SIDE A

045 SEN. KENNEMER: This is confusing. There are two organizations in the park. How many people were involved in the founding of your

organization? To what degree do you represent the people in the park?

053 ORFIELD: We have a newsletter. All pertinent information about what's going on in the park is published in the newsletter.

061 SEN. KENNEMER: Who publishes it?

ORFIELD: The tenants. The tenants had every opportunity to belong to the organization and to have input. We tried to make sure everyone had a say, and to tell management what the tenants wanted.

SEN. KENNEMER: This committee was specifically designed to deal with management, and notice was served to everyone?

ORFIELD: Yes. I even installed an idea box so suggestions could remain anonymous.

SEN. KENNEMER: How many attended the meetings?

ORFIELD: When the committee was formulated, there were approximately 40 - 45 present. I didn't keep track of the exact number.

103 SEN. CEASE: What would the alternatives to the 51% negative response be?

105 CHUCK CORRIGAN, MANUFACTURED HOUSING COMMUNITIES OF OREGON: This law allows park owners to change rules if 51% of the tenants don't object.

012 CHAIR DWYER: Basically you're speaking about contract law. This gave the owners a chance to modify existing contracts unless 51% came along

and affirmatively objected to it. This wasn't required in the old law.

121 SEN. JOLIN: Those 51% have to duly note their objection within ten days in writing.

124 SEN. CEASE: What is the normal duration of the contract between owners and tenants?

128 SALLY HARRINGTON, PRESIDENT, MANUFACTURED HOUSING COMMUNITIES OF OREGON: The contracts can be month-to-month tenancy or fixed-term lease. The

rules and regulations are not the same definition of a contract.

137 SEN. CEASE: What is concerning people most?

HARRINGTON: I don't know.

158 CHAIR DWYER: Do you advise them to changes in the law in writing? I need to see copies of those notices.

167 HARRINGTON: I don't have that in writing. It was given verbally. We had meetings with the residents prior to the law going into effect. At

one of our rent-raise meetings we talked about the new law.

181 CHAIR DWYER: Mr. Orfield, do you work for the park in any capacity?

183 ORFIELD: Yes, on a part-time basis.

185 SEN. JOLIN: How many spaces are there in the park, and how many of them are occupied? 187 HARRINGTON: There are 256 spaces and they are all occupied.

196 SEN. JOLIN: How many people belong to Mr. Orfield's committee?

209 ORFIELD: Every resident belongs, in the same way they all belong to the social club. They all have the same option to attend meetings when they are called, though there hasn't been a meeting since the last rules went into effect. That was in September of 1992.

220 SEN. JOLIN: So, while technically every member of the park is a member of your committee, there is now another tenants association. Why do you think that has happened?

ORFIELD: My opinion? I feel strongly about this. Mr. Burleson put the new association together. I think it's personal.

278 SEN. JOLIN: I'm not comfortable in getting into personalities. We're here to get into policy.

289 HARRINGTON: The committee was for rewriting the rules and regulations. The Greenway Tenants Association is involved in many other areas of park life.

296 SEN. ADAMS: What are the advantages to you as a tenant the way the law is currently written?

301 ORFIELD: I don't have strong feelings one way or another about

the 51% or the ten day limitation. The committee was formed not only to revise

the rules and regulations, but also to act as a go-between between the tenants and management.

320 SEN. CEASE: What we have is two tenants associations.

326 CHAIR DWYER: One has a majority of tenants who belong, and one that claims to speak for the majority that isn't a majority. 333 SEN. CEASE: There was an election under the system, and it is possible to have a small number show up and elect officers. Often not many people show up for these things.

335 CHAIR DWYER: That's why I wanted to see the written notices. People need to know the impact of a new law. It could be a management

strategy, though I'm not saying it is. How many members does your association have, Frank?

360 BURLESON: 161 out of 256.

370 CHERIE COPELAND, COMMITTEE ADMINISTRATOR: The law now says 51% of the units, not 51% of the tenants. If you have three people living in one

unit, that's still one vote?

378 HARRINGTON: Yes.

380 COPELAND: How many tenants are there at Greenway?

383 HARRINGTON: I don't have those figures with me.

393 BRENNEMAN: There are hundreds of parks in the state. This rule does work in other parks. The 51% bill came about as a compromise in the

last session. We are willing to sit down and negotiate, but we don't want to go back to the old way. Even at Greenway, it works, if not without controversy.

TAPE 15, SIDE B

042 CHAIR DWYER: The problem is the notice of affirmative action. Some people don't get notified and they don't know their rights. People are

captives in some parks. There are abuses and I want to see in writing how this is better.

074 SEN. JOLIN: I see some problems, too. How did management make changes before?

082 HARRINGTON: The previous law only allowed us to change the rules when tenants changed. We feel the 51% no vote is fair.

112 SEN. KENNEMER: The mechanism for change was unclear. Maybe we should have someone come and talk about how this has worked elsewhere.

125 CORRIGAN: ORS allows a rule to be enforced under certain situations. I reject the suggestion this is being abused.

142 SEN. JOLIN: There was no intention on my part to imply that it was. My constituents have told me there are abuses and I'm interested in making good policy for the whole state.

151 CHAIR DWYER: For the record, my district has more mobile home spaces per capita than anywhere else in the state.

155 SEN. CEASE: There has to be a mechanism for change. There should be written notice. There may be a conflict, and we should have a mediation process to help resolve turf battles. We need to hear from the

ombudsman.

176 CHAIR DWYER: Closes public hearing on SB 390.

(Tape 15, Side B) SB 391 - MODIFIES TERMINATION OF TENANCY OF RENTAL SPACE FOR MANUFACTURED DWELLINGS, RESIDENTIAL VEHICLES AND FLOATING HOMES - PUBLIC HEARING Witnesses: Frank Burleson, Greenway Tenants Association Ardyth Badger, Oregon State Tenants Association David Nebel, Oregon Legal Services Bud Norte, Mobile Home Owners Association Sally Harrington, Manufactured Housing Communities of Oregon Chuck Corrigan, Manufactured Housing Communities of Oregon James Orfield, Citizen John Brenneman, Manufactured Housing Communities of Oregon Brad Wilder, Mobile Home Ombudsman

202 ARDYTH BADGER, OREGON STATE TENANTS ASSOCIATION (OSTA): In favor of SB 391 (EXHIBIT C). Many mobile home park tenants are not very well

informed on Landlord - Tenant law. OSTA is the largest tenants organization in Oregon. We are concerned about ORS 96.20. People don't read forms and people could lose their tenancy by signing a fixed term lease. Also, if the owner approves a new owner, they should be able to stay. They shouldn't have to move a home from the park. There are about 57,000 people living in mobile home parks, paying rent, that have little or no representation.

284 CHAIR DWYER: I'm going to name a subcommittee. Peg's going to chair it.

304 DAVID NEBEL, OREGON LEGAL SERVICES: (EXHIBIT D). We support SB 391. My focus is to get good cause eviction to apply to mobile homes. The

problems have gotten worse. Homes are more sophisticated and park owners are looking to replace older home owners with newer, more attractive homes. Fixed term leases can be terminated without cause.

363 SEN. KENNEMER: How often does this happen?

371 NEBEL: It is not a widespread problem at this time. I think it has a chilling effect. I urge you to give this provision serious

consideration.

411 BUD NORTE, LEGISLATIVE CHAIRMAN, MOBILE HOME OWNERS ASSOCIATION: My organization supports this bill. (EXHIBIT E).

442 FRANK BURLESON, GREENWAY TENANTS ASSOCIATION: Will save testimony for presentation to the subcommittee.

TAPE 16, SIDE B

033 CHAIR DWYER: Action on SB 333 will be deferred.

038 SALLY HARRINGTON, COMMONWEALTH PROPERTY MANAGEMENT, MANUFACTURED HOUSING COMMUNITIES OF OREGON (MHCO): 10% of park owners use fixed term leases, and 90% of owners use short term leases. With cause termination occurs

when the lease is up. If the tenant doesn't read it, the owners shouldn't be held responsible.

HARRINGTON: With month to month leases, the park owner could close down the park with just thirty days notice and put in a mini-mall, leaving those mobile home owners without a place to live. I feel the fixed term leases are a benefit to the tenants.

108 CHAIR DWYER: Closing a park costs landlords a lot of money. They have to pay moving costs.

114 HARRINGTON: Only if they give less than a year's notice. They give 365 days notice and they incur no costs whatsoever.

117 CHUCK CORRIGAN, COUNSEL TO MHCO: We contend that the legislative intent was not to limit the park owners' ability to offer long term leases.

The current law is not in dispute. Taking away the right of park owners to terminate tenancy at the end of a lease could tie up a park owner's right to dispose of his property as he sees fit. (EXHIBITS F & G).

156 JOHN BRENNEMAN, MANUFACTURED HOUSING COMMUNITIES OF OREGON: This is not a widespread problem. Only a small number of parks have long term

leases. I think SB 391 takes away tenants' rights. It gives the tenant

flexibility, a chance to plan ahead and certainty. More parks will probably be going to this type of arrangement. We are opposed to the bill.

193 CHAIR DWYER: How do you bind subsequent owners to a pre-existing contract?

195 BRENNEMAN: It's spelled out in the lease how that can be done. I can get a copy of the lease.

206 BRAD WILDER, MOBILE HOME PARK OMBUDSMAN, OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT: I'm here to answer questions. Issues are highly

emotional. It is difficult to find middle ground.

223 SEN. KENNEMER: How much success, failure with the notice provisions of this measure?

231 WILDER: There is no requirement that tenants be made aware of the law changes when there is a rule change proposal.

241 SEN. KENNEMER: If we were to add a notice provision to inform people of their rights, would that correct the situation?

246 WILDER: It would help.

250 SEN. KENNEMER: How many disputes are there?

254 WILDER: It's been a difficult process, but my phone doesn't ring when things are going smoothly. There have been about ten disputes that I am aware of.

267 CHERIE COPELAND, COMMITTEE ADMINISTRATOR: Are you aware of HB 2890?

274 WILDER: Yes. I believe it helps. It goes into more detail.

COPELAND: Would you be more in favor of adjusting current law than repealing?

WILDER: I need to stop short of making a recommendation. I'll administer whatever policy this body endorses.

290 SEN. KENNEMER: I think it's good that Mr. Wilder is choosing to not commit one way or the other. As Ombudsman, he needs to refrain from

taking sides.

303 SEN. KENNEMER: How many instances of eviction due to fixed term leases are you aware of? Is this a real or potential threat?

310 WILDER: I've been told by owners they have used fixed term leases to terminate tenancies they otherwise could not have terminated for cause.

352 CHAIR DWYER: Adjourned the meeting at 4:51 p.m.

Submitted by:

Reviewed by:

Richard Day-Reynolds
Administrator

Cherie Copeland Assistant

EXHIBIT LOG:

A - Testimony on SB 390 - Frank Burleson - 1 page B - Testimony on SB 390 - James Orfield - 2 pages C - Testimony on SB 391 - Ardyth Badger - 9 pages D - Testimony on SB 391 - David Nebel - 5 pages E - Tenancies in Mobile Home Parks, SB 391 - Chuck Corrigan - 5 pages F - Testimony on SB 391 - Bud Norte - 1 page G - Testimony on SB 391 - Chuck Corrigan - 6 pages H - Witness sheet, SB 390 - Staff - 1 page I - Witness sheet, SB 391 - Staff - 1 page