

# The Northwest Report

Issue 7 March 2021

For Owners, Operator's, and Investors in Manufactured Housing Communities Nationwide

## **LEGISLATIVE BULLETIN - Washington**

**NO on SB 5096.** The Washington Senate's **Capital Gains Tax** Bill SB 5096 is scheduled to be voted on in the next few days. It has been amended to be **harmful to real estate** and to require that you now must pay Capital Gains Tax in the amount of 7.0% on most real estate sales. We urge you to **strongly oppose** the Robinson Amendment and specifically **OPPOSE** rolling back the definition of "real estate" to exclude many of the common forms of ownership. Contact June Robinson immediately at: [June.robinson@leg.wa.gov](mailto:June.robinson@leg.wa.gov) or any other senator using this same email format and let them know they need to **VOTE NO on Tax Bill SB 5096.**

**NO on SB 5139.** If this bill is passed it will limit rent increases after the expiration of the Governor's eviction moratorium. It will also prohibit housing providers from increasing rent or other charges for the first 6 months after the end of the Governor's emergency eviction ban. After the first 6 months expire, housing providers are then limited to only increasing rent by 3% over the previous year's consumer price index, for a subsequent 6 months, based on the rental rate as it was on March 1, 2020. **THIS IS RENT CONTROL.** Urge Legislators to **VOTE NO ON SB 5139.**

**NO on SB 5160.** This bill mandates that housing providers renew any rental agreement or month-to-month tenancy for 2 years after the end of the emergency Covid-19 Eviction Ban period unless the property owner sells the property or moves into it themselves. It also prevents an eviction for non-payment of rent that occurred during the Covid-19 emergency period. Additionally, it requires that any outstanding debt accrued during the emergency period can only be pursued through collection actions if the housing provider offered a repayment plan as defined in the bill and the tenant did not accept or adhere to the plan.

**NO on SB 5079.** This bill extends the closure notice period for Manufactured Home Communities. The bill increases the time-period required to notify homeowners that the community is closing or changing use from 18-months to 3-years. It requires a homeowner selling their home in the community to provide a copy of the closure notice to potential home buyers at 15-days before the intended sale and transfer of title documents. It also allows community owners to be exempt from the closure notice if they offer the homeowners either the assessed value of their homes or \$5,000, which ever is **GREATER.** It also establishes that community owners are responsible for the demolition and disposal of a vacated home after a homeowner vacates during the closure notice period.

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## ***Washington - Continued***

**HB 1100** FIRST RIGHT OF REFUSAL. This house bill requires landlords to provide written notices of opportunity to purchase with respect to the sale or lease of a manufactured home community. It provides certain organizations and associations a fixed period within which to provide written notice of intent expressing an interest to purchase or lease and make an offer, during which time the landlord must not make a final unconditional acceptance of an offer from others. It requires good faith negotiations between landlords and qualified tenant organizations and eligible organizations when a landlord sells or leases a manufactured home community or the property on which it sits. It will also impose a civil penalty for failure to comply.

**HB 1083**. RELOCATION ASSISTANCE. This relocation assistance bill requires the Washington State Department of Commerce to distribute financial assistance that an eligible tenant receives from the Manufactured / Mobile Home Park Relocation Fund as cash assistance to help the tenant secure alternative housing, and it modifies the maximum amount eligible tenants may receive in relocation assistance. It also provides financial assistance to park owners for demolition and disposal of a home when tenants transfer title of the home to the park owner.

## ***LEGISLATIVE BULLETIN - Oregon***

**HB 2580 - VACANCY CONTROL.** This proposed legislation will be coming up for a hearing soon. If it passes, it will limit a community owner's ability to increase rent when the home space is vacated, and the rental agreement is terminated. You, the landlord, will not be able to adjust a vacated home/space rent to market rent when the new rental agreement is signed. As many have said, "this is rent control based on the location" rather than rent control based on a tenancy. This legislation would signal a big change in how manufactured home communities are operated. If HB 2580 passes landlords will have little or no ability to reset rents, which could result in landlords increasing rents more aggressively on other residents and preventing any flexibility in making up rent when the resident leaves.

This aggressive and restrictive legislation will make it more difficult for community owners to rebuild and clean up a manufactured home community. Rent adjustments at the time of turnover ensures the new resident is coming in completely aware of, and fully capable to pay, the market rent. And it allows community ownership to either make up for not being at market rent previously, pay expenses related to abandoned properties and maintain or improve a community facing ever increasing expenses.

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## ***Oregon - Continued***

**HB 2364 RIGHT OF FIRST REFUSAL.** Before a sale to a 3<sup>rd</sup> party, this house bill requires the owner of a residential dwelling facility to give the tenants 20-days to form a tenants committee and to give any tenants committee right of first refusal. It also makes "other procedural amendments" to conducting facility sales.

Unfortunately, as many industry insiders have pointed out, there is no legislation being proposed, discussed, or drafted that would help to increase the number of manufactured home spaces or communities available in Oregon. But it does encourage housing providers (such as yourself) to sell your community and leave the industry all together.

**OREGON WANTS TO GIVE TENANTS MORE TIME TO PAY.** Oregon tenants who have fallen behind on their rent due to Covid-19 may not have to make up those missed rent payments until 2022 under a proposal floated by legislative Democrats.

Renters are currently protected by the state's eviction moratorium until the end of June 2021, and they will have to make up any missed payments by July 1, 2021. Oregon Democrats want to extend that grace period for rents to make up those missed payments until February 28, 2022. They contend this will give the state more time to get an expected influx of federal rent assistance into the hands of struggling renters before they must make up the missed payments.

Oregon already received \$280 million in rent assistance through the Covid-19 relief bill passed in December 2020, with \$80 million going directly to local governments. And with the passage this week of the \$1.7 trillion "American Rescue Plan" Oregon will get an additional \$223 million in rent assistance. It will take time for that money to come from the federal government to the states and then for the state to distribute the funds. Proponents of this legislation say, "it makes no sense for us to lift these protections and have tenants be evicted when we're on the cusp of getting those financial resources out to tenants".

**CLICK ON THIS LINK FOR MORE INFORMATION ABOUT THE OREGON LANDLORD COMPENSATION FUN** and the latest information on the first round of applications:

<https://www.oregon.gov/ohcs/housing-assistance/Pages/landlord-compensation-fund.aspx>

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**~JUST LISTED~**

**74 Space Quality Mobile Home Community**



**74 Space Quality Family Mobile Home Community  
Located 1 Hour from Seattle & 27 miles from Bellingham**

**Serviced by City Water & Meticulously maintained Septic  
with Each Home with its individual Septic Tank**

Property built in approx. 1990 on 20 Acres includes  
renovated Single Family Home with 3 Car Garage  
~Great upside in under market rent and ability to add sites~

**~Sales Price \$10,000,000~**

**[Click here to E-mail for More Information](#)**

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The Manufactured Housing Community Network

## INDUSTRY PRODUCTION AS OF March 3, 2021

HUD Code manufactured home year-over year production declined slightly in January 2021 according to just released data. The information indicates that HUD Code manufacturers produced 8,476 homes in January 2021, a 2.9% decrease from the 8,733 new HUD Code manufactured homes produced during January 2020. Unless and until the continuing post-production failures of the manufactured home industry are confronted and resolved, the industry's recovery as an affordable housing resource will continue to needlessly lag.

### ***Always Engage the Best!***

Regardless of the current circumstances, trust **Northwest Park Brokerage**, because no brokerage firm in the Pacific Northwest or on the entire West Coast has a better grasp of market conditions and emerging opportunities than **Northwest Park Brokerage**.

We have our pulse on the industry, we intimately understand the business, and we have relationships with buyers and sellers who are serious, qualified, and motivated. Let us help you evaluate your community. **Give us a call at 206.652.4100.**

**Over \$1 Billion in Park Sales. Visit our website at [www.nwparks.com](http://www.nwparks.com)**

For more information on manufactured home communities for sale or an assessment of your community call Bill Jackson & Sandra Price of Northwest Park Brokerage at (206) 652-4100 or email Bill at: [billj@nwparks.com](mailto:billj@nwparks.com)

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