

## Don't let sun set on mobile park sales

Housing issues like rising prices and rental rates concern all Oregonians. But with most of that attention to housing focused on a "bubble" and if and when it might burst, many Oregonians are unaware that a deadline looms for mobile home park owners and residents.

As land values have risen steeply over the past few years, mobile home park owners have discovered that their lands have more value when redeveloped than when remaining as parks.

As a result, park sales, closures and redevelopments have created serious concerns for residents dependent on affordable housing, their communities and homes that cannot be easily relocated. Often, park residents must abandon their homes because the cost to move them is too expensive.

### Tax exemptions

Until Dec. 31, mobile home park owners can claim an Oregon tax exemption if they sell mobile home parks to certain tenant associations, community development corporations or housing authorities.

This financial incentive to sell park lands to qualified associations provides mobile home owners with the opportunity to own the lands on which their homes sit. Residents gain opportunities because a qualified purchaser must create a subdivision and sell the individual lots to current and future park residents.

The result is complete home ownership for residents who as tenants were subject to rising rental rates, threat of park closure and the destruction of neighborhood communities and support networks created within the mobile home parks.

The Oregon Housing and Community Services Department provides money to qualified buyers through the Manufactured Dwelling Park Purchase Program, a revolving loan fund that offers money to qualified buyers with prepurchase and predevelopment costs for legal fees, appraisal fees, engineering fees and professional fees associated with park evaluation and management.

### Current legislation

Senate Bill 17, currently before the Legislature, would eliminate the Dec. 31 sunset on the tax exemption for gains realized by a mobile park owner from sale to a qualified buyer. Unless the deadline is extended, park owners, mobile home owners and local communities will face more sales, closures and redevelopments of mobile home parks and fewer affordable housing options.

### Requirements and approvals

The Oregon laws covering mobile home parks, revised statutes 92.830 to 92.845, are vital to the success of conversions of mobile



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home parks into subdivisions in which residents own lots and maintain communities.

The Legislature acknowledges the public gains by regulating the promotion, subdivision and sale of individual lots in the mobile home park to owners of mobile homes.

Prior to the sale of a lot in a park, the tenant that occupies the lot shall receive an offer to purchase the lot and 60 days to decide whether to purchase it.

Further, the Legislature has ensured local jurisdictions cannot place unreasonable restrictions on a conversion to subdivisions that would in effect prevent such a conversion. For example, a subdivision of an existing mobile home park generally is not required to meet minimum lot size, frontage and setback requirements.

For more information on mobile home park conversions into subdivisions, readers can attend the 2007 Oregon Housing Conference on April 24 and 25 in Salem. On the agenda is a presentation titled "SWM\* and DWM\*\* Looking to Hook Up" (it's not what you think – those are references to single wide mobiles and double wide mobiles, respectively) that relates to the conversion of mobile home parks into manufactured dwelling park subdivisions.

### Don't miss out

Conversion to a mobile home park subdivision requires careful coordination and planning among the park owner, residents and the purchasing tenant association or entity that ultimately will create the subdivision.

Such planning includes performing any due diligence desired by the purchasing tenant association, preparation of a sale agreement between the park owner and purchasing entity, creation of a tentative subdivision plan, preliminary plat, draft declaration of covenants, conditions and restrictions and required notices to tenants.

With current law favoring conversion and individual ownership of lots by mobile home owners, park owners and residents should be aware of their options and the pending deadline for taking advantage of the current tax incentives.

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