

OREGON HOUSING AND COMMUNITY SERVICES

Hearing Officer's Report to Agency on Rulemaking Hearing

Date (of report):	5/22/2025
To:	OHCS
From:	Kari Hodia
Subject:	Hearing Officer's Report on Rulemaking Hearing
RAC Date:	5/22/2025
Public Hearing Date:	5/22/2025
Hearing Location:	Virtual – Teams
Rule Number:	813-066-0010, 0015, 0020, 0025, 0030, 0035
Rule Title:	Manufactured Dwelling Replacement Program

Rules Advisory Committee

Engagement through verbal discussions took place during manufactured housing advisory committee meetings with stakeholders and community partners. Written feedback specific to fiscal & economic impact, as well as equity & racial justice impact of the proposed rule changes was requested with follow-up questions. Ongoing discussion about program utilization, outreach, and impact with community partners and stakeholders occurs at regularly scheduled meetings with annual reporting to Housing Stability Council.

Public Hearing for Rulemaking

The rulemaking hearing regarding the proposed rules was convened at (10:04 a.m.). People were asked to sign the attendance form / in live feed to provide their name and indicate if they wished to comment on the proposed rules. They were informed of the procedures for taking comments. They also were told that the hearing was being recorded.

Before receiving comments, we (Shauna McDonough, Nathan Clark, Jaci Davis and Gary Sims) were present and available to provide support to help summarize, if there are any of the proposed rules.

No other agencies present an informal opportunity for people to raise questions about the proposed rules, and was/were available to answer questions.

List of Attendees:

Only one person attended Matthew Van Dyk, ODHS OREM.

Summary of Oral Comments Short Version:

One person attended, they observed but did not speak or indicate in the chat or by raising their hand that they wished to provide comments. No others signed up to present comments.

Summary of Written Comments (Short Version):

Only one person attended the hearing. There were no written or verbal comments from the participant at the hearing.

The hearing was adjourned at (10:34 a.m.). The public comment period closed at 5 p.m. on (5/30/2025).

Consideration and Integration of Public Comments:

The public comments received were considered by OHCS.

Only one person attended and did not submit a verbal or written comment at the hearing.

OHCS received no public comments to consider for integration/adoption into the proposed rules.]

Appendices:

A – Transcript of public hearing

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Hearing Officer Statement

Date: (05/22/2025)

813-066-0010, 813-066-0020, 813-066-0025, 813-066-0030, 813-066-0035

Preliminary Information/Logistics

My name is Kari Hodai, and I will be serving as OHCS's hearing officer. The purpose of this hearing is to take public comment on the rules proposed for amended and adoption of Oregon Administrative Rules 813-066-0010, 0020, 0025, 0030, & 0035 by OHCS regarding Manufactured Dwelling Replacement Program. No responses to questions will be made during the hearing.

The agency will review issues raised during the public comment period, and the hearing officer's report will contain responses. In addition to the opportunity to present oral comments at this hearing, anyone may submit written comments until 5:00 PM on May 30th, 2025, which is the close of the public comment period. Comments received after that time will not be reviewed or considered by OHCS unless the agency decides to extend the public comment period for everyone.

Please type your name and preferred pronoun into the chat as our virtual attendance sheet. Each person wishing to comment orally at this hearing should indicate so by raising their hand during the hearing. When I call your name, please state your name and who you represent. You may then present your comments.

I will begin the hearing in about five minutes to give you an opportunity to enter your name into the chat. Are there any questions on how the hearing will be conducted?

Opening Statement – Mandatory, must be recorded

This hearing is now in session and is being digitally recorded to maintain a permanent record. My name is Kari Hodai and I am the hearing officer. Today is (May 22nd, 2025) and the time is 10am.

The purpose of this hearing is to provide an opportunity for public comment on the rules proposed for amendment by OHCS regarding the Manufactured Dwelling Replacement Program.

RULES PROPOSED:

813-066-0005, 813-066-0010, 813-066-0015, 813-066-0020, 813-066-0025, 813-066-0030, 813-066-0035

AMEND: 813-066-0005

RULE TITLE: Purpose and Objective

RULE SUMMARY: Adding grant to clarify program

RULE TEXT:

OAR chapter 813, Division 66 accomplishes the general purpose of ORS 458.356 and ORS 458.358, which authorize the Oregon Housing and Community Services Department (“OHCS”) to develop the Manufactured Dwelling Replacement Program (“Program”) to provide loans and grants to individuals to buy and set up manufactured dwellings that replace older and less energy-efficient manufactured dwellings and provide grants to individuals or entities to decommission and dispose of older, damaged, hazardous, or less energy-efficient manufactured dwellings. The loan and grant funds are intended primarily to be used in combination with other financial sources to reduce the cost of Manufactured Dwelling Replacement Projects for low- to moderate-income households.

AMEND: 813-066-0010

RULE TITLE: Definitions

RULE SUMMARY: Updating definition to current

RULE TEXT:

Terms used throughout OAR chapter 813, division 66 may be defined in Oregon Revised Statute (ORS) or in the OHCS General Definitions (OAR 813-005-0005). Terms used within this division observe those definitions except as defined below:

(1) “Energy Efficiency Standards” means (i) the equivalent of Energy Star certification or the Northwest Energy Efficient Manufactured Home Program (“NEEM”), NEEM 1.1 or NEEM 2.0, specifications.

(2) “Manufactured Dwelling Park” means a facility for the location and use of manufactured housing, as the term “manufactured housing” is used in ORS 456.548, whether the facility is characterized as a “Mobile Home Park” or a “Manufactured Dwelling Park.”

(3) “Manufactured Dwelling” is as defined in ORS 458.356.

(4) "Manufactured Dwelling Replacement Project" means the project of replacing an existing Manufactured Dwelling, with a new Manufactured Dwelling that is the same number of sections as the dwelling being replaced; with project costs including the base unit price of the new Manufactured Dwelling; new dwelling factory upgrades approved by OHCS; work and permits required to disconnect, remove, and decommission the old manufactured dwelling; permits required to transport both the old and new Manufactured Dwelling; and any work and permits required by applicable city, county, or state ordinance, to be completed or issued, for the delivery, site preparation, and placement of the new Manufactured Dwelling for occupancy.

(5) "Homeowner" means, when referring to a Manufactured Dwelling, the person who is the registered title holder of the Manufactured Dwelling, regardless of who owns the land the Manufactured Dwelling is sited on.

(6) "Natural Disaster" includes any disaster resulting in the declaration of a state of emergency under ORS 401.165 or ORS 401.309 for wildfires, floods, tsunamis, earthquakes, or similar events, including disasters that are caused by or arise from negligent or intentional acts.

(7) "Project Completion" means the new, energy-efficient Manufactured Dwelling has been sited, placed, and has received a permit to occupy issued by the local building permitting authority.

(8) "True Debt" means a debt of monetary value between a lender and borrower(s) that can be verified via documentation that is acceptable to the OHCS. Documentation of debt must contain loan amount, repayment terms, payment history, maturity date, and confirmation of date of execution of the debt instrument.

AMEND: 813-066-0015

RULE TITLE: Allocation of Funds to Approved Lenders and Program Administrators

RULE SUMMARY: Manufacturing dwelling replacement program.

RULE TEXT:

The Manufactured Dwelling Replacement Program is overseen by OHCS. At OHCS discretion, program funds may be distributed consistent with OAR Chapter 813 pursuant to relevant procurement documents including, but not limited to, a Request for Proposal (RFP) or alternative procurement method. A public or private entity may apply to administer program grants and loans in a fiduciary capacity on behalf of OHCS, provided the entity also meets any additional qualifications and monitoring and administration requirements set forth in the procurement documents.

AMEND: 813-066-0020

RULE TITLE: Manufactured Dwelling Replacement Loan Terms

RULE SUMMARY: Updating Loan Terms.

RULE TEXT:

All loans made under the program will comply with the following terms and criteria in addition to any other requirements imposed by OHCS:

(1)(a) The OHCS manufactured dwelling replacement loan is a gap loan to be used to assist in the completion of the Manufactured Dwelling Replacement Project after all other financial resources available to the homeowner have been utilized. There is no minimum loan amount. Loans for a single-wide Manufactured Dwelling or equivalent are not to exceed \$100,000, and loans for a double-wide are not to exceed \$175,000. The Director of the Homeownership Division may approve an increase of up to \$25,000 above the original loan amount when unavoidable and unexpected costs increase the original completed project amount. A director increase may not exceed program limits.

(b) The loan amount for each Manufactured Dwelling Replacement Project shall be determined through a process prescribed by OHCS.

(2) Homeowner(s) must contribute other available financial resources from sources other than OHCS such as loans, grants, insurance proceeds, savings, or other resources available to the homeowner, toward the cost of the Manufactured Dwelling Replacement Project.

(a) Minimum homeowner contribution shall be determined through a review process prescribed by OHCS and will be considered the primary funding source for the Manufactured Dwelling Replacement Project.

(b) Homeowner(s) may not be required to utilize or access personal financial resources for homeowner minimum contribution if doing so would cause the homeowner(s) to incur a tax penalty such as from early withdrawal from a retirement account or IRA.

(c) Minimum homeowner contribution requirement may be reduced or waived at OHCS discretion on a case-by-case basis, with approval of the Director of the Homeownership Division of OHCS.

(3) The new, replacement Manufactured Dwelling selected by homeowner shall be reviewed and approved by OHCS, meet or exceed Energy Efficiency Standards, and must

have the same number of sections and be of similar size as the Manufactured Dwelling that is being replaced. Exceptions to the requirement to meet or exceed Energy Efficiency Standards may be made at the discretion of OHCS for homeowners impacted by natural disasters who do not have access to energy efficiency incentive programs in their location.

(4) Program loans have a zero percent (0%) interest rate.

(5) Program loans do not require regular principal payments.

(6) When a homeowner requires a primary home loan from a lender other than OHCS or other funding sources to complete the Manufactured Dwelling Replacement Project financing, OHCS will agree to subordinate its loan to these funding sources as a security interest holder.

(7) The Program loan balance at closing will be reduced incrementally by 1/120th each month and forgiven completely after 10 years of continuous homeowner occupancy of the new Manufactured Dwelling from the loan origination date, subject to homeowner compliance with all Program requirements.

(8) If the Manufactured Dwelling is sold or is no longer the primary residence of the homeowner before the 10-year homeowner occupancy period expires, the outstanding balance of the Program loan shall be immediately due and payable unless:

(a) The Program loan is assumed by a buyer who meets the minimum income restrictions set forth in ORS 458.356(2)(a) or the minimum income restrictions set forth in the Program loan documents, whichever is more restrictive, or

(b) The remaining balance of the Program loan is forgiven by OHCS due to hardship. Any such loan forgiveness shall be at the sole discretion of OHCS.

(9) The Program loan may be secured by a recorded or filed security interest through a process prescribed by OHCS. OHCS may charge a homeowner for costs incurred by OHCS for filing or recording of documentation or application as necessary to secure the Program loan. The homeowner may pay for these charges from the homeowner's Program loan or from personal funds.

(10) A Program loan may be made to refinance an existing loan, provided the existing loan can be verified as True Debt, was made for the purpose of an otherwise qualified

Manufactured Dwelling Replacement Project, and the existing loan was made after January 1, 2020.

(11) Program loan and grant fund disbursements must comply with the following:

(a) Program loan and grant funds may only be disbursed upon submission to OHCS of invoices received from Manufactured Dwelling retailers, licensed contractors, financial institutions and lenders, title insurance companies, municipalities and government agencies, or other commercial entities for costs required for completion of the Manufactured Dwelling Replacement Project.

(b) Deposits to Manufactured Dwelling retailers for the purchase of the new Manufactured Dwelling may only occur after a placement permit has been received by the homeowner & verified by OHCS. Deposits for any purchases or work for the Manufactured Dwelling Replacement Project must not exceed 50% of the invoice or estimate total.

(c) Program loan and grant funds cannot be disbursed to any individual or entity residing in or holding an ownership interest or security interest in the Manufactured Dwelling being replaced or persons who will hold title to any real property that the new Manufactured Dwelling is to be located or placed upon.

(12) The unpaid balance of the Program loan must be repaid in full upon:

(a) The homeowner's sale or voluntary transfer of the Manufactured Dwelling without OHCS prior written consent, within 10 years of homeowner occupancy; or

(b) The relocation of the Manufactured Dwelling without OHCS prior written consent; or

(c) The Manufactured Dwelling ceasing to be the homeowner's primary residence; or

(d) The replaced Manufactured Dwelling remaining on site 180 calendar days after the Manufactured Dwelling Replacement Project is completed.

AMEND: 813-066-0025

RULE TITLE: Borrower Eligibility and Requirements for Program Loans

RULE SUMMARY: Updating eligibility.

RULE TEXT:

Requirements for homeowner eligibility include, but are not limited to, the following:

(1) The Manufactured Dwelling that is being replaced must be owned by and used as the homeowner's primary residence a minimum of one year prior to the date of the homeowner's Program loan application.

(2) The new Manufactured Dwelling must be the homeowner's primary residence throughout the term of the loan.

(3) Homeowner's Manufactured Dwelling and income must meet all conditions set forth in ORS 458.356.

(4) Homeowner's Manufactured Dwelling was:

(a) Constructed prior to 1995 and is not being replaced due to total loss incurred through fire damage, water damage, extreme weather, acts of vandalism, or other events commonly covered by homeowner's insurance; or

(b) Constructed on any date, destroyed or lost as a result of a Natural Disaster, and was homeowner's primary residence at the time of the Natural Disaster.

(5) Homeowner has not received or been awarded any other natural disaster Manufactured Dwelling replacement loan or grant funds through OHCS.

(6) Homeowner's adjusted gross annual income is no greater than 100 percent (100%) of statewide or local area median income, whichever is greater, adjusted for household size at the time of application.

(7) Homeowner has completed an OHCS approved homeownership education course.

AMEND: 813-066-0030

Program Decommissioning and Disposal Grant Terms and Eligibility

(1) There is no minimum grant amount for decommissioning and disposal of the homeowner's current Manufactured Dwelling and the maximum grant amount allowable is the lesser of \$15,000 or the cost of decommissioning and disposal of the Manufactured Dwelling.

(2) Grants will be awarded to an individual or entity that meets the qualifications set forth in ORS 458.358 and applicable administrative rules.

(3) Grants may be awarded when all of the following requirements are met:

(a) The grant is for the safe remediation of Manufactured Dwellings with environmental and public health hazards and risks, including asbestos, lead paint, and mold;

- (b) The grant is made to homeowners with an adjusted gross annual household income no greater than 100 percent (100%) of statewide or local area median income, whichever is greater, adjusted for household size at the time of application;
- (c) The Manufactured Dwelling that is being demolished and disposed of must be owned by the grant recipient for a minimum of one year prior to the date of the grant application; and
- (d) The grant is for the decommissioning of a Manufactured Dwelling constructed prior to 1995 and is not being decommissioned due to total loss incurred through fire damage, water damage, extreme weather, acts of vandalism, or other events commonly covered by homeowner's insurance.
- (4) A qualified individual or entity may apply for a grant without applying for a Program loan.
- (5) Documentation, as outlined in the procurement documents, confirming proper disposal of the decommissioned manufactured dwelling is required.
- (6) An entity is limited to receiving a total of five grants under this Program.

AMEND: 813-066-0035

RULE TITLE: Manufactured Home Replacement Program Energy Grant Terms and Eligibility

RULE SUMMARY: Energy efficiency grant terms.

RULE TEXT:

- (1) Grant funds may be used for Manufactured Dwelling Replacement Project completion as a means to deliver energy efficiency, pursuant to the OHCS Manufactured Dwelling Replacement Program.
- (2) There is no minimum grant amount. The maximum grant amount is \$50,000 when combined with other OHCS Manufactured Dwelling Replacement funding.
- (3) Grants will be awarded to an individual that meets the qualifications set forth in ORS 458.358 and applicable administrative rules.
- (4) The Manufactured Dwelling that is being replaced must be owned by the grant recipient and used as the recipient's primary residence for a minimum of one year prior to the date of the grant application.
- (5) The primary heating fuel source of the new, replacement Manufactured Dwelling must be electric and must meet Energy Efficiency Standards.
- (6) The new replacement Manufactured Dwelling selected by the grant recipient must be reviewed and approved by OHCS, must be a single or double section dwelling, and must be the same number of sections and similar size as the Manufactured Dwelling that is being replaced.
- (7) An individual entity that qualifies under ORS 458.358 may apply for a grant through a process established by OHCS or an entity authorized by OHCS to administer the program.

- (8) An individual must have an adjusted gross annual household income no greater than 100 percent (100%) of statewide or local area median household income, whichever is greater, adjusted for household size at the time of application.
- (9) The grant must be for a Manufactured Dwelling Replacement Project located within the Portland General Electric or Pacific Power service areas, that includes the decommissioning and replacement of a Manufactured Dwelling built prior to 1995.
- (10) A qualified individual may apply for a grant without applying for an OHCS Manufactured Dwelling Replacement Program loan if funding availability for the entirety of the individual's Manufactured Dwelling Replacement Project can be verified.
- (11) Documentation, as outlined in the grant agreement, confirming proper disposal of the replaced Manufactured Dwelling is required.
- (12) Funding from grants must be used for the Manufactured Dwelling Replacement Project for the purpose of increasing energy efficiency and cannot be released until a placement permit for the new Manufactured Dwelling has been issued by the local permitting authority.

OHCS invites comments about these proposed rules and whether other options should be considered for achieving the rules' goals while reducing potential negative impacts that may derive from the rules as currently proposed.

In addition to presenting oral comments at this hearing, written comments may be submitted until 5:00 PM on May 30th, 2025, which is the close of the public comment period. Please submit comments to Kari Hodai at (kari.s.hodai@hcs.state.or.gov). Comments received after 5:00 PM on May 30th, 2025 will not be reviewed or considered by OHCS unless the agency decides to extend the public comment period for everyone.

OHCS will not respond to questions during this hearing. After the close of the public comment period, I will prepare a report to OHCS capturing all comments and responses, which (will be made available from OHCS.

I will begin taking comments now. As no one has requested to provide oral comment, I will remain here on mute. Should anyone come wishing to provide oral comment, I will restart the meeting. (no comments were provided) Thank you for coming, it is now 10:34 a.m. and the hearing is adjourned.