

Submitter: David McGettigan

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

PLEASE re-consider altering the rent formula so drastically as SB 611 proposes.

I am a 3rd generation mobile home park co-owner and provide affordable housing to 105 55+ homeowners (approx. 185 individuals) in Hillsboro. Believe it or not, I am not opposed to some level of rent control as I know there are "bad apples" in the housing rental market overall and do believe reasonable protections should be available to all renters.

I would like to submit two main points for your consideration. They pertain first to the disproportionate impact SB 611, as currently written, has on mobile home park owners relative to more customary housing providers, and secondly whether legislative and/or financial tools can be made available to mobile home parks that, without a doubt, will be detrimentally impacted if SB 611 is passed as currently written.

SB 611, Section 3, in its current form, limits rent increases aggressively with a "one size fits all" approach without consideration of how this bill would disproportionately impact mobile home park owner's vs other, more typical, housing providers. For example, a 1-bedroom apartment in the City of Portland currently rents for an average of ~\$1,600/mo. A 10% rent hike would equal a \$160 monthly increase - not a small amount and could very well create a situation where a tenant would be forced to move. In a mobile home park, tenants own their home and rent only the land beneath it. With monthly space rent of \$750 (such as ours), a 10% increase would equal \$75. While a \$75 rent increase can create some level of hardship for some homeowners, it is less than half as impactful as it is to the more traditional apartment renter. Renting the space beneath your home is far less expensive than renting a living space. This is a simple matter of mathematics: The dollar amount that results in applying the proposed maximum of 3%+CPI or 8%, will yield a rent increase that will not keep pace with the ever-increasing costs associated with running, maintaining and improving a mobile home community.

Another, more impactful, way that such a restrictive rent cap would be detrimental to park owners is that many of the parks were constructed in the late 1960's and 1970's and have significantly aged infrastructure that must be replaced (as we are doing now). Rep. Pam Marsh touched on this briefly earlier this month when providing testimony before the House Committee on Housing and Homelessness, and she is spot on. With the inflationary pressures that affect landowners and tenants alike, replacing water lines, for example, in this economic environment cost approx. \$8,000-

\$9,000 per home site (and those costs are rising fast...our plumbing contractor just informed me last week that our costs for the next phase of water line replacement are going up 30-50%!). Multiply that by the number of homes in our park, and you are close to \$1 million dollars in just water line replacement (many think landowners have this kind of money - for us at least, that simply isn't true). If you add sewer line replacement, resurfacing community streets, improved lighting, etc., there simply is no way that will happen short of selling the property to a larger corporate interest that can afford to make that level of investment.