

Submitter: Andy Carey

On Behalf Of:

Committee: House Committee On Housing and Homelessness

Measure, Appointment or Topic: HB3054

Dear Representatives,

My team operates 13 mobile home parks (MHPs) in Oregon, owned by families and small partnerships, and representing a combined total of over 1,100 spaces.

Like many other MHP owners and operators in Oregon, we have not only invested significantly and consistently in providing high quality, lower-cost housing – without a penny of public subsidy – we have moderated homeowner's rent increases for many years, despite the challenge of significant inflation and skyrocketing insurance premiums. Our average rent increases have always been below the state cap. And we are not alone in moderating rents for our resident homeowners. In other words, there is no crisis of MHP rent spiking in Oregon.

Our parks cannot survive with such drastic economic punishment as offered in HB 3054. Having witnessed the effects of rent control in other jurisdictions, I can share that MHP rent control has devastating consequences for nearly all stakeholders. Not only do home prices abnormally and excessively inflate, shifting even more burden of higher and higher housing costs onto future homebuyers, but parks suffer less and less available capital for upgrades and improvements. Otherwise flourishing communities suffer from Rent Control.

Additionally, any notion of expanding housing stock is eliminated. In fact, one of our MHPs is today in the early design process of adding more spaces to provide even more unsubsidized, low-cost and high-quality housing opportunities. HB 3054 would stop such expansion forever. And HB 3054 would further scare away housing providers of scale – the only investors of capital who can mitigate what is already a housing supply shortage and - if this bill becomes law - what will become a perpetual crisis for Oregon. This type of bill does not just harm MHP owners – all real estate capital providers take note of this type of extreme legislation and take their housing capital elsewhere.

Further, regarding vacancy control – one of the ways we have been able to moderate rent increases for existing residents is by charging market rate to new homeowners upon turnover. Since a new homeowner is able to shop around the market and enter into an agreement with the park of their choice, they enter into that rent arrangement with perfect visibility. In other words, the marketplace works. And because of this, our parks can moderate rents for existing homeowners throughout their tenancy. Enacting vacancy control not only punishes the park for our past thoughtfulness, but punishes park owners into the future by preventing parks from ever again charging fair market rent.

We have also offered privately-funded, needs-based rent subsidies in our parks. This costs the public nothing. It is a program that may continue, particularly as interest and needs arise. Hopefully other MHPs can continue to offer similar

programs as self-funded gestures of goodwill within their communities. But such programs would be eliminated if HB 3054 was enrolled as law.

In short, there is no MHP rent crisis in Oregon. Oregon park owners have self-moderated for decades and will continue to do so, the right to charge fair market rent is critical to encourage expansion and additional housing stock, and many MHPs already provide needs-based support without burdening the State with costly and unnecessary new programs.

Please oppose HB 3054 – it is bad for Oregon.

Thank you for your time and consideration,

Andy