

Submitter: Matthew Harrell

On Behalf Of:

Committee: House Committee On Housing and Homelessness

Measure, Appointment or Topic: HB3054

Dear Chair and Committee Members,

I am writing to express my opposition to HB3054 and to raise serious concerns regarding the proposed rent and vacancy control for mobile home parks, especially those, like ours, that rely on private water and sewer utilities. As the operators of a mobile home park serving around 80 residents, we are committed to offering affordable housing to our community. However, the rising financial pressures from escalating regulatory compliance costs and the need for critical infrastructure upgrades are becoming increasingly unsustainable. Moreover, if rent increases are tied to the Consumer Price Index (CPI), I strongly believe that similar caps should be applied to other related costs, such as property taxes, insurance premiums, and utility rate hikes, since rent increases are the only way to offset these growing expenses. This community could close if a rent cap and vacancy control is enacted.

I'd like to highlight three key points of concern:

1. The Costs of Maintaining Private Utilities:

Our park depends on private drinking water and sewer systems, both of which are tightly regulated by the Oregon Department of Environmental Quality (DEQ) and the Oregon Department of Water Resources (DWR). While we understand the need for such regulations to protect the environment, the increasing costs to comply with these requirements are putting immense pressure on our ability to continue providing essential services. For example, our recent upgrades to the water and sewer systems cost over \$100,000. Given the proposed rent increase caps tied to CPI, it may take years—or even decades—to recover these essential investments. Being unable to raise rents in line with the actual costs of maintaining private utilities and complying with regulatory standards puts the park's infrastructure at risk. This threatens not only our ability to provide safe and reliable services, but it also complicates efforts to address ongoing maintenance and safety needs, such as road repairs and lighting upgrades. Beyond utilities, we are also grappling with rising costs in areas such as insurance, property taxes, payroll, utilities, and local fees. While we have worked diligently to keep rents affordable, the proposed rent increase caps tied to CPI do not take into account the extraordinary costs of maintaining private utilities. Without adjustments to these policies, smaller operators like us may be forced to shut down, leaving 80 residents without affordable housing options.

2. Protecting Tenant and Community Investments:

As discussed by both proponents and opponents of the bill, safeguarding the value of homes within mobile home parks is essential. If the state does not allow us to require necessary home improvements, it could lead to home neglect, ultimately reducing the

value of the homes and negatively impacting both residents and the broader community.

### 3. Net Operating Income (NOI) and Debt Obligations:

Like many mobile home parks, we have debt obligations related to real estate. Net Operating Income (NOI) is derived by subtracting operating expenses from total revenue. However, NOI is a pre-tax figure that does not factor in principal and interest payments on loans or capital expenditures. As a result, imposing limits on rent increases while trying to fulfill these financial obligations could force the park to close and displace 80 households.

I would be happy to answer any questions or provide more detailed information on these concerns. With my background in civil engineering and business, I'd also be willing to assist the steering committee in developing the 2026 studies related to water and sewer systems, as they directly impact how our community operates.

Thank you for your time and consideration. I welcome the opportunity to further discuss these issues and explore possible solutions to ensure the long-term sustainability of mobile home parks across Oregon.

Matt Harrell  
Forest Park Mobile Village, Oregon City