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February 4, 2019

Oregon Senate Committee on Housing
c/o Senator Shemia Fagan
900 Court Street, N.E.
Salem, Oregon 97301

Re: Oregon Park Owners' Alliance
SB 608

Dear Chair Fagan and Honorable Committee members:

My name is Charles M. Greeff. I am counsel for the Oregon Park Owners' Alliance ("OPOA"). OPOA is an organization which has represented manufactured dwelling parks throughout Oregon since 1999. OPOA is a stakeholder and voting member of the Oregon Manufactured Dwelling Park Coalition Group; this group has been meeting in advance of legislative sessions since the 1980's with the goal of preparing consensus legislation relating to manufactured dwelling park landlord and tenant (and related) matters.

OPOA takes a neutral position on SB 608. That is, it neither supports nor opposes it. However, we have reviewed and considered the proposed legislation and believe there are three significant problems with the bill as written. First, the 12 month cycle for calculation by the Oregon Department of Administrative Services of the allowed annual rental increase percentage starts too late in the year. Park owners are required by ORS 90.600 (1) to send out rent increase notices at least 90 days in advance of the effective date, with additional time if served by mail. A significant number of parks throughout the state have January 1 as their anniversary date and mail out rent increase notices. As such, the cycle needs to start no later than August 31st, with that date as the deadline for the Department's publication the maximum increase allowed. This also would be the date by which the Department posts this information on its website. As such we request that Section 5 of SB 608 be amended to read as follows:

“(1) No later than August 31st of each year, the Oregon Department of Administrative Services shall calculate the maximum annual rent increase percentage allowed by ORS 90.323 (3) or 90.600 (2) for the following calendar year as seven percent plus the August annual 12-month average change in the

Consumer Price Index for All Urban Consumers, West Region (All Items), as most recently published by the Bureau of Labor Statistics of the United States Department of Labor.

(2) No later than August 31st of each year, the Oregon Department of Administration Services shall publish the maximum annual rent increase percentage calculated pursuant to subsection (1) of this section, along with the provisions of ORS 90.323 and 90.600, in a press release.

(3) The department shall maintain publicly available information on its website about the maximum annual rent increase percentage for the previous calendar year and for the current calendar year and, on or after August 31st of each year, for the following calendar year.”

Leases for manufactured dwelling park tenancies should be excluded from the rent increase limitations set forth in Section 3 of the bill. For a park tenancy, leases must have a minimum term of two (2) years, per ORS 90.550. Fixed term leases typically specify up front the amount and timing of rent increases for the term of the lease. Often an increase is tied to an agreed formula. We believe Oregon legislative policy should support the use of fixed term leases in parks, largely because residents know up front what to expect as to rent increases. OPOA therefore requests an amendment excluding fixed term leases and tenancies from Section 3 of SB 608.

Finally, SB 608 in its current form does not allow for the pass through of any capital or regulatory expense or loss incurred by the landlord. We believe the landlord should be able to add such expenses for the previous 12 months to the amount of a base rent increase. We are of course mindful that in a smaller community a tenant’s prorated share of a significant capital loss may be very large; we are thus open to the concept of limiting the amount of the pass through each month, or allowing the tenant to enter into a long term payment plan for his or her share.

Thank you for considering my testimony and OPOA’s position on SB 608.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Charles M. Greeff', with a long horizontal line extending to the right.

Charles M. Greeff

CMG:ea

Alliance/Written Testimony SB 608

cc: Oregon Park Owners’ Alliance (via e-mail)