

**From:**  
**To:** [Exhibits SHOUS](#)  
**Subject:** Oppose SB 608  
**Date:** Wednesday, January 30, 2019 4:34:51 PM

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Good afternoon, please accept this letter as an exhibit against SB 608.

Our family has developed and owned our 20 space 55 and older manufactured home community here in Milwaukie for over 3 decades now. We take great pride in keeping our park looking sharp and well maintained. In order to keep our park maintained, we need to increase the rent annually to keep up with the ever increasing costs to run the business. Payroll, health insurance, landscaping, water & sewer district charges, property taxes, insurance etc. go up each year not down. On some years with larger capital improvement projects such as ripping out the concrete sidewalks and replacing them, we need to increase the rent by a higher percentage to help cover the capital costs. Manufactured home park owners provide their own streets within the community which means we are not only financially responsible for their initial construction cost and annual maintenance but also fully legally liable should a tenant, guest or trespasser get injured in our park due to tripping on an uneven sidewalk as an example.

Our business works like most businesses. If we take care of our park our tenants will chose to stay and our neighborhood in general will be a place with appreciating land values. If we neglect our park our tenants will go elsewhere and the neighborhood begins to look shabby with corresponding deterioration of land values. There are several parks within a mile of our park so competition is tough. Last year we had a new tenant who sold her house in the park across the street and bought one in our park. What a victory for us! Our new tenant said she moved because our park was cleaner, better maintained and had lower rent then across the street. This is how business works. We are providing a better product and service than our competition and in this case it has earned a new tenant from a competitor.

The state does not need to create artificial rent control. What is needed is a reduction in development costs so we can provide more affordable housing. We have room on our land for 4-5 more units but the development fees are so high it does not pencil out to develop the extra spaces. Putting an artificial rent control in place would severally limit our ability to keep our park looking sharp and well maintained. Rent control will also affect the long term value of our business and property. If a potential buyer knows there is a cap on the maximum amount of rent they can charge, why on earth would they choose to invest their money in our park instead of a different investment without government restriction/control. The state does not regulate how much groceries cost at the market but rather lets the market determine what is reasonable. I am not an educated economist but a quick search on rent control shows nearly all economists agree rent control is a bad policy. Here is an excerpt from OPB on Portland's rent control initiative: **“Economists are not unanimous about very many things,”** Cortright told OPB. **“But one of the things that I think the profession is pretty unanimous about is that rent control tends to be a very self-defeating proposition if our objective is to try and make housing affordable.”** <https://www.opb.org/news/article/oregon-portland-rent-control-ban-housing-history/>

The most recent study from Stanford University December 21, 2018 “The Effects of Rent Control Expansion on Tenants, Landlords and Inequality: Evidence from San Francisco” proves rent control has the opposite effect of its intention. “Thus, while rent control prevents displacement of incumbent renters in the short run, the lost rental housing supply likely drove up market rents in the long run, ultimately undermining the goals of the law.”

<https://web.stanford.edu/~diamondr/DMQ.pdf>

This proposed legislation unfairly discriminates against landlord businesses and hard working families like ours. As landlords, we would have no ability to raise our rents to cover large expenses such as sidewalk or infrastructure which wears out. Please oppose this bill or amend it to allow for higher rents when we need to replace infrastructure as an example so we can keep our park well maintained. You will be helping us continue to provide affordable housing and keep the neighborhood flourishing.

Sincerely,  
Peter Schraner