

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 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, not the county, which means we are not only financially responsible for their initial construction cost but also the ongoing annual maintenance. Unlike most apartment complexes or condominiums, many manufacture home parks have no access to public water or sewer. The cost to install and maintain these private infrastructure systems is expensive.

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 which will cause our family and many other landlords to consider continuing to run a manufactured home park or convert to a more profitable use of the land. A similar rent control law was passed in San Francisco which ultimately drove landlords out of the market. 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>

A quick google 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/>

This proposed legislation unfairly discriminates against landlord businesses and will ultimately hurt the very people the bill is hopeful to help just as was determined in San Francisco. 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 in our community and not replicate the negative impacts of rent control.

Sincerely,  
Peter Schraner