

2-18-19, 1:00 PM

Good Afternoon Representatives,

My name is Adam Cook. Thank you for the opportunity to share my concerns with SB 608 (rent control) today. Representing approximately 75 Manufactured Home Communities in Oregon and roughly 35 more in the State of Washington, I am the president and one of the owners of Commonwealth Real Estate Services, one of the largest fee-management companies for manufactured home communities in the United States. My family owns and operates four such communities in Oregon totaling 266 homesites. Our family developed one of our communities 35 years ago and another 27 years ago. We have remained the original owners and have been very committed to providing safe, quality, and affordable housing. Our properties are very well-maintained and desired by residents. We reinvest a lot of money into the communities, but we haven't yet reached the major capital improvements and expenses we stand to incur in the coming years.

I have made a career working in this industry as a manager of these properties the past three decades. I've spent the past nineteen (19) years as a board member of the Manufactured Housing Communities of Oregon (MHCO). I am also a member of the M/H L/T coalition group which works together for solutions to problems in our industry.

Our industry has already experienced a lack of developer interest as virtually no MHCs have been built in Oregon the past two decades. Should SB 608 become law, it would all but seal the fate of the future of manufactured home communities. Additionally, to put a limitation on the amount of rent that can be charged in our industry is unnecessary. Our segment of housing is already the most affordable supply of housing available, and evidence supplied by MHCO supports this statistically.

SB 608 does NOTHING to increase the supply of Affordable Housing, but rather places additional burden on the backs of MHC community owners and operators when the problem we are facing with our housing supply shortage is a much bigger issue that doesn't seem to be getting addressed. Capping rents will have the opposite effect and discourages additional investment. Also, to exclude communities from SB 608 if built within the past 15 years doesn't create any incentive to build more MHCs. They haven't been built anyway. It sounds good to say it won't deter developers, but they are already deterred from building more MHCs. Also, the communities which will most need to have the ability to increase their rent are the MHCs which are older and will eventually have expensive infrastructure issues. Keep in mind that by and large, MHCs are privately maintained.

When streets need repair, the cities do not have to tap into the budget for this expense, the community owner does. When private water systems with wells or even the water distribution system for public water, septic systems including drain fields and tanks need to be pumped or replaced, it is the community owner who must find a means for paying for the necessary repairs. This can lead to needing to find a lender who will finance the project and also an adjustment in rent. To be limited on the ability to recover this cost could put some MHC owners out of business.

I know of several great community operators who have already sold their properties due to the continual concerns we face with greater regulation. We need private investors to be interested in doing business in our industry. They create jobs, tax revenue and provide the only non-subsidized affordable housing in the state. We need to do more for the folks who provide this unique type of housing rather than regulating it to the point where savvy business men and women can't make this type of investment pencil anymore and choose to put their money elsewhere.

Please keep MHCs viable and vote against SB 608. Thank you for your time and consideration. Please let me know if you have any questions?

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