

HOUSE COMMITTEE ON RULES, REDISTRICTING, AND PUBLIC AFFAIRS

April 02, 2001
1:30 PM

Hearing Room D
Tapes 54 - 58

MEMBERS PRESENT: **Rep. Carl Wilson, Chair**
 Rep. Richard Devlin, Vice-Chair
 Rep. Dan Doyle, Vice-Chair
 Rep. Dan Gardner
 Rep. Bill Garrard
 Rep. Steve March
 Rep. Bruce Starr
 Rep. Joanne Verger
 Rep. Cheryl Walker

STAFF PRESENT: **Cara Filsinger, Committee Administrator**
 Jennifer Goodman, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2803 – PUBLIC HEARING**

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 54, A		
004	Chair Wilson	Calls the meeting to order at 1:30 p.m. Explains the hearing and the rules. Opens a public hearing on HB 2803.
<u>HB 2803 – PUBLIC HEARING</u>		
062	Senator Rick Metsger	Senate District 14. Believes this is a critical issue for the owners and renters in manufactured home parks. Asks that everyone have a turn to voice their opinions.
088	Representative Carolyn Tomei	House District 25. Submits and testifies from (EXHIBIT A) . States that there are many parks in Oregon from which she has heard many complaints. States that renters are concerned because their rent is rising faster than their incomes. Explains that many renters are on Social Security and fixed incomes. Adds that many have also been forced out of their homes to live in assisted homes. Discusses the Vermont rent justification program. Discusses non-profit organization's purchases of manufactured home parks.
166	Representative Charlie Ringo	House District 6. Explains that many people in his district are having problems living in these parks. Adds that many of these people are on Social Security. Explains that the free market does not work in this situation.
205	Representative Jeff Merkley	House District 16. Recounts a story of a woman who could not keep up with the rent increases. Explains that the owners can alter the contract regarding rent any time they choose, while the renter has no recourse. Supports the idea of some sort of rent control.
277	Pat Schwock	Manufactured Homeowners of Oregon. Submits and testifies from (EXHIBIT B) . States that it is very difficult for someone to move a home out of a park.

389	Fred Schwock	Submits and testifies in support of HB 2803 from (EXHIBIT C) .
TAPE 55, A		
001	Fred Schwock	Continues testimony from (EXHIBIT C) .
080	Chuck Carpenter	Manufactured Housing Communities of Oregon (MHCO). Testifies in opposition to the bill and submits (EXHIBIT D) .
209	Allen Conley	Explains that this country has the most reasonable rent because of the free market. Adds that manufactured housing is the least expensive way to live in Oregon outside government residence. Reviews the rents in the Oregon area and compares them to the cost of park rents for manufactured housing. Reviews the statistics for rent complaints on manufactured housing. Explains that his bill will hurt the industry as a whole by reducing the amount of profit to be made. States that subsidy programs are a good idea.
343	Phil Querin	MHCO. Explains that this bill is unworkable because it is too complex and ambiguous. Adds that the formula for the rent cap is flawed. Questions the definition of “justified” rent raises. Discusses the ambiguity of the bill and the repercussions. Explains that the rent review commission has too much control over rents, damages, and civil penalties. Adds that there is no right of appeal.
472	Nada Austin	Manufactured Home Resident. Submits and testifies from (EXHIBIT E) .
TAPE 54, B		
069	Chet Gregg	Submits and testifies in support of HB 2803 from (EXHIBIT F) . States that he would like to see a level playing field between the renters and owners.
092	Marie Hodgins	Manufactured Home Renter. Testifies in support of the bill. Recounts a story of an out of state owner and the escalating rent which has resulted in deterioration of the property. Mentions three ways to deal with not being able to pay the high rents. <ul style="list-style-type: none"> • Sell and take a loss. • Stay until evicted. • States that the cost it too high to move the home elsewhere.
171	Clyde Burkes	Reads from a California newspaper regarding this issue. States that he cannot afford to live in his park because the rent is going up and up.
193	Paul Brewer	Oregon Park Owner. Submits and testifies from (EXHIBIT G) in opposition of HB 2803. States that this bill originated in a very upscale park.
327	Charles Greeff	Testifies in opposition of HB 2803 and submits (EXHIBIT H) .
TAPE 55, B		
001	Charles Greeff	Continues his testimony.
038	Paul Koch	Submits and testifies in opposition of HB 2803 (EXHIBIT I) . Asks that park owners not be referred to always in the negative.
132	Marguerite Smalle	Park Resident. Submits and testifies in support of HB 2803 from (EXHIBIT J) .
185	Maggie McGowan	Park Resident. Expresses concern that owners use rent increases as retribution against the renters. Recounts a story on this issue. Explains that her park owners profit \$400,000 a year but none of it goes back into the park.

251	Don McGowan	Park Resident. Testifies in support of HB 2803. Explains that the ombudsman cannot help with rents. States that yearly increases are expected and are written into this bill. Refers to rent retaliation and back door rent increases. Refers to a letter written by a tenant who was forced onto public assistance.
385	Paul Simon	Park Owner. Submits and testifies in opposition of HB 2803 (EXHIBIT K) . Explains maintaining the structure of the park, tree spraying, septic systems, and other assorted unexpected problems. Believes that there should be less government intervention.
430	Dean Moser	Park Owner. Explains that he has four parks in California under rent control and he makes no profit.
TAPE 56, A 001	Moser	Discusses the number of lawsuits filed because of California's rent control. Discusses the 5% yearly rent increase. States that the bill's definition of net profit is unworkable. States that this bill will prod some owners whose rent is not at fair market value to raise their rent. Explains that California has built virtually no manufactured home parks since the state began rent control.
071	John Brenneman	Submits testimony for the Oregon Housing Committee (EXHIBITS L, M, & N) . Testifies in opposition to HB 2803. Refers to Professor Milliner's book regarding New York rent control. Urges the committee to look at housing in the state of Oregon.
129	Rosemarie Kauzler	Park Resident. Testifies in support of HB 2803. Believes they need to have an agency to regulate owner and renter relationships. States that they need their own agency and should not remain under the Department of Motor Vehicles. Explains that less than 5% of manufactured homes are ever moved.
168	Leroy Vesper	Park resident. States that rent increases should be tied to the cost of living index. Explains that we cannot compare apartment rents to mobile home parks because manufactured home owners have money invested. Believes that many older people will be left with nowhere to go.
207	Louise Barnes	Park Resident. Describes her senior park. Explains that for many people, paying the rent is becoming a real hardship. Recounts her experience with her park owner and rent increases. Refers to rent retaliation. Believes manufactured home owners need to have a commission.
276	Sharon Fleming Barrett	Oregon Rental Housing Association. Submits (EXHIBITS O & P) . Testifies in opposition to HB 2803. Explains that when a landlord cannot raise rent to do repairs, the park suffers. States that she has spent a lot of time reviewing the effects of rent control. Believes that rent control will ruin many parks.
325	George Mareniski	Park Resident. Testifies in opposition to HB 2803. States that rent increases force them to find the extra money which is a burden. Recounts a story regarding appraisals and interest rates on his manufactured home. Adds that when the rents go up the home's value declines. Explains that many manufactured homes are abandoned or run down because of high rents. Discusses rent control versus rent justification. Adds that he feels there is no recourse for him and many other manufactured home owners. Explains that rent justification means that the owner explain the rent increase.

466	George Mead	Park Owner. Submits and testifies in opposition to HB 2803 from (EXHIBIT Q) .
TAPE 57, A		
022	Mead	Continues testifying.
063	Terry Rudnick	Park Resident. Testifies in support of the bill. Recounts her story of hardship regarding rising rents. Explains that her rent is now over \$500.00. Explains that the owners at any time can ask her to do repairs and improvements. Adds that she pays the same for a single as others do for a double. Believes that she would be better off in an apartment. Recounts a story of a family who has to abandon their home. Explains that there is a thin line between greed and profit.
168	Marie Leppin-Graves	Submits and testifies in support of HB 2803 from (EXHIBIT R) . Explains the pictures that she has submitted. Believes that her rent should be used for repairs and some profit. Adds that profit is often not used for these necessities. Explains that manufactured home owners have an investment in their property unlike apartments and other rentals. Adds that these parks are not being kept up properly in correlation to the rent.
239	Joe Marcheski	Park Resident. Submits and testifies in support of HB 2803 from (EXHIBIT S) .
267	Marshall Coba	Oregon Lodging Association. Submits (EXHIBIT T) .
298	Jim Jones	Testifies in opposition to HB 2803. Describes his experience with using rental assistance with his renters. Believes there should not be blanket legislation over the entire industry. Does not want residents and owners pitted against each other. Believes in the free market.
390	Brad Fudge	Park Owner. States that a one hundred-dollar rent increase over ten years is not too much. Adds that they try to keep rent low for renters because many cannot handle the increases. Explains that when a renter dies they do increase the rent to market value. Refers to rent retaliation and explains that there are already laws on the books regarding this. States that the manufactured housing industry will dry up if this bill passes. Asks that the committee consider all the issues not just the rent.
TAPE 56, B		
019	John MacDiarmid	Park Owner. Testifies in opposition of the bill. States that defining what is fair is very difficult. Recounts his experience with rent control in California. Reviews a court case determined that houses were sold at an inflated price because of rent control. Reviews his park and what he does with it. Believes that if he has to open his books to justify a rent increase the renters should do likewise to prove they cannot afford a rent increase.
107	Jane Capron	Park resident. Testifies in support of HB 2803. Addresses oversights to the bill. <ul style="list-style-type: none"> • Allows owner to raise rents for emergency repairs and then roll them back to where they were. • Exclusive management fees. • Did not mention that the return of investment is after taxes. Reads a report from a brokerage firm that states that the manufactured housing industry has gone into a tailspin because

		of greed. Explains that owners will have to offer more to tenants if they want to stay in business. Believes that she lives in a park that has rent justification because they explain why there are increases.
188	W.R. Norte	Manufactured Dwelling Owners Association – Oregon, Inc. Submits and testifies from (EXHIBIT U) .
301	Genoa Ingram	Multi-Family Housing Council of Oregon. Testifies in opposition to HB 2803. Adds that they do support the idea of affordable housing in Oregon. Suggests that they study condominium programs and perhaps apply it to manufactured housing. Discusses Oregon’s restriction of affordable housing. Discusses park packages and how system development charges have raised the rates. Believes that if this bill is passed many owners will be unable to recapture costs of maintenance and repairs that would result in more problems.
343	George Warner	Submits and testifies in opposition of HB 2803 from (EXHIBIT V) . Believes that if this bill passes it will open the doors to overall rent control.
TAPE 57, B		
011	Joan Hembree	Submits (EXHIBIT W) . Discusses her rent increases and the decrease in her home’s worth. Explains that her rent is rising without anything being put back into the park.
045	Debbie Berning	Manages a manufacture home park. Explains her responsibilities for the park. Lists the price of improvements that she has done to the park. Adds that the rent has increased only \$35 in the last 5 years. States that her father pays for repairs out of his own bank account. Explains that the formula for the cap is based on the previous year which will run the park into the ground.
078	Nell Kuonen	Park Owner. Testifies in opposition of HB 2803. Explains that residents and owners should not be adversaries. Believes that renters need to get together with tax assessors and planning commissions to figure out some solutions. Adds that if owners do not make a profit they will pull out of the business. Believes that a state law is not the answer to these problems.
157	Sally Harrington	Commonwealth Management. Submits and testifies in opposition from (EXHIBIT X) .
199	Susan DeLateur	Manufactured Home Owners of Oregon. States that rent control is not the same as rent justification. Explains that tenants pay for things over and over again and often for the owner’s attorney fees. Refers to rent retaliation and states that there is no recourse. Describes Heron Point Park. Believes that captive residence would be eliminated with this bill.
292	Marylin Kragness	Testifies in opposition of HB 2803. States that they reduced their rent and added facilities. States that there are park rules to govern a harmonious relationship for tenants and owners. Describes the type of tenants that buy manufactured homes. Explains that the market will determine whether a park will be managed well or poorly, adds that this bill will stifle this process. Explains that long term upkeep is not considered in this bill
407	Gary Shaffer	Park Owner. Describes his park. Testifies in opposition of this bill. Believes if this bill is passed no more manufactured home parks will open. States that many of these homes are inhabited

447	Troy Brost	by low income people. Adds that the parks now will deteriorate in price. Songbrook Manufactured Home Community. Testifies in opposition of this bill and submits (EXHIBIT Y) . Describes and summarizes the exhibit. Explains that the lifestyles and prices of these communities needs to be studied very closely.
TAPE 58, A		
062	Brost	Explains that rent control is unnecessary, Adds that subsidized rent is available to those in need.
094	Ed Witek	Park owner. Testifies in opposition to HB 2803. Explains two examples of what happened with rent control in California. States that he would support rent justification if it also included cost justifications for material labor and utilities.
120	Greg Harmon	Testifies in opposition to HB 2803. Discusses his experiences with manufactured housing parks. States that this type of living is preferable to apartment or condominium living. States that the industry is frustrated with the state agencies that has implemented regulations and lack of response to dealing with isolated incidents. Explains that supply exceeds demand in this industry which is beneficial for the renter.
155	Leone Timm	Park owner. Testifies in opposition to HB 2803 and submits (EXHIBIT Z) . States the cost of running his park last year. Reviews his rent raises over the last 10 years. States that often families in these parks do not pay the rent.
199	John Parks	Park resident. Reviews his rent increases over the years and believes it is a hardship.
235	Cheryl Brost	Park owner. Testifies in opposition to HB 2803 and submits (EXHIBIT AA) . Describes her manufactured home park and rent increases. Adds that rent justification is not necessary and that she supports the free market.
297	Tim Nelson	Park manager. Submits and testifies from (EXHIBIT BB) .
324	Kathy Arnold	Park manager. Testifies in opposition to HB 2803. Describes her park. States that she has no foreclosures or abandonment of homes. Realizes that some parks do need work by both the owners and tenants.
402	Cary Arnold	Park manager. Testifies in opposition of HB 2803. Explains that many children are moving their parents into these parks. States that they are planning for the future of the park. Describes the location of his park in relation to other housing.
TAPE 59, A		
019	Len Grover	Park tenant. Testifies in support of HB 2803. States that manufactured home owners invest more in their homes than the owners do in their parks. Quotes the 2001 benchmark report printed in the Oregonian. Believes that rent justification will keep people from going on public assistance. Adds that the owners can make a good profit on their investment and the tenants can also benefit by being able to pay the rent. Believes that owner residence was a good way to go because they had to live as the other tenants did. States that he does not generally believe in government intervention however, this is his only hope for this problem.
156	Ervin Perkins	Park resident. Testifies in support of HB 2803. Describes the rising rent and deterioration of his park. Relates a story of a family who had to sell at a ridiculously low price. Believes this

208	Frank Richards	is a common occurrence. Park resident. Testifies in support of HB 2803. States that the free market is not working. Adds that it is very expensive to move a manufactured home. States that when the owners raise the rent the renter's home loses value.
255	Lee Meekcoms	Park owner. Testifies in opposition to the bill. Believes that this is a rent control bill not justification. Discusses Oregon parks and who owns them. Believes that a small amount of owners are bad and that the rest should not be penalized. Recounts a story of California rent control. Believes that rent control does not work in practice. Asks the committee to come up with an alternative bill that would not destroy the manufactured home industry.
370	Wally Hornberber	Park owner. Testifies in opposition to HB 2803. Believes that private property rights and the free market are the backbone of the country. Adds that this legislation does not realize the actual operating costs. Believes that this bill would relegate park owners the social agency providers for people on fixed incomes.
409	Deborah Romerein	Park owner. Testifies in opposition to HB 2803 and submits (EXHIBIT CC) . Describes her park and its history. Adds that she bought this park with the understanding that the free market would determine the rent. Explains her very high water rate. Explains that this year her taxes have gone up in excess of the cost of living. Adds that her sewer service has risen 21%. States that her rent increase will be much lower than her costs as an owner. Explains that the economy dictates that she not raise her rent. Asks that the committee allow the free market to determine the rent. Reviews (EXHIBIT CC) . States that if rent control were in effect when she bought her park she never would have purchased it.
TAPE 58, B		
059	John Davis	Park resident. Reads and article by OSTA Review.
082	Charlie Swandrow	Testifies in opposition of this bill.
090	Virginia Parks	States that she is concerned with the safety of her park.
098	Chair Wilson	States that there are letters to be entered into the record (EXHIBIT DD) . Closes the public hearing on HB 2803 and adjourns the meeting at 6:07 p.m.

Submitted By,

Reviewed By,

Jennifer Goodman,
Administrative Support

Cara Filsinger,
Administrator

EXHIBIT SUMMARY

- A – HB 2803, written testimony, Rep. Tomei, 2 pp.**
- B – HB 2803, written testimony, Pat Schwock, 7 pp.**
- C – HB 2803, written testimony, Fred Schwock, 3 pp.**
- D – HB 2803, written testimony, Chuck Carpenter, 110 pp.**
- E – HB 2803, written testimony, Nada Austin, 1 p.**

F – HB 2803, written testimony, Chet Gregg, 3 pp.
G – HB 2803, written testimony, Paul Brewer, 13 pp.
H – HB 2803, written testimony, Charles Greeff, 3 pp.
I – HB 2803, written testimony, Paul Koch, 2 pp.
J – HB 2803, written testimony, Marguerite Smalle, 2 pp.
K – HB 2803, written testimony, Paul Simon, 1 p.
L – HB 2803, written testimony, John Brenneman, 1 p.
M – HB 2803, written testimony, John Brenneman, 1 p.
N – HB 2803, written testimony, John Brenneman, 1 p.
O – HB 2803, written testimony, Sharon Fleming-Barrett, 7 pp.
P – HB 2803, written testimony, Sharon Fleming-Barrett, 31 pp.
Q – HB 2803, written testimony, George Mead, 1 p.
R – HB 2803, written testimony, Marie Leppin-Graves, 8 pp.
S – HB 2803, written testimony, Joe Marcheski, 1 p.
T – HB 2803, written testimony, Marshall Coba, 1 p.
U – HB 2803, written testimony, W.R. Norte, 2 pp.
V – HB 2803, written testimony, George Warner, 5 pp.
W – HB 2803, written testimony, Joan Hembree, 1 p.
X – HB 2803, written testimony, Sally Harrington, 1 p.
Y – HB 2803, written testimony, Troy Brost, 8 pp.
Z – HB 2803, written testimony, Leone Timm, 12 pp.
AA – HB 2803, written testimony, Cheryl Brost, 1 p.
BB – HB 2803, written testimony, Tim Nelson, 1 p.
CC – HB 2803, written testimony, Deborah Romerein, 3 pp.
DD – HB 2803, written testimony, Staff, 5 pp.