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House Human Services and Housing Committee
Oregon House of Representatives
c/o Regina Wilson
regina.wilson@state.or.us

RE: HB3007

To the Honorable Representatives:

By profession I am a property manager, I live in a manufactured home community that is owned by my parents, I have served on the Gold Beach Planning Commission for over ten years, I currently sit on the Gold Beach City Council and the company I work for manages a cooperative manufactured home community.

I consider myself to be relatively conservative in most cases. For this reason, I have given this bill careful consideration before writing this letter. In manufactured home communities tenants own their manufactured home and rent the space "land" under it. Manufactured homes are very costly to move which makes it difficult to negotiate with landlords. In a normal free market the price of the space would be based on supply and demand. But because of the expense to move units, it can become unfair leverage the landlord has against the tenant to raise rents unreasonably at times. I believe the reason it is difficult to finance manufactured homes in parks is because of the unfair advantage the landlord has on the price of the space rent.

Landlord/Tenant laws are really designed to keep the two parties from having an unfair advantage against each other. In other words, protect the tenant from the landlord and the landlord from the tenant. So the question is, to make it fair for both parties; does the state initiate rent control in parks? Does the state want to be involved in the leasing details in parks? I think not. Rent control or state mandated lease details seem to be an undesirable position for Oregonians to take. HB 3007 seems too offer an alternative for park members and yet still give the park owner options to sell the park in the free market. In a perfect world, park owners would be fair in rent pricing, but we don't live in that perfect world. When time to sell comes along, Oregon's park residents are prey for covetous out of state buyers who take advantage of the lack of protections in Oregon's landlord/tenant law. Parks are normally a great return on investment, why not offer that to the residents who live there?

The park we manage (Saunders Creek Homeowners Cooperative) taught me a lot about how the process works. It was very difficult to get the residents to understand what membership would mean and for them to agree to form and buy the park. But with help and explanation they did understand, they are operating smoothly with good cash flow and led by resident board members with a little help from CASA of Oregon who assisted in the creation of the cooperative as well.

It seems to reason that if low income people can create and maintain a cooperative and regulate their own rents based on actual costs, then other income people should be able to do the same. That may sound a bit prejudiced, but as a property manager of a myriad of rental units, my experience is that lower income people tend to be less educated in finances and business than middle and upper income people. With some assistance this cooperative approach could assist many people in keeping their manufactured homes, reducing foreclosures and stabilizing communities.

Because forming the cooperative entity is difficult, as is finding financing, electing a board of leaders and training the board, many park owners or investors believe that it would be impossible for residents to accomplish this feat. But the truth is, there is help out there to create the cooperatives and there are models in other states and some nationwide that can assist residents in this difficult process. If you pass HB3007, it is my opinion that the ability for parks to maintain reasonable housing costs for low to middle incomes, allow park owners a built in buyer for their park, and stabilize the housing in areas that parks are prevalent.

Please give careful consideration to this bill and I appreciate the time you have invested in your consideration.

Sincerely,

Tamie Kaufman