

Chair Gelser, Vice-Chair Olsen, Committee Members. I want to thank you for the opportunity to testify regarding SB 277.

My name is Paul Brewer. My company, Village Northwest, has owned manufactured home parks in Oregon since 1987. Owning and operating manufactured home parks is a special business with unique challenges. There is no other real estate asset quite like manufactured home parks. We own the infrastructure, the Clubhouses, and other amenities that are required for a community of single family homes. But instead of building traditional homes, we rent each home site to someone who places a manufactured home **they** own on **our** lot. In exchange for a monthly rental payment, they are then able to enjoy the common area amenities and a quality living at a much lower cost than a comparable traditional single family home.

Residents in Manufactured Home Park Communities often refer to their relationship with Ownership as “a Partnership”. They tell us they want a great and affordable place to live but that they also want their homes to increase (not decrease) in value while they live in our Communities. The only way our homeowners can realize a good return on their investment in a manufactured home is when EACH and EVERY home in a Community is properly maintained, as well as the Community. A home’s value depends not only on the maintenance of their home but also the maintenance of their Neighbor’s home and the Community in which they live.

We all live in a society of Rules and Laws. For example, I live in a home located in a subdivision with C,C, & Rs, which to be honest, I didn’t read when I purchased the home. We want the home or we love the Community but most of us don’t take the time to read the fine print, including buyers of Manufactured Housing! It is common practice to have various Rules & Regulations that protect and promote the common values of any Community. I have attached a copy of a letter I received from my Homeowner’s Board recently mailed to its 2500 members who live in my Community. I’d like to quote one sentence in the letter from the HOA Board,

“We all agree that home values are very important so we are tasked with enforcing the rules in order to maintain or increase your home values”.

The HOA that oversees my community controls everything relating to the exterior of my home and yard. If I paint the exterior, I have to get approval of a color change. If I do major landscaping changes, they need to be approved. In fact, last year I replaced my rear patio cover for the 3rd time since purchasing my home due to dry rot and termites. Not only did the new patio cover need to be properly permitted by the City, but I also had to obtain three neighbor’s signatures to get HOA approval, even though you couldn’t see the improvement from the street or my neighbor’s home.

In the past, Manufactured Housing tenants complained that their homes declined in value. Many have pointed the finger at their home site rents when in fact the main reason for the decline in home values was the lack of care and maintenance of their home and space. However, it has been my goal for years to create communities where all homes in my Parks increase in value, rather than decrease. In

2014, a new 1350 square foot home with a single car garage was purchased in my Grants Pass Park for \$145,000. That same home was resold in the Fall of 2016 for \$155,000. Where did the Sellers go? Were they unhappy with my Community or Park Management? **No.....they bought another 1600 square foot new home just down the street in the same Community.** I believe home values require a “partnership” between each Community and its Residents. Each Manufactured Home Community must continually maintain and upgrade the Park’s infrastructure and amenities. Each resident must likewise be faithful in maintaining and upgrading their home’s exterior and the improvements made to their landscaping, decks, sheds, walkways, garages/carports, etc.

At the last Manufactured Housing Landlord/ Tenant Coalition in 2016 where both Landlord and Tenant participated, I spoke which John VanLandingham can attest. At the same time, upset tenants from Heritage Village, a Cal Am Park in Beaverton and other parks attended. During my testimony, I told the Coalition members and visitors that I was spending millions of dollars improving my Parks to make them a more desirable place to live and to help increase the values of each resident’s home. But, I also told the Coalition that I expected residents of my Parks to be good “partners” by maintaining and improving their own homes. I can do lots of great stuff in the common areas and maintain the roads, infrastructure, clubhouses, etc., but only the residents can maintain and improve the “value” of their individual homes. A Community without curb appeal has very little appeal at all.

I explained how homes go up in value in my Parks due to the Partnership between me and each Homeowner. I even made the comment in the Coalition, that I wouldn’t have rescinded the Heritage letter other than giving the tenants more time. Why would I want to do a great job of maintaining and improving each Community when the residents in the Community failed to maintain and improve their individual homes?

What happened at the end of that Coalition meeting? Many of those same tenants who complained about Rule enforcement during the meeting came up to me afterwards and said,

“We wish you were our Park owner. If you owned our park we wouldn’t be here today.”

This response, after I just stated that I was vigilant and require my residents to constantly maintain and improve their homes, shows that the issue is more about **communication and good relationships** between residents and park management than it is about rule enforcement.

In order to maintain strong values in our Parks we communicate constantly with our residents. The process starts when they make application to become residents. We discuss the Park’s Rules & Regulations in detail and make sure each new resident knows the value we place on the maintenance of each home in the Park. We explain to the new residents how the maintenance effects the value of their home. We inspect each and every home in our community annually for maintenance issues such as painting, landscaping, decks, roofing or other areas that are in need of maintenance or repair. Have we looked the other way at times on maintenance items? YES, when we know the resident is ill and maybe not long to live, we strive to be compassionate and try not to burden or add stress their

remaining life. We know that when they pass or sell, we will be able to bring that home and space back up to Park standards.

To be honest, I have had tenants who complained about maintenance work or improvements I required them to do. When they complained, I asked them a simple question. "Why did you move into this Park?" Their reply was, "We liked the quality of the Community". Ironic, isn't it. A Community that works for everyone must have everyone's participation. The Park owner needs to maintain and improve the Park's infrastructure and common areas but each resident must do the same for their own home.

The best solution is for a prospective homeowner to determine if the Community, with its Rules and Requirements, is a place they want to call home. They are buying the Community and its Rules not just the Home. This is exactly what happens to anyone who purchases a single family home in a neighborhood with C,C, & R's like my neighborhood. So too, not every owner of a manufactured home may qualify to rent a space in every Park due to financial considerations OR Park Rules. I can't afford Beverly Hills, Manhattan, NY, or maybe not even the Pearl District in Portland. Even if I could afford the Pearl District, my wife would never agree to their Rules. She would want a Gas BBQ and Hot Tub on the Deck, which I'm sure the HOA doesn't allow!

I believe without continuous Community and Home maintenance AND improvements, Parks will become like the 'Trailer Parks' of yesterday with the result that home values will decrease **dramatically**. And "yes", I'm frightened of that happening even to my Communities and my residents pointing their finger at me for the loss of their home values.

In closing, let me say, I understand this Bill's desire to aid tenants and I appreciate John VanLandingham's willingness to listen and make changes. However, I believe Senate Bill 277 is using a Sledgehammer instead of a toothpick to mollify a few complaints involving only of park residents from 2 or 3 parks. Most Park owners strive to make their Communities a place that each resident is proud to call home. This Bill was drafted in haste, without much discussion, unlike the process that the Manufactured Housing Landlord/ Tenant Coalition has used very successfully for over the past 20 years. I believe that this Committee and the Coalition needs to have more discussion and study on the subject matter in more detail before a bill is proposed to the Legislature. Maybe, Senate and House Members would then have the time to visit Parks in their district other than those that got noticed via the Media.

My strong recommendation is for this committee to refer this matter back to the Coalition for study and discussion. Together we can address this important matter in a comprehensive and well thought out manner rather than rushing something thru that has un-resolved issues.

Thank you for the consideration of your time.

**CROWN ROYALE HOMEOWNERS ASSOCIATION
COMMUNITY UPDATE FOR NOVEMBER 2016**

Dear Members of the Association,

Your Board of Directors would like to update you to ensure you are informed of current projects, association maintenance and homeowner obligations.

The Board and Management complete a thorough inspection of the community at least monthly. During inspections, we look at common areas with the Landscape maintenance contractor to ensure landscaped areas are thriving and in good condition.

As your community ages, so does plant material. We continue to replant areas that are in need of new plants. We recently implemented a 3-year tree trimming plan to ensure all trees are trimmed on a regular cycle. We are currently inspecting all trees to ensure healthy trees remain and struggling trees are removed.

We also look at each home to ensure homeowners are abiding by the governing documents for the association. We all agree that home values are very important so we are tasked with enforcing the rules in order to maintain or increase your home value.

Some of the most common compliance issues are leaving trash containers out after trash day; not maintaining front yard landscaping, specifically not mowing and edging the lawn; not trimming trees or shrubs when needed; storing items in the front or side yard in view of others; not repairing or replacing damaged wood trim; not painting weathered wood trim, wood siding, stucco siding, wrought iron/wood gates (all exterior components); not parking at least one vehicle in your garage. For detailed information, please refer to your governing documents (CC&Rs) - specifically Articles 3 - USE RESTRICTIONS and 7 RESPONSIBILITIES FOR MAINTENANCE AND REPAIRS. In the event you cannot locate your CC&R documents, please contact john.grubert@seabreezemgmt.com at Seabreeze Management Company to receive an electronic copy by email.

We currently send compliance letters to homeowners on a regular basis to ensure compliance with the above rules. It is not our intent to upset homeowners, our intent is to protect the overall value and aesthetics of the community.

With your support and compliance, the Board and Management will continue to serve you and ensure Crown Royale remains a desirable place to live.

If you have questions, please feel free to contact your new Account Executive, John Grubert at 949-672-9036 or at john.grubert@seabreezemgmt.com. He looks forward to working with you.

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