

Senate Committee on Housing

Oregon State Capitol, Hearing Room B

Monday, March 4, 2019

Hearing on SB586

Testimony by: Angela Garvin, Oregon Floating Home Owners/Tenants Representative

Chair Fagan and members of the Housing Committee,

I own my floating home but I rent from a landlord the slip space in which my floating home is situated. For the last 22 months, I have actively participated in the Coalition process bringing awareness of the issues faced by floating home owner tenants. Over the last year, I have lead an initiative to unite Oregon floating home communities in an effort to listen to their concerns, educate them on their rights and fight to give them a more stable living situation. I do not represent an official association but I have become a voice for those too afraid to make a sound.

Floating home owner tenants of Oregon ask for your support of SB586 today because it provides some much-needed tenant protections that are unique to floating homes in marinas.

While everybody has first-hand knowledge of housing, and many understand the concept of a manufactured house in a park, I've come to find that most people are not at all familiar with floating homes.

Floating homes are not boats, nor are they houseboats. Houseboats have motors and can leave the docks and return under their own power. Floating homes cannot be moved under their own propulsion and it is extremely costly to move them. Most floating homes cannot be moved at all due to their age, size, condition, and lack of available moorage spaces.

Oregon has a particularly important role in the future of floating homes.

Most Oregonians have no idea that the Oregon has more floating homes by far than any other area of North America. In the Portland metro statistical area alone (from Gresham to St. Helens), there are over 1500 floating homes:

- 1050 in Portland
- 272 are in the Gresham District
- 184 are in Columbia County

And there are likely another 50 floating homes in non-urban areas around the John Day River, Astoria and other waterways of Oregon. By comparison, the Seattle metro area of Washington has around 500 floating homes, and in Sausalito/Marin County,

California, there are around 425 floating homes. And even our Canadian neighbors in British Columbia have only 800 floating homes.

Floating homes are an integral part of the local heritage and character of the Pacific Northwest. These originated in the 1800s as convenient and affordable dwellings for those who worked in the timber industry. They could be floated up and down rivers depending on which forest areas they were working in. The same hands who built the original floating homes were responsible for the work required to make the early timber industry a driving force of Oregon's economy.

Times have changed for floating homes. Once, you were allowed to moor your home anywhere which contributed to a whole generation of floating home owners in the early 1900s whose purpose was to evade taxes and The Law, and housed infamous gambling casinos, brothels and other houses of ill-repute in the safety of the Portland rivers. The laws eventually changed (for good reason) and Oregon required that floating homes be made more permanent by mooring them to a fixed dock, making the payment of taxes and the distribution of municipal services easier for all.

And in time, those original houses were updated or replaced, and eventually by the 1950s, floating homes became an inexpensive way for people to live near the water to better enjoy their boating and fishing hobbies. Since then, moorages have evolved into diverse communities who enjoy recreational water activities.

What I'd like to express to you today is that there is no other community as unique as a floating home community and this kind of a community is worth fighting for. Unlike neighborhoods on land, our floating communities are comprised of a variety of house styles, ages and sizes, and our residents are all brought together by one thing - our collective love of living on the water with our fishing boats, sailboats, kayaks, paddleboards and our sunsets. We are a diverse group of people - from first-time home buyers to retirees on fixed incomes, from seasoned fishermen to hipsters, from immigrants to those who have lived on the water for generations, and we all live side-by-side, just ten feet from our neighbors and we get along on the river.

In Oregon, our current permitting and zoning has created a situation in which new floating home moorages are seen as a permitting impossibility to build today. As of just a few years ago, Multnomah County Zoning began prohibiting any new floating home slips from being developed, which has resulted in an indefinitely fixed number of mooring options for new or evicted floating home tenants - there are only 5 available empty floating home rental slips remaining from Gresham to St. Helens and this number will continue to decrease over time by not just prospective individual home owners acquiring them over the next 1-2 years, but also by other potential demands on waterfront land and space use, as evidenced by last year's closing of the floating community of Docketown in Northern California where 70 floating homes and liveaboards were displaced when the South San Francisco Bay waterfront was converted to retail for the public. Floating homes were evicted, some having lived in the community since the 1960s.

The Seattle floating home communities have also had their own growing pains and were at risk of being nearly wiped out in the 1970s. All available moorage space in Seattle was controlled by a relatively few number of marina landlords, the same way our Portland landlords do today. When Seattle a tenant was evicted for any reason, without a place to move the home to, the eviction rendered their floating homes worthless overnight and resulted in many beautiful floating homes being sold for scrap value until the legislature stepped in. Then again in the 1980s, Seattle landlords began mass-evicting tenants in order to repurpose their land for other uses, but the legislature stepped in to protect floating home owners and new laws were created which made it easier for floating home owners to purchase their marinas and condominiumize their floating communities. Now, most floating home communities in Seattle are owned by their residents and that investment in their own communities has resulted in many successes for the entire City of Seattle, including floating homes becoming an integral part of the tourist industry and this resulted in increased property values and stability for floating homes owners.

Floating home values in Oregon range from \$25,000 fixer uppers to \$1+M second homes.

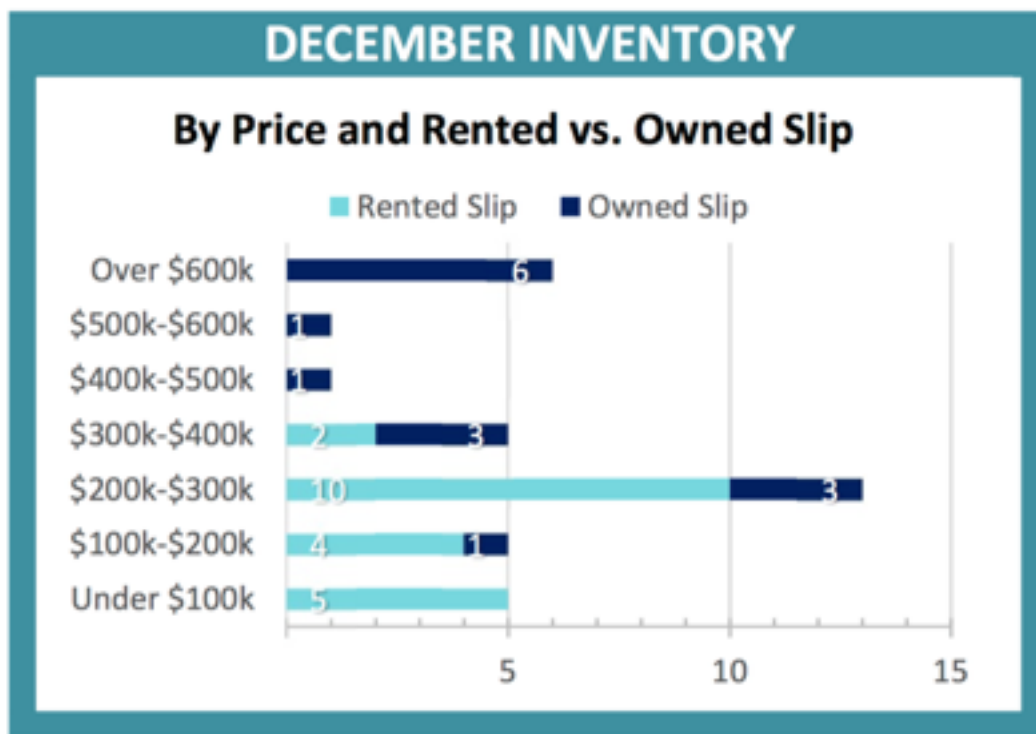
Many of you have seen the million dollar floating homes on TV or noticed the breathtaking floating homes on the Willamette River. The most damaging element to having our issues heard and taken seriously is the misconception that “all floating homes are high-dollar properties so why do they deserve our attention?”

The answer lies in the understanding that there are two types of floating home marinas - rental marinas and ownership marinas. **Rental marinas** are where the individual tenants own their floating homes, but rent their slips from a landlord. **Ownership marinas** are where individual residents own their floating homes and also a percentage of the marina - we refer to it as a floating home in an owned slip. This second situation is similar to when park residents purchase their parks. These floating home owners are not considered tenants nor do they have landlords. They are part of condo-style HOAs with voting rights and some control over how the moorage is run and when rents are raised. At the time of the last floating home inventory market report in December 2018, every floating house listed for sale above \$330k was located in an owned slip. Unlike rental moorages, you cannot find a floating home under \$150,000 in one of these owned moorages.

I say that to point out that you may see the half-million or \$1M floating home and think that person doesn't need legal assistance from government programs or protective legislation. But that is not us.

The protections of ORS 90.505 - 90.830 which we focus on improving in this Landlord-Tenant Coalition only apply to the lower value floating homes - those in rented slips. These rental moorages are filled with houses on the lower end of the value scale. As of the most recent floating home market report in December, floating homes in rental slips were listed for sale from \$25,000 - \$330,000, with 43% listed under \$200,000.

The median price for a floating home in a rented slip subject to landlord-tenant law in the Portland metro statistical area is \$224,000, which is nearly one-half of the \$417,000 median price for a single-family house on land in the same area. And it is these floating home rental moorages, largely occupied by lower income or older tenants, which are most susceptible to the whims of uneducated landlords and tenant rights violations.



*Detail of the www.PortlandFloatingHomes.com market report, December 2018

While I understand that our median home price for floating homes in rented slips is oftentimes higher than manufactured houses in parks, after we pay our home loans (if we were lucky enough to get a loan - there are only three floating home lenders and nearly 50% of those floating homes currently listed do not qualify for financing) and then pay our rent (which for rental slips is an average of \$700 per month), the last thing any of us want to do is to risk our homes by suing our landlord who is violating our rights.

Keeping in mind, without SB586 becoming law, if we challenge our landlord and the judge says we are wrong, we lose our home, not just our place to live, but also a substantial part of the value of our homes are “lost” when the landlord takes possession of the homes we own after an eviction.

I had owned my floating home for 3 years before July 2017, when I and five other residents received Lease Termination notices for having our dogs off-leash that day. Previously, the leash rule hadn’t been enforced in my remote area of our marina (one tenant remarked that the rule hadn’t been enforced in that location for 15 years) and, rather than announcing the change in our monthly marina tenant newsletter, our landlord chose to send Lease Termination notices to us.

I was shocked to find out that current Oregon law states that a marina landlord can terminate my lease for the type of minor violation that would likely result in a \$150 maximum city fine for land dweller. When I learned what the current laws state regarding the eviction process for floating homes in rented slips and thought through how that plays out differently for floating homes in marinas compared to manufactured homes in parks, I realized the terrifying predicament floating home owners were in - most of us just didn’t know it yet.

I previously testified in front of the Interim House Committee on Human Services and Housing on September 19, 2017, about an urgent need to address some substantial risks to floating home owners - the kind of risks that many people have said that if we’d

known about the way the law works for floating homes in rented slips, we would not have bought one.

When a floating home tenant is evicted, they currently have two options.

Either the floating home owner is forced to complete the sale of their home in under 70 days OR they must move their home. Moving a floating home is cost-prohibitive for nearly all tenants. If an evicted tenant can afford the moving costs (\$7,000-12,000, depending on how far it has to be moved), many will not have the time or money to physically prepare the home for moving. Still, even if a floating home is in great condition and doesn't need any preparatory work to be moved safely, the home owner will still need to find a space large enough to accommodate their unique size. Currently the costs to gain access to an empty slip is \$20,000 - \$350,000, and that is only if the marina owner doesn't reject your home due to its age or size, or condition. Even if you can afford to move the house, there are only 5 available rental slips currently in the Portland metro area and when those are gone, there will be no ability to move a floating home anywhere.

The second option of forcing a floating home to be sold in under 70 days will always result in a substantially lower price. Nearly half of all floating homes sold take over 90 days to sell under normal market conditions. When a potential buyer learns that the floating home will convert to the control of a landlord if not sold within 30-70 days (and there is no prohibition on the landlord telling the prospective buyer about the pending

eviction when the protective buyer comes to the marina office to apply for tenancy as part of the purchase process), buyers tend to low ball the offer, sometimes coming in at 50% of asking price and the floating home owner has no other option but to sell at a substantial loss, or risk the landlord taking possession of the floating home.

Other than myself, there is no association or resource whose mission it is to advocate or protect floating home tenants from marina landlords. There are floating home associations for Sausalito, Seattle and British Columbia, but nothing for Oregon. Prior to my building a website to educate floating home tenants about their rights in 2018, you could not Google “floating home owner laws in Oregon” and have anything come up in the search results which remotely related to Oregon laws for floating home owners in rental marinas. So I organized and reached out to see what was going on at other marinas and what I found were hundreds of floating home owner tenants who were too scared of “rocking the boat” to exercise their tenant rights because they were afraid of evictions.

But other floating home tenants were ready to come out and make changes. Over 60 of us from over 14 moorages of the 36 rental moorages have gathered several times over the last year to discuss our most pressing issues, and some common themes emerged:

- We want to bring marina tenancies up to the level of protections which park tenants enjoy wherever applicable.
- We want to eliminate the feeling of fear that most of us experience.

- We want the stability that comes with slip ownership, and more help and opportunities to purchase our marinas.
- We want marina landlords to be held accountable for health, life, safety and maintenance issues.
- We want to ensure that Floating Home Owner Tenants understand that we have rights and resources to help resolve issues as an alternative to litigation.

SB 586 is a great start to the protection of this unique lifestyle and piece of Oregon's cultural heritage. In this Bill, the Coalition has worked together to:

1. Allow marina tenants access to what will hopefully become the Manufactured and Floating Home Communities Resource Council to help us understand our rights and also provide us access to much-needed landlord-tenant mediation.
2. Require landlord-tenant training for marina landlords for the first time ever to educate marina landlords about the laws and tenant rights.
3. Include marinas in park opportunity to purchase statutes which will better protect our right to compete in the purchase of our marinas.
4. Give floating home owners reasonable time to repair or replace foundational float systems on their homes before an eviction can kick in.
5. Allow tenants evicted for behavior reasons up to a year to be able to sell their home under normal market conditions, as long as monthly storage payments are kept current.

6. Distinguish between minor rule violations and material violations so that tenants can't get evicted for two minor rule infractions.
7. Create a system for landlords and tenants to discuss both sides of disputes through mediation, rather than simply allowing landlords to terminate leases when the tenant disagrees with the landlord.

Floating home owner tenants of Oregon ask for your support of SB586 today because it moves us forward in the right direction.

I have never been a part of a community quite like a floating home community. On land, it is fairly normal to pull out of your garage, head to work, return home and pull right into your garage without ever seeing your neighbors. That isn't possible in a floating home. Every day, we see our neighbors on their decks, passing by one another on the long path to our cars, in the shared parking lots, coming and going all the time and we stop to take the time to say hello and catch up. Floating home owners depend on one another. We rally together when there is someone in need, we play together when the sun is out. When a fire broke out at a marina a few miles away from my home earlier this month, it took 3 floating homes before the fire could be put out. Marina tenants all over the Portland Metro area were devastated about the loss and have been working together to find out what we can do to help and improve fire safety at all marinas for everyone. I say that to help you understand how close we all are. We are a local cultural treasure, a part of Oregon's history and character, and a vibrant, diverse, adventurous community worth strengthening, protecting and supporting.

SB586, if voted into law, will save good, invested community members from losing their homes and life savings for no good reason.

Thank you for your time and consideration.

Angela Garvin

Floating Home Owner / Marina Tenant - Portland, Oregon