

Submitter: Stan Tonneson

On Behalf Of:

Committee: House Committee On Housing and Homelessness

Measure, Appointment or Topic: HB3054

Chairperson Marsh and Members of the Housing and Homelessness Committee

PLEASE DO NOT SUPPORT HB3054

My wife and I own a marina that includes 56 floating homes. HB3054 would limit our ability to require that a floating home at the time of sale meet or be brought up to bank financing and insurance requirements. This could result in some houses being abandoned at our marina or elsewhere. This happened 3 years ago when 2 abandoned floating homes broke lose 3 miles upstream of us and nearly crashed into our marina. It cost the Oregon Department of State Lands close to \$130,000 to remove these homes off the water. That money had to come from the Common School Fund as DSL has no budget for this type of clean up.

Some of our floating homes are over 75 years old. The logs and structural supports deteriorate over time from sitting in the water and moving up and down from the waves. It is a harsh environment. New logs and stringers can be expensive, costing \$100,000 or more for a typical 30' wide slip. The value of the home increases by that same amount or more. The selling price of most of our homes range from 300k to 750k. Much of value of the homes comes from the location and the marina it is at and of course the waterfront views. The fixers may be only 50k or less. Our concern is that a buyer might not make any substantial improvements without us being able to inspect the structure and require upgrades. This is a safety issue. The lure of an inexpensive floating home as a place to live is attractive, but dangerous.

If left alone, this substructure would continue to deteriorate. Eventually, the floor will become very uneven as the house settles down on top of the decaying substructure. A century ago, floating homes were a cheap place to live as people converted old boat houses or built small cabins on logs without any building codes. It was not until 30 years ago that the City of Portland established their floating structures building code in Title 28. Since then, the value of floating homes has appreciated greatly as supply is less than demand. There are a finite number of floating homes spaces in our state at around 1500. Of those, only about 600 fall under tenant landlord law. The others are some type of HOA.

Today, the floating home community is full of more affluent owners who choose the water as a lifestyle to experience. Over 30% of our homes are second homes.

As for the rent increases capped at CPI, that does not come close to covering the increased costs each year in a marina. Currently the DSL is proposing a 150% increase on all submerged land leases and then a 5% increase each year after. Our current monthly rent rates are about equal to mobile home parks and range from \$800 to \$950 with few larger homes at \$1200. This includes water and sewer. We charge by the size of the house. The cost of running a marina is much higher than

mobile home parks. The annual increase of rent brings in an additional \$30k per year. The DSL increase will take a good share of that.

Please, do not pass HB3054.

Stan Tonneson

Rocky Pointe Marina