

Date: February 3, 2025, Hearing on HB3054

From: Angela Garvin, former floating home tenant

To: House Committee on Housing and Homelessness House of Representatives
Oregon State Legislature, 900 Court St NE, Salem, OR 97301

Subject: **Facility tenancies are NOT a FREE MARKET**

Topic: SUPPORT HB3054

Hello

There is no doubt you have heard testimony from landlords about how supporting HB3054 is stepping in to alter the course of a "free market." They are intentionally misleading you.

In fact, if anyone is opposing this bill based on the argument in favor of a free market, then they have done little to educate themselves about what the rest of ORS Chapter 90 allows related to the issues addressed in HB3054 and are embarrassingly uneducated about Chapter 90 and what it DOES allow landlords to do – which is this fact: [ORS Chapter 90 currently allows landlords to steal money from tenants.](#)

I have read Chapter 90 more times than I can count over the last 10 years. I have testified on behalf of floating home tenants several times. The idea that a floating home marina or manufactured home park is currently a free market is preposterous and the idea that supporting HB3054 moves the situation further away from a free market is factually incorrect.

[What HB3054 does is move the needle closer to a free market than what exists currently.](#)

To understand what HB3054 is correcting, see this example.

When the park or marina landlord increases the rent, it directly impacts the home that a buyer can afford. Here are the indisputable facts.

- Suppose there are two people – Anne and Bob – who own identical homes in a park or floating home marina.
- The current space/slip rent for both homes is \$1,100 per month.
- The landlord raises the rent by 10%, so the new rent for each tenant will be \$1,210.

- Both tenants have decided that they can no longer afford this rent increase and prepare to sell their homes in place.
- The Oxford Dictionary defines a “free market” as “an economic system in which prices are determined by unrestricted competition between privately owned businesses.”
 - There is no opportunity for either of them to move their home.
 - There are no available spaces available to move their homes to.
 - This is not a matter of supply and demand. There is NO supply.
 - There is NO free market because the tenant cannot move their property – they are stuck. And the person that gets to dictate the rent is the owner of a small monopoly – the landlord.
- They each make the decision to sell their homes and leave their community.
- Both homes are listed at \$150,000 because that is a good market value for the homes in the area and in that condition, and with that space/sip rent.
- Prospective buyers are taking notice and are comparing the cost and value of each home.
- With a 20% down payment on a home loan, at a sales price of \$150,000 and \$1,210 space rent, both homes are of equal value to the buyer.
- However, because of the CURRENT ORS CHAPTER 90 LAWS which do NOT in any way LIMIT that amount of monthly rent that the park or marina landlord can set for an INCOMING tenant, the landlord decides he doesn’t like Anne, or maybe the landlord is mad at Anne for joining a tenant’s association or demanding clean drinking water last year. (While ORS does prohibit landlord retaliation, there is NOTHING in Chapter 90 that requires a landlord to justify a rent increase for any reason to a tenant.)
- The Landlord decides to increase the rent by \$200 for the purchaser of Anne’s home and not for the purchaser of Bob’s home, because he and Bob are pals.

HOME LOAN PAYMENT + RENT = TOTAL MONTHLY HOUSING PAYMENT

- Monthly cost of buying Anne’s Home: \$984 loan payment + \$1,410 rent = \$2,394
- Monthly cost of buying Bob’s Home: \$984 loan payment + \$1,210 rent = \$2,194

In order for Anne to sell her home to get out of the higher rent that she can no longer afford, she will need to REDUCE the asking price of her home to compete against Bob’s home for prospective buyers.

Anne would have to lower her asking price to offset the landlord’s higher rent, thereby reducing the equity from the home that Anne can take with them to invest into her next home.

Anne needs to LOWER her asking price by \$37,000 to compete due to the Landlord's RENT RESET.

➤ Revised monthly cost of Anne's Home: \$784 loan payment + \$1,410 rent = \$2,194

Anne would need to lower the price of their home from \$150,000 to \$113,000 in order to reduce the home loan payment to \$784, thereby providing the Anne with \$37,000 less equity in her pocket to make that move away from the park.

That is how much a \$200 difference in rent can make to a park or marina home owner.

ORS currently allows a park or marina landlord to take this value from the current tenant's home and put it in their pockets.

Every time a park or marina landlord raises the rent for current or incoming tenants, it devalues the park or marina tenant's home.

You know what happens if Anne (1) cannot sell her home in place with the new increase rent, or (2) doesn't make enough money from the sale of her current home to be able to afford to purchase her next home, or (3) doesn't keep up with her rent payments.

EVICTION.

The current environment for park and marina tenants is neither stable nor conducive to building or maintaining home equity. In fact, the opposite is true. Currently, a landlord can, at will, extract equity from a park or marina resident's home leaving them trapped in a cycle in which they cannot escape.

In the recent OSTA tenant survey, 35.6% of respondent said that their landlord's had increased rent on their incoming purchaser, and 75% had heard of it happening to others in their park. IN that same survey, 22.2% of the respondent said that their landlord had increased rents more than \$200 per month for prospective incoming tenants when a current tenant is selling their home.

THIS IS NOT A FREE MARKET.

PLEASE VOTE FOR HB 3054, and consider amending it to REDUCE the rent reset amount to CPI to move this scenario closer to a free market for homeowners trying to sell their homes to escape raising rents.