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www.bluestonehockley.com

Date: June 23, 2020

Re: House Bill 4213

Dear Senators and Representatives,

My name is Cliff Hockley and I am the President of Bluestone and Hockley Real Estate Services, a mid-market property management company. We manage 1600 units of residential property and 2,000,000 square feet of commercial property. Our portfolio consists primarily of B and C properties at over 350 separate locations in the Portland/Salem metro areas. We manage bread and butter properties and most likely manage a property in your district.

I am writing today because I am deeply concerned about the proposals currently being considered in the special session, regarding residential/commercial evictions, specifically, House Bill 4213.

Under these proposals, the eviction moratorium could AUTOMATICALLY be extended to at least October 6, 2020 without any further action. Executive Order 20-13 is in effect, until July 1st, 90 days past the issue date of April 1st. Per Section 3 of the new draft, the moratorium ends "90 days after the date on which the declaration of a state of emergency issued by the Governor on March 8, 2020, and any extension of the declaration, is no longer in effect." The state of emergency was ALREADY extended to July 6 by Executive Order 20-24, putting the moratorium out to October 6, 2020. If the state of emergency is extended again, so too will the eviction moratorium.

The challenge with a further extension is that it will signal to all tenants, even those who still have the financial means, that they do not have to pay their rents. Unlike the original eviction moratorium, the current proposal does not include any requirement to make partial payments as able. All tenants could delay their payments until October. In the meantime, landlords will not be able to pay for property operating expenses, much less their mortgage payments, and will not have adequate funds reserved to pay property taxes in November.

The upshot is that you will end up with less commercial space and less housing in Oregon, which will reduce that ability for the state to generate tax revenues. Smaller landlords will sell their investment properties, further impacting the lack of housing in Oregon. These bills will significantly affect the future of Oregon's rental landscape in a negative way.



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At this point 90% of our residential tenants are paying rents and about 80% of our commercial tenants. Our residential tenants that cannot pay have a lack of income due to a COVID related job loss. Current legislation prevents us from making viable payment plans with those tenants to ensure some amount is recovered. While the full amount may never be received, postponing the moratorium date does not solve the issue, it only delays the inevitable.

Candidly we may never recover the rent they have not been able to pay. Realistically anyone that owes more than one month's rent payment will never be able to pay their back rent, they do not make enough money.

Our commercial tenants that cannot pay their rent are either working out an extended payment plan or going out of business. Our landlords want to help our tenants survive the crisis. But they also need to be able to legally enforce contracts with tenants, because national chains are using eviction moratoriums to strongarm local landlords into accepting long-term rent concessions. The system will right itself if given the chance; landlords and local tenants are negotiating in good faith to get through this crisis.

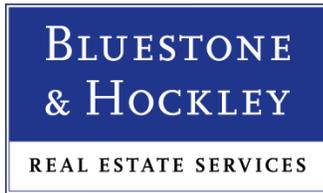
Extending the moratorium without finding a source of funds to help tenants who cannot pay their rent or allow for proper negotiations of repayments, does not solve a problem and is more likely to destroy a portion of the housing market that is critical to all tenants, including low-income tenants.

New legislation must address the following:

- The \$1.5M shortfall in rental assistance funding for struggling Oregonians.
 - A minimum objective demonstration that nonpayment of rent is tied to the COVID-19 virus, to close a loophole for those looking to exploit a crisis.
 - The reopening of courts to allow landlords to evict tenants for legitimate causes as outlined in the Residential Landlord Tenant Act.
 - The parameters in which landlords can begin collecting the outstanding rent to avoid mass eviction filings following the lifting of the moratorium.
 - Rolling back harsh penalties for housing providers regarding administrative errors and relief to housing providers who incur property damages during the moratorium.
 - Provide housing providers similar immunity to shelter operators and public entities.
-
- Protect the property rights of commercial property owners as the legislation in its current form would impermissibly interfere with vested private contract rights and would constitute an unlawful and unconstitutional taking of those property rights.



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- Extending the foreclosure moratorium to apply to commercial loans as well, so that commercial property owners are not faced with the prospect of losing their properties because they are unable to generate rental income needed to pay debt service.

COVID-19 has impacted all of us. I am asking you to look beyond the hyped-up politics of renters vs landlords and recognize the value of providing housing and commercial space in Oregon.

There are 70,000 unemployment insurance claims still pending and over \$63 million in rental income assistance is waiting to be distributed. These are the problems that need to be addressed.

I understand that the Governor, through her Executive Order has the power to extend the eviction moratorium. We discourage this action and the passage of these bills.

Please vote against these proposed bills.

Sincerely,

Bluestone and Hockley Real Estate Services

A handwritten signature in black ink, appearing to read "Clifford A. Hockley".

Clifford A. Hockley
President



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