

Rosenberg Corey

From: Donna Wilson <donna@nedbaker.com>
Sent: Tuesday, May 02, 2017 4:56 PM
To: SHS Exhibits
Subject: HB 2004 A - Testimony

My name is Donna Wilson and I am a Property Manager at Ned Baker Real Estate as well as an owner of 2 rental houses in Salem and 2 rental houses in Stayton. One of my properties is a 3 bedroom which we have rented out to the same tenant for \$500/month for the past 10 years without any rent increase. Our company serves just over 300 clients who own a combined total of 600+ units in the Salem and surrounding areas; mainly single family homes. We do manage a 12 unit apartment complex as well as a 37 unit apartment complex but for the most part it is single family homes or duplexes that we specialize in. Most of our clients have between 1 to 5 units that they own. They would consider their properties as an investment towards a supplemental retirement knowing Social Security will not be enough by itself. Since our company was founded in the 1970's, many of our clients are also long term clients and are older and already retired. Their income is limited and they rely greatly on the rental income that comes in. When there is a vacancy or a major maintenance issue, they may face a significant loss financially.

We do our best to keep their properties occupied for them also knowing we do not charge a management fee in times of vacancy. Most of the time, when a no cause notice is sent to a tenant it is because our client has notified us they are going to sell the property or they need to move back in. However, we have used a no cause notice to remove a trouble tenant while maintaining the privacy of the remaining tenant who may have made the complaint. This is rare though, because as I previously stated, we do our best to keep their properties occupied. A vacancy and the turnover that follows is not ideal. We try to remain reasonable when using this "tool" and never want to abuse our right to do so.

One example of when we used the no cause notice in this manner was in 2010. We moved a gentleman into the 12 unit apartment complex behind our office. After a few months, we started hearing from neighboring tenants that his behavior was becoming erratic and concerning. He began shouting in his unit in the middle of the night as well as began banging on the walls. He placed an orange traffic cone in front of one of his neighbor's door steps. He wrote out and put our electronic gate code on the key pad so anyone could open the gate to the complex at night. He was in a verbal altercation with one of our other tenants over whether or not to leave the laundry room window open. A couple of our long term tenants came to me in frustration because the peaceful, quiet apartment complex was now feeling chaotic and unsafe to them. I spoke with this tenant in general terms so as not to expose those who voiced their concerns to me. Rather than changing his behavior, he instead began to target me and would stare outside his apartment for hours at me in my office while I was working. One night, I was working late and when I was leaving I found he had placed an unopened can of beer and a folded up pair of jeans with holes in them on top of my car. I immediately stopped working late at night, now fearing for my own safety of what he might do next. A little bit after this, the neighbor in the unit above his came to me and told me she had enough and that if he didn't leave, she would. She had been a tenant for 10 years, kept to herself, always paid her rent on time, and always maintained a clean unit. We did not want to lose her so we issued him a 30 day no cause notice. He left peacefully, although he did abandon most of his belongings. Our tenant of 10 years ended up staying and is still a very good tenant of ours going on 17 years now. Had we not been able to implement the 30 day no cause notice, we would have had to use a with cause notice and exposed those neighbors who brought complaints about him to our attention. With his erratic behavior and with the way he began targeting me after I tried talking with him about his behavior, I have no doubt he would have retaliated against them in some manner.

On another note, the way HB 2004A is written, landlords would be stuck into the terms on the original rental agreement (including lease duration) if a tenant were to say they wanted to renew. A landlord would be stripped of their right not to renew and this is simply not fair. Both parties should be able to have a say in whether they want to be obligated to one another in a rental agreement or not. No party should ever be forced into a contract with the penalty of paying

thousands of dollars to the other party if they choose not to renew. That is a one-sided contract that would only be signed by the landlord under duress or coercion. That alone should invalidate the contract.

A couple months back received a call from one of our clients who had some unfortunate things take place in her life and she asked us to give her tenant a notice to vacate so she could move into her house. She has loved having this tenant for many, many years, never raised the rent on her, and was very upset at the difficult choice she had to make. But she was out of other options. She needed a place to live herself. She asked me to give the tenant a 90 day notice instead of a 60 day notice because she wanted to allow her tenant as much time as possible to find another home. These are the type of landlords I serve. Good people with kind hearts who do NOT abuse the system and who do NOT get rich off being a landlord. They are regular people who face difficult circumstances and have to make hard choices about having a roof over their own head or allowing a tenant to remain. They should not be penalized thousands of dollars when they are already under financial stress.

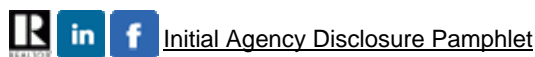
Another concern I have about HB 2004A is the way it does not define what a "landlord" is when it says landlords with 4 or fewer units are exempt. It doesn't clarify if my clients who own 1-4 properties will actually be exempt or not. Our company manages over 600 units and we are considered the tenant's landlord as well. Will my clients who own 1-4 properties still be exempt, or will they be forced to pay the relocation costs because they have chosen our company to manage the property for them? Without clarification of "landlord" as a property owner, it may lead to our clients choosing to manage their properties on their own which could put them in a position of mismanaging their property, will hurt our business by losing clients to self-management, and would mean we are forced to lay off employees if we have decreased income from loss of management fees. In fact, last week we received a notice of termination from one of our clients who said we did nothing wrong and they were happy with our services; they were just worried that HB 2004A would pass and they would not be exempt because of the number of properties *we manage*. They've decided they will manage their property on their own since they only have 1 unit. The simple lack of clarification of "landlord" can do significant damage to our clients, our employee's job security, and to our business.

I am not denying there is a housing crisis right now and that there are a few landlords who have abused the right to use a no cause notice. But the rest of us should not be punished because of the select few. A no cause notice is a necessary tool and removing it would have a detrimental effect on landlords and tenants alike. My heart does go out to the tenants who find a no cause notice disrupts their life. But I wonder how many are because an owner is selling, moving back in, or resolving an issue with a trouble tenant versus how many are because of the bad apple landlords who are trying to raise rent or retaliate. I would hope you give the benefit of the doubt to your constituents who are landlords and trust that most are good people who are nothing like what they are currently being portrayed as. The resolution for the housing crisis should not rest solely on their shoulders. HB 2004A does just that. If landlords are abusing the no cause notice, then let's find a way to hold them accountable. But removing it altogether as a property owner's right is not the way it should be done. I urge you to please oppose HB 2004A.

Respectfully yours,



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