

Special Announcement

Beginning July 1, 2024, The Garcia Group is *updating* our **Eviction Mitigation Plan (E.M.P.)** as one of several **Optional Owner Benefits** being offered. Please review the following important information.

Why we offer an Eviction Mitigation Plan:

Over the last decade, I have personally been on the front lines legislatively, advocating for the rights of Rental Property Owners on behalf of The Rental Housing Alliance Oregon as its President, Executive Director and finally the Director of Public Policy. In each of my roles I saw and helped negotiate some successes, while the overall regulatory climate expanded exponentially. I resigned my position in June 2023 in order to re-focus my attentions on our company, The Garcia Group.

During my tenure, what I saw that changed, could be summed up as: “A substantial decrease in the control and the rights of Oregon’s residential Rental Property Owners”. What in years passed may have been perceived as demands for Tenant’s rights from Advocates who rallied against “bad Landlords”, has now matured into a broad legislative infrastructure built to safeguard fundamental Tenant entitlement protections as the primary legal priority for all general housing policy.

Yes, owning rental property remains a profitable business venture – but the ratio of risk vs. reward has expanded, and it is no longer a sidebar to being a Landlord. Like expenses for deferred property maintenance, or replacement costs budgeted for the useful life of an appliance, *risk management* is a financial concern that all Rental Property Owners should prepare for and be kept in mind.

Background on why we need to update our Eviction Mitigation Plan:

Did you know that in Oregon there is no longer such a thing as a “72 Hour Pay Rent or Quit” notice? Governor Kotek signed into law The Eviction Protection Legislation (HB 2001) on March 29, 2023.

Since then, it has become more complicated to terminate a tenancy for non-payment of rent. The ordinance now lengthens the timeline for sending late notices to 10 days (*after* the 8th day of the month), along with required disclosures of legal rights and directions to find rental assistance; it delays the timeframes to schedule “First Appearance” court dates; it stalls the eviction process if the Tenant has applied for rent assistance; it also requires Rental Owners to accept the past due rent at any point up to that First Appearance (which is not scheduled until the subsequent month); and it thus halts the eviction process by keeping the Tenant housed instead of requiring them to vacate (even if they are now in arrears of that following month).

Consequently, some Tenants have become “repeat offenders” of court filings, receiving multiple non-payment notices over a series of months that each get temporarily satisfied, (as a pay and stay) instead of the Tenant being terminated for past due rent. Some Tenants do get caught up and regroup. Unfortunately, troubled Tenants often continue to fall behind and are eventually evicted.

The net result is an increase in the number of delinquent rents that involve an increased number of eviction filings (known as FED’s), taking a longer period of time to obtain any final resolution.

From the standpoint of the HB 2001’s stated intent, which is “*eviction protection*”, the law has succeeded. However, it comes at the expense of Rental Property Owners who have lost certain contractual rights in their Rental Agreements, namely to “Pay Rent or Quit”.

What E.M.P. costs:

The Garcia Group offers the Eviction Mitigation Plan for \$10 per month, per unit.

What the E.M.P. offers:

For a single eviction action of non-payment of rent during the tenancy, The Garcia Group will*:

1. Advocate on behalf of the Owner and seek and provide professional guidance.
2. Prepare and send Tenant the Non-Payment of Rent notification and legal disclosures.
3. Draft, file, and pay for court fees for the Eviction Complaint and Summons (the FED).
4. Pay for the physical process serving of the scheduled First Court Appearance.
5. Negotiate a court settlement on behalf of the Owner when necessary.
6. File the Notice of Restitution to obtain legal authority to retrieve the property.
7. File the Writ of Execution to allow for legal action to remove the Tenant.
8. Schedule the County Sherriff to legally enforce the Owner's right to re-occupy the premises.
9. Attend the Sherriff Lockout to remove the Tenants and have the locks changed.
10. Do the Final Move-out accounting and provide options for collections on amounts owed.

*For a single Tenant who incurs multiple FED filings during the tenancy, The Garcia Group will:

- Pursue all the actions of 1-10 with a \$1,200 cap for contributed expenses.

*For Owners who Opt-out the E.M.P., The Garcia Group outsources all the actions of 1-10 above:

- At Owner's expense to professionals and legal counsel at the prevailing rates.

What the E.M.P. does not offer:

- Payment for expenses of a trial if the Tenant elects to pursue a court proceeding.
- Payment for evictions relating to reasons other than for Non-Payment of Rent.
- Payment for legal expenses that may be necessary to manage a litigious tenancy (such as domestic violence, criminal activity, habitability issues, outrageous conduct, etc.).

The qualifying E.M.P. conditions:

- New Tenants must have been placed by The Garcia Group leasing process, or:
- Pre-existing Tenants need a minimum recent 1-year rental history with the Garcia Group.
- The Plan continues for the duration of the Garcia Group's contracted management services.
- The Plan is property-specific, (i.e. all units of a single property are required to be enrolled).

How to 'opt-out' from the updated Eviction Mitigation Plan:

1. Owners must notify The Garcia Group of opt-out decision within 30 days this addendum.