

March 23, 2020

To: Governor Kate Brown

Re: Eviction Moratorium

Dear Governor Brown,

I am a landlord. I am writing you to urge you to change your moratorium on evictions. It will give tenants *carte blanche* not to pay rent. You can skip much of this letter and go to the policy part. There are sound policy reasons why an eviction moratorium is a very bad idea.

### **Our Operation**

My wife and I own a small real property management company Durango Pacific LLC that manages properties in which we have an interest, a total of 134 units. These are primarily 112 Class C apartments in Hillsboro, and a 21-unit rehab project in Tigard. We have owned the 112 units in Hillsboro for about 20 years and have upgraded to Class C+/B- starting in 2017. We have about 20 more units in Hillsboro to rehab.

We employ eight people consisting of one manager and seven maintenance people. It has taken us years to build an effective team. In December 2019 we went into partnership with a friend and bought the 21-unit Tigard rehab project apartment. My friend and his wife extended themselves, and scrapped together every thing they had to do the partnership. He is about 40 years old and has two young girls. His wife was laid off two days ago. He is a small landlord who has Class C rentals scattered about the fringe of the Portland Metro area.

We are rehabbing the 21 units A to Z: new plumbing, roofs, windows, etc. and lots of wood rot repair. We are rescuing it. Banks would not finance it. We have given tenants 90 days notice and paid them a month's rent to move because the rehab is so extensive the units will be

uninhabitable. We are committed to a \$160,000 plumbing contract. My employees are doing most of the other work, except the electricity. My family also has an investment in a Class an apartment in Johns Landing. We have an interest only loan for 19 more months; otherwise we would be feeding it from our own pockets. That is, it is not profitable.

Last month we netted \$2,000 from the 112 units and \$1850 from the 21 units Tigard rescue project. We have SSI of \$4,000 per month and IRA money. That is a typical month for us. We have been plowing everything back into the apartment projects. Our biggest expense is labor. We have mortgage debt of about \$25,000,000 of which about \$15,000,000 is personally guaranteed.

During the 2008-2010 recession my wife and I had our 112 Hillsboro units and we scaled the crew down to one person plus 61 year old me. My wife Chris took over daily management. We got through.

### **Personal History**

A single schoolteacher mom raised my wife and her four brothers and sisters. My 10<sup>th</sup> grade educated father died when I was 10 years old leaving my 32 year old, high school educated Mom and five kids. My three brothers were all under age 8. My sister was 12. They had to eat first.

I graduated from high school in 1966 in crime-infested Newark N.J., the year the entire City council was indicted- all Mafia. A friend's dad always seemed to have broken arms. He ran a tavern. I hate revisiting that time of my life. Our neighbor's boyfriend was shot 19 times and discovered in the trunk of his car.

I got a basketball scholarship or I never would have completed college. I practiced law for 25 years and then got PhD in history. Out of

everything we have done, I am proudest of our three sons, two truly excellent lawyers and a budding entrepreneur.

My wife and I did pull ourselves up. We do not deserve more than anyone else. On the other hand we do not deserve to bear the brunt of this. As Caucasians coming of age during the great emergence of the middle class in the US, we were born at the right time. That is a big part of it. I could have chosen not to work 60 ours per week for many of the last 50 years, but I believed in the American Dream. Believe me a three month moratorium puts us at serious risk.

### **Policy**

I am attaching our latest rent roll. As you can see our rents are not exorbitant by any means. We are at 90% occupancy presently, mostly due to the rehab program mentioned above. We will have tenants who will not pay rent for April regardless of any moratorium. Now we will have many more.

With the moratorium on evictions even many of those who can pay will not. **This is my most important point. Many who can pay rent will not do so.** My company will have to try to hang on.

We will have to lay off at least three of our employees. **They are fathers of at least seven children.** I do not need to tell you about the cascading effect firing these people will have.

The news is full of State and Congressional relief efforts for workers-extended unemployment insurance, direct cash to workers and other measures that I fully support. What legislators are coming up with will give tenants enough support to make rent and buy food. The great recession 10 years ago has been a policy education. Relief will come soon.

### **Politics**

I am a no holds barred laizze faire ideologue. If you Google “Hank McCurdy March for the Public Option” you will see that I was the force behind that march in Portland in 2010. Unfortunately, the video of the even seems not to be on the Internet any longer. Over the last ten years I have put in plenty of grass roots time pounding the pavement and phone banking.

Please think very hard about the eviction moratorium. A moratorium will do far, far more harm than it will good. I say this as a PhD in social and economic history, Cambridge, 2008.

Regards,

Hank McCurdy