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**More House Than They Could Afford:
The Cumulative Civic Implications of Housing Markets and
Policies**

By

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More House Than They Could Afford:

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PREFACE

I have always dreamed of living in a single family home. More than a prestigious career, more than a happy marriage, more than wealth alone, in my mind's eye homeownership has always been the most consequential criterion in determining success. And yet by my own standards, I am not a success. This is not the way I want to think, it is the way *I do*.

The Single-Family Home

I have only lived in a *real house* once in my life, for three weeks. My mother had been hospitalized for some time and social workers began creating stipulations for her return and maintaining custody of me and my siblings. My grandmother moved in with us to take temporary guardianship while my mother finished her treatment. Her first order of business was to move us out of public housing, a modest duplex on a dead end street near University of Massachusetts, Amherst. Our duplex would later seem like magnificent housing when I compared it to public housing in Holyoke, Massachusetts. Yet, my grandmother found every cubic inch unacceptable, the florescent flickering lights in the kitchen and living room, the institutional grey speckled linoleum floors, the bristly plastic threaded

wall to wall carpets, the thin walls, the leak from the bathroom to the kitchen ceiling, and the modestly sized bedrooms.

She found and leased a new single-family home. She prepaid a month's rent for my mother's apartment so we could gradually move into the new house. However, as soon as we were almost entirely moved in, my grandmother decided she could no longer commit to guardianship. Immediately we had to move back into our duplex. But before we moved I overheard my mother begging my grandmother to let her assume the lease that was in grandmother's name. My mother had a lump in her throat as she said "I will just find a way to pay the rent. When we first moved to Amherst I was paying 90% of my income in rent and we all survived," but my grandmother was not convinced that it was a responsible choice.

Indeed, we had first moved to Amherst into a non-subsidized apartment. Paying the rent often came at the cost of many other things like, clothing, heat/utilities, Christmas presents, birthday parties, and worst of all food. My mother would often sell her food stamps to help pay bills or for other necessities like laundry detergent, toilet paper and diapers. My siblings and I subsisted on the two free meals provided to us at school. And yet to my mother this trade seemed tolerable, even reasonable. Besides, our lot in public housing did not seem much better. The rent was calculated to be 30% of my mother's income, but still we went without. I cannot remember a winter through the duration of which we had uninterrupted heat or electricity.

At the time I would have likely consented to any familial austerity measure that allowed us to stay in the house. When I was there I had a sense of infinite possibilities and self-potential, of expansiveness. For the first time in my life at fourteen I had my own bedroom. We all had our own space. When we were forced to move back into our duplex, I was crushed. That was the nicest place I ever lived. I have not yet lived anywhere comparable.

Housing has always told me quite a bit about what I am worth and what I am capable of, or at least what society thinks I am capable of. The most important thing about the anecdote above is that it gave me a tangible point of comparison. The house was like a house you would see on a television sitcom. The Cosby's could have lived there. Public housing on the other hand was more likely to be depicted not as a living place of the protagonist but rather as a crime scene, a scene upon which the objective eye glances.

Their Christian Duty

My first awareness of class based stratification, though I lacked the vocabulary to call it that was caused by a housing situation. I was four years old when my parents divorced and my mother, my younger brother, older sister and I moved into a spare bedroom at my mother's friend's house. She was a deeply religious woman with a family of her own, a husband and two daughters in fact the same ages as me and my sister. Her daughters were diligent in reminding us that we were allowed to live with them because it was their "Christian duty." There was no way to be unaware of the plummeting gap between us and her

daughters. We were not allowed to enter their bedroom, which was twice the size of the one we lived in with our immediate family (excluding our father). We could not touch their toys and were not allowed to have many of our own, as we had very limited space. They had bunk beds. We slept on the floor. Our mother and baby brother slept on the twin mattress. During the day, they went to preschool and my mother and baby brother would get a ride into town to tirelessly apply for housing and other much needed resources. My sister and I would do chores on their farm and in the house to contribute to the household that had graciously provided us with shelter. I always wondered why we did not have what they did. I was scolded for not knowing how to pray and I wondered if maybe God had something to do with our situation. My sister and I always had the two young girls with whom we lived to juxtapose our experience. They had blonde hair and blue eyes and knew how to pray. I often pondered if maybe we were just not as worthy of comfort or dignity.

While there are many other indicators of class and socioeconomic status which can infinitely permeate through one's cognizance, housing is the aspect that most stirs a smoldering fire within me. It speaks to the most tangible and pervasive tool of stratification I have encountered. While the two anecdotes above speak of a child's reckoning with disparity, despair and even self-loathing, this is merely the foundation of my housing narrative. Housing has remained a contentious issue in my adult life.

Shelter

As a young adult I waited in a homeless shelter for six months to have the housing I have now, a two bedroom townhouse-style unit in the country's fifth oldest public housing project. I remember the interrogation at the Department of Transitional Assistance (DTA) office I experienced to get into the homeless shelter. I was five months pregnant and fleeing an abusive relationship. I had \$700 in my bank account and the case worker asked me "Why can't you use that money to find some housing?" I was surprised that I had to explain to her that, her suggestion would not be a sustainable situation and that I would rather continue to save the money for a security deposit and use it for a subsidized apartment I could actually afford. I had to have everyone in my immediate family write affidavits saying I could not stay with them. Though I needed shelter housing for my personal safety I also knew that if I stayed with friends or relatives I would be least prioritized for housing programs, because I would not be technically "homeless."

At the homeless shelter I was given a packet of rules I had to abide by in order to stay. I had to save 80% of my income and apply for housing to, at least 8 different places each week. I had to make my bed by seven in the morning. I had to keep my room clean.

I was receiving \$175 a month in food stamps before entering the shelter, but because the shelter allegedly provided food they were reduced to \$60 a month. The two meals were cream of wheat or oatmeal and coffee in the morning and rice and beans or ham sandwiches in the evening. Luckily for me most of the

women at the shelter were Puerto Rican and shared the superstition that denying a pregnant woman food would curse them. Even the woman who did not like me fed me.

I hoped more than anything that I would not have to bring my newborn daughter back to the homeless shelter. I didn't want to get settled in. It never felt clean enough, quiet enough or even safe enough for a baby. I feverishly filled out the mandatory housing search logs. Within the first month I ran out of low-income housing options within Hampden County. The housing caseworker told me I had to expand my search. So I did. I applied to housing in Franklin County, far away from my family and any social ties I had. I knew that I would be made to move to the first property where I was offered an apartment, no matter where it was. There was no choice about it. Sometimes when I was forced to apply for apartments in areas I was uncomfortable moving to, I purposely left information blank to delay the process. Soon I ran out of low-income housing to apply for and then the housing search specialist told me to apply to market-rate efficiencies (one room dwellings, with a sink, stove and bathroom acting as appendages to a bedroom), even though their rent would consume between 60-90% of my income. She told me I could afford it and if I was offered an efficiency apartment, I *had* to take it. I was becoming very anxious and shared my concern with another mother at the shelter. She laughed and said "Ha! You take these stupid things too seriously. I've been here for over a year with my son. There is nowhere left to apply! But, don't worry Leslie [the housing search specialist] is pretty stupid. Let me show you something." She showed me her housing search log that she was

planning to hand in the next day. I began to read the addresses, “123 Mickey Mouse Lane, Westfield MA” and “33 Elmo Drive Chicopee MA.”

Despite my best efforts and my utter frugality, I brought my newborn daughter home to the shelter. I had a cesarean section and was advised to avoid stairs. My room at the shelter was on the third floor. I had Vicodin and ibuprofen for the pain but the shelter mandated that they be locked in a *safe* in the staff room. Every few hours I had to walk down multiple flights of stairs to get my medicine.

Worst of all, receiving help from friends and family after having a new baby-an almost universal practice of new mothers-was discouraged and even pathologized and penalized in this environment. My family was not allowed to visit me in my room. Other mothers in the shelter were not allowed into my room and I was not allowed into theirs. One mother with whom I had become friends offered to watch my baby so I could go downstairs and eat. Another mother shared her food with me. We were reprimanded for this. Soon I began to hear the staff saying I did not take care of my daughter and that I was unfit to be a mother, because I asked for help daily. Every day the fear that they would share their opinions with my social worker dwelled inside of me. I never felt secure. Not knowing much about my rights but a lot about the criminalization of poverty I was terrified that my daughter could be taken from me on the shelter staff’s recommendation alone.

When the assistant director of the shelter asked me if she could borrow \$600 because her mortgage was behind, I felt like I had too and I did. She started

offering to keep my baby in the office while I did my chores and never spoke another ill word of my parenting again. I also never saw my money again.

When the Holyoke Housing Authority called to let me know they had an opening I was elated. I could feel my heels lifting out of my shoes. I went to see the apartment and the first thing I noticed was that the back windows had been shot through several times. The property manager assured me that they would be replaced before I moved in. I noticed rust all around the bathtub and asked her if they would fix it. I will never forget the way she glared at me when she said “Look, do you want it or not?” I took it and I was happy. Two days before I moved in the windows were replaced and shot out again. I could not afford to care that much. We finally had a place of our own-to some degree. However, we didn’t have a refrigerator or beds. It surprises many of my friends and acquaintances to find out that public housing in Massachusetts is not required to provide refrigerators. This posed a problem for my social worker who said I would need a refrigerator and a bed to continue to keep custody of my daughter. My social worker did not assist me in finding these items, however. I soon discovered a lot of my neighbors were and still are, renting their refrigerators. I looked into this option but discovered over the long run it would be unreasonably expensive. I bought a small used one. It broke a year later, but I was still better off. I saw what happens when folks default on their rentals. I saw my neighbor’s fridge dragged out of her kitchen, repossessed. I remember the solemn glares of her children at the repo men as they wheeled it out of the projects.

I knew that others, bureaucrats from different state agencies and even the charitable hands that have touched my housing journey, all believed there was some corollary between a person lacking secure private, market-rate housing and being in one way or another unfit. And like a docile fool I once believed it about myself too, at least in part. Now I understand it is the de-politicization of housing disparities that moves the problem into the realm of social workers and charities to be remedied on a case by case basis, away from structural reform. This not only allows, but indeed encourages housing disparities to persist.

I was never homeless because I lacked morals. I did not grow up in public housing because my parents did not have good work ethics. We do not live in public housing now because we are social parasites. Lastly, the poor are not the only ones who live in subsidized housing.

A Housing Inventory

While you read this and ponder your own housing narrative, look around yourself and take an inventory of your surroundings. Are you in the building where you live, at *home*? What do the floors look like? What do they feel like? Are they slippery and glossy, hardwood floors? Are they thorny and bristly, economy carpeting? Or are they dirt floors, speckled linoleum, concrete, tile? Is it a comfortable temperature and if it was not would you be allowed to or able to change it? What does the air taste like? What does it smell like? Is it heavy, musky, light and fluid, stagnant, fragranced or filtered? Are there windows? Is there natural light? Are you being watched? Are you safe? Have you ever been

attacked in your home? If you called the police would they come? How long would it take? If you wanted to have a guest over would letting them stay too many nights in a row risk losing the roof over your head? Do you have a partner and if so does your landlord know? Would you get in trouble if they found out? Can you keep a potted plant on your stoop? Have you ever stepped out your door into a warm pool of someone else's blood? If a sewer drain near your home were to over fill, would raw sewage back up into your yard? Could you paint the walls a different color if you liked? Has your house ever been intentionally set on fire? If you have children, are they safe? Do they have asthma? Is there a garden? Can things grow? Will they? How many people sleep in your bed? Do they have to sleep the long way across? Do you have your own bedroom? If you were to tell a stranger where you lived, what assumptions would they likely make about you?

These are the questions that I hope to provoke in the readers' mind, questions that lead to a rich analysis of how housing affects our identities and the way we move throughout the world. Since February 2011 I have been simultaneously working with an anti-foreclosure community organization Springfield No One Leaves, living in the fifth oldest constructed public housing project in the United States and studying politics. The politics of housing consumes my thoughts day and night. Housing has become my issue-the issue I am building a career and life around. Yet so many others in the world of academia, the court system and policy making, treat the discourse around housing issues as if they primarily pertain to a tangible good and not an entire system of relations.

The story of stratified housing needs to be told from those directly affected to give it the intensity and complexity it deserves.

As much as housing is an indicator of social stratification, it is also a cause. Housing is embedded in our personal narratives, implicitly or explicitly. If you have never thought much about housing, your housing situation has had a tremendous effect on you, granting you the ease of mind and security necessary to avoid any preoccupation with it. The politics of housing are not only my passion—they are my torment. I stay up late at night in our concrete cave-like bedroom, with the compulsion of a true addict, searching real estate websites relentlessly. I dream of the dignity, citizenry and autonomy that homeownership provides while I dispute all the premises on which this dream relies.

Housing is epic.

INTRODUCTION

Temple University's founder, *Russell H. Conwell* asserts in his famous speech, *Acre of Diamonds*:

*A man is not a true man until he owns his own home, and they that own their homes are made more honorable and honest and pure, and true and economical and careful, by owning the home.*¹

Decades before this speech (1935), the president of the National Association of Real Estate Brokers (NAREB) had proclaimed that “The well-being of our nation and homeownership are inseparably interwoven.”² The value each of these men placed on homeownership, as not only a tangible good but as an instrument to promote honor and national integrity is not antiquated. This perceived significance is also not particular to any singular political species. One of Capitalism's fiercest critics Karl Marx found the value of homeownership to go beyond its physical dimensions as well. Even before land was sold in the marketplace, it was nevertheless a crucial instrument of class status and a means of class subjugation. Marx proclaimed that “abolition of property in land” in this instance private exclusive homeownership amongst the bourgeois, is one of many measures that ought to be taken to end not only class antagonisms, *but* class as a

¹ Russell Conwell, *Acre of Diamonds*, (Harington Park, NJ: Robert H. Sommer, 1987).

² Kevin Fox, *Race, Real Estate, and Uneven Development: The Kansa city Experience, 1900-2000*, (Albany NY: State University of New York Press, 2002), chap. The Development of the Modern Mortgage System.

categorization altogether.³ His ultimate recommendation for how private property ownership *ought* to be dealt with can be characterized as the antithesis of Conwell's claims-as Marx vilified the reduction of societal systems of relations into the mere ownership and exchange of commodities. However, the notion that homeownership elevates one's civic standing is seemingly undisputed; whether or not it is perceived to be a positive outcome.

Throughout my interviews with both former and current homeowners and public housing tenants, homeownership was described as an ideal living situation. Tyrone Bowie, the current vice president of the Holyoke Housing Authority's (HHA's) Toepfert housing project's resident council said "What the [Holyoke] Housing Authority should be working on is getting people to homeownership and they don't."⁴ President Bill Clinton pushed to increase the rate of homeownership espousing the benefits of an "Ownership Society."⁵ In 2004 President George W. Bush furthered this rhetoric by endorsing the virtues of an "Ownership Society" saying "If you own something, you have a vital stake in the future of our country. The more ownership there is in America, the more vitality there is in America,

³ Karl Marx, and Friedrich Engels. *Manifesto of the Communist Party*. in *The Marx-Engels Reader*. edited by Robert C. Tucker, (New York. London: W.W. Norton & Company, 1979).

⁴ Bowie, Tyrone. Interviewed by Marcella Jayne. digital recording. Holyoke MA, September 18, 2012

⁵Peter Coy. "Bill Clinton's drive to increase homeownership went way too far." *Bloomberg BusinessWeek* , , sec. Hot Property, February 27, 2008. http://www.businessweek.com/the_thread/hotproperty/archives/2008/02/clintons_drive.html (accessed November 1, 2012).

Figure 1. National Realtor's Association Advertisement



**Protecting home ownership,
now and for future generations.**

A child doesn't know that owning a home helps build communities. That home ownership contributes to higher self-esteem and better test scores. They just know that home is where they belong. It's where they play, grow and learn.

The National Association of REALTORS® will always stand up for home ownership and strive to protect it. Because home ownership matters—to our families, our neighborhoods and our country.

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and the more people have a vital stake in the future of this country.”⁶ From Conwell’s quote to the more recent “Ownership Society” rhetoric and a recent advertisement campaign by the National Association of Realtors (NAR) that alleges “home ownership contributes to higher self-esteem and better test scores [among children],” the prevalence of the concept of homeownership being beneficial to a society at large becomes clear.⁷

To look even further into the qualities correlated with homeownership, we must consider not only how it is promoted as beneficial to society, but also, and more importantly, how it is intrinsic to achieving *full* citizenship. Consider American sociologist Milton Gordon, who defined structural assimilation as an immigrant’s ability to reach economic, educational, and political parity with a dominant group.⁸ After his work, Douglass Massey and Nancy Denton, elaborated on assimilation theory coining the term *spatial assimilation*.⁹ This term described the process of new immigrants moving from ethnic enclaves in industrial urban areas to mixed-ethnic communities in the suburbs. While spatial assimilation theory has become increasingly challenged by trends of ethnic

⁶ The White House: President George W. Bush, “Fact Sheet: America's Ownership Society: Expanding Opportunities.” Last modified August 9, 2004. (accessed November 1, 2012). <http://georgewbush-whitehouse.archives.gov/news/releases/2004/08/20040809-9.html>.

⁷ Becker, Jo, Sheryl Stolberg, and Stephen Labaton. “Bush drive for home ownership fueled housing bubble.” *The New York Times*, , sec. Business, December 21, 2008. <http://www.nytimes.com/2008/12/21/business/worldbusiness/21iht-admin.4.18853088.html?pagewanted=all> (accessed September 19, 2012); *Public Advocacy Campaign: Moving Pictures*. National Association of Realtors. Web, <http://www.realtor.org/pac.nsf/pages/movingpictures>.

The NAR does not disclose the evidence they use to justify their claim.

⁸ Milton Gordon, *Link Assimilation in American life: the role of race, religion, and national origins*, (New York: Oxford University Press, 1964).

⁹ Douglas S. Massey and Nancy A. Denton, *American Sociological Review*, Vol. 50, No. 1 (Feb., 1985), pp. 94-106: American Sociological Association URL: <http://www.jstor.org/stable/2095343>

enclaves that have not dispersed into the suburbs, but in fact recreated themselves in suburban neighborhoods such as the emergence of dozens of Asian majority suburbs in California, homeownership/housing is still used by assimilation theorists as an important indicator in determining an ethnic groups' progress toward assimilation and citizenship.¹⁰ Though it is not necessarily evidentiary, Bowie certainly concurred lamenting that "They [government and the HHA] aren't prioritizing getting Latinos into our American culture. Instead we have a city filled with Latinos dependent on assistance."¹¹ Even the contemporary work of William Clark unabashedly asserts that income alone is not a sufficient criterion for achieving the *American Dream* amongst immigrants. He claims that immigrants strive to be middleclass, which is partially determined by income but more importantly by homeownership and the autonomy, tax advantages and safety net it provides.¹²

These examples of the idealization of homeownership may seem so embedded in U.S. culture and our collective consciousness that we need not bother to substantiate them. However, they lay the foundation for a much more critical question -what are the civic implications of failing to meet this ideal? For

¹⁰ Jordan Segall and Merlin Chowkwanyun. "The Rise of the Majority-Asian Suburb." *The Atlantic Cities: Place Matters*, sec. Politics, August 24, 2012.

<http://www.theatlanticcities.com/politics/2012/08/rise-majority-asian-suburb/3044/> (accessed November 24, 2012);

Douglas S. Massey and Nancy A. Denton, *American Sociological Review*, Vol. 50, No. 1 (Feb., 1985), pp. 94-106:

American Sociological Association URL: <http://www.jstor.org/stable/2095343>

¹¹Tyrone Bowie. Interviewed by Marcella Jayne. digital recording. Holyoke MA, September 18, 2012

¹² William Clark, *Immigrants and the American Dream: Remaking the Middle Class*, (New York NY: The Guilford Press, 2003), chap. 1.

public housing tenants this means being subjected to a litany of regulations, periodic qualification assessments, waiving of rights and privacy, and most importantly, a general devaluation in civic and social standing (see appendices E and F, pages 141 and 142). For current homeowners facing foreclosure and former homeowners facing post-foreclosure evictions, this means humiliation, stigma, and scandal. It means facing a legal system that is often quick to question the merit of a homeowner before the merit of what is actually legally significant - the foreclosure itself. For both public housing tenants and former homeowners, failing to achieve or sustain homeownership has dire financial and social implications. One being that in both instances these families do not build equity that they can borrow against, which can be and has historically been instrumental for working class families to achieve socio-economic mobility.¹³

Not only is homeownership equated with achieving substantive citizenship, becoming part of the community or structurally assimilating in rhetoric, they are associated in *policy* as well. For example, when we compare the entire annual budget of Housing and Urban Development (HUD) with the cost of several tax expenditures (tax revenue lost from “tax loopholes”) for homeowners, this disparity in policy reveals itself. HUD funds local public housing authorities, voucher programs, first time homebuyer’s classes and other homeownership programs. On the other hand, the tax expenditures derived from credits, deductions and exemptions primarily used by the top two fifths of the income

¹³Some examples of borrowing against equity that would be *fundamental to socio-economic mobility*, would be borrowing to finance small business startup costs and higher education/credential attainment.

distribution in this country cost our government much more.¹⁴ The combined cost for 2011 calculated by the exclusion of capital gains on the sale of principal properties (\$16.5 billion), the mortgage interest deduction (\$93.8 billion) and the property tax deduction (\$22.8 billion) is \$1.331 trillion. Conversely, HUD's entire annual budget, much of which went to programs besides those that subsidize rental housing for the fiscal year 2011 was only \$41.6 billion.¹⁵ In fact in 2012 only \$3.96 billion from HUD's budget, coupled with another \$1 billion from local Public Housing Authorities (PHAs) was used to fund public housing specifically.¹⁶ This juxtaposition shows how policies work to promote, prioritize and *subsidize* single-family homeownership over rental housing. For those priced out and/or discriminated out of the housing market rental subsidies are sparse, due to the disproportionate underfunding of these programs. Additionally this funding disparity illustrates socio-economic preferences amongst our government even more when we consider there is little evidence that that these tax preferences actually increase or promote homeownership or the rates thereof.¹⁷ HUD however, can show that rental vouchers and site based public housing indisputably house those in need of affordable housing.

¹⁴ Rachel Bratt, Michael Stone, and Chester Hartman, "Why a Right to Housing Is Needed and Makes Sense: Editors' Introduction," *A Right to Housing: Foundation for a New Social Agenda*, ed. Rachel Bratt, Michael Stone and Chester Hartman (Philadelphia: Temple University Press, 2006), 1-17.

¹⁵ The Joint Committee on Taxation, "Estimates of Federal Tax Expenditures for Fiscal Years 210-2014." Last modified December 15, 2010.

¹⁶The Department of Housing and Urban Development, "Fiscal year 2012 Budget Summary." Last modified 2012. (accessed November 2, 2012). <http://portal.hud.gov/hudportal/documents/huddoc?id=2012BudgetOverview032011.pdf>.

¹⁷ John Fox, *If American Really Understood the Income Tax: Uncovering America's Most Expensive Ignorance*, (Boulder CO: Westview Press, 2004), chap. Myths and Realities: Tax Subsidies for the Family Home.

Some may reject these claims that homeownership is a vital indicator of civic standing by pointing out that in terms of formal political and civil rights, homeownership grants no preferential civic status; -in other words, that your rights as an American are not in any way distinguished *because* of your housing status. Consider that PHAs across the country ban private gun ownership among their tenants, denying tenants of their second amendment right to bear arms, tenants who go through careful Criminal Offender Record Information (CORI) checks to attain housing in the first place. Public housing tenants lose the right to have agency over the decision to house guests (see appendix A, page 137). Tenants can be evicted for having their own family members sleep over for more than 14 days a year. In the case of families being foreclosed on in non-judicial foreclosure states, like Massachusetts (states that require no judicial review before a financial entity forecloses) by Fannie Mae, Freddie Mac or other public institutions, these citizen lose their 14th amendment right to not be denied their “property, without due process of law.”¹⁸ It becomes increasingly clear that housing status does impact one’s constitutional rights and civic standing.¹⁹

Some may also assert that aside from a damaged credit score, foreclosure

¹⁸ The Library of Congress, “14th Amendment to the U.S. Constitution.” Last modified August 24, 2012. (accessed November 25, 2012).

<http://www.loc.gov/rr/program/bib/ourdocs/14thamendment.html>.

¹⁹ Jamie Wershale. “The Second Amendment Under a Government Landlord: Is There a Right to Keep and Bear Legal Firearms in Public Housing?” *St. John’s Law Review*. 84. no. 3 (2010): 1-60.

<http://scholarship.law.stjohns.edu/lawreview/vol84/iss3/5> (accessed October 19, 2012).

While some may feel this measure is somehow justified for the safety benefit of the community, consider the fact public housing tenants must pass CORI checks to become lease holders, while homeowners do not and market-rate renters may or not at the arbitrary whim of private landlords. This topic will be elaborated in greater depth in the chapter pertaining specifically to public housing tenants.

does not have significant legal or social repercussions. While much of the public discourse around foreclosures has become increasingly sympathetic to former homeowners in the midst of the economic crisis, consider a recent mandate put forth by the Massachusetts' Department of Housing and Community Development (DHCD). Under the heading "Ineligibility" the guidelines state that those who lose their "housing under an agreement for judgment in eviction proceedings" shall not be eligible for Emergency Assistance (EA) -a public, tax-funded service that provides temporary shelter for homeless families, unless the member responsible for the eviction is no longer a member of the household and the applicant has sufficient documentation to prove it.²⁰ Former homeowners displaced from post foreclosure evictions are now prohibited from receiving EA.

Public housing tenants who are evicted are also prohibited from receiving EA and banned from all other public housing. Massachusetts Governor Deval Patrick justified these changes, asserting that they represent a *housing first* model. DHCD Undersecretary, Aaron Gornstein explained the new regulations, saying "We believe it's so critical to focus on homeless prevention and creating new housing opportunities for these families, rather than [have them] go into emergency shelter."²¹ This policy draws a clear line in the sand, between the worthy and unworthy. Former homeowners and public housing tenants are put together on the wrong side of civic stratification.

²⁰ The Department of Housing and Community Development, "Eligibility for Emergency Assistance (EA)." Last modified September 17, 2012. (accessed November 25, 2012). <http://www.mass.gov/hed/docs/dhcd/hs/760cmr67.pdf>.

²¹ Maureen Turner. "Special Report: No Place to Live." *The Valley Advocate*, sec. NEWS, October 18, 2012. http://www.valleyadvocate.com/article_print.cfm?aid=15762 (accessed November 25, 2012).

While in this instance, the DHCD's guidelines may be a modern example of social welfare programs vilifying their would-be recipients, an historical and theoretical analysis helps define the longtime embedded relationship between private ownership and public rights. Karl Marx criticized the perceived difference between civil society (where property ownership enhances status) and the state (where it allegedly does not). He believed "The fragmented, conflictual nature of civil society with its property relations necessitates a type of politics which does not reflect this conflict but is abstracted and removed from it."- Marx meant that the power dynamics of civil society carry over into the realm of the state, where it is pretended that all citizens are granted equal rights.²² In historian Michael Katz's study of public and private poverty relief efforts in the 1800's, he describes exactly how one's standing in civil society granted philanthropic elites, the authority to regulate the housing of the poor. In the late 1800's, members of the private "Charities Aid Association" were permitted to inspect almshouses (privately funded "poor houses") on behalf of the public New York Board of State Charities.

These inspectors were not required to have any specific accreditation or accountability to the state. Their mere membership in philanthropic civil society granted them this authority in the public sector on behalf of the state.²³ Today this dynamic continues to play out in many ways as public housing has largely

²²Kar Marx I. *exploitation. A Dictionary of Marxist Thought*. Edited by Tom Bottomore, Laurence Harris, V.G. Kiernan, Ralph Miliband. Cambridge Ma: Harvard University Press, 1983.

²³ Michael Katz, *Poverty and policy in American History*, (New York NY: Academic Press, 1983), 188.

become the new poorhouse. Wealthy property owners wishing to keep single-family homes as the staple of their community's housing stock use their status to restrict zoning for multifamily houses. Wealthy homeowners assert themselves as primary stakeholders in the decision of where not only multifamily housing is allowed but what ought to happen to existing public housing as well.²⁴ The DHCD considers the testimony of clergy members (who have need no formal accreditation as counselors or social-workers) as evidence that women applying for EA, on the grounds that they are victims of domestic violence, are not frauds. The DHCD guidelines say "A household must verify that their current, and if applicable, their prior living situation is no longer available to the household and that there is no other feasible alternative housing for the household." Along with letters from clergy members they also accept letters from the Red Cross, a non-governmental charitable organization.²⁵

What is considered "expert" testimony (seemingly all but the testimony of the family actually applying for shelter) and modern charity workers who house many of those turned away from EA all demonstrate this power dynamic as well. Your position and rank in civil society can grant you un-or-under regulated authority over the housing of the lower classes.²⁶

²⁴ John Aubin, Comment on Aubin, "HHA Response to letter requesting changes to Hope VI application," *C.R.U.S.H. Citizen for the Revitalization* (blog), November 27, 2010, <http://holyoke.ning.com/profiles/blogs/hha-response-to-letter>.

²⁵ The Department of Housing and Community Development, "Eligibility for Emergency Assistance (EA)." Last modified September 17, 2012. (accessed November 25, 2012). <http://www.mass.gov/hed/docs/dhcd/hs/760cmr67.pdf>.

²⁶ The Department of Housing and Community Development, "Eligibility for Emergency Assistance (EA)." Last modified September 17, 2012. (accessed November 25, 2012). <http://www.mass.gov/hed/docs/dhcd/hs/760cmr67.pdf>.

A counter to these stark claims may be the instances of elite renters, i.e. wealthy, prestigious citizens who choose to rent in metropolitan areas like Manhattan. However, we must consider that working poor, working class and middleclass residents must rely on homeownership because their civic statuses are inherently suspect due to their socio-economic statuses, unlike the wealthy who *choose* to rent. I will show throughout this thesis with a multitude of examples of the relentless and most importantly, unavoidable policies and practices that govern PHAs, that the very nature of rental relationships between tenants and private market-rate landlords versus that of public housing tenants and PHAs are quite unequal. In the first two chapters I will lay out a historical foundation for the current civic stratification of those who fail to achieve or sustain homeownership. Though the histories of public housing and single-family homeownership in the U.S. are inextricably interrelated, for the sake of conceptual clarity they will be presented in their own chapters. After these chapters, the following two chapters will delve into the personal narratives of public housing tenants and former-homeowners and the policies and discourse surrounding their respective housing situations. The conclusionary chapter will bring the overlapping themes together in a discussion about the fundamental flaws in housing policies and discourses and how communities have and will disrupt and undermine them.

The housing we inhabit tells us volumes about our civic, political and economic standing in society at large. If we cannot attain and sustain homeownership we will never realize the autonomy and substantive citizenship it provides

CHAPTER 1
A BRIEF HISTORY OF STRATIFIED HOUSING:
HOMEOWNERSHIP

In much of the popular discourse surrounding the eruption of the foreclosure crisis in 2008, a considerable amount of blame was doled out upon former homeowners themselves. While banks receive their fair share of criticism for lending to “unworthy” or “irresponsible” borrowers, the dominant narrative described these former homeowners as such. Consider the Saturday Night Live sketch (which was soon pulled from YouTube and the NBC website after it aired) that epitomized this popular analysis. It depicted a satirical Nancy Pelosi and Barney Frank trying to reveal the “true” victims of the crisis by interviewing former homeowners. *Pelosi* introduces two former homeowners saying “behind every home foreclosure, there is a story of real suffering by real Americans...Michael McCune and Jerome Gant, two ordinary Americans whose only crime was to play by the rules and now find themselves facing eviction from their homes.” She gestures her hand toward the, *would be* sympathetic victims. *Michael* begins “I don’t know how this happened to me. I fit all the criteria for a subprime mortgage.” *Michael* and *Jerome* then begin taking turns listing these *qualifications*- “No credit history”, “No job”, “Minor criminal record”, “Dishonorable discharge from the army”, “Drug problems”, “Gambling addiction.” Lastly *Michael* adds “Pregnant girlfriend-actually two pregnant

girlfriends” then *Jerome* playfully counters “[I have] just the one”.²⁷ The joke is, of course, that these former homeowners, as it turns out are not at all sympathetic characters.

If one were to accept this narrative of the crisis, one of the first questions they would have to ask themselves is, *what then can explain the unprecedented volume of irresponsible borrowing in the years leading up to 2008*. To answer this question, one will soon discover that it was not the nature of individuals that explicably changed, but that of the mortgage lending paradigm.

The History of Mortgage Lending Policy

Access to homeownership in the U.S. has been expanding for nearly a century, yet this expansion has never been an *even* one. Before the creation of the Federal Housing Administration (FHA) the mortgage market was left in a state of instability following the Great Depression. Mortgages at this point in time often required down payments as severe as 50% with loan repayment time tables as short as 5-10 years.²⁸ Not only were these mortgages highly inaccessible for most Americans there was not a lot of demand for them. Homes that had been sold before the creation of the FHA were being foreclosed on at alarming rates in the late 1920’s and early 1930’s. The number of foreclosures nationwide jumped

²⁷ “C-Span Bailout.” *Saturday Night Live Videos*. NBC. 2008. Web, <http://www.nbc.com/saturday-night-live/video/cspan-bailout/727521>.

²⁸ *Race: The Power of an Illusion*.dvd. California. California Newsreel, 2003.

from 78,356 in 1926 to a staggering 271,996 in 1933 preceding the Housing Act and the creation of the FHA which came a year later.²⁹

Housing moved to the forefront of policy initiatives in the context of the Great Depression because of staggering rates of foreclosures, home building and loan association and bank failures and a cessation of residential construction. President Hoover held the Conference on Home Building and Homeownership in December 1931 to address these issues. Political leaders and real estate elites came together to discuss strategies to resuscitate a dying industry. They came to the conclusion that institutional mechanisms and national policies were needed to stabilize the market and create consumer demand for the market by making homeownership more affordable and accessible. The NAREB, the National Association of Building Owners and Managers and even the Mortgage Bankers Association of America were all pushing for government intervention (in terms of loan insurance) and regulation to reduce down-payments and extended repayments timetables. In 1932 the Hoover administration established the Federal Home Loan Bank (FHLB) Act which created the long-term fully amortizing mortgage, promoted low interest rates and used federal subsidies to aide private developers in home construction and reduce construction costs. A year later the Home Owner's Loan Act was passed creating the Home Owners Loan Corporation (HOLC), the first institution to create a systemized, nationwide appraisal system. Every block in every city would receive a rating to indicate the

²⁹Kevin Fox, *Race, Real Estate, and Uneven Development: The Kansa city Experience, 1900-2000*, (Albany NY: State University of New York Press, 2002), chap. The Development of the Modern Mortgage System.

credit-worthiness of housing to be financed in its parameters. Each block was given one of four ratings, the best going to all white upper middle-class neighborhoods. These policies culminated with the National Housing Act of 1934 forever changing the way the U.S. government involved itself in promotion of single family homeownership. Before Hoover's initiatives, the only national involvement the government had with housing was the Federal Land Bank system in 1916 and publically constructed military housing during WWI.³⁰

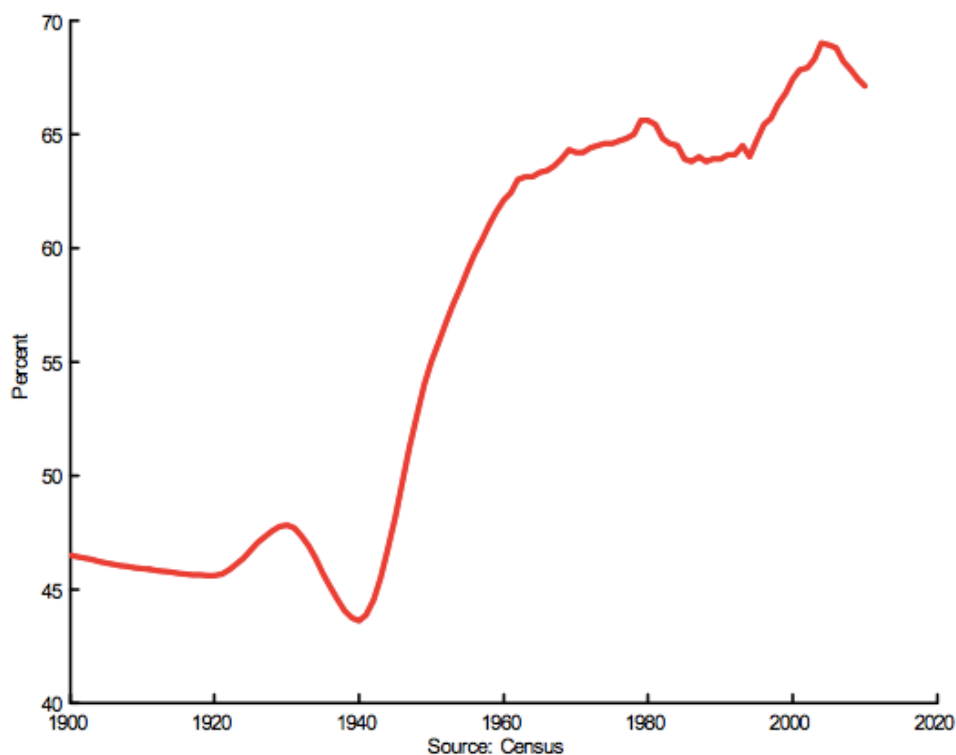
After the National Housing Act of 1934, the FHA made access to homeownership a *national priority* by insuring mortgages and loans used for new home construction. Soon the 30 year, fixed rate, fully amortizing home loan became the staple of the mortgage lending paradigm. In addition, in 1944 the Veterans' Administration (VA) through the GI bill began insuring/guaranteeing home loans to veterans. An influx of veterans returning from WWII began to take advantage of this program. At the same time the emergence of the standard tax deduction also impacted how America subsidized and still subsidize single-family homeownership.³¹ Currently, a taxpayer who itemizes their income tax return can deduct the interest they paid on their mortgage (up to \$1 million for single filers and \$0.5 million for married filing separately) throughout the year on a *qualified* home, meaning among other things a *single-family home*. A two family home in

³⁰ Kevin Fox, *Race, Real Estate, and Uneven Development: The Kansas City Experience, 1900-2000*, (Albany NY: State University of New York Press, 2002), chap. The Development of the Modern Mortgage System; Hutchison, Janet. "Shaping Housing and Enhancing Consumption." 2000. In *From Tenements to the Taylor Homes: In Search of an Urban Housing Policy in Twentieth-Century America*, edited by Roger Blies, John Bauman, and Kristin Szylvan, 81-101. Philadelphia, PA: Penn State Press, 2003.

³¹ John Fox. *If Americans Really Understood the Income Tax: Our Most Expensive Ignorance*. (Boulder: Westview Press, 2001).

which the owner lived in one unit would be ineligible for the deduction, which demonstrates the policy preferences for subsidizing the single-family home in particular.³²

Figure 2. Homeownership Rates from 1900-2010



Homeownership was no longer restricted to America's wealthiest families. From 1940 to 1960 alone, the homeownership rate increased by 18%.³³ It had been structurally endorsed and subsidized through a number of governmental avenues: the FHA, the GI Bill and tax deductions. Suburbs and the single-family

³² The IRS, "Part I. Home Mortgage Interest." (accessed December 1, 2011). <http://www.irs.gov/publications/p936/ar02.html>.

³³ Mathew Chambers, Carlos Garriga, and Don Schlagenhauf. Florida State University Economics Department, "Did Housing Policies Cause the Post-War Boom in Homeownership? A General Equilibrium Analysis." Last modified February 2011. (accessed November 24, 2012). <http://www.philadelphiafed.org/research-and-data/events/2011/macroeconomics-across-time-and-space/papers/chambers-garriga-schlagenhauf.pdf>.

homes that lined their streets became and still are the icons of the American *middleclass*.

Discriminatory Mortgage Lending Policies

Unfortunately, class standing was not the only obstacle to homeownership. Race was a tremendous *structural* barrier to homeownership. J.C. Nichols Company, a prominent community builder in Kansas City, led the way in creating and utilizing proactive restrictive covenants in their subdivisions. This would only be an example of the government *allowing* discrimination, not facilitating it if J.C. Nichols himself had not helped create the FHA, the Urban Land Institute (ULI) and the National Association of Homebuilders (NAHB).³⁴ Race was as much a criterion for evaluating property as the tangible characteristics of the property itself. This was not despite efforts of the FHA, it was precisely because of the appraisal system instituted by the FHA. While many are familiar with the expression “redlining” and likely know it has something to do with housing discrimination, many are not familiar with the actual origins. The term originated from the color coded appraisal maps created by the FHA where neighborhoods dense with non-white inhabitants were encircled with ominous *redlines*. These were not maps made by a few prejudiced real estate agents. They were developed by the very government agency created to enhance access to homeownership. According to this agency, non-white neighborhoods were bad investments and allowing too many non-whites into urban or suburban neighborhood could make

³⁴Kevin Fox, *Race, Real Estate, and Uneven Development: The Kansas City Experience, 1900-2000*, (Albany NY: State University of New York Press, 2002), chap. The Racialization of Space.

it a bad investment too. Individual contractors, real estate agents and lenders discriminated against blacks and other minorities whether or not they had a personal prejudice against minorities, because there was a financial incentive to do so.

This is not to suggest that there was not also tremendous discrimination being promoted by individuals and non-governmental organizations as well. Homeowner's associations applied reactive (toward the prospect of changing neighborhood demographics) and restrictive covenants to make their neighborhoods more racially homogeneous as well. Some associations were quick to raise money and buy out black homeowners and/or landlords who had the *gall* to rent to blacks then apply racially discriminatory covenants to the newly seized housing stock. These associations lobbied their local governments to make sure black neighborhoods were contained by closing off roads that would make white and black neighborhoods accessible to each other. Blacks were given pseudo eviction notices in Kansas City by homeowner associations, warning blacks that they had 30 days to vacate or face death. These strategies, while not being directly implemented by the government were recommended, designed and spurred by professional real estate firms and community builders such as J.C. Nichols Company, the very company at the helm of creating the FHA.³⁵

The following history of urban blight, white flight, and suburbanization deserve their own encyclopedia. I will only draw attention to a few areas of

³⁵Kevin Fox, *Race, Real Estate, and Uneven Development: The Kansas City Experience, 1900-2000*, (Albany NY: State University of New York Press, 2002), chap. The Racialization of Space.

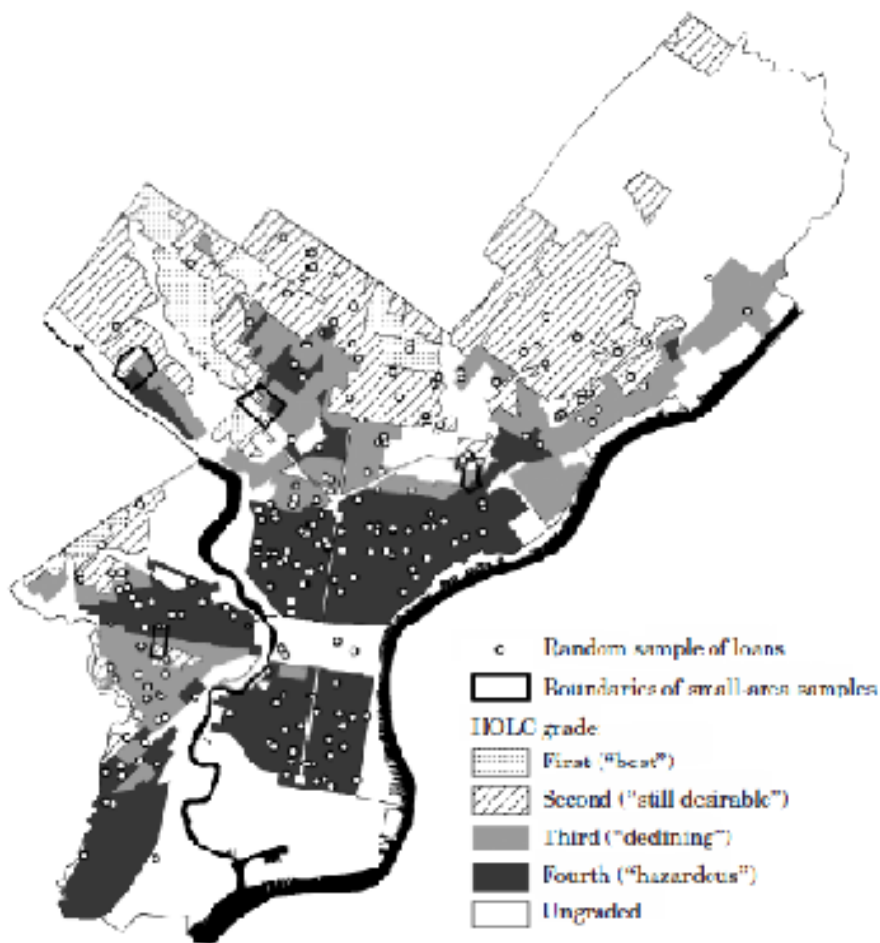
concern here. The interstate highway system and other government funded infrastructure construction abetted this process of housing polarization. Postwar suburbanization may have initially been spurred by an actual demand for housing. Yet since then, suburbanization and the single-family home construction that exemplifies it, has become less of an intrinsic result of population growth or actual demand. It is propelled by both profit seeking developers and homebuyers hoping to move a little further out of the city. Cities across the U.S., including Springfield Massachusetts illustrate this with their first tier suburbs surrounding the city nearly abandoned, while at the same time new synthetic cul-de-sac neighborhood are being laid down on the outskirts of the metropolitan area. Consider the current overabundance of housing in the US. According to the US Census bureau there are approximately 18.5 million vacant homes.³⁶ Yet, it is estimated by the National Law Center on Homelessness and Poverty that only 3.5 million people are homeless.³⁷ Even if every homeless person was housed with their own home, there would still be 12 million empty, arguably unneeded homes.

Those who have been excluded from homeownership have paid a steep price to pay for that exclusion. Census data (2010) showed that home equity for average American homeowners was their largest single asset, comprising on

³⁶ U.S. Census Bureau News, Residential Vacancies and Homeownership in the Second Quarter 2012 (July 27, 2012), <http://www.census.gov/housing/hvs/files/qtr212/q212press.pdf>

³⁷ Facts and Figures: The Homeless." *NOW on PBS* (blog), June 06, 2009. <http://www.pbs.org/now/shows/526/homeless-facts.html> (accessed October 27, 2012).

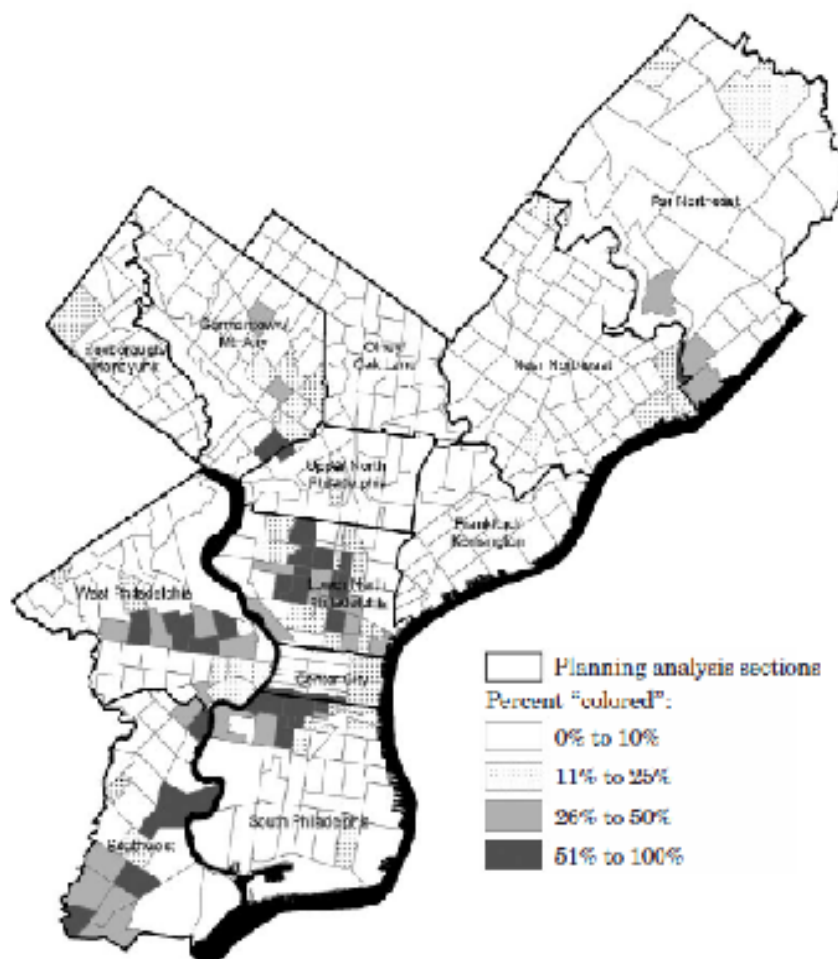
Figure 3. Appraisal Map Ranking by “Hazard”



(These pictures of Home Owners Loan Corporation [HOLC] appraisal maps of Philadelphia in 1937 show how race was used as an appraisal criterion. The first maps ranks areas according to “hazard” and the second is according to percent of “colored” people from census data. Hazardous areas are non-white areas)³⁸

³⁸ Amy Hillier. University of Pennsylvania Scholarly Commons, “Spatial Analysis of Historical Redlining: A Methodological Explanation.” Last modified 2003. (accessed November 24, 2012). http://repository.upenn.edu/cgi/viewcontent.cgi?article=1008&context=cplan_papers&sei-redir=1&referer=http://www.google.com/url?sa=t&rct=j&q=historical%20redlining%20maps%20scholarly%20articles&source=web&cd=1&ved=0CC0QFjAA&url=http%3A%2F%2Frepository.upenn.edu%2Fcgi%2Fviewcontent.cgi%3Farticle%3D1008%26context%3Dcplan_papers&ei=3mOxUlvDE6jI0QHj0YGABQ&usg=AFQjCNE_IAb0vLi2O0MedplmejXYyYz_w

Figure 4. Map Ranking by Percent of “Colored” People



average 42% of a household's net worth.³⁹ Currently with declining real-estate values and 28.5% of homes under water nationally (meaning more is owed on a house than it is worth in the current market), it may not seem prudent to borrow against one's home equity.⁴⁰ However, it cannot be ignored that it has been the *modus operandi* for the financing of college educations, business start-ups, home maintenance and repairs for the middle class. In historically failing to achieve

³⁹ Thomas Sowell, *The Housing Boom and Bust*, (New York NY: Basic Books, A Member of Perseus Books Group, 2010), chap. 1.

⁴⁰ Elliot Njus. "32.3 percent of Portland-area homes underwater -- as mortgages exceed what homes would sell for." *The Oregonian*, November 29, 2011. http://www.oregonlive.com/business/index.ssf/2011/11/323_percent_of_portland-area_h.html (accessed November 29, 2011).

homeownership or being denied it based on class and/or race discrimination, one is also missing out on the accumulation of equity and the socio-economic mobility it can finance. It is estimated that the “current generation of blacks will lose out on \$82 billion in equity due to institutional discrimination.”⁴¹

The Fair Housing Act of 1968 did not reconcile injustices of the past. While it outlawed explicit discrimination it provided no *counter incentives* to compensate for years of *financial incentives* to discriminate.⁴² Worse still, zoning laws could nevertheless discriminate against minorities implicitly (when minorities are disproportionately represented in lower classes) and lower classes somewhat explicitly through refusing to zone for multifamily dwellings and the establishment of minimum acreage requirements. Another *creative* response to the Fair Housing Act was a practice known as *blockbusting*, where minorities would be steered by real estate agents into suburban neighborhoods that already had some minorities present. At the same time real estate agents took advantage of fearful whites who saw the racial composition of their neighborhoods rapidly changing, by buying their houses at bargain prices and then marking them up for desperate minorities. If anything changed drastically because of the Fair Housing Act, it was the way in which discrimination was done, no the extent to which it was done.⁴³

The Mortgage Crisis of 2008

⁴¹ Robert Westley. “Manny Billions Gone.” *Boston College Law Review*, June 1999

⁴² *Race: The Power of an Illusion*. dvd. California. California Newsreel, 2003.

⁴³ Michael Danielson, *The Politics of Exclusion*, (New York NY: Columbia Press, 1972), chap. Suburban Autonomy.

When the doors to homeownership were finally flung open to many of those who had been historically excluded, it was not the same market. The mortgage lending paradigm had changed in ways few Americans and most importantly few new homeowners understood. Karl Marx may have foreseen this shift however. In *The Communist Manifesto*, he warned that capitalism would create periodic crises and that the bourgeois response would be to diminish “the means whereby crises are prevented.”⁴⁴ This is exactly what happened in the US during the 1980’s when two important legislative shifts forever changed the mortgage lending paradigm. In response to declining numbers of home purchases, presumably caused by high interest rates (from 7.38% in 1972 to 13.74% in 1980) Congress passed legislation eliminating interest rate caps. The second cataclysmic piece of legislation passed by Congress in 1982 allowed mortgage products other than 30 year fixed rate fully amortizing loans to enter the marketplace. Espousing the belief that the free market would promote an “Ownership Society” as former president Bush referred to it, in 2004 Julie Williams, the chief counsel for the Office of Comptroller of the Currency celebrated the liberalization of the mortgage market. She asserted that “the rise of the subprime segment... [is] advancing homeownership, especially for minority Americans.”⁴⁵

The decline in the enforcement of the Glass-Steagall Act of 1932 and its eventual repeal in 1999 also had dire consequences for the mortgage lending paradigm. Following the Great Crash of 1929 where one in five American banks

⁴⁴ Karl Marx, and Friedrich Engels. *Manifesto of the Communist Party*. in *The Marx-Engels Reader*. edited by Robert C. Tucker, (New York. London: W.W. Norton & Company, 1979).

⁴⁵ Kathleen Engel , and Patricia McCoy. *The Subprime Virus: Reckless Credit, Regulatory Failure and Next Steps*. (New York NY: Oxford University Press, 2011).

failed, there was an increasing skepticism amongst Americans that banks could effectively regulate themselves. Many politicians viewed rampant market speculation as a leading cause of bank failures. This was the context within which the Glass-Steagall legislation was born. It was implemented to prevent commercial banks from underwriting securities. In other words banks had to choose between commercial banking activities such as making loans, holding bank accounts or investment banking activities such as underwriting stocks and bonds. In 1986 the Federal Reserve Board reinterpreted section 20 of the Glass-Steagall Act, which prohibits commercial banks from being “principally” involved in securities banking, to allow some such activity. It was decided that commercial banks could have no more than 5% of their gross revenue from investment activities. This started a slippery slope toward repeal. A year later the Federal Reserve Board expanded the level of gross revenue that could be gained through securities activities from 5% to 10%. In 1989 the Federal Reserve Board approved an application from J.P. Morgan, Chase Manhattan, Bankers Trust and Citigroup to allow commercial banks to start dealing in debt and equity securities. Again the percentage limit of gross revenues from investment activity was expanded with Alan Greenspan’s endorsement in 1996 to 25%. Eventually, after 25 years, 12 attempts and 300 million spent on lobbying efforts Glass-Steagall was repealed three years later.⁴⁶ In this context Marx would have been correct, as the solution to declining home purchases was to deregulate markets leading to an

⁴⁶ “The Long Demise of Glass-Steagall.” *The Wall Street Fix*. <http://www.pbs.org/wgbh/pages/frontline/shows/wallstreet/weill/demise.html> (accessed October 27, 2012).

inevitable crisis. One former homeowner commented on the emergence of conglomerate national banks, saying:

Back in the day when you had a relationship with the bank you could go to the manager who knew your name who knew your circumstances who had dealt with you all your life and would work with you because he had something to lose by you defaulting now a days nobody gives a shit...If we still had little banks this would have never happened.⁴⁷

The aggregate effect of these legislative forces was a drastic alteration of the traditional mortgage lending paradigm and its mainstay -the 30 year fixed-rate fully amortizing mortgage. Exotic mortgages, mortgages that featured radically different lending schemes, proliferated.⁴⁸ Unlike traditional credit which makes money off of interest paid on debts, exotic mortgages posed an entirely new set of incentives and risks. In traditional lending schemes, money is lent with the expectation of repayment. When lenders were liable for borrowers' defaults, they were not only careful about whom they lent to, but they were also careful that their loan products were reasonably compliable. In the era of exotic mortgages however, compliable terms of the loan and expectation of repayment became increasingly irrelevant to a lender's ability to profit. In some circumstances these considerations actually hindered a lender's ability to profit as the goal was to flip as many loans as possible. When borrowers couldn't pay their loans they would be compelled to refinance, at which time brokers could get additional fees.

Instead of servicing and underwriting a loan, as banks had traditionally done, lenders were now careful to sell off unaffordable mortgages as quickly as

⁴⁷Ernie L. Interviewed by Marcella Jayne. digital recording. Holyoke MA. July 19, 2012

⁴⁸ Some examples of exotic mortgages would be, reverse equity mortgages, balloon payment mortgages, adjustable rate mortgages and sub-prime mortgages.

they could. They tossed risk to the next institution, like a game of hot potato. Sometimes lenders only held the loan for a matter of seconds after its origination. Many exotic mortgages were then pooled into Collateralized Debt Obligations (CDOs) where investors could buy and trade them. Between 2000 and 2006 Countrywide's securities trading volume went from \$647 billion to \$3.8 trillion.⁴⁹ Additionally, investors could purchase Credit Default Swaps (CDSs) essentially taking out insurance on CDOs, whether they owned them or not. Wells Fargo even took out CDSs on the very same CDOs they sold, basically betting against their own customers.

Increasing volume became the lender's primary goal, not sustainability of the loan. In this new mortgage lending paradigm by creating complicated and un-compliable loans, lenders could rely on desperate borrowers to refinance into new (unaffordable) loans. This perpetuated the epoch of increased volume and profit for lenders and increased debt and economic instability for borrowers. Borrowers were misguided by their *common sense* grounded in cultural and economic traditions. They had seen generations of homeowners before them purchase homes and trusted in the integrity of the lending institutions, without understanding how neoliberal policies, policies that favored the liberalization of housing and home-loan markets had drastically shifted the mortgage lending paradigm.⁵⁰ The same lobbies that had once pushed for regulation after the mortgage crisis of the 1930's Great Depression had successfully and gradually eroded these regulations which resulted in the mortgage crisis of the 2000's.

⁴⁹ Countrywide was a leading subprime lender, they were latter bought by Bank of America.

⁵⁰David Harvey. *A Brief history of Neoliberalism*. New York NY: Oxford University Press, 2011.

CHAPTER 2

A BRIEF HISTORY OF STRATIFIED HOUSING:

PUBLIC HOUSING

The projects (the popular term for public housing complexes) are now synonymous with crime, poverty, death, single motherhood, welfare and illegal drugs. They have become the 20th century re-creation of the poorhouse.⁵¹ Protagonist families on television sitcoms rarely if ever live in the projects. Rather in mass media the projects have become the catch all crime scene. They are depicted as the towering dwellings of antagonists of all sorts -rapists, drug dealers and welfare frauds. At best popular narratives compel us to feel pity for project tenants. Only by moving out of the projects do tenants have the chance to become protagonists and only precisely because they have done so.

The very term “culture of poverty” which refers to the concept that the learned behaviors of the poor perpetuated a cycle of poverty, was coined by Oscar Lewis, an anthropologist studying a Puerto Rican family in New York City’s public housing in the 1960’s.⁵² This idea that poverty was cyclical and that the poverty of one generation could be attributed to the ethics, culture norms and

⁵¹Gail Radford. “The Federal Government and Housing During the Great Depression.” 2000. In *From Tenements to the Taylor Homes: In Search of an Urban Housing Policy in Twentieth-Century America*, edited by Roger Blies, John Bauman, and Kristin Szylvan, 102-120. (Philadelphia, PA: Penn State Press, 2003).

⁵² Larry Bennett, “Transforming Public Housing” in *The New Chicago: a Social and Cultural Analysis*, edited by John P. Koval, et. al. (Philadelphia: Temple University Press, 2006), 269-276 .

morals learned from the previous generation is still widely held. The property manager at the Lyman Terrace housing project in Holyoke, Massachusetts spoke with disapproval while talking about those who live in the projects, he claims, one generation after another. It is such a prominent view of public housing -that tenants do or ought to aspire to move from public housing to market-rate housing- that when I asked my interviewees what was objectionable about multiple generations living in public housing, my question was always followed by a long pause and incredulous stare. The idea that no one should or does truly want to live in public housing is embedded in our common sense to such a degree, that my question is rarely if ever taken seriously.

The History of Public Housing Policy

It is difficult to imagine a time when public housing did not represent all that it does today. At one time it was not the slum -it was in fact *the answer* to the slum. Before the creation of federally funded public housing many poor families did not have access to what we would now consider basic amenities, such as running water and electricity. Public housing provided tenants with truly affordable housing (computing rent as one third of a tenant's gross income) equipped with bathtubs, sinks, heat and even laundry facilities. In 1940, as President FDR spoke at the unveiling of the first federally funded housing project completed in the United States in Atlanta, Georgia (the Techwood Housing Projects), he declared "Within a very short time people who never before could get a decent roof over their heads will live here in reasonable comfort and

healthful, worthwhile surroundings.”⁵³ Like the creation of Social Security, public housing was a leap toward creating a basic social safety net for Americans.

Like many initiatives of the New Deal however, public housing increasingly fell out of favor with policymakers. Proponents of Keynesian economics understood that unemployment and periodic recessions were a necessary consequence of capitalism and believed government spending was crucial in creating economic stability and spurring private sector growth. When workers were unemployed the demand for the products they consumed would diminish accordingly. Therefore, they saw ensuring decent living conditions for all Americans through the creation of public housing as essential in creating a healthy country and economy. Unfortunately for those who benefited from these programs, this view was only dominant in an all-too-short and long gone blip of U.S. history. Whether or not public housing became a mechanism of class and race-based containment and control as some critics and tenants have argued, it at one time offered an alternative to the horrors of slum living. It did not *define* them. Public housing was a dream realized, until years of disfavor, campaigns to dismantle it, inadequate funding and general negligence (often incentivized) left it to descend into what it is today.

Soon after its implementation, disdain for public housing manifested itself in the stagnation of new public housing constructions and then later in the pressure to maximize efficiency with space and cost, changing the way public

⁵³ James Tracy, “Hope VI Mixed-Income Housing Projects Displace Poor People”, Race, Poverty and the Environment a journal for social justice and environmental justice pdf www.urbanhabitat.org

housing was constructed. The Lyman Terrace housing project in Holyoke, Massachusetts is the fifth oldest housing project in the U.S. and dramatically differs from the quintessential high-rise projects of Chicago and New York. When we compare the first public housing constructions like Lyman Terrace with those of the 1950's and 1960's, the result of the pressure to maximize efficiency is shown through the stark juxtaposition of shape and design. Built in the late 1930's, Lyman Terrace is made up of 18 barrack style, two-story brick buildings. Most of the units are town houses with two floors. There are courtyards between the barracks and modest sized fenced-in backyards. Resource scarcity caused by WWII soon put an end to constructions like Lyman Terrace. For instance, from 1946-1947 construction costs doubled.⁵⁴ After the initial investments in public housing in the 1930's and before the *rise* of the high-rise there was virtually no new construction of public housing.

The Taft-Ellender-Wagner Housing Act of 1949 was meant to revive public housing initiatives after WWII. However, it only featured new construction as an adjunct to slum clearance and downtown revitalization.⁵⁵ Regardless, public housing was nevertheless unpopular amongst a Congress weary of social welfare spending. The Act was intended to provide funding for the construction

⁵⁴ Larry Bennett, "Transforming Public Housing" in *The New Chicago: a Social and Cultural Analysis*, edited by John P. Koval, et. al. (Philadelphia: Temple University Press, 2006), 269-276 .

⁵⁵Gail Radford . "The Federal Government and Housing During the Great Depression." 2000. In *From Tenements to the Taylor Homes: In Search of an Urban Housing Policy in Twentieth-Century America*, edited by Roger Blies, John Bauman, and Kristin Szylyan, 102-120. (Philadelphia, PA: Penn State Press, 2003).

Figure 5. Aerial View of Lyman Terrace



of 135,000 units of public housing but twelve years later only 35,000 units had been built. When President Dwight Eisenhower took office he added provisions to the Act to increase slum clearance and requested funding for only 35,000 new units. In his lame duck session he did not request funding for any more units and warned that public housing posed a “deadly drift” toward socialism. His main objective regarding public housing became “finding a fair and feasible way to terminate the program” as Albert Cole the chief administrator of the Housing and Home Finance Agency put it.⁵⁶

The unpopularity of government spending on public housing did not entirely end the construction of much needed units (especially in light of so much slum clearance), but it did alter them significantly. In the 1950’s Le Corbusier, a Swiss architect revolutionized public housing construction with his “Tower in the Park” design. This design was based around the goals of efficiency. Instead of building out as Lyman Terrace had been, this design built up *and up*. The first

⁵⁶ Larry Bennett, “Transforming Public Housing” in *The New Chicago: a Social and Cultural Analysis*, edited by John P. Koval, et. al. (Philadelphia: Temple University Press, 2006), 269-276 .

high-rise project appeared in New York City, but they soon sprouted up in other large, dense, black inner-city neighborhoods in every major city in the country.⁵⁷

One of the most iconic examples of the “Tower in the Park” design was the Robert Taylor Homes in Chicago.⁵⁸ It was the largest construction of its kind at the time, featuring 28 separate 16 story buildings housing 27,000 tenants, 20,000 of whom were children. It did not take long for the flaws of these buildings to reveal themselves. In Larry Bennett’s piece, “Transforming Public Housing,” Catherine Bauer, a prominent housing reformer, says “Life in the usual public housing project is just not the way most Americans want to live.” In the Chicago Daily News soon after its construction a Taylor Home tenant remarked “We live stacked on top of one another with no elbow room. Danger is all around. There is little privacy or peace and no quiet. And the world looks on all of us as project rats living on a reservation like untouchables.” Tenants in these projects did not have private entry ways into their units and almost no green space. Elevators and lighting for the looming hallways broke and fell into disrepair soon after their construction. In addition, the long unlit hallways became increasingly dangerous as police often underserved the minority neighborhoods where public housing was almost exclusively built.⁵⁹

⁵⁷Larry Bennett, “Transforming Public Housing” in *The New Chicago: a Social and Cultural Analysis*, edited by John P. Koval, et. al. (Philadelphia: Temple University Press, 2006), 269-276 .

⁵⁸Radford, Gail. “The Federal Government and Housing During the Great Depression.” 2000. In *From Tenements to the Taylor Homes: In Search of an Urban Housing Policy in Twentieth-Century America*, edited by Roger Blies, John Bauman, and Kristin Szylvan, 102-120. (Philadelphia, PA: Penn State Press, 2003).

⁵⁹Larry Bennett, “Transforming Public Housing” in *The New Chicago: a Social and Cultural Analysis*, edited by John P. Koval, et. al. (Philadelphia: Temple University Press, 2006), 269-276 .

In fact by 1968, 91% of all public housing was located in black neighborhoods. The separation of these neighborhoods was often punctuated by highways. The fourteen-lane Dan

Figure 6. Robert Taylor Homes and the Dan Ryan Expressway



Ryan expressway divided the Taylor Homes project and its black neighborhood from the adjacent white neighborhood *and its resources*. Eventually on November 10, 1962 President John F. Kennedy signed executive order 11063, mandating the prevention of discrimination with regard to location of housing provided wholly or in part by federal funds. However, his order excused all current constructions and those that had already been planned. Even when the order had jurisdiction over new constructions, Public Housing Authorities (PHAs) only complied erratically with the regulation.⁶⁰

When the flaws of high-rise design and the discrimination implemented through site placement became indisputable—even advocates of public housing were voicing numerous concerns with its current state—a new theory and

⁶⁰Larry Bennett, “Transforming Public Housing” in *The New Chicago: a Social and Cultural Analysis*, edited by John P. Koval, et. al. (Philadelphia: Temple University Press, 2006), 269-276 .

correlating approach emerged. *Mixed-income housing* was an approach to public housing reflecting a *fair* criticism of the disparaging effect of public housing condensing and isolating the poor. However, mixed-income housing was also built on a *problematic* view of poverty's causation and a *veiled* agenda to reduce and disperse public housing.

Mixed-Income Housing Policy

The first attempt at mixed-income housing was made by the Chicago Housing Authority (CHA) with the renovation of the Lake Parc Place project. It was arguably more of a belated response to a successful lawsuit filed against the CHA by African American tenants in 1966, rather than an altruistic innovation that spurred the rhetoric of mixed-income housing. In the case *Gautreaux v. CHA*, public housing tenants challenged the CHA's discriminatory practices of the 1950's and 1960's. From 1957-1961 three massive, *tower-in-the-park*, housing projects had been built by the CHA in Chicago's already predominantly black south side.⁶¹ In fact, CHA's management took favor amongst the city council by allowing Aldermen to bar public housing developments in their districts.⁶²

After the lawsuit the CHA was in a state of shambles, facing mounting pressure from HUD, Chicago's elected officials and tenants to answer for its shortcomings. Vice President George H. W. Bush was even entertaining the idea of a federal takeover when Vincent Lane became the eighth executive director in

⁶¹Debra Shore. "The House That Gautreaux Built." *University of Chicago Magazine*, February 1995. <http://magazine.uchicago.edu/9502/Feb95Gautreaux.html> (accessed December 1, 2012).

⁶²Larry Bennett, "Transforming Public Housing" in *The New Chicago: a Social and Cultural Analysis*, edited by John P. Koval, et. al. (Philadelphia: Temple University Press, 2006), 269-276 .

seven years. He served as executive director of the CHA from 1987-1995 and sought to promote economic integration among blacks. He wanted to revive the kind of black neighborhood of his childhood: racially homogenous but diverse in terms of class. He reminisced, “There were working families there were families on welfare. It was a mixed-income community.” And this lack of income-diversity was increasingly blamed for exacerbating, if not partially causing many of the problems of the urban poor. Propelled by Robert Putnam’s theories of *social capital* and William Julius Wilson’s emphasis on cultural factors, the move to de-concentrate impoverished populations emerged. Despite a lack of evidence to support these claims, the idea was that if you could create mixed-income communities the unemployed poor would have the benefit of social capital, in other words “connections” from their neighbors. These connections would help them gain access to employment and educational opportunities. Working-class residents would also set a good example for their poorer neighbors by showing how delaying instant gratification would pay off in the long-run.⁶³

Vincent Lane was one the first prominent supporters of mixed-income housing. He addressed legal issues about the CHA’s legacy of discrimination and the Gautreaux lawsuit with his approach to the renovation of Lake Parc Place. His approach was not only innovative in that it aimed to develop mixed-income housing, but also in the way it varied from all other future mixed-income housing projects. Under Lane’s direction, the CHA renovated preexisting high-rise public

⁶³ D. Bradford Hunt, *Blueprint for Disaster: The unraveling of Chicago Public Housing*, (Chicago IL: The University of Chicago Press, 2009), chap. 10.

housing. Though the project was considered highly successful it was not duplicated.⁶⁴ Historical or otherwise, the preservation of existing public housing projects was not a prominent concern of policy makers. While privately owned homes and buildings have often retained some (legal or otherwise) identity as *historical buildings*, public housing has not.⁶⁵

Later HOPE VI became the star innovation of the mixed-income housing approach. It was a federal grant created by Congress in 1992, for the purpose of funding the demolition of “severely distressed” public housing projects and rebuilding mixed-income housing. Unlike the renovation of Lake Parc Place, mixed-income housing achieved through HOPE VI grants favored the *complete* demolition of existing projects. New developments were then rebuilt with suburban aesthetics. A major portion of the new units built were not designated for the low-income population that was eligible for public housing, but for those who could afford market-rate apartments.⁶⁶

The objective was to disperse and de-concentrate the poor who had previously lived clustered together. High-rises became two or three story buildings with rental units intermingled with owner-occupied homes and market-rate apartments. HOPE VI was supported with bipartisan support, as its methods

⁶⁴ Larry Bennett, “Transforming Public Housing” in *The New Chicago: a Social and Cultural Analysis*, edited by John P. Koval, et. al. (Philadelphia: Temple University Press, 2006), 269-276 .

⁶⁵ William Fulton, and Peter Calthrope, “The Region Is Neighborhood: Sprawl and the New Urbanism,” *American Urban Politics in a Global Age*, ed. Paul Kantor and Dennis Judd (New York NY: Longman, 2008), 345-351.

⁶⁶ US Department of Housing and Urban Development, “About HOPE VI.” Last modified 2010. (accessed November 18, 2012). http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/hope6/about.

spoke to the widely accepted assumption of the “culture of poverty”. In other words, a concentration of poor people meant a concentration of their social problems. PHAs and policy-makers often believed that middle-class residents would set a good example in terms of such seemingly insignificant things as lawn-care, to more consequential things as modeling career aspirations and strong work ethics. Critics had a less euphemistic perception of this view, contending that what this truly amounted to was outsourcing surveillance of the presumably deviant poor to the allegedly morally superior upper-classes.⁶⁷

Transforming Public Housing in Holyoke

On the other hand for tenants, HOPE VI rebuilds offered the hope for an opportunity to live somewhere that would be less likely to be utterly ignored by the police and the city-that is *if* they ever got the chance to return. One Lyman Terrace tenant I interviewed, Cosmey Rodriguez was displaced from the Jackson Parkway projects in Holyoke after the HHA received a HOPE VI grant in 1996 to revitalize them (demolish and rebuild mixed-income housing in their place), never to return. Though he felt that Jackson Parkway did have problems with their heating system, for instance he explained “black smoke was coming up from the floors,” nonetheless he felt the problems could have been fixed. The problem was not fixed and rather used as a justification to classify the projects as “severely distressed” in order to qualify for the HOPE VI grant. As we sat in 100 degree heat in his current 500 square foot apartment, now also being categorized as

⁶⁷ Paulin Lipman “Mixed Income Schools and Housing: Advancing the Neoliberal Urban Agenda”, *Journal of Education Policy* Vol. 23,2, March 2008, 119-134

“severely distressed” by the HHA, he explained how his move here in 1996 was supposed to be temporary. He said “I was comfortable at Jackson Parkway even though it had problems.” He had lived there for nearly 20 years. He explained “They made a promise to everyone that you can come back or if they didn’t have any room you would get a section 8 [voucher].” The HHA provided him with cash assistance to move to their other distressed property and nothing more. For the next few years he anxiously awaited the letter that HHA had promised to send him when Jackson Parkway was completed, telling him he could move back to his neighborhood. He is 74 and has asthma and high blood pressure. He explained that he was excited to move back and to be in a first floor unit. He would never receive any such letter.

The next time he would hear about HOPE VI from the HHA would be when they began the process of applying for the grant to demolish his current residence, Lyman Terrace.⁶⁸ The HHA has never publically announced exactly how many tenants displaced from Jackson Parkway returned, *if any*. However, it is clear that HOPE VI *has* displaced residents, as the *de-concentration of poverty* is one of its goals. Critics of the grant warned that often these large scale and indisputable displacements caused homelessness and put former-tenants into precarious housing arrangements. Attempts to document the migration of former residents have been difficult. The Urban Institute published a study in 2007 tracking residents from six HOPE VI sites in different cities across the country. While post demolition homelessness was shown ranging from only 0.7%-4%, the

⁶⁸Cosmey Rodriguez (pseudonym). Interviewed by Marcella Jayne. digital recording. Holyoke Ma, August 10,2012

definition of homelessness used in the study was unusually rigid. Homelessness was defined as *living in a homeless shelter or on the streets*, being *doubled up* was a separate category. When we combine these groups, under the umbrella of *homelessness*, post demolition homelessness numbers rise to 3.3%-10%.⁶⁹ The management of relocation efforts and funds is left to local housing authorities who may explain some of the variance in outcomes.

HOPE VI demolitions and rebuilds proliferated throughout the country, as did the slum clearances used to make way for the high-rise public housing before them. Even the fact that the Techwood project in Atlanta was the site of President Franklin Roosevelt's historic speech did not spare them demolition at the hands of HOPE VI.⁷⁰ As the goals of HOPE VI were "Changing the physical shape of public housing" and "Lessening concentrations of poverty by placing public housing in non-poverty neighborhoods and promoting mixed-income communities," they strongly influenced the physical composition of post demolition rebuilds.⁷¹ Not only was the preservation of historic public housing not a concern, neither was designing rebuilds in the historic mode of surrounding buildings.

⁶⁹ Debi McInnis, Larry Buron, and Susan J. Popkin "Are HOPE VI Families at a Greater risk for Homelessness?" *Metropolitan Housing and Community center* Brief No. 7, Urban Institute June 2007

⁷⁰ James Tracy, "Hope VI Mixed-Income Housing Projects Displace Poor People", *Race, Poverty and the Environment* ", *Journal for social justice and environmental justice* pdf www.urbanhabitat.org

⁷¹ "About HOPE VI" <http://www.hud.gov/offices/pih/programs/ph/hope6/about/>

Figure 7. HOPE VI Rebuild of Jackson Parkway



Though popularly endorsed for beautifying urban areas and raising property values, some critics contended that the goal of de-concentrating poor and marginalized populations was hardly altruistic. Rather, critics contended that this would also disrupt the ability of these communities to effectively organize.⁷² Whether or not this was true, there were ugly aspects of HOPE VI that could be empirically demonstrated as well. The most impactful of all is that over the grant's 20 plus year life span, it has funded significantly more demolition than construction and in doing so ultimately decreased the number of low-income public housing units. At Techwood alone 11,000 public housing units were demolished and only 300 replaced.⁷³

⁷² James Tracy, "Hope VI Mixed-Income Housing Projects Displace Poor People", *Race, Poverty and the Environment a journal for social justice and environmental justice pdf* www.urbanhabitat.org

⁷³ James Tracy, "Hope VI Mixed-Income Housing Projects Displace Poor People", *Race, Poverty and the Environment a journal for social justice and environmental justice pdf* www.urbanhabitat.org

The HHA received a HOPE VI grant in 1996. The grant, which was issued for the *revitalization* of Jackson Parkway, sponsored the demolition of 219 low-income rental units while only replacing 159. Additionally, 62 homes were built for the intent of selling to moderate-income families. While the inclusion of these 62 homes in the count of total units replaced would (slightly more than) equal the number demolished, residency in these homes would be inaccessible and unaffordable to most HHA tenants. The requirements to buy one of these homes was that a family have a gross income 80% or less of the national median income, be able to afford the house (prices ranged from \$70,000 -\$150,000 and were not adjusted according to family size or income) and have a credit score high enough to obtain a mortgage.⁷⁴ Therefore, the project fell short of including a unit-for-unit rebuild, which PHAs were increasingly pressured to do with HOPE VI grants.

Arguably, the worst aspect of the HOPE VI grant was that it created a financial incentive for PHAs to neglect their properties. Since public housing projects had to be “severely distressed” in order to qualify for the grant, hopeful applicants put basic renovations on hold, knowing that if their units were too decent they would be overlooked for the highly competitive grant. Ironically, the HHA’s executive director from 1979-2008 Raymond Murphy, while boasting about the Jackson Parkway transformation admitted that the HHA did not prioritize sustainable maintenance of their properties. On a web page dedicated to

⁷⁴Marcella Jayne, *HOPE VI: A Doorway to Opportunity*, unpublished paper (South Hadley: Mount Holyoke College, 2011), , chap. Where the Holyoke Housing Authority Addresses and Dismisses Concerns.

valorizing the HHA's role in turning Jackson Parkway's 219 units of low-income housing into less than a hundred units, Murphy commented:

The philosophy back then was that these apartments were for low-income people, so you only put money in the developments when it was absolutely necessary. As a result, we sent back millions of dollars in program money to the federal Department of Housing and Urban Development (HUD).⁷⁵

Tenants were excluded from the PHA decision-making process

surrounding modernization grants until the 1960's when President Johnson's War on Poverty stipulated tenant input. Tenant associations proliferated throughout the country and PHAs were required to have tenant representatives at the table. This shift did grant tenants more autonomy and control over their housing, however tenant involvement was often hindered by PHAs de facto appointing tenant representatives and even tenant association positions and using results from surveys conducted (often outdated) to justify policy decisions.⁷⁶ When the Teopfert project built in 1949, finally had a democratic tenant association election in 2011, those elected to positions faced retaliation. Tyrone Bowie, who was elected vice president of the association, says he almost immediately received an eviction notice. According to him the HHA went about raising the rents of tenant association members and began alleging these tenants were violating their leases for one dubious reason or another.⁷⁷

⁷⁵ Churchill Homes. (accessed December 28, 2012).

http://www.fhlbboston.com/communitydevelopment/profiles/churchill/housing_authority.jsp.

⁷⁶ Hunt, D. Bradford. "Tenants Revolt." In *Blueprint for Disaster: The Unraveling of Chicago Public Housing*, 213-37. Chicago, IL: University of Chicago Press, 2009.

⁷⁷ Bowie, Tyrone. Interviewed by Marcella Jayne. digital recording. Holyoke MA, September 18, 2012

Issues that could have been incrementally addressed over the years to bring units up to modern living standards were ignored and instead needed funds were diverted to grant writers and outside consultants. For instance, in Lyman

Figure 8. Lyman Terrace Exterior



Terrace's over 75 years of existence, insulation was never added to the units. To this day Lyman Terrace tenants still face the bitter New England winters without insulation. Bowie commented "They [the HHA] are worse than any slumlord that is in Holyoke...They don't take care of their properties and their attitudes are horrible to the communities they are *supposedly* helping."⁷⁸

A more sympathetic cause for PHAs to neglect their properties can be attributed to a problematic funding disparity between rental vouchers and public

⁷⁸ Holyoke Housing Authority, "Toepfert Apartments." Last modified 2010. (accessed December 8, 2012). <http://www.holyokehousing.org/node/24>; Tyrone Bowie . Interviewed by Marcella Jayne. digital recording. Holyoke MA, September 18, 2012

housing units. If a tenant using a rental voucher loses their income in whole or part, the federal government makes up for the loss and equivalently compensates the private landlord. In other words if a tenant was renting a market-rate apartment for \$800/month using a voucher and the rent, computed as 30% of their income was \$400 and then their hours were cut back and 30% of their income became only \$200, the voucher would compensate the landlord for \$600. The difference in income would not affect the private landlord and therefore not affect their ability to budget for maintenance and repairs. However, when the exact same thing happens, sometimes with multiple tenants in public housing projects, PHAs receive no additional funding the year of the loss. A multitude of examples suggest that even in the following year PHAs are unlikely to receive any compensation for the loss in revenue.⁷⁹ PHAs in this instance lose revenue that could be used to maintain and preserve their properties.

While federal funding was favoring HOPE VI demolitions and mixed-income rebuilds as the *only* investment into the construction of new public housing units, new market-based approaches to low-income housing were also proliferating. The Low-Income Housing Tax Credit (LIHTC) created in 1986 gave developers a tax incentive to build *affordable* housing. HUD proclaims on their website “The Low-Income Housing Tax Credit (LIHTC) is the most important resource for creating affordable housing in the United States today.” This program was endorsed with bipartisan support. However, many of the units

⁷⁹ Rachel Bratt, “Housing and Economic Security,” chap. 18 in *A Right to Housing: Foundation for a New Social Agenda*, ed. Rachel Bratt, Michael Stone and Chester Hartman (Philadelphia: Temple University Press, 2006).

built were not permanently slated to be low-income, as the credit only stipulates developers to keep their units affordable for fifteen years.⁸⁰

HUD estimates that out of the two million units of affordable housing created with the credit since 1987, one million are expected to be lost by 2020 as developers become eligible to convert their units to market-rate rentals.⁸¹ In addition, the definition of low-income used by grantees often barred those who made less than 30% of median income. For example, *The New Puffton Village* apartment complex in Amherst, Massachusetts which utilized the LIHTC

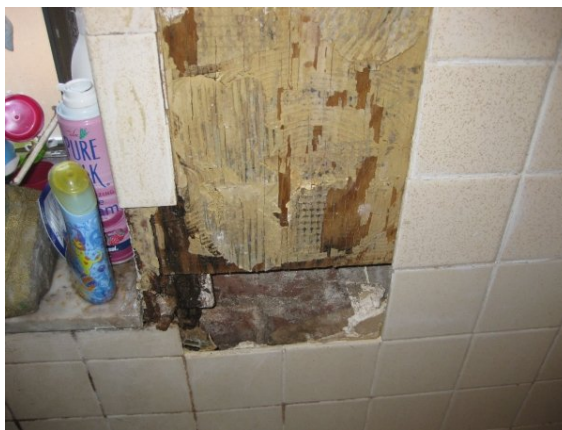
Figure 9. Kitchen in a Lyman Terrace Unit



⁸⁰ Department of Housing and Urban Development, "Low-Income Housing Tax Credits." Last modified August 17, 2012. (accessed December 1, 2012). <http://www.huduser.org/portal/datasets/lihtc.html>.

⁸¹ U.S. Department of Housing and Urban Development, "What Happens to Low-Income Housing Tax Credit Properties at year 15 and Beyond?" Last modified August 22, 2012. (accessed December 2, 2012). http://www.huduser.org/portal/publications/hsgfin/lihtc_report2012.html.

Figure 10. Bathroom Wall in Lyman Terrace Unit



and is affordable by HUD guidelines sets strict *minimum-income* requirements. In order to rent a one bedroom unit in the complex for \$880/month your household income has to be over \$30,721 a year. To rent a three bedroom for \$1,755/month you would have to have an income over \$60,171 a year. What makes this housing affordable is that the rent does not exceed HUD's evaluation of fair market value in the region and that it is insured that tenants will not be paying more than 30% of their income in rent-not by subsidizing rent but by screening the income of applicants.⁸²

In early 1999 rental voucher programs emerged as another market-based approach. These programs would offset the difference between a tenant's income and local market-rates for appropriately sized apartments. In this approach tenants would turn to the private or non-profit landlords to find suitable units where they could use their vouchers. Some argued that it offered renters more autonomy than

⁸² The New Puffton Village, "Puffton Village Floorplans and Virtual Tours." (accessed December 1, 2012). <http://www.pufftonvillage.com/floorplans.php>.

being relegated to public housing projects. Also there was the contention that vouchers worked to stimulate private housing markets. In 1999 Congress appropriated funds for 50,000 vouchers, in 2000 for 60,000, in 2001 it peaked to funds for 79,000 and then in 2002 funds were appropriated for only 26,000 new vouchers. Eventually, in the fiscal years 2003, 2004 and 2005 no new funds were appropriated. By 2006 with *fiscally conservative* Republicans dominating Congress HUD did not bother to request funding for new vouchers.⁸³

In 2010 HUD posted its last RFP (Request for Proposal) for HOPE VI. Like many PHAs throughout the country, the HHA gave up hope on ever using the grant to demolish and rebuild Lyman Terrace, the oldest standing public housing project in the country (as the four projects built before it have all been demolished since). But the pressure to do *something* with the project only intensified especially as a new young Mayor, Alex Morse, focused on revitalizing Holyoke's downtown where Lyman Terrace sits. On his campaign website he explained his strategy saying, "I will push to create an Arts and Entertainment District downtown that provides tax incentives to attract artists and

⁸³Rachel Bratt, Michael Stone, and Chester Hartman, "Why a Right to Housing Is Needed and Makes Sense: Editors' Introduction," *A Right to Housing: Foundation for a New Social Agenda*, ed. Rachel Bratt, Michael Stone and Chester Hartman (Philadelphia: Temple University Press, 2006), 1-17.

Figure 11. Holyoke Mayor Alex Morse in his Kitchen



entertainment enterprises to move into empty warehouses and factories.”⁸⁴

Soon after his election, Mayor Morse moved downtown into “Open Square”, an old mill building made into trendy business spaces and loft apartments. He gave the press a tour of his sprawling apartment.⁸⁵ Commentators applauded Morse for making the bold step of illustrating that downtown was safe enough to live in by doing it himself. Morse’s landlord, John Aubin,

⁸⁴ Alex Morse. Alex Morse for Mayor, “Creating Pride.” (accessed November 18, 2012). <http://www.morseformayor.com/creating-pride.html>.

⁸⁵Patricia Cahill. “Holyoke Mayor Alex Morse touts city living with press tour of his Open Square apartment.” *The Republican*, sec. Breaking News, April 11, 2012. http://www.masslive.com/news/index.ssf/2012/04/holyoke_mayor_alex_morse_shows.html (accessed November 18, 2012).

Figure 14. Holyoke Mayor Alex Morse in his Dining Room



reassured reporters that the area was safe and showed them all the artist spaces and businesses surrounding Morse's apartment.

Figure 15. Holyoke Mayor Alex Morse's Living Room



Like Christopher Columbus before him, Morse had managed to *discover* a region where multitudes of brown people were already living. Rumors began to spread that Aubin had stated that he could not do anymore development until Lyman Terrace (just over the canal from Open Square) was removed. Aubin had publically denounced the HHA's final HOPE VI application on the Citizens for the Revitalization and Urban Success of Holyoke (C.R.U.S.H.) website for not

considering his input enough, remarking “I believe that my neighbors...represent by far the largest group of private ‘stakeholders’ (measured by the number of buildings and by the total square feet of property owned by neighborhood property owners and developers) to weigh in on the Hope VI application.” Yet he was dismayed that the HHA “did not make any changes to the application based on the recommendations” he had made. He also posted links to “Just a few examples of what a HHA project in Holyoke could look like.”⁸⁶ One link led to a website for a for-profit development company specializing in historically cohesive redevelopment and new constructions of residential units in Washington D.C.⁸⁷ Another link led to a website for a similar company in St Louis Missouri, which rehabbed old brick buildings much like those of Lyman Terrace, into single family homes starting at \$169,000.⁸⁸ The last link he provided brought the ones before it together; it showed an example of HOPE VI being used to rehabilitate eight multifamily buildings into eight single-family owner-occupied homes.⁸⁹ In addition to Aubin’s alleged urgings, the Mayor also faced some pressure from tenants who had their hearts set, and aspirations hinged, on receiving rental vouchers they could use to leave the city or return to crisp new units had there been a HOPE VI demolition and rebuild.

⁸⁶ John Aubin, Comment on Aubin, “HHA Response to letter requesting changes to Hope VI application,” *C.R.U.S.H. Citizen for the Revitalization* (blog), November 27, 2010, <http://holyoke.ning.com/profiles/blogs/hha-response-to-letter>.

⁸⁷ The Neighborhood of EYA, “Harrison Square, Washington, DC.” (accessed November 29, 2012). http://www.eya.com/neighborhoods/harrison_square.

⁸⁸ North Market Living: Great City Living without the Lofty Price, “Crown Square.” (accessed November 29, 2012). <http://www.crownvillagestl.com/northmarket>.

⁸⁹ American City and County, “A new take on public housing.” Last modified November 7, 2008. (accessed November 29, 2012). <http://americancityandcounty.com/weeklysnapshot/newport-housing-11072008>.

The HHA proposed a new approach, “Demolition Disposition.” This is when a PHA receives federal funding to demolish a housing project in order to sell the land where it sat to a non-profit or for-profit buyer to be used for whatever the buyer desires. However, there may be cost incentives for those who plan to build housing and/or allocate a portion of it to affordable or low-income housing. Though this was always allowed by HUD, until the past ten years it had not been pursued by PHAs. Displaced tenants receive rental vouchers and presumably find suitable market-rate housing within the 90 day timeframe, after a proposal is accepted and the land handed over to the buyer.

In the case of the HHA, opposition quickly mounted against their intentions and the Mayor’s initial endorsement of the plan. Darlene, a former tenant in the 1970’s commented about the HHA’s view of tenants with regard to their plans for the project, saying:

Whatever it is they want to do with the projects, these individuals [tenants] are dispensable, they can move on. It doesn’t matter if it is traumatizing them [tenants], It doesn’t matter if they are going to suffer or endure hardships as a result of it...if they wanna come back, we [the HHA] might honor some of that, but if they don’t we are going to do what we [the HHA] want with the development.⁹⁰

First, there was the question of whether or not Holyoke even had suitable rental housing stock to sufficiently absorb upwards of 500 displaced tenants. How many would be displaced not only from the convenient downtown area but Holyoke itself? The racial implications of displacing hundreds of almost exclusively Puerto Rican residents from the downtown that a young, white, gay mayor was trying so

⁹⁰ Darlene (last name omitted). Interviewed by Marcella Jayne. digital recording. Holyoke MA, July 20, 2012

desperately to *revitalize* could not be ignored. High Street (the main downtown street) business owners, the majority of whom are Latino and cater to the downtown Latino community, did not ignore this fact either. Eventually, community pressure and the filing of an arguably ineffective class-action lawsuit compelled the Mayor to revoke his endorsement of the Demolition Disposition. Though it was questionable that his endorsement had influence over HUD's ultimate decision whether or not to allow the demolition disposition, the HHA rejected all responses to their RFP and halted all progress with their application soon after.

Lyman Terrace, like other *un-revitalized* housing projects rests in a precarious state of limbo. As public housing is demolished or neglected to the point of inhabitability, as natural disasters flood and destroy it and rebuilding efforts pass over it, and as billions are spent by the government subsidizing LIHTC complexes which do nothing to help house those living in poverty, proponents of low-income housing exhaust themselves fighting to keep each unit that remains. Yet the ironic and incoherent policy paradigm persists-if you work fulltime at minimum wage you cannot afford an apartment, not in any locale in the US. By HUD's own criteria for affordable levels- a household's rent is not supposed to exceed 30% of a household's total income.⁹¹ If you worked 40 hours a week at the federal minimum wage of \$7.25/hour your monthly income before taxes would be a whopping \$1160. Divide that number by three and you get what

⁹¹ Rachel Bratt, "Housing and Economic Security," chap. 18 in *A Right to Housing: Foundation for a New Social Agenda*, ed. Rachel Bratt, Michael Stone and Chester Hartman (Philadelphia: Temple University Press, 2006).

HUD itself considers to be an affordable rent payment for someone making this much money, \$386.66/month. States that have lower costs of living also have lower minimum wages, like Arkansas where it stands at 6.25/hour. Clearly, for many Americans *working hard* has little-to-nothing to do with their ability to find affordable housing, which for them would be *low-income* housing. And still the theory exists, that poverty is the result of deficient and defective cultural values. And still this theory is applied to housing policies. In May of 2004 at Housing Committee on Financial Services the Secretary of HUD, Alphonso Jackson explained to reporter Jason Deparle that “He doesn’t talk about housing the poor because ‘being poor is a state of mind, not a condition.’”⁹²

⁹² Rachel Bratt, “Housing and Economic Security,” chap. 18 in *A Right to Housing: Foundation for a New Social Agenda*, ed. Rachel Bratt, Michael Stone and Chester Hartman (Philadelphia: Temple University Press, 2006).

CHAPTER 3

THEY SHOULD HAVE KNOWN BETTER:

It is no place for the elderly, disabled or children and yet they are the ones who fill its tight corridors. If ever the expression “baptism by fire” is appropriate to describe an introduction to a new environment, it is here in housing court. As a new intern with Springfield No One Leaves (SNOL), a community organization that fights foreclosure and post-foreclosure evictions, I scarcely knew what to do in the hectic courtroom hallways. Could I help? If so how? I offered to go to court with one of our members, an older black woman who was very active in Springfield’s Democratic Party and her neighborhood council in Sixteen Acres (an outlying section of Springfield). She was wearing her best church clothes. She had filed her Answer (a legal document where the defendant asserts their defenses and counterclaims) and Discovery (a legal document where either the defendant or plaintiff requests pertinent information from the opposing party) on time. Because she had not yet received any responses to her Discovery requests and therefore a trial would have been premature, the group’s legal resources had been diverted to more urgent cases.

She was being evicted by Fannie Mae. Their lawyer requested mediation, which I soon realized is not as diplomatic and amicable as it sounds. I went with

her to the mediation room. As soon as I took a seat the Fannie Mae's lawyer asked who "the hell" I was. I explained and the mediator said he did not see any reason I should not be allowed to be present, but asked that I not speak. I hoped that somehow by merely sitting silently beside her I was offering her some sort of support. It soon became quite clear that what mediation was usually intended to *mediate* in these cases was nothing more than a promotion for "cash for keys" agreements. These agreements provide some amount of money, usually \$2,000, in exchange for a homeowner to agree to leave their home by a certain deadline, usually 30 days, and most importantly, give up legal recourse to fight the eviction in court. The lawyer presented a rough narrative of facts-when the property sold and for how much and to whom. Then he said that he was willing to work out a reasonable move out time-line. At this point the merit of the foreclosure itself was still highly disputed and to reiterate -no *Discovery* responses had been provided to prove (or disprove) the legitimacy of the foreclosure, yet none of this seemed to be of any concern to the court mediator. He looked at the woman and asked her what she wanted. She said all that she had been encouraged to say in our weekly SNOL meetings where former-homeowners would proclaim their intentions with unabashed poise and certainty. She replied "I want to stay in my home. I will not leave." The gentlemen shared incredulous glares at each other. She explained how she had owned her house out right until she became a victim of predatory lenders pushing her to extract equity, a greedy ex-husband and his family pushing her to do so and worse yet con-artists lawyers who had offered to help her after she began to miss payments and could not get a modification. As she spoke her voice

got hoarse. There was lump in her throat. The lawyer said he was sorry but asked her why she had not pursued legal action against these adversaries. Then tears began to well over her bottom eyelids. There was a touch of an indignant tone in her voice as she said “I couldn’t afford to go hire a lawyer.” The mediator, not the bank lawyer, said “Then what makes you think you can afford a home?”

Massachusetts is a non-judicial foreclosure state, meaning that judicial review is not required by law in order for a bank to foreclose. Most families do not face the court system until the foreclosure has already happened and they are in the process of being evicted by the bank or any other entity that purchased the home at the foreclosure auction. Many families do not realize that they have the right to fight their evictions in court and a vast majority receives default judgments in favor of the bank simply because they do not appear in court. In addition, *notices to quit*, the preliminary legal notice a tenant or former homeowner receives notifying them of the property owner’s intent to evict, are often misunderstood. In the case of former homeowners these notices are 72 hour notices, meaning that if the occupant does not vacate in 72 hours the owner will file a summons and complaint to evict them. It is a common misconception, especially amongst those who speak English as a second language, this notice means that if a homeowner does not vacate their home in 72 hours that the sheriff will forcefully evict them.

Several times while canvassing foreclosed homes I found 72 hour notices taped on the doors of newly vacant homes. Often when I looked into the window I

saw a haunting image -cups of coffee still on the counter, a mess of belongings everywhere as if the former occupants had grabbed what they could and ran. Even when families do understand that they have a theoretical right to fight the eviction in court they are aggressively bombarded with *cash for keys* offers. These offers come directly from the new property owners after a foreclosure auction (usually a bank or financial entity with prior involvement in the mortgage), their lawyers and/or realty agents hired on their behalf. Families, who feel that they will lose their case in court and/or cannot afford legal representation, often sign these. Some families have even reported to SNOL that they were warned that it would look better on their credit scores to cooperate with the banks by signing these agreements.

For those who actually make it to the court house, it is often the best and only chance they have to contest the validity of their foreclosure. One former homeowner commented on his experiences at housing court:

I think housing court leaves a lot of hope too because when you get there [you think] that it should be your last dance. You almost feel like Custard walking into the Little Bighorn ‘oh man I am in so much trouble here’ and [it gave me hope] finding out that the system is quite easy to use if you do the footwork.⁹³

But, as the first anecdote in this chapter illustrates merely making it to court guarantees no impartiality and “doing the footwork” comes easier to some. Worse yet, unlike criminal proceeding where one risks incarceration, there are no public defenders one is entitled to while facing eviction. In addition, the legal aid groups that clamor to help (at their own discretion) the cumbersome volume of people unable to afford legal assistance, who are getting evicted every Thursday, often

⁹³ Ernie L. Interviewed by Marcella Jayne. digital recording. Holyoke MA. July 19, 2012

pressure former homeowners to come to *cash for keys* agreements with bank lawyers.

Private consumer rights attorneys from the law firm Heisler, Feldman, McCormick and Garrow P.C. (HFMG) volunteered weekly on Thursdays through a program called “lawyer for a day” run by the Women’s Bar Association. Having knowledge of much of the fraudulent, predatory practices and all around sloppiness endemic in the post deregulation mortgage lending paradigm, these lawyers diligently tried to help as many families as they could. They soon realized that this would not be enough. Hoping to emulate an organizing model in Boston that used the raising of title issues through eviction defense and pressure from community action and outreach, HFMG hired an organizer and went about recruiting interns, like myself. Title issues occur when a foreclosure is done improperly and there is a dispute over who holds the right to *superior possession* of the property. In the Boston model, the eviction defense was provided by Harvard Law School’s Legal Aid Bureau and the community organizing was done through Boston’s premiere grassroots organization City Life/Viva Urbana. Thus, SNOL was created in the fall of 2010.

Just as many legal aid attorneys and bank lawyers had strangely pushed defendants into the same sorts of agreements with similar rationales, the discourse surrounding the foreclosure crisis hardly diverged amongst liberal and conservative commentators. Recently in The Wall Street Journal, columnist Al Lewis went after Wells Fargo with a fierce indictment of their fraudulent and predatory practices, but he did not forget to dole some of the blame on public

institutions such as HUD, Fannie Mae and most importantly to borrowers. He says “If you believe what is alleged in countless lawsuits, fraud was commonplace among sellers, Buyers, real-estate agents, appraisers, title companies and lenders.”⁹⁴ He implied that a mass of unconnected and unaffiliated borrowers also committed fraud, partially causing the foreclosure crisis. When asked what caused the foreclosure crisis one foreclosed upon homeowner told me “People look at it and they say these people should have never got houses and they couldn’t afford it, not knowing that maybe they couldn’t afford it but banks led them down the road to believe that they could.”⁹⁵ Where a slight divergence between liberal and conservative views of the crisis can be seen, it is not whether homeowners are themselves to blame, but the degree to which they are to blame and how to remedy the crisis.

As cultural theories of poverty tell us that the poorer classes have deficient values especially when it comes to financial matters, many have blamed the foreclosure crisis on policies meant to promote homeownership amongst lower-income borrowers and minorities. One former homeowner, Ernie L. a white single-father who had suffered a stroke leading up to the foreclosure of his home, compared the stigma of being foreclosed on to that of being on welfare. He said “It’s like being on welfare you know how many people I see ‘oh you and your EBT [food-stamp and cash benefits] card and you and your EBT card.’ You know

⁹⁴ Al Lewis. “The Wells Fargo Wagon.” *Wall Street Journal*, Evening Edition edition, sec. Al's Emporium, October 13, 2012. <http://online.wsj.com/article/SB10000872396390443294904578050992234591514.html> (accessed October 14, 2012);

This quote appears exactly as it did in the original text, with the word “buyers” capitalized.

⁹⁵ Ernie L. Interviewed by Marcella Jayne. digital recording. Holyoke MA. July 19, 2012

what? I need my EBT card ...Is it my fault I had a stroke and couldn't feed my family?"⁹⁶

In the news and in public discourse, we now often hear the iconic phrase, "They bought more house than they could afford." What is almost always veiled in this discourse is how the mortgage lending paradigm dramatically shifted, as chapter 2 detailed. The three most significant avenues, through which the foreclosure crisis is diverted from being discussed as a result of deregulation, racism and the good old profit-first *modus operandi*, are the Community Reinvestment Act (CRA), the "Ownership Society," and the involvement of Fannie Mae and Freddie Mac. Embedded in criticisms of each of these factors is also the emphasis on the allegedly defective cultural values of borrowers.

The CRA was enacted in 1977. It was "intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound banking operations."⁹⁷ It is often blamed (especially amongst conservatives) for promoting irresponsible lending habits in communities of color and ultimately causing the foreclosure crisis. There may be some truth to the idea that the Act *in combination with massive deregulation* facilitated lending that *helped* propel the housing crisis. However, it was an adjunct cause at best. Blaming the CRA in public discourse surrounding the crisis is extremely convenient for those who oppose regulations and refuse to see the part

⁹⁶ Ernie L. Interviewed by Marcella Jayne. digital recording. Holyoke MA. July 19, 2012

⁹⁷ FFIEC, "Community Reinvestment Act." (accessed May 5, 2012). Cite <http://www.ffiec.gov/cra/history.htm>.

deregulation played in the foreclosure crisis. It was not until deregulation of the mortgage industry in the 1980's that promoting lending in communities of color became predatory.

The "Ownership Society" first promoted by Bill Clinton and later expanded by George W. Bush propagated the belief that Americans would be more invested in their communities if they were property owners. In June 2002 President George W. Bush issued *America's Homeownership Challenge* to the real estate and mortgage finance industries to encourage them to join the effort to close the gap that exists between the homeownership rates of minorities and non-minorities." These were not merely vague goals either. The president pushed the industry to increase homeownership amongst minorities by at least 5.5 million families before the end of the decade. And it worked. The U.S. homeownership rate in the second quarter of 2004 reached an all-time high of 69.2%. For minorities, the homeownership rate also hit a record high of 51% at the same time.⁹⁸ The fact that this challenge was made after deregulation was something the Bush administration was aware of. In 2004, as noted in the chapter "The History of Stratified Housing: Homeownership," Julie Williams, the chief counsel for the Office of Comptroller of the Currency asserted that subprime lending was advancing homeownership amongst minorities."⁹⁹

The Federal National Mortgage Association (Fannie Mae) was established

⁹⁸ The White House: President George W. Bush, "Fact Sheet: America's Ownership Society: Expanding Opportunities." Last modified August 9, 2004. (accessed November 1, 2012). <http://georgewbush-whitehouse.archives.gov/news/releases/2004/08/20040809-9.html>.

⁹⁹ Kathleen Engel, and Patricia McCoy. *The Subprime Virus: Reckless Credit, Regulatory Failure and Next Steps*. (New York NY: Oxford University Press, 2011).

in 1938 to create a government sponsored secondary mortgage market. The idea behind Fannie Mae was that by buying mortgages originated by private lenders, those lenders would then be freed up from the risk of loan defaults and provided with some revenue to enable them to continue to originate more loans. Fannie Mae and other similar Government Sponsored Entities (GSEs) received public scorn for their contribution in facilitating the mortgage crisis. What is rarely discussed is how GSEs were transformed by deregulation that transformations that drastically changed their motives, purpose and even allegiance.

The 1968 Housing Act gave Fannie Mae's board of directors' permission to privatize and the authority to sell stocks and issue bonds. By 1970 Fannie Mae was a publically traded profit making machine with the added advantage of being a GSE. For example, though it was never explicitly written into their agreements the prevalent understanding was that the U.S. Treasury would pick up the tab if Fannie Mae was ever unable to pay its investors.¹⁰⁰ In 2008 this belief was proven to be true when Fannie Mae and the Federal Home Loan Mortgage Corporation (Freddie Mac, another GSE) respectively received \$34.2 billion and \$51.7 billion from the government's Trouble Asset Recovery Program (TARP), commonly referred to as "the bailout."¹⁰¹ In addition to altering the purpose and function of Fannie Mae, the 1968 Housing Act also established Government National Mortgage Association (Ginnie Mae), a government organization within HUD that

¹⁰⁰Michael Stone, "Pernicious Problems of Housing Finance," in *A Right to Housing: Foundation for a New Social Agenda*, ed. Rachel Bratt, Michael Stone and Chester Hartman (Philadelphia: Temple University Press, 2006).

¹⁰¹Isidore, Chris. "Fannie & Freddie: The most expensive bailout." *CNN Money*, a Service of CNN, *Fortune and Money*. Last modified July 27, 2009. (accessed January 1, 2013). http://money.cnn.com/2009/07/22/news/companies/fannie_freddie_bailout/index.htm.

did have the authority to issue the government's full financial guarantee for mortgage backed securities issued by private companies holding FHA and Veterans Administration (VA) loans.¹⁰²

The Emergency Housing Act of 1970 expanded the quasi-governmental secondary market by allowing Fannie Mae to begin purchasing uninsured mortgages that met basic criteria. Before this they had only been able to buy up mortgages insured by the Federal Housing Administration (FHA) or VA. The Act also created Freddie Mac, who like Fannie Mae would buy mortgages to stimulate increased origination; however it would buy mortgages originated by savings and loan banks rather than mortgage companies. Unlike savings and loan or commercial banks, mortgage companies do not have depositors and sell every loan they originate into the secondary market.

Increasing privatization of these GSEs coupled with their reliance on government intervention eventually proved disastrous. On September 7, 2008 Freddie Mac and Fannie Mae both went into conservatorship. At this time they had purchased about 80% of all new mortgages originated that year and held a staggering \$1.5 trillion dollars in mortgage backed securities. Unfortunately, as home prices fell, homeowners defaulted, and mortgage backed securities went bad; these GSEs were left with an *even more* staggering \$5 trillion dollars in debt. This debt would be levied upon the taxpayers. As it stands now Freddie Mac and Fannie Mae are no longer quasi-governmental, but simply governmental

¹⁰² Michael Stone, "Pernicious Problems of Housing Finance," chap. 4 in *A Right to Housing: Foundation for a New Social Agenda*, ed. Rachel Bratt, Michael Stone and Chester Hartman (Philadelphia: Temple University Press, 2006).

entities.¹⁰³ To blame *the government* for the housing crisis by pointing out the misdeeds of Fannie Mae and Freddie Mac is contestable when we consider nearly all of these misdeeds were done in the era of privatization and public trading of these GSEs. The government perhaps did fail at regulating them, or failed by allowing them to privatize but to merely blame the government too easily lends itself to the pro-free-market justifications that were used to propel this devastating deregulation in the first place.

While all three of these components, the CRA, the “Ownership Society” and involvement of Freddie Mac and Fannie Mae have not been blameless in the mortgage crisis, attention to them as primary causes has significant implications. It ignores the indisputable significance of deregulation in the mortgage lending paradigm. It offers credence to the idea that government is primarily to blame for promoting and subsidizing increased homeownership amongst *unworthy borrowers* (low-income and/or non-white), rather than failing to regulate *unworthy lending institutions*.

The foreclosure crisis overwhelming and disproportionately, affected racial minorities and residents of urban areas. And this is not because derelict borrowers happened to be centralized in these areas or demographic characteristics. Even when controlling for average credit scores and income, subprime lending was concentrated in African American and Hispanic

¹⁰³Mark Jickling. Congressional Research Service-The Library of Congress, “Fannie Mae and Freddie Mac in Conservatorship.” Last modified September 15, 2008. (accessed December 2, 2012). <http://fpc.state.gov/documents/organization/110097.pdf>.

neighborhoods.¹⁰⁴ Because of the legacy of explicit housing discrimination throughout the first half of the 1900's and the continuing implicit discrimination through surreptitious zoning policies amongst other mechanisms detailed in chapter 2, many minority lenders were eager to become homeowners for the first time. Many of these families were also left mortgage illiterate as generations upon generations in their community had never owned homes and could hardly pass on the knowledge of how to go about buying a home. While Ernie, a white former homeowner, had a father and a father-in-law to consult about what to look for in a mortgage, others did not. Ernie knew to stay away from adjustable-rate mortgages and balloon payments. Though David Dunwell, a black former homeowner, thought he was being careful he found out he had been swindled into an adjustable-rate mortgage. Worse yet, he explained that he refinanced with Countrywide, precisely because he thought a "big national bank" would be more trust worthy than the sketchy store front lenders who proliferated in poor urban areas. Others were compelled to extract equity from homes they already owned in order to finance other components of the American dream, such as college education, career training, home repairs and renovations and small business start-up costs. Joseph, a black former homeowner explained how he viewed his home purchase:

The reason why I got the house is cause I was working...at Blue Cross Blue Shield and the money was not so bad that I was making and I, more or less just wanted to do something with my money besides squandering it and I never really viewed it as an investment as far as making money but I also knew at the same time, according to the economy that it would not be

¹⁰⁴ *Mayor and City Council of Baltimore v. Wells Fargo Bank, N. A.* (2009b), at 10, par.27.

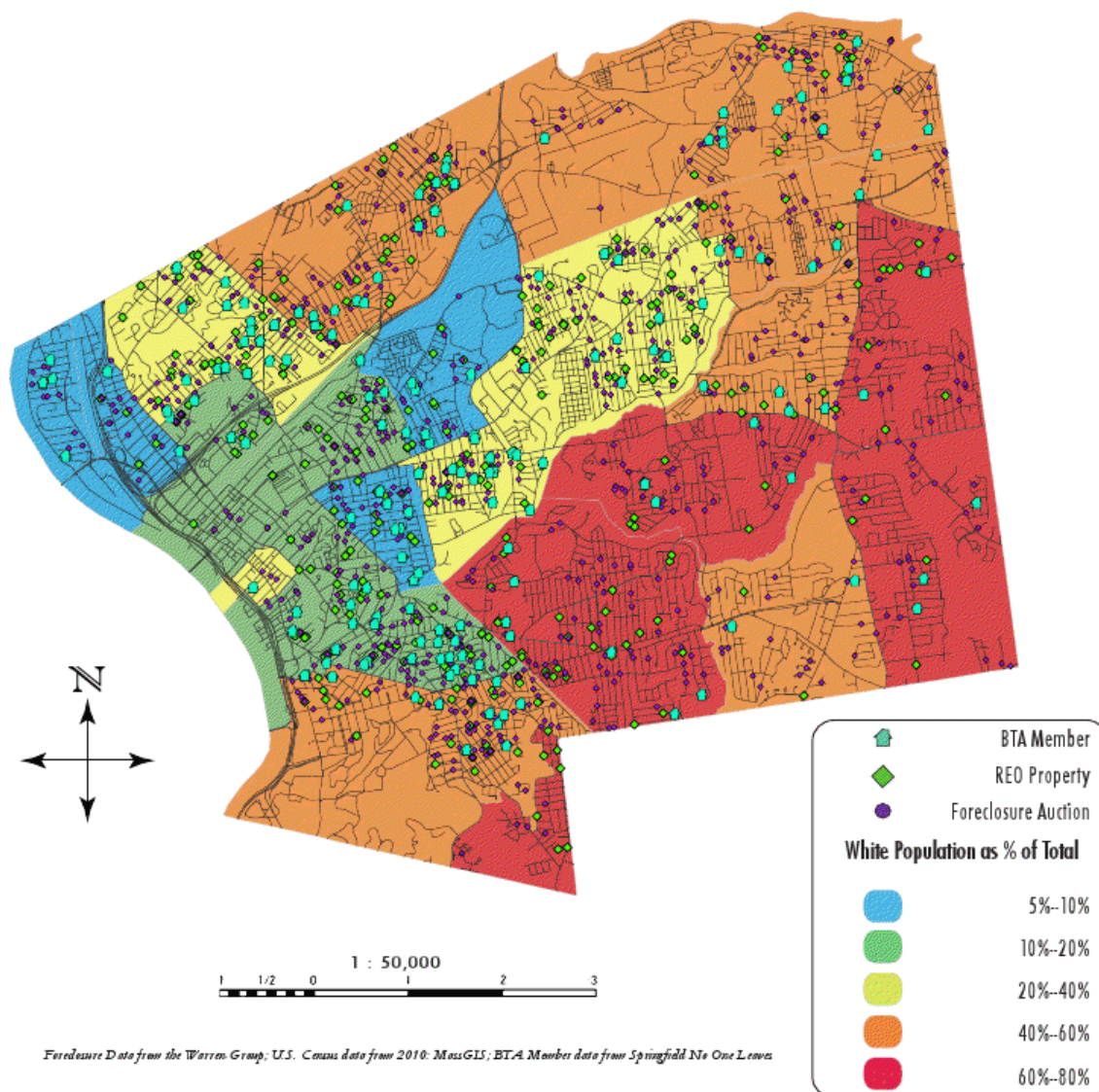
*a bad investment.*¹⁰⁵

What better time was there to do these things than when there was a liberalized mortgage market and home values *were only going to go up?*

Lenders were savvy to this dynamic and took complete advantage of it. One of the first derivations of exotic loan products resulting from deregulation in the 1980's was home equity loans. They were often used to meet the income and asset deficiencies families experienced. This is what the dominant discourse surrounding the foreclosure crisis referred to as "Using your home as an ATM" to imply that irresponsible spending on the part of borrowers and their desire for luxury items drove equity extraction. More accurately what drove equity extraction was the deregulation that allowed it without risk to the lender, predatory "fishing" tactics and Americans' struggles (especially minority Americans) to meet their subsistence needs. From 1973 to 2005, medium household income in the US increased at a snail-like pace from \$40,000 to \$47,000 and this modest increase can be almost entirely attributed to women

¹⁰⁵ Joseph (pseudonym). Interviewed by Marcella Jayne. digital recording. Springfield MA, July 10, 2012

Figure 16. Foreclosure Auctions, Bank/Real-Estate Owned (REO) Properties, SNOL's Bank Tenant Association Members & White Population in Springfield MA: 2007-2012



entering the workforce creating multi-earner households.¹⁰⁶ In addition asset poverty is on the increase for all Americans, but exacerbated in black and Hispanic communities (partly because of their historical exclusion from the

¹⁰⁶Edward Royce. *Poverty and Power: The Problem of Structural Inequality*. (New York NY: Rowman & Littlefield Publishers, Inc, 2009).

housing market and prime lending). More than a third of households lack the assets to keep them above the poverty level if they were to lose income for three months. In black and Hispanic communities the number nearly doubles with nearly 60% categorized as being asset impoverished, measured by liquid wealth and 40% measured by net worth.¹⁰⁶

Subprime lenders first sought out “unsophisticated borrowers” who had equity in their homes and needed income. It was common among mortgage brokers to use “fishing” tactics to find recently widowed women who had equity in their homes and had lost income from their husband’s death. They looked through public records and found homeowners who had health and housing code complaints against them and offered them home equity loans to finance repairs with contractors in tow. If a homeowner was hesitant, lenders often would threaten to inform code enforcement.¹⁰⁷

Soon after equity extraction had proliferated the deliberate campaign to push post deregulation mortgages in communities of color began.¹⁰⁸ Predatory lenders sought out populations desperate to (often finally) realize the American dream of homeownership. In an affidavit Tony Paschal, a former loan officer for Wells Fargo, admitted that it was common practice for employees to refer to

¹⁰⁷ Kathleen Engel , and Patricia McCoy. *The Subprime Virus: Reckless Credit, Regulatory Failure and Next Steps*. (New York NY: Oxford University Press, 2011).

¹⁰⁸It is important to draw a distinction between subprime and predatory. While most predatory loans were also subprime loans, not all subprime loans were predatory. An example of a subprime loan, a loan designed for a borrower with less than desirable credit, which would not be a predatory loan would be one for a modest amount of money with high interest rate. When a young adult gets their first credit card, the credit limit is often modest-\$300 usually with a high interest rate or penalties when the balance is overdue. This is not predatory because it is still designed with regard for the borrower’s ability to repay the debt and comply with the requisites of receiving the credit.

borrowers of color as “mud people” and funnel them into “ghetto loans” (referring to subprime mortgages) even if they qualified for prime loans, because they were borrowers of color.¹⁰⁹ The idea behind this was that being more likely to be unfamiliar with mortgages, communities of color would be easy to exploit and lenders would be able to increase their profits by funneling these communities into expensive loans. Elizabeth Jacobson, another former loan officer from Wells Fargo admitted that they targeted black churches, hoping church leaders would “convince the congregation to take out subprime loans with Wells Fargo”.¹¹⁰ Loan officers were instructed by one lender to watch *Boyz in the Hood* and other movies in order to help them relate to borrowers of color. David Dunwell a former homeowner and a Jamaican Boston native I interviewed thought the black mortgage broker who *helped* him buy his house was trying to help the black community. Dunwell described the operation, “Demetrius used to take [black] people from Boston in van loads to look at houses in Springfield.” He went on “He had it all lined up for you. He made it perfectly easy -no money down, but you pay two to four thousand in fees that he took. The realtor was hooked up with the inspector.” After buying his home Dunwell found out that his mortgage had an adjustable interest rate and a prepayment penalty for the first two years of the loan.¹¹¹ Van loads of Boston blacks were in the same predicament from this individual mortgage broker, alone.

As I found out soon after working with SNOL doing intakes with potential

¹⁰⁹Kathleen Engel, and Patricia McCoy. *The Subprime Virus: Reckless Credit, Regulatory Failure and Next Steps*. (New York NY: Oxford University Press, 2011).

¹¹⁰ *Mayor and City Council of Baltimore v. Wells Fargo Bank, N. A.* (2009b), at pars. 5,8,and 10-11

¹¹¹ David Dunwell. Interviewed by Marcella Jayne. digital recording. Springfield MA. June 22, 2012

members, not all of the tsunami of foreclosures could be directly attributed to flagrantly predatory practices, either subprime mortgages or equity extraction. At first I was perplexed when more and more families were coming to our doors that were facing foreclosures despite having had seemingly decent 30-year-fixed-rate mortgages. These houses were still often under water due to the inflated prices they had been purchased for at the peak of the bubble. Once in a while when people said they had 30 year fixed-rate mortgages a quick investigation would reveal that they had been deceived, as they explained when their interest rate increased or showed us bank statements indicating these increases. A lot of this confusion can be attributed to commission seeking brokers intentionally obfuscating details of the mortgages they pushed by using terms like “fixed adjustable” to misleadingly describe adjustable-rate mortgages.¹¹²

I grappled to understand what was at the root of these foreclosures where homeowners had 30 year fixed-rate mortgages. It soon became clear. Over and over people were telling me that they had been laid off from their jobs, and more often than not these were people of color being laid off from public sector jobs. Patrick O'Keefe, director of economic research at accounting firm J.H. Cohn and former deputy assistant secretary at the U.S. Department of Labor remarked in 2011, "The growth in public sector employment was probably going to be curtailed irrespective of the general trend in the economy, but obviously with the severe disruptions that we had from '07 to '09, the impact on the public sector has been even more severe". In 2011 alone nearly 100,000 local government

¹¹² Kathleen Engel , and Patricia McCoy. *The Subprime Virus: Reckless Credit, Regulatory Failure and Next Steps*. (New York NY: Oxford University Press, 2011).

employees (of all races) have lost their jobs. Cumulatively, 464,000 employees have lost their jobs since local government employment peaked in September 2008.¹¹³

This is racially significant, because minorities are disproportionately represented in public sector employment, as the government does better at abiding by its own anti-discrimination laws than private employers do. Blacks are 30% more likely than other workers to be employed in the public sector. Not only does the public sector provide jobs for many blacks, they are *decent* jobs. The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) reported that the median wage earned by black employees is significantly higher in the public sector than in the private. In addition, the AFL-CIO reports that “Prior to the recession, the wage differential between black and white workers was less in the public sector than in the overall economy.”¹¹⁴ Dunwell who eventually was able to refinance out of his adjustable loan into a 30 year fixed-rate loan began to default on payment after he was laid off at his job of seventeen years with the Department of Mental Health after a round of budget cuts. He said:

*Banks created this bubble, created this situation which brought on the financial meltdown. We not only saw the value of houses drop, many of us lost our jobs. People I knew, brothers who had worked the same job for 20 years, were on the unemployment line, and I was one of them.*¹¹⁵

¹¹³Dan Baden. USNEWS, “Public Sector Job Cuts Threaten Recovery Since peaking in 2008, local governments have shed almost 500,000 jobs.” Last modified July 8, 2011. (accessed May 6, 2012). <http://money.usnews.com/money/careers/articles/2011/07/08/public-sector-job-cuts-threaten-recovery>.

¹¹⁴Tula Connell. AFL-CIO, “Women, Black Workers Hard Hit by Attacks on Public Employees.” Last modified 04/05/2011. (accessed May 6, 2012). <http://www.aflcio.org/Blog/Corporate-Greed/Women-Black-Workers-Hard-Hit-by-Attacks-on-Public-Employees>.

¹¹⁵David Dunwell. Interviewed by Marcella Jayne. digital recording. Springfield MA. June 22, 2012

Not only were public sector jobs cut in response to the economic crisis in 2008, but 18 states cut back on welfare programs as well. Nationally, the number of families receiving cash aid in particular, was lower than it had been in 40 years, during the worst economic crisis since the Great Depression. This is not to suggest that black and/or Hispanics constitute the majority of welfare recipients as it is often portrayed in the media. However, they do constitute a disproportionate number of recipients.¹¹⁶ Cutting spending to welfare programs and public sector employment, as a response to the economic situation caused by subprime lending had twofold negative impacts on communities of colors. This is why anti-foreclosure organizations like SNOL view homeowners who had 30 year fixed-rate mortgages but defaulted because they lost their income/employment due to the general economy, as victims of post deregulation mortgage lending paradigm, nonetheless.¹¹⁷

The firsthand narratives I listened to had a recurring theme that was surprisingly not particular to a borrower's type of mortgage, their income, or race. Many people like Dunwell suffered because of austerity measures introduced in the wake of the subprime lending debacle. In these cases having a 30 year fixed-rate mortgage was not comparatively advantageous. Over and over I heard the stories about homeowners being unable to get through to the bank to negotiate a modification, or being given a "deal" only to have it arbitrarily revoked. The

¹¹⁶Edward Royce. *Poverty and Power: The Problem of Structural Inequality*. (New York NY: Rowman& Littlefield Publishers, Inc, 2009).

¹¹⁷ This is not to mention, the catastrophe of inflated housing values and the sudden decline, which has left many Americans with "under water" mortgages, no matter the structure of their loans.

saying became “The bank has a modification department and a foreclosure department and they have nothing to do with each other.” Having a mortgage through a *big bank* posed an issue with anyone wanting to communicate with someone about their mortgage. Ernie, whose mortgage was originally through a small broker and was later sold to Citi Bank, commented:

I think the trouble with Citi Bank began with my own personal issues and I think I knew I was in big trouble with them right from the get-go because of the total lack of any kind of consistency when you called somebody, when you asked for help, when you tried to explain a situation. And it was just like dawned on me these are probably people making 8 bucks an hours sitting in some little cubicle in some other state that good give a rat’s patoot about me in Springfield Mass.¹¹⁸

Ernie says he began to lose income when his wife started to show signs of a severe mental illness. Increasingly often he would have to reduce his work hours in order to accommodate their children, who in a sense only had one parent able to take care of them. After endless calls and faxing and mailing in documentation, he was unable to get a modification that lowered his monthly payments. After he fell behind, he was able to get a “deal” where he would temporarily pay an additional \$500 on his ordinarily \$1,100 monthly payment, in order to catch up on the payments we had been unable to make in full. Soon after his first increased payment, he received a letter saying the deal was off. Ernie explained why:

I called them up and I had to go through all this rigmarole why the deals cancelled and because nobody remembers the deal. Then I find out it’s because it was posted to my account two days after the due date. There was no grace period I’m like so you received it but didn’t post it until after the date, in other words I should have sent that in another week earlier.¹¹⁹

Ernie says he sent the check in on time and it was the bank who posted it to his account late. After he was told there was not going to be another deal, he asked to get the money he had sent, back. They refused and his attitude changed. After his

¹¹⁸ Ernie L. Interviewed by Marcella Jayne. digital recording. Holyoke MA. July 19, 2012

¹¹⁹ Ernie L. Interviewed by Marcella Jayne. digital recording. Holyoke MA. July 19, 2012

wife's mental breakdown, a messy divorce, a stroke that cost him his job and losing the title to his ideal single family home he says "Finally it was like this, 'fuck you, come, get the house.'"

Despite the depiction of former-homeowners as equally wrapped up in the financial irresponsibility and even greed that proliferated throughout the post deregulation mortgage lending paradigm, homeowners fought to save their homes even when it was not at all financially advantageous. More often than not they were willing to continue to pay inflated prices for their homes. Delinquent homeowners relentlessly tried to get modifications that did not feature principal correction (also known as principal reduction, where the mortgage is adjusted to the real market value of the home), but merely a reduction in their monthly payments, no matter the expansion of the repayment time table, as long as the payments were affordable. One former-homeowner I spoke with, Joseph had been laid off from Blue Cross Blue Shield. He explained that when he secured new income things did not get better:

I guess I was behind about 8 thousand dollars and I sent Bank of America a check [for the total delinquent amount] and they sent it back to me because they were no longer accepting my money because they had started a foreclosure process...and it was as if they didn't want my money anymore kinda like maybe they had other plans for my house other than what I had [laughs]¹²⁰

Not only was the home never an investment to him, in a financial sense, it had depleted his one other possible source of equity, his 401(K). He cashed it out to catch up on his mortgage, only to have the check sent back.

¹²⁰ Joseph (pseudonym). Interviewed by Marcella Jayne. digital recording. Springfield MA, July 10, 2012

When TARP pumped liquid assets into the failing lending agencies that facilitated so many unsustainable mortgages, it did little if anything to help homeowners facing foreclosure and former homeowners facing eviction. In September of 2008 the Treasury Secretary, Henry Paulson and the Chairman of the Federal Reserve, Ben Bernanke proposed an idea to Congress. They hoped to use \$700 billion of taxpayer money to buy mortgage backed securities whose value had already dropped or likely would from lending institutions. They argued that by doing this investors would have increased confidence in these lending institutions and would not pull out their assets. The idea was discounted by Republicans, Democrats and economists of all political orientations. By October of 2008 a modified version of TARP was passed by both the Senate and the House and signed into law by President George W. Bush. Instead of using the money to buy mortgage backed securities, as he had originally planned, Paulson former chairman and CEO of Goldman Sachs, opted to inject capital directly into these lending institutions. He even intentionally did so in a manner that promoted larger/stronger banks buying up smaller/weaker ones and enhancing the monopolization of the very lending institutions that had criticized for being “too big to fail”. Worst of all, TARP had no provisions for how lending institutions used this capital. As time would show lending institutions did not use these funds to subsequently bailout lenders.¹²¹

¹²¹ The New York Times. “Credit Crisis-Bailout Plan (TARP).” Times Topics. Last modified December 11, 2012.
http://topics.nytimes.com/top/reference/timestopics/subjects/c/credit_crisis/bailout_plan/index.html.

TARP became a catalyst for two diametrically opposed groups, the *Tea Party* and *Occupy Wall Street* and corresponding approaches to the problem. Occupiers tended to want more regulation of the financial sector, or perhaps *reregulation*, while Tea Partiers tended to advocate for less government involvement of any kind. Both radical conservatives and liberals took issue with “the bailout” and (intentionally or not) skimmed over details about its use and implementation. For instance while Congress approved the use \$700 billion dollars, only \$470 billion was actually distributed in the first round under president Bush, with only \$350 billion going to the financial sector. As Obama came into office another \$350 billion was distributed. However, by September 2009 financial sector recipients began to repay the funds they had received.

For former homeowners caught in the tsunami of foreclosures, evictions, destroyed credit and reputations, TARP epitomized the civic devaluation of those who had failed to sustain single-family homeownership. While *even* conservative analyses offered some blame to lending institutions, they were *bailed out* without stipulation. Homeowners on the other hand continued to be foreclosed on and evicted in droves and blamed for their circumstance.

Joseph told me he is upset that blacks, like him have not been more successful at buying and keeping homes. His sense of *ownership* has been shaken. Sitting in the living room of his modest cape style home of which he has done

numerous renovations he reflects, “I live in the house now and I don’t own the home and I never did own the house. Bank of America owns the house.”¹²²

¹²² Joseph (pseudonym). Interviewed by Marcella Jayne. digital recording. Springfield MA, July 10, 2012

CHAPTER 4

THEY SHOULD HAVE DONE BETTER:

I see it and it sees me. We are staring right back at each other. I dropped my book bag on the floor and approached it. There it was -a bullet hole in our living room window. It must have happened while we were out. My daughter asked me what I was looking at. I told her “nothing”. I could not afford to consume myself with the delirium of questions and hypothetical situations I could consider. This is just part of our lives. It has become normal to me. It is part of hundreds of thousands of people’s lives who live in public housing projects. It seems, more often than not, that the police attention we receive is never at our request. It is punitive, not protective.

A month or so later, before maintenance had even repaired the window, a man was shot to death in nearly the exact same spot. Our front porch had become a station for drug dealing, though neither I nor my neighbor had any relation to the drug dealers and had called the police about it several times. One particular day I had called the police begging them to simply drive through the alley and scare the business away, only to be transferred to the “drug enforcement” voice-mail. They did not arrive until after the activity had escalated to homicide. My daughter was not even two years old when she witnessed her first murder, from the comfort of our living room. The next morning the maintenance men poured

buckets of bleach over the dead man's blood that had splattered on the pavement and brick outer walls. Neither the man killed, nor the man who killed him, lived in Lyman Terrace. When a reporter from the *Republican* arrived on the scene a tenant told him "It happens every day around here."¹²³ This was not our crime; it was crime like many others that was allowed to happen in our neighborhood.

The Holyoke Housing Authority (HHA) itself described Lyman Terrace as "crime ridden" in their most recent HOPE VI application.¹²⁴ In a 2010 survey performed by the HHA only 10% of lease holding residents reported feeling safe where they live. Only 20% reported allowing their children to play outdoors.¹²⁵ Darlene, who had grown up in Lyman Terrace in the 1970's believes things have gotten worse with regard to crime and policing. She explained walking through the project in the summer of 2012 and seeing drug dealing going on in "out in the open." When I asked her why she thought it was happening so unabashedly, she explained, "It's human nature, because people find out when there is a disregard for property-there is a disregard for a community." She did not blame current tenants. Instead, she surmised that because of this disregard for the property on the part of the HHA and the city "it [Lyman Terrace] becomes a safe haven for crime."¹²⁶

Sarilis, a Lyman Terrace tenant told me about the type police attention she

¹²³ Ross, Ken. "Holyoke man fatally shot on street." *The Republican*, sec. The Republican NEWS room, June 22, 2009.

¹²⁴ "2010 HOPE VI Application-building Hope for the future", last updated Nov. 2010 <http://www.holyokehousing.org/node/65>

¹²⁵ 2010 SURVEY RESULTS-LYMAN TERRACE RESIDENTS-HOLYOKE HOUSING AUTHORITY, analysis, summary and preparation by Bill Henderson, Cornerstone Housing

¹²⁶ Darlene (last name omitted). Interviewed by Marcella Jayne. digital recording. Holyoke MA, July 20, 2012

as a public housing tenant has received, “I was there one day in the store waiting for my friend and they [the police] told me ‘you need to get off of this corner.’” She then asked the cop “Why I need to leave from here?” Saralis said the cop told her “Oh I don’t want you here on the corner.” She was frustrated because that she was receiving police attention while generally her entire neighborhood seemed to be ignored by the police. She said to the cop “Why what do you think my face is of a drug dealer-I am not doing nothing. You need to take the drug dealers and put them in jail.” According to her this only aggravated the officer more. He retorted “Oh you’re so funny-you want to go to jail today” and Saralis retreated back to her apartment as the officer followed behind her through the alley. At the same time Saralis feels the police will not be there when they need to be, when it comes to protecting her daughter from gang violence. Her nine year old daughter gets mad at her because she is not allowed to play outside, but Sarilis explains to her “It’s just that I don’t want to lose you.”¹²⁷ While, the statistics produced by the HHA’s survey and the anecdotes of tenants certainly indicate that residents and the HHA staff are in agreement about safety, the HHA has used this data to justify demolishing the neighborhood, not protecting it.

When I first moved into Lyman Terrace in January of 2008 I saw young men selling drugs in broad daylight. When the property manager took me into the apartment, I noticed that the back two windows had been shot out and were boarded-up. She assured me they would be fixed when I moved in. The floor was a worn industrial speckled linoleum tiling, reminiscent of an abandoned hospital.

¹²⁷ Sarilis (pseudonym). Interviewed by Marcella Jayne. digital recording. Holyoke MA, August 7, 2012

In the bathroom the shower head jutted out of the wall. The faucet was broken into pieces and there was rust on the side of the bathtub. I asked her if they would fix the rust too. She gave an exasperated glare with her hand saddled on her hip said “take it or leave it, girl.” I took it. I had to. I lived in a shelter. I would have been kicked out of the shelter had I not taken the first housing offer I received, which happened to be this one with the HHA.

Strangely, though the housing seemed to lack so many things in so many ways, I felt gratitude to have an apartment I could afford. I had waited 6 months to get this apartment. The dominant view of seeing housing as a commodity rather than an inherent right influenced me greatly. I did not believe I *deserved* the housing and feared eviction at any moment. Which is why before we delve into the vast evidence of the civic devaluation of those who live in public housing, we need to first discuss housing as a *non-right* in the U.S. and the popular fiction this promotes.

Like the mythical welfare queen, living on the dole and feeling entitled to every crumb of her *unearned* income -there is an equivalently dishonorable depiction of public housing tenants.¹²⁸ The comments made in response to an article in *The Republican* discussing the struggle over Lyman Terrace and the HHA’s Demolition Disposition plan, exemplify these sentiments.¹²⁹ One reader

¹²⁸ Ange-Marie Hancock, *The Politics of Disgust: The Public Identity of the Welfare Queen*, (New York NY: New York University, 2004), chap. Introduction.

¹²⁹ Beth S, Comment on Michael Plaisance’s, “Future of Holyoke’s 400-tenant Lyman Terrace housing complex subject of meeting,” *Masslive.com Powered by: The Republican* (blog), November 24, 2012, http://www.masslive.com/news/index.ssf/2012/11/future_of_holyokes_400-tenant.html/post/2012-11-23/1353718991-859-641.html.

fiercely commented as a self-selected representative of the middle-class, saying “If the government were to decide to uproot a middle class neighborhood no one would be crying ‘Where are we going to put the people that are being displaced’” and concludes at the end of her lengthy rant “How much longer can those who work hard to scratch out a living for themselves and their families continue to support those that for some reason or another don’t work?” Another reader is troubled by the cost too, asking “What is the annual cost to the taxpayers of Holyoke, net of rental receipts, federal and state aid, to support this complex?” He references the demand for interpretation at community meeting discussing the HHA’s plans for HOPE VI and later demolition disposition saying, “Public housing has become a haven for crime and multiple generations of people who cannot or will not support themselves. Interpreter services, at whose expense?”¹³⁰

Like many people, these readers do not understand that public housing is *never* free and is apportioned to one third of a household’s gross income and that the evaluations of this are intrusive and punitive in many regards. In 2003 President Bush proposed that public housing tenants pay a minimum of \$50 a month in rent, regardless of their incomes.¹³¹ A public housing tenant from the Toepfert housing project owned by the HHA, Tyrone Bowie explained what happens when a tenant loses income. He said “If you put that you have no income

¹³⁰ Beth S, Comment on Michael Plaisance’s, “Future of Holyoke’s 400-tenant Lyman Terrace housing complex subject of meeting,” *Masslive.com Powered by: The Republican* (blog), November 24, 2012, http://www.masslive.com/news/index.ssf/2012/11/future_of_holyokes_400-tenant.html/post/2012-11-23/1353718991-859-641.html.

¹³¹ Peter Marcuse and Denis Keating, “The Permanent Housing Crisis,” pg. 155 in *A Right to Housing: Foundation for a New Social Agenda*, ed. Rachel Bratt, Michael Stone and Chester Hartman (Philadelphia: Temple University Press, 2006).

you have to fill out paperwork that is about eight pages long about where you get your toiletries from, where you get food from and then as you mark down where you get it from at the end in bold it says **‘THIS IS INCOME.’**” He elaborated further about how this curious way of defining income and adjusting rent is done. He explained how even meals provided by soup kitchens or family become countable as income, “They ask you to have people value the plates of food they give you, at what cost they would give [sell] that to you.” The situation for employed tenants could be just as disastrous, as according to Bowie the HHA is expedient at increasing rent according to one’s income, but not at reducing it accordingly. He said:

Housing [the HHA] gives you 10 days to report a change in income-so if you get a job, most jobs have trial periods-either 30, 60, or 90 day period, housing [the HHA] does not care if you have that job after the... [trial] period...They want to know your income has increased immediately so they can raise your rent immediately. Now if you were to lose your job after that...[trial] period-which has happened to me twice, it takes them about six months to reduce your rent.¹³²

During the interview we were sitting in an unused conference room at Holyoke’s City Hall where Bowie works for the Department of Parks and Recreation. Bowie, who is well over six feet tall with an athletic build, makes the chairs and furniture in the room appear miniature in comparison. I ask him what someone does while waiting for their rent to reduce back to an affordable amount in the event of losing their job. Without a hint of humor in his voice he offers a deadpan reply, “You

¹³²Tyrone Bowie. Interviewed by Marcella Jayne. digital recording. Holyoke MA, September 18, 2012

don't eat.”¹³³

Lyman Terrace's property manager, Joshua Garcia had a diametrically opposed view of what the main obstacles facing public housing tenants are, though he was somewhat sympathetic to the issue of rental increases based on income. He made what could only be described as a paternalistic analogy, while explaining the issue. He stated:

*That's like a kid trying to move out of his parent's house. A kid doesn't just leave, it's difficult when you start making a little bit of money you don't want to help your parents pay rent because you just started making this money and now you are learning responsibility and it's becoming more difficult and now you have to teach yourself financial obligations and it's the same thing with families.*¹³⁴

Rent subsidy mechanisms based on income that seemed to advance the American promise of *opportunity* when public housing was first built, now largely appear to many tenants to be punitive, restrictive and ultimately barriers to economic and sociopolitical advancement. Bowie commented on *the purpose of public housing*, “It [public housing] is formulated to keep people poor. You don't have growth with the HHA because you are always in debt to them.” Bowie is correct in that Public Housing Authorities (PHAs) monitor their tenants' incomes closely looking for assets of all kinds that can be counted towards a household's income. While, public housing tenants are ridiculed for being irresponsible with money, they are prevented from participating in many forms of investment and saving activities used by the middle class. For example, every year tenants must *recertify* to show they are still eligible for public housing and that they have not

¹³³Tyrone Bowie. Interviewed by Marcella Jayne. digital recording. Holyoke MA, September 18, 2012

¹³⁴Joshua Garcia. Interviewed by Marcella Jayne. digital recording. Holyoke MA, July 20, 2012.

gained any undisclosed income or assets that the HHA did not know about. If a tenant does have financial assets their rent will be adjusted to inevitably deplete them over time or if these assets exceed a PHA's eligibility criteria a tenant will lose their housing altogether. Some of the assets the HHA want to know about are what one might expect-stocks, bonds, savings accounts, checking accounts, but others are more unconventional. The HHA requests information in the recertification application about life insurance policies, IRA's, collectables, antique cars and coin collections (see appendix C, page 139). In no private market-rate rental situation would a landlord be entitled to this information. In many ways the aggregate of these strict policies causes public housing to be nevertheless, unaffordable to many, who face precarious employment and the loss of saving and investing activities.

One area in which Bowie is in agreement with Garcia and other HHA staff is in the belief that public housing should ideally be a transitional program that helps residents gain human capital in order to move off of government subsidies (at least the marginal ones that low-income families are eligible for). Where the disagreement lies with Bowie and Garcia, is that Bowie believes that goal is far from being met. Darlene a former public housing tenant, like Garcia believes that public housing is already functioning in a transitional way. She said "I don't expect that people live in housing for the rest of their lives. I don't see it that way. Like welfare or social security, the majority of people who utilize the service use

it to get back on their feet...really its transitional.”¹³⁵ Garcia explained the purpose of public housing saying “What it is, it is subsidy living right? So you have families that can’t afford fair market rent um... the way I look at it you use the subsidy so you have a low rent so you can get yourself on your feet and be able to transition into the fair market.” He like Darlene added “A lot of people have done that.” Garcia did however, talk about the difficulty in making this transition saying “The poor really isn’t poor because you can get services and be comfortable although not as comfortable as you want to be, but you’re not in the streets, you’re eating because you got food stamps and when people know that it is very hard to transition to the next stage.”¹³⁶

Garcia, who is a Latino native to one Holyoke’s poorest neighborhoods, South Holyoke, the son of a factory worker and a disabled single-mother, wants to uplift his community. He described his childhood with appreciation and gratitude. Though his family was poor he said having community programs for youth and mentorship really helped him. When talking about why some families *stagnate* in public housing he continually talked about mentorship, family, values and motivation. Garcia explained:

So it’s not easy, the transitional thing-it’s a society and I don’t blame any family for that it’s not really anybody’s fault because everyone is raised differently. Some people were raised with a whole lot of mentors around them that teach them from young ‘look do this do that’ others didn’t have no mentors and they had to learn on their own and then for somebody to say to somebody who grew up in public housing ‘ok we are going to

¹³⁵ Darlene (last name omitted). Interviewed by Marcella Jayne. digital recording. Holyoke MA, July 20, 2012

¹³⁶ Joshua Garcia. Interviewed by Marcella Jayne. digital recording. Holyoke MA, July 20, 2012.

*remove you from public housing to pay the fair market world,' they're not gonna understand that.*¹³⁷

Yet, ironically at least one of those programs Garcia found so beneficial were staffed by people who failed to transition from public housing themselves, because they could not afford market-rate housing.

Bowie had run various after-school groups that engaged youth in different expressive art forms. He explained that Garcia had once been one his “youths.” Now Bowie feels betrayed by Garcia who he thinks looks down on him, believing that moving out of housing is just a matter of will. Bowie’s work with youth was funded by grants and by AmeriCorps while he was in college. After the financial crisis of 2008 Bowie said it became extremely difficult to find similar funding, yet he continued to prioritize this (often un or underpaid) work over his potential low-wage alternatives. Bowie thought these programs had a value for the community much greater than that of working an average minimum wage job. Bowie said that Garcia, Rita Maccini the HHA’s director of “housing opportunities” and Rosalie Dean the HHA’s executive director had all at one point or another asked him “Why don’t you just get a job?” He went on “I told them, ‘you are quite rude’. I do work [for Holyoke’s Parks and Recreation Department]. Their response was ‘yeah but not fulltime.’”¹³⁸ If Bowie had worked fulltime for minimum-wage his paycheck would not have been enough to afford a fair market-rate apartment. His potential income before taxes at the Massachusetts’ minimum wage, working

¹³⁷ Joshua Garcia. Interviewed by Marcella Jayne. digital recording. Holyoke MA, July 20, 2012.

¹³⁸ Tyrone Bowie. Interviewed by Marcella Jayne. digital recording. Holyoke MA, September 18, 2012

fulltime would be \$1,280.00.¹³⁹ The fair market rent for a two-bedroom apartment in Holyoke is \$935.00 a month, about 73% of a household's income with 40 hours a week of minimum wage work.¹⁴⁰

When I asked Garcia why a family should aspire to move into market-rate housing he said "It's not illegal [living in public housing indefinitely], that's something-I don't think it is a negative thing, I mean I would like people to progress, but obviously all that is learned." He said he understood that families faced increased housing insecurity by moving from public housing into market-rate housing. He explained that families would even forgo earning possible income to avoid increased rent or the possibility of ineligibility, saying "What a lot of families do is tell their employer, 'I don't want a raise' or 'I quit my job.'" To offer comfort to families facing the insecurity posed by moving into market-rate rentals, he reminds them that he too faces those "what ifs" with his own housing situation. He said "Families have that 'what if' in the back of their heads and I tell them I have that what if -I could lose my job too." While he admits the precariousness of market-rate housing situations he nevertheless believes that this transition defines "progress" though, he could not articulate what is advantageous, financially or otherwise about it.¹⁴¹

¹³⁹ Wage and Hour Division (WHD) Minimum Wage Laws in the States - January 1, 2012. Last modified January 1, 2012. (accessed November 27, 2012). <http://www.dol.gov/whd/minwage/america.htm#Massachusetts>.

¹⁴⁰ FY 2013 Fair Market Rent Documentation System The Final FY 2013 Holyoke city FMRs for All Bedroom Sizes. Last modified November 13, 2012. (accessed December 20, 2012). http://www.huduser.org/portal/datasets/fmr/fmrs/FY2013_code/2013summary.odn.

¹⁴¹ Joshua Garcia. Interviewed by Marcella Jayne. digital recording. Holyoke MA, July 20, 2012.

While Darlene and Bowie both believe in the idea that public housing should be transitional, they are sympathetic to those who *cheat the system*. Bowie said “I understand why so many families have kids that run out selling drugs, why they don’t tell whose living in their household because that’s their only way to get out of housing.”¹⁴² One of the most prevalent ways in which tenants violate their leases or *cheat* PHAs is by allowing family members or friends not on the lease to live in their units. To PHAs this is problematic because this creates a situation where there may be household income produced by non-lease holding tenants escaping their rental calculations. Additionally PHAs have strict eligibility requirements, including passing a Criminal Offender Registry Information (CORI) check and not having been evicted from any other PHA (see appendix D, page140). These guidelines cannot be enforced if a resident has not gone through a screening process. A PHA is not persuaded by the fact that a mother is trying to help a son convicted of drug possession get back on his feet by providing him with a roof over his head-they have monopolized control over who is *allowed* in their tenants’ households (see appendices A and D, pages 137 and 140).

The Department of Housing and Community Development (DHCD), who controls access to Emergency Assistance (EA) which are publicly funded and run homeless shelters, issued a memo to Massachusetts PHAs asking them to be more lenient with lease violations concerning additional non-lease holding family members or friends residing with tenants, after tightening their reins on EA

¹⁴²Tyrone Bowie. Interviewed by Marcella Jayne. digital recording. Holyoke MA, September 18, 2012

accessibility. On November 14, 2012 Lizbeth Heyer, the Associate Director of the DHCD's Public Housing and Rental Assistance program submitted the memo, saying "The new system may necessitate that families seek or maintain low-cost or informal housing situations which can include families sharing apartments or living in doubled up situations for a period of time." While this may seem like the DHCD advocating on behalf of public housing tenants who face eviction for allowing others to double-up with them, it is not. The reason that this memo was created is because the DHCD had changed their eligibility regulations for EA. Their eligibility guidelines state "A household must be homeless due to the lack of feasible alternative housing. Feasible alternative housing means any currently available living situation including temporary housing with relatives, friends or charitable organizations."¹⁴³ At one time leaving a rental housing situation, whether private or public because you were risking a family member's eviction was considered an acceptable reason to be homeless. It no longer is. Worst of all, this memo does not in any way bind PHAs to make these considerations while determining whether or not to evict a family for a lease violation. Heyer goes on, "In all cases, we leave decisions regarding individual tenancies to the housing authority."¹⁴⁴ This puts public housing families in an extraordinarily precarious situation, as one family member being turned away from EA can easily snowball, at a PHA's discretion, into the eviction of an entire family for a lease violation.

¹⁴³The Department of Housing and Community Development, "Eligibility for Emergency Aid (EA)." Last modified December 7, 2012. (accessed December 10, 2012).

<http://www.mass.gov/hed/economic/eohed/dhcd/legal/regs/760-cmr-67.pdf>.

¹⁴⁴Lizbeth Heyer . The Department of Housing and Community Development, "Request for assistance with EA and HomeBASE." Last modified November 14, 2012. (accessed December 10, 2012). [http://www.masslegalservices.org/system/files/Request for assistance with EA and HomeBASE 11-14-12_0.pdf](http://www.masslegalservices.org/system/files/Request%20for%20assistance%20with%20EA%20and%20HomeBASE%2011-14-12_0.pdf).

The DHCD also now requires that a social worker verify that “There is a substantial health and safety risk to the family that is likely to result in significant harm should the family remain in such housing situation” for families applying for EA.¹⁴⁵ If a family’s dwelling is determined to be safe (even though it may be overcrowded or in violation of a lease) the family will be ineligible for EA. On the other hand, if the dwelling is determined to be unsafe, families risk having their children removed. Whether or not this risk is truly prevalent, it is a great deterrent to families leery of losing their children to what they perceive to be authoritarian bureaucracies. It is also another example of how housing policies are allowed to control and influence the composition of those families that have failed to achieve or sustain homeownership or private market-rate rentals.

Nevertheless, conservatives and even liberals blame a lack of family values or cultural values that do not prioritize familial cohesion, as a cause of poverty -*not* an institutionalized result of it. Additionally, the incidence of single-motherhood (attributed to a lack of family values) in housing projects and in other programs for low-income people is exaggerated. When a mother knows that if her partner is listed on the lease the family’s rent will increase, it is a completely rational and an economically wise decision to omit this information. Darlene explained “My mother had a partner. He lived in the home. He started working in the factories and that brought in some income.” For the first time she said “We had gained some stability, my mother’s education increased.” I asked her if her

¹⁴⁵ The Department of Housing and Community Development, “Eligibility for Emergency Aid (EA).” Last modified December 7, 2012. (accessed December 10, 2012). <http://www.mass.gov/hed/economic/eohed/dhcd/legal/regs/760-cmr-67.pdf>.

mother's partner was on the lease, "He was not" she replied. She went on "that's something that happens a lot with low-income residents-it's a matter of survival. I think a good 75% of that happens at Lyman Terrace [today]."¹⁴⁶ Unfortunately, it is not feasible to calculate an accurate number of how many women are in this situation to substantiate her claim, though it is clear that those who are, inflate the number of those counted as "single-mothers". These numbers then lead to dubious policy suggestions from politicians, such as Newt Gingrich who proposed offering cash incentives "to the poor so they acquire the same habits that get successful people ahead." One of these habits was "getting married before having children."¹⁴⁷ It is highly unlikely that this onetime payment would *even* approach the amount of income and resources lost by being married for many poor people, especially public housing tenants.

In no way is public housing a handout. It is not without significant cost in more than one regard and it is not *handed out*. Getting a unit in a public housing project is extremely difficult. Besides the obstacle of strict eligibility requirements there are lengthy waitlists. In the HHA's five year plan, beginning with the year 2012, submitted to the U.S. Department of Housing and Urban Development (HUD), the waitlist to get into a HHA unit had 2,464 families (not individuals, but groups of individuals) on it. Of these families 92.45% were labeled "Extremely low-income" households, which the HHA and HUD distinguished from "very low-income" and "low-income" households. Also included in the plan is the

¹⁴⁶ Darlene (last name omitted). Interviewed by Marcella Jayne. digital recording. Holyoke MA, July 20, 2012

¹⁴⁷ Kai Ryssdal, *Marketplace*, Cash incentives for the poor, July 16, 2006, Web, <http://www.marketplace.org/topics/economy/cash-incentives-poor>.

centralized waitlist for Massachusetts state funded housing vouchers. This waiting list has 44,798 families on it, with 91% classified as “extremely low-income” households.¹⁴⁸

Saralis, waited five years for her modest two-bedroom apartment in Lyman Terrace. She explained that before getting her apartment she had tried to apply for EA to see if she could get into a shelter with her daughter. At the time she, her daughter and mother were sleeping in the same bed. Between her brother, with whom she had a tumultuous relationship, and the rest of the family, there were four adults and two children in a two bedroom apartment. She was turned away despite the fact that her mother had told her she could not continue to live in the small apartment. Eventually her name came up on the HHA waitlist. Even though she explains that “They [the HHA] don’t like to fix things” and that every time she takes a shower water leaks down her kitchen wall, she was and still is grateful. She said:

They told me they gonna give me this apartment but I was so scared, because everybody told me don’t move over there, they all sell drugs and I didn’t want that to be with my daughter here. But I don’t have another choice to get this apartment -If I don’t have this apartment I was going to the streets.¹⁴⁹

Scarcity of available units is such a concern of prospective tenants and service providers alike, that the DHCD guidelines specifically state “A household shall not be eligible for EA if it became homeless...for the purpose of obtaining a

¹⁴⁸ Holyoke Housing Authority. PHA 5-Year and Annual plan. Holyoke, MA: n.p., n.d. (accessed December 30, 2012). <http://www.hud.gov/offices/pih/pha/approved/pdf/12/ma005v02.pdf>.

¹⁴⁹Sarilis (pseudonym). Interviewed by Marcella Jayne. Digital recording. Holyoke MA, August 7, 2012

housing subsidy.”¹⁵⁰ Whether or not this is actually a problem, the fact that a family might go to such extremes to secure affordable long-term public housing typifies a desperate housing situation in Holyoke and other cities in Massachusetts. According to the Census’s most recent estimate of Holyoke’s population and the percent of Holyoke Families living below the poverty line, around 12, 490 individuals live below the poverty line and would be eligible for public housing.¹⁵¹ In contrast the HHA has (approximately) 485 units of family low-income housing and 395 units of elder (over 60 or permanently disabled) low-income units.¹⁵²

Bowie had to wait six years to get his two-bedroom unit at Teopfert. He moved currently into public housing in his early 20’s while he was in college. Four years later his son was born and he requested to be moved to a two-bedroom apartment. He was caught in a *Catch 22* situation between the HHA and the court. In order to get custody of his son, the court told him he had to have a two-bedroom apartment. However, the HHA told him he had to have custody of his son in order to be eligible for a two-bedroom apartment. To make matters worse his son who suffers from a congenital heart defect was at risk of entering the

¹⁵⁰ The Department of Housing and Community Development, “Eligibility for Emergency Aid (EA).” Last modified December 7, 2012. (accessed December 10, 2012). <http://www.mass.gov/hed/economic/eohed/dhcd/legal/regs/760-cmr-67.pdf>.

¹⁵¹ Sate & County Quick Facts Holyoke (city) Massachusetts. Last modified December 6, 2012. (accessed

December 30, 2012). <http://quickfacts.census.gov/qfd/states/25/2530840.html>.

¹⁵² In addition to the 485 units of low-income housing at their projects the HHA has another 100 units at their post HOPE VI construction, the Churchill homes. However, these are mixed-income rentals meaning only some of them are slated for low-income families. Nowhere on their website or in the most recent 5-year plans submitted to HUD does the HHA provide a number of how many of these units are low-income units; Holyoke Housing Authority. Last modified 2010. (accessed December 30, 2012). <http://www.holyokehousing.org/locations>.

foster care system as his mother proved to be unable to care for his medical needs. While Bowie was unable to gain full custody of his son due to the inadequacies of his apartment, the HHA nevertheless went after Bowie's son's Social Security Disability Insurance (SSDI) check to increase Bowie's rent. He was however, successful in thwarting their attempts, as they could not count the income of an individual not accommodated or listed on the lease. At one point Bowie said that Rosalie Dean, the executive director of the HHA told him he had to have custody of his son 50% of the time. He gleefully brought her custody papers stating just that. He says she surprised him by telling him that the regulations now required him to have custody 51% of the time. Eventually, Bowie was placed in a two-bedroom unit. He was told on a Wednesday that the unit was available and that we had to be completely moved in by the following Friday. Bowie was apprehensive to take the unit because it was on the third floor and his son's doctor had warned him against living any higher than a second floor because of the strain that walking up multiple flights of stairs would put on his son's heart. He says the HHA told him he had to take it or be put back to the bottom of the list. By Friday they had locked him out of his old apartment. He broke into it over the weekend to salvage what he was able to move in the limited time frame the HHA gave him.¹⁵³

Darlene who grew up in Lyman Terrace as a child did not have as long of a wait to get into public housing. Her mother was living in the Bronx with an abusive partner. In the 1970's Darlene's mother fled to Holyoke to stay with her

¹⁵³Tyrone Bowie. Interviewed by Marcella Jayne. digital recording. Holyoke MA, September 18, 2012

sister. A total of eight children and two adults occupied Darlene's aunt's three-bedroom apartment in South Holyoke. Tight living quarters were the least of their concerns, as fleeing one violent situation led to another-arson. Darlene said:

When we moved here, Holyoke started to experience a rash of fires throughout the city and they were really bad fires to the point where people were dying like crazy. I recall seeing one fire where eight people died and even one person had jumped out the fourth floor in front the whole group watching the fire. We became a victim of these fires. There were a lot of slumlords that owned property in Holyoke... When it was no longer manageable they were paying people from the streets to burn up the buildings.¹⁵⁴

After Darlene's aunt's three floor apartment building was set on fire for a third time the city condemned it. She says this wasn't because it was uninhabitable, but because the risk of a fatal fire was eminent. After the apartment was condemned Darlene's mother was able to move into Lyman Terrace.

Getting a unit in public housing does not guarantee a safe and sanitary place to live either. The HHA has recently described the condition of the buildings of Lyman Terrace as "severely distressed" and the pictures in chapter 2 can attest to this fact as well. Unlike tenants in the private rental housing market, public housing tenants face particular challenges when it comes to addressing maintenance issues. If a tenant renting in the private market has a problem with the conditions of their apartment, even though they are not entitled to a court appointed lawyer (as is the case with all civil housing matters) they have options that a public housing tenant does not. They can find lawyers, like those of Heisler Feldman McCormick and Garrow P.C. (HFMG) who will represent them without charge by shifting lawyers' fees onto the landlord. Because in Massachusetts G. L.

¹⁵⁴ Darlene (last name omitted). Interviewed by Marcella Jayne. digital recording. Holyoke MA, July 20, 2012

c. 93A, s. 2 (a) provides that the prevailing party in eviction cases may claim fees when the landlord has acted in “unfair and deceptive ways”, many private market renters who could not necessarily afford legal representation may have access to it nonetheless. This was the case with public housing tenants too until 1998 when the Massachusetts’ Supreme Judicial Court (SJC) overruled a decision from the Boston Division Housing Court. The case revolved around a tenant of the Boston Housing Authority (BHA) who was being evicted for non-payment of rent. His lawyer argued that since the BHA had failed to keep up their end of the lease, that the unit be “habitable” this constituted a 93A violation. The tenant won his case, was not evicted, and received punitive damages and fees for his attorney. The BHA argued that they were should not be held to these standards as they are not a business. The BHA appealed the case and the SJC ruled that the:

Boston Housing Authority did not, by failing to maintain housing in compliance with the State sanitary code and by breaching the implied warranty of habitability, act “in a business context” and was not engaged in “trade or commerce” within the meaning of G. L. c. 93A, s. 2, so as to give rise to liability under that statute. [538-540].¹⁵⁵

Even if a Massachusetts public housing tenant has a *perfect case*, in terms of their proof of negligence and lack of maintenance, they face tremendous obstacles in legally forcing PHAs to repair and/maintain their properties. Unless tenants have money to hire their own private attorney (which is unlikely if their income is low enough to qualify for public housing) or are prepared to litigate the case themselves, the chance of successfully addressing these issues via the court system is nearly impossible.

¹⁵⁵ Boston Housing Authority v. Bobby Howard, No. 427 Mass. 537 (Massachusetts Supreme Judicial Court, May 20, 1998).

Vencino a Vencino, a community organization in Holyoke released a video of a Lyman Terrace tenant explaining her maintenance issues. Sandra Morales has been a living in Lyman Terrace for seven years. Since moving in she has developed severe asthma. She surmises that this is due to the black mold growing in her apartment, which the video shows as the camera pans around her apartment. Despite having been promised that the issue would be addressed by Rita Maccini of the HHA, after an order that the HHA remove the black mold from the Department of Health and numerous letters from her doctor, she continues to struggle to breath in her own home. The HHA gave her a spray bottle of what they told her was a chemical that would get rid of the mold. She says it was only watered down bleach, which she cannot use due to her asthma.¹⁵⁶

Despite all of the obstacles facing families seeking affordable, safe and sanitary housing, Joshua Garcia who not only works for the HHA but is also a board member of Nueva Esperanza (a non-profit in Holyoke) believes housing is no longer the main issue of today. Nueva Esperanza once acted as community based alternative to public housing. The organization first began creating quality affordable housing in 1984 when they acquired a 14 unit building in Holyoke. Garcia explained that the building had been owned by an absentee landlord who had failed to maintain the building. The building had no heat the winter that Nueva stepped in. Over the next decade the organization steadily acquired and rehabbed many buildings, and at their peak maintained 300 units of affordable

¹⁵⁶“Voces de Lyman Terrace. » YouTube. Video file. Posted by Vencino A Vencino, December 29, 2012. (accessed January 8, 2013). <http://www.youtube.com/watch?v=rl-7e-xp8kk&feature=youtu.be>.

housing. Currently, however they only operate the original 14 units they acquired. Garcia said “In the 80’s Nueva used to buy tenements fix ’em up and rent them out, but that was the issue back then.” Today, Nueva Esperanza’s mission is changing. Garcia explained the shift saying, “The new issue that we have been seeing a lot is -mark me if I am wrong- small businesses dying, mom and pop shops closing because they can’t keep up with the building or because the area is too high on crime.” Nueva Esperanza in partnership with the Latino Chamber of Commerce will be focusing on promoting small businesses through property management, rather than just housing. Garcia explained that housing will still be a priority, but only as adjunct, saying:

Instead of just buying houses, buildings and just renting them out, which doesn’t sustain itself financially; can we buy mixed use spaces on Main Street? Can we be the agency that turns around Main Street? We can still focus on our housing initiative because the second and third floor is still rental space for families.¹⁵⁷

Garcia’s hope is that by promoting small businesses, there will be more jobs and opportunities for those people, including HHA tenants who cannot afford market-rate rent. Garcia hopes community outreach will engage residents in Holyoke’s poorest communities to become entrepreneurs. He said “Let’s go down to South Holyoke and start knocking on doors ‘ever thought about owning your own business?’ and I am sure there is a lot, everybody has thought about owning their own business.” In regards to Lyman Terrace he added, “And there are a lot of people living in housing that have a lot of skills to run their own shops but it takes a lot of empowering and educating to do that.”¹⁵⁸ In the HHA’s five year

¹⁵⁷ Joshua Garcia. Interviewed by Marcella Jayne. digital recording. Holyoke MA, July 20, 2012.

¹⁵⁸ Joshua Garcia. Interviewed by Marcella Jayne. digital recording. Holyoke MA, July 20, 2012.

plan they also talked about their approach to the insurmountable need for low-income housing, by helping tenants become “economically self-sufficient”, a task that all but recluse anarchists have failed to achieve. The HHA said:

While there exists a theoretical need for additional affordable housing based on Holyoke’s large low income population, the current market realities indicate there is virtually no unmet demand for units at street rents in these areas. The Holyoke Landlord’s Association has indicated that a double digit vacancy rate exists. The City acknowledges that a significant number of its rental households have incomes at or below 50% of median and just simply cannot afford even below market rents, although such apartments are available. No amount of additional construction or reconstruction can affect the income of potential tenants. Without some sort of rental assistance, certain families cannot afford even the lowest rents required to keep buildings viable. These are the families that require subsidies, and would require them no matter where they lived. To address this barrier the Authority will work with families to assist them to become economically self sufficient so that they will be able to afford to rent non-assisted units or move to homeownership thus freeing up the units that they reside in for other families in need.¹⁵⁹

Later on in the report the HHA also listed some of Holyoke’s goals as a city, saying:

The City has also set as an Anti-Poverty Strategy the need for groundwork to be provided to assist families so that they can lift themselves out of poverty. The Authority’s Family Self-Sufficiency program has assisted families, both public housing and HCV participants, in improving their quality of life and to increase their economic situations.¹⁶⁰

This approach steers the narrative away from the fundamental flaws of American housing policies and markets and back into the *willingness* of tenants to *overcome* institutional constraints that they have virtually no influence over, such as minimum-wage laws, deindustrialization and outsourcing.

If we conceptualized housing as a human right the narrative of the *public*

¹⁵⁹ Holyoke Housing Authority. PHA 5-Year and Annual plan. Holyoke, MA: n.p., n.d. (accessed December 30, 2012). <http://www.hud.gov/offices/pih/pha/approved/pdf/12/ma005v02.pdf>.

¹⁶⁰ Holyoke Housing Authority. PHA 5-Year and Annual plan. Holyoke, MA: n.p., n.d. (accessed December 30, 2012). <http://www.hud.gov/offices/pih/pha/approved/pdf/12/ma005v02.pdf>.

housing tenant dependent on hand-outs, would be fundamentally undermined.

This narrative, and the theories of poverty and meritocracy that promote it, are not exclusive to either mainstream political ideology. At best conservatives and liberals vary on a limited spectrum that never proposes housing as a human right. In 1994, under the leadership of Bill Clinton and a Republican dominated Congress, the U.S. stood strong against the inclusion of a “Right to Housing” in the United Nations’ Istanbul Habitat II conference’s declaration. Though the progressive language was supported by a majority of delegates, Clinton was successful in making sure it was not ultimately included.¹⁶¹

The minority of those eligible for public housing, who actually become tenants have a steep price to pay for their coveted spots. Tenants lose their right to privacy as they are continuously monitored and investigated by PHA bureaucracies (see appendix E, page 141). They practically take on a part time job by spending hours constantly providing unending documentation to PHAs, from the balance in a checking account to the evaluation of a gifted plate of food. They lose agency over one of the most personal aspects of human beings-their household and familial composition. They risk their housing every time they allow a family member in need, a place to stay (see appendix A, page 137). They lose nearly all of the legal recourse that private market-rate tenants possess. They care for the weakest members of their families, knowing in the case of criminal violence, arson and natural disaster they would be foolish to rely on the police or

¹⁶¹ Peter Marcuse and W. Dennis Keating, “The Permanent Housing Crisis,” chap. 6 in *A Right to Housing: Foundation for a New Social Agenda*, ed. Rachel Bratt, Michael Stone and Chester Hartman (Philadelphia PA: Temple University Press, 2006).

other public agencies to protect them. Worst of all they face the stigma and discrimination spurred by the insidious and illogical discourse that casts them as deficient in spite of the plethora of information that indicates that low-income housing funding and availability is deficient.

CHAPTER 5
APPLY PRESSURE –SEIZE POWER:
COMMUNITIES FIGHT BACK

I was sitting in the court room benches waiting for a motion of a Springfield No One Leaves member to be heard. A frail young black mother had a motion before ours. She stepped up to the long rectangular table in front of the judge, with an infant in her arms. She sat on one end with her son’s stroller pulled up beside her. On the other end sat the landlord and his lawyer. I had been introduced to this lawyer before by one of the lawyers we work with. He was cheerful and pleasant when I met him. He told me about his alma mater, Northeastern Law School, and why I should apply. In this instance, his demeanor was completely different. The young black woman was asking for a stay of execution, for the second time. A stay of execution would have temporarily postponed her imminent eviction. The lawyer was animated as he presented the landlord’s case. He exclaimed that “My client has already lost enough rental income due to the defendant and her unwillingness to pay rent or come to an agreed upon move out date and comply with it.” He went on explaining why she should not be granted another stay of execution. His vigor while arguing seemed uncalled for, as it was apparent that the defendant had no hope of countering his legal arguments. His manner of argument seemed disproportionately aggressive.

Indeed, she was unable to articulate any legal justification when the judge called upon her to present her motion. In lieu of one, she begged. She said she had two other children who were at school and nowhere to go. She cried and begged. She said she could not move in with her mother because she only had a one bedroom apartment and there was no room. The judge denied her motion. Then her tears welled into sobbing. She struggled to drag the stroller out of the court room while carrying the baby in her other hand. The lawyer walked out with a smug look on his face. He had defended his client's interest.

I followed her out. In the hallway a court mediator tried to comfort her. At this point the baby was crying and screaming. She plopped him in his stroller. She couldn't comfort him. She called her mother and asked her to get the older two children from school. They would have no home to return to. She finished her call and the mediator tried to offer her pragmatic advice. He told her where she had to go to apply for Emergency Assistance (EA, publicly provided homeless shelters). I knew she almost certainly would be turned away-because the EA guidelines stipulate that a family first sleep somewhere "unfit for human habitation" before they are considered homeless and eligible for shelter.¹⁶² I remembered the article in the *Boston Globe* about the young woman in Boston who slept in South Station with her one year old after being denied. After a few nights a man who had been

¹⁶² The Department of Housing and Community Development, "Eligibility for Emergency Assistance (EA)." Last modified September 17, 2012. (accessed November 25, 2012). <http://www.mass.gov/hed/docs/dhcd/hs/760cmr67.pdf>.

bringing them food invited her to sleep on his couch. She was brutally raped that night.¹⁶³

All I could think of was this young woman in front of me, her baby and other children sleeping on the floor of the bus station or an unheated abandoned building. I struggled to write with my hands that were now shaking, the contact information for Arise for Social Justice, a community organization in Springfield, which had been working with homeless families struggling to find shelter after the Department of Housing and Community Development's (DHCD) implementation of strict new EA eligibility regulations. Later that day I contacted Arise for Social Justice to see if they had heard from her. They told me that they had and that she did not qualify for EA for several reasons, but especially because as it turned out that she had been evicted from a public housing unit that day in court. In matter of minutes this young woman and her three children would all be effectively blacklisted from EA, public housing, subsidized housing programs and from all sorts of private market-rate housing -even if she could somehow afford it. Her eviction from public housing would further tarnish her rental history. The legal justifications for evicting her had no comfort to offer her children. They had nowhere to go.

Stories like this one, of eviction and displacement must always be juxtaposed with their necessary other half –the vacant buildings they leave behind. This past summer while canvassing foreclosed homes, I came across hundreds of

¹⁶³Yvonne Abraham. "A safety net that is leaving more people out." sec. Metro, October 7, 2012. <http://www.bostonglobe.com/metro/2012/10/06/safety-net-that-leaves-them-out/00tzU5RIJorNONk87DhEwO/story.html> (accessed December 5, 2012).

vacant homes. When they were dilapidated and boarded up, I would usually make a note of it in my canvassing log and move on swiftly. However, when I found houses that appeared to be perfectly livable I always felt compelled to investigate a little more. On one particular canvassing trip a male Hampshire College student and I came across a suburban-like home nestled in a cul-de-sac. The pavement was smooth and the lawn manicured. At the door we saw a notice stating that the house had been “winterized.” Vacant homes are often winterized to prevent the pipes from freezing. If a house is winterized all of the water piping is temporarily disabled and it is a fairly accurate indicator that a home is vacant.

I decided to look around. My canvassing partner and I peered through the patio sliding doors to see the quaint interior -the hard wood floors, the tiled kitchen, the tasteful countertops and cabinets. The next-door neighbor saw us peering and came over. She noticed the car seats in my car and assumed we were a young couple considering purchasing the home. She introduced herself and told us it was a great place to raise a family. She said that she had been inside the home before and that the previous owners were very clean. My canvassing partner nudged me to leave when she finished her sales pitch, but I was frozen. I was lost. I was fantasizing about this house and I was wondering. The prospect of leaving this house to rot and be stripped for copper only to return to my dilapidated public housing was eating me up inside. I could see my kids playing in the safe fenced-in backyard. What would it take to occupy and seize the property -a credit card or other similar sized plastic card and a bobby-pin, a moving truck and a little performance of middle-class entitlement? I could do it. The neighbors would not

question me. They would be glad I was there. As long as I was not specifically caught in the act of breaking into the property, the threat of arrest would be very minimal. After that point any possible eviction would still be considered a civil matter (rather than criminal) and have to be done through the court system. Ultimately, what keeps me and many others from doing just that is the abstract notions of value, property ownership and legality, not any significant tangible barriers.

Public housing tenants and former homeowners are both victims of this ironic discrepancy between unaffordable housing and an overabundance of housing in general. Amongst the member leadership of Springfield No One Leaves (SNOL) an idea began to bubble up. The group began to lead toward becoming a broader housing rights organization, increasingly discussing the demolition and destruction of public housing at the hands of governments and/or natural disasters, homelessness and the conflict between capitalism and democracy. A new analysis emerged. Members who had perhaps once seen themselves as morally elevated from public housing tenants and the homeless, had their collective sense of security shaken as their own homeownership became increasing precarious. Families facing foreclosure and post-foreclosure evictions in SNOL have begun to see those stratified below them as new found allies. Faced with the question of “Why do you deserve a place to stay when you cannot pay the mortgage” homeowners and former homeowners came up with *radical* answers.

The SNOL leadership group, formed by members facing foreclosures and post-foreclosures, started a campaign called Turn on the Lights (TOTL). Like other campaigns across the country (many of which emerging from the Occupy movement), this one would occupy abandoned homes and move families in. Two of SNOL's paid organizers, Roberto Garcia-Ceballos and Malcolm Chu illustrated the tactic in a crowded weekly meeting for families facing foreclosures and post-foreclosure evictions. Malcolm dragged folding chairs and scattered them around the basement floor where the meeting is held. He said "These chairs are all vacant bank-owned homes." The group knew full well what happens to vacant bank-owned homes. Some of the members are the last holdovers on streets lined with vacant homes. Malcolm challenged the group, "We are the bankers [Malcolm and Roberto] and we don't care if vacant homes are destroying your community-so go ahead and try to take back one of these homes!" At first, a member cautiously goes over and sits in a chair and is almost immediately forced off by Malcolm and so it goes on for a few minutes -individuals seizing individual chairs only to be nearly immediately displaced. Then something happens, while one member is being kicked off a chair two other members seize two other chairs and soon there is an unmanageable situation, unmanageable for the mock bankers that is. Just as soon as one displacement occurs another (or more) seizure begins. Members have grins on their faces realizing the lesson of the exercise-*they_cannot_displace_all_of_us*. An idea and campaign that is more audacious, ambitious, organized and strategic than the run of the mill civil disobedience (that the group has not always endorsed whole heartedly anyway), is embraced.

SNOL was hardly innovative in the mere concept of occupying vacant homes, but where TOTL was exceptionally strategic however, was that the goal to occupy homes was not just to do so with abandoned homes, but foreclosed homes and not just foreclosed homes, but homes owned by Fannie Mae and Freddie Mac. Since these former Government Sponsored Entities (GSEs) had been forced into conservatorship by the government, leaders and organizers argued that they could and ought to be used as some form of public housing. How could the government be trying to demolish public housing like Lyman Terrace, refusing to rebuild public housing after natural disasters (like Hurricane Katrina in New Orleans, Hurricane Sandy in New York City and the Springfield MA tornado) and be turning families away from EA while they literally sat on top of a stock pile of vacant homes, often in better condition than they projects and shelters that were still operational? While SNOL has yet to find the ideal opportunity to launch this initiative, it is in the works with scouting teams inspecting prospective properties.

It enraged members facing eviction from Fannie Mae to hear that the now outright governmental entity was piloting a program to instead sell off foreclosed properties in bulk to private investors seeking to market them as rental properties. Edward DeMarco, Fannie Mae's post- conservatorship director, explained the program as being "designed to reduce taxpayer losses, stabilize neighborhoods and home values, shift to more private management of properties, and reduce the supply of [foreclosed] properties in the marketplace."¹⁶⁴ The worst irony of all

¹⁶⁴ Alan Zibel, and Nick Timiraos. "Fannie Mae Begins Marketing Foreclosed Homes as Rentals." *The Wall Street Journal*, sec. Real Estate, February 27, 2012.

was that many members had offered Fannie Mae and Freddie Mac rent after their foreclosures only to be denied. The government, in the form of Fannie Mae had shown their preferential loyalty to capital (private investors in this case) over their own citizens.

As the eviction proceedings went forward for many SNOL families, they drafted public letters, bringing not only their stories but their demands from private settings into a larger public view. One family mentioned in the previous chapter 3, was being evicted by Freddie Mac after a foreclosure. They secured a third party lending institution, Boston Community Capital (BCC), that was willing to buy the property at its current market value with the intention of then selling it back to the family. Freddie Mac agreed to the price but not the plan. In a *Huffington Post* article about the Decaro family, a reporter explained Freddie Mac's reasoning saying:

Edward J. DeMarco, who oversees Fannie and Freddie as acting director of the Federal Housing Finance Agency, has rejected calls to forgive principal balances, citing an agency analysis that concludes that other forms of relief -- such as loan modifications that defer payments -- better limit taxpayer losses... Freddie Mac acknowledges having a policy that requires short sales be accompanied by affidavits from buyers pledging to not sell or rent properties to the original owners. The policy was introduced in July 2010 in response to a growing incidence of short sale-related fraud, according to Freddie Mac spokesman Brad German. Con artists were stopping payments on their mortgages, employing friendly middlemen to buy their homes at fire-sale prices, and then flipping properties back to them, effectively cutting loan balances at taxpayer expense, he said.¹⁶⁵

<http://blogs.wsj.com/developments/2012/02/27/fannie-mae-begins-marketing-foreclosed-homes-as-rentals/> (accessed December 5, 2012).

¹⁶⁵Peter Goodman. "Fannie Mae, Freddie Mac Resistance To Principal Reduction Costs Taxpayers." *Huffington Post*, sec. Business, March 26, 2012.

http://www.huffingtonpost.com/2012/03/26/fannie-mae-freddie-mac-principal-reduction_n_1376092.html (accessed January 1, 2013).

However, as the article also notes, the Decaros were ineligible to refinance or modify on their mortgage, because their home was worth half of what was owed on the mortgage. In addition, according to reports published by ProPublica and National Public Radio, Fannie Mae and Freddie Mac's own analyses made after Demarco's comment indicated the exact opposite strategy would be most beneficial for taxpayers-reducing loan principals by allowing buy backs or through modifications.¹⁶⁶ The assertion that strategic foreclosure and buy-backs are a fraudulent practice offered insult to injury, to families like the Decaros that purchased modest homes at inflated prices and did all they could to make monthly payments, knowing the equity in their homes was evaporating by the day.

Chu had a more cynical take on Freddie and Fannie Mae's refusal to sell back properties. He commented to the *Huffington Post*:

*We see it as being about punishment and not about business...It's entirely about trying to make it clear that foreclosure is the worst possible thing that can happen and ensuring that the millions more homeowners who are underwater and not yet in foreclosure will keep on paying.*¹⁶⁷

In light of the effect of vacant homes on property values and public safety, Freddie Mac's refusal to sell the home to anyone planning on letting the former owners stay because of Freddie Mac's "obligation" to "preserve the value of the mortgage," seemed absurd. Members begged the question -what taxpayer interest does it serve to evict taxpayers willing to pay rent or buy back their homes at the

¹⁶⁶Peter Goodman. "Fannie Mae, Freddie Mac Resistance To Principal Reduction Costs Taxpayers." *Huffington Post*, sec. Business, March 26, 2012. http://www.huffingtonpost.com/2012/03/26/fannie-mae-freddie-mac-principal-reduction_n_1376092.html (accessed January 1, 2013).

¹⁶⁷Peter Goodman. "Fannie Mae, Freddie Mac Resistance To Principal Reduction Costs Taxpayers ." *Huffington Post*, sec. Business, March 26, 2012. http://www.huffingtonpost.com/2012/03/26/fannie-mae-freddie-mac-principal-reduction_n_1376092.html (accessed January 1, 2013).

real market value, a value much higher than these entities would likely receive at an auction.

When a family can move beyond the fear and stigma of foreclosure and eviction, there is an opportunity to bring their story out into the public. When the general public is given a firsthand narrative of the foreclosure and imminent eviction, a new discourse often emerges -one that focuses blame primarily on lending institutions and secondly on the government in so much as they were ineffective in regulating lenders or remedying the errors of lenders. In the case of the Tucker family, community action and media coverage were vital in compelling Deutsche Bank to accept the Tucker's buy-back offer that had been arranged with BCC. Their story was compelling not just to those who had a radical understanding of housing as a human right.

The Tuckers bought their home leading directly up to the peak of the housing bubble, in 2005 for \$280,000 with financing from Long Beach Mortgage. Their mortgage was sold off several times before landing in the hands of Deutsche Bank. Still, with adjustable-rates the family managed to make their payments until Catrice Tucker had to take a medical leave from work. She was a state employee, a toll-booth collector for the Massachusetts Turnpike Authority. After losing much of her income, the family had to increasingly rely on James Tucker's income as firefighter for the city of Springfield. He had worked there for over seventeen years. Still they could not afford the mortgage. During the eviction proceedings, Catrice was cleared to return to her job and the family's income

improved substantially.¹⁶⁸ At the same time their home's value had decreased significantly. They could afford the house at its current real market value, which tax assessors in 2012 determined to be \$185,400.¹⁶⁹

After the court had ruled in Deutsche's favor, while awaiting a 48-hour notice of eviction from the sheriff, the Tucker family and SNOL planned a massive vigil. The vigil was held on July 31, 2012. Over 200 people attended, including four local elected officials. Two days later, while the family was still anxiously awaiting bad news from the sheriff, they received word from Deutsche Bank that the BCC offer had been accepted.¹⁷⁰ There is no exact way of knowing how much the negative media affected Deutsche's decision, without a direct quote from one of their representatives explicitly saying, but it is fair to assume had there not been as much public outrage spurred by the Tuckers' letters to newspapers and local elected officials, over the imminent eviction of a firefighter who could afford his home, the bank likely would have went through with the eviction.

Stories like these, where a family can afford the house at its current real market value, hardly demand a structural analysis of housing markets and policies, in terms of understanding housing as a human right, rather than a commodity. In a sense they are gems for organizers because they appeal to a wide array of citizens

¹⁶⁸Roberto Garcia-Ceballos. Springfield No One Leaves, "MEDIA ADVISORY For Immediate Release." Last modified July 26, 2012. (accessed December 7, 2012). <http://www.springfieldnooneleaves.org/wp-content/uploads/2012/07/TwoVigilsTwoNights.pdf>.

¹⁶⁹ Zillow, "53 Palo Alto Rd. Springfield, MA 01128 Sixteen Acres 4 Beds 2.5 Baths." Last modified December 4, 2012. (accessed December 7, 2012). http://www.zillow.com/homedetails/53-Palo-Alto-Rd-Springfield-MA-01128/56223909_zpid/.

¹⁷⁰ Malcolm Chu. Springfield No One Leaves, "Updates – Tucker vs. Deutsche & Mendez vs. Aurora." Last modified August 3, 2012. (accessed December 7, 2012). <http://www.springfieldnooneleaves.org/>.

and groups. When I began working with SNOL these were the stories and cases I was hungry to work on -sympathetic families given predatory loans by unreasonable lending institutions unwilling to negotiate even when it seemed as though it was in the lender's best interest economically. I soon discovered that many of the families I would be working with and cases I would be working on would not fit this model. Increasingly families would come to our doors that had not been as lucky as the Tucker's and the Decaro's, families, that had not re-secured income and who could not afford their homes at the current real market value. These cases were not as easy to find support for in the media. At times I even struggled to be sympathetic, when I considered the situation of public housing tenants in contrast. Why should someone who bought a house with Social Security Disability Insurance (SSDI) as their main form of income, feel entitled to have a single-family home when people in my projects who work fulltime minimum-wage jobs do not? From a logistical perspective, I also questioned why we put scarce legal resources into cases where it seemed even if the foreclosure was nullified that the family would still be incapable of paying the mortgage and the bank would inevitably re-foreclose, only more carefully the next time.

Overtime my preference for sensational stories was replaced with an impassioned resolve to challenge structure -the structures that restricted homeownership along race lines, that aided and abetted the accumulation of wealth amongst upper-class white homeowners, that incentivized predatory lending, that infantilized those would could not achieve homeownership, that denied housing as a human right, that dismantled housing safety nets, that

callously restricted shelter for families with children. Public housing tenants, former homeowners and homeless families have mutual enemies and both have been largely cast in public discourse as irresponsible, naïve and at times outright unworthy. Whenever groups have mutual enemies there is the chance to build solidarity.

Public housing tenants have been infantilized and presumed to be deficient for falling to afford housing, as if the structural factors such as minimum-wage laws and job scarcity would allow each and every public housing tenant to do so, *if only they just tried*. Former homeowners have been blamed for their own demise and left to remedy their dire situations despite the plethora of information that demonstrates that the post deregulation mortgage lending paradigm was engineered to profit at the expense of homeowners. Housing not only indicates civic stratification, it defines it. EA, a publically funded program has devalued the merit of those evicted after foreclosures and those from public housing by denying them shelter. The American government has used taxpayer money to bail-out banks, but required no stipulations to help homeowners. The American government continues to spend billions on subsidizing single-family homeownership for wealthy homeowners while public housing is funded at a dismal fraction of that and left to crumble and rot with families trapped in its bowels. While it is not a matter of written policy stigma deeply impacts both former homeowners and public housing tenants. Public housing tenants know that even though they may be citizens and legally entitled to the same police protection as anyone else, that they will likely not receive it. To live in public

housing is in sense to be unworthy of police protection. To be foreclosed on carries similar devaluations. As former homeowner Ernie explained the stigma of foreclosure “It’s like being on welfare,” we see the discourse around meritocracy and worth, deeply embedded with cultural theories of poverty. To fail at achieving and sustaining homeownership is to fail to be acknowledged by the government and society as an American adult and as a full citizen. In these situations one of the most radical things those who have failed to achieve or sustain homeownership can do, is assert their right and the rights of others to affordable and adequate housing.

Moving beyond an individualistic approach to housing, steeped in cultural theories of poverty, the fight becomes collective. Working for SNOL for the past two years I became less and less concerned with the merit of those families I worked with and more with the merit of the institutions and policies that have impacted their housing situations. I am reminded that even when it would seem I had wasted time and effort helping families defend themselves in court to only later find out that they did end up taking *cash for keys* offer after all, that my work was not in vain. Every hour I helped keep a bank lawyer in court or up at his/her desk working, it cost the bank money -about \$300-\$500 an hour. The aggregate of resistance is more important than any one family saving their home, no matter how symbolic the victory is. Steve Meacham, the lead organizer from City Life/Vida Urbana (the group SNOL was designed after) commented on PBS News Hour “People come in feeling demoralized, shaken, just crying, in complete despair and they not only win their homes back -or sometimes they don’t, they

become activists, they become protagonists in their own drama.”¹⁷¹ By fighting in the first place, even when we lose, *we win*.

¹⁷¹Jim Lehrer, “PBS NEWS Hour,” *Making SenSe of the Mortgage Crisis*, October 19, 2010, Web, http://www.pbs.org/newshour/bb/business/july-dec10/foreclosures_10-19.html.

APPENDICES

Appendix A. HHA Guest Memo to Tenants

**HOLYOKE HOUSING AUTHORITY
475 MAPLE STREET, SUITE ONE
HOLYOKE, MA 01040
413-539-2220**

Memo

To: All Federal Public Housing Residents
From: Rosalie M. Deane, Executive Director
Date: July 2, 2012
Re: Guests

The Holyoke Housing Authority has received numerous complaints about unauthorized people residing in Authority owned units. Please be advised that you are in violation of your lease if you allow unauthorized guests, and or family members, to stay in your unit without prior permission from the Authority and in excess of the number of days stated in your lease. If you wish to add someone to your lease you must apply for permission with an Add-On application and permission must be granted prior to the person moving into the unit.

Please refer to the following section of your lease:

IX. Tenant's Obligations: Tenant shall be obligated:

(a) Not to assign the Lease, nor sublease the dwelling unit. [966.4 (f) (1)]

(b) 1. Not to give accommodation to boarders or lodgers; [966.4 (f) (2)]

2. Not to give accommodation to long term guests (in excess of 14 days) without the advance written consent of PHA.

(c) To use the dwelling unit solely as a private dwelling for Tenant and Tenant's household as identified in PART II of the Lease, and not to use or permit its use for any other purpose. [966.4 (f) (3)]


This provision does not exclude the care of foster children or live-in care of a member of Tenant's family, provided the accommodation of such persons conforms to PHA's Occupancy standards, and so long as PHA has granted prior written approval for the foster child(ren), or live-in aide to reside in the unit. [966.4 (d) (3) (i)]

Failure to abide by this section of your lease will result in lease enforcement.

The Authority also would like to remind all tenants that all vehicles owned by residents must be registered with the Authority. All cars must be parked in parking lots, if provided, and or on the street. Parking on the lawns, sidewalks or blocking passageway is not allowed.

Please contact you Housing Manager if you have any questions.

Appendix B. HHA Annual Recertification Bank Verification Form



Holyoke Housing Authority
 AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION AGENCY
 ADMINISTRATION BUILDING, 475 MAPLE STREET, Ste 1
 HOLYOKE, MA 01040-3798
 TELEPHONE 413-539-2220, FAX 413-539-2227

BANK VERIFICATION

PRIVACY ACT NOTICE STATEMENT - This information is to be used by the agency collecting it in determining whether you qualify as a prospective Tenant or mortgagor for mortgage insurance or guaranty as a borrower for rehabilitation loan under the agency's program. It will not be disclosed outside the agency without your consent except to financial institutions for verification of your deposits and as required and permitted by law. You do not have to give us this information, but, if you do not, your application for approval as a prospective tenant or mortgagor for mortgage insurance or guaranty or as a borrower for a rehabilitation loan may be delayed or rejected. This information request is authorized by Title 38, U.S.C., Chapter 37 (if VA); by 12 U.S.C., Section 1701 at seq., (if HUD/FA); and by 42 U.S.C., Section 1452b (if HUD/CPD).

DATE: _____ FROM: Holyoke Housing Authority
 TO: _____ 475 Maple Street, Ste 1
 _____ Holyoke, MA 01040-3798
 _____ ATTN: _____
Please return verification to the person listed above

The household member named below is applying for or recertifying eligibility for federal housing assistance. The household has informed us that he/she receives benefits from you.

Please provide us the following information requested below so that we can complete our determination of the household member's eligibility. The household member has consented to the release of information as shown below. We would appreciate your prompt return of this form to the person listed above.

SUBJECT: VERIFICATION OF DEPOSIT ACCOUNTS OF APPLICANT/TENANT(s):

Name: _____
 Address: _____

Social Security Number: _____ - _____ - _____ Date of Birth: _____

INFORMATION BEING REQUESTED:

Savings Acct # _____	Current Balance	\$ _____	Interest	\$ _____
Savings Acct # _____	Current Balance	\$ _____	Interest	\$ _____
Checking Acct # _____	Average Daily Bal For last 6 months	\$ _____	Interest	\$ _____ (One year period or rate)
Certificate # _____	Value for last 6 months	\$ _____	Interest	\$ _____ (One year period or rate)
Certificate # _____	Value for last 6 months	\$ _____	Interest	\$ _____ (One year period or rate)
Certificate # _____	Value for last 6 months	\$ _____	Interest	\$ _____ (One year period or rate)

Appendix C. HHA Annual Recertification Asset Checklist



Holyoke Housing Authority
 AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION AGENCY
 ADMINISTRATION BUILDING, 475 MAPLE STREET, Ste 1
 HOLYOKE, MA 01040-3798
 TELEPHONE 413-539-2220, FAX 413 -539-2231

ASSET CHECKLIST

<u>Family Member Name</u>		<u>Value of Asset</u>	<u>Date Verified</u>
1) Do you have cash in a savings account?	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	____/____/____
in a checking account?	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	____/____/____
in a safety deposit box at home?	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	____/____/____
anywhere else?	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	____/____/____
2) Do you have trust funds available to your household?	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	____/____/____
3) Do you have any equity in rental property or other capital investments?	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	____/____/____
4) Do you have any stocks, bonds, treasury bills, certificates of deposit or money market funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	____/____/____
5) Do you have any retirement or pension funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	____/____/____
6) Will you receive any lump sum receipts?	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	____/____/____
7) Are you holding any personal items as investments (antique cars, coin or stamp collections, etc)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	____/____/____
8) Do you have a "Whole Life" Life Insurance Policy?	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	____/____/____

Tenant's Certification:


I hereby certify that I have answered the questions on this checklist truthfully and have no assets other than those claimed on this form.

 Signature of HHA's representative

Head of Household's name
 Head of Household's signature
 PHA witness

Date: _____

Appendix D. Cover Page on Recertification Application



Holyoke Housing Authority
 AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION AGENCY
 ADMINISTRATION BUILDING, 475 MAPLE STREET, Ste 1
 HOLYOKE, MA 01040-3798
 TELEPHONE 413-539-2220, FAX 413-539-2231

To: Residents of Lyman Terrace

From: Joshua Garcia, Property Manager

CC: Rita Maccini, Director of Housing Opportunities

Date: January 3, 2013

Re: Pre- REAC Inspection

Please be advised that in order to prepare for the upcoming HUD REAC Inspections that the Holyoke Housing Authority has contracted with U.S. Inspection group to inspect all units at Lyman Terrace. These inspections will be held on January 22nd, 23rd and 24th, 2013. The inspections will begin at 8:00 AM and will continue throughout the day. Please be advised that all units must be inspected. It is not necessary for you to be home during the inspection, however, your unit must be inspected whether you are home or not. An HHA staff member will be present during each inspection


Please be advised that you will be cited for the following violations if they are found during the REAC inspection:

- Blocked doors or windows – Furniture or other large items must not block windows or exits. **In addition you will need to remove all air conditioners from your unit windows.**
- Deadbolts, padlocks or any type of lock on bedroom or basement doors.
- Extension cords – Make sure all extension cords are taped firmly against the walls.
- Smoke detectors having been tampered with by tenant. **If the smoke detectors in your unit are not working you must contact maintenance at once.**
- Poor housekeeping
- Clothes or lines hanging from pipes or sprinkler heads
- All items must be at least five feet from furnace and hot water tank

Please contact your property manager, Joshua Garcia at 539-2240, if you have any questions regarding this inspection.

Thank you.

Appendix D. Cover Page on Recertification Application



Holyoke Housing Authority
 AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION AGENCY
 ADMINISTRATION BUILDING, 475 MAPLE STREET, Ste 1
 HOLYOKE, MA 01040-3798
 TELEPHONE 413-539-2220, FAX 413-539-2231

TENANTS TO BE RECERTIFIED

Dear Marcella

You have an appointment with your clerk/cashier to return your recertification package on, Friday Jan 4th at 9:00 am.

If this date/time is inconvenient for you, you must call to reschedule your appointment. **All adults over 18 years of age must attend this appointment.** Please be advised that if we do not receive all the information on time and your rent increases, we will have to retro your new rent amount to your anniversary date. If you fail to attend the scheduled appointment, a 30 Day Notice to evict will be issued.

Please provide all of the following documentation that applies to your family:

1. If a child is 18 or older, provide proof that they are a full time student, are working, or sign a notarized no income statement.
2. Printout from welfare stating amount of cash/food stamp benefits received.
3. Printout from place of employment and/or enclosed wage form.
4. Printout and/or unemployment form stating the amount of benefits to be received.
5. Letter from Social Security stating amount and/or SSI benefits. (For this letter you have to call the Social Security Office at 1-800-772-1213, "and they will mail you a statement".)

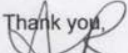
(If you receive SSI you also need to get a copy of the STATE SSI benefit letter. You can obtain one by calling 877-663-1128)

6. Letter from Pension.
7. Statement of veterans aid amount received.
8. Verification of Child Support/Alimony payments amount.
9. Verification of Child Care payments made.
10. Any lump sum payments or periodic payments received.
11. Proof of stocks, bond, safety deposit boxes, ownership of property, etc. Even if disposed of within the last 2 years.
12. Any receipts from medical bills if you or your spouse are at least 62 years old, or a person with disabilities.
13. Recent bank statements for checking and (or) saving accounts.

ALL INCOME VERIFICATION PAPERS CANNOT BE OLDER THAN 60 DAYS!

**** All adults need to sign an enclosed CORI Request Form and Debts Owed Form**

If there are any question regarding your annual Recertification, please call me at (413) 539-2220 ext 244.

Thank you,

 Sarah Roban

Appendix E. HHA Annual Recertification Release Form



Holyoke Housing Authority

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION AGENCY
 ADMINISTRATION BUILDING, 475 MAPLE STREET, Ste 1
 HOLYOKE, MA 01040-3798
 TELEPHONE 413-539-2220, FAX 413-539-2231

I authorize and direct any Federal, State, or local agency organization, business or individual to release to: **Holyoke Housing Authority** any information or materials needed to complete and verify my application for participation, and/or maintain my continued assistance under the Section 8, Rental Rehabilitation, Low-Income Public and Indian Housing, and/or other housing assistance programs. I understand and agree that this authorization or the information obtained with its use may be given to and used by the Department of Housing and Urban Development (HUD) in administering and enforcing program rules and policies.

INFORMATION COVERED

I understand that depending on program policies and requirements, previous or current information regarding me, or my household, may be needed. Verifications and inquiries that may be requested, include, but are not limited to:

- Identity and Marital Status
- Medical or Child Care Allowances
- Employment, Income and Assets
- Credit and Criminal Activity
- Residences and Rental Activity

I understand that this authorization cannot be used to obtain any information about me that is not pertinent to my eligibility for and continued participation in a housing assistance program.

GROUPS OR INDIVIDUALS THAT MAY BE ASKED

The groups or individuals that may be asked to release the above information (depending on program requirements) includes but are not limited to:

- Previous Landlords (including Public Housing Agencies)
- State Unemployment Agencies
- Social Security Administration
- Support and Alimony Providers
- Medical and Child Care Providers
- Bank and other Financial Institutions
- Credit providers and Credit Bureau
- Law Enforcement Agencies
- Past and Present Employers
- Courts and Post Offices
- Veterans Administration
- Retirement Systems
- Schools & Colleges
- Utility Companies
- Welfare Agencies
- CHSB (CORI)

COMPUTER MATCHING NOTICE AND CONSENT

I understand and agree that HUD or the Holyoke Housing Authority may conduct computer-matching programs to verify the information supplied for my application or recertification. If a computer match is done, I understand that I have a right to notification of any adverse information found and a chance to disprove that information. HUD may in the course of its duties exchange such automated information with other Federal, State, or local agencies, including but not limited to: State Employment Security Agencies, Department of Defense, Office of Personnel Management, the U.S. Postal Service, the Social Security Administration, and State Welfare and Food Stamp Agencies.

CONDITIONS

I agree that a photocopy of this authorization may be used for the purposes stated above, this authorization will stay in effect for a year and one month from the date signed.

SIGNATURES

_____	_____	_____
Head of Household	(Print Name)	Date
_____	_____	_____
Spouse	(Print Name)	Date
_____	_____	_____
Adult Member of Household	(Print Name)	Date
_____	_____	_____
Adult Member of Household	(Print Name)	Date

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