

City Life/Vida Urbana

Our Strategy and The Foreclosure Crisis

The Shield, The Sword, And The Offer: The 3-Legged Stool

The “Shield and the Sword”

City Life/Vida Urbana (CL/VU), hereafter referred to as City Life, Boston –based nonprofit, has long used a strategy we describe as ” the **shield and the sword**” to fight forced housing displacement in Boston. The shield is a whole range of legal defense options and community residents’ knowledge of those options. The sword is community organizing, public protest and public pressure. The organizing allows attorneys to get results for a far greater number of clients, often without litigation. The legal defense of the shield provides a secure context for organizing.

For several decades, City Life has used this strategy in collaboration with various Legal Services organizations and some private attorneys in tenant organizing campaigns. When buildings received notice of large rent increases or the threat of an end to a HUF contract, we negotiated “collective bargaining agreements” that set rents for 3-5 years. Such contracts have covered as many as 1000 units in Boston.

After the onset of the foreclosure crisis, we realized that the banks were the biggest evictors in Housing Court. We again began to use the sword and the shield in response. Organizers, community members, students and volunteers reached out to residents of hundreds of foreclosed buildings (or where foreclosure was imminent). We organized mass meetings to explain legal rights and to strategize around public protests, including eviction blockades. Through our meetings and in Housing Court, lawyers advised hundreds of residents on how to respond to Bank evictions and often took their cases more formally. Through all this aggressive work, City Life and Legal Services were able to stop or delay for very long periods almost all post-foreclosure evictions among those residents who participated in our meetings.

We realized that stopping evictions was only a first step. There had to be some long term solution. Our general demand has been that foreclosing lenders accept rent from occupants and cease all no-fault evictions. Our protests in front of bank offices demanded the right *to give them money-* the rent! After years of protest, there is movement on this front. Some national banks, like Fannie and Freddie, have stated they will discontinue post-foreclosure evictions, although their policy is implemented in a very uneven way. In Boston, Fannie and Wells Fargo and Bank of America have begun to negotiate to sell occupied property (ie. without evictions) to the City.

The “Offer”

In many cases, faced with drawn out legal defense and protests, Banks were willing to sell property to occupants, even to former owners. Of course, a major stumbling block was the inability of former owners to get financing to repurchase their homes, even when their income was clearly adequate to buy at current real value.

The solution arrived in the form of **a unique collaboration** between a non-profit loan fund or financial intermediary in Boston, Boston Community Capital (BCC), and City Life organizing. BCC

evaluated our members based on income and credit history, but not based on their credit score. Many of our members qualified for BCC mortgages at current value.

Once our members qualified for a mortgage, BCC began negotiations to buy the occupied property from the foreclosing bank and resell to our members. Since mid-2009, **about 25 such properties** have been purchased and resold to occupants and far less than original loan value. Former (now new) owners agree to share profit from future appreciation with the BCC loan fund.

BCC has also collaborated with City Life in buying concentrations of foreclosed property as rental units, with the possibility of ultimate resale to a cooperative. On Cobden and Cardington Sts. in Roxbury, for example, City Life organized local residents to hold a series of rallies in August and September of 2009 to demand that lenders sell the many foreclosed properties to occupants or a non-profit. BCC has been able to purchase, or is negotiating to purchase, 15 of the original 16 foreclosed units identified.

Together, the shield (legal defense), the sword (organizing and public protest), and the offer (BCC's underwriting and intermediary purchases) have created a unique and very effective collaboration that is a model for how to respond to the foreclosure crisis.