

Stuffing for a Cause

November is a month of preparation for family dinners, present exchange and winter weather — the “to-do” list can become overwhelming. Last November, forty volunteers added a very special “to-do” to their list—preparing HCA’s Homelessness Prevention Fund mailing. Our HPF troops stamped, stuffed, counted and sent over 16,500 letters asking for contributions from the Arlington community.

The hard work of our volunteers collected over \$46,000 in donations with more coming in everyday. This impressive amount is a tribute to all those who participated in our HPF mailing, as well as the strong desire of our very special, close knit town to help our friends and neighbors in the community.

The gifts received from this appeal help those in danger of becoming homeless in Arlington. HCA’s Homelessness Prevention Fund helps families and individuals with security deposits, moving expenses, and back rent. These grants go out to those needing to get over a hump in order to be in a stable living situation for six months or more.

Next year, we hope you too will add another item to your November “to-do” list. Round out your turkey stuffing and stocking stuffers by helping HCA provide for Arlington families and individuals and give a few hours to stuff our HPF envelopes!

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Q & A with David

Q: *How is the subprime mortgage crisis affecting Arlington?*

A: While foreclosures are rising in Arlington, they are certainly not at the unprecedented levels of other towns and cities in the Boston area. Recent statistics show that foreclosures in Massachusetts are disproportionately taking place in lower-income, urban communities. The City of Boston, for instance, experienced over 700 foreclosures in 2007. Arlington is being affected differently. According to the Warren Group, in 2004 and 2005 there was not a single foreclosure in Arlington. There were 19 foreclosures in Arlington in 2006. In 2007, there were 15. Foreclosures in Arlington are increasing, but not to the extent of other communities in the Commonwealth.

Another difference between Arlington and other cities and towns is that to date, housing values and sales in Arlington have remained steady. This allows homeowners who find themselves in a potential foreclosure situation the option of either selling their home or refinancing. Median sale prices for single-family homes in Arlington have only decreased by 6% since their high in 2005, and sales have actually increased by 1%. By comparison, in Worcester where median sales prices have dropped by 7% since 2005, sales are down by over 30%.

Regionally, foreclosure rates continue to climb, and in harder-hit urban communities the rate of foreclosures are staggering for the first part of 2008. The City of Boston had 302 foreclosures in the first two months of 2008, more than double

the pace experienced in 2007, while Arlington had only 2, about the same rate as in 2007.

How did this all happen? Both statistical and anecdotal evidence points to an unregulated mortgage industry, unscrupulous lending officers, unprepared buyers and an over-heated housing market. There is strong evidence that the current crisis is less a result of rising interest rates on adjustable-rate mortgages, and more due to a drop in housing values and poor lending practices. In a good housing market, such as in Arlington, owners falling behind on mortgage payments may be able to refinance their loans in an effort to lower their payments. However, if the value of one’s home has decreased beyond the amount of their original mortgage, a homeowner will not have the option of refinancing.

If you are an Arlington homeowner who is falling behind on mortgage payments or already in the process of being foreclosed, I urge you to give HCA a call or come visit our offices so that we may connect you with counselors trained to help you make informed decisions. More and more lenders are agreeing to work with homeowners rather than follow through with costly foreclosures, even if lenders are forced to take smaller losses up front. For both parties, this is certainly a step in the right direction.



David J. Levy, Executive Director of HCA

Q: *What effect has the recent surge in foreclosures had on*



Please join HCA friends and supporters at our

7th Annual Walk for Affordable Housing

Sunday, April 13, 2008, 1-3 PM
Jason Russell House
(Corner of Massachusetts Ave. and Jason St.)

Free Raffle Prizes! Exercise! Fun for the Whole Family!

For more information, contact Joanna at walk@housingcorporation.org or 781-316-3606.

affordable housing in MA?

A: The foreclosure crisis is having a lasting effect on both individuals and the communities they live in. Homeowners are losing their homes in record numbers, tenants in multi-family buildings under foreclosure are being displaced, and houses in lower-income urban communities are being foreclosed, boarded-up and abandoned. Block by block, the foreclosure crisis is deteriorating neighborhoods that were once vibrant communities. This reshuffling of tenants and the potential surge of renters into the housing market is increasing demand for apartments, which will eventually lead to higher

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Welcome HCA's New Board Member!

HCA is thrilled to welcome Deena Anderson to our Board of Directors!

As a new tenant of one of HCA's Mass Ave properties, Deena is personally committed to HCA's purpose and mission: *HCA is important to me because they provide affordable housing for those in need, including a middle income person like myself. I'm a beneficiary. I came from a very difficult living situation in Arlington that had many problems—one of them being high utility and heating costs. David Levy [HCA's Executive Director] was kind, understanding, compassionate, and willing to help—and he did. I was finally able to exhale and move into a cozy, comfortable, clean, renovated apartment that would not break me financially. I will always be indebted to HCA.*

Deena is the assistant events producer for the Learning from Performers Program at Harvard University's Office



HCA's Board of Directors at our 2007 Annual Meeting

for the Arts and Harvard's Events, and Exhibitions and Community Windows coordinator at Holyoke Center and University Place.

Deena has coordinated and hosted stages featuring jazz, percussion and poetry

and music for the Cambridge River Festival and continues to host and produce stages for Arts First, a celebration of the arts at Harvard. She also has overseen the May-Fair and Oktoberfest in collaboration with Scullers Jazz Club and the Harvard

Square Business Association. Deena attended the High School of Music and Art in New York City as well as Berklee College of Music here in Boston.

With her experience, spirit and passion for affordable housing, HCA's board and staff are already enjoying having Deena on our team. Welcome, Deena!

HCA Gets Some Style

HCA has been selected by the **Art Connection** to receive local art for our new offices. The Art Connection, a non-profit located in Boston, provides artwork to non-profits offering services to people in the community. Since non-profits like HCA typically do not have budgets for items to beautify their space, the Art Connection allows community groups to greet their constituents with walls that match the mission of the organization and all who are involved. HCA will be receiving artwork in a variety of media by local artists—all portraying HCA's welcoming and inclusive attitude.

Ever wonder what kind of artwork a retired teacher, a banker, a high school student and two HCA staff members would pick if they all put their heads together? HCA invites you to come by and visit our new offices with our local, original artwork this summer!

For more information about the Art Connection, go to www.theartconnection.org

SAVE THE DATE!

**HCA's 2008 Spring Clean Up
Saturday, May 10, 2008**

Contact Joanna at 781-316-3606
or jain@housingcorporation.org for more information.



Bank of America Banks on Affordable Housing in Arlington

HCA is delighted to announce that Bank of America Charitable Foundation has given a \$5,000 grant to help fund HCA's efforts to provide affordable housing in Arlington. Bank of America works to help local organizations provide opportunities for members of the community. This grant will provide funding for the programming of HCA's Affordable Rental Program and its Homelessness Prevention Fund.

It is with the help of organizations like Bank of America and the contributions we receive everyday from local community members that give the Housing Corporation of Arlington the ability to

pursue our mission of preserving a diverse, sustainable community that includes affordable and mixed-income housing opportunities.

We are very thankful for Bank of America's support of community-based organizations such as HCA. We hope their involvement in Arlington will encourage other businesses to support affordable housing and other local initiatives. "HCA is very appreciative to Bank of America and the local banking community as a whole, which continues to demonstrate their commitment to affordable housing in Arlington," says HCA Executive Director, David J. Levy.

Home for Good: A Family's Journey to HCA

If you're lucky, your home on a typical Friday afternoon feels like that of Annette Brubaker's and her family. It is officially the weekend in this sunny residence, and Annette and her kids are home from school. Warm and relaxed, but with a touch of excitement about upcoming weekend activities, the family's three bedroom apartment holds family and guests moving from activity to activity—afternoon snacks, reading, guitar playing, computer games. With the murmur of a fish tank and the chirps of two parakeets in the background, Annette, an Arlington Public School teacher, sat down to tell me how her family found their way to their HCA apartment.

Annette, her husband and their growing family lived in Belmont for six years until the two-family house where they were renting was put up for sale. The family was forced to move and needed to find a deeded apartment for their two year old daughter and five year old son. After hearing the children's ages, many owners would insist that they had nothing available.

The family eventually found a place in Arlington for \$200 more a month than their Belmont apartment. After a year, their landlord raised their rent by \$300 a month. In the year since moving from Belmont, the family's housing cost was about to increase by \$500 a month.

Annette and her family eventually found their second apartment in Arlington. After several good years, they were then told that the house was going to be sold. Once again, the family had to search for another place to live.

At this point, Annette and her husband were going through a separation, and Annette needed to find something quickly for her and her two children. They found their third apartment in Arlington, a tiny basement apartment on Mass Ave, thinking it would only be temporary. The family ended up remaining in that building for three years.

There were constant water problems; Annette remembers her knees getting wet due to the dampness in the carpet when

she tucked her daughter into bed at night. When a first-floor apartment opened up, her family was able to move up a flight. Still small, but at least no more water was coming up from the floors.

It was during this time that Annette met David Levy, HCA's Executive Director, at Town Day. David said Annette was a perfect candidate for HCA's Affordable Rental Program and encouraged her to fill out an application.



Anxious about dealing with yet another unstable apartment, Annette explored buying an "affordable" two bedroom condo on Mass Ave. However, with Annette's teacher's salary, condos were prohibitively expensive.

After a year and a half on HCA's waiting list, Annette and her family finally got their opportunity. With their HCA apartment, Annette's kids are able to stay in the Arlington Public School system where they have been since kindergarten. The family can remain part of the community—taking part in Arlington traditions such as Town Day and Fourth of July fireworks. Annette can drop off and pick up her kids from school. Her short commute allows her to spend as much time as possible with her son and daughter.

Annette calls it a "godsend to have the opportunity to rent from HCA." For the first time, her family lives in an apartment where everyone can have their own bedroom. They are no longer vulnerable to owners deciding to sell their properties or increase the rent. This family's Friday afternoons can remain as they are, comfortable and happy, for a long time to come.

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rents—straight-forward supply and demand economics.

The effect of the foreclosure crisis on affordable housing programs in the Commonwealth is less obvious. During the Romney administration, there was a strong push to mix market-rate housing units with those priced affordably. Until recently, this had been a sound practice that allowed developers to use profits generated from market units to offset lower revenues from affordable units. As the foreclosure crisis builds momentum and the housing market as a whole takes a significant downturn, in some communities developers are finding it more difficult to sell these market units. This puts entire affordable housing projects at risk.

Local, not-for-profit community development organizations, which have been working for decades to revitalize neighborhoods historically experiencing disinvestment, are taking steps to address these circumstances. Counseling for first-time homebuyers is now focused on how to avoid sub-prime loans and predatory lending practices. If a homeowner is in foreclosure, counselors are prepared to mediate with lenders to find mutually agreeable refinancing plans. With encouragement and funding from the Department of Housing & Community Development, community organizations are also working to purchase at-risk properties to keep them occupied and maintained.

Downturns in the housing market are typically periods of opportunity for affordable housing development as non-profit developers have more negotiating power and can raise capital outside of typical markets—not so when coupled with the current foreclosure crisis. How the federal government and lenders make adjustments in 2008 will be critical to containing this crisis, and ultimately will determine whether longer-term affordability challenges will surface in Massachusetts and across the nation as a whole.