

Talking with Tenants Together

The journalist Sasha Abramsky talks to Gabe Treves, one of the organizers of Tenants Together, the San Francisco-based advocacy group, about the impact of the foreclosure crisis on rental tenants.

California has always been defined by its bubbles—and almost as much by its busts.

The state was birthed in the Gold Rush as tens of thousands of Americans stam-peded west in search of a quick fortune. In the twentieth century and into the twenty-first, dreamers seeking to reinvent themselves and carve out new destinies have flocked into the state by the millions and California has floated on Hollywood money, defense contracts, technology booms, and real-estate speculation.

The corollary of the outlandish boom is the crippling bust. In the 1870s, following a devastating financial crisis, unemployment soared, political discontent escalated, and eventually a constitutional convention was called to rewrite the state’s funda-mental operating procedures. California’s “peace dividend” at the end of the Cold War was a mixture of unemployment, social-service cutbacks, and rage, resulting in a populace increasingly hostile to government and unwilling to part with tax dollars to fund social infrastructure. When tech stocks crashed a few years later, the effects ricocheted through Silicon Valley—some of the wealthiest counties in all America. Today, in the wake of the housing collapse that began in 2006 and the financial meltdown that followed in 2008, one in eight Californian workers is unemployed; a similar number are underemployed (working part-time, despite wanting and need-ing full employment); and property owners by the thousands have gone into fore-closure or simply walked away from underwater mortgages, sometimes devastating whole communities.

Long defined by an anything-is-possible mindset, Californians are having to adjust to the realities of hard times. For generations, real estate in California has offered a route to prosperity; now, for millions of Californians it is an albatross. Five of the ten cities with the highest foreclosure rates in the country are in California: Modesto, Merced, Stockton, Riverside/San Bernardino, and Bakersfield.

And the damage is not limited to homeowners. Increasingly, California’s renters are being hammered. Landlords default on their mortgages and disappear with their tenants’ security deposits; banks reclaim delinquent homes and become absentee

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Gabe Treves at work.

landlords; investors buy these properties at auction; and all illegally evict the old tenants. Tenants who have spent years carefully building up good credit find that they have an eviction on their credit report and their ability to borrow money—for example, to buy a home for themselves—disappears.

At Tenants Together in San Francisco, fielding calls from desperate renters being evicted as a consequence of a landlord going into foreclosure has become a full-time occupation for the staff.

Sasha Abramsky: Can you tell readers who you are?

Gabe Treves: I'm the program coordinator at Tenants Together. Among the many things I do is manage the foreclosure hotline, which we launched early in 2009. While a lot of attention is given to the plight of homeowners facing foreclosure, for the most part tenants are forgotten victims. However, it turns out that one out of every three foreclosed properties in California is a rental. In 2008, over 200,000 tenants were in foreclosed properties and were facing displacement. We haven't yet run the numbers for 2009. But we assume it's right around the same level.

Unfortunately, the reality for most tenants is that once the house they're living in is foreclosed and the property is acquired by a bank or private investors, they want the

tenants out as soon as possible—really by any means necessary. They contact real-estate agents whose job is to get rid of these tenants. They knock on their doors, misinform them, harass them, and bully them into leaving as soon as possible. They succeed in many cases. But the tenants are actually entitled to certain protections under federal law, state law, or in some cases city-level ordinances. Our counselors explain to them what their rights are and how to go about asserting them. The idea is that if tenants know their rights they will be able to stay in their homes for as long as possible and can use that time to find another suitable living situation—or in some cases actually stay in their houses.

SA: How many tenants do you work with?

GT: Since we launched in March 2009 we have counseled over 3,000 tenants.

SA: Where are most of them from?

GT: Well, you know, we get a lot of our calls from San Diego, a lot from Los Angeles—just because it's such a big county—from parts of the Central Valley being very hard hit by the foreclosure crisis, from the San Jose area. Really from all over the state.

SA: Didn't Tenants Together work with many people in

the desert town of Ridgecrest? What happened in that community?

GT: It's a great example of how our hotline can help tenants in foreclosure situations. In 2009 we started getting a lot of calls from tenants in Ridgecrest, most living in a handful of apartment complexes in the same couple of streets, all telling the same story. Suddenly, despite paying their rent on time, they learned their home was being foreclosed and they were facing eviction. Ridgecrest is a small city in Kern County, one of the most conservative counties in California. We decided to go down there, talk to the tenants, and find out what was going on. Onsite we were able to identify a few great tenant leaders and help them pressure their city government, the board of supervisors, to pass an ordinance protecting renters. With a lot of hard work and organizing they succeeded; the Ridgecrest City Council passed the Central Valley's first Just Cause for Eviction ordinance in September 2009. It lists all of the reasons for which tenants *can* be evicted: if they don't pay their rent, if they are disruptive, if they do anything illegal on or with the premises. Of course, it does *not* list foreclosure. This meant that when those properties were acquired by a new owner, the new owner could not evict the tenants. As a result, a huge number of tenants in Ridgecrest are now able to stay in their homes—the new owner has to serve as their landlord.

SA: But many cities in California don't have these protections.

GT: Unfortunately, only sixteen cities in California have Just-Cause ordinances. That means in most of the state tenants have limited protections. Most are protected by the Protecting Tenants at Foreclosure Act, a federal law passed in May 2009. It was a major victory, but it's still not as good as the city-level ordinances. It just extends the amount of time tenants can stay in their home after it is foreclosed. In some cases, if the tenants have a long-term lease, then it gives them the right to stay in their homes through the term of the lease.

SA: How has the foreclosure crisis changed California?

GT: What it changes is the way people perceive their sense of stability. A lot of tenants thought they had earned the right to claim that stability, that because they always paid their rent on time and did everything by the book they

When people think about the foreclosure crisis they think about the individual occupant, but it can affect entire communities.

effectively had the right to their home. The foreclosure crisis has been a really harsh lesson about the illusory nature of that sense of stability. It's been very demoralizing for a lot of people.

SA: How has it changed people's behavior?

GT: People are more cautious, less trusting. It's changed the relationship of many people with their landlords. The crisis, which has displaced so many people, makes a lot of people reflect on their communities. When they get suddenly displaced and are forced to move away, they have to reassess all the things they used to take for granted—the value of living near their jobs, near their schools, things like that. I've noticed that poor, working-class tenants have dealt with the situation differently from well-to-do tenants. A lot of poor tenants are resigned to this kind of thing; the foreclosure crisis just reinforces that they don't have a lot of control and even when they pay their rent on time that doesn't mean they'll be able to secure the stability that their families need. A lot of them tell me, "Oh, that's just the way it is." They understand that security, stability, well-being are not in their domain, because they're the working poor.

But a lot of well-to-do tenants, who felt they had earned that right and were entitled to some protections, are learning that they're not. And that's been very hard for a lot of people. It creates a lot of anxiety, a lot of mental stress. When that sense of security is violated and the sense of home is damaged or destroyed, it's going to be very difficult for them to ever really reclaim it.

SA: Are you seeing towns where people are just leaving?

GT: There are whole towns, whole neighborhoods that have been blighted. They're vacant. When people think about the foreclosure crisis they think about the individual occupant, but it can affect entire communities, businesses. If all the

tenants in a community leave, it affects the businesses in that community, the schools, the social services. I've gotten calls from tenants: "The house to the left and the house to the right of me have been vacant for months." They're getting pushed out too, and they know their home will just join all the other vacant houses sitting on the block.

SA: If you compare what's happening in California to what's happening nationally, it looks like California's bubble was bigger and now the bust is bigger. How is this changing the psyche of California?

GT: It comes back to Californian exceptionalism. I think Californians have always held a belief that if they work

hard, do things by the book, they can claim that sense of stability, security, well-being. And now that sense is being deflated for a lot of people. They start feeling like the rest of the country—that they're *not* exceptional, that they can just as easily fall victim to these massive national trends and institutions. I hope it helps people realize that their best chance to achieve real security is to pressure their city governments and the state and federal governments to pass more sensible legislation to protect tenants. And I hope that tenants will start holding the banks accountable for what they do and will pressure them to adopt more sensible policies and more humane policies. Because otherwise everyone loses. **B**