

Solving California's Foreclosure Crisis: Local Impacts and Strategic Responses

Presented by the Lewis Center for Regional Policy Studies
UCLA School of Public Affairs



May 1, 2009
9:00 AM – 5:20 PM

Tom Bradley International Hall
University of California, Los Angeles (UCLA)
417 Chancellor Charles E. Young Drive, West
Los Angeles, CA 90095

UCLA SCHOOL OF PUBLIC AFFAIRS
Lewis Center for Regional Policy Studies


UCLA ZIMAN
CENTER FOR REAL ESTATE

Opening Remarks



Assemblymember Ted W. Lieu

Assemblymember Ted W. Lieu represents the 53rd Assembly District, which stretches from Venice and parts of Los Angeles to Torrance and Lomita along the coast. He was elected in September 2005, re-elected in November 2006, and re-elected again in November 2008. Assemblymember Lieu has led the fight in California against Wall Street's excesses and fought to reform the subprime mortgage system and reduce home foreclosures. As an activist legislator, he has taken on special interests and successfully authored laws in the areas of public safety, child sex offenders, domestic violence, the environment, education, health care, veterans issues, and transportation.

Prior to his election to the State Assembly, Assemblymember Lieu served on the Torrance City Council, as well as the City's Environmental Quality & Energy Conservation Commission. He also served on the Rampart Independent Review Panel, which conducted a review of the Los Angeles Police Department after the Rampart scandal and issued strong recommendations for reform.

Assemblymember Lieu is Chair of the Assembly Rules Committee. He is also a member of the Assembly Governmental Organization Committee, Assembly Judiciary Committee and Assembly Veterans Affairs Committee. He is also the Chair of the Asian Pacific American Legislative Caucus.

8:30 – 9:00 AM **Check-in**

9:00 – 9:20 AM **Welcome and Opening Remarks**

J.R. DeShazo, Director, Lewis Center for Regional Policy Studies

Allison Yoh, Assoc. Director, Lewis Center for Regional Policy Studies

The Honorable Ted Lieu, California Assembly (53rd District)

9:20 – 10:45 AM **Getting Our Bearings**

Why are we in the midst of a historic housing crisis? How has it played out across neighborhoods, localities, and states, particularly California? What are the conditions that render people and places susceptible to foreclosure? Where can we expect foreclosures to concentrate in the next few years? This first session will provide answers to these questions and address lingering gaps in our knowledge.

- Gary Dymski, Professor, Department of Economics, UC Riverside
- Rani Isaac, Economist and Senior Research Specialist, California Research Bureau
- Paul Ong, Professor, School of Public Affairs and Asian American Studies, UCLA
- Paul Willen, Senior Economist and Policy Advisor, Federal Reserve Bank of Boston

Moderator: Michael Teitz, Senior Fellow, Public Policy Institute of California

10:45 – 11:00 AM **Break**

11:00 – 12:20 PM **Session 2: Assessing Effects - Economic and Social Impacts of the Crisis on Neighborhoods, Localities, and States**

The foreclosure crisis is having multiple effects on multiple scales. While declines in property values and permitting affect neighborhoods and localities, reductions in consumption and the contraction of the construction industry have broader effects. This session addresses how the foreclosure crisis is affecting household wealth, neighborhood stability, and state and local fiscal health.

- Avis Jones-DeWeever, Director of the Research, Public Policy, and Information Center, National Council of Negro Women
- Elizabeth Laderman, Federal Reserve Bank of San Francisco
- Melvin Oliver, Professor of Sociology and Dean of Social Sciences, University of California at Santa Barbara; with Emily Tumpson Molina, Graduate Student, Department of Sociology, University of California at Santa Barbara
- Danilo Pelletiere, Research Director, National Low-Income Housing

Coalition

Moderator: Deirdre Pfeiffer, Doctoral Student, Department of Urban Planning, UCLA

12:30 – 1:45 PM Lunch Session

1:45 – 2:00 PM Break

2:00 – 3:20 PM Session 3: Charting the Course, Part 1 - Public and Non-Profit Sector Responses to the Crisis

Public and non-profit sector responses are occurring on multiple scales. In 2008, the federal government not only enacted a \$700 billion bailout of the financial sector, but also allocated close to \$4 billion to states and localities to aid the purchasing, rehabilitation, resale, and land banking of vacant properties. Meanwhile, states have passed legislation that bans high-cost mortgage products, protects borrowers, and improves financial education, and some localities require lenders to maintain foreclosed properties until they are sold and are exploring methods to house lower income families in persistently vacant properties. Housing counseling agencies are helping vulnerable households avoid foreclosure, and -based organizations are responding comprehensively through crime prevention, counseling, and neighborhood beautification, among other strategies. Yet, unchecked trends in exurban development and racial and economic segregation may continue to render households, neighborhoods, and localities economically and socially precarious. How can state and local policymakers prevent future crises by shaping more equitable and stable urban environments?

- Phil Ansell, Director of Program and Policy, Department of Public Social Services, Los Angeles County
- Alan Mallach, Visiting Non-Resident Fellow, Metropolitan Policy Program, Brookings Institution
- Blair Taylor, President and CEO, Los Angeles Urban League

Moderator: Caryn Becker, Policy Counsel, Center for Responsible Lending

3:20 – 3:30 PM Break

3:30 – 4:50 PM

Session 4: Charting the Course, Part 2 - Private Sector Responses to the Crisis

The private sector plays a critical role in responding to the crisis and preventing future occurrences. In particular, financial institutions can help households rework their mortgage terms and stay in their homes, while foundations provide resources needed to coordinate responses across sectors. How can banks most effectively serve lower income, minority communities? Another looming question is how to prevent future crises through strategic real estate development. Recent research shows the influence of unstable, as opposed to stable, price appreciation on foreclosure rates; yet, how do policymakers, developers and buyers distinguish between the two?

- Armando de la Libertad, Senior Vice President of Community Development, Wells Fargo Bank
- Paul C. Hudson, Chairman and CEO, Broadway Federal Bank
- Katherine Perez, Executive Director, Urban Land Institute Los Angeles
- Steve Pontell, CEO of California Capital Real Estate Services and President of La Jolla Institute

Moderator: Stuart Gabriel, Arden Realty Chair, Professor of Finance and Director, Richard S. Ziman Center for Real Estate at UCLA

4:50 – 5:10 PM

Closing Remarks

- J.R. DeShazo, Director, Lewis Center for Regional Policy Studies

5:15 – 6:30 PM

Cocktail Reception

Speaker Biographies



Phil Ansell has been the Director of the Bureau of Program and Policy for the Los Angeles County Department of Public Social Services (DPSS) since November 2003. He is responsible for the CalWORKs, Medi-Cal, Food Stamps, General Relief, CAPI, GROW, and GAIN programs, as well as state and federal budget/legislative advocacy and interagency relations. He was previously the Division Chief of the Strategic Planning & Governmental Relations Division, where he led the development and initial implementation of the Long-Term Family Self-Sufficiency Plan, and the Director of the Office of Welfare Reform Strategy where he coordinated the Department's initial response to federal welfare reform in 1997-98. In addition, he has been responsible for leading or being the DPSS lead in major State and local interagency initiatives and task forces, including the current Homeless Prevention Initiative and the Interagency Operations Group (IOG), where he served as a Chairperson for several years.

Caryn Becker serves as Policy Counsel in the Oakland, California office of the Center for Responsible Lending (CRL), a non-profit research and policy organization. She provides legal and policy support on issues of consumer finance, and works to advance fair and responsible lending practices to better protect homeownership and family wealth in California and elsewhere. Ms. Becker also serves on the Consumer Financial Services Committee of the Business Law Section of the State Bar of California. Prior to joining CRL, Ms. Becker was a partner at the law firm, Lieff, Cabraser, Heimann & Bernstein, LLP, where she spent nine years representing consumers in cases involving predatory lending, financial abuse, unconscionable pricing and other unfair or deceptive practices. Ms. Becker was a 2007 finalist for Consumer Attorneys of California's Streetfighter of the Year Award for her work to achieve compensation for a group of low income tenants in Oakland who were denied the return of their security deposits. She graduated with honors from Duke Law School in 1998; and graduated with honors from the University of California, Berkeley with a B.A. in political science in 1995.



Armando de la Libertad serves as Senior Vice President of Community Development at Wells Fargo Bank. In this role, Armando manages investment, lending, and service programs in support of affordable housing, small business finance, financial literacy, and job training. His passion lies in expanding economic opportunity, revitalizing neighborhoods through partnerships, and increasing private sector support for local charities. As a result of the mission he and his peers support, Wells Fargo is rated as "triple outstanding" by the federal government for success in community reinvestment.

Armando plays an active role in community affairs. Some of his favorite volunteer roles include direct participation with the California Reinvestment Coalition, The Kennedy Commission, the Home Ownership Preservation Collaborative, the Black Chamber of Commerce, City Lights Dream Center, The Eli Home, KidWorks, Maternal Outreach Management Systems (MOMS), the Asian Pacific Islander Community Alliance (OCAPICA), and the OC Housing Trust.



J.R. DeShazo is an Associate Professor in the School of Public Policy and Social Research at the University of California at Los Angeles. He received his B.A. from the College of William and Mary, his M.Sc. from Oxford University where he was a Rhodes Scholar, and his Ph.D. from Harvard University. He was a faculty associate at the Harvard Institute for International Development (1997-2000) and is currently Director of the Lewis Center for Regional Policy Studies at UCLA.



Gary Dymksi is the founding Director of the University of California Center, Sacramento (UCCS). He came to UCCS from the University of California, Riverside, where he holds the rank of professor of economics. Gary received his B.A. in urban studies from the University of Pennsylvania in 1975, an MPA from Syracuse University in 1977, and a Ph.D. in economics from the University of Massachusetts, Amherst in 1987.

Dr Dymksi's most recent books are *Capture and Exclude: Developing Nations and the Poor in Global Finance* (Tulika Books, New Delhi, 2007), co-edited with Amiya Bagchi, and *Reimagining Growth: Toward a Renewal of the Idea of Development*, co-edited with Silvana DePaula (Zed, London, 2005). Dr. Dymksi has published more than 100 articles

and chapters on banking, financial fragility, urban development, credit-market discrimination, the Latin American and Asian financial crises, economic exploitation, and housing finance.



Stuart A. Gabriel is Director of the Ziman Center for Real Estate at UCLA and is Arden Realty Chair and Professor of Finance at the UCLA Anderson School of Management. His research focuses on topics of real estate finance and economics, housing and mortgage markets, urban and regional economics, and macroeconomics. Prior to joining the UCLA faculty, Dr. Gabriel was the Lusk Chair in Real Estate and Professor of Finance and Business Economics at the University of Southern California. He also previously served on the economics staff of the Federal Reserve Board in Washington, D.C. and was a Visiting Scholar at the Federal Reserve Bank of San Francisco. He holds a Ph.D. in Economics from the University of California, Berkeley.

His most recent research focuses on efficiency and equity outcomes in mortgage markets, the effects of housing wealth on macroeconomic activity, house price fluctuations, and the mortgage pricing effects of derivative mortgage-backed securities. He is a past President of the American Real Estate and Urban Economics Association and currently serves on its Board of Directors.



Paul Hudson is Chairman and Chief Executive Officer of Broadway Federal Bank, the largest and only publicly owned African American bank west of the Mississippi. Broadway Federal has assets exceeding \$400 million and operates five full service branches serving the South Central and Mid-City Los Angeles market since 1947. Prior to joining Broadway Federal in 1980, Mr. Hudson practiced law with the Washington D.C. firm of Wilmer Cutler Pickering Hale and Dorr. In 1975, he returned to Los Angeles to join the law firm established by his father, Hudson, Sandoz and Brown. He is a member of the State of California and District of Columbia bars.

Consistent with a family tradition of community service, Mr. Hudson is a past President of the Los Angeles NAACP and past Chairman of the Los Angeles City Community Redevelopment Agency. He serves on the board of the Los Angeles County Employees Retirement Association Board of Investments, Insight Center for Community and Economic Development, Los Angeles Universal Preschool, ConnectEd-The California Center for College and Career, Abode Communities, Inc, and serves as Chairman of Community Build, Inc. and Ebony Repertory Theatre.



Rani Isaac started her career in the private sector working in economics for five years at McGraw-Hill in its New York City Headquarters, as a forecaster for two construction publications. Before moving to California in September of 2005, she worked for the National Association of Homebuilders in Washington DC. She contributed to revenues of \$300,000 by writing and editing articles for a subscription-based NAHB publication *Housing Economics Online* and was instrumental in the conversion from three separate paper journals to web-based products.

She has also served in many levels of government, as a demographer/economist for a COG (Council of Governments), as a consultant and economist for two branches of the federal government that were conducting socioeconomic analysis as required in decennial master plans for forests and related public lands; as the top economist for the Executive Branch for the State of Colorado, where she worked five years with employment, population, income and revenue forecasts, as well as legislation; and as a researcher and economist for California's Franchise Tax Board.



Avis A. Jones-DeWeever, Ph.D. is the Director of the Research, Public Policy, and Information Center for African American Women. The RPPI Center is a research/action institute based at the National Council of Negro Women which seeks to inform, catalyze and mobilize African American women for change in both the policy arena and throughout the broader cultural dynamic. Dr. Jones-DeWeever is the author of numerous publications focused on policy-issues of particular importance to women of color. A selection of her works include: *Losing Ground: Women and the Foreclosure Crisis*; *Women in the Wake of the Storm: Examining the Post-Katrina Realities of the*

Women of New Orleans and the Gulf Coast; The Black Women and Families Agenda for Change ; and the recently released, *Black Girls in New York City: Untold Strength & Resilience*.

Dr. Jones-DeWeever's policy perspectives have been shared through a variety of media outlets including: CNN, PBS, ABC News Now, Voice of America Television, the Canadian Broadcasting Corporation, National Public Radio, Sirius and XM Radio, Glamour Magazine, Pink Magazine, Essence Magazine, the New York Times, the Washington Post, the Huffington Post, and Vital Speeches of the Day. Dr. Jones-DeWeever received her Ph.D. in Government and Politics from the University of Maryland, College Park and also serves as an Affiliated Scholar with the Institute for Women's Policy Research.



Liz Laderman is an economist in the Research Department of the Federal Reserve Bank of San Francisco. She received her B.A. in mathematics from Grinnell College and her Ph.D. in economics from the University of California at Berkeley. Her research interests include bank market structure, small business lending, and financial market issues related to low-income communities. She has written numerous articles on banking for Federal Reserve and other publications.



Alan Mallach is a Nonresident Senior Fellow at the Metropolitan Policy Program of The Brookings Institution in Washington, DC, where his work focuses on foreclosures, neighborhood stabilization and the revitalization of older industrial cities. He is also a visiting scholar in the community affairs department of the Federal Reserve Bank of Philadelphia, and a lecturer in the graduate city planning program at Rutgers University. He has been a consultant, advocate and public official, including serving as Director of the Department of Housing & Development in Trenton, New Jersey from 1990 to 1999. His latest book, *A Decent Home: Planning, Building and Preserving Affordable Housing* has just been published by Planners Press and the University of Chicago Press. He is also the author of *Bringing Buildings Back: From Vacant Properties to Community Assets* and many other works on city planning, housing and Italian opera. He is a member of the College of Fellows of the American Institute of Certified Planners, and holds a B.A. degree from Yale University.

Emily Tumson Molina is a doctoral student in the Department of Sociology at the University of California, Santa Barbara. She earned her B.A. in Women's and Gender Studies from American University and her M.A. in Anthropology from George Washington University, where she focused on race and the history of housing policy in 20th century Washington, DC. She is interested in urban sociology, housing, race and social policy, and spatial methods in the social sciences. Her current research explores how patterns of subprime lending in California contributed to the maintenance of residential segregation.



Melvin L. Oliver is the SAGE Sara Miller McCune Dean of Social Sciences in the Division of Social Sciences and Professor of Sociology at the University of California, Santa Barbara (UCSB). Prior to coming to UCSB, he was Vice President of the Asset Building and Community Development (Assets) Program at the Ford Foundation. This program helped to build human, social, economic, environmental, and interpersonal assets among poor and disadvantaged individuals and communities throughout the world. During his tenure at the Foundation, the Assets Program developed pioneering grant initiatives such as the \$50 Million Self Help-FannieMae program to secure home mortgages for 35,000 low wealth households and change the way banks evaluate applications for home mortgages; the American Dream demonstration on Individual Development Accounts; and the

Leadership for a Changing World Program, a recognition program to identify and support leaders and to highlight the importance of leadership in improving people's lives.

An expert on racial and urban inequality and poverty, Dr. Oliver is the co-author (with Thomas M. Shapiro) of Black Wealth/White Wealth: A New Perspective on Racial Inequality (Tenth Anniversary Edition, published 2006), which has received the Distinguished Scholarly Publication Award from the American Sociological Association; the C. Wright Mills Award from the Society for the Study of Social Problems; and the award for the outstanding book on the subject of human rights from the Gustavus Myers Center.



Paul Ong is a professor of urban planning, social welfare, and Asian American studies. He is the director of the UC AAPI (Asian American and Pacific Islander) Policy Multi-campus Research Program, former chair of the UCLA Department of Urban Planning and former director of the Ralph and Goldy Lewis Center for Regional Policy Studies. Dr. Ong is trained as an urban planner and economist, and is an expert on the labor market status of minorities and immigrants, displaced high-tech workers and work and welfare policies. He is involved in several projects including a study of Asian American civic and political engagement, California's housing policy, and the socioeconomic base of neighborhoods. Dr. Ong has served as an advisor to the U.S.

Bureau of the Census, the U.S. Small Business Administration, the National Cancer Institute, the California Department of Social Services, the state Department of Employment Development, the South Coast Air Quality Management District, the California Wellness Foundation, and the Getty Foundation.



Danilo Pelletiere has been the Research Director of the National Low Income Housing Coalition since 2003. He has published widely with recent contributions appearing in *Empirical Economics*, *Applied Research in Economic Development*, and *Cityscape*. Prior to joining GMU, he held various positions at George Mason University, World Resources Institute, and Virginia's Center for Innovative Technology. Dr. Pelletiere received his B.A. in history and regional science from the University of Pennsylvania and his Ph.D. in public policy from George Mason University in 2003, where he continues to teach and research as a Senior Fellow at the School of Public Policy. He is a past Fulbright scholar in the field of economic development in Rostock, Germany.



Katherine Aguilar Perez is the Executive Director of the Urban Land Institute, Los Angeles District Council. With her diverse background in private real estate development, governmental policy and urban planning, she has emerged as one of the most articulate and credible advocates promoting the responsible use of land. In 2007, *Multi-Housing News* selected Ms. Perez as an industry leader and one of the eight notable “People to Watch in Multi-Housing.” She was accompanied by a highly acclaimed list of industry professionals chosen for their commitment to workforce housing, green building, and the principles of New Urbanism. Southern California based Business Life magazine also recognized her as an “Outstanding Leader.”

Previously, Ms. Perez was the Vice President of Development for Forest City Development where she focused on transit oriented development and mixed use projects in emerging markets. She received her Masters Degree in Urban Planning and Transportation from UCLA and her Bachelors Degree in Political Science from CalState Northridge.



Deirdre Pfeiffer is a second year doctoral student in the UCLA Department of Urban Planning. Her past research has addressed public housing redevelopment, economically integrative housing policies, and long-term multiracial neighborhood integration in U.S. urban areas. Of more recent interest are the factors driving differences in neighborhood foreclosure rates and suburban differentiation. Her dissertation will contribute to an understanding of these processes by examining whether migration to Southern California's Inland Empire has enabled Los Angeles County African Americans' social mobility.



Steve Pontell has extensive background in organizational and community development. Spending the first 10 years of his career as the president and CEO of three different non-profit business organizations, Mr. Pontell developed insights into the inner workings of communities and non-profit organizations. Mr. Pontell then launched his own consulting firm - The @Work Consulting Group. Working with his partners to create the workplace of the future, they successfully implemented innovative projects across the country. For the last five years Mr. Pontell has served as the CEO of the De Oro Group (www.deorogroup.com), one of California's largest and fastest growing mortgage brokers, real estate, and development companies focused on the Latino marketplace. Mr. Pontell has an undergraduate degree in City and Regional Planning from Cal Poly San Luis Obispo and a

Master's Degree in Business from the Drucker Center at Claremont Graduate University.



Blair Hamilton Taylor is the President and CEO of the Los Angeles Urban League, an affiliate of one of the nation's leading civil rights organizations with offices in more than 100 cities. With a staff of over 300 and a budget in excess of \$26 million, the 86-year-old Los Angeles Urban League is one of America's largest civil rights entities.

Mr. Taylor most recently served as the Executive Vice President of College Summit, a national college access initiative with a track record of nearly doubling the college enrollment rates of low income students in the communities it serves. Mr. Taylor's entrepreneurial background includes four years as the President and CEO of COI/ICD, a leading retail franchising company focused on low income communities in the U.S. and the Caribbean. For his pioneering efforts, Mr. Taylor was named California's Mass Mutual Blue Chip "*Entrepreneur of the Year*" in 1999 and was frequently recognized in publications such as *USA Today*, *Entrepreneur Magazine*, *National Business Employment Weekly*, *Fortune Magazine*, *Franchise Times*, *PC World*, *Successful Franchising Magazine*, and *Franchise Times Magazine*. His public sector experience includes serving as a Senior Staff Member for the 8th Council District of Los Angeles, where he was responsible for overseeing redistricting, public safety, and economic development initiatives.



Michael B. Teitz is Emeritus Professor of City and Regional Planning at the University of California, Berkeley, where he taught from 1963 to 1998, and Senior Fellow at the Public Policy Institute of California. During 2004-2005, he was also Edward A. Dickson Emeritus Professor at the new University of California, Merced, and in 2008 he was the Clarkson Professor at the University at Buffalo, SUNY. He holds a B.Sc. (Econ.) from the London School of Economics, an M.S. in Geography from the University of Wisconsin, and a Ph.D. in Regional Science from the University of Pennsylvania. Author of a book on residential rent control and numerous papers and reports, he has also served as a consultant and advisor to local, state, and national

governments in the U.S. and to governments and private sector and non-profit organizations, internationally. He helped plan and establish the Public Policy Institute of California in its initial years and served as its Director of Research from 1998 to 2002.



Paul Willen is a Senior Economist and Policy Advisor in the Research Department at the Federal Reserve Bank at Boston. Dr. Willen does research on household financial management and, more recently, he has spent much of his time studying mortgage markets. His research has appeared (or will appear shortly) in the *Review of Economics and Statistics*, *Economic Theory*, the *Journal of Finance*, the *Journal of Public Economics*, the *Journal of Urban Economics*, the *NBER Macro Annual*, the *Brookings Papers on Economic Activity* and elsewhere. Dr. Willen's research on the origins of the subprime crisis

has appeared in scholarly journals and is heavily cited in the media. Prior to joining the Boston Fed, Dr. Willen was on the faculty at Princeton and the University of Chicago. Dr. Willen has also been a visiting member of the faculty at MIT in each of the last three years. Paul did his undergraduate work at Williams College and got his PhD from Yale University.



Allison Yoh is the Associate Director for External Affairs at the Lewis Center for Regional Policy Studies in the UCLA School of Public Affairs, and Associate Director for Domestic Research and Programs at the Institute of Transportation Studies, a Lewis Center affiliated research program. She received her B.A. in Anthropology from University of California, Berkeley; and her M.A. and Ph.D. in Urban Planning at UCLA.