
Final Report:

Informing the Plan for a Neighborhood Revitalization Strategy Area for the Neighborhood of Arlington in Lawrence, MA



Massachusetts Institute of Technology
Department of Urban Studies and Planning
11.423 Lawrence Practicum: Information, Asset-building, and the Immigrant City
Fall 2007



Source: Photographs taken by Lawrence Practicum Team

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- Bread & Roses Housing, Inc. (B&R)
- City of Lawrence, Community Development Department (CDD)
- Groundwork Lawrence, Inc. (GWL)
- Lawrence Alma Arlington Neighborhood Association (LAANA)
- Lawrence Community Works, Inc. (LCW)
- Lawrence/Methuen Community Coalition (LMCC)
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I. Executive Summary

I.1 History of the Lawrence Practicum

The MIT@Lawrence practicum class, entitled *Information, Asset-Building, and the Immigrant City*, is one part of an ongoing HUD-funded partnership between MIT, the City of Lawrence and several community-based organizations in Lawrence. The practicum, which has been in action since 2002, engages MIT graduate students in a semester-long, client-driven field study that has three main themes that frame its objectives: technology, community development, and youth. The practicum works with a variety of stakeholders to fulfill the objectives defined each semester and also the greater objective of building a truly co-beneficial partnership between the MIT and the City of Lawrence.

I.2 Project Summary

In 2007, MIT has strengthened its relationship with the City's Community Development Department (CDD), initially represented by Director, Ezra Glenn, and later by Housing Manager, Andrea Ryan. The main objective for the fall semester has been to assist the CDD in preparing the Neighborhood Revitalization Strategy Area Plan (NRSA) for the Arlington Neighborhood, which will be submitted to the U.S. Department of Housing and Urban Development (HUD) in summer of 2008. Ultimately, the NRSA will serve as the vehicle for directing five years Community Development Block Grant (CDBG) funds to the Arlington Neighborhood, which is widely considered the most underserved neighborhood in Lawrence.

After reviewing literature, meeting with a number of neighborhood leaders, and going on a walking tour, students in the practicum identified flooding and foreclosure as two critical issues that are undermining the health of the Arlington neighborhood. The team thus focused their efforts on understanding how these two devastating forces impact residents and on how community organizers are dealing with their repercussions. Over the course of the semester, students have:

- Attended community meetings and workshops,
- Conducted personal interviews with residents and organizers,
- Compiled data and produced maps, and
- Convened key community players at information-sharing meetings.

These actions enabled them to create one cohesive narrative about how foreclosure and flooding concerns have played out in the Arlington neighborhood. In this report, the team presents their findings and lays out recommendations for future action.

I.3 Major Findings

I.3..1 Foreclosure:

While residential foreclosure has been a recurrent problem in the Arlington neighborhood, this time it presents a crisis of enormous proportions. Due to external market pressures and internal vulnerabilities that arise from the fact that many residents are newcomers, the current crisis has resulted in situation of compounding neighborhood devaluation. The rising inability to pay for loans that in many cases were beyond the homeowner's earning capacity has led to wide-spread foreclosure, which has in turn led to out-migration, vacancy, neighborhood instability, crime, and a downward spiral of property values. As property values p, adjacent homeowners find they can no longer sell, rent, or recover losses, and then too become vulnerable to foreclosure. Meanwhile, those who lose their homes suffer self-devaluation, which undermines their ability to be active community members, further weakening the neighborhood's resilience against the crisis.

I.3..2 Flooding:

Much of the flooding story is similar. The floods are recurrent, and their social, physical, and economic impact on the neighborhood is undeniable. Floods shut down the neighborhood overnight, forcing residents to find temporary shelter as assets are ruined and utilities are shut off. These disruptions force residents to take time off work, which leads to a loss of wages, which compromises their ability to keep up with loan payments, thus pushing them toward foreclosure. The floods also pollute the neighborhood, as improperly disposed waste material flows up over the banks of the river along with the extra water. Because they are difficult to predict and prepare for, the floods add to residents' insecurity. The flooding impact simply adds fuel to the foreclosure epidemic.

I.3..3 Building Social Capital:

Responses from the City of Lawrence to both crises have varied in quality and capacity. However, a few neighborhood institutions have been essential in combating these issues. Mobilizing these institutional players in the Arlington neighborhood and connecting them to other city-wide organizations and actors is critical. Though the team identified enormous commitment on the stakeholders' side, there is a need for building capacity both within and between them. Currently stakeholders are not organized, and community organizations are working largely independent from one other. These individual efforts must evolve into a collaborative one, or it will be difficult to implement large-scale change in the Arlington neighborhood to deal with the current issues.

II. Introduction

II.1 The Lawrence Practicum

The MIT@Lawrence practicum class, entitled *Information, Asset-Building, and the Immigrant City*, is one part of a larger HUD-funded partnership between MIT, the City of Lawrence and several community-based organizations in Lawrence. The practicum, which has been in action since 2002, engages MIT graduate students in a semester-long, client-driven field study that has three main themes that frame its objectives: technology, community development, and youth. The practicum works with a variety of stakeholders to fulfill the objectives defined each semester and also the greater objective of building a truly co-beneficial partnership between the MIT and the City of Lawrence.

In 2007, MIT has strengthened its relationship with the City's Community Development Department (CDD), initially represented by Director, Ezra Glenn, and later by Housing Manager, Andrea Ryan. The main objective for the fall 2007 semester has been to assist the CDD in preparing the Neighborhood Revitalization Strategy Area Plan (NRSA) for the Arlington Neighborhood, which will be submitted to the U.S. Department of Housing and Urban Development (HUD) in summer of 2008. Ultimately, the NRSA will serve as the vehicle for directing five years Community Development Block Grant (CDBG) funds to the Arlington Neighborhood, which is widely considered the most underserved neighborhood in Lawrence.

To carry out this task, MIT Professors Langley Keyes and Lorlene Hoyt have directed a diverse team of seven students from five different countries. Coming from varied educational backgrounds, ranging from Public Law, Environmental Management, and Economics to Architecture and Engineering, team members have had a range of professional experiences.

- Carlos Espinoza-Toro and Deb Guha have worked as architects in private firms.
- Kohichi Yamagishi and Marilia Magalhes have worked respectively as a policy analyst and a program evaluator for national government agencies.
- Miguel Paredes has worked as a researcher, tutor and a web-developer in Peru.
- Lyndsay Carlisle has worked as a researcher in Mexico and is also a teacher in Boston.
- Amruta Sudhalkar has worked as an urban planning technician in a non-profit organization in Rochester, New York.

The group's diversity was an asset to the practicum. In particular, having 4 Spanish speakers (2 being native speakers) allowed for more fluid communication with Arlington residents, which resulted in the forming new partnerships and collaborations.

II.2 The Arlington Neighborhood

The Arlington neighborhood is positioned uniquely within the City in Lawrence. As a vibrant ethnic enclave, the neighborhood benefits from the influxes of new immigrants, primarily from the Dominican Republic; however, it faces many challenges. First and foremost, repeated onslaughts of foreclosures and associated sub-prime lending crises have hit the Arlington neighborhood hard. The stagnant housing market and falling home values have led to high vacancy rates. In addition, due to the neighborhood's position along the Spicket River, it has experienced four 100-year-floods in the past ten years. These challenges have contributed to residents feelings of helplessness and reduced their capacity to achieve the American Dream.

However, there are neighborhood residents that have chosen to fight back. These are the spirited members of local organizations such as Lawrence/Methuen Community Coalition (LMCC), Arlington Community Trabajando (ACT), Groundwork Lawrence (GWL), and Lawrence Community Works (LCW), and these people have collaborated with the practicum to inform and inspire our findings and conclusions.

II.3 Project Summary

With the final goal of informing the NRSA for the Arlington Neighborhood, the team focused on two recurring problems: foreclosure and flooding. In an effort to understand the dynamics of these issues within the neighborhood, the team:

- made connections with neighborhood stakeholders by attending community meetings, panel discussions, and the mortgage clinic organized by the CDD.
- engaged stakeholders in personal interviews, which provided crucial information on how these issues play out locally.
- compiled data from interviews, a windshield survey, and various private sources to create maps of the Arlington neighborhood that depict:
 1. The spatial distribution of foreclosures over the last four years.
 2. The extent of properties that lie within the floodplain.
 3. The location of vacant lots.
 4. The location of key neighborhood institutions.
- convened key community players at three information-sharing meetings, where the team would present findings, solicit feedback, and manage discussions.

These combined efforts enabled the team to create a cohesive narrative about how foreclosure and flooding concerns play out in the Arlington neighborhood. In this report, we present findings and offer recommendations that respond to the NRSA, the issue of foreclosure, the issue of flooding, and the need for neighborhood capacity building.

III. Work Program Strategy

III.1 Project Goals

The practicum team set out to project through narrative in time and space:

- How foreclosure and flooding impacted individuals and their families
- How these impacts were interconnected to the action (or non-action) of other individuals, families and neighborhood institutions, and
- How this interconnection (or lack of it) created a ripple effect across the entire neighborhood contributing to positive and/or negative outcomes.

III.2 Team Organization

To maximize efficiency, members of the team were organized into two groups: the Field group and the Office group.

The Office group consisted of:

- Marilia Magalhaes – Team Leader
- Debmalya Guha
- Amruta Sudhalkar

The Field group consisted of:

- Carlos Espinoza-Toro – Team Leader
- Lyndsay Carlisle
- Miguel Paredes
- Kohichi Yamagishi

The Office group investigated the history of flooding, the history of foreclosures, and their combined penetration into the Arlington neighborhood. Data was taken from the census, websites, newspaper articles, private research companies, the MIT geospatial reserves, and local organizations. Using this data, the Office group compiled summary statistics and created layered maps to understand the spatial ramifications of foreclosure and flooding.

In a parallel manner, the Field group conducted interviews with key neighborhood stakeholders to gather stories and anecdotes about flooding and sub-prime lending. The Field group extracted both qualitative and quantitative information during these interviews. Qualitative information informed the neighborhood narrative and led to recommendations for action. Quantitative information was incorporated into the maps that were generated by the office group.

IV. Project Timeline

IV.1 First Contact and Framing the Research

MIT and the Community Development Department (CDD) began collaborating during the summer of 2007. On August 24, 2007, Ezra Glenn, the then director of the CDD, met with MIT professor Dr. Lorlene Hoyt, and individuals from key organizations working in the Arlington neighborhood. In attendance were representatives from Arlington Community Trabajando (ACT), Bread and Roses Housing (BRH), and Tufts University.

At the beginning of the semester, the team focused heavily on engaging stakeholders in situ. Students first introduced themselves to the neighborhood associations. They sent two students to the September meetings of the Lawrence Methuen Community Coalition (LMCC) and the Lawrence Alma Arlington Neighborhood Association (LAANA).

After taking a walking tour of the neighborhood, the students worked with Ezra Glenn and the professors to frame a methodology for organizing the stakeholders around two issues: foreclosure and flooding.

IV.2 Kick off Meeting (#1)

In October 10th 2007, the team met for the first time with neighborhood stakeholders at LMCC's headquarters, located several block west of the Arlington neighborhood. A comprehensive group of stakeholders from different organizations was invited.¹ The purpose of this meeting was to introduce the team and to start a community dialogue on the issues of foreclosure and flooding.

Participation was overwhelming. On the whole, attendees were more engaged around the issue of foreclosure than of flooding; however, a few vocal people insisted that the floods were indeed a major problem that should not be ignored. The team concluded the meeting by promising to gather data on both issues and organize a second presentation within the month.

IV.3 Stakeholders Interviews

The Fieldwork group followed up with those who were present at the kick off meeting, interviewing a total of 18 stakeholders, including community-based organization leaders, city officials, homeowners and tenants, and concerned neighbors. The purpose of the interviews was to understand how foreclosure and flooding played out in the neighborhood. All interviews were conducted at locations within the Arlington neighborhood or the city of Lawrence.

¹ See also Appendix 2: Kickoff Meeting (#1), List of Invitees

These interviews provided an enormous wealth of qualitative information, which enabled the team to understand how the issues foreclosure and flooding were interrelated and how people were responding to the devastating effects of these two forces.

IV.4 Mapping the Neighborhood

To understand the physical effects of these forces, the Office Team created two maps based on field surveys and web-based data research:

- The Master Map
- The Foreclosure Time Series Maps

The main source of foreclosure data for these maps was the Warren Group, the publisher of *Banker & Tradesman*. The Warren Group collects and publishes real estate-focused news and public records.² Additionally, a windshield survey allowed students to identify vacant lots and boarded-up houses. Other valuable sources included newspaper articles related to foreclosure in Lawrence. Even though these articles did not give a notion of foreclosure spatial characteristics; they were important to understand personal struggles of homeowner having their houses foreclosed, problems with lenders, spillovers of foreclosure, such as crime and tenants' eviction, and public sector programs and policies related to the issue.

The Master Map

The Master Map² was created by carefully overlaying a selected number of data layers to bring to the surface the issues of flooding and foreclosure and their interaction with neighborhood assets. (See Table 1) The majority of these layers were procured from the practicum's data archives and the MIT Geodata repository. As mentioned before, the team requested information from the Warren Group related to foreclosures in the neighborhood. The team also created new layers based on a windshield survey and neighborhood walking tours led by community stakeholders.

The Foreclosure Time-Series Maps

The Foreclosure Time-Series Maps³ were created by overlaying the data layers of foreclosure obtained from the Warren Group. (See Table 1) Each map contains foreclosure information for a specific year over an interval of 4 years, from 2004 to 2007. An additional map was created showing the sequential outcome on properties, which were petitioned for foreclosure and foreclosed within the same year.

Versions of these maps were shared at stakeholder meetings and stakeholder interviews. They were useful tools for engaging discussion and acquiring local knowledge about specific properties in the neighborhood.

² Also see Map 4: Master Map

³ See Maps 1 & 2: The Foreclosure Time-Series Maps

Table 1: The Arlington Neighborhood Map, Organizational Structure	
Data Layer	Data Source
Parcels in the Arlington Neighborhood	MIT@Lawrence Practicum – Fall 2006
The Spicket River	MIT@Lawrence Practicum – Fall 2006
Arlington Neighborhood Boundary	MIT@Lawrence Practicum – Fall 2006
Parcels flooded in 2006	MIT@Lawrence Practicum – Fall 2006
Streets of Lawrence	MIT@Lawrence Practicum – Fall 2006
Parks	MIT@Lawrence Practicum – Fall 2006
FEMA floodplain	MIT Geodata Repository
Foreclosed properties ⁴ , Properties petitioned for foreclosure, properties owned by banks	The Warren Group
Properties petitioned for foreclosure that were foreclosed in the same year ⁵	The Warren Group
Vacant Lots	MIT@Lawrence Practicum – Fall 2007 Windshield Survey
Key Institutions	MIT@Lawrence Practicum – Fall 2007 Field Research
Factors affecting flooding	MIT@Lawrence Practicum – Fall 2007 Field Survey
Compilation: Team	

⁴ Some foreclosed properties and properties petitioned for foreclosure have been included in the map, even though they are outside of the boundary of the Arlington neighborhood as defined in the map. These properties were included in the map because the stakeholders' perceptions of the neighborhood boundaries are slightly different from the boundaries defined in the map.

⁵ This data layer was not included in the Master Map

IV.5 Workshop Meeting (#2)

On November 14, 2007 the team met with the stakeholders for the second time at LMCC. This time, the team invited⁶ those who attended the first meeting and a few additional homeowners and tenants. The purpose of this meeting was to collectively visualize the stories of flooding and foreclosure in time and space.

In contrast to the kick off event, the meeting agenda⁷ for this second meeting provided almost an hour for stakeholder participation. The meeting was conducted in a workshop format, where attendees were divided into two groups and then asked to react to the foreclosure time series map and the master map.⁸ The maps were effective in motivating attendees to share information. At the end of the meeting the team presented the findings from each group to the whole gathering.

By using maps as visual aids, the team succeeded in further engaging stakeholders around the issues of foreclosure and flooding. The team also noticed that even though stakeholders had an aggregate knowledge of individual cases of foreclosure in the neighborhood, they did not have⁹ detailed and comprehensive information about such cases. In any case, the team promised to present their findings at a final presentation within the month.

IV.6 Presentation of Findings Meeting (#3)

On December 10, 2007 the team met with the stakeholders for the last time at LMCC. In preparation, the team compiled, organized and synthesized all the data gathered throughout the semester and also performed one additional key interview with Fausto Nuñez.¹⁰ They presented their findings and offered recommendations as they are laid out in this report.

New attendees to this final meeting included other residents, students and a professor from Tufts University, and the interim director of the CDD.

IV.7 Final Report

The initial draft of this final report was submit for grading on December 17, 2007. This draft was shared with Bill Kirk of the Eagle Tribune. In January 2008, Professor Langley Keyes, and MIT@Lawrence team members edited and translated the report for publication.

In February 2008, English and Spanish versions of the report were sent to all community partners who participated in the project, the Community Development Department, the Office of Planning, the Mayor's Office, and the Lawrence Public Library.

⁶ See also Appendix 1: Comprehensive List of Stakeholders

⁷ See also Appendix 7: Workshop Meeting #2, Agenda

⁸ See also Maps 2, 3 & 4

⁹ The team also assumed that stakeholders might have had this information but might not have wanted to share in a group format.

¹⁰ Section "V.2 Foreclosure" elaborates on this interview.

V. Findings

V.1 Stakeholders

Apart from schools, a hospital, a fire-station and Lazarus House Ministries, the Arlington Neighborhood does not have an anchor community organization located inside the boundaries of the Neighborhood.¹¹ All the community-based organizations that operate in Lawrence are outside of the neighborhood boundaries.

Various community organizations have expressed the need for a community center that would act as a venue for all key institutions in Lawrence to convene and collaborate among each other to address community challenges together. Many of these institutions have similar missions and there is great potential for these institutions to organize efforts in line with their missions by forming partnerships with other organizations that have similar interests.

The team found many people concerned with the issues of flooding and particularly foreclosure and much concern to “do something” about the foreclosure issue. But there is little community outreach and organization around the specific aspects of the foreclosure pipeline (See Recommendations). The chaos caused by the foreclosure problem has reduced the level of trust and interaction in the neighborhood. Neighborhood stakeholders are key to dealing with the crisis. But they need to be mobilized.¹²

V.2 Foreclosure

Foreclosure is a significant problem in the Arlington neighborhood. This year is not the first year that foreclosures have ravaged the neighborhood; in fact, the first round of housing market crashes occurred in the 1980s, and what is being seen now is merely the second round of a vicious cycle.

An important aspect of this cycle to note is that the foreclosures are getting worse over time. As one can see from Table 2 below, this year alone there were 29 new properties petitioned for foreclosure. One of these properties has already gone into foreclosure, and 11 properties that had been petitioned to foreclose from previous years did so as well. Some of the foreclosed properties are now vacant lots. The total number of foreclosed properties over time has increased dramatically. In 2004, 5 properties went to foreclosure. In 2005, this number grew to 12. In both 2006 and 2007¹³, 22 properties went to foreclosure. To see this information graphically, please refer to Appendix Maps 2 & 3. Overall, these statistics show the magnitude of the problem over time in the Arlington neighborhood, and this data comes together with resident testimony to tell a dynamic and dramatic story about the Arlington neighborhood in particular with regards to the housing crisis.

¹¹ See Map 3: Key Institutions Map

¹² See Section VI. Recommendations

¹³ From 01/01/2007 to 11/20/2007

Table 2: Petition to Foreclose and Foreclosure Auction in Lawrence and in the Arlington Neighborhood 2004-2007				
	2004	2005	2006	2007*
Arlington				
Petition to Foreclose	5	26	51	29
Foreclosure Auction	5	12	22	22
Lawrence				
Petition to Foreclose	47	179	378	572
Foreclosure Auction	59	74	156	296
<i>* From 01/01/2007 to 11/20/2007</i>				
Source: The Warren Group				

When speaking about the housing crisis in the Arlington neighborhood, local residents report feelings of powerlessness over the progression of the housing crash and report that:

- They fear foreclosures.
- Housing prices are going down
- People are having problems renting units.

Foreclosure tends to spread rapidly, decreasing the value of surrounding homes. This “neighborhood impact” affects the ability of struggling residents to refinance and brings emotional turmoil to those facing life on a dying street. With many homes being foreclosed upon at the same time, not only individual streets, but entire neighborhoods become blighted.

One major problem adding to the foreclosure crisis has to do with lender conduct in the neighborhood. There are many sub-prime loans out in the neighborhood, and these loans can even be described as predatory according to many residents. Table 3 below shows the major lenders of houses in 2007 (both petitioned and auctioned) in the Arlington neighborhood. One can notice from the table that there are a few major lenders that dominate the foreclosure scene in Arlington. These lender concerns should be further explored in the future so that more conclusions can be drawn over the nature of lending in the neighborhood.

Table 3: Major Lenders in the Arlington Neighborhood by Number of Foreclosed Properties - 2007	
Lender	Current/Last Lender
New Century Mortgage Corporation	7
Option One Mortgage Corporation	6
Accredited Home Lenders	3
Southstar Funding L. L. C.	3
Nation One Mortgage	2
Countrywide Home Loan	2
Freemont Investment & Loan	2
Long Beach Mortgage Company	2
National City Home Loan Services	2
Wilmington Finance	2
Source: Warren Group	

Among the hundreds of unique stories about this issue, our team thought we should focus on one of them from beginning to end in order to illustrate the impact of foreclosure on a single resident in detail. (See story next page)

The Story of Fausto Nuñez

Fausto moved to the U.S. many years ago, but the story of his most recent homeownership experience is the one that is most poignant of his many experiences as a legal immigrant to the States from the Dominican Republic. After successfully buying and holding onto a home in Rhode Island and renting for 3 years while living in Lawrence, Fausto and wife decided that they were ready to buy a second home. They bought in the Arlington neighborhood and bought through a realtor recommended by a friend, who was Jamaican.

Looking back, Fausto can see how aggressively the realtor pursued his case. He also recognizes his own errors in not completely scanning the paperwork. He remembers how each month his payment went up and switched hands from lender to lender. As he desperately tried to refinance, he found out that his realtor had criminal records, and Fausto's calls were either ignored or met with rudeness. Eventually, his house was foreclosed upon, and he and his family are now tenants in the neighborhood.

Fausto's experience is a powerful one, but his insights on it are even more salient. On a personal level, Fausto tells of a profound feeling of helplessness as his payments got out of control. As a neighborhood leader in the Alma Brownfield organization, he felt undermined by his lack of power even in his own life let alone in his power to positively influence others' lives. On a bigger level, Fausto notes that many of his fellow countrymen have committed arson or else used the equity from their homes to take back to the Dominican Republic in order to "live poor in the U.S. and rich in the D.R." He says they do not have a commitment to Lawrence, and their lack of commitment is hurting those that do. Finally, these foreclosures and the people that prey on the unaware, are contributing add to the downward spiral the Arlington neighborhood is experiencing.

However, Fausto is certainly not the only one who has experienced foreclosure, and his story is tied to other people's stories and thus, other actors in the neighborhood who play important roles in the homeownership path to foreclosure. One of Fausto's chief recommendations for the problem is the involvement of local community organizations such as LMCC in order to combat area distrust of the government. In addition, one of the recommendations our team can make has to do with the mobilization of "relationship capital" (the strong local community connections between and among residents) in order to raise awareness of the problem lenders and organize assistance to victims of predatory lending and resistance to the presence of these lenders in the neighborhood. Recommendations will be made in detail in the Future Steps section of this document, but it is important to note that the involvement of a variety of neighborhood stakeholders is essential. It is also noteworthy to mention that Fausto has been a community leader since before his adverse experience with foreclosure, a fact that explains why foreclosure is not a problem that only impacts people on the margins.

V.3 Flooding

In 2006, the Arlington neighborhood was devastated by a flood produced by the rising of waters of the Spicket River. As can be seen in the map,¹⁴ half or more of the neighborhood was flooded in 2006, and the damages brought an even heavier burden onto an already struggling neighborhood. The structural problem lies in the fact that the river used to dissect the neighborhood in two parts, but over time housing was developed on the area where there is supposed to be a river bed.

To better understand how the flood affected Arlington neighbors and their houses, we conducted interviews with residents and stakeholders. We collected stories and information that allowed us to understand not only how terrible the flood had been, but also how well, in spite of complications and problems associated with any disaster, the government, the city of Lawrence, and neighbors responded to the flood. We found that many residents had to leave their homes because they became inhabitable due to water damage, humidity, and lack of heating, water, or electricity (utilities were shut down prior to the flood). Residents lost precious job hours or jobs because they had to stay home and wait for the inspectors to verify that their homes were in a condition to have the utilities turned on again. As a result, their income was compromised, which placed them at a higher risk to other dangers such as foreclosure. Some folks sold their homes and left the neighborhood unable to bear the stress, problems, and overwhelming effort required to return to a pre-flood state. The sale of these homes by the homeowners allowed some tenants to buy the homes at a cheap price.

During our second stakeholder meeting we presented the attendees with maps of properties in the flood plain and asked them to tell us what were the main problems due to the flood and how these problems were connected to vacant lots and foreclosure. One issue that was really stressed by the attendees was that trash is constantly being thrown into the river, especially home appliances and car parts (sometimes even old cars). Community members wondered why the city had not addressed this issue and requested that the river be cleaned out not only on the sides, but also in the middle. One attendee suggested that the bottom of the river be deepened in order to prevent the flooding.

Two main solutions for the flooding were collected in our interviews and the stakeholder meetings. On one extreme, some stakeholders believe that there should be no homes in the flooding zone. On the other extreme, some say that there should be some technical solution to the flooding such as deepening the river, or some similar engineering solution. The team realized that there might be a point of compromise. The city of Lawrence might find it appropriate to limit future development or redevelopment very near to the river while simultaneously working on modifying the riverbed. Also, the windshield survey revealed that there are vacant lots in both the flooded area and outside the flooded area. It seemed reasonable for the community leaders to think about developing empty flood plain lots into green space and at the same time strategically develop new affordable housing on the vacant lots in the dry area, which could house folks that currently live in the flood plain.

¹⁴ See Map 4: The Master Map

V.4 Relationship Between Flooding and Foreclosure

We analyzed residents' sense of the relationship between the flooding and foreclosure. Some stakeholders told us that many immigrants come to the community because of the Dominican and Puerto Rican networks. They do not have enough knowledge on flooding or sub-prime lending to prevent them from buying homes in the flood plain or falling prey to a malicious lender.

Some of the immigrants have even borrowed money from lenders to buy a house, but the payments were high relative to the immigrants' income level. Other immigrants rented an apartment, usually the upper floor of a homeowner's house. These houses and apartments are likely to be found in flood area because the cost of housing in the area is relatively cheap, which attracts low-income immigrants.

Once the flood happened, homeowners could not collect money from tenants or business owners who rented the place. They could not pay monthly mortgage payments to lenders because they did not have enough money during the months after the flooding. There were penalties and late fees for the foregone payments, and lenders required homeowners to have new flood insurance due to being in the new higher risk rate because homeowners' houses were lenders' collaterals. Homeowners could not pay penalties, or for flood insurance, which made them more likely to have their properties go into foreclosure. Also, given that utilities were turned off due to the flood, many homeowners and tenants had to leave the homes, putting more financial and psychological pressure on them.

In conclusion, we determined that the key connection between flood and foreclosure is that the flood forced people to evacuate their homes or living places, which eliminated the homeowners' source of rental income, making them more likely to lose their homes and leaving many tenants without a place to live.

Though this relationship between flooding and predatory lending is important, it is fair to say that flooding is not the largest explanatory factor for the rise in foreclosures. Foreclosures are mostly related to the economic conditions of the area and to the housing market. Flooding is simply one more negative factor and in some cases a controlling one.

VI. Recommendations

VI.1 Stakeholders

Key institutions that can work to solve flooding and foreclosure need to be identified in the Arlington neighborhood. At the moment all stakeholders agree that foreclosure and flooding are issues, but only a few of them have shown some capacity to work on them. Additional stakeholders need to be identified and all of them need to be organized. In general, organizers need to focus on strengthening neighborhood networks.

- **Build capacity within Arlington neighborhood stakeholders.**

Currently stakeholders are not organized, and community organizations are working largely independent from one other. These individual efforts must evolve into a collaborative one, or it will be very difficult to implement community-driven, large-scale change in the Arlington neighborhood. The lack of capacity and consensus might give the city officials an excuse to employ a top-down approach to “get things done,” and this will cause opposition, and progress will freeze. To build this capacity, M@L and Tufts University should have continuous involvement in the neighborhood and continually work on these organizing issues.

- **Identify and nurture future neighborhood leaders.**

Tufts and M@L should try to find a way to figure out the number of homeowners that have close ties to the Arlington neighborhood vs. the number of homeowners that do not, and then, in partnership with neighborhood CBOs like LMCC, LAANA, ACT, etc., identify future leaders in those homeowners that do have close ties, and nurture them.

- **Identify homeowners without close ties to the Arlington neighborhood and seek to strengthen their ties.**

If there are many homeowners that are not invested in the Arlington neighborhood, Tufts and M@L should again partner with CBOs like LMCC, LAANA, and ACT to find out how these homeowners can be convinced to invest back in the neighborhood. In other words, find out how to tip the scale towards the homeowners committed to the neighborhood and/or their tenants rather than towards the non-committed homeowners/tenants.

- **Identify upwardly mobile homeowners in the neighborhood and increase their ties to the community in order to enhance their investment in the community and leverage their unique resources.**

CBOs such as LMCC, LAANA, and ACT, should figure out how to leverage the social capital and any increasing social capital that may come from the eventual increases in an upwardly-mobile population. In other words, figure out how to keep the upwardly mobile in Arlington and how to leverage the resources that allowed them to become upwardly mobile in order to build capacity for the whole neighborhood

VI.2 Foreclosure

To understand how foreclosure plays out in the neighborhood, the team used the analogy of a pipeline to explore the different dynamics along the process of foreclosure. Recommendations are aimed at implementing strategic interventions at three stages along this pipeline.

Table 4: Framework of Foreclosure in the Arlington Neighborhood



Stages Along the Foreclosure Pipeline

	Homeowners	Tenants
Strong Neighborhood Ties	<u>Stage 1: The beginning of the pipeline</u> <ul style="list-style-type: none"> Bad loans Low number of tenants <u>Stage 2: Inside the pipeline</u> <ul style="list-style-type: none"> Refinancing (tries to move from stage 2 back to stage 1) Mortgage delinquency (begins moving from stage 2 to stage 3) <u>Stage 3: The end of the pipeline</u> <ul style="list-style-type: none"> Home is lost Credit is damaged 	<u>Stage 1: The beginning of the pipeline</u> <ul style="list-style-type: none"> Is unaware of foreclosure Pays rent <u>Stage 2: Inside the pipeline</u> <ul style="list-style-type: none"> Is aware of foreclosure Possibly moves out, but stays in the area Possibly stops paying homeowner upon finding out about foreclosure, thus pushing owner faster toward stage 3 <u>Stage 3: The end of the pipeline</u> <ul style="list-style-type: none"> Not negatively effected
Weak Neighborhood Ties	<u>Stage 1: The beginning of the pipeline</u> <p>Refinancing, takes equity overseas Absentee landlord</p> <u>Stage 2: Inside the pipeline</u> <ul style="list-style-type: none"> Burn down home, collects insurance Declares bankruptcy and sells home, like a homeowner with strong ties, except for this one leaves the neighborhood Moves out of the neighborhood Moves overseas <u>Stage 3: The end of the pipeline</u> <ul style="list-style-type: none"> N/A 	<u>Stage 1: The beginning of the pipeline</u> <ul style="list-style-type: none"> Is unaware of foreclosure Pays rent <u>Stage 2: Inside the pipeline</u> <ul style="list-style-type: none"> Is unaware of foreclosure Pays rent <u>Stage 3: The end of the pipeline</u> <ul style="list-style-type: none"> Is unaware of foreclosure Pays rent Receives notice of eviction Is harassed by the bank Gas and Electricity is cut to force eviction Can take his/her case to court May achieve settlement Moves out, leaves neighborhood if able Becomes homeless

Source: Lawrence Practicum Team

The foreclosure process involves not only owners, resident or absentee, but tenants as well. The impact is not only on people but buildings and their surroundings. One can picture all of the residential buildings in a neighborhood as being somewhere along the “foreclosure pipeline.”

Some buildings and owners (the lucky ones) will never enter the pipeline. They remain outside the entrance (Stage 1). These homes are owned free and clear or their monthly payments are within the owners’ capacity to pay.

The Arlington Neighborhood and the City of Lawrence’s problem right now is that far too many homes *have* entered the pipeline (Stage 2). If their passage through is not blocked, then the result will be foreclosure, loss of ownership, the dispersal of tenants, and the likely abandonment of the building with a host of neighborhood negative externalities. Buildings do come out of the backend of the “foreclosure pipeline” (Stage 3), but unless there is *intervention* by one or more parties, they remain devoid of owners, tenants, and caretakers and fall into a blighted state.

The policies to “deal with” the pipeline and its front and back end fall into three categories:

At a conceptual level the following admonitions seem self evident. The issue here is less *what* should be done but

- *who* should do it,
- *how* they should work with others who are doing other parts of the job, and
- *how they get paid* to do it.

The overall list of players who should be involved in one or more elements above:

- City Hall (with various parties and parts)
- “Good” banks/lending institutions prepared to step up and help refinance (i.e. Neighborhood Assistance Corp)
- Nonprofit/CDCs that could become owners of foreclosed properties
- Counseling organizations focused on housing finance and financial literacy
- Legal services
- Neighborhood organizations/CBOs that can organize and help “spread the word” (i.e. initiate and information gathering process on where each building in the Arlington Neighborhood stands along the foreclosure pipeline)

While this report does not offer specific assignment of tasks to the players identified nor assign funding dollars for accomplishing such tasks, this would be the next step for the City, in consultation with the Arlington community based organizations and with added support from university partners like MIT and Tufts. Here, we offer the following recommendations in an attempt to begin visioning a comprehensive, intervention strategy that could assist homeowners in every stage the foreclosure pipeline:

At the beginning (Stage 1), before residents have fallen into the foreclosure pipeline,

- **Renters and homeowners must be informed about “good” and “bad” lenders.**
The City, in collaboration with community based organizations (CBOs), should conduct a door to door survey of Arlington homeowners to identify “good” and “bad” real estate practitioners and then launch a neighborhood-wide marketing campaign.
- **Arlington residents need better access to bi-lingual financial literacy classes.**
CBOs, such as LAANA, ACT, and LMCC, could implement such classes, modeling them after those taught by Juan Bonilla at LCW. Residents who take these classes could then get priority for affordable housing units built by CDCs like LCW and B&R.

Once residents fall into the pipeline (Stage 2), and the process of foreclosure begins,

- **Organize large-scale efforts to help homeowners refinance en masse.**
CBOs should use public records to identify and gather homeowners that have fallen into the pipeline and then work with the City to match these homeowners with pro-bono real estate lawyers or Boston area law students, who can pressure lenders into accepting better re-financing terms.
- **Help vulnerable tenants in soon to be foreclosed properties find new housing.**
CBOs should use public records to identify vulnerable tenants and then provide referral services to affordable housing options offered by CDCs like LCW and B&R.

After residents have lost their homes and re-emerge at the end of the pipeline (Stage 3),

- **Combat homelessness.**
CBOs should use public records to identify potentially homeless residents and refer them to transitional housing providers, like Lazarus House Ministries. Alternatively, CBOs should collaborate with affordable housing developers, like B&R and LCW to negotiate permanent housing solutions.
- **Help homeowners to restore their credit.**
CBOs should work with the City to match these foreclosed upon homeowners with pro-bono real estate lawyers or Boston area law students, to come up with innovative ways to repair credit scores.

VI.3 Flooding

Since the dynamics of foreclosure will inevitably create homelessness and empty properties, the following recommendations could take advantage of the dynamic of flooding to alleviate some of these foreclosure by-products:

- **Create affordable housing outside of the flood zone.**
The City should create policies that would encourage LCW, B&R, or other developers to erect affordable housing on empty lots outside the flooding zone into affordable housing so that tenants in these areas have places to transition to when they move out of foreclosed homes. Perhaps some of this funding can come from HUD.
- **Create parks and recreation areas inside the flood zone.**
The City should also create policies that would encourage Groundwork Lawrence (GWL) to convert vacant land inside the flood zone into parks and recreation areas, possibly using HUD money.
- **Reduce illegal dumping occurrences.**
Allow LMCC to use its crime watch block captains to also monitor illegal dumping. The block captains should then tell the police about the patterns of illegal dumping so that the police can bust the dumpers.
- **Educate adults about the hazards of electronic waste.**
Have GWL head this effort by organizing a class to do so.
- **Increase the number of disposal facilities/waste cylinders near the river as well as the awareness of these facilities.**
Allow GWL to organize outreach for awareness about disposal facilities. It should work with the City at the same time to increase the number of disposal facilities and/or waste cylinders next the river.

VI.3 NRSA

The NRSA is an important document in the process of obtaining funds for the neighborhood of Arlington. We recommend that the CDD work with Tufts University students, MIT@Lawrence staff, and community members to complete the criteria for the NRSA¹⁵ and offer the following action steps as starting points:

- **Use the NRSA to lay out a detailed plan that assigns roles for collectively and aggressively fighting the negative impacts of foreclosure and flooding.**

In this report we described: (1) the foreclosure process, (2) the impact of flooding on this process, (3) a set of intervening or mitigating actions that should be taken, and (4) a list of organizations that might play a role in implementing such actions. What the CDD now needs is a map of all organizations, their roles, relationships, and funding mechanisms for their work. The NRSA should be written as a first approximation of such and coordinated with both City and State initiatives. The challenge will be designing a course of action that:

- Builds social capital,
- Is aggressively outreaching, and
- Doesn't hold back waiting for any particular organization.

- **Strategically use added capacity of MIT@Lawrence and Tufts UEP students working in the Arlington neighborhood.**

The CDD must have a clear picture of how to best utilize added capacity the MIT and Tufts University graduate students bring to this project. MIT students will continue to work with the CDD into the Spring 2008 semester, willing to assist with organizing, data analysis, and GIS mapping. In addition, beyond this timeframe, MIT@Lawrence (M@L) is committed to the Arlington neighborhood, and the CDD and the CBOs should consider how M@L might help them reach longer term goals as well.

- **Define the Arlington Neighborhood Boundaries**

According to the guidelines of the U.S. Department of Housing and Urban Development (HUD) for Neighborhood Revitalization Strategy Area Plan (NRSA) of any neighborhood, the boundaries of the same needs to be identified and clearly defined with a consensus from the community and City's Development department. (Note that the boundary on maps used by the Lawrence Practicum team are based on information contained in the Arlington Neighborhood Association – now called Arlington Community Trabajando – Five-Year Strategic Plan)

¹⁵ See also Appendix 7: Neighborhood Revitalization Strategy Area (NRSA) Notes

VII. Beyond the NRSA

The MIT team has always conveyed that the work done this semester would be part of a larger long-term work with the Arlington neighborhood. There are more requirements that need to be fulfilled in the NRSA plan. MIT has fulfilled some and will pass this work along to students from Tufts and to the CDD.

We understand that Tufts UEP students will be taking the torch from here, fulfilling other requirements to assist with the NRSA application. In order to fill in the gaps and to ensure a seamless and productive transition to the Tufts UEP team and to the neighborhood of Arlington, the MIT team proposed the frameworks contained in the findings section as a way of thinking about these issues.

One of the most important things that the team has created is the beginning of a network between stakeholders and their institutions. The team has developed a certain amount of trust, exchanged information, and shared skill sets (or related to stakeholders in terms of social capital) that has allowed it to get close to the neighborhood leaders and neighbors. Others' expectations of what we, as a team, would do have been managed properly, and the leaders and neighbors were aware of our intentions and final deliverable from the beginning of the process.

The next team of students or practitioners must continue nurturing this trust by acknowledging the tremendous work offered by the stakeholders, in particular to the incredible commitment of the LMCC and LAANA represented in its leaders: Harold, Domingo and Fausto. Regardless of the NRSA, future interventions and/or partnerships should work in tandem with such leaders to provide the most benefit for them while offering academic and professional experience to its students and faculty.

VIII. Maps and Appendices

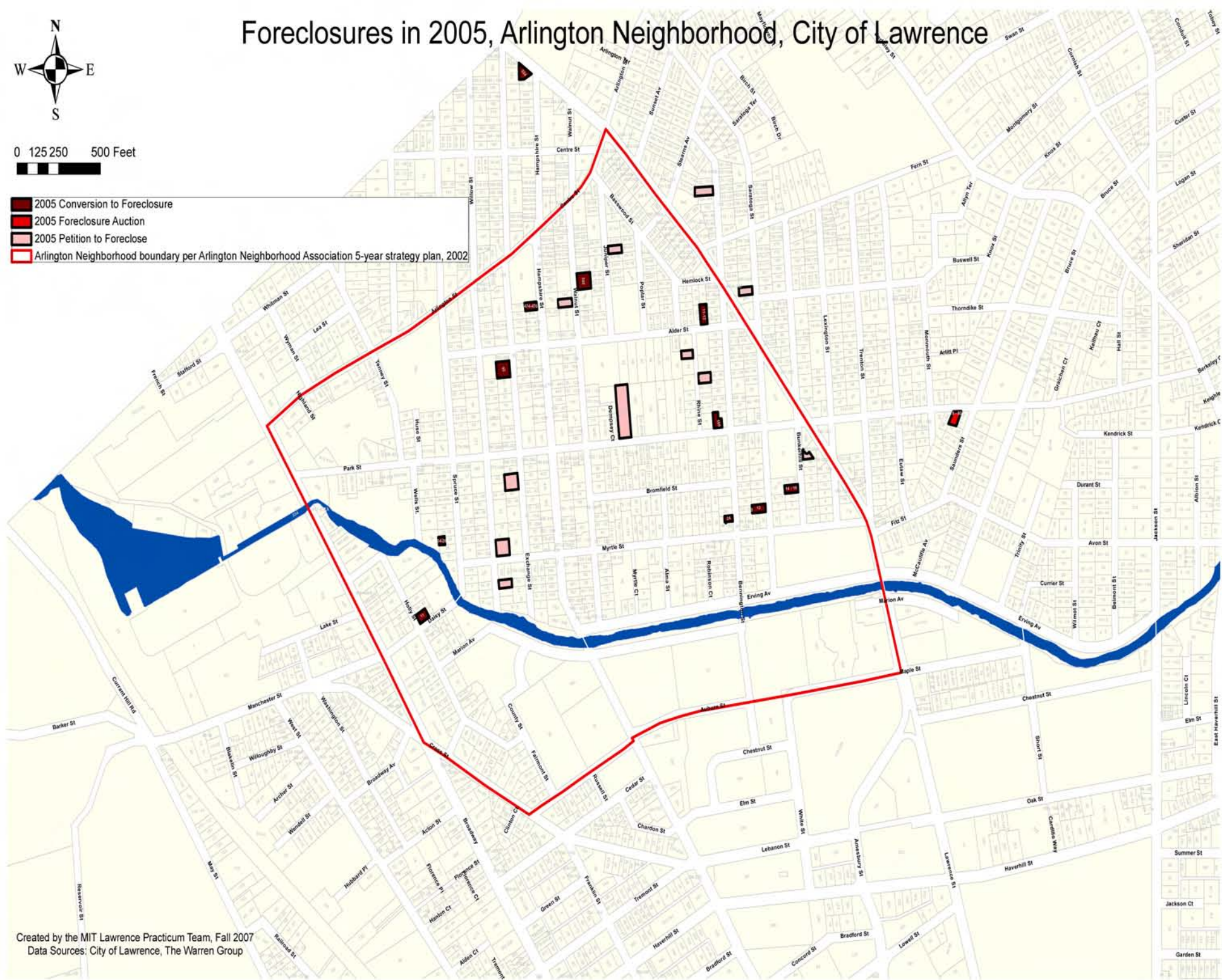
VIII.1 Maps

1. Foreclosure Time Series Map 2004-2005
2. Foreclosure Time Series Map 2006-2007
3. Key Institution Map
4. The Master Map

VIII.2 Appendices

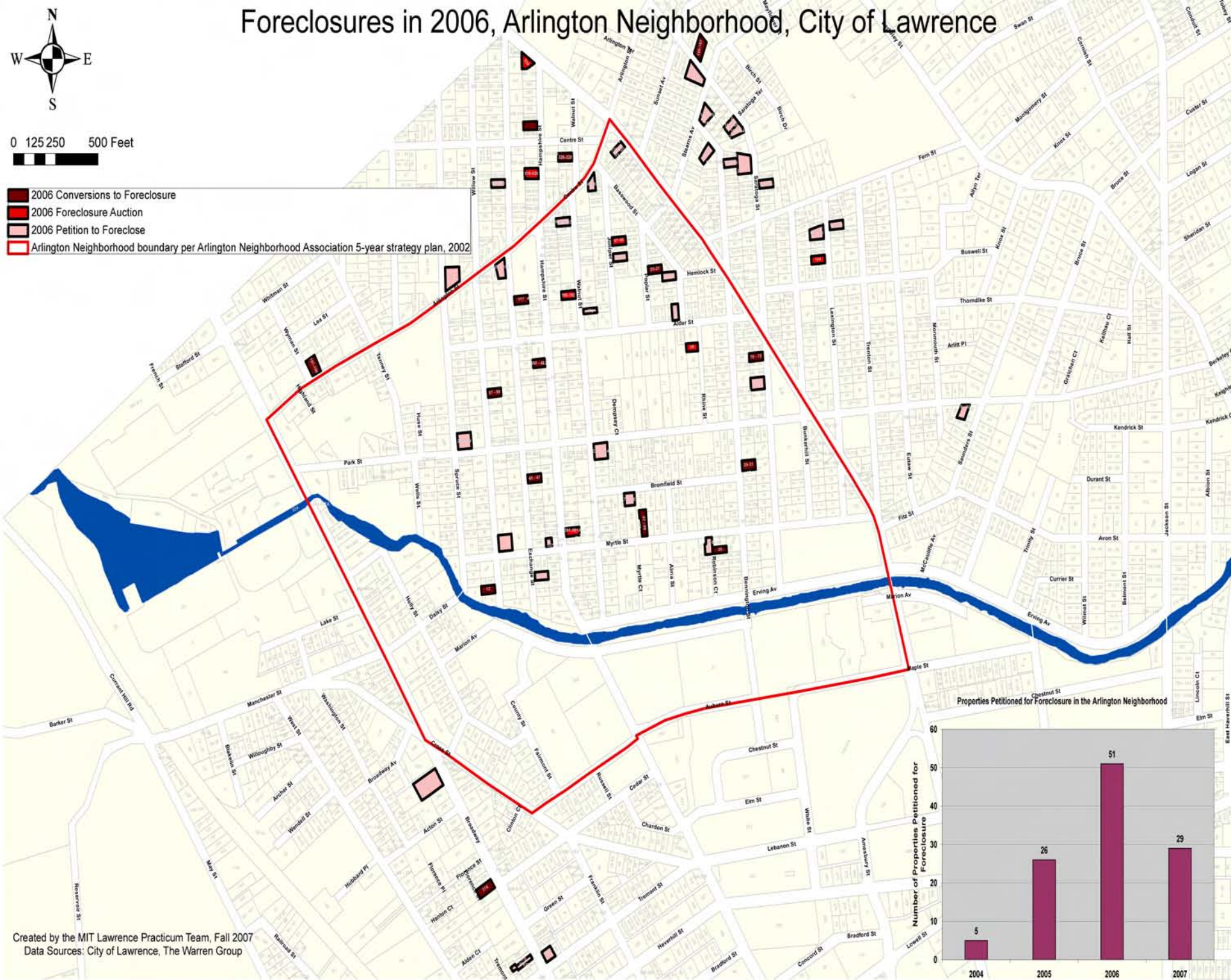
1. Comprehensive List of Stakeholders
2. List of Kickoff Meeting (#1) Invitees
3. Kickoff Meeting (#1) Agenda
4. Interview Patterns
5. Foreclosure & Flooding Diagram
6. Workshop Meeting (#2) Agenda
7. NRSA Notes
8. Stakeholder Details

1. Foreclosure Time Series Maps 2004 - 2005

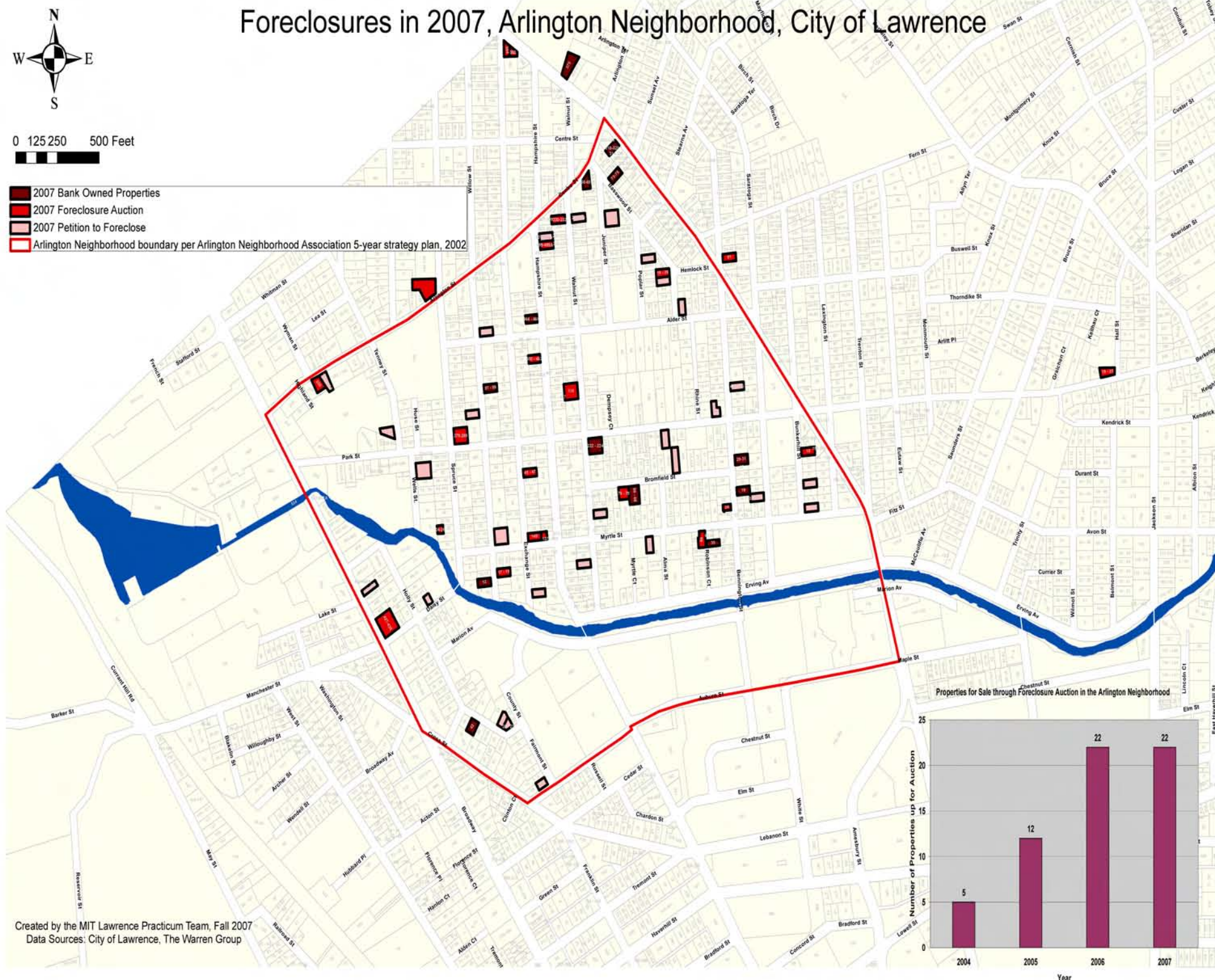


2. Foreclosure Time Series Maps 2006 - 2007

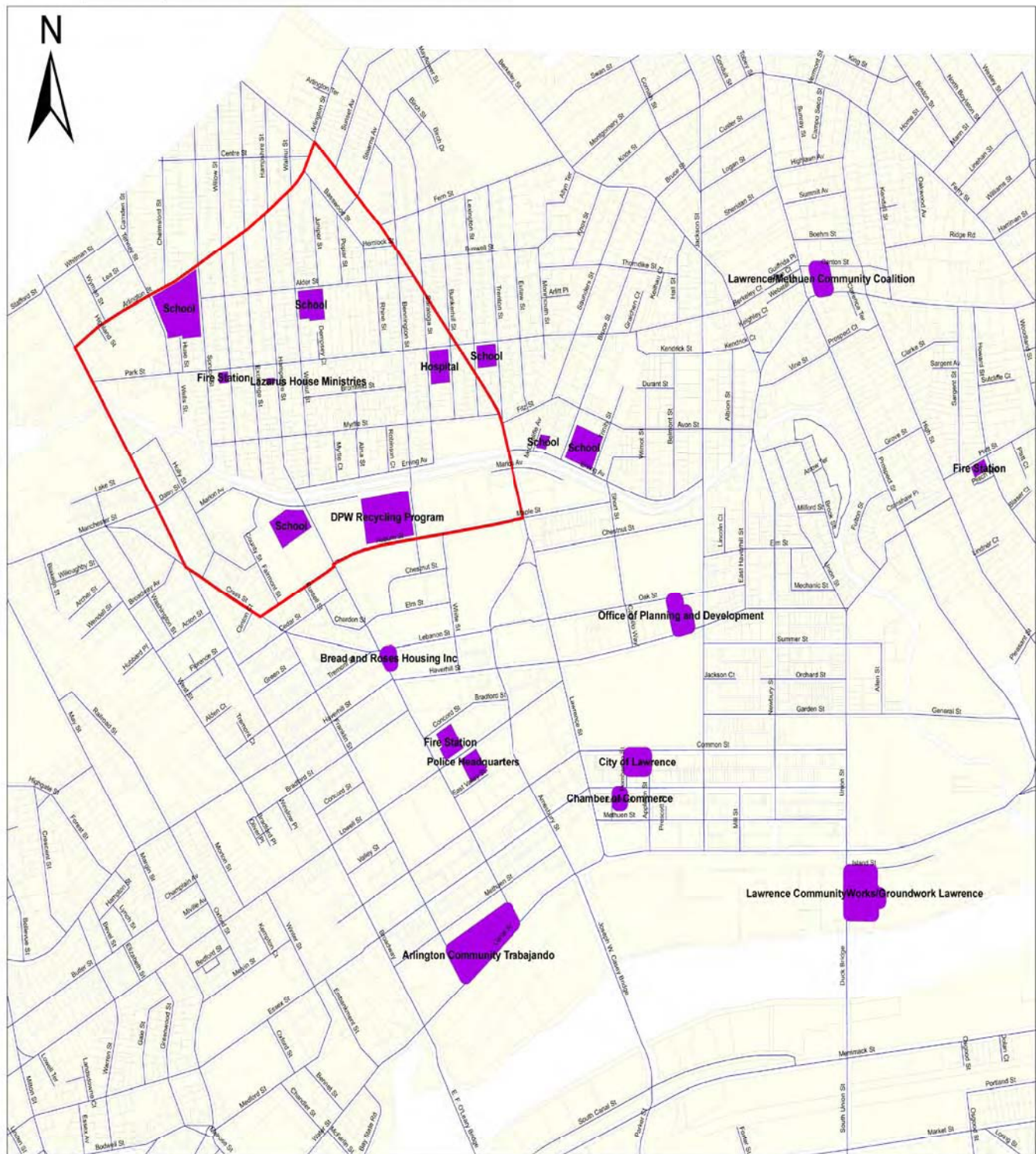
Foreclosures in 2006, Arlington Neighborhood, City of Lawrence



Foreclosures in 2007, Arlington Neighborhood, City of Lawrence



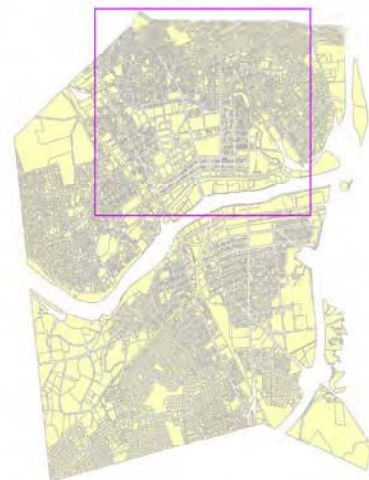
3. Key Institutions Near Arlington Neighborhood Map



 Key Institutions

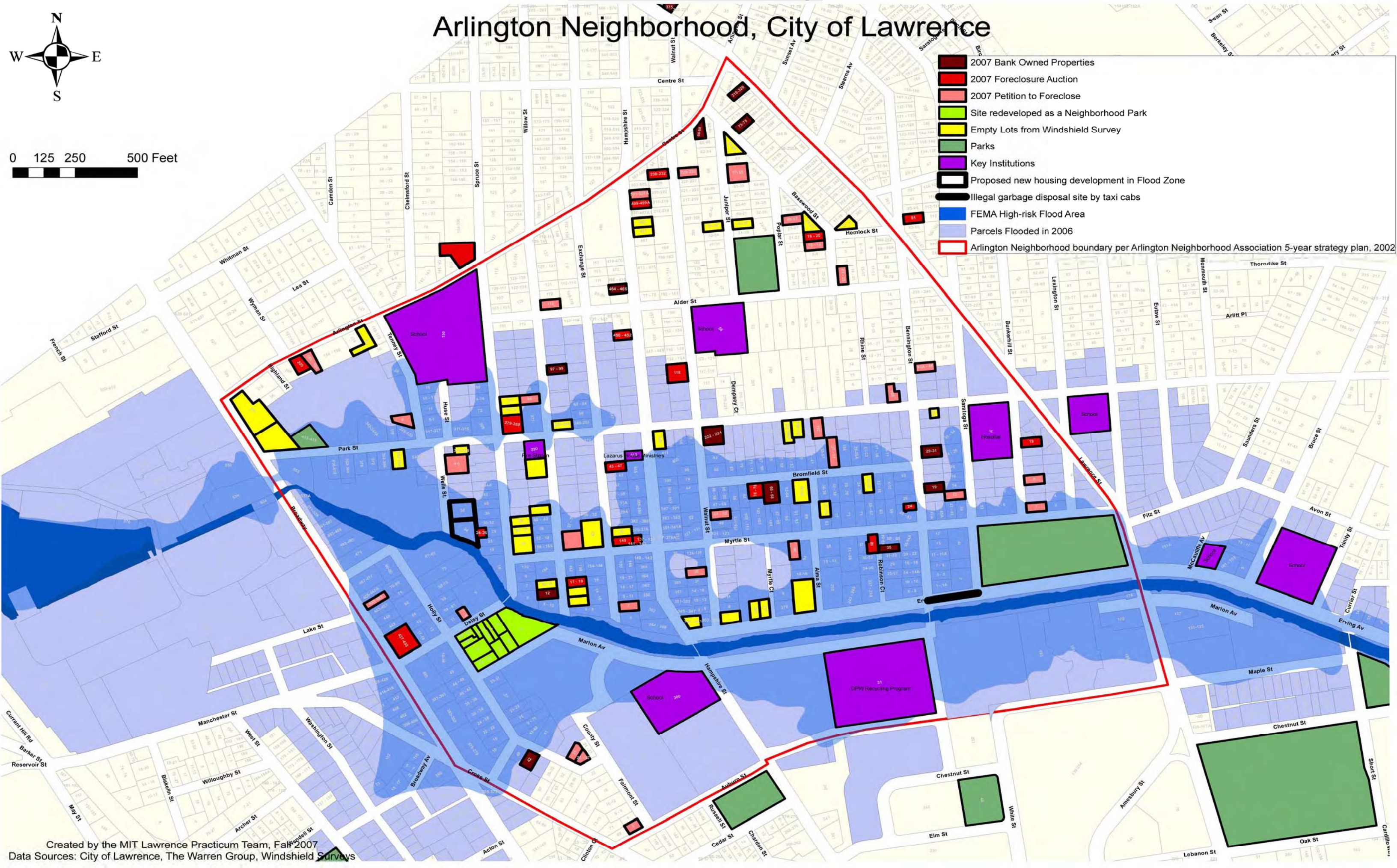
0 0.125 0.25 0.5 Miles

Arlington Neighborhood, Lawrence, Massachusetts



4. The Master Map

Arlington Neighborhood, City of Lawrence



Appendix 1: Comprehensive List of Stakeholders (Attended at least One Meeting)

First Name	Last Name	Org	Position	Phone Number	Email	Mtg #1	Inter view	Mtg #2	Mtg #3
Ana	Luna	ACT	Executive Director	(978)685-6274	aluna@actinc.org			X	
Andrea	Ryan	OCD	Housing Manager	(978) 620-3524	aryan@cityoflawrence.com	X	X	X	X
Angelina	Diaz	LMCC		(978) 852-5471	angelina_diaz2003@yahoo.com	X	X	X	X
April	Lyskowsky	OPD		(978) 620-3504	alyskowsky@cityoflawrence.com				X
Belgica	Urbaez	LCW		(978) 975-0732					X
Bill	Lannon	LFD		(978) 794-1234	wlannon@cityoflawrence.com			X	X
Dalma	Morales	LMCC		(978) 794-3919	moralesdalma@msn.com	X		X	X
Nelson	Gonzalez	LAANA, LMCC		(978) 314-1165			X		X
Damaris	Martinez	LMCC		(978) 655-3952		X			
Domingo	Melendez	LMCC	Community Organizer	(978) 975-8793	dmelendez@lmconline.com		X	X	X
Ellen	Minzner	CDD		(978) 620-3516	eminzner@yahoo.co.jp		X		X
Ezra	Glenn	CDD	Director	(978) 620-3511	eglenn@mit.edu	X	X		
Fausto	Nunez	LAANA	President	(978) 208-1386		X	X		X
Harold	Magoon	LMCC		(978) 975-8793	hmagoon@lmconline.com	X	X	X	
Jacqueline	Felix	LMCC						X	X
Jessica	Andors	LCW	Deputy Director	(978) 722-2604	jandors@lcworks.org	X	X ¹⁶	X	
Joseph	Garofalo	LMCC		(978)702-6699	anita_e_scott@yahoo.com				X
Juan	Vera	PTS	President	(978) 788-3429	zjjuaannz@aol.com	X	X	X	X
Kate	O' Brien	GWL	Executive Director	(978) 974-0770	kobrien@groundworklawrence.org	X	X	X	
Kevin	Walsh	LHM	Director of Operation	(978) 689-8575	kevin@lazarushouse.org	X	X ¹⁷		
Kristine	Stelljes	TU		(617) 309-6882	kristenstelljes@yahoo.com				X
Maggie	Rosinski	OCD		(978) 620-3535	mrosinski@cityoflawrence.com	X	X		
Mary	Marra	B&R	Executive Director	(978) 685-1823	BRHousing@aol.com	X	X	X	X
Maruka	Santiago	LMCC	Office Manager	(978) 421-3340	xmarukox@aol.com				X
Mercedes	Sanchez	LMCC						X	X
Milagro	Grullon	OCD		(978) 620-3525	milagrogrullon@cityoflawrence.com	X	X		
Nelson	Gonzalez	LMCC		(978) 314-1165		X		X	
Pedro	Lopez	NIA		(978) 689-0352					X
Rusty	Russell	Tufts		(617) 627-2220	rusty.russell@tufts.edu				X
Sue	Fink	OCD		(978) 620-3514	sfink@cityoflawrence.com				X
Tamara	Trejo	ACT, Tufts		(978) 590-1686	trejo.tamara@gmail.com	X	X		
Tammy	Zborel	Tufts		(781) 512-8136	Zborel_tl@yahoo.com				X

¹⁶ The interviewee was Juan Bonilla

¹⁷ The interviewee was Sister Mary Ellen

Appendix 2: Kickoff Meeting #1, List of Invitees

	Organization	Comments	Title/ Organization	Kick Off Mtg	First Name	Last Name
City	Community Development Department (CDD)		Former Community Development Director City of Lawrence	<input type="radio"/>	Ezra	Glenn
				<input type="radio"/>	Andrea	Ryan
					Ellen	Minzner
				<input type="radio"/>	Milagro	Gullon
				<input type="radio"/>	Maggie	Rosinski
CBO	Bread and Roses Housing Inc.		Executive Director Bread and Roses Housing, Inc.	<input type="radio"/>	Mary	Marra
	Arlington Community Trabajando		Executive Director Arlington Community Trabajando.	<input type="radio"/>	Ana	Luna
			Also a student at Tufts University	<input type="radio"/>	Tamara	Trejo
	Lawrence Community Works, Inc. (LCW)		Deputy Director Lawrence Community Works, Inc.	<input type="radio"/>	Jessica	Andors
	Lawrence Methuen Community Coalition (LMCC)	New immigrants tend to be victims by predatory lenders. Exchanging information between the present residents and new immigrants is necessary to mitigate the problem. Some brokers like Century 21 are considered to be reliable in the neighborhood. They also interested in stopping dumping electronics and other junk in Spicket River. The city should turn the river into an asset.		<input type="radio"/>	Domingo	Melendez
				<input type="radio"/>	Angelina	Diaz
				<input type="radio"/>	Nelson	Gonzales
				<input type="radio"/>	Dalma	Morales
				<input type="radio"/>	Damaris	Martinez
				<input type="radio"/>	Harold	Magoon
	Alma Arlington Neighborhood Association (LAANA)	Their interest lies mainly in crime issues. They have good connections with police department and fire department.	President of LAANA	<input type="radio"/>	Fausto	Nunez
	PTA Tarbox School		President of PTA Tarbox School	<input type="radio"/>	Juan	
	Lazarus House			<input type="radio"/>	Kevin	Walsh
	Groundwork Lawrence	She is interested in flooding issues. Relocating residents from flooding area to current vacant lots can be one option to mitigate the damage. Dumping is serious problem for Spicket River. Dumping might be connected with DPW site, language barrier to use city recycling service, refurbishing companies, and high turnover rate of residents.		<input type="radio"/>	Kate	O'Brien

Appendix 3: Kickoff Meeting #1, Agenda (English)

City of Lawrence
Office of Community Development

MIT Dept. Urban Studies & Planning:
Lawrence Practicum - Fall 2007

Kick Off Meeting Agenda

Wednesday, October 10, 2007

6:00-7:00 pm

- 6:00pm** **Dinner and Mixing**
- 6:15pm** **Opening & Introductions**
Ezra Glenn, Community Development Director, City of Lawrence
- 6:20pm** **MIT@Lawrence & Practica Introduction**
MIT Students: Amruta Sudhalkar (Miguel Paredes - Translator)
- Past Work in the City of Lawrence**
MIT Students: Lyndsay Carlisle (Miguel Paredes - Translator)
- Neighborhood-Based Plan**
MIT Students: Kohichi Yamagishi & Debmalya Guha
(Carlos Espinoza-Toro - Translator)
- Our Commitment to the Arlington Neighborhood
 - Arlington Issues
 - Partnership for a Neighborhood-Based Plan: We need You!
- 6.35pm** **Open Discussion**
MIT Students: Marilia Magalhaes, Miguel & Carlos (Translators)
- 7:15pm** **Meeting Wrap Up**
Ezra Glenn, Community Development Director, City of Lawrence
- 7:30pm** **Meeting Adjourned**

Thank You!

For comments, questions or more information, please contact:
Amy Stitely astitely@mit.edu ♦ (401) 282-0937

Appendix 4: Interview Patterns

Foreclosure Patterns

- A resident purchased triple-decker housing in 2005 for \$385,000 because she was informed that there were a lot of people looking for apartments in the community. However, she has not been able to rent the upper two floors, and therefore, has been unable to pay her mortgage, because she is not earning revenue from rent. She was not informed by a real estate company in advance that she would have to get flood insurance. As a result, she ended up paying more than she expected to for the triple-decker and could be a potential foreclosed site in the future. Predatory lenders could exist in the community.
- An owner has already lost his home to the bank. The current residents of the home are tenants who rented from the owner. After the foreclosure, the sub-prime lender gave the current residents a week's notice to vacate the apartment. Among the current residents are young children and elders who are sensitive where they live and can be mentally damaged.
- Tenants are forced to move out for many times to pay higher rents. Many tenants cannot afford it and it is not clear if they are able to maintain the same economic status after the foreclosure.
- Vacant lots cause bad consequences to the neighborhood. Some of these properties are prompt to attract vandalism and drug dealing.
- Vacant lots are not only a consequence of predatory lending. Homeowners do not want to live in dangerous neighborhoods even if they can afford the mortgage. Some of them choose to abandon their houses and go live in other neighborhoods. Crime has perverse consequences for a neighborhood. Renters are the first to bail. Homeowners become unable to rent their apartments. Without tenants and with high crime rates they also move away.

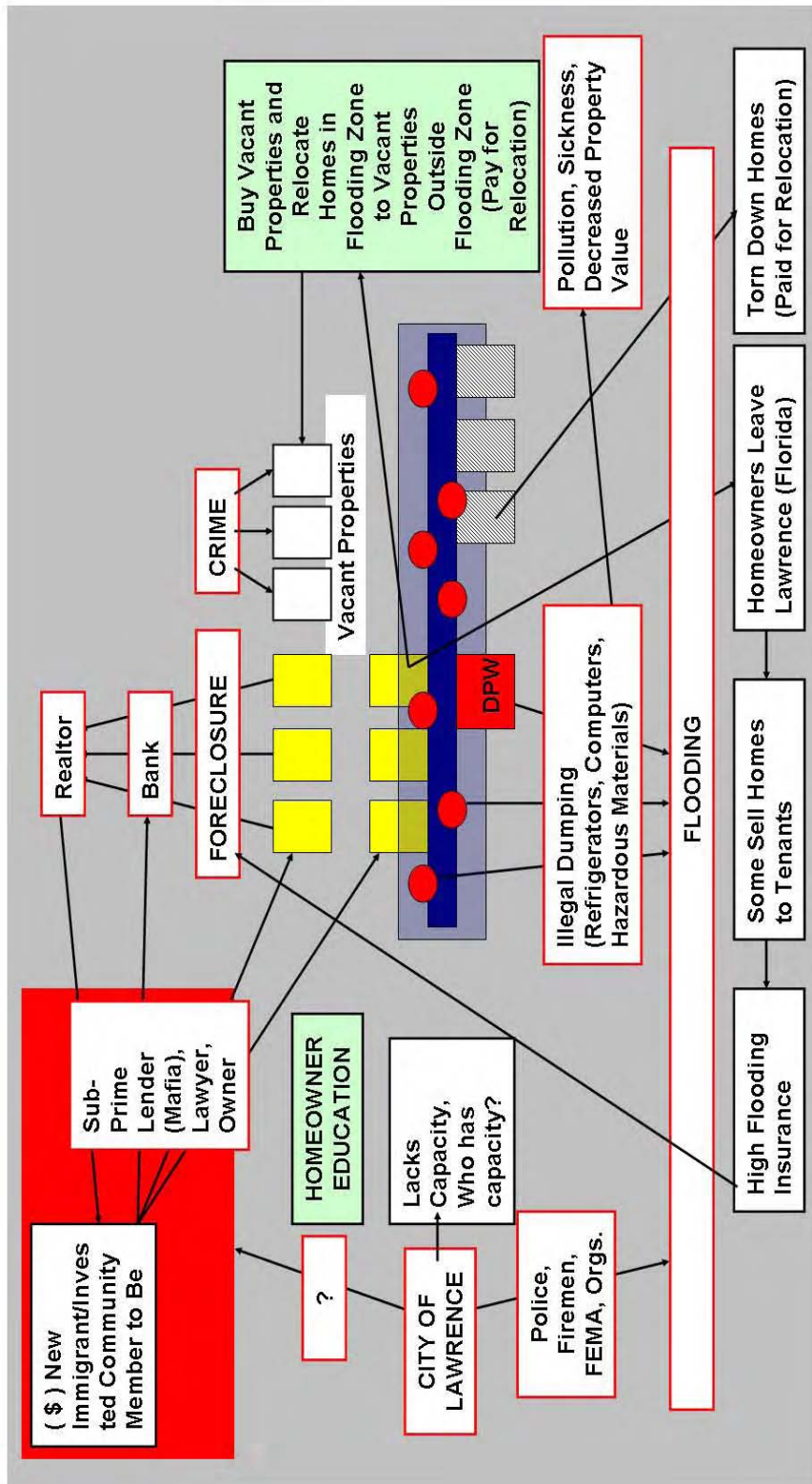
Flooding Patterns

- Flooding forced residents to leave their houses for a month. It caused health problems and sanitary problems.
- After flooding, owners sold houses and might have move out to another state.
- About 50% of people affected by flood left their homes
- Illegal dumping into the Spicket River might be one of the main reasons for causing flooding in the community.
- FEMA expects that people get insurance against flooding. The problem is that flooding insurance is very expensive and that the money residents get from insurance usually does not cover their costs caused by flooding.

Foreclosure & Flooding Patterns

- There is not overlap of predatory lending and flooding. There is no direct relationship but predatory lending and flooding have both the same background – an impoverished neighborhood and also flooding might have exacerbated the foreclosure crisis
- There is a relationship between flooding and predatory lending. Once flood occurs, homeowners can not get rents from tenants. Homeowners can not pay payments to lenders for a few months because tenants can not pay rents to homeowners. There are penalties and late fees for the payments. Lenders require homeowners to have new flood insurance with a new higher risk rate because homeowners' houses are lenders' collaterals. Homeowners can not make payments to lenders and their properties would be foreclosed.

Appendix 5: Foreclosure & Flooding Diagram



Appendix 6: Workshop Meeting #2, Agenda (English)

City of Lawrence
Office of Community Development

MIT Dept. Urban Studies & Planning:
Lawrence Practicum - Fall 2007

Second Meeting Agenda

Wednesday, November 14, 2007

6:00-8:00 pm

6:00pm **Dinner and Mixing**

6:15pm **Opening & Introductions**
Andrea Ryan, Housing Manager, City of Lawrence

6:20pm **Plan Progress**

The Arlington Neighborhood Map
MIT Students: Amruta Sudhalkar (Carlos Espinoza-Toro - Translator)

The Arlington Neighborhood Voices
MIT Students: Miguel Paredes (Carlos Espinoza-Toro - Translator)

6:35pm **General Discussion (Group Activity)**
MIT Students: Miguel Paredes (Carlos Espinoza-Toro - Translator)

- Group Red Dots: Foreclosure
MIT Students:
Lyndsay Carlisle, Amruta Sudhalkar & Miguel Paredes
- Group Clusters: Foreclosure, Flooding, Crime, Empty Lots, etc
MIT Students:
Kohichi Yamagishi, Marilia Magalhaes & Carlos Espinoza-Toro

7:15pm **Regroup & Next Steps**
MIT Students: Lyndsay Carlisle (Carlos Espinoza-Toro - Translator)

7:35pm **Meeting Wrap Up**
Andrea Ryan, Housing Manager, City of Lawrence

7:45pm **Meeting Adjourned**

Thank You!

For comments, questions or more information, please contact:
Amy Stitely astitely@mit.edu ♦ (401) 282-0937

Appendix 7: Neighborhood Revitalization Strategy Area (NRSA) Notes

HUD's CDBG program (Community Development Block Grant) funds local community development activities related to affordable housing; non-housing community development; homeless households; and special needs people. HUD encourages cities to create NRSA plans to allocate CDBG funding to revitalize communities' most distressed areas.

The main criterion for approving strategies is intense community participation. Partnerships involving residents and other community stakeholders are essential to ensure that: i) there will be neighborhood commitment to the revitalization plan, ii) investments will promote long term economic development of the community, iii) institutions that work with the community will be supported as a way to voice community's needs to local government agencies, iv) resident-based initiatives will be supported as a way to promote community mobilization around the neighborhood needs.

HUD's incentives to submit a NRSA plan prioritize job creation/retention strategies and aggregation of housing units. In the table below there is the required content of the Neighborhood Revitalization Strategy.

More complete information can be found on HUD's website: <http://www.hud.gov/>

Item	Criteria
Boundaries	Areas within boundaries must be contiguous
Demographic Criteria	Area must be primarily residential with a percentage of low and moderate-income residents not less than 51% (preferable 70%)
Consultation	Grantee needs to describe involvement of the community (residents and stakeholders) when defining the strategy
Assessment	Grantee needs to make an assessment of the area economic conditions and opportunities for economic development improvements
Economic Empowerment	Plans should be realistic and need to promote economic progress focusing on job creation and revitalization strategies.
Performance Measurements	Grantee needs to identify expected results in measurable terms (benchmarks).

Source: U.S. Department of Housing and Urban Development

Appendix 8: Stakeholder Details

The team identified leaders of community organizations and resident leaders based both on their experience on the issues of foreclosure and flooding in Lawrence and their past efforts in community revitalization. The relationships that the Practicum team built with a majority of these stakeholders had been initiated through the projects of past Practicum teams and through the M@L Program. In addition to these, the Practicum team formed new relationships with community residents at two community meetings hosted by LAANA.

During the course of the semester, we engaged the following stakeholders:

Arlington Community Trabajando (ACT)

- Ana Luna – Executive Director
- Tamara Trejo – TUFTS University student liaison

Ana Luna has been director of ACT, Inc., which was formerly called Arlington Neighborhood Association for well over ten years. ACT's mission is to promote the well being of target-area residents as well as to improve the community as a whole. ACT's projects focus on empowering residents and stakeholders through initiatives in affordable housing, infrastructure, public facilities, public safety, work force and business development. For example, ACT educates families to manage their household income and finances while setting short and long-term saving goals. This is an extremely important service for first-time homeowners because they need to be financially literate in order to pay off their loans in a timely manner.

Tamara Trejo is a graduate student at TUFTS University who also grew up in Lawrence. She represented Ana Luna at the first stakeholder meeting. Tamara has been doing independent research with Ana Luna on foreclosures in the Arlington neighborhood.

Bread and Roses Housing (B&R)

- Mary Marra, Director

Mary Marra has been a long-standing member of the Lawrence community, and has vast experience in the area of affordable housing. B&R acquires vacant lots or distressed properties, and builds affordable housing. This organization makes housing available to families through a community land trust. B&R's goal is to create alternative homeownership opportunities for families traditionally excluded from the housing market. This is a major step towards ensuring that sub-prime lenders do not victimize families.

Groundwork Lawrence, Inc. (GWL)

- Kate O'Brien, Executive Director

Kate O'Brien is an important resource for understanding environmental challenges in Lawrence and the impacts of these challenges on the Arlington community. GWL is an organization working in Lawrence to create sustainable environmental change through community-based partnerships. GWL has been actively involved in flood mitigation projects of the Spicket River. For example, GWL has led cleanup projects at the Spicket River and has partnered with the City of Lawrence in the creation of a neighborhood park in the Arlington Neighborhood as an effort towards increasing green space in the neighborhood.

Appendix 8: Stakeholder Details (cont)

Lawrence Community Works (LCW)

- Jessica Andors, Deputy Director
- Juan Bonilla, Homeowner Councilor

Jessica Andors is an MIT alum working to expand LCW's territorial scope beyond the North Common Neighborhood. She hopes to become more familiar with the Arlington neighborhood. She is also a long-time partner with M@L.

Juan Bonilla is a councilor for residents buying a new home and for those undergoing foreclosure. He has been a key player in the efforts of LCW towards preventing foreclosures via educational outreach.

Lawrence Methuen Community Coalition (LMCC)

- Harold Magoon, Director
- Domingo Melendez, Community Organizer
- Fausto Nuñez
- Juan Vera
- Nelson Gonzalez
- Angelina Diaz

Lawrence/Methuen Community Coalition is a community-based organization, which works to identify the specific needs of neighborhood residents and families and to mobilize activities to address these issues. LMCC acts as an umbrella organization for all of the neighborhood associations in Lawrence and has consistently offered to host stakeholder meetings for the practicum in the last semester. Harold Magoon, a Lawrence native, is the acting director.

Domingo Melendez is the community organizer for LMCC and has been extremely helpful to the practicum team in establishing contacts with local homeowners.

Fausto Nunez is an active member of LMCC and is also Director of LAANA. He plays a dual role as a community leader, and a resident who has been directly affected by predatory lending.

Juan Vera is President of the Tarbox School PTA. His input has been extremely valuable in understanding the impacts of flooding in the Arlington Neighborhood.

Lazarus House Ministries (LHM)

- Kevin Walsh

LHM is a religious-based ministry which started as an emergency shelter for the homeless, and now offers a range of other services to people who are in need of life's most basic necessities such as food, shelter, medical care, child care, clothing etc. Given this institution's experience in emergency response, LHM is an important stakeholder in providing input on effective measures of response to problems such as flooding and predatory lending. Kevin Walsh was present at the first stakeholder meeting.

Appendix 8: Stakeholder Details (cont)

City of Lawrence Fire Investigations Department (LFD)

- Bill Lannon

The Chief of the Fire Department attended the second stakeholder meeting. His feedback was extremely helpful because it revealed new sources of information on real-time foreclosure data that could be looked into in the future by students from TUFTS University.

City of Lawrence Community Development Department (CDD)

- Andrea Ryan – Housing Manager
- Ellen Minzner – Community Development Manager

The City has been an active participant in stakeholder meetings conducted by the practicum team. The City is our client, and will play the leading role in preparing the NRSA plan. Therefore, it was important to consult the City so that the practicum could strategically decide what information would be useful to the City and how it would support the NRSA plan.

Despite the efforts of the participants to engage all relevant stakeholders, some key stakeholders could not participate such as Central Catholic High School and the City of Lawrence Police Department. The members of the practicum sent a list of primary stakeholders to the City of Lawrence and requested that the City of Lawrence invite these stakeholders to the first stakeholder meeting in October. Central Catholic High School and the Lawrence Police Department were among the invitees. However, they were unable to attend the first meeting. After this meeting, the Lawrence Practicum team was unable to establish contact with either party. However, it is important that these stakeholders be included in the formulation of the NRSA plan in the future. It is recommended by the Practicum that these two parties be contacted personally (by phone or in person) and encouraged to attend future meetings.

Barriers to collaboration among stakeholders in the Arlington Neighborhood

Apart from schools, a hospital, a fire station and LHM, the Arlington neighborhood does not have an anchor community organization located inside the boundaries of the neighborhood. All the community-based organizations (CBOs) that operate in Lawrence are outside¹⁸ of the neighborhood boundaries.

Various community organizations have expressed the need for a community center that would act as a venue for all key institutions in Lawrence to convene and collaborate among each other to address community challenges together. Many of these institutions have similar missions and there is great potential for these institutions to organize efforts in line with their missions by forming partnerships with other organizations that have similar interests.

As the practicum submits its final report, it is extremely important that these relationships that have been built with stakeholders in Lawrence be sustained in the future. There must be an effort by future student groups that work in Lawrence (e.g. M@L, TUFTS University, etc) to build capacity among these stakeholders to enable them to work productively with each other.

¹⁸ See also Appendix Map 3: Location of Community Based Organizations with Respect to the Arlington Neighborhood