

## | Opinion

# The boom, the bust and picking up the pieces

May 31, 2009

On March 12, a family was evicted on Dream Street. A sheriff's notice was taped to the front picture window. The utility companies cut off power, water and gas. Inside, a bed and an armchair were left behind, but everything else was cleared out. The following weekend, someone gouged four palm trees right out of the front lawn and tried to dig up a lemon tree in the backyard. The house is now locked up tight. Paperwork on the front door states that it is owned by "Aurora Loan Services, Limited Liability Corporation, Littleton, Colorado, a Lehman Brothers Company."

When I stopped by, I crunched through shaggy, unkempt grass, grown tall in the spring and blasted brown by an early heat wave. The place used to be tidy, but now the side gate was smashed and the doors of the utility shed hung askew. Amid the weedy debris of the backyard were an overturned baby carriage, two teddy bears, three toy rabbits, a yellow-nosed penguin and a pair of worn-out work boots. Dream Street was in trouble.

A decade ago, when I won the right to name a street in a yet-to-be-built subdivision in the Inland Empire, I picked the name precisely because of its open-ended character. A dream can be the American dream or a dream of greatness, but nightmares operate in the same arena. Some dreams can break your heart.

Now Dream Street is ground zero in the region's housing crisis. The trouble arrived in a hurry. From Feb. 13 to May 13, 2007, 16 homes were sold in the 92316 Dream Street ZIP Code, all standard sales. For the same three-month interval ending May 13, 2009, the Southern California Multiple Listing Service lists 232 homes embroiled in some stage of "distressed sales" -- foreclosures, short sales, bank takeovers or forced auctions.

I stood on the dead lawn on Dream Street and angled my camera at the upended stroller, now property of Aurora Loan Services. Photography pretends to explain the world, but the promise is often hollow. "You can see everything that's in front of the camera," said photographer Thomas Ruff, "but there's always something beside it." Ruff is right.

So here are some additional facts. The evicted family owed \$437,000 on their home. The county assessor pegs the home's current value at \$225,000. All told, according to the neighbors, it was costing more than \$4,000 a month to live in a house worth negative \$212,000 (and falling) to its owners. Their response was rational -- stop paying, wait for foreclosure and walk away.

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But there is more. The neighbors also told me that just two months after departing Dream Street, the couple and their children already had another house. They pooled their money with that of other family members, reconfigured who should apply for the loan, bottom-fished the housing crash and bought an older home less than a mile away. It has five bedrooms on a big lot, and the kids can walk to school. Total cost: \$110,000 and change. They even have some newly planted tropical palm trees -- the very ones they yanked from the lawn of their Dream Street house.

Meanwhile, Aurora Loan Services has had a rougher landing. In early 2008, Lehman Bros. pulled the plug on Aurora -- a major player in mortgages requiring no proof of income: "liar loans." It abruptly halted mortgage origination and sacked 1,300 employees. Then, even as the Dream Street mortgage payments stopped in September, Lehman crashed and burned. When the family came to reclaim their palm trees, lawyers were still pawing over Lehman's remains. Barclays had scooped up the American trading division. Nomura Holdings grabbed the Asia and European operations.

The contrast is instructive. The evicted family apparently lands on its feet. The banking giant whirls into oblivion. The family gets a bigger house at a rock-bottom price. Wall Street adds an additional \$437,000 to its mountain of losses. The palm trees are retrieved. The bankers are left with the holes. When Wall Street started playing fast and loose with the rules, I'm pretty certain their computer models didn't factor in that the upside-down homeowners of the world might adopt comparable countermeasures.

My task on Dream Street has always been careful looking; I mostly stay out of the conclusion business. Nonetheless, several observations are unavoidable.

First, in a society in which the powerful have been gaining traction for decades, it's oddly refreshing to see the little guys face down an international financial power and emerge on top. Second, we may cheer when we witness someone walk away from a wreck, but we're still surrounded by wreckage.

And third, hanging on to dreams has always been hard. On Dream Street, some residents have proved to be smart, flexible and fiercely resourceful, but that doesn't mean it's getting any easier.

Photographer and curator Douglas McCulloh has exhibited widely in the U.S., Europe, China and Mexico. His book, "Dream Street," has just been published, and an exhibition based on the project is on view at the Riverside Art Museum until June 13.