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## **A Sinking Feeling in the Inland Empire**

**By LAWRENCE DOWNES**

About all that's left in the Mountain View subdivision in Perris, Calif., is the mountain view. Construction has stopped. There are tidy streets and sidewalks, but the lots above the curb cuts are just dirt. The KB Home sales office is closed. A sign taped to the door directs you down the road to Palomino where homes are still available "from the mid 100's."

If you want to grasp the foreclosure crisis in all its ungraspable immensity, you'd have to take in the whole country. But Perris is a good nutshell. It's a town in the Inland Empire — where Los Angeles's commuter sprawl meets San Diego's. The area once prospered as a citrus wonderland, but lately its economy has been built on bedrooms: empty boxes of stucco and Spanish tile that people filled with dreams of the good life in the Golden West.

I drove around Perris this month with organizers from the Alliance for Homebuyer Justice, a project of the Laborers' International Union of North America. The union has been organizing construction workers who built the boom and homeowners who bought into it, both of which have been left exposed and helpless by the disaster.

Like other parts of the Sun Belt, the Inland Empire was supposed to be immune to a housing downturn. But the bomb went off here, too. Housing prices in some places have collapsed 60 percent to 70 percent. Unemployment is more than 10 percent.

Perris was essentially a company town for corporate home builders. Now parts are a living foreclosure museum, with subdivisions tracing the staggering arc of boom and bust. Some still gleam. Others lie stained and rotting in the desert sun. And some, like Mountain View, are frozen, half-built: accidental monuments to mass delusion.

The housing meltdown has spawned an epidemic of blame, much of it heaped on homeowners who agreed to loans they shouldn't have. But look closer in places like Perris and you can see how easily greed preyed on hope, how builders, lenders and marketers worked together and used high-pressure sales pitches and

impenetrable piles of paperwork to push bad loans on unsuspecting buyers.

One union organizer, Chris Young, showed me mortgage documents for several homeowners who got in over their heads. Like many home buyers in this heavily Latino region, they were given the hard sell in Spanish. They said they were promised affordable, fixed-rate loans, but the buried details in the papers, in English, told another story.

They were stunned to learn that 10 years of payments would go only toward interest, and that impossibly huge balloon payments lurked down the road.

Rosa Valdez said that she found out a year and half after closing on her house that she had signed on for 10 years of paying nothing to principal. Her second piggyback mortgage requires 179 monthly payments of \$608.52, followed by one payment on March 1, 2021, of \$61,490.69. Laura and Carlos Naranjo's day of reckoning is March 1, 2022, when they will have to write a check for \$43,365.78.

Such exotic loans might have worked in a fantasy world of perpetually soaring home prices. But here on earth, a reckoning has come due.

In Riverside, pawnshop shelves are bursting with abandoned construction equipment: reciprocal saws, nail guns and drills. Not far from downtown Perris, with its lovely library and little restaurants, a tour of abandoned, rain-stained stucco houses shows how quickly, and badly, a failed suburb grows old.

Empty houses were marked by plywood and spray-painted graffiti tags. Mr. Young said many banks don't bother with "For Sale" signs anymore. Investors have flipped cheap homes into rentals: starter slums. I watched a white pit bull lead two ragged mutts on a feral march through empty yards and driveways.

An agent's flier sent us to 2047 Cherrytree Drive: four bedrooms, two-and-a-half baths, 1,356 square feet. In 2004, it sold for \$247,500. A year and a half later, it went for \$325,000.

Now it's listed at \$98,000.

I left town wondering what the Inland Empire might look like when the disaster passes, when places like Mountain View are finally built — or bulldozed. After the illusion evaporates, what will remain? What parts are real?

The people, of course, the families with young children who I saw overflowing the Spanish Mass at Corpus Christi Church in Corona. And the orange groves, trees bursting, spilling fruit onto the cold February ground.

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