

The Boomtown Chronicles: Reflections On a Changing California

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**Transcript: Interview with James Juan Mendoza, Working
Man/ House Hunter, California, 2004**

JUAN MENDOZA: Transcript

RACHEL GOODMAN: I'm out here on 41" ave. with Juan Mendoza, a house-hunter, who's looking for a place to live. Juan, why are you out here with your sign in the middle of the street? I'm trying to find an affordable place to live. Everything in this area seems to be outrageously over-priced, and it's just really difficult to find an affordable house in this area.

RACHEL GOODMAN: So, how do you think it will help?

JUAN MENDOZA: Well, I don't know if it will help, but hopefully it will call attention to a problem we have in California and especially in this area. Maybe something good will end up happening out of this.

RACHEL GOODMAN: Are you frustrated looking for a place?

JUAN MENDOZA: We've been looking for a place for about six months. We're pre-qualified and we're all set to go, but really, what it comes down to, is can an average person end up affording an average mortgage payment of around \$3,000 a month? It leaves no disposable income whatsoever. A person just ends up scratching by, and it doesn't make a whole lot of sense for a whole lot of people. And I'm just one person, there are hundreds, thousands of Californians that are trying to find an affordable house. Just a home to live in, that's all I'm asking for.

RACHEL GOODMAN: Let's see if it works...

(walk across street) 1: 42 My wife said, what are you doing? I told her, I said well, this is an idea I had a long time ago. She said I thought you were just kidding. Somebody's got to end up taking a stand for everybody else...

RACHEL GOODMAN: So what if you end up standing in front of the Mall...

JUAN MENDOZA: Juan, I think most people are just living paycheck to paycheck. People want to buy themselves something to make themselves feel a little better. Window-shopping for houses. Only \$150K!

3:21: We should go somewhere interesting...

3:32: Music...UPS guy....

RACHEL GOODMAN: Hey, this is my friend Juan. I'm thinking, I'm thinking, I can't think of anybody who has a place to rent. He's trying to find a place to live. Can you help him?

UPS GUY: I can't tell you, I can't think of anybody has a place to live. There's nothing affordable. I'm pre-qualified and I'm looking. I'm only pre-qualified for 300, 350 and I can't do it, and I got a full time job kicking butt, which I'm late for.

RACHEL GOODMAN: He can't help you. He's got a full time job.

RACHEL GOODMAN: Hey, could you help us out here?

RACHEL GOODMAN: My friend is looking for a house. Do you have any advice for him?

Woman: I'm trying to do the same thing right now. I just called a broker, so good luck.

JUAN MENDOZA: How about you sir, could you help me?

RACHEL GOODMAN: My friend is having a terrible time. He's trying to buy a house, he's made this sign he's so frustrated,

MAN: Trying to buy a house?

RACHEL GOODMAN: He has money and everything.

MAN: Move to Reno. Half the price. Food is half the price.

JUAN MENDOZA: You know what the problem is with moving? You have to make all new friends, you have to find a new job.

MAN: You can make friends anywhere. I lived in Reno for 12 years, and this is really my hometown.

RACHEL GOODMAN: What brought you back?

MAN: Old age. I'm 90 years old.

RACHEL GOODMAN: You're doing great!

MAN: I'm lucky.

RACHEL GOODMAN: Let's see if we can keep Juan Mendoza, the head of the Youth Center around. Let's see if we can find any better advice than that. Excuse me, can you offer my friend advice? He's looking for affordable housing in Santa Cruz, and he's having a heck of a time.

Woman: I don't have any, sorry.

RACHEL GOODMAN: Let's ask these people, you never know.

JUAN MENDOZA: Excuse me, we were wondering if you could help us.

RACHEL GOODMAN: My friend is looking for a house to buy and he's having a terrible time, do you have any advice for him?
No response..

RACHEL GOODMAN: They think I'm trying to sell them something. My friend Juan is trying to buy a house in Santa Cruz.

Man: Good luck man, it's only getting worse. I was born and raised here, and if you're trying to buy a house, it's like no way I'd even own a house. Actually, my parents own real estate so it's not so bad, but to try and get a job and find a house in Santa Cruz? I

work as a bus boy, and it doesn't pay enough to find a house. Commuting over the hill, it's no good. There are no jobs in Santa Cruz. I've lived here all my life for 35 years and it's just gotten so bad. Actually everyone blames it on the cost of living and inflation and everything, but it's pretty much a retirement community now. Even in Watsonville the prices are ridiculous.

RACHEL GOODMAN: So you don't have any advice for my friend?

MAN: Rent. It's about the only thing you can do in Santa Cruz. Unless you take out a crazy loan and even then the interest rates are incredibly high.

Juan: Banks end up preying on people with interest only loans. Simply because of the fact because they know people won't end up making the payments and they lose 20 or 30 thousand dollars and losing the house to foreclosure.

MAN: Get a fixer upper. If you can find a house for less than 400K it's going to be a shack anyway. Try fixing it up that way, that means you have to put more money into something you just took out a loan on, which doesn't make much sense.

JUAN MENDOZA: Well, thanks for your comments.

RACHEL GOODMAN: Not very encouraging, eh? We need some hope here. We need someone to tell you there's hope?

RACHEL GOODMAN: Mam, I just wanted to ask you. My friend is so desperate to buy a house, he's pre-qualified, but he can't buy one in Santa Cruz? Any advice for him?
Woman: Work hard for years and save.

RACHEL GOODMAN: My friend Juan is trying to buy a house. Any advice for him?
Woman: I'm trying to buy a house myself.

RACHEL GOODMAN: Is it so hard, should you keep trying?

Woman: Why not, keep trying.

RACHEL GOODMAN: My car or yours...

12:46: Car door slams....

JUAN MENDOZA: You know what, that's all I want to do, is just buy a home for my family. Isn't that part of the American dream?

14: 28: Sounds of radio....

RACHEL GOODMAN: So a lot of your friends were dying from gang violence back there?

JUAN MENDOZA: Out of the twelve of us, three or four of us ended up making it out of the neighborhood and actually doing something. For myself, I was the only one out of the twelve that ended up going to school and doing something. That's why I do the work that I do. That's my motivation, is working with kids, that end up having the same issues that I had when I was growing up. If can make an impact on a few people's lives, that's great.

RACHEL GOODMAN: I am curious how you compare the fabric of the community there with this one? Once you settle somewhere, what makes that home for you?

JUAN MENDOZA: I think, for me, it really is working in a community that is really similar. And it has the same issues and same concerns. It really opened my eyes. That same stuff is happening in my hometown and is happening here. I really wanted to help the community I work in now, for the simple reasons that it reminded me of home. I like the community I work in, it's my home, and it's my new home anyhow. I worked in Watsonville now for two years, and I've enjoyed every single minute of it. I want to stay, I don't want to move. I'm established now and I have a good job, and I met my wife out here, and we have a little girl, and it's my family now. I've got to try and provide a home for my family. That's what most people are doing. They're just scraping by paycheck to paycheck. We both work.

RACHEL GOODMAN: What does your wife do?

JUAN MENDOZA: She's a social worker, so it's kind of full circle.

RACHEL GOODMAN: So you see the worst cases?

JUAN MENDOZA: Until people start experiencing those issues, they don't know how real they can be. From something simple, but I don't know if any issue is simple. Domestic violence or drug abuse.

RACHEL GOODMAN: So tell me the story of your house hunting sojourn, and how have you progressed until now?

JUAN MENDOZA: My wife and I talked it over and decided to start looking. We knew it was going to be difficult because we each paid our own way through college and had student loans. We started playing with numbers and said, we could do it. We did pre-qualify for a pretty good amount. Anywhere else across the country it would be easy to find a home for that price. But here, I've never seen prices just go up so fast, and what they're asking for these homes, it's just absurd. We found a house we could afford, two bedrooms, a bath, one room for my wife and I, one bath small kitchen, and no real living space. 650 square feet/\$350 thousand dollars! I mean my apartment that I have now is bigger than that.

RACHEL GOODMAN: That's so much money for so little space!

JUAN MENDOZA: Tell me about it.

RACHEL GOODMAN: What was your reaction and what was the real estate person's reaction.

JUAN MENDOZA: He said it was a great way to break into the market. We really got the sense that this person was really going to get us to buy now, to trap us, to push us. But he's got to look out for us and what we're trying to do for our family. He wasn't the right match, but the new person understands what we want to do, and he's been able to find some homes for us, but we could end up purchasing a home, but for 450K dollars, two bedroom fixer upper, but then we wouldn't be able to put any money into the home just to make it livable, just to paint. In our case we would wind up not having any money left over, and god forbid we end up having an expense that comes up out of nowhere that is unforeseen, it could be a doctor bill, or a vehicle license fee, it could be the cable bill, telephone bill. Etc. My wife and I are pretty good about managing our finances and we know to the penny where everything is going to be going, and it still. We can afford it,

but do we want to end up paying 3000 a month and not having anything left over? There's a point where we want to sacrifice, but we want to be able to live comfortably, and make sure there's food on the table.

RACHEL GOOMAN: It doesn't leave a lot of margin of error.

JUAN MENDOZA: It doesn't make a lot of sense to me, and it doesn't make a lot of sense to a lot of people.

RACHEL GOODMAN: So people ask themselves what do they have to compromise in order to live here? Juan: We took a look at it, and said, we won't have a telephone, we won't have cable, but still those things that end up having to go kind of make your environment at home. What good is a house if you don't have anything in it? That's the problem with buying a home that's a fixer upper, it doesn't leave money anything else. You can forget about going out to dinner, or buying the baby a birthday present, or renting a movie, because that money has to go somewhere.

RACHEL GOODMAN: Some of these are nice,

JUAN MENDOZA: Are these town homes?

RACHEL GOODMAN: They look like it. They look like they just got built.

Phone call:

JUAN MENDOZA: I'm calling to check on rent or if they're selling them...

29:08: Cars going by on highway 1.

JUAN MENDOZA: Hi, Susan, how are you? Listen I wanted to find out about the homes you have for rent? It's a town home, a brand new home? What's the rent on that? \$2,375? My name's Juan. I'm actually standing out in front of your sign. I'm just curious, what are the homes going for? 52 town homes? Oh, wow, cool. I'm trying to find affordable housing, and I'm wondering if you could help me out. No, not section 8. I'm just trying to find any affordable housing. I'm pre-qualified up to like 450. Yea, yea. (sounds of call faintly)

A couple years. 0.k., They changed their mind. Why? Oh. The market was too good for rentals? 5-10 years before they start selling them. Thank you, bye, bye.

RACHEL GOODMAN: What did she say?

JUAN MENDOZA: \$2,375. Which actually isn't bad, but if you want to look at purchasing a home, that's a mortgage payment almost?

JUAN MENDOZA: It doesn't seem like we can do anything right. We're in the middle, there's nothing. I thought it would be easy, simply because we have good jobs, we make good money, we're well educated, I thought it would be easy, but it's the hardest thing I've ever done. Who said it would be easy?

What ends up happening is that if we don't end up buying a home soon is that we really got to move from the area. We would buy a home out of the area and rent it out for a while until we get better situated until we can afford to move. Again it's one of those things where we would have to start over, finding a new job, starting over,

RACHEL GOODMAN: You're wife has family here?

JUAN MENDOZA: My wife's family ended up moving away simply because they couldn't afford to live in California, and they grew up here, they were true Californians and they ended up moving away because they couldn't buy a home here. We started looking at homes out of state. They have virtual tours on line. If you look at the housing market it seems like it's a snail compared to what California is. Things just started going up so fast. I'm really curious what makes the real estate market here go up so fast. Is it the appraisers, or the real estate people or what. Because it is a beautiful area, and you end up paying for it, but what ends up determining if a termite infested house or a two-bedroom fixer upper is really worth \$450K.

RACHEL GOODMAN: I guess it doesn't have anything to do with what the house is really worth. You might be bidding against someone from Silicon Valley.

JUAN MENDOZA: That probably is true, but still, I want to find out how they end up appraising these properties. Because some of the houses we've looked at are just shacks, like that guy we talked with earlier said, or it's just a box with a roof on it. It was a one-bedroom home where the garage was converted into a bedroom where the garage door is a wall. I don't know how they determine how the house is worth 500K. They just want to find out how much they can get out of you. It just doesn't seem like it's very fair to the rest of us who are just trying to get by and provide a roof over their family's heads.

RACHEL GOODMAN: It's so depressing. When you're trying picture where you're envisioning yourself, it doesn't fit the picture.

JUAN MENDOZA: A lot of realtors we talked to when they found out how much we pre-qualified for, they just wanted to get off the phone with us. Here in Watsonville and Santa Cruz, and Hollister, and anywhere, as soon as we told them, that we're pre-qualified for 450K, they know they're not going to find us a home, so we're just wasting their time, and here I am trying to find someone who could really end up working for me, trying to find me a home, a decent home, that's maybe not a fixer upper or isn't going to cost me a ridiculous amount of money. I don't think what I'm asking for is too much...It really took me by surprise. I must have talked to about 15 to 20 realtors before I ended up finding someone who wasn't going to hang up on me or get off the phone with me because I told them. As soon as I told them, it was like, good luck, keep us in mind, we'll talk to you later..

RACHEL GOODMAN: Think you're being treated like a dollar sign. That's really angering. Maybe you should keep it a secret how much you have.

JUAN MENDOZA: I have their names in my little note pad, so if you ever want to find out whom not to call, there's quite a few realtors in this area not to call.

RACHEL GOODMAN: Do you think they were being discriminatory?

JUAN MENDOZA: I don't think so, as soon as they asked are you pre-qualified, for how much? My very first thought was, I didn't think about it too much, it kind of hit me that I'm not going to let them know, I'm just going to let them know I'm looking for a home. But when you start getting into the grunt work, they need to know, and as soon as they know they don't want to work with you. And that is not a very cool experience at all.

RACHEL GOODMAN: It makes you feel bad.

JUAN MENDOZA: It's funny thing. We all looked at foreclosed homes. The market is such that a lot of people that are going through foreclosure process, they're just going through denial, they either end up refinancing, or we end up competing against larger companies that do have that cash, they come by and pick up the property, and they end up making 100K, and for them, competing against those people, it's very difficult. Even those homes, it's difficult to get into. They're stressed out, they don't want to deal with anything. They don't want to talk to somebody else, who wants to try and buy a house, looking even at the foreclosed properties is difficult, because you end up competing...