

Avenue of
Champions



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Quality

of Life Improves in Brockton

Fighting for the City of Champions: A Collaboration of Community Lenders

Nestled midway between Boston, Massachusetts, and Providence, Rhode Island, the city of Brockton, Massachusetts, is an often overlooked urban community. However, hailing itself as the “City of Champions,” a new and vibrant Brockton is beginning to emerge after more than two decades of bouts with crime, economic stagnation, and urban decline. In part, the city owes its success to an innovative coalition of financial institutions. For over ten years, the Brockton Housing Partnership, a collaborative of community banks and credit unions, has been working to help revitalize this urban community.

The City of Brockton

Part of the original land parcel purchased by Mayflower captain Myles Standish in the 1620s, the modern city of Brockton was incorporated in 1881. For the next century, Brockton was the “Shoe Manufacturing Capital of America,” and at one time, over 60 shoe fac-



Typically in competition, these lenders work together as members of the Brockton Housing Partnership.

tories employed more than 30,000 workers. This industry sustained the city's growth and made it the economic center of southern Massachusetts. Etonic, Reebox, Treton, and other footwear giants had their humble beginnings in this city that once could claim to have "shoed the world."

By the 1970s and 1980s, however, the shoe industry had largely left Brockton, shifting production overseas and to other U.S. regions where the cost of labor was cheaper. Today, little of this shoe-producing empire remains aside from old warehouses lining the streets of downtown and the Brockton Historical Society's Shoe Museum. Like many New England mill cities, Brockton saw its economy fade when manufacturing moved out of town, and the city fell on hard times in the 1980s and early 1990s. Years of a severe water shortage stifled potential growth during these decades, with the drought even leading to a building moratorium during the mid-1990s. By 1995, more than 200 of the city's residential buildings had been abandoned, and the boarded up structures had become magnets for drugs and crime.

However, as personified by its two hometown heroes—world champion

boxers Rocky Marciano and Marvelous Marvin Hagler—the city has a seemingly undying "can do" attitude. In the midst of all of the above challenges, a collaboration of committed public and private sector leaders emerged. For the next decade, they would work to address Brockton's housing, social services, and economic needs. This effort would be led by the community's financial institutions.

The Brockton Housing Partnership

Like many bank-community partnerships, the Brockton Housing Partnership was originally created to facilitate compliance with the Community Reinvestment Act. In the early 1990s, several of Brockton's local lenders decided to jointly sponsor first-time home buyer and credit counseling seminars as part of their CRA initiatives. Most were small-size community banks and credit unions that individually lacked the resources to sponsor these seminars on a regular basis. Cooperatively, they could offer courses that were greater in size and scope. Not long after this initial formation, the participating financial institutions

found themselves being challenged to do more for their distressed community.

In 1992, the Brockton Interfaith Community (BIC), an affiliation of Brockton's churches, synagogues, and mosques, called upon the city's financial institutions, urging them to actively respond to the city's housing crisis. The severe recession of the late 1980s and early 1990s had caused deep depreciation of the city's real estate, and many investors had boarded up their properties and walked away, leaving an alarming number of abandoned properties. The city was in desperate need of investment. In response, BIC challenged the community's lenders to loosen liquidity and provide capital to help revitalize the city's residential stock.

With a substantial amount of their assets invested in homes in Brockton, the lenders recognized that the devaluation of these properties had placed their investments at risk. They quickly realized that working together to improve the housing stock of Brockton not only would be good for the community, but also would protect the value of their investments. So in that same year, the Brockton Housing Partnership was more formally organized with the mission to cooperatively increase the inventory of quality, affordable homes in the city.

The partnership's members, decision makers from the community's banks and credit unions, normally compete aggressively with one another for customers and investment opportunities. However, when representing the Partnership, they have a decided camaraderie and unity that surpasses the interests of their individual banks. While several regional banks were initially involved, all of today's members are located in the Brockton area. This includes some financial institutions from the surrounding towns, such as Plymouth Savings Bank, headquartered in Middleborough, Massachusetts.

"We joined the Brockton Housing Partnership for several reasons," explains Richard Carroll, community reinvestment officer for Plymouth

Savings. “Most importantly, we knew it was the right thing to do. We had similar affiliations on Cape Cod and in the Taunton area, and we had seen first hand that when resources collectively cooperate, the entire community gains. We also realized that the revitalization of the city of Brockton would offer very real economic benefits to Plymouth Savings. We shared the vision of the Brockton Housing Partnership—improve the quality of life in Brockton to benefit the entire region.”

In addition to Plymouth, today the Partnership is made up of ten other lenders: Abington Savings Bank, The Community Bank, Crescent Credit Union, Eastern Bank, First Federal Savings Bank, HarborOne Credit Union, North Easton Savings Bank, Rockland Trust Company, Security Federal Saving Bank, and Uniti Credit Union. Additionally, several affiliate members from the public and non-profit sectors link the Partnership to an invaluable store of expertise and resources. These affiliate members include the City of Brockton, the Brockton Redevelopment Authority, the Brockton Housing Authority, Neighborhood Housing Services of the South Shore, Consumer Credit Counseling Services of Southern New England, the Brockton Interfaith Community, and the South Shore Housing Development Corporation. New affiliates are continually being added to meet the changing needs of the community.

Working to Revitalize Brockton

In 1996, the Brockton Housing Partnership embarked on its first major initiative: Buy Brockton, Phase I. The lenders put together a \$4.7 million loan pool for below market rate loans designed to encourage new home buyers to purchase in Brockton. To combat crime and reduce the stock of abandoned buildings, the lenders knew that the city needed a solid base of homeowners. These property owners

would be more likely to take up a stake in their community and work to improve it. Specifically, the Partnership was interested in increasing home buying in the depressed James Edgar School Playground neighborhood.

To maximize the success of the program, marketing efforts were directed toward city employees who were required to live within the city limits. The Partnership also threw in other incentives to help tip the scales of prospective buyers, including reduced closing costs and a goodie basket of community benefits: free memberships at the local YMCA, free admission to the Fuller Museum for a year, and a reduced rate subscription to the town paper, *The Enterprise*. By sweetening the deal with these community resources, the lenders hoped that new homeowners would see what Brockton had to offer and in using these resources, would become more integrated into the city.

Buy Brockton, Phase I, was remarkably successful, and in less than a year, the loan pool was completely expended. In part, the success was due to a simultaneous mobilization of public resources, which helped to support the Partnership’s objectives. For example, the Brockton Redevelopment Authority funded a renovation of the James Edgar School neighborhood playground, while the state Office of Economic and Community Development provided significant public investment. In fact, Buy Brockton, Phase I, was recognized by President Clinton and the U.S. Department of Housing and Urban Development for its success in uniting both public and private resources to address housing.

Building on the success of Phase I, within two years, the Partnership launched Buy Brockton, Phase II: The Teacher Next Door Program. This program offered low-cost loans to public school teachers who wanted to



The commuter rail in Brockton opened in 1998, dramatically changing the housing market.

Credit for Life

Monique Joyner-Higginbottom is a senior at Brockton High School. She one day hopes to be a detective and is headed to Bay State College next fall to study criminal justice. This spring, she got to fast forward six years and see what a crime fighter's life would be like from a financial perspective.

Monique was one of over 200 Brockton High School students who took part in the Brockton Housing Partnership's annual Credit for Life Fair in April. This interactive event allows students to role-play as 24-year-old adults trying to manage a budget. As they arrive at the Fair, each student is handed a personalized packet that reflects the income and debt picture of an entry level professional in a career that the student is interested in pursuing. Their objective is to visit each of the fair's dozen booths, which represent the major categories of living expenses, and develop a working budget. Staffed by some 80 volunteers, the booths cover transportation, housing, clothing, furniture, food, health, education, savings, investment, credit, and insurance. Additionally, there is a "temptation" booth, where students can splurge on luxury goods and a "reality bites" booth, where students are confronted with surprises such as job cutbacks, unexpected expenses, and unanticipated windfalls. Once they have visited all of the booths, the students meet with a volunteer credit counselor who reviews their budget with them, answering any questions and working through any difficulties.

Like its three predecessors, the 2004 Fair actively engaged students, stimulating their imaginations. Several groups of students decided to join up and become "roommates" to save money on housing and food, while some high school romances turned serious as couples decided to "marry" for similar reasons. The

students learned the reality of life's expenses. Monique was shocked at how much of her monthly pay check would go to taxes. Maxine Fishman fretted that she might have to live on Ramen Noodles™ after she realized how much money food alone would take out of her \$22,000 teacher salary. Patrick Casey decided to trade in the new luxury car he had purchased at the transportation booth and take the bus instead after he found he couldn't afford rent.

"The kids love it," says Donna Burrill, head of the Business Department at Brockton High. "But it is also a reality check for them. They think they will have money to play with, but they soon realize how hard it is to pay their bills."

The Fair, which has been nationally recognized, was the brainchild of Consumer Credit Counseling of Rhode Island. It was brought to Brockton in 2001 through the help of the Partnership. "The support of the Partnership has been crucial to the success of this event," believes

Richard Staples, of Fannie Mae, another sponsor of the event. "While many institutions provide volunteers and support, the Fair really needs a ringleader and a core organization to support it year after year. The Brockton Housing Partnership provides that leadership."

"When people ask me what this event has to do with the Partnership," says James Blake, CEO of HarborOne Credit Union and former chairman of the Partnership, "I respond that the Fair has everything to do with it. Whether you are a financial institution, an auto dealer, an insurance agency, a retail store, or a college, these young students are our future customers. If they prosper, so do we. It is in our best interests to provide them with this education. They are the future of Brockton."



Brockton high school students at the 4th annual Credit for Life Fair.

buy homes in Brockton. While teachers were not required to live in the city, the Partnership believed that both the teachers and the community would benefit if teachers lived next door to the families they served. In addition to promoting home buying in Brockton, the program was also designed to help new teachers on modest salaries purchase their first homes. The eight lenders in the Partnership at that time each committed \$1 million to Buy

Brockton, Phase II, and like the initial Buy Brockton effort, loans included community benefits through the YMCA, Fuller Museum, and *The Enterprise*. The program immediately received an enthusiastic endorsement from the Brockton Education Association and the local teachers union. Blurbs in several local, state, and national publications helped to spread the word, and soon the city was receiving calls from other localities

wanting to learn how they could introduce similar programs. To date, approximately \$3 million has been loaned to over 20 teachers and other school professionals.

Confronting New Challenges

While the second Buy Brockton was a success, the numbers were less dramatic than Phase I, primarily

because the housing market in Brockton had significantly changed. In 1998, the MBTA restored its Old Colony Railroad line opening a commuter rail line running from downtown Boston to Middleborough, Massachusetts. Three of the new stations—Montello, Brockton, and Campello—have Brockton zip codes, and when they opened, they suddenly changed the demand for housing in Brockton. The new stations provided city residents with a fast and inexpensive route to Boston, and soon, house hunters seeking relief from high home prices in Boston's overheated housing market began moving to Brockton. The demand for housing jumped, and prices shot up. In 1998, the average home price in the city was \$80,000. Six years later, it had tripled. Brockton's once plentiful inventory of affordable homes began to deplete, and the Partnership found itself faced with new challenges.

To tackle the city's new housing environment, the Partnership decided to take on a more proactive role in developing affordable housing in the city. Last year, members formed a committee to identify ways to maintain an adequate stock of affordable housing. While the city had already satisfied its state quota for affordable units, the Partnership saw a need for additional housing for low- and moderate-income individuals and first time home buyers who were increasingly being pushed out by Boston commuters.

Based on that committee's recommendations, today the Partnership is aligning itself to work more actively with the public sector. It is coordinating a Workforce Housing Needs Survey with the Brockton Chamber of Commerce and is collaborating with Brockton Mayor John Yunits and the city's Planning Office on their plan for an urban renaissance in Brockton. Designed to revitalize downtown Brockton and the surrounding area, several elements of the plan have already been successfully completed, including three brand new state-of-

the-art elementary schools, the restoration of a public housing complex, the construction of a \$17 million stadium to house the Brockton Rox minor league baseball team, and the development of a new conference center. The next step of the plan is to convert many of downtown Brockton's vacant shoe factories into mixed use housing, retail, and office space—sparkling new life around Main Street.

For this next phase, the Partnership will encourage potential developers to submit affordable housing proposals and will help develop a Housing Marketing Packet to highlight development opportunities within the city. The Partnership has ready capital for both the commercial loans needed for development and the residential end loans, ensuring that liquidity is available for these new projects.

Mayor Yunits is delighted by the Partnership's commitment to this project. "The Brockton Housing Partnership is proof that public-private partnerships are invaluable tools to city revitalization. The Partnership has helped us streamline our development programs and improve our housing strategy, and the ongoing cooperation between these lenders and the city government is crucial to the success of Brockton's urban renaissance plan," said the mayor.

More than Housing

While the Partnership's efforts initially focused on home ownership, the lenders were aware that the needs of the city's residents went far beyond affordable housing. Two additional needs that have drawn the Partnership's attention are financial education and support services:



The Brockton Housing Partnership's "Buy Brockton" programs increased home ownership in the city.

Financial Education. Several years ago, many of the lenders noticed that when young adults came to apply for loans, many lacked a basic knowledge of personal finance and budgeting. Moreover, many had already had a negative experience with credit cards and were saddled with debt. The lenders of the Partnership were alarmed by these trends and decided to launch a "Credit for Life Fair" for Brockton High School seniors (see sidebar). This one day event, held every spring for graduating seniors, simulates the reality of making financial decisions and budgeting. The Credit for Life Fair has been a huge success in the community. Participating seniors have expressed appreciation for the insights they have gained, especially as they prepare to embark in the world. Teachers and faculty have recognized the practical significance of the program and have given it an enthusiastic endorsement. Moreover, Brockton High School has recognized the need for greater financial education and has introduced a course on the basics of personal finance.

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Brockton Housing Partnership member Security Federal Savings Bank in downtown Brockton.

Support Services. The Partnership has also worked to improve the availability of social support services for the city’s residents. Recently, members supported the conversion of an old convent into transitional housing for at-risk families. Located in the center of the city, Saint Patrick’s convent was vacant and badly vandalized. The pastor of St. Patrick’s and the nonprofit South Shore Housing Development Corporation saw an opportunity to convert the building into transitional housing for families and children. The proposal was received enthusiastically by Partnership lenders, who, in cooperation with the Federal Home Loan Bank of Boston, agreed to put up the

\$2.6 million for the project.

Today, 13 families who would otherwise be living in subsidized motel rooms reside in spacious apartments where they receive social support services from the YMCA. The YMCA’s staff provides counseling for parents and child care, enabling these mothers and fathers to overcome their past hardships and begin building a future through work and learning.

“I am really proud to have been a part of this project,” says Partnership member Judith Hepp, vice president and commercial loan officer at Rockland Trust. “It has become an important asset to this community.”

After this success, the Partnership has sought other community lending opportunities. This year, the lenders agreed to provide a line of credit for the renovation of the Boys and Girls Club of Brockton. Last fall, the Partnership sponsored a food drive to help stock the depleted food pantries of Mainspring House, a homeless shelter in Brockton.

Beyond CRA

Over a decade ago, the Brockton Housing Partnership was a loosely tied alliance of lenders providing home counseling seminars. Today, these seminars continue. They have been

expanded to cover new topics and have been presented in new languages for new audiences. Similarly, the Partnership has broadened its commitment to the Brockton community. Taking on the issues of home ownership, affordable housing, urban redevelopment, financial education, and support services, Partnership lenders have launched a full effort to revitalize the “City of Champions.”

“I am equally proud to be a resident of this city and a member of this alliance,” states Partnership founding member, Stephen Pike, vice president of North Easton Savings Bank. “The Partnership may have originally come together because of CRA, but today, it is about much more than compliance. We have seen the practical benefits of community investment and of helping low- and moderate-income individuals. Our community is a healthier place than it was ten years ago, and I am looking forward to the next ten years.”

Leo MacNeil is chairman of the Brockton Housing Partnership. He is also senior vice president of marketing and the CRA officer at HarborOne Credit Union in Brockton, Massachusetts.

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