How one family lost their home to the relentless Bay Area housing market — and then lost it again

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DAYS BEFORE HIS MOTHER DIED, Saia Fetu’u made her a promise — he would take care of the house she had helped him buy for his family, honoring the 15 exhausting years she spent working and saving to scrape together the down payment.

“Keep this house. Don’t let it go,” his mother, a 68-year-old Tongan immigrant, said as they ate her homemade Ota Ika — Fetu’u’s favorite raw fish dish, with a flavor similar to ceviche. It was a Friday evening in June 2006, and Fetu’u, a landscaper, had stopped by his mother’s house after a long day of cutting grass, trimming hedges and planting.

“I said, ‘yeah Mom, I promise. I’ll do my best,’” Fetu’u recalled. It was the last conversation he had with his mother. She died in her sleep two days later.
Saia Fetu’u’s late mother Fisiipeau Fetu’u

Fetu’u did his best to save the beloved three-bedroom home at the end of an East Palo Alto cul-de-sac. But it wasn’t enough. By 2011, he could no longer make the mortgage payments and was forced to sell the house, joining the multitude of Bay Area residents who lost their homes in the aftermath of the foreclosure crisis.

But his story doesn’t end there. For the next seven years Fetu’u continued to live with his wife, mother-in-law, son and three daughters in the house he once owned, renting it back from the company that bought it. He struggled to keep up as the rent rose from $2,500 to nearly $4,400. In July, his rent check bounced.

Now, Fetu’u, who with his wife makes between $5,000 and $6,000 a month, is losing his home for the second time. He’s lived every angle of the Bay Area housing crisis, a roller coaster ride that has taken him from homeowner to tenant, and now ends with an eviction.
After more than 12 hours of working, Saia Fetu’u, an East Palo Alto landscaper, spends time with his family late at night on June 20. At left is one of his four children, Akansesi, 13, who grew up in the home.

Fetu’u and his family are caught in the maelstrom of economic and political forces battering low- and middle-income residents up and down the Bay Area, forcing many to abandon their homes and communities. In East Palo Alto, a traditionally working-class town that is rapidly gentrifying as workers from Facebook and other nearby tech campuses flood the area, median home prices are projected to pass the $1 million mark within the next year, according to real estate website Zillow. Meanwhile, rents have increased 18 percent since January 2015, according to RentCafe.

For families like the Fetu’us, who rent single-family homes, there is no recourse. Though East Palo Alto has strict rent-control protections for tenants of apartment buildings, a controversial state law that some want to repeal prevents those rules from applying to renters in single-family homes.
“This is a big, big crisis,” said Daniel Saver, a housing attorney with Community Legal Services in East Palo Alto who has worked on Fetu’u’s case, “and there’s a lot of people who are suffering.”

The Fetu’u family’s three-bedroom East Palo Alto home.
The landlord, Working Dirt Management, Inc., hit the Fetu’us with an eviction lawsuit in July for failing to pay rent. They struck a settlement in early August, and the landlord agreed to give the family an extra two and a half months to find a new home. Now the Fetu’us must pack up and leave by Oct. 29.

Working Dirt confirmed the family is being kicked out.

“They are being evicted for nonpayment of rent,” a company representative, who declined to give her name, said when reached by phone on Aug. 16. “A settlement was reached last week, and that’s all we have to say.”

Fetu’u’s mother, Fisiipeau Fetu’u, called “Peau” for short, moved to the U.S. in 1985. For 15 years she worked days, nights and weekends as a caregiver to save enough money to buy a house for her son’s family. When the time came in 2000, she asked Saia Fetu’u to help her pick, and he chose the house on Clarence Court. Fetu’u liked it because his kids could play safely without the threat of constant traffic, and the spacious backyard abuts a school instead of other houses — allowing the Fetu’us to throw large family parties without disturbing the neighbors.

“Feeding four kids, plus us, my mother. It’s a lot. And it is hard,” said Malina Fetu’u, left, who works as a caregiver to help pay the rent. Here, after coming home from a long day at work, she takes a break in the living room with one of her four children, Akanesi, 13, on June 20.

“Island people, we make a lot of noise,” said 48-year-old Fetu’u, a large, soft-spoken man who gives sermons at the Free Church of Tonga in San Mateo on Sundays, sings tenor in the church choir, and regularly does free landscaping for his friends without being asked.

The house became a gathering place for the extended family for Christmas, Thanksgiving and barbeques, after which guests would spend the night, lying down anywhere they could find space. Fetu’u painted the family room pink, at the suggestion of his children, and marked their growth on the door frame outside his daughters’ room.

Saia Fetu’u tries to stay positive despite growing concerns about their future. Here, Fetu’u smiles at his daughters after their church choir practice.
Fetu’u and his mother split the mortgage payments until she died. After that, Fetu’u, who often works 14-hour days, struggled to make the mortgage payments, which he recalled as being between $3,000 and $4,000 a month. Fetu’u fell three months behind. Desperate and facing foreclosure, he began looking for someone to buy the home. He found a buyer in Abraham Farag, the son-in-law of a long-term client and friend, and sold the home in 2011 in a short sale — a last-resort transaction in which a homeowner sells for less than the outstanding mortgage balance. Fetu’u hoped to one day buy the house back.
Fetu’u, who regularly works 14-hour days, does free landscaping at his friend’s home in East Palo Alto.

The home was taken over by Farag’s real estate company, Working Dirt, which owns two dozen properties in San Mateo County, according to county records. Working Dirt has come under fire before for how it treats tenants. In 2015, tenants of a San Francisco boarding house owned by Working Dirt sued Farag and the company, claiming the landlord allowed dangerous and unsanitary conditions to persist in the building, and when it was condemned, failed to pay the displaced tenants mandatory temporary relocation payments, according to a court document. The case was settled under confidential terms.

Farag also was indicted for bid rigging in 2014, along with four other defendants, and pleaded guilty last year to conspiring to drive down home prices at foreclosure auctions. He was sentenced to 30 days in prison and $27,000 in fines and restitution, according to court documents. Farag was released from custody Aug. 10, according to the Federal Bureau of Prisons.

Farag could not be reached for comment.

Malina Fetu’u eats Cup Noodles the night before a settlement conference with the landlord’s lawyers, where the family will learn if they have to leave their home.

After buying the home, Working Dirt raised the Fetu’us’ rent steadily over the years, the family says. Their payments hit $4,374 in June — more than Fetu’u’s monthly mortgage when he owned the home.

The payments were difficult for the Fetu’u family, but they aren’t much higher than what other tenants are paying for similar properties in the city. A recent search on real estate website Zillow found three, three-bedroom, single-family homes available to rent in East Palo Alto, ranging in price from $3,200 to $4,100.

Fetu’u’s wife, 39-year-old Malina Fetu’u, got a job as a caregiver for disabled adults to help pay the bills. But the family continued to struggle.

“Sometimes at the end of the month, I only have 10 bucks in my account. And sometimes it’s minus,” said Malina Fetu’u, who the family calls Lina, as she wiped away tears.

East Palo Alto is one of a handful of Bay Area cities with strong rent-control rules that protect tenants from massive rent hikes. When the city’s rent-control ordinance went into effect in 1984, it applied to landlords who owned apartment buildings, as well as to landlords who owned five or more single-family homes, said Mayor Ruben Abrica. Nine years later the state enacted the
Costa Hawkins Rental Housing Act, prohibiting cities from imposing rent control on single-family homes, and forcing East Palo Alto to roll back those protections.

“We’re an example in East Palo Alto of the suffering this law has inflicted on people all up and down the state,” Abrica said.

California voters will decide this November whether to repeal Costa Hawkins, a decision that would allow East Palo Alto to re-enact rent-control for single-family homes. Landlords oppose
the move, as do organizations like the Bay Area Council, which argues stricter rent control actually reduces the supply of rental units in the long term.

“People would not make a decision to become small landlords,” said Tom Bannon, chief executive officer of the California Apartment Association, “and I think that would only exacerbate the shortage of housing that exists today.”

The debate is becoming increasingly important in the Bay Area, where the share of single-family homes on the rental market is growing. In the San Francisco metro area, which includes East Palo Alto and the rest of San Mateo County, 19 percent of single-family homes were rentals in
2016 — up from 16 percent in 2006, according to web-based real estate platform Trulia. In the San Jose area, the share of single-family homes on the rental market jumped from 15 percent in 2006 to 18 percent in 2016, and in the Oakland metro area, the share increased from 15 percent to 20 percent. Experts credit the burst of the housing bubble in 2008, after which real estate investors bought scores of foreclosed homes at a discount and moved them onto the rental market.

Whatever happens in November with Costa Hawkins, it will be too late for the Fetu’us.

Rent is due on the fifth of each month, but the Fetu’us had until the eighth to pay without penalty — a grace period they usually needed, they said. In July, the eighth was on a Sunday, so Malina Fetu’u dropped off the rent check at Working Dirt’s Palo Alto office on the ninth. But because she’d gotten off work late that day, she didn’t deposit her paycheck into her account until the 10th, not thinking to warn the landlord of the late deposit. By that time, Working Dirt
already had tried to cash the rent check, and it bounced. On July 16, Working Dirt filed an eviction lawsuit against the Fetu’u family.

Saia Fetu’u fears that when they lose the house, he’ll have to uproot his daughters from their schools and friends. Here, after working more than 12 hours, Saia Fetu’u spends time in the living room with the family on June 26.

Though single-family homes are exempt from rent control in California, in East Palo Alto they remain covered by just cause eviction protection, which prohibits landlords from evicting tenants without a reason. But landlords have the right to evict tenants if they don’t pay rent, or run afoul of their lease another way. Because of that provision, the Fetu’us’ lawyers figured they didn’t have much chance of fighting the eviction in court. Instead of going to trial, the Fetu’us reached a settlement with the landlord that gives them until Oct. 29 to move out.
with this. I'm sure by now you would understand why I feel very sad, mad, hurt, lost. I would hate to be the "new girl" at school with no friends to turn to, to be the "new neighbors," to not know all the possible ways from school to home. Basically, stripping away a lot of my happiness away from me. I just hope you understand now what you're doing.

Sincerely,

Akanesi Fetu'i
“My grandma worked for this house. It’s like leaving behind part of my grandma, part of my family,” Akanesi Fetu’u, 13, wrote to the family’s landlord. “I just hope you understand now what your doing.” (sic)

Now the family must find a new home in one of the country’s most expensive and competitive housing markets. They worry they’ll have to move to the outskirts of the Bay Area — far from their jobs and their children’s schools.

The Fetu’u children don’t want to leave, and recently wrote letters to their landlord, hoping to change his mind.

“My grandma worked for this house. It’s like leaving behind part of my grandma, part of my family,” 13-year-old Akanesi wrote. “I just hope you understand now what your doing.” (sic)

She signed her name with a heart.