



Memorandum

TO: Honorable Mayor &
City Council

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: The Public Record
May 17 – May 23

DATE: May 29, 2019

ITEMS FILED FOR THE PUBLIC RECORD

Letters from Boards, Commissions, and Committees

Letters from the Public

1. Letter from Luke Thieman, post dated May 15, 2019, regarding English Class project research on social justice issues that affect or has affected his community throughout history.

Toni J. Taber, CMC
City Clerk

TJT/tt

Dear City of San Jose,

My name is Luke Thieman, and I am a sophomore at Palo Alto High School. For an English Class project, we were instructed to research a social justice issue that affects or has affected my community throughout history. I elected to research racial housing discrimination and the resulting residential segregation that occurred in the United States in the 20th century; this issue has specifically impacted my community for racial housing discrimination occurred during the formation of Silicon Valley. I am writing this letter in order to spread knowledge about the history of housing discrimination and promote ideas that can help stop its modern-day effects. In order to proceed with action on this issue, however, one must first understand the history behind the issue and how it affects society today.

One aspect of the systematic oppression of African Americans that has defined American history was housing discrimination, which was driven by segregational housing policies, prejudiced ideologies, and discriminatory practices in the housing industry. Residential segregation was established through the designation of official neighborhoods for whites and blacks (black neighborhoods were often in poorer condition) during the era of state-ordered segregation, which continued until 1954 (*Brown v. the Board of Education*). This practice was supported by state governments and was strengthened by the prejudiced ideologies of white citizens. However, racial housing discrimination was not specific to the Southern states in which segregation was embedded in state law. In non-segregated areas, housing discrimination was driven by discriminatory practices that excluded African Americans from property ownership under certain circumstances. In the post WWII era, America experienced a great suburbanization movement and decentralization movement (Conley)¹. People, who had been previously concentrated in urban areas bought houses in the suburbs with low-interest government loans (Conley). However, African Americans were excluded from this suburbanization movement through many racially discriminatory housing practices (Conley). They often fell victim to steering, a practice in which blacks are shown different houses from whites in different areas (Conley). These alternate housing options were often in worse neighborhoods. Furthermore, African Americans were denied the low-interest government loans through redlining—when people are denied loans based on perceived economic instability and are deemed to be at high financial risk (Conley). Redlining often specifically targets minority groups, therefore denying them loans and access to affordable housing. Therefore, African Americans were entirely excluded from this suburbanization movement, and because the houses were bought at low prices and resold at exponentially higher value, they were also excluded from the financial benefits connected buying a house during this movement (Conley). This contributed to the economic disparity between the white majority and minority groups that had arisen when blacks were excluded from financial policies during the early 20th century (Conley). As a result of the exclusion of African Americans from this mass decentralization of the population and the discriminatory practices and prejudices that drove this exclusion, residential segregation persisted. Steering and redlining concentrated minorities into specific areas and as a result, many areas with a minority majority population arose (Menenian and Samir, Camarillo)². These areas remain segregated today. Housing discrimination continued from the post WWII era throughout the 20th century and persists in the modern world despite legislation and social revolutions, for prejudiced ideologies continue to drive discrimination in the housing market.

Despite the negative and impactful history of racial housing discrimination, the racially discriminatory practices of racial redlining, denying minorities loans to buy houses based on perceived economic risk, and steering, showing

¹ Conley, Dalton, PhD. "Episode: 108; Part: 05 - Way We Live, the - Barriers to African-American Wealth Accumulation." *ProQuest*, 2005, search-proquest-com.ez.pausd.org/docview/1438914629/6280F54DCD7B42A0PQ/1?accountid=33586. Accessed 22 Apr. 2019.

² Menenian, Stephen, and Samir Gambhir. *Racial Segregation in the San Francisco Bay Area*. Berkeley, CA, 29 Oct. 2018. Haas Institute, haasinstitute.berkeley.edu/segregationinthebay. Accessed 22 Apr. 2019.

Camarillo, Albert M. "Cities of Color: The New Racial Frontier in California's Minority-Majority Cities." *Pacific Historical Review*, vol. 76, no. 1, Feb. 2007, pp. 1-28. *ProQuest*, search-proquest-com.ez.pausd.org/docview/212440440/DCF0B8BC7B41479APQ/2?accountid=33586. Accessed 22 Apr. 2019.

minorities different homes than whites in order to maintain residential segregation, are no longer embedded in public policy. The passing of the Fair Housing Act of 1968 protects people from being discriminated against in the housing process (i.e. renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in any other part of the housing process) on the bases of race, color, national origin, religion, sex, familial status, disability. The Fair Housing Act of 1968 officially outlawed redlining and other discriminatory housing practices (Department of Housing and Urban Development)³. The institution of this monumental civil rights act ended of the most egregious forms of housing discrimination and caused an increase in black homeownership (The Editorial Board, NYT)⁴; however, despite this progress, housing discrimination still persists today, often manifesting itself in other forms.

The most explicit effect of historical housing discrimination observed in the modern world is the gentrification of low-income communities in areas experiencing rapid economic growth. Though this does not exclusively impact minorities, the communities affected are often low-income communities with minority majority populations. The minorities in these communities are often impoverished, as African Americans were entirely excluded from the great suburbanization movement of the 20th century (Conley). The government gave low-interest loans to people in the white majority population, and these individuals were able to purchase houses at low prices assisted by these loans. The houses were purchased at low prices and resold at exponentially higher value, and therefore African Americans—who were excluded from the suburbanization movement through redlining and other discriminatory practices—were also excluded from the financial benefits connected buying a house during this movement (Conley). This contributed to the economic disparities between the white majority population and minorities; this economic gap is reflected in today's world through residential segregation, which often parallels economic disparity between minority and white neighborhoods. It is these lower-income minority communities—remnants of historical housing discrimination—that are victimized by gentrification and rent inflation in today's world. This issue specifically impacts Silicon Valley, as the tech industry is expanding and stimulating economic growth in the region; however, the increase in wealth has catalyzed an increase in housing prices that displaces minorities in the low-income communities created by decades of discriminatory housing practices.

East Palo Alto became a minority-majority city after decades of racial housing discrimination (Cho)⁵, and in 2010—the year of the last official government census—the population of East Palo Alto was composed of 64.5% Hispanics or Latinos, 16.7% African Americans, 7.5% Native Hawaiian/ Pacific Islander, 6.2% whites, and 3.8% Asians (Cho). The total population was 28,155 (Cho). The demographics of East Palo Alto are in stark contrast with those of Palo Alto, whose population of 64,409 (2010 census) was composed of 64.2% whites, 27.1% Asians, 6.2% Hispanics or Latinos, and 1.9% African Americans (Cho). This demographic difference—a result of historical housing discrimination—exists in conjunction with a vast economic gap between the two cities, as East Palo Alto was not as financially prosperous during the growth and economic expansion of Silicon Valley (Cho). In East Palo Alto, the median household income was \$50,142 per year between 2009 and 2013, while in Palo Alto, the median household income for the same time period was \$121,465. In 2013, the median market price for a single family home in Palo Alto was \$1,720,000, more than three times greater than that of East Palo Alto.

It is the lower-income families of Silicon Valley, many of them minorities who live in segregated areas and are less affluent due to historical economic racism and discriminatory housing prices that are the primary victims of

³ "Housing Discrimination under the Fair Act." HUD, The Department of Housing and Urban Development, www.hud.gov/program_offices/fair_housing_equal_opp/fair_housing_act_overview. Accessed 7 May 2019.

⁴ The Editorial Board. "Blacks Still Face a Red Line on Housing." *The New York Times*, 14 Apr. 2018. ProQuest, search-proquest-com.ez.pausd.org/docview/2024924786/DC4B19D25C4B42C6PQ/4?accountid=33586. Accessed 7 May 2019.

⁵ Cho, Jane. "Second Units in the Silicon Valley." *The Urban Lawyer*, vol. 48, no. 3, Summer-Fall 2016. ProQuest, search-proquest-com.ez.pausd.org/docview/1869920754/FC932E3D1B241D2PQ/1?accountid=33586. Accessed 22 Apr. 2019.

gentrification as the tech industry dominates Silicon Valley. In a 2016 article for *The Wall Street Journal*, Eliot Brown wrote "Between 2008 and 2015, the four counties that make up the heart of the region added 400,000 jobs, while permits were issued for just 86,000 new housing units." There is a drastically insufficient amount of housing for the employed people in the region, and as a result of the influx of workers and the restricted number of housing units, the prices of available housing increases. In the past five years the average rent for apartments in the San Jose area, a population center of Silicon Valley have been raised by 37% to more than \$2,700 a month (Brown)⁶. These rent increases can displace low-income families, and, as mentioned above, many of these families are minorities due to historical economic racism and discriminatory housing practices.

There have been many solutions implemented in order to combat that displacement of low-income minorities during the technological revolution, the increased demand for housing and inflating prices and rent costs. One viable solution that has been implemented in cities throughout Silicon Valley is the construction of second housing units, or auxiliary living spaces that exist in the backyard of main family homes or designated secondary unit property (Cho). However, regulations that restrict the construction and use of these units in some cities has limited its efficacy despite widespread implementation in some areas. My proposed solution promotes the implementation of rent control policies across Silicon Valley counties, which would create a limit on the rent prices for landlords throughout the region. This would make apartments more affordable for low-income people, and would make affordable housing more accessible to minority groups. The largest population centers in the Bay Area—San Francisco, San Jose, and Oakland—have had rent control measures for decades (Brown). However, it is a highly contested solution to the housing problem and the modern manifestations of housing discrimination. It has only been implemented in two cities in the South Bay, San Jose and East Palo Alto (Cho). East Palo Alto is the only city with a "just cause" eviction ordinance, and in all other cities, landlords can evict tenants for any reason and can raise amounts by any amount they desire (Cho). Rent Control has been highly resisted by many California cities, and my solution to the displacement of many low-income families and minorities is the promotion of widespread implementation of rent control in Silicon Valley.

Rent control measures, which already exist to certain in some metropolitan areas of the Bay Area, should be implemented in suburban communities, for they make affordable housing more accessible for low-income people (many of whom are minorities in segregated residential regions of the Bay Area). As previously mentioned, only East Palo Alto had a "just-cause" eviction ordinance out of South Bay cities in 2016, which enabled landlords to evict tenants for any reason and raise rents by any amount (Cho). Though this legislation has spread to other Silicon Valley cities, this ordinance and other rent control measures have not been implemented in many cities throughout Silicon Valley, for they have been highly opposed by landlords.

As a student who lives in a community that has been affected by housing discrimination and is in the heart of Silicon Valley (Palo Alto), some of the surrounding cities have fallen victim to rent inflation and gentrification, as there is an inadequate amount of housing given the demand. Due to this fact, I STRONGLY ENCOURAGE your government to put forth rent control legislation or to strengthen existing policies. It is by no means a perfect solution, but it protects low-income families as Silicon Valley expands. I recognize the issue lies in the amount of housing units available, but the construction of an adequate amount of units is a long-term solution that all local governments and even the state government should work on for the future. For the time being however, I encourage you to enact policies that protect low-income groups through rent control. As a community, we cannot change the past, but we can effect change in society and positively impact our future.

⁶ Brown, Eliot. "A New Real-Estate War in Silicon Valley; Soaring Apartment Costs in Silicon Valley Are Fueling Popular Support for an Idea Bitterly Opposed by Many Landlords in America's Technology Capital: Rent Controls." *Wall Street Journal*, 20 Oct. 2016. *ProQuest*, search-proquest-com.ez.pausd.org/docview/1830489891/46F5673C37F64E2BPQ/1?accountid=33586. Accessed 7 May 2019.

Sincerely,

Luke Thieman

