



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Esparza

SUBJECT: SEE BELOW

DATE: 6/7/2021

Approved *Maya Esparza*

Date: 6/7/2021

SUBJECT: ASSESSMENT OF FAIR HOUSING

RECOMMENDATION

Accept the staff recommendations and recommendations from the June 4th Memo from the Vice Mayor and Councilmember Carrasco and:

1. In tandem with the development of a strategy to increase African American home ownership, consider strategies and opportunities to promote the production of affordable for-sale units, including incorporating these goals and strategies as part of the longer term work with BAHFA on lower-to-moderate income housing preservation and development.

BACKGROUND

My colleagues have highlighted the alarming disparity that our Black households face in home ownership here in San José, due to systemic discrimination and historic redlining. This disparity, while particularly severe in the Silicon Valley housing market, is stark at the state and national levels as well, with only 19 percent of Black homebuyers able to afford a median priced home in California compared to 38 percent of white households. Nationally, the disparity stands at 42 percent for Black households and 62 percent for white households. This disparity was significantly worsened in the aftermath of the Great Recession, in which the overall wealth of Black families in the United States fell by 47.6 percent, compared to 28.5 percent for U.S. families overall, and more than 240,000 Black homeowners lost their homes.

The deliberate exclusion of Black communities and other communities of color from home ownership has led to the extraordinary wealth gap that we see today, and I thank my colleagues for bringing forward their thoughtful and urgently needed proposal to work toward addressing this inequity. I wanted to highlight the need for considering this work in concert with other recent work we have discussed to address our housing crisis, including Council's direction for

staff to work with the Bay Area Housing Finance Authority on creative, longer term solutions to promote the preservation and production of affordable housing. This effort should include exploring potential financing strategies for the creation of affordable for-sale housing, as well as ways to ensure that our communities of color have the opportunity to benefit directly from this production.

While many of our efforts are understandably and necessarily focused on the production of affordable rental housing, the only way to truly break the intergenerational cycle of poverty facing our communities of color is to provide pathways and opportunities for home ownership.

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.