

# CalHFA Address Black Homeownership Gap With Building Black Wealth Campaign

**California Housing Finance Agency**  
Communications: Integrated Campaign

## **HFA Staff Contact**

Chris Saur

[csaur@calhfa.ca.gov](mailto:csaur@calhfa.ca.gov)

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## Summary

The California Housing Finance Agency's Building Black Wealth campaign, an outreach initiative that launched in February 2021, uses live speaking events, social and traditional media, and partnerships with community-based organizations to provide education, guidance and connections to resources, with a goal of addressing the homeownership gap for Black Californians and increasing the percentage of Black homebuyers taking advantage of CalHFA products, therefore putting more people on track to gain generational wealth through homeownership.

## Background

From the race-motivated killings and subsequent racial justice movements, to the COVID-19 pandemic exacerbating social inequities, to the Trump Administration's attack on Affirmatively Furthering Fair Housing rules, the events of 2020 made it impossible to ignore the United States' problems with racial inequality, and homeownership rates are one huge example of that.

With that backdrop, combined with California's Legislature and Governor Gavin Newsom's Administration leaning into Fair Housing principles – beginning in 2018 with the signing of [Assembly Bill 686](#) which established an independent state mandate that expands the duty of all California's public agencies to affirmatively further fair housing (AFFH) – CalHFA has been focused on where it can truly make a meaningful difference.

Over the past few years, CalHFA's biggest success has come through its homeownership programs, which in Fiscal Year 2019-2020 helped more than 13,000 families purchase their first home with over \$4 billion in first mortgages and down payment/closing cost assistance, so it made the most sense for the Agency work in that space to try and address racial inequities.

## Statistics

There are three key data points that informed the design of CalHFA's Building Black Wealth initiative.

Data point No. 1 is the state's homeownership rate when broken down by race, which shows that as of 2019, just 41% of Black families in California owned their home, as opposed to significantly higher homeownership rates for white Californians at 68%, Asian/Pacific Islanders in the state at 64%, indigenous/native peoples at 58% and Latino Californians at 49%. Furthermore, that Black homeownership rate is no higher than it was in the 1960s before housing discrimination became illegal with the passage of the Fair Housing Act.

Data point No. 2 is a breakdown of the demographics of those 13,000 families the Agency helped in FY 19-20, which shows that 53% of CalHFA borrowers identified as Hispanic, 33% identified as white, 8% as African American, 4% as Asian and the remaining is unknown. With the 2019 estimates putting California at 5.5% African American, CalHFA is performing well with that population, but not by an amount that truly helps rectify the historical housing discrimination Black Californians have faced.

Data point 3 comes from the [National Association of Real Estate Brokers](#), which reported in 2020 that there are 2.9 million “mortgage ready” Black families in the United States that have not become homeowners for a variety of reasons including lack of knowledge of the process and benefits.

With those three data points in mind, staff looked at what the issues are and how the Agency could be innovative in addressing them without using a large portion of CalHFA’s budget.

The conclusion was to take a two-pronged approach: education and connection to resources.

## **Educational videos**

When CalHFA’s Building Black Wealth team gathered together all of the information it wanted to share for the education portion of the project, a few key decisions were made. The first was to divide the information into two groups: one presenting the elements of historical housing discrimination that have led to the homeownership gap that exists today, and the other with more concrete information that a Black first-time homebuyer could use to get into the best position to become a homeowner.

The second decision was to present the information in video form, so that viewers could hear and see the concepts explained by a person, rather than having to read a long narrative and trying to connect the dots themselves.

To make them even more accessible – and shareable by CalHFA and its partners through social media, email and other means – the videos were broken down into two series “Did You Know” and “Tips to Black Homeownership.” The videos are between three and nine minutes and each can stand alone, and also fit into the broader series.

The “Did You Know” series ([Figure 1](#)) features topics such as redlining, predatory lending practices and Fair Housing, while the “Tips ...” series ([Figure 2](#)) covers items like credit score, determining affordability, etc.

One idea that truly informed the process of producing the videos was a subtle difference in the intended audiences. The “Did You Know” videos are meant to give legislative staff, housing advocates, state and local government partners, industry professionals and average citizens key information on how specific policies and practices, often implemented by the government, have directly caused the homeownership gap we see today and are in some cases continuing to perpetuate it.

CalHFA designed the “Tips ...” video series for a slightly narrower audience, potential homebuyers and industry professionals who might want to use them for education purposes. These videos are on the shorter side and are kept more basic in terms of language and scope.

## Outreach/Strategic partnerships

While the videos are the centerpiece of our [Building Black Wealth](#) web page ([Figure 3](#)), the most impact is made through outreach and our strategic partnerships with industry associations, ethnic media, faith organizations and other community-based organizations. In these collaborations, presentations from CalHFA staff are the key tools, as is the sharing of the videos.

A partial list of campaign partners includes the NAACP, which has provided a resolution of support ([Figure 4](#)); the California Legislative Black Caucus; California Black Media; the UCLA Ziman Center for Real Estate/Anderson School of Management Real Estate Association; the California Association of Realtors; the California and National Association of Real Estate Brokers; the National Housing Conference; and Sacramento Black Expo, which presented CalHFA outreach specialist, Ashley Garner, with the Dr. Martin Luther King Jr. Inspiration Award for promoting homeownership in the Black community.

When speaking at events with those various organizations, the Building Black Wealth team shares not only educational material, but also connections to resources.

## Resources

Many of those partner organizations provide resources that can help Black Californians move toward the life-changing wealth-building that homeownership can bring, so CalHFA's connection with them through the Building Black Wealth campaign in itself should provide a boost for Black residents of the state.

Additionally, CalHFA aims to address the homeownership gap by connecting the public with two other key resources: the Agency's down payment and closing cost assistance programs, and the free counseling offered by more than 80 HUD-Certified Housing Counseling Agencies throughout the state thanks to grants through CalHFA's National Mortgage Settlement Housing Counseling Program.

## Results

CalHFA's goals for the Building Black Wealth campaign range from lofty (seeing an increase in the rate of Black homeownership in California) to doable but longer term (seeing an increase in the number of Black families taking advantage of CalHFA assistance to become homeowners) to short-term success (raising awareness).

Measurable results less than three months into the campaign include a total of 807 views on the first seven videos; 2,391 visits to the Building Black Wealth web page, including a whopping 1,543 new, unique visitors; 251 total engagements on seven tweets and 459 engagements on 35 Facebook posts ([Figure 5](#)) with a combined reach of 9,718.

Two examples of the many individualized responses CalHFA has received are tweets from the California Building Industry Association: "We heartily applaud this initiative. CA must address the historic gap in Black #homeownership #HousingforAll" and from Cabinet-level Secretary Lourdes Castro Ramírez of the California Business, Consumer Services and Housing Agency: "Congrats @CalHFA on launching the Building Black Wealth Initiative to Increase Black homeownership in California #BlackHistoryMonth."



## FIGURE 1

DID YOU KNOW VIDEOS

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Chris Saur (916) 326-8604, csaur@calhfa.ca.gov



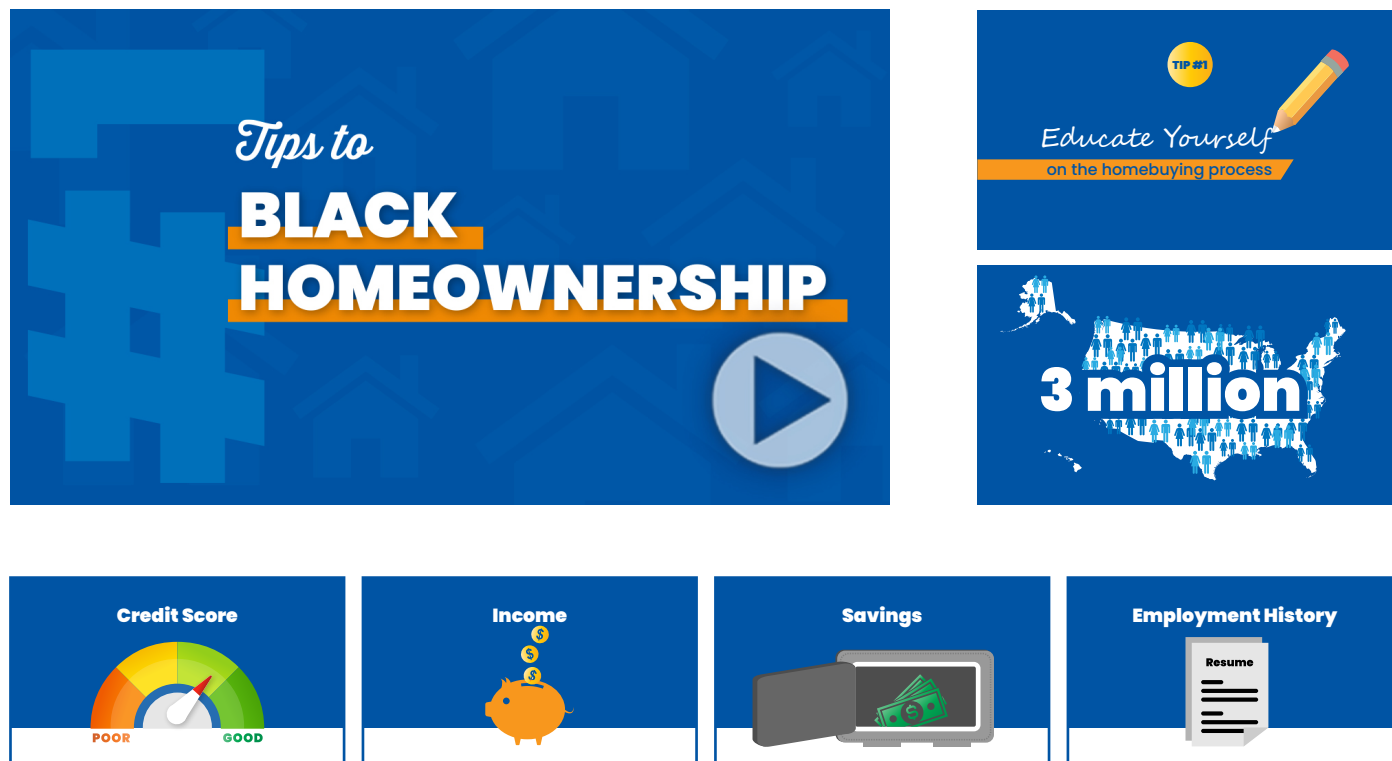
## DID YOU KNOW VIDEO SERIES

- **The Homestead Acts:** The Homestead Act was the earliest attempt by the United States government to provide housing opportunities to its citizens.
- **Redlining:** Redlining was a government sanctioned form of housing discrimination where banks, insurance companies, and mortgage lenders refused to issue loans to people in areas deemed “financially risky.”
- **Predatory Lending Practices:** Predatory lending practices are unethical and illegal practices used by lenders that are unfair to the borrower.
- **Fair Housing Acts:** The Fair Housing Acts cover the National Fair Housing Act of 1968, which was an expansion of the Civil Rights Act of 1964, and the California Fair Housing Act of 1963, which is also known as the Rumford Act. Both Acts were attempts to outlaw discrimination in the sale, rental, or financing of housing based on race.

## FIGURE 2

TIPS VIDEOS

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### TIPS TO BLACK HOMEOWNERSHIP VIDEO SERIES

- **TIP #1: Educate Yourself:** The best way for Black homebuyers to prepare for the homebuying process is to get educated.
- **TIP #2: Determine Affordability:** Determining how much you can afford goes beyond the price of the home.
- **TIP #3: Find An Experienced Real Estate Professional:** Experienced real estate agents have a wealth of knowledge and they can guide you through your homebuying journey.
- **TIP #4: Understanding Credit:** Understanding your credit is important when you're trying to secure a mortgage loan with a low interest rate.

## FIGURE 3








WEBSITE


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### BLACK HOMEOWNERSHIP INITIATIVE:

## Building Black Wealth

The *Building Black Wealth* campaign is CalHFA's initiative to increase Black homeownership in California. Looking at homeownership through a lens of equity, Black homeownership is far behind. Our campaign provides educational materials, and connections to resources such as free housing counseling and down payment assistance to help close that gap.

When you are ready to buy a house, [contact a CalHFA Preferred Loan Officer](#).

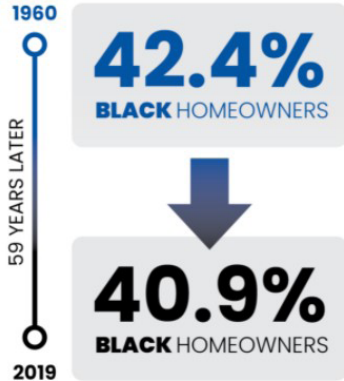
[Introduction](#) | [Video Series](#) | [Homeownership Tips](#) | [Success Stories](#)

### Why Black Homeownership Matters

Homeownership has been the most effective way that Americans build wealth, which can be passed down from generation to generation. It also stabilizes communities, provides access to education, and access to employment opportunities.

However, not all Americans have had an equal opportunity to build wealth through homeownership. Historical discrimination through exclusionary housing policies and practices, plus a dwindling supply of housing and a variety of other factors have limited Black families from purchasing homes at the same rate as their White counterparts.

For the entire 2010s, California's Black homeownership rate has been lower than it was in the 1960s, when it was completely legal to discriminate against Black homebuyers. The 2019 statistics show that just 41% of Black families own their homes compared to 68% of White families.




Year	Black Homeownership Rate
1960	42.4%
2019	40.9%

Note: Data above is from the 2019 homeownership data collected by the U.S. Census.

### Did You Know Video Series

"Did You Know" is an educational video series that details America's history of housing discrimination that has given white families a better opportunity to build wealth through homeownership than Black people.



**Fair Housing Acts**

*\*New Video\**

#### [Fair Housing Acts](#)

The Fair Housing Acts cover the National Fair Housing Act of 1968, which was an expansion of the Civil Rights Act of 1964, and the California Fair Housing Act of 1963, which is also known as the Rumford Act. Both Acts were attempts to outlaw discrimination in the sale, rental, or financing of housing based on race.



## FIGURE 4

### NAACP RESOLUTION

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## CALIFORNIA - HAWAII STATE CONFERENCE

# NAACP

### 2020 BRANCHES RESOLUTIONS – STATE CONVENTION PART II

December 12, 2020

#### 7. HOUSING – SUPPORT TO CalHFA BLACK HOMEOWNERSHIP INITIATIVE: BUILDING BLACK WEALTH

SPONSORED BY: Housing Committee – California/Hawaii State Conference

Whereas, Racism against Black Americans has been systemic in our country since 1619, and Whereas, in 2019, the share of Blacks in poverty was 1.8 times greater than their share among the general population. Blacks represented 13.2% of the total population in the United States, but 23.8% of the poverty population (U.S. Census Data), and

Whereas, access to homeownership, which remains the cornerstone for all Americans to build generational wealth, is still affected by the legacy of racist policies, and

Whereas, some racist practices designed to exclude and immobilize Black Americans are still in place, and

Whereas, the Black homeownership rate in California was just 41% in 2019, which is substantially lower than White Californians at 68%, Asians/Pacific Islanders at 64%, Indigenous people at 58% and Latinos at 49%, and

Whereas, CalHFA's Black Homeownership Initiative: Building Black Wealth is designed to educate Californians on these issues, partner with community-based organizations and give Black residents the tools they need to begin a journey toward homeownership, and

Whereas, this initiative will be a step in addressing the racial inequality in homeownership; and

Therefore, Be It Resolved, that the NAACP offers its full support and backing for the efforts of Building Black Wealth, and

THEREFORE, BE IT FINALLY RESOLVED that the National Association for the Advancement of Colored People (NAACP) and the California Association of Black Real Estate Trade Association support and partner CalHFA's Black Homeownership Initiative to encourage improvement of access to capital and financing for African American consumers in relations to building Black wealth.

## FIGURE 5

SOCIAL MEDIA POSTS

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