



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)
Jean-Daniel Saphores, Chair
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Assembly of the Academic Senate
1111 Franklin Street, 12th Floor
Oakland, CA 94607-5200

July 20, 2020

**KUM-KUM BHAVNANI, CHAIR
ACADEMIC COUNCIL**

RE: Home Buying Assistance

Dear Kum-Kum,

During its July meeting, the University Committee on Faculty Welfare (UCFW) has continued its discussion of systemic discrimination at UC. One area of particular importance to UCFW members is access to home ownership. Indeed, given the ability of home owners in the US to deduct the interest they pay on their main residence's mortgage, home ownership can offer households considerable financial security as they accumulate home equity over time. We learned that Deans have the latitude to allow new faculty to use part of their start-up package as a down payment on their house. This incentive appears to be used unevenly among schools on a given campus, with potential consequences for the ability of different groups of faculty to enter tight housing markets, especially on campuses with limited campus housing. Furthermore, since this incentive is local, we were told that UCOP does not have any systemwide statistics about its use.

As you know, unequal access to home ownership has been a key source of wealth inequality in the US. Currently, a typical white family is ten times wealthier than a typical African American family.¹ In addition to unequal access to education and better jobs, this staggering difference is to a large extent rooted in housing discrimination. Although the 1917 Supreme Court case *Buchanan v. Warley*² struck down some restrictions on Black ownership and renting of properties in majority-white neighborhoods, covenants to not rent or sell homes to ethnic minorities remained legal (at least in private deeds) until the Fair Housing Act of 1968.³ During the New Deal, the Federal Housing Administration offered middle-class families 30-year mortgages with little or no down payments so they could buy suburban homes, but excluded Black families and refused to insure mortgages in or near Black neighborhoods (a policy known as "redlining"), which promoted segregation and contributed to the lasting impoverishment of Black families.⁴ Moreover, enforcement of the

¹ Kent, A., Ricketts, L., & Boshara, R. (2019). What Wealth Inequality in America Looks Like: Key Facts and Figures. Federal Reserve Banks of St. Louis, Aug, 14. <https://www.stlouisfed.org/open-vault/2019/august/wealth-inequality-in-america-facts-figures>

² <https://supreme.justia.com/cases/federal/us/245/60/>

³ https://history.house.gov/Historical-Highlights/1951-2000/hh_1968_04_10/

⁴ Rothstein, R. (2017). *The color of law: A forgotten history of how our government segregated America*. Liveright Publishing.

provisions of the Fair Housing Act of 1968 remain a serious concern⁵, in spite of the Fair Housing Initiatives Program of 1986 and the enforcement provisions of the Fair Housing Act Amendments of 1988.⁶ In particular, as shown in a recent UC Berkeley study, ethnic and racial housing discrimination is perduring to this day through mortgage lending discrimination, which affects especially African American and Latino applicants.⁷ A UC Davis study of the Sacramento housing market, which is adjacent to Davis, and where many faculty, especially Black and Latino faculty have purchased homes, reveals similar trends.⁸

Given its size and its considerable influence in California, we believe that UC has an important role to play. We would like to ask you and incoming Chair Gauvain to work with President Drake and the Chancellors so that during recruitment, lower income faculty and staff households (i.e., households where at least one adult is employed by UC as a faculty or a staff member) be given a housing allowance (for faculty, as part of their start up package) that is sufficient to cover the down payment needed to qualify for a financially sustainable MOP loan so they can purchase an adequate dwelling in a housing market close to their place of employment. We also ask that a similar housing allowance be included for retention cases (if so desired by the potentially departing faculty), and that additional measures be considered, in consultation with the Senate, for current UC faculty and staff who belong to lower income households. Although these measures should be available to all qualifying UC faculty and staff, we believe that they will especially benefit ethnic and racial minorities, who have borne the brunt of housing and lending discrimination in the US, including in California.

These measures would not only have a profound positive effect on recruitment and retention, but would go a long way to signal that UC is serious about addressing systemic discrimination.

We look forward to continuing to improve our university.

Sincerely,

Jean-Daniel Saphores, UCFW Chair

Shelley Halpain, incoming UCFW Chair

Moradewun Adejunmobi, UCFW

Jill Hollenbach, incoming UCFW Vice Chair

Copy: UCFW
Hilary Baxter, Executive Director, Academic Senate
Susan Carlson, Vice Provost, Academic Personnel and Programs

⁵ US Government Accountability Office. (2010). Housing and community development grants: HUD needs to enhance its requirements and oversight of jurisdictions' fair housing plans. <https://www.gao.gov/products/GAO-10-905>

⁶ Silverman, Robert Mark and Patterson, Kelly L. (2012). The Four Horsemen of the Fair Housing Apocalypse: A Critique of Fair Housing Policy in the USA. *Critical Sociology* 38(1): 123-140.

⁷ <https://www.cbsnews.com/news/mortgage-discrimination-black-and-latino-paying-millions-more-in-interest-study-shows/>

⁸ Hernandez, J. (2009). Redlining Revisited: Mortgage Lending Patterns in Sacramento 1930-2004, *International Journal of Urban and Regional Research*, 33:2, 291-313.