

# DIVERSITY AND FAIR HOUSING TIPS FOR YOUR BUSINESS

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# AGENDA

- DEI Basics
- Fair Housing
- Best Business Practices
- Resources
- Q&A



# DEI BASICS



# DEFINITIONS

**Diversity:** A range of social identity groups that comprise an organization or society. The "who" in your group. Not just about race.

**Inclusion:** An inclusive environment is one that respectfully invites all members, teammates, or participants ideas, knowledge, perspectives, approaches even when different and allows all an opportunity to advance in leadership and a role in shaping the organization.

**Equity:** allows us to take into account variations in need when determining solutions. I.E. Disability accommodations.



# DIVERSITY BENEFITS

Diversity is a business imperative - REALTOR Associations serve diverse communities

67% of job seekers consider diversity when evaluating companies and job offers

Diverse teams make better decisions 87% of the time

Inclusive companies outperform others 8 to 1



# IMPORTANCE OF DIVERSITY



## DIFF GROUPS/DIFF NEEDS

Language  
POC - Less Gen Wealth  
Cultural Differences



## BIAS IS A LIABILITY

Inadvertent different treatment may  
violate fair housing laws  
We have less bias against people  
who share our background



## DIVERSITY IS HERE!

Homeowners and REALTORS  
should reflect the diversity of the  
community\*



# RELEVANCE OF HISTORY

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◆ To sensitively work with individuals from underserved communities, it can help to be aware that REALTORS once played a central role in initiating and upholding policies that kept people of color from owning homes

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◆ Many people of color have trauma related to this past exclusion.

They may feel gaslighted the history is dismissed as false or irrelevant.

Conversely, understanding and support can build bridges.

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◆ Helps explain the reasons for racial wealth and homeownership gaps as well as continued bias regarding communities and neighborhoods to support thoughtful solutions

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◆ Dispels myths and stereotypes about communities and neighborhoods

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# REALTOR® HISTORY



Detroit Free Press, 7 Apr 1918

## EARLY EFFORTS

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- Lobbying
- City Infrastructure Development
- Residential Development
- Promoting cooperation amongst ethical real estate agents
- Developing industry-standards, ie Valuation

## EXCLUSIVITY & EXCLUSION

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- Generally elite and exclusive
- Women and people of color barred from membership
- Valuation models factored in race
- Article 34 of the 1924 REALTOR® Code

Article 34.—A Realtor should never be instrumental in introducing into a neighborhood a character of property or occupancy, members of any race or nationality, or any individuals whose presence will clearly be detrimental to property values in that neighborhood



# EMBEDDING RACIAL SEGREGATION INTO COMMUNITIES AND TRANSACTIONS

✓ REALTOR® Code of Ethics

Article 34.—A Realtor should never be instrumental in introducing into a neighborhood a character of property or occupancy, members of any race or nationality, or any individuals whose presence will clearly be detrimental to property values in that neighborhood.

1924 REALTOR® Code of Ethics drafted in part by LA REALTOR and NAREB Ethics Committee Chair.

✓ Restrictive Covenants

DECLARATION OF RESTRICTIONS  
DANVILLE GARDENS

THIS INDENTURE, made this 29th day of June, 1949, by the undersigned, to-wit:

WHEREAS, the Declarants are the owners of the following described real property situate in the County of Contra Costa, State of California, more particularly described as follows:

All of Lot 1, and all of Lots 31 to 93, inclusive, as designated on the map entitled "Danville Gardens, Contra Costa County, California", which map was filed in the office of the Recorder of the County of Contra Costa, State of California, on October 23, 1946 in Volume 31 of Maps, at page 26, and

WHEREAS, said owners may, from time to time, convey portions of said property and are desirous of creating certain covenants and restrictions to run with the land for the benefit of each and every owner of each and every lot above described;

NOW, THEREFORE, the undersigned hereby declare that all of the above described premises are herewith held and shall be conveyed subject to the covenants, restrictions and charges set forth in the various clauses of this declaration, to-wit:

1- All lots above described shall be known and described as residential lots (except Lots 1, 74, 75, 76, 77 and 93, which shall be zoned as "commercial") and no structure shall be erected on any residential building plot other than one detached single family dwelling not to exceed two stories in height and a one or two car garage, and appurtenant outbuildings.

2- No building shall be erected on any residential building plot nearer than 20 feet to the front lot line, nor nearer than 8 feet to any side lot line. The side line restriction shall not apply to a garage located on the rear one-half of a lot, except that on corner lots no structure shall be permitted nearer than 25 feet to the side street line.

5- No person other than that of the Caucasian race shall use or occupy any building on any lot, except that this covenant shall not prevent occupancy by domestic servants of a different race or nationality employed by an owner or tenant.

2- other outbuildings erected in the tract shall at any time be used as a residence, temporarily or permanently, nor shall any residence of a temporary character be permitted.

✓ Federal Housing Administration

FEDERAL BANK

Urged By Realtors

To Provide Easy Dealing  
In Mortgage Loans.

Plan Would Include  
Central Organization

With Regional Branches  
To Discount Paper.

Purpose Of System Would Be  
To Make Financing Of  
Homes Accessible And  
Safe Investment.

The Cincinnati Enquirer  
May 31, 1931



# LASTING IMPACTS

Persistent Segregation

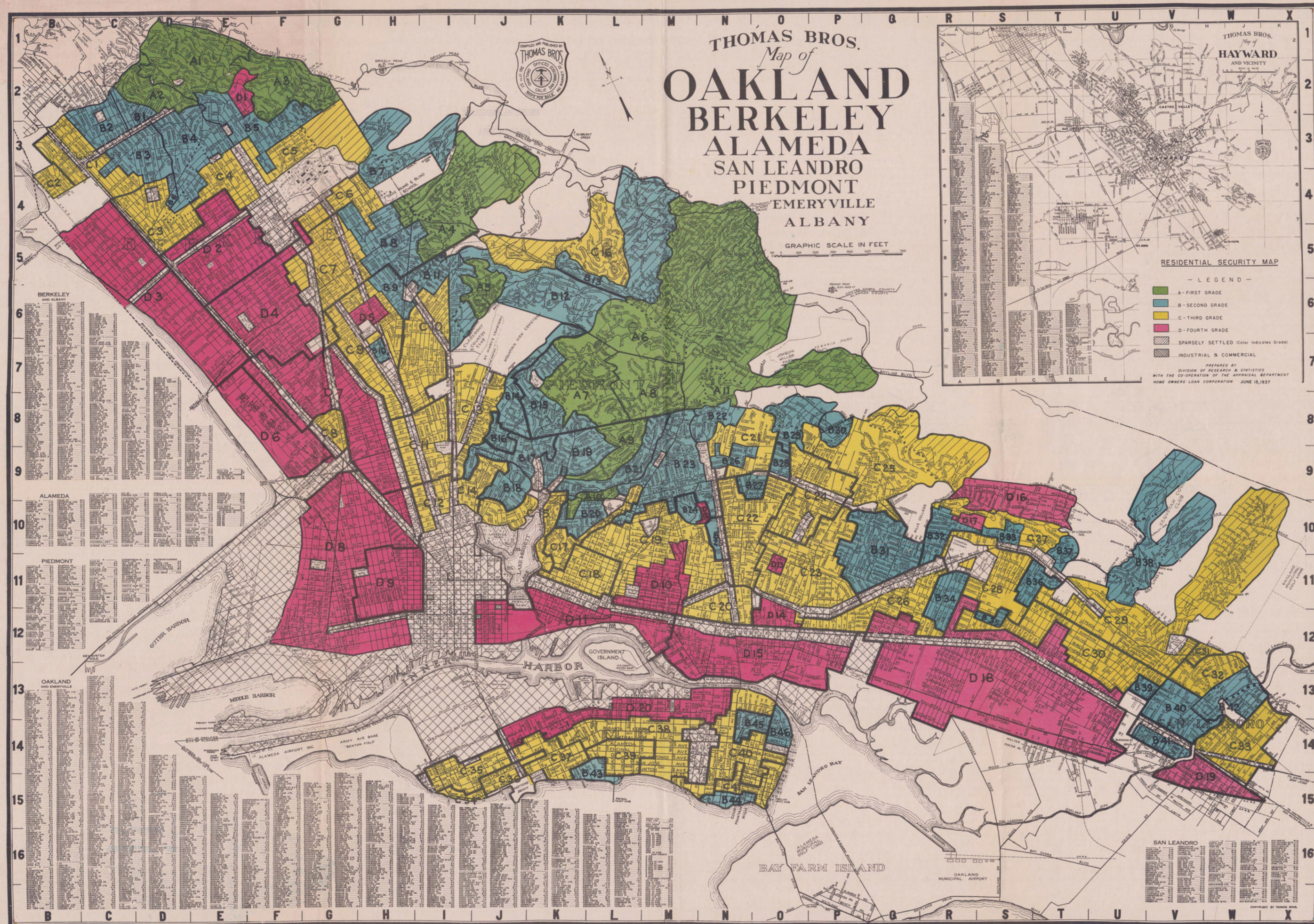
Wealth and Homeownership Gaps

Persistent Bias

Industry-wide Diversity Challenges

***Try to guess the formerly red and green areas of Oak/Berk?***



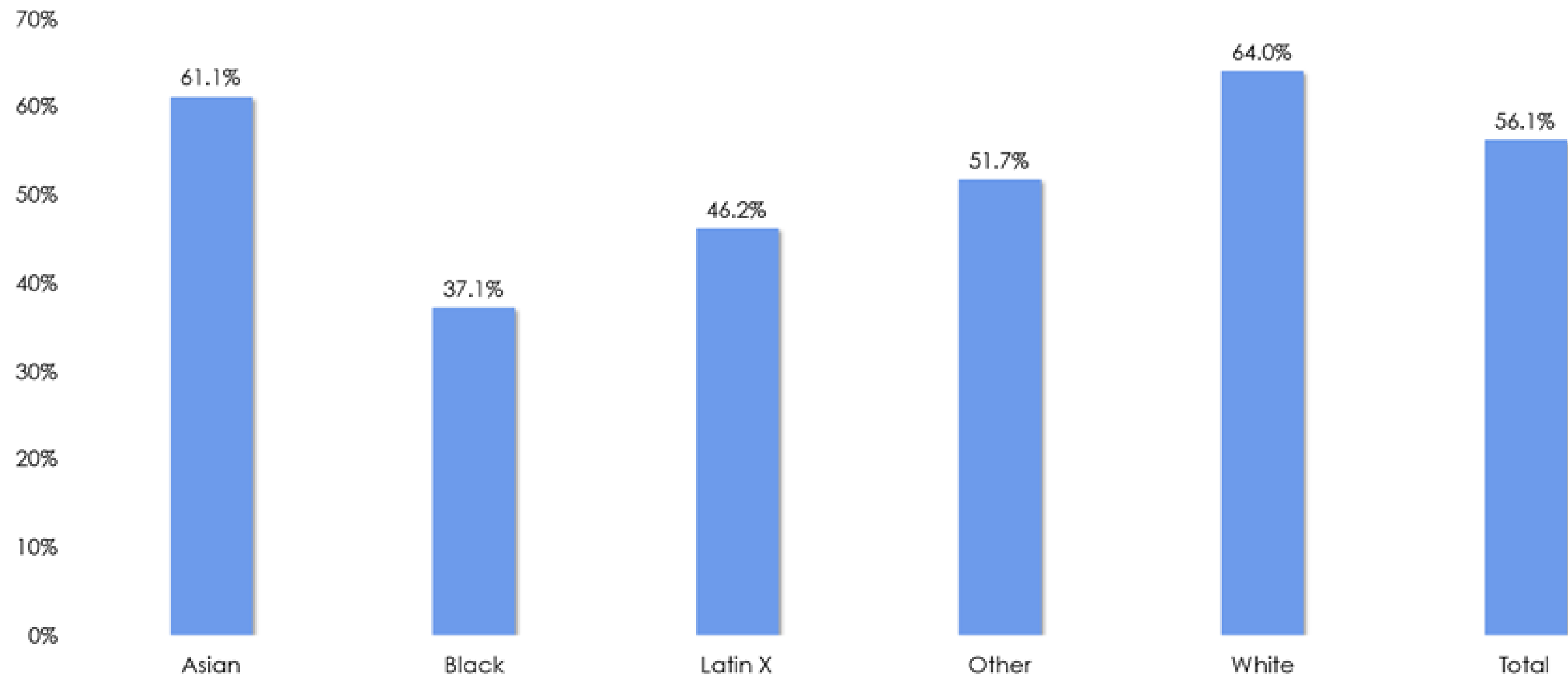


# FAIR HOUSING



# Homeownership gaps still significant

2020 California Homeownership Rates by Race/Ethnicity



CALIFORNIA ASSOCIATION OF REALTORS®

# BIAS

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## ✓ Definition

A bias is a tendency, inclination, or prejudice toward or against something or someone.

## ✓ Unconscious Bias

People are naturally biased—they like certain things and dislike others, often without being fully conscious of their prejudice.

## ✓ Bias and Fair Housing

This unconscious bias becomes problematic when it causes an individual or a group to treat others poorly or more favorably as a result of their gender, ethnicity, race, or other factors.



# CONCERNS ABOUT BIAS IN COMPETITIVE MARKETS

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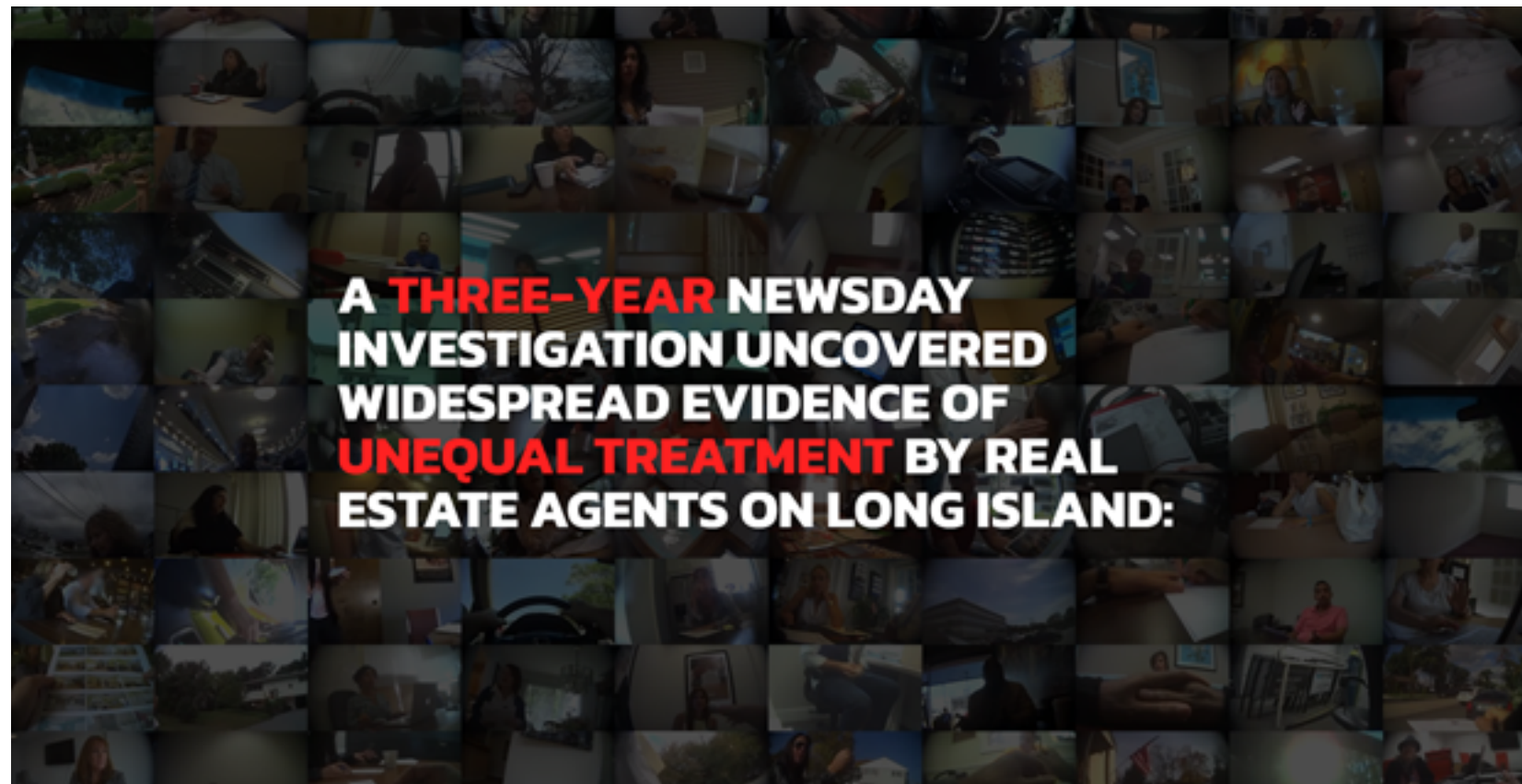
👤 Seeking more info about  
a buyer before deciding

👤 Stereotypes based on  
race (ie ability to buy,  
preferences for or  
against certain groups)

👤 Groups less likely to  
have large down  
payments or who might  
be more likely to use  
first time buyer  
program, disadvantaged



# NEWSDAY: Pervasiveness of bias and discrimination in the real estate industry



- ◆ 19%: Asian buyers treated differently

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- ◆ 39% Latino buyers treated differently

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- ◆ 49% of Black buyers treated differently



# Examples of Bias in the Home Search

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✓ Inferring Race from Buyer Names

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✓ Agent Steering Buyers

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✓ Sellers Preferring Certain Demographics

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# California FH Law

## 22 Categories

Race

Religion

Color

Sex

Ancestry

Sexual Orientation

National Origin

Gender

Gender Identity

Gender Expression

Marital Status

Familial Status

Source of Income

Disability

Medical Condition

Citizenship

Primary Language

Immigration Status

Military/Veteran Status

Age

Criminal History

Any arbitrary characteristic



# KORVER-GLENN STUDY - NETWORKS OF VALUE

How might bias (perceived ROI) play a role in your SOI or where you prospect?

Could bias color what neighborhoods are shown to certain clients?

Might some agents have assumptions about whether someone can afford to buy based on race, age, etc?

Is there a possibility that race, familial status or other demographic factors play a role?

If there are assumptions that certain loan types aren't good for sellers (ie FHA, VA), does that have more impact on POC and HO gaps?

<http://www.elizabethkorverglenn.com/race-brokers>



# BEST BUSINESS PRACTICES



# DIVERSIFY YOUR MARKETING

You might also want to add a statement about  
your commitment to diversity and fair housing.

Be sure to take other action to avoid performative,  
surface-level diversity.



FAIR HOUSING



# DEVELOP DIVERSE MARKET SKILLS/RESOURCES

## LEARN ABOUT FIRST TIME BUYER PROGRAMS

Latinos are twice as likely to purchase a home with FHA financing than non-Hispanic White buyers.

61% of Black borrowers rely on nonconventional loans like FHA.

Black households are more than twice as likely to have student loan debt than White ones.

## LENDERS/HUD COUNSELORS/ REFERRAL PARTNERS

DTI is the most cited reason for loan denial among all ethnic groups.

Incomplete credit applications pose a significant barrier for Asian loan applicants.

A majority of Asian and Pacific Islanders are Limited English Proficient. LEP also poses a barrier for many Latino home buyers.

## NEVER TELL SOMEONE THEY CAN'T BUY

For Black families, home equity is 70% of their net worth compared to 59% among White households.

55% of LGBTQ+ survey respondent stated they wouldn't buy in an area if they were unsure about being accepted.

In a survey of real estate agents working with Latino buyers, 17.3% reported that their FHA borrowers gave up on their home searches.

Sources: 2021 NAHREP State of Hispanic Homeownership Report, 2020-2021 AREAA State of Asia Report, 2021 NAREP State of Housing in Black America, Realtor.com and LGBTQ+ Real Estate Alliance Survey





# STEPS

TOWARD  
HOMEOWNERSHIP



**DOWN PAYMENT  
ASSISTANCE (DPA)  
PROGRAMS**



**QUALIFICATIONS  
AND REQUIRED  
PAPERWORK**



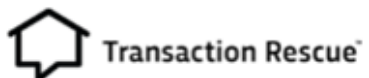
**UNDERSTAND  
HOMEOWNER  
NEEDS & SET  
EXPECTATIONS**



**INTEGRATE  
SALES CONTRACT  
WITH LENDING  
EXPECTATIONS**

**FREE C.A.R. MEMBER VIRTUAL EVENT  
APRIL 6 | 10 AM (PACIFIC)**

**[on.car.org/stepsapril6](https://on.car.org/stepsapril6)**





# C.A.R. HAF CLOSING COST ASSISTANCE GRANT PROGRAM

C.A.R. AND CA HOUSING ORGANIZATIONS ARE HELPING FIRST-TIME HOMEBUYERS FROM UNDERSERVED COMMUNITIES BRIDGE THE AFFORDABILITY GAP BY PROVIDING THEM WITH UP TO \$10,000 IN CLOSING COST ASSISTANCE.

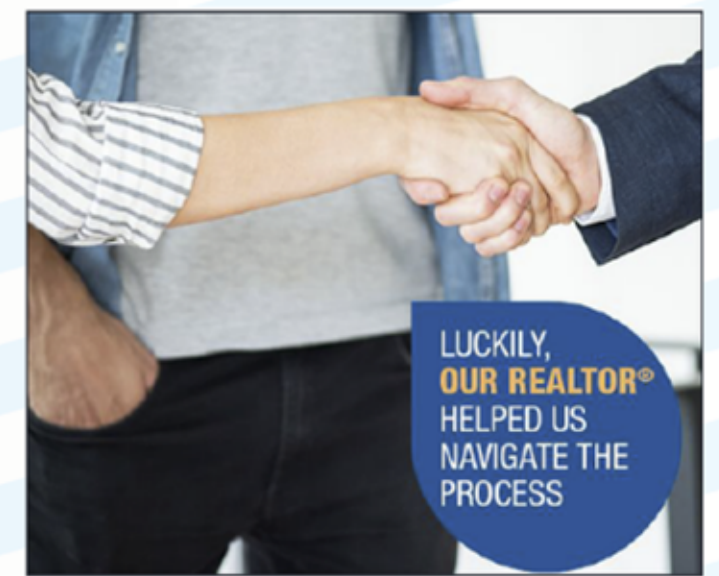


LEARN MORE ABOUT THE GRANT  
APPLICATION & HOW TO DONATE  
TO HAF AT [on.car.org/hafclose](https://on.car.org/hafclose)

# 2022 HISPANIC & LATINO CONSUMER AD CAMPAIGN

- **DIGITAL VIDEO**
- **STREAMING AUDIO**
- **PAID SOCIAL MEDIA**
- **HISPANIC INFLUENCERS**
- **DIGITAL DISPLAY**

**LEARN MORE:** [on.car.org/hispanic22](https://on.car.org/hispanic22)



# TEAM/COMPANY ACTIONS



HIRING/TEAM/PARTNERSHIP

BE INCLUSIVE



ALLYSHIP



MENTORSHIP





# The Issue With Buyer Letters

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I'd love to raise my family here...

Christmas dinner will be great  
in that dining room!

I have a disability that...

We are empty nesters!

My wife and I (same sex  
couple)...

PHOTOS!

**Buyer letters often tip the seller off about the  
buyer's demographics.**



# STRONG OFFERS

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Rely on your Realtor for Guidance

Full Preapproval before Offering

Lender Call to Listing Agent

Clean Offers

Sweeten the Deal

Timely Responses

Note Seller Requests



# RESOURCES

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 [dfeh.ca.gov](https://dfeh.ca.gov)

 Buyer Letters

<https://www.ocregister.com/2021/03/25/buyer-desperation-fueling-unsolicited-love-letters-to-would-be-sellers/>

 [fairhousingcalifornia.org](https://fairhousingcalifornia.org)

 Strong Offers

<https://www.thebalance.com/tips-for-writing-purchase-offers-1798848>

 NAR's at Home With Diversity and Fair Haven

 Bias and Fair Housing

<https://shelterforce.org/2017/08/23/14998/>



# MORE RESOURCES

Long Island Divided -Newsday

Implicit bias means we're all probably at least a little bit racist - Vox

The Color of Law by Richard Rothstein

SHIBA Report

State of Hispanic Homeownership Report

2020-21 State of Asia America Report

The Disturbing History of the Suburbs | Adam Ruins Everything

NAR's At Home with Diversity.

Inclusify by Stefanie Johnson

The Sum of Us by Heather McGee

How to be An Anti-Racist by Ibram Kendi

Race Brokers by Elizabeth Korver-Glenn

The Business Case for Implementing DEI - NH Business Review

Rise of the Inclusive Consumer - McKinsey.com

LGBTQ+ Real Estate Alliance

<https://belonging.berkeley.edu/rootsraceplace>



# THANK YOU!

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