

CALIFORNIA ASSOCIATION OF REALTORS® issues formal apology for past discriminatory policies

LOS ANGELES (Oct. 14) The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) formally apologizes for its past discriminatory policies, including Proposition 14 — a successful 1960s ballot initiative that overturned the State of California’s first fair housing law.

Regrettably, the California Real Estate Association (CREA), now known as C.A.R., once played a leading role in segregation and exclusionary practices in housing. California communities still grapple with wealth and homeownership inequities. For decades, CREA promoted policies that encouraged discrimination and the idea that neighborhood integration would negatively impact property values. The Association endorsed racial zoning, “redlining” and racially restrictive covenants.

“The Association was wrong. We not only apologize for those actions, we strongly condemn them, and we will continue working to address the legacy of these discriminatory policies and practices,” said C.A.R. President Otto Catrina.

CREA was behind Article 34, a law passed in the 1950s that remains in place that makes it very difficult to build affordable housing in California. The Association also excluded women and people of color from membership.

In the 1960s, California’s first fair housing law, the Rumford Fair Housing Act was passed. CREA actively encouraged its members to support Proposition 14, a law that overturned the Rumford Act and modified California’s constitution so that the state could not prohibit private property owners from engaging in discrimination. The U.S. Supreme Court overturned the proposition as unconstitutional.

In the years since the passage of the federal Fair Housing Act of 1968, the California Fair Employment and Housing Act and other fair housing laws, C.A.R. has prioritized understanding and addressing the unique homeownership barriers impacting communities of color and other historically excluded communities.

“We have continued to unpack our difficult and sometimes obscure history of opposing fair housing laws, promoting segregation and racial exclusion prior to the Fair Housing Act of 1968. As an organization that deeply values inclusion, we can’t change the actions of the past, but we are taking bold action now to help build a more equitable and just future,” said Catrina.

For instance, C.A.R. recently sponsored a law requiring periodic implicit bias training for all real estate salespersons. Additionally, C.A.R. helped shape a new law that strengthens consumer protection in instances of appraisal bias.

Currently, C.A.R. is working to address the legacy of discriminatory policies in a variety of ways. These include:

- Offering a closing cost grant for members of underserved communities.
- Donating to the Black Wealth Builders Fund, a down payment assistance program for Black home buyers in the Bay Area.
- Partnering with and sponsoring the work of nonprofit organizations that support greater homeownership for members of underserved communities.
- Sponsoring and supporting a variety of policies that address supply and affordability challenges for communities of color.
- Co-sponsoring a bill that would overturn Article 34, a law California REALTORS® helped pass in the 1950s that makes it much harder for California communities to build affordable housing.
- Supporting a law that provides a system for redacting restrictive covenants in property records.

C.A.R. will continue to develop and strengthen programs that break down barriers to homeownership. To learn more, visit fairhousingcalifornia.org.