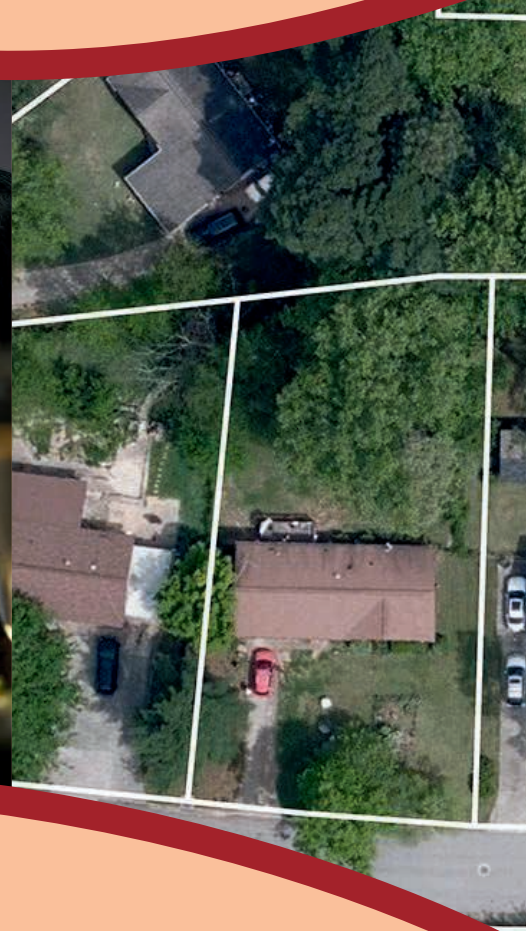


2024 AREA A

THREE-POINT POLICY PLAN

TO BOOST AANHPI HOMEOWNERSHIP



AREA A DIVERSITY &
FAIR HOUSING SUMMIT

May 6 - 8, 2024 | Washington, DC | areaa.org

FOREWORD

This year is a presidential election year. Politics and policy will captivate the national limelight more than ever, as politicians jostle for a spot at the top of the ballot. The results are yet to be determined, but one thing is certain. The Asian American, Native Hawaiian, and Pacific Islander vote cannot be ignored. Our community is the fastest growing ethnic category in the United States, with an ever-growing number of voters and recent record levels of civic participation. As a result, our representatives are more willing than ever to learn about issues that face our community. For over 20 years, AREAA has been the leading voice for promoting AANHPI homeownership. As we continue to add chapters and members, it is important that we maintain our position as leaders and advocates.

Our three policy points are Alien Land Laws, Finance Solutions, and Appraisal Equity. It is deeply important for us to not just understand the data behind these issues, but the stories of the people it impacts. If the alien land laws of today were around when my parents first came to this country, they would not have been able to buy a home. They would not be able to fulfill their American Dream. Every data point on appraisal bias is a family that may not be able to access the opportunities they deserve due to discrimination. We've seen friends, family, or neighbors struggle due to limitations in financing options. These issues do not just exist in a vacuum, they are personal.

As always, this list is not exhaustive, and we continue to communicate with our partners on other issues like data disaggregation and fair housing. Thank you for taking the time to learn about these issues and being an advocate. By working together, we can continue to secure policy victories for the AANHPI communities.



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THREE-POINT POLICY PLAN AT A GLANCE



POLICY POINT 1 : ALIEN LAND LAWS

BACKGROUND:

- In over 30 states, bills have been introduced limiting property rights for foreign nationals.
- Many of these bills focus specifically on Chinese immigrants.
- China holds 1% of all foreign-owned land in the United States.
- Discrimination based on an individual's national origin is prohibited by the Fair Housing Act.
- The presumption that all Chinese immigrants are government agents is sourced in prejudice.
- Bills like a new law in Florida, FL 264, create an extra regulatory and administrative burden on real estate professionals, who may be disincentivized from working with foreign nationals.
- The Chinese Exclusion Act and Japanese Internment used a similar rationale to discriminate against Asian immigrants and Asian Americans.

THE SOLUTION:

- First and foremost, our representatives must commit to upholding and enforcing Fair Housing Law, which prohibits discrimination based on national origin.
- Reps. Al Green (TX-9th) and Judy Chu (CA-28th) have introduced H.R. 3687, the Preemption of Real Property Discrimination Act, which would preempt any state laws that prohibit or otherwise restrict the purchase of real property of an individual based on their country of citizenship.
- This bill would still allow for specific restrictions that would meaningfully promote national security without needlessly targeting individual citizens.

POLICY POINT 2 : FINANCE SOLUTIONS

BACKGROUND:

- There is a housing affordability crisis, and while there is a national scramble to increase the limited supply of housing, inventory will remain limited for the foreseeable future.
- Pew Research found that rates of multigenerational homeownership are increasing across the country, especially for the AANHPI community.
- Recent Freddie Mac data indicates AANHPIs at the middle-income level are lagging significantly in terms of homeownership.
- AANHPI homeowners at the middle- and low-income level are in need of solutions that will allow them to affordably live in multigenerational housing.

THE SOLUTION:

- AANHPI homebuyers are in need of legislation that expands financing solutions and provides more affordable options for homeowners and homebuyers.
- Initiatives aimed at assisting low- and middle-income families to adjust for area median income.

POLICY POINT 3 : APPRAISAL EQUITY

BACKGROUND:

- Real estate valuations are not equal between neighborhoods of different ethnic subgroups.
- A study by Brookings Institute in 2022 found that homes in black neighborhoods were valued over 20% lower than what they would have been in other neighborhoods.
- A study by Freddie Mac found a higher likelihood for homes in Black and Latino communities to be undervalued.
- Academic analysis of Federal Housing Finance Agency's (FHFA) Uniform Appraisal Dataset Aggregate Statistics found that White homes were appraised at three times the value of comparable homes owned by Native American, Southeast Asian, Alaskan Native, and Pacific Islander Americans.
- This report also found that appraised home value disparities between different ethnic groups increased over the last ten years, suggesting this is not a result of past inequities.

THE SOLUTION:

- AREAA recommends our representatives support actions taken by the Interagency Task Force on Property Appraisal and Valuation Equity (PAVE).
- Rules must be implemented that would limit or check for bias in Automated Valuation Models (AVMs).
- Consumers need more paths to report appraisal bias.
- Make the appraisal industry more accessible for diverse communities.



POLICY POINT #1

ALIEN LAND LAWS

WHAT'S HAPPENING:

In over 30 states across the country, bills have been either introduced or passed that limit real property rights for Chinese nationals. While the bills vary in size and scope, one common point is that their intent is to protect national security against the Chinese Communist Party. There are some issues with this approach:

- Many of these bills vastly exceed the scope of national security. In Florida, SB 264 bars any persons domiciled in China who are not citizens or lawful permanent residents from owning any real property in Florida. SB 91 in Louisiana prohibits the leasing of immovable property to any Chinese citizen unless they are a green card holder. This targets individuals on work visas, student visas, and asylum seekers, all of whom are very unlikely to have any affiliation with any Chinese political party. Furthermore, other bills have vague wording that does not properly outline who is a “foreign agent,” and what constitutes as “critical infrastructure.” This creates significant room for governmental overreach.
- The perceived threat of Chinese buyers does not align with reality. According to analysis of data from the US Department of Agriculture, Chinese entities and individuals own less than 1% of all U.S. agricultural land held by foreign persons.

- These bills carry economic ramifications. For example, concerns were raised due to Georgia SB 420 about the impact it would have on global commerce, especially with regards to jobs and consumer prices for goods. The passage of harsh alien land laws could potentially signal to international companies that an area is not worthy of investment.
- Some of these bills discriminate based on the country in which someone is domiciled. This is hard to meaningfully distinguish from national origin, as people are likely to be domiciled in their country of origin. This opens the door to a host of potential fair housing violations as Fair Housing Law bans discrimination in housing accommodations based on race, color, religion, sex, marital status, ancestry, national origin, familial status, and disability.

CONTROVERSIAL BILL INTENDED TO BAN PEOPLE FROM CERTAIN COUNTRIES FROM OWNING TEXAS LAND MOVING FORWARD - HOUSTONPUBLICMEDIA.ORG, 2023



WHAT WE CAN DO

Representatives Judy Chu (CA-28th) and Al Green (TX-9th) have introduced **HR 3697**, the **Preemption of Real Property Discrimination Act**. This bill preempts any state law that prohibits or restricts the purchase of real property by an individual based on the individual's citizenship.

While AREA A has been able to effectively mobilize at a state level to fight bills in Georgia, Florida, and Texas, the reality is that preemption is the most secure safeguard. Passing this act would incentivize lawmakers to pass national security measures that do not unfairly target individual citizens based on their national origin.



<https://www.committee100.org/our-work/federal-and-state-bills-prohibiting-property-ownership-by-foreign-individuals-and-entities/>



POLICY POINT #2

FINANCE SOLUTIONS

WHAT'S HAPPENING

There are three critical trends that are at play.

1. There is an affordability crisis, and while there is a national scramble to increase the limited supply, the fact remains that inventory will remain limited for the foreseeable future.
2. Pew Research found that rates of multigenerational homeownership are increasing across the country, especially for the AANHPI community.
3. Recent Freddie Mac data indicates AANHPIs at the middle-income level are lagging significantly in terms of homeownership.

These issues interact with one another to create unique barriers for our community. AANHPI homeowners at the middle and low-income level are in need of solutions that will allow them to affordably live in multigenerational housing. This need is only projected to grow. The US population is projected to trend older, with over 1 in 5 Americans being over the age of 65 by 2050. Recent homeownership trends have also shown that aging Americans retain higher housing demand compared to previous generations, perhaps due to an increased health span. Familial elder care will be extremely important as younger generations look to care for the aging population. However, crucial renovations such as retrofitting homes to

US HOME PRICES HIT ANOTHER RECORD HIGH IN OCTOBER, RISING FOR THE NINTH STRAIGHT MONTH - CNN.COM, 2023

allow multigenerational living, constructing ADUs, and manufactured houses can be very difficult to finance, especially for low- and middle-income borrowers.

WHAT WE CAN DO

In DC, we will advocate for legislation that expands financing solutions and provides more affordable options for homeowners and homebuyers. It is also important for initiatives aimed at assisting low- and middle-income families to adjust for AMI; too often, AANHPIs that make below median income in high-cost areas are unable to qualify for assistance.



POLICY POINT #3

APPRAISAL EQUITY

WHAT'S HAPPENING

Data suggests that real estate valuations are not equal between neighborhoods of different ethnic subgroups. In 2022, a study by Brookings Institution found that homes in black neighborhoods were valued over 20% lower than what they would have been in other neighborhoods. A Freddie Mac study found a higher likelihood for homes in Black and Latino communities to be undervalued. Most recently, analysis of FHFA's Uniform Appraisal Dataset Aggregate Statistics by Professors Junia Howell and Elizabeth Korver-Glenn found that White homes were appraised at three times the value of comparable homes owned by Native American, Southeast Asian, Alaskan Native, and Pacific Islander Americans. This report also found that appraised home value disparities between different ethnic groups increased over the last ten years, suggesting this is not a result of past inequities. These studies controlled for variables including socioeconomic status, crime rate, education, and neighborhood amenities.

It is important to understand that within this data lies the stories of Americans like Tenisha Tate and Paul Austin, whose home was valued over \$400,000 higher after they “whitewashed” their home. Disparities such as these lead to lower accrual of wealth through home equity in minority neighborhoods over time. This is especially significant as generational wealth transfers are important for funding education, and home purchases in future generations; bias in appraisals may strip this opportunity from certain minority groups.



Image Source: <https://vexceldata.com>

A BLACK FAMILY SAYS THEY 'WHITWASHED' THEIR HOME TO GET A HIGHER APPRAISAL, THEY'RE NOT THE ONLY ONES - CNN.COM, 2023

WHAT WE CAN DO

The Interagency Task Force on Property Appraisal and Valuation Equity (PAVE) has taken many actions since its inception in 2021. This includes the proposal of rules to prevent bias in Automated Valuation Models (AVMs), creating a more coherent path for consumers to take action against biased appraisals, and breaking down barriers to entry into the appraisal field. These actions, while beneficial, are still recent and limited in scope. It is urgent that voters make it clear to their representatives that congress should consider any bills that would reduce bias within the appraisal industry.

<https://www.brookings.edu/articles/how-racial-bias-in-appraisals-affects-the-devaluation-of-homes-in-majority-black-neighborhoods/>
<https://www.eruka.org/appraised>
<https://www.freddiemac.com/research/insight/20210920-home-appraisals>



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45 Chapters Across US and Canada

51 Ethnicities Represented

26 Languages Spoken

2 Major National Events Per Year

Diversity Summit in DC Each May

Find Out What We're Doing Next

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