



May 5, 2023

The Honorable Gavin Newsom, Governor
State of California

The Honorable Toni Atkins, President Pro Tem
California State Senate

The Honorable Anthony Rendon, Speaker
California State Assembly

The Honorable Nancy Skinner, Chair
Senate Budget & Fiscal Review Committee

The Honorable Phil Ting, Chair
Assembly Budget Committee

Re: Support for California's Dream for All Program

Dear Governor Newsom, Pro Tem Atkins, Speaker Rendon, Chair Skinner and Chair Ting:

On behalf of Zillow, I am writing to express our continued support for the California Dream for All program and the opportunities it provides to first-time homebuyers. We also offer our support for program enhancements based on the learnings from the program's launch to ensure the program's goals are met through future funding.

Zillow is reimagining real estate to make home a reality for more and more people. To help make the housing market work better for everyone and get more and more people home, Zillow is firmly committed to [reducing barriers to housing](#).

Achieving home ownership for first-time homebuyers has become increasingly difficult due to increasing interest rates, historically low levels of for-sale inventory, and high home values. In California, [home prices have risen significantly](#) over the past five years. From March 2018 to March 2023, Zillow data shows that home values increased by 25.95% in the San Francisco metro, 37.45% in the Los Angeles metro, and 44.66% in the San Diego metro. This is not limited to the largest urban metro areas, as home values increased 49.01% in Fresno and 52.77% in Bakersfield during the same period.

With rising housing prices, the amount of savings that Californians need to set aside to cover the cost of a down payment have also increased significantly. According to a [Zillow survey](#), two-thirds of renters cited affording a down payment as the biggest hurdle to buying a home, and [40% of all buyers](#) rely on a

gift or loan from family or friends for at least part of it. To help potential buyers struggling to make a down payment, [Zillow includes information on down payment assistance](#) resources on every for-sale listing on its site, connecting potential buyers to [over 2,000 assistance programs](#) available across the United States. Even with these resources, homeownership remains stubbornly out of reach for many.

The housing affordability crisis also perpetuates economic and racial inequities in California's communities. Nationwide, a typical Black household possesses only 22.3% of the wealth of a typical white household, and [housing disparities account](#) for 38.4% of an overall \$3 trillion median Black-white wealth gap. The typical [Latinx household](#) has 43.7% of the wealth of a typical non-Hispanic white household and, in California, Zillow estimates that the implied housing gap between white and Latinx households, calculated by pairing differences in home values and homeownership rates, is as high as 56.1% in Los Angeles and 50.2% in San Francisco. Addressing the down payment barrier for first-time homebuyers has the potential to help households of color access the intergenerational wealth creation and economic security that homeownership enables.

As demonstrated by the 2,400 new homeowners supported by the program's launch, the California Dream for All program is an important tool to allow first-time homebuyers to become homeowners. We are encouraged to know that the important work of assessing the results of the initial allocation is underway, and stand ready to support any recommendations to ensure the long-term success of the program and the equitable distribution of funding to households most in need throughout the state.

Thank you for your consideration and please do not hesitate to contact us if we can be of further assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read 'A. Boone'.

Anna Boone
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Zillow Group
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c.c. Senator Scott Wiener, Chair, Senate Housing Committee
Assemblymember Buffy Wicks, Chair, Assembly Housing & Community Development Committee