

April 24, 2023

Regulations Division, Office of General Counsel
Department of Housing and Urban Development
451 7th Street SW, Room 10276
Washington D.C., 20410-0500

RE: Docket No. FR-6250-P-01
Proposed Rule - *Affirmatively Furthering Fair Housing*

To Whom It May Concern:

Zillow appreciates the opportunity to comment on the Department of Housing and Urban Development (HUD) Proposed Rule on Affirmatively Furthering Fair Housing (AFFH). The AFFH Rule, originally enacted during the Obama Administration, was intended to bring life and clarity to the promise of the 1968 Fair Housing Act and guide state and local governments and other recipients of HUD funding toward ensuring more equitable access to housing in their communities. By expanding equitable access to housing, communities can expand access to a wide array of opportunities for individuals of all racial and socio-economic backgrounds and abilities.

Zillow was founded to empower consumers with the knowledge and information they need to move by bringing transparency to a traditionally opaque real estate market. Over time, our mission has expanded to provide consumers with a suite of tools to make both access to rental housing and the home buying process easier. In striving to make home a reality for more and more people, Zillow relies on a housing system that must be as fair and equitable as possible, and we support efforts to ensure continued improvement in these areas.

Zillow commends HUD for its continued focus on fair housing and its efforts to “overcome patterns of segregation, promote fair housing choice, eliminate disparities in opportunities, and foster inclusive communities free from discrimination” through the proposed AFFH Rule. We agree that establishing reasonable requirements for program participants to develop an Equity Plan for their communities while simplifying the required analysis and encouraging program participant collaboration will lead to more equitable housing outcomes. By prioritizing public engagement and improving the acceptance process, the Rule will ultimately benefit communities that have been historically disadvantaged from accessing housing and expand access to the myriad opportunities that come along with access to quality housing.

Zillow’s research has shown that limiting opportunities for people of color and those with lower incomes to segregated neighborhoods often limits their access to healthcare services, parks,

playgrounds, stores, banks, and other amenities.¹ These limitations on access can be detrimental to overall quality of life and tend to limit opportunity.

Zillow welcomes HUD's focus on addressing unequal access to homeownership in this Rule. Unfortunately, the impacts of past, explicitly racially biased housing policies, such as redlining, continue to manifest decades later in today's housing market, perpetuating segregation and limiting advancement of historically disadvantaged communities. Even while we have seen some recent progress, like the Black-white homeownership gap narrowing modestly² in the past few years, median home values in historically redlined neighborhoods are often lower³ than the values of those in non-redlined areas. This means that most Black people who achieve home ownership do not benefit from the same level of wealth accumulation as their white counterparts.

Zillow supports HUD's effort to use the proposed AFFH Rule to identify the policies, such as zoning that prevents development of rental and affordable housing and unequal mortgage and credit access, that limit fair and equitable access to housing. We agree that requiring deliberate, measurable effort to address these policy problems will benefit not only those from historically disadvantaged communities but the overall housing market. By allowing flexibility instead of a one-sized approach, HUD's proposed Rule has the best potential to achieve its goals. Zillow looks forward to continuing to partner with HUD and policymakers nationwide to identify innovative solutions to fulfill the promise of the Fair Housing Act and bring equality to the real estate marketplace.



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¹ See *Opinion: Trump says he is trying to save the suburbs. He is actually hurting black homeownership* at: <https://www.zillowgroup.com/news/gudell-opinion-trump-plan-will-hurt-black-homeownership/>.

² See *Black-White Homeownership Gap Narrows During Pandemic* at <https://www.zillow.com/research/black-white-homeownership-gap-32288/>.

³ See *Home Values Remain Low in Vast Majority of Formerly Redlined Neighborhoods* at <https://www.zillow.com/research/home-values-redlined-areas-19674/>.