

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

AB 57 (McKinnor)
Version: June 24, 2025
Hearing Date: July 8, 2025
Fiscal: Yes
Urgency: No
AWM

SUBJECT

California Dream for All Program: descendants of formerly enslaved people

DIGEST

This bill requires the California Housing Finance Agency (CalHFA) to set aside 10 percent of the funds under the California Dream for All Program for applicants who are descended from formerly enslaved persons, as specified.

EXECUTIVE SUMMARY

In 2020, the Legislature passed, and the Governor signed, SB 3121 (Weber, Ch. 319, Stats. 2020), which established the first-in-the nation Task Force to Study and Develop Reparation Proposals for African Americans, with a Special Consideration for African Americans Who are Descendants of Persons Enslaved in the United States (Task Force) to study and develop reparations proposals for California's role in accommodating and facilitating slavery, perpetuating the vestiges of enslavement, enforcing state-sanctioned discrimination, and permitting pervasive, systematic structures of discrimination against African Americans. The Task Force completed its work and issued its final report in 2023. The report contains a number of recommended remedies the state could implement in order to atone for its decades of state-sanctioned white supremacy.

This bill implements one of the Task Force's goals relating to homeownership for descendants of American chattel enslaved person. Even after the institution of slavery was abolished, decades of federal and state policies that explicitly favored white people left a homeownership gap that significantly affected the ability of descendants to build generational wealth. To help close that gap, this bill requires CalHFA to set aside at least 10 percent of California Dream for All funds for persons certified as descendants of formerly enslaved persons by the Bureau for Descendants of American Slavery (Bureau). The bill is contingent upon the passage of SB 518 (Weber Pierson, 2025), which creates the Bureau and requires it to establish a process for certifying descendants of persons who were enslaved in the United States.

This bill is sponsored by the author and is supported by the Alliance for Reparations, Reconciliation, and Truth; Asian Americans and Pacific Islanders for Civic Empowerment; Black Californians United for Early Care & Education; the Black Equity Collective; the California Black Power Network; California Civil Liberties Advocacy; the California Teachers Association; Catalyst California; CFT – A Union of Educators & Classified Professionals, AFT, AFL-CIO; Congregations for Organized for Prophetic Engagement; the Greater Sacramento Urban League; the Japanese American Citizens League, Berkeley Chapter; Live Free California; the Multi-faith ACTION Coalition; the NAACP California-Hawai'i Conference; the Prevention Institute; the Santa Monica Democratic Club; Where Is My Land; and five individuals, including three former Task Force members. The Committee has not received timely opposition to this bill. The Senate Housing Committee passed this bill with a vote of 7-2.

PROPOSED CHANGES TO THE LAW

Existing constitutional law:

- 1) Provides for equal protection under the law as follows:
 - a) Under the United States Constitution, provides that no state shall deny to any person within its jurisdiction the equal protection of the laws. (U.S. Const., 14th Amend., § 1.)
 - b) Under the California Constitution, provides that a person may not be denied the equal protection of the laws, and that a citizen or class of citizens may not be granted privileges or immunities not granted on the same terms to all citizens. (Cal. Const., art. I, § 7.)
- 2) Provides that the State shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting. (Cal. Const., art. I, § 31.)

Existing federal law:

- 1) Acknowledges that a grave injustice was done to U.S. citizens and permanent residents of Japanese ancestry by the evacuation, relocation, and internment of civilians during World War II, which were motivated largely by racial prejudice, wartime hysteria, and a failure of political leadership; and that the interned individuals of Japanese ancestry suffered enormous damages, both material and intangible, as a result of the fundamental violations of their basic civil liberties and constitutional rights. (50 U.S.C. § 4202(a).)
- 2) Provided, as restitution for 1), a payment of \$20,000 to each individual of Japanese ancestry who was a U.S. citizen or permanent resident and was subjected to

internment during World War II, as specified; or, if the person is deceased, to their surviving spouse, child, or parent. (50 U.S.C. §§ 4215, 4218.)

- 3) Established the Civil Liberties Public Education Fund within the U.S. Treasury, which expired ten years after its creation, for the purpose of distributing the funds under 2). (50 U.S.C. § 4214.)
- 4) Acknowledges that the United States forcibly relocated Aleut civilian residents of the Pribilof Islands and the Aleutian Islands west of Unimak Island during World War II to temporary camps in isolated regions of Southeast Alaska, where the United States failed to provide reasonable care for the Aleuts, resulting in widespread illness, disease, and death; and that the United States failed to protect Aleut personal and community property while the property was under its protection or control. (50 U.S.C. § 4202(b).)
- 5) Provided, as restitution for 4), the value of land taken from the Aleut; the establishment of a trust from which to pay for destroyed and damaged property; and \$12,000 to each eligible Aleut, subject to the availability of funds, as specified. (50 U.S.C. §§ 4233, 4235, 4236.)
- 6) Establishes the Aleutian and Pribilof Islands Restitution Fund to fund 5). (50 U.S.C. § 4233.)

Existing state law:

- 1) Establishes the California Dream for All Program to provide shared appreciation loans to qualified first-time homebuyers who are low- and moderate-income and purchasing owner-occupied homes. (Health & Saf. Code, § 51523(a).)
- 2) Requires CalHFA to administer the California Dream for All Program, subject to the availability of funds, consistent with specified goals, including expanding opportunities for California households to accumulate wealth for themselves and their families and establishing a revolving, shared appreciation first-time homebuyer program with the goal of eventually providing up to \$1 billion per year for first-time homebuyers. (Health & Saf. Code, § 51523.)
- 3) Requires CalHFA to submit a report to the Legislature, on an annual basis, providing the details of the California Dream for All Program implementation, including the number of loans made and the characteristics of the borrowers. (Health & Saf. Code, § 51526.)
- 4) Provides that no person in the State of California shall, on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status,

or sexual orientation, be unlawfully denied full and equal access to the benefits of, or be unlawfully subjected to discrimination under, any program or activity that is conducted, operated, or administered by the state or by any state agency, is funded directly by the state, or receives any financial assistance from the state.

Former state law established the Task Force to develop reparations proposals for African Americans, with special consideration for African Americans who are descended from persons enslaved in the United States, and provided that the Task Force statutes would remain in effect until July 1, 2023, and as of that date be repealed. (former Gov. Code, §§ 8301-8301.7, repealed by Gov. Code § 8301.7.)

This bill:

- 1) Provides that, upon establishment of the certification process for descendants of American slavery established by the Bureau, at least 10 percent of the moneys in the fund shall be reserved for applicants who meet the requirements for a loan under the program and have been certified as descendants of formerly enslaved people by the Bureau.
- 2) Provides that 1) shall become effective only if SB 518 (Weber Pierson, 2025) is enacted, takes effect on or before January 1, 2026, and establishes the Bureau.
- 3) Makes nonsubstantive technical and conforming changes.

COMMENTS

1. Author's comment

According to the author:

The purpose of AB 57 is to address the long-standing racial wealth gap by improving access to homeownership for descendants of formerly enslaved people. Historic and systemic discrimination has prevented Black Californians from acquiring and passing down wealth through homeownership. By reserving a portion of home purchase assistance funds, this bill provides targeted support to help rectify these injustices and promote economic mobility.

2. The Task Force's report and recommendations

In 2020, the Legislature enacted AB 3121 (Weber, Ch. 319, Stats. 2020), which created the first-in-the-nation Task Force to explore options for providing reparations to African Americans, and particularly the descendants of enslaved persons, in recognition of California's role in the heinous institution of slavery and the post-abolition

perpetuation of racist institutions.¹ The Task Force released an interim report on June 1, 2022, which provided the Task Force’s preliminary findings regarding the ongoing and compounding harms caused by federal, state, and local governments from slavery and the “ ‘badges and incidents of slavery’ ” that continued to be imposed on African Americans long after slavery was formally abolished.² The report notes that, because “the effects of slavery infected every aspect of American society over the last 400 years...it is nearly impossible to identify every ‘badge and incident of slavery,’ to include every piece of evidence, or describe every harm done to African Americans.”³

On June 29, 2023, the Task Force issued its final report to the California Legislature, known as the California Reparations Report.⁴ The California Reparations Report incorporates and updates the interim report and recommends appropriate remedies, including compensation, for African Americans as recompense for the State’s gross human rights violations against African Americans and their descendants.⁵ The California Reparations Report explains:

[T]he harms inflicted upon African Americans have not been incidental or accidental – they have been by design. They are the result of an all-encompassing web of discriminatory laws, regulations, and policies enacted by government. These laws and policies have enabled government officials and private individuals and entities to perpetuate the legacy of slavery by subjecting African Americans as a group to discrimination, exclusion, neglect, and violence in every facet of American life. And there has been no comprehensive effort to disrupt and dismantle institutionalized racism, stop the harm, and redress the specific injuries caused to descendants and the larger African American community.⁶

The Task Force developed its recommendations for reparations taking into account this willful infliction of harm and applying international standards and principles for the remedy of wrongs and injuries caused by a government.⁷

Several of the Task Force’s recommendations related to the current inequality in homeownership, and by extension, generational wealth, that was caused by centuries of

¹ HR 40 (Pressley, 119th Cong., 2025-2026), a federal bill to create a federal commission to study the effects of slavery and discrimination on African Americans and devise reparations proposals, is pending before the House Committee on Judiciary. The bill has been introduced every year since 1989.

² California Task Force to Study and Develop Reparation Proposals for African Americans, Interim Report (June 1, 2022), available at <https://oag.ca.gov/ab3121/report>. All links in this analysis are current as of July 3, 2025.

³ *Id.* at p. 5.

⁴ See generally California Reparations Report (2023), available at <https://oag.ca.gov/ab3121/report>.

⁵ *Id.* at p. 4.

⁶ *Id.* at p. 48.

⁷ *Id.* at p. 512.

white supremacist housing policies.⁸ For example, as the California Reparations Report notes, the federal government issued \$120 billion in home loans between 1934 and 1962, and 98 percent of those funds went to white borrowers; in some parts of the state, less than one percent of federal loan funds went to African Americans.⁹ The disproportionate allocation of government handouts to white people in the 20th century is a major contributor to the racial home ownership gap today.¹⁰

3. Background on the California Dream for All Program

As explained by the Senate Housing Committee's analysis of this bill:

CalHFA is the state's affordable housing bank. It borrows money from the private financial market at below-market interest rates by issuing tax-exempt revenue bonds, then passes these interest rate savings on to low- and moderate-income first-time homebuyers and affordable rental housing developers by offering below-market-rate mortgages. These bonds are backed only by CalHFA revenues, not by the state General Fund. CalHFA also provides down payment assistance in the form of deferred, "silent second" mortgages (i.e., the borrower makes no monthly payments but repays the loan at sale or refinance) for families who need extra assistance achieving homeownership. In order to be eligible for CalHFA's down payment assistance programs, the applicant must be: (a) be a first-time homebuyer; (b) occupy the property as a primary residence (non-occupant co-borrowers are not allowed); (c) complete homebuyer education counseling and obtain a certificate of completion through an eligible homebuyer counseling organization; and (d) meet CalHFA income limits for this program. Eligible properties include: single-family, one-unit residences, including approved condominiums; guest houses, granny units and in-law quarters; or manufactured housing...

The Legislature created the California Dream for All Program in the 2022-23 budget. This program authorizes CalHFA to provide shared-appreciation loans to help low- and moderate-income first-time homebuyers achieve homeownership by assisting with down payments and closing costs. In order to be eligible for California Dream for All, each borrower must be a first-time homebuyer; be either a citizen or other National of the United States, or a "Qualified Alien" as defined under federal law (e.g., a refugee, an individual who has been granted asylum, or a lawful permanent resident); and meet specified credit, income, and loan requirements, including Fannie Mae underwriting goals.¹¹ In addition, at least one borrower must be a first-

⁸ *Id.* at pp. 705-712.

⁹ *Id.* at p. 707.

¹⁰ *Ibid.*

¹¹ The Federal National Mortgage Association (Fannie Mae) is a government-sponsored enterprise, under the conservatorship of the Federal Housing Finance Agency (FHFA), which purchases mortgages from

generation homebuyer and a current California resident. This is defined as either (1) an applicant who has not been on title, held an ownership interest, or been named on a mortgage to a home in the US in the last seven years and whose parents (biological or adoptive) have not or did not own a home, or (2) an applicant who has at any time been placed in foster care or institutional care.

4. This bill requires at least 10 percent of California Dream for All funds to be reserved for qualified applicants who are certified descendants of American slaves

This bill is intended to further the Task Force’s goals of providing reparations to descendants of American slaves who were shut out of homeownership due to overtly white supremacist policies. Specifically, the bill requires 10 percent of the California Dream for All funds to be set aside for persons who have been certified by the Bureau as descendants of American slaves.

The Bureau is the subject of another pending bill, SB 518 (Weber Pierson, 2025), which this Committee passed with a vote of 11-2 and which is currently pending before the Assembly Appropriations Committee. SB 518 requires the Bureau to, among other things, develop a process to certify individuals as descendants of American enslaved persons. SB 518 defines a “descendant” as a person who can trace their direct lineage to a person who, prior to 1900, was subjected to American chattel slavery and who meets at least one of the following criteria: (1) they were emancipated through legal or extralegal means, including self-purchase, manumission, legislative action, military service, or judicial ruling; (2) they obtained freedom through gradual abolition statutes or constitutional amendments; (3) they were classified as a fugitive from bondage under federal or state law; (4) they were deemed contraband by military authorities; or (5) they rendered military or civic service while subject to legal restrictions based on ancestry historically associated with slavery. This bill will not become effective unless and until SB 518 is enacted and the Bureau begins certifying descendants.

5. Constitutional considerations

Although the Committee did not receive timely opposition to this bill, opposition argued in other committees that this bill will violate the state and federal equal protection clauses,¹² so those arguments are worth addressing here. First, the bill does not define “descendant of a formerly enslaved person” at all, but rather defers to the Bureau’s certification process based on the definition in SB 518, which is different than the definition recommended by the Task Force. As noted above, the definition in SB 518 is race-neutral and based only on a person’s relationship to a person who was subjected to American chattel slavery.

lenders to free up the money they need to make other mortgage loans, thereby ensuring the ongoing availability of affordable mortgages.

¹² See U.S. Const., 14th amend., § 1; Cal. Const., art I, § 7.

To the extent those opponents argued that “descendant” status is merely a fig’s leaf for a racial classification, this misunderstands both the meaning of descendant status and race as it is understood in America. Even if we assume the Bureau adopts a definition of “descendant of a formerly enslaved person” that is connected to chattel enslavement as was practiced in the United States prior to the Civil War, this definition would not encompass all Black people in the state, nor would it be limited to Black people. First, many Black persons living in the United States today are not descended from chattel enslaved persons, but are rather immigrants themselves or are descended from immigrants who came to the United States in the 20th century; they would not qualify as descendants.¹³ Second, because race is, fundamentally, a social construct dependent in part on phenotypical generalizations, it is a virtual certainty that multiracial individuals who do not “look Black” will qualify as descendants.¹⁴ Race, i.e., Blackness, is neither necessary nor sufficient to qualify as a descendant.

The definition to be adopted by the Bureau is thus akin to the program established to provide reparations to the victims, or their descendants, of the United States’ internment of persons of Japanese descent during World War II.¹⁵ There is a nationality-based – or here, race-based – categorization that arises from the original injury; that is unavoidable when the underlying motivation for the harm was racism. The criteria for eligibility for reparations, however, are not tied to the race of the recipient, but rather to the recipient’s relationship to a person harmed. The bill, therefore, does not plainly violate the requirements of equal protection, or the more stringent Proposition 209’s prohibition on discrimination or preferential treatment “on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.”¹⁶

6. Arguments in support

According to the Alliance for Reparations, Reconciliation, and Truth:

As documented in Chapter Five: Housing Segregation, in The Final Reparations Task Force Report, the legacy of slavery and systemic racism in the United States and here in California has resulted in significant disparities in homeownership and wealth accumulation for descendants of U.S. chattel slavery. Homeownership is one of the most effective ways to build generational wealth,

¹³ For example, immigrants from countries in Africa were not given the right to become naturalized U.S. citizens until 1952. (See 66 Stat. 163 (1952) (the Immigration and Nationality Act of 1952, or the McCarran-Walter Act).)

¹⁴ A substantial portion of the Black people in America have so-called “white” ancestry because their ancestors were enslavers who raped enslaved women with impunity. (California Reparations Report, *supra*, at p. 436.)

¹⁵ See 50 U.S.C. § 4202.

¹⁶ Cal. Const. art. I, § 31 (added by initiative measure (Prop. 209, approved Nov. 5, 1996), eff. Nov. 6, 1996). ACA 7 (Jackson, 2024) would have asked the voters to repeal Proposition 209; the resolution died in this Committee.

but continued discriminatory policies after the end of slavery, including redlining, racial covenants and inequitable access to credit have historically excluded descendants and the larger African American community as a group from these opportunities. Today, the homeownership gap persists, with the descendants lagging behind while White households in homeownership rates increased by approximately 30 percentage points.

Building upon the legacy of the Reparations Task Force, AB 57 is an important step toward ensuring that descendants have the opportunities to close the wealth gap and achieve economic stability. Existing law provides for the Home Purchase Assistance Program, which assists low- and moderate-income homebuyers in purchasing owner-occupied homes.

SUPPORT

Alliance for Reparations, Reconciliation, and Truth
Asian Americans and Pacific Islanders for Civic Empowerment
Black Californians United for Early Care & Education
Black Equity Collective
California Black Power Network
California Civil Liberties Advocacy
California Teachers Association
Catalyst California
CFT – A Union of Educators & Classified Professionals, AFT, AFL-CIO
Congregations for Organized for Prophetic Engagement
Don Tamaki, former Task Force Member
Dr. Cheryl Grills, former Task Force Member
Greater Sacramento Urban League
Japanese American Citizens League, Berkeley Chapter
Lisa Holder, former Task Force Member
Live Free California
Multi-faith ACTION Coalition
NAACP California-Hawai'i Conference
Prevention Institute
Santa Monica Democratic Club
Where Is My Land
Two individuals

OPPOSITION

None received

RELATED LEGISLATION

Pending legislation: SB 518 (Weber Pierson, 2025) establishes the Bureau for Descendants of American Slavery within state government, contingent upon an appropriation by the Legislature, and establishes the Bureau's duties relating to determining an individual's status as a descendant, as defined, and to reviewing and investigating complaints of property taken as a result of racially motivated eminent domain. SB 518 is pending before the Assembly Appropriations Committee

Prior legislation:

SB 1403 (Bradford, 2024) would have established the California Freedmen Affairs Agency which would, among other things, implement and oversee the implementation of the recommendations of the Task Force. SB 1403 died on the Assembly Floor.

SB 1331 (Bradford, 2024) would have established the Fund for Reparations and Reparative Justice in the State Treasury with the purpose of funding policies approved by the Legislature and the Governor that address the harm that the State of California caused to descendants of an African American chattel enslaved person or descendants of a free Black person living in the United States prior to the end of the 19th century. SB 1331 died on the Assembly Floor.

SB 1050 (Bradford, 2024) would have established a procedure by which a dispossessed owner, as defined, of property that was taken as a result of racially motivated eminent domain, as defined, could apply for the return of the property, property of equal value, or compensation. SB 1050 was vetoed by the Governor, who stated in his veto message that, while he applauded the author's "commitment to redressing past racial injustices," the bill "task[ed] a nonexistent state agency to carry out its various provisions and requirements, making it impossible to implement."

SB 1007 (Bradford, 2024) would have established the Homeowner's Assistance for Descendants of Enslaved Persons Program to make financial aid or assistance available to descendants for the purposes of purchasing, owning, or maintaining a home. SB 1007 died in the Senate Appropriations Committee.

SB 490 (Bradford, 2024) would have established the California Freedmen Affairs Agency which would, among other things, implement and oversee the implementation of the recommendations of the Task Force. SB 490 died in the Assembly Judiciary Committee.

AB 3121 (Weber, Ch. 319, Stats. 2020) established the Task Force and its mission, with a sunset date of July 1, 2023.

PRIOR VOTES:

Senate Housing Committee (Ayes 7, Noes 2)

Assembly Floor (Ayes 52, Noes 10)

Assembly Appropriations Committee (Ayes 11, Noes 1)

Assembly Judiciary Committee (Ayes 9, Noes 2)

Assembly Housing and Community Development Committee (Ayes 8, Noes 0)
