




Office of the City Manager

January 19, 2024

To: Honorable Mayor and Members of the City Council
From:  Dee Williams-Ridley, City Manager
Subject: Housing Preference Policy Implementation

This memo provides the City Council with an update on the implementation of the Housing Preference Policy, which went into effect on January 1, 2024, and will provide Berkeley residents with another tool to facilitate staying in or returning to our community.

Berkeley's Housing Preference Policy

The City Council adopted the Housing Preference Policy on July 11, 2023, to give priority in affordable housing lotteries to households who faced or are facing displacement.

Applicants will still need to qualify for project-specific income and household size requirements. If they do, applicants are eligible for preferences in Berkeley if:

- The applicant, or a parent, grandparent, or great-grandparent lost their home due to the construction of BART in the 1960s and 1970s in Berkeley
- The applicant was displaced due to foreclosure in Berkeley since 2005
- The applicant has at least one child aged 17 or under in their household
- The applicant is a current or former resident of a [formerly redlined neighborhood](#) in Berkeley
- The applicant is a child or grandchild of someone who lived in a formerly redlined neighborhood in Berkeley
- The applicant was evicted in a no-fault or non-payment eviction in Berkeley within the past seven years
- The applicant is at risk of homelessness in Berkeley; *or* the applicant is homeless in Berkeley, or homeless with a prior address in Berkeley, and is not being prioritized for Permanent Supportive Housing (housing with supportive services to help homeless and disabled households achieve stability).

Implementation

The City is working with affordable housing providers to incorporate preferences into new rental housing applications for Housing Trust Fund and Below Market Rate units. In addition, the preferences are also incorporated into the Alameda County Housing Portal's uniform pre-application to facilitate an efficient process for applicants and property managers.

The HPP will apply to a portion of units in affordable housing projects across the city.

Preferences will not apply to units matched with case-management services that do not use a lottery system (e.g., permanent supportive housing for homeless households). The preferences will be applied to a maximum of 75% of lottery units, which is a limit that was determined for Berkeley's program through a quantitative fair housing analysis. Fair Housing law requires disparate impact analysis for some preferences to assess whether any racial groups would be inadvertently disproportionately impacted by the policy, and that was completed last year for this program. The remaining 25% of lottery units will be leased up through a lottery process without prioritization by preference.

Verifying Preferences

The City is using two approaches to check applicant preferences and make the rental housing application process efficient: certificates and lease-up verification. Applicants may apply for verification certificates for select preferences before submitting a housing application. Applying for a preference certificate may require getting documents from different agencies, and applying early can make the application process faster.

Certificates will be provided for applicants who qualify for two preferences: the BART Construction Displacement Preference and the Foreclosure Preference. The City has created a database of individuals who lost their homes due to BART construction in the 1960s and 1970s, which will help verify the certificate applications. These certificates will verify the preference if a household is selected for a lease opportunity. Applicants can apply for these certificates at any time and are encouraged to apply prior to applying for housing. Applications and more information are available on the City's [Housing Preference Policy webpage](#)¹.

The remaining preferences will be verified if a household is selected for a lease opportunity. Applicants will be required to provide appropriate documentation to verify their eligibility. The Housing Portal pre-application and the HPP webpage link to a map of Berkeley's formerly redlined neighborhoods. Applicants can use the map to check if they are eligible for the redlined preferences by entering their address on the map.

The City engaged affordable housing providers throughout policy development and implementation planning to facilitate an efficient, inclusive process.

¹ <https://berkeleyca.gov/housing-preferences>

Outreach and Education

The City is conducting outreach to ensure that potential applicants understand the policy and how they may benefit from it. Outreach efforts will focus on reaching current Berkeley residents who may qualify, as well as people who have been displaced from Berkeley and wish to return. The City's website has more than one million web users on an annual basis. The City is leveraging the strength of its digital footprint through community messages about the policy and a new HPP webpage. The City will host info sessions about the policy, distribute materials about the policy in the community, and host appointments for assistance with certificate applications. The City is also partnering with Healthy Black Families (HBF) to leverage their expertise and relationships to reach displaced former residents of Berkeley residents as well as those currently facing pressure of displacement in our city.

Implementing Preferences at Maudelle Miller Shirek Affordable Housing

The preferences will be implemented for the first time at Maudelle Miller Shirek, an 86-unit affordable housing rental project in the heart of South Berkeley. The building honors Maudelle Miller Shirek, a Berkeley leader and City Council member representing South Berkeley for eight terms. This project is under development by Resources for Community Development (RCD) and funded by Berkeley's Housing Trust Fund. Other financing partners include the State of California's Department of Housing and Community Development, the California Tax Credit Allocation Committee, the Federal Home Loan Bank of San Francisco, and Bank of America. The project will include ground floor office space for Healthy Black Families. RCD anticipates beginning the leasing process in late January 2024, and construction is anticipated to finish in Spring 2024. Potential applicants can learn more about the project and sign up for notifications [from RCD](#)².

Addressing Displacement through the Housing Preference Policy

The City supports more than 20 anti-displacement-focused initiatives through affordable housing preservation, protection, and production. This includes robust renter protections, innovative homeless services programs, support for community land trusts, and the "Small Sites" acquisition and preservation program. The City has committed its \$135M Measure O affordable housing bond and additional funds from the Housing Trust Fund to a pipeline of more than 1,000 affordable units.

Despite these initiatives, displacement pressures continue to impact the community, especially Berkeley's communities of color and low-income residents:

- Approximately 83% of areas currently undergoing or at risk of displacement in the East Bay were formerly redlined neighborhoods.
- Between 2005 and 2019, the median gross rent paid in Berkeley increased by over 50%.

² <https://rcdhousing.org/find-housing>

- Between 2005 and 2019, households earning at least \$200,000 a year increased by 124%, while households earning less than \$75,000 a year decreased by 23%.

Berkeley continues to innovate and identify new ways to stem displacement.

A Community Driven Policy

The HPP results from extensive community engagement and leadership by the City's community partners, Healthy Black Families (HBF) and East Bay Community Law Center (EBCLC), through a Partnership for the Bay's Future Challenge Grant. This process reflects policy design driven by a collaborative, community-led process, from outreach to policy development. The HPP was informed by a Community Leaders group of local community-based organizations, a targeted displacement-focused survey led by HBF, a city-wide survey on Berkeley Considers, and community workshops led by HBF.

The HPP reflects the collective work of community partners, residents, and the City to adopt a policy reflective of the Berkeley community's values and priorities.

To help with outreach, please use our [community message](#), as well as pending and future messages on our social media channels. For more information and resources, you can also visit our [Housing Preference web page](#)³.

cc: Lisa Warhuus, Director, Health, Housing, and Community Services
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Jenny Wong, City Auditor
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³ <https://berkeleyca.gov/housing-preferences>