



Housing Advisory Commission

HOUSING ADVISORY COMMISSION

AGENDA

Special Meeting Thursday, February 3, 2022 7:00 pm	Mike Uberti, Secretary HAC@cityofberkeley.info
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PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED EXCLUSIVELY THROUGH VIDEOCONFERENCE AND TELECONFERENCE

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this meeting of the Housing Advisory Commission will be conducted exclusively through teleconference and Zoom videoconference. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, there will not be a physical meeting location available.

To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device use: <https://us06web.zoom.us/j/89379728829>. If you do not wish for your name to appear on the screen, then use the drop down menu and click on "rename" to rename yourself to be anonymous. To request to speak, use the "raise hand" icon on the screen.

To join by phone: Dial US: 1-669-900-6833 and Enter Meeting 893 7972 8829. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair.

Written communications submitted by mail or e-mail to the Housing Advisory Commission by 5:00 p.m. the day before the meeting will be distributed to the members of the Committee in advance of the meeting and retained as part of the official record. City offices are currently closed and cannot accept written communications in person.

All agenda items are for discussion and possible action.

Public comment policy: Members of the public may speak on any items on the Agenda and items not on the Agenda during the initial Public Comment period. Members of the public may also comment on any item listed on the agenda as the item is taken up. Members of the public may not speak more than once on any given item. The Chair may limit public comments to 3 minutes or less.

1. **Roll Call**
2. **Agenda Approval**
3. **Public Comment**
4. **Approval of the November 4, 2021 Special Meeting Minutes** (Attachment 1)
5. **Officer Elections - All/Staff** (Attachment 2)
6. **Receive Presentation on a Housing Preference Policy - All/Staff** (Attachment 3)

7. Update on Council Items (Future Dates Subject to Change) – All/Staff

8. Announcements/Information Items

9. Future Items

10. Adjourn

Attachments

1. Draft November 4, 2022 Special Meeting Minutes
2. Mike Uberti, HHCS, February Officer Elections
3. Anna Cash, HHCS, Housing Preference Policy

Communications to Berkeley boards, commissions or committees are public record and will become part of the City’s electronic records, which are accessible through the City’s website. Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to a City board, commission or committee, will become part of the public record. If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the Secretary of the commission. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the Secretary for further information.

Written communications addressed to the Housing Advisory Commission and submitted to the Commission Secretary will be distributed to the Commission prior to the meeting. This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Any member of the public may attend this meeting. Questions regarding this matter may be addressed to Mark Numainville, City Clerk, (510) 981-6900.

COMMUNICATION ACCESS INFORMATION:



To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the Disability Services specialist at (510) 981-6418 (V) or (510) 981-6347 (TDD) at least three business days before the meeting date.



HOUSING ADVISORY COMMISSION
Thursday, November 4, 2021

Housing Advisory Commission

Time: 7:02 pm
Held via Video and
Teleconference

Secretary – Mike Uberti
HAC@cityofberkeley.info

DRAFT MINUTES

1. Roll Call

Present: Sara Fain, Xavier Johnson, Libby Lee-Egan, Debbie Potter, Ainsley Sanidad, Maryann Sargent, Leah Simon-Weisberg.

Absent: Mari Mendonca (excused) and Alexandria Rodriguez (unexcused).

Commissioners in attendance: 7 of 8

Staff Present: Rhianna Babka, Mike Uberti, and Jenny Wyant.

Members of the public in attendance: 25

Public Speakers: 13

2. Agenda Approval

Action: M/S/C (Potter/Simon-Weisberg) to approve the agenda.

Vote: Ayes: Fain, Johnson, Lee-Egan, Potter, Sanidad, Sargent, and Simon-Weisberg.
Noes: None. Abstain: None. Absent: Mendonca (excused) and Rodriguez (unexcused).

3. Public Comment

There was one speaker during public comment.

4. Approval of the September 30, 2021 Special Meeting Minutes

Action: M/S/C (Lee-Egan/Rodriguez) to accept the September 30, 2021 Special Meeting Minutes.

Action: M/S/C (Potter/Simon-Weisberg) to approve the September 30, 2021 Special Meeting Minutes.

Vote: Ayes: Fain, Johnson, Lee-Egan, Potter, Sanidad, Sargent, and Simon-Weisberg.
Noes: None. Abstain: None. Absent: Mendonca (excused) and Rodriguez (unexcused).

5. Discussion and Possible Action to Recommend a Substantial Amendment to the PY 2021 Annual Action Plan to accept the HOME-ARP funds for a Project HomeKey proposal

Public Comment: 1

Action: M/S/C (Simon-Weisberg/Potter) to recommend Council approve an amendment to the PY2021 (FY22) Annual Action Plan to allow for a one-time allocation of \$2,735,696 of HOME Investment Partnerships Program – American Rescue Plan

(HOME-ARP) funds, and that said funds are prioritized for a State of California Housing and Community Development Homekey Program project.

Vote: Ayes: Fain, Johnson, Lee-Egan, Potter, Sanidad, Sargent, Simon-Weisberg.

Noes: None. Abstain: None. Absent: Mendonca (excused) and Rodriguez (unexcused).

6. Discussion and Possible Action to Adopt the Housing Trust Fund Subcommittee's Funding Recommendations for the 2021 Housing Trust Fund Request for Proposals

Public Comment: 9

Action: M/S/C (Lee-Egan/Potter) to recommend that Council:

1. Fund the following proposals at the following levels:
 - Ashby Lofts (2909-2919 Ninth / Satellite Affordable Housing Associates / SAHA) at \$850,000
 - Ephesians Legacy Court (1708 Harmon / Community Housing Development Corporation / CHDC) at \$2,500,000
 - MLK House (2942-2944 MLK / Resources for Community Development / RCD) at \$1,178,974
 - St Paul Terrace (2024 Ashby / Community Housing Development Corporation / CHDC) at \$2,500,000
 - Supportive Housing in People's Park (2556 Haste / Resources for Community Development / RCD) at \$14,359,593 (including up to \$3M for predevelopment)
2. Reserve the balance of approximately \$13M dollars for a CHDC project to be determined based on the project's readiness and feasibility, and with the intent that once further predevelopment work has been completed, the City Manager, CHDC, and the HTF Subcommittee work together to recommend a specific project for fund reservation.
3. Prioritize future housing funds (including, but not limited to, HTF and Measure O funds) for the CHDC project not funded through this RFP.
4. Make a forward reservation of the following funds, in addition to currently available housing funds in the RFP:
 - a. Up to \$17M in Measure O bond funds from the third issuance (anticipated in 2025); and
 - b. Up to \$2.5M in FY2023 general funds from Measure U1
5. Condition predevelopment funding for new construction projects on site control;
6. Authorize the City Manager to refinance existing HTF development loans and predevelopment loans for each project into new loans with terms consistent with the HTF Guidelines;
7. Approve the following waivers of the HTF Guidelines for MLK House:

- a. Waive Section IV.C.1 to allow a subsidy in excess of 40% of total development costs; and
 - b. Waive Section IV.C.2 to allow an interest rate of 0% for the new loan (in line with Council's 2017 approval of 0% interest rate for the refinanced MLK House loan)
8. Allow Northern California Land Trust to submit a revised application for up to \$500k in Permanent Local Housing Allocation (PLHA) rehabilitation funds to support the renovation of 2207 Haste.
- a. Within 90 days of City Council action; and
 - b. With a scope of work consistent with renovations proposed, substantiated by an updated physical needs assessment.

Vote: Ayes: Fain, Johnson, Lee-Egan, Potter, Sanidad, Sargent, and Simon-Weisberg.
Noes: None. Abstain: None. Absent: Mendonca (excused) and Rodriguez (unexcused).

7. Discussion and Possible Action to Adopt Funding Recommendations for 2021 Educator Housing Notice of Funding Availability

Public Comment: 1

Action: M/S/C (Simon-Weisberg/Johnson) to recommend that Council fund the BUSD Workforce Housing project (1701 San Pablo / SAHA / Abode) at \$24.5M with the following conditions:

- Waive Section III.A.1 of the Housing Trust Fund Guidelines to allow the project to serve higher affordability levels in order to meet the needs of BUSD educators.
- Condition disbursement of funding on site control.

Vote: Ayes: Fain, Johnson, Lee-Egan, Potter, Sanidad, Sargent, and Simon-Weisberg.
Noes: None. Abstain: None. Absent: Mendonca (excused) and Rodriguez (unexcused).

8. Update on Council Items (Future Dates Subject to Change)

9. Announcements/ Information Items

10. Future Items

11. Adjourn

Action: M/S/C (Simon-Weisberg/Potter) to adjourn the meeting at 9:01 pm.

Vote: Ayes: Fain, Johnson, Lee-Egan, Potter, Sanidad, Sargent, Simon-Weisberg.

Noes: None. Abstain: None. Absent: Mendonca (excused) and Rodriguez (unexcused).

Approved:  _____, Mike Uberti, Secretary



Health Housing and
Community Services Department
Housing & Community Services Division

MEMORANDUM

To: Housing Advisory Commission

From: Mike Uberti, Community Development Project Coordinator

Date: February 3, 2022

Subject: **February Officer Elections**

Housing Advisory Commission (HAC) officer elections are held each year in February. The offices established in the Commissioner Manual are Chair and Vice Chair. The term for each office is one year. An individual Chair may serve a maximum of two consecutive terms and there are no term limits for the Vice Chair.

The Chair presides over meetings of the HAC, and has numerous responsibilities outside the meeting. These include:

- Drafting all Commission-approved reports and correspondence in accordance with the requirements and in a timely way, or coordinating with other Commissioners to do so;
- Approving the final version of each Commission-approved report and correspondence, signing them and submitting them to staff;
- Representing the HAC at Council meetings for all HAC adopted items sent to Council;
- Completing officer training;
- Meeting with staff to discuss the agenda each month;
- Approving the final agenda for each meeting; and
- Receiving media requests on behalf of the HAC, subject to numerous restrictions explained in the Commissioner Manual.

While the Commissions continues to meet remotely, it is also **the duty of the Chair to navigate and control public comment and commissioner discussion via Zoom.**

The Vice Chair participates in agenda setting as well, and fills in for the Chair when the Chair is not available. If you have questions, please consult the Commissioners

Manual: http://www.ci.berkeley.ca.us/Clerk/Commissions/Commissions_Commission_Manual.aspx

I am also available to answer additional questions.

Commissioners are allowed to nominate themselves or a fellow appointed commissioner. A vote will not be taken until all candidates are nominated.

A Vibrant and Healthy Berkeley for All



February 3, 2022

To: Housing Advisory Commission
From: Anna Cash, Partnership for Bay's Future Fellow, HHCS
Subject: Housing Preference Policy

SUMMARY

A Housing Preference Policy (HPP) will establish priorities (“Preferences”) for leasing new affordable housing units. Potential Preferences include assisting people with ties to Berkeley, households with children, and community members at risk of or experiencing homelessness. The HPP is intended to apply to units created by the City’s Below Market Rate (BMR) and Housing Trust Fund (HTF) programs.

As part of a Partnership for the Bay’s Future (PBF) Challenge Grant, the City of Berkeley worked with community partners East Bay Community Law Center (EBCLC) and Healthy Black Families (HBF) to engage in a community-driven process to inform the Housing Preference Policy.

This policy would not automatically apply to existing affordable units due to regulatory agreements that regulate specific properties. The policy’s applicability to HTF units may vary dependent on the use of state and/or federal funding sources that carry specific residency requirements. Fair Housing law requires a Disparate Impact Analysis for preferences. This analysis assesses how racial groups and protected classes will be impacted by a preference policy and determines what percentage of units can receive preferences without creating disparate impacts by race/class. Other funding agencies (county, state, federal) that contribute funding to the City’s nonprofit affordable housing need to approve this analysis before permitting use of a preference policy. Staff’s intent is for the policy to be applied to the maximum percentage of units permitted by Disparate Impact Analysis. Research from other cities shows that this analysis will limit the number of affordable housing units the policy can apply to; it will not be able to be applied to 100% of units. This analysis also has implications for the timeline of applying preferences to HTF units.

This memo focuses on policy options and the outreach and research conducted to develop these policy options. Staff is preparing a subsequent memo for a future meeting that will explore implementation considerations, including adoption, Disparate Impact Analysis, timeline, alignment with existing programs/policies, program implementation, and staffing.

BACKGROUND

Over the past several years, multiple community-based organizations in Berkeley have called for a preference policy to help address gentrification and displacement in Berkeley, particularly from the African American community in South Berkeley. In 2016, Council made a referral to develop Neighborhood Preference in Affordable Housing to reduce the impact of displacement. The Adeline Corridor Specific Plan prioritized the development of a local preference policy for affordable housing, specifically mentioning preference policy on potential future affordable units at the Ashby BART station. In 2019, the City Council made a referral to create policies to develop a “right to return” for Berkeley’s displaced residents, “especially People of Color, including the African American communities who have been displaced.” In 2020, with the support of the Mayor and two councilmembers, the City began a Partnership for the Bay’s Future Challenge Grant with a primary focus to develop a preference policy rooted in community engagement and research. Also in 2020, the City and BART Joint Vision & Priorities included a preference policy for future housing at Ashby and North Berkeley BART stations.

Research and Best Practices

Research from Other Cities

HHCS worked with a UC Berkeley graduate student in 2019 to research active preference policy frameworks and implementation in other cities. This includes case studies on preference policies in Santa Monica, Cambridge, San Francisco, Portland, and Oakland. The research also includes information on common preferences, legal considerations, staffing levels based on program design, documents used for eligibility, and ideas for implementation, particularly emphasizing the importance of data collection to measure policy effectiveness. This report is available on the City’s website:

https://www.cityofberkeley.info/uploadedFiles/Housing/Level_3_-_General/Preference%20Policy%20DCRP%20Report.pdf

As part of the 2020-2022 Challenge Grant, the PBF Fellow conducted additional interviews with City staff and other stakeholders in San Francisco, Santa Monica, Portland, Austin, and Minneapolis. These interviews complemented the existing research, focusing on community engagement in the policy design process, outreach for effective policy implementation, policy goals, policy design, and legal considerations. This analysis is incorporated into the policy options outlined in this memo, as well as considerations for implementation.

Challenge Grant Cohort

The PBF Fellow is engaging with other cities in the Partnership for the Bay’s Future Challenge Grant cohort who are developing preference policies, in order to share research and best practices. These include:

- East Palo Alto (adopted April 7, 2020): Local Preference Policy for living in East Palo Alto (with a durational requirement of three months that applies to inclusionary/BMR housing units only), working in East Palo Alto, and for involuntary displacement (natural disaster, code enforcement, domestic violence, and rent increases above 10%).

- Redwood City (adopted September 27, 2021): Live/Work Preference policy for households that live, formerly lived, work, or have been offered work in the City.
- San Jose (under development, referral in September 2020): Neighborhood Tenant Preference for renters who live in certain areas of the city that are undergoing or at-risk of displacement. The City is working on securing HCD approval for its preferences and working with allies to move forward State legislation to clarify the use of State funding on projects in jurisdictions with preference policies.

Demographic Analysis

Staff analyzed a live-work preference prioritizing those who live and/or work in Berkeley. Analysis of demographics in Berkeley and the surrounding county demonstrated that this type of preference would provide an advantage to white applicants, given the demographic change that has already taken place due to the displacement crisis. Berkeley has a much higher share of white households than the surrounding county, where low-income people of color have been displaced from Berkeley. In Berkeley, 50% of households who make <60% area median income (the typical threshold for affordable units) are white compared to 34% of households at this income level in Alameda County.

Community Engagement

The City's PBF Fellow worked with the PBF grant partners, the East Bay Community Law Center and Healthy Black Families, to solicit community input through outreach and engagement strategies, including:

- Community surveys: A targeted displacement-focused survey led by Healthy Black Families (HBF), and a city-wide survey hosted on Berkeley Considers;
- Outreach led by Healthy Black Families;
- A "Community Leaders Group" comprised of representatives from local community-based organizations and community groups.

Community Surveys

Two surveys were conducted in order to solicit broader community input on priorities for the Housing Preference Policy. HBF conducted a "Right to Stay, Right to Return" survey on displacement and wellbeing issues, which included questions on the Housing Preference Policy. This survey received 93 responses. Outreach for the HBF survey targeted the Black, displaced, and unhoused communities. The City conducted a city-wide survey hosted on Berkeley Considers, which focused specifically on designing the Housing Preference Policy. The Berkeley Considers survey received 549 responses. Full demographic analysis and breakdown of responses of each survey is included in Attachment 2.

In the Healthy Black Families survey, in response to the question "What experiences or criteria do you think should be used to prioritize affordable housing applications in Berkeley?", the most common overarching categories were: displaced residents, in particular Black applicants and applicants of color; financial need; race (Black, or people of color); families with children; and family history/ties to Berkeley. In the Berkeley

Considers survey, the top five most common responses for Preferences were: unhoused Berkeley residents, housed Berkeley residents, those displaced by government action, those with ties to redlined areas, and those displaced by no-fault evictions.

A majority of Berkeley Considers (BC) responses aligned with responses to the HBF survey. For example, both survey responses prioritize homelessness (63% of BC respondents ranked this as a top priority), displacement due to government action (40% of BC respondents ranked as a top priority), and those with ties to redlined areas (38% of BC respondents ranked this as a top priority). The Community Leaders Group's recommendations also build on the survey responses that call to establish a priority for families with children; 25% of Healthy Black Families survey respondents wrote in such a preference, and some Berkeley Considers respondents also wrote in such a preference.

Healthy Black Families Outreach

HBF facilitated or co-facilitated with East Bay Community Law Center four Community Leaders Group convenings to gather information, feedback, and input into the policy development. HBF also provided outreach for the Berkeley Considers survey, and developed and implemented the "Right to Stay, Right to Return" Survey to support policy development. HBF held two focus groups to gather input into the "Right to Stay, Right to Return" Survey and held trainings with Sisters Together Empowering Peers (STEP) Leaders on conducting surveys and encouraging participation. In partnership with the Berkeley Black Ecumenical Ministers Association (BBEMA), HBF held a housing preference and housing equity Town Hall entitled "Housing Is A Human Right" to inform, advocate, and survey Berkeley's Black, displaced, and unhoused community members with particular focus on the faith community. Finally, HBF coordinated with the PBF Fellow to provide completed surveys and questionnaires, which the PBF Fellow and EBCLC compiled and analyzed.

Community Leaders Group

The Community Leaders Group is comprised of representatives from local community groups and community-based organizations including Healthy Black Families (HBF), African American Holistic Resource Center, Berkeley Black Ecumenical Ministerial Alliance, Friends of Adeline, and the Berkeley High Black Student Union. HBF convened and facilitated the group. The Community Leaders Group met on six occasions to design an outreach plan and survey, interpret survey results, put forward community recommendations for the policy, and to discuss the proposed policy options.

Staff appreciates the work of the Community Leaders Group and HBF to facilitate these recommendations that reflect the community's needs. The policy options outlined in this memo reflect a majority of their recommendations. A detailed overview of their recommendations and how they were incorporated into the policy options is included as Attachment 1, and a summary is included in below.

Community Leaders Group recommendations for Preferences:

- Displaced by eminent domain during construction of Ashby and North Berkeley BART
- Displaced due to foreclosure¹
- Families with children
- Homeless/at-risk of homelessness²
- Ties to redlined areas
- Black/African American
- Displaced by sale of public housing stock

POLICY DECISIONS

Community Recommendations Not Advanced by Staff for HPP

Staff acknowledge and appreciate the work of the Community Leaders Group to craft comprehensive recommendations to address Berkeley's history of housing and racial injustices, particularly to the African American community. Staff made extensive efforts to accommodate all recommendations, and to put forward policy options for the Housing Advisory Commission's consideration that are responsive to and inclusive of the Community Leaders Group's work and knowledge. Community recommendations that are not incorporated in the outlined policy options include:

A. A preference for Black or African American applicants:

- a. Race-specific preferences are not permissible under California's Proposition 209, which amended the California constitution to prohibit governmental institutions from considering race, sex, or ethnicity, in the areas of public employment, public contracting, and public education. Publicly funded affordable housing is a form of public contracting.
- b. Race-specific preferences are generally impermissible under the Equal Protection clause of the 14th amendment of the United States Constitution, which guarantees that no person or class of people can be denied the same protections under the law that are enjoyed by others.
- c. Staff, the City Attorney's Office, and EBCLC explored potential avenues to accommodate this recommendation in depth and did not identify an option that would be legally viable for the City. Nevertheless, the policy does aim to address racial equity via a preference for residential ties to Berkeley's redlined areas, where African American households were predominantly concentrated due to exclusionary policies and a preference for those

¹ "Subprime mortgages rose from only 8 percent of originations in 2003 to 20 percent in 2005 and 2006, while the interest-only and payment-option share shot up from just 2 percent in 2003 to 20 percent in 2005." (Joint Center for Housing Studies of Harvard University, "The State of the Nation's Housing 2008"). 2005 represents a milestone in the increase in predatory lending.

² See Attachment 4, "Homelessness Definitions" for details. Imminent Risk of Homelessness includes facing immediate eviction, facing imminent release from an institution, residing in substandard housing subject to a current official vacation notice.

displaced by foreclosure, which disproportionately impacted African American households.

- B. A preference for those affected by the City selling its public housing stock (displaced by government action).
 - a. In 2012, 75 units of Berkeley's low-income public housing were sold and converted to Project-Based Voucher units. There were 22 temporary relocations, and one tenant elected not to move back. BHA records indicate that there are no households that were permanently displaced under the Relocation Plan that was adhered to during this transition. For this reason, this preference would not be an effective mean of addressing displacement compared to the other Preferences.

Policy Options for HPP

The Preference policy options below combine community input, research/best practices from other cities, and legal considerations identified by staff.

Staff are requesting the HAC's input on preferences to recommend to Council. Staff will use these recommendations to prepare implementation considerations to inform the HAC's final recommendations. This includes adoption strategy, a plan for Disparate Impact Analysis, timeline, alignment with existing programs/policies, program implementation, and staffing.

Preference	Proposed Preference Details	Rationale & Potential Benefits	Policy or Implementation Considerations
Displacement due to eminent domain for BART construction	Descendant of someone whose home was taken via eminent domain to develop Ashby or North Berkeley BART station	Those who lost their homes due to eminent domain for BART construction forewent intergenerational wealth-building opportunities, the legacy of which may still be felt today. Such a preference would acknowledge this harm and provide an opportunity to return to the community with stable housing.	Portland’s urban renewal/eminent domain preference is treated as its own category; a lottery is first conducted among those who qualify for this preference, and then successive lotteries are conducted within each other point group. This approach may also make sense for Berkeley, from practicality and policy perspectives.
Displaced by foreclosure	1 point: Applicants displaced due to foreclosure in Berkeley since 2005.	Supports displaced residents to return to Berkeley and acknowledges lack of support during the foreclosure crisis. This is a racial equity focus as the foreclosure crisis disproportionately impacted communities of color.	Staff is working with HCD to determine if this preference would require Disparate Impact Analysis.
Families with children	1 point: household with at least one child aged 18 or under.	Research and community knowledge indicate that children are most impacted by displacement and will benefit greatly from increased housing stability. Community input indicates that this preference is a priority in order to increase community cohesion, since families are being displaced from their social networks and school districts, often to lower-resource places.	None foreseen – this information is already collected in application process.

Preference	Proposed Preference Details	Rationale & Potential Benefits	Policy or Implementation Considerations
Homeless/At-Risk of Homelessness	<p>1 point: At Imminent Risk of Homelessness in Berkeley/with former address in Berkeley</p> <p><u>OR</u> 1 point: Literally Homeless in North Alameda County</p>	<p>Helps housing insecure Berkeley residents become stably housed in their community. This is a racial equity focus given the disproportionate African American share of Berkeley's homeless population.</p>	<p>-Typically, homeless-designated units include subsidies for services. A homeless preference may lead to housing chronically homeless residents without adequate support. Affordable developers indicated typically homeless units on average require \$5-6k additional subsidy per unit that has not been identified.</p> <p>-Need to consider how homeless people can demonstrate local ties without being overly burdensome. Narrowing this preference to applicants from the Coordinated Entry System's "North County area" may help prioritize those with local ties, and also advance racial equity goals; since 2006, 65% of homeless service users in Berkeley identify as Black/African American. At the same time, stricter filtering for local ties could also filter out eligible applicants who have a difficult time supplying documentation.</p> <p>-Staff is working with HCD to determine if this preference would require Disparate Impact Analysis.</p>

Preference	Proposed Preference Details	Rationale & Potential Benefits	Policy or Implementation Considerations
Ties to redlined areas	1 point: Applicant has current/former address in Berkeley's redlined areas <u>AND/OR</u> 1 point: Applicant's parent/grandparent has current/former address in redlined areas.	Supports displaced residents to return to Berkeley, supports those in neighborhoods facing gentrification-related displacement pressures to become stably housed, and acknowledges historic racialized injustices that have contributed to the displacement crisis.	-Tech needs: data interface for property managers to easily check addresses. -Disparate Impact Analysis (DIA) required on geography-based preferences. DIA may limit the total nonprofit affordable units that preferences can be applied to.

CONTACT PERSON

Anna Cash, Partnership for the Bay's Future Fellow, Health, Housing and Community Services, (510) 981-5400

Attachments:

- 1: Community Recommendations
- 2: Preference Policy Survey Results
- 3: Research Overview of Preference Policies in Other Jurisdictions
- 4: Homelessness Definitions
- 5: Displacement in Berkeley Background

Attachment 1. Community Recommendations

The City partnered on four community outreach strategies to inform policy options:

- A “Community Leaders Group” comprised of representatives from local community-based organizations (CBOs) and community groups representing Healthy Black Families, African American Holistic Resource Center, Berkeley Black Ecumenical Ministerial Alliance, Friends of Adeline, and Berkeley High Black Student Union.
- A targeted displacement-focused survey led by CBO Healthy Black Families with 93 responses.
- A City-wide survey hosted on Berkeley Considers with 549 responses.
- Outreach led by Healthy Black Families.

The Community Leaders Group put forward a set of recommendations for the preference policy over the course of six meetings hosted by the City’s Partnership for Bay’s Future (PBF) partnership, with community outreach led by Healthy Black Families (HBF) and East Bay Community Law Center.

The Community Leaders Group recommendations are based on the group’s review of the broader community input provided by means of the two surveys. The group expressed that the HBF survey results should be prioritized when crafting policy recommendations given that that survey was more targeted to Black and low-income respondents, who have disproportionately faced displacement pressures in Berkeley.

The majority of the Healthy Black Families survey responses prioritize a racial equity lens and ties to the community as a means of supporting displaced residents in returning to Berkeley. A majority of Berkeley Considers (BC) responses generally aligned with responses to the HBF survey. For example, both survey responses prioritize homelessness (63% of BC respondents ranked this as a top priority), displacement due to government action (40% of BC respondents ranked as a top priority), and those with ties to redlined areas (38% of BC respondents ranked this as a top priority). The group’s recommendations also build on the survey responses that call to establish a priority for families with children; 25% of Healthy Black Families survey respondents wrote in such a preference, and some Berkeley Considers respondents also wrote in such a preference.

Healthy Black Families Outreach

HBF either facilitated or co-facilitated with East Bay Community Law Center four Community Leaders Group convenings to gather information, feedback, and input into the policy development. HBF also provided outreach for survey implementation for the Berkeley Considers survey, and developed and implemented the ‘Right to Stay Right to Return Survey’ to include more information from the existing Black community, displaced, and unhoused community members to support policy development. Beyond the work on the surveys, HBF held two focus groups to gather input into the Right to Stay Right to Return Survey, held trainings with Sisters Together Empowering Peers (STEP) Leaders on survey implementation and advocacy, and in partnership with the

Berkeley Black Ecumenical Ministers Association (BBEMA) held a housing preference and housing equity Town Hall entitled “Housing Is A Human Right” to inform, advocate and survey Berkeley Black residents, displaced and unhoused community members with particular focus on the faith community. Finally, HBF coordinated with the PBF Fellow to provide completed surveys and questionnaires.

Community Leaders Group Recommendations for Policy

Over the course of two meetings focused on concrete policy recommendations, staff collected the following notes from meetings with the Community Leaders Group:

Community Leaders Group Recommendations for Preferences

- Displaced by eminent domain during construction of Ashby and North Berkeley BART
- Displaced due to foreclosure
- Families with children
- Homeless/at-risk of homelessness
- Ties to redlined areas
- Black/African American
- Displaced by sale of public housing stock

Other Policy Provisions

1. **Include a clause that this policy will apply to any future homeownership assistance programs.** Increased homeownership is a priority for the Black community, who has been discriminated against in homeownership opportunities. Over half of Berkeley’s white households own a home, but only 31% of Black households in Berkeley are homeowners (American Community Survey, 2019). As in many places, in the San Francisco-Oakland-Berkeley metro area, the gap in White-Black homeownership has widened since 2000, increasing from a difference of 22.9% in 2000, to 25.2% in 2019 (Reid, 2021). The Community Leaders Group cites the Portland policy as an example of homeownership programs with Preferences applied.
2. **Enforcement.** Clear parameters for enforcement need to be included in the policy.
3. **Outreach.** Intent around the City’s affirmative duty to outreach to those this policy seeks to help needs to be included in the policy itself.
4. **Historical background.** The findings section of this policy needs to address the long Berkeley history of discrimination against people of African descent.

Public Process

1. **Commissions.** Bring to Housing Advisory Commission (HAC) via special meeting, but also to other commissions such as Peace and Justice Commission, Homeless Commission, Open Government Commission. Send letters to all commissions.
2. More **engagement with Indigenous and Japanese American communities** is needed to better determine how to craft the policy to reflect their displacement and present needs.
3. **Timeliness.** This policy needs to be applied to the pipeline for affordable housing at a time when Berkeley is making the largest investments in affordable housing projects in the city's history, centered around BART stations, including in the historically African American Adeline Corridor, which has lost many of its African American families to displacement.

Broader Recommendations

1. **Depth of affordability.** These Preferences will not be meaningful if they are not applied to housing that is actually affordable, for example to families making \$1000/month, so extremely low income (ELI) in area median income (AMI) terms. The median household income for Black households in Berkeley is \$39,441 (American Community Survey, 2019). The ELI income limit for a household of 4 is \$39,150 so Black households' median income falls in the ELI housing range. From the beginning of 2014 through the end of 2018, zero ELI housing units were permitted. If these Preferences are only applied to housing the Black community cannot afford, they will not be a meaningful right to return.
2. **Homeownership funding.** True stability involves pathways to homeownership for Black families, and closing the homeownership gap. While writing into the policy that these Preferences will apply to future affordable homeownership is important, there will be no outcomes without an affordable homeownership program that is funded. Relatedly, Black homeowners need support in maintaining their homes; rehabilitation funding, and Small Sites Program funds, should have racial equity-focused criteria.
3. **Housing reparations.** More broadly, it is past due for Black people to receive reparations in this country for harm done and opportunities foreclosed. Other cities, such as Evanston, Illinois, are taking bold action to provide residents with housing reparations; under their proposal, residents who are, or who descended from, a Black person who lived in Evanston before 1969 who suffered from discriminatory housing practices by government and banks, can get \$25,000 to use towards home improvements or mortgage assistance. There are examples of reparations in this country throughout history to draw from in taking this critical step.
4. **Revisit inclusionary housing policies so that more housing gets built onsite.** Too often, developers pay an in-lieu fee instead of building affordable housing units onsite. This pattern means that displacement trends are going unchecked in the meantime.

Attachment 2. Preference Policy Survey Results

Two surveys were conducted as part of the outreach process to inform the Housing Preference Policy: a City survey on Berkeley Considers, and a community survey designed and implemented by Healthy Black Families. Healthy Black Families also supported on targeted outreach to the Black community of the Berkeley Considers survey. It is possible there is overlap in the respondents to the two surveys.

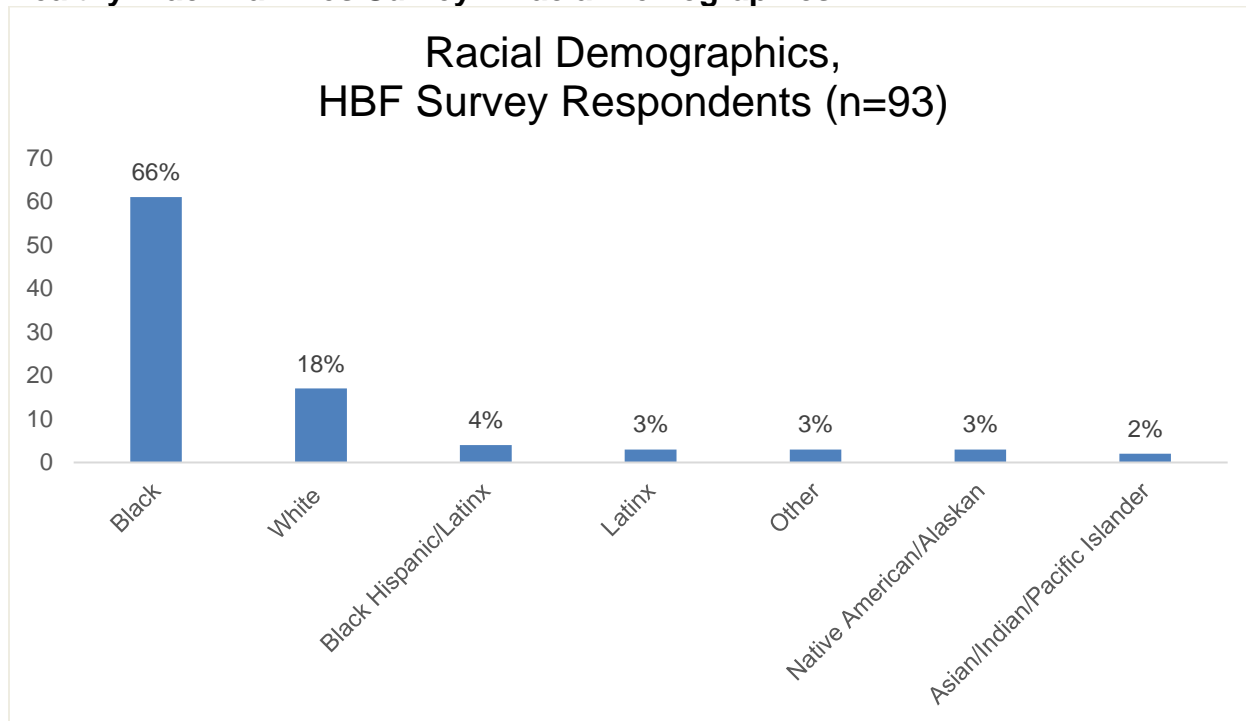
Healthy Black Families Survey

There were 93 responses to the Berkeley Considers survey.

Healthy Black Families Survey - Demographics

- Race: 70% of respondents self-identified as Black, Black African, or Black Hispanic/Latinx; 18% identified as white, 3% as Latinx, 3% as other, 3% as Native American/Alaskan, and 2% as Asian/Indian/Pacific Islander.
- Housing tenure: 65% identified as renters, 25% as homeowners, 4% as living with family, 4% as other, and 2% as homeless.

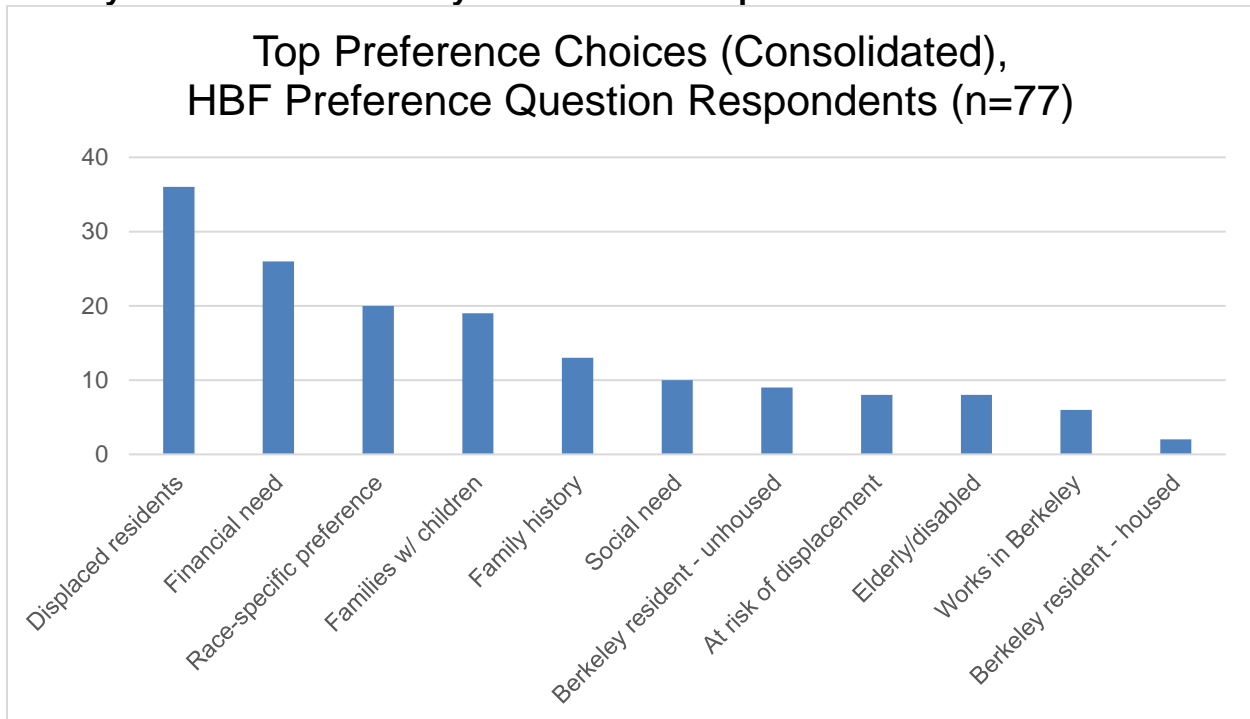
Healthy Black Families Survey – Racial Demographics



Healthy Black Families Survey - Responses

- In the Healthy Black Families survey, respondents wrote in their suggestions for Preferences, and these were consolidated into themes at the analysis stage. There was not a limit on how many Preferences each respondent could indicate.
- **Preferences - Overall Respondents:** 77 respondents responded to the question, “What experiences or criteria do you think should be used to prioritize affordable housing applications in Berkeley?” The most common overarching categories were displaced residents - displaced residents (24), displaced Black residents (10), displaced people of color (POC) residents (2) - followed by financial need (26), race - Black (11), POC (9) - and then other categories: families with children (19), family history/ties to Berkeley (13), social need (things like facing domestic violence) (10), unhoused Berkeley residents (9), at risk of displacement (8), elderly/disabled (8), works in Berkeley (6), housed Berkeley residents (2).

Healthy Black Families Survey – Preference Responses



Berkeley Considers Survey

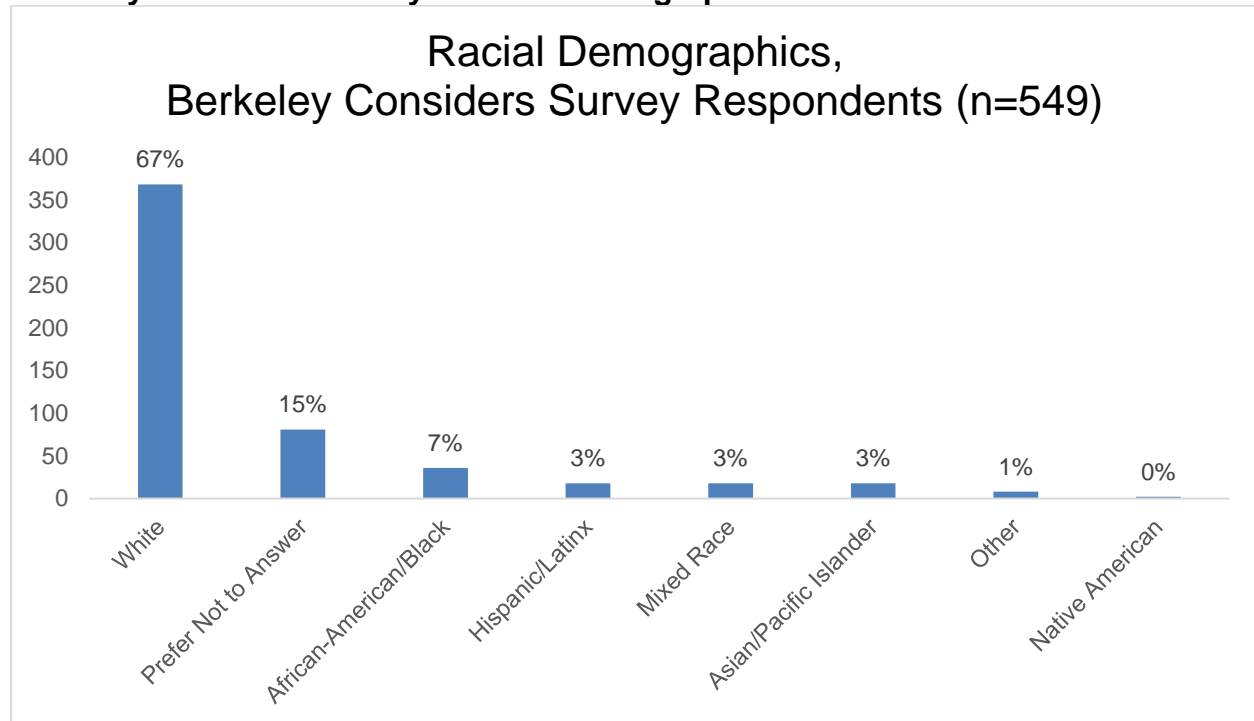
There were 549 responses to the Berkeley Considers survey.

Berkeley Considers Survey - Demographics

- **Race:** 67% of respondents self-identified as white, 7% as African American/Black, 3% as Hispanic/Latinx, 3% as mixed race, 3% as Asian/Pacific-Islander, 1% other, and 15% preferred not to answer the race question.

- **Housing tenure:** 59% of respondents identified as homeowners, 31% as renters, 1% as unhoused, 4% living with family and friends and 5% other.
- **Income:** 41% of respondents reported an annual household income of above \$100,000, 9% make \$80,000 to \$100,000, 7% make \$65,000 to \$80,000, 12% make \$40,000 to \$65,000, 10% make \$20,000 to \$40,000, 7% make Less than \$20,000, and 13% did not answer.

Berkeley Considers Survey – Racial Demographics



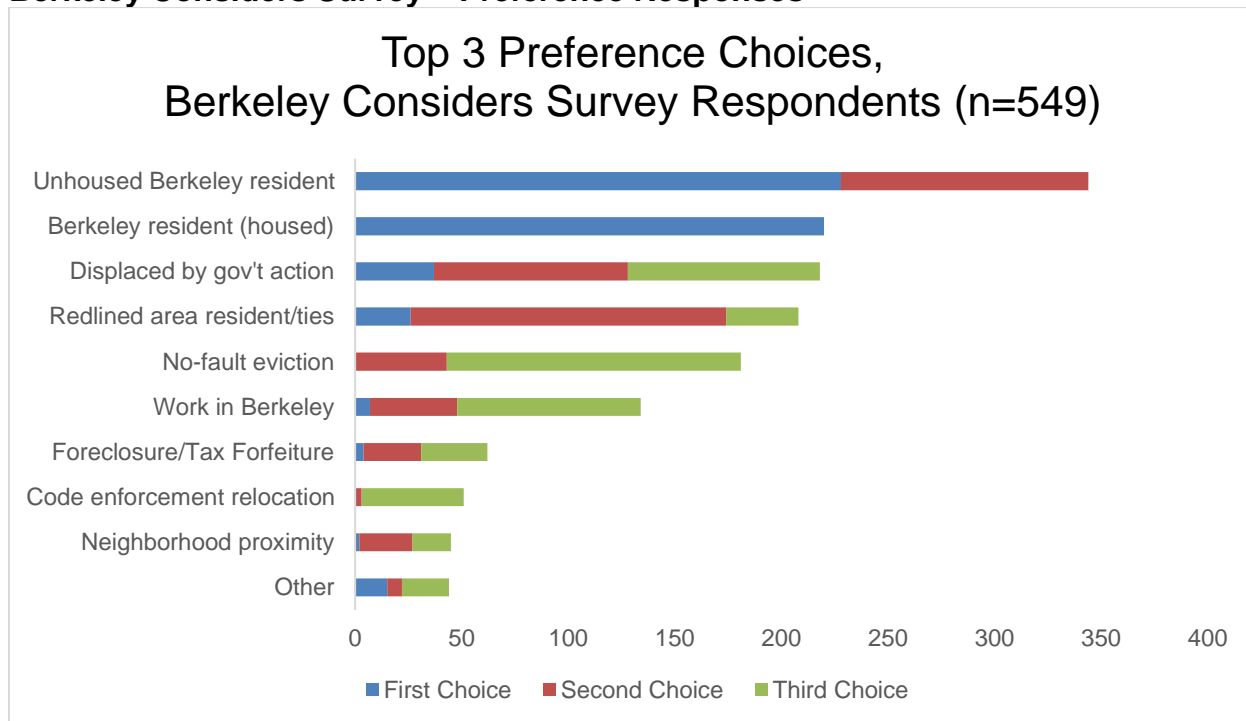
Berkeley Considers Survey - Responses

- Respondents were able to indicate their top three choices amongst a selection of potential Preferences. The numbers below reflect total selections across those who ranked Preferences first, second, or third choice.
- **Preferences - Overall Respondents:** In order of most common responses, the top Preferences were: unhoused Berkeley residents (344), housed Berkeley residents (220), those displaced by government action (218), those with ties to redlined areas (208), those displaced by no-fault evictions (181), those who work in Berkeley (134), those who lost their home to foreclosure/tax forfeiture (62), those displaced due to code enforcement (51), those living in proximity to a new affordable housing (45), other (44).
- **Preferences - Low-Income Respondents:** Isolating the responses of low-income survey respondents (those who would be income-eligible for new affordable housing), the top three responses were the same as for the overall respondents: unhoused Berkeley residents, housed Berkeley residents, and those displaced by government action. Responses were: unhoused Berkeley residents (144), housed Berkeley residents (88), those displaced by government action (86),

those displaced by no-fault eviction (80), those with ties to redlined areas (74), those who work in Berkeley (46) those displaced by foreclosure/tax forfeiture (27), those displaced by code enforcement (23), those living in proximity to the new affordable housing (20).

- **Preferences - African American Respondents:** Looking at the responses of African Americans, the group that has suffered most disproportionately from displacement pressures in Berkeley, “ties with redlined areas” rises to the #2 selection. Responses were: unhoused Berkeley residents (29), those with ties to redlined areas (21), housed Berkeley residents (15), those displaced by government action (12), those who work in Berkeley (8), those displaced by no-fault eviction (7), those displaced by foreclosure/tax forfeiture (4), those living in proximity to the new affordable housing (4), those displaced by code enforcement (3).

Berkeley Considers Survey – Preference Responses



Attachment 3. Research Overview of Preference Policies in Other Jurisdictions

Several US cities have developed preference policies to prioritize applications for affordable housing projects based on different criteria. Some of these policies prioritize those who live or work in the city, or near the specific affordable housing development, while others focus on displacement from the city (through adverse governmental action, no-fault evictions, natural disasters), and others focus on ties to neighborhoods with histories of discrimination. These policies can be applied to inclusionary Below-Market Rate (inclusionary) units and/ or non-profit developer affordable units depending on the context.³

Portland

Portland's Preference Policy was created as part of the North/Northeast (N/NE) Neighborhood Housing Plan in 2015, and applies to 40% of units in all city-funded projects in this historically African American neighborhood, including homeownership units. The policy gives preference to residents that have been harmed by Portland city action through urban renewal practices within the Interstate Corridor Urban Renewal Area (ICURA). The Preferences include: current or former residents of N/NE Portland, those with generational ties to N/NE Portland, those who have had property in N/NE Portland seized by the City. Applicants use interactive maps to locate where their address falls in the ICURA maps.⁴ As of December 2019, five years into the Policy, 33 households became homebuyers as part of the program; 28 of these households were African American and two were Latinx. Of renter households who accessed affordable housing through the Preference Policy, survey respondents have lived in the neighborhood an average of 32 years, with 65% of respondents having lived in the neighborhood their entire life.⁵

Austin

In 2018, Austin City Council adopted Right to Stay and Right to Return policies for families affected by gentrification in certain Austin neighborhoods.⁶ Preference points included: having generational ties to a neighborhood or having been displaced from it (not only by rising rent and property taxes, but also by natural disasters and eminent domain), having a disability, and family size fitting available units. Eligible neighborhoods were determined by a University of Texas study, and include parts of St. Johns, Bouldin Creek, E. Cesar Chavez and Rundberg, plus a large section of East Austin. Residents will have to prove they or an immediate family member lived in these areas as far back as 2000.⁷ This program is not codified in an ordinance and the Preferences are being implemented through development agreements on specific developments.

³ See "Draft Adeline Corridor Specific Plan", page 93, for more information on how preference policies operate in other cities:

https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Land_Use_Division/AdelineCorridor_DraftPlan_1.pdf.

⁴ See <https://www.portland.gov/phb/nnehousing/preference-policy>.

⁵ See https://www.portland.gov/sites/default/files/2020/nne_neighborhoodhousingstrategy2015-20_0.pdf.

⁶ <https://nextcity.org/daily/entry/austin-residents-have-right-to-return-in-new-development-for-the-first-time>

⁷ <https://www.kut.org/austin/2019-11-08/people-with-ties-to-a-gentrifying-neighborhood-to-get-a-better-shot-at-affordable-housing>

East Palo Alto

The City of East Palo Alto adopted a Local Preference Policy in 2020 for living in East Palo Alto (with a durational requirement of three months that applies to inclusionary housing units only), working in East Palo Alto, and for involuntary displacement (natural disaster, code enforcement, domestic violence, and rent increases above 10%).⁸

San Jose

In September 2020, San Jose City Council directed staff to establish a Neighborhood Tenant Preference for renters seeking affordable housing who live in certain areas of the city that are undergoing or at-risk of displacement. Staff has been working since 2017 on this effort. The City is currently working on gaining HCD approval for its Preferences and working with allies to move forward state legislation to clarify the use of state funding on projects in jurisdictions with preference policies.

Redwood City

Redwood City adopted a Live/Work Preference policy as part of an amendment to its Affordable Housing Ordinance in 2021.⁹ This policy allows income-eligible households that live, formerly lived, work, or have been offered work in the City to receive a preference when affordable housing becomes available. The policy is supported by a Live/Work Policy Analysis.¹⁰

San Francisco

San Francisco Preferences were adopted in multiple ordinances in 2008, 2013, 2015, 2016, and 2019. The Preferences apply to 40% of units in inclusionary and nonprofit affordable housing. Preference categories include a Certificate of Preference (for former San Francisco residents displaced in the 1960s and 1970s, during the SF Redevelopment Agency's federally-funded urban renewal program); a Displaced Tenant Housing Preference Program (DTHP) (for tenants evicted by Ellis Act or owner move-in; and for tenants whose apartment was extensively damaged by fire); a Neighborhood Resident Housing Preference (NRHP) for San Francisco residents who currently live in the same Supervisor district as, or half-mile from, the property being applied to; and a live-work preference for those who already live in San Francisco, or work at least 75% of your working hours in San Francisco.¹¹ There are also some project-specific Preferences.¹²

⁸ See

http://eastpaloalto.igmp2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1070&MediaPosition=&ID=1174&CssClass=.

⁹ See <http://www.redwoodcity.org/AffordableHousingOrdinance>.

¹⁰ See

<https://meetings.redwoodcity.org/AgendaOnline/Documents/ViewDocument/ATTACHMENT%20D%20%E2%80%93%20LIVE-WORK%20POLICY%20ANALYSIS%20BY%20SEIFEL%20CONSULTING.pdf?meetingId=2250&documentType=Agenda&itemId=5223&publishId=9209&isSection=false>.

¹¹ See <https://sfmohcd.org/sites/default/files/Preferences%20Manual%20-%20203.31.2017.pdf> and <https://sfmohcd.org/lottery-preference-programs>.

¹² In one project, where HUD did not approve of use of the neighborhood proximity preference, San Francisco implemented an "anti-displacement housing preference," where residents of neighborhoods at

Oakland

Oakland has had different versions of preference policies over time, but the current version is codified in 2016 legislation. Preferences apply to nonprofit affordable housing and include categories for current and former residents displaced by City of Oakland/Oakland Redevelopment Agency's projects, Oakland's code enforcement, or a no-fault eviction; residents who currently live in the same Council District as, or one mile from, the property; and applicants who currently live or work in Oakland.¹³

Santa Monica

The City of Santa Monica has had Preferences in effect for inclusionary and nonprofit programs since the programs began in 1998. Preferences include: current or former residents displaced by no-fault evictions, natural disasters, reduction in housing voucher assistance, or government action; and applicants who currently live or work in Santa Monica. The preference for displaced people ranks above the live/work preference in a tiered system. Santa Monica is currently piloting an additional preference for those displaced by specific urban renewal projects.¹⁴

Cambridge

The City of Cambridge has a preference policy that has been part of its inclusionary housing program since that program began in 1998. Preference categories include: current Cambridge resident (4 points), household with at least one child under 18 (1 point), household with at least one child under 6 (1 point), household with any of the following emergency needs (1 point): no-fault eviction, homeless, overcrowded housing, 50% or greater rent burden, outstanding code violations, and applicants who work in Cambridge (considered after all residents are considered, also given points for having children or an emergency need).¹⁵

Seattle

Seattle City Council authorized the creation of an opt-in preference policy in 2019 that affordable housing developers can choose to use for buildings in high displacement risk neighborhoods.¹⁶ The preference policy is not to apply to more than 50% of units in a development, and recommended preference categories include: for communities affected by historic and/or current displacement pressures, applicant is a current resident; for projects in neighborhoods currently facing high risk of displacement, applicant, family member, or ancestor (i.e. great-grandparent) is a former resident; for projects in neighborhoods that have historically been affected by high displacement, applicant has community ties or utilizes community services in the neighborhood. For

risk of or undergoing displacement would receive a preference point. See <https://www.kqed.org/news/11582750/part-of-s-f-housing-complex-reserved-for-seniors-at-risk-of-displacement>.

¹³ See <https://oakland.legistar.com/LegislationDetail.aspx?ID=2685178&GUID=BC70BA9D-D54C-405F-AD33-A194C31A6346>.

¹⁴ See <https://www.santamonica.gov/programs/below-market-housing-for-historically-displaced-households>.

¹⁵ See <https://www.cambridgema.gov/CDD/housing/forapplicants/rentalapplicantpool>.

¹⁶ See <https://www.seattle.gov/housing/programs-and-initiatives/community-preference> for highlighted census tracts.

homeownership, if more than one eligible and qualified household has expressed interest in a specific home, community preference could be used to determine who is offered the opportunity.¹⁷

New York

New York's preference policy was implemented in the 1980s and applies to all City-funded affordable housing developments, applying to 50% of units. The policy establishes preference for residents living near the specific affordable housing development.

¹⁷ See

<https://www.seattle.gov/Documents/Departments/Housing/Programs%20and%20Initiatives/Community%20Preference/Community%20Preference%20Guideline.pdf>.

Attachment 4: Homelessness Definitions

HUD Homelessness Definitions¹⁸

Literal Homelessness (HUD Category 1)

Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

1. Has a primary nighttime residence that is a public or private place not meant for human habitation; or
2. Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or
3. Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

At Imminent Risk of Homelessness (HUD Category 2)

An individual or family who will imminently lose their primary nighttime residence, provided that:

1. Residence will be lost within 14 days of the date of application for homeless assistance;
2. No subsequent residence has been identified; and
3. The individual or family lacks the resources or support networks needed to obtain other permanent housing.

Imminent Risk of Homelessness criteria to qualify for the Preference will include:

1. Face immediate eviction and have been unable to identify a subsequent residence.
2. Face imminent release from an institution (i.e. jail, hospital foster care system) where other housing placement resources are not available
3. Reside in substandard housing subject to a current official vacation notice.¹⁹

A 3rd Party Verification Letter, which is already in use at the County and City, will be used to verify homelessness/risk of homelessness status.

¹⁸ See <https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-esg-homeless-eligibility/four-categories/>.

¹⁹ See CA HCD definition of At-Risk of Homelessness: [https://www.hcd.ca.gov/grants-funding/already-have-funding/program-specific-compliance-requirements/docs/third_party_homeless_verification.doc#:~:text=%EF%82%A8%20Income%20verification%20\(SSI%20statement,receipt%20with%20proof%20of%20income](https://www.hcd.ca.gov/grants-funding/already-have-funding/program-specific-compliance-requirements/docs/third_party_homeless_verification.doc#:~:text=%EF%82%A8%20Income%20verification%20(SSI%20statement,receipt%20with%20proof%20of%20income). This has been adapted for local context.

Attachment 5: Background on Displacement in Berkeley

Displacement pressures continue to impact the community, and a preference policy is one means of addressing these pressures. A preference policy is unique in that it supports displaced residents to return to Berkeley, and acknowledges historic injustices that have contributed to the displacement crisis. The policy would help housing insecure Berkeley residents become stably housed in their community, prioritizing those at-risk or currently homeless; would address past harms including redlining and lack of support during the foreclosure crisis; and would prioritize families with children as research indicates that children are most impacted by displacement, and community knowledge asserts that prioritizing families will support community cohesion and access to opportunity.

Redlining and its Legacy

Redlining was a practice in which the federal agency Home Owners' Loan Corporation (HOLC) rated neighborhoods to guide investment. City agencies supplied information to inform these maps. These ratings were based in large part on racial demographics, equating the presence of African American and Asian populations with investment risk. The Policy gives priority to those with residential ties to redlined areas, in recognition of the racist injustice done against the families in these areas, and of the long-term impacts of redlining on foreclosure patterns and gentrification dynamics. Redlining, along with exclusionary zoning, led to patterns of disinvestment whose impacts are still being felt today. Redlining made it hard for residents to get loans for homeownership or maintenance in communities that were predominantly home to people of color.

Redlining and exclusionary zoning have led to patterns of disinvestment that continue to enable gentrification. These policies have limited Black homeownership; over half of Berkeley's white households own a home, but only 31% of Black households in Berkeley are homeowners (American Community Survey, 2019). 83% of today's gentrifying areas in the East Bay were rated as "hazardous" (red) or "definitely declining" (yellow) by HOLC during redlining (Urban Displacement Project, 2017). South Berkeley, a historically Black neighborhood that falls in Berkeley's redlined area, is an example of a formerly redlined area now suffering from gentrification and displacement pressures. The neighborhood was once majority Black and is less than 20% Black residents today. The existing segregation of communities caused by government redlining, as well as by local exclusionary zoning policies, enabled the racialized component of the foreclosure crisis, as redlining created large areas of concentrated communities of color into which subprime loans could be efficiently and effectively channeled (Hwang et al, 2014). The City of Berkeley did not maintain a foreclosure assistance program.

Impacts of Displacement

This policy gives priority to families with children, as displacement is especially harmful for children. Frequent moves are linked to outcomes including behavioral and emotional issues, increased teenage pregnancy rates; accelerated initiation of illicit drug use, and reduced continuity of healthcare (Jelleyman and Spencer, 2008). Even when children

do not switch schools, moving can be disruptive for academic performance (Cohen and Wardrip, 2011). When low-income families have to leave their homes, they are likely to move to lower-income neighborhoods (Ding, Hwang and Divringi, 2015). This can have long-term impacts, as living in a high poverty, under-resourced neighborhood has been shown to lower children's test scores and their earnings in adulthood (Chetty and Hendren, 2016). Community input indicates that this preference is a priority in order to increase community cohesion, since families are being displaced from their social networks and school districts, often to lower-resource places.

The policy also gives priority to applicants for affordable housing who are homeless or at risk of homelessness with local ties. Of low-income renters in Berkeley (those making under \$75,000), 49% are severely rent-burdened, meaning they spend more than half their income on rent (American Community Survey, 2019). The number of people experiencing homelessness in Berkeley has steadily grown at an average rate of 10% every two years between 2006 and 2019 ("Referral Response: 1000 Person Plan to Address Homelessness," 2019). The most common response to the question of why homeless people chose to sleep in Berkeley was that they grew up in Berkeley ("City Manager's Office Letter to Neighbors on Homeless Response," 2021). Black people are disproportionately represented in Berkeley's homeless population; since 2006, 65% of homeless service users in Berkeley are African American, when African American people comprise less than 8% of the overall population ("Referral Response: 1000 Person Plan to Address Homelessness," 2019). This policy is one of several efforts focused on addressing homelessness, both in helping homeless people get housed, as well as prioritizing preventing homelessness.

Displacement is a racial equity issue. Black people have been disproportionately displaced from Berkeley. Between 2000 to 2018, while Berkeley's African American household population decreased, Berkeley's white, Latinx and Asian household populations all grew slightly (2018 and 2010 American Community Survey and 2000 Decennial Census). Between 1990 to 2018, Berkeley lost 49% of its Black population, while Oakland and San Francisco lost 40% and 43% of their Black populations respectively (CalMatters, 2020). As families of color have been pushed out by displacement pressures, the share of low-income households of color living in high-poverty, segregated areas in the region increased between 2000 and 2015; 53% of low-income African American households in the Bay Area lived in high-poverty, segregated neighborhoods in 2015, up from 38% in 2000 (Urban Displacement Project and CHPC, 2019).