Office of the City Manager

ACTION CALENDAR
July 11, 2023

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Lisa Warhuus, Director, Health, Housing, and Community Services

Subject: Referral Response: Affordable Housing Preference Policy for Rental Housing Created Through the Below Market Rate and Housing Trust Fund Programs

RECOMMENDATION

Adopt a Resolution to create an Affordable Housing Preference Policy applicable to new residential housing units created via the Below Market-Rate (BMR) and the Housing Trust Fund (HTF) programs consistent with Fair Housing law and government funder approvals, and direct the City Manager to adopt guidelines to administer the Housing Preference Policy.

SUMMARY

Housing preferences are a policy tool to prioritize applicants for affordable housing rental leases. The proposed Affordable Housing Preference Policy (HPP) establishes seven preferences designed to assist people who were displaced from Berkeley or are facing displacement in Berkeley to receive priority for new affordable housing units. Staff is requesting Council adopt a resolution to require these preferences be applied to new affordable housing units.

On February 21, 2023, City Council held a Work Session to receive information on the HPP, the community engagement and leadership efforts to craft the policy, and discuss policy development. Staff conducted analysis of the Work Session discussion and consulted with community partners to craft the policy recommendations.

The HPP is designed to achieve the following goals and outcomes:

- Support individuals who have previously been displaced from Berkeley and desire to return;
- Support individuals who are currently experiencing housing insecurity in Berkeley; and

- Acknowledge and address historical racial injustices, particularly for the Black community, who have been disproportionately impacted by exclusionary housing policies.

The HPP is intended to apply to units created by the City's Below Market Rate (BMR) and Housing Trust Fund (HTF) programs. Opportunities for implementation of the policy will be shaped by staffing levels, Fair Housing law, and approvals by other government funding sponsors for HTF projects.

The HPP proposal is a product of work undertaken by the Department of Health, Housing, and Community Services (HHCS) in partnership with community-based organizations, and reflects City Council's Work Session discussion of the preliminary policy proposal. In 2019, in response to Council referrals and ongoing community advocacy for a preference policy, HHCS and the Department of Planning applied for a Partnership for the Bay's Future (PBF) Challenge Grant. The Challenge Grant, which commenced in March 2020, allowed HHCS to support community partners Healthy Black Families (HBF) and East Bay Community Law Center (EBCLC) to engage in a community-driven process to make recommendations for an HPP. The Housing Advisory Commission (HAC) supported the community proposal.

FISCAL IMPACTS OF RECOMMENDATION

The proposed HPP will require new staff time for training/education, leasing certification, contract management, data collection and evaluation, and other ongoing implementation responsibilities. HHCS' Housing and Community Services Division (HHCS/HCS) estimates needing 0.3 FTE Community Service Specialist I (CSSI), 0.3 FTE Community Development Project Coordinator (CDPC) and 0.1 FTE Senior Community Development Project Coordinator to fulfill these duties. This represents an estimated annual staffing budget of $136,299. The HHCS/HCS staffing study and corresponding staffing requests for FY24 include the FTEs needed to implement the Housing Preference Policy.

The staffing plan is predicated on approval of the new positions in HCS requested as part of the staffing study, which includes 2 FTE's funded from the General Fund/Measure U1 as well as 4 FTE's funded with special funds. Amendments to the proposed plan may affect the implementation of this proposal.

It will be critical to conduct outreach to ensure that potential affordable housing applicants are aware of the Housing Preference Policy. Staff recommend conducting an RFP to fund a community-based organization to conduct outreach in Berkeley, and outside of Berkeley to reach those already displaced from the community. It will be important to have consistent outreach and education through the development of the two BART sites. Staff estimate that outreach costs will be between $35,000 to $50,000. Staff will work on a more detailed outreach proposal for Council's consideration if the

policy is adopted.

CURRENT SITUATION AND ITS EFFECTS

The proposed HPP is the result of extensive community engagement and leadership by the City's community partners, HBF and EBCLC, through a PBF Challenge Grant. This process is reflective of policy design driven by a collaborative, community-led process from outreach design to policy development. The proposal reflects collective work of Staff, City Council Work Session discussion, HBF, EBCLC, and a Community Leaders Group to draft a policy reflective of the Berkeley community's values and priorities. This work was centered on supporting Berkeley's African American community, which has been most impacted by displacement in Berkeley.

Table 1. Preferences and Details

Preference	Points	Preference Details
Displacement due to BART construction	(First priority)	Descendant of someone who was displaced due to construction of BART in the 1960s and 1970s in Berkeley.
Displaced due to foreclosure	1	Displaced due to foreclosure in Berkeley since 2005.
Displaced due to eviction	1	Displaced in Berkeley due to no-fault or non-payment eviction within the past seven years.
Families with children	1	Household with at least one child aged 17 or under.
Homeless OR at-risk of homelessness	1	Homeless and not eligible for Permanent Supportive Housing OR At-Risk of Homelessness with current/former address in Berkeley.
Ties to redlined areas	1	Residential ties to Berkeley's redlined areas – current or former address of applicant.
Ties to redlined areas – historical	1	Residential ties to Berkeley's redlined areas – applicant is a direct descendant of someone who lived in redlined areas.

City Council Work Session

The City Council held a Work Session on the Housing Preference Policy on February 21, 2023. Staff and the City's community partner, Healthy Black Families, presented to Council about the policy proposal and goals, the community engagement that shaped recommendations, and implementation. The Council used the Work Session to discuss the preliminary HPP proposal. This discussion was critical for Staff to focus the scope of

the policy, inform implementation planning, and consider how to best target preferences to meet policy goals.

City Council's discussion included the importance of ensuring families originally displaced by construction of Berkeley BART stations in the 1960s and 1970s are able to return to the city, the impact of the foreclosure crisis and redlining on Black families, the loss of generational wealth for Black families due to displacement, and the potential of limiting the number of overall preferences to have more impact from priority preferences (such as displacement). A detailed overview of the Work Session discussion and analysis, and resulting modifications to the policy proposal, is included as Attachment 2.

Changes Based on Work Session

Following the Work Session, Staff met with community partner HBF to discuss potential changes to community recommendations. HBF expressed concern that adding additional preferences may dilute the policy's ability to achieve its core policy goals. Community engagement identified responding to historic injustice and displacement, which has significantly impacted Berkeley's Black community, as the central preference policy priorities.

Key changes were made to preferences based on the Work Session discussion:

- Narrowing the eviction preference to *no-fault or non-payment* eviction.
- Narrowing the homeless/risk of homelessness preference to homeless *and not eligible for Permanent Supportive Housing* OR At-Risk of Homelessness with current/former address in Berkeley.

Evictions: Council discussion suggested that not all evictions should be prioritized through a preference category. Staff analyzed narrowing this preference to no-fault evictions only. Data shows that nearly 90% of evictions in Berkeley are due to non-payment. The inability to pay up to seven years ago may impact an applicant's ability to secure affordable housing. There would also be racial equity implications of excluding non-payment evictions; the areas that are decreasing most in Black household population have seen dramatic rent increases, and Black household income is lower than that of other racial groups. There is likely displacement of Black households due to non-payment-related evictions. In order to narrow the preference and still achieve policy goals, Staff recommends narrowing the eviction preference to no-fault and non-payment evictions.

Homelessness: Council discussion suggested narrowing this preference to ensure homeless people are receiving housing with adequate support in order to remain housed. Homeless Services staff identified ways the Coordinated Entry System can be utilized for targeting of appropriate housing policies and resources. Narrowing this preference to homeless *and not eligible for Permanent Supportive Housing* OR At-Risk

of Homelessness with current/former address in Berkeley, will help ensure that those who need Permanent Supportive Housing continue to be served via the appropriate channels, and homeless individuals who do not require that level of support can still be prioritized in the preference policy.

Table 2: Summary of Preferences Recommended by HAC & Community Engagement, Revised Based on Council Work Session Discussion & Post-Work Session Analysis

Proposed Preference Category	Preference Eligibility – February 2023 Proposal	Preference Eligibility – July 2023 Proposal
Displacement due to BART construction (first priority)	Descendant of someone who was displaced due to construction of BART the 1960s and 1970s in Berkeley.	No Change.
Displaced due to foreclosure	Displaced due to foreclosure in Berkeley since 2005.	No Change.
Displaced due to eviction	Displaced in Berkeley due to eviction within the past seven years.	Displaced in Berkeley due to ***no-fault or non-payment*** eviction within the past seven years.
Families with children	Household with at least one child aged 17 or under.	No Change.
Homeless OR at-risk of homelessness	Homeless OR At-Risk of Homelessness with current/former address in Berkeley.	Homeless ***and not eligible for Permanent Supportive Housing*** OR At-Risk of Homelessness with current/former address in Berkeley.
Ties to redlined areas	Residential ties to Berkeley's redlined areas – current or former address of applicant.	No Change.
Ties to redlined areas – historical	Residential ties to Berkeley's redlined areas – applicant is a direct descendant of someone who lived in redlined areas.	No Change.

A detailed overview of the Work Session discussion and post-Work Session analysis, and resulting modifications to the policy proposal, is included as Attachment 2.

Implementation

The HPP will establish points that prioritize a portion of units in affordable housing application lotteries. Fair Housing law allows for only a portion of units to receive preferences to mitigate potential discrimination. BMR and HTF applications will be processed through the Alameda County Housing Portal ("Housing Portal"), an online application for affordable housing units across Alameda County. The Housing Portal will

incorporate the City's preferences into the uniform application. An applicant may select as many preferences as they believe they qualify for to receive a priority.

The lottery will sort the applications based on the number of total preference points per application. For the portion of units that preferences are being applied to, property managers will first conduct a lottery amongst descendants of people displaced due to BART construction. Property managers will then conduct lotteries based on the total number of other preferences for which applicants qualify, until all eligible units are filled.

Selected applicants will be required to submit documentation to verify their qualification for each selected preference. Staff will work with property managers to verify documentation and approve leases in a timely manner.

Staff will be tasked with several responsibilities to ensure efficiency and compliance, including:

- Training/education for property managers and prospective applicants;
- Certifying preferences for applicants selected by lottery;
- Contract management;
- Data collection and evaluation; and
- Securing required HTF County, State, and Federal Funder approvals.

Fair Housing Analysis

Fair Housing law requires disparate impact analysis (DIA) for some preferences before a preference policy can be implemented on HTF projects. DIA assesses whether specific racial groups or other protected classes would be inadvertently disproportionately impacted by the HPP. County, State, and Federal funding agencies that contribute funding to HTF projects require this analysis to permit use of the HPP on specific projects. Staff will need the discretion to adjust the application of preferences in order to ensure no disparate impact and secure the necessary funding approvals for HTF projects.

This analysis also determines what percentage of units can receive preferences without creating disparate impacts on protected classes under state and federal law. 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 this analysis will limit the share of affordable housing units the policy can apply to; it will not be able to be applied to 100% of units in a development.

Staff issued a Request for Proposals (RFP) for Fair Housing analysis of the proposed preferences in August 2022. Staff received Council authorization on February 28, 2023 to execute a contract with the selected bidder, Street Level Advisors. At the time of writing this report in May 2023, work with Street Level Advisors on the Fair Housing

analysis has commenced, with a final report anticipated by December 2023. The Fair Housing analysis report will help determine how each preference can be applied to the maximum percentage of units permitted by disparate impact analysis, and will help secure approval for use of preferences from funding agencies.

Disparate Impact Analysis is not required for BMR units as they are not reliant on outside government funders. Staff recommend implementing the policy on new BMR units upon adoption of administrative guidelines, while the Fair Housing analysis required for HTF projects is simultaneously completed and/or awaiting approval from funding agencies.

Outreach and Monitoring

Meeting the HPP's policy goals requires outreach to ensure public awareness of the policy, and monitoring outcomes to ensure the policy is effectively implemented.

Outreach is important for this policy since it seeks to reach a population already displaced from Berkeley. These individuals may be harder to reach through typical outreach channels that focus on promoting awareness within Berkeley. In order to meet this challenge, Staff will conduct an RFP to fund a community-based organization to lead outreach in Berkeley and outside of Berkeley to reach those already displaced from the community.

It will be important to have consistent outreach and education through the development of affordable housing at North Berkeley and Ashby BART stations. Preferences for these projects were outlined in the Joint Vision & Priorities (JVP) for Transit-Oriented Development for Ashby and North Berkeley BART Stations and the City should build its outreach to ensure the policy is operating effectively when these projects are available to lease. The JVP states that affordable housing at each station should provide a preference for residents of Berkeley who are facing displacement, or who have been displaced from Berkeley in the past due to economic or discriminatory reasons. Staff interviewed other jurisdictions with preference policies about their outreach strategies.

As the HPP is implemented on new developments, staff will monitor the policy to understand how it is working and who is being served by it. This will involve collecting and processing demographic data of affordable housing applicants and new residents, and summarizing information on how preferences are being used. Staff will provide an annual report to Council documenting the policy's impact and request any policy amendments to better serve the anti-displacement goals.

Housing Advisory Commission Vote

The Housing Advisory Commission (HAC) supported adopting a Housing Preference Policy at the October 6, 2022 meeting with the following vote:

Action: M/S/C (Simon-Weisberg/Mendonca) to recommend City Council take the following actions:

- Adopt a policy to establish the following preferences for new affordable housing created via the City's Housing Trust Fund and Below Market Rate programs:
    - Displacement due to eminent domain for North Berkeley and Ashby BART construction
    - Displaced in Berkeley due to foreclosure since 2005
    - Families with children
    - Homeless or at risk of homelessness
    - Ties to redlined areas
    - Ties to redlined areas – historical
    - Displaced in Berkeley due to eviction within the past seven years;
- Structure the preferences to provide applicants that qualify for the "Displacement due to eminent domain for North Berkeley and Ashby BART construction" a first priority and all remaining preferences equally weighted; and
- Share the research that informed these recommendations with the City's reparations consultant.

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

The HAC supported all six preferences staff identified via the community engagement process, and added a preference for those displaced by eviction, due to challenges renters may face finding new housing with an eviction that stays on their record for seven years, as well as the racial disparities of evictions. Community engagement leaders and the HAC agreed that a preference for displacement due to BART construction should have a first priority above other preferences.

Council Referrals

This report responds to two referrals: "Neighborhood Preference in Affordable Housing to reduce the impact of displacement and Ellis Act evictions," which originally appeared on the agenda of the April 5, 2016 meeting and was sponsored by Councilmembers Droste, Moore, Capitelli, and Maio; and "Refer to the Planning Commission and Housing Advisory Commission to Research and Recommend Policies to Prevent Displacement and Gentrification of Berkeley Residents of Color and African Americans," which originally appeared on the agenda of the April 30, 2019 Council meeting and was sponsored by Councilmembers Davila and Bartlett.

The HPP is a Strategic Plan Priority Project, advancing the City's goal to create affordable housing and housing support services for Berkeley's most vulnerable community members. The HPP will apply to units created by the BMR and HTF programs.

BACKGROUND

Multiple community-based organizations in Berkeley have called for a Housing Preference Policy to 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 Councilmembers Bartlett and Harrison, the City began the PBF Challenge Grant with a focus on developing a Housing Preference Policy rooted in community engagement and research. The City and BART Joint Vision & Priorities also included a Housing Preference Policy for future housing at Ashby and North Berkeley BART stations.

As part of the PBF Challenge Grant, the City of Berkeley worked with community partners Healthy Black Families and the East Bay Community Law Center to engage in a community-driven process to design the HPP. Community input was solicited through outreach and engagement strategies including:

- Community surveys: A targeted displacement-focused survey led by HBF, and a city-wide survey focused on a Housing Preference Policy hosted on Berkeley Considers (results and analysis of the survey are included as Attachment 3);
- Outreach led by Healthy Black Families;
- A "Community Leaders Group" comprised of representatives from local community-based organizations and community groups led by HBF and EBCLC. Participants were selected by the lead community groups.

The discussions around a Housing Preference Policy revolved around addressing specific challenges facing Berkeley's most impacted residents:

- Significant displacement within and from Berkeley has already occurred. The number of people experiencing homelessness in Berkeley steadily grew at an average rate of 10% every two years between 2006 and 2019. The most common response to the question of why homeless people chose to sleep in Berkeley was that they grew up in Berkeley. Black people are disproportionately represented in Berkeley's homeless population; since 2006, 65% of homeless service users in Berkeley are Black while Black people comprise less than 8% of the overall population. Between 1990 to 2018, Berkeley lost 49% of its Black population while other racial groups all grew slightly.

- There is ongoing housing insecurity and displacement pressure in Berkeley. Approximately 49% of low-income renters in Berkeley spend more than half their income on rent.
- There is historical harm to communities of color in Berkeley. Redlining facilitated patterns of disinvestment that continue to enable gentrification. Approximately 83% of today's gentrifying areas in the East Bay were rated as "hazardous" (red) or "definitely declining" (yellow) by the government agency that introduced redlining. These policies limited homeownership and housing stability in these Berkeley neighborhoods, which were predominantly populated by people of color. In the 1960s, BART bought blocks of homes in order to build Ashby and North Berkeley BART stations, in some cases invoking eminent domain; those who lost their homes due to BART construction lost their opportunities for intergenerational wealth-building.

In September 2022, the State of California adopted SB 649. This legislation established a State policy that lower-income individuals residing in neighborhoods and communities experiencing significant displacement need access to housing that is affordable and assists in avoiding displacement. The legislation recognizes a local tenant preference adopted pursuant to the bill's provisions is subject to the duty of public agencies to affirmatively further fair housing. This bill should aid the approval of Berkeley's preferences by the State's Department of Housing and Community Development.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Displacement can lead to commutes into Berkeley as displaced people continue to return to their community of origin for school, work, faith institutions, healthcare, and/or social networks. An HPP can help reduce greenhouse gas (GHG) emissions associated with these longer commutes by reducing or reversing displacement of those with ties to Berkeley.

RATIONALE FOR RECOMMENDATION

Anti-displacement initiatives are a key priority for the City of Berkeley and an ongoing call from local community members. Berkeley currently has 21 anti-displacement policies in place (14 of which are noted as best practices by UC Berkeley's Urban Displacement Project) yet still faces significant displacement of low-income residents and people of color, in particular the City's African American/Black population.

Table 3 outlines the rationale and potential benefits of each preference and how it can strengthen the City's anti-displacement efforts.

Table 3. Preferences and Rationale/Potential Benefits

Proposed Preferences	Details	Rationale & Potential Benefits
Displacement due to BART construction (first priority)	Descendant of someone who was displaced due to construction of BART in the 1960s and 1970s in Berkeley.	Supports those who lost their homes due to BART construction and forewent intergenerational wealth-building opportunities as a result. Acknowledges this harm and provides an opportunity to return to the community with stable housing.
Displaced due to foreclosure	Displaced due to foreclosure in Berkeley since 2005.	Supports displaced residents to return to Berkeley and acknowledges lack of support during the foreclosure crisis. The foreclosure crisis disproportionately impacted communities of color.
Displaced due to eviction	Displaced in Berkeley due to no-fault or non-payment eviction within the past seven years.	Supports renters facing challenges finding new housing due to an eviction, which stays on a record for seven years. Evictions disproportionately impact Black women. Eviction court cases move quickly, and renters are at a significant disadvantage when they do not have legal representation.
Families with children	Household with at least one child aged 17 or under.	Increases community cohesion, since families are being displaced from social networks and school districts, often to lower resource places. Research and community knowledge indicate that children are most impacted by displacement, with impacts on education, child care, and peer networks.
Homeless OR at-risk of homelessness	Homeless and not eligible for Permanent Supportive Housing OR At-Risk of Homelessness with current/former address in Berkeley.	Supports housing insecure Berkeley residents become stably housed in their community. Berkeley's homeless population is disproportionately people of color.
Ties to redlined areas	Residential ties to Berkeley's redlined areas – current or former address of applicant.	Acknowledges historic racialized injustices that contributed to the displacement crisis, supports displaced residents to return to Berkeley, and supports those in neighborhoods facing gentrification-related displacement pressures to become stably housed.
Ties to redlined areas – historical	Residential ties to Berkeley's redlined areas – applicant is a direct descendant of someone who lived in redlined areas.	*See above.*

The City of Berkeley is also making historic investments in affordable housing, including the $135M Measure O bond dedicated to affordable housing, of which $53M is dedicated to affordable housing at Ashby and North Berkeley BART stations. Measure O has led to a faster pace of affordable housing development, and there are over 1,000 units in the HTF pipeline. The HPP represents an opportunity to ensure new affordable housing in Berkeley can help address displacement in a more targeted way, as well as to partially address historical injustices.

ALTERNATIVE ACTIONS CONSIDERED

Policy alternatives considered have been detailed above. Council could choose to further modify the policy or opt not to adopt a policy. Staff are not recommending these options, particularly adding more preferences, for a variety of reasons outlined in the report. Community partners expressed concern that adding additional preferences may dilute the policy's ability to achieve its core policy goals. Community engagement identified responding to historic injustice and displacement, which has significantly impacted Berkeley's Black community, as the central preference policy priorities.

Adding additional preferences to the policy would also impact staffing costs and lease approvals, as more time will be required to process and verify additional preferences. Research from other jurisdictions show that applicants may indicate qualifying for more preferences than they can verify documentation for, which also requires additional time for processing leases. Additionally, the more preferences that are included, the less weight each individual preference will hold.

CONTACT PERSON

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Mike Uberti, Senior Community Development Project Coordinator, Health, Housing, and Community Services, (510) 981-5114

Attachments:
1: Resolution
    Exhibit A: Housing Preference Policy
2: Council Work Session Overview
3: Housing Preference Policy Survey Results
4: Research Overview of Preference Policies in Other Jurisdictions
5: Referral Report from April 5, 2016
6: Referral Report from April 30, 2019

RESOLUTION NO. ##,###-N.S.

ADOPTING A HOUSING PREFERENCE POLICY FOR AFFORDABLE UNITS DEVELOPED WITH CITY SUBSIDY AND THROUGH THE BELOW MARKET RATE PROGRAM

WHEREAS, in the 1960s and 1970s, Bay Area Rapid Transit ("BART") bought blocks of homes, in some cases invoking eminent domain, in order to build BART stations in Berkeley, displacing residents of South Berkeley and North Berkeley in the process. Those who lost their homes due to BART construction forewent intergenerational wealth-building; and

WHEREAS, redlining created large areas of concentrated communities of color into which subprime loans were channeled. From mid-2007 to mid-2008, there were more than 350 foreclosures in Berkeley; foreclosures in Berkeley were concentrated in South and West Berkeley. The City of Berkeley did not have a foreclosure assistance program. In the 2022 Point-in-Time Count, eviction/foreclosure/rent increase was the second most common cause of homelessness; and

WHEREAS, community input indicates that Berkeley families are being displaced from their social networks and school districts, often to lower-resourced areas. Research and community knowledge indicate that children are most impacted by displacement, via impacts to education, child care, and peer networks; and

WHEREAS, evictions remain part of an individual's rental history for seven years, impacting their ability to secure safe and affordable housing. Given the shortage of affordable housing in Berkeley, an eviction from a housing unit may represent displacement from one's community. In the 2022 Point-in-Time Count, eviction/foreclosure/rent increase was the second most common cause of homelessness; and

WHEREAS, 49% of low-income renters in Berkeley are severely rent-burdened, spending more than half their income on rent. The number of people experiencing homelessness in Berkeley has steadily grown at an average rate of 10% every two years between 2006 and 2019. Black people are disproportionately represented in Berkeley's homeless population; since 2006, 65% of homeless service users in Berkeley are Black, when Black people comprise less than 8% of the overall population; and

WHEREAS, redlining has led to patterns of disinvestment that continue to enable gentrification. Approximately 83% of today's gentrifying areas in the East Bay were rated as "hazardous" (red) or "definitely declining" (yellow) by the government-sponsored corporation that introduced redlining. These policies have limited homeownership and housing stability in these Berkeley neighborhoods, which were predominantly populated by people of color; and

WHEREAS, the City of Berkeley ("City") provides funding to support affordable housing development in the City through its Housing Trust Fund program; and

WHEREAS, the City creates affordable housing via the City's Inclusionary Housing Requirements (Berkeley Municipal Code Section 23.328), requiring new market-rate residential developments to include Below Market Rate affordable housing units; and

WHEREAS, from February 2020 to February 2022, the City participated in the Partnership for the Bay's Future Challenge Grant to develop a Housing Preference Policy informed by community engagement led by local community partners Healthy Black Families and East Bay Community Law Center; and

WHEREAS, on June 2, 2022, the City of Berkeley and BART adopted the City and BART Joint Vision and Priorities (JVP) for Transit-Oriented Development at the Ashby and North Berkeley BART Stations that included a shared priority for displacement prevention that states that "affordable housing should provide a preference for residents of Berkeley who are facing displacement, or who have been displaced from Berkeley in the past due to economic or discriminatory reasons"; and

WHEREAS, California Senate Bill (SB) 649 was adopted by the State of California in September 2022 to establish that it is the State's policy that lower-income individuals residing in neighborhoods and communities experiencing significant displacement, as specified, need access to housing that is affordable and assists in avoiding displacement, and that a local tenant preference adopted pursuant to the bill's provisions is subject to the duty of public agencies to affirmatively further fair housing.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley finds and declares the following:

1. Adopts a Housing Preference Policy, as set forth in Exhibit A to this Resolution and incorporated by this reference, that applies to new affordable housing units created by the City's Housing Trust Fund and Below Market Rate programs;

2. Directs the City Manager to adopt guidelines to administer the Housing Preference Policy and take any other action with respect to the policy consistent with this resolution and its purpose;

3. Establishes that this Housing Preference Policy shall be applied only to the extent allowed by Fair Housing law and other government agency funding sources; and

4. Establishes that the Housing Preference Policy shall take effect January 1, 2024.

Exhibits
A: Housing Preference Policy

Exhibit A. Housing Preference Policy

Preference	Points	Preference Details
Displacement due to BART construction	(First priority)	Descendant of someone who was displaced due to construction of BART in the 1960s and 1970s in Berkeley.
Displaced due to foreclosure	1	Displaced due to foreclosure in Berkeley since 2005.
Displaced due to eviction	1	Displaced in Berkeley due to no-fault or non-payment eviction within the past seven years.
Families with children	1	Household with at least one child aged 17 or under.
Homeless OR at-risk of homelessness	1	Homeless and not eligible for Permanent Supportive Housing OR At-Risk of Homelessness with current/former address in Berkeley.
Ties to redlined areas	1	Residential ties to Berkeley's redlined areas – current or former address of applicant.
Ties to redlined areas – historical	1	Residential ties to Berkeley's redlined areas – applicant is a direct descendant of someone who lived in redlined areas.

Attachment 2: Council Work Session Overview

City Council held a Work Session on the Housing Preference Policy on February 21, 2023. Council discussion included:

- The importance of ensuring families displaced by the construction of Berkeley BART stations are able to return to the city;
- The impact of the foreclosure crisis and redlining on Black families;
- The loss of generational wealth for Black families due to displacement; and
- The potential of limiting the number of overall preferences to have more impact from priority preferences (such as displacement).

The tables below summarize:

- Changes made to the Housing Preference Policy proposal reflecting Council's Work Session discussion (Table 1)
- Work Session discussion of the proposed Housing Preference Policy and post-Work Session analysis (Table 2)

Table 1: Summary of Preferences Recommended by HAC & Community Engagement, Revised Based on Council Work Session Discussion & Analysis

Proposed Preference Category	Preference Eligibility – February 2023 Proposal	Preference Eligibility – July 2023 Proposal
Displacement due to BART construction (first priority)	Descendant of someone who was displaced due to construction of BART in the 1960s and 1970s Berkeley.	No Change.
Displaced due to foreclosure	Displaced due to foreclosure in Berkeley since 2005.	No Change.
Displaced due to eviction	Displaced in Berkeley due to eviction within the past seven years.	Displaced in Berkeley due to ***no-fault or non-payment*** eviction within the past seven years.
Families with children	Household with at least one child aged 17 or under.	No Change.
Homeless OR at-risk of homelessness	Homeless OR At-Risk of Homelessness with current/former address in Berkeley.	Homeless ***and not eligible for Permanent Supportive Housing*** OR At-Risk of Homelessness with current/former address in Berkeley.
Ties to redlined areas	Residential ties to Berkeley's redlined areas – current or former address of applicant.	No Change.
Ties to redlined areas – historical	Residential ties to Berkeley's redlined areas – applicant is a direct descendant of someone who lived in redlined areas.	No Change.

Changes Based on Work Session

Following the Work Session, Staff met with community partner HBF to discuss potential changes to community recommendations. HBF expressed concern that adding additional preferences may dilute the policy's ability to achieve its core policy goals. Community engagement identified responding to historic injustice and displacement, which has significantly impacted Berkeley's Black community, as the central preference policy priorities.

Key changes were made to preferences based on the Work Session discussion:

- Narrowing the eviction preference to *no-fault or non-payment* eviction.
- Narrowing the homeless/risk of homelessness preference to homeless *and not eligible for Permanent Supportive Housing* OR At-Risk of Homelessness with current/former address in Berkeley.

Evictions: Council discussion suggested that not all evictions should be prioritized through a preference category. Staff analyzed narrowing this preference to no-fault evictions only. Data shows that nearly 90% of evictions in Berkeley are due to non-payment. Ability to pay up to seven years ago may impact an applicant's ability to secure affordable housing. There would also be racial equity implications to excluding non-payment evictions; the areas that are decreasing most in Black household population have seen dramatic rent increases, and Black household income is lower than that of other racial groups. There is likely displacement of Black households due to non-payment-related evictions. In order to narrow the preference and still achieve policy goals, Staff recommend narrowing the eviction preference to no-fault and non-payment evictions.

Homelessness: Council discussion suggested narrowing this preference to ensure homeless people are receiving housing with adequate support in order to remain housed. Homeless Services staff identified ways the Coordinated Entry System can be utilized for targeting of appropriate housing policies and resources. Narrowing this preference to homeless *and not eligible for Permanent Supportive Housing* OR At-Risk of Homelessness with current/former address in Berkeley, will help ensure that those who need Permanent Supportive Housing continue to be served via the appropriate channels, and homeless individuals who do not require that level of support can still be prioritized in the preference policy.

Table 2: Summary of Work Session Discussion of Proposed Housing Preference Policy and Post-Work Session Analysis

Proposed Preference Category	Work Session Discussion	Post-Work Session Analysis
Displacement due to BART construction in the 1960s and 1970s (first priority)	Councilmembers expressed support. Input to explore displacement due to eminent domain (ED) in other South Berkeley sites.	Additional community outreach would be necessary to determine additional appropriate ED sites. The BART construction-related displacement preference will be complex to implement, requiring the creation of a database. Staff recommend starting with BART, and learning from implementation. Council could make future amendments to include other sites.
Displaced due to foreclosure	Councilmembers expressed support. No modifications were discussed.	N/A
Displaced due to eviction	Some Councilmembers suggested this preference should be narrowed to no-fault evictions only.	Analysis suggests that narrowing this preference to no-fault evictions would undermine policy goals, as nearly 90% of evictions in Berkeley are due to non-payment. Ability to pay up to seven years ago may impact an applicant's ability to secure affordable housing. There would also be racial equity implications to excluding non-payment evictions; the areas that are decreasing most in Black household population have seen dramatic rent increases, and Black household income is lower than that of other racial groups. There is likely displacement of Black households due to non-payment-related evictions. Staff recommend narrowing the preference to no-fault evictions plus non-payment evictions.
Families with children	Councilmembers expressed support. No modifications were discussed.	N/A
Homeless OR at-risk of homelessness	Some Councilmembers suggested narrowing this preference to ensure homeless people are receiving housing with adequate support.	Homeless Services staff identified ways the Coordinated Entry System can be utilized for targeting of appropriate housing policies and resources. Staff recommend narrowing this preference to at-risk of homelessness, and those who are homeless *but not eligible for Permanent Supportive Housing.*

Proposed Preference Category	Work Session Discussion	Post-Work Session Analysis
Ties to redlined areas / historical ties to redlined areas	Councilmembers expressed support. Some Councilmembers suggested weighting this preference based on ties to area before wave of mass displacement.	Tying this preference to a certain year/overall demographics would exclude those who have been able to stay in the area, and undermine goals of proactively preventing displacement. Staff recommend maintaining the preference as-is: 1 point for current applicant ties to redlined areas, and additional point for parent/grandparent ties to redlined areas. This gives priority to those with long-term ties to the area, while also addressing proactive anti-displacement for those who are struggling to stay housed in gentrifying areas.

Attachment 3. 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 Healthy Black Families survey.

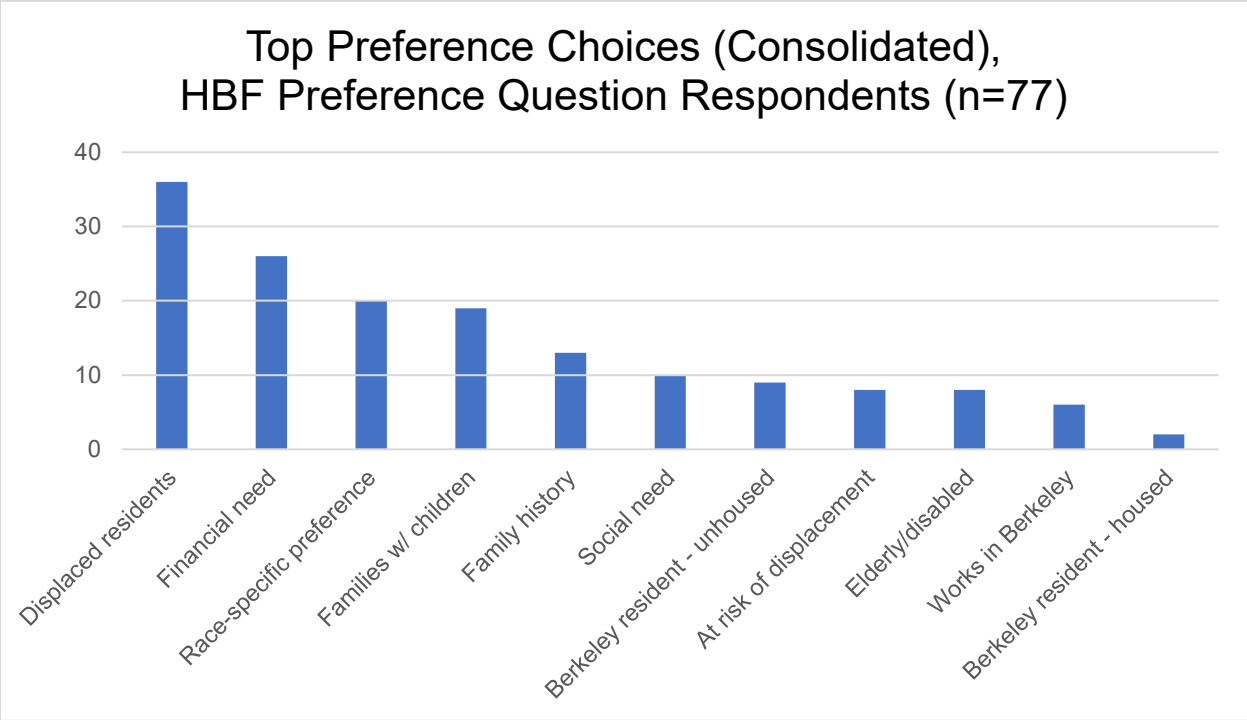
Healthy Black Families Survey - Demographics

- 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 - 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, including 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 (such as 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% reported $80,000 to $100,000, 7% reported $65,000 to $80,000, 12% reported $40,000 to $65,000, 10% reported $20,000 to $40,000, 7% reported less than $20,000, and 13% did not answer.

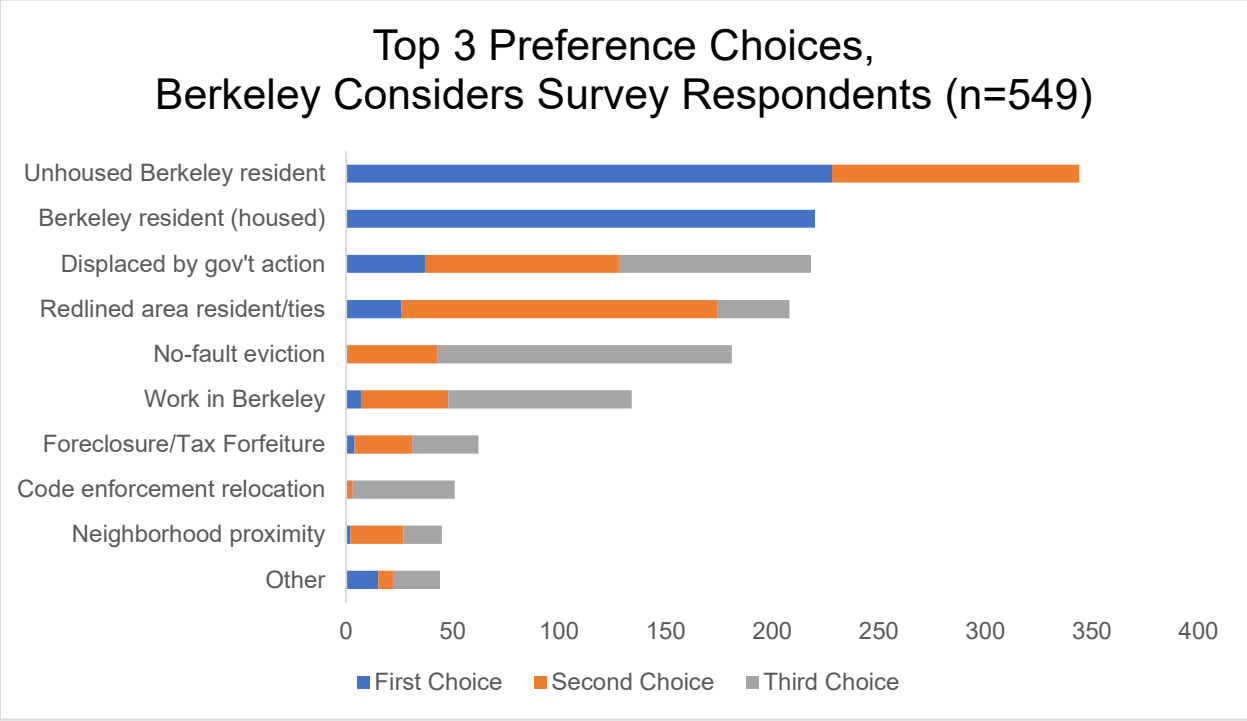
Berkeley Considers Survey - Responses

- 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 4. Research Overview of Preference Policies in Other Jurisdictions

Several US cities implemented 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. Others focus on displacement from the city (through adverse governmental action, no-fault evictions, and/or natural disasters) and ties to neighborhoods with histories of discrimination. These policies can be applied to BMR units and/ or HTF units depending on the context.[1]

California Cities:

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%).[2]

Oakland

The City of Oakland implemented different versions of preference policies over time, but the current version is codified in a 2016 ordinance. 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.[3]

Redwood City

Redwood City adopted a Live/Work Preference policy as part of an amendment to its Affordable Housing Ordinance in 2021.[4] 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.[5]

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[1] 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.

[2] See http://eastpaloalto.iqm2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1070&MediaPosition=&ID=1174&CssClass=.

[3] See https://oakland.legistar.com/LegislationDetail.aspx?ID=2685178&GUID=BC70BA9D-D54C-405F-AD33-A194C31A6346.

[4] See http://www.redwoodcity.org/AffordableHousingOrdinance.

[5] 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.

San Francisco
The City of San Francisco has adopted Preferences via multiple ordinances over time, with the most recent ordinance adopted in 2019. 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 working hours in San Francisco.[6] There are also some project-specific Preferences.[7]

San Jose
In 2020, the 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 also worked with allies to propose the now-adopted state legislation SB 649 to clarify the use of state funding on projects in jurisdictions with preference policies.

Santa Monica
The City of Santa Monica implemented Preferences 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.[8]

National:
Austin, Texas
In 2018, the City of Austin adopted Right to Stay and Right to Return policies for families affected by gentrification in certain Austin neighborhoods.[9] Preference points included: having generational ties to a neighborhood or having been displaced from it (by rising rent and property taxes as well as by natural disasters and eminent domain), having a disability, and family size fitting available units.

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[6] See https://sfmohcd.org/sites/default/files/Preferences%20Manual%20-%20%203.31.2017.pdf and https://sfmohcd.org/lottery-preference-programs.
[7] 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 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.
[8] See https://www.santamonica.gov/programs/below-market-housing-for-historically-displaced-households.
[9] https://nextcity.org/daily/entry/austin-residents-have-right-to-return-in-new-development-for-the-first-time

Eligible neighborhoods were determined by a University of Texas study. Residents will have to prove they or an immediate family member lived in these areas as far back as 2000.[10] This program is not codified in an ordinance and the Preferences are being implemented through development agreements on specific developments.

Cambridge, Massachusetts
The City of Cambridge implemented Preferences for its inclusionary housing program since the 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).[11]

New York, New York
New York City implemented Preferences in the 1980s that apply 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.

Portland, Oregon
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 City of Portland 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.[12] 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.[13]

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[10] https://www.kut.org/austin/2019-11-08/people-with-ties-to-a-gentrifying-neighborhood-to-get-a-better-shot-at-affordable-housing
[11] See https://www.cambridgema.gov/CDD/housing/forapplicants/rentalapplicantpool.
[12] See https://www.portland.gov/phb/nnehousing/preference-policy.
[13] See https://www.portland.gov/sites/default/files/2020/nne_neighborhoodhousingstrategy2015-20_0.pdf.

Seattle, Washington

The City of Seattle implemented an opt-in preference policy in 2019 that affordable housing developers can choose to use for buildings in high displacement risk neighborhoods.[14] 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 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.[15]

[14] See https://www.seattle.gov/housing/programs-and-initiatives/community-preference for highlighted census tracts.

[15] See https://www.seattle.gov/Documents/Departments/Housing/Programs%20and%20Initiatives/Community%20Preference/Community%20Preference%20Guideline.pdf.

ACTION CALENDAR
April 5, 2016
(Continued from March 29, 2016)

TO: Honorable Mayor and Members of the City Council
FROM: Councilmembers Lori Droste, Darryl Moore, Laurie Capitelli and Linda Maio

SUBJECT: Neighborhood Preference in Affordable Housing to reduce the impact of displacement and Ellis Act evictions

RECOMMENDATION

Refer to the City Manager and Planning Commission an ordinance to clarify existing preferences in allocating City affordable housing units to qualifying Berkeley residents living within ½ mile of any new development and qualifying tenants evicted under the Ellis Act, expand the second category of preference for eligible tenants displaced under the Ellis Act to include certain qualifying tenants displaced through an Owner Move-In or (Measure Y) eviction.

CURRENT SITUATION AND ITS EFFECTS

In late 2015, the San Francisco Board of Supervisors passed "neighborhood preference" legislation to address concerns of displacement, particularly within communities of color. The San Francisco legislation, which this proposal mirrors, allocated 40% of affordable ---subsidized -- units in new affordable developments funded totally or in part with city funds to residents living within ½ mile of the new development.

In 2015, Berkeley rents for studios and one-bedroom apartments are 25% higher than 2012 rents. Many long-term residents would not be able to remain in Berkeley since current market rates rents are unaffordable to those earning a median income (City of Berkeley Affordable Housing Nexus Study, 2015). Since subsidized housing is a scarce resource, the waiting lists number in the hundreds or thousands. A preference in qualifying for affordable housing for residents who have been, or are about to be displaced, is necessary to provide *more* opportunities for *more* residents to remain in Berkeley.

ENVIRONMENTAL SUSTAINABILITY

None identified.

FISCAL IMPACT

Staff time.

CONTACT

Councilmember Lori Droste	(510) 981-7180
Councilmember Laurie Capitelli	(510) 981-7150
Councilmember Darryl Moore	(510) 981-7120
Councilmember Linda Maio	(510) 981-7110

Attachment 6

Cheryl Davila
Councilmember District 2

REVISED AGENDA MATERIAL

Meeting Date: **April 30, 2019**

Item Number: **22**

Item Description: Refer to the Planning Commission and Housing Advisory Commission to Research and Recommend Policies to Prevent Displacement and Gentrification of Berkeley Residents of Color and African Americans

Submitted by: **Councilmember Cheryl Davila and Ben Bartlett**

Revised language.

Cheryl Davila
Councilmember
District 2

CONSENT CALENDAR
April 30, 2019

To: Honorable Mayor and Members of the City Council

From: Councilmembers Cheryl Davila and Ben Bartlett

Subject: Refer to the Planning Commission and Housing Advisory Commission to Research and Recommend Policies to Prevent Displacement and Gentrification of Berkeley Residents of Color and African Americans

RECOMMENDATION

Refer to the Planning Commission and Housing Advisory Commission to research and recommend policies to prevent displacement and gentrification of Berkeley residents of color. Recommended policies should include real solutions. The Commission should do the following:

- Develop a policy to address the erosion of People of Color (POC), including the African American sector of our Berkeley society.
- Develop rules and regulations to halt the loss of People of Color including the African American communities.
- Develop a "right to return" for Berkeleyan~~keley's~~, especially People of Color, including the African American communities who have been displaced by these economic and social developments, and~~especially~~ those who continue to be employed in our City, even after having to relocate beyond our boundaries.
- Solicit expert and lived experience testimonies regarding displacement and gentrification.
- Recommend alternatives to prevent displacement and gentrification of our valued Berkeley resident~~citizens~~ of color and African Americans.

CURRENT SITUATION

Minority groups are being pushed out of the neighborhoods in which they live. According to a study from the California Housing Partnership, between 2000 and 2015 the number of low-income households of color in the nine Bay Area counties dropped by 28%. This was matched in time by a 30% increase in rent rates. At the same time, there was no change in the proportion of white households. In Berkeley, from a high of 23.5% in 1970,

the Black population has been more than cut in half. According to the United States Census Bureau, it is now less than 10% of the total composition of the city.

Experts agree that the rising costs of housing in the Bay Area, primarily due to the rising fortunes of Silicon Valley, have priced many of the older residents out of the city. This is especially true of those or their family members who don't own homes.

In short, displacement has had a large negative effect on long-term black residents of Berkeley, both as a community and as a fate suffered by individual persons and families at the hands of rent increases by landlords.

BACKGROUND

Berkeley's neighborhoods were historically segregated based upon custom, as well as, contracts. Prior to 1948, so-called restrictive covenants by neighborhood groups blocked African American's and People of Color's access to "white communities". After the Supreme Court ruling Shelley vs. Kraemer, redlining or placing color codes on city maps to indicate where minorities could and could not live became the scheme to enforce housing discrimination. The result of this discrimination was that almost all Asian and Black Berkeleyans had to live south of Dwight Way and west of Martin Luther King Jr. Way (aka Grove Street) according to Charles Wollenberg, author of *Berkeley: A City in History*. Under these discriminatory conditions, "redlining" excluded Asian and Black Berkeleyans from most other parts of the City, thousands of Black families moved to South Berkeley during and after WWII.

According to *Redlining: The history of Berkeley's Segregated Neighborhoods,* by Jesse Barber, Berkeleyside.com, September 20, 2018, which stated, "They (Black residents after WWII) were cordoned off, not allowed to move to the north or to the east, so they built their own lives right there where they could find housing. Opening shops, stores, cobblers, food, etc. they prospered." The thriving *Lorin Station* business community in what is now called the "Adeline Corridor" developed organically to serve the needs of the growing South Berkeley African-American and Japanese citizenry. Fast forward to the 2000s: Minorities were being pushed out of the very neighborhoods in which they had been formerly compelled to live. According to a study from the California Housing Partnership, between 2000 and 2015 the number of poor households of color in the nine Bay Area counties dropped by 28%. This was matched in time by a 30% increase in rent rates. At the same time, there was no change in the proportion of white households.

In Berkeley, from a high of 23.5% in 1970, the African American population has decreased, significantly. According to the U.S. Census Bureau, it is now less than 10% of the total composition of the City, approximately 7%, currently.

Experts agree that the rising costs of housing in the Bay Area, primarily due to the rising fortunes of Silicon Valley, have priced many of the older residents out of our City. This is especially true of those or their family members who don't own homes.

In short, displacement has had a large negative effect on long-term African American and POC residents of Berkeley, both as a community and as a fate suffered by individual persons and families at the hands of rent increases by the unscrupulous.

ENVIRONMENTAL SUSTAINABILITY

Our community will be made whole again by having a diverse community filled with people of color including African Americans who will no longer be displaced. Possible reduction in Green House Gas (GHG's) since commute times may be eliminated or reduced.

REVIEW OF EXISTING PLANS, PROGRAMS, POLICIES, AND LAWS

There are currently few, if any, protections against the effects of gentrification; this, in conjunction with uncontrollably rising housing costs, makes it probable that Berkeley's declining Black population will continue to decrease. Therefore, the creation of this workshop will be the first steps towards creating legislation and policies to decrease or stop gentrification.

ACTIONS/ ALTERNATIVES CONSIDERED

There are very few alternatives that the City can consider, as creating legislation with the guidance of experts on gentrification and displacement may be the best action to combat such issues.

OUTREACH OVERVIEW AND RESULTS

This legislation is designed to enable the Berkeley City Planning Commission and Housing Advisory Commission to create a workshop in which it will partner with multiple experts towards finding solutions for the causes and effects of gentrification and displacement.

RATIONALE FOR RECOMMENDATION

As the cost of housing and rent continue to rise in the Bay Area and Berkeley especially, low-income populations are struggling greatly to remain in their homes and many have already been displaced. A large proportion of this displaced population are from the black community. This recommendation will serve to protect those who are most vulnerable to the detrimental effects of development and rising housing costs as well as find a more equitable path of development.

IMPLEMENTATION, ADMINISTRATION AND ENFORCEMENT

The workshop will be created and facilitated by the Berkeley City Planning and Housing Advisory Commissions and will work alongside experts and advisors on displacement and gentrification.

FINANCIAL IMPLICATIONS

Staff time will be necessary to implement this workshop. The anticipated date for such a workshop is June 2019.

CONTACTS:

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