Community Resident Preference Policy as an Anti-Displacement Strategy

Seattle City Council

Civil Rights, Utilities, Economic Development & Arts Committee

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Seattle Office of Housing   Seattle Office for Civil Rights

TOPICS

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National examples and initial take-aways

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Demographic and displacement data; legal research
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National policy dialogue

1. Introduction

Tailor affordable rental and ownership housing leasing/sales to further specific policy goals

Policy Goals:

- Provide affordable housing opportunities for local communities
- Anti-Displacement: Support at-risk communities and/or assist affected individuals
- Address history of racial discrimination and advance racial equity

Community Resident Preference – Common approaches:

- A portion of rental or ownership units in affordable development are set-aside
- Preferred applicants may be local residents, workers, former residents, people who have been displaced
- Lottery used to select affordable housing residents / buyers
- Policy must affirmatively further fair housing – explicit analysis of racial impact

2. History of Seattle: Structural Racism and Discrimination

- 1800s – Colonization of Native American land

- 1870-1920s – Segregation of Asian Immigrants

- 1920s – Racial Covenants exclude people of color

- 1930s – Redlining blocks investment and wealth building

- 1940s – Internment of Japanese Americans

- 1960-1980 – White flight; Black and Brown concentration in cities

Seattle Racial Covenants and Redlining
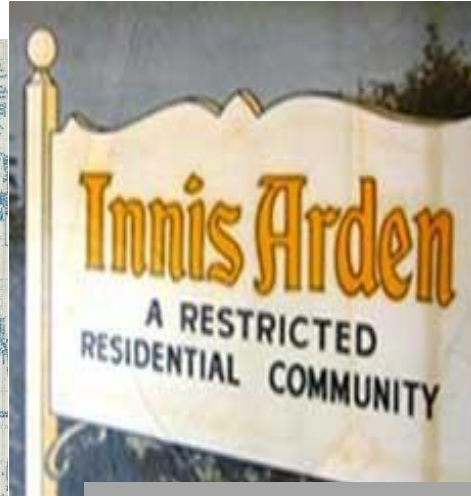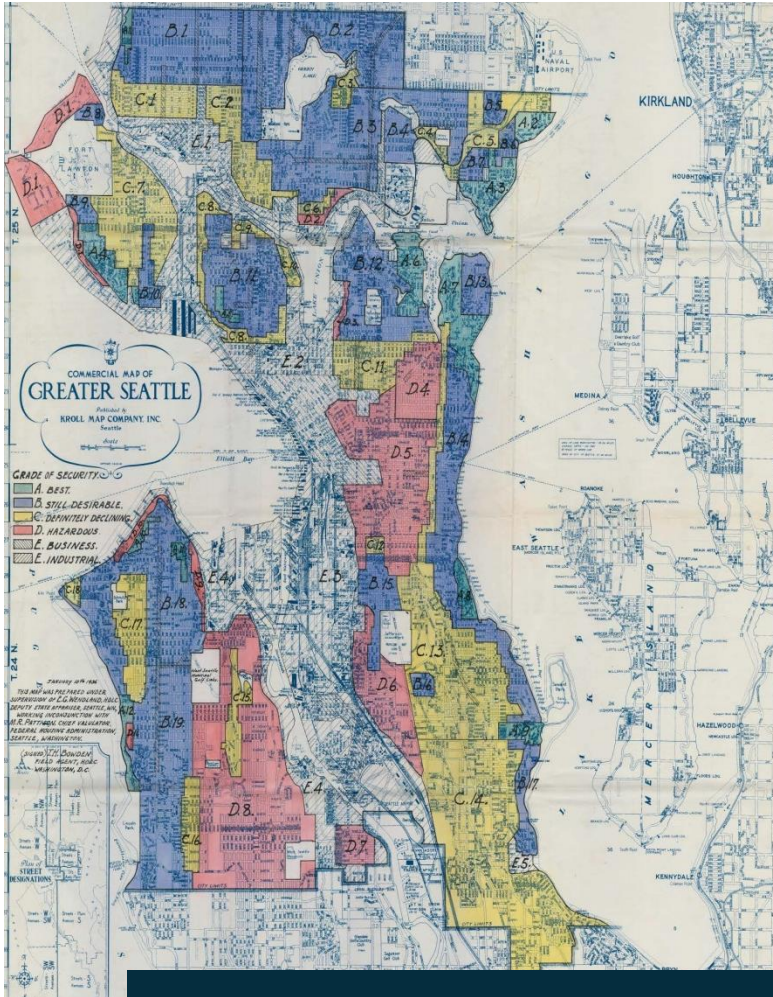
Eastlake Deed: Said lot or lots shall not be sold, conveyed, or rented nor leased, in whole or in part, to any person not of the **White race**; nor shall any person not of the White race be permitted to occupy any portion of said lot or lots or of any building thereon, except a domestic servant actually employed by a White occupant of such building.
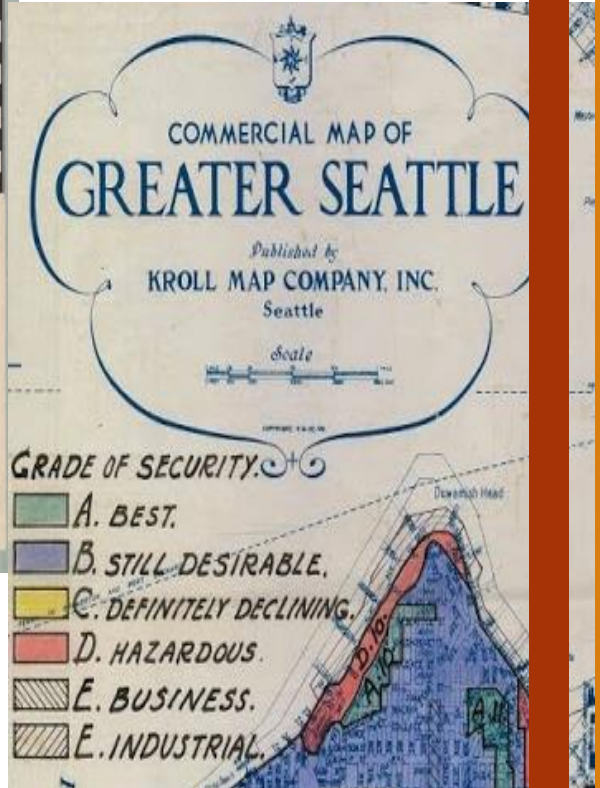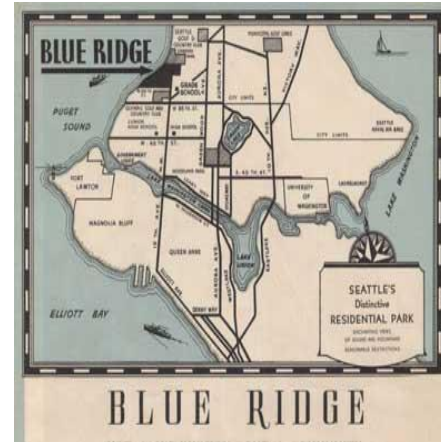
Impact of Racial Covenants and Redlining
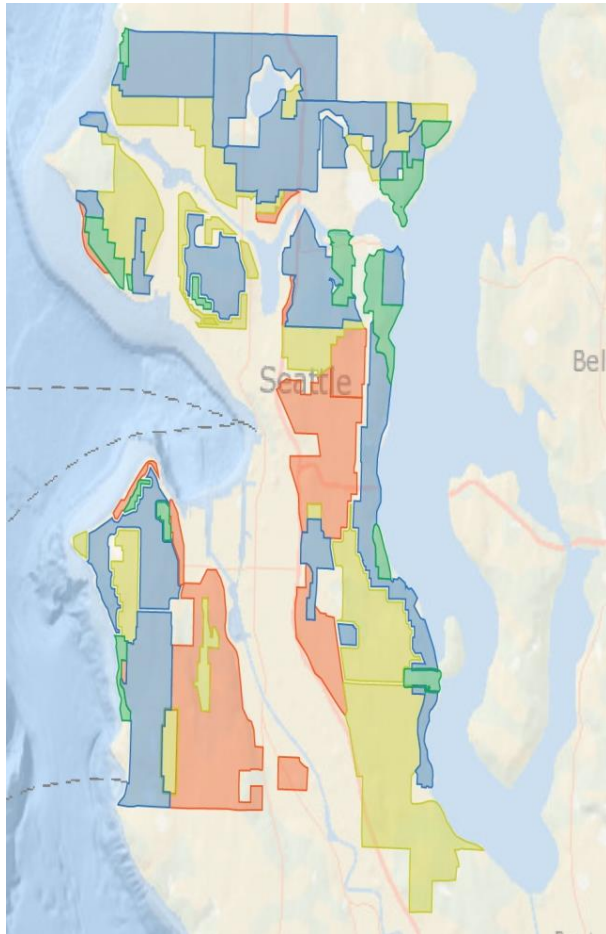
Home Owners' Loan Corporation Grade of Desirability 1936	Current Racial Segregation: % People of Color
A. Best (green)	15%
B. Still Desirable (blue)	22%
C. Definitely Declining (yellow)	42%
D. Hazardous (red)	52%

Fair Housing History

- Role of the Civil Rights Movement and community organizing
- Fair Housing Act of 1964
- Seattle's Open Housing Ordinance – addressing discrimination
- 2015 HUD Rule – Affirmatively Furthering Fair Housing
- Disparate Impact – addressing barriers to housing
- Anti-Displacement

Housing Strategies to Affirmatively Further Fair Housing

- Significantly increase supply of affordable rental and ownership housing

- Location priorities to achieve balanced, citywide investments
  - Communities with a high risk of displacement
  - Communities with high access to opportunity

- Population priorities, serving range of populations

3. Affirmative Marketing

Goal: Provide equal access to housing choices regardless of race, national origin, familial status, disability, other protected class status

Applies to:

- City-funded housing: 6 buildings/600 units opening per year*
- City incentive programs: 30 buildings/600 units opening per year*

Examples: In addition to marketing to the general public:

- Early outreach to neighborhood and cultural community groups
- Advertisements in neighborhood and community publications
- Translated materials and language assistance

Impact: People unlikely to apply are aware of housing opportunity and are able to apply

*Based on recent trends for Rental Housing and MFTE programs

4. Community Resident Preference

Goal: Address historic and current displacement by providing preference for community residents during leasing or sales

Examples: New York City, San Francisco, Portland

- % of units set-aside for people who live near the housing development (or work nearby, or previously lived nearby)

- Lottery to select residents (or "tie-breaker" for ownership housing)

- Variety of approaches

Intended Impact: Housing residents include current community residents at risk of displacement and reflect the demographic mix of the area

Example: New York City

Community Preference Policy

- Since 1980s
- All funded projects, citywide
- 50% of units at lease-up
- Preference: neighborhood residents

Example: San Francisco

- Since 2016
- 40% of units, at lease up or initial sale

Neighborhood Preference Policy
- All funded projects except HUD-funded
- Preference: residents of district, or within ½ mile

Anti-Displacement Preference Policy
- Projects receiving City and HUD funding
- Preference: residents of six high displacement risk neighborhoods

Example: Portland, OR

Affordable Housing Preference Policy, N/NE Neighborhood

- Since 2015
- Funded projects in Urban Renewal areas of N/NE Portland
- 40% of units, initial lease up or sale
- Preferences:
  - First priority: residents with property taken by eminent domain, their descendants
  - Current or former residents

Initial Take-aways

Policy must affirmative further fair housing, not perpetuate segregation
- Demographic data on geographic areas
- Data demonstrating displacement

Policy must not disadvantage members of a protected class
- Community preference area has diverse population
- Multiple preference points

Policy must recognize other fund source requirements
- Affirmative marketing and resident preference
- Admissions policies such as wait lists

5. Next Steps

- Community Input -- fit with community's racial equity and anti-displacement efforts
- Demographic and Displacement Data
- Legal Research; Federal Regulatory Actions
- National Dialogue
- Policy Recommendation