



STRATEGIC ACTIONS FOR A JUST ECONOMY

# LOCAL PREFERENCE POLICY FRAMEWORK FOR LOS ANGELES

This framework was produced and published by Strategic Actions for a Just Economy (SAJE) in October 2025 in partnership with Public Counsel and Eastside LEADS.

## **LEAD AUTHORS**

Maria Patiño Gutierrez, Deputy Director, Policy and Advocacy, SAJE

Kaitlyn Wagman, Student in the UCLA Luskin School of Public Affairs, Class of 2025

## **ABOUT SAJE**

SAJE is a 501c3 non-profit organization in South Los Angeles that builds community power and leadership for economic justice. Founded in 1996, SAJE focuses on tenant rights, healthy housing, and equitable development. SAJE runs a regular tenant clinic, helps connect local residents to jobs, organizes for tenant rights, and fights for community benefits from future development through private agreements and public policies. We believe that everyone, regardless of income or connections, should have a voice in creating the policies that shape our city, and that the fate of city neighborhoods should be decided.

## **ABOUT PUBLIC COUNSEL**

Public Counsel is a nonprofit public interest law firm dedicated to advancing civil rights and racial and economic justice, as well as to amplifying the power of our clients through comprehensive legal advocacy. Founded on and strengthened by a pro bono legal service model, our staff and volunteers seek justice through direct legal services, promote healthy and resilient communities through education and outreach, and support community-led efforts to transform unjust systems through litigation and policy advocacy in and beyond Los Angeles.

## **ABOUT EASTSIDE LEADS**

The Eastside Leadership for Equitable and Accountable Development Strategies (LEADS) coalition was established in 2017 comprising community members and eight community-based partner organizations working together to ensure urban development and investment is guided by the needs and priorities of the community first, without displacement. As a coalition, Eastside LEADS organizes and advocates for policies that advance the values of social housing, including the preservation and expansion of affordable housing, the promotion of social equity, and the right to give community members control over the decision-making and governance process impacting their housing and local matters.

# CONTENTS

|                                                                                                                        |    |
|------------------------------------------------------------------------------------------------------------------------|----|
| I. Background.....                                                                                                     | 4  |
| II. Recommendations.....                                                                                               | 5  |
| III. Timeline for Implementation.....                                                                                  | 8  |
| IV. Funding for the Program.....                                                                                       | 9  |
| V. Fair Housing Analysis.....                                                                                          | 10 |
| VI. Right of Return Is Insufficient.....                                                                               | 12 |
| VII. Local Preference Policies: San José, San Francisco, and Oakland.....                                              | 14 |
| VIII. Conclusion.....                                                                                                  | 20 |
|                                                                                                                        |    |
| Appendix A: Chart of Pending Report-Back Motions on Priority Occupancy<br>Policies in Los Angeles City Council.....    | 21 |
| Appendix B: Renter Threat/Displacement Vulnerability in Los Angeles.....                                               | 24 |
| Appendix C: Table of Replacement Unit Determination Tenant Income<br>Certification (TIC) Packets Analyzed by SAJE..... | 25 |
| Appendix D: Priority Occupancy Law Case Studies by Kaitlyn Wagman,<br>UCLA Luskin School of Public Affairs, 2025.....  | 26 |

# I. Background

Recently, several different city actions and policies have requested the study of a Priority Occupancy Policy or other preference-based policy to allocate some affordable housing units to particular populations (see Appendix A).

1. The third revision of Executive Directive 1, section 3, directs LAHD “to develop a Priority Occupancy Process to give priority access to affordable housing to occupants of units removed as a result of a development incentive program.”
2. The adoption of the Resident Protection Ordinance included a directive, requested by Council District 1, to LAHD to report on “[e]stablishing an ordinance, consistent with the Federal Fair Housing Act, to establish a Local Preference Program for residents displaced by incentive programs outlined within the CHIP, State Density Bonus, and any other incentive programs available within the City.”
3. Amending Motion 44A of the Boyle Heights Community Plan Update directs LAHD to “prepare a study that would support an ordinance to establish a Local Preference Program for Affordable Housing Units, consistent with the Federal Fair Housing Act, that gives priority for affordable housing units to households in Boyle Heights in consideration of those households that have been or will be displaced from their homes within 12 months due to a natural disaster; have had their residence demolished; have been evicted due to Ellis Act provisions; live or work in the City of Los Angeles; have suffered a government ordered eviction; have been affected by the construction of the I-60 freeway, I-5 freeway, I-10 freeway, and 101 freeways; or reside within households that were subject to redlining as delineated in the 1939 Home Owners Loan Corporation Map.”
4. Finally, a motion on Marketing and Tenant Selection for inclusionary affordable housing units requests LAHD to analyze “the feasibility of prioritizing newly constructed covenanted affordable housing units in unsubsidized, mixed income projects for workers whose employment is either with the City of Los Angeles or is located within the city boundaries, including, but not limited to, unionized service workers.”

SAJE, Public Counsel, and Eastside LEADS have been researching best practices for local preference programs in other jurisdictions. In this memo, we present a framework for what a local preference policy could look like for the City of Los Angeles.

## II. Recommendations

Los Angeles should adopt a comprehensive Local Preference Program, establishing several different pools of set-aside units for various vulnerable populations. The obligation to comply with these lease-up programs should be adopted immediately, and the city should develop a short-term transition plan to consolidate the lease-up of all affordable housing citywide within a city department.

Every development should have two pools of affordable units set aside for programs that address displacement. Subject to further study and revision for consistency with fair housing laws, 15% of the restricted affordable units should be reserved for a Neighborhood Preference Program, and 15% of the restricted affordable units should be reserved for a Priority Occupancy Program. Fractional units should be rounded up, so every project with two or more affordable units will contribute one unit to each of these programs. The remaining restricted units (the “General Affordable” units) should be leased per standard practices. If the project has a mix of affordability levels within its restricted affordable units, then the Neighborhood Preference Program units shall be leased up first to provide maximum flexibility for Neighborhood Preference applicants, followed by the Priority Occupancy Program units, and finally the General Affordable units.

### **A. NEIGHBORHOOD PREFERENCE PROGRAM**

This pool requires owners to allocate 15% of affordable units to applicants who currently reside within a designated geographic area close to the project. Our initial recommendation is to use the Community Plan Area as the geographic boundary, subject to further fair housing analysis.

If there are not enough applicants within the designated geographic area to fill all the set-aside Neighborhood Preference Program units, then the remaining units shall be allocated to people who currently live or work at least 75% of their working hours in the City of Los Angeles.

### **B. PRIORITY OCCUPANCY PROGRAM**

This pool requires owners to allocate 15% of affordable units first to any eligible applicants in the highest tier, with remaining set aside units being made available to the next tier, until the owner has exhausted potential applicants in each tier.

### **Tier 1: Active Displacement**

People who are currently being displaced — or have been displaced in the past five years — by an Ellis Act eviction, the Transit Oriented Communities program, Density Bonus program, Citywide Housing Incentive program, ED 1, natural disaster, government-ordered eviction, or any other policy or program that streamlines and accelerates the development of housing requiring the redevelopment of occupied units.

### **Tier 2: At-Risk of Displacement**

Tenants who currently live in an area with a high risk of displacement, as measured by LAHD's Displacement Analysis Risk Tool (DART) or SAJE's tool OWN-IT! (Highest Tier of Renter Threat, Highest Tier of Renter Vulnerability) (see Appendix B).

### **Tier 3: Historical Displacement**

Tenants, or direct descendants of tenants, displaced prior to the past five years due to a major public works project that disproportionately impacted low-income renters or renters of color, such as the development of Dodger Stadium, Union Station, freeway construction, or LA Metro construction. This may also include descendants of households that were subject to redlining as delineated in the 1939 Home Owners Loan Corporation map. The Los Angeles Civil and Human Rights and Equity Department should maintain a list of qualifying projects and establish criteria for evaluating whether someone is eligible for Tier 3 Priority Occupancy.

## **C. INTERACTION WITH STATE AND LOCAL RIGHT OF RETURN POLICIES**

Various state and local laws, including the Housing Crisis Act, the Resident Protection Ordinance, and the Rent Stabilization Ordinance's Ellis Act implementation sections, require tenants displaced by redevelopment to be offered a right to return to units at the new project. The programs recommended here should not supplant or overlap those rights. Units to be occupied by returning residents should be counted from the General Affordable units. Residents returning pursuant to a right of return law should not be counted as filling one of the set-aside pools, even if those tenants meet the qualification for one of those programs.

Instead, the developer should count and designate a number of non-set-aside units equal to the number of occupied units at the originating project, to fulfil the right of return. Only if the number of non-set-aside units is less than the total number of returning tenants should any set-aside units be used for tenants exercising a right of return. If not all tenants exercise their right to return, those non-set-aside units held for potential returning tenants should be added to the pool of units set aside for the Priority Occupancy Program.

#### D. EXAMPLE CALCULATIONS

| Originating Project | Units with a Right of Return                                           | New Project                                                                                            | Neighborhood Preference Program Set-Aside Units | Priority Occupancy Program Set-Aside Units | General Affordable Units |
|---------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------|--------------------------|
| 12 units            | 11 units, given right of first refusal out of General Affordable Units | 40 units, 100% affordable project                                                                      | 6 units                                         | 6 units                                    | 28 units                 |
| 12 units            | 11 units, given right of first refusal for any restricted units        | 60 units total, utilizing MIIP bonus requiring 12% ELI units, resulting in eight deed-restricted units | 2 units                                         | 2 units                                    | 4 units                  |

# III. Timeline for Implementation

We believe that the most successful version of this program requires the City of Los Angeles to take over responsibility for the lease up of affordable units citywide. San Francisco is a model of a jurisdiction that has successfully assumed this responsibility. However, we recognize that such a significant change in affordable housing administration will take time and resources to implement in a thoughtful and equitable manner.

Therefore, we recommend that the program be effectuated through an obligation to comply via the land use covenants containing the affordability requirements themselves. This is the most effective way to ensure the continued application and compliance with the program. Initially, it would be the development's obligation to comply with the program. Once the city creates the capacity and infrastructure to be responsible for affordable housing lease up citywide, it can assume that obligation from the developments. Waiting until the city has sufficient capacity to administer citywide lease up will mean years and years of developed units will not be subject to this program.

# IV. Funding for the Program

Currently, the Los Angeles Housing Department has two fees that are collected from developers which could staff the positions needed to ensure the city is able to assume responsibility for lease-up.

We propose an increase in two of the land use fees that currently apply to developers: the Replacement Unit Determination Fee (one-time fee) and the Covenant Monitoring Determination (yearly fee per unit).<sup>[1]</sup> In prior years, LAHD has also requested a transfer of \$200,000 from the Foreclosure Registry Trust Fund to pay a relocation consultant to work with tenants on enforcing their Right to Return. This could instead be used to fund and maintain the Local Preference Program.

Similarly, city funds expended on a multimillion-dollar contract with Urban Futures Bond Administration for covenant compliance monitoring could instead be used to bring those functions in-house at LAHD and to fund and maintain the Local Preference Program.

1. "LAHD Land Use Fees Schedule (Effective 01/16/2017)," Los Angeles Housing Department, [housing.lacity.gov/wp-content/uploads/2024/02/Schedule-of-Land-Use-Fees.pdf](https://housing.lacity.gov/wp-content/uploads/2024/02/Schedule-of-Land-Use-Fees.pdf).

# V. Fair Housing Analysis

The two pools of local preference that we propose illustrate key priorities for the low-income communities of color that we represent: displacement of residents caused by development, and the gentrification of neighborhoods that results from that development.

The Neighborhood Preference Program is geographic, reflecting how local communities in Los Angeles have created thriving, affordable, and vibrant neighborhoods. Given the housing crisis in Los Angeles, it is important for residents to have priority access to new affordable units built in their neighborhoods to continue to remain part of their communities. If the 15% affordable set-aside for these units is unable to be filled by neighborhood applicants, then the eligibility pool expands to those who live or work 75% of their working hours in the City of Los Angeles.

The Priority Occupancy Program is based on ongoing and historical displacement. There are three tiers within this program. Active Displacement is the highest tier. This means that applicants from the Active Displacement tier are chosen by lottery to fill the 15% set-aside until no eligible applicants in their tier remain. If there are not enough Active Displacement applicants to fill the 15% set-aside, then applicants from the At-Risk of Displacement are chosen by lottery next. If the 15% set-aside still is not filled after drawing from all applicants in the At-Risk category, then applicants from the Historical Displacement category are selected by lottery.

To ensure equity and access, the two tenant preferences must be consistent with fair housing laws. They must be implemented as part of a pattern of policies to promote inclusivity and attempts to integrate all types of people into the community. In order to show that the preferences would not contribute to further segregation or disparately impact any protected class, the Los Angeles Housing Department should conduct data analysis using proper modeling and formulas. In developing their preference policies, the City of San José used a model developed by Charles McNulty from the City of San Francisco. McNulty's work is based on methods used in case law and has been vetted with the United States Housing and Urban Development Department and California Housing and Community Development Department. There is no single analysis to show disparate impact, so the City of San José used four different tests.

1. The four-fifths test measures whether a selection rate for a minority race/ethnic group is less than four-fifths (80%) of the selection rate for the largest race/ethnic group. The courts generally regard a selection rate that is less than four-fifths (or less than 80%) as evidence of adverse impact.

2. EEOC: This method compares the selection rates of the minority group against each majority group. For example, if the selection rate for Asian applicants divided by the selection rate for white applicants (the racial majority in San José) is less than 80%, then the preference would fail this test. Note: in San José, no racial group constitutes a majority. The white population is a majority minority. White still makes sense as the majority group in this context given the history of racism and systemic bias/privilege.
3. Langlois Variation: With housing, it is not always possible to know the total qualified applicant pool. This method compares the selection rates for minority applicants with the preference to the selection rate of the same group without the preference. For example, if the selection rate for Asians with the residency preference is less than 80% of the selection rate for Asians without the preference, then the preference would fail the test.
4. The standard deviation analysis measures the probability of a non-biased selection system by statistically evaluating the difference between occupancy with and without the preference. A z-score (count of standard deviations from the mean) greater than two to three indicates a possible selection bias.

San José's analyses indicated that if the two preferences are applied to a total of 35% of restricted affordable units in a property in San José, no disparate impact results for any protected class tested. Furthermore, the analysis indicated that no disparate impact results when applying the Neighborhood preference to 15% of the units in an affordable housing project and a Citywide Anti-Displacement preference to 20% of the units in an affordable housing project in San José.

LAHD should conduct a similar analysis for the City of Los Angeles to validate the relevant percentages. The suggested percentages in this memo are placeholders and should be adjusted accordingly based on such an analysis.

# VI. Right of Return Is Insufficient

The Housing Crisis Act gives eligible low-income tenants the right to return to a comparable unit at a comparable price. However, in order for tenants to exercise their right to return, they must fill out a Tenant Income Certification packet and return it to LAHD.<sup>[2]</sup>

In 2022, SAJE staff noticed an increasing number of tenants arriving at SAJE’s Tenant Action Clinic with Tenant Income Certification packets bearing the Los Angeles Housing Department’s logo. SAJE staff and researchers acquired data from LAHD to determine how many packets had been sent to tenants versus how many had been returned. Although the Housing Crisis Act was passed in 2019, the City of Los Angeles did not begin tracking tenants’ income certification until 2022. Therefore, we were able to obtain data from 2020 through 2025 about the number of packets sent out, but data about the number of packets returned was limited to between 2022 and 2025 (see Appendix C for additional data).

| DATE      | OCCUPIED UNITS | PACKETS RETURNED<br>BY ELIGIBLE<br>HOUSEHOLDS |
|-----------|----------------|-----------------------------------------------|
| 2022      | 561            | 48                                            |
| 2023      | 507            | 151                                           |
| 2024      | 371            | 132                                           |
| Apr. 2025 | 86             | 50                                            |

2. “Information for Tenants: Frequently Asked Questions (FAQ) about Tenant Income Certification and Your Right to Return to this Building,” Los Angeles Housing Department, accessed June 5, 2025, [housing.lacity.gov/wp-content/uploads/2025/04/RPO-Tenant-Income-Certification-Packet-3-13-25.pdf](https://housing.lacity.gov/wp-content/uploads/2025/04/RPO-Tenant-Income-Certification-Packet-3-13-25.pdf).

In 2022, when SAJE realized that very few packets were being returned, they began to advocate for changes to the income certification process, including adding an option for self-certification and extending the response period from 15 to 30 days. The following year, there was an increase in the number of packets returned. However, between January 2022 and April 2025, only one quarter of households exercised their right to return, while 7.4% households returned packets but were deemed ineligible. This leaves questions about what happened to the other 67% of households that did not return their packets.

Since 2022, SAJE has interviewed dozens of tenants facing displacement because of the Housing Crisis Act, ED 1, TOC, or another program that allows developers to demolish rent-stabilized units to build new housing to learn about their experiences navigating relocation and right to return processes. These tenants have expressed an overwhelming desire to remain in their neighborhoods and stay connected to their schools, jobs, churches, and communities as they wait for units to be rebuilt. “Our jobs are near us, our doctors are here,” said one. “It would affect us if we had to go farther away. I’d like to stay in our neighborhood. Especially in the meantime because we will be returning to our address. My children grew up here, my daughter was born here, it would be difficult [to leave my neighborhood].”

Tenants should have the opportunity to choose to stay in their neighborhoods while they wait to exercise their right to return. Consequently, we recommend the City of Los Angeles implement a Local Preference Program to empower households to enforce their right to return process and ensure LAHD is tracking how many tenants have been displaced from their neighborhoods because of new development.

# VII. Local Preference Policies: San José, San Francisco, and Oakland

Many other cities in the United States have local preference policies to ensure tenants can remain in their communities when their housing is demolished because of new development. The following case studies were researched and written by Kaitlyn Wagman, a student in the UCLA Luskin School of Public Affairs completing a yearlong Capstone project with SAJE (See Appendix D for Kaitlyn Wagman’s full case studies report.) Wagman’s research informed our recommendations for the City of Los Angeles in the following ways:

1. The local preference policy categories should include two different pools: one for neighborhood residents, and one for those at high risk of displacement (San José, Oakland).
2. To ensure adequate monitoring and compliance, local preference policy administration should be centralized within and staffed by the city government rather than delegated to private property managers (San Francisco).
3. The local preference policy should apply to both inclusionary affordable units and subsidized nonprofit affordable units to ensure the widest application (San Francisco)

## A. SAN JOSÉ, CALIFORNIA

### *Background*

San José’s Tenant Preferences Program to Fight Displacement was implemented in March 2024 after being included in a 2020 Anti-Displacement Strategy for the city.<sup>[3]</sup> This policy is two-pronged:

1. Residents in High-Displacement Census Tracts: Designates 20% of apartments in new and existing affordable housing properties for low-income applicants who live

3. “Tenant Preferences That Fight Displacement,” City of San José, accessed June 5, 2025, [sanjoseca.gov/your-government/departments-offices/housing/resource-library/housing-policy-plans-and-reports/tenant-preferences](https://sanjoseca.gov/your-government/departments-offices/housing/resource-library/housing-policy-plans-and-reports/tenant-preferences).

in certain areas in San José with a high risk of displacement. This is determined via the Urban Displacement Project at UC Berkeley.<sup>[4]</sup>

2. Residents in the Same Neighborhood: Designates 15% of apartments in new and existing affordable housing properties for lower-income applicants who already live in the same San José City Council District. No more than 15% can be set aside for neighborhood preference to comply with the Fair Housing Act.

These preferences apply to the following types of affordable housing properties:<sup>[5]</sup>

1. City-funded affordable developments, including those for seniors
2. Developments negotiated through development agreements
3. Existing affordable housing properties when documents are updated
4. Any affordable housing development in the city that public agencies want to apply the preference, even if no city funding is being used
5. State-funded affordable developments

In San José, property owners are charged with ensuring that the property management is properly handling the waitlists. If an applicant is eligible for more than one preference, the property manager should give the highest positions to those dual-eligible applicants.

Mindy Nguyen, a development officer at the San José Housing Department, expanded on the San José policy.<sup>[6]</sup> Nguyen was involved in doing a disparate income analysis to determine how to best stop displacement pressure in certain neighborhoods. She explained that the first development that implemented this policy generated twenty general units, with six set aside for the preference policy. The city is looking at sixty more units in the next year as it monitors developers who are close to securing their funding. Nguyen also explained that, currently, this policy applies to affordable nonprofit units and not inclusionary units.

As for staffing capacity, one attorney is reviewing the policy, one staff member is doing background support and community outreach, and an additional full-time staff member is working on the preference policy. In total, the implementation of this policy requires three full-time staff. Similar to Berkeley, the newness of this policy makes it difficult to measure its impact, but the potential addition of sixty more units in the next year is promising.

4. "California Estimated Displacement Risk Model," Urban Displacement Project, accessed June 5, 2025, [urbandisplacement.org/maps/california-estimated-displacement-risk-model/](http://urbandisplacement.org/maps/california-estimated-displacement-risk-model/).

5. "City of San José Tenant Preference Program (TPP) DRAFT Administrative Guidelines," City of San José, 2024.

6. Mindy Nguyen, interview with Kaitlyn Wagman and Maria Patiño Gutierrez, 2024.

## *Lessons for Los Angeles*

San José is the most populated case study city, coming in at just over one million residents. This is the best example of staffing compared to Los Angeles' large population, which is over three million people.

San José's policy illustrates how local preference can be organized into two pools: neighborhood residents and high-displacement risk. We mirrored this two-prong structure in our recommendation to LAHD.

San José's administration of the policy relies on property managers to comply with the local preference rules when leasing up their properties. As such, fewer staff are required than if San José had centralized it within the city agencies. If LAHD were to centralize the administration of the policy in-house, then additional staff would likely be required.

## **B. SAN FRANCISCO**

### *Background*

San Francisco created its preference program (Certificate of Preference) during the 1960s, with the responsibility being transferred to the Mayor's Office of Housing and Community Development (MOHCD) in 2012.<sup>[7]</sup> These Certificates of Preference are given to anyone who was displaced from a residence acquired by the San Francisco Redevelopment Agency during urban renewal in the 1960s and 70s.<sup>[8]</sup> MOHCD has a master list of all addresses that can qualify for this certificate. However, this program was later expanded to include other categories, now encompassing the following in rank order:<sup>[9]</sup>

1. Urban Renewal: Current and former residents who have been displaced by urban renewal
2. Eviction and Emergency: Current and former residents who have been displaced by no-fault evictions or fires
3. Neighborhood Preference: Residents who currently live in the same supervisorial district as, or half a mile from, the property
4. Live/Work: Applicants who currently live or work in San Francisco

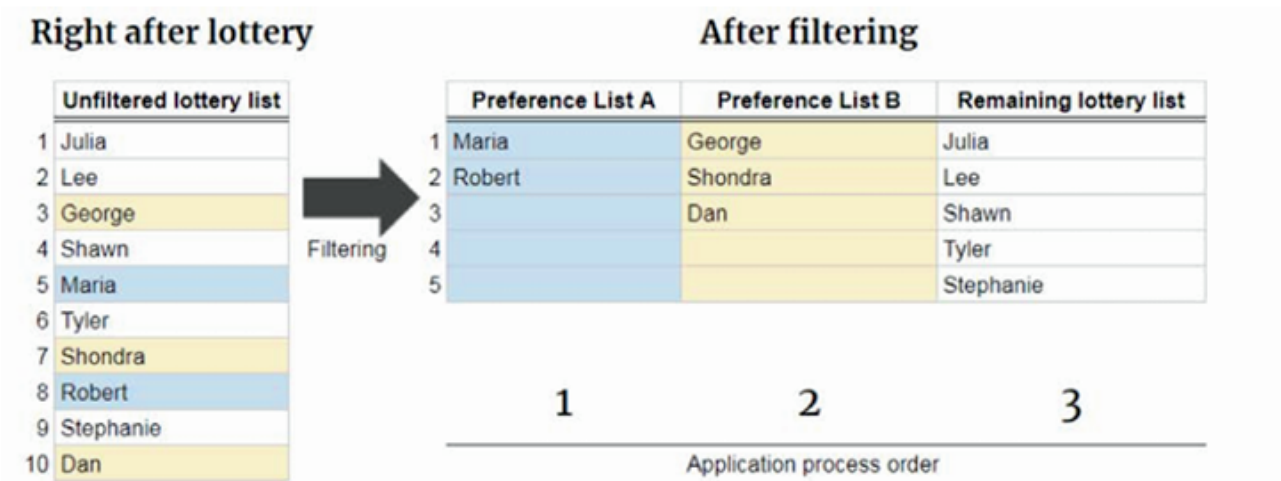
7. "Certificate of Preference Program Frequently Asked Questions," Mayor's Office of Housing and Community Development, San Francisco, accessed June 5, 2025, [sfmohcd.org/sites/default/files/COPP\\_FAQs\\_052217\\_0.pdf](https://sfmohcd.org/sites/default/files/COPP_FAQs_052217_0.pdf).

8. Eli Kaplan, "Implementing a Community Preference Policy for Affordable Housing in Berkeley," master of city planning thesis, University of California, Berkeley, Spring 2019, [action4equity.org/uploads/1/2/6/3/126323714/eli\\_kaplan\\_client\\_report.pdf](https://action4equity.org/uploads/1/2/6/3/126323714/eli_kaplan_client_report.pdf).

9. Kaplan, "Implementing a Community Preference Policy."

These preferences apply to both inclusionary and nonprofit units. All affordable units in the city must follow the lottery preference program. The city requires that every new building over five units has to include below-market-rate units, expanding the reach of this preference program.<sup>[10]</sup> Initial lottery results are sorted based on preference criteria by the city, and developers are responsible for maintaining the waitlist. There is a lottery held for each unit as it becomes available.

**Figure 3: Explanation of San Francisco's Lottery Process**



Source: Mayor's Office of Housing and Community Development, City and County of San Francisco, via Eli Kaplan, "Implementing a Community Preference Policy for Affordable Housing in Berkeley," master of city planning thesis, University of California, Berkeley, Spring 2019.

According to the 2019 Client Report for the City of Berkeley, in FY 2017–18, there were 106,894 applicants for affordable units in San Francisco. Approximately 1%, or 1,012 of applicants, received housing. Out of the 321 applicants with the urban renewal preference, 15% received housing, indicating that this preference improved access to affordable housing. Of the total number of applicants housed, 97% had some form of preference.<sup>[11]</sup>

Andrea Nelson, who runs the lottery program for MOHCD, was able to provide updated information about the preference program. Nelson explained that there are currently 1,400 Certificate of Preference holders who can use the certificate once for the rental program and once in a separate home-buying program. Nelson clarified the majority of applicants qualifying for a preference do so under the live/work preference. In FY 2023–24, 678 affordable units were added to the city's portfolio, with 1,464 affordable units under construction.<sup>[12]</sup>

10. Andrea Nelson, interview with Kaitlyn Wagman and Maria Patiño Gutierrez, 2025.

11. Kaplan, "Implementing a Community Preference Policy."

12. Nelson, interview with Wagman and Patiño Gutierrez.

As for the implementation of the preference program, San Francisco uses an online system called DAHLIA, where MOHCD publishes affordable rental units as they become available.<sup>[13]</sup> Each unit is available via a lottery system that is rarely open to people who do not qualify for preference. Staffing has been reduced since the 2019 Berkeley report, down from around five people to three, a reduction likely due to the streamlining of the process via DAHLIA.

### *Lessons for Los Angeles*

Unlike San José, San Francisco centralizes its local preference administration within a city department. Using software to streamline and centralize listings and applications allows San Francisco to run the system with between three to five staff. Centralizing also allows for better monitoring and compliance, and is the preferred way to implement a local preference policy.

Additionally, the scope of San Francisco's policy is wider than San José's and captures more units, as it applies to inclusionary affordable units as well as 100% affordable nonprofit units. Los Angeles should implement a similar scope to assist as many residents as possible.

## **C. OAKLAND, CALIFORNIA**

### *Background*

Oakland's preference policy was enacted in its current form in 2016, although the city had a Certificate of Preference program similar to San Francisco's before this.<sup>[14]</sup>

Currently, the preference policy applies to three major categories:

1. Displacement: Current and former residents displaced by the City of Oakland or the Oakland Redevelopment Agency, Oakland's code enforcement, or a no-fault eviction
2. Neighborhood Preference: Residents who currently live in the same council district as, or one mile from, the property. This preference applies to 30% of all units at a project (similar to San José). It only applies to the initial rental or sale of a project<sup>[15]</sup>
3. Live/Work: Applicants who currently live or work in Oakland

13. DAHLIA San Francisco Housing Portal, [housing.sfgov.org](https://housing.sfgov.org).

14. Kaplan, "Implementing a Community Preference Policy."

15. "Oakland Live/Work Preference Policy," City of Oakland, accessed June 5, 2025, [oaklandca.gov/documents/oakland-live-work-preference-policy](https://oaklandca.gov/documents/oakland-live-work-preference-policy).

This is a tiered system, with a lottery conducted within each preference group (similar to San Francisco). The policy applies to development projects with over five units that have development assistance from the city, including below-market-rate loans, grants, deferred loans, and the below-market-rate lease or sale of real property.<sup>[16]</sup> According to the 2019 Berkeley Client Report, the policy applies to lease-up and ongoing leases for most preference categories, except for the neighborhood preference, which only applies to lease-up developments.<sup>[17]</sup> As of 2019, the city's portfolio for the program was 9,166 units.<sup>[18]</sup>

Joseph Tran, an employee of the Housing Development Service Department in Oakland, works on asset monitoring for the city. He explained that the preference policy is enforced through the marketing plans required for developers of affordable units. The city is responsible for approving the management plan of each development. As part of these plans, the developer must open the waitlists for affordable units to people who qualify for preferences under the 2016 ordinance and then hold a lottery for the public.<sup>[19]</sup> Tran explained that employees of the Housing Development Service Department will attend lotteries to ensure the preferences are being followed, but that the developer is ultimately responsible for the waitlists. He added that tenants can file a complaint with the City of Oakland's Housing and Community Development Department to report noncompliance, and can request a public records review for the management plans. Tran says that staffing requires five housing development coordinators, with each development having at least one staff member assigned to it. The city is responsible for conducting compliance monitoring and audits as well as pursuing legal action against developers if the preference plan is not followed. This model places far less burden on the city but also provides less oversight to developers.

### *Lessons for Los Angeles*

Oakland's preference categories are instructive but much more limited in scope than San Francisco's, as they only apply to developments with city subsidies. San Francisco's system has a wider net and should be adopted by LAHD. Like San José, Oakland's policy relies on property managers for administration and leans on tenants to monitor for compliance. Oakland has a staff of five people to administer their system. As discussed above, a centralized system like San Francisco's is preferable to ensure compliance and adequate monitoring.

16. Joseph Tran, interview with Kaitlyn Wagman and Maria Patiño Gutierrez, 2025.

17. Kaplan, "Implementing a Community Preference Policy."

18. Kaplan, "Implementing a Community Preference Policy."

19. Tran, interview with Wagman and Patiño Gutierrez.

# **XI. Conclusion**

We recommend the City of Los Angeles establish a Priority Occupancy Program and a Neighborhood Preference Program immediately in order to prevent further community displacement from occurring. We hope to work with the LA Housing Department in order to provide our expertise.

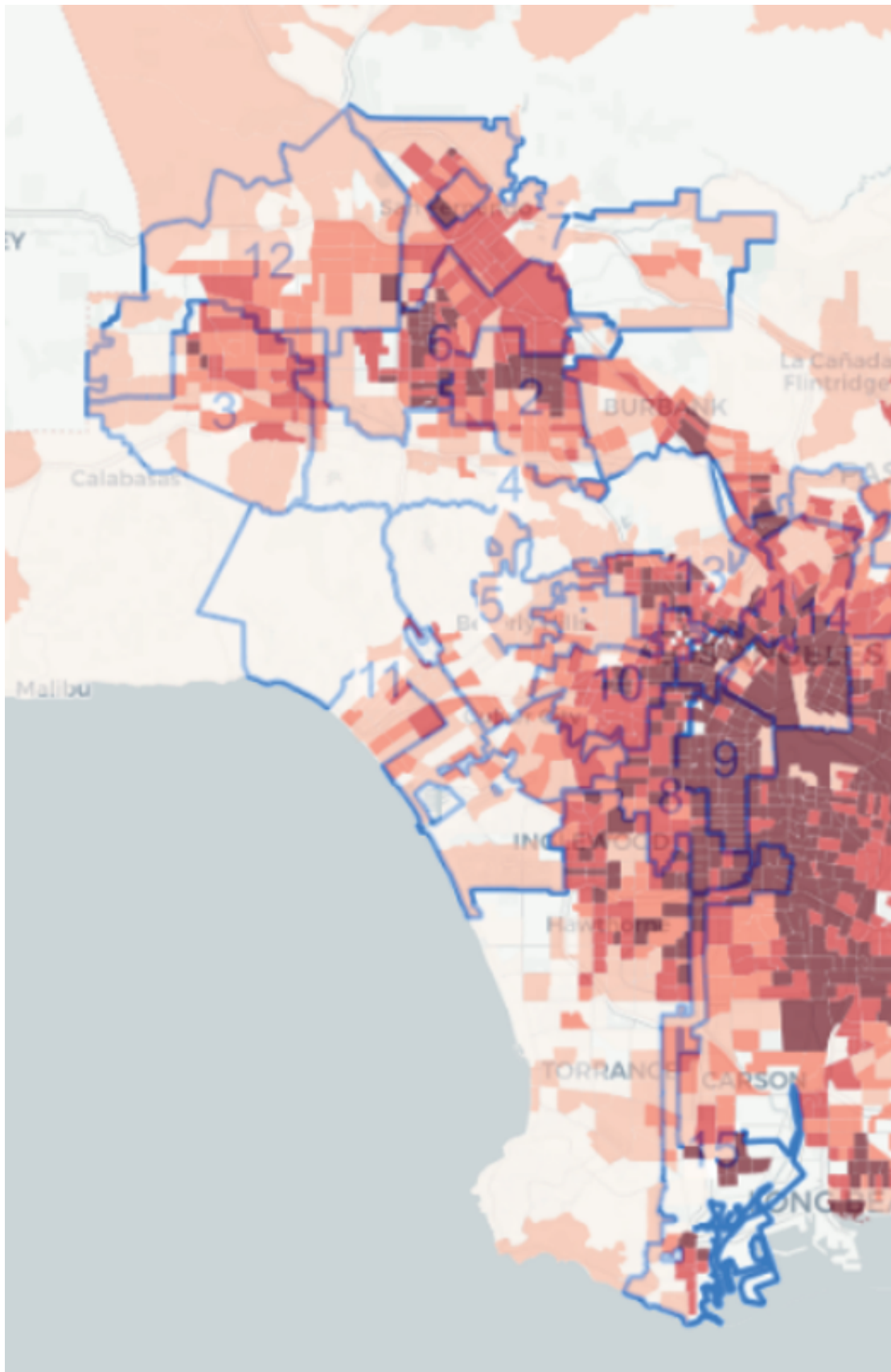
## APPENDIX A: Chart of Pending Report-Back Motions on Priority Occupancy Policies in Los Angeles City Council

| Date     | Council File                                        | Language                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Status  | Note |
|----------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|------|
| Feb 2024 | <a href="#">24-0124</a>                             | I FURTHER MOVE that the City Council additionally direct the CAO, with assistance from LAHD, DCP, and the City Attorney's Office, report back in 90 days on the feasibility of prioritizing newly constructed covenanted affordable housing units in unsubsidized, mixed income projects for workers whose employment is either with the City of Los Angeles or is located within the city boundaries, including, but not limited to, unionized service workers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Pending |      |
| Jul 2024 | <a href="#">Mayor's ED 1 Revised July 1st, 2024</a> | Consistent with fair housing and other legal requirements, the Housing Department, with the assistance of the City Attorney, is directed to develop a Priority Occupancy Process to give priority access to affordable housing to occupants of units removed as a result of a development incentive program, including this Directive, the Transit Oriented Communities program, Density Bonus program, or other policy or program that streamlines and accelerates the development of housing requiring the redevelopment of occupied units. Under the Priority Occupancy Process, eligible low-income tenants who occupied such units shall be given priority for placement in subsidized or covenanted affordable housing developments that are required to have LAHD-approved Property Management Plans and Tenant Selection Plans. The Priority Occupancy Process shall take into account the accessibility needs of disabled occupants, household income levels, and eligibility requirements of newly permitted affordable housing, and shall not require tenants to relinquish their right of first refusal should they elect to be relocated to a unit based on Priority Occupancy. | Pending |      |

|          |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |         |                                                                                |
|----------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------------------------------------------------------------------------------|
| Sep 2024 | <a href="#">23-0861</a>                    | Instruct the Los Angeles Housing Department, in coordination with the Planning Department and the City Attorney, to prepare a study that would support an ordinance to establish a Local Preference Program for Affordable Housing Units, consistent with the Federal Fair Housing Act, that gives priority for affordable housing units to households in Boyle Heights in consideration of those households that have been or will be displaced from their homes within 12 months due to a natural disaster; have had their residence demolished; have been evicted due to EllisAct provisions; live or work in the City of Los Angeles; have suffered a government ordered eviction; have been affected by the construction of the 1-60 freeway, 1-5 freeway, I-10 freeway, and 101 freeways; or reside within households that were subject to redlining as delineated in the 1939 Home Owners Loan Corporation Map; prepare and present a proposed ordinance; and prepare a report with recommendations within 45 days. | Pending | Introduced by Council Member Kevin de Leon to the Boyle Heights Community Plan |
| Nov 2024 | <a href="#">21-1230-S8 Amending motion</a> | INSTRUCT the City Attorney with assistance from the LAHD to report back on the feasibility of establishing an ordinance, consistent with the Federal Fair Housing Act, to establish a <b><u>Local Preference Program for residents</u></b> displaced by incentive programs outlined within the Citywide Housing Incentive Program, State Density Bonus, and any other incentive programs available within the City.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Pending | Motion Added to RPO at PLUM                                                    |

|  |                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |         |  |
|--|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--|
|  | <a href="#">Residents Protection Ordinance</a> | <p>Priority Populations. To the extent practical and consistent with any applicable local, state and federal law, and pursuant to any locally adopted guidelines, the Affirmative Marketing and Fair Housing Outreach provisions in subdivision 1 and the Affordable and Accessible Housing Registry in subdivision 2 above, as well as any other City Planning or LAHD administrative procedure, should attempt to prioritize those populations with the greatest housing needs that have been displaced by government-related actions. This may include, but not be limited to:</p> <p>(a) Any person or household who has been displaced through a withdrawal of units pursuant to the Ellis Act and Sections 151.22 to 151.28 (Ellis Act Provisions) of this Code.</p> <p>(b) A lower income person or household subject to a rent increase related to conversion to market-rate housing due to termination of a public funding subsidy contract, mortgage prepayment, or expiring use restrictions based on land use entitlement concessions; or</p> <p>(c) A person or household displaced due to a code enforcement order, including those affected by a natural disaster that resulted in their residential unit being rendered uninhabitable</p> | Pending |  |
|--|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--|

## Appendix B: Renter Threat/Displacement Vulnerability in Los Angeles



**Appendix C: Table of Replacement Unit Determination  
Tenant Income Certification (TIC) Packets Analyzed by SAJE**

|      | <b>Total<br/>Existing<br/>Residential<br/>Units</b> | <b>Tenant Occupied<br/>Units (per Tenant<br/>Info Table)</b> | <b>Vacant<br/>Units</b> | <b>Affordable<br/>TIC Forms<br/>Received</b> | <b>Not Affordable<br/>TIC Forms<br/>Received</b> | <b>TOTAL<br/>FORMS</b> |
|------|-----------------------------------------------------|--------------------------------------------------------------|-------------------------|----------------------------------------------|--------------------------------------------------|------------------------|
| 2022 | 1,163                                               | 561                                                          | 276                     | 48                                           |                                                  |                        |
| 2023 | 1,368                                               | 507                                                          | 861                     | 151                                          | 44                                               | 195                    |
| 2024 | 833                                                 | 371                                                          | 462                     | 132                                          | 51                                               | 183                    |
| 2025 | 193                                                 | 86                                                           | 107                     | 50                                           | 18                                               | 68                     |

## Appendix D: Priority Occupancy Law Case Studies

### Kaitlyn Wagman, UCLA Luskin School of Public Affairs, 2025

#### A. Literature Review

Little research has been done on the effects of priority occupancy laws, but gentrification and displacement are well-studied topics. For example, one review found that while gentrification might lead to more public amenities, the equitable benefit of these amenities is “jeopardized when less wealthy, underprivileged residents” cannot use them.<sup>[1]</sup> The process of gentrification can lead to sociocultural erasure, less community cohesion, and worse nutrition habits, all of which are linked to negative health outcomes.<sup>[2]</sup> Further, a SPARCC study on four cities — Atlanta, Chicago, Denver, and Memphis — found similar effects of gentrification and forced displacement. In all four cities, participants voiced concerns about losing community resources, access to transportation, and educational opportunities.<sup>[3]</sup> In Atlanta, a long history of displacement due to highway and stadium construction shows a relationship between investment and disinvestment-driven displacement.<sup>[4]</sup> A survey of displaced households in San Mateo County found that after displacement, respondents had to move to neighborhoods with fewer job opportunities and substandard housing.<sup>[5]</sup> The same survey found that 1 in 3 displaced households experienced a period of homelessness or marginal housing in the two years following displacement.<sup>[6]</sup>

Likewise, an NCRC study between 2000 and 2013 found that gentrification and displacement were most prevalent in the nation’s biggest cities, with Black and Hispanic residents being the predominant victims.<sup>[7]</sup> Seven cities, including Los Angeles, accounted for nearly half of the gentrification nationally.<sup>[8]</sup> A study conducted by the Russell Sage Foundation examined fifty years after the Kerner Commission Report in Los Angeles and found that gentrification and displacement have massive effects on the values of predominantly POC neighborhoods. After the city used eminent domain to acquire land owned by Mexican Americans, more than 1,000 people were uprooted to

1. Helen Cole, et al., “Breaking Down and Building Up: Gentrification, Its drivers, and Urban Health Inequality,” *Current Environmental Health Reports*, 2021.

2. Cole, “Breaking Down and Building Up.”

3. Anna Cash, et al., “Building a National Narrative of Anti-Displacement Strategies Key Takeaways,” SPARCC, October 2020.

4. Cash, “Building a National Narrative.”

5. Justine Marcus, and Miriam Zuk, “Displacement in San Mateo County, California: Consequences for Housing, Neighborhoods, Quality of Life, and Health,” Escholarship, 2017.

6. Marcus and Zuk, “Displacement in San Mateo County.”

7. Jason Richardson, et al., “Shifting Neighborhoods: Gentrification and Cultural Displacement in American Cities,” NCRC, 2019.

8. Richardson, “Shifting Neighborhoods.”

build what is now Dodger Stadium.<sup>[9]</sup> The study also found that massive displacement in South Los Angeles resulted in falling homeownership rates due to racial disparities. In fact, for every dollar that a white household possessed, Black and Mexican households held one cent.<sup>[10]</sup>

The City of Los Angeles has many more examples of displacement. In East L.A., Mexican American, African American, Italian, Irish, and Russian-Jewish residential areas were labeled as “slums,” which the city then used as reasoning to construct freeways over these communities, essentially wiping them out.<sup>[11]</sup> This led to the formation of segregated communities, replacing the racial coexistence that had existed previously. Additionally, in the 1920s and 30s, the city purposely displaced Chinatown residents from Plaza Olvera to construct Union Station.<sup>[12]</sup> As a result, these residents relocated and opened “mom-and-pop” stores in a newly constructed Chinatown, which is now being threatened by large residential developments and shopping centers.<sup>[13]</sup> Chapple and Loukaitou-Sideris found that displacement was common alongside transit lines in Los Angeles and called for increased consideration of the effects of transit-oriented development.

Further, the history of redlining in Los Angeles has a widespread impact today on gentrification and displacement. Figure 1 shows a map from the Los Angeles’ official geo hub, marking the historically redlined districts and overlaying that with low-income and disadvantaged communities. This clearly shows that redlining has led to long-term impacts, with communities that were redlined being more disadvantaged. Comparing this map to Figure 2 — which shows SAJE’s OWN-IT! map, outlining the displacement vulnerability of Los Angeles communities — many of the redlined communities show a higher risk of displacement. Beyond that, low-income and disadvantaged communities in the northwest are more vulnerable to displacement.

9. Melany De La Cruz-Viesca, et al., “Fifty Years after the Kerner Commission Report: Place, Housing, and Racial Wealth Inequality in Los Angeles,” *Russell Sage Foundation Journal of the Social Sciences*, 2018.

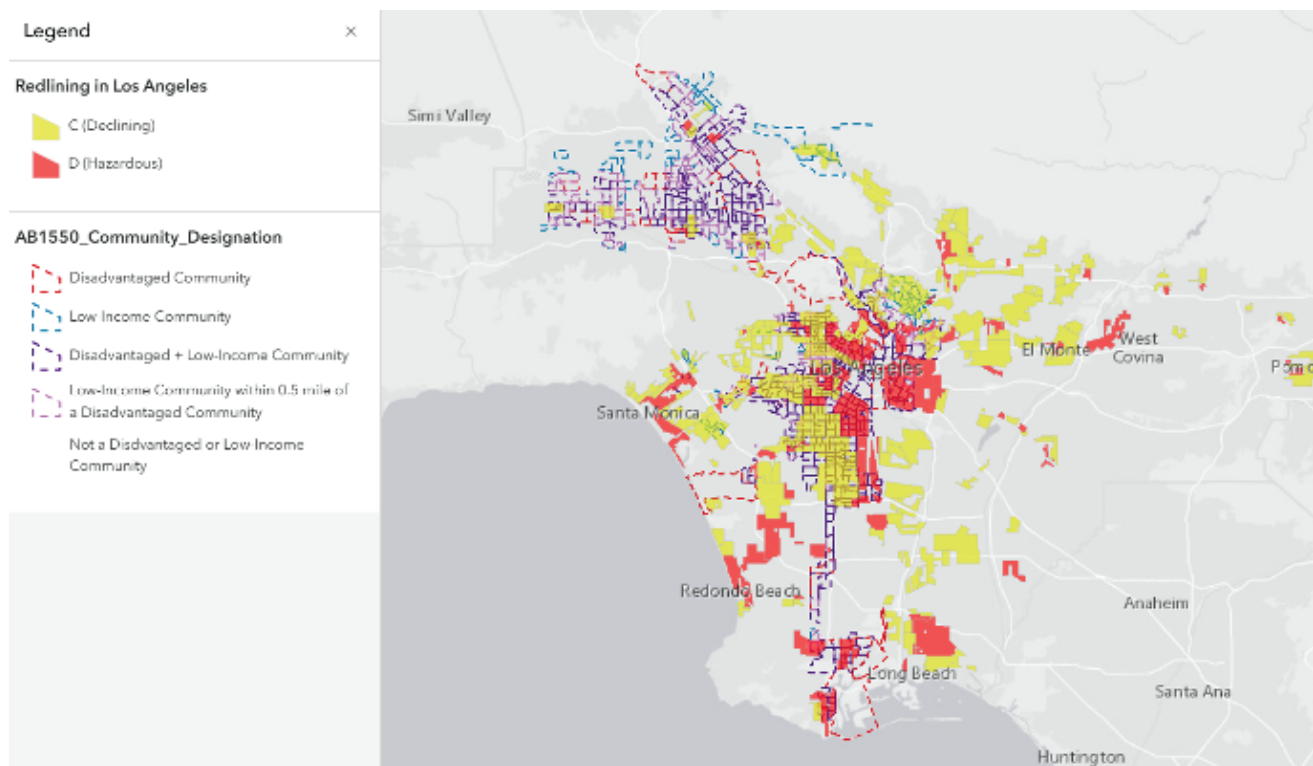
10. De La Cruz-Viesca, “Shifting Neighborhoods.”

11. Giovanni Perez, “The Los Angeles Freeway and the History of Community Displacement,” Cal State, 2017.

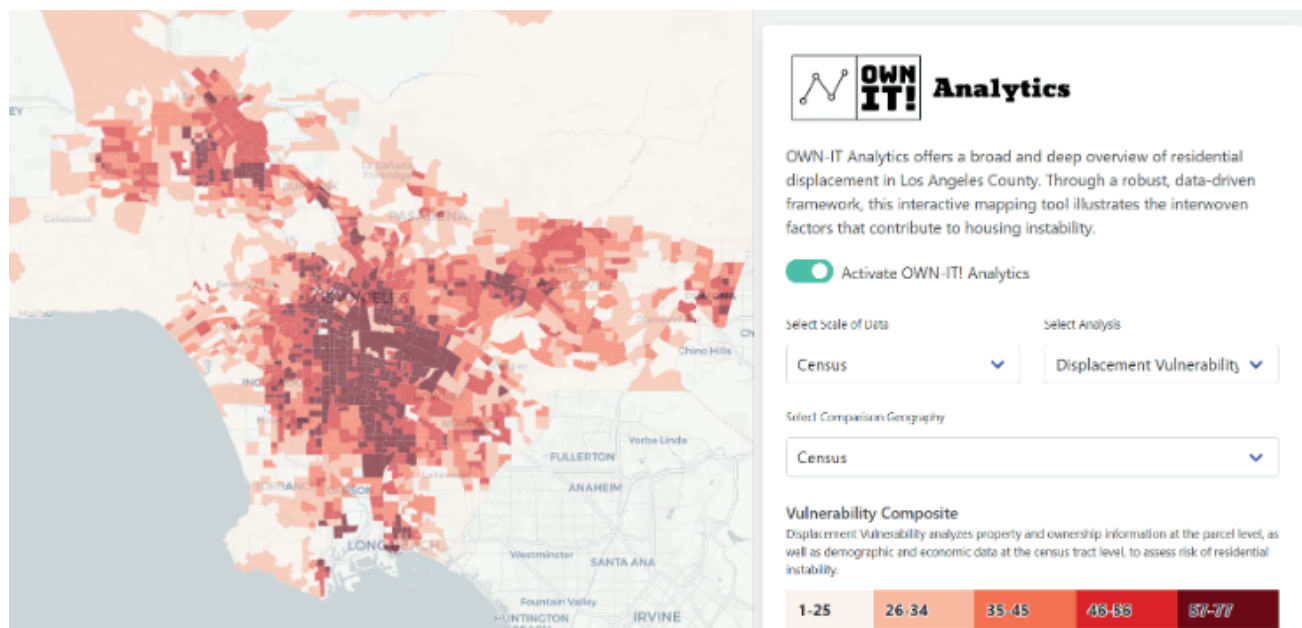
12. Karen Chapple and Anastasia Loukaitou-Sideris, *Transit-Oriented Displacement or Community Dividends? Understanding the Effects of Smarter Growth on Communities* (Cambridge, Mass.: MIT Press, 2019).

13. Chapple and Loukaitou-Sideris, *Transit-Oriented Displacement*.

**Figure 1: City of Los Angeles Redlining and Disadvantaged Communities**



**Figure 2: SAJE OWN-IT! Map of Displacement Vulnerability**



Source: SAJE OWN-IT! Analytics.

Priority occupancy is a relatively new concept that is just starting to make its way into academic literature. This is becoming an increasingly popular solution to resolve the displacement of communities. However, it's important to note that local residency preferences have been used to maintain segregated communities rather than aid displaced communities. Giving preference to residents of an area, rather than preference to historically displaced people, has been well-critiqued. *Langlois v. Abington Housing Authority* (2002), *Vargas v. Smithtown* (2007), and *Fair Housing Justice Center v. Yorktown* (2010) all set a precedent against these types of residency requirements.<sup>[14]</sup> Another review of these laws notes that they violate the right to travel and interstate migration by favoring residents of a small geographic location, as well as the Fair Housing Act, which prohibits the refusal of rent or sale to a person because of race, religion, sex, etc.<sup>[15]</sup> In *the United States v. Housing Authority of Chickasaw*, the district court found that a residency requirement hurt Black Americans, as this residency requirement discouraged neighboring Black communities from integrating into Chickasaw.<sup>[16]</sup>

There is a legal precedent supporting priority occupancy policies for displaced communities. New York City recently settled a lawsuit that alleged their preference policy created more segregation.<sup>[17]</sup> The city originally wanted to provide preference for 50% of affordable units to displaced people; however, it was found that this high threshold would perpetuate segregation.<sup>[18]</sup> The court allowed the policy to stand but with a decreased threshold of 20%, falling to 15% in five years.<sup>[19]</sup> The City of Berkeley passed a tenant preference law that gives affordable housing preference to residents from historically displacement communities, including those displaced due to the construction of the Bay Area Rapid Transit system.<sup>[20]</sup> Similarly, Portland, Seattle, Oakland, San José, Santa Monica, and San Francisco all have implemented policies granting preference to displaced people (or people at risk for displacement) without legal challenges.

Overall, priority occupancy laws are becoming a more popular policy in an attempt to undo the harmful effects of gentrification and the displacement of communities. Allowing priority occupancy in affordable units for people who have been historically displaced can help reintegrate communities that have been purposely segregated. The

14. Dee Williams-Ridley, "Memorandum: Housing Preference Policy Implementation," Berkeley Office of the City Manager, 2024.

15. Keaton Norquist, "Local Preferences in Affordable Housing: Special Treatment for Those Who Live or Work in a Municipality," *Boston College Environmental Affairs Law Review*, 2009.

16. Norquist, "Local Preferences in Affordable Housing."

17. Shauna Noel and Emmanuella Senat, "Noel & Senat Vs the City of New York," 2024.

18. Noel and Senat, "Noel & Senat vs the City of New York."

19. Noel and Senat, "Noel & Senat vs the City of New York."

20. Williams-Ridley, "Memorandum: Housing Preference Policy Implementation."

concerns over creating more segregation are valid; however, as long as cities do not set a high threshold for priority occupancy units, there isn't evidence to support this. Additionally, priority occupancy laws for people who have already been displaced often aid integration into gentrified areas. These policies can also help provide more resources for communities that have been disinvested by their local governments.

## **B. CASE STUDIES**

### *Berkeley, California*

The City of Berkeley implemented its preference policy in July 2023, with updates in January 2024. As it stands, the city gives priority to affordable housing lotteries to households that have faced or are facing displacement. Their preferences are as follows:<sup>[21]</sup>

1. The applicant (or a parent, grandparent, or great-grandparent) lost their home due to the construction of BART in the 1960s and 1970s in Berkeley
2. The applicant was displaced due to foreclosure since 2005 in Berkeley
3. The applicant has at least one child aged 17 or under in their household
4. The applicant is a current or former resident of a redlined neighborhood in Berkeley
5. The applicant is a child or grandchild of someone who lived in a redlined neighborhood in Berkeley
6. The applicant was evicted in a no-fault or nonpayment eviction in Berkeley within the last seven years
7. The applicant is at risk of homelessness in Berkeley, or the applicant is homeless in Berkeley or homeless with a prior address in the city and is not being prioritized for Permanent Supportive Housing

If an applicant meets the other eligibility requirements for an affordable housing unit, they will be prioritized on the waitlist based on the above criteria. These preferences apply to rental housing applications for Housing Trust Fund and Below Market Rate units. The preferences are incorporated into the Alameda County Housing Portal's uniform pre-application so that applicants can easily designate their eligible preferences. These housing preferences apply to a maximum of 75% of lottery units (per the Fair Housing analysis), with the rest of these lottery units being leased without prioritization of preference. The city provides certificates for applicants who qualify for the BART Construction Displacement Preference and the Foreclosure Preference.<sup>[22]</sup> The rest of the preferences are verified if the applicant is selected for a lease opportunity.

21. Williams-Ridley, "Memorandum: Housing Preference Policy Implementation."

22. Williams-Ridley, "Memorandum: Housing Preference Policy Implementation."

The preference policy was implemented for the first time at the Maudelle Miller Shirek Community, an 86-unit affordable housing rental project in South Berkeley.

Anna Cash, a Housing Policy Specialist with the City of Berkeley, rounded out the case study on Berkeley's preference policy.<sup>[23]</sup> Cash works with the housing team under Health, Housing, and Community Services, focusing on new policy developments within the city. She explained how the preference policy came to be: there was a push for race-specific policies to help Black families who have been historically disadvantaged in the city. However, there are far too many legal implications with race-specific policies, given the Fair Housing Act.<sup>[24]</sup> Mirroring other cities, Berkeley landed on the preference policy to help disadvantaged and displaced communities. However, some community members feel this does not do enough to undo the damages of past housing discrimination.

According to Cash, at the time of this interview, the policy had just been implemented in the 86-unit building mentioned above. The preferences apply to 56 of those units. Cash shared that two more inclusionary leases were in the works with the city. Berkeley is also working on its redevelopment plan, where the city plans to have the preference policy apply to new units. For implementation and staffing, Cash said that there are three people on the housing and programs teams that work directly with the lottery. Due to this policy being so new, it is difficult to measure its impact. However, in the first year, Cash claims the policy applied to 65 units, creating positive momentum for the policy going forward.

### *San José, California*

San José's Tenant Preferences Program to Fight Displacement was implemented in March 2024 after being included in a 2020 Anti-Displacement Strategy for the city.<sup>[25]</sup> This policy is two-pronged:

1. Residents in High-Displacement Census Tracts: Designates 20% of apartments in new and existing affordable housing properties for low-income applicants who live in certain areas in San José with a high risk of displacement. This is determined via the Urban Displacement Project at UC Berkeley.<sup>[26]</sup>

23. Anna Cash, interview with the author and Maria Patiño Gutierrez, 2024.

24. "The Fair Housing Act," The United States Department of Justice, 2023.

25. "Tenant Preferences That Fight Displacement," City of San José, 2023.

26. The Urban Displacement Project, "Estimated Displacement Risk Map," 2025.

2. Residents in the Same Neighborhood: Designates 15% of apartments in new and existing affordable housing properties for lower-income applicants who already live in the same San José City Council District. No more than 15% can be set aside for neighborhood preference to comply with the Fair Housing Act.

These preferences apply to the following types of affordable housing properties:<sup>[27]</sup>

1. City-funded affordable developments, including those for seniors
2. Developments negotiated through development agreements
3. Existing affordable housing properties when documents are updated
4. Any affordable housing development in the city that public agencies want to apply the preference, even if no city funding is being used
5. State-funded affordable developments

Further, developments that yield less than four units set aside for the Tenant Preference Program will be exempted. The property owners must ensure that management is managing the opening of waitlists for these preferences. If an applicant is eligible for more than one preference, the property manager should give the highest positions to those dual-eligible applicants.

It is important to note the potential consequences of a neighborhood preference such as San José's. In the *Broadway Triangle Community Coalition v. Bloomberg* lawsuit in 2009, the court found that the neighborhood requirements would perpetuate segregation of communities.<sup>[28]</sup> This neighborhood preference set aside 50% of affordable units subject to its Housing Lottery to residents of the same community district, which is a far higher percentage than the 15% required by San José. Regardless, when considering the implementation of a neighborhood preference in a place like Los Angeles, where racial and class segregation is still very present, officials might refrain.<sup>[29]</sup>

Mindy Nguyen, a Development Officer at the San José Housing Department, expanded on the San José policy.<sup>[30]</sup> Nguyen was involved in doing a disparate income analysis to determine how to best stop displacement pressure in certain neighborhoods. She explained that the first development that implemented this policy generated twenty general units, with six set aside for the preference policy. The city is looking at sixty more units in the next year as it monitors developers who are close to securing their funding. Nguyen also explained that, currently, this policy applies to affordable

27. "City of San José Tenant Preference Program (TPP) DRAFT Administrative Guidelines," City of San José, 2024.

28. Noel and Senat, "Noel & Senat vs the City of New York."

29. Paul Ong, Chhandara Pech, Jenny Chhea, and Aujean Lee, "Race, Ethnicity, and Income Segregation in Los Angeles," Luskin School of Public Affairs, 2016.

30. Mindy Nguyen, interview with the author and Maria Patiño Gutierrez, 2024.

nonprofit units and not inclusionary units. As for staffing capacity, one attorney is reviewing the policy, one staff member is doing background support and community outreach, and an additional full-time staff member is working on the preference policy. In total, the implementation of this policy requires three full-time staff. Similar to Berkeley, the newness of this policy makes it difficult to measure its impact, but the potential addition of sixty more units in the next year is promising. San José is the most populated case study city, coming in at just over one million residents. This is the best example of staffing compared to Los Angeles' immense population, which is over three million people. Such staffing needs would be estimated based on demand.

### *San Francisco*

San Francisco created its preference program (Certificate of Preference) in the 1960s, with the responsibility being transferred to the Mayor's Office of Housing and Community Development (MOHCD) in 2012.<sup>[31]</sup> These Certificates of Preference are given to anyone who was displaced from a residence acquired by the San Francisco Redevelopment Agency during urban renewal in the 1960s and 70s.<sup>[32]</sup> MOHCD has a master list of all addresses that can qualify for this certificate. However, this program was later expanded to include other categories, now encompassing the following in rank order:

1. Urban Renewal: Current and former residents who have been displaced by urban renewal.
2. Eviction and Emergency: Current and former residents who have been displaced by no-fault evictions or fires.
3. Neighborhood Preference: Residents who currently live in the same Supervisorial District as, or half a mile from, the property.
4. Live/Work: Applicants who currently live or work in San Francisco.

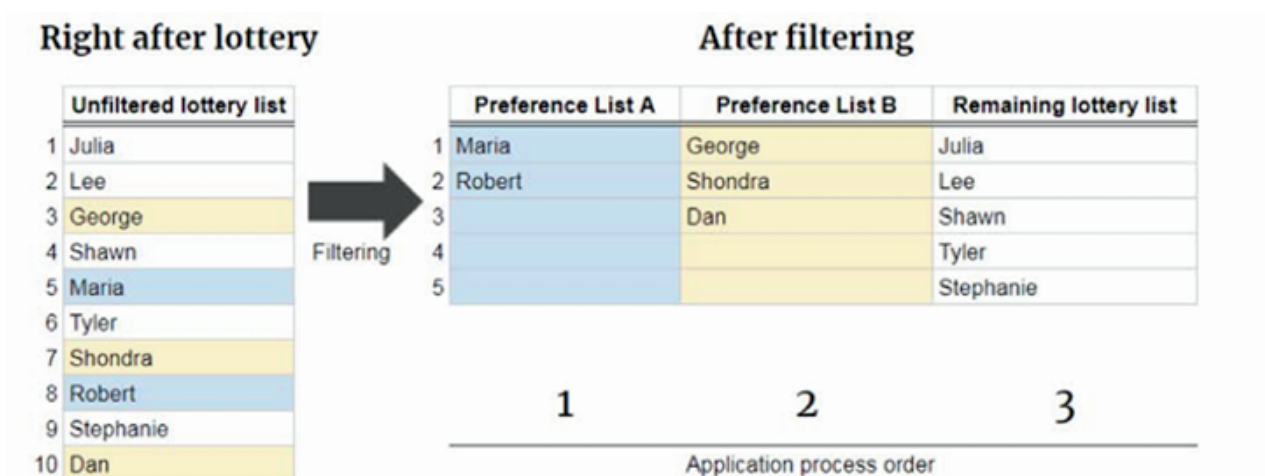
These preferences apply to both inclusionary and nonprofit units. All affordable units in the city must follow the lottery preference program. The city requires that every new building has to include below-market-rate units if it's over five units, expanding the reach of this preference program.<sup>[33]</sup> Initial lottery results are sorted based on preference criteria by the city, and then, developers are responsible for maintaining the waitlist. There is a lottery held for each unit as it becomes available.

31. "Certificate of Preference Frequently Asked Questions," Mayor's Office of Housing and Community Development, San Francisco.

32. Eli Kaplan, "Implementing a Community Preference Policy for Affordable Housing in Berkeley," master of city planning thesis, University of California, Berkeley, Spring 2019.

33. Kaplan, "Implementing a Community Preference Policy."

**Figure 3: Explanation of San Francisco's Lottery Process**



Source: Mayor's Office of Housing and Community Development, City and County of San Francisco, via Eli Kaplan, "Implementing a Community Preference Policy for Affordable Housing in Berkeley," master of city planning thesis, University of California, Berkeley, Spring 2019.

According to the 2019 Client Report for the City of Berkeley, in FY 2017–18, there were 106,894 applicants for affordable units in San Francisco. 1,012 of these applicants received housing, which is about 1%. Out of the 321 applicants with the urban renewal preference, 15% received housing, indicating that this preference improved access to affordable housing. 97% of applicants who were housed had some form of preference.<sup>[34]</sup>

Andrea Nelson, who works for MOHCD and runs the lottery program, was able to provide updated information about the preference program. Nelson explained that there are currently 1,400 Certificate of Preference holders who can use the certificate once for the rental program and once in a separate home-buying program. Nelson clarified that, due to this, the majority of applicants qualifying for a preference do so under the live/work preference. In the 2023–24 fiscal year, 678 affordable units were added to the city's portfolio, with 1,464 affordable units under construction.

As for the implementation of the preference program, Nelson gave a summary of the interface the city uses. San Francisco used an online system called DAHLIA, where MOHCD publishes the affordable rental unit as it becomes available.<sup>[35]</sup> There is then a lottery for one unit, which rarely gets opened for people who do not qualify for preference. Staffing has also shifted since the 2019 Berkeley report, which reported a staff of 5.25 for the program, whereas Nelson reports a staff of three for the current implementation strategy. This is likely due to the streamlining of the process with new technology like Dahlia.

34. Nelson, interview with the author and Patiño Gutierrez.

35. "DAHLIA: San Francisco Housing Portal," San Francisco Housing, 2023.

Nelson commented on Fair Housing Concerns with the Neighborhood Preference. The city was concerned about reinforcing the demographic of certain neighborhoods. San Francisco went through an internal debate about letting people move into “opportunity areas” rather than isolating residents to their initial areas. Given that Los Angeles is still a fairly segregated city with many cultural enclaves, neighborhood preference might result in the same concerns or reinforce the same demographics.

### *Santa Monica, California*

In 2021, the city of Santa Monica implemented a preference program that applies only to their Section 8 Housing Choice Voucher waitlist.<sup>[36]</sup> This program is run through the Santa Monica Housing Authority, and as of July of 2024, it has four preference tiers for people eligible for Section 8 Housing Choice Vouchers, which are then split by point values.<sup>[37]</sup>

#### 1. Tier 1: Displacement and Homelessness

- a. Displaced Preference: an involuntarily displaced household that has or will be required to vacate housing in the city (5 points)
- b. Funding Shortfalls: an eligible household that was previously terminated from a PHA program due to insufficient program funding (4 points)
- c. Continuum of Care graduate: CoC graduates or tenants residing in City-funded supportive housing properties; this preference is limited to 25 households annually (3 points)

#### 2. Tier 2: Live and Work Preference

- a. Live Preference: applicants who live in rent-controlled apartments in Santa Monica and pay more than 40% of their income toward rent (2 points)
- b. Work Preference: applications that work a minimum of 25 hours a week in Santa Monica (2 points)
- c. Applications from residents of Santa Monica who work a minimum of 25 hours per week outside of the city (2 points)
- d. Applicants who were previously in the Santa Monica workforce now receive unemployment, worker’s compensation, vocational rehabilitation benefits, disability, or retirement benefits from a Santa Monica employer (2 points)

#### 3. Tier 3: applications from residents of Santa Monica who do not meet the requirements of the live and work criteria in Tier 2 (1 point)

#### 4. Tier 4: all other applicants (0 points)

36. “Santa Monica Housing Office — Displaced Preference,” City of Santa Monica, 2025.

37. HA Board of Commissioners, “Santa Monica Housing Authority Administrative Plan of Santa Monica,” City of Santa Monica, 2024.

According to an interview with employees of the Santa Monica Housing Authority, Yelena Solvyeva (Senior Administrative Analyst) and Sylvia Romo (Senior Housing Specialist), there are currently 40,000 people on the waitlist.<sup>[38]</sup> The waitlist can typically accommodate around 100 vouchers, depending on the amount of funding the city receives from HUD, meaning there is a large gap between the need expressed and the resources provided. Solvyeva clarified that most people on the waiting list did not qualify for preferences, so we can assume that those vouchers are going almost entirely to people qualifying for the preference program.

The Santa Monica Housing Authority employs 19 staff who deal with the preference program as part of their daily work.<sup>[39]</sup> This is not a full-time job given to staff, but rather a project that is spread amongst the team. They work with nonprofits and other agencies to have a more holistic approach to housing insecurity and ensure care for people who qualify for the Section 8 preference program.

Additionally, Santa Monica has another program that provides rental assistance in the form of a monthly subsidy. This is called the HOME program, established in 2022, and it has its own point system and preference list:<sup>[40]</sup>

1. Resident Preference: an individual is either a resident of Santa Monica; is homeless in Santa Monica and is on the Santa Monica Service Registry; works a minimum of 25 hours a week in the city; is enrolled in a job training program in the City of Santa Monica; was in the Santa Monica workforce is now unemployed and receiving benefits (30 points).
2. At Risk of Homelessness: a household that does not have sufficient resources or support networks available to prevent them from moving to an emergency shelter and has not been terminated from any rental assistance or other subsidy program (15 points). This person also must meet one of the following criteria:
  - a. Have moved because of economic reasons two or more times in the 60 days preceding application of homelessness prevention assistance
  - b. Is living in the home of another because of economic hardship
  - c. Has been notified that their right to occupy housing will be terminated within 30 days of the date for application for assistance
  - d. Live in a single-room occupancy or efficiency apartment unit where more than two people reside, or live in a larger housing unit where there are more than 1.5 people per room

38. Yelena Solovyeva and Sylvia Ramo, interview with Katie Wagman and Maria Patiño Gutierrez, 2025.

39. Solovyeva and Ramo, interview with the author and Patiño Gutierrez.

40. HA Board of Commissioners, "Santa Monica Housing Authority Administrative Plan of Santa Monica."

- e. Is exiting a publicly funded institution or system or case
- f. Otherwise, live in housing associated with instability as identified in Santa Monica's consolidated plan

3. Homeless: an individual who either lacks a fixed adequate nighttime residence, is living in a supervised shelter designated to provide temporary living arrangements, is exiting an institution where they resided for 90 days or less, will immediately lose their primary nighttime residence, or is fleeing from domestic violence (5 points)

4. Disabled: has a physical, mental, or emotional impairment that is expected to be chronic and impedes the ability to live independently; has a developmental disability; has the disease of acquired immunodeficiency syndrome or conditions arising from etiological agency; has a diagnosable substance abuse disorder (3 points)

Senior: over 62 years of age (3 points)

5. Working Household: an individual who is either working a minimum of 25 hours a week, is the age of 62 or older, or is a person with disabilities (1 point)

### *Oakland, California*

Oakland's preference policy was enacted in its current form in 2016, though the city had a Certificate of Preference program similar to San Francisco's before this.<sup>[41]</sup> Currently, the preference policy applies to three major categories:

1. Displacement: Current and former residents displaced by the City of Oakland or the Oakland Redevelopment Agency, Oakland's code enforcement, or a no-fault eviction.
2. Neighborhood Preference: Residents who currently live in the same Council District as, or one mile from, the property. This preference applies to 30% of all units at a project (similar to San José). It only applies to the initial rental or sale of a project.<sup>[42]</sup>
3. Live/Work: Applicants who currently live or work in Oakland.

This is a tiered system, this is a lottery conducted in each preference group (similar, again, to San Francisco). The policy applies to development projects with over five units that have development assistance from the city, including below-market-rate loans, grants, deferred loans, and the below-market-rate lease or sale of real property.<sup>[43]</sup> According to the 2019 Berkeley Client Report, the policy applies to lease-up and ongoing leases for most preference categories, except for the neighborhood preference,

41. Kaplan, "Implementing a Community Preference Policy."

42. Oakland Resident/Worker Preferences and Requirements in City Affordable Housing Projects, 2025.

43. Joseph Tran, interview with the author and Maria Patiño Gutierrez, 2025.

which only applies to lease-up developments.<sup>[44]</sup> As of 2019, the city's portfolio for the program was 9,166 units.<sup>[45]</sup>

Joseph Tran, an employee of the Housing Development Service Department in Oakland, works on asset monitoring for the city. He explained that the preference policy is enforced through the marketing plans required for developers of affordable units. The city is responsible for approving the management plan of each development. As part of these plans, the developer must open the waitlists for affordable units to people who qualify for preferences under the 2016 ordinance and then hold a lottery for the public.<sup>[46]</sup> Tran explained that employees of the Housing Development Service Department will attend lotteries to ensure the preferences are being followed, but that the developer is ultimately responsible for the waitlists. He added that tenants can file a complaint with the City of Oakland's Housing and Community Development Department to report non-compliance, and can request a public records review for the management plans. Tran says that staffing requires five housing development coordinators, with each development having at least one staff member assigned to it. The city is responsible for conducting compliance monitoring and audits, as well as pursuing legal action against developers if the preference plan is not followed. This model places far less burden on the city but also provides less oversight to developers.

## **Comparable Cities**

### *Pasadena, California*

Pasadena's preference program is comparable to Oakland's, as it is also run through its marketing and management oversight. The city has two separate preference programs: senior housing projects and permanent supportive housing projects.<sup>[47]</sup> The criteria for each selection are less important than the process for implementation. Within each of the priority groups, applicants will be assigned a random number. The developer then screens the applicants, and the city's housing department ensures income eligibility. Before the developer publicizes the availability of affordable units, they need to submit a Marketing Plan and Selection Plan for approval by the director of the city's Housing and Career Services Department.<sup>[48]</sup> The preferences that the city has set forth but be included in these plans for them to be approved by the city.

44. Kaplan, "Implementing a Community Preference Policy for Affordable Housing in Berkeley."

45. Kaplan, "Implementing a Community Preference Policy for Affordable Housing in Berkeley."

46. Tran, interview with the author and Patiño Gutierrez.

47. "Pasadena Local Preference and Priority System Guidelines," City of Pasadena, 2021.

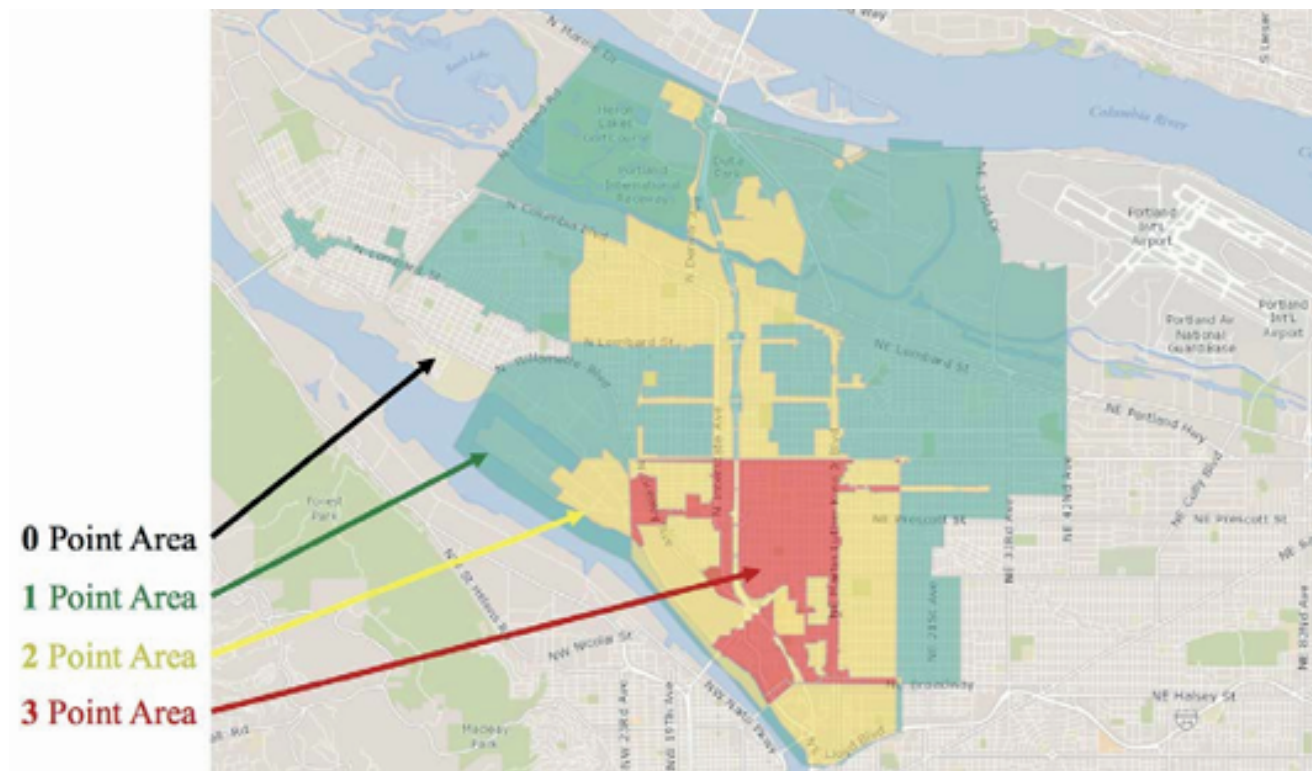
48. "Pasadena Local Preference and Priority System Guidelines."

## Portland, Oregon

Portland implemented its preference policy in 2015, responding to community concerns about displacement following the establishment of the Interstate Corridor Urban Renewal Area.<sup>[49]</sup> The preference only applies to North and Northeast Portland, as these areas were predominantly displaced by city actions. The policy covers nonprofit, affordable housing developments in the Interstate Corridor Urban Renewal Area. The preference policy includes the following:

1. Applicants who had a home in the Interstate Corridor Urban Renewal Area seized by the City or who have family members whose property was taken.
2. Applicants with a current or former address in the Interstate Corridor Urban Renewal Area.
3. Applicants with a parent, guardian, or grandparent whose current or former address is in the Interstate Corridor Urban Renewal Area.

**Figure 4: Map of Portland's Interstate Corridor Urban Renewal Area**



Source: Portland Housing Bureau, City of Portland, via Eli Kaplan, "Implementing a Community Preference Policy for Affordable Housing in Berkeley," master of city planning thesis, University of California, Berkeley, Spring 2019.

49. "N/NE Neighborhood Housing Strategy / Frequently Asked Questions," City of Portland, 2025.

This policy is run on a point system, in which applicants receive points based on the location of their current or former address (0 to 3 points), and the locations of their ancestor's current or former address (0 to 3 points). Portland holds a separate lottery per category. For example, a lottery is conducted among those who have had property seized by the city, and successive lotteries are conducted within each point group.

Portland is responsible for running these lotteries and maintaining waitlists.

A 2019 report viewed the effectiveness of the policy.<sup>[50]</sup> At that time, the preference policy had been implemented in two nonprofit rental developments, totaling 82 units. The constrained nature of the policy limited its further impact, but 82 units within the small North and Northeast areas are sizable. The Portland Housing Bureau had estimated that the preference policy would be implemented in around 500 nonprofit units, which was less than 4% of the city's portfolio at that given time. Interestingly, data from the Housing Bureau indicated that over 80% of tenants in the two completed projects qualified for four or more preference points, with about one-third of tenants scoring the maximum of six preference points. As Kaplan noted, this indicates that the generational ties to the north and northeast parts of Portland were most impacted by urban renewal displacement. It took 1.5 staff to run the program, with up to four staff assigned to the program during a leasing agreement.

Since this report, there have been some updated numbers on this program. As of 2022, the City of Portland reports 501 units participating in the preference policy, with 212 rental units in the planning phase.<sup>[51]</sup> In 2022, the program received over 6,200 applications from households interested in affordable housing opportunities, leading to a reasonable assumption that this program has since grown.<sup>[52]</sup> While there are no updated numbers for the last two years, the growth pattern leads to the conclusion that the program is considered successful and continues to get new leases, given the city's continued efforts.

50. Kaplan, "Implementing a Community Preference Policy."

51. Joanne Zuhl, "A Decade Later: Portland's N/NE Preference Policy Sees Progress, Challenges Ahead," Habitat for Humanity, Portland Region, 2023.

52. "City of Portland Policies and Programs," Portland Housing Bureau, 2022.

