

Community Preference Guideline

Recommended Practices for Housing Preferences in Affordable Housing

This guideline was written in partnership with the Office for Civil Rights

Introduction

For several years, community organizations requested that the City of Seattle Office of Housing (OH) and the Seattle Office for Civil Rights (SOCR) implement a community preference policy to help address displacement and advance racial equity. In February 2019, Mayor Durkan issued [Executive Order 2019-02: Actions to Increase Affordability and Address Residential Displacement](#), which included a policy to allow community preference in high risk of displacement neighborhoods. The OH [Administrative & Financial Plan](#) further outlined the permissive community preference policy for City-funded rental and homeownership housing located in high risk of displacement areas that intends to affirmatively further fair housing, address displacement, and foster and sustain inclusive communities.

This guideline presents recommended practices for implementing community preference in affordable housing projects that are consistent with local, state, and federal fair housing laws. Recommendations include best practices learned from other municipalities, as well as the experiences of housing providers in Seattle. The guideline is not intended to prescribe implementation practices or provide legal advice, and community preference must be tailored to each individual project's housing type, location, and served population.

The Office of Housing will review proposed community preference plans and provide support as developers work through implementation. SOCR will review the plans as they relate to the goals of mitigating displacement, advancing racial equity by increasing affordable housing options, and affirmatively furthering fair housing.

Affirmative Marketing and Community Preference

Affirmative marketing is a key element to successfully executing community preference in affordable housing projects. Affirmative marketing promotes diverse and inclusive communities by identifying groups that are least likely to apply and affirmatively marketing to these populations. Activities include, but are not limited to, providing marketing materials in formats accessible for persons with disabilities and in languages other than English; placing advertisements in television/radio programs, newspapers, and websites; and advertising with religious and advocacy groups, and at community centers. Strong community connections and outreach can both affirmatively further fair housing and aid in the successful implementation of community preferences. OH's affirmative marketing guideline can be found [Here](#).

Recommended Practices

Categories

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1. Geographic Boundaries

- Sponsors with affordable housing projects located within census tracts representing ‘high risk of displacement areas’ may consider implementing a community preference policy to help address displacement. The list of eligible census tracts can be found [Here](#). Census tracts were selected based on the City of Seattle’s 2035 Comprehensive Plan’s Displacement Risk Index identifying high displacement risk neighborhoods. In addition, census tracts with high displacement risk in previous decades not captured in the Comprehensive Plan analysis have also been included.
- From the list provided, developers preparing a community preference policy should select census tracts that reasonably represent the geographic boundaries of the project’s surrounding community. Proposing additional census tracts beyond the list of eligible census tracts may require supporting data and rationale.

2. Preference Types

The following OH-recommended preferences aim to serve communities affected by historic and/or current displacement pressures without perpetuating segregation or creating a disparate impact if implemented.

- **Applicant is a current resident**
For projects in neighborhoods currently facing high risk of displacement.
- **Applicant, family member, or ancestor (i.e. great-grandparent) is a former resident**
For projects in neighborhoods that have historically been affected by high displacement.
- **Applicant has community ties or utilizes community services in the neighborhood**

For projects that would wish to include members of organizations (i.e. cultural, religious, social, etc.) or people who utilize services offered in the community in order to reach those least likely to apply.

Sponsors should review all available data when selecting preference types to implement. A project may have any number of the recommended preference types and may also use additional preferences. Determining which preferences to use must be based on the objective of providing fair access to housing while fostering diverse and inclusive communities. Community preferences must be included in the rental criteria under First-in-Time at Seattle Municipal Code (SMC) 14.08.050.

3. Qualifying for a Preference

Ranked Preference

Sponsors that use more than one preference are recommended to use a ranked preference policy that awards points by preference type. Preference types can also have different point values depending on the project vision. An example of a project addressing both historical and current displacement with a ranked preference policy could be:

1. Applicant is a current resident – 2 points
2. Applicant, family member, or ancestor is a former resident – 3 points
3. Applicant has community ties or utilizes community services – 1 point

Non-Ranked

A non-ranked preference policy categorizes applicants as qualified or not qualified for community preference, regardless of the number of preference types in the project. An example of a project addressing both historical and current displacement with a non-ranked preference policy could be:

1. Applicant is a current resident – Qualified
2. Applicant, family member, or ancestor is a former resident – Qualified
3. Applicant has community ties or utilizes community services– Qualified
4. Applicant meets more than one preference listed above – Qualified

4. Applicable Units

The Community Preference policy should not perpetuate segregation nor result in discrimination against any person based upon a protected class status. Community preference may not apply to more than 50% of the project’s units. Sponsors must have an even distribution of AMI levels and unit sizes between preference and non-preference units.

The following example shows a 60-unit project with a 50% community preference policy.

AMI Level	Number of Units	Total Community Preference Units	Total Non-Community Preference Units
60% AMI	30	15	15
50% AMI	20	10	10

30% AMI	10	5	5
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Bedroom Size	Number of Units	Total Community Preference Units	Total Non-Community Preference Units
Studios	30	15	15
1 Bedroom	20	10	10
2 Bedrooms	10	5	5

5. Tenant Selection

There are two recommended tenant selection processes in rental affordable housing projects: (1) first-come, first-served or (2) a lottery. Developers should ensure they are consistent with Seattle Open Housing Ordinance (SMC 14.08) and Fair Chance Housing (14.09) when implementing a Community Preference policy. First-come, First-served

Developers accept the first qualified and completed application on a first-come, first-served basis during the application submittal period. A complete application includes all the information, documentation, and submissions required by the developer in order to conduct a screening. Lack of a material omission in the application by an applicant will not render the application incomplete.

If developers need additional information or documentation to verify community preferences, they should give applicants sufficient time to gather the documentation required to qualify for community preference after their application is submitted. Please see [SMC 14.08 Open Housing Ordinance](#) for the requirement under [First-in-Time](#).

Lottery

Developers can utilize a lottery to select from an applicant pool at random. Once the applicants are selected, a developer can require applicants in that order to submit a completed application with preference verification documents. If developers need additional information or documentation to verify community preferences, they should give applicants sufficient time to gather the documentation required to qualify for community preference after their application is submitted. Applicant selection will need to be consistent with First-in-Time provisions under Seattle’s Open Housing Ordinance (SMC 14.08), except when units are set aside to serve vulnerable populations. Choosing the lottery method for a project may remove barriers for applicants in need of language interpretation, reasonable accommodation, flexible hours for application submission, and people who have mobility restrictions.

6. Homeownership Projects

Community preference can also be utilized in homeownership projects. The community preference policy should apply only to newly-developed and resale-restricted homes. In homeownership opportunities, OH recommends community preference be utilized as a tiebreaker scoring system. For

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

Identifying potential homeowners for City-subsidized projects is dependent on homebuyer education and applicant readiness to meet all the financial requirements. Building an eligible homebuyer pool takes time. Best practices include outreach, education, and promotion of homebuyer readiness as an ongoing programmatic effort as opposed to conducting project-specific outreach as opportunities become available.

7. Verification Documents

The verification process is recommended to be as low-barrier as possible in order to allow for the greatest number of qualified applicants. Please refer to the OH list of recommended verification documents applicants can use to qualify for the three recommended preference types. Developers are welcome to expand the list of documents accepted, and will need to provide a verification document list for any additional preferences. It is best practice to provide as much information about the required documentation needed as early as possible. Ideally, documentation requirements should be listed on affirmative marketing materials, websites, and the housing application.

8. Waitlist

Developers may propose creating a waitlist for their project. A waitlist can be created exclusively for the preference units using the list of applicants that were not contacted during the initial lease up period of the project. A waitlist is used to fill any future vacancies and may need to be periodically updated. Federally-funded projects are required to maintain a waitlist.

9. Plan Submission

Sponsors can submit a Community Preference Plan to OH using the Community Preference Plan Template found on the [OH website](#). The plan should be submitted with the Affirmative Marketing Plan following an OH-funding award. After plans are reviewed by the review committee, a staff member from OH will contact the developer with any questions or concerns raised by the review committee. Incomplete plans will be returned to the developer.

10. Technical Assistance

Technical assistance includes providing information, training, and data resources to developers implementing community preference. OH will review the plan for completeness, and a review committee will identify any areas of concern regarding local and federal fair housing laws. SOCR will provide technical assistance to developers that is consistent with their mission and goals to advance civil rights, mitigate displacement, advance racial equity by increasing affordable housing options, and affirmatively furthering fair housing. Information or technical assistance provided by OH, SOCR or the

review committee does not constitute legal advice and developers implementing community preference are advised to seek their own legal counsel.

11. Data/Resources

Sponsors are recommended to use the following resources to assist in the development of a Community Preference policy.

- [Geographic Boundaries of Community Preference Policy](#) – Office of Housing
 - Determine if project qualifies for community preference
 - Establish geographic boundaries of project’s preference policy
- [American Community Survey](#) – U.S. Census Bureau
 - Determine Census tract of project
 - Review local area demographics in comparison to citywide demographics and change throughout time
- [Seattle 2035 Growth and Equity Analysis](#) – Office of Planning and Community Development
 - City of Seattle Comprehensive Plan analysis focused on displacement and opportunity
- [Race and Social Equity Index](#) – Office of Planning and Community Development
 - Race, ethnicity, and related demographics with socioeconomic and health data
- [Equity Area for Design Review](#) – Department of Construction & Inspections
 - Additional information on high displacement risk neighborhoods
- [Displacement Risk Analysis](#) – Puget Sound Regional Council
 - Regional displacement risk analysis

Additional Resources

- OH Affirmative Marketing Guidelines
- [SMC 14.08 Open Housing ordinance](#)
 - [General Fair Housing](#)
 - [First-in-Time](#)
- [SMC 14.09 Fair Chance Housing \(FCH\) ordinance](#)
 - [Additional FCH info](#)
- [Renting in Seattle](#)