



PASADENA LOCAL PREFERENCE AND PRIORITY SYSTEM GUIDELINES

(revised as of April 29, 2021)

(administrative modifications, April 29, 2021)
(amended by City Council, March 8, 2021)
(administrative modifications, March 11, 2016)
(original adoption by City Council, January 30, 2006)

To the extent permissible under applicable state and federal law, people who live and/or work in the city of Pasadena shall have priority over other persons to rent or purchase affordable and workforce housing units which are supported or sponsored by the City of Pasadena (the "City"), with the exception of those selected under the "Former Resident Set-Aside". The Pasadena Local Preference and Priority System Guidelines presented herewith shall apply to all developers, owners and their agents, successors and assigns proposing affordable and/or workforce housing sponsored and/or supported by the City in whole or part.

1. PREFERENCES

The City shall henceforth utilize the following priority order whenever ownership or rental housing units are made available to applicants who are income eligible households:

- a. First priority is given to eligible households that currently reside in deed-restricted affordable housing in Pasadena and who are considered "over-housed" (more than one bedroom per household member).
- b. Second priority is given to eligible households who are former residents of the City of Pasadena, provided that the household maintained a primary in the City of Pasadena within the ten (10) years prior to application for affordable housing and that the household lived in the City of Pasadena for a minimum of five (5) years. This priority shall apply for up to twenty percent (20%) of the available units in any development that contains five (5) or more affordable housing. See Section 3/Former Residency for more information. This priority will expire when a total of fifty (50) affordable/workforce units throughout the City have been rented or sold to eligible households under this category.
- c. Third priority is given to eligible households that reside and work within the City of Pasadena;
- d. Fourth priority is given to eligible households that reside within the City of Pasadena;
- e. Fifth priority is given to eligible households that work within the City of Pasadena;
- f. Sixth priority is given to eligible households that have been involuntarily displaced from the City of Pasadena;

(March 11, 2016, administrative modification) However, recognizing that affordable rental housing projects which serve the senior and special needs populations will have unique tenant selection requirements, local preference and priority policies for these types of projects are set forth in Attachments A and B.

2. OVER-HOUSED

- a. **Definition of Over-Housed.** To qualify as an applicant who is over-housed, the applicant responsible for renting or purchasing the affordable or workforce unit must have their principal place of residency at an affordable deed-restricted unit within the City of Pasadena as of the date of application. The household must be considered over-housed, which is defined as a household when there is more than one bedroom per household member. Over-housed residents of affordable homeownership units are eligible for available rental units but not homeownership units (due to the first-time homebuyer requirements of City-covenanted affordable homeownership units).
- b. **Developer/owner obligations.** The developer/owner shall, with the City's assistance, actively conduct marketing and outreach to households identified by the City as potentially eligible for this priority category.

3. FORMER RESIDENCY/FORMER RESIDENT SET-ASIDE (20% Set-Aside)

- a. **Definition of Former Residency.** To qualify as an applicant who is a former resident of the City of Pasadena, the applicant responsible for renting or purchasing the affordable or workforce unit must have had their principal place of residence within the City of Pasadena within the ten (10) years prior to the date of application. The applicant must have maintained a primary residence in Pasadena for a minimum of five (5) years.
- b. **Evidence of former residency.** The developer/owner shall require the applicant to submit proof of former residency. Examples of acceptable forms of documentation include: DMV records, address history from a third-party credit report, federal tax returns, or fully executed lease agreements.
- c. **Prioritization within Former Set-Aside for multiple eligible applicants.** Former residents who work in Pasadena shall receive priority, followed by those who had the longest documentable tenure in Pasadena.
- d. **Developer/owner obligations.** The developer/owner shall confirm with the City that this set-aside is still active before renting or selling an affordable and/or workforce unit to an applicant who is eligible for the Former Resident Set-Aside. Should no qualified applicants apply who are eligible for the Former Resident Set-Aside, units shall be offered in order of the remaining priority categories.

4. RESIDENCY

- a. **Definition of residency.** To qualify as an applicant who is a resident of the city of Pasadena, the applicant responsible for renting or purchasing the affordable or workforce housing unit must have their principal place of residence within the city of Pasadena as of the date of application.
- b. **Evidence of residency.** The developer/owner shall require the applicant to submit a driver's license, voter registration, utility bill, or other evidence as proof of residency in Pasadena.

5. EMPLOYMENT

- a. Definition of employment. To qualify as an applicant who is employed within the city of Pasadena, the applicant responsible for renting or purchasing the affordable or workforce housing unit must demonstrate that both of the following criteria have been met:
 - i. Location of Work. At least one of the signators of the tenant lease or purchase agreement for the applicant's household must be employed within the city of Pasadena as of the date of application. Work is defined for purposes of this section as owning or operating a business located within the city of Pasadena, employment for wages or salary for an employer located within the city of Pasadena, contract employment where the actual work is conducted within the city of Pasadena, or commission work where the applicant's principal location from which he/she worked is located within the city of Pasadena.
 - ii. Hours of Work. At least one signators of the tenant lease or purchase agreement for the applicant's household must have been employed within the city of Pasadena an average of at least 20 hours per week as of the date of application.
- b. Evidence of employment. The developer/owner shall require applicants to submit pay stubs, W-2 forms, tax returns, employer certification, or other evidence as proof of employment at a business location within the city of Pasadena.

6. INVOLUNTARY DISPLACEMENT

- a. Definition of involuntary displacement. To qualify as an applicant who has been involuntarily displaced from the city of Pasadena, the applicant responsible for renting or purchasing the affordable or workforce housing unit must demonstrate that, by no fault of the applicant, one of the following criteria has been met including the submission of the appropriate documentation to the developer/owner as cited below:
 - i. Disaster or Government Action. Written verification by the displacing unit or agency of government, (i.e., HUD, City departments, etc.) or by a service agency such as the Red Cross.
 - ii. Termination of tenancy. Written notification by the property owner/agent to the applicant of the termination of the applicant tenancy for no fault (i.e., sales agreements, foreclosure notices, condominium conversion, building permits, etc.).
 - iii. Domestic Violence. Written verification from police, social service agency, court, clergy person, physician, and/or public or private facility giving shelter and/or counseling to victims.
 - iv. Witness Protection Program. Certification by a law enforcement agency of the applicant's participation in the Witness Protection Program.
 - v. Hate Crimes. Written statement from law enforcement agency, HUD, Housing Rights Center or other agencies responsible for non-discrimination advocacy. Statement should contain approximate number of occurrences and date of last occurrence.
 - vi. Inaccessibility of Unit. Statement from the property owner of the critical elements that are inaccessible, and that the owner is not going to make the needed modifications, or permit the family to make the modifications.

- vii. Substandard Housing. Written verification from a reliable, knowledgeable professional familiar with residential construction and possessing skills and professional licenses and/or certifications consistent with those of a City of Pasadena Code Enforcement Officer.
- viii. Homelessness. Written verification by a public or private facility providing shelter, the police, or a social services agency certifying that the applicant lacks a fixed, regular, and adequate nighttime residence.

7. MARKETING AND SELECTION PLAN

The developer/owner and/or its agent shall affirmatively market the affordable and/or workforce housing units to ensure that all applicants, regardless of eligibility for the preference, are aware of the housing opportunity.

- a. Marketing Plan. Prior to the developer/owner's publication of the availability of affordable and/or workforce units, developer/owner shall prepare a Marketing Plan and Selection Plan for approval by the Director of the City's Housing and Career Services Department (the "Housing Director") for both attracting and selecting qualified applicants. Upon approval by the Housing Director the developer/owner shall be responsible for implementing the marketing plan. The marketing plan shall include the initial sales prices or rents of each unit, the preference and priority system and shall target advertising and marketing efforts within the city of Pasadena. The City may request that the developer/owner conduct targeted marketing for the affordable and/or workforce units; Developer/owners shall agree to do so and shall draft Marketing Plan accordingly. The City may assist the developer/owner in the marketing of the affordable and workforce units to qualified applicants under any program that City may offer and may provide names of prospective qualified applicants to developer/owner.
- b. Notification to City. Whenever an affordable and/or workforce unit becomes available, the developer shall immediately notify, in writing, the Housing Director.
- c. Publication requirement. Whenever an affordable and/or workforce housing units becomes available during the first year after the receipt of a City certificate of occupancy, the developer/owner shall publish notices of the availability of the units in newspapers circulated widely in the City of Pasadena, including newspapers that reach minority communities. At least one notice shall be published in a Spanish language newspaper of general circulation. Examples of appropriate newspapers include the Star News, Pasadena Weekly, Pasadena/San Gabriel Valley Journal and La Opinion. The notice should briefly explain what affordable and/or workforce housing is, state the applicable income requirements, indicate where applications are available, state when the application period opens and closes, and provide a telephone number for questions. The developer/owner shall submit proof of publication to the Housing Director.
- d. Applications. Applications may require the name, address, and telephone number of the applicant; the number of persons to occupy the household; basic demographic information, and any other information relevant to determine whether the applicant is eligible for local preferences and to occupy unit. The developer/owner may wish to include language on the application to the effect that the number of eligible applicants may exceed the number of available units and require that all applicants certify their understanding of this. The developer/owner agrees to provide the City with copies of applications upon request.

- e. City notification requirements. The developer/owner shall list the affordable unit(s) at www.pasadenahousingsearch.com , an online housing search tool sponsored by the City. The developer/owner shall also conduct outreach to households identified by the City as potentially over-housed. Outreach may include mailers or other marketing materials. The owner/developer shall also provide the Housing Department with information that can be posted to its Facebook and web pages.
- f. Selection Plan. Prior to the developer/owner's acceptance of the first application for an affordable and/or workforce housing unit and no later than six months before issuance of a certificate of occupancy, the developer/owner shall prepare a Selection Plan for approval by the Housing Director which shall set forth the process for selection of qualified applicants. The Selection Plan shall contain, but is not limited to, the following information
 - i. Unit Description. A brief description of the affordable and/or workforce unit(s) including the unit-mix, location, structure, size and whether the unit(s) is for ownership or rental.
 - ii. Income Criteria. The eligible income range for rent or purchase affordable and/or workforce units.
 - iii. Priority System. The preference and priority system to be utilized by the developer/owner shall be based primarily on an applicant's residence and employment location, with higher priority allocated to persons who are over-housed, meet the Former Resident set-aside, and/or live and/or work within the city of Pasadena.
 - iv. Application Submission. Description of the application requirements. The conditions by which interested parties must submit a completed application to the developer/owner, including form of application, the stipulated date and time for application, number of applications to be submitted, disqualifications, etc.
 - v. Selection Criteria. Explanation of the developer's selection criteria and process based on the review of information submitted on the applications. Identification of corrective actions if a review of an application results in a determination that the City preferences assigned to the applicant was inaccurate.

8. DETERMINATION OF ELIGIBILITY

- a. Verification of Preference. As part of the review process, applicants will be contacted directly to provide verification of their residence, or former residence, and employment history and evidence supporting any of the preferences identified. For persons who are retired at the time of application, the applicant's work history immediately prior to retirement can be considered.
- b. Verification of Income. The developer/owner of affordable and/or workforce housing units, which are offered for rent, sale, or lease, shall require the applicant to provide proof that he/she meets the occupancy and income criteria set forth by the applicable City program(s).

9. PRIORITY RANKING; SELECTION OF QUALIFIED APPLICANT

- a. Priority System. The priority order for categories are as follows:
 - i. Applicant where at least one of the signators of the tenant lease or purchase agreement is living in affordable deed-restricted housing in Pasadena and is "over-housed".

- ii. Applicant where at least one of the signators of the tenant lease or purchase agreement is a former Pasadena resident eligible under the “Former Resident Set-Aside”.
 - iii. Applicant where at least one of the signators of the tenant lease or purchase agreement is a Pasadena resident and employed within the city of Pasadena at the time of application.
 - iv. Applicant where at least one of the signators of the tenant lease or purchase agreement is a Pasadena resident at the time of application.
 - v. Applicant where at least one of the signators of the tenant lease or purchase agreement is employed within the city of Pasadena at the time of application.
 - vi. Applicant where at least one of the signators of the tenant lease or purchase agreement had been involuntarily displaced from the city of Pasadena at the time of application but had previously lived within the city of Pasadena.
 - vii. All other applicants.
- b. Priority List. Applicants for affordable and/or workforce housing units shall be maintained on a priority list. Applicants shall be listed in order of total preferences. Applicants equal in preferences shall be prioritized by date and time of receipt of their applications. All applicants must meet income eligibility requirements as established for the applicable affordable and/or workforce housing units. Application materials shall make it clear that applicants must meet income eligibility and any occupancy requirements.

The priority list shall be utilized to select applicant for the sale or rent of available affordable and/or workforce housing units for one year after receipt of a City certificate of occupancy for the designated unit. For rental affordable and/or workforce units, developer/owner shall annually update the priority list in accord with the priority order.

- c. Applicant Selection. The developer/owner of affordable and/or workforce housing units is required to fill vacant units in either one of two ways:
- i. Selecting Income-Eligible applicants themselves as long as the developer/owner complies with the local preferences and priority ranking system and publication requirements set forth herein. The following selection processes are permissible:
 - Selection from the Priority List in rank order, or
 - Lottery of the top candidates on Priority List.
 - ii. Selecting Income-Eligible applicants from the City/Commission’s Section 8 Housing Choice Voucher Waiting List, Supportive Housing Waiting List or Homeownership Waiting List available from the City’s Housing and Career Services Department.
- d. Unit Sale or Rental. The actual sale of a unit will be based on the ability of the qualified applicant(s) to meet applicable eligibility guidelines and/or obtain financing within a time frame established by the developer/owner. The actual rental of a unit will be based on the ability of the qualified applicant(s) to meet applicable eligibility guidelines and/or meet the developer/owner’s leasing requirements, which may include a minimum credit score, past payment history, and current monthly debt load. For either rental or ownership units, the developer/owner will use the

same reasonable industry standards to determine ability to rent or purchase as are used for any non-affordable unit tenants or buyers.

10. COMPLIANCE MONITORING

- a. Compliance Report. The developer/owner shall provide a written compliance report to the Housing Director upon selection of the qualified applicants. The report shall include, but is not limited to, the following information.
 - i. Summary of Selection Process including the Marketing and Selection Plan; and
 - ii. Name, Address, Telephone and Preference Category and Ranking of Selected Applicant(s)
 - iii. Demographic information collected about selected applicants. The Housing Department does not require this information for applicants who were not selected.
- b. Certification of compliance. The developer/owner of affordable and/or workforce units shall certify the local preferences awarded to applicants were consistent with these guidelines. A certification form approved by the City shall be completed and submitted with the Compliance Report.
- c. Record Retention. The developer/owner shall retain records of the evidence and documents utilized to select applicant(s) for the sale or rent of available affordable and/or workforce housing units in accordance with these guidelines for two year after the date of occupancy by the first applicant.
- d. Compliance monitoring. City shall monitor the developer/owner's compliance with these guidelines which may include an on-site monitoring visit to review the developer/owner's records, interviews with selected applicant(s), and/or other methods deemed appropriate.

11. PENALTIES FOR NON-COMPLIANCE

- a. Notice of Non-compliance. Except as otherwise provided herein, if it is determined that a violation of these guidelines has occurred, the Housing Director shall issue a notice of non-compliance and require the developer, owner or tenant (as applicable) to cure the violation within 30 days, unless a different period is provided at the Housing Director's discretion.
- b. Monetary Penalty. Any party who sells or rents an affordable and/or workforce housing unit in violation of these guidelines shall be required to forfeit all monetary amounts so obtained. Recovered funds shall be deposited into the City's Housing Fund.
- c. Litigation. The City may institute any appropriate legal actions or proceedings necessary to ensure compliance with these guidelines, including but not limited to: (1) actions to revoke, deny or suspend any permit, including a building permit, certificate of occupancy, or discretionary approval; and (2) actions for injunctive relief or damages.
- d. Legal Costs. In any action to enforce these guidelines, the City shall be entitled to recover its reasonable attorney's fees and costs.

Attachment “A”

SENIOR HOUSING PROJECTS
TENANT SELECTION PROCESS (initial lease-up)

- 1) All applications received by the established deadline will be sorted into one of five Priority Groups, using the Tenant Selection Criteria shown below:

Tenant Selection Criteria*	Priority Group
Resides and works in Pasadena	First
Resides (but does not work) in Pasadena	Second
Works (but does not reside) in Pasadena	Third
Involuntarily displaced	Fourth
All other applicants	Fifth

Per the City’s Local Preference and Priority Guidelines

- 2) Within each of the five Priority Groups, applications will be assigned a random Draw Number.
- 3) Developer will pull and screen applications, from the First Priority Group, in descending Draw Number order.
- 4) Applications that pass the Developer’s screening process will be forwarded to the City’s Housing Department for determination of income eligibility.
- 5) Applicants that are determined to be income-eligible will be notified by Developer and offered the opportunity to enter into a tenant rental contract.
- 6) If additional applications are needed after all applications from the First Priority Group have been screened, Steps #3 through #5 will be repeated for the Second, Third, Fourth and Fifth Priority Groups.

Attachment “B”

PERMANENT SUPPORTIVE HOUSING (PSH) PROJECTS
TENANT SELECTION PROCESS (initial lease-up)

- 1) All applications received by the established deadline will be sorted into one of five Priority Groups, using the Tenant Selection Criteria shown below:

Tenant Selection Criteria*	Priority Group
Became homeless in Pasadena and staying on Pasadena streets, in a Pasadena shelter/homeless housing program, or placed in short-term housing/shelter outside of Pasadena	First
Became homeless outside of Pasadena, but employed or in school full-time in Pasadena or receiving supportive services from a Pasadena-based provider, and staying on Pasadena streets or living in Pasadena shelter/homeless housing program	Second
Became homeless elsewhere and staying on Pasadena streets or living in Pasadena shelter/homeless housing program	Third
Became homeless elsewhere, currently homeless elsewhere, either streets or short-term housing	Fourth
All other applicants	Fifth

Per the City’s Local Preference and PSH Priority Guidelines

- 2) Within each of the five Priority Groups, applications will be prioritized based on the City’s PSH Prioritization Guidelines.

Order of Priority for PSH Vacancies

Order of Priority	Chronically Homeless	Severe Service Needs	Other Requirement
1	yes	yes	at least 12 mos. continuous or at least 12 months cumulative across 4 episodes in 3 years
2	yes	yes	Less than 12 months cumulative across 4 episodes in 3 years
3	yes	no	At least 12 months continuous or at least 12 months cumulative across 4 episodes in 3 years
4	yes	no	Less than 12 months cumulative across 4 episodes in 3 years
5	yes	no	none

When no chronically homeless persons can be identified to fill a PSH vacancy, the CES/HFSS will fill vacancies according to the priorities listed below.

Order of Priority if no Chronically Homeless referrals are received

Order of Priority	Chronically Homeless	Severe Service Needs	Other Requirement
1	no	yes	Coming from streets, safe haven, or emergency shelter.
2	no	no	shelter Coming from the streets, safe haven, or emergency shelter PLUS at least 6 months continuously homeless or at least 3 occasions in 3 years
3	no	no	Coming from the streets, safe haven, or emergency shelter
4	no	no	Coming from transitional housing (first came from streets, safe haven, emergency shelter)

- 3) Within the prioritized local preference groups, equally prioritized applications will be assigned a random Draw Number.
- 4) Developer will pull and screen applications, from the First Priority Group, per descending Draw Number order.
- 5) Applications that pass the Developer's screening process will be forwarded to the City's Housing Department for determination of income eligibility.
- 6) Applicants that are determined to be income-eligible will be notified by Developer and offered the opportunity to enter into a tenant rental contract.
- 7) If additional applications are needed after all applications from the First Priority Group have been screened, Steps #3 through #5 will be repeated for the Second, Third, Fourth and Fifth Priority Groups.