



CITY OF  
**EL SEGUNDO**

# Live / Work Preference Policy

City of El Segundo – Affordable Housing Strategy

RSG | June 2025

# Proposed Policy

- The City's Affordable Housing Strategic Plan prioritizes a Live/Work Preference Policy with the following goals:
  - Codify that part of an affordable housing agreement (incl. a DDA, density bonus agreement, etc.) include a local priority preference for people who live or work in El Segundo when applying for new affordable housing rental units
  - Remedy or mitigate the displacement and gentrification impacts that may result from development activities

# Policy Background

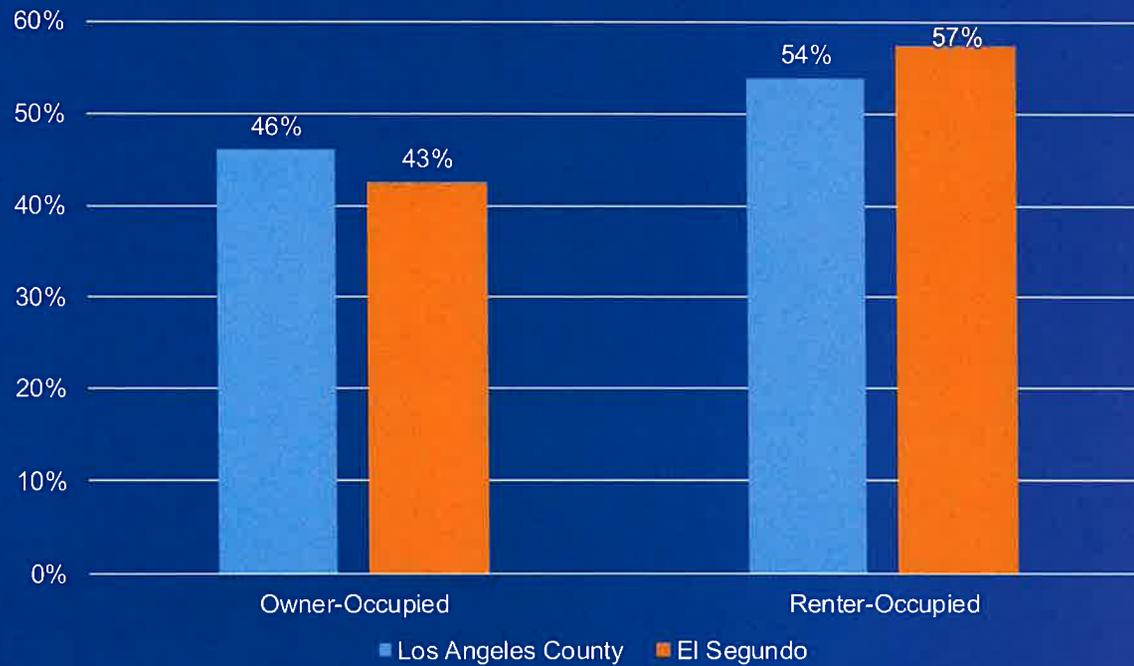
- The U.S. Housing and Urban Development Department (“HUD”) permits jurisdictions to establish tenant preference policies that prioritize applicants based on specific criteria, provided such policies comply with federal civil rights and fair housing laws
- In other words, the City must ensure that policies or practices do not have a discriminatory effect on federally protected groups, even if there is no explicit discriminatory intent

# Progress to Date

- Staff, in coordination with RSG, has taken the following actions to design the proposed policy:
  - Reviewed existing demographic conditions and housing prices within the City
  - Conducted an analysis of applicable fair housing laws and reviewed relevant case law
  - Reviewed comparable tenant preference policies
  - Incorporated comments from the Planning Commission on the draft Preference Policy

# EXISTING DEMOGRAPHIC CONDITIONS

# Renter vs. Owner Occupied Housing Units



Source: ACS Census Bureau (2023 5-Year Estimates)

# Median Household Income

LA County Median Income: \$86,587  
El Segundo Median Income: \$149,149



Source: ACS Census Bureau (2023 5-Year Estimates)



# Percentage of Rent-Burdened Households



Note: Rent-burdened households refer to households in which rent exceeds 30% income earned. Severely rent-burdened households refer to households in which rent exceeds 50% income earned.

Source: ACS Census Bureau (2023 5-Year Estimates)

# RELEVANT FAIR HOUSING AND CASE LAW

# Relevant Fair Housing and Case Law

- Disparate impact claims may be brought against policies or practices that disproportionately affect members of federally protected classes, particularly when the impact contributes to, reinforces, or perpetuates patterns of residential segregation
- Relevant Case Law
  - New York City
  - San Francisco

# COMPARABLE POLICIES

# Comparable Policies

- Staff, in coordination with RSG, identified three key policy components that varied across jurisdictions and warranted tailored consideration by the Planning Commission:
  1. Tenant Eligibility Requirements
  2. Property Applicability
  3. Unit Proportion

# PLANNING COMMISSION DIRECTION

# Planning Commission Direction

- The Planning Commission requested Staff incorporate the following policy components:
  1. Tenant Eligibility Requirements: Local residents and local employees, including preferences based on specific employment criteria\*
  2. Property Applicability: City-assisted affordable housing projects throughout the term of the affordability restriction
  3. Unit Proportion: 15% of units

\*The Planning Commission also requested the City Council consider an alternative option in which additional employment criteria is omitted from the policy

# PROPOSED POLICY

# Proposed Policy

- Applicant Preferences
  - Local Residency: Preference is given to applicants with at least one household member who lives in El Segundo
  - Local Employment: Applicants with at least one household member who works or who has received and accepted a bona fide offer of employment within El Segundo
  - Additional preference is given within the local employment preference:
    - Employees of the City of El Segundo, including but not limited to, public safety personnel such as law enforcement, firefighters, emergency medical technicians, and paramedics
    - Employees of a school district

# Proposed Policy (cont.)

- Property Applicability
  - City-assisted affordable housing projects in which preferences apply both at the initial lease-up and throughout the term of the affordability restriction
- Unit Proportion
  - 15% of the deed-restricted affordable rental units must prioritize these applicants

# Proposed Policy (cont.)

- Policy Implementation
  - Affordable housing agreements must include provisions for the preferences
  - The project owner is responsible for enforcing this policy throughout the affordability period, including:
    - Marketing the preference units with eligibility criteria
    - Maintaining a list of eligible applicants and ensuring compliance with preference requirements
    - Offering Preference Units based on a lottery system if multiple applicants are equally eligible

# Proposed Policy (cont.)

- Policy limitations
  - This policy applies only when other funding sources or regulations don't prohibit it.
  - It must comply with federal and state fair housing laws.

# Alternative Policy Options

- The City Council may consider alternative language for Section (II)(B) of the proposed Live/Work Policy (“Exhibit B”), which omits additional preference for public service employees
- Alternatively, the Council may choose to retain the preference for public service employees as outlined in the proposed policy (“Exhibit A”)

# Requested Council Direction

1. Consider the adoption of the proposed policy as approved by the Planning Commission (with additional preferences for public service employees)
  - a. Alternatively, adopt the policy without the additional preferences for public service employees
2. Do not approve the policy and/or provide staff other direction.