



FAIR HOUSING
RHODE ISLAND



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GUIDE TO A LOTTERY PROCESS

Preparation, Planning and Decisions

Census data for Rhode Island that provides important information regarding the percentage of minority population by location has been provided in the Appendix. This can be a useful tool in the planning of your affirmative marketing campaign and in determining the potential effect of any selection preferences you may be considering.

- Determine the racial/ethnic groups least likely to apply. Take into consideration the location of the development and use the census data provided in the Appendix. Compare the demographic breakdown of the municipality with the demographics of the Housing Market Area (usually defined as the Metropolitan Statistical Area or MSA). Racial/ethnic groups, as defined by HUD are:
 - White
 - Black/African-American
 - Asian
 - Hawaiian/Pacific Islander
 - American Indian/Native Alaskan
 - Hispanic/Latino
- Determine if any selection preferences will be applied.
- Consider whether any of the proposed selection preferences for the development will have an adverse impact on opportunity for any of the groups least likely to apply. An adverse impact can arise when the process discourages a particular racial or ethnic group or groups from applying for residency/ownership or limits the opportunity for selection. An example of such an adverse impact would be for a community with a population that was 95 percent White to establish a 100 percent preference for local residents. Such an action would not only discourage application by minorities, but would also result in an inequitable opportunity for selection for minorities. A selection system that results in such an adverse impact may be found to violate fair housing laws. If the preference will have such an adverse impact or will reduce the effectiveness of affirmative marketing by making it more difficult for members of the groups least likely to apply to obtain a unit, consideration should be given to not using a preference or to lowering the percentage of units designated for distribution to the preference group.
- Determine who the participants will be in the public outreach efforts. Some valuable parties might include, but not be limited to:
 - Municipal official
 - Lottery administrators
 - Project developers

Details on the roles of each of these participants are provided later in this section.

- Establish the schedule of the selection process:
 - Advertising and outreach.
 - Set the application deadline (this should be at least 60 days following the last public outreach informational meeting if planned, or the last advertisement if meetings will not be held).

- If informational meetings are planned, set the date(s) and time(s) for the public outreach informational meeting(s) to attract as many potential applicants as possible:

- *Evenings

- *Weekend days

- Conduct advertising and outreach, using appropriate publications and contacting appropriate organizations and community groups. Examples of these outlets are found below. It is important to include publications and community contacts targeting the groups least likely to apply. Where minority groups are the least likely to apply, include publications and organizations serving the minority populations within the Housing Marketing Area. If the development is located in a municipality with a low minority population, and there are no publications or organizations serving minorities within the Housing Marketing Area, it is important to include such publications and organizations in the nearest city with a substantial minority population.
- Set the dates for the distribution of notifications about the public outreach meeting(s).
- Determine the best outlets for the meeting notification distributions, geared toward reaching your target audience. As with your marketing campaign, some suggestions are:
 - Rhode Island Commission for Human Rights
 - Area houses of worship
 - Organizations serving minority populations
 - Local and regional housing agencies
 - Local housing authorities
 - Civic groups
 - Lending institutions
 - Social service agencies
 - Other non-profit agencies
 - Rhode Island Housing
(information on low- and moderate-income homes can be posted on our web site)

Other suggestions are available in the Rhode Island Outreach Media Outlets section included in this Appendix.

- Determine the location of the public outreach meeting(s), if planned. Some suggested locations are:
 - Town buildings
 - Schools
 - Libraries
 - Public meeting rooms
 - Community centers

Public Outreach Informational Meeting

Participants may include, but are not limited to:

- Municipal Officials (to welcome the audience and describe the municipality role in the affordable housing project).
- Developer and/or Property Managers (to describe the project, answer specific questions about the units, to clearly explain the information requested on the application and to answer questions about the lottery process).
- Approved Monitoring Agents (to explain affordability restrictions, income eligibility and income certification process).
- Lottery Administrators (to answer questions about the lottery process).

PLEASE NOTE: Developers may choose to administer a lottery themselves or contract with another entity, such as the Approved Monitoring Agent, to provide that service.

Potential applicants should be provided with the following materials:

- An outline of the income qualifications for each size unit.
- The sales prices or rental fees for the affordable units.
- Details of any selection preferences.
- Written description of the eligibility requirements.
- Written explanation of the process by which the units will be distributed (including the application deadline date).
- Written explanation, in clear and simple terms, of any affordability restrictions.

Sufficient personnel should be on hand after the information session to assist applicants who may want to begin/complete their application.

PLEASE NOTE: Attendance at a meeting/workshop should not be a pre-condition for the approval of a lottery application. All the materials shown above and the applications should also be available to the public through general outreach distribution.

Lottery Pools and General Selection Information

In a lottery that does not involve local preferences, there will be only one lottery pool: the Open Pool, into which all the registration numbers will be placed for selection.

In a lottery where local preferences are involved there will be two lottery pools: the Preference Pool into which the registration numbers for those who meet one or more of the preference criteria are placed, and the Open Pool into which the registration numbers for all those parties who did fit into any of the preference criteria are placed. **All parties who fall in the Preference Pool must also be included in the Open Pool.**

Each applicant's registration should indicate the size of unit/number of bedrooms required.

Lottery Selection Process – No Local Preferences Applied

- Each qualified applicant is assigned a ballot with a registration number.
- Ballots with the registration numbers for applicant households are placed in the Open Pool.
- The ballots are drawn randomly from the Open Pool and placed on a list in the order in which they were drawn.
- Distribution of the units should be made, largest to smallest, by proceeding down the list and assigning them to appropriately sized households.
- Once all the larger units have been assigned to appropriately sized households in this manner, the selection order returns to the top of the list for the next group of units.
- The list with all remaining unselected households must be maintained and employed in the same manner should alternate buyers/renters be needed.

PLEASE NOTE: The housing subsidy program may define the appropriate household size. Generally, the appropriate size of a household would be the number of bedrooms necessary to accommodate two persons per bedroom, with the proviso that a family may choose a smaller unit if they wish.

Lottery Selection Process – Local Preferences Applied

- Each qualified applicant is assigned a ballot with a registration number.
- Ballots with the registration numbers for applicant households are placed into all pools for which they are qualified.

PLEASE NOTE: Those not qualified under the local preference will be placed in the Open Pool only. Those qualified under the local preference will be placed in both the Preference Pool and the Open Pool.

- Ballots should be drawn randomly from the Preference Pool and placed on the Preference list in the order in which they were drawn.
- Ballots should be drawn randomly from the Open Pool and placed on the Open list in the order in which they were drawn.
- In the final lottery (with preference), distribution will come from the two selection pools, the Preference Pool and the Open Pool. This distribution of the available units must be:
 - Awarded according to the appropriate household size for the unit available that was established for the lottery.
 - Awarded, largest to smallest.
 - Distributed first from the Preference Pool until the percentage of units set aside for local preference has been reached or the Preference Pool has been exhausted.
 - Distributed from the Open Pool until all affordable units have been awarded.

NOTE: Per the above process, the Preference Pool contains only those applicants who meet one or more of the preference criteria. The Open Pool will contain all members of the Preference Pool and all other applicants who did not meet any of the preference criteria.

- Once all the larger units have been assigned to appropriately sized households in this manner, the selection order returns to the top of the lists for the next group of units.
- **The lists for both pools with all remaining unselected households must be maintained and employed in the same manner should alternate buyers/renters be needed.**

Reference materials provided in the Appendix that can be useful: Demographic Profile of Rhode Island Municipalities (2000 U.S. Census); Fair Housing RI Resources (including Rhode Island Outreach Media Outlets).

This information is designed to serve as a guideline. Following the recommendations and utilizing the templates found herein does not preclude nor guarantee immunity to legal actions. Municipalities and developers should consult their own legal counsel when undertaking affordable-housing marketing and selection planning. Funding under a grant with the U.S. Department of Housing and Urban Development's Fair Housing Initiative Program supported the work that provided the basis for this publication. The substance and findings of the work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the federal government.