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Fremont Residential Displacement Study Report
Prepared for the City of Fremont
June 10, 2021

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EXECUTIVE SUMMARY

This study finds that lower-income Fremont residents have been experiencing residential displacement and are at risk of additional displacement pressure, to a greater extent than lower-income residents in Alameda County overall. The report demonstrates that residential displacement has occurred and is at high risk of continuing to occur without additional affordable units being prioritized for lower-income Fremont workers and residents.


KEY FINDINGS



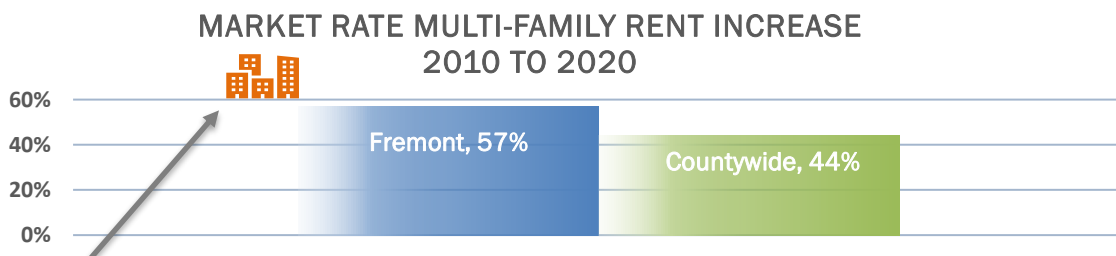
The overwhelming majority of Fremont residents that would be eligible for units funded through Alameda County Measure A1 affordable housing funds are likely at risk of displacement due to high housing costs.

Lower Income Fremont Renters	Lower-Income Alameda County Renters	Housing Condition
85%	77%	High housing cost burden
21%	13%	Living in over-crowded conditions

High housing cost burden and overcrowding are indicators that households are struggling to afford housing and could be at risk of displacement.



Market-rate rents in Fremont have increased substantially in recent years and are considerably higher than lower-income households can afford, increasing displacement risk for lower-income households.



Affordable rents for households with incomes equal to 60 percent of the area median income, the highest income level served by units funded through Measure A1 funds, are at least \$400 per month lower than the average market-rate rent. For many lower-income households, the gap between the affordable rent and typical market-rate rents is significantly higher.



Lower-income households and individuals in Fremont with special housing needs, including seniors, people with disabilities, single parent households, and large families, are disproportionately at risk for displacement.



Percent of Households with Extremely Low, Very Low, or Low Incomes:

- 24% for all Fremont households
- 46% for Households with One or More Persons with a Disability
- 54% for Elderly Fremont Households



Percent of Lower-Income Renter Households with a High Housing Cost Burden:

- 85% for all Fremont households
- 93% for Large Family Households



Percent of Households with Incomes Below Poverty Level

- 3% for all Fremont family households
- 10% for Fremont family households with a single female householder

These households are more likely than other households in Fremont to have low incomes. Additionally, lower-income renter households in Fremont with special needs are more likely than other low-income renters in Fremont to have a high housing cost burden.



Data on commute flows suggest that an increasing share of the City's workforce is commuting to Fremont from other cities, a sign that people working in Fremont are having an increasingly difficult time affording housing in Fremont.



In **2010**, **22%** of Fremont's workforce lived in Fremont. By **2018**, the proportion had decreased to **17%**.



People that work in Fremont are increasingly commuting from more affordable locations in Alameda County and elsewhere.



Data suggest that many lower-income households in Fremont have likely already been displaced due to high housing costs.



Fremont

Net decrease of 450 lower-income households, including both homeowners and renters, including decrease of 205 lower-income renter households.



Alameda County

Lower-income households increased by 7,100, including a net increase of 5,790 lower-income renter households.

Decreases in lower-income renter households had an outsized impact on White, Black and African-American, and Hispanic and Latino households.



Local social service providers indicate that Fremont's most vulnerable households face considerable displacement risk and that some households have already been displaced.

Disproportionately Impacted by Displacement in Fremont:

- Lower-income households
- Racial and ethnic minority groups
- Single-parent households
- Large family households
- People with disabilities
- Seniors
- Families with children

70% of the social service providers in Fremont that responded to a survey related to this study indicated that their clients have moved out of Fremont, are at risk of displacement, or are planning to move out of Fremont due to economic hardship or other reasons beyond their control.



Since the 2017-18 school year, the Fremont Unified School District has experienced unexpected declines in student enrollment, indicating that families with children have been moving out of the City.

Between 2017–2018 and 2020-2021 School Years:



Continued increase in the City's overall population

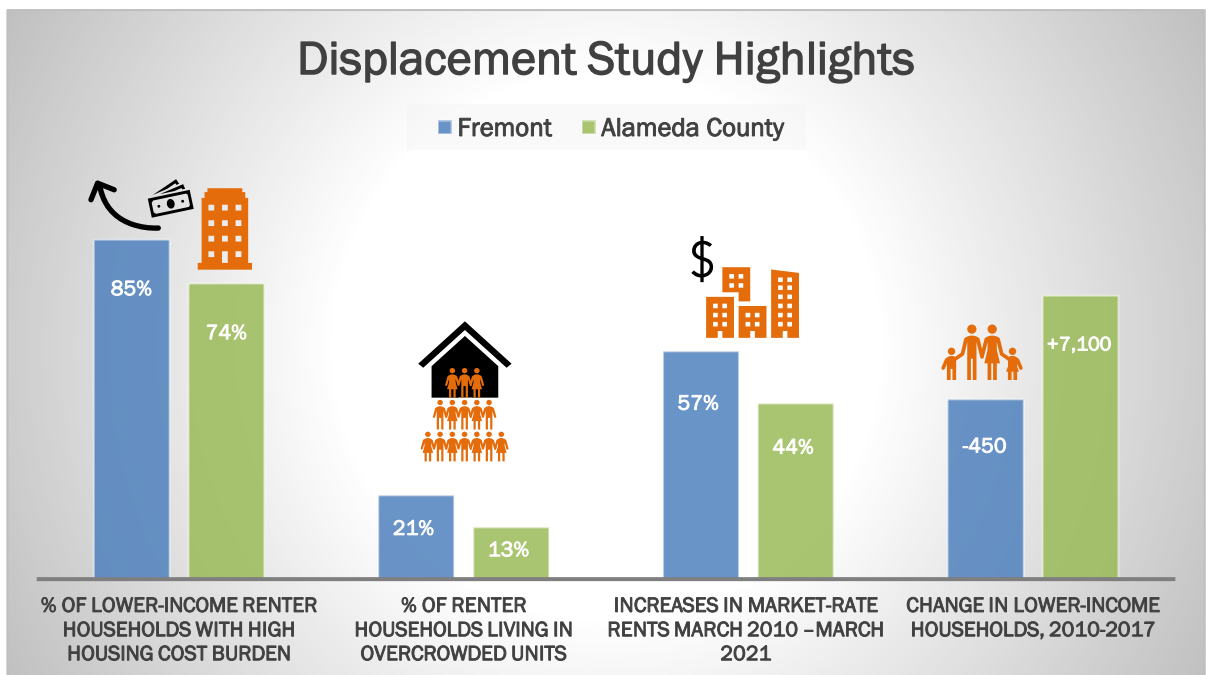
Enrollment *decreased* by **2.2%**

The Fremont Unified School District (FUSD) has seen large enrollment declines at elementary schools, suggesting that younger families are being disproportionately affected. According to a recent analysis of enrollment trends at the FUSD, the enrollment declines are likely associated with housing affordability and increased housing costs. This has coincided with a gradual decrease in students receiving free or reduced-price meals, English learners, and Foster Youth, both in numerical terms and as a percent of total enrollment.

CONCLUSION

Renters in Fremont are at a greater risk of displacement than renters in Alameda County overall. Data on commute flows, the decrease in the number of lower income households, survey results from local social service providers, and FUSD enrollment trends suggest that Fremont residents have likely already been displaced.

Lower-income Fremont renters have higher rates of high housing cost burden than the countywide average. Renter households in Fremont are also more likely to live in overcrowded units than are renter households in Alameda County overall. Fremont has also experienced more significant increases in market-rate rents than Alameda County overall and tends to have a lower rental vacancy rate. Fremont has experienced a decrease in lower-income households during recent years, while the number of lower-income households in Alameda County has increased.



The analysis concludes that Fremont needs policies and programs that specifically support housing affordability and stability for lower income households, especially those households with incomes at or below 60% Area Median Income. For many lower-income Fremont residents, deed-restricted affordable rental housing, which is severely limited in supply, is the only housing option that could potentially provide affordability, stability, and protection from displacement.

Executive Summary graphics prepared by the City of Fremont

INTRODUCTION

Displacement can have a range of negative effects at the individual, household, community, and regional levels. Often, individuals and households that are displaced must move further from their places of work, established childcare arrangements, and social support networks, while children in displaced households may experience a disruption in schooling. Widespread displacement often exacerbates inequalities in access to opportunity and patterns of segregation as lower-income households are increasingly excluded from higher-cost areas. In cities where residents have been displaced, these trends can have a negative impact on the economic, racial, ethnic, and social diversity of the local population. In addition, local employers in high-cost areas often have difficulty recruiting and retaining workers for lower-paying jobs that are necessary to support local economic activity. These trends can also lead to workers commuting long distances to jobs in higher-cost communities, creating negative impacts in terms of both equity and the environment.

As a part of the City's efforts to address displacement, the City of Fremont has instituted a local live/work policy for affordable housing developments in Fremont, which prioritizes affordable housing placements for individuals or households that live or work in Fremont. There are four affordable projects in the City of Fremont development pipeline that received funding through Alameda County Measure A1 funds. For cities to retain local preference on the Measure A1 funded affordable housing projects, Alameda County requires that cities that offer a local live/work preference prepare a displacement study to evaluate displacement trends within the jurisdiction. To respond to this requirement and in recognition of the negative impacts of displacement, the City of Fremont commissioned this study to evaluate the extent to which households in Fremont have experienced or are at risk of displacement, in order to inform City and County policies to mitigate displacement effects in Fremont.

This report provides data and analysis on various indicators that Fremont residents have been displaced or are currently at high risk of displacement. The analysis focuses on displacement impacts and displacement risk among lower-income households, consistent with the income levels served by units funded through Measure A1 funds.

The remainder of this report is divided into three chapters. The following chapter provides a brief overview of demographic and housing conditions in Fremont to provide baseline information for the displacement analysis. The next chapter provides data related to various indicators that Fremont residents have been displaced and indicators that existing Fremont residents are currently at risk of displacement. In particular, this analysis focuses on displacement impacts and displacement risk among lower-income households, consistent with the income levels served by units funded through Measure A1 funds. The final chapter summarizes the findings from the analysis.

FREMONT DEMOGRAPHIC AND HOUSING TRENDS OVERVIEW

This chapter provides an overview of high-level demographic and housing conditions in Fremont and Alameda County to provide background for the displacement analysis provided in this report. The data in this section generally do not directly address whether Fremont residents have been experiencing displacement or are at risk of displacement but are instead included to provide insight to inform the displacement analysis provided in the following chapter of this report.

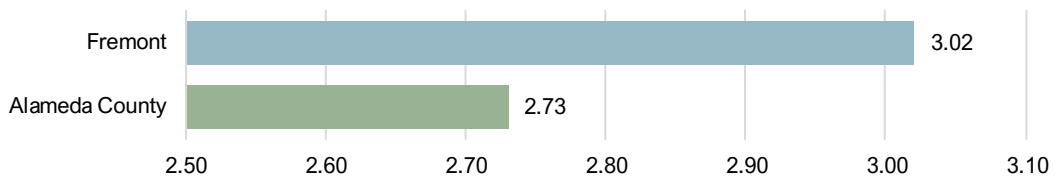
DEMOGRAPHIC SNAPSHOT

Fremont is demographically distinct from Alameda County as a whole, with larger household sizes, higher overall household incomes, and a different distribution of the population among various racial and ethnic groups. As of 2020, Fremont had a population of approximately 231,600 residents and a total of 76,100 households, accounting for approximately 14 percent of the population in Alameda County and 13 percent of Alameda County's households, according to data from Esri. The average household size was 3.02, much higher than the average countywide (2.73). A much higher share of households in Fremont are families (78 percent) than in the County overall (65 percent). The median age among Fremont residents was 38.5 in 2020, slightly higher than the median in Alameda County (37.9). Fremont has a large population of individuals of Asian descent, which comprise approximately 58 percent of residents in Fremont, compared to 32 percent of residents countywide. Non-Hispanic White residents represent the second largest racial or ethnic group in Fremont, comprising 21 percent of the City's residents in 2020. Compared to the countywide population, Fremont has a much lower proportion of Hispanic/Latino residents (14 percent) and Black/African American residents (2 percent).

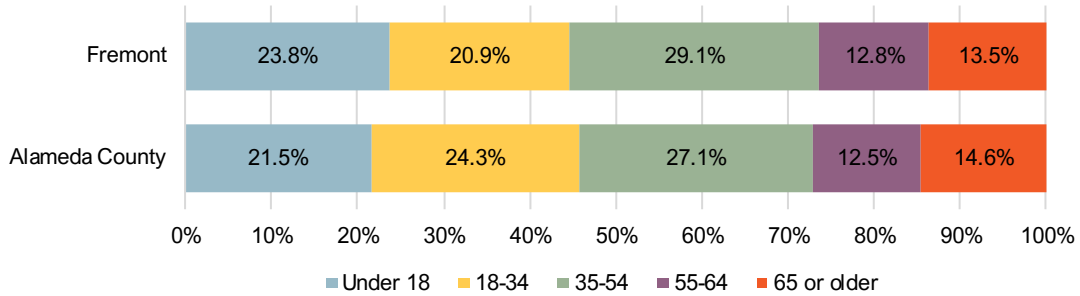
Fremont has a large concentration of above moderate-income households, which comprise 59 percent of all households in Fremont compared to 44 percent of households countywide, with a correspondingly small concentration of lower-income households (24 percent). Fremont and Alameda County have similar concentrations of moderate-income households (17 percent). Units funded through Measure A1 funds would serve households with extremely low, very low, and low incomes, and therefore would not be available to households in Fremont with moderate or above-moderate incomes.

Figure 1: Fremont and Alameda County Demographic Snapshot

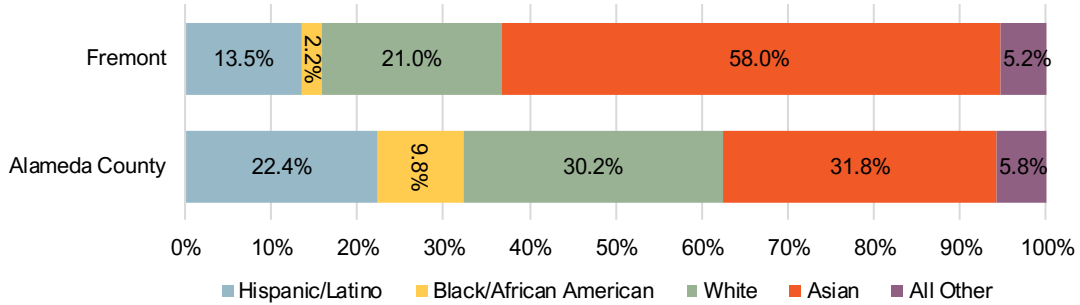
Average Household Size



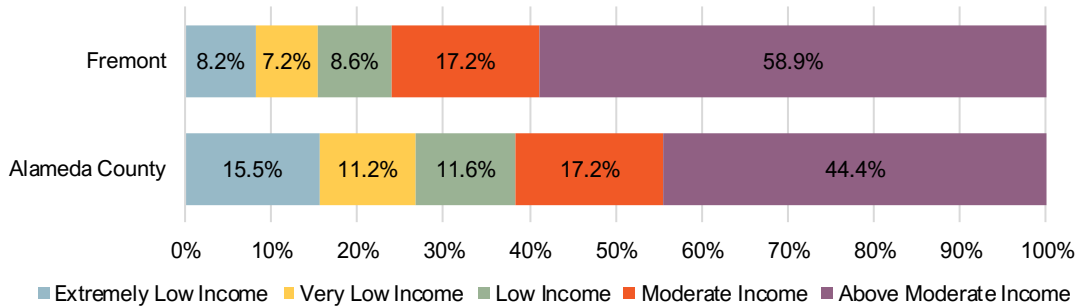
Age Distribution



Race and Ethnicity



Household Income Distribution



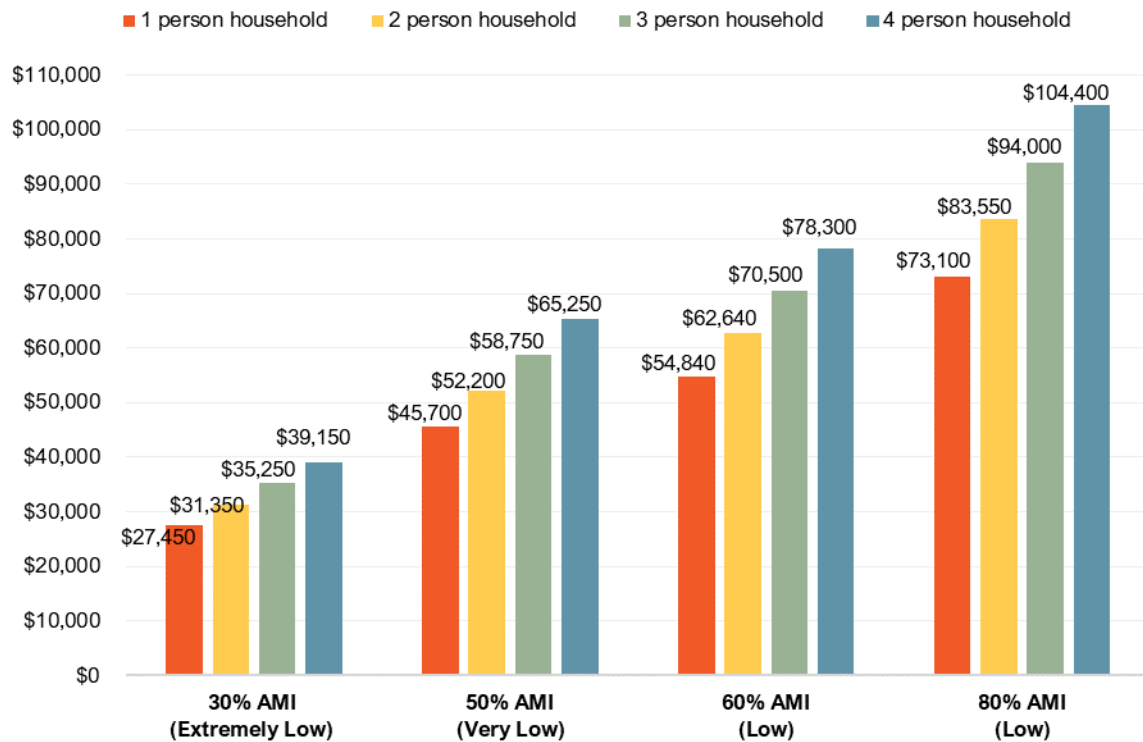
Sources: U.S. Department of Housing and Urban Development, 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; Esri Business Analyst, 2020; BAE, 2021.

ALAMEDA COUNTY INCOME LIMITS

For the purpose of designing affordable housing programs and analyzing housing issues, households are often categorized as extremely low-income, very low-income, low-income, or moderate-income based on household size and how household income compares to the Area Median Income (AMI) for other households of the same size. Income limits for each household size and income group are established annually by State and Federal agencies.

In 2020, the median household income in Alameda County was \$119,200 for a four-person household, \$107,300 for a three-person household, \$95,350 for a two-person household, and \$83,450 for a one-person household. Lower income households are generally defined as those earning 80 percent of AMI or less. Figure 2 shows the maximum household income for extremely low-, very low-, low-, and moderate-income households of various sizes in Alameda County as of 2020, according to the income limits set by the California Department of Housing and Community Development.

Figure 2: 2020 Income Limits, Alameda County

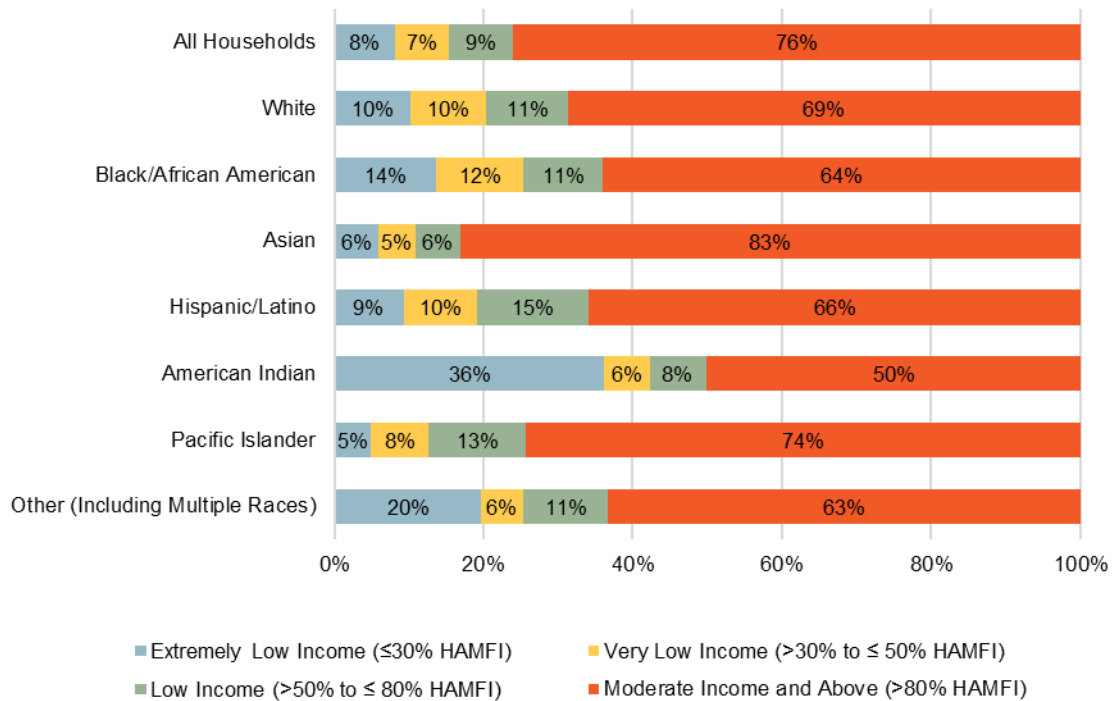


Sources: California Department of Housing and Community Development (HCD); City of Fremont Housing Division; BAE, 2021.

INCOME LEVEL BY RACE AND ETHNICITY

Income levels for Fremont households vary by race and ethnicity. Figure 3 below shows the estimated household income distribution for households in Fremont by race and ethnicity, according to American Community Survey (ACS) data collected between 2013 and 2017 (the most recent available for this dataset), as provided in Comprehensive Housing Affordability Strategy (CHAS) data. Among Asian households, the household income distribution includes a larger share of households with moderate incomes and above-moderate incomes than households in Fremont overall, with a correspondingly smaller share of lower-income households. Among all other racial and ethnic groups, the share of moderate-income and above moderate-income households is smaller than the share in Fremont overall, with a larger share of lower-income households. It should be noted that the CHAS data indicate that there are only a small number of American Indian/Alaska Native households and Pacific Islander households in Fremont, making the estimates for these households somewhat unreliable and subject to sampling error.

Figure 3: Household Income Level by Race and Ethnicity, Fremont, 2013-2017



Sources: U.S. Department of Housing and Urban Development, 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2021.

HOUSING STOCK

Fremont's existing housing stock is heavily dominated by single family units (both attached and detached), which make up 71 percent of the total citywide inventory. Fremont has approximately 77,300 housing units, comprising 13 percent of the countywide inventory as of 2020 (see Table 1). A significant share of the net increase in housing units in Fremont between 2010 and 2020 was due to a net increase in multifamily units, similar to Alameda County overall. However, compared to the County a larger share of the net increase in new housing units in Fremont during this period is due to an increase in single-family detached homes.

Table 1: Housing Units by Type, 2010-2020

	2010		2020		2010-2020 Change	
	Number	Percent	Number	Percent	Number	Percent
Fremont						
Single Family Detached	43,301	58.5%	44,700	57.8%	1,399	3.2%
Single Family Attached	9,933	13.4%	10,192	13.2%	259	2.6%
Multifamily 2 to 4 Units	2,429	3.3%	2,584	3.3%	155	6.4%
Multifamily 5 or More Units	17,600	23.8%	19,107	24.7%	1,507	8.6%
Mobile Home/Other	726	1.0%	726	0.9%	-	0.0%
Total Housing Units	73,989	100.0%	77,309	100.0%	3,320	4.5%
Alameda County						
Single Family Detached	309,306	53.2%	319,353	52.2%	10,047	3.2%
Single Family Attached	44,280	7.6%	48,130	7.9%	3,850	8.7%
Multifamily 2 to 4 Units	65,326	11.2%	66,731	10.9%	1,405	2.2%
Multifamily 5 or More Units	154,629	26.6%	169,679	27.7%	15,050	9.7%
Mobile Home/Other	7,831	1.3%	7,859	1.3%	28	0.4%
Total Housing Units	581,372	100.0%	611,752	100.0%	30,380	5.2%

Sources: State of California, Department of Finance, Table E-5, 2020; BAE, 2020.

Like Alameda County overall, Fremont is a majority-owner city. Renter households comprise 37 percent of households in Fremont, compared to 46 percent of households countywide. The average renter household size in Fremont is notably high, at 3.03 persons per household, compared to the County (2.67 persons per household).

DISPLACEMENT ANALYSIS

This chapter assesses the extent to which displacement has affected Fremont households and whether Fremont households are currently at risk of displacement based on an analysis of various data sources. In the context of neighborhood change, the term “displacement” typically refers to existing residents’ involuntary movement out of the community, usually due to increases in housing costs and strong demand for housing coupled with a shortage of options for lower-income households.

While there is a shortage of data that can provide direct information on whether displacement has occurred or whether households are at risk of displacement, there are various data sources that provide information that, taken together, provide an indication of the extent to which households are impacted by displacement. Data that could indicate that households have been displaced or are at risk of displacement include:

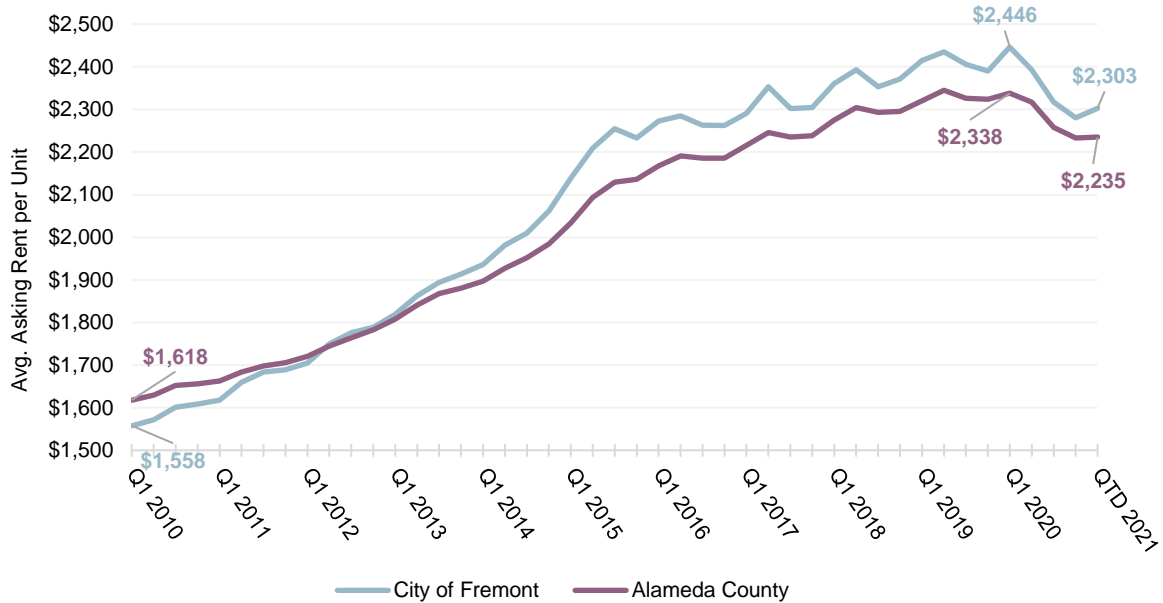
- Significant increases in residential rents and sale prices;
- Rents and sale prices that exceed the affordability threshold for lower-income households;
- Low residential vacancy rates;
- Decreases in the number of lower-income households in Fremont over time;
- The presence of lower-income households for which housing costs are equal to an inordinate share of households income;
- Overcrowding in residential units; and
- A shortage of units affordable to lower-income households;
- Changes in commute patterns that demonstrate an increase in workers commuting from longer distances.

The following pages present data and analysis on these indicators to assess the extent to which Fremont households are impacted by displacement. The analysis focuses on lower-income renter households, as these are the households that would be eligible for units funded through Measure A1 funds, but also provides information on other types of households. In general, renters tend to be more susceptible to displacement than homeowners because renters are generally not protected from rent increases except as stipulated in their lease agreement, which may provide no protection from increases or only relatively short-term protection. In markets with increasing residential rents and a limited supply of affordable rental housing, lower-income renters are often vulnerable to displacement as property owners increase rents to match market rates. In contrast, homeowners’ housing costs are not impacted by changes in the housing market after the homeowner purchases the unit, which generally gives homeowners a choice as to whether they sell their homes and move elsewhere. However, homeowners can be susceptible to displacement if their economic circumstances change or if home repairs become unaffordable, making them unable to stay in their homes. If there are limited affordable options locally, these residents could be displaced to other communities.

MULTIFAMILY RENT TRENDS

Multifamily rental rates in Fremont have increased considerably in recent years, indicating that lower-income renters may be at risk of displacement due to rent increases. Between the first quarter of 2010 and the first quarter of 2020, the average monthly asking rent increased by \$888 per unit in Fremont, or 57 percent, among market-rate multifamily apartment developments with five or more units. Over the same period, the countywide average monthly asking rent among these developments increased \$720 per unit, or 44 percent, meaning that Fremont has been more heavily impacted by market-rate rent increases than the County overall. As of March 1, 2021, average asking rents were \$2,303 per unit in Fremont and \$2,235 in Alameda County overall, slightly down from the first quarter of 2020. The slight decrease in average rents in Fremont and Alameda County since the beginning of 2020 are likely due in part to the impact of the COVID-19 pandemic. In Fremont, the decrease in rent is likely also due to the delivery of a large number of multifamily units in Fremont in 2020, which added a significant inventory of available units to the City’s housing supply. Rents in both Fremont and Alameda County appear to have stabilized in recent months, which is potentially an indication that further rent decreases are unlikely and that rent increases could resume over the next several months.

Figure 4: Average Multifamily Asking Rents, Q1 2010-Q1 2021



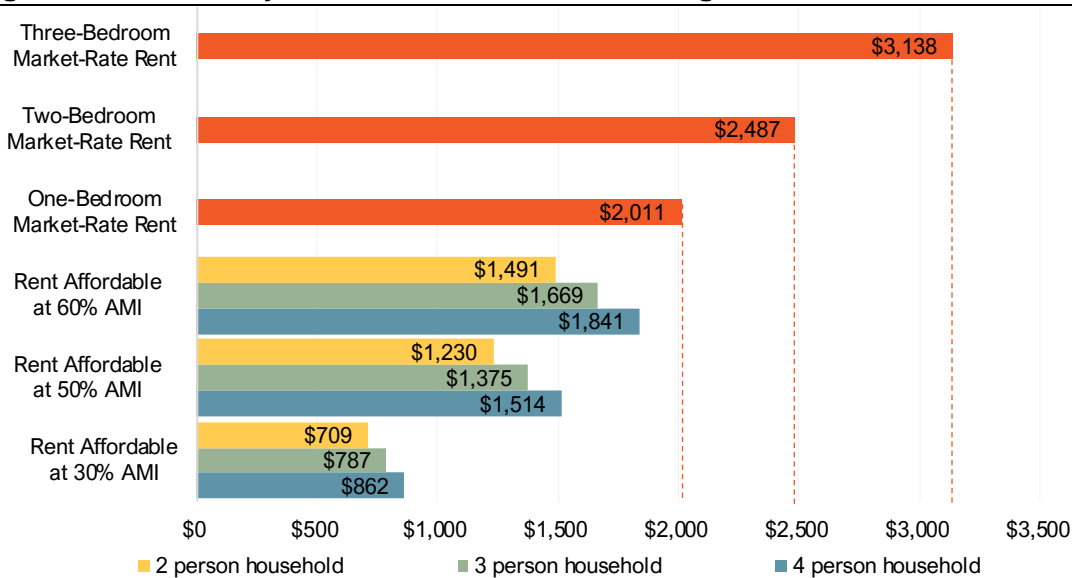
Note: Data reflect units in market rate multifamily complexes with 5 or more units. Quarter to date (QTD) 2021 reflects data as of March 1, 2021.

Sources: CoStar; BAE, 2021.

AFFORDABILITY OF MULTIFAMILY RENTAL MARKET

Lower-income renters in Fremont are unlikely to be able to afford market-rate rents and may face displacement risk due to recent or future rent increases. Current market-rate rents in Fremont greatly exceed the affordability thresholds for lower income households in Alameda County. For households earning 60 percent of the area median income or less, average market rate rents exceed affordability thresholds by \$400 per month or more. Larger lower income rental households face severe affordability challenges. For example, a housing unit that would be affordable to a family of four earning 60 percent of AMI would cost nearly \$1,300 less than the current average market rent for a three-bedroom unit. Similarly, the affordable monthly rent for a family of three earning 60 percent of AMI is \$800 less than the current average market rent for a two-bedroom unit.

Figure 5: Affordability of Market-Rate Rental Housing in Fremont, 2020



	Household (Unit) Size			
	1 Person (Studio)	2 Person (1 BD)	3 Person (2 BD)	4 Person (3 BD)
Market Rent	\$1,752	\$2,011	\$2,487	\$3,138
Utilities	\$58	\$75	\$94	\$117
Max. Affordable Rent Less Market Rent				
30% AMI (Extremely Low Income)	(\$1,124)	(\$1,302)	(\$1,700)	(\$2,276)
50% AMI (Very Low Income)	(\$668)	(\$781)	(\$1,112)	(\$1,624)
60% AMI (Low Income)	(\$439)	(\$520)	(\$819)	(\$1,298)
80% AMI (Low Income)	\$18	\$3	(\$231)	(\$645)

Notes:

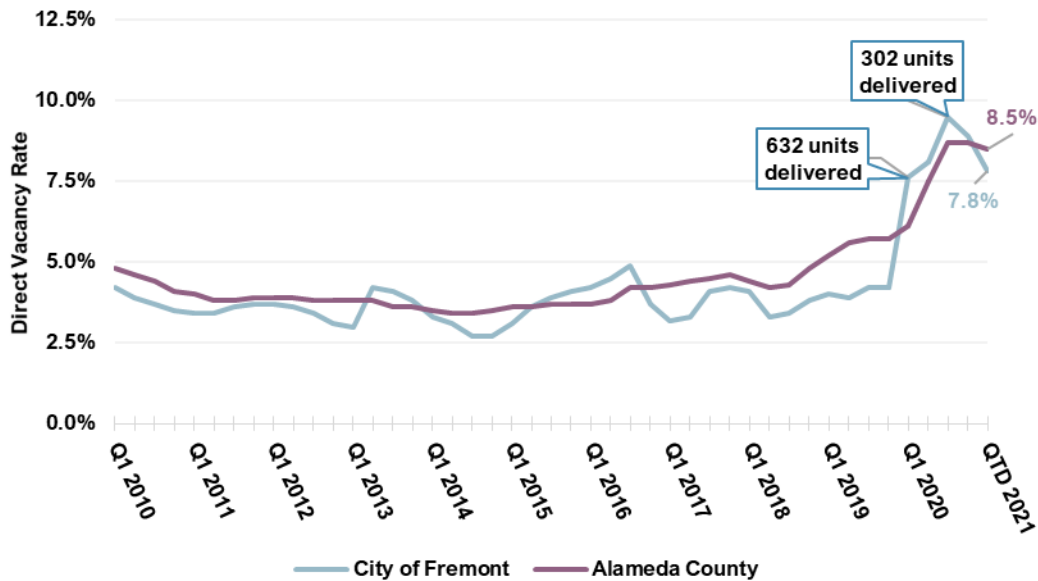
(a) Market rents reflect average asking rates of units in multifamily properties with 5+ units in Fremont as of Q3 2020.
 (b) Maximum affordable housing costs are defined as 30% of gross monthly household income, the maximum amount that a household can spend on housing expenses without being considered cost burdened. Affordable rents account for the cost of utilities, based on Housing Authority of the County of Alameda 2020 allowances for tenant-furnished utilities and other services for a multifamily unit that uses gas cooking, heating, and water heating, as well as electricity for lights and appliances. The allowance is based on the number of bedrooms in the unit and a household is assumed to have one bedroom fewer than the number of people in the household.

Sources: California HCD, 2020; CoStar, 2021; Housing Authority of the County of Alameda, 2020; BAE, 2021.

MULTIFAMILY RENTAL VACANCY RATE

Despite recent upticks in vacancies in 2020, the multifamily vacancy rate in both Fremont and Alameda County has been extremely low since 2010, contributing to upward pressure on rents and leaving limited options for displaced households to stay in their communities. Between 2010 and 2019, the multifamily vacancy rate averaged just 3.6 percent in Fremont and 4.0 percent in the County. Multifamily vacancy rates in 2020 and the beginning of 2021 were uncharacteristically high in both Fremont and Alameda County. Data provided by CoStar indicate recent large increases in the number of vacant apartment units in Alameda County, likely due to the economic dislocation resulting from the COVID-19 pandemic. The upward trend in the vacancy rate in Fremont was more pronounced due to a large number of new units that were delivered during the first and third quarters of 2020 but has since decreased and is now lower than the countywide vacancy rate. Meanwhile, vacancy rates have also decreased in Alameda County overall, though to a lesser extent. These data indicate that the high vacancy rates in Alameda County, and particularly in Fremont, are likely temporary and not indicative of a long-term oversupply of rental housing.

Figure 6: Multifamily Rental Vacancy Rate, Q1 2010-Q3 2020



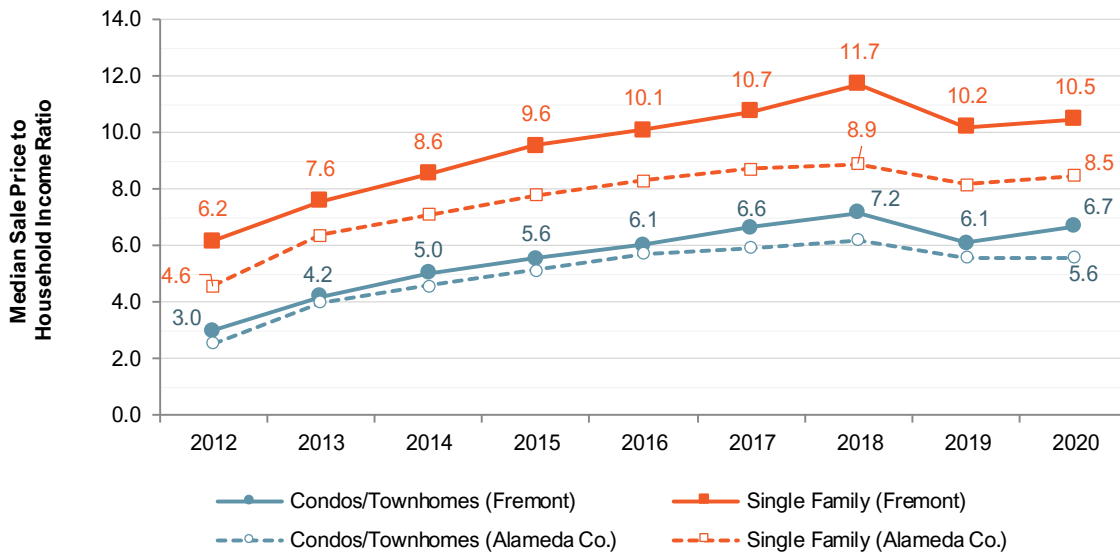
Note: Data reflect units in market rate multifamily complexes with 5 or more units. Quarter to date (QTD) 2021 reflects data as of March 1, 2021.

Sources: CoStar; BAE, 2021.

HOME SALE PRICE TRENDS

Growth in home sale prices in Fremont and Alameda County have considerably outpaced growth in household incomes since the Great Recession, making homeownership increasingly unobtainable for many lower-income households, with home sale prices in Fremont consistently higher than sale prices in Alameda County overall. In 2012, the median single family home price in Fremont was \$578,250, roughly 6.2 times the area median household income for a four-person household. Due to rapid increases in home prices, price-to-income ratios have increased significantly since 2012, peaking in 2018 at a high of 11.7 for single family homes and 7.2 for condominiums and townhomes in Fremont. As of 2020, the median sale price for condominiums and townhomes in Fremont (\$800,000) was 6.7 times the area median income for a four-person household, a significant increase from 3.0 in 2012. In Alameda County, the median sale price of single-family homes sold in 2020 (\$1.0 million) was 8.5 times greater than the area median income, while the median sale price of condominiums and townhomes (\$665,000) was 5.6 times the median income. As a result, many lower-income households in Fremont face increasing difficulties in buying a home in Alameda County, particularly in Fremont.

Figure 7: Ratio of Median Home Sale Prices to Area Median Income for a Four-Person Household, 2012-2020



	Median Sale Price									
City of Fremont	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Condos/Townhomes	\$280,000	\$395,500	\$470,000	\$520,000	\$567,000	\$647,500	\$750,000	\$681,000	\$800,000	
Single Family	\$578,250	\$711,000	\$800,000	\$893,000	\$945,000	\$1,047,000	\$1,225,000	\$1,139,500	\$1,250,000	
Alameda County	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Condos/Townhomes	\$240,000	\$375,000	\$431,000	\$480,000	\$535,000	\$580,000	\$650,000	\$625,000	\$665,000	
Single Family	\$430,000	\$598,000	\$665,000	\$730,000	\$780,000	\$850,065	\$929,000	\$912,000	\$1,012,000	

Note: Median household income reflects the Alameda County areawide median income for a 4 person household.
Sources: 2020 rereport.com; California Department of Housing and Community Development; BAE, 2020.

AFFORDABILITY OF FOR-SALE HOUSING MARKET

The vast majority of lower and moderate-income households are not able to afford to purchase a home in Fremont and therefore are unable to benefit from the relative stability and protection from displacement that homeownership provides. Rising incomes combined with a limited supply have resulted in extremely high home sale prices in Fremont. In 2020, the median home sale price was \$1.25 million for single family homes and \$800,000 for condominiums and townhomes. An annual household income of \$218,000 or more would be needed to afford a home with a sale price of \$1.25 million, making Fremont's median home sale price substantially higher than the price that most households in Fremont or elsewhere in Alameda County can afford. Sale prices for condominiums and townhomes, which have historically provided more affordable ownership options in the City, have also become unaffordable for most moderate-income households. Compared to renters, homeowners are more protected from displacement pressures because homeowners' housing costs are not impacted by changes in the housing market after the homeowner purchases the unit. Due to the unaffordability of for-sale housing in Fremont, most low- and moderate-income Fremont renters are unlikely to be able to buy their first home in Fremont and therefore must continue renting, foregoing the relative stability that homeownership can provide, or leave the community to purchase a home. The City has helped address these challenges through its First Time Homebuyer program, which offers income eligible first time homebuyers with opportunities to purchase homes at below market prices (BMP). There are currently 299 BMP units in the City's inventory.

Table 2: Affordability of Market Rate Single-Family Homes, Fremont, 2020

Income Level	Income Limit (a)	Maximum Affordable Sale Price (b)	Amount Above (Below) 2020 Median SF Sale Price (\$1,250,000)
Three Person Household			
Extremely Low Income (up to 30% AMI)	\$35,250	\$150,841	(\$1,099,159)
Very Low Income (31-50% AMI)	\$58,750	\$251,347	(\$998,653)
Low Income (51-80% AMI)	\$94,000	\$402,023	(\$847,977)
Moderate Income (81-120% AMI)	\$128,750	\$550,712	(\$699,288)
Four Person Household			
Extremely Low Income (up to 30% AMI)	\$39,150	\$167,399	(\$1,082,601)
Very Low Income (31-50% AMI)	\$65,250	\$279,164	(\$970,836)
Low Income (51-80% AMI)	\$104,400	\$446,563	(\$803,437)
Moderate Income (81-120% AMI)	\$143,050	\$611,810	(\$638,190)

Notes:

(a) 2020 household income limits for a three or four person household in Alameda County.

(b) Based on an FHA mortgage with the following terms:

Percent of income for housing costs:	31%
Down payment as % of sale price:	3.5%
Annual interest rate:	3.13%
Loan term (years):	30
Upfront mortgage insurance:	1.75% of loan amount
Annual mortgage insurance:	0.85% of loan amount
Annual homeowners insurance:	0.30% of coverage amount
Annual property tax rate:	1.16% of home value

Sources: CA HCD, 2020; Federal Housing Administration, 2020; Freddie Mac, 2020; CA Dept. of Insurance; Alameda County Controller's Office, 2019-2020; rereport.com; BAE, 2020.

Table 3: Affordability of Market Rate Condominiums/Townhomes, Fremont, 2020

Income Level	Income Limit (a)	Maximum Affordable Sale Price (b)	Amount Above (Below) 2020 Median Condo/ Townhome Sale Price (\$800,000)
Three Person Household			
Extremely Low Income (up to 30% AMI)	\$35,250	\$79,167	(\$720,833)
Very Low Income (31-50% AMI)	\$58,750	\$184,058	(\$615,942)
Low Income (51-80% AMI)	\$94,000	\$341,307	(\$458,693)
Moderate Income (81-120% AMI)	\$128,750	\$496,482	(\$303,518)
Four Person Household			
Extremely Low Income (up to 30% AMI)	\$39,150	\$96,447	(\$703,553)
Very Low Income (31-50% AMI)	\$65,250	\$213,088	(\$586,912)
Low Income (51-80% AMI)	\$104,400	\$387,790	(\$412,210)
Moderate Income (81-120% AMI)	\$143,050	\$560,246	(\$239,754)

Notes:

(a) 2020 household income limits for a three or four person household in Alameda County.

(b) Based on an FHA mortgage with the following terms:

Percent of income for housing costs:	31%
Down payment as % of sale price:	3.5%
Annual interest rate:	3.13%
Loan term (years):	30
Upfront mortgage insurance:	1.75%
Annual mortgage insurance:	0.85%
Annual homeowners insurance:	\$475
Annual property tax rate:	1.16%

Sources: CA HCD, 2020; Federal Housing Administration, 2020; Freddie Mac, 2020; CA Dept. of Insurance; Alameda County Controller's Office, 2019-2020; rereport.com; Redfin; BAE, 2020.

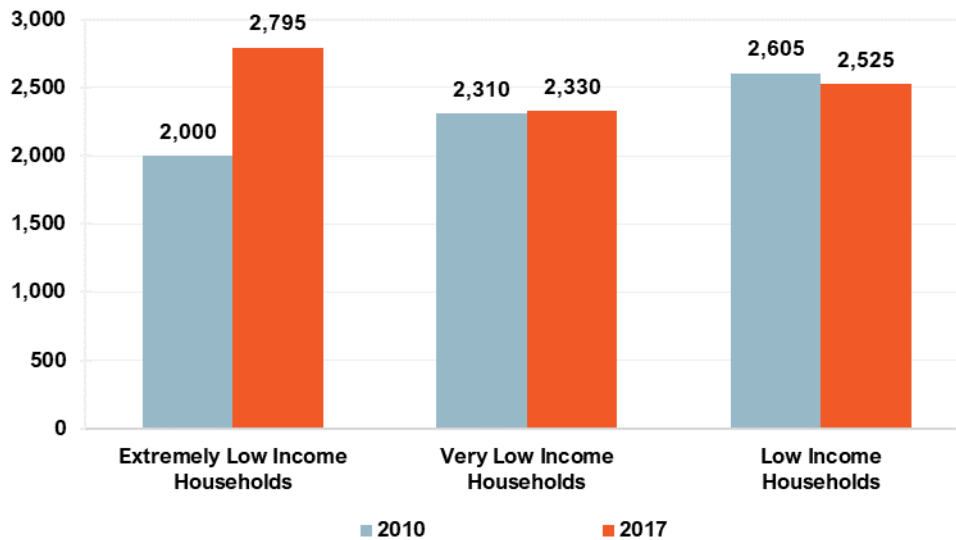
HOUSING COST BURDEN

Housing Cost Burden & Displacement Risk

Households are generally considered to have a high housing cost burden if they spend more than 30 percent of household income on housing costs. For lower-income households in particular, spending more than 30 percent of income on housing costs often means that households are struggling to afford housing and are unlikely to be able to afford any future rent increases. Lower-income households with high housing cost burden are often at risk of displacement in housing markets in which prices are increasing because they are vulnerable to rent increases that would force them to move or lead to nonpayment of rent and eventual eviction.

There has been a notable increase in the number of extremely low-income renter households that are cost burdened (paying more than 30 percent of income on housing) in Fremont since 2010. Between 2010 and 2017, the number of cost-burdened extremely low-income renter households (those with incomes below 30 percent of the HAMFI) grew by 795 households, or 40 percent. Meanwhile the number of very low-income and low-income households that were housing cost burdened was relatively stable during this period.

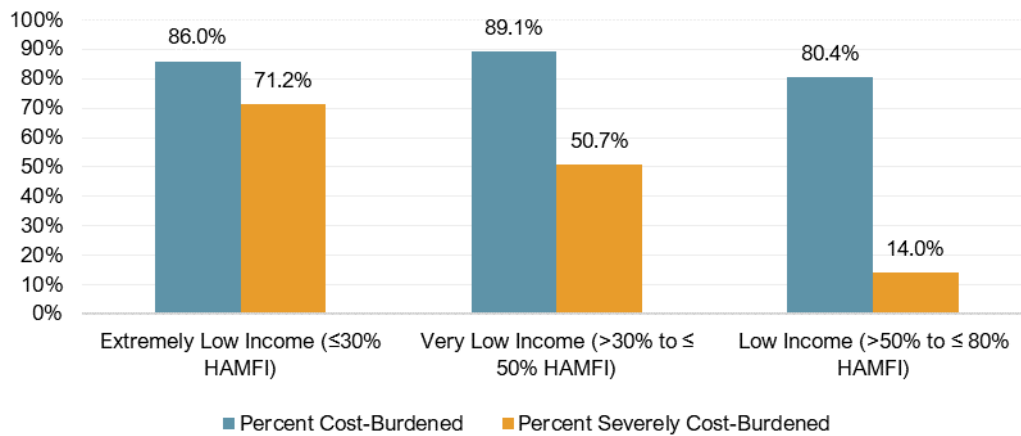
Figure 8: Growth in Cost-Burdened Lower Income Renter Households, 2010-2017



Sources: U.S. Department of Housing and Urban Development, 2006-2010 & 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2020.

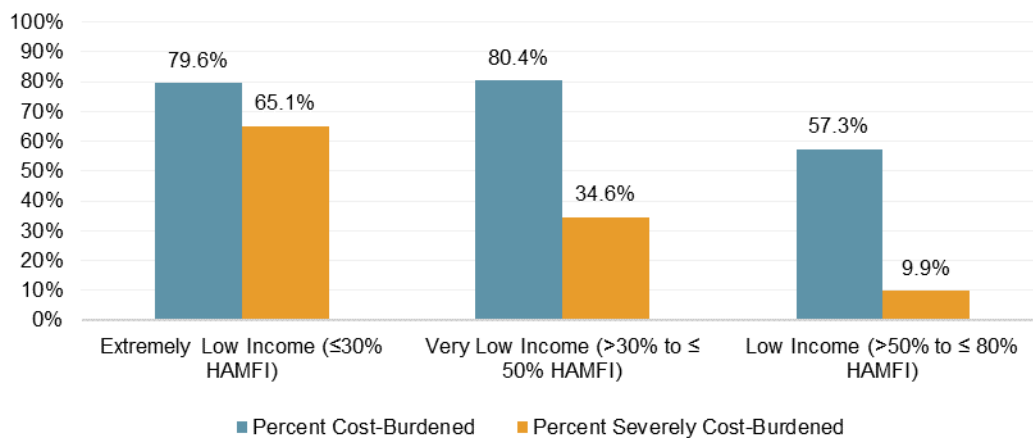
Housing cost burden among lower income renter households in Fremont is nearly universal and demonstrates that existing lower income renter households are vulnerable to the impact of future rent increases. In 2017, 85 percent of the lower income renter households (those with incomes below 80 percent of the HAMFI) in Fremont were housing cost burdened, spending more than 30 percent of their gross incomes on rent. Of the 7,900 lower income renter households that were cost burdened in 2017, 4,080 (approximately 45 percent of all lower-income renter households) were severely cost-burdened, or spent more 50 percent of their gross household incomes on rent. Lower-income renters in Fremont were more likely to have a high housing cost burden than renters in Alameda County overall. Countywide, 74 percent of lower income renter households were housing cost burdened as of 2017, with 42 percent spending more than 50 percent of their gross incomes on rent.

Figure 9: Cost-Burdened Fremont Lower Income Renter Households, 2013-2017



Sources: U.S. Department of Housing and Urban Development, 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2020.

Figure 10: Cost-Burdened Alameda Co. Lower Income Renter Households, 2013-17

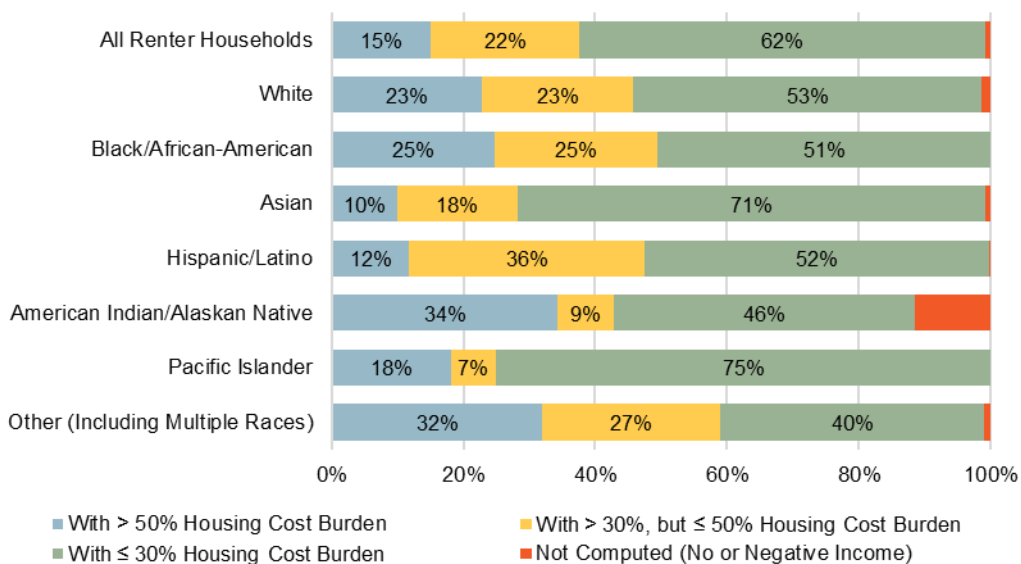


Sources: U.S. Department of Housing and Urban Development, 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2020.

COST BURDEN BY RACE AND ETHNICITY

While housing cost burden for Fremont renters varies by race and ethnicity, the variation is likely attributable to differences in the income distribution between various groups and does not necessarily indicate differences in by race and ethnicity among lower-income renter households. Figure 11 shows the level of housing cost burden among renter households in Fremont by race and ethnicity. The data shown is for renter households at all income levels and therefore this figure shows a smaller proportion of households with high housing cost burden than shown in Figure 9 above. As shown, an estimated 37 percent of all renter households in Fremont pay more than 30 percent of their income on housing. Among Asian and Pacific Islander households, the share of renter households with a 30-percent or higher housing cost burden is somewhat lower than the citywide average. Among all other households, the share of renter households with a 30-percent or higher housing cost burden is somewhat higher than the citywide average. It should be noted that the CHAS data used for this analysis indicate that there are very few American Indian/Alaska Native households and Pacific Islander households in Fremont, making the estimates for these households somewhat unreliable and subject to sampling error. Despite these differences by race and ethnicity, it is likely that the prevalence of high housing cost burdens for lower-income renter households is relatively similar across racial and ethnic groups. Figure 9 demonstrates that almost all lower-income renters in Fremont have a housing cost burden higher than 30 percent, leaving little room for variation between groups. In addition, the variation in the distribution shown below loosely corresponds to the distribution of household incomes by race and ethnicity shown in Figure 3, suggesting that most lower-income renter households in Fremont experience a high housing cost burden and associated displacement risk, regardless of race or ethnicity.

Figure 11: Housing Cost Burden by Race and Ethnicity, Renter Households in Fremont, 2013-2017



Sources: U.S. Department of Housing and Urban Development, 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2021.

OVERCROWDING

Renter-occupied households in Fremont experience extremely high levels of overcrowding, an indication that renter households in the City are struggling to find and afford housing. The U.S. Census defines overcrowded housing units as those that are occupied by more than one person per room, and severely overcrowded units as those that are occupied by more than 1.5 persons per room. As shown in Table 4, approximately 21 percent of the renter-occupied units in Fremont were considered overcrowded between 2015 and 2019, compared to approximately 13 percent countywide. The City of Fremont also accounts for a disproportionate share of the County's overcrowded renter-occupied households. Just 29,775 (11 percent) of the County's total renter-occupied units are in Fremont, yet the City accounts for approximately 18 percent of all overcrowded renter-occupied units in the County.

Table 4: Housing Unit Overcrowding, 2015-2019

City of Fremont	Renter-Occupied		Owner-Occupied		All Occupied Units	
	Number	Percent	Number	Percent	Number	Percent
Not Overcrowded	23,487	78.9%	44,409	96.7%	67,896	89.7%
Overcrowded (a)	6,288	21.1%	1,503	3.3%	7,791	10.3%
Severely Overcrowded (b)	1,822	6.1%	307	0.7%	2,129	2.8%
Total Units	29,775	100.0%	45,912	100.0%	75,687	100.0%
Alameda County						
Not Overcrowded	233,699	87.1%	298,053	96.5%	531,752	92.1%
Overcrowded (a)	34,587	12.9%	10,838	3.5%	45,425	7.9%
Severely Overcrowded (b)	13,737	5.1%	2,681	0.9%	16,418	2.8%
Total Units	268,286	100.0%	308,891	100.0%	577,177	100.0%
Fremont Share of County Total						
Not Overcrowded		10.1%		14.9%		12.8%
Overcrowded (a)		18.2%		13.9%		17.2%
Severely Overcrowded (b)		13.3%		11.5%		13.0%
Total Units		11.1%		14.9%		13.1%

Notes:

(a) The U.S. Census defines an overcrowded unit as one occupied by more than 1 person per room.

(b) The U.S. Census defines a severely overcrowded unit as one occupied by more than 1.5 persons per room.

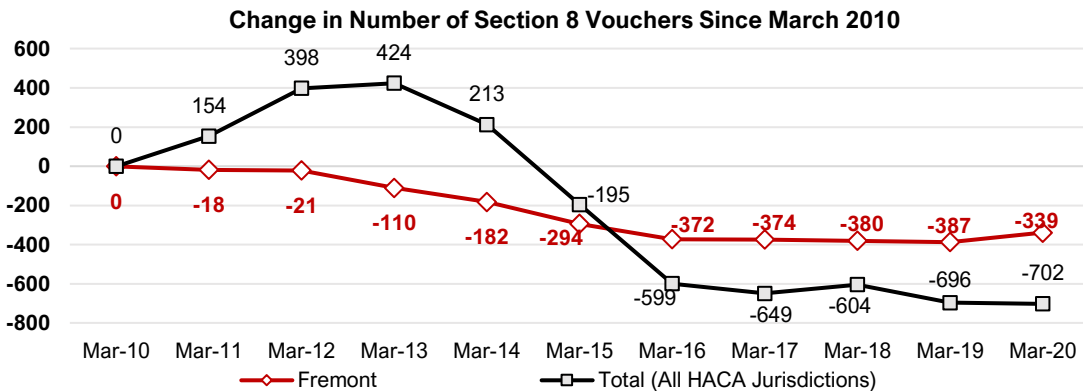
Sources: U.S. Census Bureau, American Community Survey, 2015-2019 five-year sample data; BAE, 2020.

HOUSING CHOICE VOUCHER USAGE

The number of households with housing choice vouchers living in Fremont has declined almost every year since 2010, likely due to rapid increases in market rents and a dwindling supply of affordable and suitable units. As of March 2020, there were approximately 1,100 voucher recipients living in Fremont, a 23 percent decline from the 1,440 voucher recipients that lived in the City in March 2010. Fremont accounts for a disproportionate share of the total decline in the Housing Authority of the County of Alameda’s (HACA) jurisdiction since 2010. While Fremont accounts for approximately 25 percent of all housing units in HACA’s jurisdiction, the decrease of 339 voucher recipients living in Fremont accounts for 48 percent of the total decline in voucher recipients throughout HACA’s jurisdiction (see Figure 12).

High market rate rents combined with a limited supply of units make existing voucher holders in Fremont especially vulnerable to displacement from future rent increases. Voucher recipients, particularly those with disabilities, have an extremely difficult time finding appropriate housing in markets such as Fremont where average market rents are significantly higher than the HUD FMR used to determine maximum Section 8 rents. The escalation in market rents above the HUD FMR has led some landlords to cease accepting vouchers, which has reduced the inventory of units available to voucher holders in recent years. As of February 1, there were only six listings with units available in Fremont on the gosection8 website.¹ Two of the six units had asking rents higher than HACA’s maximum local rent payment standard.

Figure 12: Housing Authority of the County of Alameda (HACA) Housing Choice Vouchers, March 2010-March 2020



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fremont	1,441	1,423	1,420	1,331	1,259	1,147	1,069	1,067	1,061	1,054	1,102
HACA Total	7,139	7,293	7,537	7,563	7,352	6,944	6,540	6,490	6,535	6,443	6,437

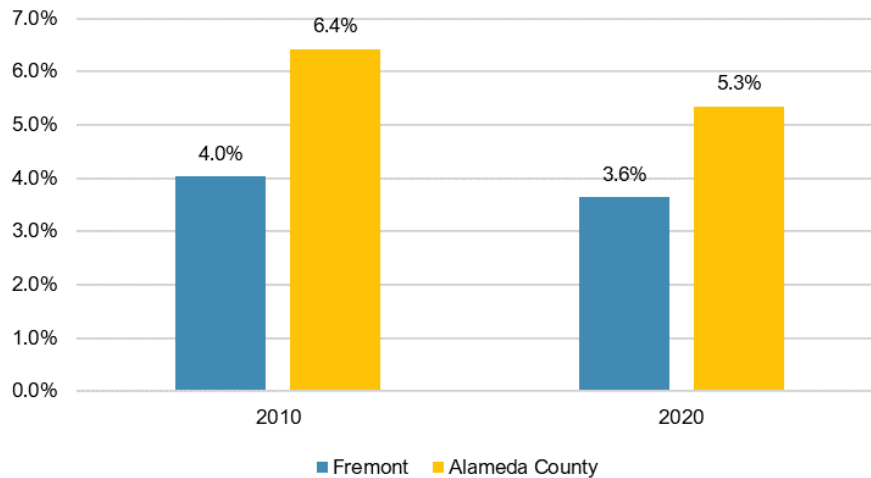
Note: HACA’s jurisdiction excludes the cities of Alameda, Berkeley, Livermore, and Oakland.
Sources: Housing Authority of the County of Alameda (HACA); BAE, 2020.

¹ Gosection8.com provides the largest and most accurate listing of certified voucher program rentals in markets throughout the U.S.

OVERALL RESIDENTIAL VACANCY

Due to strong demand and low levels of new construction, the residential market in Fremont has been tight since 2010. As of 2020, Fremont’s residential vacancy rate was only 3.6 percent, down from 4.0 percent in 2010. Housing market conditions in the County were also tight in 2020, with an overall estimated vacancy rate of 5.3 percent, down from 6.4 percent in 2010. Most economists consider a residential vacancy rate of around five percent to represent a healthy level of structural vacancy that allows for turnover without indicating an oversupply of housing. The persistently low residential vacancy rate in Fremont is reflective of a significant shortage of supply to meet demand for housing in the City, contributing to housing cost increases and leaving few available options, particularly for lower-income households.

Figure 13: Residential Vacancy Rate, 2010-2020



Sources: State of California, Department of Finance, Table E-5, 2020; BAE, 2020.

CHANGE IN LOWER-INCOME HOUSEHOLDS

Since 2010, Fremont has lost a significant number of low-income households, suggesting that lower-income households have been displaced due to high housing costs. Fremont experienced a net decrease of 450 lower-income households (those with incomes below 80 percent of the HAMFI) between 2010 to 2017. This is in contrast to the County, which actually saw the number of lower income households grow by 7,100 households, or 3.4 percent. This suggests that lower-income households in Fremont have been more significantly impacted by displacement pressure than households countywide. Notably, Fremont lost a total of 1,390 low-income households (those with incomes between 50 percent and 80 percent of HAMFI) and 115 very low-income households (those with incomes between 30 percent and 50 percent of HAMFI). This was offset by a significant increase in extremely low-income households (those with incomes less than or equal to 30 percent of HAMFI). Between 2010 and 2017, the number of extremely low-income households in Fremont grew by 21.2 percent (1,055 households), eclipsing the rate of growth in the County (12.0 percent). However, as shown in Figure 8, these changes have coincided with a large increase in extremely low-income households with a high housing cost burden, suggesting that many of these extremely low-income households are struggling to afford their housing.

Because household characteristics change over time, the trends shown in Table 5 could be indicative of multiple simultaneous demographic changes occurring alongside displacement, rather than displacement alone. The increase in extremely low-income households and concurrent decrease in low-income households could indicate that some low-income households in Fremont became extremely low-income households during this period. These changes could also indicate that some extremely-low-income households have been successful in securing housing in affordable housing developments that were constructed during this period, though the increase in extremely low-income households with a high housing cost burden suggests that such households are few in number. While the available data do not provide enough information to fully understand the nuances of the demographic change that occurred during this period, the overall decrease in the size of the City's low-income population, coupled with other demographic changes identified in this report, suggests that at least some of the decrease in Fremont's lower-income population has been due to displacement.

Table 5: Households by HUD Area Median Family Income (HAMFI) Level, 2010-2017

Household Income Level (a)	2010	2017	2010-2017 Change	
			Number	Percent
City of Fremont				
Extremely Low Income ($\leq 30\%$ HAMFI)	4,965	6,020	1,055	21.2%
Very Low Income ($>30\%$ to $\leq 50\%$ HAMFI)	5,395	5,280	-115	-2.1%
Low Income ($>50\%$ to $\leq 80\%$ HAMFI)	7,705	6,315	-1,390	-18.0%
Moderate Income ($>80\%$ to $\leq 120\%$ HAMFI)	11,790	12,630	840	7.1%
High Income ($>120\%$ HAMFI)	39,105	43,385	4,280	10.9%
Total Households (b)	68,960	73,630	4,670	6.8%
Less Than or Equal to 80% HAMFI (a)	18,065	17,615	-450	-2.5%
Alameda County				
Extremely Low Income ($\leq 30\%$ HAMFI)	78,920	88,375	9,455	12.0%
Very Low Income ($>30\%$ to $\leq 50\%$ HAMFI)	58,335	63,840	5,505	9.4%
Low Income ($>50\%$ to $\leq 80\%$ HAMFI)	73,975	66,115	-7,860	-10.6%
Moderate Income ($>80\%$ to $\leq 120\%$ HAMFI)	93,820	97,975	4,155	4.4%
High Income ($>120\%$ HAMFI)	226,960	252,770	25,810	11.4%
Total Households (b)	532,010	569,075	37,065	7.0%
Less Than or Equal to 80% HAMFI (a)	211,230	218,330	7,100	3.4%

Notes:

(a) CHAS data reflect HUD-defined household income limits. Income thresholds are defined as a percent of the HUD Area Median Family Income (HAMFI).

(b) Totals do not equal the sum of individual figures due to independent rounding.

Sources: U.S. Department of Housing and Urban Development, 2006-2010 & 2013-2017

Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2020.

CHANGE IN LOWER-INCOME RENTER HOUSEHOLDS

The City accounted for an inordinate share of the net decrease in low-income renter households countywide between 2010 and 2017, suggesting that low-income renter households in Fremont have been disproportionately impacted by recent displacement pressures in Alameda County. Between 2010 and 2017, Fremont and Alameda County both experienced rapid growth in high-income renter households, while losing a significant number of low-income renter households (those with incomes between 50 percent and 80 percent of the HAMFI). As shown in Table 6, Fremont experienced a net decrease of 770 low-income renter households between 2010 and 2017, equal to nearly twenty percent of the net decrease of 4,115 low-income households countywide.

Table 6: Renter Households by HUD Area Median Family Income (HAMFI) Level, 2010-2017

Household Income Level (a)	2010	2017	2010-2017 Change	
			Number	Percent
City of Fremont				
Extremely Low Income ($\leq 30\%$ HAMFI)	2,765	3,250	485	17.5%
Very Low Income ($>30\%$ to $\leq 50\%$ HAMFI)	2,535	2,615	80	3.2%
Low Income ($>50\%$ to $\leq 80\%$ HAMFI)	3,915	3,145	-770	-19.7%
Moderate Income ($>80\%$ to $\leq 120\%$ HAMFI)	5,360	6,200	840	15.7%
High Income ($>120\%$ HAMFI)	9,710	12,515	2,805	28.9%
Total Renter Households (b)	24,285	27,715	3,430	14.1%
Less Than or Equal to 80% HAMFI (a)	9,215	9,010	-205	-2.2%
Alameda County				
Extremely Low Income ($\leq 30\%$ HAMFI)	60,905	67,065	6,160	10.1%
Very Low Income ($>30\%$ to $\leq 50\%$ HAMFI)	36,640	40,385	3,745	10.2%
Low Income ($>50\%$ to $\leq 80\%$ HAMFI)	42,385	38,270	-4,115	-9.7%
Moderate Income ($>80\%$ to $\leq 120\%$ HAMFI)	43,730	49,170	5,440	12.4%
High Income ($>120\%$ HAMFI)	55,080	72,525	17,445	31.7%
Total Renter Households (b)	238,750	267,405	28,655	12.0%
Less Than or Equal to 80% HAMFI (a)	139,930	145,720	5,790	4.1%

Notes:

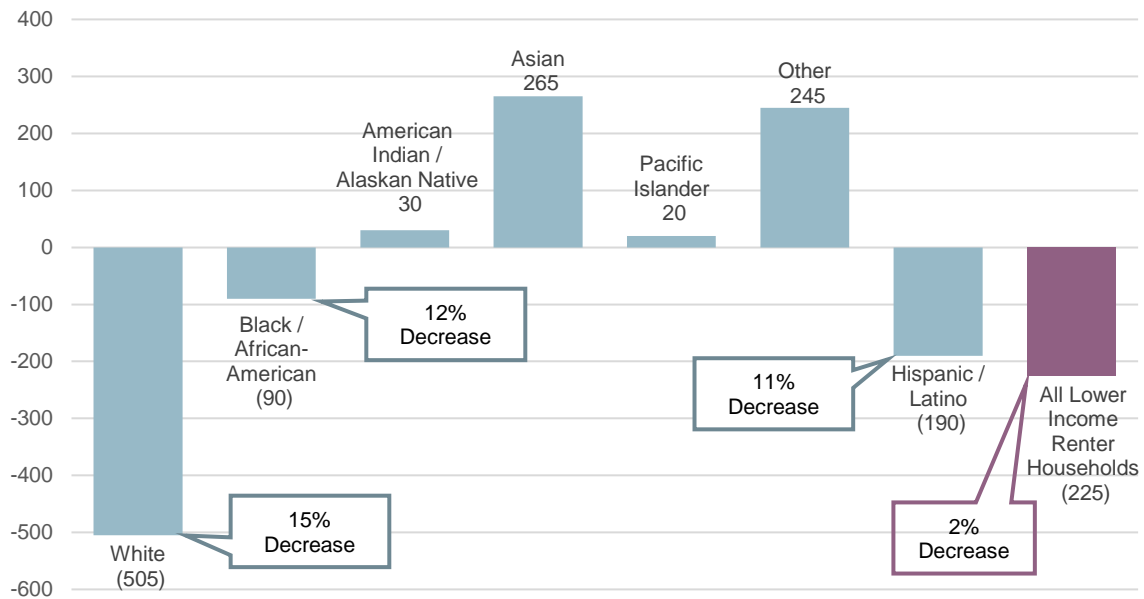
(a) CHAS data reflect HUD-defined household income limits. Income thresholds are defined as a percent of the HUD Area Median Family Income (HAMFI).

(b) Totals do not equal the sum of individual figures due to independent rounding.

Sources: U.S. Department of Housing and Urban Development, 2006-2010 & 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2020.

The recent net decrease in Fremont’s lower-income renter population has had disproportionate impacts on the City’s White, Black and African American, and Hispanic and Latino populations. Between 2010 and 2017, the number of lower-income renter households in Fremont decreased by approximately two percent overall. This decrease had a disproportionate impact of lower-income White, Black and African American, and Hispanic and Latino renter households, which decreased by 15 percent, 12 percent, and 11 percent, respectively. Meanwhile, the number of lower-income renter households from other racial and ethnic groups increased.

Figure 14: Change in Lower-Income Renter Households by Race and Ethnicity, 2010-2017



Note: Data shown reflect the difference between ACS data collected during the 2006-2010 period and ACS data collected during the 2013-2017 period.

Sources: U.S. Department of Housing and Urban Development, 2006-2010 & 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2020.

HOUSING UNIT TYPE BY TENURE

Of the 29,775 renter households in Fremont in 2019, nearly 40 percent (11,441 households) lived in single-family units, which can indicate an increased displacement risk in strong housing markets like Fremont. Single family units tend to be larger than multifamily units and likely fill an important role in housing larger renter households in Fremont, consistent with the relatively large household size among Fremont renters (3.03 persons per household). However, renters living in single-family homes can be particularly vulnerable to displacement in strong housing markets because they are susceptible to the same potential rent increases as other renters but could also be displaced if the owner decides to sell the home while sale prices are high.

Table 7: Type of Housing by Tenure, 2015-2019

Housing Type	Renters		Owners		All Households	
	Number	Percent	Number	Percent	Number	Percent
City of Fremont						
Single Family Detached	7,640	25.7%	36,445	79.4%	44,085	58.2%
Single Family Attached	3,801	12.8%	6,484	14.1%	10,285	13.6%
Multifamily 2 to 4 Units	2,070	7.0%	543	1.2%	2,613	3.5%
Multifamily 5 or More Units	16,095	54.1%	1,711	3.7%	17,806	23.5%
Mobile Home/Other	169	0.6%	729	1.6%	898	1.2%
Total Occupied Households	29,775	100.0%	45,912	100.0%	75,687	100.0%
Average Household Size	3.03		3.13		3.09	
Housing Type	Renters		Owners		All Households	
	Number	Percent	Number	Percent	Number	Percent
Alameda County						
Single Family Detached	58,176	21.7%	248,990	80.6%	307,166	53.2%
Single Family Attached	21,185	7.9%	29,020	9.4%	50,205	8.7%
Multifamily 2 to 4 Units	48,625	18.1%	9,365	3.0%	57,990	10.0%
Multifamily 5 or More Units	138,711	51.7%	15,711	5.1%	154,422	26.8%
Mobile Home/Other	1,589	0.6%	5,805	1.9%	7,394	1.3%
Total Occupied Households	268,286	100.0%	308,891	100.0%	577,177	100.0%
Average Household Size	2.67		2.94		2.82	

Note:

(a) Includes boats, RVs, vans, and any other non-traditional residences.

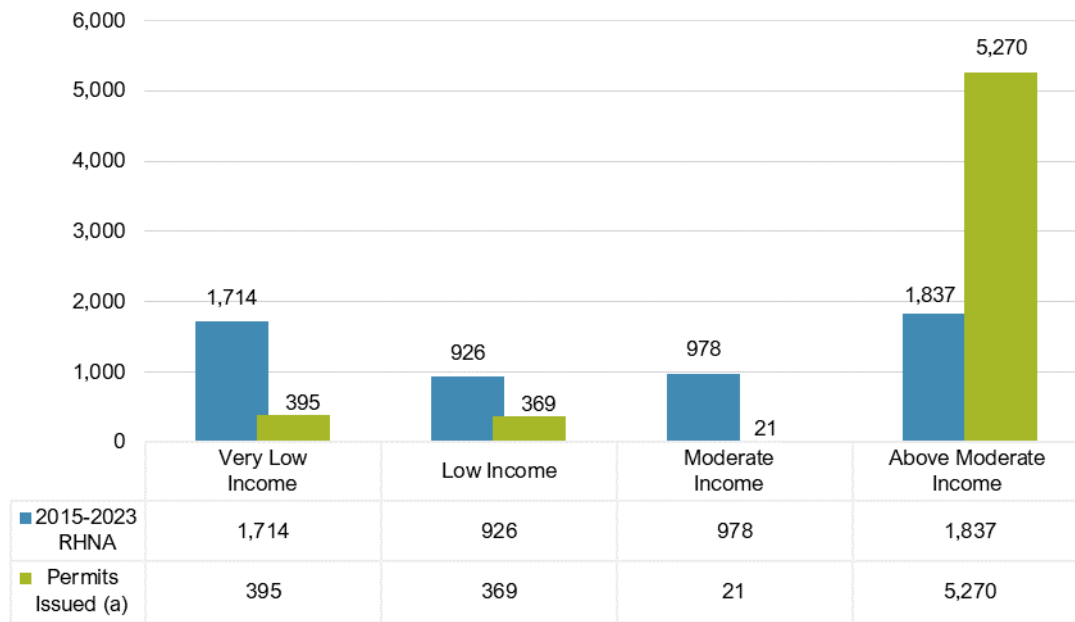
Sources: U.S. Census Bureau, American Community Survey, 2015-2019 five-year sample data; BAE, 2020.

AFFORDABLE HOUSING INVENTORY

Fremont has a significant shortage of affordable units, leaving limited options for lower-income households that are priced out of market-rate rental and for-sale homes. The application process for affordable housing in Fremont is extremely competitive, with demand for affordable housing significantly exceeding the supply of affordable units. Affordable housing developments in Fremont have significant waiting lists, and many waiting lists for affordable units are currently closed due to excessive demand.

Recent development activity in Fremont has consisted primarily of units for above moderate-income households. Although Fremont has already significantly exceeded its 2015-2023 Regional Housing Needs Allocation (RHNA) target for above moderate-income units, it has fallen behind on its very low-income, low-income, and moderate-income housing production goals. Fremont was allocated a total of 5,455 housing units across all income groups in the current RHNA cycle (2015-2023), and as of October 2020, had already permitted more than 6,000 units. However, the vast majority (87 percent) of the permitted units to date have been above moderate-income units affordable to households with incomes over 120 percent of AMI, a situation not unique to Fremont. Southern California News Group Housing Permit Report Card awarded Fremont a grade of C for 2019, higher than the statewide overall average of C minus on how well it is meeting its RHNA goals. Although the City is behind in meeting the RHNA goals in very-low and low-income categories, the City permitted a total of 785 affordable units as of October 2020. Slightly over half of these units were very low-income units, while 47 percent were low-income units with hundreds more affordable units in the pipeline, making a significant mitigating impact on displacement.

Figure 15: Fremont 2015-2023 RHNA Progress



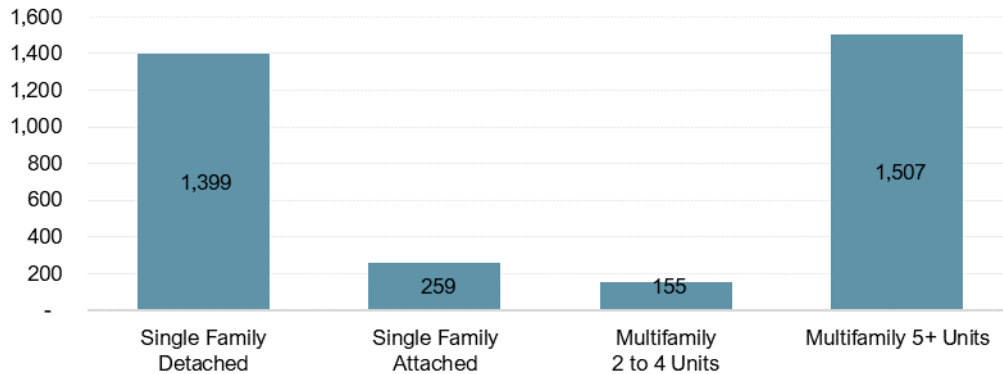
Note:

(a) Data as of 10/6/2020. Sources: California Department of Housing and Community Development; BAE, 2020.

RECENT HOUSING UNIT GROWTH

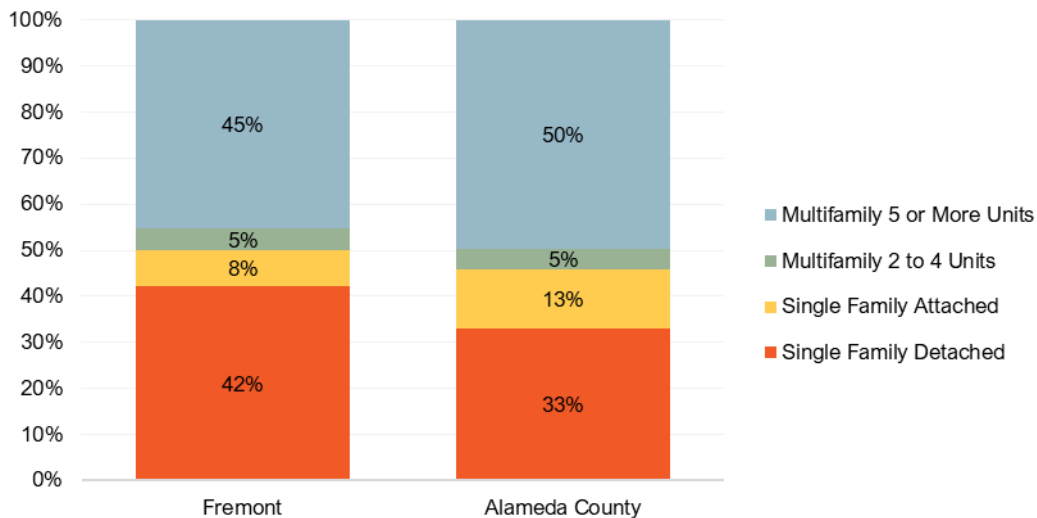
Recent housing unit growth in Fremont has been more skewed towards single family units than recent housing unit growth in the County. According to California Department of Finance data, Fremont gained a total of 3,320 housing units between 2010 and 2020. Roughly half of the housing unit growth in Fremont since 2010 has been single family units (both attached and detached). Single family detached units in particular have accounted for a much larger share of the housing unit growth in Fremont (42 percent) compared to the County (33 percent). In Alameda County, recent housing unit growth has been more concentrated in multifamily units, with growth in units in buildings with five or more units accounting for roughly half of the total housing unit growth seen countywide from 2010 to 2020. In Fremont, units in multifamily buildings with five or more units made up approximately 45 percent of the housing unit growth between 2010 and 2020.

Figure 16: Change in Housing Units, Fremont, 2010-2020



Sources: State of California, Department of Finance, Table E-5, 2020; BAE, 2020.

Figure 17: New Housing Unit Growth by Type, 2010-2020

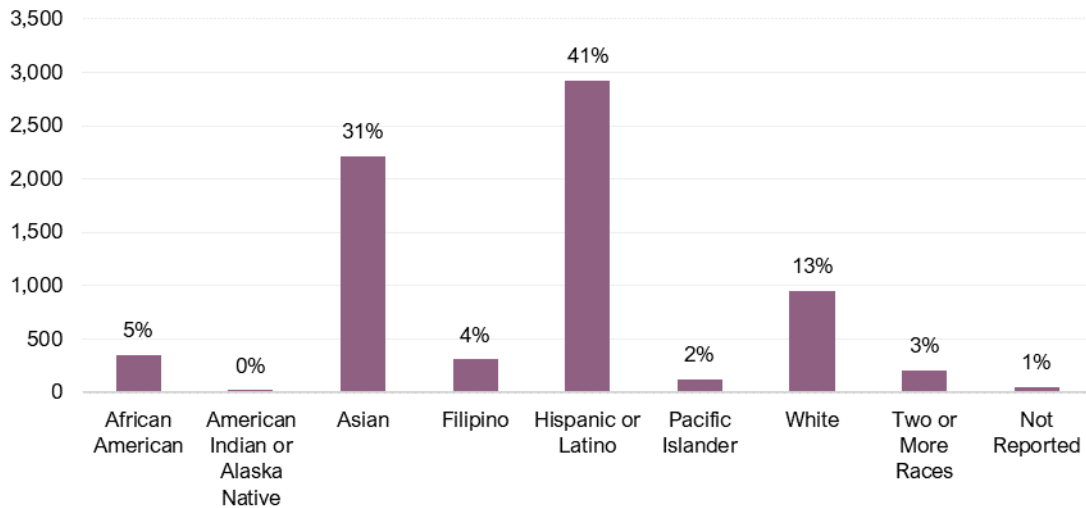


Sources: State of California, Department of Finance, Table E-5, 2020; BAE, 2020.

SCHOOL DISTRICT ENROLLMENT TRENDS

The Fremont Unified School District has a large population of socioeconomically disadvantaged students, many of whom are members of racial and ethnic minority groups. Approximately 7,170 students enrolled in the Fremont Unified School District are considered socioeconomically disadvantaged (SED), meaning that these students are eligible for the free or reduced-price meal (FRPM) program; are migrant, homeless, or foster youth; and/or do not have any parents that are high school graduates. A significant share (86 percent) of the socioeconomically disadvantaged students in the Fremont Unified School District are persons of color. Hispanic and Latino students account for 41 percent of the district's SED students, despite Hispanic and Latino residents making up just 14 percent of the citywide population.

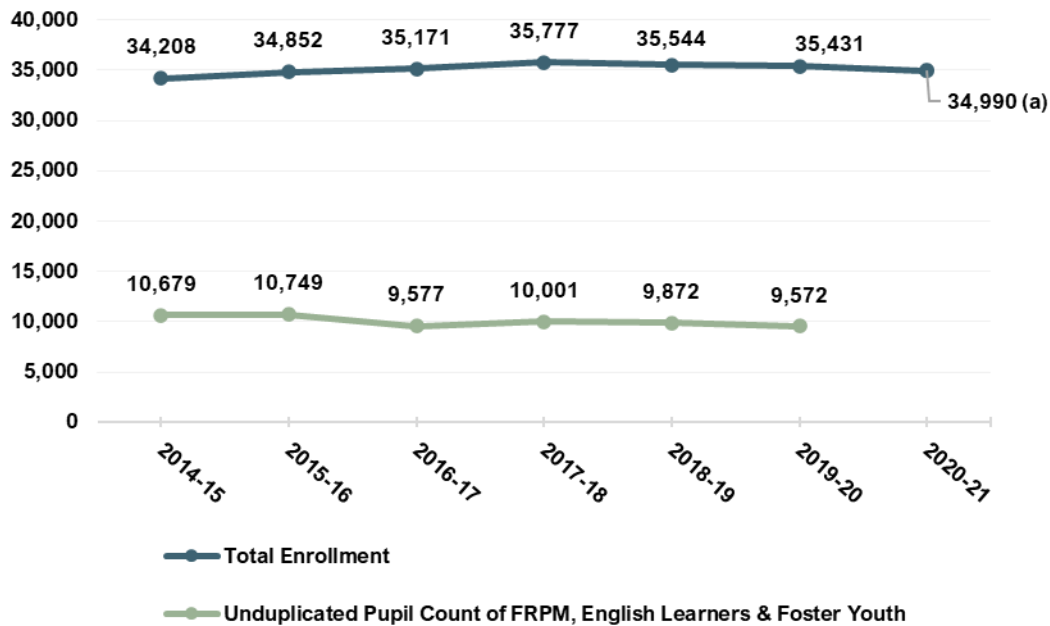
Figure 18: Socioeconomically Disadvantaged Students by Ethnicity, Fremont Unified School District, 2019-20



Sources: California Department of Education (ED-Data); BAE, 2021.

Since the 2017-18 school year, the Fremont Unified School District has experienced unexpected declines in student enrollment, indicating that families with children have been moving out of the City. Fremont Unified School District enrollment increased steadily between the 2014-15 school year and the 2017-18 school year, with a total increase of 4.6 percent during this period. Between the 2017-18 and 2020-21 school years, however, enrollment in the district decreased by 2.2 percent, despite continuing increases in the City’s overall population. The Fremont Unified School District has seen large enrollment declines at elementary schools, suggesting that younger families are being disproportionately affected. According to a recent analysis of enrollment trends at the Fremont Unified School District, the enrollment declines are likely associated with housing affordability and increased housing costs.² This has coincided with a gradual decrease in students receiving free or reduced-price meals, English learners, and Foster Youth, both in numerical terms and as a percent of total enrollment.

Figure 19: Fremont Unified School District Enrollment, 2014-15 to 2020-21



Note:

(a) Total enrollment is the certified California Basic Educational Data System (CBEDS) data count. Free and Reduced-Price Meal/English Learner/Foster Youth data was not available for the 2020-21 school year.

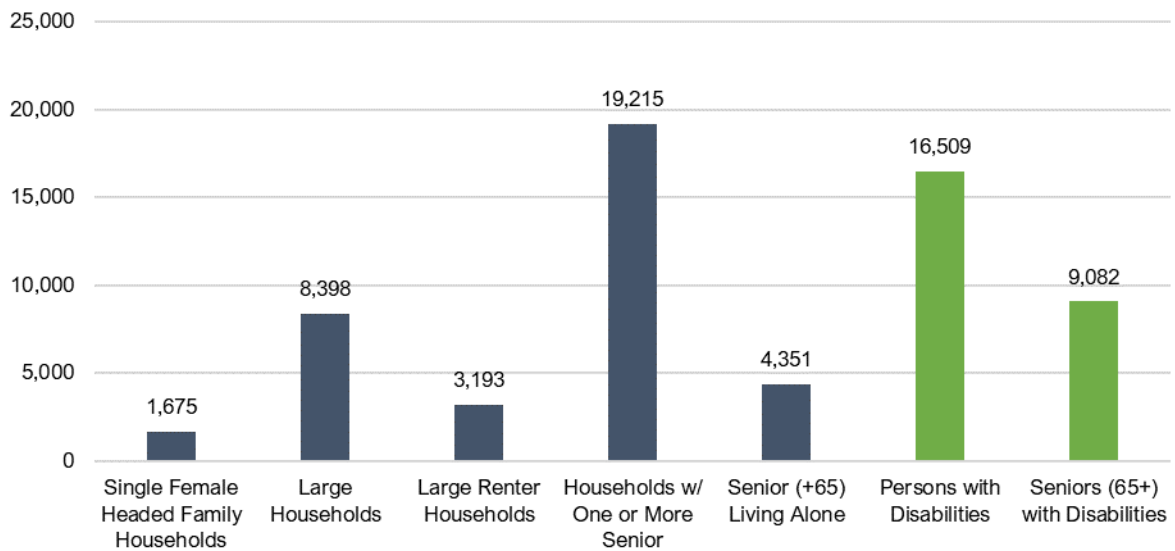
Sources: Davis Demographics Student Population Forecast Fall 2020/21 Report; California Department of Education (ED-Data); BAE, 2021.

² This topic was discussed during the October 16, 2019 FUSD Board meeting (<https://video.ibm.com/recorded/124274027?t=7738>).

SPECIAL NEEDS POPULATIONS AND HOUSEHOLDS

Fremont is home to thousands of special needs households and individuals, including a significant number of large families, seniors, and persons with disabilities, which are more likely to have affordable housing needs and may face considerable hardship if displaced. As of 2019, Fremont had approximately 19,215 senior households, 8,400 large households, and 1,675 single female headed households. More than 16,500 Fremont residents have at least one disability, including 9,080 seniors. These special populations often face unique housing problems due to physical limitations, health care costs, and income, which makes it more challenging for them to find and pay for housing. In addition, many special needs household rely on services and social networks in their communities and could face severe hardship if displaced. For example, single-parent households may rely on family or friends that live nearby to help with childcare or may have established other childcare arrangements locally. Individuals with disabilities may have established relationships with service providers or familiarity with local transit networks, making displacement particularly disruptive to their ability to meet critical needs. Seniors that are displaced could be forced to move away from necessary services and social networks. While displacement can negatively impact all types of households and individuals, special needs households are often disproportionately impacted by negative consequences from displacement.

Figure 20: Special Needs Populations and Households, Fremont



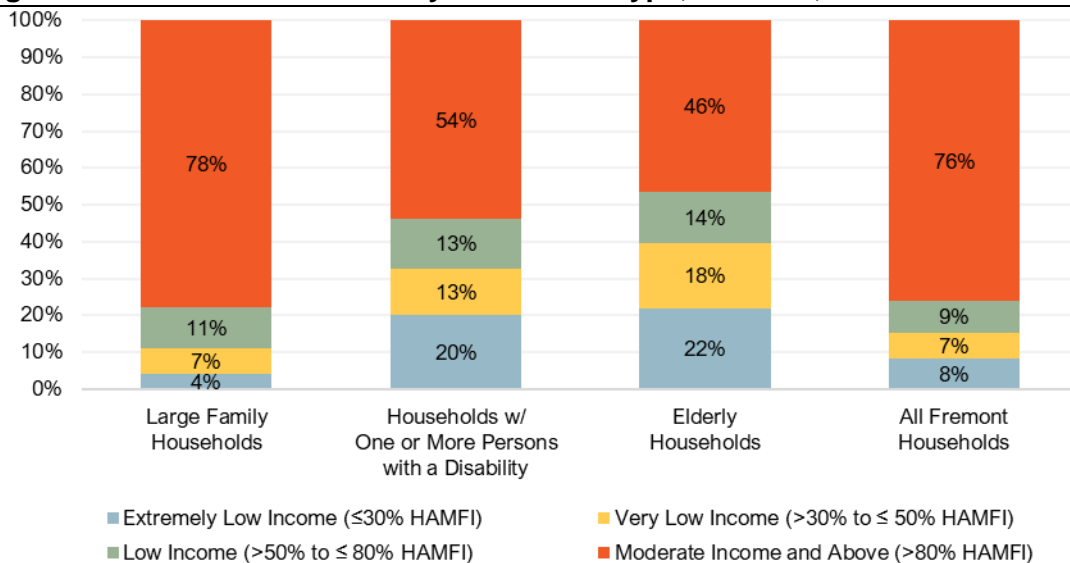
Sources: U.S. Census Bureau, American Community Survey, 2015-2019 five-year sample data; BAE, 2020.

DISPLACEMENT RISK FOR SPECIAL NEEDS HOUSEHOLDS

Special needs households in Fremont tend to have lower incomes than other households, indicating that these households may experience disproportionate displacement risk. Figure 21 shows the distribution of household income levels among all Fremont households, elderly households in Fremont (defined by HUD as households with one or two persons, with either person 62 years of age or over), Fremont households that include at least one person with a disability, and large family households (defined as households with five or more people). As shown, elderly households and households that include at least one person with a disability are significantly more likely than average to be extremely low-income, very low-income, or low-income households, indicating that these types of special needs households could benefit disproportionately from housing that serves lower-income households. While comparable data are not available for female-headed households, ACS data collected between 2015 and 2019 indicate that 9.6 percent of female-headed family households in Fremont have incomes below the poverty level, compared to just 2.7 percent of all family households in Fremont. To the extent that lower-income Fremont households are impacted by displacement pressures, these data suggest that elderly residents, residents with disabilities, and female-headed households are significantly more likely to be impacted than the population at large.

In contrast, large family households in Fremont tend to have slightly higher incomes than average for Fremont households. However, these families are comparatively less likely to be served by the types of units that will be funded through Measure A1 funds regardless of household income level because of their need for large units.

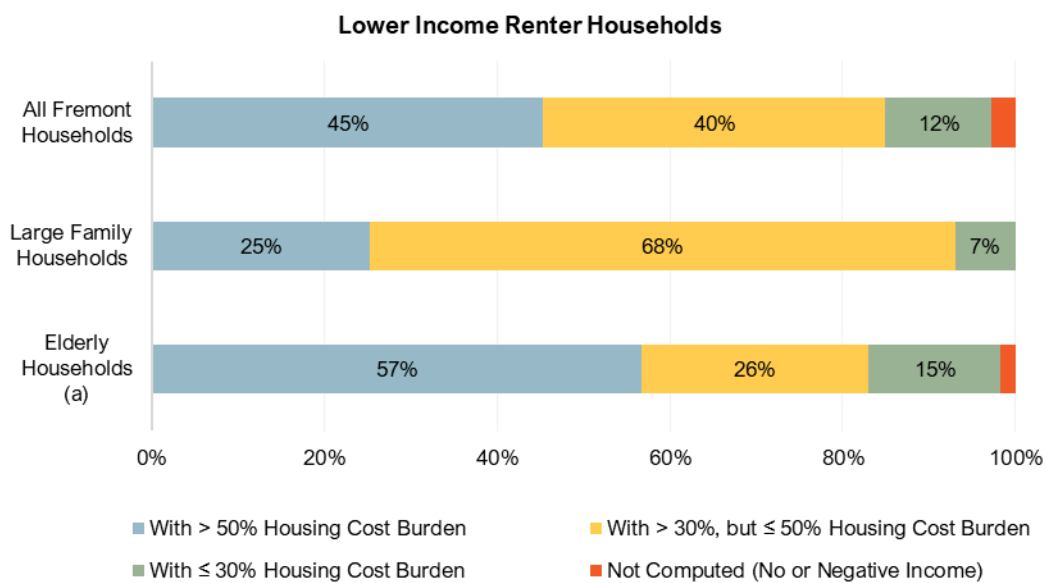
Figure 21: Income Distribution by Household Type, Fremont, 2013-2017



Note: Data reflect HUD-defined household income limits. HAMFI stands for HUD Area Median Family Income. HUD defines an elderly household as a household with one or two persons, with either person 62 years or over. Sources: U.S. Department of Housing and Urban Development, 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2021.

Among lower-income renter households in Fremont, elderly households and large family households are more likely to have a high housing cost burden, potentially indicating a disproportionate displacement risk for these households. Figure 22 shows housing cost burden for lower-income (80 percent of AMI or less) households in Fremont, including all lower-income Fremont households, lower-income elderly households in Fremont, and lower-income large family households. The figure shows that 93 percent of large family households that are lower-income renters pay more than 30 percent of their income for rent, compared to 85 percent of all lower-income renter households in Fremont. While 83 percent of lower-income elderly renter households pay more than 30 percent of their income for housing, comparable to the citywide proportion among lower-income renters, this is likely because many of these households live in affordable senior complexes. Consequently, lower-income elderly renter households that do not live in affordable housing may still be disproportionately likely to have a high housing cost burden. Approximately 57 percent of lower-income elderly renter households pay more than 50 percent of their income on housing, a significantly higher share than lower income renters overall in Fremont (45 percent). These figures indicate that at least some of Fremont’s lower-income special needs populations that rent their homes are struggling to afford housing and at a greater risk of displacement than lower-income renters in Fremont in general.

Figure 22: Housing Cost Burden Among Lower-Income Renters (up to 80% of AMI) Households in Fremont



Notes:
 Data reflect HUD-defined household income limits. HAMFI stands for HUD Area Median Family Income.
 (a) HUD defines an elderly household as a household with one or two persons, with either person 62 years or over.

Sources: U.S. Department of Housing and Urban Development, 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2021.

COMMUTE TRENDS

Worker commute flows data shows an increasing mismatch between the City's workforce and its labor force, indicating that many people working in local jobs might be having an increasingly difficult time affording housing in Fremont. The share of Fremont workers who also live in the City of Fremont has fallen significantly since 2010, a sign that housing production is not keeping pace with job growth in the City. In 2010, approximately 22 percent of Fremont's workers lived in Fremont. As of 2018, the share of Fremont workers residing in Fremont had declined to approximately 17 percent. Notably, there has been a significant increase in the number of Fremont workers living in more affordable cities such as Hayward, Oakland, and San Jose since 2010. Meanwhile, the share of employed Fremont residents commuting to work in Santa Clara County, San Mateo County, and San Francisco County has increased substantially since 2010. This trend has coincided with a large increase in the number of higher income households living in Fremont.

Table 8: Change in Fremont Workers by Place of Residence, 2010-2018

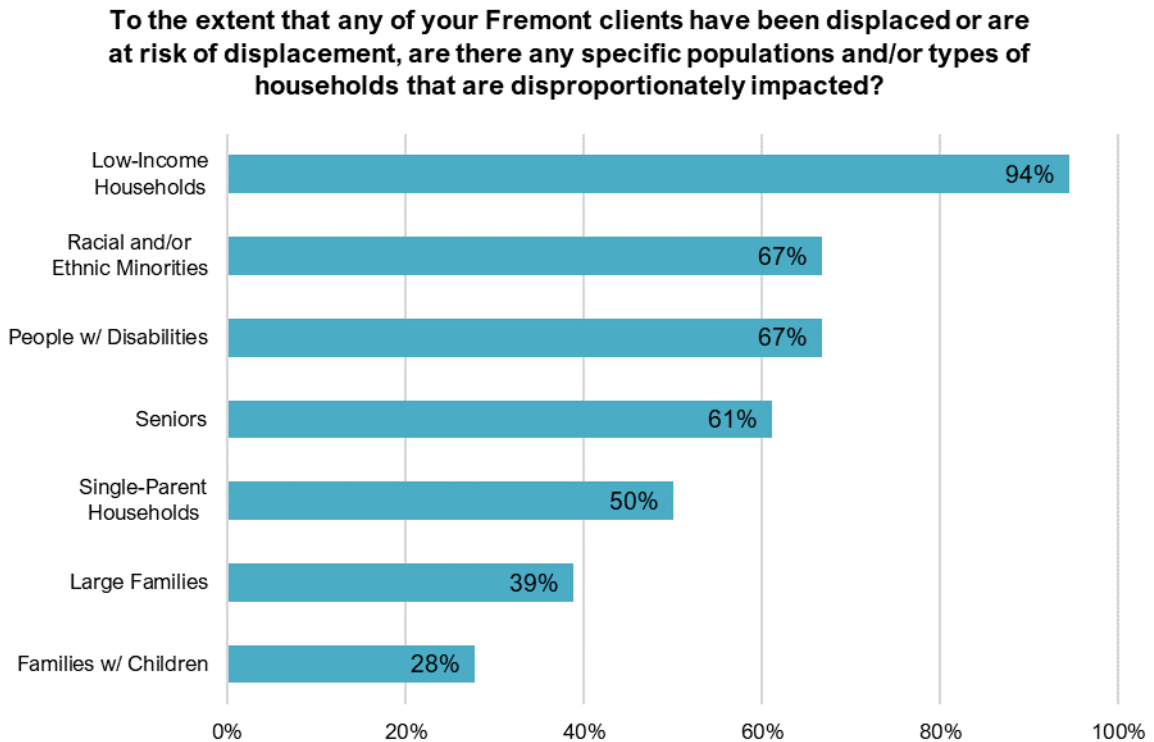
Place of Residence	2010		2018		2010-2018 Change	
	Number	Percent	Number	Percent	Number	Percent
Alameda County	35,928	44.3%	44,901	39.9%	8,973	25.0%
Fremont	17,465	21.5%	19,415	17.3%	1,950	11.2%
Hayward	3,044	3.8%	5,114	4.5%	2,070	68.0%
Union City	3,266	4.0%	3,894	3.5%	628	19.2%
Newark	2,455	3.0%	3,083	2.7%	628	25.6%
Oakland	1,662	2.1%	2,738	2.4%	1,076	64.7%
Santa Clara County	21,401	26.4%	31,009	27.6%	9,608	44.9%
San Jose	12,040	14.9%	18,554	16.5%	6,514	54.1%
Contra Costa County	4,542	5.6%	6,206	5.5%	1,664	36.6%
San Joaquin County	2,912	3.6%	5,235	4.7%	2,323	79.8%
San Mateo County	3,129	3.9%	4,448	4.0%	1,319	42.2%
Stanislaus County	1,311	1.6%	2,332	2.1%	1,021	77.9%
San Francisco County	1,494	1.8%	2,161	1.9%	667	44.6%
All Other Counties	10,338	12.8%	16,117	14.3%	5,779	55.9%
Total Fremont Workers	81,055	100.0%	112,409	100.0%	31,354	38.7%

Sources: Longitudinal Employer-Household Dynamics via OnTheMap, 2010 & 2018; BAE, 2020.

SERVICE PROVIDER SURVEY RESPONSES

Local service providers report that displacement is a serious issue in Fremont, and disproportionately impacts racial and ethnic minority groups and special needs households and individuals. As part of this study, a survey was sent to dozens of representatives from local service providers to ask whether Fremont households are currently experiencing displacement or are at high risk of experiencing displacement. The service providers included agencies and organizations providing services to lower income households and individuals, persons experiencing homeless, elderly residents, residents with disabilities, and other vulnerable and underserved populations in Fremont as well as surrounding areas. Of the 21 service providers that responded to the survey, 15 said that their clients have moved out of Fremont due to economic hardship, are currently at risk of displacement, and/or are planning to move out of Fremont due to economic hardship or other reasons beyond their control. Service providers indicated that displacement pressure disproportionately impacts low-income households, with a sizeable portion of respondents also reporting that displacement disproportionately impacts racial and ethnic minorities, people with disabilities, and seniors. Some service providers also reported that displacement pressure disproportionately impacts single-parent households, large families, and families with children.

Figure 23: Service Provider Survey Responses

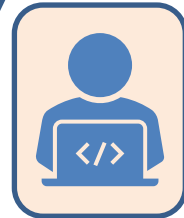


QUOTES FROM LOCAL SOCIAL SERVICE PROVIDERS

“

The only way that clients are able to stay in the Tri-City area is if housing such as BMR, low-income housing becomes available.

”



“

For the apartment buildings that offer units for low income units, the lottery is like a real-life lotto. The wait time to turn in applications is extremely long. Opportunities in Fremont [are] almost non-existent and sadly many of our families are leaving the area.

”



“

Many of our clients have definitely had to move away. Their children are the ones who are deeply affected. Young professionals have to work 2-3 jobs just to be able to stay in Fremont. For those who stay in California, they are moving to the Central Valley, others to Florida or Texas.

”



SUMMARY OF FINDINGS

The City of Fremont has instituted a local live/work policy for affordable housing developments in Fremont, which the City plans to apply to four affordable housing projects in the development pipeline that have received funding through Alameda County Measure A1 bond funds. A live/work preference would allow individuals and households who live or work in Fremont and meet the eligibility requirements to have priority for units in these developments. Alameda County requires that cities conduct a displacement study in order to apply a local live/work preference to affordable housing developments funded through County Measure A1 bonds. The displacement study must demonstrate that a) Fremont residents are at greater risk of displacement than residents of Alameda County as a whole; b) current Fremont residents are being displaced; and c) a local live/work preference would prevent further displacement.

The information presented in this report demonstrates that all three of these conditions are met: Fremont renters are at greater risk of residential displacement than renters of Alameda County overall, some lower-income Fremont residents have likely already been displaced, and a local live/work preference would help to prevent further displacement. Data on housing cost burden and overcrowding among Fremont residents strongly indicates that Fremont renters are more likely to be at risk of displacement than renters in Alameda County overall. Displacement risk disproportionately impacts households and individuals in Fremont with special housing needs, including seniors, people with disabilities, single-parent households, and large families. In addition, Fremont renters have experienced significant rent increases over the past decade, to a greater degree than renters in Alameda County as a whole. Moreover, the number of lower-income renters in Fremont has decreased in recent years, while the number of lower-income renters in Alameda County overall increased slightly, suggesting that lower-income Fremont renters have already been disproportionately impacted by displacement. Data on commute flows, FUSD school enrollment data, and reports from local social service providers further indicate that Fremont households have been displaced, while many remaining lower-income households in Fremont continue to be vulnerable to displacement.

The findings in this report confirmed that Fremont renters are at greater risk of residential displacement than renters of Alameda County overall. Moreover, FUSD school enrollment data, commute trends, and survey responses from local social service providers are strong indicators that residential displacement has been occurring in Fremont. For many lower-income Fremont residents, a local live/work preference for affordable rental housing in Fremont is necessary to prevent displacement. Fremont's lower-income renters are unlikely to be able to purchase a home and are therefore typically limited to renting market-rate rental units. These rental units are generally more expensive than lower-income households can afford and do not provide residents with protection from future rent increases. Even residents with Housing Choice Vouchers are often unable to find housing in Fremont due to the high cost and limited availability of rental units. These findings demonstrate the need for the City to have a local live/work preference policy for affordable rental housing, including for projects funded by Alameda County Measure A1 bonds, to mitigate displacement among Fremont's vulnerable populations.