City of Fremont
General Plan Update 2030

Housing Background Report

FEBRUARY 2008

Housing Background Report

TABLE OF CONTENTS

1.0 INTRODUCTION 4

2.0 FREMONT'S POPULATION 4

2.1 Population Growth 4
2.2 Population by Ethnicity 6
2.3 Population by Age 8

3.0 FREMONT'S HOUSEHOLDS 8

3.1 Current & Projected Households 9
3.2 Household Size 9
3.3 Household Tenure 10
3.4 Household Income 11
3.5 Overpayment 12
3.6 Household Populations with Special Needs 13

4.0 FREMONT'S HOUSING STOCK 19

4.1 Housing Units by Type 19
4.2 Vacancy Rates 20
4.3 Age of Housing 20
4.4 Housing Conditions 21
4.5 Housing Cost 22
4.6 Affordable Housing 22
4.7 At-Risk Housing 27
4.8 Housing for Special Needs Residents 29

5.0 PROJECTIONS 32

5.1 Population, Employment and Household Projections 32
5.2 Regional Housing Needs Allocation (RHNA) 34

6.0 POLICY QUESTIONS FOR THE GENERAL PLAN UPDATE 36

END NOTES 37

APPENDIX A A-1

LIST OF TABLES

Table 1	Fremont Population Growth Trends	5
Table 2	Populations Trends – Regional Jurisdictions	6
Table 3	Maximum Household Income Levels, FY 2007	12
Table 4	Fremont Households by Income Level, 2000	12
Table 5	Housing Overpayment in Fremont, 2000	13
Table 6	Median Household Income by Age Group, 2000	14
Table 7	Fremont Disabled Population, 2000	15
Table 8	Homeless Population of South and East Alameda County	18
Table 9	Housing Stock by Type Comparison from 1990-2007	19
Table 10	Affordable and At-Risk Housing Units	27
Table 11	Existing Fremont Homeless Housing Assistance Resources	30
Table 12	Tentative RHNA Housing Numbers 2007-2014	36

LIST OF FIGURES

Figure 1	Fremont Population Growth, 1950-2007	5
Figure 2	Fremont Population by Ethnicity, 2000	7
Figure 3	Fremont Population by Age, 1990-2005	7
Figure 4	Share of Households in Alameda County Jurisdictions, 2007	8
Figure 5	Fremont Total Households Actual versus Projected, 1990-2035	9
Figure 6	Fremont Average Household Size, 1970-2007	10
Figure 7	Housing Tenure in Fremont versus Neighborhood Cities, 2000	11
Figure 8	Fremont Households Linguistically Isolated	16
Figure 9	Fremont Housing Units by Type, 1990-2007	19
Figure 10	Fremont Housing Stock by Year Built	21
Figure 11	Fremont Top 5 Values for Owner-Occupied Housing Units	22
Figure 12	Affordable Housing Developments in Fremont	25
Figure 13	Fremont Population Growth Projections, 2010-2035	33
Figure 14	Fremont Housing versus Jobs, 1990-2030	34

Housing Background Report

1.0 INTRODUCTION

This is one of a series of reports that has been prepared to support the update of the Fremont General Plan, in particular the Housing Element. This report contains background data and other information documenting existing housing conditions and programs, as well as a brief look at future housing needs in Fremont.

The Housing Element is one of seven elements required to be included in the City's General Plan. State planning law requires cities to update the Housing Element every five years, although the State legislature may extend regional deadlines as circumstances require. In addition, local governments must provide a status report on the Housing Element's implementation every year, as they do with all elements of the General Plan. The legislature has adopted specific requirements for subjects that must be included within the Housing Element (Article §65302).[1] Housing is the only element of the general plan that is reviewed by a State agency (Housing and Community Development) for its compliance with State requirements.

The State of California also mandates growth for every city through a process called the Regional Housing Needs Allocation (RHNA). This allocation process provides an estimate of the number of housing units that should be provided in the city to meet its share of new households relative to the region. The RHNA process is executed by the Association of Bay Area Governments (ABAG). ABAG not only provides the number of housing units, but also mandates a distribution of housing units for different income levels. This report will discuss previous RHNA allocations, as well as the current allocation for the City of Fremont for the 2007-2014 time frame.

Lastly, the Housing Background Report evaluates and reviews past housing programs. This evaluation can provide the foundation for future housing strategies. The last major Housing Element update took place in 2001, and the last implementation evaluation took place in February, 2008. The State-mandated completion date for the Housing Element update is June 30, 2009, and it must incorporate measures to meet growth projections through 2014. This background report includes data up to October 2007 and covers projected City housing needs for the period from 2007 to 2014.

2.0 FREMONT'S POPULATION

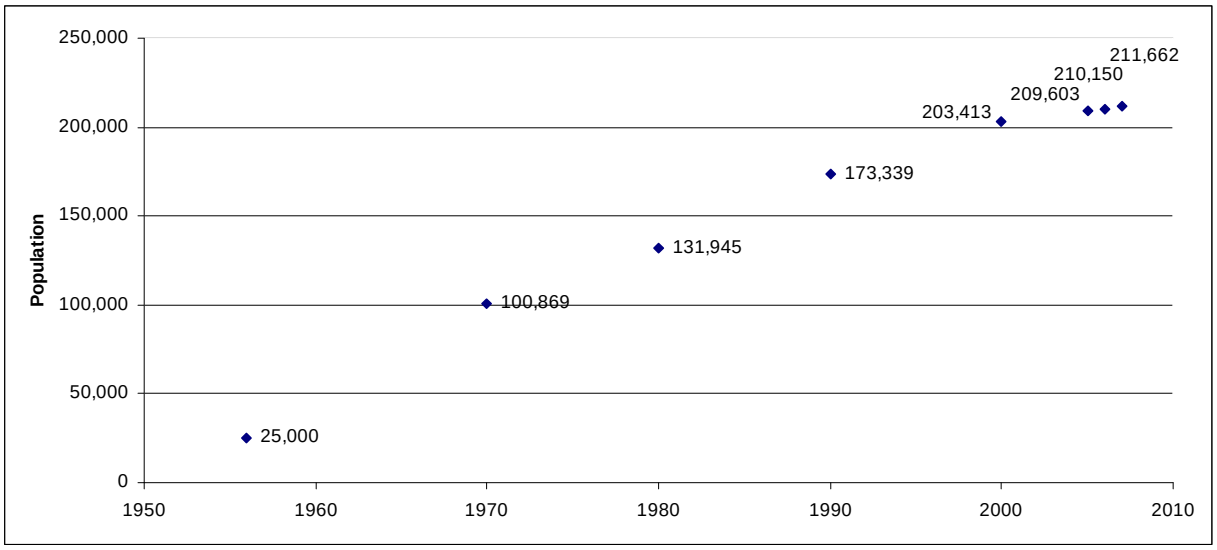
Fremont is currently the fourth most populous city in the San Francisco Bay Area, after San Jose, San Francisco, and Oakland. According to ABAG, Fremont's first documented census was in 1860, when the population of the area was 1,085 residents. Nearly a century later, the City of Fremont was incorporated in 1956 with a population of 22,000 persons.[2]

2.1 Population Growth

Like many other California communities, Fremont experienced tremendous growth during the post World War II era. Between 1956 and 1970, the City's population quadrupled to 100,000

persons.[3] During the next three decades, the City continued to grow and by 2007, the City had an estimated 211,662 residents.[4] Figure 1 and Table 1 depict this steadily increasing city population.

Figure 1: Fremont Population Growth, 1950-2007



Source: California Department of Finance (Table E-5a) and Census 2000 (Fremont, CA).

Table 1: Fremont Population Growth Trends

Year	Population	Difference	Percent Change	Average Annual Growth Rate
1980	131,945	--	--	--
1990	173,339	41,394	23.9%	4,139
2000	203,413	30,074	14.8%	3,007
2005	209,603	6,190	2.95%	1,238
2007	211,662	2,059	0.97%	1,029

Source: California Department of Finance (Table E-5a) and Census 1990, 2000 (Fremont, CA).

The table below compares Fremont's growth with population trends in neighboring jurisdictions. As the table indicates, Fremont's rate of growth was comparable to San Francisco, Oakland and Hayward, with an increase of approximately 4 percent over the last seven years. However, Fremont's growth rate was slower than that of San Jose, San Francisco, or Alameda County as a whole.

Table 2: Populations Trends – Regional Jurisdictions

Jurisdiction Name	2000	2007	Difference (2000 – 2007)	
			Number	***% Change***
Fremont	203,413	211,662	8,249	***3.90***
Alameda County	1,443,741	1,526,148	82,407	5.40
San Jose	894,943	973,672	78,729	8.09
San Francisco	776,733	808,844	32,111	***3.97***
Oakland	399,484	415,492	16,008	***3.85***
Santa Rosa	147,595	157,985	10,390	6.58
Hayward	140,030	147,845	7,815	***5.29***
Sunnyvale	131,760	135,721	3,961	2.92
Milpitas	62,810	66,568	3,758	5.65
Pleasanton	65,058	68,755	3,697	5.38

Source: California Department of Finance (Table E-5a), Census 2000 and ABAG Projections 2007.

2.2 Population by Ethnicity

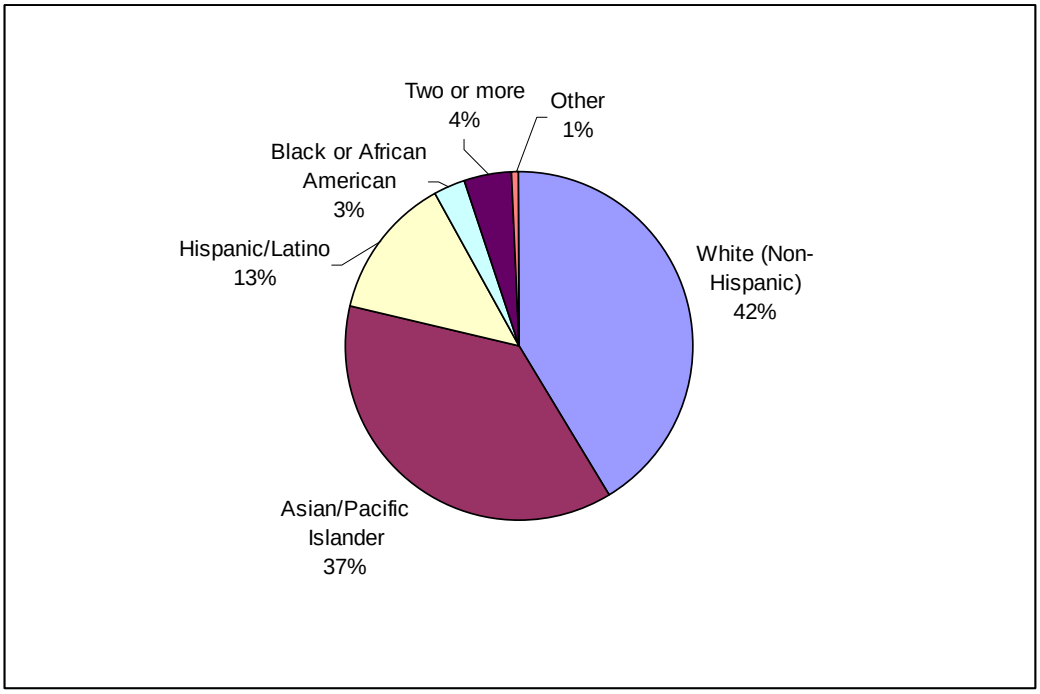
The San Francisco Bay Region and Alameda County are ethnically and culturally diverse areas. As noted below in Figure 2, the City of Fremont echoes this diversity within its own population.

As of the 2000 Census, Asians and Non-Hispanic Whites were the two most prevalent population groups, making up 38 and 42 percent of the city's population respectively. Fremont's demographics have greatly shifted since 1970, with a particularly significant increase in the Asian population.

While the pie chart below clearly demonstrates Fremont's diversity, it only tells part of the story. The Asian community includes dozens of distinct cultural groups, with origins in India, China, Southeast Asia, the Philippines and beyond. Moreover, persons indicating "White" as their ethnicity include immigrants from Afghanistan, the Middle East, and many other parts of the world. Likewise, the Latino community includes persons from Central America, Mexico, South America, and other Spanish-speaking countries.

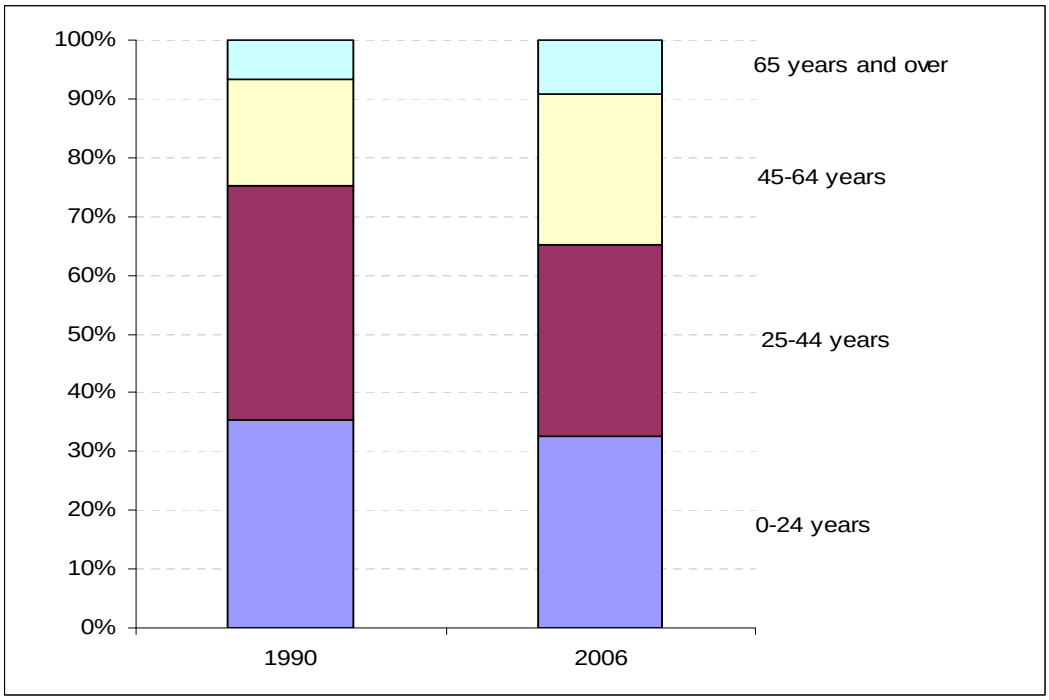
Fremont's ethnic diversity is also unique due to the high concentration of Afghan and Southeast Asian residents. According to the U.S. Census, there were approximately 25,112 California residents of Afghan decent, 11,786 of them in the Bay Area. Of these Afghan residents, approximately 30 percent resided in Fremont, making this a significant center for Afghan population and culture in California.[5]

Figure 2: Fremont Population by Ethnicity, 2000



Source: U.S. Census 2000

Figure 3: Fremont Population by Age, 2000-2005



Source: U.S. Census 2000, American Community Survey 2005

2.3 Population by Age

Fremont's population is aging. In 1980, the median age was 28.7; it rose to 31.9 by 1990 and increased again to 34.5 in 2000.[6] By 2005, the median age rose again to 35.1, and today it is estimated to be approximately 36 years.[7]

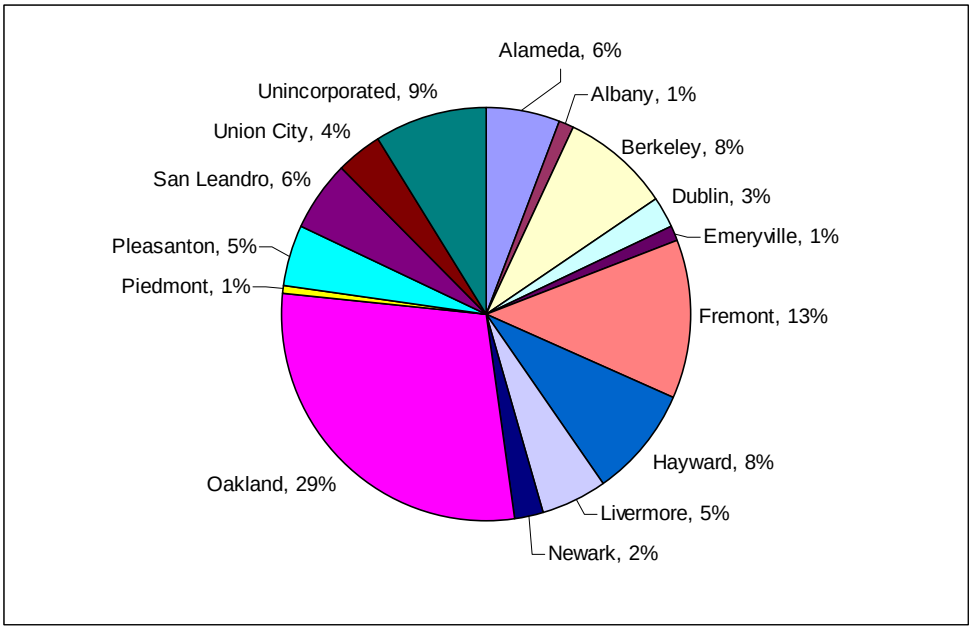
Figure 3 highlights these age increases, particularly the increase in persons over 45 years of age during the last five years. The shift is not surprising, because the "baby boom" generation of the 1950s is now over 45. Additionally, there is a nationwide trend toward longer life expectancy. As the City's population continues to age, there will be an increased demand for elder care services and facilities, including senior housing.

Although Figure 3 shows an increase in population of children less than 14 years of age, the State is predicting a significant decline in birth rates over the next few years. As adults have fewer children, the Fremont Unified School District is projecting that school enrollment will gradually shrink overall, although individual schools might have crowding problems.

3.0 FREMONT'S HOUSEHOLDS

In addition to population, an evaluation of household characteristics is necessary when assessing Fremont's housing needs. According to the U.S. Census Bureau, "a household includes all the people who occupy a housing unit as their usual place of residence." In 2007, the City had the second highest number of households in Alameda County (see below).[8] About one in seven Alameda County households is in Fremont.

Figure 4: Share of Households in Alameda County Jurisdictions, 2007

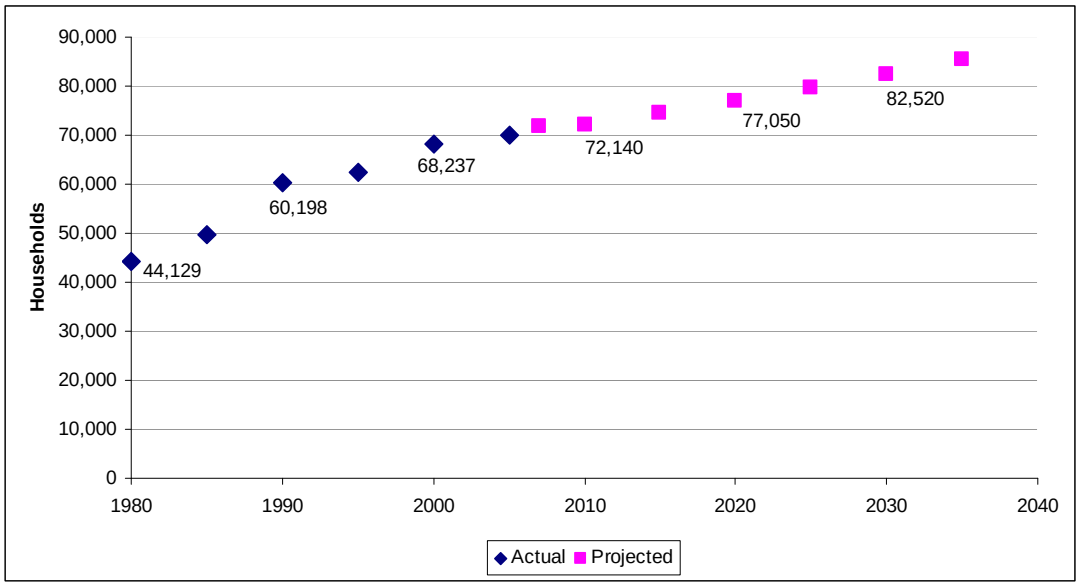


Source: California Department of Finance, 2007

3.1 Current & Projected Households

As of January 2005 there were 70,130 households in Fremont.[9] ABAG estimates that by the year 2030, the number will increase to 82,520, or an approximate 13 percent increase over the next 23 years. The graph below illustrates the actual and projected number of households in the City from 1990 to 2035. By the year 2030, Fremont will continue to hold approximately 12-13 percent of the households in Alameda County.

Figure 5: Fremont Total Households Actual versus Projected, 1990-2035



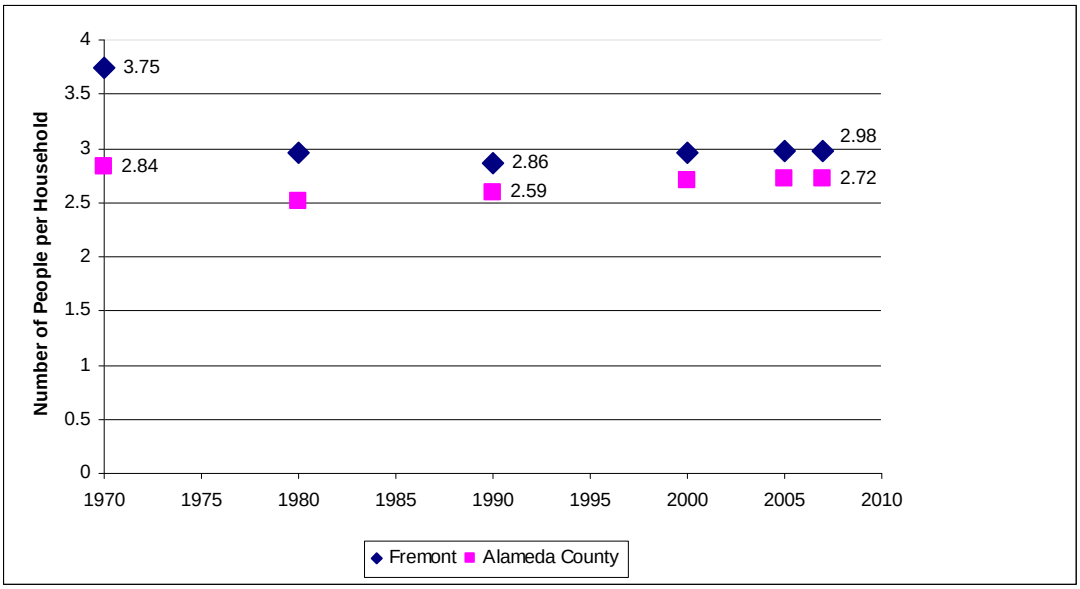
Source: California Department of Finance, 2007 & U.S. Census, 2000, 1990

3.2 Household Size

Household size is an important indicator of change and emerging housing needs. The size of a household is defined as "the total number of people living in a housing unit."[10] Between 1970 and 1990, the City saw a dramatic decline in average household size, dropping from almost four persons per household to 2.86 persons per household. However, household size slightly increased between 1990 and 2000 and is now leveling between 2.97 and 2.98 persons per household.

When compared to Alameda County, Fremont has maintained a higher household size over the last 30 years. This could indicate that Fremont houses a greater number of large families than other cities within the county, which is important when analyzing how the current housing stock (i.e. number of bedrooms or size) is accommodating household needs. Another reason for the increase in household size since 1990 could be the increasing immigrant population combined with the presence of multi-generational households in the city, where cultural differences could influence the number of people living in one household. Household size is shown graphically in Figure 6.

Figure 6: Fremont Average Household Size, 1970-2007



Source: California Department of Finance, 2007 & U.S. Census 1970, 1980, 1990, 2000

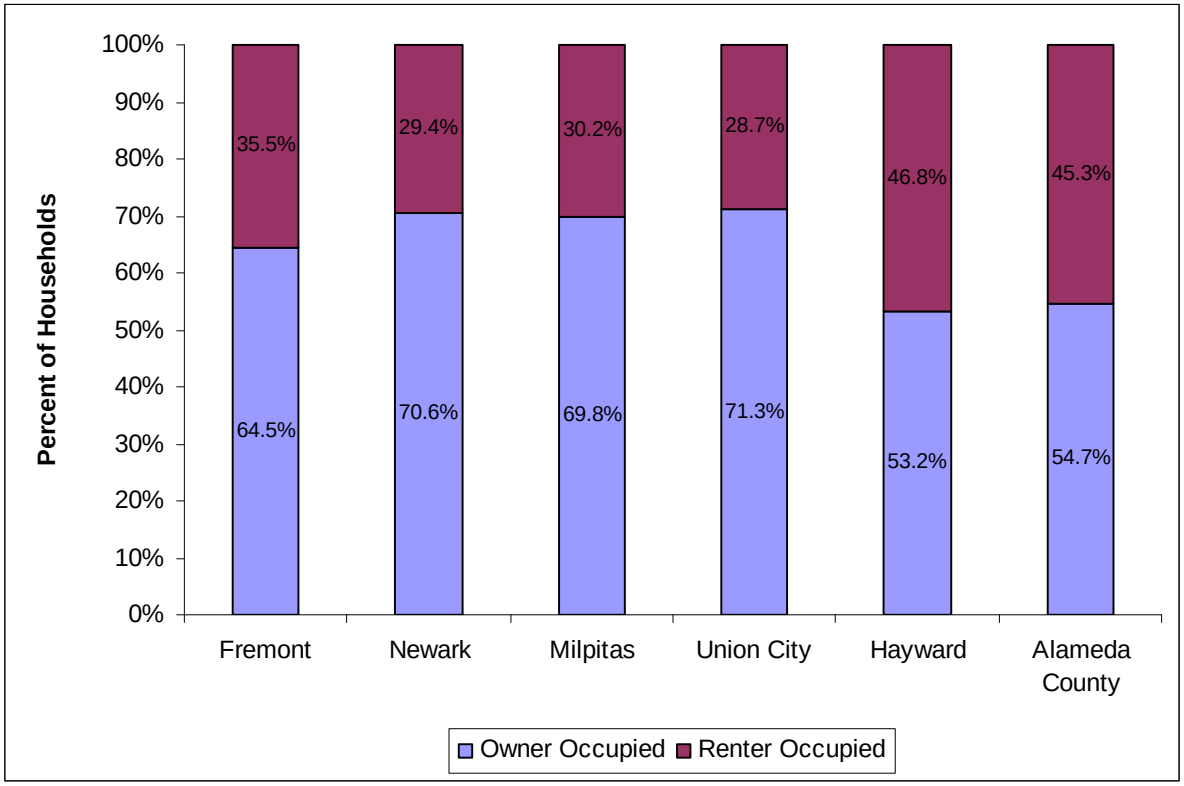
3.3 Household Tenure

Household tenure (owner-occupied or renter-occupied) is important in determining a community's housing needs. A majority of housing units in Fremont are owner-occupied, and the percentage of these units relative to the total housing stock continues to slowly increase. In 1990, there were 38,865 owner occupied units making up 62 percent of the City's total occupied housing units. By 2000, there were 44,033 owner occupied units, which consisted of 65 percent of the total.[11]

The number of renter-occupied units has also continued to increase, from 21,333 units in 1990 to 24,204 in 2000.[12] However, the percentage of total units that are rentals declined from 38 percent to 35 percent.

As Figure 7 shows, Fremont has a slightly lower percentage of owner-occupancy than the neighboring cities of Newark, Milpitas, and Union City. It has a slightly higher percentage of owner-occupancy than Hayward and Alameda County as a whole.

Figure 7: Housing Tenure in Fremont versus Neighboring Cities, 2000



Source: Census 2000

3.4 Household Income

Household incomes have increased steadily since 2000. In 2000, the median household income (the sum of income earned by all members of a household) in Fremont was $76,579.[13] By 2006, the estimated median jumped 13.3 percent to $88,335 per household.[14] This means that half of all Fremont's households earned more than this amount and half earned less.

The proportional number of households in different income categories is an important indicator of housing affordability. The U.S. Department of Housing and Urban Development (HUD) has developed benchmarks defining "Very Low Income", "Low Income", "Moderate Income", and "Above Moderate Income" to assess housing needs. HUD has further identified a subset of "Extremely Low Income" households within the "Very Low Income" category. Most federally and state funded housing programs are tied to these income limits and to federal poverty data. Each metropolitan area's income level bands are determined by the median household income for households of different sizes. Table 3 illustrates the limits commonly used in Alameda and Contra Costa counties.

At the time of the 2000 Census, approximately 13 percent of Fremont's households were considered to be "Very Low Income" (including "Extremely Low Income") and another 10 percent were identified as "Low Income." Moderate or Above Moderate Income households

represented 77 percent of the City's total households. Table 4 illustrates the share of households by income bracket in Fremont.

Mean household income is also on the rise. In 2000, the mean household income was $114,300. According to ABAG's 2007 projections, the City's mean household income is expected to increase to $118,600 by 2010. However; Fremont reported that in 2007, its mean household income was actually $122,388[15] indicating a faster increase than expected (the mean is higher than the median because it is skewed by a small number of persons with very high incomes). Regardless of the income rate increase, making affordable housing available for all income brackets remains an important priority.[16]

Table 3: Maximum Household Income Levels, FY 2007

	1 person	2 person	3 person	4 person	5 person	6 person
Above Moderate (>120%)	--	--	--	--	--	--
Moderate (120%)	$70,450	$80,400	$90,500	$100,550	$108,600	,$116,650
Low Income (80%)	$47,000	$53,600	$60,300	$67,050	$71,550	$76,850
Very Low Income (50%)	$29,350	$33,500	$37,700	$41,900	$45,250	$48,600
Extremely Low Income (30%)	$17,600	$20,100	$22,650	$25,150	$27,150	$29,150

Source: City of Fremont: Income and Rent Limits, 2007

Table 4: Fremont Households by Income Level, 2000

Household by Income	Total
Extremely Low Income (0-30%)	4,576 (7%)
Very Low Income (31-50%)	4,275 (6%)
Low Income (51-80%)	6,696 (10%)
Moderate and Above-Moderate Income (80% and higher)	52,641 (77%)
Total Households	***68,188***

Source: HUD CHAS Tables, 2000

3.5 Overpayment

State and federal agencies consider a household to be "overpaying" when more than 30 percent of annual household income is spent on housing costs.[17] Lower income households typically "overpay" for housing more frequently than moderate and above moderate income households. During the 1990s and 2000s, the price of housing in the Bay Area increased at a much faster rate than income, so that the percentage of overpaying households increased. In 2000, 30 percent of all households in Fremont were paying 30 percent or more of their annual household incomes on rent or mortgages and related housing expenses.

Not surprisingly, the incidence of overpayment is highest for those of limited income.
According to the Department of Housing and Urban Development, 90 percent of Fremont's very

low income renters and 57 percent of its very low income owners were overpaying for housing in 2000.[18] Overpaying is also not uncommon among upper bracket income groups, where 11 percent of moderate income renters and 23 percent of moderate income owners were overpaying in 2000. This is an indication of the rapid inflation in housing costs, and the increasing share of income necessary to afford the median priced home or apartment. Although data is not available for 2008, the percentage of overpaying households has probably increased since the 2000 Census as the price of housing rose significantly during the first half of the decade.

Table 5: Housing Overpayment in Fremont, 2000

	Extremely Low (<=30% of MFI*)	Very Low (30%-50% of MFI)	Low (50%-80% of MFI)	Moderate (>80% of MFI)	Total
Renter	78%	90.80%	65.10%	11.20%	33.5%
Owner	73.60%	56.60%	56.90%	22.50%	30.5%

Source: HUD CHAS Tables F5a, F5b, F5c, F5d (2000)

*MFI = HUD defined Median Family Income for the Oakland-Fremont Metropolitan Area

3.6 Household Populations with Special Needs

Certain sub-populations have special housing needs due to physical limitations, disabilities, life circumstances, and other factors. These include:

1. *Elderly Households*
2. *Disabled Households*
3. *Single-Parent Households*
4. *Linguistically Isolated Households*
5. *Homeless Households*

Each of these groups is profiled below.

Elderly Households

Older adults are a substantial segment of the community's population. In 1990, 11 percent of all Fremont households had one or more elderly (65+) members. Of those households, 26 percent were renters and 74 percent were owners.[19] By 2000, the Census indicated that the percentage of households with at least one member 65 years or older had increased to 17.5 percent. Among these households, 22 percent were renters and 78 percent were homeowners.

ABAG has provided projections for age distribution to 2030 for the entire region. These estimates indicate that the 65+ population will increase by almost 62 percent in the next 30 years, causing the region's median age to rise from 34.5 to 42.4 years old. This large increase means growing demand for a range of housing types, such as independent living facilities, assisted housing or congregate care facilities, group homes, etc.

Many of the city's elderly households have fixed incomes and must balance housing costs with growing health care expenses and other costs. In 2000, 4.1 percent of the elderly population was living below the poverty level. Table 6 depicts the major differences in median household income between age groups.

Some households have reverted to reverse mortgages to make ends meet, while others have sold their homes and moved to smaller units. Not all senior households have this option, however. Some seniors do not own their own homes. Many seniors may have difficulty relocating or may wish to "age in place." Others may wish to remain near family members, friends and health care services.

Senior housing is often specialized to fit the needs of seniors with limited mobility and self-care abilities. These needs create the demand for housing units that include amenities such as wheelchair access, bathrooms with grab-bars, on-site health care, social services, transportation providers and other assisted living amenities. As the city population ages, the demand for these types of facilities will also increase.

Table 6: Median Household Income by Age Group, 2000

Total Median Household Income	**$76,579**
Householder under 25 years	$51,278
Householder 25 to 34 years	$73,233
Householder 35 to 44 years	$88,467
Householder 45 to 54 years	$89,148
Householder 55 to 64 years	$75,738
Householder 65 to 74 years	$46,709
Householder over 75 years	$29,957

Source: U.S. Census 2000

Disabled Households

The U.S. Census defines a disability as, "a long-lasting physical, mental, or emotional condition (that) can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business." In 2000, there were 26,715 persons classified as having a disability within the City, with approximately half males and half females.[20] Table 7 depicts the characteristics of the disabled population in Fremont for 2000.

From a housing perspective, there are several different challenges associated with meeting the needs of those who are disabled. These include providing housing that responds to a myriad of different disabilities, and recognizing the varying degrees of disability and the progressive stages of disabling illnesses. Housing for the disabled can range from institutional care facilities to facilities accommodating partial or full independence (i.e. group care homes, residential care facilities). Supportive services such as physical therapy and employment assistance may also need to be integrated on-site.

Disabled people with mobility limitations require housing that is physically accessible. Examples of accessibility provisions include widened doorways, hallways, ramps and modification to bathrooms and kitchens to accommodate specialized mobility needs. Inclusion of such features in new housing is governed by both state and federal laws.

Table 7: Fremont Disabled Population, 2000

Disability by Age	Population
5 to 15 years old	***1,305***
Sensory	275
Physical	245
Mental	883
Self Care	303
16 to 64 years old	***18,798***
Sensory	2,057
Physical	5,091
Mental	3,224
Self Care	1,429
Going Outside the Home	7,784
Employment Disability	12,111
65 years and over	***6,612***
Sensory	2,098
Physical	4,484
Mental	1,663
Self Care	1,391
Going Outside the Home	3,366
Total	***26,715***

Source: U.S. Census 2000

Single-Parent Households

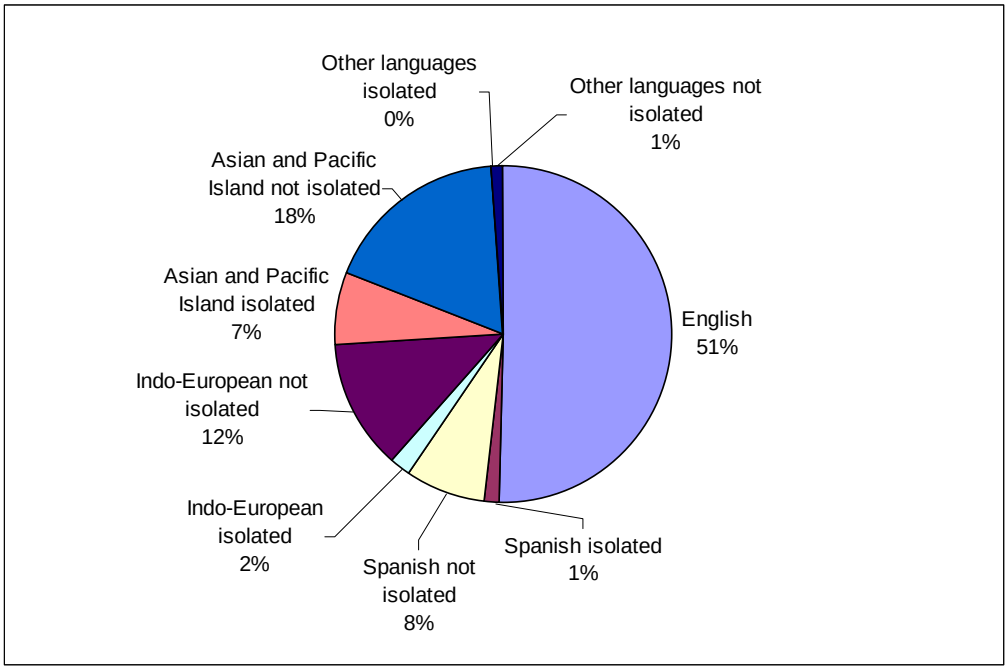
The 2000 U.S. Census reported that Fremont had 9,127 families that were headed by a single person rather than a married couple. Of these families, approximately 31 percent were female-headed households with children under the age of 18. This represents roughly 5.4 percent of all families within the city, and 4.2 percent of all Fremont households.

A comparison of household income data provides important information regarding single parent households, especially those headed by women. The median income for all married couples with children was approximately $89,017 in 2000, while the median for female-headed households was only $50,550. In addition to lower incomes, single parent households are also more likely to require child care assistance, which reduces the income available for housing.

Linguistically Isolated Households

The U.S. Census defines a linguistically isolated household as one that does not contain any person over 14 years who can speak English "very well."[21] Figure 8 shows that 10 percent of Fremont's households were linguistically isolated in 2000, which is relatively high even in a state as diverse as California. The U.S. Census noted that the "western states had the greatest number and proportion of non-English-language speakers."[22]

Figure 8: Fremont Households Linguistically Isolated



Source: U.S. Census 2000

The U.S. Census Bureau identifies linguistically isolated households because the "ability to speak English plays a large role in how well people can perform daily activities," which could include the need to communicate with government and service providers about housing needs.[23] A linguistically isolated household is typically not familiar with the traditional channels to obtain housing assistance, is unable to comprehend literature providing directions on how to get assistance or ask for help, and may have cultural barriers that preclude seeking help. These households also may include undocumented residents and may be wary of communicating with service providers.

Instead these households must utilize non-traditional channels to acquire housing information, such as the religious community, non-profit organizations and immigrant service organizations. Sustaining connections to linguistically isolated households through these organizations is crucial, especially for a diverse community like Fremont.

Homeless Households

Housing for the homeless is a significant social concern in Fremont and Alameda County. According to the Alameda County-wide Homeless Continuum of Care Council, as many as 16,000 people are homeless during the course of a year, and more than 1,900 are homeless on any given night in the South and East County areas. The sizable homeless population is attributed to various factors ranging from decreasing federal housing funds and increasing housing cost, to social issues surrounding mental illness, substance abuse and domestic violence.

As in other Bay Area communities, Fremont has seen a significant increase in the homeless population over recent years. Table 8 indicates data on the homeless population for the "South

and East Alameda County" subarea (which includes Fremont) and for the county as a whole. The South and East areas have a relatively high number amount of homeless families, females, and the youngest average age of homeless people in the entire County.

The most comprehensive document highlighting the homeless population's needs in Alameda County is the EveryOne Home Plan, a collaborative countywide effort to prevent and end the cycle of homelessness. EveryOne Home is a multi-jurisdictional comprehensive plan that "coordinates three systems of services—housing, mental health and HIV/AIDS—in recognition of the importance of systems integration in ending homelessness."[24] The City of Fremont is a member of the EveryOne Home collaborative initiative and adopted the Plan in January 2007. This Plan establishes five major goals, one of which is to, "increase the housing opportunities for the plan's target populations," including the homeless, mentally disabled and those living with HIV/AIDS. By adopting the Plan, Fremont has pledged to end the cycle of homelessness by providing and continually adding the needed services, housing and other assistance that are in accordance with this county-wide plan.

The City worked to increase opportunities for the homeless families and individuals for housing. Section 4.8 *Housing for Special Needs Residents* examines the City's existing housing stock and housing assistance programs and services for homeless and transitional families or individuals in Fremont.

Table 8: Homeless Population of South and East Alameda County

Demographics	South & East County	Alameda County
Household Composition		
Adults- Single	262	2,975
Adults- Person in couples	71	549
Adults- Accompanied by child	***334***	936
Children with surveyed adult	592	1,755
TOTAL	***1,260***	6,215
Gender		
Male	30%	53%
Female	***71%***	47%
Age		
Under 22	5%	3%
22-24	1%	3%
25-34	23%	15%
35-44	52%	36%
45-54	11%	29%
55-64	1%	9%
65 and up	4%	6%
Average Age	***40***	43
Race/Ethnicity		
American Indian/Alaskan Native	9%	5%
Asian	8%	3%
Black/African-American	20%	54%
Hispanic	32%	15%
White	26%	20%
Other	5%	2%

Source: Alameda County: EveryOne Home Plan 2007

4.0 FREMONT'S HOUSING STOCK

In addition to recognizing Fremont's changing demographics, it is also important to understand existing and emerging housing conditions in the city. The following sections of this report examine the physical and financial characteristics of Fremont's homes.

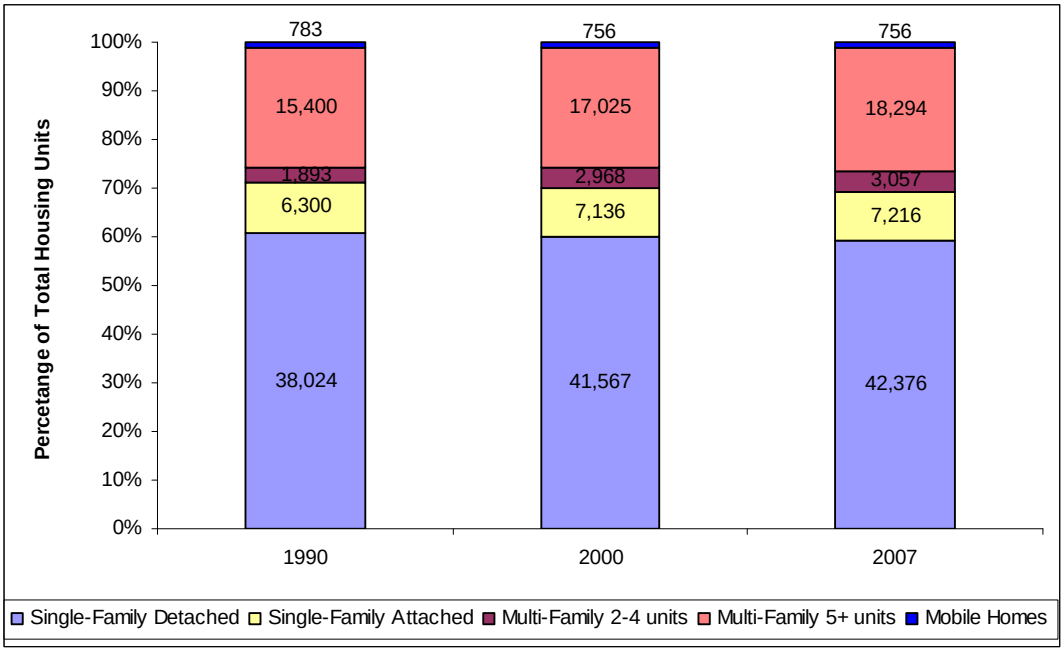
4.1 Housing Units by Type

Fremont's housing stock was primarily built in the decades after World War II and is suburban in character. Although the total number of housing units has steadily increased over the past 20 years, the distribution of housing by type has remaining relatively constant. Figure 9 depicts the distribution of housing stock by type and number of units between 1990 and 2007. Table 9 provides the same data in tabular form.

In January 2007, there were an estimated 71,699 housing units in Fremont, the majority of which were single-family detached homes. Single-family units (detached and attached) accounted for roughly 70 percent of the new units added between 1990 and 2007, with detached units being the majority.

The percentage of multi-family units relative to the total has slightly increased over the last 17 years, in part because of increased land value and the diminishing supply of large land tracts. The trend towards multi-family units is likely to continue in the future as land becomes scarcer.

Figure 9: Fremont Housing Units by Type, 1990-2007



Source: California Department of Finance 1990-2007, U.S. Census 2000

Table 9: Housing Stock by Type Comparison from 1990-2007

Housing Stock Type	1990		2000		2007	
Single-Family Detached	38,024	*61%*	41,567	*60%*	42,376	*59%*
Single-Family Attached	6,300	*10%*	7,136	*10%*	7,216	*10%*
Multi-Family 2-4 units	1,893	*3%*	2,968	*4%*	3,057	*4%*
Multi-Family 5+ units	15,400	*25%*	17,025	*25%*	18,294	*26%*
Mobile Homes	783	*1%*	756	*1%*	756	*1%*
Total	***62,400***		***69,452***		***71,699***	

Source: California Department of Finance 1990-2007, U.S. Census 2000

4.2 Vacancy Rates

The vacancy rate in a community indicates the percentage of units that are vacant and for sale or for rent at a given point in time. Vacancy is defined by the U.S. Census Bureau as, "unoccupied housing units whose status is determined by the terms under which the unit may be occupied, e.g., for rent, for sale or for seasonal use only."

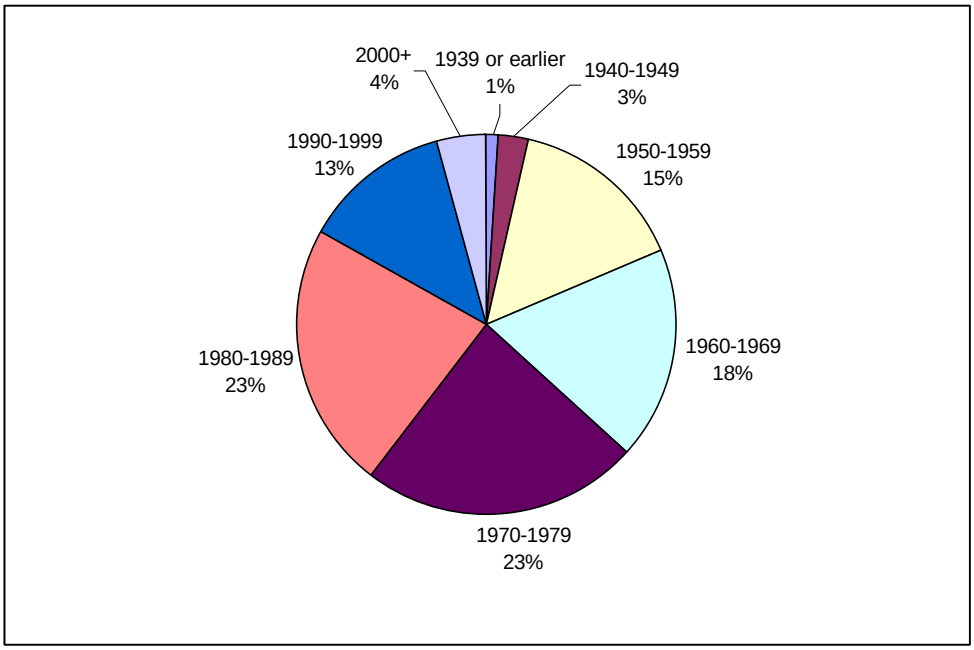
The 2000 U.S. Census indicated that in 2000, the City of Fremont's vacancy rate was 0.6 percent for owner-occupied units and 1.7 percent for rental units. These are very low rates, even by Bay Area standards. In December 2002, the rental vacancy rate jumped to 5.2 percent[25] due to the downturn in the tech economy and a softening of market demand. More recently, the vacancy rate for the City in 2007 averaged 3.2 percent for all types of housing units.[26] Fremont's vacancy rates were slightly lower than Alameda County's, which had an average vacancy rate of 3.8 percent.[27] The lower vacancy rates in Fremont are indications of the desirability of the city, its location relative to jobs, the quality of its housing stock, and the resilience of market demand.

4.3 Age of Housing

According to the 2006 American Community Survey, administered by the U.S. Census Bureau, approximately 60 percent of Fremont's housing stock is 30 years or older. Figure 10 depicts the approximate year built for all housing units citywide.

The data reflects historical development patterns, with relatively few homes built before 1950 and similar proportions of housing built during the 1950s, 1960s, 1970s, and 1980s. As the post-war housing stock approaches 60 years in age, there will be a growing need for programs that assist residents with the maintenance of their homes.

Figure 10: Fremont Housing Stock by Year Built



Source: California Department of Finance 1990-2007, U.S. Census 2000

4.4 Housing Conditions

Approximately 60 percent (42,487 units) of Fremont's housing stock is approaching 30 years of age or older. Many limited income homeowners may not have the funds to keep their aging homes and properties in good condition. The City has developed a number of programs to meet this need. For example, the Minor Home Repair Program and Neighborhood Home Improvement Program both offer financial and technical assistance for home maintenance and repair.

The aging condition of rental apartments is another area of concern. Unkempt rental apartments may detract from the quality of life for their residents, while also bringing down community aesthetics and standards. The City's current contract with Fremont Fair Housing and Landlord Tenant Services provides workshops and information to tenants and landlords on their rights and responsibilities, which includes discussion of apartment repairs.

In 2000, the City conducted a windshield survey of housing conditions in the three Redevelopment Project areas of Irvington, Niles, and Centerville. The survey identified units that were substandard and in need of rehabilitation. These areas contain some of the oldest housing stock in Fremont, and were more likely to contain housing in fair or poor condition than the community at large. Much of the construction in these areas pre-dates the post-war development boom and consists of small wood-frame bungalows and older apartments. The survey found that six percent of the homes in Centerville, seven percent of the homes in Irvington, and 13 percent of the homes in Niles were in need of rehabilitation.

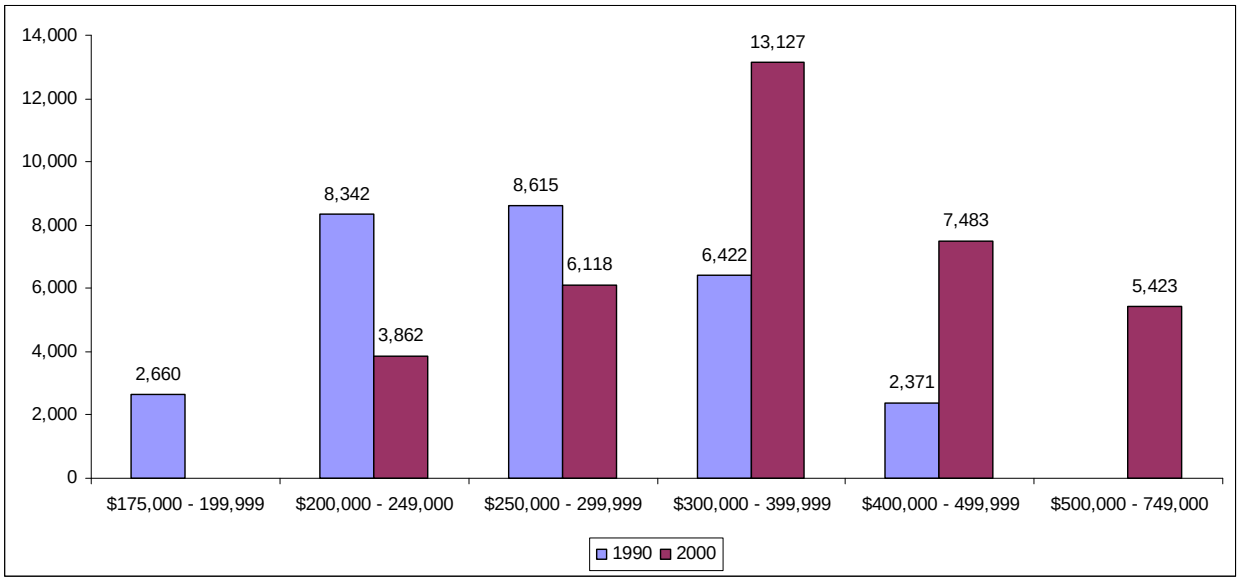
4.5 Housing Cost

One of the crucial indicators in evaluating a community's housing market is the cost of housing. Over the past 30 years, the cost of buying or renting a home has increased more rapidly in the Bay Area than in the rest of the country, leaving the region with home prices that are among the highest in the nation.

Median housing values in Fremont have risen dramatically since 1990, when the median for owner-occupied housing units was $263,400.[28] Ten years later, the median value had jumped to $354,300, an increase of 35 percent. The run-up in prices between 1990 and 2000 is clearly visible in the bar chart below. Whereas most homes in Fremont cost between $175,000 and $300,000 in 1990, most homes were valued over $300,000 by 2000.[29] By 2000, only about one-quarter of the city's housing stock was valued at less than $300,000.

Rapid housing price increases continued during 2000-2005 before leveling off somewhat in 2006 and 2007. According to movoto.com, a Redwood City-based real estate service that tracks home sales in California, the median house price in Fremont was about $500,000 in 2003 and $700,000 in 2007. Homes were selling from four to five percent above their list price in 2005, but were selling for slightly below their asking prices by late 2007.[30]

Figure 11: Fremont Top 5 Values for Owner-Occupied Housing Units



Source: 1990 & 2000 U.S. Census

4.6 Affordable Housing

As noted earlier in this report (see "Overpayment"), housing is generally defined as affordable when it requires less than 30 percent of a household's annual income. Families that must pay more than that threshold may have difficulty affording other necessities such as food, clothing, transportation and medical care. The U.S. Department of Housing and Urban Development estimates that "12 million renter and homeowner households now pay more then 50 percent of their annual incomes for housing, and a family with one full-time worker earning the minimum

wage cannot afford the local fair-market rent for a two-bedroom apartment anywhere in the United States." The insufficient supply of affordable housing units presents a major hardship for low-income households. It often limits where these households reside or prevents them from meeting their basic needs.

To ensure the availability of affordable housing for all income levels, federal, state, county, and local agencies mandate programs to encourage affordable housing development. Jurisdictions receiving federal housing funds are required to prepare a "Consolidated Plan" which consolidates the planning and application aspects of multiple federal programs into a single submission. These programs include Community Development Block Grants (CDBG), HOME Investment Partnership (HOME), Housing Opportunities for People with AIDS (HOPWA), and the Emergency Shelter Grant (ESG).[31] The Consolidated Plan is a 5-year strategic plan that assesses and prioritizes housing needs for the area and requests funding for certain citywide housing programs. The City of Fremont's Consolidated Plan for 2005-2010 identifies the city's priority affordable housing needs and documents the City's housing program accomplishments.

At the county level, the Alameda County Housing and Community Development Department (ACHCD) is the lead agency for the Alameda County HOME Consortium. ACHCD combines the consolidated housing needs plans and programs for all cities within the county and utilizes this information to allocate federal and state monies for existing and future affordable housing programs.

The City's Redevelopment Agency plays the lead role in promoting development and retention of affordable housing in Fremont. Twenty percent of all tax increment revenue generated in the City's Redevelopment area is dedicated to affordable housing. The Agency has used a significant portion of these revenues to assist non-profit developers building affordable housing. Agency investment and collaboration with regional agencies has resulted in 1,358 units affordable to low-income and very-low income individuals and families in Fremont (see Table 10 below).

Another important tool to produce affordable housing is the City's Inclusionary Housing Ordinance, which requires new housing developments to set aside 15% of new units as affordable. In practice, the ordinance has resulted in production of for-sale units affordable to moderate-income individuals and families. As part of the Housing Element update, the City may consider amending the ordinance to incentivize production of rental units affordable to low and very low income residents.

These units do not include transitional or emergency housing programs within the City, which are discussed in detail in section 4.8. The City also provides many housing assistance programs for low-income, elderly and disabled individuals, which are described in Appendix A, *Existing Housing Programs*. The following page depicts the location and quantity of affordable units within the City of Fremont (Figure 12).

THIS PAGE INTENTIONALLY LEFT BLANK

Community Development Department- Planning Division
39550 Liberty Street, P.O. Box 5006
Fremont, California 94537-5006
www.Fremont.gov/CityHall/Departments/Planning.htm

General Plan 2030

Affordable Housing Developments

Legend

- Planning Areas
- Affordbale Rental Developments
- City Boundary

OBJ	DEVELOPMEN	ADDRESS	UNITS_R
1	Amber Court	34050 Westchester Ter	34
2	Archstone Fremont Center	39410 Civic Center Dr	65
3	Avelina	221 Bryant Cmn	40
4	Baywood	4275 Bay St	66
5	Boulevard	40001 Fremont Blvd	35
6	Century Village	41299 Paseo Padre Pkwy	75
7	Durham Greens	43555 Grimmer Blvd	64
8	Fremont Oak Gardens	2681 Driscoll Rd	50
9	Fremont Vista	35490 Mission Blvd	20
10	Glen Haven	4262 Central Ave	57
11	Glen View	4400 Central Ave	70
12	Irvington Terrace	4109 Broadmoor Cmn	99
13	Lincoln Oaks	40852 Lincoln St	11
14	Maple Square	4163 Baine Ave	132
15	Oroysom Village	43280 Bryant Ter	60
16	Pacific Grove	41247 Roberts Ave	20
17	Parkvista	1301 Stevenson Blvd	59
18	Pasatiempo	39548 Fremont Blvd	59
19	Pickering Place	20-37 West Pickering Ave	42
20	Rancho Luna	3939 Monroe Ave	26
21	Rancho Sol	3599 Pennsylvania Ave	12
22	Redwood Lodge	40767 Fremont Blvd	24
23	Bridgeway	4145 Bay St	26
24	Sequoia Manor	40789 Fremont Blvd	80
25	Sundale Arms	39150 Sundale Dr	132

Source: City of Fremont

0 0.5 1 2 3 Miles

0 2,000 4,000 8,000 12,000 16,000 Feet

Scale: 1:24,000

FIGURE 12

Printed 2008-03-05

THIS PAGE INTENTIONALLY LEFT BLANK

4.7 At-Risk Housing

State law requires that all Housing Elements include information regarding the expiration of subsidies for apartment complexes that serve low-income or special needs populations. The specific concern is that many affordable housing developments are "at risk" of reverting to market rate rents as government financing and associated occupancy restrictions expire. Low income occupants of such units could be displaced, with few options for finding alternative housing.

Table 10 indicates all affordable rental housing developments in Fremont, highlighting in red those that converted to market rate housing units over the span of the previous Housing Element, those that are in danger of converting to market-rates in the next five to ten year period, and those considered low-risk of conversion because of their long-term affordability contracts.

Table 10: Affordable and At-Risk Rental Housing Units

Name	# of Units	Very Low	Low	Mod	Expiration Date	City Funding	Eligible Applicants
Amber Court *34050 Westchester Terrace*	34	(17	17	0)	***2010***	Y	Families, Seniors, Disabled
Archstone Fremont Center *39410 Civic Center Drive*	65	(0	65	0)	2030	N	Families, Seniors, Disabled
Baywood *4275 Bay Street*	66	(40	26	0)	2089	Y	Seniors, Disabled
Boulevard Apartments *40001 Fremont Boulevard*	35	(35	0	0)	***2011***	Y	Families, Seniors, Disabled
Bridgeway *4145 Bay Street*	8	(5	3	0)	2097	Y	Families
Century Village *41299 Paseo Padre Parkway*	75	(38	37	0)	2093	Y	Families, Seniors, Disabled
Crossroads Village *39438 Stratton Common*	60	--	--	--	**Expired**	--	Families, Seniors, Disabled
Durham Greens *43555 Grimmer Boulevard*	64	(32	32	0)	***2010***	Y	Families, Seniors, Disabled
Fremont Oak Gardens *2681 Driscoll Road*	50	(24	0	26)	2055	Y	Seniors (55 years and older)
Fremont Vista *35490 Mission Boulevard*	20	(4	16	0)	2058	Y	Assisted Living for Seniors
Glen Haven *4262 Central Avenue*	57	(9	48	0)	2057	Y	Families
Glen View *4400 Central Avenue*	70	(3	32	35)	2060	Y	Families
Good Shepard* *1335 Mowry Avenue*	32	--	--	--	**Expired**	--	Seniors, Disabled
Heritage Village *38050 Fremont Boulevard*	39	--	--	--	**Expired**	--	Families, Seniors, Disabled
Irvington Terrace *4109 Broadmoor Common*	99	(49	0	50)	2104	Y	Families, Seniors, Disabled
Lincoln Oaks *40852 Lincoln Street*	11	(11	0	0)	2102	Y	Developmentally Disabled Adults

Maple Square *4163 Baine Avenue*	132	(65	0	67)	2102	Y	Families
Mission Wells *39115 Guardino*	45	--	--	--	**Expired**	--	Families, Seniors, Disabled
Oroysom Village *43280 Bryant Terrace*	60	(30	30	0)	2097	Y	Families, Disabled
Oroysom: Avelina *221 Bryant Common*	40	(40	0	0)	2097	Y	Seniors, Disabled
Pacific Grove *41247 Roberts Avenue*	20	(9	11	0)	2097	Y	Mentally Disabled
Parkside Place *3969 Milton Terrace*	16	--	--	--	**Expired**	--	Families, Seniors, Disabled
ParkVista *1301 Stevenson Boulevard*	59	(59	0	0)	2095	Y	Families, Seniors, Disabled
Pasatiempo* *39548 Fremont Boulevard*	59	(0	59	0)	***2011***	N	Seniors, Disabled
Pickering Place *20-37 Pickering Avenue*	42	(2	19	21)	2094	Y	Families, Seniors, Disabled
Rancho Luna† *3939 Monroe Avenue*	26	(0	26	0)	***2020***	Y	Seniors, Disabled
Rancho Sol* *3599 Pennsylvania Avenue*	12	(0	12	0)	***2020***	Y	Seniors, Disabled
Redwood Lodge *40767 Fremont Boulevard*	24	(24	0	0)	2087	Y	Disabled
Regency Square *4917 Central Avenue*	27	--	--	--	**Expired**	Y	Families, Seniors, Disabled
Rotary Bridgeway *4145 Bay Street*	18	(8	0	10)	2059	Y	
Sequoia Manor *40789 Fremont Boulevard*	80	(80	0	0)	2087	Y	Seniors, Disabled
Sundale Arms *39150 Sundale Drive*	132	(132	0	0)	2028	N	Families, Seniors, Disabled
Woodcreek *40914 Ingersoll*	60	--	--	--	**Expired**	--	Families, Seniors, Disabled
Total	***1,358***						

Source: City of Fremont, OHR Directory of Assisted Housing
† Contract to maintain affordability renewed twice in last five years
* Contract to maintain affordability renewed once in last five years

The City of Fremont's Office of Housing and Redevelopment (OHR) has worked to preserve the affordability of units in these complexes. Fremont's Affordable Housing Preservation Strategy allows the OHR to work with apartment managers and owners to implement the following five step strategy:

1. Early and proper notification of affected residents and government agencies
2. Early discussions with apartment managers and owners to discuss potential options and incentives for renewal of affordability restrictions
3. Working with owners and affordable housing developers who might be interested in acquiring the project
4. Serving as a resource and catalyst to seek out resources, including local, state and federal financial assistance programs.
5. In the event that protection is infeasible; working with property owners to ensure impacted tenants receive proper notification and are provided with resources for assistance.

From 1998 to 2003, the City successfully negotiated extensions for 268 "at-risk" units using the aforementioned OHR Affordable Housing Preservation Strategy.[32] Since 2003, despite the City's efforts to renew affordability agreements, only 191 affordable units were preserved versus the 279 affordable units that converted back to market rates (see Table 10).[33] Conversion of these units occurred for a variety of reasons. For some property owners, their government rental subsidies expired and owners could not continue to financially provide the affordable units. While others felt that the rental market was stronger and conversion was a more attractive option for the owners. Of the developments listed above, several are in private ownership and are considered to be at a moderate or high risk of conversion, because they are approaching their affordability contract expiration dates in the next five to ten years.[34]

Losing contracted units has a significant impact upon the City's ability to meet its affordable housing needs. Opportunities to acquire replacement units are scarce and the cost is high. Similarly, the cost of constructing replacement units is also high.

4.8 Housing for Special Needs Residents

The following section examines the existing housing stock for special needs populations in Fremont, including:

1) *Migrant Worker Housing*
2) *Homeless and Transitional Housing*
3) *Large Family Housing*
4) *Senior Housing*
5) *Disabled Housing*

Migrant Worker Housing

Migrant farm worker housing is an important resource in California's agricultural regions. In Fremont, however, the need for such housing has diminished as the city has become almost fully urbanized. There is almost no commercial agriculture remaining in the city. Over the last two decades, the U.S. Census has identified less than 1 percent of the City's labor force employed in the agri-business, which does not necessarily equate to migrant farm workers or farmers.

Homeless and Transitional Housing

The City has implemented a number of programs to aid the homeless population, including social, medical and housing services. Table 11 summarizes housing resources for homeless residents in Fremont.

Several emergency shelters have been developed to help meet the needs of Fremont's homeless population. Emergency shelters and temporary housing units are allowed (by conditional use permit) in all residential, general industrial, neighborhood commercial, community commercial and thoroughfare commercial zones. The city also allows transitional housing for persons at risk of homelessness, or who are transitioning from homelessness to a permanent living situation, in these zones. Transitional housing resembles conventional apartments in appearance, but usually contains on-site social services, job counseling, and other resources designed to assist residents

in obtaining and keeping permanent housing. The table below identifies housing developments that offer shelter for families and individuals in transition with an asterisk (*).

The City of Fremont has also endorsed the Alameda County Everyone Home Plan which is aimed at providing comprehensive integrated housing and services over the next 15 years for homeless people, those living with HIV/AIDS, and those living with serious and persistent mental illness.

According to recent state legislative amendments, SB 2 (Chapter 633) requires every California city and county to engage in a more detailed analysis of emergency shelters and transitional and supportive housing in their next Housing Element revision. The bill specifically requires that emergency, supportive and transitional housing facilities be allowed by right (i.e., without a use permit) somewhere in the jurisdiction in each community's zoning ordinance.

Table 11: Existing Fremont Homeless Housing Assistance Resources

Program Name	Description
Alameda County EveryOne HOME Consortium Plan	Countywide plan to stabilize housing and prevent homelessness for the long-term. Program is aimed at homeless families and individuals with debilitating health conditions including serious mental illness, HIV/AIDS and other chronic conditions. The City of Fremont has adopted the EveryOne HOME plan, which allows the city to spend 15% of the federal resources specifically on development or rehabilitation of affordable housing.
Tri-City Homeless Coalition Sunrise Village*	Emergency shelter and support center for homeless families and individuals. Fremont partially funds this facility that is 17,500 sq. ft and can house up to ***66*** people for up to 3 months at a time.
Shelter Against Violent Environments (SAVE)*	Shelter for victims of domestic violence in Fremont. The City provided CDBG monies to help finance this ***22*** person facility for women and children.
ECHO Rental Assistance Program	Assists renters by providing a loan guarantee for delinquent rent or security deposits.
Project Independence Tenant Based Rental Assistance	Assists young adults emancipating from foster care by providing housing and skill development. The City provides rental subsidies for these youth.
Eden I & R, 211 Hotline	Fremont funded Eden I & R, a 24 hour 211 hotline to assist families, singles, disabled and homeless locate an affordable housing apartment in Alameda County.
Homeless Outreach for People Empowerment Project (HOPE)	Fremont provides medical services for homeless households. The City has continued to provide administrative support to partner agencies.
Housing Scholarship Program	Fremont provides rent reduction to scholarship households while in training and working toward self-sufficiency.
Bridgeway Apartments*	These ***26*** apartments target low-income families and individuals and people with special needs who require consistent access to social services to live independently. This group includes the elderly, the disabled, the homeless, those in transition, disadvantaged youth, battered women, the mentally ill and those suffering from

	HIV/AIDS or recovering from substance abuse problems.
Winter Relief*	Homeless families are sheltered in the fellowship halls of local faith communities for one month at a time and meals, classes and other program functions take place all winter at Centerville Presbyterian Church. These facilities can house up to ***40*** people for 21 consecutive nights.

Source: City of Fremont: Human Services, OHR, Planning
(*) programs noted with an asterisk serve both the homeless and those in need of transitional housing.

Large Family Housing

"Large Households" contain five or more persons. In the 2000 U.S. Census, approximately 14.4 percent of all Fremont households met this definition. Because of high housing costs and competing expenses (for child care, food, health care, travel, etc.), large households may have difficulty finding suitable housing in a community. One of the implications is that large families may double up, or occupy apartments designed for one or two person households. This can lead to overcrowding. A housing unit is considered to be "overcrowded" when the number of people living there is greater than the number of rooms (excluding the bathrooms and kitchen).

Overcrowded housing may be an indicator of an unmet affordable housing need, or it may be related to cultural preferences (for instance, for multi-generational families living together). According to a Fremont apartment property survey in 2000, approximately 2,600 households were living in overcrowded rental conditions.

Overcrowding is more common among renters than owners because apartment complexes often do not offer a sufficient number of larger units (i.e. three bedrooms or more) at affordable prices. In 2007, only 5 percent of Fremont's apartment units were three bedrooms, and their average leasing price was approximately $1,870 per month.[38] There were no apartments in the city with four or more bedrooms. This data provides some insight to the need for larger size units, especially at affordable prices.

The City is encouraging and developing incentives to promote the development of larger sized affordable units. As of August 2003, the City has approved the following units with three (3) or more bedrooms as follows:

<u>Rental Units</u>:
5 – Extremely low income
29 – Very low income
40 – Low income
(Includes Maple Square Apartments and Irvington Terrace Apartments)

<u>Ownership Units:</u>
281 – Moderate income in below market rate units.
(Includes Sequoia Crossings: Pacific Union, Mayfield, Capistrano Villa, Morrison Crossing, Catalina, Woodbridge, Castilleja, Morgan Square, Niles Square, Montebello and Villa d'Este.)

However, the City has not been successful in increasing larger sized very low and low income rental units.

Senior Housing

Fremont currently has 17 rental housing complexes, which offer independent and assisted living for very low to extremely low income senior citizens. Table 10 depicts the affordable housing currently available specifically for this age group. Of the 17 rental housing complexes, eight are eligible only to seniors and disabled individuals. Again, the number of elderly people in the City is expected to increase in the coming years. Significant increases are expected in the 85 and over age cohort, creating a need for additional affordable housing for this group in particular.

Disabled Housing

Table 10 also lists existing housing complexes specifically available to disabled persons with very low to extremely low incomes. There are other housing units within the City that are available to the disabled population; Table 10 lists only complexes reserved for those with mobility limitations or other physical needs.

Housing for the disabled serves those with a variety of special needs. For example, Fremont has a sizeable deaf population, due in part to the presence of the California School for the Deaf. To meet the needs of this population, the city and a non-profit developer partnered to develop Fremont Oak Gardens, a 50-unit development specially designed for deaf seniors. Each housing unit has amenities for deaf individuals including visual cues (flashing strobe lights, video cameras), special telephone and internet wiring, and other features.

5.0 PROJECTIONS

In addition to addressing current housing needs, state law requires the Housing Element to address projected future housing needs. This requires a review of population, employment, and housing forecasts for the city. A Housing Element must also demonstrate that each community has the ability to accommodate its fair share of the region's future housing needs. The state has developed a process, described below, to determine fair share.

5.1 Population, Employment and Household Projections

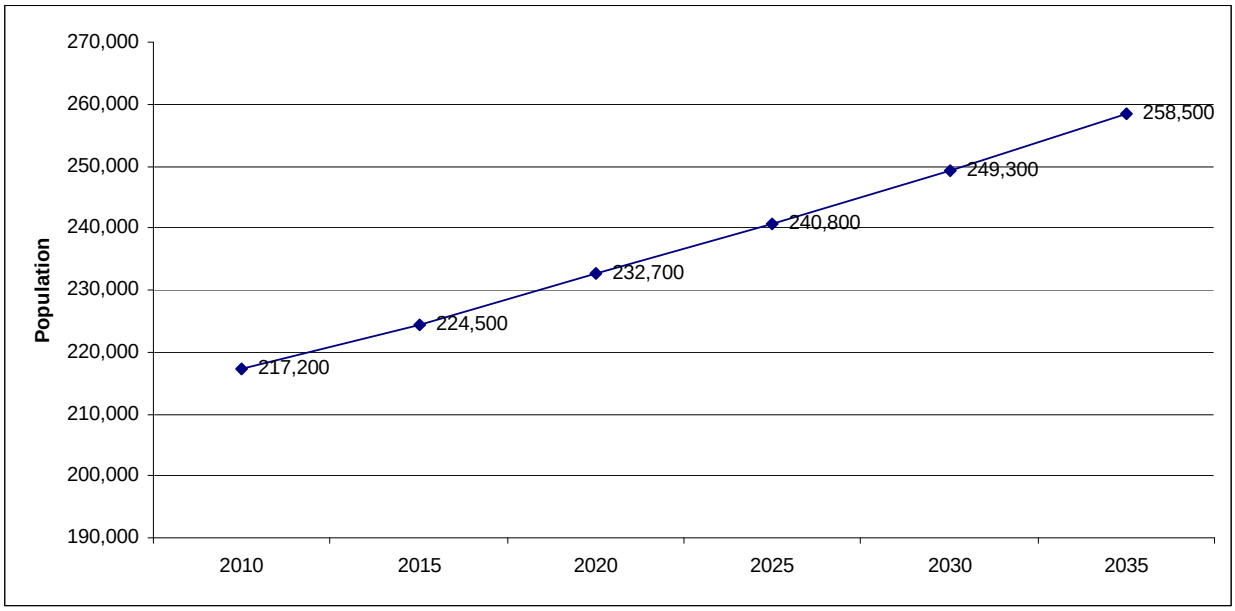
Based on demographic trends, local policy, land availability, and regional economic forecasts, Fremont is expected to continue growing through 2030. However, the rate of growth will slow significantly. Whereas Fremont grew at a decennial rate exceeding 15 percent for each decade between 1970 and 2000, its rate of growth for the next 30 years is expected to be about five percent each decade. By 2030, ABAG predicts that Fremont will be home to close to 250,000 people (see Figure 13).[39] ABAG attributes the majority of this growth to births and increased life expectancies, rather than significant migration to the area.

One factor affecting population growth is the local economy. Fremont provides housing not only to persons working in the city, but also for persons who are employed outside the City. In fact, much of Fremont's growth between 1970 and 2000 was fueled by job growth in Santa Clara County. By 2000, Fremont had become an employment center in its own right, with residents commuting in from as far away as Stockton.

In 2000, there were 104,830 jobs within the City.[40] This represented close to 14 percent of Alameda County's total job base for that year. Manufacturing, services and retail were the three largest industry sectors in Fremont, with the manufacturing sector servicing Silicon Valley-type tech businesses. The last Housing Element (2001) predicted that the Fremont job market would see a 6.2 percent increase in total jobs by 2007; however, the downturn in technology in 2001-02 had a significant effect on Fremont's job market. In 2005, there were only 93,950 jobs in the City, representing a 10 percent decrease from five years prior.[41]

According to ABAG projections, Fremont will regain these lost jobs and ultimately will add 32,410 new jobs from 2000 to 2030. By 2030, Fremont is expected to be the sixth-largest job center in Bay Area. ABAG also estimates significant employment growth in areas directly adjacent to Fremont, including Milpitas and the Tri-Valley area of Dublin, Pleasanton and San Ramon.

Figure 13: Fremont Population Growth Projections, 2010-2035



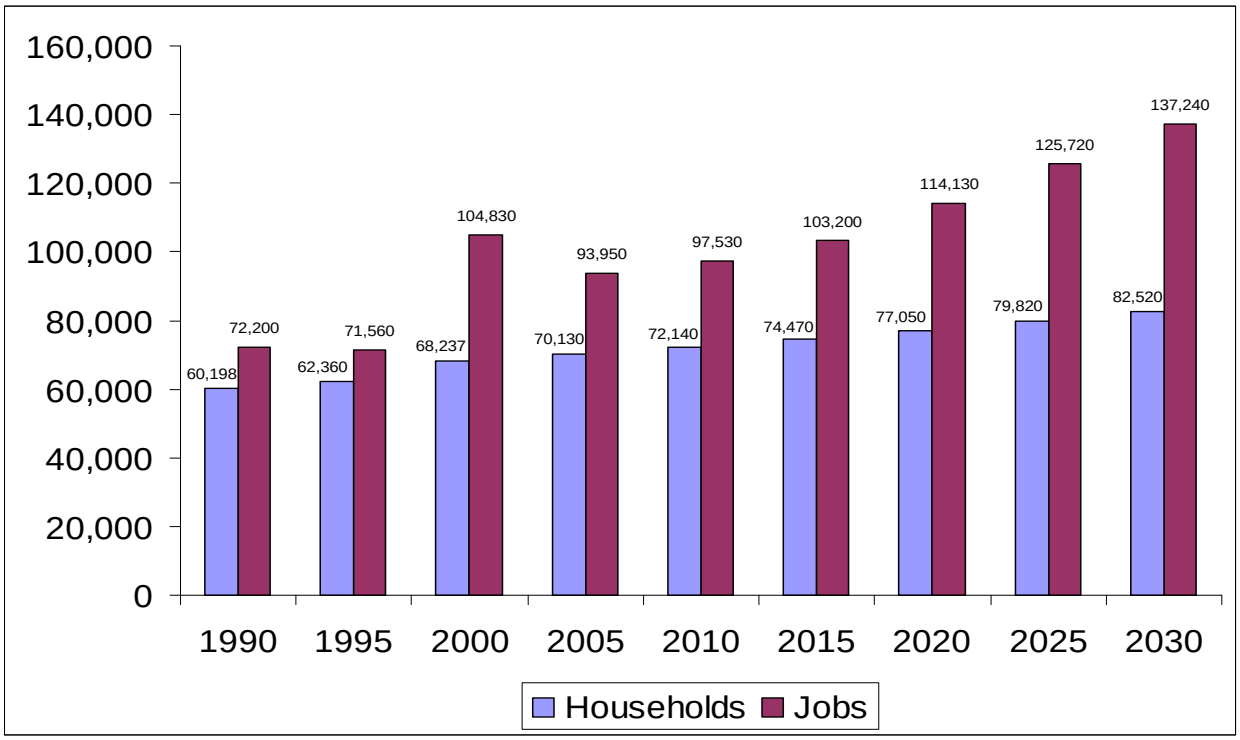
Source: ABAG Projections 2007

ABAG projects that the rate of job growth in Fremont will actually exceed the rate of housing growth during the next several decades. While total jobs are expected to increase by 24 percent between 2000 and 2030, the number of households is expected to increase by 17 percent for the same time period. The story is similar in nearby communities. The increased number of new jobs relative to household growth could exert significant pressure on the City's housing market.

If ABAG is correct, the amount of housing that needs to be produced in Fremont may be greater than what the population projections imply. Rectifying the jobs-housing imbalance is a major goal of ABAG and was the driving factor behind the Regional Housing Needs Allocation (see next section). However, the job increase projected by ABAG for the next 20 years may be inaccurate; making the projected housing needs also an overestimate.

Figure 14 below illustrates how the relationship between jobs and housing in the city has changed over time, and is projected to change in the future. Historically, the city was a bedroom community and had a jobs-housing ratio that was below the regional average. As Fremont matured, the number of jobs began increasing faster than the number of households. In 1990, there were 1.19 jobs per household in the city, compared to a regional average of 1.43. By 2000, there were 1.54 jobs per household in the city, compared to the regional average of 1.52. ABAG expects this trend to grow in the future, with Fremont holding 1.66 jobs per household in 2030.

Figure 14: Fremont Housing versus Jobs, 1990-2030



Source: ABAG Projections 2007

5.2 Regional Housing Needs Allocation (RHNA)

The State of California requires every city to accommodate its fair share of regional growth through a process called the Regional Housing Needs Allocation (RHNA). The RHNA process is administered by the Association of Bay Area Governments (ABAG). ABAG allocates the total assignment for the nine-county area to each of the nine counties and 100+ cities regionwide. ABAG also identifies the number of units that must be accommodated in each of four income categories. Although cities and counties are not actually required to build the number of units in their RHNAs, they must show that the capacity exists in their community to build these units, i.e. that land is zoned to accommodate these new units. The current RHNA allocation for the City of Fremont covers the period 2007-2014.

The RHNA methodology employed by ABAG uses a mathematical equation that contains the following weighted factors:

- Household growth (45%)
- Existing employment (22.5%)
- Employment growth (22.5%)
- Household growth near existing transit (5%)
- Employment growth near existing transit (5%)

This is the first time ABAG has used the RHNA process to encourage cities to implement transit oriented development policies. The last two weighting factors resulted in cities with transit infrastructure (such as BART) receiving higher assignments. The expectation is that these communities will "upzone" land around BART to accommodate additional non-auto dependent housing. The RHNA methodology was adopted by ABAG's Board, which consists of local decision makers from across the Bay Area.

The income allocation portion of the RHNA formula is based on the region's average household income distribution. ABAG explains that each jurisdiction is given, "175 percent of the difference between their 2000 household income distribution and the 2000 regional household income distribution." In other words, the formula attempts to equalize imbalances in income distribution by assigning more affluent communities a larger share of the affordable housing needs and vice versa. Region-wide, the distribution of low and very low income housing units was 16 percent and 23 percent respectively.

After the draft allocations were completed, Fremont was tentatively allocated 4,380 units. Of this total, 22 percent were low income and 30 percent were very low income. However, these numbers may change slightly once the final allocation is confirmed in June 2008.

Fremont's City Council accepted the draft/tentative allocation as assigned by ABAG. Table 12 presents Fremont's tentative RHNA housing unit distribution. This is subject to change between now and June 2008, when the final numbers will be adopted. The numbers reflect adjustments that were made based on housing units completed, under construction and approved by the City between 2000 and 2008. Overall, this allocation is approximately 7 percent less than the last allocation in 1999.

Table 12: Tentative RHNA Housing Numbers 2007-2014

Very low income	1,348 units
Low income	887 units
Moderate income	876 units
Above moderate income	1,269 units
Total	***4,380 units***

Source: ABAG RHNA 2007-2014

6.0 POLICY QUESTIONS FOR GENERAL PLAN UPDATE

The General Plan Update provides an opportunity to consider a variety of policy changes related to housing. Under the current Housing Element, while the City provided sufficient land for the expected affordable and market rate housing need, the actual production of affordable units fell far short of the goals. As part of the General Plan Update the City will consider various policy changes aimed at increasing production of low/very-low income units, such as:

- Revisions to the Inclusionary Housing Ordinance to focus more on units affordable to very low/low income residents, for example:
    - More flexible in-lieu payment option for developers so that they help finance units for very low/low income renters rather than for-sale units for moderate income buyers
    - Allow in-lieu fees to be used for supportive services as well as housing unit production as a strategy to reduce chronic homelessness
    - Require some % of inclusionary for-sale units to be affordable to very low/low-income residents

The City will also need to incorporate changes to the Housing Element required by SB2, including identification of the need for emergency shelters and designation of zoning districts adequate to accommodate the need.

Broader land use questions regarding where the City should plan to accommodate its projected population growth are discussed in the *Land Use Background Report*.

End Notes

[1] Governor's Office of Planning and Research, *State of California: General Plan Guidelines 2003*,
[2] City of Fremont, *About Fremont: History* [website]: <http://www.ci.fremont.ca.us/AboutFremont/History/PostWarEra.htm> [accessed January 2008].
[3] ABAG, *Bay Area Census* [website]: < www.bayareacensus.ca.gov/ > [Accessed December 2007].
[4] California Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2007, with 2000 Benchmark*, Sacramento, California, May 2007.
[5] United States Census Bureau, "Census 2000 Summary File 3 (SF)," *Decennial Census 2000* [website] : <http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_submenuId=datasets_1&_lang=en > Updated December 12, 2007 [Accessed October 2007].
[6] City of Fremont, *Housing Element 2001-2006*, Updated 2003.
[7] City of Fremont, *Demographics: Age* [website]: < http://www.fremont.gov/Business/Demographics/Age.htm> [Accessed November 2007].
[8] Alameda County Community Development Department, *2007 Population and Housing Estimates for Alameda County and its Cities* [PDF] : < http://www.acgov.org/pdf/demographics.pdf> Pub No. 07-01, May 2007 [Accessed October 2007].
[9] Association of Bay Area Governments, *Projections 2007: Forecasts for the San Francisco Bay Area to the Year 2035*, J.T. Litho, Oakland, December 2006.
[10] United States Census Bureau, "Census 2000 Summary File 3 (SF), *Decennial Census 2000* [website] : <http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_submenuId=datasets_1&_lang=en > Updated December 12, 2007 [Accessed October 2007].
[11] United States Census Bureau, "1990 Summary Tape File 3 (SFT3), *Decennial Census 1990* [website] : < http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_tabId=DEC2&_submenuId=datasets_1&_lang=en&_ts=218034644652> Updated December 12, 2007 [Accessed October 2007].
United States Census Bureau, "Census 2000 Summary File 3 (SF), *Decennial Census* [website] : <http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_submenuId=datasets_1&_lang=en > December 12, 2007 [Accessed October 2007].
State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2007, with 2000 Benchmark. Sacramento, California, May 2007.*
[12] United States Census Bureau, "1990 Summary Tape File 3 (SFT3), *Decennial Census 1990* [website] : < http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_tabId=DEC2&_submenuId=datasets_1&_lang=en&_ts=218034644652> Updated December 12, 2007 [Accessed October 2007].
[13] United States Census Bureau, "Census 2000 Summary File 3 (SF)," *Decennial Census 2000* [website] : <http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_submenuId=datasets_1&_lang=en > Updated December 12, 2007 [Accessed October 2007].
[14] United States Census Bureau, *2006 American Community Survey* [website] : <http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=ACS&_submenuId=datasets_1&_lang=en &_ts=> Updated December 12, 2007 [Accessed October 2007].
[15] Ibid.
[16] Association of Bay Area Governments, *Projections 2007: Forecasts for the San Francisco Bay Area to the Year 2035*, J.T. Litho, Oakland, December 2006. (Assumes a constant 2005 dollar value)
[17] City of Fremont, *Housing Element 2001-2006*, Updated 2003.
[18] CA HUD, SODC Tables [website]: <http://socds.huduser.org/scripts/odbic.exe/chas/index.htm> [accessed January 2008].
[19] United States Census Bureau, "1990 Summary Tape File 3 (SFT3), *Decennial Census 1990* [website] : < http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_tabId=DEC2&_submenuId=datasets_1&_lang=en&_ts=218034644652> Updated December 12, 2007 [Accessed October 2007].
[20] United States Census Bureau, "Census 2000 Summary File 3 (SF), *Decennial Census 2000* [website] : <http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_submenuId=datasets_1&_lang=en > Updated December 12, 2007 [Accessed October 2007].
[21] CA HUD, SODC Tables [website]: <http://socds.huduser.org/scripts/odbic.exe/chas/index.htm> [accessed January 2008].

[22] United States Census Bureau, "Census 2000 Summary File 3 (SF)," *Decennial Census 2000* [website] : <http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_submenuId=datasets_1&_lang=en> Updated December 12, 2007 [Accessed October 2007].
[23] United States Census Bureau, "Census 2000 Summary File 3 (SF)," *Decennial Census 2000* [website] : <http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_submenuId=datasets_1&_lang=en> Updated December 12, 2007 [Accessed October 2007].
[24] Alameda County, *EveryOne Home* [website]: <http://www.everyonehome.org/> [accessed October 2007].
[25] City of Fremont, *Housing Element 2001-2006*, Updated 2003.
[26] RealFacts, *City of Fremont*, November 2007
[27] RealFacts, *City of Fremont*, November 2007
[28] United States Census Bureau, "1990 Summary Tape File 3 (SFT3), *Decennial Census 1990* [website] : < http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_tabId=DEC2&_submenuId=datasets_1&_lang=en&_ts=218034644652> Updated December 12, 2007 [Accessed October 2007].
[29] United States Census Bureau, "Census 2000 Summary File 3 (SF), *Decennial Census 2000* [website] : <http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_submenuId=datasets_1&_lang=en> Updated December 12, 2007 [Accessed October 2007].
[30] Movoto.com, *California / Massachusetts Homes for Sale and Real Estate: Housing Trends and Statistics for Fremont*, <http://www.movoto.com/housing-statistics/fremont/fre/alc/median-price.htm>
[31] City of Fremont, "Housing and Community Development Strategic Plan FY 2005 –FY 2009" *Alameda County Home Consortium*, May 5, 2005.
[32] City of Fremont, *Consolidated Annual Performance and Evaluation Report FY06-07*, December 2007.
[33] City of Fremont, *Consolidated Annual Performance and Evaluation Report FY06-07*, December 2007.
[34] City of Fremont, *Implementation Plan for the Redevelopment Agency of the City of Fremont*, Adopted June 10, 2003.
[38] RealFacts, *City of Fremont*, November 2007
[39] Association of Bay Area Governments, *Projections 2007: Forecasts for the San Francisco Bay Area to the Year 2035*, J.T. Litho, Oakland, December 2006.
[40] Association of Bay Area Governments, *Projections 2007: Forecasts for the San Francisco Bay Area to the Year 2035*, J.T. Litho, Oakland, December 2006.
[41] Association of Bay Area Governments, *Projections 2007: Forecasts for the San Francisco Bay Area to the Year 2035*, J.T. Litho, Oakland, December 2006.