Chapter 1
Introduction

Purpose

The Housing Element is an eight-year plan to meet the housing needs of everyone in the community. It provides a blueprint for how the City of Fremont can protect the housing stability of existing residents; preserve and improve the existing housing stock; and produce new housing at all income levels.

More technically, the Housing Element is one of seven required elements of the City of Fremont General Plan. Unlike the other elements, it is subject to review and certification by the State of California. The State has determined that housing is a matter of statewide importance because the need for safe and affordable housing crosses regional and jurisdictional lines. Resultantly, each city and county in the state must submit their Housing Element to the Department of Housing and Community Development (HCD). HCD evaluates the document based on specific criteria to determine whether it meets the requirements that have been set by the California Government Code.

While the Housing Element must address specific statutory requirements, it is also intended to reflect local community values and priorities, as outlined in other Elements of the General Plan and via community input.

Housing and General Plan Vision

In 2006, the City launched a comprehensive General Plan update intended to guide growth and development through the year 2035. The City of Fremont General Plan, adopted in 2011, reflects the City Council's vision for meeting the City's housing needs through focused development near public transit. The Plan calls for the transformation of areas around the Fremont BART Station, the Centerville Train Station, the Warm Springs/South Fremont BART Station, and the future Irvington BART station into mixed use communities with new housing, offices, retail shops, public facilities, and open spaces. The General Plan places great emphasis on sustainability and infill development near transit, as well as the preservation and improvement of the City's existing residential neighborhoods. The General Plan provides the policy framework to achieve these goals.

The City's General Plan was prescient in its advocacy for affordable, transit-oriented housing. Today, the shortage of affordable housing is widely recognized as one of the greatest challenges facing Fremont and the Bay Area. The region's housing costs are consistently the highest in the nation, potentially threatening its future economic vitality, environment, and quality of life. The housing shortage crisis has sparked a region-wide effort to make more efficient use of land in established communities and create a land use pattern that supports higher density housing and transit use. The updated Housing Element reinforces the General Plan's emphasis on directing growth toward the core of the City where transit options and other services are more readily available.

Fremont's updated Housing Element reflects the City's continued commitment to increasing the supply of affordable housing. Fremont needs housing that is affordable for teachers, public safety personnel, nurses,

and child care workers and the retail and service workers that are the lifeblood of the local economy. Fremont also needs housing for seniors, people with disabilities, and others with limited mobility and fixed incomes. And the City needs housing for families in crisis and others who cannot find adequate shelter in the local marketplace. The innovative affordable housing policies of the 2015-2023 Housing Element doubled affordable housing production during the previous planning period. The 2023-2031 Housing Element builds on that framework by calling for the development of new policies to further promote the development of affordable housing.

The 2023-2031 Housing Element update is also aligned with other General Plan goals and policies regarding Land Use, Mobility, Community Character and Conservation, as discussed below:

Table 1-1. General Plan Consistency

General Plan Policies	Housing Element Policies
Land Use Policies 2-1.7 through 2-1.11 promoting Transit Oriented Development; Land Use Policy 2-3.8 promoting higher intensities near transit	Housing Element Policy 3.04 promotes intensification of residential development within urban neighborhoods around transit.
Mobility Policy 3-2.1 and 3-2.2, coordinating land use choices and transportation investments to create a community that incentivizes public transportation rather than private automobiles	Housing Element Policies 1.03 and 3.04 encourage intensification of residential development within urban neighborhoods around transit and associated infrastructure improvements to facilitate access to transit.
Community Character Policies 4-3.7 through 4-3.10, encouraging the use of design guidelines to promote attractive developments	Housing Element Policy 3.01 calls for the development of regulations and standards that reflect the community's priorities.
Conservation Policies 7-9.1 and 7-9.2 emphasizing green building and energy efficiency in building and site design standards.	Housing Element Policy 3.01 encourages development of regulations that promote a balance between sustainability goals and housing needs.

Legislative Framework

State law requires that a city's Housing Element demonstrate that the City has adequately planned to meet the housing needs of the community at all income levels. This obligation includes both providing zoned capacity to accommodate a city's allocation of housing and developing policies and procedures to facilitate the development of that housing.

Connection to Regional Planning Initiatives

In 2008, Senate Bill (SB) 375 amended the timing of the Housing Element update process to align with regional transportation and climate planning. Specifically, the Housing Element update timeline was lengthened from every five years to every eight years. The first eight-year planning cycle occurred from January 2007 through 2015. The current Housing Element covers an eight-year planning period from January 2015 to 2023. The updated Housing Element will cover the period from January 2023 to 2031.

The eight-year planning cycle is now aligned with the schedule for adopting Regional Transportation

Plans (RTPs) and Sustainable Communities Strategies (SCSs). In the Bay Area, Plan Bay Area 2050 serves as a single, integrated regional planning document that combines transportation, housing, land use, and greenhouse gas emission reduction planning. Plan Bay Area 2050 was adopted in October 2021. The distribution and location of land uses in Plan Bay Area 2050 served as the foundation for the allocation of new housing growth around the Bay Area during the subsequent Regional Housing Needs Allocation process, described below.

Regional Housing Needs Allocation Process

During each Housing Element update, each jurisdiction must plan for its share of housing need for the eight-year planning period. Housing need is determined for households in four income categories: Above Moderate-, Moderate-, Low-, and Very Low- income. State law has established a process for assigning the responsibility for planning for housing production in California to individual cities and counties. This is known as the Regional Housing Needs Allocation (RHNA) process.

The RHNA process consists of two steps. First, HCD determines the total housing need for each region in the state. This is known as the Regional Housing Needs Determination (RHND). The RHND is based on population projections produced by the California Department of Finance. In addition, as of this planning period, the RHND also takes into consideration the current level of "unmet" housing need within a jurisdiction. This means that housing needs for overcrowded households, cost burdened households (those paying more than 30% of their income for housing), and a target vacancy rate for a healthy housing market (with a minimum of 5%) were considered in development of the RHND.

In June 2020, HCD provided the 2023-2031 RHND for the Bay Area, which is 441,176 units. This represents a substantial increase from the previous planning period, during which the RHND was 187,990. The increase in the RHND is mostly due to the additional consideration of unmet housing need as well as the persistently strong housing market in the region.

The RHND is distributed among income levels as follows:

Table 1-2. RHND for Bay Area

Income Category	Percent	Housing Unit Need
Very Low	25.9%	114,442
Low	14.9%	65,892
Moderate	16.5%	72,712
Above Moderate	42.6%	188,130
Total	100%	441,176

After receiving the RHND, the metropolitan planning organization develops a methodology for distributing the RHND among local governments. In the Bay Area, the metropolitan planning organization is the Association of Bay Area Governments (ABAG). ABAG's RHNA methodology is required to meet six statutory objectives, which ABAG summarizes as follows:

1. Increase housing supply and mix of housing types, with the goal of improving housing affordability and equity in all cities and counties within the region.
2. Promote infill development and socioeconomic equity; protect environmental and agricultural resources; encourage efficient development patterns; and achieve greenhouse gas reduction targets.
3. Improve intra-regional jobs-to-housing relationship, including the balance between low-wage jobs and affordable housing units for low-wage workers in each jurisdiction.
4. Balance disproportionate household income distributions (more high-income allocation to lower-income areas, and vice-versa).

5. Affirmatively further fair housing.
6. Be consistent with the growth pattern from the region's long-range plan for transportation, housing, the economy and the environment, known as Plan Bay Area 2050.

The ABAG Executive Board approved the Final RHNA Methodology and Draft Allocations for the 2023-2031 planning period in May 2021. Consistent with the higher RHND, individual jurisdictions received substantial increases in their RHNA. Fremont's RHNA for the 2023-2031 planning period is 12,897 units. The allocation is divided among income levels as follows:

Table 1-3. RHNA for City of Fremont

Income Category	Percent	Housing Unit Need
Very Low	28.2%	3,640
Low	16.3%	2,096
Moderate	15.5%	1,996
Above Moderate	40.0%	5,165
Total	100%	12,897

Fremont's 2023-2031 RHNA is substantially higher than the RHNA in the 2015-2023 planning period, which was 5,455 units. However, the increase in the allocation was not as significant as those seen in other Bay Area jurisdictions. As discussed in the remainder of this document, Fremont's General Plan anticipated and planned for new housing capacity consistent with the city's RHNA allocation.

Now that Fremont has received its RHNA, it must update the Housing Element to show how it plans to meet its regional housing need in its community. The Housing Element must contain goals, policies, and programs to facilitate the development of housing at the income levels prescribed by the RHNA. For the 2023-2031 Housing Element cycle, updates are required to be completed, with a finding of compliance by HCD, by January 31, 2023.

Recent Legislative Changes

The requirements for a compliant housing element are set by the California Government Code. Since the 2015 Housing Element update, multiple state laws have modified the requirements for a certified housing element. A brief summary of those laws is below:

- **AB 1397** (Low, 2017) established stricter requirements for including non-vacant sites and "re-used" sites carried over from a previous planning period in the Housing Element sites inventory.

- **AB 72** (Santiago, 2017) authorized HCD to review actions by local jurisdictions in the middle of a planning period for consistency with their Housing Element and state law. It provides HCD greater authority to react to violations of Housing Element law, including the imposition of penalties. Specific penalties could include revocation of a previous Housing Element certification and referral of violations to the attorney general for legal action.

- **SB 828** (Wiener, 2018) added additional factors to the determination of the RHND. The RHND now takes into consideration the current level of "unmet" housing need within a jurisdiction in addition to anticipated population growth. This means that housing needs for overcrowded households, cost burdened households (those paying more than 30% of their income for housing), and a target vacancy rate for a healthy housing market (with a minimum of 5%) were considered in development of the RHND. This resulted in a substantial increase in the RHND for the Bay Area during this planning period.

- **SB 166** (Skinner, 2017) required local jurisdictions to maintain adequate sites to accommodate the remaining RHNA throughout the Housing Element planning period. If a development is proposed on a Housing Element inventory site at a density lower than the intended density in the Housing Element, a jurisdictions must either make findings that the Housing Element's remaining sites have sufficient capacity to accommodate the remaining unmet RHNA by each income level, or identify and make available sufficient sites to accommodate the remaining unmet RHNA for each income category.

- **AB 1771** (Bloom, 2018) required that that metropolitan planning organizations distribute RHNAs with an explicit focus on affirmatively further fair housing on a regional level. This included addressing patterns of racial and socioeconomic inequality by assigning more high-income allocation to lower-income areas, and vice-versa.

- **AB 686** (Santiago, 2018) added a requirement for Housing Elements to analyze and address fair housing issues. Jurisdictions identify and commit to meaningful actions that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.

- **SB 35** (Wiener, 2017) added a requirement that local jurisdictions must allow for a streamlined ministerial approval process when the jurisdiction has not yet made sufficient progress toward their allocation of the regional housing need.

- **AB 1486** (Ting, 2019) added a requirement for housing elements to describe City-owned nonvacant sites and provide information regarding plans to dispose of the property during the planning period in conformance with the requirements of the Surplus Lands Act.

Consequences for Housing Element Non-Compliance

As a result of recent legislative changes, the penalties for having a non-compliant housing element have substantially increased. Jurisdictions without a compliant housing element have historically been ineligible for state administered funding programs, including programs for affordable housing. Recent changes have added additional bases for action against cities with a non-compliant housing element, including:

- Litigation from the State Department of Justice
- Loss of permitting authority
- Financial penalties up to $100,000 a month
- Court receivership of housing element process

Furthermore, HCD has created a new Housing Accountability Unit (HAU) that is tasked with enforcing Housing Element law throughout the planning period. The HAU intends to review local government actions, or failures to act, that it deems inconsistent with an adopted Housing Element or state law. This includes failure to implement program actions included in a previously-certified Housing Element. HCD may revoke housing element compliance at any point during the planning cycle if it finds that a jurisdiction's implementation actions are not consistent with state law.

Organization of the Housing Element

The Housing Element is organized into the following chapters.

- **Chapter 1. Introduction.**
  An overview of the purpose of the Housing Element and a summary of the regulatory and legislative framework guiding the development of the Housing Element.

- **Chapter 2. Goals, Policies and Programs.**
  A plan to meet the community's housing needs during the 2023-2031 planning period.

- **Chapter 3. Community Engagement.**
  A summary of the community engagement efforts in support of the Housing Element Update.

- **Chapter 4. Housing Needs Assessment.**
  An analysis of the demographic characteristics, housing stock and economic conditions in Fremont which affect housing needs.

- **Chapter 5. Constraints Analysis.**
  An analysis of governmental and nongovernmental constraints to housing production in Fremont.

- **Chapter 6. Review of 2015-2023 Housing Element.**
  A summary of major achievements and an analysis of challenges to implementation during the 2015-2023 Housing Element planning period

- **Chapter 7. Assessment of Fair Housing.**
  An analysis of contributing factors and conditions that restrict fair housing choice and access to opportunity.

- **Chapter 8. Sites Inventory and Analysis.**
  An analysis of sites to accommodate Fremont's housing needs at all income levels.

- **Appendix A. Community Engagement Documentation.**
  Notes, reports and presentations from community engagement activities.