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Tri-City Subregion Residential Displacement Study Report
Prepared for the City of Fremont
September 17, 2021

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EXECUTIVE SUMMARY

This study finds that lower-income¹ Tri-City Subregion (i.e., Fremont, Newark, and Union City), 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 Tri-City Subregion workers and residents.

KEY FINDINGS



The overwhelming majority of Tri-City 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.

Eighty-two percent of lower-income renters in the Tri-City Subregion have a high housing cost burden, while 22 percent of Tri-City renters are living in overcrowded conditions. These are higher proportions than in Alameda County overall, where 77 percent of lower-income renters have a high housing cost burden and 13 percent of renter households are living in overcrowded 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 the Tri-City Subregion have increased substantially in recent years and are considerably higher than lower-income households can afford, increasing displacement risk for lower-income households.

Market-rate multifamily rents increased by 55 percent in the Tri-City Subregion between 2010 and 2020, faster than the countywide increase of 44 percent. At the end of the first quarter of 2020 (i.e., before the start of the COVID-19 pandemic), the average monthly rent per unit was \$2,445 in the Tri-City Subregion, five percent higher than the average countywide (\$2,337). 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 considerably lower than the average market-rate rent in the Tri-City


¹ Throughout this report, lower income households are defined as those earning 80 percent of AMI or less.

Subregion. For the average three-person renter household earning 60 percent of AMI, the difference between the maximum affordable monthly rent and the current market-rate monthly rent for a two-bedroom unit in the Tri-City Subregion is more than \$850. Based on current average market rents, a four-person household earning 60 percent of AMI would only be able to afford a market-rate studio unit in the Tri-City Subregion.




An increasing share of the Tri-City Subregion’s workforce is commuting to work from other more affordable locations outside of the Tri-City Subregion, a sign that Tri-City workers are having a more difficult time finding housing in the Tri-City Subregion that they can afford.

People that work in the Tri-City Subregion are increasingly commuting to work from more affordable cities such as Hayward, Stockton, Oakland, and San Jose. San Joaquin County and Stanislaus County have experienced large percentage increases in the number of residents that commute to jobs in the Tri-City Subregion. Between 2010 and 2018, the number of Tri-City commuters increased by 78 percent in San Joaquin County and 65 percent in Stanislaus County, significantly greater increases than the overall increase in people working in the Tri-City Subregion (41 percent). Meanwhile, the share of Tri-City workers that live in in the Tri-City Subregion decreased, likely due to the widespread shortage of affordable housing options in the Tri-City Subregion.




Lower-income households and individuals in the Tri-City Subregion 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:

- 27%** for all Tri-City households
- 47%** for Households with One or More Persons with a Disability
- 55%** for Elderly Tri-City Households



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

- 82%** for all Tri-City households
- 87%** for Large Family Households



Percent of Households with Incomes Below Poverty Level

- 2.8%** for all Tri-City family households
- 9.5%** for Tri-City family households with a single female householder

These households are more likely than other households in the Tri-City Subregion to have low incomes, and are therefore more likely to be eligible for affordable housing that is targeted to low-income households. Additionally, lower-income renter households in the Tri-City Subregion with special needs are more likely than other lower-income renters to have a high housing cost burden, indicating a greater need for affordable housing among these households.



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



As a whole, the Tri-City Subregion experienced a minimal increase (0.9 percent) in lower-income households between 2010 and 2017, while Alameda County overall experienced a larger increase (3.4 percent). The change in the Subregion's lower-income households impacted various types of households differently, with an increase in extremely low-income households, little change in very low-income households, and a decrease in low-income households. Taken together with the other data presented in this study – such as recent increases in housing cost burden and housing cost increases – these data indicate that changes among the Subregion's population in recent years have been due in part to lower-income households leaving the Subregion, a portion of which likely left due to displacement.



All three school districts in the Tri-City Subregion have experienced declines in student enrollment in recent years, indicating that families with children have been moving out of the Tri-City area.

Between the 2014-15 and 2019-20 school years, student enrollment in the New Haven Unified School District declined by 11 percent, while enrollment in the Newark Unified School District declined by nine percent. An analysis performed in 2018 by the New Haven Unified School District stated that declines in student enrollment are likely related to the cost of housing. The Fremont Unified School District (FUSD) has experienced unexpected declines in student enrollment since the 2018-19 school year. According to a recent analysis of enrollment trends by FUSD, the declines in enrollment are likely associated with housing affordability and the high cost of housing in Fremont. Meanwhile, overall enrollment in public school districts elsewhere in Alameda County increased slightly

between the 2014-15 and 2017-18 school years and remained relatively flat between the 2017-18 and 2019-20 school years.



Local social service providers confirm that the Tri-City Subregion's most vulnerable households face considerable displacement risk and that some households have already been displaced.

Disproportionately Impacted by Displacement in the Tri-City Subregion:

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

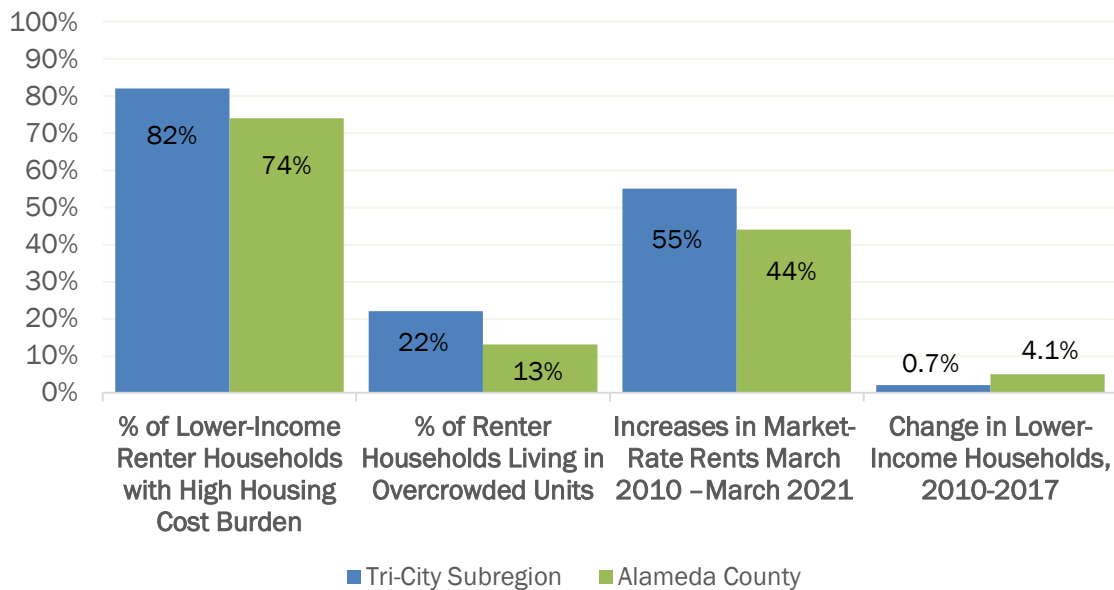
75% of the social service providers that responded to a survey related to this study indicated that their clients have moved out of the Tri-City Subregion, are at risk of displacement, or are planning to move out of the Tri-City Subregion due to economic hardship or other reasons beyond their control.

CONCLUSION

Renters in the Tri-City Subregion are at a greater risk of displacement than renters in Alameda County overall. Recent declines in some segments of the Subregion's lower-income households, school district enrollment trends, and survey results from local social service providers suggest that Tri-City Subregion residents have likely already been displaced.

Lower-income renters in the Tri-City Subregion are more likely to have a high housing cost burden than lower-income renters countywide. Similarly, renter households in the Tri-City Subregion experience extremely high levels of overcrowding and are much more likely to live in overcrowded units than are renter households in Alameda County overall. Facing higher average market rents and lower vacancy rates, Tri-City lower-income renters are much more vulnerable to displacement than the average lower-income renter household in Alameda County.

Executive Summary Key Findings



The analysis concludes that the three cities in the Tri-City Subregion need policies and programs that specifically support housing affordability and stability for lower income households, especially those households with incomes at or below 60 percent of the Area Median Income. For many lower-income Tri-City Subregion 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 equity, health, 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 three affordable projects in the City of Fremont development pipeline that received funding through Alameda County Measure A1 subregional funds. For cities to apply subregional live/work preferences to affordable housing projects using subregional A1 funds, Alameda County requires the jurisdiction to prepare a displacement study to evaluate displacement trends within the subregion. The displacement study must demonstrate that a) Tri-City Subregion residents are at greater risk of displacement than residents of Alameda County as a whole; b) current Tri-City residents are being displaced; and c) a local live/work preference would prevent further displacement. 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 the Fremont/Newark/Union City subregion, herein referred to as the Tri-City Subregion, have experienced or are at risk of displacement. The Alameda County Measure A1 guidelines refer to the Tri-City area defined by Fremont, Newark, and Union City as "South County."

This report provides data and analysis on various indicators that Tri-City 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 to provide baseline information for the displacement analysis. The next chapter provides data related to various indicators that Tri-City residents have been displaced and indicators that existing Tri-City residents are currently at risk of displacement. This analysis focuses particularly 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.

DEMOGRAPHIC AND HOUSING TRENDS OVERVIEW

This chapter provides a high-level overview of demographic and housing conditions in the Tri-City Subregion 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 Tri-City residents have been experiencing displacement or are at risk of displacement but are instead included to facilitate an understanding of the Tri-City Subregion's unique position in Alameda County and inform the displacement analysis provided in the following chapter of this report.

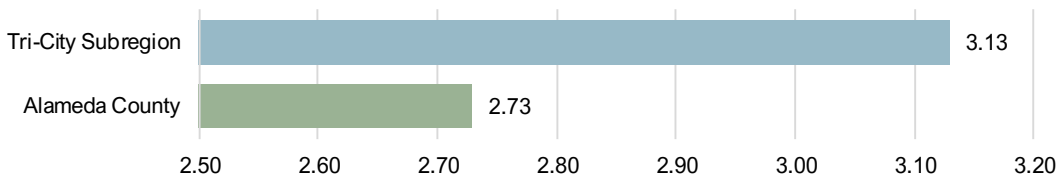
DEMOGRAPHIC SNAPSHOT

The Tri-City Subregion 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, the Tri-City Subregion had a population of approximately 352,400 residents and a total of 111,900 households, accounting for approximately 22 percent of the population in Alameda County and 19 percent of Alameda County's households, according to data from Esri. The average household size in the Tri-City Subregion is 3.13, much higher than the average countywide (2.73). A much higher share of households in the Tri-City Subregion are also families (79 percent) than in the County overall (65 percent). The Tri-City Subregion is home to a large population of individuals of Asian descent, which comprise approximately 54 percent of Tri-City residents, compared to 32 percent of residents countywide. The Subregion has a much lower share of White residents (19 percent in the Subregion compared to 30 percent in the County), Hispanic/Latino residents (18 percent in the Subregion compared to 22 percent in the County) and Black/African American residents (3 percent in the Subregion compared to 10 percent in the County).

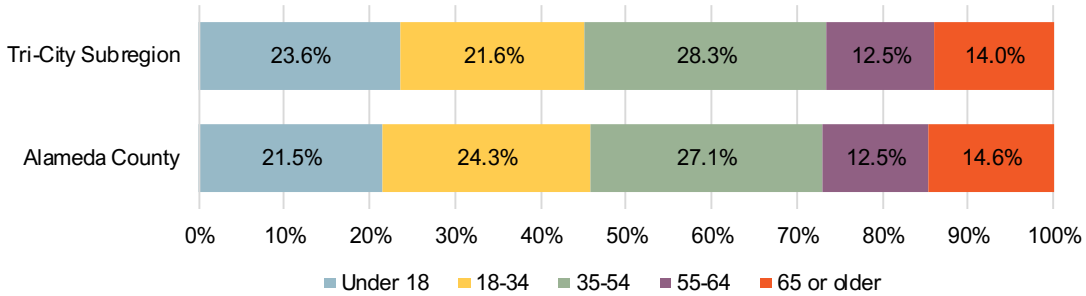
The Tri-City Subregion also has a large concentration of above moderate-income households, which comprise 55 percent of all households in the Tri-City Subregion compared to 44 percent of households countywide, with a correspondingly small concentration of lower-income households (27 percent in the Tri-City Subregion, compared to 38 percent in Alameda County). 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 with moderate or above-moderate incomes.

Figure 1: Tri-City Subregion and Alameda County Demographic Snapshot

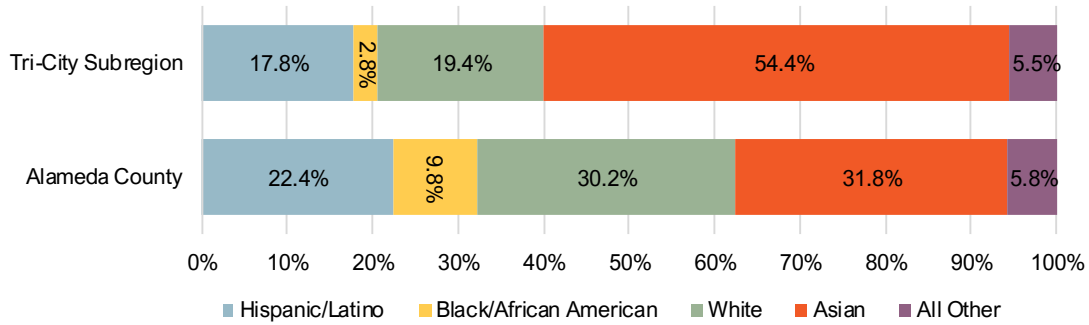
Average Household Size



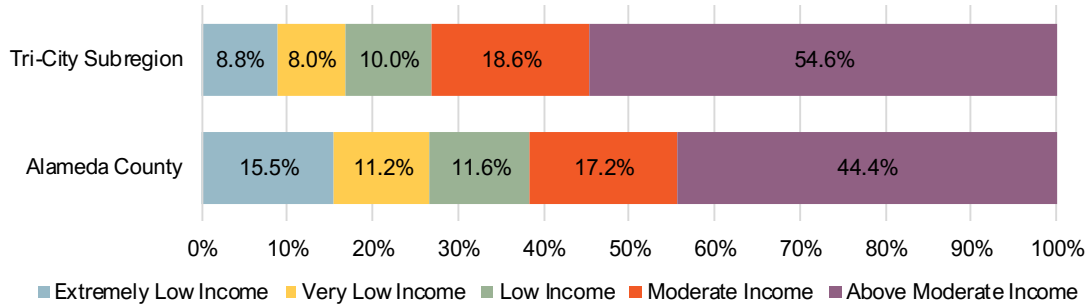
Age Distribution



Race and Ethnicity



Household Income Distribution



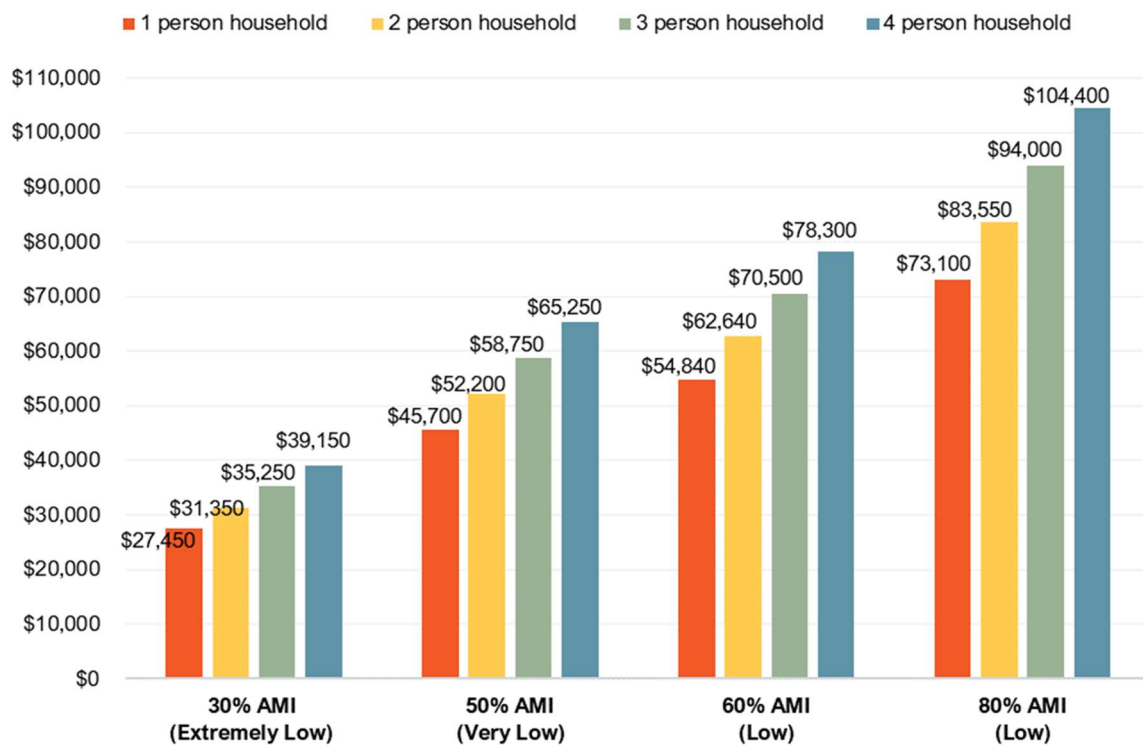
Sources: U.S. Department of Housing and Urban Development, 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; Esri Business Analyst, 2020; BAE, 2021.

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

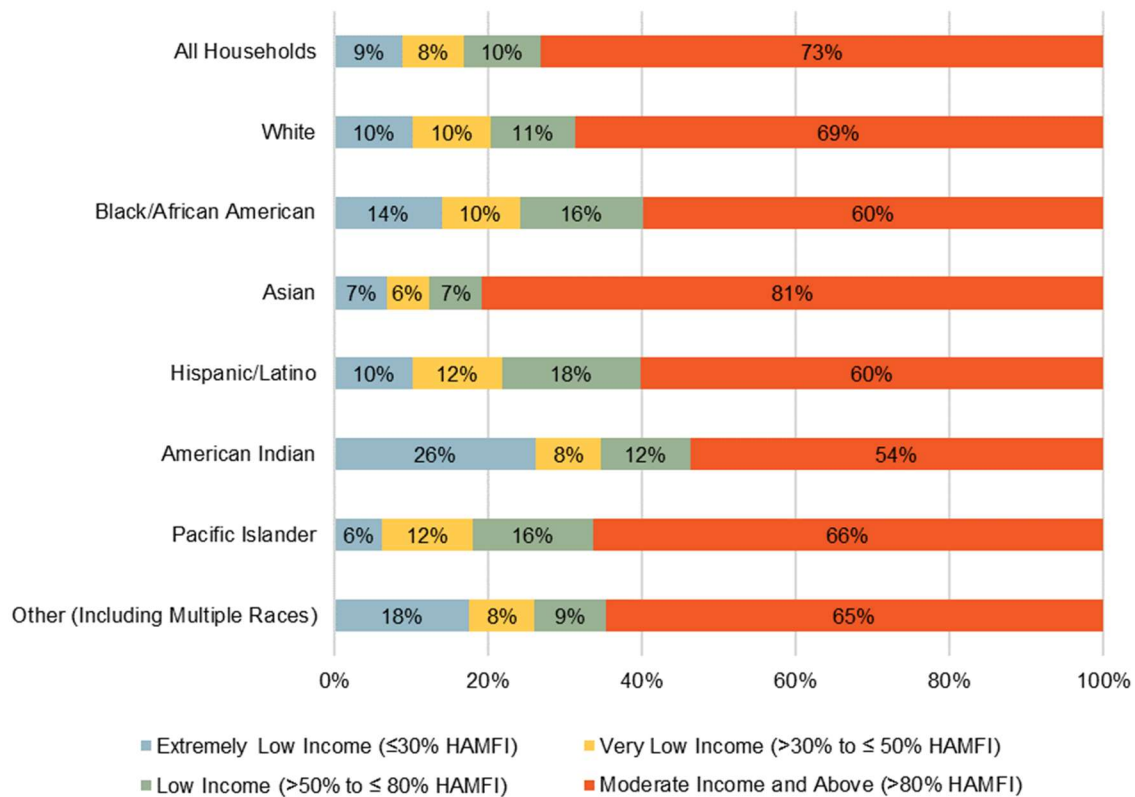


Sources: California Department of Housing and Community Development (HCD); City of Fremont Housing Division; BAE, 2021.

INCOME LEVEL BY RACE AND ETHNICITY

Income levels for households in the Tri-City Subregion vary by race and ethnicity. Figure 3 below shows the estimated household income distribution for households in the Tri-City Subregion 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 the Tri-City Subregion overall. Among all other racial and ethnic groups, the share of moderate-income and above moderate-income households is smaller than the share in the Tri-City Subregion overall, with a larger share of lower-income households.

Figure 3: Household Income Level by Race and Ethnicity, Tri-City Subregion



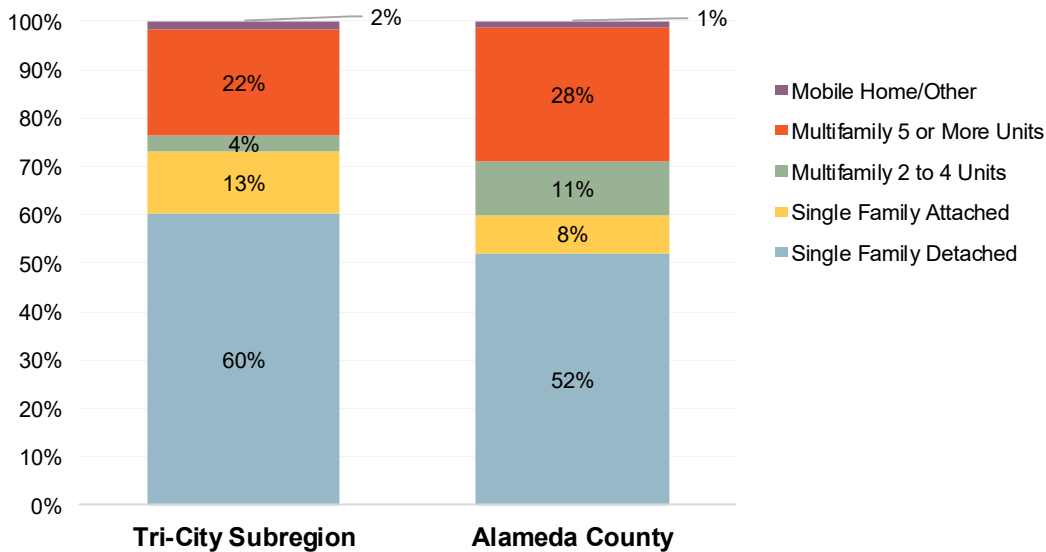
Sources: U.S. Department of Housing and Urban Development, 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2021.

HOUSING STOCK

As of 2020, the Tri-City Subregion had a total of 114,065 housing units, equal to approximately 19 percent of the countywide inventory. The City of Fremont, with approximately 77,300 units, accounts for roughly two-thirds of the total Tri-City Subregion inventory. Most of the existing housing units in the Tri-City Subregion are single family units (both attached and detached), which comprise approximately 73 percent of the housing units in the Tri-City Subregion. The share of multifamily units in the Tri-City Subregion (26 percent) is much lower than the share in the County (39 percent)

Like households in Alameda County overall, most households in the Tri-City Subregion are owners. Renter households comprise approximately 35 percent of the households in the Tri-City Subregion, compared to 46 percent of households countywide.

Figure 4: Housing Units by Type, 2020



	Tri-City Subregion			
	Fremont	Newark	Union City	Total
Total Housing Units	77,309	14,917	21,839	114,065
Single Family Detached	44,700	10,385	13,711	68,796
Single Family Attached	10,192	1,414	2,847	14,453
Multifamily 2 to 4 Units	2,584	659	804	4,047
Multifamily 5 or More Units	19,107	2,459	3,461	25,027
Mobile Home/Other	726	0	1,016	1,742
Percent Single Family	71.0%	79.1%	75.8%	73.0%
Percent Multifamily	28.1%	20.9%	19.5%	25.5%

Sources: State of California, Department of Finance, Table E-5; BAE, 2021.

DISPLACEMENT ANALYSIS

This chapter assesses the extent to which displacement has affected Tri-City households, both in absolute terms and in comparison to Alameda County as a whole, and whether Tri-City 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:

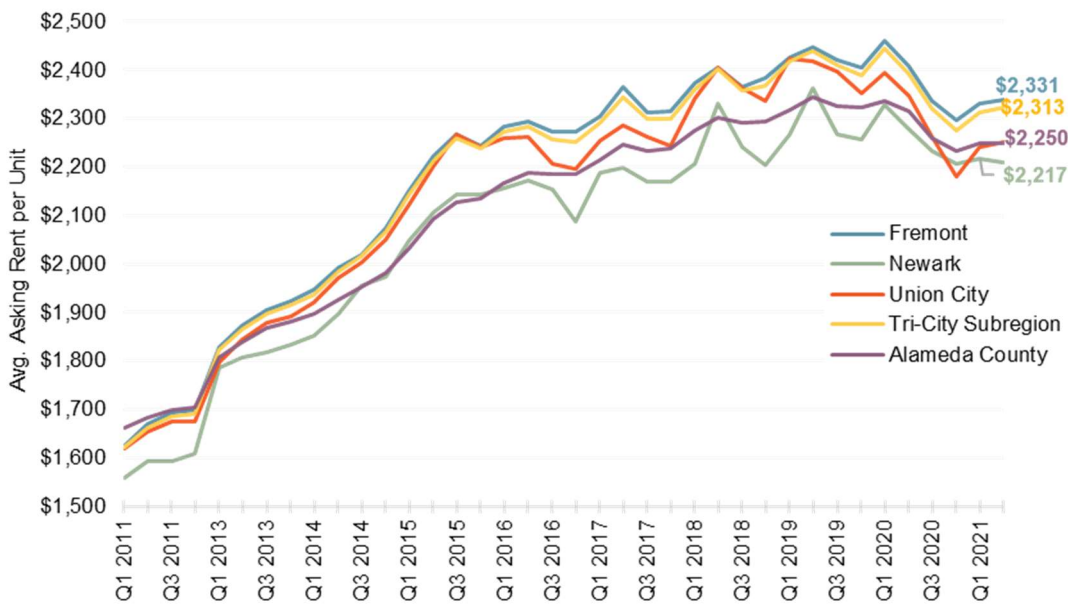
- Significant increases in residential rents and sale prices;
- Rents and sale prices that exceed the affordability threshold for lower-income households, generally defined as those earning 80 percent of AMI or less;
- Low residential vacancy rates;
- Decreases in the number of lower-income households over time;
- High rates of high housing cost burden among lower-income households;
- 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 Tri-City 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

Rapid increases in multifamily rents and low levels of new construction have contributed to displacement pressures for lower-income households in the Tri-City Subregion. Between the first quarter of 2010 and the first quarter of 2020, average monthly asking rents in the Tri-City Subregion increased by 55 percent, or \$868 per unit, in market-rate multifamily developments with five or more units. Over the same period, the countywide average monthly asking rent among these developments increased \$715 per unit, or 44 percent. As of the first quarter of 2021, average monthly asking rents were \$2,313 per unit in the Tri-City Subregion and \$2,248 per unit in Alameda County overall, slightly down from the first quarter of 2020. This recent decrease in rents is likely temporary, due to the effects of the COVID-19 pandemic. Rents in the Tri-City Subregion and the County have stabilized and increased slightly in recent months, potentially an indication that further rent decreases are unlikely and that rent increases will continue over the next several months.

Figure 5: Average Multifamily Asking Rents, Q1 2010-Q1 2021



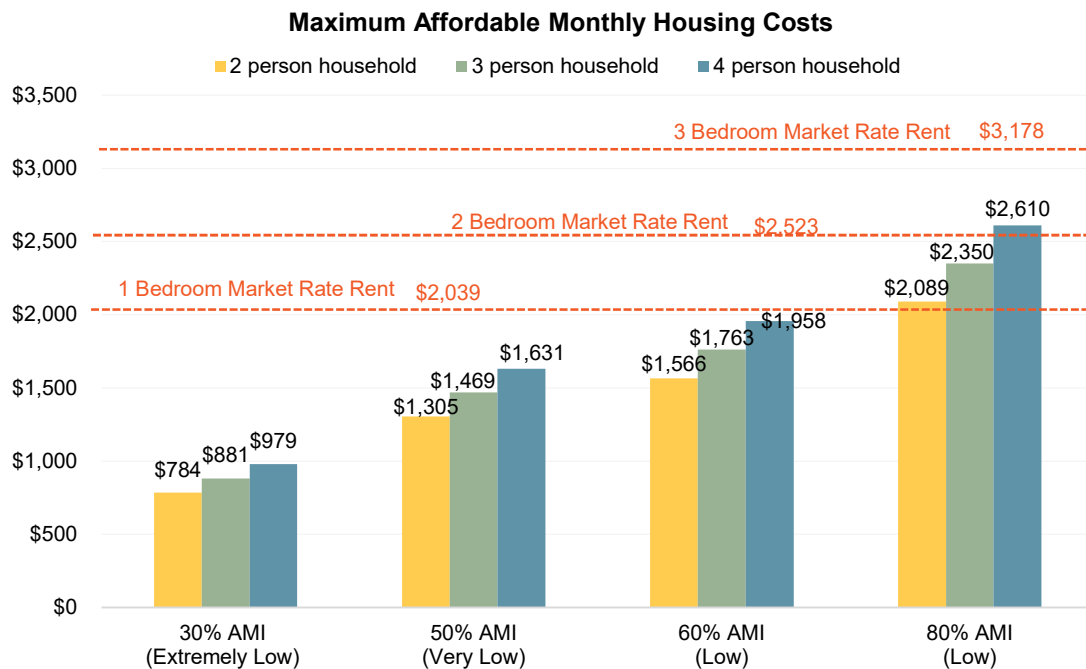
Summary, Q4 2020	City of Fremont	City of Newark	City of Union City	Tri-City Subregion	Alameda County
Asking Rents					
Avg. Asking Rent, Q1 2010	\$1,577	\$1,596	\$1,567	\$1,577	\$1,622
Avg. Asking Rent, Q1 2020	\$2,461	\$2,327	\$2,394	\$2,445	\$2,337
% Change	56.1%	45.8%	52.8%	55.0%	44.1%

Note: Data reflect units in market rate multifamily complexes with 5 or more units.
Sources: CoStar; BAE, 2021.

AFFORDABILITY OF MULTIFAMILY RENTAL MARKET

Lower-income renters in the Tri-City Subregion are unlikely to be able to afford market-rate rents in the Subregion and may face displacement risk due to recent or future rent increases. As shown in Figure 6, current market-rate multifamily rents in the Tri-City Subregion greatly exceed the affordability thresholds for households earning less than 60 percent of AMI. For a three-person household (the average renter household size in Tri-City), the difference between the maximum affordable rent for a household earning 60 percent of AMI and the current market-rate rent for a two-bedroom unit is \$855. For a four-person household at the same income level, the maximum affordable monthly rent is \$1,338 lower than the average market-rate three-bedroom rent (\$3,178). Based on current average market rents, a four-person household earning 60 percent of AMI would only be able to afford to rent a market-rate studio unit in the Tri-City Subregion. This gap between affordable rents and market-rate rents indicates that many lower-income renter households in the subregion are likely vulnerable to displacement due to high housing costs. While a similar trend exists countywide, the average rent in the Tri-City subregion is slightly higher than the Alameda County average (see Figure 5), creating a slightly larger gap between affordable rents and market-rate rents in the Subregion.

Figure 6: Affordability of Market-Rate Rental Housing in Tri-City Subregion



Notes:

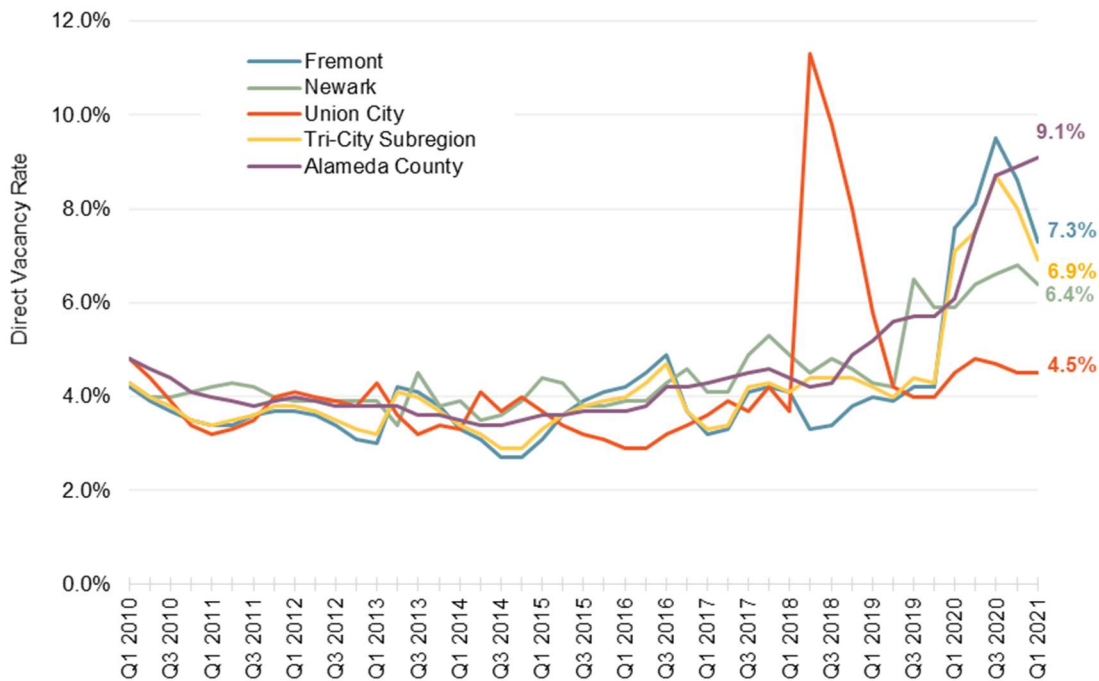
(a) Market rents reflect average asking rates in multifamily properties with 5+ units in the Tri-City Subregion as of Q1 2021. (b) Maximum affordable housing costs are defined as 30% of gross monthly household income, the maximum amount that a household can spend on housing expenses without being considered 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 throughout the Tri-City Subregion 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 rental vacancy rate generally averaged less than five percent in the three cities and the Tri-City Subregion overall, with the exception of a few quarters directly following the construction of new units that were in the lease-up phase. Although multifamily rental vacancy rates in 2020 and the beginning of 2021 have been uncharacteristically high due to the impact of the COVID-19 pandemic, recent data show a downward trend in Fremont, Union City, Newark, and the Tri-City Subregion overall. As of the first quarter of 2021, the multifamily rental vacancy rate in the Subregion (6.9 percent) was substantially lower than the overall multifamily rental vacancy rate in Alameda County (9.1 percent) and was exhibiting a sharp downward trend, while the vacancy rate countywide was continuing to increase. In Union City, the multifamily rental vacancy rate had fallen below five percent by the first quarter of 2021, which is typically considered a threshold that indicates a shortage of rental housing supply.

Figure 7: Multifamily Rental Vacancy Rate, Q1 2010-Q3 2020

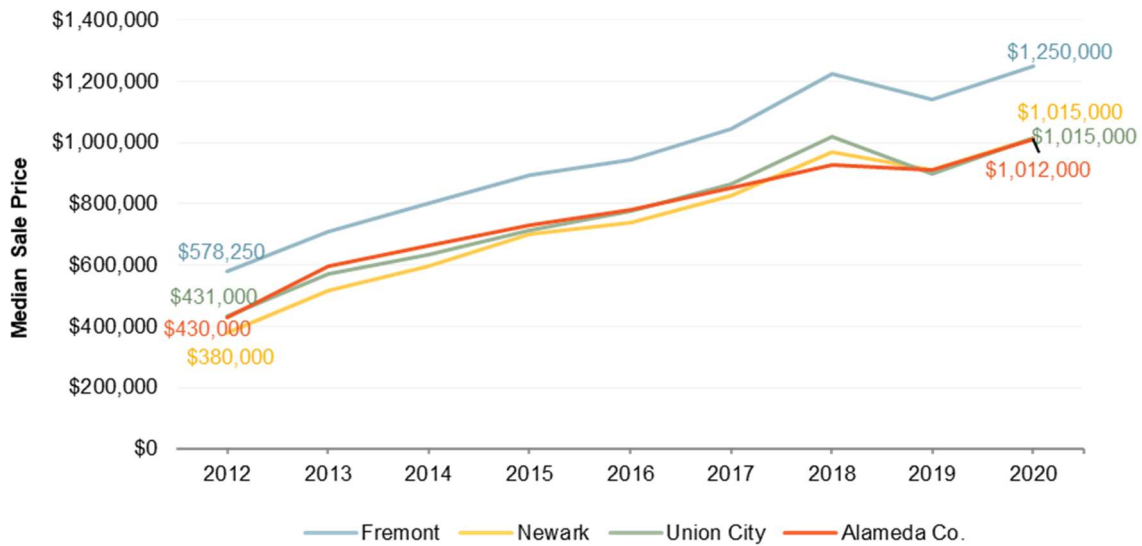


Note: Data reflect units in market rate multifamily complexes with 5 or more units.
Sources: CoStar; BAE, 2021.

HOME SALE PRICE TRENDS

Growth in home sale prices has considerably outpaced growth in household incomes since the Great Recession, making homeownership increasingly unobtainable for many lower-income households. Since 2012, the median single family home price in Alameda County has increased by \$582,000, or 135 percent. During the same period, the median income in Alameda County increased by just 27 percent. Single family home sale price trends in Newark and Union City have roughly tracked overall trends in the County, while home sale prices in Fremont have been consistently higher than sale prices in Alameda County overall. As of 2020, the median sale price for single family homes in Fremont was \$1.25 million. In Newark, Union City, and Alameda County, the median sale price for single family homes was just over \$1.0 million.

Figure 8: Median Single-Family Home Sale Prices, 2012-2020

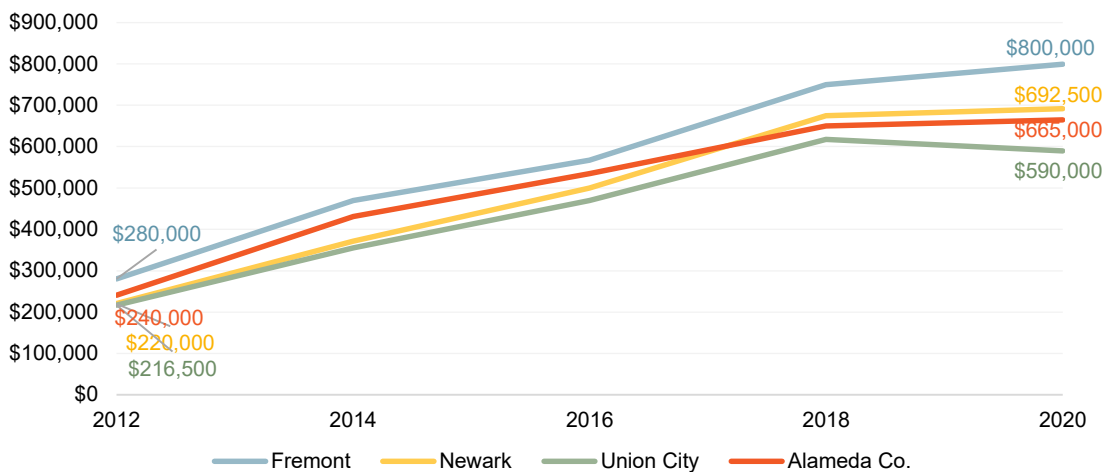


	Median Sale Price - Single Family Homes					Change 2012-2020	
	2012	2014	2016	2018	2020	\$	%
Fremont	\$578,250	\$800,000	\$945,000	\$1,225,000	\$1,250,000	\$671,750	116%
Newark	\$380,000	\$596,000	\$740,000	\$970,000	\$1,015,000	\$635,000	167%
Union City	\$431,000	\$635,000	\$775,000	\$1,020,000	\$1,015,000	\$584,000	135%
Alameda Co.	\$430,000	\$665,000	\$780,000	\$929,000	\$1,012,000	\$582,000	135%
Alameda Co. AMI 4 person HH	\$93,500	\$93,500	\$93,600	\$104,400	\$119,200	\$25,700	27%

Sources: 2020 rereport.com; BAE, 2021.

Sale prices for condominiums and townhomes, which have historically provided more affordable ownership options, have also increased significantly over the past decade, bringing homeownership further out of reach for many lower-income households. In 2020, the median sale price for condominiums and townhomes in Alameda County was \$665,000, an increase of 177 percent from the median sale price in 2012. In the Tri-City Subregion, median sale prices for condominiums and townhomes grew by 173 percent in Union City, 186 percent in Fremont, and 215 percent in Newark between 2012 and 2020. As noted above, the median income in Alameda County increased by just 27 percent over the same period. The considerable mismatch between increases in income and increases in home sale prices has pushed homeownership further out of reach for many households during this time period. As of 2020, the median sale price for condominiums and townhomes in Fremont (\$800,000) was twenty percent higher than the countywide median, while the median in Newark (\$692,500) exceeded the countywide median by roughly four percent. The median sale price in Union City (\$590,000) exceeded the countywide median by roughly four percent. The median sale price in Union City (\$590,000) was relatively more affordable, although this sale price would still be considered unaffordable to the vast majority of lower-income households with incomes below 80 percent of AMI.

Figure 9: Growth in Median Condominium and Townhome Sale Prices, 2011-2020



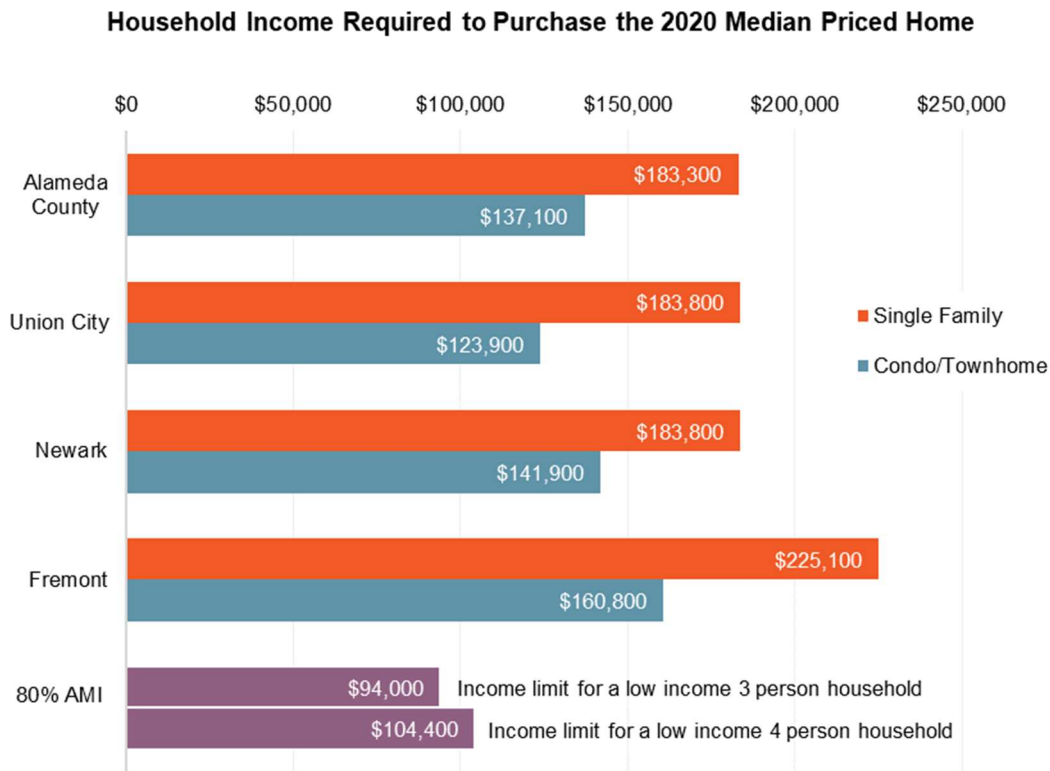
	Median Sale Price - Condos/Townhomes					Change 2012-2020	
	2012	2014	2016	2018	2020	\$	%
Fremont	\$280,000	\$470,000	\$567,000	\$750,000	\$800,000	\$520,000	186%
Newark	\$220,000	\$371,000	\$500,000	\$675,000	\$692,500	\$472,500	215%
Union City	\$216,500	\$355,000	\$470,000	\$617,500	\$590,000	\$373,500	173%
Alameda Co.	\$240,000	\$431,000	\$535,000	\$650,000	\$665,000	\$425,000	177%
Alameda Co. AMI, 4 person HH	\$93,500	\$93,500	\$93,600	\$104,400	\$119,200	\$25,700	27%

Sources: 2020 rereport.com; BAE, 2021.

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 the Tri-City Subregion and are therefore unable to benefit from the relative stability and protection from displacement that homeownership provides. 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. As of 2020, the median single family home sale price was just over \$1.0 million in Alameda County. As shown below, an annual household income of \$183,300 or more would be needed to comfortably afford a single-family home at this sale price. The median priced single family home in Fremont, at \$1.25 million, would be unaffordable to households earning less than \$225,100. Even in the relatively more affordable City of Union City, a household would need to earn at least \$123,900 to afford the median priced condominium or townhome. Due to the unaffordability of for-sale housing in the Tri-City Subregion, most low- and moderate-income renters are unlikely to be able to buy their first home and therefore must continue renting, foregoing the relative stability that homeownership can provide, or leave the community to purchase a home.

Figure 10: Minimum Qualifying Income Required to Purchase Median Sales Priced Home in 2020



Sources: rereport.com; California Department of Housing and Community Development, 2020; Freddie Mac, 2020; California Department of Insurance; San Mateo County Controller's Office, 2019-2020; BAE, 2021.

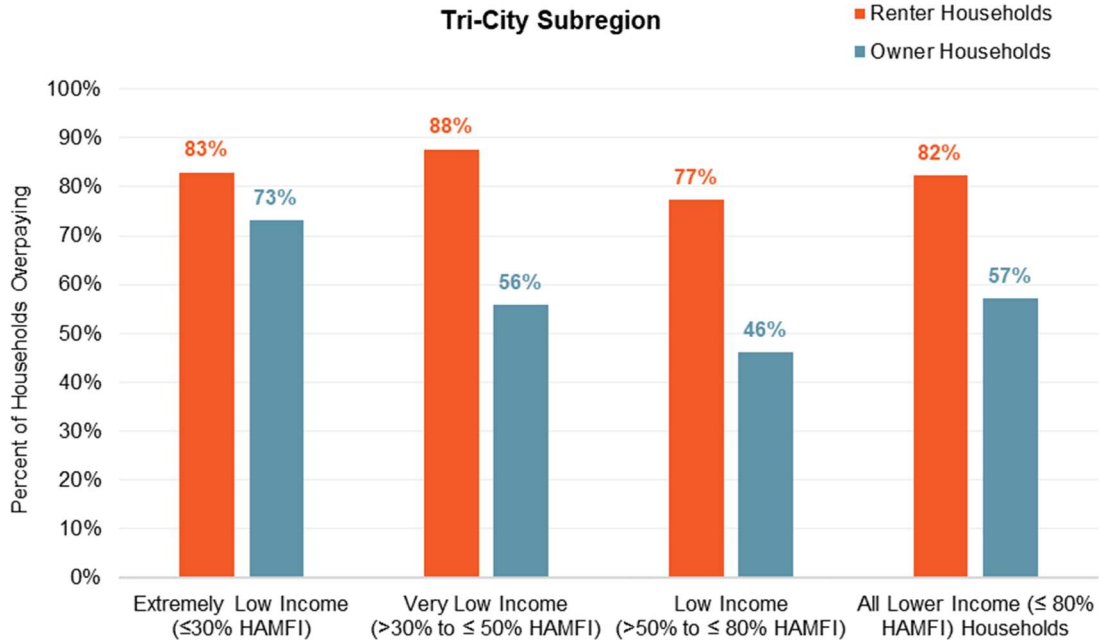
HOUSING COST BURDEN

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.

Most existing lower-income households in the Tri-City Subregion already spend more than 30 percent of their gross incomes on housing costs, making them extremely vulnerable to displacement from any future rent increases. In general, renters tend to experience more serious and widespread housing cost burden than owners. Of the 14,445 lower income renter households (those with incomes below 80 percent of the HAMFI) in the Tri-City Subregion, 11,880 (82 percent) are rent burdened, paying more than 30 percent of their incomes on rent. Households in Fremont face the most severe housing affordability challenges, with approximately 85 percent of lower-income renter households spending more than 30 percent of their incomes on rent. Compared to the Tri-City Subregion overall, a lower share of the lower-income renter households in Union City are rent-burdened (75 percent). However, Union City stands out for its relatively high share of lower income owner households that are cost burdened (60 percent).

Figure 11: Housing Cost Burdened Lower Income Households in the Tri-City Subregion, 2013-2017



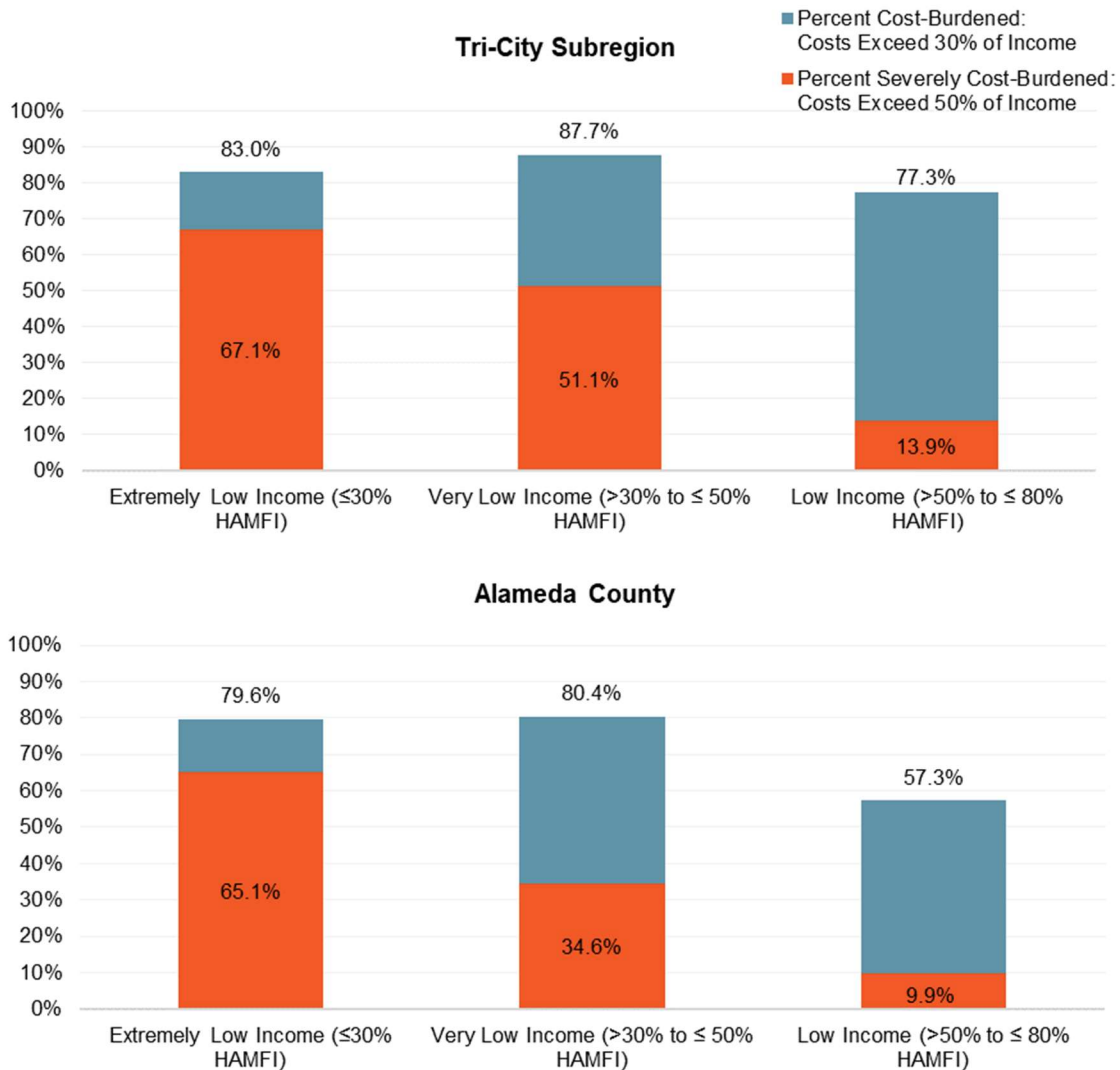
	Tri-City Subregion			
	Fremont	Newark	Union City	Total
Total Lower Income Households	17,615	4,200	7,200	29,015
Number of Lower Income Households Overpaying	12,670	2,715	4,820	20,205
Percent of All Lower Income Households Overpaying	72%	65%	67%	70%
Lower Income Renter Households	9,010	1,930	3,505	14,445
Number of Lower Income Renter Households Overpaying	7,650	1,610	2,620	11,880
Percent of All Lower Income Renter Households Overpaying	85%	83%	75%	82%
Lower Income Owner Households	8,605	2,270	3,695	14,570
Number of Lower Income Owner Households Overpaying	5,020	1,105	2,200	8,325
Percent of All Lower Income Owner Households Overpaying	58%	49%	60%	57%

Note: A household is considered to be overpaying (or cost burdened) if it spends more than 30 percent of its gross income on housing.

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

Lower-income renters in the Tri-City Subregion are more likely to be cost-burdened than lower income renters in Alameda County overall. Approximately 82 percent of lower income renter households (those with incomes below 80 percent of the HAMFI) in the Tri-City Subregion are housing cost burdened, with 43 percent facing severe cost burdens and spending more than 50 percent of their incomes on rent. Countywide, 77 percent of lower income renter households are housing cost burdened, with 42 percent spending more than 50 percent of their gross incomes on rent.

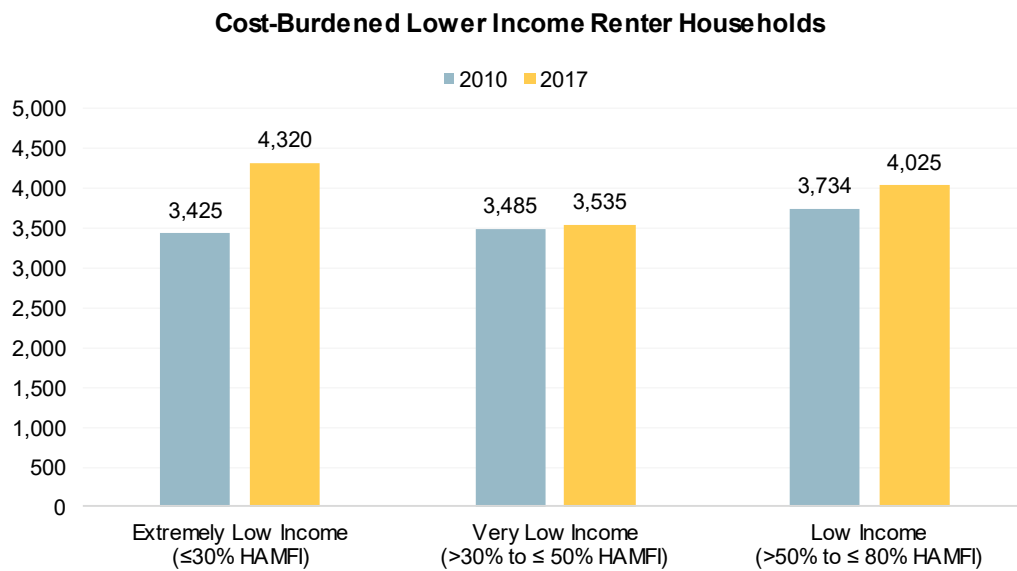
Figure 12: Cost-Burdened Lower Income Renter Households, Tri-City Subregion and Alameda County, 2013-2017



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

There has been a notable increase in the number of cost-burdened lower income renter households in the Tri-City Subregion since 2010. Between 2010 and 2017, the number of cost-burdened lower-income renter households in the Tri-City Subregion increased by 1,236 households, or 12 percent. Countywide, the number of cost-burdened lower income renter households increased by five percent, or 5,465 households, during the same period. As shown in Figure 13, the City of Newark experienced rapid growth in cost-burdened lower-income renters, with the total number of cost-burdened lower income renter households increasing by 34 percent (410 households) during this period.

Figure 13: Growth in Cost-Burdened Lower Income Renter Households, Tri-City Subregion, 2010-2017



	Cost-Burdened Lower Income Renter Households			
	2010	2017	Net Change	% Change
Tri-City Subregion	10,644	11,880	1,236	12%
Fremont	6,915	7,650	735	11%
Newark	1,200	1,610	410	34%
Union City	2,529	2,620	91	4%
Alameda County	102,280	107,745	5,465	5%

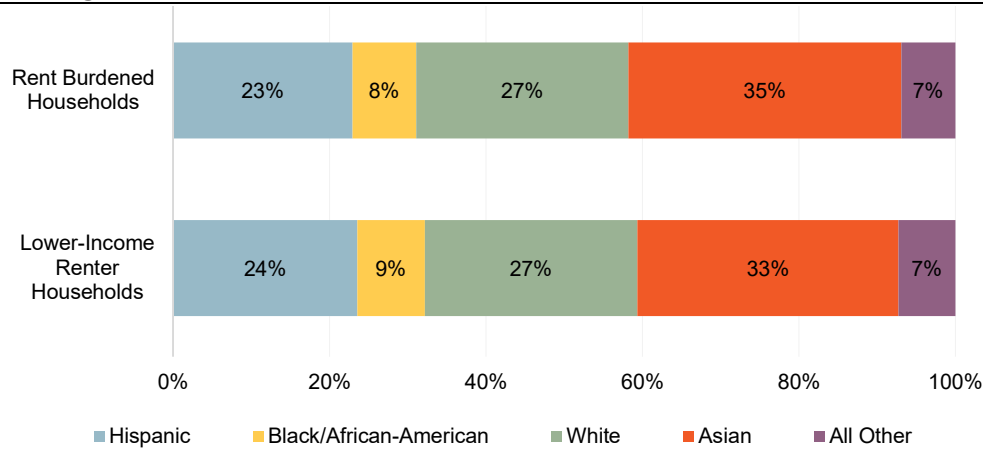
Note: A household is considered cost burdened if it spends more than 30 percent of its gross income on housing. Lower income households are defined as those earning less than or equal to 80 percent of the HAMFI.

Sources: U.S. Department of Housing and Urban Development, 2006-2010 & 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2021.

COST BURDEN BY RACE AND ETHNICITY

Among Tri-City households that would be eligible for units financed through Measure A1 funds, there is likely little to no difference between racial and ethnic groups in the prevalence of high housing cost burden and the associated risk of displacement. Figure 14 shows the racial and ethnic distribution of Tri-City renter households with a high housing cost burden as well as the distribution of lower-income renter households by race and ethnicity. As shown, the racial and ethnic distribution of renter households with a high housing cost burden essentially mirrors the distribution of lower-income renter households by race and ethnicity. While the data on rent-burdened households below are for all rent-burdened households rather than lower-income rent-burdened households specifically, the households captured in these data are mostly lower-income households, which comprise 76 percent of all rent-burdened households in the Subregion. These data suggest that the demographics of households with a high housing cost burden are similar to the demographics of lower-income renter households. Figure 12 above further supports this finding by demonstrating that almost all lower-income renters in the Tri-City Subregion have a housing cost burden higher than 30 percent, leaving little room for variation between groups.

Figure 14: Racial and Ethnic Composition of Rent Burdened Households, Tri-City Subregion, 2013-2017

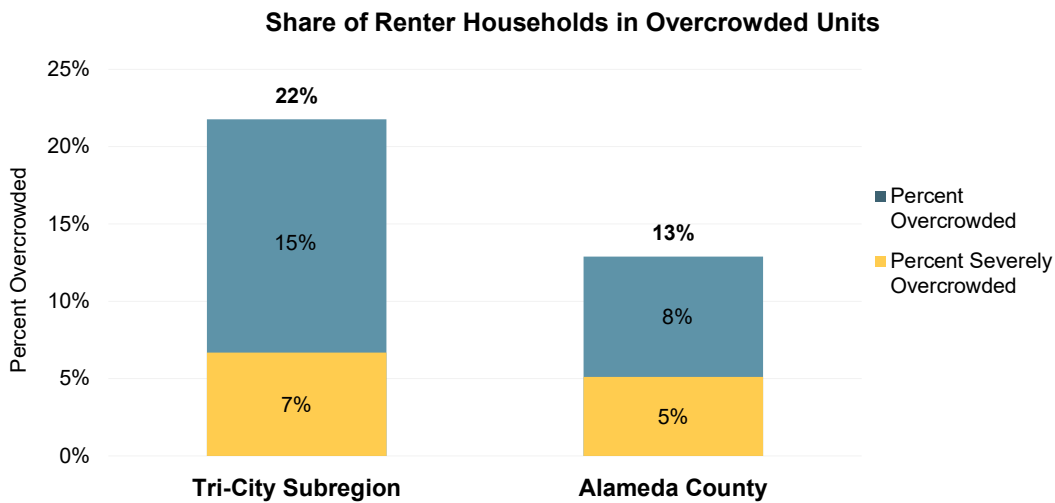


Sources: U.S. Department of Housing and Urban Development, 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2021.

OVERCROWDING

Renter households in the Tri-City Subregion experience extremely high levels of overcrowding, an indication that renter households in the Tri-City Subregion 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 Figure 15, approximately 22 percent of the renter-occupied units in the Tri-City Subregion are considered overcrowded, compared to approximately 13 percent countywide. The overcrowding rate in Newark (27 percent) is more than double the rate in the County and well above the rate in the Tri-City Subregion as a whole.

Figure 15: Renter Household Overcrowding, 2015-2019



	Tri-City Subregion				Alameda County
	Fremont	Newark	Union City	Total	
Total Renter-Occupied Units	29,775	4,378	7,571	41,724	268,286
Number Overcrowded	6,288	1,178	1,618	9,084	34,587
Percent Overcrowded	21%	27%	21%	22%	13%
Number Severely Overcrowded	1,822	405	560	2,787	13,737
Percent Severely Overcrowded	6%	9%	7%	7%	5%

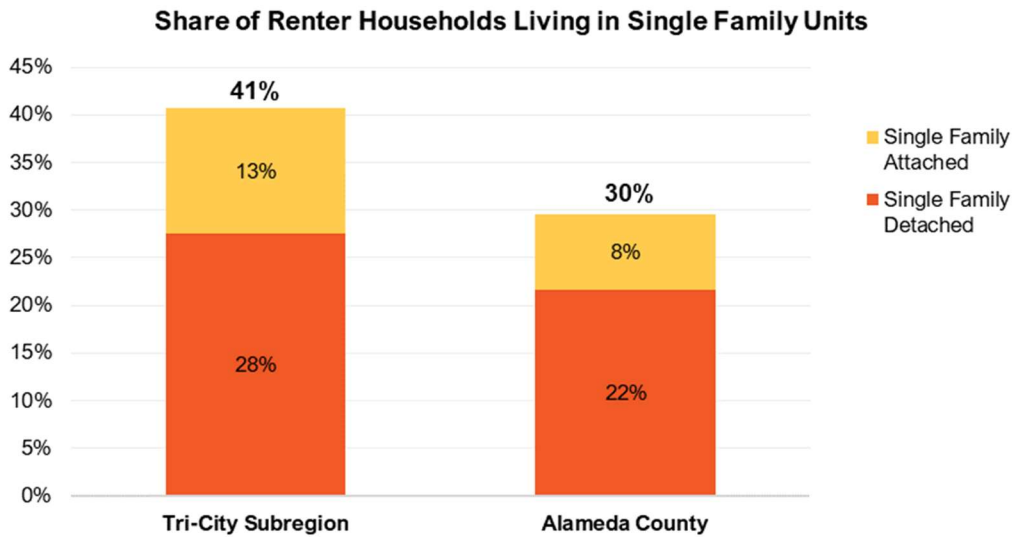
Note: The U.S. Census defines an overcrowded unit as one occupied by more than 1 person per room. A severely overcrowded unit is one occupied by more than 1.5 persons per room.

Sources: U.S. Census Bureau, American Community Survey, 2015-2019 five-year sample data; BAE, 2021.

RENTER HOUSEHOLDS IN SINGLE FAMILY UNITS

Forty-one percent of the Tri-City Subregion’s renter households live in single-family units, which can indicate an increased displacement risk in strong housing markets such as the Tri-City Subregion. Single family units tend to be larger than multifamily units and likely fill an important role in housing the Tri-City Subregion’s larger renter households. 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 an owner decides to sell the home while sale prices are high. In Newark, single family rentals make up more than half of the rental housing stock. The average renter household size in Newark is also notably high, at 3.62 persons per household.

Figure 16: Renter Households in Single Family Units, 2015-2019



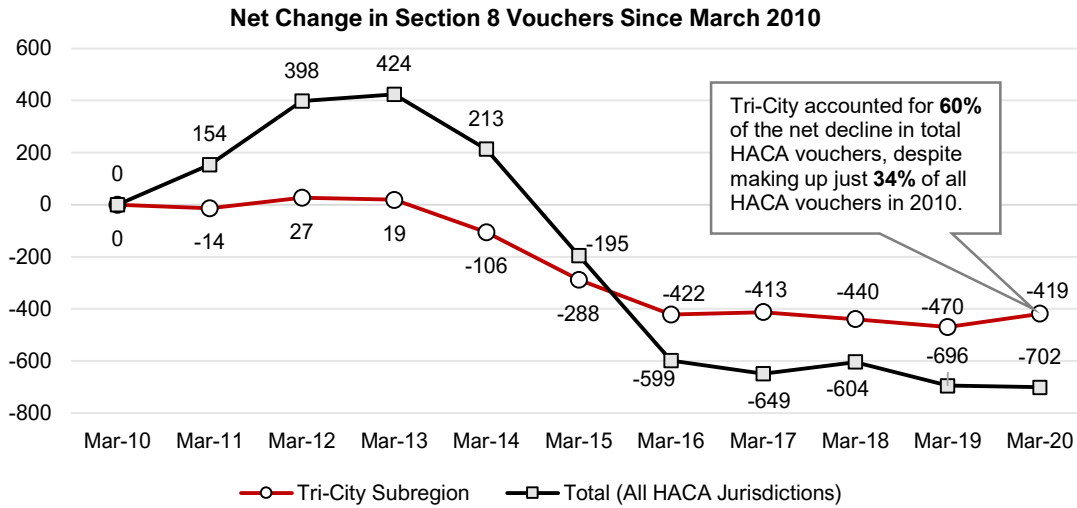
	Tri-City Subregion			Total	Alameda County
	Fremont	Newark	Union City		
Total Renter Households	29,775	4,378	7,571	41,724	268,286
Number of Renter HHs in SF Units	11,441	2,234	3,284	16,959	79,361
Percent of Renter HHs in SF Units	38%	51%	43%	41%	30%
Average Renter Household Size	3.03	3.62	3.37	3.15	2.67

Sources: Sources: U.S. Census Bureau, American Community Survey, 2015-2019 five-year sample data; BAE, 2021.

HOUSING CHOICE VOUCHER USAGE

The number of households with housing choice vouchers living in the Tri-City Subregion has dwindled since 2010 and high market rate rents combined with a limited supply of voucher-eligible units make voucher recipients in the Tri-City Subregion especially vulnerable to displacement from future rent increases. As of March 2020, there were 2,024 voucher recipients living in the Tri-City Subregion, a decline of 17 percent from the 2,443 recipients living in the Tri-City Subregion in March 2010. Voucher recipients, particularly those with disabilities, have an extremely difficult time finding appropriate housing in markets such as the Tri-City Subregion where average market rents are higher than the HUD FMR used to determine maximum Section 8 rents. As of the first quarter of 2021, monthly market-rate rents in the Tri-City Subregion averaged \$1,751 for a studio, \$2,039 for a one-bedroom unit, \$2,523 for a two-bedroom unit, and \$3,178 for a three-bedroom unit. Meanwhile, the FMR for Alameda County was \$1,595 for a studio, \$1,934 for a one-bedroom unit, \$2,383 for a two-bedroom unit, and \$3,196 for a three-bedroom unit, meaning that only three-bedroom units had average market-rate rents that were consistent with the FMR. The escalation in market rents above the HUD FMR has led some landlords to cease accepting vouchers, resulting in a dwindling inventory of voucher eligible units in the Tri-City Subregion. The Tri-City Subregion accounts for a disproportionate share of the total decline in voucher recipients in the Housing Authority of the County of Alameda's (HACA) jurisdiction since 2010. While the Tri-City Subregion was home to approximately 34 percent of all voucher holders in HACA's jurisdiction in 2010, the decrease of 419 voucher recipients living in the Subregion accounts for 60 percent of the total decline in voucher recipients throughout HACA's jurisdiction (see Figure 17).

Figure 17: Housing Authority of the County of Alameda (HACA) Housing Choice Vouchers, March 2010-March 2020



Total Housing Choice Vouchers

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Tri-City Total	2,443	2,429	2,470	2,462	2,337	2,155	2,021	2,030	2,003	1,973	2,024
HACA Total	7,139	7,293	7,537	7,563	7,352	6,944	6,540	6,490	6,535	6,443	6,437
Tri-City % of HACA Total	34%	33%	33%	33%	32%	31%	31%	31%	31%	31%	31%

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

CHANGE IN LOWER-INCOME HOUSEHOLDS

Since 2010, the Tri-City Subregion has experienced significant shifts in lower-income households, suggesting that lower-income households have been displaced due to high housing costs. As shown in Table 1 below, the Tri-City Subregion experienced a small net increase of 260 lower-income households (those with incomes below 80 percent of the HAMFI) between 2010 and 2017. This change amounted to a 0.9-percent net increase in the Subregion's lower-income population. In contrast, the number of lower-income households in Alameda County overall increased by 7,100 households, or 3.4 percent. Table 2 shows a similar trend among renter households, though with a more pronounced difference between the Subregion (0.7 percent increase in lower-income renter households) and the County (4.1 percent increase in lower-income renter households). This suggests that lower-income households have experienced more difficulty finding housing in the Tri-City Subregion than in Alameda County overall.

Despite the slight increase in lower-income households, the data in Table 1 and Table 2, as well as data presented elsewhere in this report, indicate that some lower-income households were displaced during this period, though the net impact of this displacement was counteracted by simultaneous demographic shifts that resulted in a slight net increase in lower-income households. The Tri-City subregion experienced a 17-percent increase in extremely low-income households (those with incomes less than or equal to 30 percent of HAMFI), while the number of very low-income households (those with incomes between 30 percent and 50 percent of HAMFI) increased only slightly and the number of low-income households (those with incomes between 50 percent and 80 percent of HAMFI) decreased by 11 percent. Trends were similar among Tri-City renter households. Without data that track individual households over time, it is not possible to quantify the extent to which each of these changes by income group reflect displacement, changes in households' incomes, or new households moving into the Subregion. For example, the Subregion could hypothetically have experienced displacement of 200 lower-income households over the same period that 50 moderate-income households became low-income households due to a decrease in income and 175 lower-income households moved into the Subregion. In this case, the data would show a net increase of 25 lower-income households (50 changing from moderate to low + 175 new moving in - 200 displaced), despite that 200 households were displaced during this period. The available data do not provide enough information to fully understand the nuances of the demographic change that occurred during this period. However, the trends shown in Table 1 suggest that at least some of the changes in the Tri-City's lower-income population have been due to displacement, particularly when coupled with the data shown Figure 18 below, which demonstrates that the racial and ethnic composition of lower-income households in the Tri-City Subregion also changed during this period. While similar trends occurred countywide, the more significant overall growth in lower-income households countywide indicate that lower-income households in the Tri-City subregion have generally experienced displacement at a greater rate than lower-income households in Alameda County overall.

Table 1: Households by HUD Area Median Family Income (HAMFI) Level, 2010-2017

Household Income Level (a)	2010	2017	2010-2017 Change	
			Number	Percent
Tri-City Subregion				
Extremely Low Income ($\leq 30\%$ HAMFI)	8,125	9,510	1,385	17.0%
Very Low Income ($>30\%$ to $\leq 50\%$ HAMFI)	8,420	8,650	230	2.7%
Low Income ($>50\%$ to $\leq 80\%$ HAMFI)	12,210	10,855	-1,355	-11.1%
Moderate Income ($>80\%$ to $\leq 120\%$ HAMFI)	18,250	20,105	1,855	10.2%
High Income ($>120\%$ HAMFI)	54,610	59,000	4,390	8.0%
Total Households (b)	101,625	108,115	6,490	6.4%
Less Than or Equal to 80% HAMFI (a)	28,755	29,015	260	0.9%
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, 2021.

Table 2: Renter Households by HUD Area Median Family Income (HAMFI) Level, 2010-2017

Household Income Level (a)	2010	2017	2010-2017 Change	
			Number	Percent
Tri-City Subregion				
Extremely Low Income (≤30% HAMFI)	4,620	5,205	585	12.7%
Very Low Income (>30% to ≤ 50% HAMFI)	4,035	4,030	-5	-0.1%
Low Income (>50% to ≤ 80% HAMFI)	5,695	5,210	-485	-8.5%
Moderate Income (>80% to ≤ 120% HAMFI)	7,005	8,775	1,770	25.3%
High Income (>120% HAMFI)	<u>11,915</u>	<u>15,870</u>	<u>3,955</u>	<u>33.2%</u>
Total Households (b)	33,280	39,085	5,805	17.4%
Less Than or Equal to 80% HAMFI (a)	14,350	14,445	95	0.7%
Alameda County				
Extremely Low Income (≤30% HAMFI)	60,905	67,065	6,160	10.1%
Very Low Income (>30% to ≤ 50% HAMFI)	36,640	40,385	3,745	10.2%
Low Income (>50% to ≤ 80% HAMFI)	42,385	38,270	-4,115	-9.7%
Moderate Income (>80% to ≤ 120% HAMFI)	43,730	49,170	5,440	12.4%
High Income (>120% HAMFI)	<u>55,080</u>	<u>72,525</u>	<u>17,445</u>	<u>31.7%</u>
Total 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).

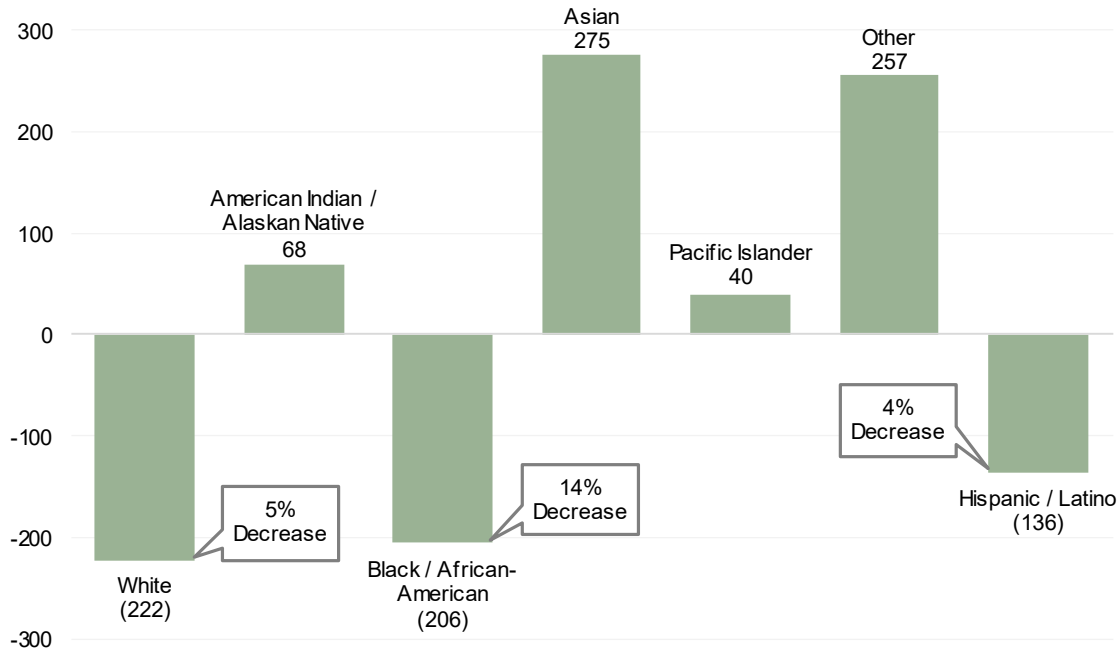
(b) Totals do not equal the sum of individual figures due to independent rounding.

Sources: U.S. Department of Housing and Urban Development, 2006-2010 & 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2021.

CHANGE IN LOWER-INCOME RENTER HOUSEHOLDS BY RACE AND ETHNICITY

Recent changes in the Tri-City Subregion’s lower-income renter households have had disproportionate impacts on White, Black and African American, and Hispanic and Latino populations. Between 2010 and 2017, the number of lower-income renter households in the Tri-City Subregion increased slightly, by less than one percent overall. Meanwhile the number of lower-income White, Black and African American, and Hispanic and Latino renter households decreased by 5 percent, 14 percent, and 4 percent, respectively. For all other racial and ethnic groups, the number of lower-income renter households increased. These data further underscore that recent changes in the Tri-City’s lower-income population, as shown in Table 1 and Table 2 above, are likely due at least in part to some households moving out due to displacement, despite a minimal change in the number of lower-income households in the Subregion.

Figure 18: Change in Lower-Income Renter Households by Race and Ethnicity, 2010-2017



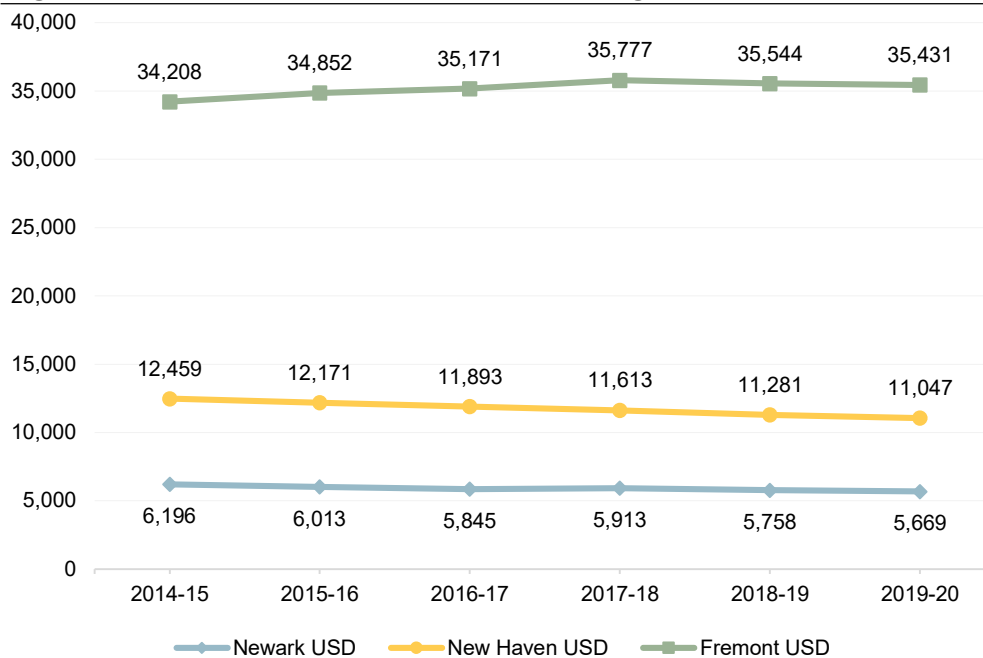
Note: Data shown reflect the difference between ACS data collected during the 2006-2010 period and ACS data collected during the 2013-2017 period.

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

SCHOOL DISTRICT ENROLLMENT TRENDS

All three school districts in the Tri-City Subregion have experienced declines in student enrollment in recent years, indicating that families with children have been moving out of the Tri-City area. Between the 2014-15 and 2019-20 school years, student enrollment in the New Haven Unified School District declined by 11 percent and enrollment in the Newark Unified School District declined by nine percent. The Fremont Unified School District (FUSD) experienced an overall increase in enrollment between the 2014-15 and 2017-18 school years but has experienced declines in student enrollment following the 2017-18 school year. Meanwhile, enrollment in public school districts in the remainder of Alameda County increased slightly between the 2014-15 and 2017-18 school years and remained essentially flat between the 2017-18 and 2019-20 school years, indicating that the decreases in enrollment in the Tri-City Subregion school districts differ from the overall trend elsewhere in the County. An analysis performed in 2018 by the New Haven Unified School District stated that declines in student enrollment are likely related to the cost of housing.² Like the New Haven Unified School District, FUSD has associated the recent declines in student enrollment with increases in home prices and rents. FUSD has noted large and unexpected declines in student enrollment at elementary schools, suggesting that younger families are being disproportionately affected.³

Figure 19: Student Enrollment, 2014-15 through 2019-20



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

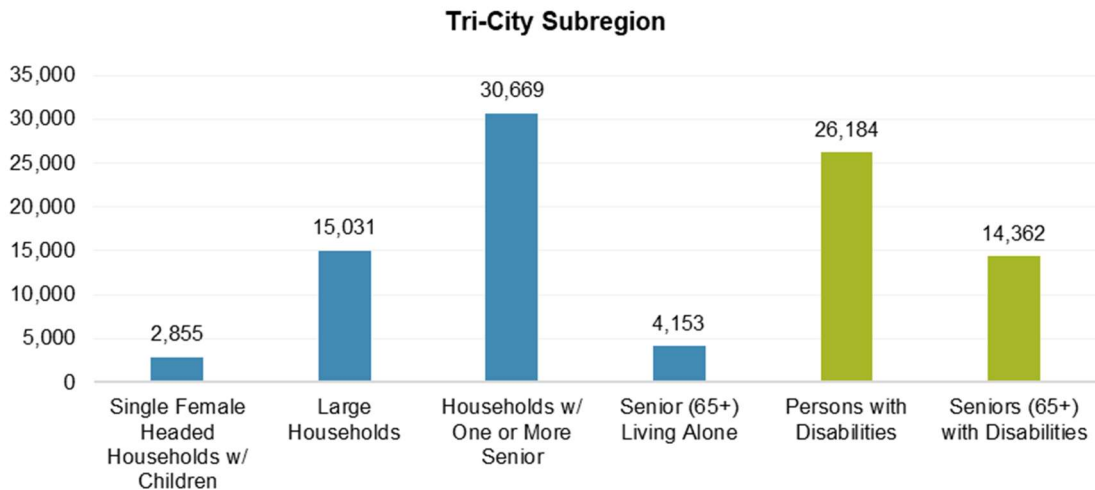
² New Haven Unified School District 2018 Student Entry and Exit Analysis.

³ 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

The Tri-City Subregion is home to thousands of special needs households and individuals, including a significant number of seniors, large families, single female headed households with children, and persons with disabilities, which are more likely to have affordable housing needs and may face considerable hardship if displaced. As of 2019, the Tri-City Subregion had approximately 30,670 senior households, 15,030 large households, and 2,855 single-parent female headed households. More than 26,180 Tri-City residents have at least one disability, including 14,360 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 households 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, Tri-City Subregion



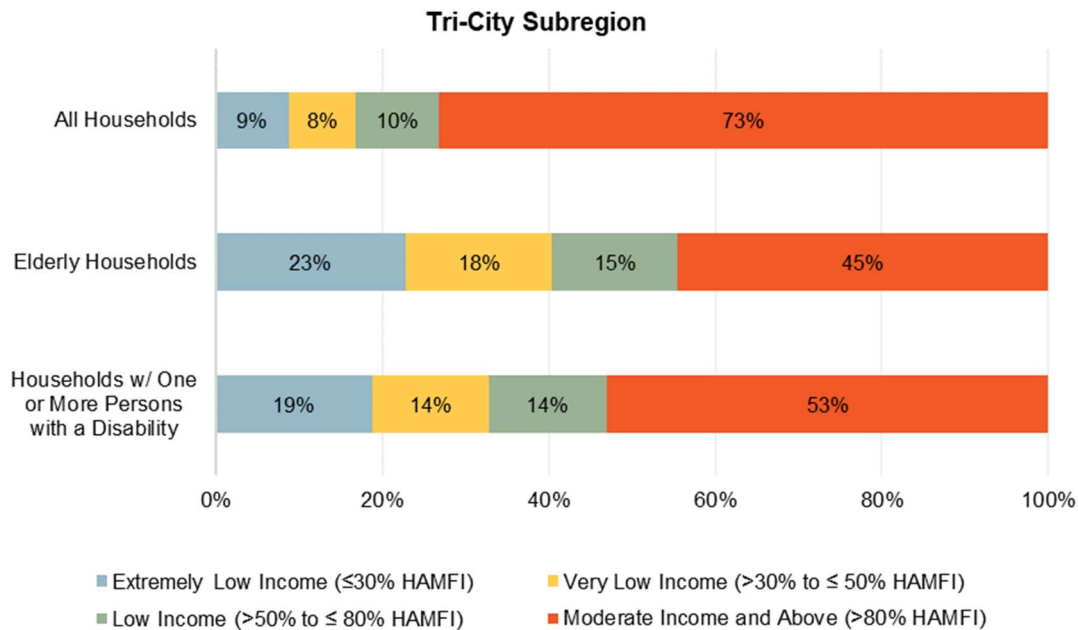
Special Needs Groups	Tri-City Subregion			
	Fremont	Newark	Union City	Total
Single Female Headed Households	1,675	414	766	2,855
Large Households	8,398	2,621	4,012	15,031
Households w / One or More Senior	19,215	4,054	7,400	30,669
Senior (65+) Living Alone	2,864	445	844	4,153
Persons w ith Disabilities	16,509	3,561	6,114	26,184
Seniors (65+) w ith Disabilities	9,082	1,823	3,457	14,362

Sources: U.S. Census Bureau, American Community Survey, 2015-2019 five-year sample data; BAE, 2021.

DISPLACEMENT RISK FOR SPECIAL NEEDS HOUSEHOLDS

Special needs households in the Tri-City Subregion 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 elderly households (defined by HUD as households with one or two persons, with either person 62 years of age or over) and the households that include at least one person with a disability in the Tri-City Subregion. As shown, elderly households and households that include at least one person with a disability are significantly more likely to have lower incomes, 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 single parent female-headed households, ACS data collected between 2015 and 2019 indicate that 9.5 percent of female-headed family households in the Tri-City Subregion have incomes below the poverty level, compared to just 2.8 percent of all family households in the Tri-City Subregion. To the extent that lower-income 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.

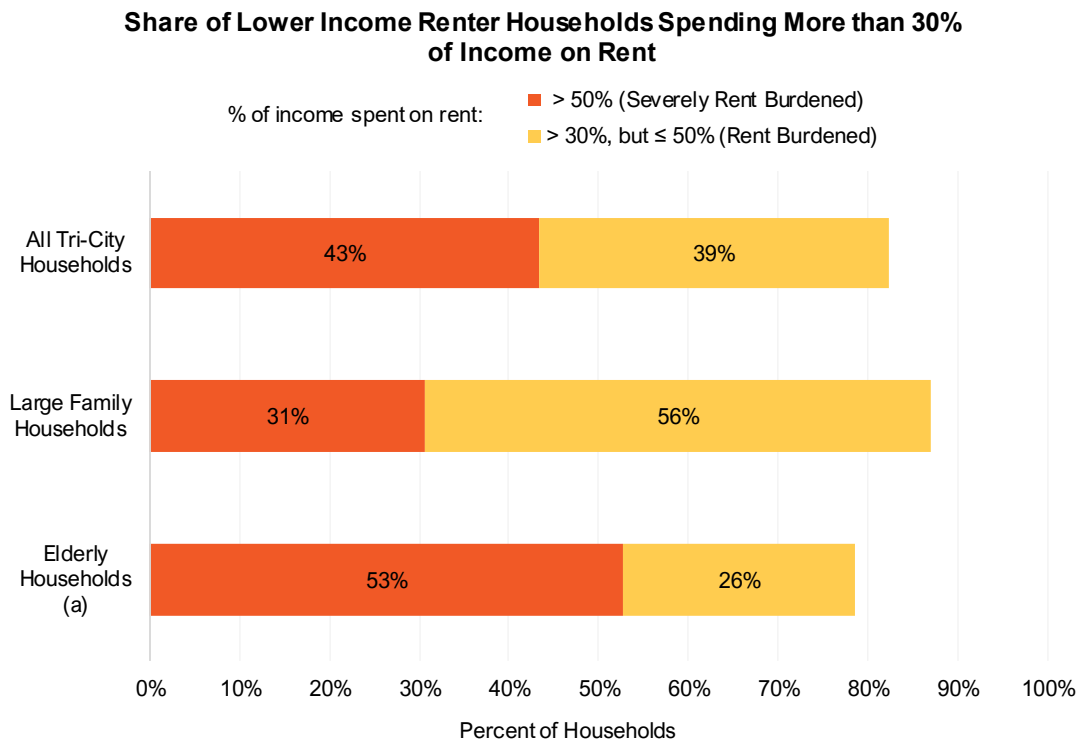
Figure 21: Income Distribution by Household Type, Tri-City Subregion, 2013-2017



Note: 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 the Tri-City Subregion, 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 (less than 80 percent of the HAMFI) renter households, lower-income elderly households, and lower-income large family households in the Tri-City Subregion. As shown, among all Tri-City lower-income renter households, approximately 82 percent spend more than 30 percent of their income on rent, with 43 percent paying more than 50 percent of their income on rent. Large family lower-income households are much more likely to spend more than 30 percent of their incomes on rent than lower-income renter households in the Tri-City Subregion overall. In addition, approximately 53 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 (43 percent). These figures indicate that at least some of these special needs populations that rent their homes are struggling to afford housing and are at a greater risk of displacement than lower-income renters in the Tri-City Subregion overall.

Figure 22: Housing Cost Burden Among Lower-Income Renters Households, Tri-City Subregion, 2013-2017

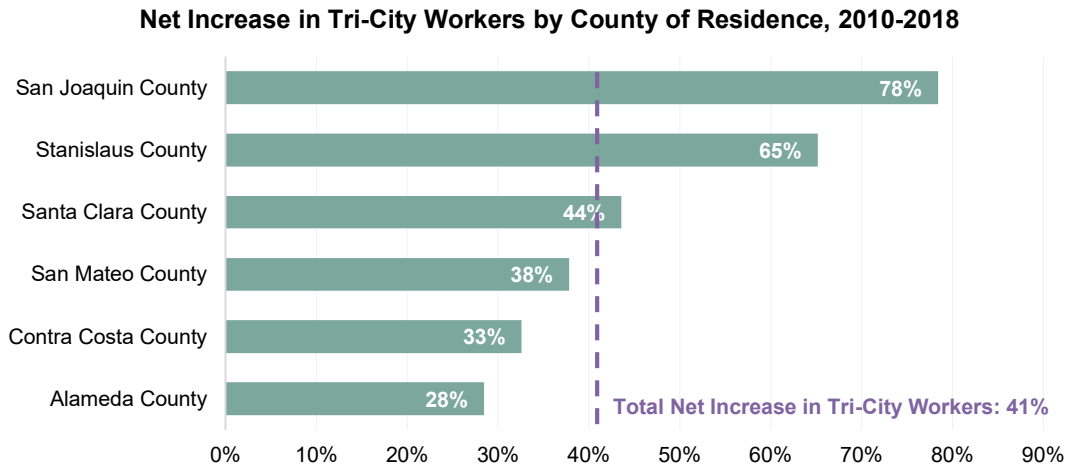


Note: Lower income households are defined as those earning less than 80 percent of the HAMFI.
 (a) HUD defines an elderly household as a household with one or two persons, with either person 62 years or over.
 Sources: U.S. Department of Housing and Urban Development, 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2021.

COMMUTE TRENDS

Worker commute flows data show a significant increase in the share of Tri-City workers commuting from locations outside the Tri-City Subregion, indicating that many people working in local jobs might be having a difficult time finding and affording housing. Between 2010 and 2018, the Tri-City Subregion’s overall workforce increased by approximately 46,490 workers, or 41 percent. As shown in Figure 23, the increase in the number of Tri-City workers living in Fremont, Union City, and Newark was significantly lower (13, 23, and 26 percent, respectively). Meanwhile, there was a large increase in the number of Tri-City workers commuting from more affordable cities such as Hayward (62 percent), Stockton (150 percent), Oakland (70 percent), and San Jose (51 percent). At the county-level, San Joaquin and Stanislaus Counties saw the largest percentage increases in Tri-City workers between 2010 and 2018. These trends are likely due to a shortage of affordable housing options in the Subregion for the local workforce.

Figure 23: Change in Tri-City Workers by Place of Residence, 2010-2018



	Tri-City Workers			
	2010	2018	2010-2018 Change	
Total Tri-City Workers	114,535	161,022	46,487	41%
Workers by Place of Residence				
Alameda County	52,012	66,804	14,792	28%
Fremont	21,347	24,074	2,727	13%
Hayward	5,529	8,934	3,405	62%
Union City	6,327	7,759	1,432	23%
Newark	4,229	5,337	1,108	26%
Oakland	2,719	4,609	1,890	70%
Santa Clara County	26,527	38,087	11,560	44%
San Jose	14,856	22,450	7,594	51%
San Joaquin County	4,149	7,403	3,254	78%
Stockton	971	2,428	1,457	150%
Contra Costa County	6,663	8,835	2,172	33%
San Mateo County	4,999	6,890	1,891	38%
Stanislaus County	1,916	3,165	1,249	65%
All Other Counties	18,269	29,838	11,569	63%

Sources: Longitudinal Employer-Household Dynamics via OnTheMap, 2010 & 2018; BAE, 2021.

SERVICE PROVIDER SURVEY RESPONSES

“

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.”

Local service providers report that displacement is a serious issue in the Tri-City Subregion 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 Tri-City Subregion 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, Newark, and Union City. Of the 21 service providers that responded to the survey, 16 said that their clients have moved out of Fremont, Newark, or Union City due to economic hardship; are currently at risk of displacement; and/or are planning to move out of Fremont, Newark, or Union City due to economic hardship or other reasons beyond their control. Service providers indicated that displacement pressures disproportionately impact 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.

SUMMARY OF FINDINGS

The City of Fremont has three affordable housing projects in the development pipeline that received Alameda County Measure A1 bond South County subregional funds. According to the County's Measure A1 guidelines, the South County subregion consists of Fremont, Newark, and Union City, which is the area referred to as the Tri-City Subregion in this report. Alameda County requires that cities conduct a displacement study in order to apply a subregional live/work preference to affordable housing developments funded through County Measure A1 bond subregional funds. The displacement study must demonstrate that a) Tri-City Subregion residents are at greater risk of displacement than residents of Alameda County as a whole; b) current Tri-City residents are being displaced; and c) a local live/work preference would prevent further displacement. The City plans to apply this subregional live/work preference to three projects. A live/work preference would allow individuals and households who live or work in the South County subregion, and who meet eligibility requirements for units financed with Measure A1 funds, to have priority for units in these developments.

The information presented in this report demonstrates that all three of these conditions are met: Tri-City Subregion renters are at greater risk of residential displacement than renters in Alameda County overall, some lower-income Tri-City residents have likely already been displaced, and a local live/work preference would help to prevent further displacement:

a) Data on housing cost burden and overcrowding among Tri-City Subregion residents strongly indicate that Tri-City renters are more likely to be at risk of displacement than renters in Alameda County overall. Lower-income renters in the Tri-City Subregion are more likely to have a high housing cost burden than lower-income renters countywide. Similarly, renter households in the Tri-City Subregion experience extremely high levels of overcrowding and are much more likely to live in overcrowded units than are renter households in Alameda County overall. Facing higher average market rents and lower vacancy rates, Tri-City lower-income renters are much more vulnerable to displacement than the average lower-income renter household in Alameda County. In addition, Tri-City renters have experienced significant rent increases over the past decade, to a greater degree than renters in Alameda County as a whole.

b) Recent declines in the number of lower-income households, school district enrollment trends, and survey results from local social service providers suggest that Tri-City Subregion residents have likely already been displaced, while many remaining lower-income households in the Tri-City Subregion continue to be vulnerable to displacement. Displacement risk disproportionately impacts households and individuals with special housing needs, including seniors, people with disabilities, single-parent households, and large families.

c) For many lower-income Tri-City Subregion residents, a South County subregional live/work preference for affordable rental housing in Fremont is necessary to prevent displacement.

Since Tri-City Subregion’s lower-income renters are unlikely to be able to afford to purchase a home, they are 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 the Tri-City Subregion due to the high cost and limited availability of rental units. These findings highlight the need for Fremont to have a subregional live/work preference policy for affordable rental housing, including for projects funded by Alameda County Measure A1 bonds, to mitigate displacement among vulnerable populations in Fremont and the Subregion.