

# Shape Our Fremont

## **Fremont Housing is Still Not Affordable**

In 2017, the City of Fremont issued building permits for a total of 466 new housing units that will be affordable to people at the three lowest income levels. That's the good news, and it's a big step forward.

The bad news is that during the same one-year period, Fremont also issued building permits for 1,601 new housing units at the highest income level. In fact, Fremont has now issued more permits for "market rate" housing than the State of California asked us to build for the entire period of 2014 to 2022. Clearly, something has to change.

### **Housing Element**

These figures come from Fremont's latest Annual Progress Report on the implementation of the Housing Element, which is the City's overall, long-range plan to provide the types, sizes, locations, and affordability of housing units.

One of the key measures of how well we are meeting our Housing Element plan is the number of building permits issued for housing projects. This isn't a measure of how many housing units are being proposed or approved, nor is it a measure of how many units are actually under construction or ready for occupancy. Building permits are issued somewhere in the middle of the process when the developer is ready to begin construction. For example, many of the building permits issued in 2017 were for projects that were approved by previous city councils in 2016 or even earlier. One project -- Mission Hills Square, which is under construction near Auto Mall Parkway and Interstate 680 -- was approved over ten years ago.

The latest Housing Element Annual Progress Report shows that Fremont has issued building permits for a total of 3,105 housing units since the start of 2014. Of those, a total of 2,573 units were designated as being affordable for people with Above Moderate Incomes, 0 units (yes, zero) were affordable for Moderate Incomes, 249 were for Low Incomes, and 283 were for Extremely Low and Very Low Incomes.

To encourage more affordable housing, Fremont implemented several new programs. They adopted a commercial linkage fee that requires new commercial developments pay a one-time fee based on the square footage to support affordable housing projects. This approach has been used by several other cities in the Bay Area.

Fremont also updated the regulations on accessory dwelling units to further clarify details about small living quarters that are located within, or next to, existing single-family houses to provide lower-cost housing for extended families or renters. Another program specifically encouraged more housing for seniors who may want to sell their existing, larger houses and move into smaller units.

### **What is Affordable**

The concept of affordable housing is confused by a lot of government definitions of "income" and "affordability".

Income is defined as the Area Median Income (AMI), which is adjusted every year and varies by the county and the number of people in a household. For example, the AMI for a household of five in Alameda County in 2017 was \$105,200 per year. Affordability is based on a percentage of the Area Median Income.

In order for a dwelling to be affordable, there must also be a limit on how much the price can increase every year. As a result, the only "affordable" housing units are those that are owned and operated by non-profit housing organizations, or those that have title restrictions on future increases

in price. The rest have no such controls and are considered to be "market-rate" housing -- even small, basic, initially low-priced units.

### **Time for a Change**

Building and maintaining a supply of housing that is affordable to people with all levels of income is critical to the health and welfare of a city. Although recent California laws limit what cities can do to restrict the density, height, and type of housing, Fremont needs to consider other ways to provide housing that is affordable. This may include new restrictions and programs, or increased emphasis of old restrictions and programs.

One thing is clear: we have only so much land left in Fremont, and we cannot afford to fill it with nothing but high-priced housing.

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The Housing Element Annual Report will be presented to the City Council on Tuesday, March 20 at 7:00 pm in the Council Chambers at 3300 Capitol Ave. Building A.

Fremont posts information on this subject on the Housing section of its website at [www.fremont.gov](http://www.fremont.gov)