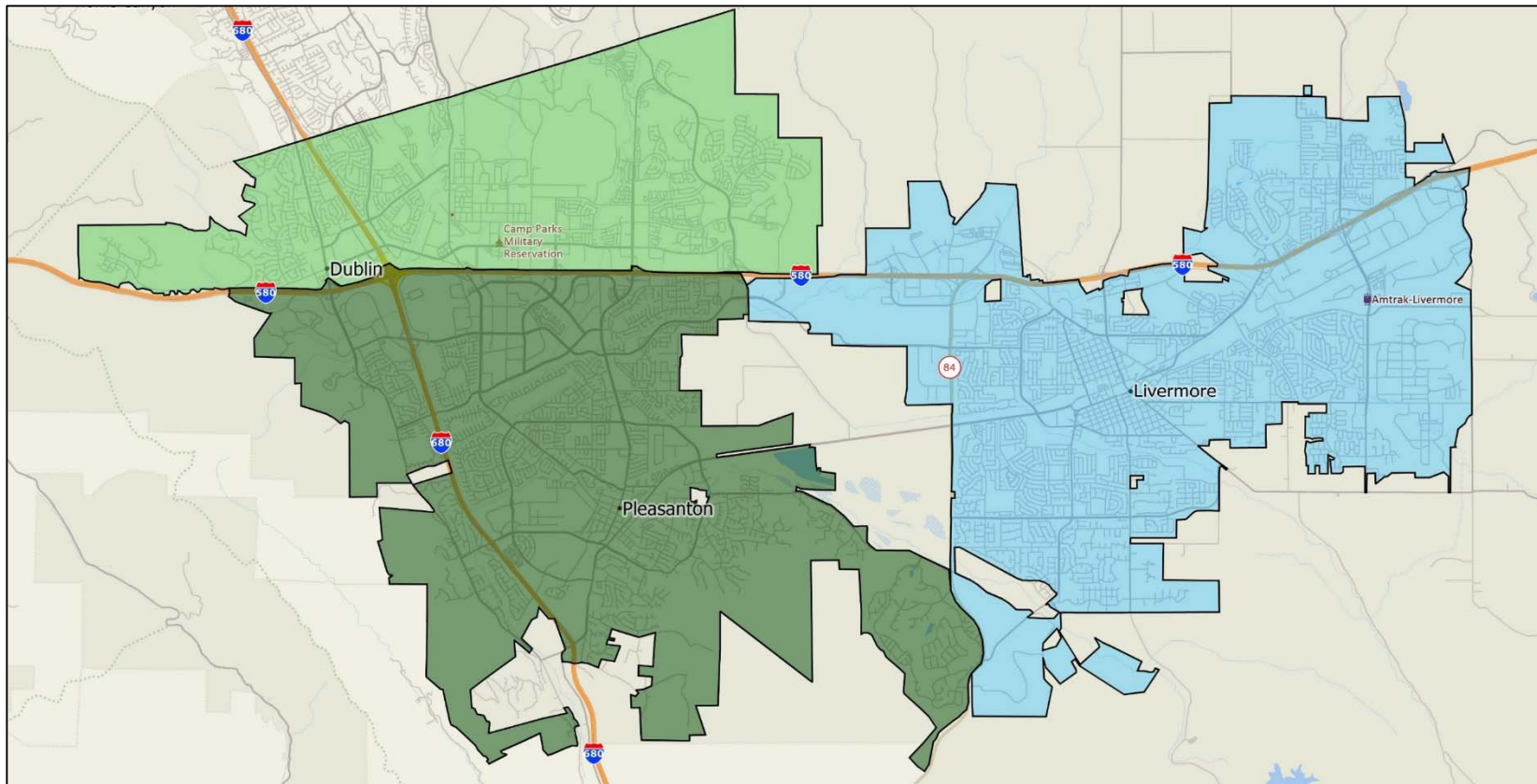


Housing Affordability and Displacement

Tri-Valley Cities of Dublin, Livermore and Pleasanton, California



2019



Tri-Valley Housing Displacement Report

Executive Summary

This study demonstrates that residential displacement has occurred, is occurring and is at a high risk of occurring for lower-income households in the Tri-Valley cities of Dublin, Livermore and Pleasanton. The study documents the economic and housing market conditions that are contributing to residential displacement in each of these cities with a particular focus on lower-income households that would be eligible to occupy affordable rental housing funded by the 2016 Alameda County bond measure, Measure A1.¹ This finding is supported by an analysis of historical trends and current conditions that have dramatically affected the availability and affordability of rental housing in the Tri-Valley.

In summary, the analysis presented in this report indicates the following:

- Lack of housing production and rapid increases in housing costs throughout the Bay Area, have increased displacement pressures for lower income households, as new employment growth in the Bay Area and Tri-Valley has intensified the demand for housing in the Tri-Valley area.
- A substantial proportion of Tri-Valley jobs are for lower wage workers, and many of the industries with high employment growth are in industries that include a substantial amount of lower wage jobs while significant numbers of higher income households have moved into the Tri-Valley who are commuting to jobs outside of the Tri-Valley.
- Thousands of lower-income residents in the Tri-Valley area, particularly lower-income renter households, are vulnerable to being displaced.
- The Tri-Valley area has thousands of residents with special housing needs, including many large families, seniors, and persons with disabilities. These households are particularly vulnerable to displacement, and experience significant difficulties when they no longer can access services or their children can no longer continue their education in local schools.
- Socioeconomic data indicates that lower-income households and residents in the Tri-Valley area are more racially and ethnically diverse as compared to all Tri-Valley residents and households.
- Problems of homelessness are intensifying in the Tri-Valley, and many service providers are spending significant proportions of their budgets on rent assistance and emergency housing assistance for households at risk of being evicted and displaced. The lack of housing for homeless persons has led to services providers placing homeless clients in units outside of the Tri-Valley cities.
- Housing development has not kept pace with the demand in the Tri-Valley, and lower income households will continue to be at risk of displacement without new affordable housing that addresses their special housing needs, including housing for large families, persons with disabilities, and those at risk of homelessness.
- Without additional affordable apartment developments being constructed in Dublin, Livermore and Pleasanton that are affordable to and prioritized toward existing lower-income residents, displacement pressures will continue, and it will be very difficult for the diverse population of existing lower income households to continue to reside in the three Tri-Valley cities.
- Implementation of a local live/work preference is critical to ensuring that lower income residents with varied racial backgrounds who would be eligible for affordable rental housing funded by Measure A1, would be provided, and not denied, access to these limited affordable housing opportunities.
- Based on the data presented in this study, having a local preference will not limit access to housing by any individual protected class. Consequently, any civil rights concerns/discriminatory impacts in violation of the Federal Fair Housing Act and Title VI regulations are minimized because the income-eligible population for affordable rental developments are more diverse in terms of race and ethnicity as compared to the Tri-Valley's general population.

¹ This study is intended to meet the Measure A1 implementation policies for the Rental Housing Development Fund & Innovation and Opportunity Fund adopted by Alameda County Board of Supervisors in November 2017 to enable the Tri-Valley cities to implement a subregional live/work preference policy: *...should a city wish to implement a sub-regional live/work preference policy for a portion of the units in a project, the city must...complete a study and one or more findings which demonstrate city-level residential displacement is occurring and/or is at high risk of occurring and a need for a sub-regional live/work preference is needed to respond to or prevent displacement...*

Finding #1 – Lack of housing production and rapid increases in housing costs have increased displacement pressures for lower-income households, as new employment growth in the Bay Area and Tri-Valley has intensified the demand for housing in the Tri-Valley area. (Pages 12-26 of the report present supporting technical data for this finding.)

- Housing production, particularly for multifamily housing, has not kept pace with employment growth during the past decade in the Tri-Valley cities and the Bay Area as a whole. As new housing construction has lagged demand, home prices and rents have risen dramatically.
- According to the Tri-Valley Rising 2018 report, about 2.5 jobs were created in the Tri-Valley region for every housing permit that was issued from 2007 to 2016, and a much higher ratio of job production compared to housing permits in the Bay Area, which has intensified housing pressures in the Tri-Valley.
- Multifamily housing production in Tri-Valley peaked in 2004 and has only averaged 520 units per year since 2010..
- Housing vacancy rates have declined significantly since 2010 when the average Tri-Valley vacancy rate was 4%, an indicator of high housing demand.
 - Currently, apartment vacancy levels in the Tri-Valley are lower than the countywide average (2.3% for Tri-Valley vs. 4.1% countywide) and are well-below the 5% vacancy level that is considered by economists to represent a stable housing market.
- Housing prices and apartment rents have increased rapidly since 2010 in the Tri-Valley, while wages have not kept pace.
 - The median home price is currently about \$823,000 in the Tri-Valley, an increase of \$330,000 or about 68% since 2010.
 - According to a 2018 market survey, average monthly rents are currently about \$2,460 for institutional grade apartments in the Tri-Valley, an increase of about \$800 since 2010. This is affordable to households earning about \$98,000 according to a 30% rent to income ratio per Federal affordability standards.
 - On an average annual basis, apartment rents in the Tri-Valley have increased by about 7% per year since 2010, while average wage growth for all workers only increased by 1.8% per year in Alameda County.
- Higher income earning households from the greater Bay Area – in response to the housing shortage – have moved into areas with relatively lower housing costs like the Tri-Valley, significantly changing their demographic composition and contributing to displacement as lower-income households are often forced to move to areas where housing is more affordable due to competition for units becoming steeper in all corners of the Bay Area.
- While the data and analysis in this report build on the work of the Bay Area Urban Displacement Project, this report utilizes more recent data from the 2017 American Community Survey and other current data sources to show how rising housing costs and other economic shifts in the region and the Tri-Valley are increasing displacement pressures for low-income households, especially people of color and those with special housing needs.

Finding #2 – A substantial proportion of Tri-Valley jobs are for lower wage workers, and many of the industries with high employment growth are in industries that include a substantial amount of lower wage jobs while significant numbers of higher income households have moved into the Tri-Valley who are commuting to jobs outside of Tri-Valley. (Please see pages 27-29 for supporting technical data for this finding.)

- Currently about 39% of all primary jobs in the Tri-Valley have annual earnings of \$40,000 or below. Assuming an average of about 1.5 workers per household, this translates into \$60,000 household income, which is considered to be low income. These lower wage households cannot afford typical market rents.
- Furthermore, a substantial portion of new employment growth in the Tri-Valley has been in industries that typically have lower wages, such as educational services, accommodation and food services, and health care.
- Commuter trends indicate that a significant number of households have moved into the Tri-Valley who are commuting to jobs in Silicon Valley, the Peninsula and San Francisco. Many of these workers are high-wage earners, and the income profile of the Tri-Valley has been shifting from a broad mix of household incomes that included a significant amount of middle-income households to an area that increasingly has a much larger share of higher income households earning at or above \$150,000 per year.

Finding #3 – Thousands of lower-income residents in the Tri-Valley, particularly lower-income renter households, are vulnerable to being displaced. (Please see pages 30-38 for supporting technical data for this finding.)

- Lower-income households in the Tri-Valley with incomes below \$75,000 are faced with difficult housing choices – either paying a very high percentage of their income on housing, living in overcrowded conditions or being forced to move out of the area.
- While the overall number of households in the Tri-Valley grew from about 65,400 in 2010 to 78,300 in 2017, the percentage of households with incomes below \$75,000 has declined.
 - In 2010, households with incomes less than \$75,000 made up 34% of all households in the Tri-Valley, while this percentage declined to 28% in 2017, indicating that displacement has likely been occurring.
- Currently, about 24,000 households in the Tri-Valley are renters, of which about 11,000 households are lower-income renter households with incomes less than \$75,000.
- An analysis of renter households earning less than \$75,000 a year shows that 69% of those households are rent-burdened in the Tri-Valley, 44% of whom are extremely cost-burdened.
 - From 2010 to 2017, the number of cost-burdened renter households in the Tri-Valley area has increased by 2,300 households, from 6,200 to 8,560, or a growth of 38%.
 - Households making less than \$75,000 account for the majority of those cost-burdened renter households, having increased in numbers from 6,000 in 2010 to 7,550 in 2017.
- Overcrowding – a key indicator of potential displacement – has increased dramatically since 2010.
 - Since 2010, the Tri-Valley area saw an increase of more than 750 households living in overcrowded conditions of which about 690 households are renters.
 - Overcrowding among renter households has increased by 65% over the same time period.
- The Tri-Valley has a limited number of below market rate apartment units in affordable housing developments that are affordable to lower income households and below despite significant demand for this housing.
 - Affordable developments currently have long waiting lists in the Tri-Valley, and new affordable housing developments have recently received a large number of applications. For example, Kottinger Gardens Phase II in Pleasanton received more than 1,200 applications for 22 available units, which represents a decades-long waitlist for units given current vacancy rates.
 - According to wait list information for representative existing affordable housing properties in the three cities, more than five households are on the waiting list for every affordable unit in the Tri-Valley.
 - The City of Dublin has 1,327 households on waiting lists for four representative developments.
 - The City of Livermore has 1,903 households for nine representative developments.
 - The City of Pleasanton has 5,783 households for 14 representative developments.

Finding #4 – The Tri-Valley area has over 30,000 residents with special housing needs, including many large families, seniors, and persons with disabilities. These households are particularly vulnerable to displacement, and experience significant difficulties when they no longer can access services or their children can no longer continue their education in local schools. (Please see pages 39-49 for supporting technical data for this finding.)

The Tri-Valley area has approximately 7,500 large family households, 21,600 senior households and 15,800 persons with disabilities, of which about half are seniors with disabilities. The Tri-Valley does not currently have sufficient number of affordable units for persons with disabilities.

- According to fiscal year 2017/18 student enrollment data, about 8,000 students in the three Tri-Valley School Districts are homeless², foster youth, English learners or are receiving free and/or reduced priced meals (FRPM).
 - About 6,000 of these students are considered to be socioeconomically disadvantaged, which means that they live in very-low income households with incomes below \$37,777 or are either homeless or foster youth.³
- The Tri-Valley had over 21,000 senior households, individuals over 60 years old of age, more than 3,200 female householders with children, and about 7,500 large households (5+ persons per household). Additionally, almost 16,000 persons in the Tri-Valley have one or more disabilities, of whom about half are seniors. Much of this population has special housing needs and are at risk of displacement.
- Displacement is extremely trying for Tri-Valley residents with disabilities (especially seniors) when they are forced to relocate out of the Tri-Valley area.
 - Service providers emphasize the importance of keeping Tri-Valley residents with special needs close to their support networks of caregivers, neighbors and local friends.
 - Relocation causes extreme anxiety, can lead to depression and often disconnects households with needed services, which can have drastic effects on quality of life.
 - If forced to move out of the area, everyday tasks (taking the bus, grocery shopping and getting to work or a day program) become particularly challenging for a person with disabilities to re-learn and adapt to new changes.
 - According to Tri-Valley service providers, the supply of supportive and/or accessible housing available in the Tri-Valley is insufficient to meet the needs of persons with disabilities, and housing throughout Tri-Valley is unaffordable to their clients, which has been exacerbated by landlords discontinuing their acceptance of Section 8 rental vouchers.

² The McKinney-Vento Act defines homeless children and youths as individuals who lack a fixed, regular, and adequate nighttime residence. This definition also includes:

- Children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason
- Children and youths who may be living in motels, hotels, trailer parks, shelters
- Children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings
- Children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings, or
- Migratory children who qualify as homeless because they are children who are living in similar circumstances listed above

³ According to the State of California, students with household incomes at or below \$37,777 for a three-person household in FY 2017/18 are eligible for the FRMP program, which is less than 50% of Areawide Median Income for Alameda County and the Tri-Valley area.

Finding #5 – Socioeconomic data indicates that lower income households and residents in the Tri-Valley are more diverse in terms of race and ethnicity as compared to all Tri-Valley residents and households. (Please see pages 50-55 for supporting technical data for this finding.)

- The Tri-Valley area currently has about 6,600 lower income households that are Black, African American, Hispanic, Latino or Asian (about 1,500 households in Dublin, 3,100 in Livermore and 1,900 in Pleasanton).
- About 6,000 students in the Tri-Valley School Districts are considered to be socioeconomically disadvantaged, and about 4,800 (80%) of these socioeconomically disadvantaged students are non-white students (Black, African American, Hispanic, Latino or Asian).
- Throughout the Tri-Valley area, a higher proportion of Black or African American and Hispanic or Latino households make under \$75,000, while fewer White and Asian households make less than \$75,000. This pattern is similar to what is experienced countywide.
- Approximately 60% of Black, Latino, and Native American households are rent-burdened in the Bay Area, which is likely to be the case in the Tri-Valley as well.
- According to data provided by City Serve, one of the Tri-Valley's major service providers, 95% of its clientele are extremely low and very low-income households who cannot afford typical Tri-Valley apartment rents, and 65% of its clientele are reported to be persons of color, with 32% being of Hispanic origin.

Finding #6 – Problems of homelessness are intensifying in the Tri-Valley, and many service providers are spending significant proportions of their budgets on rent assistance and emergency housing assistance for households at risk of being evicted and displaced. (Please see pages 57-64 for supporting technical data for this finding.)

- The number of persons experiencing homelessness (including chronically homeless persons with disabilities and families) has increased in Alameda County according to the 2017 Alameda Homeless Count and Survey. According to local service providers this is also true for the Tri-Valley area.
 - Service providers indicate that the need for housing for the homeless and homeless services currently exceeds the capacity of the local system of care and the supply of affordable housing, particularly housing with supportive services.
- According to the 2017 Alameda Homeless Count and Survey, the homeless population in the Tri-Valley area exceeds 280 persons, most of whom are not currently sheltered.
 - Neither Dublin nor Pleasanton has shelters for the homeless, and more than half of the homeless persons in Livermore are reported to be unsheltered.
- According to a Livermore survey of persons who are homeless conducted in 2015, nearly 40% of those persons are working and newly homeless and about 62% formerly lived in the Tri-Valley before becoming homeless, indicating that the lack of available affordable housing in Livermore and the Tri-Valley is the primary issue.
- Tri-Valley homeless service providers are spending significant proportions of their budgets on rent assistance and emergency housing assistance for households at risk of being evicted and displaced.

Finding #7 – New multifamily housing development has not kept pace with the demand in the Tri-Valley, and lower income households will continue to be at risk of displacement without new affordable housing that addresses their special housing needs, including housing for large families, persons with disabilities, and those at risk of homelessness. [Please see pages 66-68 for supporting technical data for this finding.]

- New multifamily housing development has not kept pace with the demand in the Tri-Valley area.
 - When comparing the number of permits approved for housing of varying income levels with the Tri-Valley's regional housing need allocation (RHNA) numbers, the only category of housing that met its regional need was housing at “above moderate” income levels, or 120% of AMI.
 - None of the Tri-Valley cities was able to meet more than 19% of their respective needs for low and very low-income housing from 2007 to 2019, and the Tri-Valley area had a deficit of 8,000 housing units that are affordable to low and very low-income households compared to the RHNA need for this 10-year period.
- All Tri-Valley cities have long waiting lists for special needs housing and significant numbers of socioeconomically disadvantaged students.
- Given rapid increases in construction costs and high land costs in desirable locations, many multifamily housing developments are not feasible in the Tri-Valley, and current market rents for new developments are only affordable to households with incomes at \$115,000 and above.
 - Higher density podium apartments, which are the preferred infill development type, are typically not feasible at typical development cost levels that factor in the current market value of land and structured parking. As a result, new construction at price points affordable to middle-income households cannot occur.
- In summary, displacement pressures are intensifying for lower-income households in the Tri-Valley as evidenced by the data presented in this report and information provided by service providers in the Tri-Valley.

Conclusion

Without additional affordable apartment developments being constructed in Dublin, Livermore and Pleasanton that are affordable to and prioritized toward existing lower-income residents, the displacement that has and is occurring will continue.

This will be very difficult for the diverse population of existing lower income households to continue to reside in these Tri-Valley cities.

With a local resident preference, lower income residents with varied racial backgrounds, who will be applying for and most likely eligible for affordable rental housing funded by Measure A1, would be provided, and not denied, access to these limited affordable housing opportunities.

Based on the data presented in this study, having a local preference will not result in limits to access to housing by any individual protected class. Consequently, any civil rights concerns/discriminatory impacts in violation of the Federal Fair Housing Act and Title VI regulations are minimized because the income-eligible population for affordable rental developments are more diverse in terms of race and ethnicity as compared to the Tri-Valley's general population.

Table of Contents

Executive Summary

Introduction and Overview

Page 1

Summary of Key Findings

Page 2

Indicators of Displacement in Tri-Valley Cities of Dublin, Livermore and Pleasanton

Finding 1

Page 12

Finding 2

Page 27

Finding 3

Page 30

Finding 4

Page 39

Finding 5

Page 50

Finding 6

Page 56

Finding 7

Page 65

Conclusion

Page 68

Appendix A: Key Data Tables for Tri-Valley Cities

Page 70

Appendix B: Regional Context

Page 78

Introduction and Overview

The purpose of this report is to review and document the economic and housing market conditions that are contributing to residential displacement in the Tri-Valley cities of Dublin, Livermore and Pleasanton, with a particular focus on lower income households that would be eligible to occupy affordable rental housing funded by the 2016 Alameda County bond measure, Measure A1.

This study is intended to meet the Measure A1 implementation policies for the Rental Housing Development Fund & Innovation and Opportunity Fund adopted by Alameda County Board of Supervisors in November 2017 to enable the Tri-Valley cities to implement a sub-regional live/work preference policy:

...should a city wish to implement a sub-regional live/work preference policy for a portion of the units in a project, the city must...complete a study and one or more findings which demonstrate city-level residential displacement is occurring and/or is at high risk of occurring and a need for a sub-regional live/work preference is needed to respond to or prevent displacement...

As this study demonstrates, lower-income residents and workers in the Tri-Valley cities are at risk of displacement or have already experienced displacement. This finding is supported by an analysis of historical trends and current conditions that have dramatically affected the availability and affordability of rental housing in the Tri-Valley.

This report begins with a summary of the housing and socioeconomic conditions in the Tri-Valley and Bay Area that are contributing to and causing displacement. The report concludes with supporting analysis that describes in greater detail the socioeconomic and housing conditions in each of the Tri-Valley cities, which are indicators of displacement risk.



This report was prepared by the consulting firms of Seifel Consulting and The Concord Group at the request of the Tri-Valley cities.

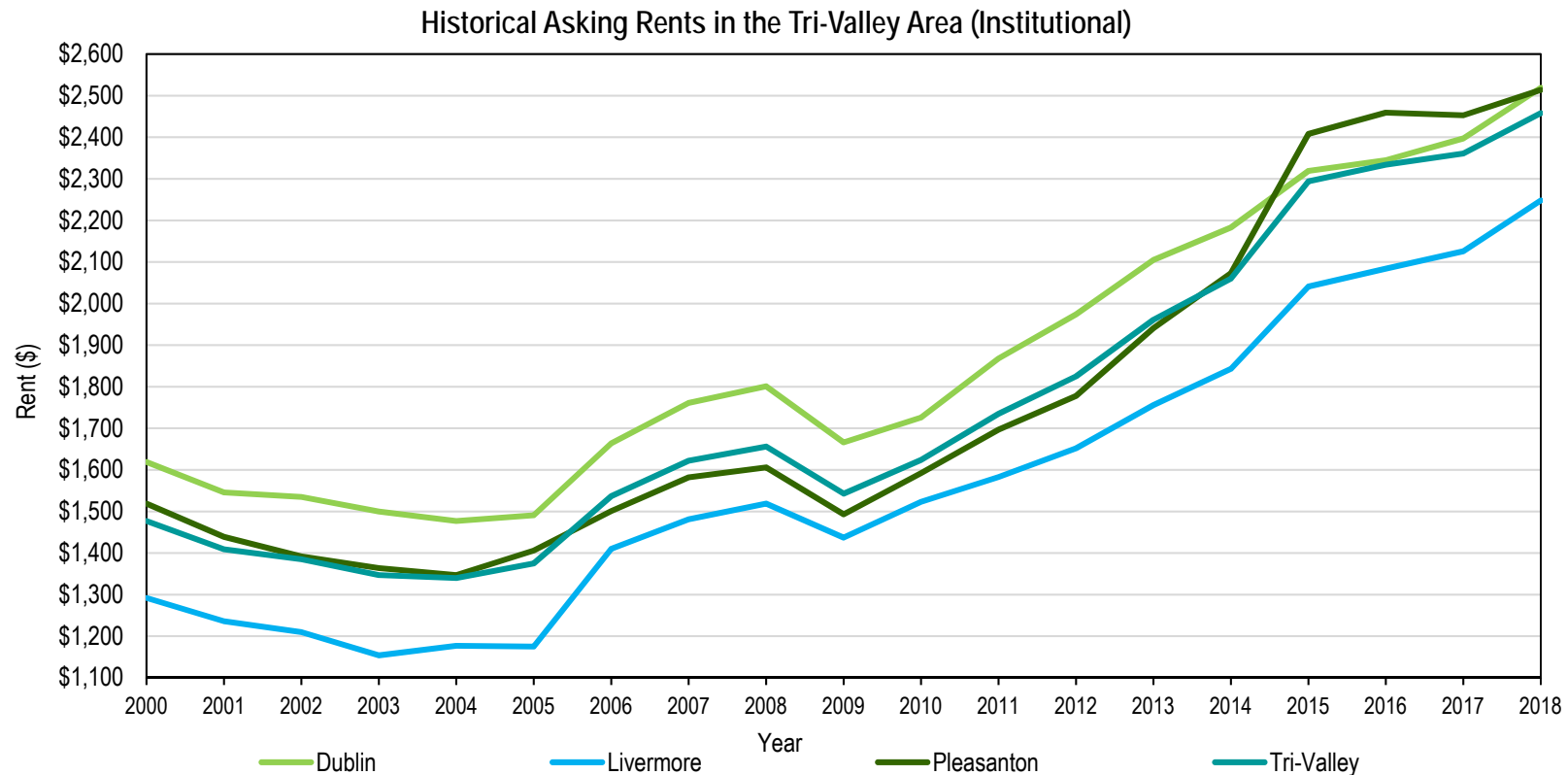
Summary of Key Findings

Without additional affordable apartment developments being constructed in Dublin, Livermore and Pleasanton that are affordable to and prioritized toward existing lower-income residents, displacement pressures will continue. This will make it even more difficult for the diverse population of existing lower income households to continue to reside in the three Tri-Valley cities.

For key corroborating data points for the Tri-Valley and each individual city, please see Appendix A.

Finding #1

Lack of housing production and rapid increases in housing costs have increased displacement pressures for lower-income households, as new employment growth in the Bay Area and Tri-Valley has intensified the demand for housing in the Tri-Valley.



Finding #2

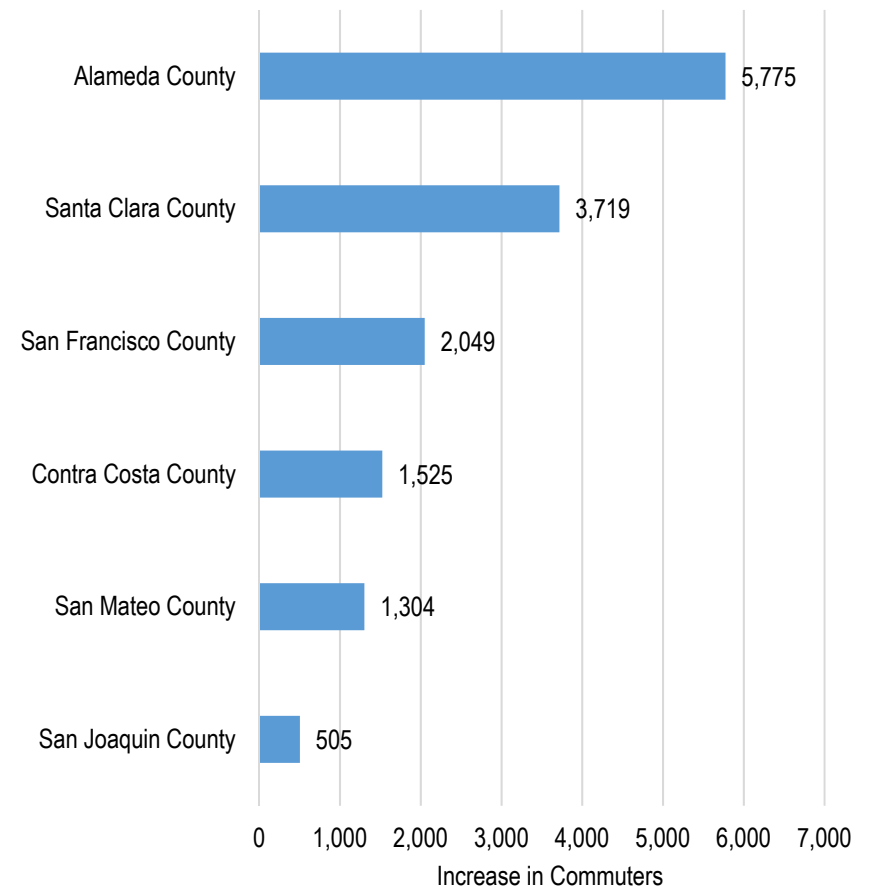
A substantial proportion of Tri-Valley jobs are for lower wage workers, and many of the industries with high employment growth are in industries that include a substantial amount of lower wage jobs while significant number of higher income households have moved into the Tri-Valley who are commuting to jobs outside of Tri-Valley.

2015 Annual Earnings of Primary Jobs

Annual Earnings	Livermore		Dublin		Pleasanton		Total	
	# Jobs	%	# Jobs	%	# Jobs	%	# Jobs	%
\$15,000 or less	5,971	14%	3,955	23%	7,941	13%	17,867	15%
\$15,000 to \$40,000	10,732	24%	4,984	29%	13,649	23%	29,365	24%
More than \$40,000	27,221	62%	8,300	48%	37,601	64%	73,122	61%
Total	43,924	100%	17,239	100%	59,191	100%	120,354	100%

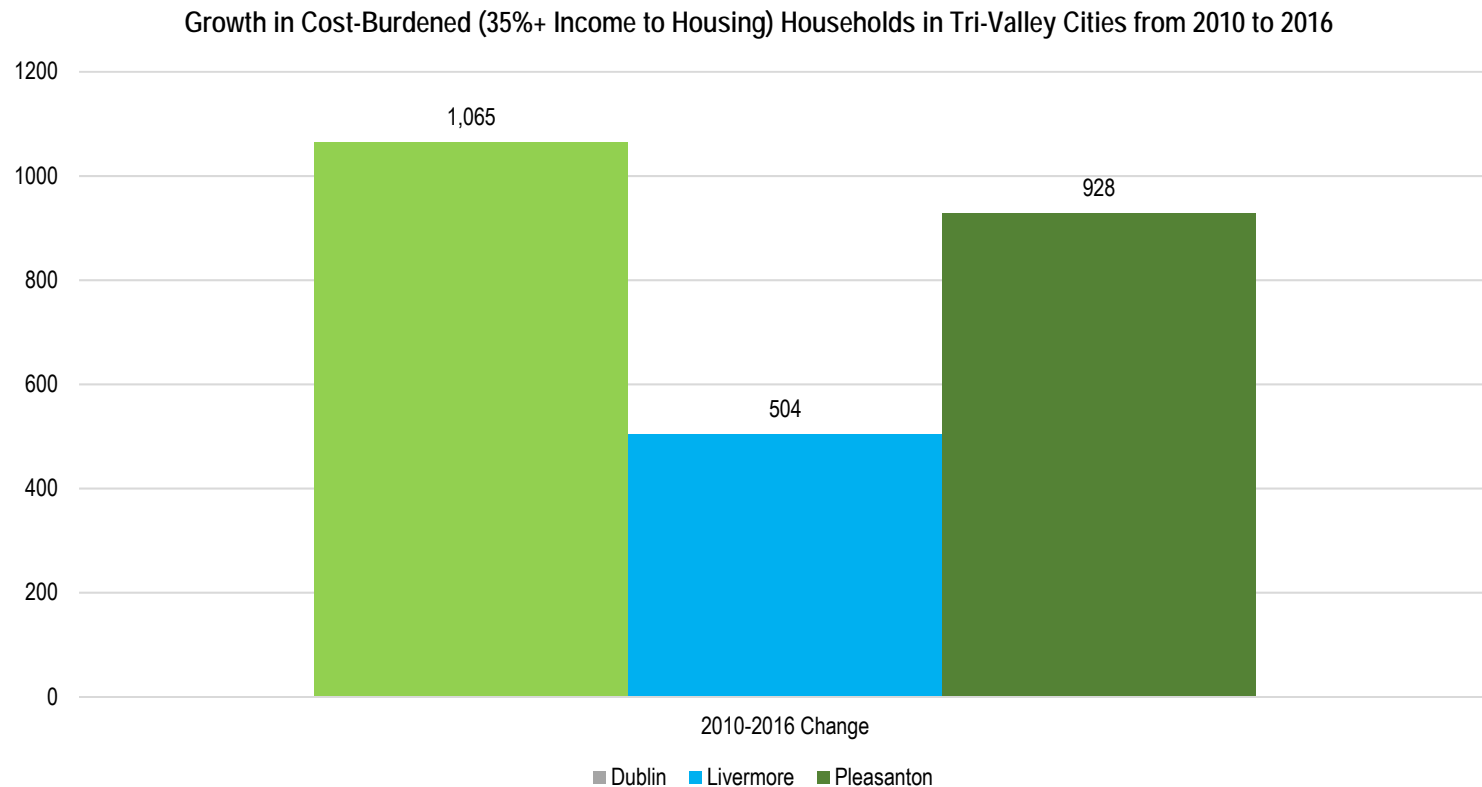
Source: onthemap.ces.census.gov

Select Counties Increase in Commuters from Tri-Valley, 2010-2015



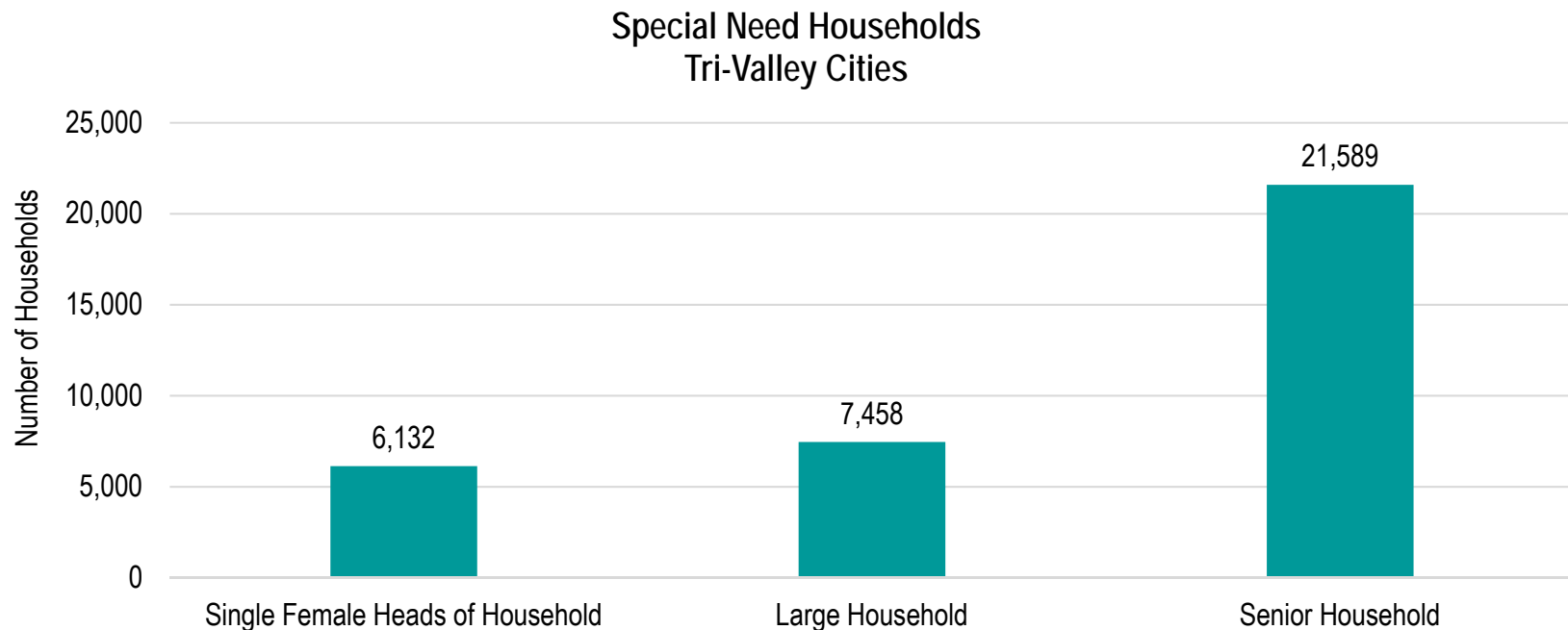
Finding #3

Thousands of lower-income residents in the Tri-Valley, particularly lower-income renter households, are vulnerable to being displaced.



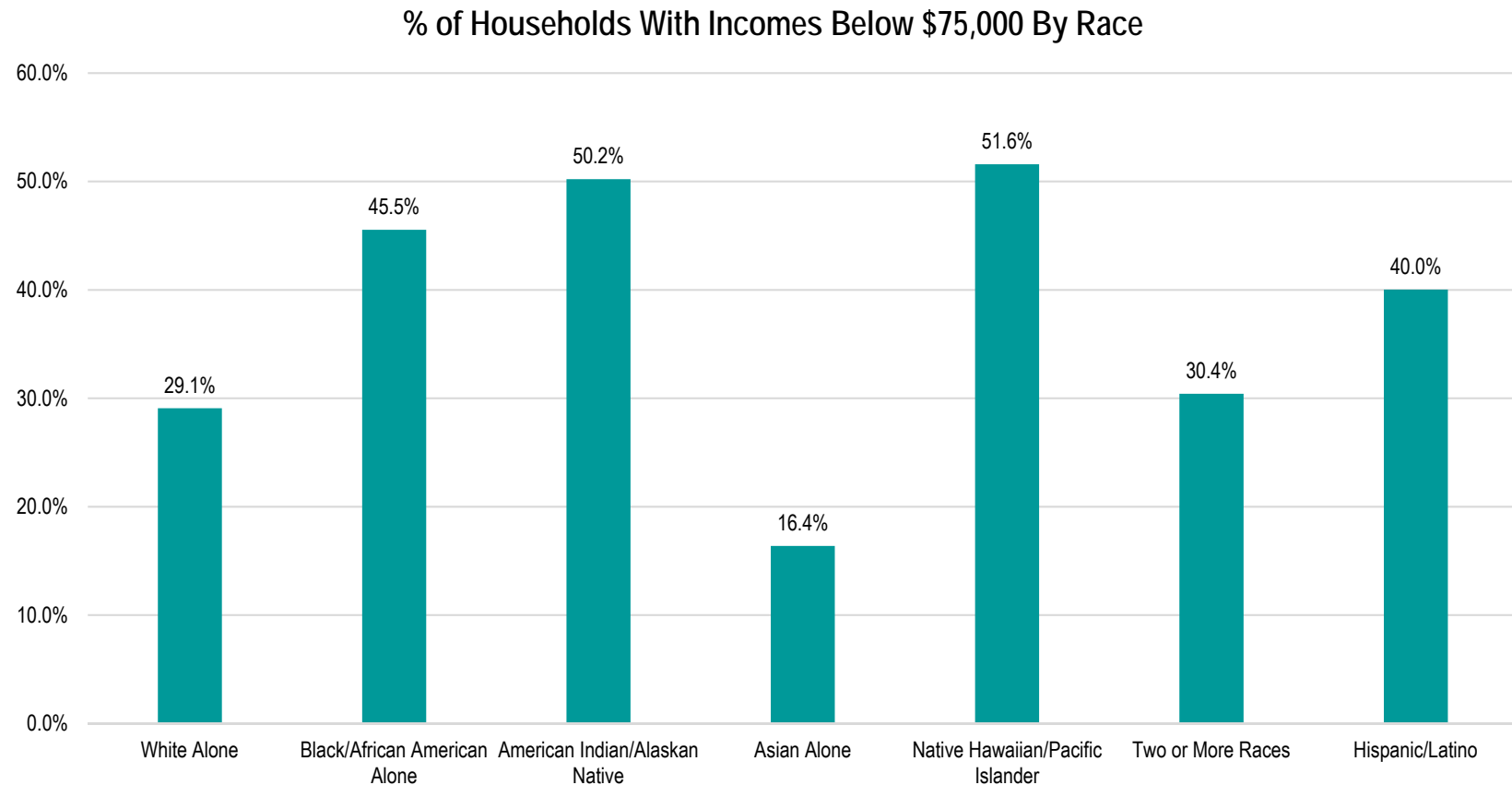
Finding #4

The Tri-Valley area has thousands of residents with special housing needs, including many large families, seniors, and persons with disabilities. These households are particularly vulnerable to displacement, and experience significant difficulties when they no longer can access services or their children can no longer continue their education in local schools.



Finding #5

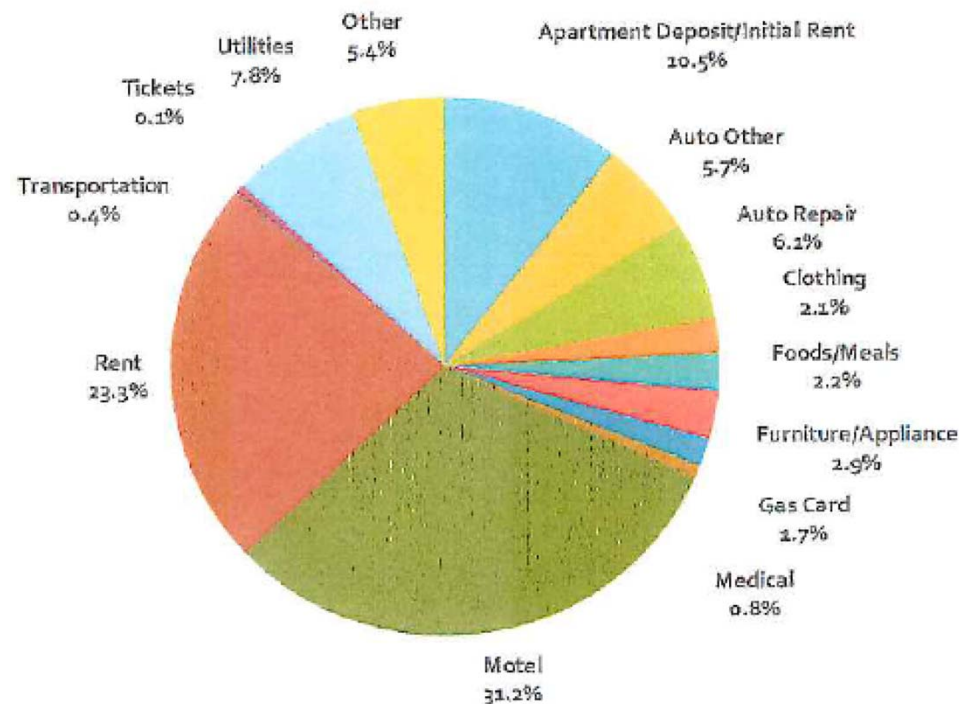
Socioeconomic data indicates that lower income residents in the Tri-Valley are more diverse in terms of race and ethnicity as compared to all residents who live in the Tri-Valley.



Finding #6

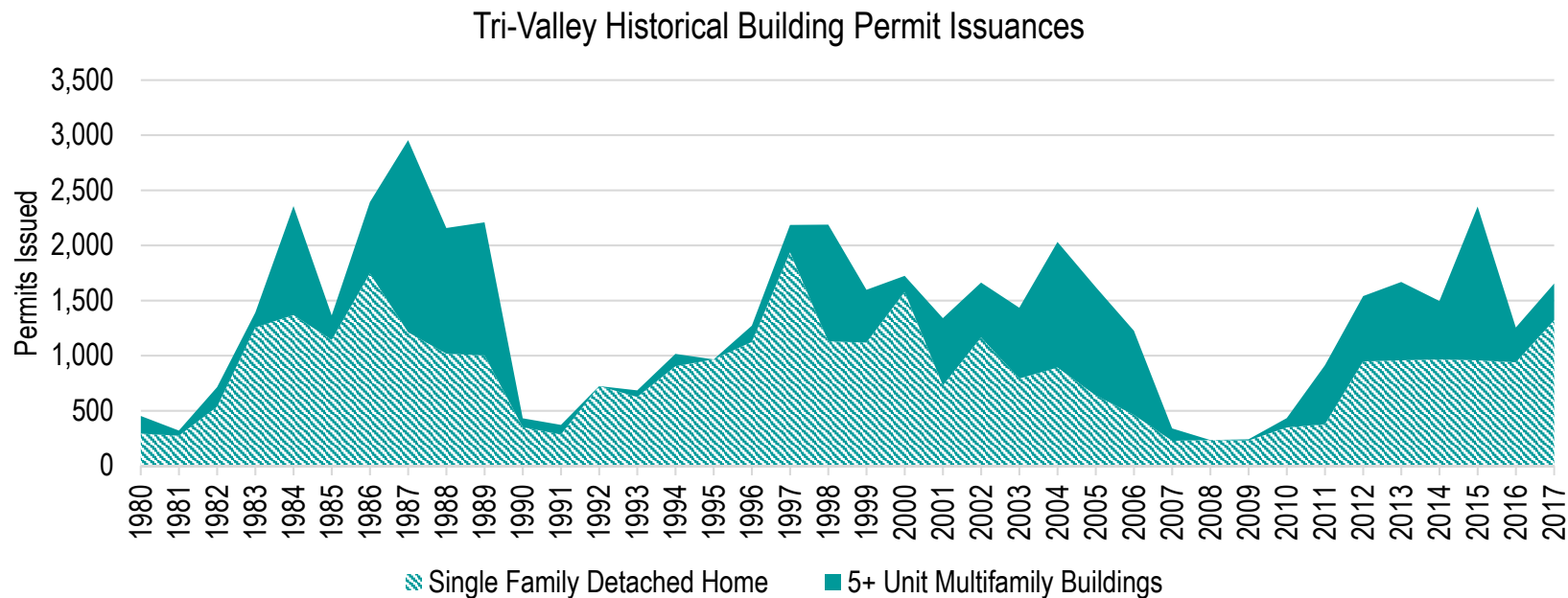
Problems of homelessness are intensifying in the Tri-Valley, and many service providers are spending significant percentage of their budgets on rent assistance and emergency housing assistance for households who are homeless, or at risk of being evicted and displaced.

2018 YTD Funds Spent by Category



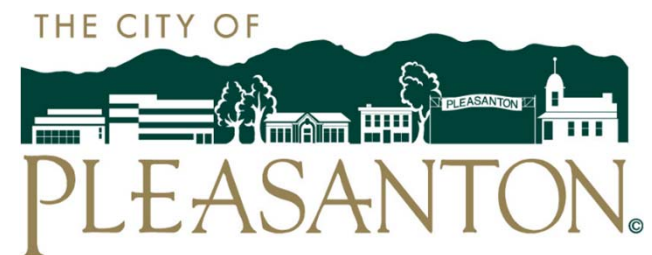
Finding #7

New multifamily housing development has not kept pace with the demand in the Tri-Valley, and lower income households will continue to be at risk of displacement without new affordable housing that addresses their special housing needs, including housing for large families, persons with disabilities, and those at risk of homelessness.

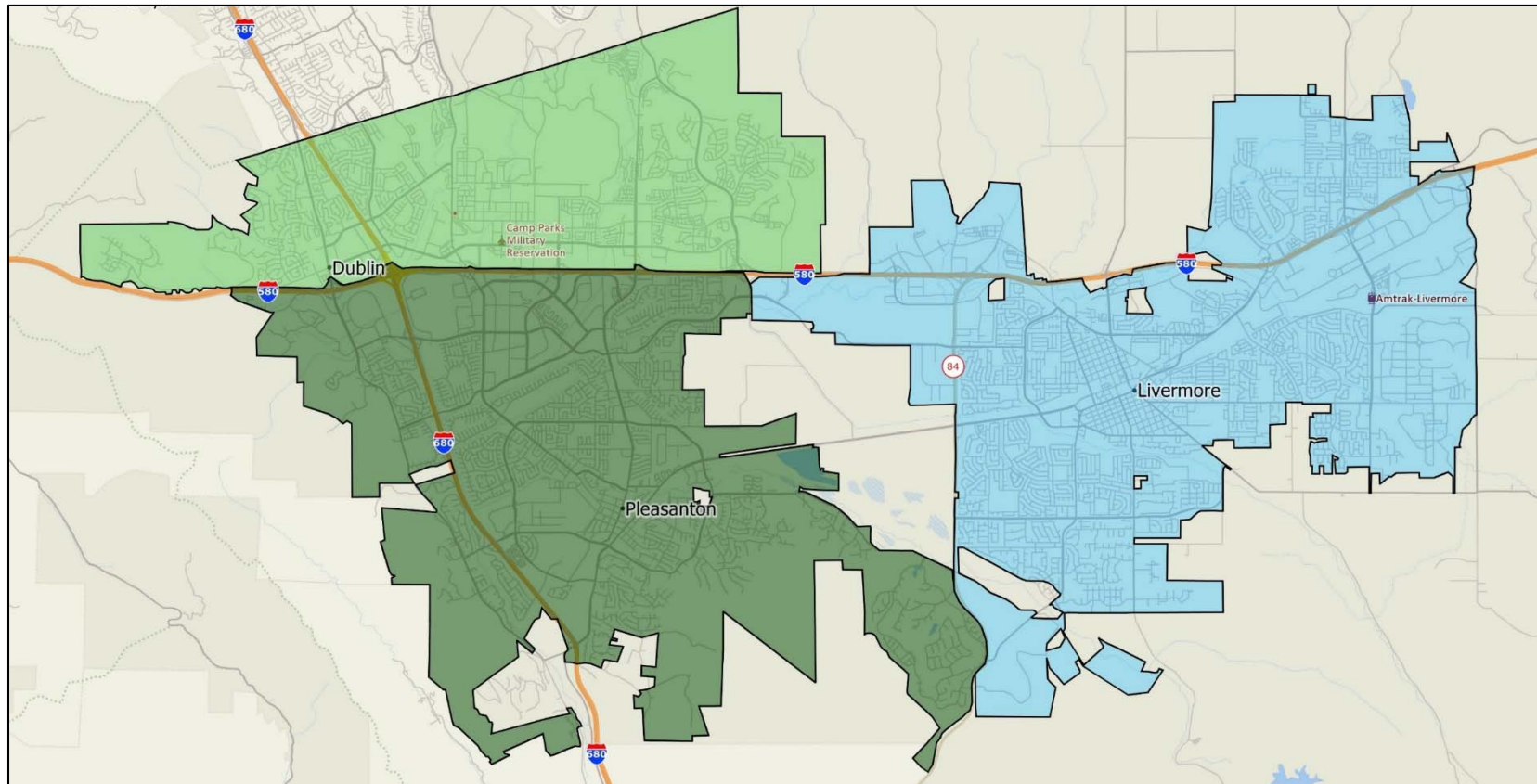


Conclusion

- Without additional affordable apartment developments being constructed in Dublin, Livermore and Pleasanton that are affordable to and prioritized toward existing lower-income residents, displacement pressures will continue.
- This will make it even more difficult for the diverse population of existing lower income households to continue to reside in the three Tri-Valley cities.
- With a local residence preference, lower income residents with varied racial backgrounds, who will be applying for and most likely eligible for affordable rental housing funded by Measure A1, would be provided, and not denied, access to these limited affordable housing opportunities.
- Based on the data presented in this study, having a local preference will not result in limits to access to housing by any individual protected class.
- Consequently, any civil rights concerns/discriminatory impacts in violation of the Federal Fair Housing Act and Title VI regulations are minimized because the income-eligible population for affordable rental developments are more diverse in terms of race and ethnicity as compared to the Tri-Valley's general population.



Indicators of Displacement in Tri-Valley Cities of Dublin, Livermore and Pleasanton



Finding #1 Supporting Data

Lack of housing production and rapid increases in housing costs have increased displacement pressures for lower-income households, as new employment growth in the Bay Area and Tri-Valley has intensified the demand for housing in the Tri-Valley.

Strong Economic and Job Growth

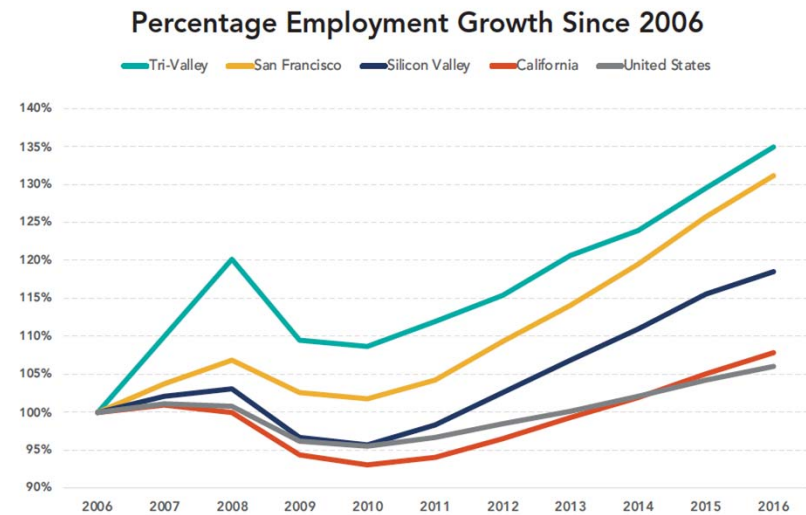
Industries and Employment in Tri-Valley

The Tri-Valley region is home to many corporate headquarters and includes several major employment centers, Bishop Ranch, Hacienda Business Park, Lawrence Livermore National Laboratory and Sandia National Laboratories. In addition to these major employers, the Tri-Valley includes many small businesses that support these larger employers and meet the retail and service needs of the local population.

As described in the recent publication, Tri-Valley Rising, employment in the Tri-Valley region has increased faster than other job centers in the high-growth Bay Area, and much faster than California overall.

While technology represents a significant share of Tri-Valley employment, the fastest growing industry sector is educational services followed by accommodation and food services. As will be further described in this report, these sectors tend to have a large proportion of lower wage jobs.

Strong economic and job growth in the Tri-Valley and the Bay Area as a whole has increased pressures on the housing market in the Tri-Valley area, as job creation has increased faster than housing growth.



Source: California Economic Development Department; Bureau of Labor Statistics, Quarterly Census of Employment and Wages
Analysis: Bay Area Council Economic Institute

Top Ten Fastest Growing Tri-Valley Industries

Industry	% Growth in Employment Since 2005
Educational Services	157%
Accommodation and Food Services	118%
Health Care and Social Assistance	97%
Professional, Scientific, and Technical Services	97%
Management of Companies and Enterprises	62%
Other Services (except Public Administration)	59%
Retail Trade	46%
Utilities	39%
Public Administration	32%
Wholesale Trade	30%

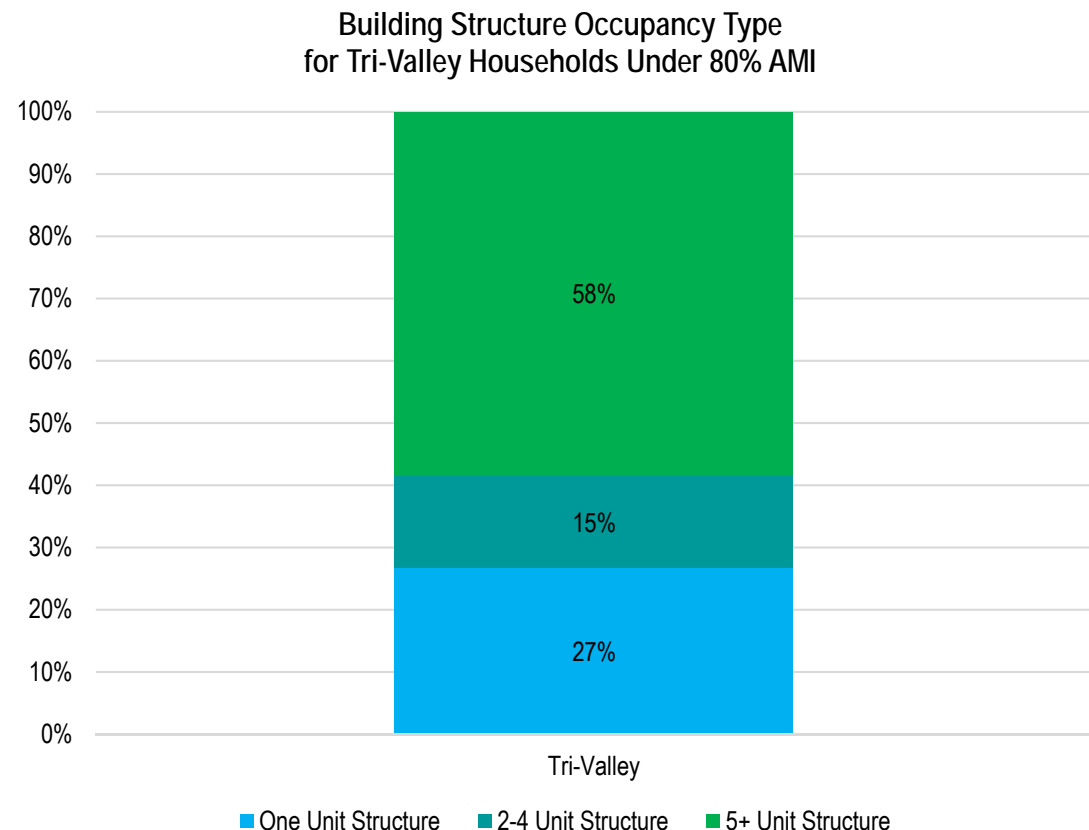
Source: California Employment Development Department
Analysis: Bay Area Council Economic Institute

Intensifying Housing Conditions in the Tri-Valley

Housing Types in Tri-Valley

The three Tri-Valley cities have a total population of about 234,000 in 2018, with Livermore having the largest number of residents. The average household size for the Tri-Valley is slightly larger than the County's at 2.86 persons per household, and the three cities currently provide about 80,000 housing units. About 18,000 of these units are multifamily in buildings of 5 or more units, which are typically apartments in the Tri-Valley.

About 27% of lower income renter households currently rent single family detached units according to HUD data. These renters are particularly vulnerable to displacement given the rapid increase in single family home prices due to the growing demand for housing in the Tri-Valley.



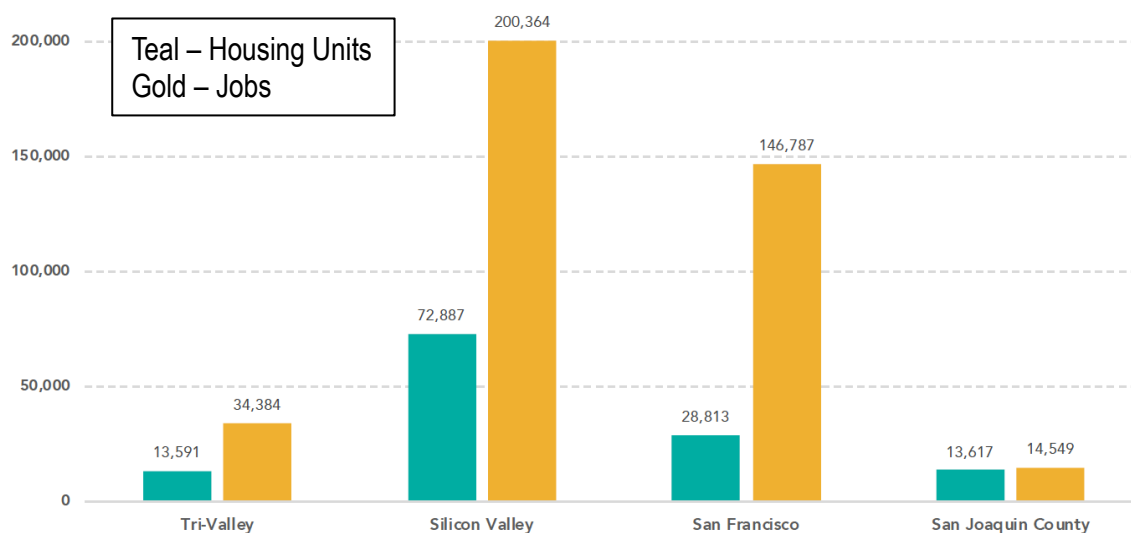
Changing Housing and Income Dynamics

Housing Supply in Bay Area and Tri-Valley

Housing production across the Bay Area has not kept pace with new employment growth and housing demand. This housing supply shortage is contributing to the changing nature of the regional and Tri-Valley household income profile. As housing prices rise, Bay Area residents at the top of the household income scale are able to purchase or rent housing at higher prices and rents across a broad range of communities while lower to middle income households are often forced to move to places where housing is more affordable.

These trends have led to displacement of lower income households from communities across the Bay Area, particularly out of high-employment growth areas where prices have rapidly increased, like Silicon Valley, to places like the Tri-Valley. According to the Tri-Valley Rising 2018 report, about 2.5 jobs were created in the Tri-Valley region for every housing permit that was issued from 2007 to 2016, and a much higher ratio of job production compared to housing permits in the Bay Area, which has intensified housing pressures in the Tri-Valley. As housing construction lags demand and pricing/rents rise dramatically, higher income earning households – themselves facing significant housing challenges - push outwards across the region to areas like the Tri-Valley with relatively lower housing costs, significantly changing their demographic composition and contributing to displacement.

Jobs Added vs. Housing Units Permitted, 2007-2016



Note: San Joaquin County data goes only to 2015

Source: Association of Bay Area Governments, Regional Housing Need Allocation Progress Reports; U.S. Department of Housing and Urban Development, State of the Cities Data Systems; Bureau of Labor Statistics, Quarterly Census of Employment and Wages; California Employment Development Department; U.S. Census Bureau, Building Permits Survey

Analysis: Bay Area Council Economic Institute

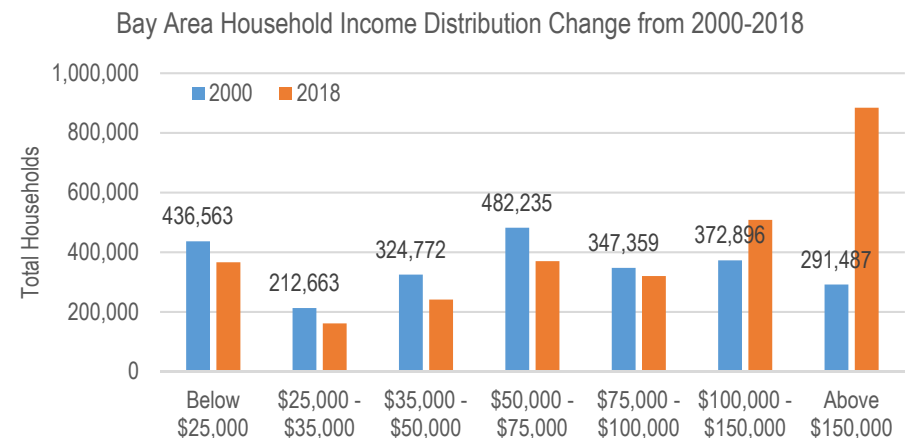
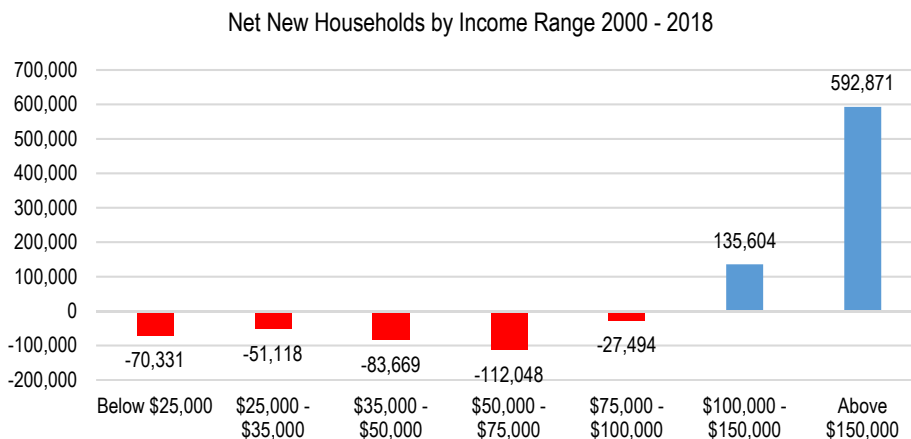
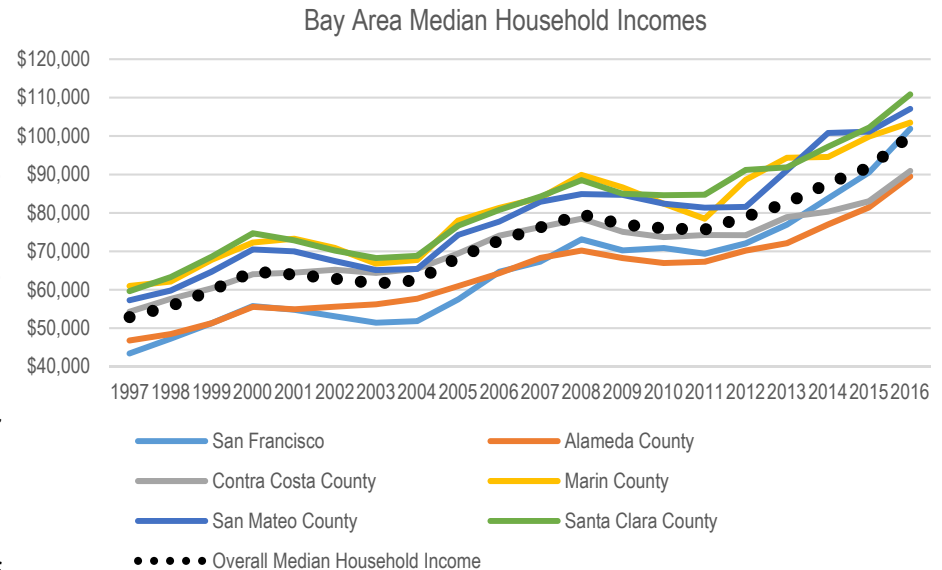
The Changing Nature of the Bay Area

Household Income Trend

This clear shift in the makeup of the Bay Area employment base is being realized across the income pool.

In the year 2000, the Bay Area was home to more than 1.4 million households with incomes at or below \$75,000. Today, that figure is approximately 1.1 million, as 320,000 households in that income tranche have likely been displaced.

Although the historical middle income population is not making any more money – and is in fact seeing an erosion in real income - median incomes in the Bay Area have increased dramatically as the composition of households has changed. Since 2000, the Bay Area has seen a 56% increase in median income. This is not a positive story for historically low and middle income households around the Bay Area. Given the differential outcomes between the “haves and have-nots,” this median income growth is almost entirely driven by the massive addition of households earning above \$100,000 of annual income and a loss of those earning less than \$100,000 per year.



Source: Spotlight

Supply Shortage

Housing Price and Production

Despite the economic boom since 2010 and high-end urban locations delivering many new housing units in recent years, housing creation in the Bay Area is lagging dramatically. During the 1980s boom, 270,000 housing units were built around the region. During the 1990s, 136,000 housing units were delivered. Since 2013, when the region returned to pre-recession levels of employment, the Bay Area has delivered less than 100,000 units of new housing.

The housing supply shortage is arguably the biggest driver of income disparity and the changing nature of the regional population. Market-based housing pricing dynamics are very simple. If a community under-delivers much-needed housing, prices rise – resultantly, the most highly-qualified consumers, those at the top of the income scale, are able to participate in the market.

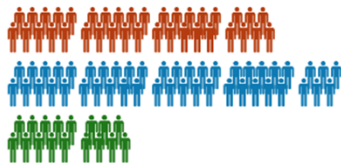
This, in fact, becomes a circular problem. As prices rise, incomes required to support rising prices must also rise for companies to be able to recruit new talent and grow.

With rapidly declining real purchasing power for those that lived in the Bay Area previously, this part of the population is increasingly pushed out of the market, facing rising housing to income gaps.

For more information on the regional context of the housing imbalance in the Bay Area, please see Appendix B.

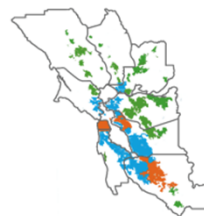
Jobs added from 2011 through 2015:

501,000



Housing units built from 2011 through 2015:

65,000

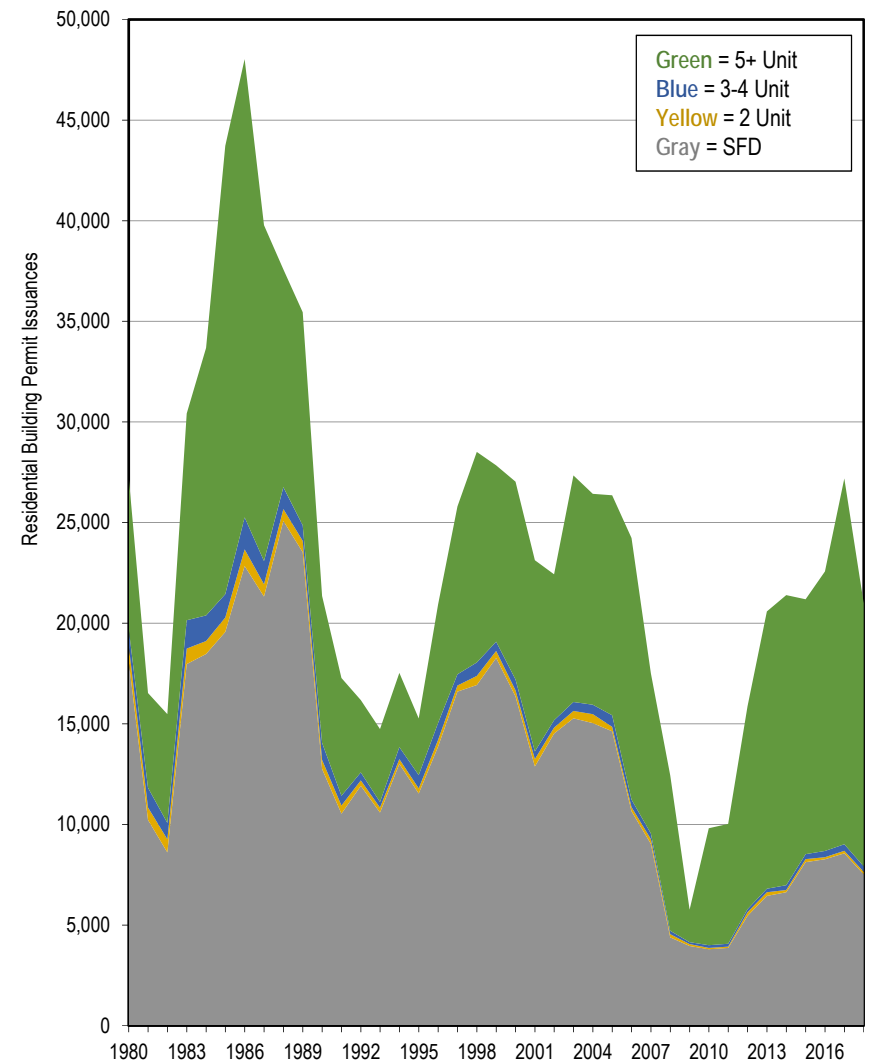


Regionally: 1 house was built for every 8 jobs created

<http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php>

Source: US Department of Housing and Urban Development (SOCDS), Plan Bay Area 2040 (Graphic)

Total 9-County Bay Area Building Permit issuance by Product Type



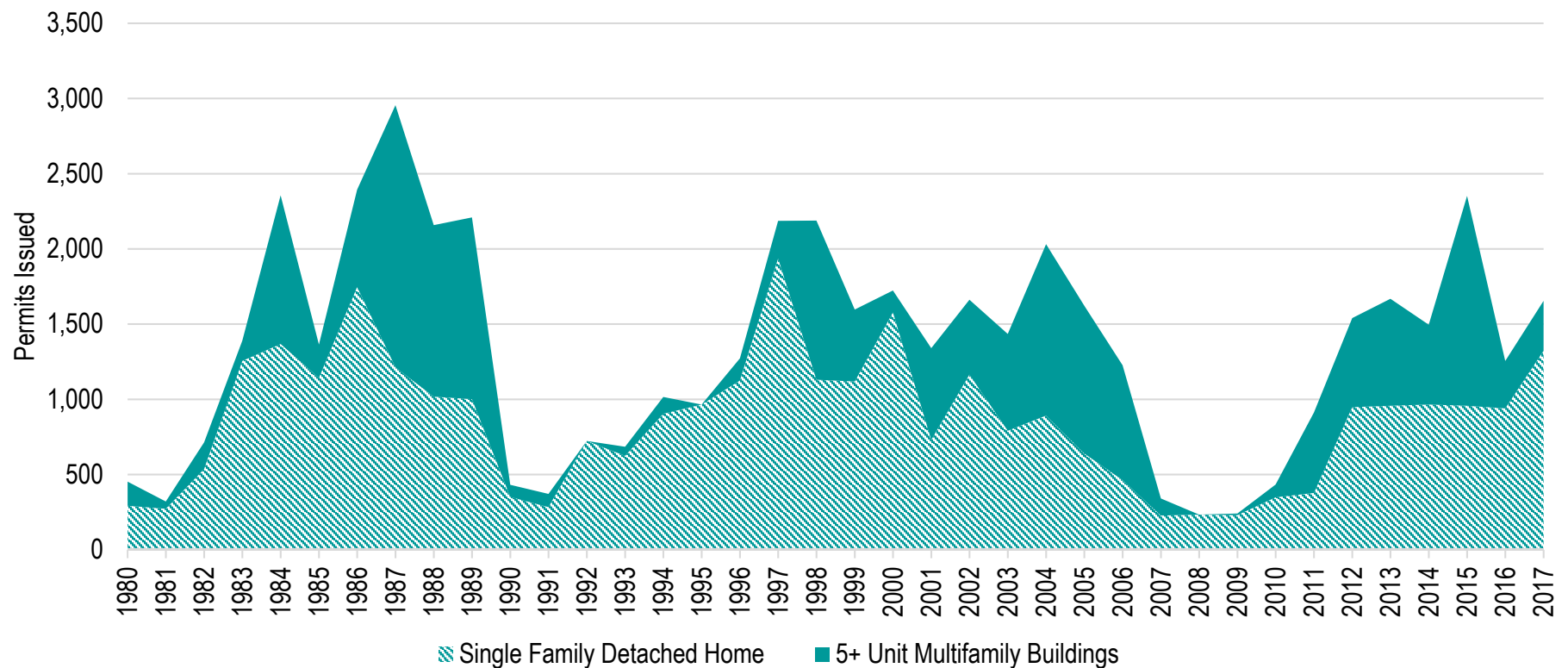
Lack of Tri-Valley Housing Production

Tri-Valley Housing Construction (1980-2017)

Development in the Tri-Valley has historically been focused more heavily towards single family housing. Production of single family homes peaked in 2000, while multifamily production peaked in 2004. Neither of these product types has seen a return to peak housing production since the recessionary years of 2008-2010 when very few building permits were issued. Only in recent years has single family detached home permit approval neared 1,000, while multifamily approvals remain below 750.

Historical production of homes in the Tri-Valley has not kept up with the growth of new households and jobs, especially since 2000. This is also true of the Bay Area as a whole, which has caused a growing imbalance between housing demand and supply.

Tri-Valley Historical Building Permit Issuances



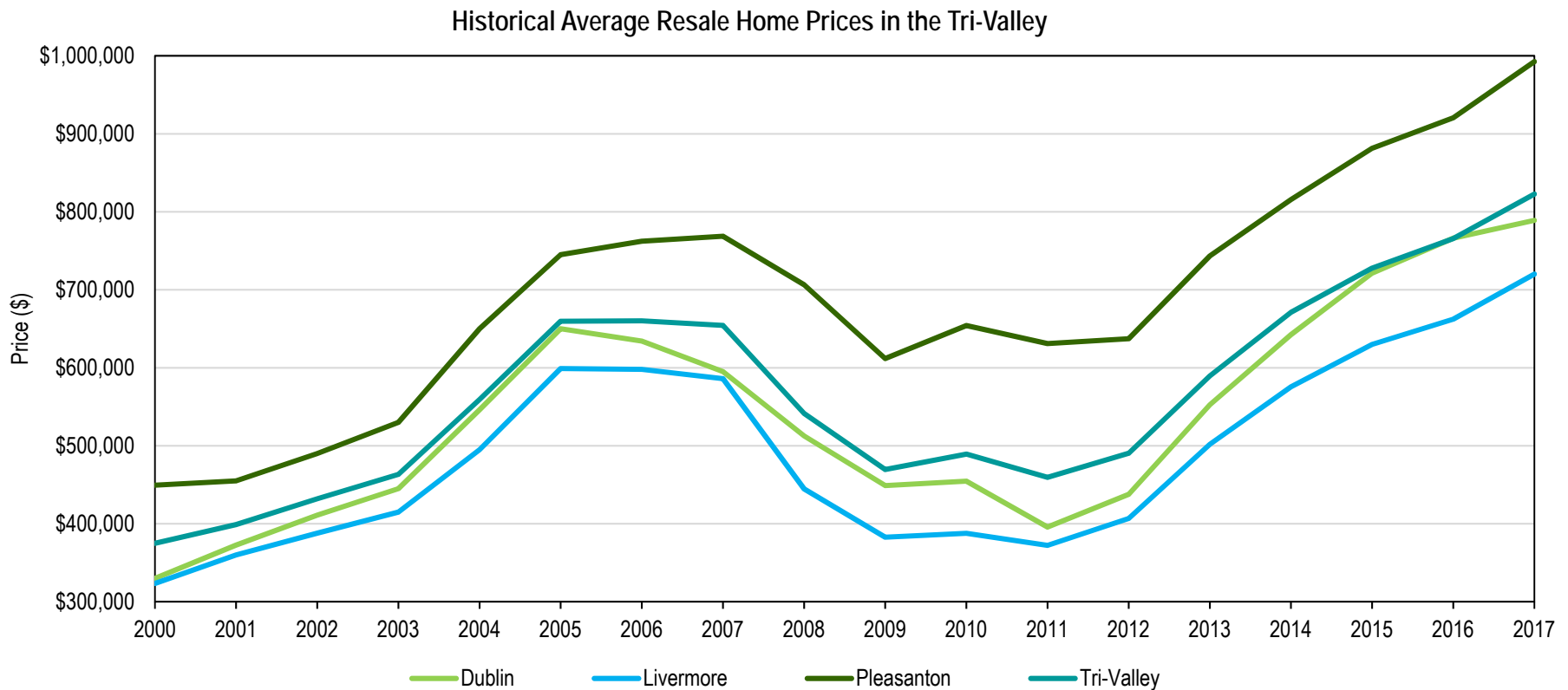
Source: US Department of Housing and Urban Development (SOCDS)

Rapid Increases in Home Prices Since 2012

Tri-Valley Home Prices

Home prices in the Tri-Valley have been on a similar, upward trajectory since the recessionary lows between 2009 and 2011. While the drop in home prices was more pronounced than the drop in institutional rents, the increase in average home prices has been steeper. Since 2011, the average resale home price in the Tri-Valley has increased \$360,000 or 79%.

The average resale home price in the Tri-Valley in 2017 was upwards of \$820,000, and the average resale home price in Pleasanton bordered on \$1,000,000.



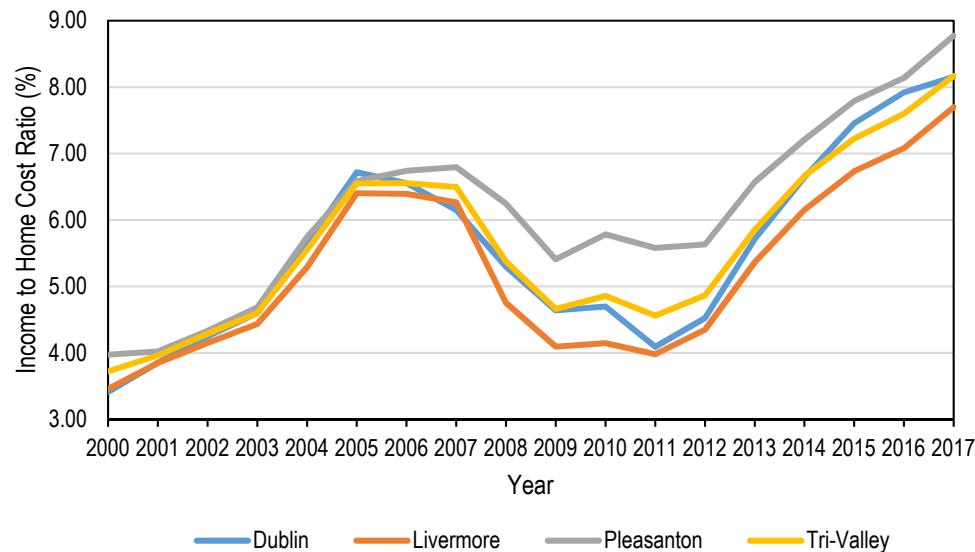
Source: CoreLogic - DataQuick

Home Prices Increasing Faster Than Incomes

Tri-Valley Home Prices

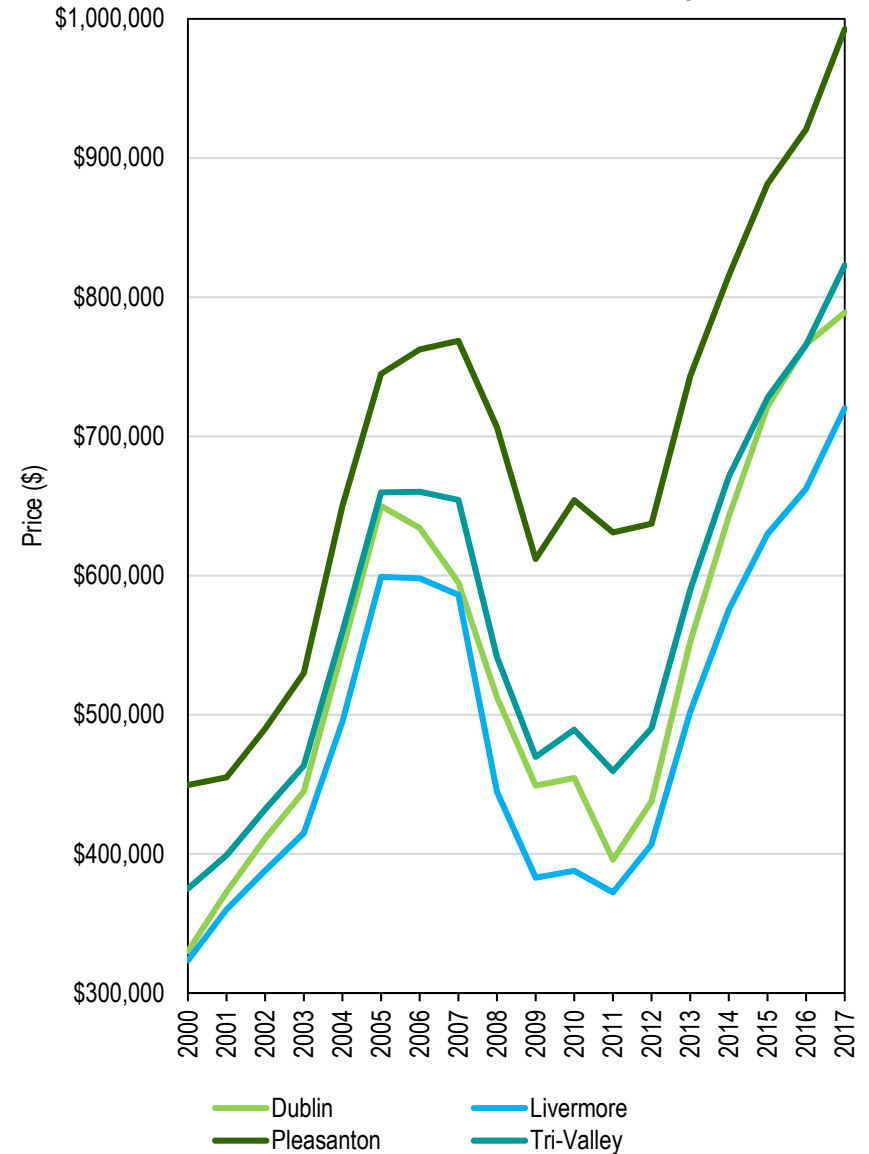
Similar comparisons can be drawn about how the median household income in 2000 has compared to the growth in resale home prices in the Tri-Valley. Due to the greater escalation of home prices in the Tri-Valley, for-sale homes have become more unaffordable to historical residents of the area more quickly than rents have. Ultimately, this has continued to leave moderate-income households out of the picture for home ownership in Dublin, Livermore, or Pleasanton.

2000 Median Income Historical Home Resale Price Comparison - Tri-Valley Cities



Source: CoreLogic - DataQuick

Historical Resale Home Prices in the Tri-Valley



Limited For-Sale Homes Affordable to Low-Income Households

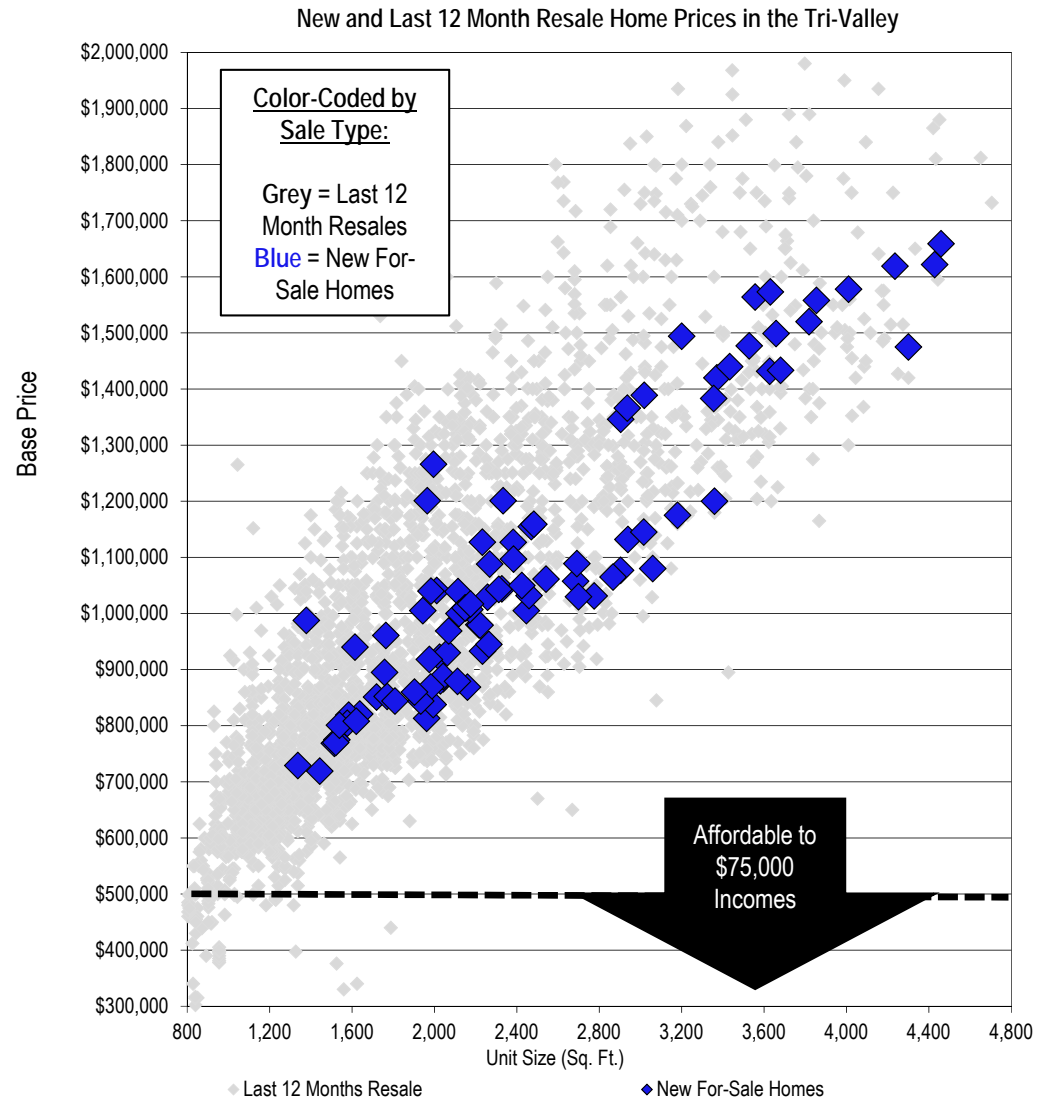
Market Rate For Sale Options for Tri-Valley Residents

A home affordable to a household making less than \$75,000 a year is below \$500,000, on the higher end.

Of the 2,700 homes sold in the Tri-Valley over the last 12 months, only 128 homes were under the \$500,000 threshold. Almost all of these homes were under 1,300 square feet, and are almost exclusively studio and one-bedroom units.

None of the new homes to come onto the market in the Tri-Valley in 2018 had an asking price below \$700,000, extending upwards of \$1.6 million.

While there has been some development of new for-sale product in the Tri-Valley and some sales activity at affordable price points, there is not nearly enough to sustain and prevent the displacement of the thousands of households who are at risk and cannot afford a home in the Tri-Valley.

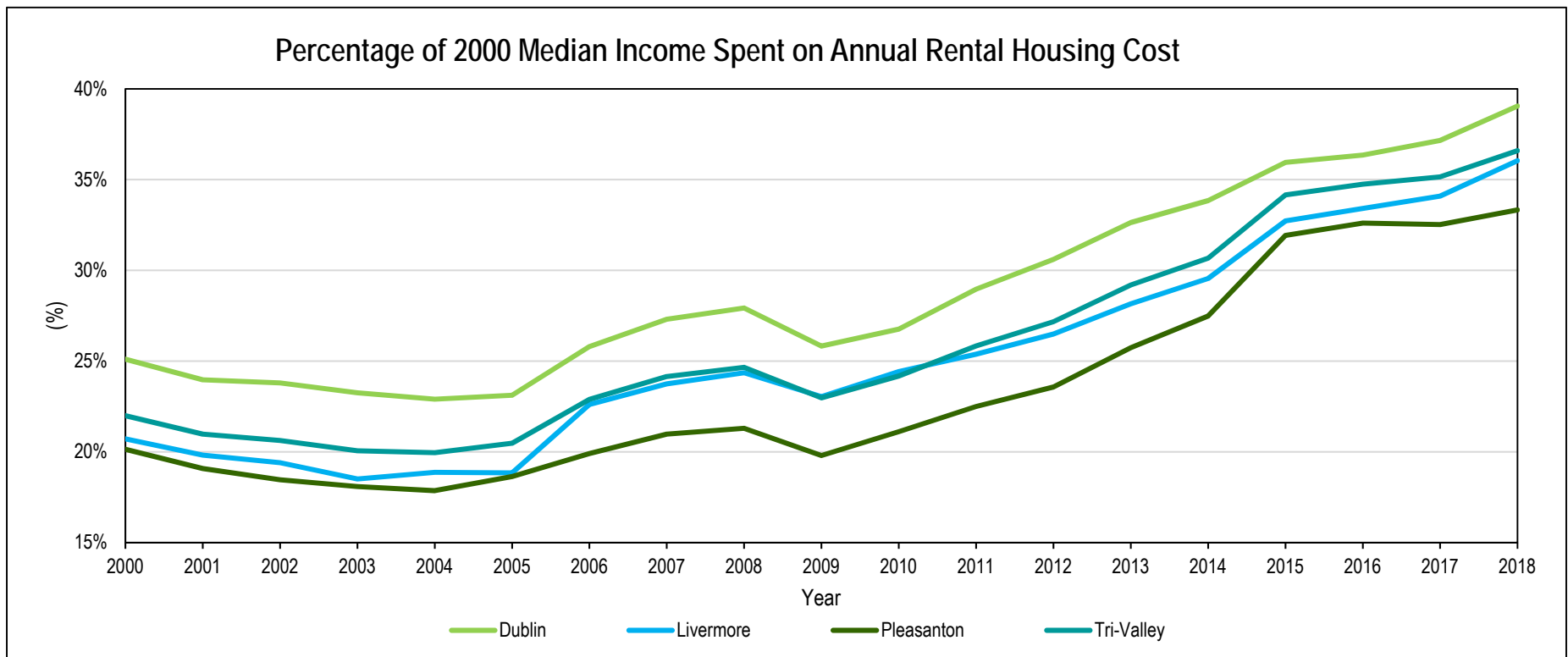


Source: RedFin, The Concord Group

Increasing Percentage of Income Spent on Rental Housing

Tri-Valley Rental Housing Cost

These increases in rents and home ownership costs could be manageable if growth of incomes and wealth in the Tri-Valley for all residents followed similar trajectories. While median incomes have increased significantly in the Tri-Valley since 2000, most of that is due to the influx of new, higher-earning households. Many of the moderate income earning households who have already been living in the Tri-Valley have seen little wage growth since 2000. A household in the Tri-Valley would have spent 22% of their income on housing in 2000. Holding constant the median income of a household in the Tri-Valley in 2000, by 2009, the percentage of income to housing would have only increased 1%. However, in 2018, that household would have to spend upwards of 36% of their income on housing. The consistent upward trajectory of rents in the Tri-Valley have made it unaffordable for many of the residents who have lived in the area and have not been able to advance from the economic growth that many in the area have benefited from.



Source: CoStar, Spotlight

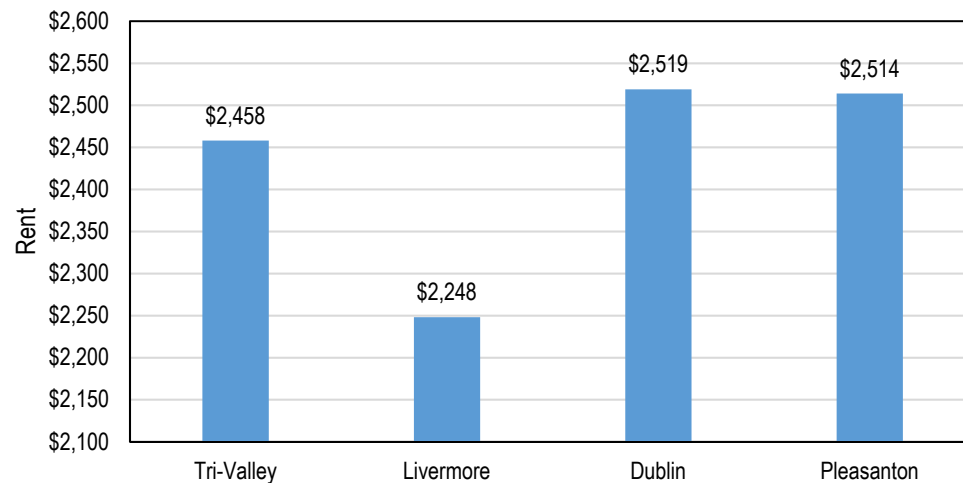
Rapid Increases in Market Rents Since 2009

Tri-Valley Rents

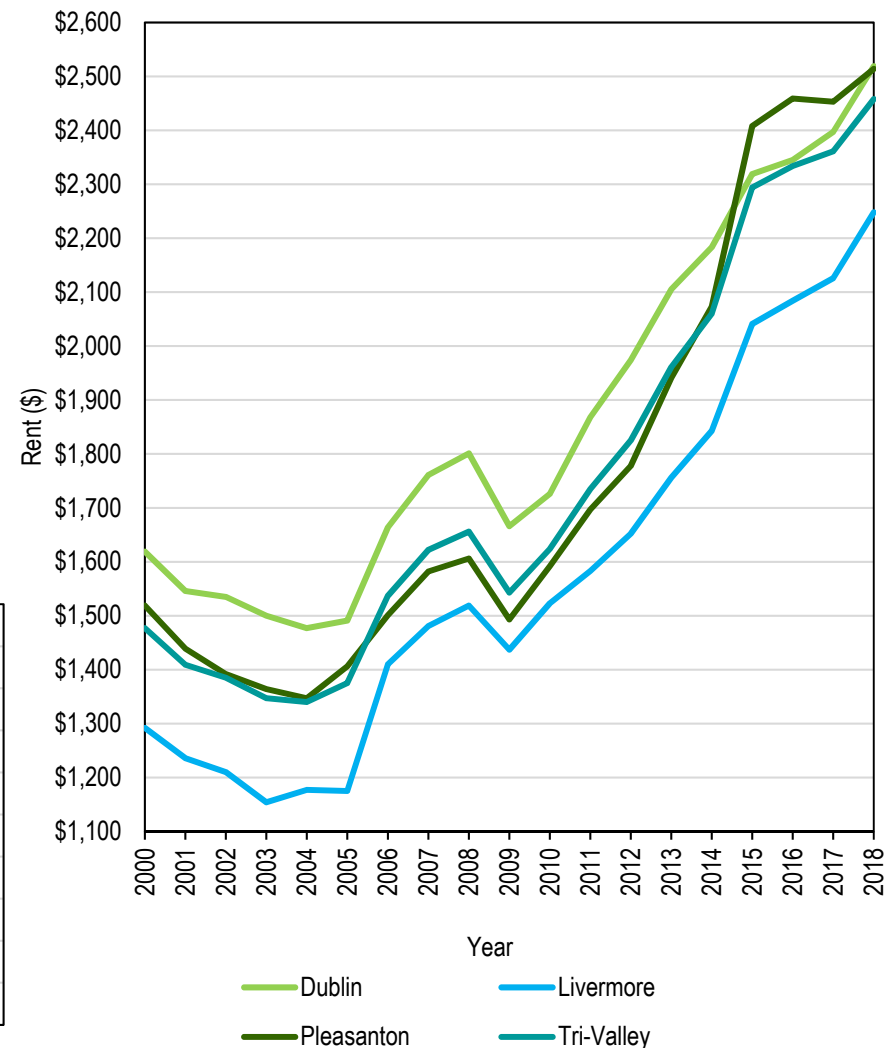
Rents in the Tri-Valley have seen enormous growth since 2009. The average rent in the Tri-Valley only dropped to 2006 levels during the recession, before increasing to \$2,460 in 2018, up more than \$900 or 58% since 2009.

Current asking rents in the Tri-Valley would only be affordable to a household making a minimum of \$90,000 of gross household income a year. Rents are more expensive in Dublin and Pleasanton, which are likely driven by the greater proximity of BART as a transit option for those residents.

Current Asking Rents



Historical Asking Rents in the Tri-Valley (Institutional)



Source: CoStar

Limited Rental Units Affordable to Low-Income Households

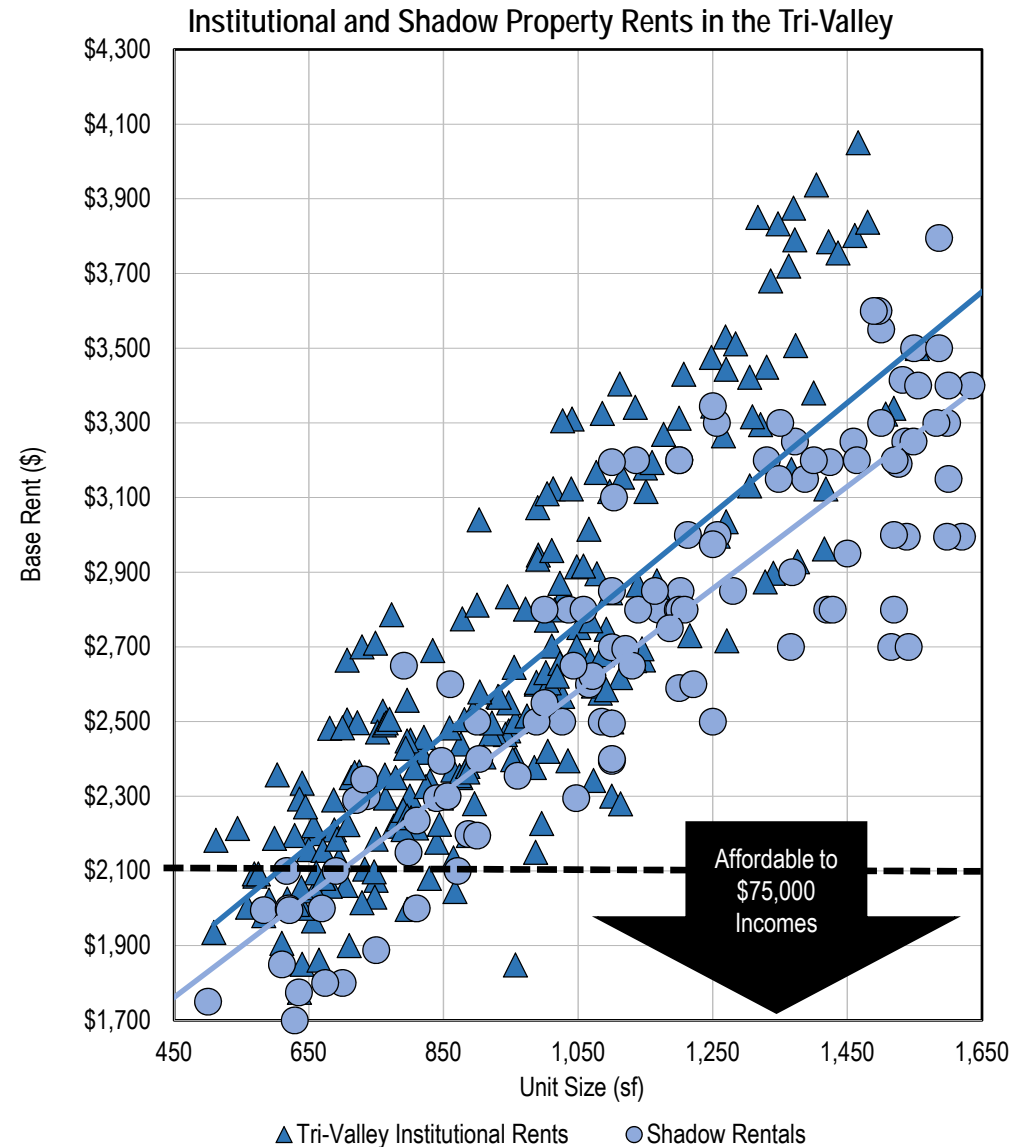
Market Rate Rental Options for Tri-Valley Residents (2018)

An affordable rent to a household that earns less than \$75,000 a year is about \$2,100 a month, or about 33% of their pre-tax income.

Few shadow rental properties (units not owned or operated by large institutional property managers/ investors, typically lower rent and single family homes) in the Tri-Valley are below the \$2,100 threshold. Those that are affordable are all below 850 square feet in size, which is on the smaller side for a 2-bedroom unit in the market. Even fewer institutional properties have floorplans with rents affordable to a middle-income family in the Tri-Valley, and those floorplans that are in the market at affordable price points are also almost exclusively 850 square feet or smaller.

There is very little supply in the market today for a low or very-low income household to rent a home in the Tri-Valley. As other higher-income earners get pushed outward from more expensive markets in San Francisco and Oakland, some will find their way to the Tri-Valley and compete for these market rents in ways that lower-income, current residents will not be able to afford.

Source: Zillow, The Concord Group

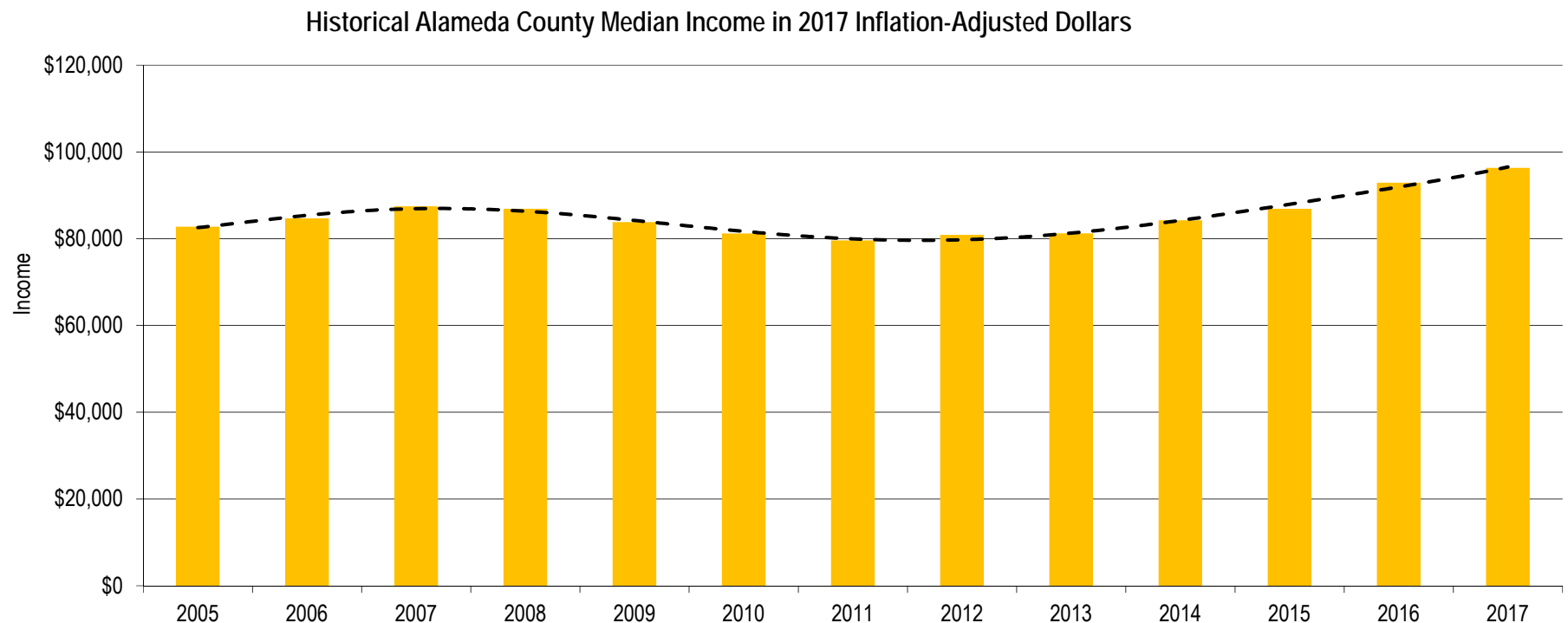


Stagnate Median Household Income Trends

Alameda County Median Household Incomes

A look at historical median incomes in Alameda County when accounting for fluctuations in cost of living using the consumer price index shows that median income in Alameda County has only recently begin increasing. While the region has experienced economic growth, that economic growth has not necessarily translated to increased incomes for households of Alameda County.

After peaking at \$87,000 of household income in 2007 and hitting a low of \$79,600 in 2011, the county's median income only re-reached its peak in 2016.



Source: American Community Survey 2017, 5-Year Estimate, Bureau of Labor Statistics

Bay Area Urban Displacement Project

Relevant Findings for Tri-Valley Analysis

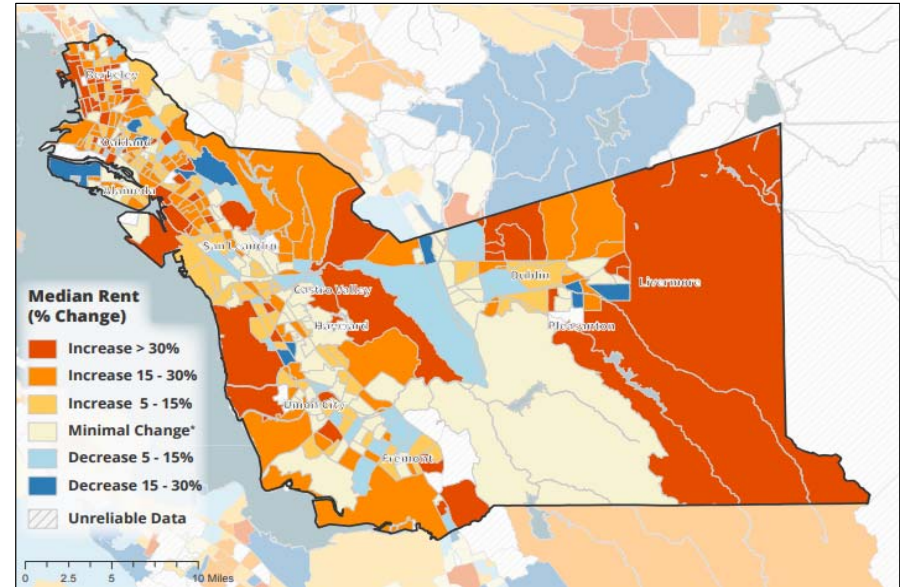
The Urban Displacement Project and California Housing Partnership Corporation (CHPC) have prepared a series of reports that analyze and document displacement pressures facing lower income households and persons of color in the Bay Area. Their work has been conducted over the past few years and utilizes data from the US Census and American Community Survey through 2015. Their reports and maps provide evidence that low-income people of color in the Bay Area suffer the most as housing prices rise, and displacement pressures often push them into higher poverty, lower-resource neighborhoods where the odds are stacked against them.

In their report, *Rising Housing Costs and Re-Segregation in Alameda County*, they found that Alameda County saw growth among its lowest and highest-income households between 2000 and 2015, while losing significant numbers of moderate-income households. Some of these shifts were involuntary moves resulting from eviction, foreclosure, large rent increases, uninhabitable housing conditions or other reasons that are beyond a household's control, otherwise known as "displacement." This report concludes that Alameda County and the region needs policies and investments that support housing affordability and stability for low-income people of color, while also increasing their access to high-resource neighborhoods, which include neighborhoods in the Tri-Valley area.

While the data and analysis in this report build on the work of the Urban Displacement Project and CHPC, this report utilizes more recent data from the 2017 American Community Survey and other current data sources to show how rising housing costs and other economic shifts in the region and the Tri-Valley are increasing displacement pressures for low-income households, especially people of color and those with special housing needs.

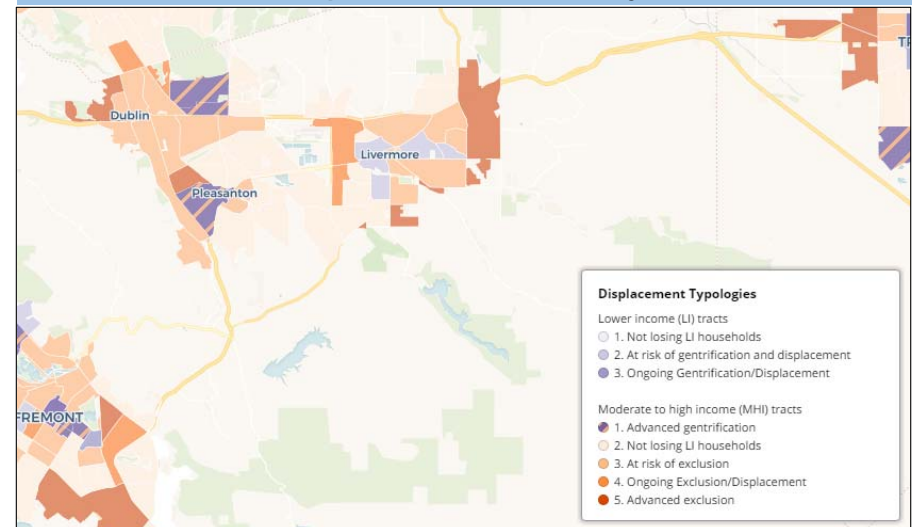
Source: California Housing Partnership Corporation (CHPC)

Alameda County Percent Change in Median Rent Paid (2000-2015)



Source: *Rising Housing Costs and Re-Segregation in Alameda County*, Urban Displacement (UC Berkeley)

Displacement in the Tri-Valley



Source: Urban Displacement Project, University of California, Berkeley

Finding #2 Supporting Data

A substantial proportion of Tri-Valley jobs are for lower wage workers, and many of the industries with high employment growth are in industries that include a substantial amount of lower wage jobs while significant number of higher income households have moved into the Tri-Valley who are commuting to jobs outside of Tri-Valley.

High Proportion of Low Income Households

Annual Salary Levels and Housing Affordability

As described earlier, the fastest growing occupations in the Tri-Valley region are educational services followed by accommodation and food services. These employment sectors tend to have a large proportion of lower wage jobs. According to recent data, 39% of all primary jobs in the Tri-Valley pay wages of \$40,000 and below, which means that a high proportion of these households (assuming the typical 1.6 workers per household) are lower income households earning \$75,000 or less.

Primary Jobs with Annual Earnings of \$40,000 or Below:

Livermore: 38% of all primary jobs

Dublin: 52% of all primary jobs

Pleasanton: 36% of all primary jobs

Tri-Valley Cities 39% of all primary jobs

2015 Annual Earnings of Primary Jobs

Annual Earnings	Livermore		Dublin		Pleasanton		Total	
	# Jobs	%	# Jobs	%	# Jobs	%	# Jobs	%
\$15,000 or less	5,971	14%	3,955	23%	7,941	13%	17,867	15%
\$15,000 to \$40,000	10,732	24%	4,984	29%	13,649	23%	29,365	24%
More than \$40,000	27,221	62%	8,300	48%	37,601	64%	73,122	61%
Total	43,924	100%	17,239	100%	59,191	100%	120,354	100%

Source: onthemap.ces.census.gov

2018 Typical Annual Salary Levels

Job Category	Salary Levels	
	Livermore	Pleasanton
Substitute Teachers	\$43,000	\$44,000
Customer Service Representatives	\$40,600	\$41,100
Dental Assistants	\$39,300	\$39,300
Office Clerks, General	\$36,000	\$37,200
Security Guards	\$30,000	\$30,200
Childcare Workers	\$29,000	\$20,900
Waiters and Waitresses	\$27,200	\$27,000
Cooks, Restaurant	\$26,100	\$30,200
Retail Salespersons	\$25,900	\$27,000
Cashiers	\$24,600	\$25,600

Source: Alameda County Social Services Agency
(Emsi Labor Market Data for City of Livermore and City of Pleasanton)

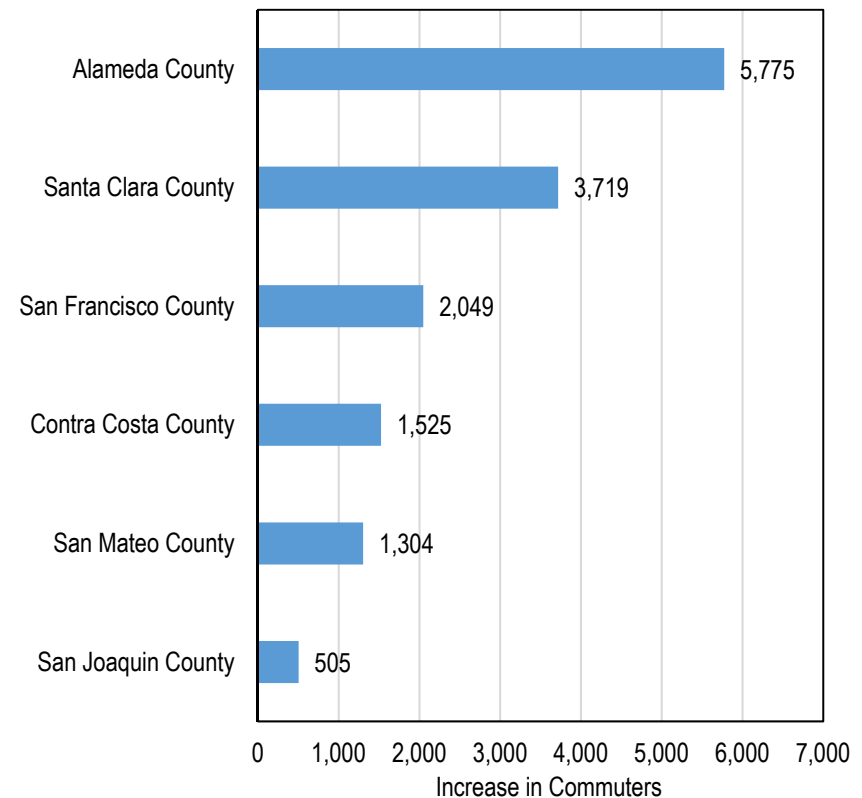
Increasing Commuter Residents

Employment Destinations and Affordability

Employment in the Bay Area is heavily concentrated in nodes around the region: San Francisco, San Jose, Cupertino/Mountain View/Palo Alto, and smaller areas such as the Tri-Valley. Concentrated employment growth, in addition to the lack of new housing development in these cities, results in employees who have to find homes beyond spheres local to their employment. For many, this has resulted in longer commute times and heavier traffic across the Bay Area, as employed residents have to move further away from their place of work to be able to afford rent.

From 2010 to 2015, the Tri-Valley witnessed a 45% (2,000) increase in residents who commuted to San Francisco for their work. More Tri-Valley residents also began commuting towards Silicon Valley employment nodes in San Mateo and Santa Clara Counties. While the Tri-Valley maintains a strong live/work employment base, as high-income earners from San Francisco, San Mateo, and Santa Clara Counties push outward in search of more attainable housing, current resident households of the Tri-Valley will be at a greater risk of also being displaced.

Select Counties Increase in Commuters from Tri-Valley, 2010-2015



Finding #3 Supporting Data

Thousands of lower-income residents in the Tri-Valley, particularly lower-income renter households, are vulnerable to being displaced.

Shifting Income Distribution

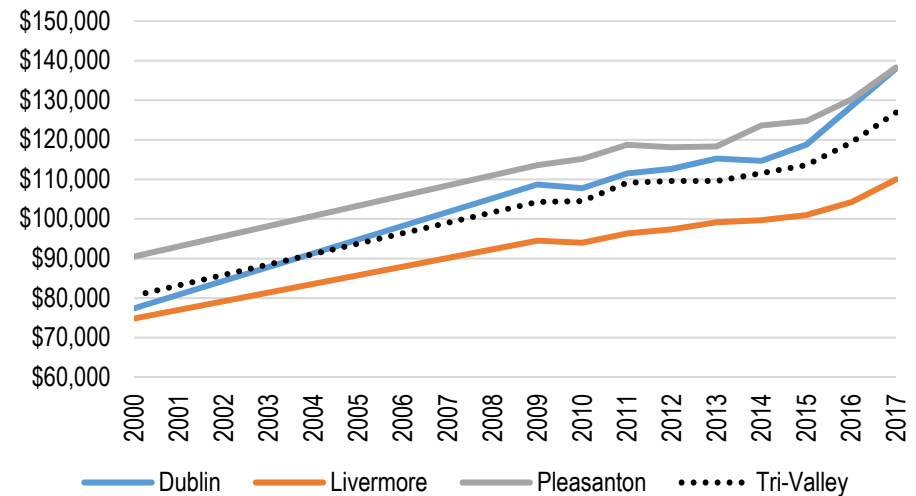
The Changing Nature of the Tri-Valley

The dramatic and rising income inequality in the Bay Area has been a direct result of rapid economic growth. This income inequality and changing of the median household income distribution can be seen clearly in the Tri-Valley. Median incomes in all cities in the Tri-Valley are up in excess of \$30,000 since 2010.

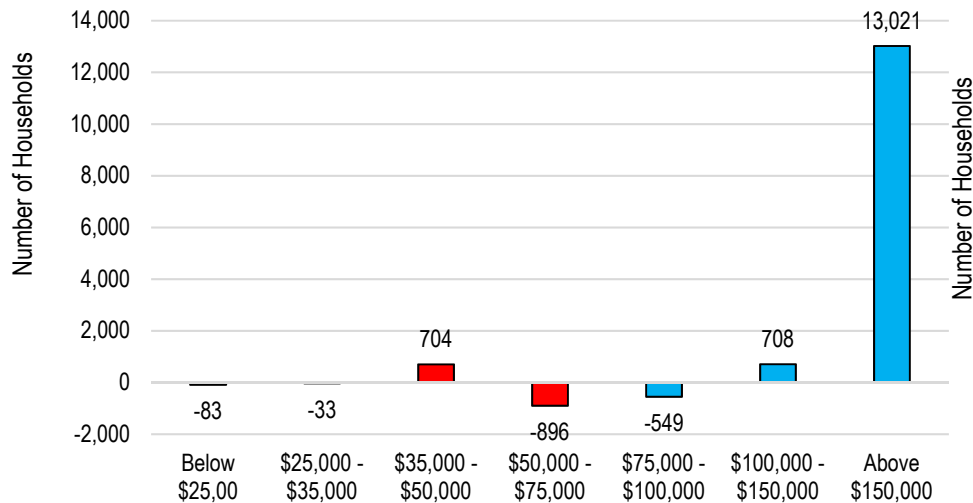
Additionally, the collapsing of new supply deliveries has only accelerated the changing nature of the Tri-Valley. The constrained market is at price points that households who make under \$75,000 find unaffordable. Additionally, net new households added to the Tri-Valley are all households earning more than \$100,000.

More than 308 households who earn less than \$75,000 left the Tri-Valley between 2010 and 2017, many of which likely left due to rising housing costs.

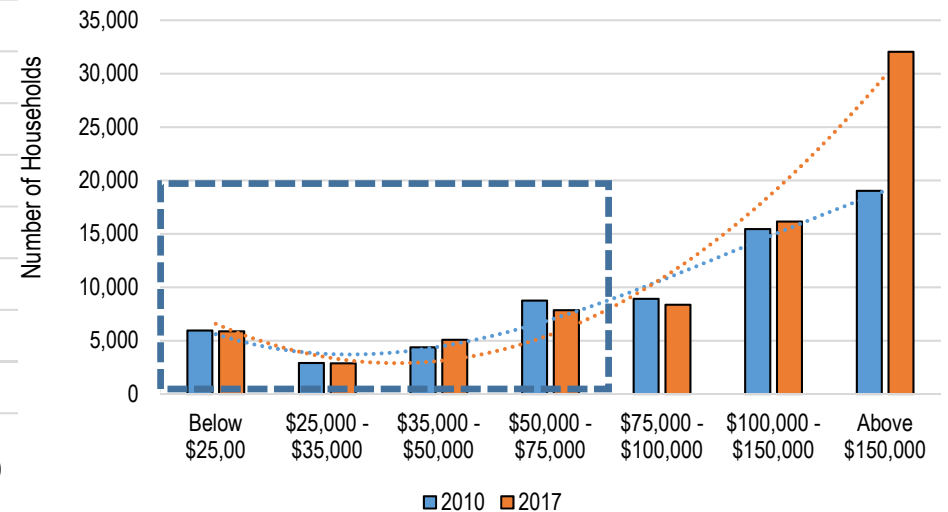
Tri-Valley Median Incomes Since 2000



Growth/Loss of Households by Income 2010-2017



Tri-Valley Median Home Income Distribution



Source: American Community Survey 2017 & 2010, 5-Year Estimates, US Census Bureau

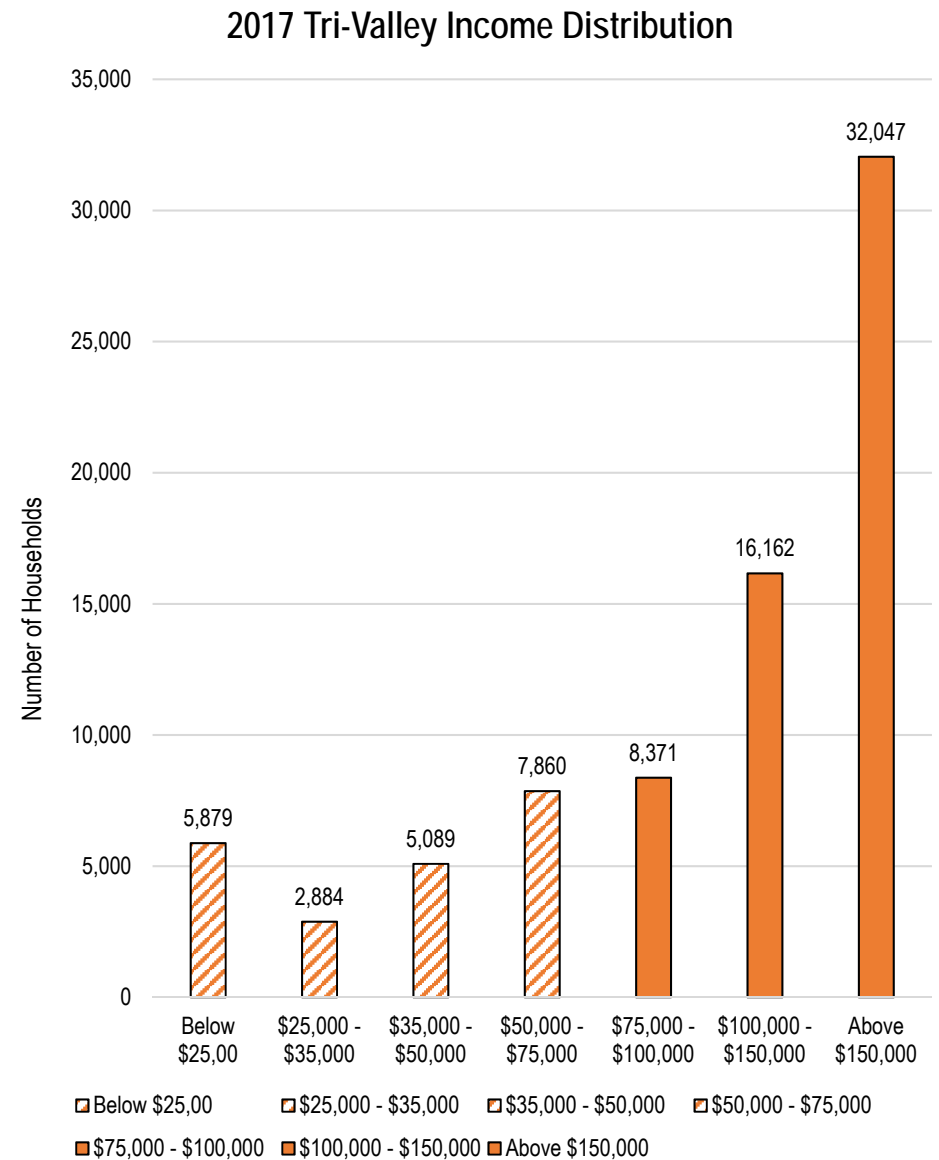
Significant Portion of Households at Risk of Housing Displacement

Income Distribution of the Tri-Valley

The high-level picture of economic health of Tri-Valley residents is one of growing affluence.

Of the 78,300 households in the Tri-Valley, 56,600 (73%) earn over \$75,000 a year. 41% (32,000) households earn over \$150,000.

There is still a significant cohort of households who are remain at the greatest risk of displacement. Approximately 13,000 (17%) households earn between \$35,000 and \$75,000. It is households within this income range for whom there has been little to no development of affordable housing product across the Bay Area – affordable housing for very low income and high income households *have* seen some development activity. As a result, the presence of these middle-income households have been dwindling in size.



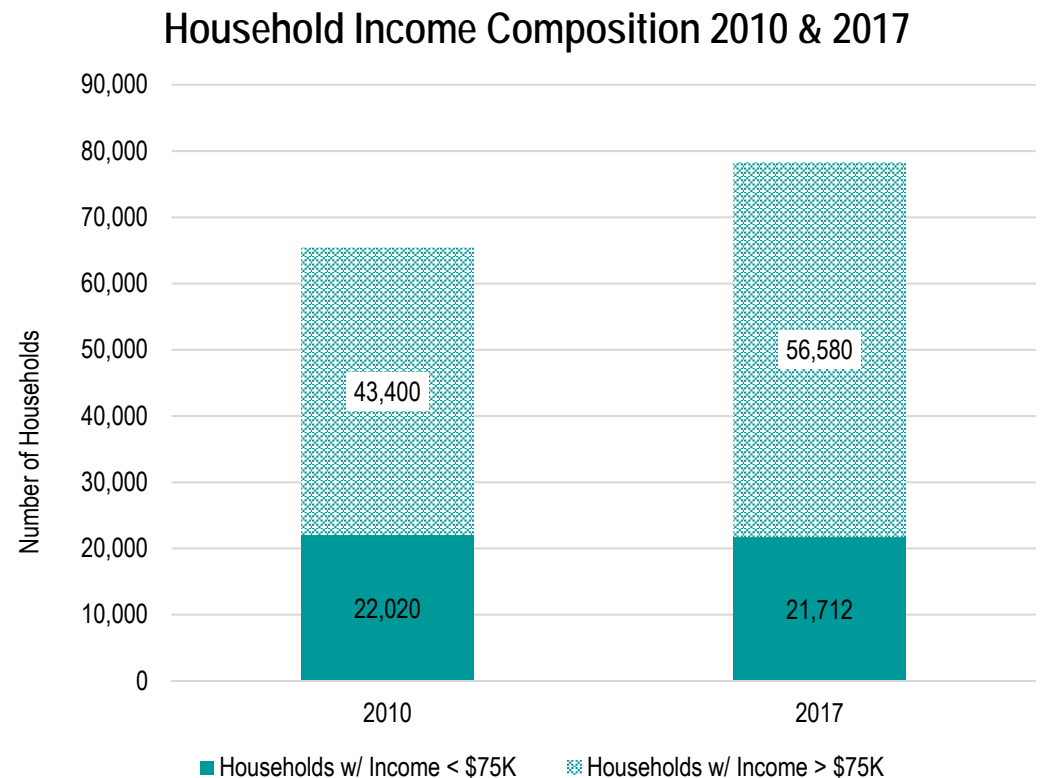
Source: American Community Survey 2017, 5-Year Estimate, US Census Bureau

Loss of Low/Moderate Income Households

Changes in Household Income in the Tri-Valley

While the number of households in the Tri-Valley has grown from 65,420 in 2010 to 78,300 in 2017, the percentage of households who made less than \$75,000 in 2010 has dropped. In 2010, households that made less than \$75,000 made up 34% of all households in the Tri-Valley. In 2017, that percentage is only 28%.

The Tri-Valley has seen enough growth in households making over \$75,000 to make up for the almost 300 households who have likely been displaced that earned less than \$75,000 a year – this is in addition to the 13,000 on top of that. It is this growth among higher-income earners and loss of lower-income that has driven the shifts in the household income distribution of the area.



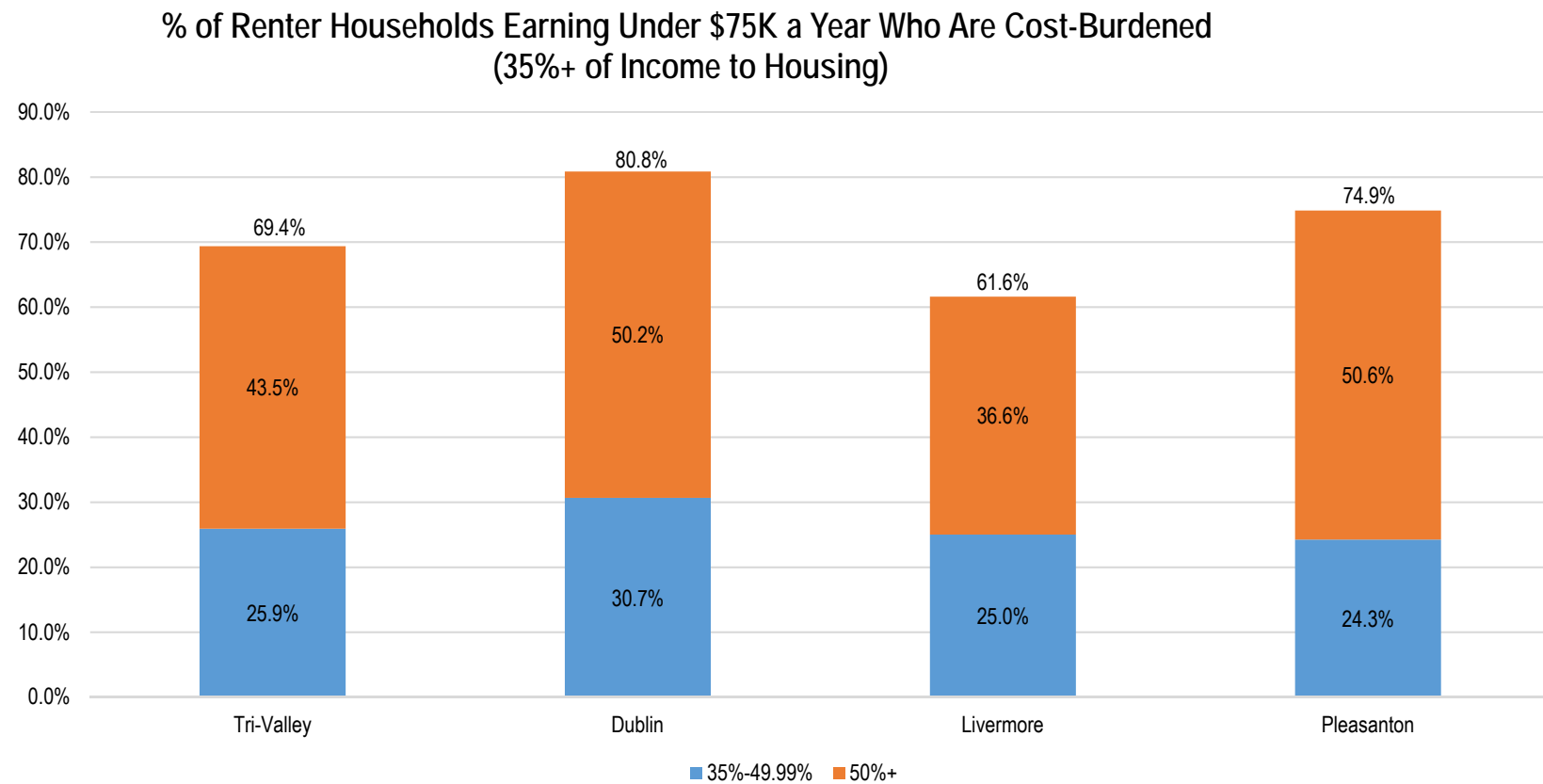
Given wage stagnation amongst lower and middle-income households prevalent around the Bay Area, it is reasonable to surmise that 6,000+ households earning less than \$75,000 per year have already been displaced from the Tri-Valley.

Intensifying Housing Conditions for Low Income Renters

Cost-Burdened Households in the Tri-Valley

Currently, about 24,000 households in the Tri-Valley area are renters, and 45% percent of these are lower-income (<\$75,000) renter households.

Housing production has not kept pace with the demand for housing for these households. Currently 69.4% of all lower-income renter households in the Tri-Valley are cost-burdened, paying 35% or more of their income on housing costs, and the percentage of cost-burdened households has increased since 2010.



Source: American Community Survey 2017, 5-Year Estimate, US Census Bureau

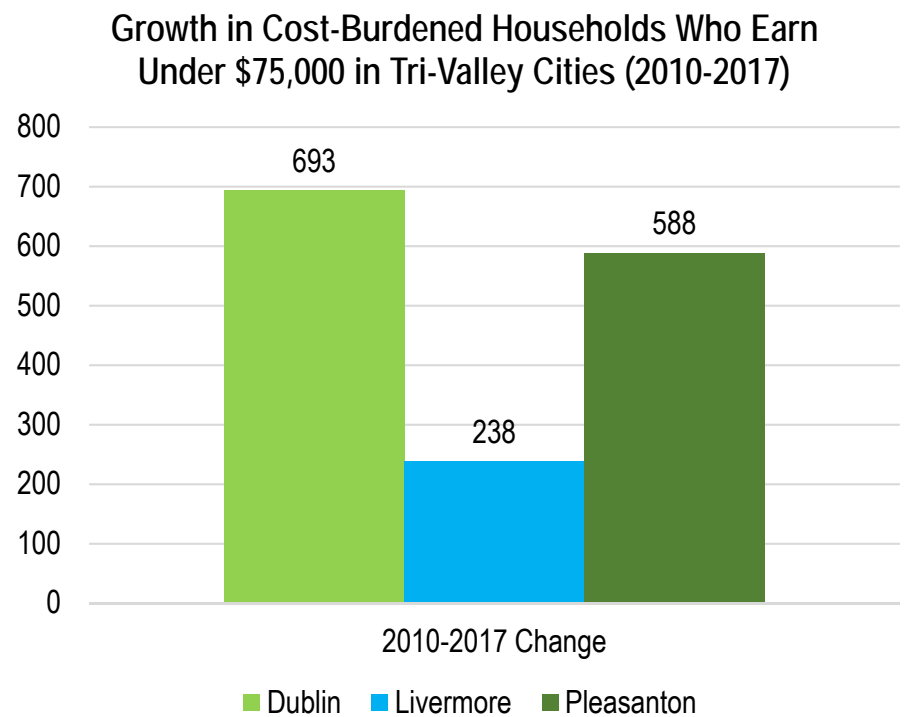
Increasing Number of Cost-Burdened Low Income Households

Cost-Burdened Households in the Tri-Valley

Additionally, of the 7,550 cost burdened households earning less than \$75,000 a year in the Tri-Valley, 4,730 or 43.5% are severely cost burdened, or pay more than 50% of their income to rent.

An analysis of the individual cities shows that 81% of households earning less than \$75,000 in Dublin are cost burdened, 62% in Livermore, and 75% in Pleasanton.

From 2010 to 2017, there's been a growth in over 2,300 cost-burdened households in the Tri-Valley, from 6,200 to 8,560, or a growth of 38%.



Source: American Community Survey 2017, 5-Year Estimate, US Census Bureau

Increase in Severely Cost-Burdened Renters

Cost-Burdened Renter Households in the Tri-Valley

Currently, about 7,550 lower income renter households are cost burdened, paying more than 35% of their income on rent. Even more dramatically, of those 7,550 households, 4,70 are severely cost burdened, paying more than 50% of their income on rent.

Since 2010, the number of lower-income renter households that are cost burdened (paying more than 35% of income on housing) has increased significantly in the Tri-Valley, an increase of about 1,500 low-income households or 25%, which indicates that rental housing is not keeping pace with demand leading to growing displacement pressures.

Cost-Burdened Renter Households (35%+ of Income to Housing) in Tri-Valley Earning Less than \$75,000



Note: American Community Survey did not record severely cost-burdened household figures until 2013

Source: American Community Survey 2016, 5-Year Estimate, US Census Bureau

Increasing Numbers of Overcrowded Rental Households

Overcrowded Renter Households

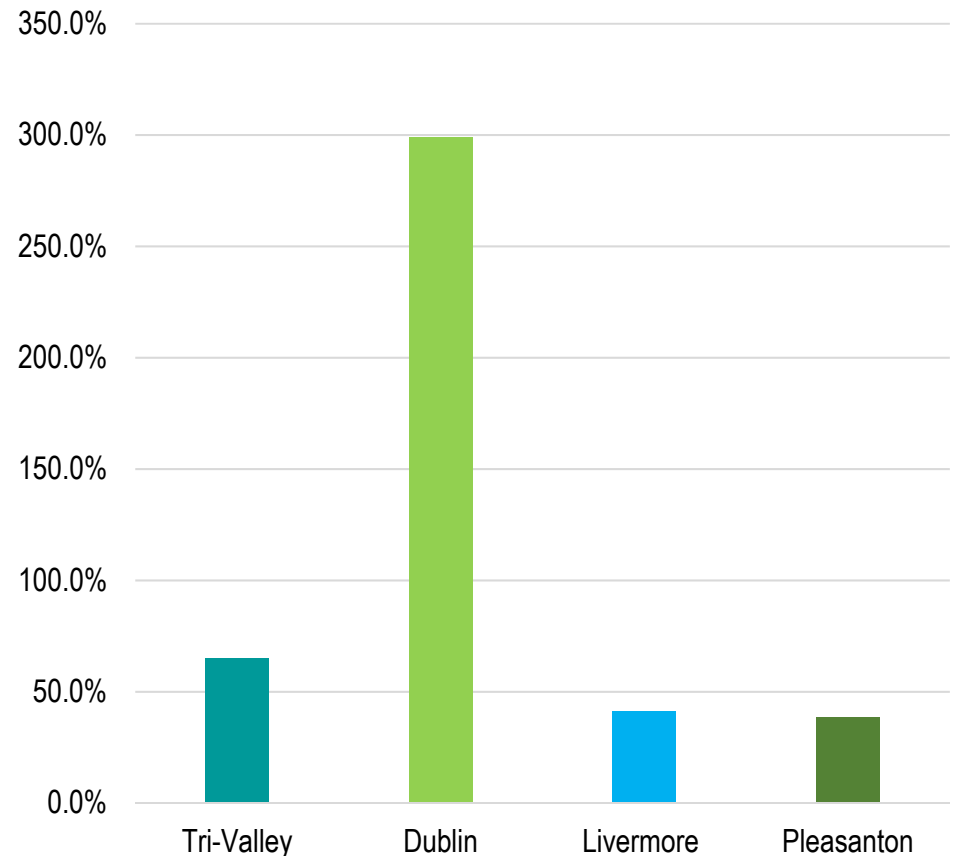
Overcrowding, defined by the US Census as having more than 1.01 person per bedroom in a housing unit, is a measure that can be observed as an initial precursor to displacement. Households move from being able to afford market rents to either paying more than 35% of their income to housing or moving to an overcrowded housing situation before leaving the area in search of a more affordable area.

The Tri-Valley saw an increase of 690 overcrowded units from 2010 to 2017, a 65% increase. Over the same period, Dublin, Livermore, and Pleasanton each saw respective increases of 299%, 41%, and 39%. This growth in overcrowded units coincides with the thousands of households who made less than \$75,000 a year lost from the Tri-Valley over the same time period.

Lower income renters in the Tri-Valley are also living in overcrowded conditions. About 1,750 lower income renter households are currently living in overcrowded conditions, with 510 (29%) in severely overcrowded conditions.

The number of lower income renter households that are cost burdened and are living in overcrowded conditions has increased since 2010, a further indication that a growing number of households are at risk of displacement.

Percent Growth in Overcrowded Rental Households 2010-2017



In 2017, almost 1,750 rental households lived in overcrowded conditions in the Tri-Valley, an increase of 690 households since 2010.

Household Income Trends

Current Alameda County Incomes

According to the U.S. Department of Housing and Urban Development (HUD) and California Department of Housing and Community Development (HCD), the median income for a four-person household in Alameda County is currently \$104,400. As the Bay Area has grown, household sizes have tended to decline due to the influx of younger households and the aging of the Bay Area population.

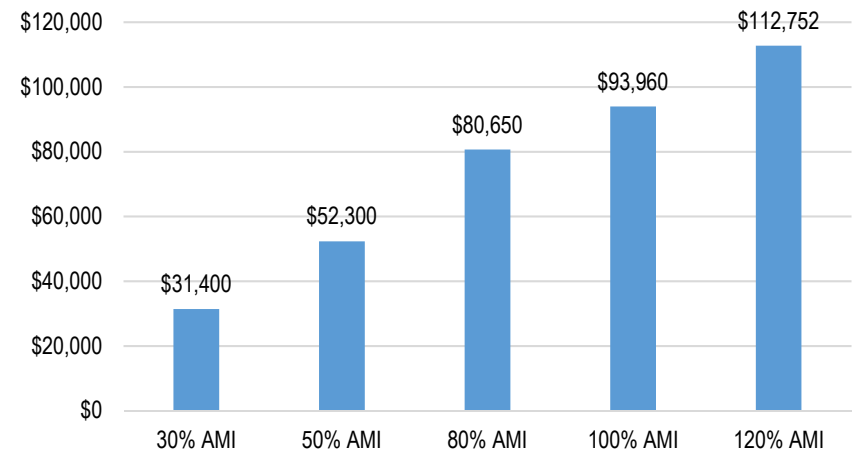
According to Plan Bay Area 2040, the average household size in the Bay Area is about 2.8 persons per household, and Alameda County is reported to have about the same average household size.

HUD adjusts household incomes by household size and indicates that a typical 3-person household receives 90% of the income of a 4-person household. According to HUD, the typical median household income in Alameda County – 100% of area wide median income (100% AMI)– is \$94,000.

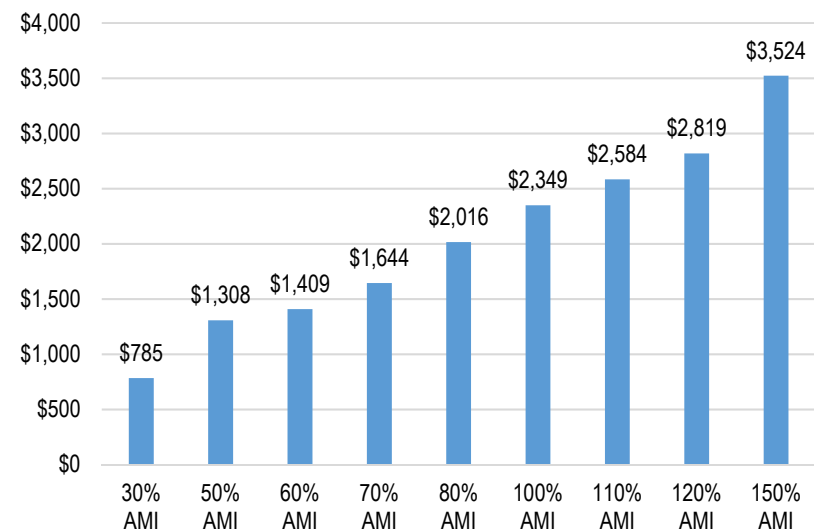
Lower income households in Alameda County and the Tri-Valley are defined as those with incomes at or below 80% AMI, which is \$89,600 for 4-person household or \$80,600 for a 3-person household in 2018.

According to HUD, incomes have increased by 7% in the past year, which means that a typical lower income, 3-person household in Alameda County earned \$75,000 in 2017. Affordable rents are equal to 30 percent of income.

Alameda County 2018 HUD Income Limits for 3-Person Household



Alameda County 2018 Affordable Rents for a 2-Bedroom Unit



Source: US Department of Housing and Urban Development

Finding #4 Supporting Data

The Tri-Valley area has thousands of residents with special housing needs, including many large families, seniors, and persons with disabilities. These households are particularly vulnerable to displacement, and experience significant difficulties when they no longer can access services or their children can no longer continue their education in local schools.

Special Needs Groups in Tri-Valley

Population and Households of Special Needs

The Tri-Valley area has approximately 7,500 large family households, 21,600 senior households and 15,850 persons with disabilities, of which about half are seniors with disabilities.

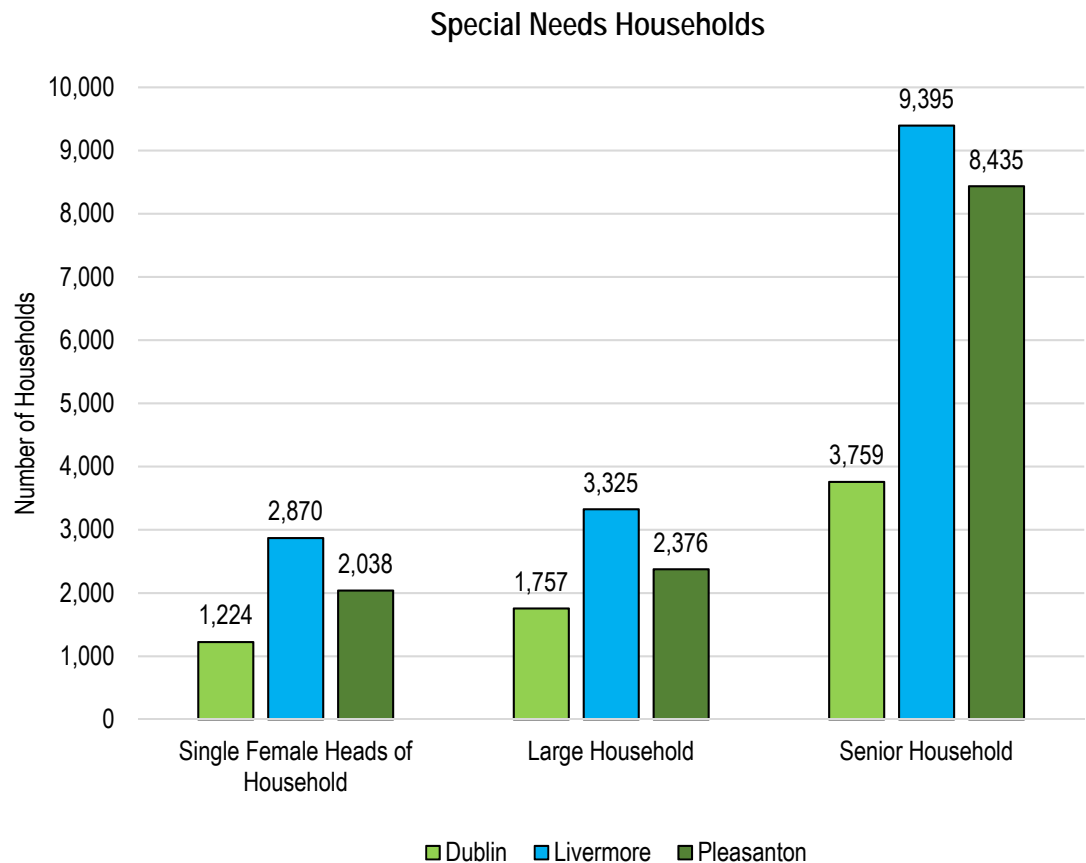
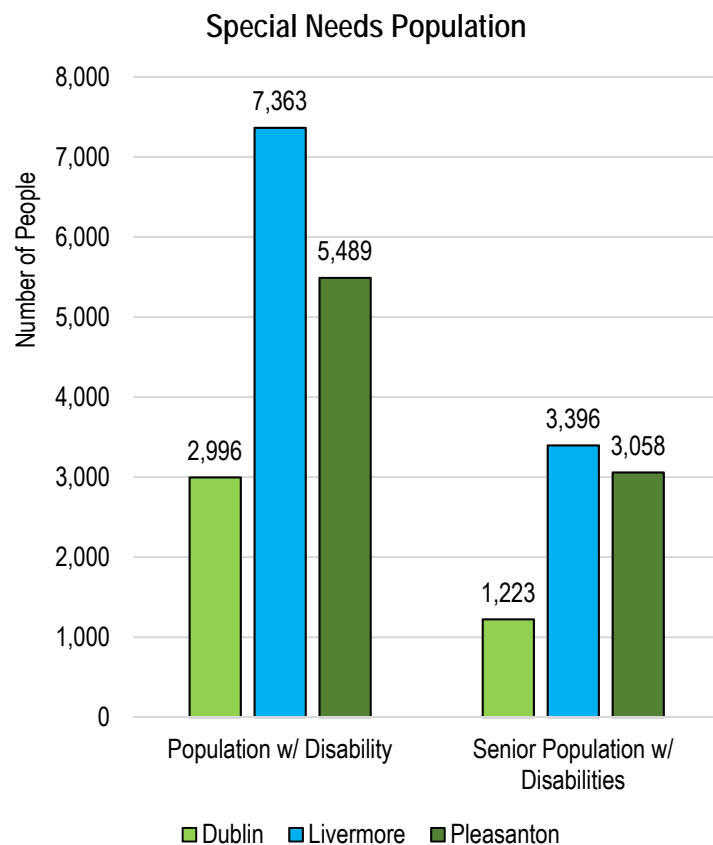
Livermore has the largest percentage of households/persons with special housing needs across all 5 categories below.

	Single Female Heads of Household	Large Household	Senior Household	Persons w/ Disability	Seniors w/ Disabilities
Dublin	1,224	1,757	3,759	2,996	1,223
Livermore	2,870	3,325	9,395	7,363	3,396
Pleasanton	2,038	2,376	8,435	5,489	3,058
Tri-Valley	6,132	7,458	21,589	15,848	7,677

Significant Housing Challenges for Special Needs Groups

Population and Households of Special Needs

As of 2017, the Tri-Valley had over 21,000 senior households, individuals over 60 years old of age, more than 3,200 female householders with children, and about 7,500 large households (5+ persons per household). Additionally, almost 16,000 persons in the Tri-Valley have one or more disabilities, of whom about half are seniors. Much of this population has special housing needs and are at risk of displacement.



Source: American Community Survey 2017, 5-Year Estimate, US Census Bureau

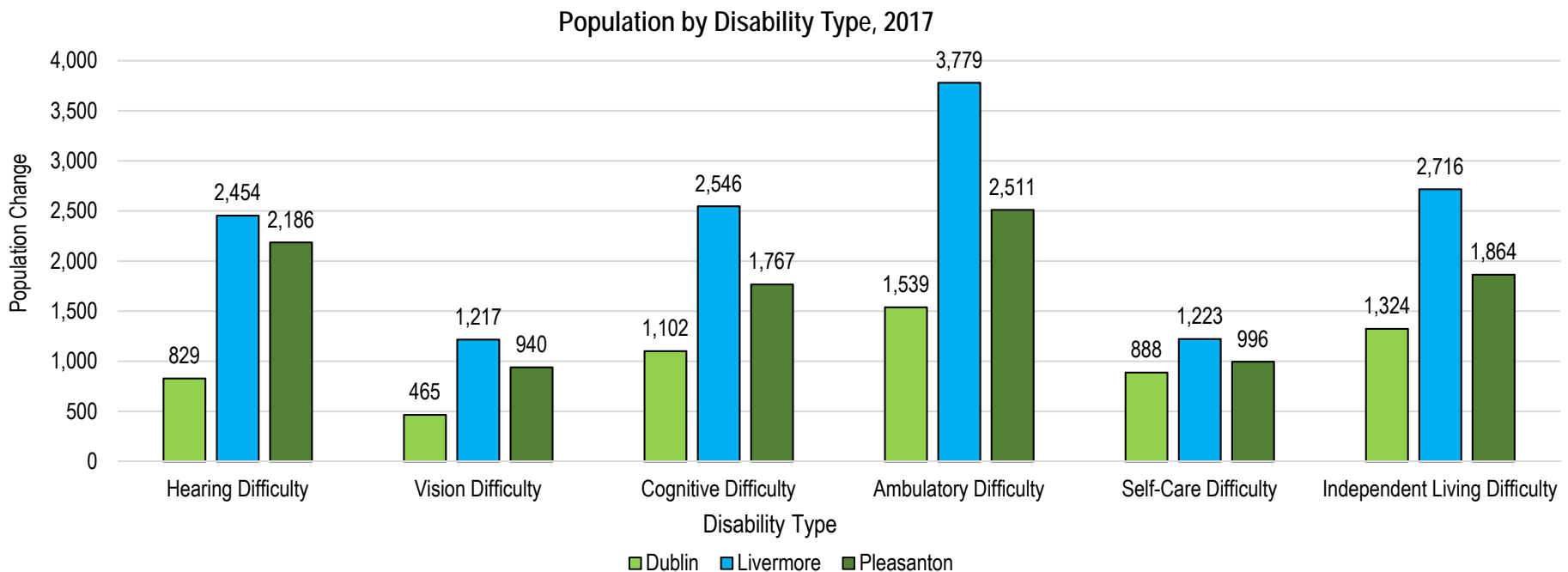
Low Income Population with Disabilities

Changes in Population with Disabilities

As expressed earlier, there are about 16,000 persons with a disability, and there are a wide array of disability types present in each Tri-Valley city. Each of these disability types have a special housing need that brings about a greater need for housing to support these populations.

Displacement is extremely difficult for Tri-Valley residents with disabilities (especially seniors) when they are forced to relocate out of the Tri-Valley area. Service providers emphasize the importance of keeping Tri-Valley residents with special needs close to their support networks of caregivers, neighbors and local friends.

Tri-Valley service providers report that their local clients face significant challenges finding and paying for housing in the Tri-Valley. According to service providers, forms of housing assistance are among the largest categories of requested help and require the largest amount of funding assistance.



Source: American Community Survey, 2017, CityServe

Significant Numbers of Households with Socioeconomically Disadvantaged Students

Dublin, Livermore, and Pleasanton School Districts

According to State student enrollment data, significant numbers of households with children enrolled in the Dublin, Livermore, and Pleasanton school districts are likely experiencing the pressures of housing displacement given their socioeconomic characteristics.

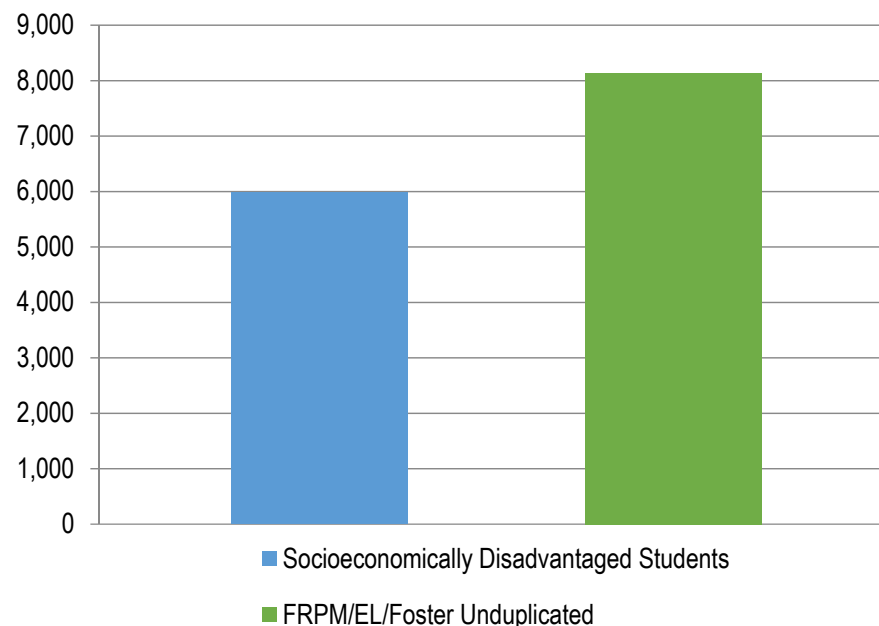
Currently about 8,000 students in the Dublin, Livermore, and Pleasanton school districts are homeless, foster youth, English learners or are receiving free and/or reduced priced meals (FRPM). About 6,000 students are considered to be socioeconomically disadvantaged, which means that they are either homeless, foster youth or have household incomes below \$37,777 and are eligible for FRPM. Notably, about 80% of socioeconomically disadvantaged students in the Tri-Valley are persons of color. Student enrollment trends for these students have fluctuated or slightly increased in recent years indicating that there are still significant numbers of families with children in the Tri-Valley who are at risk of displacement.

According to State student enrollment data, significant numbers of households with children enrolled in the Dublin, Livermore, and Pleasanton school districts are likely experiencing the pressures of housing displacement given their socioeconomic characteristics.

The State of California maintains and analyzes student enrollment data in order to understand the special needs and characteristics of students. The State considers students with any of the following characteristics to be socioeconomically disadvantaged (referred to as SED):¹

- Students are eligible for or receive direct certification for the Free and Reduced Meal Program (FRPM, also known as the National School Lunch Program) based on household income²
- Both parents have not received a high school diploma
- Students are migrant, homeless, or foster youth

Socioeconomically Disadvantaged and FRPM/EL/Foster Students
Dublin, Livermore, and Pleasanton School Districts



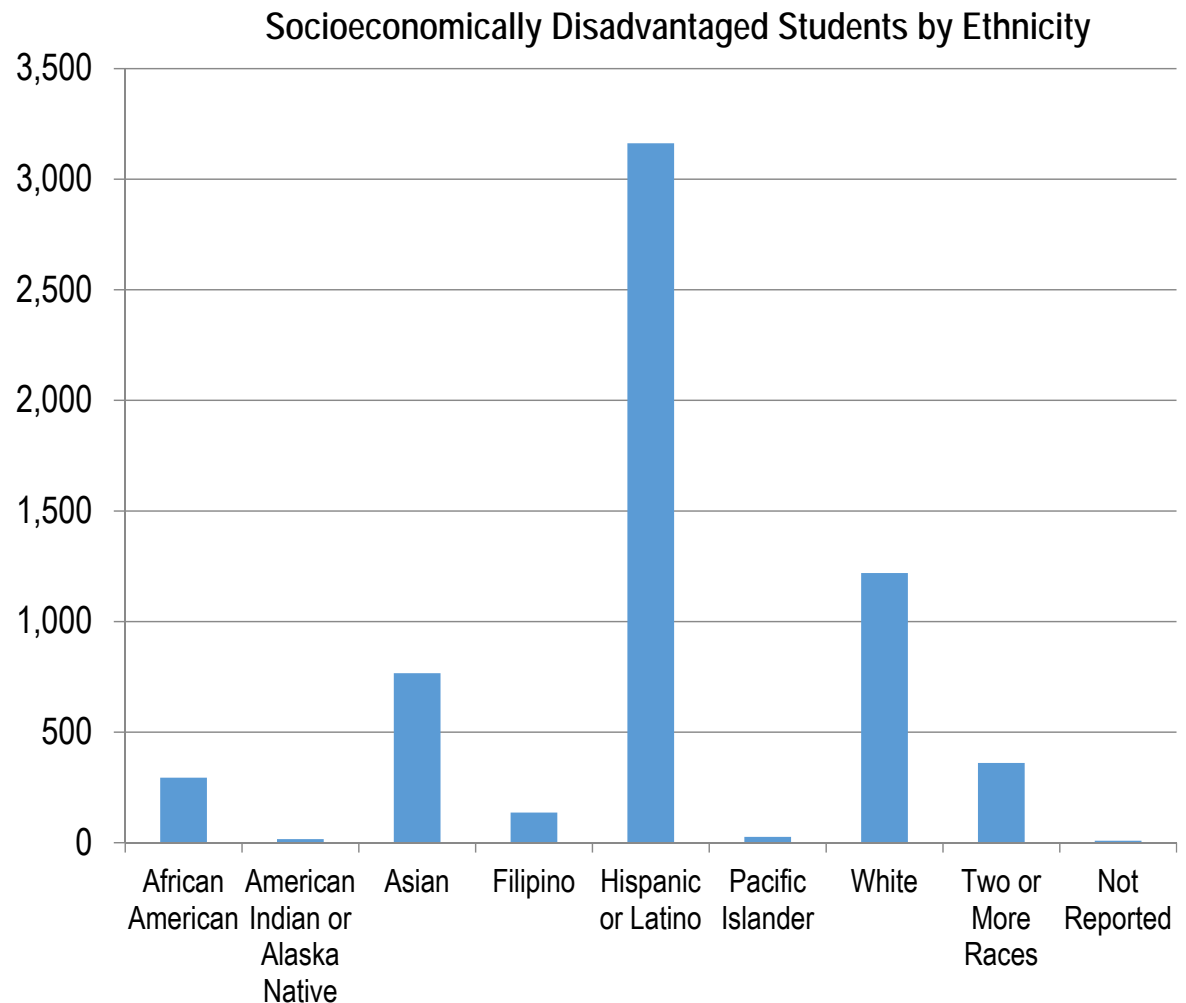
Source: California Department of Education (ED-Data). Description of students with special needs is from, California School Dashboard Technical Guide (Updated March 2017), California Department of Education.

High Portion of Socioeconomically Disadvantaged Students of Color

Dublin, Livermore, and Pleasanton School Districts

Another group of students with critical needs are English Learners (EL). According to State data, about 8,100 students in the Dublin, Livermore, and Pleasanton school districts are considered to be both English Learners and socioeconomically disadvantaged students. These students are collectively referred to as students with special characteristics in this report, which corresponds with the category “FRPM/EL/Foster Unduplicated” in State data sources.

SED students come from a variety of backgrounds but typically consist of students from very-low income households with incomes below \$38,000 that qualify for FRPP or have other special needs, such as being foster youth, homeless or from migrant families.³ The Dublin, Livermore, and Pleasanton school districts currently have about 6,000 SED students. Notably, about 4,800 SED students (80%) in the Dublin, Livermore, and Pleasanton school districts are persons of color, with about 3,200 of these students being Hispanic or Latino.

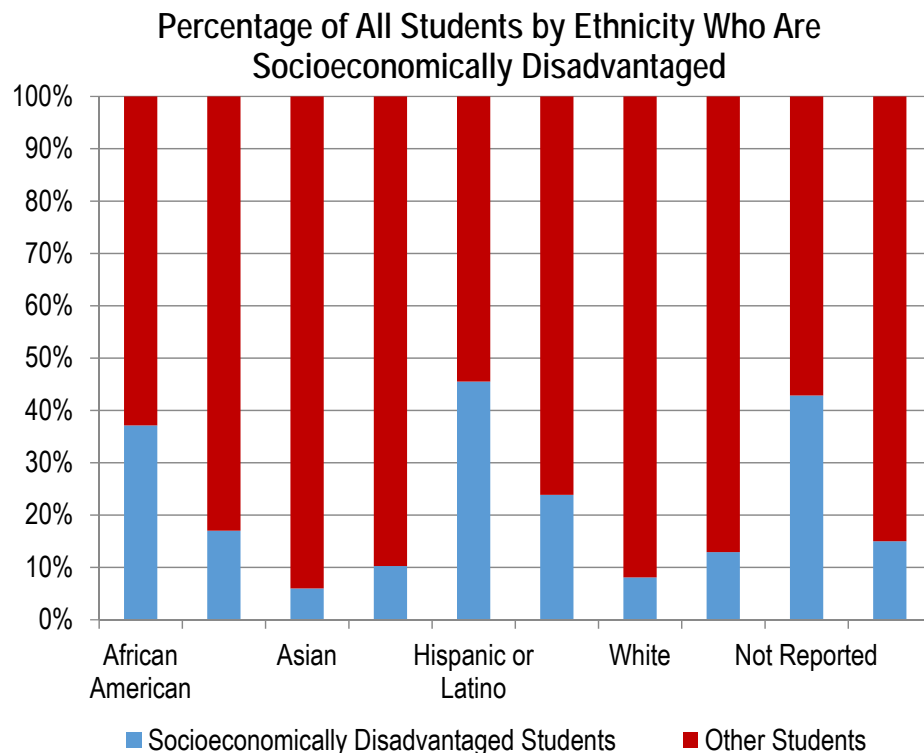


Source: California Department of Education (ED-Data). Description of students with special needs is from California School Dashboard Technical Guide (Updated March 2017), California Department of Education.

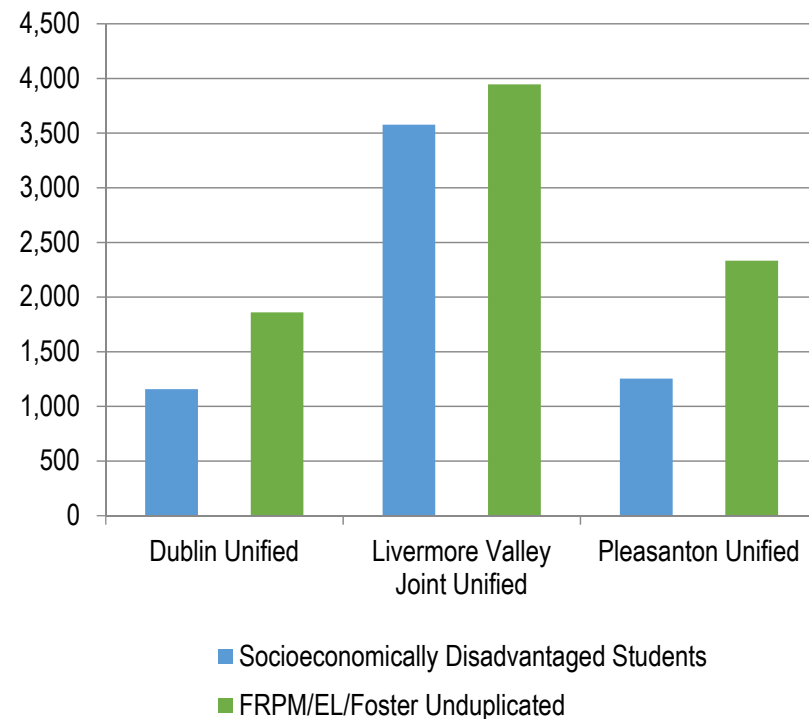
Demographic Data on Socioeconomically Disadvantaged Students

Dublin, Livermore, and Pleasanton School Districts

When compared to the total student population of the three districts, 46% of all Hispanic or Latino students are socioeconomically disadvantaged while approximately 37% of all African American students are socioeconomically disadvantaged. (See the chart below, which illustrates the percent of socioeconomically disadvantaged students out of total student enrollment by ethnicity.)



Socioeconomically Disadvantaged and FRPM/EL/Foster Students



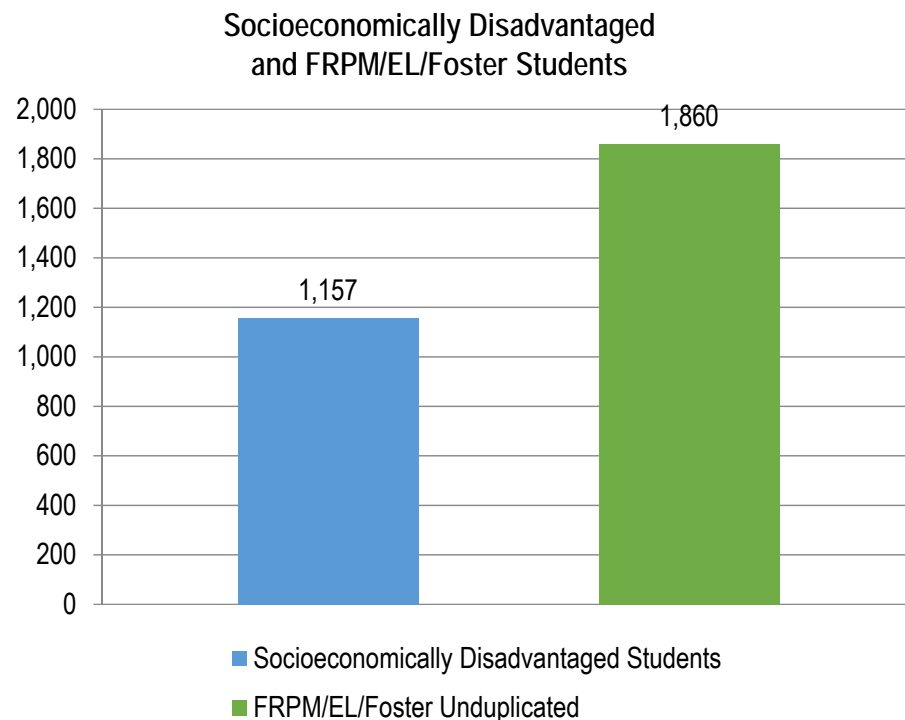
Each of the Dublin, Livermore, and Pleasanton school districts has more than 1,000 students that are socioeconomically disadvantaged students, and many more students with special characteristics that include being English Learners. The Livermore Valley Joint Unified School District has more than 3,500 students with these characteristics.

Source: California Department of Education (ED-Data). Description of students with special needs is from California School Dashboard Technical Guide (Updated March 2017), California Department of Education.

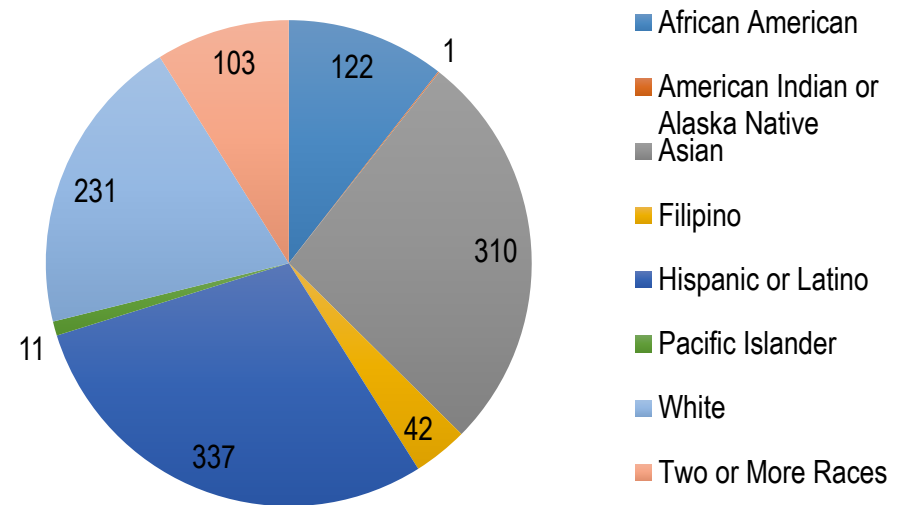
Socioeconomically Disadvantaged and FRPM/EL/Foster Students

Dublin Unified School District

The Dublin Unified School District recently reported in Fiscal Year 2017/18 that more than 1,100 students are socioeconomically disadvantaged while more than 1,800 students have special characteristics that include English Learners, categorized as FRPM/EL/Foster Unduplicated.



Socioeconomically Disadvantaged Students by Ethnicity



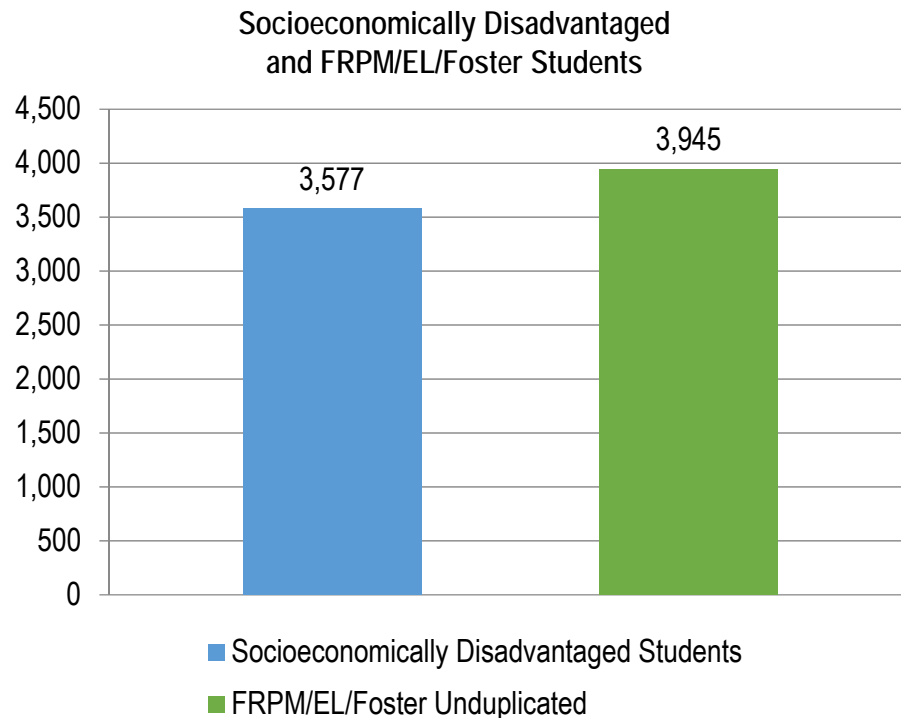
Based on ethnicity data for socioeconomically disadvantaged (SED) students, the greatest number of SED students are Hispanic or Latino (337 students or 29% of all SED students). The next largest cluster of SED students are Asian students (310 students or 27%). While the percentage of students from other races is much smaller, about 280 other students are persons of color. Overall, about 930 socioeconomically disadvantaged students (76%) are persons of color in the Dublin Unified School District.

Source: California Department of Education (ED-Data). Description of students with special needs is from, California School Dashboard Technical Guide (Updated March 2017), California Department of Education.

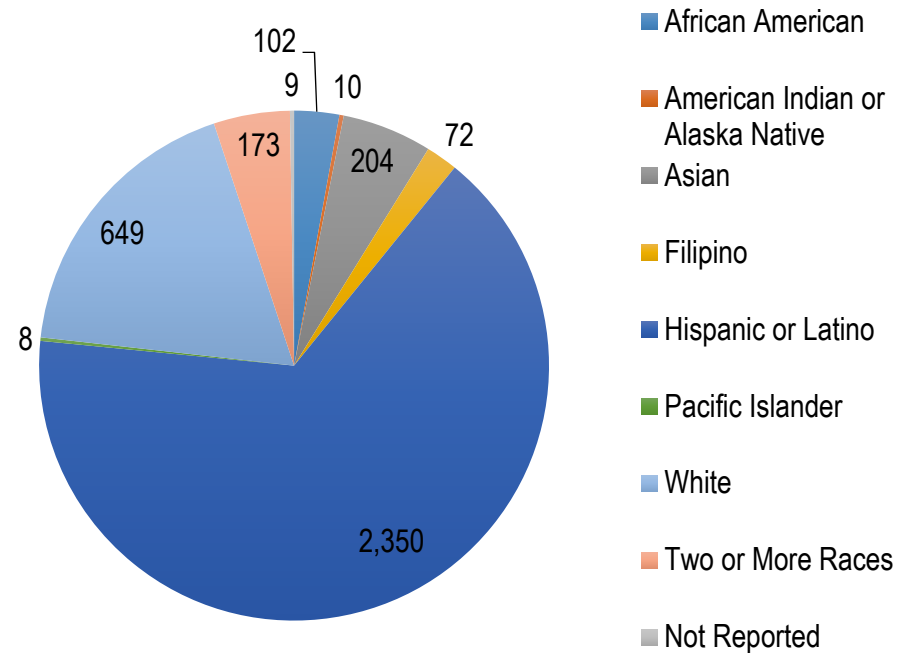
Socioeconomically Disadvantaged and FRPM/EL/Foster Students

Livermore Valley Joint Unified School District

The Livermore Valley Joint Unified School District (LVJUSD) reported that almost 3,600 socioeconomically disadvantaged students were enrolled in Fiscal Year 2017/18 while almost 4,000 students have special characteristics that include English Learners, categorized as FRPM/EL/Foster Unduplicated.



Socioeconomically Disadvantaged Students by Ethnicity



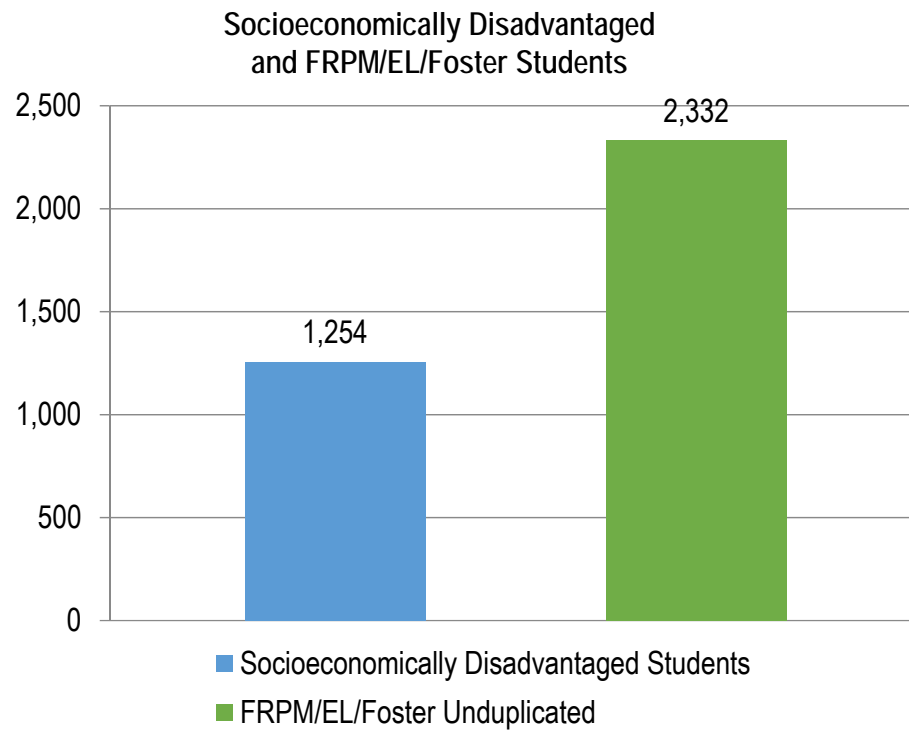
Based on ethnicity data, the vast majority of SED students in LVJUSD are Hispanic or Latino (2,350 students or 66% of SED students). While the percentage of students from other races is much smaller, more than 500 students are persons of color who are not Hispanic and Latino. Overall, about 2930 socioeconomically disadvantaged students (82%) are persons of color in LVJUSD .

Source: California Department of Education (ED-Data). Description of students with special needs is from, California School Dashboard Technical Guide (Updated March 2017), California Department of Education.

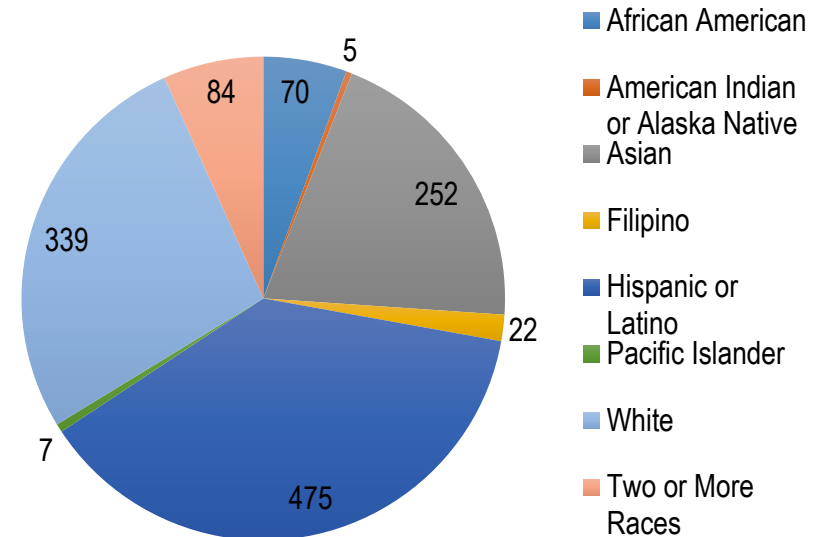
Socioeconomically Disadvantaged and FRPM/EL/Foster Students

Pleasanton Unified School District

The Pleasanton Unified School District reported that more than 1,200 socioeconomically disadvantaged students were enrolled during Fiscal Year 2017/18, while more than 2,300 students had special characteristics that include English Learners, categorized as FRPM/EL/Foster Unduplicated.



Socioeconomically Disadvantaged Students by Ethnicity



Based on ethnicity data, the largest majority of SED students are Hispanic or Latino (475 students or 38%). About 20% of SED students are Asian (252 students or 20%). Overall, about 920 socioeconomically disadvantaged students (73%) are persons of color in the Pleasanton Unified School District.

Source: California Department of Education (ED-Data). Description of students with special needs is from, California School Dashboard Technical Guide (Updated March 2017), California Department of Education.

Endnotes to Finding #4

1. The State of California Department of Education maintains student enrollment data by a variety of student and family characteristics as further described in the California School Dashboard Technical Guide 2016–17 School Year, Updated March 2017, California Department of Education.
2. For FY 2017/18, students from household with annual income below \$37,777 for household size of three and \$45,510 for household size of four are eligible to reduced-price for meals and snacks. Students from household incomes below \$26,546 for household size of three and \$31,980 for household size of four are eligible to free meals and snacks.
3. The McKinney-Vento Act defines homeless children and youths as individuals who lack a fixed, regular, and adequate nighttime residence. This definition also includes:
 - Children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason
 - Children and youths who may be living in motels, hotels, trailer parks, shelters
 - Children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings
 - Children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings, or
 - Migratory children who qualify as homeless because they are children who are living in similar circumstances listed above.

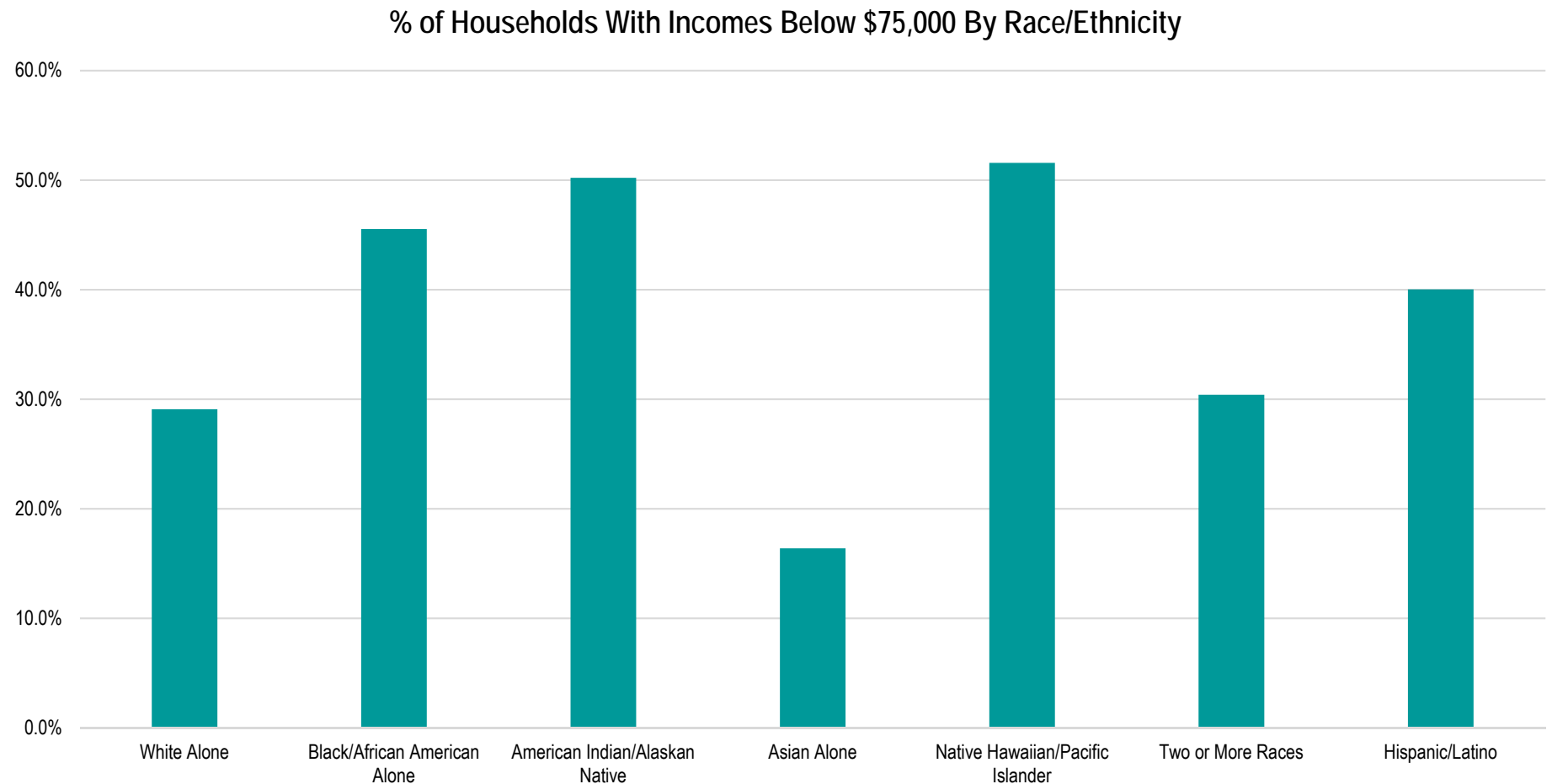
Finding #5 Supporting Data

Socioeconomic data indicates that lower income residents in the Tri-Valley are more diverse in terms of race and ethnicity as compared to all residents who live in the Tri-Valley.

Higher Proportion of Households of Color with Low Income

Population and Income by Race and Ethnicity

Throughout the Tri-Valley area, households of color make up a higher proportion of households making under \$75,000, while White and Asian households have significantly fewer households making less than \$75,000.

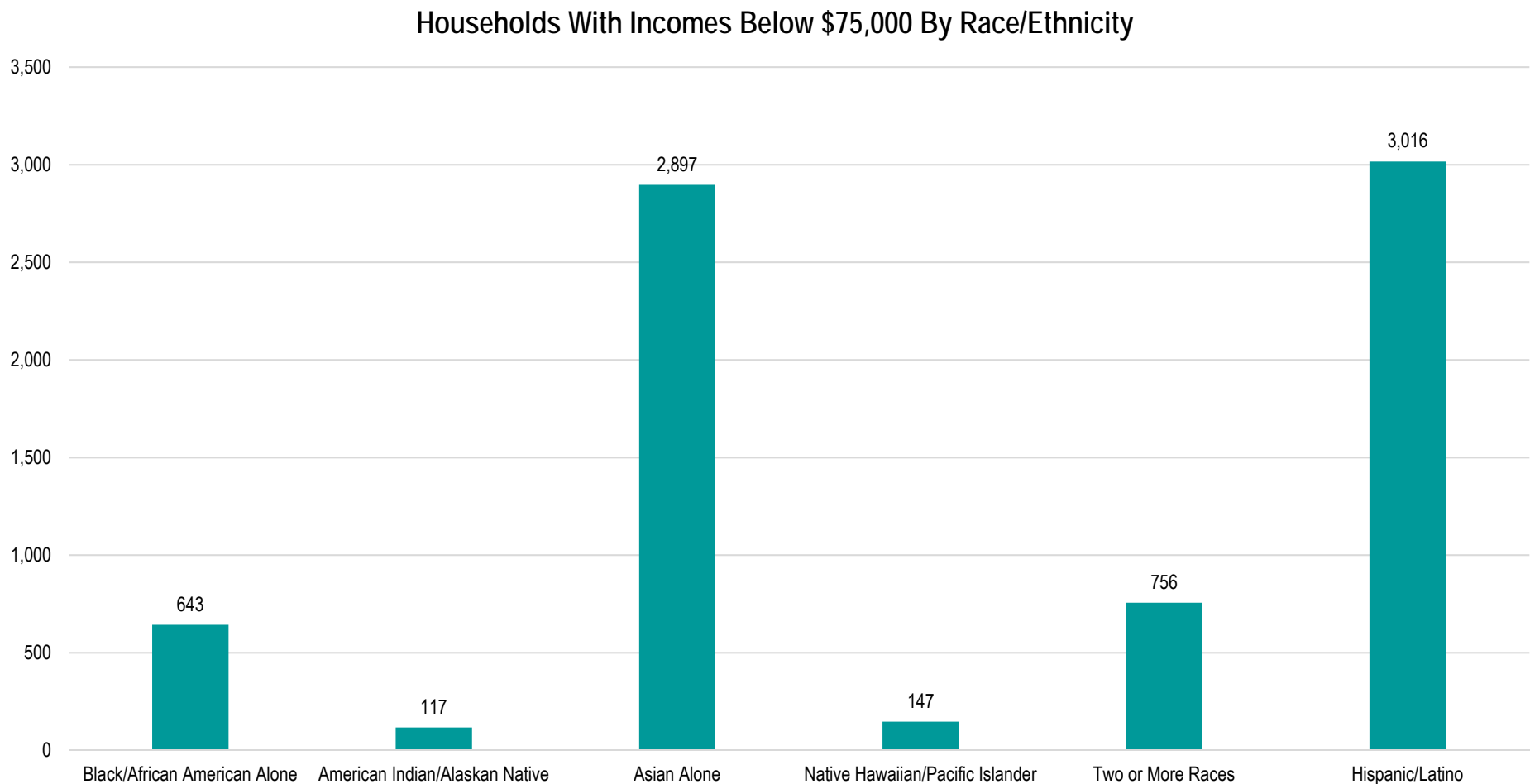


Source: American Community Survey, 2017.

Significant Number of Low Income Households of Color

Population and Income by Race and Ethnicity

Of the 21,712 households with incomes below \$75,000 in the Tri-Valley Area, 7,463 of them are households of color. This shows that the potential housing need for certain populations more susceptible to the increasing displacement pressures in the Tri-Valley number not in the hundreds, but the thousands.



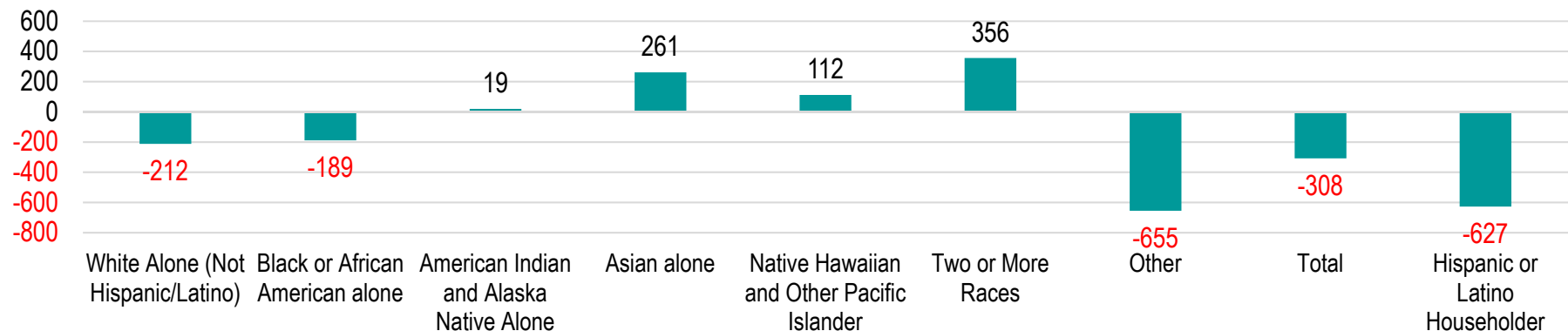
Source: American Community Survey, 2017.

Loss of Low Income Households of Color

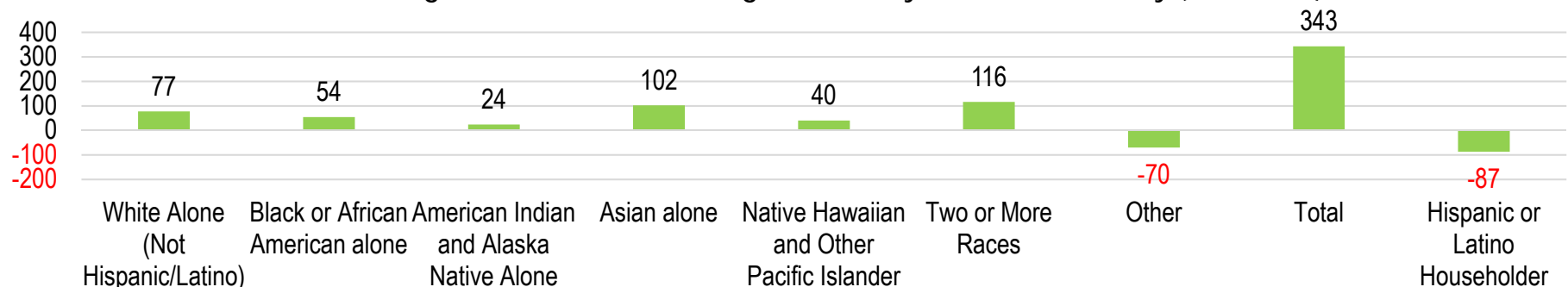
Change in Low Income Households by Race and Ethnicity (2010-2017)

While the total number of households grew in the Tri-Valley area from 2010 to 2017, the number of households earning under \$75,000 decreased by about 300. Furthermore, the number of Hispanic households earning under \$75,000 decreased by over 600. The Tri-Valley area also saw a loss of almost 200 Black or African American households. All three cities in the Tri-Valley area saw losses in Hispanic households, and Livermore and Pleasanton both saw losses of Black households. This data suggests that displacement pressures are significantly impacting the racial/ethnic composition of lower income households.

Tri-Valley Change in Households Earning <\$75,000 by Race and Ethnicity (2010-2017)

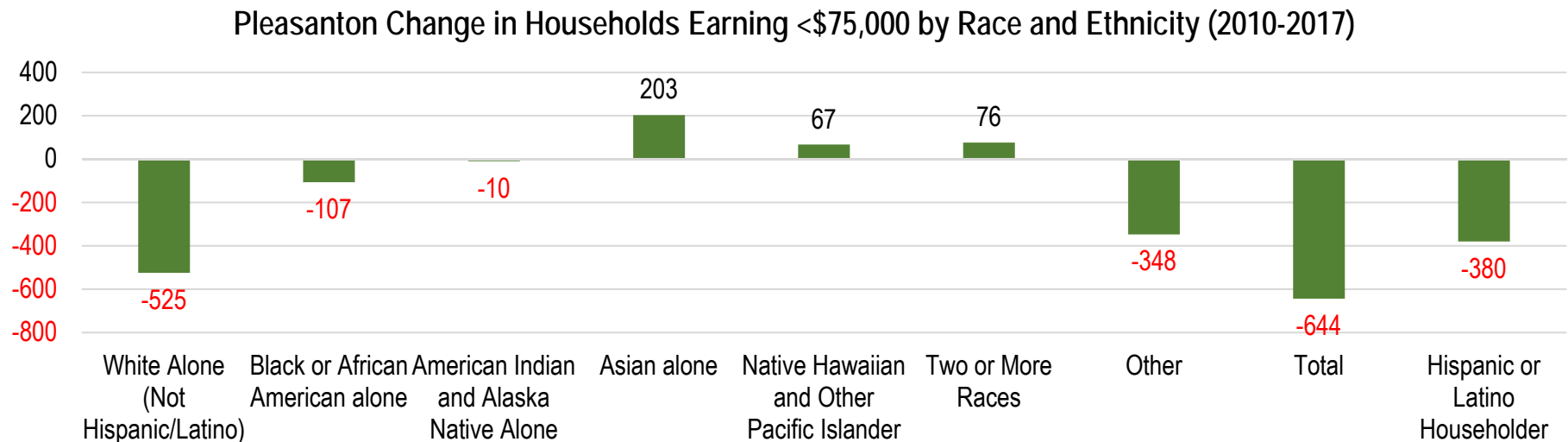
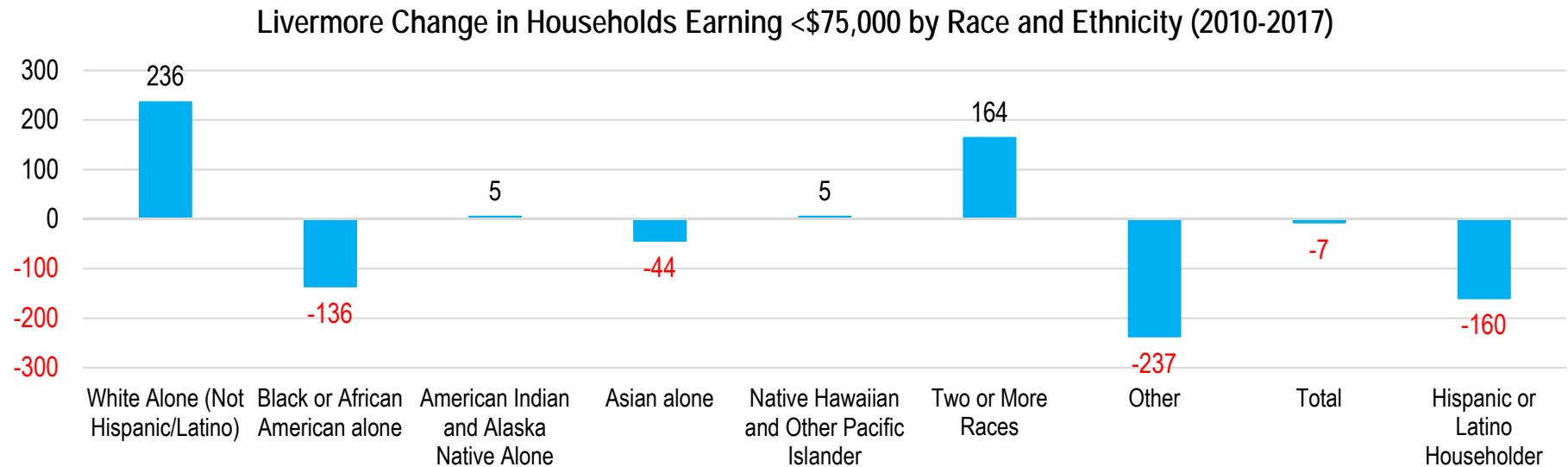


Dublin Change in Households Earning <\$75,000 by Race and Ethnicity (2010-2017)



Loss of Low Income Households of Color

Change in Low Income Households by Race and Ethnicity (2010-2017)



Higher Proportion of Households of Color with Rent Burden

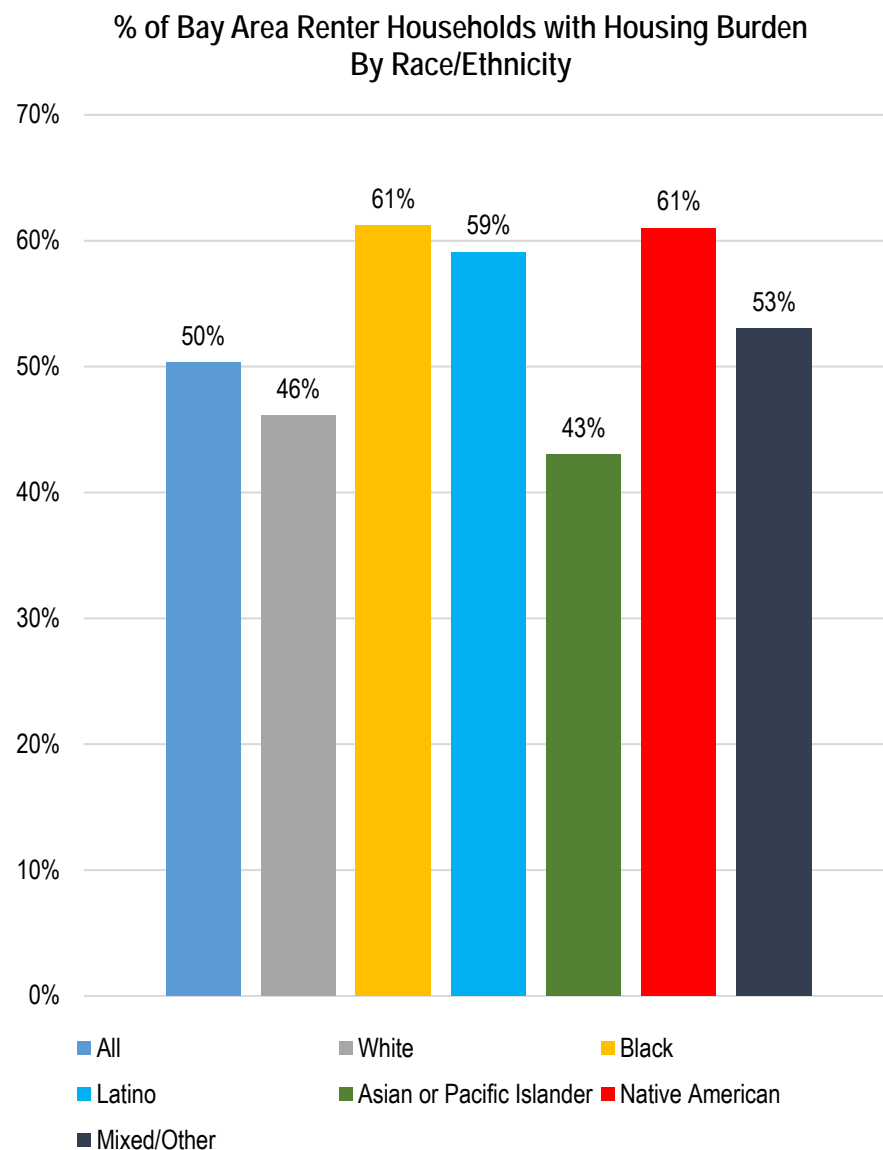
Percentage of Bay Area Households Rent Burdened

Households who are considered rent burdened or extremely rent burdened are spending over 35% or over 50% of their income on rent, respectively. Being overly rent-burdened is one key precursor to displacement. As rents reach more unattainable levels, households will have to resort to paying more out of pocket for housing, moving into overcrowded housing situations, or moving to an entirely new, more affordable area.

The overall percentage of households who spend over 35% of their income on housing in the Bay Area is very similar to the distribution in Alameda County, at approximately 40% of all households.

An analysis of renter households who are housing burdened by race/ethnicity off to the right gives a glimpse of another key characteristic of a household most at risk of displacement, beyond those are who simply low income. Approximately 60% of Black, Latino, and Native American households are rent-burdened in the Bay Area. That, in the long run, translates to higher odds of displacement for those households, especially as rents continue to rise.

White and Asian households are the only two demographic cohorts who see less than 50% of households rent burdened.



Source: Joint Center for Housing Studies of Harvard University

Finding #6 Supporting Data

Problems of homelessness are intensifying in the Tri-Valley, and many service providers are spending significant proportions of their budgets on rent assistance and emergency housing assistance for households at risk of being evicted and displaced.

Local Service Providers Primarily Serve Persons of Color With Extremely Low Incomes

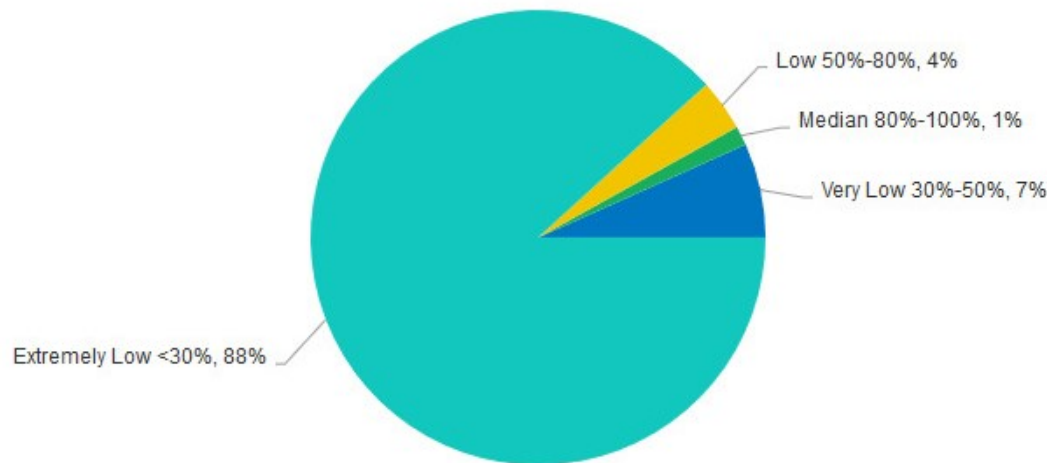
CityServe Service Population

CityServe is a non-profit, funded by all three Tri-Valley cities to provide homeless case management, prevention and intervention services.

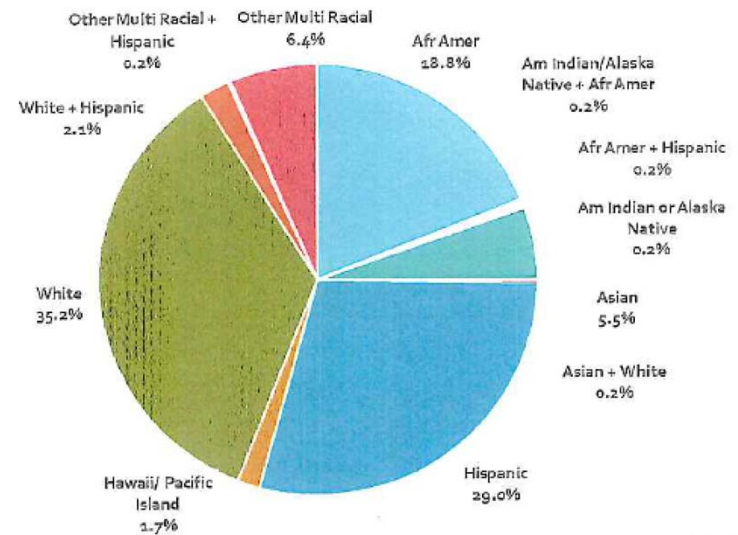
CityServe works in close coordination with the school districts to assist homeless families and to provide assistance where needed.

According to data compiled recently by CityServe, 95% of its service population is extremely low income (with incomes at or below 30% of AMI). Approximately 65% of its service population is reported to be persons of color, with a significant proportion being of Hispanic origin.

2018 YTD Income Level



2018 YTD Ethnicity Distribution

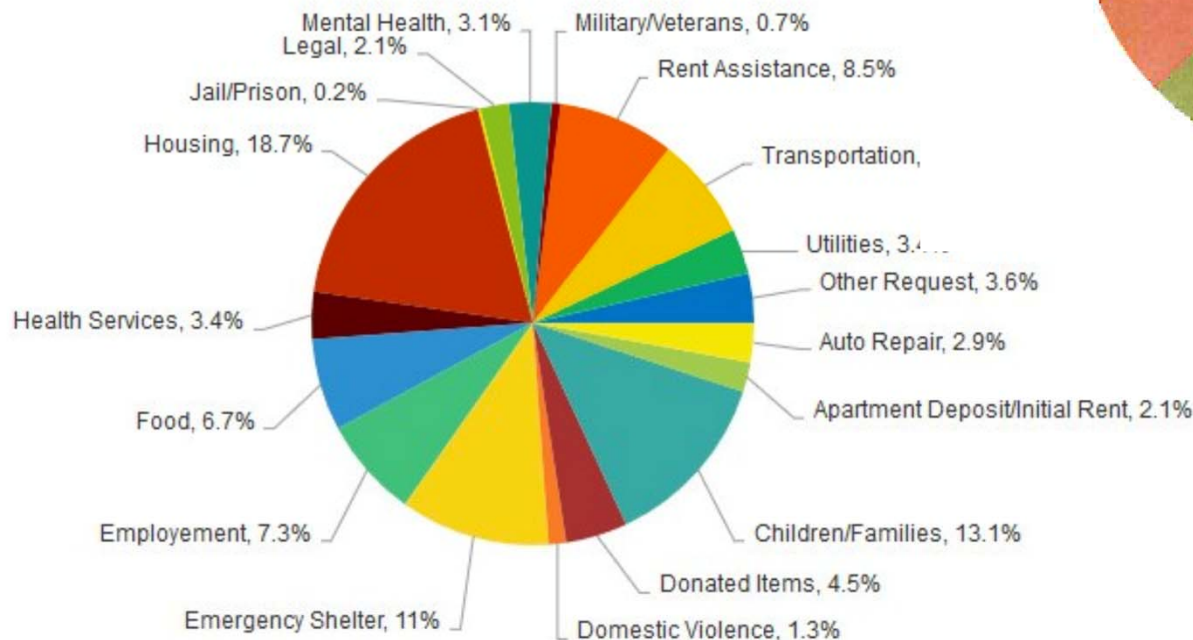


Housing is Primary Service Need and Funding Requirement

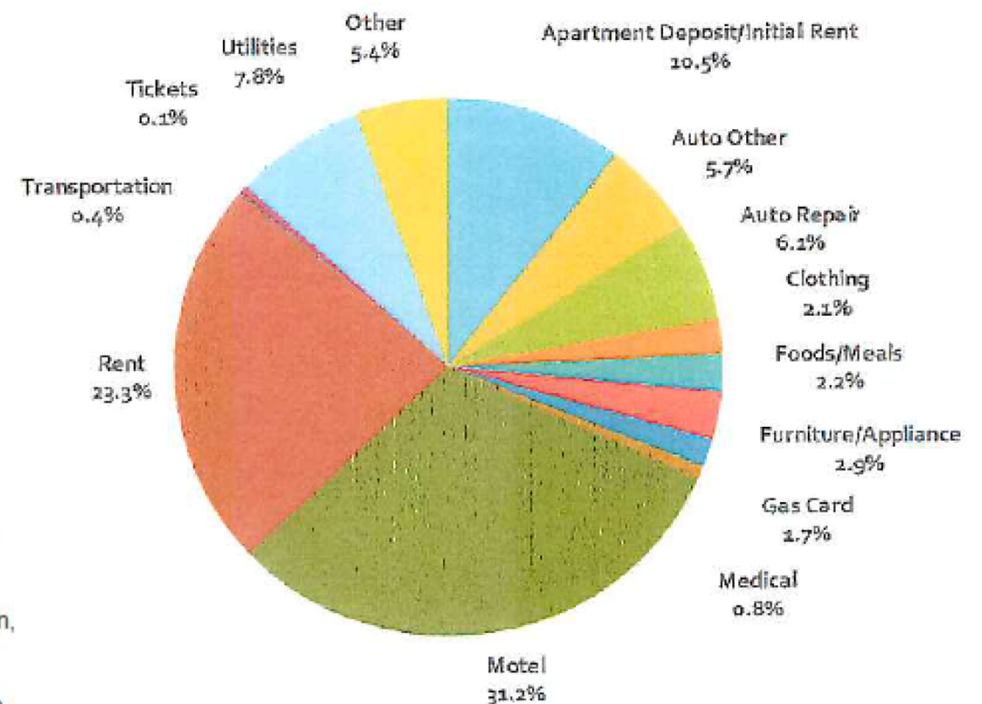
CityServe Services and Funding Needs

According to CityServe, emergency shelter, housing and rental assistance are among the largest categories of requested help. The majority its funds are spent for rent, motels, apartment deposits/initial rent. CityServe, like other Tri-Valley service providers, reports that its service population faces significant challenges finding and paying for housing in the Tri-Valley.

2018 YTD Categories Requested Help



2018 YTD Funds Spent by Category



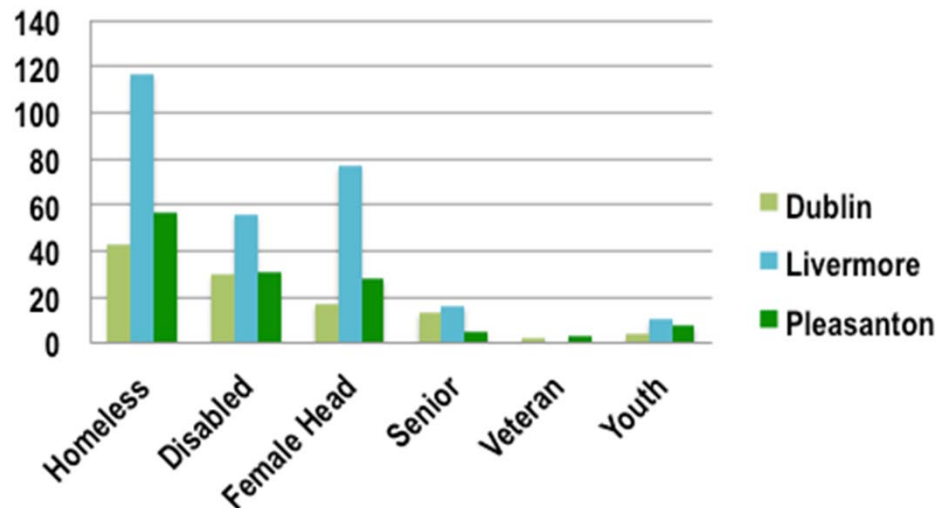
Source: CityServe

High Housing Needs for Special Needs and Homeless Population

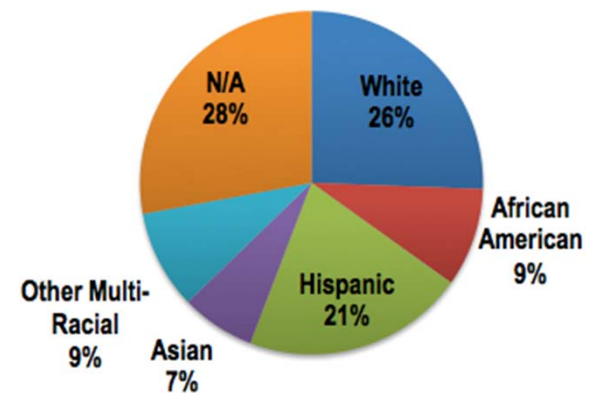
CityServe Survey of Housing Needs

CityServe conducted surveys of its clients in Calendar Year 2017 and YTD 2018 to understand the special needs of households that they serve in each Tri-Valley city. As shown by the 2018 survey data, respondents have a variety of special housing needs, with the majority of homeless individuals coming from Livermore.

Distribution of Survey Respondents by Special Needs
CityServe 2018 Survey Data for Tri-Valley Cities



Distribution of Homeless Survey Respondents by Race and Ethnicity
CityServe 2018 Survey Data for Tri-Valley Cities



Of those individuals that indicated their race or ethnicity, 65% of them indicated being persons of color, with significant proportions being Hispanic, African American, Asian or of Other Multi-Racial origin.



Long Waiting Lists and Housing Interest Lists (Winter 2018-19)

Tri-Valley Affordable Housing Needs

Waiting List

All of the Tri-Valley cities have long waiting lists for affordable housing developments. The table on this page presents waiting list data for representative affordable housing properties in each Tri-Valley city, including the number of BMR units and the number of households on the wait list for these properties as of Winter 2018-19. More than 9,000 people are registered on the waiting lists in the three cities.

Housing Interest List

The City of Dublin, the City of Livermore and the City of Pleasanton maintain a list of people who are seeking affordable housing with about 5,500 people registered on the three housing interest lists as of Winter 2018-19.

City of Dublin Housing Interest List

Total 1,062 registered emails from all areas.

City of Livermore Housing Interest List

Total 1,823 including 35 seniors from all areas.

218 Livermore residents including 6 seniors.

City of Pleasanton Housing Interest List

Total 2,570 registered emails from all areas.

Development	Affordability					Sr.	# of BMR Units	# on Wait List
	Ex. Low	Very Low	Low	Med.	Mod.			
City of Dublin								
Park Sierra							57	56
Camelia Place							112	200
Wicklow Square							54	129
Fairway Seniors							292	942
Subtotal							515	1,327
City of Livermore								
Arroyo Del Valle							12	120
Owls' Landing							72	150
Hillcrest Gardens							54	200
Arbor Vista							80	637
Vineyard Village							73	500
Carmen Avenue							30	23
Maralisa Meadows							31	60
Vandenburg Villas							40	144
Stoney Creek							70	69
Subtotal							462	1,903
City of Pleasanton								
Anton Hacienda							35	80
Civic Square							36	0
Galloway @ Owens							38	129
Galloway @ Hacienda							38	387
Park Hacienda							135	593
Promenade Apts.							68	307
The Kensington							31	1,261
The Mason Flats							32	148
Division St. Senior Apts.							20	80
Gardens at Ironwood							138	1,494
Kottinger Gardens Phase 1							131	937
Parkview Assisted Living							31	147
Ridgeview Commons							200	188
Stanley Junction							86	32
Subtotal							1,019	5,783

Increase in Homeless Households

Alameda County Homeless Count and Survey

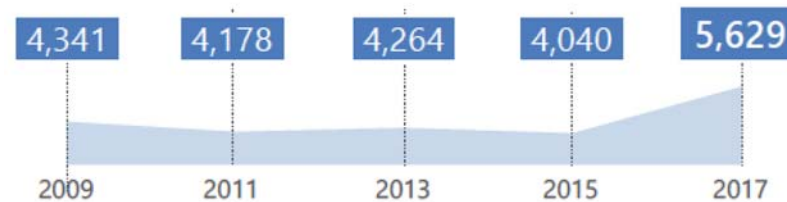
As described earlier, Tri-Valley service providers indicate that the special needs populations that they serve face significant challenges finding and paying for housing in the Tri-Valley.

According to the 2017 Alameda Homeless Count and Survey, homelessness is increasing in Alameda County, and the number of individuals experiencing homelessness exceeds the capacity of the current system of care. The majority of individuals were living in Alameda County when they lost their housing.

Racial and sexual minorities are overrepresented in the population. Individuals face behavioral health and physical health challenges that inhibit their ability to obtain work or housing. Many individuals have a history of system involvement in ERs, hospital beds, and jail cells. Individuals want affordable housing and need additional resources to achieve housing stability. People are accessing services and support but those services are not ending their homelessness.

These findings are similarly observed by Tri-Valley Service Providers regarding homeless persons in the Tri-Valley cities. Both individuals and families are affected.

2017 Homeless Census Population



39% increase in homelessness since 2015.

Source: Alameda County 2017 Homeless Census & Survey Comprehensive Report

Alameda County – 2017 Homeless Population

TOTAL NUMBER OF HOMELESS PERSONS BY JURISDICTION AND SHELTER STATUS

JURISDICTION	SHELTERED		UNSHELTERED		TOTAL	
	#	%	#	%	#	%
Alameda	94	5%	110	3%	204	4%
Albany	0	0%	66	2%	66	1%
Berkeley	308	17%	664	17%	972	17%
Dublin	0	0%	21	1%	21	0%
Emeryville	0	0%	29	1%	29	1%
Fremont	197	11%	282	7%	479	9%
Hayward	84	5%	313	8%	397	7%
Livermore	102	6%	141	4%	243	4%
Newark	42	2%	28	1%	70	1%
Oakland	859	49%	1,902	49%	2,761	49%
Piedmont	0	0%	0	0%	0	0%
Pleasanton	0	0%	18	0%	18	0%
San Leandro	54	3%	55	1%	109	2%
Union City	0	0%	40	1%	40	1%
Unincorporated	26	1%	194	5%	220	4%
Total	1,766	-	3,863	-	5,629	-

Source: Applied Survey Research. (2017). Alameda Homeless Count.

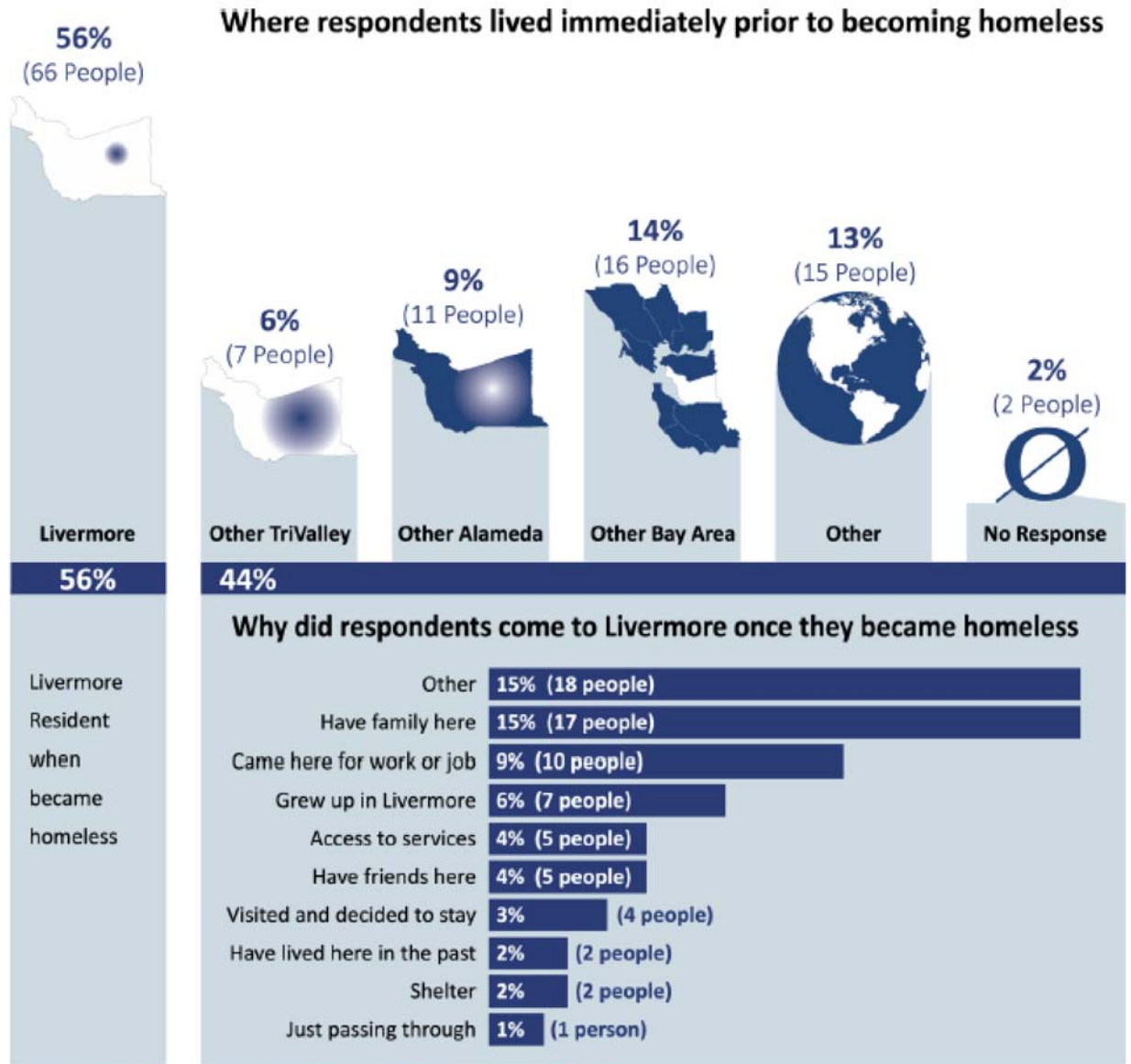
Source: 2017 Alameda County Homeless Count and Survey Report

Tri-Valley Indicators of Displacement

Special Needs Populations in the Tri-Valley

According to the 2017 countywide survey, the homeless population in the Tri-Valley area exceeds 280 persons, most of whom are not currently sheltered. Neither Dublin or Pleasanton have shelters for the homeless, and more than half of the homeless persons in Livermore are reported to be unsheltered.

According to a 2015 survey of homeless persons in Livermore, 62% of homeless persons lived in Livermore or other Tri-Valley cities, and many homeless persons have only recently become homeless.



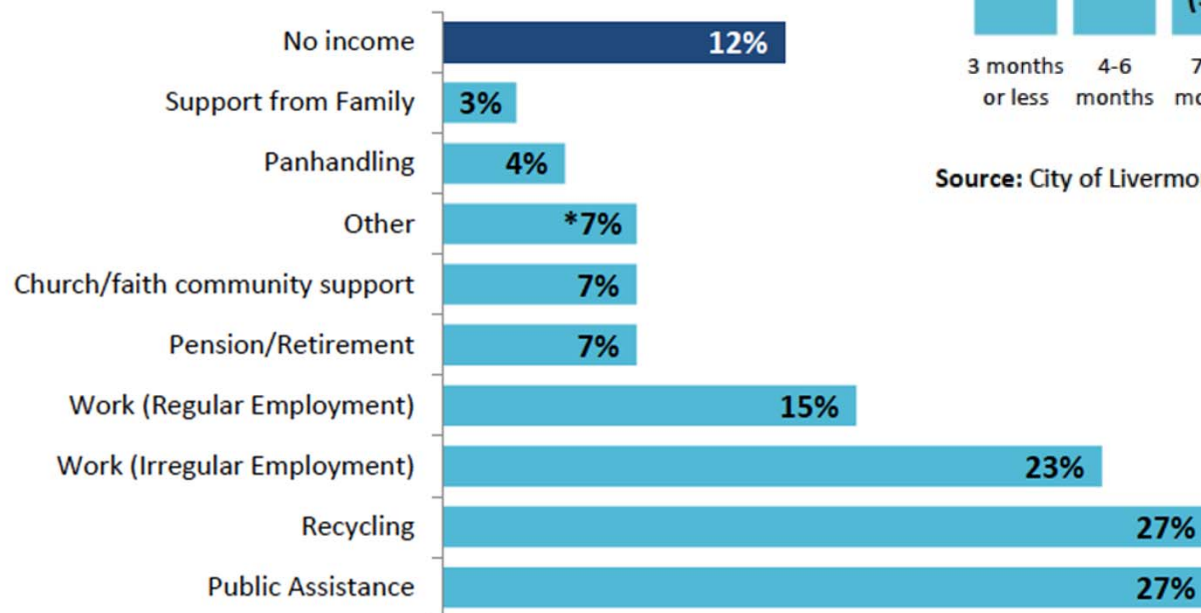
Source: City of Livermore Homelessness Survey 2015. N=117

Significant Number of Residents Who Lost Home in Livermore

City of Livermore Homeless Survey 2015

The City of Livermore conducted a homeless survey in 2015, which provides additional information regarding the housing needs of the homeless population in the Tri-Valley. Approximately 40% of survey respondents have been homeless for one year or less, and 38% indicate that they are employed.

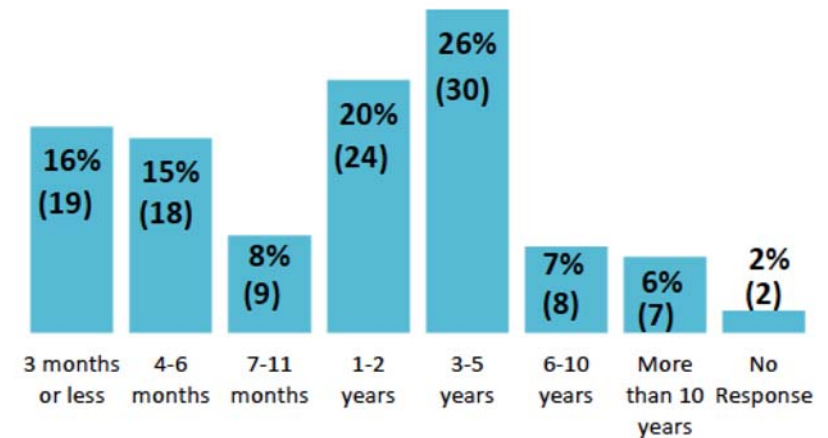
Figure 27. Percent of respondents by sources of income



Source: City of Livermore Homelessness Survey 2015. N=117

Note: Total responses do not add up to 100% as respondents had multiple answers.

Figure 12. Percent and number of respondents by the amount of time they have been homeless during the current episode



Source: City of Livermore Homelessness Survey 2015. N=117

Challenges with Housing Cost

City of Livermore Homeless Survey 2015

While the causes of homelessness for survey respondents living with or without children varied, the most frequently cited barriers to obtaining permanent housing were the same. However, respondents living with children cited the top four barriers at higher rates than respondents living without children. The most frequently cited barrier was the inability to afford rent or costs of moving into a residence cited by 50% or 6 adults living with children and 41% or 43 individuals living without children. Lack of a job or income was cited by 50% or 6 adults living with children and 35% or 37 individuals living without children. Forty-two percent (42%) or 5 adults living with children and 12% or 13 individuals living without children cited lack of low-income housing in Livermore as a barrier to obtaining permanent housing. Adults living with children cited bad credit and an eviction record as a reason for being homeless at higher rates than adults living without children.

Figure 17. Most frequently cited causes for homelessness for individuals vs. families living with children

Individuals living without children		Families living with children	
Lost job	35%	Family/domestic violence	50%
Divorce/separation	21%	Divorce/separation	42%
Alcohol/drug use	20%	Landlord raised rent	17%
Illness or medical / mental health issues	13%		

Source: City of Livermore Homelessness Survey 2015. N=105 for individuals without children and N=12 for families with children.

Note: Respondents were allowed to cite multiple answers to the question.

Figure 18. Most frequently cited barriers to permanent housing for individuals living without children and families living with children

	Individuals living without children	Families living with children
Can't afford rent/moving costs	41%	50%
No job/income	35%	50%
Lack of low income housing in Livermore	12%	42%
Bad credit	7%	33%

Source: City of Livermore Homelessness Survey 2015. N=105 for individuals without children and N=12 for individuals with children.

Note: Respondents were allowed to cite multiple answers to the question.

Finding #7 Supporting Data

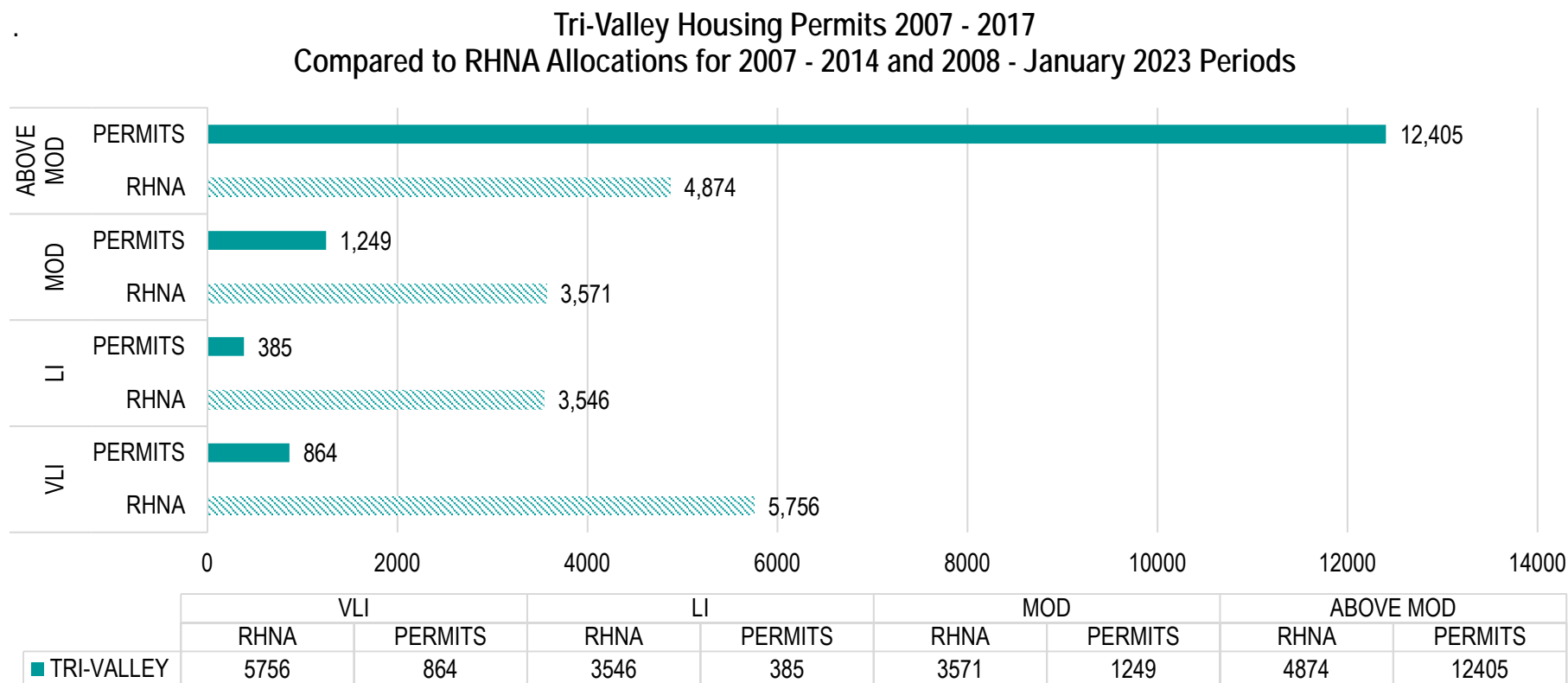
New multifamily housing development has not kept pace with the demand in the Tri-Valley, and lower income households will continue to be at risk of displacement without new affordable housing that addresses their special housing needs, including housing for large families, persons with disabilities, and those at risk of homelessness.

Lack of Low and Very Low Income Housing Supply

Tri-Valley Housing Permits

When comparing the number of permits approved for housing of varying income levels with the Tri-Valley's regional housing need allocation (RHNA) numbers, the only category of housing that has met its regional need is housing at “above moderate” income levels, or 120% of AMI, exceeding that total about 7,500 units. However, the number of permits approved for low and very low income housing units was at a deficit greater than 8,000 units as of 2017.

None of these Tri-Valley cities was able to meet more than 19% of their respective low and very low income housing needs from 2007 to 2017 as compared to their RHNA allocations for the 2007 - 2014 and 2008 - January 2023 periods.



Source: California Department of Housing and Community Development

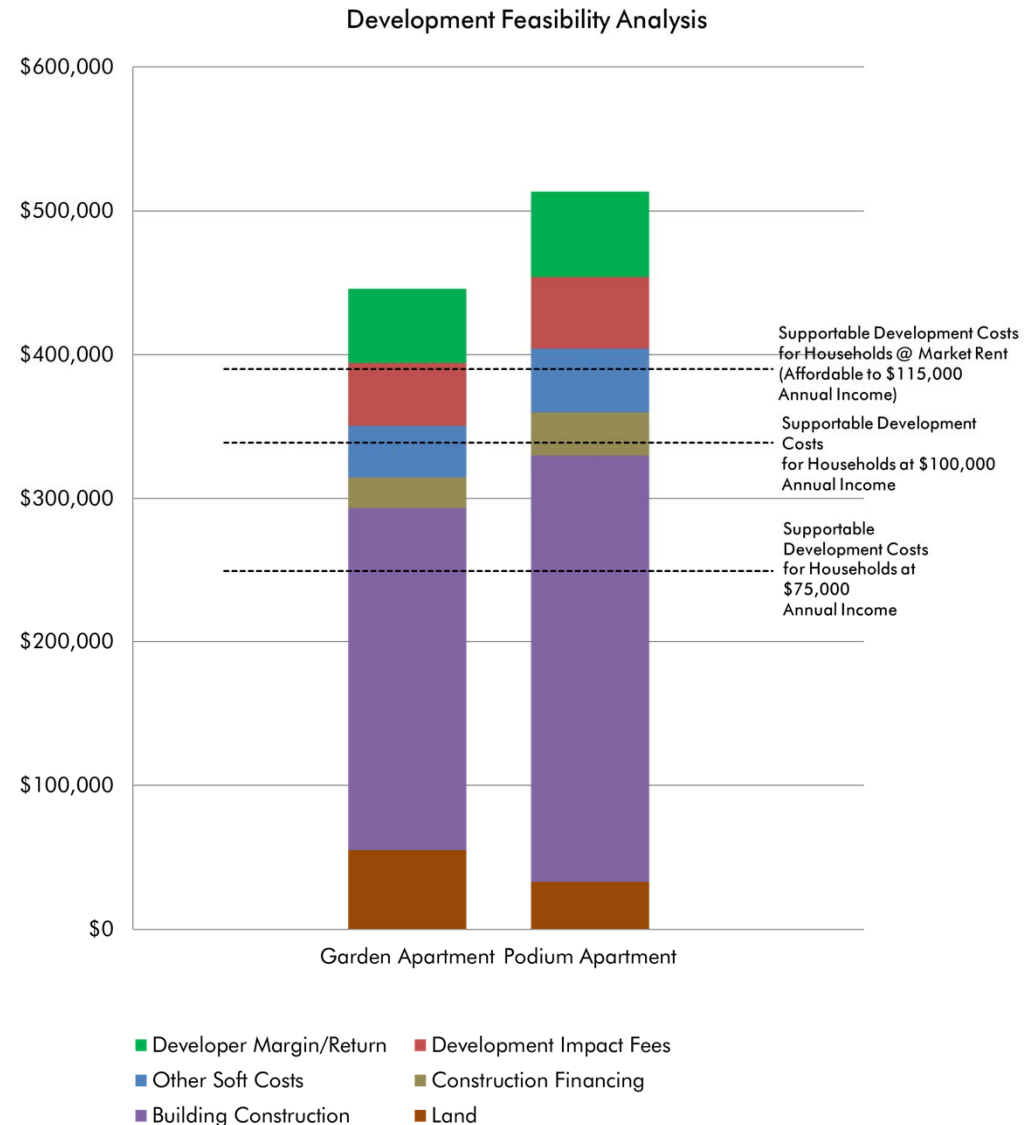
Rising Development Costs Hinder Feasibility of New Apartments in Tri-Valley

Realities of Development Costs

Given rising development costs in the Bay Area and the Tri-Valley, new multifamily apartment development is difficult to develop and often is not feasible. This puts additional demands on existing housing as more households are seeking housing in the Tri-Valley than are being accommodated by new development.

In the Tri-Valley, developers have found it increasingly difficult to develop apartments because development costs, particularly land and construction costs, have been increasing at a higher pace than rent growth. Very few new market-rate apartment developments have been constructed over the past few years in the Tri-Valley, although some developers have been able to develop single family detached and attached housing products.

Current market rents for new developments are only affordable to households with incomes at \$115,000 and above. Higher density podium apartments, which are the preferred infill development type, are not feasible at typical development cost levels that factor in the current market value of land and structured parking. The development feasibility analysis shown in this chart demonstrates that developers are not typically able to move forward with apartment developments that are affordable to lower income households without substantial public funding.

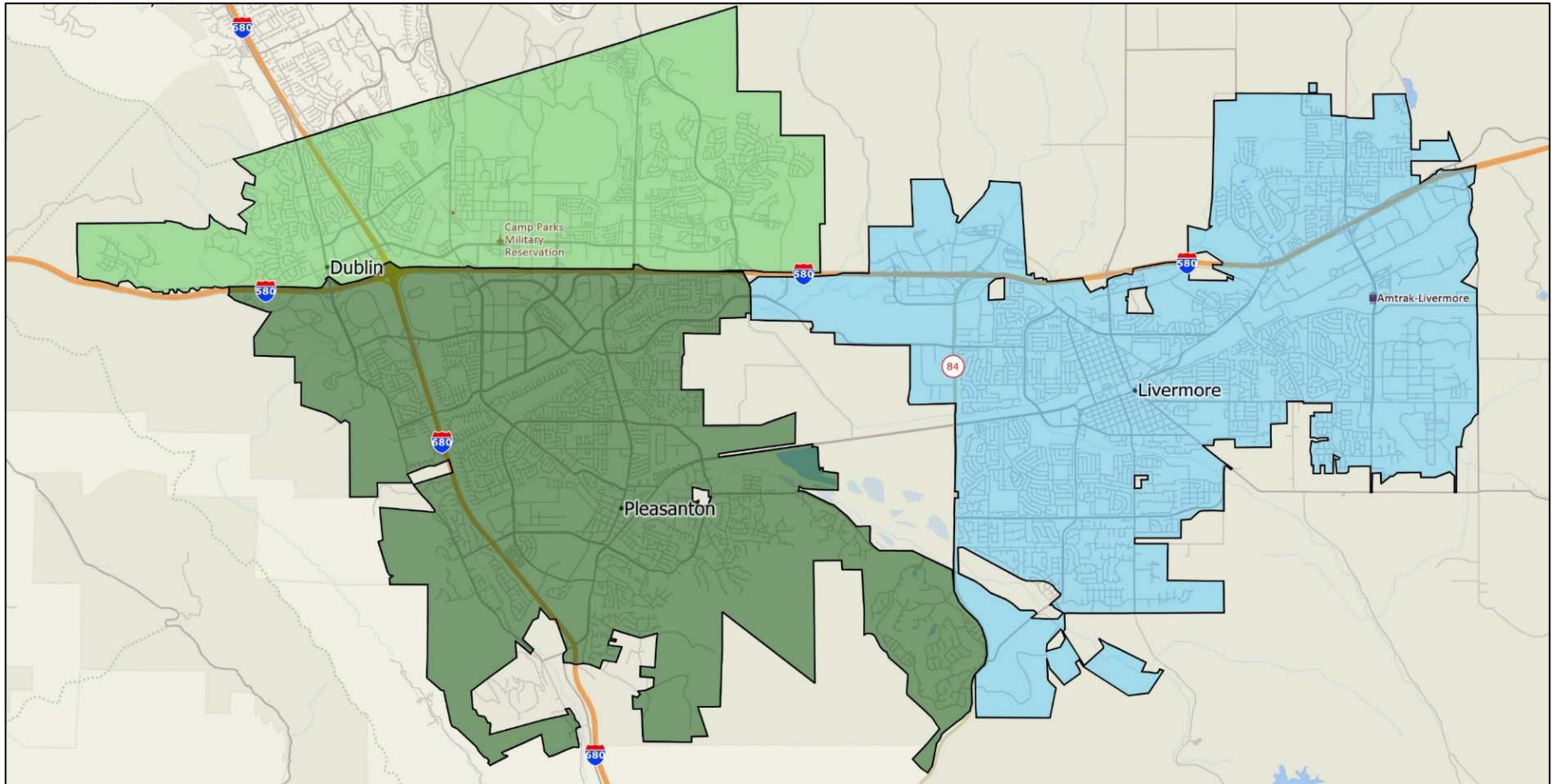


Conclusion

Conclusion

- Without additional affordable apartment developments being constructed in Dublin, Livermore and Pleasanton that are affordable to and prioritized toward existing lower-income residents, displacement pressures will continue.
- This will be very difficult for the diverse population of existing lower income households to continue to reside in these Tri-Valley cities.
- With a local residence preference, lower income residents with varied racial backgrounds, who will be applying for and most likely eligible for affordable rental housing funded by Measure A1, would be provided, and not denied, access to these limited affordable housing opportunities.
- Based on the data presented in this study, having a local preference will not result in limits to access to housing by any individual protected class. Consequently, any civil rights concerns/discriminatory impacts in violation of the Federal Fair Housing Act and Title VI regulations are minimized because the income-eligible population for affordable rental developments are more diverse in terms of race and ethnicity as compared to the Tri-Valley's general population.

Appendix A: Summary Data Tables for Tri-Valley Cities



Appendix A: Summary Table 1

Changes in Renter Households by Income Level, Cost Burden and Overcrowding Characteristics (2010-2017)

	Dublin		Livermore		Pleasanton		Tri-Valley Total	
	2017	Increase (Decrease) from 2010	2017	Increase (Decrease) from 2010	2017	Increase (Decrease) from 2010	2017	Increase (Decrease) from 2010
Total Households	19,023	5,750	31,347	2,916	27,922	4,206	78,292	12,872
Total Renter Households	6,510	2,039	9,040	1,198	8,450	1,252	24,000	4,489
Renter Households with Annual Household Income \$75K or Below	2,155	221	5,481	315	3,253	(268)	10,889	268
Cost Burdened Renter Households	2,116	997	3,688	531	2,755	814	8,559	2,342
Cost Burdened Renter Households with Annual Household Income \$75K or Below	1,081	693	2,005	238	1,646	588	4,732	1,519
Overcrowded Renter Households	407	305	765	223	576	161	1,748	689
Severely Overcrowded Renter Households	133	118	221	133	156	91	510	342

Source: 2006-2010 American Community Survey 5-Year Estimates, 2013-2017 American Community Survey 5-Year Estimates.

Appendix A: Summary Table 2

2017 Households with Special Needs

	Dublin	Livermore	Pleasanton	Tri-Valley Total
Householder Living Alone	4,315	7,817	5,933	18,065
Family Households	14,708	23,530	21,989	60,227
Family Households with Children Under 18	7,021	8,326	9,440	24,787
Single-Parent Households	1,341	2,994	1,698	6,033
Female Headed Family Households	1,224	2,870	2,038	6,132
Large Households	1,757	3,325	2,376	7,458
Senior Households	3,759	9,395	8,435	21,589

Source: 2013-2017 American Community Survey 5-Year Estimates.

Appendix A: Summary Table 3

Changes in Population with Special Needs (2010-2017)

	Dublin		Livermore		Pleasanton		Tri-Valley Total	
	2017	Increase (Decrease) from 2010	2017	Increase (Decrease) from 2010	2017	Increase (Decrease) from 2010	2017	Increase (Decrease) from 2010
Total Population	57,022	14,365	88,232	9,712	79,341	11,137	224,595	35,214
Household Population	54,587	17,622	87,831	9,595	79,015	11,207	221,433	38,424
Senior Population (65+)	4,988	2,530	11,100	3,421	10,968	4,180	27,056	10,131
Persons with Disabilities	2,996	731	7,363	1,075	5,489	1,083	15,848	2,889
Seniors with Disabilities	1,223	280	3,396	495	3,058	854	7,677	1,629

Source: 2006-2010 American Community Survey 5-Year Estimates, 2013-2017 American Community Survey 5-Year Estimates.

Appendix A: Summary Table 4

2017-18 Enrollment of Socioeconomically Disadvantaged Students by Ethnicity

	Dublin Unified School District		Livermore Valley Joint School District		Pleasanton Unified School District		Tri-Valley School Districts Total	
African American	122	10.5%	102	2.9%	70	5.6%	294	4.9%
American Indian or Alaska Native	1	0.1%	10	0.3%	5	0.4%	16	0.3%
Asian	310	26.8%	204	5.7%	252	20.1%	766	12.8%
Filipino	42	3.6%	72	2.0%	22	1.8%	136	2.3%
Hispanic or Latino	337	29.1%	2,350	65.7%	475	37.9%	3,162	52.8%
Pacific Islander	11	1.0%	8	0.2%	7	0.6%	26	0.4%
White	231	20.0%	649	18.1%	339	27.0%	1,219	20.4%
Two or More Races	103	8.9%	173	4.8%	84	6.7%	360	6.0%
<u>Not Reported</u>	<u>0</u>	<u>0.0%</u>	<u>9</u>	<u>0.3%</u>	<u>0</u>	<u>0.0%</u>	<u>9</u>	<u>0.2%</u>
Total	1,157	100.0%	3,577	100.0%	1,254	100.0%	5,988	100.0%

Source: California Department of Education.

Appendix A: Summary Table 5

2017-18 Enrollment of Homeless Students by Ethnicity

	Dublin Unified School District		Livermore Valley Joint School District		Pleasanton Unified School District		Tri-Valley School Districts Total	
African American	1	10.0%	9	14.5%	0	0.0%	10	10.6%
American Indian or Alaska Native	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Asian	3	30.0%	0	0.0%	0	0.0%	3	3.2%
Filipino	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Hispanic or Latino	3	30.0%	37	59.7%	17	77.3%	57	60.6%
Pacific Islander	0	0.0%	0	0.0%	0	0.0%	0	0.0%
White	1	10.0%	11	17.7%	5	22.7%	17	18.1%
Two or More Races	2	20.0%	5	8.1%	0	0.0%	7	7.4%
Not Reported	<u>0</u>	<u>0.0%</u>	<u>0</u>	<u>0.0%</u>	<u>0</u>	<u>0.0%</u>	<u>0</u>	<u>0.0%</u>
Total	10	100.0%	62	100.0%	22	100.0%	94	100.0%

Source: California Department of Education.

Appendix A: Summary Table 6

2017-18 Student Enrollment by Ethnicity

	Dublin Unified School District		Livermore Valley Joint School District		Pleasanton Unified School District		Tri-Valley School Districts Total	
African American	380	3.4%	205	1.5%	207	1.4%	792	2.0%
American Indian or Alaska Native	37	0.3%	39	0.3%	18	0.1%	94	0.2%
Asian	5,611	49.7%	1,091	7.9%	6,092	41.0%	12,794	32.0%
Filipino	619	5.5%	399	2.9%	308	2.1%	1,326	3.3%
Hispanic or Latino	1,266	11.2%	4,245	30.8%	1,436	9.7%	6,947	17.4%
Pacific Islander	37	0.3%	40	0.3%	32	0.2%	109	0.3%
White	2,419	21.4%	6,611	48.0%	6,024	40.5%	15,054	37.7%
Two or More Races	922	8.2%	1,117	8.1%	747	5.0%	2,786	7.0%
<u>Not Reported</u>	<u>3</u>	<u>0.0%</u>	<u>18</u>	<u>0.1%</u>	<u>0</u>	<u>0.0%</u>	<u>21</u>	<u>0.1%</u>
Total	11,294	100.0%	13,765	100.0%	14,864	100.0%	39,923	100.0%

Source: California Department of Education.

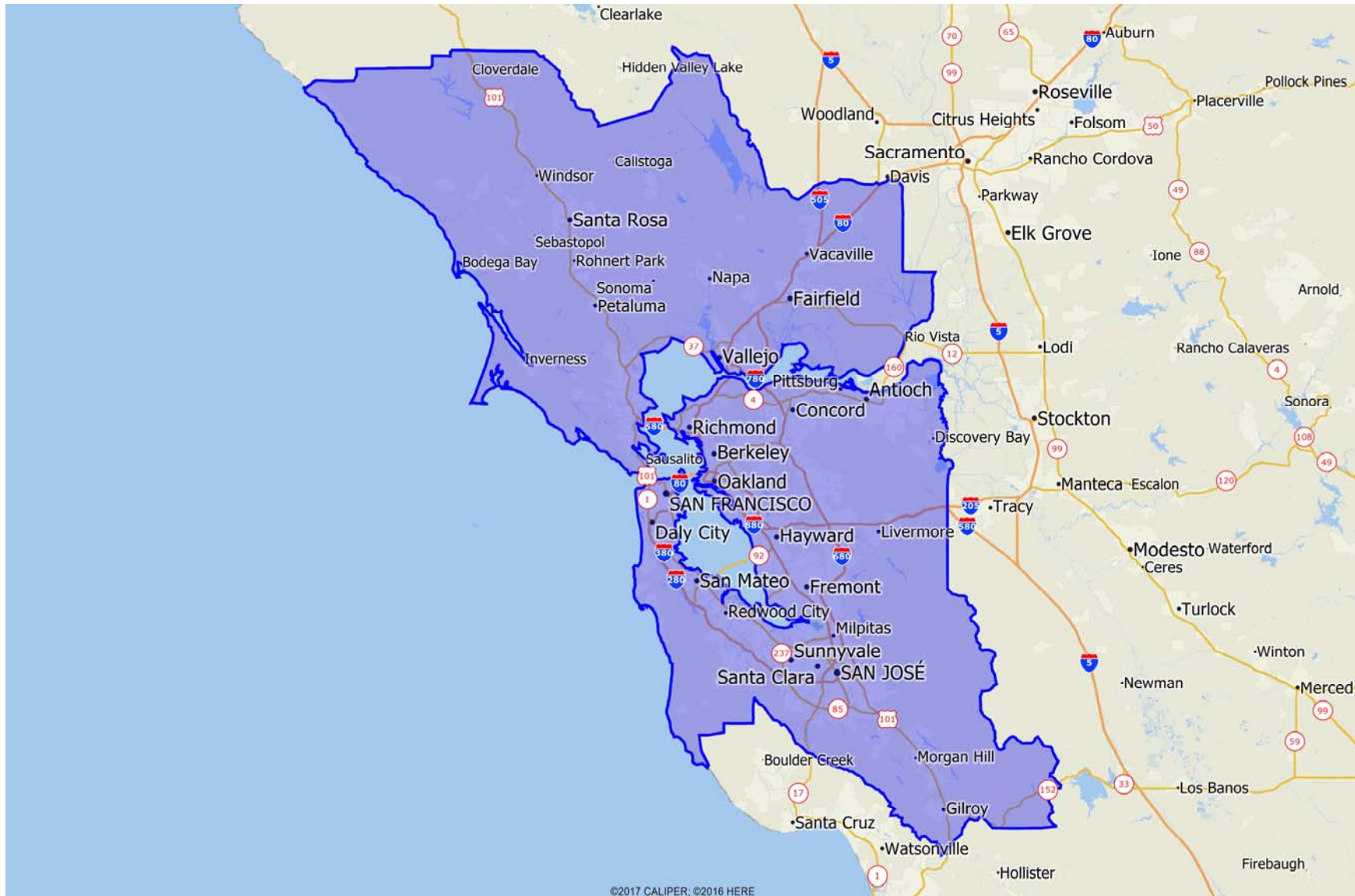
Appendix A: Summary Table 7

Changes in Racial Mix of Households Below \$75,000 (2010-2017)

	Dublin		Livermore		Pleasanton		Tri-Valley Total	
	2017	Increase (Decrease) from 2010	2017	Increase (Decrease) from 2010	2017	Increase (Decrease) from 2010	2017	Increase (Decrease) from 2010
White Alone (Not Hispanic/Latino)	2,468	77	7,273	236	4,508	(525)	14,249	(212)
Black or African American alone Householder	260	54	193	(136)	190	(107)	643	(189)
American Indian and Alaska Native Alone	32	24	40	5	45	(10)	117	19
Asian alone Householder	899	102	887	(44)	1,111	203	2,897	261
Native Hawaiian and Other Pacific Islander	53	40	27	5	67	67	147	112
Two or More Races	248	116	337	164	171	76	756	356
Other	<u>351</u>	<u>(70)</u>	<u>1,939</u>	<u>(237)</u>	<u>613</u>	<u>(348)</u>	<u>2,903</u>	<u>(655)</u>
Total	4,311	343	10,696	(7)	6,705	(644)	21,712	(308)
Hispanic or Latino Householder	365	(87)	2,041	(160)	610	(380)	3,016	(627)

Source: 2006-2010 American Community Survey 5-Year Estimates, 2013-2017 American Community Survey 5-Year Estimates.

Appendix B: Regional Context



Appendix B: Regional Context

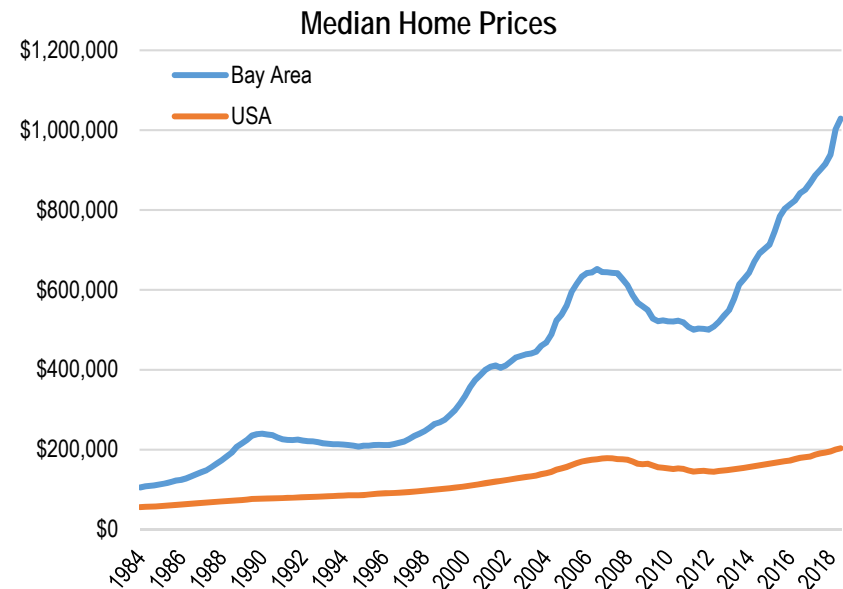
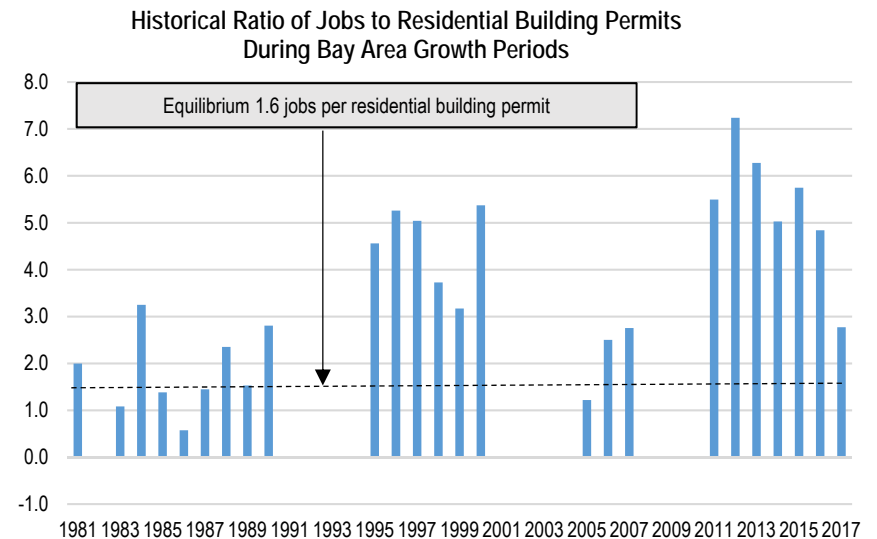
Bay Area Housing Growth Stops Keeping Pace With Job Growth

As a global center of innovation and economic growth for many decades, the Bay Area has posted annual employment gains of 1.7% per year since 1970, outpacing both California and the United States as a whole. While new residential construction kept pace with Bay Area employment growth in earlier economic cycles, this has not been the case in recent years.

For example, during one of the Bay Area's largest economic expansions that occurred between 1983 and 1989, 270,000 housing units were built across the region, keeping pace with the more than 430,000 jobs that were added. During this time period, the Bay Area ratio of housing construction to jobs was fairly close to the number of workers per household, with one housing unit delivered for every 1.6 new jobs.

While home prices and rents were higher than the United States as a whole in the 1980s, they averaged between 1.5 to 2 times the United States average. Most housing units were affordable to a broad swath of Bay Area residents in the 1980s, as median home prices and rents were within reach of lower to middle income households.

During the mid-1990s boom, the Bay Area stopped producing housing at the same pace as job growth. Facing increasing community opposition, higher construction costs and significant public infrastructure costs associated with suburban growth, Bay Area communities only permitted about 20,000 units per year during the next economic boom in the 1990s where only about one housing unit was permitted for every 3.8 jobs created. This was the period when Bay Area home prices significantly diverged from the USA as a whole. As the year 2000 began, Bay Area home prices reached record highs when Bay Area median home prices averaged about 3 times higher than the median home prices for the United States.



Source: US Department of Housing and Urban Development (SOCDS), Moody's, Federal Reserve Economic Data (FRED)

Appendix B: Regional Context

Housing Shortage

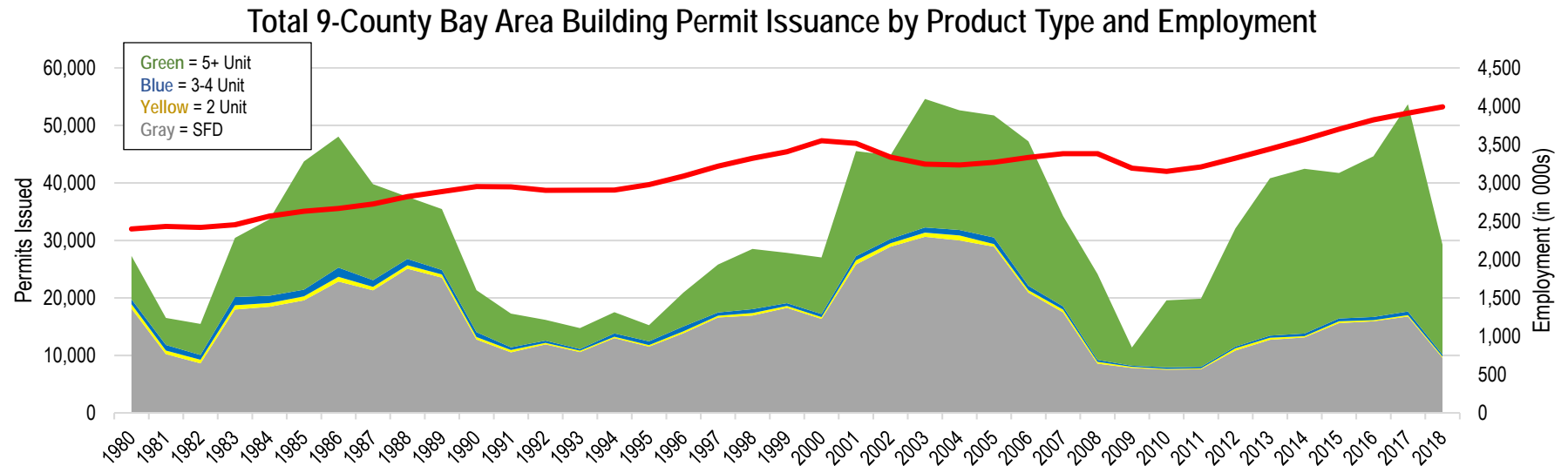
Despite the economic boom since 2010 and increased housing production in higher priced locations in recent years, housing production across the Bay Area has not kept pace with new employment growth and housing demand.

This housing supply shortage is contributing to the changing nature of the regional population and household income profile. As housing prices rise, consumers at the top of the household income scale are able to purchase or rent housing at higher prices and rents across a broad range of communities while lower to middle income households are often forced to move to places where housing is more affordable.

These trends have led to displacement of lower income households from communities across the Bay Area, particularly out of high-employment growth areas where prices have rapidly increased, such as Santa Clara, San Francisco and San Mateo Counties. As will be demonstrated in this report, these trends are significantly impacting the Tri-Valley region.

The mismatch between housing supply and demand has become a circular problem for the Bay Area economy. As prices rise, household incomes required to support rising housing prices must rise for companies to be able to recruit new talent and grow.

With rapidly declining real purchasing power for lower income households, this part of the population is increasingly left out of the market and faces rising gaps between housing affordability and incomes.

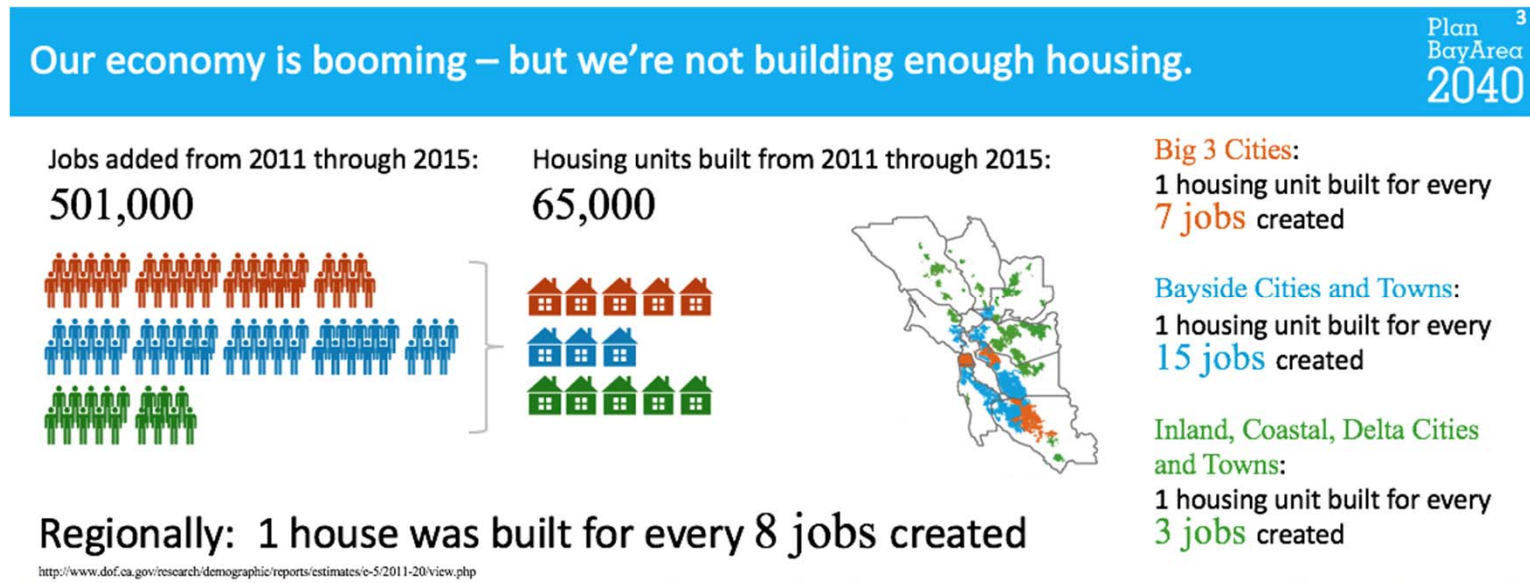


Source: US Department of Housing and Urban Development (SOCDS)

Appendix B: Regional Context

Bay Area Jobs to Household Ratio Changes

- The jobs to household ratio increased in the Bay Area from 2010 to 2018 by 16% from 1.39 to 1.62, respectively.
- The jobs to household ratio increased most drastically in bayside cities like Palo Alto, Cupertino, and San Mateo.
- The cities of San Francisco, San Jose, and Oakland also experienced a greater increase in its jobs to household ratio than inland, coastal, delta cities like Walnut Creek, Concord, or the Tri-Valley.

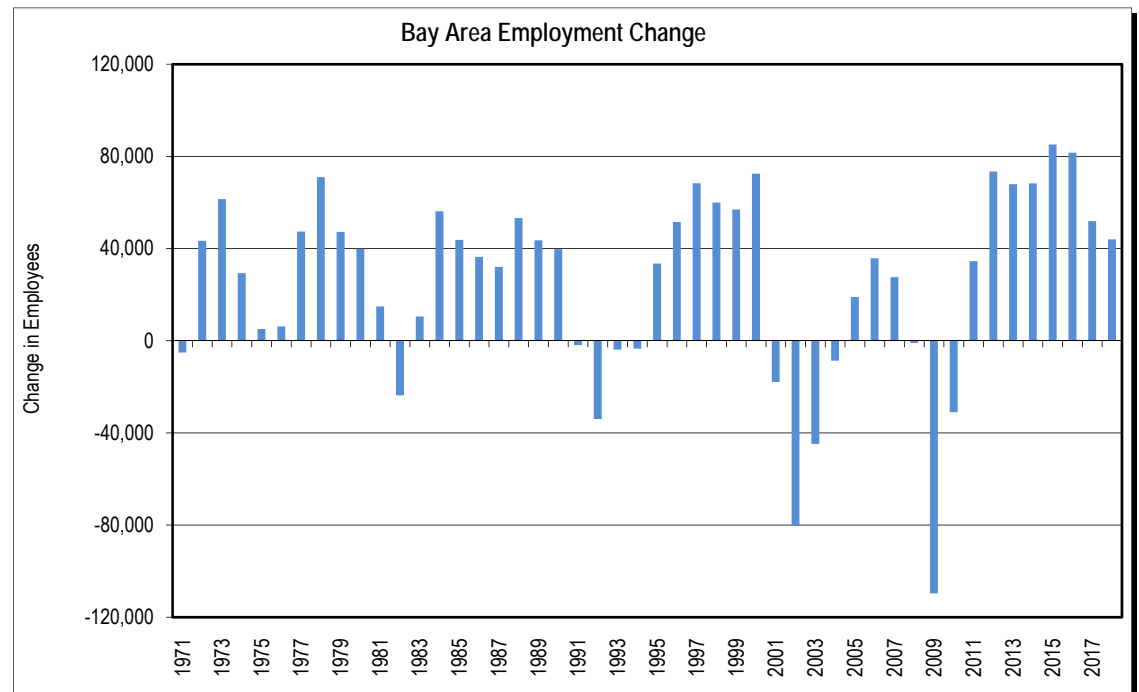
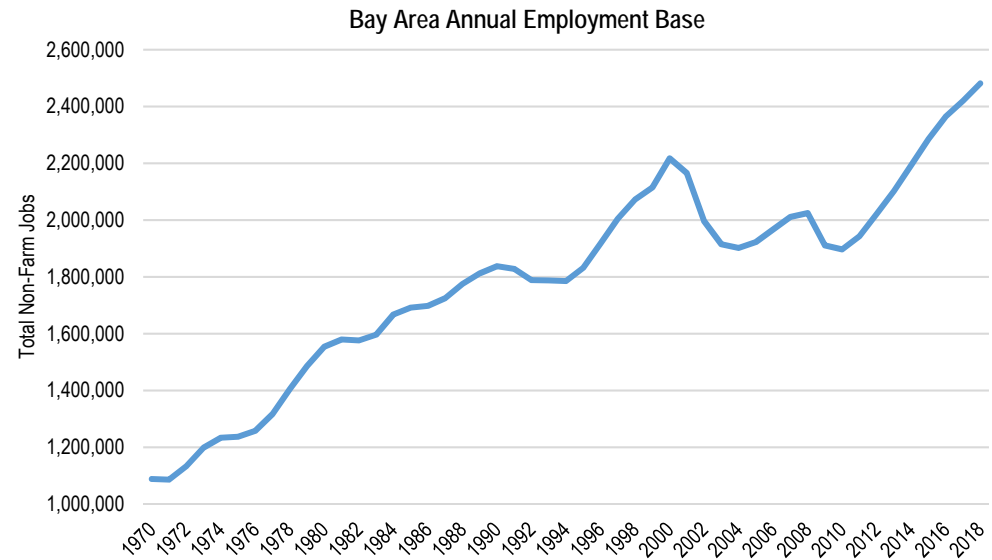


Appendix B: Regional Context

Shift to Knowledge Economy

Over the past two decades (1997 to 2017), the Bay Area has added about 692,000 jobs, led by rapid increases in knowledge economy jobs in the technology and biotechnology sectors. Housing production has not kept pace, and there has been a growing gap between housing supply and employment growth.

This rapid employment growth from the knowledge economy has led to a dramatic shift towards higher wage jobs in selected sectors, while many middle-income and low-wage workers have experienced wage stagnation, which has increased income inequality and exacerbated the housing affordability gap for lower and middle income households across the Bay Area.



Appendix B: Regional Context

Composition of Jobs and Economic Growth

In 1997, high-wage jobs accounted for 48% of all jobs in the San Francisco Bay Area. High-wage jobs encompass more financial service industries and some government position. Middle-wage employment, which encompassed a variety of Bay Area industries, supported a robust middle class located in communities throughout the Bay Area. Low-wage jobs relate more towards service based industries or non-specialized industries.

Since then, growth in Bay Area employment and earnings has been focused on high-wage, knowledge economy industries, which have accounted for 83% of employment growth since 1997. While these industries include lower-wage jobs in administrative and support services, they typically do not include a significant percentage of middle-wage jobs.

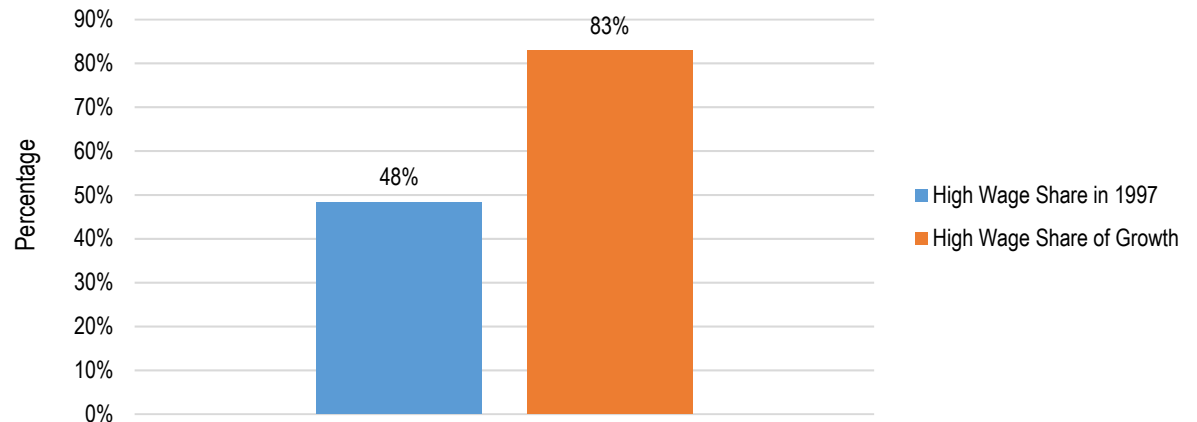
Since 1990, earnings per worker – a key measure of economic power across a variety of households – has diverged dramatically in the Bay Area as wage growth has been concentrated in industries with higher wage jobs.

While earnings increased by 119% for high wage earners, wages for low wage and middle wage earners have stagnated, only growing 35% to 45% from 1990 to 2015, significantly lower than the inflation rate of 96% for the same period according to the San Francisco

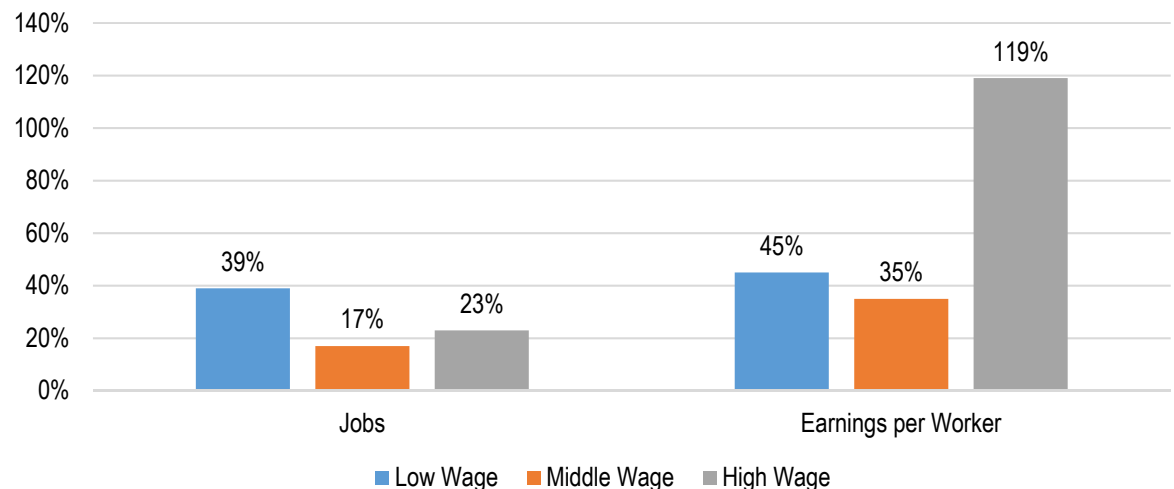
Consumer Price Index for All Urban Consumers.

Source: Moody's

High-Wage Jobs as a Share of Industry



Growth in Jobs and Earnings by Industry Wage Level (1990-2015)



Appendix B: Regional Context

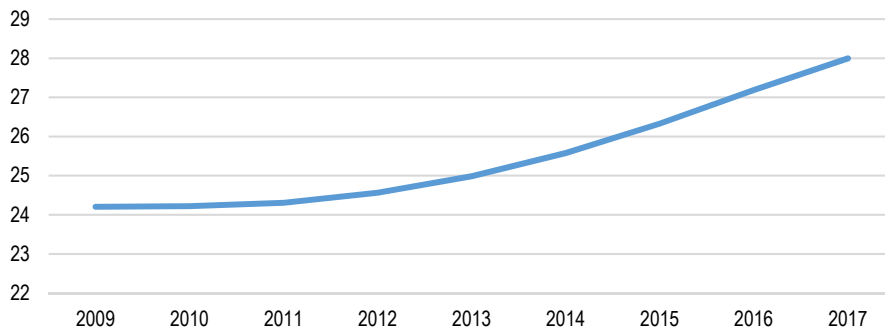
Geographic Imbalances

Although under-supply of housing is a problem throughout the Bay Area, areas with significant employment growth are particularly imbalanced. Key cities in Santa Clara County have seen dramatic job/housing imbalance figures over the recent cycle.

Together, Cupertino, Mountain View and Palo Alto – some of the region's most affluent neighborhoods and home to some of the Bay Area's largest employers have seen the addition of more than 10 jobs for every housing unit built between 2006 and 2014.

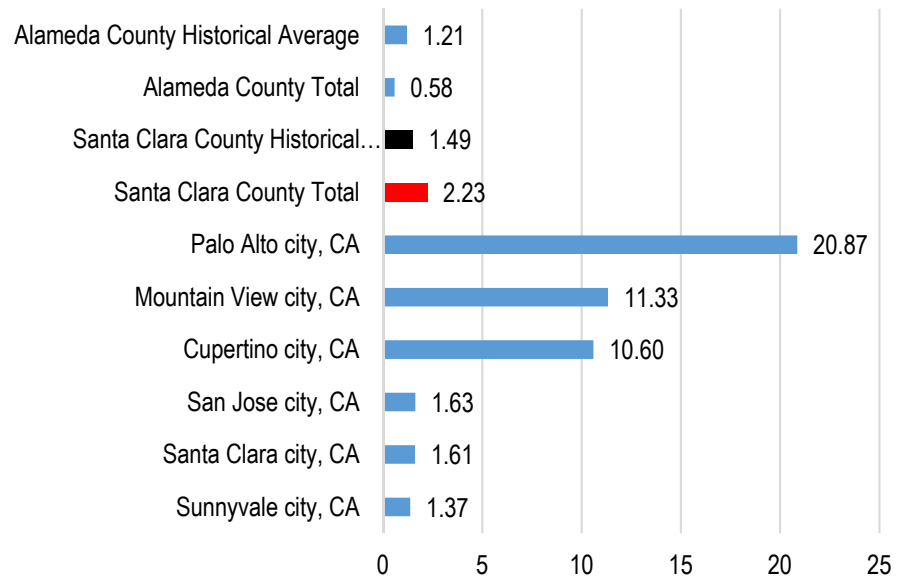
This significant increase in employment without a corresponding increase in housing has pushed workers to travel further distances to work and seek more-affordable residential options around the Bay Area. During this period, San Francisco, the I-880 corridor between San Leandro and Fremont and the Tri-Valley have all seen massive inflows of workers pushed out from core Silicon Valley job centers. In a decade, the number of people commuting from the Tri-Valley to Mountain View, Palo Alto and Cupertino has more than doubled.

Mean Commuting Time for Workers in Santa Clara County, CA, Minutes, Annual, Not Seasonally Adjusted

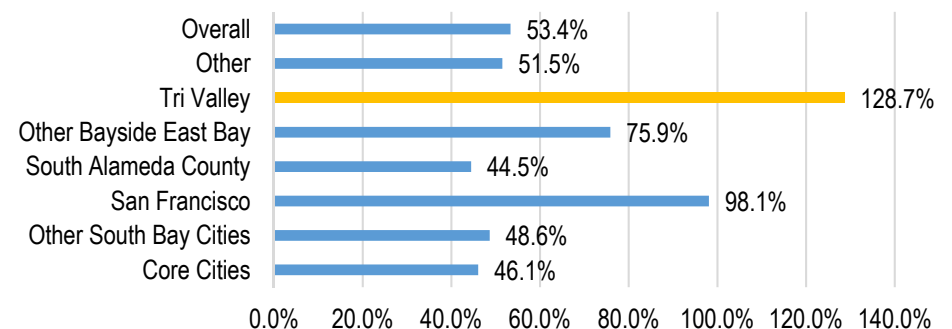


Source: Federal Reserve Economic Data, US Census

Santa Clara County Jobs/Housing Balance 2006-2014



Change in Place of Residence for Mountain View, Palo Alto and Cupertino Workers, 2005-2015



Appendix B: Regional Context

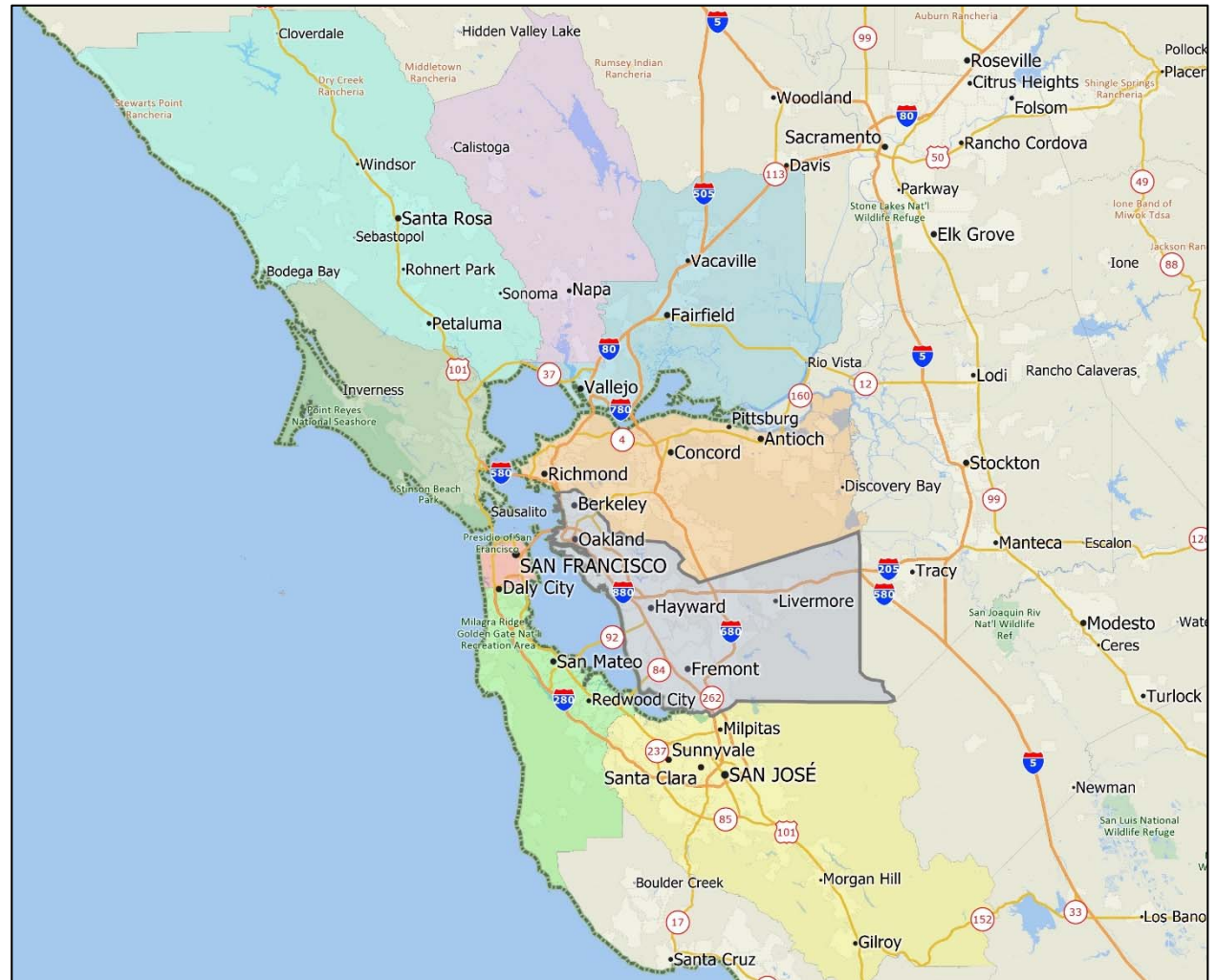
Internal Migration and the Ripple Effect

Between 2010 and 2015, 43% of all in-migration into Alameda County was from San Francisco, Santa Clara, Contra Costa Counties, and San Mateo Counties.

This is indicative of a move from higher-cost markets into the lower-cost markets that Alameda County provides.

Inbound Migration to Alameda County

San Francisco County	13%
Santa Clara County	12%
Contra Costa County	12%
Los Angeles County	6%
San Mateo County	6%
San Joaquin County	3%
Sacramento County	2%
San Diego County	2%
Orange County	2%
Solano County	1%
Marin County	1%
<i>All Other Counties</i>	<i>40%</i>



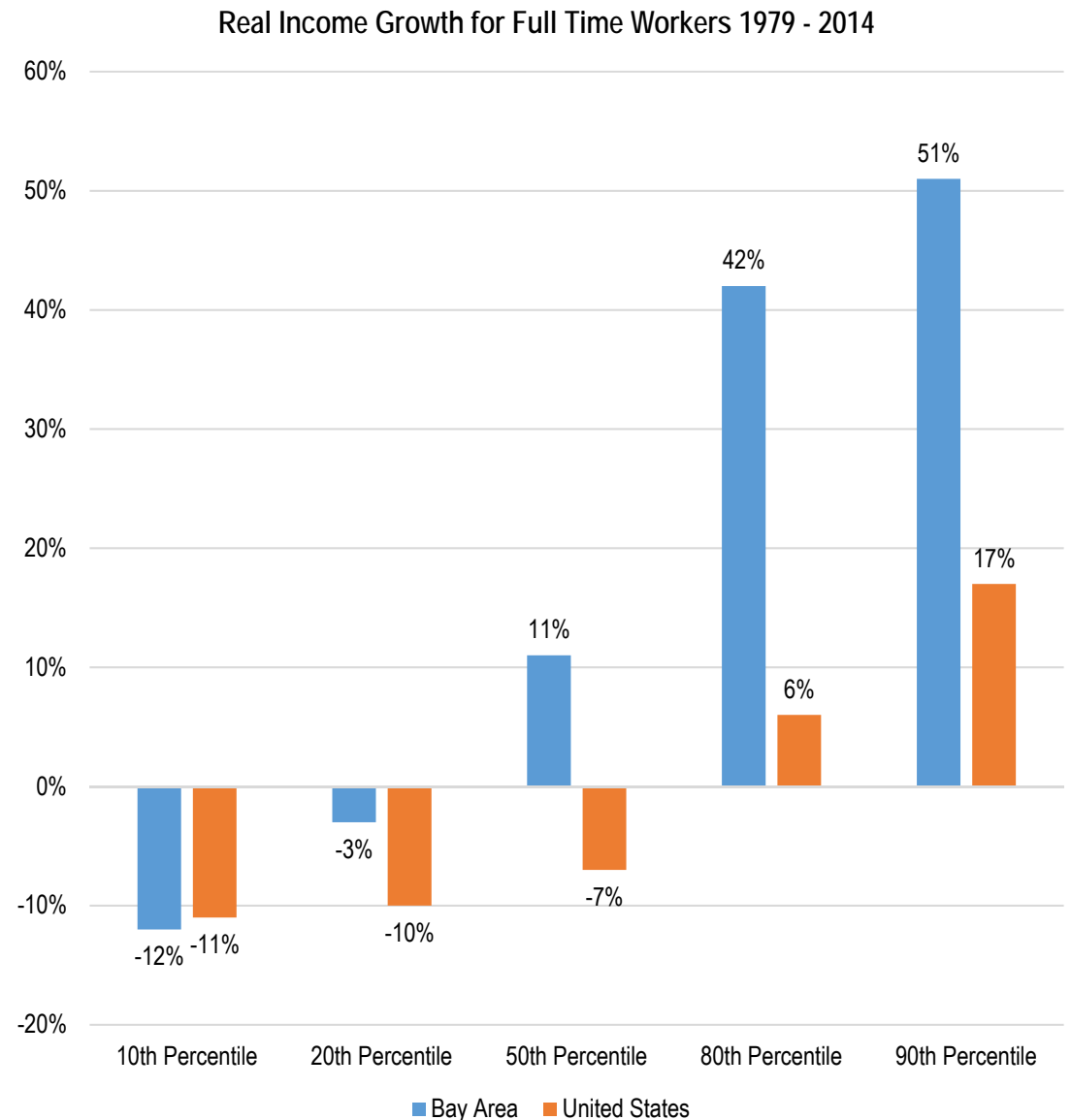
Source: FlowsMapper, US Census

Appendix B: Regional Context

Declining Economic Power for Lower Wage Workers

Real income growth— based on gross household incomes adjusted for inflation— has grown more than 40% for the top wage-earners in the Bay Area, a growth of more than 3 times the growth rate for workers across the USA as a whole.

One of the key contributors to displacement is the fact that real income growth has been increasing for workers at or above the 50th percentile of wage earners, while lower wage earners have experienced an erosion of real incomes, purchasing power and the ability to pay the rapidly rising costs of living, including most notably, the cost of housing.



Appendix B: Regional Context

Household Income Growth

Bay Area Household Income*	1990		2015		Change from 1990 to 2015	
	Number of Households	Percent of 1990 Total**	Number of Households	Percent of 2015 Total**	Growth/ (Decline) in Households	Percent of Household Growth
Less than \$35,000	446,000	20%	550,000	20%	104,000	+23%
\$35,000 to \$74,999	645,000	29%	625,000	23%	(20,000)	-4%
\$75,000 to \$149,999	785,000	35%	793,000	29%	8,000	+2%
\$150,000 or more	375,000	17%	741,000	27%	366,000	+80%
Total Households	2,251,000		2,709,000		458,000	+20%

* Income shown in inflation-adjusted 2015 dollars.

** Values may not sum due to rounding.

TABLE 1.1 A comparison of the number of households by income level in the Bay Area over a 25-year period from 1990 to 2015.

From 1990 to 2015, households earning more than \$150,000 a year have greatly increased their share of the total number of households in the region and comprised a vast majority of the regional growth in households over the same period. As a share of total households, those earning between \$35,000 and \$149,999 have declined significantly and in absolute numbers have either stagnated or decreased.

Source: U.S. Census Bureau, 1990; U.S. Census Bureau/American Community Survey, 2015 [Social Explorer]

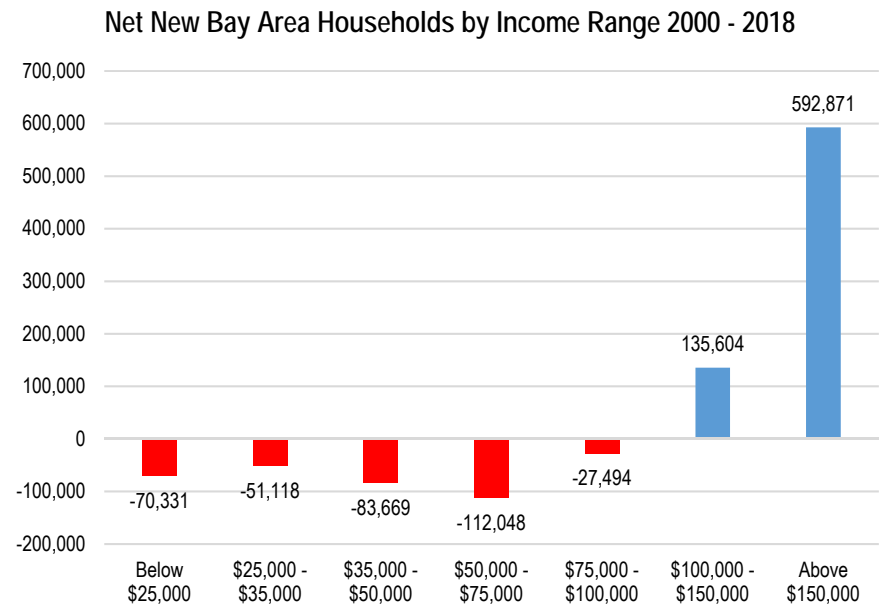
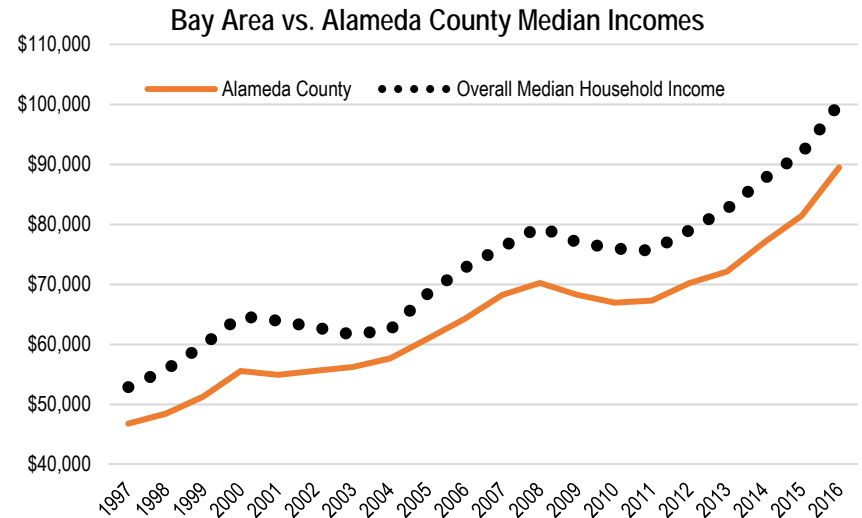
Appendix B: Regional Context

Changing Income Profile and Housing Affordability

Although real incomes for lower and middle income households have declined, household median incomes in the Bay Area have increased significantly. Since 2000, the Bay Area has seen a 56% increase in household median income, and household incomes in Alameda County have similarly increased. However, much of this household income growth is attributable to shifts in household income distribution.

As shown on the graph, the number of lower and middle income households has decreased while there have been significant additions of households earning \$100,000 or more annually.

As housing prices have increased and household incomes have shifted, lower to middle income households need to spend higher percentages of household income on housing costs, as shown on the graph on the next page from Plan Bay Area 2040.



Appendix B: Regional Context

Price Performance

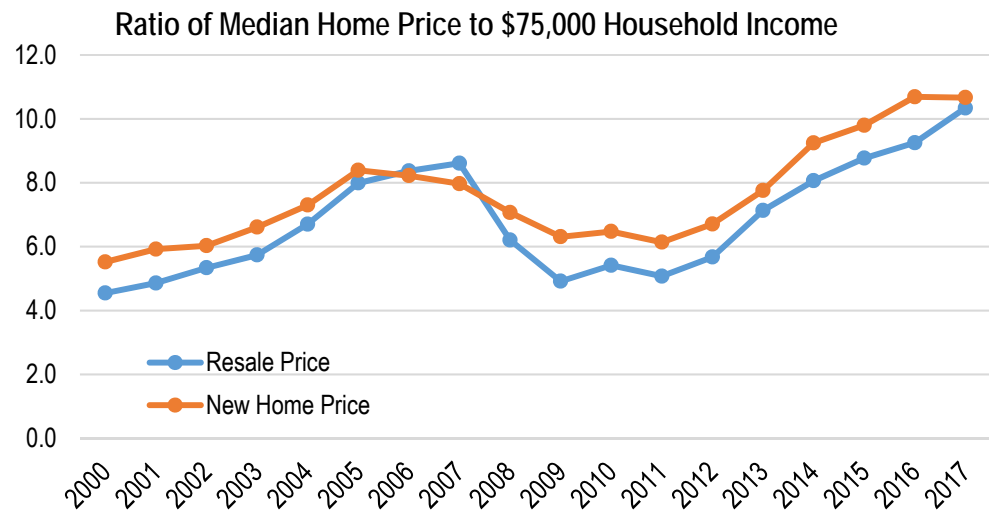
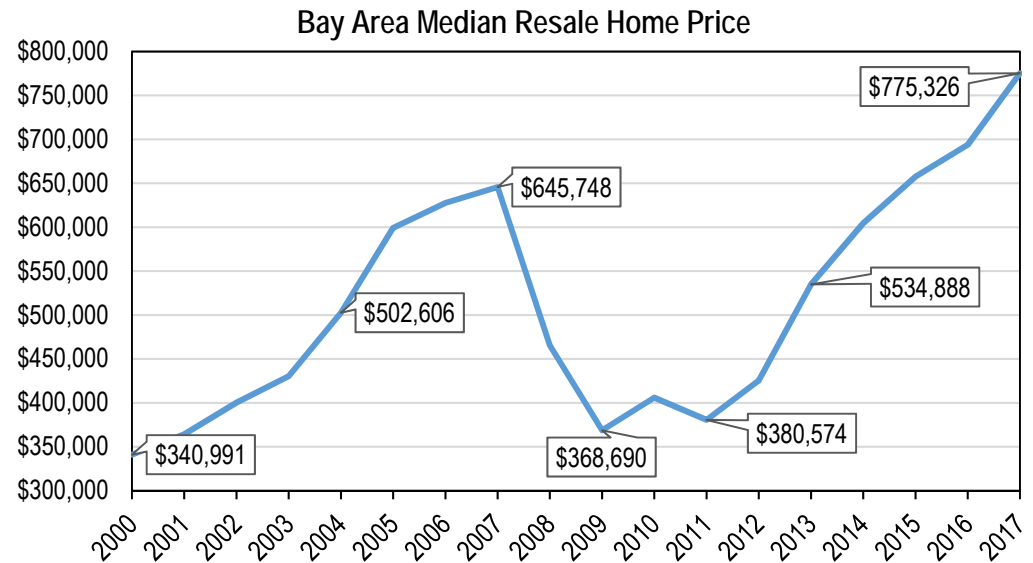
Housing prices in the Bay Area have been on a steep upward trajectory since their low in 2009 following the Great Recession. Since 2010, the median resale home price has increased over 90%, quickly exceeding the previous peak in 2007. Even amidst this rapid growth in home prices, the actual ratio of median home prices to median household income has actually remained in line with historical trends – this can be attributed to the continuously increasing median incomes in the Bay Area.

However, a benchmark for a truly affordable home is one that is below four or five times a household's income. Since 2000, the median price of a home in the Bay Area has only fallen below that threshold once, in 2009, implying that purchasing a home has remained historically unattainable to most households.

Ultimately, home prices relative to median household incomes in the region are not much higher than they were in 2003. However, that is only the case due to the subsequent rise in the Bay Area's median income over the last decade. The continued influx of high income and high net worth individuals has brought the median household income up greatly, and the majority of new housing built has been for those high earners.

The greatest concern then is for those households who are living in the Bay Area but have not seen their wages grow in the same way that the median income of the region has – the result is a continuous inability to afford a home.

Source: Redfin, CoreLogic, Spotlight, US Census



Appendix B: Regional Context

Rents and Prices for Long-Term Residents of the Bay Area

While the median income of the Bay Area has increased since 2000, not all households have equally gained from the region's economic growth. The median income of the Bay Area has grown far more quickly than incomes for service and blue collar workers have comparably, many of whom are the longer-term residents of the Bay Area.

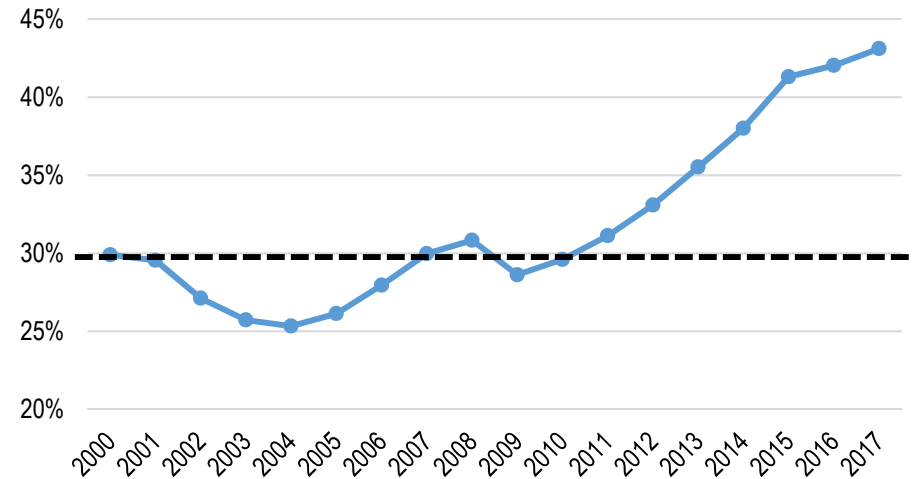
If you were to compare housing cost increases since 2000 to the median income of a household in 2000, you would see that rent as a percentage of income has quickly exceeded affordability (>33% of income) since 2012.

Similarly, the median home price compared to the median household income in 2000 shows that affordability is beyond any historic measure. The median home price today is twelve times higher than the median income in 2000. When adjusted for inflation and marginal wage increases, median home prices are still 10x above what an earner in 2000 would be making in 2018.

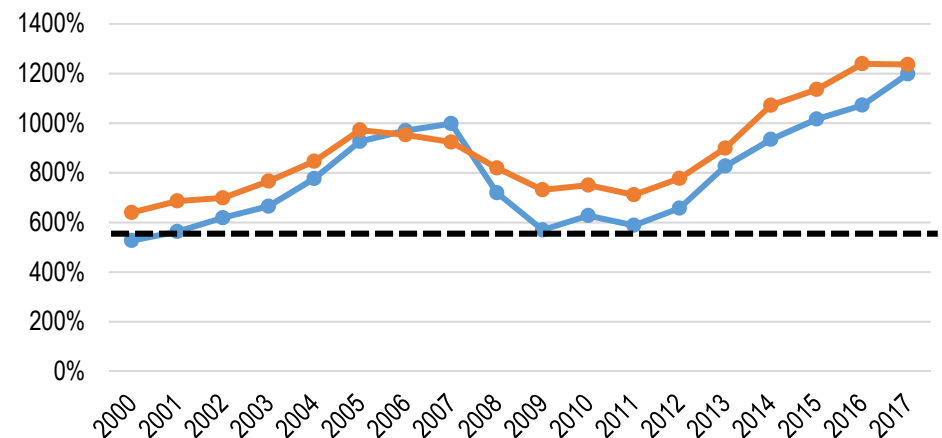
The greatest questions of affordability do not reside with new, incoming residents of the Bay Area. Those moving in who are already high-income earners are continuing to drive rents to unattainable levels for many households. Instead, these concerns lie with a core of households who already live/recently lived here. As home prices and rents push higher, these households are the ones facing longer commute times, fewer competitive housing options, and ultimately, displacement.

Households at acute risk of displacement are those that have seen wage stagnation and earn less than \$75,000 (<80% AMI), which is approximately 990,000 households in the Bay Area.

Rent as % of Median Income in 2000



Median Home Price as % of Median Household Income in 2000



Source: CoStar, US Census, CoreLogic - DataQuick

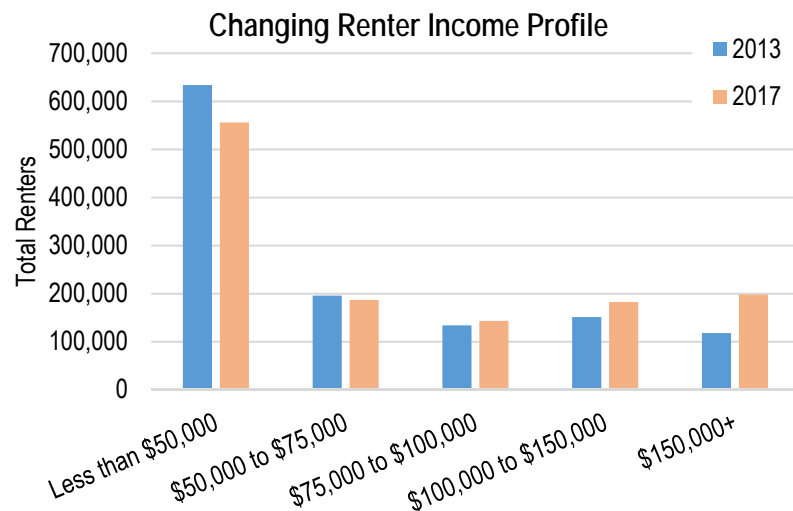
Appendix B: Regional Context

Rent Performance

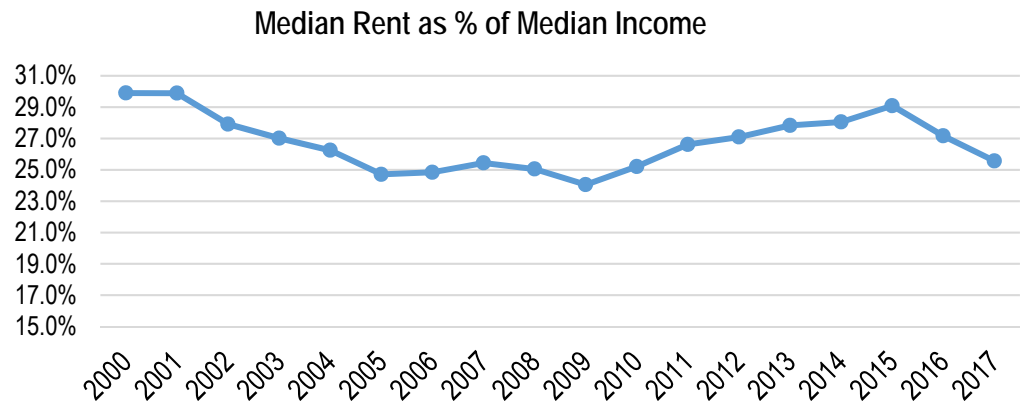
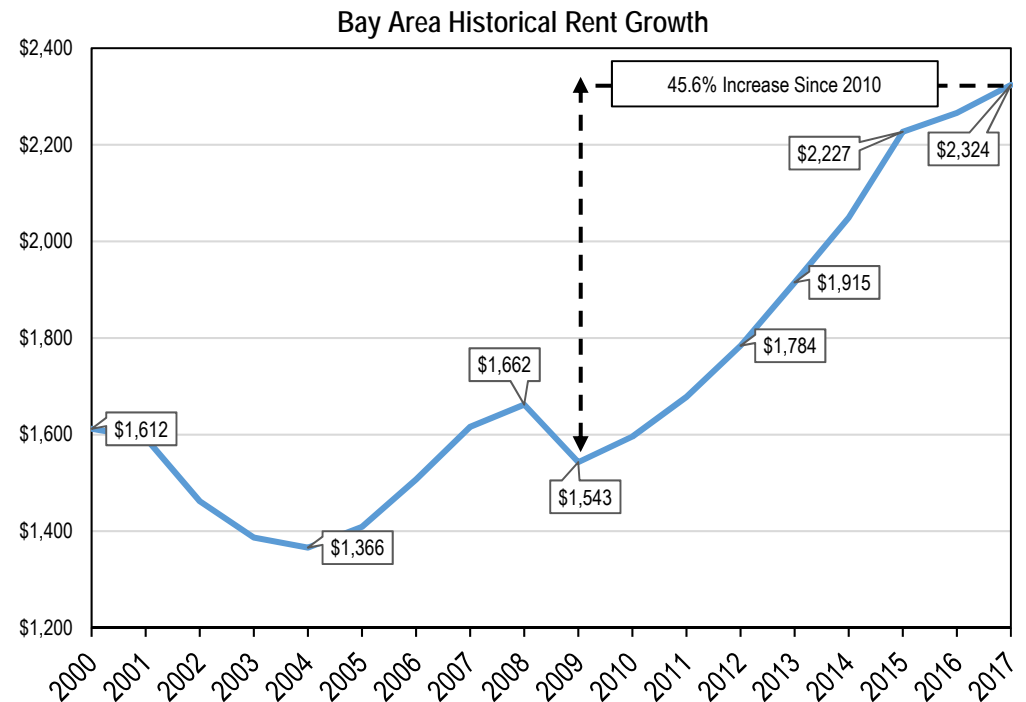
Trends for rent performance are similar to home price performance over the same time period. While median rent as a percentage of median income has dropped since 2000, that phenomenon can primarily be attributed to the increase in the Bay Area's median income.

The Bay Area has also seen greater increase in renters, due to a variety of factors including age, an unwillingness to commit to the Bay Area by purchasing a home, a desire for a more urbanized and amenity-rich living environment, and more. Also, given the hurdles that saving for a down payment and qualifying for a mortgage present, more households are renting.

As a result, the number of affluent households seeking out rental units in the market has increased, in turn there is more competition for rental units, many of which will price out households at the key incomes who are at risk of displacement.



Source: CoStar, US Census, Spotlight



Appendix B: Regional Context

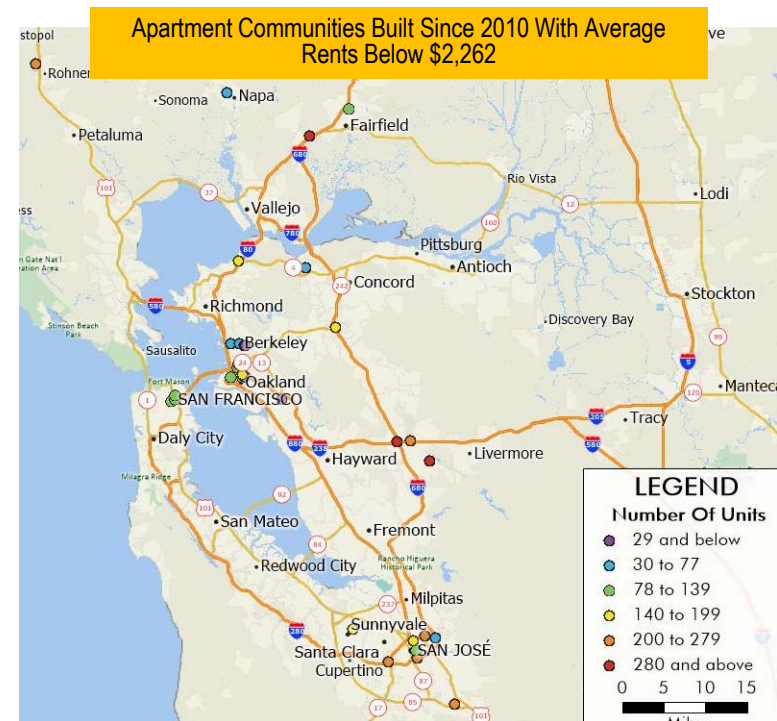
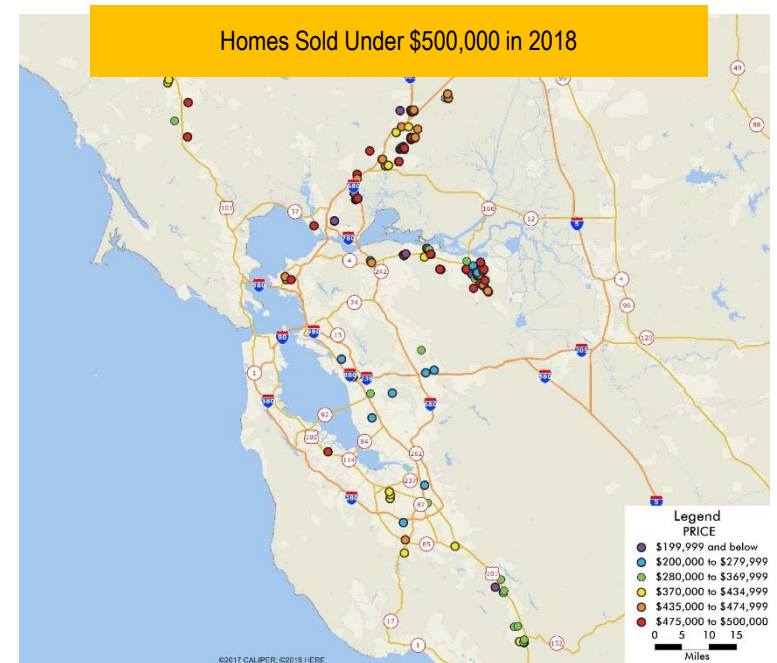
Acute Shortage of Housing Affordable to Typical Households

Currently, only a few homes are selling at prices that are affordable to lower to median-income households earning less than \$100,000 annually. Based on typical affordability standards that take into account historically low interest rates, homes need to be priced at \$500,000 or less to be affordable to these households.

In 2018, only 235 homes sold in the Bay Area at prices that were at or below \$500,000 representing .03% of the 78,000+ total home sales. These sales occurred predominantly in outlying housing markets where buyers are must often accept long commutes to employment. Within the Tri-Valley specifically, only three homes sold under \$500,000.

Although more apartments are available at naturally-occurring affordable rents – units with rents below \$2,100 per month that are affordable to households making less than \$75,000 – the total volume of newer product delivered since 2010 in these rents is still quite low. Of the total 233 market-rate communities built since 2010, only 2 of them have a two-bedroom unit with an average asking rent affordable to those making less than \$75,000 of household income.

Source: CoStar



Appendix B: Regional Context

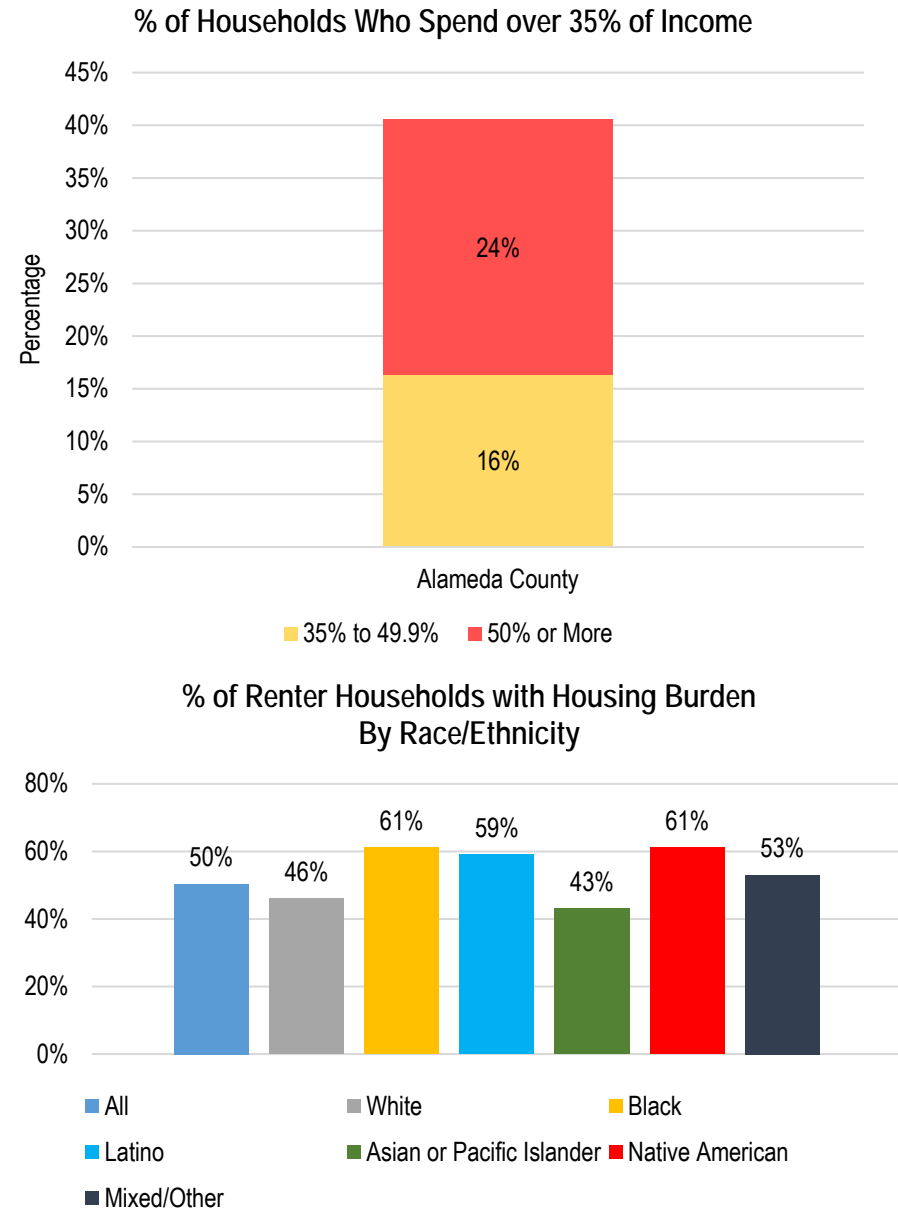
Rent Burden

Households who are considered rent burdened or extremely rent burdened are spending over 35% or over 50% of their income on rent, respectively. Being overly rent-burdened is one key precursor to displacement. As rents reach more unattainable levels, households will have to resort to paying more out of pocket for housing, moving into overcrowded housing situations, or moving to an entirely new, more affordable area.

The overall percentage of households who spend over 35% of their income on housing in the Bay Area is very similar to the distribution in Alameda County, at approximately 40% of all households.

An analysis of renter households who are housing burdened by race/ethnicity gives a glimpse of another key characteristic of a household most at risk of displacement, beyond those are who simply low income. Approximately 60% of Black, Latino, and Native American households are rent-burdened in the Bay Area. That, in the long run, translates to higher odds of displacement for those households, especially as rents continue to rise.

White and Asian households are the only two demographic cohorts who see less than 50% of households rent burdened.



Source: American Community Survey 2016 5-Year Estimates, US Census Bureau

Appendix B: Regional Context

Share of Income Spent on Housing in 2015

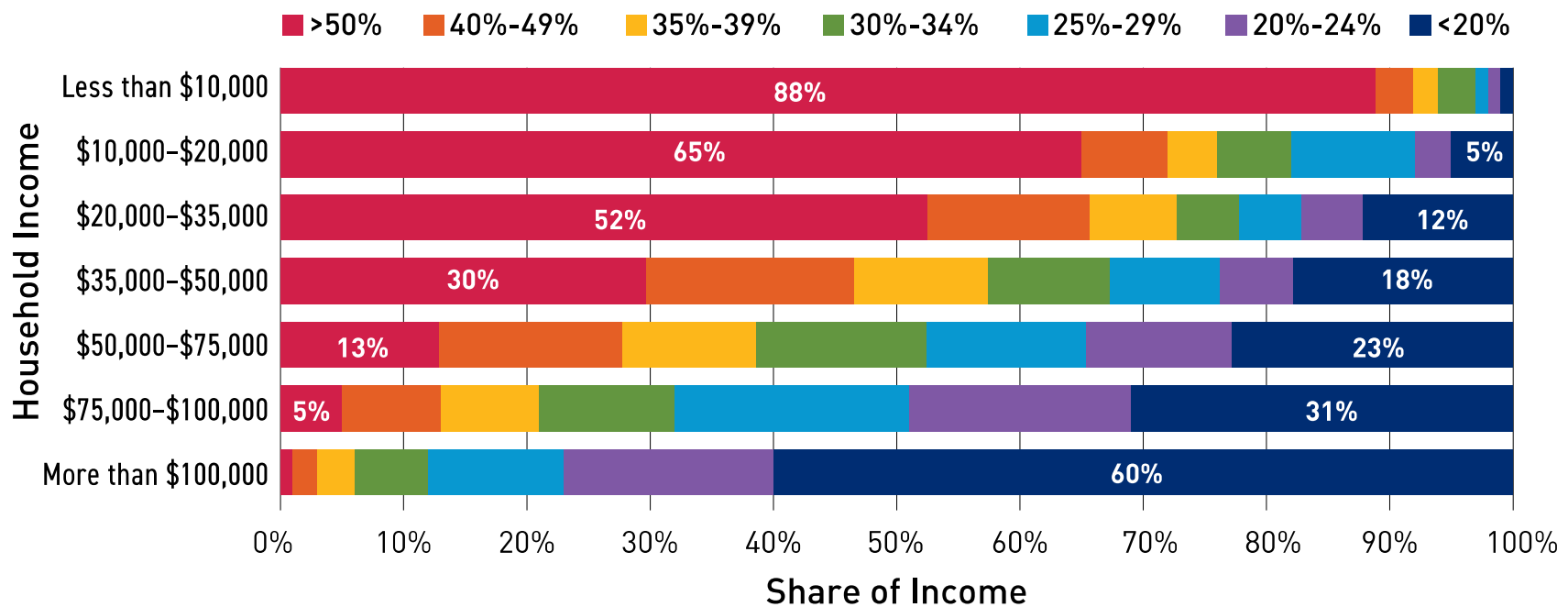


FIGURE 1.4 Share of income spent on housing by Bay Area households in 2015, segmented by income level.

A significant majority of households earning less than \$35,000 in the Bay Area spent more than 50 percent of their household income on housing in 2015.

Source: Vital Signs; U.S. Census Bureau/American Community Survey, 2015

Appendix B: Regional Context

Summary

- Rapid economic growth comes with a cost, accelerating the pace of displacement already occurring within the San Francisco Bay Area Region. The Urban Displacement project estimates gentrification has transformed 10% of Bay Area neighborhoods and displacement is occurring in as many as 48% of Bay Area neighborhoods.
- The Bay Area is historically home to a wide variety of incomes/levels of affluence. In earlier generations, housing was more attainable to a wider swath of the job/income base.
- Structural issues, including construction costs, entitlement and market risk factors, public infrastructure costs, and land values are limiting the ability to deliver housing across the Bay Area.
- As housing construction lags demand and pricing/rents rise dramatically, higher income earning households – themselves facing significant housing challenges - push outwards across the region to areas with relatively lower housing costs, significantly changing the demographic composition of older neighborhoods.
- Growing income inequality accelerates displacement forces.
- All parts of the Bay Area are experiencing displacement – key income ranges at risk of displacement include both the Missing Middle and Low/Very Low Income/Extremely Low Income households.