

Housing

Section Highlights

Entry Level Home Price Up 8%

Households Able to Afford Entry-Level Home 68%

Hourly Wage Needed to Afford a One-Bedroom Rental \$19.29

One-Year Increase in Rents 5%

K-12 Students with Insecure Housing 33,286

A Success Story

In 2018, California’s Strategic Growth Council awarded Arrowhead Grove Neighborhood \$20 million through the California Affordable Housing and Sustainable Communities program – a first for the Inland Empire. This will help fund two upcoming phases of the Arrowhead Grove Neighborhood, formerly known as Waterman Gardens Public Housing, including 147 affordable housing units and 36 market-rate units. Upon completion, Arrowhead Grove will include about 400 units as well as a pool and clubhouse, walking paths, community garden and a computer lab for residents, along with pedestrian and transit improvements that will benefit the whole community. Partners include the City of San Bernardino, County of San Bernardino, National Community Renaissance, and the Clancy Company.

Despite Declining Affordability, Homeownership Rate Ticks Up

An adequate supply of affordable housing promotes homeownership, which increases stability for families and communities, and can provide long-term financial benefits that renting cannot. Affordable housing encourages young workers to move to, or remain in, San Bernardino County and low relative housing prices can attract and retain businesses. This indicator uses the California Association of Realtors First-Time Buyer Housing Affordability Index to measure the percentage of households that can afford the existing single-family detached home at the entry-level price of 85% of median in San Bernardino County and compares the minimum qualifying income for an entry-level home to the annual incomes of common or growing occupations. Homeownership rates are also shown.

How is San Bernardino County Doing?

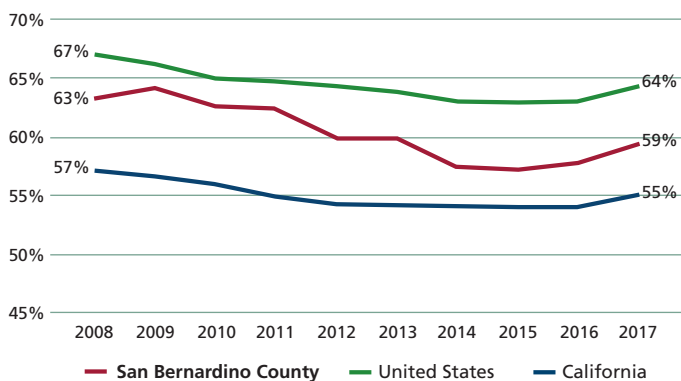
While affordability declined statewide, San Bernardino County remained the most affordable county in Southern California:

- The median price of an entry-level, single-family home rose 8% in a year, from \$218,370 in 2017 to \$236,720 in 2018.
- The minimum qualifying income needed to purchase a median-priced, entry-level single-family home (\$236,720) in San Bernardino County was approximately \$37,300 as of the first quarter of 2018.
- San Bernardino County is considerably more affordable than the statewide entry-level single-family home price of \$457,840, which requires a qualifying income of \$72,140.¹
- At 68%, a majority of San Bernardino County households could afford such a home in the first quarter of 2018, down from 70% in 2017 and 79% in 2009.
- Looking at average salaries in common or growing occupations, all of the selected fields earn more than the minimum qualifying income with the exception of retail salespersons and home health aides.

San Bernardino County's homeownership rate rose for the second consecutive year:

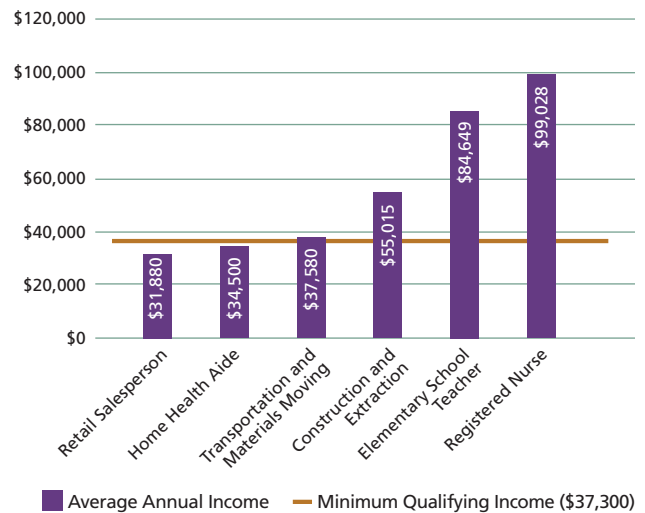
- The rate of homeownership in San Bernardino County was 59% in 2017, a two-point gain from the 10-year low of 57%.
- The 2017 rate of 59% is five points below the 10-year high of 64% in 2009.
- San Bernardino County's homeownership rate is above the California rate of 55% and below the nationwide homeownership rate of 64%.
- Seniors are more likely to be homeowners (75%) than non-seniors (55%).

Homeownership Rate
San Bernardino County, California, and United States, 2008-2017



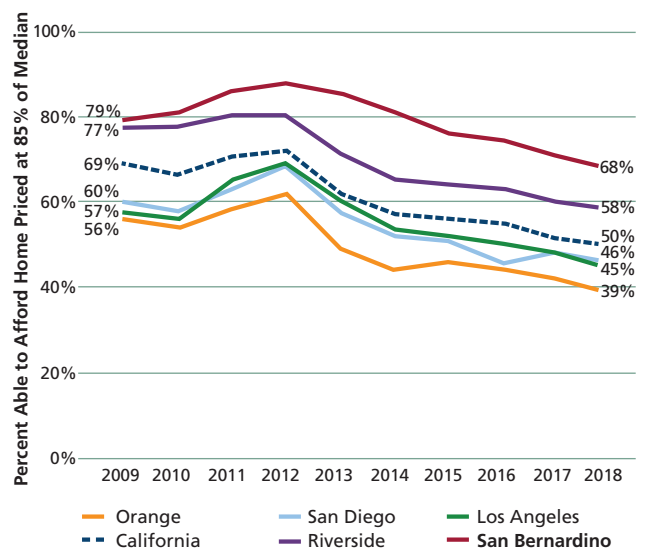
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates (factfinder.census.gov)

Income Needed to Afford Home Priced at 85% of Median (\$236,720) Compared to Average Salaries
San Bernardino County, 2018



Note: Average annual income data are for the Riverside-San Bernardino metro area. Sources: California Employment Development Department, Occupational Employment Statistics (www.labormarketinfo.edd.ca.gov/data/oes-employment-and-wages.html); California Association of Realtors (www.car.org)

First-Time Homebuyer Housing Affordability Index
County Comparison, 2009-2018



Note: Data are from the first quarter of the years presented. Source: California Association of Realtors (www.car.org)

¹ The California Association of Realtors defines the parameters for the First-Time Buyer Housing Affordability Index: 10% down and a 1-year adjustable-rate mortgage, including points and fees, based on Freddie Mac's Primary Mortgage Market Survey.

Rents Increase 5% in One Year

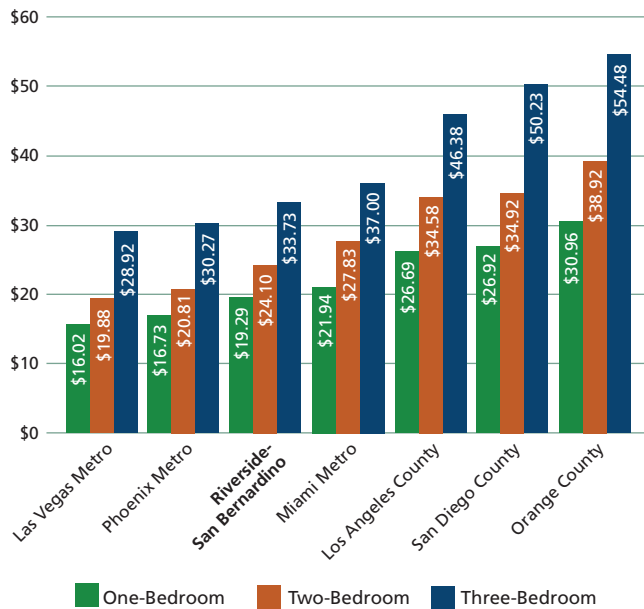
Lack of affordable rental housing can lead to crowding and household stress. Less affordable rental housing also restricts the ability of renters to save for a down payment on a home, limiting their ability to become homeowners. Ultimately, a shortage of affordable housing for renters can perpetuate and exacerbate a cycle of poverty. This indicator measures Riverside-San Bernardino metro area rental housing affordability by tracking the housing wage – the hourly wage a resident would need to earn to be able to afford the median rent in the region.

How is San Bernardino County Doing?

Median rents in the Riverside-San Bernardino metro area increased approximately 5% in one year:

- The hourly wage needed to afford a median-priced one-bedroom apartment was \$19.29 in 2018, compared to \$18.40 in 2017. This housing wage is equivalent to an annual income of \$40,120.¹
- Since 2014, one-, two- and three-bedroom rents rose 14%, 12%, and 11%, respectively. Meanwhile, minimum wage rose 38%.²
- The Riverside-San Bernardino metro area has the least expensive rental housing in the Southern California region, but it has higher prices than some peer regions outside of California (Phoenix and Las Vegas).
- On average, median monthly rent for a one-bedroom apartment (\$1,003) is not affordable to many lower wage occupations, including retail salespersons, home health aides, and transportation and materials moving occupations.
- The graduated increases in the California minimum wage are having a positive impact on what a minimum wage-earning household can afford to pay monthly in rent, rising from \$416 per month at \$8 per hour in 2014 to \$572 per month at \$11 per hour in 2018. To further close the gap between median rents and wages, the future graduated increases in the minimum wage (up to \$15.00 per hour in 2023) must outpace rental market cost increases.

Hourly Wage Needed to Afford Median Rent Regional Comparison, 2018

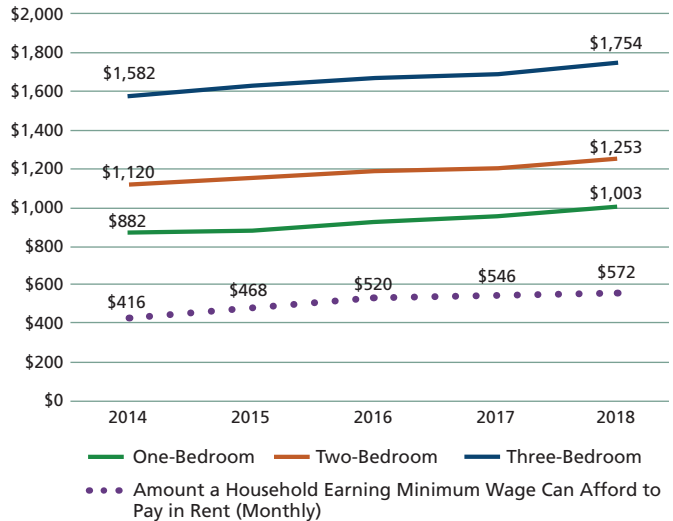


Source: Analysis of Housing and Urban Development 2018 Fair Markets Rents (www.buduser.org/portal/datasets/fmr.html) using the methodology of the National Low Income Housing Coalition (<http://nlhc.org/or>)

¹ Assumes 2,080 paid hours per year (52 weeks at 40 hours per week).

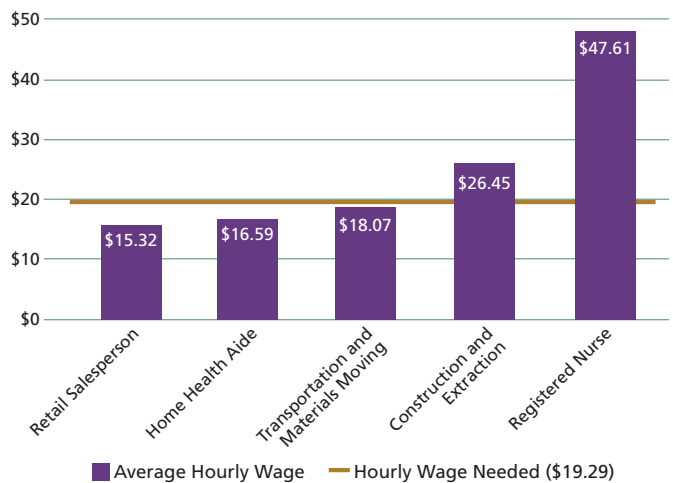
² Assumes 2018 California minimum wage of \$11.00, which is the wage for companies with 26 or more employees; the wage for companies with 25 or fewer employees is \$10.50.

Monthly Fair Market Rent Riverside-San Bernardino, 2014-2018



Source: Analysis of Housing and Urban Development Fair Markets Rents (www.buduser.org/portal/datasets/fmr.html) using the methodology of the National Low Income Housing Coalition (<http://nlhc.org/or>)

Hourly Wage Needed to Afford a One-Bedroom Unit Compared to Average Hourly Wages Riverside-San Bernardino, 2018



Note: Average hourly wage data are for the Riverside-San Bernardino metro area.

Sources: Analysis of Housing and Urban Development 2018 Fair Markets Rents (www.buduser.org/portal/datasets/fmr.html) using the methodology of the National Low Income Housing Coalition (<http://nlhc.org/or>); California Employment Development Department, Occupational Employment Statistics (www.labormarketinfo.edd.ca.gov/data/oes-employment-and-wages.html)

Rent as a Proportion of Household Income

In San Bernardino County, 46% of renting households pay 35% or more of their income on rent. This compares to 46% statewide and 40% nationwide.

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates, 2017 (DP04)

One in 12 Students Experiences Housing Insecurity

Increasing rent or mortgage costs, foreclosure, loss of a job, or simply not having enough money to afford the high upfront costs of renting or buying are challenges that can force many families into living conditions they would not choose otherwise. Living doubled- or tripled-up due to economic constraints can place stress on personal relationships, housing stock, public services, and infrastructure. When shared housing is not an option, the result can be homelessness. This indicator measures housing security in San Bernardino County by tracking the demand for rental assistance and public housing, the number of public school students who are homeless or have insecure housing arrangements, and the point-in-time homeless count.

How is San Bernardino County Doing?

Due to high demand and low supply, most residents seeking a rent subsidy from their local Housing Authority will wait many years before the opportunity arises:

- In 2017, there were over 40,000 households waiting for a rental assistance voucher.¹
- A monthly average of approximately 8,761 households currently receive a voucher.
- The supply of vouchers remains limited because housing authorities have not had the opportunity to apply to the federal government for additional housing vouchers since 2003.
- In addition to voucher rental assistance, demand for affordable public housing is an estimated 16 times higher than available supply.²

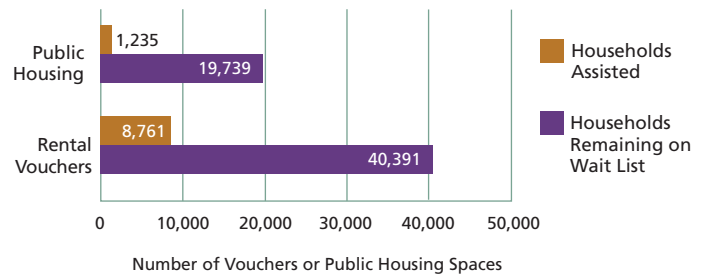
Approximately one in 12 school age students have insecure housing:

- In the 2017/18 school year, 33,286 San Bernardino County K-12 students were identified as homeless or lacking secure housing, representing 8.3% of total enrollment.³
- Among homeless and housing insecure students, 92% are living doubled- or tripled-up in a home due to economic hardship, 4% live in motels, 3% live in shelters, and 2% live unsheltered in cars, parks or campgrounds.

The San Bernardino County Homeless Count and Subpopulation Survey is an annual census of the number of people experiencing homelessness in a 24-hour period in January.⁴ The 2018 count revealed the following:

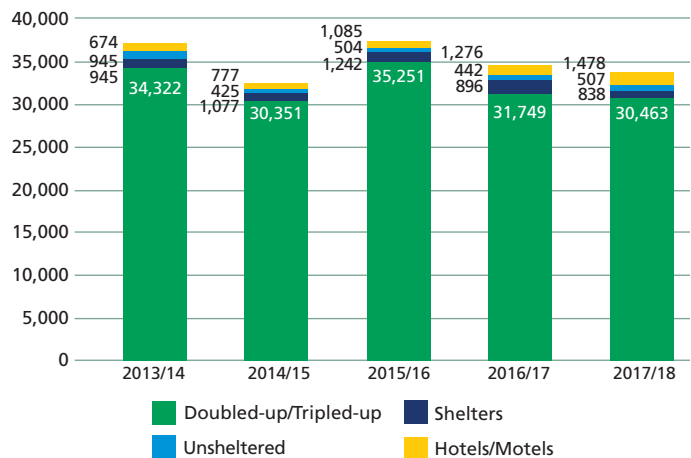
- 2,118 people were homeless, which is 13.5% more than the 1,866 homeless that were counted in January 2017.
- 68% of the homeless counted in 2018 were unsheltered (1,447). The remainder were sheltered in some type of housing for the homeless.
- 94 seniors (defined as age 62 and over) were living unsheltered.

Supply and Demand of Rental Assistance Vouchers and Public Housing San Bernardino County, 2017



Sources: Housing Authority of the County of San Bernardino and Needles Housing Authority

Primary Nighttime Residence of Students Identified as Homeless or Housing Insecure San Bernardino County, 2014-2018



Sources: California Department of Education, according to information provided by school districts on their Local Education Agency Reporting Form Title 1, Part A and Homeless Education Consolidated Application (2013/14-2015/16); San Bernardino County Superintendent of Schools (2016/17-2017/18)

Olive Meadow Update and Grand Opening

In the fall of 2017, the Housing Authority of San Bernardino County celebrated the grand opening of the Olive Meadow Affordable Housing Community with residents and community members. This community of 62 high-quality homes was completed in partnership with National Community Renaissance, the city of San Bernardino, the County of San Bernardino, the Hope through Housing Foundation, and other valuable partners. It represents the first onsite phase of the Waterman Gardens Affordable Housing site revitalization, which is part of a larger Arrowhead Grove Neighborhood Revitalization effort. The Arrowhead Grove effort calls for more than 400 housing units, community amenities, upgraded infrastructure, and an integrated educational environment.

¹ Rental assistance in the form of Housing Choice Vouchers, or a similar program, enables recipients to seek housing in the private market from landlords who will accept the vouchers. The voucher subsidizes the recipient's rent. Unlike in previous years, the voucher waitlist count has not been discounted to account for potential duplication. In 2017, all housing assistance services provided by the Upland Housing Authority were transferred to the Housing Authority of San Bernardino County, so duplication between the two agencies is no longer an issue.
² Public housing can take the form of apartment complexes or houses that are owned by a government agency and rented at a subsidized rate to income eligible recipients.
³ The federal law that governs the identification of homeless and housing insecure school-age students (McKinney-Vento) includes those who are living unsheltered as well as those housed in shelters, motels or hotels, or living doubled- or tripled-up due to economic hardship. Totals do not add to 100% due to rounding.
⁴ The point-in-time estimates of homelessness are based on the U.S. Department of Housing and Urban Development definition of homelessness, which only counts individuals living in homeless shelters or living unsheltered in a place not intended for human habitation.