

Housing

Section Highlights

Homeownership Rate

60%

Entry-Level Home Price

\$180,455

Households Able to Afford Entry-Level Home

75%

Hours a Minimum Wage Earner Must Work Weekly to Afford Rent

78

Households on Rental Assistance Waiting Lists

34,955

A Success Story

A coordinated, multi-departmental County effort to build affordable housing and community-serving public facilities in Bloomington has garnered \$37 million in private investment on top of a \$28 million public investment from the County Community Development Fund. The combined funding allowed for the acquisition of an underutilized vacant property and will result in a total of 190 affordable housing units and a 6,500 square foot County Public Library. To support future development for the area, the redevelopment activities also involved substantial public works investments, including street improvements and new water and sewer lines along Valley Boulevard.

Housing Affordability Declines

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. It also compares homeownership rates.

How is San Bernardino County Doing?

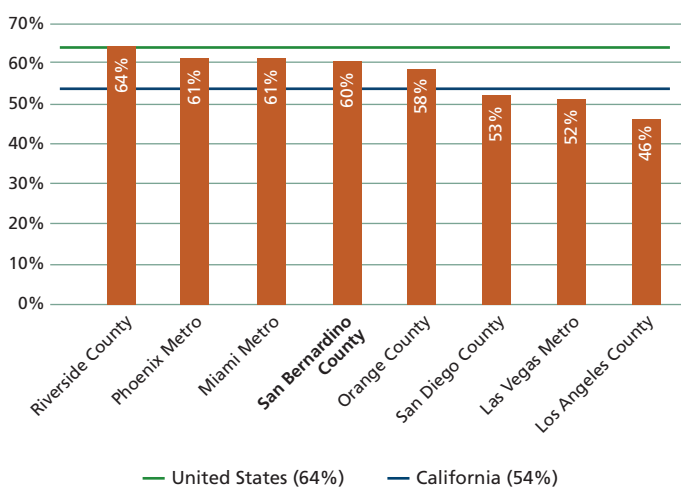
As the housing market recovers (see Housing Market), affordability declined, but San Bernardino County remains the most affordable county in Southern California:

- The minimum qualifying income needed to purchase a median-priced entry-level home (\$180,455) in San Bernardino County was approximately \$25,400 as of the first quarter of 2015.
- San Bernardino County is considerably more affordable than the statewide entry-level home price of \$376,066 and of a qualifying income of \$52,940.¹
- Three-quarters (75%) of households in San Bernardino County could afford an entry-level home in the first quarter of 2015, down from 80% in 2014, but up substantially from only 42% in 2006.
- Looking at typical salaries in large or growing occupations, all of the selected fields earn more than the minimum qualifying income.

San Bernardino County's homeownership rate is the second highest in Southern California:

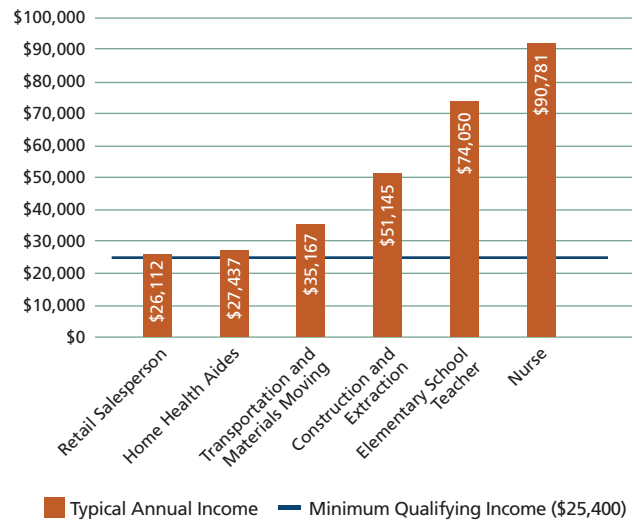
- The rate of homeownership in San Bernardino County was 60% in 2013, the same as in 2012, but down from 64% in 2009.
- This decline follows nationwide trends toward gradually declining homeownership over the past five years.
- San Bernardino County's homeownership rate is above the California rate of 54% and under the nationwide homeownership rate of 64%.
- Seniors are more likely to be homeowners (78%) than non-seniors (56%).

Homeownership Rate Regional Comparison, 2013



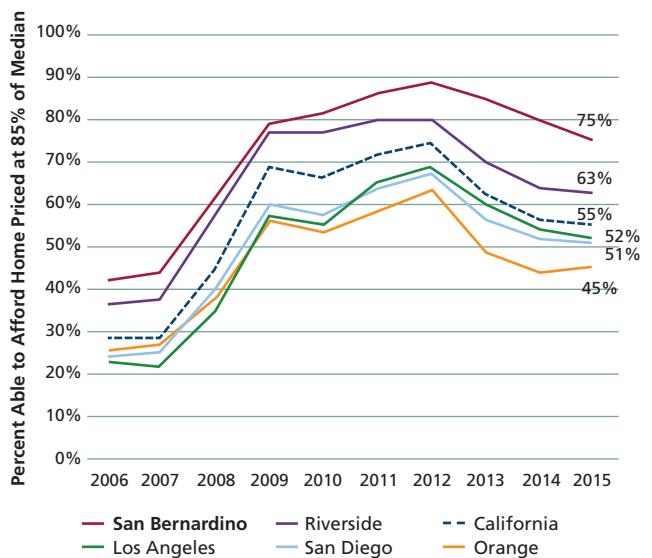
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates (factfinder.census.gov)

Income Needed to Afford Home Priced at 85% of Median (\$180,455) Compared to Typical Salaries San Bernardino County, 2015



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, 2006-2015



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.

Hourly Wage Needed to Afford a One-Bedroom Unit: \$17.46

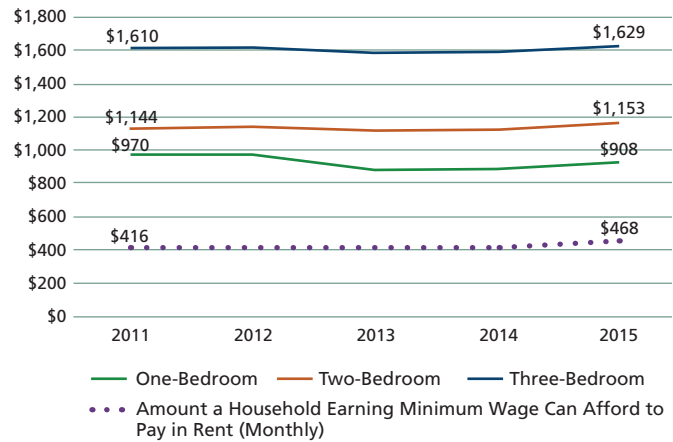
Lack of affordable rental housing can lead to crowding and household stress. Less affordable rental housing also restricts the ability of renters to save for a down payment on a home, limiting their ability to become homeowners. Ultimately, a shortage of affordable housing for renters can perpetuate and exacerbate a cycle of poverty. This indicator measures rental housing affordability by tracking the Housing Wage – the hourly wage a resident would need to earn to be able to afford Fair Market Rent. Fair Market Rent is the 50th percentile (or median) rent in the market (in this case, the Riverside-San Bernardino metro area).

How is San Bernardino County Doing?

The Riverside-San Bernardino metro area’s Housing Wage increased slightly:

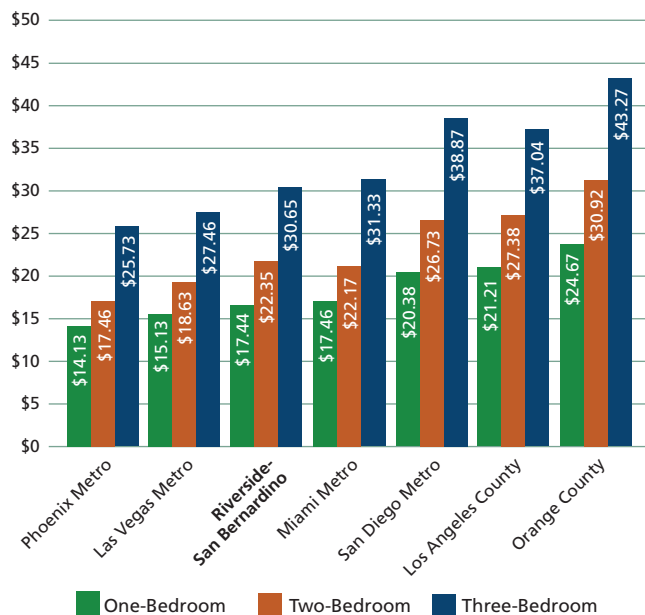
- The hourly wage needed to afford a one-bedroom apartment rose about 3% from \$16.96 in 2014 to \$17.46 in 2015. This wage is equivalent to an annual income of \$36,320.¹
- Over the past five years, one-bedroom rents fell 6% and two- and three-bedroom rents rose 1%.
- The Riverside-San Bernardino metro area has the least expensive rental housing in the Southern California region, but it has higher prices than peer regions outside of California (Phoenix, Las Vegas and Miami).
- Median rent for a one-bedroom apartment (\$908) is not affordable to many lower wage occupations, including home health aides, retail salespersons, and transportation and materials moving occupations.
- The increase in the California minimum wage in July 2014 had 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 to \$468 per month at \$9 per hour. Still, a minimum wage earner would have to work 78 hours per week to afford a one-bedroom apartment.

Monthly Fair Market Rent
Riverside-San Bernardino, 2011-2015



Source: Analysis of Housing and Urban Development 2015 Fair Markets Rents (www.buduser.org/portal/datasets/fmr.html) using the methodology of the National Low Income Housing Coalition (<http://nlihc.org/oor>)

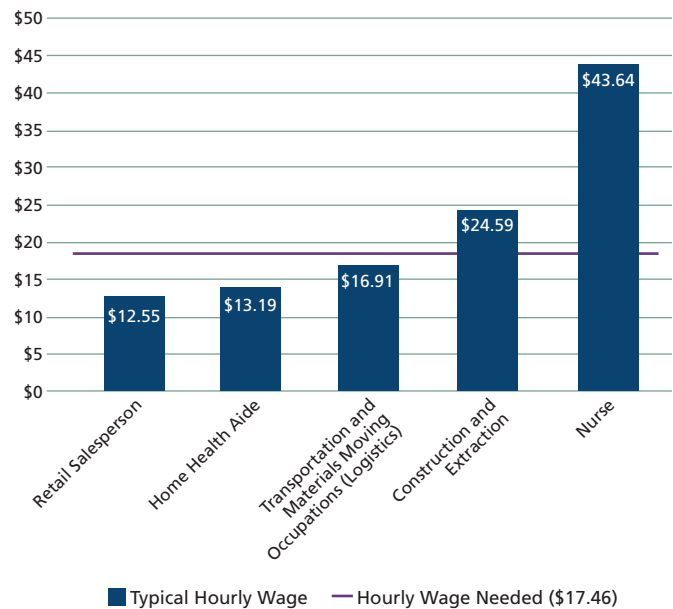
Hourly Wage Needed to Afford Fair Market Rent
Regional Comparison, 2015



Source: Analysis of Housing and Urban Development 2015 Fair Markets Rents (www.buduser.org/portal/datasets/fmr.html) using the methodology of the National Low Income Housing Coalition (<http://nlihc.org/oor>)

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

Hourly Wage Needed to Afford a One-Bedroom Unit Compared to Typical Hourly Wages
Riverside-San Bernardino, 2015



Source: Analysis of Housing and Urban Development 2015 Fair Markets Rents (www.buduser.org/portal/datasets/fmr.html) using the methodology of the National Low Income Housing Coalition (<http://nlihc.org/oor>); California Employment Development Department, Occupational Employment Statistics (www.labormarketinfo.edd.ca.gov/data/oes-employment-and-wages.html)

34,955 Households on Rental Assistance Waiting Lists

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 San Bernardino County families' progress toward housing security by tracking the availability of rental assistance and public housing, and the number of public school students who are homeless or have insecure housing arrangements.¹

How is San Bernardino County Doing?

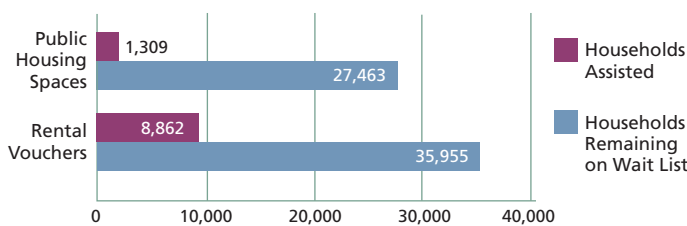
Most residents seeking a rent subsidy from their local Housing Authority will wait many years before the opportunity arises:

- As of mid-2015, there were 34,955 households waiting for rental assistance.
- This represents a doubling in the past year of the number of households on the waiting lists as some San Bernardino County housing authorities opened their waiting lists to new applicants for the first time in many years.
- Approximately 8,862 households currently receive assistance.
- The supply of rental assistance remains limited because housing authorities have not had the opportunity to apply to the federal government for additional housing vouchers since 2003. Funding cuts to the program further exacerbate the low supply.
- In addition to rental assistance, demand for affordable public housing is 21 times higher than available supply.

Housing instability continues to grow for school-age children:

- In the 2013/14 school year, 36,886 San Bernardino County preK through grade 12 students were identified as homeless or lacking secure housing, representing 9.0% of total enrollment.
- Among homeless and housing insecure students, 93% are living doubled- or tripled-up in a home due to economic hardship, 3% live in shelters, 3% live unsheltered in cars, parks or campgrounds, and 2% live in motels.
- These figures represent an increase of 11% from the previous year and 63% over five years.
- On a per enrollment basis, San Bernardino County has more students who are homeless or lack stable housing than the California average and the Southern California counties compared.

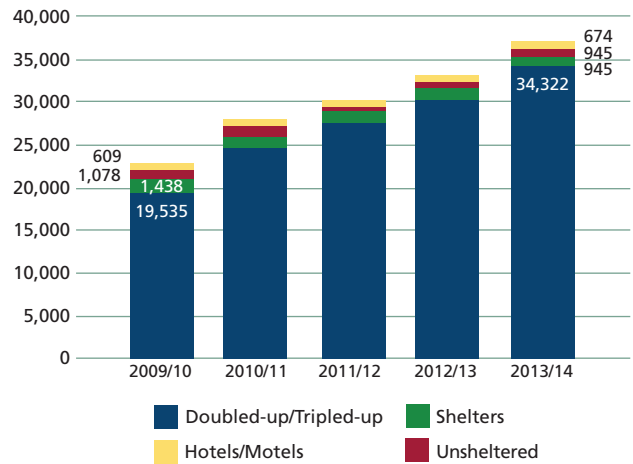
Supply and Demand of Rental Vouchers and Public Housing San Bernardino County, 2014



High Relative Rents Contribute to Long Rental Assistance Waiting Lists

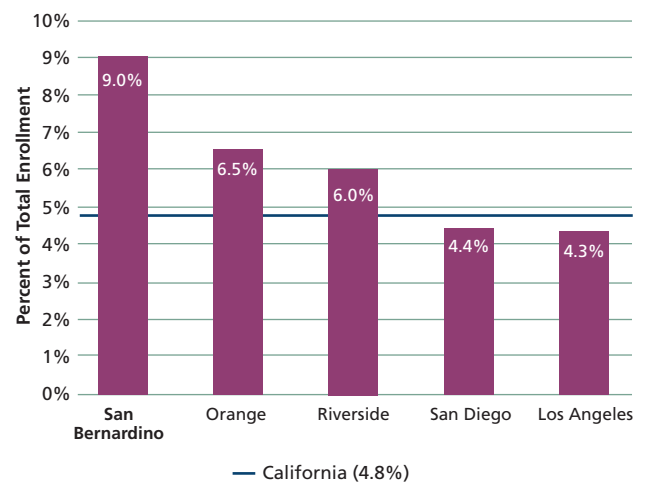
As detailed in the Rental Affordability indicator, rental costs in San Bernardino County are high relative to the costs of owning a home. The current hourly wage needed to afford a one-bedroom apartment in San Bernardino County is \$17.46, whereas the minimum qualifying income to purchase a home priced at 85% of median (\$180,455), assuming 10% down, is equivalent to an hourly wage of \$12.21.

Primary Nighttime Residence of Students Identified as Homeless or Housing Insecure San Bernardino County, 2010-2014



Source: 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

Homeless and Housing Insecure School-Age Students by Percent of Total Enrollment County Comparison, 2013/14



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; California Department of Education, DataQuest (<http://data1.cde.ca.gov/dataquest/>)

¹ Rental assistance and public housing data are for the three Housing Authorities serving San Bernardino County: Housing Authority of the County of San Bernardino, the Upland Housing Authority, and the Needles Housing Authority.