

Housing

Section Highlights

Entry-Level Home Price

\$198,467

Households Able to Afford Entry-Level Home

73%

Home Ownership

58%

Median Monthly Rent

\$945

Monthly Rent a Minimum Wage Earner Can Afford

\$529

A Success Story

In 2015, there were 401 homeless veterans in San Bernardino County according to the Veterans Administration. The San Bernardino County Board of Supervisors and County Executive Officer Greg Devereaux wanted to reduce that number to zero, so in July 2015 the “401 to Zero” advisory group was launched. This group, chaired by Mr. Devereaux, included critical public and private sector housing and social service providers. Each month, armed with information from the field, the advisory group reviewed barriers to housing for each homeless veteran and collaborated to address the barriers. As a result of this effort, by Thanksgiving 2015, the 401st homeless veteran was placed in housing. Rather than consider their work done, this group continues to house homeless veterans as they become known. In one year, from July 2015 to July 2016, 730 veterans were housed.

73% Can Afford an Entry-Level Home

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?

Affordability declined, but San Bernardino County remains the most affordable county in Southern California:

18a

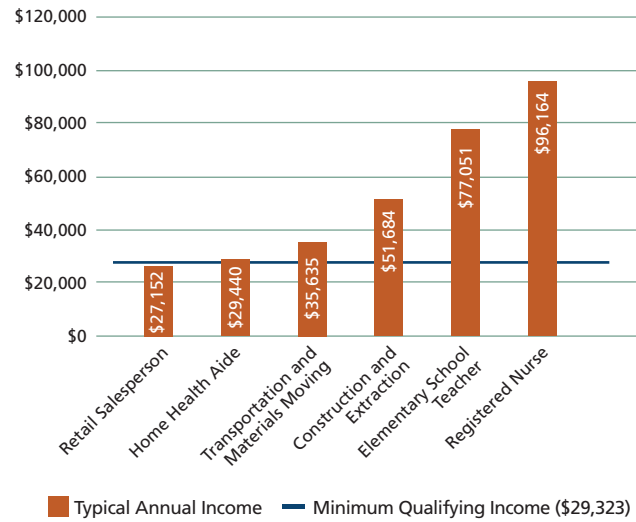
- The minimum qualifying income needed to purchase a median-priced entry-level home (\$198,467) in San Bernardino County was approximately \$29,323 as of the first quarter of 2016.¹
- San Bernardino County is considerably more affordable than the statewide entry-level home price of \$395,488 and of a qualifying income of \$58,432.
- Three-quarters (73%) of households in San Bernardino County could afford such a home in the first quarter of 2016, down slightly from 75% in 2015 but up substantially from only 44% in 2007.
- Looking at average salaries in large or growing occupations, all of the selected fields earn more than the minimum qualifying income with the exception of retail salespersons.

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

- The rate of homeownership in San Bernardino County was 58% in 2014, higher than all neighboring counties except Riverside.
- However, the 2014 rate is a five-point decline since 2010 when 63% of residents were homeowners.
- 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 63%.
- Seniors are more likely to be homeowners (76%) than young adults (53%).

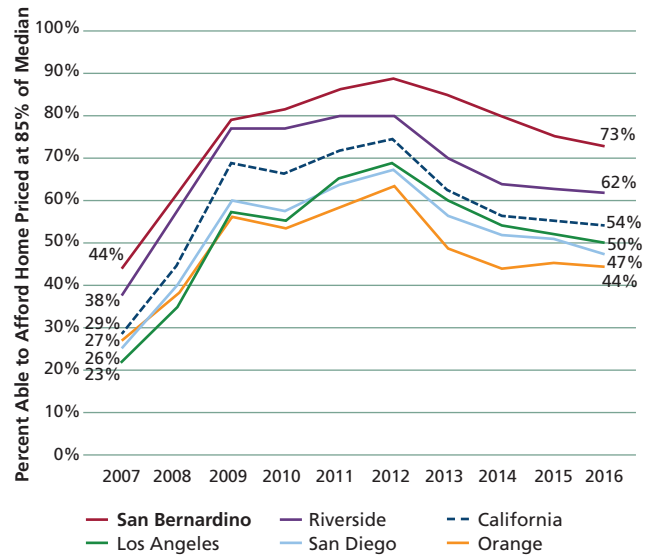
18b

Income Needed to Afford Home Priced at 85% of Median (\$198,467) Compared to Average Salaries San Bernardino County, 2016



Sources: California Employment Development Department, Occupational Employment Statistics (www.labormarketinfo.edd.ca.gov/data/oes-employment-and-wages.htm); California Association of Realtors (www.car.org)

First-Time Homebuyer Housing Affordability Index County Comparison, 2007-2016

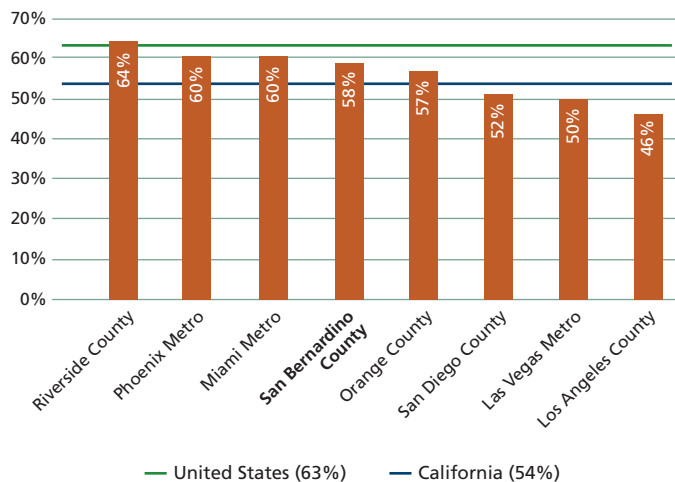


Note: Data are from the first quarter of the years presented.

Source: California Association of Realtors (www.car.org)

18c

Homeownership Rate Regional Comparison, 2014



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

¹The 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 Too High for Many Common Occupations

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?

The Riverside-San Bernardino metro area's housing wage increased slightly:

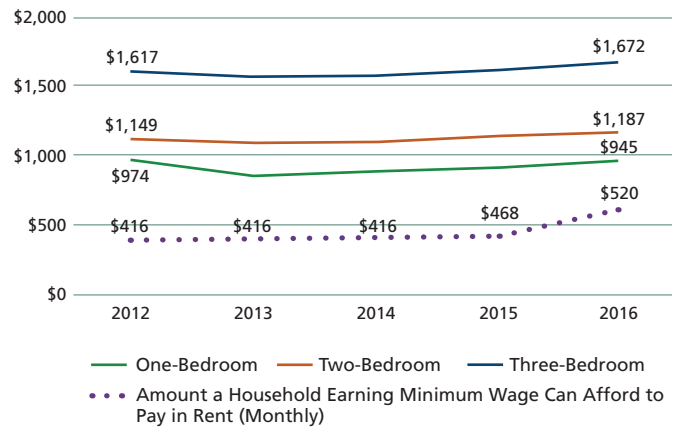
- The hourly wage needed to afford a median-priced one-bedroom apartment rose about 4%, from \$17.46 in 2015 to \$18.17 in 2016. This housing wage is equivalent to an annual income of \$37,800.¹
- Since 2012, one-bedroom rents fell 3% and two- and three-bedroom rents rose 3%. Meanwhile, minimum wage rose 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).
- Median monthly rent for a one-bedroom apartment (\$945) 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 \$520 per month at \$10 per hour in 2016. Future graduated increases in the minimum wage, which were signed into law in April 2016, may help further close the gap between median rents and wages.

San Bernardino County Renters Pay More of their Income on Rent

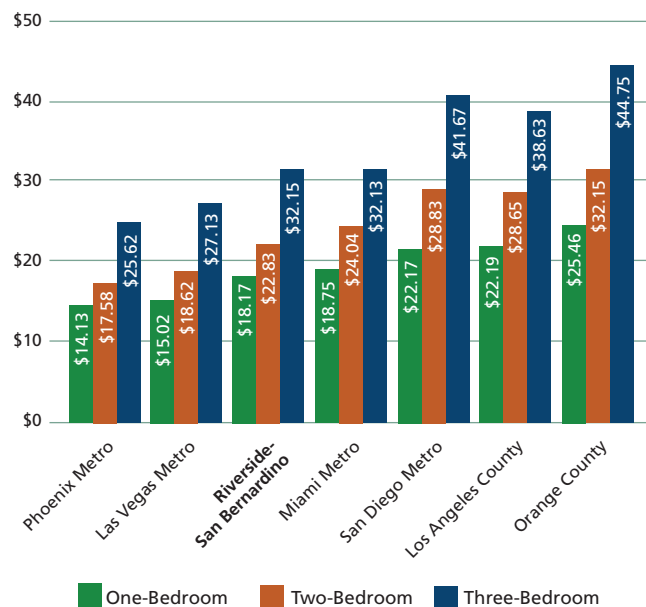
In San Bernardino County, 52% of renters pay 35% or more of their income on rent. This compares to 47% statewide and 43% nationwide.

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates, 2014 (DP04)

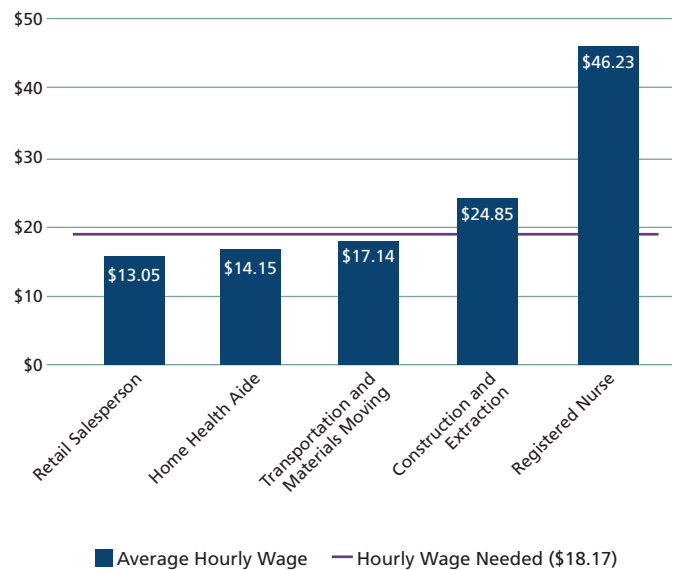
Median Monthly Market Rents San Bernardino County, 2012-2016



19b Hourly Wage Needed to Afford Median Monthly Market Rent Regional Comparison, 2016



19c Hourly Wage Needed to Afford a One-Bedroom Unit Compared to Average Hourly Wages Riverside-San Bernardino, 2016



Sources: Analysis of Housing and Urban Development 2016 Fair Markets Rents (www.buduser.org/portal/datasets/fmr.html) using the methodology of the National Low Income Housing Coalition (<http://nlhc.org/oor>); California Employment Development Department, Occupational Employment Statistics (www.labormarketinfo.edd.ca.gov/data/oes-employment-and-wages.html)

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

Most Students with Insecure Housing are Doubled-up in a Home

Increasing rent or mortgage costs, foreclosure, loss of a job, or simply not having enough money to afford the high up-front 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 availability of rental assistance and public housing, and the number of public school students who are homeless or have insecure housing arrangements.

How is San Bernardino County Doing?

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

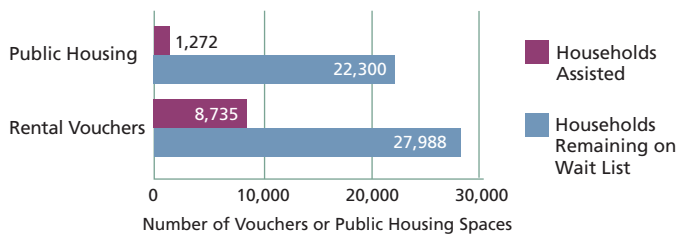
- As of mid-2016, there were an estimated 27,988 households waiting for rental assistance.
- A monthly average of approximately 8,735 households currently receive assistance.¹
- The supply of rental assistance remains limited because housing authorities have not had the opportunity to apply to the federal government for additional housing vouchers since 2003.
- In addition to rental assistance, demand for affordable public housing is an estimated 18 times higher than available supply.

Approximately one in 13 school age students have insecure housing:

- In the 2014/15 school year, 32,630 San Bernardino County K-12 students were identified as homeless or lacking secure housing, representing 7.9% 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, 2% live in motels, and 1% live unsheltered in cars, parks or campgrounds.
- 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.

20c

Supply and Demand of Rental Vouchers and Public Housing San Bernardino County, 2015



Note: 2015 wait list counts should not be compared to previous estimates since 2015 rates were discounted by 15% to account for potential duplication among Housing Authorities serving San Bernardino County.

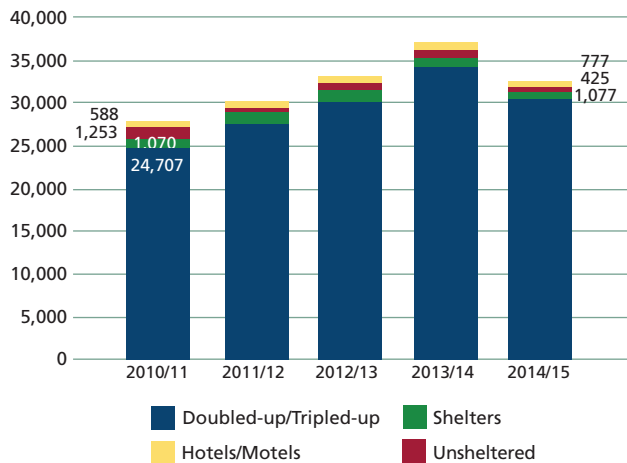
Sources: Housing Authority of the County of San Bernardino; Upland Housing Authority; and Needles Housing Authority

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 \$18.17, whereas the minimum qualifying income to purchase a home priced at 85% of median (\$198,647), assuming 10% down, is equivalent to an hourly wage of \$14.10.

20a

Primary Nighttime Residence of Students Identified as Homeless or Housing Insecure San Bernardino County, 2011-2015

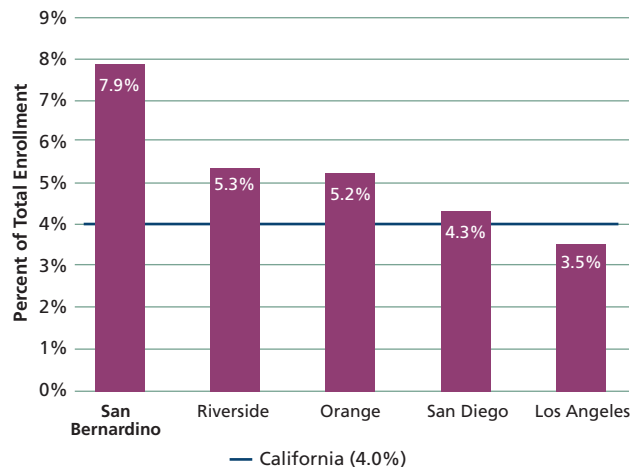


Note: Due to a change made to the California Department of Education student data collection system, CALPADS, a student's homeless status did not automatically transfer from 2013/14 to 2014/15, resulting in a temporary decline in the official number of students identified as homeless in 2014/15.

Source: California Department of Education

20b

Homeless and Housing Insecure School-Age Students by Percent of Total Enrollment County Comparison, 2014/15



Source: California Department of Education

Homeless Seniors

There were 102 unsheltered homeless older adults ages 62 and over in 2016, comprising 9% of the unsheltered homeless population.

Source: San Bernardino County 2016 Homeless Count and Subpopulation Survey, Executive Summary

¹ Since applicants may apply for rental assistance from any housing authority, the potential duplication on wait lists among the housing authorities serving San Bernardino County is addressed by discounting the countywide waiting list total of households by an estimated duplication rate of 15%.