

Housing

Section Highlights

Entry-Level Home Price \$218,370

Households Able to Afford Entry-Level Home 70%

Hourly Wage Needed to Afford a One-Bedroom Rental \$18.40

Number of K-12 Students Living Doubled-Up due to Economic Hardship 38,082

Households on Waiting List for Rental Assistance 31,000

A Success Story

In 2017, the unincorporated community of Bloomington welcomed 190 new affordable housing units at Bloomington Grove and Lillian Court, plus the addition of a 6,000 square-foot Bloomington Branch Library and community rooms. The project – spearheaded by the County and The Related Companies of California, LLC – is expected to trigger a surge in economic growth in the area, in part due to a new sewer line brought in. Lack of adequate sewer services stymied growth in the past, but the new line will now be available to investors who want to build along the Valley Boulevard commercial corridor. The project was awarded the Southern California Association of Non-Profit Housing’s top honor, the Transformative Communities Award. Work continues in 2018 on the next phase, which will bring additional housing, a large park, and a multi-use community center.

Affordability Declines, but Region Remains Most Affordable in SoCal

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?

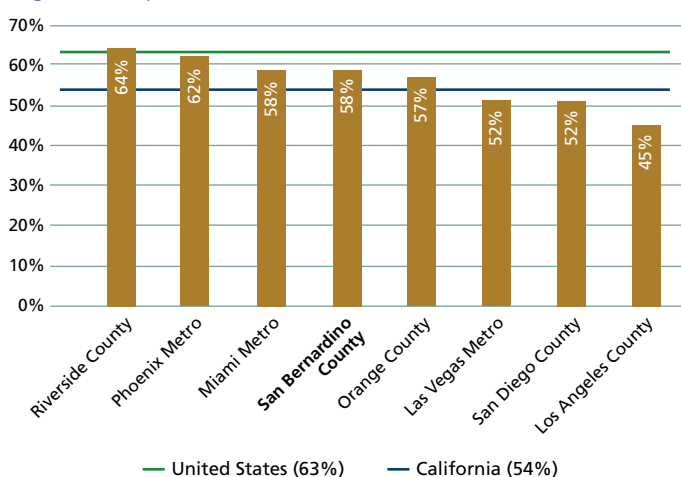
San Bernardino County remains the most affordable county in Southern California:

- The minimum qualifying income needed to purchase a median-priced entry-level home (\$218,370) in San Bernardino County was approximately \$33,160 as of the first quarter of 2017.
- San Bernardino County is considerably more affordable than the statewide entry-level home price of \$422,130, which requires a qualifying income of \$64,100.¹
- Fewer than three-quarters of households in San Bernardino County (70%) could afford such a home in the first quarter of 2017, down slightly from 73% in 2016 but up from 61% in 2008.
- 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.

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

- The rate of homeownership in San Bernardino County was 58% in 2016, a two-point decline from 2012 when 60% of residents were homeowners.
- Until recently, homeownership was declining nationwide and in San Bernardino County, but at a faster rate. The downward trend flattened both locally and nationwide in 2016.
- 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 non-seniors (53%).

Homeownership Rate
Regional Comparison, 2016



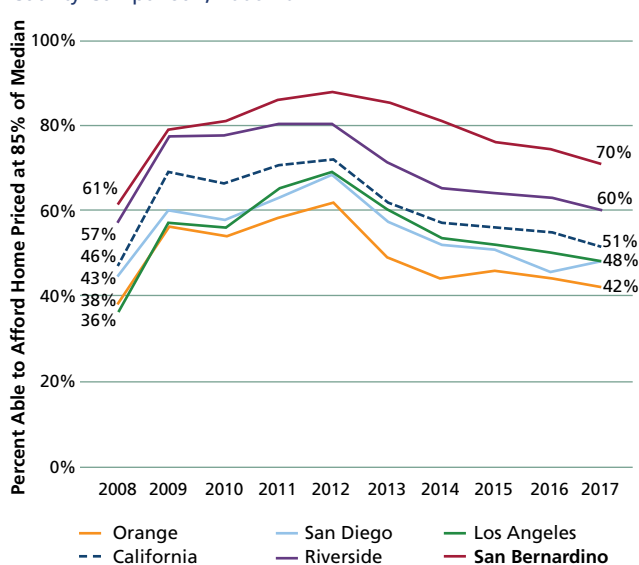
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates, 2016 (factfinder.census.gov)

Income Needed to Afford Home Priced at 85% of Median (\$218,370) Compared to Typical Salaries
San Bernardino County, 2017



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, 2008-2017



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

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

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.

As Minimum Wage Increases, Rental Affordability Gap Narrows

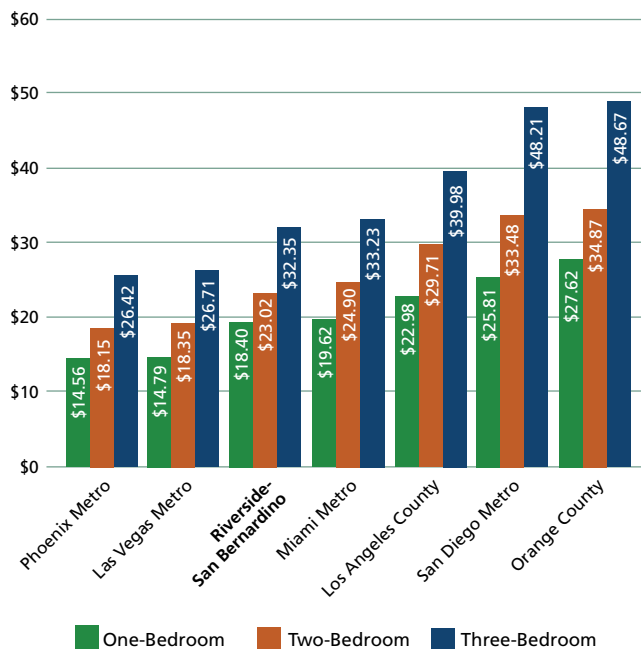
Lack of affordable rental housing can lead to crowding and household stress. Less affordable rental housing also restricts the ability of renters to save for a down payment on a home, limiting their ability to become homeowners. Ultimately, a shortage of affordable housing for renters can perpetuate 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 1%, from \$18.17 in 2016 to \$18.40 in 2017. This housing wage is equivalent to an annual income of \$38,280.¹
- Since 2013, one-, two- and three-bedroom rents all rose 1%. Meanwhile, minimum wage rose 31%.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 (\$957) 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 \$546 per month at \$10.50 per hour in 2017. 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.

Hourly Wage Needed to Afford Fair Market Rent Regional Comparison, 2017



Source: Analysis of Housing and Urban Development 2017 Fair Markets Rents (www.buduser.org/portal/datasets/fmr.html) using the methodology of the National Low Income Housing Coalition (<http://nlhc.org/oor>)

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

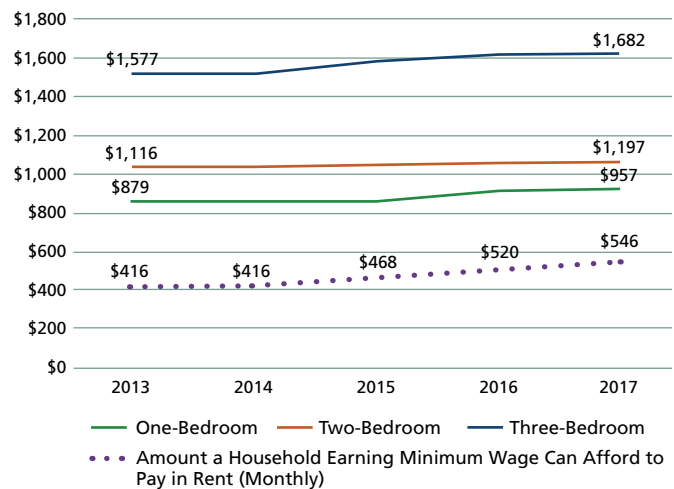
² Assumes 2017 minimum wage of \$10.50, which is the wage for companies with 26 or more employees; wage for companies with 25 or fewer employees is \$10.00.

San Bernardino County Renters Pay More of their Income on Rent

In San Bernardino County, 49% of renters pay 35% or more of their income on rent. This compares to 46% statewide and 41% nationwide.

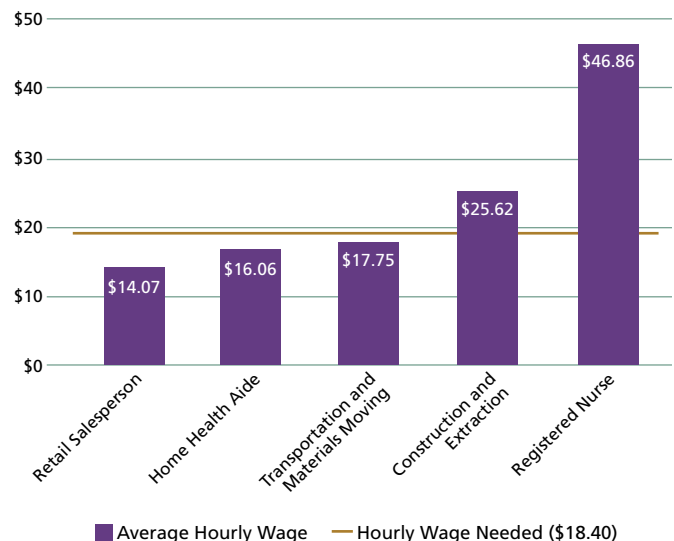
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates, 2016 (DP04)

Monthly Fair Market Rent San Bernardino County, 2013-2017



Source: Analysis of Housing and Urban Development 2017 Fair Markets Rents (www.buduser.org/portal/datasets/fmr.html) using the methodology of the National Low Income Housing Coalition (<http://nlhc.org/oor>)

Hourly Wage Needed to Afford a One-Bedroom Unit Compared to Typical Hourly Wages Riverside-San Bernardino, 2017



Sources: Analysis of Housing and Urban Development 2017 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)

Over 30,000 Households on Waitlist for Rental Assistance

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, and the number of public school students who are homeless or have insecure housing arrangements.

How is San Bernardino County Doing?

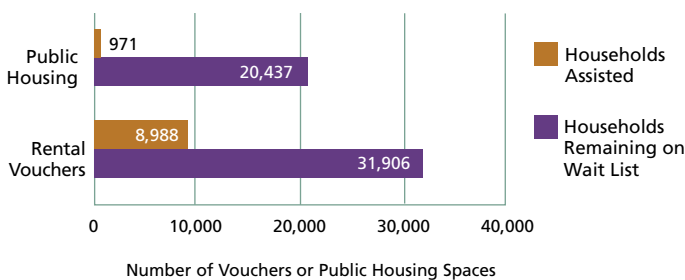
Due to high demand and low supply, most residents seeking a rent subsidy from their local Housing Authority will wait many years before the opportunity arises:

- In 2016, there were an estimated 31,906 households waiting for voucher rental assistance.¹
- A monthly average of approximately 8,988 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 21 times higher than available supply.

Approximately one in 11 school age students have insecure housing:

- In the 2015/16 school year, 38,082 San Bernardino County K-12 students were identified as homeless or lacking secure housing, representing 9.3% 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 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.

Supply and Demand of Rental Assistance Vouchers and Public Housing San Bernardino County, 2016

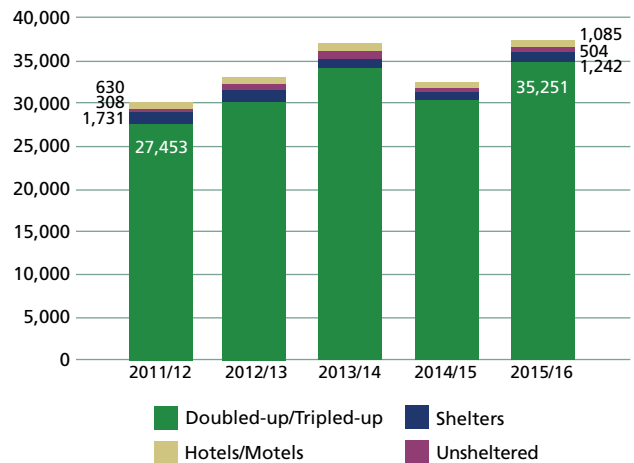


Sources: Housing Authority of the County of San Bernardino (HACSB) and Needles Housing Authority. HACSB also provided Upland Housing Authority figures; On July 1, 2017, all housing assistance services provided by the Upland Housing Authority were transferred to the Housing Authority of the County of San Bernardino (HACSB).

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 \$18.40, whereas the minimum qualifying income to purchase a home priced at 85% of median (\$218,370), assuming 10% down, is equivalent to an hourly wage of \$15.94.

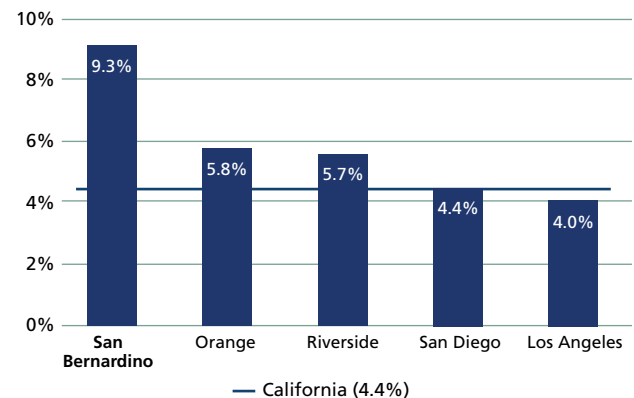
Primary Nighttime Residence of Students Identified as Homeless or Housing Insecure San Bernardino County, 2012-2016



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, 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, 2015/16



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 (enrollment figures)

Homeless Seniors

There were 112 unsheltered homeless older adults ages 62 and over in 2017, comprising 10% of the unsheltered homeless population. Older adults among the sheltered population are not tracked in the point-in-time count.

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%.