

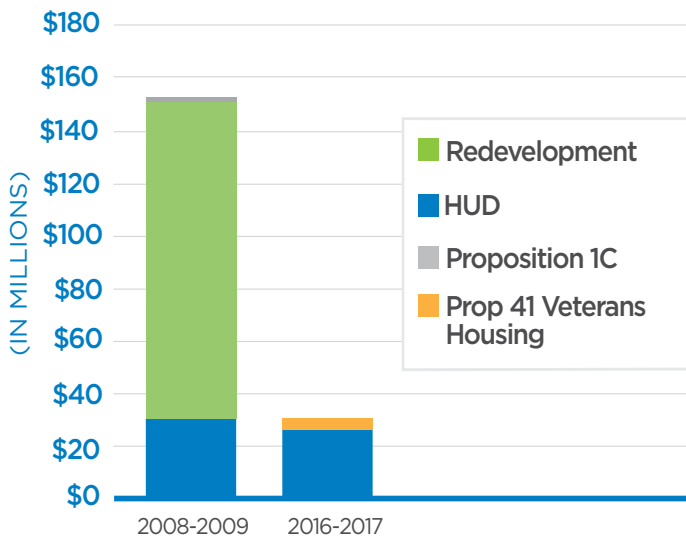
MAY 2018

San Bernardino County's Housing Emergency and Proposed Solutions

KEY FINDINGS

- Low Income Housing Tax Credit housing production in San Bernardino County declined 61% in 2017 in anticipation of federal tax reform.
- Cuts in federal and state funding have reduced investment in affordable housing production and preservation in San Bernardino County by more than \$125 million annually since 2008, an 81% reduction.
- San Bernardino County needs 72,032 more affordable rental homes to meet current demand.
- Renters in San Bernardino County need to earn \$30.96/hr - 2.8 times the state minimum wage - to afford the median monthly asking rent of \$1,610.
- San Bernardino County's lowest-income renters spend 68% of income on rent, leaving little left for food, transportation, health care, and other essentials.

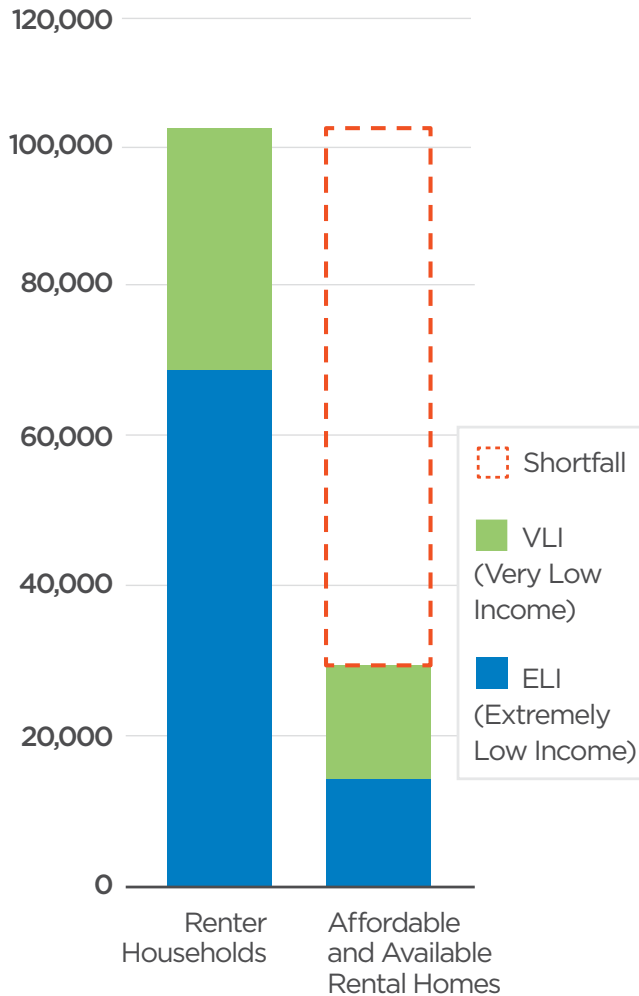
SAN BERNARDINO COUNTY LOST 81% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2016-17



FUNDING SOURCE	FY 2008-09 (In thousands)	FY 2016-17 (In thousands)	% CHANGE
Redevelopment	\$121,988	\$0	-100%
State Housing Bonds, Housing Programs, and General Fund	\$3,227	\$5,171	60%
HUD	\$30,636	\$25,069	-18%
TOTAL	\$155,851	\$30,240	-81%

Source: CHPC analysis of 2008-2009 annual Redevelopment Housing Activities report; 2008-2009 and 2016-2017 annual HCD Financial Assistance Programs Reports and HUD CDP Appropriations Budget data.

SAN BERNARDINO COUNTY NEEDS 72,032 MORE AFFORDABLE RENTAL HOMES



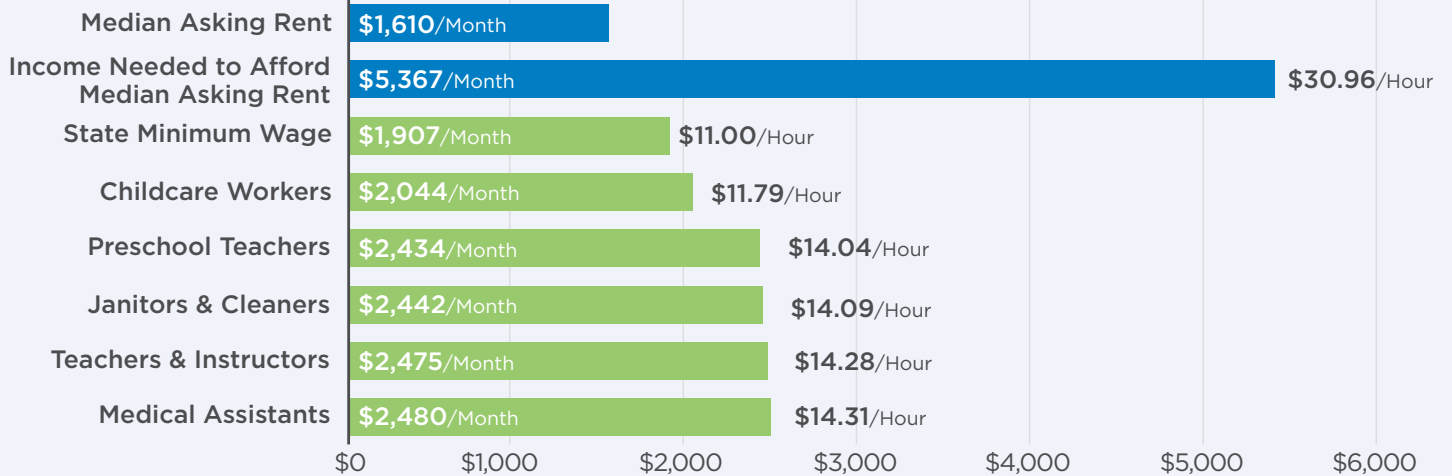
Source: NLIHC analysis of 2016 PUMS data.

LOW INCOME HOUSING TAX CREDIT (LIHTC) PRODUCTION IN SAN BERNARDINO COUNTY DECLINED 61% IN ANTICIPATION OF FEDERAL TAX REFORM

State			
Type	2016	2017	Change %
New Construction	9,285	7,407	-20%
Acquisition & Rehab	15,032	5,928	-61%
All	24,317	13,335	-45%
Southern California*			
Type	2016	2017	Change %
New Construction	4,674	3,399	-27%
Acquisition & Rehab	6,963	3,230	-54%
All	11,637	6,629	-43%
San Bernardino County			
Type	2016	2017	Change %
New Construction	213	0	-100%
Acquisition & Rehab	238	177	-26%
All	451	177	-61%

*Southern California Includes Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura counties.
Source: CHPC analysis of 2016 and 2017 CA Tax Credit Allocation Committee (TCAC) data.
Note the data does not include manager or market rate homes created through the LIHTC program.

RENTERS NEED TO EARN 2.8 TIMES MINIMUM WAGE TO AFFORD MEDIAN ASKING RENTS

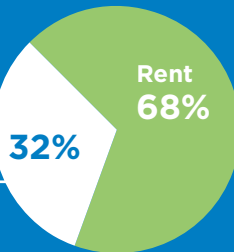


Source: Paul Waddell, Urban Analytics Lab, University of California, Berkeley, retrieved from analysis of online Craigslist listings in April 2018. CHPC analysis of Bureau of Labor Statistics Median Annual Wage Data for CA Occupations for 2017.

WHAT DO SAN BERNARDINO COUNTY'S RENTERS HAVE LEFT OVER AFTER PAYING RENT?

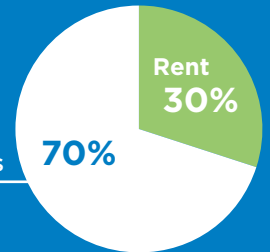
HOUSEHOLDS EARNING HALF OF MEDIAN INCOME OR LESS

Food, Transportation, Health Care, & Other Essentials



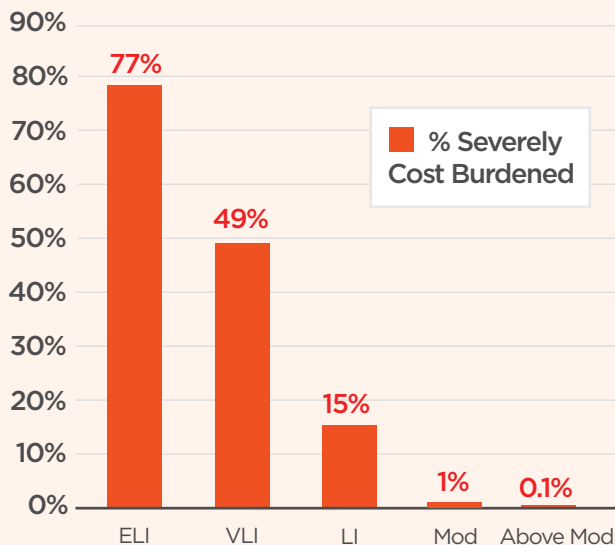
MEDIAN INCOME HOUSEHOLDS

Food, Transportation, Health Care, & Other Essentials



Source: NLIHC analysis of 2016 PUMS data.

PERCENTAGE OF SEVERELY COST BURDENED* HOUSEHOLDS BY INCOME GROUP



Source: NLIHC analysis of 2016 PUMS data.

*Severely cost burdened households spend more than 50% of their income towards housing costs.

ABOUT CHPC

THE STATE CREATED THE CALIFORNIA HOUSING PARTNERSHIP NEARLY 30 YEARS AGO AS A PRIVATE NONPROFIT ORGANIZATION WITH A PUBLIC MISSION: TO MONITOR, PROTECT, AND AUGMENT THE SUPPLY OF HOMES AFFORDABLE TO LOWER-INCOME CALIFORNIANS AND TO PROVIDE LEADERSHIP ON AFFORDABLE HOUSING FINANCE AND POLICY. SINCE 1988, THE CALIFORNIA HOUSING PARTNERSHIP HAS ASSISTED NONPROFIT AND LOCAL GOVERNMENT HOUSING AGENCIES ACROSS THE STATE TO LEVERAGE MORE THAN \$14 BILLION IN PRIVATE AND PUBLIC FINANCING TO CREATE AND PRESERVE 70,000 AFFORDABLE HOMES.

STATEWIDE POLICY RECOMMENDATIONS

The California Housing Partnership calls on state leaders to take the following actions to provide relief to low-income families struggling with the high cost of housing:

- » Immediately invest \$1 billion of the state's budget surplus to finance the development of permanently affordable rental housing and another \$1 billion for supportive housing for the homeless.
- » Bring back redevelopment funding for affordable housing and related infrastructure at an initial amount of \$1 billion annually.
- » Aggressively campaign for the passage of the \$4 billion Veterans and Affordable Housing Bond of 2018.
- » Reduce the threshold for voter approval of local funding of affordable housing and infrastructure from 67% to 55%.

LOCAL RECOMMENDATIONS FOR SAN BERNARDINO COUNTY

- » Ensure that sites identified in Housing Element updates are suitable for affordable housing development and are assessed for competitiveness for key state funding such as 9% Low Income Housing Tax Credits and MHP funding.
- » Provide infrastructure improvements to facilitate new and infill residential development and to improve the quality of life in low-income communities.
- » Allow affordable housing development by right through mechanisms such as Affordable Housing Overlay Zones. Allow accessory dwelling units (ADUs) to be approved through ministerial review.
- » Review opportunities to create affordable housing on vacant and underutilized publicly-owned sites suitable for residential development.
- » Formulate policies that encourage the development of housing that is affordable to a broad spectrum of incomes from the homeless to moderate income households.
- » Use a portion of SB 2 funds to support affordable homeownership development through subsidized second mortgages, down payment assistance and loans and grants for home repairs and financial education.

This report was produced by the California Housing Partnership.

Local policy recommendations provided by:

Southern California Association of Nonprofit Housing

For questions about San Bernardino County's housing need, contact:

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