



Baldy View Chapter

Housing Fact Sheet

California Department of Housing & Community Development:

"California's Housing Future: Challenges and Opportunities, Statewide Housing Assessment 2025"

- California housing production averaged less than 80,000 new homes annually over the last 10 years, and ongoing production continues to fall far below the **projected need of 180,000 additional homes** annually.
- Lack of supply and rising costs are compounding growing inequality and **limiting advancement opportunities** for younger Californians.
- The majority of Californian renters - more than 3 million households - **pay more than 30% of their income toward rent**, and nearly one-third - more than 1.5 million households- **pay more than 50% of their income toward rent**.
- **Overall homeownership rates are at their lowest since the 1940s.** California is home to 12 percent of the nation's population, but a disproportionate 22 percent of the nation's homeless population.

McKinsey Global Institute:

"A Tool Kit to Close California's Housing Gap: 3.5 Million Homes by 2025"

- From 2009 to 2014, California added 544,000 households but only 467,000 net housing units. **Thus, California's real estate prices have increased by more than 15 percent since 2009, but median income by only 5 percent.**
- Virtually none of California's low-income and very-low-income households can afford the local cost of housing. Nearly 70 percent of these households would have to spend more than half of their income to afford the local cost of housing.
- **California ranks 49th among the 50 US states for housing units per capita.** Benchmarked against other states on a housing units per capita basis, **California is short about two million units.** To satisfy pent-up demand and meet the needs of a growing population, California needs to build 3.5 million homes by 2025.
- In dollar terms, **California loses \$140 billion per year in output or 6 percent of state GDP due to the housing shortage:** more than \$90 billion in missing construction investment and more than \$50 billion per year in missing consumption that is crowded out by housing costs.

Real Estate Economics:

“Housing Market Forecasts & Economic Impact of New Homes Construction in San Bernardino County”

- In 2015 San Bernardino County’s housing shortage was 7,360 residential units. However, in 2016 that shortage grew to 31,109.
- In addition to the new residential units already under construction, the **County’s shortage will soar to 65,000 residential units by 2019.**
- If two-thirds of 2016’s projected house shortage would have been built (31,108 residential units), the direct **Economic Impact could have SURGED to \$2.15 BILLION.**
- There are **7 well-paying jobs being created for every 1 new home** being constructed in San Bernardino County.

Regional Construction Jobs	Inland Empire Wages (per year)
• Brickmason/Blockmasons	\$85,488
• Carpenters	\$57,488
• Concrete Workers	\$55,110
• Electricians	\$60,493
• Reinforcing Iron/Rebar Workers	\$68,598
• Plumbers	\$46,185
• Roofers	\$44,808
• Construction Laborers	\$44,788

- Countywide only **3,765** new residential units were built in 2016, well below the expected 5,700) and below the 2015 total of **3,800** new homes. Pre-recession new home production for San Bernardino County was **16,679 units** (2005).

Center for Strategic Economic Research:

“The Economics Benefits of Housing in California”

In California for every 1,000 newly single-family homes create \$162 million in employee wages, 2,970 jobs per year, and over \$111 million in new federal, state and local tax revenues.

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 \text{New California} & & & & & & \\
 \text{HOMES} & = & \$162 \text{ Million} & + & 2970 & + & \$111 \text{ Million} \\
 & & \text{WAGES} & & \text{JOBS} & & \text{TAX REV}
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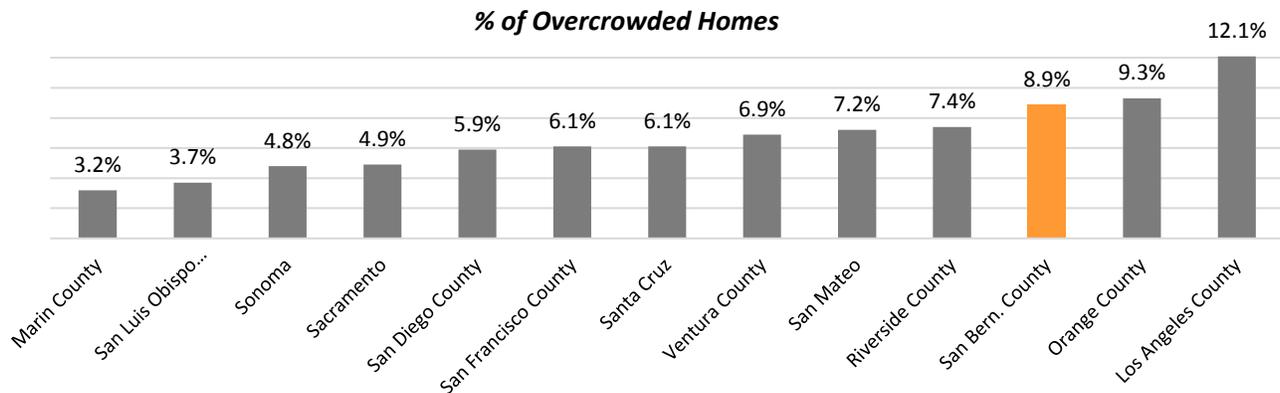
FACT SHEET: CALIFORNIA HOMEOWNERSHIP & SOCIOLOGICAL FACTORS

California State University San Bernardino, Economics Department

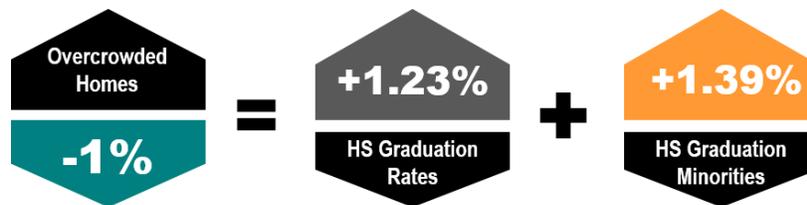


Overcrowding Facts:

- San Bernardino County has one of the worst residential overcrowding rates in the California.
- San Bernardino County ranks 9th highest in residential overcrowding, among 58 counties in California. One out of every ten residential units in our County is overcrowded (8.9%), that's significantly higher than the competing counties of Riverside and Ventura.



- Reducing the amount of overcrowded homes in San Bernardino County by just 1% will have a significant positive impact on education attainment, income inequality and poverty countywide.



- Minority groups such as Hispanic/Latino and African Americans feel the effects of residential overcrowding the greatest and would benefit proportionately more if reduced in SB County.
- Increasing the production of new homes and opening a path toward homeownership is one way San Bernardino County can address its severe residential overcrowding.



Homeownership Facts:

- San Bernardino County's homeownership rate is lower than neighboring counties and states. The wage growth has also been slow in the County, reducing housing affordability rates.
- There is a strong correlation between counties with high homeownership rates and positive sociological factors such as; **EDUCATIONAL ATTAINMENT, MEDIAN HOUSEHOLD INCOME, LOWER CRIME and LESS POVERTY.**
- Increasing homeownership rates in San Bernardino County will have a substantial positive impact on educational attainment, especially among minorities (Hispanics/Latinos & African Americans).
- Communities with higher homeownership rates are associated with substantial reductions in violent crimes, property crime and lower poverty rates.

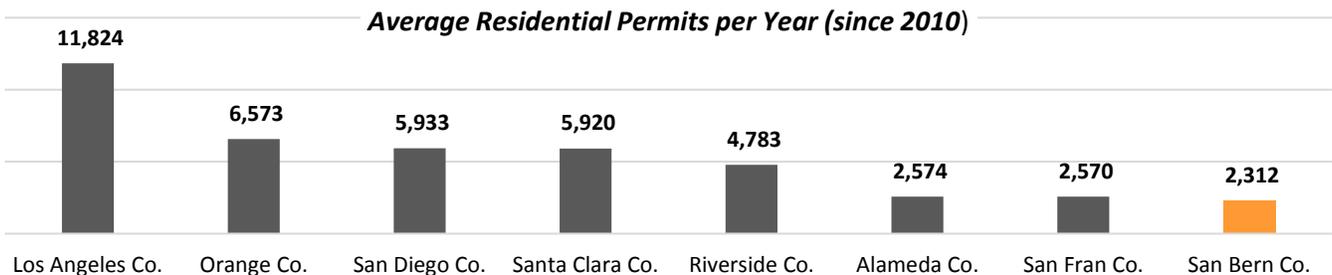


- San Bernardino County has the 5th highest proportion of African Americans residents and 10th highest proportion of Hispanic/Latinos residents in California. Homeownership directly benefits SB county minority families.

Increasing Homeownership by 1% =	Increase Overall High School Graduation Rates
	Increase Hispanic/Latino Graduation Rates
	Increase African American Graduation Rates
	Reduce Property Crime
	Reduce Violent Crime
	Reduce Poverty Rates

New Home Construction Facts:

- Since 2010, San Bernardino County has ranked among the lowest counties in new home construction statewide. Addressing the region’s chronic shortage of housing by the increasing the supply of residential units – both owner and rental – is desperately needed.



- Since 2011, the neighboring counties of Los Angeles, Riverside and Orange have pulled an average of nearly 3 times the number of permits than San Bernardino County (averaging 68% more permits per 1,000 residents).
- Increasing San Bernardino County homeownership rates by just 1-2% (to make it competitive with neighboring counties and states) would require an increase of about 14,500 new residential single-family homes, in this year alone.
- Over the past several years San Bernardino County has constructed less than 2,000 new homes annually. At our current homebuilding pace, it would take over seven years to meet homeownership demands present today in San Bernardino County.
- Significant regulatory challenges at the Federal, State and Local levels are preventing the homebuilding industry from significantly increasing the new housing stock and addressing San Bernardino County’s need for higher homeownership.



*Source: “The Relationship Between Homeownership and Sociological Factors in California: A County-Level Study (Jan. 2, 2017).” Authored by Daniel MacDonald and Yasemin Dildar, California State University San Bernardino, Economics Dept.



Baldy View Chapter

Workforce Housing: Policy Tool Kit



Local Housing Policies

- ✓ Elevate Housing as a top priority for the San Bernardino County Council of Governments
- ✓ Improve efficiency and certainty during the entitlement/plan check/permitting process
 - Invest in electronic plan check and tracking software
 - Lien in lieu of bonding policy
 - Adopt a ¾" Water Meter standard
 - Early gas meter release program
 - User fees based on staff time/nexus study
 - Properly utilize third-party plan check services
 - Update methane gas mitigation policies to be consistent with California Department of Toxic & Substance Control (DTSC) data
- ✓ Analyze the Impact to the Housing Market
 - Oppose any public policy that would negatively impact workforce housing
 - Request input from BIA on housing and land-use policy proposals
 - Conduct a housing market analysis prior to considering any policy recommendations
 - Evaluate the potential adverse economic and jobs implications of adding costs to the housing market
 - Determine the affordability impact on home buyers and renters in relation to current overcrowding in the jurisdiction
- ✓ Create a Strategic Housing Message
 - Inform constituents about the housing shortage as noted by the California Department of Housing and Community Development (HCD), SCAG and BIA
 - Inform constituents about the economic and sociological problems averted by meeting the housing demand



California State Policies

- ✓ Sign the [Careabouthousing.org](https://www.careabouthousing.org) petition and tell State Legislators *"We cannot afford to make housing more expensive. Government Mandated Prevailing Wage, could force 481,000 more Californians into poverty."*
- ✓ Oppose any expansion of the California Environmental Quality Act (CEQA) and seek common-sense reforms such as; increasing transparency in the litigation process, eliminating public comment period abuses, and thoughtfully streamlining the exemption process.
- ✓ Support the release of Prop 51 funds to ensure we adequately address school infrastructure needs



Federal Policies

- ✓ Advocate for an Increase in FHA loan limits
- ✓ Advocate for the Mortgage Interest Deduction, the Low-Income Housing Tax Credit, and other housing tax incentives in conjunction with efforts to reform the tax code
- ✓ Support a housing finance system that maintains a federal backstop (Fannie & Freddie)

To learn more please visit: www.biabuild.com

Study Adds Social-Justice Dimension to Housing Crisis

By [The Editorial Board](#), *San Bernardino County Sun*

Posted: 03/31/17, 9:41 AM PDT | Updated: on 03/31/2017

It's well known that California has a housing crisis. It's a problem for would-be buyers and renters and a drag on the economy.

A new statistical study from two economics professors at Cal State San Bernardino gives the crisis a social justice dimension by focusing on sociological aspects of home ownership and overcrowding. Commissioned by the Building Industry Association of Southern California, Baldy View Chapter, the study — [“California Homeownership and Sociological Factors”](#) — looked at counties up and down the state, but focused on San Bernardino County in particular.

Economists Daniel MacDonald and Yasemin Dildar examined correlations between sociological factors — children's health, median income, educational attainment, inequality, crime and poverty — and homeownership and overcrowding, defined as more than one person per room in a dwelling. They used regression analysis to account for other determinants of those social factors, and found some key stats and correlations:

- In San Bernardino County, 8.9 percent of homes are overcrowded. That's the ninth-highest rate among California's 58 counties, though L.A. County (12.1 percent) and Orange County (9.3 percent) are higher. Riverside County's rate is 7.4 percent.
- For each 1 percentage-point drop in San Bernardino's overcrowded homes, high school grad rates would be expected to rise by 1.23 percent, and an even better 1.39 percent among minority students. That makes intuitive sense when you think of a student having a defined space at home to do homework — or not. A 1-point drop in overcrowding was correlated with a 0.66 percent drop in poverty and a 1.18 percent drop in inequality.
- San Bernardino County is near the median for California counties in homeownership, at 61.9 percent. Riverside County is a bit better at 66.5 percent, pricey Orange County a bit worse at 58.7 percent.
- A 1 percentage-point rise in homeownership is associated with reduced property crime (0.35 percent), violent crime (0.1 percent) and poverty rates (0.16 percent), and with higher high school graduation rates (0.32 percent overall, 0.44 percent among Latinos and 0.61 percent for African Americans).
- But at the current, painfully slow rate of building new homes in San Bernardino County (2,312 residential permits per year on average since 2010), it would take seven years to raise the homeownership rate by 1 to 2 percentage points and make it competitive with neighboring counties.

What does all this mean? That it's important for government at all levels to do whatever it can to encourage home building by removing any obstacles it can.

At the state level, that means reforming the parts of the California Environmental Quality Act that are used primarily by unions and NIMBYs to slow, extort or cancel good projects, rather than to protect the environment.

At the local level, county boards and city councils need to keep housing fees and restrictions in check and stand up to NIMBYs who oppose just about any new housing project, often under the reasoning that “I've got my house, the heck with anybody else who wants to live here.”

We need more housing. It's good for California, it's good for Californians and, as the professors found, it's good for social justice.

http://www.sbsun.com/opinion/20170331/study-adds-social-justice-dimension-to-housing-crisis#disqus_thread