

2014 - 2021
Housing Element
Appendix A - Housing Needs



A. Housing Needs

Appendix A includes an analysis of demographic, economic, housing and special needs characteristics and trends in Barstow. The Analysis is intended to identify issues that affect the City’s existing and future housing needs.

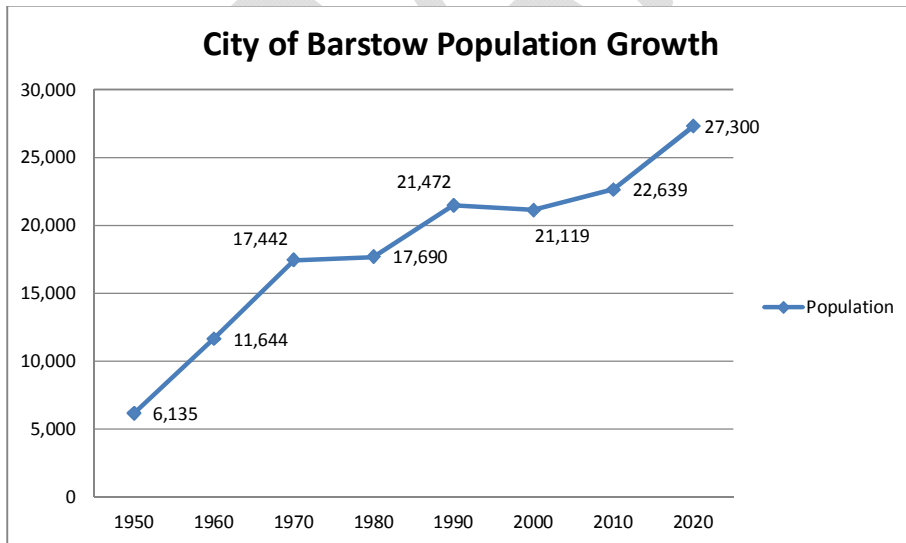
1. Demographic Trends

Population Growth

The City of Barstow is the 17th largest city in San Bernardino County, with a population estimate of 22,639 according to the 2010 Census Bureau. Over the past 60 years, the City’s population has fluctuated tremendously, with an 89.8% increase from 1950 to 1960, and -1.6% from 1990 to 2000. Historically, the population growth has followed ebb and flow of activities at Fort Irwin. More recently, the recession affected the City’s potential for new housing.

According to the Southern California Association of Governments’ forecasts, the City of Barstow’s population is projected to increase to 27,300 by the year 2020 (See Figure A-1). This growth estimate is larger than is anticipated under the revised General Plan (@26,000 in 2020)

Figure A-1: Barstow Population Growth, 1950-2020



Sources: U.S. Census (1950-2010) and SCAG 2012-2035 Regional Transportation Plan

Age Characteristics

Barstow's housing needs are influenced by the age characteristics of residents. Different age groups have different lifestyles, family types, and income levels that affect their preference and ability to afford housing. Typically, younger adults occupy apartments that are more affordable. Middle-aged adults tend to choose larger homes to accommodate children, and seniors may begin to downsize to smaller homes that are easier to maintain. Understanding changes in age characteristics provides insight into present and future housing needs.

The state and the nation are in the midst of demographic change, with significant increases in age due to the aging of the baby boom generation. These trends are evident in Barstow. Despite modest population growth during the 2000's, Barstow's median age of residents actually dropped to 31.1 years in 2010 from 32.1 in 2000 (US Census). Mirroring national changes, Barstow's baby boom (middle-age) age adults also was the fastest growing segment of Barstow's population. Middle-aged adults (45-64 years) increased 53% between 2000 and 2010. In contrast, most of the younger generation decreased with the exception of those under 5 years of age (which increased 11%). The senior population decreased approximately 7%. All other age groups remained relatively the same. See Table A-1 below.

Changes in age distribution are also due to local housing market factors. Barstow is known for relatively lower housing prices and apartment rents that are easier for younger households to afford. As such, Barstow is an attractive community for seniors and lower income adults. The nationwide trend, an increase in the resident age, is a market that needs to be addressed for Barstow at least as much as affordable housing. Some of the specific housing needs include those for seniors as well as move-up and above median income residences. As Table A-1 below reflects, the age cohort most typically associated with move-up housing (ages 45-64) had the largest population change of all age groups, and while the 65+ reflects a minor change, the age group of 75 plus reflected no change. Although the 65+ age group saw a slight reduction, there is still an unmet demand for senior housing, with current supply limited primarily to mobile home parks and convalescent hospitals.

According to the demographic and building indicators, several trends appear likely, most likely including continued development of apartments for low-income housing, single-family homes for first-time homebuyers, move-up and custom homes for executive homes. In addition, over the next five to ten years, it can be expected that more people will look to retire as they approach the 65+ age group, necessitating an increase in senior housing.

Table A-1: Age Characteristics in Barstow

Age Category	Number of Residents		Population Change	
	2000	2010	2000-2010	Percent
0-19 (dependent)	7,175	6,903	-272	-4%
20-24 (household forming)	1,520	1,596	76	5%
25-44 (family forming)	5,789	5,781	-8	0%
45-64 (move up housing)	4,086	6,239	2,153	53%
65+ (retirement years)	2,549	2,361	-188	-7%
Total:	21,119	22,880	1,761	8%

Source: U.S. Census, 2000-2010

Race and Ethnicity

Barstow is known for its diverse population. The population boom before the 20th century included Chinese and Mexican workers on the railroads. Over time, the area became home to Latino residents – a pattern existing today. Housing needs and preferences are sometimes influenced by cultural preferences, but typically the issue of race and ethnicity and housing has more to do with fair housing opportunities and incomes.

Although population totals have changed little during the prior decade, Barstow saw significant change in the race and ethnic composition of its residents. As shown in Table A-2, the number of White (Caucasian) residents increased slightly during the 1990's, but declined between 2000 and 2010. Hispanics also increased by a substantial amount of approximately 1,000 residents from 1990 to 2000, but doubled that increase to nearly 2,000 residents between 2000 and 2010 (a 26% increase). African Americans only had a moderate increase between 1990 and 2000, but had a substantial 35% gain between 2000 and 2010 (an increase of 863 compared to 330 between 1990 and 2000). The three largest ethnicities are White, African American and Hispanic.

Although Barstow has become more integrated, some areas have a concentration of residents of one to two race/ethnicities. A commonly accepted definition of "concentration" is when one race or ethnic group in a neighborhood comprises a higher percentage of that neighborhood than their overall proportion of the population countywide. Under this definition, African Americans and Hispanics are more concentrated in the northeast portion of Barstow, north of the Burlington Northern/Santa Fe, and east of Yucca Avenue, commonly referred to as the Riverside Drive area. Hispanics also are concentrated in other areas such as Section 7 (Township 9 North, Range 2 West), a section of land located primarily south of Interstate 15 on both sides of Barstow Road.

According to the U.S. Census Bureau, approximately 22.6% of Barstow's households speak a language other than English at home. A household is considered linguistically isolated if all members 14 years and older have at least some difficulty in speaking English. In accordance with the Census Bureau, approximately 8.1% of households are linguistically isolated. Of this total, 2.2% are households that speak Asian and Pacific Island languages, 18.9% are Spanish-speaking households, and 1.1% speak Indo-European languages.

Table A-2: Race and Ethnicity Trends in Barstow

Race/Ethnicity	Number of Residents			2000-2010	Percent
	1990	2000	2010		
White	11,550	12,059	11,840	-219	-2%
African American	2,120	2,450	3,313	863	35%
American Indian/Alaskan Native	365	510	477	-33	-6%
Asian*		650	723	73	11%
Native Hawaiian/Pacific Islander*	667	200	278	78	39%
Some Other Race	44	3,886	4,242	356	9%
Two or More Races*		1,364	1,766	402	29%
Total:	21,472	21,119	22,218	1,099	5%
Hispanic	6,726	7,708	9,700	1,992	26%

Source: U.S. Census, 1990-2010

* Asian/Pacific Islander combined in 1990 data, Alaskan Native not accounted for in 1990 data, Native Hawaiian and Two or More Races not accounted for in the 1990 data.

Household Characteristics

Barstow's housing needs also differ depending on household characteristics. This includes family size, single versus double income, and physical ability. Families with young children often seek the living space and the financial investment that homeownership offers. In contrast, single-person households tend to desire apartments that are easier to afford and maintain and offer greater mobility. These patterns underscore the need for a diversity of housing types and prices for different households in the City.

National trends reveal several key changes in the composition and type of households since 1990. These include a declining share of families with children and a continued increase in the number of single person households. These changes are due to many factors, including the aging of the baby boomer generation (many of whose have children who have left home), single people choosing to wait longer to marry and have children, the changing race and ethnic

mix of the population, and many other factors. Subgroups of families have also changed, but to generally a lesser degree.

During the 2000's, the number of households living in Barstow increased by 8%, but population only increased by 7%. This pattern was due to a decline in married families with children (15% decline), a 4% decline in married couples with no children, and a 9% increase in single persons. At the same time, the average household size increased to 2.7 persons. In Barstow, single-person households now comprise about 22% of households, a slight increase from prior years.

Looking forward, whether these trends continue depends on the housing market and demographic change. If development patterns in apartments continue or demographic trends continue, Barstow may then see a corresponding decline in household size for the foreseeable future. Table A-3 summarizes changes in household composition in Barstow.

Table A-3: Household Trends in Barstow

Household Types	Number of Households			Household Change	
	1990*	2000	2010	2000-2010	Percent
Population	21,472	21,119	22,639	1,520	7%
Total Households	8,509	9,123	9,867	744	8%
Married with Children	5,535	1,626	1,416	-210	-15%
Married with No Children		1,845	1,766	-79	-4%
Other Families		2,395	2,672	277	10%
Single Persons	1,700	1,981	2,174	193	9%
All Others	416		2,231		
Average Size	2.79	2.71	2.75	0.04	1%

Source: U.S. Census, 1990-2010

* The 1990 Census Data is formatted different than the 2000 and 2010 Data.

Employment Growth and Change

Economic trends play an important role in defining housing needs. This relationship includes: 1) the impact of job growth on the City's share of future housing needs; 2) the wage levels associated with employment growth; 3) the housing demand associated with new workers desiring to live in Barstow; and 4) the mobility and land use decisions and environmental mitigations that must be made to accommodate housing or employment growth. The City of Barstow is addressing the relationship of these complex issues through the update of the Land Use Element.

The City of Barstow serves as a major employment center for the Fort Irwin Army National Training Center and the Marine Corps Logistic Bases (Nebo and Yermo Annex) as well as

transient services for the many travelers along Interstates 15 and 40, and Highway 58. This transient influence accounts for nearly 42% of the local jobs, with education and health services comprising 22% of local jobs. With ~~41,395~~12,492 -people ([2011-2015 ACS 5-Year Estimate](#)) eligible to work (ages 20-64), there is a deficit of nearly 3,700 jobs. This does not address those that commute to work, which greatly affects the identified numbers. For instance, SCAG (using U.S. Census Bureau, ~~2012 data~~[2017, LODES Data; Longitudinal-Employer Household Dynamics Program](#)) estimates that only ~~27.68~~23.9 (~~2,267~~1,866 people) work locally, indicating that a large proportion of local residents commute out of the City, while a number of people commute to Barstow to work.

Looking forward, Barstow is projected to experience employment growth in most sectors throughout the remainder of the 2014-2021 housing element planning period. Projected employment growth is inferred from economic studies as part of the update to the General Plan Land Use Element. In summary, retail trade and other services are projected for higher growth rates, with the highest growth rate in Education and Health Services. All other growth projections are 3% or less. Barstow has been very active in attempting to recruit jobs to the community, but current economic conditions, as well as the State regulatory environment, have affected the City's ability to bring such jobs to the City. In addition, with only 2,267 of the population working locally, additional efforts need to be made to keep jobs local.

Table A-4: Employment in Barstow

Economic Sector	Trends in Growth			
	2010 <u>2015</u>	2021	Change	%
Agriculture & Mining	13 <u>9</u>	13	0 <u>4</u>	0%
Construction	141 <u>185</u>	329	188 <u>144</u>	2%
Manufacturing	93 <u>111</u>	98	5 <u>13</u>	0%
Wholesale Trade	105 <u>138</u>	156	51 <u>18</u>	40 <u>13</u> %
Retail Trade	1,524 <u>1,726</u>	1,816	292 <u>90</u>	41 <u>5</u> %
Transportation and Warehousing, and Utility	529 <u>628</u>	765	236 <u>137</u>	31 <u>21</u> %
Information	143 <u>129</u>	184	41 <u>55</u>	42 <u>43</u> %
Financial Activity	187 <u>212</u>	357	170 <u>145</u>	2%
Professional and Business Services	432 <u>462</u>	618	186 <u>156</u>	2%
Education and Health Services	1,712 <u>2,077</u>	2,710	998 <u>633</u>	137 <u>31</u> %
Leisure and Hospitality	1,706 <u>1,883</u>	1,838	132 <u>45</u>	20 <u>2</u> %
Other Services	454 <u>397</u>	777	323 <u>380</u>	44 <u>48</u> %
Public Administration	662 <u>1,265</u>	750	88 <u>515</u>	13 <u>41</u> %
Total Employment	7,701 <u>9,222</u>	10,411	2,710 <u>1,179</u>	35 <u>13</u> %

Source: [Southern California Association of Governments \(SCAG\), based on 2012 Employment Development Department](#)~~California Employment Development Department, 2016; InfoGroup; and~~

SCAG

Note:

Public Administration-includes government and schools

HOUSEHOLD INCOME

Household income affects the type and price of housing that can be afforded. In 2010, the City's median household income was approximately \$40,266, 14.6% higher than \$35,069 in 2000 and slightly higher than the median household income for San Bernardino County. In 2016, the median household income was approximately \$42,263 (Nielsen Co., 2016). This is nearly 5% higher than the median household income in 2010, but nearly 29% lower than the median household income for San Bernardino County (Ref.: Profile of the City of Barstow, Southern California Association of Governments (SCAG)/Nielsen Co. (2017)).

The State of California Department of Housing and Community Development (HCD) surveys households in each county on an annual basis to determine the median income. The median income is also adjusted for households of different sizes. Households are then grouped into four income groups for purposes of determining the need for assistance. Based on 2010 categories, these income groups and thresholds are:

- Extremely low: households earning up to 30% of the county median family income (CMFI), or a maximum of ~~\$20,000~~16,030 for a household of four.
- Very low: households earning 31% to 50% of CMFI, or maximum income of ~~\$33,300~~26,717 for a household of four.
- Low: households earning 51% to 80% of CMFI, or a maximum of ~~\$53,300~~42,746 for a household of four.
- Moderate: households earning 81% to 120% of CMFI, or a maximum of ~~\$74,400~~64,120 for a household of four.
- Above moderate: households earning above 120% of CMFI, which is more than ~~\$74,400~~64,120 for a household of four.

Ref.: San Bernardino County 2012 Housing Element Comprehensive Housing Affordability Strategy (CHAS) data, 2010-2014 ACS

Table A-5 provides a summary of Barstow's households by income group. The majority of households earn ~~lower~~ above moderate-incomes (~~44~~50%), yet another ~~44~~41% of all Barstow households ~~above moderate~~ earn lower-incomes. This is due in part to the affordability of land and the current housing market. Due to low land prices, houses were able to be built during the housing boom from 2006 to 2008, and the devalued land after the housing crash lowered

housing costs. At this time the City of Barstow has not had to implement any policies to keep housing affordable. The high degree of housing affordability in the city has been market-driven.

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Table A-5: Household Income in Barstow

Income Category	Total Households	
	Number of Households	Percent of Total Households
Extremely Low Income	1,528,725	18.27%
Very Low Income	1,572,235	18.57%
Low Income	695,104	8.13%
Moderate Income	1,086,665	12.39%
Above Moderate Income	3,812,260	44.11%
Total	8,693,930	100%

Commented [MM1]: 2010-2014 ACD indicates total of 7,935 homes. However, total for all income groups reflects 7,930.

Source: Southern California Association of Governments, 5th Cycle RHNA Final Allocation Plan, 1/1/2014-10/1/2021 and ~~2009~~2010-2011-2014 American Community Survey (ACS) 35-Year Estimates

Note: As the recorded household income is established at "set" amounts, they do not coincide specifically with Barstow's income ranges for the various Household Income Categories. Therefore, the Category was rounded up or down to the nearest compatible "recorded" household income pursuant to the ACS.

2. Housing Trends

This section describes housing characteristics and trends to provide a basis for assessing the match between the demand and supply of available housing in Barstow. These include housing growth, housing characteristics, age and condition of housing, housing prices and rents, and homeownership rates.

Housing Composition

Barstow has an exceptional range of housing opportunities reflective of its diverse community. Approximately 68.2% of the housing stock is single-family homes and 31.8% is multi-family units. (Ref.: ~~2014~~2017 California Department of Finance)

In the past decade, developers have concentrated on building single-family residential units. Developers during the housing boom were geared towards introductory housing (i.e., first-time homebuyers) and move-up housing. In neither case, is there much disposable income for higher-end housing. As noted above, there is nearly an equal percentage of above moderate, and the collective lower income groups (44.1% each and 50%, respectively). Some custom homes were built during this timeframe, and it can be reasonably assumed that many of the 44.1% above moderate income households already have purchased their homes. This does not address the need for executive housing for new executive positions due to job growth. There is some anecdotal evidence that the lack of sufficient executive housing has deterred companies from locating in Barstow.

Looking forward through 2020, Barstow anticipates continued residential development for lower income households, with some active senior housing opportunities (another market that is not adequately served). As of the writing of this element, no housing projects are in the pipeline. However, there are two senior projects under consideration (one being 60 units, the other not disclosed yet) and one large-family, affordable housing complex proposed, creating 73 units. A second large-family, affordable housing complex is on-hold (72 units), but likely to develop upon completion of the 73 unit complex has been placed on hold. In addition to the above, the City also has an exclusive negotiating agreement with Eagle Barstow 55, LLC, for affordable senior housing. This agreement was renewed on August 21, 2017. According to SCAG growth projections, the City of Barstow will have about 12,430 housing units by 2040. This projection is too far out for the City to speculate on its accuracy. However, the City has worked with SCAG to develop the figures based on the City’s projection of development to 2020.

Table A-6: Housing Composition in Barstow

Housing Products	2000		2010		2017	
	Number of Units	Percent of Units	Number of Units	Percent of Units	Number of Units	Percent of Units
Single-Family Units	-	-	-	-	-	-
- Single-Family Detached	5,042	57%	5,446	57%	5,532	57%
- Single-Family Attached	252	3%	202	2%	202	2%
Multi-Family Units	-	-	-	-	-	-
- Multi-Family (2-4 units)	1,096	12%	1,330	14%	1,326	14%
- Multi-Family (5 or more)	1,488	17%	1,742	18%	1,742	18%
Mobile Homes	965	11%	835	9%	854	9%
Total	8,843	100%	9,555	100%	9,656	100%
Sources: California Department of Finance, 2000, 2010 and 2017					-	-

Housing Products	2000		2010		2014	
	Number of Units	Percent of Units	Number of Units	Percent of Units	Number of Units	Percent of Units
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- Single-Family Detached	5,042	57%	5,446	57%	5,528	57%
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- Multi-Family (2-4 units)	1,096	12%	1,330	14%	1,330	14%
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Mobile Homes	965	11%	835	9%	854	9%
Total	8,843	100%	9,555	100%	9,656	100%

Sources: California Department of Finance, 2000, 2010 and 2014

Housing Tenure

Housing tenure refers to whether a household owns or rents a home. Ample homeownership and rental opportunities allow people of all incomes and household sizes to choose the type of housing and location best suited to their needs and preferences. Housing vacancy rates, in combination with housing tenure, also affect the prices and rents charged for housing units.

Tenure Rates

The American dream is often intertwined with homeownership, which brings with it independence, wealth, housing security and safety, and quality of life. Homeownership commits the owner to a long-term economic relationship with the home, typically resulting in increased investment into the property, which in turn increases property values within a neighborhood. Home investment and the physical presence of homeowners are thought to also improve the quality and stability of residential neighborhoods.

In the City of Barstow, a slight majority of households (~~51.150.7%~~ or ~~4,2234,322~~) ~~own-rent~~ a home while ~~48.949.3%~~ (~~4,0414,203~~ households) ~~rent-own~~ a home (~~U.S. Census ACS 2007-2014~~ Nielsen Co., 2016). Barstow's homeownership rate has decreased ~~slightly~~ since the 2000 Census, when ownership was 54.1% (4,139 households) and renter occupied units were 45.9 (3,508 households). In San Bernardino County Total County Area) ownership is 63% (383,573 households) while renter occupy 37% of all households (228,045). The unincorporated areas of San Bernardino County experienced higher homeownership (69%, or 64,589 own and 31%, or 29,496 rent). Homeownership rates are largely a function of the price of housing relative to household income, although homeownership rates have clearly fluctuated in recent years due to the highest foreclosure rates across the southland in generations.

Vacancy Rates

Housing vacancies are a measure of how well the supply of housing matches the demands for specific types of housing. Typically, housing vacancy rates of 5% to 6% for apartments and 1% to 2% for homes is considered optimal. This amount of housing vacancies ensures that consumers have sufficient choices for different types of housing products, that prices are generally moderated because a balanced supply is available, and that developers have a financial incentive to continue building housing. Higher vacancy rates lead to price depreciation. Lower vacancy rates are also not desirable; they indicate a tight market and cause housing rents and prices to increase.

According to the 2010 Census, the City of Barstow's housing vacancy rate is estimated at 5.0% for homeowners and 16% for rentals. The total vacancy rate for 2010 was 15.4% (1,470 units). This included those for rent, rented but not occupied, for sale, sold but not occupied, seasonal/recreational/occasional use, and all other vacant households. The total County Area

experienced a vacancy rate of 3.7% for owners, and 8.7 for rentals, while the unincorporated County Area experienced 4.3% for owners, and 9.5% for rentals. Housing vacancy rates do not generally include foreclosures, unless the unit is unoccupied and for sale. According to Trulia.com, the City of Barstow has approximately ~~117-44~~ foreclosures (as of August ~~1417~~, ~~20142017~~) currently offered for sale within the City, with an additional ~~47-23~~ in the adjacent county areas. This statistic makes it difficult to determine the actual number of vacant units at any given point in time.

Housing Age and Condition

Barstow's housing is predominantly older, with 53.3% built before 1970 (or older than 40 years). Residential units generally begin to show age after 30 years and require some level of maintenance, such as roof repair, painting, landscaping, and exterior finishes. Homes between 30 and 50 years require more significant maintenance and renovation, and older homes may need more substantial repairs.

Another concern related to the age of housing is lead-based paint hazards. Homes built prior to 1978 typically contain lead-based paint, which can cause a number of hazardous health conditions for children (specifically developmental delays). Health hazards occur when the paint chips and is inhaled by residents, particularly children. Since 1978, the federal government has banned the use of lead-based paint. Still, older homes may need to paint over lead-based paint or remove peeling paint.

Generally, Barstow's housing is in good condition, and most residential neighborhoods are maintained. However, a number of structures need repair. The Census provides a limited assessment of housing conditions. According to the ~~20072011-2011-2015~~ ACS, approximately ~~4-51.6%~~ of all housing units lack complete kitchens and/or ~~1-41.3%~~ complete plumbing. This translates to approximately ~~211-231~~ substandard units in Barstow. Estimates for substandard housing do not include units lacking heating. Many of these conditions are concentrated in lower to moderate income areas of Barstow. However, according to SCAG Regional Housing & Households, Barstow has 524 units lacking kitchen facilities, although no household owners were without kitchens, and only 90 rental units lacked kitchens. Out of 206 homes lacking plumbing, 13 were home owners and 71 no rental units lacked plumbing. Based on these figures, the majority of homes lacking kitchen and/or plumbing are unoccupied units.

To address housing condition issues, City Code Compliance actively patrols the City for exterior violations. Any interior issues are complaint-driven, typically by dissatisfied tenants. In prior years, Barstow had rehabilitation programs through the Redevelopment funding. However, since the state dissolved the Redevelopment Agencies, no more funding is available by this

mechanism. Although the state offers loan programs for such improvements, they do not seem to be attractive to Barstow residents and are seldom pursued. Table A-7 summarizes the age of housing units in Barstow.

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Table A-7: Age of Housing

Decade Built	Housing Age	
	Number of Units	Percent of Units
2005 or later 2014 or later	5390	50%
2010-2013	57	0.6%
2000- 2004 2009	159723	27.7%
1990-1999	589705	67.5%
1980-1989	1,601,240	1613.3%
1970-1979	1,799,749	18.7%
1960-1969	2,202,873	2220%
1950-1959	2,243,602	2227.8%
1940-1949	584,212	62.3%
1939 or earlier	309,197	32.1%
Total	10,0259,358	100%

Source: U.S. Census, 2011-~~2015~~ 5-Year American Communities Survey

Housing Prices

The last decade has been characterized by volatility in the housing market. This volatility in the market caused record-high housing prices, followed by a plummet. Housing costs in Barstow have dropped to pre-2000 levels.

Homeownership

Barstow experienced unprecedented changes in housing prices around the mid 2000's. From 2000 to 2006, the median home price nearly tripled, from the low \$60,000s to a high of \$182,000s, perhaps in part as a result of anticipation of the proposed casino development. However, as the recession deepened in the later 2000s, median housing prices plummeted through 2010. Prices have begun to recover only recently, within the last few years, with Trulia.com indicating median sales price from May 14, 2014 through August 14, 2014 at \$78,000. This is up from the 2012 yearly median price of \$53,000 (MDA Data Quick, 2012). This would equate to a 47% increase in the median home prices were the data from these two sources comparable. In actuality, the increase in home prices from 2012 to 2014 was probably significantly lower. In June 2017, the median housing price was \$117,000, a 2.5% decrease from June 2016 (CoreLogic/Data Quick, 2017), but 50% higher than in May 2014.

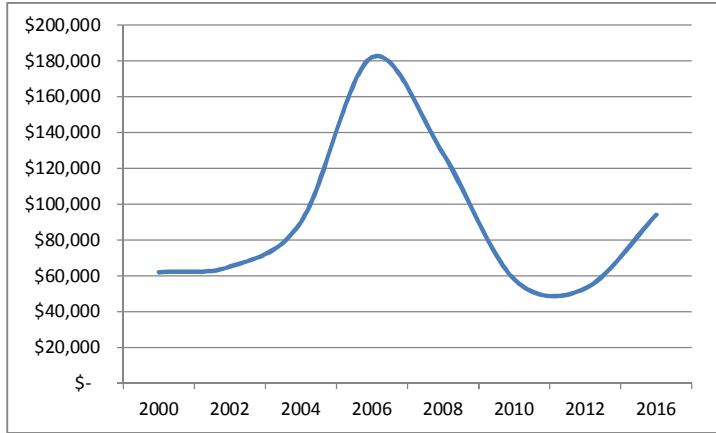


Figure A-2: Barstow Average Housing Price, 2000-2012

Sources: MDA Data Quick, 2012 and Profile of the City of Barstow, Southern California Association of Governments (SCAG)/Nielsen Co. (2017)

Table A-8 below shows the average price based on sales from ~~May-August 24 2013-2016~~ through ~~May-August 24 2014~~2017.

Table A-8: Housing Prices in Barstow

Number of Sales and Average Prices	
Single-Family Homes	Average Price
26178	\$88,330114,442

Source: Redfin.com, sales search for ~~58/20132016-58/2014~~2017.

Rental Units

Apartment rents have not increased as dramatically as the sales prices of single-family homes. A combination of data was used throughout the time between 2000 and 2012, including the 2000 Census, and three American Community Surveys (ACS) prepared by the Census Bureau. As shown below, there is a significant increase from 2000 to the 2005-2009 ACS, increasing from \$504 to \$784 (a 51% increase). After that, the rental prices have stabilized with slight increases for the timelines that followed (\$21 or 3%, then an additional \$7 or 1%). Although the rental prices peaked similarly to the housing prices (but substantially less of an increase), the prices stabilized, with minor increases the following years. While the latest data (2010-2014 ACS) reflects a 7% drop in rental prices, recent website (July 2017) searches for apartments in the area reflect an increase in rent for local apartments by as much as \$450 (4 bedroom house).

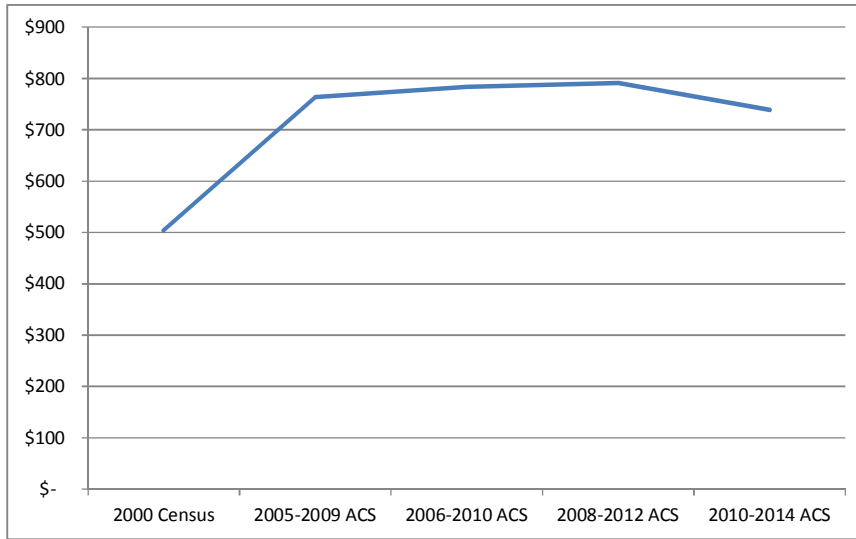


Figure A-3: Barstow Median Housing Rents, 2000-2014

Source: USA.com

Housing rents vary by the age of the structure, surrounding neighborhood, and property amenities. The Census Bureau does not provide rents separately for different types of housing (e.g., apartments versus single-family homes), making the comparison difficult. However, single-family housing rents typically command a higher price than apartments. The median rents are listed below in Table A-9.

Table A-9: Housing Rents in Barstow

Barstow Median Contract Rents		
First Quartile	Median	Third Quartile
\$466,323.00	\$635,418.00	\$796,518.00

Source: www.city-data.com (2015)

Housing Affordability

Housing affordability refers to how much a household can afford to pay each month in rent or mortgage for an apartment, townhome, or single-family home. Typically, housing affordability is defined as the ratio of housing expenses to income, referred to as a “cost burden.” It is assumed that households should not spend more than a certain portion of income towards housing expenses; otherwise, they are deemed to be overpaying. Overpaying for housing makes it difficult to afford other basic necessities.

The housing industry assumes the “affordable” payment for a homeowner should range from 30-40% of gross monthly income, with the latter figure from the California Association of Realtors’ first-time homebuyers’ index. A mortgage payment typically includes several components – loan principal, interest, taxes, and insurance. For purposes of calculating affordability, we assume a conventional 30-year, FHA-insured loan at 5% interest rate. For renters, the appropriate cost burden also varies from 30-40%, with the latter being used under the federal housing choice voucher program.

With such a range in affordability criteria, this housing element uses a midpoint estimate of 35% cost burden for ownership (since many expenses are tax deductible) and 30% cost burden for rental housing as the thresholds. These two benchmarks of housing affordability are consistent with thresholds cited under the Health and Safety Code; however, individual cities may adopt a different affordability threshold depending on the housing program. Table A-10 shows the amount that households can afford for housing costs.

Table A-10: Affordability of Housing in Barstow

Income Category ¹	Household			
	2-Person	3-Person	4-Person	5-Person
Maximum Affordable Home Price²				
Extremely Low	\$24,00040,000.00	\$27,00045,000.00	\$30,00050,000.00	\$32,00054,000.00
Very Low	\$41,00069,000.00	\$46,00077,500.00	\$51,00086,000.00	\$56,00093,000.00
Low	\$66,000110,000.00	\$74,000124,000.00	\$83,000137,000.00	\$89,000148,500.00
Moderate	\$99,000165,000.00	\$112,000186,000.00	\$124,000206,500.00	\$134,000223,000.00
Maximum Affordable Rent³				
Extremely Low	\$263.42245.13	\$296.35275.77	\$329.27306.41	\$355.62330.92
Very Low	\$454.17422.63	\$510.94475.46	\$567.71528.29	\$613.13570.55
Low	\$726.67676.21	\$817.51760.73	\$908.34845.26	\$981.00912.88
Moderate	\$1,090.001,014.31	\$1,226.261,141.10	\$1,362.511,267.89	\$1,471.511,369.32

Source: HUD Income Limits FY 2013 and FHA Mortgage Calculator (www.usmortgagecalculator.org)

¹ 2013 HCD Income Limits are based on surveys by the U.S. Department of Housing and Urban Development for San Bernardino County, adjusted by household size. Income category based upon Nielson Co., 2016 report median income of \$42,263, multiplied by maximum percentage of each income category.

² Monthly affordable mortgage assumes 30-year fixed mortgage, 5% down payment, 5% interest rate, standard expenses, and maximum payment of 35% of income toward housing.

³ Monthly affordable apartment rent based on monthly payments of up to 30% of gross household income, not including the cost of utilities.

Housing Affordability by Income Level

The general affordability of rental and ownership housing to different income groups can be derived by comparing household income and housing costs from earlier sections and data presented in Tables A-8, A-9 and A-10. This analysis will be used later in this housing element to determine how the City of Barstow will meet its regional housing needs assessment requirements.

The affordability of housing in Barstow is summarized below:

- **Extremely Low/Very Low Income.** For four-person households, extremely ~~low income~~low-income households can afford a home priced up to ~~\$3250,000~~ and very ~~low income~~low-income households can afford up to ~~\$5686,000~~. Most single-family homes sell for prices above these thresholds. However, nearly ~~27~~27% were within this threshold. A very ~~low income~~low-income household could afford ~~\$454,422~~ to ~~\$613,570~~ in rent. Nearly one-half of the rental stock is estimated as affordable to very low income households, although the majority is assumed to be financially assisted apartments (such as TCAC), or housing units that accept vouchers. In addition, some apartments rent for as low as \$350 a month, without any form of assistance.
- **Low Income.** Lower income households can afford to buy a single-family home priced up to ~~\$89137,000~~ (4 person household). According to current home sales prices, ~~65~~65% of single-family homes sold within this price range. Low income households can afford ~~\$726,676~~ to ~~\$981,913~~ for an apartment. These rents are available for Barstow for the majority of the apartments and some rental single-family units.
- **Moderate Income.** Moderate income households have the greatest housing opportunities; they can afford a single-family home from ~~\$99165,000~~ to ~~\$134223,000~~. Over the past year (August, 2013 to August, 2014), nearly ~~85~~85% of all standard sale homes sold for less than the maximum threshold price for a moderate income family, but these homes are predominantly older units. With respect to apartments, moderate income households can afford from ~~\$1,090,014~~ to ~~\$1,471,369~~ per unit and would be able to afford most, if not all, apartments available.
- **Above Moderate Income.** Above moderate income households include households earning above 120% of the median family income. Ironically, the Barstow market has fewer homes available for this cohort than any other income category, accounting for the City's ~~1.40.56~~: 1 jobs/housing ratio, indicating that a large proportion of the workforce commutes ~~from to~~from to ~~homes jobs~~ located outside of the community. The City is slightly better than the region average of 0.51:1.

Sales Source: Redfin.com, Single-family home sales from August 2013-2016 to August 2014-2017.
Jobs/Housing Ratio Reference: 2016 High Desert Workforce Report/Buxton Co., 2015
Demographics Estimates

Household Problems

Housing problems refer primarily to overpayment and overcrowding. Housing overpayment and overcrowding most often occur when a household cannot afford suitably sized and priced rental and ownership housing. In other cases, life changes (retirement, children moving back home, loss of job, etc.) can also cause housing problems. In these situations, a household can choose to either overpay for housing or double-up with others into too small a unit in order to afford housing, which can result in overcrowding. Table A-11 and the following text show the prevalence of housing problems in Barstow according to the 2005-2009, 2007-2011, and 2009-2011 American Community Surveys.

- **Overcrowding.** Overcrowding occurs where a household has more members than habitable rooms in a house. Moderate overcrowding refers to 1.0 to 1.5 persons per room, and severe overcrowding is anything higher. In Barstow, 3% of owners and 7% of renters live in overcrowded situations. This is below county averages of 5% and 11.8%, respectively. The overcrowding rate has declined since the 2000 census.
- **Overpayment.** Housing overpayment refers to paying more than 30% of income towards housing. Moderate overpayment refers to paying 30% to 49% of income towards housing, and severe overpayment is anything higher. In Barstow, 24% of owners and 48% of renters overpay for housing. The overpayment of owners is less than the County averages, while the overpayment of renters is slightly greater (48% versus 47.3%). Whereas many communities overpayment has increased around 9 percentage points since 2000, Barstow’s increased by more than 13 percentage points (ref.: 2000 Census, 2007-2011 ACS).
- **Housing Needing Repair or Replacement.** According to the 2009-2011 ACS, 11.47% of rental housing and 0.39% of ownership units lack complete kitchens and/or complete plumbing – equaling 461 substandard units. However, in staff’s estimates, this figure should actually be around 200 in light of the fact that over half of the City’s substandard units are vacant/abandoned. City staff estimates that 5% of all single-family units and 3.5% of multiple units need repairs (rehabilitation work) and 0.57 percent of all housing requires demolition. This translates into 55 housing units.

Table A-11: Housing Problems

2005-2009 ACS		2007-2011 ACS		2009-2011 ACS	
Overpayment ¹		Overcrowding ²		Substandard Housing ³	
Renters	Owners	Renters	Owners	Renters	Owners

None	2,052	3,013	3,729	4,087		
Moderate	1,088	688	178	136		
Severe	854	262	134	0		
Total	3,994	3,963	4,041	4,223	3852	4832
None	51%	76%	92%	97%	88.53%	99.61%
Moderate	27%	17%	4%	3%		
Severe	21%	7%	3%	0%		
Total	100%	100%	100%	100%	100.00%	100.00%

Source: American Community Survey, 2005-2009¹, 2007-2011² and 2009-2011³

* Substandard housing did not include units lacking heating and air conditioning.

Notes:

Overpayment had 255 renters and 10 owners not accounted for.

Lower Income Households

Housing problems occur significantly more frequently among lower income households (defined as households earning less than 80% of the median family income adjusted for household size) and among special needs groups. According to the 2006-2010 CHAS, of the 700 lower income owners, 301 households or 43% overpay for housing. Among the 1,690 lower income renters, 1,166 households or 69% overpay for housing. The CHAS estimates are higher than SCAG’s estimate, because SCAG did not adjust for household size, whereas the CHAS dataset includes that adjustment.

Further, the housing problems facing extremely ~~low income~~~~low-income~~ households, defined as those earning below 30% of the median family income, are greater. The subset earns income that is nearly equivalent to the federal poverty line. According to the ~~2006~~~~2010-2010-2014~~ CHAS, Barstow has approximately ~~1,170~~~~1,725~~ extremely low-income households, including ~~915~~~~1,315~~ renter and ~~255~~~~410~~ owner households. The vast majority face a high incidence and severity of housing problems, defined as a cost burden greater than 30% of income, and/or overcrowding, and/or without complete kitchen and plumbing facilities.

As shown below in Table A-12, a significant percentage of renter households overpaid for housing. Renters overpaying for housing include ~~40~~~~59~~% of other low income, ~~78~~~~66~~% of very low income, and ~~82~~~~76~~% of extremely ~~low income~~~~low-income~~ households. Among owner households, ~~33~~~~41~~% of other low income, ~~42~~~~34~~% of very low income, and ~~59~~~~24~~% of extremely low income overpaid for housing. Table A-12 highlights the housing problems facing these income groups. Furthermore, certain subgroups (i.e., seniors, large families, etc.) tend to have an even higher prevalence of housing problems than other groups.

Table A-12: Housing Problems for Lower Income Households

Housing Problems by Household Income Level ²	Total Households		
	Renters	Owners	Total
Income <30% of MFI	915	255	1170
Percent with Cost Burden > 30%	82%	59%	75%
Income 30-50% of MFI	485	195	680
Percent with Cost Burden > 30%	78%	42%	62%
Income 50-80% of MFI	290	250	540
Percent with Cost Burden > 30%	40%	33%	36%
Total Lower Income 0-80% of MFI	1690	700	2390
Percent with Cost Burden > 30%	69%	43%	58%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data; 2006-2010.

	Total Households		
	Renters	Owners	Total
Income <30% of MFI	1315	410	1725
Percent with Cost Burden > 30%	76%	24%	100%
Income 30-50% of MFI	820	415	1235
Percent with Cost Burden > 30%	66%	34%	100%
Income 50-80% of MFI	615	430	1045
Percent with Cost Burden > 30%	59%	41%	100%
Total Lower Income 0-80% of MFI	2750	1255	4005
Percent with Cost Burden > 30%	69%	31%	100%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data; 2010-2014.

3. Special Housing Needs

Certain households in Barstow have greater difficulty finding decent, affordable housing due to their special circumstances. Special circumstances typically relate to one’s income-earning potential, family characteristics, physical or mental disabilities, age-related health issues,

homelessness, and other factors that make it more difficult to secure and maintain housing. These groups often have lower incomes and higher rates of overpayment or overcrowding. As a result, these household groups are considered to have special housing needs relative to the general population.

State housing element law defines “special needs” groups narrowly to include senior households, disabled persons, large households, female-headed households, farmworkers, and people who are homeless. In keeping with state law and the City’s priority for a socially and economically diverse population, this section provides a summary of needs for each group and the availability of resources to address their needs.

Shown below, Table A-13 compares numeric changes in the magnitude of special needs groups in Barstow from 2000-2010.

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Table A-13: Trends in Special Needs Group

Special Needs Group	2000		2010	
	Number	Percent of Residents	Number	Percent of Residents
Senior Residents	2,549	12.07%	2,419	10.69%
Large Families	1,088	5.15%	3,521	15.55%
Single Parents w/Children*	1,352	6.40%	2,064	9.12%
Persons with a Disability	4,106	19.44%	4,432	19.58%
Homeless People	50	0.24%	99	0.44%
Farmworkers	113	0.54%	22	0.10%

Sources: U.S. Census, 2000 and 2010 Census Reports; Desert Manna Ministries, 2014

Notes:

* 2000 estimate was Female-headed Households

Senior Citizens

Seniors are defined as persons 65 years or older, although for housing purposes the age may be as low as 55 years. Barstow has ~~2,361~~2,467 residents 65 or older, representing about 10.6% of the population (2011-2015 ACS). Senior citizens are considered a special needs group, because their limited income, higher health costs, and physical disabilities make it difficult to find suitable and affordable housing. Though Barstow had a slight drop between 2000 and 2010 (130 seniors), current trends throughout the nation indicate this population is expected to increase as the baby boom generation approaches retirement.

Barstow’s senior population is comprised of primarily three ethnic groups as follows: white (69%) with Hispanic/Latino at 29% and Black or African American at 15%. Other ethnic groups comprise a combined total of 21%. Seniors also comprise nearly 1,500 households, or nearly one in 6 households (2009-2011 ACS). Of that total, 76% own a home, and 24% rent housing. Approximately 41% are older than 75 years. Each group requires a different strategy to address health, transportation, and housing needs.

Some key issues include:

- **Disabilities.** The majority of seniors will eventually have a disability that may limit one or more life activities. Whereas some disabilities may limit mobility, others may make it difficult to take care of personal needs. This underscores a need for accessible housing and supportive services.
- **Limited Income.** Seniors have limited or fixed incomes in retirement. Although data are not readily available, it is reasonable to assume that many of Barstow’s senior renters and

home owners are on fixed incomes and earn lower incomes. As a result, these seniors pay a larger share of their income towards housing.

- **Overpayment.** For seniors with extremely low incomes, more than 73% of renters and 68% of homeowners overpay for housing, leaving less income for other living expenses. Very ~~low income~~low-income seniors fared much better with 15.2% of renters and 31.2% of owners overpaying, and ~~low income~~low-income seniors experienced 1.5% and 7.9% of owners overpaying. However, it is expected to be worse now as these data are from 2000, and the cost of living has since increased. This underscores the importance of affordable housing options, including programs to repair homes.
- **Special Housing Needs.** As seniors gradually age, there is often an increased demand for a broader type of senior living arrangements, from independent age-restricted housing for more active lifestyles to assisted living for those requiring more supportive services.
- **Service Needs.** In addition to housing, seniors rely on supportive services. Services can include transportation, health care, home maintenance assistance, low cost loans or grants for rehabilitating homes, referral services, and many other services that can improve the lives of seniors.

Barstow faces the challenge of how to accommodate the needs of its residents. With a growing baby boom population and aging of residents, a comprehensive strategy for housing seniors is an important housing challenge for Barstow over the next decade. With the dissolution of the Redevelopment Agency, there are no City funds available to assist seniors in housing costs and the necessary support services. Therefore, these must come from the county, state and federal agencies for funding. The City is assisting in other ways by proposing land write-downs to achieve affordable housing for active seniors, as well as assisted living units. Additionally, the City provides rent-free space to the Barstow Senior Center that provides a range of supportive services to senior residents.

Housing Accommodations

The City recognizes the goal of providing services to enable seniors to “age in place,” that is, to maintain their current residences for as long as possible. Achieving that goal involves providing a range of supportive services. The City provides low cost or free transit services, referrals to service providers and other services when resources become available. Approximately three-quarters of Barstow’s seniors reside in single-family homes, and nearly one-quarter in rental units. In addition to traditional housing, the following housing options for seniors are available shown below:

- **Senior Apartments.** The Housing Authority of the County of San Bernardino has an independent living senior housing project on East Williams Street that is comprised of 40

units. In addition, the Veterans Home of California, Barstow, offers independent living and assisted living quarters for veterans age 55 and older (in addition to disabled veterans).

Although not available at this time, the City is working with a developer to provide a senior housing ~~and medical center. As proposed, the development would include 15 four-plexes, a club house and medical offices. Although an arrangement has not yet been committed, this is the preferred use for the project site. The City is also working with another developer to provide housing for active seniors close to the above-mentioned site. This proposal includes approximately 30 housing units.~~ The City has entered into an exclusive negotiations agreement to pursue an affordable senior housing development on land currently owned by the City.

- **Age-Restricted Mobile Home Park.** The Holiday Homes Mobile Home Park is an age-restricted, independent living park. The park currently has 264 lots with room for expansion. Upon sufficient demand, the park will expand.
- **Residential Care Facility.** Residential care facilities for the elderly serve persons 60 years of age or older who may have a disability but typically serve people in need of extended care services. However, the City's one such facility, Barstow Retirement Plaza, has been sold and is being planned for conversion to market-rate, non-age restricted, apartments. This removes a valuable component of senior housing from the local inventory.

As indicated above, the Veterans Home of California has a facility near the College off of Barstow Road/Route 247. This facility opened in February of 1996, providing care for up to 400 elderly or disabled California veterans. There are two levels of care at this facility, one is Independent Living, and the other is Intermediate Care.

- **Life-Care Facilities.** Barstow only has access to one such facility located in the adjacent County area. This is a convalescent hospital serving those recovering from ambulatory surgeries, but also provides medical care for seniors.

Table A-14: Housing for Seniors

Housing Options	Senior Housing		
	Number of Projects	Number of Housing Units	Affordability
Age-Restricted Senior Apartments ¹	1	40	Public housing set-aside for affordable senior housing (part of the 219 public housing units).
Age-Restricted Mobile Home Park ²	1	264	Privately owned mobile home park on Montara Road.
Veterans Home of California, Barstow ³	1	400 Occupants	Residential facility with both Independent Living/limited to California resident Veterans only.
Housing Vouchers for Seniors	0	0	Excludes senior who are veterans housed through the VASH Program
Residential Care Facilities for Elderly	0	0	(See Veterans Home of California above)
Life Care Senior Housing	0	0	

Source: ¹ Housing Authority of the County of San Bernardino
² City of Barstow
³ County of San Bernardino Department of Veterans Affairs (website: hss.sbcounty.gov/va/ContactVHBarstow.html)

Family Households

The City currently has two apartment complexes that are TCAC funded. The Suncrest and Riverview Apartments complexes total 160 units. Additionally, the Housing Authority of the County of San Bernardino provides 261 vouchers (161 Housing Choice and 100 Project Based) in addition to 219 public housing units.

As previously noted, the majority of the market rate rental units in Barstow are priced within the cost limitations for extremely low, very low, low and moderate income households. Many single-family units are also within the range of affordability. As identified under **Household Income** (Page HE-A-7) of this appendix, the median family income is between ~~\$20,000~~\$16,030 and ~~\$53,300~~\$42,746 (extremely low to low income households). The affordability index (Table A-10, page HE-A-15) indicates household affordability at ~~\$30,000~~\$51,000 to ~~\$83,000~~\$190,000 (extremely low to low income households) and rent from ~~\$329-307~~ to ~~\$908-845~~ per month. All figures based on four-person households. As Figure A-2 identifies, housing costs are currently ~~below~~above 2000 levels but well below the 2005-2008 levels, and rent has stabilized, with the median below \$800.

Two subsets of families with children have more difficulty securing housing.

- **Single-parent households.** The City of Barstow has 1,350 single-parent households with children, comprising more than 16% of all households (2010 Census). Of those families, a female householder heads nearly 74% of single-parent families with children. Poverty rates are also higher among single-parent families. According to the 2009-2011 ACS, 18% of single-parent families are at or below the poverty level. Of those, nearly 75% are female heads of household, compared to less than 1.6% with men as heads of household. Whereas the poverty rate for male single-parent households is lower than the rate for all families, the female single-parent household rate is significantly higher than the rate for all families.

Single-parent families typically have the same costs as any other families, but must rely on less income to cover normal life expenses. According to one website, the day care costs for one child, 40 hours per week, average ~~\$5,200~~ \$4,700 per year, per child (care.com 9/1/2017). For single-parent families, this is a significant portion of annual income, leaving less for housing, medical care, and other expenses. The financial burden is especially difficult for younger people, those who lack steady jobs, or those who are under-employed.

- **Large Families.** The City of Barstow is home to an estimated 1,303 large families with five or more members, or 16% of all occupied households in the community (Neilson Co., 2012). With respect to tenure, less than ½ of these homes are owned by the occupants. Given the costs associated with large families, it is expected that more than ½ of all large families rent as opposed to own their home. According to the CHAS, large families encounter unique housing conditions in that many of the lower income large family renters and owners have at least one housing problem defined as overcrowding, overpayment, or living in substandard housing.

The high prevalence of housing problems among lower income large families is due to the housing market. Barstow, like many other communities, has relatively fewer apartments with three or more bedrooms that can reasonably accommodate children. Because of this, family apartments are typically more expensive. According to the 2008-2012 ACS, 1,240 rental units rent for \$1,000 or more per month. Most of these are anticipated to be 3 bedroom single-family residences as most apartments are less than \$1,000 per month. Most of these units are affordable only to moderate and above income households.

Housing Accommodations

The City of Barstow recognizes the importance of addressing the needs of families. With the dissolution of the Redevelopment Agency, no money is available to offset the cost of new

construction for large-family, affordable housing units. However, the City supports those that are proposed, such as the TCAC apartments. Two such apartments have been built, with ~~two~~ one more proposed. The City has not implemented an inclusionary housing ordinance as many homes and apartments are currently available at market rates; moreover, the virtual absence of builder interest in residential construction in Barstow would be exacerbated by implementation of such an ordinance. Rental housing vouchers are offered by the Housing Authority of the County of San Bernardino, and homeownership programs are no longer available (because of the dissolution of the Redevelopment Agency and associated funding).

With respect to affordable housing, Barstow residents have the following available housing options for families, which are summarized in Table A-15.

- **Affordable Apartments.** According to City records, Barstow has two TCAC apartment buildings providing 160 units for large-families. In addition, the County provides 75 ~~Housing Choice Vouchers-vouchers (Commonly referred to as Section 8 provided by HUD)~~ and up to 219 Public Housing units.
- **Single-Family Homes.** Barstow residents have access to 100 units that are set-aside for Project Based Vouchers.
- **Housing Vouchers.** Housing Choice Vouchers (Section 8 housing) are available to qualifying Barstow residents, providing ~~161-257~~ housing units for lower income households. These vouchers are provided by the Housing Authority of the County of San Bernardino.

Table A-15: Housing for Families

Affordable Housing	Family Housing		
	Number of Projects	Affordable Units	Affordability
Family Affordable Apartments*	3	235	75 units as Housing HUD Choice Vouchers vouchers (Section 8) and 160 units that are state assisted (Tax Credit Allocation Committee funded projects).
Market Rate Housing for Families**	Undetermined	3,691	Apartments (duplex and above) and mobile homes are typically affordable to moderate, low and very low income low income families. This number does not include the 235 financially assisted units above.
<u>Public Housing</u>	<u>2</u>	<u>219</u>	<u>The Housing Authority of the County of San Bernardino provides public housing in two locations within the City.</u>
Single-Family Units	Undetermined	100	The City has 100 units set-aside for Project Based Vouchers.
Housing Choice Vouchers (HCV)	Undetermined	164 <u>257</u>	HCV is housing commonly known as Section 8 Housing and is a form of financial housing assistance from the Housing Authority of the County of San Bernardino (includes 75 HCV listed above).

Source: Housing Authority of the County of San Bernardino; Regional Housing Needs Assessment; California Department of Finance, 2014; City of Barstow

* Does not include 219 public housing units provided by the Housing Authority of the County of San Bernardino.

** ~~Does include 219 public housing units provided by the Housing Authority of the County of San Bernardino.~~

Disabled People

Physical, mental, and/or developmental disabilities are impairments that substantially limit life activities and make it difficult to care for one’s self. Because of that, disabled persons have special needs for accessible housing. The Census Bureau defines a disability as a long-lasting physical, mental, or emotional condition that makes it difficult for a person to perform activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. Barstow has 3,220 disabled residents, constituting roughly 14 percent of the population (CHAS 2008-2010).

The major categories of disability are listed below. It should be noted that many individuals have multiple disabilities; therefore, these totals should not necessarily be added together.

- With a hearing and/or vision disability: 1,335 (16%)
- With a cognitive difficulty: 1,415 (17%)
- With an ambulatory difficulty: 1,655 (20%)
- With a self-care/ independent living difficulty: 1,230 (15%)

Physical Disability

The majority of Barstow residents will at some time experience a physical disability. Injury, illness or simply advanced age will limit an individual's physical ability to perform work, read, and eventually care for themselves. For those living in single-family homes, residents can benefit from wider doorways and hallways, access ramps, larger bathrooms with grab bars, lowered countertops, and other features common to "barrier-free" housing. Location is also important for disabled people because they often rely on public transit to travel to services like grocers or medical offices.

To assist physically disabled individuals living in the community, the City of Barstow implements a Reasonable Accommodations Ordinance that is designed to offer flexibility in municipal code requirements to expand opportunities for people to build and rent housing that is accessible to people with disabilities.

Recently, one of the City's Building Inspectors became a Certified Access Specialist (CASp), inspecting new construction for ADA compliance. In addition, the Engineering Department requires all street improvements be ADA accessible (i.e., driveways, sidewalks, street corner access) to allow those with a physical disability to travel to local businesses.

Developmental Disability

According to the California State Council on Developmental Disabilities, it is estimated that 1.8% of Californians have a developmental disability. This would indicate that Barstow has approximately 419 persons with some form of a developmental disability (2014 Department of Finance estimates). These disabilities include cerebral palsy, autism, mental retardation, epilepsy, and other similar conditions that begin early in life.

Many developmental disabled people can live and work independently within a conventional housing environment. More severely disabled individuals may require group quarters where supervision is provided or where medical needs and physical therapy are provided. However, because developmental disabilities occur before adulthood, the first issue in supportive housing is to transition from the person's living situation at home to an appropriate level of independence as an adult.

The primary agency serving this population in Barstow is B.E.S.T. Opportunities, Inc. B.E.S.T. Opportunities is an Adult Development Center (ADC) that works with adults with one or more developmental disabilities, teaching them life skills necessary to survive on their own, including but not limited to social and physical skills, money management, survival skills, basic housekeeping, voting, shopping and various forms of employment. In December 2013, B.E.S.T. Opportunities had roughly 150 individuals enrolled in their adult development center program.

Mental Health/Substance Abuse

According to the National Institute of Mental Health, an estimated one in four adults – suffers from a diagnosable mental disorder in a given year. Even though mental disorders are widespread, the main burden of illness is typically concentrated in a much smaller proportion – or 1 in 17 people – who suffer from serious mental illness. A smaller percentage of those with severe mental illness have difficulty maintaining adequate and affordable housing.

People with mental illnesses face multiple problems when looking for decent, affordable housing. People with serious and persistent mental illness often live in poverty, have unstable employment, and are unable to afford decent housing. This group may also require support services to live successfully in the community. Financial and housing resources available for those experiencing severe mental illness or for those caring for such individuals are limited, and NIMBY concerns are present in every community.

According to the National Center on Addiction and Substance Abuse, one in four people may also have an alcohol or drug problem sometime in their life. Although many of these issues will be episodic rather than chronic, substance abuse can affect the ability to secure and maintain employment, housing, and productive relationships. The appropriate housing option is largely dependent on the severity of the condition, but can include long-term residential care, short-term rehabilitation facilities, or services independent of housing.

Housing Accommodations

Barstow's housing vision is consistent with the ADA legislation to facilitate the most integrated setting appropriate for people with disabilities to reside, receive services, and participate in community life. The City's strategy for addressing the various needs of people with disabilities is centered on three core goals: independence, productivity, and integration.

Barstow's housing options for disabled people are described below.

- **Residential Care Facilities.** These facilities serve persons ages 19-59 who may be physically handicapped, developmental disabled, and/or mentally disabled. Barstow does not have any such facility within the City limits.
- **Specialized Housing Facilities.** These facilities are dedicated solely for the occupancy of people with a disability, whether physical, mental, or developmental. Currently, the City does not have any such facility within the City limits.
- **Housing Vouchers.** ~~The Housing Vouchers are provided through the~~ Housing Authority of the County of San Bernardino.
- **Substance Abuse/Mental Illness.** These facilities are California licensed facilities providing residential stays for people who are recovering from alcohol and drug addictions. Presently, the San Bernardino County Department of Behavioral Health offers services on an outpatient basis. The City has some sober living units in various parts of the town. However, they are typically six and fewer occupants, regulated by the state and exempt from local processes. Therefore, the exact number of such facilities is unknown.

The City of Barstow has been impacted with the dissolution of the Redevelopment Agency. With this dissolution, the City's ability to financially assist in any development has been severely impacted. Until a substitute funding mechanism is developed, it is not likely that the City will be able to assist in such development with the exception of land write-downs and possibly fee waivers.

Homeless People

Barstow has a somewhat unique situation regarding the homeless population. Many people traveling along the interstates ~~get~~become stranded here, and seek shelter, or assistance to be able to move onto their destination. Homeless persons are defined as those who lack a fixed and adequate residence. Homeless people may be chronically homeless (perhaps due to substance abuse) or situationally homeless resulting from job loss, family strife, incarceration, or violence. Homeless people face critical housing challenges due to their very low incomes and lack of appropriate housing. Thus, state law requires cities to plan to help meet the needs of their homeless population.

Counting the homeless population is problematic due to their transient nature, different definitions of homelessness, and political and funding issues. According to the Desert Manna Ministries (who operate the homeless shelter), they process approximately 62 people a month. The 32-bed facility tends to fill at the end of each month, indicating that many of the clients seem to have difficulty managing their money due to mental health issues. This facility only shelters homeless individuals that have ID, are sober, mentally able to follow rules, do not have pets and ~~have~~ no ~~have~~ violent convictions. Because of this, it presumably leaves some

Commented [MM2]: Pending confirmation from Desert Manna.

homeless people on the streets. However, they did not provide data regarding the number of people turned away. This makes it difficult to obtain more accurate numbers, and it does not take into consideration those that opt not to use the shelters. According to the 2010 Census, Barstow had 99 homeless people; ~~a more recent County survey cited below suggests a lower number~~ but the San Bernardino County Homeless Management Information System identified 142 homeless individuals between 12/1/2010 and 5/1/2011.

Housing Accommodations

With the dissolution of the Redevelopment Agency, the City of Barstow has no funding mechanism to provide any housing accommodations. However, the City has assisted some of the non-profit agencies by means of low rent (\$1 a year for Desert Manna and the City purchased \$1 homes that are currently being used by New Hope ~~Village Too!~~). These agencies provide housing for the homeless, with New Hope Village ~~recently~~ acquiring a new property with the help of funding from the City of Barstow's Community Development Block Grant allocation, which ~~will~~ has implemented a "Housing First" approach to addressing the housing and supportive needs of Barstow's homeless population. Under this model, non-chronic and chronic homeless individuals and families are immediately transitioned into housing and provided wrap-around services to ensure longer-term housing stability. This is contrasted with a "housing readiness" model that focuses on individuals successfully addressing substance abuse or mental health issues or "graduating" through case management in a shelter/transitional home to become "housing ready."

Although the City's preference is for rapid reentry into permanent housing, Barstow recognizes that a full continuum of housing options is needed to meet the needs of homeless people at various stages of recovery. The following housing options are provided in Barstow for homeless people.

- **Emergency Shelter.** Barstow currently has one shelter, Desert Manna. The City of Barstow, through Desert Manna, has 32 beds available for applicable homeless persons. In addition, Desert Manna has worked with the City and others to attempt to acquire a new site to increase the capacity and to be able to serve more people. However, financing for such a venture has not been forthcoming.

Commented [MM3]: Pending confirmation

In addition to the Desert Manna, another important segment is the housing for families of domestic violence. These families are essentially made homeless to remove themselves from an abusive relationship. Desert Sanctuary/Haley House provides a sanctuary for these women and their children. In addition to providing a safe household, food and clothing are also provided to help get them on their feet. Desert Sanctuary/Haley House helps

approximately 37 women and their children annually.

Commented [MM4]: Pending confirmation

- Residential Rehabilitation.** A residence that provides housing for up to six months and provides specialized treatment and active rehabilitation for alcoholism and other drug-related issues on-site. Presently, Barstow has no such facility. New Hope Village has embarked on a contract with the Department of Behavioral Health, and are currently certified as a Sober Living Environment (SLE) through the California Consortium of Addiction Programs and Professionals (CCAPP). Clients must be enrolled in an Intensive Outpatient Program (IOP) at Barstow Counseling or an Outpatient Program (OP) at High Desert Center. Clients may stay between 3 months to up to one year. New Hope Village maintains a House Manager on site. Rehabilitation is provided by the Vista Guidance Center. Two locations provide sober living facilities. These include Mental Health Systems, Inc. and San Bernardino County Department of Behavioral Health.
- Rapid Re-housing.** This refers to an approach of moving chronically homeless people immediately off the street to permanent supportive housing that allows an environment conducive to stabilization. New Hope Village ~~is has establishing-acquired~~ a new location ~~to provide-providing~~ 10 residential units for transitional and rapid re-housing. Their ~~current prior site~~ location, rented from Desert Manna, will continue to be operated as transitional-housing by Desert Manna.
- Transitional Housing.** A residence that provides a stay of up to two years, during which residents are provided case management services that prepare them to obtain and maintain housing and live self-sufficiently. New Hope Village is operating a transitional-housing facility (6-10 units), ~~but is relocating to a 10-unit site that will also and has implemented~~ rapid re-housing. ~~This 6-unit site is rented from Desert Manna, which will continue its operation.~~
- Permanent Supportive Housing.** A residence that provides permanent housing linked with ongoing support services designed to allow residents to live at the place of residence on an indefinite basis. Several years ago, the City acquired properties under the HUD’s Dollar Homes Program. This program helps local governments to foster housing opportunities for low to moderate income families and address specific community needs. The City leases these homes to New Hope, ~~Village-Too!~~ to provide permanent supportive housing.

Table A-16 summarizes the City’s housing options for homeless people. Currently, the City’s unmet need is to house 19 people (San Bernardino County 2013 Homeless County and Subpopulation Survey: Final Report, May 2013).

Table A-16: Housing for Homeless People

	Shelter Status	2010
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Need Category	Emergency Shelter	Transitional Shelter	Not Sheltered	Census Estimate
Adults and Families (adults and children)	32	6-10 Units (Approx. 16-25 persons)	5442	99

Commented [MM5]: Pending confirmation

Source: Desert Manna Ministries and New Hope Village City of Barstow

Note: No hard figures are provided for those that are not sheltered. However, the 2010 Census estimates 99 homeless people for the City of Barstow. In addition, as the transitional shelter is based on number of units, a figure of 2.7 people per household was considered. This, and the maximum capacity of Desert Manna (emergency shelter), were subtracted from the Census estimate to identify the number not sheltered. The figures above do not include the permanent supportive housing provided by New Hope, Too, providing residence to up to 6 people.

It should be noted that a more recent study, the “San Bernardino County 2013 Homeless Count and Subpopulation Survey: Final Report” (May 2013) indicates that the City has a total of 61 homeless people, 19 of whom are unsheltered, 31 in an emergency shelter, and 11 in transitional housing. This reflects a drop in the homeless population by 38 people in three years. However, with recent economic conditions here in California, ranging from increases in state taxes to rent increasing in Los Angeles, it is likely that the homelessness will increase above the 61 homeless people identified in the San Bernardino County 2013 Homeless County.

Housing Construction Needs

California law requires cities to plan for the accommodation and employment growth by implementing responsive housing programs. To assist in that effort, the Southern California Association of Governments (SCAG) prepares housing construction needs goals for each city as part of the Regional Housing Needs Assessment (RHNA). Total housing construction need comprises three primary factors, described below.

Population and Job Growth

The first component of construction need represents the number of units needed to accommodate new households forming because of population and employment growth. Barstow’s housing need is based on SCAG’s regional growth forecast in the 2012 Regional Transportation Plan, with slight adjustments for the Regional Housing Need Allocation (RHNA). The household growth component is determined by calculating the expected population and employment growth that will occur in Barstow from 2014 to 2021.

- **Population Growth.** The City’s population is expected to increase about 843 residents from 2014 to 2021. This growth will gradually occur as development projects are approved, completed and occupied.

- **Employment Growth.** Employment levels are project to continue modest growth, increasing by as much as 2.62% per year through 2040 (2016-2040 RTP). This equates to a job growth of 2,267 people between 2012 (base year) to 2021. [Between 2010 and 2015, the employment growth was 0.84%, increasing the employment by 1521 jobs \(California Employment Development Department, 2016; InfoGroup; and SCAG\).](#)
- **Household Growth.** Because of population growth, the number of households is expected to increase by approximately 1.65%, or 1,293 households by 2021. This equates to an increase of 3,492 residents, and is in excess of the RHNA number of 843 residents. The reason for this difference is that the RTP took into account potential development projects while RHNA is based upon the historic growth rate. As potential development does not always occur, the City expects it to fall somewhere between the two figures, such as an increase of 1,200 to 1,500 residents.

Housing Factors

The RHNA goal for new construction incorporates additional units to accommodate two factors in the housing market. First, the housing market requires a certain number of vacant units to allow sufficient choice for consumers, maintain rents and prices at adequate levels, and encourage normal housing maintenance and repair. In the southern California region, SCAG assumed a regional housing vacancy factor of 3.5%, which assumes a 1.5% ownership vacancy and 4.5% rental vacancy.

The RHNA model also adjusts the construction need goal to replace housing units lost from residential uses. Over time, all cities can expect that a certain number of housing units will be lost due to demolition, fire, conversion to nonresidential uses, recycling to other uses, or a variety of other reasons. In Barstow, the demolition rate is typically one to three units per year. New construction is varied, with some years having no residential development. However, during the housing boom in 2006-2008, more than 6,000 new homes were proposed, in addition to a 25,000 home sub-city called Waterman Junction. The housing market crash resulted in a small fraction of the homes being built. The RHNA figures took into account the housing market crash and recovery for the 2014-2021 Housing Element 5th Cycle.

Fair Share Factor

State law requires that the formula used to distribute the RHNA avoid overconcentration of income groups in any given community. The goal is to use the RHNA process to foster the production of an increasing supply and mix of housing types, tenure, and affordability in an equitable manner across the region. In practice, the idea is to require jurisdictions with a smaller proportion of lower income units to provide a larger share of lower income units as part

of their construction need to compensate for other jurisdictions that already accommodate more than their fair share.

SCAG has adopted a regional “fair share” policy that each community move 110% toward the respective county’s household income distribution in each income category. So if a particular jurisdiction has a higher or lower percentage of lower, moderate, or above moderate income households than the County as a whole, the new construction goal is adjusted accordingly. For communities still growing, this will tend to reduce the differences in household income distributions among communities in the region. The Southern California Association of Governments provides a website with greater detail on the calculations for the Regional Housing Needs formula.

Regional Housing Needs Share

With the above criteria in mind, the City of Barstow has a regional housing needs allocation (RHNA) of 843 units for the 2014-2021 planning period. The RHNA also determines the number of units by household income and level of affordability as follows: 94 units each affordable to extremely low and very low income households, 138 housing units affordable for low income households, 154 housing units affordable for moderate income households, and 363 housing units affordable for above moderate income households. These housing targets are summarized below in Table A-17.

Table A-17: Regional Housing Needs Allocation

Housing Affordability		Allocation	
Household Income Level			
Extremely Low Income*	Households earning less than 30% of CMFI**	94	11.15%
Very Low Income	Households earning 30-50% of CMFI	94	11.15%
Low Income	Households earning 51-80% of CMFI	138	16.37%
Moderate Income	Households earning 81-120% of CMFI	154	18.27%
Above Moderate Income	Households earning above 120% of CMFI	363	43.06%
	Total	843	100.00%

Source: SCAG 5th Cycle RHNA Final Allocation Plan, 1/1/2014-10/1/2021

* SCAG did not provide data for the Extremely Low Income Group as the Very Low Income group (for RHNA data) is 50% or less of CMFI. Therefore, it is assumed that the Extremely Low Income is approximately 1/2 of the Very Low Income level.

** CMFI: California Median Family Income.

4. Affordable Housing At Risk Of Conversion

In prior years, the City had experienced significant growth in its multi-family housing stock, with over 900 apartment units constructed prior to 1990.

Construction of multi-family housing in the City has continued, albeit at a slower pace with 367 units constructed during the 1990-2000 period. There were 391 units constructed from 2000-2007. Since then, no apartments have been built. This continued growth in apartment units has resulted in some incentives being necessary to attract renters, but rents have increased with the growth in the cost of living, and stabilized during the housing crash and the current economic conditions. Location is a key variable in the price of an apartment in Barstow. Apartments in newer sections of Barstow command higher prices than the same type of unit in an older section of the City. The competitive prices of many rental homes in Barstow have led some renters to choose homes over apartments. Bedroom size is a key consideration in apartments or single-family homes providing for sufficient living space for the household unit. Above all, location appears to be a key factor in both the prices and the likelihood that the unit is rented.



Publicly subsidized affordable housing provides the largest supply of affordable housing in most communities. The City of Barstow has two privately owned affordable housing projects that receive public subsidies in return for long-term affordability controls. Typically, these residential projects provide units affordable to extremely low, very low and ~~low~~ low-income households, including persons with special needs. Over time, certain affordable housing

units are eligible to change from lower income housing to market rate housing within the planning period. The two projects mentioned are the Suncrest and Riverview Apartments. The Suncrest Apartments is an 81 unit (including managers unit) comprised of 36 very low, and 44 low income households. The Riverview Apartments also has 81 units (including managers unit).

A third, ~~72-75~~ unit apartment project (Virginia Terrace), receives ~~Housing Choice~~ HUD Vouchers. Although currently eligible to go market rate in 2023, it is unlikely to do this due to the guarantee of funding from the vouchers. Two more proposals (one 72 units, the other 73) are also under consideration, though one (73 units) may not be viable ~~during this housing element cycle and is no longer being pursued by the developer.~~

The County also offers Project Based Vouchers. These are tied to an individual unit. If the individual/family moves, they lose this assistance. Two apartment complexes utilize the Project Based Vouchers, as follows:

- Sunrise Vista Apartments – 50 project based vouchers allocated to the site of 156 units.
- Sunset Pointe Apartments – 50 project based vouchers allocated to the site of 144 units.

In addition to the above mentioned apartments, the County maintains 219 conventional public housing units for low income housing. To define a set-number for the extremely low, very low, and ~~low-low~~-income units that are provided is difficult because most of the units are set-up for all affordable qualified tenants, essentially paying their appropriate portion based upon their income.

California law requires that all housing elements include an analysis of “assisted multi-family housing” projects as to their eligibility to change from ~~low-low~~-income housing to market rates. ~~At-At~~-risk units are multi-family rental housing projects that receive federal, state, and/or local financial assistance and may change from low income to market rate rents by 2024. If units are at risk, the element must include a detailed inventory and analysis.

The inventory must list:

- Each development by project name and address
- Type of governmental assistance received
- Earliest possible date of change from low-income use
- Total elderly and nonelderly units that could be converted
- An analysis of costs of preserving and/or replacing these units
- Resources that could be used to preserve the at-risk units
- Program for preservation of at-risk units and quantified objectives

Table A-18 is a list of all multi-family rental projects that have received public assistance and are deed restricted as affordable.

Table A-18: Publicly Assisted Multi-Family Housing

Project Name and Address	Project Characteristics						
	Target Group	Year Built	Total Units/ Bedroom Mix		Property Owner	Project Funding Sources	Expiration Date of Covenants
Suncrest Apartments 201 N. Yucca Ave.	Family	2003	80 + managers	2 bd: 34 du 3 bd: 23 du 4 bd: 24 du	Simpson Housing Group	TCAC	2058
Riverview Apartments 200 N. Yucca Ave.	Family	2006	80 + managers	2 bd: 16 du 3 bd: 48 du 4 bd: 16 du	Simpson Housing Group	TCAC	2061
Virginia Terrace 615 E. Virginia Way	Family	1981	75	1 bd: 13 du 2 bd: 47 du 3 bd: 15 du	Lincoln Properties	County HUD Voucher Program	2023
Conventional Public Housing Various locations.	Family Senior	Varies	179 40	NA	San Bernardino County Housing Authority	County	Perpetuity

Note:

TCAC: Tax Credit Allocation Committee

DRAFT

At-Risk Status

Barstow currently has two deed restricted properties as identified in Table A-20 above. A third property (Virginia Terrace ~~by Global Premier Development Inc.~~) takes advantage of vouchers through ~~the Housing Authority of the County of San Bernardino HUD~~. This site ~~was capable of converting converted~~ to market rate in 2001. Although they are no longer considered a subsidized facility, they have been accepting ~~County HUD~~ vouchers and have entered into a contract until April 30, 2023 to accept ~~Project Based HUD~~ Vouchers.

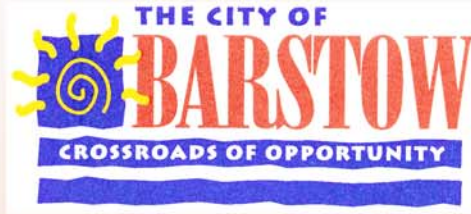
The two deed restricted units have rental units available in two bedroom through four bedroom configurations. The rents on these units are established on the income of the tenants. ~~The Suncrest Apartments have two bedroom units ranges ranging from \$355-398 to \$609,549, three bedroom units range from \$398-624 to \$660-730 and four bedroom units range at from \$430 to \$775,795. The Riverview Apartment rates range from \$323 to \$650 for two bedroom units, \$359 to \$730 for three bedroom units and \$381 to \$770 for four bedroom units.~~

To analyze the cost of the replacement of the at-risk apartments, the per-acre cost was estimated based on current land values of apartments for sale (as of January 2015) of the closest similar project (\$61,956.52 per acre). The Development Impact Fees (\$15,965.40/unit) were then calculated based upon the number of units, and the construction costs (~~\$68,130,000~~ \$71,160.00/unit). The estimated replacement cost is ~~\$6,626,685,186,766,741.95~~ (final cost of \$90,223.23/unit). This information was used because of the lack of sales data for undeveloped property suitable for apartment development.

To purchase an existing apartment building, the City compared the assessed value and the sale price of the closest comparable complex currently for sale (a ~~48-48~~-unit complex). A per-unit cost was established and then calculated based on the number of units. The replacement cost would range from ~~\$2,632,300~~ \$1,044,400 (final cost of \$21,758.33 per unit) (based upon San Bernardino Assessor's assessed value) to ~~\$3,166,667~~ \$2,350,000 (final cost of \$48,958.33 per unit) (based upon requested sales price/Redfin search, multi-family listing, 9/2017). This is considerably less expensive than building a new project (min. 45% less). In addition, the California Department of Housing and Community Development maintains a list of qualified entities that are interested in purchasing government-subsidized multifamily housing projects available at <http://www.hcd.ca.gov/community-development/preserving-existing-affordable-housing/docs/hpd00-01.xlsx> ~~www.hcd.ca.gov/hpd/hrc/tech/presrv/~~ (file HDP 00-01). Upon notification of the at-risk conversion, the city should consult this list for possible acquisition of the property or equivalent.

In 2014, the City was once again approached by one of two proposed TCAC projects. On July 21, 2014, the city was notified by the Committee giving us an opportunity to comment on this proposed ~~72-72~~-unit project (Calico Family Apartments). On August 4, 2014, the City commented in support of the project. This ~~project still~~ remains as a potential substitute for the potential conversion of the Virginia Terrace apartment complex in 2023. In addition, it is anticipated that the 75 vouchers would be utilized elsewhere at other apartment complexes.

Global Premier Development Inc. (Global Premier), proposing the above project, also has a second proposed 73 unit affordable family project located near the Calico Family Apartments. ~~It is anticipated that this project will follow the Calico Family Apartments. A recent email indicated that while the above project (Calico Family Apartments) is still being considered, this second site is no longer viable at this time.~~ Under the new General Plan ~~(anticipated to be adopted in the first quarter of 2015)~~, the Calico Family Apartments can build up to 100 units without a density bonus. ~~The second proposed project by Global Premier had already applied for a density bonus, but can increase to 74 units without a density bonus under the revised General Plan.~~



2014 - 2021
Housing Element
Appendix B - Constraint Analysis



B. CONSTRAINT ANALYSIS

Appendix B contains an analysis of potential market, governmental, and environmental constraints to the production, maintenance, and improvement of housing for persons of all income levels, including persons with disabilities.

Introduction

Decent, suitable, and affordable housing is an important goal in Barstow. Barstow has a variety of housing needs due to changing demographics, rising housing costs, socioeconomic conditions, and various other factors. The City and its civic leaders recognize the challenge of providing sufficient housing opportunities and take great care to address them. Nonetheless, the City's success in achieving its housing goals is limited by certain constraints.

Market factors, including land costs, affect the cost of housing construction. Government regulations, although designed to maintain quality of life, can also increase housing construction costs. Beyond normal market and government factors, the City's success in addressing its housing needs is also constrained by many factors well beyond its control, such as the economic climate, lending industry, and foreclosures.

To that end, California law requires a housing element to identify and analyze potential and actual governmental and nongovernmental constraints to the maintenance, improvement, and development of housing (Section 65583[a][4][5]). This section analyzes three potential constraints:

- **Market Factors.** The demand for housing; development costs, fees, and taxes charged for housing projects; availability of financing; the price of land; and other factors that increase the cost of housing reinvestment.
- **Government Regulations.** Land use regulations, building codes, site improvements, fees and other exactions, local processing and permit procedures, and other regulations that raise the cost of development.
- **Environmental Factors.** The adequacy of infrastructure, water, air quality, and public services to support new residential developments, and other environmental considerations that affect housing investment.

State law requires the housing element to demonstrate efforts to remove governmental constraints to meet the RHNA and address the need for housing for persons with disabilities (Section 65584[a][4]). If constraints preclude achievement of housing goals, state law requires jurisdictions to address and, where appropriate and legally possible, remove governmental

constraints to the maintenance, improvement, and development of housing for persons of all incomes, including persons with disabilities.

1. Market Constraints

Barstow, like many communities, has seen a dramatic decline in the number of new housing units built. This decline in housing construction is due to a convergence of factors – including tighter lending policies, declining home values, foreclosures, and cost of materials. This section analyzes the impact of these “market” factors on the development of housing in Barstow.

- **Development Costs**

Development costs include the whole range of costs incurred in the construction, maintenance and improvement of housing. These include construction costs, which include labor costs, and the cost of residential land. The cost and availability of financing are also included, since they affect the construction industry and the financial feasibility of building new residential projects. The availability and cost of financing also affect the ability of homeowners to secure a loan to purchase or improve a home.

Construction Costs

Construction costs are largely a function of building materials and labor costs. Labor costs can significantly increase construction costs, depending on whether union or non-union labor is used. For affordable projects funded by the City, state law requires the payment of prevailing wages, increasing labor costs 20% to 30% in southern California. However, to mitigate the impact of increasing labor costs on affordable housing, state law exempts certain projects from paying prevailing wages – projects using low-income housing tax credits and tax-exempt bonds where no other subsidy is used. Unfortunately, the City depends solely on private development to meet these demands because, as a small city, funding of residential development by the City is non-existent, and the City no longer has access to Redevelopment monies that could be used for such projects. It is possible, however, that senior housing projects currently under discussion could make use of low-income subsidy programs.

Construction costs also vary widely depending on the type of construction and parking requirements. For instance, wood-frame Type 5 construction over concrete parking is substantially less expensive than steel-frame construction exceeding five stories over subterranean parking. Direct construction costs can average \$220 to \$300 per square foot for these projects. These costs may vary some by jurisdiction, but nonetheless are fairly standard and not conducive for Barstow.

An appropriate modification in amenities and quality of building materials used in residential products can result in lower development costs. Another factor related to construction costs is the number of units built at one time. As the project size increases, builders are able to take advantage of economies of scale and build projects at a lower per unit cost compared to smaller projects. Unfortunately, the largest local residential project in 2013-2014 could only build to suit demand, and was limited, therefore, to 6 to 12 houses at a time, thereby precluding cost advantages associated with economies of scale.

As Barstow is not adjacent to another city, one of the problems with residential development costs is that production is limited to a few local small builders. Only during the housing boom of 2006 did Barstow see large-company builders proposing projects. These builders have not expressed interest in projects in Barstow, in part because the City's low rate of population growth leads to low levels of demand is not high enough. The lack of competition may be another factor keeping prices higher. An estimate of the construction costs (not including land) is included in Table B-1 on page HE-B-7.

Land Costs

Although not as much of a problem of late, the cost of land for residential development can represent a significant market constraint to the production of new housing in Barstow. Barstow has a significant amount of available land for residential development. Typically, land costs are lower than nearby cities. However, during the housing bubble from 2000- 2006, land prices significantly increased. Many landowners have yet to adjust their asking prices in accordance with the new financial realities, keeping acquisition costs beyond the range within which homes can be profitably built.

The market as of January 2015 reflects that vacant land prices for single-family residential range from a low of \$4,000 per acre to nearly \$100,000 per acre (ref.: www.loopnet.com and www.realtor.com). This range is due to availability of utilities and other infrastructure, as well as other factors. For instance, the highest price land noted here includes a recorded eight-lot subdivision with curbs, gutters, sidewalk and pavement already installed, with utilities at the lot, establishing an average price of \$12,500 for each lot.

Multiple family residential land values are even more difficult to ascertain. Because no vacant land for multiple family residential has sold recently, or is currently for sale, price estimates were gained from existing apartments on the market, and their assessed land value from the latest tax roll (January 2014). These land values range from \$14,300 per acre to \$85,400 per acre.

Financial Feasibility

Given the availability and land prices in the City of Barstow, densities of approximately 15 units per acre encourage the development of housing affordable to lower income households. This assumption is further supported by actual sales and for land listed for sale. Recently, January 2015, a 1/3 acre zoned multifamily was listed at \$20,000.00, with converts to \$60,000.00 per acre. Barstow has a history of very low land costs. Since 2003 two multifamily developments have been built at an average of approximately 11 units per acre. The availability of land, sizeable parcels (e.g. an acre or more) and subsequent economies of scale and construction costs for Suncrest Apartments and Riverview Apartments are contributing factors to the cost effectiveness of 15 units per acre. This cost effectiveness, in simple terms can be expressed in terms of land costs per unit at various densities.

For example, the following table uses an average land price of \$60,000 per acre. Based on a typical total development cost of approximately \$237,000 per unit¹, the table shows a significant difference between lower densities (e.g., 11 units per acre) and higher densities such as 20 units per acre. Specifically, land costs per unit at 11 units per acre are \$5,454.54 per unit and represent only 2.3 percent of total development costs. By representing less than 3 percent of total development costs, a density of 11 units per acre encourages the cost effectiveness of housing affordable to lower income households.

Units per Acre	Land Costs per Unit	Percent of Total Development Costs
11 units per acre	\$5,454.54	2.3%
15 units per acre	\$4,000.00	1.69%
20 units per acre	\$3,000.00	1.27%

Assumptions: Average land price of \$60,000 per acre and total development costs of \$237,000 per unit¹.

Note:

1 The figure of \$237,000 per unit is based upon the 2014 California Affordable Housing Cost Study for the average cost per unit by TCAC Region, Inland Empire Region (includes the Imperial, Riverside and San Bernardino areas). [The California Housing Cost Study has not yet been updated. However, an article from The Press Enterprise, dated February 12, 2017 \(Are Inland Residents Locked Out of the Housing Market?\) suggested that the Inland Empire Region per unit cost is \\$299,000.](#)

Historically the City of Barstow has been successful in the development of affordable housing, particularly very-low and low-low-income housing within its existing zoning designations which currently limit density to a maximum of 15-20 dwelling units per acre in the Mediam Density Residential district. The City recognizes that in rezoning land to allow for higher densities there is even greater potential for the development of affordable housing, and has done so- As-as part of the 2015-2020 General Plan Update and Comprehensive Zoning Ordinance Amendment the City will increase the density to a maximum of up to 20 units per acre for multi family. Table

C-2 on page HE-C-31 Recent projects built in Barstow reflect that even without increasing the density of the current designations, historically very-low and ~~low-low~~ income units have been produced.

Access to Financing

Changes in construction lending practices have also had a significant impact on the financial feasibility of building new housing. In past decades, housing developers could receive construction loans for 100% or more of a project's estimated future value. After the boom period of the early to mid-2000s and ensuing plummet in the housing market, financial institutions tightened regulations for approving construction. Loan underwriting has grown more conservative, with maximum leveraging topping out at 75%.

Lenders dramatically increased the amount of equity contribution needed to secure a loan, up from 10% to nearly 30%. Although there is no hard threshold for how much up-front cash equity is too much before a project would be deemed infeasible (or at least unattractive compared to other investment opportunities), the higher the proportion of equity required, the less likely a developer will proceed with the project. Not only would it require more up-front cash, but higher equity contribution means a project must be able to achieve an even higher value at completion in order to generate the cash flow needed to meet acceptable cash-on-cash returns.

Availability of financing is further complicated with the elimination of the Redevelopment Agency (RDA). The RDA had funds that could have been used towards financing either the development of, purchase of, or preservation of units for affordable housing. With the dissolution of the RDA, there are no funds available through the City. The most likely source of financing would be through private lending institutions. In addition, other financing sources available include those such as Fannie Mae and Freddie Mac, and the California Housing Finance Agency (CalHFA).

- **Housing Revenues**

The economic downturn also impacted the availability of financing for affordable housing, such as Low Income Housing Tax Credit Programs ([LIHTC](#)). LIHTCs provide affordable housing developers an allocation of tax credits, which are sold to investors to raise equity for projects. Investors that purchase tax credits are able to reduce their federal tax liability dollar for dollar, so that the purchase of \$1,000 in tax credits reduces tax liability by \$1,000. Because of the tax breaks, a developer can build or acquire projects with less debt, enabling them to make housing more affordable. LIHTC projects collapsed following the market bust in 2006-2007, but have picked up considerably in the past few years.

The City historically has had sporadic residential development. Before the housing boom, few houses were built each year, sometimes no houses were built. This may have been in part due to the proliferation of apartment development in the 1980's where an overabundance of apartments (more than 900 units) were constructed. An additional 367 units were built during the 1990's, and nearly 400 units were constructed from 2000 to 2007 before apartment development ceased (two of the projects are TCAC funded properties). In the early to mid-2000s, the City noticed a considerable interest in residential development. However, before many homes were built, the market crashed. This was good and bad for the City, as the City did not have an excess of vacant homes deteriorating. Even though the prices fell to below 2000 levels, housing prices remained just high enough to impede competitiveness with nearby cities. The financial crisis and the Governor's dissolution of the redevelopment agency has had a significant impact on the development of affordable units and the elimination of blight and maintenance of homes, etc. that the Redevelopment monies could have been used for.

- **Fees, Taxes, And Exactions**

Barstow charges fees to recover the cost of processing planning reviews and approvals, building permits, design reviews, and other services. In addition, development impact fees are assessed to ensure that infrastructure, public services, and facilities have adequate capacity to accommodate the demands placed upon them by new residential development. The Government Code allows such fees provided the fee amount approximates the estimated reasonable cost of providing the service and has a reasonable relationship to the infrastructure costs associated with a proposed project.

Primary fees charged for new residential development include:

- **Planning and Environmental Fees.** The City charges standard fees for planning services, design review, subdivisions, etc. Environmental fees are collected if the City were to prepare, or contract consulting services to review the environmental documents. In most instances, the developer will hire an environmental consultant (as approved by staff) to prepare the appropriate documentation. Any contracting services are billed at-cost to the developer.
- **Development Impact Fees.** Adopted in 2007, these fees mitigate impacts to the City's park and recreation facilities, infrastructure, and public services that are caused by the development. The implementation of the fees was to be phased in, with 33% required the first year, 66% the second year, and 100% the third and subsequent years. However, detached, single-family residential impact fees have remained at the 33% level in an effort to help entice the development of single-family residences. Although the City has kept