



County of San Bernardino
Land Use Services
State Department of Housing and Community Development
Via email

6/6/2022

Dear Reader,

Due to the short window of opportunity for public comment (only two weeks), there may be more to follow.

There remains an inconsistency between the San Bernardino County (County) Housing Element Policies and the Short-Term Rental (STR) policies as they are currently written and implemented, including the lack of meaningful action in the currently proposed revisions.

We recommend the following process to allow the approval of the Housing Element, and to work toward resolution of this inconsistency.

Place a “Pause” on the approval of new permits and renewal of existing permits, for a substantial period of time (in the 4 to 6 month range) during the upcoming June 14th Board of Supervisors meeting. We feel that those currently permitted or in the application process should be able to continue to operate as per the status quo during this pause but will renew under any new adopted policy conditions.

We feel the Supervisors should at the June 14th meeting, also adopt the currently proposed STR policy revisions of:

- 1) One-year annual STR permit renewals.
- 2) Disallow the transfer of the STR permit when the property is sold. The new owner starts off with a new application under the new policies once adopted.

Why the Pause

- This Pause would “stop the bleed” of our housing loss and hopefully prevent further displacement and calm the circumstances so that better decisions can be reached.
- The Pause will allow the County to process the many STR applications currently received, as well as enforce against the many illegal STRS. The illegals should not be allowed to apply for permit during this Pause.
- This Pause time will allow an ad-hoc committee of concerned and informed community stakeholders to deep dive into the situation, and study what the current conditions are in housing and in the STRs currently permitted, and craft policies to bring a balance of housing and opportunity for our community.
- We feel there should be a Mountain Committee and a Desert Committee to reflect the differing communities.

- First step is acknowledging the problem.

We have witnessed from the County a lack of acknowledgement of any housing issues or displacement caused by so many - more than 23% of homes in Joshua Tree and Morongo Basin communities and even more in the Mountain unincorporated communities - being converted into Short-Term Rental (STR) lodgings.

Simple math shows to take away that many homes, and a large percentage of population who were renting are displaced. There are countless witnesses, letters to editors, social media posts, to attest to this crisis. One that should have been stopped during the June 22, 2021 Board of Supervisors Meeting. Multiple public comments by community members over these last three or four years have been clear about the widespread affects including displacement of renters, loss of opportunity for locals to buy a home in their own community, or to rent in their own community, loss of housing for the workforce affecting local businesses, the schools, the Marines, and even the National Park. This loss is confirmed by the significant drop (hundreds) in school enrollment and long term population (more than 13% in Joshua Tree as of 2020), that signifies that a community is now on the cycle of decline. Yes, there are other factors at play, but that does not affect the Board's responsibility to adjust policy to stop this crisis that driven by the investor fueled STR market.

The State Housing and Community Development (HCD) requested in their 2/7/22 letter to the County of San Bernardino (SB County) for more clarity on certain points:

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Displacement: While the element analyzed displacement risk relative to disproportionate housing needs (e.g., overcrowded and cost burdened households), it should also consider other factors that may contribute to increased displacement concerns. For example, the County has received numerous public comments stating that short-term rentals have caused displacement in specific community plan areas. The element could include an analysis evaluating whether short term rentals is a contributing factor to displacement pressures.

We cannot find this analysis requested by the State in the County's Housing Element May Draft. The County has yet to acknowledge the displacement and dispersion of the many long-time community members that our Desert and Mountain have experienced over these last few years. The effects of the STRs started showing up in decreased rental supply and inflated prices back in 2018, and these effects were communicated to the County prior to the adoption of the STR Ordinance in Fall of 2019. These effects were communicated multiple times to the County and again prior to the June 22, 2021 Supervisors Meeting, when they had an opportunity to install a 'pause' but chose without the benefit of public comment to set a policy of no limits. This caused hundreds more residents to be impacted in very consequential and detrimental ways. Multiple public speakers requested such a pause at the June 22, 2021 meeting and again at the more recent Planning Commission meetings of 2/2 and 3/2/22. MBCA has shared information that shows what a toll this current unrestrained STR policy has taken on so many individual and families' lives including the video produced to raise awareness of these impacts. <https://www.youtube.com/watch?v=dpB3ieNEPB0&t=5s>

This loss, encouraged by County policy choices, is in complete opposition to the goals and policies of the Housing Element.

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Local Knowledge and Data: The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates, public comments, and service providers.

This necessary storehouse of local and historical information to preserve institutional memory, is why we advocated so strongly to preserve our Community Plans. The County has a revolving door of Supervisors, Planning Commissioners, and Planning and Land Use Staff – just since the repeal of the Community Plans in fall of 2020, there are already two or three new Planning Commissioners, as well as Supervisors, and dozens of planning staff, as well as a loss of at least 13% of our population in Joshua Tree – so many have had to leave that the Water District has had to redistrict.

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Other Local Ordinances: The element must analyze any locally adopted ordinances that directly impacts the cost and supply or residential development (e.g., inclusionary requirements, short term rentals, growth controls).

There was no analysis of the current or proposed revisions to the STR Ordinance in the County revisions. This is why a pause on new permits is needed. An ad hoc committee of concerned and dedicated citizens must be formed to study the current circumstances. There are many examples from other communities' work in policy revisions that can be reviewed.

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Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)

While the element includes quantified objectives for some income groups, it must also include objectives for the number of units that will be conserved/preserved for moderate and above moderate and the number of units that will be rehabilitated for extremely low, very low, moderate and above moderate. Conservation objectives may include the variety of strategies employed by the County to promote tenant stability, code enforcement and repair programs that conserve the housing stock, and the preservation of units at-risk of conversion to market rate.

If housing preservation is so important to goals of the Housing Element, why is it okay to allow 23% of the housing stock in Joshua Tree to be converted into short term rental lodgings that are owned by outside investors, not members of the community? When community members own and operate “Mom and Pop” scale extra-income business, it helps to support the local community, as the profits stay within the community and provide employment for cleaners, and home repairs. But when so much of the money leaves, and the home is owned by an absentee owner, it is a net negative for the community. We have lost a good percentage of our workforce, lost students at our schools, and few that have been raised here will be able to afford to live here to care for their aging parents and raise children. These policies have started a cycle of decline as witnessed by Big Bear having to close down an elementary school.

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E. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)

HCD understands the County made the full draft available to the public concurrent with HCD submittal. By not providing an opportunity for the public to review and comment on a draft of the element in advance of submission, the County has not yet complied with statutory mandates to make a diligent effort to encourage the public participation in the development of the element and it reduces HCD's ability to consider public

comments in its review. The availability of the document to the public and opportunity for public comment prior to submittal to HCD is essential to the public process and HCD's review. The County must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including making revisions to the document where appropriate. HCD's future review will consider the extent to which the revised element documents how the County solicited, considered, and addressed public comments in the element. The County's consideration of public comments must not be limited by HCD's findings in this review letter.

We were very disappointed in how the County submitted the Housing Element Draft without initial public comment, and then did not reveal the fact that the County had submitted the Draft during the 2/2/22 Planning Commission and did not reveal that the State had returned its 2/7/22 comments during the 3/3/22 Planning Commission meeting. This was counterproductive to the trust we citizens are supposed to have in our County, and counterproductive in solving the housing crisis in the unincorporated communities. Refusing to hear public comments on limits, caps, or a moratorium during the 6/22/2021 Board of Supervisors Meeting, as well as at the 2/2 and 3/3/22 Planning Commission meetings has eroded our trust in the County.

page 11:

F. Consistency with General Plan

The Housing Element shall describe the means by which consistency will be achieved with other general plan elements and community goals. (Gov. Code, § 65583, subd. (c)(7).)

The element must describe how consistency was achieved and how it will be maintained during the planning period. For example, to maintain internal consistency, the element could include a program to conduct an internal consistency review of the general plan as part of the annual general plan implementation report required by Government Code section 65400. The annual report can also assist future updates of the housing element.

This review for consistency has not happened in any real or meaningful way that the public is aware of.

There is a clear inconsistency between the Housing Element and the Short-Term Rental Policies that are part of the Development Code. Please see next section for a list of these inconsistent policies.

We have seen the very serious impacts on our communities with so many STRs, allowed by the STR policy, over these last three years. Over 20% of our housing stock has been converted to lodgings for tourists. While the ability of locals to earn extra income by either owning, operating, cleaning, repairing, or building an STR has much value, the issue is the land grab, and investor take that has so damaged our communities. All levels of our community have been adversely impacted:

- Those cast out of long term rentals, displaced so the owners could sell the property to take advantage of the investor-fueled market, caused in great part by the STR policy.
- Local business owners have felt the secondary affects, as the housing crisis affected so many of their workers directly and affected their pool of potential workers – shrinking the supply as many had to leave.
- Schools have been affected greatly. The Supervisors have been made aware of how enrollment is dropping due to so many people having to leave (along with other factors like some choosing to homeschool due to covid). The Supervisors have been made aware of how the lack of housing have impacted the School District in that they have a hard time hiring new teachers and staff who have a hard time finding housing.
- Young adults that grew up here have been shut out of the market.
- Senior that thought they had secure rentals, were displaced.
- Families that had rentals had to relocate, or move out into RVs in the desert, or hide out in abandoned buildings.

The following are some of the Policies of the Housing Element that the STR Policies are out of consistency with. This inconsistency is primarily due to the displacement of long-term residents either directly or indirectly from the over-saturation of STRs in our communities, and the conversion of so many homes into STR lodgings:

The Housing Element

An adequate supply of quality and affordable housing is fundamental to the economic and social well-being of the county. State law also requires that the cities and counties identify and analyze existing and projected housing needs and prepare a series of goals, policies, and quantified objectives, financial resources, and programs to further the development, improvement, and preservation of housing.

Purpose The Housing Element:

- Conserves and improving conditions in existing housing and neighborhoods, including affordable housing.
- Promotes a range of housing opportunities for all individual and households consistent with fair and equal housing opportunity.
- New housing development should be focused in areas where there is potable water, wastewater treatment, roadways, and public services.
- Affordable, moderately priced, and higher density housing should be placed in areas served by public transportation.
- Preserving, maintaining, improving, and creating distinct neighborhoods and communities protects property values and provides a desirable place to live.
- Affordable, quality housing helps attract and retain a qualified workforce and supports a prosperous local economy.

Goals & Policies

Goal H-1 Housing Production and Supply

A broad range of housing types in sufficient quantity, location, and affordability levels that meet the lifestyle needs of current and future residents, including those with special needs.

Policy H□1.1 Appropriate range of housing. We encourage the production and location of a range of housing types, densities, and affordability levels in a manner that recognizes the unique characteristics, issues, and opportunities for each community.

Policy H□1.2 Concurrent infrastructure. We support the integrated planning and provision of appropriate infrastructure (including water, sewer, and roadways) concurrent with and as a condition of residential development to create more livable communities.

Goal H□3 Housing and Neighborhood Quality

Neighborhoods that protect the health, safety, and welfare of the community, and enhance public and private efforts in maintaining, reinvesting in, and upgrading the existing housing stock.

Policy H□3.1 Public services, amenities, and safety. We support the provision of adequate and fiscally sustainable public services, infrastructure, open space, nonmotorized transportation routes, and public safety for neighborhoods in the unincorporated area.

Policy H□3.6 Neighborhood improvements. We support comprehensive neighborhood efforts to address housing conditions, property maintenance, infrastructure repair, public safety, landscaping, and other issues affecting the livability of neighborhoods.

There is a clear inconsistency between what our communities have experienced as compared to these goals and policies of the Housing Element.

Comments from reading the Housing Element May 2022 Draft Technical Report:

Page numbers refer to the page number of the pdf of the May draft redlined version:

http://www.sbcounty.gov/Uploads/LUS/HousingPlans/HousingElement_CWP_TechReport_Draft_2022_May_trackedchanges.pdf

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1.2 General Plan Consistency

State law requires that “the general plan and elements and parts thereof comprise an integrated, internally consistent, and compatible statement of policies.” The purpose of requiring internal consistency is to avoid policy conflict and provide a clear policy guide for the future maintenance, improvement, and development of housing within the unincorporated county.

All elements of the County Policy Plan (which serves as its “general plan”) have been reviewed for consistency in coordination with this Housing Element update, and the County will continue to maintain consistency within the entire Policy Plan.

All of the Housing Element Policies listed in the previous section are out of consistency with the Short-Term Rental Policies as they are currently written as well as the proposed revisions. There is no cap or limit proposed on permits, no density limits for neighborhoods, nor any limit on the amount businesses or individuals can own. This has turned our neighborhoods into commercial business enterprises, in complete opposition to the Policy Plan (General Plan) and the Housing Element.

There is no meaningful review of policy by the County in this Housing Element.

Listed here are the public concerns expressed during the community meetings that clearly show there is much concern over the extent of short-term rentals. Most of these community meetings were held before the Great Housing Displacement of 2021 and 2022.

Public Comments at public meetings for the Housing Element and Consolidated Plan updates.

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6% of public comments ask to control short-term rentals

8% address residential displacement

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Controlling short-term rentals to increase affordable long-term rentals.

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Big Bear Greatest Needs

Housing for seasonal resort workers. A single-room occupancy property may be an option for seasonal workers.

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Joshua Tree Greatest Needs

Vacation rental ordinance, particularly in areas with higher levels of tourism. Airbnb and other vacation rentals raise housing costs

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Yucca Valley Greatest Needs

- There are not many long-term rentals anymore; they have mostly been converted to short-term.*
- Existing long-term rentals are priced high.*
- People take properties off market and convert to short-term rentals. A weekend stay in a short term rental costs as much as people in the area would pay for a month of housing.*

- *Families are doubling up, moving into homes together, or living in multigenerational homes.*

Stakeholder Interviews

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In mountain area and High Desert area, there is an influx of vacation home rentals flooding the market. Long term rentals are gone. Need to limit the number of short-term rentals.

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A lack of housing inventory, due in part to the prevalence of short-term rentals in the county, impacts housing choices by restricting long-term rentals.

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While the majority of unincorporated communities expressed a strong desire to retain their low density and rural nature, unincorporated residents also expressed concern about the persistent popularity of short-term rentals, both in terms of nuisance issues and the potential negative impact on the supply of affordable long-term housing for lower income residents and employees. To bolster the County's recent modifications to limit the development of short-term rentals to the Mountain and Desert areas (see str.sbcounty.gov), public input directly influenced the creation of Program 4 to evaluate the potential impacts of short-term rentals on the supply of affordable housing and the local hotel industry.

2.1 Demographics

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The number of people living in the unincorporated areas has fluctuated over the years and has only increased from about 298,000 in 1970 to around 300,000 in 2020. This is because new growth tends to occur in incorporated areas (which contains infrastructure, services, and amenities that support new development), and because incorporated communities often annex territory associated with proposed development projects. Much smaller amounts of growth occur in unincorporated areas that remain unincorporated. Table 2-1 displays population trends since 1950.

Table 2-1 Population Growth Trends shows that the population in the unincorporated area was: 2010 to 2020

291,584 to 300,478

Which is a growth of 8,894, a 3% growth.

2.1.3 Households

Household Growth

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Between 2020 and 2030, SCAG projects approximately 5,800 households to be added in unincorporated areas compared to over 80,000 more households in incorporated cities. In comparison, the 2021–2029 RHNA allocation allocates 8,832 units to the unincorporated region, which includes 6,000 new units based on projected growth of new households and about 2,800 new units based on pent-up demand from existing households.

There is one crucial number that is shown in two very different amounts. This needs to be reconciled.

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Table 2-7 Projected Household Growth, 2010-2045

2010 to 2020 Household Growth

94,085 to 98,783 = 4,698 households

Page 48 (this number also shown again)

Table 2-8 Composition of Households in 2010 and 2019

2010 to 2019

94,085 to 95,226 = 1,141 households

Household income

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While income distribution is generally similar, unincorporated communities tend to have slightly more lower income households and incorporated communities tend to have slightly more above moderate income households. This can be attributed in part to the lower cost of living in unincorporated communities, where land and housing prices are much cheaper.

2.2 HOUSING CHARACTERISTICS

2.2.1 HOUSING STOCK GROWTH

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Housing growth in San Bernardino County also took place largely through master-planned development—primarily in existing cities. With the exception of substantial growth in the City of Victorville, growth was focused within cities in the Valley region.

While housing production slowed between 2010 and 2020 throughout southern California, growth rates in the incorporated San Bernardino County communities continued to outpace the unincorporated communities and kept pace with the overall SCAG region. Fewer than 3,000 new units were built in the unincorporated communities between 2010 and 2020, reflecting the desires of housing developers, home buyers, and renters desire to be closer to services and amenities associated with living in a city or incorporated town. New housing units in unincorporated areas tends to be homes built by individuals or small batches of rural estates (half-acre lots or larger), with most of the units relying on onsite water wells and septic systems.

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Table 2-12 Housing Stock Growth

2010 to 2020

132,780 to 135,075 = 2,295 homes in unincorporated

Our summary of the above section:

Between 2010 and 2019/2020:

The overall population of the unincorporated is reported to have grown 8,849.

The number of households growth was either 4,698 or 1,141. (Which is correct?)

The number of housing units built was 2,295.

So that means construction either met only half the demand or it was double the demand depending which number is correct. On top of that, almost 5,000 homes were converted into STR lodgings.

The confusion of this issue, besides that inconsistent number, is that there is resident growth in the Valley and the North Desert Region, but loss of residents in the Mountain and the East Desert Regions – in the tourist-heavy unincorporated communities- due to the STR pressures.

The County must reorganize how it handles its unincorporated land use management for the unincorporated areas. We suggest the County considers breaking this management into a 4 Region System, each region with its own Planning Commission and its own Area Plan. To have a clearer

Housing Element, we suggest 4 Regional Sections to be included in the County’s Housing Element. The STR Policies also should be Regional based – one for the Mountain Region, and one for the East and North Desert Regions.

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2.2.2 Housing Unit Type

In a complete community, the availability of different housing products is important for residents. Ideally, residents of different age and income levels will have a wide choice of housing available in their community of choice. In an area as vast as San Bernardino County, where urban form ranges from rural to suburban to urban densities, a broad mix of housing is less possible. Outside of more urban areas, this diversity may not exist due to infrastructure constraints. Infrastructure is typically cost prohibitive to build until a certain density of population and housing occur, and the associated density provides significant revenues to fund infrastructure. This explains why higher density housing tends to cluster in incorporated cities and towns.

Table 2-13 Housing Unit Type in 2020

- 83% single family detached
- 2% Single family attached
- 10% Mobile Homes
- Multifamily 2 to 4 units 3%
- Multifamily 5 or more units 2%

The differences in housing type between the unincorporated areas and the overall county reflect differences related to land and infrastructure costs. Land is cheaper in unincorporated areas, which enables an individual to purchase land (aka a parcel or housing lot) that is one-half acre or larger. Lots that are at least one-half acre in size can be developed with a single-family home that uses onsite water (a well) and wastewater systems (a septic system). However, lots that are within a certain distance of a sewer system and/or piped water system (even if larger than one-half acre) are generally required to connect to those systems and are not permitted to use onsite water or wastewater systems. The cost to connect to existing sewer or piped water systems beyond a certain distance or to build a wastewater treatment system (such as a small-batch treatment plant) that can support multiple homes can be very costly.

In the unincorporated areas, there are thousands of acres of land that could support a single family home due to the low cost of land and the ability to use onsite water and wastewater systems. In contrast, land in incorporated cities and towns is more expensive, developed at much higher densities, and almost always requires a connection to existing sewer and water systems

The issue on the above section is that now land is no longer cheap in much of the East Desert. We have noticed that values are brought up to current conditions in some locations of the Housing Element, but not in others.

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2.2.3 HOUSING TENURE AND VACANCY

Housing tenure refers to whether a unit is owned or rented. A low vacancy rate suggests that households may have difficulty finding housing within their price range; a high vacancy rate may indicate an imbalance between household characteristics and the

type of available units, an oversupply of housing units, or a large number of vacation/ seasonal units.

In 2019, San Bernardino County had a vacancy rate of 0.9% for owner-occupied homes and 1.5% of renter-occupied units. The vacancy rate in the unincorporated areas is similar at 1.4% for owner-occupied homes and 1.0% for renter-occupied units. An optimal vacancy rate is generally considered 5% to 6% for rental units and 1.5% to 2.0% for owner-occupied units. Higher vacancy rates lead to lower housing production while lower vacancy rates lead to increased rents and purchase prices. By these standards, the county as a whole and the unincorporated area are both tight housing markets, due in part to the slowdown in housing production since 2010. The rental market is particularly tight, especially when compared to the 2010 rates of 9.5% for the unincorporated areas and 8.7% for the county as a whole. It should be noted that the economic recession of 2007 to 2009 contributed substantially to the higher vacancy rates in 2010. Regardless, the lack of available and affordable ownership housing has created an increased demand for rental housing. While multifamily housing production is increasing, the development community has not built enough rental housing to allow for a healthier vacancy rate.

2010 to 2019 Vacancy rate for long-term rentals changed from 9.5% to 1.0%.
A healthy rate is described to be from 5% to 6% .

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In the unincorporated county, a large number of housing units (between 30,000 and 40,000) are vacant but not for sale or rent.

Data listed in Table 2-14 as “other vacant” is from 2019 ACS; 2020 Census data released in August 2021 reported lower household and vacancy numbers for the unincorporated areas). Vacant housing is primarily owned by individuals for seasonal, recreational, or occasional use (including short-term rentals), with most (approximately 25,000 to 30,000) in the Mountain region. Between 20,000 and 25,000 of vacant units are in the unincorporated Mountain areas and over 7,000 are in the City of Big Bear Lake. In fact, most of the units in the unincorporated communities of Lake Arrowhead (71%), Big Bear City (58%), Running Springs (57%), and Crestline (51%) are owned by individuals for seasonal, recreational, or occasional use (including short-term rentals).

A number of unincorporated communities in the Desert region also contain a substantial amount of vacant housing, with roughly one in four units sitting vacant for at least part of the year. In Joshua Tree, for example, of the estimated 900 to 1,000 total vacant units (23% of all units in Joshua Tree), over 700 or 18% of all units are for seasonal, recreational, or occasional use. In Homestead Valley, roughly one in three units (778) sit vacant for at least part of the year, most of which (563) are for seasonal, recreational, or occasional use.

Both the Mountain and Desert regions are popular tourist destinations that draw people from around the nation. The Mountain region in particular contains several resorts with workers earning lower incomes that need seasonal or full-time housing. Based on public outreach input, some of these workers have difficulty finding housing due in part because of the prevalence of short-term rentals. Concerns expressed in the Desert region related more to noise issues associated with short-term rentals, though some residents also indicated that short-term rentals may impact the ability of some (e.g., students attending Copper Mountain College) to obtain nearby and/or affordable housing.

The public meetings for this report occurred in 2018 or 2019, before the huge conversion of housing stock to STR lodgings. If the meetings were held now, the vast majority of attendees would discuss the displacement that has occurred and is occurring, and that many are having a hard time finding and affording long term rentals as well as homes for purchase. These homes were affordable, and plenty were available a mere few years ago, prior to the STR influx.

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There are approximately 14,000 to 18,000 housing units that are vacant for other reasons (10,000 to 12,000 in incorporated areas and 4,000 to 6,000 in unincorporated areas). Roughly 14% of those in incorporated areas are in the City of San Bernardino. According to the U.S. Census, the reasons for nonseasonal vacancy are (listed in descending order): personal/family preference, in need of repair and not ready for rent or sale, in foreclosure, currently being repaired, used for personal storage, in a legal proceeding, currently preparing for rent/sale, or possibly abandoned or to be demolished/condemned. Some of these vacant units will eventually make it into the housing market for rent or sale while others will remain off the market.

There are incorrect percentages in this very important table. We have corrected in red. This is one important location to add a line item for the STRs, for clarity.

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Table 2-14 Housing Tenure and Vacancy in 2019

Percentages that were incorrect in the chart but corrected (to best of our knowledge here). The total of vacant parcels in the three locations of the chart are not equal.

	Units	Percentage
Owner Occupied	62,979	46%
Renter Occupied	32,247	23%
Vacant	42,261	31%
Total	137,487	100%

Vacant for rent	1,671	1.2%
Vacant for sale	2,311	1.7%
Vacant (other)	39,555	28.7%
total	43,537	31.6%

	units	total	seasonal/Rec
Valley Region CDPs	13,899	7%	< 1%
Mountain CDPs	23,303	59%	52%
North Desert CDPs	2,885	15%	8%
East Desert CDPs	1,478	25%	18%
Total	41,565		

Covid-19 Pandemic

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With national, state, and local assistance and eviction restrictions, tens of thousands of county residents were able to remain in their homes and landlords were able to remain financially solvent.

This was not the case for people that had paid their rent, but the owner decided to sell to take advantage of market. They were given their 60 days' notice. This happened to many people over the course of the last year and a half, and previously.

Without additional eviction restrictions and other financial assistance (at national, state, or local levels), the vacancy rate is expected to increase as well as rates of overcrowding and homelessness. The latest countywide point-in-time survey of those experiencing homelessness took place in April 2020 (just one month after the stay-at-home order was given), and the 2021 survey was cancelled due to the ongoing pandemic. Accurate estimates of homeless rates are unavailable for 2021.

The Point in Time Count was in January, 2020, just prior to Covid. This is correctly shown in a few locations in the Housing Element, and incorrectly in others.

2.2.5 Housing Cost and Affordability

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Still, San Bernardino County offers some of the most affordable housing options in Southern California. The sheer size and relative abundance of groundwater (even in the county's Desert regions generates), allows an individual to build a home at a cost that is affordable to lower income households. Between 2018 and 2021, over a quarter of new single family homes built were purchased at prices that are within the maximum affordability thresholds shown in Table 2-17. Moreover, these single family homes are affordable at market prices (i.e., no subsidy). Almost another 30 percent of recently built homes were valued or sold at prices that are affordable for moderate income households.

It would have been very difficult for anyone with less than an "above moderate" income to build a house in any recent memory. Certainly, now, that is the case with increased land, labor, water meter, and material costs.

This is also the case for home purchase, and home rental. What used to rent for \$1000 or less prior to 2018, increased to \$1200/\$1300 in 2018, and would currently be closer to \$1800 a month to rent. Homes that sold for \$225,000 for many years, jumped into more \$380,000 to \$400,000 plus. Ironically, throwing all these assumptions out the window – smaller homes seem to sell for more in the \$600k range, due to where they are located. Prices are all over the place.

The point is many cost and income assumptions made in the Housing Element do not reflect the experience of "the common man or woman".

The below does not take into account the massive change the STR market has created in the Desert. The Mountains started previously with STRs, so more impacts were known at the beginning stages of this Housing Element process in the Mountains.

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The median monthly rents in unincorporated communities are generally affordable to lower income households, even when adjusted for household size. Based on this information, nearly all existing rental housing in unincorporated communities can also be assumed to be affordable to moderate income households.

The Valley region has the greatest concentration of people, jobs, and homes, the highest demand for rentals, the greatest range of housing size, and the highest median prices overall. The most affordable rental housing is in the Desert regions, where the environment, oversupply of housing relative to jobs, and higher vacancy rate drive down rents. Rents in the Mountain region is close to prices in Valley communities, due to the limited supply of housing, with supply constrained by topography, safety hazards, and the presence of seasonal homes that are not available to those seeking year-round rental housing.

Household Overpayment and Overcrowding

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A primary goal for communities is the provision of decent housing and a suitable living environment for residents of all economic levels. Overpaying for housing can significantly burden a household. These households are likely challenged to afford other basic needs and could face eviction, foreclosure, or overcrowding to reduce the cost burden.

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Large Households

The ability of to build single family homes at a very low cost enables unincorporated residents to construct and/or acquire housing with enough room for their entire household. However, larger households may need to spend more than 30% of their income to live in a larger housing unit.

That is a fantasy.

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2.3.5 PERSONS EXPERIENCING HOMELESSNESS

The Point in Time Count did not find the many families that are doubled up, or living out in the desert in RVs, or hiding out in boarded up buildings, as they are afraid for losing their children if they are found. The County was well-informed from many different citizens and stakeholders in the communities in the Mountains as well as the Desert about these housing issues at many previous meetings.

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Disproportionate Need and Displacement Risk

Overcrowding and Overpayment

The higher rate of overcrowding is often associated with a lack of affordable and/or appropriately-sized housing.

The shortage of housing in San Bernardino County may exacerbate both overcrowding and overpayment as residents may have to “double up” due to lack of housing options or to be able to afford the housing that is available. In 2019, the vacancy rate for rental units was 3.7 percent, below the national average of 5.97 percent. These vacancy rates are typically considered low as they do not provide enough availability for residents to easily relocate due to any circumstances that may arise, such as a change in job, income, or growing family.

This above is what we are experiencing in our communities. Approximately 10% of the Morongo Unified School District students are considered homeless under the McKinney Vento definition. We have heard from teachers and school administration about many families having to double even triple up.

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Homelessness

The latest countywide point-in-time survey of those experiencing homelessness took place in April 2020 (just one month after the stay-at-home order was given)...

Persons experiencing homelessness, or at risk of becoming homeless, are typically extremely low-income and are displaced from housing due to inability to pay or other issues.

Displacement Risk

Displacement risk increases when a household is paying more for housing than their income can support, their housing condition is unstable or unsafe, and when the household is overcrowded. Each of these present's barriers to stable housing for the occupants. In San Bernardino County, renters make up only 40% of households countywide. Particularly in unincorporated San Bernardino, rates of rental housing are low, with the largest concentration of rentals seen in the Valley region near highly populated incorporated cities like the City of San Bernardino and the City of Redlands. Rates of overpayment by renters in unincorporated areas of the county are significant, with rates of over 40% or more of the population seen across much of the unincorporated county area. Areas with higher rates of overpayment by renters tend to coincide with areas that have lower median incomes. So, while there is a low percentage of population renting in unincorporated San Bernardino County, those residents who are renting may face significant rates of overpayment.

Fewer than 3,000 new units were built in the unincorporated communities between 2010 and 2020, reflecting the desires of housing developers, home buyers, and renters to be closer to services and amenities associated with living in a city or incorporated town. New housing units in unincorporated areas tends to be homes built by individuals or small batches of rural estates (half-acre lots or larger), with most of the units relying on onsite water wells and septic systems.

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Displacement pressures often result from the construction of new, higher-priced housing, enabling or encouraging the property owners of existing rental housing to increase monthly rent based on comparable market rents. Rents on new multifamily housing in unincorporated areas is lower compared to incorporated areas, and a review of housing rents around new rental housing in unincorporated areas does not indicate an increase in the rents of existing housing. As stated above, the rate of new housing construction is low in the unincorporated areas, with the majority of new housing built as ownership units. The majority of land shown on Figure 2-15 is unpopulated or underpopulated to a degree that no market pressures would exist that would create a risk of displacement. Community areas like Joshua Tree and Muscoy experience very little development pressure and are not designated (and do not contain sewer infrastructure) to support new rental housing that would put pricing pressures on existing housing stock.

The Housing Element is not current and ignores the current huge pressures on Joshua Tree, and other communities with so many STRs. This section above discusses displacement but makes no mention of STRs as a major cause.

Aside from a potential subarea of Fontana, however, the combination of few existing rental households and little new rental housing under construction, the risk of displacement to renters in San Bernardino County generally does not pose a major fair housing concern.

This is inaccurate. It certainly does, now.

But then here in this next section, the problem is discussed:

TABLE 2-33 FACTORS THAT CONTRIBUTE TO FAIR HOUSING ISSUES

Contributing Factors (High Priority)

Short Term Rental Housing: The prevalence of short-term rental housing, particularly in tourism areas, may constrict the availability of rental housing and increases rental prices even after County amendments in 2019. This can create an issue where lower income residents and employees lack access to affordable housing.

But then the solution offered here (Program 4) has a timeline that is WAY TOO far down the road, and unacceptable. Our communities need action on this immediately.

Meaningful Actions, Metrics, and Milestones

Conduct a public planning process to develop policies to limit the negative impacts of short-term, whole-home rentals on the availability of affordable long term rental housing (see also Program 4 in the Housing Strategy).

Timeline:

2022: Conduct a study to determine the current and projected impact of short-term rentals on the housing supply throughout the unincorporated county and on the motel/hotel businesses in the Mountain and Desert regions

2023: Conduct public engagement to obtain insight from property owners, employers, and employees in target areas

2024: Conclude study and initiate implementation of strategies based on the study's findings

Metrics: *Completed study and public input; new regulations on short-term rentals and incentive program to use properties for long-term rentals for local employees and lower income residents*

Communities that have experienced displacement from STRs are not shown. This should be updated to reflect the displacement due to STRs, as the HCD requested in their 2/7/22 Comment Letter.

In the Valley region, ADUs must be rented for a term longer than 30 days. The Mountain and Desert regions allow for short-term ADU rentals, with terms less than 30 days, in accordance with Chapter 84.28 of the County Development Code.

Program 4. Short-term Rentals

The proliferation of short-term, whole-home rentals can reduce the amount of available rental housing (particularly that which is affordable) for people who work in a seasonal and permanent basis in the Mountain and Desert regions (and drive up the cost of housing in the Valley region). Short-term rentals may also have a negative impact on local hotel/motel businesses. The County permits private homes, including ADUs, to serve as short-term rentals in the Mountain and Desert regions (maximum stay of 30 days). In the Valley region, private homes or ADUs must be rented for a term longer than 30 days.

To increase the availability of long-term housing options, the County will conduct a public planning process and a study to determine if the County should establish a limit on the number of private homes or ADUs that can be developed and used as short-term rentals in the Mountain and Desert regions. The study should also evaluate the potential effectiveness of various incentives to encourage long-term rentals, particularly for local employees and lower income residents. If the study identifies a significant negative effect on the supply of affordable rental housing and/or motel/hotel industry, the County will establish incentives to encourage long-term rentals and/or limit the number of total and/or new short-term rentals that can be permitted in the Mountain and Desert regions.

Objective: Conduct a public planning process and study to determine the current and projected impact of short-term rentals on the housing supply throughout the unincorporated county and on the motel/hotel businesses in the Mountain and Desert regions. Establish and implement strategies based on the study's findings. Update and resubmit 2018 through 2021 annual progress reports (APRs) and ensure that future reports account for units (ADUs, site-built homes, or manufactured homes) that apply for a short-term rental permit and communicate this information to HCD to remove such units from being counted as long-term housing units (at any level of affordability).

Responsibility: Community Development and Housing, Land Use Services

Funding Source: General Fund

Timeframe: Initiate study in 2022 and complete public outreach and engagement in 2023, with a target completion date no later than 2024. Establish and begin implementation of recommended solutions by 2024 if the study's conclusions support the establishment of incentives and/or a limitation (by region and/or for specific unincorporated communities); update 2018-2021 APRs in 2022 and adjust future APRs annually to remove units used for short-term rentals.

Program 4 is a clear statement of the issues. We look forward to also hearing acknowledgement of this housing crisis impacted by so many STRs from our Supervisors and Planning Commissioners. The issue is the timeline for this program must be accelerated to reflect the urgency of the situation.

We appreciate the opportunity to comment.

Sincerely,

Steve Bardwell, President of MBCA
Janet Johnston, Director of MBCA