

Table H-6
Household Income Distribution

<i>Income Categories</i>	<i>Tenure of Households</i>			<i>Total of Households</i>	<i>Percentage of Total</i>	
	<i>Owners</i>	<i>Percentage of Households</i>	<i>Renters</i>			<i>Percentage of Households</i>
Extremely Low	1,525	5%	2,730	14%	4,255	9%
Very Low	2,280	8%	3,375	18%	5,655	12%
Low	4,530	16%	2,745	14%	7,275	15%
Moderate or Above Moderate	19,600	70%	10,380	54%	29,980	64%
Total	27,935	100%	19,230	100%	47,165	100%

Source: Comprehensive Housing Affordability Strategy (CHAS), 2010.

Note: Numbers differ from the Regional Housing Needs Assessment (RHNA) because the CHAS household income levels are adjusted for household size, whereas the RHNA distribution is not adjusted for household size.

3. Housing Profile

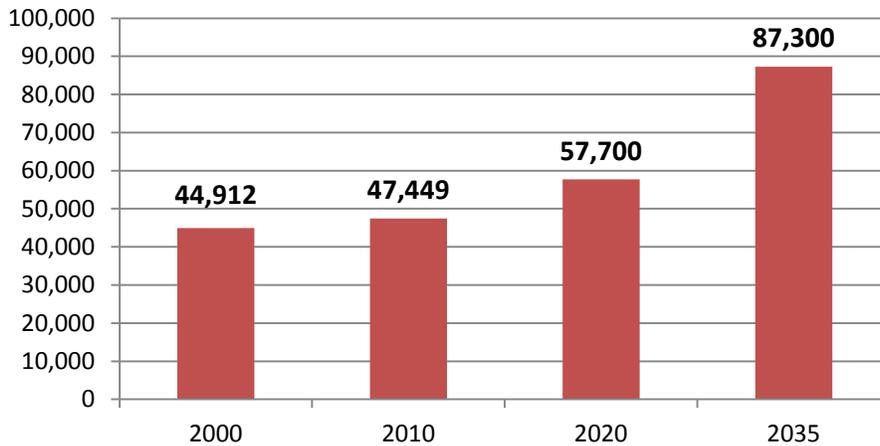
This section describes and analyzes various housing trends and housing characteristics to provide a basis for assessing the demand and supply of available housing for the community. They include housing growth trends, housing characteristics, age and condition of housing, housing prices and rents, and homeownership trends.

Housing Growth

Between 2000 and 2010, communities in San Bernardino County increased 11 percent in total housing, more than 1 percent annually. Housing in the City of Ontario, which contains approximately 7 percent of the county’s housing, increased 6 percent during the same period. In fact, during the 1990s, housing production lagged behind population growth, with a growth of ten residents for every new home. This increase is reflected in the growing average household size.

The 2030 General Plan Land Use Element projects significant housing growth. With the gradual development of the 8,200-acre New Model Colony, the Ontario Airport Metro Center, specific plans, and other areas of the community, Ontario is projected to have approximately 87,300 housing units by 2035. For the 2013–2021 Housing Element planning period, the City is projected to increase housing production by more than 10,000 units (Figure H-2).

Figure H-2. Ontario Housing Growth, 2000–2035



Source: US Census Bureau 2010; Southern California Association of Governments 2012.

Housing Characteristics

Housing Type

As shown in Table H-7, the majority of Ontario’s existing housing is single-family detached units. Net growth in single-family, multiple-family (5+ units), and mobile home construction has been relatively modest with an increase of about 8 percent in each category. The City saw little growth in attached single-family units, with the most significant housing growth occurring in multi-family developments of two to four units in the period between 2000 and 2010.

Table H-7
Housing Type 2000–2010

Unit Type	Number of Units		2000–2010 Change	
	2000	2010	Number	Percentage
Single-family detached	26,773	28,997	2,224	8%
Single-family attached	3,633	3,634	1	0%
Multiple-family (2–4 units)	3,960	5,745	1,785	45%
Multiple-family (5+ units)	8,749	9,479	730	8%
Mobile homes and other	2,067	2,229	162	8%
Total	45,182	50,084	4,902	11%

Source: California Department of Finance 2000; US Census Bureau 2010.

Unit Size

Housing size is an important factor in housing availability. There must be an adequate supply of different sized housing that matches family needs. Table H-8 shows 27,099 units with three or more bedrooms. When compared to the 13,168 families of five or more, there appears to be a shortage of large units. Of particular concern is the mismatch between large rental units (4,887 units) versus the 6,089 renter families with five or more members. This mismatch is typically due to two factors: (1) the cost of housing relative to income that causes families to double up; and (2) the fact that the building industry typically does not produce large apartment units.

Table H-8
Housing Size by Tenure

Bedrooms	Owner	Renter	Total
Studio or 1 bedroom	774	5,056	5,830
2 bedrooms	4,948	9,289	14,237
3 bedrooms	22,212	4,887	27,099
Total	27,934	19,232	47,166

Source: US Census Bureau 2010.

Housing Tenure

Homeownership

The American dream is intertwined with the goal of homeownership, which is often associated with independence, economic success, safety, and family. Ownership 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 in the neighborhood. Home investment, pride in homeownership, and the physical presence of homeowners contribute to neighborhood quality and stability.

As of the 2010 Census, the City of Ontario has a homeownership rate of 59 percent, with 27,934 homeowners and 19,232 renter households. This percentage increased slightly from the 58 percent homeownership rate in 2000. Since the 2010 Census, the homeownership rate is anticipated to remain the same, due in part to single-family and multiple-family construction. Of all the single-family units in Ontario, 77 percent of detached units and 68 percent of attached units are owner-occupied.

Vacancy Rates

The housing vacancy rate is a key indicator of the housing market and how well housing supply matches the demand. Typically, vacancy rates of 5 to 6 percent for rental units and 1 to 2 percent for ownership housing are needed to offer a variety of choice for residents, incentive for developers, and sufficient price options for consumers. Vacancies in excess of these norms are usually considered to be excessive and lead to price depreciation. Lower vacancy rates are deemed to indicate a tight market, where housing rents and prices are expected to increase.

In 2010, Ontario's housing vacancy rate for rental units was 5.8 percent, within the ideal range for rental vacancies. From 2000 to 2010, the City experienced an increase in rental vacancy rates, increasing from just 3.3 percent in 2000. It is unclear whether the housing market downturn will cause further changes in the rental vacancy rate.

The 2010 Census indicated a 2 percent vacancy rate for ownership units. Like the apartment market, the homeownership market has seen modest increases in sales prices. With the rise in the number of foreclosures in recent years, the vacancy rate has likely increased, though the exact magnitude of change is unclear. In the short term, however, foreclosures will continue to dampen the market for for-sale units.

Housing Prices and Rents

During the 2000s, the Inland Empire experienced incredible growth in population, housing, and employment. Coupled with historic low interest rates, creative lending practices, and pent-up housing demand, this growth resulted in one of the largest housing booms in recent years. According to Zillow, the median resale price in 2012 was \$232,800 for single-family homes and \$141,500 for condominiums. Between 2000 and 2006, median home sales prices increased 195 percent (from \$138,000 to \$408,000), which was followed by nearly a 50 percent downturn in median home sale prices between 2006 and 2010 (from \$408,000 to \$204,000).

In 2010, 4.4 percent of housing units in Ontario were mobile home units. Mobile homes provide an additional opportunity for lower-income households to own a home. According to a market survey, the 2012 median mobile home sales price was \$44,400. Mobile home parks typically provide landscaping and infrastructure maintenance, easing the maintenance burden on park residents. This is particularly helpful for those with limited mobility, such as seniors and disabled persons.

New housing in the New Model Colony and along the Interstate 10 (I-10) corridor is creating a new standard for quality housing, equipped with the latest in amenities to attract and retain the City's growing professional workforce. The median home sales price in the Edenglen

neighborhood ranges from the mid \$200,000s to the mid \$600,000s for large homes.

Apartments and rental single-family homes are a key housing option for young adults and young families so they may dedicate their limited funds to other needs. Senior housing also provides a rental opportunity for seniors with limited incomes or mobility, who can benefit from the greater affordability, compact nature, and lower maintenance needs of apartments.

The City has a wide variety of rental products, including apartments, senior housing, single-family homes, and condominiums. Since 2000, Ontario has experienced significant growth in employment and population that outpaced the growth in rental housing construction.

Whereas apartments are the primary rental product in many cities, single-family homes comprise a significant percentage of rentals in Ontario. One quarter of all single-family attached and detached products are rented. Rents for single-family homes are comparable to apartments and condominiums. According to Zillow, the median rent price for a single-family home in 2012 was \$1,550 per month, and the median rent price for an apartment was approximately \$1,250 per month.

Housing Affordability

Housing affordability is a critical issue. The inability to afford housing leads to a number of situations, including the doubling up of families in a single home, low homeownership rates, illegal units, overextension of a household's financial resources, premature deterioration of units due to the inability to afford maintenance, and situations where young families and seniors cannot afford to live near other family members. Table H-9 and the following discussion describe housing affordability in Ontario.

Homeownership

According to DataQuick Real Estate Services, the median sale price of a home in Ontario was \$204,000 in 2010, a 50 percent decline from median home sale prices in 2006. The long-term increases in housing sales prices seen between 2000 and 2006 were sustained by historically low interest rates, lending policies, and high housing demand relative to available supply. After multiple years of double-digit increases in prices, housing value appreciation has tempered, signaling the end to an unprecedented boom in housing construction and lax lending policy.

Based on 2010 household income data from the American Community Survey, 50 percent of households in Ontario could afford the median

Affordable Housing -
Many different standards exist for housing affordability and the standard used depends on the agency consulted, funding source used, and whether household size is considered. The Ontario Housing Element uses the U.S. Census definition of overpayment as a housing cost burden that exceeds 30% of household gross income.

existing single-family detached home, a significant increase from the 20 percent of households that could afford a median-priced home in 2007. The minimum household income needed to purchase an existing median priced home at \$204,000 in Ontario was approximately \$57,000 based on an average mortgage interest rate of 5 percent and 5 percent down payment.

Condominiums provide affordable housing opportunities for residents. The median condominium price, \$141,500, would require a household income of \$43,000, which is earned by 65 percent of the City's households.

These housing price figures become more meaningful when compared to the average wages for typical Ontario jobs. The average annual income in the Riverside-San Bernardino-Ontario metropolitan area for a registered nurse is \$70,153, for a firefighter is \$49,276, for an elementary school teacher is \$63,392, and for an engineer is \$84,699. Although new mortgage financing tools, such as adjustable rate mortgages, have stretched the purchasing power of residents, these same techniques are now contributing to foreclosures. In any case, the high home prices for units in the New Model Colony are beyond the affordability of many Ontario residents.

Rental Housing

Rental housing provides an important source of affordable housing for young adults, families with children, and seniors who earn low and moderate incomes. Since approximately 36 percent of Ontario households earn lower incomes, providing a sufficient quantity of decent and affordable rental housing for the workforce, young adults and families with children, and seniors is an important goal. Table H-9 summarizes the affordability of rental housing in Ontario.

Market surveys revealed that location and age are significant factors in rental affordability. Existing rental units in established neighborhoods are typically affordable to low- and moderate-income households. Rental housing in these areas is vital to supporting seniors with fixed incomes and residents working in lower-paying service, retail, and hospitality trades.

Single-family homes, condominiums, and apartments in Ontario typically rent for \$1,000 to \$2,200 per month, depending on the number of bedrooms and the age and size of the unit. Apartment rents average \$1,091 for a one-bedroom unit, \$1,373 for a two-bedroom unit, and \$1,546 for a three-bedroom unit. Moderate-income four-person households can afford up to \$1,860 in rent per month; thus, most existing rental units surveyed (apartments, condominiums, and single-family homes) are affordable to them.

Lower-income households have greater difficulty affording housing. For reference, an extremely low-income household earns equivalent to a full-time job at minimum wage and a very low-income household earns equivalent to two minimum wage workers. Both households could not afford to rent a home without doubling up and significantly overpaying for housing. Low-income households could afford a limited number of rentals, but most likely face overpayment, overcrowding, or both.

Table H-9
Housing Affordability Summary

<i>Income Levels</i>	<i>Definition (Percentage of County AMI)</i>	<i>Maximum Household Income¹</i>	<i>Maximum Affordable Price²</i>	<i>Maximum Affordable Rent³</i>
Extremely Low	Less than 30%	\$20,100	\$63,700	\$500
Very Low	31% to 50%	\$33,500	\$102,000	\$840
Low	51% to 80%	\$53,600	\$153,000	\$1,340
Moderate	81% to 120%	\$75,950	\$255,000	\$1,900

Assumptions:

¹ Household size of four persons. Maximum income limits are established by the Department of Housing and Community Development according to median family income (AMI) for 2012.

² Assumes 5% down payment, 30-year loan at an interest rate of 5%, and standard housing costs. Housing affordability is calculated at 30% of income, assuming mortgage costs are tax deductible.

³ Rental payment is assumed at no more than 30% of income after payment of utility costs.

Housing Problems

In today's housing market, where prices and rents have increased faster than personal income over the past decade, Ontario households are paying increasingly more of their income for housing and have less discretionary income to afford other necessities. Overcrowding is also becoming more prevalent as residents choose to live in smaller housing units. The following discussion focuses on both issues in Ontario.

Overpayment

Housing overpayment is an increasing problem in many cities, particularly among lower-income households. The federal and state governments define housing overpayment as when a household spends more than 30 percent of their income toward rental costs or toward a monthly mortgage payment. Overpaying is a housing problem because it leaves a household with limited financial resources for other expenses. Overpayment is particularly problematic these days as five-year adjustable rate mortgages come due and higher monthly mortgages result.

As of 2010, housing overpayment in Ontario affected 41 percent of renters (9,754 households) and 33 percent of homeowners (12,238 households). The Comprehensive Affordable Housing Strategy (CHAS) totals are slightly different due to sampling differences. Overpayment is traditionally more prevalent among renters than owners. However, because many homeowners have adjustable rate mortgages, housing overpayment is becoming a greater concern and leading to higher foreclosure rates. In any case, housing overpayment tends to be most severe for lower-income households, regardless of tenure.

Table H-10
Overpayment by Household Type and Tenure

Overpayment	Low-Income Renter Households	All Renter Households	Low-Income Owner Households	Owner Households	Total Overpaying Households
30%–50% of Household Income	3,000	4,943	4,860	6,812	11,755
More than 50% of Household Income	3,515	4,811	4,265	5,426	10,237
Total more than 30% of Household Income	6,515	9,754	9,125	12,238	21,992
Percent of Households Overpaying (> 30%)	66%	41%	65%	33%	51%

Source: US Census Bureau 2010; CHAS 2010.

Overcrowding

In response to higher housing costs, residents may accept smaller-sized housing or double up in the same house, which leads to overcrowding. Overcrowding strains physical facilities and the delivery of public services, contributes to a shortage of parking, and accelerates the deterioration of housing. Housing overcrowding is also considered one of several substandard housing conditions according to the Uniform Housing Code.

Many different definitions of housing overcrowding exist (see side bar). The US Census considers a situation when a household has more members than habitable rooms in a home overcrowded. For example, a two-bedroom apartment with a living room and kitchen (a total of four rooms excluding bathrooms and hallways) would be overcrowded if more than four occupants lived in the home. Overcrowding can be moderate (1.0 to 1.5 persons per room) or severe (more than 1.5 persons per room).

Overcrowding is caused by a range of situations and complex factors, including a mismatch between household income and the cost of housing, and differences regarding preferences for adequate living space. Regardless of these factors, overcrowding typically occurs in a number of situations, such as (1) a family lives in a small unit; (2) a family provides accommodations for extended family; (3) a family rents space to nonfamily members; or (4) students double up to afford housing.

Since 2000, the percentage of Ontario’s households in overcrowded situations decreased from 26 percent to 12 percent. As of 2010, 3,083 renter households (15 percent) and 2,611 owner households (10 percent) lived in overcrowded situations. Overcrowding was slightly more prevalent among Hispanic households versus all others (16 percent versus 12 percent) and among lower-income households (4,940 households) versus all others.

Table H-11 provides data on household overcrowding in Ontario according to the tenure of the household.

Table H-11
Overcrowding by Tenure

Overcrowding Level	Homeowners		Renters		Total
	Number	Percentage	Number	Percentage	
No Overcrowding	23,040	90%	17,837	85%	40,877
Moderate Overcrowding	2,049	8%	2,029	10%	4,078
Severe Overcrowding	562	2%	1,054	5%	1,616
Total Households	25,651	100%	20,920	100%	46,571
Total Overcrowding	2,611	10%	3,083	15%	12%

Source: US Census Bureau 2010

Overcrowding - Many different standards exist for overcrowding, and the standard used depends on the agency and the area of authority. The California Building Code uses the most permissive definition based on strict health and safety reasons. The California Department of Fair Employment and Housing uses another standard for fair housing. Because of its wide application, the Housing Element uses the Census Bureau definition to determine what constitutes overcrowding, with moderate overcrowding defined as 1.0 to 1.5 persons per room, and severe overcrowding defined as more than 1.5 persons per room.

4. Special Housing Needs

Certain individuals and families in Ontario encounter greater difficulty in finding decent, affordable housing due to their special circumstances. Special circumstances may be related to income, family characteristics, medical condition or disability, or household characteristics. A major emphasis of the Housing Element is to ensure that persons from all walks of life have the opportunity to find suitable and affordable housing in Ontario.

State Housing Element law identifies the following special needs groups: senior households, people with disabilities (physical, developmental, mental, substance abuse, etc.), female-headed