KEY FINDINGS

» Cuts in federal and state funding, including elimination of State Redevelopment, have reduced investment in affordable housing production and preservation in Orange County by nearly $117 million annually since 2008, a 76% reduction.

» Median rent in Orange County has increased 28% since 2000 while median renter household income has decreased 9%, when adjusted for inflation.

» Renters need to earn more than 3.5 times local minimum wage to afford the median asking rent of $1,950 in Orange County.

» Orange County’s lowest-income renters spend 87% of income on rent, leaving little left for food, transportation, health expenses, and other needs.

» When housing costs are considered, Orange County’s poverty rate rises from 12.3% to 21.5%.

» Orange County needs 109,965 more affordable rental homes to meet the needs of its lowest-income renters.

ORANGE COUNTY NEEDS 109,965 MORE AFFORDABLE RENTAL HOMES

ORANGE COUNTY’S POVERTY RATE RISES TO 21.5% WHEN HIGH HOUSING COSTS ARE INCLUDED

<table>
<thead>
<tr>
<th>Renter Households</th>
<th>Affordable and Available Rental Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>140,000</td>
<td>[Legend: Shortfall, VLI (Very Low Income), ELI (Extremely Low Income)]</td>
</tr>
</tbody>
</table>

Official Poverty Measure (OPM) 12.3% Unadjusted for Housing Costs
California Poverty Measure (CPM) 21.5% Adjusted for Housing Costs and Social Benefits


Source: NLIHC analysis of 2015 PUMS data.
Orange County’s inflation-adjusted median rent increased 28% while median renter income decreased 9% from 2000 to 2015.

Orange County lost 76% of state and federal funding for housing production and preservation from FY 2008-09 to FY 2015-16.

<table>
<thead>
<tr>
<th>FUNDING SOURCE</th>
<th>FY 2008-2009</th>
<th>FY 2015-2016</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Redevelopment</td>
<td>$97,107,741</td>
<td>$0</td>
<td>-100%</td>
</tr>
<tr>
<td>State Housing Bonds and Housing Programs</td>
<td>$9,600,000</td>
<td>$1,792,198</td>
<td>-81%</td>
</tr>
<tr>
<td>U.S. Dept. of Housing &amp; Urban Development</td>
<td>$46,254,508</td>
<td>$34,201,793</td>
<td>-26%</td>
</tr>
<tr>
<td>Total</td>
<td>$152,962,249</td>
<td>$35,993,991</td>
<td>-76%</td>
</tr>
</tbody>
</table>

WHAT DO RENTERS IN ORANGE COUNTY HAVE LEFT AFTER PAYING RENT?

ABOUT CHPC

THE STATE CREATED THE CALIFORNIA HOUSING PARTNERSHIP NEARLY 30 YEARS AGO AS A PRIVATE NONPROFIT ORGANIZATION WITH A PUBLIC MISSION: TO MONITOR, PROTECT, AND AUGMENT THE SUPPLY OF HOMES AFFORDABLE TO LOWER-INCOME CALIFORNIANS AND TO PROVIDE LEADERSHIP ON AFFORDABLE HOUSING FINANCE AND POLICY. SINCE 1988, THE CALIFORNIA HOUSING PARTNERSHIP HAS ASSISTED NEARLY 200 NONPROFIT AND LOCAL GOVERNMENT HOUSING ORGANIZATIONS LEVERAGE MORE THAN $13 BILLION IN PRIVATE AND PUBLIC FINANCING TO CREATE AND PRESERVE 65,000 AFFORDABLE HOMES.
STATEWIDE POLICY RECOMMENDATIONS

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

» Create new sources of long-term revenue dedicated to producing and preserving affordable homes by passing the Building Homes and Jobs Act (SB 2) and an expansion of the state Low Income Housing Tax Credit (AB 71).

» Give voters a chance to approve new state funding for affordable housing by passing the Affordable Housing Bond Act of 2018 (SB 3).

» Lower the voter approval threshold for local housing infrastructure bonds to 55% as it is for education facility bonds (ACA 4).

» Reduce the loss of existing affordable homes by strengthening the State Preservation Notice Law through improved monitoring and enforcement (AB 1521).

» Restore the ability of local governments to require apartment developers to include affordable rental homes within each development (AB 1505).

LOCAL RECOMMENDATIONS FOR ORANGE COUNTY

» Create a County Affordable Housing Strategic Plan that establishes the specific number and type of affordable homes to be developed in each city and the county with timelines.

» Set aside 15% of homes in new residential developments to be affordable to very low and low-income families in exchange for entitlement concessions and incentives.

» Local jurisdictions should create “Housing Opportunities Zoning” that allows proposed multi-family home developments that are 100% affordable to be built by-right.

» Create a dedicated local funding source or issue housing bonds for the development of affordable homes and permanent supportive housing.

» Create an Affordable Housing Land Trust and donate city-owned and surplus sites to the Land Trust for the development of affordable housing.

» All publicly owned sites appropriate for residential or mixed use development should have a minimum goal of 30% of all units being affordable to lower income households.

This report was produced by the California Housing Partnership.

Local policy recommendations provided by:
The Kennedy Commission

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Cesar Covarrubias, cesarc@kennedycommission.com, (949) 250-0909

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