

ORANGE COUNTY RENTERS IN CRISIS: A CALL FOR ACTION



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'S POVERTY RATE RISES TO 21.5% WHEN HIGH HOUSING COSTS ARE INCLUDED

Official Poverty Measure (OPM)
12.3%

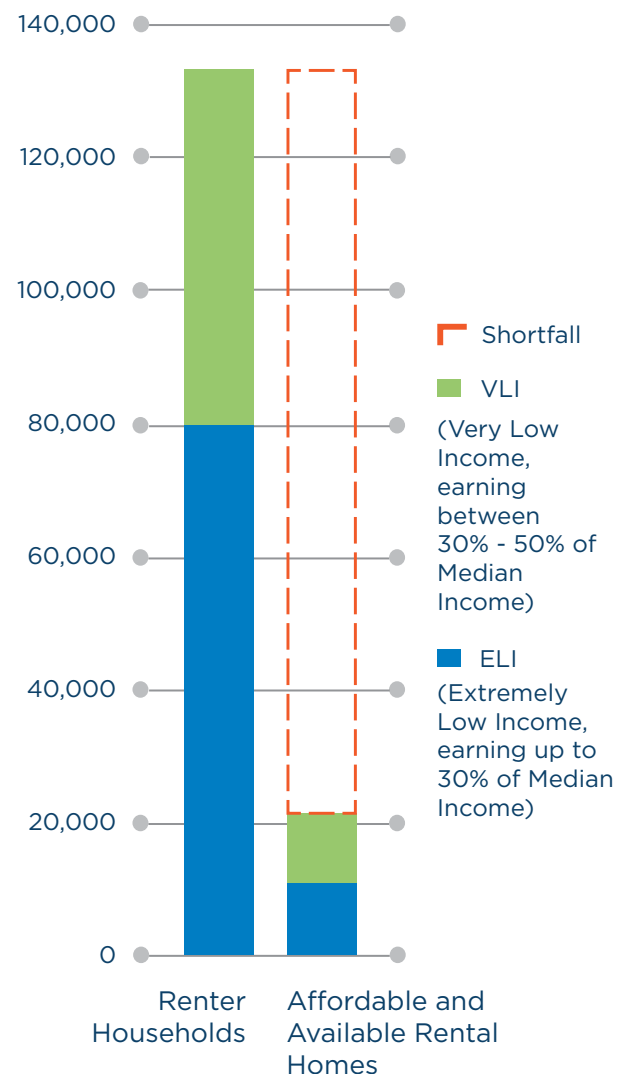
Unadjusted for Housing Costs

California Poverty Measure (CPM)
21.5%

Adjusted for Housing Costs and Social Benefits

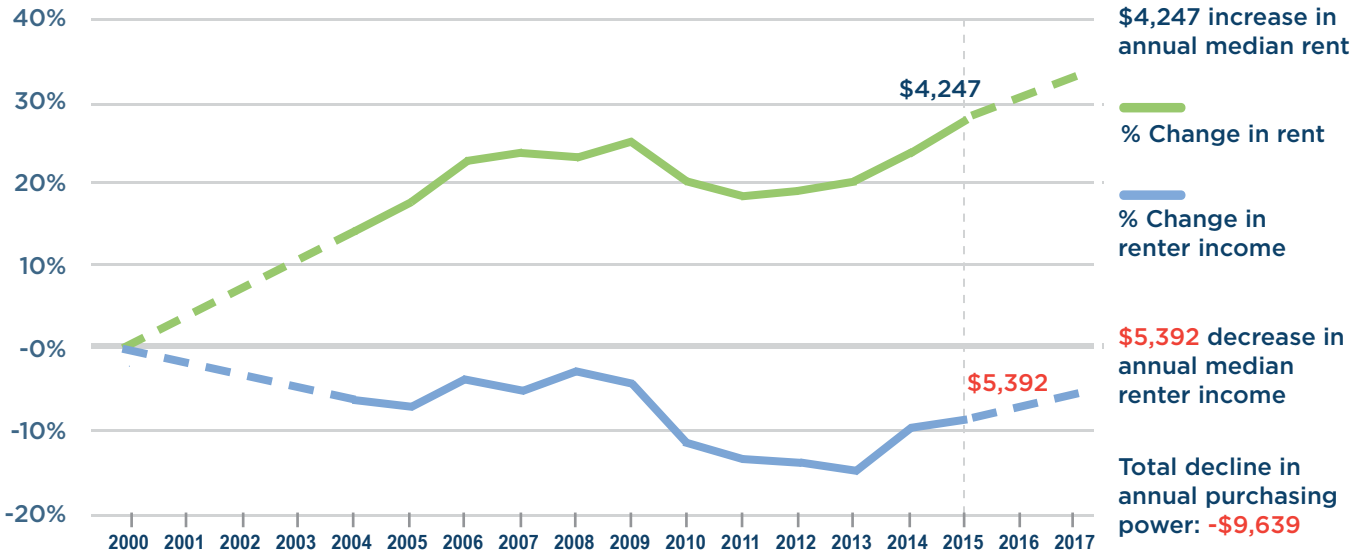
Source: Public Policy Institute of California. California Poverty by County, 2012-2014.

ORANGE COUNTY NEEDS 109,965 MORE AFFORDABLE RENTAL HOMES



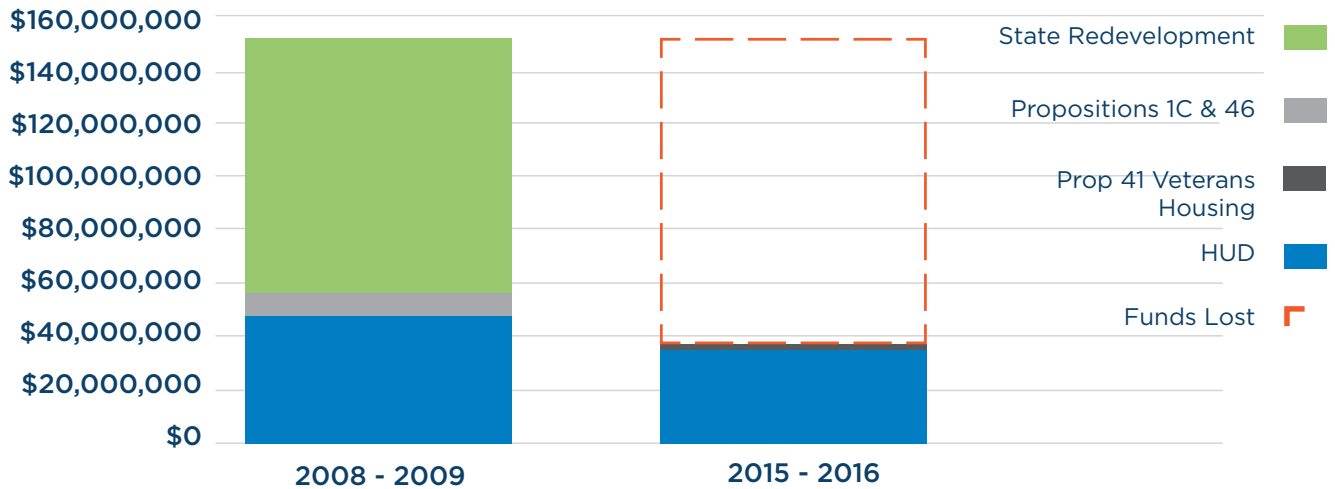
Source: NLIHC analysis of 2015 PUMS data.

ORANGE COUNTY'S INFLATION-ADJUSTED MEDIAN RENT INCREASED 28% WHILE MEDIAN RENTER INCOME DECREASED 9% FROM 2000 TO 2015



Source: CHPC analysis of 2000-2015 Census ACS data. Median renter income and rent from 2001-2004 and 2016 and 2017 are estimated trends. Median rent and median renter income are inflation adjusted to 2015 dollars.

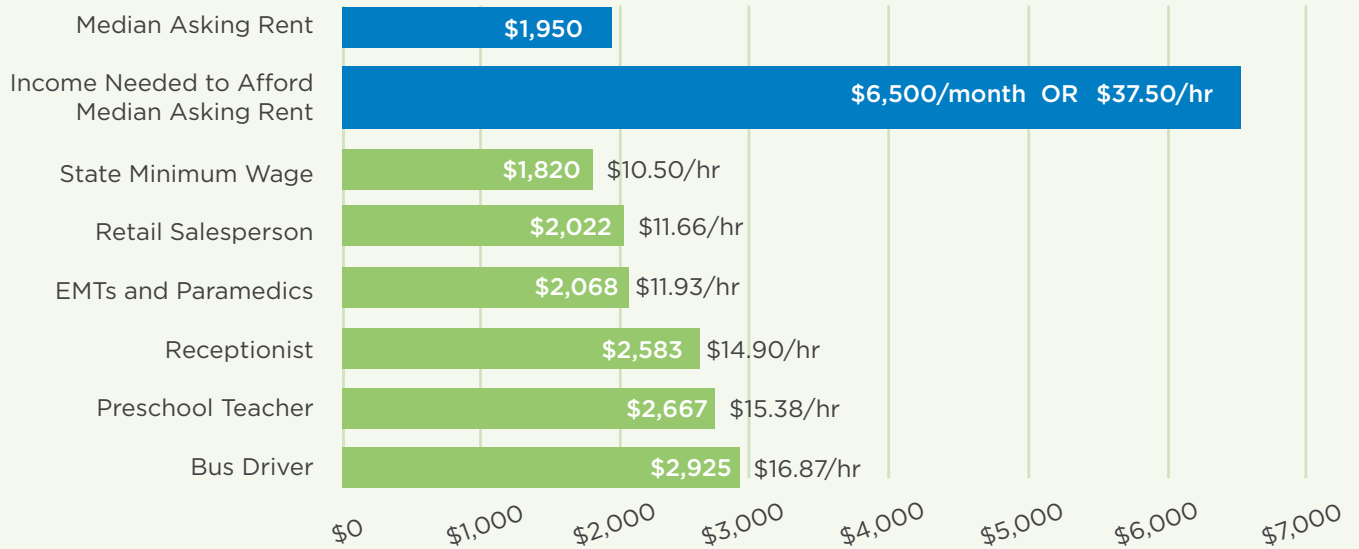
ORANGE COUNTY LOST 76% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2015-16



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

Source: CHPC analysis of 2008-2009 annual HCD Redevelopment Housing Activities report; 2008-2009 and 2015-2016 annual HCD Financial Assistance Programs Reports; HUD CPD Appropriations Budget data for fiscal years 2009 and 2016.

ORANGE COUNTY RENTERS NEED TO EARN \$6,500 A MONTH TO AFFORD MEDIAN ASKING RENTS

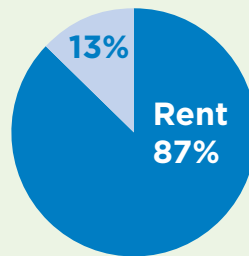


Source: Paul Waddell, Urban Analytics Lab, University of California, Berkeley, retrieved from analysis of online Craigslist listings on April 27, 2017. CHPC analysis of Bureau of Labor Statistics Median Annual Wage Data for CA Occupations in 2016.

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

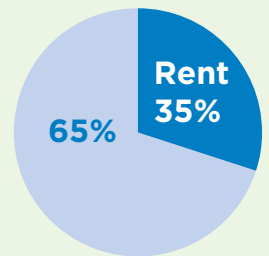
HOUSEHOLDS EARNING HALF OF MEDIAN INCOME OR LESS

Food, Transportation, Health Care, & Other Needs



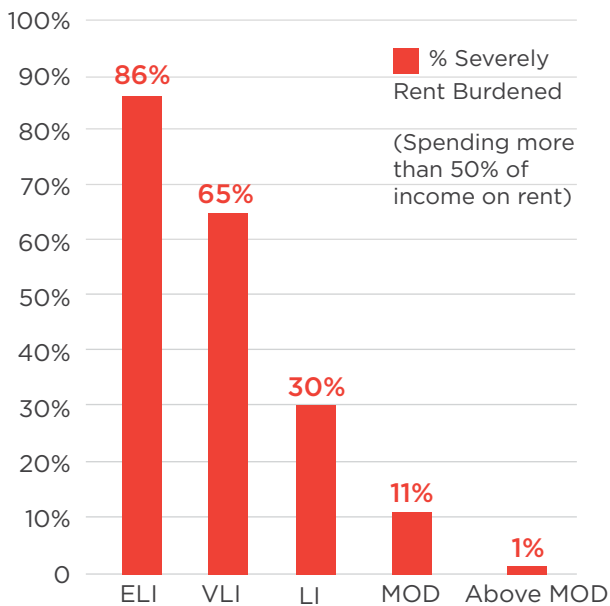
MEDIAN INCOME HOUSEHOLDS

Food, Transportation, Health Care, & Other Needs



Source: NLIHC analysis of 2015 PUMS data.

PERCENTAGE OF SEVERELY BURDENED HOUSEHOLDS BY INCOME GROUP



Source: NLIHC analysis of 2015 PUMS data.

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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