



The Depot at Santiago in Santa Ana, CA. Photo courtesy of the Kennedy Commission.

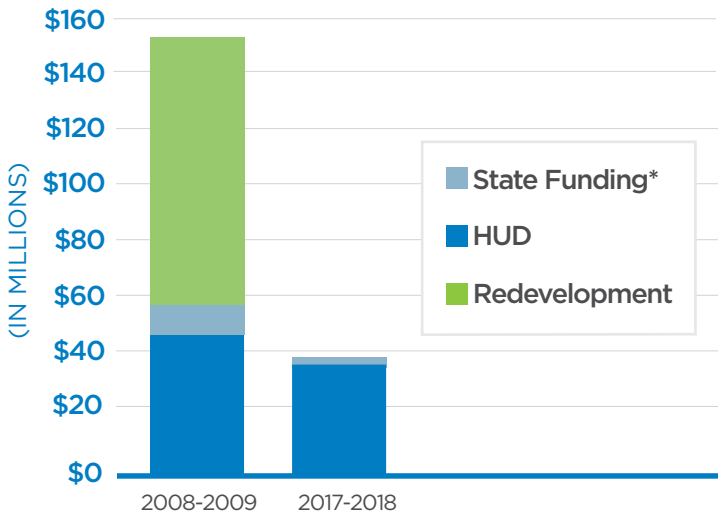
ORANGE COUNTY'S HOUSING EMERGENCY UPDATE



KEY FINDINGS

- Cuts in Federal and State funding have reduced investment in affordable housing in Orange County by nearly \$115 million annually since 2008, a 75% reduction.
- 83% of ELI households are paying more than half of their income on housing costs compared to just 9% of moderate income households.
- Orange County needs 111,996 more affordable rental homes to meet current demand.
- Low Income Housing Tax Credit production in Orange County has increased while preservation has stalled.
- Renters in Orange County need to earn \$42.79 per hour - 3.6 times the State minimum wage - to afford the median monthly asking rent of \$2,225.

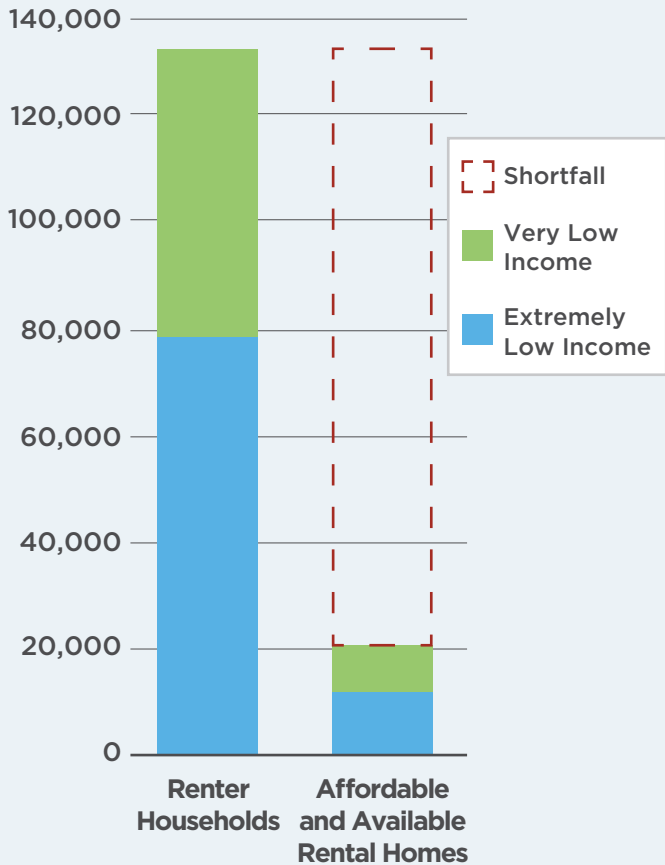
ORANGE COUNTY LOST 75% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2017-18



FUNDING SOURCE	FY 2008-09 (In thousands)	FY 2017-18 (In thousands)	% CHANGE
Redevelopment	\$97,108	\$0	-100%
State Housing Bonds and Housing Programs	\$9,600	\$1,941	-80%
HUD	\$45,523	\$35,563	-22%
TOTAL	\$152,231	\$37,504	-75%

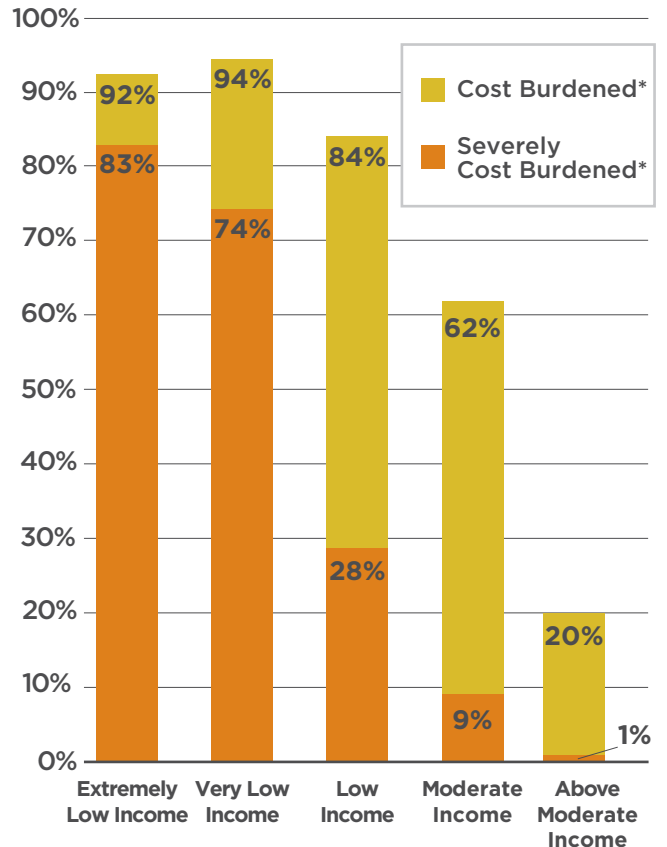
Source: California Housing Partnership analysis of 2008-2009 annual Redevelopment Housing Activities Report; 2008-2009 and 2017-2018 Annual HCD Financial Assistance Programs Reports; 2008-2009 and 2017-2018 HUD CPD Appropriations Budget Reports.
 *FY 2017-2018 does not include No Place Like Home Funding (NPLH) and no funds for the Affordable Housing Sustainable Communities (AHSC) program were awarded.

ORANGE COUNTY NEEDS 111,996 MORE AFFORDABLE RENTAL HOMES



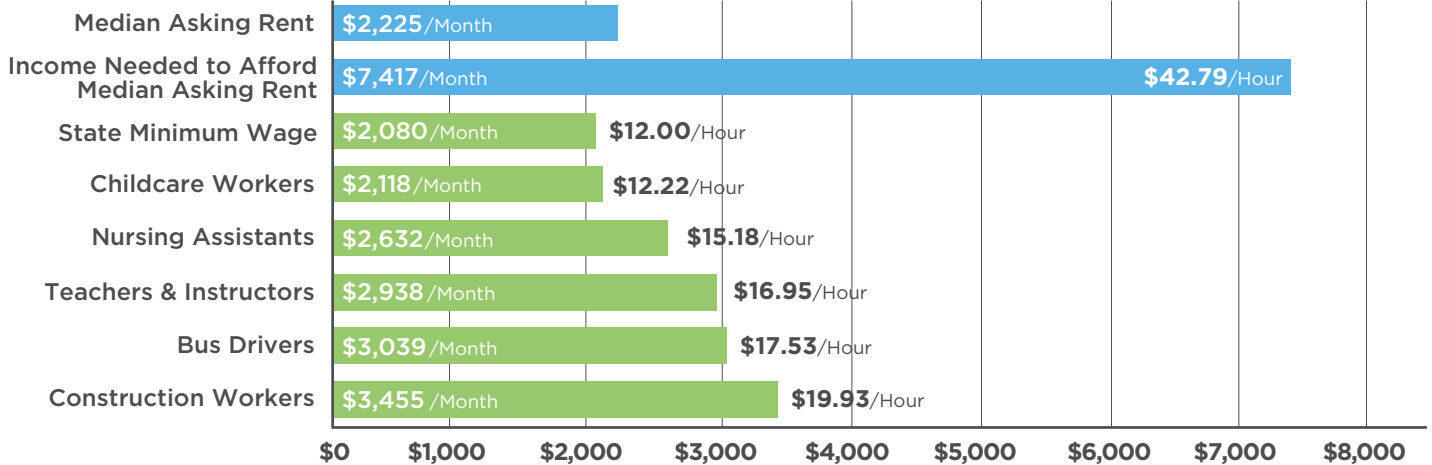
Source: NLIHC analysis of 2017 PUMS data.

LOWEST INCOME HOUSEHOLDS ARE DISPROPORTIONATELY AND SEVERELY COST BURDENED



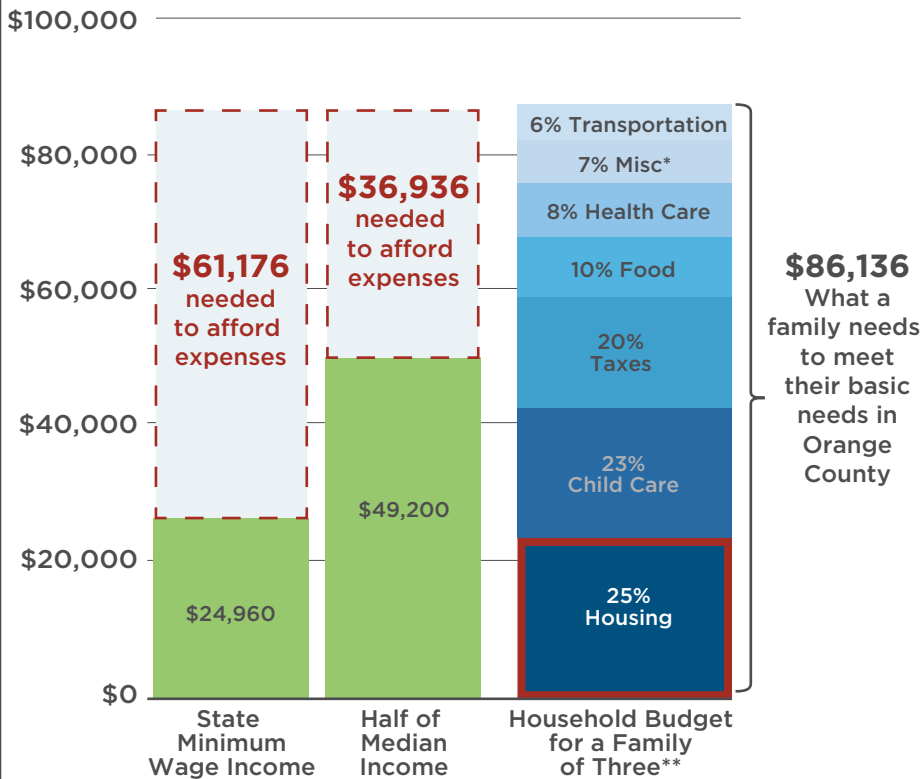
Source: NLIHC analysis of 2017 PUMS data.
 *Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

RENTERS NEED TO EARN 3.6 TIMES MINIMUM WAGE TO AFFORD THE MEDIAN ASKING RENT IN ORANGE COUNTY



Source: Paul Waddell, Urban Analytics Lab, University of California, Berkeley, retrieved from analysis of online Craigslist listings in February 2019. Bureau of Labor Statistics Median Annual Wage Data for CA Occupations, 2018.

HOUSING PRICES ARE DRIVING COSTS OF LIVING OUT OF REACH FOR LOW INCOME FAMILIES IN ORANGE COUNTY



Source: The above budget is a preview of United Way's forthcoming data release on the Real Cost Measure. Please visit <https://www.unitedwaysca.org/realcost> for more information about what it takes to meet basic needs in Orange County.

*The "miscellaneous" budget category includes all other categories not defined.

**The household budget for a family of three uses a population weighted average to estimate the costs associated with one working adult and two children (one school-aged child and one toddler). Each percentage represents how much a family's annual budget is captured in each cost category (housing, child care, etc.).

NEW LOW INCOME HOUSING TAX CREDIT PRODUCTION HAS INCREASED IN ORANGE COUNTY WHILE PRESERVATION HAS STALLED

STATEWIDE			
TYPE	2016	2017	2018
New Construction	9,285	7,407	9,373
Acquisition & Rehab	15,032	5,928	9,430
All	24,317	13,335	18,803
ORANGE COUNTY			
TYPE	2016	2017	2018
New Construction	1,082	113	1,685
Acquisition & Rehab	1,529	21	0
All	2,611	134	1,685

Source: California Housing Partnership analysis of 2016-2018 California Tax Credit Allocation Committee data.

Note: The data does not include manager or market rate units created through the LIHTC program.

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:

- » Replace Redevelopment funding for affordable housing with at least \$1 billion annually to help local governments meet their State-mandated production goals.
- » Expand the State's Low Income Housing Tax Credit Program by \$500 million per year to jump-start affordable housing production and preservation.
- » Create a new California capital gains tax credit to preserve existing affordable housing at risk of conversion and to fight displacement pressures in Opportunity Zones.
- » Reduce the threshold for voter approval of local funding of affordable housing and infrastructure from 67% to 55% as was done for educational facilities in 2000.

LOCAL RECOMMENDATIONS FOR ORANGE COUNTY

- » Create a Countywide Affordable Housing Strategic Plan that establishes annual production goals for affordable homes to be developed in each city and the County and provides a clear path to meeting local housing needs.
- » Pass a County housing bond to create a dedicated source of local funds to catalyze the development of affordable and permanent supportive housing while taking advantage of new State funding.
- » Adopt or increase housing impact fees and commercial jobs/housing linkage fees.
- » Set aside a minimum of 15% of homes in new residential developments to be affordable to very low and low income families in exchange for entitlement concessions and incentives.
- » Establish "Housing Opportunities Zoning" in each jurisdiction that allows multifamily home developments that are 100% affordable to lower income households to be built by-right.
- » Dedicate public land not needed for governmental use for development of affordable housing.
- » Work with the Orange County Housing Trust to maximize the leveraging of new state, regional and private funds to address Orange County's housing crisis.
- » Protect tenants from displacement by (1) limiting annual rent increases and prohibiting eviction of renters without good cause; and (2) providing legal resources for evictions.

This report was produced by the California Housing Partnership.

Local policy recommendations provided by:
The Kennedy Commission

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