

ORANGE COUNTY 2020 Affordable Housing Needs Report



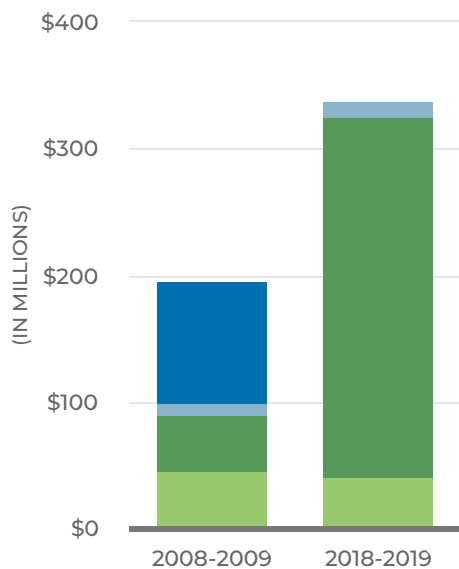
**California
Housing
Partnership**
*California's Experts on Affordable
Housing Finance, Advocacy & Policy*

KEY FINDINGS

- **124,514** low-income renter households in the county do not have access to an affordable home.
- Low-Income Housing Tax Credit production and preservation in Orange County **decreased by 59%** since 2016 while state production and preservation **decreased 13%**.
- **81%** of extremely low-income households are paying more than half of their income on housing costs compared to just 1% of moderate-income households.
- Renters in Orange County need to earn \$42.23 per hour — **3.2 times** the state minimum wage — to afford the average monthly asking rent of \$2,196.
- In Orange County, state funding **decreased 87%** while federal funding **increased 262%** for housing production and preservation from FY 2008-09 to FY 2018-19.

FUNDING FOR HOUSING

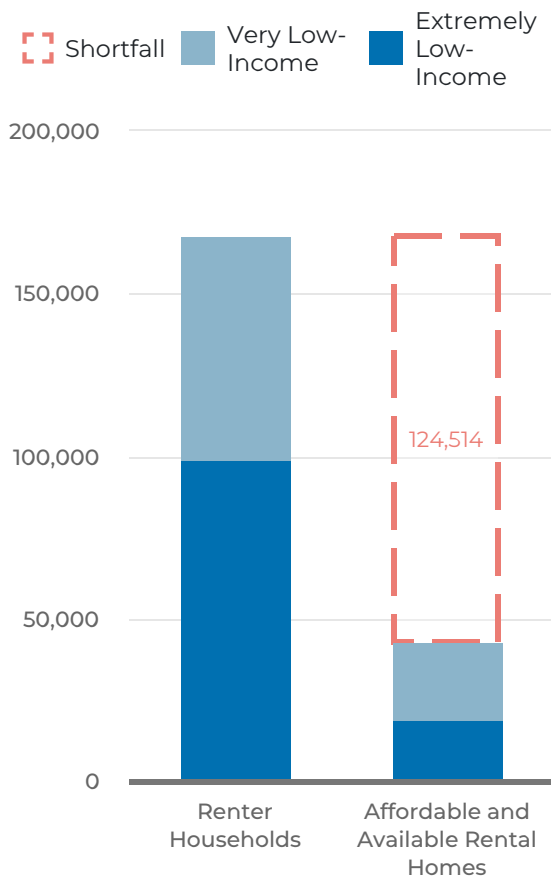
In Orange County, state funding **decreased 87%** while federal funding **increased 262%** for housing production and preservation from FY 2008-09 to FY 2018-19.



FUNDING SOURCE	FY 2008-09	FY 2018-19	% CHANGE
(in thousands)			
Redevelopment Housing	\$97,108	\$0	-100%
State Housing Bonds and Budget Allocations	\$9,600	\$13,747	43%
State LIHTC	\$0	\$0	--%
STATE TOTAL	\$106,708	\$13,747	-87%
Federal LIHTC	\$44,211	\$284,304	543%
HUD Block Grants	\$45,523	\$40,921	-10%
FEDERAL TOTAL	\$89,734	\$325,225	262%

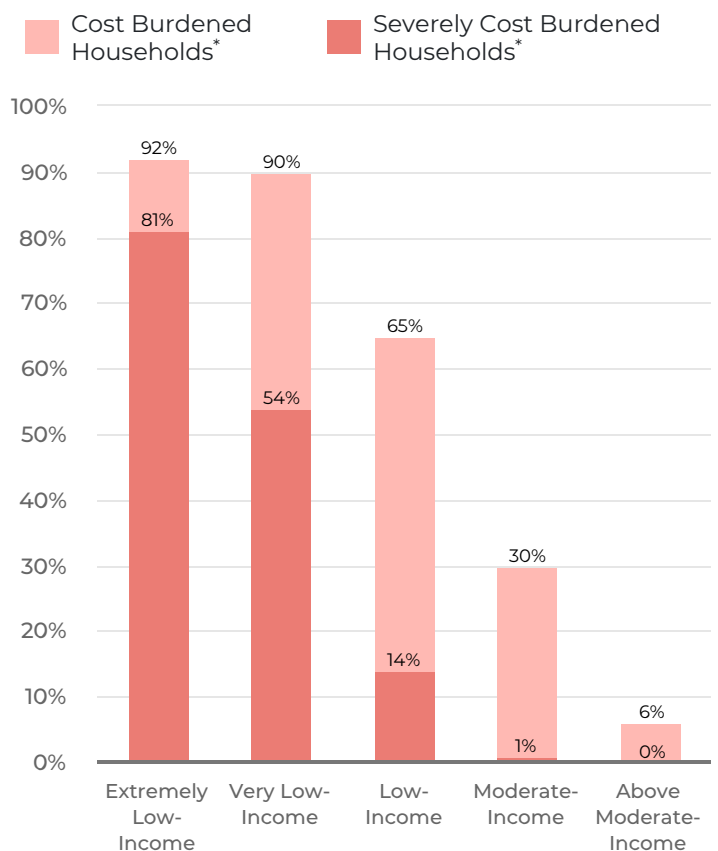
AFFORDABLE HOMES SHORTFALL

124,514 low-income renter households in Orange County do not have access to an affordable home.



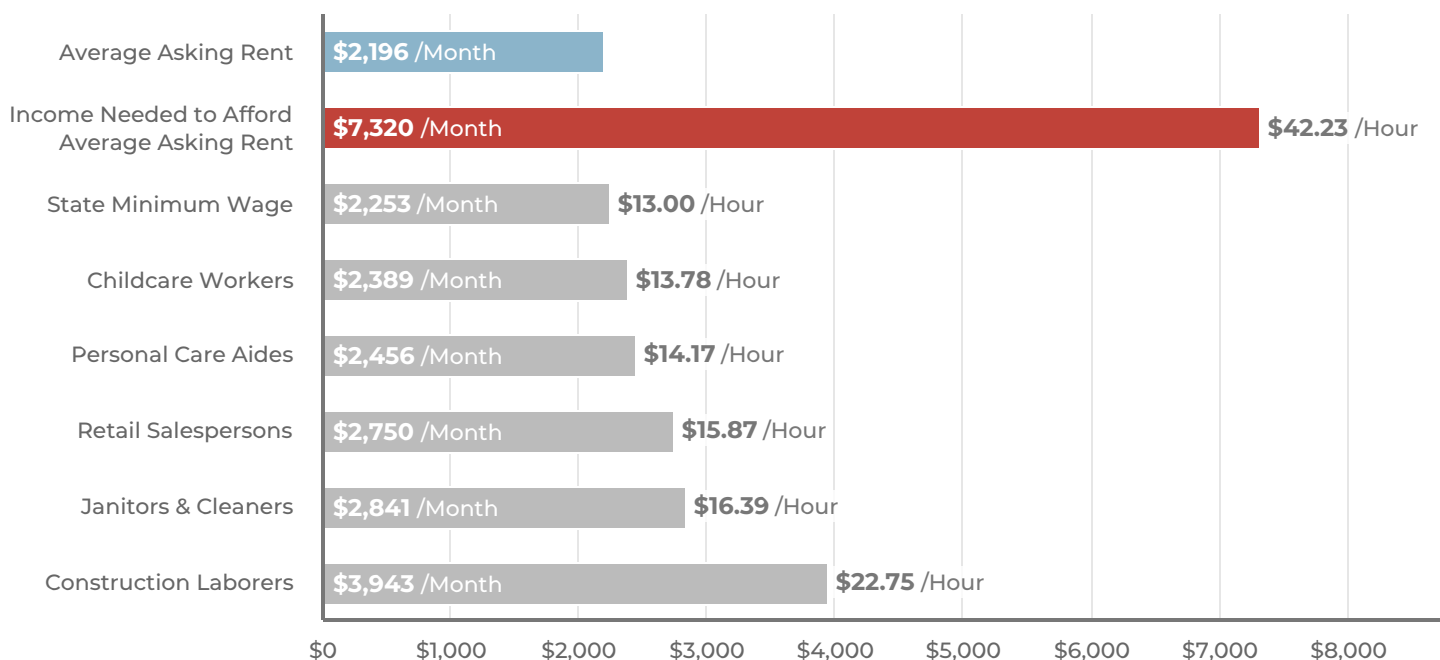
COST BURDENED HOUSEHOLDS

81% of ELI households in Orange County are paying more than half of their income on housing costs compared to just 1% of moderate-income households.



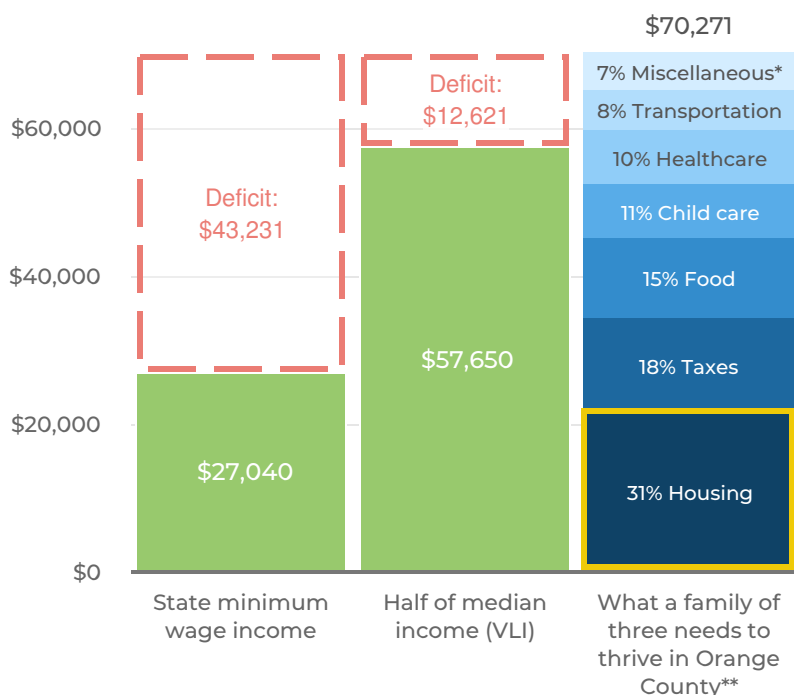
WHO CAN AFFORD TO RENT

Renters need to earn **3.2 times** minimum wage to afford the average two-bedroom asking rent in Orange County.



COST OF LIVING

After paying the high cost of housing, very low-income households in Orange County are **short \$12,621** annually for basic needs.



LIHTC PRODUCTION AND PRESERVATION

Orange County's Low-Income Housing Tax Credit production and preservation **decreased by 59%** from 2016-2019.

STATEWIDE			
TYPE	2016	2019	% CHANGE
New Construction	8,539	7,813	-9%
Acquisition & Rehab	15,032	12,686	-16%
All	23,571	20,499	-13%

ORANGE			
TYPE	2016	2019	% CHANGE
New Construction	971	454	-53%
Acquisition & Rehab	1,529	582	-62%
All	2,500	1,036	-59%

STATEWIDE POLICY RECOMMENDATIONS

In addition to critical COVID-19 efforts, the Partnership calls on State leaders to take the following actions to provide relief to low-income families struggling with unaffordable and unstable housing:

- Make permanent the \$500 million annual increase to the California Low-Income Housing Tax Credit Program to jump-start affordable housing production and provide an additional \$100 million annually to rehabilitate existing affordable rental properties.
- Create a new Affordable Housing Preservation Tax Credit to preserve existing affordable housing at risk of conversion and to fight displacement pressures.
- Streamline Department of Housing and Community Development rental housing funding programs through a single application and award process to reduce development costs.
- Reduce the threshold for voter approval of local funding of affordable housing and infrastructure from 67 percent to 55 percent as was done for educational facilities in 2000.
- Exempt supportive housing and affordable housing funded by MHP, HOME or CDBG from CEQA reviews.
- Allow affordable housing to be built by right on land currently zoned for commercial or public uses and on church-owned lands.

DATA SOURCES & NOTES

• FUNDING FOR HOUSING

California Housing Partnership analysis of 2008-2009 annual Redevelopment Housing Activities Report; 2008-2009 and 2018-2019 Annual HCD Reports; 2008-2009 and 2018-2019 HUD CPD Appropriations Budget Reports; 2018-2019 California Strategic Growth Council, Affordable Housing Sustainable Communities Program 2008-2009 and 2018-2019 federal and state Low-Income Housing Tax Credits.

• AFFORDABLE HOMES SHORTFALL

California Housing Partnership analysis of 1-year American Community Survey (ACS) Public Use Microdata Sample (PUMS) data with HUD income levels. Methodology was adapted from NLIHC gap methodology.

• COST BURDENED HOUSEHOLDS

California Housing Partnership analysis of 1-year ACS PUMS data with HUD income levels. Methodology was adapted from NLIHC gap methodology.

* Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

• WHO CAN AFFORD TO RENT

CoStar Group average asking rent for two bedroom as of January 2020. Bureau of Labor Statistics Average Annual Wage Data for California Occupations, 2019.

• COST OF LIVING

United Ways of California, Real Cost Measure Household Budgets 2019. Please visit unitedwaysca.org/realcost for more information on what it takes to meet basic needs in communities across California.

* The “miscellaneous” budget for a family of three 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 teenager). Each percentage represents how much a family's annual budget is captured in each cost category (housing, child care, etc.).

• LIHTC PRODUCTION AND PRESERVATION

California Housing Partnership's Preservation Database, January 2020. Please note that this data does not include manager units or market rate units created through the LIHTC program.

This report was produced by the California Housing Partnership | chpc.net

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ORANGE COUNTY 2020 Affordable Housing Needs Report *Supplemental Information*



LOCAL POLICY RECOMMENDATIONS FOR ORANGE COUNTY

1. 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.
2. 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.
3. Adopt or increase housing impact fees and commercial jobs/housing linkage fees.
4. 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.
5. 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.
6. Dedicate public land not needed for governmental use for development of affordable housing.
7. 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.
8. 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.

Local policy recommendations provided by: **The Kennedy Commission**

Original report produced by: **The California Housing Partnership**

(<https://chpc.net/resources/orange-county-housing-need-report-2020>)