Orange County Affordable Housing Coalition
Principles for Review of Housing Development Proposals

In Orange County, the gap between the supply and the need for affordable housing is wide. More than **40% of Orange County households** are eligible for most income-based affordable housing, while **only 7% of total housing units** in the county are federally subsidized.[1] Recent estimates project that **12,400 low-and moderate-income households in Orange County are cost-burdened** – earning below 80% of Area Median Income and paying more than 30% of their income for housing.[2]

The need for affordable rental housing has grown significantly over the last 10 years, with lower-income households continuing to be priced out of the market and many privately owned rental apartment communities not accepting housing vouchers. For example, an individual working full-time, year-round, and earning the Orange County Living Wage of $15.40 per hour can afford up to $801 per month for rent *and* utilities.[3] Meanwhile, in 2021, the Fair Market Rent standard for a one-bedroom apartment in Orange County is $974. And the going rate for many of the newer rental developments is closer to $1,500 for a one-bedroom – significantly more than an individual working full-time at a "living" wage could reasonably afford.[4]

Affordable rent for individual earning Orange County Living Wage	**$801**
Fair Market Rent for 1-BR[5]	**$974**
Going Rate for Class A 1-BR	**$1,500**

Homeownership is a key wealth building tool that is inaccessible to many low- and moderate-income households, especially in tight real estate markets like Orange County.[6] Low- and moderate-income households may have difficulty affording down payments and high closing costs and face other barriers to financing. There are also significant disparities in homeownership rates by race and ethnicity in Orange County and the nation as a whole. As of 2019, the homeownership rate in Orange County for White households was 66.1%, compared to 44.3% for Black households.

The urgency and gravity of the need for affordable rental and homeownership housing in our community demands decisive action. **The Orange County Affordable Housing Coalition advocates within the following guiding principles when considering the affordable housing plans of proposed residential developments**:

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[1] Housing Needs Assessment, PolicyMap, available at: https://www.policymap.com/report_widget?type=fur&area=predefined&pid=102051&sid=10192
[2] HUD CHAS Data, 2013-2017 available at: https://www.huduser.gov/portal/datasets/cp.html
[3] More information about the Orange County Living Wage at: https://orangecountylivingwage.org/
[4] Rent data for new developments in Orange County built since 2019 available at https://www.costar.com/
[5] HUD sets Fair Market Rent standards. Data is available at: https://www.huduser.gov/portal/datasets/fmr.html
[6] In 2019, Orange County had a lower homeownership rate (62.6%) than the state of North Carolina (65.2%) and nation as a whole (64%), although this is almost certainly due to the high proportion of student households.

- **Incorporate affordable units on-site whenever possible, building 15% or more of proposed units as affordable units rented/sold only to households who provide documentation to meet income qualifications**. If incorporating 15% affordable units on-site is not a viable possibility for the specifics of the development, combine a payment contribution toward affordable housing with a lesser percentage of units on-site, or provide a payment contribution capable of producing the equivalent number of units off-site.
- **Ensure that *at least* half of the affordable rental units are rented at a rate affordable to income-eligible households with a gross income less than 50% of Area Median Income (AMI), with the balance affordable to those below 80% AMI.** A two-person household earning the Orange County Living Wage has a gross income of a little less than 50% of AMI. Pricing these units at rates affordable for households earning 50% of AMI will ensure these units can serve as living-wage rentals.
- **Ensure that all affordable homeownership units are sold at a price affordable to income-eligible households earning no more than 80% AMI, with half of for sale units targeted to households earning less than 65% AMI.**
- **Commit to a minimum 30-year period of affordability, supported by legally enforceable agreements between developers and local government, and running with the land to ensure affordability as ownership changes over time**. To make a real contribution to affordability, and to provide stability for households, dedicated units must endure, ideally in perpetuity.
- **Partner with an affordable housing agency, non-profit partner, or local government to refer and screen tenants for income qualifications**. Supporting agencies are well-equipped in monitoring these requirements and connecting with eligible tenants in need of housing.
- **Accept housing vouchers, such as Section 8, VASH, and other programs.** Do not disqualify tenants based on the source of their income. Allow eligible residents with vouchers to rent units in the development.
- **Dedicate all affordable units to households that are not comprised entirely of full-time students**. Ensure that affordable units will not be rented or sold to full-time student households through legally enforceable agreements mirroring those used for LIHTC developments.
- **Ensure the affordable units are integrated appropriately/seamlessly into the development as a whole, including similar bedroom-counts and exterior appearance.**