



COMMUNITY INDICATORS 2018

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INTRODUCTION

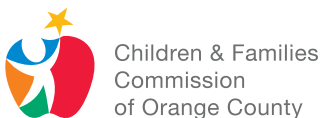
The 2018 Community Indicators report highlights many areas where Orange County excels. For instance, we have a growing and diverse economy, with increasing median household incomes. More students took career-focused courses in STEM (science, technology, engineering and math) subjects and graduated from high school ready for college. And Orange County's crime rate is low compared to our neighbors and peers.

In contrast, the report also flags several stubborn problems. For example, it shows the limited availability of housing options in Orange County – even for residents with steady employment in well-paying jobs, let alone those households with minimum wage workers that must hold multiple jobs to afford rent. While median income is increasing, that growth is not enough to ameliorate greater growth in the cost of living here, which is 87% higher than the national average. Childhood and adult obesity continue to plague the health of our residents, and hospitalizations of children and youth for mental health issues are rising at an alarming rate.

These persistent issues fuel, in part, the report's three Pivot Points. Since 2015, the Pivot Points have taken a closer look at the issues of housing, the opportunity gap, and children's health and wellbeing – viewed through a different lens each year. This year, the Pivot Point on children's health and wellbeing describes the Early Childhood

Policy Framework that was developed to provide a common vision and language for achieving resilient families, quality early education, and comprehensive health and development for young children. The guiding sentiment of this work is that Orange County prospers if its young children are prepared to succeed in life. The Pivot Point on the opportunity gap examines how high schools and community colleges are stepping up to prepare students and mid-career professionals to fill higher-paying middle-skill jobs available today in Orange County. The final Pivot Point on housing takes an in-depth look at homelessness in Orange County, identifying the key contributing factors to homelessness and solutions at work.

As you read and respond to the data and findings in this report, we hope it will inspire you to join in the dialogue and take action to address the important issues facing this dynamic place we call home.



Children & Families
Commission
of Orange County

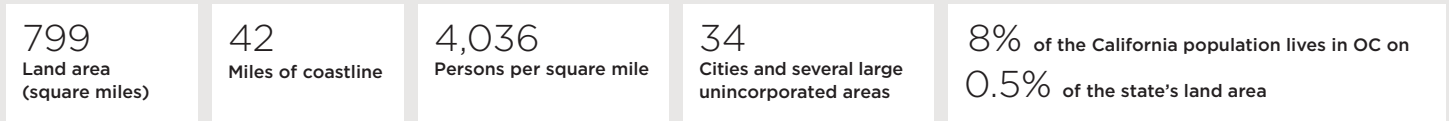


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ORANGE COUNTY PROFILE

PLACE



PEOPLE

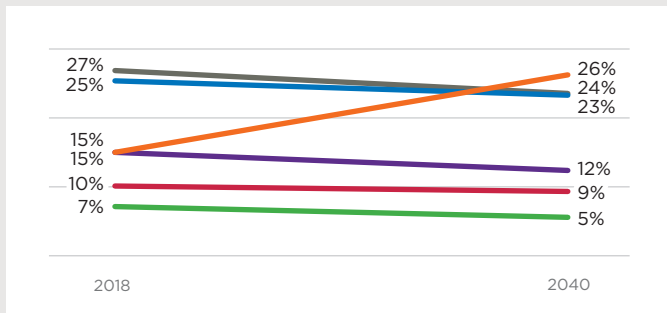


Age

Orange County residents age 65 and older are the only age group that is projected to grow as a proportion of the total population between 2018 and 2040. All other age groups will shrink proportionately. While this growth in the number of seniors mirrors national and statewide trends, the growth is more pronounced in Orange County than in the state or nation as a whole.

SENIOR POPULATION GROWING WHILE ALL OTHERS SHRINK

Projected Change in Age Group Proportions of Total Orange County Population, 2018 and 2040



THE DEPENDENCY RATIO

Demographic trends like those occurring in Orange County may have serious ramifications. The fewer people of working age, the fewer there are to sustain schools, pensions and other supports to the youngest and oldest members of a population. By 2040, the burden on the average working age resident to financially support the dependent population will grow from 60 dependent age residents for every 100 working age residents to 79 for every 100. The burden is projected to grow to 84 per 100 by 2060.

NUMBER OF DEPENDENT AGE RESIDENTS (AGES 0-17 AND 65+) PER 100 WORKING AGE RESIDENTS

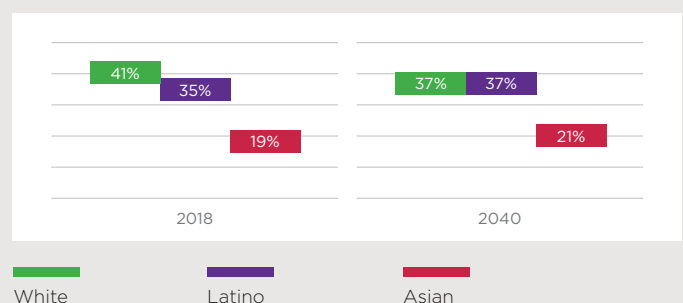


Race/Ethnicity

Orange County is becoming increasingly diverse, with no one race or ethnicity comprising a majority. A prosperous Orange County is one in which all residents have the best possible opportunities for quality education, health, employment, and over all wellbeing. Orange County schools, businesses, nonprofits and government agencies are laying the foundation today for Orange County's long-term prosperity by working to ensure that all residents, regardless of background, have the tools they need to be successful.

COUNTY WILL REMAIN DIVERSE INTO THE FUTURE

Projected Change in the Three Largest Racial and Ethnic Groups as Proportions of the Total Orange County Population, 2018 and 2040



Foreign Born

30%
of residents are foreign born

54%
of foreign born residents are U.S. citizens

46%
of all residents over age five speak a language other than English at home

Civic Engagement

62%
of the voting-eligible population voted in the 2016 General Election

Education

15%
of adults over age 25 have less than a high school diploma

40%
of adults over age 25 have a Bachelor's degree or higher

ECONOMY

\$83,837
Median household income (2016)

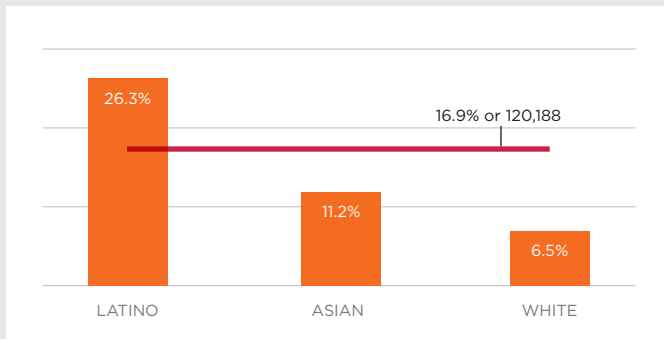
2.6%
Unemployment rate (April 2018)

\$785,500
Median existing single-family home price (Dec 2017)

Poverty

ONE IN FIVE LATINO CHILDREN LIVE IN POVERTY

Percentage of Orange County Children (Age 0-17) in Poverty by Race/Ethnicity, 2016



12.5% Orange County residents living in poverty

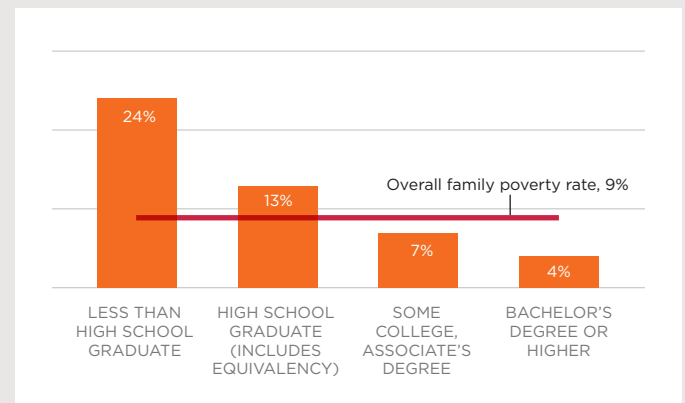
16.9% Orange County children in poverty

30% of Orange County neighborhoods have a high concentration of financially unstable families

Poverty data reveal that educational attainment is the single greatest protective factor against a lifetime in poverty. Families whose head of household has a Bachelor's degree or higher have a poverty rate of 4%, while families whose head of household did not graduate from high school have a poverty rate of 24%.

EDUCATIONAL ATTAINMENT PROTECTS FAMILIES AGAINST POVERTY

Percentage of Families in Poverty by Educational Attainment of the Householder in Orange County, 2016



Data Notes

For the dependency ratio analysis, the "working age" productive population is calculated using those ages 18-64. While many residents over age 65 continue working, this is the approximate age that residents may begin drawing on benefits such as pensions, social security, and Medicare.

The racial and ethnic categories presented are the three largest in Orange County and are not mutually exclusive. Latino includes children of any race who are of Hispanic or Latino ethnicity. Asian includes the race Asian alone and includes both Hispanic and non-Hispanic. White, non-Hispanic includes only White alone and non-Hispanic. Projection data by race/ethnicity and age have been updated by the source.

Sources:

Place – Land Area: County of Orange Public Works; Density: U.S. Census Bureau, GHT-PHI-R: Population, Housing Units, Area, and Density, Census 2010 (land area) and 2017 Census Population Estimates Program

People – Population 2018 and 2040: California Department of Finance, Table P-2; Race/Ethnicity and Age: California Department of Finance, Table P-2; Foreign Born, Language: U.S. Census Bureau, 2016 American Community Survey, 1-Year Estimates, Table DP02; Voter Turnout: California Secretary of State

Education – Educational Attainment: U.S. Census Bureau, 2016 American Community Survey, 1-Year Estimates, Table DP02

Economy – Poverty (overall and by race/ethnicity): U.S. Census Bureau, 2016 American Community Survey, 5-Year Estimates, Tables DP03, S1701 and B17001; Poverty (for families by educational attainment): U.S. Census Bureau, 2016 American Community Survey, 5-Year Estimates, Table S1702; Family Financial Stability: Family Financial Stability Index – Orange County; Income: U.S. Census Bureau, 2016 American Community Survey, 1-Year Estimates, Table DP03



Children's Health and Wellbeing

FOCUS ON AN EARLY CHILDHOOD POLICY FRAMEWORK

Orange County has developed an Early Childhood Policy Framework that offers a shared vision to help all sectors of the community work together on behalf of our young children. The framework is based on the belief that Orange County prospers when its children are valued, nurtured, healthy and thriving, and when the systems involving young children and their families are functioning well.

Children's growth and development is influenced by their relationships and the environments in which they live. A child's first relationship is with their family. Relationships with caregivers, teachers, and health care providers are also influential. Environments impacting children include their home, neighborhood and schools. These environments, along with the workplace environments of parents and caregivers, are important factors in a child's development. Since local and countywide policies and practices can affect the strength and quality of a child's relationships and environments, the Early Childhood Policy Framework was developed to provide a common language, to improve coordination, and to serve as a 'north star' to guide planning and decision making.

ZEROING IN ON EARLY CHILDHOOD

The science is clear. Children's early brain development occurs at an explosive rate, with more than one million neural connections formed per second in the first few years of life. However, this growth and plasticity declines as people age, requiring increasingly greater effort to learn or change behaviors.¹ This is why focusing on children's experiences in the early years is so important. Children's early experiences shape their adulthood, which in turn shapes their community. For example, accessible and coordinated medical care for children leads to a healthier population, less absenteeism, and savings on medical and social costs. Participation in high-quality early education

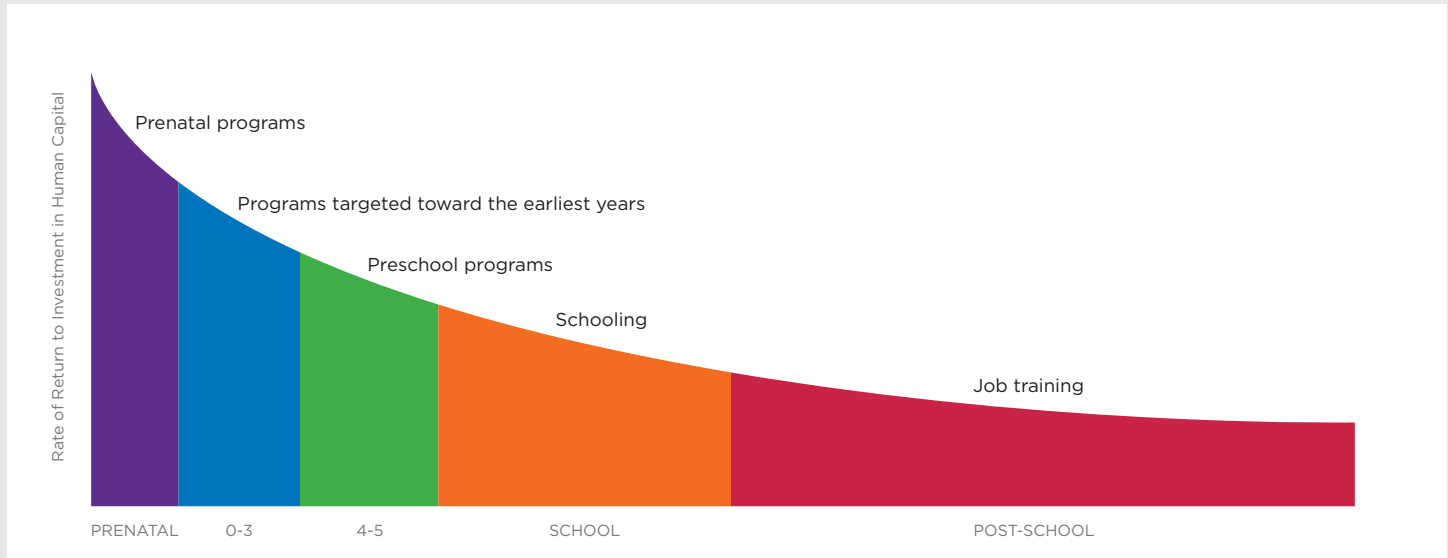
leads to increased likelihood of third grade success, which leads to high school graduation, which leads to more skilled workers. And positive parenting fosters social and emotional resilience, which leads to improved relating to others at home, school and eventually at work, resulting in a safer, thriving community with reduced social welfare costs.

The economics are clear as well: research shows the earlier the investment, the higher the return. James Heckman, Nobel Laureate in Economics and University of Chicago Economics Professor, has conducted several economic analyses of investments in early childhood health and development. One early study showed that for every \$1 invested in early childhood education for at-risk children, the community gains at least a \$7 return on investment. A more recent study by Heckman factored in the health benefits of children receiving early services and found an even higher return on investment.

Given the importance of early childhood development, the Orange County Early Childhood Policy Framework focuses on children from birth through age eight. At about eight years old, or third grade, children should have developed social, emotional and educational skills that are foundational for future learning and success.

¹Harvard University, Center on the Developing Child, "Brain Architecture," accessed April 4, 2018 at <https://developingchild.harvard.edu/science/key-concepts/brain-architecture/>

INVESTING IN YOUNG CHILDREN REAPS GREATER RETURNS



Source: University of Chicago Economics Professor James Heckman - The Heckman Equation Project

Four Big Benefits of Investing in Early Childhood Development

Excerpted from "Four Big Benefits of Investing in Early Childhood Development," accessed April 28, 2018 at https://heckmanequation.org/assets/2017/01/F_Heckman_FourBenefitsInvestingECDevelopment_022615.pdf

1 IT CAN PREVENT THE ACHIEVEMENT GAP.

Gaps in knowledge and ability between disadvantaged children and their more advantaged peers open up long before kindergarten, tend to persist throughout life, and are difficult and costly to close. Taking a proactive approach to cognitive and social skill development through investments in quality early childhood programs is more effective and economically efficient than trying to close the gap later on.

2 IT CAN IMPROVE HEALTH OUTCOMES.

Recent research by Professor Heckman and colleagues has shown dramatic long-term health effects of early interventions for disadvantaged children that incorporate early education, nutrition and health. More than 30 years later, treatment group individuals were at significantly lower risk for serious cardiovascular and metabolic diseases, such as stroke and diabetes. These findings demonstrate the great potential of coordinated birth-to-age-five early childhood programs to prevent chronic disease, reduce health care costs and produce a flourishing society.

3 IT CAN BOOST EARNINGS.

A recent study published by Professor Heckman and top researchers from around the world found that extremely disadvantaged children in Jamaica who took part in an early intervention similar to home visiting programs in the United States boosted their earnings in adulthood by 25%, putting their wages on par with those of their more advantaged peers.

4 IT MAKES DOLLARS AND SENSE.

The rate of return for investments in quality early childhood development for disadvantaged children is 7-10% per annum through better outcomes in education, health, sociability, economic productivity and reduced crime.

ORANGE COUNTY'S CHILDREN TODAY

1 IN 6 CHILDREN LIVE IN POVERTY



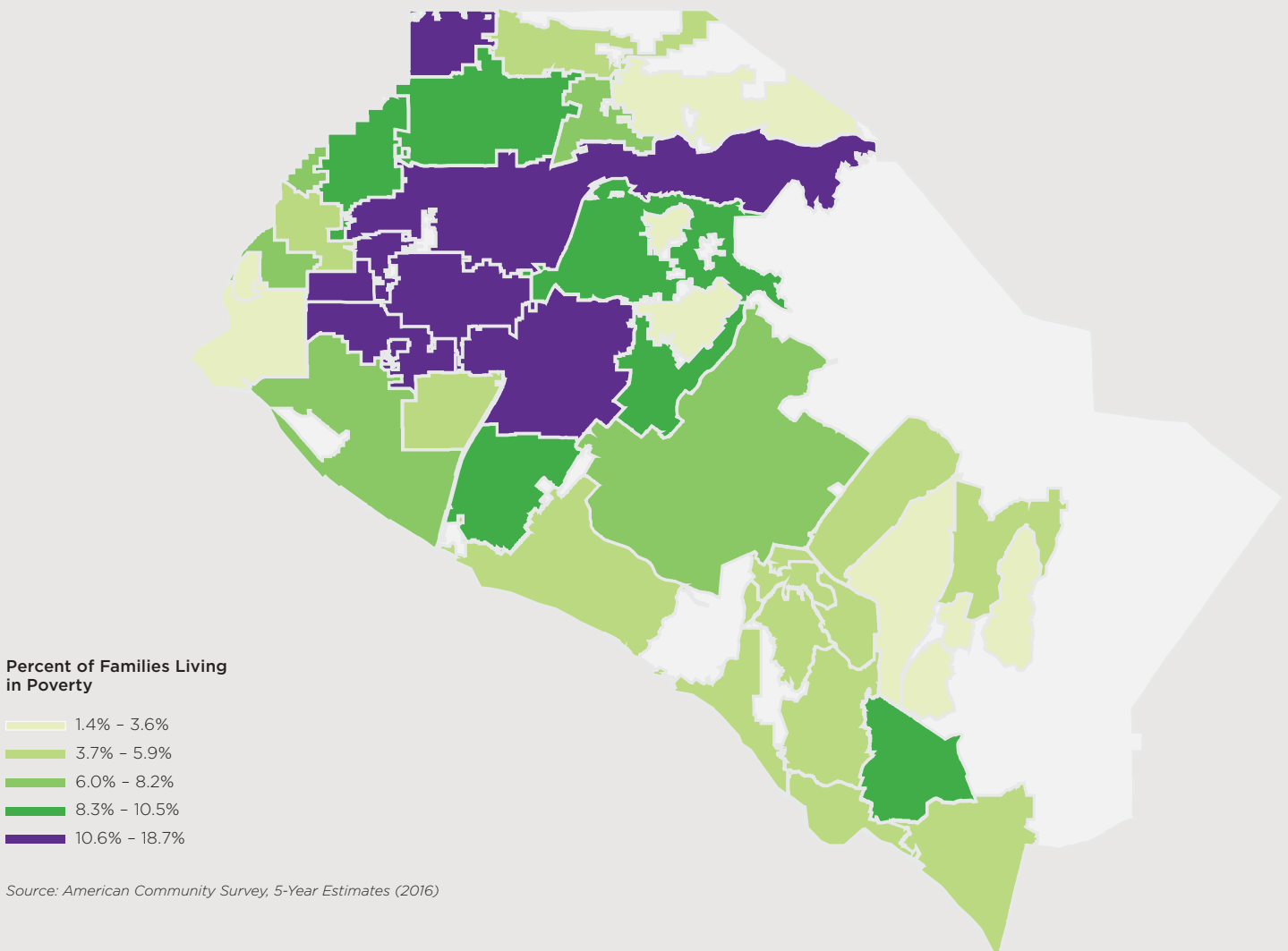
According to the US Census, 16.9% of Orange County's children were living in poverty in 2016 – higher than the general population's poverty rate of 12.5% and an increase of 24% since 2010. Poverty among Orange County's children is increasing faster than in California overall, which increased 15% since 2010. When the cost of housing is factored in, poverty among Orange County children jumps to 24.6%, surpassing California at 19.9%.²

Poverty is linked with inadequate nutrition, food insecurity, inadequate child care, lack of access to health care, unsafe neighborhoods, and under-resourced schools. According to the Lucile Packard Foundation for Children's Health, the effects of poverty and the stress associated with it contribute to students dropping out of school, poor adult health, and poor employment outcomes. A one percentage point increase in child poverty could cost the economy an extra \$28 billion annually in the future, due in part to lower future earnings among those who grow up in poverty.³

²California Poverty Measure, Public Policy Institute of California

³Lucile Packard Foundation for Children's Health, kidsdata.org

PERCENTAGE OF FAMILIES WITH CHILDREN LIVING IN POVERTY, ORANGE COUNTY, 2016



37% OF ORANGE COUNTY CHILD CARE PROVIDERS HAVE EXPELLED A CHILD DUE TO CHALLENGING BEHAVIOR



A survey conducted in 2016 by the Social Science Research Center at California State University, Fullerton found that while many children are struggling with behavioral issues in child care settings, most providers are not equipped to help these children. In fact, 25% of children who had perceived special needs, including behavior challenges, had not received intervention services, and 37% of providers reported having asked a child to leave their program permanently due to problematic behaviors.

For every child with a behavioral or mental health condition, there is a ripple effect on family, friends, the school and community; and untreated mental health problems may persist into adulthood.

**\$898.2
Million**

Estimated medical costs of depression in Orange County (2017)

**\$69.8
Million**

Estimated cost of absenteeism due to depression in Orange County (2010)

Sources: Centers for Disease Control and Prevention, Chronic Disease Calculator (www.cdc.gov/chronicdisease/resources/calculator/index.htm); California Department of Finance Population Estimates

NEARLY ONE IN FIVE 5TH GRADERS ARE OBESE



In 2016/17, 18% of Orange County 5th graders were classified as obese.⁴ Obese adolescents have a 70% chance of becoming obese adults.⁵ Excess weight acquired during childhood may persist into adulthood and increase the risk for chronic diseases, such as diabetes, heart disease and high blood pressure. Adult obesity is increasing in Orange County, along with the prevalence of many chronic diseases (see Chronic Disease, page 62).

⁴California Department of Education, California Physical Fitness Report
⁵23rd Annual Report on the Conditions of Children in Orange County

ONLY HALF OF CHILDREN ARE READY FOR KINDERGARTEN; ABOUT HALF OF 3RD GRADERS MEET LITERACY AND MATH STANDARDS



Children who are healthy and developmentally ready when they start kindergarten are more likely to meet academic performance goals in third grade, to graduate high school, become healthy adults, compete for higher paying jobs, and reduce reliance on expensive social services. Research shows that children who receive high quality early care and education are less likely to repeat a grade, need special education services or get into trouble with the law; are 4.6 times more likely to get a college degree; and earn up to \$2,000 more per month.⁶

Yet only half (52%) of Orange County's children are ready with the skills they need to succeed when they enter kindergarten. Children are least ready in the areas of communication skills and general knowledge (40% not ready), gross and fine motor skills (35% not ready), and prosocial and helping behavior (31% not ready). Further, just slightly more than half of Orange County's children meet third grade achievement standards for literacy (51%) or mathematics (56%).

45% OF ORANGE COUNTY STUDENTS EXPERIENCING HOUSING INSECURITY ARE ELEMENTARY STUDENTS.



In 2015/16, 5.8% of Orange County students experienced insecure housing, double that of students in 2006/07. Most of these students are living doubled- or tripled-up in homes. Among students with insecure housing, elementary age students (pre-kindergarten through fifth grade) represent the highest percentage at 44.8%.⁷

⁶Quality Start OC, accessed April 28, 2018 at www.qualitystartoc.com/Pages/home.aspx

⁷23rd Annual Report on the Conditions of Children in Orange County

A SHARED VISION YIELDS GREATER RESULTS

The Early Childhood Policy Framework establishes a shared vision that all children are valued, nurtured, healthy, and thriving. It leverages the great work that many organizations are already doing by helping to:

- Align policies and goals across all sectors
- Improve communication and coordination
- Identify strengths and address gaps

The desire to create a community framework to help young children thrive grew out of the screening of the documentary, *The Raising of America*. This film demonstrated the importance of early childhood, and how a strong start for all kids can lead to better individual outcomes and healthier, safer, more prosperous communities.

Locally, a group of more than 40 individuals representing over 30 organizations in Orange County met for more than two years to develop the Early Childhood Policy Framework, which prioritizes young children and families as the pathway to countywide prosperity. The group patterned Orange County's Early Childhood Policy Framework after a similar, successful model in Colorado called Early Childhood Colorado.

Orange County's framework is specific enough to support young children and families, but broad enough so that every sector – from health to education, businesses, local government, community and faith-based organizations – can see themselves and their work within this framework.

THREE PRINCIPLES ARE ESSENTIAL

There are three core principles which describe essential elements of an early childhood system. These principles must exist in communities of practice, and county and local systems, to achieve desired results for children and families. They are:

- Children and families thrive regardless of income, language and culture.
- Supports and services are coordinated and integrated across settings and sectors.
- Policies and practices are family-centered.

SETTING GOALS TO ACHIEVE RESULTS

The policy framework also sets out three goals that will be achieved if the community aligns to implement the framework: resilient families; quality early learning; and comprehensive health and development. These goals are viewed through the lenses of the “fundamentals” of access, quality and equity. Access denotes that the availability of services is important while quality acknowledges that it is not enough for services to simply exist – they must meet a standard of excellence. Finally, equity recognizes that special populations need special attention. For each goal area, the framework sets out two or three objectives for each fundamental.

The goals and objectives help partners and communities identify where there are opportunities, barriers and gaps within their local systems. They provide a roadmap to catalyze action and enable highly effective community planning, resource development and coordinated service delivery to reach the desired results.

Desired Results

- Young children reach their developmental potential and are ready to succeed in school and life.
- Adults are knowledgeable, responsive and interact effectively with other adults, children and the family unit.
- Environments that impact children are safe, stable, healthy and supportive.
- Orange County attains economic and social benefits by prioritizing children and families.

BUILDING A MOVEMENT

If Orange County galvanizes around prioritizing young children, the policy framework will become activated through legislation that supports children and families, more efficient and effective services, increased collaboration, and increased funding for programs that impact young children and families. The positive outcomes will spread from benefitting individual children to countywide benefits, with healthier adults and workers, safer communities, and a stronger economy.

Since the Early Childhood Policy Framework recently launched, the implementation by partner agencies is still in the early stages. Yet, there are examples of how agencies already align with, are using, or plan to use the policy framework to influence or inform their work.

The Children and Families Commission of Orange County will increase its focus on mental health support for pregnant and new mothers, building resilience in families and the growing infant, and connecting families to quality early childhood educational resources for continued family support, as part of ongoing program enhancements to the Bridges Maternal Child Health Network.

St. Jude Medical Center has partnered with Second Harvest Food Bank of Orange County to increase the number of enrollment sites for CalFresh in North Orange County and has also partnered with Orange County Department of Education to complete the CHOICES assessment in area preschools to enhance policies and practices encouraging healthy eating and active living.

Pretend City Children's Museum is conducting an internal assessment to see what parts of the framework the Museum is already implementing and then strategize which parts of the framework they will incorporate into their next strategic plan – either to improve upon current practices or initiate new ones.

As the **Orange County Department of Education** develops and adds to its Early Learning services, they are looking to the Policy Framework to ensure they integrate support for Resilient Families and Health. For example, an equity indicator under Health and Development is ensuring that children with special needs receive individualized services and supports. Thinking about this indicator prompted Orange County Department of Education's team to partner with the special education office to offer trainings for preschool teachers in how to make curriculum modifications that support individual children's needs.

Families Forward works to foster equity for Orange County's homeless families in need and help them achieve and maintain self-sufficiency, as outlined in the Policy Framework. They use a self-sufficiency matrix, working with each family to identify protective factors that the family possesses, and the supports the family already has in place, building on those assets. They also custom-design housing support, mental health counseling and career coaching to foster physical, emotional and economic security and stability.

MOMS Orange County will use the Policy Framework during their strategic planning process with their Board of Directors beginning in Fall 2018. Additionally, in grant applications and in meetings with funders, they will describe how their work aligns with and advances specific objectives of the Policy Framework. And through their Champion for Babies & Families Award – which recognizes an Orange County employer that creates a working environment exceptionally supportive of employees who are new and expectant parents – they will spotlight the corresponding objective of the Policy Framework.

Fullerton School District plans to partner with California State University, Fullerton in the implementation of a Resilient Family Program to strengthen families and enhance knowledge of parenting and child development along with creating a community support system. They also plan to Implement comprehensive professional development to support all areas of early learning which support quality. They will also work to align the Policy Framework and the Fullerton School District Board of Trustees annual goals.

The **Santa Ana Early Learning Initiative** has established a cross-sectoral partnership focused on improving early learning for all children ages birth to nine years old and is part of joint planning efforts to create family-serving Wellness Centers across all Santa Ana Unified School District schools. Additionally, Santa Ana Unified School District has developed an Early Learning Framework and invested \$3 million to incentivize early learning activities between 2018 and 2020.

Children’s Bureau will fully implement the Policy Framework in their early childhood and school readiness home visitation programs, father engagement services, school-based services, and family resource centers to further strengthen the families they serve. They also plan to integrate new practices to align with the Policy Framework.

As a children’s services organization, **Western Youth Services** is using the fundamentals of the Policy Framework as guideposts for their decision making for new and existing programs. They recently included content from the Policy Framework in a grant submittal, drawing on the Policy Framework’s Strategies for Action to achieve proposed outcomes in the grant.

Visit <http://bit.ly/earlychildhoodframework> for a copy of the Orange County Early Childhood Policy Framework or email earlychildhoodoc@gmail.com.

THE MEASURE OF SUCCESS

Every sector in Orange County is an advocate for young children and considers young children and families in policy development and every day practices.



Opportunity Gap

FOCUS ON WORKFORCE SKILL DEVELOPMENT

Last year's Opportunity Gap pivot point focused on middle-skill jobs – those jobs that require less than a four-year college degree, but more than a high school degree. The call to action was to help students and mid-career professionals acquire in-demand technical skills needed for these jobs – a tall order given that these technology-driven industries are constantly evolving.

Until fairly recently, the U.S. educational system offered students two tracks to a career: one academic and one vocational. The vocational route often carried a perception of inferiority; students trekked the vocational path if they were “not college material.” Educators today have challenged that two-tiered approach, creating a new paradigm: all students must learn and integrate academic and career skills to be well-positioned for a successful future. This year's pivot point looks at how Orange County's high schools and community colleges, working with local businesses, are delivering on that paradigm shift and helping students and mid-career professionals develop in-demand skills.

ORANGE COUNTY'S JOB MARKET

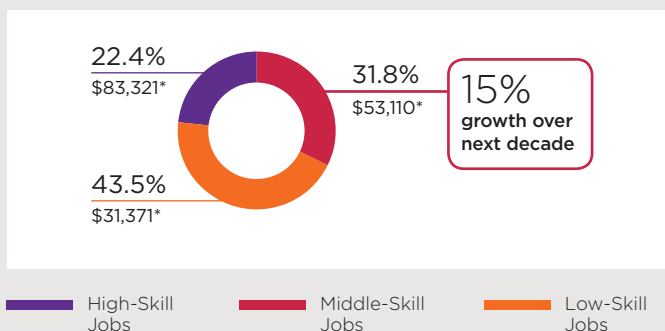
New middle-skill jobs are thriving in Orange County. As many as 41 of the 50 occupations projected by California's Employment Development Department (EDD) to create the most jobs in Orange County over the next decade will not require a four-year degree, and many are middle-skill jobs offering upward mobility and paying above average wages. Examples of middle-skill occupations include Registered Nurses, Dental Hygienists, Laboratory Technicians, Web Developers, Computer Systems Analysts,

and advanced manufacturing jobs in aerospace, medical devices, and computer electronics.

A 2016 Orange County Business Council (OCBC) report, “Closing Orange County's Skills Gap: Preparing to Meet Employer Demand for Middle-Skill Occupations,” funded by JP Morgan Chase's New Skills at Work initiative, found that there was 25% growth in middle-skill jobs in Orange County between 2003 and 2015, with continued projected growth of 15% over the next decade.

WELL-PAID MIDDLE-SKILL JOBS ARE GROWING IN ORANGE COUNTY

Distribution of Jobs in Orange County by Skill Level (2016) and Projected Growth in Middle-skill Jobs (2014-2024)



*Average annual salary

Source: Orange County Business Council report Closing Orange County's Skills Gap: Preparing to Meet Employer Demand for Middle-Skill Occupations (2016)

HELP WANTED: SKILLED WORKERS

17,678

Middle-skill job openings in Orange County per year over the next decade

25%

Middle-skill job growth since 2003, faster than overall county employment growth

Source: Orange County Business Council report Closing Orange County's Skills Gap: Preparing to Meet Employer Demand for Middle-Skill Occupations (2016)

The challenge is that there are simply too few qualified candidates to meet the demand. OCBC's study using real-time labor market software found that middle-skill job openings are significantly harder to fill than other job openings, taking an average of 57 days to fill. Overall, Orange County had 121,533 total middle-skill job openings in 2016.

BUILDING ALLIANCES WITH BUSINESS

The California Community Colleges have developed a framework for collaboration between employers, workforce development boards, educators, and research organizations across the country to close the job skills gap. This framework, *Doing What Matters for Jobs and the Economy*, has four prongs:

1 GIVE PRIORITY FOR JOBS AND THE ECONOMY

Community colleges are called to consider labor market needs when making local decisions about college budgets, courses and programs. These decisions are to be made as a region, not as individual colleges.

2 MAKE ROOM FOR JOBS AND THE ECONOMY

Community colleges must be nimble to adapt to changing labor market conditions. That means community colleges must continuously evaluate the effectiveness of courses, retool programs so that students can study what matters, and suspend programs that aren't working in order to make room for programs and courses that are.

3 PROMOTE STUDENT SUCCESS

Community colleges should use standardized common metrics for student outcomes to determine which programs are most effective and how programs can be improved to better prepare students for success in college and the workforce.

4 INNOVATE FOR JOBS AND THE ECONOMY

Community colleges can accomplish this goal by investing in innovation, technical consulting, and services for workforce training.

Locally, the Orange County Regional Consortium met in 2016 and 2017 to bridge the skills and jobs gap through *Doing What Matters for Jobs and the Economy* by connecting the community college system to business and industry, educational systems, and other stakeholders in the workforce development community. In 2018, community colleges have been working with the Orange

County Business Council on “defensible jobs,” which are jobs that build on human strengths in an increasingly automated economy. Together they are examining how to equip students with the skills that will make them employable in an era of automation.

REDEFINING COLLEGE AND CAREER READINESS

In 2009, researchers – drawing on economic research and national studies of employers – highlighted four characteristics, referred to as 21st Century Skills, as critical for success in the global economy: communication, collaboration, creativity, and critical thinking.¹ These became the basis for building college and career readiness programs nationwide, and locally Orange County educators added a fifth competency, “character,” which refers to work ethic and caring about one’s colleagues. Recent local analysis reveals that demand for these 21st Century Skills endure today, despite shifting jobs and emerging technologies; this is likely because the five characteristics apply across all job sectors and are transferable to any career. Students can start to build these skills in pre-K and continue throughout their education. Along with acquiring relevant knowledge, these competencies will help students succeed, even in a rapidly changing work world.

21ST CENTURY SKILLS



¹Trilling, Bernie, and Charles Fadel. (2009). *21st Century Skills: Learning for Life in Our Times*. San Francisco, CA: Jossey-Bass.

BLENDING ACADEMICS AND CAREER PREPARATION

The California Partnership Academies were established in 1984 to bridge the gap between education and job training. These industry-specific “academies” inside of high schools help students discover career interests, tailor their studies around these interests, and have hands-on experiences beyond the high school campus. Initially focused on at-risk students, the program has grown to include 475 academies with approximately 70,000 students as of 2015. Current students concentrate on one of 15 industries, including health, media and entertainment, finance and business, engineering and design, and public services.

California Partnership Academies Show Evidence of Success

For students in grades 10-12, California Partnership Academies (CPAs) combine three academic classes with one technical course each year while employers in the community provide students additional work-based experience. Students can go on from the high school academy into either two- or four-year colleges. Funding for these academies comes from competitive state grants with required matching contributions from local school districts and businesses.

In evaluations conducted using 2009/10 statewide data, CPA students showed impressive results²:

- Exceeded state averages in passing the CA High School Exit Exam in English/Language Arts and Mathematics
- Graduated on time at a 95% rate compared to the statewide rate of 85%
- Met the UC/CSU course load entry requirements at a 57% rate compare to the statewide rate of 36%

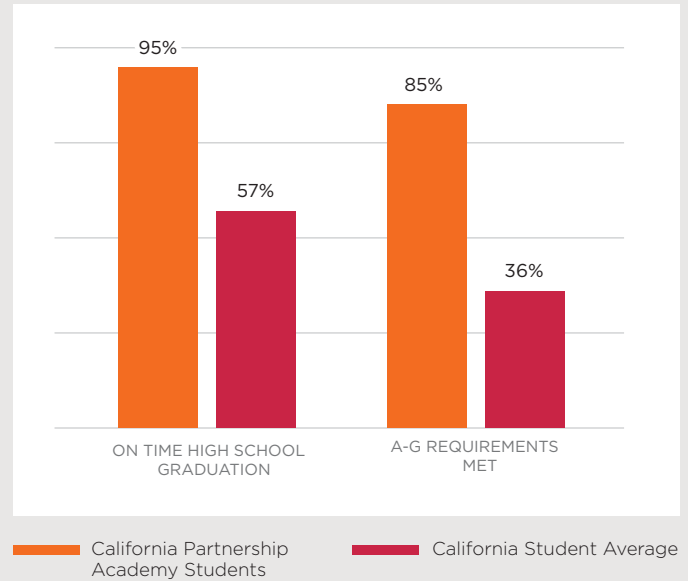
In a national longitudinal evaluation comparing career academy students with non-academy students, CPA graduates:

- Attended and completed college at the 80th percentile – as frequently as the non-academy students
- Earned 11% more in salaries eight years after high school
- Formed responsible families at a greater rate than their non-academy peers

² High School Innovations and Initiatives Office, Career and College Transition Division, California Department of Education

TANGIBLE SUCCESS FOR CALIFORNIA PARTNERSHIP ACADEMY STUDENTS

Comparison of Student Performance, California, 2009/10



CREATING PATHWAYS FOR ALL STUDENTS

While some children know what career they want at an early age, many more experiment in K-12 and college before finding a career focus. Unfortunately, stories abound of students taking four or five years of coursework at a community college and still not having a career path.

OC Pathways is a program intended to address that problem. It relies on partnerships between Orange County’s K-12 school districts, community colleges, and local businesses to ensure a dynamic program that aligns education with the needs of local businesses.

To understand local career needs, OC Pathways works with the Orange County Business Council and local businesses to identify high demand and high growth careers specific to the Orange County economy. Curricula are developed for the community colleges to meet the technical needs of these industries, which currently include health

care, advanced manufacturing and design, and information technology. Educators have developed a “crosswalk” of Orange County high school courses that serve as a bridge to various career pathways at the county’s 10 community colleges.

In short, the program creates “pathways” from primary and secondary schools to community colleges to either a four-year university or directly into the workplace.

WORKING TOGETHER ALONG THE EDUCATION CONTINUUM

Orange County educators are committed to building seamless connections between the various levels of education, from elementary school to junior high to high school to college. This means increased communication and collaboration between educators at all levels to align curricula so that students can continue to make progress towards career readiness through their education.

To this end, educators are considering career readiness programs in earlier grades, such as a movement to introduce students to possible careers in middle school. The goal is to tap into students’ interests – to have them ask, “What do I love to do? What am I good at? And what will people pay me for?”

The pathway approach does not lock students into a career; instead, it reflects the current understanding that students are much more likely to drop out of high school or college if they do not discover a career interest in high school. Students’ chance of success skyrockets when education supports their path towards gainful employment in their communities.

INTEGRATING MIDDLE AND HIGH SCHOOL COURSEWORK

Newport-Mesa Unified School District exemplifies this approach through their engineering and design program for students in 7th-12th grade. Seventh graders at TeWinkle Middle School can take classes in automation and robotics, and design and modeling. In eighth grade, students can study flight and space and take a medical detective class where they are exposed to robotics, 3-D modeling, biomedical engineering, and aerospace engineering. When these same students arrive at Estancia High School, they can continue with an introduction to engineering design (CAD) as a freshman and move on to principles of engineering as a sophomore, where they design bridges and go deeper into the world of robotics that they explored in seventh grade. Junior year studies progress into computer-integrated manufacturing and engineering and reverse-engineering products. Finally, seniors complete a project that they present to a team of engineers and community college professors. They can use this project to apply to any California college or university that offers an engineering degree. Newport-Mesa Unified School District students in this program primarily enroll at Cal Poly, San Diego State, and Chico State universities. More than 580 students are enrolled in the program, with more than 600 expected in the 2018/19 school year.

Similar programs are currently in place throughout Newport-Mesa Unified, Santa Ana Unified and other school districts. By 2020, all unified school districts in Orange County are expected to have this type of integrated pathways, starting in 7th grade and continuing through 12th grade.



DEMONSTRATING COLLEGE AND CAREER READINESS

Traditional standardized tests provide a snapshot of students' academic skills but very little information about their ability to succeed beyond high school. California has a new accountability dashboard for schools which is providing richer ways of understanding college and career readiness. It includes several traditional measure of high school performance like chronic absenteeism, suspension rates and graduation rates, as well as a new College and Career Readiness indicator which tracks the proportion of students who are considered prepared to enter a University of California or California State University.



Reflecting the many pathways to college and career, Orange County students now have multiple ways to demonstrate their readiness for the next level of learning and work. Gone are the days where the only way to get into college is to graduate from high school with the highest grades possible, in the hardest classes available, and with high marks on the SAT or ACT – and that's good news for students! Now, Orange County students can demonstrate their readiness for college and career in several ways, not all of which require standardized test-taking. The approach does not abandon academic skills, but rather incorporates 21st Century skills into the analysis. The Orange County Community Indicators report will begin reporting on college and career readiness as data becomes available.

Ways to Demonstrate College and Career Readiness

A high school diploma and any one of the following measures:

- Completing a Career Pathway (taking a sequence of two courses in a career field such as engineering, auto mechanics, health care or culinary arts) and meeting the Smarter Balanced assessments in English Language Arts and Mathematics (at least "Standard Met" in one of these two areas, and at least "Standard Nearly Met" in the other)
- Completing a Career Pathway (described above) and one semester or two quarters of a college course with a passing grade (Dual Enrollment)³
- Meeting at least "Standard Met" on the Smarter Balanced assessments in both English Language Arts and Mathematics
- Completion of two semesters or three quarters of a college course with a passing grade (Dual Enrollment)
- Achieving a passing score on two Advanced Placement (AP) exams or two International Baccalaureate (IB) exams

- Completion of courses that meet the UC/CSU course-taking criteria plus one of the following:

- Career Pathway completion
- Meeting the Smarter Balanced assessments in English Language Arts and Mathematics (at least "Standard Met" in one of these two areas, and at least "Standard Nearly Met" in the other)
- One semester or two quarters of a college course with a passing grade (Dual Enrollment)
- Passing score on one AP exam or on one IB exam

³ Dual Enrollment is when a high school student takes an approved course at a community college in a career field. Orange County high schools and community colleges have collaborated to develop career courses that build industry-specific skills and offer work-based learning.

COMMUNITY COLLEGES MEET THE CHALLENGE

COLLEGES READY FOR STUDENTS AS STUDENTS BECOME READY FOR COLLEGE

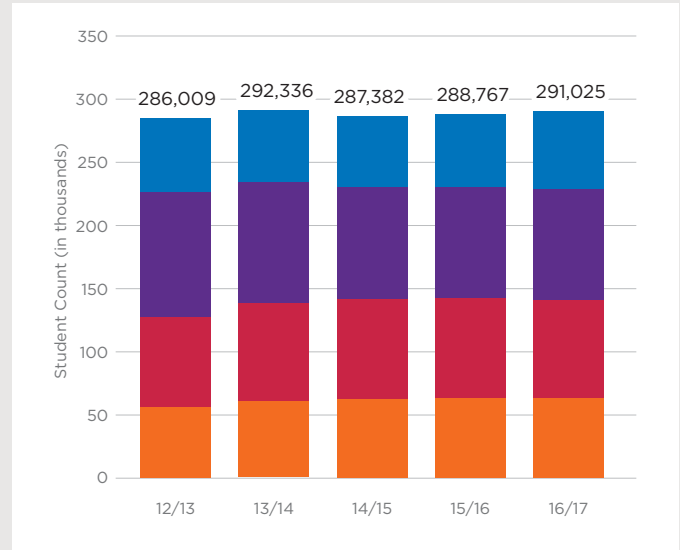
As more students become ready for college, Orange County's community colleges have worked to ensure that they are ready to help these students succeed. Orange County is enriched by the contributions and impact of four community college districts which encompass nine colleges and one school of continuing education. With a wide range of educational offerings, the colleges provide basic courses in English and mathematics, certificate and degree programs, preparation for transfer to four-year institutions, and workforce training.

Combined, Orange County community colleges offer more than 1,000 programs leading to associate degrees or certificates in career technical education, workforce training, academic disciplines, and transfer pathways. In 2016/17, 291,025 students were enrolled in local community colleges, and 32,828 associate degrees and certificates were awarded.

This level of enrollment has not changed significantly in five years, which is one of the reasons it is important to discuss the opportunity gap in Orange County. While Orange County educators have changed the way they prepare students and mid-career professionals for Orange County's changing job market with initiatives like OC Pathways, *Doing What Matters*, the recent

OVER 291,000 STUDENTS ENROLLED IN COMMUNITY COLLEGES IN 2017

Community College Enrollment in Orange County, 2013-2017



- Coast Community College District
- North Orange Community College District
- Rancho Santiago Community College District
- South Orange County Community College District

Source: California Community Colleges Chancellor's Office Datamart

growth of California Partnership Academies and the integration of middle and high school coursework, these valuable resources are underutilized. It is imperative that Orange County educators and employers continue to support these initiatives so that Orange County students and mid-career professionals know about and take advantage of them.

COMMUNITY COLLEGE DISTRICT

COAST COMMUNITY COLLEGE DISTRICT (CCCD)

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT (NOCCCD)

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT (RSCCD)

SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT (SOCCCD)

COLLEGES

COASTLINE COMMUNITY COLLEGE

GOLDEN WEST COLLEGES

ORANGE COAST COLLEGE

CYPRESS COLLEGE

FULLERTON COLLEGE

SCHOOL OF CONTINUING EDUCATION

SANTA ANA COLLEGE

SANTIAGO CANYON COLLEGE

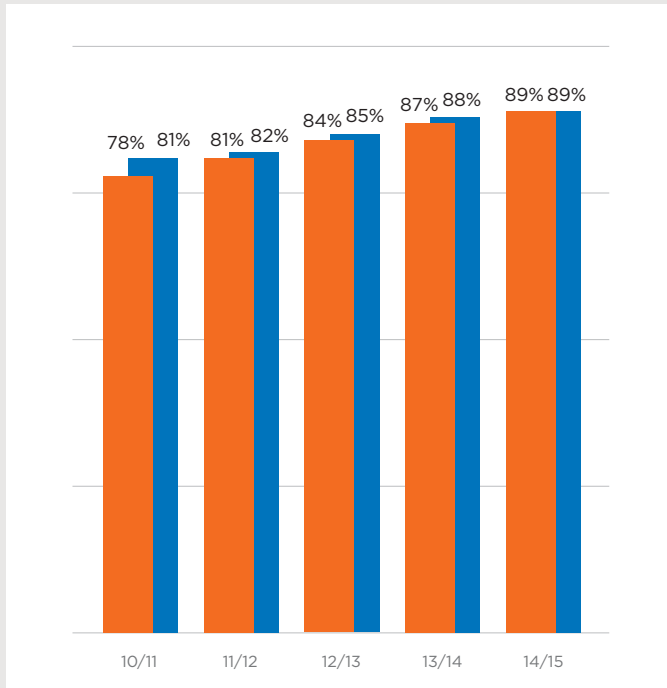
IRVINE VALLEY COLLEGE

SADDLEBACK COLLEGE

In 2015, nearly 90% of community college students taking career technical education completed their studies, the same rate as the state overall and a 14% increase from five years ago. Among those students completing their coursework, 78% found employment within a year, on par with California and the same as five years ago.

MOST STUDENTS COMPLETE THEIR CAREER TECH STUDIES

Percentage of Community College Students Completing Career Technical Studies in Orange County and California 2011-2015

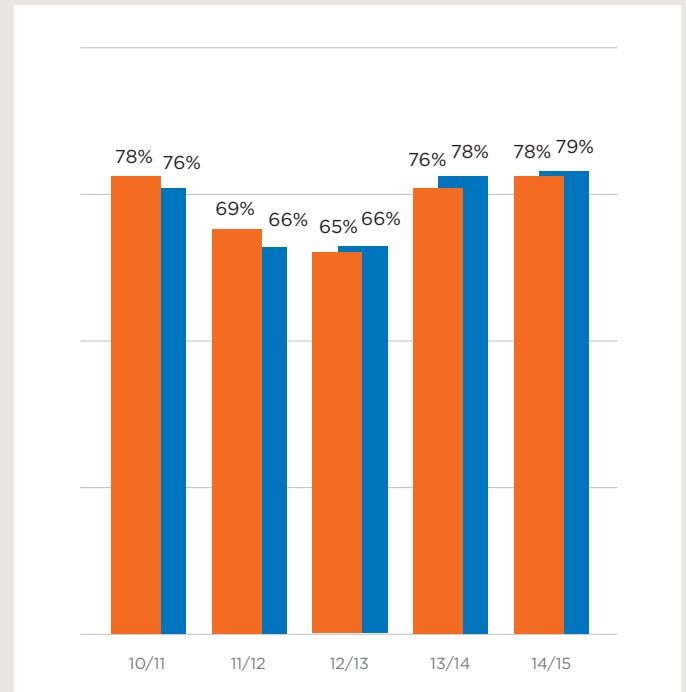


Orange County
California

Source: California Community College Chancellor's Office, Management Information Systems Division, Career Technical Education (Perkins IV), Negotiation Reports (https://misweb.cccco.edu/perkins/Negotiation_Reports/Negotiation_Reports.aspx)

MOST STUDENTS FIND JOBS WITHIN A YEAR

Percentage of Community College Students Completing Career Technical Studies Who Find Employment within One-Year of Completion Orange County and California, 2011-2015



Orange County
California

Source: California Community College Chancellor's Office, Management Information Systems Division, Career Technical Education (Perkins IV), Negotiation Reports (https://misweb.cccco.edu/perkins/Negotiation_Reports/Negotiation_Reports.aspx)

ADULT EDUCATION IN FOCUS

Adult education directly addresses the skills gap among adults by preparing those already in the workforce to meet the needs of employers through development of basic skills, career technical skills and English language skills, as well as by streamlining the path to bachelor-degree attainment for some workers. When workers are not struggling with basic skills, they are more able to contribute to a company's ability to innovate and be productive. Additionally, adult education provides multiple entry and exit points for workers to continually upgrade their professional skills, allowing them to seamlessly fill vacancies created by retiring highly skilled baby boomers.

Starting in 2015/16, with the passage of Assembly Bill 104, the California Legislature provides an annual a \$500 million Adult Education Block Grant to the California Community Colleges for joint work with the California Department of Education to improve statewide adult education. Each of the four Orange County community college districts leads an Adult Education Consortium to serve their local communities by providing programs targeted at a range of adult learners, from adult basic education to adult secondary education and basic skills, English as a second language, career technical education leading to a job in an in-demand industry, adults with disabilities, pre-apprenticeships, adults working toward child school success, and workforce re-entry adults. The Adult Education Block Grant program focuses on student acceleration and seamless transitions, enabling students to enter the workforce and move along career pathways more efficiently.

RESPONDING TO THE OPPORTUNITY GAP

Orange County's education and workforce development stakeholders are working hard to bring the education system into balance by integrating career-technical education and academics, and by teaching those 21st Century Skills that will be vital to a thriving economy and successful career. As a community, we must increase the awareness and use of existing high school and community college programs that are tailored to meet the needs of Orange County's middle-skill occupations.





Housing

FOCUS ON HOMELESSNESS

The nation is witnessing an epidemic of homelessness due to a variety of economic and social conditions. Orange County is not immune to these forces. With housing prices in Orange County 356% higher than the national average, the sentiment that “Orange County is an expensive place to be poor” is more than just a sound bite; it is a reality. Given the far-reaching impacts of an inadequate supply of affordable housing, this Pivot Point focused for the past two years on the need for affordable housing, the barriers to building it, and strategies for increasing the supply. This year, the focus turns to the extreme consequence of Orange County’s affordable housing shortage – homelessness – and examines the factors contributing to it, and solutions at work to address the problem.

THE STATE OF HOMELESSNESS

Homelessness affects families with children, couples, and individuals. Within the homeless population, there are adults who are employed or unemployed, as well as domestic violence survivors, recently emancipated foster youth, veterans, and people struggling with mental illness or substance abuse – and often some combination of the above.

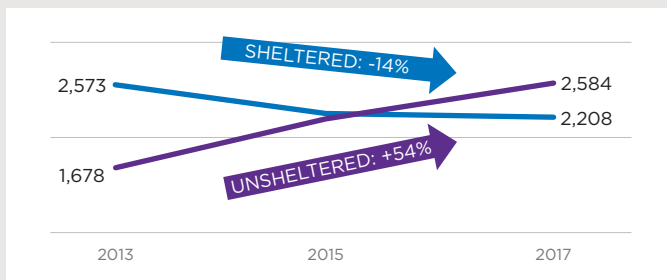
TRENDS AND REGIONAL VARIATION

According to the 2017 Point-in-Time (PIT) count, the sheltered homeless population in Orange County declined 14% since 2013, while the unsheltered population increased 54%. The unsheltered homeless population is almost entirely

comprised of adult men and women (99.2%). Overall, the number of homeless people in Orange County has increased since 2013, to an estimated total of 4,792 in 2017. This figure is equivalent to 0.15% of the total Orange County population. To place this figure in context within Southern California, Los Angeles County’s homeless population is 0.57% of its total population (the highest rate) and San Bernardino County’s homeless population is 0.09% (the lowest rate).

MORE UNSHELTERED THAN SHELTERED

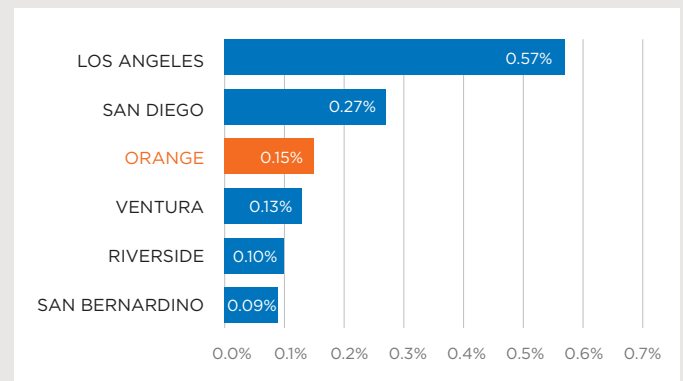
Sheltered and Unsheltered Homeless Population in Orange County, 2013-2017



Source: Orange County Continuum of Care, 2017 Homeless Count and Survey (<http://ochmis.org/reports2/oc-reports/>)

15 OUT OF 10,000 OC RESIDENTS ARE HOMELESS

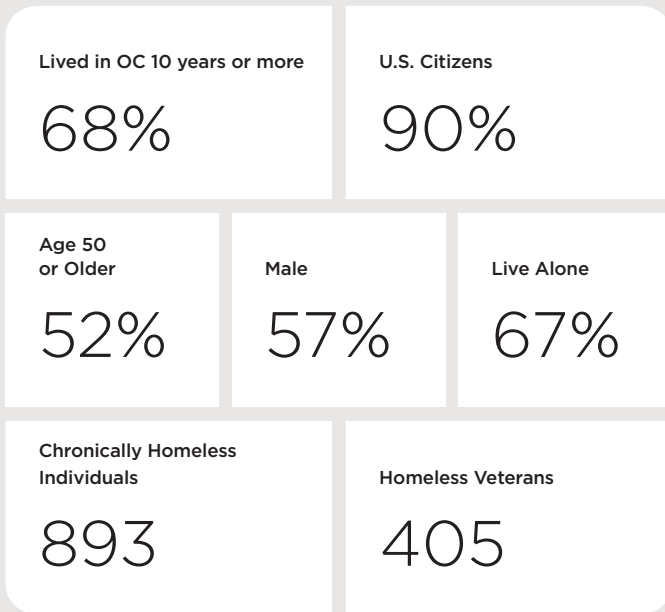
Regional Comparison of the Proportion of the Population Experiencing Homelessness, 2017



Source: Orange County Continuum of Care, 2017 Homeless Count and Survey (<http://ochmis.org/reports2/oc-reports/>)

Notes: The Los Angeles figure combines PIT results from Long Beach, Pasadena and the remainder of Los Angeles

CHARACTERISTICS OF ORANGE COUNTY'S HOMELESS POPULATION



Sources: University of California, Irvine, "Homelessness in Orange County: The Costs to our Community," 2-1-1 Orange County, "Orange County Continuum of Care 2017 Homeless Count and Survey"

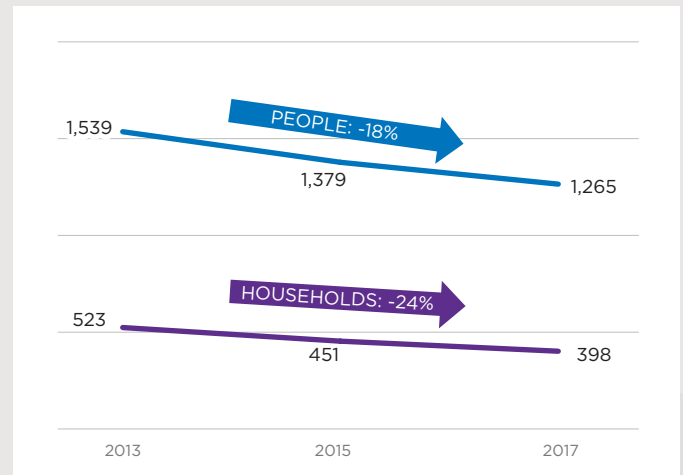
Family Homelessness

According to 2017 PIT count estimates, homeless families comprised 26% of the overall homeless population. This is equivalent to an estimated 1,265 individuals, of which 754 were children. This marks a 24% decrease in homeless families since the 2013 PIT count was conducted. Among the 398 homeless families with children identified in the 2017 PIT count, most lived in transitional shelters (62%), while 33% lived in emergency shelters, and less than 1% lived unsheltered.

However, the PIT may not accurately count unsheltered homeless families since families typically do not congregate with other homeless populations, their homelessness is often episodic and cyclical, and they may actively hide from counts because of an unwarranted fear that their children will be taken away. The Homeless Families Count conducted over a three-day period in 2017 by a consortium of public and private Orange County agencies, helped 131 homeless families connect with housing and helped another 36 families at-risk of homelessness prevent homelessness. The Family Solutions Collaborative reports that, on average, between 40 and 50 new families enter the Coordinated Entry System each month.

24% REDUCTION IN THE NUMBER OF HOMELESS FAMILIES

Number of Homeless Families with Children in Orange County and Number of People in Homeless Families with Children in Orange County, 2013-2017



Number of Family Households
Number of People in Family Household

Source: Orange County Continuum of Care, 2017 Homeless Count and Survey (<http://ochmis.org/reports2/oc-reports/>)

IN A THREE-DAY PERIOD IN 2017 THE HOMELESS FAMILIES COUNT IDENTIFIED 131 HOMELESS FAMILIES IN IMMEDIATE NEED OF HOUSING AND 36 FAMILIES AT-RISK OF HOMELESSNESS.

FACTORS CONTRIBUTING TO HOMELESSNESS

MOST FREQUENTLY CITED REASONS

1 Unemployment and Underemployment

The Costs to our Community study found that difficulty securing and retaining a job with a wage high enough to afford living in Orange County was the number one contributor to homelessness among the sample of homeless individuals surveyed, with 40% indicating this was a factor. Most homeless residents have some level of income – ranging from a median of \$1,958 monthly for those living in a rapid re-housing program, to a median of \$500 monthly for unsheltered homeless people. Still, 64% of jobs in Orange County do not earn enough to afford median rent on a one-bedroom.

2 Housing Costs

The second most frequently cited contributor in *The Costs to our Community* study was the difficulty finding or retaining affordable housing, including foreclosures and evictions, reported by 36% of those surveyed. Indeed, residential rental vacancy rates were at 3.6% in June 2017, down from 5.9% in 2010 according to an analysis by HUD. In the last five years, between 2014 and 2018, median rents increased 14% in Orange County.

Rental assistance vouchers, which help low-income residents pay rent in the open market, can help avert homelessness, but even with voucher set asides for homeless residents, only a small subset of eligible households will ever receive a voucher given current federal funding and a waiting list of over 84,000 countywide. Further exacerbating the issue is that landlords are increasingly unwilling to take vouchers because they can potentially earn more renting to market rate payers or they may be wary of renting to homeless individuals with mental illness or substance addiction. The result is that even some renters with a voucher in hand cannot find a place to rent.

3 Inadequate Safety Net for Life Challenges

Life challenges – such as divorce, domestic violence, abuse, loss of a job, medical diagnosis, disability, a disabled family member, crime or a traumatic event, drug or alcohol addiction, or a mental health condition – affect the housed as well as the unhoused. When affected by one or more of these challenges, having sufficient income or supportive family members can help avert homelessness. Without that safety net, the risk of homelessness is far greater. The third most frequently cited contributor to homelessness reported by the respondents in *The Costs to our Community* study was a significant life event including domestic violence, family dysfunction, relationship dissolution or death of a family member.

Mental Illness and Substance Abuse

Data on the prevalence of mental health and/or substance abuse conditions vary. According to the 2017 PIT, of all Orange County homeless people (sheltered and unsheltered), 12% have serious mental illness and 9% have a substance abuse disorder. According to *The Costs to our Community* study, which surveyed sheltered and unsheltered homeless people, 17% cited mental illness as a factor contributing to their homelessness and 22% cited substance abuse as a factor. According to an August 2017 census by City Net of unsheltered individuals living in the flood control channel area, 42% reported a mental health concern and 38% reported struggling with substance abuse.

Domestic Violence and Abuse

In the 2017 PIT, 27% of homeless adults (1,276 persons) reported having experienced domestic violence by a spouse, partner, sibling, or parent. Of these people, 24% were sheltered and 76% were unsheltered. Similarly, *The Costs to our Community* found that 28% cited family issues (which include domestic violence, family dysfunction, relationship dissolution and death of a family member) as contributing to their homelessness.

ECONOMIC COSTS OF HOMELESSNESS

Whatever the housing category – whether emergency, bridge, rapid re-housing, or permanent supportive housing – the costs of homelessness decline when homeless people are housed.

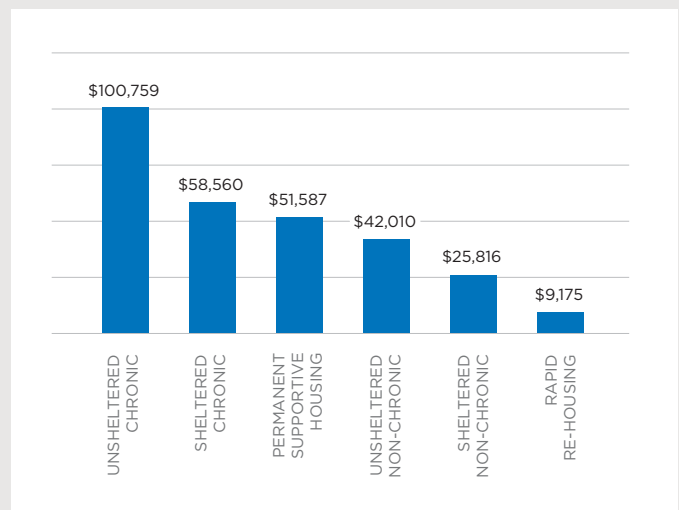
Housing Equates to Cost Savings

According to *The Costs to our Community* study, approximately \$299 million was spent by governmental and non-governmental agencies to address homelessness in Orange County in 2014/15. This includes expenditures by cities (\$120 million), hospitals (\$77 million), the County (\$62 million), nonprofit housing agencies (\$35 million) and nonprofit homeless service agencies (\$5 million). Most of these expenses were for medical care (\$121 million), followed by housing (\$106 million) and criminal justice contacts (\$23 million).

The study found that the estimated average annual cost of housing and services per capita for permanent supportive housing clients is 50% lower than for chronically unsheltered homeless people (\$51,587 versus \$100,759). The study estimates a savings of approximately \$42 million per year if all Orange County chronically homeless people were placed into permanent supportive housing.

COSTS OF HOMELESSNESS DECLINE WHEN HOMELESS ARE HOUSED

Average Annual Service Cost per Person by Type of Housing, 2014/15



Source: Milken Institute, *Best Performing Cities Report* (www.milkeninstitute.org)

ADDITIONAL FACTORS

Unintended Impacts of Proposition 47

Proposition 47, the Reduced Penalties Initiative, reduced certain non-violent drug crimes from felonies or misdemeanors, which resulted in these crimes largely becoming “cite and release.” As a result, homeless people struggling with substance abuse issues who would have previously been “housed” in jail are now living unsheltered and are consequently more visible in public spaces. In response, the state developed a competitive grant program for counties to create drug rehabilitation re-entry centers. Orange County successfully obtained a \$6 million grant, which will be used to expand re-entry planning for released inmates, increase access to and availability of housing, and provide intensive case management.

Challenges Building Affordable Housing

Building affordable housing can take as long as three or four years, due in part to permitting processes, litigation, and neighborhood concerns, as well as the challenge of pulling together as many as 10 different funding sources. Litigation of approved housing projects can be filed anonymously and at low cost in the name of the California Environmental Quality Act (CEQA), yet research found that 99% of Southern California housing projects that were subjects of CEQA lawsuits were on land that had already been developed, not undeveloped land. Further, a recent study of a sample of California cities found that only 20% of projects would require CEQA review, but a much higher percentage trigger CEQA because localities impose discretionary review processes.

SOLUTIONS

REGIONAL COORDINATION

Regional coordination with respect to homelessness is not new for Orange County, but the level of engagement and diversity of stakeholders has notably expanded. For many years, cities, the County, nonprofit service providers, school districts, and others have collaborated under the Continuum of Care Board and the Commission to End Homelessness. In addition, the Association of California Cities – Orange County, whose membership is comprised of elected city leaders, and the Orange County City Managers Association are actively engaging their members in the issue. And, specific to helping homeless families access housing and services, the Family Solutions Collaborative brings together the resources that each participating agency offers and helps families access the services they need.

United to End Homelessness

In early 2018, Orange County United Way kicked off a community-wide initiative focused on bringing together and mobilizing Orange County's collective private and public resources in the fight to end Orange County's growing homeless crisis.

Key elements of this effort include:

- Engaging landlords and property managers in the Orange County private market apartment community who can help bring existing units online for permanent supportive housing.
- Partnering with local private and public leaders working to identify locations to develop new permanent supportive housing.
- Working with the County and others to leverage data that can help the community gain detailed insights to enhance the overall System of Care.
- Partnering with academic institutions on further research to assess the state of homelessness and also gauge public opinion on the issue.
- Building upon strong partnerships in the Orange County business, philanthropic, and faith communities to leverage private and public sector resources to solve homelessness.

- Partnering with nonprofit service providers already engaged in the fight on a singular, community-wide approach.

The United to End Homeless Campaign also seeks to educate and change perceptions among Orange County residents and community leaders on the issue of homelessness through an extensive public awareness campaign, including an online proclamation to end homelessness. As of June 2018, over 1,000 Individual residents, civic leaders and organizations have already signed onto the proclamation.

United to End Homelessness Proclamation

- Every man, woman and child in Orange County **should be treated with dignity and respect**, including those experiencing homelessness.
- Everyone experiencing homelessness has a unique background, life story, and circumstances that led them into their current circumstances.
- We are willing to have our own preconceptions about homelessness challenged and reframed in our effort to **seek real and lasting solutions**.
- Those in our community suffering from debilitating and disabling conditions who **are chronically homeless should be provided with housing** and all necessary support.
- We must **work together to solve homelessness**; no one entity, including government, can do it alone. It will take all of us working together to #endHomelessnessOC

Orange County's Declaration on Housing

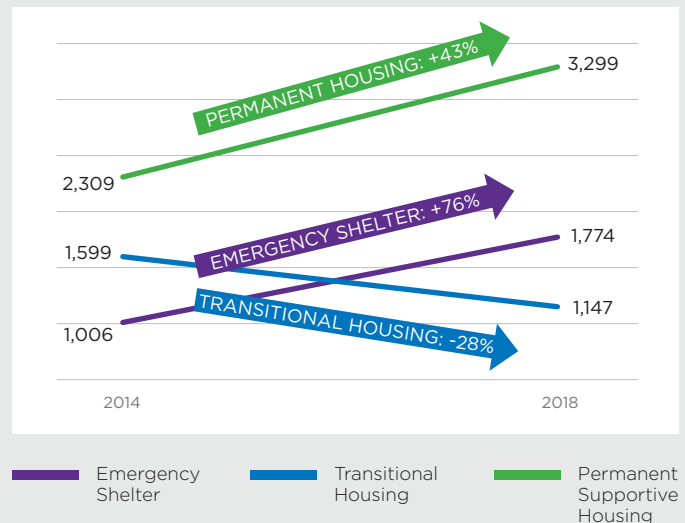
On March 18, 2018, the Orange County Board of Supervisors adopted a resolution in support of Orange County's Declaration on Housing. The resolution seeks the signatures of mayors and city managers in Orange County cities to "... build housing options at or below a \$500,000 price level..." The Board of Supervisors also directed county departments and stakeholders to collaborate and prepare a report to the Board of Supervisors, detailing how the County can facilitate the construction of new, affordably priced housing.

SHELTER RESOURCES

Emergency shelter beds and permanent (including Permanent Supportive Housing, Rapid Re-Housing and Other Permanent Housing) housing beds have grown significantly in the past five years, by 76% and 43%, respectively. Transitional housing beds have declined 28% largely owing to HUD’s new emphasis on – and funding for – Rapid Re-Housing and Permanent Supportive Housing under the “Housing First” model. Overall, there has been a 27% increase in housing for the homeless between 2014 and 2018.

27% OVERALL INCREASE IN HOUSING AND SHELTER FOR HOMELESS

Change in Homeless Housing and Shelter Units in Orange County by Type of Housing, 2014 and 2018



Source: HUD Exchange (www.hudexchange.info/programs/coc/coc-housing-inventory-count-reports)

GLOSSARY



Emergency Shelter

Provides short-term, temporary shelter for homeless people in general or for specific populations of homeless people and does not require occupants to sign leases or occupancy agreements.



Rapid Re-Housing

Provides temporary housing assistance to people experiencing homelessness, moving them quickly out of homelessness and into housing, typically for six months or less. It provides time-limited financial assistance of market rate rental units that covers move-in costs, deposits and rental and/or utility assistance. Individuals can work their way to paying the rent in full themselves, thereby staying in the housing.



Bridge or Transitional Housing

Provides temporary residence, ranging from six to 24 months, for people experiencing homelessness. It typically includes supportive services to help residents secure some stability and enhance their employability, with many residents being employed. Ideally, it functions as a conduit to a more permanent housing situation.



Permanent Supportive Housing

Provides housing and supportive services on a long-term basis to formerly chronically homeless people.

Housing First: Permanent Supportive Housing and Rapid Re-Housing are informed by the Housing First approach, which moves people directly from the street or shelter to housing without preconditions of treatment acceptance or compliance.

Chronically Homeless Individual: Person who is continuously homeless for one year or more, or who has experienced at least four extended episodes of homelessness in the last three years, and who has a diagnosable disability (e.g., serious mental illness, developmental or cognitive disability, PTSD, or addiction).

Point-in-Time Count or PIT: *Orange County Continuum of Care 2017 Homeless Count and Survey*, a census of the homeless population in Orange County on a single day in January conducted every two years and commonly referred to as the “Point-in-Time” count, or PIT.

HUD: U.S. Department of Housing and Urban Development, which funds rental assistance, shelter beds and services.

MHSA: Mental Health Services Act, passed in 2004 to provide funding to support the expansion of county mental health programs, including prevention, early intervention, and treatment services and supports.

Sources: University of California, Irvine, “Homelessness in Orange County: The Costs to our Community” (unitedwayoc.org/resources); U.S. Department of Housing and Urban Development.

EMERGENCY SHELTER DEVELOPMENT

An inventory of emergency shelter resources in Orange County reveals that 71% are for families, single mothers or pregnant women. Seeing the need for more emergency shelter resources for single men and women, including individuals who are chronically homeless, the County recently opened two new emergency shelters for these populations.



Formerly a bus terminal in downtown Santa Ana, the Courtyard Transitional Center (Courtyard) is a County-owned, year-round 24-hour emergency shelter, which opened in October 2016 and is operated by The Midnight Mission. The Courtyard is a low-barrier “come as you are” shelter, which means people seeking respite from the streets for the night, or to rest or take a shower during the day, may walk-in and do not have to complete a long eligibility application process. The shelter has approximately 400-person capacity and has services on-site from County of Orange Social Services Agency, Health Care Agency, nonprofit service providers, veteran services and legal services. In May 2018, the Center was 94% occupied, on average. Between October 2016 and June 2018, 363 individuals exited to increased housing stability.

In May 2017, the County opened Bridges at Kraemer Place, an emergency shelter in Anaheim operated by Mercy House. The shelter currently has capacity for 193 single adult men and women, with plans for completing construction and expanding bed capacity to 200 beds in the summer of 2018. Homeless residents in north Orange County cities have priority and must be referred by a partner service agency. The focus for the shelter is to help participants create a housing plan, make connections to housing resources, and end their homelessness as soon as possible. In May 2018, Bridges was running an average of an 88% occupancy rate. Between May 2017 and June 2018, 98 individuals exited to increased housing stability.

In addition to the Courtyard and Bridges shelters, the Orange County Cold Weather Armory Emergency Shelter program provides shelter and services for the homeless at the National Guard Armories during cold weather months. The County also provided funding in April 2018 for two new emergency shelters: SafePlace at WISE Place for Women (a 60-bed low barrier shelter for women experiencing homelessness) and Washington House by American Family Housing (a 16-bed shelter to serve eight two-person households).

PERMANENT SUPPORTIVE HOUSING

Regional Permanent Supportive Housing Business Plan

The Costs to our Community study recommended the development of specific numeric goals for the creation of housing unit types to serve the homeless population, with a particular emphasis on permanent supportive housing, which is widely documented to be both cost effective and successful long-term. In response, the Homelessness Task Force of the Association of California Cities - Orange County identified the need to add 2,700 new permanent supportive housing units to the countywide inventory, based on the 2017 PIT count of unsheltered homeless, the ACC-OC's Regional Permanent Supportive Housing Business Plan allocates a share of the 2,700 units to each city based on population and other factors. Not all cities are willing to participate, but some cities are willing to take more than their share of units. Through this targeted effort, the goal is to get the hundreds of people in emergency shelters into permanent supportive housing with wraparound services. The first hurdle is financing, but a variety of opportunities either already exist or may be on the horizon at the state level or locally to support this goal.

No Place Like Home Grants

At the state level, the legislature passed the "No Place Like Home" grant process with the intent of enabling counties to apply for MHSA-backed bond funds to build low-barrier, permanent supportive housing for people who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness, and who are in need of mental health services. This law is currently undergoing validation in state court and, if necessary, may be referred to the November 2018 ballot to seek public support for this revision to the MHSA ballot initiative.

Project-Based Voucher/MHSA Projects

Housing Authorities, which oversee federal rental assistance programs, can convert up to 20% of their allocated vouchers to become project-based vouchers (PBV), which are tied

to a specific apartment complex and often are targeted to serve special populations of homeless individuals, such as veterans, people with mental health conditions or the elderly. These projects can be tied to MHSA funding to add permanent supportive housing units for individuals with mental health conditions. Project-based voucher and MHSA-supported projects help address the problems of decreased landlord participation in the tenant-based voucher program. Recent examples include the County of Orange's commitment of 14 PBV for homeless veterans in two projects that opened recently in Midway City and Newport Beach. Plus, there are over 300 PBV or MHSA units in the pipeline or planning stages thanks to investments from the MHSA and commitments of PBV from Orange County's four Housing Authorities including Orange County, Anaheim, Santa Ana, and Garden Grove.

Increasing Access to Rental Assistance

Additional opportunities with respect to rental assistance include conducting outreach to landlords in the private market to incentivize their participation in rental assistance programs and applying for more vouchers for veterans and people with disabilities - the only categories of vouchers that local Housing Authorities may apply for to increase their overall supply. The United Way's United to End Homelessness effort is currently developing a pilot to engage private market landlords. And, in April 2018, HUD awarded a total of 213 additional vouchers for veterans to Housing Authorities in Orange County and announced the ability for Housing Authorities to apply for vouchers targeted to non-elderly people with disabilities, including those who are homeless or at-risk of homelessness.

\$42 MILLION

Estimated annual savings if all Orange County chronically homeless people were placed into permanent supportive housing

Engagement With Flood Control And Civic Center Encampments

According to a census by City Net, the County contractor for the Flood Control Channel Engagement Initiative, there were 422 individuals living in the flood control channel in August 2017. From July 1, 2017 to January 8, 2018, City Net was in the flood control channel seven days a week looking to transition individuals to increased housing stability. During this period, 251 individuals exited the flood control channel into services or family reunification.

In February 2018, the County implemented a 30-day Motel-Shelter Program due to a court stipulation pertaining to the Santa Ana Riverbed Trail environmental remediation project. In response, individuals occupying the flood control channel received 30-day motel or shelter housing, with nearly half accepting services to transition from the motel or shelter to other services. In April 2018, individuals who had previously been encamped at the Plaza of the Flags and Santa Ana Civic Center were assessed for services and 42% accepted treatment or connection to emergency shelter.

The status of individuals formerly in the encampments and the status of the active court proceedings continue to evolve as of the publication of this report.

CARRYING THE MOMENTUM FORWARD

Homelessness is costly problem with known, proven solutions. It is a national problem needing a full community effort of local stakeholders to tackle it, including local jurisdictions, nonprofit service providers, foundations, the faith community, businesses, and individuals. The growing momentum to solve the problem can be attributed to a marked shift in the narrative from one of blame and stigmatization, to one of concern for members of our community who are experiencing significant life challenges in a high-cost county without a safety net deep enough to keep a roof over their heads. Ongoing work to secure funding, cut through the red tape, and reduce barriers to the construction of shelters,

permanent supportive housing, and very low-income housing are key to moving the needle and saving Orange County millions in the process. Tracking our progress will be key to assuring accountability and Orange County's collective, ongoing commitment to lasting solutions.

THE KEY IS EVERY SECTOR
COMING TOGETHER TO DO THEIR
PART TO MOVE FORWARD.

Additional Sources

U.S. Department of Housing and Urban Development, "Comprehensive Housing Market Analysis, Anaheim-Santa Ana-Irvine, California" (www.huduser.gov/portal/publications/pdf/AnaheimCA-comp-17.pdf)

UC Berkeley and Columbia University, "Getting it Right: Examining the Local Land Use Entitlement Process in California to Inform Policy and Process" (www.law.berkeley.edu/research/cee/research/land-use/getting-it-right/)

Holland and Knight, "In the Name of the Environment" (www.hklaw.com/files/Uploads/Documents/Alerts/Environment/InfillHousingCEQALawsuits.pdf)

INFORMATIONAL RESOURCES

[Homelessness in Orange County: The Costs to Our Community](#)

by University of California, Irvine

www.unitedwayoc.org/resources

[Assessment of Homeless Services in Orange County](#)

by Director of Care Coordination, County of Orange

www.ocgov.com/gov/ceo/care

[Orange County Continuum of Care 2017 Homeless Count and Survey](#)

by Focus Strategies for 2-1-1 Orange County

<http://ochmis.org/reports2/oc-reports/>

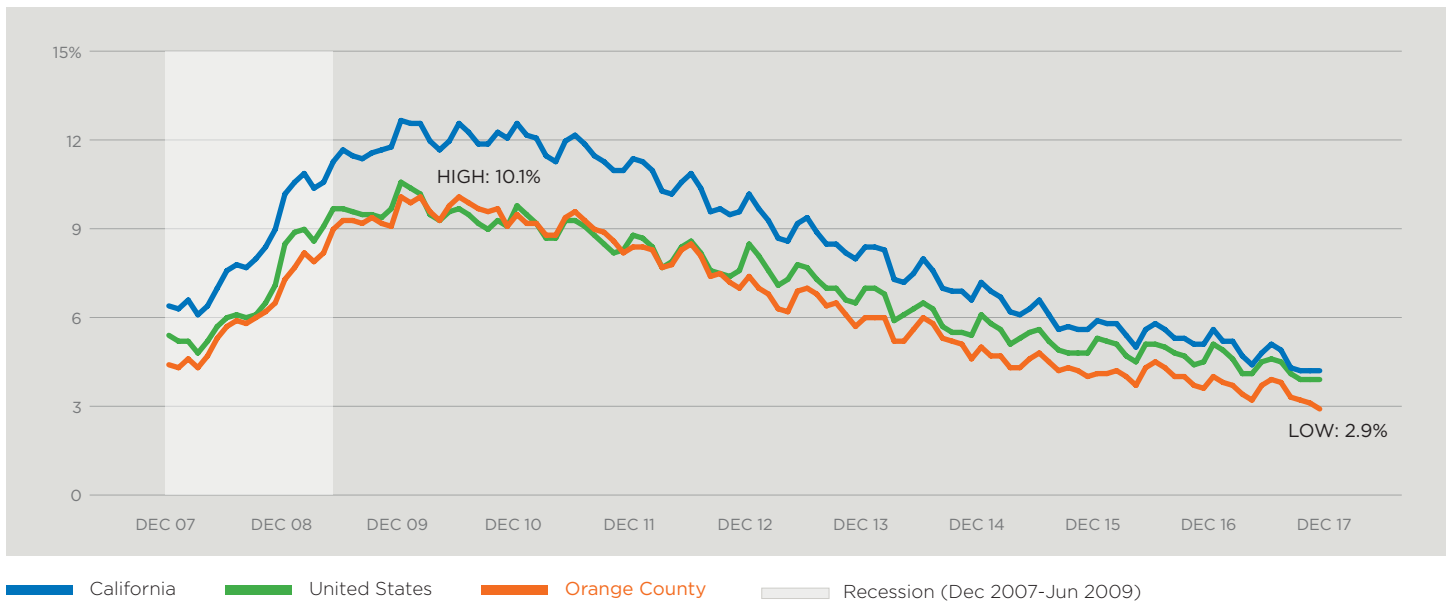


EMPLOYMENT

Orange County's unemployment rate of 2.9% in December 2017 represents a low not seen since December 2000. The December 2017 unemployment rate is well below the 10-year high of 10.1% and below the December 2017 state and national rates of 4.2% and 3.9%, respectively. (At time of publication, Orange County's April 2018 unemployment rate was 2.6%.)

UNEMPLOYMENT RATE DIPS TO LOWEST SINCE DECEMBER 2000

Unemployment Rate in Orange County, California and United States, 2007-2017



Source: California Employment Development Department (www.labormarketinfo.edd.ca.gov) and Bureau of Labor Statistics (www.bls.gov/data/)

The 10 industry clusters tracked by the Community Indicators Report account collectively for over half of Orange County jobs. Among the four largest sectors tracked, Health Services led job growth, increasing by 26% between 2007 and 2016. Tourism employment reached pre-recession levels in 2011 and overall grew by 22% since 2007. Business and Professional Services and Construction have taken longer to rebound, with Business and Professional Services surpassing pre-recession employment levels in 2015 and Construction still lagging behind pre-recession employment rates. Among the smaller sectors tracked, Biomedical jobs grew by 30%, followed by Computer Software with 26% growth between 2007 and 2016. The remaining clusters have not yet regained pre-recession numbers, and with the exception of Defense and Aerospace, have shown ongoing employment declines. Since 2007, Communication, Energy and Environment, and Computer Hardware experienced the sharpest declines, down by 44%, 24% and 19%, respectively.

Among the four large sectors, average salaries in Construction and Tourism continued to see increases in 2016, on top of increases the year before. However, average salaries were largely unchanged in 2016 for the Health and Business and Professional Services sectors. Among the smaller sectors, average salaries in Computer Software, Energy and Environment, Communication, and Computer Hardware all outpaced inflation, growing between 6% and 18% between 2007 and 2016, depending on the sector. Biomedical salaries increased slightly over the past 10 years (+2%), while Defense and Aerospace average salaries declined by 2% over the same period.

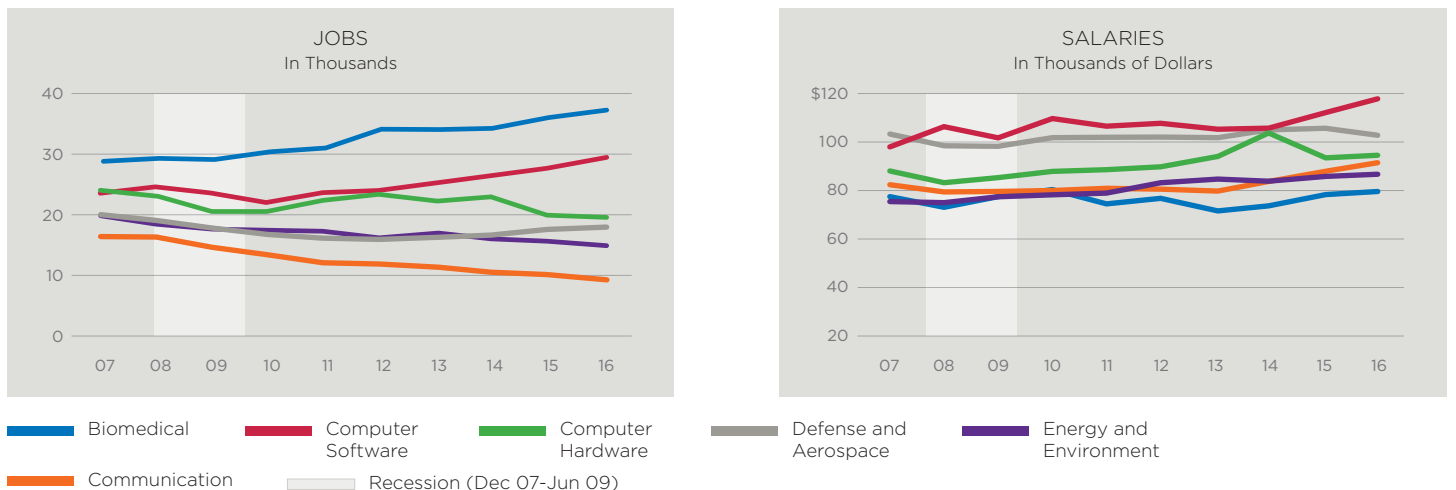
JOB GROWTH IN FOUR LARGE SECTORS CONTINUES; AVERAGE SALARIES RISE IN TOURISM AND CONSTRUCTION

Employment and Average Salaries in Orange County Clusters with More than 40,000 Jobs, 2007-2016



AMONG SMALLER SECTORS, BIOMED, SOFTWARE AND AEROSPACE DRIVE JOB GROWTH; SALARIES KEEP UP WITH OR OUTPACE INFLATION IN NEARLY ALL SMALLER SECTORS

Employment and Average Salaries, Orange County Clusters with 40,000 Jobs or Fewer, 2007-2016



Sources: California Employment Development Department; U.S. Inflation Calculator, reporting Consumer Price Index (CPI-U) data provided by the U.S. Department of Labor, Bureau of Labor Statistics (www.usinflationcalculator.com)

Data Notes

Average salaries have been inflation-adjusted to 2016 dollars.

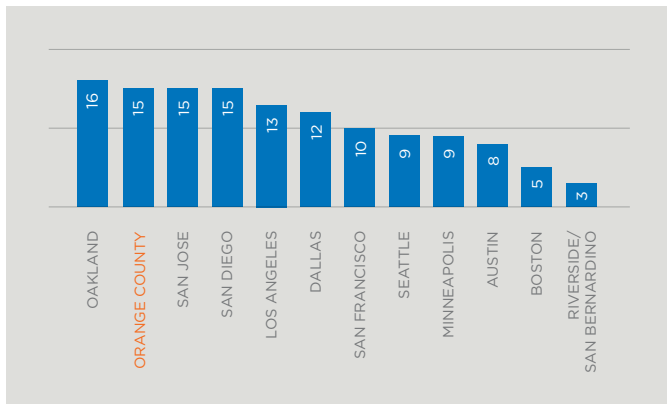
HIGH-TECH DIVERSITY AND GROWTH

Orange County has higher employment concentration than the national average in 15 out of 19 high-tech industries, making it tied for the 2nd most diverse high-tech economy in the nation. Only the Oakland metro area in the San Francisco Bay Area is more diverse. Orange County's overall high-tech employment concentration is 1.5 compared to the national average of 1.0, placing it 23rd out of 200 large metro areas in 2016.

Orange County's one-year growth rate in high-tech sector output continued to exceed the national average in 2016 (111.0 compared to 100.0). The five-year high-tech sector output is nearly on par with the national average in 2016 (99.7 compared to 100.0).

ORANGE COUNTY REMAINS TIED FOR 2ND MOST DIVERSE HIGH-TECH SECTOR IN NATION

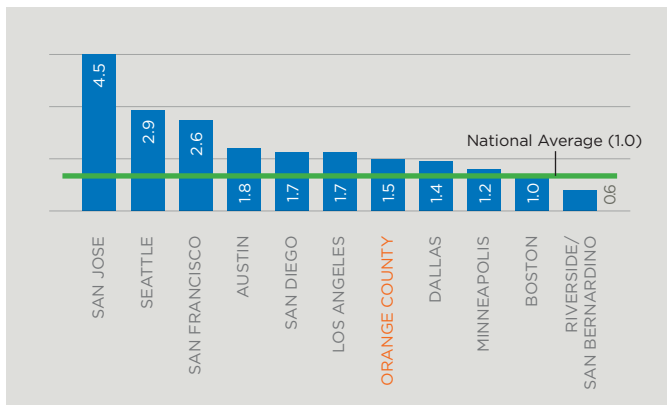
Number of High-Tech Industries with Employment Above the National Average (out of 19 industries) in Orange County Compared to 200 Metro Areas (Selected Peers Shown), 2016



Source: Milken Institute, Best Performing Cities Report (www.milkeninstitute.org)

ORANGE COUNTY REMAINS ABOVE THE NATIONAL AVERAGE IN HIGH TECH EMPLOYMENT

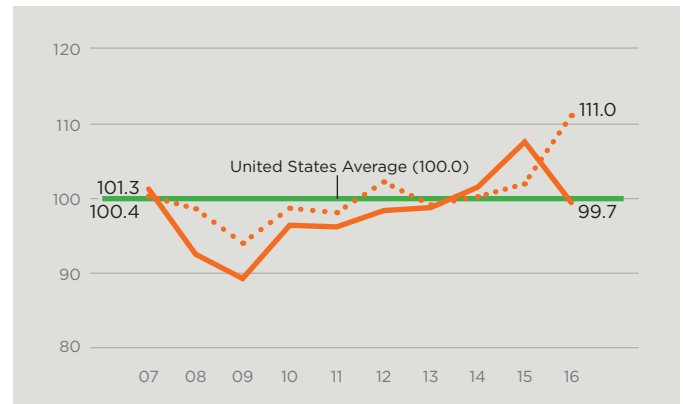
High-Tech Sector Employment Concentration in Orange County compared to 200 Metro Areas, 2016



Source: Milken Institute, Best Performing Cities Report (www.milkeninstitute.org)

ONE-YEAR GROWTH OUTPACES NATIONAL AVERAGE; FIVE-YEAR GROWTH IS ON PAR WITH NATION

High-Tech Sector Output Growth in Orange County Relative to the National Average, 2007-2016



Source: Milken Institute, Best Performing Cities Report (www.milkeninstitute.org)

Data Notes

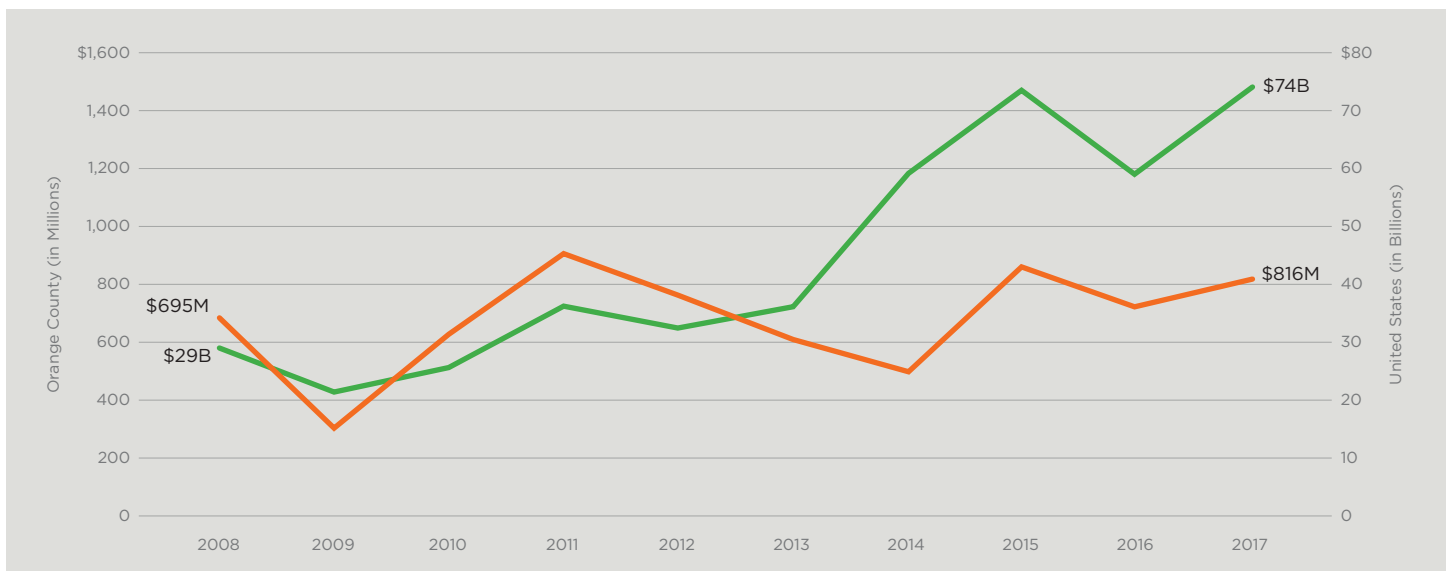
The diversity of Orange County's high-tech economy is measured by counting the number of high-tech sector industries out of 19 that have employment concentrations above the national average. Employment concentration is relative to a national average of 1.0, where results below 1.0 signal lower employment in a particular industry than the national average and results above 1.0 signal greater employment in a particular industry than the national average. High-tech sector output growth is relative to the national average of 100.0.

INNOVATION

Venture capital funding for private companies grew to \$816 million in Orange County in 2017. This reflects 13% growth over the prior year and 17% growth over the past 10 years. In comparison, national venture capital investment growth was 20% between 2016 and 2017 and 153% over the past 10 years. Orange County’s 2017 share of national venture capital was approximately 1.1%. In 2017, health care businesses garnered the largest amount of venture capital, accounting for 58% of total venture capital investments in Orange County. Internet sector businesses accounted for 32% of investments in 2017.

VENTURE CAPITAL INVESTMENT STRONG IN 2017

Venture Capital Investment in Orange County and United States, 2008-2017



Orange County United States

Source: PwC MoneyTree Report prepared by PricewaterhouseCoopers and CB Insights (<https://www.pwc.com/us/en/technology/moneytree.html>) and CB Insights database

Data Notes

Data for United States venture capital investment totals have been updated retroactively since previously presented. Venture capital investment is for private, venture capital-backed companies. Debt financing and grants are not included in the tally.



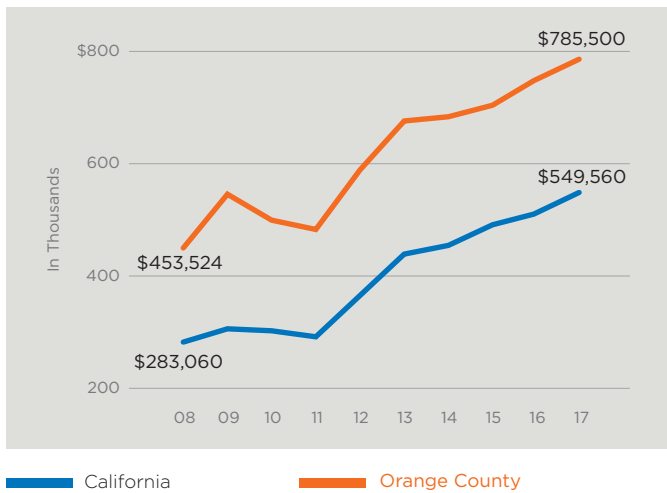
Housing

HOUSING AFFORDABILITY

The median home sale price for an existing single-family home rose 5.4% in one year, from \$745,000 in December 2016 to \$785,500 in December 2017. The percentage of first-time homebuyers able to afford an entry-level home fell to 40%, down from 43% in 2015 and 2016. A first-time buyer would need a minimum income of approximately \$102,000 to qualify for an entry-level home in Orange County. Orange County is substantially less affordable for first-time buyers than the most affordable period in recent years, in 2011, when 59% of first-time buyers could afford an entry-level home. At 40%, Orange County and Los Angeles have the lowest rate of first-time buyers able to afford an entry-level home compared to peer regions.

HOME SALE PRICES CONTINUE TO CLIMB; FASTER GROWTH IN ORANGE COUNTY THAN STATEWIDE

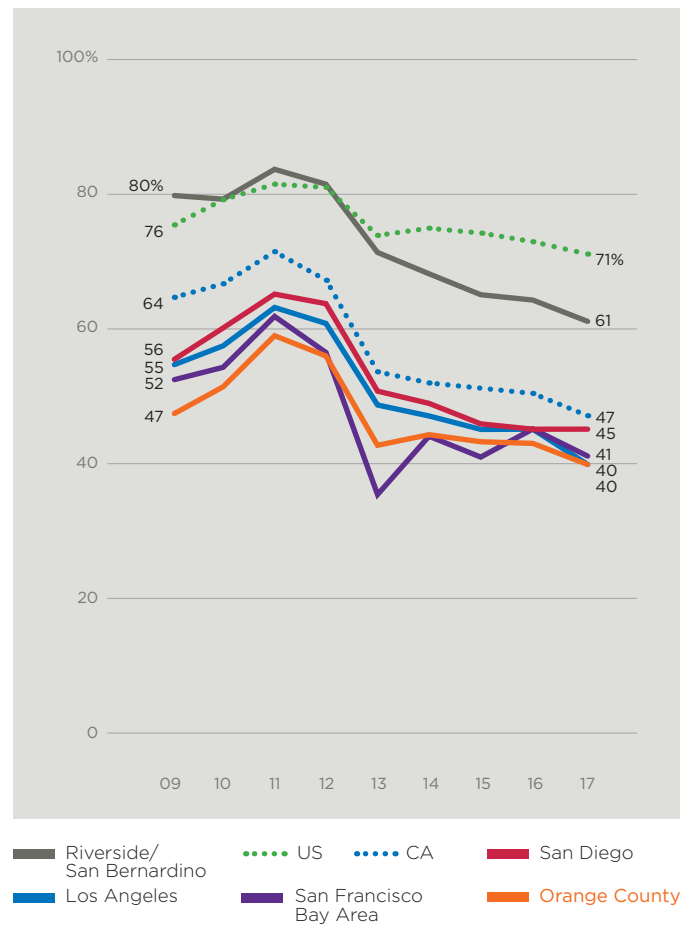
Median Existing Single-Family Home Sale Price in Orange County and California, December 2008-December 2017



Source: California Association of Realtors (www.car.org/marketdata/data/housingdata/)

AT 40%, ORANGE COUNTY AND L.A. HAVE LOWEST RATE OF FIRST-TIME BUYERS ABLE TO AFFORD AN ENTRY-LEVEL HOME

Regional Comparison of the Percentage of First-Time Homebuyers Able to Afford an Entry-Level Home, 2009-2017

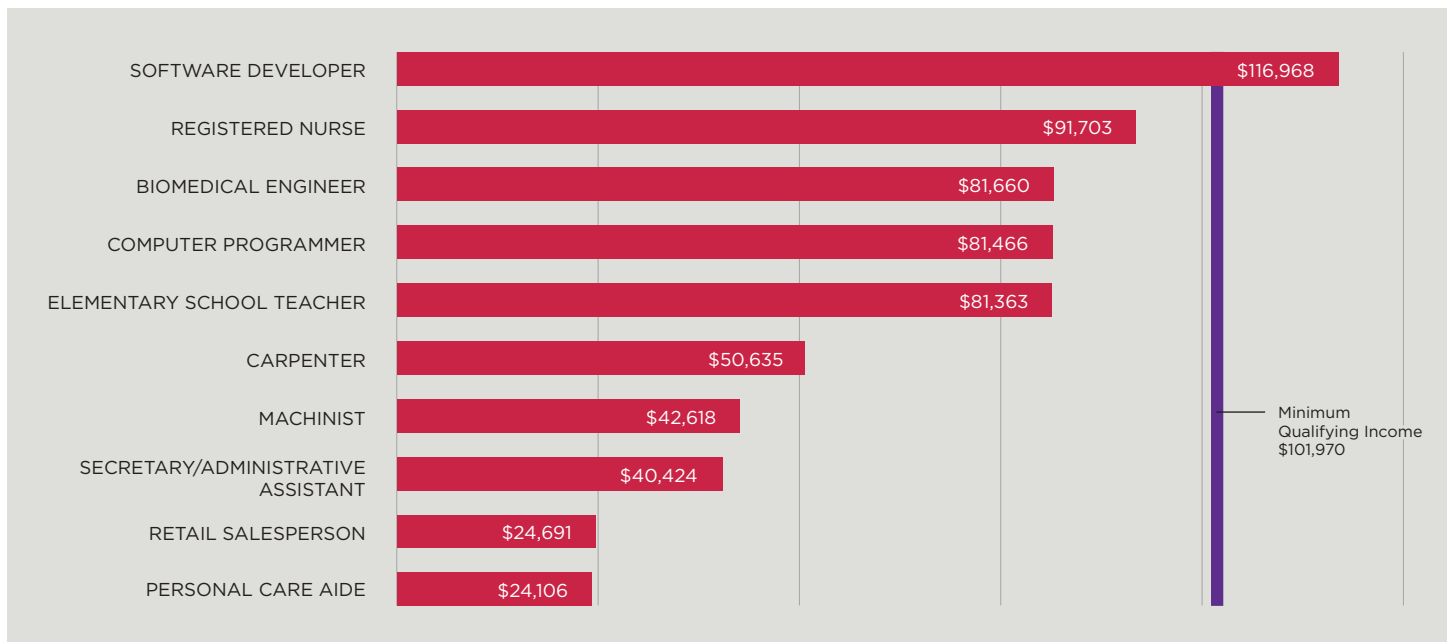


Source: California Association of Realtors (www.car.org)

Only one of 10 common and growing Orange County occupations - software engineers - makes a large enough median income to afford an entry-level home. The remaining occupations would not qualify, including nurses, teachers, and biomedical engineers. The minimum qualifying income is rising faster than median salaries; just three years ago, five of the selected occupations would qualify.

MEDIAN SALARIES CAN'T KEEP UP WITH RISING MINIMUM QUALIFYING INCOME

Minimum Income Needed to Afford an Entry-Level Home Compared to Median Salaries in Selected Occupations in Orange County, Third Quarter 2017



Sources: California Association of Realtors; California Employment Development Department

Data Notes

An entry-level home is defined as a home priced at 85% of median, which was approximately \$671,000 in Orange County in December 2017.



Housing

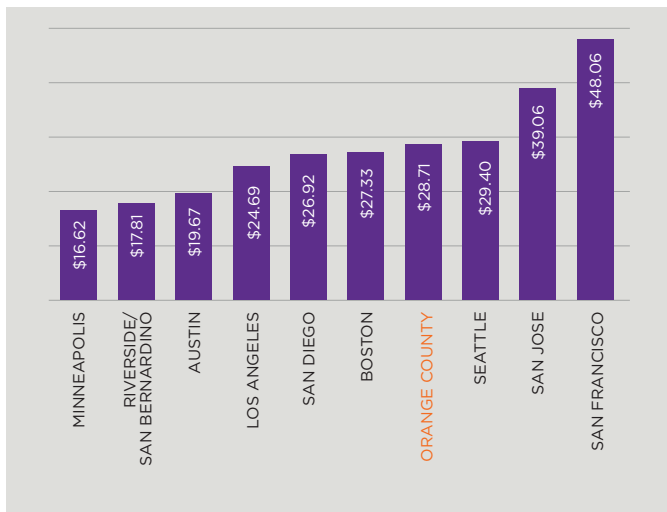
RENTAL AFFORDABILITY

In 2018, an Orange County resident would need to make \$28.71 per hour – the equivalent of just under \$60,000 per year – to afford a median-priced one-bedroom apartment. This “housing wage” is up 14% from five years ago, when the housing wage was \$25.23. Workers earning above minimum wage, but below the housing wage of \$28.71 may experience increased economic insecurity, as a larger proportion of their earnings must go towards housing. High rent burden can also lead to overcrowding and homelessness.

Recent increases in California’s minimum wage mean that a minimum wage earner had to work 104 hours per week to afford a median-priced one-bedroom unit in 2018, which is an improvement from 126 hours a week in 2014. However, despite these and future graduated increases in the minimum wage, affording an apartment in Orange County remains very difficult for lower-wage or early career workers.

ORANGE COUNTY: MOST EXPENSIVE RENTAL MARKET IN SOUTHERN CALIFORNIA

Regional Comparison of the Hourly Wage Needed to Afford a One-Bedroom Unit, 2018



Sources: Community Indicators Report analysis of Fair Market Rent data from the U.S. Department of Housing and Urban Development (www.huduser.org) using the methodology of the National Low Income Housing Coalition (www.nlihc.org)

Note: Data for San Diego metro area are not available for 2018.

MINIMUM WAGE EARNER MUST WORK 104 HOURS PER WEEK TO AFFORD MEDIAN RENT

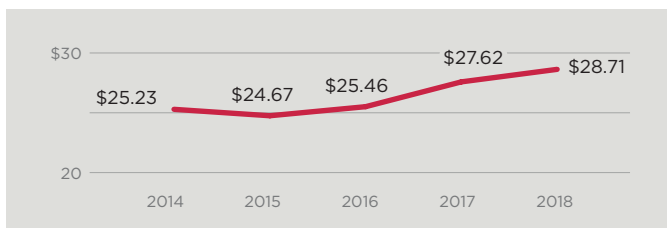
Rental Market Affordability in Orange County, 2017 and 2018

	2017	2018
MEDIAN MARKET RENT (MONTHLY)		
ONE BEDROOM	\$ 1,436	\$ 1,493
TWO BEDROOM	\$ 1,813	\$ 1,876
THREE BEDROOM	\$ 2,531	\$ 2,626
AMOUNT A HOUSEHOLD WITH ONE MINIMUM WAGE EARNER CAN AFFORD TO PAY IN RENT (MONTHLY)		
	\$ 546	\$ 572
NUMBER OF HOURS PER WEEK A MINIMUM WAGE EARNER MUST WORK TO AFFORD A ONE-BEDROOM APARTMENT		
	105	104

Sources: Community Indicators Report analysis of Fair Market Rent data from the U.S. Department of Housing and Urban Development (www.huduser.org) using the methodology of the National Low Income Housing Coalition (www.nlihc.org); California Employment Development Department (www.edd.ca.gov)

FIVE-YEAR INCREASE IN WAGES NEEDED TO AFFORD RENT IS 14%

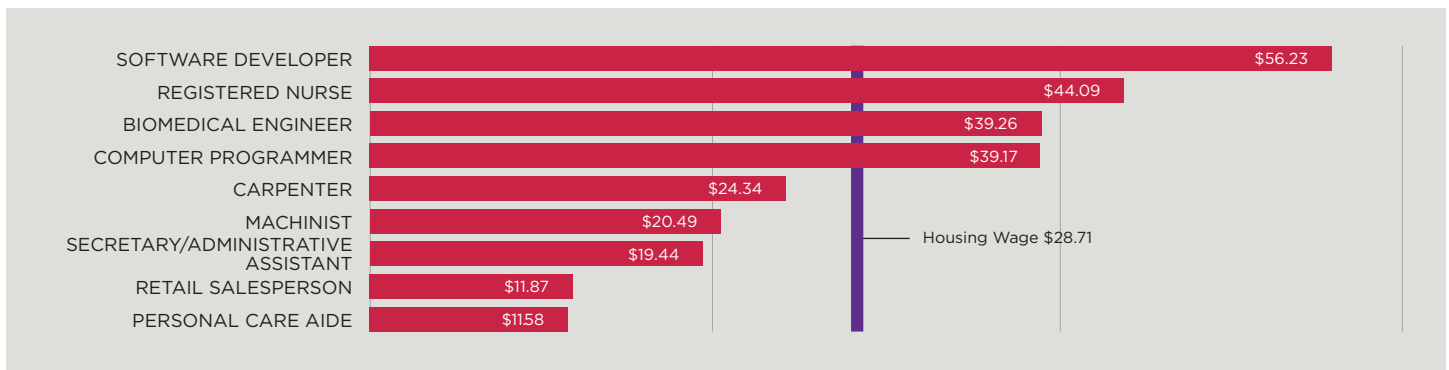
Hourly Wage Needed to Afford a One-Bedroom Unit in Orange County, 2014-2018



In Orange County, median hourly wages for carpenters, machinists and administrative assistants are too low to afford median rent for a one-bedroom unit. Wages for personal care aides and retail salespersons are lower still, less than half the amount needed to afford a one-bedroom unit. Housing takes up a large percentage of these workers' incomes, leaving less for other basic needs, unexpected expenses, or savings. High rent burden can also lead to overcrowding, when families double- or triple-up in a house to save money on rent, or homelessness if a family or individual gets behind on rent or cannot afford the upfront costs of renting.

RENT BURDEN IS HIGH FOR MANY LOWER-WAGE WORKERS

Hourly Wage Needed to Afford a Median One-Bedroom Unit in Orange County (2018) Compared to Median Local Wages in Selected Occupations (3rd Quarter 2017)

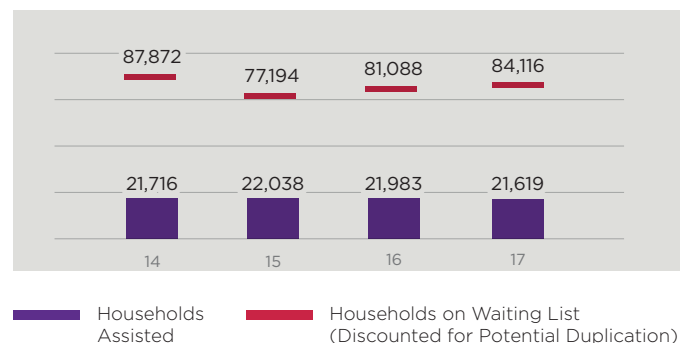


Sources: : Community Indicators Report analysis of Fair Market Rent data from the U.S. Department of Housing and Urban Development using the methodology of the National Low Income Housing Coalition (2018 housing wage); California Employment Development Department Occupational Employment Statistics (3rd Quarter 2017)

The four Housing Authorities serving Orange County provided rental assistance (vouchers) to approximately 21,619 low-income households in 2017, fewer than in the previous four years. Orange County's housing agencies have been unable to use all of their vouchers because funding from HUD has not kept pace with rapid rent increases in Orange County. As of the close of 2017, there was a combined total of approximately 84,000 households on the four waiting lists for rental assistance in Orange County. Given the backlog, several housing authorities have closed their waiting lists to new applicants for many years. Consequently, demand from eligible households is likely substantially higher, and is likely to increase as housing prices continue to rise. Just to assist those currently on the waiting lists, the number of vouchers and funding allotted to Housing Authorities serving Orange County would need to be nearly quadrupled.

HOUSEHOLDS ON WAITING LIST INCREASES WHILE NUMBER ASSISTED DECREASES

Number of Households on Orange County Housing Authorities' Waiting Lists and Households Assisted, 2014-2017



Sources: Anaheim Housing Authority; Garden Grove Housing Authority; Santa Ana Housing Authority; Orange County Housing Authority; Housing and Urban Development (<https://pic.hud.gov/pic/RCRPublic/rcrmain.asp>)

Data Notes

Since applicants may apply for rental assistance from any Housing Authority, the potential duplication on wait lists among the four Housing Authorities serving Orange County is addressed by discounting the sum of the number of households on all four wait lists (98,960 in 2017) by an estimated duplication rate of 15%. For the purposes of calculating the housing wage, "affordable" is defined as spending 30% or less of income on housing.



Housing

HOUSING SECURITY

In 2016/17, there were 27,119 pre-K through 12th grade students who were identified as homeless or living in unstable housing arrangements. Most of these students (24,274) live in families that are doubled- or tripled-up with another family due to economic hardship. This number has grown 53% since 2007/08, when 15,817 students were living doubled-up. Since 2007/08, the number of students living in motels rose 80%, while the number students living in shelters rose 174%, and the number of unsheltered students rose 512%.

According to the January 28, 2017 Point-in-Time (PIT) survey, there were 4,792 people experiencing homelessness in Orange County in 2017, an increase of 8% since the last PIT survey was conducted in 2015. Over half (54%)

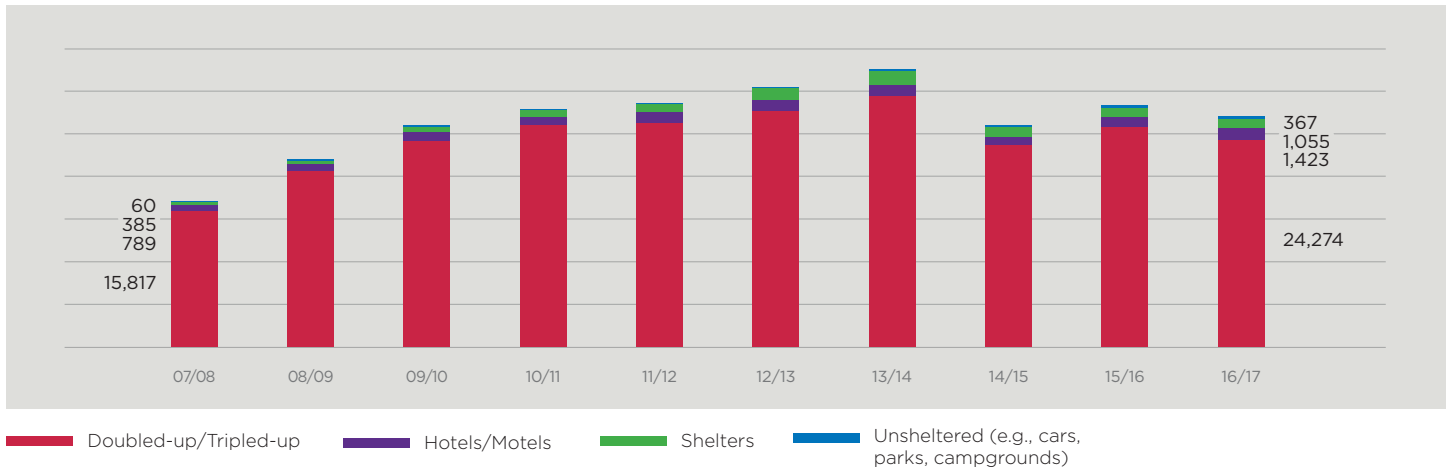
of the homeless people counted were living unsheltered. The increase in homelessness is driven by a 17% increase in the unsheltered homeless population. The count of sheltered homeless decreased 2% over the same period. (See chart on page 20.)

Some of the increase in homelessness documented between the 2015 and 2017 PIT surveys can be attributed to more complete identification of places where homeless people regularly sleep and more thorough coverage of the Santa Ana Riverbed.

Most of the homeless population lives in the Central Orange County Service Planning Area, but there are people experiencing homelessness throughout the county. One in 10 homeless are veterans and 754 (or 16%) are children.

27,119 ORANGE COUNTY STUDENTS ARE DOUBLED-UP WITH ANOTHER FAMILY OR HOMELESS

Homeless and Housing Insecure Students in Orange County by Primary Nighttime Residence, 2007/08-2016/17



Source: California Department of Education and Orange County Department of Education

Data Notes

Due to errors in the statewide data report, comparison data for other counties are not available for 2016/17. Lower figures in 2014/15 are attributed to an issue with the California Department of Education student data collection system, CALPADS, where a student's homeless status did not automatically transfer from 2013/14 to 2014/15, resulting in a temporary decline in the official number of students identified as homeless in 2014/15.

HOMELESS IN ORANGE COUNTY

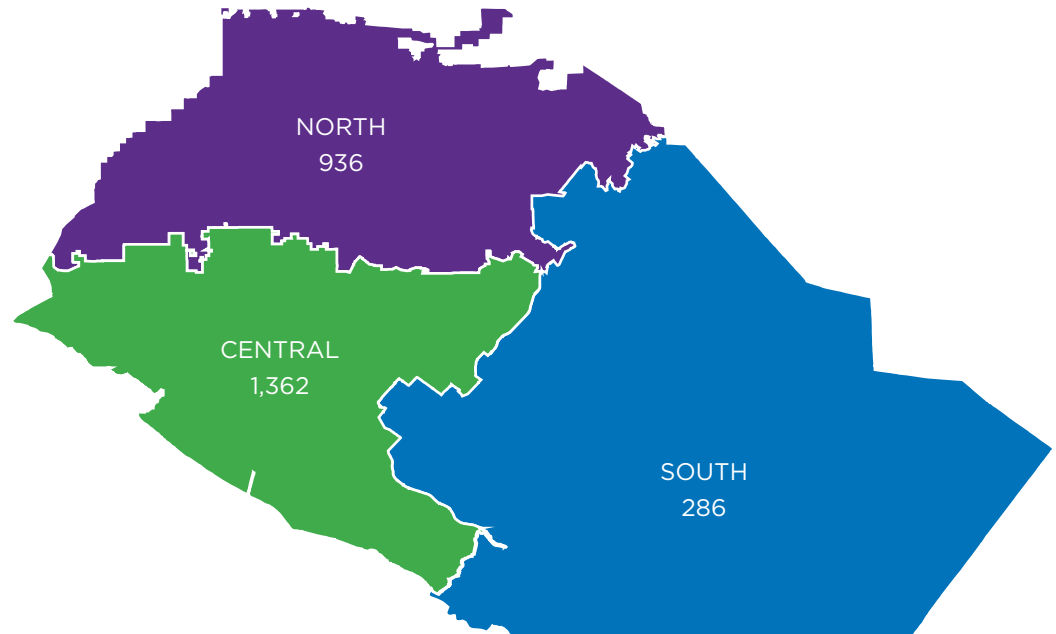
2017 Point-in-Time Count Results

Number of people experiencing homelessness on any given night	Number of people experiencing homeless who are living unsheltered	Percent of homeless living unsheltered
4,792	2,584	54%
Percent change in unsheltered homeless since 2015	Percent of all homeless that are veterans	Number of homeless children
+17%	10%	754

Source: Orange County 2-1-1, 2017 Point-in-Time County and Survey (www.ocpartnership.net)

NUMBER OF UNSHELTERED HOMELESS PEOPLE BY SERVICE PLANNING AREA

Orange County is divided into three Service Planning Areas (SPAs) that direct resources as individuals experiencing homelessness enter the Coordinated Entry System.



Defining Homelessness

The PIT estimates are based on the U.S. Housing and Urban Development (HUD) department definition of homelessness, which only counts individuals living in homeless shelters or living unsheltered in a place not intended for human habitation. The federal law that governs the identification of homeless and housing insecure school-age students (McKinney-Vento) includes these categories, as well as families housed in motels or hotels, or doubled- or tripled-up due to economic hardship. These counts are provided on the previous page.

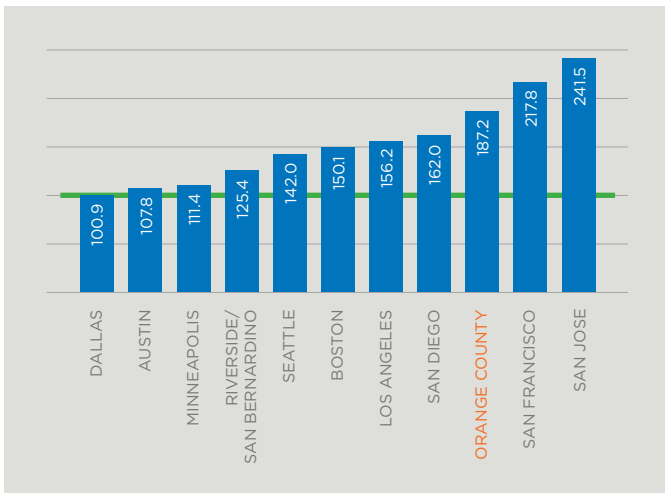
COST OF LIVING AND HOUSEHOLD INCOME

According to December 2016 data, Orange County's cost of living index (187) was the third highest among peer markets and 87% higher than the national average (100). Orange County's cost of living is driven by high housing costs, which account for 30% of the index and are estimated to be 356% higher than the national average. The cost of living calculation also includes food and groceries, transportation, utilities, health care, and miscellaneous expenses.

While Orange County's overall cost of living was 87% higher than the national average, the county's median family income in 2016 was only 42% higher than the nation's median. This unfavorable differential is more pronounced in Orange County than all peers compared except Los Angeles, which experiences a somewhat larger gap between cost of living and income. A large gap puts the squeeze on many residents, particularly those earning less than median income and trying to buy or rent in high-cost housing markets like Orange County.

ORANGE COUNTY 87% MORE EXPENSIVE THAN NATIONAL AVERAGE

Regional Comparison of Cost of Living, 2016

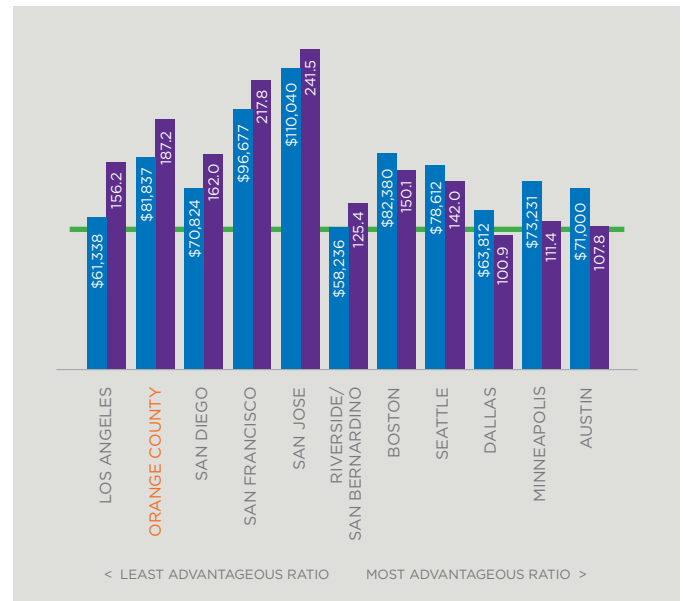


United States Average (100)

Source: *Sperling's Best Places* (www.bestplaces.net)

ORANGE COUNTY HAS THE 2ND LARGEST DIFFERENTIAL BETWEEN INCOME AND COST OF LIVING AMONG AREAS COMPARED

Regional Comparison of Median Household Income Compared to Cost of Living, 2016



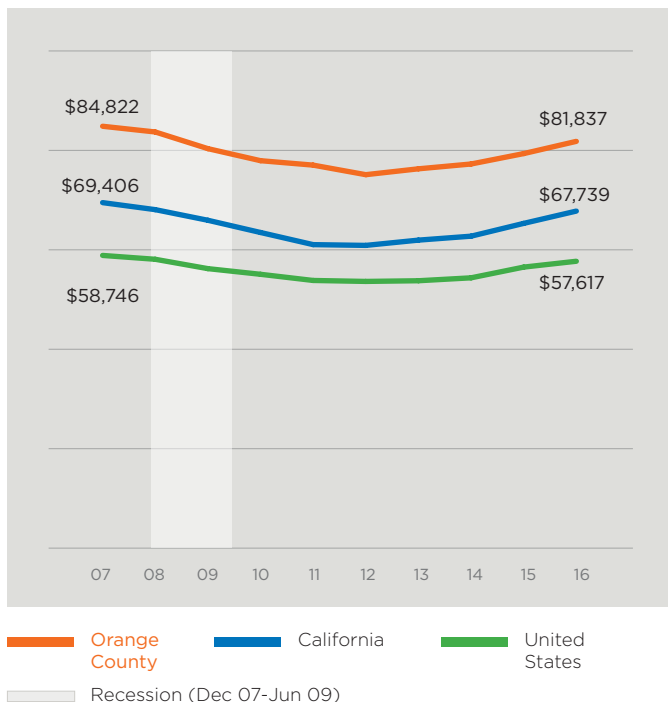
Household Income Cost of Living Index
 United States Median Household Income (\$57,617) and Cost of Living Index (100)

Sources: U.S. Census Bureau, American Community Survey, 1-Year Estimates; *Sperling's Best Places* (www.bestplaces.net)

At \$81,837 in 2016, Orange County's median household income increased for the fourth consecutive year when adjusted for inflation, rising 3% from 2015. However, median income in 2016 remains 4% less than 10 years ago in 2007. The longer-term decline is due to lackluster median income growth combined with a cumulative inflation rate of 16% between 2007 and 2016.

INCOME GROWTH OUTPACES INFLATION FOR FOURTH CONSECUTIVE YEAR; REMAINS BELOW PRE-RECESSION LEVELS

Median Household Income (Inflation Adjusted to 2016 Dollars), Orange County, California and United States



Sources: U.S. Census Bureau, American Community Survey, 1-Year Estimates, Table B19013 (<http://factfinder.census.gov/>); U.S. Inflation Calculator, reporting Consumer Price Index (CPI-U) data provided by the U.S. Department of Labor, Bureau of Labor Statistics (www.usinflationcalculator.com)

Why Wages Aren't Growing

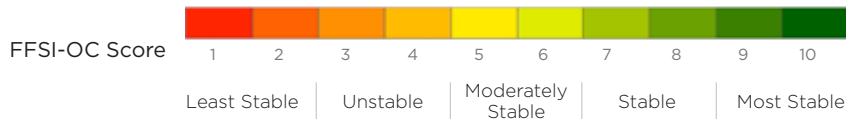
Economists debate why wage growth has been lackluster in spite of job growth and declining unemployment. Some argue that, given the many people who opted out of the labor market during the recession and who are still sitting on the sidelines (and therefore not captured in unemployment figures), the economy has not reached full employment. The more workers out there, the less ability workers have to demand higher wages. Other economists point out that wages have been rising for some workers – such as college educated – but stagnant or declining for lower-wage, low-skilled workers. Technological advances and international trade, which have had the benefit of lower prices and new products, are thought to have contributed to this downward pressure on less-skilled workers' wages. The declining value of the minimum wage in the face of inflation is also a potential factor, as is declining union membership. Other research points to the decline in the number of new firms since the 1970's, because young, fast-growing firms have historically driven wage growth. Many factors in addition to these are considered at play, with the cumulative result that the U.S. economy has experienced long-term wage stagnation for many workers.

Source: Shambaugh, J, Nunn, R et. al. "Thirteen Facts About Wage Growth" The Hamilton Project at the Brookings Institute (http://www.hamiltonproject.org/papers/thirteen_facts_about_wage_growth)

FAMILY FINANCIAL STABILITY

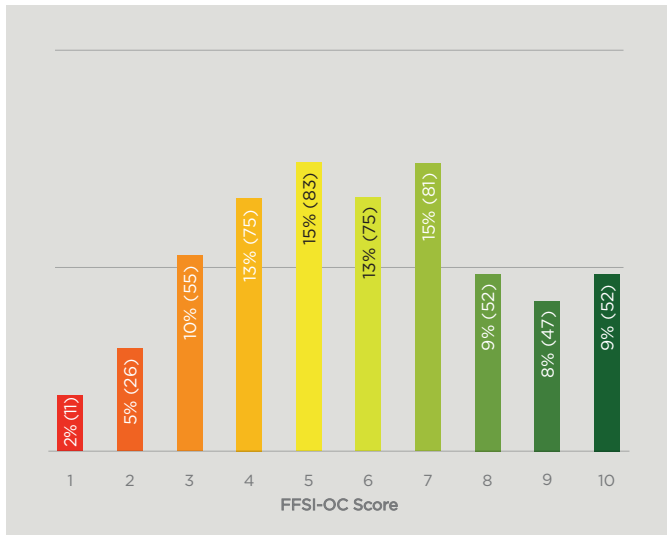
The 2016 Family Financial Stability Index for Orange County (FFSI-OC) reveals that 30% of neighborhoods had low levels of family financial stability (scores of 1, 2, 3, or 4). The FFSI-OC measures the financial stability of families with children under 18 by Orange County neighborhood and is a composite of three metrics: family income, employment status, and amount of household income spent on rent. The 2016 FFSI-OC score of 30% is an improvement since tracking began in 2012, when 39% of neighborhoods were unstable, compared to 41% in 2013, 37% in 2014, and 34% in 2015. The improvement in financial stability is driven by increasing employment among families, while the FFSI-OC sub-scores in income and rent burden have not shown any lasting improvement over the past five years.

At the city level, the cities with the lowest levels of family financial stability all had scores of 4 on the 2016 FFSI-OC: Anaheim, La Habra, San Juan Capistrano, and Stanton. While these same four cities had the lowest levels of family financial stability last year, all improved their scores by one point, from 3 to 4.



MOST NEIGHBORHOODS HAVE MODERATE LEVELS OF FAMILY FINANCIAL STABILITY

FFSI-OC Scores: Percent (and Count) of Orange County Neighborhoods, 2016

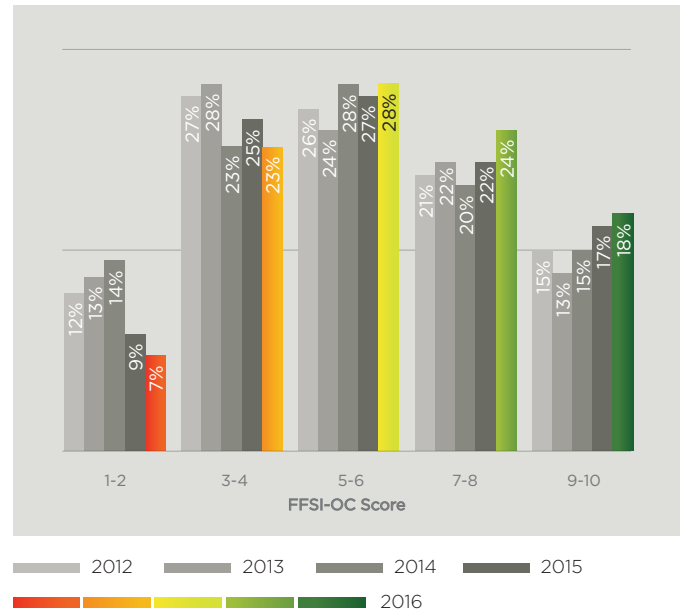


Note: Percentages have been rounded.

Source: Parsons Consulting, Inc. for Orange County United Way

FEWER NEIGHBORHOODS SCORE 1 OR 2, THE LEAST STABLE CONDITION

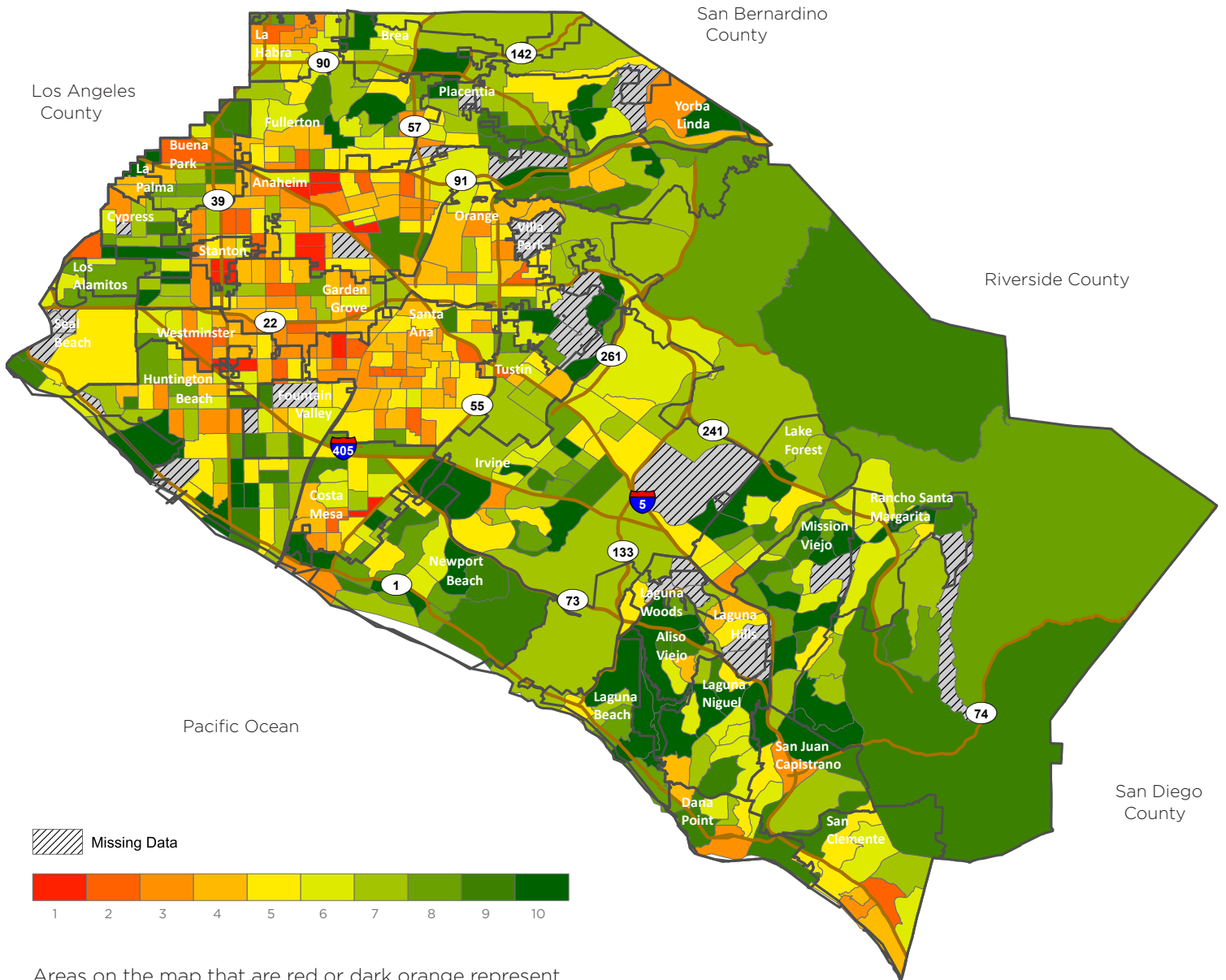
Percent of Orange County Neighborhoods by FFSI-OC Score, 2012-2016



Source: Parsons Consulting, Inc. for Orange County United Way

30% OF NEIGHBORHOODS HAVE LOW LEVELS OF FAMILY FINANCIAL STABILITY

Family Financial Stability Index - Orange County: 2016 Neighborhood-Level Results



Areas on the map that are red or dark orange represent neighborhoods with low levels of family financial stability. Families in these neighborhoods are more likely to have a low income, spend more than 50% of household income on rent, and/or have one or more unemployed adults seeking employment. Areas on the map that are green represent areas with a higher level of families that are financially stable. Missing data are due to a small number of families in the neighborhood; data are suppressed to protect privacy.

Source: Parsons Consulting, Inc. (www.parsons-consulting.com) for Orange County United Way

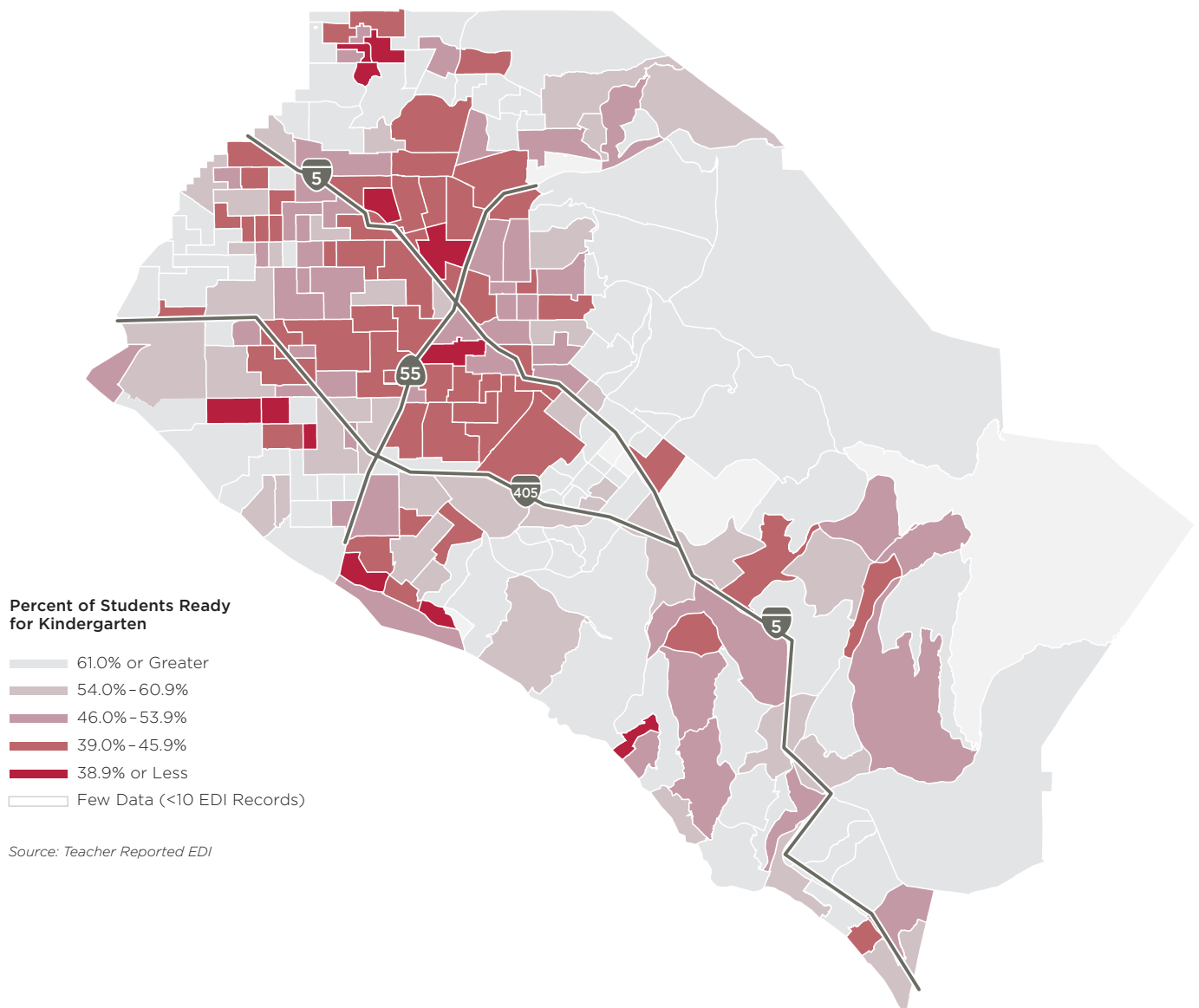


KINDERGARTEN READINESS

In 2017, 52% of children in Orange County were developmentally ready for kindergarten, the same as in 2016. Orange County measures children's readiness for school by using the Early Development Index (EDI). Public school teachers assess their kindergarten students based on the EDI's five areas of development: physical health and well-being; communication skills and general knowledge; social competence; emotional maturity; and language and cognitive development. Children are considered developmentally ready for school if they are on track on all five areas (or on all four areas if only four were completed).

CHILDREN'S SCHOOL READINESS VARIES BY NEIGHBORHOOD

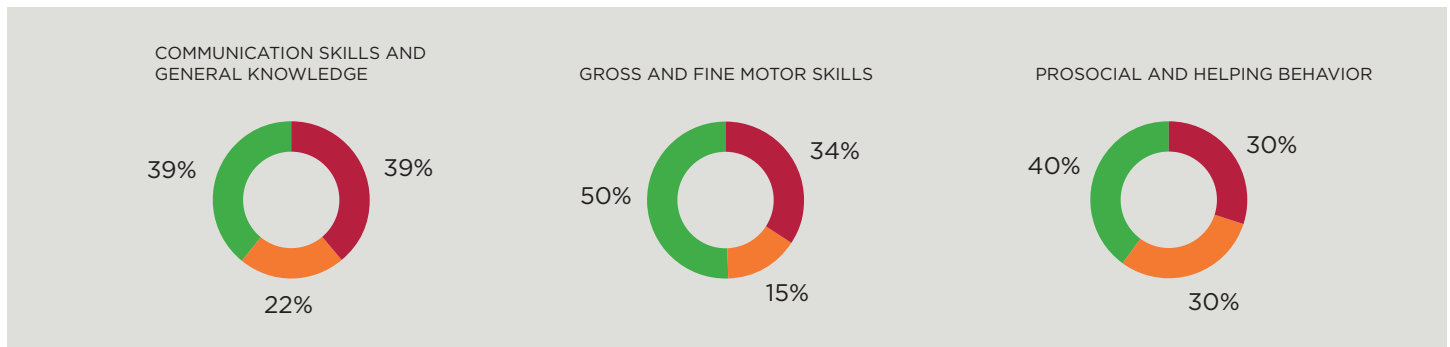
Children on Track on All Developmental Areas, Orange County, 2017



The five areas of a child's development are measured by 16 subareas. EDI data from 2017 indicate children are most ready in the subareas of physical readiness for the school day (97%) and physical independence (89%). Children are least ready in the subareas of communication skills and general knowledge (39% not ready), gross and fine motor skills (34% not ready), and prosocial and helping behavior (30% not ready).

CHILDREN ARE LAGGING IN COMMUNICATION, MOTOR, AND SOCIAL SKILLS

Readiness in the Three (out of 16) Subareas where Children are Least Ready, Orange County, 2017



Legend: Ready (Green), Somewhat Ready (Orange), Not Ready (Red)

Totals of 90 percent and 101 percent are due to rounding.

Source: Teacher Reported EDI

EARLY DEVELOPMENT INDEX SUBAREAS

LANGUAGE AND COGNITIVE DEVELOPMENT

- Interest in literacy/numeracy and memory
- Basic numeracy skills
- Basic literacy skills
- Advanced literary skills

COMMUNICATION SKILLS AND GENERAL KNOWLEDGE

SOCIAL COMPETENCE

- Readiness to explore new things
- Responsibility and respect
- Approaches to learning
- Overall social competence

PHYSICAL HEALTH AND WELL-BEING

- Physical readiness for school day
- Physical independence
- Gross and fine motor skills

EMOTIONAL MATURITY

- Anxious and fearful behavior
- Aggressive behavior
- Hyperactive and inattentive behavior
- Prosocial and helping behavior

Data Notes

The EDI is a measure of Orange County children's readiness for school, conducted while they are in kindergarten. It assesses children's development by using a 120-item questionnaire filled out by kindergarten teachers on every child in their class. The EDI does not label or identify individual children with specific problems. Instead, it looks at how experiences at home and community can help prepare children for the school environment. In 2015, comprehensive school readiness (EDI) data were available for the first time in Orange County. The EDI is the copyright of McMaster University and must not be copied, distributed, or used in any way without the prior consent of the Children and Families Commission of Orange County, UCLA or McMaster. Percentages may not add to 100% due to rounding.



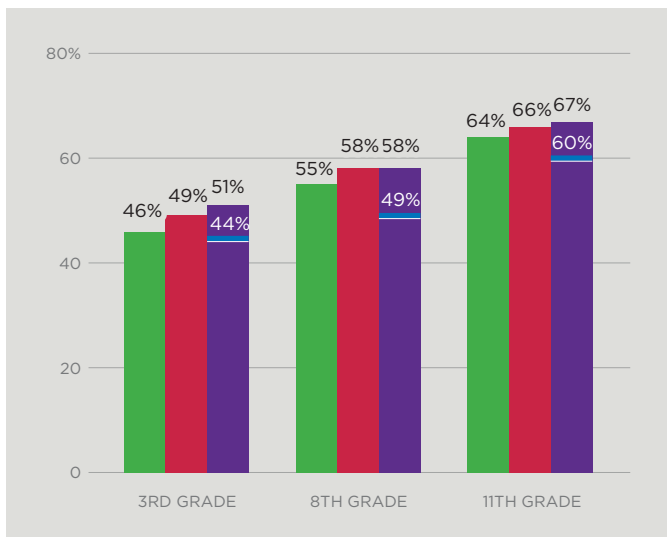
ACADEMIC PERFORMANCE: LITERACY

In 2016/17, more than half (51%) of Orange County 3rd grade students met or exceeded the statewide grade level standard for English language arts and literacy (ELA). Third grade student performance improved for the second consecutive year and was higher than the state average of 44%. Academic performance remained the same for 8th grade students (58%) and improved slightly for 11th grade students, up one percentage point to 67%. Student performance in literacy increases as the grade level increases. In contrast, student performance in mathematics decreases as the grade level increases.

Fifty-seven percent (57%) of all Orange County students tested (all grades combined) met or exceeded grade level standards for ELA in 2016/17, the same as the previous year. In comparison, 39% of economically disadvantaged students, 19% of students with a disability, and 15% of English learners met or exceeded the performance standard for ELA. Asian students had the greatest percentage of students at or above the standard at 83%, compared with 74% for White students and 38% for Latino students.

LITERACY SCORES IMPROVE FOR SECOND CONSECUTIVE YEAR

English Language Arts and Literacy Student Performance, 2015-2017

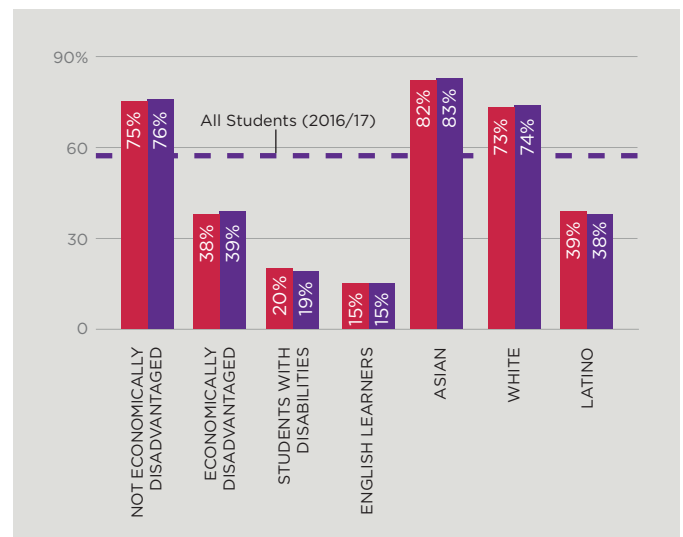


2014/15 2015/16 2016/17
California (2016/17)

Sources: California Department of Education (caaspp.cde.ca.gov/sb2017/search)

ONLY 15% OF ENGLISH LEARNERS MEET OR EXCEED STANDARDS

Orange County Student ELA Performance by Economic Status, Disability, English Learners, and Race/Ethnicity, 2015/16 and 2016/17



2015/16 2016/17

Sources: California Department of Education (caaspp.cde.ca.gov/sb2017/search)

Data Notes

This is the third year that students have taken the California Assessment of Student Performance and Progress (CAASPP) with published results. This assessment, designed to demonstrate progress toward mastery of the knowledge and skills needed for likely success in future coursework, is not comparable to assessments prior to 2014/15.

¹Grades tested include 3rd, 4th, 5th, 6th, 7th, 8th, and 11th grades.

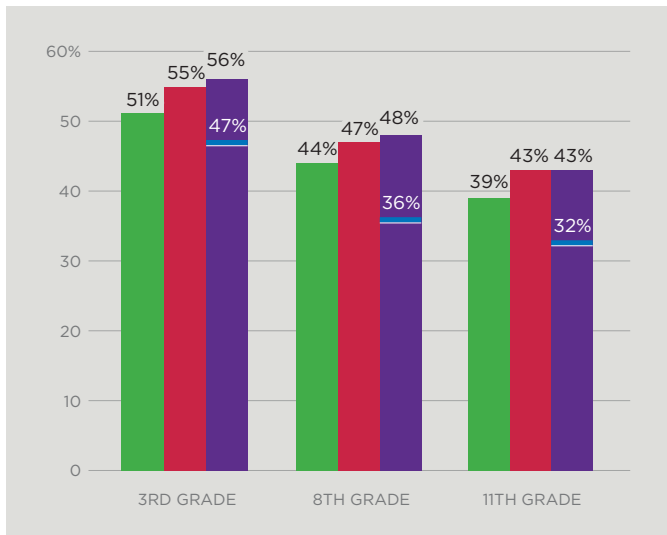
ACADEMIC PERFORMANCE: MATHEMATICS

In 2016/17, more than half (56%) of Orange County 3rd grade students met or exceeded the statewide grade level standard for mathematics, up slightly from the previous year and higher than the state average of 47%. Academic performance also improved in the past year for 8th grade students (up one percentage point) but remained the same for 11th grade students at 43%. On average, Orange County 8th and 11th grade students outperformed California averages in 2015/16, which were 36% and 32%, respectively. Student performance in mathematics decreases as the grade level increases. In contrast, student performance in literacy increases as the grade level increases.

Less than half (48%) of all Orange County students tested (all grades combined) met or exceeded grade level standards for mathematics in 2016/17, the same as the previous year. In comparison, 29% of economically disadvantaged students, 17% of students with a disability, and 16% of English learners met or exceeded the performance standard for mathematics. Asian students had the greatest percentage of students at or above the standard at 81%, compared with 63% for White students and 28% for Latino students.

MATHEMATICS SCORES IMPROVE FOR 3RD AND 8TH GRADERS

Mathematics Student Performance, 2015-2017

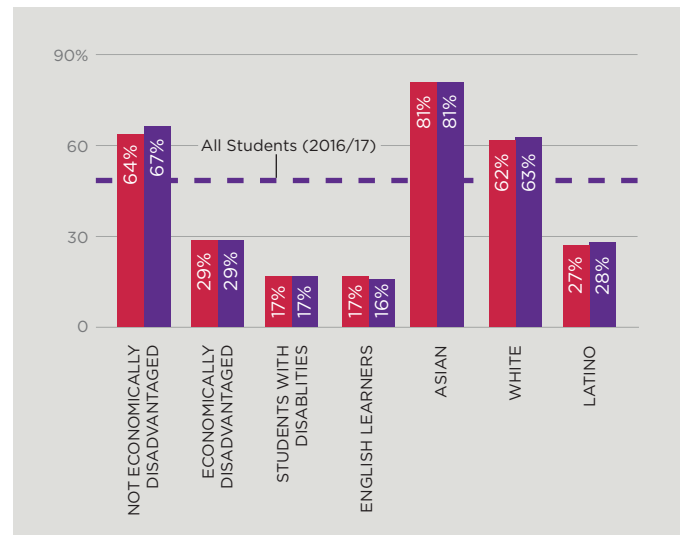


■ 2014/15 ■ 2015/16 ■ 2016/17
— California (2016/17)

Sources: California Department of Education (caaspp.cde.ca.gov/sb2017/search)

LESS THAN ONE-THIRD OF ECONOMICALLY DISADVANTAGED STUDENTS MEET OR EXCEED STANDARDS

Orange County Student Mathematics Performance by Economic Status, English Learners, and Race/Ethnicity, 2015/16 and 2016/17



■ 2015/16 ■ 2016/17

Sources: California Department of Education (caaspp.cde.ca.gov/sb2017/search)

Data Notes

This is the third year that students have taken the California Assessment of Student Performance and Progress (CAASPP) with published results. This assessment, designed to demonstrate progress toward mastery of the knowledge and skills needed for likely success in future coursework, is not comparable to assessments prior to 2014/15.

¹Grades tested include 3rd, 4th, 5th, 6th, 7th, 8th, and 11th grades.



HIGH SCHOOL DROPOUT RATE

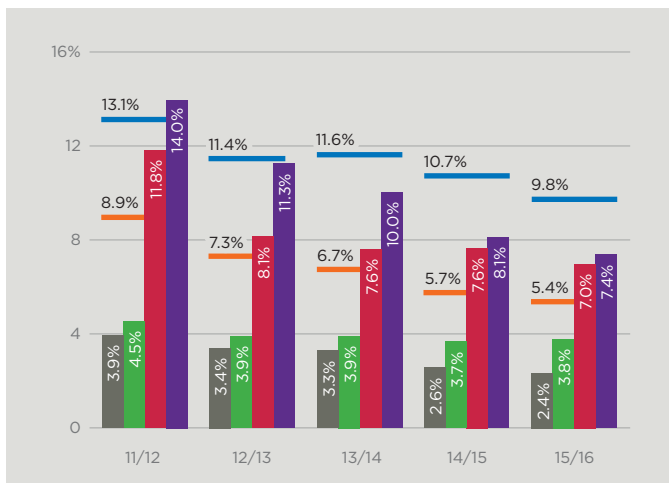
In Orange County, 5.4% of students who entered 9th grade in 2012 dropped out of high school before graduating in 2016. This is lower than the statewide dropout rate of 9.8% and the lowest level since results of the new cohort tracking methodology became available in 2009/10.¹ This rate equates to 2,145 students of the class of 2015/16 dropping out.

In 2015/16, Latino students had the highest dropout rate at 7.4% and Asian students had the lowest rate at 2.4%, but all racial and ethnic groups have witnessed reductions in the percentage of dropouts since 2011/12. The dropout rate also varies by school district, with Los Alamitos Unified posting the lowest dropout rate at 0.8% and Anaheim Unified posting the highest at 6.4%. Compared to five years ago, 13 out of 15 districts had lower dropout rates in 2015/16.

A related measure is the graduation rate, which was 90.8% for the class of 2015/16. The graduation rate measures the percentage of students who receive a diploma in four years. The 9.2% of the class of 2015/16 that did not graduate in four years is made up the following: students who receive a special education certificate (0.9%) or certificate of high school equivalency or GED (0.0%), students who dropped out (5.4%), and students who are still enrolled (2.9%).

DROPOUT RATE CONTINUES TO FALL

Dropout Rate by Race/Ethnicity in Orange County, 2012-2016

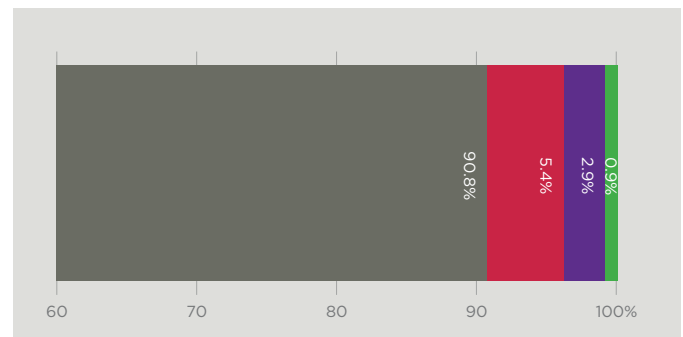


Legend: Asian (grey), White (green), Other (red), Latino (purple), California (blue), Orange County (orange)

Source: California Department of Education, DataQuest (<http://data1.cde.ca.gov/dataquest/>)

MORE THAN 90% OF ORANGE COUNTY STUDENTS GRADUATE ON TIME

High School Student Outcomes in Orange County, 2015/16



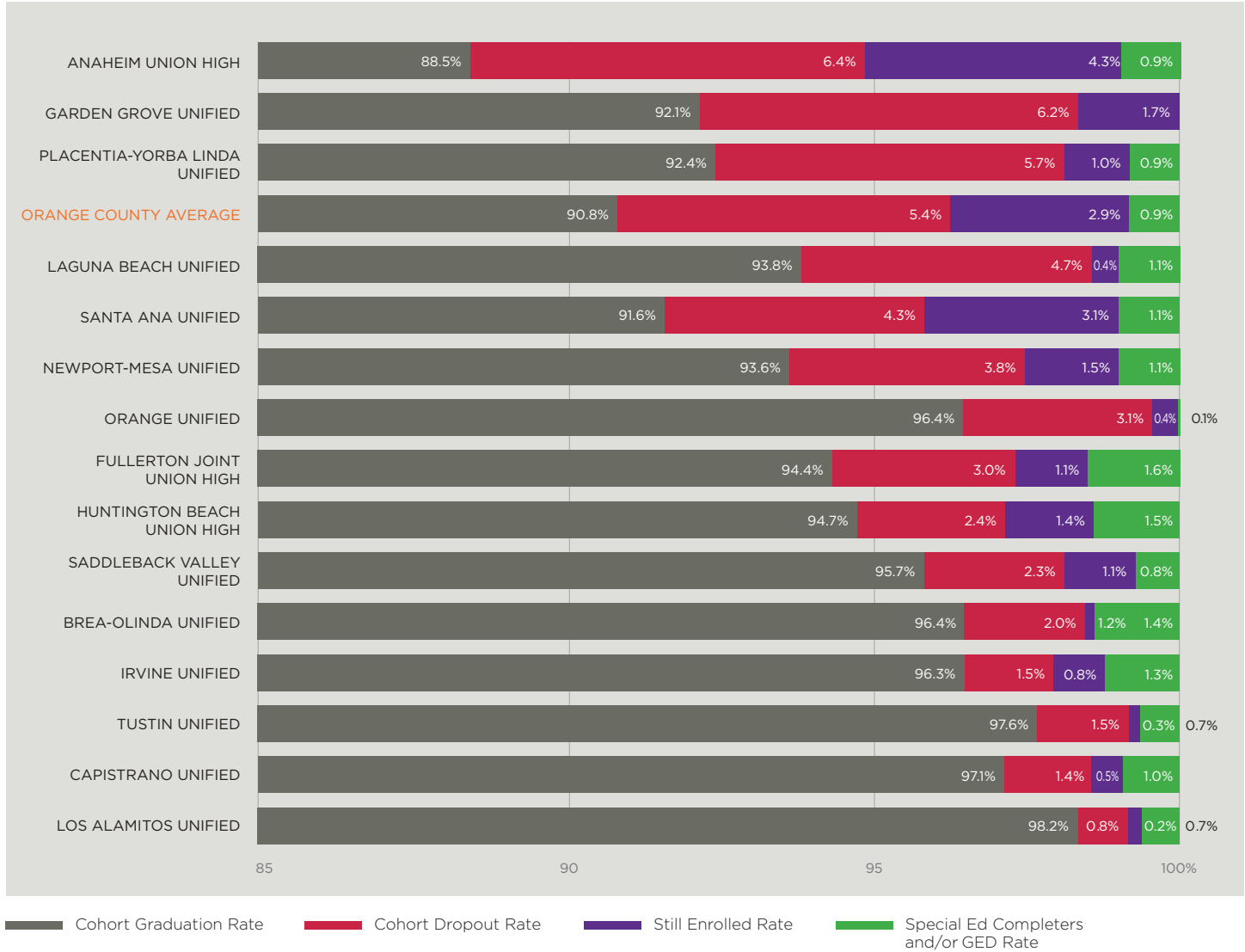
Legend: Cohort Graduation Rate (grey), Cohort Dropout Rate (red), Still Enrolled Rate (purple), Special Ed Completers and/or GED Rate (green)

Source: California Department of Education, DataQuest (<http://data1.cde.ca.gov/dataquest/>)

¹The California Longitudinal Pupil Achievement Data System (CALPADS), initiated in 2006, allows tracking a class of students through their four years of high school to determine what proportion of that class dropped out over that period. The class of 2009/10 is the first class for which the cohort dropout rate could be calculated.

DROPOUT RATES VARY BY DISTRICT, FROM 6.4% TO LESS THAN 1%

High School Student Outcomes by Orange County School District, 2015/16



Source: California Department of Education, DataQuest (<http://data1.cde.ca.gov/dataquest/>)

Data Notes

This indicator is reprinted from the 2017 report; cohort outcome data for 2016/17 were not available by time of publication. "Asian" includes Asian and Filipino. "Other" includes Native American/Alaskan Native, African American, two or more races, or not reported. Dropout data for Pacific Islander students were suppressed to protect student privacy due to fewer than 10 students dropping out.



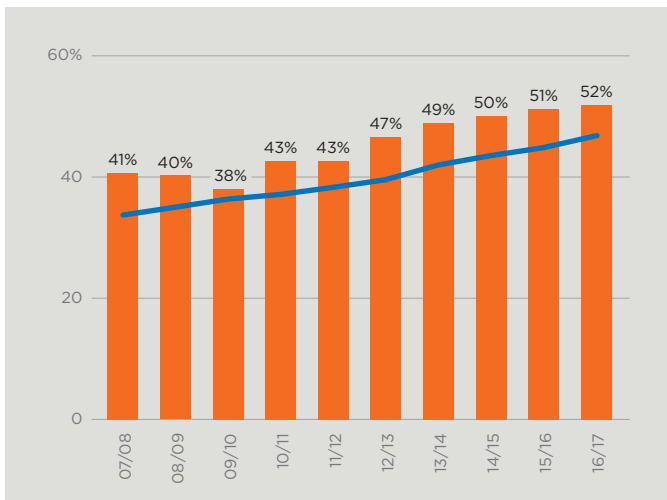
COLLEGE READINESS

In 2016/17, more than half (52%) of Orange County students completed the necessary coursework to be eligible for admission to University of California (UC) or California State University (CSU) campuses. This rate of 52% is 11 percentage points higher than 10 years ago and surpasses the statewide rate of 47%.

The long-term trend in college readiness for most races and ethnicities is gradual improvement, with Latino students making the largest gains. However, the gap between the racial or ethnic groups with the highest and lowest eligibility rates (Asian and Latino students, respectively) remains substantial and persistent, showing little lasting improvement. Asian students are the most likely to be UC/CSU eligible (76%) yet comprise only 19% of all high school graduates. Latino students are the least likely to be UC/CSU eligible (38%) yet comprise 44% of all high school graduates.

UC/CSU ELIGIBILITY CONTINUES TO GROW

Percentage of High School Graduates that are UC/CSU Eligible in Orange County, 2008-2017

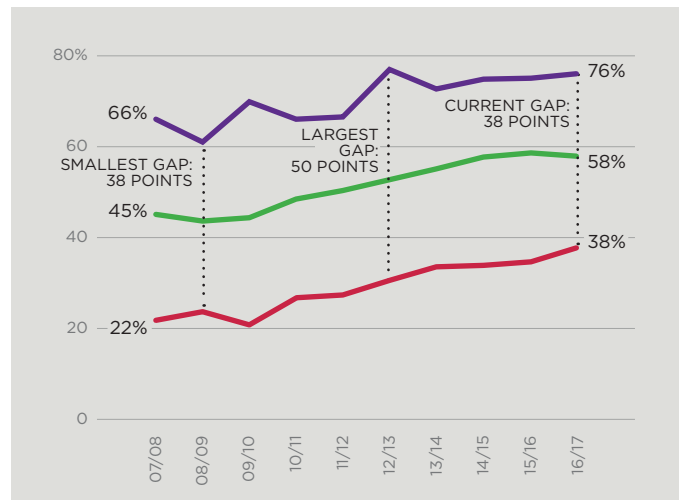


California Orange County

Source: California Department of Education, DataQuest (<http://data1.cde.ca.gov/dataquest/>)

GAP BETWEEN LATINO AND ASIAN STUDENTS NARROWS SLIGHTLY IN 2016/17

Percentage of High School Graduates Eligible for UC/CSU by Race/Ethnicity in Orange County, 2008-2017



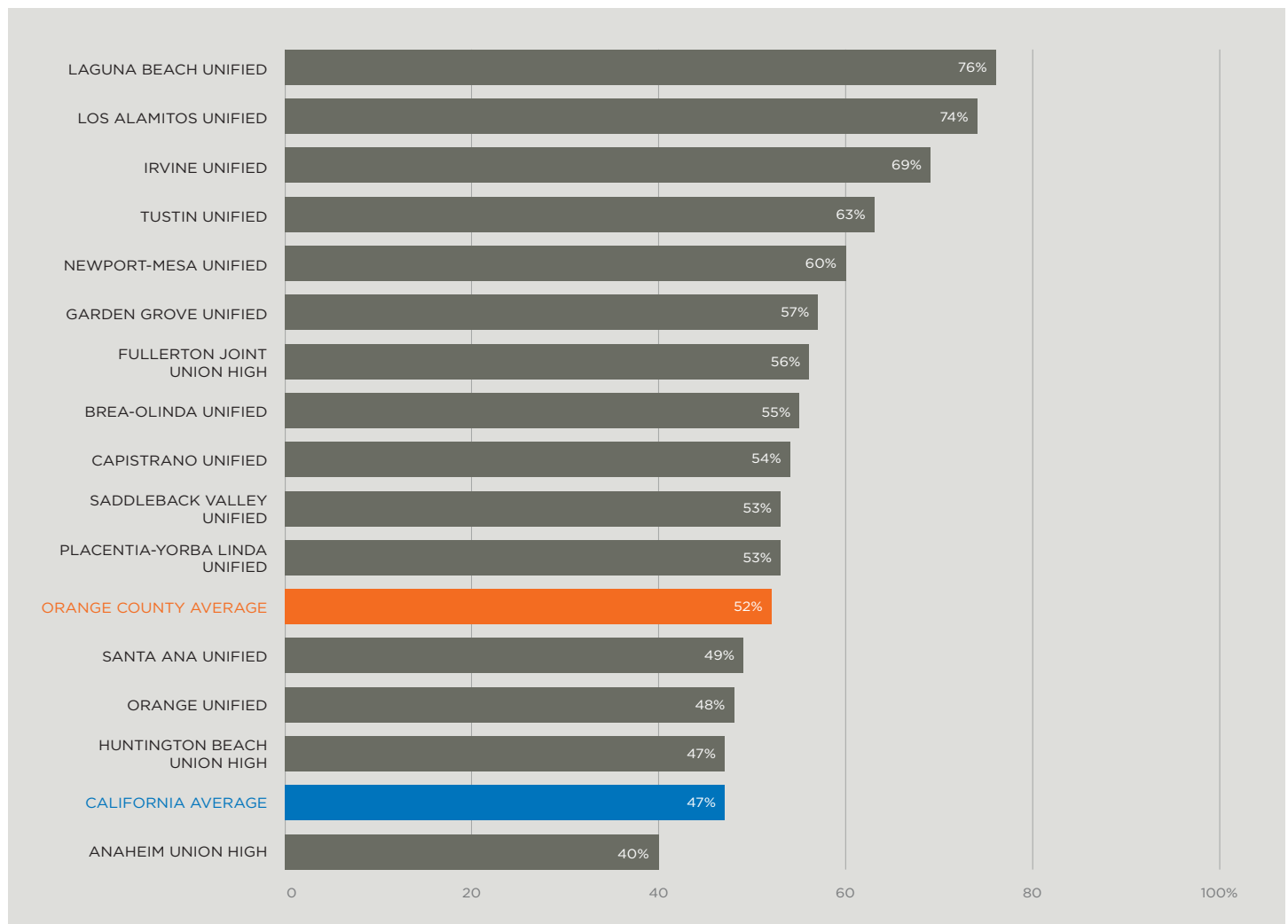
Latino White Asian

Source: California Department of Education, DataQuest (<http://data1.cde.ca.gov/dataquest/>)

There are also wide geographic disparities in UC/CSU eligibility, ranging from a high of 76% of students eligible at Laguna Beach Unified to a low of 40% at Anaheim Union High. However, nearly all districts have seen improvement over the past five years. The five districts with the fastest rate of improvement were Los Alamitos, Tustin, Orange, Newport-Mesa and Santa Ana.

ELIGIBILITY BY DISTRICT RANGES FROM 40% TO 76%

Percentage of Graduates that are UC/CSU Eligible, by District in Orange County, 2016/17



Source: California Department of Education, DataQuest (<http://data1.cde.ca.gov/dataquest/>)

Data Notes

Data are for public high school graduates who have fulfilled minimum course requirements to be eligible for admission to University of California (UC) or California State University (CSU) campuses. For more information about UC/CSU eligibility, visit: www.ucop.edu/agguide/. "Asian" includes Asian, Pacific Islander, and Filipino. "Other" includes African American, Native American/Alaskan Native, two or more races, or not reported.



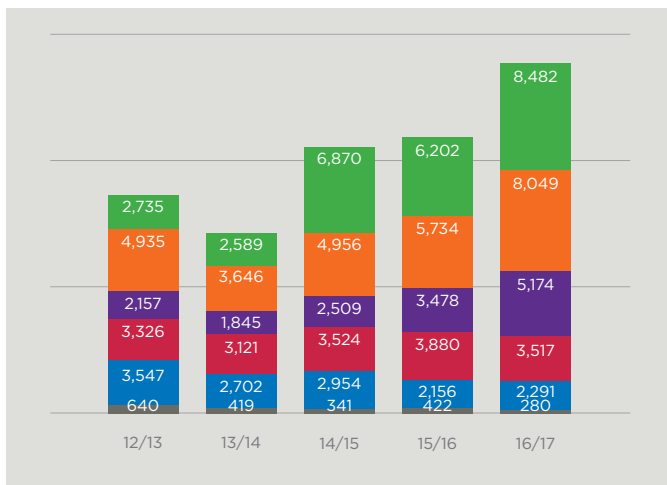
Education

HIGH SCHOOL STEM PARTICIPATION

The number of high school students taking courses in STEM subjects (Science, Technology, Engineering and Mathematics) grew substantially in 2016/17, increasing 60% between 2012/13 and 2016/17. Students taking information technology courses grew 210% and engineering course enrollment grew 140%. The number of students enrolled in health sciences grew 63% while students taking manufacturing-related courses has fluctuated over the past five years. Fewer students are enrolled in construction trades and energy-related courses than five years ago, falling 35% and 56%, respectively.

ENROLLMENT IN STEM-RELATED COURSES GREW 60% IN FIVE YEARS

Enrollment in STEM-Related Career-Technical Education (CTE) in Orange County High Schools, 2013-2017



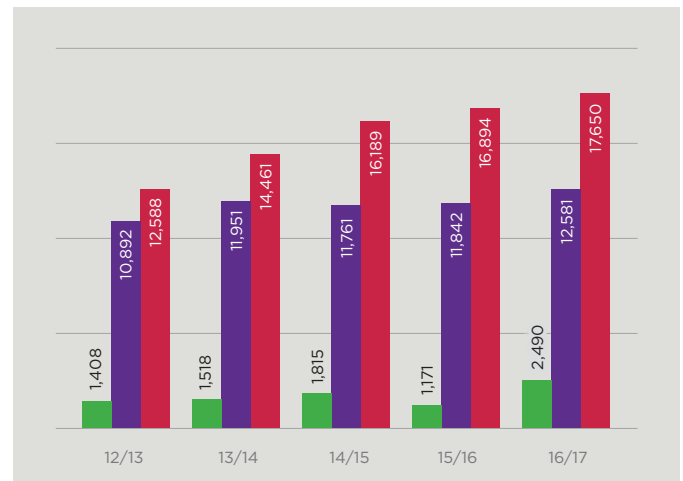
- Information and Communication Technologies
- Health Science and Medical Technology
- Engineering and Architecture
- Manufacturing and Product Development
- Building and Construction Trades
- Energy and Utilities

Source: California Department of Education, DataQuest

Advanced Placement (AP) and International Baccalaureate (IB) course enrollment in STEM subjects in Orange County high schools has also grown over the past three years. Enrollment in computer science AP/IB courses grew 77%, AP/IB science enrollment grew 40%, and AP/IB math enrollment grew 16%.

MORE STUDENTS ARE TAKING AP AND IB STEM COURSES

Enrollment in Advanced Placement (AP) or International Baccalaureate (IB) STEM Courses in Orange County High Schools, 2013-2017



- Computer Science
- Mathematics
- Science

Source: California Department of Education, DataQuest

Most Orange County high school students have access to STEM-related AP courses, but this access is not universal, nor standardized across schools. The first year of AP Calculus (“AB” level) and AP or IB Biology are the most widely offered STEM-related upper-level classes. AP or IB Computer Science and the second year of physics (AP Physics C) are the most inconsistently offered. Offering a broad range of AP courses provides students with options to continue in a STEM subject that aligns with their college and career pursuits.

AP AND IB COURSE OFFERINGS VARY BY DISTRICT AND HIGH SCHOOL

Proportion of Orange County High Schools within a District Offering AP and/or IB STEM Courses, 2016/17



Legend: All (green), Most (blue), Some (yellow), Few (orange), None (red)

Source: California Department of Education, Staff Assignment and Course Data (reflects courses with enrollment on Fall Census Day, the first Wednesday in October; data do not include alternative or continuation schools, or private schools)



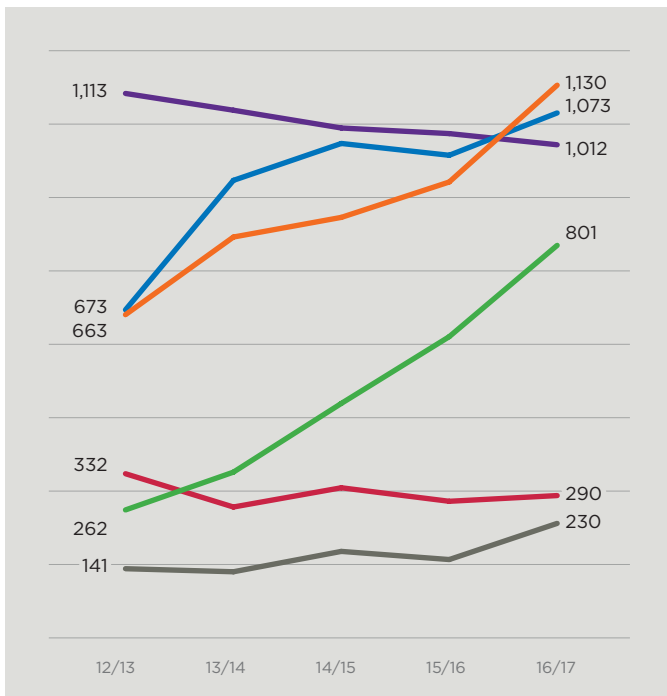
Education

STEM-RELATED DEGREES

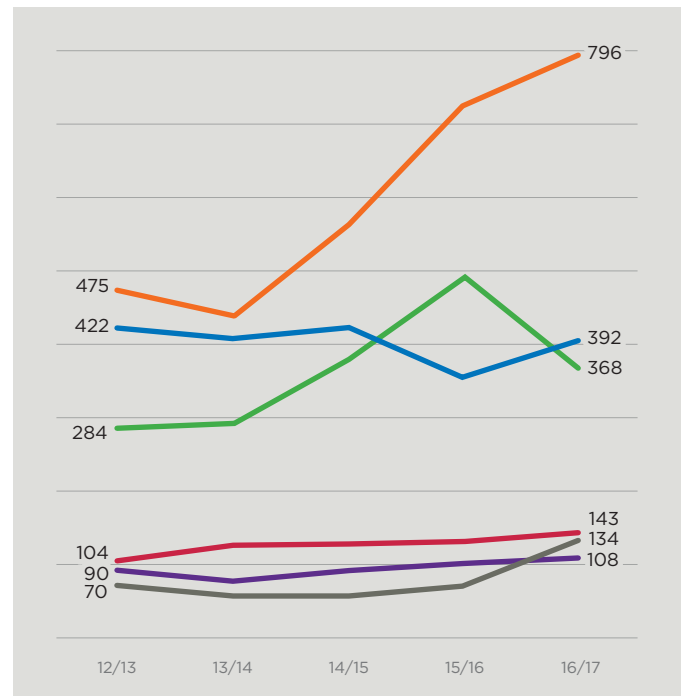
Driven by robust one-year growth in mathematics degrees (+60%) and engineering degrees (+16%), the overall number of science, technology, engineering and mathematics (STEM) undergraduate and graduate degrees conferred by large Orange County universities grew 10% between 2015/16 and 2016/17. Over the past five years, the combined undergraduate and graduate STEM-related degrees granted in all areas have grown, with the exception of biological sciences, which fell 7%, and physical sciences, which has remained relatively flat. In spite of robust growth in STEM-related degrees granted between 2015/16 and 2016/17, the proportion of all degrees that are STEM-related (29%) stayed flat due to a similar rate of growth for all degrees granted.

ENGINEERING AND INFO TECH LEAD UNDERGRADUATE DEGREE GROWTH; ENGINEERING AND MATH BOOST GRADUATE DEGREES GRANTED

STEM-Related Undergraduate Degrees Conferred at Orange County Universities, 2013-2017



STEM-Related Graduate Degrees Conferred at Orange County Universities, 2013-2017

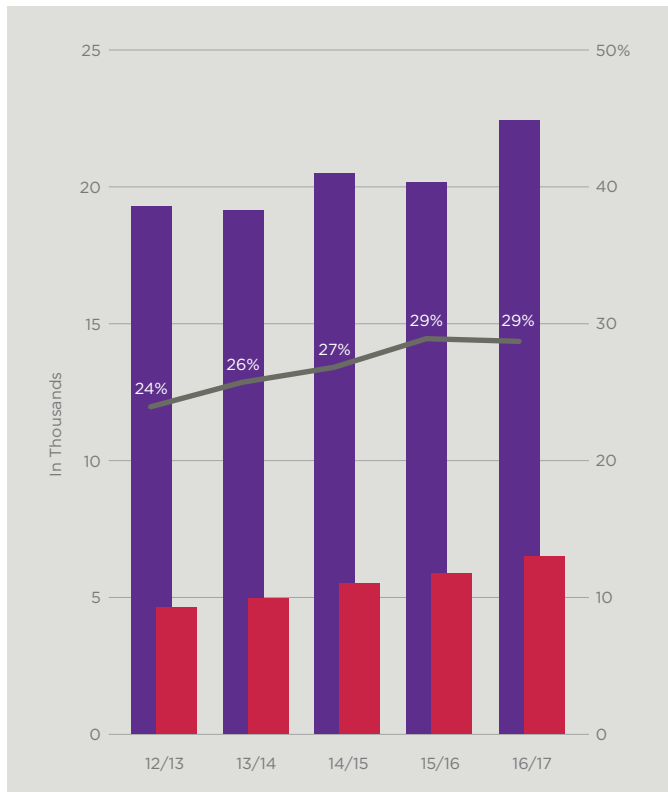


■ Biological Sciences
 ■ Engineering
 ■ Health Professions
 ■ Physical Sciences
 ■ Information and Computer Sciences
 ■ Mathematics

Sources: California State University, Fullerton; Chapman University; and University of California, Irvine

STEM-RELATED DEGREES GROW 10% IN ONE YEAR

University Degrees Granted and Proportion that are STEM-Related in Orange County, 2013-2017



■ All Degrees Granted ■ STEM-Related Degrees
— Proportion that are STEM-Related

Sources: California State University, Fullerton; Chapman University; and University of California, Irvine



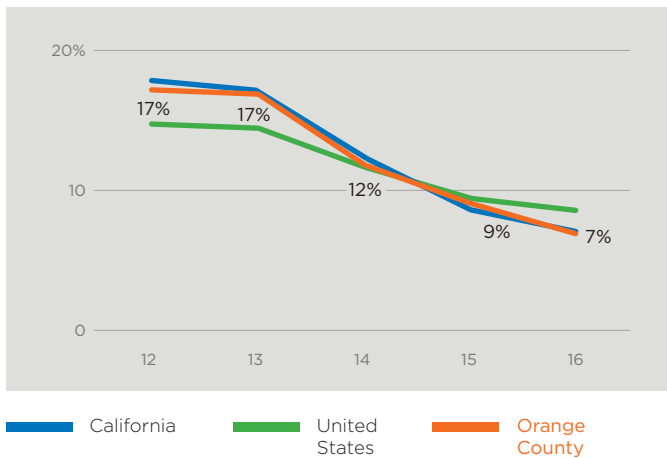
HEALTH CARE ACCESS

The proportion of uninsured Orange County residents dropped between 2015 and 2016, from 9% to 7% as implementation of the Affordable Care Act continued. This is on top of an eight percentage point drop between 2012 and 2015 when the percentage of uninsured county residents decreased from 17% to 9%. Orange County's level of uninsured as of 2016 is on par with the state and slightly lower than the nation (9%).

Driven by the Affordable Care Act (ACA), which took effect in 2014, and the state Medi-Cal for All Children law, Medi-Cal enrollment in Orange County increased 90% between 2010 and 2017. However, the rate of growth began to taper off in 2017, rising only 2% between 2016 and 2017.

RATE OF UNINSURED CONTINUES TO FALL IN 2016

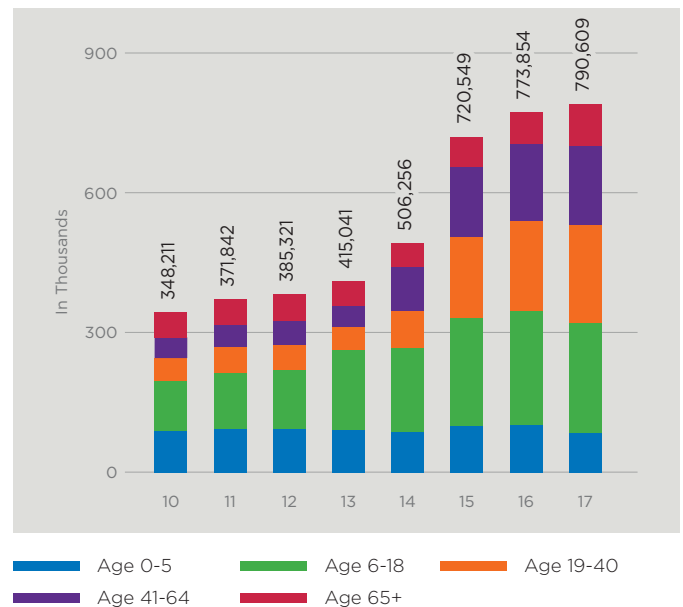
Uninsured (All Ages) in Orange County, California and United States, 2012-2016



Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates (<http://factfinder2.census.gov>)

MEDI-CAL ENROLLMENT SLOWS IN 2017

Medi-Cal Membership in Orange County, 2010-2017



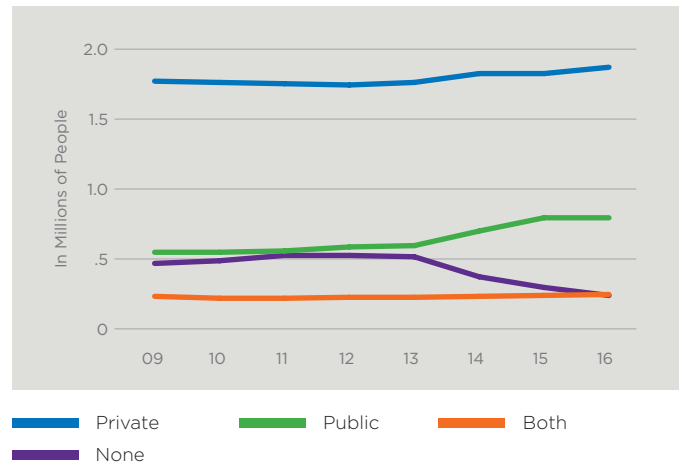
Source: CalOptima

County residents aged 19 to 40 saw the largest percentage increase in enrollment (321%). This was followed by 268% growth among residents ages 41 to 64. Enrollment among seniors rose 67% and enrollment among children age six to 18 grew 39%. Enrollment among children under six fell 6% between 2013 and 2017, but young children have the highest rate of health insurance coverage compared to other age groups; in 2016, only 2% of children under six were uninsured. Overall, in 2017, Orange County enrollment in Medi-Cal stood at 790,609 members.

Between 2015 and 2016, approximately 44,000 residents newly acquired private insurance, either with or without a subsidy through the Covered California insurance exchange. Another 15,000 enrolled in combined public/private coverage, and 3,600 enrolled in public coverage. Meanwhile, the number of residents with no coverage dropped 21%.

ENROLLMENT IN PUBLIC COVERAGE LEVELS OFF; PRIVATE COVERAGE INCREASES

Health Insurance Coverage by Type in Orange County, 2009-2016



Source: U.S. Census Bureau, American Community Survey

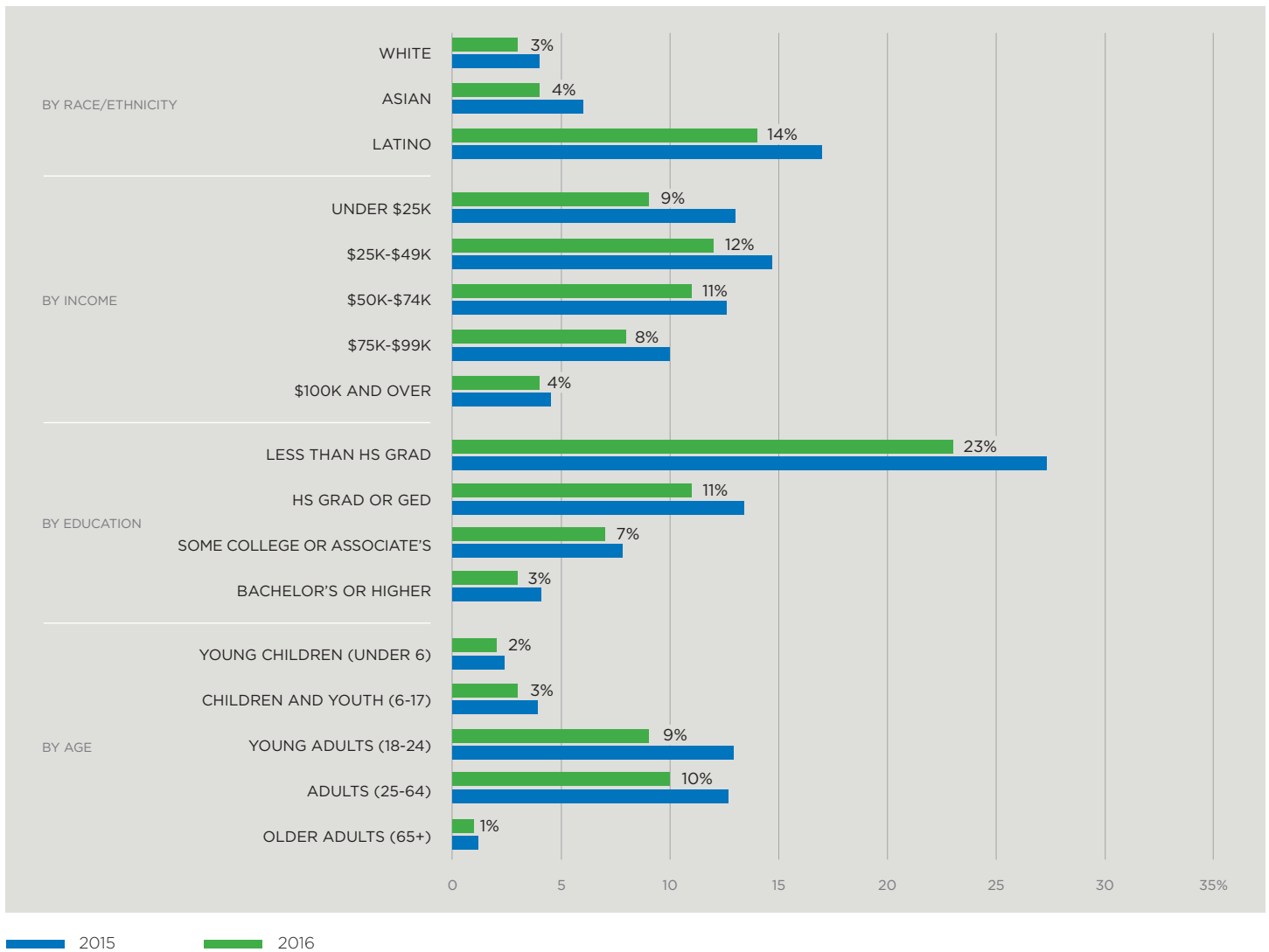


HEALTH CARE ACCESS – CONTINUED

When viewing insurance coverage by race and ethnicity, income level, educational status, and age, all groups experienced reductions in the percentage of uninsured between 2015 and 2016. However, 23% of residents who did not complete high school still did not have insurance in 2016 and 14% of Latino residents were uninsured. Adults ages 25-64 comprised the age group with the greatest proportion of uninsured (10%) and low-middle income individuals (earning \$25,000-\$49,000) were the income bracket most likely to be uninsured (12%).

COVERAGE VARIES BY SOCIOECONOMIC AND DEMOGRAPHIC CHARACTERISTICS, BUT ALL GROUPS IMPROVED AGAIN

Uninsured in Orange County by Race/Ethnicity, Income, Education and Age, 2015 and 2016



Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates (<http://factfinder2.census.gov>)

HEALTH CARE UTILIZATION

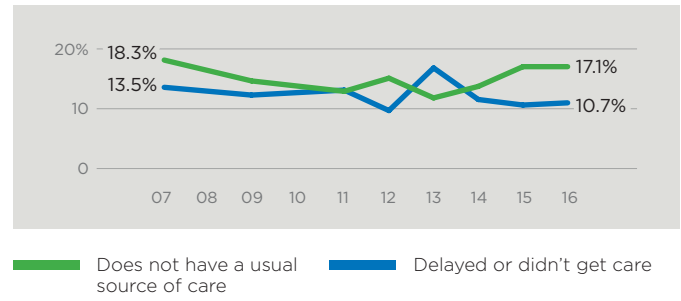
Despite annual variations, the percentage of residents delaying needed health care decreased over the past 10 years. The proportion of residents reporting they do not have a “medical home,” or a usual source of care showed no change between 2015 and 2016.

Community clinic use has grown substantially over the past 10 years (+110%). While seniors (65+) make up the smallest number of clinic users, their usage has grown the fastest (+291%). Clinic usage among adults ages 35-64 grew by 138%, followed by 132% growth in usage among children ages five to 12. This growth in clinic usage is in part due to the increase in the number of clinics serving residents, from 45 in 2007 to 59 in 2016, and in part due to increased access to health insurance. The proportion of clinic users with insurance increased 27% over this 10-year period, while the proportion receiving care for free or by self-pay/sliding scale decreased 32%.

Since the Affordable Care Act went into effect in 2014, the number of visits to emergency departments (ED) for minor to moderate injuries or conditions fell, suggesting that residents may be using community clinics or primary care providers instead of emergency departments for non-serious injuries or conditions. In the last year, there was also a substantial drop in scheduled, non-emergency (clinic) visits to emergency departments. The number of emergency department visits for severe injuries steadily increased between 2012 and 2016.

10-YEAR REDUCTION IN RESIDENTS DELAYING CARE

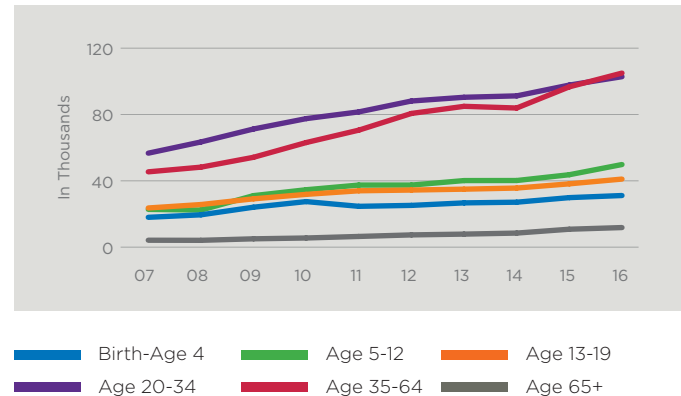
Percentage of Orange County Population Delaying Medical Care or Without a Usual Source of Care, 2007-2016



Source: California Health Interview Survey (<http://ask.chis.ucla.edu/main/default.asp>). No data in 2008 and 2010.

TRIPLE-DIGIT PERCENT GROWTH IN CLINIC USAGE

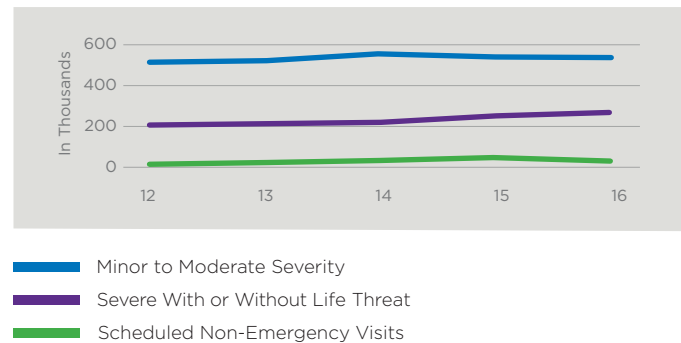
Orange County Community or Free Clinic Utilization by Age, 2007-2016



Source: Primary Care and Specialty Clinics Annual Utilization Data, Office of Statewide Health Planning and Development (www.oshpd.ca.gov/HID/PCC-Utilization.html#Complete)

FEWER ED VISITS FOR MINOR/MODERATE ISSUES

Emergency Department Visits in Orange County Hospitals by Type, Including Scheduled Non-Emergency (Clinic) Visits, 2012-2016



Source: Hospital Annual Utilization Report - Emergency Department Trends, Office of Statewide Health Planning and Development (www.oshpd.ca.gov/HID)

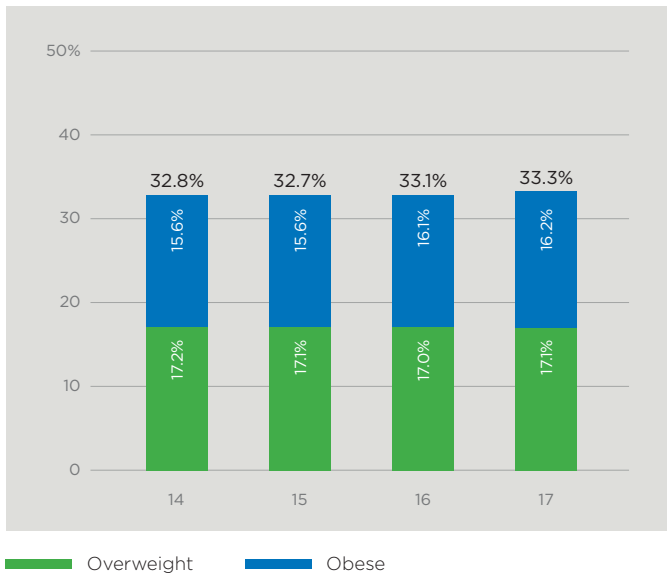


OVERWEIGHT AND OBESITY

The proportion of obese students has increased by 0.6% since 2014. Meanwhile, the proportion of overweight students has been relatively consistent. In 2017, an average of 33.3% of Orange County students in 5th, 7th and 9th grades were overweight or obese, up from 32.8% in 2014. However, compared to the statewide rate of 38.9%, fewer Orange County students are overweight or obese. Of the 33.3% of Orange County students with an unhealthy body composition in 2017, 16.2% were considered to be obese, while 17.1% were considered overweight. Santa Ana and Anaheim school districts had the highest proportion of overweight youth in 2017, while Irvine and Laguna Beach school districts had the lowest proportion.

SLIGHT INCREASE IN OBESE STUDENTS SINCE 2014

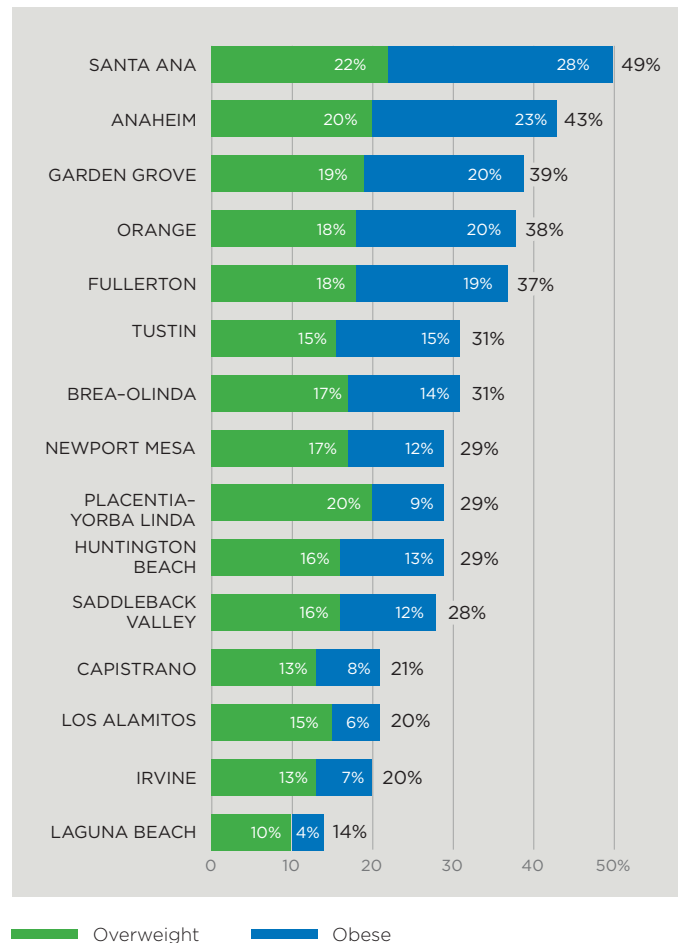
Percent of Students with Unhealthy Body Composition in Orange County, 2014-2017



Source: California Department of Education Physical Fitness Test (<http://data1.cde.ca.gov/dataquest/>)

CENTRAL ORANGE COUNTY DISTRICTS HAVE HIGHEST PROPORTION OF OVERWEIGHT STUDENTS

Percent of Students with Unhealthy Body Composition by School District in Orange County, 2017

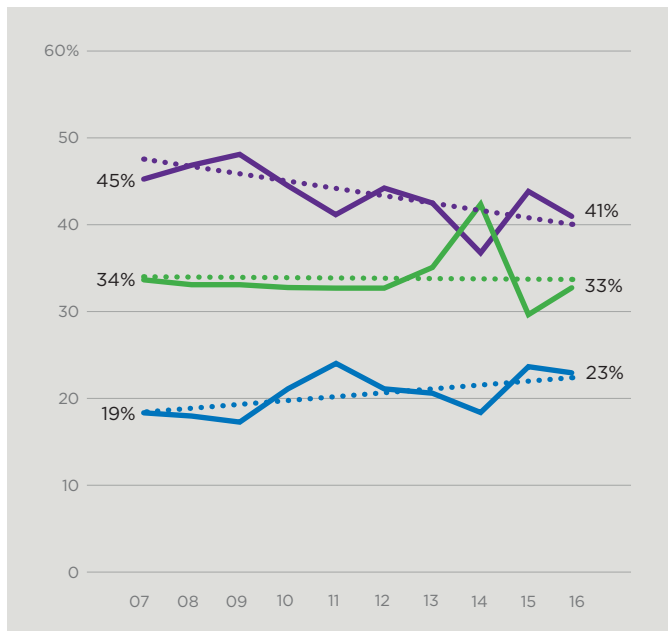


Source: California Department of Education Physical Fitness Test (<http://data1.cde.ca.gov/dataquest/>)

Data from 2016 estimate that 41% of adult Orange County residents have a healthy weight. Nearly one-third (33%) are overweight and 23% are obese. Statewide, the proportion of residents with a healthy weight in 2016 was 35%, which was nearly the same as the nationwide proportion (34%). California and the nation had the same proportion of overweight residents in 2016 (35%), while there was a slightly higher rate of obesity in the nation (30%) than in California (28%). The long-term trend is declining healthy weight in Orange County, California and the nation.

PERCENTAGE OF ORANGE COUNTY ADULTS WITH A HEALTHY WEIGHT DECLINED SINCE 2007

Weight Status of Adults in Orange County, 2007-2016

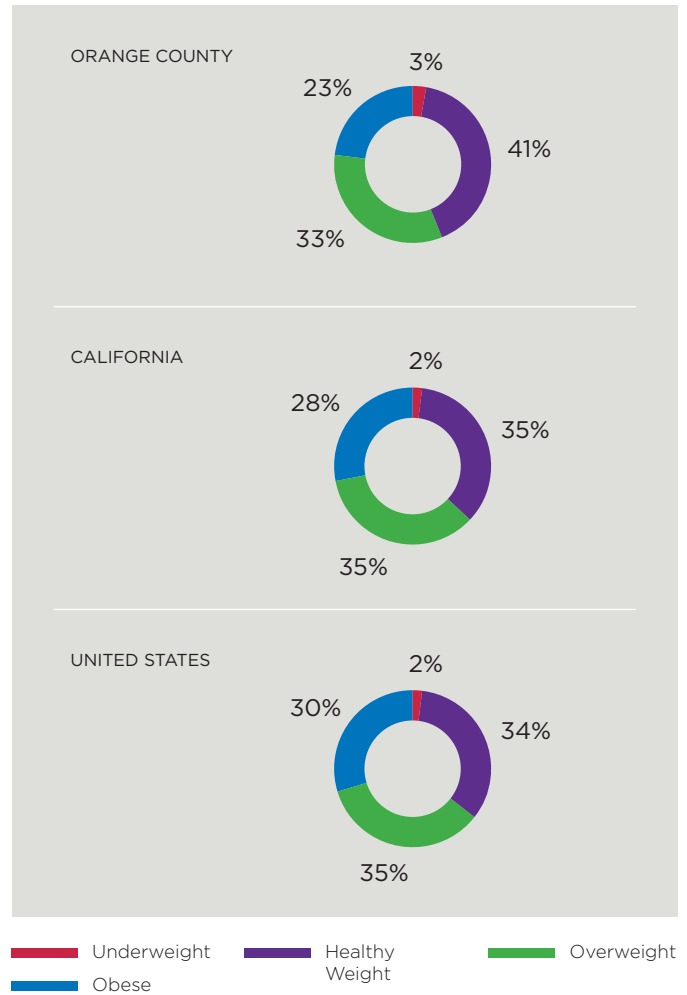


— Healthy Weight — Overweight — Obese
..... Trend (Healthy Weight) Trend (Overweight) Trend (Obese)

Source: California Health Interview Survey

MORE ORANGE COUNTY RESIDENTS HAVE A HEALTHY WEIGHT THAN THE STATE AND NATION

Weight Status of Adults in Orange County, California, and United States, 2016



Sources: California Health Interview Survey; National Health Interview Survey

Data Notes

In 2014, the California Department of Education modified the body composition standards to be more aligned with the Center for Disease Control percentiles to identify lean, normal, overweight, and obese students. The category "Needs Improvement" approximates overweight, while the category "Needs Improvement - Health Risk" approximates obesity. Anaheim, Fullerton and Huntington Beach represent combined data of the high school districts and their feeder elementary school districts. Charter schools and Orange County Department of Education alternative programs are not included. National data are sourced from the National Health Interview Survey. State and county data are sourced from the California Health Interview Survey.



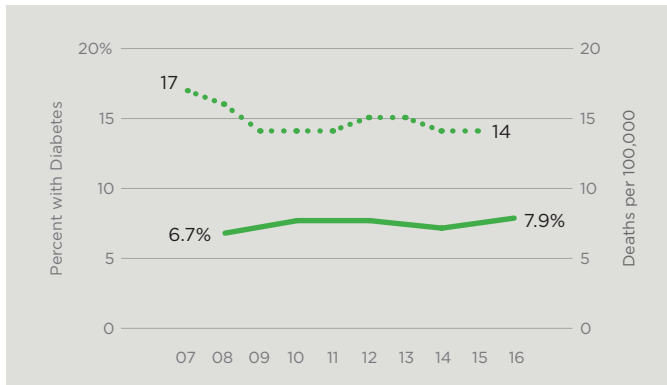
CHRONIC DISEASE

According to the Orange County Health Care Agency, chronic diseases contribute to approximately 60% of deaths in Orange County each year. Nationwide, the Centers for Disease Control and Prevention reports that chronic diseases account for about 86% of health-related costs. Four modifiable health risk behaviors – including a sedentary lifestyle, poor nutrition, tobacco use, and excessive alcohol consumption – are responsible for much of the illness, suffering, and early death related to chronic diseases. In Orange County, deaths due to reported chronic diseases continue to decline while prevalence rates (the percentage of residents living with a given condition) are mixed.

CHRONIC DISEASE-RELATED DEATH RATES FALL; PREVALENCE RATES VARY

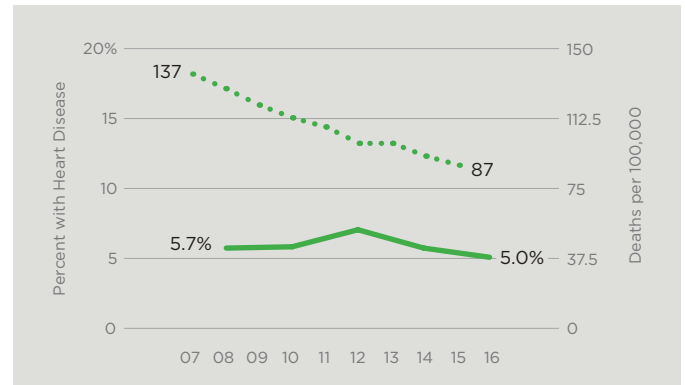
— Prevalence Death Rate

Diabetes Prevalence and Death Rate in Orange County, 2007-2016



Sources: California Health Interview Survey (<http://ask.chis.ucla.edu/main/>); California Department of Public Health, County Health Status Profiles (www.cdph.ca.gov/Programs/CHSI/Pages/County-Health-Status-Profi.aspx)

Heart Disease Prevalence and Death Rate in Orange County, 2007-2016



Sources: California Health Interview Survey (<http://ask.chis.ucla.edu/main/>); California Department of Public Health, County Health Status Profiles (www.cdph.ca.gov/Programs/CHSI/Pages/County-Health-Status-Profi.aspx)

DIABETES

In 2016, 7.9% of Orange County adults had been diagnosed with diabetes in their lifetimes, compared to 6.7% of adults in 2008. While more residents are living with diabetes, fewer are dying of the disease; there has been an 18% decline in the diabetes death rate between 2007 and 2015.

HEART DISEASE

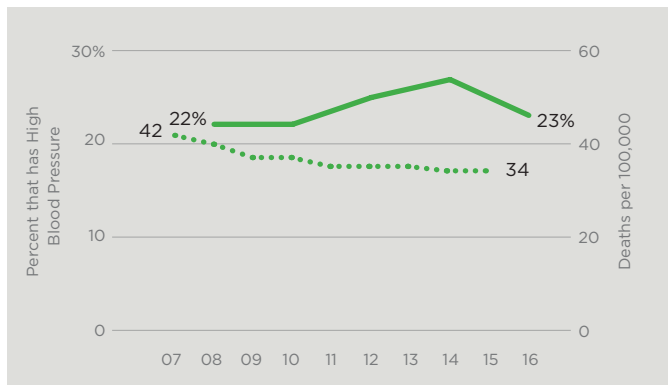
The percentage of Orange County adults with heart disease declined from 5.7% in 2008 to 5.0% in 2016. Meanwhile, medical advances have led to a 36% decline in the death rate for heart disease between 2007 and 2015.

Chronic Disease Prevalence in Children

Epidemiologic studies suggest that as many as one out of four children in the U.S., or 15 to 18 million children age 17 years and younger, suffer from a chronic health problem. In the U.S. alone, nine million children suffer from asthma and approximately 13,000 children are diagnosed with type 1 diabetes annually. As many as 200,000 children nationwide live with either type 1 or type 2 diabetes. Type 2 diabetes is still extremely rare in children and adolescents (0.22 cases per 1,000 youth) but these rates are increasing rapidly with rising obesity rates.

Source: Compas, B. E., et al. (2012). Coping with Chronic Illness in Childhood and Adolescence. *Annual Review of Clinical Psychology* (retrieved April 24, 2015 from <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3319320/>)

High Blood Pressure Prevalence and Stroke Death Rate in Orange County, 2007-2016

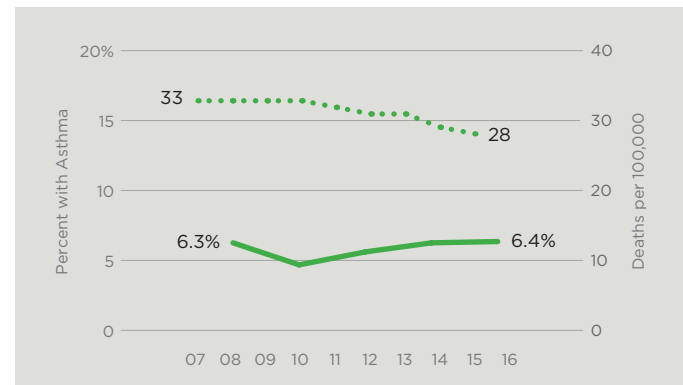


Sources: California Health Interview Survey (<http://ask.chis.ucla.edu/main/>); California Department of Public Health, County Health Status Profiles (www.cdph.ca.gov/programs/ohir/Pages/CHSP.aspx)

HIGH BLOOD PRESSURE/STROKE

High blood pressure is the single most important treatable risk factor for stroke. The percentage of Orange County adults who have high blood pressure rose until 2014 and then fell to 23% in 2016, which is a similar rate of high blood pressure as in 2008. Over roughly the same period, between 2007 and 2015, the death rate for stroke fell 18%.

Asthma Prevalence and Chronic Lower Respiratory Disease Death Rate in Orange County, 2007-2016



Sources: California Health Interview Survey (<http://ask.chis.ucla.edu/main/>); California Department of Public Health, County Health Status Profiles (www.cdph.ca.gov/programs/ohir/Pages/CHSP.aspx)

ASTHMA/CHRONIC LOWER RESPIRATORY DISEASE

Asthma prevalence has been growing gradually in recent years. Conversely, deaths due to chronic lower respiratory disease (which includes asthma) fell in 2015. This continues a long-term downward trend; deaths decreased by 15% between 2007 and 2015.

Data Notes

Prevalence and death data are not available for all years for all diseases or causes of death. Death data lag prevalence data by one year. Asthma prevalence data have changed and should not be compared to asthma prevalence data previously reported. Prevalence data now reflect two-year, nonoverlapping averages. For example, "2016" denotes data gathered in 2015 and 2016, and "2014" denotes data gathered in 2013 and 2014. Death data reflect rolling (overlapping) three-year averages. For example, "2015" is an average of 2013, 2014 and 2015 data, and "2014" is an average of 2012, 2013 and 2014 data. The death data shown are age-adjusted rates, which controls for regional variability in age composition.



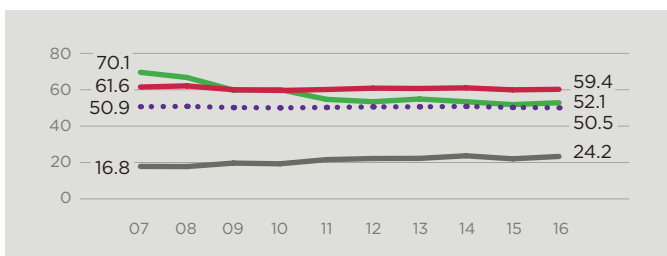
MENTAL HEALTH AND SUBSTANCE ABUSE

Over the past decade, the hospitalization rate for mental health and substance abuse-related concerns remained relatively steady. However, two groups continue to witness shifts. The hospitalization rate among adults age 65 and older declined 41% since 2007. Conversely, the hospitalization rate among children and youth (0-17) increased by 43% since 2007. Collectively, mental health and substance abuse-related admissions made up 5% of all Orange County hospitalizations in 2016, which is about the average for the past 10 years. Compared to California, Orange County's mental health and substance abuse-related admission rate of 50.5 per 10,000 residents in 2016 is less than the statewide rate of 58.4 per 10,000.

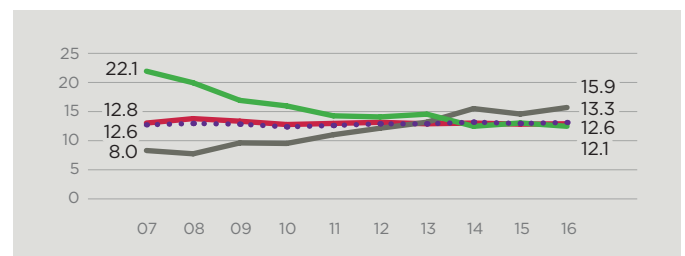
Overall, hospitalization rates for major depression have remained unchanged over the past 10 years, while substance abuse-related hospitalizations have increased (+17%) and bipolar disorder hospitalizations have fallen (-30%). But these rates vary by age group. Most notably, major depression hospitalizations among children and youth have increased 99% since 2007. Major depression is the most frequent diagnosis for a behavioral health admission for youth, as well as older adults, but the trends are reversed; hospitalizations due to major depression have decreased 45% for older adults since 2007. In terms of substance abuse-related hospitalizations, there has been a 72% decrease for youth and a 19% increase for adults ages 18-64. There was no change among older adults. Bipolar disorder hospitalizations have been falling for all age groups in Orange County.

YOUTH HOSPITALIZATIONS RISE, DRIVEN BY DEPRESSION DIAGNOSES; OLDER ADULT HOSPITALIZATIONS FALL

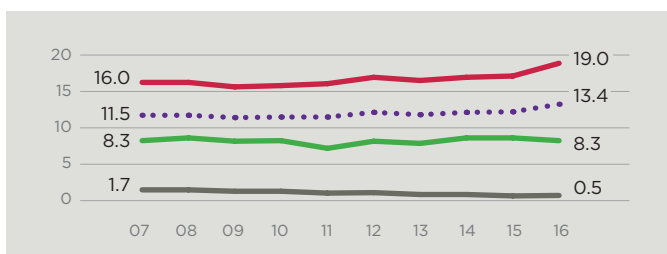
Overall Mental Health and Substance Abuse-Related Health Hospitalizations per 10,000 by Age in Orange County, 2007-2016



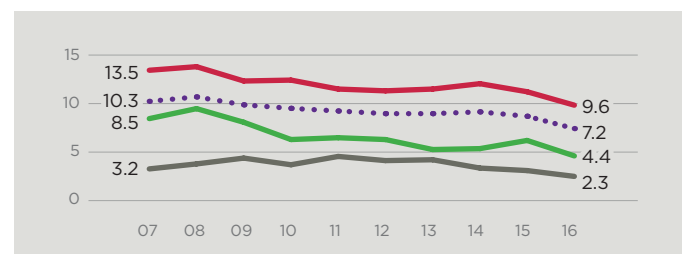
Major Depression and Mood Disorders Hospitalizations per 10,000 by Age in Orange County, 2007-2016



Substance Abuse Hospitalizations per 10,000 by Age in Orange County, 2007-2016



Bipolar Disorder Hospitalizations per 10,000 by Age in Orange County, 2007-2016

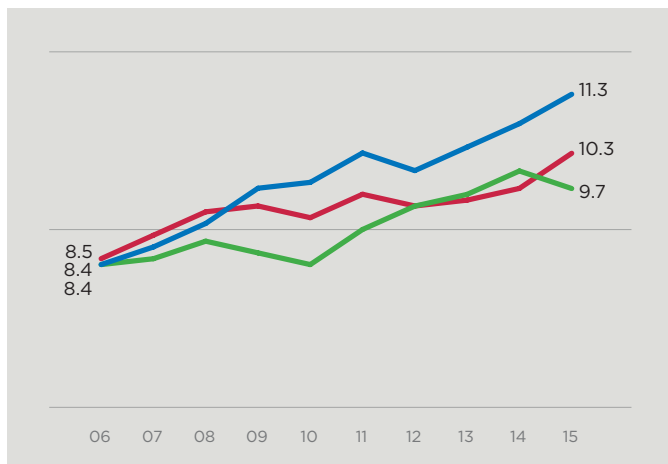


Sources: Office of Statewide Planning & Development Patient Discharge Data prepared by Orange County Health Care Agency, Research and Planning; California Department of Finance; U.S. Census Bureau, American Community Survey

Meanwhile, deaths due to substance abuse have increased. Between 2006 and 2015, the drug-induced death rate grew by 35%, while deaths due to chronic liver disease and cirrhosis (which is associated with alcohol abuse) rose 21%. Suicide deaths – an extreme indicator of major depression or mood disorders – fell in 2015 for the first time since 2010. Over the 10-year period between 2006 and 2015, suicide deaths increased 16%.

SUBSTANCE ABUSE-RELATED DEATH RATES CONTINUE TO RISE

Mental Health and Substance Abuse-Related Deaths per 100,000 in Orange County, 2006-2015



■ Chronic Liver Disease and Cirrhosis
 ■ Suicide
 ■ Drug-Induced

Source: California Department of Public Health, County Health Status Profiles (<https://www.cdph.ca.gov/Programs/CHSI/Pages/County-Health-Status-Profiles.aspx>)

Opioids in Orange County

The opioid crisis continues to grow in the United States and Orange County:

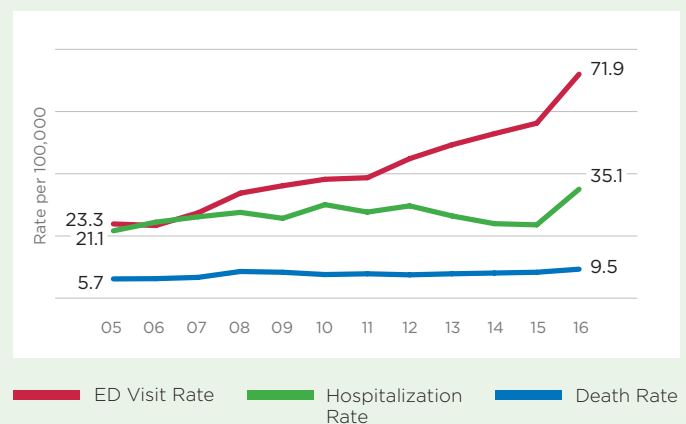
- Nationwide, deaths due to opioids increased 30% between 2015 and 2016.
- In Orange County, deaths due to opioids increased 14% in one year.
- Orange County's emergency department (ED) visit rate for opioid overdose or abuse increased 215% since 2006, while hospitalizations increased 45%.
- Accidental overdose of prescription opioids is a major driver of illness and death in Orange County, especially for middle-aged and older adults.
- Narcotic prescription data from the California Department of Justice show that opioids account for nearly half (45%) of all reported prescriptions in Orange County.
- Over 1.76 million opioid prescriptions were filled in 2016 in Orange County, a 3% increase over the previous year.
- Areas of Orange County with the highest opioid prescription rates also tended to have the highest rates of ED visits for opioid poisoning or abuse.

In addition to an existing continuum of publicly and privately funded health care for opioid addiction, the Orange County Alcohol and Drug Advisory Board and Orange County Health Care Agency, Behavioral Health Services are developing a strategic plan, based upon stakeholder input, to determine service gaps and identify additional strategies to reduce overdoses and addiction.

For more information, see the back of the report for a link to the County of Orange Opioid report.

OPIOID-RELATED EMERGENCY VISITS AND HOSPITALIZATIONS UP DRAMATICALLY

Rate of Opioid-Related Emergency Department (ED) Visits, Hospitalizations, and Deaths in Orange County, 2005-2016



■ ED Visit Rate
 ■ Hospitalization Rate
 ■ Death Rate

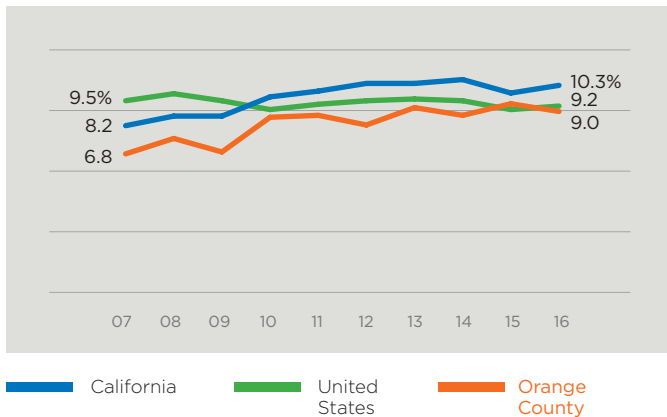


WELLBEING OF OLDER ADULTS

In 2016, an estimated 9.0% of Orange County seniors were living in poverty, which is substantially higher than 10 years ago when 6.8% of seniors were in poverty. This is equivalent to approximately 22,000 seniors living in poverty in 2007 and 39,000 in 2016 – an increase of 17,000 seniors. A senior is considered in poverty if their annual income falls under \$11,511 (living alone) or \$14,522 (two people).

9% OF ORANGE COUNTY SENIORS LIVE ON LESS THAN \$15,000 PER YEAR

Percentage of Residents Age 65 and Over in Poverty in Orange County, California and United States, 2007-2016



Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

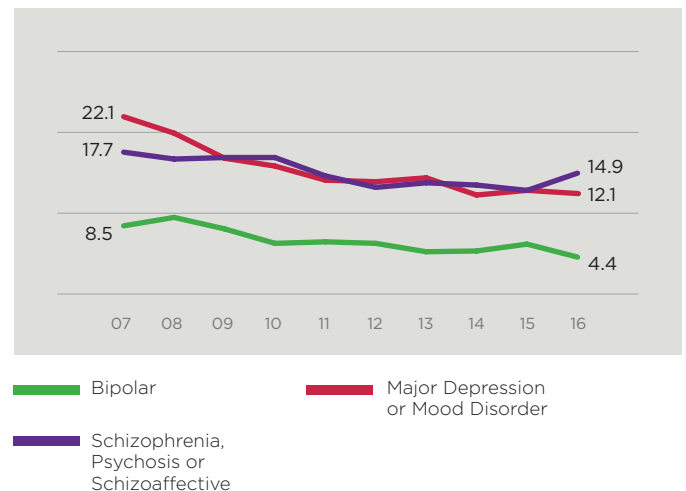
Percentage of Seniors in Poverty when Local Housing, Cost of Living, Social Safety Net Benefits, Medical Costs and Other Needs are Factored In:

18.1%

In 2016, 33 out of every 10,000 Orange County older adults were hospitalized for a mental health condition, a notable decrease from 2015, when there were 42 mental health hospitalizations per 10,000 older adults, and an even more substantial decrease since 2007 when there were 62 hospitalizations per 10,000. Sharp declines in hospitalizations for major depression and bipolar disorder are behind the 46% decrease in hospitalization rates over the past 10 years. These declines are attributed to a reduction in depressive symptoms among the oldest residents (age 80+), an increase in seniors with no symptoms, and an increase in prescription drug coverage by Medicare leading to more older adults taking anti-depressant medications.

LONG-TERM DOWNWARD TREND IN MENTAL HEALTH HOSPITALIZATIONS AMONG SENIORS CONTINUES

Orange County Older Adult Mental Health Hospitalizations per 10,000 by Disorder, 2007-2016

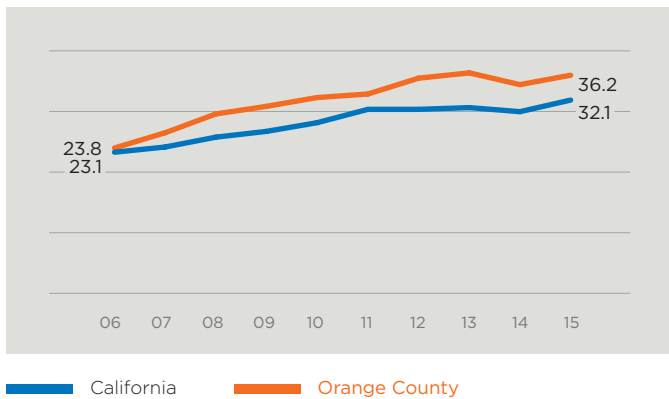


Sources: 2007-2016 Office of Statewide Planning & Development Patient Discharge Data prepared by Orange County Health Care Agency, Research and Planning; U.S. Census Bureau, American Community Survey, 1-Year Estimates

Over the past 10 years, the death rate due to Alzheimer’s Disease has risen faster in Orange County (+52%) than statewide (+39%). Direct costs nationally of Alzheimer’s Disease and other dementias are estimated to be \$259 billion in 2017 and projected to be as high as \$1.1 trillion by 2050. The CDC reports that the rising rate of Alzheimer’s Disease deaths can be partly attributed to the growing number of seniors. It may also be affected by an increase in health care providers reporting Alzheimer’s as the cause of death.

ALZHEIMER’S DISEASE DEATH RATE RISES 52% IN 10 YEARS

Age-Adjusted Deaths per 100,000 due to Alzheimer’s Disease in Orange County and California, 2006-2015

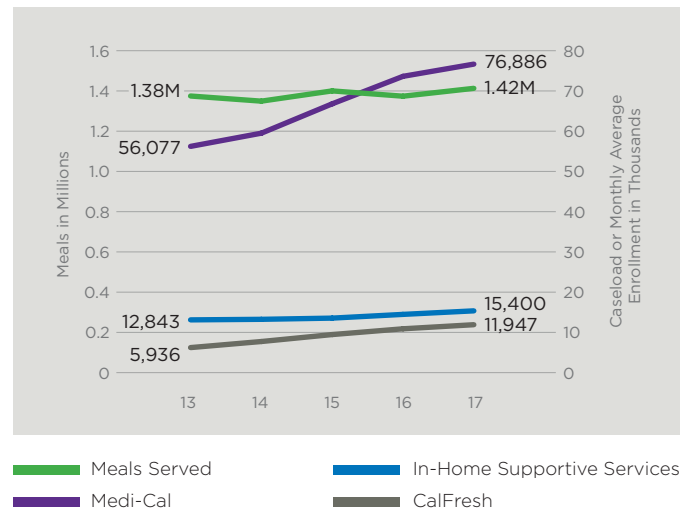


Source: California Department of Public Health, County Health Status Profiles (www.cdph.ca.gov/Programs/CHSI/Pages/County-Health-Status-Profiles.aspx)

Older adults’ need for social support services has largely outpaced population growth. There was a 101% increase in CalFresh enrollment between 2013 and 2017, a 37% increase in Medi-Cal enrollment, a 20% increase in the in-home supportive services caseload, and a 3% increase in home delivered and congregate meals served to seniors. Over the same period, the older adult population grew 16%.

GROWTH CONTINUES IN SENIOR SUPPORT SERVICES

Older Adult Support Services in Orange County, 2013-2017



Sources: County of Orange Social Services Agency (IHSS, Medi-Cal, CalFresh); Orange County Community Services/Office on Aging (meals)

Data Notes

Explanations for the declines in mental health hospitalization among seniors are sourced from: Ayyagari, P. et al. (May 2015) “Does prescription drug coverage improve mental health? Evidence from Medicare Part D,” Journal of Health Economics, and Zivin, K. et al. (December 2013) “Trends in Depressive Symptom Burden Among Older Adults in the United States from 1998 to 2008,” Journal of General Internal Medicine. Schizoaffective disorder is defined as a condition in which a person experiences a combination of schizophrenia symptoms, such as hallucinations or delusions, and of bipolar mood disorder symptoms, such as mania or depression (Mayo Clinic). Costs due to Alzheimer’s are sourced from the Alzheimer’s Association (<http://www.alz.org/facts/>). In-home supportive services data reflect June caseload of the given year. Counts of seniors receiving Medi-Cal, CalFresh, and meals are average monthly caseloads for the fiscal year (e.g. “2017” are fiscal year 2016/17 data).

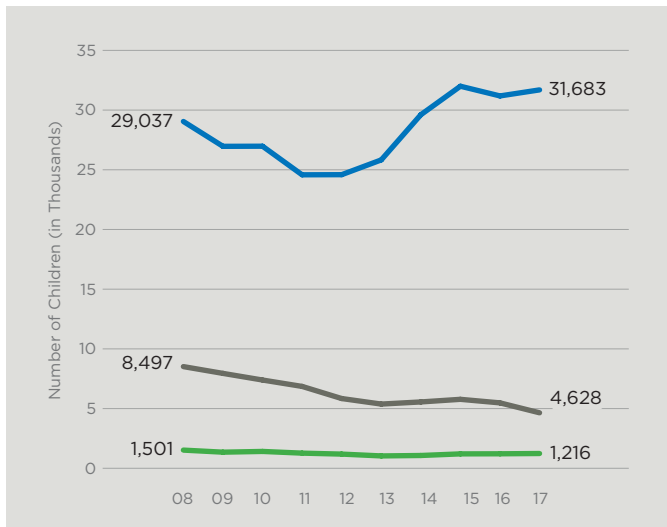
CHILD ABUSE AND NEGLECT

Between 2008 and 2017, child abuse reporting increased 9% while confirmed reports of abuse (substantiated allegations) fell 46%. The long-term reduction in substantiated abuse may reflect Orange County Social Services Agency's focus on preventative measures. Over the same 10-year period, the number of children placed in foster care also fell 19%. Social Services Agency is undertaking many activities related to the implementation of the Continuum of Care Reform (AB 403), which calls for reducing the use of group homes, and promotes trauma-informed services and supports for foster youth within in-home settings.

In 2017, allegations of child abuse increased slightly (up 2%) after falling the year before for the first time since 2011. Substantiated allegations continued their downward trend, falling 15% since 2016. Entries to foster care rose for the fifth consecutive year. While the increase between 2016 and 2017 was only 2%, the five-year increase was 20%. When possible, Orange County Social Services Agency keeps families intact while providing stabilizing services. This may account for the fact that only 26% of confirmed reports in Orange County result in foster care placement, compared to 41% statewide. Entries include first-time entries and reentries into the foster care system; not all reentries stem from a substantiated referral.

CONFIRMED CHILD ABUSE DECLINES IN 2017

Allegations, Substantiated Allegations and Entries to Foster Care, Orange County, 2008-2017

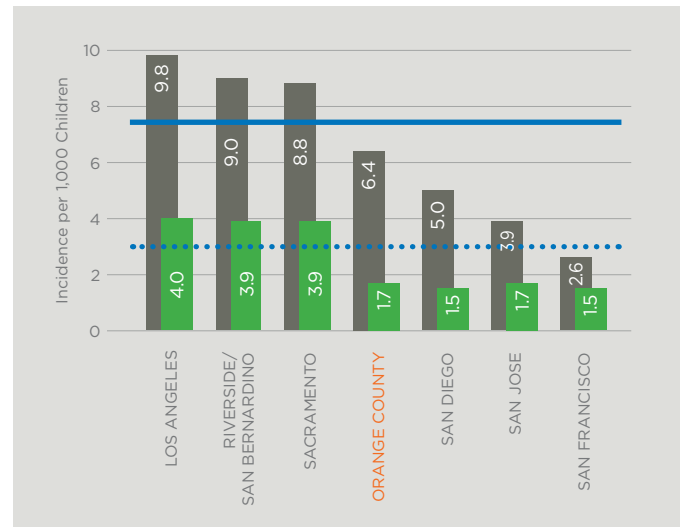


■ Allegations
 ■ Substantiated Allegations
 ■ Entries

Source: University of California Berkeley, Center for Social Services Research, Child Welfare Research Center (http://cssr.berkeley.edu/ucb_childwelfare/)

ORANGE COUNTY IS MID-RANGE AMONG PEERS FOR SUBSTANTIATED CHILD ABUSE; AMONG LOWEST FOR FOSTER CARE

Substantiated Child Abuse Allegations and Entries to Foster Care, Regional Comparison, 2017



SUBSTANTIATED ALLEGATIONS: ■ Substantiated Abuse
ENTRIES: ■ Entries to Foster Care
— California (7.5) California (3.0)

Source: University of California Berkeley, Center for Social Services Research, Child Welfare Research Center (http://cssr.berkeley.edu/ucb_childwelfare/)

CRIME RATE

Over 10 years, Orange County's crime rate dropped by 6%. Between 2015 and 2016 Orange County experienced a 3% drop in property crime and a 1% increase in violent crime, resulting in a one-year decrease of 3% overall. This is the third consecutive year that violent crime increased in Orange County. Orange County's crime rate is lower than the state and national averages and all peer regions compared except San Diego. Crime rate analysis includes violent crimes (homicide, rape, robbery, and aggravated assault) and property crimes (burglary, larceny-theft, motor vehicle theft, and arson).

PROPERTY CRIME RATE DECLINES IN 2016

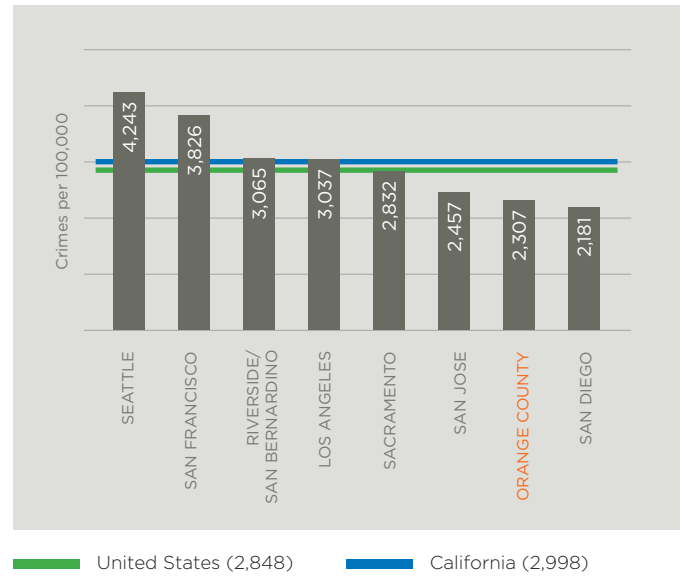
Crime Rate in Orange County, 2007-2016



Source: Federal Bureau of Investigation, Uniform Crime Reporting Program (ucr.fbi.gov/ucr-publications)

ORANGE COUNTY HAS THE SECOND LOWEST OVERALL CRIME RATE COMPARED TO PEERS

Regional Comparison of Crime Rate, 2016



Source: Federal Bureau of Investigation, Uniform Crime Reporting Program (ucr.fbi.gov/ucr-publications)

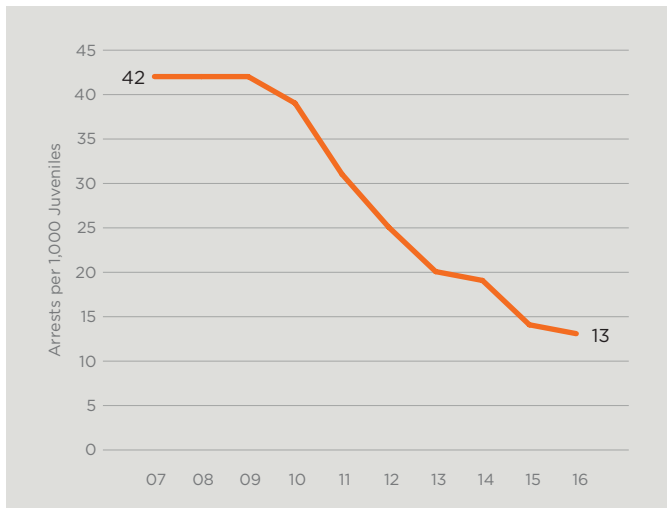
JUVENILE CRIME

In 2016, there were 13 arrests per 1,000 juveniles in Orange County, lower than the statewide rate of 15 arrests per 1,000 juveniles. Orange County's juvenile arrest rate equates to a total of 4,523 juvenile arrests in 2016, substantially fewer than the 14,988 juvenile arrests 10 years earlier in 2007. Juvenile arrests comprised 6% of all arrests in Orange County in 2016.

After dropping substantially in the 2014/15 school year, school expulsions are creeping back up. At 4.4 per 10,000 students, the Orange County expulsion rate is half of the statewide average. Students are expelled due to violent or defiant behavior, or for committing a drug or weapon offense on school grounds.

ORANGE COUNTY'S JUVENILE ARREST RATE DROPPED 70% IN 10 YEARS

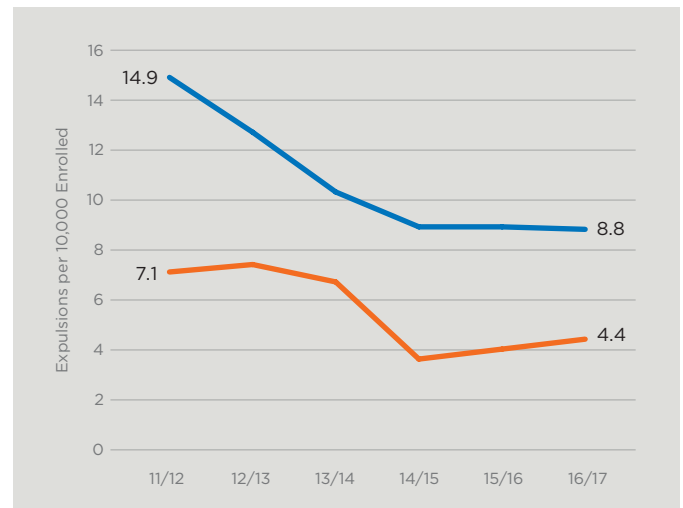
Juvenile Arrest Rate, Ages 10-17, Orange County, 2007-2016



Sources: California Department of Justice, Criminal Justice Statistics Center (<http://oag.ca.gov/crime>); California Department of Finance (www.dof.ca.gov)

ORANGE COUNTY STUDENT EXPULSIONS CREEPING UPWARD

Expulsion Rates, Orange County and California, 2012-2017



Legend: Orange County (orange line), California (blue line)

Source: Department of Education, DataQuest (<http://data1.cde.ca.gov/Dataquest/>)

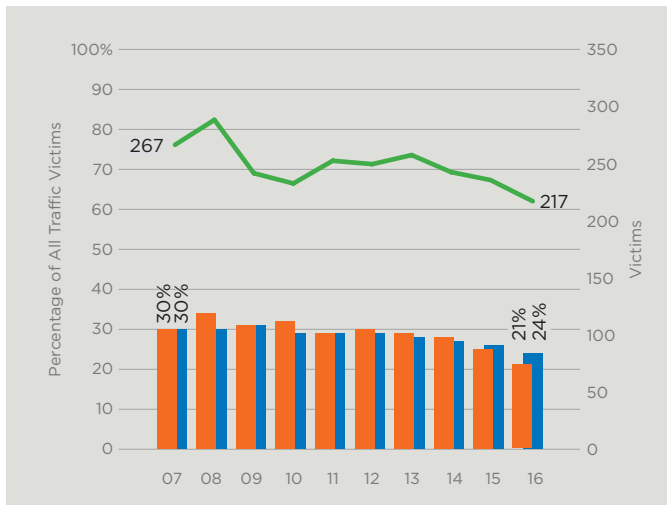
DRINKING AND DRIVING

There were 217 victims (fatalities or severe injuries) in alcohol-involved collisions in Orange County in 2016, down 19% from 10 years ago. Victims of alcohol-involved collisions comprised 21% of victims in all traffic collisions in Orange County, which is lower than the statewide average of 24%.

On a per capita basis, Orange County's rate of alcohol-involved fatalities and severe injuries decreased 30% over 10 years, dropping from 9.7 victims per 100,000 Orange County residents in 2007 to 6.8 victims per 100,000 in 2016. Accidents with minor injuries are not counted in this analysis due to wide variation in reporting by jurisdictions.

NUMBER OF VICTIMS OF ALCOHOL-RELATED COLLISIONS DROPS 19% IN 10 YEARS

Number and Percentage of Traffic Fatalities and Severe Injuries that Involved Alcohol, Orange County and California, 2007-2016



PERCENTAGE OF ALL TRAFFIC VICTIMS THAT INVOLVED ALCOHOL

Orange County
California

NUMBER OF VICTIMS OF ALCOHOL-INVOLVED ACCIDENTS

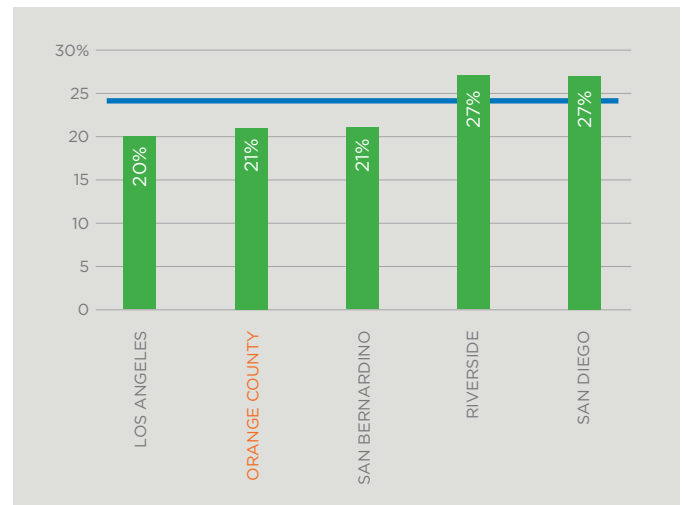
Victims

Note: 2015 data have been updated since the previous Community Indicators Report; 2016 data are preliminary.

Source: Statewide Integrated Traffic Records System (SWITRS), California Highway Patrol

ORANGE COUNTY IS BELOW THE STATEWIDE AVERAGE FOR THE PROPORTION OF ALCOHOL-INVOLVED CRASH VICTIMS

County Comparison of Percentage of Traffic Fatalities and Severe Injuries that Involved Alcohol, 2016



County

California (24%)

Note: 2016 data are preliminary.

Source: Statewide Integrated Traffic Records System (SWITRS), California Highway Patrol

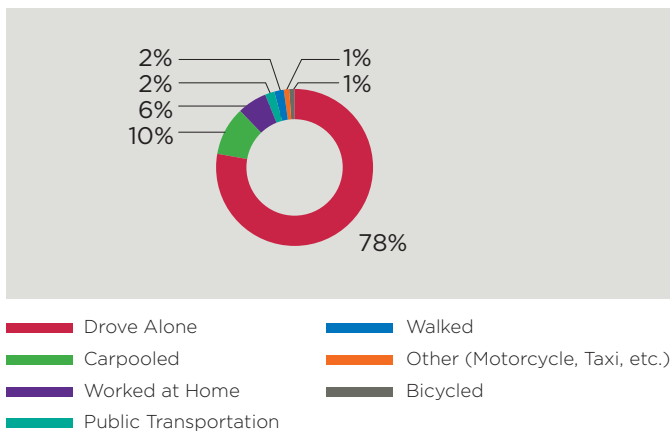


TRANSPORTATION

In 2016, most (78.4%) Orange County residents age 16 and over drove to work alone. While this figure is slightly lower than the previous year, it has not changed significantly in more than a decade. Similarly, carpooling has increased slightly since the previous year but has gradually decreased over the past decade, from 10.7% in 2007 to 9.7% in 2016. Individuals working at home (6.1%) increased for the third consecutive year, while those taking public transit (2.2%) and those commuting by bicycle (0.7%) declined.

MOST COMMUTERS DRIVE ALONE

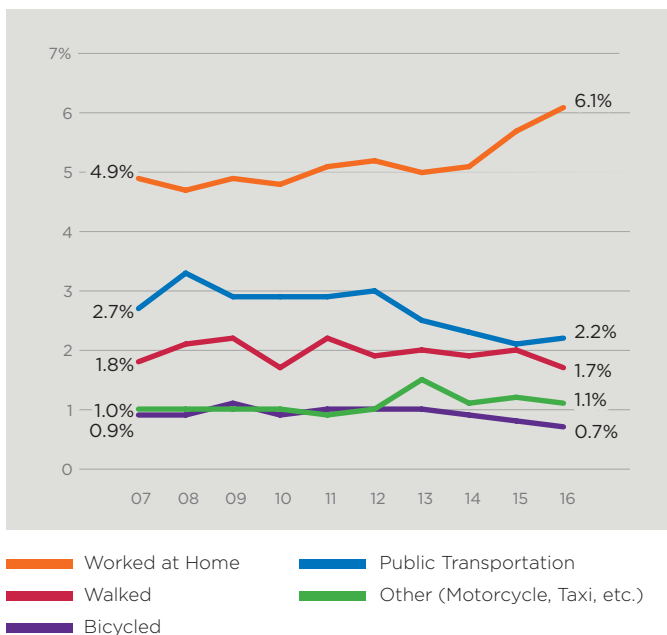
Mode of Travel to Work in Orange County, 2016



Source: U.S. Census Bureau, 2016 American Community Survey, 1-Year Estimates

MORE RESIDENTS WORK FROM HOME

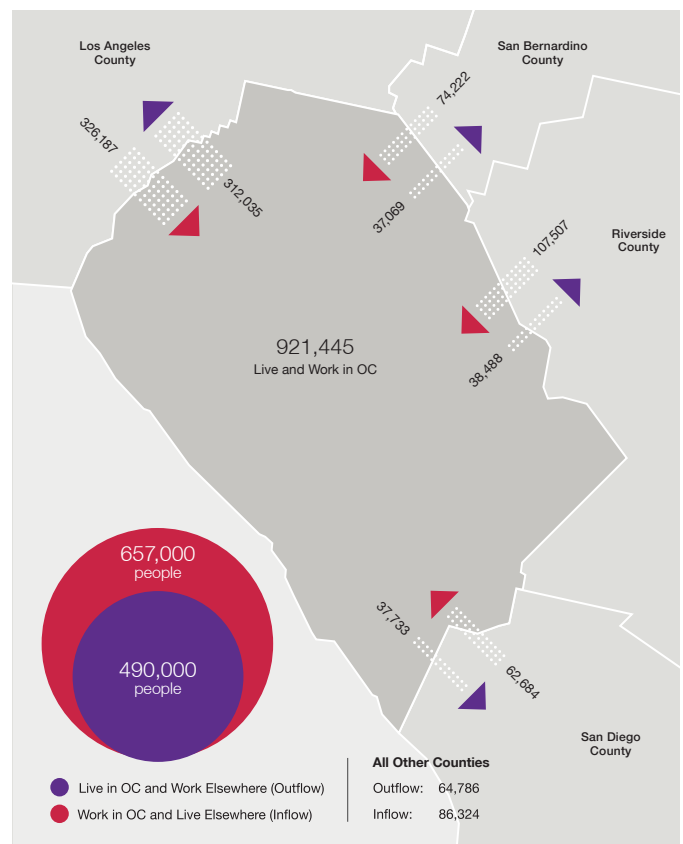
Selected Mode of Travel to Work in Orange County, 2007-2016



Source: U.S. Census Bureau, 2016 American Community Survey, 1-Year Estimates

MORE PEOPLE COMMUTE IN THAN OUT

Intercounty Commuting Patterns Between Orange and Neighboring Counties, 2015



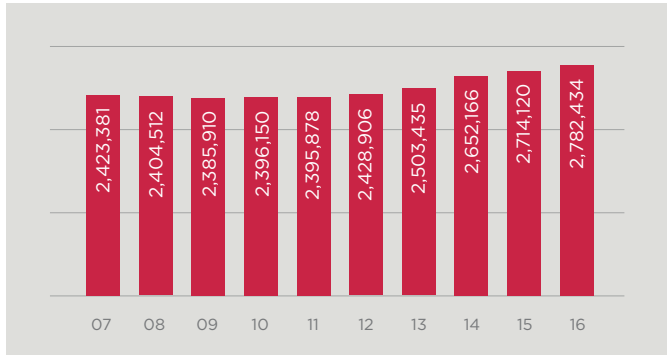
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics

Most working residents live and work within Orange County (a total of 921,445 people in 2015). A substantial number of people, however, live in neighboring counties and commute to work in Orange County. A smaller number of people live in Orange County but work outside the county. In 2015, a net of about 167,000 non-resident commuters traveled to Orange County to work.

After remaining relatively flat through the Great Recession, car ownership in Orange County began to rise in 2012, growing 15% between 2012 and 2016. Orange County freeways experienced a corresponding increase in congestion. The average Orange County traveler spent 18.3 hours in freeway traffic congestion in 2016, compared with 15.6 hours in 2007, mostly during the afternoon and evening peak hours of travel. Carpool lanes, intended to reduce delay and increase the capacity of county highways, have themselves become increasingly congested. According to Caltrans, in 2015, 81% of Orange County's carpool lanes were congested compared to 46% in 2011.

CAR OWNERSHIP IS RISING

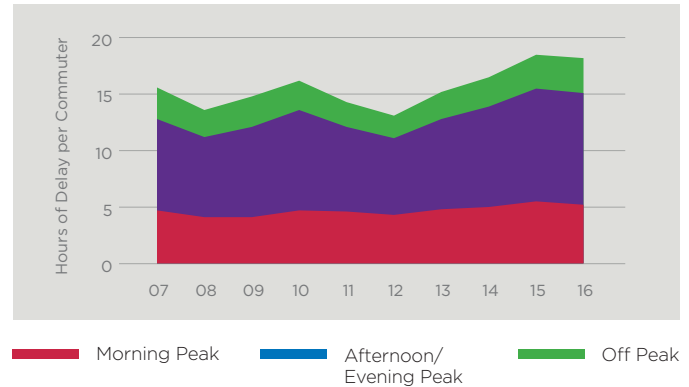
Vehicle Registration in Orange County, 2007-2016



Source: California Department of Motor Vehicles, Forecasting Unit

FREEWAY DELAY IS INCREASING OVER TIME

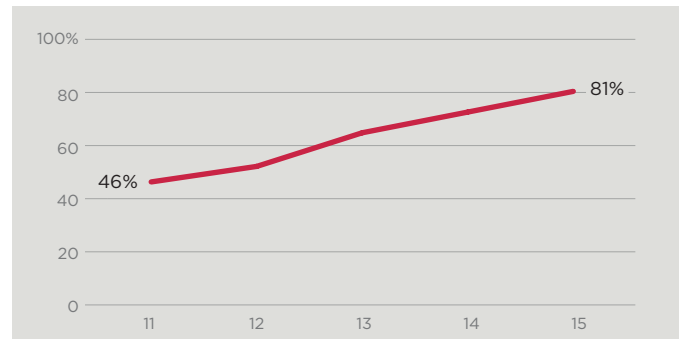
Annual Hours of Freeway Delay per Commuter, Orange County, 2007-2016



Note: Data reflect annual hours of delay per commuter at speeds less than 60 miles per hour on freeways in Orange County.
Source: Caltrans, Performance Measurement System; U.S. Census Bureau, American Community Survey, 1-Year Estimates

CARPOOL LANE CONGESTION INCREASES SHARPLY

Percentage of Carpool Lanes that are Congested in Orange County, 2011-2015



Source: Caltrans, 2010 through 2015 California High-Occupancy Vehicle Lane Degradation Determination Reports



WATER USE AND SUPPLY

The extremely wet 2016/17 water year and the lifting of statewide mandatory water restrictions in April 2017 contributed to a modest increase in urban water usage in Orange County in 2016/17. Countywide in 2016/17, potable water consumption was an average of 107 gallons per capita per day (GPCD), up slightly from 104 the year before. Orange County's GPCD averages are well below the county's SB 7-7X target of 158 GPCD by 2020. Over the past 10 years, per capita potable water consumption in Orange County has fallen 42%.

To meet future water demands, the county will rely mostly on increases in groundwater production and conservation, which are projected to increase by 30% each between 2020 and 2040. These sources of water are followed by imported water, which is projected to increase by 17%, and recycled water, which is projected to increase by 14%. All other sources of water are projected to remain constant. Increased groundwater production is a result of Orange County Water District's decision to move forward with the \$254 million Groundwater Replenishment System Final Expansion project, which will create another 31,000 acre-feet per year of local water supply that will be annually recharged into the groundwater basin.

WATER USAGE UP SLIGHTLY, BUT REMAINS RELATIVELY LOW

Urban Water Usage in Acre-Feet and Gallons per Capita Per Day in Orange County, 2008-2017

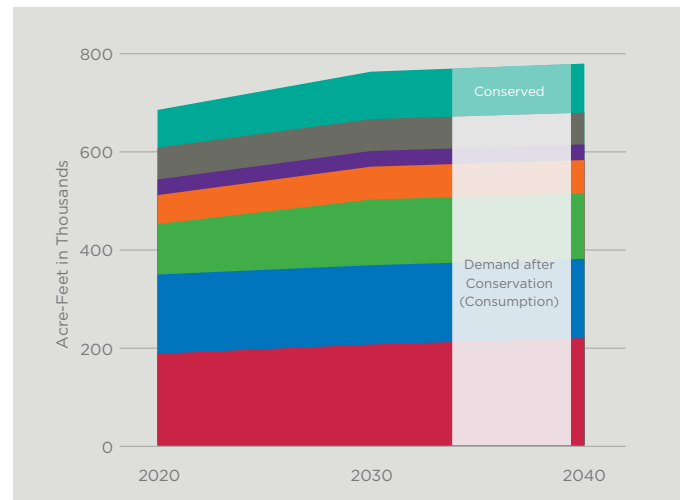


Legend: Acre-Feet (Red Bar), Gallons per Capita per Day (Blue Line)

Source: Municipal Water District of Orange County

FUTURE WATER DEMANDS TO BE MET LARGELY BY MORE GROUNDWATER AND CONSERVATION

Projected Acre-Feet of Water by Source for Orange County, 2020-2040



Legend for Future Water Demands:

- Imported Water for District Use
- Santa Ana River and Incidental Groundwater Basin Replenishment
- Groundwater Replenishment System (GWRS)
- Recycled Water
- Other Local
- Imported Water for Replenishment
- Conservation

Sources: Municipal Water District of Orange County; Orange County Water District

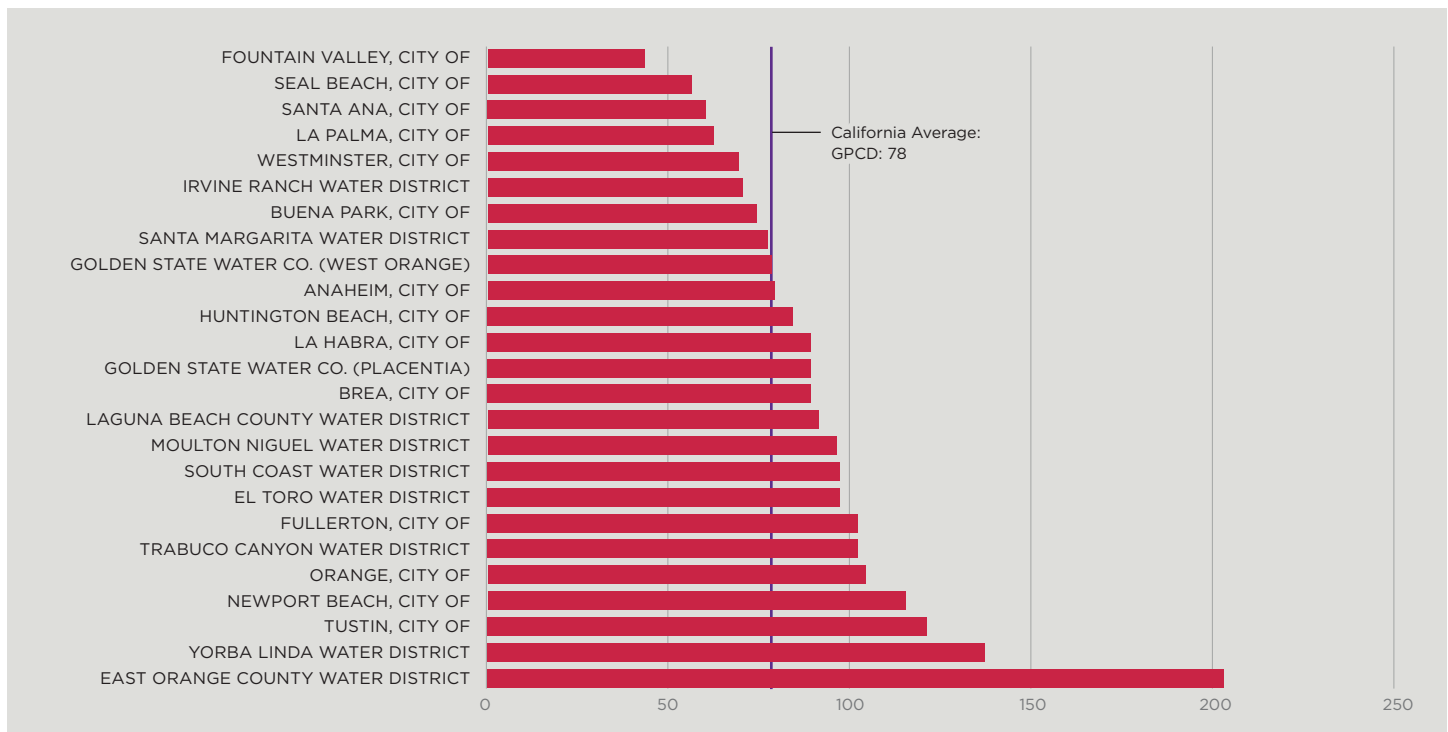
Data Notes

The water year begins October 1 and ends September 30. Urban water usage data in acre-feet includes residential, industrial and commercial water use for a full fiscal year. The gallons per capita per day (GPCD) calculations for Orange County overall, provided by the Municipal Water District of Orange County, are calculated to comply with SB 7-7X, a 2009 water conservation law that sets an overall goal of reducing per capita urban water use by 20% by December 31, 2020. These GPCD calculations include potable water, less recycled water and indirect potable reuse water for the entire fiscal year. This measure of GPCD differs from GPCD reported in Community Indicators Reports prior to 2017. The GPCD figures by water supplier from the State Water Resource Control Board reflect residential water use only and report water usage for a single month. For 2016 water costs by source, please see the 2017 Orange County Community Indicators Report at www.ocgov.com/about/infooc/facts/indicators.

According to residential water consumption data from December 2017, only eight Orange County water retailers reported lower per capita water consumption than the statewide average of 78 gallons per capita per day (GPCD). Wintertime water consumption is typically less than during the summer, when residents are irrigating lawns and gardens (e.g., statewide per capita residential water consumption in July 2017 was 120 GPCD).

8 OUT OF 29 ORANGE COUNTY WATER RETAILERS HAVE LOWER PER CAPITA CONSUMPTION THAN THE STATEWIDE AVERAGE

Water Consumption in Gallons per Capita per Day by Orange County Water Retailer, December 2017



Source: State Water Resource Control Board (www.waterboards.ca.gov)

Drought Status

The 2017/18 water year is shaping up to be below average, despite some late winter storms in the Sierra Nevada that increased the snowpack from 28% of average to 52% of average for this time of year, according to the California Department of Water Resources' (DWR) April 2018 snow survey. Thirty percent of California's water supply comes from Sierra Nevada snow. Another third of California's water supply comes from groundwater. California's exceptionally high precipitation last winter and spring resulted in above-average storage in 154 reservoirs tracked

by DWR. DWR estimates total storage in these reservoirs at the end of March 2018 was 107 percent of the average for this time of year.

As of April 2018, Orange County has "severe drought" status in the northern part of the county and "moderate drought" status in the southern part, according to the U.S. Drought Monitor.

Given California's extreme swings from drought to flood and back to drought, state officials recommend that ongoing conservation and a long-term solution to the state's water needs are necessary.

Sources: California Department of Water Resources, press release, 4/2/2018 (www.water.ca.gov/News); U.S. Drought Monitor, 4/13/18 (<http://droughtmonitor.unl.edu>)

Orange County Community Indicators Project Sponsors



Contributing Partners



Thanks to the many organizations that provided data and expertise in support of this effort.



The Orange County Community Indicators Report is part of Orange County's broad range of robust, data-rich reports that track issues of importance on a regular basis. Several issue-focused reports, available either printed or online, provide additional detail on many indicators covered in the Orange County Community Indicators Report. The following is a summary of selected reports or websites available for further review:

Annual Report on the Conditions of Children in Orange County

ochealthinfo.com/phs/about/family/occp/report/

CalOptima Member Health Needs Assessment, March 2018

www.caloptima.org/en/Community/MHNA.aspx

Homelessness in Orange County: The Costs to Our Community, June 2017

www.unitedwayoc.org/resources

Annual Orange County Workforce Indicators Report

ocbc.org

Orange County's Healthier Together

ohealthiertogether.org

2017 Opioid Overdose and Death in Orange County

www.ochealthinfo.com/civicax/filebank/blobdload.aspx?BlobID=67355

The State of the American Veteran: The Orange County Veterans Study, 2015

oc-cf.org

OC Immigration Profile, 2017

www.oc-cf.org/wp-content/uploads/2017/12/Orange-County-Immigration-Report--2017.pdf

3rd Annual DisAbility Summit Report, 2018

www.chapman.edu/education/centers-and-partnerships/thompson-policy-institute/_files/2018-summary-report.PDF

**Orange County
Community Indicators Project**

1505 East 17th Street, Suite 230
Santa Ana, CA 92705

To inquire about this report: ocindicators@ocgov.com
www.ocgov.com/about/infooc/facts/indicators