



Community Indicators 2016



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INTRODUCTION

One of Orange County's most powerful assets is its ability to find creative, effective solutions to problems and to make positive outcomes even better. The 2016 report – which measures the health and wellbeing of our people, place and economy – showcases innovative practices that contribute to a vital, thriving county.

This theme of innovation comes through strongly in the Pivot Points: three critical issues which impact the wellbeing of the county so significantly that solving them must be Orange County's top priority. These pivotal issues – housing, the opportunity gap, and children's health and wellbeing – are complex matters that require concerted, continued effort to bring about progressive, lasting change. Consequently, the report continues its focus on these Pivot Points from the previous year, examining barriers and highlighting strategies to help keep Orange County's attention focused on addressing these important issues.

Two new indicators have been added to the Education section of the report, including kindergarten readiness and high school student participation in STEM coursework. After a hiatus, academic performance indicators are back, showing how Orange County students are performing in math and reading according to the newly implemented Common Core State Standards.

Health indicators show a surge in community clinic use and enrollment in public insurance, as the Affordable Care Act reached full implementation. Challenges remain in helping residents access care once enrolled; effective use of the health care system is important to addressing chronic disease and mental health – two areas that report increasing need among Orange County residents.

Over the past two years, the organizations involved in guiding and funding the report have grown to include representatives from the public and private sectors, business, education and the philanthropic community. Our goal is to galvanize community action through ever-increasing partnerships and community collaboration.

As always, we embrace the opportunity to work with you to make Orange County the best it can be.



Children & Families
Commission
of Orange County



CalOptima
Better. Together.



PIMCO
FOUNDATION



HOPE through HOUSING
FOUNDATION



ORANGE COUNTY PROFILE

PLACE

799
square miles

42
miles of coastline

3,904
persons per square mile

34
cities and several large
unincorporated areas

8% of the California population lives in OC on
0.5% of the state's land area

PEOPLE

3,165,203
Population 2015

3,449,498
Projected population 2040

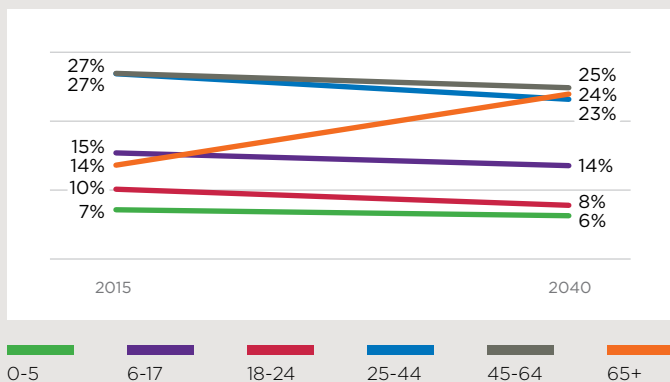
9%
Projected percent growth

Age

Orange County residents age 65 and older are the only age group that is projected to grow proportionate to the other age groups in the next 25 years. 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 the nation.

SENIOR POPULATION GROWING WHILE ALL OTHERS SHRINK

Projected Change in Age Group Proportions of Total Orange County Population, 2015 and 2040



THE DEPENDENCY PRINCIPLE

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. In 25 and 45 years, the burden on the average working age resident to financially support the dependent population will be substantially higher than it is today.

NUMBER OF WORKING AGE RESIDENTS FOR EACH RESIDENT 65 AND OVER



NUMBER OF WORKING AGE RESIDENTS FOR EACH CHILD OR YOUTH AGES 0-17



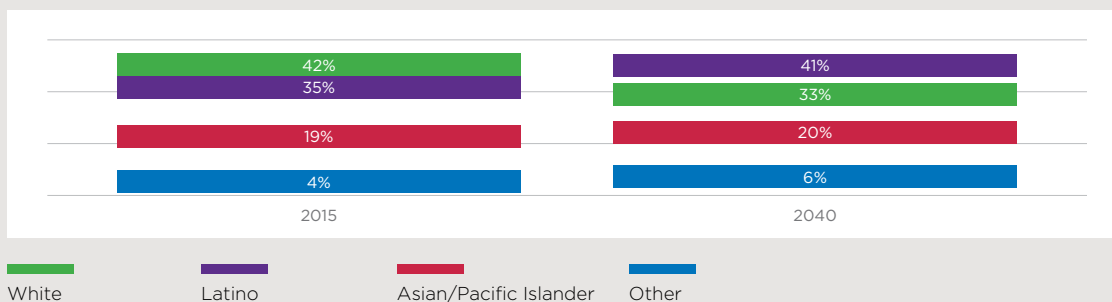
NUMBER OF WORKING AGE RESIDENTS FOR EACH DEPENDENT RESIDENT (0-17 AND 65+)



Race/Ethnicity

TREND TOWARD INCREASING DIVERSITY WILL CONTINUE

Projected Change in Racial and Ethnic Group Proportions of Total Orange County Population, 2015 and 2040



Foreign Born

30%
are foreign born

52%
of foreign born are
U.S. citizens

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

Civic Engagement

33%
of the voting-eligible population voted in the 2014 mid-term
general election

Education

Poverty data reveal that educational attainment is a highly protective factor against a lifetime in poverty. What is more, this is becoming increasingly true. As shown in the Opportunity Gap Pivot Point (page 36), families with a householder with a Bachelor's degree have largely maintained their high level of financial stability over the past decade, whereas families below this level of educational attainment have increasingly slipped below the poverty line.

1 in 2
A high school
dropout's chances
of being poor

1 in 3
A high school
graduate's chances
of being poor

1 in 10
A college
graduate's chances
of being poor

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

38%
of Orange County adults over
age 25 have a Bachelor's
or higher

ECONOMY

\$76,306
Median household
income (2014)

3.9%
Unemployment
rate (April 2016)

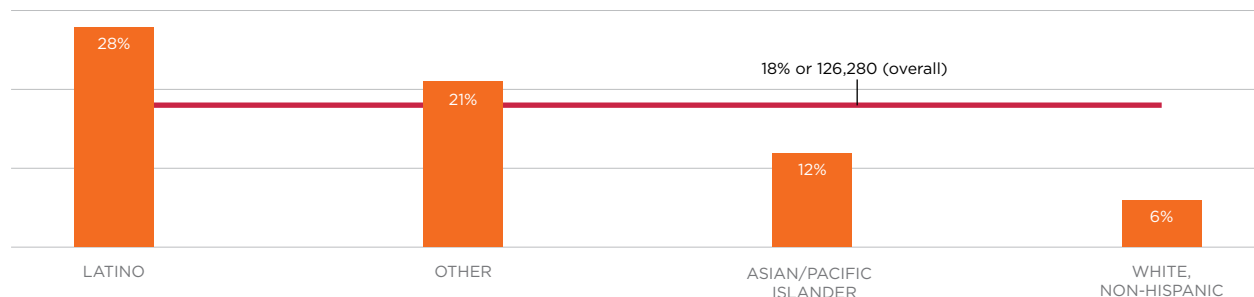
\$704,950
Median single-family
home price (Jan 2015)

37%
of Orange County
neighborhoods have low levels
of family financial stability

22%
of Orange County residents live
in poverty
(California Poverty Measure)

126,000 ORANGE COUNTY CHILDREN LIVE IN POVERTY

Percentage of Orange County Children (Age 0-17) in Poverty by Race/Ethnicity, 2014



Data Notes

For the dependency principle 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 as presented are not mutually exclusive. Latino includes children of any race who are of Hispanic or Latino ethnicity. "Other" is comprised of Black, Native American, other race alone, and two or more races and include both Hispanic and non-Hispanic. Asian/Pacific Islander is comprised of these races alone and includes both Hispanic and non-Hispanic. White, non-Hispanic includes only White alone and non-Hispanic.

The California Poverty Measure combines a family's annual cash income — including earnings and cash benefits from the government like CalWORKs and Social Security — with two types of resources excluded from the official poverty calculation: tax obligations and credits, and in-kind benefits, such as CalFresh, federal housing subsidies, and school lunch programs. Then, major nondiscretionary expenses are subtracted, such as child care, commuting, and out-of-pocket medical expenses. Finally, the California Poverty Measure compares these resources to a poverty threshold specific to family size and location.

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 2014 American Community Survey, 5-Year Estimates

People

Population 2015: California Department of Finance, Table E-2

Population 2040: California Department of Finance, Table P-1

Race/Ethnicity and Age: California Department of Finance, Table P-3

Foreign Born, Language: U.S. Census Bureau, 2014 American Community Survey, 1-Year Estimates, Table DP02

Voter Turnout: California Secretary of State

Educational Attainment: U.S. Census Bureau, 2014 American Community Survey, 1-Year Estimates, Table DP02

Poverty by Educational Attainment: Stanford Center on Poverty & Inequality, Why is there so much poverty in California?

Economy

Poverty (all ages): Public Policy Institute of California/Stanford Center on Poverty and Inequality, California Poverty Measure, Combined 2011-2013 results

Poverty (children): U.S. Census Bureau, American Community Survey, 1-Year Estimates, 2014 Family Financial Stability: United Way of Orange County, Family Financial Stability Index (see page 22)

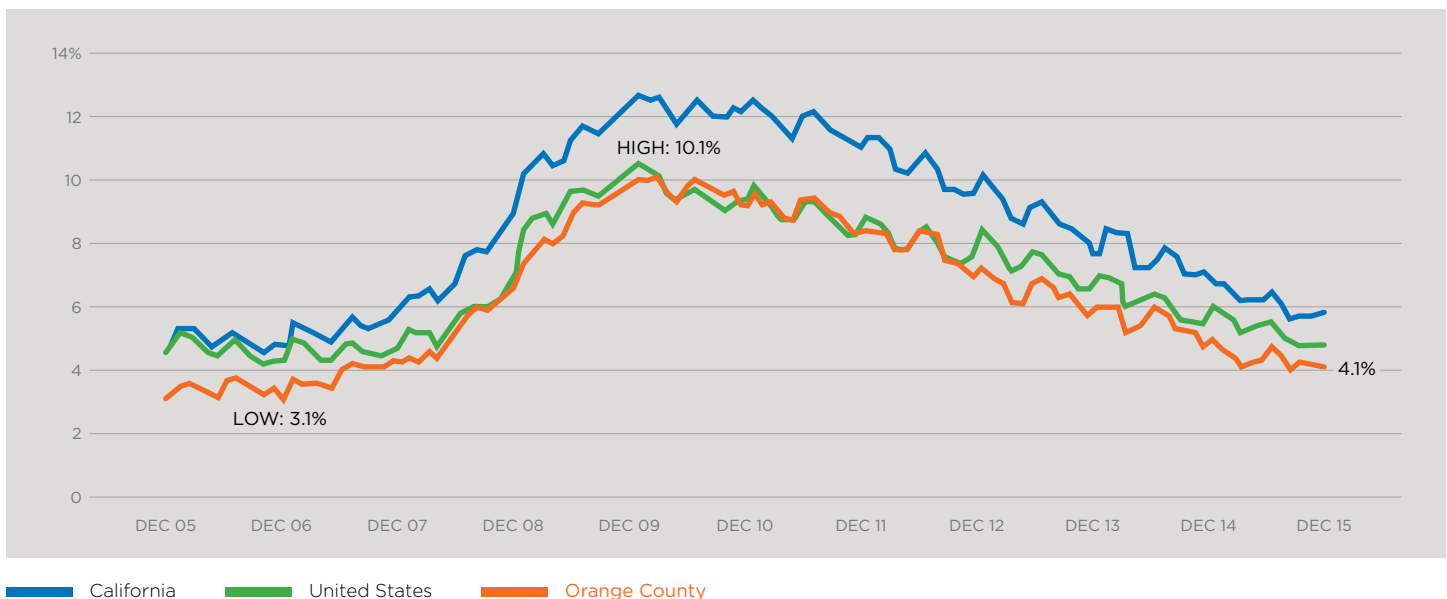
Income: U.S. Census Bureau, 2014 American Community Survey, 1-Year Estimates, Table DP03

EMPLOYMENT

Orange County's overall unemployment rate continued to fall, ending 2015 at 4.1% in December. This is down from the 10-year high of 10.1% in March 2010 and just one point from the 10-year low of 3.1% in December 2006. Orange County's December 2015 unemployment rate fell below the state and national rates of 5.8% and 4.8%, respectively. (At time of publication, Orange County's April 2016 unemployment rate was 3.9%)

UNEMPLOYMENT RATE NEARING PRE-RECESSION LOWS

Unemployment Rate in Orange County, California and United States, 2005-2015



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

The 10 industry clusters tracked collectively account for over half of Orange County jobs. Between 2006 and 2014, Biomedical jobs grew 23% and Health Services grew 20%. Tourism employment reached pre-recession levels in 2011 and overall grew 14% since 2006. Computer Software employment reached pre-recession levels in 2013 and continued to grow in 2014, with a nine-year growth rate of 6%. The remaining clusters have not yet regained pre-recession numbers, despite recent job growth in several clusters. Since 2006, Communication, Construction and Defense and Aerospace experienced the sharpest declines, down 34%, 24%, and 24%, respectively.

Salaries in the four large industry clusters have kept pace with inflation, but not experienced substantial growth. Computer Hardware and Energy and Environment jobs witnessed the greatest salary growth since 2006 (up 19% and 14%, respectively), while Biomedical witnessed the largest decline in average salaries (down 7%). Average salary data is inflation-adjusted to 2014.

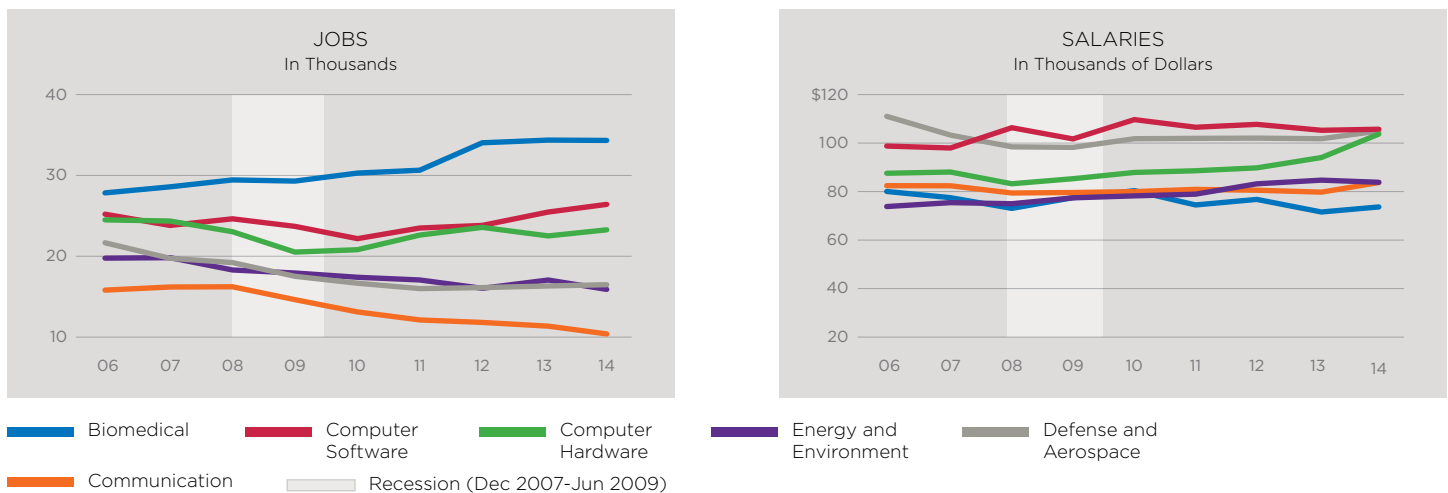
FOUR LARGE CLUSTERS CONTINUE GROWTH; SALARIES STEADY

Employment and Average Salaries in Orange County Clusters with 40,000 Jobs or More, 2006-2014



BIOMED AND SOFTWARE LEAD SMALLER SECTOR JOB GROWTH; COMPUTER HARDWARE LEADS SALARY GROWTH

Employment and Average Salaries in Orange County Clusters with 35,000 Jobs or Less, 2006-2014



Source: California Employment Development Department

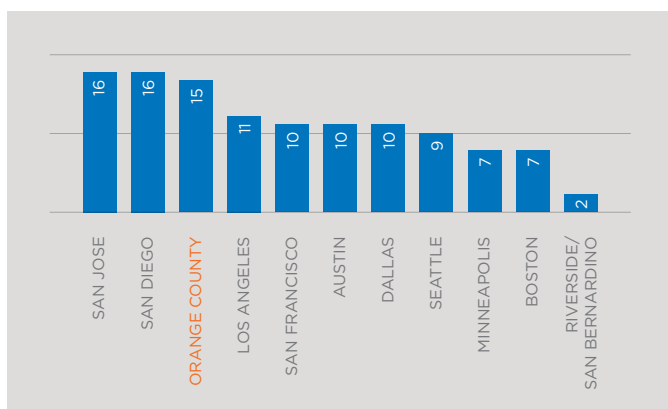
HIGH-TECH DIVERSITY AND GROWTH

Orange County has higher employment concentration than the national average in 15 out of 19 high-tech industries, making it the 3rd most diverse high-tech economy in the nation. Orange County's overall high-tech employment concentration is 1.5 compared to the national average of 1.0, placing it 24th out of 200 large metro areas in 2014.

Orange County's one-year growth in high-tech sector output inched above the national average in 2014 (100.2 compared to 100.0). Five-year high-tech sector output growth climbed above the national average to 101.5 in 2014.

OC HOLDS POSITION AS 3RD MOST DIVERSE HIGH-TECH SECTOR IN NATION

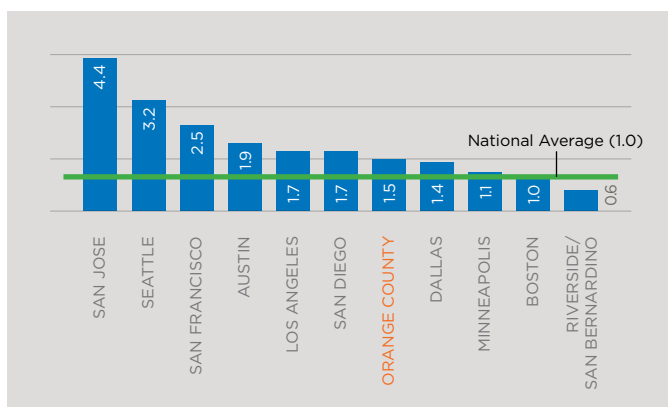
Number of High-Tech Industries with Employment Above the National Average (out of 22 industries) in Orange County compared to 200 Metro Areas, 2014



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

ORANGE COUNTY IS ABOVE THE NATIONAL AVERAGE, BUT LAGS SEVERAL PEERS

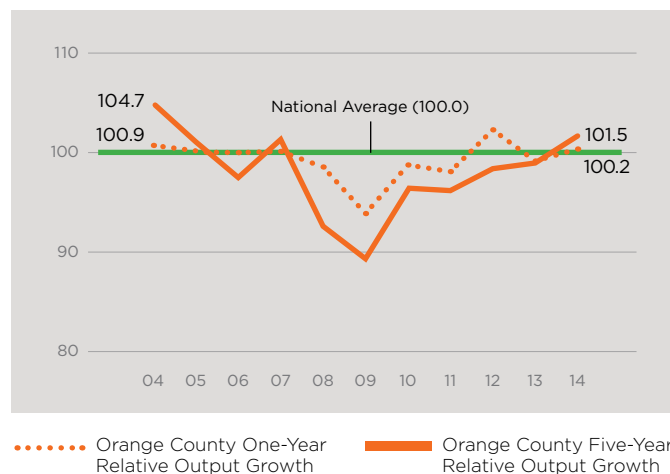
High-Tech Sector Employment Concentration in Orange County compared to 200 Metro Areas, 2014



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

HIGH-TECH SECTOR OUTPUT GROWTH RISES ABOVE NATIONAL AVERAGE

High-Tech Sector Output Growth in Orange County Relative to the National Average, 2004-2014



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

Data Notes

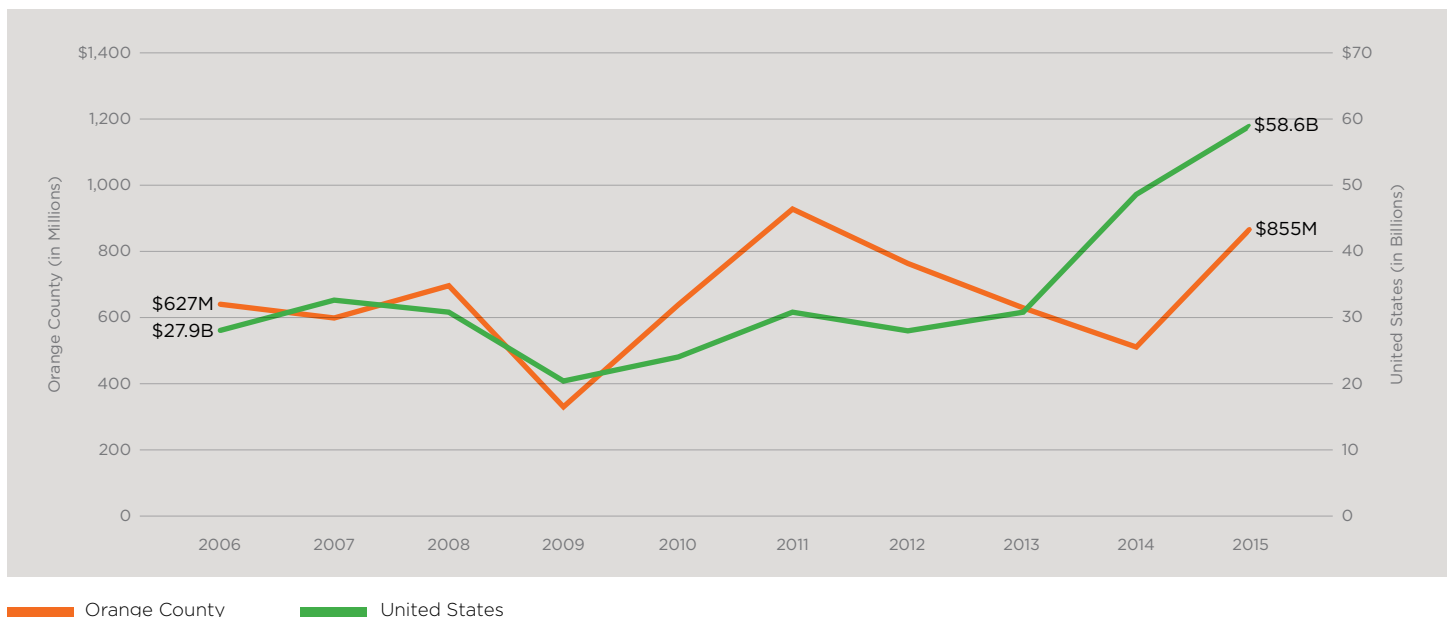
The diversity of Orange County's high-tech economy is measured by counting the number of high-tech sector industries out of 19 that have employment concentrations above the national average. Employment concentration is relative to a national average of 1.0, where results below 1.0 signal lower employment 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. High-tech sector output growth data is not available for 2005.

INNOVATION

After several years of decline, venture capital funding in Orange County grew 71% in 2015, rising to \$855.5 million from \$499.9 million in 2014. In comparison, national venture capital investment grew 21% between 2014 and 2015. Orange County's 2015 share of national venture capital was approximately 1.5%. This proportion is up from the previous year (1.0%) but below the 10-year average of 2.2% of total national venture capital. In 2015, businesses in software and medical devices once again garnered the largest amount of venture capital, accounting for 44% and 20%, respectively, of total venture capital investments in Orange County.

VENTURE CAPITAL INVESTMENT REBOUNDS

Venture Capital Investment in Orange County and United States, 2006-2015



Source: MoneyTree Report prepared by National Venture Capital Association and PricewaterhouseCoopers, based on data provided by Thomson Reuters (www.pwcmoneytree.com/MTPublic/ns/index.jsp)

INNOVATION SPOTLIGHT: HELP FOR ASPIRING ENTREPRENEURS

At the UCI Beall Center for Innovation and Entrepreneurship, students are given the resources to “think it, plan it, fund it, do it!” Their services include the SCORE program, which provides small business entrepreneurs with one-on-one coaching with seasoned business executives.

Similarly, the CSUF Center for Entrepreneurship's Startup Incubator provides promising and coachable innovators access to technical advice, assistance in the hunt for seed capital, a place to meet and work, a large network of veteran entrepreneurs, and expert guidance concerning patents, technology transfer, licensing, royalties, contracts, and new venture formation.



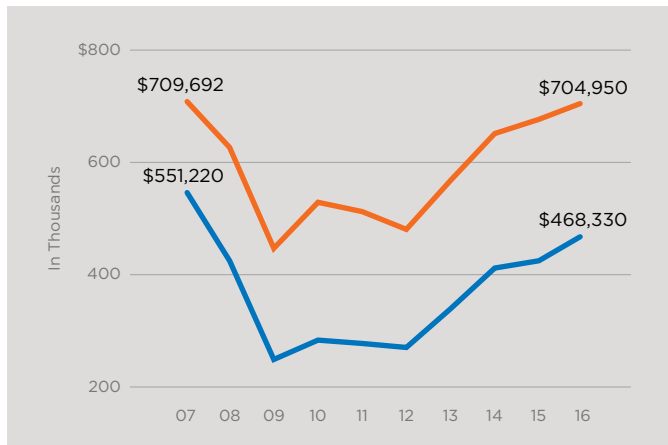
Housing

HOUSING AFFORDABILITY

Nearing pre-recession prices, the median home sale price for an existing single-family home in Orange County rose to \$704,950 in January 2016. As housing prices continue to rise and incomes don't keep pace (see Cost of Living and Household Income), the ability for first-time homebuyers to afford an Orange County home is increasingly constrained. The minimum household income needed for a first-time homebuyer to purchase an existing single-family home at the entry-level price of 85% of the Orange County median price is approximately \$86,870. Less than half (43%) of households in Orange County in 2015 could afford an entry-level home priced at \$607,963. This is substantially less affordable than the most affordable period in the past 10 years, in 2011, when 59% of residents could afford an entry-level home. Orange County is less affordable than all peers compared except the San Francisco Bay Area, which was only affordable to 41% of residents in 2015.

HOME SALE PRICES RETURN TO PRE-RECESSION HIGHS

Median Existing Single-Family Home Sale Price in Orange County and California, January 2007-January 2016

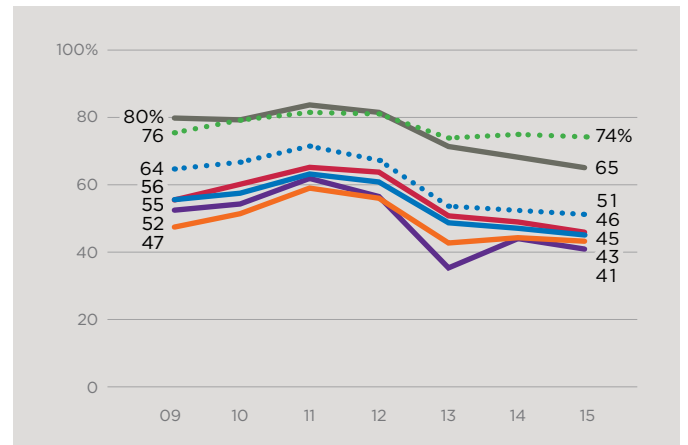


California Orange County

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

43% OF RESIDENTS CAN AFFORD AN ENTRY-LEVEL ORANGE COUNTY HOME

Regional Comparison of the Percentage of First-Time Homebuyers Able to Afford an Entry-Level Home, 2009-2015



Riverside/San Bernardino US CA San Diego
Los Angeles San Francisco Bay Area Orange County

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

FAR-REACHING EFFECTS OF OVERCROWDING

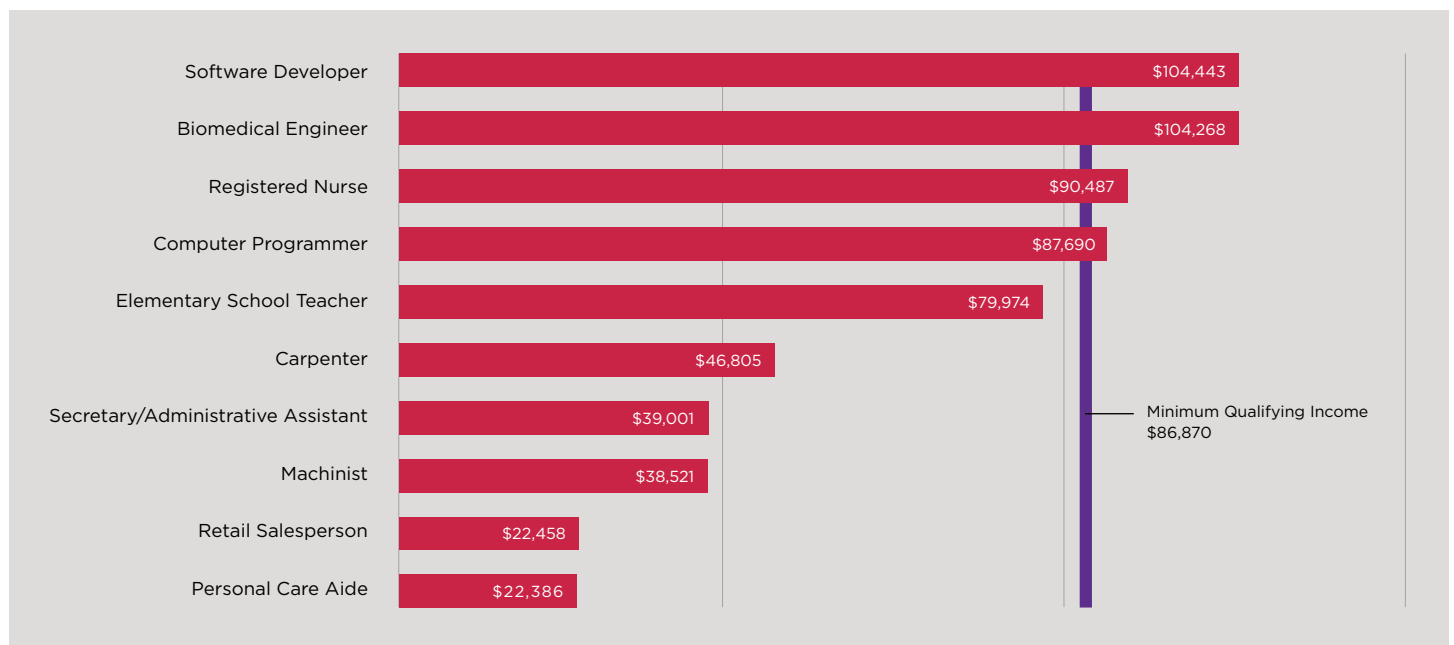
Children are particularly dependent on, and influenced by, their home environments – the place where much socialization and skill development occurs. Overcrowding can influence children's school performance due to impacts overcrowding can have on sleep and children's ability to study and read. Overcrowding has been shown to increase stress and behavioral problems, as well as negatively impact children's physical health.¹ Additionally, overcrowding puts increased strain on the community's infrastructure ranging from parks to utilities, as a greater number of residents live in neighborhoods that were designed and built for fewer numbers.

¹Solari, Claudia D., and Robert D. Mare. "Housing Crowding Effects on Children's Wellbeing" Social science research 41.2 (2012): 464-476. PMC. Web. 28 Apr. 2016.

When comparing median salaries to the minimum income needed for a median-priced entry-level home, only four occupations, representative of selected industries, would qualify. The remainder, including elementary school teachers, carpenters and machinists, would not qualify.

HOMEOWNERSHIP FAR OUT OF REACH FOR MANY OCCUPATIONS

Income Needed to Afford a Home Compared to Median Salaries in Selected Occupations in Orange County, Third Quarter 2015



Sources: California Association of Realtors; California Employment Development Department



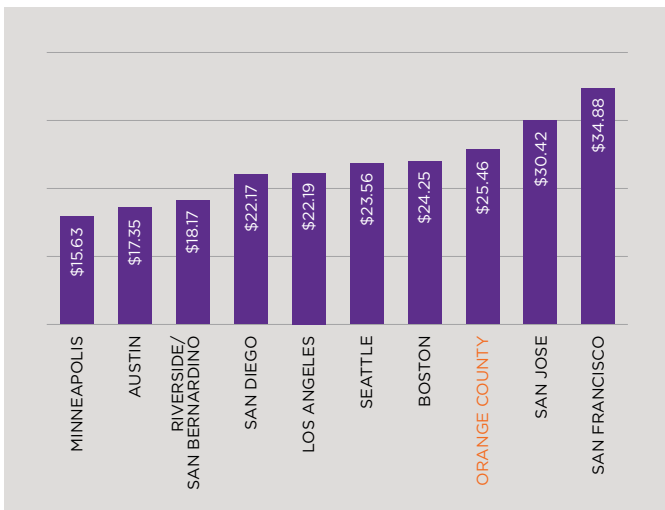
Housing

RENTAL AFFORDABILITY

In 2016, the hourly wage needed to afford a median-priced one-bedroom unit was \$25.46, equivalent to an annual income of \$52,960. This housing wage is up from \$24.67 in 2015 and above the five-year average of \$25.15. Due to increases in the California minimum wage over the past two years, the number of hours per week a minimum wage worker must work to afford a median priced one-bedroom unit in Orange County has declined from 126 hours per week in 2014, when the minimum wage was \$8 per hour, to 102 hours per week in 2016 at \$10 per hour. Future graduated increases in the minimum wage, which were signed into law in April 2016, may further reduce the number of hours per week a minimum wage earner must work to afford rent.

\$25/HOUR NEEDED TO AFFORD A ONE-BEDROOM IN ORANGE COUNTY

Regional Comparison of the Hourly Wage Needed to Afford a Median One-Bedroom Unit, 2016



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)

RENT REMAINS UNAFFORDABLE FOR LOW-WAGE HOUSEHOLDS DESPITE MINIMUM WAGE INCREASES

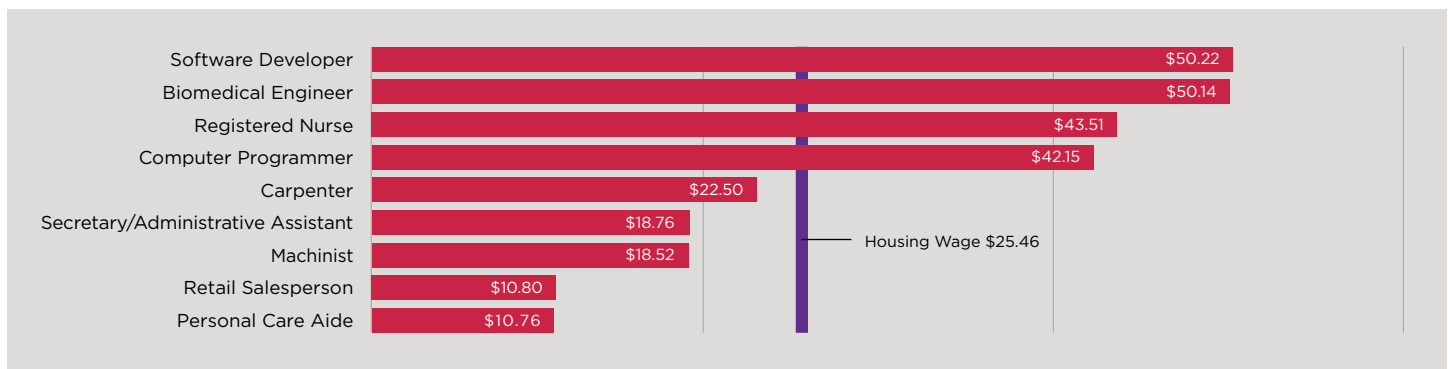
	2015	2016
FAIR MARKET RENT (MONTHLY)		
ONE BEDROOM	\$ 1,283	\$1,324
TWO BEDROOM	\$ 1,608	\$ 1,672
THREE BEDROOM	\$ 2,250	\$ 2,327
AMOUNT A HOUSEHOLD WITH ONE MINIMUM WAGE EARNER CAN AFFORD TO PAY IN RENT (MONTHLY)		
	\$ 468	\$ 520
NUMBER OF HOURS PER WEEK A MINIMUM WAGE EARNER MUST WORK TO AFFORD A ONE-BEDROOM APARTMENT		
	110	102

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)

In Orange County, median wages for carpenters, machinists and administrative assistants are too low to afford median rent for a one-bedroom unit. For personal care aides and retail salespersons, rent is even further out of reach, needing to more than double earnings to afford a one-bedroom unit. Higher wage occupations, such as programmers, nurses or engineers, can earn as much as twice the housing wage.

ONE-BEDROOM UNIT OUT OF REACH FOR MANY LOWER-WAGE WORKERS

Hourly Wage Needed to Afford a Median One-Bedroom Unit in Orange County (2016) Compared to Median Local Wages in Selected Occupations (3rd Quarter 2015)



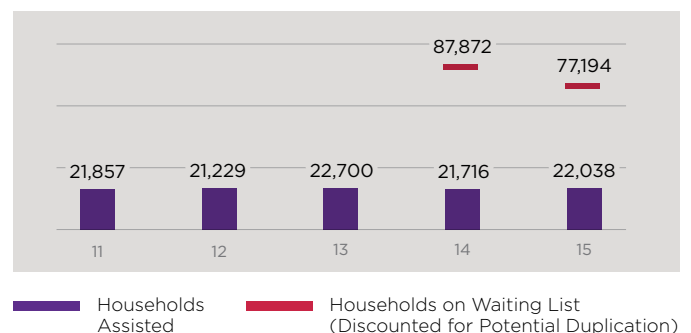
Sources: Community Indicators Report analysis of Fair Market Rent data from the U.S. Department of Housing and Urban Development using the methodology of the National Low Income Housing Coalition (2016 housing wage); California Employment Development Department Occupational Employment Statistics (3rd Quarter 2015)

The four housing authorities serving Orange County provided rental assistance (vouchers) to approximately 22,038 low-income households in 2015. As funding restrictions under sequestration lessened, this figure represents an increase of 322 vouchers over the previous year, but it remains 662 vouchers below the five-year high in 2013.

There are an estimated 77,194 households on a waiting list for rental assistance among Orange County's four housing authorities. This represents a decline of just over 10,000 households from the previous year due to applicants being issued vouchers and administrative efforts to remove ineligible applicants or those who have moved.

LARGE GAP BETWEEN HOUSEHOLDS SEEKING RENTAL ASSISTANCE AND AVAILABLE SUPPORT

Number of Households Receiving Rental Assistance in Orange County Compared to the Estimated Number of Households on Waiting Lists in Orange County, 2011-2015



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 countywide waiting list total of households by an estimated duplication rate of 15%.



Housing

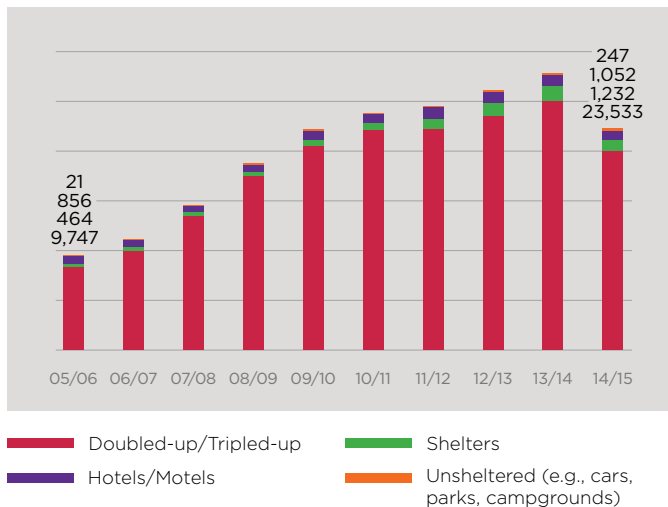
HOUSING SECURITY

In 2014/15, there were 26,064 Pre-K through 12th grade students who were identified as homeless or living in unstable housing arrangements. Most of these students (23,533) live in families that are doubled- or tripled-up with another family due to economic hardship. Since 2005/06, the number of students living in motels rose 23%, while the number of students living in shelters rose 166% and the number of unsheltered students rose 1,076%.

At 5.2% of total enrollment, Orange County has proportionately more students with insecure housing than the statewide average and all California regions compared except Riverside/San Bernardino.

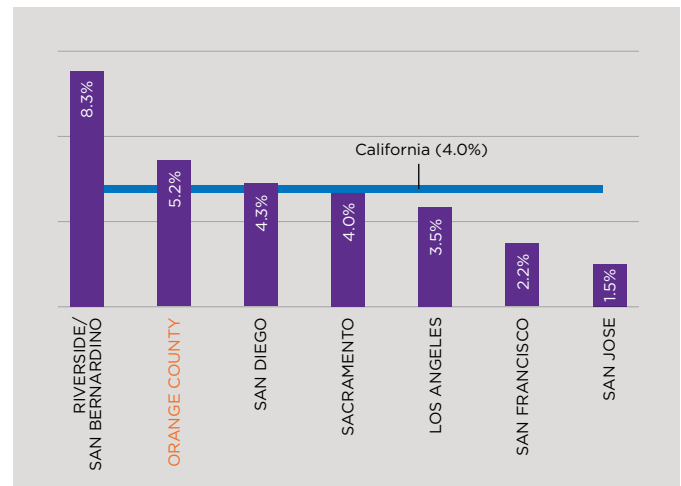
OVER 25,000 STUDENTS LACK SECURE HOUSING

Homeless and Housing Insecure Students in Orange County by Primary Nighttime Residence, 2006-2015



COUNTY EXCEEDS STATE AVERAGE FOR STUDENTS FACING HOUSING INSECURITY

Regional Comparison of Homeless and Housing Insecure School Age Students by Percent of Total Enrollment, 2014/15



Source: California Department of Education

DEFINING HOMELESSNESS

The Point-in-Time (PIT) estimates are based on the U.S. Housing and Urban Development (HUD) department definition of homelessness, which unlike the federal law that governs the identification of homeless and housing insecure school-age students presented in this indicator, families housed in motels or hotels do not qualify as homeless, nor do families that are doubled- or tripled-up. The 2015 PIT took place on January 24, 2015 and seasonal emergency shelters were open. (Note: In November 2015, the County Board of Supervisors acquired a site for a year-round emergency shelter at 1000 N. Kraemer Place in Anaheim, which will provide beds and services for 200 people.)

HOMELESS IN ORANGE COUNTY: POINT-IN-TIME ESTIMATES

Number of homeless on any given night	Percent of homeless living unsheltered	Percent change in number of homeless since 2009	Percent of all homeless that are veterans	Number of homeless children	Percent of homeless children living unsheltered
4,452	49%	-47%	12%	838	0.2%

Source: Orange County 2-1-1, 2015 Point-in-Time Count and Survey (www.ocpartnership.net)

INNOVATION SPOTLIGHT

When it comes to housing the homeless, the “PSH Project” is creating a lot of excitement. In January 2015, the U.S. Department of Housing and Urban Development awarded the Orange County Permanent Supportive Housing (PSH) Project \$2.5 million to provide permanent supportive housing to 106 households. This award reflects HUD’s embrace of the growing evidence that providing homeless individuals with housing coupled with supportive services (referred to as “permanent supportive housing”) can be more cost-effective and provide better outcomes for homeless individuals than alternative models that aim to progress individuals from emergency shelter, to transitional shelter and finally to permanent housing based on their “housing readiness.” While the upfront housing costs are higher with PSH, these costs are usually offset by lower rates of hospitalization, emergency medical treatment, incarceration, police intervention, and emergency shelter expenses. The Orange County PSH Project collaborative includes Mercy House, Friendship Shelter, Colette’s Children’s Home, Orangewood Children’s Foundation, Share Our Selves and Jamboree Housing, which collectively have over 170 years of experience providing services and housing opportunities for people in Orange County.

Sources: Orange County Permanent Supportive Housing Project; National Alliance to End Homelessness

Data Notes

Due to a change made to the California Department of Education student data collection system, CALPADS, 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.



Housing

FOCUS ON AFFORDABLE HOUSING SOLUTIONS

Despite a strong and growing job market in Orange County, for many residents, finding affordable housing is near-impossible. This Pivot Point examines the issue through the lenses of how Orange County is addressing barriers and implementing creative solutions to increase affordable workforce housing.

WAGES CAN'T KEEP UP WITH HOUSING PRICES

Jobs in Orange County continue to grow (see Employment, page 4). However, on average, the four largest employment sectors tracked (Construction, Tourism, Business and Professional Services, and Health Services) do not have annual salaries high enough to qualify for an entry-level home in the county. In fact, only 16% of all Orange County jobs are above the “well paid” threshold (earning over approximately \$81,000 in 2015). Meanwhile, the

Housing Affordability Indicator (page 8) indicates that 43% of households can afford an entry-level home. This statistic coupled with the fact that only 16% of jobs are well paid suggests that there must be multiple workers in a household to afford to live in Orange County. In terms of renting, only about one-third of Orange County jobs have median wages high enough to afford a one-bedroom rental unit.

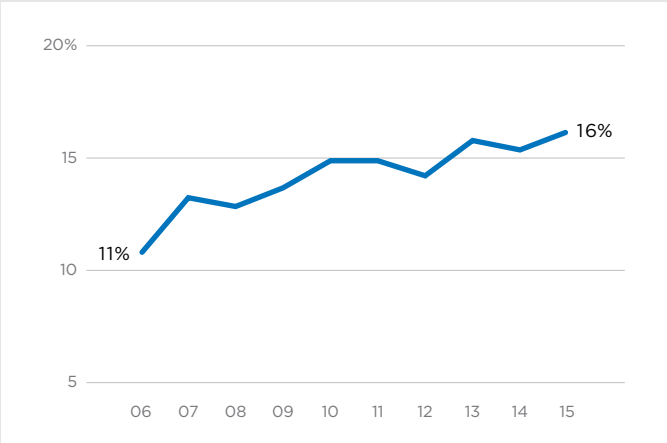
FOUR LARGE JOB SECTORS CANNOT AFFORD ENTRY-LEVEL HOUSING

SECTOR	NUMBER OF JOBS IN 2014	JOB GROWTH SINCE THE RECESSION (2010 - 2014)	AVERAGE ANNUAL WAGE IN 2014 (\$86,870 IS THE MINIMUM QUALIFYING INCOME FOR AN ENTRY-LEVEL HOME)
CONSTRUCTION	81,871	21%	\$61,708
TOURISM	188,280	15%	\$24,195
BUSINESS AND PROFESSIONAL	163,161	9%	\$62,329
HEALTH SERVICES	132,972	8%	\$56,580

Source: California Employment Development Department; California Association of Realtors

LESS THAN 1 IN 5 ORANGE COUNTY JOBS PAY ABOVE THE “WELL PAID” THRESHOLD (\$81,000 IN 2015)

Percentage of All Jobs Above “Well Paid” Threshold in Orange County, 2006-2015



Sources: California Employment Development Department, Occupational Employment Statistics, First Quarter 2006-2015; California Association of Realtors, First-Time Homebuyer Housing Affordability Index; U.S. Bureau of Labor Statistics, Inflation Calculator

Data Notes

The “well paid” threshold was set to the 2014 minimum qualifying income needed to afford a home priced at 85% of median (according to the California Association of Realtors First-Time Home Buyer Housing Affordability Index) and adjusted for inflation annually before and after 2014.

NEARLY TWO-THIRDS OF JOBS DON’T PAY ENOUGH TO AFFORD RENT

Hourly wage needed to afford a one-bedroom unit (Housing Wage)	Proportion of Orange County jobs paying less than \$25.46 (Housing Wage)	Percent of families with children spending more than 50% of income on rent
\$25.46	64%	32%

Sources: Community Indicators Report analysis of HUD Fair Market Rent using the methodology of the National Low Income Housing Coalition; California Employment Development Department, Occupational Employment Statistics, First Quarter 2015; Orange County United Way, Family Financial Stability Index

TWO OF THE MOST SIGNIFICANT BARRIERS TO BUILDING AFFORDABLE HOUSING ARE COMMUNITY OPPOSITION AND LACK OF FINANCING.

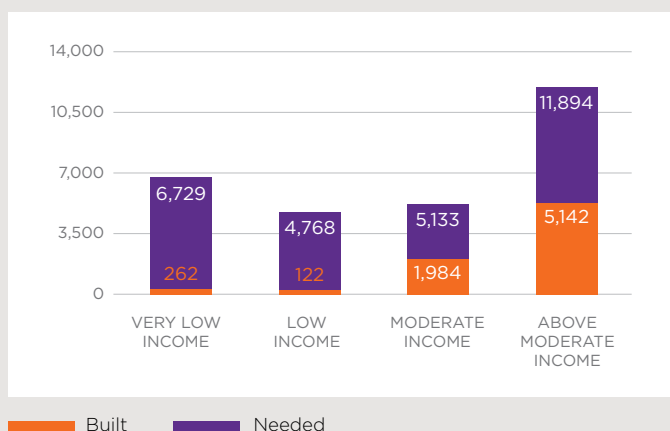
SIMPLY NOT ENOUGH HOUSING FOR OUR RESIDENTS

Construction of new housing is not keeping pace with the growing number of jobs. The housing that is being built is not affordable to residents with lower incomes – about 16% of the county's households fall in the “low” income category and 33% are in the “very low” income category.¹

A regional housing needs assessment established eight-year targets for construction of new homes between 2014 and 2021, based on average income levels of residents in each of Orange County's 35 jurisdictions. For the 20 jurisdictions reporting new construction for 2014, 68% of homes constructed fell into the “above moderate” income level, and 26% of construction was in the “moderate” income level. Only 5% of new construction was in the “low” or “very low” income categories. In a single year (2014), 43% of all “above moderate” housing needed over the eight-year period was built, along with 39% of “moderate” housing, but only 7% of “low” and “very low” housing.

AFFORDABLE HOUSING CONSTRUCTION FALLS FAR SHORT

Progress Toward Regional Housing Needs in Orange County, 2014



Source: Community Indicators analysis of Regional Housing Needs Assessment by selected Orange County jurisdictions

¹Income category estimates are based on 2014 American Community Survey 5-year data, approximating 4-person Regional Housing Needs Assessment income tiers.

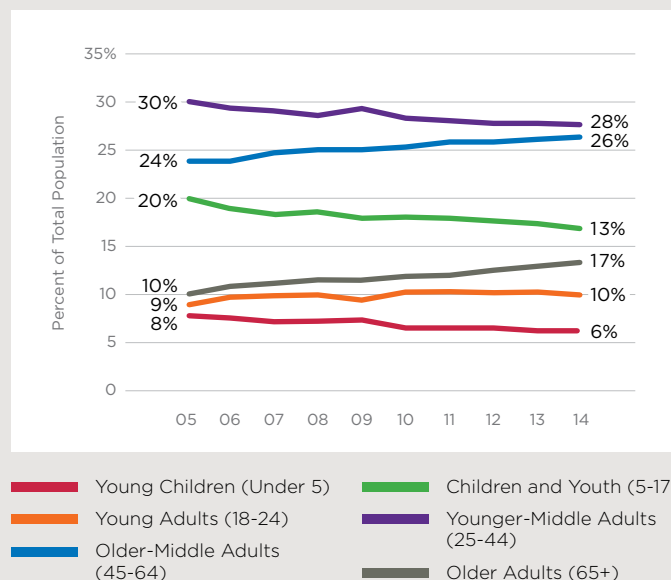
IS THE ONLY ALTERNATIVE TO MOVE?

The imbalance between available housing supply and demand is evidenced by younger adults and families moving out of the county, businesses unable to find workers to fill open positions, and individuals and families living in crowded or poverty conditions as larger-than-average portions of their income goes to housing.

Real estate website, Trulia, recently released a report that looked at the 10 most expensive metropolitan areas in the U.S. for rents and home prices. Six of the 10 metros are in California, including Orange County. Trulia's report tracked who is staying in or leaving these areas by age, income and occupation. Of all age groups, “Millennials” (ages 18-34) were the most likely to leave in all 10 metros compared. Further, Orange County is ranked 2nd for the greatest proportion of Millennials leaving – higher than all other metropolitan areas compared except Silver Spring, Maryland.²

YOUNGER-MIDDLE ADULTS AND THEIR CHILDREN ARE LEAVING THE COUNTY

Population by Age in Orange County, 2005-2014



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

²Trulia (Uh, Mark. “Priced Out: Big Cities Are Becoming Too Costly For Lower-Income Residents.” Trulia. 28 Apr. 2016. Web.)

TACKLING THE NEED FOR AFFORDABLE HOUSING

WHAT IS STANDING IN THE WAY?

The need for affordable housing is undeniable, but not new to Orange County. Elected officials, government agencies, the business community, builders, and residents have been grappling with the issue for years. Two of the most significant barriers to building affordable housing are community opposition and lack of financing.

COMMUNITY OPPOSITION

The process of approving and building new homes often meets with resistance from approving agencies and the surrounding community. Concerns range from the density of new development to related impacts like traffic to negative perceptions of affordable housing and whether it reflects the existing character of a community. In fact, despite the undeniable need, at least two jurisdictions in Orange County have a slow-growth initiative on a 2016 ballot. Among all the other priorities of local jurisdictions, workforce housing may not be at the top of the list, especially if the pressure to say “no” to affordable housing outweighs the pressure to build it.

Building Community Will

Building community will, then, requires a concerted, sustained focus on affordable housing. It includes education about the benefits of ensuring all segments of our workforce have housing, and addressing negative perceptions about what affordable housing looks like and how it can be integrated into existing communities. It requires joint efforts by the various parties involved, from government agencies to builders to businesses to residents, and a willingness to sit down together to create projects that move beyond traditional thinking about housing.

One promising practice is to gather a broad and representative group of organizations to collectively shine a light on the issue and develop concrete steps for building community support of affordable workforce housing. In 2014, the Building Industry Association, in partnership with the Orange County Business Council and the Kennedy Commission, brought leaders together to collaborate on ways to develop housing that is attainable and meets the needs of local cities and the economy, building momentum in the county about the subject. Affordable housing is also a major policy issue for the Association of California Cities – Orange County, which is committed to working with cities to make positive strides in building affordable housing in the county. Even greater momentum will result from regular, continued collaboration with actionable steps to address barriers.

FINANCIAL CONSTRAINTS

Even when city or county approvals are in place, there must be developers willing to build affordable workforce housing. Such developers rely on funding or other incentives to subsidize the cost of housing that will retail at lower-than-market value. For the past several decades, redevelopment agencies were the primary source of local government funding to support affordable housing in California. With the elimination of redevelopment agencies in California in 2012, cities and builders are challenged to find alternative sources of financing for the construction of affordable housing.

Working with the Assets We Have

Building affordable housing requires looking at available assets with new eyes. Traditionally, housing was made affordable through an infusion of public redevelopment dollars, but the sources of those dollars have dried up. Today, cities and partners are looking at what other assets are available. For example, if a city has underutilized land, that may be just as good or better than housing funds, since land is the biggest cost in any development. Further, cities can increase the value of property by modifying zoning to allow housing or density increases.

San Clemente: Las Palmas Village

In 2010, the City of San Clemente solicited proposals from non-profit developers to design and construct affordable housing on a property in the historic downtown. The proposed apartments, which are located near transit, gained the support of the community because of their high quality and sustainable design. The apartments match the area's Spanish village architectural style and use sustainable "green" features to reduce the use of energy and natural resources. The Village opened in 2015, comprising 19 one-bedroom, very low and low income units (with rents ranging from \$527 to \$1,054). As part of the project, the developer also built and operates an onsite community resource center. Today, Las Palmas Village apartments contribute approximately \$100,00 annually in local taxes and other government revenue.



Source: National Community Renaissance

Maximizing Underutilized Property

Creative projects are emerging that propose multiple uses on a property, such as an underutilized church or school property that can accommodate housing on a portion of the site. The housing becomes complementary to the primary land use.

Garden Grove: Wesley Village

Slated for completion in winter 2016, Wesley Village is an example of a unique affordable housing project made possible through a partnership between the City of Garden Grove, the United Methodist Church, and a non-profit developer. The partnership has allowed the developer to lease 2.2 acres of excess parking from the church to develop a 47-unit affordable housing community for families and seniors. The development will include 31 apartments for working families and 16 senior apartments, creating a multi-generational community asset. The project uses a 60-year ground lease by the developer from the church that will also provide ongoing financial support for the church's charitable activities.

This project, which is under construction as of the printing of this report, will also include many other community services incorporated into the church campus including a licensed early childhood education center, Head Start program, older adult services and program, respite care for caregivers and structured after school activities.



Source: Jamboree Housing Corporation

Cap-and-Trade Funding

Jurisdictions and builders are also looking to cap-and-trade funding for workforce housing. This source sets aside a portion of state funds received under California's Cap-and-Trade Program for affordable housing, and requires access to transit for residents. There are several underutilized retail corridors along major arterials in Orange County that can accommodate housing density and have access to transit, creating an opportunity to take advantage of cap-and-trade funds. In 2016, the Orange County Chapter of the Urban Land Institute launched an initiative to find and promote these opportunities, and breathe new life into the community through affordable workforce housing.

Santa Ana: Depot at Santiago

The Depot at Santiago provides affordable workforce housing located directly across from the Santa Ana Regional Transportation Center, which is a major hub of public transit in Orange County. As such, it competed for and was awarded \$3.9 million in Cap-and-Trade funding from the California Strategic Growth Council. Other partners and funders include the City of Santa Ana, low-income tax credits, County of Orange MHSA funds, and State of California Infill Infrastructure Grant Program. The project, which consists of a 70-unit development that will be affordable to families earning between 30% and 60% of the area's median income, was approved unanimously by the Santa Ana city council. The project is designed as an environmentally sustainable "green" building and includes a variety of other street improvements. It is scheduled to be completed in June of 2017.



Source: C&C Development

Land Trusts

Some counties and cities have established community land trusts to address their workforce housing needs. A community land trust is an independent, non-profit organization that acquires and holds title to land for the purpose of providing affordable housing. In California, there are more than 10 active community land trusts that provide a range of housing types at affordable prices. Houses on trust-owned land are sold to homeowners at affordable prices. The trust may also lease land to affordable rental housing developers and restrict the rents charged through a ground lease. The trust retains ownership of the underlying land and the right to repurchase the improvements in the future, enabling the units to be re-sold or re-rented at affordable prices in perpetuity.

PARTNERSHIPS ARE THE KEY

Without exception, industry and government leaders interviewed stressed collaboration as the means to address barriers to affordable housing. One agency or builder cannot tackle the issue alone; but by working across city boundaries, across agencies and across industries, resources are leveraged and innovative solutions are being implemented. Those collaborations are making a difference.

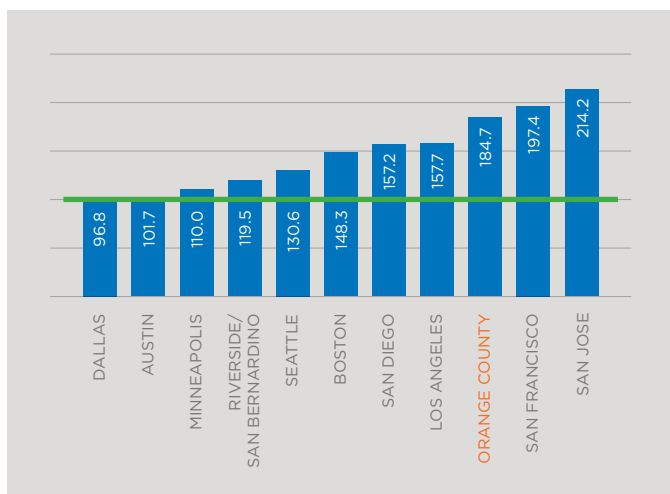
COST OF LIVING AND HOUSEHOLD INCOME

Orange County's cost of living is the 3rd highest among peer markets. With 100.0 being average, Orange County's cost of living measured 184.7 in 2014. Orange County's high cost of living is driven by the cost of housing, which accounts for 30% of the index and is estimated to be 347% higher than the national average. The cost of living calculation also includes food and groceries, transportation, utilities, health care, and miscellaneous expenses.

Orange County's overall cost of living is 85% higher than the national average, while in comparison, Orange County's median family income is only 42% higher than the nation's median. This differential – the 2nd highest among peers compared – puts the squeeze on many residents, particularly those earning less than median income and trying to buy or rent in Orange County's high-cost housing market.

ORANGE COUNTY: 85% MORE EXPENSIVE THAN THE NATIONAL AVERAGE

Regional Comparison of Cost of Living, 2014

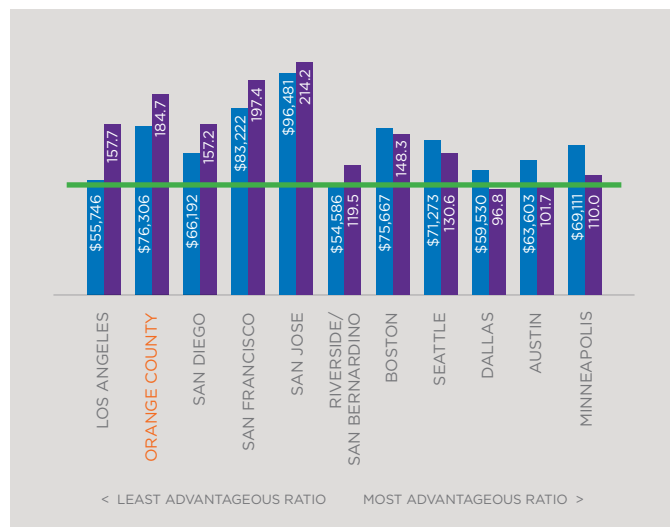


US National Average

Source: Sperling's Best Places (www.bestplaces.net). Cost of living data source has changed; the data presented should not be compared to previous cost of living indicators.

ORANGE COUNTY HAS 2ND LARGEST DIFFERENTIAL BETWEEN INCOME AND COST OF LIVING AMONG PEERS

Regional Comparison of Median Household Income Compared to Cost of Living Index, 2014



Household Income Cost of Living Index

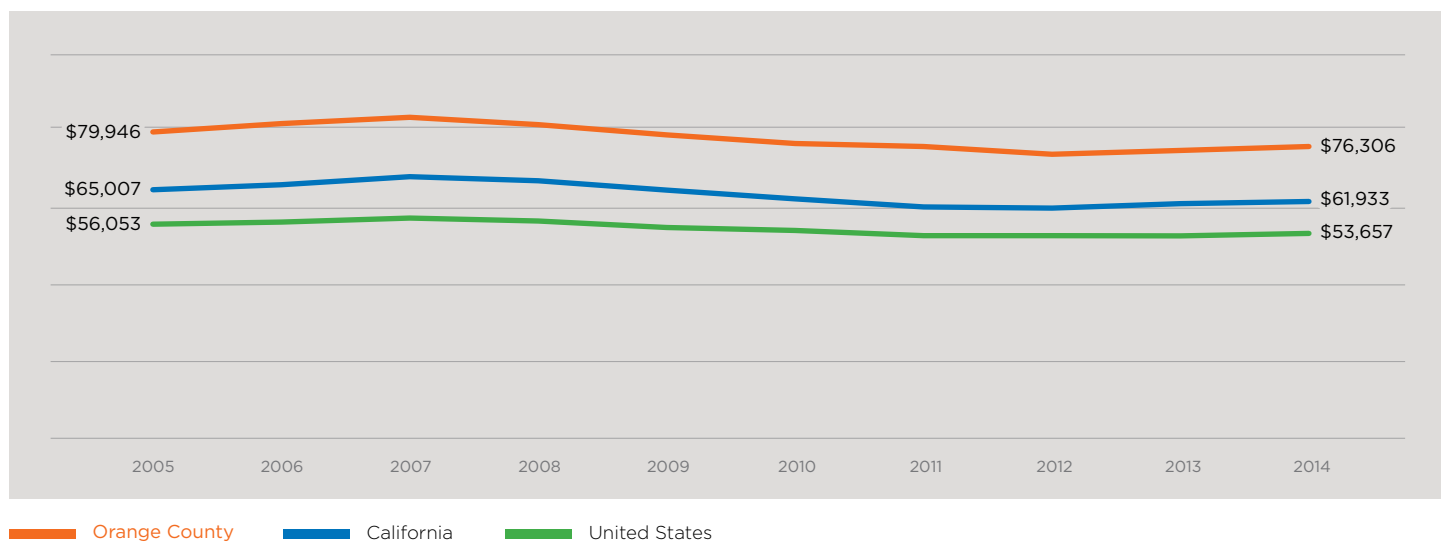
US Median Household Income (\$53,657) and Cost of Living (100)

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

Orange County's median household income increased for the second consecutive year when adjusted for inflation. The 2014 median income of \$76,306 is up 1% from 2013 but down 5% since 2005. The longer-term decline is due to lackluster median income growth combined with a cumulative inflation rate of 21% between 2005 and 2014.

INCOME GROWTH OUTPACES INFLATION FOR SECOND CONSECUTIVE YEAR, BUT LONG-TERM TREND REMAINS LACKLUSTER

Median Household Income (Inflation Adjusted to 2014 Dollars) in Orange County, California and United States, 2005-2014



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

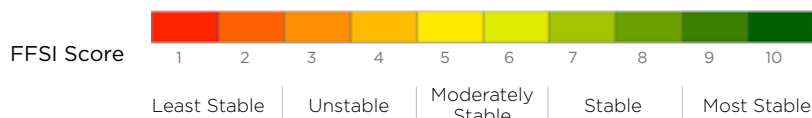
(<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>); U.S. Bureau of Labor Statistics, Inflation Calculator (www.bls.gov/data/inflation_calculator.htm)

FAMILY FINANCIAL STABILITY

The Family Financial Stability Index (FFSI) measures the financial stability of families with children under 18, taking into account income, employment status, and housing expenses. The 2014 FFSI indicates that 37% of neighborhoods in Orange County had low levels of family financial stability (scoring 1, 2, 3 or 4). This is an improvement since 2013 and 2012 when 41% and 39%, respectively, of neighborhoods were financially unstable; however, there was an increase in the percentage of neighborhoods at the most extreme level of instability (scoring 1 or 2).

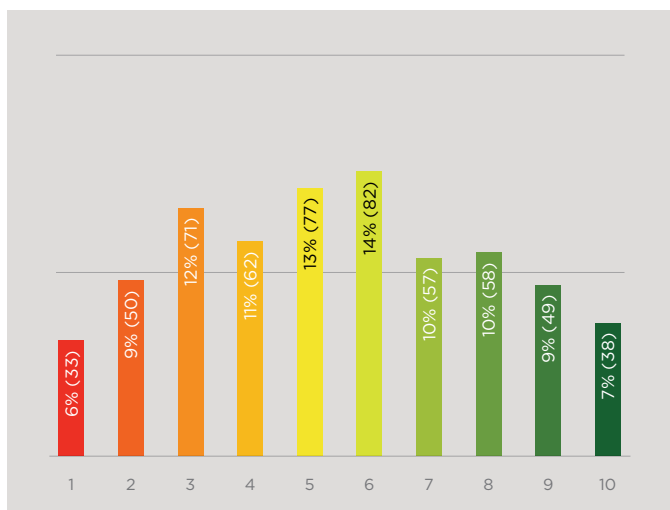
At the city level, the cities with the lowest level of family financial stability were:

- Stanton (scoring 1),
- Westminster (scoring 2), and
- La Habra, Santa Ana and Anaheim (scoring 3).



MODERATE FINANCIAL STABILITY (SCORE OF 5 OR 6) IS MOST COMMON

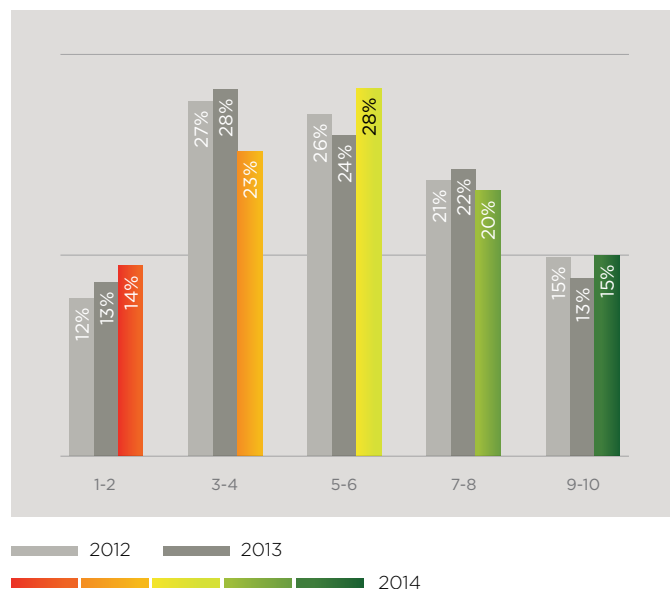
Family Financial Stability Index Score: Percent (and Count) of Orange County Neighborhoods, 2014



Source: Orange County United Way

INCREASES IN “LEAST STABLE” (1-2) AND “MODERATELY STABLE” (5-6) NEIGHBORHOODS

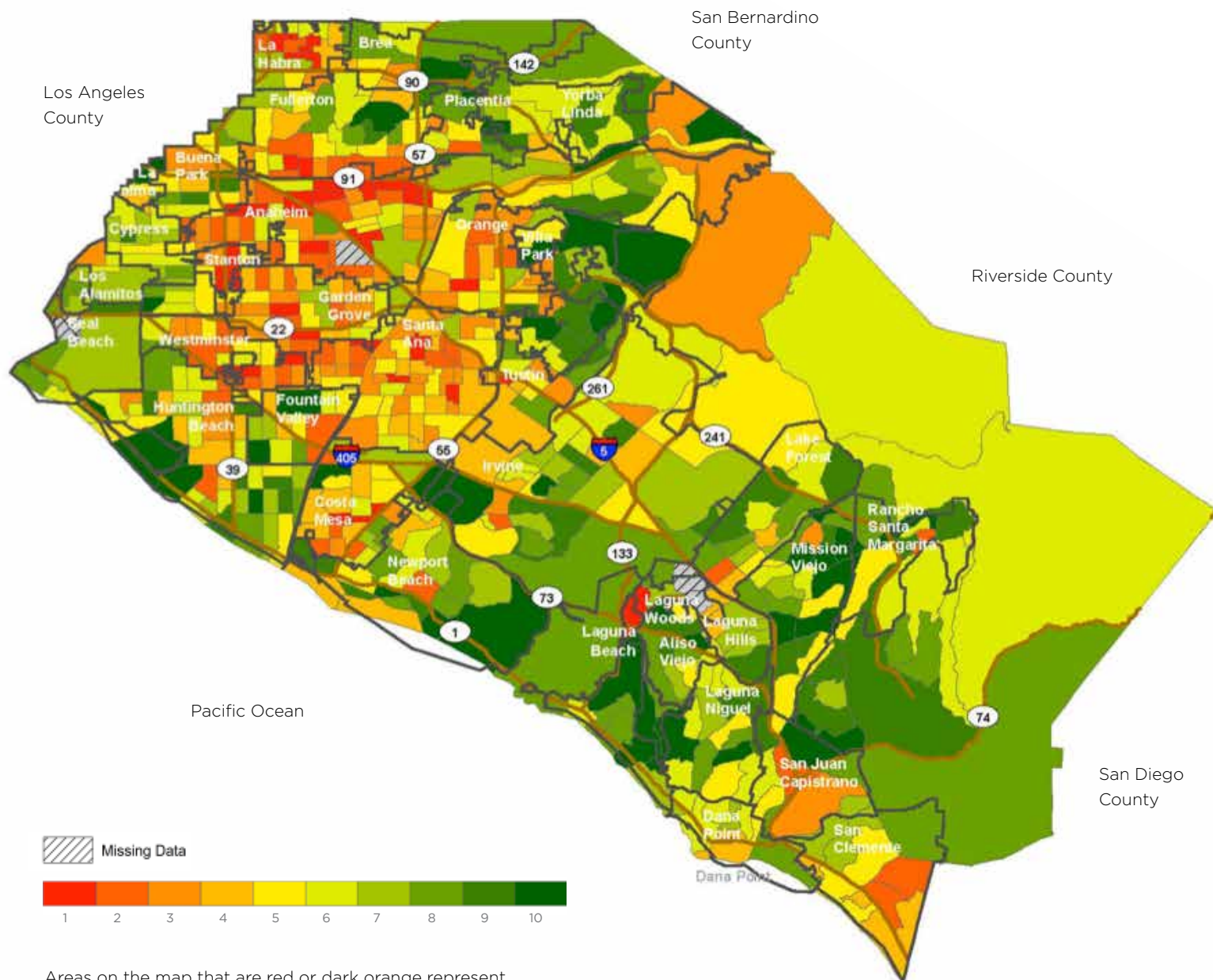
Percent of Orange County Neighborhoods by Family Financial Stability Index Score, 2012-2014



Source: Orange County United Way

37% OF NEIGHBORHOODS HAVE CONCENTRATED LEVELS OF FAMILY FINANCIAL INSTABILITY

Family Financial Stability Index: 2014 Orange County 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 their income on rent, and/or have one or more adults unemployed who are seeking employment. Areas on the map that are green represent areas with a higher level of families that are financially stable.



Education

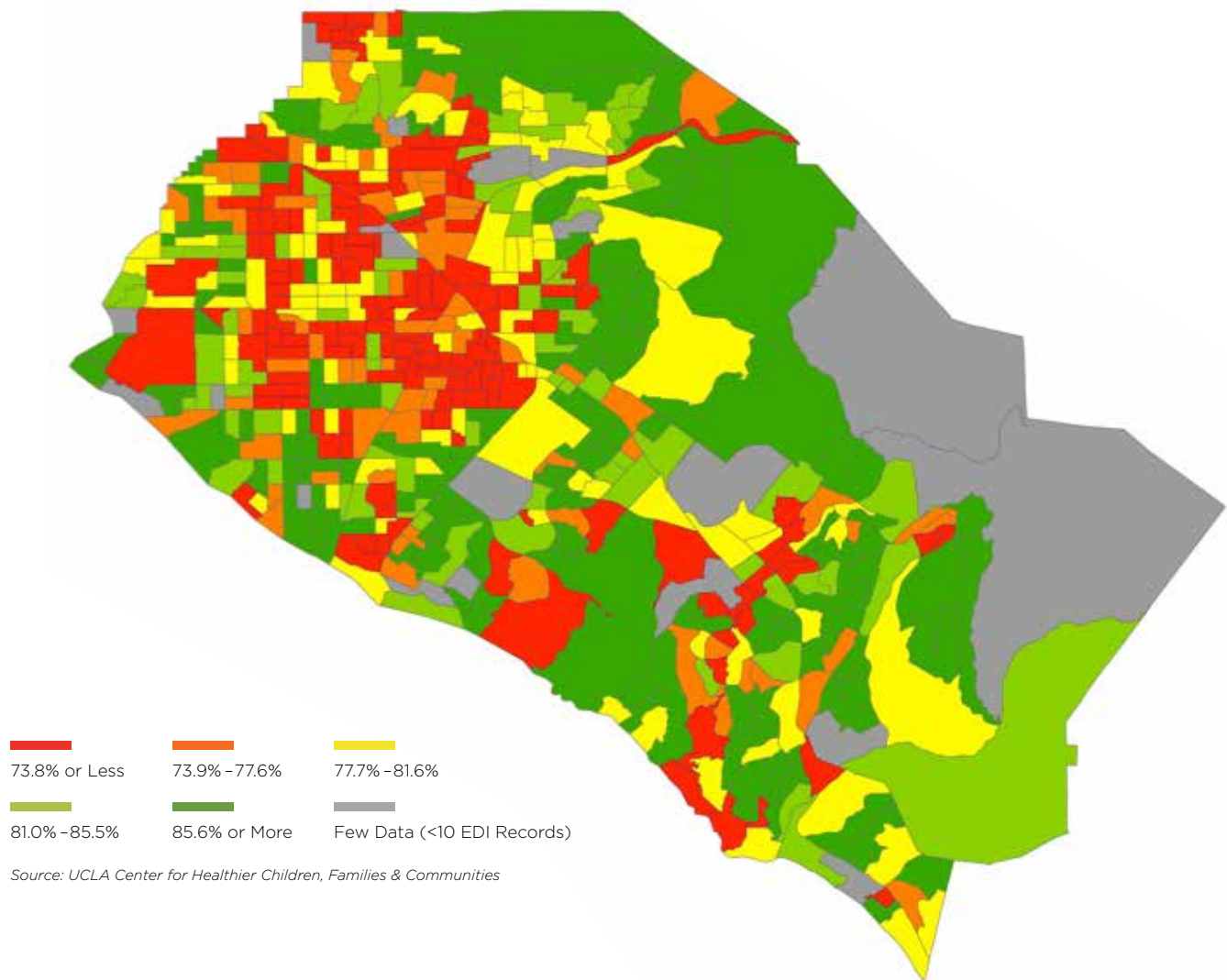
KINDERGARTEN READINESS

The Early Developmental Index (EDI) measures Orange County children's readiness for school. The EDI tracks five areas of a child's development: physical health and well-being; communication skills and general knowledge; social competence; emotional maturity; and language and cognitive development. Kindergarteners attending public schools are assessed to determine their readiness when they first entered school.

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). In 2015, 52% of children in Orange County were developmentally ready for kindergarten.

52% OF ORANGE COUNTY CHILDREN ARE READY FOR KINDERGARTEN

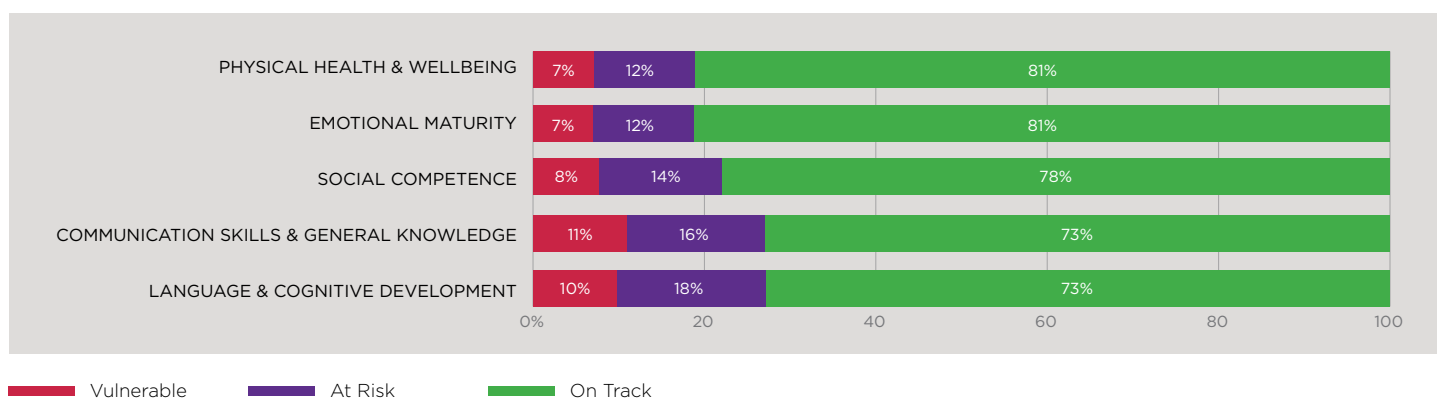
Children On Track on All Developmental Areas, Orange County, 2015



EDI data from 2015 indicate children are most ready in the areas of emotional maturity and physical health and wellbeing – both at 81% of children considered on track. The areas of greatest vulnerability are language and cognitive development (28% not on track, meaning vulnerable or at-risk), communication skills and general knowledge (27% not on track), and social competence (22% not on track).

MORE THAN ONE-QUARTER OF CHILDREN ARE NOT ON TRACK IN LANGUAGE DEVELOPMENT

Kindergarten Readiness Results by Area in Orange County, 2015



Source: UCLA Center for Healthier Children, Families & Communities

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 in the community can help prepare children for the school environment. In 2015, comprehensive school readiness (EDI) data was available for the first time in Orange County. For reasons of confidentiality, neighborhoods with fewer than 10 valid records are not reported. The term "vulnerable" describes children who score at or below the 10th percentile of all children assessed. "At risk" children are those who fall between the 10th and 25th percentile. Children who fall above the 25th percentile of all children assessed are considered "on track." Percentages may not add to 100% due to rounding. 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.

INNOVATION SPOTLIGHT

QualityStart OC is a community partnership, led by the Orange County Department of Education, focused on aligning county efforts to support high quality early learning experiences for children. QualityStart OC supports closing the readiness gap by focusing on four key areas:

- 1 Raising community awareness of the importance of investing in high quality early learning.
- 2 Operating "Quality Stars," a Quality Rating & Improvement System for early learning settings (such as preschools) in Orange County.
- 3 Supporting parents seeking early learning experiences for their children by providing a directory of resources, access to quality rating scores, and information on how to choose a quality program.
- 4 Supporting educators and care providers with training and other assistance to improve the quality of their programs.

www.QualityStartOC.com



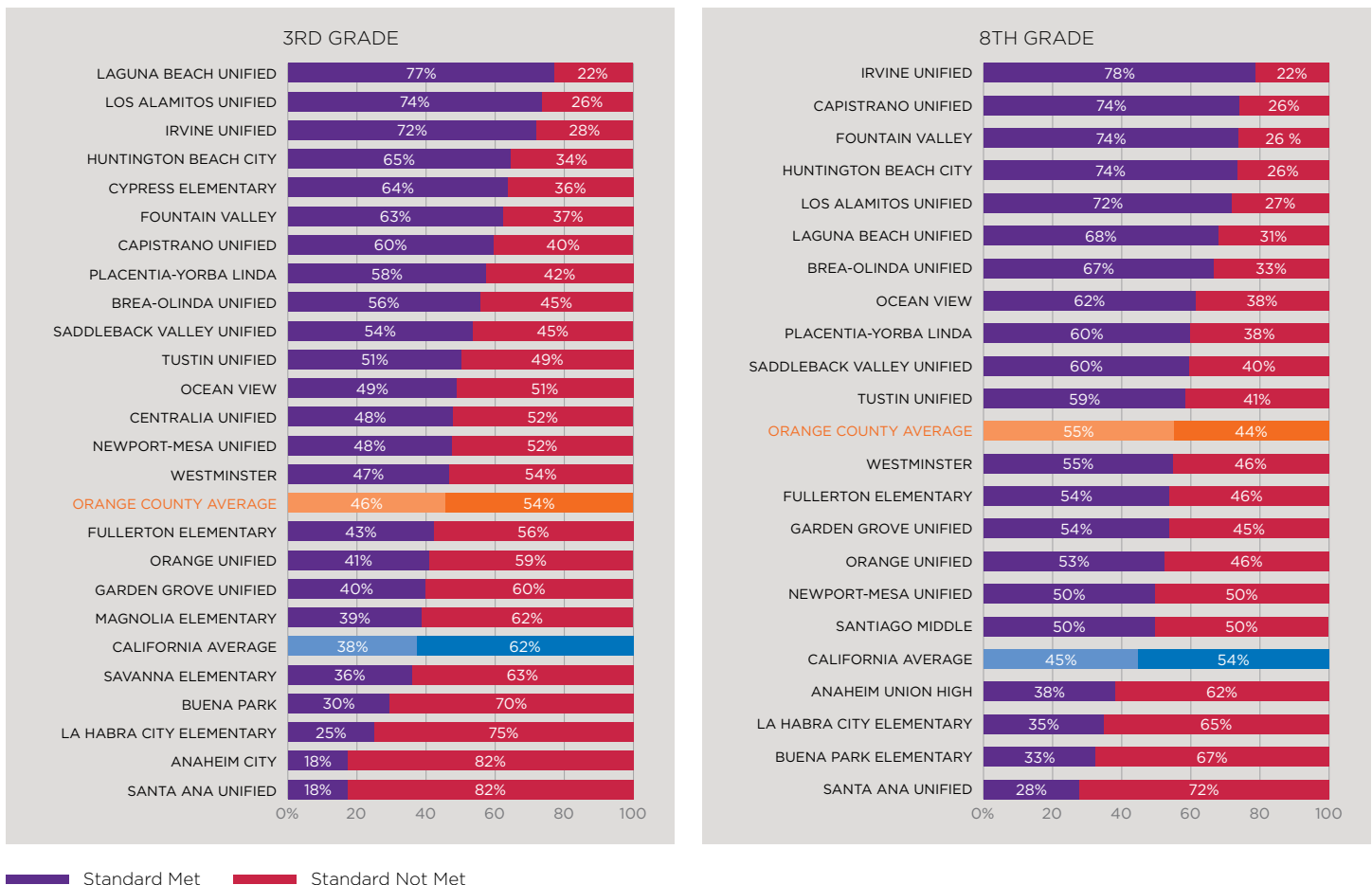
ACADEMIC PERFORMANCE: LITERACY

In 2014/15, less than half (46%) of Orange County 3rd grade students met or exceeded the statewide achievement standards for English language arts and literacy (ELA). Among 8th grade students more than half (55%) met or exceeded the ELA achievement standards. Among 11th grade students, 64% met or exceeded the achievement standards (outperforming the statewide average of 56%).

Most Orange County school districts (79% in 3rd grade and 81% in 8th grade) perform better than the California average. School district comparisons should be interpreted with caution as districts vary greatly in composition, with differing proportions of students who are English learners, special needs, low income, or homeless – all factors which can influence achievement.

46% OF 3RD GRADE STUDENTS AND 55% OF 8TH GRADE STUDENTS MET ELA ACHIEVEMENT STANDARDS

English Language Arts and Literacy Academic Performance in Orange County School Districts, 2014/15



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

Data Notes

This is the first year that students have taken the California Assessment of Student Performance and Progress (CAASPP) with published results. The 2014/15 results of this new assessment, designed to demonstrate progress toward mastery of the knowledge and skills needed for likely success in future coursework, serve as a baseline to measure student progress and are not comparable to previous assessments. 11th grade CAASPP results are now used for the Early Assessment Program (EAP) – a measurement used by state universities and community colleges to determine college-level English and mathematics readiness.

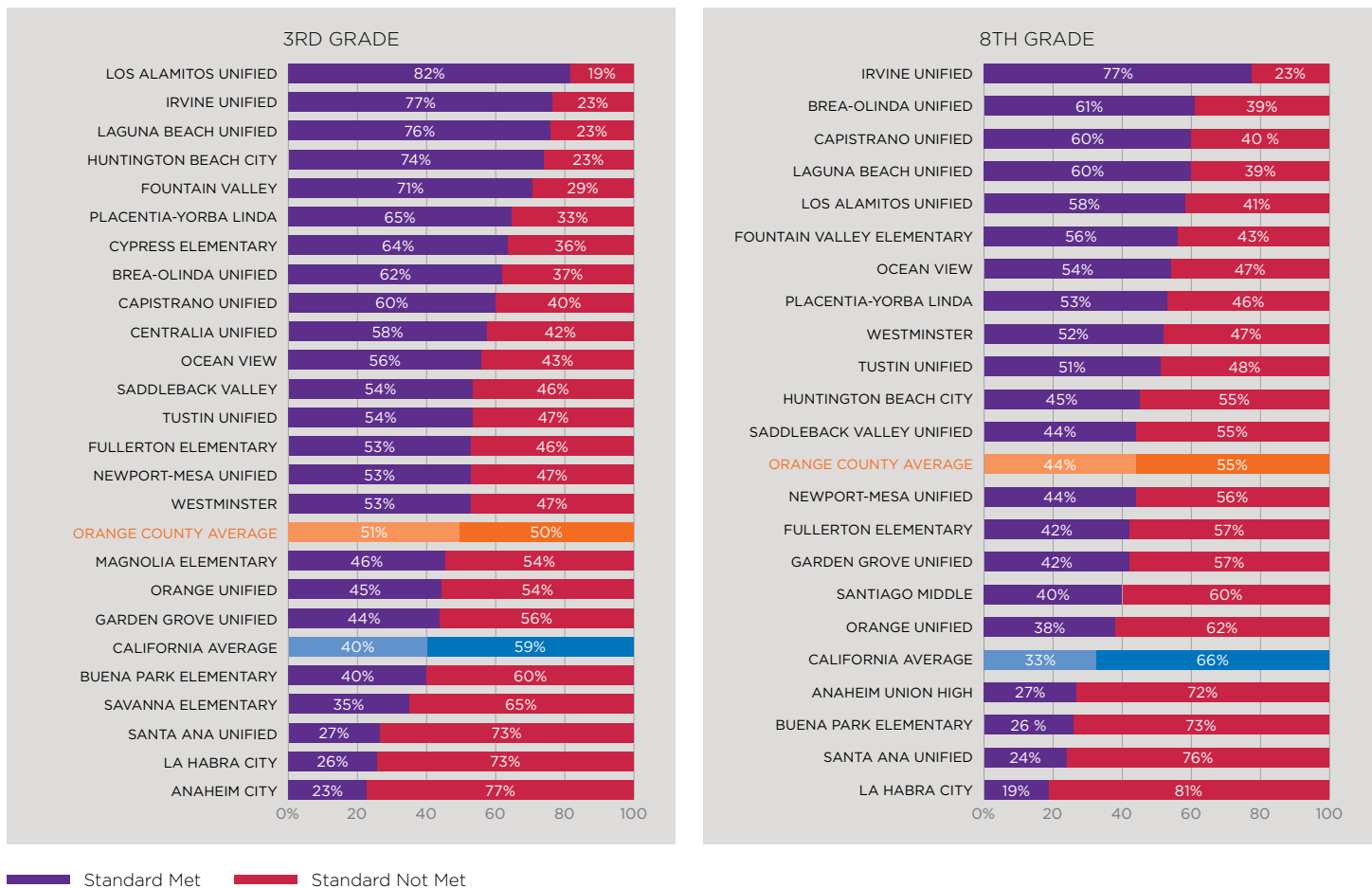
ACADEMIC PERFORMANCE: MATHEMATICS

In 2014/15, slightly more than half (51%) of Orange County 3rd grade students met or exceeded the statewide achievement standard for mathematics. Among 8th grade students, less than half (44%) met or exceeded the mathematics achievement standard. Among 11th grade students, 39% met or exceeded the achievement standards (outperforming the statewide average of 29%).

Most Orange County school districts (79% in 3rd grade and 81% in 8th grade) perform better than the California average. School district comparisons should be interpreted with caution as districts vary greatly in composition, with differing proportions of students who are English learners, special needs, low income, or homeless – all factors which can influence performance.

51% OF 3RD GRADE STUDENTS AND 44% OF 8TH GRADE STUDENTS MET MATH ACHIEVEMENT STANDARDS

Mathematics Academic Performance in Orange County School Districts, 2014/15



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

Data Notes

This is the first year that students have taken the California Assessment of Student Performance and Progress (CAASPP) with published results. The 2014/15 results of this new assessment, designed to demonstrate progress toward mastery of the knowledge and skills needed for likely success in future coursework, serve as a baseline to measure student progress and are not comparable to previous assessments. 11th grade CAASPP results are now used for the Early Assessment Program (EAP) – a measurement used by state universities and community colleges to determine college-level English and mathematics readiness.



HIGH SCHOOL DROPOUT RATE

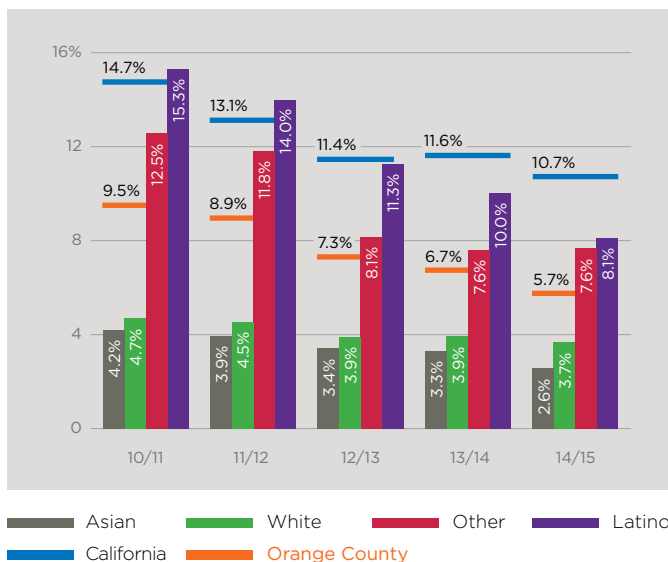
In Orange County, 5.7% of students who entered 9th grade in 2011 dropped out of high school before graduating in 2015. This is lower than the statewide dropout rate of 10.7% and the lowest level since the new cohort tracking methodology was adopted in 2009/10.¹ This rate equates to 2,311 students of the class of 2014/15 dropping out.

In 2014/15, Latino students had the highest dropout rate at 8.1% and Asian students had the lowest rate at 2.6%, but all racial and ethnic groups have witnessed substantial declines in the percentage of dropouts since 2010/11. The dropout rate also varies by school district, with Los Alamitos Unified posting the lowest dropout rate at 0.7% and Anaheim Unified posting the highest at 7.3%. Compared to five years ago, 13 out of 15 districts had lower dropout rates in 2014/15.

A related measure is the graduation rate, which was 90% for the class of 2014/15. The graduation rate measures the percentage of students who receive a diploma in four years. The 10% of the class of 2014/15 that did not graduate in four years (100% minus 90%) is made up the following: students who received a special education certificate (0.8%) or certificate of high school equivalency or GED (0.0%), students who dropped out (5.7%), and students who are still enrolled (3.5%).

DROPOUT RATE DECLINES AGAIN

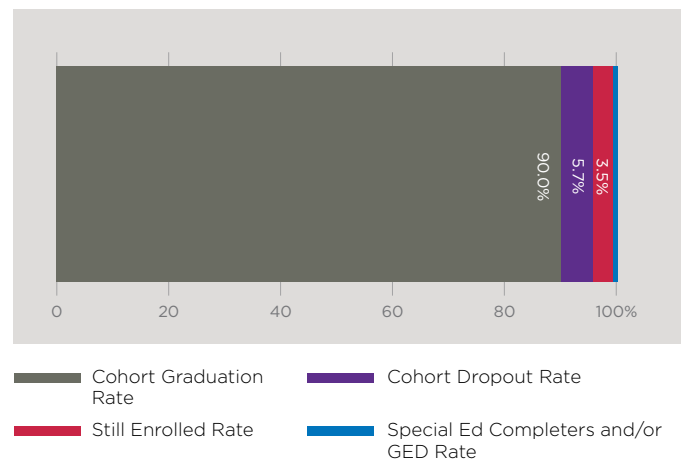
Dropout Rate by Race/Ethnicity in Orange County, 2010/11 – 2014/15



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

90% GRADUATE ON TIME

High School Student Outcomes in Orange County, 2014/15

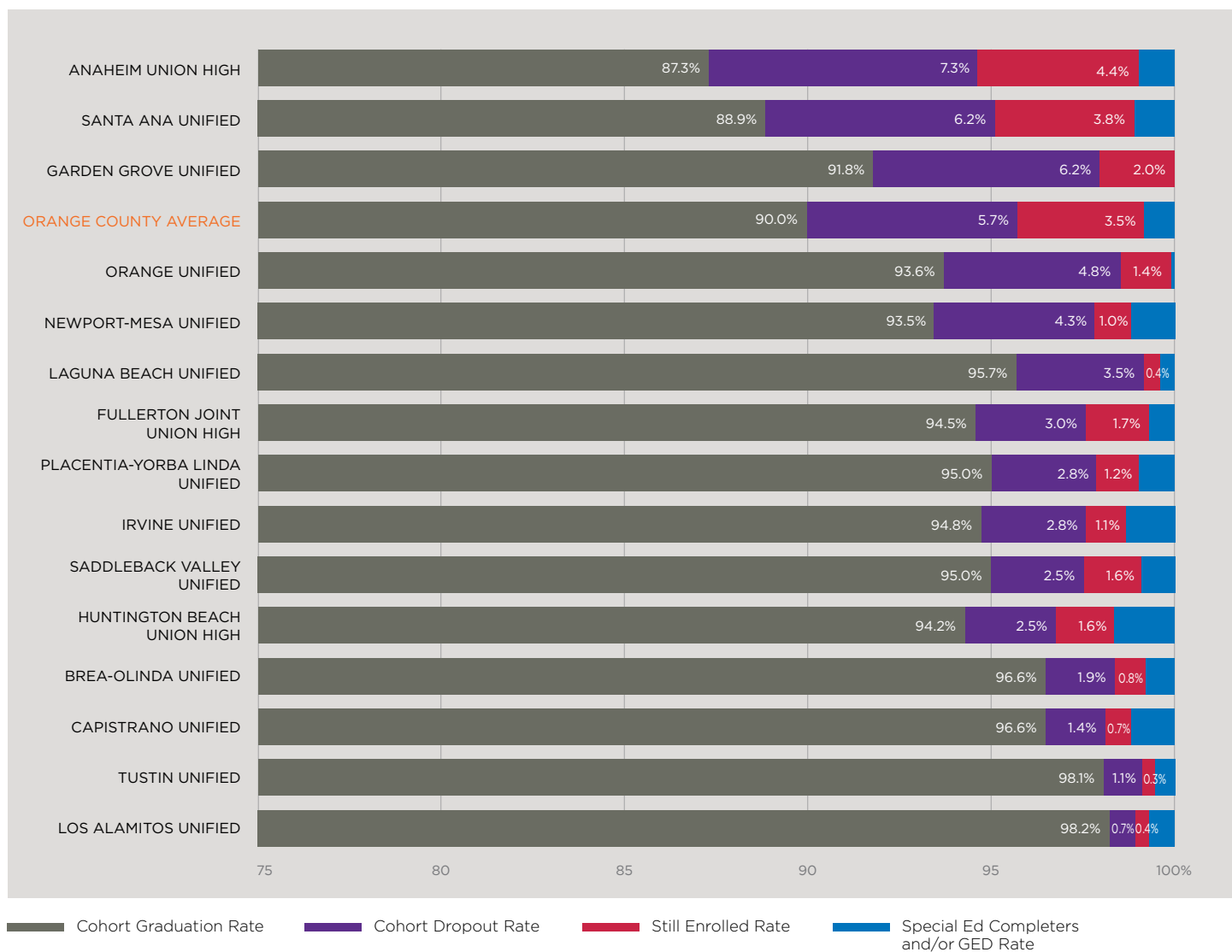


Source: California Department of Education, DataQuest (<http://data1.cde.ca.gov/dataquest/>)

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 7.3% TO LESS THAN 1%

High School Student Outcomes by Orange County School District, 2014/15



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

Data Notes

"Asian" includes Asian, Pacific Islander, and Filipino. "Other" includes Native American/Alaskan Native, African American, two or more races, or not reported.



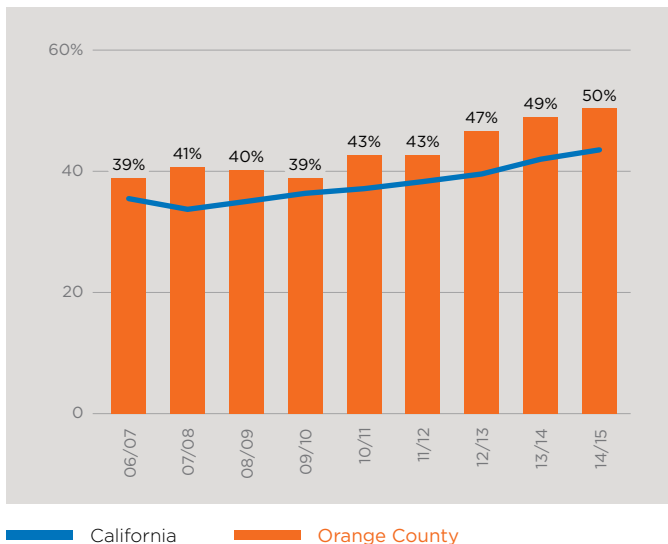
COLLEGE READINESS

In 2014/15, half (50%) of Orange County students completed the necessary coursework to be eligible for admission to University of California (UC) or California State University (CSU) campuses. To be UC/CSU eligible at graduation, high school students must successfully complete a specified number of approved courses in seven different subject areas (“a-g” courses). This rate of 50% is well above the previous 15-year average of 40% and surpasses the statewide rate of 43%.

The long-term trend for most races and ethnicities is gradual improvement. However, the gap between the race 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 (75%), but comprise only 19% of all high school graduates. Latino students are the least likely to be UC/CSU eligible (34%), but comprise 43% of all high school graduates.

UC/CSU ELIGIBILITY CONTINUES TO GROW

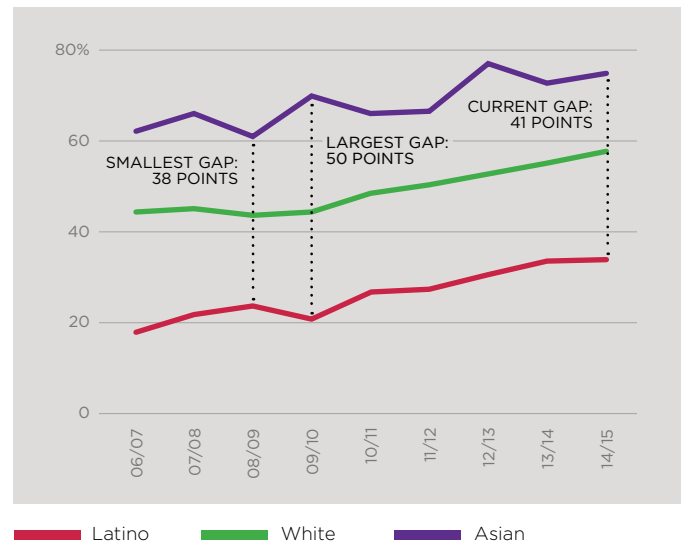
Percentage of High School Graduates that are UC/CSU Eligible in Orange County, 2007-2015



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

ALL THREE MAJOR ETHNIC GROUPS IMPROVE, BUT GAP PERSISTS

Percentage of High School Graduates Eligible for UC/CSU by Race/Ethnicity in Orange County, 2007-2015

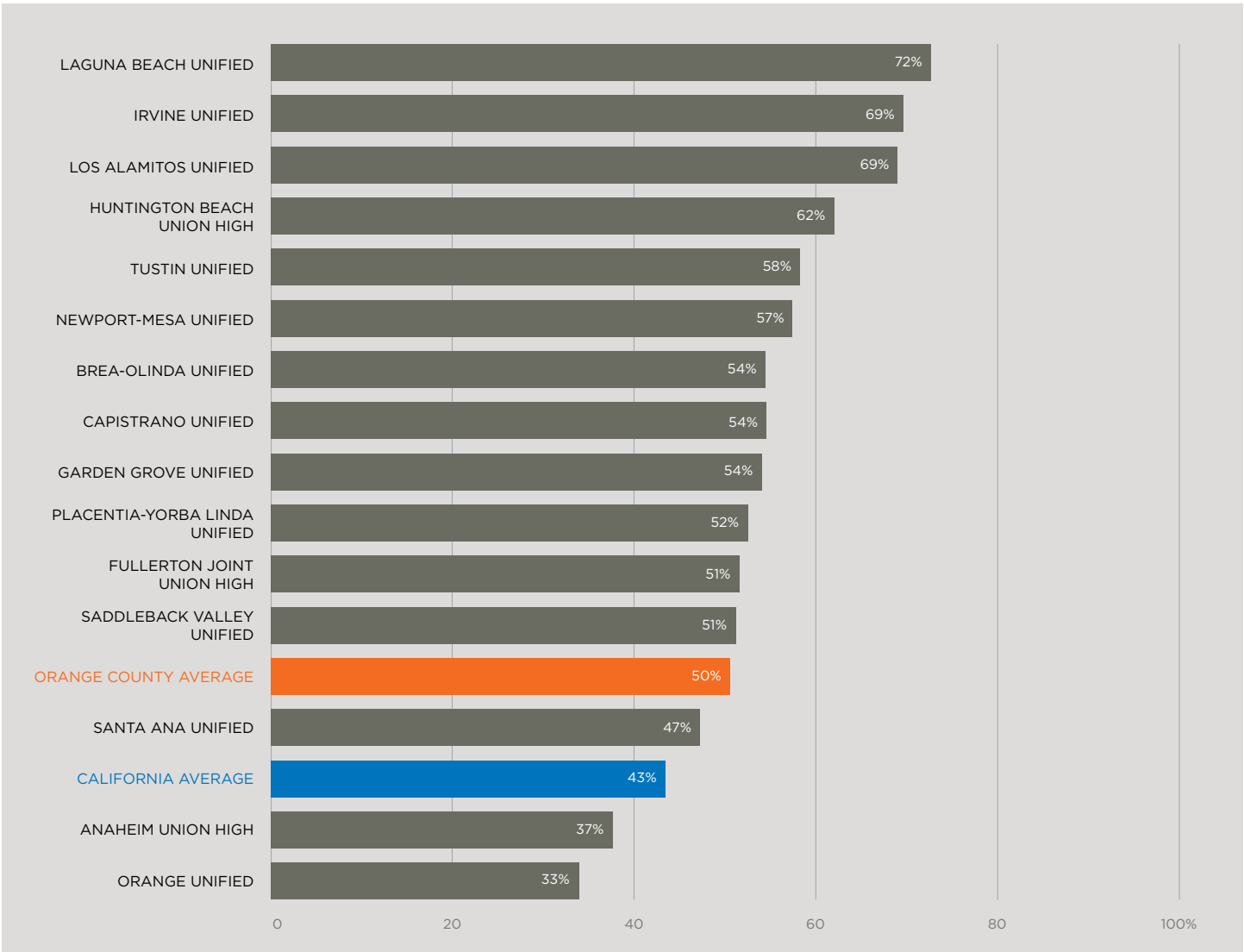


Source: California Department of Education, DataQuest (<http://data1.cde.ca.gov/dataquest/>)

There are also wide geographic disparities in UC/CSU eligibility, ranging from a high of 72% of students eligible at Laguna Beach Unified to a low of 33% at Orange Unified.

COLLEGE ELIGIBILITY BY DISTRICT RANGES FROM 72% TO 33%

Percentage of Graduates that are UC/CSU Eligible by District in Orange County, 2014/15



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

Data Notes

Data is 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.



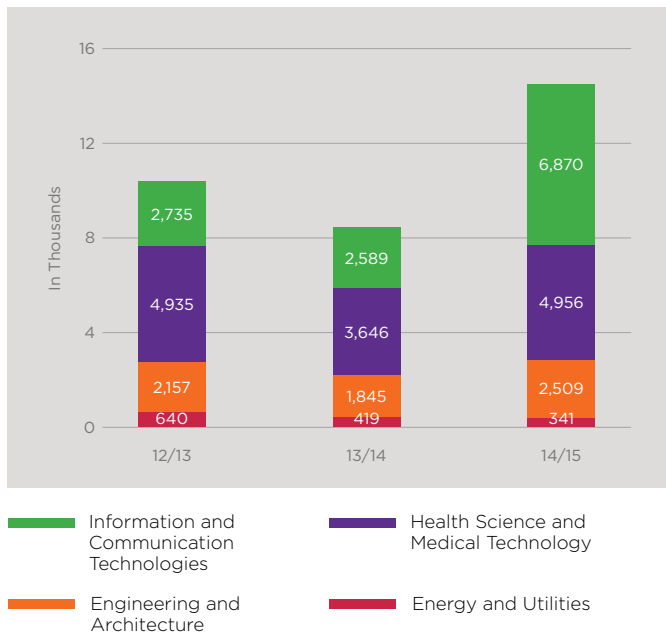
Education

HIGH SCHOOL STEM PARTICIPATION

Career Technical Education (CTE) course-taking in STEM subjects (Science, Technology, Engineering and Mathematics) at the high school level grew substantially in 2014/15, up by a total of 40% between 2012/13 and 2014/15. Courses related to information technology grew 151% and engineering course enrollment grew 16%. Health sciences-related course enrollment did not change and energy-related course enrollment fell 47%.

CTE COURSE ENROLLMENT GROWS 40% IN THREE YEARS

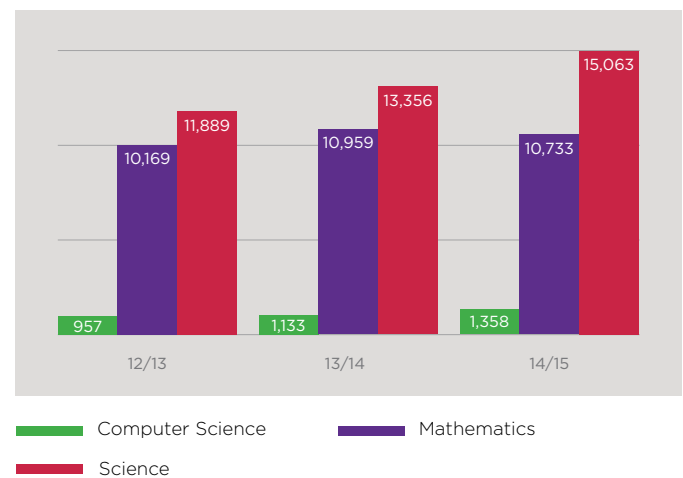
Enrollment in Career-Technical Education (CTE) in Orange County High Schools, 2013-2015



Advanced Placement (AP) course-taking in STEM subjects has grown over the past three years in Orange County high schools. Between 2012/13 and 2014/15, enrollment in computer science AP courses grew 42%, AP science enrollment grew 27%, and AP math enrollment grew 6%.

AP STEM COURSE-TAKING GROWS IN ORANGE COUNTY HIGH SCHOOLS

Enrollment in Advanced Placement (AP) STEM Courses in Orange County High Schools, 2013-2015



INNOVATION SPOTLIGHT

The marked growth in CTE course-taking in the STEM disciplines in 2014/15 may be linked to the launch of the OC Pathways initiative, funded by a major grant from the California Department of Education. This collaborative effort is led by the Orange County Department of Education and Saddleback College and includes 14 school districts, nine community colleges, four Regional Occupational Programs, the Workforce Investment Boards, Orange County United Way, OC STEM, Vital Link, Orange County Business Council, and many other community and business partners. The goal is to significantly expand the number of students participating in STEM CTE coursework tracked in the chart above. The hope and expectation is for this growth in course-taking to continue.

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) is the most widely taught STEM-related AP class, available at all high schools in three-quarters of Orange County school districts with high school students. A broad range of AP courses provides students with options to continue in a STEM subject that is a good fit for their college and career pursuits.

ADVANCED PLACEMENT (AP) CALCULUS AND BIOLOGY WIDELY TAUGHT

Proportion of Orange County High Schools with Enrollment in AP STEM Courses Within Each School District, 2014/15

	NUMBER OF HIGH SCHOOLS IN DISTRICT	MATH			SCIENCE					TECH	
		AP CALCULUS AB	AP CALCULUS BC	AP STATISTICS	AP BIOLOGY	AP CHEMISTRY	AP PHYSICS B	AP PHYSICS C	AP ENVIRONMENTAL SCIENCE	AP COMPUTER SCIENCE A	AP COMPUTER SCIENCE AB
ANAHEIM UNION HIGH	9	■	■	■	■	■	■	■	■	■	■
BREA-OLINDA UNIFIED	1	■	■	■	■	■	■	■	■	■	■
CAPISTRANO UNIFIED	7	■	■	■	■	■	■	■	■	■	■
FULLERTON JOINT UNION HIGH	6	■	■	■	■	■	■	■	■	■	■
GARDEN GROVE UNIFIED	7	■	■	■	■	■	■	■	■	■	■
HUNTINGTON BEACH UNION HIGH	6	■	■	■	■	■	■	■	■	■	■
IRVINE UNIFIED	4	■	■	■	■	■	■	■	■	■	■
LAGUNA BEACH UNIFIED	1	■	■	■	■	■	■	■	■	■	■
LOS ALAMITOS UNIFIED	1	■	■	■	■	■	■	■	■	■	■
NEWPORT-MESA UNIFIED	5	■	■	■	■	■	■	■	■	■	■
ORANGE UNIFIED	4	■	■	■	■	■	■	■	■	■	■
PLACENTIA-YORBA LINDA UNIFIED	4	■	■	■	■	■	■	■	■	■	■
SADDLEBACK VALLEY UNIFIED	4	■	■	■	■	■	■	■	■	■	■
SANTA ANA UNIFIED	8	■	■	■	■	■	■	■	■	■	■
TUSTIN UNIFIED	3	■	■	■	■	■	■	■	■	■	■

■ All ■ Some ■ None

Source: California Department of Education, Staff Assignment and Course Data (www.cde.ca.gov/ds/sd/df/filesassign.asp)

Data Notes

AP course data are based on current (2014/15) CBEDS course codes and include courses that had enrollment on Fall Census Day, the first Wednesday in October. Some school districts' AP course offerings may not be captured in the California Department of Education data if the school district has not updated enrollment records to reflect the current CBEDS course codes. The AP data presented in this indicator do not include alternative schools.



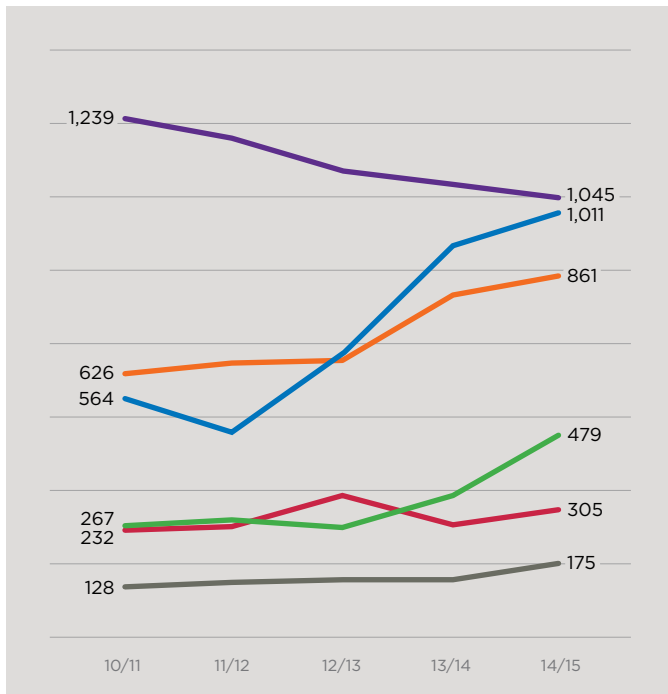
Education

STEM-RELATED DEGREES

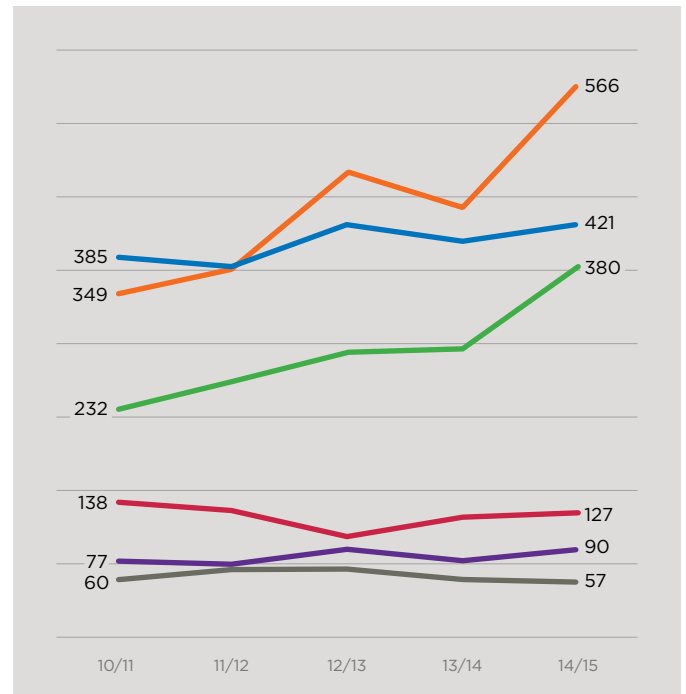
Driven by robust growth in information and computer science degrees (+36%), the overall number of science, technology, engineering and mathematics (STEM) undergraduate and graduate degrees conferred by large Orange County universities grew 11% between 2013/14 and 2014/15. Over the past five years, STEM-related degrees granted in all areas have grown, with the exception of biological sciences. The proportion of all degrees that are STEM-related increased from 23% of all degrees granted in 2010/11 to 27% in 2014/15.

ENGINEERING AND HEALTH PROFESSIONS DRIVE FIVE-YEAR GROWTH IN STEM-RELATED DEGREES

STEM-Related Undergraduate Degrees Conferred at Orange County Universities, 2011-2015



STEM-Related Graduate Degrees Conferred at Orange County Universities, 2011-2015

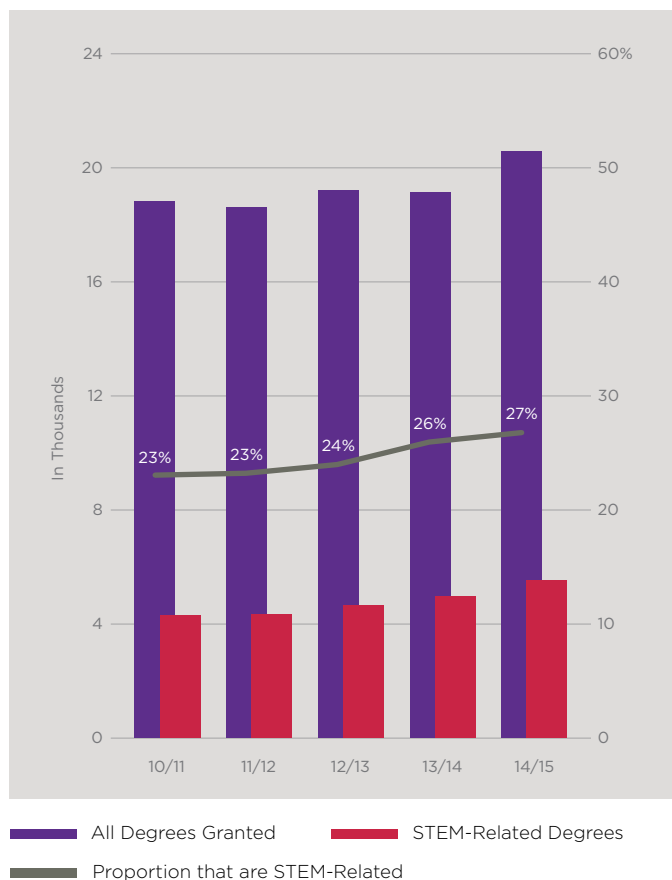


Biological Sciences Engineering Health Professions Physical Sciences Information and Computer Sciences Mathematics

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

PROPORTION OF STEM-DEGREES CONTINUES TO GROW

College Degrees Granted and Proportion that are STEM-Related in Orange County, 2011-2015



INNOVATION SPOTLIGHT

Research shows that early education is the first phase in the STEM learning continuum. Helping young children grasp the concepts of science, technology, engineering and mathematics is essential for their future success in school and the 21st century workplace. And, helping early educators and caregivers learn how to teach these skills to young children is the pathway to that success. Toward this end, the Children and Families Commission, the Children's Center at CalTech, the Orange County Department of Education, OC STEM Initiative and THINK Together have partnered to host professional development events annually since 2014. Hundreds of early childhood teachers and administrators from Orange County have participated.



Opportunity Gap

FOCUS ON LATINO STUDENTS

The “opportunity gap” is the term used to describe the growing disparity between high- and low-income families over the past several decades. Research suggests that the gap is perpetuated in part by the reality that many children from higher income families enjoy supports and resources that lower income families may be increasingly unable to provide. Since low family financial stability impacts a families’ ability to invest in and support a child’s academic achievement – a known pathway out of a cycle of poverty – the gap widens. This opportunity gap has a ripple effect that contributes to another gap – a “skills gap” resulting from local residents who are inadequately educated or trained, or mismatched for jobs in key Orange County industries.

This year’s Pivot Point dives deeper into the issue by looking at the problem through the lens of education, focusing on the future success of Orange County’s Latino students in particular since many may find themselves caught in the gap. This feature highlights promising practices for improving educational opportunities and attainment for these students.

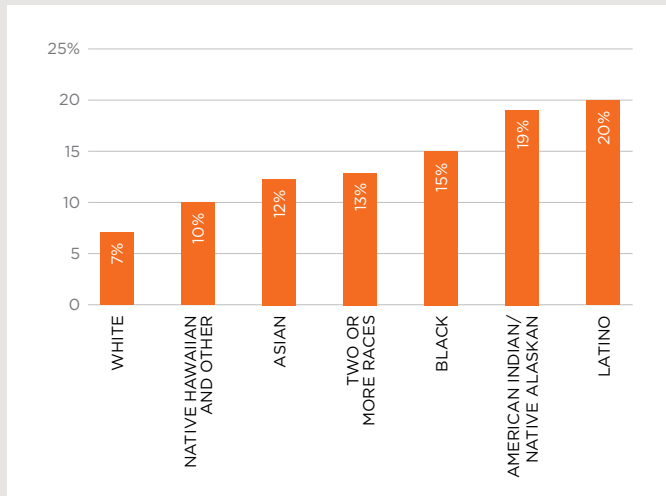
LATINO RESIDENTS MOST IMPACTED

Among Orange County’s diverse population, Latino residents are most impacted by poverty and lower educational attainment. Latino residents are nearly three times more likely than White residents and nearly two times more likely than Asian residents to live in poverty. This has far-reaching implications for educational attainment: not only are Orange County Latino families more likely to live in poverty than other racial and ethnic groups, Latino residents over 25 have the lowest proportion of college graduates and the highest proportion of high school dropouts.

This reality has obvious personal costs, and it could have increasing impacts on the county’s overall wellbeing as our Latino population grows. Today, the percentage of all public school students that are Latino is 49% (2014/15 K-12 enrollment). This is an increase from 44% in 2005/06 and this trend is expected to continue: the percentage of Latino kindergarteners is 54%. The long-term wellbeing of the county’s Latino students is of paramount importance.

LATINO RESIDENTS: HIGHEST PROPORTION IN POVERTY

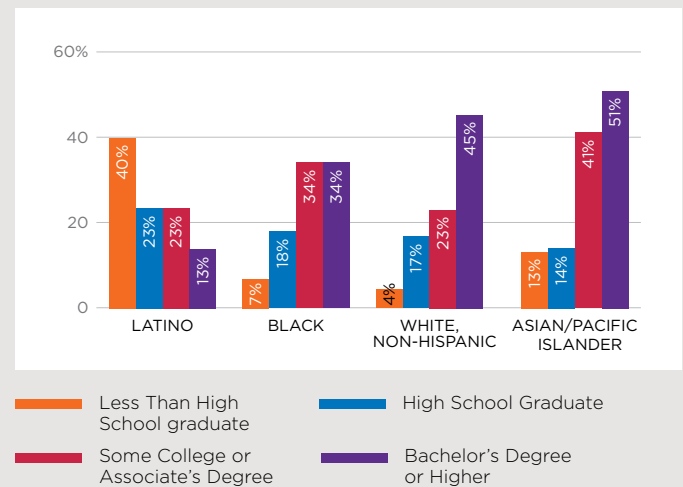
Percentage in Poverty by Race/Ethnicity in Orange County, 2014



Source: U.S. Census Bureau, 2014 American Community Survey, 5-Year Estimates, Table S1703

LATINOS OVER 25 LESS LIKELY TO BE COLLEGE EDUCATED

Educational Attainment for the Population 25 Years Old and Over by Race/Ethnicity in Orange County, 2014



Source: U.S. Census Bureau, 2014 American Community Survey, 5-Year Estimates

THE CASE FOR EDUCATIONAL ATTAINMENT

Several macroeconomic trends – wages, cost of living, and poverty status – make the case for an increased emphasis on educational attainment. First, the trend reported last year of decreasing wages for lower paid occupations continues. This translates to increased financial constraints for high school dropouts, as the jobs they are eligible for pay less and less. Second, low and declining wages are an even more significant contributor to poverty in a region like Orange County, where cost of living is an estimated 85% more than the national average. On the flip side, education is a strong protective factor against poverty. In 2014, among Orange County

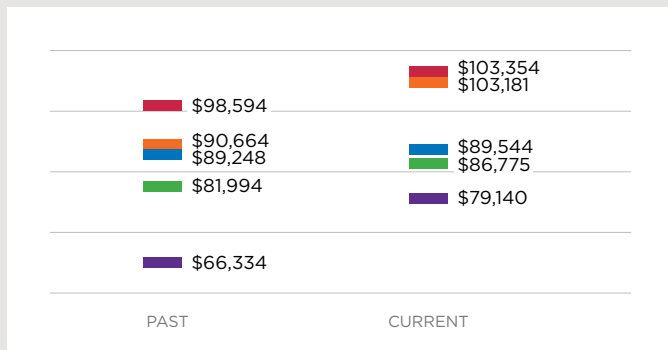
families whose head of household was without a high school diploma, approximately a quarter (26%) lived in poverty. This is compared to 13% of high school graduates, 7% of those with some college and 3% of college graduates. What is more, the trends indicate that educational attainment is increasingly protective, as jobs for those with low educational attainment pay less (as noted above) or simply disappear, as shown in the 2015 Community Indicators Report (page 9). For these reasons and more, educational attainment is one key factor in improving economic opportunities for residents.

Data Notes

Latino is of any race. Black and Asian/Pacific Islander includes Hispanic and non-Hispanic. White is non-Hispanic only.

WAGES CONTINUE TO INCREASE FOR HIGHER WAGE OCCUPATIONS

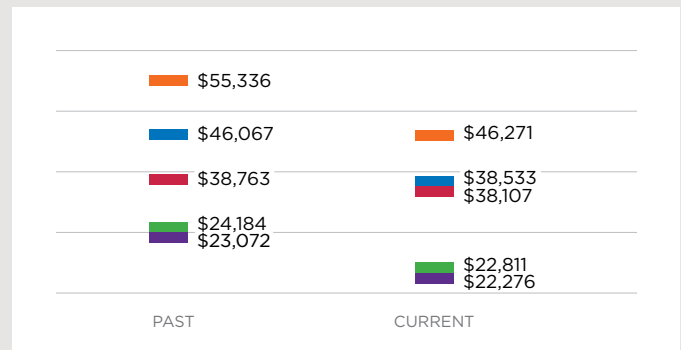
Change in Inflation Adjusted Median Wages for Selected Higher Wage Occupations in Orange County, 2006-2015



■ Biomedical Engineers
 ■ Software Developers
■ Registered Nurses
 ■ Computer Programmers
■ Elementary School Teachers

WAGES CONTINUE TO DECREASE FOR LOWER WAGE OCCUPATIONS

Change in Inflation Adjusted Median Wages for Selected Lower Wage Occupations in Orange County, 2006-2015



■ Carpenters
 ■ Secretaries
■ Machinists
 ■ Retail Salespersons
■ Personal Care Aides

Sources: California Employment Development Department, Occupational Employment Statistics and Wages, 2006-2015 (www.labormarketinfo.edd.ca.gov/data/oes-employment-and-wages.html); United States Bureau of Labor Statistics, Inflation Calculator (www.bls.gov/data/inflation_calculator.htm)

Orange County's cost of living is

85%

more expensive than the national average. (Sperling's)

37%

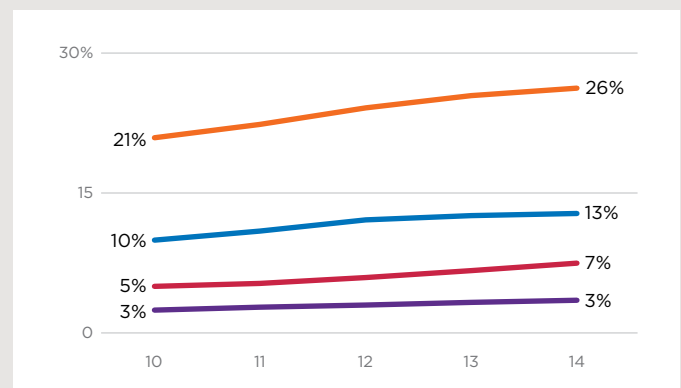
of Orange County neighborhoods have low levels of family financial stability (Family Financial Stability Index)

22%

of Orange County residents live in poverty (California Poverty Measure)

EDUCATIONAL ATTAINMENT INCREASINGLY PROTECTS FAMILIES AGAINST POVERTY

Percentage of Families in Poverty by Educational Attainment of the Householder in Orange County, 2010-2014



■ Less Than High School graduate
 ■ High School Graduate
■ Some College or Associate's Degree
 ■ Bachelor's Degree or Higher

Source: US Census Bureau, American Community Survey, 5-Year Estimates, Table B17018

Data Notes

Computer Programmers and Software Developers reflect wage change between 2011 and 2015. Registered Nurses reflect wage change between 2013 and 2015. The remainder reflect wage change between 2006 and 2015. "Past" salary levels have been inflation adjusted to 2015 dollars

TURNING THE TIDE FOR LATINO STUDENTS

As the data suggest, educational attainment is a key strategy to give children – and the communities in which they live – a strong foundation for a prosperous future. Many organizations are implementing innovative and proven programs to close the educational achievement gap and help the largest proportion of Orange County’s students succeed. Programs are geared to reach children at all ages of the educational continuum from the youngest learners through college. They involve helping children set high aspirations for themselves, engaging with parents or other mentors, and embracing the “whole child” concept.

ASPIRATIONAL OUTLOOK

Interventions that plant the seed early that children can aim high in terms of their eventual educational attainment, and that continue that aspirational outlook as students move through school, can have positive outcomes. As students and their families are exposed to the idea that they can aim for a lofty goal and achieve it, they build a commitment to doing well in school and going on to college or a career that is both fulfilling and allows them to provide for themselves financially.

KinderCaminata

Cultivating college and career aspirations early in life is a goal of KinderCaminata. Since 1995, this county wide annual program at Fullerton College has been providing a college experience to help kindergarten students and their families realize that higher education – a college degree or certificate – is a possibility for them.

socsci.fullcoll.edu/KinderCaminata

OC Pathways

OC Pathways, which crosses 17 industry sectors, helps Latino students overcome opportunity barriers and achieve academic success by providing career pathways that lead to employment and college enrollment. In partnership with the Orange County United Way, the OC Pathways Career Readiness Hub provides students in Anaheim and Garden Grove work-based learning experiences including job shadowing, mentorships and internships with local business and industry partners.

ocpathways.com

Pathway to Law School – 2+2+3

This statewide promising practice is sponsored by the California State Bar Association and locally by the Orange County Bar Association. Partners include Santa Ana High School Law Academy, El Dorado High School Law Academy, Santa Ana College, Saddleback College, UC Irvine and UC Irvine School of Law. The program focuses on providing support for Latino and other students of color to promote success in high school through community college into a four-year university and law school.

californialawinc.com



ADULT ENGAGEMENT

Another important element of educational success is to ensure there is an adult interacting and connecting with students on a regular basis – whether a parent, teacher or other adult mentor. This adult-to-student engagement has proven essential, especially to support children’s language acquisition.

Latino Educational Attainment Program

The Latino Educational Attainment (LEA) Initiative was formed to build a more competitive workforce by informing and empowering parents to take a more active role as parent advocates in their child’s education. The Orange County Business Council is the backbone organization of this initiative, made of business, education, and community partners.

A recently completed longitudinal study tracked parents who have taken the LEA’s *Ten Educational Commandments* training program, and their children show measurable academic success.

The study tracked 68 parents of 164 students over two years attending Diamond Elementary and Carr Intermediate Schools and compared them to a control group of participants who did not take the



training. LEA parents demonstrated improvement in the following areas: understanding and knowledge to navigate the educational system; engagement in their children’s education, including role recognition when helping their children study, and more. Intermediate school students whose parents participated in the training, increased from Basic to Proficient levels in Math, Language Arts and Science, whereas Intermediate school students in the control group remained at a Basic level in all subjects.

ocbc.org/ocbc-initiatives/latino-educational-attainment-initiative-lea

The PUENTE Project

The PUENTE Project is a national award-winning program to increase the number of students from educationally disadvantaged backgrounds who enroll in four-year colleges and universities, earn college degrees and return to the community as mentors and leaders to future generations. The program organizes students into cohorts that learn through shared academic experiences with specific counseling and mentoring support. The PUENTE project is in place at five Orange County high schools (Anaheim, Estancia, Katella, Magnolia, and Savanna) and five community colleges (Cypress, Fullerton, Golden West, Orange Coast, and Santa Ana).

puente.berkeley.edu

ADULT-TO-STUDENT ENGAGEMENT IS ESSENTIAL, ESPECIALLY TO
SUPPORT CHILDREN’S LANGUAGE ACQUISITION.

WHOLE CHILD

As a sector, education is moving to viewing the whole child and not separating out academic performance from other aspects of a student's life. For example, if a child is not showing academic progress, the whole child approach looks at what else is happening in the child's life – are there other personal, social or emotional needs they are experiencing in tandem with their academic experience? Educators can then take a restorative rather than punitive approach (e.g. providing support vs. expulsion) to help the child get on track academically.

Safe Schools & Support Services

Safe Schools & Support Services is dedicated to supporting Orange County Department of Education Alternative Education (ACCESS) students who often face overwhelming obstacles in their everyday lives that make academic success difficult. Many students are foster youth, on probation, homeless, victims of abuse, teen parents, and/or live in high crime neighborhoods with limited resources.

Safe Schools utilizes the evidence-based curriculum created by the National Compadres Network known as El Joven Noble and Xinachtli. El Joven Noble is a youth leadership development program focusing on the prevention of substance abuse, teen pregnancy, relationship violence, gang violence and school failure. The Xinachtli Rites of Passage curriculum is a bilingual/bicultural youth development program designed to provide young women with guidance for healthy development while also focusing on the prevention of substance abuse, teen pregnancy, relationship violence, gang violence and school failure.

ocde.us/ACCESS/SafeSchools/Pages/default.aspx

Restorative Practice

In an effort to help Santa Ana students thrive and succeed academically, the Orange County Department of Education, in partnership with the Santa Ana Unified School District, has implemented the Restorative Practices program in six Santa Ana middle schools and two high schools. The Restorative Practices program utilizes a variety of preventative measures and interventions to foster safe and supportive schools, address conflict, improve school climate, and overall build a positive school culture that leads to increased academic achievement. The program has helped to reduce suspensions and expulsions, improve attendance, and decrease misbehavior and bullying.

For example, according to recent reporting from the Santa Ana Unified School District, suspensions have dropped from 7,606 in 2011/12 to 2,736 in 2014/15. There has also been a dramatic decrease in expulsions from 127 to 34 in the same time period.

CLOSING THE GAP

For many Orange County families living in financially unstable situations, helping their children succeed in school is a challenge. Adults may be working multiple jobs and unavailable, or they may be unaware of how to navigate the educational system, or they simply may not have access to developmental and educational supports for their children. Supports focused on helping both students and their families, such as those described above, aim to close the opportunity gap in Orange County by giving today's students the greatest opportunities to be successful, productive members of our community.

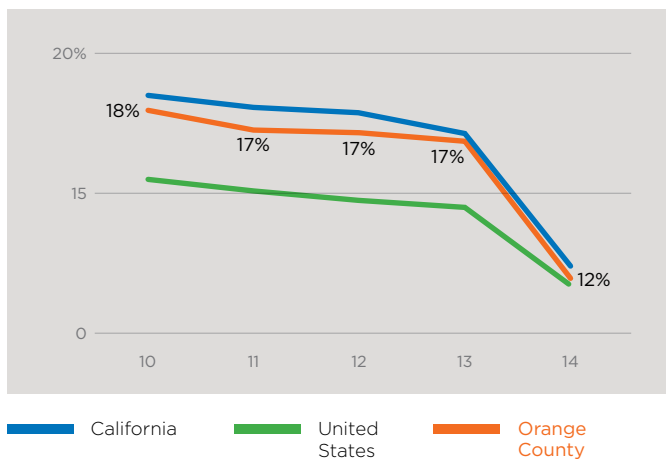


HEALTH CARE ACCESS

The proportion of uninsured Orange County residents dropped dramatically between 2013 and 2014, from 17% to 12%, as the Affordable Care Act reached full implementation. Orange County's level of uninsured is on par with the state and nation (both approximately 12%).

SUBSTANTIALLY FEWER ORANGE COUNTY RESIDENTS ARE UNINSURED

Uninsured (All Ages) in Orange County, California and United States, 2010-2014



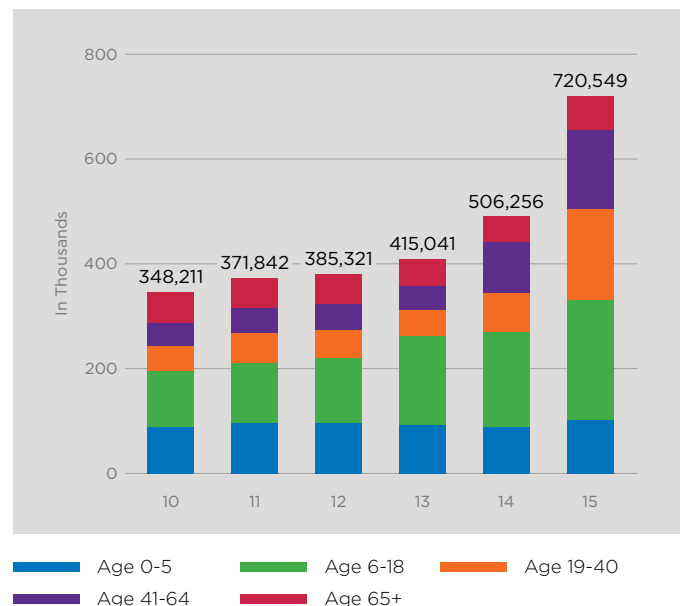
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates (<http://factfinder2.census.gov>)

Medi-Cal enrollment in Orange County increased 72% in the past two years, with the largest growth in enrollment among residents ages 19 to 40. As of 2015, Orange County enrollment in Medi-Cal stood at 720,549 members.

“Medi-Cal for All Children” (SB75) expands eligibility for full-scope Medi-Cal to low-income children under age 19 regardless of immigration status. As of May 2016, when the law went into effect, 10,000 Orange County children with limited-scope Medi-Cal were transitioned to full-scope Medi-Cal and an additional 5,500 children are projected to be newly eligible.

MEDI-CAL ENROLLMENT INCREASES 42% IN ONE YEAR

Medi-Cal Membership in Orange County, 2010-2015



Source: CalOptima

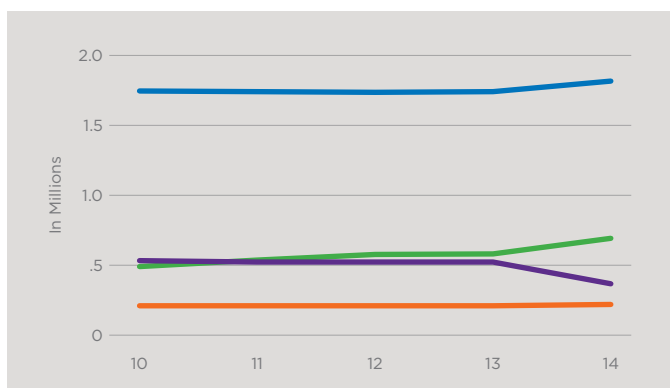
Data Notes

The growth in Medi-Cal enrollment is due to several factors: the implementation of the Affordable Care Act, which expands Medi-Cal coverage to adults who were previously ineligible; outreach to residents who were already eligible for Medi-Cal but had not previously enrolled; and the transition of enrollees from two discontinued programs to Medi-Cal – Healthy Families (health care insurance for low- and moderate-income children and families) and the Medical Services Initiative, which previously served as the county's safety net program for the uninsured.

The drop in uninsured residents in 2014 was absorbed by both private and public insurance. In one year, between 2013 and 2014, enrollment in private insurance grew 4% while enrollment in public insurance grew 18%. In the five-year period between 2010 and 2014, the proportion of residents covered by public insurance, such as Medi-Cal, increased 42%. This increase was driven by a 22% increase among children and a 57% increase among adults. As of 2014, one-third (34%) of children had public coverage, while 19% of adults had public coverage. Orange County residents' coverage by type is similar to national averages.

BOTH PUBLIC AND PRIVATE COVERAGE INCREASE

Health Insurance Coverage by Type in Orange County, 2010-2014



Private Public Both None

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

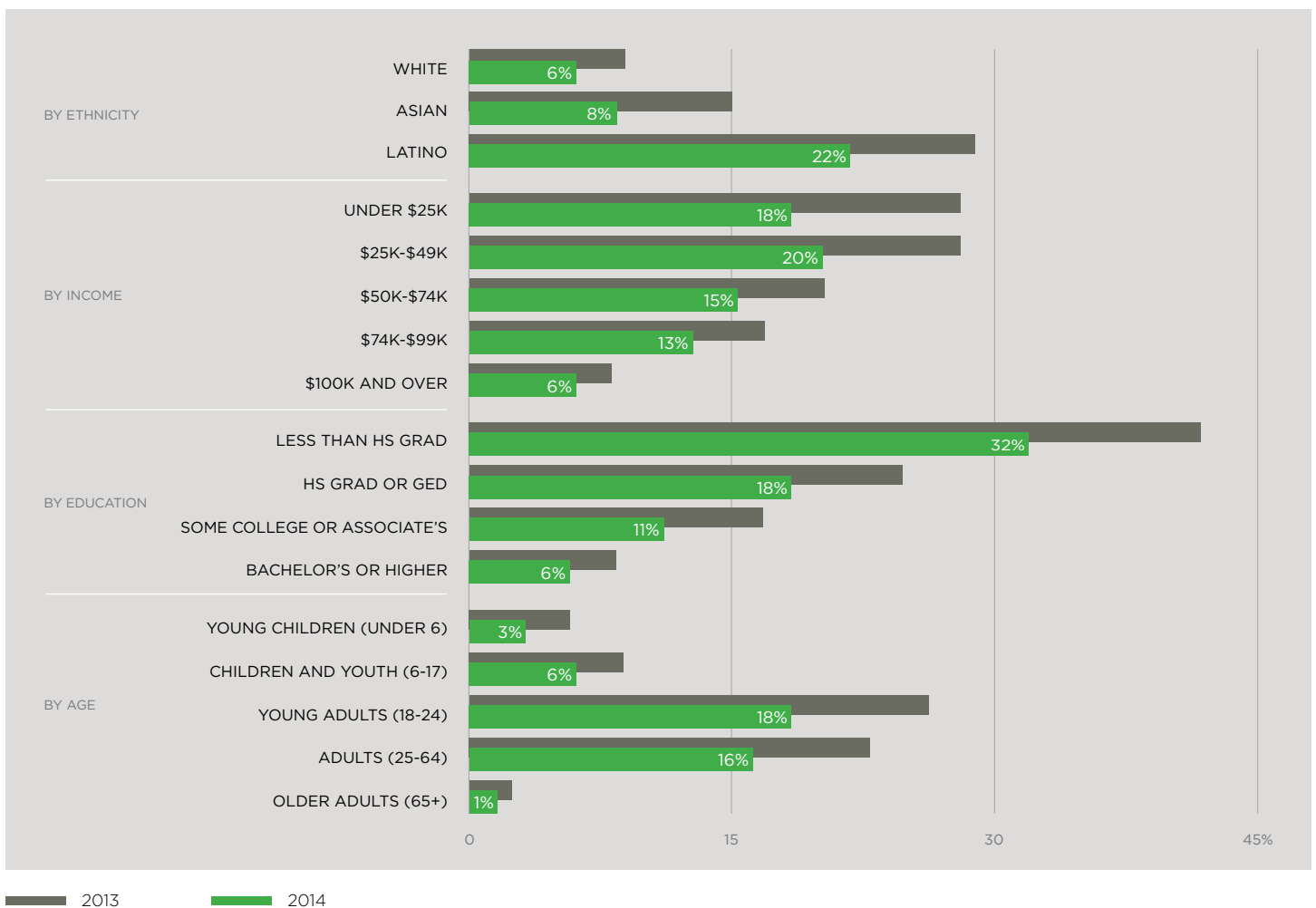


HEALTH CARE ACCESS – CONTINUED

When viewing insurance coverage by race and ethnicity, income level, educational status, and age, all groups experienced reductions in the percentage uninsured between 2013 and 2014. Still, in 2014, 32% of high school dropouts did not have insurance and 22% of Latino residents were uninsured. Young adults comprised the age group with the greatest proportion of uninsured (18%) and low-middle income individuals (earning \$25,000-\$49,000) were the income bracket most likely to be uninsured (20%).

WIDE VARIATION IN COVERAGE PERSISTS, BUT ALL GROUPS IMPROVED SINCE 2013

Uninsured in Orange County by Race/Ethnicity, Income, Education and Age, 2013 and 2014



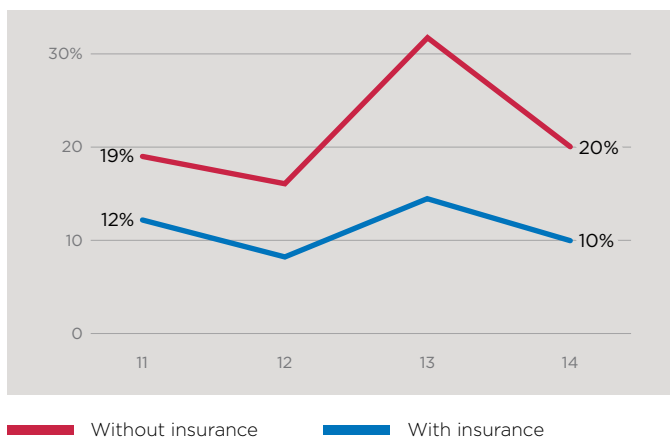
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates (<http://factfinder2.census.gov>)

HEALTH CARE UTILIZATION

Residents without insurance are more likely to delay care but the gaps between the insured and uninsured narrowed in 2014. Orange County utilization rates in 2014 were 20% for residents with insurance and 10% for uninsured residents, compared with statewide average utilization rates of 16% and 11%, respectively.

FEWER RESIDENTS DELAY GETTING NEEDED HEALTH CARE

Percentage of Orange County Population Delaying Medical Care, 2011-2014

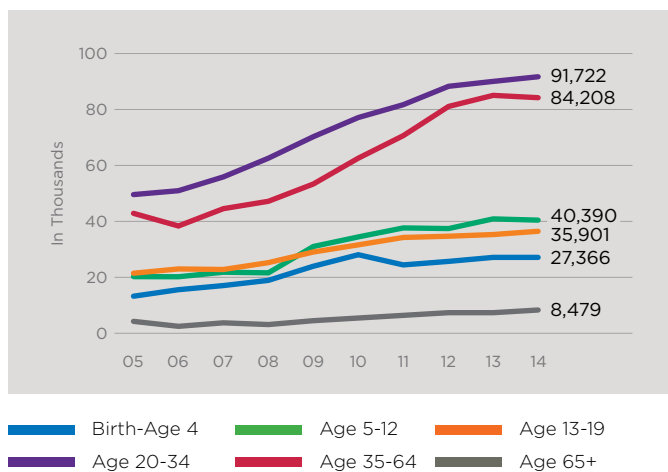


Source: California Health Interview Survey (<http://ask.chis.ucla.edu/main/default.asp>)

Community clinic use has grown substantially over the past 10 years (+91%). While seniors make up the smallest number of clinic users, their usage has grown the fastest (+127%). Clinic usage among children has also increased remarkably, especially for young children (under age five), growing 110% between 2005 and 2014. All age groups had double-digit increases in clinic utilization, including adults aged 20-34 (+85%) and 35-65 (+94%). This growth in clinic usage is in part due to the increase in the number of Orange County clinics serving residents, from 33 in 2005 to 56 in 2014.

CLINIC USE GROWS, ESPECIALLY AMONG CHILDREN AND SENIORS

Orange County Community or Free Clinic Utilization by Age, 2005-2014



Source: Primary Care and Specialty Clinics Annual Utilization Data, Office of Statewide Health Planning and Development (OSHPD)

INNOVATION SPOTLIGHT

Due to the recent expansion of Medi-Cal, CalOptima (Orange County's Medi-Cal managed care plan) is serving a larger number of homeless members, many who face the unique health care challenge of recovering safely after being hospitalized. These members experience twice as many readmissions and inpatient days when they are discharged to the street rather than to a recuperative care setting. CalOptima is providing up to \$1 million to help ensure that homeless members have appropriate care after hospitalization. To date, approximately \$160,000 of the available funding has been used, resulting in more than 1,000 days of care to 147 homeless individuals.

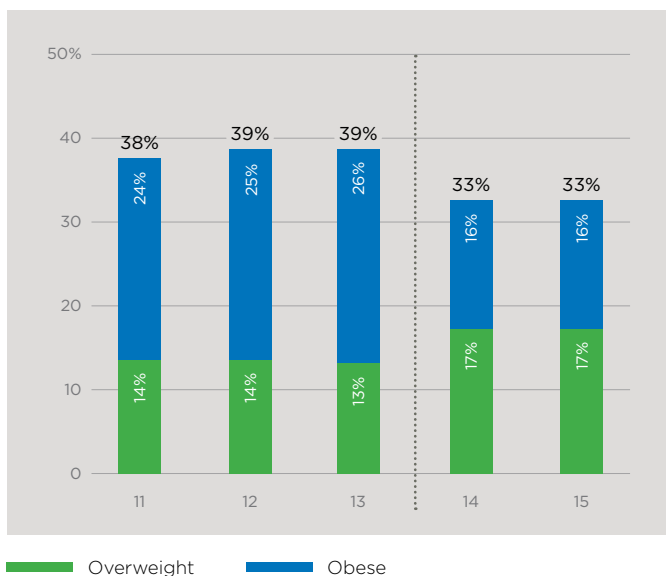


OVERWEIGHT AND OBESITY

In 2015, an average of 33% of Orange County students in 5th, 7th and 9th grades were overweight or obese compared to 38% statewide. Of the 33% of Orange County students with an unhealthy body composition in 2015, 16% were considered to be obese, while 17% were considered overweight (unchanged from the previous year). Santa Ana and Anaheim school districts had the highest proportion of overweight youth in 2015, while Laguna Beach and Irvine school districts had the lowest proportion.

STUDENTS' WEIGHT STATUS DOESN'T BUDGE

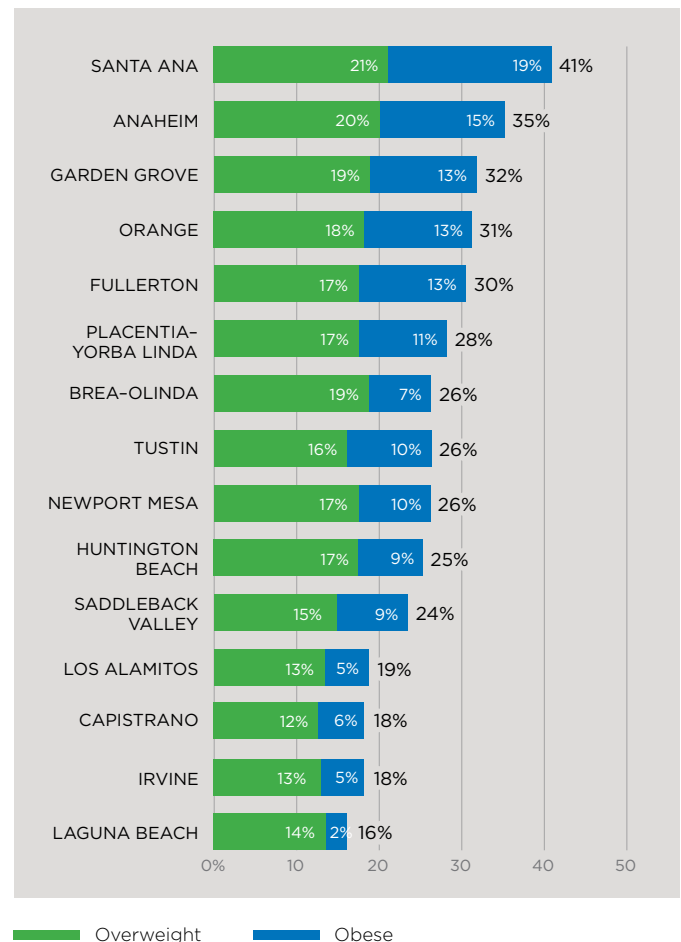
Percent of Students with Unhealthy Body Composition in Orange County, 2011-2015



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

MORE OVERWEIGHT STUDENTS IN CENTRAL ORANGE COUNTY

Percent of Students with Unhealthy Body Composition by School Districts in Orange County, 2015

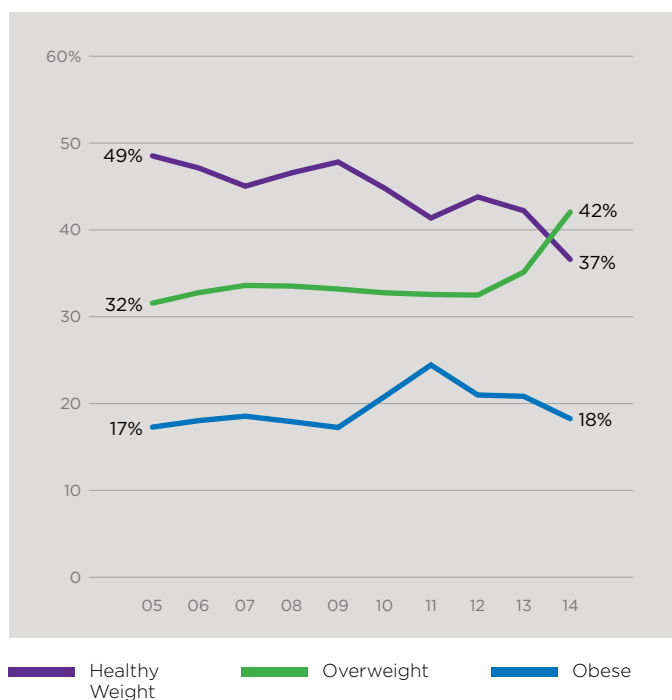


Source: California Department of Education Physical Fitness Test (<http://data1.cde.ca.gov/dataquest/>)

Overall, the proportion of adults with a healthy weight has fallen over the past 10 years, from 49% in 2005 to 37% in 2014. The current proportions are roughly on par with the state (36%) and nation (35%). In 2014, there was a sharp increase in the percentage of overweight adults, rising from 35% in 2013 to 42% in 2014. At the same time, the percentage of obese adults fell somewhat, from 21% to 18%.

DECLINE IN ADULTS WITH A HEALTHY WEIGHT

Weight Status of Adults in Orange County, 2005-2014



Source: California Health Interview Survey

Data Notes

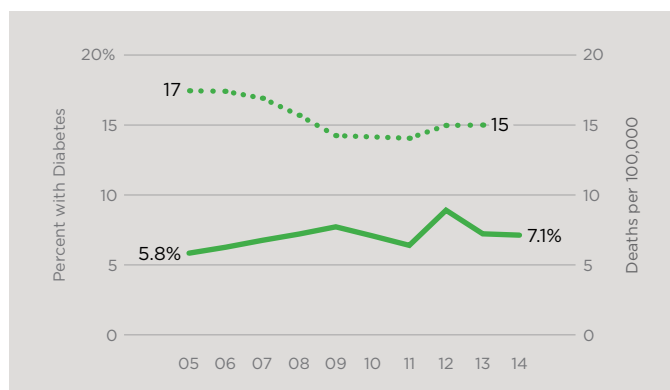
In 2014, the California Department of Education modified the body composition standards to be more aligned with the Center for Disease Control percentiles to identify lean, normal, overweight, and obese students. The category "Needs Improvement" approximates overweight, while the category "Needs Improvement - Health Risk" approximates obesity. Due to these changes, 2014 and 2015 data should not be compared to previous years. 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 to the National Health Interview Survey. State and county data are sourced to the California Health Interview Survey.

CHRONIC DISEASE

According to the Orange County Health Care Agency and the Centers for Disease Control and Prevention, chronic illnesses contribute to approximately 60% of deaths in Orange County each year and, nationwide, account for about 75% of health related costs. Four modifiable behaviors, including lack of physical activity, 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 each of the chronic diseases tracked are declining, but the percentage of people diagnosed with chronic diseases is generally rising.

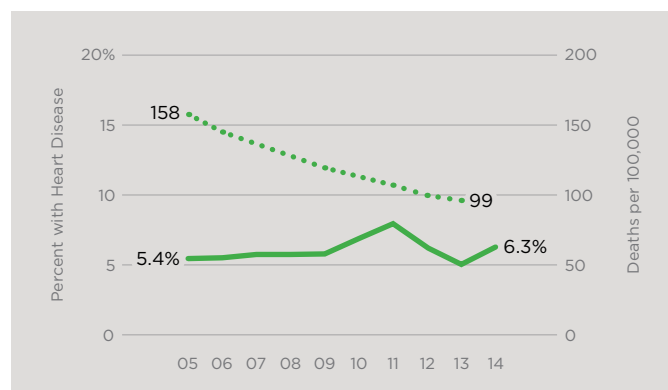
CHRONIC DISEASE PREVALENCE GROWS, WHILE DEATH RATES FALL

Diabetes Prevalence and Death Rate in Orange County, 2005-2014



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)

Heart Disease Prevalence and Death Rate in Orange County, 2005-2014



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)

DIABETES

In 2014, 7.1% of Orange County adults had been diagnosed with diabetes in their lifetimes, compared to 5.8% of adults in 2005. While more residents are living with diabetes, fewer are dying of the disease than 10 years ago; there has been a 14% decline in the diabetes death rate between 2005 and 2013.

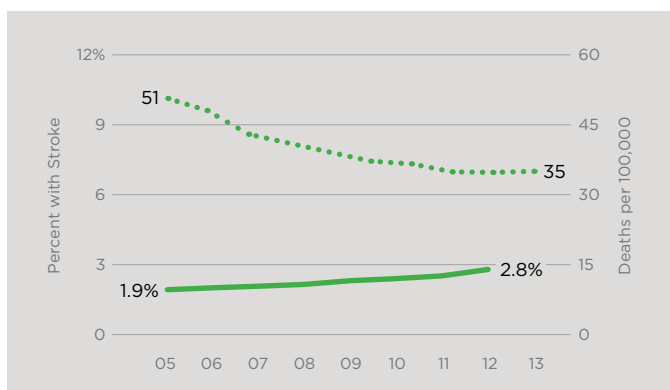
HEART DISEASE

In 2014, 6.3% of Orange County adults had been diagnosed with heart disease in their lifetimes, compared to 5.4% in 2005. Despite the rise in heart disease cases, medical advances have led to a 38% decline in the death rate for heart disease in the nine-year period between 2005 and 2013.

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.

Stroke Prevalence and Death Rate in Orange County, 2005-2013

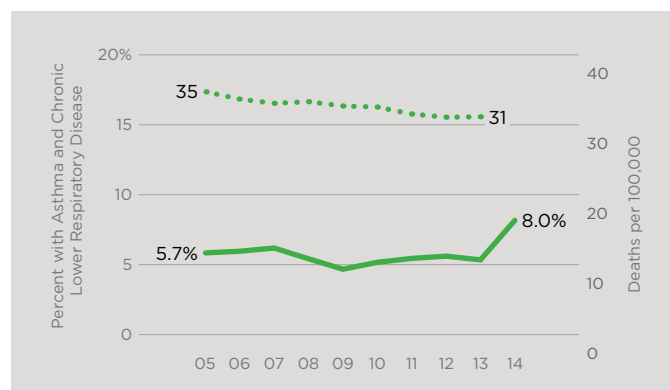


Sources: California Health Interview Survey (<http://ask.chis.ucla.edu/main/>); California Department of Public Health, County Health Status Profiles (www.cdph.ca.gov/programs/ohir/Pages/CHSP.aspx)

STROKE

The percentage of Orange County adults who have experienced a stroke rose from 1.9% in 2005 to 2.8% in 2012; however, fewer are dying from a stroke. Between 2005 and 2013, the death rate for stroke fell 32%.

Asthma and Chronic Lower Respiratory Disease Prevalence and Death Rate in Orange County, 2005-2014



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 fluctuated since 2005, but is generally trending upward, with an especially sharp increase in 2014. Conversely, deaths due to chronic lower respiratory disease (which includes asthma) have fallen 10% between 2005 and 2013.

Data Notes

Prevalence and death data are not available for all years for all diseases or causes of death. Death data reflect three-year averages. For example, "2013" is an average of 2011, 2012 and 2013 data. Death rates presented are age-adjusted. Counties with varying age compositions can have widely disparate death rates since the risk of dying is largely a function of age. Age-adjusted rates control for this variability.

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/>)

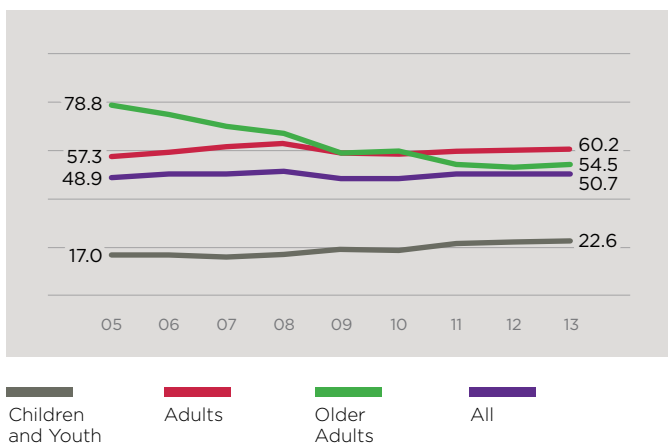


MENTAL HEALTH AND SUBSTANCE ABUSE

In 2013, there were 50.7 serious mental health and substance abuse-related hospitalizations per 10,000 residents. This rate of behavioral health hospitalizations is less than the statewide rate of 61.1 per 10,000 California residents. Over the past decade, the behavioral health hospitalization rate remained relatively steady, but two groups in particular witnessed substantial – and opposite – shifts. The hospitalization rate among older adults (age 65 and older) declined 31% since 2005. Conversely, the hospitalization rate among children and youth (0-17) increased 33% since 2005. Collectively, behavioral health admissions made up 6% of all Orange County hospitalizations in 2013.

DECLINE IN BEHAVIORAL HEALTH HOSPITALIZATIONS HALTED IN 2013; YOUTH HOSPITALIZATIONS REMAIN STEADY

Mental Health and Substance Abuse Hospitalizations per 10,000 by Age in Orange County, 2005-2013

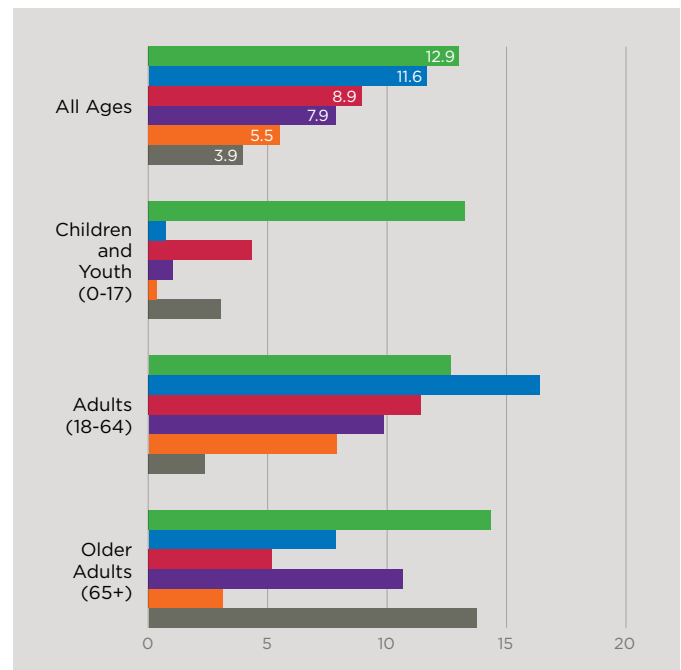


Sources: Office of Statewide Planning & Development Patient Discharge Data prepared by Orange County Health Care Agency, Research and Planning; California Department of Finance; U.S. Census Bureau, American Community Survey

Among children and youth, the most common diagnosis leading to hospitalization was major depression, which has risen 83% since 2005. Major depression was also the most frequent reason for a behavioral health admission among older adults, followed closely by the category “other” which includes cognitive disorders such as dementia. Among non-senior adults, substance-related hospitalizations were most common and have increased 15% since 2005.

DEPRESSION IS MOST FREQUENT REASON FOR HOSPITALIZATION

Mental Health or Substance Abuse Hospitalizations per 10,000 by Age and Disorder in Orange County, 2013



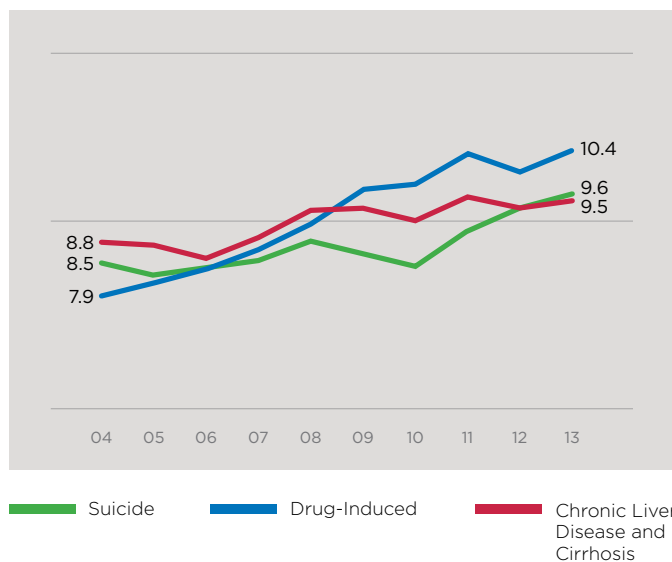
Legend: Major Depression or Mood Disorder (green), Substance-Related (blue), Bipolar (red), Schizophrenia or Psychosis (purple), Schizoaffective (orange), Other (grey)

Sources: 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

Between 2004 and 2013, substance abuse-related deaths increased. The drug-induced death rate grew by 31%, while the chronic liver disease and cirrhosis death rate rose 8%. During the same period, the suicide death rate in Orange County rose 14%.

MENTAL HEALTH- AND SUBSTANCE ABUSE-RELATED DEATH RATES CONTINUE TO RISE

Mental Health- and Substance Abuse-Related Deaths per 100,000 in Orange County, 2004-2013



Source: California Department of Public Health, County Health Status Profiles (www.cdph.ca.gov/programs/ohir/Pages/CHSP.aspx)

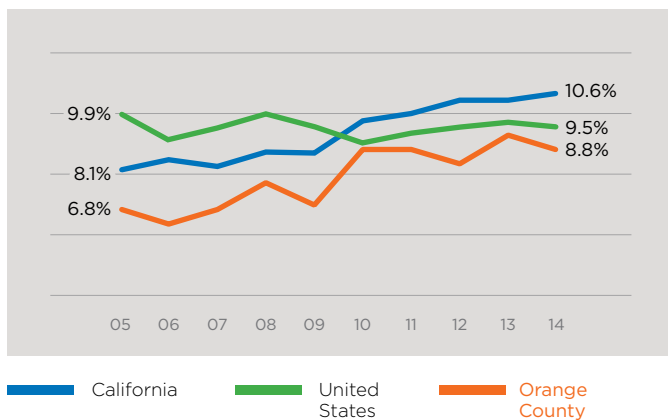


WELLBEING OF OLDER ADULTS

In 2014, an estimated 8.8% of Orange County seniors were living in poverty. This rate is down from the previous year of 9.2%, but well above 10 years ago when 6.8% of Orange County seniors were in poverty. The 2014 senior poverty rate is equivalent to nearly 36,000 Orange County residents age 65 and older living with annual incomes under \$11,354 (living alone) or \$14,326 (two people). When housing, costs of living, medical expenses and other costs are factored in, the poverty rate for seniors rises to 19.1%.

SENIOR POVERTY RATE DROPS IN 2014, BUT REMAINS 2 PERCENTAGE POINTS HIGHER THAN 10 YEARS AGO

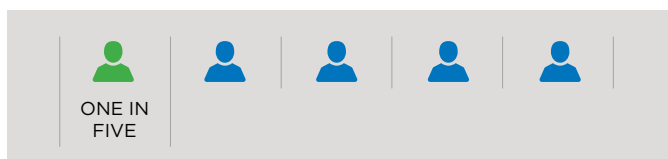
Percentage of Residents Age 65 and Over in Poverty in Orange County, California and United States, 2005-2014



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

19% OF CALIFORNIA SENIORS IN POVERTY

Proportion of California Seniors in Poverty When Local Housing, Cost of Living, Social Safety Net Benefits, Medical Costs and Other Needs are Factored In, 2013

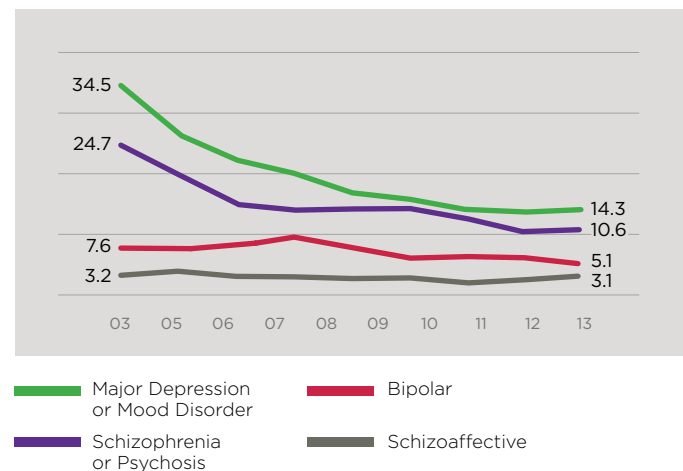


Source: 2013 California Poverty Measure, Public Policy Institute of California and Stanford Center on Poverty

In 2013, 46.7 per 10,000 older adults were hospitalized for a mental health condition, a slight increase over the previous year after declining substantially from 80.5 per 10,000 older adult hospitalizations in 2003. Sharp declines in hospitalizations for major depression and schizophrenia are behind the 42% decrease in hospitalization rates. 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.

AFTER SUBSTANTIAL DECLINES, MENTAL HEALTH HOSPITALIZATIONS AMONG SENIORS INCREASE SLIGHTLY

Older Adult Mental Health Hospitalizations per 10,000 by Disorder, Orange County, Selected Years 2003-2013

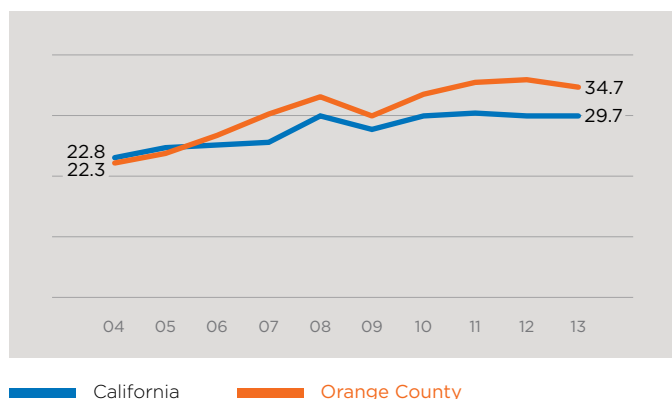


Sources: 2003, 2005, and 2007-2013 Office of Statewide Planning & Development Patient Discharge Data prepared by Orange County Health Care Agency, Research and Planning; U.S. Census Bureau, American Community Survey, 1-Year Estimates

The death rate due to Alzheimer's disease is rising faster in Orange County than statewide, increasing 56% in Orange County between 2004 and 2013, compared to a 30% increase statewide. Only 13 of the 55 California counties with data have a higher rate of death due to Alzheimer's than Orange County. Direct costs nationally of Alzheimer's disease and other dementias were estimated to be \$226 billion in 2015 and projected to be as high as \$1.1 trillion by 2050.

DESPITE RECENT DECLINE, ALZHEIMER'S DISEASE DEATHS INCREASE FASTER IN ORANGE COUNTY

Age-Adjusted Deaths per 100,000 due to Alzheimer's Disease in Orange County and California, 2004-2013

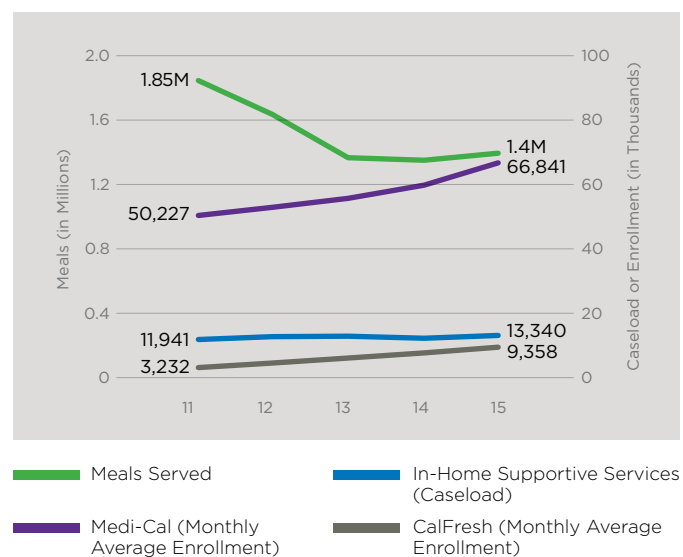


Source: California Department of Public Health, Vital Statistics Query System (<http://informaticsportal.cdph.ca.gov/CHSI/VSQS/>)

Older adults' need for social support services has largely outpaced population growth. There was a 190% increase in CalFresh enrollment between 2011 and 2015, a 33% increase in Medi-Cal enrollment, and a 12% increase in the in-home supportive services caseload. Over the same period, the older adult population grew 18%. The number of home delivered and congregate meals served to seniors began to rebound in 2015 after several years of decline due in part to the sequester (federal spending cuts that began in March 2013).

DEMAND FOR SENIOR SUPPORT SERVICES CONTINUES TO GROW

Older Adult Support Services in Orange County, 2011-2015



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

Data Notes

Explanations for the declines in mental health hospitalization among seniors are sourced to: Impact of Medicare Part D on anti-depressant treatment, medication choice, and adherence among older adults with depression (American Journal of Psychiatry, December 2011) and Trends in Depressive Symptom Burden Among Older Adults in the United States from 1998 to 2008 (Journal of General Internal Medicine, December 2013). According to the Mayo Clinic, 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. Costs due to Alzheimer's are sourced to the Alzheimer's Association (<http://www.alz.org/facts/>)



Children's Health and Wellbeing

FOCUS ON COORDINATION AND PREVENTION

Increasingly poor health is placing a tremendous burden on individuals, our economy and our community. The downstream effects of childhood mental illness and obesity, for example, are remarkably costly to business, government, and residents as we pay the medical costs of diabetes, heart disease, and depression – upwards of \$5.5 billion in 2015 in Orange County alone. For these trends to change, we need to ensure the health of the county's future adults: our children. To that end, this feature focuses on how Orange County is addressing the twin dangers of childhood mental illness and obesity through two key strategies: coordination and prevention.

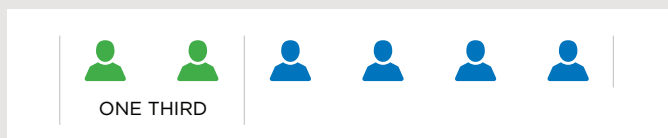
OBESITY AND CHRONIC DISEASE TRENDS

Nationwide, obesity has grown dramatically over the past 30 years, even among youth. As of 2014/15, one-third (32.8%) of Orange County children were overweight or obese – the same rate as the prior year, but still well above historical levels.¹ In some communities in Orange County as many as half of children are obese. The only exceptions are preschoolers (ages 2-5) who, as a group, show some improvement at the national level over the past 10 years – a glimmer of hope for continued prevention strategies.

Among adults, the prevalence of two obesity-related chronic diseases – diabetes and heart disease – vary from year-to-year, but the long-term trend is towards increasing rates of these diseases. These trends are likely to continue if we don't find ways to reduce childhood obesity.

HOLDING AT ONE-THIRD OF ORANGE COUNTY STUDENTS OVERWEIGHT OR OBESE

Percentage of Orange County 5th, 7th and 9th Grade Students who are Overweight or Obese and At-Risk for Metabolic Syndrome, 2014/15



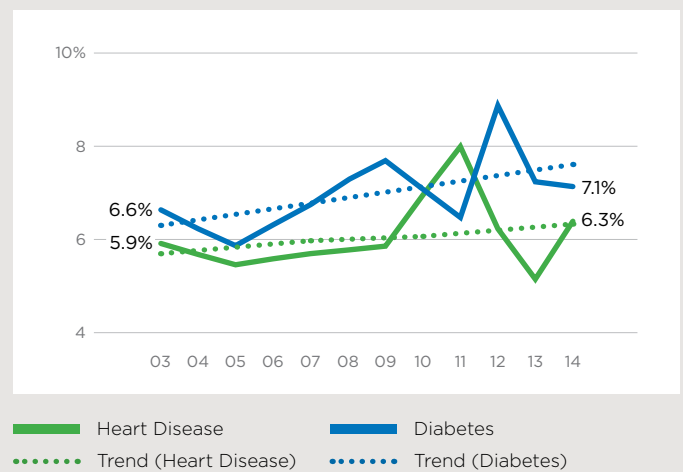
Obese or At Risk for Obesity

Source: California Department of Education, Physical Fitness Test

¹Data are the combined results of 5th, 7th and 9th grade students taking the California Department of Education Physical Fitness Test. See page 46, Overweight and Obesity.

LONG-TERM RISE IN OBESITY-RELATED CHRONIC DISEASES CONTINUES

Percentage of Orange County Residents Ever Diagnosed with Diabetes or Heart Disease, 2003-2014



Source: California Health Interview Survey

MENTAL HEALTH TRENDS

HOSPITALIZATIONS AND SUICIDES

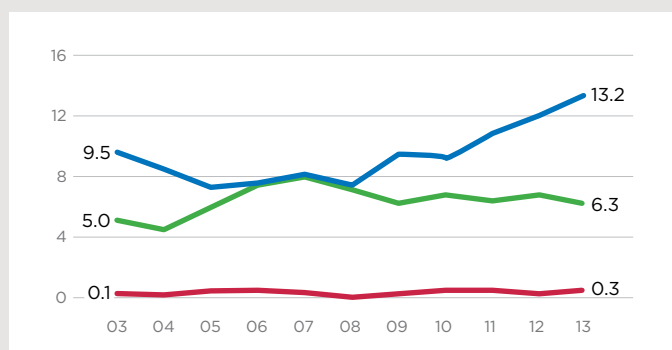
The hospitalization rate for major depression among children and youth continues to rise, increasing 39% since 2003. Furthermore, the suicide death rate for youth and young adults (ages 15-24) – an extreme indicator of mental health – has grown 26% over this period. In 2013, there were 33 suicide deaths committed by young people between the ages of five and 24 in Orange County.

MENTAL HEALTH CARE PROVIDERS

The ratio of the county population to the number of mental health providers in Orange County improved between 2014 and 2015, from 511 residents per provider to 480 residents per provider. But due to improving ratios statewide, Orange County remains toward the bottom of the rankings among the state's 58 counties: 39th in 2015.

A DECADE OF INCREASINGLY POOR MENTAL HEALTH FOR CHILDREN, YOUTH AND YOUNG ADULTS

Major Depression or Mood Disorder Hospitalizations per 10,000 (Ages 0-17) and Suicide Deaths per 100,000 (Ages 5-24) in Orange County, 2003-2013

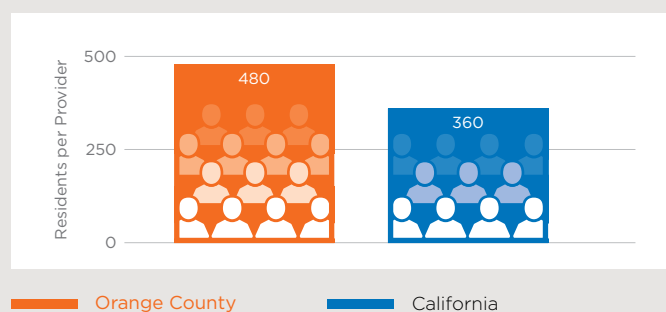


— Hospitalizations for Major Depression per 10,000 (Ages 0-17)
— Suicides per 100,000 (Ages 15-24) — Suicides per 100,000 (Ages 5-14)

Source: California Department of Public Health, Vital Statistics Query System (<http://informaticsportal.cdph.ca.gov/CHSI/VSQS/>)

ORANGE COUNTY RANKS 39TH OUT OF 58 COUNTIES IN AVAILABILITY OF MENTAL HEALTH PROVIDERS

Ratio of Residents to Mental Health Providers in Orange County Compared to California, 2015



Note: Due to changes in the providers included in the analysis, this presentation of the data cannot be compared to the presentation in the 2015 Community Indicators Report.

Source: County Health Rankings and Roadmaps 2016, based on 2015 data from Centers for Medicare and Medicaid (CMS) National Plan and Provider Enumeration System

Current Number of Inpatient Mental Health Beds for Children under 12 in Orange County

0

Number of Inpatient Mental Health Beds for Children and Youth Ages 3-17 Opening at CHOC Children's in December 2017

18

Data Notes

Mental health professionals included in the calculation of residents per provider are psychiatrists, psychologists, licensed clinical social workers, counselors, marriage and family therapists and advanced practice nurses specializing in mental health care. In 2014, marriage and family therapists and mental health providers that treat alcohol and other drug abuse were added to this measure and therefore these statistics cannot be compared to the ratios presented in last year's Pivot Point.

COORDINATION

Coordination allows agencies to reduce duplication, identify gaps, and apply multiple funding streams and initiatives to a common purpose.

COORDINATING LOCAL ASSETS FOR COLLECTIVE IMPACT

Fortunately, the county has many nonprofit service providers and government agencies, as well as foundations, hospitals and community-minded businesses working together to marshal resources and make the county a healthier place. Further, recent funding allocations, such as the dollars made available by the California Mental Health Services Act (MHSA), the U.S. Department of Agriculture's Nutrition Education and Obesity Prevention (NEOP) grant program, and the Centers for Disease Control and Prevention's Partnerships to Improve Community Health (PICH), provide additional resources to support initiatives. Several notable collaboratives harness these resources and the collective action of their members to align priorities, identify gaps and funding opportunities, and achieve common goals.

OBESITY PREVENTION COLLABORATIVES

- **Orange County's Healthier Together (OCHT)** initiative is a broad-based coalition of public and private agencies that convened to identify and address critical health issues in the county. The foundation of the initiative is a joint Community Health Improvement Plan that sets goals and objectives that are focused on prevention and improvements to the public health system. The improvement plan includes four priority areas and goals for each area including reducing childhood obesity and increasing emotional and mental wellbeing among residents. The key actors for each goal area are identified along with short- and long-term strategies.

www.ochealthiertogether.org

- Taking a "policy, systems and environmental change" approach to the problem of childhood obesity, the **Partnership to Improve Community Health (PICH)** is one of 94 Centers for Disease Control (CDC)-funded partnerships nationwide. Orange County PICH is led by the Community Action Partnership of Orange County. There are eight partners in this \$4.1 million grant award plus an evaluator studying the PICH partners' many initiatives, with results due in late 2017. **www.ocpich.org**
- **Nutrition and Physical Activity Collaborative (NuPAC)** includes over 200 members that meet quarterly to gain information, network and collaborate to prevent and reduce obesity through the promotion of healthy eating and active lifestyles. **<http://ohealthinfo.com/phs/about/family/nutrition/nupac>**

MENTAL HEALTH COLLABORATIVES

There are two collaboratives working on pediatric mental health, including one with a focus on young children. Both have certain members in common to facilitate communication and coordination.

- The **Early Childhood Mental Health Collaborative's** purpose is to improve the behavioral and mental health outcomes for young children in Orange County. Partners include: the Orange County Department of Education, CHOC Children's, Comfort Connection Family Resource Center/Regional Center of Orange County, Social Science Resource Center at CSUF, and Children's Home Society of California. Technical assistance is provided by the Children and Families Commission of Orange County.
- The goal of the **Pediatric Mental Health System of Care Task Force** is to create an integrated mental health system of care for all children, youth and young adults, both privately and publicly insured. To that end, the Task Force, facilitated by CHOC Children's, meets bi-monthly to tackle critical issues. Members include, but are not limited to, leaders from County of Orange agencies, Orange County Department of Education, St. Joseph Hoag Health, UCI, American Academy of Pediatrics, Saddleback Church, Kaiser Permanente, Jewish Federation & Family Services, and the Orange County Alliance for Children and Families.

PREVENTION

Prevention maintains children’s health and wellbeing, which reduces the demand for costly and, in some cases, unavailable or ineffective treatment.

INNOVATIONS IN PREVENTION

When it comes to childhood obesity and mental health conditions, prevention is viewed as a critical strategy to sidestep the personal and societal burden of these conditions. The showcased collaboratives have a hand in several innovative initiatives that are examples of what can happen when multiple actors use a variety of different funding streams to prevent poor health. The initiatives below are just a few of many efforts countywide. They show, for example, that the key approaches for preventing obesity are both environmental and educational. For mental health, the effort is currently focused on fostering healthy and supportive atmospheres at school, as well as ensuring families have access to a coordinated system of care.

OBESITY PREVENTION IN THE SCHOOLS	OBESITY PREVENTION IN THE COMMUNITY
Local School Wellness Policies Local School Wellness Policies (LSWP) help districts create environments for students that encourage healthy food choices and physical activity. While the policies have been mandated since 2006 for districts that participate in the National School Lunch Program, their quality varies. Seeing an opportunity to improve the strength of these plans and increase implementation, several agencies target and leverage resources to help districts improve LSWPs in Orange County schools. These organizations include NEOP, Partnership in Community Health (PICH), Orange County United Way, HEAL grant, Orange County Department of Education, the Dairy Council of California and others. Since agencies have restrictions on how they can allocate funds, by working in parallel and assigning resources where they are allowed, the county is better able to encourage the implementation of LSWPs. While there is still work to be done, substantial progress has been made since 2006.	Champion Moms The Champion Moms program is part of the Champions for Change movement of the Nutrition Education and Obesity Prevention (NEOP) program and supported by NuPAC. The Champions for Change campaign empowers low-income residents to eat more fruits and vegetables and become more physically active. Everyday moms (the so-called Champion Moms) are recruited to help inspire other moms to overcome challenges and make healthy changes for their families and communities. These Champion Moms are role models, helping transform neighborhoods to make healthy eating and daily physical activity a way of life. For example, in Buena Park, a group of moms noticed that their kids were buying junk food on their way home from schools, so they got together to start a small after school farm stand. Not only did they give kids a healthier option after school, the market was a fundraiser. To date, Orange County has 70 Champion Moms, the most of any region in California.



Move More Eat Healthy at School

The Move More Eat Healthy (MMEH) initiative of the Orange County Department of Education (OCDE) responds to the twin realities that few California schools provide physical education specialists and many schools are falling short of the mandated number of physical education minutes. The MMEH Classroom Fit Kit intervention aims to increase students' physical activity minutes and nutrition awareness in a way that is affordable, sustainable and scalable countywide.

Fit Kits give teachers the opportunity to provide students with 10-30 minutes of daily physical activity and nutrition instruction right inside the classroom by using simple fitness equipment, plus DVD or

web-based physical fitness learning activities that require little-to-no preparation. When space is available, empty classrooms can be converted into a Fit Kid Center – mini-gyms where teachers can use enhanced Fit Kit tools and resources with more elbowroom.

As of June 2016, there were over 2,500 Orange County teachers with Kits and/or using a school-based Fit Kid Centers, together impacting 75,000

low-income Orange County students. Preliminary evaluation results are promising; student's participating in the program demonstrated greater reductions in overweight/obesity compared to a control group. The MMEH initiative is also working to incorporate Fit Kits into the after school program providers serving these students. Reflecting the ongoing communication and input from teachers using the kits, Fit Kit 2.0 and Fit Kid Center 2.0 version programs are scheduled to be introduced in 2017.



Wellness Corridor

With limited park space in Santa Ana, residents have few places to be active outdoors. This reality inspired a partnership of PICH, Latino Health Access, Santa Ana Active Streets and others to create a “wellness corridor” in Santa Ana – the transformation of a 2-mile loop of streets and sidewalks in the center of the city into an inviting place for residents to walk, bike and shop. Improvements include bike safety enhancements, flashing beacons for crosswalks, access to bathrooms and water at intervals, and the Latino Health Access Park and Community Center at the mid-point of the circuit. The PICH-funded aspects of the Wellness Corridor will be complete by July 2017, with evaluation results available at the end of that year, but continued efforts to improve and expand the Corridor are expected to continue.



Wellness Corridor



Reducing Stress, Increasing Resilience

According to data from the 2014 National Survey on Drug Use and Health (NSDUH) study, 11.4% of the U.S. population aged 12 to 17 had at least one major depressive episode in the past year.² Schools are increasingly playing a role to reduce this incidence by fostering supportive environments and offering strategies that aim to prevent stress, depression and related conditions. For example, a variety of services in Orange County schools have been funded by, or will be funded by, MHSA dollars, including: wellness curriculum with a mental health focus; family strengthening interventions; Violence Education Prevention Programs, which include crisis response network services, anti-bullying/cyber-bullying efforts, social media literacy training, and student conflict-resolution training; and teacher training in strategies that integrate mindfulness into K-12 learning to boost students' resilience, reduce stress, and improve the school climate. Further, OCDE's Positive Behavior Interventions and Supports Leadership Team provides training, coaching, and systems evaluation for Orange County schools seeking to implement a school-wide program to improve the social-emotional and academic outcomes of all students.

Early Childhood Mental Health Needs Identification

As reported in last year's Pivot Point, expulsion from state-funded preschools occurs at a rate three times as high as expulsion rates in K-12 education, suggesting behavioral health interventions are needed long before children enter elementary school.³ In order to better understand the needs of children with mental and behavioral health problems, as well as the child care providers who serve these children in the early learning setting, the Early Childhood Mental Health Collaborative came together to fund a survey of early care and education providers. The survey, in progress by CSUF, will assess providers' comfort level with serving children with mental/behavioral health needs and their ability to refer parents to services. It will also track expulsions, the availability of training, providers' interest in receiving training or other types of support, and overall gaps in early mental and behavioral health services countywide. Survey results are due in summer 2016.

Further, MHSA Prevention and Early Intervention funds services for families with children 0-6 who are at risk of school failure because of emotional and behavioral conditions. Families are taught how to develop protective factors and resiliency in their children, and they are linked to appropriate behavioral health services to meet their needs. Follow up data have demonstrated significant improvements in participating families' ability to support good behavior, set limits with their children, and utilize effective parenting techniques.

Pediatric Health Services Map

To inform the efforts of the Pediatric Mental Health System of Care Task Force and to identify available resources and gaps, CHOC Children's is creating Orange County's first-ever map of pediatric mental health services that are currently available to publicly and privately insured children and youth.

²Substance Abuse and Mental Health Services Administration (SAMHSA) by RTI International www.samhsa.gov

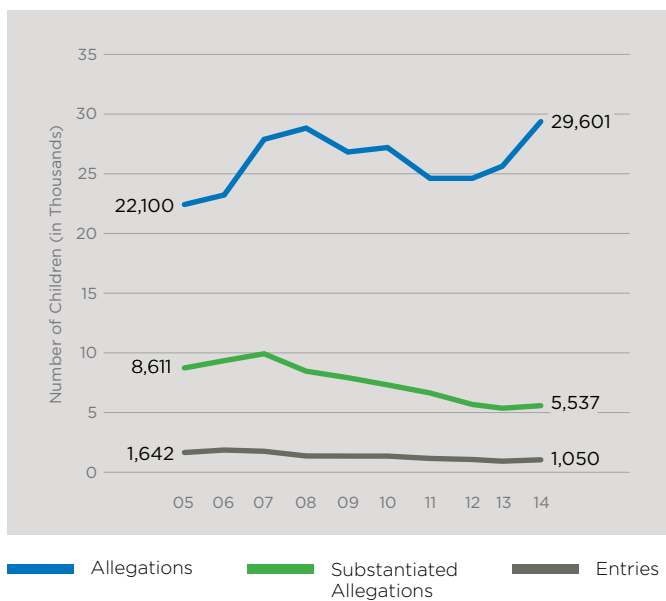
³Gilliam, Walter S. PhD. Prekindergartners Left Behind: Expulsion Rates in State Prekindergarten Systems. Yale University Child Study Center. HartfordInfo.org. Hartford Public Library, 2005. Web. 1 February 2015.

CHILD ABUSE AND NEGLECT

Between 2005 and 2014, child abuse reporting increased 34% while confirmed reports of abuse (substantiated allegations) fell 36%. Over the same 10-year period, entries to foster care also fell 36%. After several years of decline, substantiated allegations and entries to foster care rose 3% and 4%, respectively, between 2013 and 2014. When possible, the Orange County Social Services Agency keeps families intact while providing stabilizing services. This may account for the fact that only 19% of confirmed reports in Orange County result in foster care placement, compared to 39% statewide. Entries include first-time entries and reentries into the foster care system; not all reentries stem from a substantiated referral.

CONFIRMED CHILD ABUSE AND ENTRIES TO FOSTER CARE ROSE IN 2014

Allegations, Substantiated Allegations and Entries to Foster Care, Orange County, 2005-2014



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

FEWER ORANGE COUNTY CHILDREN ENTER FOSTER CARE THAN THE STATE AND ALL PEERS COMPARED

Regional Comparison of Substantiated Child Abuse Allegations and Entries to Foster Care, 2014



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

CRIME RATE

Orange County's crime rate dropped 11% between 2013 and 2014, driven by a 12% decline in the property crime rate, which comprises the majority of crime in Orange County and nationwide. The violent crime rate increased 2% in Orange County between 2013 and 2014. Overall, Orange County's crime rate has declined 28% in 10 years and is lower than the state and national averages and all peer regions compared. Crime rate analysis includes violent crimes (homicide, rape, robbery, and aggravated assault) and property crimes (burglary, larceny-theft, motor vehicle theft, and arson).

ORANGE COUNTY VIOLENT AND PROPERTY CRIME RATES ARE THE LOWEST IN 10 YEARS

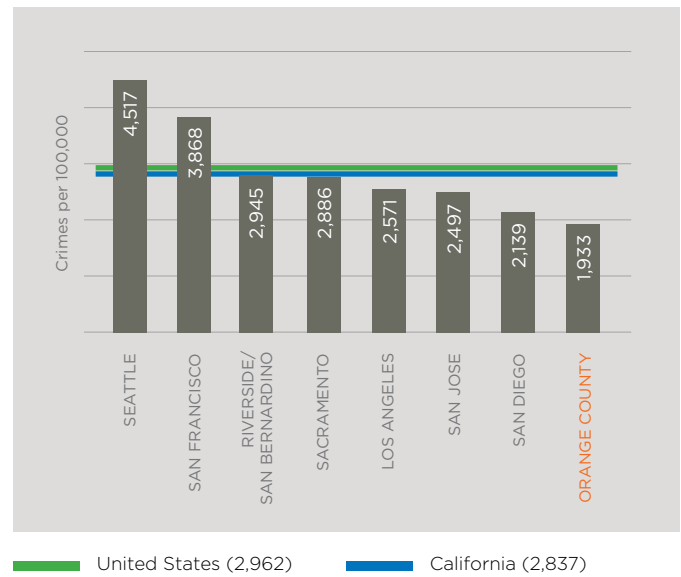
Crime Rate in Orange County, 2005-2014



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

ORANGE COUNTY HAS THE LOWEST OVERALL CRIME RATE COMPARED TO PEERS

Regional Comparison of Crime Rate, 2014



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



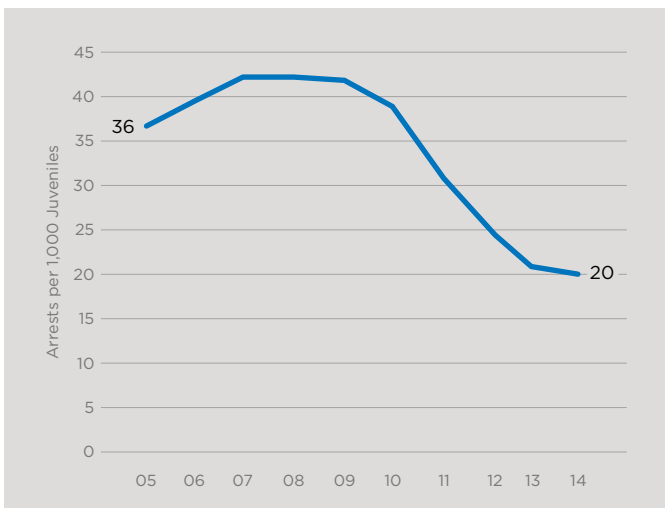
JUVENILE CRIME

In 2014, at 20 arrests per 1,000 juveniles, Orange County's juvenile crime rate was slightly lower than the statewide rate of 21 arrests per 1,000 juveniles. Orange County's juvenile arrest rate equates to a total of 6,580 juvenile arrests in 2014, compared with 12,985 juvenile arrests in 2005. Juvenile arrests comprised 9% of all arrests in 2014, compared with 13% in 2005.

School expulsions dropped substantially in the 2014/15 school year, and are low compared to 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 52% SINCE ITS PEAK

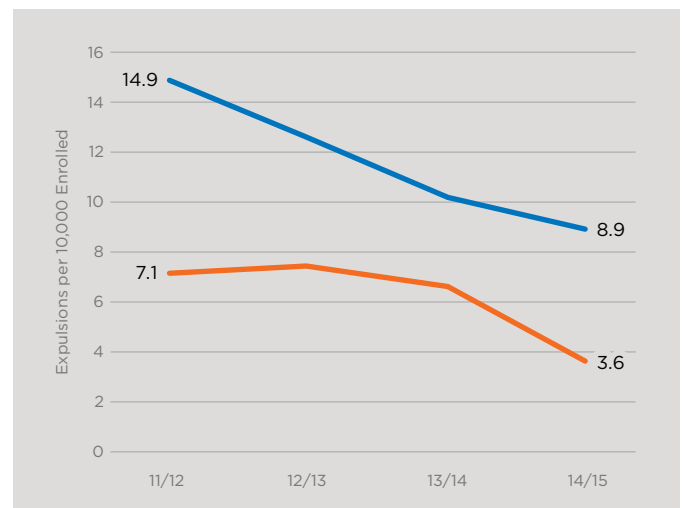
Juvenile Arrest Rate (Ages 10-17) in Orange County, 2005-2014



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 DROPPED SUBSTANTIALLY IN 2014/15

Expulsion Rate in Orange County and California, 2012-2015



Orange County California

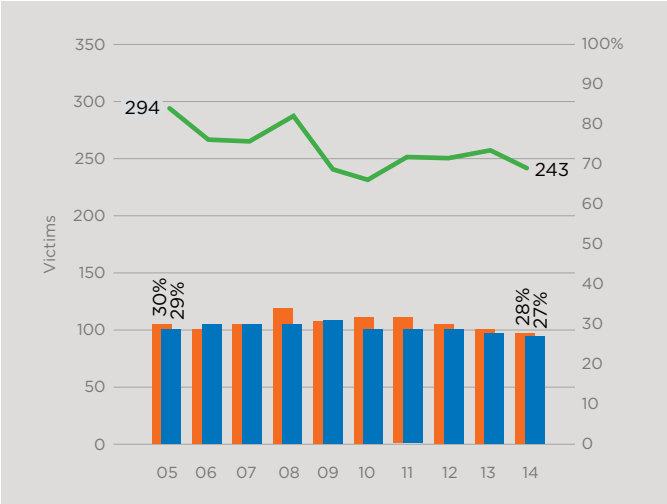
Source: Department of Education, DataQuest (<http://data1.cde.ca.gov/Dataquest/>)

DRINKING AND DRIVING

There were 243 victims (fatalities or severe injuries) in alcohol-involved collisions in Orange County in 2014. This is a 17% drop in victims over 10 years. On a per capita basis, Orange County's rate of alcohol-involved fatalities and severe injuries decreased 21% over 10 years, dropping from 9.8 victims per 100,000 Orange County residents in 2005 to 7.7 victims per 100,000 in 2014. Accidents with minor injuries are not counted in this analysis due to wide variation in reporting by jurisdictions.

VICTIMS OF ALCOHOL-RELATED COLLISIONS DROP 17% IN 10 YEARS

Number and Percentage of Traffic Fatalities and Severe Injuries that Involved Alcohol in Orange County and California, 2005-2015



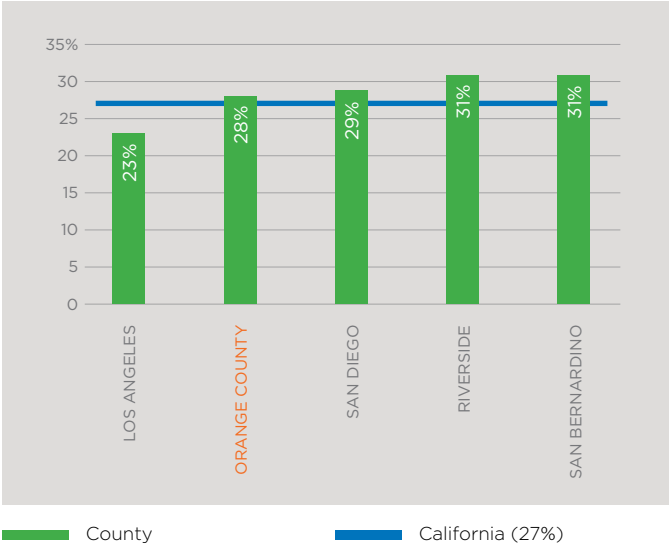
PERCENTAGE OF ALL TRAFFIC VICTIMS THAT INVOLVED ALCOHOL
Orange County %
California %

NUMBER OF VICTIMS OF ALCOHOL-INVOLVED ACCIDENTS
Orange County Victims

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

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

County Comparison of Percentage of Traffic Fatalities and Severe Injuries that Involved Alcohol, 2014



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



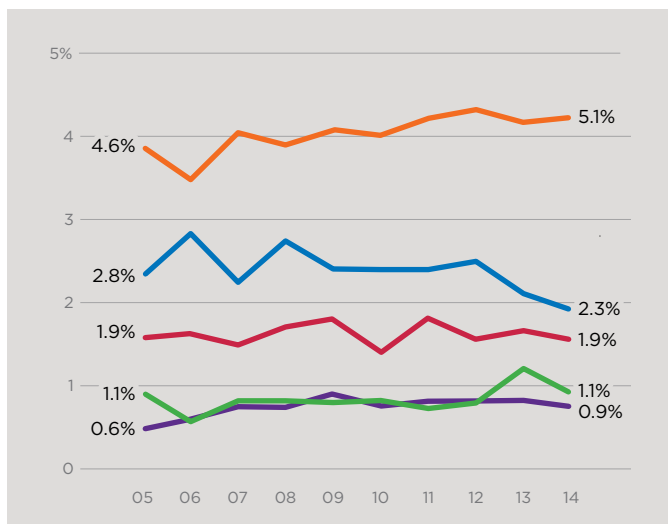
TRANSPORTATION

In 2014, 79% of Orange County residents age 16 and over drove to work alone, a trend that has not changed appreciably since 2005. Carpooling decreased slightly over 10 years to 10% of commuters, while those taking public transit to work comprised 2.3% of all commuters in 2014. Working at home and bicycling to work have increased since 2005.

Investment in bikeways in Orange County is gradually increasing, including off-street paved bike paths (Class I), on-road striped and signed bicycle lanes (Class II) and on-road, shared-lane, signed bicycle routes (Class III). In 2016, there were 1,120 miles of bikeways in Orange County, an increase of 12% since 2011.

BIKING AND WORKING AT HOME INCREASE

Percentage of Residents Commuting to Work by Mode in Orange County, 2005-2014

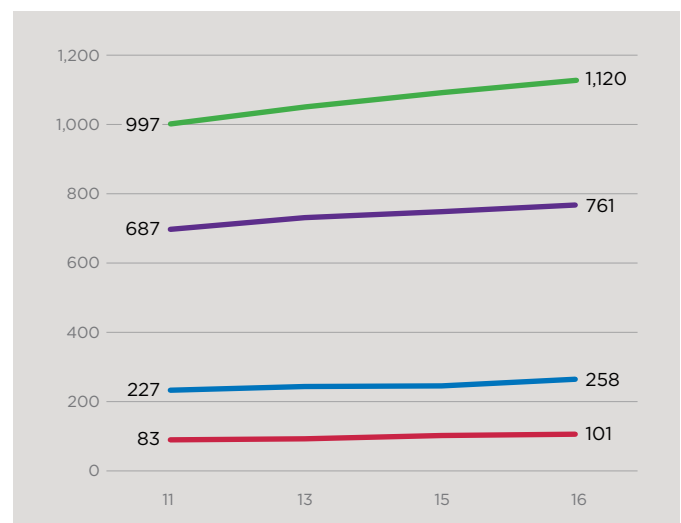


Worked at Home Public Transportation
Walked Other (Motorcycle, Taxi, etc.)
Bicycled

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

MILES OF BIKEWAYS GRADUALLY INCREASING

Miles of Bikeways in Orange County, 2011-2016



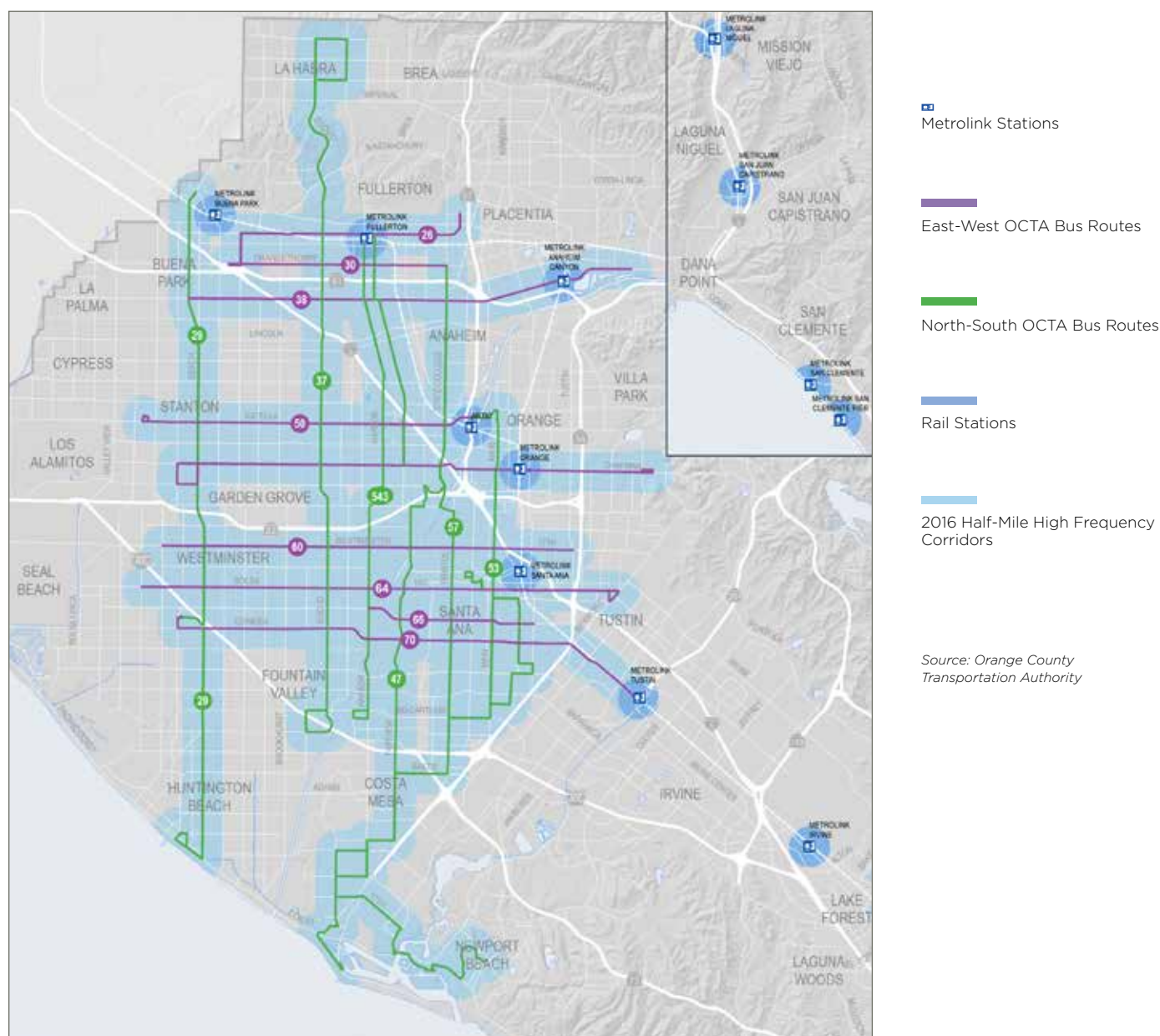
Class I Class II
Class III Total

Source: Orange County Transportation Authority

The Orange County Transportation Agency tracks residents' access to “high quality transit corridors” or HQTC, where the time between buses serving stops along these routes is 15 minutes or better during weekday peak periods. In 2016, 39% of Orange County’s population lived within one-half mile of access to a HQTC, an increase of eight percentage points since 2014. Half of all passenger activity (50%) occurs on buses traveling on these corridors, up from 40% in 2014.

39% OF ORANGE COUNTY RESIDENTS LIVE NEAR HIGH-QUALITY BUS CORRIDORS

High-Frequency Transit Corridors in Orange County, 2016



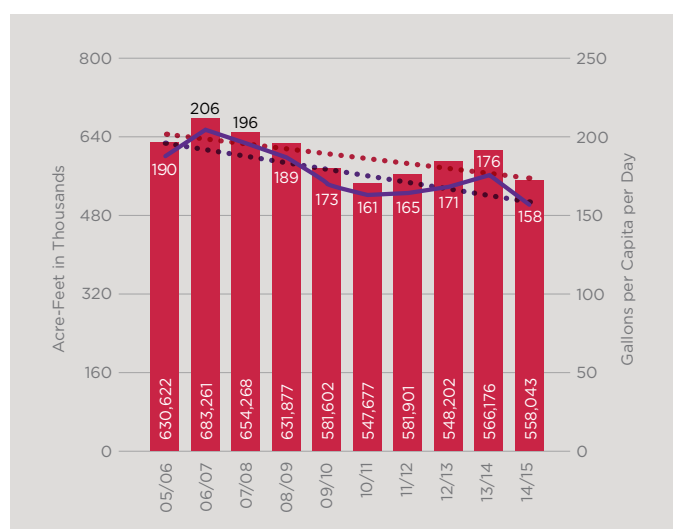


WATER USE AND SUPPLY

Statewide mandatory urban water restrictions, which went into effect in June 2015 and were lifted in May 2016, imposed water usage limits and prompted increased conservation and recycling. The result was a 10% drop in per capita water usage in Orange County between 2013/14 and 2014/15. Countywide in 2014/15, residents consumed an average of 158 gallons per capita per day, down from 176 the year before.

MANDATORY RESTRICTIONS REDUCE WATER USE

Urban Water Usage in Acre-Feet and Gallons per Capita Per Day in Orange County, 2006-2015



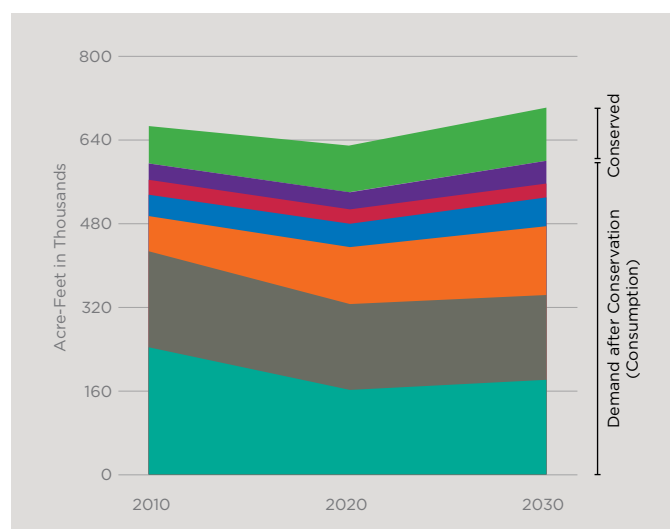
■ Acre-Feet — Gallons per Capita per Day
..... 10-Year Trend (Acre-Feet) 10-Year Trend (per Capita)

Sources: Municipal Water District of Orange County; California Department of Finance (Tables E-4 and E-1)

Reduced consumer water demands stemming from the ongoing drought and water use restrictions have resulted in future water use projections that are significantly lower than previously estimated. Lower usage reduces demand on the groundwater basin, as well as imported water for direct use. In the future, ocean water desalination is anticipated to replace some imported water for direct use.

PROJECTIONS ANTICIPATE LESS WATER USED IN 2020 THAN TODAY

Projected Acre-Feet of Water by Source for Orange County, 2010-2030



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

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

DROUGHT STATUS

As of June 2016, Orange County continued to experience “exceptional” and “extreme” drought conditions – the two driest rankings in the U.S. Drought Monitor’s five-level scale. Despite heavy rainfall early in 2016 in parts of the state, an above-average snowpack, and rising reservoirs in many areas, the drought situation remains serious.

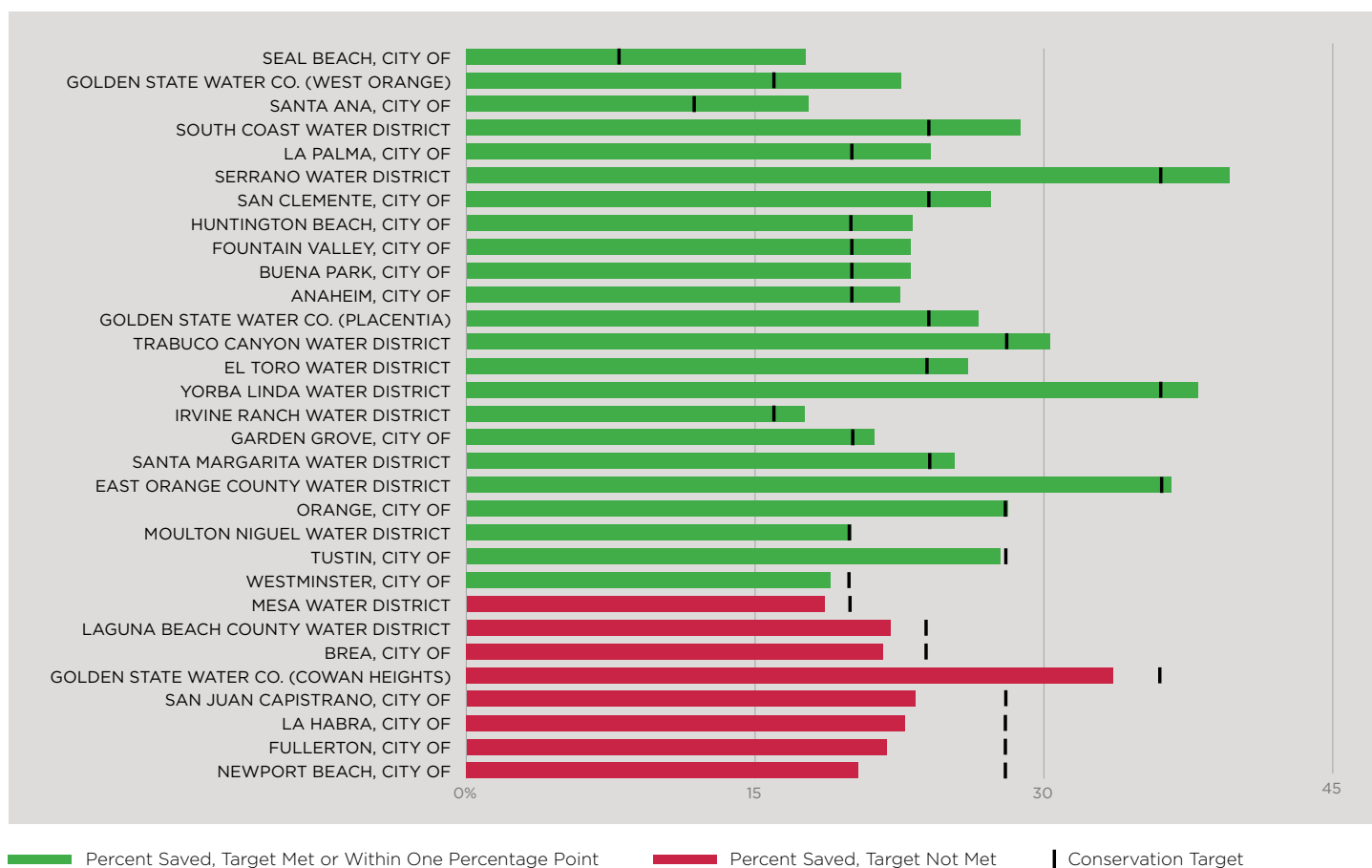
Sources: U.S. Drought Monitor (<http://droughtmonitor.unl.edu/>); National Oceanic and Atmospheric Administration; California Department of Water Resources (www.water.ca.gov/)

As of December 2015, most Orange County water retailers (22 out of 31) had complied with their state emergency water conservation standard (or target) or were within one percentage point of meeting their target. Targets for each retailer were set based on a retailer's average gallons per capita per day (GPCD) usage for their service area. Suppliers with already low GPCD were required to conserve less, and vice versa. The targets were designed to enable the state to meet the Governor's statewide 25% emergency reduction goal. Due to several agencies exceeding their targets, the statewide cumulative savings between June 2015 and December 2015 met the 25% conservation mandate in spite of some agencies falling short.

While the statewide conservation targets were lifted in May 2016, conservation is still a priority. Local jurisdictions are now required to set their own water conservation standards based on the health of their water supplies and anticipated local demand.

22 OUT OF 31 ORANGE COUNTY WATER RETAILERS COMPLIED WITH STATE CONSERVATION TARGETS

Percentage of Water Saved from June 2015 to December 2015 Compared to Conservation Targets for Orange County Water Retailers



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

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

**Orange County
Community Indicators Project**

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