

Social Support Systems

Utah Citizens Counsel Social Support Systems Committee

Article 6: All Utahns have the right to the fundamental social support systems that assist in assuring a standard of living adequate for the well-being of both the individual and families, in all their configurations, including timely assistance in case of unemployment, disability, old age, and natural or human-made disasters.

Introduction

This year's report updates last year's report that focused on affordable housing. The lack of affordable housing, especially along the Wasatch Front, has received a good deal of government attention and media coverage over the last year. The term "crisis" has often been attached to the situation affecting a growing number of low-wage residents unable to find affordable housing. In June and July 2017, growing crime and squalor in the homeless encampment around the Road Home homeless center drew angry protests from local businesses and citizens alike. In early August, "Operation Rio Grande," a joint state/county/city program, was launched. The goals of the program were to restore public order, assess and treat the drug dependent individuals occupying the area, and finally, to increase employment opportunities for those emerging from incarceration and treatment programs.¹ But homelessness is just the tip of an iceberg of housing insecurity that threatens tens of thousands of our citizens, impedes economic progress, and leads to many expensive social ills. This year's update will briefly review the extent of this problem, and describe and evaluate the efforts made at various levels of government (with aid and support from a number of community actors) to deal with it. Finally, the report will suggest some useful directions for future action.

The Problem: Utah's Low Inventory of Affordable Housing

For the last three years, the Social Support Systems Committee has documented the extremely harmful impact of toxic stress on young children, and the many sources of this stress for those living in poverty. This stress has been shown to limit these children's cognitive and emotional development, adversely affecting their concentration, memory, and ability to learn.² These children are more likely to suffer from chronic health problems, including asthma, pneumonia, and anemia. Poverty-induced stress levels make it less likely that poor children will graduate from high school, more likely that they will interact with law enforcement, and, for female teens, more likely that they will have a child out of wedlock.³

Last year's report named housing insecurity as one of the chief sources of this stress for poor children and their parents. Recent studies have indicated that, compared with their residentially stable peers, children experiencing residential insecurity suffer from lower vocabulary skills, problem behaviors, grade retention, increased high school drop-out rates, and lower adult educational attainment.⁴ To quote the National Low Income Housing Coalition, "Research shows that increasing access to affordable housing is *the* most cost-effective strategy for reducing childhood poverty in the United States" (emphasis in original).⁵

Despite significant efforts during the last year to increase the inventory of affordable housing, the number of Utah children experiencing residential insecurity is increasing.⁶ Thirty percent of children currently living in Salt Lake City are living in poverty.⁷ A large number of them are experiencing overcrowding, frequent moves, deprivations caused by too much of the family income going for housing, and even occasional homelessness. These situations are stressful for parents and children alike.

One might think that since the Utah economy is doing well, the affordable housing problem would be declining. It is true that jobs are available in Utah. But a large percentage of these jobs do not pay enough to allow workers to find affordable housing. In Salt Lake City, renter wages increased 4% between 2011 and 2016. During the same time period, rent prices increased 26%.⁸ The nearly 69,000 Utahns with "extremely low incomes" (0-30% of Area Median Income [A.M.I.]) make little more than the state minimum wage of \$7.25 per hour.⁹ To afford a two-bedroom apartment at the fair market rent rate of \$990 per month, a worker in the Salt Lake metropolitan area would need to earn \$19.04 per hour for a 40-hour week.¹⁰

While the inventory of market-rate housing units in Salt Lake County has greatly increased in the last decade, the relative number of affordable units for low income residents has actually declined.¹¹ The Utah Low Income Housing Coalition's 2016 Report disclosed that there were 33 affordable housing units for every 100 Utah renters with an income of 30% or less of the A.M.I.. In the 2017 Report, that number had declined to only 31 affordable units per hundred of those in that income category.¹² This indicates a shortage of over 38,000 units for "extremely low income" (approximately the lowest 10-15% of earners) residents in Utah.¹³ As a result, currently 49% of renters and 22% of homeowners in Salt Lake City spend more than 30% of their income on housing, and 24% are "severely cost burdened," paying more than 50% of their income for rent.¹⁴

For the 69,000 Utahns in the extremely low income category, the best tools for gaining affordable housing are government programs that supplement their rent. Most of these programs restrict the amount renters have to pay to 30% of their monthly income. The rest of the rent is paid by the government program. The great majority of the supplement funds are provided by the federal government. The problem is that all the rent supplement programs in Utah combined total only 19,100, which reach only 27.6% of those most in need.¹⁵ A number of municipalities and community aid organizations offer temporary rent assistance, but it is clear that tens of thousands of Utahns, especially those living in Salt Lake County, are not receiving any aid to enable them to afford their rent.

To make a meaningful dent in the affordable housing shortage, policies need to be pursued that will increase the inventory of low cost units. At the same time, more steps need to be taken to increase the income of those suffering from poverty, to help them afford decent, stable housing. Achieving these goals will require a concentrated effort from actors at all levels of government, as well as from the financial sector, community organizations, and the general public.

Important government actors and community groups have acknowledged and analyzed Utah's affordable housing problem, and some initial steps have been taken to cope with it. This is necessary and encouraging, but **for all the talk of "crisis," the response level has still been too**

low and too slow. Even Salt Lake City, which has taken the most impactful steps toward coping with the crisis, is enacting measures (expediting paperwork for new construction, constructing mini-units, stabilizing existing affordable housing stock, and supporting new affordable housing construction) at an unduly slow pace.

While some steps have been taken to increase the affordable housing inventory, little if anything has been done to increase incomes to a more sustainable level. Some far-sighted Utah legislators have proposed establishing a state Earned Income Tax Credit to supplement the current federal E.I.T.C. program, which between 2011 and 2013 lifted 94,000 Utah families out of poverty.¹⁶ Others have proposed that we increase the state's minimum wage to a more sustainable level.

We see a startling gap between what we *know* (about the environment needed to give children a decent chance at a healthy, successful life) and what we *do*. Many other developed countries manage to provide virtually all their children with the care and security they need to have an equal chance to become high achieving, contributing adults.¹⁷ In order to succeed, our plans must also alleviate the stressful deprivations suffered by the adults who care for their children. In Utah, and in the country as a whole, we need to do better. While some states must struggle with a crippling high poverty rate, Utah has the eighth lowest poverty rate in the country.¹⁸ The goal of virtually eliminating children's poverty is within reach in this state if we make a commitment to achieve it.

Commendations

- The **Affordable Housing Assessment and Plan** (October 2016), produced in less than a year by the Utah Affordable Housing Task Force chaired by Lt. Governor Spencer Cox.¹⁹ This excellent and comprehensive assessment gives policy makers a good general understanding of the Utah housing ecosystem and demonstrates the state's commitment to deal with the affordable housing shortage.
- The Utah State Legislature for passing **H.B. 36** in 2017. The bill, co-sponsored by Housing Task Force members Senator Todd Weiler and Representative Becky Edwards, **appropriates \$2 million to an investment fund, which (along with the \$3 million in the Olene Walker Housing Loan Fund can be leveraged to finance about ten times that amount in affordable housing. The bill also tripled the amount of state housing credits that developers can use to make construction of low-rent units financially viable.**²⁰ These funds are specifically targeted to generate housing affordable to those with incomes of 30% or less of the A.M.I.
- **The Salt Lake City Mayor and City Council for developing “Growing Salt Lake City: A Five-Year Housing Plan”** (draft issued February 2017).²¹ This finely grained analysis of the SLC housing shortage gives an in-depth account of hindrances to affordable housing development, and the policies needed to overcome those barriers. The policy recommendations in the plan will likely be adopted by the end of the year.
- **The Salt Lake City Mayor and City Council for presenting a budget in June 2017 that included \$21 million for affordable housing construction and repair.** The

housing plan also calls for other measures, such as removing current barriers to affordable housing in middle class areas, allowing additional dwellings on larger lots, and creating a community land trust.²² Formal adoption should come by the end of the year.

- **The Salt Lake County Collective Impact program (in cooperation with Salt Lake City and with state financial backing) to upgrade diversion and case management services to significantly reduce the number of homeless residents.** The program also increases the number of major shelters from one to three, with each serving a particular population.
- **Federal safety net programs** (such as food stamps, Medicaid, housing assistance, the Earned Income Tax Credit) **that cut the U.S. poverty rate nearly in half.**²³

Recommendations

- **The state tax credit program for local developers should be expanded to take advantage of their willingness to build more affordable housing if additional credits became available.**²⁴
- **Back-up accommodation plans need to be in place if the homeless numbers exceed the 600 people who can be housed in the new shelters.** The dramatic loss of bed space projected in the Collective Impact Homeless Shelter Plan is of real concern. The measures to greatly decrease the homeless population, including diversion and case management programs, and new affordable housing construction, are gearing up very slowly.
- **The Utah Legislature should create a state Earned Income Tax Credit (EITC)** to help working families. Modeled after the federal EITC and programs in 26 other states, a Utah EITC would help narrow the gap between a working family's income and escalating rental costs. The measure proposed in the 2017 Utah legislative session to peg the state EITC at 10% of the federal level would be a good starting point.
- **Utah should join the 29 other states that have established a minimum wage higher than the federal \$7.25 per hour.** State Representative Hemingway has for the last four years proposed raising the state minimum wage to \$10.50 per hour with yearly increases. We believe that such an increase, indexed to future price inflation, would help thousands of low income Utahns better afford housing.
- **We encourage public understanding of the many perspectives surrounding affordable housing problems,** a willingness to engage in civil dialogue, and a search for ways to take positive action to become part of the solution. **Utah's current housing and homelessness problems belong to all of us.** Housing insecurity not only causes suffering for thousands of Utahns who cannot find affordable, decent housing but also hurts the community economically, and leads to social problems that our taxes must be used to address.

Endnotes for Article 6 (Social Support Systems)

¹ “OPERATION RIO GRANDE: A Collaborative Three Phase Plan to Restore Public Safety in the Rio Grande District of Salt Lake City,” accessed September 8, 2017, operationriogrande.utah.gov.

² “Growing Salt Lake City: A Five Year Housing Plan,” *Salt Lake City Housing and Neighborhood Development*, February 2017, accessed August 3, 2017, www.slcdocs.com/hand/Housing_plan_long.pdf, 40.

³ Ibid.

⁴ Heather Sandstrom and Sandra Huerta, “The Negative Effects of Instability on Child Development: A Research Synthesis,” September 2013, *Urban Institute*, accessed September 11, 2017, <https://www.urban.org/.../412908-The-Negative-Effects-of-Instability-on-Child-Development>, 7.

⁵ “A Place to Call Home; The Case for Increased Federal Investments in Affordable Housing,” *Campaign for Housing and Community Development Funding C/O National Low Income Housing Coalition*, accessed September 25, 2017, nlihc.org/sites/default/files/A-Place-To-Call-Home.pdf, 4.

⁶ Housing is considered “affordable” if it requires no more than 30% of a family’s monthly income. Those paying between 30% and 50% of their income for housing are considered “cost burdened,” and those paying more than 50% of their incomes for housing are considered “extremely cost burdened.” People in the latter two categories will have difficulty having enough money to purchase food, clothing, transportation and medical care. “2017 Utah State Housing Profile,” *National Low Income Housing Coalition*, updated June, 2017. These documents were provided by Tara Rollins of the Utah Low Income Housing Coalition.

⁷ Ibid., 39. The number of children in poverty statewide is 13%. “2017 Measures of Child Well Being in Utah and the National Annie E. Casey Data Book Released,” *Voices for Utah Children*, June 27, 2017, accessed September 2, 2017, www.utahchildren.org > Newsroom > Speaking of Kids Blog.

⁸ Ibid., 30.

⁹ “2017 Housing Profile.” Median income is the amount that divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount. Thus, a person making a wage that is 30% of Area Median Income would be making a wage 70% lower than those at the middle of the area’s income distribution.

¹⁰ “Out of Reach, 2017: The High Cost of Housing: Utah Fact Sheet 69,” *National Low Income Housing Coalition*, accessed August 2, 2017, <http://nlihc.org/oor>. This is the wage necessary to keep the cost of rent at 30% or less of monthly income.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ “Growing Salt Lake City: A Five-Year Housing Plan,” 10-11.

¹⁵ “Utah Fact Sheet: Federal Rental Assistance,” *Center on Budget and Policy Priorities*, accessed September 19, 2017, <https://www.cbpp.org/blog/a-state-by-state-look-at-federal-rental-assistance>.

¹⁶ “Utah Fact Sheet: Expand Tax Credits to Promote Work and Fight Poverty,” *Center on Budget and Policy Priorities*, accessed September 5, 2017, <https://www.cbpp.org/.../tax/state-fact-sheets-the-earned-income-and-child-tax-credits>.

¹⁷ Jacob S. Hacker and Paul Pierson, *American Amnesia: How the War on Government Led Us to Forget What Made America Prosper*, (New York: Simon and Schuster Paperbacks, 2016), 26-38.

¹⁸ Lee Davidson, “Census: With Income Up and Poverty Down, Utah Enjoys Relative Prosperity. But Annual Data Snapshot Shows Good Fortune Is Uneven, with Some Areas Enjoying More Abundance Than Others,” *Salt Lake Tribune*, September 14, 2017, accessed September 14, 2017, www.sltrib.com/.../census-with-income-up-and-poverty-down-utah-enjoys-relative-prosperity.

¹⁹ “State of Utah Affordable Housing Assessment and Plan,” accessed August 10, 2017, <https://jobs.utah.gov/housing/publications/documents/affordablehousingplan.pdf>.

²⁰ H.B. 36, Affordable Housing Amendments, accessed July 30, 2017, <https://le.utah.gov/~2016/bills/static/HB0036.html>. Another provision sets up a \$500,000 fund to reimburse landlords for any property damage caused by low-income renters.

²¹ "Growing Salt Lake City."

²² Tony Semerad, "The Solution to Homelessness is Housing': Salt Lake City Sets Aside \$30M to Address Homelessness, Affordable Housing," *The Salt Lake Tribune*, October 20, 2016, accessed August 12, 2017, [http://www.sltrib.com/search/'The+Solution+to+Homelessness+is+Housing':+Salt+Lake+City+Sets+Aside+\\$30M+to+Address+Homelessness,+Affordable+Housing/?q=%27The+Solution+to+Homelessness+is+Housing%27%3A+Salt+Lake+City+Sets+Aside+%2430M+to+Address+Homelessness%2C+Affordable+Housing](http://www.sltrib.com/search/'The+Solution+to+Homelessness+is+Housing':+Salt+Lake+City+Sets+Aside+$30M+to+Address+Homelessness,+Affordable+Housing/?q=%27The+Solution+to+Homelessness+is+Housing%27%3A+Salt+Lake+City+Sets+Aside+%2430M+to+Address+Homelessness%2C+Affordable+Housing).

²³ Arloc Sherman and Tazra Mitchell, "Economic Security Programs Help Low-Income Children Succeed Over Long Term, Many Studies Find," *Center on Budget and Policy Priorities*, August 17, 2017, accessed September 1, 2017, <https://www.cbpp.org/topics/safety-net-successes>. The statistic is based on 2015 data.

²⁴ "State of Utah Affordable Housing Assessment," 28.