

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

The 2015 report focused on poverty among families with young children, citing conclusive evidence that these children have a higher risk of developing cognitive and behavioral impairments that can limit them throughout their lives. More data has emerged in the last year attesting to the devastating impact of poverty on the developing brain.¹ One of the few steps taken in the last year to help poor children in their first three years has been expanding the proven home visiting programs (Nurse-Family Partnership and Parents as Teachers) to five new sites in Utah. A total of 730 families are now enrolled in the program.² State appropriations in 2016 providing funds for training childcare workers and for increasing the number of four-year-olds in pre-kindergarten are helpful, but much more needs to be done to help children during their first three years, when 75% of brain growth and development takes place.³ Our two years of research on the impact of poverty on children's brains indicates that one of the biggest impediments to poor children's healthy brain development is chronic housing insecurity,⁴ our focus in this report.

Utah's Growing Housing Insecurity Problem

The stress of being forced to move frequently from place to place (and perhaps even into a shelter) causes unhealthy stress levels for all family members, but it is particularly hard on young children. This constant stress has been definitively identified as a major impediment to a young child's cognitive and emotional development. A rootless life wrecks havoc on parents' attempts to meet their children's need for a secure, supportive environment.

Increasing numbers of Utahns are experiencing great difficulty keeping a roof over their heads. Those who do find housing must frequently pay more than half of their income for rent, leaving an insufficient amount for food, clothing, transport, and other necessities. Scores of these families are one paycheck, illness, divorce, incident of domestic violence, or even automobile breakdown away from homelessness.

While a housing boom is underway in Salt Lake County, the great majority of housing units are in the upscale, high rent category. The problem has escalated in recent years because the cost of housing has risen much faster than wages. In the last 10 years, Utah housing costs have increased by 17%, while wages have gone up only 3%.⁵

The housing insecurity problem manifests itself in many ways. At the extreme end of the spectrum are the homeless who cannot provide themselves with a nighttime residence other than the street or a public shelter. In 2015, approximately 14,500 people experienced homelessness in Utah, 70% in Salt Lake County.⁶ According to the Utah State Board of Education, 11,283 school-aged children were homeless in 2015. Approximately 40% of Utah's homeless are in family groups.⁷ The number of homeless school children increased 53% between 2007 and 2013, and continues to rise.⁸

Those whose median family income is 30% or less of the area's Average Median Income (A.M.I.) are most at risk. These extremely low-income (ELI) individuals live under the constant shadow of homelessness. About 21% (57,764) of the 279,489 Utah householders residing in rental units have income at this very low level.⁹ Federal guidelines provide that renter households who spend more than 30% of their gross income for housing and utilities are "cost burdened," and those who spend 50% or more are "severely cost burdened." Some 88% of ELI households in Utah are cost burdened, and 72% are extremely cost burdened, spending 50% or more of their incomes for housing alone.¹⁰ These cost burdens place these families under constant, debilitating stress.

Low-income Utahns have insufficient housing. The state's Fair Market Rent for a two-bedroom apartment is \$849 (\$938 in Salt Lake County). To afford a two-bedroom apartment in Salt Lake County, a single wage earner must earn \$18.04 an hour (\$16.32 an hour for the state as a whole).¹¹ The average Utah renter wage is \$12.39 an hour. There is a state-wide shortage of 46,036 "affordable" rental units for people with extremely low incomes.¹² Put another way, there are 33 affordable units for every 100 households with incomes at 0-30% of the AMI.¹³

At one time, the Salt Lake City and Salt Lake County Housing Authorities administered substantial public housing programs. However, changes in federal financing have left only about 945 of these public housing units in the county, and few exist elsewhere in the state.¹⁴ Public housing renters pay just 30% of gross income for rent and basic utilities. A second federal affordable housing program provides Housing Choice Vouchers (also known as Section 8 Vouchers), which enable recipients to rent subsidized housing on the open market for 30% of their gross income. There are approximately 5,800 of these vouchers in Salt Lake County.¹⁵ Over half of the spots on the list are reserved for the disabled, veterans, and other special groups, so a typical single, working mom must wait even longer for a voucher. The average waiting time is eight years. But the county list is currently so long that it has been closed since February 2014, leaving thousands of low-income parents with no possibility of gaining a rental subsidy. The Salt Lake City Housing Authority has 13,210 on its voucher waiting list and 2675 waiting for a public housing vacancy. Both lists were closed in October of 2015.¹⁶

Commendations

- **The Salt Lake City Council's recent bold and impactful vote, allocating nearly \$30 million dollars for affordable housing and for purchasing sites for four new homeless resource centers.** Pending mayoral approval, the \$21 million

directed toward affordable housing will help pay for new projects on the city's east side, in areas of greater economic opportunity. Funds will also be devoted to preserving current housing units, and increasing the number of rent subsidy vouchers for the city housing authority.

- **Salt Lake City and County's nationally recognized Housing First" program, which** has succeeded in obtaining permanent housing for 91% of the group labeled as "chronically homeless" (those who have been homeless for at least a year, or four times in one year).
- **Utah non-profit organizations on the front lines providing a bed and necessary resources for homeless families and individuals.** The shelters house as many as 1400 on a cold winter night.
- **The YWCA's model program to help domestic violence victims and their children.** They furnish a 181-bed shelter and then provide housing for up to two years in the Kathleen Robison Huntsman Apartments (charging just 30% of the woman's income). The program includes childcare, counseling, and all necessary case management services.
- **The Collective Impact on Homelessness Steering Committee, perhaps the most successful effort using a comprehensive approach.** Spearheaded by Salt Lake County, the committee includes the regional housing authorities, other relevant governmental entities, major medical providers, religious groups, the Downtown Alliance and additional large corporations, and most of the prominent nonprofits. The effort is partnered by the Kem C. Gardner Policy Institute and Policy Innovation Lab at the University of Utah, which provide essential research and data. The Committee has developed a three-year plan to minimize homelessness in Utah, the first year of which has been funded for a total of \$9.25 million. Such highly coordinated efforts among multiple public and private entities have been shown to have the biggest impact.
- **The long-standing public programs that maintain important safety nets over time and that move 310,000 Utahns above the poverty line each year, reducing the poverty rate from 20.6 percent (before counting government benefits and taxes) to 9.5 percent.** Nearly a third of those rescued from poverty are children. These essential programs include Social Security, SNAP (formerly food stamps), the federal Earned Income Tax Credit and Child Tax Credit, and federal rental assistance.

Recommendations

- **Early realization of the Salt Lake County Collective Impact program's goal to develop and implement a 10-year initiative to end child homelessness.**¹⁷ This will require continuing financial support from the state legislature and active

participation from the many community organizations that have joined in the Collective Impact process.

- **Expansion of diversion programs that keep people out of shelters**, such as the successful program initiated last year by the Salt Lake Community Action Program. Counselors in that program were able to divert 49% of families arriving at the door of the Road Home Shelter to alternate housing arrangements, and when necessary, connect them with the services and financial assistance to help them return to permanent housing.
- **Collective efforts from all sectors of government as well as nonprofits and corporations to make more low-cost housing available to ease the current housing crisis.** The federal government provides a limited number of tax credits for developers to build low-income rental units.¹⁸ We support Senator Hatch's proposal to significantly increase the number of these credits, which usually cover about 75% of construction costs. Programs such as the Olene Walker Housing Trust Fund and the Salt Lake City Housing Trust help with additional "gap" financing. Salt Lake County's *Pay for Success* program, in which participating corporations fund housing and other projects, and forego repayment if agreed upon performance goals are met, demonstrates a promising new approach.
- **Significant expansion of case management services.** These services help clients obtain housing, gain and maintain employment, and access educational opportunities and healthcare. This greatly increases the likelihood that these clients will be able to stay in their current homes. While a number of local agencies currently offer such services, caseloads are much too large, and the majority of potential clients are still not served.
- **Creation of a mix of facilities to meet the various needs that lead to homelessness.** The current "one size fits all" intake process for homeless services does not work well. The Salt Lake City Council's recent vote to create four homeless intake centers, each housing 150 clients, and each serving a separate special needs population, is a helpful step in this direction. At the same time, we see a continuing need to maintain a centrally located, low barrier shelter for emergency situations that in all reality can be expected to occur regardless of increased efforts.
- **Creation of a state-based Earned Income Tax Credit (EITC), now offered by 26 other states. We join the American Enterprise Institute and the Sutherland Institute in this recommendation.** Although the federal EITC program is helpful to low income residents, a state EITC would move additional families out of poverty and reduce the impacts of poverty on developing children.

Endnotes for Article 6 (Social Support Systems)

¹ Erika Hayasaki, "How Poverty Affects the Brain," *Newsweek*, August, 25, 1916, accessed September 15, 2016, www.newsweek.com/2016/09/02/how-poverty-affects-brains-493239.html.

² Annual Report, Utah Intergenerational Welfare Reform Commission, 2016, Section 3(1), accessed August 31, 2016, <https://jobs.utah.gov/edo/intergenerational/igp16.pdf>.

³ *Ibid.*, Section 3(2), 71. In 2016, the Legislature passed SB101, "High Quality School Readiness Program Expansion," funding it with \$11 million. This bill created and funded a scholarship program for intergenerational poverty children, allowing an additional 206 children to attend high-quality pre-school. That same bill funded an expansion of high-quality public and private pre-schools for low-income children. An estimated 1645 additional children will be served through these expansion grants.

⁴ Heather Sandstrom and Sandra Huerta, "The Negative Effects of Instability on Child Development: A Research Synthesis," *Urban Institute*, Low Income Working Families Discussion Paper #3, September 2013, accessed October 22, 2016, www.urban.org/.../412908-The-Negative-Effects-of-Instability-on-Child-Developmen...

⁵ James A. Wood, Kem C. Gardner Policy Institute, University of Utah, quoted in Tony Semarad, "Rising Rents, Weak Wages Pinching Utah Tenants," *Salt Lake Tribune*, April 22, 2016, accessed July 16, 2016, <http://www.sltrib.com/home/3809325-155/rising-rents-weak-wages-putting-pinch...>

⁶ "2016 Needs Assessment," Utah Community Action, 36, accessed August 20, 2016, <https://www.utahca.org/wp-content/uploads/2016/08/Community-Needs-Assessment-2016.pdf>.

⁷ *Ibid.*

⁸ 2016 Legislative Fact Sheet on Salt Lake County HOMES Initiative, accessed September 8, 2016, <http://slco.org/homeless-services/homes-initiative/>.

⁹ "2016 Utah State Housing Profile," National Low Income Housing Coalition, updated June 24, 2016, and state level statistics in "Congressional District Housing Profiles," National Low Income Housing Coalition, updated June 2016. These documents were provided by Tara Rollins of the Utah Low Income Housing Coalition, and in some cases are updated statistics from those in the Low Income Housing Coalition publication, "Out of Reach 2016," 225-27.

¹⁰ *Ibid.*

¹¹ *Ibid.*

¹² "2016 Legislative Fact Sheet."

¹³ "2016 Utah State Housing Profile."

¹⁴ "Impediments to Fair Housing Choice," *Bureau of Economic and Business Research*, David Eccles School of Business, University of Utah, May 2014, 11. However, current statistics from the Housing Authorities of Salt Lake City and Salt Lake County suggest there are 1018 public housing units in Salt Lake County.

¹⁵ "Five Year and Annual Plan," Housing Authority of Salt Lake City and Housing Authority of the County of Salt Lake, accessed October 22, 2016, www.hacsl.org/.

¹⁶ *Ibid.* "The Five Year and Annual Plan" states that the Salt Lake City Housing Authority administers 389 public housing units and 2728 Section 8 Vouchers. The Plan states that the County administers 626 public housing units and 2144 Section 8 Vouchers.

¹⁷ Marjorie Cortez, "A Real Plan to Help the Homeless Rises in Utah," *Deseret News*, July 31, 2016, accessed August 31, 2016, <http://www.deseretnews.com/article/865659107/A-real-plan-to-help-the-homeless-rises-in-Utah.html?pg=all>.

¹⁸ Will Fischer and Chye-Ching Huang, "The Mortgage Interest Deduction Is Ripe for Reform," *Center on Budget and Policy Priorities*, accessed October 30, 2016, www.cbpp.org/research/mortgage-interest-deduction-is-ripe-for-reform. The relatively small expenditures for affordable housing credits are dwarfed by the \$93 billion (in 2013) tax loss suffered by the federal government through the mortgage interest deduction. Approximately 77% of the benefits from the mortgage tax deduction in 2012 went to homeowners with incomes over \$100,000. Any one of the several suggested reforms of the mortgage tax credit would free up resources to underwrite additional affordable housing tax credits.