SUMMARY
ANALYSIS OF IMPEDIMENTS
SALT LAKE COUNTY AND ENTITLEMENT CITIES

Grantees of the Sustainable Communities Regional Planning Grants are required to complete a Fair Housing Equity Assessment (FHEA). HUD strongly encourages grantees to use the FHEA to increase the effectiveness of the existing and more comprehensive tool, the Regional Analysis of Impediments (Regional AI). To lessen the burden of transforming the FHEA into a Regional AI HUD has provided technical assistance and guidelines to make it easier for grantees to conduct their analysis and address regional issues. The goal of the enhanced Regional AI is to provide jurisdictions with a comprehensive picture of the status of fair housing at the local and regional levels.

FHEA AND REGIONAL AI

The Regional AI has a broader analytical scope than the FHEA. The Regional AI includes issues associated with race, color, national origin, sex, religion, familial status and disability, the protected classes covered by the Fair Housing Act. Consequently, the Salt Lake County FHEA and the FHEAs for each of the fifteen cities in the county have supplemented the FHEA analysis with discussion of the impact on protected classes of demographic change, segregation, racially and ethnically concentrated areas of poverty and disparities of income. While the final product will be a regional analysis a local emphasis flows through both the FHEA and Regional AI, particularly regarding land use and zoning ordinances, policies and practices.

Once the findings of the FHEA and Regional AI are developed jurisdictions will use these findings to produce strategies and action plans to mitigate impediments to fair housing and “affirmatively further fair housing”. In addition the Regional AI findings will inform the priorities and strategizing of the Sustainable Communities consortium as it develops or implements a regional plan, particularly as it relates to decision-making on priorities and investments.

The FHEA documents in considerable detail the symptoms of impediments to fair housing choice; important demographic changes in protected classes, concentrations of poor minority and ethnic populations and disparities of opportunity that extend from the quality of local schools to the proximity to public transportation systems to availability of healthcare services. The role of the Analysis of Impediments is to diagnose the causes of these symptoms and identify local policies and practices that worsen or lessen the impediments to fair housing choice.

The AI identifies those factors that have (1) perpetuated the concentration of protected classes within a few communities in Salt Lake County and (2) are currently barriers to limiting fair housing choice and opportunity. Essential background to AI is the affordable housing needs of protected classes, particularly the need for affordable rental housing. These estimates rely on data and analysis from the FHEA. Estimates of the needs establish the housing hardship many protected classes experience. Affordable housing needs are, in part, a consequence of impediments to housing choice, which are identified and discussed in this summary followed by the listing of major impediments for entitlement jurisdictions. In almost all cases the impediments listed affect all members of protected classes but particularly minority, disabled and large family households.
AFFORDABLE HOUSING NEEDS: PROTECTED CLASSES

The income of one-in-four households in Salt Lake County is at or below 50 percent of the Area Median Income (AMI). Of the 355,000 households in Salt Lake County in 2012, 88,750 were households with very low income; $35,000 or less for a family of four. There were over 53,000 households with extremely low income, approximately $21,000 or less for a family of four (Table 1). As shown in the FHEA protected classes are a disproportionate share of very low income households.

Table 1
Households by Income in Salt Lake County, 2012

<table>
<thead>
<tr>
<th>Category</th>
<th>Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households</td>
<td>355,000</td>
</tr>
<tr>
<td>Median Income Households</td>
<td>177,500</td>
</tr>
<tr>
<td>80% AMI Households</td>
<td>142,000</td>
</tr>
<tr>
<td>50% AMI Households</td>
<td>88,750</td>
</tr>
<tr>
<td>30% AMI Households</td>
<td>53,250</td>
</tr>
<tr>
<td>Occupied Housing Units</td>
<td>355,000</td>
</tr>
<tr>
<td>Owner Occupied Units</td>
<td>237,850</td>
</tr>
<tr>
<td>Renter Occupied Units</td>
<td>117,150</td>
</tr>
</tbody>
</table>

Source: Derived from the U.S. Census 2010

Housing assistance for low income renter is provided by HUD’s vouchers, local housing authority’s public housing units and the low income housing tax credit program administered by the Utah Housing Corporation. Combined these programs provide over 17,000 rent-assisted units to very low and extremely low income renter households in Salt Lake County (Table 2).

Table 2
Total Assisted Rental Units in Salt Lake County, 2012

<table>
<thead>
<tr>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Vouchers All Types</td>
</tr>
<tr>
<td>Tax Credits Units</td>
</tr>
<tr>
<td>HUD Project Based Units</td>
</tr>
<tr>
<td>Public Housing Units</td>
</tr>
<tr>
<td>Total Assisted Units</td>
</tr>
<tr>
<td>Percent of All Renters Assisted</td>
</tr>
</tbody>
</table>

Source: Public Housing Authorities, HUD CHAS 2005-2009 and Bureau of Economic and Business Research, University of Utah

The supply of rent assisted units is far short of the need or demand. The HUD CHAS for Salt Lake County gives an estimate of nearly 20,000 renter households that are very low income, with no rental assistance and severe housing cost burden—more than 50 percent of their income devoted to housing. These very low income, severely cost burdened households include nearly 7,000 minority households, 2,800 households with a disabled individual and 1,500 large family households (Table 3). The need for affordable rental housing for these protected class households is acute. Identification and mitigation of housing impediments is paramount to improving their housing choice and
opportunity. A disproportionate share of protected classes are limited to the opportunity poor areas of Salt Lake County shown in red (rating 1-2) in Figure 1. These opportunity poor areas include west-side Salt Lake City, South Salt Lake, West Valley City and Midvale.

**Table 3**  
**Very Low Income Renter Households with Severe Housing Cost Burdens, Salt Lake County**

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<table>
<thead>
<tr>
<th></th>
<th>Renter Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>19,450</td>
</tr>
<tr>
<td>Whites Non-Hispanic</td>
<td>12,500</td>
</tr>
<tr>
<td>Minorities</td>
<td>6,950</td>
</tr>
<tr>
<td>Hispanics</td>
<td>4,400</td>
</tr>
<tr>
<td>Disabled</td>
<td>2,800</td>
</tr>
<tr>
<td>Large Family (5 or more)</td>
<td>1,500</td>
</tr>
</tbody>
</table>

Source: HUD CHAS 2005-2009
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**Figure 1**  
**Opportunity Index by Census Tract in Salt Lake County**
REGIONAL IMPEDIMENTS

Public Policy and Impediments

Lack of Regional Collaboration is an Impediment
HUD's expressed goal for the Sustainable Communities Planning Grant is to encourage jurisdictions to consider housing, transportation, economic development and investment decisions in an integrated regional approach. Many impediments to fair housing choice are common impediments shared by most cities within a region. The most effective mitigation to these common impediments is a coordinated, shared approach by the cities in the region. Collaboration between service providers and jurisdictions to develop a region approach should be pursued.

Testing for Housing Discrimination
The extent of housing discrimination in Salt Lake County is unknown. The fair housing complaint process does not appear to be an effective measure of housing discrimination. No testing of landlord discrimination or real estate agent “steering” has been conducted. Sending testers, who are minority and whites with the same financial qualifications, has proven to be an effective approach to assess the level of housing discrimination in a community. Fair Housing Initiative Program, CDBG or even CRA funds are possible sources of funding for a recommended bi-annual testing program. The absence of a testing program(s) is an impediment for all protected classes.

Vague Housing Plans
While every city has developed a housing element to their General Plan, often based on the housing needs assessment required by Utah's affordable housing legislation HB 295, very few of the plans address the most fundamental approach to improve housing opportunities for protected classes; the addition of high density, affordable rental housing. Current and projected affordable rental housing needs for the very low and extremely low income households are not specified by any of the entitlement cities housing plans nor is a strategy to increase affordable rental housing discussed. With exception of Salt Lake City and Sandy City any discussion of incentives, density bonuses, inclusionary zoning for affordable housing is absent from entitlement city housing plans. And it is rare when protected classes, Fair Housing Act and housing discrimination are mentioned. Issues of fair housing, again with the exception of Sandy and Salt Lake City, are not given any priority in housing plans.

Limited Cases of Innovative Public-Private Partnerships
Development and land costs are barriers to development of affordable housing in many communities. But some development costs can be offset by waivers for affordable housing and other incentives. Land costs can be reduced by public-private partnerships including innovative financing by developers with the assistance of the city plus participation by nonprofit organizations and various housing trust funds and RDA set asides for affordable housing. Lack of commitment by some jurisdictions to public-private partnerships to develop affordable housing is an impediment.

More Aggressive Use of RDAs Housing Set-Asides
Most cities have Redevelopment Authorities, which require set-asides for affordable housing. With the exception of Salt Lake City, few cities have been aggressive in the use of set-asides to develop housing. In the structure of the RDA development housing set-asides are too often back-loaded, i.e. development is delayed until near the expiration of the RDA.
Affordable Housing at TOD Sites
TODs offer a rare opportunity to bring together affordable housing, proximity to employment and access to public transportation for transit dependent households—these households often include protected classes. Cities with TODs should develop public-private partnerships to ensure a portion of the housing developed at the site is affordable housing for renters and owners.

Absence of Incentives for Affordable Housing
Incentives for the development of affordable housing are important features of a strong public private partnership. Incentives such as inclusionary zoning, density bonuses, fee waivers, accessory units are measures used by some jurisdiction nationally to “affirmatively further fair housing.” These incentives are absent in the ordinances and policies of most cities in Salt Lake County. Of the entitlement cities only Salt Lake City has inclusionary zoning and incentives for affordable housing while only Sandy allows accessory dwelling units in a residential zone.

Good Landlord Program
¶ Good Landlord Programs should be adopted with caution. Some programs could be interpreted as discriminatory and impediments to housing choice for some protected classes. Salt Lake City’s Landlord Tenant Initiative should be used as a model for interested communities.

Long Range Transportation Plan and Wasatch Choice 2040
The Sustainable Communities Planning Grant is a multi-agency program to encourage the integration of housing, transportation and economic development decision on a regional basis. HUD’s goal is to raise the priority of housing in the capital investment decision making process. Locally the relevant agencies for coordination are Wasatch Front Regional Council (MPO), Envision Utah, Utah Transit Authority and Utah Department of Transportation. The housing and transportation needs of protected classes, who are disproportionately public transit dependent, should be a high priority in decisions regarding public transit investments, schedules, routes and fees. A lack of attention to equitable housing and the transit needs of protected classes in the long range planning of these agencies is a potential impediment to fair housing choice.

Zoning Ordinances: Siting of Affordable Housing
Housing opportunities for a disproportionate share of protected class households are limited to a geographic swath in Salt Lake County extending from west-side Salt Lake City, south to South Salt Lake then west to West Valley, Taylorsville, Magna and Kearns with Midvale an island to the south. Zoning ordinances, Nimbyism, housing policy and market conditions confine very low and extremely low income households to this area. As shown in the FHEA these cities are opportunity poor communities with significant levels of inequality. This inequality leads to less equality of opportunity—particularly education and subsequent employment opportunities—which in turn leads to more inequality. This is the “adverse dynamics” or vicious circle created by impediments to equal housing opportunity that is the plight of one-in-five Salt Lake County households; approximately 60,000 households.

Segregation Due to Concentrations of Affordable Housing: Nimbyism, Zoning and Land Prices
Zoning practices and development approvals have a greater impact than any other factor on fair housing choice. If the high growth cities in the southeast and southwest quadrant of Salt Lake County do not allow increased levels of affordable housing, particularly rental housing, protected classes will become more highly concentrated and segregated by 2020 thereby further limiting
housing choice. A majority of households in the protected class categories rent however affordable rental opportunities are limited in a number of cities due to Nimbyism, zoning ordinances, which limit developable land, and the price of that scarce land. Consequently, low income and poverty households in protected classes have become more concentrated due to limited housing choice. The consequences are particularly harmful to children, affecting their schools, social environment and health.

Concentration of Tax Credit Projects
Siting practices have led to high concentrations of tax credit, public housing and project based housing in Salt Lake City and West Valley City. This high concentration is an impediment to housing choice for many protected classes. Utah Housing Corporation should consider bonus points for tax credit projects in opportunity rich communities, which have very limited availability of affordable rental housing for families. Some senior tax credit projects have recently been developed in opportunity rich communities however, there is a much greater need for family projects. The preference of tax credit senior projects to tax credit family projects increases the likelihood of creating housing impediments for protected classes since very low income family renters—the residents of tax credit projects—are disproportionately minority, disabled or single-parent large families households.

Concentration of HUD Voucher Holders
The high concentration of rental units in a few cities inevitably leads to the concentration of the 5,700 HUD voucher holders, who are predominately very low income, protected class households. All voucher holders have incomes below 50 percent area median income (AMI). Eighty-four percent of voucher holders are members of a protected class. Thirty percent of all voucher holders are minority households, forty-two percent are households with a disabled individual and twelve percent are large families households.

Vouchers are used to subsidize a voucher holders rent consequently voucher holder must located where rental housing is available. Furthermore, since the voucher holder’s rental options are limited, in most cases, to rental units priced at or below Fair Market Rent. Those rental options are primarily located in areas with older, lower priced rental units not high rent properties in southeast and southwest Salt Lake County. Voucher holders are very low income households; Fair Market Rent is the 40th percentile of gross rents (includes utilities) for typical, non-substandard rental units occupied by recent movers in a local housing market. For a three bedroom unit minus utility the upper market rent threshold would be about $1,050.

Concentration of Rental Units for Large Families and Disabled
The demand for rental units of four or more bedrooms exceeds the supply. Half of all large rental units are located in Salt Lake City and West Valley City. The supply of units and location of units can be an impediment to large families desiring to rent in southeast or southwest Salt Lake County. Likewise the rental housing opportunities for disabled renters are limited to west-side Salt Lake City, South Salt Lake, West Valley and Midvale. Zoning ordinances and local opposition to high density multifamily rental units limits the location of rental opportunities for the 13,000 disabled renters.

Limited Supply of Vouchers
Despite the adverse effects voucher programs may have in perpetuating concentrations of protected class households, vouchers are a housing lifeline for the 5,700 participating households. Without the voucher program the standard of living and housing opportunities for these households would be
severely reduced. The current supply of vouchers helps only a small fraction of qualifying very low income households. At least 30,000 very low income renter households in Salt Lake County have no rent assistance. The limited number of vouchers, which has not keep pace with population growth nor the disproportionate increase in poverty households, is an impediment to fair housing choice and opportunity. The voucher waiting lists for the three public housing authorities in Salt Lake County are four to five years long. Two housing authorities are closed to any new applications. The severe shortage of vouchers is an impediment.

Housing Price Diversity
Lack of price diversity can impede fair housing choice. The lack of price diversity not only affects housing choice for low income households but also housing choice for higher income households. For example, West Valley and Taylorsville both have a disproportionately small share of homes priced above $250,000. A home priced at $250,000 or more is affordable to those households with at least a median income level. West Valley City with 11 percent of households in the county has only 1.1 percent of the homes priced above $250,000. Taylorsville with 6 percent of the households in the county has only 1.8 percent of the homes priced above $250,000. West Valley City and Taylorsville need to continue to concentrate on improving housing opportunities for higher income households.

Fair Housing Infrastructure

Uneven Outreach and Fragmented Fair Housing Complaint Process
All jurisdictions need to improve their housing complaint process; formalize the process and develop outreach and education to raise awareness. All entitlement jurisdictions should have coordinated fair housing outreach efforts (website, brochures, English and Spanish) that can be adopted as part of a regional fair housing outreach effort. Education, outreach and enforcement are currently undertaken on a city by city basis with differing approaches. Some have a process for adjudicating complaints, while most refer complaints to the state or HUD offices. There is no readily available database of Fair Housing complaints or legal action. The fragmented and disparate character plus the lack of centralized administration of the Fair Housing infrastructure is an impediment to those protected classes likely to face housing discrimination. In some counties across the country a single entity within a county administers Fair Housing issues. Centralizing the housing complaint process in a nonprofit such as Utah Housing Coalition or the Disability Law Center would mitigate this impediment.

Housing and Disabled Individuals
The number of disabled individuals in Salt Lake County is estimated by the American Community Survey, U.S. Census Bureau to be between 80,000 and 87,600 individuals, about eight percent of the population. Under the Fair Housing Act housing providers must make “reasonable accommodations in rules, policies practices or services when such accommodations may be necessary to afford a person with a disability the equal opportunity to use and enjoy a dwelling.” Currently nearly forty percent of all rental housing in Salt Lake County is a detached single family unit. This is a significant increase over the past ten years. Many of these reluctant landlords who are renting homes or small “mom and pop” housing providers are not aware of the full implications of the Fair Housing Act and the “reasonable accommodations” provision. The Fair Housing infrastructure in all cities has not systematically addressed the education of landlords regarding “reasonable accommodations”.

Salt Lake County: Analysis of Impediments
Lending Practices
The Home Mortgage Disclosure Act (HMDA) provides information on lending practices of financial institutions by county and city. Recent HMDA data show that the mortgage application denial rate for Hispanics in Salt Lake County is about double the rate for white non-Hispanics. This difference can’t be explained by income. After adjusting for income the difference in denial rates remains unchanged. And the data also show that Hispanics were victims of predatory lending. The incidence of high interest loans for Hispanics was three times as high as white non-Hispanics mortgagees. The inequality in lending practices is an impediment, which must be mitigated at the regional level by stepping up outreach efforts and credit counseling to minority communities and the financial community in order to improve loan approval rates.

LOCAL IMPEDIMENTS OF ENTITLEMENT CITIES

Three impediments to fair housing are listed for each entitlement city however; some of the impediments listed in the Regional Impediments may also be applicable to the entitlement cities and should be considered in action plans to “affirmatively further fair housing”.

Salt Lake City

(1) West-Side Diversification - Of the six entitlement cities in the county Salt Lake City has fewer impediments to fair housing choice and a greater variety of housing types accommodating all income and age groups than any other city. An example of the city’s role in providing affordable housing is large rental inventory in the city. Fifty-percent of all housing units in the city are rental, accounting for one-third of all rental units and one-half of all tax credit units in the county. Perversely, the city’s willingness to accommodate affordable housing has led to a high concentration of low income, protected classes in the city’s residential area west of I-15, which includes among other neighborhoods Rose Park, Poplar Grove and Glendale. This high concentration of low income minority households has created a severe burden and inequality in west-side city schools and has become an impediment to opportunity. The gradual and long-term goal of greater diversification in the west-side housing inventory will reduce this impediment, along with a coordinated effort with Salt Lake City School District, which is underway, to target at risk schools with an array of preschool and after school programs. Greater housing diversification (potential of North Temple Corridor) and constant attention to educational opportunities are key to reducing this impediment.

(2) Testing for Discrimination – As the largest city in the county and given the city’s significant share of protected class households a bi-annual housing discrimination testing program would be very beneficial. Not only would the program provide information on recent experiences and the location of that housing experience the results would reduce some of the uncertainty regarding housing discrimination. Many believe housing discrimination is not a problem; an attitude that is an impediment to improving fair housing choice.

(3) Quantify Need – Housing Plan needs to be more specific about current rental inventory, and the issue of high concentrations of in west-side neighborhoods. This information would help in development of a strategy for west-side diversification.
(1) Increase Affordable Rental Housing - Sandy City has nine percent of the population of Salt Lake County but only five percent of the rental housing units. And of the nearly 5,800 rental units in Sandy less than seven percent are rent-assisted units—the type of rental units in high demand by low income, protected class households. Given Sandy’s advantageous location with excellent proximity to transportation network and large employment base the scarcity of rent-assisted units is an impediment for protected classes.

(2) Public Private Partnership – The high cost of land is an impediment to the development of affordable rent-assisted units. Sandy City is in the very early stages of the development of the Sandy Civic Center, an 800 acre area that will be redeveloped over the next 30-years. The project is ideal for a public private partnership, tapping RDA set-aside funds, to increase the opportunity for affordable family rental housing in the city. To overlook this possibility in the long-range planning for the Sandy Civic Center would be an impediment to housing opportunity.

(3) Nimbyism – Nimbyism was cited by Sandy City planner as the largest impediment to expanding housing opportunities. The effects of the Nimbyism impediment can be reduced by outreach, education and involvement of community and stakeholders in potential development scenarios that include expanded housing opportunities for protected classes.

South Jordan

(1) Housing Plan Fails to Address Affordable Rental Housing – South Jordan’s housing plan, completed in 2010, makes little mention of rental housing. The emphasis of the plan is on detached single-family. Higher density housing is referred as multifamily housing. The low priority in the housing plan given to affordable rental housing and the absence of any estimates and projections of affordable housing needs is an impediment to housing opportunity.

(2) Large Single Family Lots – Of the six entitlement cities South Jordan has by far the largest median lot size for detached single family homes. The median lot size is .28 acres and three quarters of all single-family parcels are larger than .17 acres. By comparison the median lot size in Taylorsville is .19 acres and in Sandy City .22 acres. The dominance of large lots reduces the diversity of housing prices and types and is an impediment to housing opportunity.

(3) Absence of Rent-Assisted Family Rental Units - Currently about fifteen percent of the city’s housing inventory is rental units but there are no rent-assisted family projects in the city. South Jordan’s rental inventory is comprised of high-end market rate units and rented detached single family homes, condominiums and town homes. The absence of rent-assisted rental units for families is an impediment to fair housing choice for low income, protected class renters.

Taylorsville

(1) Limited Price Diversity in Housing Inventory – The owner occupied housing inventory in Taylorsville has a relatively narrow price range limiting the potential for life-cycle housing opportunities. Families desiring to remain in Taylorsville but looking for move-up opportunities in the $250,000 price range have limited choice. The city’s most recent housing plan, completed in 2006, lays out the need and policies for increased housing diversity. An updated housing plan needs to be
undertaken with an examination of housing diversity and the effectiveness of the 2006 strategy in mitigating the lack of price diversity impediment.

(2) Lack of Incentives May Be An Impediment – Currently the city has no incentives for housing development. Given the need for greater price diversity development incentives for higher price owner occupied housing could reduce the price diversity impediment.

(3) Fair Housing Infrastructure – Taylorsville has a relatively high concentration of protected classes; minority, ethnic, disabled and large family households increasing the likelihood of housing discrimination. Taylorsville needs to establish a coordinated program of outreach, education and the administration of fair housing issues targeted primarily at renters.

**West Jordan**

(1) Expressed Housing Ratio Goal of 83/17 is Regional Impediment – West Jordan’s recent housing plan articulates a long-term goal of an owner to renter ratio of 83 percent to 17 percent. This renter ratio is about half the current countywide ratio. Most housing economists believe that in the future the owner to renter ratio will likely move in the direction of more renters due to affordability, changing demographics, sluggish incomes and housing preferences. Given these conditions, a long-term goal that reduces the ratio from the current 20 percent to 17 percent is a regional impediment to housing opportunities for protected classes. The population of West Jordan is expected to increase by 50,000 by 2030. It will be one of the most rapidly growing cities in the county. To limit rental housing to 17 percent of the housing inventory in a large and rapidly growing city is contrary to a regional approach to fair housing.

(2) Omission of Incentives for Rent-Assisted Rental Housing – Due to increasing land costs incentives such as density bonuses and fee waivers for rent-assisted projects would support and stimulate apartment development providing affordable rental housing opportunities. West Jordan has no incentives for affordable housing development.

(3) Housing Plan Vague on Future Needs by Type – The West Jordan housing element (2012) does not quantify current or projected housing needs for moderate income households but rather discusses only overall housing demand and demand for elderly population. Greater detail on housing needs by income group would help clarify long-term housing plan.

Note: It’s important to acknowledge that over the past ten years West Jordan has been a leader in new apartment development with the addition of nearly 2,200 new apartment units. As a high growth community future support for additional affordable rental housing is crucial to reduce impediments to housing choice.

**West Valley City**

(1) West Valley Housing Authority: Demographics of Voucher Holders - Minority households have a disproportionately low share of vouchers in West Valley City. Forty-three percent of the population in the city is minority but only eighteen percent of voucher holders are minority households. The low share of minority representation may be an impediment to the protected class particularly since it does not seem to be offset by a large share of vouchers for disabled individuals as is the case with
the other two housing authorities in the county. The prevailing characteristics of voucher holders of
the Housing Authority of West Valley City are: white single-parent and white Senior households.

(2) Housing Discrimination Complaint Process – The housing discrimination complaint process offers no
on-line or phone-in options. Complaint forms must be picked-up at the housing authority office.
Given the relatively large share of renters and protected class households in West Valley—which
raises the need for a streamlined housing complaint process—the current complaint process is an
impediment.

(3) Residential Care Facility – While West Valley City’s zoning ordinances allow for large residential
care facilities (six residents or more) there are no licensed facilities in the city. This is apparently due
to corporate location policy of residential care providers rather than any political or neighborhood
opposition in West Valley. The city should consider a public private partnership and incentives to
attract a residential care provider to reduce this impediment. The disabled are primary residents of
such facilities.

ECONOMIC AND DEMOGRAPHIC IMPEDIMENTS

*Economic and Demographic Forces*

Undoubtedly there are powerful underlying economic and demographic forces at work leading to
greater concentrations of minority and poor populations, significant disparities of opportunity and
major impediments to fair housing choice. For the most part these forces are independent of
policies and practices of local governments and the action plans set forth in consolidated plans. It’s
generally accepted that economic and demographic forces—income, employment, housing prices
and to a lesser extent population trends—reflect conditions of supply and demand. While these
forces may be largely independent of local policies and practices there are cases where local public
policy can have rather significant impacts on local economic conditions, particularly housing prices.

*Income* – Probably the factor with the most widespread impact on fair housing choice and
access to opportunity is income. For thirty years the Utah economy and households have struggled
with relatively low wages. Currently the average wage in Utah is only eighty percent of the average
wage rate nationally. The median household income in Salt Lake County, in inflation adjusted
dollars, has declined by about five percent in the past ten years; dropping from $62,000 to $59,000.
The poverty rate in Salt Lake County increased from 8 percent of the population in 1999 to 14.4
percent in 2011. The number of children in poverty jumped from 25,300 twelve years ago to 44,450
in 2011, an average annual increase of 5.8 percent, roughly four times the rate of population growth.
Stagnant and declining wages are the biggest threat to the improvement in economic well-being,
opportunities and affordable housing choice for Salt Lake County households. Short of raising
the state minimum wage, a change in the right-to-work statute or pushing through large increases in
public sector wage rates—none of which are political possibilities—local action or policy is limited
in the short-term in offsetting the deleterious effects of weak wage rates and declining household
income. Long-term approaches include innovative changes in education, housing, transportation
and economic development policy

*Employment* – The Utah economy is enjoying a rapid recovery from the worst recession since
the Great Depression. The Salt Lake County job market has added about 25,000 jobs over the past
year an increase of 4.2 percent. This very promising recent performance however is tarnished by the
large number of Utah workers who have dropped out of the labor force over the past five years. An
estimated 100,000 individuals are unemployed discouraged workers who are no longer looking for work. This group is dominated by males between ages of 25 and 54 years. As the skills and confidence of the long-term unemployed atrophy the economy suffers a loss in output while households face steeper impediments to housing and opportunity.

_Land and Housing Prices_ – Land and housing prices are intimately connected. Twenty-five to thirty percent of the price of a home is comprised of the value of the land. Land prices are prone to extreme volatility which feeds the volatility of housing prices. Over the past two housing cycles Utah has led the country on two occasions in high price increases, 1997 and 2007. During the three year run-up in prices in the mid-1990s housing prices increased over 70 percent and in the three year run-up in the mid-2000s prices increased by over 50 percent statewide. In addition to this volatility there is significant variability in housing prices throughout Salt Lake County. Some cities and neighborhoods are enclaves of high-priced homes, which in no small part reflect zoning ordinances regarding lot size and building materials, along with other practices and policies of the jurisdiction. Local policy is a chief component of local land and housing prices. Changes in existing policy in many communities could have a major impact on the availability and concentration of affordable housing.

_Rental Housing Demand_ – The Great Recession held down the demand for rental housing in two ways: (1) reduced net in-migration and (2) reduced the rate at which young adults form independent households. As the economy recovers and the number of jobs increases both of these determinants of rental demand will improve.

There is considerable pent-up demand in the housing market due to the economic contraction which not only affected migration and formation of young households but also contributed to doubling-up of households due to job losses and foreclosures. This pent-up demand will be released as economic conditions improve. Many of the households in this pent-up demand group have had credit problems consequently they will not be able to qualify for homeownership. Additionally many of these household are low income households. Weak wage levels and income growth increases the demand for rental housing. For most low income households rental housing will be the home of necessity rather than choice. And the availability of rental housing is constrained in large measure by zoning ordinances and Nimbyism which reduce fair housing choice, push rental rates up and limit housing opportunity particularly for protected classes.

_Demographic Changes_ –The need for affordable housing will accelerate as the county’s minority population increases. From 2000 to 2010 the minority population in the county increased by 56 percent while the total population increased by 14.6 percent. At the same time the Hispanic population increased by 64 percent. Over the decade nearly three quarters of the population growth in the county was due to the increase in the minority population. Minority households have a greater likelihood of being moderate to low income renter households. This demographic trend will put increased pressure on the supply of available affordable rental housing.

In addition to the growth of the minority population, the growth of a specific household type; single women with children under 18 years of age, will likely add disproportionately to the demand for affordable rental housing. In Salt Lake County, over the last ten years this household type increased by 6,700 households or 22 percent. This household type is likely a moderate to low income housing in need of affordable rental housing.
Another fast growing population group is the Senior population. The number of Seniors over 65 years is expected to increase by 30 percent in the next ten years and those over 85 will increase by 27 percent or an additional 3,200 individuals. While Seniors are not a protected class nearly half of all individuals over 75 years suffer from some disability. The increase in the Senior population will expand the need for residential care facilities as well as accessible rental units.