

Opportunity Index and Most Vulnerable Renters in Salt Lake City

Opportunity Index by Census Tract

A few years ago, the U.S. Department of Housing and Urban Development (HUD) developed neighborhood opportunity indices to better understand the access to opportunity at the neighborhood level. The Gardner Institute added four variables to the five variables used by HUD and developed a composite index at the census tract level (Map 1). The nine variables include the percent share in each census tract of the following variables: renters and owners with severe housing cost burdens, owner-occupied units, education attainment of residents, poverty, labor force participation, unemployment, public assistance, and students eligible for free and reduced lunch.

Renters by Census Tract and Opportunity Level

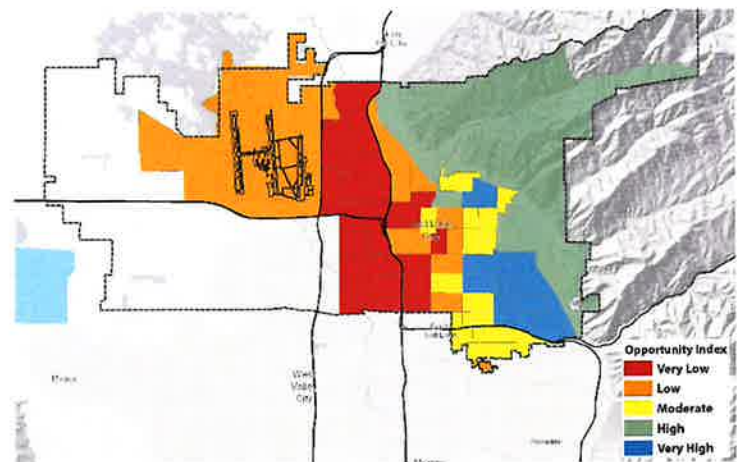
The 2018 estimates of renters by census tract, from the Gardner Institute, show about 40% of renters in Salt Lake City live in very low to low opportunity tracts, 35% in moderate opportunity tracts, and 25% in high or very high opportunity tracts (Table 1). A surprisingly high share of renters is in high opportunity tracts. These data, however, don't give household income estimates of renters; nevertheless, income levels can be inferred from the location of Section 8 Voucher holders, and rent assisted rental projects (Maps 2 and 3). Six percent of vouchers holders in Salt Lake City are in high opportunity tracts, and 75% are in low or very low opportunity tracts. Rent assisted units are even more heavily concentrated in very low and low opportunity tracts. Over 90% of renter assisted units are in very low and low opportunity tracts. A very high percentage of voucher holders and renters are households at less than 50% AMI.

Renters Most Vulnerable to Homelessness

HUD's Comprehensive Housing Affordability Strategy (CHAS) provides the income distribution of renters in Salt Lake City. These data show that 29% of renters in Salt Lake City are extremely low-income renters, 11,365 renters in 2016 (Table 2). Many of these extremely low-income households, however, are receiving rental assistance through vouchers, public housing, or tax credit units. But, despite rental assistance, over half of the extremely low-

Map 1

Opportunity Index by Census Tract in Salt Lake City



Source: HUD and Gardner Institute.

Table 1

Number of Rental Units by Opportunity Level, 2018

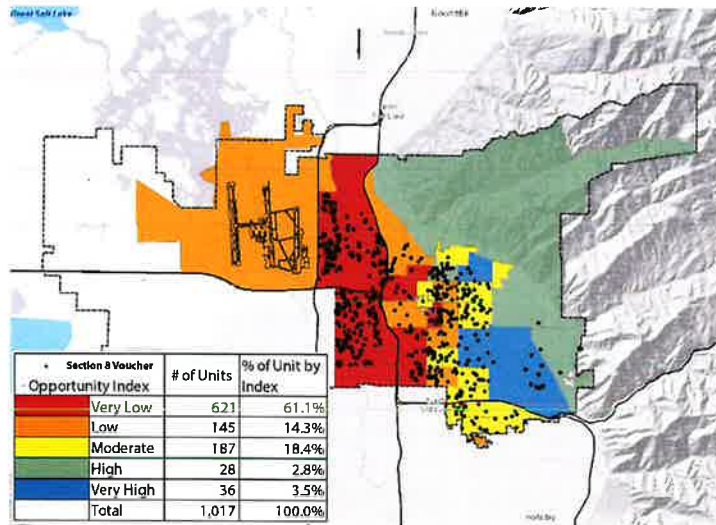
Index Score	Opportunity Level	Number of Rental Units	Share of Renter
0-1.9	Very Low	2,730	6.5%
2.0-3.9	Low	13,574	32.5%
4.0-5.9	Moderate	14,825	35.5%
6.0-7.9	High	10,123	24.3%
8.0-10	Very High	472	1.1%

Source: Gardner Institute

income households are in market-rate units and face a severe housing cost burden, i.e., paying more than 50% of their income for housing and utilities (Table 3). These are the households with the greatest need for housing assistance and the households with the highest likelihood of homelessness from eviction, medical emergency, domestic violence, etc. The upper-income limit for a four-person household with extremely low-income households is \$24,810 (Table 4).

Map 2

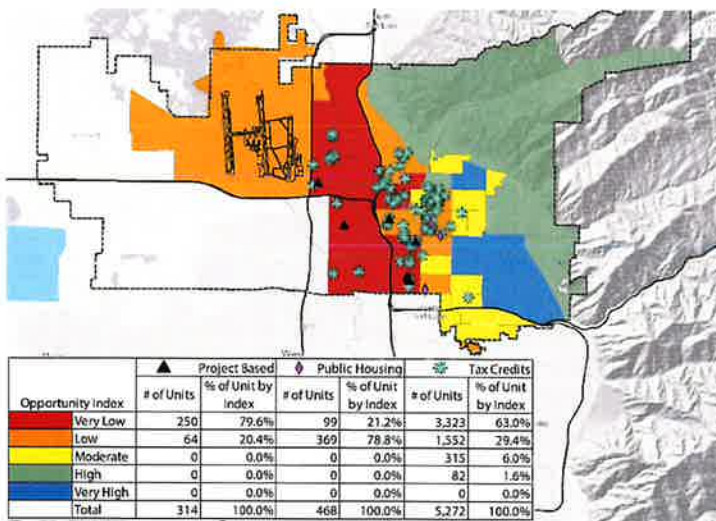
Location of Section 8 Voucher Holders in Salt Lake City, 2018



Source: Housing Authority of Salt Lake City, Housing Authority of West Valley City, Housing Connect, and Gardner Institute.

Map 3

Location of Rent Assisted Rental Projects in Salt Lake City, 2018



Source: Housing Authority of Salt Lake City, Housing Authority of West Valley City, Housing Connect, Utah Housing Corporation, and Gardner Institute.

Detailed characteristics show that the 5,970 extremely low-income renter households with severe housing cost burdens in Salt Lake City include:

1. 400 single-parent renters with at least one child under five
2. 900 senior renter households (62 year+)
3. 300 renters with self-care disability
4. 1,275 large households (four or more persons)

Table 2

Income Distribution of Renter Households in Salt Lake City, 2016

	Income Category	Renter Households	% Share
Extremely Low Income	Less than 30% AMI	11,365	29.1%
Very Low Income	30% to 50% AMI	7,865	20.1%
Low Income	50% to 80% AMI	7,840	20.1%
Moderate Income	80% to 100% AMI	3,235	8.3%
Median Income and Above	100%+ AMI	8,770	22.4%
Total		39,075	100.0%

Source: HUD Comprehensive Housing Affordability Strategy (CHAS).

Table 3

Renter Households by Income with Severe Housing Cost Burden in Salt Lake City

Income Category	Renter Households	Renters with Severe Housing Cost Burden
Less than 30% AMI	11,365	5,970
30% to 50% AMI	7,865	1,230
50% to 80% AMI	7,840	205
80% to 100% AMI	3,235	0
100%+ AMI	8,770	0
Total	39,075	7,405

Source: HUD CHAS.

Table 4

Extremely Low-Income Households: Upper Limit of Income by Households Size in Salt Lake County

Household Size	Income
1 person	<\$17,370
2 person	<\$19,860
3 person	<\$22,350
4 person	<\$24,810
5 person	<\$26,820

Source: HUD Income Limits.

Legislation and Research Underway

A major bill and three research projects are underway. They include the following:

- A bill providing voucher and tax credit assistance to renters in Utah, approximately \$30 million in ongoing funds, is being drafted by the Legislature's Commission on Housing Affordability. Olene Walker Housing Loan Fund would likely oversee administration with local housing authorities.
- The role of TODs in providing affordable housing (Gardner Institute).
- Best practices by Utah cities and counties in addressing the need for affordable housing (Gardner Institute).
- The impact of high-density housing on surrounding residential real estate values (Gardner Institute).