

UHC NEWS

Utah Housing Coalition Newsletter

Summer 2017

Message from the Executive Director

The Conference Dates are Changing “Save the new Dates”
 Monday & Tuesday October 23rd & 24th

On Friday June 16th we learned of another event happening on the same dates of our conference focusing on the rural area. UHC wants as much training, networking and capacity building as possible for the rural area of Utah. Therefore we felt the need to change the dates to continue our commitment to this and our members.

We are excited the Ogden Eccles Conference Center the Hampton Inn, and our speakers were able to accommodate the date changes. We are very excited to have it in Ogden and work with our members there.

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AARP * Boston Capital
 Harold Woodruff, Architect/Planner * Horizon Development & Management
 Utah Center for Neighborhood Stabilization

Our Sponsors make our conference possible!

If you are interested in sponsoring the event this year

Please contact: Tara Rollins at trollins@utahhousing.org

Richard Reeves to Keynote

The Utah Housing
 Matters Conference

October 23rd & 24th

Ogden, Utah

(Page 2 for details)



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Summer Issue:

- Message from ED
- UHC 2017 Conference Announcement
- 2018 Federal Budget
- United Homes Campaign
- Out of Reach Report
- UHC Spotlight: Moab and Grand County
- Renew Membership

Richard Reeves Keynote Speaker



Richard V. Reeves is a senior fellow in Economic Studies and co-director of the Center on Children and Families. His research focuses on social mobility, inequality, and family change. Prior to joining Brookings, he was director of strategy to the UK's Deputy Prime Minister.

Richard's publications for Brookings include his latest book *Dream Hoarders: How the American Upper Middle Class Is Leaving Everyone Else in the Dust, Why That Is a Problem, and What to Do about It* (2017), *Time for justice: Tackling race inequalities in health and housing* (2017), *Ulysses goes to Washington: Political myopia and policy commitment devices* (2015), *Saving Horatio Alger: Equality, Opportunity, and the American Dream* (2014), *Character and Opportunity* (2014), and *The Parenting Gap* (2014). He is also a contributor to *The Atlantic*, *National Affairs*, *Democracy Journal*, the *Wall Street Journal* and the *New York Times*. Richard is also the author of *John Stuart Mill – Victorian Firebrand*, an intellectual biography of the British liberal philosopher and politician.

His previous roles include director of Demos, the London-based political think-tank; director of futures at the Work Foundation; principal policy advisor to the Minister for Welfare Reform, research fellow at the Institute for Public Policy Research, and researcher at the Institute of Psychiatry, University of London. He is also a former European Business Speaker of the Year.

Richard earned a BA from Oxford University and a PhD from Warwick University

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The Top 20% of Americans 'Hoard the American Dream'

[NPR Interview with Richard Reeves](#)

Time to start thinking about who to nominate for awards!

Jack Gallivan Legacy Award

UHC Members of the Year * Agency of the Year

Project of the Year * Person of the Year

Housing Leader on the Hill of the Year



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President Trump's FY18

Budget Overview

The budget proposal provides the HUD secretary with the authority to **increase a tenant's rent contributions from the current standard of 30% of their income to 35%** .

Complete elimination of the USDA Mutual Self Help Program which currently funds about **two-thirds of the Housing Authority of Southeastern Utah's** annual operating budget.

With HUD cuts, Community Development Block Grants (CDBG) face an uncertain future. **The administration claims there are "no demonstrated results."** from the \$150 Billion spent on the program since its inception in 1974.

The public housing capital fund would be reduced **from \$1.942 billion in FY17 to \$628 million**—a devastating 68% cut.

The budget calls for elimination **Section 502 Direct Homeownership Loans**, Section 514/516 Farm Worker Housing Loans, and Section 504 Rural Housing Assistance Loans.

News from Washington DC

Trump Administration Proposes Extreme Cuts to HUD Budget and Programs that Benefit People with Low Incomes

The Trump Administration has proposed devastating cuts to HUD's already tight budget. On March 16, President Donald Trump released his budget blueprint that slashes overall HUD funding by 13% or \$6.2 billion compared to FY16 levels. When compared to funding levels needed for FY17, the proposed cuts amount to a 15%, or \$7.5 billion, reduction.

[To Read more of the March 20, 2017 article from Memo to Members NLIHC](#)

Mortgage Bankers Association GSE Reform Paper Includes Dedicated Funding for HTF

The Mortgage Bankers Association (MBA) issued a paper on its recommended approach to reforming the government sponsored enterprises (GSEs), Fannie Mae and Freddie Mac. The recommendations include an affordable housing fee dedicated in part to support the national Housing Trust Fund (HTF).

GSE Reform: Creating a Sustainable, More Vibrant Secondary Mortgage Market states that the nation's affordable housing needs cannot be achieved exclusively through the government-guaranteed secondary mortgage market as currently provided by the GSEs. The MBA recognizes that a supplement is necessary and recommends that GSE reform include an affordable housing fee dedicated to support affordable housing funds like national Housing Trust Fund (HTF) and the Capital Magnet Fund (CMF).

[To Read more of the May 1, 2017 article from Memo to Members NLIHC](#)

NLIHC Releases Out of Reach 2017: National Housing Wage is \$21.21 per Hour

NLIHC released *Out of Reach 2017* on June 8. The report's Housing Wage is the hourly wage a full-time worker must earn to afford a modest apartment while spending no more than 30% of his or her income on rent and utilities. This year, the national two-bedroom Housing Wage is \$21.21 per hour. A household must have an annual income of at least \$44,120 to afford a two-bedroom rental home at HUD's average Fair Market Rent (FMR) of \$1,103 per month. The average hourly wage of renters in the U.S. is \$16.38, which is \$4.83 less than the two-bedroom Housing Wage. The federal minimum wage is \$13.96 less than the Housing Wage, requiring a full-time minimum wage earner to work 117 hours per week, 52 weeks a year to afford a two-bedroom apartment. Despite a minimum wage higher than the federal level in a growing number of states and jurisdictions, in no state, metropolitan area, or county can a full-time minimum-wage worker afford a modest two-bedroom rental home.

[To Read more of the June 12, 2017 article from Memo to Members NLIHC](#)

United for Homes Campaign

MILLIONS OF FAMILIES CAN'T AFFORD A DECENT PLACE TO CALL HOME

Yet the vast majority of federal housing dollars go to subsidize housing for the wealthiest households. It is time to change this. Let us make sure that scarce federal resources are targeted towards those who need it the most.

The United Homes Campaign's solution

Rebalance federal housing expenditures through modest reforms to the mortgage interest deduction, a tax write-off that largely benefits America's highest income families.

By enacting modest reforms to the mortgage interest deduction and reinvesting the savings in highly targeted rental housing programs – such as the National Housing Trust Fund and rental assistance programs that serve people with the greatest needs – our nation can make the investments to end homelessness and housing poverty. All without increasing costs for the federal government.

[For more information on Utah](#)

The United for Homes proposal would help thousands of low-income renters and homeowners in **Utah**. Currently, there is a shortage of **47,180** units affordable and available to the lowest income renters in **Utah**. Making simple modifications to the mortgage interest deduction and redirecting the savings into deeply targeted affordable housing programs would help close the gap.

230,622 Additional homeowners could benefit from a tax credit who do not currently benefit from the tax deduction in Utah



On June 20th the National Low Income Housing Coalition hosted a Webinar for Utah on the United for Homes Campaign. If you have time please take the time to educate yourself. [Please find it here](#)

If you have any questions please feel free to contact

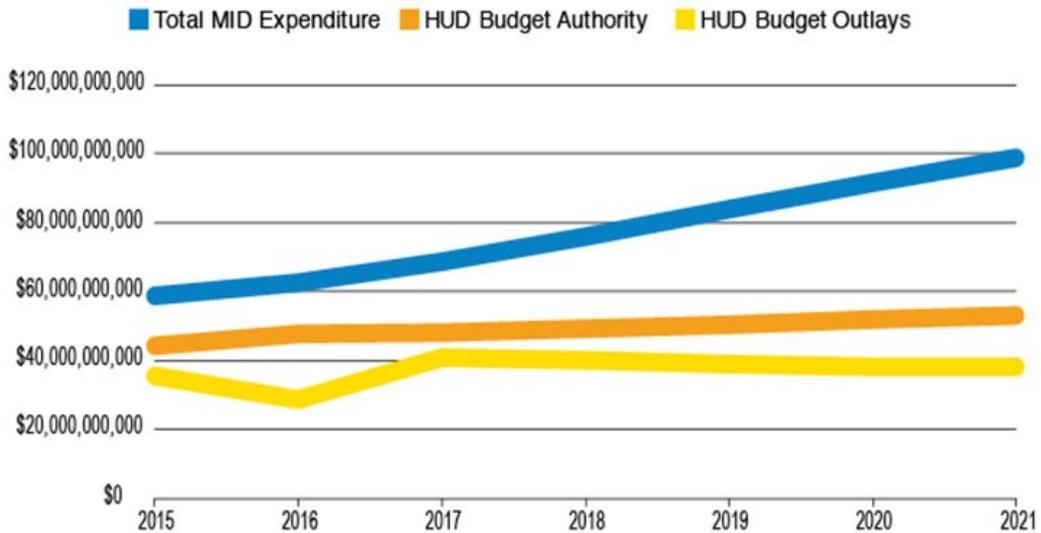
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Mortgage Interest Deduction (MID)



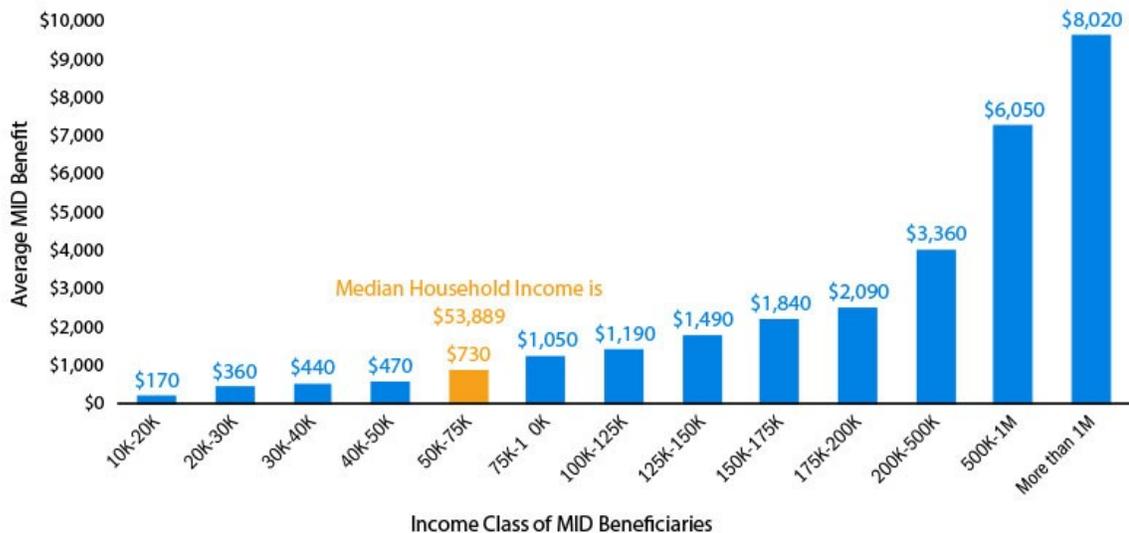
Projected Mortgage Interest Deduction (MID) Tax Expenditure and HUD Budget (2015-2021)



Note: Not in constant dollars. Sources: MID projections from Table 14-2B of OMB's Analytical Perspectives (2015). HUD budget authority and budget outlay data from OMB FY17 historical tables 5.2 and 4.1, respectively.



Average Benefit of Mortgage Interest Deduction: Housing Assistance for the More Affluent



Source: NLIHC tabulations of Tax Policy Center (2016) and 2015 ACS 5 Year Estimates.



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Report you need to have



In **Utah**, the Fair Market Rent (FMR) for a **two-bedroom apartment is \$885**. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — **a household must earn \$2,951 monthly or \$35,410 annually**. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an **hourly Housing Wage of \$17.02 an hour**. [For more information on Utah](#)

\$15 Minimum Wage Bill Introduced

On May 25, the Raise the Wage Act of 2017 was introduced by Senators Bernie Sanders (I-VT) and Patty Murray (D-WA) and Representatives Bobby Scott (D-VA) and Keith Ellison (D-MN). The bill (H.R. 15/S. 1242) would raise the federal minimum wage to \$9.25 this year and increase it over the next seven years until it reaches \$15 an hour in 2024. After 2024, the minimum wage would be indexed to inflation to keep pace with growth in the typical worker's wages. The bill would also phase out the outdated subminimum wage for tipped workers, workers with disabilities, and workers under the age of 20. More than [150 Representatives](#) and [30 Senators](#) signed on as cosponsors of the bill. More than [150 organizations](#), including the National Employment Law Project and the Economic Policy Institute (two CHN members who have led this fight) also pledged their support for the bill.

MOST EXPENSIVE HOUSING WAGES in UTAH

Summit County	\$19.87
Salt Lake City HMFA	\$19.04
Wasatch County	\$17.87
Rich County	\$16.56
Ogden-Clearfield HMFA	\$16.52

Reality in Moab & Grand County

Zacharia Levine, Grand County Community Development



Affordable housing, sustainability, economic development – all buzzwords in Grand County that are used in the quest of balancing a booming tourism economy within a livable, rural community.

The Moab Area is a curious blend of cultures, ages, and backgrounds and is seen as both a small, rural community and a world-renowned tourist destination. Like the Wasatch Front and Back, the Moab Area hosts nearly two million tourists annually, but it struggles alongside other rural communities for access to resources. Its seasonal population is not accounted for in many of the census studies, often skewing data that obscures the County's severe struggles for fair housing and reasonable costs of living. Relying on tourism as the main economic driver has caused land prices to skyrocket while wages remain stagnant, creating a growing affordability gap that has left Moab residents with few options.

According to the updated 2017 Moab Area Affordable Housing Plan, tourism and hospitality-related industries employ about 60% of the workers in Grand County and contribute more than 83% of the sales tax revenue, yet the average annual wage for service-related jobs is \$24,756 – substantially lower than the overall statewide average wage of \$37,923. Grand County has the third-highest rate of intergenerational poverty in the state of Utah at 15%, and an additional 41% of children are at-risk of remaining in poverty as adults – a trend indicating that an increasing number of families in Grand County are falling below the poverty line. In 2014, 29.2% of all households in Grand County earned less than \$20,000, and more than half of households earning 80% or less of the Area Median Income (AMI) are considered cost-burdened, meaning that they pay more than 30% of their income towards housing-related expenses.

Assuming recent population trends continue but vacancy rates (e.g. second homes and residential units used as overnight accommodations) stabilize at the current rate of 30%, the number of new housing units needed across all price levels will increase by 316 in 2020 – 177 of which are needed for households earning less than 80% of AMI. Just 44 new housing units for long-term residency came online in 2016, and only 14 of these units were constructed for low-income households; in comparison, 137 short-term rental units came online during the same time period. At this rate, the Moab area will not reach its projected housing need by 2020, and it is clear that short-term rentals are still the predominant development type in the area.

The Interlocal Housing Task Force (IHTF), City of Moab, and Grand County are working hard to encourage affordable housing development in the area. The IHTF, City, and County co-sponsored a local Affordable Housing Summit in March to discuss solutions to the community's affordable housing crisis. In May, the Community Development Department of Grand County received a Your Utah Your Future award for the recently created Moab Area Housing Resource Guide, which can be found at www.moabhousing.com. Paired with the IHTF's 2017 update of the Affordable Housing Plan and associated guide, found at www.moabhousingplan.com, this team is providing information and resources to the community about housing, economic development, public health, and energy and sustainability, and a roadmap for the area's affordable housing practices in the coming years. The IHTF is working to create a library of deed restrictions available to the community and backs the City and County's respective efforts to implement legislature that support affordable housing efforts. 7