

Memorandum

07/28/2023

To: Christina Oliver, Division Director
 Department of Workforce Services
 Housing & Community Development

From: Dejan Eskic, Senior Research Fellow & Scholar
 University of Utah
 Kem C. Gardner Policy Institute

Subject: Utah’s Housing Affordability Supply & Demand Imbalance by Income

As part of House Bill 462 passed in 2022, the Department of Workforce Services (DWS) has contracted with the Gardner Policy Institute (GPI) to develop a database of moderate and affordable housing needs and supply across Utah. Additionally, GPI will provide an interactive platform to be able to simplify access for policymakers while providing current and timely market trends and shortfalls.

The GPI team has provided initial estimates showing cumulative surplus/deficit for four area median income (AMI) levels for calendar year 2022, presented in Table 1. Figures are estimated for each county using 2022 proprietary rental data and median incomes set by the Department of Housing and Urban Development (HUD).

Draft estimates show that for the 221,952 households at 80% of AMI and below, there were 100 affordable units available for every 100 households at this income level. Meaning there was no deficit. However, as the income threshold decreases so does the deficit. For the 174,664 households at 60% of AMI and below, 106,650 affordable units were available, or 61 affordable units were available for every 100 households, a total cumulative deficit of 68,014 units. There were 35 units available for every 100 households for those with incomes at 50% AMI and below, creating a deficit of approximately 95,586 units for the group. This figure also includes the deficit of 77,140 estimated for those households with incomes at 30% AMI or below. In 2022, only 3 affordable units were available for every 100 households with incomes at 30% AMI and below.

Table 1: Cumulative Rental Unit Deficit/Surplus by Area Median Income, Utah, 2022

AMI Level	Housing Units Available	Households	*Unit Deficit/Surplus	Affordable Units Available/100 Household
80% AMI & Below	221,952	221,929	23	100
60% AMI & Below	106,650	174,664	-68,014	61
50% AMI & Below	50,878	146,464	-95,586	35
30% AMI & Below	2,412	79,552	-77,140	3

*Cumulative deficit/surplus. For example, at 60% AMI & Below includes 60%, 50%, and 30%
 Source: Kem C. Gardner Policy Institute

These draft figures are significantly different than those from previous years that are from various sources, such as the National Low Income Housing Coalition (NLIHC). For example, estimates for 2021 show the statewide deficit to for 30% AMI and below was 43,623. This is 43% less than the GPI estimate of 77,140 units.

There are two main reasons for this difference. First, the NLIHC analysis is calculated at the state level while the GPI approach estimates at the county level, summarizing the figures to a single state number. This approach allows us to account for the nuances in each market. As shown in Table 2, the deficits vary by county and by income levels. For example, Salt Lake County has the greatest imbalance for the 30% AMI and below population. While Davis County shows a surplus for households with incomes at 80% AMI and below. Focusing on local markets was a strategic decision in our methodology to be able to allocate interventions where they are needed the most.

Table 2: Cumulative Rental Unit Deficit/Surplus by Area Median Income, by County, 2022

County	30% AMI & Below		50% AMI & Below		60% AMI & Below		80% AMI & Below	
	Unit Deficit/Surplus	Available/100 Household Units	Unit Deficit/Surplus	Available/100 Household Units	Unit Deficit/Surplus	Available/100 Household Units	Unit Deficit/Surplus	Available/100 Household Units
Beaver	-102	4	3	103	86	160	165	189
Box Elder	-1,056	5	-1,029	49	-562	77	402	113
Cache	-3,084	7	-3,867	45	-2,657	69	484	105
Carbon	-946	6	-673	53	-234	85	346	120
Davis	-5,469	4	-5,914	46	-3,193	76	1,897	111
Duchesne	-399	7	-189	70	0	100	306	132
Emery	-285	3	-74	84	149	130	205	135
Garfield	-79	9	-19	88	11	104	53	115
Grand	-468	3	-470	36	-334	61	-20	98
Iron	-1,567	2	-2,018	28	-1,670	51	-353	92
Juab	-223	5	-222	44	-118	74	63	112
Kane	-193	0	-287	15	-213	46	63	113
Millard	-254	13	-114	78	31	105	234	130
Morgan	-56	14	-27	83	53	130	167	177
Piute	-12	8	-23	34	-17	57	-2	96
Rich	-24	8	-26	53	-6	90	33	143
Salt Lake	-34,935	1	-47,737	25	-37,219	51	-4,780	95
San Juan	-214	0	-224	25	-127	67	236	149
Sanpete	-395	8	-145	81	138	114	442	134
Sevier	-469	3	-309	56	-71	91	247	123
Summit	-725	7	-484	59	-142	90	330	117
Tooele	-723	10	-591	64	-108	94	550	123
Uintah	-784	6	-674	52	-327	81	293	114

Utah	-13,639	3	-17,683	35	-12,477	62	-465	99
Wasatch	-512	10	-422	59	-215	83	173	110
Washington	-3,780	2	-6,401	23	-5,819	42	-2,106	83
Wayne	-44	8	-40	63	3	102	92	161
Weber	-6,702	7	-5,924	53	-2,976	80	969	105
State Total	-77,140	3	-95,586	35	-68,014	61	23	100

Source: Kem C. Gardner Policy Institute

Second, data sources regarding housing cost from the US Census Bureau lag by two years and do not capture the velocity of the housing market in a timely manner. The GPI estimates employ a third-party data source for rents that are collected monthly and are averaged to produce an annual figure. Additionally, housing experts have noticed major differences in rents and sales prices shown by the Census and those observed on the ground. Often, the census figures tend to show rents to be lower than what is observed in the market.

I look forward to further discussing these findings at detail. Please let us know if further discussion is needed regarding our initial draft findings.

Sincerely,

Dejan Eskic