



Deseret News

Most of the information included in this report was provided by the refugee, housing and social services agencies that are providing the much needed assistance to refugee families in Utah. Wikstrom Economic & Planning Consultants, Inc., gratefully acknowledge the contributions of the following organizations:

Salt Lake County Community Resources and Development
 Asian Assoc. of Utah
 Assist Inc.
 Catholic Community Services
 Critical Needs Housing
 Homeless Task Force
 Housing Authority of Salt Lake
 International Rescue Committee
 LDS Welfare Administration
 Liberian United in Utah
 Lou Sudanese Chapters of Utah
 Muslim Forum of Utah
 Rescue Haven
 Rescue Mission
 Salt Lake City Mission
 SL Community Action Program
 Somali Community Development of Utah
 State Community Services
 University Neighborhood Partners
 Utah Housing Corp.
 United Way
 Utah Cares
 Utah Dept. of Community & Culture
 Utah MultiCultural Groups
 Utah Housing Coalition
 YWCA

Salt Lake County Refugee Housing Needs

Wikstrom Economic and Planning Consultants, Inc.

December 2007

"Refugees are defined as persons who are outside their country and cannot return owing to a well-founded fear of persecution because of their race, religion, nationality, political opinion or membership of a particular social group."
 - United Nations, 1951

As of third quarter 2007, an estimated 20,000 refugees have been resettled in Utah. Because refugee resettlement organizations are centered in Salt Lake County, the majority of these refugee families have been located there. On average, Utah has welcomed about 265 refugee households each year since 2004. While the numbers have remained about the same, the countries from which the refugees are fleeing change over time as a result of changes in the geopolitical landscape, war and the emergence of oppressive local regimes. Recently, for example, a large proportion of the refugees are from eastern Africa (Sudan, Somalia, Ethiopia) – many fleeing the atrocities of the Darfur region. Many of the refugee households have been living in refugee camps for many years, some for as long as a decade. Nearly half of refugees are single individuals while the other half are families ranging in size from two to twelve people. For the most part, the one-person households are most easily relocated into housing and employment. Several single people can share a housing unit and support their housing and other living costs by pooling wages. For larger families, this is not possible and there is typically one or two wage earners supporting four to ten other people in addition to themselves. Housing costs are also higher for larger families, further straining already over-stretched budgets.

The recent loss of a number of affordable apartment units that had been serving larger refugee families focused attention on the special housing needs of this segment of the refugee population. While most of the families displaced from these apartments have been relocated to replacement housing, the special needs of larger families remain a primary concern to service providers.

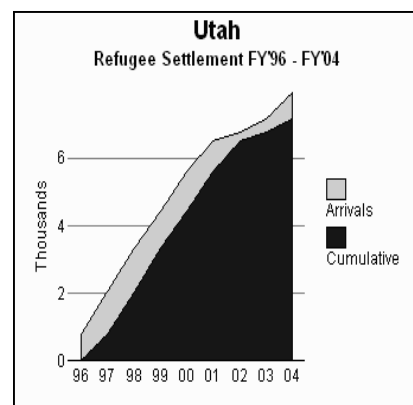


Figure 1:
 Source: Federation for American Immigration Reform

Wikstrom Economic & Planning Consultants, Inc., was retained by Salt Lake County Community Resources and Development to review the needs of this population, document the need and make recommendations for meeting these challenges in the future. The focus of the evaluation is the initial two years after arrival. It is assumed that if housing stock and services are funded/available at the recommended levels, many of the families will be self-sufficient after the initial two-year period, or at least will be able to qualify for assistance. Put another way, the families will fall into the traditional "housing continuum."

Background

Salt Lake County is one of 48 counties in the nation that has been designated a "highly-impacted community." This means that Salt Lake County has been resettling a disproportionate share of the national refugee population. This is

happening for several reasons. First, resettlement in Salt Lake County has been quite successful. This is largely because the employment market in Salt Lake County has remained strong while other regions have seen softening in the job market. In addition, Utah has been welcoming to large refugee families

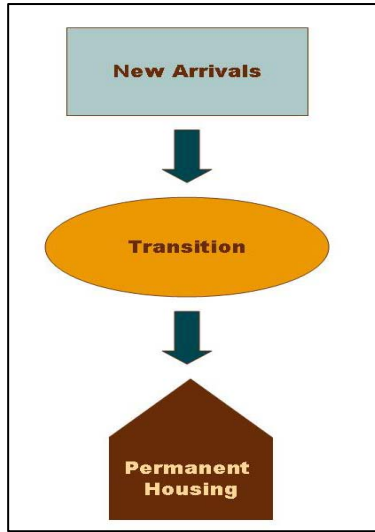


Figure 2

because large families are more typical in this state than in others. Finally, Utah experiences a strong “second migration” pattern where refugees initially resettled in other states move to Utah to access employment or to rejoin extended family.

The resettlement of refugees in Utah can be defined as a three-stage process (see Figure 2). The new-arrival period is essentially the first 90 days when refugee families are provided furnished housing (typically one month’s rent is covered by the resettlement organization), a two-day supply of food, assistance in applying for benefits, employment referrals, health

screening and community orientation. These services are provided by the two refugee resettlement organizations in Utah: Catholic Community Services and the International Rescue Committee. The level of services required is dependent on the nature of living conditions in the country left behind. Many recent refugees have never lived in an urban environment and must learn how to live in a western-style home including “good renter” practices so that they will be able to secure long-term housing after the transition period is over.

The transition period lasts until a permanent housing solution is in place. During this period, ongoing case management addresses employment, general orientation, health coordination, interpretation, basic English skills and assistance with immigration issues. For the initial six months, these services are provided by the refugee resettlement organizations. After that, the services are primarily provided by Workforce Services and the Asian Association of Utah.

Permanent housing can range from market-rate housing funded from the refugee family’s own resources to public assistance for affordable housing. Typically, the wages paid for the types of jobs secured by refugees (who are initially untrained, unskilled or struggling with the language and cultural challenges of a new country) are insufficient to cover market-rate housing.

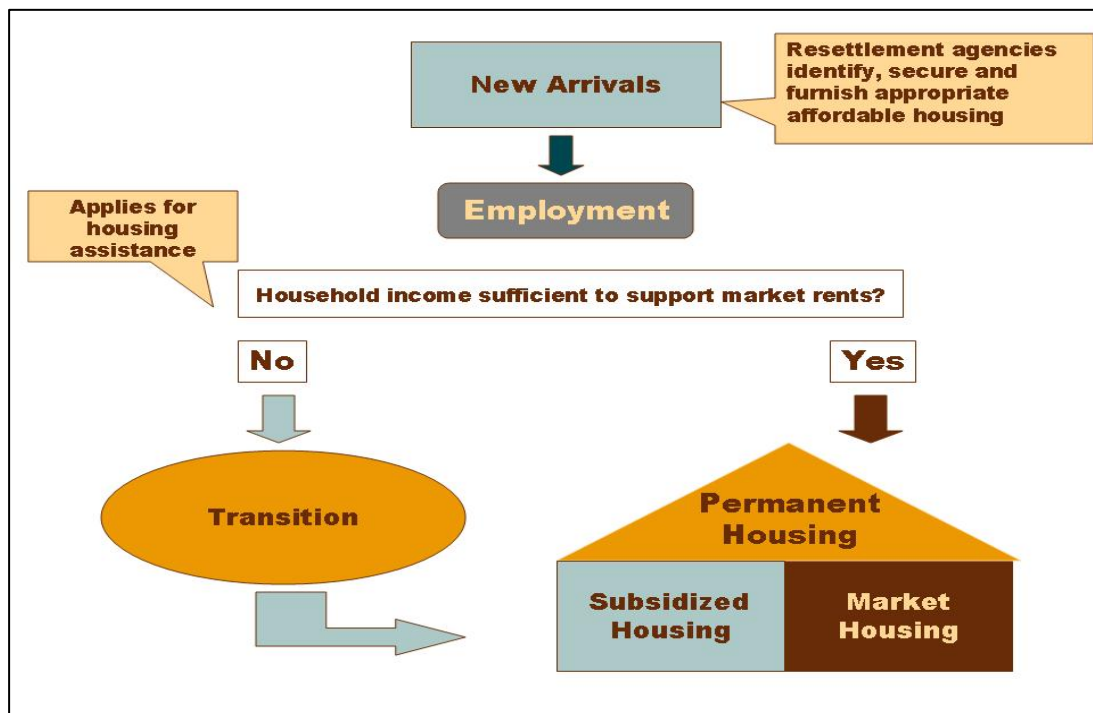


Figure 3

As a result, the permanent housing solution is most commonly publicly assisted housing. Because of the scarcity of public housing funds and the widespread need for housing assistance, it generally takes about 18 to 24 months for refugee families to receive public housing assistance.

This process is easiest for single people and smaller families because wage earners are supporting fewer people and can often pool resources to meet housing needs. The “hard-to-house” refugee population is defined as larger families or seniors with limited wage earning potential and specific housing requirements. A more complete description of the process is illustrated in Figure 3.

Utah Refugee Families

Between FY 2005 – FY2007, there were 2,293 new refugee arrivals in Salt Lake County from Africa (Burundi, Eritrea, Ethiopia, Liberia, Sierra Leone, Somalia and Sudan), the Middle East (Afghanistan, Iran and Iraq), Asia (Russia, Vietnam and Burma) and Cuba. Table 1 summarizes the size of refugee families over this three-year period.

As can be seen, 44 percent of the refugees are single individuals. The “hard-to-house” group is made up of those families of five or more people which averaged about 55 households per year. In addition, about 20 families are headed by senior or disabled individuals. The average number of families needing special transitional housing assistance, then, is about 75 households per year and each will need a housing unit for about two years.

Refugee arrivals do not occur evenly throughout the year. A look at fiscal year 2007 refugee arrivals illustrates the uneven stream of arrivals that has implications for resettlement activities in general and housing in particular. (See Figure 3.) About two-thirds of all cases resettled in Salt Lake County arrived in the fourth quarter, nearly all in September. (IRC). Peak arrival periods place a great deal of stress on resettlement agencies, especially for case management, and makes finding housing all the more difficult. According to Patrick Poulin, Director of IRC, “Housing so many new arrivals at one time was a very large challenge, particularly receiving 16 families with six or more members, including two families of nine,

Table 1
Utah Refugee Families by Household Size

	FY2005	FY2006	FY2007	Total	Average	% of total	
						Cases	Persons
Cases (Households)	266	244	285	795	265	-----	-----
Persons	763	686	844	2293	764	-----	-----
1-person	113	108	130	351	117	44.20%	15.30%
2-person	41	36	29	106	35	13.30%	9.2
3-person	27	32	26	85	28	10.70%	11.1
4-person	32	24	32	88	29	11.10%	15.4
5-person	18	12	22	52	17	6.50%	11.3
6-person	9	7	14	30	10	3.80%	7.8
7-person	9	5	15	29	10	3.60%	8.9
8-person	7	9	8	24	8	3.00%	8.4
9-person	6	7	5	18	6	2.30%	7.1
10-person	2	3	2	7	2	0.90%	3.1
11-person	2	0	2	4	1	0.50%	1.9
12-person	0	1	0	1	0	0.10%	0.5

Source: Catholic Community Services and International Rescue Committee

two families of 10, and one family of 11 during this period. To put this in a broader perspective, for the entire year the SLC Office resettled 16 families with seven or more members. Thirteen of these largest families came in the fourth quarter, and more notably, 12 of the 13 came in the last month. Motels were required to house some families while the larger bedroom units were sought in the community. IRC was able to secure housing for many of the refugees. Several large families are still requiring 4-5 bedroom houses.”

Anticipated refugees in near term

It is assumed that the number of refugees that will be resettled in Utah in the next two to three years will remain at about the same level as experienced over the recent three-year period. Figure 4 associates numbers with the transition process.

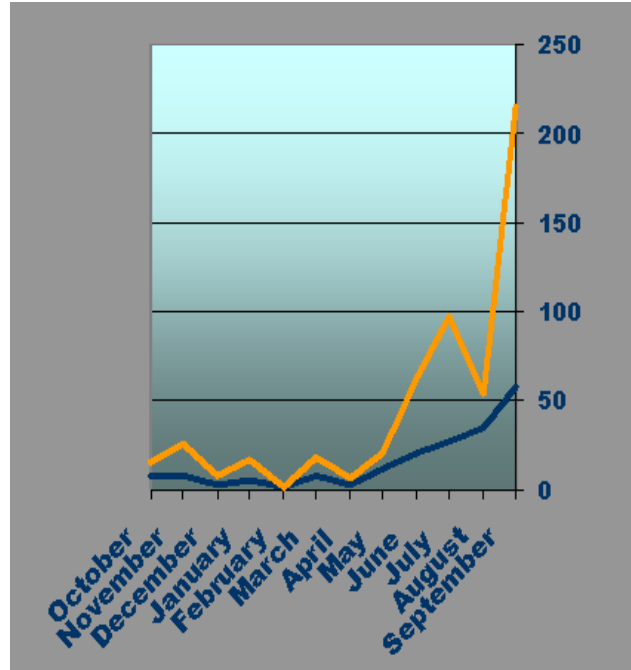


Figure 4

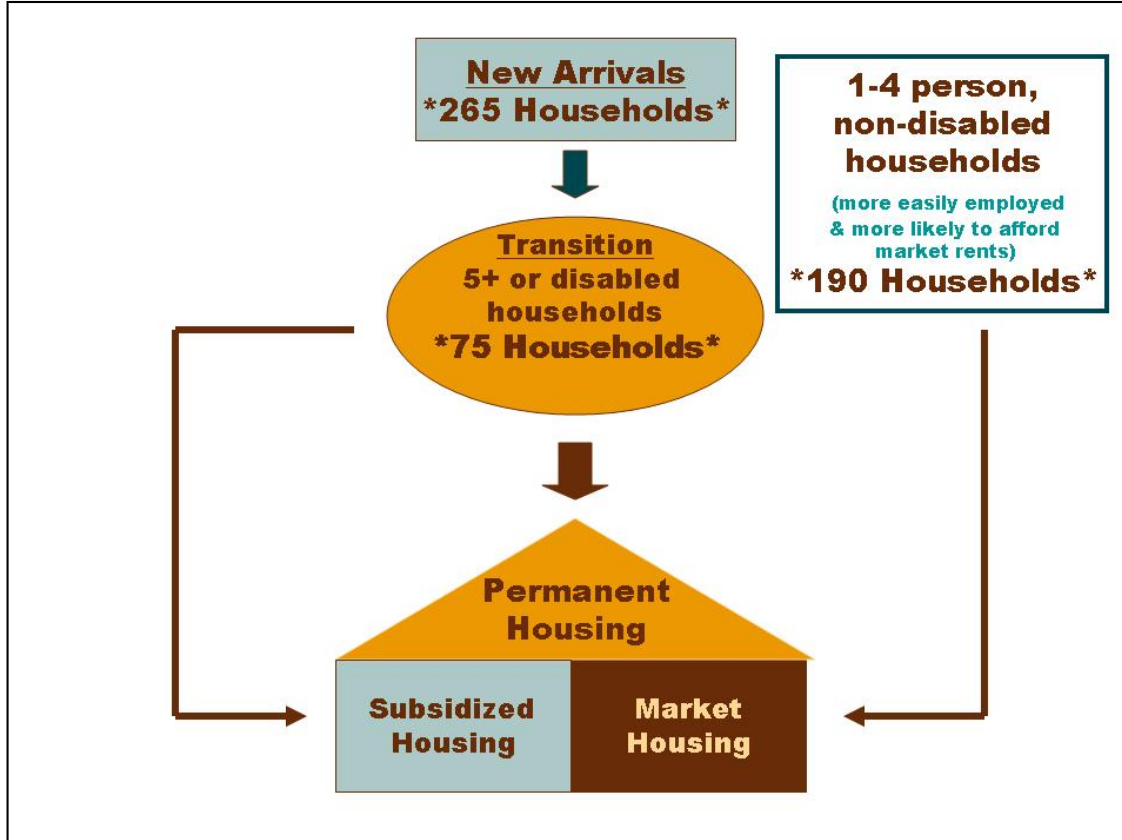


Figure 5

Range of housing types and sizes required to meet 18 – 24 month refugee needs

Refugee transitional housing unit needs have been estimated by the resettlement agencies using the following assumptions:

- The number of refugees resettling in Salt Lake County will be around 800 individuals and approximately 275 cases (households).
- Historic data suggests that about 39 percent of all one-to-five-person cases will not need transitional housing because they are anchored reunion cases, meaning they are joining other family members that are already settled in Utah.
- The 44 percent of all cases resettled that are singles can be matched and doubled up in housing options.
- The distribution of family size for new refugee families will mirror past trends.

Based on these assumptions, the amount of transitional housing units required in a two year period is outlined in Table 2.

Unit size (# Bedrooms)	Year 1	Year 2	Total units	% total units	Total persons	% total persons
2	74	74	148	53.2%	330	28.5%
3	28	28	56	20.2%	246	21.2%
4	20	20	40	14.4%	260	22.5%
5	17	17	34	12.2%	322	27.8%
Total:	139	139	278	-----	1,158	-----

Source: CCS and IRC

Existing housing stock available for refugees

Market-rate Housing

Market rate housing is priced well above levels affordable to most newly arrived refugees. Even with the flight of renters to home ownership that has occurred over the past decade of low interest rates, the multi-family rental market in Salt Lake County is very tight.

Rents have been increasing steadily in Salt Lake County with the drop of vacancy rates in recent years. From 2002 to 2003 average rents decreased significantly as a result of the national recession and low mortgage interest rates, but this period was short-lived and most rents have now surpassed 2002 levels. With lower vacancy rates rents should continue to increase in the near term.

Current rents are affordable to households with annual incomes ranging from \$24,000 to \$28,000 as seen in Table 3. Newly arrived refugees typically work at minimum-wage jobs with an annual salary of \$12,168 and at least two wage earners would be required to fund a one-bedroom unit.

	Rent	Monthly Income	Annual Income
1 Bedroom/1 Bath	\$606	\$2,020	\$24,240
2 Bedroom/1 Bath	\$668	\$2,227	\$26,720
2 Bedroom/2 Bath	\$851	\$2,837	\$34,040
3 Bedroom/2 Bath	\$915	\$3,050	\$36,600
Overall Average	\$697	\$2,323	\$27,880

Source: Equimark; Wikstrom

Rents are expected to continue to rise with low vacancy rates and limited expansion of supply. The Salt Lake County vacancy rate was 5.6 percent at mid-year 2006 and decreased to 4.1 percent by mid-year 2007. Even lower vacancy rates are experienced in larger, newer complexes. Low vacancy rates, such as those currently experienced in the Salt Lake market are considered fully occupied. A 5.0 – 6.0 percent vacancy rate accounts for normal turnover in occupied units. Rates this low have not been observed in the Salt Lake County market since the late 1990's (Figure 5). Shrinking vacancy rates should continue into the future. The low vacancy rates will continue as owned housing units increase in cost and the economy remains strong.

Since 1997 Salt Lake County has averaged construction of 1,045 new units per year. Construction slowed during the recessions but has seen much improvement in 2005 to 2006. Low interest rates in recent years have slowed the development of new apartment units.

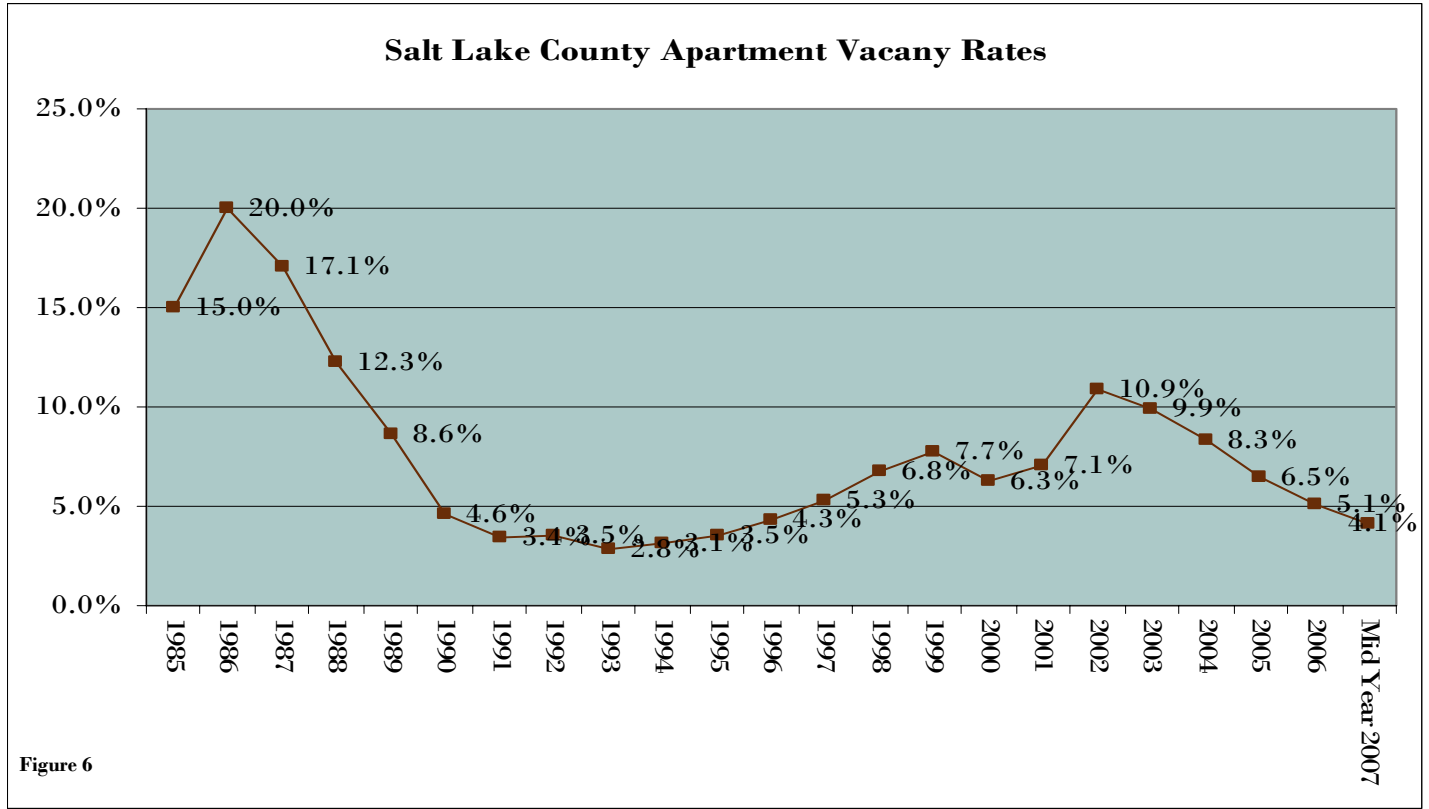


Figure 6

**Table 4:
Average Apartment Rents by Apartment Type**

	Year End 1999	Year End 2000	Year End 2001	Year End 2002	Year End 2003	Year End 2004	Year End 2005	Year End 2006	Mid Year 2007
Studio	\$410	\$421	\$423	\$420	\$410	\$413	\$419	\$434	\$449
1B/1B	\$536	\$556	\$565	\$569	\$547	\$551	\$559	\$586	\$606
2B/1B	\$601	\$619	\$629	\$631	\$604	\$613	\$619	\$605	\$668
2B/2B	\$733	\$757	\$775	\$772	\$746	\$762	\$774	\$824	\$851
3B/2B	\$818	\$837	\$855	\$848	\$803	\$839	\$844	\$892	\$915
Average Rents	\$614	\$637	\$649	\$649	\$627	\$632	\$641	\$674	\$697

Source: Equimark, Inc.

With the credit market tightening mortgage availability, more consumer interest will be diverted to apartments over options for home-ownership.

Vacancies, then, are projected to remain low placing upward pressure on rents that will make market-rate housing even less affordable for refugee families.

Publicly Assisted Housing

Public assistance for housing generally occurs through government subsidies of the construction costs of units (low-income housing tax credits or mod/rehab funds) in exchange for maintaining affordability of the units for a

specific period of time (“compliance period”) or through rental vouchers (Section 8). The estimated total supply of government-assisted housing in Salt Lake County is as follows:

- Public housing units 1,400 units
- Section 8 vouchers 5,600 units
- Tax credit units 5,900 units
- Senior and Disabled 1,000 units (est)
- Estimated total 13,900 units

Housing providers estimate that there are between 4,000 and 5,000 households on waiting lists for publicly assisted housing.

Projected Loss of Affordable Housing

Once the compliance period ends, the units can be leased at market rents or converted to condominiums – either action reducing the affordable housing stock. Low-income housing tax credit (“LIHTC”) units are both rent restricted and occupied by tenants who meet the applicable Section 8 income limitations. According to a report prepared by the Utah Community Action Program (“CAP”), “As of July 2007, 1072 units have completed their compliance period...The end of compliance...can also affect non-tax credit units.” Actions on the part of landlords such as raising rents, reducing the maximum lease term below that required by Section 8 low-income housing vouchers, requiring rental insurance also remove units from the pool of affordable units. CAP reports that Utah could lose up to 1377 additional LIHTC low-income compliant units to the market rate by the end of 2027.

“Cap” between needs and available housing Units

It is necessary to **consider the acquisition and management of about 275 to 300 primarily 3+-bedroom transition units** to bridge the gap. Given the market rents for larger units and the low wage structure of arriving refugees, it is unlikely that market-rate housing can address any of the housing needs of the hard-to-house refugees. Public housing assistance is also not available in the initial 18-24-month period, given the long waiting list.

Location

There are two philosophies regarding location of refugee families: concentration and dispersal. The Hartland experience points out the benefits of a certain amount of concentration including easier provision of and access to support services and the creation of a sense of community. The fear of a large, single



complex is the “ghetto-ization” of the project and isolation from the larger community. There is a requirement that the refugee families are located within 50 miles of the service providers and a widespread dispersal of units would certainly add to the cost of providing the needed services to these households. The middle ground could take the form of three or four smaller projects of about 80 to 100 units each.

In the past, most units have been located in the urban core of Salt Lake County. Considering the 100-mile requirement, the units could be located anywhere along the Wasatch Front. To the extent that families are coming from agrarian backgrounds, it may make sense to have a portion of the units in an agricultural setting on the fringe of the urban center or at least with easy access to a community garden. Even in very urban areas such as San Francisco, refugee housing has been designed incorporating community gardens -- if only on rooftops. Partnerships with organizations such as Wasatch Community Gardens should be explored.

“Many are in shock. Many carry a deep sense of loss. Many are humiliated, anxious or disoriented. They have committed or suffered atrocities ... Family structures are often destroyed. Fathers may still be at war or be killed. In refugee settlements, there is injustice, corruption and deceit ... Yet, there is also a great will to keep families together. There is a great longing for integrity. There is he-



Services

Case management is most crucial in moving refugee families into the housing continuum. Service providers indicate that without training in home maintenance and “good renter” practices, refugees are often quickly evicted and become extremely difficult to place in housing, creating an ongoing housing crisis cycle for the family. The case-management resources of resettlement organizations are stretched. According to service providers, **at least eight additional case workers are needed to handle the current and projected flow of refugees into Utah.** Case management services would ideally be located on the site of transitional housing projects and would be integrated with the management of the facility.

Housing types

The majority of housing units need to be large to accommodate the larger families in the “hard-to-house” category of refugees. Yet dispersed single family units may be too isolating for these families in the initial resettlement period. An ideal housing prototype would be a modified “co-housing” model that originated in Denmark but has been developed throughout the United States. According to the Cohousing Association of the United States, “Cohousing is a type of collaborative housing in which residents actively participate in the design and operation of their own neighborhoods. Cohousing residents are consciously committed to living as a community. The physical design encourages both social contact and individual space. Private homes contain all the features of conventional homes, but residents also have access to common facilities such as open space, courtyards, a playground and a common house.



Hearthstone, an urban cohousing community in North Denver, CO



Modifications to this model would be a central community center for support services and case management, a common garden, rental housing (as opposed to owner occupied), and a mix of unit types ranging from attached to detached units to address the full spectrum of need outlined above.

This, of course, is the most costly approach to filling the refugee housing gap as it implies new construction. However, there are ways to adapt existing projects or combinations of projects that could achieve the same goal. Remember, the Hartland apartments were not designed as a transitional housing project but functioned very well in meeting the service and community needs of the refugee families.

Alternative Approaches/Strategies

A local example of a variation on the co-housing model is Life Start Village run by the Family Support Center in Midvale. LifeStart Village provides different levels of supported housing from communal quarters to CROWN lease-to-own twin homes in an integrated, campus setting. Case management and other supportive services are available to help high risk single mothers gain self-sufficiency and long-term stability. A similar model could be adapted for refugee families.

New construction

New construction is initially the most costly, but appropriate design could result in a higher level of successful placement in permanent housing and possibly reduce long-term costs of case management and housing assistance.

Acquire existing units/projects

Acquisition of existing projects can be slightly more affordable than new construction, depending on market conditions. There are also opportunities that may arise as agencies such as the Salt Lake City Housing Authority sell existing public housing projects. There is also the opportunity to take advantage of the current increase in home foreclosures to acquire existing properties at lower-than-market rates. Banks can donate or sell foreclosed units at reduced cost and benefit from favorable Community Reinvestment status. The UCAP-identified LIHTC projects that will have completed their compliance period are another potential pool for acquisition.