Final Report

State of Indiana Analysis of Impediments to Fair Housing Choice

2006

DUNS No. 80-989-6723

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Prepared for

State of Indiana
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SECTION I.
Introduction and Executive Summary

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Introduction and Executive Summary

This report contains an updated Analysis of Impediments to Fair Housing Choice (AI) for the State of Indiana. The AI was conducted in 2005, using a similar methodology as the Consolidated Plan and includes data from two citizen surveys; a key person/organization survey; a public housing authority survey; a public forum; key person interviews; and reviews and analyses of data on fair housing complaints, legal cases, and mortgage lending and foreclosure data, as well as State barriers to affordable housing.

Lead and Participating Agencies

Indiana's AI was a collaborative effort. The Indiana Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA) were responsible for overseeing the coordination and development of the AI and 2006 Consolidated Plan Update.

The State of Indiana retained BBC Research & Consulting, Inc. (BBC), an economic research and consulting firm specializing in housing research, to assist in the preparation of the AI.

Participants

The AI and 2006 Consolidated Plan Update were developed with a strong emphasis on community input. It also incorporated several survey efforts that were completed as part of the 2005 Five-Year Consolidated Plan. Citizens participated in the development of the AI and Consolidated Plan Update through:

- The Indiana Civil Rights Commission (ICRC) hosted a Fair Housing Open Forum. The purpose of the forum was to assess impediments to Fair Housing in Indiana, and develop strategies to ensure that all Hoosiers are afforded fair housing
- A targeted citizen mail survey of low-income citizens, citizens receiving public housing assistance and citizens with special needs;
- A key person/organization survey sent to more than 1,800 stakeholders in the State's nonentitlement areas;
- A telephone survey, the Indiana Rural Poll, was conducted of Indiana residents living outside of Indiana's Urbanized Areas.
- Key person interviews of stakeholders;
- Three citizen forums targeted to certain special needs populations;

Fair housing forum. On Wednesday, February 9, 2005, the Indiana Civil Rights Commission hosted a Fair Housing Open Forum. The purpose of the forum was to assess impediments to Fair Housing in Indiana, and develop strategies to ensure that all Hoosiers are afforded fair housing choice. At the time of the forums, the Indiana Housing Finance Authority (IHFA, now IHCDA) assisted in identifying groups and individuals who were targeted as potential contributors so that they might also receive an invitation. Altogether, 100 people pre-registered to attend with a total of 89 in attendance. The attendees included individuals representing 60 agencies and organizations and six interested citizens, as shown in the following exhibit:

Exhibit I-1. Fair Housing Forum Agency/ Organization Representatives

Adult & Children Mental Health Center	Indiana Protection /Advocacy Services
Affordable Housing Corporation	Indianapolis Division EEOC
Bloomington Housing Authority	Indianapolis Resource Center for Independent Living
BOSMA Industries	IRL Development Corporation
Brothers Uplifting Brothers	Knox County Housing Authority
Carpenter Realtors	Manchester Village Apartments
Community Action Program	Marion County Center for Housing Opportunity
Crawford Manor Apartments	Mayor's Advisory Council for People with Disabilities
Crawfordsville Housing Authority	Mexican Civic Association
Custom Mortgage	National City Corporation
Division of Family Resources Housing/Community Services	New Albany Community Housing
Edward Rose Properties	Norstar Mortgage Group
Family Services of Central Indiana	Northwest Indiana Aliveness Project
Fifth Freedom	NWI Open Housing Center
FSSA Consumer/Family Affairs	Park Regency Apartments
FSSA Division on Disability, Aging, Rehabilitative Services	Path Finder Services
FSSA Family/Children	Policy, Planning, Regional Services
Future Choices	Positive Link
Governor's Council for People With Disabilities	Project Renew
Great Lakes Capital Fund	Richmond Housing Authority
Homeless Initiative Program	Rural Housing Finance Corporation
Hope of Evansville	Rural Rental Housing
Indiana Association of Community and Economic Development	Salvation Army Harbor Light

Source:

Fair Housing Forum, February 2005.

Exhibit I-1 (continued). Fair Housing Forum Agency/ Organization Representatives

Source:
Fair Housing Forum, February 2005.

Indiana Civil Rights Commission	South Bend Housing Authority
Indiana Coalition on Housing and Homeless Issues	Southern Indiana Center for Independent Living
Indiana Housing Finance Authority	St. Jude House
Indiana Institute on Disability and Community	Therapeutic Solutions
Indiana Legal Services	Unique Ministries Awareness
Indiana Manufactured Housing Association	Villas Apartments

Consolidated Plan Committee. The Consolidated Plan Committee made a significant effort to involve governmental agencies and nonprofit organizations at all levels in the planning process. A comprehensive key person survey was sent to more than 1,800 stakeholders statewide. Key person interviews were also conducted of stakeholders. Among the organizations with which the Committee exchanged information were State and local policymakers, service providers to the State's special needs populations, administrators of public housing authorities, as well as city planners and housing development specialists. The materials that these organizations shared with us are sourced throughout the report.

The Consolidated Plan Coordinating Committee included representatives from OCRA and IHCDA as well as individuals from the Indiana Family and Social Services Administration (FSSA), Indiana Coalition on Housing and Homeless Issues (ICHHI), the Indiana Association for Community and Economic Development (IACED), the Indiana Civil Rights Commission (ICRC), Rural Opportunities Inc. (ROI), the Economic Development District & Regional Planning Commission, the Indiana Association of Cities and Towns, The Indiana Institute on Disability and Community, and the U.S. Department of Housing and Urban Development (HUD). A list of the key people involved in the development of the AI and plan follows.

Lisa Coffman	Amy Murphy-Nugen
Lori Dimick	Paul Neumann
John Dorgan	DaMica O'Bryant
Laura Gibbons	Annette Phillips
Christie Gillespie	Annie Poole
Julia Holloway	Jill Saegesser
David Kaufmann	Jacop Sipe
Dave Koenig	Tommy Tabor
Maria Larson	Patrick Taylor
Dr. Anil Mangla	Betty Walton
Debra McCarty	

In addition to these key players in development of the AI and Plan, citizens and stakeholders participated in the planning process by responding to community surveys, being part of key person interviews, or submitting written comments to the Consolidated Plan Coordinating Committee. A list of participants in the key person interviews follows; key person comments are located in Section II Their input was very welcome and their thoughts much appreciated.

Key Person Interviewees, Indiana 2005 and 2006 Consolidated Plan and AI.

Adsit, Bob Center on Aging and Community (CICOA)	Lindenlaub, Mark Housing Partnerships, Inc.
Arevalo, Rocio La Casa Goshen	Madill, Melissa Indianapolis Resource Center for Independent Living
Baize, Tony Kentucky Fair Housing Council, Inc.	Mager, Teresa Wabash Independent Living and Learning Center
Beckley, Craig Heart House	Mains, Diane Indiana Department of Corrections
Bedwell, Deb Anchor House	Meadows, Jennifer Family Crisis Shelter
Bennett, Emas The Ruben Center	Myers, Deb Ohio Valley Opportunities Inc
Bohannon, Roderick Indiana Legal Services	Nordstrom, Carol Christian Community Action
Carpenter, Anita Indiana Coalition Against Sexual Assault	Parrett, Lisa Texas Migrant Council, Inc.
Clark, Richard Human Services	Priore, John NAMI Indiana
Cline, Joan Community Action Program Inc of Western Indiana	Quarles, Beth Future Choices, Inc.
Cooney, Tom Independent Living Center of Eastern Indiana	Reemy, Mary The Caring Place
Craig, Paula Blue River Services	St. John, Mark Lambda Consulting Incorporated
Cunningham, Mike USDA Rural Development	Scime, Mike The Dayspring Center
Dillman, Connie Independent Res. Living of Central Indiana	Schultz, Mary Beth The Caring Place
Eckert, Gina Indiana Division of Mental Health and Addiction	Shade, Rusty Transition Resources Corporation
Fleck, Kay Whitely Crossings	Stafford, Phil Center on Aging and Community
Gautsche, Larry LaCasa of Goshen	Stewart, Patricia Assistive Technology Training and Information Center
Gentrup, Paula Rising Sun Ohio County Senior Citizens Housing	Tolbert, Al Southern Indiana Center for Independent Living
Flora, Jennifer Mental Health Association in Tippecanoe County, Inc.	Torres, Teresa Everybody Counts Center for Independent Living
Jones, Forest HUD Indianapolis Office	Walker, Fred Blackford County
Koenig, Dave Region III-A, Economic Development District & Regional Planning Commission	Young, David Elkhart Housing Partnership, Inc
Knight, Ginger Hoosier Uplands	Ziglar, Deb A-Way Home

Funded

The AI research, report and plan implementation is funded using CDBG and HOME.

SECTION II.
Jurisdictional Background Data

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Jurisdictional Background Data

This section contains an updated portion of the Analysis of Impediments to Fair Housing Choice (AI) for the State of Indiana. The AI was conducted in 2005, using a similar methodology as the Consolidated Plan and includes data from two citizen surveys; a key person/organization survey; a public housing authority survey; a public forum; key person interviews; and reviews and analyses of data on fair housing complaints, legal cases, and mortgage lending and foreclosure data, as well as State barriers to affordable housing.

Demographic, Income, Housing, Transportation, Education, and Employment data

The Socioeconomic and Housing Market sections (Section's II and IV of the Consolidated Plan Update, these are included in the Appendix of this report) incorporate the most recently released socioeconomic and housing data from the U.S. Census Bureau, HUD and State data sources. These include an analysis of housing market conditions including data from the 2000 Census, data from the American Community Survey's (ACS) Summary Tables and Public Use Microdata (PUMS). The Summary Tables and PUMS data sets are both produced by the U.S. Census and released annually for large geographical areas, such as states. These data sets provide similar data to that found in the 2000 Census. The data are from ongoing surveys that will ultimately replace the long form survey used in prior Censuses.

The ACS uses three modes of data collection—mail, telephone and personal visit—and is given to a sample of the population during a three-month period. The profile universe is currently limited to the household population and excludes the population living in institutions, college dormitories, and other group quarters. The group quarters population will be included starting with the 2005 data when the ACS begins full implementation. Data are based on a sample and are subject to sampling variability.

PUMS data show the full range of responses made on individual surveys—e.g., how one household or member answered questions on occupation, place of work, and so forth. The files contain records for a sample of all housing units, with information on the characteristics of each unit and the people in it. PUMS data allow a more detailed analysis of the Census survey data than is available from the ACS Summary Tables and 2000 Census tables.

Complaint Data and Legal Analysis

Residents of Indiana who believe they have experienced discrimination may report their complaints to HUD's Office of Fair Housing and Equal Opportunity (FHEO), the Indiana Civil Rights Commission (ICRC), and to a local organization depending on local ordinances. There are six local/regional fair housing enforcement agencies located throughout Indiana. Complaints reported to FHEO are sent to ICRC for investigation. ICRC is the state agency that enforces Civil Rights Law and the Fair Housing Act.

ICRC also houses the state's Fair Housing Task Force, which provides education and outreach activities related to fair housing choice to communities and citizens statewide. After being inactive for a short period of time, the Task Force is in the process of being reinstituted.

As part of the AI, the ICRC was contacted and requested to provide summary information about cases that had been filed by or against organizations in Indiana. Data was received and is summarized as follows.

Housing discrimination complaints. Any person who feels they have been discriminated against under the Fair Housing Act and/or the Indiana Fair Housing Act may file a complaint within one year after the discriminatory act has occurred with ICRC. ICRC is equipped to take complaints in person at their office in Indianapolis. Complaints may also be filed by either personal delivery, mail, e-mail, telephone, fax, or online (www.in.gov/icrc/pubs/onlinecomplaint.html). The complaints must be in writing. ICRC staff can provide assistance to those who need assistance in drafting and filing their complaints. After complaints are filed, they are investigated by ICRC on both the part of the complainant and the respondent.

A complaint may be resolved in a number of ways. The ICRC Alternative Dispute Resolution (ADR) Team can attempt to resolve the dispute through mediation at any time during the investigation, if all parties agree. If mediation is not agreed upon or a resolution cannot be found, the complaint proceeds through the investigative process (where a *test* may be performed during the investigation) and is then reviewed by the director of the ICRC. The director makes the final determination of probable cause that an illegal act of discrimination occurred. (If no probable cause is found, the complainant may ask for reconsideration of the complaint within 15 days). If probable cause is found, the complaint proceeds through the resolution process. A complaint may be resolved through a settlement between the parties. If a settlement cannot be reached, a public hearing takes place with an Administrative Law Judge (ALJ). In a trial, the complainant may be represented by an ICRC staff attorney. After the trial, the ALJ issues proposed findings, which are submitted to ICRC. The complainant and respondent have 15 days to file objections to the recommended findings.

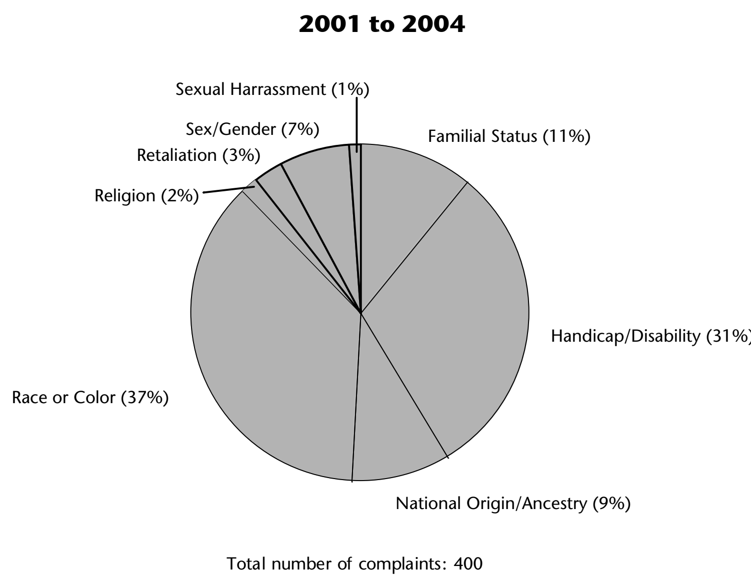
If, during the investigative, review, and legal process, ICRC finds that discrimination has occurred, the agency may issue an order to stop the discrimination and eliminate further discrimination.

As of November 2004, the ICRC database contained 400 records of housing discrimination complaints filed since 2001. Exhibit II-1 summarizes the cases filed during this period. The most common reason for discrimination identified in ICRC records was race or color; 37 percent of the filed cases were filed based on racial discrimination. The second most common reason for discrimination was handicap/disability (31 percent of cases), followed by familial status (11 percent).

Exhibit II-1.
Basis of Housing Discrimination Complaints Filed with ICRC, 2001 through 2004

Note:
The reported complaints are from all agencies in the ICRC's Fair Housing Database from 01/01/01 to 11/12/04.

Source:
Indiana Civil Rights Commission.



The following exhibit shows the type of complaints filed by year, from 2001 to 2004, by basis of complaint. The highest number of complaints were filed in 2004 (126 complaints) and the lowest number (36 complaints) were filed in 2001.

Exhibit II-2.
Basis of Housing Discrimination Complaints Filed with ICRC, 2001 through 2004

	2001		2002		2003		2004		Total	
Familial Status	5	14%	15	15%	9	9%	11	9%	40	11%
Handicap/Disability	6	17%	33	33%	35	35%	46	37%	120	33%
National Origin/Ancestry	5	14%	5	5%	9	9%	14	11%	33	9%
Race or Color	17	47%	31	31%	35	35%	46	37%	129	36%
Religion	0	0%	3	3%	1	1%	2	2%	6	2%
Retaliation	1	3%	4	4%	4	4%	2	2%	11	3%
Sex/Gender	2	6%	9	9%	5	5%	4	3%	20	6%
Sexual Harassment	0	0%	0	0%	3	3%	1	1%	4	1%
Total number of complaints	**36**	**100%**	**100**	**100%**	**101**	**100%**	**126**	**100%**	**363**	**100%**

Note: The complaints were files from 01/01/01 to 11/12/04.
Source: Indiana Civil Rights Commission.

The above data are consistent with national data compiled by the National Fair Housing Alliance, which have shown that complaint volumes are highest among African Americans (the largest minority population in Indiana), persons with disabilities, and families with children.

A report on fair housing trends by the National Fair Housing Alliance suggests that only one percent of housing discrimination experienced in the U.S. is reported. There were 126 complaints received by ICRC in 2004. If these complaints represent only one percent of the incidences of housing discrimination experienced, then an estimated 12,600 cases of discrimination occur annually in Indiana.

The citizen surveys conducted for the Five-Year Consolidated Plan estimate that between 4 and 6 percent of Hoosiers believe they have experienced housing discrimination at some point in time. This equates to between 250,000 and 370,000 people, based 2003 population estimates for the State.

Exhibit II-3 shows the status of the complaints in 2002 and 2003. Over two-thirds of the complaints closed in both 2002 and 2003, 71 percent and 72 percent respectively, as they were found to have no probable cause.

Exhibit II-3.
Case Status Summary for Cases Closed in 2002 and 2003

Source:
Indiana Civil Rights Commission.

	2002		2003	
Complaint Withdrawn	1	4%	8	4%
Reasonable Cause/State Court	0	0%	2	1%
No Probable Cause	20	71%	138	72%
Complaint Withdrawn/Settlement	4	14%	17	9%
Failure to Cooperate	0	0%	10	5%
Failure to Locate	0	0%	2	1%
Lack of Jurisdiction	3	11%	3	2%
Mediation Agreement	0	0%	4	2%
Consent Agreement	0	0%	4	2%
Final Order	0	0%	5	3%
Total number of cases closed	**28**	**100%**	**193**	**100%**

Fair housing testing. The ICRC investigator may also request that a *test* be performed during an investigation to identify cases of housing discrimination. Testing is a controlled method to determine differential treatment in the quality, and content, of information and/or services given in order to discover discriminatory practices. Testing programs "match" persons in protected classes with white individuals having the same characteristics (e.g., income levels, credit histories, rental records). These individuals independently engage in identical transactions—applying for a mortgage loan, refinancing a current loan, previewing an apartment and completing an application—and report the results of the transaction. The transactions are then compared to identify evidence of disparate treatment. ICRC does not yet have data on the housing discrimination component of the testing program.

Recent legal cases. As part of the fair housing analysis, recent legal cases were reviewed to determine significant fair housing issues and trends in Indiana. Searches of the Department of Justice case databases found three cases involving the Fair Housing Act in Indiana. This section summarizes the issues in these cases. A search was also completed of the National Fair Housing Advocate case database, which found five recent cases in Indiana from the Indiana Supreme Court and the U.S. District Court for Southern Indiana. These cases are described below.

United States of America v. Lake County Board of Commissioners, et al. In October 2004, a complaint was filed against the Lake County Board of Commissioners and Lake County Redevelopment Commission for violating the Fair Housing Act by interfering with and retaliating against two employees of the County's Development Department. The United States alleges that the defendants terminated the employees for supporting a new housing development in which African-Americans would likely purchase homes and for assisting the Division in fair housing litigation against the City of Lake Station.

The case was referred to the Division after the Department of Housing and Urban Development (HUD) received a complaint, conducted an investigation, and issued a charge of discrimination.

United States of America v. Edward Rose & Sons, Inc, et al. In February 2003, the Court issued an order granting the United States a preliminary injunction to enjoin the defendants from occupying or further constructing 19 apartment buildings at Westlake Apartments in Belleville, Michigan and Lake Pointe Apartments in Batavia, Ohio, until they could be redesigned or retrofitted to be brought into compliance with the Fair Housing Act.

The two complaints filled allege Edward Rose & Sons, several affiliate companies, as well as individual architects and architectural firms, have engaged in a pattern or practice of discrimination against persons with disabilities. They have failed to include accessible features required by the Fair Housing Act and the Americans with Disabilities Act in a number of apartment complexes it developed in Indiana, Michigan, Ohio, Wisconsin, Illinois and Virginia.

The United States alleges that approximately 4,050 ground floor units in 42 apartment complexes do not have accessible entrances, kitchens and bathrooms, along with other building features. Edward Rose & Sons is one of the largest multifamily developers in the nation. Fifteen of the 42 apartment complexes sited in this case are located in Indiana.

On August 25, 2004, the Sixth Circuit Court of Appeals affirmed the decision of the district court granting the United States' motion for a preliminary injunction. The Circuit affirmed that the Fair Housing Act requires the common landing area between two covered dwellings to be accessible to persons with disabilities. The defendants' split-level design only provides access by way of a half-flight of stairs.

United States of America v. City of Lake Station. In December 1998, the United States filed a complaint claiming the City of Lake Station, Indiana violated the Fair Housing Act by refusing to permit the development of a subdivision of affordable, owner-occupied, single-family tract homes. The U.S. contends that the refusal to authorize the construction was based on fears that the residents of the subdivision would come from neighboring Gary, whose population is overwhelmingly African American. Despite Lake Station's proximity to Gary, only 0.2 percent of Lake Station's population is African American.

The consent ordered the City to permit the construction of the subdivision, called Timbercreek. Under the agreement, the City will also:

- Amend its ordinances to ensure that all Timbercreek homes qualify for a significant, six-year, phased-out property tax abatement;
- Waive standard building permit fees, occupancy permit fees and inspection fees for Timbercreek homes;
- Waive water meter installation fees on the first four homes;
- Pay LCEDC $10,000 to market Timbercreek throughout Northwest Indiana;
- Enter into a $5,000 per year services contract with Northwest Indiana Open Housing Center for the next five years; and
- Send City officials to fair housing training.

Deborah Walton v. Claybridge Homeowners Association, et al. In January 2004, the United States District Court for the Southern District of Indiana, Indianapolis Division issued an opinion of the matter brought before the court on the Defendants' (including the Claybridge Homeowners Association's along with other noted individuals also referred to as the HOA) Motion to Dismiss and/or Motion for Summary Judgment, on the claims of the Plaintiff, Deborah Walton. Walton brought this housing discrimination pursuant to the Civil Rights Act and the Fair Housing Act. Walton, an African American, asserts that the HOA, through actions of its individual officers and representative, discriminated against her based on her race.

In January 2000,Walton purchased a home in Hamilton County and allegedly immediately began to have problems with the HOA and its officers and representatives. Walton filed a complaint with the Indiana Civil Rights Commission (ICRC) in 2002 and the ICRC issued a no probable cause finding and dismissed the complaint. Walton filed a request for reconsideration, and the ICRC affirmed the no probable cause finding. However, as noted by the Court's response, a no probable cause finding by the ICRC does not bar a plaintiff from filing a subsequent federal lawsuit. The Court denied the HOAs motion to dismiss this case.

Sara Simpson and Anne Kavelman v. Flagstar Bank FSB. In September 2003 the U.S. District Court for the Southern District of Indiana, Indianapolis Division provided an opinion of the magistrate judge's Report and Recommendation of the class action lawsuit against Flagstar Bank as well as the Defendants' objections. This class action lawsuit arises from Flagstar Bank FSB's loan policy capping the loan officer's revenue per loan (RPL) at 3 percent for minority borrowers and 4 percent for non-minority borrowers. The policy was discontinued on January 31, 2002.

On September 25, 2001, the Plaintiff Sara Simpson, a non-minority, closed a loan with Flagstar where the loan officer earned 3.23 percent loan officer RPL, more than the 3 percent cap for minority borrowers. On August 6, 2001, Plaintiff Anne Kavelman, a non-minority, closed a loan where the loan officer earned 1.5 percent loan officer RPL. The Plaintiffs sued under the Fair Housing Act and sought to certify two subclasses: one, with Simpson as class representative, consisting of a non-minority borrowers who were charged over the 3 percent cap for minorities; and the second, with Kavelman as class representative, who closed loans within the policy period but were not charged over 3 percent.

The court denied certification of the Kavelman subclass: granted summary judgment against Kavelman in favor of Flagstar Bank FSB; and grated certification of Simpson subclass, specified as follows: non-minority borrowers nationwide who were subject to Loan Officer Policy 01-07 when they initiated mortgage loans in any amount from May 2, 2001 to October 1, 2001 or in any amount equal to or in excess of $50,000 from October 1, 2001 to January 31, 2002, and were changed over 3 percent loan officer RPL.

Gus F. Bryant and Teresa K. Bryant v. Kevin Polston and Brenda Polston. In November 2002, the U.S. District Court for the Southern District of Indiana, Indianapolis Division provided an entry on Defendants' (Polston and Polston) motion to dismiss for failure to state a claim and move for sanctions for the filing of allegedly frivolous claims; and Plaintiffs (Bryant and Bryant) request for sanctions against Defendants for filing a frivolous motion for sanctions. The Plaintiffs brought this action against the Defendant under the Civil Rights Act, the Fair Housing Act and Indiana common law. The complaint alleges the Polstons discriminated against the Bryants because of their association with persons of African American descent, and that the discrimination consisted of a continuous pattern of racially derogatory remarks, acts of intimidation and gestures of violence or bodily harm with a gun.

The court ruled the complaint's allegations sufficiently state claims under the Fair Housing Act and that these claims are not frivolous but have support in the law. The Defendants' motion to dismiss was denied and the Defendants' motion for sanctions was denied. The plaintiff's request for sanctions also was denied.

State of Indiana Civil Rights Commission v. County Line Park, Inc., Paul Fox and Carolyn Fox. In November 2000, the Supreme Court of Indiana reversed the judgment of the trial court and the case has been remanded for further proceedings. In December 1996, the Cain family purchased a three-bedroom mobile home located in a mobile home park owned and operated by County Line Park, Inc. The application indicated that in addition to the Cains their four children (all under 18 years) would also live in the home. The application was denied because of County Line's long-standing policy of not renting mobile home lots to families with more than two children.

The Cains filed an administrative complaint with the Indiana Civil Rights Commission (ICRC) and the U.S. Department of Housing and Urban Development (HUD). ICRC conducted an investigation and concluded there was reasonable cause to believe discrimination based on familial status had occurred in violation of the Indiana Fair Housing Act (Act) and the Federal Fair Housing Act (FHA). The ICRC then filed a complaint in Grant Superior Court alleging County Line Park had violated the Act. In response, the landowners filed a motion to dismiss contending that although the Act prohibits discrimination against families in general, it does not provide protection to "large families" such as the Cains. The landowners also contended that the Foxes, as corporate officers and shareholders of County Line, could not be sued in their individual capacities. The trial court agreed and granted the motion to dismiss and awarded attorney's fees to the landowners. The ICRC appealed. The Court of Appeal affirmed the judgment and remanded the case to the trial court for a determination of appellate attorney's fees. Transfer of the case was granted to Indiana Supreme Court and the judgment of the trial court was reversed.

The judgment included the following summary of the discussion. The Indiana Fair Housing Act (Ind. Code 22-9.5-1-2) states, "a discriminatory act based on familial status is committed if the person who is the subject of the discrimination is:

1. pregnant;
2. domiciled with *an individual* younger that eighteen years of age in regard to whom the person:
    a. is parent or legal custodian; or
    b. has the written permission of the parent or legal custodian for domicile with that persons; or
3. in the process of obtaining legal custody of an individual younger than 18 years of age.

The Act borrows heavily from the FHA. The FHA provided: "Familial status means *one or more individuals* (who have not attained the age of 18 years)…." Seizing on the "an individual" language of the Act in contrast to the "one or more individual" language of the FHA and relying on the principals of the statutory construction, the Court of Appeals reasoned that the Act should be read more narrowly than its federal counterpart. The Indiana Supreme Court disagreed, stating that the legislature is presumed to have intended the language used in the statute to be applied logically and not to bring about an unjust or absurd result. Applying these principals to the Act, they concluded that limiting protection to families living with only "an individual" under 18 years would produce a result they do not believe the legislature could have intended. Thus, despite the differences in wording, the Act should not be interpreted more narrowly than the FHA. Therefore, the Act entitles families living with one or more individuals under the age of eighteen protection from familial status discrimination.

The Indiana Supreme Court also ruled upon the question of whether the landowners could be sued in their individual capacities. The court concluded the allegation in the ICRC's complaint entitle it to relief against all defendants for discrimination in housing based on familial status as defined in the Act.

Indiana Civil Rights Commission v. Clyde Alder and Barbara Alder, d/b/a Stoney Pike Mobile Home Park. In July 1999, the Indiana Supreme Court ruled on an appeal to a ruling of the Court of Appeals, which was a ruling on the case from Cass Superior Court, from which the Alder's were seeking judicial review from a ruling from the ICRC.

In 1985, Jodie Jackson, her husband and her two children moved into a mobile home owned by her parents in Stoney Pike Mobile Home Park, which is owned by the Alders. The Alders and the Jacksons are white. Jackson and her husband divorced, but continued to live in the home for nine months after the divorce was final. In 1989, Jackson met Larry Stovall, an African American, and he began visiting Jackson at her mobile home and occasionally staying overnight. Alder filed an eviction action against Jackson siting the "one family per mobile home" rule of the park. Jackson prevailed in the suit but was warned by the trial court that if she continued to violate the one family rule the court would find Alders in favor the next time they sought eviction. After being served another eviction notice, Jackson moved from the mobile home park.

Jackson and Stovall filed a complaint against the Alders with the Indiana Civil Rights Commission (ICRC) alleging housing discrimination based on race. The ICRC found the Alders' explanation the Jackson violated the "one family per home" rule to be pretextual, noting that other unmarried couples, including Jackson and her former husband, had lived in one home in the park without being evicted. The Alders were also ordered to pay Jackson and Stovall damages and moving expenses.

The case was later transferred to the Indiana Supreme Court. The court concluded the Civil Rights Law gives the ICRC authority to compensate a person aggrieved by discrimination for both economic and emotional losses. To the extent that previous decisions of the Court of Appeals hold to the contrary, they are disapproved. However, the stature does not give ICRC authority to award punitive damages.

Lending Analysis

The following section contains a review of two recent studies that examined predatory lending activity in Indiana, recent Indiana legislation addressing predatory lending activities and an analysis of HMDA data.

Predatory lending. A recent and growing concern in Indiana has been the increase in the State's foreclosure rate and, in particular, the role that predatory and subprime lending has played in the increase. Predatory lending can be connected with the Fair Housing Act because predatory lenders often target persons that are less financially sophisticated or otherwise vulnerable, or believed to be vulnerable, or who have less access to mainstream lenders, such as the elderly and minorities, persons living in low or moderate-income areas. Subprime lending is often presented as a fair lending issue because of the disproportionate amount of such lending that occurs with minority populations. Recently, Indiana Legal Services and the Indiana Mortgage Bankers Association completed independent reviews of subprime lending activities and the State's foreclosure rate.

Legal Services analysis. The Indiana Legal Services report uses data from the Home Mortgage Disclosure Act (HMDA) to identify subprime lenders. The study focuses on subprime refinances as the strongest indicator that available from HMDA of possible predatory lending.

The Indiana Legal Services analysis estimated that predatory lending cost Indiana residents $148.4 million in 2000.[1] The report also estimated that in 2002, subprime lenders made $2 billion worth of loans in Indiana, up from $1.3 billion in 2001. According to the report, subprime loans accounted for 7.3 percent of mortgage loans in the State overall, an increase from 5.5 percent in 2001, and 8 percent of all mortgage refinances, an increase from 6.3 percent in 2001.

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[1] Bradley, Jeanette, *What is Predatory Lending?* Indiana Legal Services, Housing Law Center, December 2003.

According to 2002 HMDA data for Indiana presented in the report, African American borrowers were almost four times more likely than whites to receive a subprime loan and Hispanics/Latinos were 1.5 times more likely than whites to receive a subprime loan. As for mortgage refinances, African Americans who refinanced were almost four time more likely than White to receive a subprime loans, and Hispanic/Latinos who refinanced were 1.6 times more likely than Whites to receive a subprime loan.[2]

A study by the Center for Community Change in Washington DC reported there are significant racial disparities in subprime lending and that disparities actually increase as income increases nationwide.[3] In their study, Indiana Legal Services found that upper income African Americans borrowers were more likely to receive a loan from a subprime lender (12 percent) than low income white borrowers (8 percent).

Exhibit II-4.
Percent of Loans that were Subprime by Race and Income Level, Indiana, 2002

Race/Ethnicity	Low Income Subprime	Moderate Income Subprime	Upper Income Subprime	Total Subprime
African American	23%	18%	12%	18%
Latino	9%	7%	6%	8%
White	8%	5%	3%	5%
Total	**12%**	**8%**	**4%**	**7%**

Source: Bradley, Jeanette, *What is Predatory Lending?* Indiana Legal Services, Housing Law Center, December 2003.

Indiana Legal Services also reported the Indiana counties in 2001 with the highest percentage of subprime mortgage loans and subprime refinances. According to the report, the highest percentage of loans made by subprime lenders occurred in Sullivan (19 percent), Union (18 percent), Switzerland (16 percent), Pike (16 percent) and Blackford (15 percent) Counties. The highest percentage of refinances made by subprime lenders occurred in Sullivan (23 percent), Union (21 percent), Pike (20 percent), Daviess (18 percent), Switzerland (18 percent), Blackford (18 percent), Henry (16 percent), and Greene (16 percent) Counties. (Interestingly, these are not counties in the State with the highest percentages of minority populations).

Indiana Mortgage Bankers Association. The Indiana Mortgage Bankers Association study examined the potential causes of the State's increase in foreclosure rate. The study was commissioned by five groups: the Metropolitan Indianapolis Board of REALTORS®, the Indiana Association of REALTORS®, the Indiana Builders Association, the Builders Association of Greater Indianapolis, and the Indianapolis Neighborhood Housing Partnership. It was conducted by the National

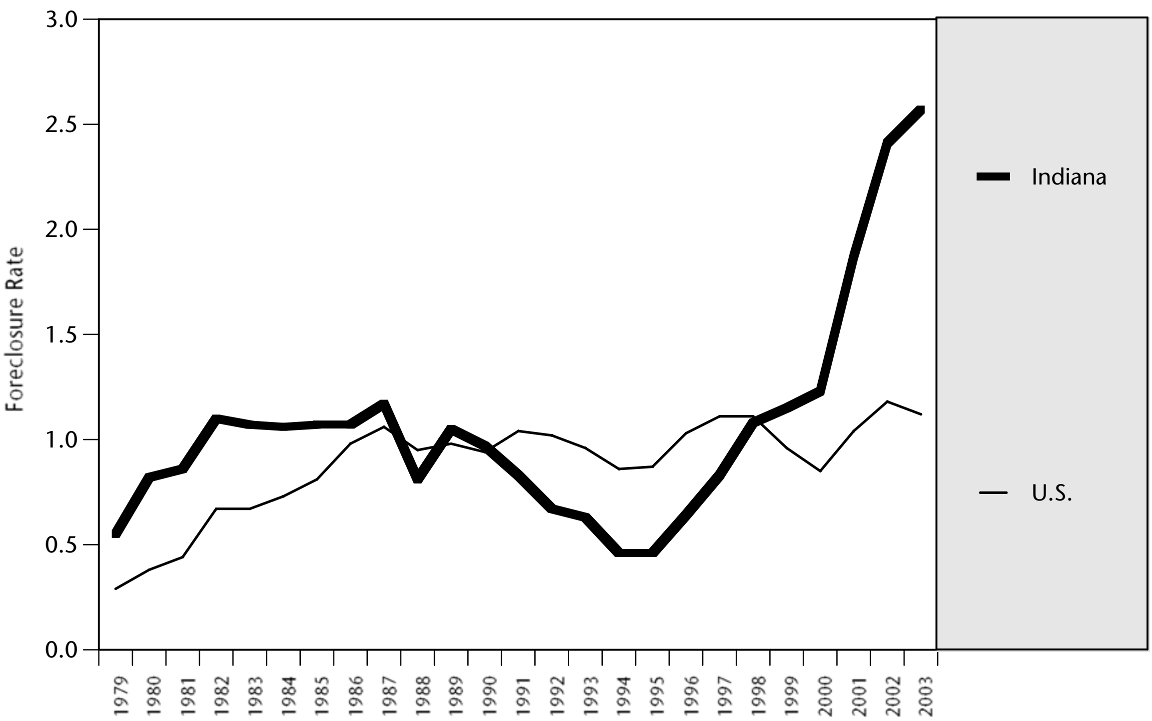
[2] Bradley, Jeanette, *What is Predatory Lending?* Indiana Legal Services, Housing Law Center, December 2003.

[3] Bradford, Calvin, *Risk or Race? Racial Disparities and the Subprime Refinance Market,* a report for the Center for Community Change, May 2002.

Association of REALTORS® on behalf of all five groups and released in April 2003.[4] An update to the original study was released in March 2004.

According to Mortgage Banker's Association, Indiana's foreclosure rate was more than double the nation's at the end of the third quarter in 2003. The national foreclosure rate was 1.12 percent compared to Indiana's rate of 2.6 percent. Indiana had the second highest foreclosure rate in the country. Indiana has not historically been a state with high delinquency rate. The Indiana Mortgage Bankers Association (IMBA) reported Indiana had a lower foreclosure rate than the national average through the 1990s. As shown in Exhibit II-5, the State's foreclosure rate has been on an upward trend since the mid-1990s, with a dramatic increase in 2001.

Exhibit II-5.
Mortgage Foreclosure Rates for Indiana and the Nation, 1979 to 2003



Note: All loans in foreclosure are at the end of the 4th quarter for each year, except for 2003 was at the end of the 3rd quarter.
Source: Mortgage Bankers Association.

This study reported that the possible causes of foreclosures are related to the job market/economic conditions, first time homebuyers, government backed loans, high loan-to-value ratios, along with other factors. The study discounts the role of predatory lending in contributing to the State's increase in foreclosures, primarily because of the reportedly low proportion of total loans that are subprime. Instead, the study relates the foreclosures to the high proportion of homeowners in Indiana, the high percentage of government guaranteed loan products and high loan-to-values.

[4] *Rising Foreclosure Rates in Indiana: An Explanatory Analysis of Contributing Factors,* Study conducted by the National Association of REALTORS®, March 2003.

- **First Time Home Buyers.** According to the 2002 Census, 74.4 percent of Indiana residents were homeowners, which is much higher than the 68.3 percent of residents in the United States. This was one of the highest homeownership rates in the country. From 1990 to 2000, the national homeownership rate increased by 2.3 percent, while it increased by 4.4 percent in Indiana. Since Indiana outpaced the nation in homeownership, the report suggested that there may have been an excess of home buying. The report also suggested that anytime the homeownership rate is increased, it means there are new homeowners who had previously been closer to the margin of affordability. The lower mortgage rates allowed more people to be able to own homes.

- **Government Backed Loans.** From 1997 to 1999 Indiana's share of FHA loans were similar to national figures and in 2000, there was a noticeably higher number of FHA loans obtained in Indiana. In 2001, Indiana's share of FHA loans was 25 percent, which was higher than the national share (17 percent). In 2002, the national amount of FHA loans fell to 14 percent and to 21 percent in Indiana. The report concluded that more than half of the difference in foreclosure rates between Indiana and the U.S. could be attributed to the higher composition of higher risk loans, i.e., FHA loans. Furthermore, the sharp cut back in jobs was likely to have contributed greatly in changing the mix of FHA and conventional loans. According to the report, research has revealed that first-time homebuyers are more likely to default on mortgages than repeat homebuyers are. FHA loans have a higher concentration of first-time homebuyers who have a low down payment, and are in lower-income areas, compared to the conventional loan market. Mortgage Bankers data revealed that VA loans were more than three times as likely to foreclose than conventional loans and FHA loans were nearly five times as likely to foreclose than conventional loans.

- **High Loan-to-Value ratios and slow appreciation.** According to the Federal Housing Finance Board, the Indiana loan-to-value (LTV) ratio was 80.2 percent in 2003, which was higher than the national average of 73.6 percent. Almost one-third of the conventional loans in Indiana had an LTV greater than 90 percent, compared to only six states that had a higher percentage with LTVs greater than 90 percent. High LTVs may increase the likelihood of default because there is a greater chance the borrower will be in negative equity position early in the life of the loan. If home values appreciate quickly, LTV ratios are less of an issue when considering foreclosure. According to the fourth quarter 2003 price index created by the Office of Federal Housing Enterprise Oversight, Indiana ranked low in comparison to other states (45th) in one-year housing price growth and 49th in the previous year. Therefore, the continual low appreciation of home price in Indiana is one of the reasons for higher LTV loans and the resulting higher foreclosure rate.

UNC Study. A recent study by the Center for Community Capitalism at the University of North Carolina (UNC) at Chapel Hill linked predatory loan terms, specifically prepayment penalties and balloon payments, to increased mortgage foreclosures. The foreclosure rate in the subprime mortgage market was over 10 times higher than in the prime market. The study also provide supplemental tables that reported 31.2 percent of Indiana's subprime first-lien refinance mortgage loans had been in foreclosure at least once. This is the second highest rate of all states (South Dakota was the highest with 34.8 percent) and over 10 percentage points higher than the national rate of 20.7 percent.

Conclusions. A number of recent studies have analyzed the reasons for the increasing foreclosure rate in Indiana and subprime and predatory lending activities. Although a more comprehensive analysis of data over time is required to identify the particular causes of the State's foreclosures and the link to the subprime lending market, these studies point out a number of issues relevant to fair lending activities:

- Largely because of their loan terms, subprime loans have a higher probability of foreclosure than conventional loans.
- Subprime loans make a small, but growing proportion of mortgage lending in Indiana.
- Subprime lenders serve the State's minorities at disproportionate rates.
- Other factors – high homeownership rates, use of government guaranteed loans, high LTVs and low housing price appreciation – have likely contributed to the State's increase in foreclosures.

Indiana Legislation. On March 18, 2004, the Indiana Home Owner Protection Act (HB1229) and Property Tax Benefits and Study Commission (HB1005) were signed into law by Governor Kernan.

HB 1229: The Indiana Home Owner Protection Act. HB 1229 will protect homeowners from lenders who target homeowners with overpriced loans that strip away equity. It limits certain predatory practices, and provides penalties for lenders who violate the law. Specifically the act:

- Restricts certain lending acts and practices;
- Establishes the homeowner protection unit in the office of the attorney general;
- Provides enforcement procedures for deceptive mortgage acts;
- Establishes a $3 mortgage recording fee;
- Requires the Indiana housing finance authority (now the Indiana Housing and Community Development Authority) to provide homeownership training programs;
- Provides that certain provisions do not apply to certain financial institutions;
- Makes changes to the definition of a high-cost home loan; and
- Prohibits certain lending practices.

The Coalition for Responsible Lending estimates that U.S. borrowers lose $9.1 billion annually to predatory lending, and that predatory lending practices cost Indiana residents $150 million a year. HB 1229 as passed is an approach negotiated by consumer groups including AARP and the Indiana Association for Community Economic Development, and industry groups including the Indiana Bankers Association, the Community Bankers Association, the Credit Union League, the Mortgage Bankers Association, the Consumer Finance Association, and the Indiana Mortgage Brokers.

The legislation identifies certain practices that are so inherently abusive that they are prohibited for all loans. In addition, the legislation limits certain additional practices when they are used in a "high-cost" home loan. This is because "high-cost" home loans with high fees or high interest rates have greater potential to be harmful to customers.

A high-cost home loan is defined in HB 1229 as a home mortgage loan that exceed either:

- The interest rate threshold established by federal law (8 points above the yield on Treasury bills with comparable term for first liens; 10 points above for subordinate liens); or

- Point and fees that exceed 5 percent of the total loans amount for loans $40,000 and above, and 6 percent of the total loan amount for smaller loans.

Under the Act, the following acts and practices are prohibited for all home loans:

- Financed single-premium credit life insurance and debt cancellation agreements;
- Recommendation of default;
- Flipping a below-market rate loan (such as a Habitat loan) into a high-cost loan;
- Debt acceleration at the sole discretion of the creditor;
- Charging the consumer a fee to receive a balance due statement;
- Deceptive acts; and
- Discrimination on the basis of race, color, religion, national origin, sex, marital status or age.

Under the Act, the following acts and practices are prohibited for high-cost loans:

- Financing of fees or charges;
- Excessive prepayment penalties;
- Financing of life or health insurance;
- Loan flipping;
- Balloon payments;
- Negative amortization;
- Increased interest rate after default;
- Advance payments made from loan proceeds;
- Lending without a referral for homeownership counseling;
- Lending without due regard to repayment ability;
- Certain predatory home-improvement contracts;
- Modification or deferral fees;
- Lending without full disclosure of the risks of high-cost loans;
- Mandatory arbitration.

HB 1229 is similar to the federal Home Ownership and Equity Protection Act (HOEPA). Like HB 1229, HOEPA creates special requirements applicable to high-cost loans. However, the HOPEA thresholds for high-cost loans are too high to reach the bulk of high-cost loans. According to the data from the Office of Thrift Supervision, only one percent of high-cost loans were covered by HOEPA before October 1, 2002. It is not known how many more loans will be covered under recent changes to HOEPA, but estimates were an additional 4 to 5 percent. The simple fact is that the vast majority of predatory loans being made today are perfectly legal under HOEPA guidelines.

HB 1005: Property Tax Benefits and Study Commission. HB1005 contained various property tax matters. Among its provisions is a requirement that at the closing of mortgage the closing agent is required to give the homeowner a state-prepared statement of available property tax credits that may be filed for. The required disclosure form will be prepared by the state and made available to lenders and title companies.

Home Mortgage Disclosure Act (HMDA) Data analysis. The National Fair Housing Alliance reported that in 2003, mortgage lending discrimination was the second largest form of discrimination reported to private fair housing groups throughout the United States.[5] The best source of analysis of mortgage lending discrimination is HMDA data. HMDA data consist of information about mortgage loan applications for financial institutions, savings and loans, savings banks, credit unions and some mortgage companies.[6] The data contain information about the location, dollar amount, and types of loans made, as well as racial and ethnic information, income, and credit characteristics of all loan applicants. The data are available for home purchases, loan refinances, and home improvement loans.

HMDA data can provide a picture of how different applicant types fare in the mortgage lending process. These data can be used to identify areas of potential concern that may warrant further investigations. For example, by comparing loan approval rates of minority applicants with non-minorities that have similar income and credit characteristics, areas of potential discrimination may be detected.

The Federal Reserve is the primary regulator of compliance with fair lending regulations. When federal regulators examine financial institutions, they use HMDA data to determine if applicants of a certain gender, race or ethnicity are rejected at statistically significant higher rates than applicants with other characteristics. The Federal Reserve uses a combination of sophisticated statistical modeling and loan file sampling and review to detect lending discrimination.

The HMDA data tables in this section present summary HMDA data for six of Indiana's smaller Metropolitan Statistical Areas (MSA). (HMDA data are not available for small areas in the State). The areas included are: Bloomington MSA, Elkhart-Goshen MSA, Kokomo MSA, Lafayette MSA, Muncie MSA and Terre Haute MSA. It should be noted that discriminatory practices cannot be

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[5] *2004 Fair Housing Trends Report,* National Fair Housing Alliance, April 7, 2004.

[6] Financial institutions are required to report HMDA data if they have assets of more than $32 million, have a branch office in a metropolitan area, and originated at least one home purchase or refinance loan in the reporting calendar year. Mortgage companies are required to report HMDA if they are for-profit institutions, had home purchase loan originations exceeding 10 percent of all loan obligations in the past year, are located in an MSA (or originated five or more home purchase loans in an MSA) and either had more than $10 million in assets or made at least 100 home purchase or refinance loans in the calendar year.

definitively identified from a review of aggregate HMDA data. Lending discrimination tests require detailed statistical analyses and comparative tests of individual loan files. However, examinations of denial rates and general applicant characteristics can suggest areas for further examination.

Loan applications and action taken. HMDA data available for the 2002 calendar year were used in this analysis. During 2002, there were 2,908 government guaranteed home mortgage loan applications made in the six MSAs and 13,588 conventional loan applications.

Eighty-one percent of the applications for government guaranteed loans were originated and 8 percent of these applications were denied. Conventional home purchase loans had an origination rate of 72 percent with 14 percent of the applications denied. (Higher origination rates for government guaranteed loans are typical, since these loans usually provide more flexible underwriting standards).

Approval rates by race and income. HMDA data are also available by race and income for the six small Indiana MSAs. Approval rates on government-backed and conventional mortgage loans are shown in Exhibits II-6 and II-7

As would be expected, approval rates tend to increase as incomes rise. Applicants who were Native American and where race was not available showed the lowest approval rates for low income categories and total applicants for conventional loans. Whites and Asians had the highest approval rates for conventional loans, and approval rates for African Americans and Hispanics tended to be lower than Whites across income categories. For government guaranteed loans, approval rates were similar for race and ethnic categories.

Exhibit II-6
Government Guaranteed Home Mortgage Loan Origination Rates by Race/Ethnicity and Income, Indiana Small MSAs, 2002

Race/Ethnicity	Low Income Applicants (<80% of Median)													
	Bloomington MSA		Elkhart-Goshen MSA		Kokomo MSA		Lafayette MSA		Muncie MSA		Terre Haute MSA		Total of Six MSAs	
	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received
American Indian/ Alaskan Native	N/A	0	100%	1	N/A	0	N/A	0	N/A	0	N/A	0	100%	1
Asian/Pacific Islander	50%	2	N/A	0	100%	1	100%	5	100%	1	N/A	0	89%	9
African American	0%	1	82%	11	89%	9	72%	18	75%	8	100%	3	78%	50
Hispanic	100%	4	82%	114	100%	8	77%	66	100%	2	N/A	0	82%	194
White	68%	132	75%	293	83%	269	81%	406	85%	189	87%	180	80%	1,469
Other	N/A	0	N/A	0	100%	4	100%	1	N/A	0	N/A	0	100%	5
Joint	0%	2	83%	6	100%	2	90%	10	100%	1	N/A	0	81%	21
Not Available	33%	3	65%	20	71%	21	68%	34	69%	13	60%	10	66%	101
Total	**67%**	**144**	**77%**	**445**	**83%**	**314**	**80%**	**540**	**84%**	**214**	**85%**	**193**	**80%**	**1,850**

Race/Ethnicity	Moderate, Middle and Upper Income Applicants (80% of Median or Greater)													
	Bloomington MSA		Elkhart-Goshen MSA		Kokomo MSA		Lafayette MSA		Muncie MSA		Terre Haute MSA		Total of Six MSAs	
	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received
American Indian/ Alaskan Native	N/A	0	N/A	0	N/A	0	N/A	0	0%	1	100%	1	50%	2
Asian/Pacific Islander	N/A	0	100%	1	100%	1	75%	4	100%	2	N/A	0	88%	8
African American	67%	3	100%	1	80%	15	88%	8	78%	9	50%	4	78%	40
Hispanic	100%	2	100%	13	67%	3	88%	8	N/A	0	100%	2	93%	28
White	81%	113	83%	126	82%	136	84%	233	86%	144	89%	132	84%	884
Other	N/A	0	N/A	0	67%	3	50%	2	N/A	0	N/A	0	60%	5
Joint	100%	3	50%	4	100%	2	86%	7	50%	2	80%	5	78%	23
Not Available	82%	11	33%	9	67%	9	95%	21	38%	8	60%	10	69%	68
Total	**82%**	**132**	**81%**	**154**	**80%**	**169**	**84%**	**283**	**83%**	**166**	**86%**	**154**	**83%**	**1,058**

Race/Ethnicity	Total Applicants													
	Bloomington MSA		Elkhart-Goshen MSA		Kokomo MSA		Lafayette MSA		Muncie MSA		Terre Haute MSA		Total of Six MSAs	
	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received
American Indian/ Alaskan Native	N/A	0	100%	1	N/A	0	N/A	0	0%	1	100%	1	67%	3
Asian/Pacific Islander	50%	2	100%	1	100%	2	89%	9	100%	3	N/A	0	88%	17
African American	50%	4	83%	12	83%	24	77%	26	76%	17	71%	7	78%	90
Hispanic	100%	6	84%	127	91%	11	78%	74	100%	2	100%	2	83%	222
White	74%	245	78%	419	83%	405	82%	639	86%	333	88%	312	82%	2,353
Other	N/A	0	N/A	0	86%	7	67%	3	N/A	0	N/A	0	80%	10
Joint	60%	5	70%	10	100%	4	88%	17	67%	3	80%	5	80%	44
Not Available	71%	14	55%	29	70%	30	78%	55	57%	21	60%	20	67%	169
Total	**74%**	**276**	**78%**	**599**	**82%**	**483**	**81%**	**823**	**83%**	**380**	**86%**	**347**	**81%**	**2,908**

Note: N/A means no applications were received.

Median household income refers to the MSA's median household income.

Source: FFIEC HMDA Aggregate Reports, 2002, and BBC Research & Consulting.

Exhibit II-7
Conventional Home Mortgage Loan Origination Rates by Race/Ethnicity and Income, Indiana Small MSAs, 2002

Low Income Applicants (<80% of Median)

Race/Ethnicity	Bloomington MSA		Elkhart-Goshen MSA		Kokomo MSA		Lafayette MSA		Muncie MSA		Terre Haute MSA		Total of Six MSAs	
	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received
American Indian/ Alaskan Native	0%	1	50%	2	50%	2	0%	4	20%	5	N/A	0	21%	14
Asian/Pacific Islander	56%	9	62%	21	0%	1	67%	9	50%	4	67%	6	60%	50
African American	67%	6	50%	26	45%	11	56%	9	43%	23	42%	19	48%	94
Hispanic	57%	7	61%	123	100%	4	59%	68	71%	7	67%	3	61%	212
White	68%	583	70%	1,177	69%	661	76%	837	70%	562	64%	791	70%	4,611
Other	71%	7	25%	4	40%	5	40%	5	75%	4	80%	5	57%	30
Joint	50%	2	50%	10	71%	7	60%	15	75%	4	50%	4	60%	42
Not Available	26%	96	25%	208	33%	89	25%	134	30%	97	27%	122	27%	746
Total	**62%**	**711**	**63%**	**1,571**	**65%**	**780**	**68%**	**1,081**	**63%**	**706**	**59%**	**950**	**63%**	**5,799**

Moderate, Middle and Upper Income Applicants (80% of Median or Greater)

Race/Ethnicity	Bloomington MSA		Elkhart-Goshen MSA		Kokomo MSA		Lafayette MSA		Muncie MSA		Terre Haute MSA		Total of Six MSAs	
	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received
American Indian/ Alaskan Native	100%	2	100%	1	N/A	0	100%	2	100%	1	0%	2	75%	8
Asian/Pacific Islander	80%	25	86%	14	100%	10	91%	35	88%	8	100%	9	89%	101
African American	56%	16	60%	25	82%	28	50%	10	73%	30	64%	22	67%	131
Hispanic	100%	4	66%	44	75%	4	59%	22	100%	1	50%	6	65%	81
White	77%	1,048	84%	1,262	83%	824	85%	1,356	80%	926	76%	1,150	81%	6,566
Other	82%	11	71%	7	50%	4	85%	13	71%	7	82%	11	77%	53
Joint	91%	34	94%	34	80%	5	79%	34	57%	14	86%	14	84%	135
Not Available	65%	111	46%	105	58%	93	63%	150	47%	92	44%	133	54%	684
Total	**77%**	**1,251**	**80%**	**1,492**	**80%**	**968**	**82%**	**1,622**	**77%**	**1,079**	**73%**	**1,347**	**78%**	**7,759**

Total Applicants

Race/Ethnicity	Bloomington MSA		Elkhart-Goshen MSA		Kokomo MSA		Lafayette MSA		Muncie MSA		Terre Haute MSA		Total of Six MSAs	
	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received
American Indian/ Alaskan Native	67%	3	67%	3	50%	2	33%	6	33%	6	0%	2	41%	22
Asian/Pacific Islander	74%	34	71%	35	91%	11	86%	44	75%	12	87%	15	79%	151
African American	59%	22	55%	51	72%	39	53%	19	60%	53	54%	41	59%	225
Hispanic	73%	11	62%	167	88%	8	59%	90	75%	8	56%	9	62%	293
White	74%	1,631	77%	2,439	77%	1,485	81%	2,193	76%	1,488	71%	1,941	76%	11,177
Other	78%	18	55%	11	44%	9	72%	18	73%	11	81%	16	70%	83
Joint	89%	36	84%	44	75%	12	73%	49	61%	18	78%	18	79%	177
Not Available	47%	207	32%	313	46%	182	45%	284	38%	189	36%	255	40%	1,430
Total	**71%**	**1,962**	**71%**	**3,063**	**73%**	**1,748**	**76%**	**2,703**	**71%**	**1,785**	**67%**	**2,297**	**72%**	**13,558**

Note: N/A means no applications were received.

Median household income refers to the MSA's median household income.

Source: FFIEC HMDA Aggregate Reports, 2002, and BBC Research & Consulting.

Denial rates by race and income. Exhibits II-8 and II-9 on the following pages present *denial* rates by race and ethnicity, categorized by income level and loan type for the six MSAs. It is important to note that the number of loan applications were relatively small for the following groups: American Indian/Alaskan Native, Asian/Pacific Islander, the "Other" category and the "Joint" category. As such, caution should be used in interpreting data about these racial and ethnic groups.

For government guaranteed home purchase loans, as shown in Exhibit II-8, applicants where race was not available, applicants of joint race and African Americans had the highest denial rates of 12 to 15 percent. Among low-income applicants, applicants where race was not available had the highest denial rates (18 percent), followed by applicants with joint race (14 percent). African American applicants had the highest denial rate among higher income applicants (18 percent).

Exhibit II-8.
Government Guaranteed Home Mortgage Loan Denial Rates by Race/Ethnicity and Income, Indiana Small MSAs, 2002

Low Income Applicants (<80% of Median)

Race/Ethnicity	Bloomington MSA		Elkhart-Goshen MSA		Kokomo MSA		Lafayette MSA		Muncie MSA		Terre Haute MSA		Total of Six MSAs	
	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received
American Indian/ Alaskan Native	N/A	0	0%	1	N/A	0	N/A	0	N/A	0	N/A	0	0%	1
Asian/Pacific Islander	50%	2	N/A	0	0%	1	0%	5	0%	1	N/A	0	11%	9
African American	100%	1	9%	11	0%	9	11%	18	0%	8	0%	3	8%	50
Hispanic	0%	4	10%	114	0%	8	14%	66	0%	2	N/A	0	10%	194
White	13%	132	8%	293	10%	269	11%	406	3%	189	7%	180	9%	1,469
Other	N/A	0	N/A	0	0%	4	0%	1	N/A	0	N/A	0	0%	5
Joint	100%	2	0%	6	0%	2	10%	10	0%	1	N/A	0	14%	21
Not Available	0%	3	20%	20	19%	21	24%	34	15%	13	0%	10	18%	101
Total	**15%**	**144**	**9%**	**445**	**10%**	**314**	**12%**	**540**	**4%**	**214**	**6%**	**193**	**9%**	**1,850**

Moderate, Middle and Upper Income Applicants (80% of Median or Greater)

Race/Ethnicity	Bloomington MSA		Elkhart-Goshen MSA		Kokomo MSA		Lafayette MSA		Muncie MSA		Terre Haute MSA		Total of Six MSAs	
	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received
American Indian/ Alaskan Native	N/A	0	N/A	0	N/A	0	N/A	0	0%	1	0%	1	0%	2
Asian/Pacific Islander	N/A	0	0%	1	0%	1	0%	4	0%	2	N/A	0	0%	8
African American	33%	3	0%	1	20%	15	13%	8	11%	9	25%	4	18%	40
Hispanic	0%	2	0%	13	33%	3	13%	8	N/A	0	0%	2	7%	28
White	5%	113	6%	126	7%	136	9%	233	5%	144	2%	132	6%	884
Other	N/A	0	N/A	0	0%	3	0%	2	N/A	0	N/A	0	0%	5
Joint	0%	3	25%	4	0%	2	0%	7	50%	2	20%	5	13%	23
Not Available	9%	11	33%	9	22%	9	0%	21	13%	8	10%	10	12%	68
Total	**6%**	**132**	**7%**	**154**	**9%**	**169**	**8%**	**283**	**6%**	**166**	**3%**	**154**	**7%**	**1,058**

Total Applicants

Race/Ethnicity	Bloomington MSA		Elkhart-Goshen MSA		Kokomo MSA		Lafayette MSA		Muncie MSA		Terre Haute MSA		Total of Six MSAs	
	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received	% Loans Originated	Apps Received
American Indian/ Alaskan Native	N/A	0	0%	1	N/A	0	N/A	0	0%	1	0%	1	0%	3
Asian/Pacific Islander	50%	2	0%	1	0%	2	0%	9	0%	3	N/A	0	6%	17
African American	50%	4	8%	12	13%	24	12%	26	6%	17	14%	7	12%	90
Hispanic	0%	6	9%	127	9%	11	14%	74	0%	2	0%	2	10%	222
White	9%	245	7%	419	9%	405	10%	639	4%	333	4%	312	8%	2,353
Other	N/A	0	N/A	0	0%	7	0%	3	N/A	0	N/A	0	0%	10
Joint	40%	5	10%	10	0%	4	6%	17	33%	3	20%	5	14%	44
Not Available	7%	14	24%	29	20%	30	15%	55	14%	21	5%	20	15%	169
Total	**11%**	**276**	**8%**	**599**	**10%**	**483**	**10%**	**823**	**5%**	**380**	**5%**	**347**	**8%**	**2,908**

Note: N/A means there were no applications received.
Median household income refers to the MSA's median household income.

Source: FFIEC HMDA Aggregate Reports, 2002, and BBC Research & Consulting.

Exhibit II-9 shows conventional loan denial rates during 2002 for the six MSAs and perhaps portrays more accurate denial rates, as there are more applications for most racial and ethnic groups. Among low-income applicants for conventional loans, American Indians/Alaska Natives had high denial rates of 64 percent and applicants where race was not available had a 47 percent denial rate. Slightly lower denial rates were found for African Americans (38 percent) and Hispanic (27 percent) applicants. Among higher income applicants, Hispanic applicants and applicants where race was not available had the highest denial rates of 20 percent each followed by African Americans (15 percent).

Exhibit II-9.
Conventional Home Mortgage Loan Denial Rates by Race/Ethnicity and Income, Indiana Small MSAs, 2002

Low Income Applicants (<80% of Median)

Race/Ethnicity	Bloomington MSA % Loans Originated	Bloomington MSA Apps Received	Elkhart-Goshen MSA % Loans Originated	Elkhart-Goshen MSA Apps Received	Kokomo MSA % Loans Originated	Kokomo MSA Apps Received	Lafayette MSA % Loans Originated	Lafayette MSA Apps Received	Muncie MSA % Loans Originated	Muncie MSA Apps Received	Terre Haute MSA % Loans Originated	Terre Haute MSA Apps Received	Total of Six MSAs % Loans Originated	Total of Six MSAs Apps Received
American Indian/ Alaskan Native	100%	1	50%	2	50%	2	100%	4	40%	5	N/A	0	64%	14
Asian/Pacific Islander	33%	9	14%	21	100%	1	11%	9	25%	4	17%	6	20%	50
African American	17%	6	35%	26	36%	11	44%	9	48%	23	37%	19	38%	94
Hispanic	0%	7	29%	123	0%	4	31%	68	14%	7	0%	3	27%	212
White	18%	583	16%	1,177	14%	661	14%	837	16%	562	20%	791	16%	4,611
Other	0%	7	50%	4	40%	5	0%	5	0%	4	0%	5	13%	30
Joint	50%	2	20%	10	29%	7	13%	15	0%	4	25%	4	19%	42
Not Available	46%	96	52%	208	42%	89	53%	134	43%	97	42%	122	47%	746
Total	**22%**	**711**	**22%**	**1,571**	**18%**	**780**	**20%**	**1,081**	**21%**	**706**	**23%**	**950**	**21%**	**5,799**

Moderate, Middle and Upper Income Applicants (80% of Median or Greater)

Race/Ethnicity	Bloomington MSA % Loans Originated	Bloomington MSA Apps Received	Elkhart-Goshen MSA % Loans Originated	Elkhart-Goshen MSA Apps Received	Kokomo MSA % Loans Originated	Kokomo MSA Apps Received	Lafayette MSA % Loans Originated	Lafayette MSA Apps Received	Muncie MSA % Loans Originated	Muncie MSA Apps Received	Terre Haute MSA % Loans Originated	Terre Haute MSA Apps Received	Total of Six MSAs % Loans Originated	Total of Six MSAs Apps Received
American Indian/ Alaskan Native	0%	2	0%	1	N/A	0	0%	2	0%	1	0%	2	0%	8
Asian/Pacific Islander	0%	25	0%	14	0%	10	0%	35	0%	8	0%	9	0%	101
African American	6%	16	36%	25	11%	28	10%	10	13%	30	9%	22	15%	131
Hispanic	0%	4	23%	44	25%	4	14%	22	0%	1	33%	6	20%	81
White	6%	1,048	6%	1,262	6%	824	5%	1,356	7%	926	9%	1,150	7%	6,566
Other	9%	11	14%	7	0%	4	8%	13	14%	7	18%	11	11%	53
Joint	0%	34	0%	34	20%	5	3%	34	21%	14	7%	14	4%	135
Not Available	9%	111	35%	105	14%	93	16%	150	22%	92	25%	133	20%	684
Total	**6%**	**1,251**	**9%**	**1,492**	**7%**	**968**	**6%**	**1,622**	**9%**	**1,079**	**11%**	**1,347**	**8%**	**7,759**

Total Applicants

Race/Ethnicity	Bloomington MSA % Loans Originated	Bloomington MSA Apps Received	Elkhart-Goshen MSA % Loans Originated	Elkhart-Goshen MSA Apps Received	Kokomo MSA % Loans Originated	Kokomo MSA Apps Received	Lafayette MSA % Loans Originated	Lafayette MSA Apps Received	Muncie MSA % Loans Originated	Muncie MSA Apps Received	Terre Haute MSA % Loans Originated	Terre Haute MSA Apps Received	Total of Six MSAs % Loans Originated	Total of Six MSAs Apps Received
American Indian/ Alaskan Native	33%	3	33%	3	50%	2	67%	6	33%	6	0%	2	41%	22
Asian/Pacific Islander	9%	34	9%	35	9%	11	2%	44	8%	12	7%	15	7%	151
African American	9%	22	35%	51	18%	39	26%	19	28%	53	22%	41	25%	225
Hispanic	0%	11	28%	167	13%	8	27%	90	13%	8	22%	9	25%	293
White	11%	1,631	11%	2,439	10%	1,485	8%	2,193	11%	1,488	14%	1,941	11%	11,177
Other	6%	18	27%	11	22%	9	6%	18	9%	11	13%	16	12%	83
Joint	3%	36	5%	44	25%	12	6%	49	17%	18	11%	18	8%	177
Not Available	26%	207	46%	313	27%	182	33%	284	33%	189	33%	255	34%	1,430
Total	**12%**	**1,962**	**16%**	**3,063**	**12%**	**1,748**	**12%**	**2,703**	**14%**	**1,785**	**16%**	**2,297**	**14%**	**13,558**

Note: N/A means there were no applications received.

Median household income refers to the MSA's median household income.

Source: FFIEC HMDA Aggregate Reports, 2002, and BBC Research & Consulting.

Reasons for denial. HMDA data also contain summary information on the reasons for denial by type of loan and applicant characteristics, which can help explain some of the variation in approval rates among applicants. Exhibits II-10 and II-11 show the reasons for denials of 2002 loan applications for government insured and conventional home purchase loans. The numbers in boldface type represent the most common reason for denial for each group of applicants.

Exhibit II-10.
Government Guaranteed Loans Reasons for Denial, Indiana Small MSAs, 2002

MSA	Bloomington MSA	Elkhart-Goshen MSA	Kokomo MSA	Lafayette MSA	Muncie MSA	Terre Haute MSA
Debt-to-Income Ratio	**13%**	**27%**	**26%**	**20%**	**24%**	**24%**
Employment History	4%	4%	3%	3%	0%	12%
Credit History	**40%**	**32%**	**47%**	**45%**	**52%**	**36%**
Collateral	4%	4%	1%	2%	0%	12%
Insufficient Cash	7%	0%	9%	6%	8%	8%
Unverifiable Information	2%	5%	1%	1%	4%	0%
Credit Application Incomplete	13%	7%	7%	13%	8%	0%
Mortgage Insurance Denied	0%	0%	0%	0%	0%	0%
Other	16%	21%	6%	9%	4%	8%
Total (1)	**45**	**56**	**70**	**95**	**25**	**25**

Note: (1) Institutions are not required to report reasons for loan denials. "Total" includes cases where multiple reasons were reported.
Source: FFIEC HMDA Aggregate Reports, 2002, and BBC Research & Consulting.

Exhibit II-11.
Conventional Loans Reasons for Denial, Indiana Small MSAs, 2002

MSA	Bloomington MSA	Elkhart-Goshen MSA	Kokomo MSA	Lafayette MSA	Muncie MSA	Terre Haute MSA
Debt-to-Income Ratio	**25%**	**22%**	**27%**	**20%**	**24%**	**19%**
Employment History	4%	4%	4%	4%	4%	4%
Credit History	**31%**	**37%**	**31%**	**31%**	**31%**	**40%**
Collateral	7%	5%	4%	8%	8%	11%
Insufficient Cash	3%	5%	4%	6%	11%	4%
Unverifiable Information	4%	3%	1%	4%	2%	3%
Credit Application Incomplete	4%	4%	10%	9%	2%	1%
Mortgage Insurance Denied	0%	0%	0%	0%	1%	0%
Other	**21%**	**19%**	**19%**	**18%**	**18%**	**18%**
Total (1)	**204**	**450**	**191**	**263**	**225**	**314**

Note: (1) Institutions are not required to report reasons for loan denials. "Total" includes cases where multiple reasons were reported.
Source: FFIEC HMDA Aggregate Reports, 2002, and BBC Research & Consulting.

As demonstrated in the exhibits, poor credit history is the major reason for application denials across the six MSAs. High debt-to-income ratios are another primary factor for government guaranteed loans and for conventional home purchase loans.

What do the data suggest? There are many reasons that loan approval rates may vary for applicants in the same income brackets – credit ratings, net worth, and income to debt ratios play a large role in the decision to deny or approve a loan. Without individual data about the applications analyzed previously, it is difficult to assess the presence of discrimination by race, ethnicity, or gender. Disparities in approval rates between racial and ethnic groups or genders are not definitive proof of housing discrimination; rather, the presence of disparities suggests the need for further inquiry. The data are also useful in determining what government sponsored programs might be needed to fill the gaps between what the private market is willing to provide and what is needed.

The HMDA data highlight areas where county and city governments can work to improve access to credit for citizens. As shown in Exhibits II-10 and II-11, high debt-to-income ratios and poor credit histories are the top reasons that credit is denied to citizens in the six MSAs. The data also show that most minority populations have higher denial rates than Whites for conventional loans. The denial rates for government guaranteed loans are more similar. Assuming the statistics for citizens in nonentitlement areas are similar (data are not available at this geographic level), the State should invest in credit and homebuyer counseling programs to improve citizens' understanding of how to manage personal debt. The State should also work to ensure that minority populations are aware of government-guaranteed loan programs, which appear to better serve these populations than conventional loan programs.

Barriers to Affordable Housing

The State of Indiana traditionally has followed the philosophy that local leaders should have control over local issues. As such, most of the laws affecting housing and zoning have been created at the urging of local jurisdictions and implemented at local discretion. Indiana is a "home rule" State, meaning that local jurisdictions may enact ordinances that are not expressly prohibited by or reserved to the State.

Tax policies. In Indiana, property taxes are based on a formula that assesses replacement value of the structure within its use classification. Single family homes are assessed as residential; multi family property is assessed as commercial. Condition, depreciation and neighborhood are factored in to the tax assessment. Commercial rates are higher than residential rates; however, real estate taxes are a deductible business expense.

The state government also collects a very small part of the property tax, at a rate of one cent per $100 assessed value. The property tax is administered on the state level by the Indiana Department of Local Government Finance, and on the local level by the county and township assessors, the county auditor and the county treasurer.

In response to the belief that property taxes have a negative impact on lower income homeowners, Indiana has the Indiana Code Chapter 12: Assessed Value Deductions and Deductions Procedures and the Homestead Credit contained in Chapter 20.9 in 2002. These provide a number of exemptions from property taxes including benefits for the elderly, veterans, and spouses. The State also provides benefits to owners who rehabilitate property. Most of these benefits are income targeted and have other limitations as well.

Zoning ordinances and land use controls. There is no State level land use planning in Indiana. State enabling legislation allows jurisdictions to control land use on a local level. Cities or counties must first establish a planning commission and adopt a comprehensive plan before enacting a zoning ordinance. A recent study completed by the Indiana Chapter of the American Planning Association identified that roughly 200 cities and counties have planning commissions in place.

In 1999, the Indiana Land Resources Council was established to provide information, advice and education and technical assistance to governmental units concerning land use strategies and issues. In March 2001, Governor O'Bannon established the Indiana Land Use Forum to develop recommendations on how state government works together with local government and the private sector to develop a coordinated and balanced land use policy. The Council also reported on their website that within Indiana there are 40 advisory plan commissions, which serve cities, towns and counties; 35 area plan commissions, which are a cooperative effort between county governments and at least one municipality within the county; and 2 metropolitan plan commission, which serve counties and at least the largest municipality within their boundaries. Fifteen counties in Indiana do not have any planning or zoning commissions or ordinances. In January 2005, the newly elected administration suspended the Indiana Land Resources Council.

In addition to local land use controls, certain federal and State environmental mandates exist. For instance, residential units may not be constructed in a designated flood plain. The Indiana Department of Environmental Management directs most of the Environmental Protection Agency regulations for the State.

Certain neighborhoods have been designated historic districts by local communities. In these areas, exterior appearance is usually controlled by a board of review, which is largely made up of area residents. As with zoning, there is an appeals process for review of adverse decisions. These types of land use controls should not preclude development of low income housing; they simply regulate the development so that it does not adversely affect the existing neighborhood.

Some developments impose their own site design controls. Such controls are limited to a specific geographic area, enforced through deed covenants, and designed to maintain property value and quality of life. For example, apartment complexes may be required to provide sufficient "green space" to allow for children's play areas.

Many local zoning codes require an exception or variance for the placement of manufactured housing. This could make it more difficult to utilize manufactured housing as an affordable housing alternative.

The Indiana Code (IC 36-7-4-1326) provides local governments the ability to remove a possible barrier to affordable housing. The code states that an impact fee ordinance may provide for a reduction in an impact fee for housing development that provides sale or rental housing, or both, at a price that is affordable to an individual earning less than 80 percent of the median income for the county in which the housing development is located.

Subdivision standards. The State of Indiana authorizes jurisdictions to develop local subdivision control ordinances. Legislation describes the types of features local governments can regulate and provides a framework for local subdivision review and approval. Subdivision ordinances can drive up the costs of housing depending on the subdivision regulations. For example, large lot development, extensive infrastructure improvements such as sidewalks or tree lawns can add to development costs and force up housing prices. The State encourages local communities to review local subdivision requirements to be sure they do not impede the development of affordable housing.

Building codes. The State has adopted a Statewide uniform building code based on a recognized national code. These minimum building construction standards are designed solely to protect the health and welfare of the community and the occupants. Planners point out that it is not uncommon for builders to exceed the minimum building code.

The recently updated State building code includes a provision aimed at ensuring compliance with the accessibility standards established under the federal Americans with Disabilities Act (ADA).

Permits and fees. Local building permits, filing and recording fees, fees for debris removal, and fees for weed removal are the most common fees and charges applicable to housing development. All appear to be nominal amounts and not sufficient to deter construction or rehabilitation of low- and moderate-income housing. Some exceptions may apply to the provision of manufactured housing.

Growth limits. Few communities within Indiana are facing insurmountable growth pressures. Some communities have been forced to slow growth so that municipal services and infrastructure can be expanded to support new growth areas. However, these measures address temporary gaps in service and do not reflect long-term policies.

Excessive exclusionary, discriminatory or duplicative policies. In developing this housing strategy, the State has not been able to identify any excessive exclusionary, discriminatory or duplicative local policies that are permitted by State laws and policies.

Ameliorating negative effects of policies, rules or regulations. Over the next five years, Indiana expects to see further consolidation of housing programs at the State level and concurrently, maturation of the associated programs and policies, as well as further decentralization of service provision. Interviews and survey results did not surface many concerns regarding State and local policies as deterrent to the production of affordable housing.

Citizen Surveys

A citizen telephone survey was conducted in October 2004 of 300 residents living within nonentitlement areas in the State of Indiana. The households selected for the survey were chosen through a random digit dial process. Davis Research, a telephone survey firm in California, fielded the survey. The survey included enough households to ensure statistical significance—that is, the survey was representative of the experiences and opinions of the State's households overall who live in nonentitlement areas.

A second, almost identical, survey was conducted by mail. The survey was sent to targeted housing and social service organizations in the State, including public housing authorities. The organizations were asked to have five of their clients complete the surveys. The survey respondents could complete the surveys on a hard copy or through an Internet web page; all elected to complete the hard copy. The reason for this survey was to receive input from people who are low income, may have special needs and who are typically underrepresented in public outreach efforts.

The surveys included questions about residents' current housing situation, the needs of their neighborhoods, if they had ever been homeless and if they had experienced housing discrimination. Telephone surveys were completed with approximately 190 cities/towns or counties throughout the State of Indiana and mail/Internet surveys were completed in 29 different cities/towns.

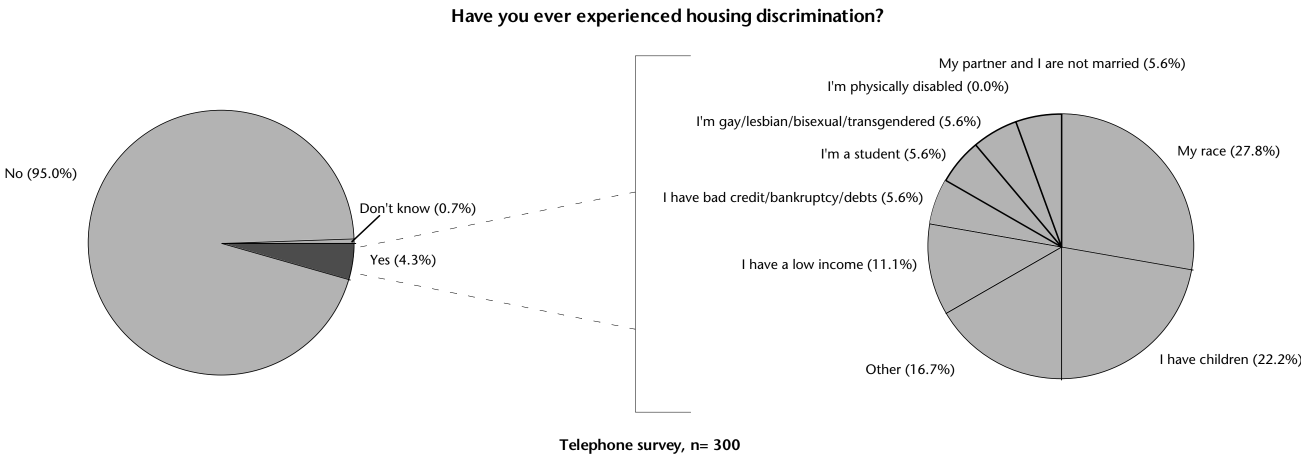
In February and March 2006, the Consolidated Plan Coordinating Committee and housing and community development stakeholders distributed a survey to citizens to collect information about their housing needs, and the housing and community development needs in their communities. A total of 802 surveys were received from citizens in nonentitlement areas. Results from this survey are included with the 2005 citizen survey results.

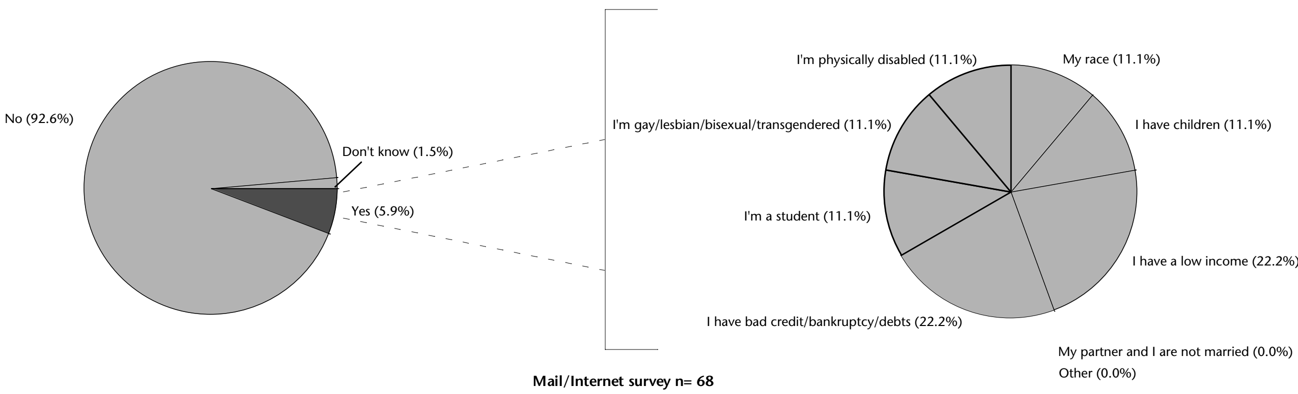
Experience with housing discrimination. The telephone and mail surveys conducted for the 2005 Consolidated Plan and AI asked respondents a number of questions about their experience with housing discrimination. 4.3 percent (13 respondents) of the telephone survey respondents and 5.9 percent (4 respondents) of the mail/Internet survey respondents said they had experienced housing discrimination. It is interesting that, despite different sampling methods, these percentages are so close. In 2006, 13 percent of respondents said they had experienced housing discrimination.

The survey respondents who had experienced discrimination were asked about the reasons why they believed they were discriminated against. The most common reason for the telephone respondents was discrimination based on race, followed by discrimination based on familial status. The mail/Internet survey population said they were discriminated against for different reasons – because they had low incomes and they had bad credit/bankruptcy/debts. (It should be noted that, in the absence of other factors, discrimination based on income or credit/bankruptcy is legal).

Exhibit II-12 below shows the results of why survey respondents believe they were discriminated against.

Exhibit II-12.
Survey Respondents' Experience with Housing Discrimination





Note: "Have you ever experienced housing discrimination?" Telephone survey, n=300 and mail/Internet survey, n=68.
"What was the reason you were discriminated against?" Telephone survey, n=13 and mail/Internet survey, n=4

Source: 2005 Indiana Consolidated Plan Citizen Survey, telephone and mail/Internet.

The four most common reasons the 2006 citizen survey respondents said they were discriminated against was because they had low income (20 percent), race (15 percent), having children (13 percent), and having bad credit/bankruptcy/debts (11 percent).

A demographic review of the 13 telephone respondents who said they had experienced housing discrimination showed the following:

- Four said it was because they have children. Three of these households are made up of four people and one respondent had seven people in their household.
- Tenure (renter/owner status) was not correlated with having experienced housing discrimination.

- There was not a significant correlation between experiencing housing discrimination and having a disability.

- Persons earning less than $50,000 were more likely to say they had experienced housing discrimination than persons earning $50,000 or more.

- The breakdown of race/ethnicity of those respondents who said they had experienced racial discrimination included: White – 40 percent or two respondents, Multi-racial – 40 percent or two respondents and Hispanic/Latino – 20 percent or one respondent.

A demographic review of the four mail/Internet respondents who said they had experienced housing discrimination showed the following:

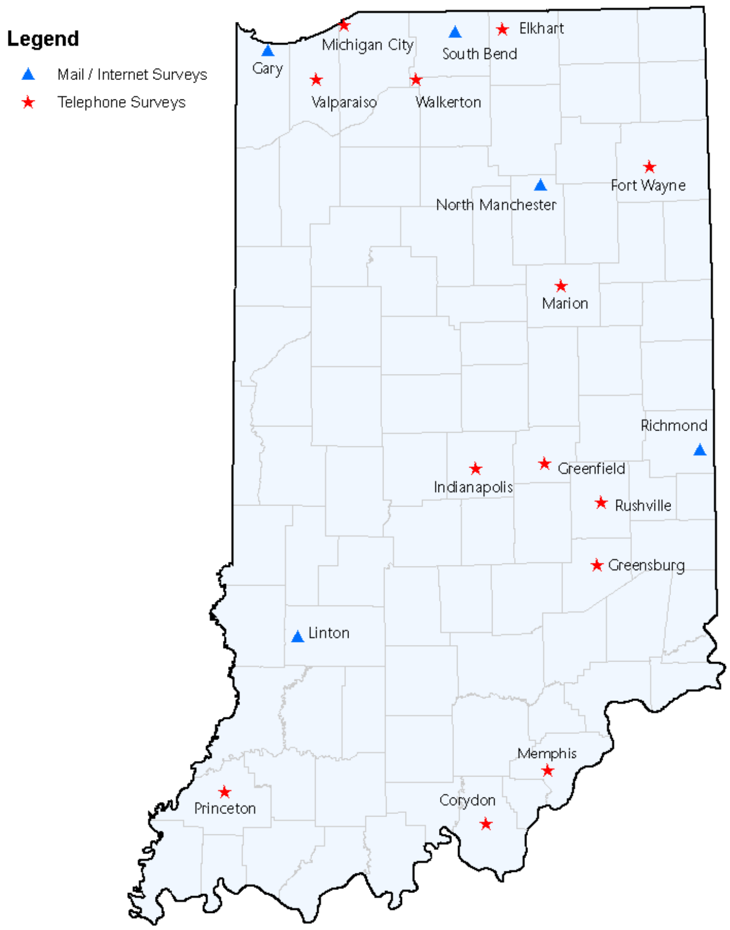
- Three persons earning less than $35,000 said they had experienced housing discrimination due to having low incomes. These same 3 respondents also said they were discriminated against because they had either bad credit, bankruptcy and/or debts

- Tenure (renter/owner status) was not correlated with having experienced housing discrimination.

- Two respondents said they have a disability and one of these responded they were discriminated against because of their disability.

Exhibit II-13, on the following page, shows the cities where the telephone and mail/Internet survey respondents said they experienced housing discrimination.

Exhibit II-13.
Places Where Housing Discrimination is Believed to Have Occurred

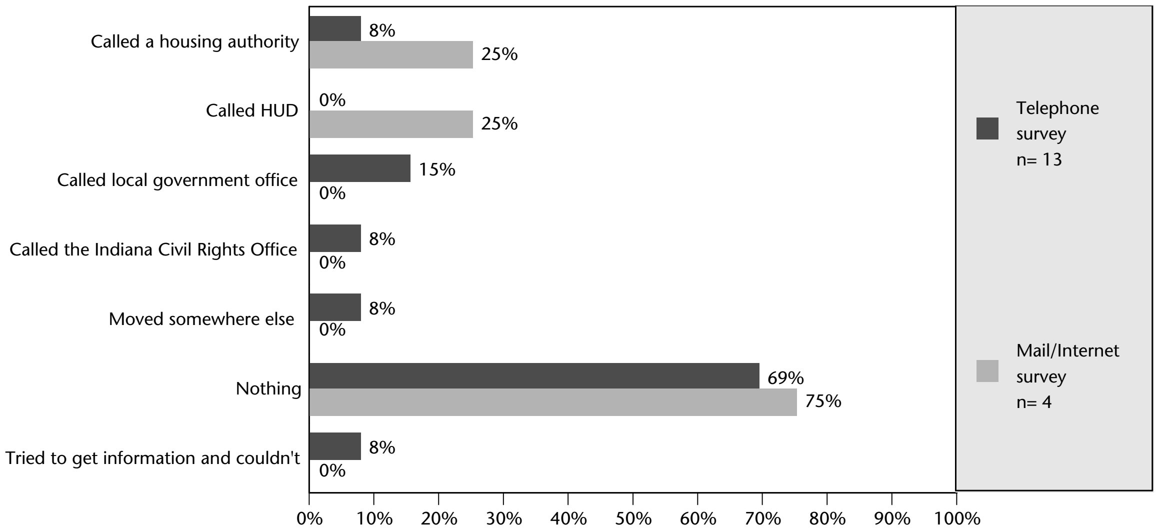


Source: 2005 Indiana Consolidated Plan Citizen Survey, telephone and mail/Internet,

Response to discrimination. Survey respondents were asked a series of questions to identify how they would respond if they encountered housing discrimination.

None of the telephone and mail/Internet survey respondents who experienced housing discrimination filed a complaint. In fact, most did nothing in response to being discriminated against, as shown in Exhibit II-14.

Exhibit II-14.
What Did You Do About the Discrimination?

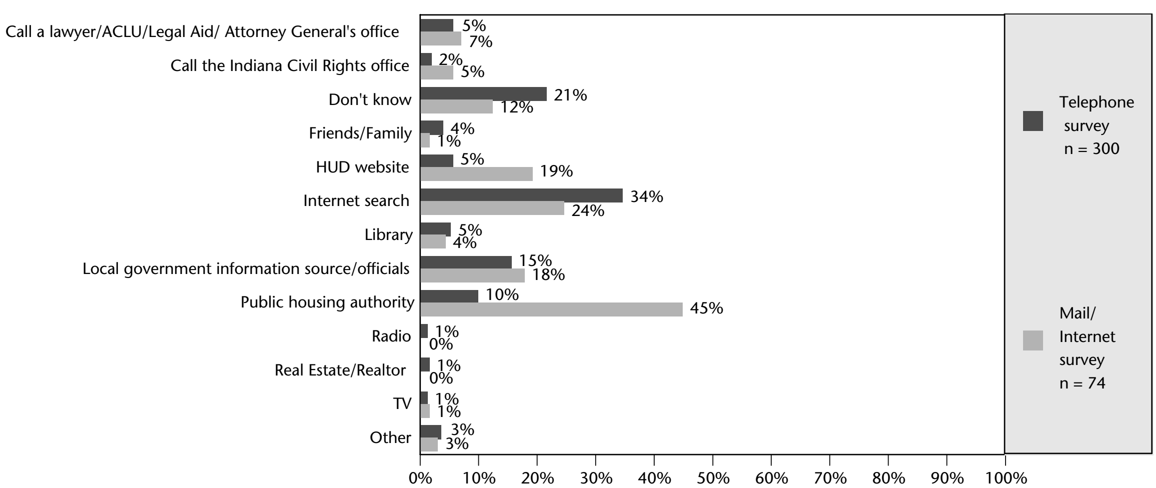


Source: 2005 Indiana Consolidated Plan Citizen Survey, telephone and mail/Internet,

When the 2006 citizen survey respondents were asked what they did about the discrimination, almost 40 percent responded they did nothing, 9 percent tried to get information and couldn't, another 9 percent called a housing authority, 7 percent called HUD, and another 7 percent filed a complaint.

Respondents were also asked how they would get information about their fair housing rights. The top responses for telephone respondents were to do an Internet search or that they did not know where to go. Mail/Internet survey respondent's top responses were to contact the local public housing authority and to do an Internet search. These responses are shown in Exhibit II-15.

Exhibit II-15.
How Would You Get Information To Know More About Your Fair Housing Rights?



Source: 2005 Indiana Consolidated Plan Citizen Survey, telephone and mail/Internet, Responses in the "other" category on how they would get information about fair housing included the following:

- "Better Business Bureau."
- "Call around to see who I could get in touch with."
- "Generations, which is a local agency, either out of Washington, Indiana or Vincennes, Indiana."
- "Other housing agencies La Casa, Elkhart Housing Partnership."
- "I work in a bank, so I could ask there and they could help me."
- "I'd write to Pueblo."
- "Look in the Yellow Pages."
- "Phone the Council on Aging."
- "Write my Congressman."
- "Family."
- "Call ATTIC."

A demographic review of the telephone respondents who answered the question about how to learn more about fair housing rights are as follows.

- Persons with higher incomes were more likely to consult the Internet to find information to this question; persons with the lowest incomes were more likely not to know where to get information.

- Respondents who had attended trade/vocational school or had some college and above were more likely to search the Internet and contact local government information sources/officials; they were also less likely to answer, "I don't know" to this question.

- Persons who were White were more likely to conduct an Internet search. Persons of Hispanic descent were likely to do an Internet search, contact the local government or go to the library to get their information.

A demographic review of the mail/Internet survey respondents who answered the question about how to learn more about fair housing rights are as follows.

- Persons with lower incomes were more likely to consult the local public housing authority to find information to this question.

- Persons who were White were more likely to consult with the local public housing authority, to do an Internet search, or look at the HUD website. Persons who were African American were likely to contact a housing authority, look on the HUD website, or to call the Indiana Civil Rights office.

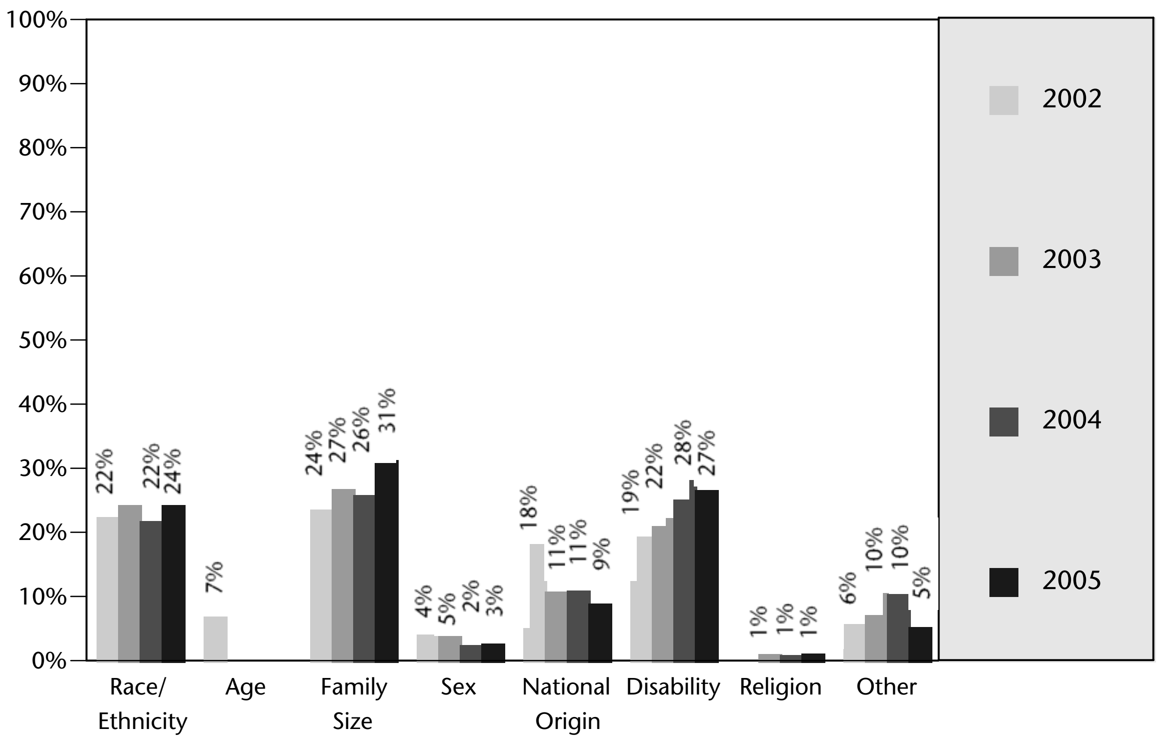
Key Person Survey

In October 2004, approximately 1,600 surveys were distributed to local government officials, community leaders, housing providers, economic development professionals, social service organizations and others. The surveys asked respondents a number of questions about housing and community development needs, including fair housing, in their communities. A total of 214 surveys were returned, for a response rate of 14 percent.[7]

Discrimination occurring in communities. The fair housing questions included on the survey asked respondents about the prevalence of discrimination in their communities and the existing barriers to fair housing.

Compared to 2002, 2003, 2004 and 2005, a larger percentage of respondents in 2005 identified discrimination based on family sizes as occurring in their communities. Discrimination based on family size became the number one concern in 2005 at 31 percent, up from 26 percent in 2004. All other categories either remained at the same rate or decreased or increased minimally. Discrimination based on disability and race/ethnicity followed as the second and third most common response for 2005. Exhibit II-16 compares the survey results for this question from 2002 through 2005.

Exhibit II-16.
Comparison of Types of Housing Discrimination, 2002, 2003, 2004 and 2005



Note: Zero percent indicates that the category was not given as an option.

Source: Community Surveys, Indiana Consolidated Plan, 2001-2005.

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[7] This rate accounts for surveys that were returned due to bad addresses.

In addition, respondents were asked whether certain groups in the community could obtain desirable housing. Forty-two percent of the 2005 respondents felt that persons with disabilities could not obtain desirable housing. The disagreement rates were similar for the other groups at 40 percent for large families, 27 percent for the elderly, and 30 percent for minorities. In 2004 the disagreement rates were slightly lower or the same for all of the groups. In 2003, the survey combined all the groups into one question. Twenty-six percent of respondents felt that minorities, large families, the elderly, and persons with disabilities could not obtain the housing they desire in their communities.

Barriers to housing choice. Respondents were also asked about the types of barriers to housing choice that exist in their communities. Respondents said that the cost of housing was the largest barrier to housing choice, followed by public transportation and distance to employment. Exhibit II-17 shows the perceived barriers to housing choice for 2001, 2002, 2003, 2004 and 2005. The 2004 and 2005 surveys added two additional barrier categories. Even with the addition of these categories, the top barriers were similar across the five years.

Exhibit II-17.
Barriers to Housing Choice

	2001	2002	2003	2004	2005
Cost of housing	34%	34%	37%	28%	28%
Public transportation	24%	19%	23%	21%	20%
Distance to employment	21%	19%	19%	13%	15%
Lack of knowledge among residents	NA	NA	NA	9%	11%
Lack of knowledge among landlords	NA	NA	NA	10%	10%
Lack of accessibility requirement	14%	14%	10%	11%	9%
Housing discrimination	7%	7%	6%	4%	4%
Age restricted housing	NA	7%	5%	4%	4%

Source: Community Survey, Indiana Consolidated Plan, 2001-2005.

Lending issues. In addition to the above barriers, respondents were asked about the ability of people in their community to access mortgages and refinance their homes at competitive interest rates. Fifteen percent of respondents believed that people are *not* able to refinance their homes at competitive interest rates in 2004 and in 2005. This was a 27 percentage point decrease from 2003, where 42 percent of respondents disagreed with the statement. In 2002, 38 percent of respondents agreed with this statement. The significant decrease in disagreement rate in 2004 is most likely related to a rephrasing of the question. The question in the 2002 and 2003 survey specifically asked about low-income families, whereas the 2004 and 2005 survey question asked about the community as a whole. The decrease may also be related to increasingly low interest rates.

The 2004 survey added a question about problematic lending activities in the community. Exhibit II-18 summarizes the findings. Respondents indicated that the primary concern was lenders charging high rates followed closely by a concern for lenders charging high transaction fees.

Exhibit II-18. Are the following lending activities a problem in your community?

Source: Community Survey, Indiana Consolidated Plant, 2005.

Percent Agreeing	2004	2005
Lenders charging high rates	28%	28%
Lenders charging high transaction fees	30%	27%
Lenders linking unncessary products	16%	17%
Lenders selling sub-prime products to prime borrowers	14%	15%
Lenders charging prepayment penalties	12%	14%
Total	**100%**	**100%**

Zoning/land use issues. Respondents were also asked about the zoning ordinances and housing policies that prohibit fair housing choice. In 2005, 9 percent of respondents agreed that there are zoning or land use laws in their communities that create barriers to fair housing choice and encourage fair housing segregation. In 2004, 11 percent of the respondents agreed and in 2002 and 2003, 10 percent of the respondents agreed with this statement.

In 2005, 59 percent of respondents felt that members of their community are aware that discrimination is prohibited in housing mortgage lending and advertising, compared with 61 percent in 2003. Twenty-four percent of survey respondents, which was the same in 2004, indicated that people in their community know whom to contact to report housing discrimination. Finally, only 23 percent of respondents agreed that the housing enforcement agency in their community has sufficient resources to handle the amount of discrimination that may occur; this compares with 23 percent in 2004 and 22 percent in 2003.

Fair housing policies. In the 2005 survey, respondents were asked a number of questions specifically about their community's fair housing policies. In 2003 and 2004, approximately half of the respondents indicated that their community has joined forces with another organization to promote fair housing, while the percent responding positively to this questions dropped to 43 percent in 2005.

Seventy-five percent of survey respondents—about the same percentage as in 2004 and 2003—said that their community has access to a civil rights commission/office. Exhibit II-19 shows which counties in the State have civil rights offices, as reported by survey respondents.

Exhibit II-19.
Access to a Civil Rights Office, by County, 2005

County	Yes	No
Adams	✓	✓
Allen	✓	
Bartholomew	✓	
Benton	✓	
Boone	✓	
Brown		✓
Carroll		✓
DeKalb	✓	
Daviess		✓
Dearborn	✓	
Decatur	✓	
Delaware	✓	
Dubois	✓	
Elkhart	✓	
Floyd	✓	
Fountain	✓	
Fulton		✓
Gibson		✓
Grant	✓	
Greene		✓
Hamilton	✓	✓
Hancock	✓	
Harrison	✓	
Hendricks	✓	
Henry		✓
Howard	✓	
Huntington		✓
Jackson	✓	
Jasper		✓
Jefferson		✓
Johnson	✓	✓
Knox	✓	✓
Kosciusko	✓	
LaGrange	✓	
LaPorte	✓	
Lake	✓	
Lawrence	✓	✓
Madison	✓	
Marion	✓	
Miami	✓	✓
Monroe	✓	✓
Monroe	✓	
Montgomery	✓	
Morgan	✓	✓
Noble		✓
Owen	✓	✓
Parke	✓	
Perry		✓
Porter	✓	✓
Pulaski	✓	
Putnam	✓	
Ripley		✓
Rush	✓	
Shelby	✓	
Spencer	✓	✓
St. Joseph	✓	
Starke	✓	
Sullivan	✓	✓
Vanderburgh	✓	✓
Vermillion	✓	
Warren	✓	
Washington		✓
Wayne	✓	
Wells		✓
White		✓
Whitley		✓
Wornick	✓	

Note: Where both boxes are checked the surveys indicated different responses.
Source: Community Survey, Indiana Consolidated Plan, 2005.

Five percent of respondents indicated that there had been housing complaints filed against their organization in the past five years. Of the nine respondents who explained the complaints filed, four of the claims were either thrown out, dismissed or resolved, one dealt with mental illness, another concerned race and familial status and another complaint addressed the lack of vouchers and available homes.

The survey also inquired about various fair housing policy ordinances. Seventy-two percent of respondents said that their community has a fair housing resolution/ordinance, and 65 percent indicated they have an affirmative action plan. Seventy-five percent of respondents said they had an equal opportunity ordinance. Sixty-four percent of respondents indicated that their community's resolution/ordinance had been approved by the State.

PHA Survey

A mail survey of Public Housing Authorities (PHAs) in nonentitlement areas in the State was conducted as part of the 2005 Consolidated Plan process. The survey collected information on Section 8 Housing Choice voucher usage between January and September 2004 and included two questions pertaining to fair housing issues, by individual PHA. Forty-three surveys were mailed, and 28 responses were received, for a response rate of 65 percent.

Of the 15 PHAs who responded to the question asking if they permit applicants to reject public housing and remain on the waiting lists, 80 percent do permit applicants to reject public housing units and remain on the waiting lists and 20 percent said they do not.

Five of the 19 respondents to the questions asking if they have a policy of evicting tenants the first time they violate resident rules responded they did have such a policy.

PHAs were also asked if it is difficult for individuals or households with certain characteristics to find a unit that accepts vouchers. Seven respondents said it was difficult for large families (typically 4 person households) to find units and 3 responded it was difficult for persons who are disabled to find an accessible unit.

Fair Housing Forum and Key Person Interviews

Fair housing forum. On Wednesday, February 9, 2005, the Indiana Civil Rights Commission hosted a Fair Housing Open Forum. The purpose of the forum was to assess impediments to Fair Housing in Indiana, and develop strategies to ensure that all Hoosiers are afforded fair housing choice. At the time of the forums, the Indiana Housing Finance Authority (IHFA, now IHCDA) assisted in identifying groups and individuals who were targeted as potential contributors so that they might also receive an invitation. Altogether, 100 people pre-registered to attend with a total of 89 in attendance. The attendees included individuals representing 60 agencies and organizations and six interested citizens, as shown in the following exhibit:

Exhibit II-20. Fair Housing Forum Agency/ Organization Representatives

Adult & Children Mental Health Center	Indiana Protection /Advocacy Services
Affordable Housing Corporation	Indianapolis Division EEOC
Bloomington Housing Authority	Indianapolis Resource Center for Independent Living
BOSMA Industries	IRL Development Corporation
Brothers Uplifting Brothers	Knox County Housing Authority
Carpenter Realtors	Manchester Village Apartments
Community Action Program	Marion County Center for Housing Opportunity
Crawford Manor Apartments	Mayor's Advisory Council for People with Disabilities
Crawfordsville Housing Authority	Mexican Civic Association
Custom Mortgage	National City Corporation
Division of Family Resources Housing/Community Services	New Albany Community Housing
Edward Rose Properties	Norstar Mortgage Group
Family Services of Central Indiana	Northwest Indiana Aliveness Project
Fifth Freedom	NWI Open Housing Center
FSSA Consumer/Family Affairs	Park Regency Apartments
FSSA Division on Disability, Aging, Rehabilitative Services	Path Finder Services

Source:

Fair Housing Forum, February 2005.

Exhibit II-20 (continued). Fair Housing Forum Agency/ Organization Representatives

Source:
Fair Housing Forum, February 2005.

FSSA Family/Children	Policy, Planning, Regional Services
Future Choices	Positive Link
Governor's Council for People With Disabilities	Project Renew
Great Lakes Capital Fund	Richmond Housing Authority
Homeless Initiative Program	Rural Housing Finance Corporation
Hope of Evansville	Rural Rental Housing
Indiana Association of Community and Economic Development	Salvation Army Harbor Light
Indiana Civil Rights Commission	South Bend Housing Authority
Indiana Coalition on Housing and Homeless Issues	Southern Indiana Center for Independent Living
Indiana Housing Finance Authority	St. Jude House
Indiana Institute on Disability and Community	Therapeutic Solutions
Indiana Legal Services	Unique Ministries Awareness
Indiana Manufactured Housing Association	Villas Apartments

Many of the attendees were directors and managers that had personal experience with clients who had been discriminated against. The position of those attending ranged from top executives to citizens who elected to attend because of their experience with some form of discrimination. As illustrated in the job titles below, it is evident that the forum included a wide range of individuals who were informed about fair housing issues.

Exhibit II-21. Job Titles of Participants

Source:
Fair Housing Forum, February 2005.

Families Counselor	Finance and Grants Manager
Allocation Analyst	Housing Coordinator, Specialist and Counselor
Case Manager	Loan Officer
Clinical Services Director	Occupancy Director
Community Organizing Specialist	Outreach Specialist
Compliance Manager/Monitor	Program Director/Manager
Director Compliance/Homeless Initiative Program	Property Manager
Disability Advocate	Real Estate Attorney
Education/Training Director	Referral Specialist
Fair Housing Specialist	Resident Manager/Services Coordinator/ Initiatives Specialist
Family Self Sufficiency / Home Training Coordinator	Section 8 Specialist

Those attending also represented a range of cities and counties throughout the State; from as far north as South Bend and Crown Point and as far south as New Albany and Evansville. Cities represented included:

Exhibit II-22.
Cities Represented by Participants

Bedford	Greencastle
Bicknell	Huntington
Bloomington	Indianapolis
Columbus	Marion
Crawfordsville	Merrillville
Crown Point	Muncie
Evansville	New Albany
Ft. Wayne	Richmond
Gary	South Bend

Source:
Fair Housing Forum, February 2005.

The list of attendees provides evidence that the forum incorporated varying opinions and experiences from citizens located throughout the State—an indication that the results provide a comprehensive picture of the impediments to fair housing from the views of the stakeholders.

Forum process. The session began with brief introductions of those attending the forum and a summary of the meeting's purpose. The forum was facilitated by Dr. Linda Keys who provided an overview of the process and assisted the participant with the activities throughout the forum. During the session, participants were asked to form groups of 7 to 9 people and list the top ten impediments to fair housing. The group was asked to determine as a group the top ten impediments and to prioritize them.

The rules for the group process were to respect the opinions of all members and to make sure that the document submitted reflected all opinions of the group. To ensure that all were on task with this requirement, group members were asked to sign the exercise before submission. In addition, if a participant felt that the outcome did not reflect their opinion, they were instructed to tell the facilitator to provide them with an exercise or comment sheet for their own completion.

Forum results. Participants had little difficulty coming up with impediments to fair housing exhibited by the protective classes, although some groups did find it hard to condense the list down to ten and most group did not prioritize the list. The exhibit on the following page shows the barriers organized by the number of times a group listed the barrier, from most to least.

Exhibit II-23. Top Ten Barriers to Fair Housing

Source:

Fair Housing Forum, February 2005.

Racial prejudice/stereotyping	***Identified the most***
Family size	
Disability/ Individuals (both Mental and Physical)	
Income (financial status)	
Financial literacy	
Regulatory barriers/zoning	
Lack of information about Fair Housing Rights and Regulations	
Limited Enforcement of Housing Compliance	
Conflict between Fair Housing Laws & HUD Regulations	
Lack of Affordable Housing/Affordability	
Age	
Lack of coordinated comprehensive planning	
Lack of public education and information about Fair Housing Regulations and Individual Rights	
Lack of Accessible Housing	
Credit history	
Language	
Transportation	
Sex/ gender	
Religion	
Ethnicity	
Predatory lending/Redlining	
Sur names/National origin	
Geography, location	
Nimbyism/Fear of Low Income Housing	
Losing Housing for Substance Abuse	
Homelessness	
Lack of Supportive Services	***Identified the least***

In addition, the most common remark recorded during the forum was that the Fair Housing Task Force was an important factor in the education of stakeholders and the reduction of barriers to fair housing throughout the State. Consequently, participants felt that funds should be allocated for an administrator to manage the Task Force, to support Task Force activities and to assist representatives with associated attendance costs.

Interviews. BBC and The Keys Group conducted interviews in person and by telephone with individuals who are knowledgeable about fair housing in Indiana in 2005. These individuals represented local government officials, housing and real estate professionals, social service providers, and representatives of community and professional organizations. Their comments are summarized below, by type of question asked in the interviews. A list of the key people interviewed appears in Appendix C of the Consolidated Plan report.

Types of fair housing and affordable housing activities interviewees are engaged in:

- Help with home ownership for people with low-incomes (13)
- Affordable repairs (9)
- Consumer education (8)
- Home ownership counseling (7)
- Helping persons with disabilities find housing to suit their needs (4)
- Investigations of complaints and discrimination (3)
- Helping families buy their first homes (2)
- Purchase of apartment buildings and creating affordable units (2)
- Helping people with fair housing claims (2)
- Providing affordable rental properties (1)
- Participation in Fair Housing Month (1)
- Affirmative marketing procedures (1)

Where do you refer people who believe they have been discriminated against?

- Local HUD office (12)
- In-house counselor or local counselor (6)
- Indiana Civil Rights Commission (3)
- Local branches of legal services (3)
- Office of the Attorney General (1)
- Provide fair-housing brochures (1)
- More than two thirds of the groups did recall receiving fair housing complaints (some many), but did not have record of data.
- Many groups had an in-house counselor who did not keep record of complaints.

Organizations' perception on discrimination - where it occurs, changes in affected populations, changes in type of discrimination:

- Most (all) discrimination occurs in the disabled, minority (primarily Latino), low-income, and elderly populations. (25)
- Discrimination against women with children is prevalent. (11)
- Discrimination against Latinos and elderly are growing the fastest. (7)

What are your biggest concerns about fair housing and fair lending, for your clients?

- Most Latinos do not have any credit at all (12)
- Low-income families and persons with disabilities are not taken seriously when they report discrimination (11)
- Rural areas have a lack of financial institutions (6)
- There is a major language barrier for those who speak Spanish (5)

Predatory lending has been an increasing problem throughout the country. Have you noticed borrowers taking on increasing amounts of debt? Is this a concern?

- About of half of interviewees stated that this was a not a problem.
- Lower income families and Spanish speaking populations are being solicited for loans they cannot afford

Is there any evidence of racial steering by Realtors or brokers in your area?

- All groups said they have not seen any evidence of racial steering.

Are there land use and/or zoning regulations that inadvertently restrict access to fair housing? That prevents development of affordable housing? If so, how should they be changed?

- Most stated there were no limitations directly that they were aware of that restricted fair housing, and that they were not aware of any policies to prevent the development of affordable housing units.

Are there public policies that inadvertently restrict access to fair housing? If so, how should they be changed?

- Most stated no to this question or that they were not knowledgeable of any issues.

What types of fair housing activities are most needed in your community (e.g., education/outreach, testing, and advertising)?

- The most consistent answer was outreach, followed by advertising (26)

SECTION III.
Identification of Impediments to Fair Housing Choice

SECTION III.
Identification of Impediments to Fair Housing Choice

This section summarizes the impediments to fair housing choice identified in the research conducted for the AI and recommends an Action Plan for the State's nonentitlement areas.

Summary of Impediments to Fair Housing Choice

Section II presented the research and public outreach processes conducted as part of Indiana's AI. This research identified the following impediments to fair housing choice in the county:

Impediments in the Private Sector

- **Predatory lending and access to credit.** Lending issues – predatory lending, appropriate use of subprime loans and lack of credit/poor credit histories – appear to be the fastest growing fair housing issues in the State. There are little data about how prevalent predatory lending practices are or how significant they are in creating fair housing barriers, although most studies suggest that elderly and minorities are disproportionately likely to be victims.

Impediments in the Public and Private Sectors

- **Lack of awareness about fair housing.** The majority of Indiana residents who believe they have been victims of discrimination did not do anything about the incidence. About one-fifth of Hoosiers are unsure of how they would obtain information about their fair housing rights. Some complaints are apparently received by housing and social service organizations, but these organizations do not have the authority to investigate them and do not track complaints.

- **Housing discrimination.** Between 4 and 6 percent of residents in Indiana believe they have experienced some type of discrimination related to housing. According to a citizen survey and ICRC complaint data, the most common types of housing discrimination in the State are based on race/national origin, disability and familial status.

Impediments in the Public Sector

In addition, ICRC is the primary organization that receives and investigates complaints in the State's nonentitlement areas. The numerous nonentitlement areas and size of the State, as well as the limited resources of ICRC, make it difficult to ensure that residents in all areas of the State are aware of fair housing issues and know how to file a complaint when they feel they have been discriminated against.

Four Year Fair Housing Action Plan

To address the impediments identified above, the State of Indiana will undertake the following fair housing activities between 2006 and 2009.

1. During the 2006-2009 Consolidated Plan program years, all grantees of CDBG, HOME, ESG, and HOPWA funds will continue to be required to: 1) Have an up-to-date Affirmative Marketing Plan; 2) Display a Fair Housing poster in a prominent place; and 3) Include the Fair Housing logo on all print materials and project signage. All grantees of HOME, ESG, and HOPWA are still required to provide beneficiaries with information on what constitutes a protected class and instructions on how to file a complaint.

2. During the 2006-2009 program year, all grantees of CDBG, HOME, ESG, and HOPWA funds will continue to be monitored for compliance with the aforementioned requirements as well as other Fair Housing standards (e.g., marketing materials, lease agreements, etc.). As part of the monitoring process, OCRA and IHCDA staff will ensure that appropriate action (e.g., referral to HUD or appropriate investigative agency) is taken on all fair housing complaints at federally funded projects.

3. OCRA requires all CDBG projects to be submitted by an accredited grant administrator. Civil rights training, including fair housing compliance, will continue to be a required part of the accreditation process. IHCDA will continue to incorporate fair housing requirements in its grant implementation training for CSBG, HOME, ESG, and HOPWA grantees.

4. During Program Year 2006, IHCDA will serve on the Indianapolis Partnership for Accessible Shelters and, through this Task Force, will educate shelters about Fair Housing and accessibility issues, and help identify way to make properties more accessible. Also during Program Year 2006, IHCDA will target ESG and HOPWA funds for accessibility rehabilitation activities. These fair housing activities will be evaluated at the end of the 2006 Program Year and extended into future program years if they are found to be beneficial and the need for shelter education and funds for accessibility rehabilitation continues to exist.

5. During Program Years 2006-2009, IHCDA will work with ICRC to have testers sent to IHCDA funded rental properties to ensure they are in compliance with the Fair Housing Act. The goal for the number of properties tested per year is 4 per year (equates to 10 percent of federally-assisted rental portfolio over the remaining period).

6. During Program Years 2006-2009, IHCDA will also ensure that the properties it has funded are compliant with uniform federal accessibility standards during on-going physical inspections, as part of the regular inspections that occur. The goal for the number of properties inspected per year for fair housing compliance is 100 per year.

7. During Program Year 2006-2009, IHCDA will expand its Fair Housing outreach activities by 1) Posting ICRC information and complaint filing links on IHCDA website, and 2) enhancing fair housing month (April) as a major emphasis in the education of Indiana residents on their rights and requirements under Fair Housing.

8. During Program Year 2006, IHCDA will work with regional Mortgage Fraud and Prevention Task Forces to educate consumers about how to avoid predatory lending. IHCDA will also partner with National City Bank, IACED, and IAR to provide three trainings on foreclosure prevention and predatory lending.

9. During Program Years 2006-2009, IHCDA will receive regular reports from ICRC regarding complaints filed against IHCDA properties and within 60 days ensure an action plan is devised to remedy future issues or violations.

Fair Housing Matrix

The following is a Fair Housing Matrix, which displays the impediment with research findings, the fair housing action the State plans to do to address the impediment, the agency responsible, the funding source, the timetable, and public comments that address the impediment.

Impediment	Activity	Agency Responsible	Funding Source	Milestone Timetable, Results 2006	2007	2008	2009	Public Comments that Address Impediment
1. Housing Discrimination:								
* 4-6 percent of Hoosiers have experienced discrimination	* IHCDA will work with ICRC to have testers sent to IHCDA funded rental properties to ensure they are in compliance with the Fair Housing Act. The goal for the number of properties tested per year is 4 per year (equates to 10 percent of federally-assisted rental portfolio over the remaining period).	IHCDA	CDBG	Test 4 properties	Test 4 properties	Test 4 properties	Test 4 properties	*Low-income families and persons with disabilities are not taken seriously when they report discrimination. *Discrimination against Latinos and elderly are growing the fastest.
	* IHCDA will ensure that the properties it has funded are compliant with uniform federal accessibility standards during on-going physical inspections, as part of the regular inspections that occur. The goal for the number of properties inspected per year for fair housing compliance is 100 per year.	IHCDA	CDBG	100 properties	100 properties	100 properties	100 properties	*Discrimination against women with children is prevalent. *Limited enforcement of housing compliance.
	* IHCDA will serve on the Indianapolis Partnership for Accessible Shelters and, through this Task Force, will educate shelters about Fair Housing and accessibility issues, and help identify ways to make properties more accessible.	IHCDA	CDBG	Educate Task Force				
	* IHCDA will receive regular reports from ICRC regarding complaints filed against IHCDA properties and within 60 days ensure an action plan is devised to remedy future issues or violations.	IHCDA	CDBG	Reports from ICRC w/ a 60 day response	Reports from ICRC w/ a 60 day response	Reports from ICRC w/ a 60 day response	Reports from ICRC w/ a 60 day response	*Most (all) discrimination occurs in the disabled, minority (primarily Latino), low-income, and elderly populations.
2. Fair Housing Awareness:								
* About one-fifth of Hoosiers are unsure of how they would obtain information about their fair housing rights	* IHCDA will expand its Fair Housing outreach activities by 1) Posting ICRC information and complaint filing links on IHCDA website, and 2) enhancing fair housing month (April) as a major emphasis in the education of Indiana residents on their rights and requirements under Fair Housing.	IHCDA	CDBG	Post ICRC information on website	Post ICRC information on website	Post ICRC information on website	Post ICRC information on website	*A barrier to fair housing is the lack of information and public education about Fair Housing Rights and Regulations. *The most consistent fair housing activity mentioned was outreach, followed by advertising.
* 69 to 75 percent of Hoosiers did nothing when experiencing discrimination				Fair Housing month enhancement	Fair Housing month enhancement	Fair Housing month enhancement	Fair Housing month enhancement	*Nimbyism/Fear of Low Income Housing
3. Predatory Lending:								
* There are primary concerns that lenders are charging high rates and high transaction fees	* IHCDA will work with regional Mortgage Fraud and Prevention Task Forces to educate consumers about how to avoid predatory lending. IHCDA will also partner with National City Bank, IACED, and IAR to provide three trainings on foreclosure prevention and predatory lending.	IHCDA	CDBG	Educate consumers 3 trainings				*Half of interviewees stated that predatory lending was a problem. *Lower income families and Spanish speaking populations are being solicited for loans they cannot afford. *Rural areas have a lack of financial institutions .

Impediment	Activity	Agency Responsible	Funding Source	Milestone Timetable, Results 2006	2007	2008	2009	Public Comments that Address Impediment
4. Access to Credit:								
* A review of HMDA data indicated that poor credit history is the major reason for application denials across the six small MSAs in Indiana	* IHCDA will work with regional Mortgage Fraud and Prevention Task Forces to educate consumers about how to avoid predatory lending. IHCDA will also partner with National City Bank, IACED, and IAR to provide three trainings on foreclosure prevention and predatory lending.	IHCDA	CDBG	Educate consumers 3 trainings				*Most Latinos do not have any credit at all. *A barrier to fair housing is lack of/poor credit history.
5. Proactive Approach:								
* State should be proactive with initial addressing of potential fair housing concerns	* All grantees of CDBG, HOME, ESG, and HOPWA funds will continue to be required to: 1) Have an up-to-date Affirmative Marketing Plan; 2) Display a Fair Housing poster in a prominent place; and 3) Include the Fair Housing logo on all print materials and project signage. All grantees of HOME, ESG, and HOPWA are still required to provide beneficiaries with information on what constitutes a protected class and instructions on how to file a complaint.	IHCDA OCRA	CDBG HOME ESG HOPWA	Affirmative Marketing Plan Fair Housing poster and logo displayed Provide protected class and complaint information	Affirmative Marketing Plan Fair Housing poster and logo displayed Provide protected class and complaint information	Affirmative Marketing Plan Fair Housing poster and logo displayed Provide protected class and complaint information	Affirmative Marketing Plan Fair Housing poster and logo displayed Provide protected class and complaint information	*Lack of public education and information about Fair Housing Regulations and Individual Rights. *Lack of coordinated comprehensive planning
	* All grantees of CDBG, HOME, ESG, and HOPWA funds will continue to be monitored for compliance with the aforementioned requirements as well as other Fair Housing standards (e.g., marketing materials, lease agreements, etc.). As part of the monitoring process, OCRA and IHCDA staff will ensure that appropriate action (e.g., referral to HUD or appropriate investigative agency) is taken on all fair housing complaints at federally funded projects.	IHCDA OCRA	CDBG HOME ESG HOPWA	Compliance monitoring and appropriate action	Compliance monitoring and appropriate action	Compliance monitoring and appropriate action	Compliance monitoring and appropriate action	
	* OCRA requires all CDBG projects to be submitted by an accredited grant administrator. Civil rights training, including fair housing compliance, will continue to be a required part of the accreditation process. IHCDA will continue to incorporate fair housing requirements in its grant implementation training for CSBG, HOME, ESG, and HOPWA grantees.	IHCDA OCRA	CDBG HOME ESG HOPWA	Civil Rights and fair housing compliance requirements	Civil Rights and fair housing compliance requirements	Civil Rights and fair housing compliance requirements	Civil Rights and fair housing compliance requirements	
	* IHCDA will target ESG and HOPWA funds for accessibility rehabilitation activities. These fair housing activities will be evaluated at the end of the 2006 Program Year and extended into future program years if they are found to be beneficial and the need for shelter education and funds for accessibility rehabilitation continues to exist.	IHCDA	ESG HOPWA	Target ESG and HOPWA funds for rehabilitation activities.				

SECTION IV.
Self-Assessment

SECTION IV.
Self-Assessment

This section summarizes the oversight responsibilities of the fair housing activities and the monitoring of the progress in carrying out each action and evaluating its effectiveness.

Oversight Responsibilities

The completion of this AI was overseen by the Indiana Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA).

IHCDA will oversee the implementation of the following activities of the Fair Housing Action Plan.

- IHCDA will work with the Indiana Civil Rights Commission (ICRC) to have testers sent to IHCDA funded rental properties to ensure they are in compliance with the Fair Housing act.

- IHCDA will ensure that the properties it has funded are compliant with uniform federal accessibility standards during on-going physical inspections.

- IHCDA will serve on the Indianapolis Partnership for Accessible Shelters and, through this Task Force, will educate shelters about Fair Housing and accessibility issues, and help identify ways to make properties more accessible.

- IHCDA will receive regular reports from ICRC regarding complaints filed against IHCDA properties and within 60 days ensure an action plan is devised to remedy future issues or violations.

- IHCDA will expand its Fair Housing outreach activities by posting ICRC information and complaint filing links on the IHCDA Web site and will enhance fair housing month (April) as a major emphasis in the education of Indiana residents on their rights and requirements under Fair Housing.

- IHCDA will work with regional Mortgage Fraud and Prevention Task Forces to educate consumers about how to avoid predatory lending. IHCDA will also partner with National City Bank, IACED, and IAR to provide three trainings on foreclosure prevention and predatory lending.

OCRA and IHCDA will be responsible for overseeing the following activities:

- All grantees of CDBG, HOME, ESG, and HOPWA funds will continue to be required to: 1) Have an up-to-date Affirmative Marketing Plan; 2) Display a Fair Housing poster in a prominent place; and 3) Include the Fair Housing logo on all print materials and project signage. All grantees of HOME, ESG, and HOPWA are still required to provide beneficiaries with information on what constitutes a protected class and instructions on how to file a complaint.

- All grantees of CDBG, HOME, ESG, and HOPWA funds will continue to be monitored for compliance with the aforementioned requirements as well as other Fair Housing standards (e.g., marketing materials, lease agreements, etc.). As part of the monitoring process, OCRA and IHCDA staff will ensure that appropriate action (e.g., referral to HUD or appropriate investigative agency) is taken on all fair housing complaints at federally funded projects.

- OCRA will require all CDBG projects to be submitted by an accredited grant administrator. Civil rights training, including fair housing compliance, will continue to be a required part of the accreditation process.

- IHCDA will continue to incorporate fair housing requirements in its grant implementation training for CSBG, HOME, ESG, and HOPWA grantees.

Monitoring

OCRA and IHCDA will be ultimately responsible for carrying out the Fair Housing Action Plan. To ensure that each activity is carried out, IHCDA and OCRA will conduct an evaluation of each activity during each program year and identify additional areas that require study or analysis and how to address the additional areas. IHCDA will also require from the ICRC bi-monthly reports regarding the complaints filed against IHCDA properties as part of its monitoring efforts.

As part of the monitoring process, IHCDA and OCRA will keep records that:

1. Document the number of properties tested for discriminating each year, any findings of discrimination activity and the resolution.

2. Document the ongoing physical inspections of properties IHCDA has funded to ensure compliancy with uniform federal accessibility standards.

3. Document the complaints from ICRC that were filed against IHCDA properties along with the action plan that was devised to remedy future issues or violations.

4. Document the ICRC information IHCDA has posted on their Web site.

5. Document the work done with regional Mortgage Fraud and Prevention Task Forces along with the trainings performed on foreclosure prevention and predatory lending.

6. Document that all CDBG, HOME, ESG and HOPWA grantees have an up-to-date Affirmative Action Plan; display a Fair Housing poster displayed; and include the Fair Housing logo on all print materials and project signage. Continue to require all grantees to provide beneficiaries with information on what constitutes a protected class and instructions on how to file a complaint.

7. Continue to document that the appropriate action was taken on all fair housing complaints at federally funded projects.

8. Continue to require and document that all CDBG projects be submitted by an accredited grant administrator, that civil rights training, including fair housing compliance, is a part of the accreditation process.

9. Continue to require and document that fair housing requirements be incorporated in the grant implementation training for CSBG, HOME, ESG and HOPWA grantees.

10. Document and review ESG and HOPWA accessibility rehabilitation activities at the end of the 2006 Program Year, and extend into future program years if they are found to be beneficial and the need for shelter education and funds for accessibility rehabilitation continues to exist.

Maintenance of Records

Per Section 2.14 in HUD's Fair Housing Planning Guide, OCRA and IHCDA will maintain the following data and information as documentation of the county's Fair Housing Plan:

- A copy of the AI and any updates.
- A list of actions taken each year as part of the Fair Housing Plan to eliminate the impediments identified in the AI.

At the end of each program year, OCRA and IHCDA will submit information to HUD about the actions taken to fulfill the Fair Housing Plan and an analysis of their impact.

APPENDIX

APPENDIX

This Appendix contains two sections from the State of Indiana Consolidated Plan 2006 Update. These are referenced in Section II of the AI. The following sections are:

- **Section II. Socioeconomic Analysis**
- **Section IV. Housing Market Analysis**

SECTION II.
Socioeconomic Analysis

This section discusses the demographic and economic characteristics of the State of Indiana, including changes in population, household characteristics, income and employment to set the context for the housing and community development analyses in latter sections of the State of Indiana 2006 Consolidated Plan Update. This section incorporates the most recently released socioeconomic data from the U.S. Census Bureau and State data sources.

Population Characteristics

The U.S. Census Bureau estimates the State's 2005 population at 6,271,973, up from 6,080,485 in 2000 and 6,226,537 in 2004. From 2000 to 2005, the State's population increased by 3.1 percent, which was similar to the growth rates of surrounding states. Kentucky grew at a similar rate of 3.1 percent and Ohio grew at the lowest rate of 0.9 percent.

Future growth. The Indiana Business Research Center (IBRC) projects a State population of 6,417,198 in 2010. This equates to an average annual growth of one-half of 1 percent from 2004 to 2010, or about half of the average annual growth rate experienced in the prior decade and about the same growth rate experienced from 2000 to 2004.

Components of growth. According to the Census Bureau, the primary driver of population growth from 2003 to 2004 was natural increase—i.e., births minus deaths—that added 30,731 people to the State during the year. Immigration from foreign countries added 9,062 people to the State and 5,061 residents moved to Indiana from other states.

The Census Bureau also reports the cumulative estimates of population change from 2000 to 2005. Again the primary population growth was natural increase, through which the State added 159,488 people. Immigration from foreign countries added 55,656 people to the State and Indiana lost 17,000 residents to other states. The following exhibit shows the components of the population change for 2001 through 2005.

Exhibit II-1. Components of Population Change in Indiana, 2001 to 2005

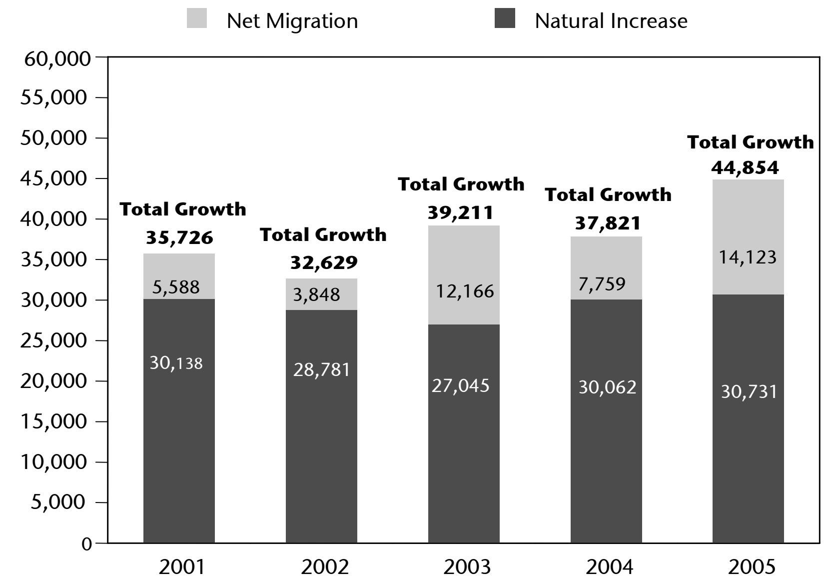
Note:

Population changes for each year are from July 1 to July 1 of the next year. The 2000 population change is not included because it is from April 1 to July 1 of 2000.

Natural increase is births minus deaths.

Source:

U.S. Census Population Estimates.



Growth of nonentitlement areas. The nonentitlement areas of the State made up nearly 60 percent of the population in 2000.[1] According to the Census' 2004 population estimates, with the addition of Columbus, Michigan City, LaPorte and Hamilton County to the entitlement cities, the nonentitlement areas of the State made up 58 percent of the population in 2004, or approximately 3,600,000 persons.

Exhibit II-2 on the following page shows the population changes of the State's entitlement and nonentitlement areas between 2003 and 2004. The bolded areas show the largest population increase and decrease for the entitlement counties and cities. Of the entitlement areas, Hamilton County's population increased at the highest rate at 6 percent. When comparing the cities, West Lafayette's population decreased the most by 4.11 percent and Goshen's population increased the most by 2.58 percent.

[1] The term "entitlement areas" refers to cities and counties that, because of their size, are able to receive CDBG funding directly. These areas must complete a Consolidated Plan separately from the State's to receive funding. The requirements for receiving HOME, Sand HOPWA funds are all slightly different, but are generally based on size and need. For purposes of this report, "nonentitlement" refers to cities and towns that do not file Consolidated Plans individually and are not able to receive funding from the HUD programs directly. The entitlement areas in Indiana include the cities of Anderson, Bloomington, Carmel, Columbus, East Chicago, Elkhart, Fort Wayne, Gary, Goshen, Hammond, Indianapolis, Kokomo, La Porte, Lafayette, Michigan City, Mishawaka, Muncie, New Albany, South Bend, Terre Haute, West Lafayette, Hamilton County and Lake County.

Exhibit II-2.
2003 to 2004 Population Growth

	2003		2004		Percent Change
	Number	Percent	Number	Percent	2003 - 2004
Indiana	6,195,643	100%	6,226,537	100%	0.50%
Non-Entitlement	3,614,818	58%	3,634,715	58%	0.55%
CDBG Entitlement	2,580,825	42%	2,591,822	42%	0.43%
CDBG Entitlement Areas:					
Hamilton County	**216,826**		**229,840**		**6.00%**
Lake County	487,476		490,089		0.54%
East Chicago	31,366		31,237		-0.41%
Gary	99,961		99,516		-0.45%
Hammond	80,547		79,985		-0.70%
Balance of Lake County	275,602		279,351		1.36%
Cities					
Anderson	58,394		57,942		-0.77%
Bloomington	70,642		68,779		-2.64%
Columbus	39,058		39,251		0.49%
Elkhart	51,682		51,878		0.38%
Evansville	117,881		117,156		-0.62%
Ft. Wayne	219,495		219,351		-0.07%
Goshen	**29,787**		**30,555**		**2.58%**
Indianapolis (balance)	783,438		784,242		0.10%
Kokomo	46,154		46,070		-0.18%
LaPorte	21,067		20,982		-0.40%
Lafayette	61,229		59,753		-2.41%
Michigan City	32,335		32,179		-0.48%
Mishawaka	48,396		48,385		-0.02%
Muncie	66,521		67,166		0.97%
New Albany	36,973		36,877		-0.26%
South Bend	105,540		105,494		-0.04%
Terre Haute	58,096		57,224		-1.50%
West Lafayette	**29,835**		**28,609**		**-4.11%**

Note: Columbus, Michigan City, LaPorte and Hamilton County are included in the 2000 and 2002 entitlement area. The cities of Beech Grove, Lawrence, Speedway, Southport and the part of the Town of Cumberland located within Hancock County are not considered part of the Indianapolis entitlement community. Applicants that serve these areas would be eligible for CHDO Works funding. HOME entitlement areas include: Bloomington, Each Chicago, Evansville, Fort Wayne, Gary, Hammond, Indianapolis, Lake County, St. Joseph County Consortium, Terre Haute, Tippecanoe County Consortium. The Population Division did not have 2005 estimates available for cities.

Source: 2000 U.S. Census and Population Division, U.S. Census Bureau.

Growth by county. Exhibit II-3 identifies county growth patterns between 2004 and 2005. Counties growing at rates higher than the State overall between 2004 and 2005 are, for the most part, clustered around the State's largest metropolitan areas, while counties with declining population are mostly east and due north of the Indianapolis MSA.

Exhibit II-3.
Population Change of Indiana Counties, 2004 to 2005

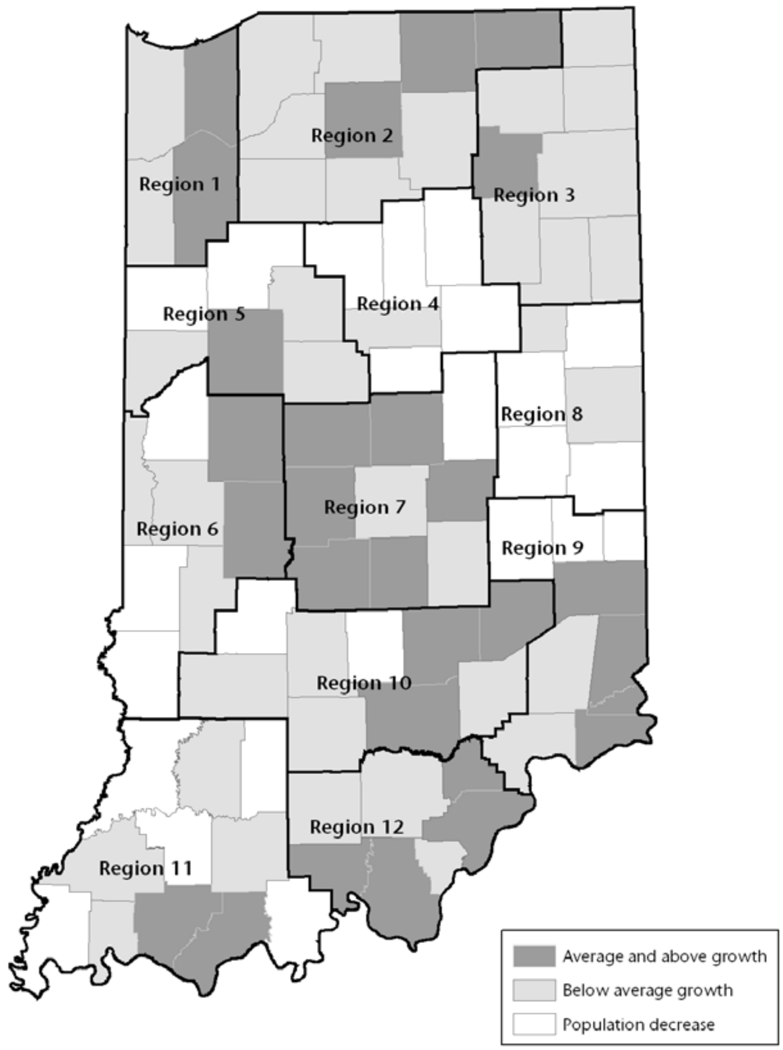
Note:

Indiana's population change was 0.73 percent from 2004 to 2005.

The Commerce regions used throughout this section were based on planning regions that existed at the time of the development of this section.

Source:

U.S. Census Population Estimates, 2004 and 2005 and BBC Research & Consulting.



Population of Commerce Regions. In 2005, Commerce Region 7 (which contains Indianapolis) had the largest population of approximately 1,718,892 compared to all 12 commerce regions in the State. Commerce Regions 1 and 2 (located near the Chicago metropolitan area) were next largest. Commerce Region 9 had the smallest population in 2005, with less than 198,000 persons.

Exhibit II-4. Population of Indiana Commerce Regions, 2005

Source:

U.S. Census Bureau and Indiana Business Research Center.

	2005	Percent of State
Indiana	**6,271,973**	**100%**
Region 1	697,401	11%
Region 2	789,307	13%
Region 3	599,379	10%
Region 4	281,512	4%
Region 5	250,679	4%
Region 6	278,079	4%
Region 7	1,718,892	27%
Region 8	294,937	5%
Region 9	197,815	3%
Region 10	408,654	7%
Region 11	462,211	7%
Region 12	293,107	5%

Exhibits II-5 and II-6 below show the estimated percent change in population by Commerce Regions from 2004 to 2005. Four commerce regions were above the State growth: Commerce Regions 1 and 7 (which includes the Indianapolis MSA) had the highest population growth. Six of the 12 regions grew at below average rates and two lost population.

Exhibit II-5.
Population Change for Indiana Commerce Regions, 2004 and 2005

Note:

Indiana's population change was 0.73 percent from 2004 to 2005.

Source:

U.S. Census Bureau and Indiana Business Research Center.

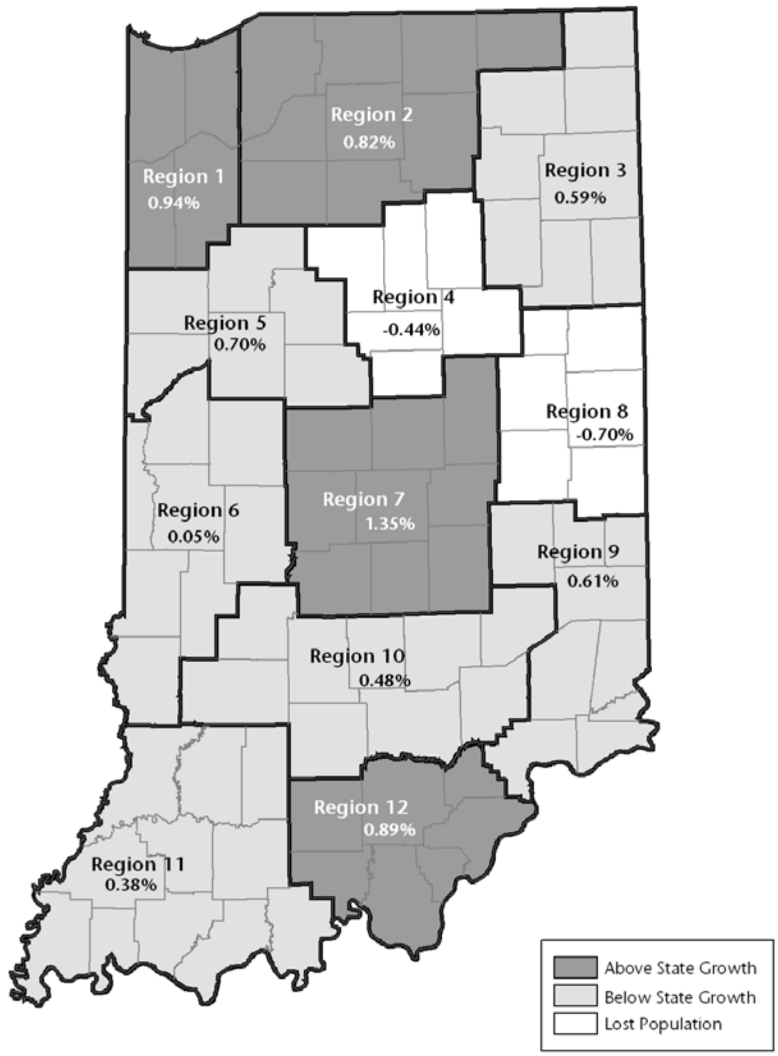


Exhibit II-6. Population Change for Indiana Commerce Regions, 2004 and 2005

Source:

U.S. Census Bureau and Indiana Business Research Center.

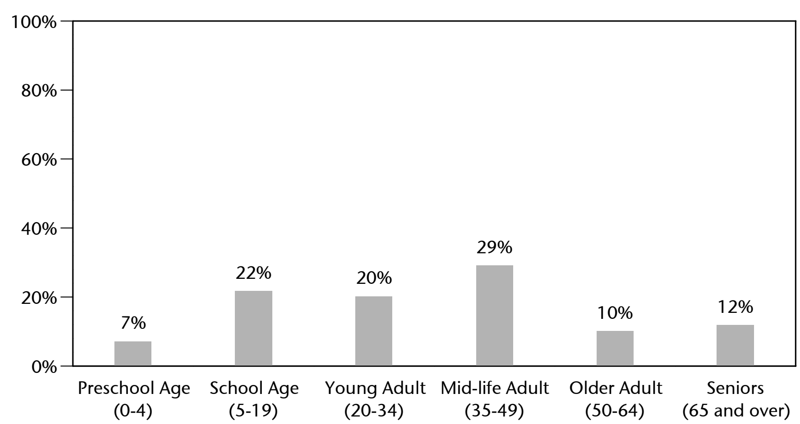
	2004	2005	2004-2005 Percent Change	Compared to State Percent Change
Indiana	**6,226,537**	**6,271,973**	**0.73%**	
Region 1	690,891	697,401	0.94%	Above
Region 2	782,857	789,307	0.82%	Above
Region 3	595,869	599,379	0.59%	Below
Region 4	282,746	281,512	-0.44%	Lost
Region 5	248,928	250,679	0.70%	Below
Region 6	277,936	278,079	0.05%	Below
Region 7	1,696,002	1,718,892	1.35%	Above
Region 8	297,012	294,937	-0.70%	Lost
Region 9	196,621	197,815	0.61%	Below
Region 10	406,699	408,654	0.48%	Below
Region 11	460,467	462,211	0.38%	Below
Region 12	290,509	293,107	0.89%	Above

Age. According to the Census' American Community Survey (ACS) the State's median age is estimated to be 35.7 in 2004, same in 2003.[2] Exhibit II-7 shows the estimated age distribution of the State's population in 2004 according to the Census.

Exhibit II-7. Indiana Population by Age Group, 2004

Source:

American Community Survey, 2004, U.S. Census Bureau.



[2] The American Community Survey universe is limited to the household population and excludes the population living in institutions, college dormitories and other group quarters.

In 2004, almost 60 percent of the State's population was between the ages of 20 and 64 years. Overall, 11.8 percent of Indiana's population was age 65 years and over in 2004. Sixty-nine of the 92 counties in Indiana had a higher percent of their populations age 65 years and over than the State average, as is shown in the following exhibit where it is shaded.

Exhibit II-8. Percent of County Population 65 Years and Over, 2004

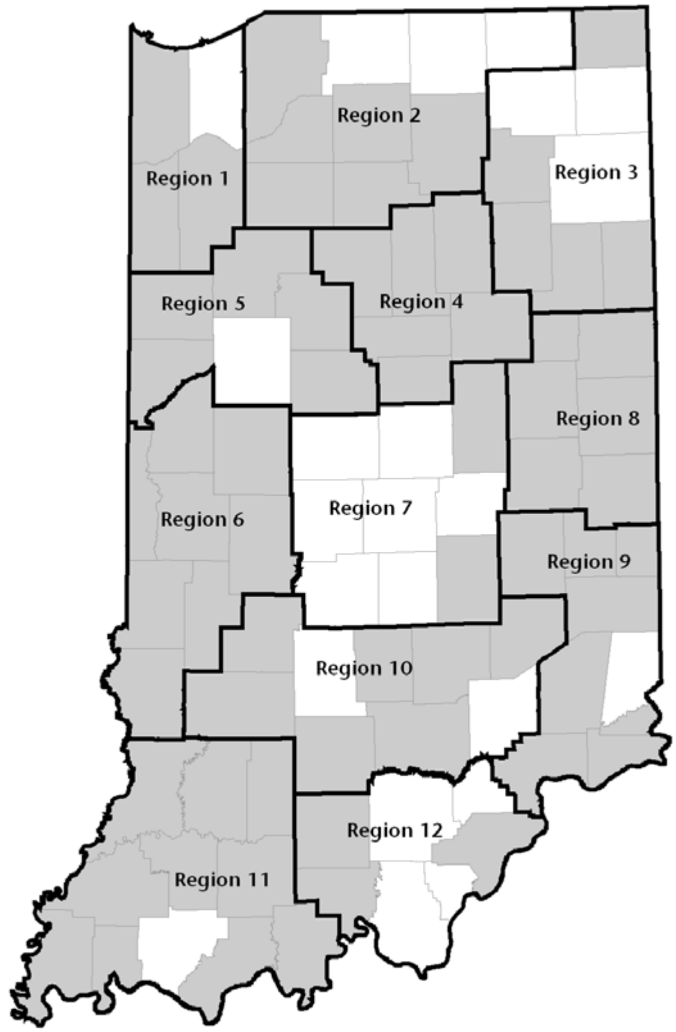
Note:

In 2004, 12.38 percent of the State's population was 65 years and over.

The shaded counties have a higher percentage of their population that is 65 years and over than the State overall.

Source:

Population Division, U.S. Census Bureau.



Commerce regions. The distribution of each Regions' population among four age groups—preschool, school aged, adult and older—are shown in Exhibit II-9. The 12 Commerce Regions have similar distribution patterns for all age groups. As shown in the exhibit, Regions 4 and 8 have slightly higher proportions of elderly persons and Regions 5 and 10 have proportionately more adults and fewer school-aged children.

Exhibit II-9. Indiana Commerce Regions, Population by Age Group, 2004

Source:

US Census Bureau and Indiana Business Research Center.

	2004 Population	Preschool (0 to 4)	School Age (5 to 17)	Adult (18 to 64)	Older (65 plus)
Indiana	**6,195,643**	**7%**	**19%**	**62%**	**12%**
Region 1	691,850	7%	19%	62%	13%
Region 2	784,177	7%	20%	60%	13%
Region 3	596,568	7%	20%	61%	12%
Region 4	283,304	6%	18%	61%	15%
Region 5	249,266	6%	16%	66%	11%
Region 6	278,415	6%	17%	62%	14%
Region 7	1,700,201	8%	19%	62%	11%
Region 8	297,553	6%	17%	62%	15%
Region 9	196,639	6%	19%	61%	13%
Region 10	407,530	6%	17%	65%	12%
Region 11	461,070	6%	18%	62%	14%
Region 12	290,996	6%	18%	63%	12%

Race and ethnicity. In 2004, 88.7 percent of residents in Indiana classified their race as White. The next largest race classification was African American at 8.8 percent. The remaining races made up less than 3 percent of the State's total population.

The U.S. Census defines ethnicity as persons who do or do not identify themselves as being Hispanic/Latino and treats ethnicity as a separate category from race. Persons of Hispanic/Latino descent represented 4.3 percent of the State's population in 2004. Exhibit II-10 shows the breakdown by race and ethnicity of Indiana's 2004 population.

Exhibit II-10. Indiana Population by Race and Ethnicity, 2004

Source:

Population Division, U.S. Census Bureau.

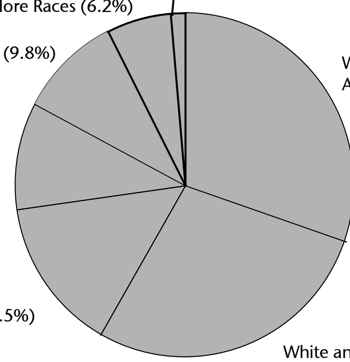
	2004	Percent of Total Population
Total Population	**6,237,569**	**100%**
American Indian and Alaska Native Alone	17,532	0.3%
Asian Alone	73,013	1.2%
Black or African American Alone	548,269	8.8%
Native Hawaiian and Other Pacific Islander Alone	2,833	0.0%
White Alone	5,529,707	88.7%
Two or More Races	66,215	1.1%
Hispanic or Latino (of any race)	269,267	4.3%

In the 2000 Census, people were given many options for racial classification, including identifying with more than one race. In all, 66,215 persons, or 1.1 percent of Indiana residents are estimated to be of more than one race in 2004. In 2000, 30.3 percent of the Indiana residents who chose this classification were White and African American and 28.0 percent were White and American Indian or Alaskan Native. Among those identifying with more than one race, 6.2 percent identified themselves as belonging to Three or More Races.

Exhibit II-11 illustrates the percentage of Indiana residents identifying with more than one race in 2000. (Data are not available for 2004.)

Exhibit II-11.
Indiana Residents Identifying With More Than One Race in 2000

Source:
U.S. Bureau of the Census, 2000.



The Population Division of the U.S. Census provided a comparison of racial and ethnic population of Indiana for 2003 and 2004. As shown in the following Exhibit the White population grew at the slowest rate of all races/ethnicities, increasing less than 0.5 percent from 2003 to 2004. The State's Asian population declined slightly over the past year. However, previously it was the fastest growing population group, increasing by 5.6 percent from 2002 to 2003 (this population group was also the fastest growing from 2000 to 2002). The State's Hispanic/Latino population increased at a rate of 11 percent from 2003 to 2004.

Exhibit II-12.
Change in Race and Ethnic Composition for Indiana, 2003 and 2004

	2003	2004	Percent Change
Total Population	**6,195,643**	**6,237,569**	**0.7%**
American Indian and Alaska Native Alone	17,418	17,532	0.7%
Asian Alone	73,704	73,013	-0.9%
Black or African American Alone	529,738	548,269	3.5%
Native Hawaiian and Other Pacific Islander Alone	2,730	2,833	3.8%
White Alone	5,507,887	5,529,707	0.4%
Two or More Races	64,166	66,215	3.2%
Hispanic or Latino (of any race)	242,518	269,267	11.0%

Source: Population Division, U.S. Census Bureau.

Concentration of race/ethnicity. The State's population of African Americans and persons of Hispanic/Latino descent are highly concentrated in a handful of counties, most of which contain entitlement areas. Exhibits II-13 and II-14 show the counties which contain the majority of these population groups.

Exhibit II-13 shows the counties whose African American population—the second largest racial category in Indiana for 2004—is higher than the Statewide percentage of 8.79 percent. It should be noted that these data do not include racial classifications of Two or More Races, which include individuals who classify themselves as African American along with some other race.

Exhibit II-13.
Counties With a Higher Rate of African Americans Than the State Overall, 2004

Source:
Population Division, U.S. Census Bureau.

	African American Population	Percent of Population
Indiana	**548,269**	**8.8%**
Allen County	40,061	11.7%
Lake County	127,962	26.1%
LaPorte County	11,234	10.2%
Marion County	221,189	25.6%
St. Joseph County	31,884	12.0%

As shown above, the State's African American population is highly concentrated in the State's urban counties. These counties contain 79 percent of the African Americans in the State.

Exhibit II-14, below, shows the percentage of county population that was Hispanic/Latino in 2004 for the 12 counties that have a Hispanic/Latino population above the State average of 4.3 percent. These counties are mainly located in the northern portion of the State.

Exhibit II-14. Counties with a Higher Rate of Hispanic/Latino Persons than the State Overall, 2004

Source:
Population Division, U.S. Census Bureau.

	Hispanic/Latino Population (can be of any race)	Percent of Population
Indiana	**269,267**	**4.3%**
Allen County	17,392	5.1%
Cass County	3,801	9.4%
Clinton County	3,632	10.6%
Elkhart County	22,726	11.9%
Kosciusko County	4,461	5.9%
Lake County	66,017	13.4%
Marion County	47,535	5.5%
Mashall County	3,583	7.7%
Noble County	4,201	8.9%
Porter County	8,854	5.7%
St. Joseph County	14,729	5.5%
Tippecanoe County	9,446	6.2%
White County	1,687	6.8%

Commerce Regions. The Indiana Business Research Center reported race estimates for each of the 12 Indiana Commerce Regions for 2004. The following exhibits show that Region 1 (which includes Jasper, Lake, Newton and Porter counties) continues to have the highest percentage of its population that is non-White. In 2004, 18.9 percent of its population was African American. Another Region with a relatively high percentage of non-Whites was Region 7, which includes the Indianapolis MSA. The 2004 estimates show 14.4 percent of the Region 7 population as African American.

Exhibit II-15.
Percentage of Population by Race and Ethnicity for Indiana Commerce Regions, 2004

	African American or Black	American Indian or Alaska Native	Asian	White	Two or More Races	Hispanic/ Latino
Region 1	18.9%	0.3%	0.9%	78.7%	1.0%	11.1%
Region 2	7.0%	0.3%	1.0%	90.3%	1.3%	6.6%
Region 3	6.9%	0.3%	1.1%	90.4%	1.2%	4.3%
Region 4	4.6%	0.5%	0.7%	93.2%	1.0%	3.0%
Region 5	1.9%	0.2%	3.2%	93.8%	0.8%	6.3%
Region 6	3.4%	0.3%	0.8%	94.7%	0.8%	1.2%
Region 7	14.4%	0.3%	1.5%	82.5%	1.2%	3.7%
Region 8	4.2%	0.2%	0.6%	94.1%	0.9%	1.3%
Region 9	0.8%	0.2%	0.4%	98.1%	0.5%	0.8%
Region 10	1.5%	0.3%	1.9%	95.4%	0.9%	2.0%
Region 11	3.9%	0.2%	0.6%	94.5%	0.7%	1.4%
Region 12	3.8%	0.3%	0.5%	94.5%	0.9%	1.6%

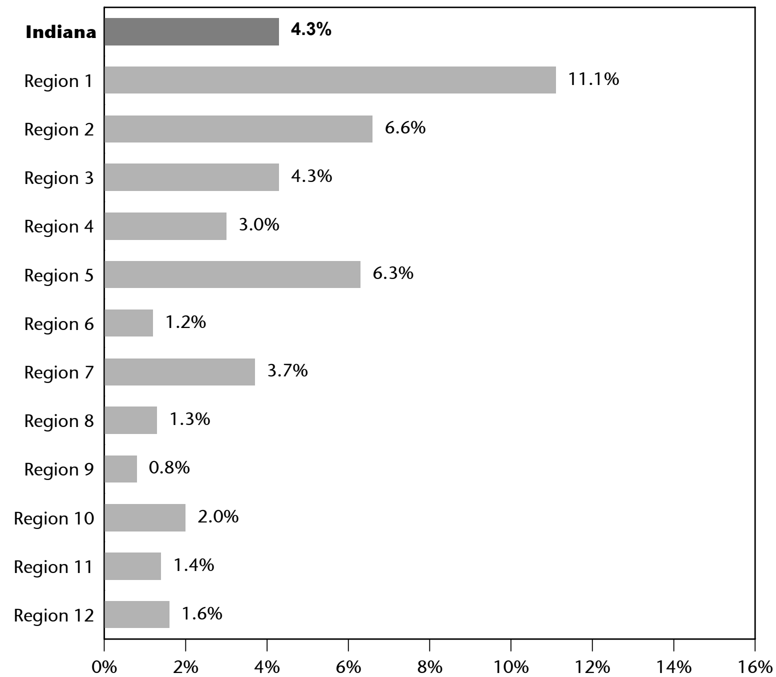
Source: Population Division, U.S. Census Bureau.

Commerce Region 1, Commerce Region 2 and Commerce Region 5—all located in the Northwest portion of the State—showed the highest rates of residents classifying themselves as Hispanic/Latino. In fact, over half of the Hispanic/Latino residents in the State live in one of these three regions. Exhibit II-16 on the following page illustrates the percentage of each region's population that was Hispanic/Latino in 2004.

Exhibit II-16
Percent of Each Commerce Regions' Population That is Hispanic/Latino, 2004

Source:

Population Division, U.S. Census Bureau.



Household composition. According to the ACS, just over half of Indiana's households in 2004 (52 percent) were married couples, which is slightly higher than the national rate of 50 percent. The majority of Indiana married couple households (54 percent) did not have children under 18 years. Of households with children 18 years and under, 23 percent were female-headed with no husband present. The ACS reported that 22 percent of households had one or more persons aged 65 years or over in 2004; this was the same as 2002 and 2003. The distribution of the State's households by type is shown in Exhibit II-17.

Exhibit II-17.
Household Composition in Indiana, 2004

Note:

"Other family household" is the balance of family households less married couple families less female householder families.

Source:

American Community Survey 2004, U.S. Census Bureau and BBC Research & Consulting.

	Number	Percentage
Total Households	**2,412,885**	**100%**
Married-couple families	***1,259,245***	***52%***
With one or more people under 18 yrs	574,684	24%
No people under 18 yrs	684,561	28%
Female householder, no husband present	***271,425***	***11%***
With one or more people under 18 yrs	189,290	8%
No people under 18 yrs	82,135	3%
Other family household	***91,242***	***4%***
With one or more people under 18 yrs	56,458	2%
No people under 18 yrs	34,784	1%
Householder living alone	***666,240***	***28%***
Other household types	***124,733***	***5%***
Aged 65 years and over	**533,656**	**22%**

The number of married couple households with children rose 8 percent from 2003 to 2004. Other families with children under 18 years increased 14 percent.[3]

The ACS also reported households that had unmarried partners. In 2004, there was an estimated number of approximately 128,000 unmarried partner households (5 percent of households) in the State. This was a 5 percent increase from the 2003 estimate.

Commerce Regions. The Indiana Business Research Center reported household type by Commerce Region for 2000. In general, household compositions were similar across the regions, with a few small differences. Commerce Regions 5 and 10 (which include smaller MSAs) had the lowest rate of single parent households at 7 percent each. Commerce Region 9 (which includes no MSAs) had the highest percentage of married households with and without children and the lowest percentage of "Other" and households living alone when compared to the other commerce regions. Exhibit II-18 shows the distribution of household composition for the Commerce Regions in 2000.

Exhibit II-18.
Household Composition in Indiana and Commerce Regions, 2000

	Households in 2000	Married With Children	Married Without Children	Single Parents	Living Alone	Other
Indiana	**2,336,306**	**24%**	**30%**	**9%**	**26%**	**11%**
Region 1	252,308	23%	29%	10%	25%	13%
Region 2	284,966	25%	30%	9%	25%	11%
Region 3	221,486	26%	29%	9%	26%	10%
Region 4	112,234	22%	33%	9%	26%	10%
Region 5	91,993	23%	29%	7%	26%	14%
Region 6	106,220	23%	32%	8%	27%	10%
Region 7	629,655	24%	27%	10%	27%	12%
Region 8	120,118	21%	32%	9%	27%	11%
Region 9	72,241	27%	33%	8%	23%	9%
Region 10	156,495	23%	31%	7%	26%	12%
Region 11	178,513	24%	31%	8%	27%	10%
Region 12	110,077	24%	32%	9%	24%	11%

Source: U.S. Census Bureau, Indiana Business Research Center and BBC Research & Consulting.

Linguistically isolated households. The 2000 Census and 2004 ACS measured households that were "linguistically isolated"—that is, where no household members 14 years and older speaks English only or speaks English "very well." In 2000, 29,358 households (1.3 percent of total households) in Indiana were reported to be linguistically isolated. Of these households, 15,468 speak Spanish; 13,820 speak an Asian or Pacific Islander language; 7,960 speak another Indo-European language; and the remainder speaks other languages. In 2004, 2.2 percent of the population was estimated to be linguistically isolated. This was almost a full percentage point increase from 2000.

[3] "Other families" is the balance of family households less married couple families less female householder families.

Exhibit II-19 shows the percentage of households that were reported to be linguistically isolated in 2000 by county, with the shaded areas representing counties with a higher percentage than the State overall.

Exhibit II-19.
Percent of Households Linguistically Isolated, by County, 2000

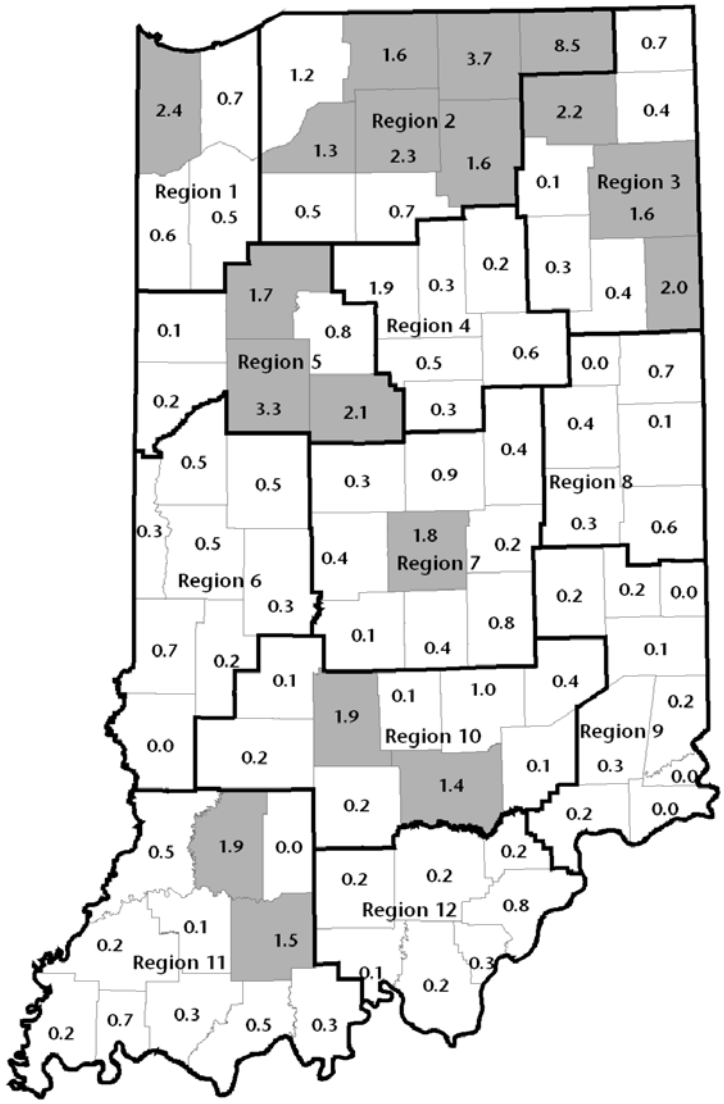
Note:

In 2000, 1.3 percent of total households in Indiana were reported to be linguistically isolated.

The shaded counties have a higher percent of their population that is linguistically isolated than the State overall.

Source:

U.S. Bureau of the Census, 2000



Income

Median Income. According to the U.S. Census, the median household income for the State in 2000 was $41,567. This represents an 11 percent increase from the 1990 Census median household income after adjusting for inflation. The ACS reported a median household income of $42,195 in 2004, compared to $42,067 in 2003—a less than one percent (.30) increase.

According to the Indiana Business Research Center, Indiana's annual *per capita* personal income for 2003 was $28,838. Only two of the Commerce Regions—Region 7 (containing Indianapolis) and Region 11—were higher than the State's per capita personal income with annual per capita personal incomes of $33,373 and $29,175, respectively. Commerce Region 6 had the lowest annual per capita personal income with $23,960. The following exhibit shows annual per capita personal income in 2003 by Commerce Region.

Exhibit II-20. Annual Per Capita Personal Income for Indiana and Commerce Regions, 2003

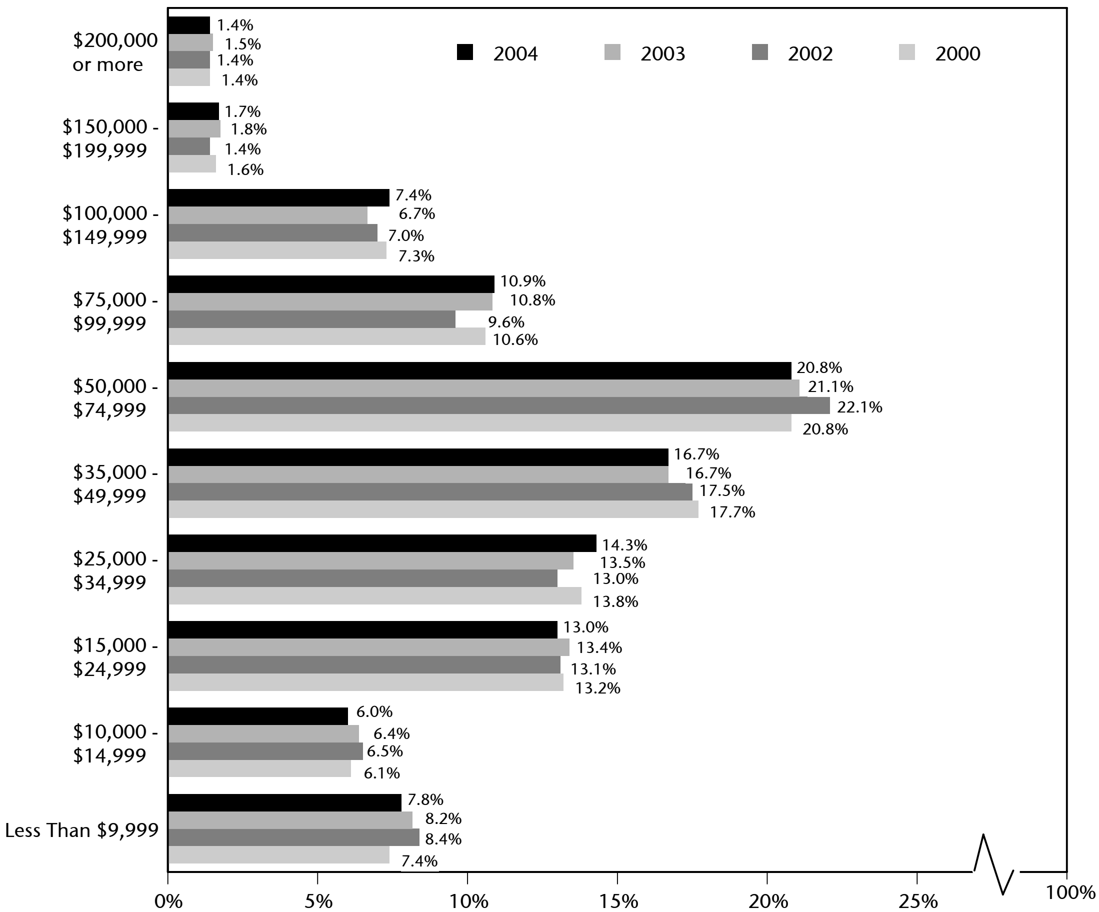
Source:

U.S. Census Bureau, U.S. Bureau of Economic Analysis and IBRC.

	Per Capita Personal Income	Above State Per Capita Personal Income
Indiana	**$28,838**	
Region 1	$27,773	No
Region 2	$27,790	No
Region 3	$28,355	No
Region 4	$27,281	No
Region 5	$25,193	No
Region 6	$23,960	No
Region 7	$33,377	Yes
Region 8	$25,403	No
Region 9	$26,197	No
Region 10	$25,843	No
Region 11	$29,175	Yes
Region 12	$27,202	No

Income Distribution. Exhibit II-21 shows the distribution of income in the State in 2000, 2002, 2003 and 2004 in inflation adjusted dollars. Incomes ranging between $35,000 and $149,000 had the most fluctuation across these years. There was also an almost one percentage point increase, from 7.4 percent in 2000 to 8.2 percent in 2003, in the proportion of the State's households earning $9,999 and less, but it dropped back down to 7.8 percent in 2004.

Exhibit II-21.
Percent of Households by Income Bracket, State of Indiana, 2000, 2002, 2003 and 2004



Note: Data are adjusted for inflation.

Source: 2000 Census and 2002, 2003 and 2004 American Community Survey, U.S. Census Bureau.

Poverty. The 2000 Census reported that the State of Indiana had 9.5 percent of its population living below the poverty level, or approximately 560,000 persons. Since 2000, according to the ACS, the State's poverty rate has risen 1.3 percentage points to 10.8 percent. Indiana ranked below Illinois, Kentucky, Michigan and Ohio, in both years 2000 and 2004, in its percent of population living in poverty.

Demographics of persons in poverty. The 2004 ACS estimated that, of the State's population living in poverty, 35.8 percent were children under the age of 18—12.4 percent of the State's population living in poverty was under the age of 5 years and 23.4 percent was children aged 5 to 17. Persons who are elderly (65 years and over) made up 8.1 percent of the State's persons in poverty in 2004.

According to ACS data, children (under the age 18) made up 26.4 percent of the State's population overall in 2004 and 35.8 percent of the State's poor population are under the age of 18 years. Therefore, the State's children disproportionately live below the poverty level. In contrast, elderly persons made up 11.8 percent of the State's overall population in 2004, but represented 8.1 percent of the State's poor population.

Of Indiana's total population under 5 years of age, 18.8 percent were estimated to be living in poverty in 2004, compared to 15.5 percent in 2000. (A child is considered to be living in poverty if the adults in their family earned less than the poverty threshold for their family size). For all children 17 and younger, 14.6 percent were estimated to be living in poverty in 2004, up slightly from 11.7 percent in 2000. These percentages compare with 9.8 percent for adults ages 18 to 64 years and 7.3 percent for seniors in 2004. In 2000, 8.5 percent of adults ages 18 to 64 and 7.0 percent of seniors were living in poverty.

Although actual numbers are rarely available, it is generally accepted that persons with special needs have a higher incidence of poverty than populations without special needs. The 2004 ACS provides data on the rates of poverty for persons with disabilities (in addition to elderly rates of poverty which are presented above), but not for other special needs populations. In 2004, approximately 16.7 percent of persons in Indiana who were disabled were living in poverty, compared to 10.8 percent of Indiana's population overall and 9.0 percent of persons without disabilities. Therefore, persons with disabilities are twice as likely to be living in poverty as persons overall and the non-disabled.

Of the State's families with children living in poverty in 2004, 21 percent were married couples with children, 6 percent were single men with children and 55 percent were single women with children. That is more than ten times as many single women with children as single men with children lived in poverty in 2004. Exhibit II-22 shows the family types of persons living in poverty in 2004.

Exhibit II-22.
Families in Poverty by Family Type of, 2004

Source:
American Community Survey, 2004.

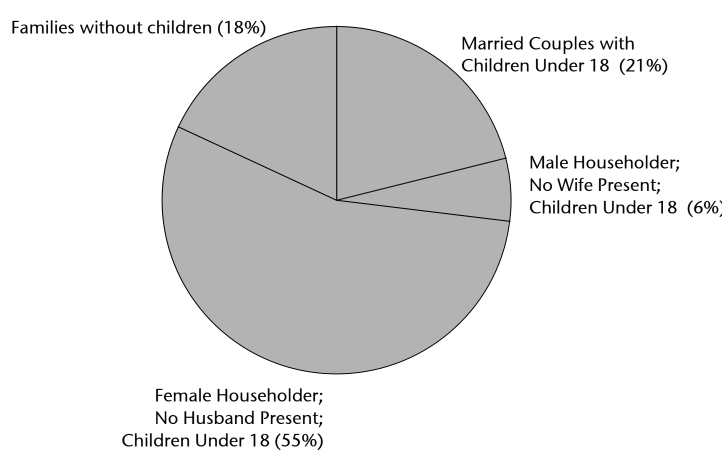
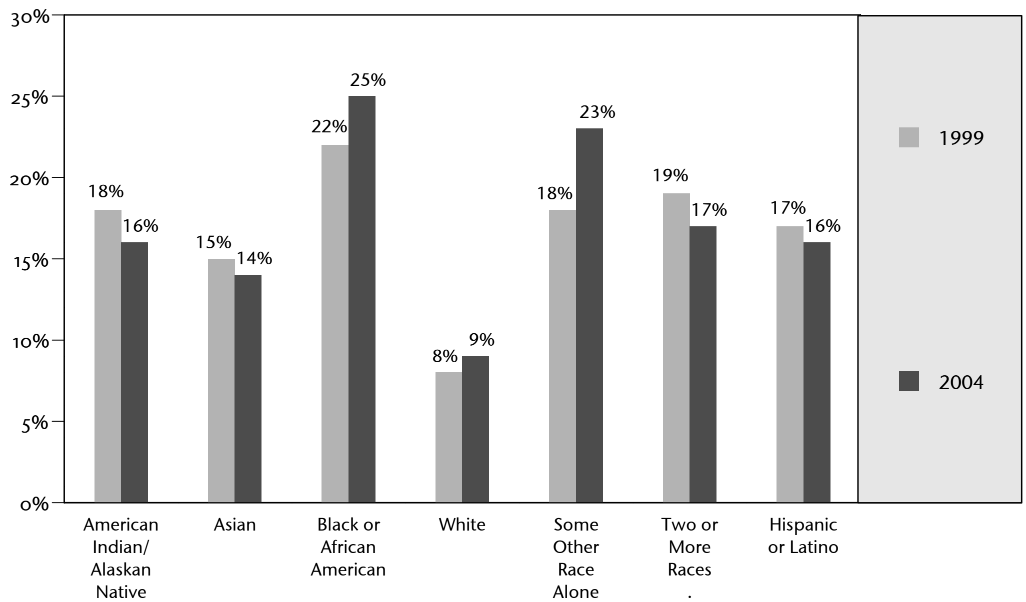


Exhibit II-23 compares the percentage of persons living in poverty by race and ethnicity in 1999 and 2004. Persons in the State who were White had the lowest poverty rate; African Americans, Hispanics/Latinos and those of Two or More Races had the highest rates of poverty in the State.

Exhibit II-23.
Percentage of Population Living in Poverty, by Race and Ethnicity, 1999 and 2004



Source: U.S. Census Bureau, 2000 and American Community Survey, 2004.

Of the State of Indiana's total population of persons living in poverty in 2004, 72 percent were White, 19 percent were Black/African American, 6 percent were Hispanic/Latino and 4 percent were Some Other Race. This compares to a household distribution of 87 percent White, 8 percent Black/African American, 4 percent Hispanic/Latino and 2 percent Some Other Race. Therefore, the State's Black/African American population is disproportionately likely to be living in poverty.

Regional poverty rates. The following exhibit shows poverty rates overall and for children for the highest poverty counties in each Region. Vigo, Knox and Delaware counties have the highest poverty rates—all more than 13 percent of the population overall. Lake, Grant, Vigo, Marion, Know, Davies sand Crawford all have poverty rates for children of 18 percent or more.

Exhibit II-24.
Poverty Rates by Region and Highest County Rates within Regions, 2003

Source:

Small Area Income and Poverty Estimates, U.S. Census Bureau.

	Pct. Poverty Rate Overall	Pct. Poverty Rate of Children Under 18
Indiana	**10.0**	**13.7**
Comm 1, Lake County	12.7	18.5
Comm 2, St. Joseph County	11.8	15.8
Comm 2, Starke County	11.7	17.3
Comm 3, Allen County	10.2	13.9
Comm 3, Adams County	9.9	15.4
Comm 4, Grant County	12.5	18.3
Comm 5, Tippecanoe County	11.9	12.8
Comm 6, Vigo County	13.7	18.7
Comm 7, Marion County	12.5	18.3
Comm 8, Delaware County	13.4	17.2
Comm 9, Switzerland County	10.9	15.5
Comm 10, Monroe County	12.4	13.2
Comm 10, Greene County	10.9	15.5
Comm 11, Knox County	13.7	18.4
Comm 11, Daviess County	12.4	18.1
Comm 12, Crawford County	12.9	18.9

Self-sufficiency standard. In 2005, the Indiana Coalition on Housing and Homeless Issues commissioned a study to examine how much income is needed for different family types to adequately meet basic needs, without public or private assistance. This income level is called the *self-sufficiency standard*. The standard is determined by taking into account the costs of housing, childcare, food, transportation, health care and miscellaneous expenses for several family types, as well as any tax credits a family might receive. The study calculated the standard for metropolitan areas and all communities in the State.

Exhibit II-25 on the following page shows the hourly self-sufficiency standard for all counties in the State for a single adult and a single adult with a preschooler. The counties with the highest self-sufficiency standard, or the least affordable counties, included Hamilton, Porter, Hendricks, Johnson, Marion, Lake, Hancock and Bartholomew.

Exhibit II-25.
Hourly Self-Sufficiency Standard, 2005

Source:

The Self-Sufficiency Standard for Indiana 2005 prepared by the Indiana Coalition on Housing and Homeless Issues.

County	Adult	Adult with Preschooler
Adams	$6.43	$9.31
Allen	$7.36	$11.52
Bartholomew	**$8.01**	**$12.74**
Benton	$7.01	$10.39
Blackford	$6.89	$9.56
Boone	$7.83	$12.88
Brown	$7.78	$10.62
Carroll	$6.81	$9.56
Cass	$6.67	$9.47
Clark	$7.46	$10.52
Clay	$6.62	$9.53
Clinton	$7.32	$10.43
Crawford	$6.71	$9.25
Daviess	$6.48	$9.00
Dearborn	$7.22	$11.41
Decatur	$7.39	$10.06
DeKalb	$7.13	$9.87
Delaware	$7.33	$11.94
Dubois	$6.69	$9.72
Elkhart	$7.65	$11.11
Fayette	$6.87	$9.44
Floyd	$7.48	$10.43
Fountain	$6.87	$9.31
Franklin	$6.95	$9.87
Fulton	$7.07	$9.53
Gibson	$6.80	$9.36
Grant	$7.04	$9.93
Greene	$6.09	$9.03
Hamilton	**$9.19**	**$15.67**
Hancock	**$8.06**	**$12.56**
Harrison	$7.10	$10.09
Hendricks	**$8.69**	**$13.59**
Henry	$7.09	$10.12
Howard	$7.28	$11.49
Huntington	$7.16	$10.88
Jackson	$7.25	$10.39
Jasper	$7.32	$10.36
Jay	$6.47	$9.19
Jefferson	$6.60	$9.05
Jennings	$6.90	$9.72
Johnson	**$8.28**	**$14.01**
Knox	$6.46	$9.01
Kosciusko	$6.99	$10.43
LaGrange	$7.29	$10.36
Lake	**$8.11**	**$13.07**
LaPorte	$7.27	$10.75

Exhibit II-25. (cont'd)
Hourly Self-Sufficiency Standard, 2005, Continued

Source:

The Self-Sufficiency Standard for Indiana 2005 prepared by the Indiana Coalition on Housing and Homeless Issues.

County	Adult	Adult with Preschooler
Lawrence	$6.91	$9.76
Madison	$7.48	$11.05
Marion	**$8.22**	**$14.20**
Marshall	$7.14	$10.36
Martin	$6.39	$9.12
Miami	$6.55	$9.82
Monroe	$7.72	$12.45
Montgomery	$6.92	$10.05
Morgan	$7.79	$11.39
Newton	$6.97	$9.96
Noble	$7.46	$9.82
Ohio	$7.03	$10.41
Orange	$6.33	$8.85
Owen	$6.95	$9.62
Parke	$6.81	$9.44
Perry	$6.48	$8.85
Pike	$6.49	$9.36
Porter	**$8.85**	**$13.93**
Posey	$6.89	$10.60
Pulaski	$7.02	$9.78
Putnam	$7.37	$10.42
Randolph	$6.65	$9.20
Ripley	$7.34	$11.80
Rush	$7.11	$9.89
Scott	$7.03	$9.51
Shelby	$7.72	$11.29
Spencer	$6.52	$9.25
St. Joseph	$7.47	$11.87
Starke	$7.12	$9.63
Steuben	$7.31	$10.91
Sullivan	$6.20	$8.47
Switzerland	$6.89	$9.99
Tippecanoe	$7.87	$12.56
Tipton	$7.12	$10.42
Union	$6.95	$9.88
Vanderburgh	$7.47	$11.66
Vermillion	$6.23	$8.97
Vigo	$6.84	$10.00
Wabash	$6.41	$9.65
Warren	$7.01	$9.95
Warrick	$7.41	$10.98
Washington	$6.75	$9.10
Wayne	$6.87	$9.27
Wells	$6.95	$9.76
White	$7.75	$10.25
Whitley	$6.89	$9.91

Basic family budgets. A similar study to the self-sufficiency study was prepared in 1999 and released in 2001 by the Economic Policy Institute. This study indicated that the average one-parent, two-child family in rural Indiana would have to earn $26,618 in pre-tax income ($2,218 monthly) in order to meet all of its expenses. This study also made use of basic family budgets and its methodology in developing the budgets was similar to the self-sufficiency standard. The Economic Policy Institute study covered the entire U.S., while the self-sufficiency study was tailored to Indiana.

Exhibit II-26 shows the basic family budget study's estimated monthly expenses needed for a one-parent, two-child family to maintain a safe and decent standard of living in rural Indiana.

Exhibit II-26.
Basic Monthly Budget: One-Parent, Two-Child Family, Rural Indiana, 1999

Source:

Hardships In America: The Real Story of Working Families, Economic Policy Institute, 2001.

Line Item	Monthly Amount	Percent of Total
Housing	$420	18.9%
Food	$351	15.8%
Child Care	$637	28.7%
Transportation	$197	8.9%
Health Care	$207	9.3%
Other Necessities	$239	10.8%
Taxes	$167	7.5%
Total	**$2,218**	**100.0%**

A county level comparison of the average weekly earnings of Indiana households against the above budget found that two out of three non-MSA counties sustain monthly earnings *below* what is required of a one-parent, two-child family to maintain a safe and decent standard of living in rural Indiana.

Sources of income. Another indicator of the economic well being of families in Indiana is the percentage of families receiving public assistance. The 2000 Census collected data about sources of supplemental income, such as Supplemental Security Income (SSI) and Public Assistance Income. In 2000, 3.5 percent of the State's households received SSI and 2.6 percent received Public Assistance. According to the ACS, 2.9 percent of households in Indiana received SSI in 2000 and 2003. (It is likely the ACS may be reporting a lower percentage of households receiving SSI when compared to the 2000 Census, because the ACS data excludes the population living in institutions, college dormitories and other group quarters.) In 2004 it increased to 3.5 percent of households that received SSI benefits.

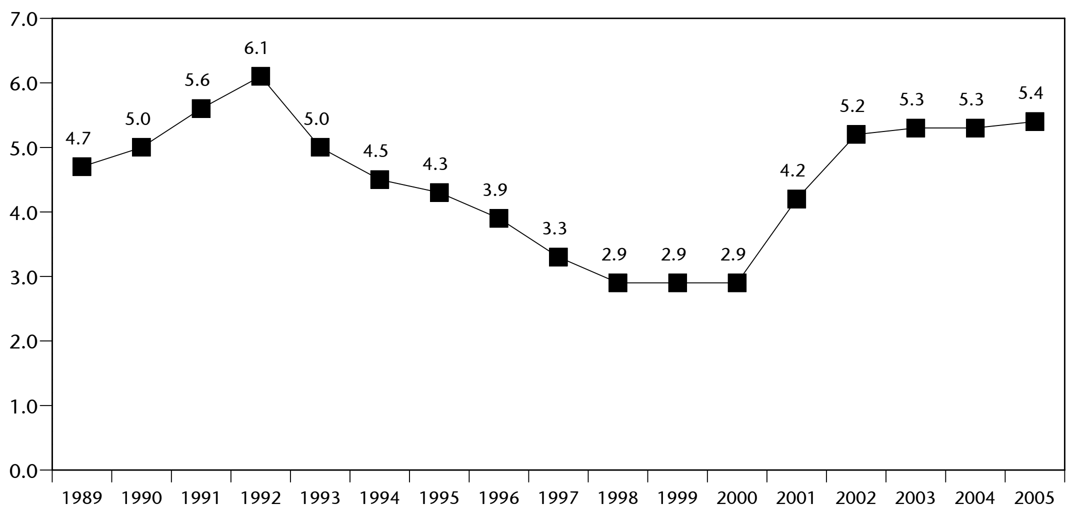
Recent estimates indicate that program participation in Temporary Assistance to Needy Families (TANF) increased from 2000 to 2001. Statewide, the rate of participation rose by 0.5 percentage points to 1.8 percent from 1.3 percent. There were nearly 9,000 more families participating in 2001 and 31,780 more individuals receiving assistance. Lake and Marion Counties made up 46 percent of TANF participants and had the highest rates of program participation. MSA counties average 1.25 percent participation in TANF in 2001 compared to 0.89 percent for MSA counties.

There has also been a recent uptick in food stamps program participation. The monthly average number of persons receiving food stamps in Indiana was 331,206 in 2001. This was 33,865 more than in 2000, an increase of 11.4 percent. However, the average number of food stamps recipients per month has declined by 17.6 percent Statewide since 1996.

Employment

Unemployment rate. As of 2005, the average unemployment rate in Indiana was 5.4 percent. This compares to 5.3 percent in 2004 and 2003 and 5.2 percent in 2002. Unemployment rates are stabilizing, after having risen significantly in 2001. Exhibit II-27 illustrates the broad trend in unemployment rates since 1989.

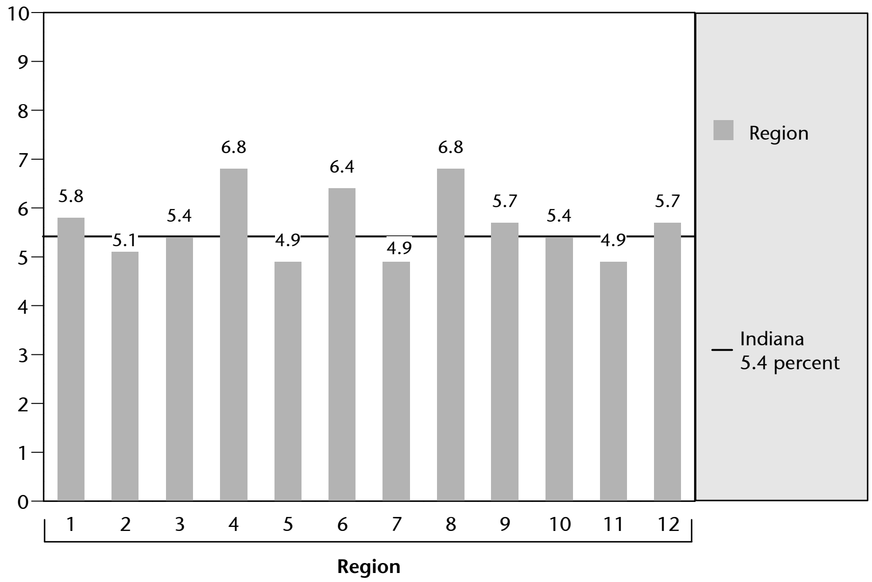
Exhibit II-27.
Indiana's Average Annual Unemployment Rate from 1989 to 2005



Source: Indiana Department of Workforce Development, Bureau of Labor Statistics and Indiana Business Research Center, IU Kelley School of Business.

Six of the 12 Commerce Regions had unemployment rates higher than the State's 2005 average annual unemployment rate of 5.4 percent. Commerce Regions 8 and 4 had the highest unemployment rates of 6.8 percent each and Regions 5, 7 and 11 had the lowest rate of 4.9 percent each. Exhibit II-28 shows the unemployment rates for the 12 Commerce Regions for 2005.

Exhibit II-28.
Average Unemployment Rate for Indiana and Commerce Regions, 2005



Source: Indiana Department of Workforce Development, Bureau of Labor Statistics and Indiana Business Research Center, IU Kelley School of Business.

County unemployment rates ranged from a low of 3.1 percent in Hamilton County to a high of 8.4 percent in Grant County. Exhibit II-29 shows the 2005 average annual unemployment rates by county, as reported by the Indiana Department of Workforce Development. The shaded counties have an average unemployment rate higher than the Statewide average.

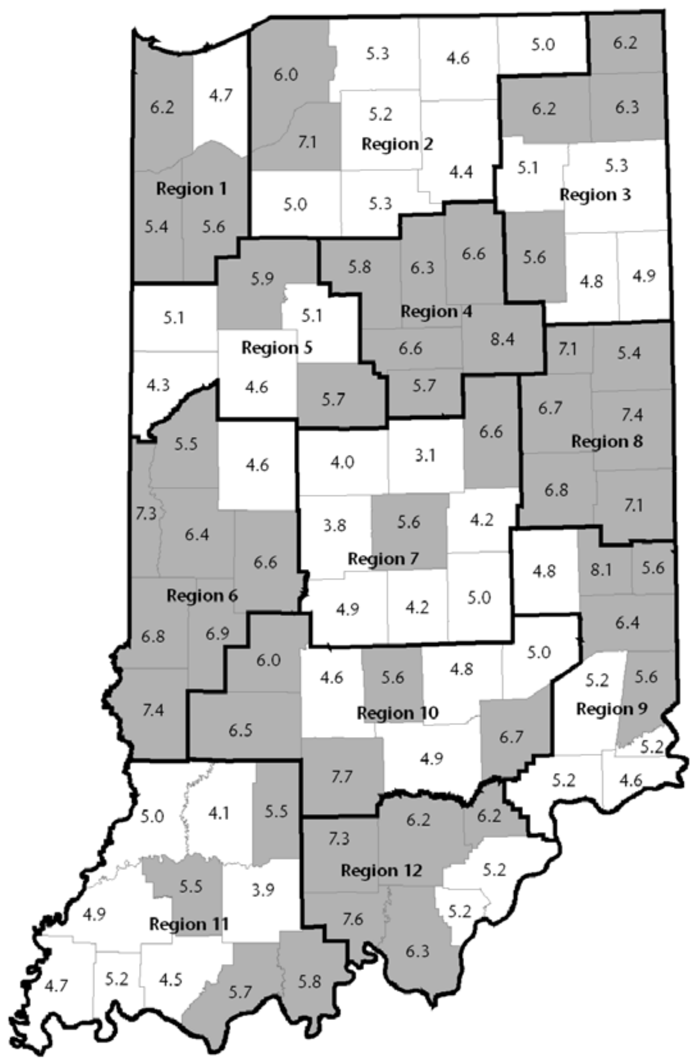
Exhibit II-29.
Average Annual Unemployment Rates by County, 2005

Note:

Indiana's unemployment rate was 5.4 percent in 2005. Shaded counties have rates equal or higher than the State's overall.

Source:

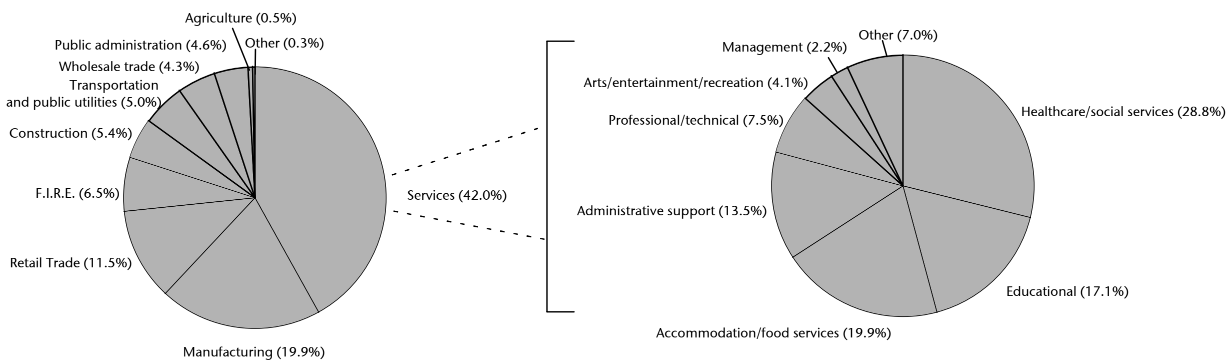
Indiana Department of Workforce Development, Bureau of Labor Statistics and Indiana Business Research Center, IU Kelley School of Business.



Employment sectors. Goods producing industries other than agriculture—that is, mining, manufacturing and construction—remain a major source of employment in Indiana. Indeed, Indiana had the highest percentage of goods producing, non-farm jobs in 2000 compared to its neighboring States, according to the Bureau of Labor Statistics. The data indicate that the percentage of the State's economy composed of non-farm, goods producing jobs was nearly 26 percent. The services sector (comprising diverse activities from food service to information technology, health care and the many types of public administration) made up the remainder of Indiana's non-agricultural economy. Recently, the service sector has become the dominant employment-producing industry.

Exhibit II-30 shows the distribution of jobs by industry for the third quarter of 2005 (the latest quarter for which data are available).

Exhibit II-30.
Employment by Industry, State of Indiana, Third Quarter 2005



Note: F.I.R.E. includes financial, insurance and real estate services.

Source: Indiana Business Research Center (based on ES202 data).

Although the services industry holds an employment edge Statewide and across the State's Commerce Regions, manufacturing remains an important employer. Commerce Regions located in the northeast to north-central part (particularly Regions 2 and 4) of the State tend to have higher percentages of manufacturing jobs than the other regions of the State. Service jobs are more dominant in Commerce Regions 1, 5, 7 and 8. The following exhibit shows the percentage of jobs by sector for each Commerce Region.

Exhibit II-31.
Employment by Industry for Each Commerce Region, Third Quarter 2005

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Region 11	Region 12
Total employment	**262,744**	**376,375**	**287,692**	**112,362**	**105,002**	**106,738**	**870,833**	**110,909**	**66,211**	**173,330**	**225,858**	**108,309**
Agricultural	0.5%	0.4%	0.3%	0.9%	1.3%	0.6%	0.2%	0.4%	0.3%	0.4%	0.6%	0.3%
Services	45.4%	35.4%	38.5%	38.3%	43.7%	39.1%	44.7%	44.8%	32.5%	32.8%	38.7%	36.8%
Manufacturing	14.5%	33.1%	25.4%	30.0%	23.2%	22.3%	12.0%	20.8%	20.2%	24.4%	21.5%	20.0%
Retail Trade	13.0%	10.3%	10.8%	11.7%	11.6%	12.7%	11.3%	13.0%	11.0%	11.2%	11.0%	13.2%
Transportation and Public Utilities	4.9%	2.8%	4.9%	2.6%	3.1%	3.7%	6.4%	3.2%	3.6%	4.7%	5.6%	6.5%
Construction	7.3%	4.4%	5.1%	3.5%	4.5%	4.4%	6.1%	3.9%	4.2%	4.6%	5.7%	6.5%
Wholesale Trade	3.5%	4.4%	5.0%	2.4%	2.4%	2.3%	5.0%	2.8%	1.5%	2.4%	4.1%	2.5%
F.I.R.E.	5.1%	5.0%	6.5%	4.5%	5.5%	5.0%	9.2%	5.2%	4.1%	5.1%	5.0%	4.8%
Public Administration	5.1%	3.9%	3.4%	5.7%	3.9%	7.3%	4.8%	4.8%	5.4%	4.1%	5.1%	5.4%
Other	0.6%	0.4%	0.2%	0.4%	0.8%	2.7%	0.3%	1.1%	17.0%	10.2%	2.7%	4.1%

Note: F.I.R.E is Finance, Insurance and Real Estate.

Source: Indiana Business Research Center (based on ES202 data) and BBC Research & Consulting.

It should be noted that the fast growing services sector, health care and social services, is a very diverse category and occupations can range from high-paying health services professionals (e.g., doctors, medical) to those employed in the social services and foodservices industries who earn substantially lower wages. In general, wages in the services sector are lower than in the manufacturing sector.

Exhibit II-32 shows the average weekly wage by employment industry for the State as of third quarter 2005.

Exhibit II-32.
Average Weekly Wage by Industry, Third Quarter 2005

	Average Weekly Wages
Total	**$689**
Agriculture, Forestry, Fishing and Hunting	$465
Mining	$1,006
Utilities	$1,204
Construction	$796
Manufacturing	$925
Wholesale Trade	$907
Retail Trade	$431
Transportation and Warehousing	$738
Information	$782
Finance and Insurance	$914
Real Estate and Rental and Leasing	$583
Professional, Scientific, and Technical Services	$924
Management of Companies and Enterprises	$1,336
Administrative and Support/Waste Management/Remediation Services	$457
Educational Services	$707
Health Care and Social Services	$713
Arts, Entertainment, and Recreation	$462
Accommodation and Food Services	$232
Other Services(Except Public Administration)	$457
Public Administration	$681
Unallocated	$524

Source: Indiana Business Research Center (based on ES202 data).

Educational attainment. According to the ACS, the percent of Indiana residents who have earned a bachelor's degree increased between 2000 and 2004 from 12.3 percent to 13.6 percent. This was 3.6 percent lower than the U.S. average (17.2 percent) in 2004.

The 2000 Census reported that Indiana had a decline in the percentage of individuals aged 25 to 34 and 35 to 44 who had completed high school, indicating an outmigration of more educated people from the State. The following exhibit shows the percent of Indiana residents between the ages of 18 and 44 who had *not* completed high school in 2000. Only five counties had non-completion rates of less that 10 percent; most counties had between 10 and 20 percent of their residents without high school diplomas.

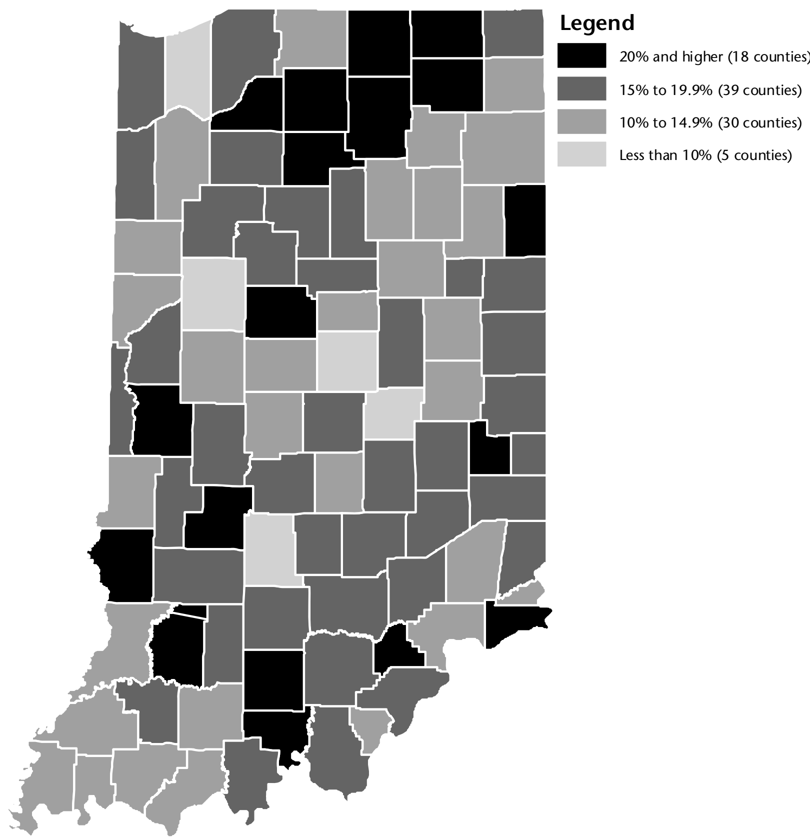
Exhibit II-33. Percent Ages 18 to 44 Not Completing High School, 2000

Note:

The data do not include students who do not participate in public schools.

Source:

"In Context" Indiana Department of Commerce, January/February, 2003.



SECTION IV.
Housing Market Analysis

This section addresses the requirements of Sections 91.305 and 91.310 of the State Government contents of Consolidated Plan regulations. In contrast to the Housing & Community Development Needs section (Section III), which contains a qualitative assessment of housing and community development conditions, this section is quantitative in nature. Sections III and IV should be read together for a complete picture of housing and community development needs in the State.

Methodology

This analysis of housing market conditions includes data from the 2000 Census, data from the American Community Survey's (ACS) Summary Tables and Public Use Microdata (PUMS). The Summary Tables and PUMS data sets are both produced by the U.S. Census and released annually for large geographical areas, such as states. These data sets provide similar data to that found in the 2000 Census. The data are from ongoing surveys that will ultimately replace the long form survey used in prior Censuses.

The ACS uses three modes of data collection—mail, telephone and personal visit—and is given to a sample of the population during a three-month period. The profile universe is currently limited to the household population and excludes the population living in institutions, college dormitories, and other group quarters. The group quarters population will be included starting with the 2005 data when the ACS begins full implementation. Data are based on a sample and are subject to sampling variability.

PUMS data show the full range of responses made on individual surveys—e.g., how one household or member answered questions on occupation, place of work, and so forth. The files contain records for a sample of all housing units, with information on the characteristics of each unit and the people in it. PUMS data allow a more detailed analysis of the Census survey data than is available from the ACS Summary Tables and 2000 Census tables.

This section also contains the results of a mail survey of Public Housing Authorities (PHAs) in non entitlement areas in the State. The survey asked about Section 8 Housing Choice (HC) voucher usage by individual housing authorities, and was administered twice in 2004: once in February/March (for the 2004 Consolidated Plan Update) and once in September (for the Five-Year Plan).

Housing Types

There were approximately 2.69 million housing units in the State in 2004, according to the U.S. Census Bureau's ACS. This was an increase of approximately 160,000 housing units (6.3 percent) from 2000. Approximately 64 percent of these units were owner occupied, 25 percent were renter occupied and 10 percent were vacant. Of the 2.41 million units that were occupied, 72 percent were owner occupied (1,733,447); 28 percent were renter occupied (679,438).

According to the Census Bureau's annual survey, the State's homeownership rate in 2004 was 71.8 percent – much higher than the national homeownership rate of 67.1 percent. Indiana was one of twelve states with homeownership rates of 71.8 percent or higher in 2004.

Vacant units. The 2004 statewide homeownership vacancy rate was estimated by the Census Bureau's ACS to be 2.2 percent. The 2004 rental vacancy rate was estimated at 9.4 percent, which is lower than the rate in 2002 (11.2 percent), but higher than in 2000 and 2001, and above the 8.1 percent average rate over the previous 15 years.

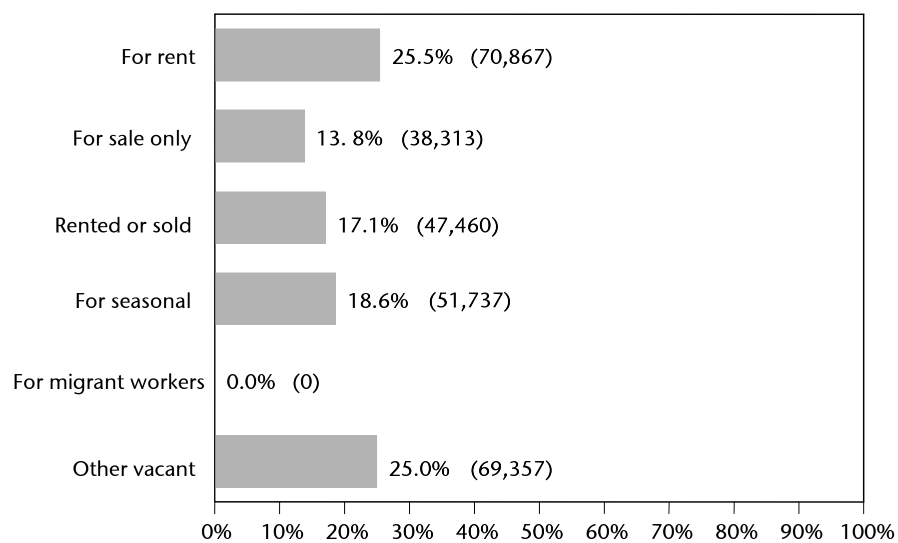
In 2004, over half of all vacant units in the State (56 percent) consisted of owner or renter units that were unoccupied and mostly for sale or rent. Another 19 percent consisted of seasonal units, while 25 percent of units were reported as "other vacant." Other vacant units included caretaker housing, units owners choose to keep vacant for individual reasons and other units that did not fit into the other categories.

Exhibit IV-1 shows the vacant units in the State by type.

Exhibit IV-1.
Vacant Units by Type in Indiana, 2004

Source:

U.S. Bureau of the Census, 2004 American Community Survey.

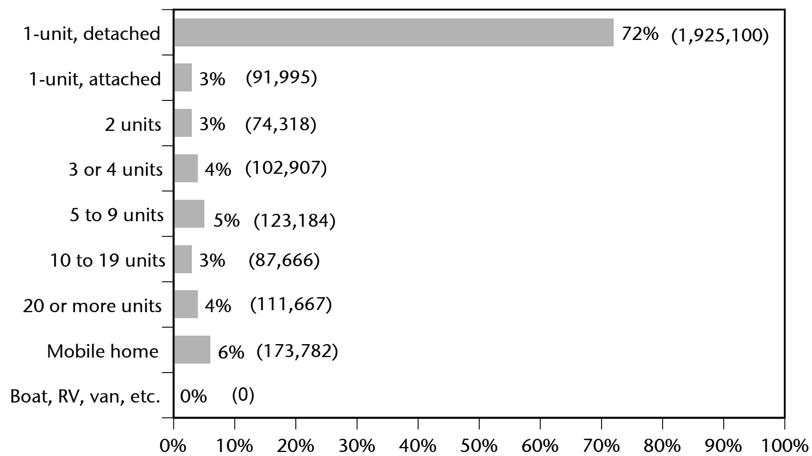


Composition of housing stock. Data from the 2004 ACS indicate that most housing in Indiana (72 percent of units) was made up of single family, detached homes. Over 78 percent of units were in structures with two or fewer units, with only 16 percent in structures with 3 units or more and 6 percent of units defined as mobile homes. Exhibit IV-2 presents the composition of housing units in the State.

Exhibit IV-2. Distribution of Housing Units by Size/Type in Indiana, 2004

Source:

U.S. Bureau of the Census, 2004 American Community Survey.

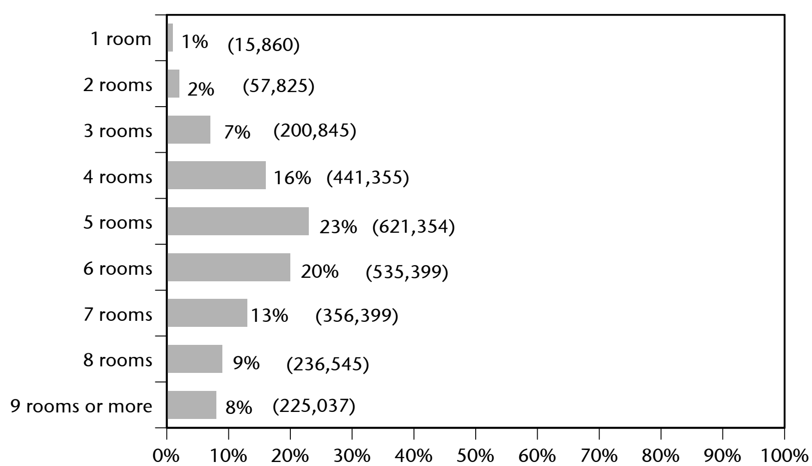


Housing units in Indiana tend to have at least four rooms, with 73 percent reported as having four to seven rooms. The Census Bureau reported a median of 5.5 rooms per housing unit in the State.

Exhibit IV-3. Distribution of Housing Units by Number of Rooms in Indiana, 2004

Source:

U.S. Bureau of the Census, 2004 American Community Survey.

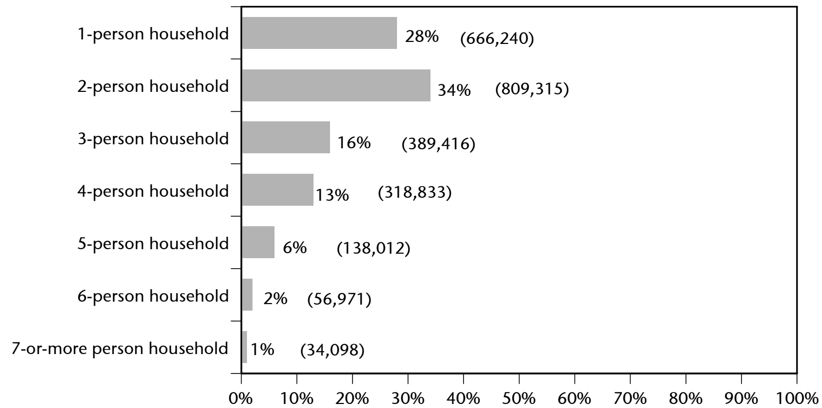


Composition of households. Data from the 2004 ACS show the majority of housing units in the State are occupied by two-person households (34 percent), followed by one-person households (28 percent). Exhibit IV-4 shows the distribution of housing units by household size.

Exhibit IV-4. Households in Occupied Units, 2004

Source:

U.S. Bureau of the Census, 2004 American Community Survey.



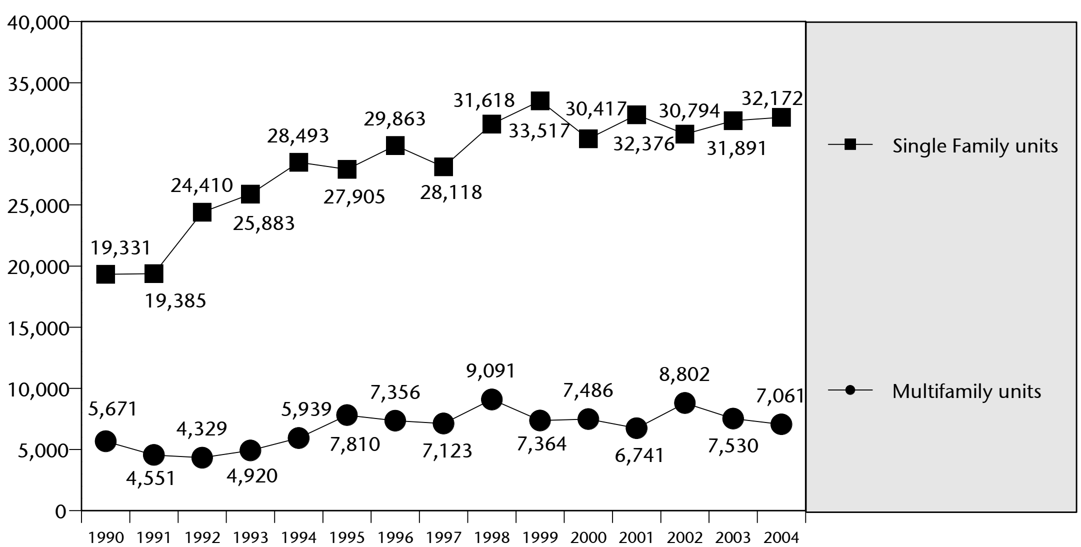
According to the ACS, the average household size in Indiana in 2004 was 2.51 persons per household, which is down from 2.53 persons per household in 2000.

Housing Supply

Construction activity. During 2004, 39,233 building permits were issued for residential housing development in Indiana. This is about the same level as in 2003 and is close to the historically high levels of the late 1990s. Eighty-two percent of the building permits issued in 2004 were for single family construction; 18 percent was for multifamily units, most having 5 units or more.

Exhibit IV-5 shows trends in building permit activity statewide since 1990 by single and multifamily units.

Exhibit IV-5. Building Permit Trends by Single and Multi Family Units, 1990-2004



Source: U.S. Census Bureau.

Vacancy rates. As noted previously, the ACS estimated the statewide homeownership vacancy rate at 2.2 percent in 2004. The rental vacancy rate in the State was an estimated 9.4 percent in 2004 – a 1.7 percentage point increase from 2000. However, a Housing Vacancy Survey conducted by the U.S. Census Bureau reported the 2004 rental vacancy rate at 12.9 percent, which is about 22 percent higher than the 9.4 percent vacancy rate from ACS. Also, according to the U.S. Census Bureau's Housing Vacancy Survey, the rental vacancy rate of 12.9 in 2004 was the highest rental vacancy rate in the past 15 years. The 2004 rental vacancy rate (12.9 percent) was well above the average rate of 8.1 percent for the preceding 15 years.

The following map shows the vacancy rate for each county according to the 2000 Census. 2004 ACS data are not available at the county level. In 2000, there were 44 counties with a vacancy rate higher than the State vacancy rate of 7.7 percent. These counties appear to be concentrated in the southwest area of the State and the north central area of the State.

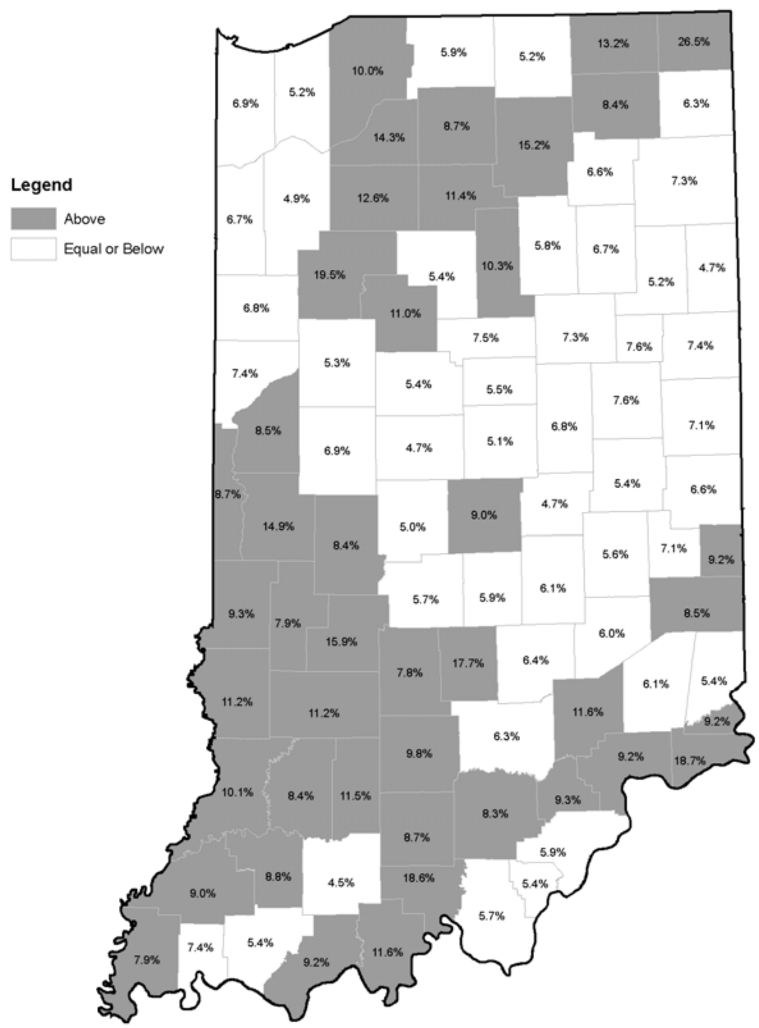
Exhibit IV-6.
Vacancy Rates
by County, 2000

Note:

Indiana vacancy rate was 7.7 percent in 2000.

Source:

U.S. Bureau of the Census, 2000 and BBC Research & consulting.



The following map shows the percent of vacant for sale units of all owner occupied and for sale units at the county level. Indiana had a vacancy rate of 2.1 percent for owner occupied and for sale units. Vacancy rates ranged from the highest rate of 3.5 percent in Jay County, in the east central region of the State, and as low as 0.7 percent in Pike and Dubois counties, in the southern region of the State.

Exhibit IV-7
Homeowner Vacancy Rates, 2000

Note:

Indiana Homeowner vacancy rate was 2.1 percent in 2000.

Source:

U.S. Bureau of the Census, 2000 and BBC Research & consulting.

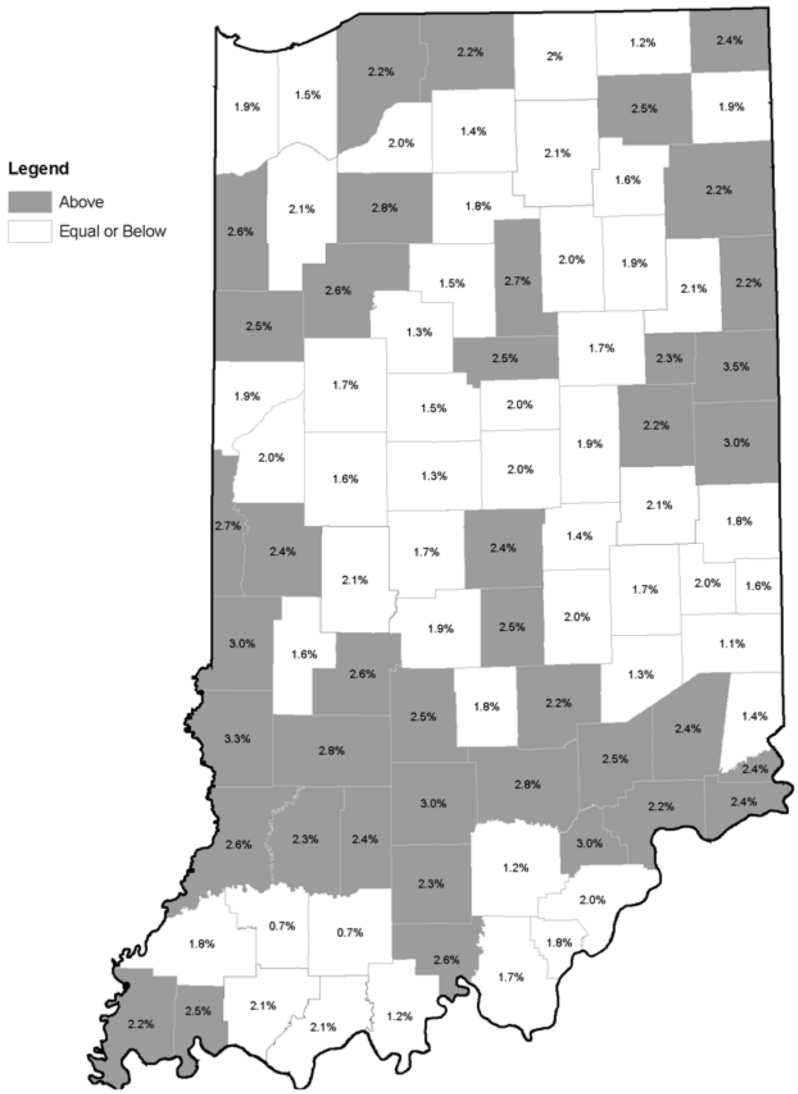


Exhibit IV-8 shows the percent of rental units that are vacant for rent of all renter occupied and vacant for rent units for each county. In 2000, there were 29 counties with a vacancy rate higher than the State vacancy rate of 8.8 percent.

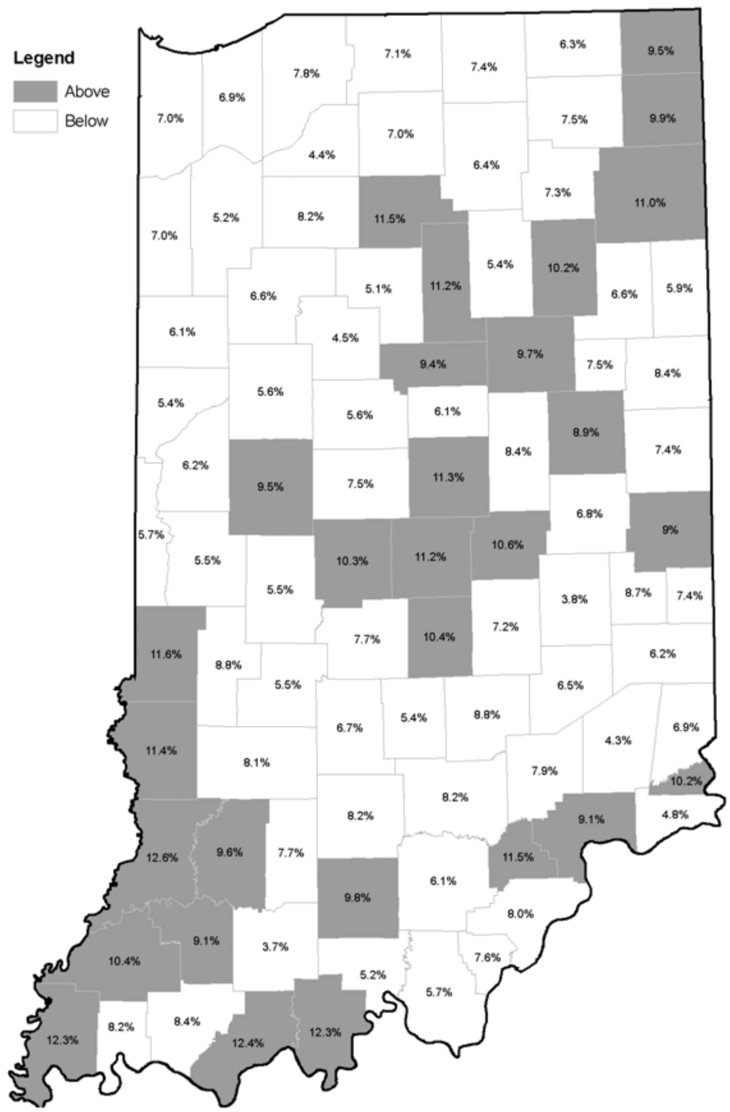
Exhibit IV-8. Rental Vacancy Rate, 2000

Note:

Indiana Rental vacancy rate was 8.8 percent in 2000.

Source:

U.S. Bureau of the Census, 2000 and BBC Research & consulting.



Expiring use properties. A growing concern in the country and Indiana is the preservation of the supply of affordable housing for the lowest income renters. In the past, very low-income renters have largely been served through federal housing subsidies, many of which are scheduled to expire in coming years. The units that were developed with federal government subsidies are referred to as "expiring use" properties.

Specifically, expiring use properties are multifamily units that were built with U.S. government subsidies, including interest rate subsidies (HUD Section 221(d)(3) and Section 236 programs), mortgage insurance programs (Section 221(d)(4)) and long-term Section 8 contracts. These programs offered developers and owners subsidies in exchange for the provision of low-income housing (e.g., a cap on rents of 30 percent of tenants' income). Many of these projects were financed with 40 year mortgages, although owners were given the opportunity to prepay their mortgages and discontinue the rent caps after 20 years. The Section 8 project-based rental assistance contracts had a 20 year term.

Many of these contracts are now expiring, and some owners are taking advantage of their ability to refinance at low interest rates and obtain market rents. Most of Indiana's affordable multifamily housing was built with Section 221 (d)(3) and Section 236 programs. Thus, a good share of Indiana's affordable rental housing could be at risk of elimination due to expiring use contracts. According to HUD's expiring use database, as of January 2005 (the latest data available), Indiana had 31,800 units in expiring use properties, or approximately 4.7 percent of the State's total rental units.

When expiring use units convert to market properties, local public housing authorities issue Section 8 vouchers to residents of the properties that are converting to market rates. In some cases, market rents may be lower than subsidized rents, which could enable residents to stay in their current units. Vouchers may also give residents an opportunity to relocate to a neighborhood that better meets their preferences and needs. The outcomes of expiring use conversions are hard to determine because of the many variables (location, level of subsidized rents, tenant preferences) that influence tenants' situations. Nonetheless, the loss of the affordable rental units provided by expiring use properties could put additional pressure on rental housing markets, especially in Indiana's urban counties, where most of these units are located.

In 1997, Congress passed legislation that provides solutions, such as debt restructuring, to the expiring use problem. The legislation requires that HUD outsource the restructuring work to Participating Administrative Entities (PAEs). In January 1999, the Indiana Housing and Community Development Authority (IHCDA) was selected to be the PAE for all expiring use properties in the State. In that responsibility, IHCDA is playing a direct role in finding solutions by encouraging owners to stay in the federal programs, in addition to examining other programs and creative financing tools that will help preserve these properties as affordable housing.

Additionally, in May 2000, HUD selected IHCDA to serve as a contract administrator for selected project-based housing assistance payment contracts in the State. As of July 2005, IHCDA is responsible for administration of 407 contracts representing 27,716 affordable rental units currently being administered by Indiana Quadel (INQ). IHCDA partnered with Quadel Consulting Corporation in this process and Quadel formed an Indiana-based for profit company called INQ. In this role, IHCDA manages the contracts between HUD and the owners of affordable housing projects to ensure that the projects remain affordable, provide decent and safe housing, and are absent of housing discrimination.

Nationally, less than 10 percent of owners of expiring use properties have opted out. The National Alliance of HUD Tenants, working with HUD data, estimates that up to 200,000 units have been lost to conversion nationally as of August 2001. The percentage of owners who have opted out in Indiana has been lower than the national percentage. Since the Section 8 preservation effort began in 2000 to 2003, 46 properties (representing 2,342 units) have either opted out of the Section 8 program or been removed from the program due to action taken by HUD's Departmental Enforcement Center. Of these, 14 of the properties (representing 549 assisted units) were from IHCDA's contract administration portfolio.

There are 46 counties with all of their expiring use units due to expire by December 2011. Exhibit IV-9 on the following page shows the percent of units with affordable provisions that are due to expire in the next five years by county along with the total number of expiring units.

Exhibit IV-9.
Percentage of Expiring Use Units
That Will Expire by December 2011, by County, as of January 2006

County	Percent of Expiring Use Units Due to Expire by December 2011, by County	Total Assisted Expiring Use Units	County	Percent of Expiring Use Units Due to Expire by December 2011, by County	Total Assisted Expiring Use Units
Adams	70%	223	Lake	80%	3,573
Allen	86%	1,639	Lawrence	91%	217
Bartholomew	86%	484	Madison	98%	596
Blackford	100%	142	Marion	90%	6,071
Boone	100%	194	Marshall	40%	221
Carroll	100%	10	Miami	100%	88
Cass	100%	346	Monroe	96%	434
Clark	99%	870	Montgomery	100%	241
Clinton	100%	95	Morgan	100%	420
Crawford	100%	123	Newton	100%	18
Daviess	100%	236	Noble	90%	224
DeKalb	100%	72	Orange	100%	136
Dearborn	100%	155	Owen	100%	68
Decatur	88%	203	Parke	100%	60
Delaware	71%	493	Perry	100%	93
Dubois	71%	252	Pike	100%	77
Elkhart	88%	899	Porter	100%	141
Fayette	43%	180	Posey	100%	116
Floyd	100%	293	Putnam	100%	132
Fountain	100%	20	Randolph	100%	29
Gibson	62%	291	Ripley	100%	56
Grant	81%	653	Rush	100%	78
Greene	68%	71	Scott	76%	142
Hamilton	100%	346	Shelby	100%	146
Hancock	100%	104	Spencer	100%	22
Harrison	100%	50	St. Joseph	93%	1,756
Hendricks	100%	166	Starke	100%	24
Henry	83%	214	Steuben	92%	76
Howard	100%	411	Tippecanoe	97%	1,520
Huntington	100%	129	Union	100%	50
Jackson	80%	276	Vanderburgh	80%	1,022
Jasper	100%	54	Vermillion	100%	148
Jay	100%	36	Vigo	90%	528
Jefferson	89%	365	Wabash	100%	215
Jennings	64%	22	Warrick	100%	120
Johnson	100%	526	Washington	100%	49
Knox	59%	293	Wayne	92%	733
Kosciusko	86%	146	Wells	22%	129
La Porte	89%	784	White	100%	62
LaGrange	100%	48	Whitley	100%	50
			Total	**89%**	**31,795**

Note: Expiration dates are according to the "TRACS Overall Expiration Date" as provided by HUD.
Source: U.S. Department of Housing and Urban Development and BBC Research & Consulting.

Housing Condition

Measures of housing condition are relatively scarce. However, the annual release of the ACS's Summary Tables and PUMS provide a good source of current information on housing conditions.

The ACS data cover the important indicators of housing quality, including plumbing facilities, type of heating fuel, age and crowding. In addition to measuring housing conditions, such variables are also good indicators of community development needs, particularly of weaknesses in public infrastructure. The Census Bureau reports most of these characteristics for occupied housing units.

Plumbing. The adequacy of indoor plumbing facilities is often used as a proxy for housing conditions. The ACS estimated there were 10,304 *occupied* housing units lacking complete plumbing in 2004, or 0.43 percent of occupied units in the State. This is slight improvement over 2000, when 0.53 percent was reported for inadequate plumbing, and a substantial improvement over 1990 and 1980, when 0.7 percent and 2 percent, respectively, of the State's housing units reportedly had inadequate facilities.

Vacant units are disproportionately more likely to have incomplete plumbing than occupied units, perhaps because the units are in substandard condition or construction is not yet completed. In 2004 there were 33,506 *vacant and occupied* units lacking plumbing (1.2 percent of all units) in Indiana and 69 percent of these units were vacant. According to the 2000 Census, there were 10 counties where more than 2 percent of the total housing stock, *occupied and vacant*, lacked complete plumbing facilities, as shown in the following exhibit. County level data was not available for 2004.

Exhibit IV-10.
Counties with More Than 2 Percent of Housing Stock without Complete Plumbing Facilities, 2000

Source:
U.S. Bureau of the Census, 2000.

Geography	Housing Units lacking plumbing facilities	Percent of total housing units
Adams County	683	5.5%
Switzerland County	193	4.6%
Crawford County	218	4.2%
Owen County	362	3.7%
Martin County	159	3.4%
Parke County	227	3.0%
Perry County	231	2.8%
Greene County	421	2.8%
Washington County	286	2.6%
Orange County	194	2.3%

Heating fuel and kitchens. According to the 2004 ACS, most occupied housing units in Indiana were heated by gas provided by a utility company (61 percent) or by electricity (24.5 percent), while a fairly high percentage used bottled, tank or LP gas (9.2 percent). A small number of units (41,732, or 1.7 percent) report heating with wood, and another 6,395 units (0.27 percent) do not use any fuel. The lack of heating fuel, or wood as the fuel source, for units other than seasonal units is a likely indicator of housing condition problems.

Another indicator of housing condition includes the presence of kitchen facilities. About 48,600 units, or 1.8 percent of all units in the State, lacked complete kitchen facilities in 2004. Twenty-seven percent of these units were occupied (0.54 percent of occupied units) and 73 percent were vacant.

Water and sewer. There has been a growing awareness and concern in Indiana about the number of housing units that rely on unsafe water sources. According to the Indiana State of the Environment Report for 2004, 73 percent of Indiana households get their drinking water from community public water supply systems. Private wells are the source of water for 15 percent of the State's housing. This is substantially less than in 1990, when 25 percent of the State's households were served by wells. Public sewerage provision to housing in Indiana is still somewhat below the national average, based on the most recently available data. Nationally, about 84 percent of housing units are served by public or private systems; wells are the water source for about 15 percent of units nationwide.

Water quality is another important consideration for the assessment of housing conditions. The Indiana Department of Environmental Management (IDEM) reported in 2002 that 93.5 percent of Indiana's public water systems were in compliance with EPA *water-quality* standards for the presence of the 91 primary contaminants. Compliance with health standards has remained consistent even though new mandates or requirements have increased since 1997.

An evaluation of the 2003 Annual Compliance Report for Indiana Public Water Supply Systems as compared to 2001 showed an improvement in the compliance rates for various contaminant violations. This improvement in the compliance rate was attributed to the implementation of the Small System Laboratory Assistance Program (SSLAP) instituted in 2001. Since IDEM enacted the SSLAP, the number of significant non-compliance systems has dropped 36 percent in a two-year period. The program provides sampling assistance to systems serving populations less than 100 people for contaminants.

The percent of the total active water systems that have *monitoring and reporting* violations for at least one contaminant was approximately 42 percent in 2003, which is consistent with previous reports (approximately 43 percent), and many of the remaining non-complying systems in the State serve businesses and not residential users. The number of Indiana residents at risk of exposure to harmful contaminants resulting from non-compliant water providers has fallen dramatically. From 1994 to 1999 there was a 97 percent decline in the number of water users dependent on systems that were in significant non-compliance with State and federal regulations.

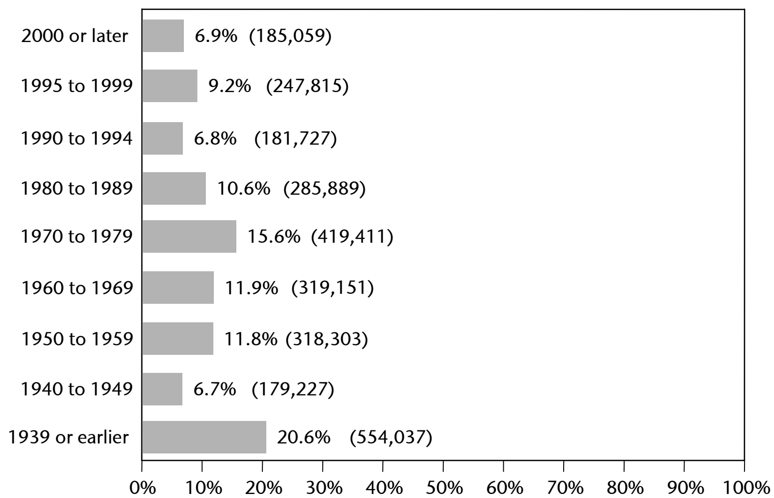
Age. Age can also be a proxy for the condition of housing, especially the risk of lead-based paint. As discussed later in this section, units built before 1940 are most likely to contain lead-based paint. Units built between 1940 and 1978 have a lesser risk (lead was removed from household paint after 1978), although many older units may have few if any problems depending on construction methods, renovation and other factors.

Housing age data from the 2004 ACS indicate that almost 21 percent of the State's housing units, occupied or vacant, was built before 1940, when the risk of lead-based paint is the highest. Approximately 67 percent of the housing stock was built before 1979. As of the 2004 ACS, the median age of housing stock in the State was 35 years old. Exhibit IV-11 presents the distribution of housing units in the State by age.

Exhibit IV-11.
Housing Units by Year Built, 2004

Source:

U.S. Census Bureau's American Community Survey, 2004.



Overcrowding. A final measure of housing conditions is overcrowding. The Census Bureau reports that in 2004, 2.0 percent of the State's occupied housing units, or 49,412, were overcrowded, which is defined as 1.01 persons or more per room. Approximately 0.31 percent of the State's housing units were severely overcrowded (more than 1.51 persons per room). These data compare favorably to national averages of 3.1 percent of units that were overcrowded and 0.75 percent severely overcrowded in 2004.

Combined factors. PUMS data provided by the 2002 ACS allow for a comparison of housing condition factors by household income.[1]

The household income categories of 31 to 50 percent and 81 to 100 percent of median household income had a higher ratio of households with more than one person per room (2.2 percent and 2.5 percent, respectively), than other income categories. The following exhibit shows the percent of households experiencing overcrowding by household income category.

[1] In the PUMS data, there are some households that did not report household income. Therefore, these households are not included when variables (i.e., overcrowded housing units and units lacking plumbing) are crosstabbed by household income.

Exhibit IV-12.
Overcrowded Housing Units by Household Income Category, 2002

Percent of Median Household Income	Income Cut-Off	Percent of All Occupied Units that are Overcrowded	Distribution of Units Overcrowded
less than or equal to 30%	$12,390	1.7%	10.6%
31% to 50%	$20,650	2.2%	13.3%
51% to 80%	$33,040	1.6%	13.9%
81% to 100%	$41,300	2.5%	14.6%
greater than 100%	$41,300 +	1.8%	47.5%
Total		**1.9%**	**100.0%**

Note: Overcrowded is defined as a housing unit with more than one person per room. Households who did not report an income were excluded. Median household income in 2002 was $41,300 according to PUMS data.

Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

According to PUMS, just under one percent (an estimated 22,360) of occupied housing units lack complete plumbing. Of these occupied units that lack complete plumbing, just under half have households who earn 50 percent or less than the area median household income. The following exhibit shows the distribution of occupied units with no plumbing by income category and the percentage of all occupied units that lack complete plumbing facilities by income. It is important to note that income levels were not reported for many of the occupied housing units lacking plumbing.[2] The data below represent only those units for which income was available and represent about 40 percent of all units lacking plumbing.

Exhibit IV-13.
Occupied Units Lacking Complete Plumbing by Household Income Category, 2002

Percent of Median Household Income	Income Cut-Off	Percent of All Occupied Units with No Plumbing	Distribution of Units with No Plumbing
less than or equal to 30%	$12,390	0.7%	22.5%
31% to 50%	$20,650	0.9%	25.6%
51% to 80%	$33,040	0.3%	13.4%
81% to 100%	$41,300	0.1%	2.7%
greater than 100%	$41,300 +	0.3%	35.9%
Total		**0.4%**	**100.0%**

Note: The percentages reflect those households who reported an income.

Source: U.S. Census Bureau’s American Community Survey PUMS, 2002.

The data in Exhibit IV-13 suggests that lower income households are more likely to occupy units with condition problems than moderate to high income households.

[2] According to PUMS data, there were 13,787 units that did not report household income and that were lacking complete plumbing facilities. Of these units, 240 were vacant. Therefore, 13,547 units (60 percent) lacking complete plumbing reported no household income.

The U.S. Department of Housing and Urban Development (HUD) received special tabulations of Census 2000 data from the U.S. Census Bureau that are largely unavailable through standard Census products. The following exhibit shows some of these data. The data show that the lower the income the more likely a household is to have a housing problem. It should be noted that "housing unit problem" as defined by HUD includes cost-burden, which is an affordability, not a condition indicator.

Exhibit IV-14.
HUD-Defined Housing Unit Problems by
Household Income in 1999 by Household Type, Indiana

Percent of Renters with Housing Unit Problems	Total	Elderly Family Household	Small Family Household	Large Family Household	Elderly Non-Family Household	Other Non-Family Household
less than or equal to 30%	71%	68%	77%	85%	55%	74%
31% to 50%	62%	49%	60%	67%	54%	68%
51% to 80%	24%	23%	18%	40%	34%	23%
81% to 95%	9%	9%	6%	32%	18%	6%
greater than 95%	6%	5%	4%	29%	13%	2%
Total	**35%**	**29%**	**30%**	**49%**	**46%**	**35%**
Percent of Owners with Housing Unit Problems	**Total**	**Elderly Family Household**	**Small Family Household**	**Large Family Household**	**Elderly Non-Family Household**	**Other Non-Family Household**
less than or equal to 30%	69%	63%	78%	87%	62%	71%
31% to 50%	44%	28%	63%	72%	28%	58%
51% to 80%	29%	15%	36%	42%	15%	42%
81% to 95%	18%	8%	19%	24%	10%	26%
greater than 95%	5%	4%	5%	11%	4%	8%
Total	**17%**	**13%**	**13%**	**24%**	**27%**	**26%**

Note: The 1999 HUD Area Median Family Income for Indiana is $50,256.

Housing unit problems: Lacking complete plumbing facilities, or lacking complete kitchen facilities, or with 1.01 or more persons per room, or with cost burden more than 30.0 percent.

Elderly households: 1 or 2 person household, either person 62 years old or older.

Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

Source: U.S. Census Bureau, 2000, HUD and BBC Research & Consulting.

Substandard housing definition. HUD requires that the State define the terms "standard condition," "substandard condition" and "substandard condition but suitable for rehabilitation." For the purposes of this report, units are in standard condition if they meet the HUD Section 8 quality standards. Units that are substandard but suitable for rehabilitation do not meet one or more of the HUD Section 8 quality standards. These units are also likely to have deferred maintenance and may have some structural damage such as leaking roofs, deteriorated interior surfaces, and inadequate insulation. A unit is defined as being substandard if it is lacking the following: complete plumbing, complete kitchen facilities, public or well water systems, and heating fuel (or uses heating fuel that is wood, kerosene or coal).

Units that are substandard but suitable for rehabilitation include units with some of the same features of substandard units (e.g., lacking complete kitchens or reliable and safe heating systems, or are not part of public water and sewer systems). However, the difference between substandard and substandard but suitable for rehabilitation is that units suitable for rehabilitation will have in place infrastructure that can be improved upon. In addition, these units might not be part of public water and sewer systems, but they will have sufficient systems to allow for clean water and adequate waste disposal.

Without evaluating units on a case-by-case basis, it is impossible to distinguish substandard units that are suitable for rehabilitation. In general, the substandard units that are less likely to be easily rehabilitated into good condition are those lacking complete plumbing; those which are not part of public water and sewer systems and require such improvements; and those heated with wood, coal, or heating oil. Units with more than one substandard condition (e.g., lacking complete plumbing and heated with wood) and older units are also more difficult to rehabilitate.

Environmental Issues

Environmental issues are also important to acknowledge when considering the availability, affordability and quality of housing. Exposure to deteriorated lead-based paint and lead dust on the floor and windowsills, as well as lead in the soil, represents one of the most significant environmental threats from a housing perspective. Exposure to environmental hazards in the home, especially at a younger age, have been know to trigger asthma attacks and may even contribute to the development of asthma.

Lead-based paint. Childhood lead poisoning is one of the major environmental health hazards facing American children today. As the most common high-dose source of lead exposure for children, lead-based paint was banned from residential paint in 1978. Housing built prior to 1978 is considered to have some risk, but housing built prior to 1940 is considered to have the highest risk. After 1940, paint manufacturers voluntarily began to reduce the amount of lead they added to their paint. As a result, painted surfaces in homes built before 1940 are likely to have higher levels of lead than homes built between 1940 and 1978. A report completed for HUD in 2001 estimates that heavily leaded paint is found in about two-thirds of the homes built before 1940, one-half of the homes built from 1940 to 1960, and some homes built after 1960.

Children are exposed to lead poisoning through paint debris, dust and particles released into the air and then settled onto the floor and windowsills, which can be exacerbated during a renovation. The dominant route of exposure is from ingestion and not inhalation. Young children are most at risk because they have more hand-to-mouth activity and absorb more lead than adults.

Excessive exposure to lead can slow or permanently damage the mental and physical development of children ages six and under. An elevated blood level of lead in young children can result in learning disabilities, behavioral problems, mental retardation and seizures. In adults, elevated levels can decrease reaction time, cause weakness in fingers, wrists or ankles, and possibly affect memory or cause anemia. The severity of these results is dependent on the degree and duration of the elevated level of lead in the blood.

The primary treatment for lead poisoning is to remove the child from exposure to lead sources. This involves moving the child's family into temporary or permanent lead-safe housing. Lead-safe housing is the only effective medical treatment for poisoned children and is the primary means by which lead poisoning among young children can be prevented. Many communities have yet to plan and develop adequate facilities to house families who need protection from lead hazards.

Extent of the lead-based paint problem. As mentioned above, homes built before 1960 may have had interior or exterior paint with lead levels as high as 50 percent. Inadequately maintained homes and apartments are more likely to suffer from a range of lead hazard problems, including chipped and peeling paint and weathered window surfaces.

According to the 2004 ACS, approximately 1.8 million housing units in Indiana – 67 percent of the total housing stock—were built before 1978. About 554,000 units, or 21 percent of the housing stock, are pre-1940 and 498,000 units (18 percent of the housing stock) were built between 1940 and 1959. Urban areas typically have the highest percentages of pre-1940 housing stock, although the State's non entitlement areas together have about the same percentage of pre-1940 units as the State overall. Marion County Health Department issued more than 200 citations to residents for lead hazards between January 1, 2000 and July 31, 2003. More than 99 percent of these homes were rental properties. Many small landlords (with less that 50 properties) are unaware of their responsibility of complying with code and tenants are also often unaware of their responsibilities.

According to the Indiana Childhood Lead Poisoning Elimination Plan, Indiana children with the following characteristics are at high risk for exposure to lead hazards:

- Children living in older housing,
- Children living in poverty or families with low-incomes,
- Children enrolled in Hoosier Healthwise (HH, Indiana's Medicaid and S-CHIP program), and
- Minority children.

Lower income homeowners generally have more difficulty making repairs to their homes because of their income constraints. Low-income renters and homeowners often live in older housing because it is usually the least expensive housing stock. This combination of factors makes lower income populations most susceptible to lead-based paint hazards. One measure of the risk of lead-based paint risk in housing is the number of households that are both low-income and live in older housing units. According to PUMS data, in 2002, there were 53,233 (8.1 percent) renter households who were very low-income (earning less than 50 percent of the State median) and who lived in housing stock built before 1940. There were also 77,919 (4.6 percent) owners with very low incomes and who lived in pre-1940 housing stock. These households are probably at the greatest risk for lead-based paint hazards.

According to the Indiana State Department of Health's (ISDH) report to the Indiana General Assembly, 43,000 blood lead samples were taken in 2003 for children under 7 years old. Of these children, 691 (1.6 percent) were confirmed as lead poisoned. Another 572 children had failed the screening blood lead test and may or may not have been lead poisoned.

The CDC reported in 2004 there were 583 Indiana children under age six with elevated blood lead levels. According to the ISDH, Indiana has more than 13,000 active cases of children with lead poisoning and more than 2 million homes with lead based paint. Marion County Health Department has alone issued citations to reduce lead hazards in more than 1,100 homes.

Recent reports of documented cases of elevated lead levels in children in Vigo County have been reported. According to an article in the Tribune-Star, Vigo County has the oldest housing stock in the State, a high percentage of children living in low-income families, and, as a result, the county has the highest rate of lead poisoned children of any county in Indiana. In response to particularly high blood lead levels in a child, the Vigo County Health Department red-tagged an additional apartment building when the landlord appeared unwilling to take the positive steps needed to address the lead hazards. Once the property was declared uninhabitable, the landlord began to take affirmative action.

The following exhibit shows the number of children less than 7 years old who were diagnosed with lead poisoning by county in 2003, according to the ISDH.

Exhibit IV-15. Number of Children (Age <7) in CY 2003 Diagnosed with Lead Poisoning by County

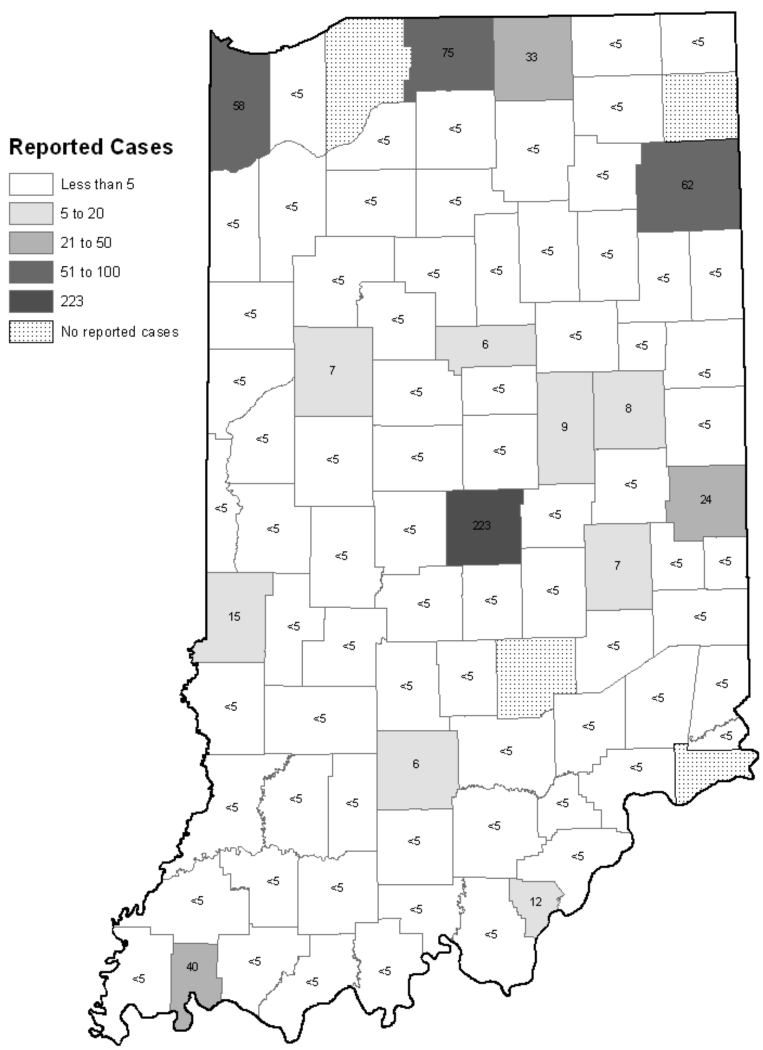
Note:

Lead poisoned confirmed: One venous blood specimen with elevated lead concentration, or two capillary blood specimens drawn within 12 weeks of each other, both with elevated lead concentration, or one capillary blood specimen with elevated lead concentration drawn on a previously confirmed case. The number in the table may be under counting since some follow-up tests may not be in the database yet. To protect the privacy of child poisoned, the number of children poisoned less than 5 (including 0) is presented as <5.

There were 28 children who were with confirmed lead poisoning where the county was not known.

Source:

Indiana Department of Environmental Management's Indiana Childhood Lead Poisoning Prevention Program (ICLPPP).



Available resources. Addressing the problem through existing and new housing rehabilitation programs is fundamental to reach the Indiana and federal goal of eliminating childhood lead poisoning by the year 2010. The Residential Lead-Based Hazard Reduction Act of 1992 (commonly referred to as "Title X") supports widespread prevention efforts of lead poisoning from lead-based paint. As a part of the Act, in 1991, the Office of Healthy Homes and Lead Hazard Control (OHHLHC) was established by HUD in order to bring together health and housing professionals in a concerted effort to eliminate lead-based paint hazards in America's privately-owned and low-income housing.

As of 2002, HUD estimates that 26 million fewer homes have lead-based paint compared to 1990 when the program began. The Centers for Disease Control and Prevention estimates the average amount of lead in children's blood has declined by 25 percent from 1996 to 1999. Ten years ago, there was no federal funding for local lead hazard control work in privately owned housing; today, the HUD program is active in over 200 jurisdictions across the country.

The Title X program provides grants of between $1 million and $2.5 million to state and local governments for control of lead-based paint hazards in privately-owned, low-income owner occupied and rental housing. Since the program's inception in 1993 through 2002, approximately $700 million was awarded to over 200 local and State jurisdictions across the country. The work approved to date will lead to the control of lead-based paint hazards in more than 65,000 homes where young children reside or are expected to reside.

The following are a list of programs offered by HUD to support widespread prevention efforts of lead poisoning from lead-based paint.

- Lead Hazard Control Grant Program
- Lead Hazard Reduction Demonstration
- Operation Lead Elimination Action Program
- Lead Paint Outreach Grant Program
- Lead Technical Studies
- Healthy Homes Technical Studies
- Healthy Homes Demonstration Program

In September 2005, HUD awarded two organizations in Indiana grants to eliminate dangerous lead paint hazards in thousands of privately owned, low-income housing units and identify or to eliminate housing conditions that contribute to children's disease and injury, such as asthma, lead poisoning, mold exposure, and carbon monoxide contamination. Purdue University was awarded $221,325 to study the effectiveness of an Integrated Pest Management (IPM) approach to controlling cockroaches in two multifamily public housing complexes in Gary, Indiana where previous surveys have found that public housing complexes in Gary, Indiana where previous surveys have found that approximately 50 percent of the units were infested with cockroaches. The Health and Hospital Corporation of Marion County (HHCM) was awarded $2,974,839 to clear 322 rental housing units of lead-based paint hazards within target neighborhoods occupied by low-income families with children. The HHCM anticipates assisting 400 children through this grant program.

In addition to available funding from the Title X program, recent changes to the CDBG program have added lead based paint abatement to eligible activities for CDBG funding. In order to receive Title X or CDBG funding, States must enact legislation regarding lead-based paint that includes requirements of accreditation or certification for contractors who remove lead-based paint. Indiana adopted such legislation in 1997 (Indiana Code, 13-17-14).

The National Healthy Homes Training Center is funded by a grant from the Centers for Disease Control and Prevention to develop the infrastructure and resources to help states, cities, and community-based organizations effectively identify and address housing-related hazards. The Training Center will help build capacity and competency among health, environmental and housing practitioners and promote cross-disciplinary activities. One of the first steps in meeting this goal was the development of a two-day training program.

A priority for 2004/2005 according to the Indiana Annual State of the Environment report is to reduce the threat lead poisoning poses to Hoosier children. The Indiana Department of Environmental Management (IDEM) continues to partner with ISDH for lead poisoning prevention initiatives. During the past year, IDEM participated in chaired workgroups as a part of the Indiana Childhood Lead Poisoning Elimination Plan Advisory Committee (EPAC), lead by ISDH.

In October 2004, EPAC announced a plan to eliminate lead poisoning in Hoosier children. State and federal officials partnered with environmental, housing, and medical experts, as well as community advocates, to develop the plan. Aimed at parents, caregivers and landlords, the Childhood Lead Poisoning Elimination Plan offers simple, effective ways to prevent kids from being exposed to lead. It also outlines a long-term approach to eliminate lead contamination from Hoosier homes.

IDEM, in conjunction with the Department of Health and the Marion County Health Department, developed the “Lead for 2000” campaign. Initiated in 1998, the campaign was aimed at reducing the incidence of childhood exposure to harmful lead-based contaminants by providing families and childcare facilities with free lead risk assessments and educational outreach.

In 1998, the three organizations launched the "2000 Lead-Safe Families for 2000 Project." It was the first innovative project of its kind in the nation focusing on the primary prevention of lead poisoning. As of February 2002, IDEM has trained more than 100 lead assessors, and they have completed more than 1,300 lead assessments in homes and childcare facilities. This effort entailed training lead-assessors, promoting awareness of the health risks that lead exposure presents, and educating families in methods that they can apply to minimize the risks presented by exposure to lead. These efforts were aimed at private homes as well as childcare facilities when children may be at risk. Several groups and individuals are now better equipped to deal with lead-based paint poisoning concerns in Indiana:

- Several health departments have individuals trained, licensed, and ready to perform risk assessments whenever a lead-poisoned child is identified by the healthcare system;
- The IDEM Lead Licensing Branch has worked through its EPA approvals and has managed the testing and licensing of a large number of individuals;

- The ISDH laboratory has successfully managed a very large volume of samples and has identified key factors for successful analysis of risk assessment sample requests;

- The institute has developed, field-tested, and made available to Indiana risk assessors a standardized set of forms for conducting and reporting a risk assessment; and

- A large number of individuals and organizations have been sensitized to the genuine threat of lead poisoning to young children. This sensitization has been obvious during the past two years, as Indiana housing agencies have been working to incorporate lead-safe work practices into rehabilitation, renovation, modernization, and weatherization programs. Several key individuals in the current effort were first involved with lead issues during the 2000 Safer Families Program, and the experience gained and lessons learned have been important to the success of the current effort.

In September 2000, HUD adopted new requirements for lead evaluation of multifamily properties that are federally assisted for new applicants of mortgage insurance. In general, the regulations require the testing and repair of all of the properties acquired or rehabilitated through federal programs. In preparation for the new requirements, IHCDA sent a list of the new requirements to its HOME and CDBG recipients and held a training to assist grantees with implementation of the new requirements in April and May of 2001.

In July 2002, the U.S Department of Energy updated its program guidelines and procedures of the Weatherization Assistance Program. This action updates guidance on health and safety issues and provides lead-safe weatherization protocol work in buildings that might contain lead paints. In September 2000, the Department of Energy also updated its regulations for administration of the Weatherization Assistance Program. This update further protects residents of HUD program housing and other federally owned or assisted homes from the dangers of lead-based paint by ensuring proper remediation and mitigation protocol when weatherizing these units.

Indiana's Weatherization program goes far beyond the federal minimum when it comes to lead-based paint hazards during weatherization. Community Action Agencies received training and x-ray fluorescence equipment so they could properly identify lead-based paint and lead hazards. FSSA has adopted specific policies and procedures to protect children.

In the past, IHCDA has provided funding to The Indiana Association of Community Economic Development and the Environmental Management Institute (EMI) to provide lead inspection, risk assessor and lead supervision training, certification, and refresher courses. EMI is the State's largest provider of lead hazard training and offers supervisor, risk assessor and inspector training throughout the State.

In addition, EMI and Improving Kid's Environment (IKE) conducted the annual Lead-Safe Conference in November 2004, which provided information about improving compliance with lead hazard reduction methods. A record number of 117 organizations and 239 people attended the conference. The conference offered an Indiana Rules Awareness training, along with sessions on healthy homes, healthy kids, policy and technology, and discussion forum sessions.

A major challenge in mitigating lead hazards in Indiana has been increasing the number of abatement contractors. During 2003, two major changes were made to improve Indiana's numbers:

- IDEM recently streamlined its contractor licensing process; and
- EMI and IKE worked together to clarify the type of insurance required by IDEM for contractors. IDEM had been suggesting that contractors purchase specialty insurance that was cost prohibitive.

Legislation. The Indiana General Assembly adopted a law, HEA 1171 – Lead Poisoning Prevention Legislation for Indiana that went into effect July 1, 2002. It established specific obligations for landlords and tenants. The legislation:

- Sets the times for expiration and renewal of lead-based paint activities licenses and adjusts training for licensure.
- Provides for the licensing and training of clearance examiners.
- Prohibits the use of certain methods to remove lead-based paint and requires that removed paint be discarded, with the exception for certain homeowners.
- Requires a laboratory that tests the blood of certain children for lead to report the test results to the ISDH.
- Requires information that is gathered concerning the concentration of lead in the blood of children less than 7 years of age to be shared among certain federal, state, and local government agencies.

The General Assembly also passed on October 10, 2003, revisions to its lead-based paint activities rules. These revisions amended rules concerning the licensing of individuals and contractors engaged in lead-based paint and training activities. It also added and repealed text concerning work practice standards for nonabatement activities. The revisions simply captured requirements already established in statute by the 2002 Indiana General Assembly. It is now a Class D felony to dry-sand, dry-scrape or burn paint in housing built before 1960. It is also a Class D felony to leave painted debris behind after working on these homes.

Legislation was drafted to require ISDH to adopt rules regarding case management and require Indiana's Medicaid program to have:

- A measure to evaluate the performance of a Medicaid managed care organization in screening a child who is less than 7 years of age for lead poisoning.
- A system to maintain the results of an evaluation under subdivision (1) in written form.
- A performance incentive program for a Medicaid managed care organization evaluated under subdivision (1).

The Indiana Joint Select Commission on Medicaid Oversight unanimously recommended the adoption of the legislation to the Indiana General Assembly. This legislation will finalize an agreement with Indiana Medicaid to improve screening rates.

A State Senator agreed to carry legislation to fix ongoing problems in Indiana lead poisoning program. ISDH and IKE are asking to:

- Require adoption rules for blood lead screening and case management;

- Require electronic reporting of blood lead testing results by labs that tested more the 50 Hoosier children in the previous 12 months;

- Limit the sharing of confidential information to local housing agencies "to the extent necessary" to implement the HUD rules;

- Provide IDEM with access to the information to the extent necessary for IDEM to set priorities and take advantage of IDEM's existing authorities to require cleanups where the hazards pose an imminent and substantial threat to the health of people; and

- Incorporate the provisions in State Senator's legislation regarding Medicaid.

Asthma Asthma is a chronic lung disease that causes episodes of breathlessness, wheezing and chest tightness. Asthma can be difficult to diagnose and differentiate from other respiratory problems.

Dangers of asthma. The strongest risk factors for development of asthma are family history of allergic disease and sensitization to one or more indoor allergens. Sensitization to a substance is the development of an allergic reaction to that substance. Allergens are proteins with the ability to trigger immune responses and cause allergic reactions in susceptible individuals. They are typically found attached to very small particles, which can be airborne as well as present in household dust. Common indoor allergen sources include dust mites, cockroaches, animals (domestic animals and pests such as rodents), and mold.

According to a HUD report completed in 2001, dust mites are the only home allergen source that the National Academies' Institute of Medicine report found sufficient evidence in the literature of a causal relationship between exposure and the development of asthma in susceptible children. Exposure to house dust mite allergens in childhood has been linked to an increase in the relative risk of developing asthma, and numerous other allergens are associated with asthma exacerbation in sensitized individuals. General conclusions about the relative risk of various indoor agents associated with asthma are difficult, largely due to the dependency of the particular risk on the characteristics of a given environment (e.g., climate, urban setting) and its occupants (e.g., smokers, genetics). Research generally supports the avoidance measures for allergens begin at the earliest age possible in high risk infants.

Extent of the asthma problem. National data shows that prevalence of asthma in children has risen in the past 20 years and has become a significant medical problem. Between 1982 and 1994, the national prevalence of asthma increased 66 percent overall (3.5 percent to 5.8 percent) and increased 73 percent among children/young adults age 18 years and less (4.0 percent to 6.9 percent), affecting 15 million people (nearly 5 million under the age of 18).

According to the national Behavioral Risk Factor Surveillance System (BRFSS) completed in 2004, 13.3 percent of Hoosiers have had asthma in their lifetime and 8.4 percent currently have it. These rates are the same as the national average.

The 2002 Indiana BRFSS survey showed that approximately 13 percent of Indiana households reported having one child who had been diagnosed with asthma, and nearly 3 percent has two or more children diagnosed with asthma. Health officials report that asthma accounts for one-third of all pediatric emergency room visits. Asthma is also the most prevalent chronic disease among children, and it is the number one reason for school absences.

A previous BRFSS study in 2000 indicated that Indiana had a much higher percentage of people with asthma in the lower economic brackets: 19.3 percent of adults with annual income less than $15,000 in Indiana were reported to have asthma, compared to 14.4 percent nationwide. Indiana also had 18.1 percent of the population reporting asthma compared to 12.1 percent for the national average among the African American, non-Hispanic population.

Available resources. In 2002, IDEM joined a national steering committee comprised of state health agencies and state environmental agencies, to discuss developing a vision statement and action items to identify steps that states can take to address indoor and outdoor environmental factors that contribute to asthma in children. A document is being made available for states to use in developing their asthma prevention and control programs and will undergo further review and discussion.

IDEM and ISDH recently leveraged their resources by combining a public health and an environmental approach to address asthma by developing the Indiana Joint Asthma Council (InJAC). The five areas of focus committees for InJAC are:

- Data and surveillance;
- General public and consumer education;
- Health care provider;
- Environmental quality; and
- Children and youth.

Housing issues are a primary focus for the Environmental Quality Committee.

The Centers for Disease Control and Prevention's National Center for Environmental Health funded Indiana to create a State action plan prior to implementing activities to decrease the burden of asthma in Indiana. The U.S. Environmental Protection Agency (EPA) funded Indiana to develop a patient education tool addressing environmental triggers of asthma.

In December 2004, InJAC finalized its plan to reduce asthma in Indiana. The plan is an initial five-year action plan to begin to deal with the burden of asthma in the state. The plan consists of goals, objectives, strategies, and action steps over a real timeline with specific deadlines. The plan has five major areas: data/surveillance, children and youth, public education, healthcare, and environment. To reduce environmental hazards associated with asthma attacks, the plan's only efforts that do not consist solely of research and outreach will be to:

- By 2006, propose revisions to the Indiana Sanitary Schoolhouse Rule;
- By 2009, recommend revisions to voluntary and regulatory codes that affect schools and regulated early care settings; and
- By 2010 or in advance of federal deadlines, attain ozone and fine particulate matter health standards in 24 counties designated in whole or in part as non-attainment areas in 2004.

InJAC also published a report, "The Burden of Asthma in Indiana," in December 2004. The report consists of statistics and charts of the prevalence if asthma in Indiana. Indiana's prevalence of asthma was reported to be exactly the same as the nation overall.

A patient education tool is also available on IDEM's Web site. It is a Web-based asthma tool for parents, medical providers, schools, and child care providers on how to reduce exposure to environmental triggers for asthma. The tool will allow the user to take a virtual tour through a home, rental property, school, and child care setting to learn how to reduce exposure to environmental triggers. The user will even be able to explore the outdoor environment to find out what activities contribute to outdoor environmental triggers for asthma. *BreathEasyville* features fact sheets, checklists and an example of an asthma action plan and is available as of January 2005.

Housing Affordability

Owners. The ACS estimated the median value of an owner occupied home in the State as $110,020 in 2004. This compares with the U.S. median of $151,366 and is the second lowest median compared to surrounding States, as shown in Exhibit IV-16.

Exhibit IV-16.
Regional Median Owner Occupied Home Values, 2004

Note:
The home values are in 2003 inflation-adjusted dollars for specified owner occupied units.

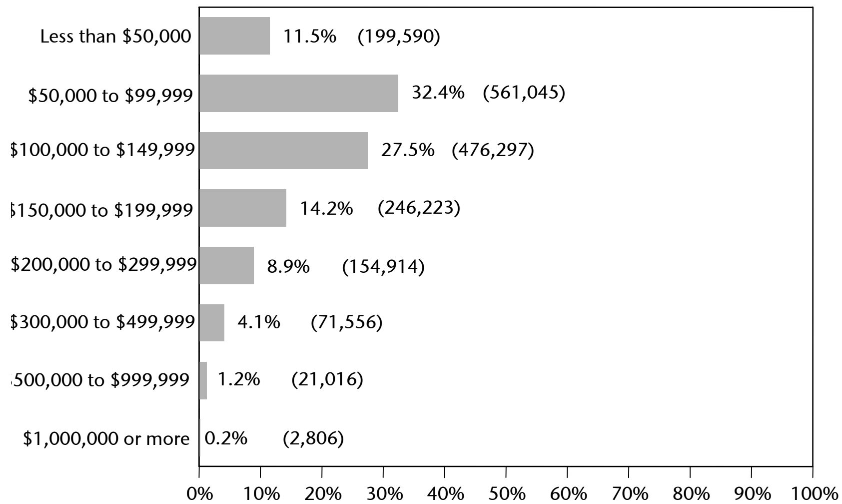
Source:
U.S. Census of the Bureau, American Community Survey, 2004.

In Indiana, 44 percent of owner occupied units had values less than $100,000, and about 71 percent were valued less than $150,000. Exhibit IV-17 on the following page presents the price distribution of owner occupied homes in the State.

Exhibit IV-17. Owner Occupied Home Values, 2004

Source:

U.S. Census of the Bureau, American Community Survey, 2004.



Although housing values in Indiana are still affordable relative to national standards, many Indiana households have difficulty paying for housing. Housing affordability is typically evaluated by assessing the share of household income spent on housing costs. For owners, these costs include mortgages, real estate taxes, insurance, utilities, fuels, and, where appropriate, fees such as condominium fees or monthly mobile home costs. Households paying over 30 percent of their income for housing are often categorized as cost burdened.

The ACS reported that in 2004, 20 percent of all homeowners (about 348,000 households) in the State were paying more than 30 percent of their household income for housing, and 7 percent (119,000 households) were paying 50 percent or more. Exhibit IV-18 presents these data.

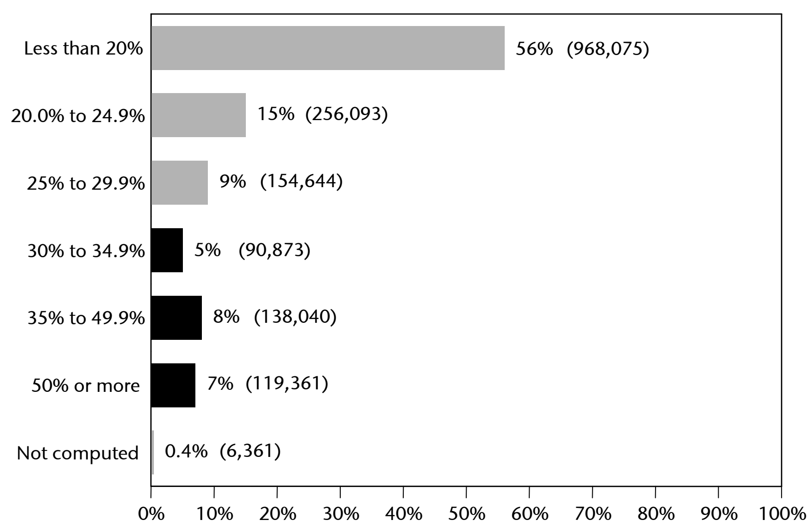
Exhibit IV-18. Owners' Housing Costs as Percent of Household Income, 2004

Note:

Dark shaded areas indicate cost burdened households.

Source:

U.S. Census of the Bureau, American Community Survey, 2004.



Among homeowners with mortgages, approximately 25 percent were reported as cost burdened, a figure that drops to about 10 percent when considering homeowners without mortgages.

The 2000 Census also reports cost burden by age of the primary householder and household income range. As shown in Exhibit IV-19, the percentage of households who are cost burdened tends to decrease as householder age increases — until householders become seniors, when they are likely to be living on fixed incomes.

Exhibit IV-19.
Cost Burden by Age of Householder, Owners, 2000

Age of Householder	Number of owner households cost burdened	Percent of owner households cost burdened
15 to 24 years	5,265	26%
25 to 34 years	33,498	18%
35 to 44 years	51,366	16%
45 to 54 years	42,130	13%
55 to 64 years	32,711	15%
65 to 74 years	29,514	17%
75 years and older	25,685	17%
Total	**220,169**	**16%**

Source:
U.S. Bureau of the Census, 2000.

As shown in Exhibit IV-20 below, the cost burden of owner occupied households who pay a mortgage drops as income increases, particularly for households earning more than the median household income. In 2002, 89 percent of the households in the State who earned less than or equal to $20,650 per year were cost-burdened in 2002, compared to 16 percent of households earning more than $20,650. The $20,650 is equal to 50 percent of the median household income of $41,300, which was calculated using 2002 PUMS.

Exhibit IV-20.
Cost Burden by Income, Owner Households with a Mortgage, 2002

Percent of Median Household Income	Income Cut-Off	Cost Burdened Owner Households	Percent of Households Cost Burdened	Owners with a Mortgage
Less than or equal to 30%	$12,390	35,449	92%	38,730
31% to 50%	$20,650	54,397	88%	62,113
51% to 80%	$33,040	68,740	51%	135,225
81% to 100%	$41,300	39,005	33%	119,408
Greater than 100%	$41,300 +	63,135	8%	795,822
Total Owner Households		**260,726**	**23%**	**1,151,298**

Note: Owner households who pay no mortgage were not included in calculation.
Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

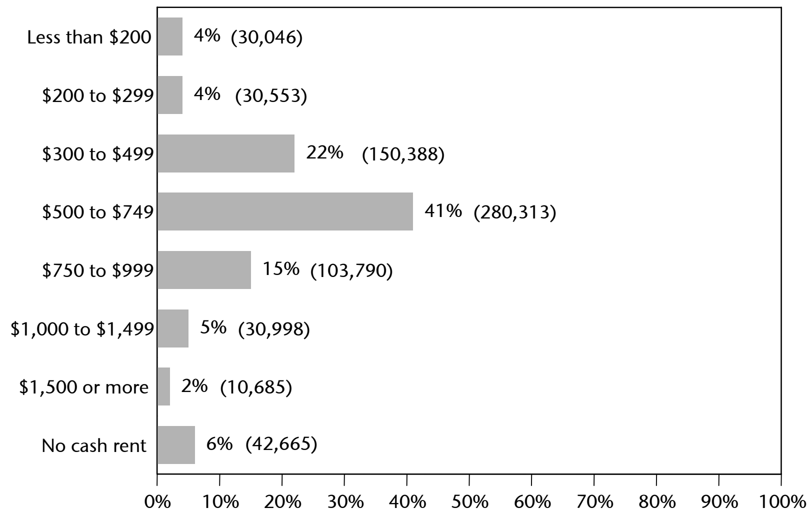
Renters. The 2004 ACS provides data on housing costs for renter households. The Census Bureau reports that the median gross rent, statewide, was $589 per month in 2004. Gross rent includes contract rent, plus utilities and fuels if the renter pays for them. (And most renters do: The Census reports that 82 percent of rental units do *not* include utility payments in the rent price.) About 31 percent of all units statewide were estimated to rent for less than $499 in 2004, while another 41 percent were estimated to rent for $500 to $749. The distribution of statewide gross rents is presented in Exhibit IV-21.

Exhibit IV-21. Distribution of Statewide Gross Rents, 2004

Note: "No Cash Rent" represents units that are owned by friends or family where no rent is charged and/or units that are provided for caretakers, tenant farmers, etc.

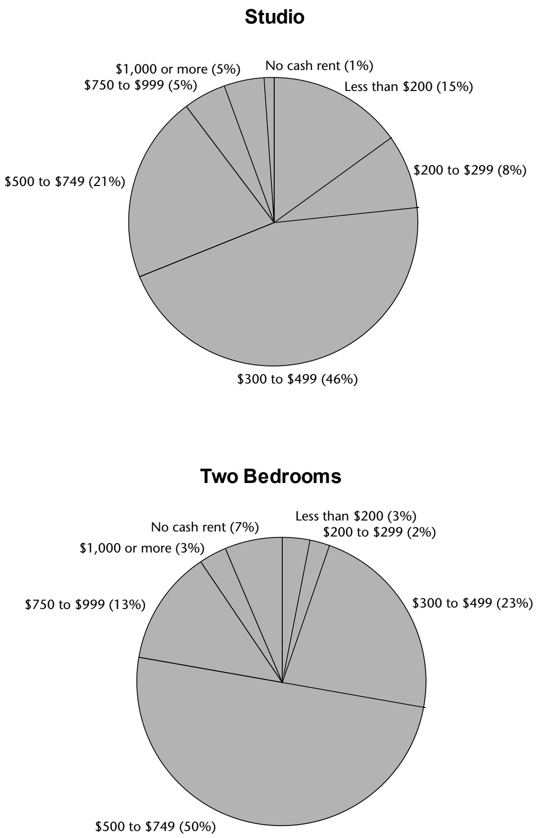
Source:

U.S. Census of the Bureau, American Community Survey, 2004.



The Census also collected data on rents by household size. Exhibit IV-22 shows the distribution of rent costs by size of housing unit.

Exhibit IV-22.
Distribution of Rents, by Size of Unit, 2002



Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

As in the case of owner occupied homes, rent burdens can be evaluated by comparing rent costs to household incomes. The 2004 ACS estimates that 38 percent of Indiana renters – or 257,000 – paid more than 30 percent of household income for gross rent, with almost half of these (18 percent of renters, or 122,000) paying more than 50 percent of their incomes. Rentals constituted only 29 percent of the State's occupied housing units in 2004; however, there were almost as many cost-burdened renter households (257,000) as cost-burdened owner households (348,000). Exhibit IV-23 presents the share of income paid by Indiana renters for housing.

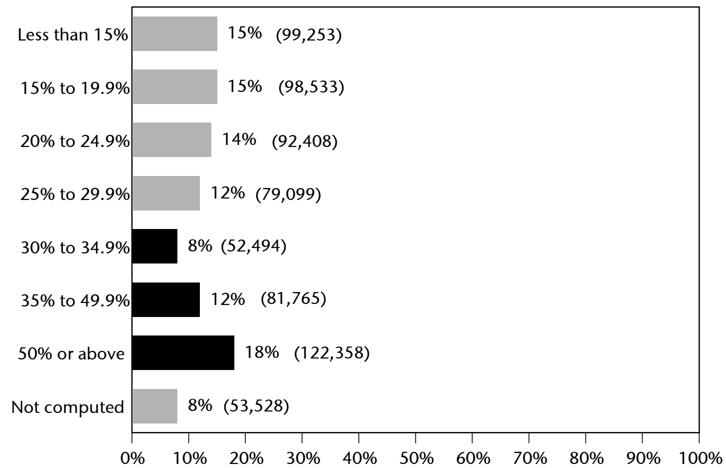
Exhibit IV-23.
Renters' Housing Costs as Percent of Household Income, 2004

Note:

Dark shaded areas indicate cost burdened households.

Source:

U.S. Census of the Bureau's American Community Survey, 2004.



The Census also reports renter cost burden by age and household income range. As shown in Exhibit IV-24, the largest numbers of cost burdened renter households are in the youngest age cohorts. However, the youngest (15 to 24 years) and oldest (75 years and older) households have the largest percentages of households considered cost-burdened: Just under half of these households are cost burdened.

Exhibit IV-24.
Cost Burden by Age of Householder, Renters, 2000

Source:

U.S. Bureau of the Census, 2000.

Age of Householder	Number of renter households cost burdened	Percent of renter households cost burdened
15 to 24 years	48,420	46%
25 to 34 years	50,088	28%
35 to 44 years	36,060	27%
45 to 54 years	22,884	26%
55 to 64 years	16,062	32%
65 to 74 years	16,534	40%
75 years and older	27,699	47%
Total	**217,747**	**33%**

As would be expected, renter households with the lowest incomes are more likely to be cost burdened. Exhibit IV-25 shows cost burden by income for the State's households in 2002. As the exhibit demonstrates, renter cost burden drops dramatically when household income exceeds 80 percent of the median household income of $33,040 for 2002.

Exhibit IV-25.
Cost Burden by Income of Householder Who Pay Cash Rent, Renters, 2002

Percent of Median Household Income	Income Cut-Off	Cost Burdened Renter Households	Percent of Households Cost Burdened	Renters Paying Cash Rent
less than or equal to 30%	$12,390	118,260	78%	152,442
31% to 50%	$20,650	82,447	77%	106,856
51% to 80%	$33,040	38,667	29%	135,632
81% to 100%	$41,300	4,297	7%	63,029
greater than 100%	$41,300 +	972	1%	154,821
Total Renter Households		**244,643**	**40%**	**612,780**

Note: Renter households paying "no cash rent" were not included in calculation. The possible difference between the ACS Summary Table numbers of cost burdened renter's households (238,114) versus the PUMS cost burdened renters (219,709) may be due to different sampling methodology used for the Summary Tables.

Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

Households with members who are disabled. According to the ACS, an estimated 17 percent of persons reported they had a disability in 2002. PUMS data was used to determine the number of households with at least one person with a disability who are also cost burdened. The data show that 44 percent of all cost burdened owners who pay a mortgage have a disability. The same is true for cost burdened households who are renters. Just over one-forth of owner households with a disability are cost burdened and 44 percent of renter households with a disability are cost burdened. The percentage of households with a disability who are cost burdened is higher for all types of households.

Exhibit IV-26.
Households with a Disability who are Cost Burdened, 2002

	Owners		Renters		Total	
Households with a Disability						
Cost burdened	106,174	27%	95,666	44%	201,840	33%
All households with a disability	394,368	100%	217,295	100%	611,663	100%
Cost Burdened Households						
With a disability	106,174	44%	95,666	44%	201,840	44%
All cost burdened households	241,171	100%	219,709	100%	460,880	100%

Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

Housing market analysis. The 2002 PUMS data allow for an examination of household income by what households pay in rent and by the value of their property. This provides a more detailed comparison of the value of units the households are occupying and if they are affordable.

Exhibit IV-27 shows that in 2002 households earning less than 30 percent of the median household income of $41,300 can afford a home valued at $43,398 or below. According to PUMS, 79 percent of these households resided in units above what they can afford (i.e., they are cost burdened). Half of the households earning between 31 and 50 percent of the median income were in units that were not affordable.

Exhibit IV-27.
Household Property Value of Owner Occupied Units with a Mortgage by Household Income, 2002

	Percent of Median Household Income ($41,300)									
	Less than or equal to 30%		31% to 50%		51% to 80%		81% to 100%		Greater than 100%	
Property Value	< $12,391		$20,650		$33,040		$41,300		$41,300+	
Less than $43,398	7,705	21%	10,575	18%	21,429	16%	11,742	10%	30,969	4%
$43,398 to $72,329	9,088	24%	19,504	32%	32,991	25%	25,797	22%	85,894	11%
$72,330 to $99,999	10,395	28%	15,511	26%	37,651	28%	34,896	29%	175,768	22%
$100,000 to 115,727	1,938	5%	3,537	6%	9,131	7%	12,603	11%	84,199	11%
$115,728 to 124,999	1,143	3%	2,085	3%	5,384	4%	7,431	6%	49,640	6%
$125,000 to $144,658	1,403	4%	4,631	8%	7,466	6%	8,175	7%	87,288	11%
$144,659 to $199,999	2,338	6%	3,042	5%	11,309	9%	11,106	9%	156,288	20%
$200,000 to 299,999	1,485	4%	1,334	2%	5,478	4%	5,418	5%	80,073	10%
$300,000 to $499,999	1,452	4%	0	0%	1,190	1%	1,202	1%	34,648	4%
$500,000 or more	295	1%	0	0%	435	0%	199	0%	9,340	1%
Total	**37,243**	**100%**	**60,218**	**100%**	**132,464**	**100%**	**118,569**	**100%**	**794,107**	**100%**
Total "Overpaying" Hoosiers	**29,538**	**79%**	**30,140**	**50%**	**31,262**	**24%**	**17,925**	**15%**		
Total "Underpaying" Hoosiers			**10,575**	**18%**	**54,420**	**41%**	**85,038**	**72%**		

Note: The numbers assume loan terms of 5 percent down, 6 percent interest rate, and 30-year term, adjusted for PMI, hazard insurance, and property taxes.
Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

The shaded areas in the table above represent households who spend less than 30 percent of their income on housing. The darker shaded areas represent households who occupy housing in their affordability range. Households who earn less than or equal to 30 percent of the median household income (<$12,391) can afford homes valued under $43,399; households in the 31 to 50 percent income category can afford home values under $72,330; households in the 51 to 80 percent income category can afford home values under $115,728; and households in the 81 to 100 percent income category can afford home values up to $144,659.

Further analysis of the upper income categories reveals that some households are occupying units below their price range. For example, 72 percent of households in the 81 to 100 percent income range are occupying units below what they are able to afford (households in the 81 to 100 percent income category can afford homes valued up to $144,659).

Forty-one percent of the households in the 51 to 80 percent income range are occupying units that are affordable to households in the lower income categories. Sixteen percent of these households are occupying units that would be affordable to households in the extremely income range (less than or equal to 30 percent of AMI). If these households occupied units in their affordability range, between $72,330 and $115,727, this would free up those lower priced units for the extremely low-income households to occupy.

The following exhibit shows the number of households by income category and the gross rent they pay. According to PUMS, 66 percent of the households who earn less than or equal to 30 percent of the median household income of $41,300 are in units they cannot afford. Just under half of the households in the 31 to 50 percent income category are living in unaffordable units.

Exhibit IV-28.
Household Gross Rent by Household Income, 2002

	Percent of Median Household Income ($41,300)									
	Less than or equal to 30%		31% to 50%		51% to 80%		81% to 100%		Greater than 100%	
Gross Rent	< $12,391		$20,650		$33,040		$41,300		$41,300+	
Less than $200	**30,274**	**20%**	2,967	3%	1,990	1%	465	1%	2,293	1%
$200 to $310	**21,845**	**14%**	5,466	5%	3,393	3%	2,425	4%	2,317	1%
$311 to $516	51,553	34%	**47,527**	**44%**	51,339	38%	16,094	26%	25,689	17%
$517 to $749	36,883	24%	41,213	39%	**62,040**	**46%**	30,613	49%	68,392	44%
$750 to $826	6,652	4%	3,087	3%	**7,582**	**6%**	3,713	6%	19,523	13%
$827 to $1,033	3,652	2%	4,081	4%	4,925	4%	**7,254**	**12%**	22,064	14%
$1,034 to $1,499	715	0%	1,688	2%	2,628	2%	2,248	4%	13,660	9%
$1,500 or more	868	1%	827	1%	1,735	1%	217	0%	883	1%
Total	**152,442**	**100%**	**106,856**	**100%**	**135,632**	**100%**	**63,029**	**100%**	**154,821**	**100%**
Total "Overpaying" Hoosiers	**100,323**	**66%**	**50,896**	**48%**	**9,288**	**7%**	**2,465**	**4%**		
Total "Underpaying" Hoosiers			**8,433**	**8%**	**56,722**	**42%**	**53,310**	**85%**		

Source: U.S. Census Bureau's American Community Survey PUMS, 2002.

The shaded areas represent households who are in units who spend less than 30 percent of their income on housing. The darker shaded areas represent households that occupy housing in their affordability range. Households who earn less than or equal to 30 percent of the median household income (<$12,391) can afford rents under $311; households in the 31 to 50 percent income category can afford rents under $517; households in the 51 to 80 percent income category can afford rents under $827; and households in the 81 to 100 percent income category can afford rents under $1,034.

Examination of the upper income categories reveals that many households may be occupying units that are well below their affordability level. Over three-fourths of the households in the 81 to 100 percent income category occupy units that lower income categories could afford. This may suggest a need for more higher-end rental units, which would free up lower priced units for the households in the lower income categories to occupy.

CHAS data. HUD provides data on households by income, special need and tenure for use in Consolidated Planning (these data are called CHAS data, after the name of the first consolidated planning reports). Exhibit IV-29, Exhibit IV-30 and Exhibit IV-31 present these data for all households in the Indiana State Program for CDBG and HOME and the State as a whole.

The CHAS data support the general findings in this section, showing that the State's households with the greatest housing needs – as measured by cost burden and condition problems – have the lowest incomes and that need decreases as income increases. In addition, the CHAS data show that the State's elderly households have a lower proportion of housing need than the State's small and large households.

Exhibit IV-29.
Housing Problems Output for All Households, State of Indiana CDBG Program, 2000

Name of Jurisdiction: Indiana State Program(CDBG), Indiana				Source of Data: CHAS Data Book		Data Current as of: 2000					
	Renters					Owners					
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	Total Households
Household by Type, Income & Housing Problem	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(L)
1. Household Income <=50% MFI	34,800	33,709	6,220	30,735	105,464	76,752	33,525	9,224	20,181	139,682	245,146
2. Household Income <=30% MFI	18,722	16,254	2,452	17,463	54,891	29,206	13,154	3,124	10,157	55,641	110,532
3. % with any housing problems	52.9	77.7	83.8	66.9	66.1	61.9	75.8	87.3	72.6	68.6	67.3
4. % Cost Burden >30%	52.2	76.1	78.3	65.6	64.7	61.2	74.9	78.5	71.8	67.3	66
5. % Cost Burden >50%	33.5	55.5	51.8	50.9	46.3	32.3	59.1	62.8	56.5	44.8	45.5
6. Household Income >30% to <=50% MFI	16,078	17,455	3,768	13,272	50,573	47,546	20,371	6,100	10,024	84,041	134,614
7. % with any housing problems	45.9	57.5	65.5	62.3	55.7	27.4	60.4	71.5	55.3	41.9	47.1
8. % Cost Burden >30%	44.9	55.3	40.6	60.2	52.2	26.7	59.2	59.8	54.2	40.3	44.8
9. % Cost Burden >50%	12.3	7.2	4.8	13.4	10.3	10.5	27.8	20.4	27.9	17.5	14.8
10. Household Income >50 to <=80% MFI	10,879	28,213	6,806	22,498	68,396	67,500	63,604	18,648	23,832	173,584	241,980
11. % with any housing problems	23.5	14.8	33.5	19.3	19.5	14.5	35.9	43.6	40.2	29	26.3
12.% Cost Burden >30%	22.2	11.1	7.2	17.6	14.6	14	34.9	29.6	39.3	26.8	23.4
13. % Cost Burden >50%	5.3	0.6	0.3	1	1.4	4.1	7	4.7	9.3	5.9	4.7
14. Household Income >80% MFI	8,946	54,242	9,120	35,721	108,029	116,708	468,969	78,410	72,916	737,003	845,032
15. % with any housing problems	7.3	3.2	24.4	3.3	5.3	4.6	5.9	12	10.7	6.8	6.6
16.% Cost Burden >30%	5.8	0.7	0.4	1	1.2	4.3	5.3	5.1	9.9	5.6	5
17. % Cost Burden >50%	2.7	0.2	0.1	0	0.3	0.7	0.5	0.5	1.1	0.6	0.6
18. Total Households	54,625	116,164	22,146	88,954	281,889	260,960	566,098	106,282	116,929	1,050,269	1,332,158
19. % with any housing problems	37.5	24.6	40.8	28.7	29.6	17.7	12.8	23.2	25.9	16.5	19.3
20. % Cost Burden >30	36.5	22	18	26.7	26	17.3	12.2	14.7	25.1	15.1	17.4
21. % Cost Burden >50	16.6	9.1	6.7	12.3	11.3	6.9	3.6	4.2	9.8	5.2	6.5

Note: Any housing problems includes cost burden greater than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Other housing problems include overcrowding (1.01 or more persons per room) and/or without complete kitchen or plumbing facilities.

Elderly households include 1 or 2 person households, either person 62 years old or older.

Renter data does not include renters living on boats, RVs or vans. This excludes approximately 25,000 households nationwide.

Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

Source: HUD CHAS Data (http://socds.huduser.org/chas/index.htm?) Tables F5A, F5B, F5C, F5D, May 6, 2004, 11:30AM MDT.

Exhibit IV-30.
Housing Problems Output for All Households, State of Indiana HOME Program, 2000

Name of Jurisdiction: IN State Program (HOME), Indiana				Source of Data: CHAS Data Book			Data Current as of: 2000					
	Renters					Owners						
Household by Type, Income & Housing Problem	Elderly 1 & 2 member households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly 1 & 2 member households (F)	Small Related (2 to 4) (G)	Large Related (5 or more) (H)	All Other Households (I)	Total Owners (J)	Total Households (L)
1. Household Income <=50% MFI	39,598	39,717	7,389	35,043	121,747	81,933	35,074	9,818	21,442	148,267	270,014
2. Household Income <=30% MFI	21,479	19,372	3,086	19,623	63,560	31,209	13,641	3,295	10,802	58,947	122,507
3. % with any housing problems	52.8	76.7	84.1	67.8	66.3	61.4	76.6	87.3	73	68.5	67.3
4. % Cost Burden >30%	52.1	75.2	77.7	66.7	64.9	60.7	75.6	78.8	72.2	67.3	66
5. % Cost Burden >50%	34.1	55.8	52	51.5	46.9	32.2	59.8	63.3	57.3	44.9	46
6. Household Income >30% to <=50% MFI	18,119	20,345	4,303	15,420	58,187	50,724	21,433	6,523	10,640	89,320	147,507
7. % with any housing problems	47.1	58.2	65.9	63.6	56.8	27.5	60.9	71.3	56.4	42.1	47.9
8. % Cost Burden >30%	46.2	56.2	41.8	61.8	53.5	26.9	59.7	60.3	55.3	40.6	45.7
9. % Cost Burden >50%	12.5	7.1	4.6	13.8	10.4	10.6	28.1	20.1	29.4	17.7	14.8
10. Household Income >50 to <=80% MFI	12,524	32,092	7,694	26,187	78,497	71,150	66,990	19,488	25,705	183,333	261,830
11. % with any housing problems	25.6	15.2	35.6	19.6	20.3	14.8	36.2	43.3	40	29.2	26.5
12.% Cost Burden >30%	24.3	11.3	7	17.9	15.2	14.4	35.2	29.1	39.2	27	23.5
13. % Cost Burden >50%	5.7	0.6	0.2	1.1	1.6	4.1	7.3	4.7	9	6	4.7
14. Household Income >80% MFI	10,200	61,244	10,345	42,072	123,861	122,882	493,693	82,303	79,461	778,339	902,200
15. % with any housing problems	8.2	3.5	26.5	3.4	5.8	4.5	5.9	12.2	10.8	6.9	6.7
16.% Cost Burden >30%	6.8	0.7	0.5	1.2	1.4	4.2	5.4	5.3	10	5.7	5.1
17. % Cost Burden >50%	2.8	0.1	0.1	0.1	0.3	0.7	0.5	0.5	1.1	0.6	0.6
18. Total Households	62,322	133,053	25,428	103,302	324,105	275,965	595,757	111,609	126,608	1,109,939	1,434,044
19. % with any housing problems	38.4	25.3	42.9	28.7	30.3	17.8	12.9	23.3	25.9	16.7	19.7
20. % Cost Burden >30	37.3	22.6	18.8	26.9	26.5	17.4	12.3	14.8	25	15.3	17.8
21. % Cost Burden >50	17	9.4	7.2	12.1	11.6	7	3.6	4.2	9.9	5.2	6.7

Note: Any housing problems includes cost burden greater than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Other housing problems include overcrowding (1.01 or more persons per room) and/or without complete kitchen or plumbing facilities.

Elderly households include 1 or 2 person households, either person 62 years old or older.

Renter data does not include renters living on boats, RVs or vans. This excludes approximately 25,000 households nationwide.

Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

Source: HUD CHAS Data (http://socds.huduser.org/chas/index.htm?) Tables F5A, F5B, F5C, F5D, May 6, 2004. 11:30 AM MDT.

Exhibit IV-31.
TABLE 2A Priority Needs Summary Table, Indiana, 2000

PRIORITY HOUSING NEEDS (households)		Priority Need Level	Total households	Housing unit with any housing problems: Households	Housing unit with any housing problems: percent
Renter	Small Related (2 to 4)	0-30%	46,715	36,111	77.3%
		31-50%	41,935	25,245	60.2%
		51-80%	60,335	10,921	18.1%
	Large Related (5 or more)	0-30%	8,815	7,493	85.0%
		31-50%	9,335	6,273	67.2%
		51-80%	13,989	5,526	39.5%
	Elderly (1 & 2 members)	0-30%	38,394	20,387	53.1%
		31-50%	31,384	16,665	53.1%
		51-80%	22,710	6,836	30.1%
	All Other	0-30%	56,330	41,797	74.2%
		31-50%	40,285	27,474	68.2%
		51-80%	61,714	14,256	23.1%
	All Renters	0-30%	150,254	107,131	71.3%
		31-50%	122,939	75,730	61.6%
		51-80%	158,748	37,623	23.7%
Owner		0-30%	95,273	65,834	69.1%
		31-50%	141,201	61,564	43.6%
		51-80%	283,492	83,063	29.3%

Note: Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.
Other housing problems: overcrowding (1.01 or more persons per room) and/or without complete kitchen or plumbing facilities.
Elderly households: 1 or 2 person households, either person 62 years old or older.
Renter: Data do not include renters living on boats, RVs or vans. This excludes approximately 25,000 households nationwide.
Cost Burden: Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.
Unmet Need: The estimated number of eligible households in need of assistance for the ensuing 5-year period that are not currently receiving assistance. This number is the unmet need.
The HUD Area Median Family Income used was $50,256.

Source: 2000 Census and HUD Table's F5A, F5B, F5C, F5D.

Affordability by minimum wage. A 2005 study by the National Low-income Housing Coalition found that extremely low-income households (earning $17,392, which is 30 percent of the AMI of $57,973) in Indiana can afford a monthly rent of no more than $435, while the HUD Fair Market Rent for a two bedroom unit in the State is $622. For single earner families at the minimum wage, it would be necessary to work 92 hours a week to afford a two bedroom unit at the HUD Fair Market Rent for the State. This is an increase of 7 hours from the 2003 study of 85 hours a minimum wage worker must work.

The study analyzed the affordability of rental housing for the State overall and for the State excluding the metropolitan areas. Exhibit IV-32 reports the key findings from the 2005 study. As shown in Exhibit IV-32, in the State's non-metro areas, studio and one-bedroom apartments are relatively affordable to a family earning the median income—that is, families are not as likely to be cost burdened if they rented apartments of this size. However, families with one worker earning the minimum wage would have difficulty renting any size apartment without working more than a 40 hour week.

Exhibit IV-32.
Housing Cost Burden, Indiana Non-Metro Areas, 2005

	0 Bedrooms	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms
Percent of median family income needed	30%	33%	41%	53%	59%
Work hours/week needed at the minimum wage	59	65	81	104	116
Income needed	$15,873	$17,492	$21,705	$27,950	$30,960

Note: Family annual median income was estimated at $52,445 for non-metropolitan Indiana.

Source: National Low-income Housing Coalition, *Out of Reach, 2005*.

According to the study, Indiana's non-metro areas annual family median income increased only slightly by 7.7 percent from 2000 to 2005 and decreased slightly (0.43 percent) from 2004 to 2005. However, fair market rent for a two bedroom apartment increased by 25 percent from 2000 to 2005 and increased 1.7 percent from 2004 to 2005.

Future housing needs. As discussed previously, approximately 348,000 households (20 percent of occupied households) who own their homes and 257,000 households who are renting (38 percent of occupied households) are paying 30 percent or more of their incomes in housing costs and, as such, are cost burdened. Although cost burden can be an indicator of housing need, not all households who are cost-burdened are in need of housing. For example, younger households may choose to be cost burdened when they buy their first or second homes in anticipation of rising incomes in the future. Also, it is not uncommon for elderly households to pay a higher percentage of their incomes in housing costs, because their other expenses are lower than those of younger households.

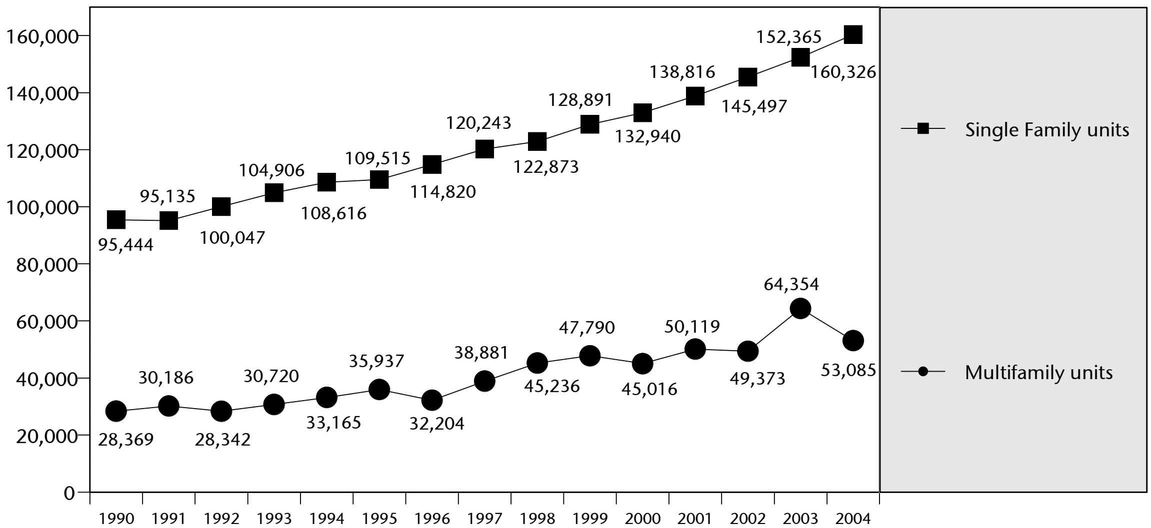
The cost burdened households with the greatest needs are generally those with the lowest incomes. The 2002 PUMS reported 152,494 cost burdened renter households and 88,402 cost burdened owner households with annual incomes less than $20,650 (50 percent of the median household income)—for a total of about 241,000—that are likely in need of affordable housing or some level of assistance with housing costs.

As shown in Exhibit IV-33, the cost of new housing in Indiana has been on an upward trend since 1990, as measured by the value of the housing constructed when units are permitted. These trends suggest that new housing is unlikely to grow more affordable in future years. However, the new housing may free up affordable housing currently occupied by households who could pay more for housing costs.

Between 1990 and 2004, the average building cost for single family units increased by approximately 68 percent; the cost of 5 of more units of multifamily housing increased by 87 percent. The average annual cost increase was 3.8 percent for single family housing and 5.3 percent for 5 or more units of multifamily housing for the same time period.

The following exhibit shows the annual average building cost for single family and 5 or more units of multifamily housing between 1990 and 2004.

Exhibit IV-33.
Average Building Cost for Single Family and Multifamily (5 or More Units) in Indiana, 1990 to 2004



Note: Permit authorized construction.

Source: U.S. Census Bureau and Indiana Business Research Center.

If the State experiences the same level of household growth between 2005 and 2009 as it has so far this decade and the distribution of housing prices remains that same as it was in 2000, (which is unlikely given recent trends—therefore this would be a best case scenario) an estimated 357,000 low-income households will be cost burdened and in need of some type of housing assistance in 2009.

Disproportionate need. The 2000 Census reports the median rent and mortgage costs as a percentage of household income by race and ethnicity. These data are useful in identifying households (by race and ethnicity) that may have a disproportionate level of affordable housing need. If households of a certain race or ethnicity are more likely to be cost burdened than others, they are likely to have greater housing needs than other households.

Exhibit IV-34 shows the median rent and housing costs for households with mortgages by race and ethnicity in 2000.

Exhibit IV-34. Median Housing Costs as a Percentage of Income, by Race and Ethnicity, 2000

Source:
U.S. Census of the Bureau, 2000.

Household Race/Ethnicity	Rent/Income	Mortgage/Income
American Indian/Alaskan Native	26.5%	21.5%
Asian	25.7%	20.9%
Black or African American	23.5%	19.1%
Native Hawaiian/Pacific Islander	26.1%	19.8%
White	23.5%	19.1%
Some Other Race	21.8%	20.4%
Two or More Races	26.7%	21.0%
Hispanic/Latino	22.1%	20.0%

The comparison of housing costs as a percent of income by race and ethnicity shows modest differences between the housing cost burden. Whites, Asians, and Hispanics/Latinos pay a lower percentage of their incomes in rents and mortgages than African Americans, American Indians/Alaskan Natives and individuals of other races. The difference is largest for renter households, particularly for African American, Native Hawaiian/Pacific Islander, and Two or More Races households.

Summary of Findings

The exhibit on the following page is a summary of key findings for Indiana as reported throughout this section. The exhibit shows findings concerning housing condition, affordability and HUD's CHAS tables. County summaries showing similar housing condition information is provided in Appendix E.

Exhibit IV-35.
Summary of Findings, Indiana

Housing Condition	Source	Households
Pct. of households overcrowded:	2002 PUMS	1.9%
Less than or equal to 30% of AMI		1.7%
31% to 50% of AMI		2.2%
51% to 80% of AMI		1.6%
81% to 100% of AMI		2.5%
Greater than 100% of AMI		1.8%
Occupied units lacking:		
Complete plumbing	2004 ACS	10,304
Complete kitchen facilities	2004 ACS	12,973
Lead-based paint risk:		
Very low income (less than 50%) and built 1939 or earlier		
Renters	2002 PUMS	53,233
Owners	2002 PUMS	77,919
Affordability		**Households**
Owners:		
Cost burdened	2004 ACS	348,274
Severely cost burdened	2004 ACS	119,361
Renters:		
Cost burdened	2004 ACS	256,617
Severely cost burdened	2004 ACS	122,358
Cost burdened households with disabled members	2002 PUMS	201,840
Households "underpaying" for housing:		
51% to 80% of AMI	2002 PUMS	111,142
81% to 100% of AMI	2002 PUMS	138,348
CHAS	**CDBG**	**HOME**
Households with housing problems:		
Elderly (1 & 2 members)	332,364	338,363
Small related (2 to 4)	728,966	729,069
Larger related (5 or more)	137,066	137,125
All other households	222,720	230,014
Total	**1,421,116**	**1,434,571**

Source: U.S. Census Bureau, HUD and BBC Research & Consulting.

PHA Survey Results

To better understand the demand for rental assistance, a mail survey of Public Housing Authorities (PHAs) in nonentitlement areas in the State was conducted as part of the 2006 Consolidated Plan Update. The survey collected information on Section 8 Housing Choice voucher usage as of February/March 2006, by individual PHA. Forty-four surveys were mailed, and 12 responses were received, for a response rate of 27 percent. This is a rather low response rate compared to previous years.

A similar survey was completed in September 2004 for the 2005 Consolidated Planning process. The September survey collected information about voucher usage during 2004. The complete conclusions from that survey can be found in the 2005-2009 Consolidated Plan. A similar survey was conducted for 2003 and conclusions from that survey can be found in the 2004 Consolidated Plan Update. The high percentage of the PHAs providing data for both 2003 (68 percent response rate) and 2004 (65 percent response rate) enables us to make meaningful comparisons about voucher usage and the demand for vouchers over this two year period.

Therefore, the majority of the survey results from the 2005 planning process were left in the following summary, with appropriate updates from the 2006 survey results included.

Voucher utilization and demand. Of the PHAs responding to the current survey, 9 (or 75 percent) administer Section 8 vouchers. The average number of vouchers administered by the 9 PHAs at the time of the survey was 103, with a low of 15 vouchers and a high of 381 vouchers. Voucher utilization was lower as of March 2006, with only 22 percent (two PHAs) having a 95 percent or higher utilization rate. Compared to 2004 and 2003, where 91 percent and 95 percent, respectively, of respondent PHAs had a 95 percent or higher voucher utilization rate.

The number of PHA survey respondents stating that their Section 8 voucher utilization rate had fallen below 95 percent during the prior year had increased to 78 percent (7 out of 9 PHAs) from the 2006 survey, compared to 55 percent in 2004 and 65 percent in 2003. The majority of lower utilization years were during the years 2005 and through February/March 2006. The primary reason(s) given for lower utilization over the last few years are, in order of frequency of response: lack of funds from HUD, low HUD-specific Fair Market Rents, military base closures in communities, and poor management of the Section 8 voucher programs. Thirty-three percent (2006 survey) and 15 percent (2005-2009 Consolidated Plan) of housing authorities reported having to return portions of voucher funding to HUD, with the primary reason provided being low utilization. According to the 2005-2009 Consolidated Plan survey, approximately $402,000 in voucher funding was returned to HUD, most of which was returned during the years 2001 and 2002.

As in the 2003 PHA survey results, the 2004 survey data indicate that long waiting lists remain typical. The *average* number of households on waiting lists is down: In 2005, the respondent housing authorities reported an average of 100 households on their waiting lists. This compares to an average of 144 reported by the PHAs in 2004 and an average of 139 reported in 2003.

The following exhibit shows the average number of households on waiting lists by PHA.

Exhibit IV-36. Average Number of Households on Waiting Lists, 2003, 2004 (through September 2004) and 2005

Source:

2004, 2005 and 2006 Indiana Consolidated Plan PHA Survey.

City	Average for 2005	Average for 2004	Average for 2003
Anonymous	260	N/A	N/A
Anonymous	40	N/A	N/A
Anonymous	100	N/A	N/A
Brazil	83	120	N/A
Elwood	N/A	150	N/A
Fulton	N/A	50	N/A
Greencastle	N/A	162	140
Greensburg	N/A	72	N/A
Kendallville	46	N/A	N/A
Knox	N/A	300	300
Linton	N/A	60	N/A
Logansport	N/A	148	177
Marion	N/A	340	N/A
New Castle	N/A	175	315
Peru	303	150	N/A
Richmond	N/A	225	200
Rockville	N/A	40	N/A
Sellersburg	15	20	31
Seymour	N/A	75	109
Sullivan	24	50	42
Tell City	30	48	25
Union City	N/A	50	50
Vincennes	N/A	275	150
Warsaw	N/A	261	N/A

Due to the low response rate of the 2006 survey the following exhibits concerning waiting lists do not include data from the 2006 survey. The PHAs were also asked to provide detailed information about the length of their waiting lists as of June 30, 2004 (in addition to an average for the year). The following exhibit reports the number of households on PHA waiting lists by size of unit needed. As shown in the exhibit, most households on waiting lists (88 percent of all households) need units with one to three bedrooms. About half of the PHAs who responded to both the 2003 and 2004 surveys had declines in their waiting lists; about half had increases.

Exhibit IV-37.
Numbers of Households on Waiting Lists as of June 30, 2004

City	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	More Than 4 Bedrooms	Total on Waiting List June 2004
Anonymous	0	94	140	94	4	2	334
Anonymous	0	63	71	47	4	1	186
Brazil	0	21	48	50	20	0	139
Elwood*							151
Fulton	0	25	25	23	6	3	82
Greensburg*							80
Linton	0	10	20	18	2	0	50
Logansport	0	65	34	27	4	0	130
Marion	0	319	397	252	55	8	1,031
New Castle	0	68	62	35	5	1	171
Peru	0	63	71	47	4	1	186
Richmond	12	47	34	112	14	6	225
Rockville	0	10	25	12	3	0	50
Sellersburg	0	5	12	5	0	0	22
Seymour	0	19	33	22	0	0	74
Sullivan	0	5	9	6	2	0	22
Tell City	0	8	15	13	9	0	45
Union City	0	44	26	30	6	0	106
Vincennes	0	125	91	51	8	0	275
Warsaw	0	110	97	44	10	0	261
Total	**12**	**1,101**	**1,210**	**888**	**156**	**22**	**3,620**
% of total	**0%**	**30%**	**33%**	**25%**	**4%**	**1%**	**100%**

Note: *The PHAs marked with an asterisk do not keep waiting lists by bedroom size.

Source: 2005 Indiana Consolidated Plan PHA Survey.

Eighty percent of PHAs indicated a wait of greater than six months for all sized units. Thirty percent of the PHAs have households on waiting lists for 12 months or longer. Exhibit IV-38 shows the time to reach the top of the waiting list by unit size by PHA. Except for Richmond, unit size does not appear to be a factor in waiting list length.

Exhibit IV-38.
Months to Reach Top of Waiting Lists, June 30, 2004

City	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	More Than 4 Bedrooms
Anonymous	0	18	18	18	18	18
Anonymous	0	12	12	12	12	12
Brazil	0	6	6	6	6	0
Elwood	0	7	7	7	7	7
Fulton	0	6 to 12	6 to 12	6 to 12	6 to 12	6 to 12
Greencastle	8	8	8	8	8	8
Greensburg	10 to 11	10 to 11	10 to 11	10 to 11	10 to 11	10 to 11
Linton	0	1 to 2	1 to 2	1 to 2	1 to 2	0
Logansport	0	12	12	12	12	0
Marion	0	24	24	24	24	24
New Castle	0	7 to 12	7 to 12	7 to 12	7 to 12	7 to 12
Peru	0	12	12	12	12	12
Richmond	3 to 6	3 to 6	6 to 12	12 to 24	12 to 24	24 to 36
Rockville	0	6	6	6	6	0
Sellersburg	0	6 to 12	6 to 12	6 to 12	0	0
Seymour	0	12	12	12	0	0
Sullivan	0	3	3	3	3	0
Tell City	0	4	8	10	3	0
Union City	0	8	8	8	8	0
Vincennes	0	6 to 12	6 to 12	6 to 12	6 to 12	0
Warsaw	0	15	18	16	15	0

Source: 2005 Indiana Consolidated Plan PHA Survey.

Household characteristics. The 2004 survey results indicate that the largest household category on waiting lists remains extremely low-income families and families with children. On average, 83 percent of households on waiting lists earn 30 percent or less of the area median income (AMI), as compared to an average of 76 percent of households in December 2003. The following exhibit shows the percent of households currently on voucher waiting lists by income category.

Exhibit IV-39.
Estimate of Number of Household Earnings, as a Percentage of Area Median Income (AMI), on Current Waiting Lists

Source:

2005 Indiana Consolidated Plan PHA Survey.

City	30% or less	31% to 50%	51% to 80%	Other
Anonymous	85%	13%	2%	0%
Brazil	95%	3%	2%	0%
Elwood	95%	5%	0%	0%
Greencastle	87%	13%	0%	0%
Knox	60%	35%	5%	0%
Logansport	87%	13%	0%	0%
Marion	66%	32%	2%	0%
New Castle	89%	10%	1%	0%
Peru	85%	13%	2%	0%
Richmond	85%	10%	5%	0%
Rockville	96%	4%	0%	0%
Sellersburg	100%	0%	0%	0%
Sullivan	99%	1%	0%	0%
Tell City	65%	3%	5%	0%
Union City	75%	25%	0%	0%
Vincennes	93%	6%	1%	0%
Warsaw	50%	48%	2%	0%
Average %, June 2004	**83%**	**14%**	**2%**	**0%**
Average %, Dec 2004	**76%**	**17%**	**5%**	**1%**

The average income for current voucher holders at the time of the September 2004 survey was $9,075 per year. The annual household income was even lower for those households on waiting lists, at $8,272 per year. These households are at the HUD defined level of extremely low-income.

The largest household group on waiting lists as of June 30, 2004 was families with children. Eighty-five percent of the PHAs reported that 60 percent or more of their waiting lists were comprised of families with children. The second largest household group on housing authority waiting lists continued to be non-elderly persons with disabilities. Two-thirds of housing authority respondents reported more than 10 percent of their waiting list households in this category.

Exhibit IV-40 shows each PHA's waiting list by household type. The Exhibit shows the average percentage in each household category for the 2004 survey.

**Exhibit IV-40.
Estimated Percentage of Households on Waiting List, by Household Type, June 30, 2004**

Source:

2005 Indiana Consolidated Plan PHA Survey.

City	Families With Children	Elderly Without Disabilities	Elderly With Disabilities	Non-elderly With Disabilities
Anonymous	80%	3%	10%	2%
Anonymous	73%	4%	3%	15%
Brazil	79%	9%	8%	4%
Elwood	78%	21%	0%	0%
Greencastle	60%	19%	3%	10%
Greensburg	70%	10%	10%	10%
Logansport	57%	2%	3%	33%
Marion	58%	4%	4%	24%
New Castle	60%	15%	14%	11%
Peru	73%	4%	3%	15%
Richmond	70%	10%	10%	10%
Rockville	78%	3%	0%	0%
Sellersburg	80%	0%	10%	10%
Seymour	30%	0%	4%	15%
Sullivan	70%	0%	0%	30%
Tell City	75%	15%	5%	5%
Union City	64%	12%	0%	24%
Vincennes	70%	4%	6%	20%
Warsaw	60%	11%	1%	5%
Average %, June 2004	**68%**	**8%**	**5%**	**13%**
Average %, Dec 2004	**66%**	**10%**	**8%**	**19%**

The survey also asked if the PHAs had ever applied for vouchers designated for persons with disabilities. Five of the PHAs said they had applied; three of the five had received funding. The PHAs that received funding for these vouchers said that the vouchers were well utilized.

Community needs. The survey also asked the PHAs what the greater need is in each PHA community—additional rental units or more tenant-based rental assistance (TBRA). Forty-six percent of the PHAs were in need of additional affordable rental units, 25 percent were in greater need of TBRA, and 29 percent of respondents needed both rental assistance and affordable rental units. The following exhibit shows these needs by PHA. Earlier in 2004, during the February/March survey, respondents were fairly evenly divided between the need for rental assistance (Section 8 vouchers) versus additional affordable housing units, with 42 percent of housing authorities having the greatest need for additional voucher funding, and 47 percent needing additional units.

Exhibit IV-41.
Greater Need for TBRA or Affordable Units

Note:
The Housing Authorities with the asterisk (*) indicates the results are from the 2006 Indiana Consolidated Plan PHA Survey.

Source:
2005 and 2006 Indiana Consolidated Plan PHA Survey.

City	Greater Need for Tenant Based Rental Assistance	Greater Need For Affordable Units	Both
Anonymous*			X
Anonymous*		X	
Anonymous*			X
Angola		X	
Brazil*			X
Elwood		X	
Fulton		X	
Greendale*		X	
Greensburg		X	
Kendallville*	X		
Knox		X	
Logansport	X		
Marion	X		
New Castle		X	
Peru*	X		
Richmond		X	
Rockville			X
Sellersburg*	X		
Seymour		X	
Sullivan*		X	
Tell City*			X
Union City	X		
Vincennes			X
Warsaw			X

Housing Authority respondents most frequently cited families, particularly large families, as having more difficulty finding units that accept vouchers. In addition, respondent PHAs said that disabled accessible units are also difficult to find. Exhibit IV-42 shows the location and the type of household having difficulty finding a unit with a voucher.

Exhibit IV-42. Types of Households Having Particular Difficulty Finding Units That Accept Vouchers

Note:

The Housing Authorities with the asterisk (*) indicates the results are from the 2006 Indiana Consolidated Plan PHA Survey.

Source:

2005 and 2006 Indiana Consolidated plan PHA Survey.

City	Type of Household
Anonymous*	Credit issues can be problem. Also, persons with disabilities and/or elderly frequently have difficulty finding units.
Anonymous*	People w/ pets; extremely low income people unable to pay security deposit and/or utility deposit
Anonymous*	Any disability
Brazil	Large families needing 3 to 4 bedroom units
Greencastle	Large families, households with bad credit and poor rental histories
Greensburg	Households living off SSI, disability income, TANF, other governmental assistance, and child support
Logansport	Large families and the disabled
Marion	Families with children and the disabled
New Castle	Disabled requiring wheelchair accessible units
Richmond	Families with children
Seymour	Large households
Warsaw	Large families and households with zero income

Accessible units available. Most PHAs that administer accessible public housing units were administering one and two bedroom units. According to the 2005 survey, the total number of PHA administered units was 716, with 68 percent of those being one bedroom units, and 18 percent being two bedroom units. The 716 units are much smaller than the number of accessible units reported in the 2003 survey of 1,764. The following exhibit shows the number of accessible public housing units administered by size of unit for each responding location.

Exhibit IV-43.
Number of Accessible Public Housing Units Administered, by Size

City	Studio/ Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	More Than 4 Bedrooms	Total
Anonymous*	73	113	75	76	28	4	365
Anonymous*	60	55	21	28	5	1	169
Anonymous*		131	36	23	0	0	190
Angola	0	3	2	2	0		7
Brazil*	0	6	2	0	0	0	8
Fremont	0	0	0	0	0	0	0
Greendale*	0	42	8	0	0	0	50
Huntingburg*	0	3	0	0	0	0	3
Kendallville*	0	6	0	0	0	0	6
Knox	27	28	15	4	0	0	74
Linton	0	0	41	9	0	0	50
Marion	0	12	0	3	0	0	15
New Castle	0	10	6	0	0	0	16
Peru*	0	10	0	0	0	0	10
Richmond	2	8	2	0	0	0	12
Sullivan*	0	206	18	24	7	0	255
Tell City*	0	138	41	18	2	0	199
Vincennes	0	2	2	0	0	0	4

Note: The Housing Authorities with the asterisk (*) indicates the results are from the 2006 Indiana Consolidated Plan PHA Survey.
Source: 2005 and 2006 Indiana Consolidated Plan PHA Survey.

State voucher data. In addition to the surveys from the PHAs in nonentitlement areas, the Family and Social Services Administration (FSSA) administers vouchers for the balance of the state. As of April 30, 2006, FSSA administers 3,929 vouchers. The waiting list for State-administered vouchers was 5,020 households.

In 2005, a completed survey was received from the State for the vouchers administered statewide, by FSSA. As of June 30, 2004, FSSA administered 4,057 vouchers. The waiting list for State-administered vouchers was 6,728 households, with the majority of households waiting for one to three bedroom units. It takes households between 16 and 20 months to reach the top of the State's waiting list, depending on bedroom size.

The vast majority of the households on the State's waiting list—91 percent—earn less than 30 percent of the AMI. Most households on the waiting list are families with children (64 percent) or non-elderly persons with disabilities (46 percent). Nine percent of the waiting list is made up of elderly without disabilities; 5 percent is made up of elderly with disabilities.

The State reported that it does not provide funds for adaptive modifications of Section 8 funded units through its Section 8 voucher program. The State has applied for and received funding for vouchers designated for persons with disabilities; these vouchers are well utilized.

2006 Indiana Consolidated Plan PHA Survey

The State of Indiana Office of Rural Affairs and the Indiana Housing & Community Development Authority are currently preparing the first update to the State's Five Year Consolidated Plan for the U.S. Department of Housing and Urban Development. This plan will include a housing market analysis, which will examine the need for affordable rental units and vouchers in the State. To aid in this effort, please fill out this brief survey and return by March 1, 2006. We appreciate your assistance.

1. As of January 1, 2006, how many Housing Choice vouchers did your Housing Authority administer? ______

2. As of January 1, 2006, what was the utilization rate of your Housing Choice vouchers? ______

3. As of January 1, 2006, how many households were on your waiting list for Housing Choice vouchers by unit size? On average, how long does it take a household to reach the top of the waiting list? Please complete the chart below:

Unit Size	Length of Waiting List (Number of Households)	Time to Reach Top of Waiting List (months)
Studio/Efficiency		
1 bedroom		
2 bedroom		
3 bedroom		
4 bedroom		
More than 4 bedrooms		

4. So far in 2006, what is the average number of households on your waiting list for Housing Choice vouchers? ______

5. Has your Housing Authority's Housing Choice voucher utilization rate ever fallen below 95 percent?

ρ Yes ρ No

5a. If so, during what year? ______

5b. If so, what was the primary reason for the low utilization rate? ________________________

____

6. Has your Housing Authority ever had to return part of its voucher funding to HUD because of low utilization?

6b. If yes, how much funding was recaptured (by year)? ________________________________

6c. If yes, please explain the reason for the recapture. ________________________________

____

7a. By percent, roughly how many households on your current waiting list for vouchers earn 30 percent of median income or less, between 31 and 50 percent of median income, and between 51 and 80 percent of median income?

Earn 30 percent of area median income (AMI) or less	________%
Earn between 31 and 50 percent of AMI	________%
Earn between 51 and 80 percent of AMI	________%
Other (specify)	________%
Total	**100%**

7b. What is the average household income of your voucher holders? $__________________; of households on your waiting list? $_____________________ (please estimate if not known)

8. By percent, roughly how many households on your waiting list for vouchers are families with children, elderly or people with disabilities?

Families with children	_______% of total households
Elderly (without disabilities)	_______% of total households
Elderly (with disabilities)	_______% of total households
Non-elderly with disabilities	_______% of total households

9. What is the greater need in your community—tenant based rental assistance (e.g., rental vouchers) or additional affordable rental units? Please explain. ______________________

____

____

2006 Indiana Consolidated Plan PHA Survey

10. How easy is it for the average applicant to find a unit in your community that accepts vouchers?

ρ Very easy ρ Difficult

ρ Easy ρ Very Difficult

11. Is it particularly difficult for individuals or households with certain characteristics to find a unit that accepts vouchers? If so, please list those characteristics. ____________________

____

____

12. How many accessible public housing units does your Housing Authority administer, by bedroom size?

Number of Bedrooms	Number of Accessible Units
Studio/Efficiency	
1 bedroom	
2 bedroom	
3 bedroom	
4 bedroom	
More than 4 bedrooms	

13. Does your Housing Authority provide funds for adaptive modifications of Section 8 funded units in the Housing Choice Voucher program?

ρ Yes ρ No

14. Has your Housing Authority ever applied for vouchers designated for persons for disabilities?

ρ Yes ρ No

14a. If yes, were these vouchers well utilized? Why or why not? __________________________

____

____

15. Do you permit applicants to reject public housing units and remain on your waiting lists?

ρ Yes ρ No

16. Do you have a policy of evicting tenants the first time they violate resident rules?

ρ Yes ρ No

17 Is there anything else you would like to add about your clients' needs?

____

____

____

Contact Information (Optional)

PHA Name: ____
Address: ____
____
Contact Person: ____
Phone/e-mail: ____

Would you like to receive a copy of the State Consolidated Plan Executive Summary?

ρ Yes ρ No

Would you like to receive information about the State Consolidated Planning process?

ρ Yes ρ No

For Further Questions and Information, Please Contact:

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Thank You for Your Assistance!