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# City of Indianapolis

*Analysis of Impediments to Fair Housing Choice – Draft*

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## I: Introduction

Famous for the Indianapolis 500 race, the City of Indianapolis is the twelfth largest city in the United States, located in Central Indiana. Indianapolis is the Capital of the State of Indiana and touts itself as one of the most livable cities in the country. Like much of the country, the City experienced high foreclosure rates during the housing market downturn in 2008. With a vibrant downtown and family-friendly amenities, the housing market and the community at-large has been able to recover gradually since that time.

Building on the recovery, the City of Indianapolis is in the middle of creating Plan 2020, a large effort to reexamine all formal plans for the City of Indianapolis, including Land Use Plans, Comprehensive Plans, Transportation Plans and the Consolidated Plan. Plan 2020 is a celebration of the bicentennial of the City of Indianapolis and planning for its future. Indianapolis was built on a legacy of visionary planning. From the original “Mile Square” plan on which the city was founded, to the “Parks and Boulevards” system plan of George Kessler, and the “Amateur Sports Capital of the World” strategy that culminated in Indianapolis hosting the 2012 Super Bowl. Indy has always been crafted by intent. Plan 2020 will be a true coordinated and complementary effort to mesh all planning elements used by all departments within the City of Indianapolis, including the Division of Community Development that receives HUD funding.

The City of Indianapolis receives funding from HUD for the development and continuation of affordable housing. Annually, the City of Indianapolis receives approximately 13.3 million dollars to help with this effort. The Consolidated Plan is a five-year plan that sets goals and strategies for using those funds to help with affordable housing and community development efforts. From 2015 until 2019, the City of Indianapolis expects to receive 66 million dollars to invest in the community from HUD.

As part of this funding, the federal government mandates a review of impediments to fair housing choice in the private and public sectors. This is the *Analysis of Impediments to Fair Housing Choice* (AI) for the City of Indianapolis. It is a new document, examining the housing choices for residents living in the City of Indianapolis. The last AI was published in 2010. This document serves to both fulfill the requirements set by the U.S. Department of Housing and Urban Development (HUD) and steer the City of Indianapolis as it develops multiple plans for future development.

Federal regulations do not require a formal approval of this document by HUD to be compliant; however, the document must include:

- A review of the City of Indianapolis’ laws, regulations, administrative policies and planning;
- An analysis of how those laws affect the placement and development of housing;
- An assessment of public and private sector circumstances affecting housing choice.

According to HUD, impediments to fair housing choice are:

- Any actions, omissions or decisions taken because of race, color, religion, sex, disability, familial status or national origin that restrict housing choices or the availability of housing choices;
- Any actions, omissions or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

Race, color, religion, sex, disability, familial status and national origin are defined by HUD as protected classes. The city of Indianapolis, utilizing funding from the Community Development Block Grant, has hired City Consultants and Research, LLC to prepare this report on their behalf.

### *History of the Fair Housing Act*

The Fair Housing Act, passed by the U.S. Congress in 1968, is an extension of the Civil Rights movement to protect certain classes of people from discrimination when trying to locate housing. The U.S. Department of Housing and Urban Development, through its Office of Fair Housing and Equal Opportunity, enforces the Act to prevent discrimination and intimidation of people in their homes, apartments and condominium complexes and in nearly all housing transactions related to the rental or sale of housing and provision of mortgage financing. The Act only exempts owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a real estate agent or broker and housing operated by organizations and private clubs that limit occupancy to members (US Department of Housing and Urban Development). The protected classes in the Act include race, color, religion sex, disability, familial status and national origin. Income level is not a protected class in the Act, however, many of the protected classes do have a higher ratio of people with lower incomes, so this document will examine the location of households based on income, as well as the protected classes.

The act prevents the following activities based on race, color, religion, sex, disability, familial status or national origin:

- Refusal to rent or sell a property;
- Refusal to negotiate on housing;
- Refusal to make housing available;
- Denial of housing;
- Setting different terms, provisions or conditions for the sale or rental of the housing;
- Providing different housing services or facilities;
- Persuading a person to sell their home or rent their home by suggesting a certain race has moved into the community;

- Denial of a person access to membership or participation in an organization, facility or service on the basis or related to the sale or rental of housing;
- Refusal to provide a mortgage;
- Refusal to provide information on mortgages;
- Imposing different terms for mortgages;
- Appraising property differently;
- Refusal to purchase a loan or mortgage;
- Intimidation or interference with anyone exercising fair housing or assisting others with fair housing;
- Refusal to provide homeowners insurance;
- Providing different insurance rates or terms related to insurance;
- Refusal to provide all terms of homeowners insurance or all information regarding available insurance;
- Making or printing any information regarding the sale or rental of housing, including mortgage and insurance information that indicates a preference or limitation to one of the protected classes.

### *State of Indiana Fair Housing Acts*

The primary enforcement agency for the State of Indiana is the Indiana Civil Rights Commission. The agency was established in 1961 as the Indiana Fair Employment Practices Commission. The agency lacked ability to enforce decisions or laws and had a limited scope. In 1963, the scope expanded to include civil rights and renamed the Indiana Civil Rights Commission (ICRC). The agency's ability to enforce laws, prosecute and make administrative decisions expanded at that time. The ICRC further expanded its jurisdiction in 1965 to include Housing.

In 1991, the State of Indiana General Assembly passed the Indiana Fair Housing Act. Enacting the Indiana Fair Housing Act and promulgating rules and regulations were part of a process that allowed the agency to be certified as a substantially equivalent fair housing enforcement agency with the U.S. Department of Housing and Urban Development (HUD). The Indiana Fair Housing law prohibits activities like blockbusting and discriminatory advertising, which have the effect of making it harder for a person to live in a neighborhood or individual housing unit of their choice.

The ICRC recently issued its 2015-2018 Strategic Plan. One of the primary focuses will be to affirmatively further fair housing by:

1. To effectively educate Hoosiers on civil rights issues;
2. To provide efficient services to Indiana residents; and
3. To better understand civil rights issues Statewide.

The three strategic objectives each have a number of performance measures detailing outcomes to be achieved during the four-year period the plan is in effect. The different outcomes are designed to measure the Commission's progress in carrying out its mission in a time of static resources and an increasing need for services.

### *City of Indianapolis Fair Housing Ordinance*

The City of Indianapolis, Revised Code 581.101 section (b) (8) states the City of Indianapolis shall set policies "to provide all citizens of the city and county equal opportunity for acquisition through purchase or rental of real property including, but not limited to, housing without regard to race, religion, color, disability, sex, sexual orientation, gender identity, familial status, national origin, ancestry, age or United States military service veteran status."

Section 102 goes further to define the types of housing discrimination, including preventing the leasing or selling of a property based any of the above protected classes, preventing reasonable accommodations and the prohibition of discriminatory advertising.

Although the local ordinance lists more protected classes, the punishments for discrimination are not equivalent to that of the federal housing act.

In June of 2014, Councilor Robinson proposed an amendment to Revised Code 581 to add source of income as one of the protected classes under the local ordinance. At the time of this document's publication, the City-County Council had not approved the amendment.

The Office of Equal Opportunity is located within the Office of Corporation Council to investigate all claims filed within its office. The local office only investigates discrimination that has taken place within Marion County/Indianapolis territory. Any complaints outside that area are referred to the Indiana Civil Rights Commission or the U.S. Equal Employment Opportunity office.

### *Research Methodology*

City Consultants and Research, LLC (CCR) drafted the *Analysis of Impediments to Fair Housing Choice* on behalf of the city of Indianapolis. CCR utilized the guidance in the *Fair Housing Planning Guide, Volume 1* to prepare this document. Our scope of work included:

1. **Project Initiation:** This included a meeting with city of Indianapolis staff to begin the project. Meeting topics included communicating important stakeholders' contact information for consultation interviews, the review of previous actions taken and collected other relevant data.
2. **Community Data Review:** CCR conducted a community profile review using 2010 U.S. Census information, the 2012 American Community Survey, data from the U.S. Bureau of Labor Statistics and the Indiana Business Research Center. Information was broken down into demographic information, income information and household type.
3. **Housing Profile:** CCR conducted a review of the housing market of the city of Indianapolis. Information and data were collected from the 2010 U.S. Census, the 2012 American Community Survey, data from the National Low Income Housing Coalition and U.S. Department of Housing and Urban Development CHAS data sets, 2007-2011. CCR also examined reports analyzing Home Mortgage Disclosure Act (HMDA) data and foreclosure information to determine if any racial disparities occurred.
4. **Compliance Profile:** CCR examined legal documents such as zoning regulations, zoning variance procedures, fair housing education programs and reporting to determine if any legal structures exist that prohibit fair housing choice.
5. **Survey and Community Input:** The Department of Metropolitan Development initiated a survey as part of Plan 2020. The survey, presented to the Marion County jury pool and electronically, collecting input from a cross section of Marion County residents. The survey was a part of the 2014 -2018 Consolidated Plan public input process. City staff surveyed the general public on fair housing issues, such as reporting and personal experience. CCR also conducted face-to-face interviews of stakeholders to determine the housing issues with greatest need as it pertains to fair housing choice. The survey is included in Appendix C.

6. Self-Evaluation and Identification of Impediments: CCR reviewed all sections of the analysis to identify any impediments to fair housing choice. CCR also evaluated the progress made by the City of Indianapolis to address impediments identified in the previous AI reports.
7. Strategic Plan: CCR worked with the City of Indianapolis to develop a strategic plan for addressing fair housing choice as part of the Consolidated Planning process. CCR worked to develop goals that would be realistic and achievable, based on the progress made from previous AI documents.

### *Report Organization*

The remainder of this document is organized into six sections and three appendices.

II: Community Profile

III: Housing Profile

IV: Land Use Profile

V: Compliance Data

VI: Mail Survey and Community Input

VII: Fair Housing Impediments, Recommendations and Action Plan

Appendix A: Survey Instruments and Public Presentations

Appendix B: Stakeholder Interviews

Appendix C: Bibliography

### *Acknowledgements*

City Consultants and Research, LLC would like to thank the many people who helped complete this document. Amy Nelson with the Fair Housing Center of Central Indiana for information about fair housing testing in Marion County. Nicole Britt with Indianapolis Housing Agency provided statistics on public housing clients. Melissa Madill and Amber O’Haver with AccessAbility and Deborah MCarty with Back Home in Indiana Alliance provided a picture of what a person with disabilities will face living in Indianapolis. A complete list of the key personnel interviewed for this document are listed within Appendix B, many of which helped with research and identified useful reports on fair housing issues.

## II: Community Profile

This section of the AI analyzes the demographic makeup of Marion County and illustrates the socioeconomic geography to create a background for analysis of the housing and lending profiles that follow in this report.

### *Population, Demographics and Geography*

According to the 2012 *American Community Survey* estimates, Marion County was home to 918,887 individuals. That is an increase of 15,494 individuals from the decennial census in April 2010 listed the population at 903,393 individuals. That is an increase of 1.7 percent over two years. The 2000 Census listed the population at 860,454. Growth over the past 12 years continued and increased the population by 6.8 percent.

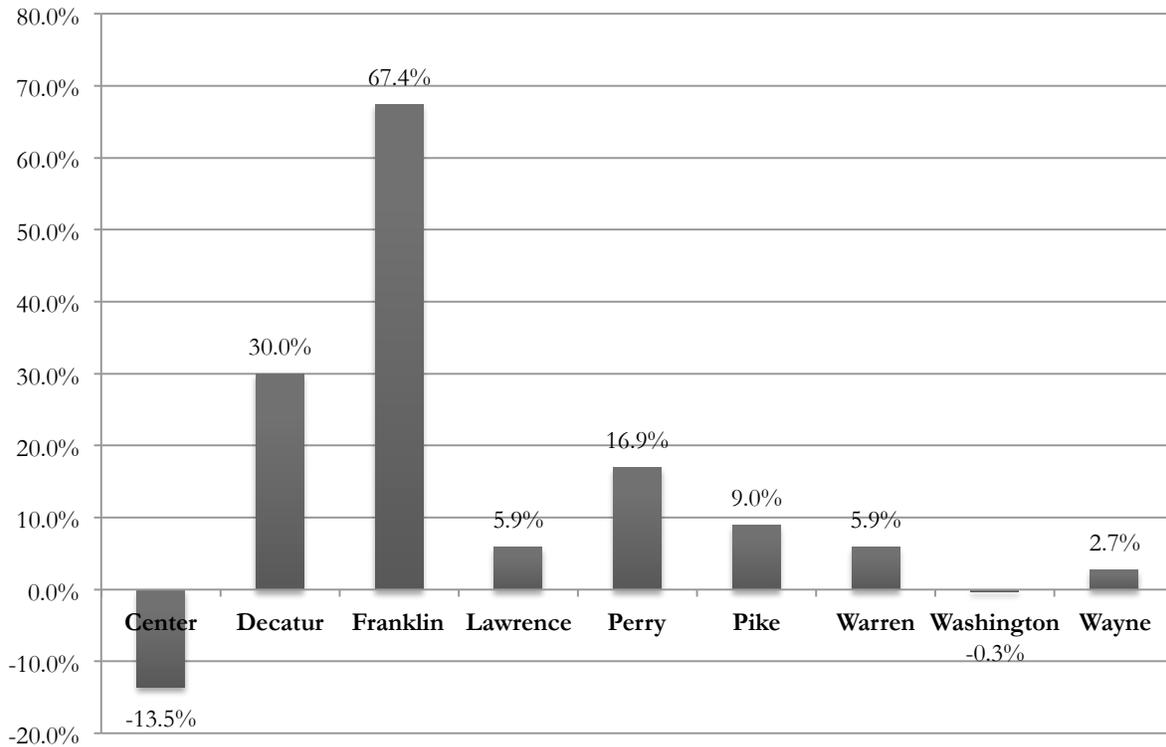
The 2012 *American Community Survey* data places the number of households in Marion County at 363,157. The five-year estimates from the *American Community Survey* from 2007 to 2011 list the total households at 357,585. Depending on the level of detail, some estimates are not available in the one-year ACS numbers. When analyzing data in this study, the most recent data will be used unless it is not available at the geographic level required.

Marion County is comprised of 9 townships, which include: (1) Pike, (2) Washington, (3) Lawrence, (4) Wayne, (5) Center, (6) Warren, (7) Decatur, (8) Perry and (9) Franklin, see Figure 1. These townships are divided further into “tracts” for the purpose of Census reporting. The *Analysis of Impediments to Fair Housing* report created for the city of Indianapolis in July 2004 provides for a complete demographic analysis of the 2000 Census report, including information on race, ethnicity, gender, income, etc. by township. Basic total population information, by township, is available from interim reporting sources, such as the ACS and the IBRC. However, the best estimated information available in 2008 does not allow for this detailed of a demographic analysis at the township/tract level.



Figure 1 - Map of Marion County and Nine Townships

Figure 2 shows the percent population change by township from 2000 to 2012. These growth/decline numbers are based on estimates from the 2000 Decennial Census and the 2008-2012 American Community Survey. The southern townships with the most land available for new development experienced the largest amount of growth during the past 8-12 years. Both Center Township and Washington Township experienced negative growth.



**Figure 2 - Percentage Growth by Township**

Despite the decline in population, Center Township still accounts for most of the Marion County/Indianapolis population. Conversely, Decatur and Franklin Townships had the largest growth over the past decade and still account for the smallest portions of the Marion County/Indianapolis population. Figure 3 illustrates the percentage of Marion County total population contained in each township, according to the most current information available from the 2008-2012 *American Community Survey Estimates*.

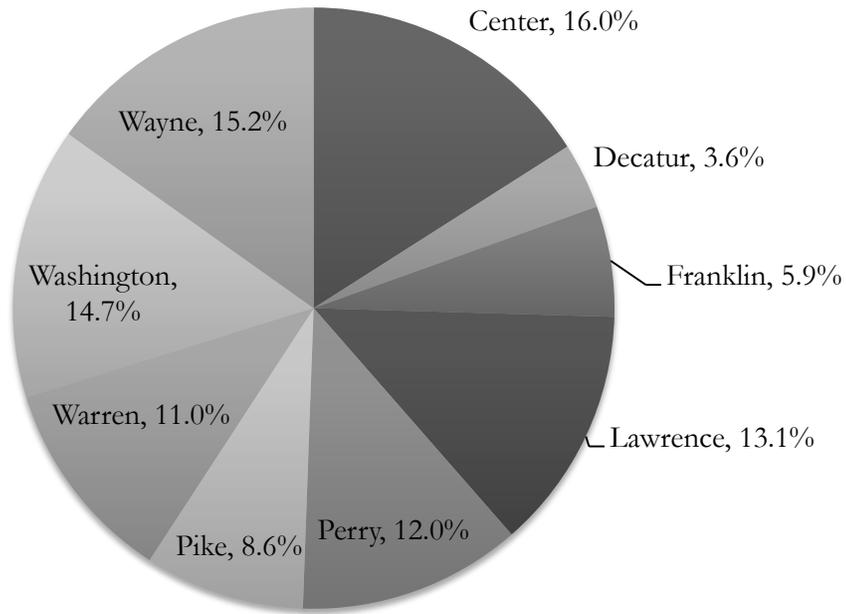
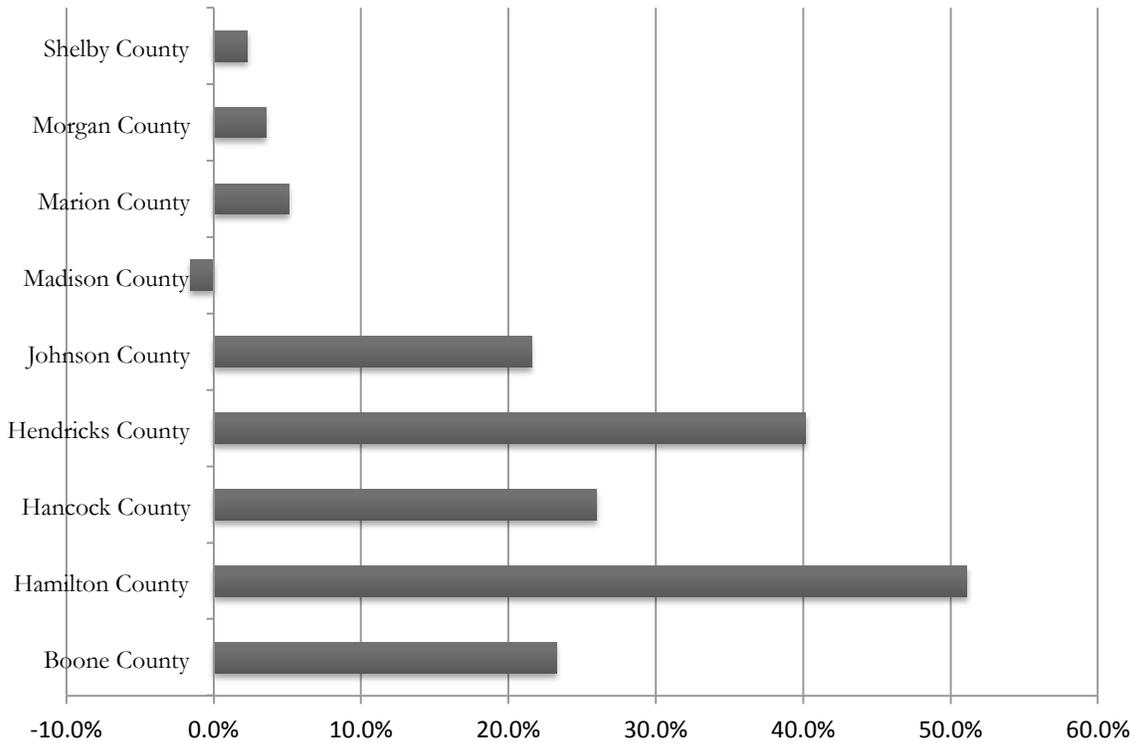


Figure 3 - Percentage of Indianapolis Population by Township

A May 2014 article in the Indianapolis Business Journal sites the desire to live in an urban core for the growth in population in Indianapolis. “Marion County had the largest population rise in 2013 in terms of pure number, with an increase of 9,394 residents. It was Marion County’s largest one-year increase since 1992 and more than twice the county’s average annual increase between 2000 and 2010.” The fact that Center Township has the largest population would support this statement, except that Center Township is still losing population at a higher rate than other townships.

Table 1 - Population by Township

	Center	Decatur	Franklin	Lawrence	Perry	Pike	Warren	Washington	Wayne
2008-2012 ACS	144,478	32,142	53,692	118,560	108,564	77,910	99,502	132,579	137,108
2000	167,055	24,726	32,080	111,961	92,838	71,465	93,941	132,927	133,461



**Figure 4 - Population Growth by County - Central Indiana**

The Marion County population increased nearly just over 5 percent according to Savi.org<sup>1</sup> from 2000 to 2012. An important part of the total consideration of growth in Marion County and its townships is the rate of growth of the surrounding counties. As Figure 4 shows, the population is growing in all of these counties but Madison County. By far the largest population increase has been seen in Hamilton County, directly north of Marion County and downtown Indianapolis. See Figure 5 for a map of the entire metropolitan area. Hamilton County has grown by over 50 percent from 2000 – 2012. Other counties leading in population growth include Hendricks (40 percent), Hancock (26 percent), Boone (23 percent), and Johnson (21 percent). The remaining surrounding counties are experiencing a smaller percentage of population growth.

Surrounding counties with the largest percent of population growth are not geographically proximate to the townships with the largest percentage of population growth. It is likely the case that in the townships experiencing lower growth rates, the population is bypassing the township for residences in the county they border. This is most likely the situation with the large growth rate in

<sup>11</sup> SAVI is a free resource to help you make data-informed decisions. It provides data about Central Indiana communities, tools to analyze and visualize the data, and training to build your capacity to use it effectively.

Hamilton County and a decline in population in Washington Township. Similar connections can be seen when the township population growth data is compared to the county population growth data.



Figure 5 - Map of Marion and Surrounding Counties, Indiana

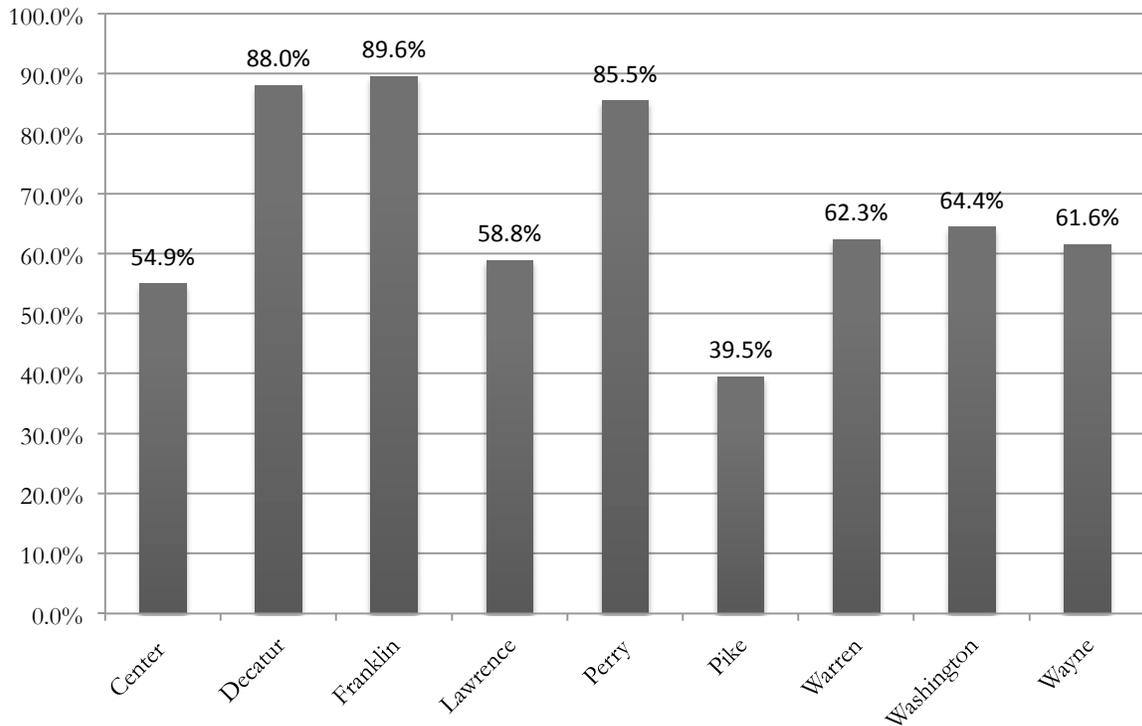
## *Race and Ethnicity*

A key factor to analyzing the existing impediments to fair housing within a given area is the examination of distribution of racial and ethnic minorities across the region. In some cases, minority concentrations are a reflection of preferences, meaning that minorities may choose to live in certain areas because of access to the types of grocery stores, restaurants, etc. that cater to them. However, in other cases, minority populations are intentionally discouraged from living in certain areas. Housing prices can also affect the decision of some minorities when choosing where to live. Housing affordability and the dispersion of affordable units is discussed in the Housing Profile section of this document.

From the *2012 American Community Survey*, the basic racial makeup of Marion County is 64.2 percent White, 26.5 percent African American and 9.3 percent other racial minorities, which is comprised of the typical racial/ethnic categories found in the census. These categories include: (1) American Indian and Alaska Native, (2) Asian, (3) Native Hawaiian and Other Pacific Islander, and (4) Other. Slightly over 4 percent of the total population in Indianapolis listed themselves as “some other race.”

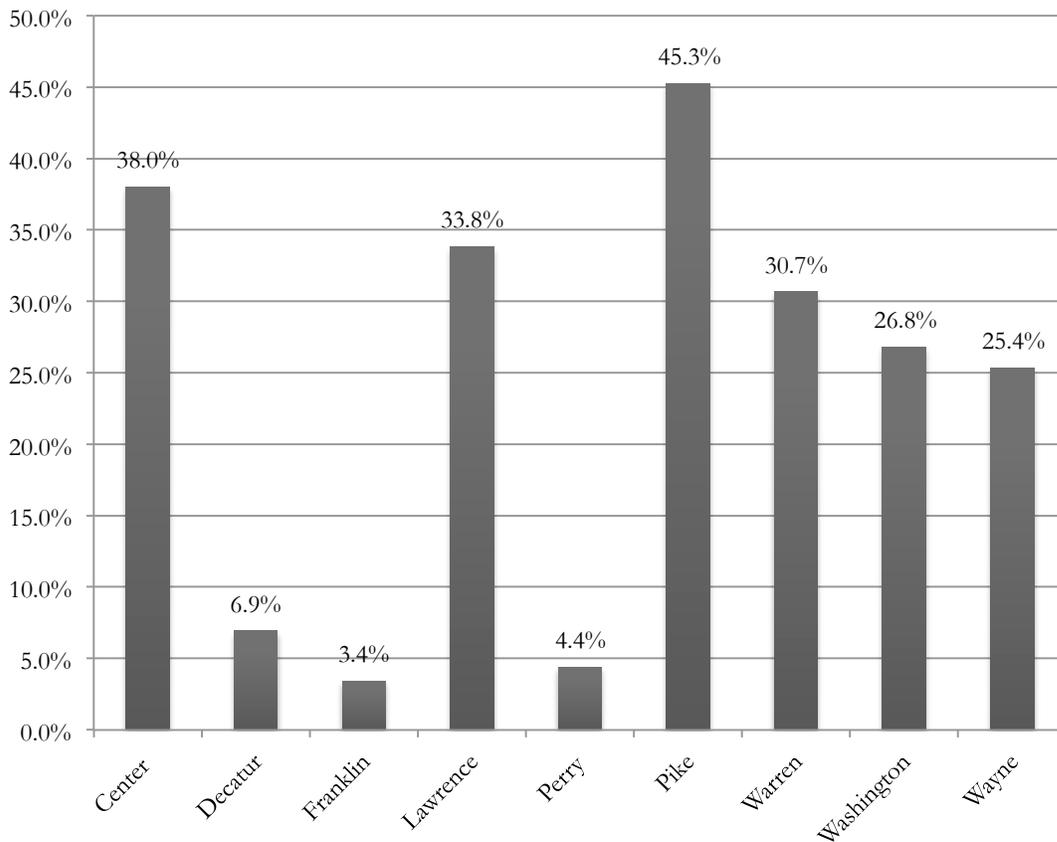
It is important to note that race information did not provide information about the percentage of the total population that classify themselves as Hispanic or Latino. Individuals from this ethnic background were not likely to identify as any of the available racial categories tracked in the Census. They may select “Other” and they may not. To ascertain the percentage of the population that is Hispanic or Latino, a separate 2010 Census question was created. 9.2 percent of the Indianapolis population identified themselves as Hispanic or Latino. This is the largest jump in the population for Indianapolis since the 2000 Census, which showed 3.9 percent of the population identifying themselves as Hispanic or Latino.

Figure 6 shows the percentage of the population in each township that identifies themselves as White, according to the 2012 American Community Survey.



**Figure 6 - Percent of Township Identifying Themselves as White**

The chart reflects that White residents are the majority of the population in eight of the nine townships. The townships with the largest concentration of Whites are Decatur, Perry and Franklin. Over 80 percent of the population is White in these townships, although that is down from 2000 when the White populations were over 90 percent of the total population in these townships. Pike Township is the only township where those identifying themselves as White is the minority. Figure 7 shows the percent of the population in each township identifying them as African American.



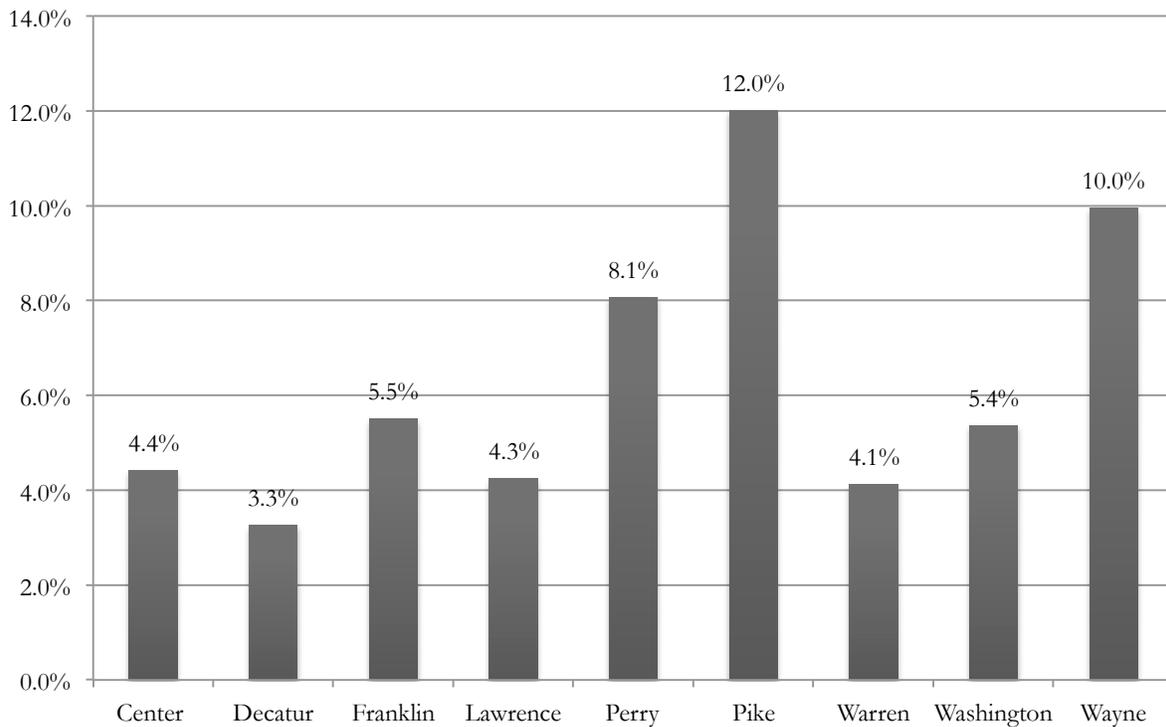
**Figure 7 - Percent of Township Identifying Themselves as Black or African American**

Pike Township has the greatest percentage of its population identifying themselves as African American, 45.3 percent. This is a change from the 2000 Census when Center Township had the largest percent identifying themselves as African American. In Decatur, Perry, and Franklin Townships, where the White population is high, the percentage of the total population that is African American does not exceed 7 percent. This is a marked increase from 2000 when the percentage of African Americans in those townships did not exceed 2 percent.

The ratio of White to African American residents in Center Township is the most balanced of the townships, with 52 and 41 percent of the total township population. The ratio of White to African American residents is most unequal in Decatur, Perry, and Franklin Townships.

Other Racial Minorities is calculated together using the individual 2012 American Community Survey data from the following racial categories: (1) American Indian and Alaska Native, (2) Asian, (3) Native Hawaiian and Other Pacific Islander, and (4) Some Other Race. Pike Township is the

most racially diverse when the data is considered from the perspective of the aforementioned categories combined. 12 percent of the total township population is one of the other racial minorities. This has remained unchanged since the 2000 Census. When this number is combined with the 45 percent of the township that is African American, it shows that minority races are the majority of the population in Pike Township. Wayne Township has the next highest percentage of persons identifying themselves as a race other than White or African American. In fact, 8.4 percent of the population in Wayne Township identify themselves as “some other race.” Figure 8 shows the percentage of each township’s population identifying themselves as one of the other racial minorities.



**Figure 8 - Percent of Township Identifying Themselves as Race Other Than White or Black/African American**

Figure 9 shows the population density of White residents in Marion County by census tract according to the CPD maps, a HUD website. The majority of the census tracts with the lowest concentration of White residents (under 16 percent) are found in the northern part of Center Township and the southernmost part of Washington Township. There are also pockets of census tracts with less than 16 percent White residents in central and southeastern Lawrence Township, in western Washington Township at the Pike Township line, in southern Wayne Township and in parts of Pike Township. The highest concentration of White residents by census tracts is in, as confirmed by the previous data, Decatur, Perry, and Franklin Townships to the south. The pockets of census tracts with the highest percentage of White residents are also found the center of Washington Township to the north of the City.

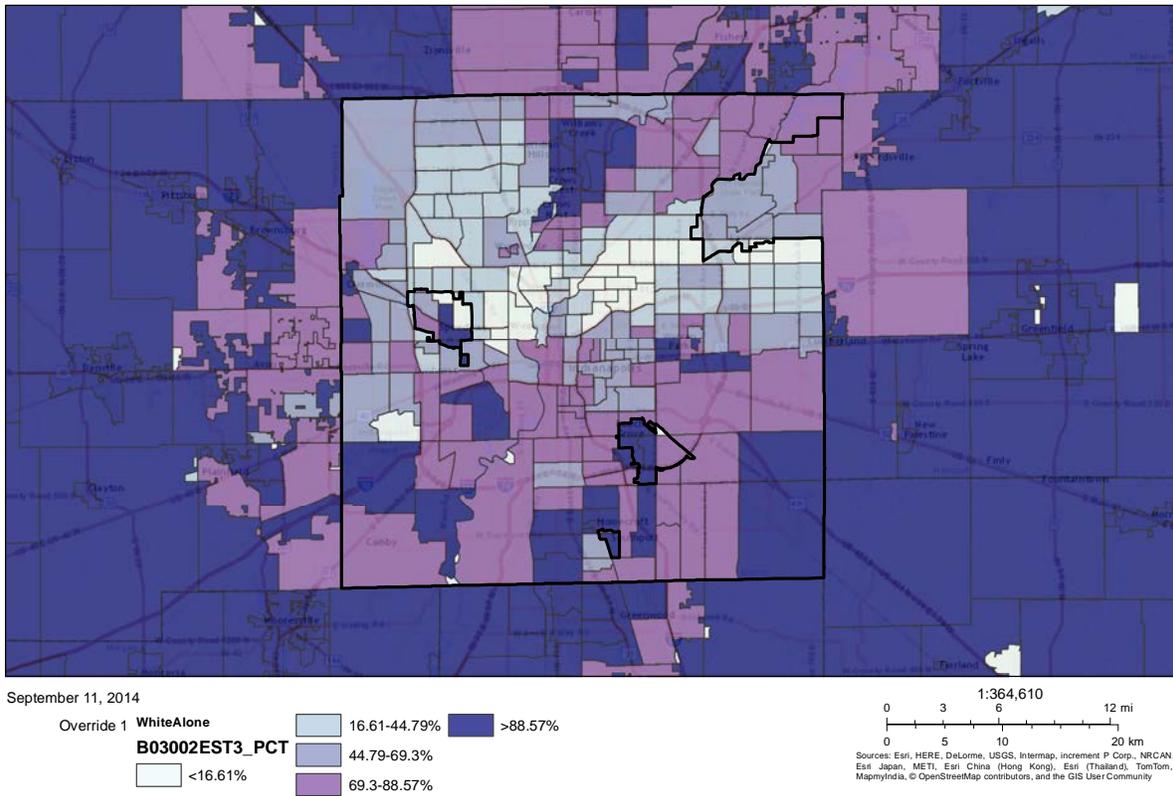


Figure 9 - Percentage of Population Identifying Themselves as White by Census Tract

Figure 10 shows the population density of African American residents in Marion County by census tract using a HUD mapping tool. The majority of the census tracts with the highest concentration of African American residents are located southeastern in the center of the City, including southeast Pike Township, northern Center Township and southwest Lawrence Township. The lowest concentration of African Americans includes primarily to the southern parts of the City, including Decatur Township, Perry Township and Franklin Township. The majority of the census tracts in Wayne, Warren and Washington Townships are also in this range. A large portion of the census tracts in southern Center Township and central and northeastern Lawrence Township are also in this range. Pockets of census tracts with African American populations in this range can be found in northern and southwestern Pike Township.

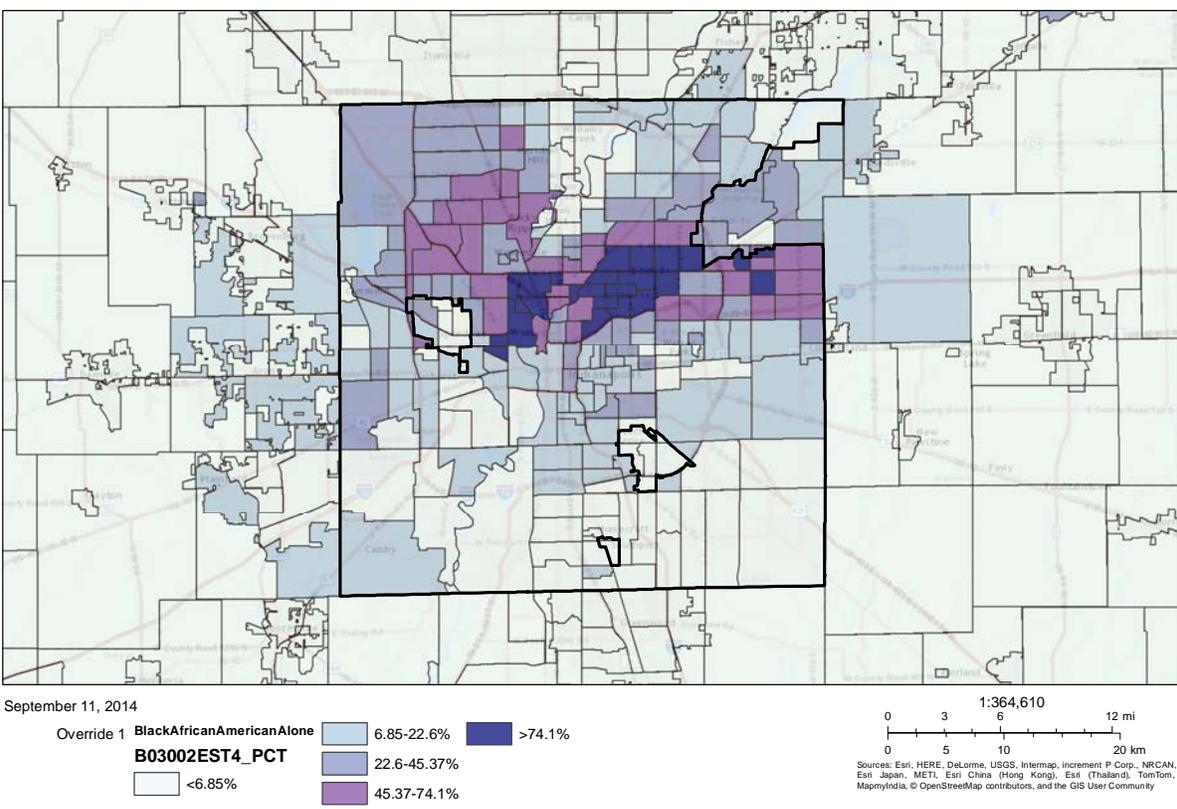
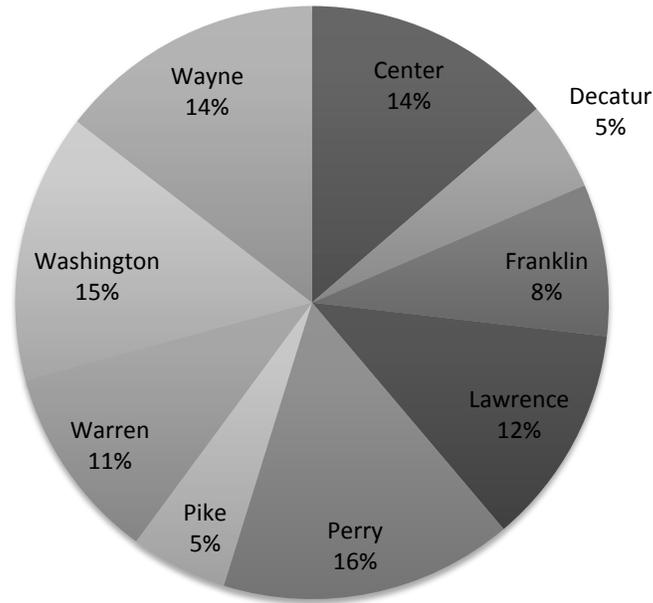


Figure 10 - Percent of Population Identifying Themselves as African American by Census Tract.

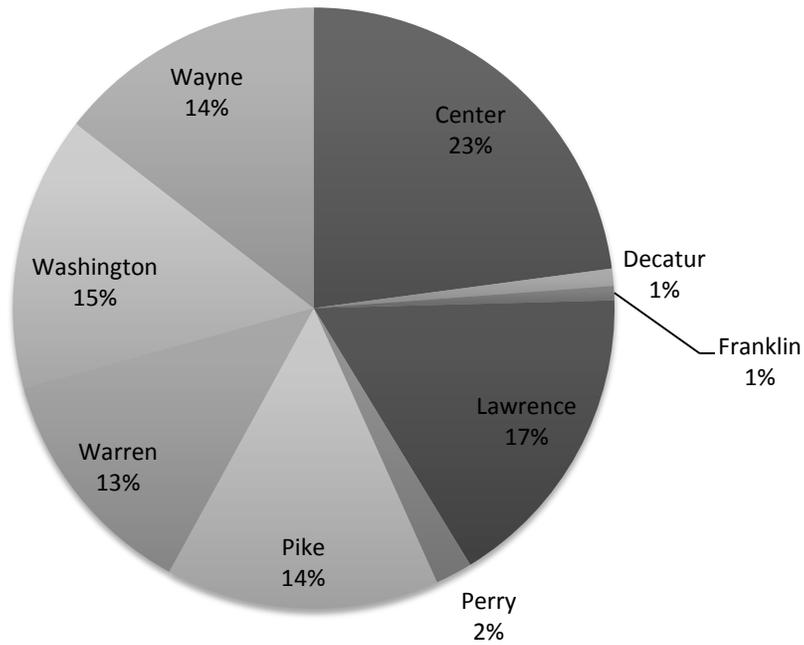
Based on the maps and previous graphs, it can be determined where different races are living. However, when we look at the disbursement of different racial populations, it shows a different perspective.



**Figure 11 - Disbursement of Total of White Population Across Townships**

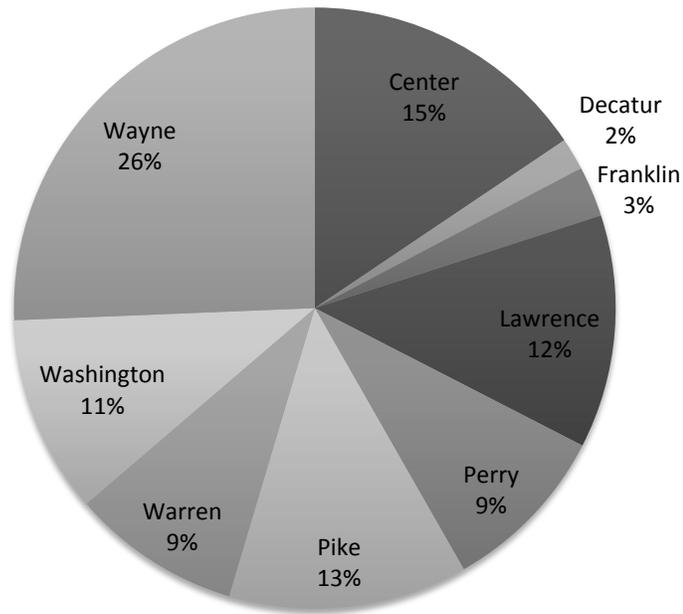
Figure 11 shows the disbursement of the white population across Marion County. Aside from three townships, Franklin, Pike and Decatur, the White population is evenly distributed across the community. Approximately 11 to 16 percent of all White persons living in Marion County live in each of the six remaining townships. Despite the White population being most of the population in Franklin and Decatur Townships, very small amounts of the White population of the entire county reside there.

For African Americans, the majority of individuals reside in Center Township. Twenty-three percent of the African American or Black population live in the Center of Marion County. As can be predicted, the three townships to the southern part of the County have the smallest percentages of the County's African American population. Decatur, Perry and Franklin Townships each have 2 percent or less of the total African American Population living in them. Figure 12 shows the distribution of the African American or Black population.



**Figure 12 - Distribution of the African American Population Across Townships**

Wayne Township has the largest portion of the Marion County Hispanic population, 26 percent, followed by Center Township at 15 percent. As with the African American population, southern townships had the smallest portions of the Hispanic population. Decatur Township is home to 2 percent of the Marion County’s Hispanic population and Franklin Township is home to 3 percent of Marion County’s Hispanic population. However, Perry Township is home to 9 percent of Marion County’s Hispanic Population, the same as Warren Township. The remaining townships, Lawrence, Pike and Washington are home to 12, 13 and 11 percent of the Hispanic population, respectively. Figure 13 shows the distribution among all nine townships.



**Figure 13 - Distribution of the Hispanic Population Across Townships**

*Household Size and Characteristics*

A household is defined as all the people permanently residing in a single housing unit, either related or unrelated. The total number of households in Marion County increased by 8,162 since the 2000 U.S. Census. This represents an increase of 2.3 percent over the twelve-year time period. The total number of households increased 39,967 since 1990, representing an increase of 12.5 percent increase over the last 22 years.

The following charts and graphs represent the most current data available about households in Marion County. Household size and characteristics can be tracked through information collected in the American Community Survey (ACS). The most recent ACS data available is from 2012.

**Table 2 - Number of Households by Township**

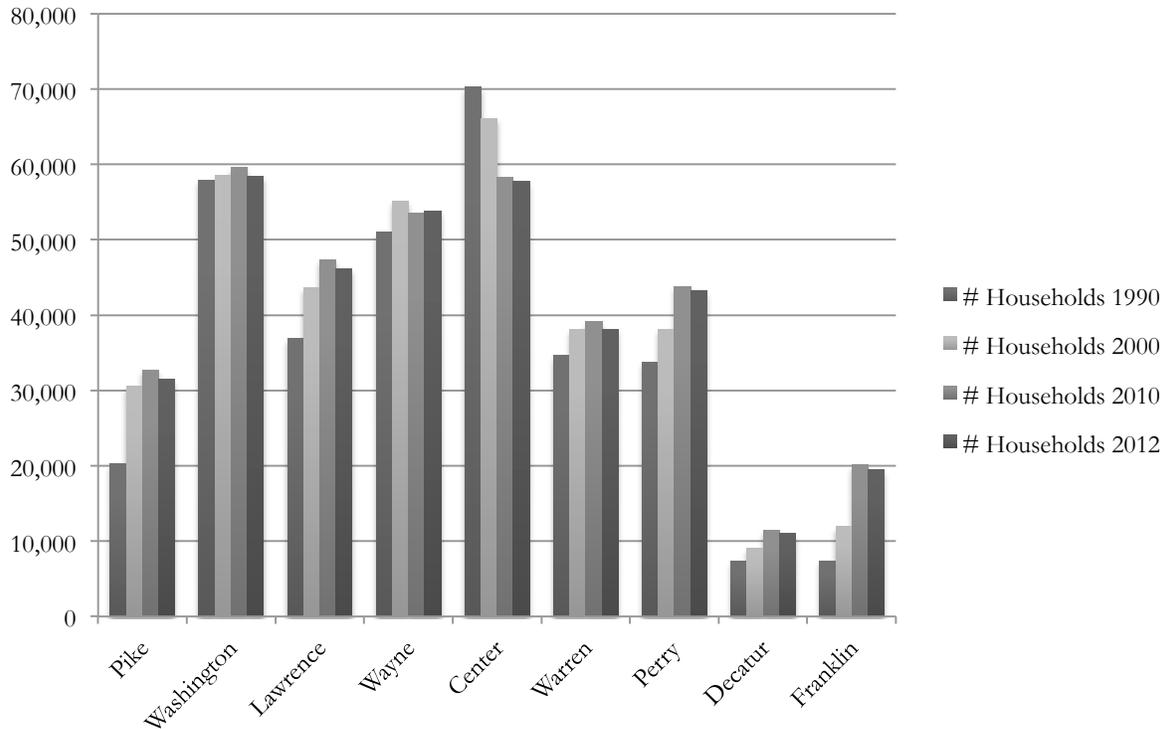
	# Households 1990	# Households 2000	# Households 2010	# Households 2012	Percent Change in Households 1990-2012
Pike	20,322	30,543	32,742	31,440	54.71%
Washington	57,965	58,616	59,665	58,440	0.82%
Lawrence	36,880	43,678	47,389	46,120	25.05%
Wayne	50,983	55,176	53,537	53,828	5.58%
Center	70,266	66,148	58,339	57,762	-17.80%
Warren	34,609	38,068	39,122	38,136	10.19%
Perry	33,764	38,144	43,812	43,241	28.07%
Decatur	7,312	9,000	11,457	10,985	50.23%
Franklin	7,370	11,903	20,113	19,486	164.40%

However, the total number of households in Marion County has increased by 12.5 percent since 1990, certain townships have been losing household populations. Downtown Indianapolis has seen growth over the past twelve years, with more people moving to downtown apartments and townhomes. According to Downtown Indy, a non-profit advocacy group, over 3,500 housing units have been built in Downtown Indianapolis since 2000. However, Center Township is still seeing double digit decreases in population. During the same twelve years of growth for downtown, since 2000, Center Township has seen a decrease in the number of households by 12.6 percent. The downtown development, while popular, is only steaming the population decrease of Center Township.

In the previous AI, Washington Township and Wayne Township were also loosing population. Both of those townships saw an increase in population since 1990. Wayne Township has been increasing in population, although slight, since 2010. Washington Township household numbers have continued to decrease, but at less of a rate as measured a few years ago. The household numbers decreased by 4.5 percent from 2010 to 2012 but only decreased by 0.3 percent from 2000, to 2012. It may be asserted that Washington Township has stabilized in population since the margin of error for the 2012 estimates is +/- 849 households.

The townships with the largest increase in household numbers from 1990 – 2012 were Franklin, Pike and Decatur. One reason for the large growth in household numbers is that these townships were just beginning to develop tract housing during this time period and the household increases reflect the huge number of new residents in general, moving to these townships during this time period. In the townships where development was more established prior to the 1990s, the smaller increases in household numbers reflect the fact that less overall new development occurred. This is true for Lawrence, Perry, Warren, Washington and Wayne Townships.

Figure 14 shows the growth and decline in household numbers of the nine townships in Marion County. Decatur and Franklin Township have the smallest amount of households. And from the graph, the steady population in Washington Township is more apparent.



**Figure 14 - Number of Households by Township**

Household size is an important aspect of a community’s demographic when considering housing needs. When redevelopment or new development takes place in a neighborhood, it is important to know what size of apartment or home is most likely to satisfy the needs of future community residents. The challenge encountered during urban redevelopment is the accurate estimation of household sizes to be planned for in redeveloped residential areas. Households found in redeveloped communities are unlikely to have the same size and makeup as those that occupied the site prior to redevelopment. This is because it is difficult to predict how this demographic will change because pre-redevelopment statistics will reflect the vacancies, inefficient land use, and financial losses that existed prior to the redevelopment project.

The average household size in the Marion County townships has remained relatively steady over the years between 2000 and 2010, as shown Table 3. Six (6) of the nine (9) townships had an increase in household size between each decennial census. The number of people living in one residence is considered a household. Persons living in a household can be related or unrelated. Family size, in

all nine townships, is larger than household size. Families must be related, which is typically spouses and/or children in one residence.

**Table 3 - Average Household and Family Size by Township**

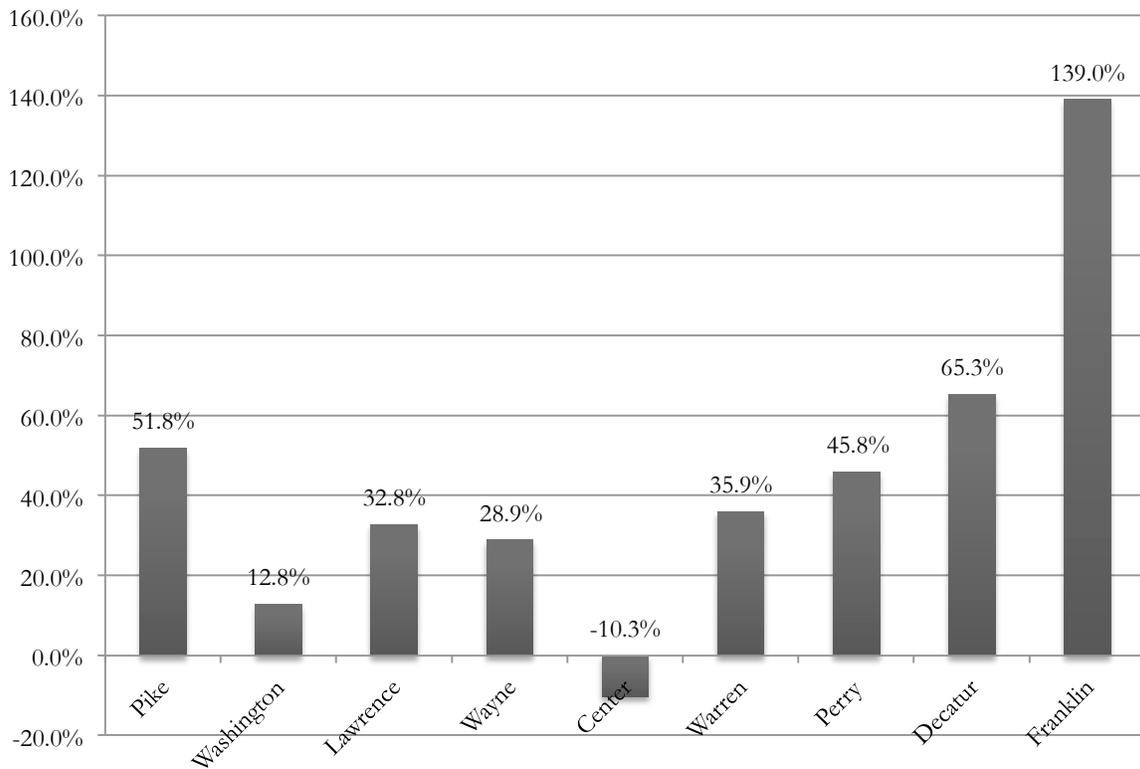
	Average Household Size 2000	Average Household Size 2010	Average Family Size 2010
Pike	2.31	2.37	3.09
Washington	2.17	2.15	2.88
Lawrence	2.55	2.49	3.08
Wayne	2.38	2.51	3.14
Center	2.4	2.34	3.15
Warren	2.44	2.52	3.11
Perry	2.39	2.44	3.03
Decatur	2.72	2.81	3.21
Franklin	2.7	2.71	3.18

The households headed by a female in Marion County have also increased in all but one of the nine townships according to the sample data available from the 2000 Census and the 2010 Census. In Marion County, the total number of female head of households increased by 23.6 percent. Center Township saw a decrease in the number of female head of households (-10.3 percent) and Decatur Township saw the greatest increase of female head of households (139 percent).

**Table 4 - Number of Female Headed Households by Township**

	# Female Head of Households 2000	# Female Head of Households 2010
Pike	3,821	5,801
Washington	6,832	7,704
Lawrence	6,562	8,716
Wayne	8,035	10,354
Center	13,401	12,021
Warren	5,981	8,129
Perry	4,029	5,876
Decatur	1,181	1,952
Franklin	929	2,220

Figure 15 shows the increase and decrease of female head of households by township.



**Figure 15 - Percentage Increase or Decrease of Female Head of Households by Township**

**Table 5 - Non Institutionalized Persons with a Disability by Township**

	Center	Decatur	Franklin	Lawrence	Perry	Pike	Warren	Washington	Wayne
Total with a disability	25,961	4,258	4,998	13,168	12,421	6,520	14,304	14,249	19,258
Under 18 with a Disability	2,474	352	450	1,559	962	789	1,265	1,312	1,781
18-64 with a Disability	17,403	2,845	2,729	6,922	6,735	3,745	8,537	7,747	11,991
65 years and over with a disability	6,084	1,061	1,819	4,687	4,724	1,986	4,502	5,190	5,486

In addition to knowing the size of the household, developers need to know the needs of potential clients, specifically those with a disability. The one-year estimates for 2012 do not have data for two of the nine townships. For this analysis, the City of Indianapolis will use the 2012 three-year estimates. Based on the population distribution of persons living with a disability, shown in Table Five and Figure 16, a housing provider can determine the need for accessible housing for Marion County residents. Center Township has the biggest population of persons living with a disability. This is true for each age group the American Community Survey tracts, youth, adults and elderly adults.

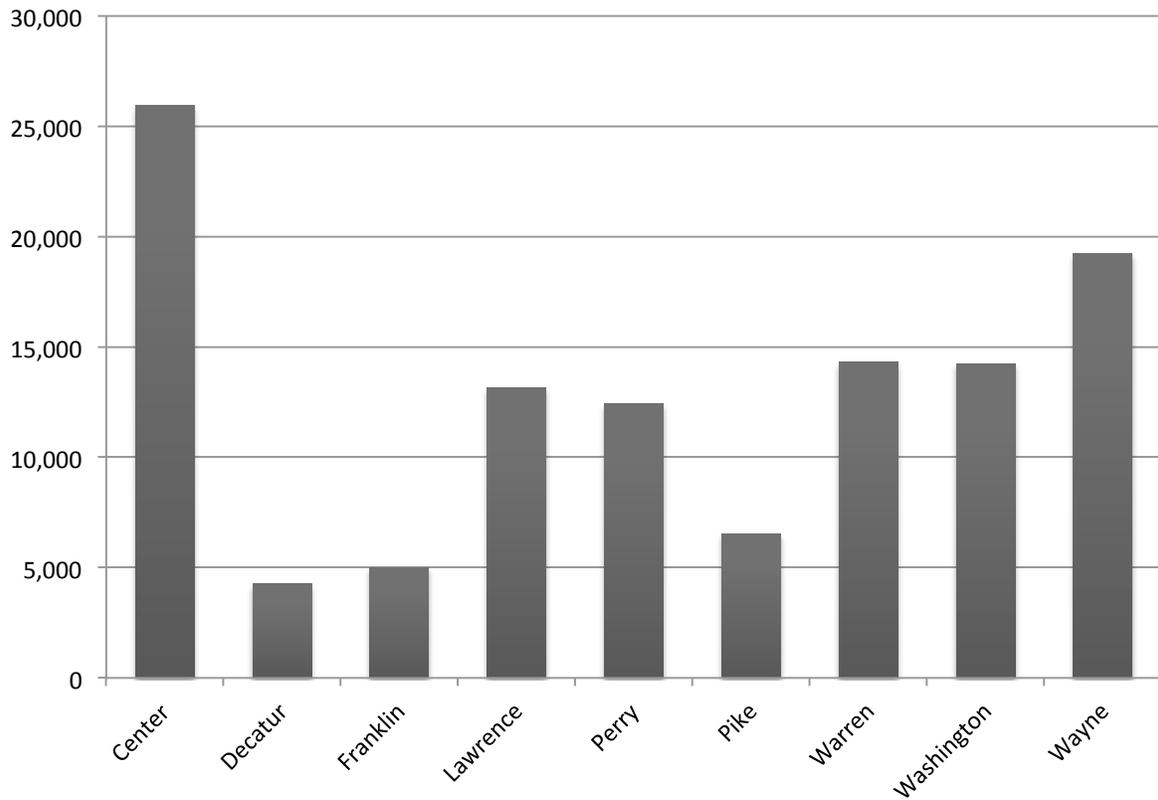


Figure 16 - Total Persons living with a Disability by Township

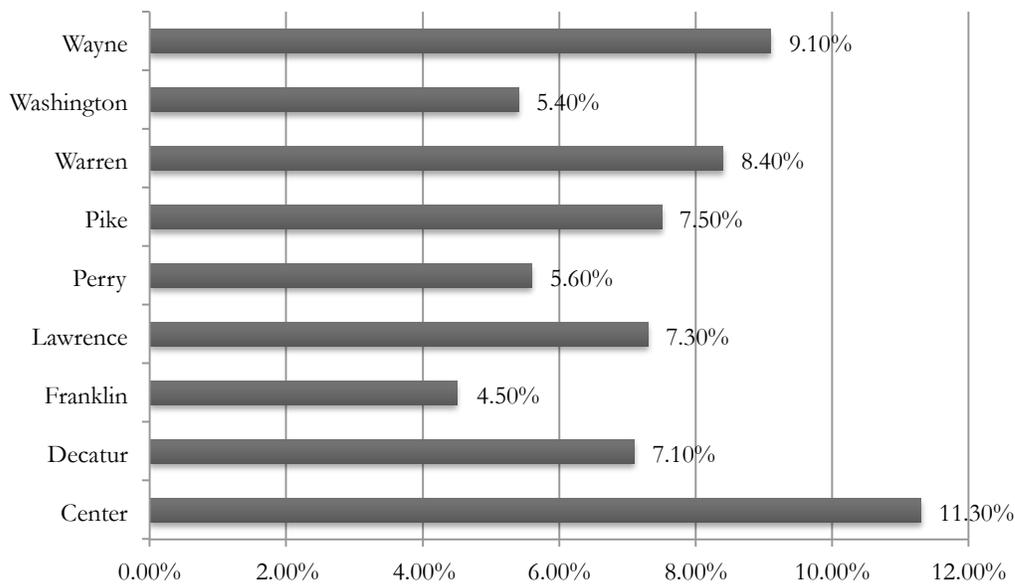
*Economic Status and Income Distribution*

Ball State University Center for Business and Economic Research published an economic document called the Indiana Economic Outlook 2014. The document looks at the national and state economic recoveries as well as that of Central Indiana. The introduction to this document includes the following statement:

Central Indiana (roughly the greater Indianapolis region) is comprised of Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, Putnam, and Shelby counties. The region is home to more than 1.76 million persons with a per capita income of \$40,027. Nearly one in three employed Hoosiers work in the region, totaling more than 1.1 million jobs. Since the end of the Great Recession, the region has seen strong population growth of 2.14 percent, per capita income growth of more than 8 percent, and employment growth of 1.8 percent. These are remarkably robust growth conditions, which mark the region as one of the more resilient and growing metropolitan areas in the nation.

As with the demographic information, the City of Indianapolis will examine economic data and income information by township. To examine data for all nine townships, the City of Indianapolis will need to use three-year estimates from 2008-2012 American Community survey.

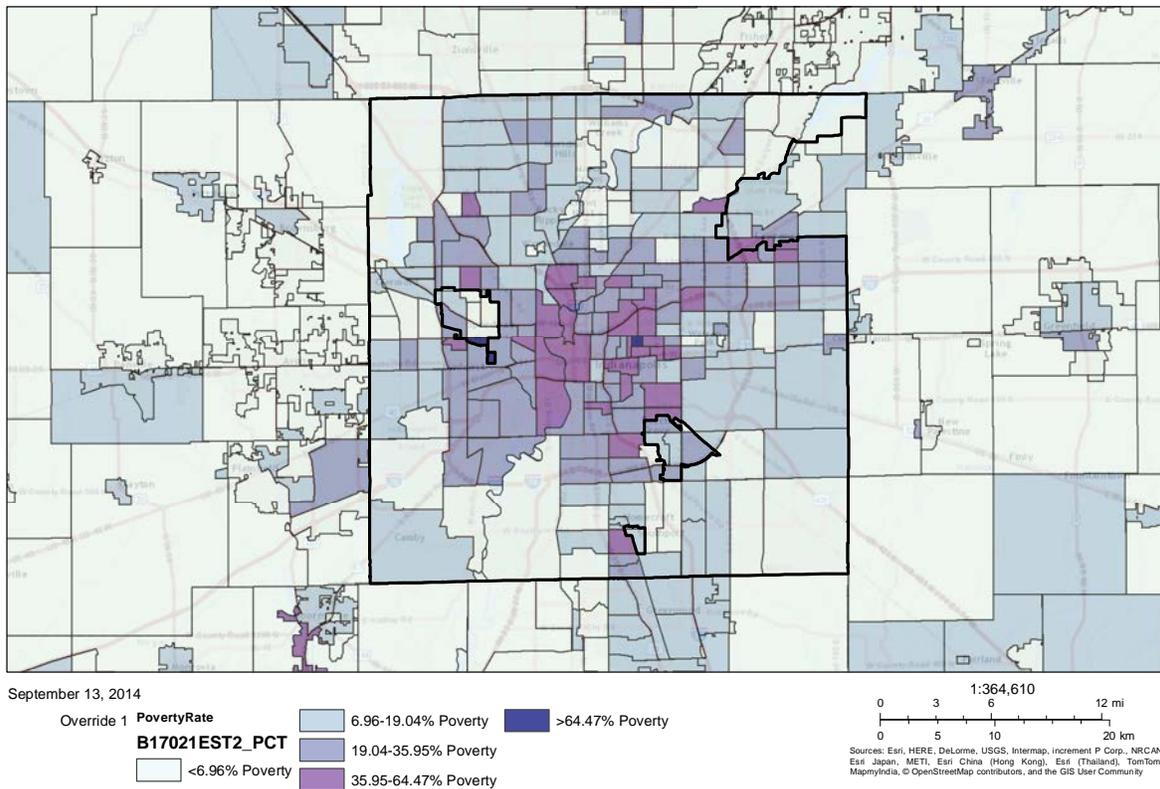
One of the first economic factors to measure the success of the economy is to look at the unemployment rate. For Marion County, the unemployment rate in June 2014 was 6 percent. That rate is the 3 month average from the U.S. Bureau of Labor Statistics. Figure 17 shows the unemployment rate by township.



**Figure 17 - Unemployment Rate by Township**

Only Washington Township, Perry Township and Franklin Township have better unemployment rates than the Marion County unemployment rate. Center Township has the highest rate of unemployment at 11.3 percent.

Not surprising, the areas with the highest poverty rates are located in Center Township. Figure 18 is a map of Indianapolis/Marion County created by the CPD Maps from the U.S. Department of Housing and Urban Development, showing the percentage of households living at or below the poverty level by Census Tract. While there are pockets of poverty across the County, the primary areas of poverty are in Center Township.



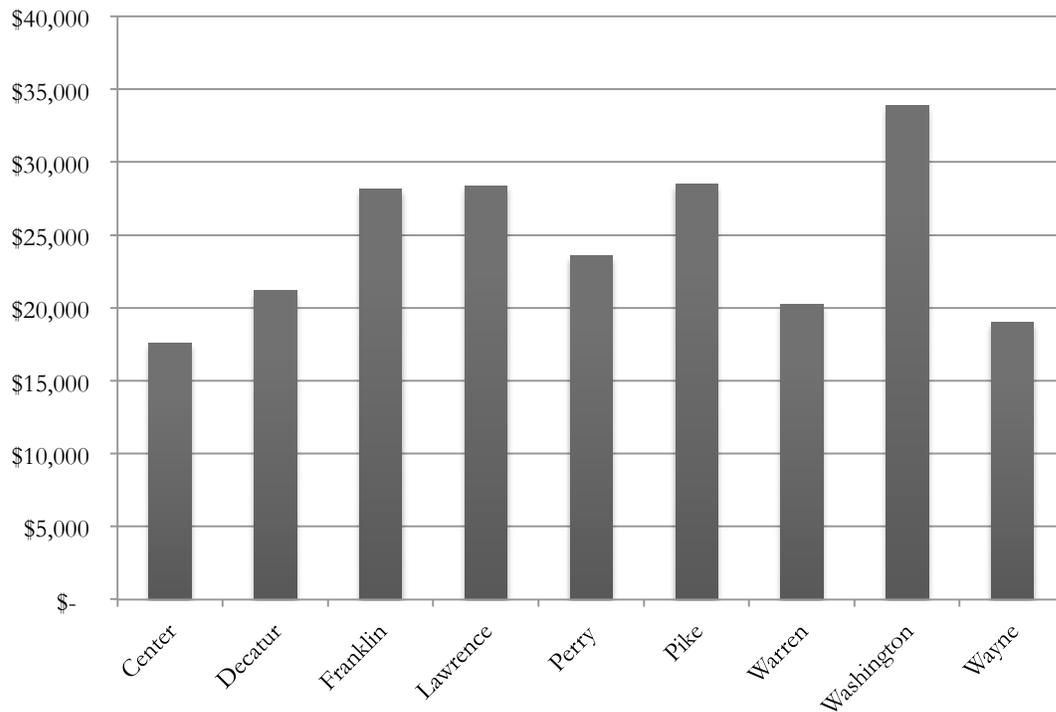
**Figure 18 - Percent of Poverty by Census Tract**

For those individuals working in Center Township, they earned the lowest income of all townships. While the median household income increased since 2000, it only increased by 5.7 percent. And the median income is still \$20,600 less than the average median income of the remaining eight townships. Table 6 shows the median household income for both 2000 and 2012 by township.

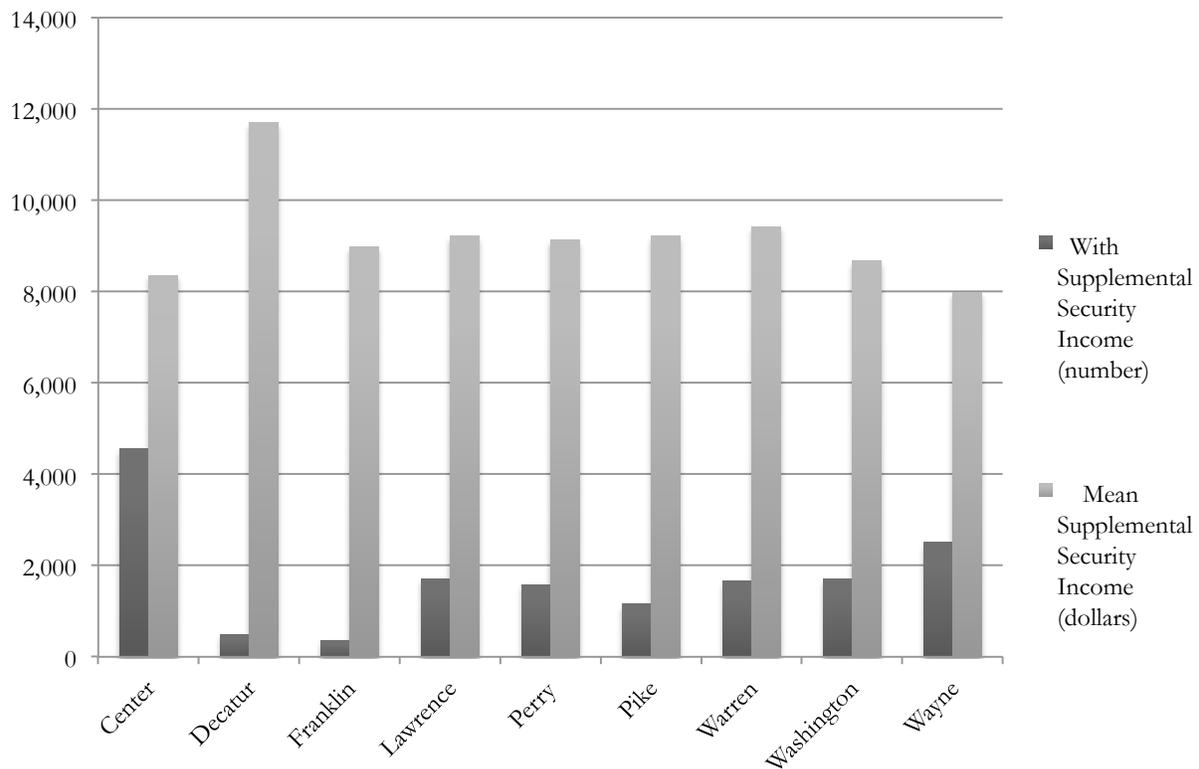
**Table 6 - Median Household Income by Township**

	Center	Decatur	Franklin	Lawrence	Perry	Pike	Warren	Washington	Wayne
2012 Median Household Income	\$27,930	\$51,837	\$64,656	\$52,171	\$46,599	\$46,485	\$40,830	\$49,911	\$36,364
2000 Median Household Income	\$26,435	\$45,690	\$42,378	\$49,246	\$42,378	\$47,250	\$39,672	\$47,079	\$37,554

The median household income decreased in two of the townships, Pike and Wayne Township. Franklin Township has the highest median income at \$64,656 per year. Washington Township has the highest per capita income at \$33,864 per year.



**Figure 19 - Per Capita Income by Township**



**Figure 20 - Households with Supplemental Security Income by Township**

The Supplemental Security Income (SSI) program pays benefits to disabled adults and children who have limited income and resources. SSI benefits also are payable to people 65 and older without disabilities who meet the financial limits. While not every household that receives SSI is living with a disability, many people with a disability use this government assistance to help with daily living. Most of those utilizing SSI are living within Center Township. Although the majority live within Center Township, the mean or average income per year by these households is one of the two lowest in Marion County. Only the mean SSI income in Wayne Township is lower. Ironically, those living in Decatur Township, the township where the fewest receive SSI benefits, have a much higher mean SSI income.

For those able and employed in Indianapolis, the community has a large number of professions/occupations available for individuals to choose from. According to the U.S. Bureau of Labor Statistics, in May 2013 the Indianapolis Metropolitan Statistical Area had a total of 912,810 occupations with an average wage of \$44,740 annually. Table 7 lists the general categories of occupations and the mean annual wage for each category. Management occupations fared the best with a mean annual wage of \$97,230, while food preparation and serving related occupations fared the worst with a mean annual wage of \$20,250. The numbers in BOLD type are the occupations with decreases in numbers since the last time the Analysis of Impediments to Fair Housing was

written in 2009 utilizing 2007 statistics. Construction and Production Occupations had the biggest decreases with a 25.0 percent decrease and 46.4 percent decrease, respectively.

**Table 7 - Number and Mean Wage by Occupation Type for Indianapolis-Carmel MSA**

Occupation Type/Category	# Occupations	Mean Annual Wage
Architecture and Engineering Occupations	14,930	\$71,250
Arts, Design, Entertainment, Sports, and Media Occupations	12,200	\$45,410
Building and Grounds Cleaning and Maintenance Occupations	<b>27,330</b>	\$24,720
Business and Financial Operation Occupations	47,760	\$66,840
Community and Social Services Occupations	<b>9,130</b>	\$46,290
Computer and Mathematical Science Occupations	26,970	\$72,520
Construction and Extraction Occupations	<b>33,290</b>	\$48,540
Education, Training, and Library Occupations	42,450	\$45,850
Farming, Fishing, and Forestry Occupations	<b>640</b>	\$26,920
Food Preparation and Serving Related Occupations	81,320	\$20,250
Healthcare Practitioner and Technical Occupations	64,600	\$72,440
Healthcare Support Occupations	24,710	\$28,320
Installation, Maintenance, and Repair Occupations	<b>35,600</b>	\$44,370
Legal Occupations	6,990	\$77,280
Life, Physical, and Social Science Occupations	10,880	\$62,280
Management Occupations	47,790	\$97,230
Office and Administrative Support Occupations	<b>139,930</b>	\$34,270
Personal Care and Service Occupations	21,160	\$23,580
Production Occupations	<b>35,600</b>	\$33,970
Protective Service Occupations	20,550	\$37,370
Sales and Related Occupations	97,950	\$40,320
Transportation and Material Moving Occupations	86,400	\$33,050

### III: Housing Profile

This section of the *Analysis of Impediments to Fair Housing Choice* (AI) analyzes the land use for Indianapolis and Marion County and evaluates the public policies regarding land use and planning to determine the result in any impediments to fair housing choice.

The AI will analyze data from current and approved plans and policies. The City of Indianapolis is undergoing a city-wide planning process called Plan 2020. The Indianapolis Comprehensive Plan is currently under revision, but will not be complete at the time of the release of this draft document. It is recommended that the City of Indianapolis, and those responsible for implementation of federal housing dollars from HUD, follow the development of Plan 2020 and the new Comprehensive Plan to ensure policies are in compliance with fair housing. More of this conclusion and other recommendations will occur later in this document.

Builders and community development experts have closely watched the housing market to see how the recovery and needs of the residents of Indianapolis will be in the future. An article in the Indianapolis Star on February 22, 2014 called the market for multi-family housing Indianapolis very positive.

"The market is very good and probably will be for the foreseeable future," said Steve LaMotte, senior vice president of the CBRE Multi-Housing Group. "There has been a mindset change among renters where single-family (housing) is not the obvious first choice."

Occupancy and rental rates for apartments have climbed steadily since the recession, leading builders to file more than 2,781 permits for multifamily units in 2013, according to CBRE, the highest number in a decade. Real-estate brokers anticipate this year will be even stronger.

The same day, the Indianapolis Star also reported the market in Marion County/Indianapolis to be slow compared to its neighboring counties, unless it was in a "hot neighborhood" or market. This housing analysis will also examine the housing market changes to see if the drive for more development and redevelopment affect housing choice for people of color or any of the other protected classes.

#### *Housing Affordability*

The Indianapolis housing market is considered one of the most affordable housing markets in the Country. CNN Money ranked Indianapolis third most affordable city in the United States. In the three-month period from May to July, 2014, the average sale price of a home was \$95,203. The market currently has an inventory of 7.3 months of listings, according to the Metropolitan Indianapolis Board of Realtors (MIBOR). The average sales price is down slightly from the same period in 2013, when the average sales price was \$104,458.

Affordable housing is not necessarily low-income housing. Affordable housing is housing that costs less than 30 percent of a household's gross monthly income. Households who spend more than 30

percent of their gross month income towards housing costs are considered to have a cost burden. By evaluating the number of households with cost burden, the city of Indianapolis may determine if there is a shortage in affordable housing for its population.

A large number of households spend more than 30 percent of their gross monthly income towards housing costs. By spending more than 30 percent of the gross monthly income, the household is considered to have a housing problem or added cost burden by the U.S. Department of Housing and Urban Development (HUD).

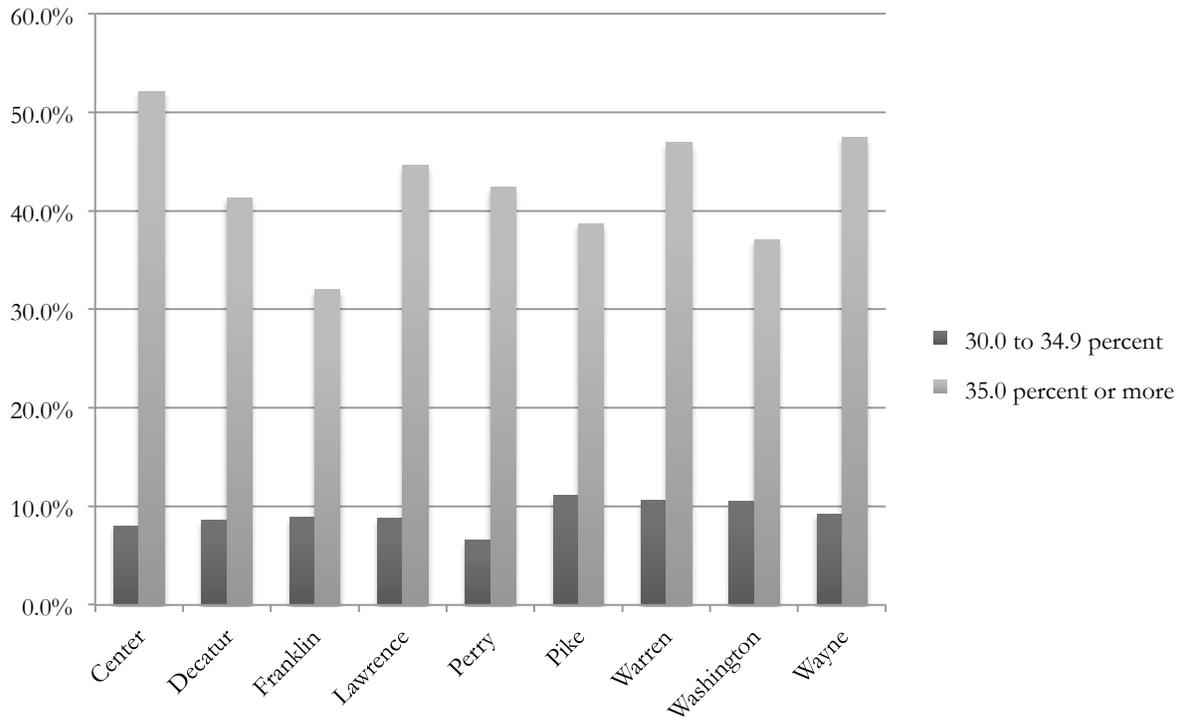
There is a higher level of cost burden, called Severe Cost Burden, where a household spends more than 50 percent of their gross monthly income towards housing costs. This is particularly difficult for these households to prepare or save for any emergency when most of their income goes towards housing. Table 8 shows the total number of owners and renters with both cost burden and severe cost burden.

**Table 8 - Cost Burden and Severe Cost Burden for Marion County**

Cost Burden	# Owners	% Owners	# Renters	% Renters
Greater than 30%	32,755	15.8%	34,885	23.2%
Greater than 50%	18,255	8.8%	36,605	24.3%

Renters have a higher rate of cost burden than homeowners. Nearly one quarter of renters are experiencing a cost burden and an additional one quarter of renters are experiencing a severe cost burden for a total of 47.5 percent of all renters having some level of a cost burden in Marion County. This is contrary to the earlier statements by local leaders that Indianapolis is a booming housing market that is affordable. These statements may only be true for those who are buying homes, rather than renting.

Data for severe cost burden is not available at the township level. Rather, the 2012 American Community Survey three year estimates measure the number of households paying 30-34 percent of their gross monthly income towards housing and the number of households paying more than 35 percent of their gross monthly income towards housing.



**Figure 21 - Cost Burden by Township for Renter Households**

Center Township has the largest percentage of renters with cost burdens with 60.1 percent of all renters experiencing a cost burden. However, renters in all townships experience cost burdens at a high rate, with most hovering between 47 and 53 percent of all renters experiencing a cost burden.

This document has already established that homeowners in Marion County tend to have a lower rate of cost burden. Looking at the data by township, an interesting phenomenon appears. Figure 22 shows homeowners with cost burden, both with a mortgage and without a mortgage. In seven out of the nine townships, 10-15 percent of homeowners without a mortgage still have a cost burden of 35 percent or more. Meaning 10-15 percent of homeowners without a mortgage are still paying more than 35 percent of their gross monthly income towards housing costs.

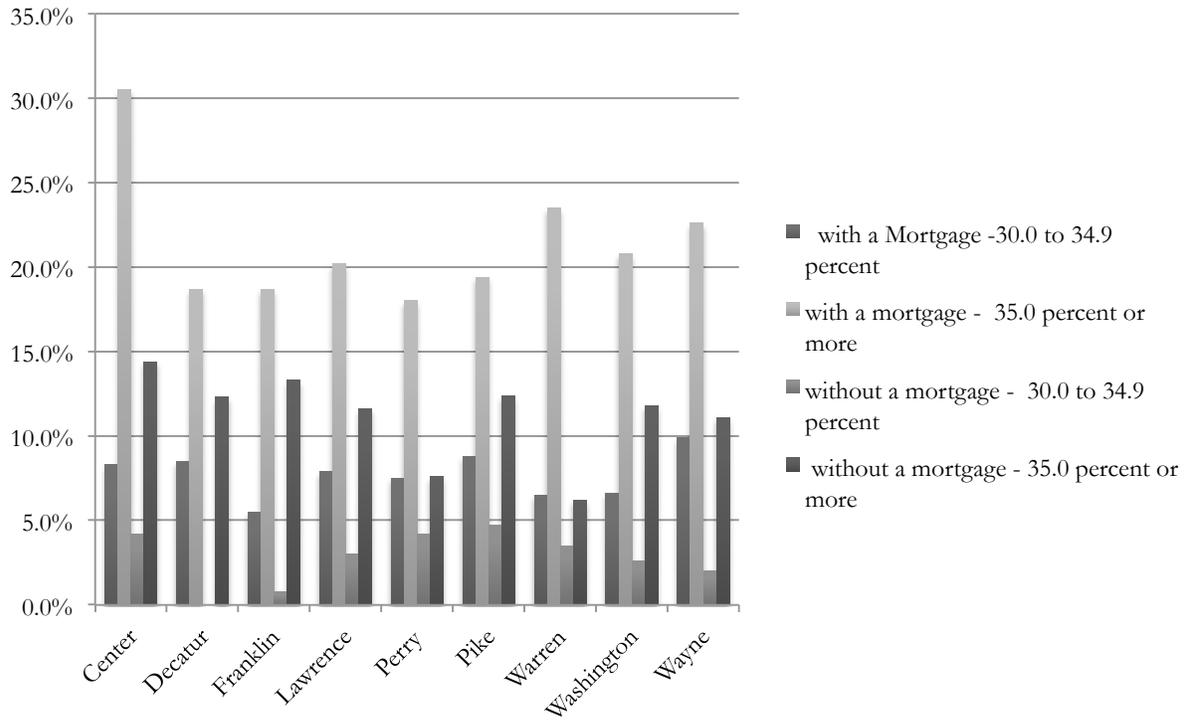
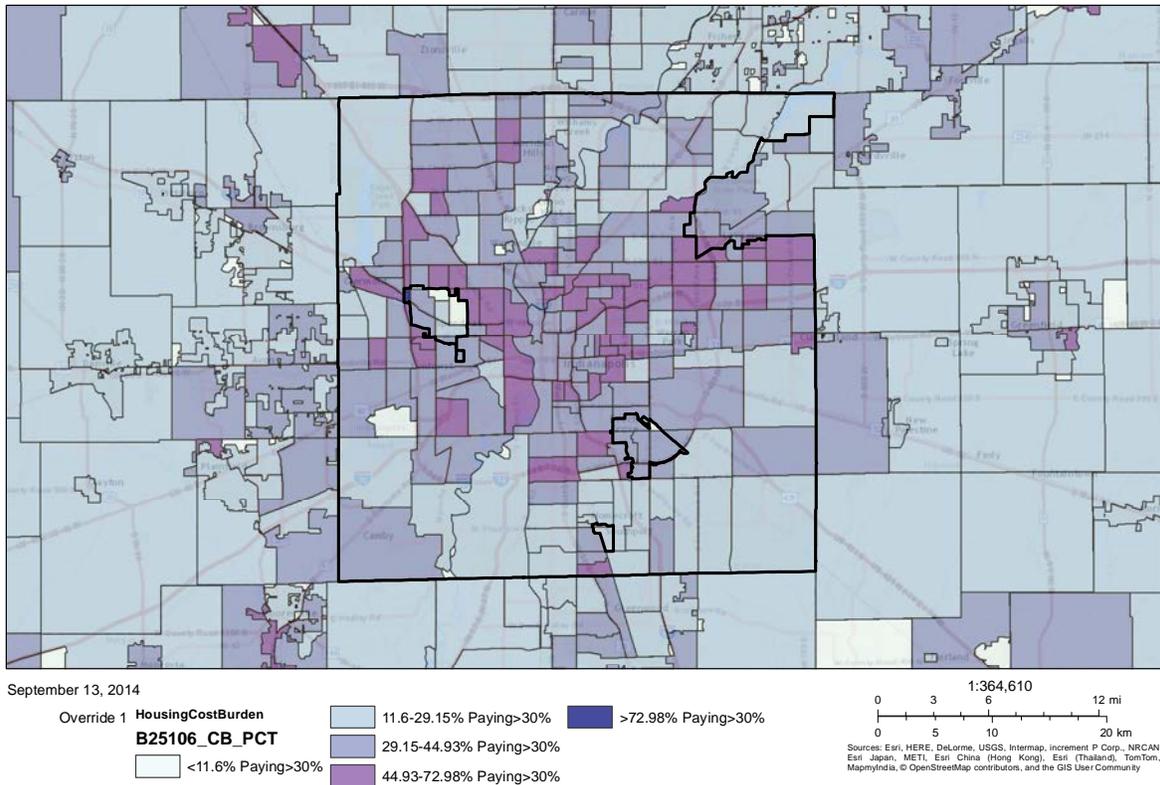


Figure 22 - Homeowners with a Cost Burden

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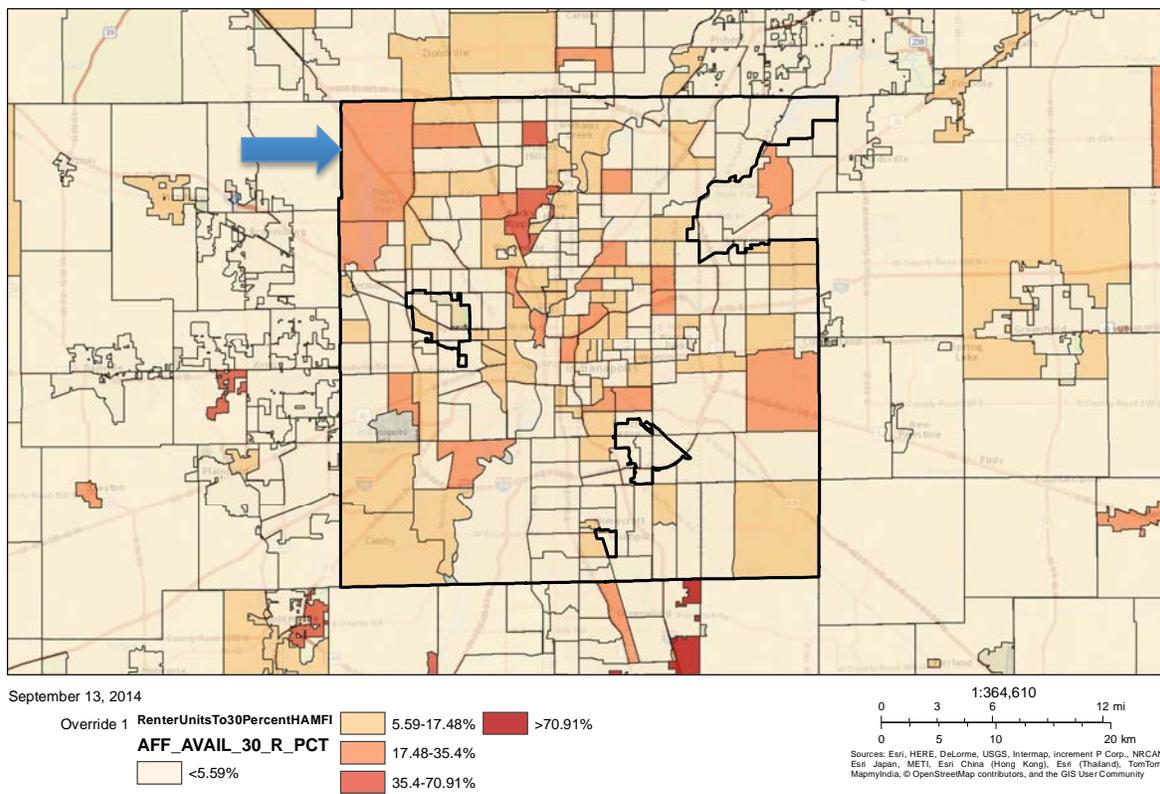
**Figure 23 - Housing Cost Burden by Census Tract - CPD Maps**

Figure 23 shows where in the community people are experiencing a cost burden. The majority of them match the same neighborhoods with high concentrations of minority households, which are located in the middle sections of Marion County.

The question becomes where are units affordable to renters in Marion County? The next three maps, Figures 24-26, show the areas in which rental units are affordable to different income levels. Very few units are affordable to households with the lowest incomes, households earning less than 30 percent of the area median income. The maps refer to HAMFI, which means HUD Area Median Family Income. Despite the difference between households and families, the HAMFI refers to the number of people living in one household. The dollar amount of HAMFI is dependent on the size of the household, increasing with the number of people in the household. Table 9 shows the HAMFI by household number for 2014 in Marion County.

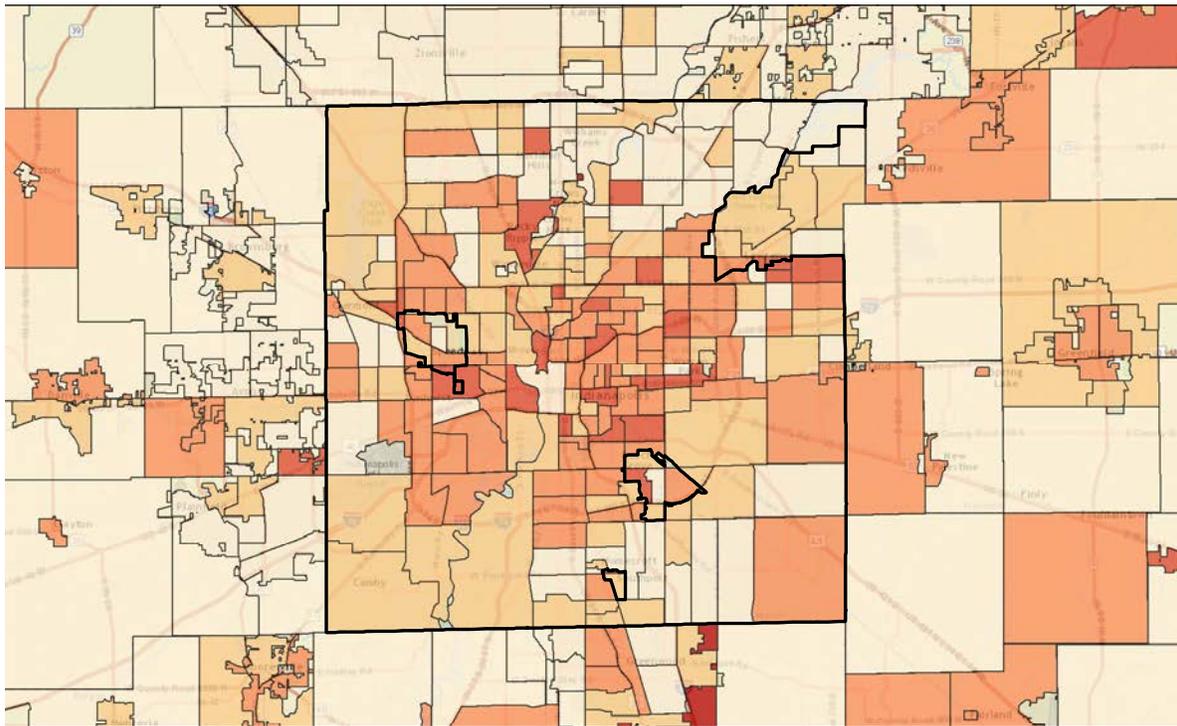
**Table 9 - 2014 Income Limits for Marion County**

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
0-30 HAMFI	\$13,550	\$15,730	\$19,790	\$23,850	\$27,910	\$31,970	\$36,030	\$40,090
31-50 HAMFI	\$22,550	\$25,750	\$28,950	\$32,150	\$34,750	\$37,300	\$39,900	\$42,450
51-80 HAMFI	\$36,050	\$41,200	\$46,350	\$51,450	\$55,600	\$59,700	\$63,800	\$67,950



**Figure 24 - Percent of Rental Units Affordable to Households Earning 30 Percent HAMFI or Less**

Figure 24 shows how few units are available to those households earning the lowest incomes. Some areas, such as the areas in the extreme northwest part of Pike Township, pointed out by the blue arrow, are areas with few rental units available. That area is mostly park space and natural land areas with homeowners dotting the developed areas. So while there may be a higher percentage of units affordable to extremely low income households, the number of units may not be enough to meet the demand.



September 13, 2014

Override 1 RenterUnitsTo50PercentHAMFI

Light Orange	10.49-27.93%	Dark Red	>76.57%
Medium Orange	27.93-47.42%		
Light Yellow	<10.49%		
Dark Orange	47.42-76.57%		

AFF\_AVAIL\_50\_R\_PCT

1:364,610

0 3 6 12 mi

0 5 10 20 km

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Figure 25 - Rental Units Affordable to Households Earning 31-50 Percent HAMFI - CPD Maps Tool

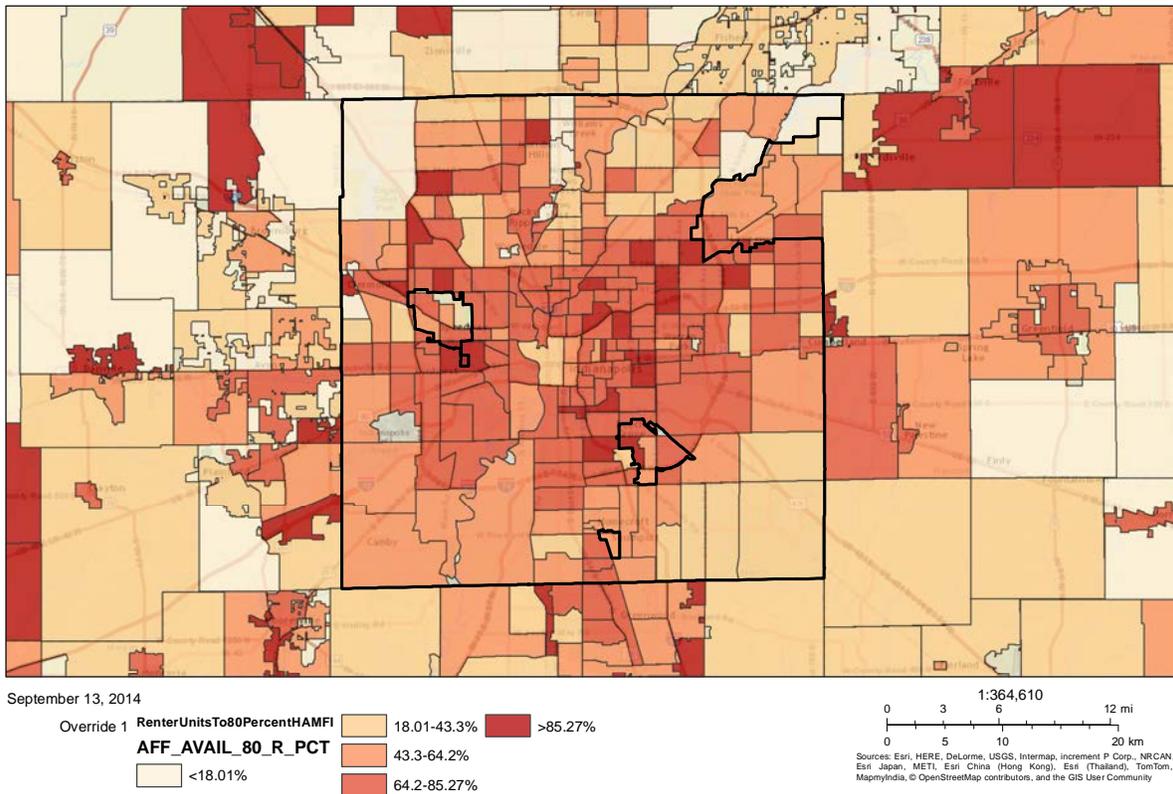
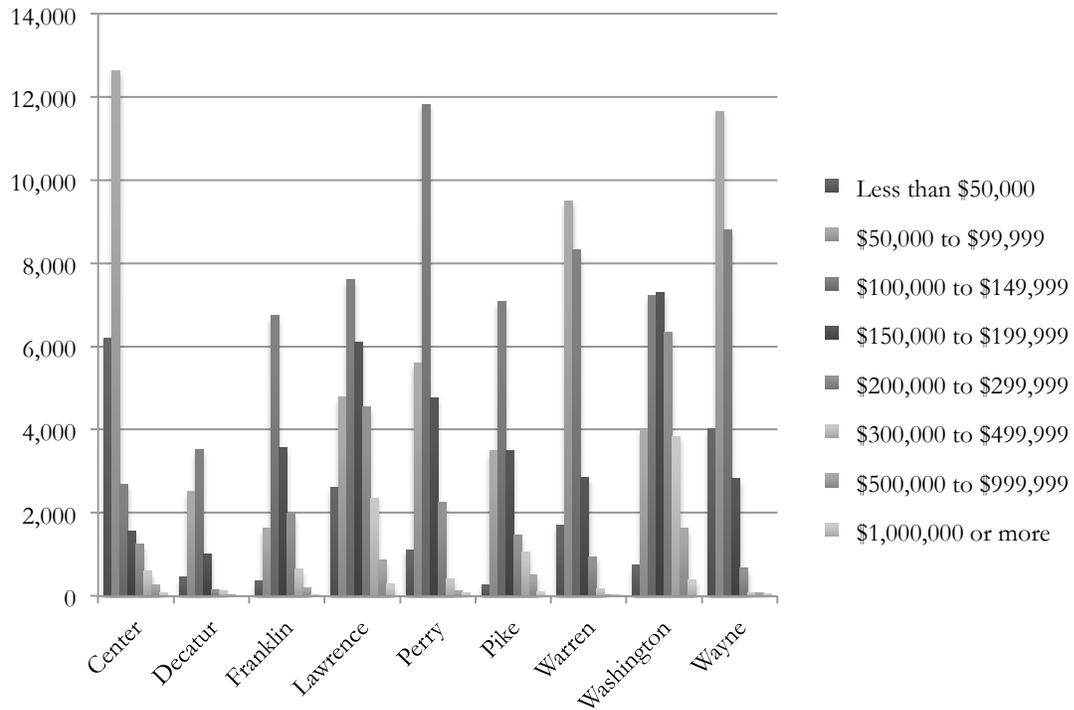


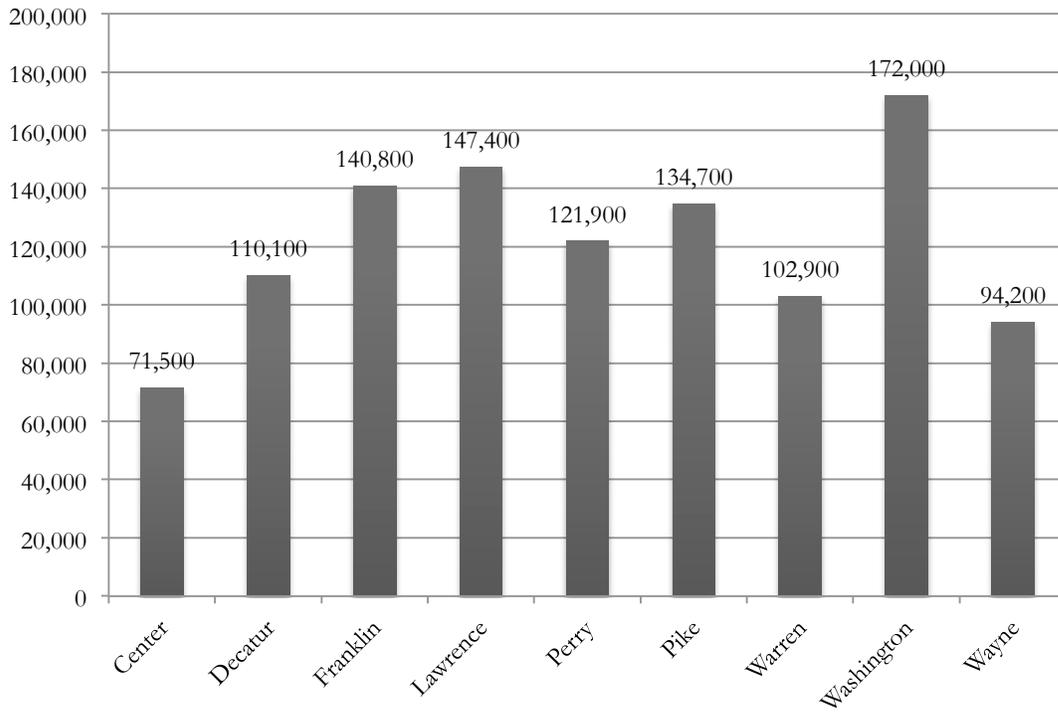
Figure 26 - Rental Units Affordable to Households Earning 51 to 80 Percent HAMFI - CPD Maps Tool

The same holds true for home values affordable to households who earn a lower income and want to own their own homes. The majority of the units affordable to households with low or moderate incomes are mostly located within Center Township. Units affordable to households with moderate incomes appear to be evenly distributed across the other townships. Washington Township has the highest number of high value homes, with nearly 400 homes valued over \$1,000,000. Figure 27 shows the number of homes at different values by township.



**Figure 27 - Number of Units by Value and Township**

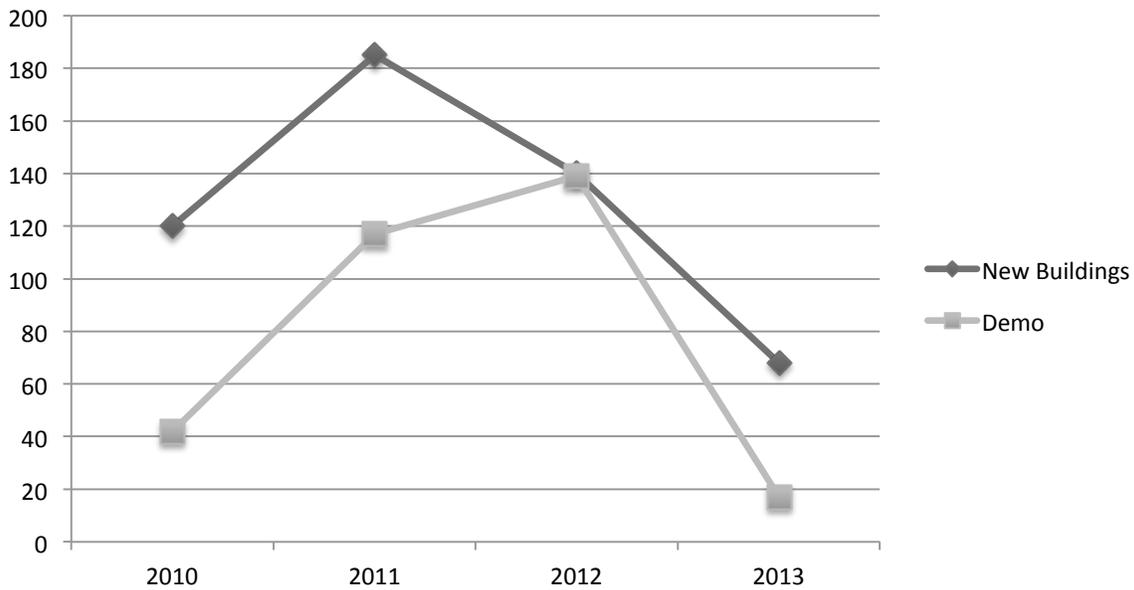
Because Washington Township has a number of homes valued over \$1,000,000, the average or mean housing value is the highest of all nine townships. Center Township is the most affordable with the lowest average housing value of \$71,500. Figure 28 shows the mean value by township.



**Figure 28 - Mean Housing Value by Township**

*Housing Development*

The number of new housing permits issued in Marion County declined from year to year has continued its decline. Both the number of new building permits and demolitions permits have decreased since 2010. Figure III-IX shows the decline, which appear to be congruent with each other.



**Figure 29 - New Building and Demolition Permits (number)**

Examining the data by township, Franklin, Perry and Washington Townships had more new structure permits in 2013 than the other six townships. Growth centered towards the southern and southeastern parts of Marion County as well as areas to the north of Center Township. Since 2010, Franklin and Perry have been top areas for new family structure permits, with occasional spikes in Decatur, Pike and Washington townships.

Center Township has the most demolition permits issued of all of Marion County. In 2010, the number of demolitions in Center exceeded those of the other townships 2:1. In 2011, that ratio increased 3:1. By 2013, the ratio fell back to 1:1. Demolition permits are also issued for partial demolitions in some instances where professional services are required per City code. Some of the high rates of demolitions may be whole structure or partial structure demolitions.

While the entire metropolitan area is still experiencing growth with over 2,700 new building permits issued region-wide, the number of permits issued in Indianapolis/Marion County is only a small portion of that number.

### *Living Wage<sup>2</sup>*

Recent news and debate have taken place on the need to increase the minimum wage for fast food workers to a living wage. While there are two sides of the debate with many people on each side, it brings to light that the minimum wage is different from a living wage. The National Low Income

<sup>2</sup> Housing statistics and living wage information was compiled by the National Low Income Housing Coalition and City Consultants and Research, LLC.

Housing Coalition conducts an annual study called *Out of Reach*, a study that looks at what an hourly wage needs to be for a household to afford a place to rent without working more than the standard 40-hour workweek.

The study compares the fair market rents for an area to the rents affordable at different wages, including minimum wage, average SSI payments, etc. Fair Market Rents are the 40th percentile of gross rents for typical, non-substandard rental units occupied by recent movers in a local housing market, meaning 40 percent of the rents are less expensive and 60 percent of the rental units are more expensive. The fair market rate increases with the number of bedrooms as part of the housing unit.

**Table 10 - Fair Market Rents for Marion County/Indianapolis**

Zero bedroom FMR	One bedroom FMR	Two bedroom FMR	Three bedroom FMR	Four bedroom FMR
\$506	\$625	\$777	\$1,036	\$1,209

The minimum wage in Indianapolis in 2014 is \$7.25 per hour. Working 40 hours per week, a person will earn \$15,080 per year. The rent payment affordable to a person earning minimum wage is \$377 per month. A person will need to work 54 hours a week to afford a studio apartment with no bedrooms. For a two-bedroom apartment, a person working minimum wage will need to work 82 hours per week, over double the typical workweek.

The picture is bleaker for recipients of SSI payments. The mean monthly payment from SSI is \$721 per month, meaning the rent affordable to a household or person with only SSI for income is \$261 per month. No apartments in Indianapolis at fair market rent are affordable to persons with only SSI payments as income.

To afford the fair market rents in Indianapolis/Marion County, a household needs to earn a living wage, or a wage that enables them to work 40 hours per week and only pay 30 percent of their income towards housing. For a two-bedroom apartment in Indianapolis, the living wage needs to be \$14.94 per hour. This represents a wage need to be earned by the entire household to afford a two-bedroom unit. This does not account for other costs that may be associated with a multiple wage earners, such as day care, transportation, etc.

In 2014, the Area Median Income (AMI) for Marion County, or Indianapolis, is \$64,300 annually. The U.S. Department of Housing and Urban Development (HUD) establishes affordability at 30% of a household's gross monthly income. So the maximum housing costs a household at 100% AMI is \$1,608 per month. Table III-II shows the maximum housing costs for each income level used by HUD.

**Table 11 - Maximum Affordable Housing Cost by Income**

HAMFI Income Level	Affordable Housing Cost
30%	\$482
50%	\$804
80%	\$1,286
100%	\$1,608

Households earning minimum wage or SSI need other assistance to afford decent housing, such as rental subsidies or Section 8 Vouchers. These types of programs allow persons to pay just 30 percent of their income towards housing while paying the remaining amount of rent. Thus, if a minimum wage worker needs a two-bedroom unit at \$777 per month, he or she would pay the \$377 towards rent and the subsidy would cover the remaining \$400.

Other programs to help reduce the cost of rents are called the Low Income Housing Tax Credit and the HOME Investment Partnerships Program. These funds come from both the federal government through the State and Local level. The U.S. Department of Housing and Urban Development sets rent levels, which multi-family developments cannot exceed when charging rent. These rents are set to ensure affordability for low-income households.

**Table 12 - 2014 HOME Rent Limits for Indianapolis**

	0 BRM	1 BRM	2 BRM	3 BRM	4 BRM	5 BRM	6 BRM
Low HOME Rent Limit	\$516	\$625	\$753	\$873	\$976	\$1,079	\$1,180
High HOME Rent Limit	\$516	\$625	\$777	\$1,036	\$1,205	\$1,311	\$1,417

Even at these levels, not every household can afford these rent levels. Some extremely low-income households cannot pay 30 percent of their gross monthly income towards housing and still rent at the HOME rent levels. This is true for those earning minimum wage or just receiving SSI payments. Table 12 shows the monthly and hourly income needed to afford the low HOME rents. Developers can ask for lower rents, however, in order to make the development financially feasible, the HOME rents may be the lowest possible levels. Any lowering of rent would require greater amounts of capital investment into the building to lower debt burden of the owner or monthly subsidy payments such as Section 8 Vouchers.

**Table 13 - Income Needed to Afford Low HOME Rent**

	0 BRM	1 BRM	2 BRM	3 BRM	4 BRM	5 BRM	6 BRM
Monthly Wage needed to afford low HOME Rent Limit	\$1,720	\$2,083	\$2,510	\$2,910	\$3,253	\$3,597	\$3,933
Hourly wage	\$9.92	\$12.02	\$14.48	\$16.79	\$18.77	\$20.75	\$22.69

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*HMDA Analysis*

Information contained in the following tables comes from the online reports available from the Federal Financial Institutions Examination Council (FFIEC). The FFIEC is responsible for the collection and administration of the Home Mortgage Disclosure Act (HMDA) reporting data that financial institutions are required to submit. The most recent data available comes from the 2012 calendar year.

109,816 home loan applications were filed during this time in the Indianapolis MSA. These home loan applications fell into one of the following four categories: (1) Government Guaranteed Home-Purchase, (2) Conventional Home-Purchase, (3) Refinancing, and (4) Home Improvement. By far, refinancing loans and conventional home loans are the two largest percentages of the 2012 complete home loan application pool. Applications for loans to refinance an existing home purchase loan made up slightly over 70.85 percent of all applications and conventional home loans made up nearly 13.85 percent of all applications, totaling 84.7 percent. The remaining 15.3 percent of the total home loan applications was comprised of home improvement loan applications (3.84 percent) and government guaranteed loan applications (11.46 percent).

Table 13 illustrates the total number of home loan applications made by loan type. The total applications received are further categorized by final loan status. 66 percent of all applications resulted in a loan origination. Nearly 18 percent were denied. The remaining applications were deemed incomplete, not accepted or withdrawn.

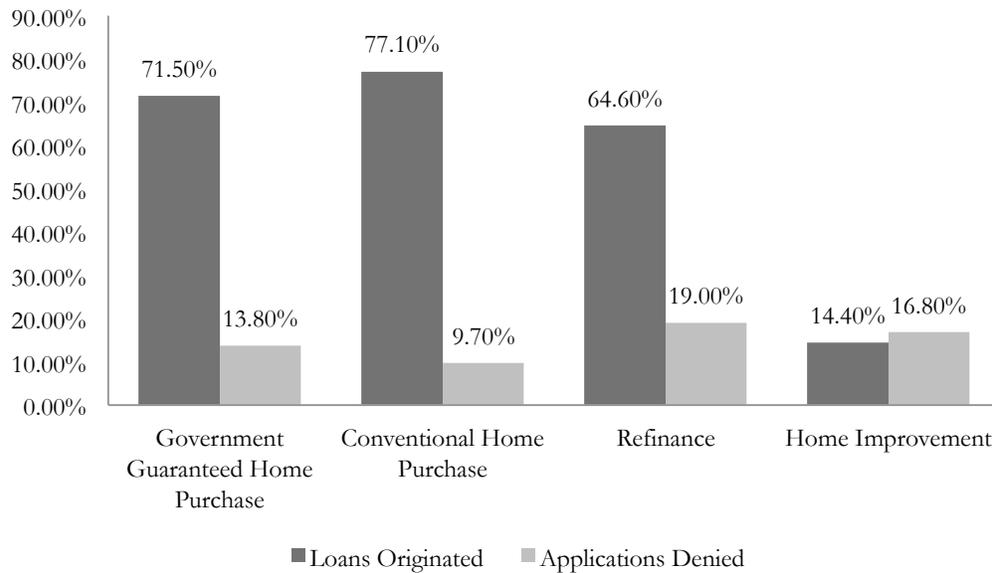
**Table 14 - Number of Loans by Type, Source: HMDA**

	Government Guaranteed Home Purchase	Conventional Home Purchase	Refinance	Home Improvement	Total
Loans Originated	8,998	11,721	50,299	1,725	72,743
Applications Approved, Not Accepted	480	617	2,688	207	3,992
Applications Denied	1,748	1,478	14,821	2,010	20,057
Applications Withdrawn	1,120	1,224	7,197	234	9,775
Applications Determined Incomplete	239	167	2,799	44	3,249
Total Loan Applications Received	12,585	15,207	77,804	4,220	109,816

Conventional Home Purchases had the highest rate of loan origination, with 77 percent of all applications resulting in a loan. Government Guaranteed Home Purchases had a slightly lower rate of approvals, with 71.5 percent of all applications resulting with a loan. Both categories had low denial rates, reaching only 9 percent and 14 percent respectfully.

On the opposite side of the spectrum, Refinance loans had the highest denial rate, with a 19.0 percent rate of denial. The reason for such a high denial rate will be examined further in this document.

Applicants seeking home improvement loans experienced loan originations and loan denials with 14.4 percent and 16.8 percent rates respectively. Figure 30 shows the difference in originations versus denials for each loan type.



**Figure 30 - Percent of Loan Originations and Denials by Type**

## -Government Guaranteed Home – Purchase loans-

In 2012, Government Guaranteed Home-Purchase (government guaranteed) loan applications made up 11.46 percent of the total home loan applications in the Indianapolis Metropolitan Statistical Area (MSA). A government guaranteed loan is available through and secured by the federal government of the United States. Government guaranteed loans are offered by three different agencies, the Federal Housing Administration (FHA), the Veterans Association (VA) and the United States Department of Agriculture (USDA).

The FHA loan is characterized by a fixed rate mortgage accessible to first-time and low-to-moderate income buyers. It is easier for these buyers to qualify for the FHA loan because it requires a smaller down payment (usually around 3 percent) and the interest rate is typically lower than those available from a Conventional Home-Purchase loan. Government guaranteed loans are only available to purchase homes that will be owner occupied.

The VA offers government guaranteed mortgages to individuals with a history of active military service or those individuals who have survived the death of a spouse that was an active service member. If an individual applicant meets the criteria and can prove the ability to make monthly payments, a VA home mortgage can be obtained with little or no down payment.

The USDA administers the Rural Development Guaranteed Housing loan program that provides mortgages for low-to-moderate income individuals wanting to purchase a home in an area that is designated a Rural Development area by the USDA. Applicants with a less-than-perfect credit history are able to qualify for this loan when they may not be able to qualify for a conventional loan because the USDA guaranteed loans do not require a down payment or mortgage insurance.

12,585 applications were made for government guaranteed loans and 1,748 were denied. Denials are based on an applicant's rating in one of the following nine evaluation areas:

- debt to income ratio;
- employment history;
- credit history;
- collateral;
- cash accounts;
- quality of information given in application;
- completeness of application;
- mortgage insurance availability; or
- "other."

Table III-IV shows the total number of applicants denied government guaranteed loans in the Indianapolis MSA for the year 2012, categorized by race and ethnicity. A problem with credit history is cited as the most common reason for denial in this loan type. 32.12 percent of the total

application denials were denied for this reason. The second highest reason for denial in this loan type is cited as a problem with the applicant's debt to income ratio. 18.88 percent of the total application denials were denied for this reason.

The third most common reason for denial in this loan type is for credit application incomplete. 14.67 percent, of the total denials made were denied for this reason.

**Table 15 - Number of Government Guaranteed Loans Denied by Race and Ethnicity**

<i>Race</i>	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
American Indian or Alaska Native	4	0	1	1	1	1	1	0	3	12
Asian	25	4	15	6	5	2	11	0	6	74
Black or African American	61	16	100	17	23	17	29	0	26	289
Native Hawaiian or Other Pacific Islander	2	1	0	0	0	1	2	0	0	6
White	225	69	410	127	53	56	184	2	121	1247
Two or More Minority Races	1	0	1	0	0	0	0	0	0	2
Joint (White/Minority Race)	3	1	6	4	0	1	4	0	2	21
Race Not Available	20	9	47	19	8	7	34	1	10	155
<b>Total by Race</b>	<b>341</b>	<b>100</b>	<b>580</b>	<b>174</b>	<b>90</b>	<b>85</b>	<b>265</b>	<b>3</b>	<b>168</b>	<b>1806</b>

<i>Ethnicity</i>	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Hispanic or Latino	19	1	18	8	7	3	15	0	6	77
Not Hispanic or Latino	301	90	505	146	74	76	215	2	149	1,558
Joint (Hispanic or Latino/Not Hispanic or Latino)	0	1	0	1	1	0	0	0	1	4
Ethnicity not available	21	8	57	19	8	6	35	1	12	167
<b>Total by Ethnicity</b>	<b>341</b>	<b>100</b>	<b>580</b>	<b>174</b>	<b>90</b>	<b>85</b>	<b>265</b>	<b>3</b>	<b>168</b>	<b>1,806</b>
Percent of Total	18.88%	5.54%	32.12%	9.63%	4.98%	4.71%	14.67%	0.17%	9.30%	100%



Examining the data by race, White applicants comprised 75.49 percent of all applicants for government guaranteed financing, but only accounted for 69.05 percent of the total applicants denied. African American applicants comprised 11.78 percent of all applicants for government guaranteed financing, but accounted for 16 percent of all applicants denied financing. A higher proportion of African American applicants were denied government guaranteed financing than the total make-up of the applications by almost 5 percent. Conversely White applicants made up a lesser proportion of total applicants denied at a rate of 6.49 percent less. The remaining 14.8 percent of applicants denied a loan equate the proportion of their races combined in the applicant pool.

Applicants that classified themselves as Hispanic made up 4.26 percent of the total government guaranteed applications denied. Out of the 12,585 applications filed, Hispanic applicants account for 2.76 percent of applicants. This also shows a disproportionate amount of Hispanics were denied government guaranteed financing. Both Hispanics and African American applications are denied government guaranteed financing at a rate of 33 percent higher than the portion of their race or ethnicity in the total applicant pool.

The data available through the Federal Financial Institutions Examination Council (FFIEC) online reports also allows for applications to be tracked by an applicant's income. Applicants with the lower incomes experienced a higher denial rate than applicants with higher incomes. Credit history continues to be the number one reason for a denial despite income levels. This data suggests that education on the importance of credit may change the numbers at the income level. Table III-V shows the reasons for denial by income.

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**Table 16 - Number of Government Guaranteed Loans Denied by Income**

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Less Than 50% of MSA Median	142	55	162	51	21	24	83	0	42	580
50 – 79% of MSA Median	107	23	196	64	35	31	85	0	57	598
80 – 99% of MSA Median	42	6	76	17	17	9	25	2	26	220
100 – 199% of MSA Median	21	6	46	13	5	4	26	0	16	137
120% or More of MSA Median	26	9	90	28	12	16	37	1	27	246
Income Not Available	3	1	10	1	0	1	9	0	0	25
<b>Total</b>	<b>341</b>	<b>100</b>	<b>580</b>	<b>174</b>	<b>90</b>	<b>85</b>	<b>265</b>	<b>3</b>	<b>168</b>	<b>1806</b>

### -Conventional Home-Purchase Loans-

15,207 applications for Conventional Home-Purchase (conventional) loans were submitted in 2012. This makes up 54.72 percent of the total home loan applications. Conventional loans to purchase housing are made by private financial institutions. The terms to qualify for these loans will vary based on the individual underwriting at each institution. Furthermore, the down payment amount and interest rates will vary based on the way an applicant scores on their application. 3,012, or 19.81 percent, of applicants were denied conventional financing to purchase a home.

The most common reason for a denied conventional loan application cited by the HMDA data tables is credit history. 616, or 20.45 percent, of the total denials for this loan type were made for this reason.

The second most common reason for a conventional loan application denial was a problem with the applicant's debt to income ratio. 550, or 18 percent, of the total denials for this loan type were made for this reason. There is only two-percentage point difference between the top two reasons for loan denials in the conventional market. This could be a result of the depressed housing market, lower housing values, tighter underwriting criteria and debt-loaded applicants.

The other category is not defined by HMDA but may be explained by the current drop in real estate values across the country and the resulting discrepancy between what the buyers and sellers agree to as the price for and what the bank is willing to loan on a property. This denial is likely to take place during the underwriting phase of the loan process. In 2012, 11.42 percent of the denials in the Indianapolis MSA for this loan type were made for this reason.

Table 16 shows the reasons for denials in the conventional loan market by race and ethnicity.

Table 17 - Number of Conventional Home Purchase Loans Denied by Race and Ethnicity

<i>Race</i>	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
American Indian or Alaska Native	0	1	1	0	0	0	1	0	0	3
Asian	20	4	4	14	6	2	21	1	13	85
Black or African American	15	5	31	13	7	6	19	0	9	105
Native Hawaiian or Other Pacific Islander	2	1	2	2	0	0	0	0	0	7
White	206	33	234	218	52	69	181	13	131	1,137
Two or More Minority Races	0	0	0	0	0	0	0	0	0	0
Joint (White/Minority Race)	0	0	2	0	1	0	3	0	2	8
Race Not Available	32	7	34	20	9	9	30	3	17	161

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
<i>Ethnicity</i>										
Hispanic or Latino	9	2	14	11	1	1	3	1	2	44
Not Hispanic or Latino	229	43	252	235	64	79	218	13	147	1,280
Joint (Hispanic or Latino/Not Hispanic or Latino)	2	0	2	2	1	1	3	0	3	14
Ethnicity not available	35	6	40	19	9	5	31	3	20	168
Total	550	102	616	534	150	172	510	34	344	3,012

When examining this information by race, a similar trend of the government guaranteed loans occurs in the conventional market. Whites make up 83 percent of the total conventional loan applications while only making up 37.75 percent of the total denials. African Americans make up 3.36 of the total applications for conventional loans while making up 3.49 percent of the denials. 1.46 percent of the applicants denied conventional loan applications made were Hispanic. Hispanic applicants comprised 2.76 percent of the total applicants for conventional home financing. Both African Americans and Hispanics make up a higher proportion of the denials while making up a smaller the proportion of loan applications.

Credit history and debt to income ratio are the top reasons for denial of conventional loans. However, credit history is the number one reason for loan application denials for low to moderate income applicants, or those earning 80 percent or less of the area median income. For those applicants earning more than 80 percent of the area median family income, credit application incomplete is the number one reason they are denied a conventional loan. This can be due to the requirements for obtaining a convention home loan. Table III-VII shows the reason for loan denials at each income level.

Table 18 - Number of Conventional Home Purchase Loans Denied by Income

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Less Than 50% of MSA Median	80	14	89	32	18	15	29	1	16	294
50 – 79% of MSA Median	70	16	75	41	20	15	42	6	31	316
80 – 99% of MSA Median	22	1	34	32	8	8	20	1	25	151
100 – 199% of MSA Median	19	7	23	24	5	7	33	1	20	139
120% or More of MSA Median	75	11	81	136	23	37	124	8	76	571
Income Not Available	9	2	6	2	1	4	7	0	4	35
<b>Total</b>	<b>275</b>	<b>51</b>	<b>308</b>	<b>267</b>	<b>75</b>	<b>86</b>	<b>255</b>	<b>17</b>	<b>172</b>	<b>1,506</b>



- Home Loan Refinancing –

Homeowners looking to refinance their existing mortgages submitted the largest percentage of 2012 total home loan applications in the county. With 77,804 total applications, Home Loan Refinancing (refinancing) applications accounted for over 70.85 percent of the total home loan applications. Of the total applicants, 81.94 percent were White, 4.72 percent were African American, and 3.51 percent was an individual that classified themselves as one of the other minority races. Race information was not available for 9.82 percent of the total applicants.

28,092, or 36.11 percent, were denied based on a poor application score in one of the basic nine evaluation areas. The top two reasons for denial were Collateral and credit history.

Out of the 20.83 percent of applicants denied a loan due to a perceived problem with their credit history, 74.27 percent were White, 11.62 percent were African American and 3.3 percent was one of the other racial minorities. African Americans accounted for 4.7 percent of the applications; however, they made up 11.62 percent of the denials based on credit history. This represents a 40.45 percent difference in the amount of denials over the percent of applications they represent.

This situation is similar for Hispanic applicants. In 2012, those applicants that classified themselves as Hispanic made up 3.37 percent of the total refinancing applications denied. Out of the 77,804 applications filed, Hispanics account for 1.4 percent of applicants.

Collateral and credit history are the top reasons for denial of home refinance loans, but the breakdown by income is the opposite of the conventional loan market. Collateral is the number one reason for loan application denials for both low to moderate income applicants and applicants earning more than 80 percent of the area median income. This can be due to lower property values and discrepancies between what the buyer and the mortgage lender assesses a property. However, there is no definite answer for this reason used as such a high frequency.

Tables 18 and 19 show the reason for loan denials by race, ethnicity and income level.

Table 19 - Number of Refinance Loans Denied by Race and Ethnicity

<i>Race</i>	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
American Indian or Alaska Native	10	0	24	18	0	4	12	0	6	74
Asian	95	13	42	47	9	24	42	0	34	306
Black or African American	141	3	340	209	75	45	146	2	133	1094
Native Hawaiian or Other Pacific Islander	5	1	2	3	2	2	3	0	2	20
White	1567	131	2173	3021	451	516	1873	38	1236	11006
Two or More Minority Races	3	0	0	1	0	1	2	0	0	7
Joint (White/Minority Race)	22	1	29	36	3	7	15	0	20	133
Race Not Available	183	16	316	323	48	94	265	2	159	1406
Total	2026	165	2926	3658	588	693	2358	42	1590	14046

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
<i>Ethnicity</i>										
Hispanic or Latino	84	4	123	99	16	19	87	1	40	473
Not Hispanic or Latino	1783	145	2487	3223	521	580	2016	39	1376	12170
Joint (Hispanic or Latino/Not Hispanic or Latino)	7	1	24	26	6	1	10	0	14	89
Ethnicity not available	152	15	292	310	45	93	245	2	160	1314
Total	2026	165	2926	3658	588	693	2358	42	1590	14046

Table 20 - Number of Refinance Loans Denied by Income

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
<b>Income</b>										
Less Than 50% of MSA Median	647	53	525	398	85	89	271	6	208	2,282
50 – 79% of MSA Median	525	34	714	727	128	132	455	8	278	3,001
80 – 99% of MSA Median	239	15	356	471	91	73	275	4	193	1,717
100 – 199% of MSA Median	176	10	312	416	59	67	267	5	167	1,479
120% or More of MSA Median	371	31	822	1,515	175	237	944	18	584	4,697
Income Not Available	68	22	197	131	50	95	146	1	160	870
<b>Total</b>	<b>2,026</b>	<b>165</b>	<b>2,926</b>	<b>3,658</b>	<b>588</b>	<b>693</b>	<b>2,358</b>	<b>42</b>	<b>1,590</b>	<b>14,046</b>

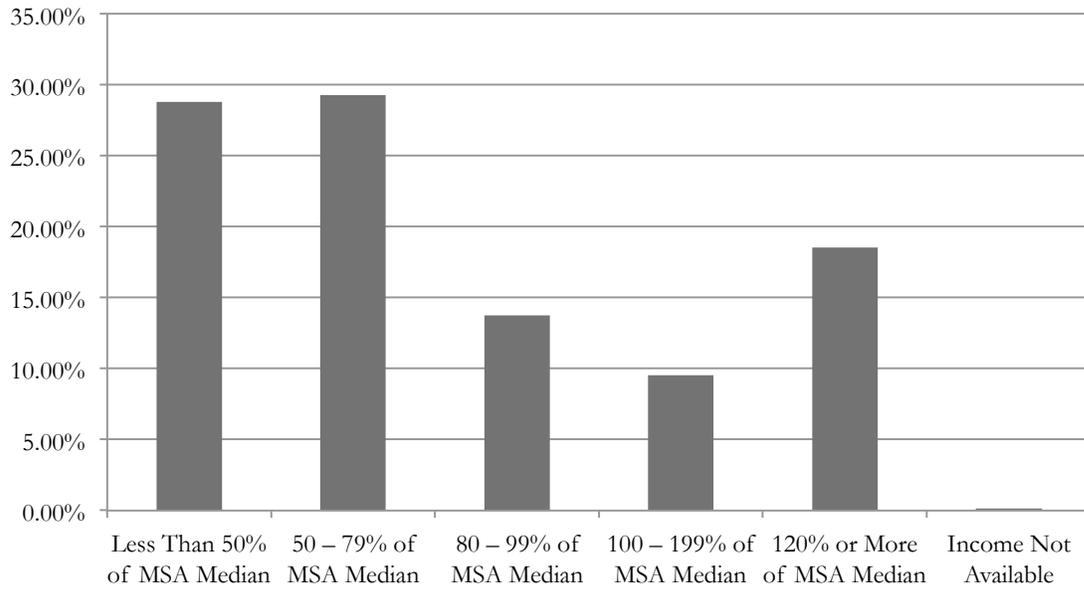
- Home Improvement Loans –

Home Improvement loan applications accounted for 3 percent of the total loan applications. Of the total applicants, 68 percent were White, 7 percent were African American, and 2.3 percent was an individual that classified themselves as one of the other minority races. Race information was not available for 22.7 percent of the total applicants. Of the 4,220 total applications made for home improvement loans in 2012, 2,495, or 59 percent, were denied based on a poor application score in one of the basic nine evaluation areas. As discussed in the general HMDA analysis section, this category of loan financing experienced the highest denial rate out of all four loan types.

Credit history (34.8 percent) and debt to income ratio (18.29 percent) account for the largest amount of denials. Out of the applicants denied a loan due to a perceived problem with their credit history, 29.1 percent were White, 5.69 percent were African American and 1.3 percent was one of the other racial minorities. Out of the applicants denied a loan for debt to income ratio, 26.81 were White, 5 percent were African American and 1 percent were one of the other racial minorities. In both cases, African Americans and other racial minorities experience a higher rate of denial than the proportion of applicants in the total applicant pool.

Applicants that classified themselves as Hispanic made up 1.21 percent of the total home loan applications denied. Out of the 4,220 applications filed, Hispanic or Latino applicants account for 1.47 percent of applicants. This also shows a disparity in the rate of loan denial.

When examining the data by income level, credit history is the number one reason for denial. For all incomes reporting, credit history accounts for the denial for at least 46 percent of the applicants. This includes those at the higher income brackets that are considered market rate buyers. Figure 31 below shows the denial rate based on credit history for each income level.



**Figure 31 - Percent of Denials Based on Credit History**

Tables 20, 21 and 22 delineate the reasons for denial on the basis of race, ethnicity and income.

**Table 21 - Home Improvement Loan Denials by Race**

<i>Race</i>	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
American Indian or Alaska Native	0	0	8	2	0	0	1	0	2	13
Asian	5	0	6	2	0	0	1	0	1	15
Black or African American	38	2	162	11	2	2	3	0	20	240
Native Hawaiian or Other Pacific Islander	1	0	5	1	0	0	0	0	4	11
White	207	16	685	121	19	25	46	0	109	1228
Two or More Minority Races	1	0	1	0	0	0	0	0	0	2
Joint (White/Minority Race)	1	0	10	0	1	0	2	0	0	14
Race Not Available	519	1	592	14	1	5	7	0	495	1634
Total	772	19	1,469	151	23	32	60	0	631	3,157

Table 22 - Home Improvement Loan Denials by Ethnicity

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Hispanic or Latino	3	2	27	7	0	5	2	0	5	51
Not Hispanic or Latino	244	16	818	123	22	22	50	0	127	1422
Joint (Hispanic or Latino/Not Hispanic or Latino)	0	0	5	0	0	0	1	0	0	6
Ethnicity not available	525	1	619	21	1	5	7	0	499	1678

**Table 23 - Home Improvement Loans Denied by Income**

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Less Than 50% of MSA Median	258	7	423	20	3	6	11	0	204	932
50 – 79% of MSA Median	220	5	430	30	11	10	11	0	173	890
80 – 99% of MSA Median	96	3	202	16	0	3	5	0	76	401
100 – 199% of MSA Median	69	3	140	24	4	2	4	0	61	307
120% or More of MSA Median	123	1	272	58	5	9	28	0	115	611
Income Not Available	6	0	2	3	0	2	1	0	2	16
Total	772	19	1,469	151	23	32	60	0	631	3,157

## *Housing Market*

When the last Analysis of Impediments to Fair Housing was published, the City of Indianapolis had experienced many foreclosures already as the housing market crashed in 2008. According to RealtyTrac, there were 3,988 properties in Indianapolis, IN that are in some stage of foreclosure, default, auction or bank owned, at the end of September 2014. In August, the number of properties that received a foreclosure filing in Indianapolis, IN was 17 percent higher than the previous month and 0 percent lower than the same time last year

Home sales for July 2014 were down 97 percent compared with the previous month, and down 99 percent compared with a year ago. The median sales price of a non-distressed home was \$30,000. The median sales price of a foreclosure home was \$49,956, or 67 percent higher than non-distressed home sales.

MIBOR, the Metropolitan Indianapolis Board of Realtors, report from July 2014 describes a robust housing market with a 12.6 percent increase in listings over the previous year. The median sales price has decreased by 1.9 percent to \$86,750, increasing the affordability for homebuyers. They note a 7.3-month supply of housing inventory, a marked improvement over the 10-12 month supply during the housing market collapse of 2008.

## *Public Housing*

The Indianapolis Housing Agency is the public housing agency serving Marion County/Indianapolis. The Indianapolis Housing Agency has three programs to assist low-income families with rental housing, public housing communities and the Section 8 Voucher Housing Choice program (Section 8) and a Non-Profit Community Development arm.

The first program provides housing through public housing communities. Funded by the U.S. Department of Housing and Urban Development (HUD), public housing communities are owned and operated by Indianapolis Housing Agency (IHA) and Public Housing tenants rent directly from IHA. Households apply directly to the IHA and sign a lease with IHA to rent the apartments. IHA maintains the property as a normal landlord would be required. However, in addition to maintaining the property, IHA must comply with the following requirements.

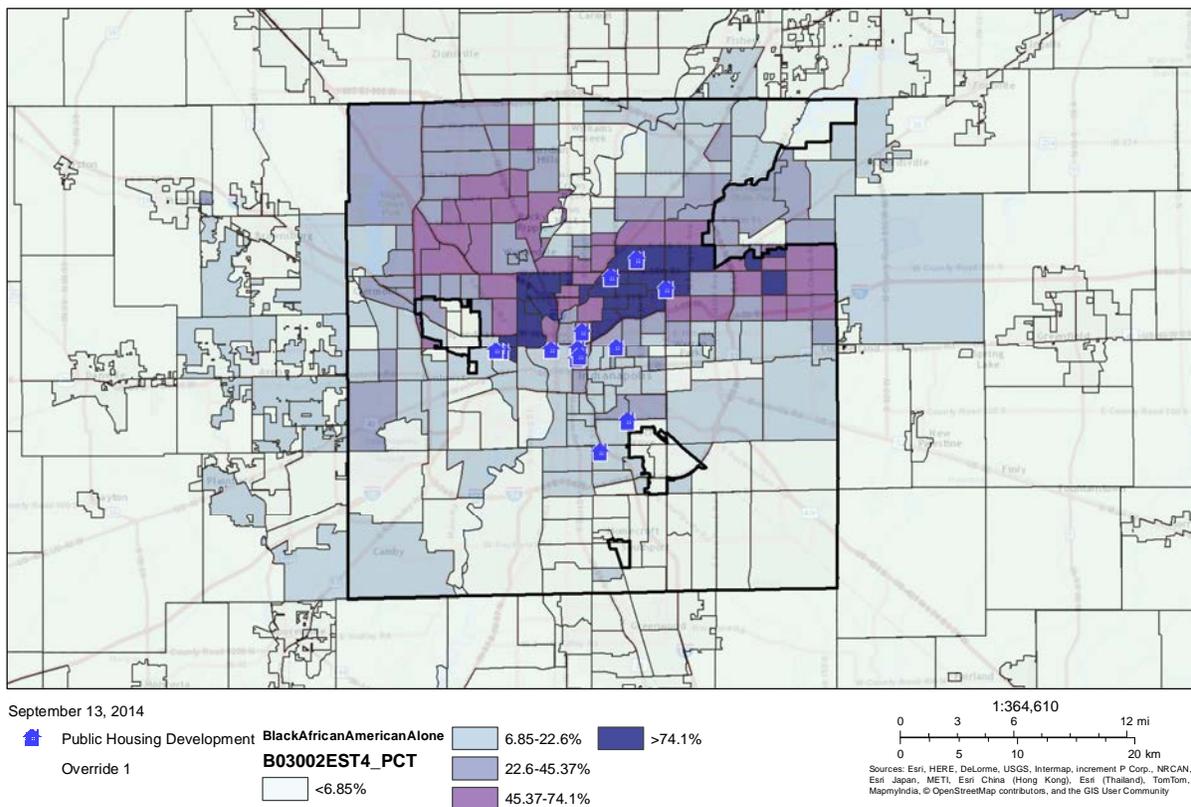
1. Assure compliance with leases. The lease must be signed by both parties.
2. Set other charges (e.g., security deposit, excess utility consumption, and damages to unit).
3. Perform periodic reexaminations of the family's income at least once every 12 months.
4. Transfer families from one unit to another in order to correct over/under crowding, repair or renovate a dwelling, or because of a resident's request to be transferred
5. Terminate leases when necessary.
6. Maintain the development in a decent, safe, and sanitary condition.

In addition to the provision of housing, IHA offers supportive services to residents in public housing communities. Services vary by housing community and can include:

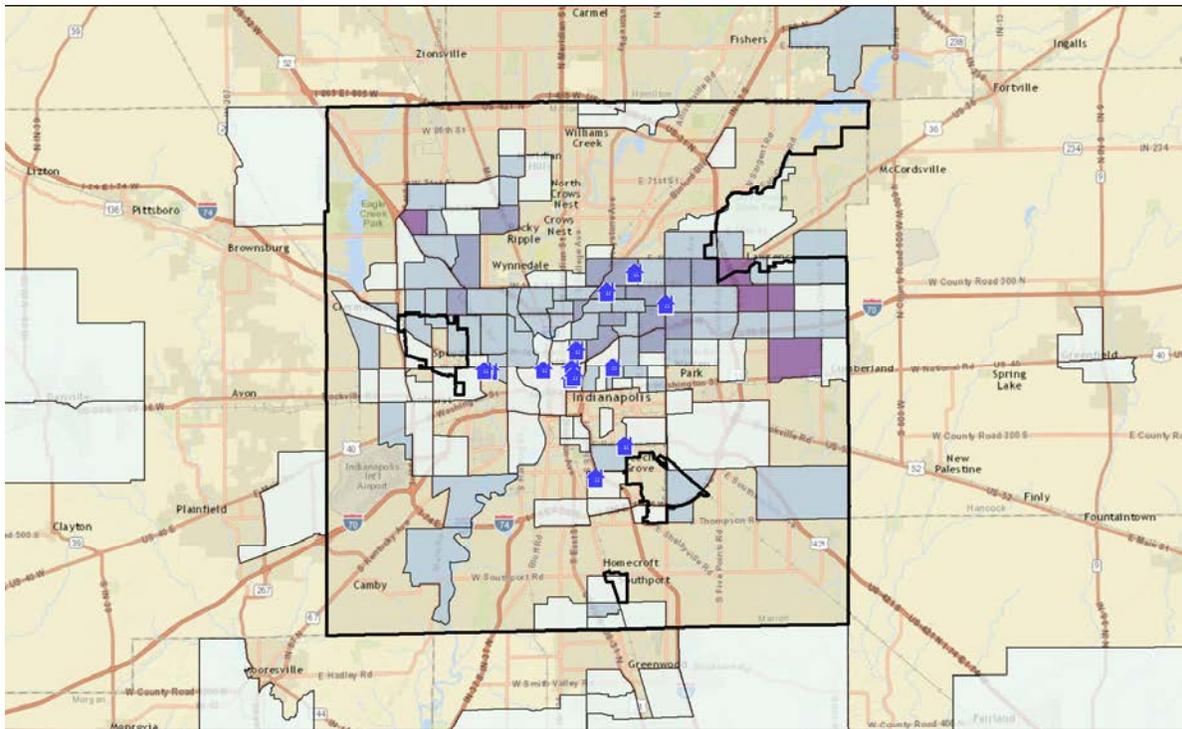
- Child care;
- Employment training and placement;
- Community service activities;
- Community/tenant organization;
- Literacy programs;
- Before and after-school programs;
- Dependency programs such as Alcoholic’s Anonymous and Narcotics Anonymous;
- Household management; and
- Budgeting and credit counseling classes.

IHA may provide the classes or activities on location at one of the public housing communities or refer a resident to a social service provider close to the community.

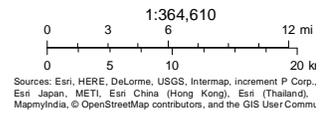
These communities are located throughout Marion County. According to Figure 32, the locations of these communities are in areas of high concentration of the African American population.



**Figure 32 - Public Housing Communities and Concentration of the African American Population – CPD Mapping Tool**



umber 13, 2014



**Figure 33 - Public Housing Units and Voucher Concentration - CPD Mapping Tool**

The second program, the Housing Choice Voucher (HCV) Program provides housing assistance for qualified low-income families in the rental market. Voucher holders are able to select a unit from the private rental market. As long as their housing choice meets reasonable rent requirements determined by IHA, program participants pay no more than 30% of their monthly-adjusted income toward rent and utilities. The housing assistance payment subsidizes the balance of the rent to the property owner. IHA administers the federal HCV Program, more commonly known as Section 8, currently allowing 7,162 families to choose and lease safe, decent and affordable privately-owned housing in Marion County.

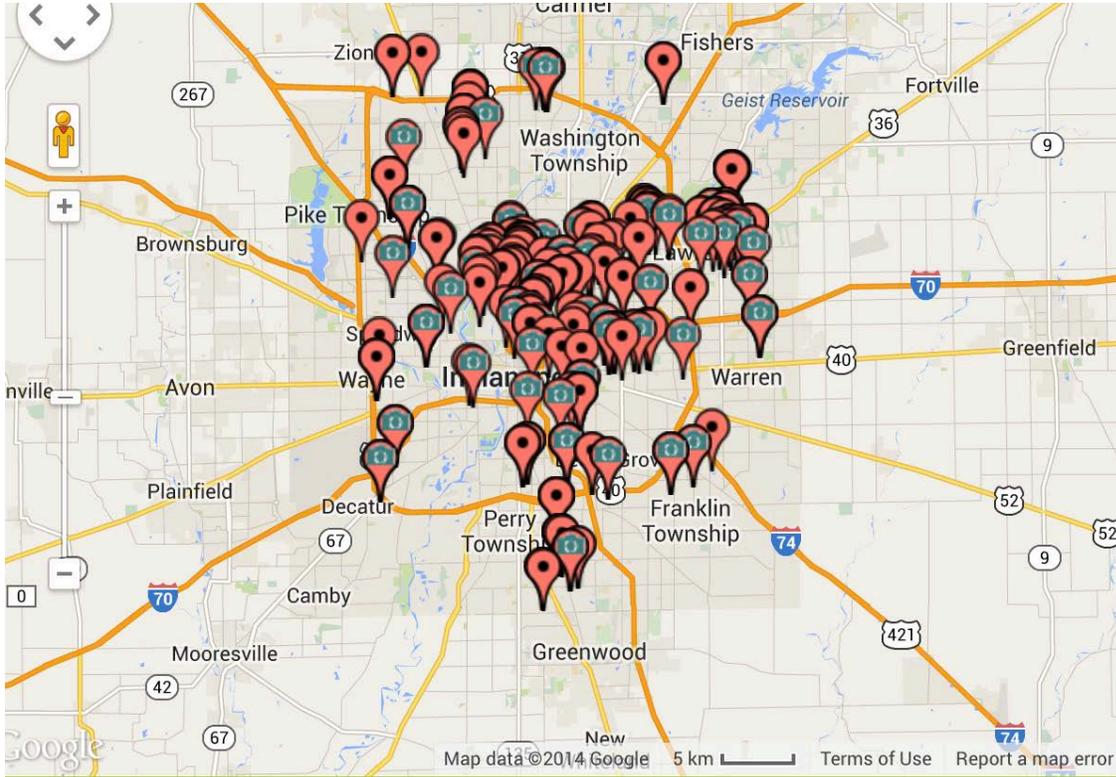
The rental properties may be apartments, town homes, detached single-family homes, duplexes or mobile homes. Section 8 Program participants are issued vouchers guaranteeing the property owner that Section 8 will pay a certain portion of the tenant's rent. The amount paid will differ from tenant to tenant depending on family size and income. The program participant and owner execute a lease, just as the property owner would do with any other renter who does not receive assistance. However, Section 8 also executes a contract with the owner specifying the amount Section 8 will pay

toward the rent. Figure 33 shows the both the location of public housing properties and the percentage of housing vouchers used by census tracts. Areas of the map not highlighted do not have any data available on the number of vouchers used in that area.

The third program, the non-profit community development arm, Insight was established as a 501(c)(3) in 1999, as part of the Concord-Eagle Creek development, to support IHA's mission by expanding the supply and enhancing the quality of affordable housing in Marion County. Since its inception, Insight has served as sole or co-developer on mixed finance developments worth over \$88 million that resulted in the creation of 462 affordable housing units, 14 market rate units and 52 homeownership units.

Governed by a six-member board of directors, Insight works to preserve, improve and reuse existing properties—transforming community liabilities into assets -- while creating high quality, affordable housing for low and moderate income families. In an ongoing four-year initiative, Insight is renovating 1,320 and creating 229 units of affordable and mixed income housing. Using a financing structure that is highly innovative for public housing agencies and strongly encouraged by the U.S. Department of Housing and Urban Development (HUD), Insight has secured over \$56 million from multiple sources and expects to create at least \$34 million more in financing for the development.

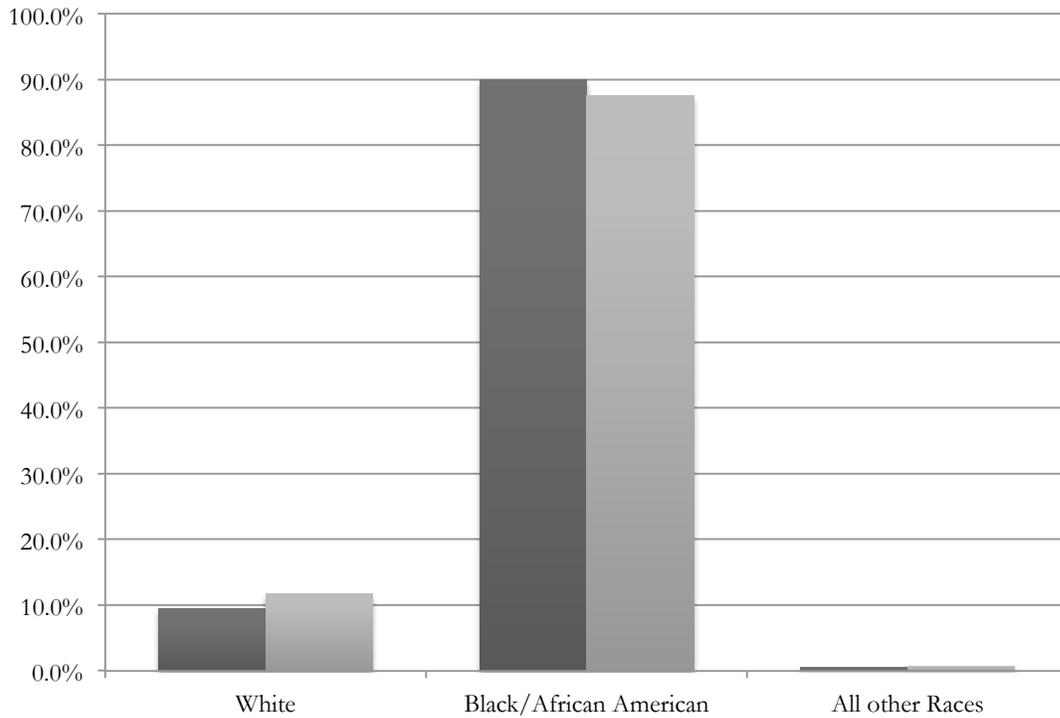
Figure 33 indicates the apartments accepting Section 8 tenants. The source of this map is [IndianaHousingNow.org](http://IndianaHousingNow.org), a website for landlords to list properties for free, offering various prices and amenities. It is a one-stop location for persons looking for affordable housing to rent that can meet their needs. The map was created by the website on Google Maps on 9/21/14 with the listings available at that time.



**Figure 34 - Location of Properties Accepting Housing Choice Vouchers on 9/21/14 - IndianaHousingNow.org**

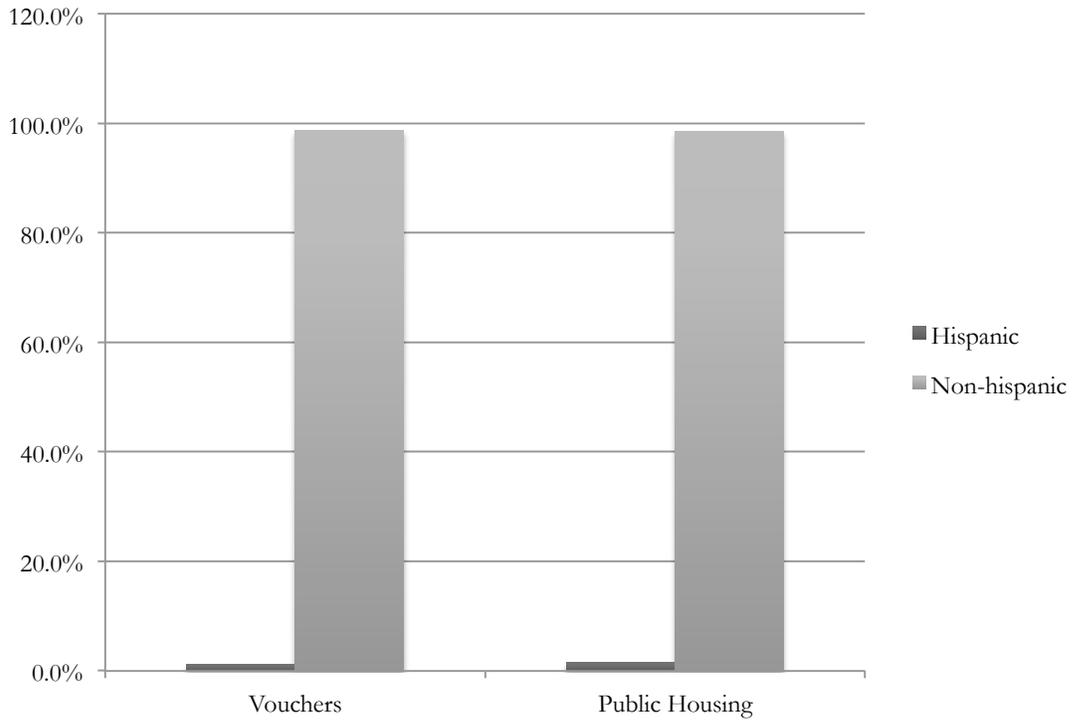
The Indianapolis Housing Agency (IHA) tracks race and disability of the households and families living in public housing communities as well as households and families receiving Section 8 assistance. The number of minority households, specifically African Americans, receiving assistance from IHA is greater than the number of White households.

City Consultants and Research, LLC examined the total number of minorities living in housing communities and receiving Housing Choice Vouchers to determine if any race received a preference for public housing or the Housing Choice Voucher Program. According to the numbers presented by the HUD eCon Planning suite, African Americans receive public housing and housing choice voucher benefits at approximately same rate. In fact, they receive a slightly higher percentage of housing choice vouchers than White households.



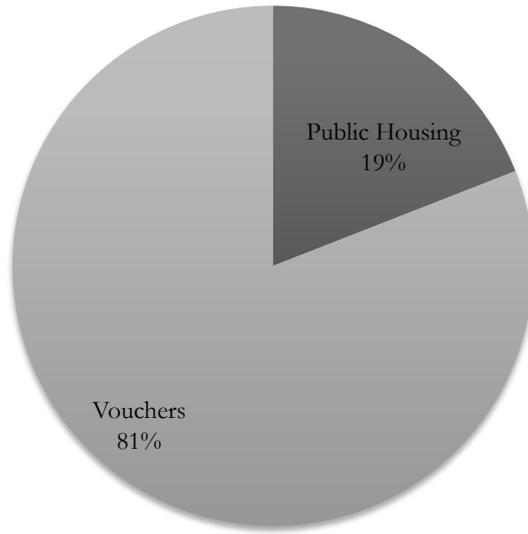
**Figure 35 - Beneficiaries of Public Housing and Housing Choice Vouchers by Race**

The same thing is true for the Hispanic population. Only a small portion of persons identifying themselves as Hispanic benefit from Public Housing or Housing Choice Vouchers, just 1.5 percent and 1.2 percent respectively. Since the difference in percentages is not statistically significant, it does not appear as a preference is given to those of Hispanic ethnicity to choose public housing or housing choice vouchers. Figure 36 shows these percentages.

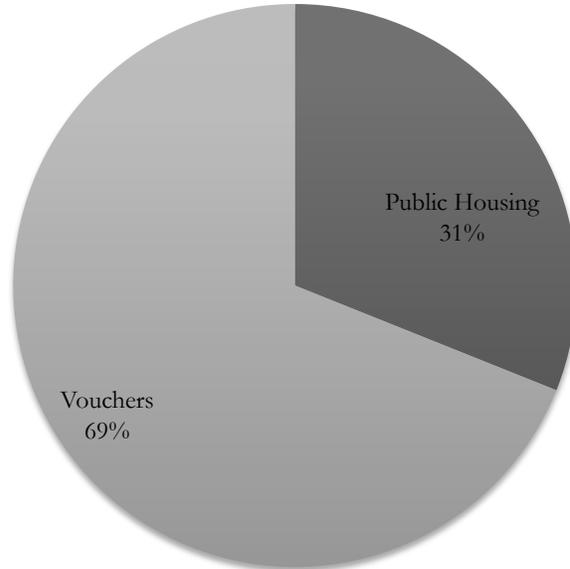


**Figure 36 - Beneficiaries of Public Housing and Housing Choice Vouchers by Ethnicity**

Families with children and families living with a disability have greater housing choice through the Section 8 Voucher program. The families using Section 8 vouchers are able to choose a location that best suits their needs. Figure 37 shows the percentage by benefits for families with disabilities. Overwhelmingly, a greater percentage of those families who receive any benefit from the Indianapolis Housing Agency are served with housing choice vouchers.



**Figure 37 - Families with Disabilities by Public Housing Benefit**



**Figure 38 - Elderly Household by Public Housing Benefit**

The same is true for elderly households. Of the total elderly households served, an overwhelming majority benefit from a housing choice voucher.

The information for these charts includes only families or individuals currently receiving assistance from IHA. Information about families and households on the waiting lists was provided to City Consultants & Research, LLC in consultation by IHA as part of the development of the five year strategic plan for the Indianapolis Housing Agency and the development of the five-year Consolidated Plan for the City of Indianapolis.

Of the 5,608 families waiting for public housing units on June 30, 2014, 60.77 percent of them were extremely low income, earning less than 30 percent of the area median income. An additional 23.07 percent earn incomes between 31 and 50 percent of the area median income. Of the 7,924 households waiting for a Section 8 voucher on June 30, 2014, 54.86 percent of them were extremely low income, earning less than 30 percent of the area median income.

Citywide, Indianapolis is home to 48,828 extremely low-income households, representing 14.85 percent of the total population. Indianapolis is home to 43,357 low-income households, earning between 31 and 50 percent of the area median income. This represents 13.18 percent of the total households in Indianapolis.

Eighty-nine (89.61) percent of the households waiting for public housing are African American. Eighty-five (85.07) percent of the households waiting for Section 8 vouchers are African American. Yet, only 26.3 percent of the total population in Marion County is African American. Caucasians or whites are the largest population, but only represent 12.2 percent of the public housing waitlist and 7.62 percent of the Section 8 Housing wait list.

Neither the population benefiting from public housing nor the population waiting for public housing is representative of the total general population. In both cases, those benefiting from these programs are minority populations, persons living with disabilities or those who are elderly.

#### **IV: Land Use Profile**

Zoning regulations and planning documents play a large role in the usage of property within Indianapolis. These regulatory requirements determine the type of building, commercial versus residential, and the density of the use. The city of Indianapolis can determine if any regulations hamper housing choice by evaluating the land use and determining if any regulation places undue hardship on any particular protected class.

##### *Zoning Regulations*

The City of Indianapolis has been working on a project called Indy ReZone. Development in the City of Indianapolis has had to follow the zoning structure last revised in the 1970's. Through consultations, many affordable housing developers have found the zoning laws to be burdensome and challenging when it comes to development. Some other factors Indy ReZone project states as reasons for the overhaul include:

- Uni-Gov was brand new.
- Much of Indianapolis was undeveloped; the interstate system was still a "new idea".
- The automobile dominated patterns of new development since gas was 36 cents a gallon.
- The average size of new house was 1,400 sq. ft; average cost was \$23,450; and energy costs were rarely considered.
- The manufacturing industry is where most people worked.
- New items such as satellite dishes, are now part of residential building not previously covered

The process began in July 2012 with work from the public and area experts to develop new zoning ordinances. Public comments were accepted during the summer months of 2014. At the time of this document's publication, the City of Indianapolis staff was editing the draft document. Once ready, this document will move to the City County Council for approval.

While there are many goals of the Indy ReZone, two of them look to impact housing for the protected classes.

1. Create, sustain and facilitate a diversity of housing options for residents of a broad range of income levels, age groups, and disabilities.
2. Create mixed-use and transit-oriented developments that serve as centers of neighborhood and community activity; encourage multi-modal transportation, especially public transit; and enhance the efficient movement of people, goods, and services.

Note #1: The City of Indianapolis Re-Zone includes twelve different dwelling districts for zoning, covering every type of housing. Different districts require different dimensional standards, minimum setbacks, minimum perimeter and side yards and minimum yards between buildings.

Note #2: The City of Indianapolis Re-Zone includes a focus on public transportation, incorporating the multi-modal transportation model supported in the Indy Connect 2012 study. Transit will

include planning for mixed use development along transit lines and possible transit stops for rapid rail or bus transit lines.

The City of Indianapolis has not set a date or time for approval of Indy Re-Zone, although the public timeline on the website sets an approval for Summer 2014. More information can be found at <http://www.indyrezone.org>. Previous AIs did not find any issues with the current zoning laws written in the early 1970's.

### *Comprehensive Plan*

The City of Indianapolis follows a non-binding land use plan to guide housing, commercial and industrial development called the Comprehensive Plan. The Comprehensive Plan, updated in 2006 and called Indianapolis Insight encourages fair housing. Marion County's comprehensive plan is made up of 135 documents, referred to as segments, each adopted over time by the Metropolitan Development Commission. The segments cover a variety of land development-related topics from parks and sewers to thoroughfares and historic districts. Statements about housing and fair housing from the plan include:

- Establish the opportunity for every citizen in Indianapolis to live in safe and decent housing.
- Develop a range of housing types, for owners and renters of all income levels in each township, to support the diverse need for housing in our community and to encourage homeownership.
- Improve pedestrian mobility.
- Use transportation and infrastructure improvements to enhance the quality of life by providing transportation choices that enhance both individual and community mobility.

Like the Consolidated Plan and Indy Re-Zone, the City of Indianapolis is updating the Comprehensive Plan. Plan 2020, a community-wide effort to update various Indianapolis plans, seeks to create a unified, countywide comprehensive plan that updates, incorporates, or replaces the existing 135 planning documents. It will include performance indicators for land use types, providing more clarity about how different uses perform on transportation, economic, tax base, and environmental criteria. The updated plan will focus on keeping and attracting residents to Marion County by planning for 21st century amenities and lifestyles. Particular focus will be paid to places in the county likely to see change, including transit corridors and cultural districts, and to integrate land use planning with transportation, economic development, Downtown, parks and recreations and strategic public investments. The Comprehensive Plan is to go through an updating process in 2015, but that may be an ambitious timeline for such a large undertaking.

### *Regional Center*

The Indianapolis Regional Center covers over 6.5 square miles in the heart of Indianapolis and the urbanized area of more than 600 square miles. Monument Circle, the center of the city, remains the economic, physical and social center of the city and has linked people to the City's center.

Regional Center boundaries include 16th Street to the north, Interstates 65 and 70 to the east, Interstate 70 to the south, and the Belt Railroad to the west and extends northward along North Meridian Street two blocks to each side up to 30th Street. The health, vitality, growth and success of the Regional Center impacts that of the entire city, county, region and state. To protect and guide this important community asset, several tools are available and used.

The Regional Center has an additional layer of approval that is required for projects in order to receive a permit, and sets standards with its own zoning and design guidelines. Guidelines do not apply to single-family residential structures, as they will follow standard City of Indianapolis guidelines for improvement.

The Regional Center also addresses the need for a wide range of housing types and affordability for the area, creating sustainability to living in downtown Indianapolis. The Regional Center Plan includes - Goal #6: Create an environment that will encourage the development of a range of housing types and affordability, that are high quality and at high densities and character appropriate to the areas in which they are placed. The plan references Community Development Corporations and government subsidies to sustain the growth of affordable housing, helping with higher taxes and acquisition costs associated with downtown development.

#### *Planning and Recording Fees*

The planning fees are typical and do not raise any concerns. Fees for historic districts are higher than general planning fees as there is additional review and cost associated with such review in historic districts.

Recording fees are reasonable and comparable to other cities of similar size. The Marion County Recorder provides a calculator to enable a developer or title company to estimate the fees they will incur to record any documents.

New permitting fees were established by the City of Indianapolis in April 2014. Fees for permits are reasonable and comparable to other cities of the same size.

#### *Metropolitan Development Commission and Board of Zoning Appeals*

The nine-member Metropolitan Development Commission adopts and amends the comprehensive General Land Use Plan for Marion County, keeping track of the changing needs of the city. The Commission adopts zoning ordinances and makes decisions on some variance and all rezoning petitions, thereby guiding the efficient and orderly development and redevelopment of the Unigov area. The Mayor appoints five of the commissioners; the City-County Council, all drawing from the general population, appoints four.

The Metropolitan Development Commission also functions as the board of the Department of

Metropolitan Development, approving contracts and the sale of property for redevelopment. In addition, the Commission functions as the planning and zoning commission and as a redevelopment commission with litigated authority.

The Metropolitan Development Commission is empowered by statute to: plan thoroughfares, adopt amendments to and additional segments of the Comprehensive Land Use Plan, adopt resolutions concerning land use policy, approve ordinances for zoning and districting, approve and recommend ordinances for amendment or repeal of zoning ordinances, approve development plans, exercise Board of Zoning Appeals powers to grant or deny special exceptions and variances, and exercise all statutory powers in accordance with said statutes. Its functions also include tax abatement, declaration of redevelopment areas, and the purchase and sale of property. The President decides all points of order and procedure unless otherwise directed by a majority of the Commission members present.

The Board of Zoning Appeals (BZA) holds public hearings and makes decisions on variances of the zoning ordinances, special exceptions specifically allowed by the zoning ordinances, appeals of administrative decisions, and approval petitions for modifications of previously approved petitions. Because of the large number of petitions filed in Marion County, there are three divisions of the BZA. Each division has five members, appointed as follows: 1 member by the Metropolitan Development Commission, 2 members by the Mayor, and 2 members by the City-County Council.

Each of the excluded cities in Marion County, Lawrence, Speedway, and Beech Grove have their own Board of Zoning Appeals. Although the Department of Metropolitan Development serves as staff to those Boards, petitions are filed and hearings are held in the respective city.

### *Building, Occupancy and Health and Safety Codes*

The City of Indianapolis building codes are set within The Indianapolis Marion County Code of Ordinances, Title III- Public Health and Welfare, Chapter 536 Buildings and Construction. The building standards set within the municipal code include several articles of the Indiana Administrative Code, including Article 14: Indiana Residential Code (formally the Indiana one and two-family dwelling code). The Indiana Residential Code is based on the International Residential Code drafted by the International Code Council (ICC). The ICC strives to develop building codes that promote safety and respond to national standards such as the Americans with Disabilities Act, and utilize recommendations from national builder's associations and trade organizations.

Health and Hospital Corporation of Marion County, a municipal organization, is responsible for enforcement of the City's health and safety code. The health and safety code promotes the physical and mental health of the public through enforcement of minimum standards for residential property and housing. The code follows general practices by the American Public Health Association and the Center for Disease Control.

## *Plan 2020*

Plan 2020 is a strategic planning initiative forging a compelling future for Indianapolis. The plan is a collaboration between the Greater Indianapolis Progress Committee, Department of Metropolitan Development, and community leaders to make Indianapolis a better place to live, work and visit. Plan 2020 will be used to update a number of City of Indianapolis plans, including the Marion County Comprehensive Land Use Plan, the Marion County Thoroughfare Plan, the Marion County Parks, Recreation and Open Space Plan, the Regional Center Plan, the Consolidated Plan and the Comprehensive Economic Development Strategy.

All of these plans have come to a point of renewal at the approximate same time. Through a gift of the Lilly Endowment, the City of Indianapolis and its partners are working with the public through an extensive input process to develop and shape the future of Indianapolis. The Hall, the recently renovated old City Hall, is the center for information and public inquiry. Friday Forums offer a way for the community to find out more about the process.

Committees are working to develop goals for the community in one of five areas – Choose Indy, Connect Indy, Love Indy, Serve Indy and Work Indy. Goals are set under each of one of these areas, creating a city that is livable and competes for people to move to the City, connecting the people of Indianapolis to each other and places, creating a city that welcomes people, creating an engaged community and creating economic opportunity.

More specific to the Consolidated Plan, the City of Indianapolis conducted survey research to get ideas from the community on housing, homeless and community development needs. The survey was distributed to the jury pools each morning for the month of August and interns from Plan 2020 distributed surveys to people entering the Center Branch Library just north of downtown. The survey reached a random selection of registered voters and people utilizing the library. The City of Indianapolis also provided an electronic survey link to housing and public service providers. A summary of responses is included in the appendix to this document.

While Plan 2020 includes five areas of focus, a gap in the planning development includes housing and sustainability. Plan 2020 does address design, mixed-use village development and connection to public transportation. All of these items can affect fair housing upon their implementation. However, since Plan 2020 is in the drafting state, this AI cannot accurately determine if Plan 2020 will address any impediments to fair housing. The next Comprehensive Plan looks to address those gaps in Plan 2020 when it comes to housing and sustainability, discussing how the environment around housing development and the housing development should affect each other. The City of Indianapolis will need to provide detailed review of the planning documents to ensure fair housing opportunities are not hindered by Plan 2020.

## *Public Transportation*

The federal government mandates regional efforts in transportation planning. Traffic patterns and types of transportation have an effect on an entire region, ignoring political boundaries. The Central Indiana Regional Transit Authority (CIRTA) is responsible for the development, implementation and promotion of comprehensive transportation systems of various alternatives for central Indiana residents. The CIRTA has a 12-member board with representatives from nine counties, Marion, Hamilton, Hancock, Shelby, Johnson, Morgan, Hendricks, Boone and Madison.

The City of Indianapolis has been criticized for its lack of reliable, efficient public transportation. While transportation planning and efforts continue, the need for more reliable public transportation continues to increase as well as new pressures for multi-model transportation. The City of Indianapolis continually strives to improve regional transportation with its partners and to further public transportation. Some examples of current work include:

- ***Complete Streets*** - On March 5, 2014, the IRTC Policy Committee approved a complete streets policy for the central Indiana region. Complete Streets are streets for everyone. They are designed and operated to enable safe access for all users. Pedestrians, bicyclists, motorists, and public transportation users of all ages and abilities are able to safely move along and across a complete street. Complete Streets make it easy to cross the street, walk to shops, and bicycle to work. They allow buses to run on time and make it safe for people to walk to and from train stations.
- ***The 2014-2017 Indianapolis Regional Transportation Improvement Program*** – IRTIP includes transportation improvements proposed by government and transportation agencies in the Indianapolis Metropolitan Planning Area over a four year period. The basic objective of the IRTIP is to help local governments provide the best attainable coordinated transportation system for citizens in this area.
- ***The Indy Connect Transit Plan*** - Indy Connect has recently announced a \$2 million study to further planning and engineering efforts for one of the bus rapid transit lines. The Indy Connect Initiative also works with the public to keep rapid transit on the forefront of policy making.
- ***Plan 2020 and the Indianapolis Thoroughfare Plan*** - The Thoroughfare Plan specifies the proposed right-of-way for each existing and proposed street segment based on its functional classification, proposed number of lanes, and the level of development surrounding it. The plan is used by the City of Indianapolis for federal street maintenance funding and for determining priorities for street maintenance duties such as snow plowing. As part of Plan 2020, the Thoroughfare Plan will be updated to match values initiated by the general public and stakeholders.

While there are many initiatives in the planning stages, the current public transportation system is has seen an increase in ridership. Efforts to improve the system are underway, including the construction of a new downtown transit center. The downtown transit center will be a hub for public transit. It will include a large public indoor waiting area as well as bus bays with canopies to

protect passengers from the elements. With its close proximity to the heart of downtown, the Cultural Trail and Bike Hub, the DTC will serve pedestrians, cyclists and bus riders. The development of the transit center is the beginning of planning efforts to improve the public transit system for all of the community.

## **V: Compliance Data**

This section will evaluate the current issues facing the city of Indianapolis that may affect fair housing choice. Items for this evaluation include current court cases, property taxes, current programs, reporting methods and educational programs. This section also provides a valuable self-assessment of the progress made to ensure fair housing choice and evaluate areas of improvement in current or previous programming.

### *Current Cases*

A case in Indianapolis during 2011, prosecuted by U.S. Attorney Joe Hogsett, a woman convicted of housing discrimination was sentenced to felony charges of threatening to burn down a rental property being viewed by two African-American women. She was given six months in federal prison, followed by three years of supervised probation. The African American woman who toured the home eventually moved into the rental property, which later burned down. However, the woman accused of the threat is not considered a suspect in the arson case.

In October 2013, the Fair Housing Center of Central Indiana joined the National Fair Housing Association in an amended fair housing complaint against US Bank. The civil rights groups allege that U.S. Bank continues to maintain and market foreclosed homes in white neighborhoods in a much better manner than in African-American and Latino neighborhoods. Failing to maintain and market homes because of the racial or ethnic composition of the neighborhood violates the federal Fair Housing Act.

In May of 2014, the National Fair Housing Alliance filed an amended federal housing discrimination complaint against Safeguard Properties, a national mortgage field services company, highlighting evidence in Chicago, Denver, Indianapolis and Charleston. This is the most recent complaint filed with the U.S. Department of Housing and Urban Development for Safeguard Properties' failure to maintain foreclosed homes in African-American and Latino neighborhoods as compared to White neighborhoods. In Indianapolis: 44 percent of properties that Safeguard serviced in neighborhoods of color had substantial trash accumulation compared to 29 percent in white neighborhoods. Twenty five percent of properties in neighborhoods of color had unsecured holes in the building structure compared to only seven percent in white neighborhoods.

### *Property Taxes*

In March 2008, the Indiana General Assembly passed bill SJR0001 to limit the amount of property taxes beginning in 2012 for the entire state of Indiana. The limit for homeownership properties will be one percent of the assessed value. The limit for rental properties will be two percent of the assessed value. The limit for commercial properties will be three percent of the assessed value.

Proponents of the new tax law argue the single tax rate across the State of Indiana will eliminate disparities between properties based on location. In Marion County, there are 69 different taxing districts. According to the 2005 tax rates available on the Marion County Auditor's web page, not every district taxes every property the same and the rates vary by location. Some properties are

taxed at a rate as low as 2.4 percent while others are taxed at a rate of 3.8 percent. For a property valued at \$100,000, the variance could equal as much as \$1,400 annually dependent on the location of the property.

The single tax rate does have potential problems. Higher taxes for rental properties may be passed along to the end consumer, or the lessee of the property, in the form of higher rents. This could have an adverse effect on lower income individuals renting properties with higher property taxes. While not all low income individuals are minorities, those individuals in the protected classes tend to rent their housing more than own housing. The ramifications of the property tax overhaul will need to be re-examined once implemented to see if it has an adverse effect on the protected classes.

### *Government Programs and Education*

The Indiana Civil Rights Commission (ICRC) serves as the primary investigative and resolution agency for fair housing complaints for the State of Indiana. The ICRC is contracted by the U.S. Department of Housing and Urban Development (HUD) to investigate fair housing discrimination. The ICRC has substantial equivalence certification, meaning they enforce a fair housing law that provide substantive rights, procedures, remedies and judicial review provisions that are substantially equivalent to the Fair Housing Act. HUD may refer complaints of housing discrimination to the ICRC as the nearest federal fair housing office is located in Chicago, IL

Complaints may follow an eight-step process; however, most complaints are resolved within the first three steps. Figure 37 demonstrates the complaint and resolution process.



**Figure 39 - Complaint Process for the Indiana Civil Rights Commission**

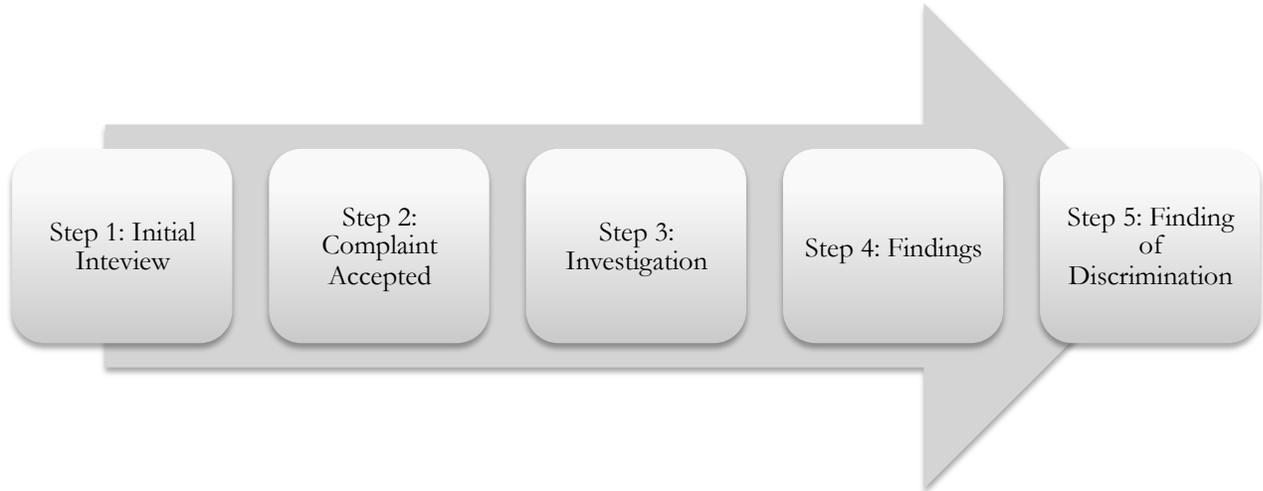
A complaint must be filed within 180 days of the date of the occurrence of the discriminatory act. From that point the Indiana Civil Rights Commission (ICRC) conducts a thorough investigation from the point of view of both parties involved within the complaint. The investigator from the ICRC may require a test to be performed as part of the process. Testers are trained individuals whose purpose is to observe what occurs and record their experience relating to the complaint. The test is a controlled method for determining the integrity of the information relating to the complaint. After an investigation, the two parties may submit to a mediation to resolve the problem. This is a voluntary process and if no agreement is reached, the complaint may follow the process above to the public hearing, final resolution and remedies.

According to the 2013 Indiana Civil Rights Commission Annual Report, the ICRC received 1,595 discrimination complaints or inquiries, not limited to housing. At the end of the 2013 fiscal year, the ICRC had no open cases or aged case relating to housing discrimination. As of September 14, 2014, the ICRC did not list any fiscal year 2014 probable cause findings for housing discrimination.

The ICRC also conducts public outreach programs and educational programs. During the 2013 fiscal year, the ICRC conducted 45 different events, workshops and programs across the state, reaching 3,584 people. It is important to note that these sessions were not limited to Indianapolis.

The Office of Equal Opportunity is the primary investigative organization for housing discrimination within Marion County. This includes the City of Indianapolis and the excluded cities

of Beech Grove, Speedway, Lawrence and Cumberland. The Office not only investigates housing discrimination, but also discrimination regarding employment, public accommodation and education. Complaints may be filed to either the City of Indianapolis or the State of Indiana reporting agency.



**Figure 40 – Fair Housing Complaint Process for the City of Indianapolis, Office of Equal Opportunity**

The investigation process includes two steps, notifying the landlord and documenting the events that are part and partial to the incident(s) of discrimination. In most cases of housing discrimination, landlords are willing to make remedies before the Adjudication Committee can review a final report. The Adjudication Committee is made up of three people appointed by the Mayor and the City-County Council. The Adjudication Committee reviews the report from the investigation and determines if an act of discrimination has taken place. At the time of publication of this document, three (3) open cases are under investigation. An additional three (3) cases are under review by the Adjudication Committee.

The Office of Equal Opportunity has found that in most cases, the Landlord has only a few units and is not a professional property manager with fair housing training or education. Rarely does the office find complaints filed by tenants of properties managed by professional management companies, realtors or other professions. On the other hand, many tenants have called for assistance after trying to handle the situation on their own, most often by not paying rent as a form of protest. Unfortunately at this point, many of the landlords have already begun the eviction process. Education for both parties is a need for furthering fair housing and positive tenant/landlord relationships.

In 2011, 2012 and 2013, the Office of Equal Opportunity has received and accepted 21 cases related to housing discrimination, seven (7) per year. To date (September 15, 2014), the Office of Equal Opportunity has received and accepted 14 cases related to housing discrimination in 2014. Most of the cases, 90 percent, are alleging more than one type of discrimination, based on race, disability,

marital status, gender, familial status, etc. Five of the cases list disability as at least one of the reasons for the discrimination and three of the cases list race as at least one of the reasons for the discrimination.

The Office of Equal Opportunity does not have a Substantially Equivalent Certification from the Office of Fair Housing with HUD.

### *Advocacy and Testing*

The Fair Housing Center of Central Indiana, incorporated in April 2011, is a non-profit organization with a mission to eliminate housing discrimination through advocacy, education, enforcement and outreach. The Fair Housing Center of Central Indiana serves thirteen counties in Central Indiana: Boone, Clinton, Delaware, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Monroe, Morgan, Rush, and Shelby. Other areas of Indiana may be served as budgets allow. The Fair Housing Center of Central Indiana also conducts testing programs to determine the level of housing discrimination in Central Indiana and to use as a way to advocate for more education and training for those in the community.

In April 2013, the Fair Housing Center of Central Indiana released a report about its testing program and results found in Marion County/Indianapolis. Testing is an enforcement tool used by virtually every private, nonprofit fair housing agency as well as the U.S. Department of Justice. Testing is a controlled investigative procedure in which individuals inquire about a housing unit and collect information about their experience. The results of the testing affirmed a high rate of housing discrimination.

During the paired testing, two individuals were matched in every relevant aspect except for the characteristic that is being tested. For example, in a race test a matched pair test would be conducted with a person of color and a white tester making contact with and visiting the same property within a short time period of each other. The testers would have similar characteristics for income, family size and other relevant factors. The matching of testers is important because it removes any financial or business justifications for rejecting the protected group tester. Equally qualified individuals seeking the same kind of housing should receive similar treatment and be given similar information. If there is only one difference (in this case, race), that is likely to be the factor causing any differential treatment.

The Fair Housing Center of Central Indiana conducted 11 tests in zip codes where the population is majority White (75%), utilizing African American testers. Of the 11 tests, 9 or 82 percent showed differential treatment favoring the white tester. In not a single test did the person of color receive more favorable treatment. The test results also found:

- Nine (82 percent) involved difference in information regarding the availability of units
- Five (45 percent) involved difference in treatment during the on-site appointment
- Three (27 percent) involved difference in security deposit amounts
- Two (18 percent) involved differences in rental amounts

- Two (18 percent) involved steering
- One (9 percent) involved differences in access to rent applications
- One (9 percent) involved differences in treatment before and after the on-site visit
- 0 involved differences in move-in specials

The Fair Housing Center of Central Indiana also conducted 10 tests in zip codes where the population is majority White (75%), utilizing Hispanic/Latino testers and 2 tests utilizing Asian testers. Seven of the 12 tests, 52 percent, showed favorable treatment of the White testers. In one test, an Asian tester was showed favorable treatment. Neither Asian test showed favorable treatment to the White tester, so if those tests are removed from the sample, 70 percent of the tests showed discrimination towards the Hispanic testers. The tests results also found:

- Five (50 percent) involved difference in information regarding availability of units
- Four (33 percent) involved difference in treatment during the on-site appointment
- Three (25 percent) involved difference in security deposit amounts
- Two (17 percent) involved differences in rental amounts
- One (9 percent) involved steering
- One (9 percent) involved differences in access to rent applications
- 0 involved differences in treatment before and after the on-site visit
- 0 involved differences in move-in specials

The Fair Housing Center of Central Indiana also tested for discrimination for familial status and found applicants with a family experienced discriminatory practice 20 percent of the time.

A second part of the testing report discusses accessibility of housing. Both the previous Analysis of Impediments for the City of Indianapolis and the Analysis of Impediments for the State of Indiana stated there is an issue of finding accessible units that are affordable to persons with disabilities. A federal law passed in 1991 required new rental units and multi-family properties to have accessible units that met minimum standards. The testing conducted by the Fair Housing Center of Central Indiana looked at eleven (11) multi-family complexes that were built in 2000 or later for accessible units and common areas within the properties. Only three (3) out of the eleven were in compliance with the federal law for accessibility.

The report also states that out of eight (8) additional tests for reasonable accommodation, 25 percent of the sites treated the person with a disability with discriminatory practices. Reasonable accommodations are changes to rules, policies, procedures and practices or changes in the way services are provided. Changes can include the allowance of a service animal or special parking. The intent of the law is to enable a person with a disability to have the opportunity to use the same facilities as those without a disability. The reasonable accommodation should not cause undue financial or administrative burden to the housing owner or cause a fundamental change in the operation or services provided.

More details about the discriminatory practices found are provided in the report. The importance of this information is to let the policy makers and community members know that discrimination,

however still takes place in Marion County/Indianapolis. The discrimination may not be blatant, where a victim is aware of the discrimination. In the testing, the discrimination was not obvious or apparent to the discriminated party or victim. In the case of the paired testing, the African American tester was not aware of the discriminatory practices until seeing the results from the White tester.

The report concludes with recommendations for the Fair Housing Center of Central Indiana and the community to follow to combat this issue. Recommendations from the report include:

1. Continue collaboration by Government, Industry and Grassroots Organizations to address housing discrimination and expand where not occurring.
2. Fund and conduct additional testing to uncover incidents of housing discrimination
3. Increase education and outreach efforts on Fair Housing laws.
4. Provide adequate funding to fight housing discrimination

Some of the recommendations, and the strategies to accomplish these goals, will be incorporated in this Analysis of Impediments to Fair Housing later in this document.

#### *Zip Code Inequality: Discrimination by Banks in the Maintenance of Homes in Neighborhoods of Color*

The National Fair Housing Alliance led an examination, nationwide, of REO maintenance and marketing practices of major lenders and Fannie Mae over the last five years. NFHA and its partners investigated more than 2,400 REO properties in 29 metropolitan statistical areas. REO properties, or Real Estate Owned properties, is a term used in the United States to describe owned by a lender, typically a bank, government agency or government loan insurer, after an unsuccessful sale at a foreclosure auction. The investigation and evaluation took into account over 30 different aspects of the maintenance and marketing of each property, including curb appeal, structure, signage, indications of water damage, condition of paint, siding and gutters. The results revealed a continuing and disturbing trend that properties in neighborhoods with high concentrations of minority populations, or in neighborhoods of color, are more likely to be found with maintenance issues or in disrepair.

Indianapolis, Indiana was one of the metropolitan statistical areas investigated by NFHA, including Carmel, Fishers, Speedway, Beech Grove, Lawrence and the City of Indianapolis. The study selected zip codes in which the majority of the residents were White, Non-Hispanic, Latino, African American or a combination of non-white, Latino and African American. Only REO properties that were still vacant and owned or overseen by the Federal Housing Agency or Government Sponsored Enterprises were evaluated. Findings in Indianapolis include:

- REOs in communities of color were 3.4 times more likely to have missing or out of place gutters compared to REOs in White communities
- REOs in communities of color were 2.3 times more likely to have an unsecured, broken or boarded door than REOs in White communities

- REOs in communities of color were 2.1 times more likely to have an unsecured, broken or boarded window than REOs in White communities

This becomes a fair housing issue as neighborhoods with color having a more difficult time to recover as these are the same neighborhoods with high rates of empty homes in disrepair. The study found that REO properties that were well maintained were sold to owner occupants at a higher rate than those in disrepair. Fifty percent of the well-maintained properties went to owner occupants whereas only 20 percent of poorly maintained properties sold to owner occupants. This is important as investors tend to be the buyers of poorly maintained properties and often result in further negative outcomes, including rapid decrease in property values and a higher risk of abandonment.

Other affects of poorly maintained REO properties include:

- *They strip wealth from communities of color* – with the higher rate of foreclosure and predatory loans in communities of color, the NFHA estimates between 2005 and 2009, African American households lost 53 percent of their wealth and Latino households lost 66 percent of their wealth
- *They are costly to local municipalities* – local governments and jurisdictions often bear the brunt of boarding and securing vacant properties and maintenance of the exterior/lawn, which can be costly in communities of high rates of foreclosure.
- *They create health and safety concerns for communities* – vacant and boarded properties can cause anxiety, stress and isolation for neighboring households, which in some studies have shown health affects such as high blood pressure. High rates of foreclosure are also associated with increased criminal and arson activity.

NHFA wrote directly to the City of Indianapolis in August of 2014, detailing its findings in Indianapolis and suggestions for furthering fair housing. Suggestions that have not already been a part of the normal operations of the City of Indianapolis have been included as part of the strategic plan.

NHFA began its investigations into the maintenance of foreclosed and REO properties in 2009 after the housing and financial meltdown. As a result of its initial findings in a 2012 report, “The Banks are Back, Our Neighborhoods Are Not,” the NFHA and its partners filed housing discrimination complaints with the US Department of Housing and Urban Development. The first complaint, against Wells Fargo Bank, resulted in \$27 million to NFHA and its 13 fair housing partners to administer programs in targeted neighborhoods to increase homeownership opportunities and stabilize communities in 19 cities. \$600,000 of funding from this lawsuit has been used to help stabilize communities in Indianapolis.

*Self Evaluation*

The City of Indianapolis has included the previous goals of the *Analysis of Impediments to Fair Housing Choice* (AI) as part of its *2010-2014 Consolidated Plan* and congruent Action Plans. The City of Indianapolis has worked to provide funds towards affordable housing projects that address extremely low-income households, persons with disabilities and further fair housing. However, most funding goes to grass roots community development organizations that rarely serve the southern townships in Marion County. The City of Indianapolis hopes to change this by focusing on areas around the University of Indianapolis and seeking additional partner organizations.

Table 24 shows the progress made towards the impediments listed in the previous *Analysis of Impediments to Fair Housing*.

**Table 24 - Evaluation of Progress Towards Impediments and Goals in 2010-2014 Analysis of Impediments to Fair Housing**

<b>Area in Need of Improvement</b>	<b>Impediment/Obstacle</b>	<b>Resolution/Outcome</b>	<b>Date Completed</b>
Community Input	The general population is not aware of fair housing issues or where to file complaints.	Support a local agency to promote fair housing and to serve as a place to receive complaints on fair housing. This may be done within a city department.	Fair Housing Center, founded in 2011, received first City of Indianapolis grant in 2013.
Community Input	The general population, particularly the minority population, is not fully educated in the home buying process.	Support homeownership training classes.	Annually, through the support of the Indianapolis Neighborhood Housing Partnership and Habitat for Humanity
Community Input	A person with disabilities and with a low income may not be able to afford the necessary improvements to a housing unit to make it accessible.	Support repair programs for persons with disability to make their homes, either rental or homeownership, accessible.	Annually, through the home repair program to local Community Development Corporations,

<b>Area in Need of Improvement</b>	<b>Impediment/Obstacle</b>	<b>Resolution/Outcome</b>	<b>Date Completed</b>
Community Input	There are negative connotations or stereotypes associated with affordable housing development making it difficult to develop new affordable housing units, particularly outside the urban core.	Contribute articles to local media and neighborhood organizations on affordable housing and the importance of fair housing choice.	Did not contribute articles to local media or neighborhood organizations.
Compliance Data	Racial disparities are prominent in the number of high cost loans issued in Indianapolis.	Contribute to the professional publications, such as those with MIBOR to encourage fair housing practices and emphasize the importance of fair housing choice.	Did not contribute articles to MIBOR newsletter.
Housing Profile	The city of Indianapolis continues to have a high concentration of affordable housing in the urban core, leading to minority concentration.	Support affordable housing development, particularly in the southern townships. Affordable housing should be located near high employment sectors and public transportation.	Supported affordable housing outside Center Township, 288 units
Land Use	The process for zoning appears complex to the general public and often requires additional technical assistance to navigate through the process.	Provide educational programming to neighborhood groups about the zoning process. Simplify the city website to make the process more user friendly to the general public.	Indy ReZone - expected in late 2014

The Fair Housing Center of Central Indiana has been the primary local advocacy group for the City of Indianapolis. The organization received an allocation of \$500 in 2013 to help with its annual conference and education seminars. The Center also received \$123,000 of CDBG in 2013 and \$50,000 of Housing Trust Fund dollars in 2014 from the City of Indianapolis to help with home repairs in neighborhoods hit hard with housing discrimination.

Overall, the progress the City of Indianapolis has made by its own direction has been minimal. The development of the Fair Housing Center of Central Indiana, an advocacy agency, and the Office of Equal Opportunity within the Office of Corporation Counsel have initiated much of the progress listed in the chart above. The Department of Metropolitan Development has helped develop Renew Indianapolis, for the resale of vacant and abandoned homes to potential home owners and developers.

## **VI: Mail Survey and Community Input**

### *2014 Plan 2020 and Consolidated Plan Survey*

The *Consolidated Plan* is a document created by the City of Indianapolis that allocates four major grants from the U.S. Department of Housing and Urban Development. The grants are the Community Development Block Grant, the HOME Investment Partnerships Program, the Emergency Shelter Grant and Housing Opportunities for Persons with HIV/AIDS. Together, these grants total nearly \$13.2 million dollars of annual funding to the City of Indianapolis and Marion County.

The City of Indianapolis worked with the Division of Planning to help solicit public input on community development and fair housing issues. Information will from these surveys will be used to develop the Consolidated Plan and for the City of Indianapolis multi-planning document effort called Plan 2020.

The survey process took place during the months of June – August 2014. The City of Indianapolis surveyed the daily jury pool, met with individuals utilizing the Central Library and local stakeholders. 410 people responded to the fair housing questions in the survey. The findings from the survey were:

- 84.6 percent of respondents knew housing discrimination is illegal
- 77.8 percent of respondents knew they could report discrimination to the Indiana Civil Rights Commission
- 76.5 percent of respondents said they had not been a victim of housing discrimination
- Of the 52 renters who believed they were victims of housing discrimination, 32 percent believe it was because of race and 27 percent believe it was because of income. These were the two highest rated reasons for housing discrimination among renters.
- Of the 24 homeowners who believed they were victims of housing discrimination, 41 percent believe it was because of race and another 41 percent believe it was because of income. These were the two highest rated reasons for housing discrimination among homeowners.

### *Professional/ Stakeholder Interviews*

City Consultants and Research, LLC conducted face-to-face interviews and telephone interviews with various stakeholders and professionals in the Indianapolis community. A complete list of the people interviewed for this document is included in Appendix D. A number of the people interviewed provided additional resources to collect information and data regarding fair housing choice. This data assisted with the analysis of fair housing choice.

In addition, the interviews confirmed the analysis of the data and suggested other obstacles to fair housing choice and housing development not readily available in other data or statistics. Some of the comments and concerns are listed below. Please note, the following statements are those of

stakeholders in the community, not those of the City of Indianapolis staff or City Consultants & Research, LLC.

### Affordable Housing Development

- Tighter regulatory requirements tied to funding sources have made it difficult to develop affordable homeownership opportunities as the housing market still lags in some neighborhoods.
- Affordable housing developers have found discrimination and intimidation from neighbors when selling homes, even when integrating White households into neighborhoods with high concentrations of Minority populations
- Abandoned housing continues to plague urban core neighborhoods.
- Landlords may not know all the rules and regulations surrounding fair housing choice, such as allowing seeing-eye dogs in a “no pets” facility.
- Concern among housing providers is the amount of human capital to provide services and manage housing for those living at extremely low income may be at a maximum before any more housing can be constructed.
- Housing discrimination complaints are often confused with tenant/landlord miscommunication that has escalated to eviction process that can prevent resolution of problems that may or may not be discriminatory practices.
- Indianapolis has an abundance of housing and needs to focus more on economic development and other amenities that attract buyers and renters into the market.
- Public transportation is essential, including the development of bus rapid transit. A bus trip across Indianapolis, West to East, can take up to 2 hours, one-way.
- Areas of accessibility, such as downtown and near the cultural trail, are becoming increasingly expensive, pricing out persons with disabilities.

### Regulatory Requirements

- New zoning laws are going to be implemented to help affordable housing development and redevelopment of distressed neighborhoods.
- Continued loss of institutional knowledge in all areas of city/county government can make it difficult to understand local laws, such as taxing, zoning or community development.
- Landlords fighting an amendment to the local fair housing ordinance to include source of income as a protected class claim the paperwork to register their units for Housing Choice Vouchers.
- New mortgage rules and regulations are tightening the ability for Charitable Organizations such as Habitat for Humanity to lend to homeowners earning 31-50 percent of the median household income.
- Enforcement for snow removal is lacking, causing difficulty for persons with disabilities to leave their homes during the winter.

## Reports by External Agencies

- REO properties evaluated in communities of color were 3.4 times more likely to have missing or out of place gutters compared to REOs in white communities.
- REOs evaluated in communities of color were 2.7 times more likely to have damaged steps versus REOs in white communities.
- REOs evaluated in communities of color were 2.3 times more likely to have broken, boarded or unsecured doors compared to REOs in white communities.
- REOs evaluated in communities of color were 2.1 times more likely to have broken, boarded or unsecured windows compared to REOs in white communities.

## Suggestions for Furthering Fair Housing

- Conducting an analysis of the extent to which players in the REO disposition market are equitably maintaining and marketing REO properties.
- Reviewing the City's policies and procedures to ensure they promote fair housing and do not contain provisions that would unintentionally deter residential diversity.
- Avoid labeling or targeting certain communities as areas more befitting an investor strategy for the procurement of REO properties or previously foreclose units.
- Developing mechanisms to promote the sale of REO properties or previously foreclose units to owner occupants.
- Developing local laws that give prospective owner occupants and non-profit community organizations greater opportunity to purchase foreclosed homes before they are available to the rest of the market.
- Requiring that the disposition of REO properties be consistent with any plans to help communities recover from the foreclosure crisis.
- Establishing robust vacant property registration requirements and maintenance laws that require banks, investors, and/or servicers to provide transparency regarding the ownership and servicing of REO properties in Indianapolis.
- Partnering with neighbor jurisdictions to promote policies that expand fair housing opportunities.
- Create a local ordinance requiring new construction of residential properties to meet visitability standards, with doors with 32 inches of clearance, one zero-step entrance and a bathroom on the main floor that can be entered with a wheelchair.
- Shorten the affordability period of the 2<sup>nd</sup> mortgage required by the City home repair program to the standards of other programs, from 30 years to 15 or 5 years.
- Require shelters to make reasonable accommodations for persons with disabilities, and refuse federal funding when they fail to do so.
- Fund IDA accounts for persons with disabilities to save for modifications to their homes.

Copies of inputs from both the National Fair Housing Alliance and the Fair Housing Center of Central Indiana have been included as part of Appendices A and B.

## VII: Fair Housing Impediments, Recommendations and Action Plan

The City of Indianapolis does not have any regulatory impediments to fair housing choice. Housing discrimination in Indianapolis comes in more subtle ways, through the neglect of bank owned properties to property managers that treat people differently despite the regulatory requirements already in place. The city has a number of positive aspects regarding fair housing choice.

- While Plan 2020 does have some gaps about housing, the new Comprehensive Plan will include housing much like the current version.
- The current Comprehensive Plan for the city of Indianapolis lists fair housing choice as a goal or vision for the city. Planners look to do the same in the new Comprehensive Plan.
- The City of Indianapolis does have a local enforcement agency to address discrimination complaints, including housing.
- The Fair Housing Center of Central Indiana, a new organization, initiates testing programs that can find housing discrimination that is less transparent than other forms.
- The Fair Housing Center of Central Indiana and the Indiana Civil Rights Commission provide regular training programs and serve as advocates for fair housing choice.
- The City of Indianapolis continues to study and make strides towards a new mass transit/public transportation system, specifically bus rapid transit.

Despite the progress made, some obstacles or impediments to fair housing still exist. The following chart outlines a variety of areas in need of improvement. Impediments and items that may be achievable within the next five years given the current financial resources have been selected. The City of Indianapolis will utilize five years, 2015-2019, to address the impediments listed in the chart.

Impediment/Challenge	Resolution/Outcome	Date to be Accomplished
Discrimination found in Marion County is not blatant enough for a victim to recognize it other than through paired testing.	Provide education to all landlords and property managers on the types of actions that are considered discrimination based on the findings of testing.	Fund bi-annual education seminars
Discrimination found in Marion County is not blatant enough for a victim to recognize it other than through paired testing.	Continue testing of multi-family communities to ensure property managers are following fair housing laws.	Perform two testing projects annually.
The City of Indianapolis Office of Equal Opportunity is not a Substantially Equivalent Organization that prevents possible funding resources.	Seek the Substantially Equivalent Certification from the Office of Fair Housing at HUD.	Fiscal year 2018
The City of Indianapolis, among its departments, has not had the human capital able to affirmatively further fair housing in a meaningful way.	Seek additional funding for fair housing programs and increase the capacity of staff to affirmatively further fair housing.	Seek and apply for a resource by 2018.
The City of Indianapolis Office of Equal Opportunity has found that many of the complaints are filed because of tenant/landlord tensions and miscommunications, typically involving small landlords	Support legal organizations that can assist with landlord/tenant relations.	Partner annually from 2017-2019
Public outreach about fair housing has come primarily from the State of Indiana and private organizations.	Establish a website, linked to the main City of Indianapolis home page, that will promote fair housing and connect residents to places of advocacy and the Office of Equal Opportunity.	Fiscal year 2015

The following items have been presented to the City of Indianapolis, but require coordination by multiple City departments. The City of Indianapolis will establish a Task Force among the City departments and divisions that would be responsible for implementation of any of the possible changes, to meet at least four times per year to discuss possible resolutions or outcomes to Impediments to Fair Housing.

Impediment/Challenge	Resolution/Outcome for Task Force
REO owned properties in neighborhoods of color were more likely to be in disrepair than those in white comparison communities	Establish a vacant property registration and maintenance program to require banks, investors and services to provide transparency regarding the ownership and servicing of empty properties.
REO owned properties in neighborhoods of color were more likely to be in disrepair than those in white comparison communities	Promote program through Renew Indianapolis to sell vacant property to owner occupants before investors.
Persons with disabilities, require housing subsidies to afford housing in Indianapolis, yet many landlords in neighborhoods of high concentration of white population will not accept Housing Choice Vouchers	Amend the local ordinance to include source of income as a protected class.
Older housing stock is difficult for persons with disabilities to not only live in, but to visit.	Seek a local ordinance that would require new construction of residential properties to meet visitability standards.

The City of Indianapolis will use partnerships with State Government, local non-profit housing providers, local public service providers or community development advocacy groups to go beyond the steps listed in this plan to promote fair housing. The City of Indianapolis will support other initiatives by the State of Indiana and Hamilton County, both jurisdictions with their own *Analysis of Impediments to Fair Housing*, to promote fair housing. Such initiatives may include education programs related to fair housing, homeownership training or landlord/tenant legal services. Such additional efforts may be listed in annual reports but the above initiatives and resolutions will be completed by the city of Indianapolis over the next five years, 2015-2019.



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August 28, 2014

City of Indianapolis  
Department of Metropolitan Development  
200 E. Washington Street, Suite 2042  
Indianapolis, IN 46204

To Whom It May Concern,

I would like to provide you with important information which I believe will assist you in your efforts to fulfill your obligations under the federal Fair Housing Act. I hope that this information will be used to further the goals of fair housing, promote neighborhood and residential diversity, stabilize neighborhoods that have been devastated by foreclosure, and improve the quality of housing for Indianapolis' residents.

The National Fair Housing Alliance, along with seventeen of its local member organizations, conducted an undercover investigation into the ways the nation's financial institutions are failing to maintain and market Real Estate Owned (REO) properties in African-American and Latino neighborhoods. The City of Indianapolis, IN was included in our investigation and we found striking incidents of discrimination in the care and maintenance of properties.

During the investigation we looked at over 30 different aspects of the maintenance and marketing of each property. Some national trends observed from the investigation, which included 11 lenders across the country, include:

- A poorly maintained REO with 10 or more deficiencies occurred 2.6 times more frequently in communities of color versus REOs in White comparison communities;
- Unsecured or boarded doors were observed 2.4 times more frequently in communities of color, and broken or boarded windows were observed 2.0 times more frequently compared to REO properties in White communities; and,
- Substantial trash and debris was documented 2.2 times more frequently in communities of color compared to REO homes in White communities.

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<sup>1</sup> A report of the investigation, *Zip Code Inequality: Discrimination by Banks in the Maintenance of Homes in Neighborhoods of Color*, was released in August of 2014. It details the results of the evaluation of more than 2,400 REO properties located in and around Atlanta, GA; Baltimore, MD; Baton Rouge, LA; Charleston, SC; Chicago, IL; Dallas, TX; Dayton, OH; Denver, CO; Gary, IN; Grand Rapids, MI; Hampton Roads, VA; Indianapolis, IN; Kansas City, MO/KS; Las Vegas, NV; Memphis, TN; Miami, FL; Milwaukee, WI; Muskegon, MI; New Haven, CT; Orlando, FL; Philadelphia, PA; Richmond and Oakland, CA; San Diego, CA; Toledo, OH; Tucson, AZ; Vallejo, CA; and Washington, DC. I am including a copy of the report and you can also access it via NFHA's website at [www.nationalfairhousing.org](http://www.nationalfairhousing.org).



In the Indianapolis, IN area we found similar disparities that were deeply distressing. A total of 4 lenders were investigated and the disparities included:

- REO properties evaluated in communities of color were 3.4 times more likely to have missing or out of place gutters compared to REOs in White communities;
- REOs evaluated in communities of color were 2.7 times more likely to have damaged steps or verses REOs in White communities;
- REOs evaluated in communities of color were 2.3 times more likely to have broken, boarded, or unsecured doors compared to REOs in White communities; and,
- REOs evaluated in communities of color were 2.1 times more likely to have broken, boarded, or unsecured windows compared to REOs in White communities.

In June of 2013 the National Fair Housing Alliance and a number of its members entered into a unique partnership with Wells Fargo to significantly impact the way that banks, investors, and servicers maintain, manage, and market REO properties. This unique partnership includes innovations such as an extended period of time in which only owner-occupants will be able to place bids on REO units. This "Homeowner Priority" period holds the foreclosed house off of the market for investors to give homeowners an opportunity to purchase the asset. Wells Fargo has also agreed to implement best practices for the maintenance and marketing of REO properties. It is our sincere hope that this new partnership with Wells Fargo will set new industry standards for the effective and quality maintenance, management and marketing of REO units.

We share this information with you because we believe that the way foreclosed units are being managed will have a major impact on the ability of communities to recover from the foreclosure crisis. We wish to be a resource and aid for communities trying to make a comeback.

All federal agencies and their grantees associated in any way with housing and community development have a special obligation to further the purposes of federal Fair Housing Act. The law covers policies and practices that have a disparate impact on protected classes.

This obligation is defined in Section 808(d) of the Fair Housing Act:

All executive departments and agencies shall administer their programs and activities relating to housing and urban development (including any Federal agency having regulatory or supervisory authority over financial institutions) *in a manner affirmatively to further the purposes of this subchapter* and shall cooperate with the Secretary [of Housing and Urban Development] to further such purposes.<sup>2</sup> (*emphasis added*)

Executive Orders and other provisions of the Fair Housing Act related to affirmatively furthering fair housing provide additional guidance on this obligation.<sup>3</sup> Under this mandate, as a direct recipient of HUD funds, the City of Indianapolis has an obligation to account for public and private

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<sup>2</sup> 42 U.S.C. Sec. 3601 et seq.

<sup>3</sup> Section 805 of the Fair Housing Act lays the groundwork for this mandate by detailing discrimination in residential real estate-related transactions; Section 808 of the Act spells out the responsibility of the Secretary of Housing and Urban Development (HUD) to administer the Act, and the Act's application to other federal agencies; and Executive Order 11063, signed on November 20, 1962, and Executive Order 12892, signed on January 17, 1994, together state the responsibilities of all federal agencies to administer their programs in a manner that affirmatively furthers fair housing and clarify what is meant by programs and activities relating to housing and urban development.

barriers to fair housing choice in its analysis of impediments to fair housing choice, and to take steps to address these barriers in its policies, practices, and Consolidated Plan.

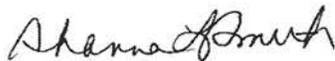
In this context, the need to address and ameliorate the maintenance and marketing REO properties in communities of color is of paramount importance to the resurgence of communities already devastated by the foreclosure crisis. Poorly maintained REO properties often result in costly expenditures by the city to mitigate public safety hazards and other related concerns in these neighborhoods. By neglecting to properly maintain and market REO properties, particularly in communities of color where REOs are heavily concentrated, banks, investors, and servicers extend the amount of time a property remains vacant and become a source of blight in your city.

We encourage you to do everything within your power to hold the banks accountable for the way they maintain properties in your community as well as to utilize any funds you obligate to address REO issues in a way that furthers the goals of the Fair Housing Act and promotes residential diversity. This would include:

- Conducting an analysis of the extent to which players in the REO disposition market are equitably maintaining and marketing REO properties;
- Reviewing the city's policies and procedures to ensure they promote fair housing and do not contain provisions that would unintentionally deter residential diversity;
- Avoid labeling or targeting certain communities as areas more befitting an investor strategy for the procurement of REO properties or previously foreclosed units;
- Developing mechanisms to promote the sale of REO properties or previously foreclosed units to owner-occupants;
- Developing local laws that give prospective owner-occupants and non-profit community organizations greater opportunity to purchase foreclosed homes before they are available to the rest of the market;
- Requiring that the disposition of REO properties be consistent with any plans to help communities recover from the foreclosure crisis.
- Establishing robust vacant property registration requirements and maintenance laws that require banks, investors, and/or servicers to provide transparency regarding the ownership and servicing of REO properties in your city.
- Partnering with neighbor jurisdictions to promote policies that expand fair housing opportunities.

We look forward to working with the City of Indianapolis to help improve fair housing opportunities in your region. Please feel free to contact me with any questions.

Sincerely,



Shanna L. Smith  
President & CEO

## Appendix B

**Public Comment Provided by the  
Fair Housing Center of Central Indiana  
to the City of Indianapolis  
on the Indianapolis Analysis of Impediments to Fair Housing  
October 1, 2014**

The Fair Housing Center of Central Indiana (FHCCI) offers an array of programs and activities to ensure that discrimination does not impact a Hoosier's choice of housing. We were incorporated in August 2011 by a small group of dedicated fair housing advocates. The FHCCI began operations in January 2012 and is a 501(c)(3) nonprofit organization.

**MISSION:** The mission of the FHCCI is to ensure equal housing opportunities by eliminating housing discrimination through advocacy, enforcement, education and outreach.

**VISION:** The FHCCI recognizes the importance of "home" and envisions a country free of housing discrimination where every individual, group and community enjoys equal housing opportunity and access in a bias-free and open housing market. We envision a country where integrated neighborhoods are the norm, and private and public sectors guarantee civil rights in an open and barrier-free community committed to healing the history of discrimination in America.

**PROGRAMS:** The FHCCI offers four main programs to fight housing discrimination and promote equal housing opportunity.

- **EDUCATION:** The FHCCI provides education programs and activities to increase fair housing knowledge. We conduct trainings and conferences, distribute publications, support community events, issue e-newsletters, provide social media alerts and a website, release reports, and other activities to advance knowledge about fair housing laws. We work with consumers, the housing industry, and state and local policy makers to advance fair housing.
- **ADVOCACY:** The FHCCI assists persons who feel they may be victims of housing discrimination, in an advocacy basis, in understanding their rights and options under fair housing laws. We also conduct fair housing investigations, both client-based and systemic, to determine if unlawful discrimination may be occurring. We file enforcement actions as necessary to address uncovered housing discrimination.
- **INCLUSIVE PROGRAMS:** The FHCCI offers programs to assist persons, neighborhoods, and communities who have been impacted by unlawful discrimination, disinvestment, or unequal housing opportunity.
- **PUBLIC POLICY:** The FHCCI works to increase the awareness of policy-makers and regulators about the issues associated with fair housing. We work with local, state and federal legislators to ensure strong fair housing laws and policies. We also collaborate with fellow organizations to strengthen fair housing laws.

## **FAIR HOUSING LAWS**

On April 11, 1968, President Lyndon Johnson signed the Fair Housing Act into law protecting persons from housing discrimination based on race, color, national origin and religion. In 1974, the Act was amended to include gender (sex) as an additional protected group. President Ronald Reagan then signed the Fair Housing Amendments Act of 1988, which greatly expanded the enforcement powers of the U.S. Department of Housing & Urban Development (HUD) and the U.S. Department Justice (DOJ), and expanded protections to families with children and people with disabilities. Every April is celebrated as Fair Housing Month to honor the passing of the original law. Congress intended that unlawful housing discrimination not impact a person's choice of housing. The federal Fair Housing Act was passed with two goals: 1) To eliminate housing discrimination, and 2) To promote residential integration in neighborhoods across America.

Today, it is unlawful under federal and state laws to discriminate on the basis of race, color, religion, national origin, gender, disability, or familial status in rental housing, real estate sales, lending, insurance, and any financial or other services related to housing. Indianapolis/Marion County also has additional protections under its human relations ordinance but this local ordinance is not considered a substantially equivalent law with equal rights and remedies to the federal and state laws.

Some examples of unlawful housing discrimination include:

- Advertisements, signs or flyers which state "no children," "no minorities," "whites not allowed," "Christians only," or "Hispanics Need Not Apply."
- Limiting the number of children in a complex or confining them to a specific location or floor.
- Not allowing a person with a disability to install a ramp at their cost at the housing entrance to increase accessibility.
- Being propositioned for sex in exchange for rent, deposits, repairs or being the subject of inappropriate sexual comments.
- Charging additional rent or deposits because someone needs an animal to assist them with their disability.
- A neighbor spray painting a derogatory racial reference on the home of a neighbor.
- Requiring Muslims to pay for criminal background checks but not requiring that of persons of other religions, races or nationalities.
- Refusing to rent to a person using a wheelchair for fear a unit might be damaged.
- Steering minority homeowners to sections of the city where other minorities live or telling white home seekers to stay out of some areas.
- Lack of accessibility in a newly constructed multi-family building.
- Retaliating against someone for enforcing their fair housing rights.
- Charging different interest rates or imposing more strict mortgage qualification standards because of someone's color, gender, disability or other protected factor or steering people to certain loan programs solely due to race or national origin.
- Providing inferior homeowners insurance coverage because a house is located in a

- neighborhood of color.
- Failing to maintain a foreclosed home property because it is in an African American neighborhood.

Fair housing laws protect us all and we are all members of several protected groups. As part of the FHCCI's work, we have identified a number of barriers to fair housing choice and request their consideration in the City's Analysis of Impediments to Fair Housing.

## **IMPEDIMENTS AND ACTION STEPS**

### **Impediment 1: Housing discrimination in rental transactions is occurring at high levels in Indianapolis and Marion County.**

*Fair Housing Allegations:* The FHCCI primarily works in the Indianapolis metro area. Since beginning our work in January 2012, we have received or recorded significant numbers of allegations of housing discrimination:

2012:	136 allegations
2013:	128 allegations
2014:	146 (through September 30, 2014)

Of these allegations, disability is the most often protected class alleged followed by gender and race:

Disability:	25.4%
Gender:	21%
Race/Color	15.5%
Familial Status:	15.5%
National Origin:	9.8%
Source of Income:	5.9%
Religion:	2.6%
Age:	2.2%
Sexual Orientation:	1.4%

Overall, rental discrimination is the most significant transaction type involved, followed by lending allegations. Overwhelmingly, the allegations and cases opened have involved Indianapolis residents or housing providers.

*2013 Rental Testing Audit:* In April 2013, the FHCCI released results of a rental testing audit conducted in 2012. For this audit, the FHCCI conducted a total of 52 fair housing tests in the Indianapolis metro area. Over half of the tests showed evidence of discrimination in violation of fair housing laws. In areas that are predominantly Caucasian, otherwise qualified African Americans encountered discrimination 82% of the time, and otherwise qualified Hispanics/Latinos encountered discrimination 70% of the time.

The audit uncovered a disturbingly common occurrence in which persons of color were told

incomplete or untrue information by housing providers. Frequently, white testers, despite being slightly *less* qualified than corresponding African American or Hispanic/Latino testers, were told of lower deposits, fees and rent. Testers of color were often told that apartments were not available for days, weeks and occasionally months after the date quoted to a corresponding white tester. African Americans and Hispanics/Latinos were more likely to be told of criminal and credit history requirements than white testers and were less likely to be told of specials and discounts.

For those with disabilities, the audit demonstrated barriers to accessibility in 73% of the complexes tested, including steps into buildings or common-use areas, lack of accessible routes and insufficient accessible parking. If a person needed an animal to help in coping or dealing with a disability, s/he encountered discrimination such as unlawful fees or deposits in 25% of the tests. Families with children experienced discrimination in 20% of their housing searches.

*Fair Housing Cases Filed:* The FHCCI has filed, or assisted in the filing of several fair housing complaints with the administrative or federal court process that involved persons residing in Marion County. A summary of some of the rental based complaints follows:

- Case No. 12-039: Federal court complaint filed in December 2012 against an Indianapolis based developer for not constructing two Indianapolis metro area multi-family properties to be accessible for persons with disabilities. Pending.
- Case No. 13-009: In April 2013, the FHCCI assisted an Indianapolis resident with a disability who was denied a reasonable accommodation request. The client had significant medical changes that were impacting her ability to live in the housing. Her request to be released from her lease without penalty due to her disability was denied and she was forced to pay significant fees to seek alternative housing to better her health. Following an investigation, the Indiana Civil Rights Commission (ICRC) issued a reasonable cause charge in August 2013. Pending.
- Case No. 13-011/14-009: In March and April 2014, the FHCCI filed and assisted an Indianapolis Hispanic family in filing fair housing complaints with the ICRC. The allegations included concerns that the family was being discriminated against by management due to their national origin. As part of the FHCCI's investigation, the FHCCI interviewed prospective, current and past residents of property. The FHCCI found that persons of color felt unwelcome when meeting with management about residency and discouraged from rental. Those interviewed stated they had heard the manager refer to African Americans as "niggers" and other slurs, and Hispanics/Latinos as "spics" and other comments to staff and residents about the "Mexicans." Those interviewed also stated that they had observed different terms and conditions in rules and policies being enforced more harshly against Hispanics/Latinos and African American residents versus white residents at the mobile home park. Those interviewed also indicated observing those with disabilities being denied rental at the park and/or denied reasonable accommodation requests for their disability such as not being allowed accessible ramps or being denied the termination of their lease due to health changes among other issues. Families with minor children interviewed identified rules and policies being applied to them more strictly than those without children including policies related

to maintenance of yards, rules related to children playing, and other policies. Several of those interviewed stated they had complained to the management company with no response or changes. Cases pending.

- Case No. 14-039: In July 2014, the FHCCI assisted an Indianapolis resident with disabilities whose manager demanded disclosure of the specifics of his disability. When he refused to comply, he was retaliated against through harassment and application of different terms and conditions including an eviction notice. He also alleges that the Respondents would not accept his assistance/emotional support dog. Case pending with the ICRC.
- Case No. 13-012: In August 2014, the FHCCI filed a HUD complaint, with fellow fair housing agencies Miami Valley Fair Housing Center and the Connecticut Fair Housing Center, against two Indianapolis based apartment complexes. The case alleges restrictive occupancy standards which discriminate against families with children. Pending.
- Case No. 14-043/14-046: In September 2014, the FHCCI assisted an Indianapolis family and filed a complaint on its own behalf against an Indianapolis mobile home park which was refusing to rent lots to families with children and did not appear to meet the exemption for housing for older persons. Cases pending with the ICRC.

Housing discrimination in violation of fair housing laws appears rampant in Indianapolis/Marion County. It is imperative that resources be expended to ensure that discrimination does not impact housing choice.

**Action Steps:**

- *Provide a page on the City website, which is a dedicated page that is easy to find and in multiple languages, that provides information on fair housing laws, a City contact, and referral information for assistance.*
- *Support and fund fair housing advocacy services to assist victims of housing discrimination in understanding and enforcing their rights under law.*
- *Fund the FHCCI to conduct additional testing audits to uncover unlawful housing discrimination occurring against persons of color, those with disabilities, and families with children.*
- *Provide extensive fair housing education through trainings, publications, and website to better educate housing providers and consumers on fair housing rights and responsibilities.*
- *Track and refer victims of housing discrimination to the state/local FHAP agency, human rights commission, and/or fair housing organizations.*

**Impediment 2: Currently, there are several groups of individuals who are *lawfully* discriminated against which impacts housing choice by allowing housing discrimination to occur. Such loss of housing choice drives many persons into substandard housing, areas of low economic opportunity, areas of high crime, and/or recidivism.**

*Source of Income/Section 8 Discrimination:* Denial of housing due to the receipt of Section 8 (also called a housing choice voucher) is the most common form of source of income housing discrimination nationally. A review of properties for rent on [www.craigslist.com](http://www.craigslist.com) will find several advertisements referencing some versions of “No Sect 8” at any one time in Indianapolis. Over the summer of 2014, the FHCCI conducted a rental testing audit to determine levels of source of income discrimination in Marion County. For this testing audit, the FHCCI conducted 51 phone tests with testers posing as receiving Section 8. All properties were randomly selected from rental advertisements and of various sizes. No property was tested more than once. Of these 51 tests conducted, 30 were in areas, according to Census data, that were majority white. The remaining 21 tests were selected randomly across Marion County, regardless of racial demographics, but still taking into account similar rental rates for comparison purposes.

Of the 51 tests conducted, *only 7 housing providers* indicated they would accept Section 8 with an additional 2 housing providers indicating they would need to check into it before deciding. Forty-four housing providers, or 82% of those tested, told the tester that they would not accept Section 8 and/or a housing voucher. This is a significant barrier.

In the areas identified as Census tracts that were 75% or more white, an astounding *90% of the housing providers tested (27 of 30 tests) refused to accept Section 8*. A Section 8 voucher holder would need to *make 10 calls* before finding a housing provider willing to accept their use of his or her voucher in these areas. Through the legal refusal of such rentals, these areas will remain highly segregated and the goals of integration will continue to be lost to us as a community.

In the randomly selected areas, 21 tests were completed with 15 housing providers refusing to accept Section 8 and 1 housing provider needing to confirm any acceptance. Only 5 housing providers in these tests were willing to accept Section 8.

<b>FHCCI Audit</b>	<b>Total Tests Conducted</b>	<b>Will Accept Sect 8</b>	<b>Will Not Accept</b>	<b>Need to Confirm</b>
<b>All Tests Conducted</b>	51	7	42	2
<b>Majority White</b>	30	2	27	1
<b>Randomly Selected</b>	21	5	15	1

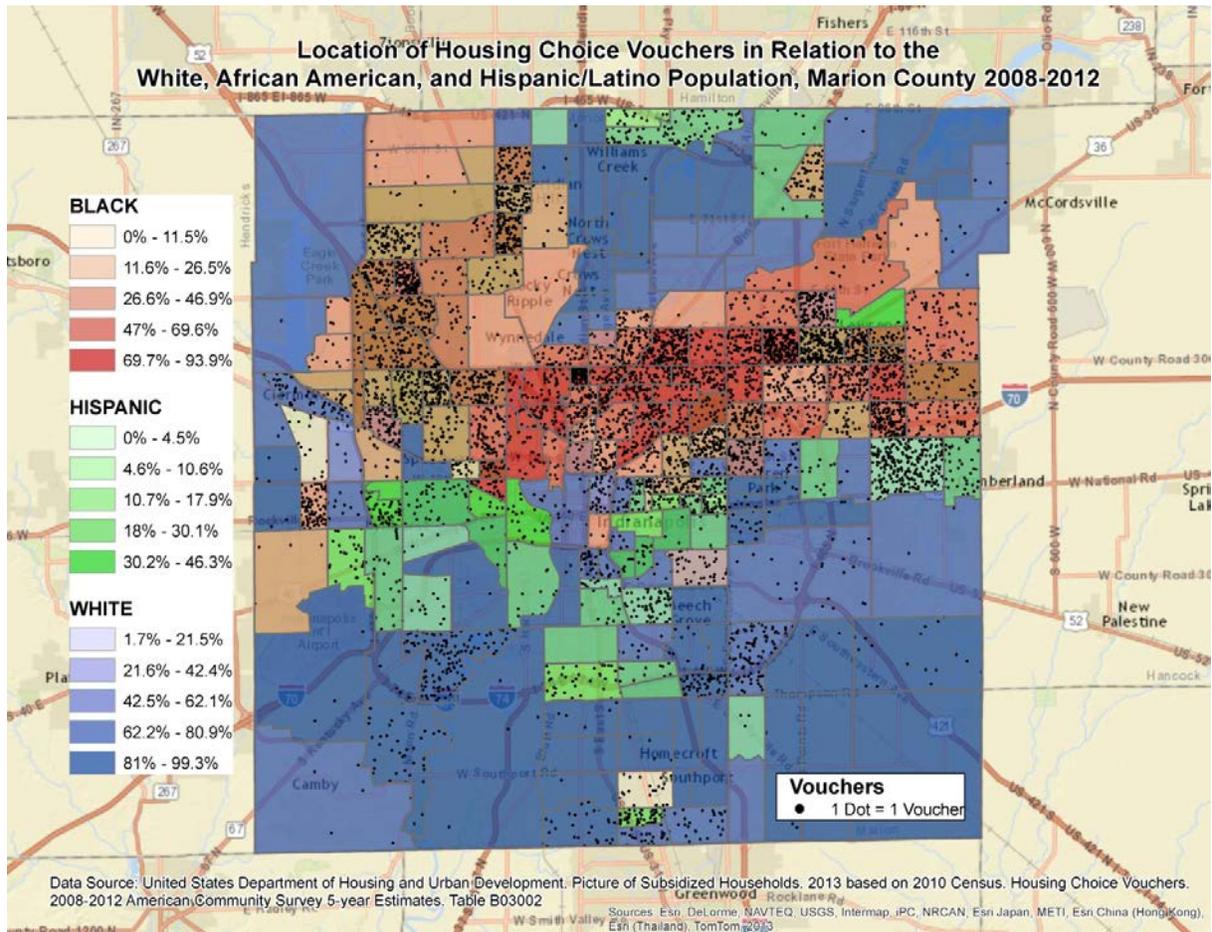
According to Census and HUD data, there were 159,157 rental units in Marion County (includes exempted cities) in 2013. The racial component of these households were 53% White, 36% Black, 9% Hispanic, and 2% Other. Households of single mothers with minor children present comprised 10.3%. In contrast, there were 7,247 housing choice voucher households in Marion County, meaning that housing choice holders made up only 4.6% of total renters. However, voucher holders were 89% Black, 8% White, 1% Hispanic and 1% Other.

Female headed households with children comprised 56% of voucher holders in Marion County, while persons with disabilities comprised 18%. 31% of voucher holders were persons 51 years

of age or over as heads of household. Area voucher holders were also extremely stable renters having resided at their current housing unit on average 81 months according to the HUD data.

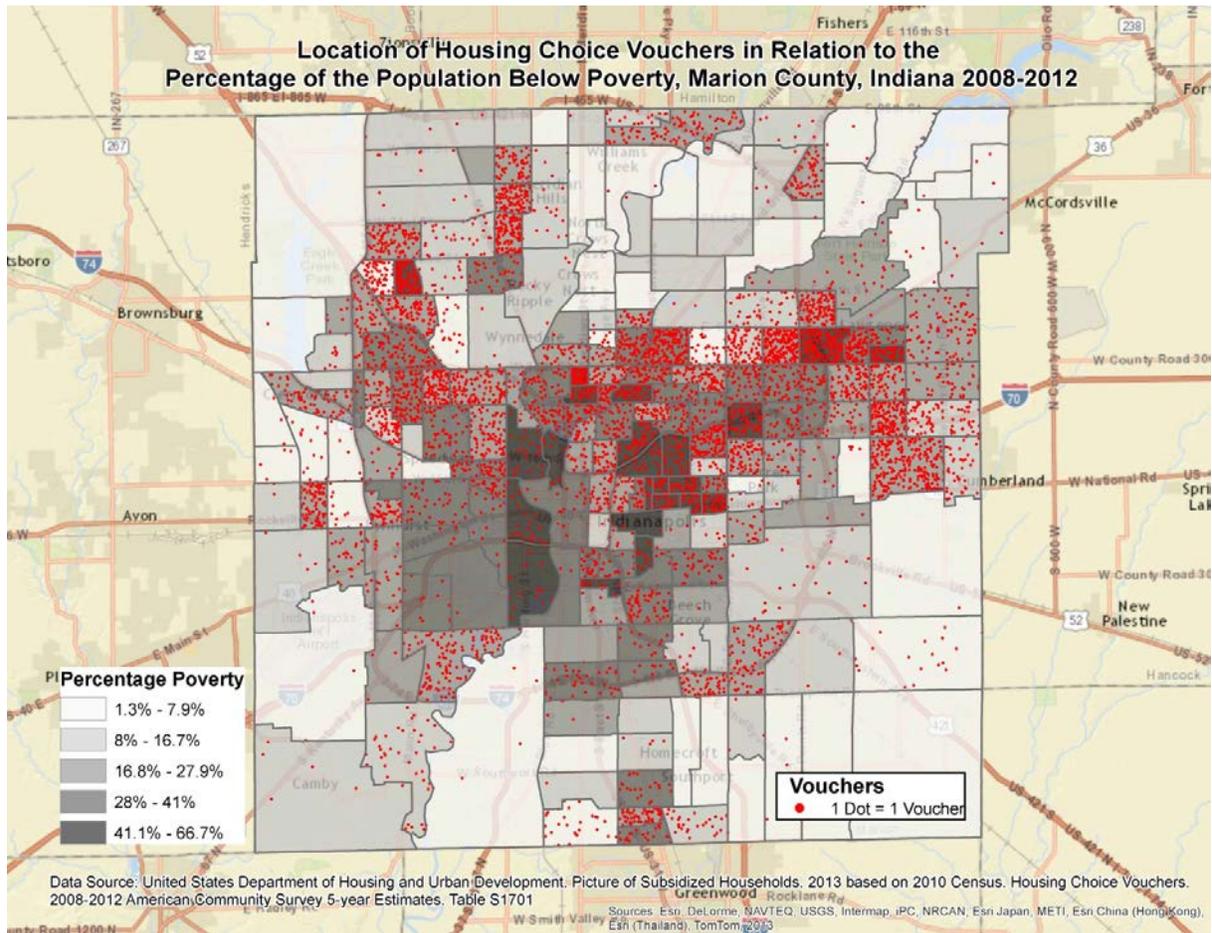
Another interesting piece of data is the income breakdown of those on Section 8 in Marion County: 30% receive employment wages but the income is too low to support the family unit (the so-called working poor); 48% of the households have other sources of income; while only 19% rely solely on “welfare” as their main source of income. Consequently, much like national stats, any local policy which impacts the ability of housing choice voucher holders to use their voucher disproportionately impacts persons of color, those with disabilities and single mothers in Marion County.

The map below shows the location of voucher households in Marion County. You will see that the vast majority of voucher holders are located in the highly segregated neighborhoods of color in Marion County. This could be by choice, or is discrimination playing a role in where their housing options area? Our testing audit shows that discrimination is playing a significant role.



A more telling visual shows that the vast majority of voucher holders reside in areas that have the largest percentage of our County's poverty rates. The ability to use your voucher to access

housing in neighborhoods of opportunity, and to integrate those highly segregated white areas, is impeded if voucher holders are kept out. How can voucher holders better their lives and that of their children through accessing of quality schools, safe and stable housing, and economic opportunities, which would help them to not have to use housing vouchers in the future if they are kept from those neighborhoods by the very voucher in place to help them?



The FHCCI alleges that discrimination due to Source of Income, specifically due to receipt of Section 8/housing choice vouchers, as well as the lack of affordable housing options are the leading reasons that voucher holders are clustered as they are.

Although 13 states (California, Connecticut, District of Columbia, Maine, Massachusetts, Minnesota, New Jersey, North Dakota, Oklahoma, Oregon, Utah, Vermont and Wisconsin) have added source of income into their state fair housing laws, the majority of which specifically protect housing assistance recipients, Indiana is not one of these states. Several localities across the country have also added such protection into their City and/or County laws. The FHCCI is not aware of any locality/County in Indiana which has passed such local protection. For Indiana to not have a single locality and for a city the size of Indianapolis to not have such protection is significant. Nearby localities with source of income protections in housing, which

include housing vouchers/Section 8 in the definition, include Memphis, Tennessee; St. Louis, Missouri; and Chicago/Cook County, Illinois to name a few.

Why is it important that those who are low income have the opportunity to find affordable housing options in the neighborhoods of their choice? Where someone lives impacts the quality of their lives. Having a safe place you call home impacts whether or not your housing investment will flourish, the opportunities you will have, and employment that will be available. Where you live determines if your local supermarket will carry fresh fruits and vegetables, the quality of the schools your children will attend, and your access to businesses and transportation options. Your home is more than a roof over your head.

*Criminal History:* Studies consistently show that if someone who was recently incarcerated cannot find housing, their ability to locate or hold down a steady job is severely impacted. Those who were recently incarcerated and attempting to rebuild their lives face significant barriers to obtaining housing. The housing units which may be available for rent with their backgrounds are likely to be in low economic opportunity, high crime areas that are also areas of high poverty. They are also not areas where there are jobs. Having sufficient housing choice for those recently incarcerated will significantly cut recidivism rates. A protection from discrimination could be limited to whether the convicted crime would affect the housing chosen or those residing there.

In February 2014, San Francisco passed a “ban the box” ordinance,<sup>1</sup> which provided limited criminal history protection in housing transactions based upon the type of crime and the date of crime, in certain housing types. In their findings, the legislature stated, “In San Francisco, as across the country, individuals are often plagued by old or minor arrest or conviction records that discourage them from applying for jobs or housing because a “box” on the application requires disclosure of criminal history information that likely will automatically exclude them from consideration.” According to a news article, there are 30 local jurisdictions<sup>2</sup> which have provided some form of protection for criminal history in employment and housing. Indianapolis should study and evaluate adding such protection to impact housing choice, recidivism and crime.

**Action Steps:**

- *Support the addition of source of income protection from housing discrimination in the City/County Human Relations Ordinance.*
- *Through the Indianapolis-Marion County City-County Council Re-Entry Commission and other groups, explore housing discrimination protection options, and how to ensure impactful housing choice for those recently incarcerated to ensure successful re-entry.*

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<sup>1</sup> <https://sfgov.legistar.com/View.ashx?M=F&ID=2914127&GUID=58B85B9D-886A-4AE8-8F14-BB3ECEAA4557>

<sup>2</sup> <http://www.sfexaminer.com/blogs/under-dome/2011/07/san-francisco-not-only-jurisdiction-protects-ex-cons-criminal-history>

**Impediment 3: There is a general lack of knowledge in Indianapolis/Marion County on fair housing laws, the need to affirmatively further fair housing, and the rights and responsibilities associated under these laws.**

Community interviews and responses, contacts to the FHCCI, and the filed fair housing complaints indicate that people are unaware of their fair housing rights and responsibilities. Recipients of CDGB and other funds do not appear knowledgeable on affirmatively furthering fair housing requirements. Compliance checks do not appear to be occurring to identify activities which may be assisting in segregated and high poverty housing patterns.

**Action Steps:**

- *Use the city website to publicize city's fair housing program on a dedicated and easy to locate webpage, as well as information on fair housing laws and the city's fair housing efforts. The website should also include easy access to the current AI, previous AIs, yearly AI updates, consolidated plans, as well as general fair housing information.*
- *Convene workshops in Indianapolis to strongly encourage metro-wide solutions to housing discrimination and to address segregation. Conduct fair housing overview trainings open to the general public with audience targets of housing providers, advocates, consumers, and potential victims of housing discrimination.*
- *Provide technical assistance training hours to City recipients on their fair housing planning activities and ensure knowledge of their obligation to affirmatively further fair housing.*
- *Conduct topic specific fair housing trainings varying by topic and length to encourage attendance and assist in specialized areas of interest. Topics could include: advertising; domestic violence and fair housing rights; sexual harassment; common forms of discrimination against families with children; disability specific topics such as reasonable accommodations/modifications and accessibility; LGBT areas of protection; use of people-first language for those with disabilities; and common forms of race and national origin discrimination.*
- *Distribute fair housing publications in multiple languages, and accessible to those with visual impairments, in print form and available online which also include how to file a fair housing complaint.*
- *Work with local boards of realtors and the mortgage lending industry to conduct fair housing seminars for real estate agents involved in the sale of homes and those loan officers originating home loans.*
- *In any rehab containing government funds of existing multi-family properties or buildings being converted to multi-family properties, ensure distribution of materials to encourage the addition of accessible features, when these features are not otherwise mandated, to promote accessibility. Materials should also contain information on the positive long term impact of such features on the community and aging in place.*
- *Distribute documents and conduct trainings to specifically increase the understanding of government employees, officials and housing providers on how to affirmatively further fair housing:*

- *Distribution of HUD funded and HUD approved documents by the Connecticut Fair Housing Center including: “Affirmatively Furthering Fair Housing: A Guide for State and Federal Housing Grantees” and “Affirmatively Furthering Fair Housing: A Guide for Housing Providers.” These documents could be adapted for Indianapolis with minimum work.*
- *Assign and train City fair housing officer(s) on laws and duties as well as the City’s fair housing complaint or referral process and responsibilities of the fair housing officer. Have this officer evaluate any City funded project to ensure it is affirmatively furthering fair housing.*
- *Identify appropriate fair housing training seminars for city officials and others involved in housing to attend including on AFFH (obligations and community benefits), zoning, complaint filing, etc.*
- *Ensure city officials and others attend fair housing training seminars identified above to ensure focus on placement of affordable housing projects, mixed income housing needs, community/neighborhood planning for accessibility and aging in place, and other ways to address areas of concentrated poverty and promote housing choice.*
- *Train code enforcement, zoning boards, and building inspectors on adaptability and accessibility requirements of fair housing laws and ADA. Have them become ambassadors of the benefits of accessible features, even when such features not mandated under law.*
- *Train code enforcement, zoning board, building inspectors, fire inspectors on reasonable accommodation requirements of fair housing laws including in zoning areas.*
- *Fund additional supportive services to ensure long term housing stability for those at risk to homelessness. For instance, more courses and classes on basic housing skills are needed for those new to rental, such as those recently incarcerated, new immigrants, etc., to avoid mistakes due to lack of education on landlord/tenant issues and housing maintenance which result in lease violations and eviction. Classes on budgeting to ensure prompt rent payments are also needed that include credit repair so those with such issues can adequately access rental housing which may have credit requirements for rental approval.*

**Impediment 4: Those with disabilities and signs of aging do not have equal housing opportunity in their housing choices.**

For those with mobility impairments, finding affordable and accessible housing can feel like a treasure hunt. Not only must more accessible housing be available, but it must be affordable to those who are often of low to moderate income with access to transportation options and needed healthcare support services. Persons with disabilities thus encounter particular hardships in seeking housing. Because of the limited number of accessible units, individuals with disabilities may be required to move out of their communities, away from support structures, services, families, and caretakers.

*Design & Construction of Multi-Family Units:* In 1988, the federal Fair Housing Act was significantly amended, adding disability as a protected class and requiring, among other things, that residential buildings consisting of four or more dwelling units constructed for first occupancy after March 13, 1991 be physically accessible to people with disabilities by meeting seven technical requirements.<sup>3</sup> Older housing stock is not required to be accessible or made accessible under fair housing laws except in very limited circumstances.

Although it has been over twenty years since these accessibility requirements went into effect, housing that fully complies with the accessibility requirements of state and federal fair housing laws and is affordable remains inadequate to meet demands. The previous Indianapolis AI identified a related impediment to fair housing choice noting that “A person with disabilities and with a low income may not be able to afford the necessary improvements to a housing unit to make it accessible.”<sup>4</sup> If the housing came already accessible, this would certainly help address this problem.

There have been relatively few national studies to date to determine levels of housing accessibility noncompliance. According to the 2005 HUD Report, “Discrimination Against People with Disabilities: Barriers at Every Step”<sup>5</sup> which conducted a series of fair housing tests in the Chicago area:

- Thirty-six percent of rental homes and apartments that were advertised in the City of Chicago and surrounding Cook County were in buildings that were inaccessible for wheelchair users even to visit. In other words, at best, a person who uses a wheelchair is limited to only about two-thirds of the Chicago area rental housing market from the outset.
- Almost one in six rental housing providers who indicated that they had units available for the wheelchair user refused to allow for reasonable unit modification.

As mentioned previously, the FHCCI’s 2013 testing audit showed noncompliance in accessibility in 73% of the properties reviewed. The Indianapolis area properties evaluated were built in 2000 or later, some 10 years or more after the accessibility requirements went into effect but still had areas of noncompliance. As noted previously, the FHCCI is also currently party to a federal lawsuit against an Indianapolis developer for accessibility noncompliance.<sup>6</sup> Other case filings are pending.

It is clear that much work remains in this area including additional training and compliance monitoring. A significant amount of guidance on fair housing accessibility can be found at the HUD supported: [www.fairhousingfirst.org](http://www.fairhousingfirst.org) The FHCCI is also available to assist.

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<sup>3</sup> See Implementation of the Fair Housing Amendments Act of 1988, Federal Register, Vol. 56, No. 44, March 6, 1991.

<sup>4</sup> *Indianapolis Analysis of Impediments to Fair Housing Choice 2010-2014*, Page 85.

<sup>5</sup> *Discrimination Against People with Disabilities: Barriers at Every Step*, U.S. Department of Housing & Urban Development, 2005. <http://www.hud.gov/offices/fheo/library/dss-download.pdf>

<sup>6</sup> Fair Housing Center of Central Indiana, et al v. Buckingham Realty and Development, et al. <http://www.fhcci.org/wp-content/uploads/2011/12/Buckingham-Realty-News-Release-12-11-12.pdf>

*Reasonable Accommodations and Modifications:* Fair housing laws also require that people with disabilities be permitted to make reasonable modifications and/or accommodations to both single family and multi-family housing of any age, to enable those with disabilities to use and enjoy the housing. All of the requirements, enacted into law in 1988, are intended to expand the range of housing opportunities for people with disabilities, so that their housing options more nearly approximate those available to people without disabilities.

The FHCCI's test audit report showed that if a person with a disability needed an animal to help in coping or dealing with a disability (a form of reasonable accommodation), s/he encountered discrimination in 25% of those home searches. This was the only type of accommodation evaluated due to limited FHCCI resources under that project. More fair housing testing needs to be conducted across other forms of reasonable accommodations and modifications.

It is clear that additional work needs to be done to educate housing providers on their responsibilities under fair housing laws. The FHCCI has been actively conducting trainings and distributing publications to increase knowledge but much extensive, long term work remains.

*Visitability Mandates:* Even if accessibility requirements in multi-family housing units are enforced, they would still not meet the accessibility needs by those who are aging and/or have disabilities. Builders of single family houses continue to construct barriers that exclude people with mobility impairments, both as residents and visitors. Currently, only 5% of new single-family homes and townhouses financially assisted by the U.S. federal government provide any access features that permit people with mobility impairments to visit or reside in the homes. The remaining 95% are constructed with public money and create new, unnecessary architectural barriers.

A new concept in home design, called *visitability*, can provide basic access for all new homes. We recommend building visitability into publicly financed, single family houses on the national, state and local levels. Most define visitability as at least:<sup>7</sup>

- Providing at least one zero-step entrance,
- All main floor interior doors--including bathrooms--with 32 inches of clear passage space and hallways no less than 36 inches in width on the ground floor, and
- Providing one accessible bathroom on the ground floor.

Studies indicate that incorporating these features in new construction usually adds less than 1% to the purchase price and does not significantly change the design. A zero-step entrance and 32-inch-clear doorways add \$110 or less to a new house built on a concrete slab, and about \$610 to a new house built over a basement - less than the cost of one bay window.<sup>8</sup>

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<sup>7</sup> <http://concretechange.org/visitability/visitability-defined/>

<sup>8</sup> [http://concretechange.org/wp-content/uploads/2011/10/9\\_Myths\\_and\\_Facts\\_About\\_Visitability\\_-\\_2011.pdf](http://concretechange.org/wp-content/uploads/2011/10/9_Myths_and_Facts_About_Visitability_-_2011.pdf)

Visitable homes are also built for residents without disabilities. Visitable homes enable owners to invite friends, neighbors and relatives with disabilities to enjoy life's activities in the home. Even if a current resident does not have a physical disability that limits his or her impairment, a lack of accessible features in a home prevents anyone with a disability from being able to visit them. For example, a child who uses a wheelchair would not be able to attend a birthday party in a home where the doorways are too narrow to accommodate them, or a grandparent with a mobility impairment would not be able to visit his children and grandchildren's home that has steps leading up to the front door. This effectively segregates families and communities into "disabled" and "nondisabled," running contrary to the nation's efforts to enforce and further fair housing. People should not be shut out of affordable housing stock by design.

Currently, eight states have legislation mandating visitability for specific types of housing built using certain state funds: Georgia, Kansas, Kentucky, Michigan, Minnesota, Ohio, Oregon, and Texas. Minnesota, for example, requires visitability in all new single or multi-family homes financed in whole or in part by the Minnesota Housing Finance Authority. The law requires at least one no-step entrance, interior doors 32 inches wide, and at least one half-bath on the main living level.

Many cities and counties have also passed such ordinances. Atlanta, Georgia passed the first visitability ordinance in 1992. The ordinance applies only to private homes that receive local, state, or federal benefits such as city loans, land grants, and tax incentives. It requires one no-step entrance, doorways at least 32 inches wide, electric controls reachable by people in wheelchairs, and reinforced bathroom walls to allow for the installation of grab bars. In 1998, Austin, Texas passed a visitability ordinance nearly identical to the one in Atlanta. It applies to newly constructed single family homes, duplexes, and triplexes that receive financial assistance from the city. A number of other towns have passed similar legislation, including: Urbana, Illinois (2000); San Antonio, Texas (2002); St. Petersburg, Florida (2004); Birmingham, Alabama (2007); and Pine Lake, Georgia (2007).<sup>9</sup>

Some localities are taking it even further and requiring of *all* newly constructed housing, regardless of financing. In February 2002, Pima County, Arizona enacted the first mandatory visitability ordinance for all publicly- and privately-funded homes. It applies to all new homes and requires a no-step entry, doorways at least 30 inches wide, lever door handles, reinforced walls in ground-floor bathrooms for future installation of grab bars, and reachable electric controls for people in wheelchairs. Builders can obtain an exemption from the no-step requirement where the site makes it impractical. Another Arizona town, Tucson, adopted a similar ordinance in 2007. In addition, three Illinois towns (Bolingbrook, Naperville, and Chicago) have passed legislation mirroring the Pima County ordinance.

*Home Modifications:* Even if disability accessibility laws are put in place or compliance occurs in already covered areas, this would not assist with already constructed properties. Home modifications programs are needed to allow people with signs of aging or disabilities to age in place. The affordability to make accessibility modifications often plays a role in whether

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<sup>9</sup> <http://www.cga.ct.gov/2010/rpt/2010-R-0101.htm>

someone is able to age in place in the housing of their choice or forced into sometimes expensive assisted housing or nursing home care just because it is accessible. These modification programs also stabilize neighborhoods by allowing long term residents to remain active within their community and neighborhood.

In 2012, *Forbes* reported that the foreclosure crisis had left Indianapolis the fourth emptiest city in the United States due to its percentage of vacant and abandoned homes. That same year, the FHCCI began coordinating the Central Indiana Accessibility Partnership Project (CIAPP), an accessibility repair project to address the need of seniors and those with disabilities to have accessible homes. These modifications allow the homeowner to age in place in the housing of their choice, stabilizing neighborhoods, maintaining property values and encouraging community involvement. Without modifications to and rehabilitation of their homes, many of these homeowners would have no option but to remain in unsafe living environments or relocate to nursing homes or assisted care facilities. They would be required to sell or abandon their home, which in many cases they have lived in for decades, and leave the community to which they have longstanding ties.

This year, the AARP's "Raising Expectations" study found Indiana 49th in "affordability and access" and 47th in "community based care." Financing assisted care, which can cost thousands of dollars per month, is a burden for both the homeowners and their families. Simple adjustments to the structure of their current home allow elders to age in place in a familiar environment. This is a vital support not just for the individual homeowners but for the neighborhoods they live in. CIAPP has worked to ensure that seniors' homes are safe and functional and are designed to facilitate mobility inside and outside of the home long term.

The CIAPP is a coalition of organizations, coordinated by the Fair Housing Center of Central Indiana (FHCCI), with similar missions pooling resources to assist homeowners in need. The CIAPP program has provided accessibility repairs to over 60 households through private and public funds combined with in-kind support. Recipients of our project funds include elderly Indianapolis metro area homeowners at or under 80% of the area median income. They are most often longtime homeowners in older homes not built for accessibility needs resulting from aging and new mobility impairments. Individual modifications to single-family homes typically range from \$1,000 for an exterior entrance ramp or handrails to \$15,000 for a fully accessible bathroom. The CIAPP assists homeowners in Boone, Hamilton, Hendricks, Johnson, and Marion Counties as funding allows.

Fully accessible bathrooms, the most expensive accessibility modification, often require wider doorways; higher camodes; adjusted sinks, countertops, and cabinetry; and roll-in showers. However, the cost of these modifications is small when compared to the cost of institutional care, which many of these homeowners would have no choice but to pursue without an accessible home. Further, the cost of institutional care, which can be thousands per month, is typically borne by not just the homeowners' families but by taxpayers.

Previous CIAPP awardees spent years relying on family members or care workers to carry them through doors too narrow for their walkers or wheelchairs; crawling up stairs for lack of a ramp, decreasing their ability to come and go from their home without assistance; and other dangerous conditions. Many commented on their frustration with having to depend on others for functions they could perform on their own if their home were accessible. They had become homebound, often depressed, and isolated from a neighborhood where they were once active and involved. The CIAPP provides needed independence, privacy, and community integration. Satisfaction in the program is substantial because it allows the person to age in place, in the housing of their choice. The program also gives people their dignity back. Unfortunately, our waiting list is substantial and funds are limited.

*Home Purchases:* In the sales market, the City should work with MIBOR to institute an accessibility disclosure document similar to what is provided in Dayton, Ohio. This document is added to the MLS listing for homes for sale and notes any accessible features within the home, such as a zero-step entrance, door widths, roll-in showers, etc. Such a disclosure would greatly assist those with disabilities searching for homes to purchase.

*Promoting People First Language:* It is important that training be conducted to increase community knowledge on the issues discussed previously. In addition, it is imperative that public officials learn and use “people first” language. Some examples of this concept from the State of Indiana website include:<sup>10</sup>

“Rules to use when writing or speaking about people with disabilities:

1. Always use people-first language. Refer to the person first and not his or her disability. Do not say “a disabled person.” Instead, refer to “a person with a disability.”
2. Never group individuals together as “the mentally retarded,” which puts the focus on the disability, not on the individual.
3. Avoid emotional and sensationalist words. People with disabilities are often either thought of as inspirational and courageous or pitiful and in need of charity. Both extremes are erroneous stereotypes.

Be sensitive when choosing words. The reality is that people with disabilities succeed not “in spite of” their disabilities but “in spite of” an inaccessible and discriminatory society. They do not “overcome” their disabilities so much as “overcome” prejudice.”

Trainings should be held not only on these language needs but also on how to interact with a person with a disability in a welcoming and inclusive way.

**Action Steps:**

- *Establish a commission that will work with the various public and assisted housing providers and the local, state and federal fair housing enforcement offices to develop an action plan for meeting the unmet housing needs of persons with disabilities.*

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<sup>10</sup> <http://www.in.gov/gpcpd/2360.htm>

- *Support the passage of a local visitability ordinance to ensure all new housing built in the City/County has visitable features.*
- *Designate that any new, single family housing construction implemented as a result of demolition from Hardest Hit Funds must include visitable features in the homes.*
- *Work with MIBOR to implement a disclosure document on all MLS listings which notes accessible features of the housing for sale.*
- *Create, at the City/County level, an Affordable Housing Commission or Task Force to ensure housing affordability and effective urban planning throughout the City/County.*
- *Adopt disability-friendly reasonable accommodation policies. The City could develop and implement a policy to waive a building or zoning code requirement to accommodate a resident's disability. An example, among others, has many zoning codes including a requirement that buildings or accessories be setback at least 25 feet from the sidewalk. A person with a disability should be permitted to build a ramp that encroaches on the setback as a reasonable accommodation for a disability. Requiring a resident with a disability to go through the Zoning Board of Appeals to obtain such a change in a zoning rule or policy may be an impediment to fair housing.*
- *The City could amend its zoning code to grant a "density bonus" to developers that build single family homes. This bonus would allow developers to build more single family homes per acre than permitted by the zoning code if the developer will make a certain percentage of the homes "visitable."*
- *Implement a training program for public and assisted housing providers on requirements of Section 504, fair housing laws, the Americans with Disabilities Act, the Architectural Barriers Act, and the State's barrier-free building code. State and local housing agencies should work to create 504 accessible housing that is double the current mandate.*
- *Develop written materials to give developers, contractors, and builders on accessibility and adaptability requirements and promote online. In any rehab containing government funds of existing multi-family properties or buildings being converted to multi-family properties, ensure distribution of materials to encourage the addition of accessible features when these features are not otherwise mandated to promote accessibility. Materials should also contain the positive long term impact of such features on the community.*
- *Conduct and support fair housing testing to determine if violations of fair housing laws related to accessibility, reasonable accommodations, and/or modifications are occurring. Support enforcement efforts to bring any violations into compliance.*
- *Conduct trainings which focus on accessibility, reasonable accommodation and modification requirements under fair housing laws and Section 504.*
- *Develop a procedure which must be followed by City officials for inspecting and monitoring new construction and substantial rehabilitation for compliance with accessibility requirements. The City department that is in charge of construction code compliance and enforcement will implement a plan that will provide (a) education to the building industry on the accessibility requirements under fair housing laws, and (b) add to the existing building permit and review process a review of compliance with these accessibility requirements with the provision that no certificate of occupancy will be issued until all requirements have been met.*

- *Increase financial support of home modification programs to increase housing accessibility. Ensure that any lien programs for such modifications be of modest length (5-10 years) and not impacting the long-term equity in the home or affect the homeowner's ability to address poverty.*
- *Train state, city and government officials to use "people first" language.*

**Impediment 5: The City of Indianapolis is heavily segregated as it relates to race and income. Several Indianapolis neighborhoods and areas of the County do not have sufficient affordable housing choices which are also accessible to those with disabilities. In particular, the Indianapolis downtown housing market is pricing families and those of lower incomes out of the area due to the lack of mixed income housing.**

*Note: Due to time restrictions, this impediment and action steps is not complete.*

Although downtown development has been expanding in recent years, there has been a severe lack of affordable housing choices in the urban planning. For instance, Supplemental Security Income (SSI) payments are the sole source of income for 4.8 million non-elderly Americans (age 18-65 years) with considerable disabilities and limited assets who are unable to work. In 2012 in Indianapolis, a person with a disability received SSI benefits equal to \$698 per month. This income was equal to 17.9% of the area median income. A person with a disability receiving SSI would have to pay 71% of their monthly income to rent an efficiency unit and 88% of their monthly income for a one-bedroom unit. Without an ongoing rent subsidy that they can use to obtain housing which meets their needs, SSI recipients are often faced with heavy financial burdens and are sometimes forced to live in restrictive institutional settings or face homelessness.<sup>11</sup>

Our downtown area has access to jobs (particularly in the service industry), transportation, cultural events, and accessible sidewalks for those using wheelchairs. Unfortunately, many persons are forced to live far outside our urban core. With average rents for one-two bedroom apartments in the downtown averaging between \$1,200-2,200 per month, only single adults and those of higher incomes are able to reside in these units.

**Action Steps:**

- *Mandate all City funded projects through tax breaks, financing, City back incentives, or direct support include mixed income housing.*
- *Create, at the City/County level, an Affordable Housing Commission or Task Force to ensure housing affordability and effective urban planning throughout the City/County. This Commission would be tasked with developing programs to address segregation and areas of high poverty in the County.*

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<sup>11</sup> *Priced Out in 2012*, Technical Assistance Collaborative (TAC) and the Consortium for Citizens with Disabilities (CCD) Housing Task Force, May 22, 2013. <http://www.tacinc.org/knowledge-resources/priced-out-findings>

**Impediment 6: There is a lack of incentive programs to encourage homeownership as a means to stabilize neighborhoods and housing stock deterioration. The impact of predatory lending pre-foreclosure crisis has resulted in substantial losses of wealth for persons of color.**

*Note: Due to time restrictions, this impediment and action steps is not complete.*

Indianapolis has been hard hit with the foreclosure crisis which has severely destabilized communities and neighborhoods. Predatory lending appears to have played a significant role in Indiana's foreclosure crisis. A large amount of housing stock is sitting vacant or abandoned and deteriorating due to lack of adequate maintenance. These owners are often violating local laws but not being punished or penalized to ensure adequate maintenance. Prospective homeowners need funds to rehab homes which have sat vacant for long periods of time and/or incentivizes to purchase or rent homes in neighborhoods that have been particularly harmed.

*REO/Foreclosure Maintenance:* Indianapolis has been nicknamed one of the emptiest cities in America with the number of vacant and abandoned homes. Unfortunately, being vacant is not the only issue; many of these homes are moving to being unsafe and in need of demolition due to lack of adequate maintenance. Depending who in government you speak to, there is anywhere from 10,000-15,000 homes in the Indianapolis area right now which may qualify for demolition. Not only is this a significant housing loss to the market but the number of families affected is considerable for the demolition issue alone. Unfortunately, this problem is not unique to Indianapolis. Across our state, including in rural areas, foreclosed housing is deteriorating at quickening levels.

In metropolitan areas, neighborhoods are going to be left with large areas of open lots. Because the areas these properties are often located in are predominantly low income due to decades of lack of needed support services, the incentive to build on the empty lots will not occur for some time. Even allowing for the capturing of some desired green space for parks, a question is raised in how will these parks be paid for and maintained with city budgets working under decreasing property tax bases due to the loss of homes and decrease of value in those that remain.

Studies have shown that a homeowner who does everything right, pays their mortgage on time and adequately maintains their property, will have the value of their home affected due to foreclosures in their neighborhood. A recent report notes:

“Overall, this research suggests that the visible deterioration and poor maintenance of properties that are vacant and bank-owned lead to increasingly lower property values and an overall reduction of investment in the neighborhoods by the families that remain in their homes.”<sup>12</sup>

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<sup>12</sup> “The Banks are Back – Our Neighborhoods Are Not: Discrimination in the Maintenance and Marketing of REO Properties,” National Fair Housing Alliance, April, 2012, Page 8. Chan, Sewin, Michael Gedal, Vicki Been, Andre Haughwout, “The Role of Neighborhood Characteristics in Mortgage Default Risk: Evidence From New York City,” Furman Center for Real Estate & Urban Policy, 2010.

The FHCCI has been or is party to four national fair housing cases alleging discriminatory treatment due to race and national origin in the maintenance of Real Estate Owned (REO)/foreclosures by lenders or maintenance services. The FHCCI and its partners, evaluated the maintenance and marketing of REO properties for the existence of 39 different types of maintenance or marketing deficiencies, such as broken windows and doors, water damage, overgrown lawns, no “for sale” sign, trash on the property, and other problems. In Indianapolis, some of the most egregious disparities included:<sup>13</sup>

- REOs in communities of color were 3.4 times more likely to have missing or out of place gutters compared to REOs in White communities
- REOs in communities of color were 2.3 times more likely to have an unsecured, broken, or boarded door than REOs in White communities
- REOs in communities of color were 2.1 times more likely to have an unsecured, broken, or boarded window versus REOs in White communities

In June 2013, the FHCCI and several fair housing organizations across the country reached a settlement with Wells Fargo on a similar allegation. Under the agreement, Wells Fargo made a number of very important commitments that will benefit communities throughout the United States, including the following:

- Wells Fargo will continue to implement best practices for the maintenance and marketing of its REO properties. A third party will monitor Wells Fargo’s portfolio of REO properties to ensure that Wells Fargo maintains and markets its REO properties according to the standards set forth in the agreement.
- Wells Fargo will enhance its Homeowner Priority program to give owner-occupants higher priority over investors in purchasing REOs. Wells Fargo will extend its Homeowner Priority period so that owner-occupants will have priority over investors to purchase Wells Fargo REO properties until the fifteenth day a property is on the market rather than the current twelve-day period.
- Wells will create a new five-day Homeowner Priority period *every time* there is a price reduction on a Wells Fargo REO home. Wells Fargo will give priority to owner-occupants who make offers that meet or exceed the price of offers from those who do not intend to live in the home.
- Wells Fargo will make it easier to get information about its REO properties. Wells Fargo has improved its web site and toll free numbers to provide more information to prospective purchasers and anyone who wants to tell Wells Fargo about a problem with an REO property or an agent who is selling a Wells Fargo REO property.

Consideration for homeowner occupancy on foreclosed homes should be advocated across lenders to ensure that out of state investors are not purchasing, and then not maintaining homes.

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<sup>13</sup> [http://www.mvfairhousing.com/pdfs/2014-08-27\\_NFHA\\_REO\\_report.PDF](http://www.mvfairhousing.com/pdfs/2014-08-27_NFHA_REO_report.PDF)

*Predatory Lending:* The FHCCI also has serious concerns regarding the number of predatory loans that may have been made in Indiana that have since gone into foreclosure, particularly as it related to persons of color. The FHCCI is currently conducting a project in Marion County to determine the level of predatory lending/high cost loaning by neighborhood which occurred leading up to the foreclosure crisis and if race played a factor in whether predatory terms were present in the originated loan that was subsequently foreclosed upon. Many of these foreclosed properties are now the REOs not being maintained by lenders and likely headed toward demolition if not already on the list. We anticipate releasing a report on the project by early 2015.

Despite this project not being finished, there is already proof that predatory lending was targeted against persons of color, regardless of their income and credit worthiness. The U.S. Department of Justice litigated such a case against Countrywide and a recent article noted the impact upon Hoosiers:

“A total of about 1,300 African-American and Hispanic mortgage-seekers in Indiana were identified among 200,000 minority Countrywide victims nationwide forced to pay higher fees and higher interest rates on loans than white borrowers with similar credit scores. Some of the minority borrowers also were forced into sub-prime mortgages, when comparable white borrowers received prime loans. Those sub-prime loans ‘often carried higher-cost terms, such as prepayment penalties and exploding adjustable interest rates that increased suddenly after two or three years, making the payments unaffordable and leaving the borrowers at a much higher risk of foreclosure,’ according to the U.S Attorney’s Office. The lender’s action set ‘many of the families on a path to financial ruin,’ Hogsett said.”<sup>14</sup>

The State of Indiana has one of the lowest state rankings for distribution of Hardest Hit funds through their original destination to homeowners at-risk of foreclosure. Homeowners are not being protected as the original settlement designated in our community and state.

There must be training programs and public awareness campaigns to ensure prospective homeowners are not steered into predatory loans. It is also imperative that effective monitoring of the lending industry occur and violations be quickly and efficiently addressed. Redlining appears to also be re-emerging as a means of housing discrimination.

**Action Steps:**

- *Conduct outreach activities specific to homeownership to improve access to homeownership for racial/ethnic minorities and those with disabilities.*
- *Work with banks and other lenders to make foreclosed housing available to owner occupants first.*
- *Conduct outreach activities to homeowners in foreclosure to ensure that they know about the resources available to save their homes. For example, send letters to all with*

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<sup>14</sup> <http://www.indystar.com/article/20130228/NEWS/302280030/Feds-seeking-450-victims-racial-discrimination-share-settlement>

*delinquent property taxes on where to get housing counseling or foreclosure prevention assistance.*

- *Create new programs to incentivize development on now vacant lots where properties have been demolished.*
- *Work with fair housing groups, banks and other lenders in the community to conduct fair lending seminars including how to identify predatory lending and mortgage scams.*
- *Ensure any City funded first time homebuyer seminars or persons provided downpayment assistance receive information on fair housing and fair lending.*
- *Encourage the obtaining of green space for parks and community areas in neighborhoods with high levels of demolished properties. Establish long term plans for maintenance of these areas.*
- *Monitor the maintenance of foreclosed properties and ensure compliance by owners of basic upkeep to minimize harmful effects on other homes and neighborhood.*
- *Designate a response within 72 hours through the point of contact or hotline for neighbors of foreclosed or abandoned homes to report those not being maintained adequately.*
- *Monitor bank lending practices by reviewing HMDA data and/or lending policies and practices.*
- *Work with local lenders to develop training and monitoring programs, including self-testing of lending practices.*

For questions, contact:

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# GIVE US 10 MINUTES AND HELP IMPROVE INDY



Plan 2020 is a strategic planning initiative, forging a compelling future for Indianapolis-Marion County. It is a collaboration between the Greater Indianapolis Progress Committee, Department of Metropolitan Development, and community leaders to make Indy a better place to live, work and visit.

This survey will be used to inform the Plan 2020 process, including the development of the City of Indianapolis' Consolidated Plan for how community development investments are made. Your answers are completely anonymous.

Thank you for your insight in making Indy a great place to live!

### TOP 3 THINGS OR PLACES YOU LOVE ABOUT INDY.

- Cost of living/affordable
- Friends/Family
- Manageable Size
- Travel/Commute Time
- Unique Neighborhoods
- Arts/Cultural Options
- Sports
- Parks/Greenways
- Universities
- Downtown
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

### TOP 3 THINGS OR PLACES YOU LOVE ABOUT YOUR NEIGHBORHOOD.

- Housing Type
- Events
- Cultural Amenities
- History/Charm/Unique
- Parks/Greenways
- Neighborhood/Local Shops
- Location
- School Quality
- Friends/Family
- Safety
- Walkability
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

### TOP 3 CHALLENGES (NEEDS) FACING...

- YOUR HOUSEHOLD OR FAMILY (SELECT 3)**
- YOUR COMMUNITY (SELECT 3)**
- Housing Conditions
- Commercial Building Conditions
- Unsafe/Abandoned Property
- Undesirable Businesses
- Senior/Assisted Housing (Aging in Place)
- Range of Rental Opportunities
- Absentee Landlords
- Parks & Recreation
- Community Centers
- Street Conditions
- Sidewalks & Pedestrian Infrastructure
- Greenways
- Bicycle Infrastructure
- Public Transit
- Flooding/Drainage
- Water/Sewer Infrastructure
- Street Lighting
- Utility (Electricity, Heating, Cooling) Costs
- Brownfields/Environmental Contamination
- Lead Based Paint
- Air Quality
- Water/Stream Quality
- Drug/Alcohol Abuse
- Homelessness
- Hunger/Nutrition
- Mental Health
- Healthcare Access
- Unemployment/Job Opportunities
- Job/Workforce Training
- Life Skills Training (Financial/Credit/Parenting)
- School Quality
- Youth Activities/ Programming
- Childcare
- Crime & Safety
- Traffic
- Language/Cultural Barriers
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**WHAT MAKES UP YOUR PERFECT NEIGHBORHOOD?**

- Single Family Homes
- Townhomes
- Apartments
- Senior Housing
- Mixed-Use Housing
- Parks
- Library
- Cultural Amenities
- Public Art
- Places of worship
- Elementary Schools
- High Schools
- Sidewalks
- Greenways/Trails
- Bike lanes
- Bus/Transit Service
- Small Scale Retail
- Big Box Retail
- Offices
- Gas Stations
- Grocery Stores
- Farmland
- Small Yards
- Large Yards

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**IF YOU HAD TO MOVE OUT OF YOUR CURRENT HOME, WHERE WOULD YOU MOVE TO?**

- Different home in the same neighborhood
- Somewhere else in Indy/Marion County
- A suburb of Indy
- A small town some distance from Indy

**WHY?**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**WHERE DO YOU GET INFORMATION ABOUT HAPPENINGS IN THE COMMUNITY?**

- Newspaper/Print Media
- Radio
- TV
- Social Media (Facebook, Twitter)
- Word of Mouth
- Employer
- Public Advertisement (Bus Ad, Billboards)
- Member/Social Organization (Club, Place of Worship)
- \_\_\_\_\_

**ARE YOU AWARE THAT DISCRIMINATING AGAINST YOU FOR ANY REASONS, INCLUDING AGE, RACE, OR RELIGION, WHEN PURCHASING OR RENTING A HOME IS ILLEGAL?**

- No
- Yes

**IF YOU ARE DISCRIMINATED AGAINST, ARE YOU AWARE THAT A COMPLAINT MAY BE FILED AND INVESTIGATED BY THE INDIANA CIVIL RIGHTS COMMISSION?**

- No
- Yes

**IF YOU ARE A RENTER, DO YOU BELIEVE YOU HAVE EVER BEEN DISCRIMINATED AGAINST FOR ANY OF THE FOLLOWING REASONS?**

- None
- Age
- Income
- Number of children
- Race
- Religion

**IF YOU ARE A HOMEOWNER, DO YOU BELIEVE YOU HAVE EVER BEEN DISCRIMINATED AGAINST WHEN LOOKING TO BUY A HOME FOR ANY OF THE FOLLOWING REASONS?**

- None
- Age
- Income
- Number of children
- Race
- Religion

\_\_\_\_\_

**ABOUT YOU (ALL INFORMATION IS ANONYMOUS)**

**AGE** \_\_\_\_\_

**GENDER**  Female  Male

**ZIP CODE WHERE YOU LIVE** \_\_\_\_\_

**ZIP CODE WHERE YOU WORK** \_\_\_\_\_

**RACE**  American Indian or Alaska Native

Select any  Asian

that apply  Black or African American

Native Hawaiian or Pacific Islander

White

Other

**ARE YOU OF HISPANIC OR LATINO ORIGIN?**

- No
- Yes

**ANNUAL HOUSEHOLD INCOME**

- Under \$15,000
- \$15,000 - \$25,000
- \$25,000 - \$40,000
- \$40,000 - \$65,000
- \$65,000 - \$80,000
- Over \$80,000

**ARE YOU OR HAVE YOU EVER BEEN INCARCERATED?**

- No
- Yes

**ARE YOU OR HAVE YOU EVER BEEN HOMELESS?**

- No
- Yes