

Draft Report

**State of Indiana
Consolidated Plan**

2006 Update

DUNS No. 80-989-6723

Draft Report

April 13, 2006

**2006 Indiana Consolidated Plan Update
DUNS No. 80-989-6723**

Prepared for

State of Indiana
Indiana Office of Community and Rural Affairs
Indiana Housing and Community Development Authority
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EXECUTIVE SUMMARY

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Purpose of the Consolidated Plan

Beginning in FY 1995, the U.S. Department of Housing and Urban Development (HUD) required states and local communities to prepare a Consolidated Plan in order to receive federal housing and community development funding. The Plan consolidates into a single document the previously separate planning and application requirements for Community Development Block Grants (CDBG), Emergency Shelter Grants (ESG), the HOME Investment Partnerships Program (HOME) and Housing Opportunities for People with AIDS (HOPWA) funding, and the Comprehensive Housing and Affordability Strategy (CHAS). Consolidated Plans are required to be prepared every three to five years; updates to the Plan are required annually.

The Purpose of the Consolidated Plan is:

1. To identify a state's housing and community development needs, priorities, goals and strategies; and
2. To stipulate how funds will be allocated to state housing and community development nonprofit organizations and local governments.

Preparation of a five year Consolidated Plan and an annual update is required by states and entitlement cities in order to receive federal funding for the following programs: the Community Development Block Grant (CDBG), the HOME Investment Partnerships Program, the Emergency Shelter Grant (ESG) and Housing Opportunities for People with AIDS (HOPWA).

This report presents the results of the FY2006 Consolidated Planning effort. The 2006 Consolidated Plan Update provides new information and trends related to the State of Indiana's current and future housing and community development needs. The report contains data gathered through regional forums, key person interviews and secondary sources. The report also contains new funding levels, program dollar allocations and the FY2006 One Year Action Plan.

Compliance with Consolidated Plan Regulations

The State of Indiana's Five-Year Consolidated Plan was prepared in accordance with Sections 91.300 through 91.330 of the U.S. Department of Housing and Urban Development's Consolidated Plan regulations. Appendix H, the "HUD Regulations Cross-Walk" contains a checklist detailing how the Plan meets these requirements.

Organization of the Report

The State's FY2006 Consolidated Plan is organized into seven sections and eight appendices.

- Section I is an introduction to the report.
- Section II discusses the demographic and economic trends in Indiana to set the context for the housing and community development needs and strategies discussed in later sections.
- Section III reports the findings from the citizen participation process conducted for the Plan Update.
- Section IV reports updated information about the State's housing market and needs, including housing vacancies, unit characteristics, affordability, cost burden and the needs of public housing authorities in nonentitlement areas;
- Section V discusses the housing and community development needs of the State's special needs populations. The section gives updated estimates of these populations, reports new programs and initiatives to serve them, and identifies remaining gaps.
- Section VI contains the State's Analysis of Impediments to Fair Housing Choice.
- Section VII contains the State's Five-Year program strategies, the One-Year Action Plan for program year 2006, and the required HUD tables.

The Appendices include:

- A. Consolidated Plan Certifications
- B. Citizen Participation Plan
- C. List of Key Participants
- D. Survey Instruments
- E. County Housing Market Data
- F. 2006 Allocation Plans
- G. Public Comments
- H. HUD Regulations Cross-Walk

Lead and Participating Agencies

Indiana's FY2006 Consolidated Plan Update was a collaborative effort. The Indiana Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA) were responsible for overseeing the coordination and development of the Plan.

The Consolidated Plan Coordinating Committee included representatives from the organizations listed above as well as individuals from the Indiana Family and Social Services Administration (FSSA), Indiana Coalition on Housing and Homeless Issues (ICHHI), the Indiana Association for Community and Economic Development (IACED), the Indiana Civil Rights Commission (ICRC), Rural Opportunities Inc. (ROI), the Economic Development District & Regional Planning Commission, the Indiana Association of Cities and Towns, The Indiana Institute on Disability and Community, and the U.S. Department of Housing and Urban Development (HUD). A list of Committee members and their respective organizations can be found in Appendix C.

The State of Indiana retained BBC Research & Consulting, Inc. (BBC), an economic research and consulting firm specializing in housing research, to assist in the preparation of the FY2006 Consolidated Plan Update.

Citizen Participation Process

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

- A targeted survey of low-income citizens, citizens receiving public housing assistance and citizens with special needs that was distributed by the Consolidated Plan Coordinating Committee and housing and community development stakeholders;
- A key person/organization survey sent to approximately 1,800 stakeholders in the State's nonentitlement areas;
- Key person interviews of stakeholders;
- A 30 day public comment period; and
- Two public hearings about the Plan and fund allocations.

Consultation with Governmental and Nonprofit Organizations

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

Key Findings from the Consolidated Plan Research

The FY2006 Consolidated Plan Update placed an emphasis on research collected through citizen and stakeholder surveys and key person interviews. Key findings from the research included:

Trends in Housing and Community Development. A review and analysis of 2000 and 2004 Census data, other economic data, reports and information collected in key person surveys showed that the State has experienced a slowdown in population and job growth. An analysis of housing affordability indicators from the Census showed that the State's low-income households are the most likely to be cost constrained in affording both rental and single family housing.

Population growth. New data released from the U.S. Census Bureau showed that the State is growing more slowly than it did over the last decade. The U.S. Census Bureau estimates the State's 2005 population at 6,271,973, up from 6,080,485 in 2000 and 6,226,537 in 2004. From 2000 to 2005, the State's population increased by 3.1 percent, which was similar to the growth rates of surrounding states. Kentucky grew at the highest rate of 3.1 percent and Ohio grew at the lowest rate of 0.9 percent.

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

**Exhibit ES-1.
Population Change
of Indiana Counties,
2004 to 2005**

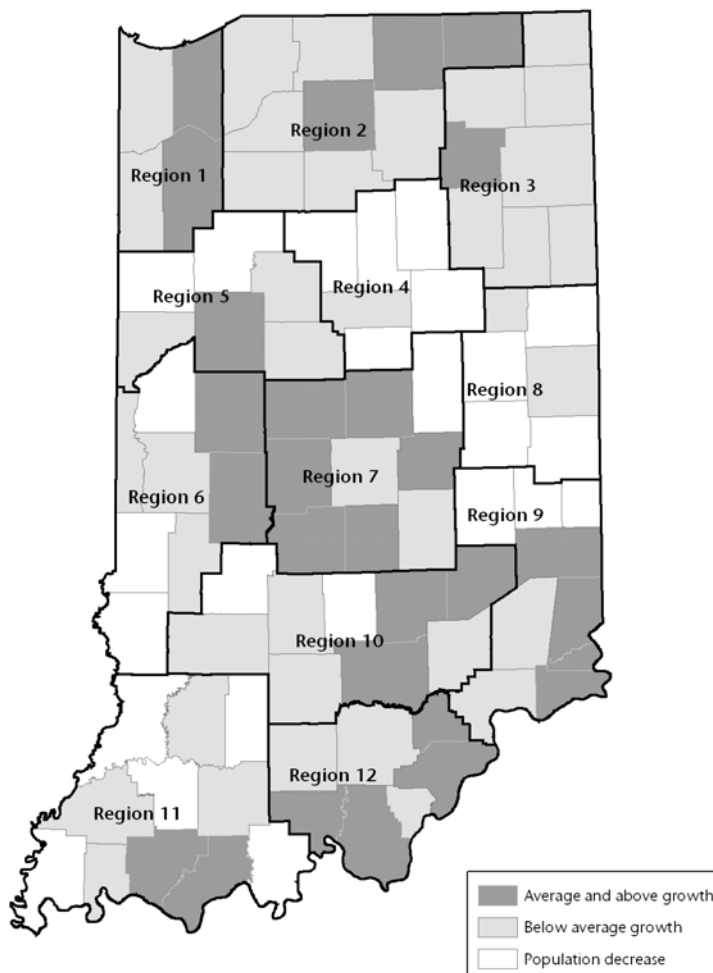
Note:

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

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

Source:

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



Age. According to the Census' American Community Survey (ACS) the State's median age is estimated to be 35.7 in 2004, same in 2003¹. In 2004, almost 60 percent of the State's population was between the ages of 20 and 64 years. Overall, 11.8 percent of Indiana's population was age 65 years and over in 2004. Sixty-nine of the 92 counties in Indiana had a higher percent of their populations age 65 years and over than the State average, as is shown in the following exhibit where it is shaded.

**Exhibit ES-2.
Percent of County
Population 65 Years
and Over, 2004**

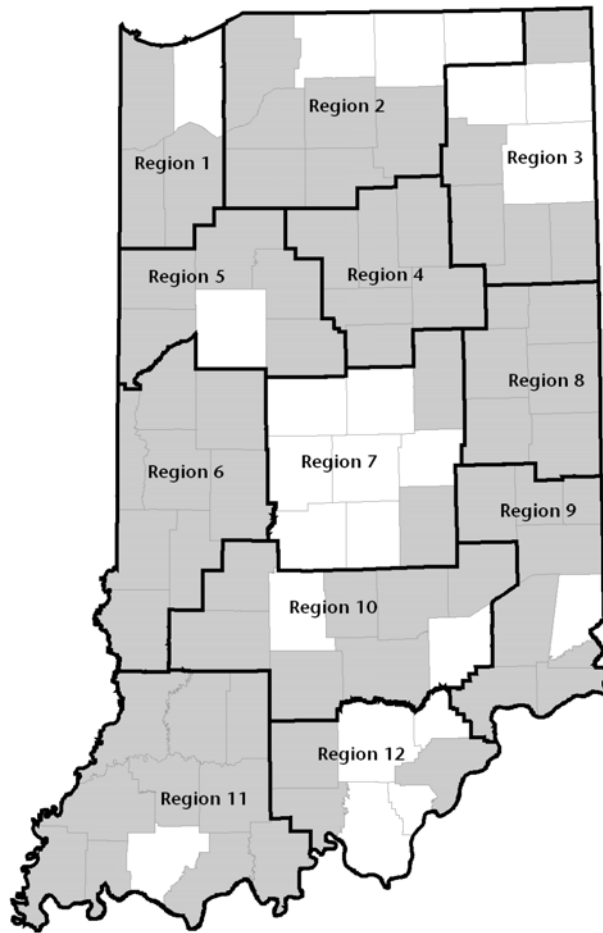
Note:

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

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

Source:

Population Division, U.S. Census Bureau.



Racial/ethnic diversity. The Population Division of the U.S. Census provided a comparison of racial and ethnic population of Indiana for 2003 and 2004. As shown in the following exhibit the White population grew at the slowest rate of all races/ethnicities, increasing less than 0.5 percent from 2003 to 2004.

¹ The American Community Survey universe is limited to the household population and excludes the population living in institutions, college dormitories and other group quarters.

Exhibit ES-3.
Change in Race and Ethnic Composition for Indiana, 2003 and 2004

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

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

Exhibit ES-4 shows the counties whose African American population—the second largest racial category in Indiana for 2004—is higher than the Statewide percentage of 8.79 percent. It should be noted that these data do not include racial classifications of Two or More Races, which include individuals who classify themselves as African American along with some other race.

Exhibit ES-4.
Counties With a Higher Rate of African Americans Than the State Overall, 2004

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

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

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

Exhibit ES-5, below, shows the percentage of county population that was Hispanic/Latino in 2004 for the 12 counties that have a Hispanic/Latino population above the State average of 4.3 percent. These counties are mainly located in the northern portion of the State.

**Exhibit ES-5.
Counties with a Higher
Rate of Hispanic/Latino
Persons than the State
Overall, 2004**

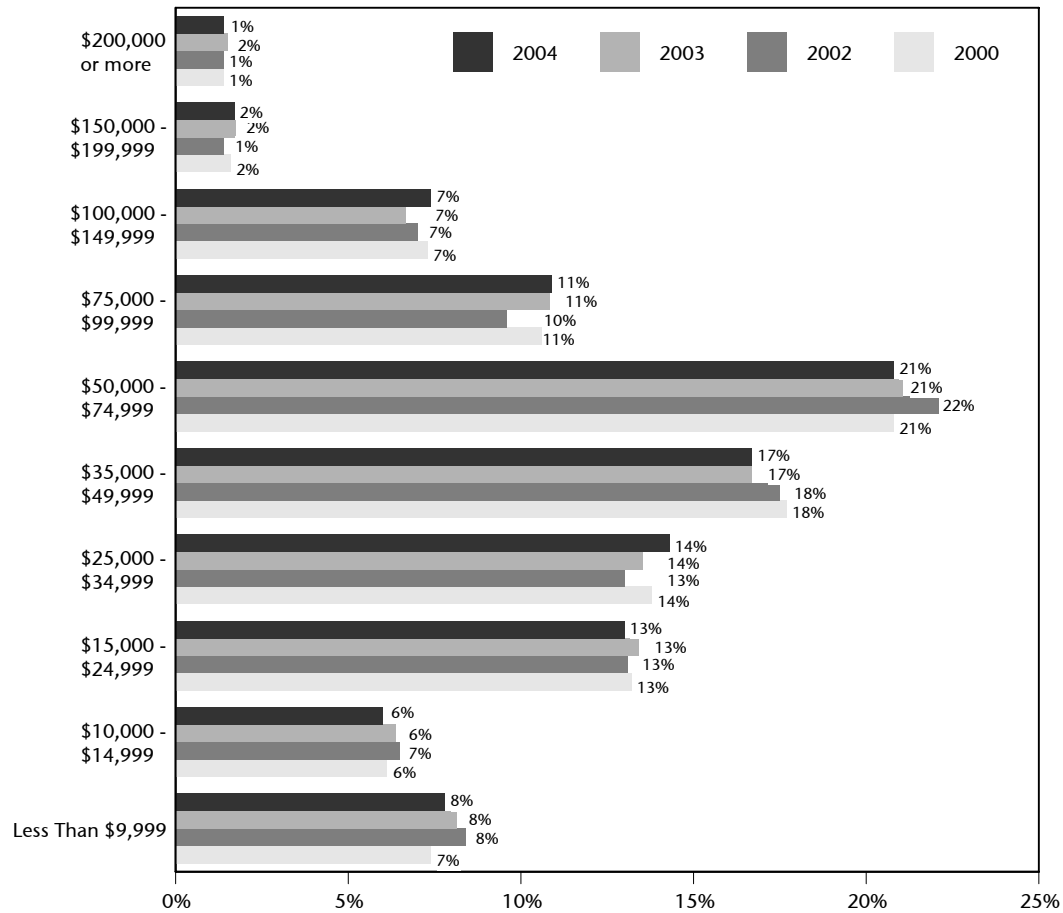
Source:
Population Division, U.S. Census Bureau.

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

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

Exhibit ES-6 shows the distribution of income in the State in 2000, 2002, 2003 and 2004 in inflation adjusted dollars. Incomes ranging between \$35,000 and \$149,000 had the most fluctuation across these years. There was also an almost one percentage point increase, from 7.4 percent in 2000 to 8.2 percent in 2003, in the proportion of the State's households earning \$9,999 and less, but it dropped back down to 7.8 percent in 2004.

Exhibit ES-6.
Percent of Households by Income Bracket, State of Indiana, 2000, 2002, 2003 and 2004



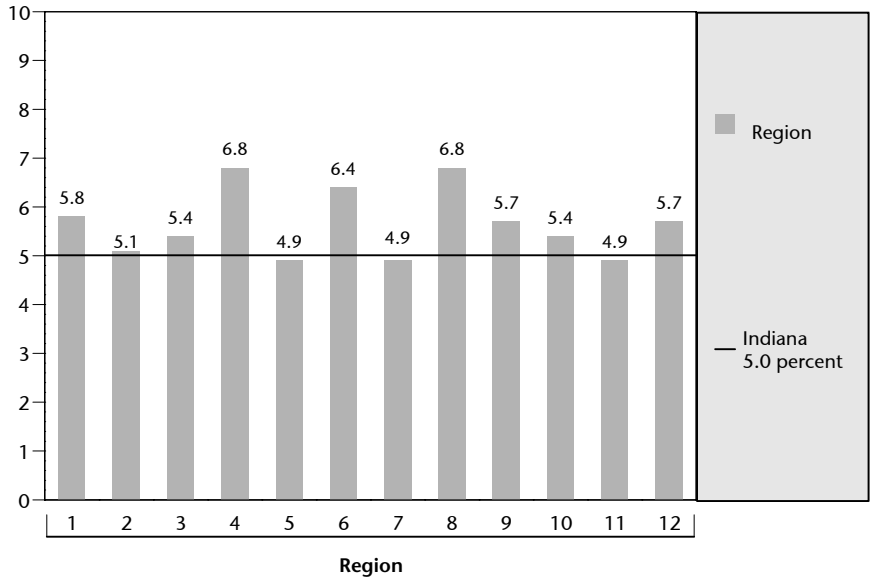
Note: Data are adjusted for inflation.

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

Employment conditions. As of 2005, the average unemployment rate in Indiana was 5.4 percent. This compares to 5.3 percent in 2004 and 2003 and 5.2 percent in 2002. Unemployment rates are stabilizing, after having risen significantly in 2001.

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

Exhibit ES-7.
Average Unemployment Rate for Indiana and Commerce Regions, 2005



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

Housing affordability. The ACS estimated the median value of an owner occupied home in the State as \$110,020 in 2004. This compares with the U.S. median of \$151,366 and is the second lowest median compared to surrounding States, as shown in Exhibit ES-8.

**Exhibit ES-8.
Regional Median Owner
Occupied Home Values,
2004**

Note:

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

Source:

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



Indiana's median gross rent (including contract rent) plus utilities and fuels, was \$589 per month in 2004.

Although housing values in Indiana are still affordable relative to national standards, many Indiana households have difficulty paying for housing. Housing affordability is typically evaluated by assessing the share of household income spent on housing costs, with 30 percent of household income being the affordability threshold.

The ACS reported that in 2004, 20 percent of all homeowners (about 348,000 households) in the State were paying more than 30 percent of their household income for housing, and 38 percent of Indiana renters – or 257,000 – paid more than 30 percent of household income for gross rent.

The State's low-income households are more likely to be cost burdened, as shown in Exhibits ES-9 and ES-10 on the following page

**Exhibit ES-9.
Cost Burden by Income, Owner Households with a Mortgage, 2002**

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

Note: Owner households who pay no mortgage were not included in calculation.

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

**Exhibit ES-10.
Cost Burden by Income of Householder Who Pay Cash Rent, Renters, 2002**

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

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

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

Housing and Community Development Needs. The following matrix summarizes the findings from an extensive public outreach effort conducted by the State of Indiana for the Five-Year Consolidated Plan and the FY2006 Consolidated Plan. The public outreach consisted of a large key person mail survey, a 2005 citizen survey conducted by telephone and through mail, a 2006 citizen survey distributed through email and mail, as well as key person interviews.

Housing

Most Needed Housing Type In You Community

2005 Citizen Survey (telephone survey)

- Single family homes
- Senior housing/Assisted living
- Accessible housing for disabled/elderly persons

Key Person Survey

- Single family homes
- Homeless shelters
- Accessible housing for disabled/elderly persons

Inventory and quality

2006 Citizen Survey

23 percent are dissatisfied with the quality of their housing

Top reasons not satisfied with their home

- Needs fixing up
- Too small
- Rent/mortgage too expensive

2005 Citizen Survey (telephone survey)

4 percent are dissatisfied with the quality of their housing

Reasons they haven't made the needed repairs/improvements to their homes

- Can't afford them
- Can't find the time
- Have other priorities

Key Person Survey

Single family homes

- 58 percent felt there was not enough affordable single family housing in their community
- 42 percent responded the quality of single family homes was average

Multifamily housing

- 61 percent felt there was not enough affordable rental housing in their community
- 40 percent responded the quality of multifamily homes was in poor or very poor condition

Affordability

2006 Citizen Survey

28 percent are dissatisfied with the affordability of their home

2005 Citizen Survey (telephone survey)

- 3 percent are unable to afford their housing
- 11 percent receive housing assistance from the government

Key Person Survey

Most needed affordable housing types

- Single family housing
- Subsidized housing
- Emergency housing

Housing

Barriers to homeownership

2005 Citizen Survey (telephone survey)

- Do not have enough money for a downpayment
- Cannot qualify for a mortgage
- Cannot afford monthly mortgage payments

Key Person Survey

- Affordability/cost too high
- Lack of stable income/cyclical income
- Having poor credit history

Homelessness

2006 Citizen Survey

22 percent responded they have been homeless at some point in time

Top reasons they were homeless:

- Had no job or income
- Were living with family/friends and were asked to leave
- Drug or alcohol abuse/addiction

2005 Citizen Survey (telephone survey)

3 percent have been homeless at some point in time

Top reasons they were homeless:

- Evicted/foreclosed upon
- Couldn't find a place they could afford
- Got fired from job

Key Person Survey

Top needs for persons experiencing homelessness

- Transitional housing
- Supportive services
- Emergency shelters

Discrimination

2006 Citizen Survey

Experienced housing discrimination

13 percent responded they have experienced housing discrimination

Top reasons discriminated against

Low income, race and having children

What did you do about the discrimination?

Nothing = 39 percent

2005 Citizen Survey (telephone survey)

Experienced housing discrimination

4 percent responded they have experienced housing discrimination

Top reasons discriminated against

Race, having children and having a low income

What did you do about the discrimination?

Nothing = 69 percent

Lead-Based Paint

2006 Citizen Survey

Has your house or apartment been treated for lead contamination?

Yes = 18 percent, No = 27 percent, Don't know = 55 percent

Have you or any member of your family been tested for lead?

Yes = 14 percent, No = 70 percent, Don't know = 15 percent

Community Development

Top Community Development Needs

2006 Citizen Survey

How would you improve your community?

- Help bring jobs to my city/town
- Build more affordable rental housing
- Build more single family housing
- Build more homeless shelters

2005 Citizen Survey (telephone survey)

- Help bring jobs to my city/town
- Build housing for persons who are disabled and/or seniors
- Build more single family affordable housing

Key Person Survey

- Jobs
- Downtown business environment revitalization
- Facilities/shelters for special needs populations

Community services

2006 Citizen Survey

How satisfied are you with the following aspects of your community?

- Availability of jobs = 55 percent dissatisfied
- Public transportation = 43 percent dissatisfied
- Day care services = 23 percent dissatisfied

2005 Citizen Survey (telephone survey)

Barriers to community and economic development

Key Person Survey

- Jobs that pay a livable wage
- Job growth
- Lack of available funds to make improvements

Community perception

2006 Citizen Survey

2005 Citizen Survey (telephone survey)

Key Person Survey

Has the perception of your community gotten better or worse over the last 5 years?

- Better = 42 percent
- Worse = 58 percent

Rural Poll

Rank of community conditions respondents are "very satisfied" with

- Library services
- Education (K-12)
- Parks and Recreation
- Housing

Strategic Plan and Action Items

During FY2006, the State expects to receive more than \$50 million in the HUD block grants, as shown in Exhibit ES-11 to address housing and community development needs.

Exhibit ES-11.

2006 Consolidated Plan Funding, by Program and State Agency

Program	FY 2006 Funding Allocations
CDBG (Indiana Office of Community and Rural Affairs)	\$31,543,515
HOME (Indiana Housing and Community Development Authority)	\$15,482,872
ADDI (Indiana Housing and Community Development Authority)	\$335,426
ESG (Indiana Housing and Community Development Authority)	\$1,892,729
HOPWA (Indiana Housing and Community Development Authority)	<u>\$818,000</u>
Total	\$50,072,542

Source: State of Indiana and HUD, 2006.

Based on the research conducted for the FY2006 Consolidated Plan, the State has developed the following goals and benchmarks for addressing current and future housing and community development needs:

- **Goal 1.** Expand and preserve affordable housing opportunities throughout the housing continuum.
- **Goal 2.** Reduce homelessness and increase housing stability for special needs populations.
- **Goal 3.** Promote livable communities and community revitalization through addressing unmet community development needs.
- **Goal 4.** Promote activities that enhance local economic development efforts.

The goals are not ranked in order of importance, since it is the desire of the State to allow each region and locality to determine and address the most pressing needs it faces.

Exhibit ES-12 below presents the State's proposed program activities for FY2006 funds, in addition to the expected number of households, units, shelters and communities assisted.

Please see the full Consolidated Plan, especially Section VII, Strategies and Actions and Appendix F, Agency Allocation Plans, for more specific information on the implementation of these goals, the related action items, and program description and application information.

**Exhibit ES-12.
Strategies and Action Matrix, 2006 Action Plan**

Goals	Funds	Activities	Funding Goals	Assistance Goals	
1. Expand and preserve affordable housing opportunities throughout the housing continuum.	HOME and ADDI	Transitional Housing - Rehabilitation and New Construction	\$10,100,000	For Housing from Shelters to Homeownership, QAP, HOME OOR = 362 units, For First Home = 700 units	
		Permanent Supportive Housing - Rehabilitation and New Construction			
		Rental Housing - Rehabilitation and New Construction			
		Homebuyer - Rehabilitation and New Construction			
	CDBG	CHDO Operating Support	\$700,000		
		CHDO Predevelopment and Seed Money Loans	\$400,000		
		Downpayment Assistance	\$3,070,011		
		Emergency shelters	\$4,507,568		For all CDBG (Housing) = 184 units
		Youth shelters			
		Transitional housing			
Migrant/seasonal farmworker housing					
Permanent supportive housing					
Rental housing					
2. Reduce homelessness and increase housing stability for special needs populations.	HOME	See special needs housing activities in Goal 1.			
	CDBG	See special needs housing activities in Goal 1.			
	ESG	Operating support	\$1,324,910	92 shelters	
		Homeless prevention	\$113,566	37 shelters	
		Essential services	\$302,836	56 shelters	
		Accessibility Rehab	\$56,781	3 shelters	
	HOPWA	For all activities = 34,250 unduplicated clients served			
		Rental assistance	\$396,900	137 households/units	
		Short-term rent, mortgage, utility assistance	\$194,040	420 households/units	
		Supportive services	\$120,206	264 households	
Housing information		\$31,654	32 households		
Project sponsor information		\$61,740			
Acquisition, Rehabilitation and Conversion		\$44,100			
Operating costs	\$8,820	5 units			

Exhibit ES-12. (continued)
Strategies and Action Matrix, 2006 Action Plan

Goals	Funds	Activities	Funding Goals	Assistance Goals
3. Promote livable communities and community revitalization through addressing unmet community development needs.	CDBG, Community Focus Fund	Downtown/neighborhood revitalization	\$650,000	2 projects
		Construction of fire stations	\$1,640,000	4 fire stations
		Fire truck purchases	\$730,000	5 fire trucks
		Historic preservation	\$750,000	2 projects
		Construction/rehabilitation of wastewater collection and treatment systems	\$6,109,130	14 systems
		Construction/rehabilitation of water distribution and treatment systems	\$3,870,000	8 systems
		Construction of stormwater collection systems	\$1,540,000	3 systems
		Community development projects	\$6,540,000	15 facilities/projects
	CDBG	Planning grants	\$1,441,539	34 planning grants
		Foundations	\$100,000	
4. Promote activities that enhance local economic development efforts.	CDBG	Community Economic Development Fund	\$1,794,826	
		See community and economic development activities in Goal 3.		

Source: Indiana Office of Community and Rural Affairs and Indiana Housing and Community Development Authority.

SECTION I.
Introduction

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This report is the 2006 State of Indiana Five-Year Consolidated Plan Update. It is the first annual update to the State of Indiana FY2005 five-year Consolidated Plan. This report contains new information about demographic, economic and housing market trends in the State; an analysis of Statewide affordable housing needs; findings from the citizen participation process; and a current analysis of the needs of special populations. In addition, the State has updated its FY2005 Strategies & Action Plan for FY2006 to reflect the changing housing and community development needs in the State.

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

- A targeted citizen mail survey of low-income citizens, citizens receiving public housing assistance and citizens with special needs;
- A key person/organization survey sent to more than 1,800 stakeholders in the State's nonentitlement areas;
- Key person interviews of stakeholders;
- Three citizen forums targeted to certain special needs populations;
- A 30 day public comment period; and
- Two public hearings about the Plan and fund allocations.

Consultation with Governmental and Nonprofit Organizations

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

Acknowledgments

Each member of the Consolidated Plan Coordinating Committee made valuable contributions to this process and merits special recognition.

SECTION II.
Socioeconomic Analysis

SECTION II.

Socioeconomic Analysis

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

Population Characteristics

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

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

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

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

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

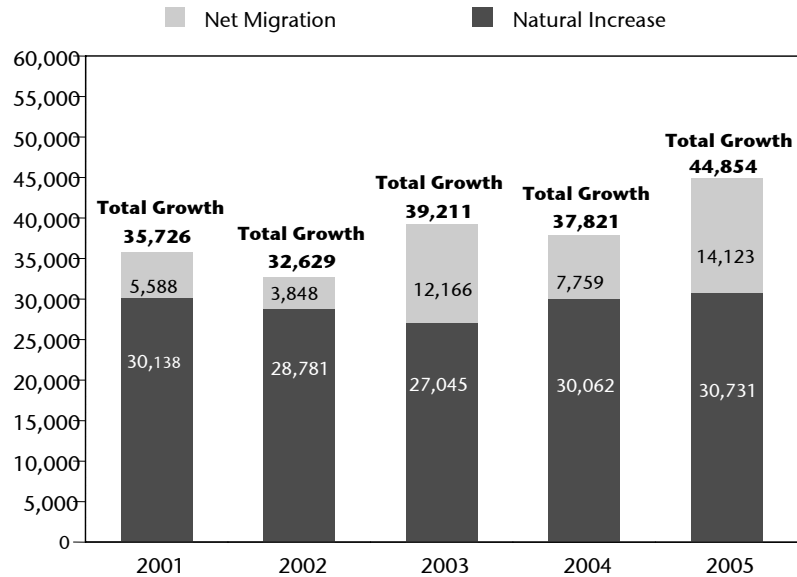
Note:

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

Natural increase is births minus deaths.

Source:

U.S. Census Population Estimates.



Growth of nonentitlement areas. The nonentitlement areas of the State made up nearly 60 percent of the population in 2000.¹ According to the Census’ 2004 population estimates, with the addition of Columbus, Michigan City, LaPorte and Hamilton County to the entitlement cities, the nonentitlement areas of the State made up 58 percent of the population in 2004, or approximately 3,600,000 persons.

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

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

**Exhibit II-2.
2002 to 2004 Population Growth**

	2003		2004		Percent Change 2002 - 2003
	Number	Percent	Number	Percent	
Indiana	6,195,643	100%	6,226,537	100%	0.50%
Non-Entitlement	3,614,818	58%	3,634,715	58%	0.55%
CDBG Entitlement	2,580,825	42%	2,591,822	42%	0.43%
CDBG Entitlement Areas:					
Hamilton County	216,826		229,840		6.00%
Lake County	487,476		490,089		0.54%
East Chicago	31,366		31,237		-0.41%
Gary	99,961		99,516		-0.45%
Hammond	80,547		79,985		-0.70%
Balance of Lake County	275,602		279,351		1.36%
Cities					
Anderson	58,394		57,942		-0.77%
Bloomington	70,642		68,779		-2.64%
Columbus	39,058		39,251		0.49%
Elkhart	51,682		51,878		0.38%
Evansville	117,881		117,156		-0.62%
Ft. Wayne	219,495		219,351		-0.07%
Goshen	29,787		30,555		2.58%
Indianapolis (balance)	783,438		784,242		0.10%
Kokomo	46,154		46,070		-0.18%
LaPorte	21,067		20,982		-0.40%
Lafayette	61,229		59,753		-2.41%
Michigan City	32,335		32,179		-0.48%
Mishawaka	48,396		48,385		-0.02%
Muncie	66,521		67,166		0.97%
New Albany	36,973		36,877		-0.26%
South Bend	105,540		105,494		-0.04%
Terre Haute	58,096		57,224		-1.50%
West Lafayette	29,835		28,609		-4.11%

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

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

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

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

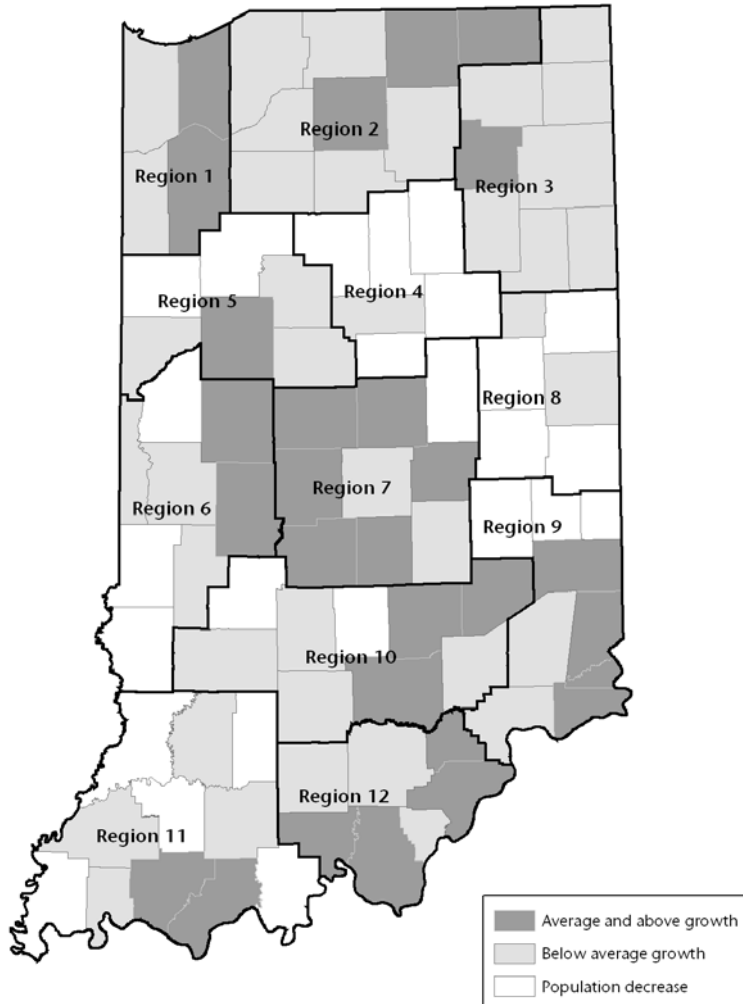
Note:

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

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

Source:

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



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

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

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

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

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

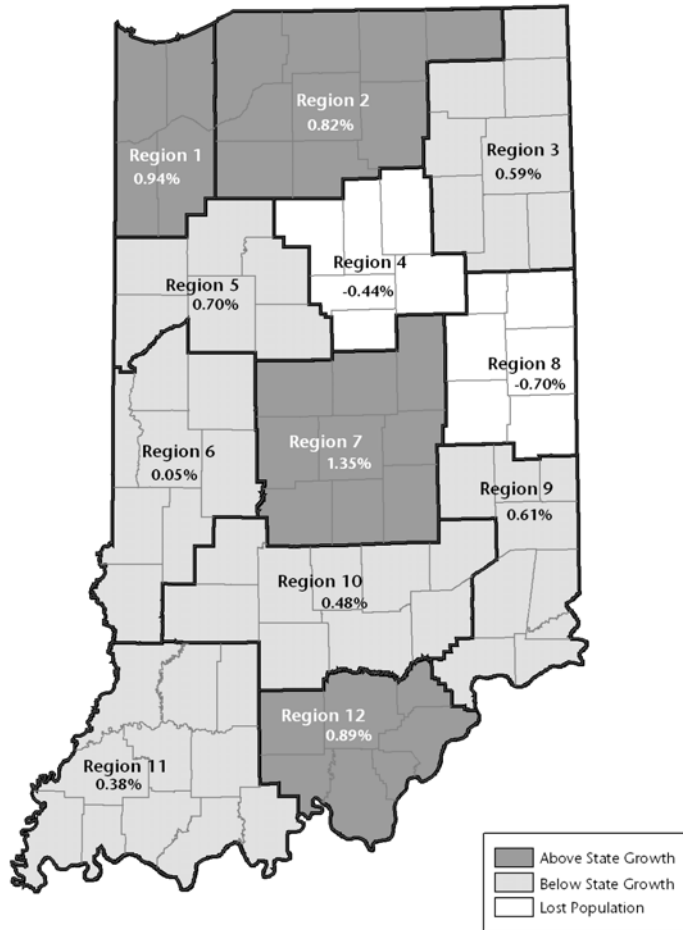
**Exhibit II-5.
Population Change for
Indiana Commerce
Regions, 2004 and 2005**

Note:

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

Source:

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



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

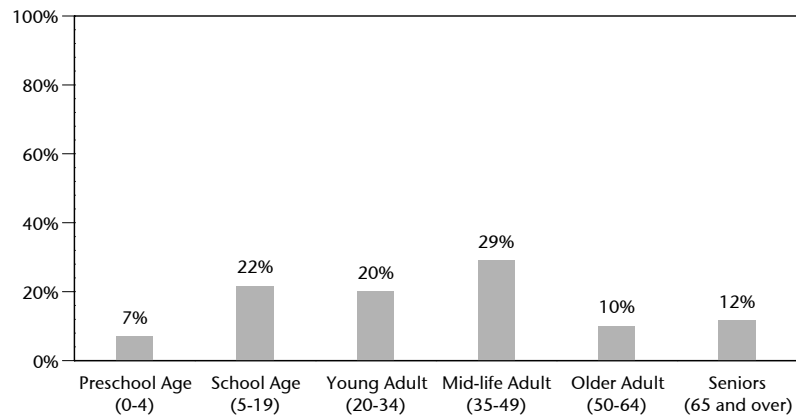
Source:
U.S. Census Bureau and Indiana Business
Research Center.

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

Age. According to the Census' American Community Survey (ACS) the State's median age is estimated to be 35.7 in 2004, same in 2003². Exhibit II-7 shows the estimated age distribution of the State's population in 2004 according to the Census.

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

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



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

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

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

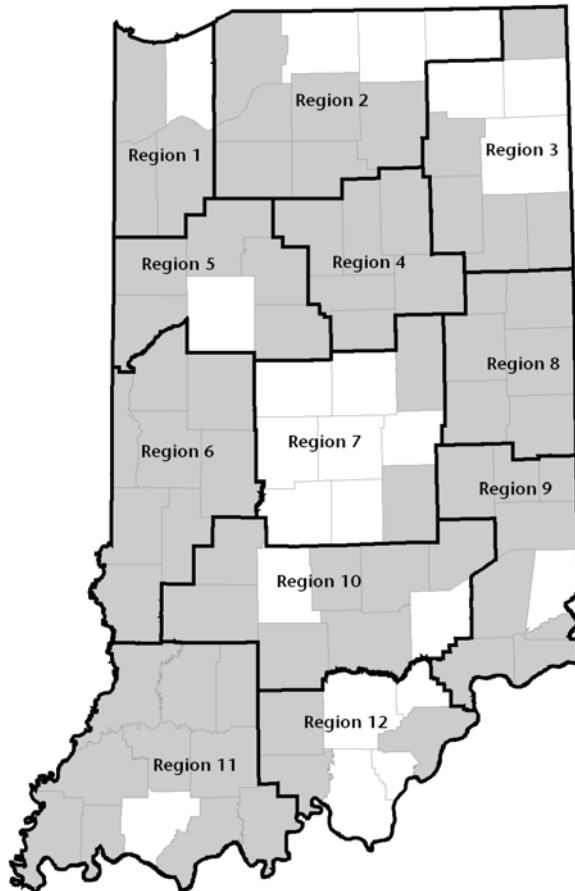
Note:

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

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

Source:

Population Division, U.S. Census Bureau.



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

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

Source:
US Census Bureau and Indiana Business
Research Center.

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

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

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

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

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

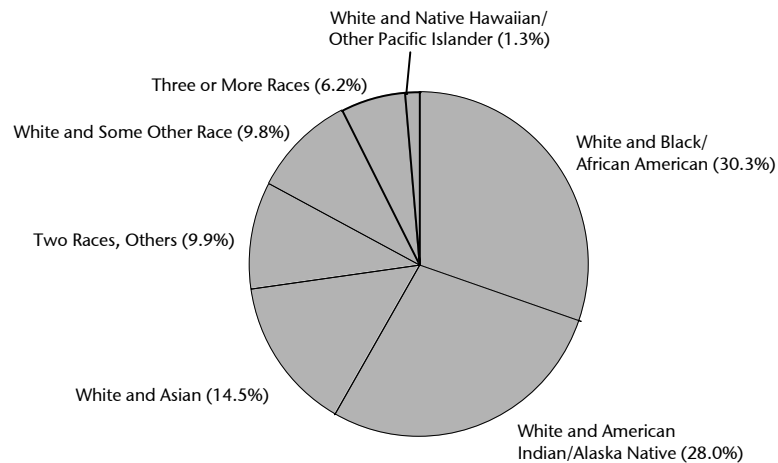
	2004	Percent of Total Population
Total Population	6,237,569	100%
American Indian and Alaska Native Alone	17,532	0.3%
Asian Alone	73,013	1.2%
Black or African American Alone	548,269	8.8%
Native Hawaiian and Other Pacific Islander Alone	2,833	0.0%
White Alone	5,529,707	88.7%
Two or More Races	66,215	1.1%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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

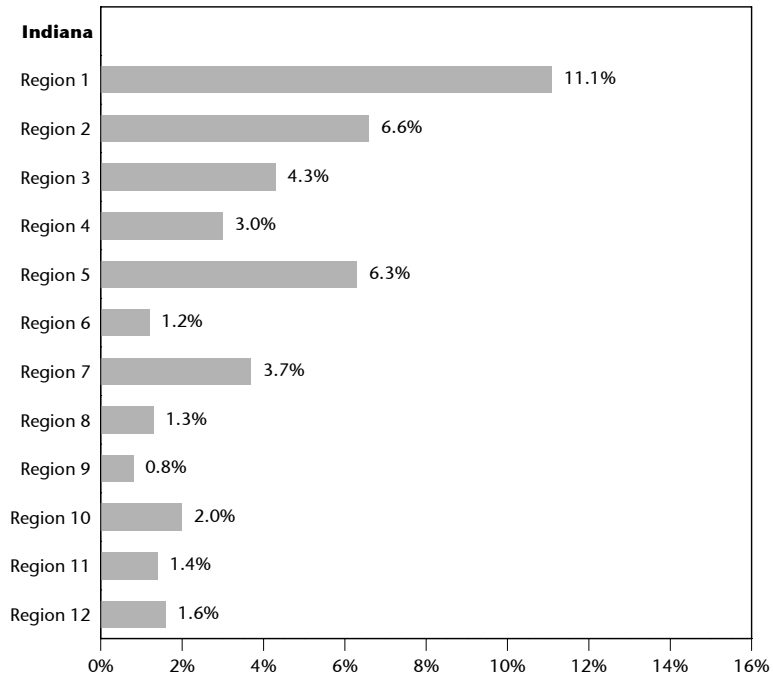
	African American or Black	American Indian or Alaska Native	Asian	White	Two or More Races	Hispanic/Latino
Region 1	18.9%	0.3%	0.9%	78.7%	1.0%	11.1%
Region 2	7.0%	0.3%	1.0%	90.3%	1.3%	6.6%
Region 3	6.9%	0.3%	1.1%	90.4%	1.2%	4.3%
Region 4	4.6%	0.5%	0.7%	93.2%	1.0%	3.0%
Region 5	1.9%	0.2%	3.2%	93.8%	0.8%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

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

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

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

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



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

**Exhibit II-17.
Household Composition
in Indiana, 2004**

Note:
“Other family household” is the balance of family households less married couple families less female householder families.

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

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

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

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

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

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

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

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

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

³ “Other families” is the balance of family households less married couple families less female householder families.

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

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

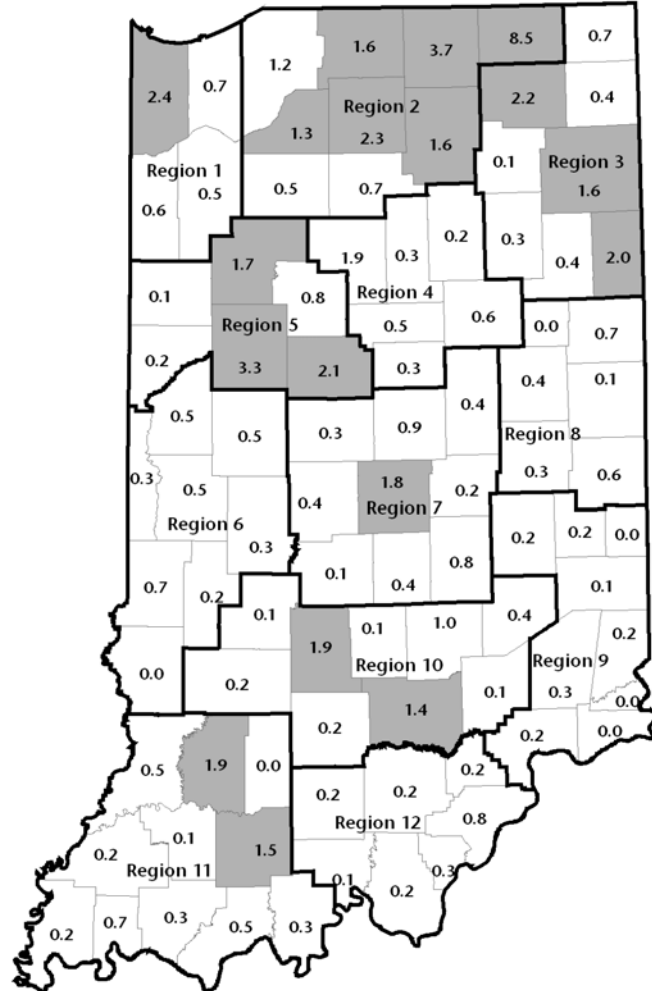
Note:

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

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

Source:

U.S. Bureau of the Census, 2000



Income

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

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

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

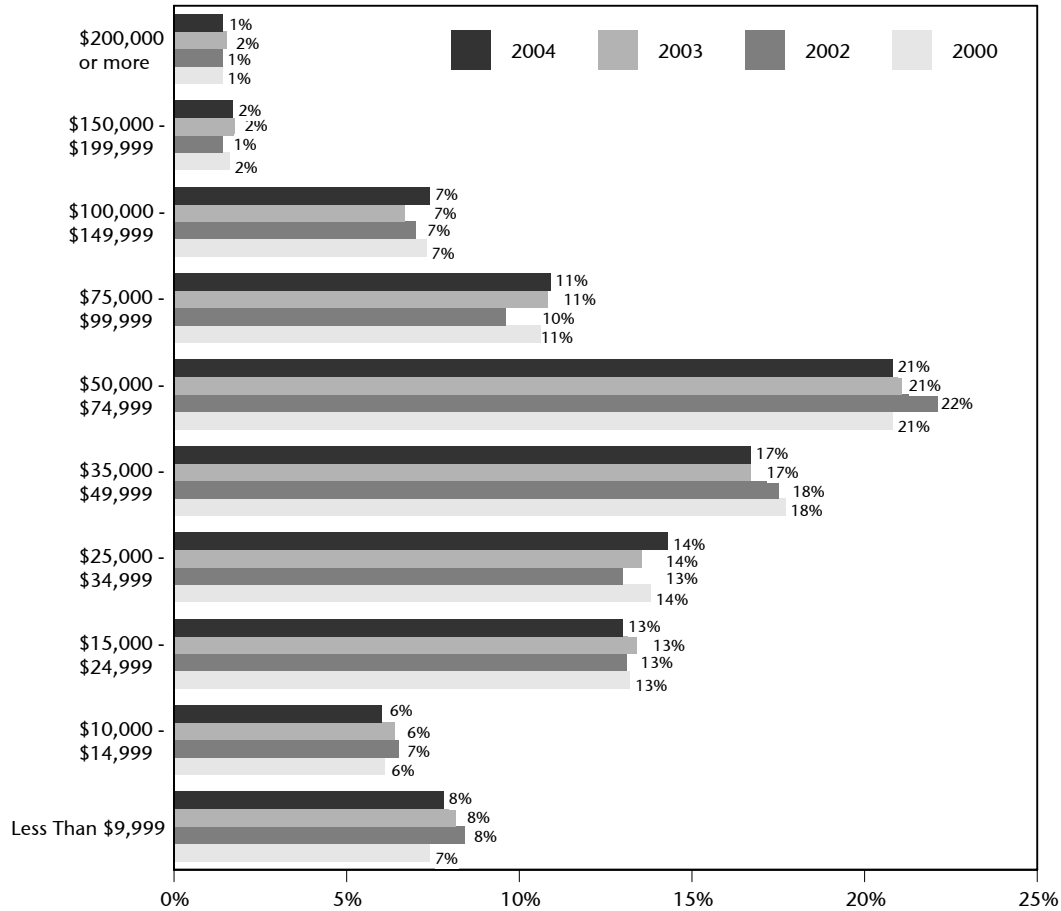
Source:
U.S. Census Bureau, U.S. Bureau of
Economic Analysis and IBRC.

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

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

Exhibit II-21.

Percent of Households by Income Bracket, State of Indiana, 2000, 2002, 2003 and 2004



Note: Data are adjusted for inflation.

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

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

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

According to ACS data, children (under the age 18) made up 26.4 percent of the State's population overall in 2004 and 35.8 percent of the State's poor population are under the age of 18 years.

Therefore, the State's children disproportionately live below the poverty level. In contrast, elderly persons made up 11.8 percent of the State's overall population in 2004, but represented 8.1 percent of the State's poor population.

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

Although actual numbers are rarely available, it is generally accepted that persons with special needs have a higher incidence of poverty than populations without special needs. The 2000 Census provides data on the rates of poverty for persons with disabilities (in addition to elderly rates of poverty which are presented above), but not for other special needs populations. In 2004, approximately 16.7 percent of persons in Indiana who were disabled were living in poverty, compared to 10.8 percent of Indiana's population overall and 9.0 percent of persons without disabilities. Therefore, persons with disabilities are twice as likely to be living in poverty as persons overall and the non-disabled.

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

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

Source:
American Community Survey, 2004.

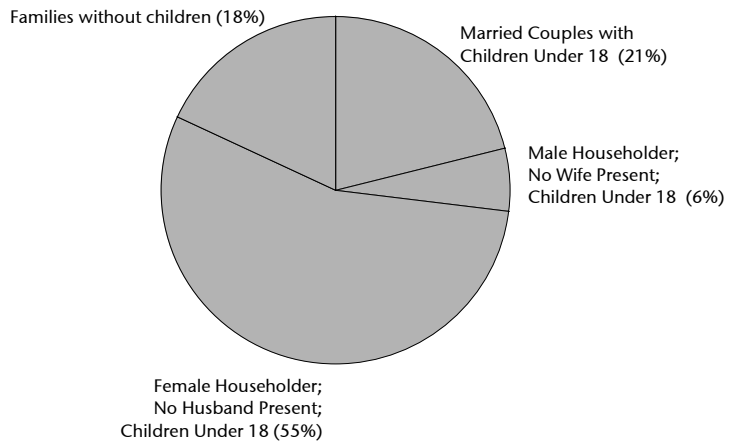
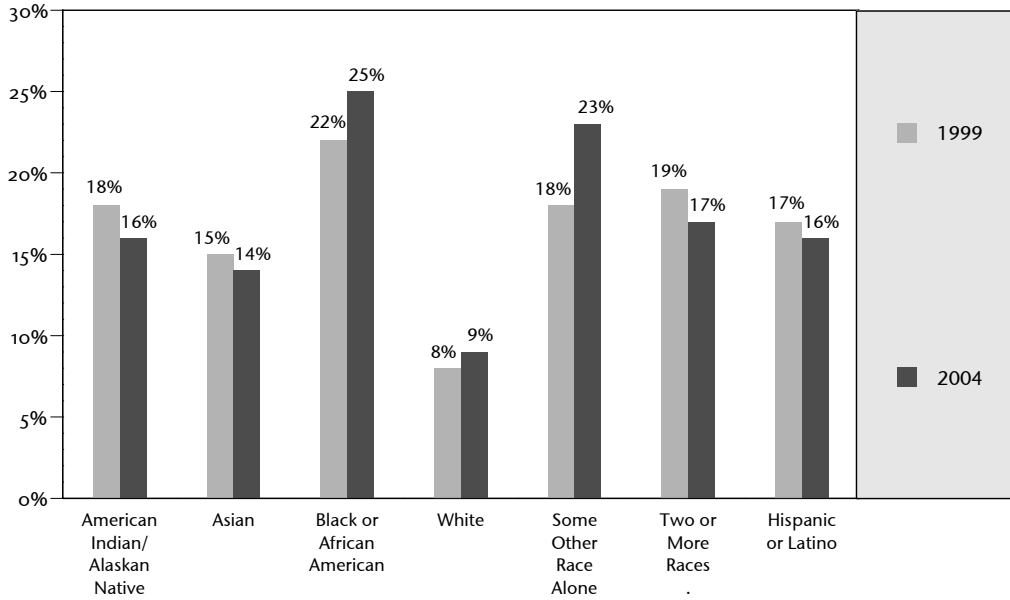


Exhibit II-23 compares the percentage of persons living in poverty by race and ethnicity in 1999 and 2004. Persons in the State who were White had the lowest poverty rate; African Americans, Hispanics/Latinos and those of Two or More Races had the highest rates of poverty in the State.

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



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

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

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

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

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

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

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

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

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

Source:

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

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

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

Source:

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

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

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

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

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

Source:

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

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

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

Sources of income. Another indicator of the economic well being of families in Indiana is the percentage of families receiving public assistance. The 2000 Census collected data about sources of supplemental income, such as Supplemental Security Income (SSI) and Public Assistance Income. In 2000, 3.5 percent of the State’s households received SSI and 2.6 percent received Public Assistance. According to the ACS, 2.9 percent of households in Indiana received SSI in 2000 and 2003. (The lower percentage for the ACS—other than reported by the 2000 Census—is likely due to the ACS data being limited to the household population and excludes the population living in institutions, college dormitories and other group quarters.) In 2004 it increased to 3.5 percent of households that received SSI benefits.

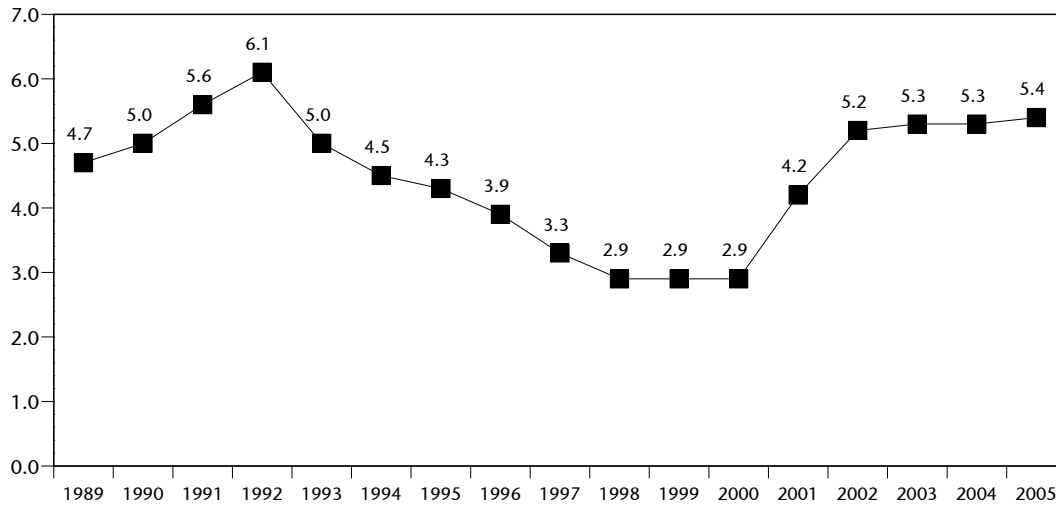
Recent estimates indicate that program participation in Temporary Assistance to Needy Families (TANF) increased from 2000 to 2001. Statewide, the rate of participation rose by 0.5 percentage points to 1.8 percent from 1.3 percent. There were nearly 9,000 more families participating in 2001 and 31,780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

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

Employment

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

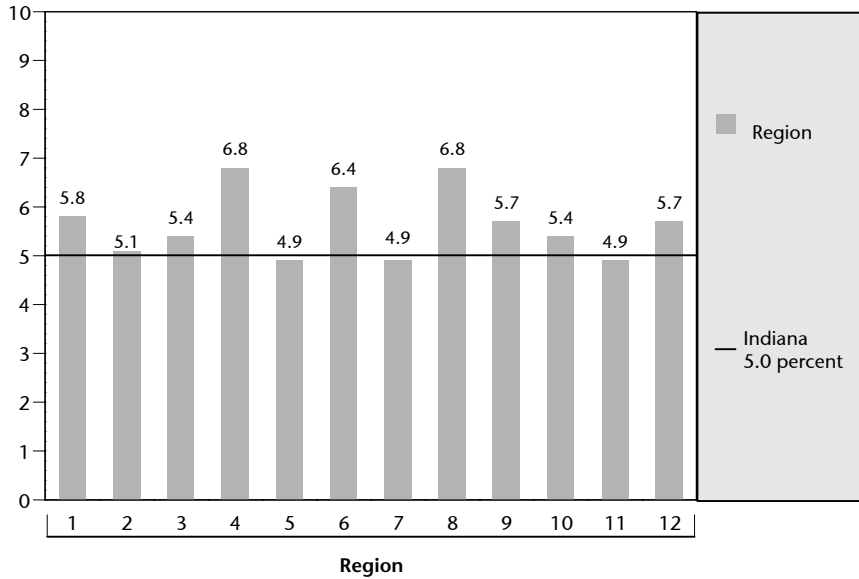
**Exhibit II-27.
Indiana’s Average Annual Unemployment Rate from 1989 to 2005**



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

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

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



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

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

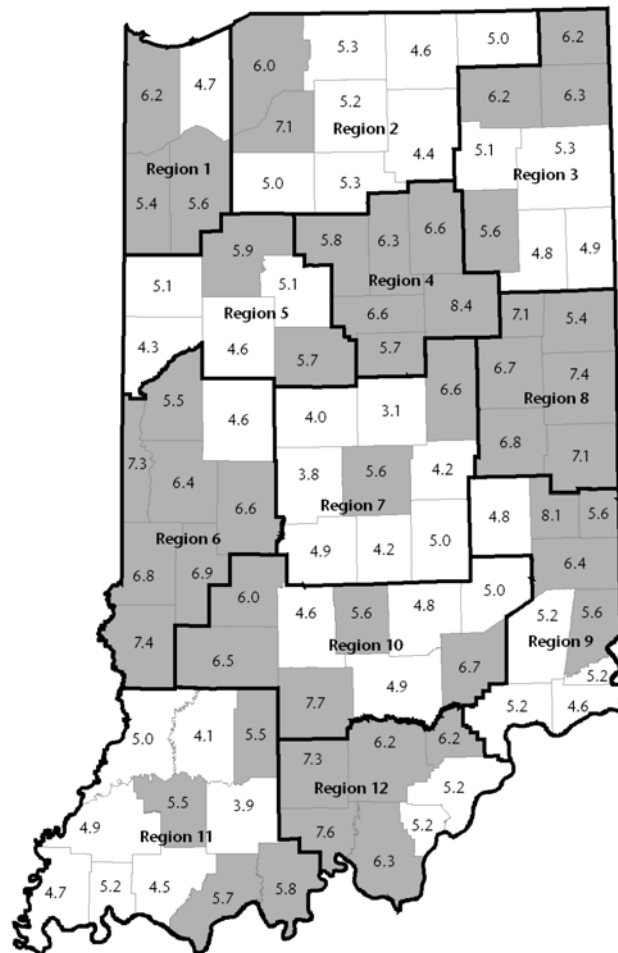
**Exhibit II-29.
Average Annual
Unemployment Rates by
County, 2005**

Note:

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

Source:

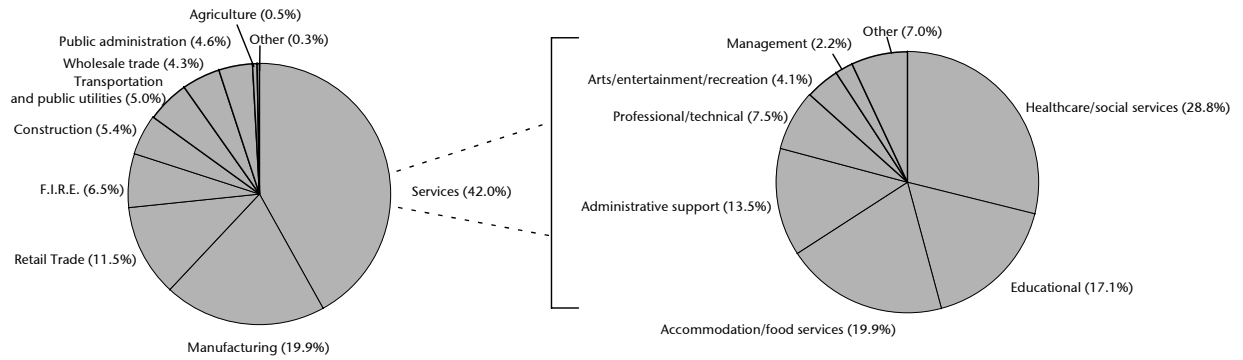
Indiana Department of Workforce Development, Bureau of Labor Statistics and Indiana Business Research Center, IU Kelley School of Business.



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

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

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



Note: F.I.R.E. includes financial, insurance and real estate services.
 Source: Indiana Business Research Center (based on ES202 data).

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

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

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

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

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

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

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

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

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

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

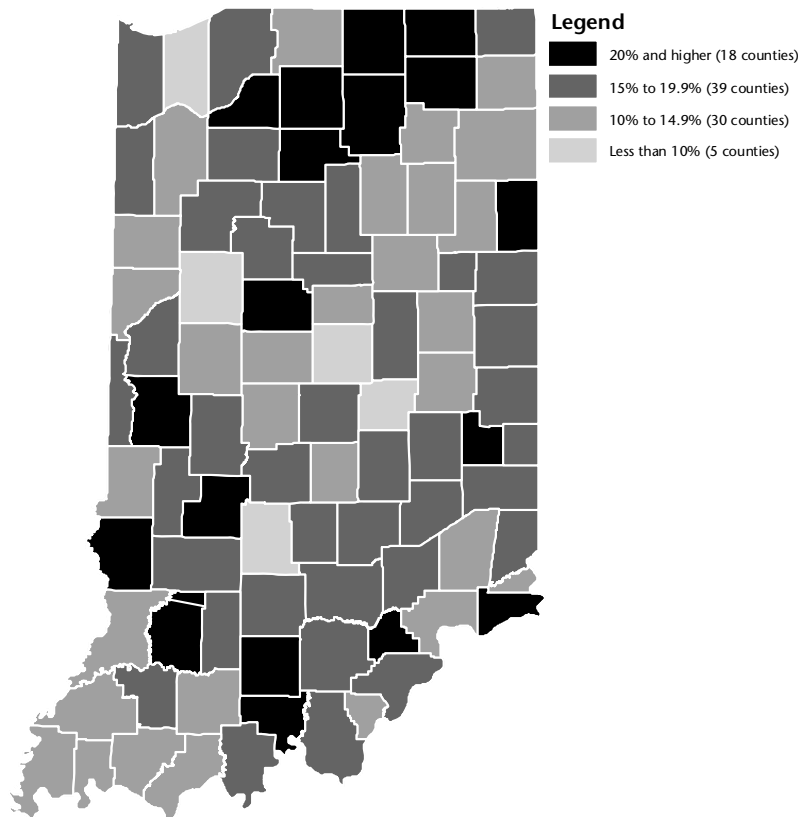
Educational attainment. According to the ACS, the percent of Indiana residents who have earned a bachelor's degree increased between 2000 and 2004 from 12.3 percent to 13.6 percent. This was 3.6 percent lower than the U.S. average (17.2 percent) in 2004.

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

**Exhibit II-34.
Percent Ages 18 to 44
Not Completing High
School, 2000**

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

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



SECTION III.

Housing and Community Development Needs
