
Affordable Housing

Description

Housing in Monroe County, especially in Bloomington, continues to be a major expense for individuals and families. Many spend a disproportionately high percentage of their income for rent or mortgage payments. The 2000 Census found that over one-third of renters in Indiana (36%) spent 30% or more of their pre-tax income on rent. This leaves these households with significantly less money for other essential needs, which is a cause for concern. The Indiana Community Action Association (2002) found that almost 17% of renters in Indiana spend over half of their incomes on rent. For Monroe County, 56.5% of rental households spend over 30% of their household income on rent. (Census figures do include student renters attending Indiana University.) Housing options in outlying areas of the county may be more modestly priced, but are further away from employment and critical services.

In addition to affordability, other common housing needs include maintenance assistance for the elderly, the installation of mobility-assistance devices such as grab bars and ramps, and support for families that are trying to move into a rental home or apartment, but do not have the additional initial money for a security deposit and advance rent. (*Emergency shelter and homelessness are discussed separately under "Emergency Services"*)

Monroe County Fast Facts

- There are a total of 52,520 housing units in Monroe County (2000).
- Of these, 25,316 are owner occupied units (2000) with a median value of \$113,100, 10th highest in the state. About 21,582 are renter occupied units (2000) with a median rent of \$560, again 10th highest in Indiana. A total of 36% of these housing units are in multi-unit structures.
- The home ownership rate (2000) is 54% (Indiana, 71.4%).
- There are 20,095 persons in Monroe County below 100% of the federal poverty level (18.9%, 2000 Census); 37,734 below 200% of the federal poverty level (35.5%).

For additional information, please refer to the Supplement pages.

Key Findings

Housing Affordability and Quality

The Household Survey asked a number of questions about housing affordability and quality. Difficulty paying the rent or mortgage was one of the more common financial problems reported (about 30%), along with maintaining a car (27%) and paying for prescription medication (25%). Overall, respondents were divided evenly between those who rent and those who own their current housing, at 48% each. The results are shown in the following table:

Question	Major Problem	Minor Problem
Having enough room in your house for all the people who live there? (household survey)	1%	12%
Having enough room in your house for all the people who live there? (household survey, non-students with income below \$25,000/year)	0%	18%
Having enough room in your house for all the people who live there? (household survey, non-students with income below \$15,000/year)	1%	24%
Living in housing that needs major repairs? (household survey)	4%	18%
Living in housing that needs major repairs? (household survey, < \$25,000)	8%	26%
Living in housing that needs major repairs? (household survey, <\$15,000)	14%	33%
Having enough money to pay the rent or mortgage? (household survey)	6%	24%
Having enough money to pay the rent or mortgage? (household survey, < \$25,000)	17%	30%
Having enough money to pay the rent or mortgage? (household survey, < \$15,000)	28%	14%

Similarly, individuals participating in the provider client surveys had much greater difficulty paying the rent or mortgage; it was a major problem for 27% compared to 6% for the general households responding. About 54% of the clients had at least a minor problem with this area, compared to the 30% of the general households. Similarly, clients experience greater problems with living in housing that needs major repairs (37%) and having enough room for all the people who live there (28%).

The distribution of renters versus owners for the different subgroups is:

- Non-student households: 28% rent 69% own
- Full-time student households: 89% rent 6% own
- Non-student households, income < \$25,000: 52% rent 43% own
- Non-student households, income < \$15,000: 71% rent 29% own
- "Low income" households: 67% rent 28% own
- "Non Low income" households: 20% rent 78% own

Households were also asked about difficulty paying for household-related expenses, such as utility bills:

Question	Major Problem	Minor Problem
Having enough money to pay for utility bills (household survey)	4%	18%
Having enough money to pay for utility bills (household survey, income < \$25,000 a year)	20%	26%
Having enough money to pay for utility bills (household survey, income , \$15,000 a year)	33%	24%

Several Household Survey questions looked at the quality of the housing environment. The results follow:

Question	Major Problem	Minor Problem
Having unsafe or dirty drinking water (household survey)	3%	9%
Having unsafe or dirty drinking water (household survey, income < \$25,000 a year)	4%	13%
Having unsafe or dirty drinking water (client survey)	4%	6%

Having bad air quality in your house (household survey)	2%	8%
Having bad air quality in your house (household survey, income < \$25,000 a year)	4%	9%
Having bad air quality in your house (client survey)	7%	14%
Having lead (paint) contamination (household survey)	0%	3%
Having lead (paint) contamination (household survey, income < \$25,000 a year)	0%	9%
Having lead (paint) contamination (client survey)	0%	3%

There were no significant, consistent differences in air or water quality for the different groups. The lead paint contamination question may not be conclusive, since the data represents only households that are aware they have a problem with lead paint.

Additional data from key informants and service provider profiles showed the following barriers and gaps in services related to affordable housing:

Eligibility and Availability of Services

- Individuals and families with incomes between 40-50% of the median income have difficulty meeting eligibility requirements (based on the federal poverty level) for many services, yet they are not earning enough to afford housing and other essentials. Some local private developers are beginning to address the need for affordable housing, but social service providers indicate that there is still unmet demand.
- There is a shortage of available housing stock for low-income individuals. Clients who qualify for Section 8 housing face an extended waiting period. Those who request assistance with paying their utility bills may have to wait two to three years for help. Individuals with felony convictions (assault, drugs, etc.) are not eligible for public housing.
- Township Trustees can distribute limited funding to people according to specific income eligibility guidelines. Very few social service organizations (Salvation Army, CAP, Monroe County United Ministries, the St. Vincent DePaul Society) have funds available to assist with paying housing deposits, rent or utilities; as a result, clients often turn to churches for this type of assistance. Other providers would be more willing to provide this service if the refundable deposits could be returned to the agency and not the client. Without assistance with rent deposits and utilities, many clients lose their homes and are forced into shelters.

- Neighborhoods with traditionally affordable older housing stock have been rehabilitated to increase their desirability and, in turn, their value or rental and purchase cost. The recent reassessment further increased the costs for residential property taxes.
- There is a need for additional education about responsible home ownership, credit counseling, credit consolidation, predatory lending and how to become a home owner. Many clients do not qualify for housing programs like Habitat for Humanity because of bad credit ratings.
- More affordable housing is needed on public transit routes.

Community Resources

- The Housing Network is a volunteer consortium with the vision “that everyone has stable, decent affordable housing.” Its activities include the Continuum of Care, a housing survey and coordinating efforts to address issues of poverty, housing, and homelessness.
- Habitat for Humanity has an active program for affordable home ownership. It has expanded its homeowner education classes to include a long-term financial class and a 6-month class on finances. An AmeriCorps member works directly with families to provide services. To qualify for a Habitat home, families must be between 25 and 70% of the median income for Monroe County. Many of those coming to Habitat looking for a house may have moved as many as six times in the last year. Habitat works closely with other community organizations to provide their services.
- The Housing and Neighborhood Development (HAND) Department of the City of Bloomington provides a number of affordable housing programs, including programs to do repairs to owner-occupied homes and rental units. HAND also provides assistance for emergency repairs and to modify homes for accessibility issues. Housing counseling, which includes budget and credit counseling for homeownership, are available through the housing counseling program. For more information, see www.city.bloomington.in.us/hand.
- Housing Solutions and South Central Community Action Plan both work with people with disabilities to assist them to become home owners. Abilities Unlimited has a program to provide home modifications to people with disabilities.

Places to Start

- Create a centralized public information and referral source for affordable housing issues and programs; or, preferably, have an existing organization take this on.
- Continue to collect statistics and related information on the issue of affordable housing in our community, and use it to continue to build public awareness.
- Expand existing programs for consumer education on home purchasing, home ownership and budgeting. Programs should include an awareness of the needs of people with disabilities.
- Establish credit counseling services for clients enrolled in home ownership programs to help them rebuild their credit and gain a better understanding of maintaining good credit and avoiding predatory lending.
- Continue successful efforts to work with lending institutions and other organizations to make affordable home ownership possible for more individuals.
- Focus continued efforts on the creation and retention of jobs with good compensation and benefits, and on increased education and training for the workforce. This will increase earnings, assisting families in their efforts to qualify for financing and purchase a home.
- Advocate for changes in policies on service eligibility guidelines.
- Establish a fund and a mechanism for providing deposits for rent and utilities to low-income individuals. (Tenants should have the return of the deposit as an incentive to keep a property in good condition, but it would be helpful to have some repayment of refundable deposits to go back into a fund pool.)
- Encourage the collaborative leadership efforts of existing affordable housing coalitions.
- Review and participate in the writing of ordinances under the Growth Policies Plan to identify areas that would be appropriate for the designation and development of affordable housing stock. Enlist developers and lenders in a partnership effort.