

Executive Summary

2004 CONSOLIDATED PLAN

City of East Chicago

Department of Redevelopment

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Executive Summary

1. INTRODUCTION

The Consolidated Plan is the document that the City of East Chicago submits to the U.S. Department of Housing and Urban Development (HUD) as an application for funding for two HUD grant programs; Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME). The Consolidated Plan is a strategic plan in which the city will establish a set of priorities and objectives for the next five years. These priorities will direct future investment of HUD resources in the city. The plan thus serves two purposes. They are:

1. To identify the city's housing and community development goals, needs, priorities, and strategies; and
2. To identify ways to allocate funds for housing and community development activities to meet the stated needs.

A key element of the Consolidated Plan is its emphasis on citizen participation and the collaborative nature of the process. Through this process, the City of East Chicago will determine its housing and community development needs, develop strategies for addressing those needs, and will undertake specific actions consistent with those strategies. The process also will lend itself to developing and establishing a unified, coordinated vision for the community development activities of the City.

The plan uses several recently completed redevelopment documents as a basis for its formation. The plan also takes into consideration housing and community development needs of the city as articulated by the citizens in two public meetings. The information obtained from the U.S. Census Bureau and other sources were also used in development of housing and community development needs.

2. PLAN VISION

The 2004 Consolidated Plan relies upon efforts of many individuals, organizations and citizens, in development of a cohesive strategy to revitalize the city. The Vision for the next five years is thus a compilation of these efforts and anticipated to be inclusive in its focus. The City of East Chicago's Vision for the Consolidated Plan for the next five years includes:

- A diverse community with the strong belief that partnership on all matters will enhance the community's long term well being;
- A safe community where children can walk to school and with all the conveniences for shopping, worship and recreation;
- A vital community with emphasis on aligning the educational and training needs with future employment opportunities;

- An attractive community, with distinct neighborhoods where everybody knows their neighbor;
- A proud community where heritage and cultural history play a strong role in its quality of life and aesthetics;
- A caring community where its most important resource is its people. A community where the most vulnerable are not forgotten but supported and cared for.

3. PLAN DEVELOPMENT PROCESS

The citizens involvement in the plan development process consisted of three different activities. These were:

- ***One on one interviews*** with a variety of the community officials, organizations, and entities in need of assistance.
- ***Public and Community Meetings*** where the citizens were afforded an opportunity to make comments about the needs and priorities.
- ***Survey Questionnaire*** where the citizens were asked to fill out a community survey questionnaire. In this questionnaire, the citizens were asked to comment about different housing and community development needs and make suggestions for the city's priorities.

The citizens played an appreciable role in review of the plan. The city requested input from a variety of groups ranging from the citizens, advocacy groups, CDC's, neighborhood organizations, social service agencies, and other entities engaged in community issues. Through this process the citizens were encouraged to review, provide comments, or discuss all aspects of the community development and the consolidated plan development.

4. COMMUNITY PROFILE

The Census 2000 reports the city's population as being 32,414. The population decline for the last decade was 4.4%. During the same period the elderly population declined slightly. The elderly population in the City is 4,315. The population under the age of 18 increased slightly by 5.6% or 584 individuals.

The population loss was spread throughout the City. Among all census tracts, only Census Tract 310 did not lose population. Among all neighborhoods, it appears that the Harbor neighborhood showed the highest level of decline. The city's population change also resulted in the loss of White population and an increase in the minority population. As a whole, the minority population increased by more than 6%. The population of the city consists of 12.1% White, 35.2% Black, and 51.6% Hispanic.

The elderly population in East Chicago is about 4,315 or 13.3% of the total population of which more than 57% of the elderly are female. The elderly population in the city has declined since last decade but the relative number has increased slightly as a percentage of the total population. Notable characteristic of the elderly in city is that they own more than 22.5% of total housing units.

The number of households during the last decade declined by 3.4% or 415 households. The average persons per household decreased from 2.78 persons in 1990 to 2.75 persons in 2000. This is an indication that the household size is getting smaller in the City. For the families, the number has decreased by more than 6%, and the average size is 3.41 persons. The number of households headed by a female in 2000 was 3,122 or 26% of the total households. This was a slight increase of about 1% from 1990.

Racial/Ethnic Minority Concentration

The minority population of the city grew during the last decade. As a whole, the minority population increased by 6%. African-Americans and Hispanics comprised 36% of the total population in 1990 while this group occupies 51.6% of the total population in 2000. The Hispanic population in the city increased by more than 4% and the African-American population rose by 2%. All neighborhoods, with the exception of one, have a concentration of minorities with more than 50% of the total population.

Employment and Labor Force

Employment trends in the city have seen a major change for the last decade. The total number of civilians employed 16 years and over was 10,432. This was a drop of 2,989 or 22% from a decade earlier which reported 13,421 total civilian labor force. Persons unemployed is reported by the Census as being 1,899 or approximately 8% of the total labor force. More recent reports, prepared by the Indiana Department of Workforce Development, however shows, the unemployment in the City as being 11.3%. This rate is almost twice the County's rate and more than double the State's rate.

The decline in the number of available jobs in the city to a large degree can be attributed to several large plant closings and financial restructuring of other businesses. The loss of jobs have also contributed to the decline in the number of labor pool and the decline in population.

Poverty and Income

Income of East Chicago residents increased at an average rate of 3% annually for the last decade. The median family income was reported as \$31,776, an increase of \$7,265 over the last decade. The pace of income growth for the City was lower than of the County.

The poverty rates for the city slightly decreased to 22.5%. About 7,845 individuals were estimated to be below poverty. Among different sections of the City the poverty declined uniformly, particularly for female headed households. Despite these improvements the poverty rate was more than double of the County (9.2 %).

The poverty rate for female head of households declined slightly as the number decreased from 1990. Despite this fact, still more 43% of all female householders lived below poverty in 2000. The poverty rate for families with children less than 18 years old was 36.7%, an increase of 1.3% from 1990, while families with related children less than five years old had a poverty rate of 32.9%, a decrease of 12.5% since 1990. People 65 years old and over had a poverty rate of 15.9%, a slight increase (2.3%) over 1990's level.

5. HOUSING MARKET CONDITIONS

Total number of housing units in East Chicago was 13,261 units in the 2000 Census. Of this total 4,796, or 36% are single family detached units, and 886 units (6.7%) are single family attached. The remaining 57% are multifamily units. The number of housing units in the city declined by 223 units over the last decade. The number of owner occupied housing decreased by more 5% or 287 units. The number of renter-occupied units decreased by about 2% or 140 units between 1990 and 2000. The decline in the number of housing units can be attributed to conversion of single family to rental units, abandonment, or demolition.

The homeownership rate has declined since the last decade from 40.8% to 39.6%. The city has become a predominantly rental housing community, but single family homes constitute a relatively large portion of the occupied rental units with 1,191 units or 9% of the total housing units.

The median price of a home in the City of East Chicago increased from \$42,600 to \$ 69,900 during the last decade, an increase of more than 64%. The Census bureau reports the vacancy rate for owner-occupied homes as only 2.2%, while rental units have a modest vacancy rate of 8.8%. However, a large portion of the residential structures (9%) are vacant or abandoned.

Housing Needs

Housing needs in the city range from assisted living units for the elderly to more modern homes for homeownership. Affordable quality housing was strongly voiced in the community meetings. The needs of the elderly with assistance to maintain their homes were also a concern expressed in the meetings. The need to rehabilitate obsolete homes for the existing homeowners also appears to be strongly desired. Of all owner-occupied units, 23.8% or 1,241 units had one condition, while 63 units had two selected conditions. For the renter occupied units, 2,400 or 37% had at least one housing condition, 259 units reported having two conditions and 33 renter units reported having had three conditions. It is estimated that 786 owner-occupied units need to be rehabilitated. Similarly the needs for rehabilitating rental units exceed 1,340 units. The City is also estimating that at least 50% of the vacant structures need to be demolished (777 units).

The 2000 Census reports housing costs for owner and renter households. East Chicago's median gross rent, was \$409 per month in 2000. Although housing values in East Chicago are still affordable relative to regional and national standards, many East Chicago households have difficulty paying for housing. The 2000 Census reports that 13.1 percent of all homeowners (684 households) in the City were paying more than 30 percent of their household income for housing, and one-third of East

Chicago renters (2,273) paid more than 30 percent of household income for gross rent.

Housing needs for different groups and sub-populations are reported to be most extensive for families and elderly. The need for elderly is estimated to be 171 units. Other individuals in need of housing are estimated to be 215.

The needs of the larger families who cannot afford a house were also expressed as a concern in community meetings. This demand appears to be feeding the single family conversion market, as larger family type housing is very limited in the city. This group of families also report the largest for overcrowded housing. The estimated needs of large families is approximately 44 units. The Housing Authority's waiting list for housing units or voucher also demonstrates the need for rental units on the lower end of the scale.

6. HOUSING STRATEGY

The city's housing strategy consists of several initiatives aimed to reduce burden, increase supply of affordable housing and assist the most needy. The city continues to be among the most affordable communities for homeownership according to Greater Northwest Indiana Realtors Association. The 2000 Census estimates the median value of an owner occupied home in the city as \$69,900. This is more than 28% less than the County median value which is \$97,500.

The city's long standing tradition has been to support development of a diversified and healthy community where a variety of housing choices are available to wide group of citizens. To insure availability of housing choice, the city will pay special attention to addressing the needs of all its residents with a focus on affordable housing and quality housing. Today, there is critical shortage for affordable housing for the elderly and for the moderate families who wish to remain in the city. There is also a critical shortage of affordable housing to low income individuals despite availability of many low cost, but older and substandard, homes in the city. The homeownership rate in the city has dropped and remains one of the lowest in the region. The city's desires are to increase its homeownership rate and maintain or perhaps reduce the level of rental properties by encouraging homeownership.

Affordable Housing strategy

The city will focus on a series of actions to promote affordable housing. First the city will support development of the affordable housing by promoting a new first time homebuyer program. Second, construction of new homes for low income families will be supported through the efforts of the CDC's. Through the efforts of not- for- profits, the city will assure assistance to the low income families to realize the dream of becoming homeowners. Thirdly, the city will support homeownership in the redevelopment areas by offering a variety of assistance to lower the cost of housing. Lastly, the existing homeowners, particularly those of low and moderate income, will continue to receive assistance to maintain their homes in the form of rehab loans and grant. The city will also cooperate with the Housing Authority in promoting homeownership for its residents, and creating mixed income communities through several on going programs and a pending HOPE VI application.

Affordable housing needs of the renters will be met by several CDC programs and the multi-family rehab program. The city will also cooperate with the ECHA to develop rental housing for low income individuals, families and seniors. The Authority also plans to develop a 100 unit assisted living community. This development will address the needs of frail and other elderly in need of full day assistance.

Homeless Needs

The homeless needs in the City are estimated to be 274 units. Of this total, emergency shelters are estimated to be 96 while transitional shelter needs is estimated to be 56 units. The city further will support and cooperate with a network of organizations and service providers to assist victims of tragedies, to provide for those afflicted by substance abuse, mental health, or family violence and are homeless. To expand the supply of the transitional and supportive housing, the city will cooperate with the service providers. In this effort, the city not only supports the service providers with CDBG funds, it will also support with other funds as they become available.

The city will continue to use preventive strategy as a tool to address the homeless. The city's Emergency Rehab Program aims to benefit families in dire need. Other city's initiatives related to employment, and economic development is also expected to prevent homelessness.

Public Housing

The East Chicago Housing Authority will continue to upgrade its housing stock to better address the needs of the residents. The Authority has a long waiting list more than its available supply of housing. The Authority will continue to provide affordable housing to the most needy families of the city. The city will also support the Authority in its self sufficiency program to promote homeownership for its residents.

The Authority administers 636 vouchers and certificates. Although there is a large waiting list for this program, the Authority's efforts to encourage homeownership will increase availability of the vouchers to other residents. The Authority is also looking at converting about 100 units of existing senior units to Assisted Living units. The pending application for a HOPE VI grant is also anticipated to create more than 234 units of new single family homes and replacement rental housing for the residents.

Lead-Based Paint Hazard Reduction

The city will continue its effort to reduce the dangers of the lead based paint in the city of East Chicago. In this effort the city's Health Department will continue its lead screening program and conduct tests on a regular basis in schools. The Redevelopment Department will also continue its testing efforts on an as need basis and as requested by the citizens. The city will further carry out on a regular basis lead testing in homes that are being rehabilitated. Homes that are being rehabilitated with HUD funds are required to eliminate lead based paint if children less than 7 years old reside in the unit. These efforts will continue during the course of the next five years.

7. NON-HOUSING COMMUNITY DEVELOPMENT STRATEGY

The city has recently launched three redevelopment initiatives aimed at improving living conditions of several neighborhoods. These efforts are based on a strategy to implement a comprehensive approach for revitalization of the targeted neighborhoods. At the heart of this strategy has been a set of broad objectives aimed at creating more viable and diverse communities and reduce concentrations of poverty. These objectives center around the following:

- Improve physical environment to encourages reinvestment.
- Improve economic base of the neighborhoods.
- Improve access to services and amenities.
- Provide opportunity for the citizens to work in the community.

The city's purpose in development of these objectives is to foster redevelopment particularly in several selected neighborhoods. In all, the objectives for non-community development are focused on the following areas:

- Improve public facilities including reconstruction of the infrastructure.
- Improve residents' access to recreational amenities and park facilities.
- Encourage adaptive reuse of dormant parcels and structures.
- Create an environment which encourages reinvestment in neighborhood.
- Enhance the services and quality of life for East Chicago residents.
- Expand employment opportunities and training for low and moderate income individuals.
- Expand the sense of security in the community.

8. ANTI - POVERTY STRATEGY

The city along with various public service providers and other governmental agencies work together to provide low income persons and families with supportive services. The city's overall anti-poverty strategy is a two prong approach. First, the city supports a preventive strategy under which citizens are supported and prevented from becoming victims of pervasive poverty. In this effort, the city will cooperate with various public agencies and social service providers to maintain a safety net. The second strategy is to assist individuals that live below poverty to break the cycle of poverty and become self sufficient. The city will focus on job training and employment development in this strategy. In all, the city aims to reduce the number of households with incomes below the poverty line by ensuring access and opportunity to attain knowledge, skills and motivation necessary to become fully self-sufficient.

The city's policy of prevention and support will assure development of a safety net for all citizens of East Chicago that live below the poverty line or are threatened by it. The city along with various social services providers and units of local government will work together to provide low-income persons and families with supportive services and necessary assistance to maintain an adequate level of self sufficiency and safety net. To this end, the city will continue to fund with CDBG funds several

agencies which provide social services assistance including child care to families in need particularly those with young children.

9. FAIR HOUSING

A recent Analysis of Impediments (AI) study completed in April of 2004 identified several Fair Housing issues. These issues concerned code enforcement, age and conditions of existing housing stock, and variety of housing types as impediments in housing opportunities in the city. The study also found that the image of the city and communications with citizens need to be improved.

The AI study makes several recommendations related to above issues. These recommendations range from better code enforcement to the need for a more comprehensive approach to neighborhood development. The study further expresses satisfaction with the Fair Housing enforcement in the City and makes recommendations for continuation of the current efforts. On the private sector side, the Study finds that there are adequate communications with the lending institutions and does not find any major issues in lending practices.

10. BARRIERS TO AFFORDABLE HOUSING

The Consolidated Plan identifies several barriers to affordable housing in the city. These barriers are believed to contribute significantly to the availability of adequate housing in the City of East Chicago. The identified barriers are:

- ***Quality housing***, where many potential homebuyers are discouraged seeking upgraded homes as good quality homes are very few;
- ***Lack of downpayment***, as many cannot afford the downpayment for a new home;
- ***Neighborhood Conditions***, as many consider severely deteriorated neighborhoods unsuitable for living;
- ***Lack of Development Land***, has become a major impediment for new development;
- ***Code enforcement***, or lack of it, has made several neighborhoods unattractive for reinvestment;
- ***Residential Taxes***, are another barrier as high taxes are increasing the cost of housing particularly for new homes.

The Analysis of Impediment study also identifies some of the above issues as fair housing issues. The city plans to take a more aggressive effort to remove these barriers. Activities which will positively impact in removal of barriers to affordable housing are all physical and redevelopment activities. The city will sponsor three redevelopment projects. All of these projects ultimately will result in providing a better environment for living and provide opportunities for housing. They will also remove many eyesores which are negatively impacting the image of these communities. The redevelopment initiatives will also create a suitable environment for construction of a variety of homes.

11. MINORITY/WOMEN'S BUSINESS ENTERPRISE OUTREACH

The program will monitor the needs of the minority and disadvantaged groups to meet both the Minority Business Enterprise and Women Business Enterprise requirements. In this effort the city will monitor all subrecipients, contractors and owners to assure meeting the requirements and encourage the employment of the minority and women business enterprises.

Outreach to minority contractors will also be pursued through a new partnership recently developed between the city and the Northwest Indiana Minority Business Opportunity Committee (NIMBOC). This organization's main focus is to expand business opportunities for minority businesses including contractors in the city of East Chicago. As a member city, NIMBOC will provide outreach and assistance to minority contractors for all city construction projects. NIMBOC will also provide leads and technical assistance to businesses as a part of its outreach programs.

12. INSTITUTIONAL STRUCTURE AND COORDINATION

The Department of Redevelopment plays the central role in coordinating all community development activities. Two years ago, the city established the East Chicago Technical Review Committee. The Committee is responsible for reviewing all projects and assuring compliance with the city's policies and projects. This process has helped significantly in the implementation and coordination of projects particularly those of multi-disciplined nature in the city. Departments involved in physical development in the city discuss on a regular basis issues facing the city, particularly those involving housing and community development.

The efforts of the Housing Authority is also fully integrated in the planning process as the Housing Authority and the Redevelopment Department are under one management. The redevelopment and housing projects are often initiated by one entity and implemented by another.

The Department Redevelopment has developed extensive cooperative partnership with local CDCs, many businesses and private entities in the City. These relationships exist in the areas of housing, commercial redevelopment, brownfields, job training and employment. The partnerships are also leveraging substantial amounts of other funds with CDBG dollars. Similar partnerships with social services agencies also have been developed. These relationships will assure coordination as well as providing a safety net for the most needy in the city.

Despite these efforts, there are some gaps. The most critical gap relates to involvement of citizens in different redevelopment projects. To address this issue, the city will establish three Neighborhood Advisory Committees. These Committees will assist the city to better coordinate and implement projects in selected neighborhoods. The city will also expand its citizen participation process in order to better exchange information, assure that services are properly distributed, build a consensus regarding housing and community development issues, and develop realistic strategies toward addressing those issues.

13. ANNUAL ACTION PLAN

In 2004, the first year of the plan, the city proposes to undertake several activities according to the housing and community development objectives and priorities. In 2004 the city of East Chicago will be receiving formula funds in following amounts:

CDBG	\$ 1,664,000
HOME	\$ 500,000
HOME Program Income (Estimated)	\$ 10,000
CDBG Program Income (Estimated)	\$ 400,000

Total	\$ 2,574,000

The city will utilize above stated funds, along with other resources, to implement several projects and programs. These activities will address the needs of the city as defined by the citizens and according to inputs received during public hearings held for the purpose of the plan preparation. The following summarizes the proposed projects and program which will be funded during the 2003 fiscal year.

Proposed 2004 Projects

I - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Activity	Budget
Administration	
1. General Administration	\$ 325,800
2. Northwest Indiana Open Housing Center	\$ 15,000
3. Business Technical Assistance (National Development Council)	\$ 72,000
4. CDBG Contingency Fund	\$ 99,200
Housing Programs	
1. Rehabilitation Program Administration	\$ 180,000
2. Single Family Rehabilitation Program	\$ 75,000
3. Revitalization Organization of New Addition	\$ 30,000
Public Facilities	
4. Riley Building Renovation	\$ 150,000
5. Bessie Owens Center	\$ 100,000
6. Community Reinvestment Fund Loan-Healthy East Chicago	\$ 300,000

Public Services

7.	Haven House	\$ 30,000
8.	Indiana Legal Services Inc.	\$ 45,000
9.	Zion Community Development CDC	\$ 15,000
10.	Faith Temple CDC Housing Counseling Program	\$ 50,000
11.	PHA YTY Program	\$ 50,000

Recreation Services

12.	Calumet Council Boy Scouts of America	\$ 12,000
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Economic Development

13.	Harbor Action Plan (Acquisition, Demolition)	\$ 100,000
14.	Relocation (Harbor Action Plan)	\$ 75,000
15.	Calumet Neighborhood Redevelopment	\$ 265,000
16.	Carey / Drummond Street Redevelopment	\$ 75,000

Total CDBG **\$ 2,064,000**

II - HOME PROGRAM

Housing Program

17.	Single Family Rehabilitation Program	\$ 285,000
18.	Community Reinvestment Project (CRP) Multifamily	\$ 150,000

Administration

19.	Administration Reserve	\$ 50,000
20.	CHDO Administration	\$ 25,000

Total HOME **\$ 510,000**

GRAND TOTAL (I & II) **\$ 2,574,000**