

Part Four

HOUSING/COMMUNITY DEVELOPMENT NEEDS

PART 4 - HOUSING/COMMUNITY DEVELOPMENT NEEDS

Assessing the demand for housing in the city of East Chicago is difficult as distinct neighborhoods and sub-market areas heavily influence desirability of housing stock in the City. Traditional values and ties to a community appear to also play a strong role in selection of a neighborhood. Some neighborhoods appear to be more desirable for some ethnic groups of residents. Several neighborhoods appear to be closed to outside markets as available housing units often are transferred through family ties rather than traditional real estate market routes. The communities of Prairie Park and Sunnyside are two examples where housing values remain relatively high and the market is strong. Other parts of the City however are typically less preferred for homeownership. These sections are older and homes are generally smaller than what today's market demand. The conversion of a substantial number of single family homes to multiple apartments or as single family rental units also affects the market conditions. Although it is difficult to obtain any information about the number of homes that have been converted to rental apartments, the Census Bureau reports that about 1 190 of all rental units are single family homes.

The number of homes sold in the city also is an indication of the strength of the market for housing in the city. Our review of Greater Northwest Indiana Association of Realtors, GNIAR, market data indicates that the market in East Chicago is relatively soft particularly for older and smaller homes.

The housing issues in the city are different from many traditional concerns. In East Chicago, the housing prices are relatively low and remain well below the regional market. Despite low cost, there are several major housing issues in the City. The housing needs vary from community to community and for different social groups. 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 owned by low income homeowners also is strongly desired. This need can also be demonstrated by the waiting lists for the Community Development Rehab program where the demand always far exceeds available funds.

The Housing Authority's waiting list for Housing Choice Vouchers also demonstrates the need for rental housing on the lower end of the scale. This list currently stands at nearly 900 families. The needs of the larger families who cannot afford a house appear to feed the single family conversion market, as larger family type rental units are very limited in the city. In all there is a need for a variety of housing and assistance types to promote affordable housing and conserve existing housing stock. The housing needs in the city range from assisted living units for the elderly on the rental side to larger more modern homes for homeownership.

The following needs' assessment is based on data provided by the 2000 Census, assessment of local conditions, and consultations with agencies involved in housing and social services. In this section, three different sets of analysis are provided. Each is intended to describe one of the factors affecting the housing needs in the city of East Chicago.

- Estimates of current housing assistance needs for families and households by tenure type (renter/owner), and different family categories (such as large related families,

single persons, and elderly persons) between median family income (MFI) of extremely low to moderate;

- The extent of any racial/ethnic group that has a disproportionate need greater than the need for any specific group in comparison to the need of the population as a whole;
- The extent of overcrowding being experienced by each family by income; and;
- The extent to which cost burden and severe cost burden, may exist for the owner occupied and renters by each family by income.

Definitions of Housing Problems

Cost Burden and Severe Cost Burden: The cost of housing becomes a burden when families spend a disproportionate amount of their income on housing. HUD considers an amount to be a cost burden when a household is forced with housing expenses, including utilities, that is more than 30% of their gross income. A person is to have a severe cost burden when their household is faced with housing expenses, including utilities, that is more than 50% of their gross income.

Disproportionate Need: Disproportionate need occurs when any racial/ethnic group has a disproportionately greater need for housing based on income category, family type, or tenure type, in comparison to the needs of that category as a whole. This need is determined after a review of the needs for a particular community. For the purpose of this plan, this need is determined when a disparity of more than 10% is determined.

Overcrowding: The 2000 Census defines a household as overcrowded if the number of persons exceeds the number of rooms.

Physically Inadequate: A housing unit is considered to be substandard when there are physical defects, and/or lack of a complete kitchen, bathroom, and heating facilities. Poor or substandard housing may not only provide a positive atmosphere, but pose a threat to the family health.

1.0 CATEGORIES OF PERSONS AFFECTED

The 2000 Census reports the total number of households in East Chicago as 11,707. Slightly more than 39% of all households are homeowners (5,218) and the remaining 6,489 are renters. The most recent CHAS Report calculates that 3,041 families are considered to be extremely low income families. The very low and low income families constitute nearly one third of the total population, while the moderate income in the city only includes 4,086 families.

Extremely Low Income Households, 0-30% Median Family Income

The extremely low income households are the most vulnerable group of citizens in the city. According to the most recent CHAS report, there are 3,041 households in this category. This

represents 27% of the total households. The homeowners in this category consist of 569 households. All of these households are expected to live below poverty.

This group of homeowners needs assistance in the areas of maintenance of their homes. High utility costs and upkeep of homes is a major problem. Many homes fell into disrepair because of high cost. A large percentage of this group are the elderly. In public meetings some citizens expressed concerns about the high cost of maintenance and upkeep. Alternative types of housing, rehab assistance, and perhaps reverse mortgages should be considered for this group of the residents.

Table 38 - Income Categories

Category	Description	No. Of Households	Percent
Extremely Low	0 TO 30%	3,041	27%
Very Low	31 TO 50%	1,838	16.3%
Low	51 TO 80%	2,285	20.3%
Moderate	81 TO 95%	4,086	36.3%
Total		11,250	100%

The Extremely Low Income Renters contains 2,472 households representing 39% of the total rental households. The majority of the housing needs for these households would be met by programs that provide services, promote adequacy and affordability. The mechanism to better meet such demands would be public and private rental housing programs. The current homeownership efforts by the East Chicago Housing Authority to assist some of its residents could also lower the needs of this group.

Very Low Income Households, 31 -50% Median Family Income

The very low income households comprise 1,838 households. This group represents 16.3% of the total households in the city. The homeowners in this category consist of about 557 households. The homeowners’ needs in this category are primarily upkeep of their homes, and high utility costs. The recently completed tax assessment is also expected to be an issue, as many of the homeowners will realize a substantial increase in their tax payment. All these factors are anticipated to increase the cost burden for the homeowners. The City’s housing rehab program should help this group of the households, but it is not adequate. Additional effort will be needed to address a serious concern.

The renters in this category represent 1,281 households or 11.4% of the total households in the city. The needs of this group of the citizens will be addressed by promoting a better supply of the low income housing in the city. Public and private housing programs which provide housing assistance to families between 0 and 50% of MAI, could particularly address the needs for this income group.

Low Income Households, 51 -80% Median Family Income

The low income households in this category are estimated at about 2,285 households. This group represents more than 20.3% of the total households in the city. A portion of this group, about

10.2%, or 1,151 families, are the existing homeowners. Many of them are also elderly. This group of households will require assistance in maintenance and may be able to afford low interest loans for their homes. The city's rehab loan program should be able to assist this group of residents in their housing needs. Other programs, such as reverse mortgage, should be sought to affect a larger group.

The renter group in this category represents 1,134 households or more than 10.1% of the total households in the city. The existing housing market should meet this group's needs, but additional affordable housing may be required for them, particularly for the larger families.

Moderate Income Households, 81 -95% Median Family Income

The moderate income households are estimated as about 4,086 households. This group represents more than 36.3% of the total households in the city. The homeowners in this category consist of 2,684 households. This group of homeowners is the most critical group of households in the city that needs attention for rebuilding the City. In the public meetings and in the interviews, the issue of choice housing was often mentioned. Affordable housing needs centered around this group of householders where their needs are not being met. City's efforts to promote affordable single family homes and neighborhood revitalization, should assist this group of householders.

The renter group in this category accounts for about 1,402 households. The renter households with income of more than \$30,000 (1,402 households) constitute more than 22.3% of the total renters' households (6,289) . For this group, perhaps, affordable housing will be less of an issue while quality rental housing is more of an issue. To address this issue, the city will need to promote development of higher end rental units or promote better equipped rental homes in the city.

Table 39 - Percent of Households with Any Housing Problems

Category	All Households			Black Non- Hispanic Households			Hispanic Households		
	Percent Incidence by Income			Percent Incidence by Income			Percent Incidence by Income		
	0-30	31-50	51-80	0-30	31-50	51-80	0-30	31-50	51-80
Owner	63.8	37.7	24.2	62.9	45	20	72.8	46.3	23.7
Renter	67.4	47.5	16	64.1	44	16.3	72.4	47.3	16.8

1.1 Elderly Households

According to the CHAS Report, the elderly households that fall into the two categories of extremely low income and very low income comprise 611 homeowners. The renters account for 848 households. Combined the elderly owners and renters constitute about 13% of the total occupied units or 1,459 households.

The needs of the elderly renters with extremely low and very low income will be addressed through the existing Housing Authority's resources. The Housing Authority has currently more than 316 units of housing in two developments, Nicosia Building and James Hunter development. The needs

of the owners will be provided through Owner Rehab program and other programs currently in effect in the City.

1.2 Disproportionate Needs

The Census 2000 indicates the homeownership rate in the city of East Chicago as exceeding 39.3%. Although this is much less than surrounding communities and the County, the homeownership rates vary slightly among different population groups. The Census shows the City's households are roughly 39% White and 38% Black. The Hispanic households account for more than 43% of the total. The most recent CHAS Report shows households are 18% White, 38% Black and 45% Hispanic. Homeownership, according to the CHAS Report, among these groups is reported as follows:

Homeownership rate for Blacks is low among all groups in the city. African Americans only have a homeownership rate of 11.5% as compared with 39.3% citywide. The overwhelming majority (69.4%) of the African American households live in rental units. African Americans also constitute more than 26.1% of the total renters or 2,956 in the city.

The Hispanic rate of homeownership is less than the city as a whole. The Hispanics have a 21.6% rate of homeownership in the city as compared with the citywide rate of 39.3%. Hispanics renters constitute 37.6% of the total renters or 2,619 households in the city. The elderly population of the Hispanics is very low as it is reflective of the age of new immigrants.

For the renters, it appears that minorities are much more in need of affordable housing as they occupy a much larger portion of the rental stock. Despite the low rent, many families cannot afford quality homes for cost reason. Assistance to the single families, particularly those headed by a female with children is sorely needed. Over all, 59% of this group is living below the poverty level.

1.3 Concentration of Racial and Ethnic Minority

Concentration of racial minorities in East Chicago is somewhat difficult to determine, as minorities are widely scattered in most neighborhoods. An area of racial/ethnic concentration for the city of East Chicago is defined as one where 50% or more of the population of that Census tract consists of racial/ethnic minorities. Census information shows areas of concentrations of racial and ethnic minorities to be throughout the city with the exception of one Census Tract, 306, where the majority of the neighborhood is White. The remaining neighborhoods have varying degrees of concentration. Nonetheless, tracts with the largest concentration, also exhibit other distress factors. These same neighborhoods are the primary area of low and moderate income concentration. An area of low and moderate income concentration is defined as an area where at least 51% of the residents qualify as low or moderate income. It is estimated most families, particularly low income families in these areas are typically cost burdened. Table 40 shows the concentration of minorities in different sections of the city.

1.4 Overcrowding

Over crowding typically occurs in most low income households as larger family homes or units are either not available or not affordable. Industrial cities like East Chicago contain older housing stock where smaller homes are very common. According to the 2000 Census crowding conditions exist in 1,288 households or more than 9.1% of all households. Among this group, crowding conditions appear to be somewhat different among racial minorities and white population. The report indicates that crowding conditions exist in 320 White households while the crowding conditions account for 279 units among Black homeowners and 689 among Hispanics.

Table 40 - Minorities, Income and Poverty

Census Tracts	% White	% Minority	M.F.edian Family Income	% Poverty
301 East Harbor / North Harbor	1.5	98.5	\$9,531	52.4
302 North Harbor	24.7	75.3	\$24,750	41.8
303 New Addition / West Harbor / Calumet / West Calumet	11.4	88.6	\$21,174	41.5
304 Marktown / Northside / Southside	48.5	51.5	\$26,935	31.6
305 Northside / Southside	46.9	53.1	\$41,346	16.1
306 Roxana / Southside	58.2	41.8	\$37,149	14.7
307 Calumet / East Calumet	28.1	71.9	\$35,862	22
308 Washington Park / West Harbor	39.1	60.9	\$32,989	17.3
309 West Harbor / East Harbor / South Harbor / Sunnyside / Washington Park	36.6	63.4	\$43,207	14.6
310 North Harbor / East Harbor	12.8	87.2	\$20,406	37.4
East Chicago	36.5	63.5	\$31,778	24.4

Table 41 - Incidence of Overcrowding

Household	Total	Percent
Owner	424	0.081
Renter	612	0.094

2.0 COST OF HOUSING

The 2000 U.S. Census indicates that of the 13,261 housing units in East Chicago. The median value of housing during the last decade changed significantly. In 1990, the median value of homes was \$42,600. However, by 2000, East Chicago’s median home value was almost two third’s higher. That is the median value had increased by 64% to \$69,900.

This price is slightly higher than actual reported sales of homes by the Greater Northwest Indiana Association of Realtors (GNIAR). GNIAR multiple listing service reports the median and average price of homes sold in the city as \$66,833 and \$64,190. The lower average cost of the homes indicates that there is more low cost housing in the city. In other words, in today's East Chicago market there are many affordable homes available for sale, albeit, many of these homes are old and perhaps obsolete. Despite this condition, according to GNIAR, the cost of homes for the last three years has continued an upward rise.

Table 42 - Housing Market

YEAR	No. of Sales	Ave. Price	Median Price	No. of BR	No. Bathrooms
2001	87	\$63,414	\$64,000	3	1.5
2002	95	\$62,188	\$65,000	3	1.47
2003	78	\$66,967	\$71,500	3	1.58
Average, 3 years	86.7	\$64,190	\$66,833	3	1.5

Despite affordability of homes in East Chicago, increase in cost of housing has stepped up more than the income of the residents. During the last decade, the median income increased by only \$2,027 or 8.3% while the price of housing increased by more than 64%. The housing value also increased substantially at the County level similar to the city. During the decade, the median value of housing in the County increased to \$97,500 (77%) while the median household income jumped to \$50,131(40%) The following table compares the housing values and income for the city and the county during 1990's.

Table 43 - Housing Values and Income

Year	East Chicago		Lake County	
	Median Value	Median Income	Median Value	Median Income
1990	\$42,600	\$24,511	\$42,600	\$35,604
2000	\$69,900	\$31,776	\$97,500	\$50,131
Change	64%	30%	77%	40.8%

From this data, it is clear that the income in the City of East Chicago has not kept up with the increase in the value of the homes. It is somewhat distressing that the median income rose by 30% while price of housing grew by more than 64% during the same period, more than double the increase in income. However, regionally, the home costs have even gone up at a much higher rate than East Chicago. Disparity between income growth and cost of housing is a major concern for affordability of the housing stock in the city.

The lower home prices in most neighborhoods allows for an entry market and provides much of the city's affordable housing. However, geographic concentration of lower cost housing leads to social isolation of those residents.

A review of the homes sold in the private market, as reported by the GNIAR, also indicates that for the last three years, the housing market in the City has been comparatively slow and averaging only 87 houses annually. It has also been reported that many higher end homes in more stable neighborhoods are sold by owners without getting into the market. Even though the prices are inching up higher, the availability and suitability of the existing stock remains a big concern. Most lower priced homes are offered in parts of the city where most homes are old, small or substandard and the overall neighborhood conditions are not viewed as most desirable by most new homebuyers.

On the rental side, the city faces challenges in two areas. The rental cost in the city is much lower than the adjoining communities and the county . The average rent for a two-bedroom home is reported by Census to be \$ 409. The same unit will cost \$544 in Lake County and \$644 in Cook County, IL. In suburban Chicago, the cost of a two bedroom apartment edges upward of \$620, more than \$200 difference. It is reported that this large difference in cost of housing between Illinois and Indiana is attracting many Illinoisans to Indiana cities, among them the city of East Chicago.

Table 44 compares the average rent for several neighboring communities. The lower cost of housing clearly has created many social issues for the community. The most important impact has been on the schools where there is a large transient population. The low cost of rental housing also has an impact on the neighborhood development. The influx of outsiders seeking low cost housing may partially have created a larger market for rental housing and thus encouraged conversion of more single family homes to apartments and rental units.

The most distressing issue concerning affordable housing in East Chicago is an inability for low and moderate income households to purchase or rent quality housing units without cost burden. For many single parent households, especially female-headed households, the great majority of the existing housing stock in the city is unattainable. In 2000, the median income for male-headed households was \$33,881 while the median income for female-headed households was \$21,851. Most households dependent upon one income have few options available to them. In East Chicago the affordable rent at 30% of the income for households at 50% of the city’s MFI is \$325 per month for a two-bedroom apartment. Despite the low housing cost in the City, this limited income prevents single parent households to gain standard, affordable housing, much less to achieve a home of their own.

Table 44 - Rent Comparison

Area	Median Gross Rent/month
East Chicago	\$409
Lake County	\$544
Cook County (IL.)	\$648
Calumet City (IL)	\$630
Lansing (IL)	\$658
Gary	\$469
Hammond	\$518

Because of above conditions the citizens are faced with a higher cost burden than in previous years. The latest CHAS report indicates that as a whole more than 2,957 or 25.3% of all households face cost burden in the city of East Chicago. Of this total 684 are owner occupied households and 2,273 are renter occupied households.

Among the homeowners, the CHAS Report indicates that 215 of the 569 or almost 40% of the severely low income owner-households are cost burdened. Among the 557 very low income homeowners, 56 owner-households have a cost burden. Among the 1,151 low income homeowners the Report shows 36 cost burdened owned households.

Table 45 - Households with Cost Burden

Income Category	Homeowners			Renters		
	Households	Cost Burdened	%	Household	Cost Burdened	%
Extremely low	569	225	39.9%	2472	895	36.2%
Very low	557	56	10.1%	1281	42	3.3%
Low Income	1151	36	3.1%	1134	19	1.7%
Moderate	2,684	217	8.1 %	1402	0	0%
Total	4,961	534	10.8%	6,289	956	15.2%

Among the renters, the cost of housing is more critical. As a whole more than 15% of all renters are burdened in the city of East Chicago. Among the severely low income households 895 or 36.2% of the extremely low income households are cost burdened. Only 42 of the very low income households are cost burdened. The low income households show a pattern which is less critical. There are 19 households which are cost burdened by rent in this group. The Moderate income households show no cost burden.

In other groups, perhaps the most critical group is the female headed household. About 60% of this group lives below poverty level and shows a significant amount of cost burden. Many of these families (794 families) have children younger than five years old. Similarly many elderly suffer from cost burden despite the fact that a large number of the elderly own their homes.

The City of East Chicago has a very successful single family housing rehabilitation program. This program is funded by CDBG and HOME, is expected to continue in the next five years to meet the needs of the citizens in general and the ones with the most cost burden. Through this program and other programs, the city provides assistance to more than 30 homeowners annually.

Interest in and need for housing programs is evidenced by the waiting list for the rehabilitation program and the number of people (over 40 recently) who have contacted the city to inquire about the program. The need for these programs is further demonstrated by the comments received at the public hearing held by the city to help determine the community's needs. Written comments were also received from attendees which supported the need for continuation of housing programs in the community.

3.0 BARRIERS TO AFFORDABLE HOUSING

The city's vision for its redevelopment clearly indicates that the city has an interest in creating a mixed income community with a fair distribution of affordable housing throughout its different neighborhoods. The city also views housing as a catalyst to further expand its economic base and create a viable community. Recent efforts in revitalization puts emphasis on rebuilding the fabric of the neighborhoods by developing a good mixture of housing types for all citizens. These efforts all aim to improve the quality of the housing stock and expand affordable housing.

Availability of affordable housing particularly near growing employment centers, such as the lake front, is of great interest to the city. The 2004 plan contains several initiatives which seek to enhance homeownership, preserve the community character, and provide high quality rental housing in the City. New activities ranged from two major urban renewal projects to construction of new homes. The city also plans to initiate projects which will help citizens to rebuild their homes and stay in their communities by addressing issues in a more comprehensive manner. A recent initiative proposed redevelopment of a large area combining anticipated HOPE VI funds with private funds to create a mixed income community in the Harbor area. New housing development is also envisioned in other projects for the Calumet neighborhood and Carey/Drummond Street redevelopment area. These initiatives aim to foster projects that will target lower to middle income citizens by providing them with housing opportunity in close proximity to job centers.

The city, through its Human Relations Commission, continues to review many issues related to the affordable housing. The Department of Redevelopment and its partner agencies engaged in housing and community development, have also analyzed barriers to adequate supply and a fair distribution of affordable housing in the city. In the Community survey, the citizens have also identified several issues as being a barrier to affordable housing in the city. In all, the following issues appear to contribute to the availability of adequate housing in the City of East Chicago.

1. Quality Housing

A major barrier to affordable housing in the city is perhaps the quality of housing stock in most neighborhoods. Age of the housing stock combined with deteriorating neighborhoods make most sections of the city undesirable for families, despite availability of an excellent transportation network, and good access to major job centers. With the exception of two or three neighborhoods, the remaining parts of the city contain a large number of low-priced houses, many of them small and/or old. These areas suffer from obsolescence, neglect resulted from absentee ownership, and lack of code enforcement. Many of the homes are not suitable for today's market. The conditions of these homes also discourage construction of infill housing on many vacant sites or investment in the existing housing stock. Many of the single families in these areas have become rental properties. The rental properties attract many transient population which negatively influence the stability of the neighborhoods. These issues notwithstanding, the available single family homes, offer an excellent opportunity to create a large number of affordable housing for needy families. A comprehensive approach for revitalization of several neighborhoods will be necessary. Many of the existing housing stocks can be rehabilitated as affordable housing for smaller

or younger families, but they would need assistance in the form of rehab loans and grants to bridge the gap in financing.

2. Lack of Downpayment

The foremost barrier that has been identified in different surveys is lack of down payment to purchase a home. The sale of recently constructed homes in the City also indicate difficulty finding appropriate buyers due to lack of adequate financing and credit. It appears also that there is a need for stronger housing counseling to prepare potential homebuyers.

In an attempt to address this issue, the city for the last few years has established several programs to assist homebuyers by providing a variety of downpayment assistance. The success of the various programs cannot be fully measured as the number of people taking advantage of these programs are very few.

3. Neighborhood Conditions

With the exception of a couple of neighborhoods, most of the city is suffering from a variety of urban disinvestment and decline. Many neighborhoods show signs of age and obsolescence. Deterioration of neighborhoods was mentioned in several meetings and interviews. Lack of adequate infrastructure and neglect appear to be major contributors to the decline of neighborhoods. Many of the vacant and dilapidated structures have been demolished in recent years. Available vacant land offers good opportunity for infill construction. However because of high levels of distress conditions, development of new housing in many neighborhoods is difficult. Attracting new homeowners to live in most neighborhoods is extremely difficult. New homes in these neighborhoods also require substantial subsidies, as the market value of any homes in these neighborhoods is substantially less than the construction value. To address this issue, the city will need to look at a new approach and promote overall neighborhood development rather than smaller area redevelopment.

4. Lack of Development Land

Another major impediment to the development of affordable housing is lack of large parcels of land for residential construction. There are many vacant single family lots or industrial parcels scattered through the city. These properties are often not adequate or require major relocation effort.

The city in recent years has tried through redevelopment to assemble large parcels of land for housing construction. In order to make a change a critical mass is typically required for a successful redevelopment effort. Creating such a land mass has proven to be very difficult. Problems range from excessive relocation cost to the time needed for land assemblage. Nonetheless, the city is expected to continue its efforts in land banking and land assembly for new developments. Recent efforts in the Harbor area, and Carey/Drummond Streets are examples of these types of efforts. Similar efforts will be pursued in other neighborhoods to assemble larger pieces of land for redevelopment.

5. Code Enforcement

Uniform enforcement of the codes remains a major barrier to neighborhood stability. Lack of meaningful and consistent enforcement has created an environment where many neighborhoods are not perceived to be desirable or attractive. This issue was raised in public meetings, in surveys and in the interviews. The code enforcement is particularly a strong issue in the older and declining neighborhoods. The building codes have a substantial impact on the quality and availability of housing in the city. It is very difficult to construct new homes where abandoned or dilapidated structures line up the street.

In an effort to address the code issues, the City earlier this year reorganized the Building Department. Under this effort, a new Department head has been appointed. In our discussions with the new Director, he envisioned much stronger and uniform Code Enforcement in the City. The Department is also expected to increase the efficiency of the code inspectors by streamlining many procedures.

In our discussion with the Planning Department, the City also plans to update its Comprehensive Plan. Although many of the housing barrier issues related to zoning have been addressed in the previous Comprehensive Plan, prepared almost ten years ago, an update of this plan is expected to revisit the zoning impediments to housing development in the city again. In this process, the city will review existing land use conditions and will propose new land use classifications to address a variety of issues. Affordable housing and provision of a variety of housing types are among items that the new plan will investigate and consider.

6. Residential Tax Rates

One of the costs associated with the affordability of a home is the degree to which a homeowner will be able to afford to pay taxes. High taxes in industrial cities of Lake County has always been a major impediment to buying, owning and maintaining a home. The industrial based communities often have a large tax rate. In the past the high rate often impacted the larger industrial property owners but the residential owners were never immune. For residential properties, the effect of high taxes is often seen in substantially higher number of homes going on governmental tax sales than in other suburban communities.

In 2001, as a result of the Indiana Supreme Court decision, the State was forced to change the way real estate taxes were levied. As a result, starting in last year, the real estate and personal property tax assessments were significantly changed. This change resulted in the shifting of taxes from major industrial uses to residential uses in the northern most industrial cities. The result has been a drastic increase in real estate taxes for residential properties. In a report published by the Times newspaper on April 25, 2004, it was reported that in East Chicago, the tax shift resulting from only Personal property reduction for Ispat Inlands company will result in more than an 18% increase in the residential assessment. If we take other industries into consideration, the impact on residential taxes can be ultimately much larger. The final real estate impact of this shift yet remains to be seen as the County has not

yet completed its reassessment of all properties.

The City of East Chicago is looking for alternatives to change the sharp increase in the assessed valuation of residential properties. But regardless of what action is selected, the anticipated results are expected to be marginal. The high taxes in the City of East Chicago will become even a larger impediment than before to home ownership in the city of East Chicago.

4.0 FAIR HOUSING

The City prepared a new Analysis of Impediments Study in April of 2004. The AI reviewed extensively fair housing issues and conducted public meetings, held one to one discussions and had Focus Group discussions. As a result of this work, the Study identifies the following fair housing issues:

1. Inconsistent housing code enforcement and inspection.
2. Lack of coordinated housing planning among different organizations in the City.
3. Age and conditions of the housing stock.
4. Image of the City.
5. Lack of adequate communications with citizens particularly those of non-English speaking groups.
6. Lack of variety of housing types and choices.

The AI study makes several recommendations related to the above issues. These recommendations range from better code enforcement to coordination efforts and 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.

5.0 PUBLIC AND ASSISTED HOUSING NEEDS

The East Chicago Housing Authority (ECHA) operates five housing developments in the City of East Chicago. The Authority also owns more than 129 scattered sites units. The Authority's stock is well diversified with a variety of housing types and styles. The Authority maintains these units at all times, and has improved all of its stock. The need has always, however, exceeded the number of available units. The current waiting list has 900 applicants on it.

The East Chicago Housing Authority has adopted an extensive criteria to select its tenants while maintaining a decent level of fairness. The Authority also follows HUD's federal preference standards in its selection criteria. The Authority has 636 Section 8 certificates and vouchers. Currently there are no vacancies in the Section 8 program, although there are 29 open vouchers waiting to be issued. There are currently 397 individuals and families are on the waiting lists. This list includes the 4 requests from the elderly residents. The long waiting list is primarily due to a very low turnover. The low turnover raises interesting issues. That is that the current holders of the

HCV see the assistance as a permanent solution to their housing needs rather than a means to an end (i.e. self-sufficiency).

ECHA records also indicate that a significant number of requests come from families with children, particularly those with larger families. These records also indicate that a vast majority of the applicants are qualified severely or very low income individuals and families with income less than 50% median income. There is a substantial number of individuals on the waiting list that are disabled and require special assistance. To meet this demand, the Authority is planning to convert approximately of existing 100 senior units to Assisted Living units over the next few years.

Table 46 - People on Waiting List

Category	Number of Bedrooms						Total	Elderly	Disabled
	0	1	2	3	4	5			
Section 8	23	57	163	114	30	10	397	4	83
Public Housing	0	150	175	125	41	11	502	9	71

The East Chicago Housing Authority's Section 504 Needs Assessment was prepared last decade and is outmoded. The Authority is in the process of preparing a new Needs Assessment. This Assessment is expected to be complete by the end of June and will be filed with HUD. As of April 2004, the reported waiting list for physically disabled/ handicapped units was at 154. Although this represents a large number to accommodate, the Housing Authority has continually been updating its units and has tried to modify more units to accommodate handicapped and disabled needs. To further improve the services to handicapped populations, additional units will be converted to handicapped accessible as funds become available and feasibility is determined.

The Authority also continues to fund programs to assist families. The Latch Key program funded through the Empowerment Zone program assists public housing residents in need of support while at work. The Authority also provides tutoring to children in need in an after school program.

To promote self sufficiency for its residents, the Housing Authority has an ongoing Family Self Sufficiency program. The program consists of Credit Counseling, Job Training, and Life Skills development. The Authority also promotes homeownership. These programs are open to all ECHA residents and recipients of rental assistance vouchers. In 2003 more than 50 families participated in the homeownership program and one public housing family has been able to find accommodation outside the public housing. The Authority is also engaged in a variety of activities aimed at improving its management operation and enhancing its resident initiative strategies. In 2004, the authority will continued these efforts by getting residents engaged in a variety of job training and educational programs. The Authority also cooperates with the Parks Department in recreational activities for the youths.

6.0 SUPPORTIVE HOUSING FOR NON-HOMELESS PERSONS

WITH SPECIAL NEEDS

6.1 Elderly Persons

The City of East Chicago experienced a slight decrease in the number of residents 65 years and over, from 4,483 in 1990 to 4,398 in 2000. The city of East Chicago maintains an elderly population which is more than 13% of its total population. 47.8% of the elderly population suffer from some sort of disability. There are 685 residents over the age of 65 living below the poverty level. Also, among the elderly, 1,311 or 29.8% live alone.

The Community survey indicated a desire by many elderly to move to smaller units where they would not be forced to maintain their homes while they can still have a sense of security and ownership. The Census data, public input, and interviews, all indicate an increasing demand for housing for the elderly residents. Most elderly residents believe that general maintenance, upkeep and real property taxes for their homes burden their incomes.

Most of the elderly are on a fixed income. Many of them are very frail and are in need of supportive housing. The housing Authority only has 316 units of available elderly housing. According to the 2000 Census there are currently 1,352 householders in the age 75 and over category. The city also has 581 which are considered severely disabled elderly requiring constant attention. Our discussions with Catholic Charities indicate that there is a great need for support for frail elderly. The Housing Authority waiting list indicates that there is a total of 13 elderly individuals on the waiting list. But the waiting list for the disabled is about 71 units. To address this need, the Authority is planning to remodel 100 units of senior housing to Assisted Living. Accordingly, it is our estimate that there is a potential demand for more than 170 units for age-restricted housing serving the population between 55-74 years of age, and a potential demand of 70 for assisted living units serving the population of 75 years of age and older. Supportive housing and assisted living for the non-homeless elderly population, which consists of a retirement apartment complex with amenities such as transportation, shared meals, health care and other necessities, are in need. This need was also expressed in public meetings. There are no other private facilities in East Chicago. Nor are there any programs which directly support seniors to cope with issues related to their housing.

6.2 Persons with Disabilities

According to the Census reports there are 7,590 individuals with a disability in the city of East Chicago. Although not all of these people require supportive housing, many do require assistance. Of particular concern is the number of the elderly that require supportive housing and residents with mental disabilities. The Census reports that there are more than 2,103 elderly residents that have a disability. Of this total, 563 have a mental disability and 1,468 have physical disabilities.

Developmentally disabled residents and those requiring transitional housing also is a growing sub-population in the City. Lack of funding or support from the state for group homes and similar facilities has often reduced availability of supportive housing significantly in recent years. As a

result residents are forced to rely on supportive income such as SSI to pay for rent. The average benefits from SSI are reported as being \$8,470 annually. This level of income is not sufficient to pay an average rent of \$409 in the city for a typical housing unit. This group is also reported to be often victimized by landlords and are forced to live in substandard housing.

Lack of facilities for the disabled in the city is a major concern particularly for the senior citizens. In the public meetings, there were requests for assistance for ramps from the seniors. Also lack of adequate group housing and other facilities for the residents with mental disabilities and other disabilities was of major concern. The Tri-city Mental Health Center is the only facility in North Township which provides assistance. This agency has a facility with a 52 bed capacity. The agency also has other scattered group homes but feels they are not meeting the demand. The agency is currently seeking the city's help to build an additional 6 bed facility as supportive housing for the mentally disabled.

6.3 Persons with HIV/AIDS

It is reported that approximately 96 persons in the City of East Chicago are HIV positive or have AIDS. According to the State Department of Health, there has been nearly 70 reported cases of AIDS in the city of Hammond. The residents afflicted with the HIV virus are estimated to be 96 individuals, the majority of the AIDS patients. The female AIDS victims are reported to be 19 individuals.

The need for housing is difficult to determine. Northwest Indiana Aliveness Project reports that there are 31 individuals that are in need of assistance including supportive housing. A review of the insurance coverage data as provided by the Indiana Department of Health indicates that out of 96 cases only 13 have private coverage. The remainder receive some sort of the public assistance or do not have any coverage at all.

Currently, there are no supportive housing facilities in the city for persons with AIDS. Northwest Indiana Aliveness Project is the recipient of an HOPWA Grant from HUD. Part of this grant is distributed for housing assistance to persons with AIDS. Greater Hammond Community Service administrates this program for the three county area. According to Greater Hammond Community Services, 22 individuals receive housing assistance in East Chicago. Based on studies conducted by different agencies, approximately 30-50% of the AIDS population are in need of supportive housing, thus there is presently a need for supportive housing for approximately 30-48 AIDS victims in the city of East Chicago. The stated needs, is more than available resource. According to Greater Hammond Community Services, several applicants were declined assistance for a variety of reasons. Therefore the actual need may be much higher than what has been estimated.

7. FACILITIES AND SERVICES NEEDS OF THE HOMELESS PERSONS

Defining and counting the homeless population is always a difficult task as it raises questions with regard to methodology and accuracy. For the Consolidated Plan, the City is counting as homeless those who are housed but are at severe risk of becoming homeless as well as those who are literally without a shelter. The city's homeless needs therefore consist of the families who are on the verge of becoming homeless for a variety of causes but mostly because of the economic reasons, and the single individuals that are homeless due to loss of income or a variety of disabilities.

The task of determining the number of homeless is particularly difficult in East Chicago as there is no shelter in the city and the City does not have an active Continuum of Care Plan to estimate the needs. To address the needs of the homeless, three years ago, the City of East Chicago in cooperation with the City of Hammond, solicited the assistance of the Indiana Coalition on Housing and Homeless Issues (ICHHI) to facilitate several meetings to study and determine the homeless' needs. According to this study, it was estimated that there was a gap of more than 582 units of housing in the cities of the East Chicago and Hammond. The gap for individuals was estimated at 273 beds and for families was 309 beds. The gaps identified in this study for emergency shelter was estimated at 141 while the transitional housing needs was 160 beds. The estimate of need for supportive housing was equivalent to a new 276 bed facility.

Although this study is more than two years old, the underlying premises for the needs are still very much valid. Since the above numbers are for both communities, the total gap for only East Chicago is estimated to be 274. Accordingly the need for individuals is estimated to be 145 and for families to be 129. The number of Emergency Shelter needs is estimated to be 96, while transitional shelter needs is estimated at 54. The permanent housing needs is estimated to be 115 units. In the community survey, the need for shelter was strongly requested. Discussions with the local shelter providers also indicate the need for a shelter in the City of East Chicago.

7.1 Rental Assistance for Homeless Households

The East Chicago Housing Authority has set up a priority policy to accommodate homeless families. Under this policy, several public housing units are set aside for homeless families which victims of circumstances which has caused their homelessness. Under this policy homeless families ready to move will be given priority to move in into a public housing unit.

7.2 Homeless Prevention Strategy

The City of East Chicago takes a multi-dimensional approach to the prevention of homelessness. The City recognizes that its network of social services often operates as a safety net that prevents many at-risk persons from becoming homeless (e.g., timely delivery of mental health and substance abuse treatment can prevent decompensation that often leads to homelessness; timely job placement assistance may prevent homelessness for those at-risk due to job loss, etc.).

Reliable estimates for the extent of need is difficult at the present time. Many residents are also compelled to seek shelter outside of the city since there are no shelters in the City. Nonetheless,

housing for the homeless, abused women and children and substance abusers is currently being provided by several local agencies and charitable organizations in the region. There are also other shelters and service providers outside the city, which are often used by East Chicago victims in need of a place to live.

Haven House is a family violence shelter which has a contract with the City to provide assistance to victims of family violence. The shelter has a capacity to accommodate up to 16 families. The demand in this shelter is always higher and therefore the shelter plans to expand its facility. They plan to build 4 duplexes housing 8 families and have received a grant to convert one existing unit into a handicapped accessible unit.

Table 47- Emergency Relief Organizations

Agency	Primary Service	Target Population	Level of Service
Red Cross	Disaster relief	Victims of tragedies	No Beds
Greater Hammond Community Services	Food, Counseling, Referrals	Homeless, needy families	No Beds
Salvation Army (Munster)	Emergency assistance, food and Hotel voucher	Fire victims, others with emergency needs	No beds
Tri-city Community Mental Health Services	Mental and social services, inpatient detox	Adults, children	52 beds, 12 for detox unit
LCEOC Lake County Economic Opportunities Corporation	Emergency assistance, utility assistance	Families, homeowners	No beds
Catholic Family Services	Emergency Assistance, food, bi-lingual counseling, housing counseling, homeless prevention	Families with small children, adults, and other children and the temporarily homeless	No beds, 900 people a year
North Township Trustee's office	Emergency Assistance, food, bus service to Dr.'s appointments, Homeless Prevention, Help with rent and Utilities	Families, adults, children victims and homeless	No beds, 300 to 400 people a week

There are several organizations that provided temporary assistance to needy families, children and individuals. Although most of these organizations provide services at the regional level, several of them are based in North Township and are easily accessible by East Chicago residents. The following Table 49, lists these organizations and their level of service.

The North Township further assists families in dire need. This assistance is limited to emergency assistance, food, and limited housing assistance. The Greater Hammond Community Services provides assistance to residents ranging from housing counseling to utility assistance. The agency

also serves as the food bank for the North Township. The Salvation Army also provides comprehensive emergency assistance to the needy families which includes social services and food assistance. The Catholic Charities similarly provides temporary assistance to families and individuals in need in the City. There are several soup kitchens in the area churches where they offer warm meals on a regular basis. These services however are very sporadic.

Table 48 - Regional Emergency and Homeless facilities

Agency	Primary Service	Target Population	Level of Service
State Street Shelter	Food, Shelter, Help finding jobs	Homeless	88 beds
Capes House (Hammond)	Referral, Emergency Shelter, Case Management, Help with rent and Utilities	Families	8 units, 36 beds
Catholic Charities, Senior Companion Prog.	Home Visits for whatever need exists	Elderly	101 people
Haven House (Hammond)	Domestic Violence, Shelter, Food, Case Management	Women and Children	16 beds 6 families
Tri-city Mental Health Center	Shelter Plus Care, Training, Homeless Prevention, Mental Health Care, Help with Rent and Utilities	Substance Abuse Victims, Homeless	20 people, 52 beds, detox facilities for 12
Tri-city Mental Health Center	HUD Section 811 Apartments	Homeless	17 people
Claude Street Warming Shelter	Emergency Shelter	Homeless and Families	4 families
Twin Cities Community Services	Emergency Food Only	Individuals and Families	open to the general public
New Day Detox Center	Substance Abuse Facility	Single Men	15 individuals
Salvation Army (East Chicago)	Feeding Program 5 days a week, Help with rent and utilities, shelter	Families and Victims	generally feed 100 people a day
Serenity House (Gary)	Emergency and long term shelter, extensive help in job hunting	Adult substance abusers	9 beds and 110 daily clients, 400 monthly
The Ark (Gary)	Shelter	Homeless Women and Children	14 families
Rainbow (Gary)	Shelter on an Emergency Basis	Battered Women	6 beds
Brother's Keeper (Gary)	Emergency Shelter	Homeless Men	36 men
Alternative House (Gary)	Emergency Shelter	Children	52 beds
Bridges Inc.(Gary)	Employment Assistance, Supportive Housing, Various Group Homes, Temporary Support	Mentally Disabled	32 Group Homes, Supportive Housing-3 buildings and 3 homes

8.0 NON-HOUSING COMMUNITY DEVELOPMENT

For the last three years, the City of East Chicago has worked extensively to institute a redevelopment framework for neighborhood revitalization. The aim of these efforts has been to develop a strategy under which several neighborhoods will undergo a comprehensive treatment for redevelopment. 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.

Inherent in development of these objectives has been the desire of the city to maximize the benefits to low and moderate income populations. In these efforts, the city has conducted several public meetings to seek citizen input. The city has also prepared several plans and proposed initiatives which have been developed to foster redevelopment in the selected neighborhoods. In fact for the purpose of this Consolidated Plan, these plans and initiatives have all been reviewed and taken into consideration. In all, the objectives for non-community development are focused in the following areas:

- Improvement of public facilities including reconstruction of the infrastructure, roads and sanitary services.
- Improve residents' access to recreational amenities and park facilities.
- Remove inappropriate land uses and encourage adaptive reuse of dormant parcels.
- Create an environment which encourages reinvestment in neighborhood housing and commerce.
- 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.

8.1 Public Facilities

The Community Development Block Grant funds have traditionally been used for many public facility improvements. The gaming industry has afforded the city with additional revenues in recent years. These funds have supplemented CDBG funds and improved its effectiveness. The city has developed several capital plans outlining the priority areas for such expenditure. The CDBG funds therefore in recent years have played a larger role as support for a community development project. These funds have also enjoyed substantial amount leveraging benefits as other funds are often used to support community development activities.

The gaming revenues have also given the city the opportunity to catch up with many years of neglect

for public improvements. These funds have supported a variety of public facilities and infrastructure including, road construction and reconstruction of the sanitary and storm sewer system, extension of water service, and provision of curb, sidewalks and other street improvements, all facilities that traditionally were funded by CDBG funds.

Because of availability of gaming funds, the City has now the opportunity to more judiciously leverage the city funds with Community Development funds and maximize the benefits to low and moderate income citizens. Another effect of the gaming revenue, has been the ability of the city to spend more of CDBG dollars for projects other than infrastructure. Nonetheless, the CDBG funds are expected to support a variety of public facilities and improvement activities associated with CDBG initiated projects for the next five years. The public improvement projects expected to be funded by the CDBG include parks and recreational facilities, community facilities such as community centers, facilities in support of the elderly, and support for economic development projects particularly for those associated with redevelopment initiatives in different neighborhoods.

8.2 Public Services

The City of East Chicago has a diverse population with a variety of needs. Many families require multiple services in order to maintain a healthy condition. Economic adversities also play a significant role in determining the social needs in the community. While many human needs can be addressed in economic terms, some require strong social service support. Family violence, substance abuse, early motherhood, and disability all require long term commitments, support and solutions by many members and organizations in the community. The services provided must be comprehensive and address the overall needs of the citizens. The Community Development program has traditionally provided support aimed at alleviating many of the social and human services needs of East Chicago residents.

The health and human service needs were often expressed in the public meetings and the interviews. The needs have also been identified in the community survey. The needs of the elderly and the children appeared to be of particular concern. The city also received requests for youth recreational needs. Citizens expressed the needs for development and improvement of community facilities to address the needs of the youth. One other need that was often expressed was the need to inform the citizens of programs and services that are available in the community.

There are several agencies which support social services in the City. The most important agency is the East Chicago Community Foundation, a gaming-funded agency. The Foundation supports a variety of community and social services programs. The United Way also supports several programs. This agency reports that there is need for a better coordination among different service providers. The East Chicago Enterprise Zone also supports day care services and job training services. This agency also reports that there is a great need for day care services particularly to help the female head of households.

The city expects to continue its funding and support to the most needy in the next five years. The

city will try to leverage its funds with the support of other agencies to assure a larger impact. The city will also fund projects where the need has been demonstrated and gaps exist in services for the community.

In the city's interviews, the needs of the families and particularly female headed families and other young families were strongly emphasized. Services to the needy children ranged from educational services to after school programs. The demographic review also indicates the need for support services to the elderly and the young families. The family needs were for day care and transportation. In all the human services needs can be described as following:

- Elderly support services.
- Childcare and youth and family services.
- Recreational services for the youth.
- Public information and dissemination.

8.3 Public Education

The School City of East Chicago operates seven elementary schools, 2 Junior Highs and one high school. The School Corporation offers full educational services to all city residents. These include elementary, middle, and secondary education and a variety of adult and remedial educational activities ranging from GED to secondary academic education and bilingual education to children and families. The city also has three private schools offering elementary education.

The Census reports indicate that there are 8,669 school age children in the city of East Chicago. The enrollment population in 2002 however is reported to be about 6,327. The differences are believed to be students that are dropped out or are enrolled in one of the private schools in the city. It also appears that the private institutions are enrolling more of the non-minority and better off students in the city. The minority population of the public schools is reported to be 97% while the overall minority population of the city is 63%. The private institutions are assumed to enroll substantial number of the higher income and non-minority students in the City.

The enrollment in the schools is reported to be increasing in the next five years. This is despite the fact that the city's population continues to decline. The anticipated growth is expected to be 3-5% annually above the current enrollment.

For the last few years the East Chicago School Corporation has had less than desirable educational achievement by its students. During this period the School Corporation has had to face several educational barriers which have resulted in low achievement scores. Educational impediments in East Chicago are reported to include:

1. A large transient student population: high student mobility limits the ability of the school administrators to properly address academic needs of this group of the student population.

2. Low rate of homeownership: lack of a variety of housing choices has contributed to low levels of homeownership in the City thus creating a divergent and unstable enrollment.
3. Low levels of proficiency in English: of the 6,200 students, almost one half (3,082) is of Hispanic origin. Many speak English as a second language.
4. High levels of poverty: 85% of all students are eligible for free or reduced lunch. This condition will demand substantial amounts of social services to address the needs of families with pervasive poverty.

Table 50 - Students and Race

Indian	Black	Asian	Hispanic	Multi	White	Total Minority	Total Students	% Minority
5	2912	20	3081	58	180	6076	6256	97%

In addition to the above, the School Corporation has had to address many social issues related to the families of its students. These range from after school programs to Special Education needs. Pervasive poverty, lack of jobs, and parenting skills, all have contributed to lowering the overall achievement of the students. The School Corporation recognizes the educational deficiencies of the school system. The Corporation has identified several needs to address these deficiencies. These needs range from obsolescence of the facilities to several programing shortcomings.

The East Chicago Schools have one of the lowest achievement scores in the State. The needs of the students are probably the most important social issue the city faces. To address the deficiencies of the School Corporation is a great task. It would require extensive community support. To build such support a much stronger cooperation and coordination among several city agencies and the community is also required. The School, the City, the business community, the social service providers and the concerned citizens, will need to be engaged to collective find solutions to the educational problems of the city. To this end, the plan proposes convening of an Educational Summit to address the dire needs of the students.

8.4 Public Safety

Homeowners and businesses alike always consider public safety in their decision to locate in a community. Many homebuyers heavily weigh crime and security as a determining factor in their decisions and where to purchase a home. Public safety also plays a strong role in business site selection decisions.

Issues related to public safety were a major concern in the public meetings. Presence of gangs, drugs, and violence was among the major concerns. These concerns were particularly expressed as

a concern for the Harbor area and some other neighborhoods. These same areas have a high concentration of rental units, pervasive poverty, and concentration of older homes with deteriorating neighborhoods. Transient population was reported by the police to be a major contributor to the high levels of crimes in the City. A report on the incidents of crimes in the city shows an increase in homicides and thefts and decreases in robberies, rape and assault.

To address the public safety concerns the city has initiated several projects. On the physical side, the city has embarked on an aggressive effort to improve lighting and clean up in many neighborhoods. The city is also investing in installation of security cameras on public streets where criminal activities are notable in an effort to discourage criminal activities.

The city has also committed a substantial amount of additional resources to hire more police officers. The Police Department has implemented a COP program and beat patrol in four neighborhoods. These neighborhoods are Calumet, Marktown, North Harbor and Southside. The new headquarters, with the state of the art equipment and technology, should substantially improve communications and its effectiveness to deter crimes. The Police Department has completed a joint cooperation with the City of Hammond to share information and technology.

The condition of housing and the abundance of vacant structures have also played a significant role in hiding and housing criminal elements in the city. To combat this problem the city continues to pursue code enforcement and demolish many abandoned structures. But these efforts are not sufficient. A more aggressive enforcement and intervention are required.

8.5 Economic Development

The economic health of the city has significantly decreased since last decade. Major contributors to this condition have been extensive loss of industrial jobs and an overall downturn in steel production. An example of this condition is the case of LTV Steel. This plant closed in 2002 which resulted in loss of more than 3000 jobs. The plant reopened under new ownership, ISG Steel, but the number of employees was drastically cut to 1,400. Similar reductions in work force have been observed in other sectors and industrial businesses in the City.

The advent of the gaming industry has helped significantly as it created more than 2000 new jobs in the city. Most of these jobs have been made available to local residents. The gaming industry has also expanded the city's tax base significantly and has had a major impact in diversifying the local economy. Continued growth of this industry and closely related activities such as new hotels and other waterfront developments are expected to continue to generate additional economic benefits to the City.

The City's unemployment is reported to be 11.3% as of the latest information available. This rate is more than double the national average and almost twice the rate of the County. Unemployment among female heads of households and minority is reported to be the highest in the City. The needs of these groups are not being met at the present time according to several reports and interviews.

The city, in recent years, has embarked on an aggressive effort to further diversify its economy. By implementing several initiatives the city will change the course of economic development in the city. The Harbor development initiative will continue and expand redevelopment of the lakefront activities. This initiative will take advantage of the gaming industry which has been anchored on the lakefront and created a significant number of jobs. The Harbor plan also aims to change the image of the area by creating a mixed use community with neighborhood commercial retail and easy access to transportation routes. Other redevelopment efforts, namely Calumet and North Harbor, will also foster similar revitalization with a variety of retail, residential and commercial uses. The city will also continue to pursue redevelopment of industrial properties including those of brownfields for new development. The city's infrastructure improvement funded by the gaming funds will support these activities and other activities to create a more viable neighborhood and suitable sites for redevelopment.

Over the next five years, the city will further support a host of programs aimed at improving employment and training needs of the community as well as support services which foster employment such as education, child care or transportation particularly for those with exceptional needs. The city will also support businesses' development, expansion and retainage for the next five years. In these efforts, the city will utilize or partner with other economic development agencies to promote a better environment for business development and expansion and create more opportunities for employment for all citizens particularly those of the low and moderate income individuals.

8.6 Regional Collaborations

Regional trends and globalization of economy have created an atmosphere where regional cooperation is a must to address any issue. There are many issues that have in recent years become concerns for the city. These issues range from economic development to transportation and crime. The changes in the economic outlook of the region have compelled the city to be more than ever vigilant of the regional impacts of different issues on the City. Although the city has seen major losses in recent years, the suburban communities have seen considerable growth. There has also been a major shift in employment. This shift is particularly noticeable in the areas of services and retail. The major retailers have established themselves and relocated in suburban communities south of the city thus leaving a major gap in services and retail businesses for East Chicago residents.

The city of East Chicago has pursued several initiatives to collaborate locally and regionally. These initiatives have centered around economic development, job training, transportation, and crime prevention. The City is collaborating with Hammond Police Department in public safety issues. The aim of this effort is to curb many criminal activities which cross city boundaries.

The city's collaborative efforts with the cities of Gary and Hammond in joint administration of the Empowerment Zone have provided opportunities for employment in those communities. These collaborative efforts have particularly been successful in job training, business attraction, and

brownfield development. Through these efforts, the city is cooperating with the Workforce Development in job training of Hammond youths. The city's involvement with the Northwest Indiana Minority Business Opportunity Center (NIMBOC) also provides an opportunity for minority businesses in East Chicago to get support.

The city of Hammond and the city of East Chicago Chambers' of Commerce combined their offices two years ago. The new chamber, called the Lake Shore Chamber of Commerce, is expected to improve coordination and expand regional efforts in business development and attraction.

For the last two years the region has seen a strong interest in development of the Regional Transportation Authority. This new agency will be responsible for promoting a region wide public transportation network. The city of East Chicago has been a strong support for this County wide effort. The city also participates regionally in transportation improvement efforts which are directed by the Northern Indiana Regional Planning Commission, the designated MPO for the region. Through these efforts the city has continued to expand its transportation facilities and infrastructure. The city has further pursued and received funding for trail development in several corridors. These corridors are part of a larger regional network aimed at encouraging alternative transportation systems in the city and regionally. East Chicago also is an active participant of a regional lakeshore reclamation and redevelopment effort spearheaded by Congressman Visclosky. Under this proposal the lakefront land will be set aside for a recreation trail extending from the City of Whiting to the City of Portage in Porter County.