
Everything you wanted to



know about housing in

LEAGUE OF WOMEN VOTERS®
OF MONTGOMERY COUNTY

Montgomery County, but were afraid to ask!

Economic Health Committee Report

February 2017

- **Housing assistance**
 - **Abandoned and derelict housing**
 - **Community housing needs**
 - **Rental unit registration**
 - **Homestead exemption**
-

Economic Health Committee Report

February 2017

The LWVMC Economic Health Committee has studied housing in Crawfordsville/Montgomery County for the past two years. The League believes that understanding housing issues in our community is important to our overall economic health. We have learned that the availability of housing at all price levels is essential for an economically balanced and successful community. A high number of low income or HUD housing units may be a signal to prospective businesses that the community cannot support them. The lack of upper income housing may mean professionals and executives from local companies do not choose to live in our community. Derelict and abandoned structures give an appearance of community decline. These imbalances create major challenges for services, cultural activities, schools, and philanthropic endeavors. The unintended consequences of unplanned decisions can make an impact on our economic health.

The following report highlights current challenges to a balanced housing market. The information is meant to provide a synopsis of the housing study, answer questions that are often asked, identify continued areas of concern, and suggest possible consensus items that could lead to future League action.

AFFORDABLE HOUSING ASSISTANCE FOR LOW INCOME RESIDENTS

Section 8: a federal HUD program

Indiana Section 8 guidelines are very specific. The IN Section 8 housing program was developed decades ago to ensure that area residents in all Indiana counties have access to safe housing. The local housing authority, along with the Department of Housing and Urban Development, or HUD, provides rental assistance for homes and apartment units to those who qualify for Section 8 assistance. Section 8 applicants are assessed based on three different categories: income, citizenship status, and residency.

The Crawfordsville Housing Authority (CHA)

- CHA provides rental assistance (vouchers) to low income families living in privately-owned rental properties and apartment complexes.

- Historic Whitlock Place, Athena Center, Shady Knoll, and Autumn Woods are complexes that accept vouchers.
- Patty Perkins is director of CHA. The address is 220 E. Main.
- Vouchers are given to the renter. Landlords choose to accept them. They must agree to inspections. The rent for the voucher is then paid to the landlord.
- CHA administers 497 Section 8 housing vouchers. (There is a waiting list.)
- CHA is among the 37% of Indiana housing authorities that only offer Section 8 voucher assistance.
- The elderly and disabled are given preference for the vouchers.
- Inspection for health and safety issues takes place each year and when there is a change in tenants.
- The assistance is based on the sliding scale with “extremely low” income receiving preference.
- Eligibility rates are as follows:

Local Income Eligibility Details

The US Department of Housing and Urban Development (HUD) establishes income limits by family size for the jurisdiction area of the public housing authority (PHA). Gross annual income is compared to the applicable income limits to determine eligibility.

Household Size	Extremely Low Income	Very Low Income	Low Income
1 Person	\$12,400	\$20,650	\$33,050
2 Persons	\$15,930	\$23,600	\$37,800
3 Persons	\$20,090	\$26,550	\$42,500
4 Persons	\$24,250	\$29,500	\$47,200
5 Persons	\$28,410	\$31,900	\$51,000
6 Persons	\$32,570	\$34,250	\$54,800
7 Persons	\$36,600	\$36,600	\$58,550
8 Persons	\$38,950	\$38,950	\$62,350

Each year HUD publishes Notices of Funds Availability and at that time housing authorities can apply for additional funding and vouchers. This is how the number of vouchers increased over the

years. When CHA began in late 1975 early 1976 there were 60 contracts. By the fall of 1978 there had been two requests for additional contracts increasing the number to 205. These increases in the number of vouchers were approved by the city council. HUD, of course, evaluates requests from HAs and decides whether or not to fund. We have not learned of the increases since 1978.

Subsidized Housing, In-House HUD

In-house means the company, apartment complex, handles its own adjustments for low income. The complexes are subsidized by HUD and use its qualifications.

For subsidized housing a certain number of the units in the complex qualify for assistance. For other units in the complex, vouchers may be used. For example, at Cloverdale there are a total of 100 units. Twenty qualify for in-house income based assistance and are handled at the company. Of the other 80, vouchers can be accepted to meet the market rental fee.

In Montgomery County these various apartment complexes are managed by Pedcor Management, Magna Properties, Samaritan, Flarety & Collins, etc.

The total number of units in these centers and the number of units qualifying include among others Cloverdale-20/100, Waterford 180/356. (At this writing the 20 at Cloverdale and 175 at Waterford are occupied.)

The same eligibility requirement applies as above.

From our research we also have learned the following:

- There are over 1000 possibilities for housing assistance in our community. This includes the 497 vouchers from CHA, 48 from Rural Development, and the other in-house HUD subsidized units.
- Historic Whitlock Place has 16 of 56 units rented. They must fill 80% with residents 40 years or older. The age guideline recently changed from 55-40 which should increase significantly the number applying to rent.
- The issue of housing assistance is complex.
- Does the number of inspections for CHA housing seems unrealistic for one inspector? Last year he completed 413 inspections. This is an average of 34 per month or 2 or 3 per day during the week. Ms. Perkins also occasionally inspects units in apartment complexes.
- There are a total of approximately 4200 rental units in Montgomery County.
- To address problem housing we need higher paying jobs and better educated citizens.
- We have the number of assisted housing because of our low incomes and low education levels.

- We do not have evidence of low income residents having moved here from far away because of subsidized housing availability, but maybe some have come from Fountain and Parke counties.
- The City is actively working to improve housing in the community.

Affordable Housing Table

Prepared for LWV Economic Health Committee Report 2017 by Virginia Servies. *Source: affordablehousingonline.com*

County	Population Census 2010	Total Households	Average family size	Rental Households	% of rental households	Federal Assistance Units	Senior Citizen Units
Montgomery	38,124	14,979	2.45	4,088	27.3%	672*	24**
Fountain	17,240	6,935	2.45	1,628	23.5%	148	66
Putnam	37,963	12,917	2.51	3,062	23.7	445	54
Tippecanoe	172,780	65,532	2.38	29,517	45%	2,257	200
Hendricks	145,448	52,368	2.67	10,218	19.5	600	122

* According to our research we have approximately 1000 rental possibilities for assistance.

**There are 56 units in Historic Whitlock, 80% that must serve over 40 years of age.

The numbers on this chart do not match the number of vouchers and subsidized units we indicate in this report. Funding is from different sources, contracts for units are different and each county may or may not have data for the housing that is owned and managed by public housing authorities through the country. We admit we do not fully understand the discrepancies we see in reporting numbers of subsidized housing opportunities. Can you image how confusing it is if you are a consumer?

This table of information seemed to be the best way to compare counties around Montgomery County. This is a private web site using data from a number of sources. The stated goal of the website is to provide reliable information to the low-income consumer of rental housing. Finding affordable housing is a challenge. This website uses data from HUD and other sources. The site has additional information and can be searched by county and state. To add to the confusion the housing type is named for the funding sources: Section 8 Contracts Data Base is compiled by HUD monthly using sources at the Federal Housing Agency.USDA. Section 515 Rural Rental Housing, properties are funded using Section 515 Loans Section 202 and 811 HUD database.

ABANDONED AND DERELICT HOUSING

Report from the Mayor's Office

Barry Lewis, January 2017

Below is the information requested about abandoned/unsafe houses:

- In 2012 City took down three
- In 2013 City took down four houses plus the Old Match Factory
- In 2014 City took down one
- In 2015 City took down two
- In 2016 City took down one
- We are currently in the process of working on three for 2017 (process actually started in 2016)

Total taken down by the City: 11 plus the Old Match Factory

Houses City Had a Hand In:

These were properties where the City did not take down the structure but we had either filed paperwork or told the owners we were going to file paperwork and they opted to take down the structures themselves.

- In 2013, 3 more
- In 2014, 4 more
- In 2015, 1 more
- In 2016, 4 more
- **Total number:** 12

Overall then this administration has had a part of taking down **23 houses plus the Old Match Factory.**

Where does the Money Come From?

The money used to take these houses down comes from a Rehab Fund. This fund had money in it from several years ago. The only money that goes back into this fund is when/if we collect the money from the property owners after they are billed. Most of the time we do not collect that money and a lien is placed on that property.

Crawfordsville Clerk Treasurer Terri Gadd could probably shed more light on this subject as once we turn the houses over to the Board of Works and the contracts for demolition are complete my office is pretty much finished with the process. Terri's office bills the owners and places a lien if needed.

How are Houses Identified?

This is not an exact science, but the process normally begins with complaints. Some are on our radar just from my driving around town enforcing other codes. Just because a house is abandoned or may look bad does not mean it is unsafe. In order to be demolished it needs to be structurally unsafe.

Houses with broken windows or siding coming off are not considered unsafe buildings. One of the most telling factors is a building's roof. If it is collapsing, or falling in, or has holes there is a good chance it will be deemed unsafe. A bad or collapsing roof can destroy the integrity of a building quite rapidly.

Most of the time, if I see a house that I think might fit the criteria, I talk to Building Inspector Jeff Davenport and ask him to take a look. If he concurs that it is structurally unsafe then we begin the process by sending that property to the attorney to begin a title search.

This is a very long process from start to finish because of all the required paperwork, advertising, public hearing, etc. This can easily take six to nine months if there are no issues.

How Many are on the Current List?

For 2017 we anticipate targeting five to seven properties. Traditionally we try to identify five to eight houses which we would like to target in a given year. Then work off that list. As explained above a lot of times we send out a first notice and the homeowners decide it's in their interest to take it down themselves. If they don't we will begin our process.

What has happened a lot in the past couple of years is we begin the process and the house gets sold in a Tax sale or certificate sale and the new owner fixes it up which is the best case. In a perfect world we would like to have the homeowners either take down the houses themselves or rehab the houses.

We had two or three houses that were on the list last year that were bought and fixed up or fixed up enough to take off our list.

COMMUNITY HOUSING NEEDS

Local realtor and County Councilman Greg Morrison reported there is a general consensus that there are more buyers than houses for sale, especially in the \$200,000 range. There also is the need for more condos, and market rate apartments. It is difficult to compete with places like Brownsburg when executives and other professionals come to work in Crawfordsville and Montgomery County and have little choice in desired housing. Also, we learned that In order to attract more high-end retail businesses our population will need to grow by 4-5,000.

The report displayed on the following page comes from the Indiana Association of Realtors. It compares the Montgomery County real estate market at the end of 2015 and 2016.

Local Market Update for December 2016

A RESEARCH TOOL PROVIDED BY THE INDIANA ASSOCIATION OF REALTORS®

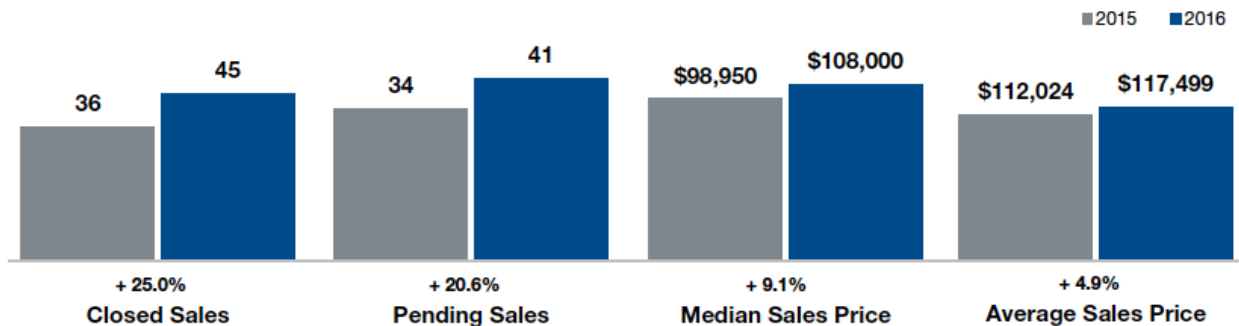


Montgomery County

Key Metrics	December			Year to Date		
	2015	2016	Percent Change	Thru 12-2015	Thru 12-2016	Percent Change
New Listings	31	17	- 45.2%	607	639	+ 5.3%
Closed Sales	36	45	+ 25.0%	455	513	+ 12.7%
Median Sales Price	\$98,950	\$108,000	+ 9.1%	\$103,000	\$110,000	+ 6.8%
Percent of Original List Price Received*	92.9%	93.1%	+ 0.2%	91.6%	92.8%	+ 1.3%
Months Supply of Inventory	4.7	3.7	- 21.3%	--	--	--
Inventory of Homes for Sale	178	158	- 11.2%	--	--	--

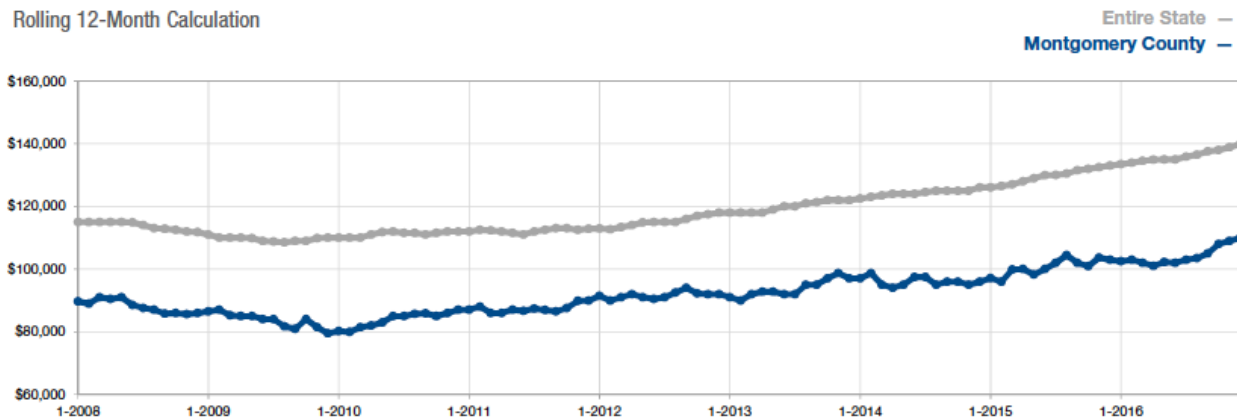
* Does not account for list price from any previous listing contracts. | Activity for one month can sometimes look extreme due to small sample size.

December



Median Sales Price

Rolling 12-Month Calculation



A rolling 12-month calculation represents the current month and the 11 months prior in a single data point. If no activity occurred during a month, the line extends to the next available data point.

RENTAL UNIT REGISTRATION

Ordinance 34-2016, Adopted by the Crawfordsville City Council December 12, 2016

Highlights of the ordinance compiled by Virginia Servies for the Economic Health Committee

- Certificate issued by the Planning Department documents that a rental has passed inspection.
- Inspection is done by the Planning Director or designee, Fire Inspector, Fire Chief or other officer, County Health Officer
- Owner holds title to the property. The owner must keep the rental unit safe and habitable. In compliance with all rules and regulations, ordinances and statues.
- Annual registration fee is \$5.00 for each parcel of real property. The fee is due annually January 31.
- Rental unit communities will require only one registration form and one \$5.00 fee.
- Initial Registration is due January 31, 2017. Thereafter 30 days after obtaining ownership of rental property.
- Owner of rental property must verify compliance with Homestead Property Tax Deduction rules annually.
- Routine inspection is required every five years. Notice is required in writing 72 hours before the inspection. Property is exempt from inspection if it is managed by a professional real estate manager, or if HUD or the bank has made an inspection.
- Violations must be repaired with 15 days of notice. The re-inspection of the unit will cost \$100.00.

PROPERTY UPKEEP

Crawfordsville IN Code of Ordinances

Chapter 96: Nuisances; Health & Safety

§ 96.01 NUISANCE CONDITIONS DECLARED.

A) All owners of real estate in the city shall be under a duty to remove or cause to be abated any public nuisances as defined herein. The duty shall also extend to the parkway or other strip of ground lying between private property and the curb or paved portion of the street.

(B) The following conditions are hereby declared public nuisances:

(1) Whenever weed or rank vegetation are on urban property and are not cut, mowed or otherwise eliminated.

(2) Whenever any vegetation exists on private property in close proximity to any municipal property or governmental right-of-way or easement which because of its location, size or condition interferes with the public safety or lawful use of such property, right-of-way or easement.

(3) Whenever any tree, shrub, vine or plant may be standing adjacent to any public street, so as to obstruct thereby the vision of travelers along such street.

(4) Whenever any dead, decayed, broken or dangerous limbs overhang or are close to a public way.

(5) Whenever any tree or other vegetation may overhang the surface of a public way below a clear height of a least eight

feet so as to interfere with the passage of light from the street lighting system.

(6) Whenever a building or premises is not maintained in a clean, orderly or sanitary manner in compliance with any federal, state or local law, or regulation.

(7) Whenever any exterior property area is not maintained in a clear and sanitary condition, free from any accumulation of rubbish or garbage.

(8) Whenever any building or accessory structure is structurally unsound or otherwise unsafe and dangerous to life, limb or property.

(9) Whenever premises shall not be graded and maintained so as to prevent the accumulation of stagnant water thereon, or within any building or structure located thereon.

(10) Whenever buildings shall not be kept free from insect and rodent infestation. Where insects and rodents are found, they shall be promptly exterminated by acceptable processes which will not be injurious to human health. After extermination, proper precautions shall be taken to prevent reinfestation.

(11) Whenever any property is abandoned, neglected, or disregarded so as to permit the same to be cluttered with an accumulation of litter or waste including but not limited to waste paper, rags, cans, bottles, boxes, lumber, metal, garbage, trash, disused or inoperable vehicles, trailers, machinery, appliances, or furniture thereon, unless specifically authorized by law.

(12) Whenever any storage of manure, odor or dust producing materials of any kind is allowed to occur within 50 feet of any adjoining lot line.

(13) Whenever any animal other than a household pet is kept within the city limits, provided, however:

(a) The term "household pet" as used in this chapter shall not include ducks, chickens, rabbits, goats, sheep, swine or other animals not customarily kept as family pets.

(b) One horse or pony may be kept within a private stable if such lot or tract contains at least two acres and one additional horse or pony may be kept for each additional one-half acre.

(c) Customary farm animals may be kept on a noncommercial basis when adequately housed and fenced on a parcel of land not less than 10,000 square feet in area.

(d) Any area now within the corporate limits or hereafter annexed which is now used as part of a farming operation, saddle club, veterinarian, sale barn, 4-H or fairground, and associated activities may continue such usage.

(e) Notwithstanding any of the foregoing exceptions, this chapter shall not be construed to contravene the Zoning Code set forth in Chapter 153.

(14) Whenever stables and buildings housing other farm animals are located closer than 100 feet of any lot line.

(C) The City Sanitarian, or other city official who may be designated by the Board of Public Works and Safety shall enter upon and inspect properties in the city, and if real estate is found whereon such public nuisances exist, he shall serve notice in writing on the owner of such real estate requiring the owner to remove or abate such nuisance within five days after serving such notice. Service of the notice shall be made by personally delivering a copy of the notice to the premises and delivering the same to the owner thereof, or posting notice upon the entry way to the premises if the owner of the premises cannot be located or refuses to accept delivery of the notice, or by sending a copy of the notice by certified mail or other public means by which a written acknowledgement of the receipt may be requested and obtained from the addressee. Service shall be deemed to have been made as of the date of the posting of such mail or notice. The City Sanitarian or other city official shall report such failure to the Board of Public Works and Safety. Such Board may thereupon, after review of the facts, order the appropriate department of the city to enter upon such real estate and remove and abate such nuisance. Such department, after having performed such work, shall certify the actual cost of performing the same. The city shall thereupon bill the owner for such work. If the owner fails or refuses to pay such charges within a reasonable time, the city shall certify such charges to the appropriate county official to be taxed against such real estate and collected as other taxes were collected. The liability for the expense of removing or abating such nuisance shall be in addition to any penalty for violation of this action of the city code which may be imposed.

('85 Code, § 6.09) (Ord. 50-1975, passed - -75; Am. Ord. 12-1997, passed 8-11-97) Penalty, see § 96.99

§ 96.02 NUISANCE ABATEMENT.

(A) No person shall create, continue or maintain any nuisance.

(B) A nuisance is any act, place or condition which is offensive or dangerous to the public health, safety, peace, comfort or repose, and includes but is not limited to accumulations of filth, decaying organic matter, stagnant water or any other condition defined in § 96.01 (B).

(C) Whenever the City Health Officer, City Sanitarian, Street Commissioner, police officer, or any other city official who may be designated by the Board of Public Works and Safety, has reason to believe that a nuisance exists on any property in the city or within two miles of the limits thereof, he may enter upon such property for the purposes of inspection for such a nuisance. If upon such inspection a nuisance is found, the inspecting officer shall notify the owner or occupant in writing to do whatever is necessary to abate the nuisance within a reasonable period not longer than five days.

(1) If the owner or occupant is not found, the notice shall be served by mailing a copy of the notice to the owner's address, if known; and if the owner's address is unknown, by posting such notice in a prominent place on the property where the nuisance was found.

(2) If upon the expiration of the period stated in the notice the owner or occupant of the property has not abated the nuisance, the City Sanitarian or other officer of the city shall make such steps as may be necessary to abate the nuisance, including the hiring of labor and purchase of supplies.

(3) The cost of abating the nuisance shall be certified to the Council at its next regular meeting and the Council shall direct the Clerk-Treasurer to pay such costs and this amount shall be a lien against the property and

shall be collected as other taxes are collected. When this amount is collected, it shall be credited to the city treasury.

(‘85 Code, § 6.04; Am. Ord. 12-1997, passed 8-11-97) Penalty, see § 96.99

THE INDIANA HOMESTEAD TAX EXEMPTION

WBAA report

WBAA news director Stan Jastrzebski

Indiana’s Homestead Property Tax Exemption law pertains only to the property where the taxpayer lives. An investigative report by Purdue radio station WBAA discovered 1.8 million homestead exemptions granted in Indiana. The report reveals illegal filings for this exemption amounting to nearly $\frac{3}{4}$ of a billion dollars of lost revenue for Indiana counties. Montgomery County is responsible for sixty to seventy violations accounting for thousands of dollars of lost revenue for our community.

CONTINUED QUESTIONS:

- Do we need better code enforcement?
- Do we need more funding to tear down neglected/abandoned buildings?
- What more can we do to encourage higher priced housing?

POSSIBLE CONSENSUS:

LWVMC supports

1. an efficient process for the identification and destruction of derelict houses.
2. adequate funding to eliminate abandoned and derelict housing in our community.
3. the annual registration of all rental properties in the City and two mile zoning area.
4. vigorous enforcement of housing codes.

Thank you to Mayor Todd Barton, Crawfordsville; Patty Perkins, CHA director; Dave Polley CHA board member; Barry Lewis, code enforcement officer; and Greg Morrison, realtor.

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