



**Testimony of  
Amy Nelson, Executive Director  
Fair Housing Center of Central Indiana  
on HB 1300  
Senate Local Government Committee  
March 25, 2015**

Mr. Chairman and members of the Committee. My name is Amy Nelson and I am the Executive Director of the Fair Housing Center of Central Indiana (FHCCI). The FHCCI is a private, nonprofit organization which began working to end housing discrimination in January 2012. Our mission is to ensure equal housing opportunities by eliminating housing discrimination through advocacy, enforcement, education and outreach.

In 2014, the FHCCI conducted a "Fair Housing Rental Testing Audit" to measure any refusal rates for home seekers using a housing choice voucher (formerly called Section 8) in Marion County, Indiana. This was the first such audit in Indiana. The audit evaluated the scope of this currently *lawful* form of housing discrimination and its impact on housing choice. The FHCCI conducted a total of 51 tests for the audit focusing on housing providers in Marion County, Indiana. The tests showed that those using vouchers faced denial rates of 82%. In areas that are predominantly Caucasian, home seekers with vouchers faced refusal rates of 90%. These are alarming rates of refusal and significantly impact the ability of those who are low-income to find affordable, safe, high-quality housing in the neighborhoods of their choice.

Last year, Proposal 215 was introduced locally which would amend the Indianapolis/Marion County Human Relations Ordinance to include lawful source of income as a protected status from housing discrimination. The proposed source of income definition would include forms of lawful income including rental assistance, such as housing choice vouchers (commonly called Section 8) and VASH. The ordinance would still have allowed housing providers to conduct their routine reference and background checks conducted on all renters to ensure renters who paid their rent on time and abided lease requirements. The ordinance simply would not have allowed a housing provider to reject an applicant, who otherwise met their requirements, solely due to their receipt of a form of lawful income.

To date, there have been five local hearings on the Proposal at the City/County level debating whether to add this protection. Numerous individuals on both sides have attended the hearings to provide public comment or contacted their council members to give their opinions on the issue. This has been a healthy and needed discussion in the Indianapolis community around

affordable housing needs. The Proposal remains pending.

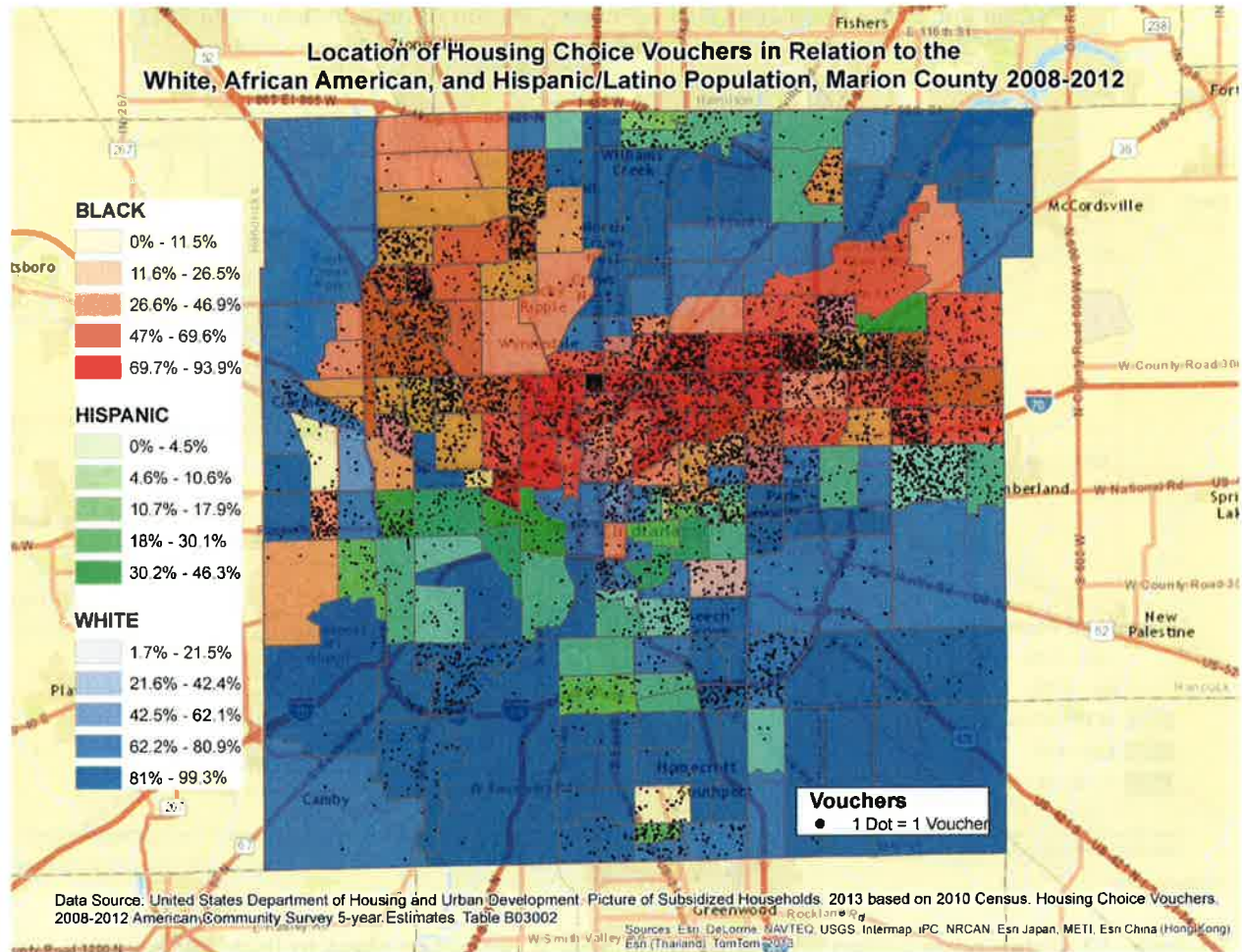
Also in 2014, the City of Indianapolis/Marion County released its draft 2015-2020 Analysis of Impediments to Fair Housing (AI). The AI is a document mandated by the U.S. Department of Housing & Urban Development (HUD) to ensure compliance with HUD funding. As part of the creation of this document, the City had conducted interviews and surveys, and reviewed demographic data to determine any impediments to fair housing choice. In its Impediments and Recommendations Section, the City noted: *"Persons with disabilities, require housing subsidies to afford housing in Indianapolis, yet many landlords in neighborhoods of high concentrations of white populations will not accept Housing Choice vouchers."* The City indicated a "Resolution/Outcome for Task Force" was to "Amend the local ordinance to include source of income as a protected class." See attachment on last page. As part of this recommendation, the City of Indianapolis recently convened a task force to evaluate issues surrounding source of income housing discrimination. The first meeting was held last week and meetings are anticipated to be conducted throughout the summer.

Due to its timing, HB 1300 is clearly a response to efforts in the City of Indianapolis/Marion County to debate the addition of a source of income housing discrimination protection into the City/County Human Relations Ordinance. We urge you to vote against HB 1300 so that cities and localities can continue to determine what best meets the needs of their particular community. What may be needed in Indianapolis, may not be needed in another community, for instance. In Indianapolis where affordable housing is scarce, and local reports on poverty continue to show increasing numbers, the discussion of how to provide affordable housing opportunities to those who are low-income needs to be allowed to occur by policy makers, housing providers, and housing consumers. Only with dialogue and in-depth community discussion can we find ways to address what has become a serious health and safety concern.

In Marion County, voucher holders are overwhelmingly persons of color, female-headed households, and persons with disabilities. According to Census and HUD data, there were 159,157 rental units in Marion County in 2013. The racial component of these households was 53% white, 36% black, 9% Hispanic, and 2% other. Households of single mothers with minor children present comprised 10.3% of the rentals. In contrast, there were 7,247 housing choice voucher households in Marion County, indicating that housing choice holders made up only 4.6% of total renters. However, the racial demographics were more striking with voucher holders being 89% black, 8% white, 1% Hispanic and 1% other. Female headed households with children comprised 56% of voucher holders in Marion County, while persons with disabilities comprised 18%. Thirty-one percent of voucher holders were persons 51 years of age or over as heads of household.

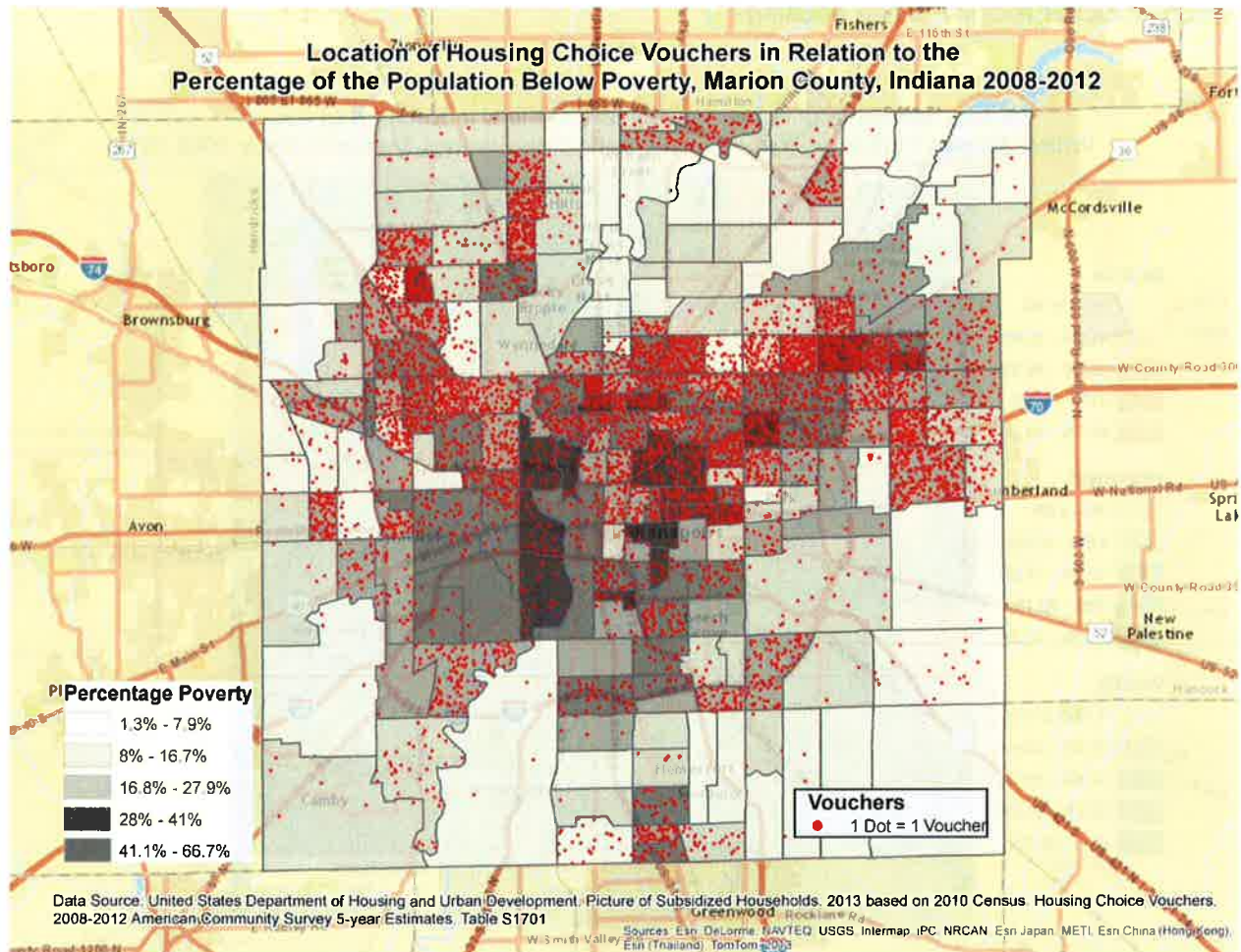
Area voucher holders were also extremely stable renters having resided at their current housing unit on average 81 months according to the HUD data. Also of interest is the income breakdown of those using vouchers in Marion County: 30% receive employment wages but the income is too low to support the family unit (the so-called working poor); 48% of the households have other sources of income; while only 19% rely solely on "welfare" as their main source of income.

The map below shows the location of voucher households in Marion County and that the vast majority of voucher holders are located in the highly segregated neighborhoods of color in Marion County. The FHCCI questioned if this was by choice, or did discrimination play a role in where voucher recipients find housing?





The map below shows the location of voucher holders and that the vast majority of these individuals reside in areas that have the largest percentage of the County's poverty rates; our poorest neighborhoods.



To date, 13 states have added source of income as a protected class to their fair housing law. These states are: California, Connecticut, District of Columbia, Maine, Massachusetts, Minnesota, New Jersey, North Dakota, Oklahoma, Oregon, Utah, Vermont, and Wisconsin.<sup>1</sup> Hawaii is also currently pending a vote.<sup>2</sup> These states have said that due to their unique needs, lack of affordable housing options, and levels of housing discrimination against those due to their source of income or use of housing vouchers, Section 8 can no longer be voluntary. These same jurisdictions have also often put public education programs in place to minimize the stigma against voucher holders and better educate housing providers about the housing choice program.

<sup>1</sup> <http://www.prrac.org/pdf/AppendixB-Feb2010.pdf>

<sup>2</sup>

[http://www.staradvertiser.com/news/breaking/20150202\\_Bill\\_seeks\\_to\\_stop\\_discrimination\\_against\\_Section\\_8\\_tenants.html?id=290605851#comments](http://www.staradvertiser.com/news/breaking/20150202_Bill_seeks_to_stop_discrimination_against_Section_8_tenants.html?id=290605851#comments)

At least 37 cities/counties across the United States have also added source of income housing protection into their City and/or County laws. Nearby localities which include housing vouchers/Section 8 in their definition include: Memphis, Tennessee; St. Louis, Missouri; and Chicago/Cook County, Illinois, to name a few. Austin, Texas recently passed a source of income housing protection ordinance that was then challenged by the industry in court. A Texas federal judge ruled last month that the ordinance should be allowed to stand, noting:

*"To date, the Association's argument has been rejected by every court which has confronted it. ... The Court can see no reason to swim against the current," Sparks wrote, citing cases from New Jersey, Connecticut, and Massachusetts. The ordinance does, he opined, help support the federal housing program's objective of remedying housing shortages for low-income renters and "exhibits the essential features of fair housing law." It also advances an "obviously legitimate government interest" by ensuring that low-income persons, "many of whom are racial minorities, children, disabled, or elderly, have access to affordable housing (and thus to better schools and safer neighborhoods) throughout the City of Austin." The record, wrote Sparks, shows that Section 8 participants "suffer serious discrimination in the Austin private housing market," and those who do secure housing are "concentrated in the poorest areas" of the city. While he did concede that the rule may impose some additional cost on landlords, that consequence fails to outweigh the need for the ordinance."<sup>3</sup>*

We need to ask ourselves what are we doing to address conditions of poverty and ensure safe, affordable housing options in our community? Those who are unable to find affordable housing options are often at risk of homelessness, or driven into often substandard housing located in high poverty and high crime areas. Each week, the State of Indiana receives a new, and more devastating report, on increasing levels of poverty.

- The United Way's 2014 ALICE Report (**ALICE**, an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mloyed) gave Marion County a "Poor" rating on housing affordability.<sup>4</sup>
- A 2014 report by food banks found that Hoosiers are finding increased difficulties in affording basic housing needs and that 63 percent reported choosing between paying for food and paying for housing.<sup>5</sup>
- Is Ending Segregation the Key to Ending Poverty? A recent study in Chicago has found that with some counseling and guidance, families who receive vouchers can have positive and long term outcomes especially if they're directed to homes in high-opportunity target areas.<sup>6</sup>
- Another report found that despite an improving unemployment rate, the number of impoverished and low-income Hoosiers is still on the rise. Whether measured from the beginning of the recession, the start of the official recovery or from the beginning of the

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<sup>3</sup> <http://www.austinchronicle.com/news/2015-03-06/sparks-upholds-fair-housing-ordinance/>

<sup>4</sup> <http://www.unitedwayalice.org/>

<sup>5</sup> <http://feedingindianashungry.org/resources/hunger-in-america-2014-indiana/>

<sup>6</sup> <http://www.citylab.com/housing/2015/02/is-ending-segregation-the-key-to-ending-poverty/385118/>

century, Hoosier families have steadily lost ground, often faster than the U.S. average and all neighbor states.<sup>7</sup>

- A new study has found that poverty has the same effect on the brain as constantly pulling all-nighters. The mental strain of living in poverty and thinking constantly about tight finances can drop a person's IQ by as much as 13 percent, the equivalent of a loss of a night's sleep.<sup>8</sup>
- A recent study has found that living in poverty takes a harsher toll on black Americans than white Americans. "When we did the statistical analysis, the databases showed us that for one unit increase in income inequality ... [there] were 400 to 500 fewer deaths among whites and 27 to 37 [more deaths] among African Americans," Nuru-Jeter told the Guardian.<sup>9</sup>
- Just last month, Indianapolis was ranked the ninth poorest city by CBS Moneywatch: "The recession hit Indianapolis hard. The Annie E. Casey Foundation said the city saw one of the nation's largest increases between 2005 and 2013 in the percentage of children living in poverty. The Brookings Institution says Indianapolis was also among the top 10 U.S. cities with the largest increases in income inequality in recent years. Indianapolis also ranked near the bottom in a Harvard/UC Berkeley economic study of upward income mobility in America's 50 biggest metro regions."

There are numerous other reports I could cite. I share this with you to show that the dialogue in the Indianapolis community needs to be allowed to continue to occur due to its unique needs and circumstances around affordable housing and conditions of poverty. Protection for source of income needs to be part of the discussion on how to address. Housing affordability and conditions of poverty are dramatically impacting the lives of Hoosiers. Localities need to allowed options to best meet their unique, local needs. We urge you to reject HB 1300 and allow local dialogue to continue on this important topic. If you have any questions, I would be pleased to try to answer them.

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<sup>8</sup> [http://thinkprogress.org/economy/2013/08/30/2555601/living-poverty-effect-brain-constantly-pulling-nighters/?utm\\_source=February+2015&utm\\_campaign=February+2015+E-News&utm\\_medium=email](http://thinkprogress.org/economy/2013/08/30/2555601/living-poverty-effect-brain-constantly-pulling-nighters/?utm_source=February+2015&utm_campaign=February+2015+E-News&utm_medium=email)

<sup>9</sup> [http://www.theguardian.com/money/us-money-blog/2015/jan/05/rising-income-inequality-deadlier-for-black-americans-study?utm\\_source=February+2015&utm\\_campaign=February+2015+E-News&utm\\_medium=email](http://www.theguardian.com/money/us-money-blog/2015/jan/05/rising-income-inequality-deadlier-for-black-americans-study?utm_source=February+2015&utm_campaign=February+2015+E-News&utm_medium=email)



The following items have been presented to the City of Indianapolis, but require coordination by multiple City departments. The City of Indianapolis will establish a Task Force among the City departments and divisions that would be responsible for implementation of any of the possible changes, to meet at least four times per year to discuss possible resolutions or outcomes to Impediments to Fair Housing.

Impediment/Challenge	Resolution/Outcome for Task Force
REO owned properties in neighborhoods of color were more likely to be in disrepair than those in white comparison communities	Establish a vacant property registration and maintenance program to require banks, investors and services to provide transparency regarding the ownership and servicing of empty properties.
REO owned properties in neighborhoods of color were more likely to be in disrepair than those in white comparison communities	Promote program through Renew Indianapolis to sell vacant property to owner occupants before investors.
 Persons with disabilities, require housing subsidies to afford housing in Indianapolis, yet many landlords in neighborhoods of high concentration of white population will not accept Housing Choice Vouchers	Amend the local ordinance to include source of income as a protected class.
Older housing stock is difficult for persons with disabilities to not only live in, but to visit.	Seek a local ordinance that would require new construction of residential properties to meet visitability standards.

The City of Indianapolis will use partnerships with State Government, local non-profit housing providers, local public service providers or community development advocacy groups to go beyond the steps listed in this plan to promote fair housing. The City of Indianapolis will support other initiatives by the State of Indiana and Hamilton County, both jurisdictions with their own *Analysis of Impediments to Fair Housing*, to promote fair housing. Such initiatives may include education programs related to fair housing, homeownership training or landlord/tenant legal services. Such additional efforts may be listed in annual reports but the above initiatives and resolutions will be completed by the city of Indianapolis over the next five years, 2015-2019.

