



**Analysis of Impediments
to Fair Housing Choice
in Muncie, Indiana
2011**

EQUAL HOUSING
OPPORTUNITY

◀ Acknowledgments

Prepared by

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Muncie – Great expectations, excellent results.

◀ Introduction

The Analysis of Impediments to Fair Housing Choice (AI) was prepared by the City of Muncie Community Development Department staff in accordance with requirements of the U.S. Department of Housing and Urban Development (HUD). In order to receive federal grant funds for housing and community development, Muncie is required to prepare a Consolidated Plan describing needs, resources, strategies, priorities and proposed actions. The Consolidated Plan includes an annual certification by Muncie that it is taking actions to Affirmatively Further Fair Housing (AFFH). The purpose of these actions is to eliminate discrimination and segregation in housing on the basis of race, color, religion, sex, age, disability, familial status or national origin, and to expand housing choices for all residents of Muncie. As part of the effort to achieve this goal, HUD requires communities to engage in fair housing planning. This process requires the development of an Analysis of the Impediments to Fair Housing Choice (AI). The AI will serve as the substantive, logical basis for fair housing planning, and provide detailed information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates.

The contents of the AI involve the following:

- A review of a City's laws, regulations, and administrative policies, procedures and practices;
- An assessment of how those laws, policies and practices affect the location, availability, and accessibility of housing; and
- An assessment of public and private sector conditions affecting fair housing choice.

According to HUD, impediments to fair housing choice are:

- Any actions, omissions, or decisions **taken because of** race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choices.
- Any actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing choices **on the basis of** race, color, religion, sex, disability, familial status, or national origin.

The AI consists of three broad areas:

- An overview of demographic, economic, and housing market conditions in Muncie, particularly related to housing choice.
- A profile of fair housing in Muncie, including current laws, policies, practices, and fair housing complaints.
- A description and discussion of various market and public policy impediments to fair housing choice.

Federal Fair Housing Act

The Federal Fair Housing Act, passed in 1968 and amended in 1988, prohibits discrimination in housing on the basis of race, color, national origin, religion, gender, familial status or disability. The Fair Housing Act covers most types of housing activity including rental housing, home sales, mortgage and home improvement lending, and land use and zoning. Excluded from the Act are owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a real estate agent or broker, housing operated by organizations and private clubs that limit occupancy to members, and housing for older persons.

HUD has the primary authority for enforcing the Fair Housing Act. HUD investigates the complaints it receives and determines if there is a "reasonable cause" to believe that discrimination occurred. If reasonable cause is established, HUD brings the complaint before an Administrative Law Judge. Parties to the action can also elect to have the trial held in federal court (in which case the Department of Justice brings claim on behalf of the plaintiff).

State Fair Housing Act

In addition to the Federal Fair Housing Act, many states and localities have their own fair housing laws, some of which offer additional protection to particular classes of individuals. The Indiana General Assembly passed the Indiana Fair Housing Act in 1991. In general, the Act provides the same protection as the Federal Fair Housing Act. The Indiana Civil Rights Law also provides protection from fair housing discrimination and covers all types of properties (commercial and residential, regardless of the number of units owned) and includes all of the protected classes under the Indiana Fair Housing Act, except for familial status.

Muncie Code of Ordinances • Section 34.80

The Muncie Human Rights Commission was established with the purpose of providing and promoting “equal opportunity for education, employment, access to public conveniences and accommodations, and acquisition through purchase or rental of real property including but not limited to housing, and to eliminate discrimination based on race, religion, color, sex, handicap, ancestry or national origin since such discrimination is an impediment to equal opportunity.” The Commission is also charged with protecting “employers, labor organizations, employment agencies, property owners, real estate brokers, builders, and lending institutions from unfounded charges of discrimination.” Section 34.80-34.87 may be seen at

http://www.cityofmuncie.com/upload/assets/db_Documents/Muncie_IN_code_of_ordinances_12_04.pdf

◀ Methodology and Participants

The AI update was prepared by the City of Muncie, Community Development staff, with research and published data and analysis included in the *Muncie Action Plan* completed July, 2010. Staff reviewed City laws, regulations and administrative policies that affect the provision and supply of housing in Muncie, identified and made recommendations for alleviating impediments to fair housing choice.

Procedure for completing the Analysis of Impediments:

- **Community Profile** • In preparing the *Muncie Action Plan* in 2010, consultants reviewed a wide of variety of existing studies, plans, demographic, economic, and employment data, and housing market information for Muncie (see complete list in *MAP Conditions and Trends, Volumes 1-3*).
- **Local Fair Housing Policies** • Staff reviewed information, procedures and materials used by the City and other entities to affirmatively further fair housing, including (1) educating Muncie residents about their fair housing rights, (2) educating housing providers, lenders, realtors, and others regarding fair housing laws, and (3) the City’s processing of fair housing complaints.
- **Surveys and Interviews** • During preparation of the Five-Year Consolidate Plan, Community Development staff prepared and advertised a survey, resulting in 617 respondents, which included both online and hard-copy. The survey asked questions about housing discrimination and knowledge of how to file a complaint.
- **Identification of Impediments** • Examined data to identify impediments and determine what barriers to fair housing exist in Muncie.
- **Recommendations to Address Impediments** • Developed a recommended action plan for addressing the identified impediments, and monitoring fair housing and recordkeeping activities.

◀ Community Overview

This section is excerpted from the Muncie Action Plan, Conditions and Trends, Volume 1, ACP Visioning + Planning, April, 2010 (prior to 2010 Census).

Transitional population

Muncie is a community that has seen significant changes to its population in the past several decades. These changes include:

- A shrinking population in Muncie, while growth occurs elsewhere in Delaware County;
- An aging population, as young adults with children are leaving at a greater rate than older people;
- Ball State University's increasing enrollment having a growing influence on the community's demographics and identity;
- A shrinking household size which generates new demand for housing even while the population declines; and
- Lower than average, but improving levels of educational attainment, along with the growing influence of Ball State University and Ivy Tech Community College.

These changes are challenging the community's identity. While some segments of the population lament these challenges, others acknowledge and welcome them as opportunities to plan for Muncie's future.

Major disinvestment

Over the past few decades, Muncie has experienced significant disinvestment that has yielded employment losses, underutilized or vacant land, abandoned buildings, and insufficient maintenance of or improvements to infrastructure. This continuing pattern of disinvestment is exhibited through:

- Closures, relocations and labor reductions across major sectors of the local economy including losses of large employers such as Bog Warner, Westinghouse, and Ball Brothers, which have reduced employment and left numerous vacant sites;
- Decline in residential construction since 2003 in both Muncie and the County;
- High housing vacancy rates, fueled in part by employment losses, changing demographics, and an older housing stock that does not compete well with newer construction in terms of price and quality;

As this trend of disinvestment continues, it can have a domino effect whereby the symptoms become more challenging to address. As physical conditions in neighborhoods decline, it can encourage further disinvestment and hamper revitalization efforts.

Inefficient use of land

Muncie's land use patterns can be characterized as sprawling outward growth while older developed areas become increasingly underutilized. The following trends portray an inefficient use of land:

- While the population and number of households has declined, the city's area and developed land has increased;
- A large number of manufacturing facilities have closed leaving vacant or underutilized industrial sites. These sites have varying degrees of contamination and will need to be cleaned before they can be redeveloped;
- Much of the growth that has occurred on the city's edges has been in a low density, seemingly haphazard, automobile-oriented pattern. This growth has been driven by infrastructure investments in the form of roads and utilities, while areas near the city's core exhibit low levels of property and infrastructure upkeep; and
- Neighborhoods and commercial developments lack connectivity in the form of safe pedestrian and bicycle routes.

Declining prosperity

Like much of the Midwest "Rust Belt," Muncie and Delaware County have been undergoing an economic shift away from a heavy manufacturing economy due to changes in the global economy such as technological advances and increasing international competition. With fewer employment opportunities for a largely low-skill blue collar workforce,

these cities have seen rising unemployment, declining wages and shrinking populations. This shift has been pronounced in Muncie due to the city's relatively high reliance on manufacturing. Muncie's declining prosperity is exhibited by:

- Job losses across most sectors of the local economy since 1998, with the largest losses experienced in the manufacturing sector;
- Decreasing average wages in real terms (as employment shifts from well-paid blue collar jobs to the service sector), despite rising wages in some sectors of the economy;
- "Brain drain", where the community's brightest people leave for educational and economic opportunities elsewhere; and
- Declining number of households, which has a negative impact on commercial and business activities.

Economic disparity

The economic shifts and disinvestment have impacted a majority of the Muncie population, but the impact has not been experienced equally. Some segments of the community have seen relatively little direct impact, while other people have been particularly hard-hit. This result has been an increasing divide between so-called "haves" and "have-nots." This trend is particularly evident in:

- Low-skill workers have been hit hardest, as large numbers of well-paying manufacturing jobs have been lost, while there have been smaller declines and some employment increases in professional and semi-professional fields.
- There also seems to be polarization of the economic spectrum, with a growing void in the middle income population and middle class.

Distinct and disparate geographies

Muncie lacks a strong, unified community identity, but rather has competing identities based upon the section of Muncie people live in. These different identities are rooted in differences (both perceived and real) in the physical and demographic characteristics of neighborhoods. These geographic disparities are strongest between residents of the south side and north side of the city, but also exist between various inner-city neighborhoods. They include:

- Racial segregation, where the African American minority is concentrated in two neighborhoods;
- Higher population density on the south side of Muncie, but also more property abandonment and deterioration on the south side compared to the north side; and
- Higher rates of poverty and unemployment on the south side. North side population is generally more educated and affluent;

Fiscal Stress

Changing economic conditions have also impacted the city's fiscal health. Tax revenue has been impacted by:

- Increasing numbers of vacant and abandoned properties, leading to lower property tax collection; and
- Commercial and industrial facilities closures with associated job losses, which reduces payroll tax revenue.

Selective reinvestment

Despite the strong trend of disinvestment previously mentioned, Muncie has also experienced notable reinvestment in recent years. This new investment includes publicly-funded efforts and private investment such as:

- Recruitment of new employers such as Sallie Mae and IBM which have brought or will bring an estimated 1,700 jobs to the area;
- Ball State University's investment in downtown Muncie through the Center for Media Design;
- Ivy Tech Community College relocating to downtown Muncie, which will likely generate additional demand for development in city's core;

- Tax abatement programs, micro loans, and job training assistance provided by the Economic Development Alliance; and
- A number of redevelopment and revitalization efforts such as the downtown facade restoration, brownfields assessment, vacant housing demolition, and land bank programs.

◀ People

This section describes key population and household characteristics and their implications on Muncie and Delaware County.

Population

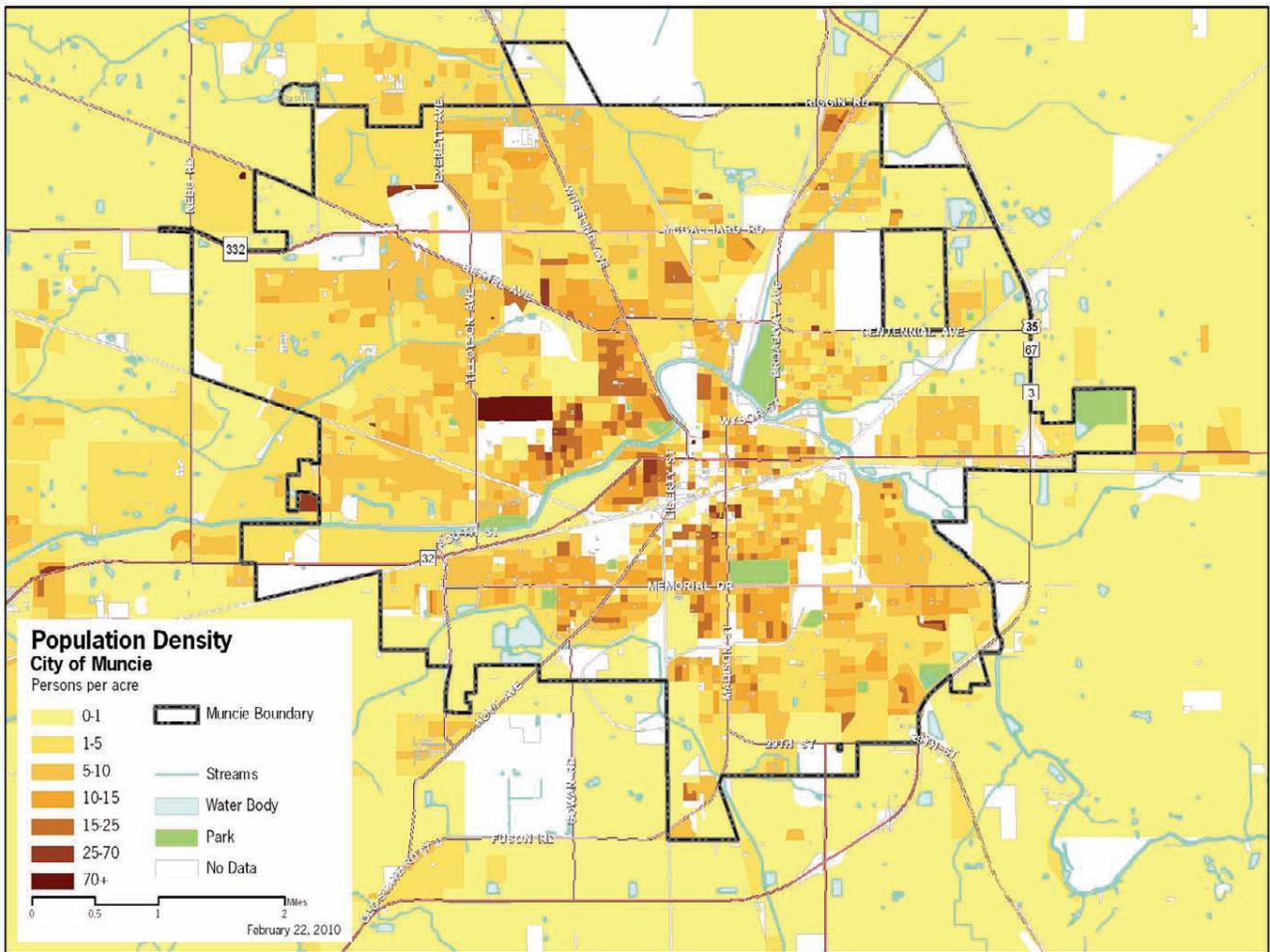
Muncie is part of a region of Indiana that has been slowly, but consistently losing population since 1980. In regions of the state (and nationwide) that are adding population, most of that growth is happening in newer suburban and rural areas, while older urbanized areas in general have been declining in population. In this context the populations of Muncie and Delaware County mirror larger trends, but in many respects Muncie has seen the extreme of these trends. The rate of population decline in Muncie has exceeded that in the region overall, even as the city expands to consume more land. Delaware County (outside of Muncie) has seen some growth since 1990. Unfortunately, most of this growth can be attributed to movement from Muncie or other areas of the state. Accompanying this population movement is a continuing loss of agricultural or open space land while older developed areas become underutilized. This has meant that many older areas struggle to maintain their infrastructure amid a shrinking tax base.

- **Long trend of population decline in Muncie.** Muncie’s population peaked in 1980 and has experienced continuous decline since then, totaling almost a 20% loss in population. The rate of decline was greatest during the 1980s and slower during the 1990s. From 2000 to 2008, the population continued to decline at a rate slightly greater than that during the 1990s. 2008 Census estimates placed the Muncie population at about 62,490. (*U.S. Census*)

Table 1 • Population change 1950-2000				
Year	Muncie	Delaware Co. minus Muncie	Indiana	United States
1950	58,479	31,773	3,934,224	151,325,798
1960	68,603	42,335	4,662,498	179,323,175
1970	69,082	60,137	5,195,392	203,302,037
1980	77,216	51,371	5,490,210	226,542,250
1990	71,035	48,624	5,544,159	248,709,873
2000	67,430	51,339	6,080,485	281,421,906
2008	62,490	52,627	6,335,595	301,237,703

- **Excluding Muncie, Delaware County slowly growing.** Since 1990, the population of Delaware County, excluding Muncie, has grown. The population increased 6% during the 1990s and an estimated 3% since 2000. This growth rate is slightly lower than the average growth in the state of Indiana during these periods (10% and 4% respectively). 2008 Census placed the population for Delaware County excluding Muncie at between 49,710 and 52,627 and the entire county population at between 114,685 and 115,117.

- **Population density highest near Ball State and neighborhoods surrounding downtown.** According to the 2000 Census, the highest concentrations of population within Muncie occur in the vicinity of Ball State University and Ball Memorial Hospital and in the neighborhoods immediately to the south and east including Riverside/Normal City. The neighborhoods surrounding downtown, particularly those to the immediate south and east, are generally the most dense in the city. These include the Old West End; Thomas Park/Avondale; South Central; East Central; McKinley; and Anthony neighborhoods. Overall, the south side of Muncie is more densely populated than the north side. The northeastern quarter of the city is the least densely populated.



- **Ball State student population not decreasing with Muncie population.** The on-campus enrollment at Ball State (BSU) has continued to grow even while the overall population of Muncie has declined. In 2004, BSU recorded its highest enrollment with over 18,000 on-campus students. At that point the BSU student population represented slightly more than 26% of the total Muncie population. Since 2004, on-campus enrollment has fallen slightly, to just under 17,000, while the overall Muncie population has also declined, maintaining the ratio of on-campus BSU students at about 26% of the Muncie population.

Race

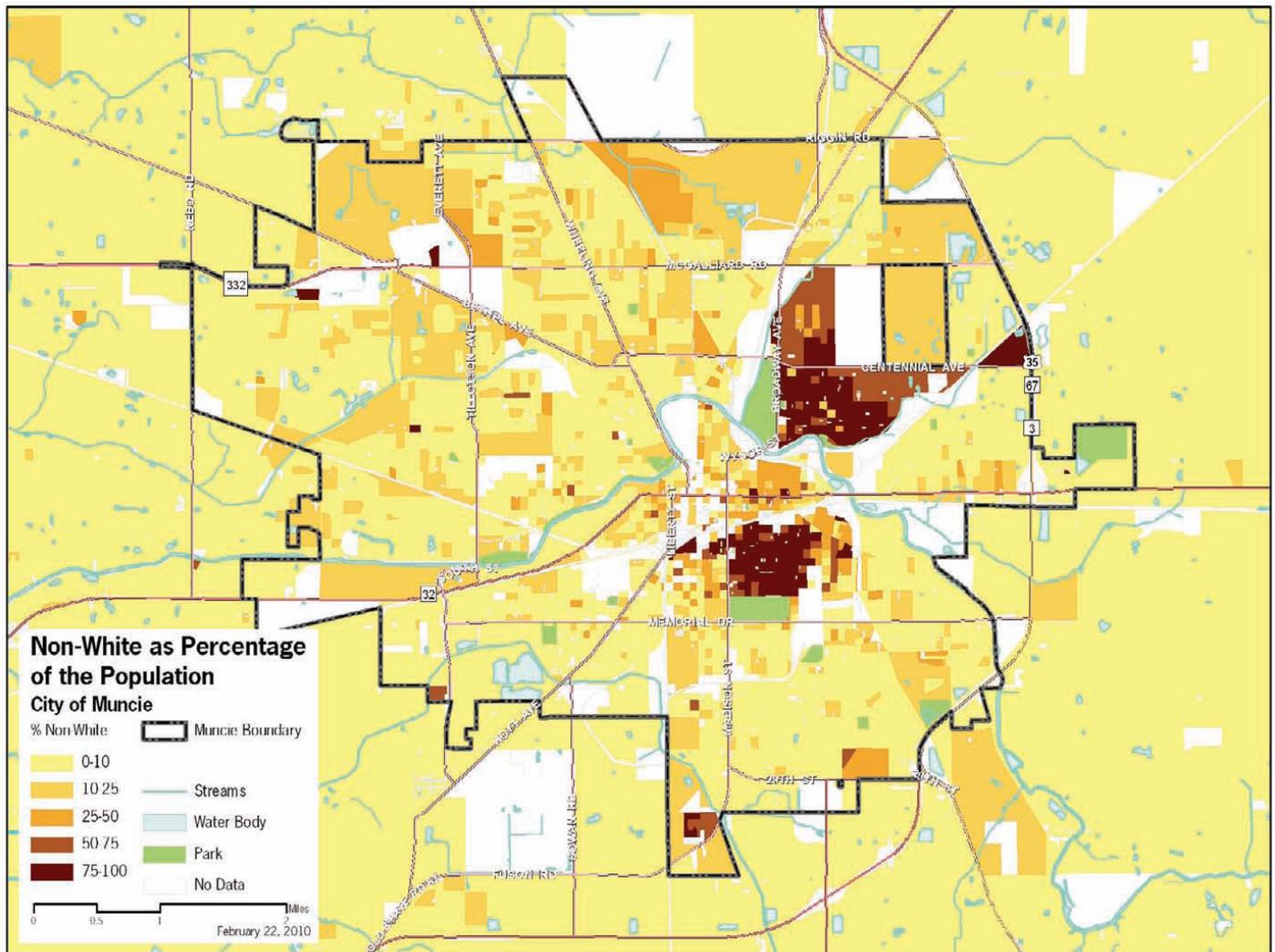
For much of the city's history, Muncie has contained a significant African American minority. This minority is significant not so much because of its size (the city's overall diversity is similar to Indiana's average and is less than the national average), but because Muncie's racial composition—particularly the African American population—is historically relevant to the community's identity. Amid a history of Ku Klux Klan activity and civil rights confrontations, racial divisions have existed in the community for generations. These divisions exist today and are evident in the composition of neighborhoods and perceptions among various groups in the community.

- **Larger proportion of African Americans than county and state.** Muncie's African American population has held fairly steady recently, composing between 10% and 11% of the population since 1990. The state average is slightly lower, increasing from just below 8% in 1990 to just below 9% in 2008. However, in Delaware County outside of Muncie, this proportion is much lower, peaking at just above 1% of the population in 2000 and then falling again to just over 0.5% in 2008.

- **Increasing racial diversity in both the city and county.** The non-White proportion of the population in Muncie has increased from about 11% of the population in 1990 to about 15.5% in 2008. Indiana experienced a greater increase during that time period, but still has a slightly lower proportion than Muncie (14%). Delaware County

outside of Muncie has also seen the proportion of non-Whites increase, but only slightly—that group still only comprised 3.3% of the total population in 2008.

• **Significant racial segregation within Muncie.** In 2000, Muncie was a clearly segregated city as the map below shows. The non-White population within most of the city’s neighborhoods was either less than 10% or greater than 75%. The Industry (South Central) and Whitely neighborhoods were the only places dominated by minorities, where parts of these neighborhoods were nearly 100% non-White. Most of Muncie’s African Americans live in these two neighborhoods. There are a few places within the East Central, Blaine, and the Old West End neighborhoods that have a somewhat mixed population, but even in those places, the non-White population only makes up between 10-25%, a significant minority. Most of the city’s other neighborhoods, particularly on the northwest side and far south end are primarily White.



Household makeup

In most populations within the U.S., the average household size is shrinking. This trend is due to people marrying and having children later in life, which means there are more single-person households than in generations past. Families also are having fewer children on average, and it is less common for extended families to live together under one roof. Households in Muncie and Delaware County follow these national trends. Between 1990 and 2000, the number of households in Muncie increased slightly, despite a declining overall population. This phenomenon has implications for development demand that may—on the surface—appear counter-intuitive. The overall population has declined, but

because of the declining household size, there are more households and potentially demand for more residential development.

- **Shrinking household size.** In 1990 the average household size in Muncie (2.3) was notably lower than that in Indiana (2.6) or the U.S. (2.6). However, like those places, the average household size has been trending downward since the 1970s. Since 1990, the average household size in Muncie has continued to fall, to about 2.1 in 2008, while Indiana has only slightly declined (2.5) and the U.S. average has remained stable at 2.6. Muncie's shrinking household size could be attributed the increasing proportion of college-age people and senior citizens, who largely comprise single- and two-person households.
- **Number of households increasing or remaining stable, amid population changes.** Whereas the population in Muncie has been shrinking, the number of households increased slightly between 1990-2000. Since 2000, the number of households in Muncie has fallen 5%, below 1990 levels, while the population has fallen about 7%. The number of households in Delaware County outside of Muncie increased 3% since 2000 while the population of those areas also increased by about 3%. This approximately one-to-one change makes sense when considering that group primarily responsible for the population growth since 2000 was the 20-24 age group, which is often comprised of single-person households.

◀ Additional Observations

In addition to the population characteristics mentioned, Muncie has other characteristics which set it apart from state and national trends. These include:

- **Higher than average proportion of people with disabilities.** Based on 2008 estimates, the percent of the population who have at least one disability is 12.1% for the U.S. and 12.6% for Indiana. In Muncie, this rate is 17.6%. That higher rate of disabled persons is seen across all age groups over age 18, but it is most significant among younger adults aged 18-34. Among the population aged 18-34, the percentage of disabled in the U.S. and Indiana is 1.5%, versus 4.3% in Muncie. For the population aged 5-17, Muncie's disability rate (0.6%) is below state and U.S. rates.

Land Use

- **Brownfields and Environmental Issues.** Although Muncie is a city with a rich industrial history, many of the companies that once operated in the city have left, leaving several abandoned factories and industrial sites – commonly known as “brownfields” – in their wake. These usually large sites pose opportunities for development, but also threats in the form of contamination and costly demolition. The city has begun administering an EPA grant assessing seven former industrial sites with a total area of 45 acres; a subsequent grant will help fund the redevelopment of these sites. While these seven sites have been identified by the Muncie Redevelopment Commission, it is not a complete inventory of brownfield sites in Muncie. In addition to brownfield sites, the Indiana Department of Environmental Management has identified the following in Muncie: 194 underground storage tanks (107 of which are leaking); 35 industrial waste sites, predominately in the southern half of the city; 29 sites subject to environmental regulation or of environmental interest to the EPA; 3 permitted solid waste sites (landfills); 3 petroleum wells; 1 septage waste site; and 1 tire waste site. All of these sites — but especially the leaking underground storage tanks — have the potential to cause serious groundwater contamination, which can spread rapidly and is extremely difficult to remediate. (*Muncie Redevelopment Commission and Parks and Recreation Master Plan*)
- **High housing vacancy rate, increasing.** In 2008, the Census Bureau estimated that of Muncie's 30,819 housing units, about 16% of them (approximately 5,000) were vacant. That is about double the vacancy rate in the rest of Delaware County (8% in 2008) and significantly higher than state and national levels (11-12%). Not only is the vacancy rate higher in Muncie, it is also increasing at a faster rate. Between 1990 and 2008, the U.S. vacancy rate only increased by about 19%; Indiana's increased at about double that rate (40%), whereas the vacancy rate in Muncie increased twice as fast as that of Indiana – an 85% increase. (*2008 ACS 3-Year Estimates – U.S. Census*)

◀ Housing Conditions & Vacancy

This section is excerpted from the Muncie Action Plan, Conditions and Trends, Volume 3, Randall Gross/ Development Economics, April 26, 2010. Data refer to 2000 Census Tract boundaries.

Muncie, like many Midwestern cities, has an aging housing stock and a limited supply of new housing to compete with suburban locations. More than 50% of the city's stock was built prior to 1950, with nearly one-quarter constructed prior to 1939. Housing quality in the U.S. is often related to the era in which the housing was built. For example, housing built during the 1920's was often constructed using high-quality materials molded by master craftsmen, many of whom were immigrants who brought unique skills honed over centuries in countries like Italy. Because the 1920's saw rise to affluence and a large middle class, homes tended to be built to high standards.

During the 1930's, hard economic times resulted in a lowering of expectations with respect to housing materials and craftsmanship. Post-war housing was built rapidly, often "off-the-shelf" to fill a tremendous demand. Less attention was given to design, materials, and craftsmanship, and today many homes from the 1950s-1970s depreciate in value while high-quality older housing continues to rise in value. The key is to identify housing stock which will appreciate over time due to quality and location, and ensure that such housing is protected, celebrated, and marketed.

There is significant housing vacancy in Muncie. Certainly the loss of manufacturing jobs and a shift to lower-wage "pink collar" professions has impacted on the local housing market. But interrelated with the economic issues is the quality of the housing stock and the need to re-align housing with the shifting job base and incomes of area residents. The U.S. Census Bureau estimated that 18.3% (5,636 units) of Muncie's 30,721 total housing units were vacant in 2008. Based on data provided recently by the U.S. Postal Service, 8.81% of residential properties in Muncie are listed as vacant, but this may exclude long-term vacancies. In general, a healthy housing market would see single family housing vacancies in the range of 2% to 3% and multi-family vacancy at up to 5%. Thus, Muncie's overall vacancy rate exceeds normal market conditions. Since the majority of vacant housing is in single-family dwellings, there appears to be a serious vacancy issue affecting the City's quality of life and its ability to maintain healthy neighborhoods.

The City has aligned this information with its assessment database, and using this information the total value of vacant property is calculated at \$387,193,800. Thus, the City is also losing significant tax revenue from properties that should otherwise be occupied. The City has already identified vacancy as an issue, and the problem has largely been blamed on the loss of household base relating to declining employment.

Housing vacancies are found throughout the city and Delaware County, with 21 of the city's 27 Census tracts having housing vacancy rates in excess of 3.0%. Several of the tracts with low vacancy rates are taken by institutional uses (e.g., Ball State University) or are located near the university. The neighborhoods on the northwest portion of the city tend to have a more stable housing stock, supporting university, hospital, and other professional and technical workers.

Central Muncie

The Downtown/central portion of Muncie (Census Tract 1 and Block Group 4.003) is also relatively stable, with vacancy rates at or below the average for the city. The area generally bounded by Liberty (W), Madison (E), 2nd Street (S), and Jackson (N) has average or low vacancy. Through local efforts, Downtown has seen the rehabilitation of older structures for a mix of housing and commercial uses. However, areas surrounding these tracts within central Muncie tend to have high vacancy rates.

Table 2 • High Housing Vacancy Tracts, Muncie, 2010					
Tract	Location	POP	Total DU	Vacant DU	Vacancy Rate
4	Central-S	2,382	1,302	285	21.9%
2	Central-N	2,177	970	204	21.0%
6	Central-W	2,075	905	179	19.8%
3	Central-S	1,843	1,187	230	19.4%
12	Northeast	2,449	1,269	228	18.0%
16	South	2,644	1,439	184	12.8%
15	South	3,070	1,622	173	10.7%
13	East	3,531	1,785	171	9.6%
14	Southeast	2,133	1,023	93	9.1%

Central South

The central south areas of the city (Tracts 3, 4 and portions of 5) tend to have relatively high vacancy rates. Housing in this area largely supported the blue collar manufacturing labor force that once predominated in the city. Businesses, including Chevrolet (transmissions), Ball Brothers (glass), Brodericks (heavy forge), Duffy Tool, Westinghouse, Borg Warner, and Delco Battery, employed thousands of workers, many of whom lived close by in southeast and southwest Muncie neighborhoods. Several of these facilities have been demolished, but a few (such as Brodericks, Borg Warner's 1.2 million sf facility and Westinghouse's 800,000 sf plant) remain. Some (such as the Westinghouse site) are contaminated brownfields. The presence of older, hulking industrial facilities no doubt plays a role in reducing the overall image and marketability of housing in south Muncie.

Vacancy is concentrated in Census Block Groups 3.001, 3.002, 4.001, 4.002, and 5.001. This area extends roughly from the CSX railroad along Memorial Drive to Macedonia/Burlington, south of downtown. There is also a portion of Tract 13 (13.003) near Dudley Avenue that also appears to have vacancy issues. Neighborhoods include South Central, Industry, and Blaine. Tract 4 has the highest vacancy rate in the city, at 21.9%. More than one in five residences is vacant, which is an unacceptable level. Tract 3 also has a high vacancy rate, at 19.4%. These areas are known to have higher levels of rental tenure and deferred maintenance. Even with relatively high vacancies, portions of these neighborhoods still provide a glimpse of America as envisioned by the Middletown researchers. Manicured lawns and well-maintained frame houses help indicate a sense of pride and community. Heekin Park is a major amenity on the south side of the city that provides a tremendous resource for potential marketing and celebration of "small-town" life in this area.

Central West

The central west area of the city (Tract 6 – 6.001, 6.002, and 6.003), from the White River to the CSX Railroad, also has relatively high vacancies, at 19.8% overall. Included are portions of Old West End and Thomas Park/Avondale. This area includes industrial sites such as the old Chevrolet plant, along the rail line. Often, the proximity of old/brownfield industrial sites to housing reduces the marketability or desirability of those residential neighborhoods.

Central North

The central north portion of the city (Tract 2, from the Norfolk-Southern rail line to White River) has the second-highest vacancy rate at 21.0%. This area includes the McKinley neighborhood and an historic district where vacant, boarded, and abandoned housing sits adjacent to spectacularly beautiful and well-maintained Victorian mansions. There is a clear need to strengthen the city's existing historic districts.

Northeast

The northeast portion of the central city (Tract 12) including the Whitely area has an unacceptably high vacancy rate of 18.0%. This large area has a population base of almost 2,500, with 1,300 homes. The key problem area is well-defined as a square bounded by the river (S), Centennial (N), Broadway (W), and North Gavin Street (E). However, there are also problem areas further north of Centennial towards East Streeter Avenue. Like south Muncie, older, contaminated industrial sites (such as an old wire plant closed in 2002) impact on the image and marketability of the area. Pockets of poverty are found throughout the area, along with the same pride-of place found on the city's south side.

Other

Vacancies are also high in Southside and other areas further south and east of the central core (south of Memorial Drive) as well as east of Macedonia. Neighborhoods like Riverside/Normal City, Westside and Westridge, north and west of the river tend to have relatively low vacancy rates, as noted previously, where housing supports stable institutional employers like Ball State University and the hospital. Riverside offers up-market housing in a typical suburban Midwest setting, with large forested lots and riverfront locations within walking distance to the university and shopping.

New housing development in the Muncie area has been taking place to the north and northwest, oriented to Ball State University and proximity to I-69. Older neighborhoods like Westwood continue to attract young families and professionals. Some university and hospital professionals commute to work from Indianapolis, while others have spouses that work in Indianapolis. Therefore, access to I-69 is often a key to housing location decisions.

Yorktown communities like Woodland Trails (at The Players Club) and Evergreen in particular attract the up-market professionals and dual-income commuter families. Further northeast are newly-developing Greenfield communities like Herron Point (begun in 2006, with homes in the \$250,000 range), Eagle Branch (condominiums attracting empty nesters), Forest Oaks, Woods Edge, Carrington Woods (2004), and new apartment communities along Bethel and Wheeling Avenues. It is likely that residential development would continue a pattern of orientation towards Yorktown and the west (due to proximity to Route 332/I-69) and north (proximity to BSU and emerging industrial jobs base at 332/I-69). Wal-Mart and other major “big box” retailers have located at 35/67, thereby reinforcing this pattern of westward expansion. Over the very long-term, urban economics would suggest more of a merger between Muncie and Anderson to the southwest. Such growth would clearly pull market share away from Downtown and central Muncie over time, so there is a need to address commuter housing issues and suburbanization in order to strengthen the city’s overall position within the region.

General Market Conditions

The Muncie-Delaware County housing market is in recession, much like the rest of the country. The median housing price in 2008 was approximately \$82,500 in Muncie and \$92,200 in Delaware County as a whole. But based on MLS data, Center Township, which includes Muncie and surrounding suburban areas had an average home sale price of only \$68,413 in 2009.

Table 3 • Housing Sales Trends, Center Township			
Muncie, 2004-2009			
Year	No. of Sales	Average Price	Total Volumes
2009	533	\$ 68,413	\$ 36,486,933
2008	519	\$ 66,246	\$ 34,381,906
2007	690	\$ 65,061	\$ 44,892,489
2006	783	\$ 69,328	\$ 54,284,146
2005	668	\$ 74,976	\$ 50,084,286
2004	180	\$ 68,916	\$ 12,404,962
Change '04-09	353	\$ (503)	\$ 24,081,971
Change '05-09	(135)	\$ (6,563)	\$ (13,597,353)
Note: 2009 # sales annualized based on volumes to October.			
Sources: Coldwell Banker Lunsford & Randall Gross / Development Economics.			

House prices remained relatively constant between 2004 and 2009, but they are down significantly from 2005 when they peaked at \$74,976 (according to the broker data). From 2005 to 2009, average housing prices fell by \$6,563 or 8.8%. While significant, this de-escalation in prices is very minor compared with many other markets around the country that have seen a boom-bust effect in the housing market. Some large city suburban markets on the east or west coasts have seen declines of 65% or more in average housing prices since 2005. Further, the number of housing sales (handled by an agent) increased by 353 to 533 during this period. Again, when compared to the peak year of 2005, the number of housing sales has fallen by 135 or 20.2%. Again, this is not as drastic a decline as many other markets nationwide and could be considered a normal down-side to the typical housing market cycle. Finally, overall volumes are up by \$24.1 million since 2004, or down by \$13.6 million since the peak year of 2005. Again, this is not nearly as drastic a decrease as in many other east and west-coast markets.

Sample median housing price trends from new developments are summarized below. It should be noted that under 2008 market conditions, some high-end single-family detached houses averaged \$125,000 and townhouses \$123,000. More recent pricing (2009) is shown below in comparison to 2004.

Subdivision Name	Area	2004	2009*	Change
Halteman Village	NW	\$119,000	\$108,900	- 8.5%
Burlington Woods	SE	\$ 73,513	\$ 64,000	-12.9%
Arcadia	SC	\$ 21,000	\$ 17,000	-19.0%

Source: Coldwell Banker Lunsford.

Brokers state that there is a “shortage of good homes” under \$150,000. There is a six- to seven-month inventory for homes under \$150,000 but a 12-to 20-month inventory of homes over \$150,000. Economic recession and reduced financing options have forced some buyers to lower their expectations and examine product in the lower price ranges in the market. The rental market remains relatively strong, driven by students and those forced or chosen to be outside of the for-sale housing market. “Fixer uppers” do attract some younger (under 45) singles and couples to older neighborhoods, but perceptions of crime and safety issues prevent more people from shopping for housing in inner-city neighborhoods.

A key missing component of the housing market is BSU and local high school alumni. The “brain drain” has caused impacts on the education system as well as the housing market in the city. Some brokers believe that efforts oriented to reducing public sector overhead, aggressive economic development, and downtown revitalization are likely to help stem the leakage from the housing market and tax base, and also attract new homebuyers.

Affordable Housing

It is not surprising that many of the areas with the highest housing vacancies are also those with the highest sub-prime lending activity and concentrations of low/moderate-income residents. These populations are the most susceptible to employment loss, recession, and predatory lending practices. Data generated by the City of Muncie indicate relatively moderate levels of sub-prime lending in the Downtown area (where vacancy is also comparatively low), but high levels of such lending in neighborhoods surrounding the Downtown, particularly to the south (South Central, Industry, down into Southside), west (Old West End), and northeast (Whitely/McCulloch Park). A baseline assessment of affordable housing need was conducted as a starting point for determining appropriate targets for affordable housing services and development.

Affordable Housing Context

Indianapolis is consistently rated by the National Association of Homebuilders and the Wells Fargo Housing Opportunity Index as the most affordable large housing market in the United States. The median price for a house in Indianapolis is \$106,000, which is relatively low given that the median income in the Indianapolis Metro Area is \$68,100. The foreclosure rate is high in Indianapolis, helping to depress prices further.

By extension, many of the small cities near Indianapolis, including Muncie, are also among the more affordable housing markets in the United States. Wells Fargo listed Muncie as the #1 most affordable metropolitan housing market in 2002. Muncie’s overall affordability has remained relatively constant over time, with a “housing opportunity” score of 90.1 in 1998 and 89.1 in 2002, for example. Cities in Indiana dominate the list of most affordable markets over the years, having been listed 43 times as most affordable out of a total of 92 listings (quarterly/large & small metros). Indianapolis-Carmel has been listed 18 times (including 17 of the 20 quarters where Wells Fargo has differentiated large from small metros). Kokomo has been listed 20 times, including the last three quarters, as most affordable small metro in the country. Aside from Kokomo and Muncie, Elkhart-Goshen has also been listed twice among the most affordable small metros. Muncie has not been rated in recent years by Wells Fargo, but other sources suggest that the metro is ranked #10 or 11 nationwide for affordability. In 2007, the city was rated by Coldwell Banker as “most affordable college town” in America. (The Coldwell Banker Home Price Comparison Index (HPCI) compares the price for a “typical” family home with 2,200 square feet, four bedrooms, 2.5 baths, family room, and 2-car garage. This approach is not the same as measuring affordability for the median income household.)

Given the region’s relative affordability in the national context, it is somewhat ironic that there is likely a need for affordable housing in Muncie. Affordability is a relative term, and most rankings are based on area median incomes and median or average housing prices. Thus, there will always be a population below the median income that may struggle to afford housing within a particular market. This is especially true in an area like Muncie (or Indianapolis) that has seen a shift in the employment and wage structure resulting in an imbalance in the housing market.

Almost two-thirds of Muncie homeowners have a mortgage, yet 40% of Muncie’s homeowners pay more than 30% of their income towards housing costs. More than 30% of homeowners pay at least 35% of income towards housing. Based on a simple assessment of affordability applied to for-sale housing, about 2,880 or 24% of Muncie families would not be able to afford to purchase housing at the median price (using 2008 Census estimates of income coupled with 2008 housing sales data from the Mid-Eastern Indiana Association of Realtors). The 2008 median Muncie home price of \$82,500 would require monthly housing payments of at least \$440 per month. (The Delaware County median home price was higher, at \$92,200).

Family incomes below \$25,000 were not likely to generate sufficient cash flow for payments on the typical Muncie or Delaware County home. While those with incomes in the \$20,000 range may be able to make payments, they are likely to be stretched, especially if down-payments of 10 to 20% are required. The payment requirements are also calculated based on today's historically low interest rates (Freddie Mac, 4.93% 2/18/10), which are bound to increase over time and would affect the loan "affordability" of moderate-income families. The summary of median affordability is provided below for for-sale housing in Muncie.

Table 4 • Housing Affordability Summary Muncie, 2008			
Price or Income Range	Monthly Cost/ Affordable Amt	Number of Families	Share of Total
Median Purchase Price	\$439.36		
Less than \$10,000	\$ 187.50	640	5.3%
\$10,000 to \$14,999	\$ 312.49	722	6.0%
\$15,000 to \$24,999	\$ 499.99	1,519	12.5%
\$25,000 to \$34,999	\$ 749.99	2,470	20.4%
\$35,000 to \$49,999	\$ 1,062.49	2,364	19.5%
\$50,000 to \$74,999	\$ 1,562.49	2,723	22.5%
\$75,000 to \$99,999	\$ 2,187.49	802	6.6%
\$100,000 to \$149,999	\$ 3,124.99	692	5.7%
\$150,000 to \$199,999	\$ 4,374.99	183	1.5%
\$200,000 or more	\$ 6,250.00	-	0.0%
TOTAL		12,115	100.0%
Families Below Affordability		2,881	23.8%
Note: Affordability based on 30% income spent on monthly housing costs.			
Sources: U.S. Bureau of the Census, Mid-Eastern Indiana Association of Realtors, and Randall Gross / Development Economics.			

About 10% of Muncie renters pay more than 30% of their incomes towards housing, a much healthier statistic than that for homeowners. Nearly 45% of renters are paying less than 20% of their incomes in rent. In general, the city's middle-income renters are paying less than they can afford for housing. The diverse rental market in Muncie includes a number of students, some of whom have families, along with households moving up and down within the local market. The median estimated gross rent was \$627 per month in 2008. About almost 700 renters paid \$200 or less per month on rent, and only 400 renters paid more than \$1,500 per month. Most rents are clustered in the \$500 to \$750 range, with newer rental housing clustered in neighborhoods proximate to Ball State University. An overall assessment of affordable rents, family income, and renters by income range is summarized in the following table.

Table 5 • Rental Occupancy by Rent Range And Family Income Muncie, 2008			
Price or Income Range	Rent/Affordable	Number of Families	Households Renting
Median Rent	\$ 627.00		
Less than \$10,000	\$ 200.00	640	689
\$10,000 to \$14,999	\$ 300.00	722	295
\$15,000 to \$24,999	\$ 500.00	1,519	3,038
\$25,000 to \$34,999	\$ 750.00	2,470	5,003
\$35,000 to \$49,999	\$ 1,000.00	2,364	3,108
\$50,000 to \$74,999	\$ 1,500.00	2,723	877
\$75,000 or more	\$ 1,500.00+	1,677	408
Total		12,115	13,418
Sources: U.S. Bureau of the Census and Randall Gross/Development Economics.			

Based on this initial analysis, it would appear that Muncie's homeowners are stretched, even though the market is among the most affordable in the nation. At the same time, renters are generally paying less than they can afford for rental housing, whether in apartment complexes or houses. It is likely that investors and homeowners are leasing out houses at low cost either because those mortgages have been paid and/or they are desperate for income from these properties. The median housing value is \$92,200, according to Census data, but sale prices are dipping below this level, causing anxiety among some home owners. The question of housing tenure and pricing will be explored further as part of the housing market assessment.

Housing Programs

The City is actively engaged in developing and supporting programs to address housing issues. The City focuses CDBG and NSP funds into Neighborhood Stabilization Areas, and is establishing a Land Bank to demolish low-quality housing and expand lot sizes. There are over 1,000 houses on the City's target NSP database. Federal HOME funds have been used for counseling programs and in development of Millennium Place, a mixed-income housing development on the City's south side. Home repair programs have been ongoing through partnership with non-profit Rebuilding Together, Inc.. The income tax-funded Muncie Redevelopment Commission is engaged in economic development and will also be assigned oversight of the Land Bank. A CHDO capacity-building program began in 2010 to assist neighborhood-based organizations to rehabilitate and develop affordable housing. The City continues to partner with non-profits in its efforts to increase the supply of affordable housing, provide downpayment assistance, and address issues associated with access to credit.

The City is engaging with non-profit developers like Habitat for Humanity, and is attempting to shift resources from new build to rehabilitation. The City has three of the seven tax increment financing (TIF) districts in Delaware County. One of these is oriented to Downtown revitalization, the others associated with Muncie Mall/Airpark locations oriented to job creation and economic development. Tax abatements are offered as well. However, neither the tax abatements nor the TIF districts (other than Downtown) are oriented specifically to housing rehabilitation and neighborhood revitalization. The City's historic presentation division has won statewide and national recognition for its work in the downtown area and in historic districts. A serious deficiency relates to the decline of the city's once-active neighborhood associations, with only a handful (Whitely, South Central, East Central) of the original 20 still engaged. Such associations can help boost efforts to strengthen neighborhood cohesion, attract investors, and market housing.

Summary

Muncie's housing stock was largely developed to cater to blue-collar industrial workers and management. The south, west, and east/northeastern portions of the city have a large stock of "cut-and-mill" homes built at affordable levels for industrial workers during the 1950s – 1970s. In this respect, Muncie is not unlike many of the other "rust-belt" towns that developed during the height of mid-century automobile and related industry. A problem is that some of this housing is no longer marketable to middle-class families led by professionals who can find larger and better-constructed housing in competitive locations elsewhere. Significant vacancy has crept into various neighborhoods of the city, threatening the marketability of neighborhoods and the housing stock.

One advantage, however, is affordability. Muncie and other Indiana cities are extremely competitive on price and on the relative affordability of housing given the income levels. This makes the question of affordable housing somewhat ironic for Muncie, since a substantial portion of the existing resident base cannot afford to purchase housing and yet the city is among the most affordable housing markets in the country. Data reveal that 40% of Muncie homeowners are paying more than the recommended 30% of their incomes on housing costs, certainly not a sign of affordability. An initial assessment identified a total of about 3,000 families in the city who could not afford to purchase housing at the median price, even in a depressed (2008) housing market. Renters, however, appear to be better off, with only 20% paying more than the recommended limit in housing costs. In fact, there appear to be a number of middle-income families paying less than they can afford on rent.

Muncie also has fantastic historic neighborhoods with housing built during a different, more craft-conscious era. Revitalization of neighborhoods with strong housing assets and amenities, and linkage with downtown, is key. Muncie's northwestern neighborhoods and nearby Yorktown cater to the university and hospital communities, which demand a higher standard of quality and can afford higher prices. New residential (and accompanying retail and industrial) growth is presently oriented west along the 332 Corridor to I-69.

◀ Barriers to Fair Housing

Housing Problems of Minorities

HUD defines housing problems as a household which (1) occupies a unit with physical defects (lacks complete kitchen or bathroom); (2) meets the definition of overcrowded; or (3) spends more than 30% of income on housing cost. According to the 2000 Census, minority renters have higher rates of housing problems than non-minorities. For the most part, this is due to the fact that a larger percentage of minorities have low incomes, which limits the range of choices in the housing market. At any given income level, the difference in the rate of housing problems between minorities and non-minorities is less than 10 percentage points, much less than the overall differences. However, Hispanic households do have higher rates of housing problems than other groups, even at income levels above low to moderate income. This is due to the fact that there are more large families among Hispanic households, resulting in problems of overcrowding due to a lack of suitable apartments with three or more bedrooms.

Among owner households, differences between minority and non-minority households are more significant. Even with adjustments for income, minority owners have more housing problems than non-minority owners.

Housing Problems of Persons with Special Needs

It is important to examine the distribution of units targeted specifically to persons who have special needs, including persons with physical and mental disabilities and persons with severe mental illnesses. Group quarters for housing special needs population should be equally distributed in a community to ensure that persons with disabilities are not segregated into certain areas, except as necessary to make available required services.

The U.S. Census Bureau measures two general types of group quarters: institutional (e.g., nursing homes, mental hospitals or wards, hospitals or wards for chronically ill patients, hospices, and prisons) and non-institutional (e.g., college or university dormitories, military barracks, group homes, shelters, and missions). Table 39 shows the population of group quarters for 2010.

Table 6 • Group Quarters Population		
	Number	Percent
Group quarters population	8,508	100
Institutionalized population	1,267	14.9
Correctional facilities for adults	297	3.5
Juvenile facilities	217	2.6
Nursing/Skilled-nursing facilities	744	8.7
Other institutional facilities	9	0.1
Non-institutionalized population	7,241	85.1
College/University student housing	6,798	79.9
Military quarters	0	0
Other non-institutional facilities	443	5.2

U.S. Census Bureau, 2010

Other Housing Problems

Persons with disabilities face some of the greatest barriers to finding adequate housing. Many persons with disabilities require housing that has accessibility features, is near public transit and supportive services, and is affordable. Persons with disabilities are also at risk of experiencing housing discrimination.

Female-headed households are also at risk of experiencing fair housing discrimination based on familial status

Large households, defined by HUD as a household with five or more members, usually have more difficulty finding housing, particularly affordable rental housing, due to a lack of supply. They are also at greater risk of experiencing housing discrimination based on familial status, and rates of overcrowding are also much higher.

Prisoner re-entry to the community is made more difficult because HUD-subsidized programs typically prohibit participation by persons with a criminal history. Even when former prisoners are able to find employment, wages are usually too low to support housing costs without subsidy.

◀ Policy and Compliance Data Analysis

Public Housing Authority Policies

Muncie Housing Authority (MHA) currently owns and manages public housing units, including Southern Pine, Earthstone Terrace, and Gillespie Towers for seniors. People interested in living in MHA communities sign up on a waiting list. The MHA runs criminal background and credit checks as people get close to the top of the list. According to MHA's 2011 Annual Plan, they "employ discretionary policies for determining income based rents. The minimum rent is set at \$50. The PHA has adopted a discretionary minimum rent hardship exemption policy. Between income reexaminations, tenants must report changes in income or family composition to the PHA which may result in an adjustment to tenants rent. In setting the market-based flat rents, the PHA uses the Section 8 rent reasonableness study of comparable housing and survey of rents listed in local newspapers."

Housing Choice Voucher Program (Section 8)

MHA currently administers approximately 825 HCVP vouchers. To be eligible for a Section 8 voucher, a prospective tenant must meet income requirements and pass a background check. Prospective tenants who have been evicted are not eligible for Section 8 until three years after the eviction. After a tenant receives a voucher, MHA gives them a list of landlords in Muncie who accept Section 8. The tenant has 60 days to locate a property.

According to MHA's 2011 Annual Plan, their "payment standard for HCVP is at or above 90% but below 100% of the Fair Market Rent (FMR). FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area. The payment standards are reevaluated for adequacy on an annual basis. PHA considers success rates of assisted families in the assessment of the adequacy of the payment standard. The PHA also considers the availability of suitable units below payment standard, rent reasonableness Data Base/Average Rent to Owners Financial Feasibility. The minimum rent for Section 8 is set at \$50. The PHA has adopted a discretionary minimum rent hardship exemption policy. The hardship is determined if the family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. The family would be evicted because it is unable to pay the minimum rent. Family income has decreased because of changed family circumstances, including the loss of employment. A death has occurred in the family. The family has experienced other circumstances determined by the PHA."

MHA employs several methods of preventing and eliminating barriers to fair housing choice. MHA's strategy to increase the number of affordable housing units includes applying for additional HCVP vouchers if they become available, leveraging affordable housing resources in the community through creation of mixed-finance housing, and pursuing additional housing resources. MHA will continue to affirmatively market units to non-profit agencies that assist families with disabilities, and will inform HCVP tenants regarding location of units outside areas of poverty or minority concentration.

Table 7 provides a list of Subsidized and/or Below Market Rate Housing units in Muncie.

Table 7 • Subsidized and/or Below Market Rate Housing				
Property	# of Units	# of Bedrooms	Population Served	Waiting List
Project-based Section 8				
Cambridge Square Muncie 1601 E. McGalliard Muncie IN 47303 Phone (765) 747-8130	144	1	Elderly	
Carriage House Muncie 3969 Everett Rd. Muncie IN 47303 Phone (765) 747-0912	100	1, 2, 3	Multi-family	
Gillbeke Apartments 2621 N. Elgin St. Muncie IN 47303 Phone (765) 282-7543	20	1	CMI – disabled, handicap, & elderly, qualified medically	
RHTC & Multi-family bond developments				
Creekside Apartments 2901 N. Elgin St.	68	2, 3	Multi-family	

Muncie IN 47303 Phone (765) 288-4242				
Creekside II Apartments 2901 N. Elgin St. Muncie IN 47303 Phone (765) 288-4242	52	2, 3	Multi-family	
Daley Apartments 1312 E. Bunch Blvd. Muncie IN 47303 Phone (765) 281-8899	34	1, 2, 3	Multi-family	
Elgin Manor Apartments 2573 N. Elgin St. Muncie IN 47303 Phone (765) 286-1622	120	1, 2, 3	Family	
Historic Muncie Apartments 451 E. 2 nd St. Muncie IN 47302 Phone (765) 288-9242	35	0, 1, 2, 3, 4	Multi-family	
Howard Square 550 S. Jefferson, Suite 100 Muncie IN 47305 Phone (765) 284-2831	30	1, 2	Elderly	
Jackson & Vine Apartments 900 E. Washington St. Muncie IN 47305 (under construction)	35	1, 2	Multi-family	
Millennium Place 451 E. 2 nd St. Muncie IN 47302 Phone (765) 288-9242	30	1, 2, 3, 4	Multi-family	
Millennium Place II 451 E. 2 nd St. Muncie IN 47302 Phone (765) 288-9242	55	1, 2, 3, 4	Multi-family	
Millennium Place III 451 E. 2 nd St. Muncie IN 47302 Phone (765) 288-9242	35	1, 2, 3, 4	Multi-family	
Millennium Place IV 451 E. 2 nd St. Muncie IN 47302 Phone (765) 288-9242	40	1, 2, 3, 4	Multi-family	
Parkview Homes 1609 E. Centennial Muncie IN 47303 (under construction)	35	1, 2, 3, 4	Multi-family	
Walnut Manor Apartments 125 E. Oldfield Ln. Muncie IN 47303 Phone (765) 286-3191	120	1, 2, 3	Multi-family	
Woods Edge Apartments 4700 W. Woods Edge Ln. Muncie IN 47304 Phone (765) 741-0994	112	1, 2, 3, 4	Multi-family	

Zoning Regulations and Codes

Muncie's zoning regulations were reviewed for potential fair housing concerns resulting from the development process, and none were identified. The city's zoning regulations allow for a wide range of development types and

specifically address both manufactured housing and assisted living facilities. While there are no automatic waivers for affordable housing development, the variance process is available on a case-by-case basis. Unlike some cities, provisions of the housing code regarding occupancy are not based on relationship of occupants but on the size of the unit.

Comprehensive Plan

The Comprehensive Plan, while non-binding, is an important policy document in its guidance of the land use process. As such, the plan influences policy decisions in a variety of areas, including, but not limited to land use, transportation, infrastructure and utilities, drainage, environmental conservation, urban reinvestment, economic development, recreation and open space, and housing. The Muncie-Delaware County Metropolitan Plan Commission anticipates updating the Comprehensive Plan in the next year or two.

Consolidated Plan/Community Development Block Grant Program

Muncie's Five-Year Consolidated Plan for Housing and Community Development is a community-based planning document that also serves as the application to the U.S. Department of Housing and Urban Development for the City's formula-based Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) program. The Plan describes the strategies the City will follow in carrying out its CDBG and HOME programs for the period of June 1, 2010 through May 31, 2014, and includes an annual action plan against which performance can be measured.

The primary CDBG objective is "the development of viable urban communities, including decent housing and a suitable living environment, and expanding economic opportunity, principally for persons of low-and moderate-income." Activities proposed by the City must meet the objectives and eligibility criteria of CDBG legislation.

The primary purpose of the HOME program is to increase the quantity and quality of affordable housing units in Muncie, and to ensure long-term affordability and housing quality standards through monitoring.

Building, Occupancy and Health and Safety Codes

Muncie adheres to the International Building Code, the International Residential Code for One and Two Family Dwellings, the International Mechanical Code, the Uniform Plumbing Code, the National Electrical Code, the Indiana Energy Conservation Code, the Indiana Handicapped Accessibility Code and the NFPA 101 Life Safety Code, all as adopted, amended, and administered by the State of Indiana. These codes are adopted by reference through Chapter 152 of the Muncie Code of Ordinances. The Americans with Disabilities Act (ADA) requirements also apply to all properties to assure maximum accessibility for persons with disabilities.

The Muncie Building Commissioner's office is the main has primary responsibility to assure compliance with the building codes and to identify substandard housing conditions that could be hazardous to health and safety. In accordance with Section 152.15 of the city ordinance, the Building Commissioner works with the Unsafe Building Hearing Authority to identify unsafe structures and to require building owners to rehabilitate or demolish them. The Delaware County Board of Health also becomes involved in the identification and correction of unsafe and unsanitary living conditions. For HUD-funded projects, the Community Development Department also created and uses "Minimum Standards For Housing Rehabilitation," which was last updated in 2010.

Displacement

If displacement occurs due to a HUD-assisted project, the City of Muncie must provide relocation assistance to displaced persons in accordance with the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

Public Transportation

The Muncie Indiana Transit System (MITS) serves as the public transportation system for the City of Muncie. MITS provides traditional fixed route bus transportation within Muncie city limits. Routes provide service to most shopping, medical, employment, residential, recreational, and governmental locations. Buses operate Monday through Saturday on all but six holidays. To accommodate the needs of those in the community who are unable to use MITS traditional fixed route bus service because of a disability, MITS provides door-to-door service called MITSPlus. MITSPlus picks up people at their doors and delivers them to the door of their destinations.

◀ Home Loans and Fair Housing Complaints

This section contains an analysis of home loans in Muncie and fair housing complaints. Home Mortgage Disclosure Act (HMDA) data are commonly used in AIs to examine fair lending practices within a jurisdiction. Fair housing complaint data are important to identify the types of discrimination that are most prevalent and detect any changes in fair housing conditions.

HMDA Data Analysis

HMDA data consists of information about mortgage loan applications for financial institutions, savings and loans, savings banks, credit unions, and some mortgage companies. The data contain information about the location, dollar amount, and types of loans made, and racial and ethnic information, income, and credit characteristics of all loan applicants. The data are available for government loans, home purchases, loan refinances, and home improvement loans.

HMDA data can provide a picture of how different applicant types fare in the mortgage lending process. These data can be used to identify areas of potential concern that may warrant further investigations. For example, by comparing loan approval rates of minority applicants with non-minorities that have similar income and credit characteristics, areas of potential discrimination may be detected. HMDA was also enacted by Congress to provide investors and public agencies with information to guide investments in housing. Likewise, HMDA analysis can be used to forge partnerships among banks and community organizations in underserved minority or low-income neighborhoods.

The Federal Reserve is the primary regulator of compliance with fair lending regulations. When federal regulators examine financial institutions, they use HMDA data to determine if applicants of a certain gender, race or ethnicity are rejected at statistically significant higher rates than applicants with other characteristics. The Federal Reserve uses a combination of sophisticated modeling and loan file sampling and review to detect lending discrimination.

The HMDA data tables in this section present summary HMDA data by Metropolitan Statistical Areas/Metropolitan Divisions (MSA/MD). Examinations of denial rates and general applicant characteristics can suggest areas for further examination.

Loans reported under the HMDA regulation are classified into six categories. These categories are *government*, *conventional*, *refinancing*, *home improvement*, *multifamily* and *non-occupant* loans. For the purpose of this study, four of these loan categories are used and are defined as follows:

Government loans are home purchase loans financially insured by Federal agencies. These include FHA loans that are insured by the Federal Housing Administration, VA loans guaranteed by the Veterans Administration, and FSA and RHS loans insured by the Farm Service Agency and Rural Housing Service.

Conventional loans are home purchase mortgages that are not covered by any government program of insurance of guarantee.

Home improvement loans are mortgages used for repairing, renovating or otherwise improving a dwelling that is already constructed.

Refinance loans are new loans that satisfy and replace one or more existing home purchase or home improvement loans.

Loan applications and disposition

The most recent HMDA data available are for the 2009 calendar year. During 2009, there were 4,047 loan applications made in Muncie MSA/MD for owner-occupied homes. Almost 69% percent of these applications consisted of refinances, 12% conventional home purchase loans, 13% government guaranteed home purchase, and 6% home improvement loan applications. The table below shows total loan applications during 2009 by loan type (government, conventional, refinance, home improvement), loan purpose, and action taken on the loan.

More than 78% of applications for government guaranteed loans were originated and less than 12% were denied. Denial rates were higher for non-government guaranteed loans, with 16% denial for conventional home purchase applications, 23% for refinances, and 32% for home improvement loan applications. Higher origination rates for government guaranteed loans are typical, since these loans provide more flexible underwriting standards.

**Table 8 • Loan Applications Received, by Loan Type
Muncie, IN MSA 2009**

	Government Guaranteed Home Purchase	Conventional Home Purchase	Refinance	Home Improvement
Loan originated	422	363	1511	136
Approved, not accepted	14	23	147	12
Denied	63	77	625	80
Withdrawn	28	20	412	11
Determined incomplete	10	5	80	8
Total loan applications	537	488	2775	247
Source: FFIEC HMDA Aggregate Reports, 2009				

Denial rates by race/ethnicity and income

The following tables present denial rates by race and ethnicity, categorized by income level and loan type. It is important to note that for all groups other than African American and White, the numbers of loan applications were relatively small. As such, caution should be used in interpreting data about racial and ethnic groups.

**Table 9 • Disposition of Applications for FHA, FSA/RHS, & VA Home-Purchase Loans
by Race & Ethnicity - Muncie, IN MSA 2009**

Government Guaranteed Home Purchases							
Race	Apps. Received	Apps. Denied	Percent Denied	Ethnicity	Apps. Received	Apps. Denied	Percent Denied
Amer. Indian/ Alaskan Native	0	0	0	Hispanic or Latino	2	0	0
Asian	4	0	0	Not Hispanic or Latino	510	55	11%
Black or Af. Amer.	13	1	8%	Joint (Hispanic or Latino /Not Hispanic or Latino)	3	0	0
Nat. Hawaiian/ Other Pacif. Islndr.	0	0	0	Ethnicity not available	22	8	36%
White	492	54	11%				
Joint (White/ Minority)	2	0	0				
Race not available	26	8	31%				
Source: FFIEC HMDA Aggregate Reports, 2009							

**Table 10 • Disposition of Applications for Conventional Home-Purchase Loans
by Race & Ethnicity - Muncie, IN MSA 2009**

Race	Apps. Received	Apps. Denied	Percent Denied	Ethnicity	Apps. Received	Apps. Denied	Percent Denied
Amer. Indian/ Alaskan Native	2	0	0	Hispanic or Latino	5	0	0
Asian	9	0	0	Not Hispanic or Latino	441	70	16%
Black or Af. Amer.	2	1	50%	Joint (Hispanic or Latino /Not Hispanic or Latino)	0	0	0
Nat. Hawaiian/ Other Pacif. Islndr.	1	0	0	Ethnicity not available	42	7	17%
White	433	70	16%				
Joint (White/ Minority)	5	0	0				
Race not available	36	6	17%				
Source: FFIEC HMDA Aggregate Reports, 2009							

**Table 11 • Disposition of Applications for Refinance Loans by Race & Ethnicity
Muncie, IN MSA 2009**

Race	Apps. Received	Apps. Denied	Percent Denied	Ethnicity	Apps. Received	Apps. Denied	Percent Denied
Amer. Indian/ Alaskan Native	9	3	33%	Hispanic or Latino	22	0	0
Asian	18	2	11%	Not Hispanic or Latino	2491	557	22%
Black or Af. Amer.	59	24	41%	Joint (Hispanic or Latino /Not Hispanic or Latino)	12	2	17%
Nat. Hawaiian/ Other Pacif. Islndr.	2	0	0	Ethnicity not available	250	66	26%
White	2418	524	22%				
Joint (White/ Minority)	11	6	55%				
Race not available	258	66	26%				

Source: FFIEC HMDA Aggregate Reports, 2009

**Table 12 • Disposition of Applications for Home Improvement Loans by Race & Ethnicity
Muncie, IN MSA 2009**

Race	Apps. Received	Apps. Denied	Percent Denied	Ethnicity	Apps. Received	Apps. Denied	Percent Denied
Amer. Indian/ Alaskan Native	1	1	100%	Hispanic or Latino	7	0	0
Asian	0	0	0	Not Hispanic or Latino	196	59	30%
Black or Af. Amer.	7	4	57%	Joint (Hispanic or Latino /Not Hispanic or Latino)	3	0	0
Nat. Hawaiian/ Other Pacif. Islndr.	0	0	0	Ethnicity not available	41	21	51%
White	197	54	27%				
Joint (White/ Minority)	1	0	0				
Race not available	41	21	51%				

Source: FFIEC HMDA Aggregate Reports, 2009

**Table 13 • Mortgage Loan Denial Rates by Race & Ethnicity
Muncie, IN MSA 2009**

Race	Gov. Guaranteed Home Purchases			Conventional Home Purchases		
	Low Income <50% AMI	Moderate Income 50-79% AMI	Apps. Denied	Low Income <50% AMI	Moderate Income 50-79% AMI	Apps. Denied
Amer. Indian/ Alaskan Native	0	0	0	0	0	0
Asian	0	1	0	0	1	0
Black or Af. Amer.	1	3	0	0	1	0
Nat. Hawaiian/ Other Pacif. Islndr.	0	0	0	0	1	0
White	105	168	31	56	91	41
Joint (White/ Minority)	0	2	0	0	0	0
Race not available	3	11	4	2	5	3
Hispanic or Latino	1	0	0	1	2	0
Joint (Hisp./Not Hisp.)	0	2	0	0	0	0
Ethnicity not available	3	9	4	3	7	4

Mortgage Loan Denial Rates by Race & Ethnicity Muncie, IN MSA 2009						
Refinances				Home Improvement Loans		
Race	Low Income <50% AMI	Moderate Income 50-79% AMI	Apps. Denied	Low Income <50% AMI	Moderate Income 50-79% AMI	Apps. Denied
Amer. Indian/ Alaskan Native	1	2	1	0	1	1
Asian	1	3	2	0	0	0
Black or Af. Amer.	7	17	11	3	1	3
Nat. Hawaiian/ Other Pacif. Islndr.	1	0	0	0	0	0
White	216	449	191	29	44	26
Joint (White/ Minority)	0	1	1	0	0	0
Race not available	31	52	31	7	7	5
Hispanic or Latino	2	8	0	4	2	0
Joint (Hisp./Not Hisp.)	0	4	0	0	0	0
Ethnicity not available	30	55	35	6	8	6
Source: FFIEC HMDA Aggregate Reports, 2009						

For government guaranteed home purchase loans, Whites had a slightly higher denial rate (11%) than Blacks/African Americans (8%), while joint (White/minority) and Hispanics/Latinos had no denials. For conventional home-purchase loans, Black/African Americans had the highest denial rates (50%), but only two applications were received, with one denial. Whites had a denial rate of 16%, while other races had no denials.

Although the rate appears to be very high (100%) for American Indians/Alaskan Natives for home improvement loans, only one loan application was received, and it was denied. Blacks/African Americans had the next highest denial rates (57%) for home improvement loans among applicants for whom race was available. Joint (White/minority) and Hispanic/Latino and joint (Hispanic/Latino/not Hispanic/Latino) had no denials.

Perhaps a better picture is provided by analysis of refinance loan denial rates during 2009 because there are more applications for most racial and ethnic groups. Among low-income applicants, Blacks/African Americans experienced a 41% denial rate, and joint (White/minority) experienced 55% denial rate, while Whites were at 22%. Asians were at 11% denial, while Hispanics/Latinos and Native Hawaiian/Other Pacific Islanders had no denials. Among higher income refinance loan applicants, Asians had the highest denial rate (67%), but only three applications were received; Blacks/African Americans had 47% denial rate; Whites had 26%; other races and Hispanics or Latinos had no denials.

A higher denial rate for minorities does not necessarily indicate fair housing problems. It can be explained, in part, by minorities having lower incomes than non-minorities. HMDA data support this assumption, indicating the primary reasons for denial of refinance loans for Blacks/African Americans was debt-to-income ratio, credit history, and collateral.

Denial rates appear relatively similar for males and females. Females have slightly higher denial rates than males, but the differences are minimal. The 2009 denial rates listed do not provide evidence of gender discrimination in loan approvals.

What does the data suggest?

The data are useful in determining what government-sponsored programs might be needed to fill the gaps between what the private market is willing to provide and what is needed. Such programs might include the following:

- Education about loan requirements and budgeting, commonly offered through first-time homebuyer classes, may assist potential applicants in understanding how to improve their probability of receiving a mortgage loan.
- Education about good credit may help young people avoid credit problems that will hurt their chances of eventual home ownership. Credit counseling for those who already have debt problems is also important.
- Loan application approval rates for home purchases are much higher for government guaranteed loans. For borrowers with lower incomes, marginal credit, and/or little cash for downpayment, the availability of these

loans can be critical for achieving homeownership. It is important that potential borrowers are educated about the availability of such loans and that lenders suggest government guaranteed loan options to applicants for whom conventional loans are not appropriate.

- Although the disparities in loan approval rates may be accounted for by credit histories, net worth and loan-to-debt ratios, these disparities highlight the importance of the Community Reinvestment Act (CRA). Community groups and government officials could take an active role in encouraging increased CRA compliance activities by local financial institutions.

Complaint History

The Department of Housing and Urban Development (HUD) publicizes housing discrimination cases filed in each metropolitan city throughout the United States. The following table indicates the number of housing discrimination complaints filed in Muncie. These complaints were filed between 1/01/06 and 12/31/10.

Table 14 • Housing Discrimination Complaints, Delaware County, 2006-2010				
Date Filed	File Number	Basis	Issue Code Description	Why Closed
2/24/06	050606718	Race – Black/Af Am		
7/10/06	050615488	Religion		
7/25/06	050616028	Race – Black/Af Am		
10/31/06	050701398	Disability		
11/3/06	050702048	Retaliation		
11/30/06	050702588	Sex		
11/29/07	050802218	Race – Black/Af Am		
6/27/08	050813058	Disability		
7/11/08	050813828	Race – White		
7/16/08	050814088	Race – Black/Af Am		
10/7/08	050900208	Sex		
12/22/08	050904138	Disability		
4/13/09	050909688	Disability		
6/26/09	050914378	Race – Black/Af Am		
2/9/10	051005848	Disability		
7/21/10	051014808	Race – White		
Source: HUD, 2006-2010				

Muncie Human Rights Commission

Citizens of the City of Muncie who believe they have experienced discrimination may report their complaints to Muncie Human Rights Commission (MHRC). Complaints that are reported to Muncie Human Rights Commission are sent to Indiana Civil Rights Commission (ICRC) for investigation. More information is available on the MHRC websites at <http://www.cityofmuncie.com/index/City-Muncie-Departments/Human-Rights/humanrightscommission.asp> and

<http://www.munciehumanrights.org/>

Muncie Human Rights Commission can be reached at:

Muncie Human Rights Commission
 300 N. High Street
 Muncie, Indiana 47305
 Phone: (765) 747-4854

Indiana Civil Rights Commission

ICRC is the state agency charged with enforcing Civil Rights Law and the Fair Housing Act. The website for ICRC is <http://www.in.gov/icrc/>, which states:

Indiana residents are entitled by law to rent a place to live or buy a home without consideration to their: race, color, national origin, ancestry, religion, sex, familial status (having children under 18) and disability in any of the following:

- Refuse to rent or sell housing
- Falsely deny that housing is available for inspection, rental or sale

- Refuse to make a mortgage loan
- Impose different conditions or terms on a loan
- Threaten, coerce or intimidate any individual exercising a fair housing right
- Refuse reasonable changes to your dwelling to accommodate a disability

How to file a complaint: Call, write or visit the Commission within 365 days of the date in which the alleged act of discrimination occurred and describe the situation you feel was discriminatory. An experienced Intake Specialist will listen, advise and assist you accordingly.

Note: *The on-line form is for submitting an inquiry to the ICRC. Complaints must be filed either by personal delivery, mail or fax. If you encounter problems working with the on-line form you might be better served to call The Commission at 1-800-628-2909.*

Filing a complaint– You must file a complaint with the Commission within 365 days of the date the alleged act of discrimination took place. Once your complaint is processed, you will be advised of your rights and responsibilities.

Mediation– This is a process in which an impartial person helps parties resolve their dispute prior to a thorough investigation.

Investigation– If the dispute cannot be resolved through mediation, the Commission will conduct a full investigation that is objective, timely and efficient.

Determination– A determination is issued indicating whether or not there is adequate evidence of discrimination.

Notification– You will be notified of the Commission’s determination and will receive instructions on how to seek the remedies provided for under the law, which could result in a hearing or civil action in a court of law.

Call the Indiana Civil Rights Commission Toll-Free at 1-800-628-2909

HUD Office of Fair Housing and Equal Opportunity (FHEO)

The mission of the HUD Office of Fair Housing and Equal Opportunity is to enforce the Fair Housing Act and other civil rights laws. The HUD website has a wealth of information regarding fair housing, at http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp

HUD investigates complaints of housing discrimination based on race, color, religion, national origin, sex, disability, or familial status. At no cost to you, HUD will investigate the complaint and try to conciliate the matter with both parties. If conciliation fails, HUD will determine whether "reasonable cause" exists to believe that a discriminatory housing practice has taken place. If HUD finds "no reasonable cause," we will dismiss the complaint.

If HUD finds reasonable cause, HUD will issue a charge of discrimination and schedule a hearing before a HUD administrative law judge (ALJ). Either party may elect to proceed in federal court. In that case, the Department of Justice will pursue the case on behalf of the complainant. The decisions of the ALJ and the federal district court are subject to review by the U.S. Court of Appeals.

HUD and ICRC work together in carrying out investigative and enforcement functions. If a right to fair housing is being violated, a complaint may be submitted online to HUD or to the Chicago Regional Office as noted below.

There are several ways to file a complaint:

✧ You can file a complaint online at http://portal.hud.gov/hudportal/HUD?src=/topics/housing_discrimination

✧ You can print a form at the above website, complete it, and drop it or mail it to:

Office of Fair Housing and Equal Opportunity
 Department of Housing and Urban Development
 Room 5204
 451 Seventh St. SW
 Washington, DC 20410-2000

✧ You can call toll-free 1 (800) 669-9777.

✧ You can contact the Chicago Regional Office of FHEO at:

Chicago Regional Office of FHEO
U.S. Department of Housing and Urban Development
Ralph H. Metcalfe Federal Building
77 West Jackson Boulevard, Room 2101
Chicago, Illinois 60604-3507
(312) 353-7776 ext. 2453
1-800-765-9372
TTY (312) 353-7143

◀ Recommendations to Remove Impediments to Fair Housing

This section summarizes the impediments to fair housing choice identified in the research conducted for the AI. This section begins with positive actions related to fair housing that are occurring in Muncie, and concludes with potential impediments to fair housing choice and recommendations to alleviate these impediments and affirmatively further fair housing.

Positive Actions:

City and housing authority policies

A review of Muncie's policies and Muncie's Housing Authority's policies and procedures did not reveal any impediments to fair housing choice. Additionally, the city's land use policies are largely favorable toward fair housing issues, and encourage distribution of group homes and manufactured housing (which is often affordable) throughout the city.

Supply of and access to affordable housing

Overall, Muncie has a good supply and distribution of affordable housing, especially for low- to moderate-income households. According to its Five-Year Consolidated Plan, the City of Muncie will continue to provide affordable housing opportunities in FY 2010 to FY 2014, which includes rental production (rehabilitation of vacant rental units), first-time homebuyer education and counseling, downpayment assistance, removal of architectural barriers, and owner-occupied rehabilitation and emergency housing repairs. HOME funds will assist Community Housing and Development Organizations (CHDOs) rehab and sell single-family homes to low/mod income households, and will provide technical assistance for CHDOs for capacity-building to ensure continuation of long-term affordable housing programs in targeted areas. For more information, see the Consolidated Plan and Annual Action Plans on the Community Development Department website at <http://www.cityofmuncie.com/index/City-Muncie-Departments/Community-Development/CPAAP.asp>.

Current projects under construction, using HOME and Neighborhood Stabilization Program (NSP) funds, will significantly increase the number of affordable units within a year of this publication, including 8 units for persons on disability at Charles Place owned by Bridges Community Services; 35 units at Jackson-Vine and Graystone Apartments by Vision Communities LLP; 3 units by Ready-made Rehab; multiple single, duplex, tri-plex and quad units at Parkview Redevelopment in partnership with Muncie Housing Authority.

The City of Muncie Common Council provides three-year tax abatements as an incentive to construction of new affordable single-family homes. Habitat for Humanity's partner families are frequent recipients of the abatements, making homes more affordable in the first years of homeownership.

Other activities

The Muncie Human Rights Commission (MHRC) and the Indiana Civil Rights Commission are dedicated to mitigating fair housing impediments, investigating fair housing complaints, and increasing awareness of fair housing in Muncie. In recent years, Community Development Block Grant funds have assisted MHRC with outreach and education activities, including assisting with providing workshops, and mailing information to lenders, realtors, housing providers, apartment owners and managers, and others.

Bridges Community Services, Inc. administers HUD's Homeless Prevention and Rapid Re-housing Program (HPRP), which assists persons who are in danger of being evicted, and assists homeless persons find housing.

One of the Muncie Action Plan initiatives underway is resurrection of neighborhood associations, which will encourage more participation in government decisions that effect the living environment, including housing and amenities.

The City is updating its self-evaluation and transition plan for compliance with the Americans with Disabilities Act, which also encourages participation of residents. The plan “will set priorities and guide improvements necessary to increase accessibility by removing physical barriers from the public right-of-way, including streets, curbs, and sidewalks. The plan also will improve city policies, programs and procedures to increase accessibility for persons with disabilities.”

Summary of Impediments to Fair Housing Choice

Despite the positive efforts taken to address fair housing in Muncie, some impediments to fair housing still exist. Following are potential impediments and recommendations to alleviate them.

Patterns of Segregation and Spatial Isolation

Minority and low-income populations in Muncie remain concentrated in neighborhoods surrounding the Central Business District. Neighborhoods with concentrated numbers of minorities include Whitely, Old West End, East Central, McKinley, Gilbert Historic, and South Central. Whites are the most evenly dispersed of any racial or ethnic group; African Americans and Hispanics are the least dispersed.

Recommendations:

- The Muncie Housing Authority and other housing developers, such as Bridges Community Services, Inc., Future Choices, Inc., Greater Muncie, IN Habitat for Humanity, Inc., Pathstone, ecoREHAB, Muncie Home Ownership and Development Center (MHODC), should continue to construct new affordable housing units in minority and low-income communities, and rehabilitate existing vacant units to return them to the affordable rental market and preserve the existing housing stock.
- The Community Development Department should continue to focus on public improvement projects in areas of the city with concentrations of minority and low-income residents.
- The Muncie Housing Authority and housing organizations such as Bridges Community Services, Inc., Future Choices, Inc., Greater Muncie, IN Habitat for Humanity, Inc., Muncie Home Ownership and Development Center, Pathstone, ecoREHAB, and other non-profit housing developers should work together to promote integration of diversity in neighborhoods throughout the city and mitigate concentrations of low and moderate-income persons and minorities.
- Propose the development of mixed-use, mixed income facilities to integrate both residential and commercial functions within the community.
- The City should involve neighborhood organizations in the planning, decision-making, and development of housing development projects.

Minorities' access to credit

Home mortgage lending data show that applicants in areas with moderate and high percentages of minorities had lower loan acceptance and higher denial rates than areas with few minorities, primarily with conventional and home improvement lending. According to Home Mortgage Disclosure Act (HMDA) data, the most common reason for denial for minorities was due to credit history. Aggregate data reports for Muncie are available at <http://www.ffiec.gov/hmda/>.

Recommendations:

The City should assist (as is financially feasible) Muncie Home Ownership and Development Center (MHODC) and Pathstone, Inc. to continue homeownership counseling/education programs, with special outreach to persons living in areas where loan denial rates are consistently higher than average.

Lack of awareness about fair housing/reporting violations

According to HUD data, only 16 housing discrimination complaints were filed from 2006-2010, which would indicate a need for fair housing education. This is supported by the Community Development Department survey results, detailed in the following section of this report.

Recommendation:

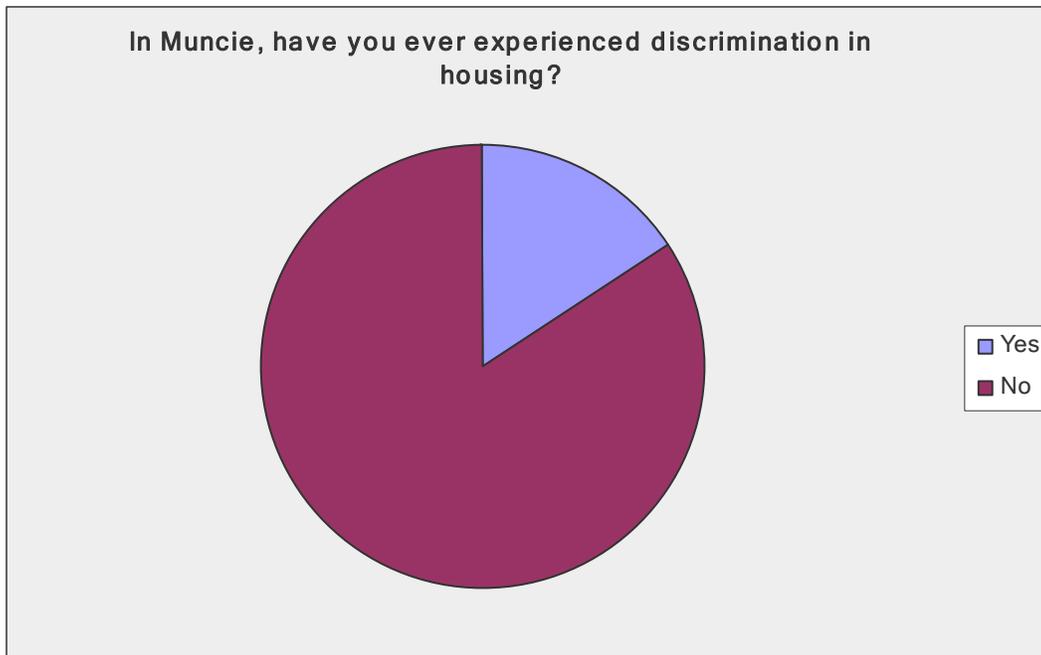
The Muncie Community Development Department and Muncie Human Rights Commission should continue to work together to:

- increase awareness of fair housing rights and the complaint process, with special outreach to those persons most likely to experience discrimination;
- increase awareness of fair housing laws, with special outreach and presentations to rental property owners and managers, lenders, realtors, developers, and other housing providers;
- provide a well-advertised fair housing seminar at least annually;
- provide information to rental property owners/managers recommending methods of advertising that will encourage low- and moderate-income persons and minorities to seek housing;
- develop an Affirmative Fair Housing Marketing Plan for property owners designed to promote outreach to encourage applications from groups least likely to apply for occupancy in a particular development. For example, in the absence of affirmative marketing, minority residents might not be aware of housing opportunities in a neighborhood in which few minorities reside. Affirmative Fair Housing Marketing Plans should also be used to promote the understanding of fair housing practices with local professional organizations.

◀ Survey Results

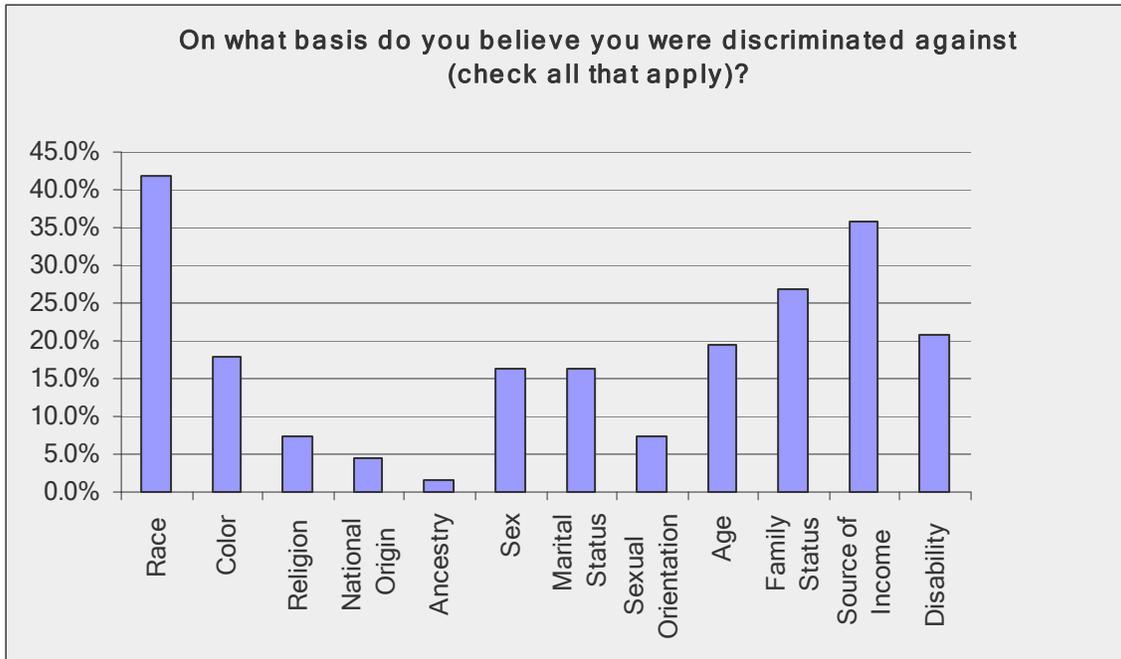
This section summarizes the results of 617 surveys from local residents on community issues, including fair housing.

In Muncie, have you ever experienced discrimination in housing?		
Answer Options	Response Percent	Response Count
Yes	15.8%	79
No	84.2%	422
<i>answered question</i>		501
<i>skipped question</i>		116

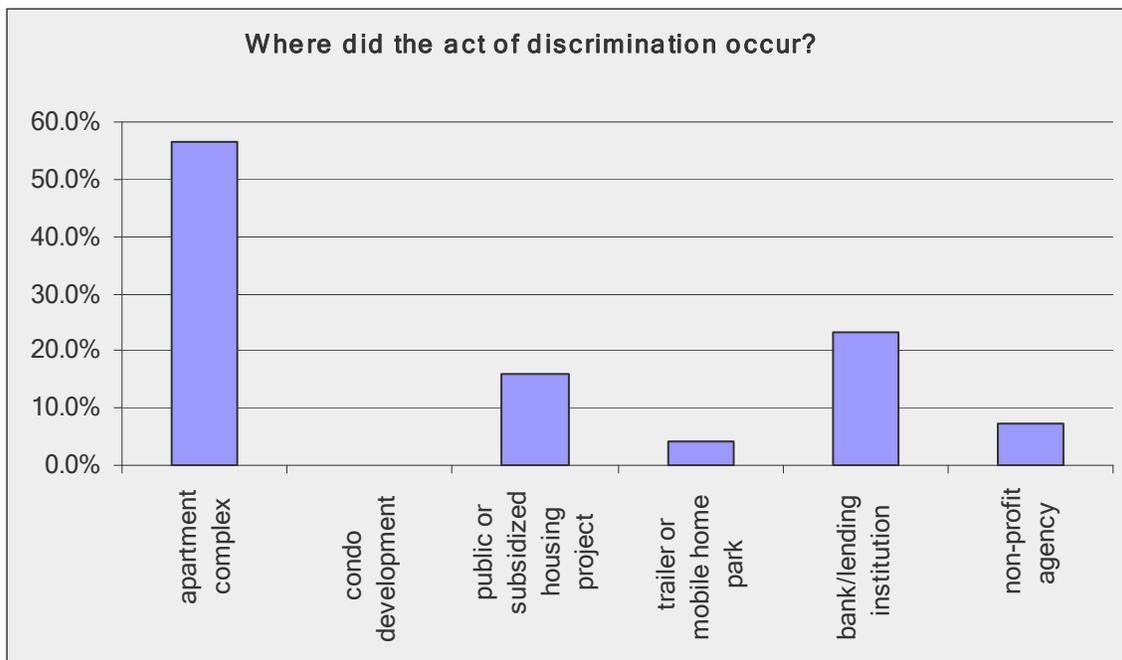


On what basis do you believe you were discriminated against (check all that apply)?

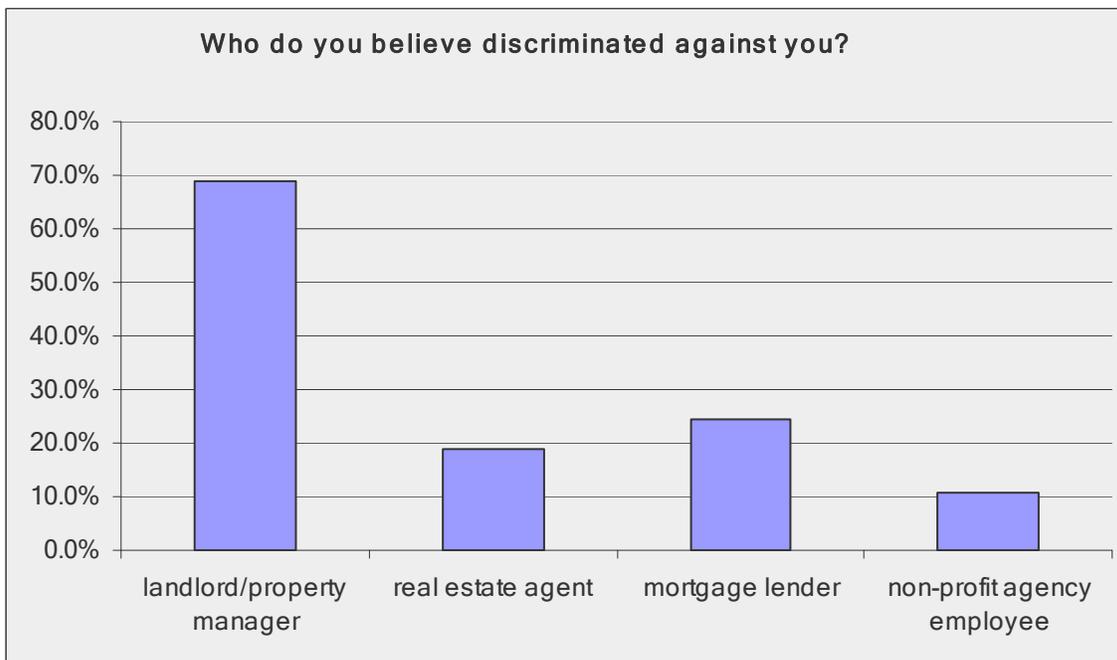
Answer Options	Response Percent	Response Count
Race	41.8%	28
Color	17.9%	12
Religion	7.5%	5
National Origin	4.5%	3
Ancestry	1.5%	1
Sex	16.4%	11
Marital Status	16.4%	11
Sexual Orientation	7.5%	5
Age	19.4%	13
Family Status	26.9%	18
Source of Income	35.8%	24
Disability	20.9%	14
Other (please specify)		8
<i>answered question</i>		67
<i>skipped question</i>		550



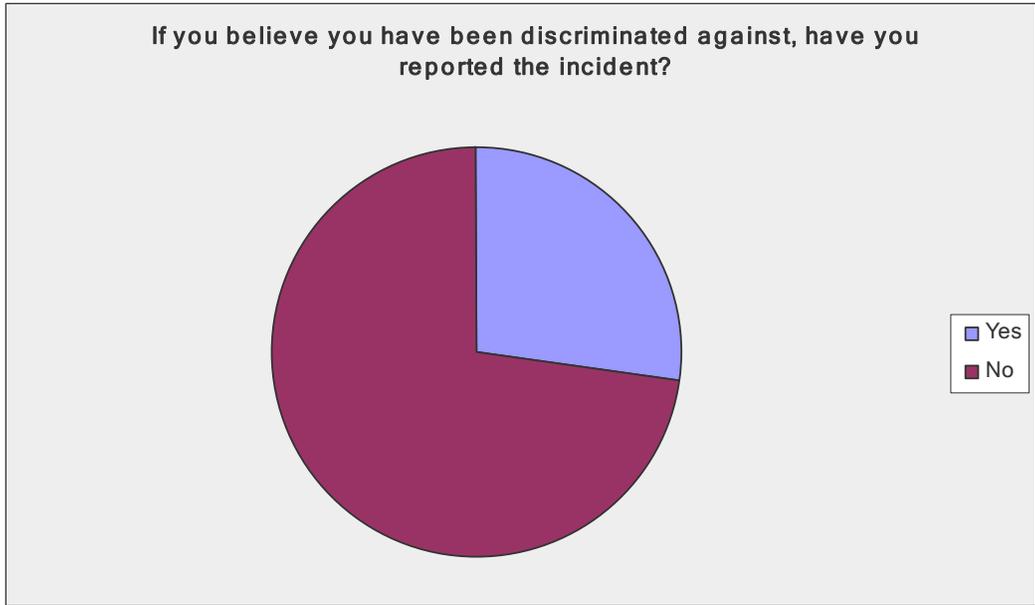
Where did the act of discrimination occur?		
Answer Options	Response Percent	Response Count
apartment complex	56.5%	39
condo development	0.0%	0
public or subsidized housing project	15.9%	11
trailer or mobile home park	4.3%	3
bank/lending institution	23.2%	16
non-profit agency	7.2%	5
Other (please specify)		9
answered question		69
skipped question		548



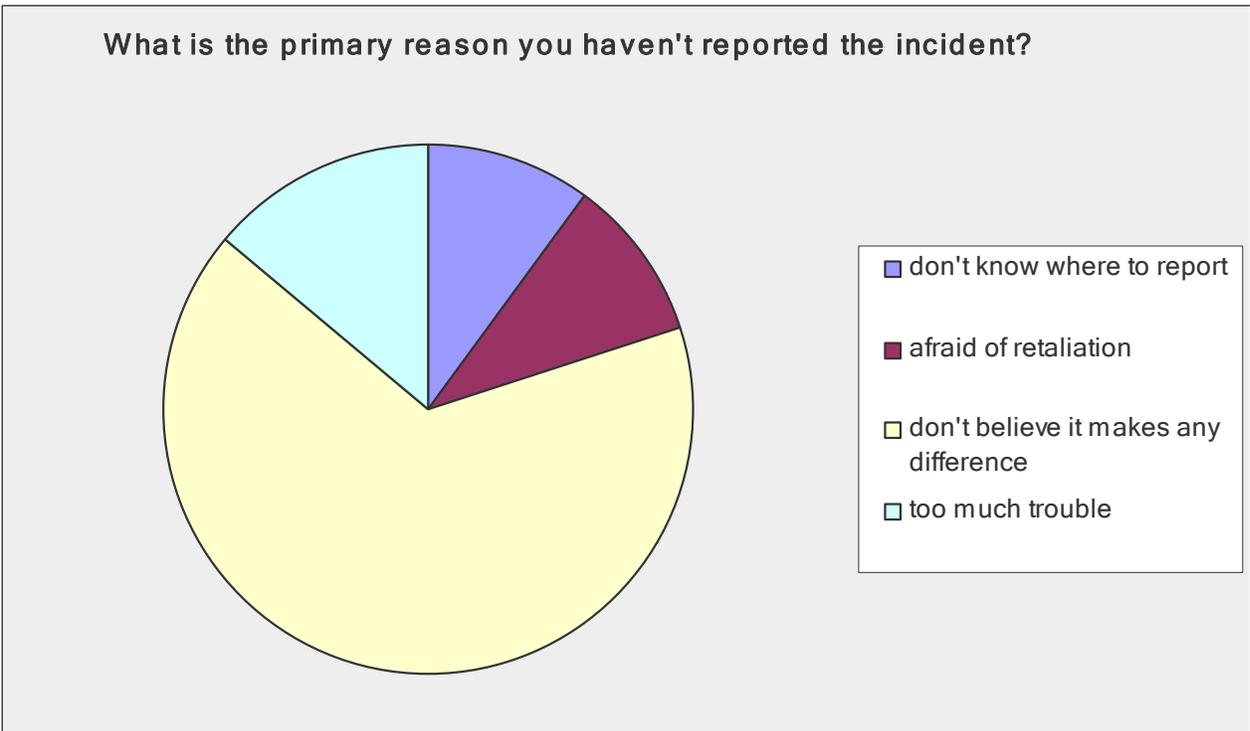
Who do you believe discriminated against you?		
Answer Options	Response Percent	Response Count
landlord/property manager	68.9%	51
real estate agent	18.9%	14
mortgage lender	24.3%	18
non-profit agency employee	10.8%	8
Other (please specify)		6
<i>answered question</i>		74
<i>skipped question</i>		543



If you believe you have been discriminated against, have you reported the incident?		
Answer Options	Response Percent	Response Count
Yes	27.1%	19
No	72.9%	51
<i>answered question</i>		70
<i>skipped question</i>		547



What is the primary reason you haven't reported the incident?		
Answer Options	Response Percent	Response Count
don't know where to report	10.0%	5
afraid of retaliation	10.0%	5
don't believe it makes any difference	66.0%	33
too much trouble	14.0%	7
<i>answered question</i>		50
<i>skipped question</i>		567



Please identify the neighborhood where you live:		
Answer Options	Response Percent	Response Count
Anthony	3.4%	12
Aultshire	0.3%	1
Blaine	0.3%	1
East Central	9.8%	34
Eastside	1.1%	4
Forest Park	2.3%	8
Gilbert	1.1%	4
Industry	2.9%	10
McKinley	2.6%	9
Minnetrista	3.4%	12
Morningside	3.4%	12
Northview	4.3%	15
Norwood	4.3%	15
Old West End	7.8%	27
Orchard Lawn	0.3%	1
Pettigrews Acres	2.6%	9
Riverside/Normal City	5.2%	18
South Central	4.3%	15
Southeast	2.9%	10
Southside	12.9%	45
Thomas Park/Avondale	3.4%	12
Westridge	5.5%	19
Westside	10.3%	36
Whitely	5.5%	19
Other (please describe)		97
answered question		348
skipped question		269

