

Neighborhoods NOW Conference Report



Key 2016 takeaway:

**Limited transportation and housing options
could impact growth in Hamilton County.**

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Summary

Held on Nov. 10, HAND Inc.'s 2016 Neighborhoods NOW Conference explored the current and upcoming workforce challenges facing Hamilton County, while also examining the impact our limited housing and transportation options could have on the region's continued economic growth.

Nearly 100 attendees heard from an impressive group of knowledgeable speakers, including:

- Steven Braun, commissioner of the Indiana Department of Workforce Development
- Anna Gremling, executive director of the Indianapolis Metropolitan Planning Organization
- Michael Smith, deputy director of the Indiana Department of Transportation
- Katie Wertz, senior associate at Greenstreet Ltd.
- Bruce Cordingley, president and CEO of Pedcor Cos.
- John Marron, former IU Public Policy Institute researcher now with IndyGo

After each topic was addressed, conference attendees discussed the challenges and possible solutions. Their suggestions and comments are included in Appendix 1.

Copies of the speakers' complete slide decks are available online: <http://bit.ly/NNslides2016>

Indiana's Workforce Challenge

Although Indiana's relatively low cost of living makes it an appealing place to do business, the Hoosier state does not fare well nationally when it comes to having the workforce employers need to get the job done.

Historically low unemployment is a factor, DWD's Braun said. Other barriers include an insufficient education pipeline, training that is not aligned with employer demand, and students' general lack of awareness about in-demand occupations.

With the state expected to add 1 million jobs by 2025, Braun said his agency is focused on addressing the challenge. Better forecasting of job demand, along with an improved understanding of the skills employers need, will go a long way toward ensuring students and workers get the necessary training to fill the new positions.

The workforce challenge is particularly pronounced in fast-growing Hamilton County, where the unemployment rate hovers around 3 percent—making it difficult for businesses to find candidates for the 50,000 jobs expected to be created in the next decade.



HAMILTON COUNTY WORKFORCE LIFE

As more companies locate operations in Hamilton County, the demand for employees increases. But local businesses already are having trouble finding candidates for open positions, according to a survey conducted this year.

TRANSPORTATION

GETTING TO WORK



More than 60,000 Hamilton County residents commute to jobs outside the county.

About 85 percent of Hamilton County commuters drive alone in a car to work.

FINANCIAL BURDEN



The average Hamilton County household spends 27 percent of annual income on transportation.

LIMITED MOBILITY



About 13% of all adults have mobility impairments that prevent them from driving.

Non-drivers make 15 percent fewer trips to the doctor and 59 percent fewer shopping and dining-out excursions.

ECONOMIC GROWTH



In the first half of 2016, businesses announced plans to invest about \$122 million in Hamilton County.

Planned expansion and relocation projects would create more than 2,100 jobs here in the coming years.

THE STATISTICS



Hamilton County's labor force totaled 171,510 people in September; just 3.1 percent were unemployed.

Employers had more than 5,000 Hamilton County job openings posted as of Sept. 30, 2016.

THE CHALLENGE



Workers in the county's largest employment sector, retail trade, earn an average of \$29,591 per year.

More than 25 percent of Hamilton County households make less than \$50,000 per year.

THE OPPORTUNITY

When people live and work in the same county, more of their income is spent locally than when the place of work and place of residence differ.

HOUSING

EXISTING INVENTORY



Hamilton County has 113,443 single-family homes, with a median value of \$212,800.

Median rent for the county is \$919 per month, above the state median of \$704 per month.

WHAT THAT MEANS



A minimum-wage earner must work 69 hours per week to pay fair-market rent for a 1-bedroom apartment in Hamilton County.

UNMET DEMAND



Only 1.7 percent of all housing units in Hamilton County were developed to serve low-income households.

Nearly 25 percent of households may be eligible for affordable housing based on income.

Sources: Indiana Department of Workforce Development, Hamilton County Business Research Center, 2013 Hamilton County Housing Needs Assessment, National Low-Income Housing Coalition, Hamilton County Housing Needs Assessment, Transportation for America, Realtors Property Resource

An Employer's Perspective: Helmer Scientific Inc.

It is becoming increasingly clear that Hamilton County's continued economic prosperity depends on our ability to produce the workforce that employers want and need. We have been fortunate so far, growing our business community along with our residential population. But we already are starting to see a disconnect. Businesses are discovering that some jobs—particularly at the lower end of the pay scale—are difficult to fill. They're finding that workers simply can't afford to live here, or they can't afford reliable transportation to ensure they'll get to work every day.

Take Noblesville-based Helmer Scientific, for example. It is an almost 40-year-old company that designs and manufactures specialized medical and laboratory equipment for customers in more than 125 countries. Helmer has about 250 local employees and added an average of five new positions each month during 2016. It's the kind of employer most central Indiana communities would be thrilled to have.



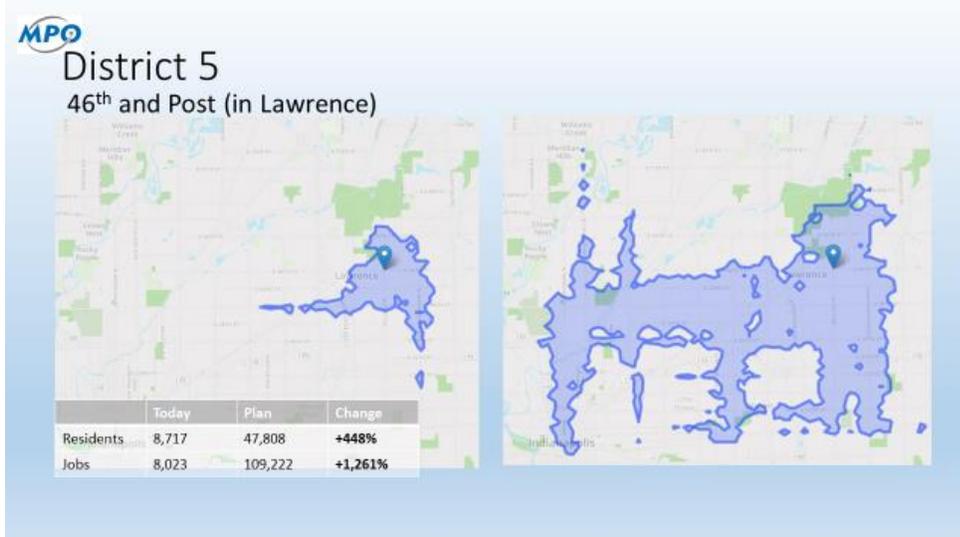
Helmer's entry-level technicians and assemblers make \$13 an hour, which HR Director Tim Miller said forces the company to recruit employees from Madison and Marion counties. And when workers have been able to find an apartment they can afford in Hamilton County, they usually discover that their rent increases faster than their salaries do.

The reality is that even working families may have trouble making ends meet in Hamilton County. The United Way says 22 percent of households here cannot afford the basics: housing, food, health care, child care and transportation, despite working full time.

Moving People Between Home and Work

Fueled largely by continued development in Hamilton County, the Indianapolis metro area's population growth (4.4 percent) and job growth (8.3 percent) during the first half of this decade outpaced most of its Midwest peers, but it still fell short of top performers Charlotte, Denver and Nashville.

Gremling, the Indy MPO director, highlighted one key difference between central Indiana and its "aspirational" peers: Charlotte, Denver and Nashville invest more than twice as much in transit as Indianapolis on a per-capita basis. As a result, their public transportation service is more than twice as robust—connecting more people with more employment options.



Indeed, better access to transportation means better access to jobs, Gremling said. She shared a series of projections prepared in connection with Marion County’s 2016 transit referendum that clearly show the impact of route improvements.

Transit options are even more limited in Hamilton County, where 85 percent of commuters drive to work alone. The MPO’s Commuter Connect initiative aims to offer alternatives, organizing 26 vanpools in the region—including seven that originate in Hamilton County—to help residents share rides.

Now Hamilton County communities must decide whether to allow voters to weigh in on transit funding. Of the 107 transportation projects worth \$597 million planned for Hamilton County in the coming years, the vast majority are road, intersection and bridge improvements.

INDOT’s recent \$350 million overhaul of U.S. 31 in Hamilton County, for example, replaced 13 traffic signals with 12 roundabout interchanges, easing congestion and reducing commuters’ drive time. A similar project is planned for the State Road 37 corridor through Fishers and Noblesville.

A Commuter’s Perspective: Julie from Westfield

Julie is a single mother with three kids. She is a college-educated professional who has worked in the legal field as a paralegal, office manager and office assistant for her entire career. Because she worked at large firms in downtown Indianapolis, she couldn’t take her children to sports practices, games and extracurricular events in Westfield. Fortunately, they had an extra vehicle the kids could share to get around. Until it broke down in 2010.

That’s when Julie discovered the commuter bus route that ran from Carmel to downtown Indy. Her oldest child was away at college, so each morning, Julie’s middle child took her to meet the bus, and then used the car to get himself and his younger sister to school and other activities before picking up his mom after work. She loved riding the bus, using the time to relax and catch up on reading or emails before beginning her busy day. She also appreciated the opportunity to allow her two youngest children to continue



participating in activities that were important to them. When the commuter bus demonstration project ended, she carpoled with others who had ridden the bus with her, but that only lasted only about three months.

Even so, Julie's time riding the bus and carpooling allowed her to save enough money to get a used car for her children to use. The two oldest now have graduated from college, and the youngest is at Ball State working on a nursing degree. Having access to alternative forms of transportation made a huge difference to Julie and her family at a difficult time in their lives.

Affordable Housing Options in Short Supply

The Washington Post reported a disturbing trend in 2013: There are more poor people living in the nation's suburbs than in its inner cities. The middle class is shrinking, and more families are finding themselves burdened by the cost of housing and transportation.

Households are considered cost-burdened if they spend more than 30 percent of total income on housing-related expenses, or more than 45 percent on housing and transportation combined. In Hamilton County, 98 percent of households exceed that 45-percent threshold.

Greenstreet's research found that just 36 percent of households in metro Indianapolis can afford the average new home in Hamilton County, using the 30-percent rule. A minimum-wage worker would need to spend a whopping 77 percent of his total income to pay the rent on a one-bedroom apartment here.

Who can still afford the American Dream? How many households in the Indy Metro can "afford" to purchase the average new home in Hamilton County?



And minimum-wage workers aren't the only ones affected. A special education teacher or police officer earning \$50,000 a year can afford just 36 percent of the houses sold in Hamilton County last year, Wertz said, and a mere 16 percent of new homes.

That's why HAND is working to develop additional housing options in Hamilton County. But demand far exceeds our current capacity. Greenstreet found that for every one subsidized housing unit in Hamilton County, there are six cost-burdened low-income households.

At the current rate of construction—about 100 units a year—Wertz said it would take a century for supply to catch up with demand, which is expected to double by 2040. Developers would need to build 300-400 units each year to address the need.

Accelerating construction is a challenge for a variety of reasons, not the least of which is the stigma that surrounds the notion of "affordable" housing. Both Wertz and Cordingley challenged the perception that affordable means low-quality, pointing to examples of well-executed developments across the country.

The perception of affordable housing is often very different from reality and based, often times, on a lack of understanding (for both the need and potential impacts) as well as a lack of well executed examples to reference.

50 UNITS/ACRE



- Increased traffic
- School overcrowding
- Increased demand on city services
- Decreased property values
- Changes in "character"

78 UNITS/ACRE



- No negative impacts on property values
- Population growth does not necessarily yield higher municipal costs
- Less school related costs with construction of multi-family than new single-family developments

Source: Steven Fagan, "Fear of Affordable Housing" Excerpted in: Realty, 2012, <http://reality.com>; EPA.org
*not comprehensive findings and assumes project is well designed, complements surroundings, and is well managed

Cordingley challenged attendees to drive through Pedcor's mixed-income Greystone Apartments in Noblesville and try to figure out which units are affordable versus market-rate. He said even he can't tell the difference.

Carmel-based Pedcor has developed about 18,000 affordable housing units over the last 30 years. Most have been in communities outside Indiana that welcomed affordable housing as an option for Millennials, seniors and diverse populations. One affluent community west of Denver wanted to draw food-service workers to improve their dining options, Cordingley said.

Of course, even welcoming communities have some detractors. While NIMBY has become common parlance for change-averse "not in my back yard" residents, Cordingley shared a few other humorous acronyms his team has come up with over the years:

- NOTE — Not Over There Either
- CAVE — Citizens Against Virtually Everything
- BANANA — Build Absolutely Nothing Anywhere Near Anything

Communities that are open to affordable housing projects have a better chance of attracting quality developers—and better developments, Cordingley said.

A Resident's Perspective: Meet Steve from Noblesville

Steve and his sister grew up in a subsidized housing complex in Noblesville with their single mother. Steve was determined to make sure his two children would never live there or be made to feel inferior, like he did. HIS CHILDREN would have a home to call their own.

After graduating from Noblesville High School, Steve landed a decent warehouse job at a large Hamilton County company. He and his wife, who worked for a major big box retailer, made enough to provide a comfortable living for their family, but they did not have the means to save money to buy a house.

In 2008, Hamilton County and HAND were able to offer HUD's Neighborhood Stabilization Down Payment Assistance program. After meeting all the qualifications and going through an intensive homeownership training program, Steve's family earned their 20% down payment and closing cost assistance. This allowed them to qualify for a mortgage on a new house.

With hard work and a little help, Steve was able to fulfill his dream and his children were able to catch the bus every morning outside their own home.

The Intersection of Workforce, Transportation and Housing

Former IU Public Policy Institute researcher Marron, now a project manager at IndyGo, connected the dots for conference attendees, sharing data that lays out the challenges for Hamilton County:

- A substantial portion of jobs here are middle-skill/middle-wage positions. In fact, 57 percent of jobs pay less than \$40,000 a year.
- There isn't enough middle-priced housing here to accommodate all the middle skill/middle wage earners. And cost-burdened households have little left over to save for retirement, invest in education or pay unexpected bills.
- Because jobs are far more concentrated than housing, transportation plays a critical role in allowing residents, workers and employers to realize the full potential of the regional economy.

"Growth is great and change is inevitable, but progress isn't," Marron said, setting up what he called The Big Question(s) for community leaders to contemplate while planning for the future:

The Big Question(s)

At what point does a lack of balance between workforce, housing, and transportation limit future opportunity?

Transportation:

At what point does over-reliance on a single mode of transportation, given current growth trajectories, cause congestion that limits access to opportunity? At what point does the cost of long commutes outweigh the opportunity of a job?

Housing:

At what point does lack of housing proximate to work locations encourage people to look elsewhere for work, in a place more convenient?

Workforce:

At what point does a lack of access (housing + transportation) limit employers' abilities to find and hire middle skill/middle wage workers?

There are no easy answers, but HAND is committed to continuing the conversation in Hamilton County. The organization has invested more than \$15 million in local communities since 2007, developing six low-income housing properties with a total of 96 rental units and funding nearly \$300,000 in home repairs for low- to moderate-income homeowners.

HAND has two projects in its 2017 pipeline: A proposed \$10 million, 56-unit apartment building with ground-floor retail in Noblesville, and a 10-unit mix of duplexes and single-family homes in Home Place.



Appendix 1: Brainstorming suggestions/comments

Transportation

Challenges:

Lack of mobility for pedestrians from subdivision to subdivision and across interchanges

Lack of fixed-route public transportation in Hamilton County; cost of public transportation—to establish and to use

Our culture doesn't encourage multimodal transportation use.

Lack of awareness of need for public transit and affordable housing

Perception: public transportation is only for "poor people"

Car dependency: We live in a car-dependent culture. Infrastructure, new housing, services and new development have all been building (and continue to be built) with cars in mind, not public transportation

Solutions:

Priority lanes for commuter buses

Privatized van services for individual employers

Vanpools in neighborhoods

Mimic the transit systems of our aspirational peers

Promote concept of ride-sharing in education system

Shared ride system provided by employer – i.e. 96th Street bus stop to Riverview Health or other major employers

Hamilton County cities need to approve mass transit options (referendum)

Appeal to younger demographic

Awareness at apartment complexes, senior living facilities and Ivy Tech/colleges

Connect housing and commercial with trails, sidewalks, bike lanes

In planning for regional development, anticipate or even lead patterns of growth rather than reacting to growth with Band-Aid solutions only when a near-crisis situation exists

More bike lanes — make Nickel Plate rail line a bike path

Coordinated system for carpool match

Bus routes, car/vanpool options, bike shares/routes, car shares/routes

Better parking lots for carpooling, dedicated carpool lanes like Seattle

Scheduled bus system running frequently throughout the day; multiple stops

Dedicated funding to expand public transit options, referendum

Tax incentives for businesses who commit to addressing mobility challenges of employees

Create more buffers next to roadways, improve infrastructure, encourage programming (maps, art, etc.) and placemaking—involve the community, community walking tours

Starbucks coffee in commuter buses/vans to help w/ cost by sponsorship. Wifi too!

More co-working spaces so people don't have to travel so far

More working from home opportunities

App to show route and connect with other citizens to set up carpools. Include time of day, destination, how many people you can take

Employers offer special parking spots for carpoolers

Improve walkability—create walkability app

Make sure future transportation projects focus on individuals in the service industry—we need 24-hour bus/transportation system

Increase bus routes in Hamilton County

More diversity in housing options to reduce commute time; increase pedestrian connections; further develop transit system between Hamilton County communities, pedestrian connection on larger scale

Carpool-only lanes

More bus routes in/to/from Hamilton County

Shuttle service from parking to destination—circuit to several locations

More park-and-ride options and stops

Bus amenities

Need outreach to whole community regarding this need: residents, employers, voters, leaders

Ride share cars (BlueIndy), bike share

Better ways for bikers and pedestrians to cross U.S. 31, State Road 37, Interstate 69

Mass transit for the county

Resolve the green line

Express bus

HOV lane on 69

Add carpool lanes to highway

Add dedicated bus lanes to highways

App for parking

Car sharing like BlueIndy

Park and ride lots

Green line/light rail

Mobility coordination tool

Need regional transportation options

Employer solutions

More telecommuting opportunities/support from employers

Red line extension	Better use of technology to sync traffic lights, messaging, etc.
Need options for rural Hamilton County	Promote denser development
Additional bike routes	Carpool connectivity
Tax incentives to employers for pedestrian access	Additional roundabouts/traffic measures to make travel faster
Work to share definitions of “transit” and “affordable housing” with communities and residents	The “outer loop” or commuter connection
Create incentives (tax break?) for annual bus pass	Additional transportation options (buses, etc.)
Self-driving cars – can it help people with disabilities?	Express/prompt bus routes
Increase funding to Hamilton County Express to add capacity	Housing/employment connections
More and better connected sidewalks and multiuse paths. More bike routes	Employers adding stipend for parking expenses
Add buses, consider light rail options	Expand BlueIndy into Hamilton County
	Need to look at cost of owning a car
	Talent attraction—millennials want access to transit. They choose where they want to live based on the place first—transportation is key to attracting this generation.

Housing

Challenges:	Need more accurate definition of affordable
Zoning issues	--factor in student loans
Financing favors big houses—how to change that?	--health care costs
	--HOA fees
	--owning a vehicle
	--“hidden costs”
Lack of public knowledge on this subject	
Municipal attitudes	

Solutions:

Why not have affordable housing closer to jobs so less people are using long transit?

Plan communities better to place housing/schools/senior housing – integrate housing with commercial

Need higher density

Better education so we don't keep doing it same old ways

Change the language—middle-class housing > negative with affordable

Create communities where young people want to live

Changing zoning regulations to better meet demand

Increase federal LIHTC funding; push for more LIHTC to go to suburbs

Pre-approved designed, especially for young families, teachers, police

More age-in-place housing designs

Mixed residential—multiple housing options within a single neighborhood

Encouraging transit-oriented development

Housing near major employment nodes

Walkability of neighborhoods

Remove restrictions on development (no more supersized homes)

Change housing policies—zoning, arch standards, density, etc.

Integrate various housing prices and options together. Do not concentrate affordable housing in large clusters

Communities should actively reach out to builders/developers to make meaningful investments

Get away from the term “affordability” – negative connotations. Insert sustainability

Need catalyst for governments to change zoning/thought process

Better education about possibility of acceptable appearance of affordable

Accept mixed-use planning for areas

Developers need incentives to change their plans

Get rid of red tape for builders

Denser housing around transit lines

Zoning districts that are “shovel ready”

“Shovel ready” building plans for infill lots

More developments of middle housing – compact development (and dev. like Highpoint)

More local official support/flexibility to update ordinance

Developer incentives for affordable housing

Acquire existing housing at the lower end of market rate to make affordable

Large employers opening satellite offices in areas where their employees live to reduce travel times and improve housing options

Employer participation in affordable units, working in partnership with developer; employee housing allowance

More duplexes – live on one side and rent the other

Making public aware of the number of Hamilton County residents who require affordable housing

Create dense living space with common green space

QAP prioritization to production in high opportunity areas

Building more middle homes—smaller total square feet

Offer different housing options and levels of affordability so all incomes able to live in Hamilton County

Work on efforts locally and nationally to establish “living wage” minimums in Hamilton County to close gap on the income side of the affordable housing equation

More public education on the benefits of affordable housing and correcting the stigmas around such housing

Appendix 2: Hamilton County ALICE report



Have you met ALICE? ALICE is an acronym for Asset Limited, Income Constrained and Employed. They are households that earn more than the U.S. poverty level, but less than the basic cost of living for their county of residence. When combined with those below the poverty level,

17 percent of Hamilton County households are struggling to afford basic needs such as housing, food, transportation and health care; 5% live in poverty, and 12% live below the ALICE threshold. Here's a look at the numbers for each city and town.



*Households spending more than 30 percent of their income on housing are considered housing burdened.

Source: United Way ALICE report, based on 2014 point-in-time data

Appendix 3: 2016 Neighborhoods NOW Conference sponsors and supporters



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