



# Housing

Housing, like education and health, is essential to economic development. Residents who do not have stable housing struggle to maintain employment. Kids who live in families with housing instability (couch surfing with family and friends or moving frequently to manage rent and unstable income) often struggle with regular school attendance. People in Scott County believe there need to be more affordable housing options at all income levels. Residents want to be able to attract young professionals with nice housing, but also believe much of the older, poorly maintained housing stock needs to be replaced with housing that is safe and affordable for lower income families.

## Community Profile

Scott County was home to an estimated 10,704 housing units in 2019.<sup>37</sup> The County claims a high owner occupancy rate of 72.7% compared to 68.9% in Indiana and 63.8% nationally (Figure 44). The median home value is \$99,600, well below the state median of \$135,400 and the national median of \$204,900.

The Department of Housing and Urban Development defines housing as affordable if a household spends no more than 30% of monthly income on mortgage or rent plus utilities. The median mortgage plus ownership costs total \$1,039 and the median gross rent over the same 2014-2018 period was \$783.<sup>38</sup> If one estimates total utilities at roughly \$200 per month, then a

person would need to earn roughly \$34,000 per year to be able to afford the \$783 rent. Based on the income distribution for the same 2014-2018 period, an estimated 38.3% of households had earnings below \$35,000 and only those with a bachelor's degree or higher had median household earnings at or above \$35,000. Low educational attainment and low wage work combine to create a mismatch between the average cost of housing and income levels.

The 2020 fair market rate for a two-bedroom unit in Scott County is \$799.<sup>39</sup> A couple with two earners working full-time at \$10 per hour can “afford” this but will need to avoid any unexpected expenses throughout the month. A single person earning \$10 per hour in take home pay, working 40 hours per week, can “afford” to pay \$500 each month for rent plus utilities. That is not enough for the fair market rate for an efficiency in Scott County; and that leaves the individual with \$1,167 to cover all other expenses for the month (transportation--including insurance, food, clothing, cell phone, internet access, healthcare, and medications). Hence, the quotes around the word “afford.” At very low wages, even 30 percent of household income can be a stretch if it simply leaves too little for remaining expenses.

The 2020 Point-In-Time (PIT) Count of the homeless documented 61 homeless individuals in Scott County.<sup>40</sup> The PIT count is widely cited as a substantial undercount of the homeless population.<sup>41</sup> Researchers claim that homeless

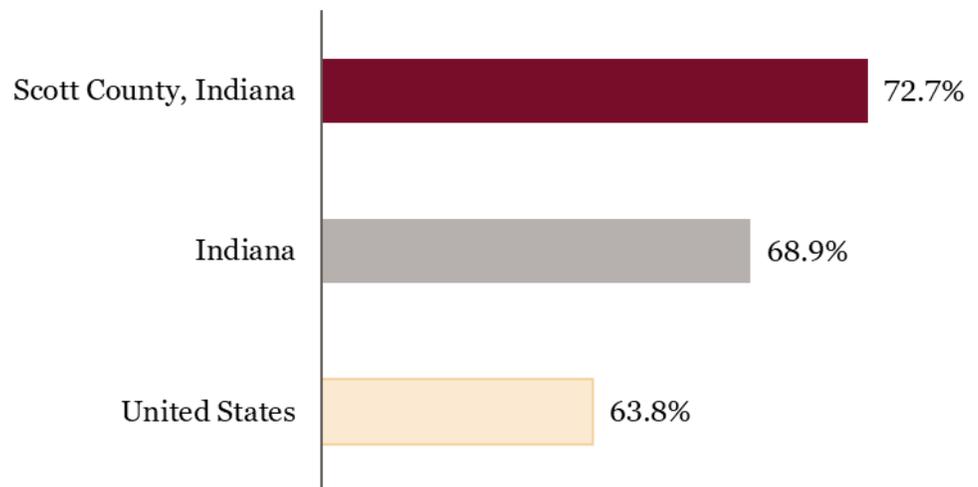
populations may be as much as 2-3 times the size of the count if we include those who are couch surfing, or may have been in jail, hospitalized, not found, or unwilling to participate the night of the count. Among the region's homeless, reported issues with mental illness, substance abuse, and HIV increased significantly from 2019 to 2020.<sup>42</sup>

Median earnings suggest that a sizable share of residents can afford the fair market rate for at least a two bedroom or can manage the median mortgage plus utilities. However, a large portion may struggle to make housing costs work. Low vacancy rates are likely driving up prices and creating challenges throughout the market. From 2014-2018, an estimated 12 percent of households suffered from "severe housing cost burden," which means the household spends 50 percent or more of monthly income on housing.<sup>43</sup> This figure reflects both low employment rates and the prevalence of part-time and low-wage employment.

## Community Perceptions

Survey findings on top needs for housing are consistent with interview data. Interviews indicate

Figure 44: Owner-Occupied Housing Rates, 2014-2018



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U.S. Census Bureau. 2020. "Quickfacts." American Community Survey 5-Year Data 2014-2018. Retrieved 08/13/2020 <https://www.census.gov/quickfacts/fact/table/IN.scottcountyindiana.US/PST045219>.

that Scott County has housing needs across the spectrum. The community needs to replace substandard housing, some of which is vacant or should be, and it needs to build housing that targets a variety of price points. The area wants to attract working professionals looking for small town or rural living, and it needs to provide safe, quality housing for residents who work in the community's retail and service sectors at relatively low wages.

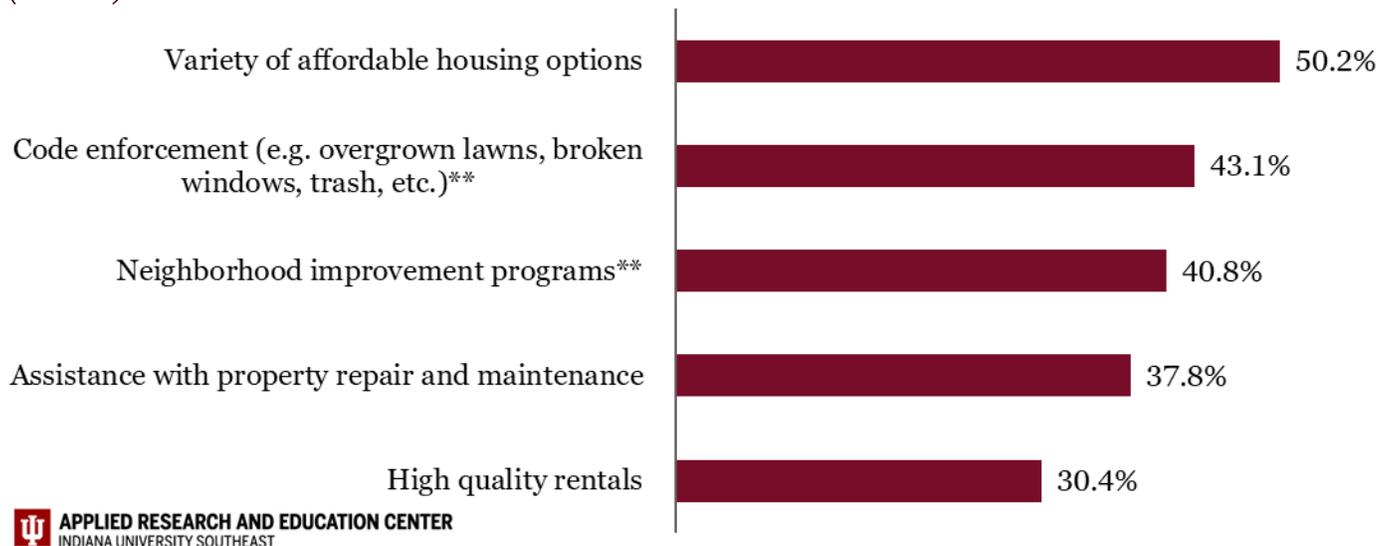
One key informant explained that he could not believe people were paying such high prices for run down and unsafe housing conditions. The rental market, he argued, is filled with property owners who are not keeping rentals up to code. Others expressed frustration at unkempt houses as

Figure 45: Fair Market Rate (FMR) Figures for Scott County, IN 2020-2021

| Final FY 2021 & Final FY 2020 FMRs By Unit Bedrooms |            |             |             |               |              |
|---|------------|-------------|-------------|---------------|--------------|
| Year  | Efficiency | One-Bedroom | Two-Bedroom | Three-Bedroom | Four-Bedroom |
| <b>FY 2021 FMR</b>                                  | \$600      | \$645       | \$850       | \$1,068       | \$1,153      |
| <b>FY 2020 FMR</b>                                  | \$564      | \$607       | \$799       | \$1,025       | \$1,134      |

Source: U.S. Department of Housing and Urban Development. 2020. "The FY 2021 Scott County, IN HUD Metro FMR Area FMRs for all Bedroom Sizes." FY 2021 Fair Market Rent Documentation System. HUD User ([https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2021\\_code/2021summary.odn](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2021_code/2021summary.odn)).

Figure 46: Percent who indicate the item was one of three top needs related to housing in the community (N=299)



eyesores, rather than hazards to renters. This sentiment is widely shared. The issue of homes behind on maintenance comes out in two ways that seem to fall along income lines. Higher income respondents see code enforcement as a priority need. Lower income respondents see assistance with property repair and maintenance as a priority need. These two approaches are addressing the same problem, one from a punitive perspective, and the other from the assumption that the reason people are not keeping their properties up better is that they cannot afford to.

Lower income respondents most frequently selected the following priority needs: variety of affordable housing options, low-income assistance (like Section 8, now called housing choice vouchers), and assistance with property repair and maintenance. They were more than twice as likely as their higher income counterparts to select “Low-income housing assistance.” While higher income respondents also had the highest percent selecting the “variety of affordable housing options” item, their next two priority needs were code enforcement and neighborhood improvement programs, both of which lower income respondents were statistically less likely to select.

*“I wouldn’t be able to afford that same land today. I mean it’s good for me in that my property’s value has gone up, but I feel for those who are trying to enter the ownership market now. It’s more expensive. Much harder to get in today.”*

These differences in responses reflect a shared desire to have better kept homes and nicer looking neighborhoods, but the two groups of respondents come at the issue differently based on their experiences and assessments of the cause.

While less than a quarter of respondents in each of these groups cites senior housing as a need here, when asked about priorities for older adults, affordable housing for seniors and affordable assisted living were the only two priority areas selected by 50% or more of respondents. More than 60% of respondents over age 65 selected “affordable

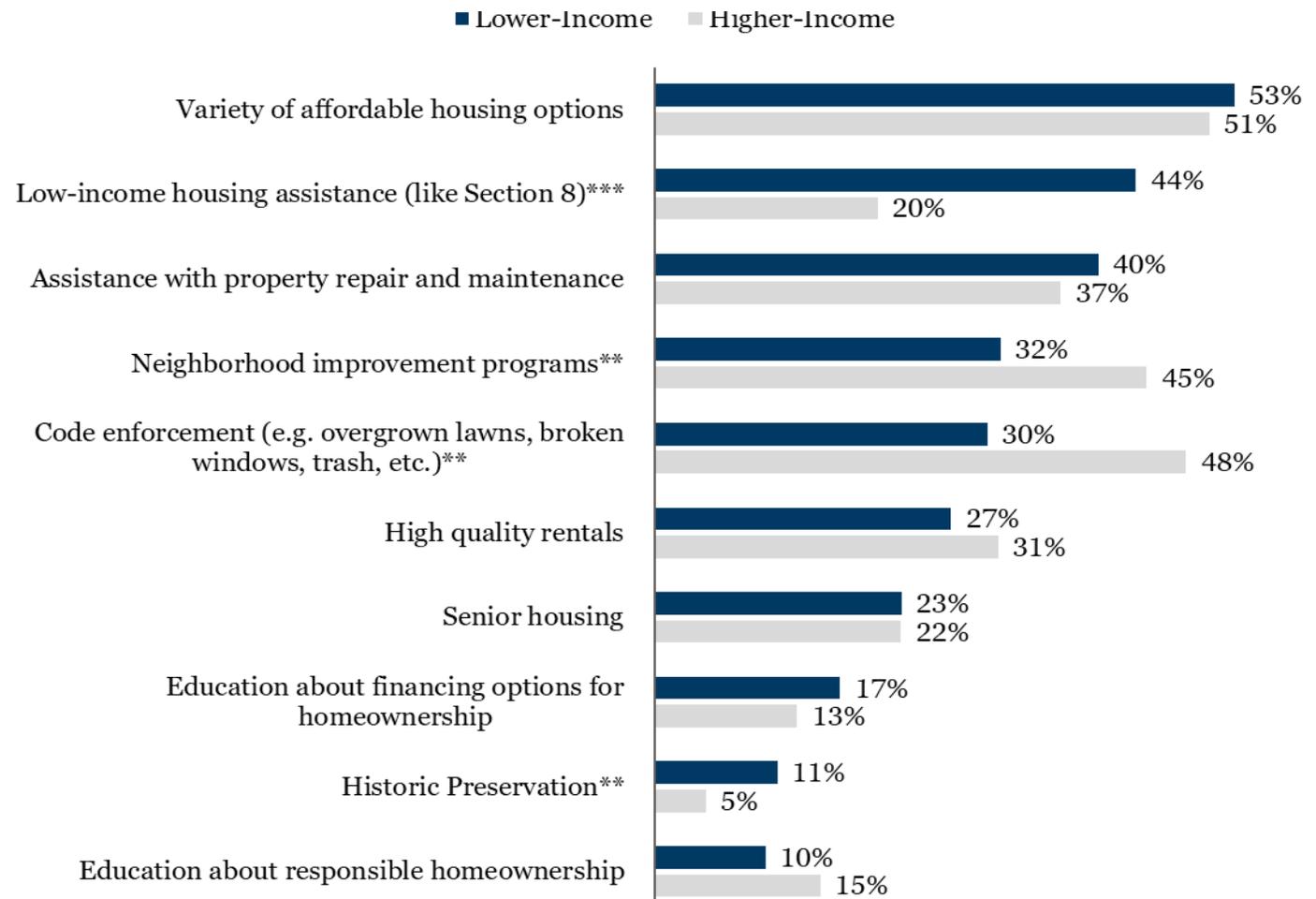
assisted living” as a priority.

## Forward Together

Residents do not share a strong consensus on the top needs relating to housing, but when we triangulate their responses with community profile and interview data, a few priority needs stand out and suggest directions for action.

- Ensure access to affordable, safe, high quality housing for people at all income levels in Scott County.

Figure 47: Housing needs by income level



- Increase access to safe affordable housing that meets the support needs of the elderly.
- Replace and/or rehabilitate uninhabitable housing stock.
- Develop an intentional strategic sustainable development plan for new housing that protects the area’s natural resources and amenities.

All citations and figure numbers consistent with full report. Full citations available at [www.scottcountyfoundation.org](http://www.scottcountyfoundation.org).

Investments in safe stable affordable housing for low- to moderate-income households supports employment and educational success. Creating diverse, affordable housing options for middle to upper income families may attract young families and encourage upwardly mobile locals to remain in Scott County. Planning with an eye toward mixed income development has the capacity to build stronger communities with more diverse social connections that will affect outcomes across the areas addressed in the Forward Together study.



Scott County  
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