

# Voices From The Heartland

August 2004

Vol. XV, No. 3

## A hope unseen—looking at the other side of Hope VI

Like the rest of the nation, Northwest Indiana suffers from a lack of affordable housing. As public housing shifts from high-rise construction for the poor to more mixed-income developments, residents in the changing buildings must become more informed so they are not left out of decisions to demolish and replace their housing.

These were among the issues discussed at a public forum sponsored by Heartland Center on June 26. The forum was organized by John Stankovic, the center's community action coordinator, and attracted over 50 people. It concentrated on Hope VI, the federally sponsored program to replace dilapidated public housing with mixed-income residential developments. There is one Hope VI project in Northwest Indiana, Duneland Village in the Miller area of Gary. The forum was planned as one of several follow-ups to Heartland Center's recent study, *Housing in Northwest Indiana: Affordability, Adequacy, Accessibility*.

The featured speakers at the forum were Edward Williams, president of New York's Everywhere and Now Residents Organized Nationally Together; Carol Steele, president of the Local Advisory Council of Cabrini-Green, Chicago; and Bill Seitz of the Chicago Baptist Ministers'



The featured speakers at the forum: Edward Williams, Everywhere and Now Public Housing Residents Organized Nationally to Work Together; Carol Steele, Local Advisory Council for Cabrini-Green Homes; Bill Seitz, Metropolitan Baptist Church Association

Association. Each shared personal stories of living in public housing and their experiences as national advocates.

"You do not want to be put out of a community where you have lived for 30 years and end up fighting for cardboard boxes under the viaducts," Steele said. There has been an effort to regain the land where Cabrini-Green sits, she continued, effectively moving people in those units away. "We know they didn't want us there. It's near the lakefront. They wanted that land. This is happening all over the country with people being forced out of their communities."

"It's an attack on poor people," Williams contended, "whether they are black, white or brown. This country has an obligation to provide people with affordable housing. Part of the problem is that residents have not been involved in decisions about their housing, yet they are being turned out of their homes by the thousands. When new structures are built they are too often unaffordable to the people



Attendees questioned the speakers at the Housing Forum

who need them.”

Continued on page 2

**Hope VI**, continued

Williams continued, “What the federal government has done is to relocate people from one poverty stricken location to another. Your housing council must be active. When they start talking about relocating people, make sure a committee is in place.” A national study revealed that Hope VI developments create, on average, 44 percent fewer units than they tear down, and less than 50 percent of original residents return after redevelopment.

Knowledge is the key, all speakers agreed, to not being left on the curb as public housing shifts direction. “We held this forum, Stankovic observed, “to provide the citizens of Northwest Indiana information and analysis so that when they attend a meeting held by Hope VI, Gary Housing Authority, or their local housing commission, they can ask the right questions and be more involved in a project they will have to live with.”

“Hope VI can be a great program nationally,” said Williams, “if it remains true to its original concept of protecting the residents.”

**Heartland Center Report**

—For information on the Hope VI project in Duneland Village in Gary visit: [www.garyhopevi.org](http://www.garyhopevi.org)—

Quotations are taken from Carmen McCollum, “Groups advocate affordable public housing,” *The Times*, Sept. 27, 2004; and Lisa DeNeal, “Input is key aspect in public housing,” *Post Tribune*, Sept. 27, 2004.

**Housing in Northwest Indiana**

- **Affordability**
- **Adequacy**
- **Accessibility**

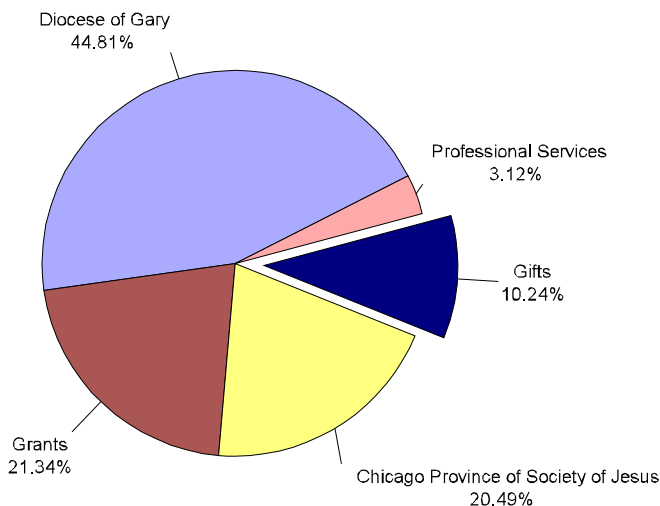
Copies of this report are available, \$10.00 each. Contact Heartland Center—219.844.7515.

The Executive Summary of this report (and other Heartland Center reports) are available on the web. Follow the RESEARCH link at—

[www.heartlandctr.org](http://www.heartlandctr.org)

**Heartland Center Income**

July 1, 2003—June 30, 2004



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## Taxing the poor—Indiana’s income tax

A recent publication by the Center on Budget and Policy Priorities (CBPP) highlights the issue of state income taxes on those living at or below the poverty level throughout the United States. The report (“State Income Tax Burdens on Low-Income Families in 2003” by Bob Zahradnik and Joseph Llobrera, April 8, 2004) looks at the amount of income taxes paid by single -parent families of three and two-parent families of four in the 41 states and the District of Columbia which levy income taxes.

Of the 42 taxing bodies, 16 of them levied a tax on a single-parent family of three with less than \$14,675 of income (the official poverty line) and 18 taxed two-parent families with poverty -level incomes below \$18,811. Indiana is among the states in each of these two groups, and is one of ten states that levy a tax of over \$200 on two-parent families of four with poverty-level income.

The table summarizes some of the statistics from the CBPP report. The three states with the highest taxes at poverty level and the three states with the lowest taxes (highest refunds) are compared to Indiana. Tax threshold refers to the lowest income level a family would be required to pay income taxes. Tax at poverty refers to the amount of income tax a family with poverty-level income paid in 2003.

Indiana is not the worst state in terms of taxing those with low income. A single-parent family of three at poverty level living in Alabama paid \$413, or about 2.8 percent of their income. A family of four in Kentucky paid \$626 (3.3 percent of income). However, Indiana is still among the few states which levy income tax on families living below the poverty level. While \$55 may seem relatively small to many people, for a family of three trying to survive on less than \$15,000 per year, this is a significant sum. The \$201 paid by a family of four at poverty-level income represents over one percent of their income. In contrast, the three states at the bottom of the list not only don’t require families below poverty-level to pay taxes, but provide a tax rebate to those families.

The CBPP report cites Indiana for improving, in large part because of the implementation of the Earned Income Tax Credit (EITC), which raised the tax threshold for a family of four from \$9,500 in 2002 to \$14,400 in 2003, and cut the tax for a family at poverty level from \$387 to \$201. Similarly, the threshold for a family of three was raised from \$9,000 in 2002 to \$13,400 in 2003, and the tax paid at poverty level reduced from \$284 to \$55. The EITC is set to expire at the end of 2005. If it does expire, the thresholds will drop and taxes will increase for those living at (and below) the poverty line.

It makes little sense to tax families with incomes below poverty level, and then provide assistance to them via programs geared toward this same population. At the very least, the state’s legislators should make sure the EITC is continued past the expiration year of 2005. In addition, serious consideration should be given to restructuring the income tax system so that families living below the poverty line are not required to pay any income tax. These measures would help ease the burden of taxation on those who can least afford it.

✦ André Nauta, Ph.D.

**Tax thresholds and poverty-level taxes for 2003**

State		Single-parent Family of Three		Two-parent Family of Four	
		Tax threshold	Tax at poverty (\$14,675)	Tax threshold	Tax at poverty (\$18,811)
Highest	Alabama	4600	413	4600	493
	Kentucky	5000	383	5500	626
	Hawaii	9800	279	11500	407
	<b>Indiana</b>	<b>13400</b>	<b>55</b>	<b>14400</b>	<b>201</b>
Lowest	Minnesota	27700	(1052)	30200	(1472)
	New York	25400	(1115)	27700	(914)
	Vermont	27600	(1282)	30200	(1069)

**T**he cemeteries of this world are appropriate resting places for countless Christians who spent their lives waiting for cues that never came and summonses that were never delivered; who bided their time looking for others to take the initiative and to bear the burden of responsibility. While others make excuses, a Christian of personal responsibility recites an act of contrition, shoulders a share of the burden and then takes the initiative. To wait and do nothing is to be nothings.†

**May he rest in peace**

Ed Marciniak (1917-2004)

*Founding member of the National Center for the Laity*

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*Voices From The Heartland*

is published quarterly by

**Heartland Center**

7128 Arizona Ave., Hammond, IN 46323-2223

Voice: 219/844 7515 Fax:219/844 7566

E-mail: [mail@heartlandctr.org](mailto:mail@heartlandctr.org)

Visit Heartland Center on the web—[www.heartlandctr.org](http://www.heartlandctr.org)

Thomas M. Gannon, S.J., Director

James M. Dixon, S.J. Associate

Francine M. Hintz, Assistant Director

André Nauta, Ph.D., Research Analyst

John Stankovic, Community Action Coordinator

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