

Equitable Development in Madison

An assessment of factors contributing to displacement and gentrification

City of Madison Planning Division



Equitable Development in Madison

POPULATION



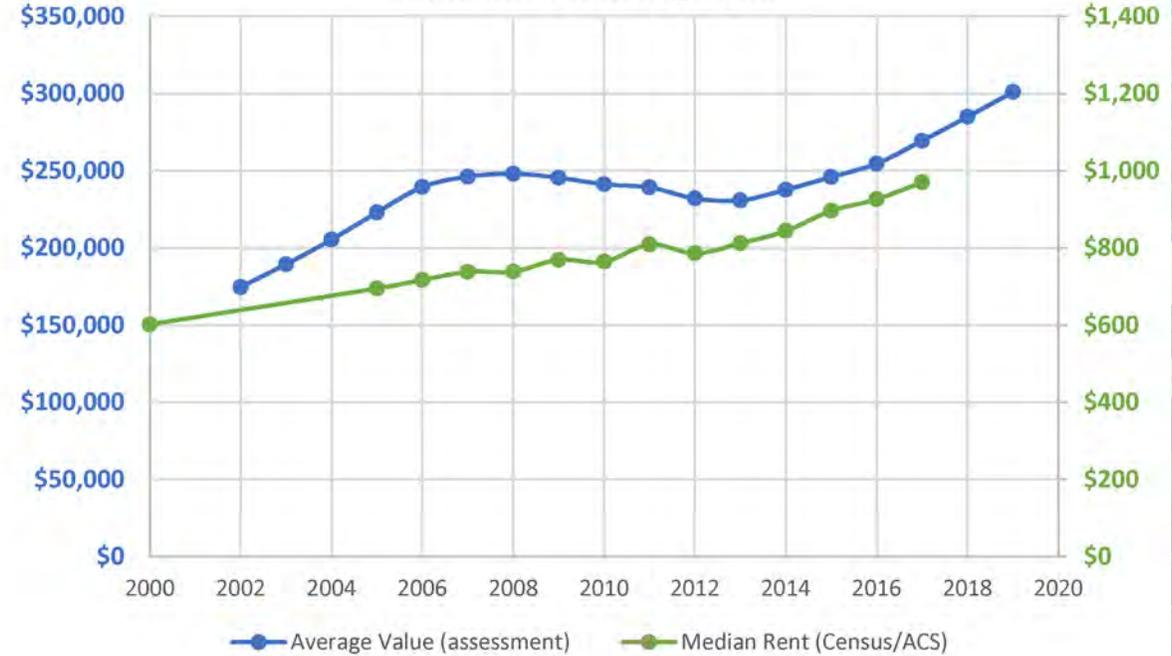
Madison will add 70,000 new residents between now and 2040.

TOTAL HOUSING UNITS



Madison will need to build 40,000 housing units by 2040 to meet the needs of our growing population.

Madison's Housing Costs

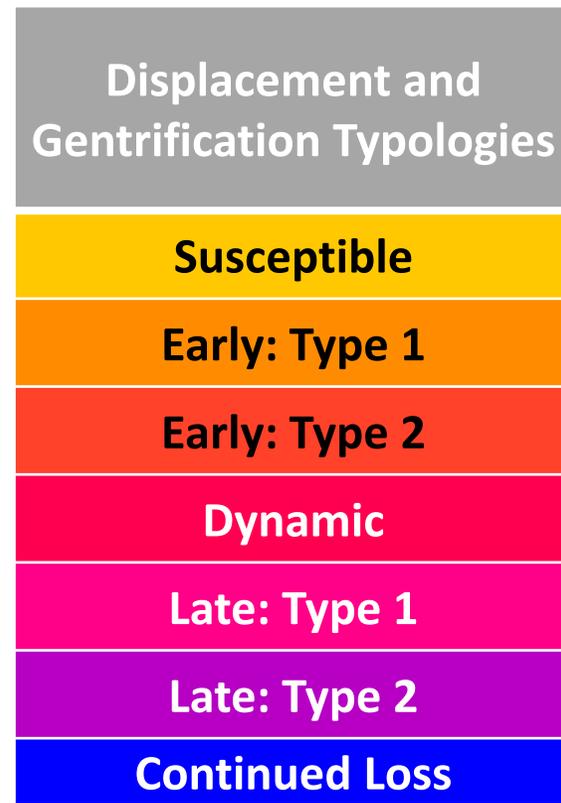
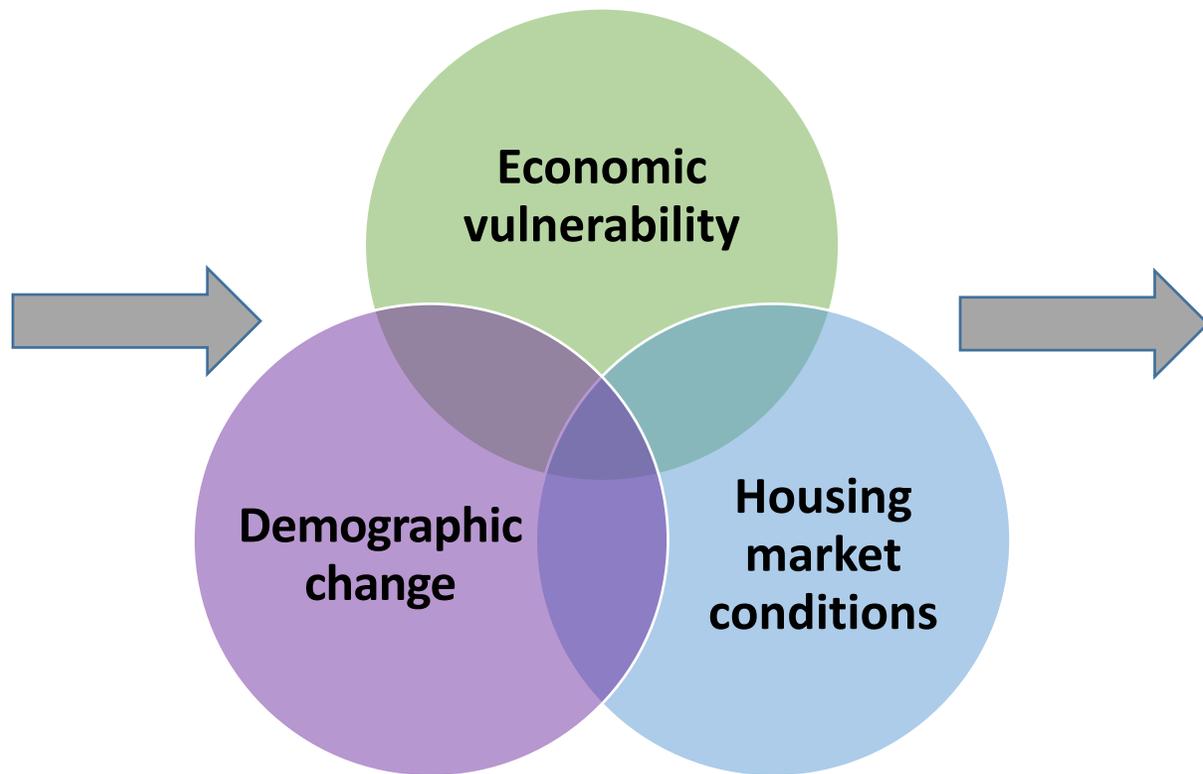


Portland, Oregon Methodology

Time Series Analysis:
2000, 2010, 2017

Census tract level
(appx. 60 tracts in
Madison)

- Census/ACS – demographics
 - Income/poverty
 - Education
 - Rental/Ownership
 - Race/Ethnicity
- Housing values/rents

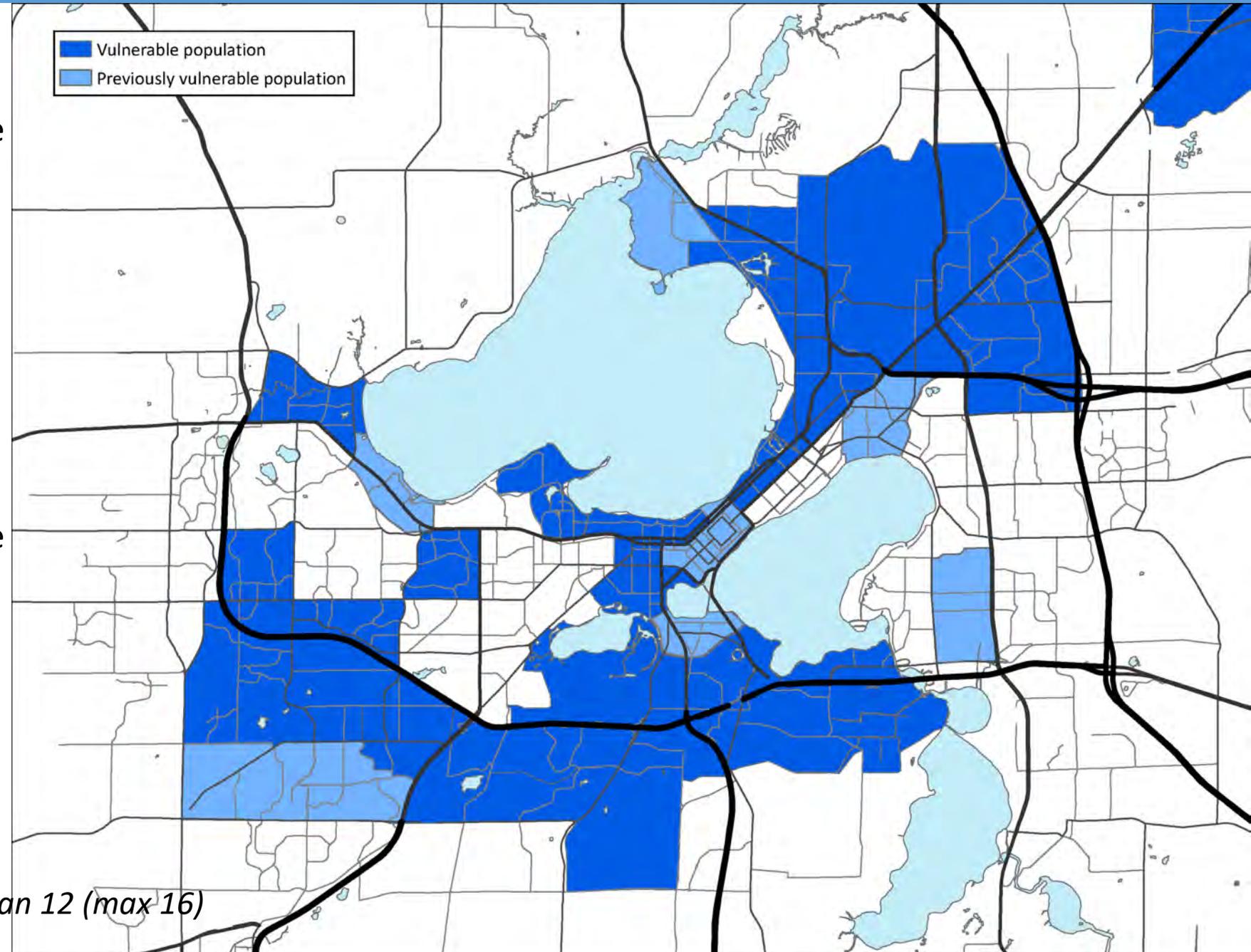


Economic Vulnerability

- Share of households that are **renters** greater than city average
- Share of population that are **communities of color** greater than city average
- Share of adults without a **four-year degree** greater than city average
- Share of households that are **low-income** (below 80% MFI) greater than city average - (*substituted 185% of poverty level*)

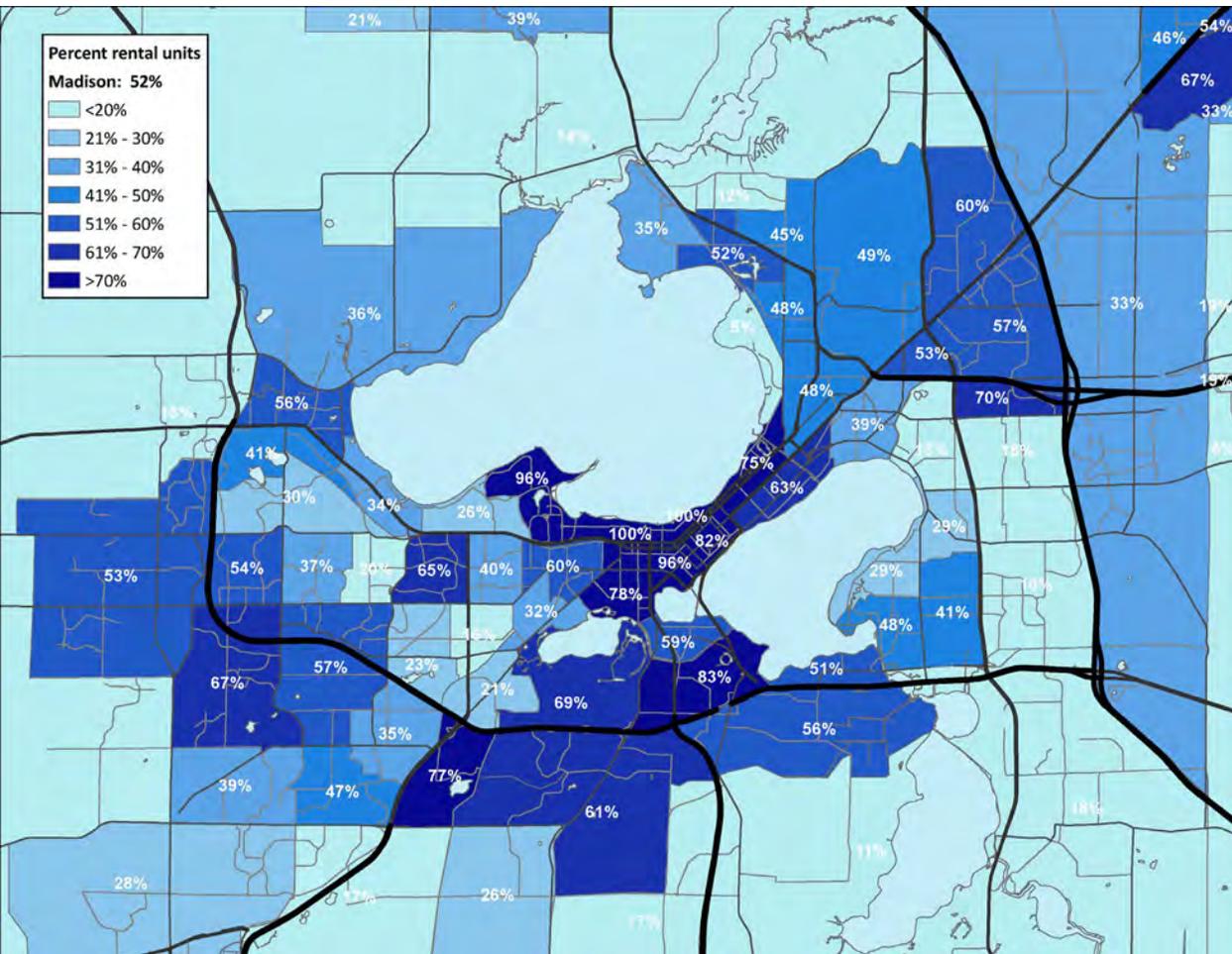
Considered vulnerable

- *3 out of 4 criteria are met*
- *sum of quintile score is greater than 12 (max 16)*

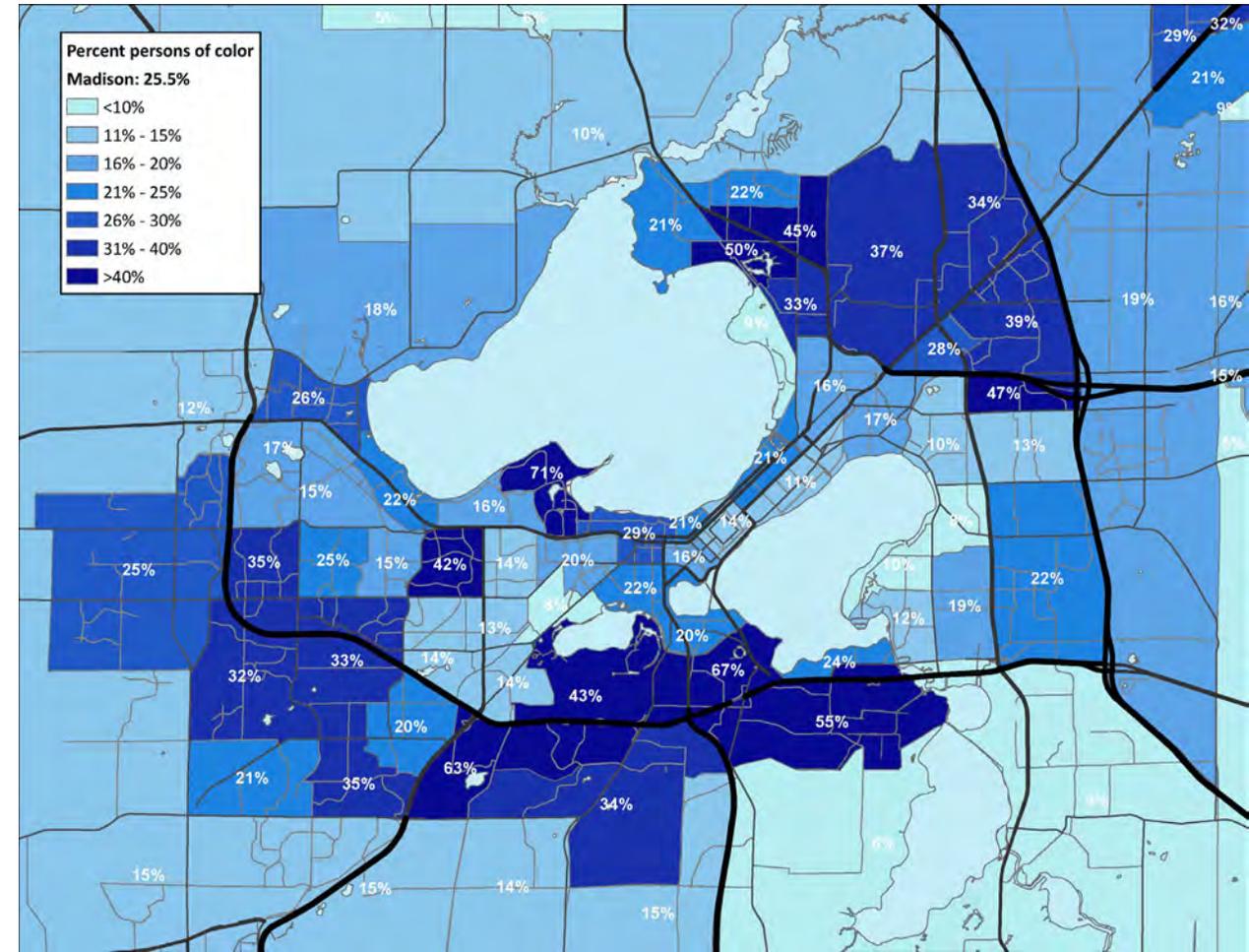


Economic Vulnerability

Share of households that are **renters** greater than city average

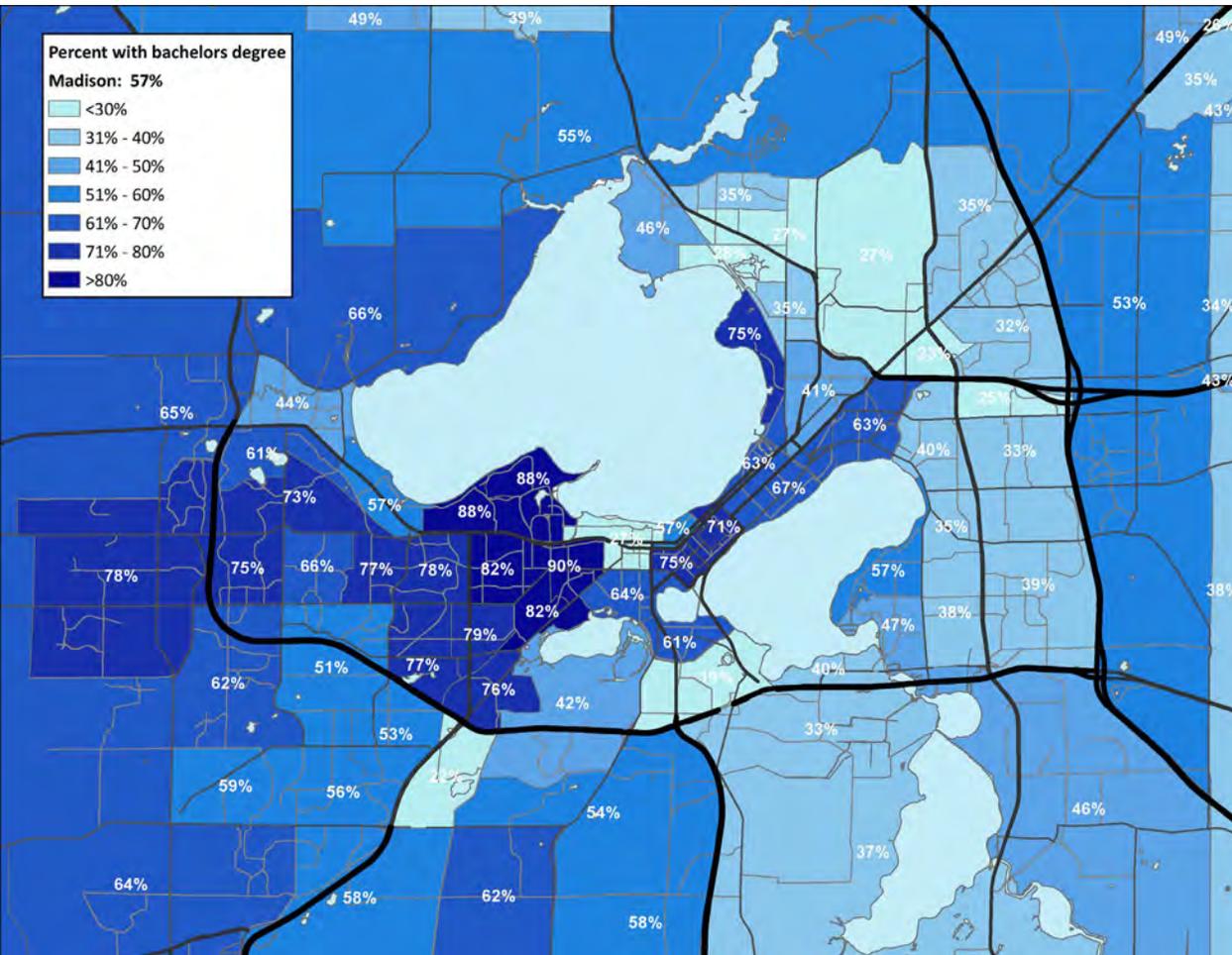


Share of population that are **communities of color** greater than city average

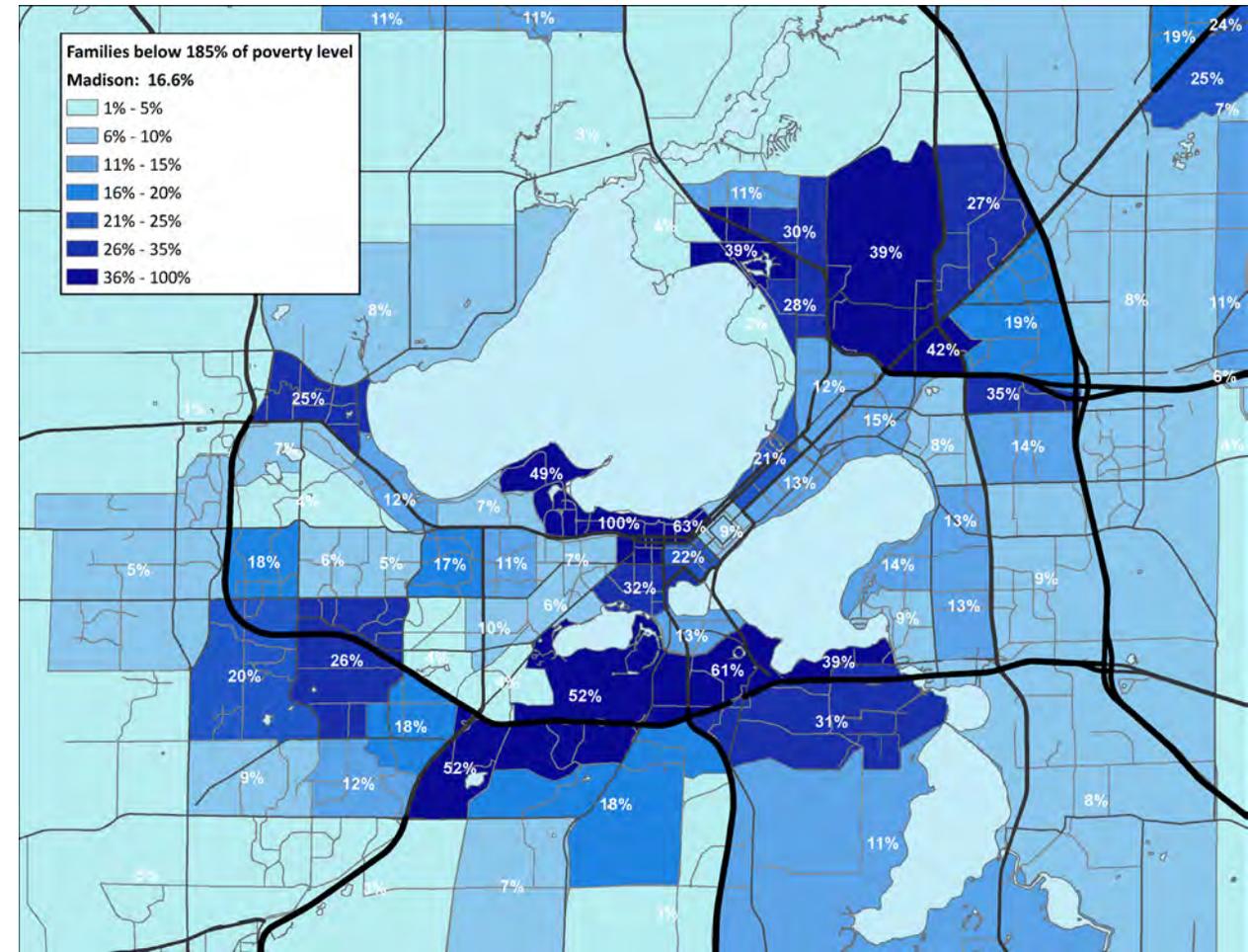


Economic Vulnerability

Share of adults without a **four-year degree** greater than city average



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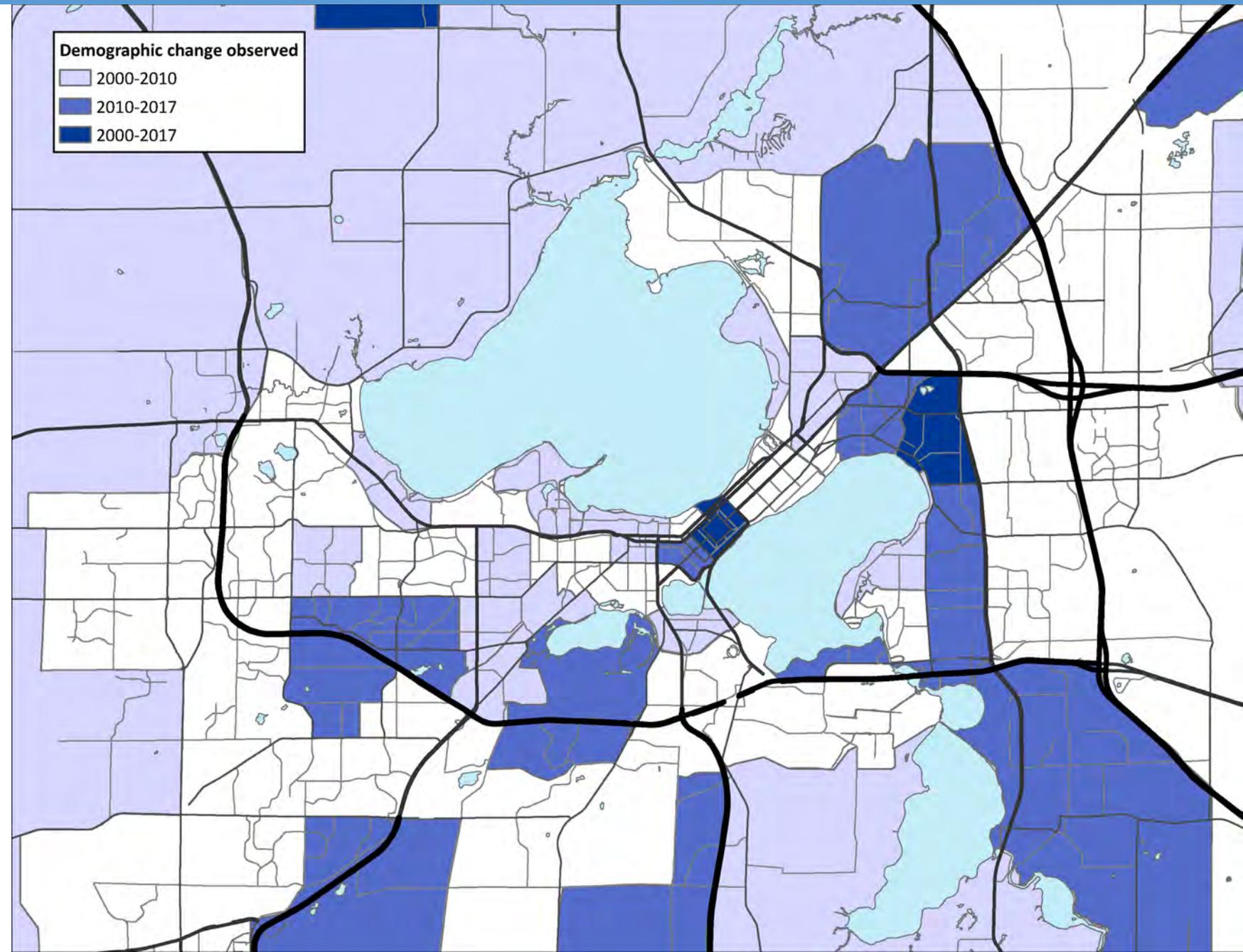


Demographic Change

- The share of **homeowners** increased or decreased slower than the citywide average
- The **white population rate** increased or decreased slower than the citywide average
- The share of adults with a **four-year degree** increased faster than the citywide average
- Median **household income** increased faster than the citywide average

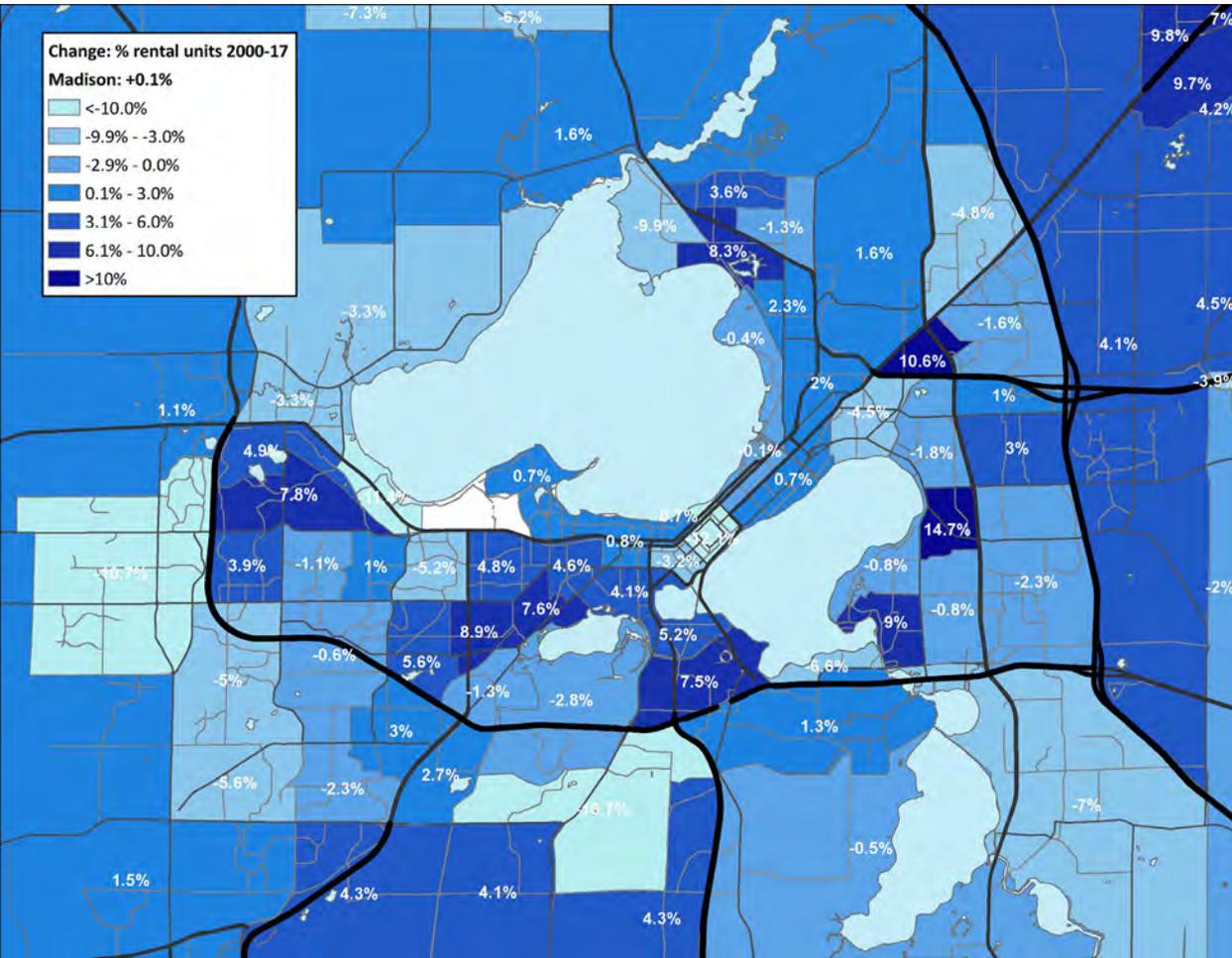
Change Observed

- *Three of four factors occurred*
- *Factors two and three occurred*

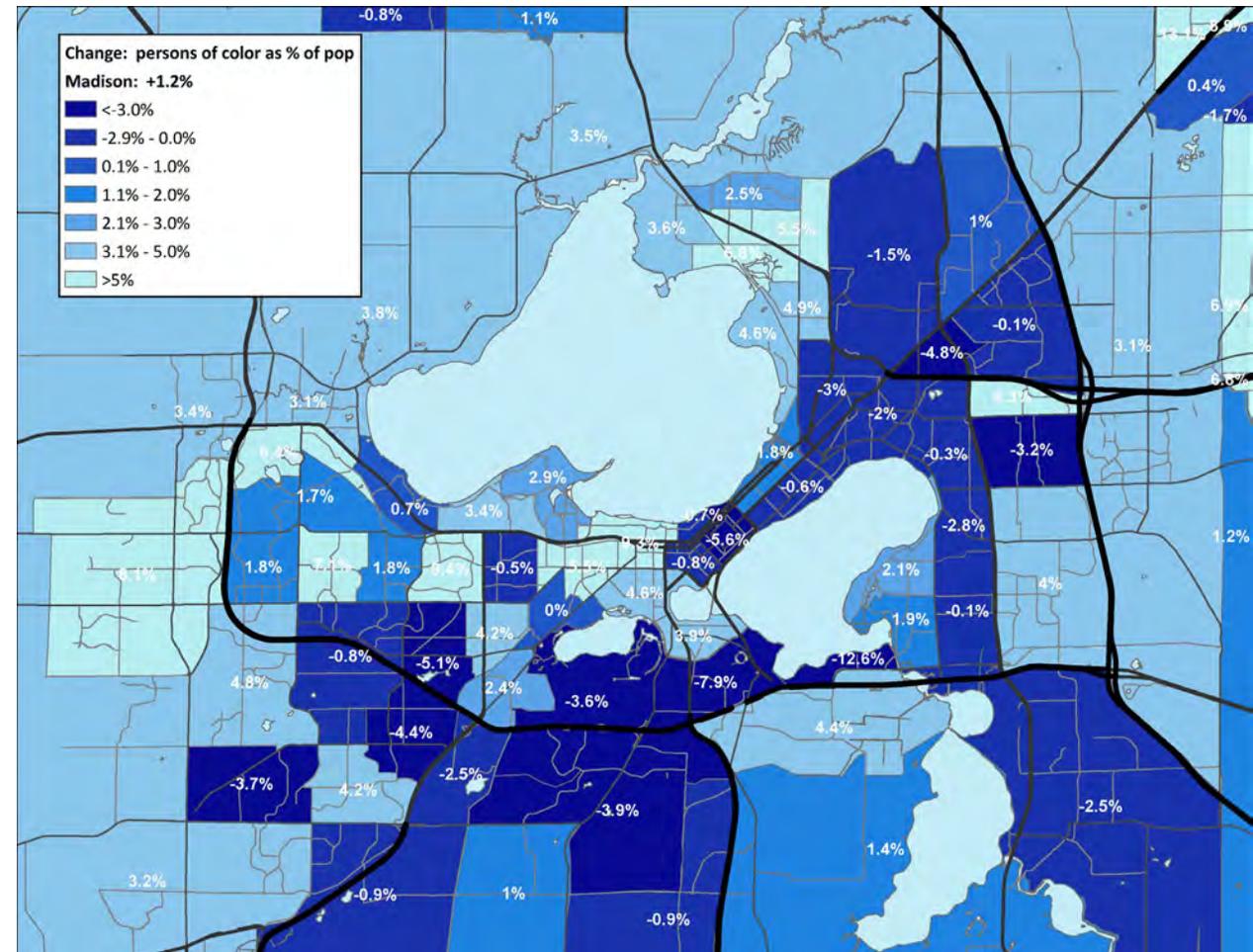


Demographic Change

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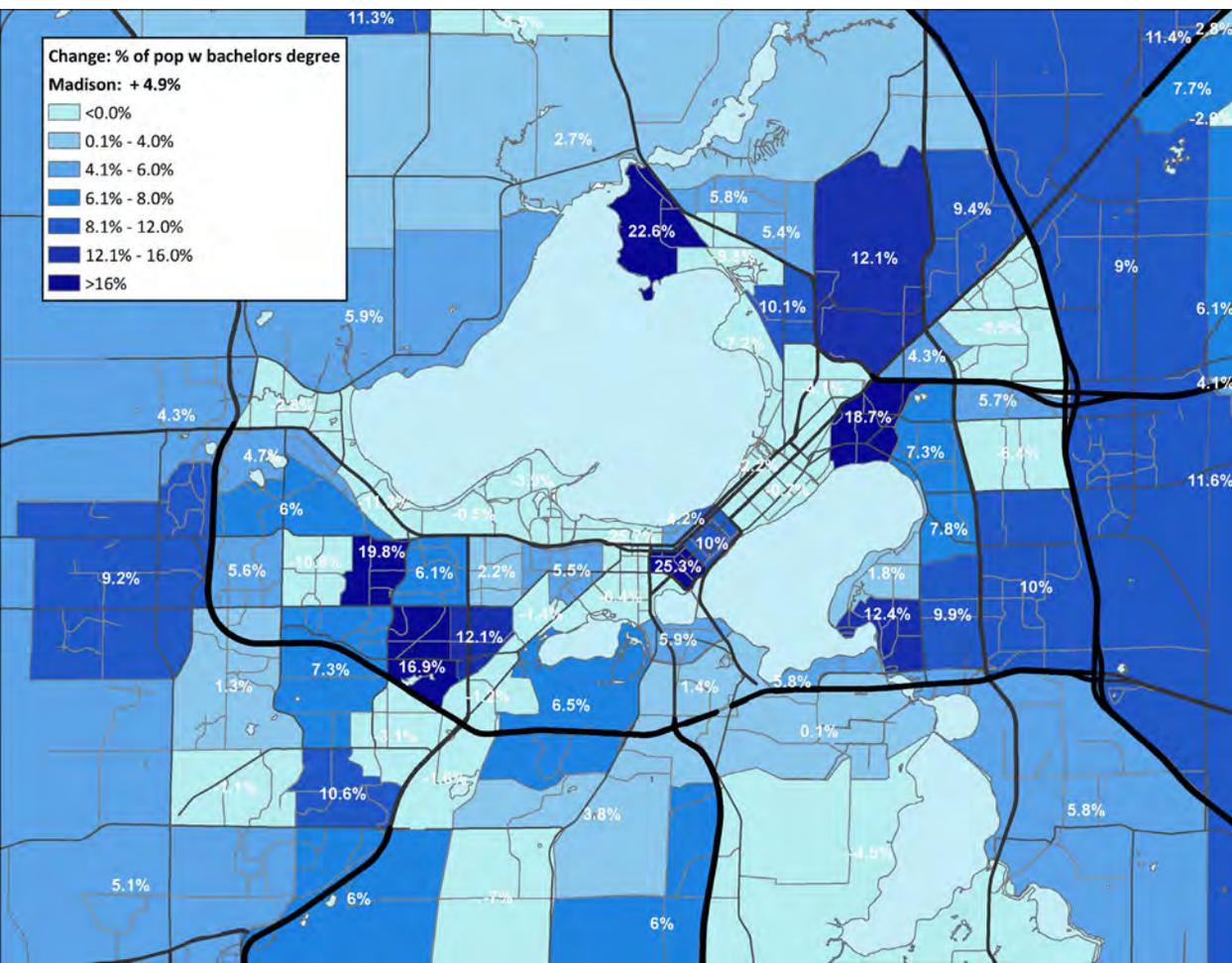


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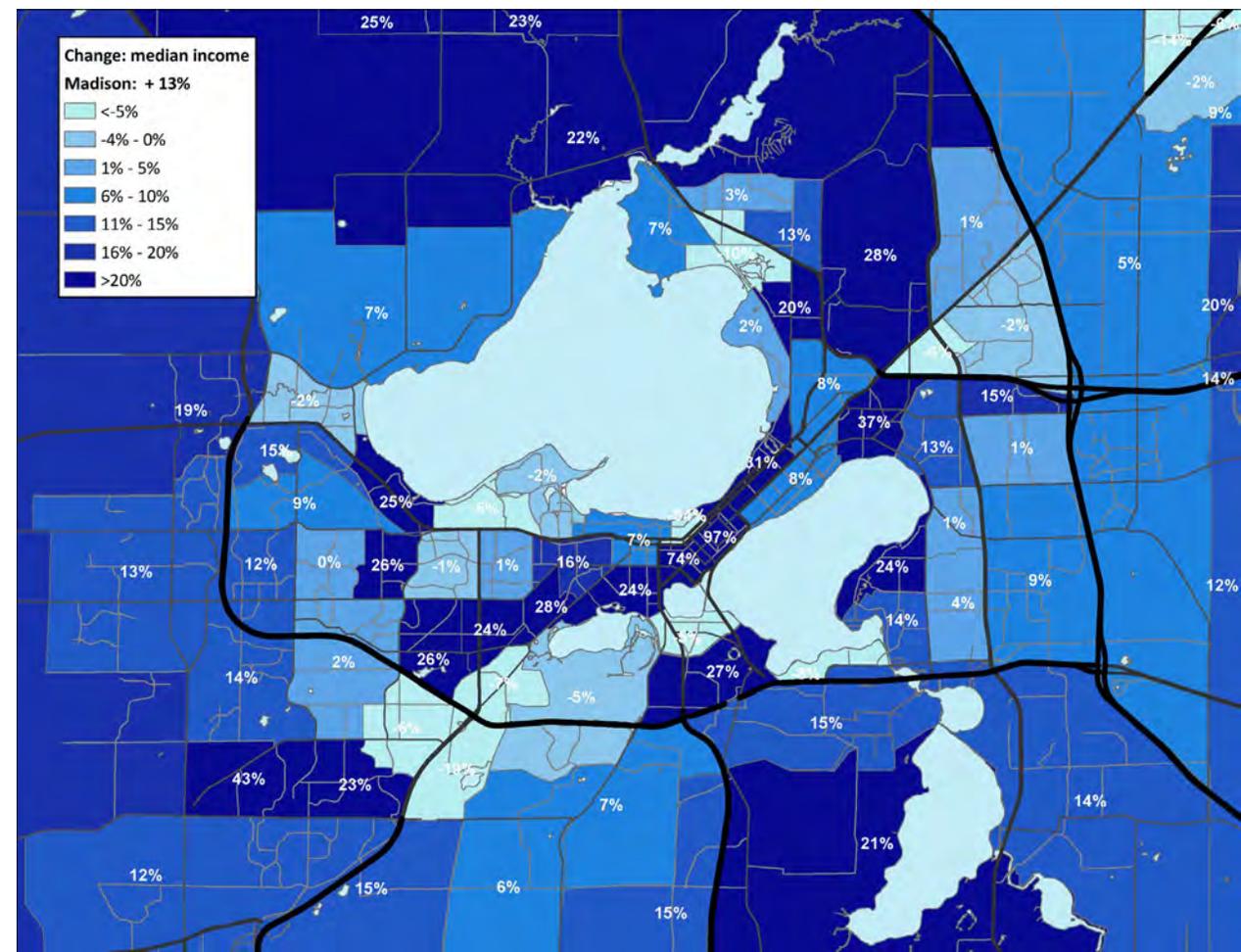


Demographic Change

The share of adults with a **four-year degree** increased faster than the citywide average



Median **household income** increased faster than the citywide average



Housing Market Conditions – Rental

Appreciated tracts:

- low or moderate 2000 home values/rents
- high 2017 home values/rents
- high 2000–2017 appreciation

Accelerating tracts:

- low or moderate 2017 home values/rents
- high appreciation

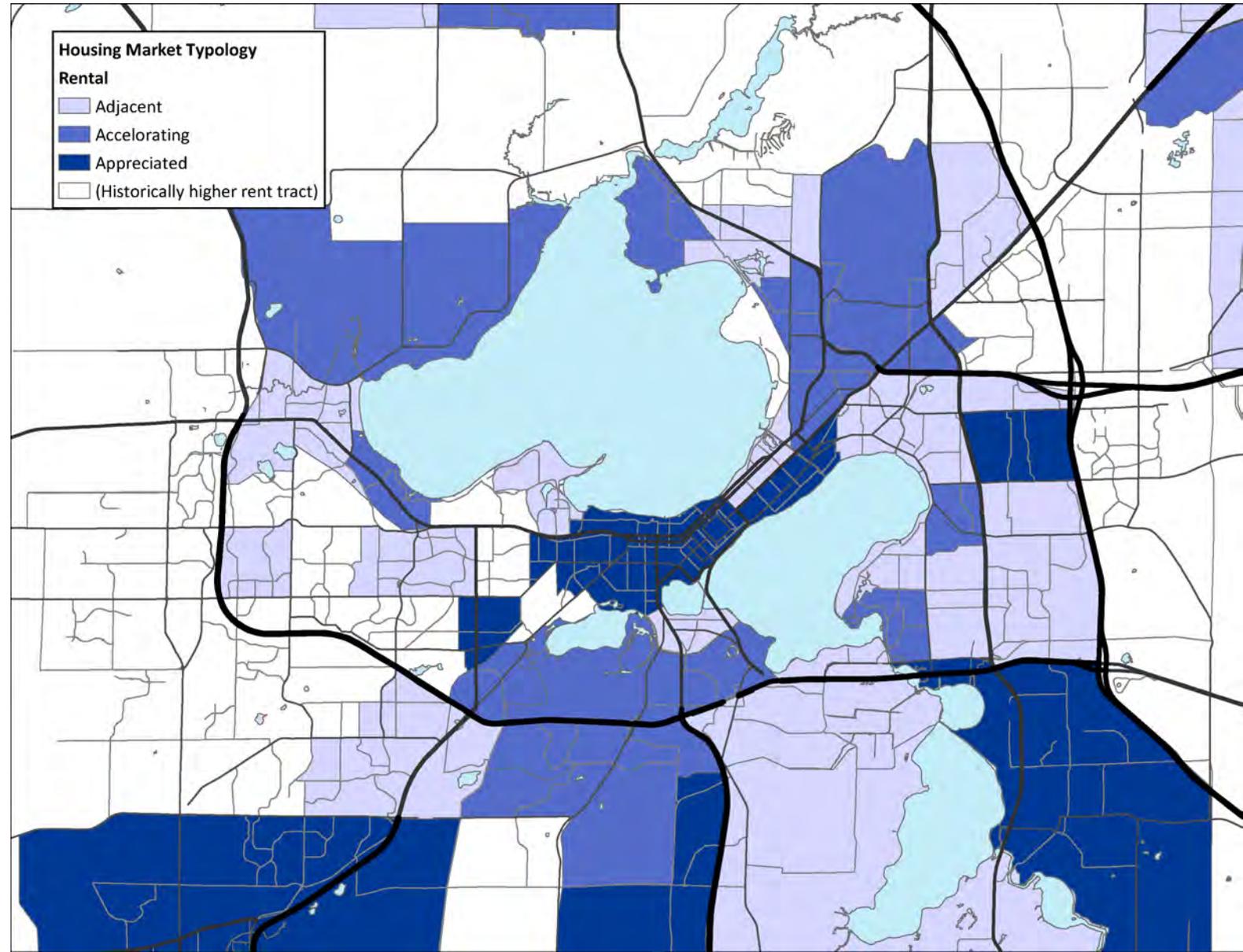
Adjacent tracts:

- Low or moderate 2017 home values/rents
- Low or moderate 2008–2017 appreciation

Low or Moderate: Lower three quintiles (<60 percentile) of Census tracts

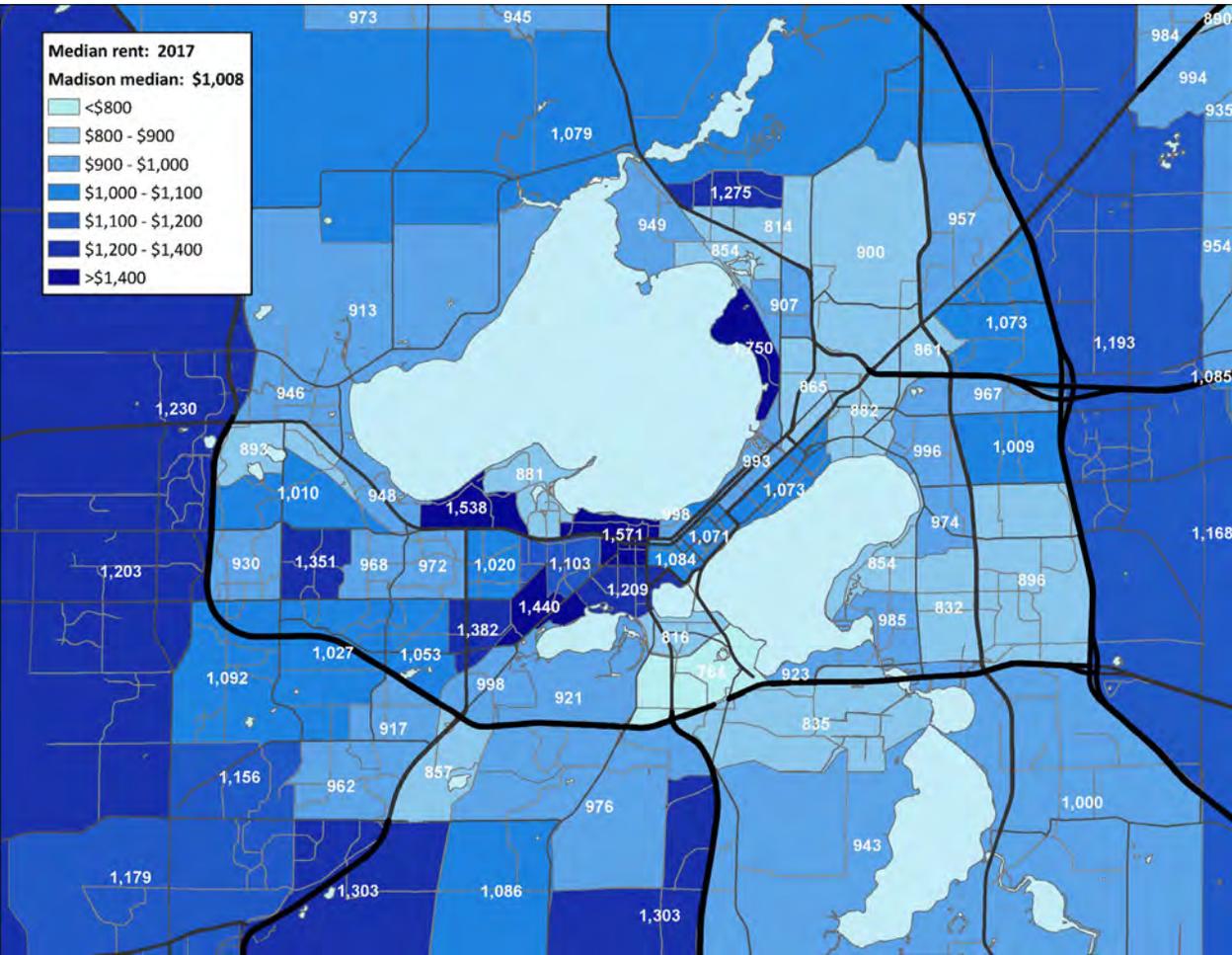
High: Top 2 quintiles (>60 percentile)

Note: Quintiles calculated from all Dane County Census tracts

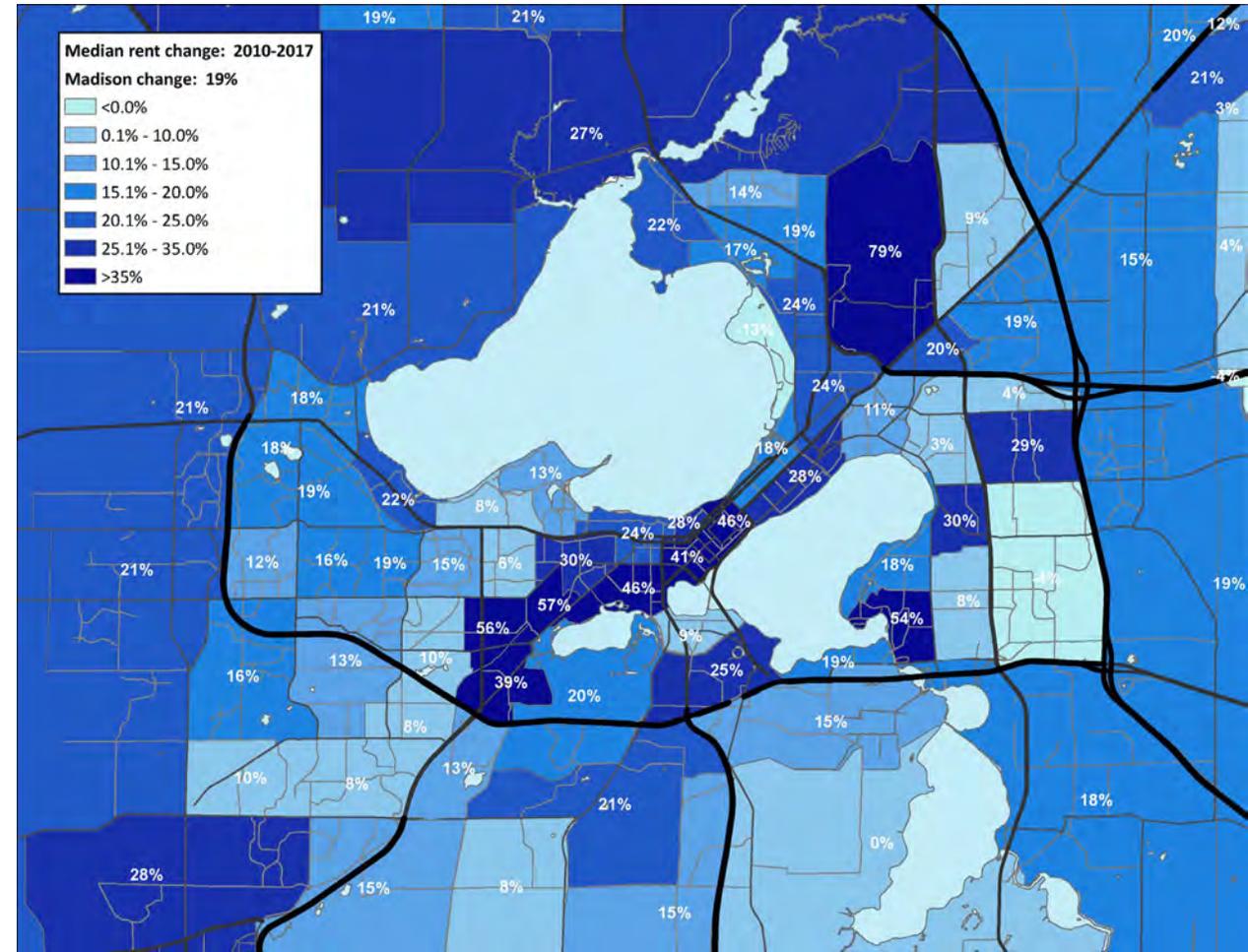


Housing Market Conditions – Rental

Median Rent (2017)



Rent Change (%; 2010-2017)



Housing Market Conditions – Ownership

Appreciated tracts:

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- high 2017 home values/rents
- high 2000–2017 appreciation

Accelerating tracts:

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- high appreciation

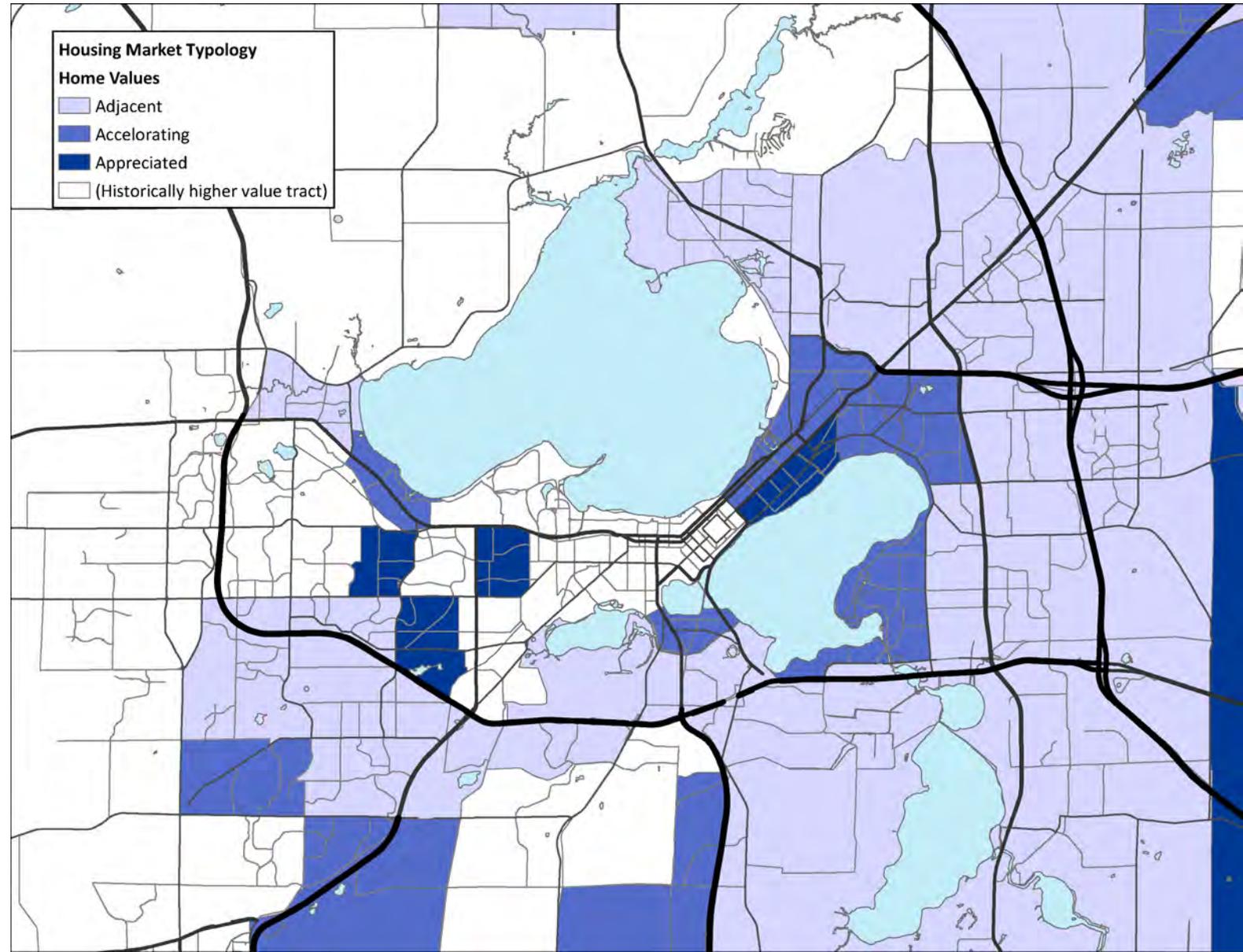
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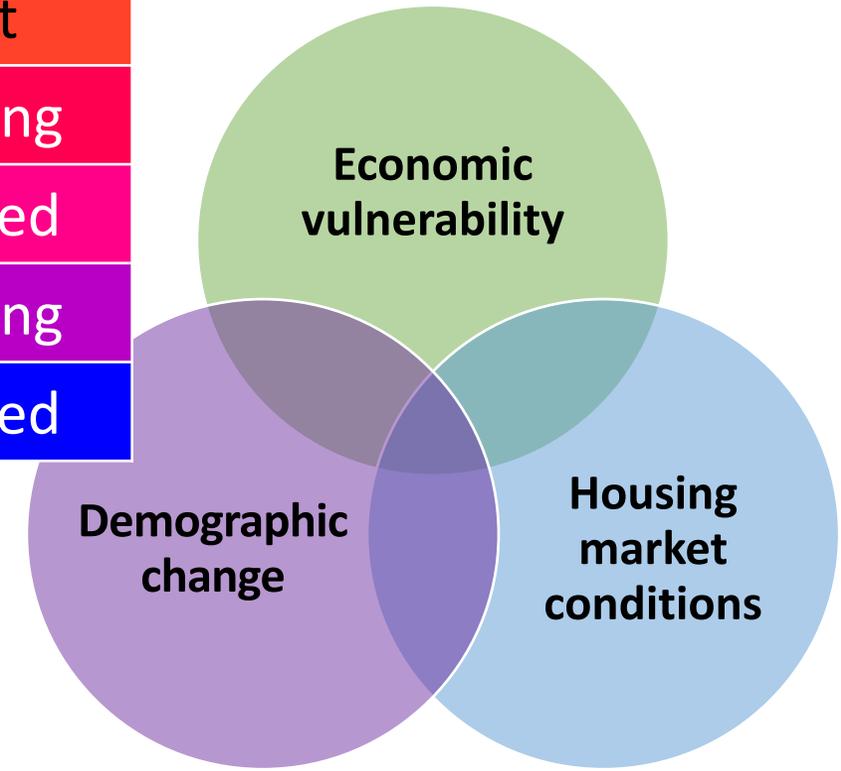
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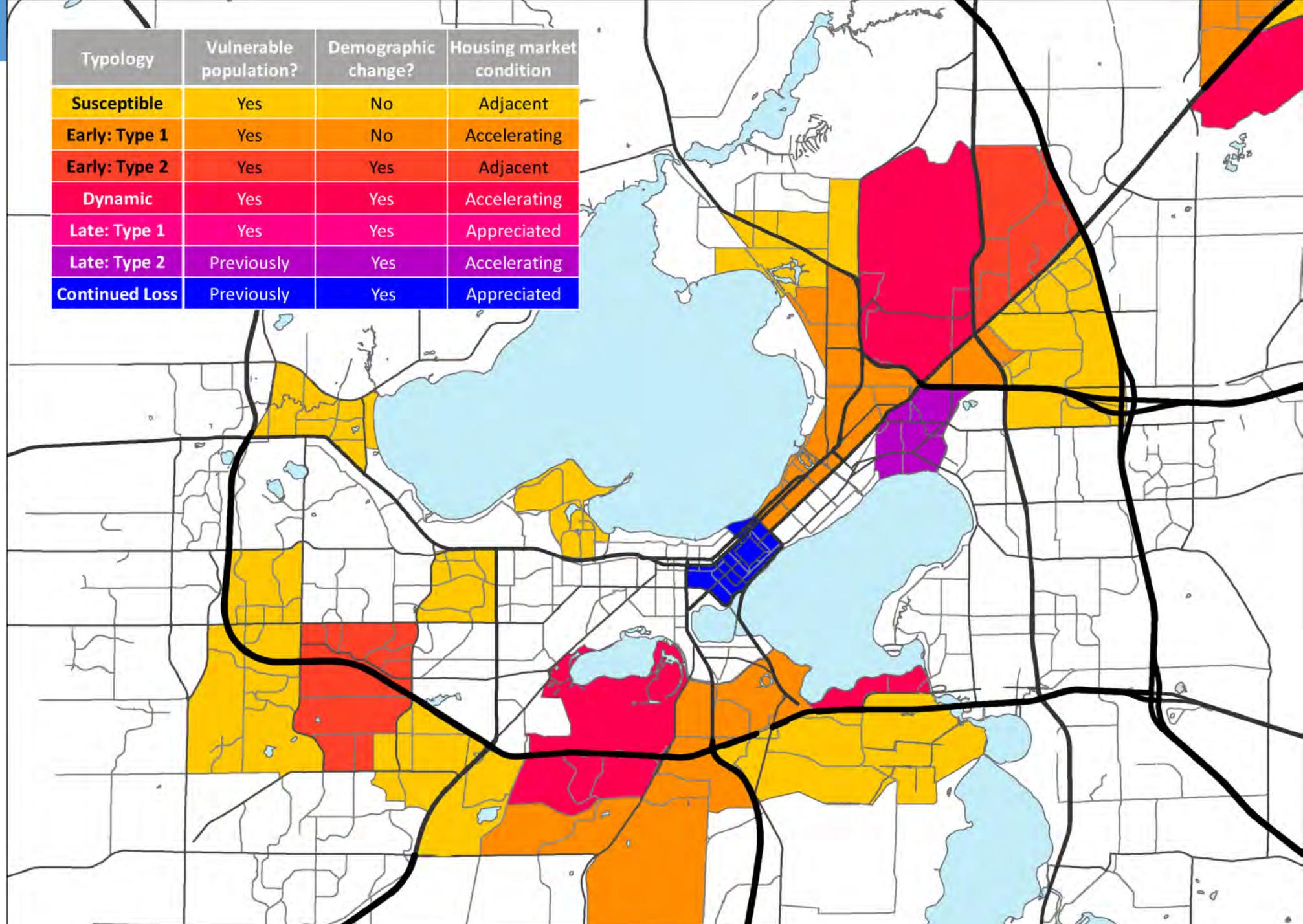
Displacement Typologies

Typology	Vulnerable population?	Demographic change?	Housing market condition
Susceptible	Yes	No	Adjacent
Early: Type 1	Yes	No	Accelerating
Early: Type 2	Yes	Yes	Adjacent
Dynamic	Yes	Yes	Accelerating
Late: Type 1	Yes	Yes	Appreciated
Late: Type 2	Previously	Yes	Accelerating
Continued Loss	Previously	Yes	Appreciated

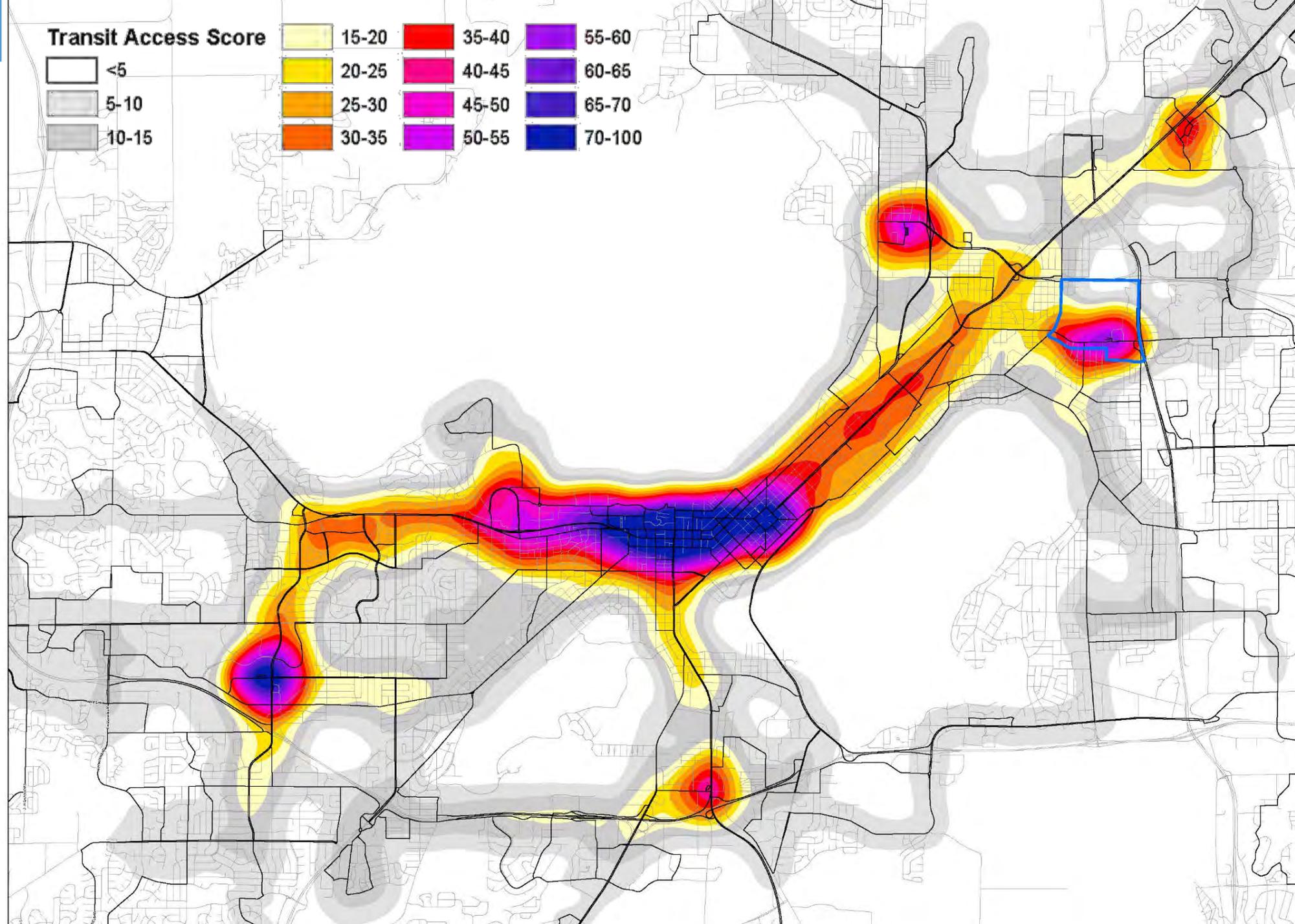


Equitable Development

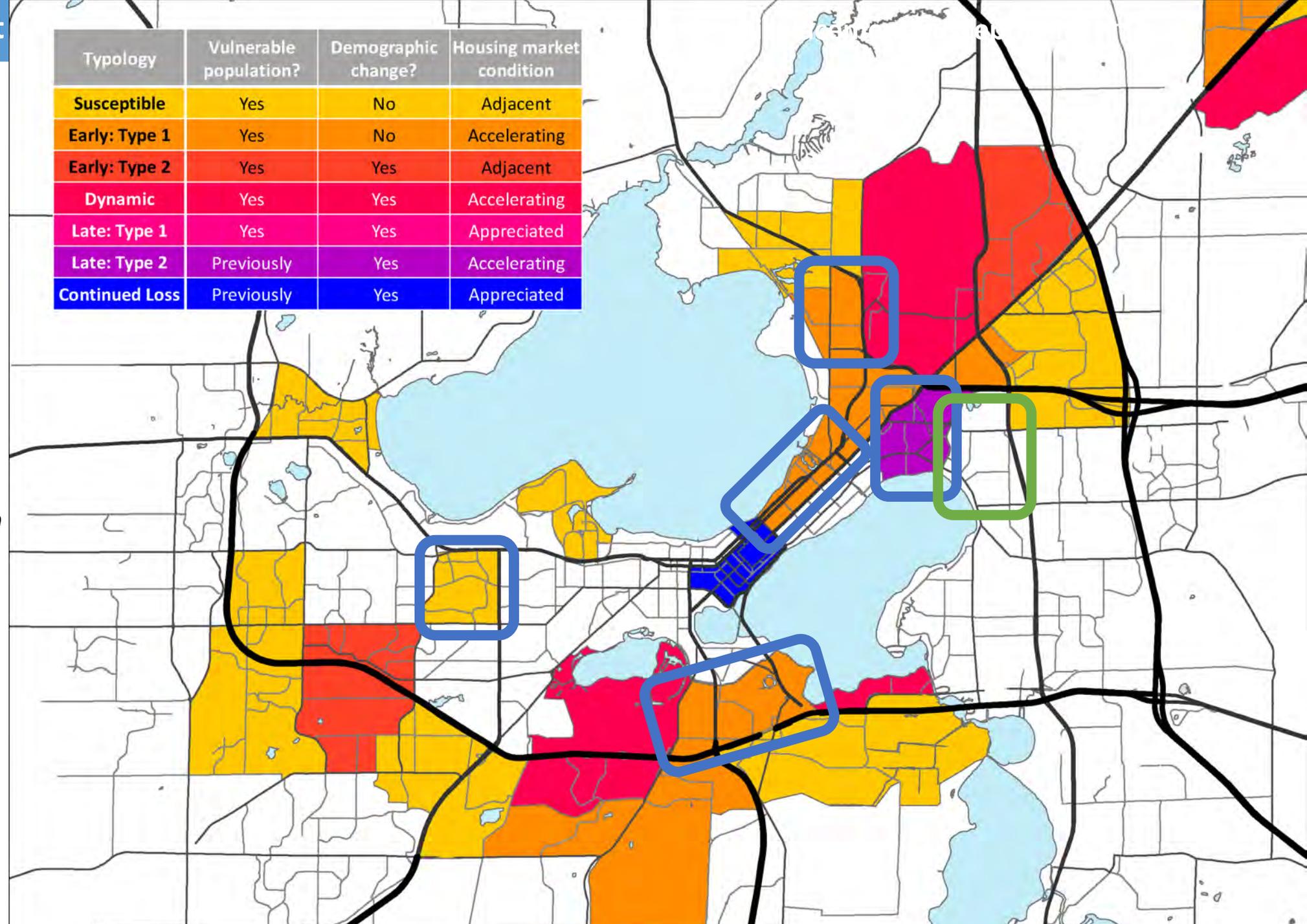
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Late: Type 2	Previously	Yes	Accelerating
Continued Loss	Previously	Yes	Appreciated



Case Studies:

- Sherman and Northport
- Atwood and Milwaukee
- Hill Farms
- South Park
- *Tenney Lapham*
- *Eastmorland*

Strategies to address displacement and gentrification:

- Create new affordable housing
- Financial strategies to support affordable housing
- Preserve affordable housing (both subsidized and naturally occurring)
- Stabilize neighborhoods to retain residents and businesses
- Plan for inclusive, equitable growth

Strategy Options – best practices

Strategies currently being implemented

- Affordable Housing Funds
- TIF (Tax Increment Financing)
- Land Banking
- Accessory Dwelling Units
- Community Land Trusts
- Housing Cooperatives
- Park Impact Fee Waiver
- Property Tax Assistance
- Homeownership Programs
- Targeted Economic Development
- Commercial Stabilization Programs

Strategies that can be implemented

- Adjusting Zoning Standards
- Housing Levy
- Developer Exactions
- Retain Expiring Subsidy Units
- Community Impact Reports or HIA/EIA
- Community Benefits Agreements
- Real Estate Transfer Taxes*
- Loan Guarantee Programs*

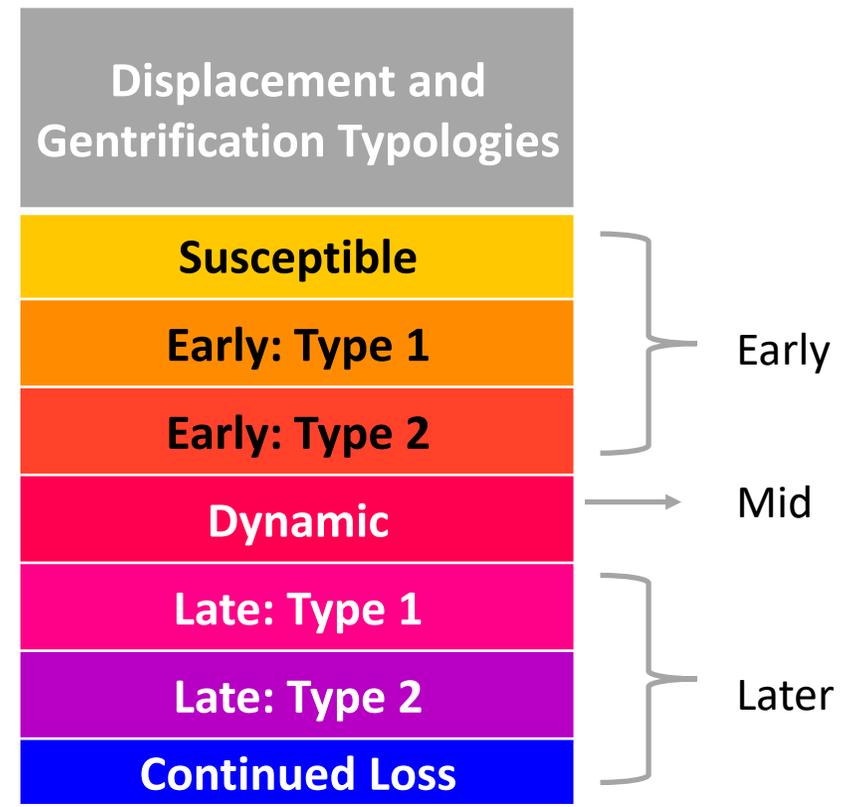
Strategies prohibited by State law

- Density bonuses
- Inclusionary zoning
- Rent Control
- Stronger Eviction Protection Laws

Equitable Development in Madison

Summary Table of Equitable Development Strategies

Strategies currently implemented by City of Madison				
		Early	Mid	Later
1.	Affordable Housing Fund	X	X	X
2.	Land Banking	X	X	
3.	Housing Cooperatives	X	X	
4.	Community Land Trusts	X	X	
5.	Impact Fee Waivers	X	X	X
6.	Accessory Dwelling Units	X	X	X
7.	Property Tax Assistance		X	X
8.	Homeownership Programs	X	X	
9.	TIF (Tax Increment Financing)	X	X	X
10.	Economic Development/Commercial Stabilization Programs	X	X	
Strategies recommended to be implemented by the City of Madison				
1.	Adjusting Zoning Standards	X	X	X
2.	Housing Levy	X	X	X
3.	Developer Exactions	X	X	X
4.	Retain Expiring Subsidy Units	X	X	X
5.	Community Impact Report or HIA/EIA	X	X	X
6.	Community Benefit Agreements		X	X
Strategies pre-empted by Wisconsin State Law				
1.	Inclusionary Zoning		X	X
2.	Rent Control		X	X
3.	Density Bonuses	X	X	X
4.	Eviction Protection Laws	X	X	



City Board Commission and Committee Review Process

- Introduction: August 6
- Economic Development Committee: Aug 21, Sept 18
- Equal Opportunity Commission and CDA: Sept 12, Oct 17
- Housing Strategy Committee: Sept 26, Oct 24
- Community Development Block Grant Committee: Oct 3
- **Plan Commission: Nov 11**
- **Common Council: Nov 19**