



Analysis of Impediments to Fair Housing Choice

2025 DRAFT

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Introduction

Fair housing choice is, at its most basic, the right for all people to be able to obtain housing, of their choice, without discrimination, whether that discrimination be intentional or unintentional in nature. Provisions to affirmatively further fair housing (AFFH) go further still, and describe the fundamental obligation that the City not just work to ensure a housing market free from discrimination, but to proactively address programs and policies that impact housing opportunity within the housing market.

The clearest rule established by HUD towards affirmatively furthering fair housing to date described it as: “Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.”

AFFH components are key within the Department of Housing and Urban Development (HUD)’s community development and housing programs. These provisions stem from the Fair Housing Act, which required HUD (and program grantees) to administer the Department’s programs in a manner that furthers AFFH obligations.

HUD maintains several Community Planning and Development (CPD) Programs, including the Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) programs, from which the City of Madison receives annual grants. As a recipient of these funds, HUD requires the City of Madison to work to affirmatively further fair housing. Although a grantee’s AFFH obligations arise in connection with their receipt of federal funding, the obligations extend to all housing and housing-related activities in the grantee’s jurisdictional area, whether publicly or privately funded.

The Federal Civil Rights Act and Fair Housing Amendments established “protected classes”, which are groups of people who share an identity or characteristic that can be used as the reason or basis for discrimination, whether intentionally or unintentionally. These characteristics have no relevance as to whether a person will make a good tenant or homeowner, in any circumstance. Because of that, these groups are protected from housing discrimination under federal, State of Wisconsin, Dane County, and City protections. While these different levels of government have different sets of and definitions for protected classes, all four levels of protections are available within the City of Madison.

Table 1-1 displays the protected classes at a federal, state, county and local level.

²Title VIII of the Civil Rights Act of 1968 (also known as the Fair Housing Act) prohibits discrimination in the sale, rental, and financing of dwellings based on race, color, religion, sex, or national origin. Title VII has been amended since its original adoption in 1968 to include more protected classes. Refer to www.hud.gov/offices/fheo/progdesc/title8.cfm for other laws which have fair housing components. Exceptions to the Fair Housing Act, depending on the jurisdiction can include housing for elderly or disabled persons, illegal distribution or manufacture of illegal drugs, certain convictions, student status in relation to housing needs and gender where housing is devoted exclusively to members of the same sex.

Protected Class Exceptions, or Legal Discrimination

Even with these protections, there are exceptions written into fair housing laws that allow for some level of exclusion to provide benefit to residents with characteristics that are otherwise protected. For example, all levels of government grant exceptions for the benefit of elderly and disabled residents, in that it is legal to offer housing designated specifically for such residents, and to age-restrict against some younger residents and/or persons without disabilities.

Most levels of government allow for some level of discrimination based on criminal convictions for certain crimes that could potentially put other tenants or employees at risk. To a limited extent, housing occupants are allowed to discriminate in the selection of other occupants, including roommates, if there are five or fewer people in the same unit. Owner-occupants of buildings with four or fewer units are permitted by federal law to discriminate against their renters, but this means only that the federal government cannot pursue a discrimination case in these circumstances. This exception is not included in State, County, or City laws, meaning that all landlords are required to comply with fair housing requirements as defined at each of those levels, including duplex owners.

What is required to further fair housing?

HUD defines affirmatively furthering fair housing as requiring grantees to:

- Conduct an analysis to identify impediments (AI) to fair housing choice within the jurisdiction,
- Take appropriate actions to overcome any impediments identified through the analysis, and
- Maintain AFFH records.

Beyond these requirements, the intent is that the grantee will take proactive steps to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities for all.

What are Impediments to Fair Housing Choice?

There are two types of impediments to fair housing choice, as defined by HUD:

- Direct impediments: any actions, omissions, or decisions that directly restrict housing choices or the availability of housing choices based on race, color, religion, sex, disability, familial status, national origin, or other protected class status;
- Indirect impediments: any actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing choices by resulting in conditions in which members of protected classes experience disparate outcomes as compared to the general population.

Any policies, practices, or procedures that may appear neutral but operate to deny or adversely affect the availability of housing to a person may be considered an indirect impediment. To the best extent possible, this AI defines the existence, nature, extent, and causes of impediments to fair housing choice within the City of Madison, and the resources available to overcome them. It is the goal of this document and the process by which it was created to identify any issues within the City of Madison that are preventing some persons from having access to housing of their choice without discrimination.

At A Glance:

258,366 population of Madison + 12,332 from prior AI	120,509 total households + 14,720 from prior AI	31.1% BIPOC residents +5.9% from prior AI	\$74,895 median household income + \$18,431 from prior AI	16.6% individuals below poverty level -0.3% from prior AI
6% families below poverty level -2.2% from prior AI	53.7% of units greater than single family +1.6% from prior AI	53% of units renter occupied +0.6% from prior AI	29% of homeowners experiencing cost burden +4.3% from prior AI	48.4% of renters experiencing cost burden -6.2% from prior AI

Sources: 2018-2022 ACS 5-Year Estimates, 2016-2020 HUD CHAS

*Prior AI was completed in 2019 utilizing 2016 ACS 5-year Estimates and 2010-2014 HUD CHAS

A Note on Data:

Much of the data in this document is derived from the US Decennial Census, American Community Survey (ACS), and HUD Comprehensive Housing Affordability Strategy (CHAS). Supplemental data is utilized from the City of Madison Community Development and Planning Divisions, the Home Mortgage Disclosure Act Data (HMDA), and the Consumer Financial Protection Bureau.

Caution should generally be used when interpreting the data from secondary sources. The Census Bureau has transitioned from the Census long-form to the American Community Survey (ACS) as a primary data source over the past decade. Much of the data that the American Community Survey collects is a statistical sample of the total population and can be subject to both sampling errors (deviations from the true population) and non-sampling errors (human and processing errors), though margins of error are generally not significant enough to be noted. Data utilized from the ACS includes table number references in the source descriptions of figures. The ACS is released annually and covers general social, economic, housing, and demographic questions that previously were covered by the Census long-form.

Unlike the Decennial Census, which attempts to take a “snapshot” of the population on April 1st, the ACS provides consecutive estimates. Because the data is an estimate over the period, it is difficult to pinpoint specific changes that may have occurred at any given point. Most of the data in this document is from the 2018-2022 ACS 5-Year Estimates. Because this data is only an estimate, the ACS data may not perfectly represent data within the city. When comparing ACS data, it is also important to take the margin of error (MOE) into account. Numbers that may appear to be different may not actually be statistically significantly different. This is addressed using 5-year estimates, which provides a rolling average over the sample period, increasing the sample size and decreasing the margin of error. However, it is important to note the source of the data and understand the caveats that accompany it. Due to the scope of this AI, data is often presented as households as opposed to population, although attempts to represent both measures are used at various points. HUD CHAS Estimates only utilize household data and are calculated directly by HUD from raw ACS 5-Year survey responses. Data is not distributed at a smaller geographic level than Census Tracts for CHAS data largely due to confidentiality concerns.

Data Limitations:

Beginning in March 2020, the COVID-19 pandemic disrupted many of the ways data was traditionally collected. The Census Bureau's data collection process for the American Community Survey (ACS) was not exempt from these disruptions. Stay-at-home and social distancing restrictions limited the ability to collect data in the same capacity as the Census Bureau typically does. From the mid-March to June 2020 these processes were subject to substantial disruption. The Census Bureau has made a statement regarding the modifications that were made at this time and that it has increased the potential bias in the reported estimates for that year. Due to this, ACS 5-year estimates are used throughout this analysis to optimize the accuracy of the data to the best capacity. These disruptions played a substantial role in the 2020 ACS estimates only, as stated by the Census Bureau.

In addition to COVID-19, recent critiques of demographic data collection has noted that certain demographics – especially undocumented households and other households with protected class status might be underrepresented in the American Community Survey due to fear of government surveillance, mistrust in data confidentiality, language barriers, or lack of access to the survey.

A Note on Demographic Terms:

Madison is home to residents and communities with numerous different backgrounds, with different individual preferences for how those backgrounds and identities are described. In this AI, there are significant limitations in the ability to capture the full scope of individual racial or ethnic communities in the available data. The data sources, especially those through the US Census Bureau have limited demographic options, which does not fully or accurately represent all identities.

In this AI, every attempt is made to combine Census-defined demographic groups with common ways that residents self-describe. As the majority of Madison residents fit into four major Census-defined race/ethnicity demographic categories, the following four categories are used throughout the analysis, and though may be named differently in this report, include:

White

Census definition: A person having origins in any of the original peoples of Europe, the Middle East, or North Africa. A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin.

Black

Census Definition: A person having origins in any of the Black racial groups of Africa. Other terms included are Haitian and African American.

Asian

Census Definition: A person having origins in any of the original peoples of the Far East, South Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Latinx

Census definition: A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term "Spanish origin" can be used in addition to "Hispanic" or "Latino." The term "Latinx" utilizing an X in place of O is a gender-neutral and inclusive term due to the gendered terminology of Latino (masculine) and Latina (feminine) used in Spanish.

Population Growth:

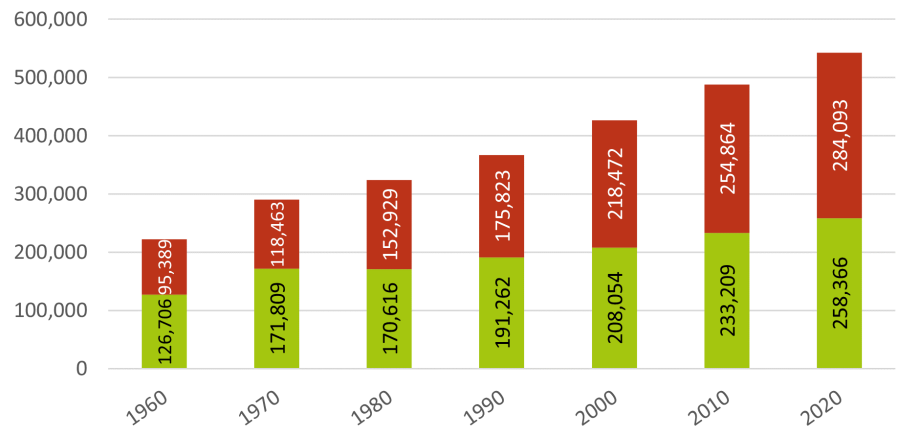
Tracked through the decennial U.S. Census, the total population for the City of Madison and Dane County is increasing. Since 1960, Madison's number of residents has more than doubled, and the rest of Dane County (excluding Madison) has nearly tripled. Dane County, excluding Madison, has maintained a higher annual average growth rate than the city since 1980, and in 2000, greater Dane County surpassed Madison in total population. From 2010 to 2020, the city added 25,157 new residents and grew by 9.7 percent.

The county added 29,229 new residents and grew by 10.3 percent. In 2020, the city and the county's average growth rate equalized to a 1.1 percent annual increase in population. However, Dane County, excluding Madison, is maintaining a higher population. In 2020 the total population of Dane County, including Madison, reached 542,459. From 2010 to 2020, Dane County, including all municipalities, had an annual average growth rate of 1.1 percent each year. This is a total increase of 12.8 percent for the whole county over that timeframe.

These population numbers continue to increase rapidly. The most recent estimates (2022) show continued rapid population growth over 2020 for both the City and the County, with the total population estimated to be 559,891 for Dane County as a whole.

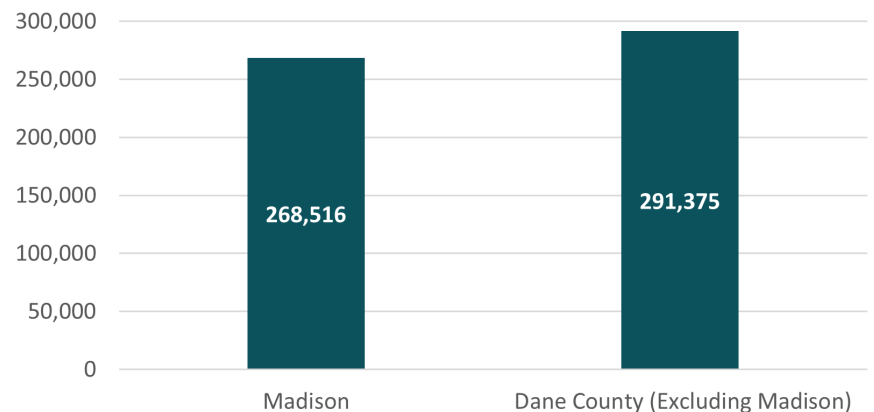
Throughout the city, there are very few areas with population decline from 2016 to 2021. The east side of Capitol Square neighborhood is experiencing a more rapidly increasing population with a 40 percent or greater increase in population density in several census tracts. The east, south, and far west sides of Madison are also areas of more significant population increase. Until 2000, Madison had historically exceeded Dane County in total population.

Figure 1. Population Growth in Dane County 1960-2020



Source: Decennial Census, Table B01003, 2017-2022 ACS 5-year Estimates

Figure 2. Resident Location, 2022



Source: Decennial Census, Table B01003, 2017-2022 ACS 5-year Estimates

Table 1. Average Annual Growth Rates by Decade

Madison	Decade	Dane County
3.6%	1970	2.4%
-0.1%	1980	2.9%
1.2%	1990	1.5%
0.9%	2000	2.4%
1.2%	2010	1.7%
1.1%	2020	1.1%

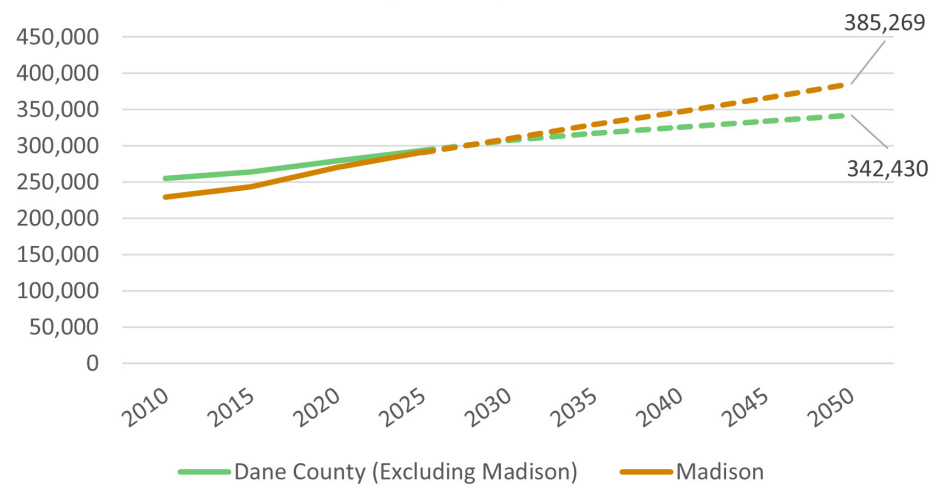
Source: Decennial Census, Table B01003, 2017-2022 ACS 5-year Estimates, Author's Calculations

Population Growth, cont.

This trend is expected to continue as the county is projected to maintain a higher population than Madison until 2030. However, following 2030, the city may retake the overall population share, if using projections from the City's Planning Division. While this is possible, it largely depends on construction of new housing to accommodate growth in residents, with significant new development required for that to be realistic.

The city is expecting to add 156,033 residents from 2020 to 2050 (+68.1%), with a 1.7 percent projected annual average growth rate. Dane County, excluding Madison, is projected to add 87,566 new residents (+34.4%) in the same 40-year period, with a 0.9 percent projected annual average growth. However, these projections deviate from the historical trends for annual average growth rates.

Figure 4. Population Projections

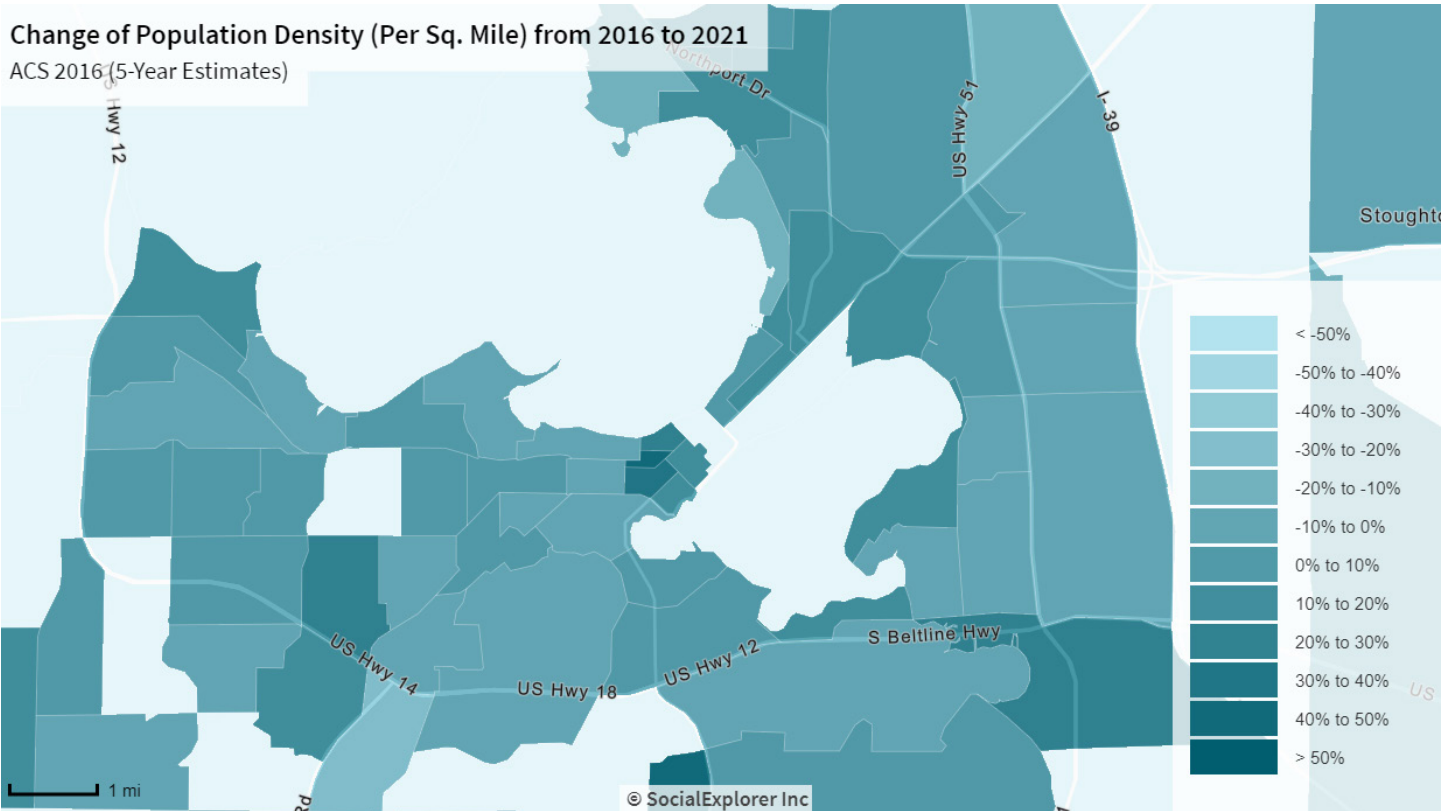


Source: City of Madison Population Estimates, Wisconsin Department of Administration

Figure 3. Change in Population Density, 2016 to 2021

Change of Population Density (Per Sq. Mile) from 2016 to 2021

ACS 2016 (5-Year Estimates)



Source: Social Explorer, Table A00002, ACS 5-year Estimates

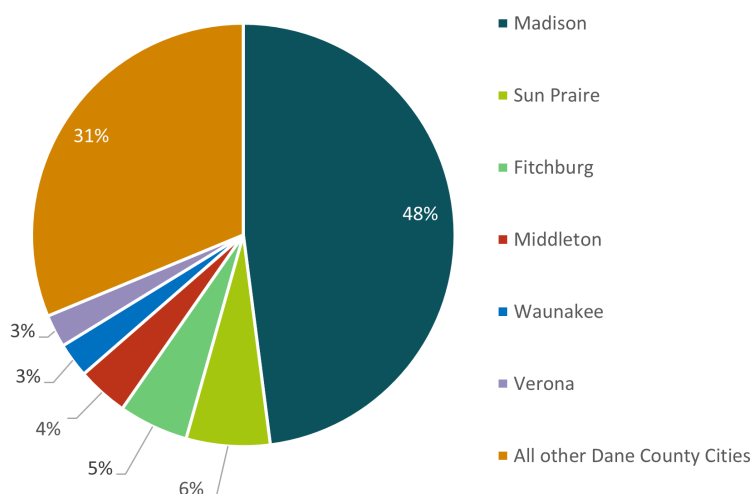
Population Distribution:

The six largest cities in Dane County makeup the greatest share of the total population. As shown in Figure 5, after Madison, the next most populated cities are Sun Prairie, Fitchburg, Middleton, Waunakee, and Verona. There is a pronounced disparity in the distribution of population amongst the major municipalities of Dane County to the City of Madison, with the city accounting for 48 percent of the county's total population. The remaining five cities each make up less than 10 percent of the share of the population of Dane County.

However, Table 2 shows that despite Madison being the largest populated city in Dane County, it has the lowest annual average growth rate (1.1%) from 2010-2020 out of all the largest cities in the county. Verona, the smallest city out of the six, comprising only 2.5 percent of the County, had the highest growth rate of 3.2 percent per year on average from 2010 to 2020.

Fitchburg is the second fastest growing city in the County with a 2.3 percent annual growth rate for the last decade. Sun Prairie (2.2%) and Waunakee (2.0%) were close behind in population growth rates. The largest cities in the County, excluding Madison, are growing faster on average than the City of Madison.

Figure 5. Population Distribution of Dane County



Source: Decennial Census, Table B01003, 2017-2022 ACS 5-year Estimates

Table 2. Population Distribution and Growth Rates for Largest Cities in Dane County

	Madison	Sun Prairie	Fitchburg	Verona	Middleton	Waunakee
% Population of Dane County	48%	6.4%	5.3%	2.5%	3.9%	2.6%
Annual Average Growth Rate 2010-2020	1.1%	2.2%	2.3%	3.2%	1.5%	2%

Source: Table B01003, 2017-2022 ACS 5-year Estimates, Author's Calculations

Race & Ethnicity:

Madison's racial and ethnic demographic composition has been consistently majority White alone as the largest share of the population, though there is a significant and steady decreasing trend in overall share of the population as Madison continues to become more diverse. In the period from 2000 to 2020, there was a decrease in 12.8 percent of the share of population that identifies as White alone (not Hispanic or Latino), indicating significant growth in the share of BIPOC residents. All other identities, including Some Other Race alone and Two or More Races, continued to increase during this time, however at a less rapid rate of change. The White alone population declined 6.5 percent from 2010 to 2020. This was the only demographic to reduce along with not Hispanic or Latinx (-1.8%). The largest populations to increase from 2010 to 2020 include Asian (+2.2%), Two or More Races (+2.1%), and Latinx (+1.9%).

Table 3. Race & Ethnicity by Decade, 2000 to 2020

Race	<u>2000</u>		<u>2010</u>		<u>2020</u>	
	Number	Percent	Number	Percent	Number	Percent
Total Population	208,054		233,209		269,840	
White alone	170,509	82%	176,463	75.7%	186,764	69.2%
Black or African American	11,987	5.8%	16,507	7.1%	19,557	7.2%
American Indian and Alaska Native	648	0.3%	763	0.3%	710	0.3%
Asian alone	12,000	5.8%	17,126	7.3%	25,547	9.5%
Native Hawaiian and Other Pacific Islander	73	0.0%	67	0.0%	140	0.1%
Some Other Race alone	300	0.1%	374	0.2%	1,158	0.4%
Two or More Races	4,025	1.9%	5,961	2.6%	12,556	4.7%
Ethnicity	Number		Number		Number	
	Percent	Percent	Percent	Percent	Percent	Percent
Hispanic or Latinx (of any race)	8,512	4.1%	15,948	6.8%	23,408	8.7%
Not Hispanic or Latinx	199,542	95.9%	217,261	93.1%	246,432	91.3%

Source: Decennial Census, ACS 1 and 5-year estimates, Tables P008, P9, and B03002

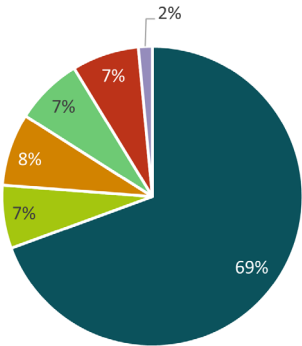
Taken together, figures 7 through 10 display a generally stable growth trend for all demographics in the City from 2000 to 2020. Though the White population of Madison is increasing in raw number, BIPOC residents and households are growing at a faster rate, which is leading to the decrease in White alone as an overall share of the population.

Additionally, Figure 6 provides a snapshot of the most current demographic profile of the city. Residents that identify as White alone remains as the largest racial demographic group. The Asian population has increased by 4 percentage points since 2000, and Latinx residents has increased by 5 percentage points.

Along with this, community members indicating they identify as Two or More Races has increased by about 3 percentage points (Table 3). As of the most current ACS estimates (2022), we continue see a relatively similar breakdown in the city, as the most current estimates generally maintain the trends of the 2020 Decennial Census estimates.

Notably, while the City continues to become more diverse, the County (not including the City of Madison) is becoming more diverse more quickly, with larger gains in share of BIPOC residents between Census counts than the City itself experienced.

Figure 6. 2022 Race & Ethnicity Distributions



Source: Table B02001 ACS 5-year estimates

Figure 7. White alone Population by Decade

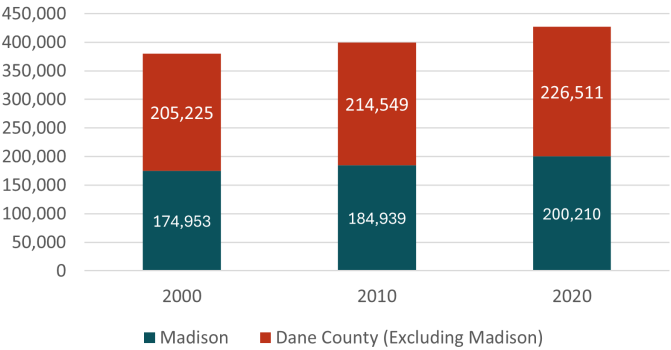


Figure 8. Black Population by Decade

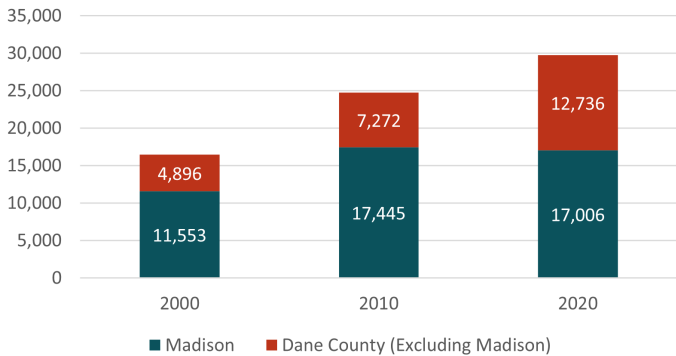


Figure 9. Asian Population by Decade

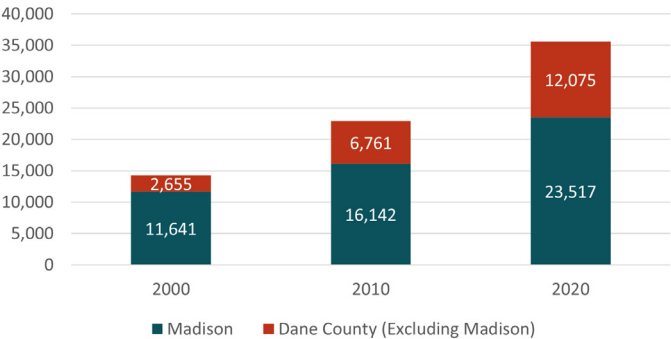
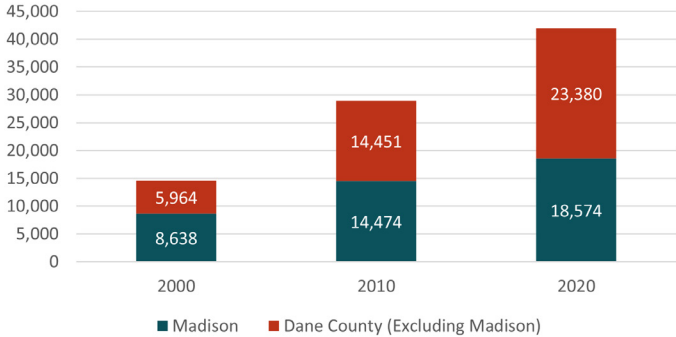


Figure 10. Latinx Population by Decade



Sources: ACS 5-year estimates, Tables B02001 & Decennial Census Tables P9 and DP1

Race & Ethnicity, cont.

Although the City of Madison accounts for 48 percent of Dane County's total population, and the County's growth rate for BIPOC residents is higher, most of the county's BIPOC residents still live in the City of Madison (57%). The City of Madison is the place of residence for:

- 57% of the county's Black population
- 66% of the county's Asian population
- 44% of the county's Latinx population

While the total number of White residents has been increasing in number since 2000, it has been decreasing in the total share of Madison's population. Greater Dane County has consistently maintained a higher growth rate for White residents than the city has, even as populations of color have continued to grow and increasing in share. Madison has maintained a majority share of Asian and Black demographics since 2000 for the county (more residents inside the city than out). However, for Latinx the share became nearly equalized in 2010 and in 2020 the county surpassed the city in Hispanic/Latinx residents for the first time. In 2020, the distribution/share of White residents in greater Dane County is comparatively 6% greater than the City of Madison, and decreasing at an average rate of 0.53% per year (0.2% slower than the city).

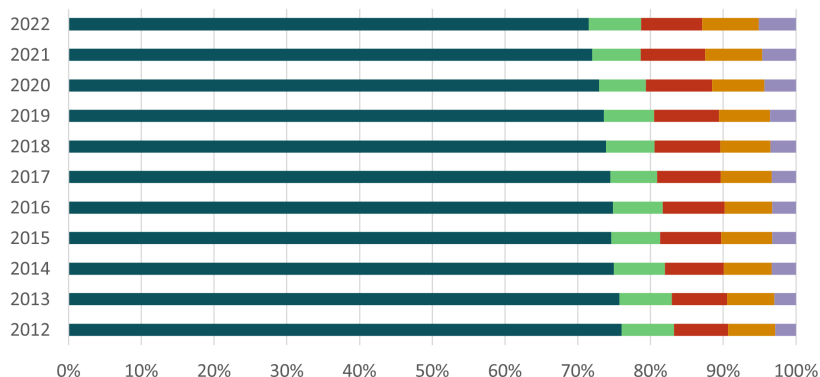
Figure 11 further illustrates that from 2012 to 2022 the distribution of racial and ethnic identities remained generally consistent in the city; however, the White alone population is steadily decreasing in share. In 2022 the distribution of the racial and ethnic populations remains similar to the 2020 Decennial Census counts. In 2022, 72 percent of Madison's population remains as White alone, with Asian being the second largest population, followed by Latinx, then Black. There are measurement differences between the Census and American Community Survey – so while the overall numbers and population share are slightly different between the two different Census data sources, they both display decreasing share of White alone residents, with a corresponding increase in the number of BIPOC residents.

Although White residents do make up most of Madison's population, there are areas within the city with a higher concentration of this demographic (places residents that identify as White alone are more likely to live).

In general, in almost all census tracts at least 30 to 45 percent of residents identify as White, but in most census tracts at least 60 percent are White. There are several areas in which 80 percent or more residents are White alone, notably including the near-West/Monroe/Vilas area, Maple Bluff, Central Isthmus, and Monona. University Heights, South Madison, and some far east sides of Madison have the least concentration of White populations at 30 to 60 percent (indicating larger percentages of residents of color).

Black residents represent 7 percent of Madison's population, and in many census tracts in central Madison, the percentage of Black residents does not exceed this figure (see Figure 13).

Figure 11. Race & Ethnicity Distributions, 2012-2022



Source: Table B03002, ACS 5-year estimates

"All other populations" include American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, Some other race alone, and Two or more races.

The neighborhoods with the highest number of Black/African American residents are found in the North Madison, Southwest Madison, and parts of South Madison. The census tracts of these residential areas have more frequent distributions of 15 to 30 percent share of this demographic, which is generally the largest percentages for any tracts in the city.

Similar to the geographic distribution of Black residents, the Asian alone population (Figure 14) makes up a is not equally distributed but has some areas of higher concentration in the city (places where Asian residents are more likely to live). Many Asian residents reside in University Heights, nearby to the UW-Madison campus. The next areas of a greater share are in the far east, far west, and north sides of the city.

Figure 12. White Alone Population by Census Tract

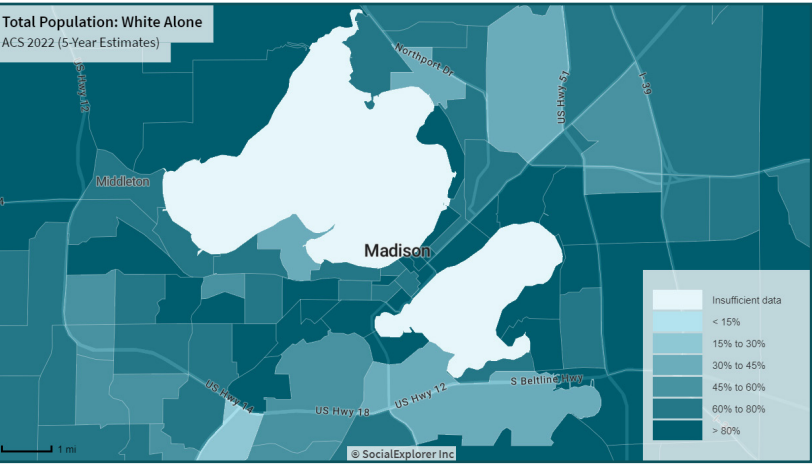


Figure 14. Asian Alone Population by Census Tract

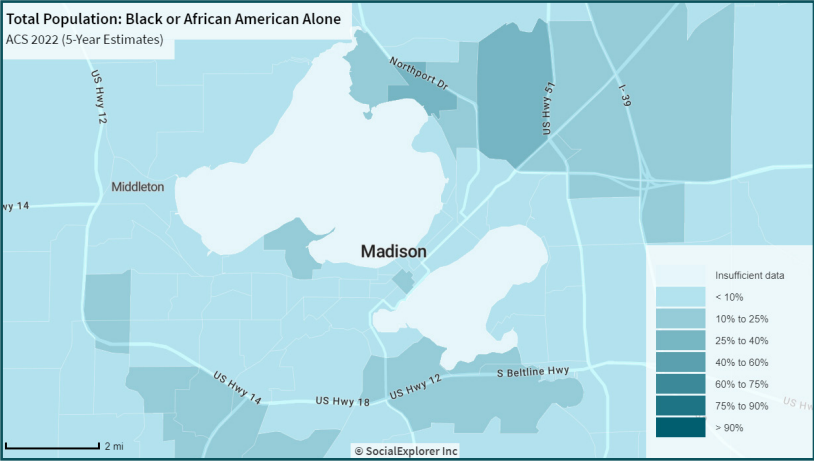
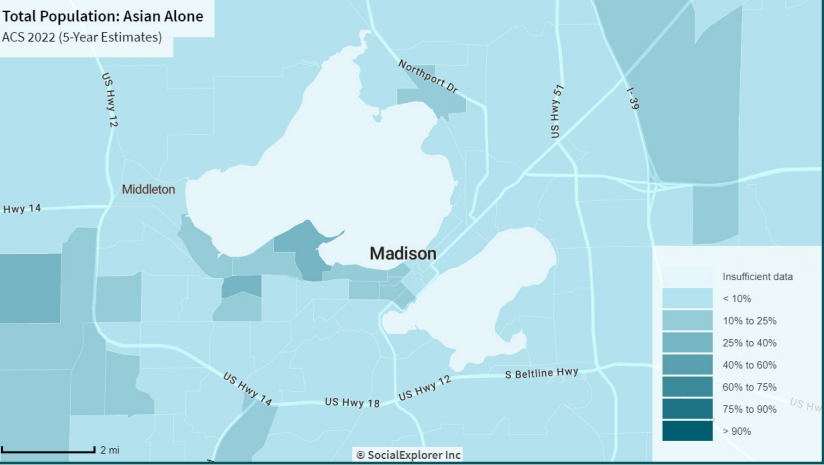
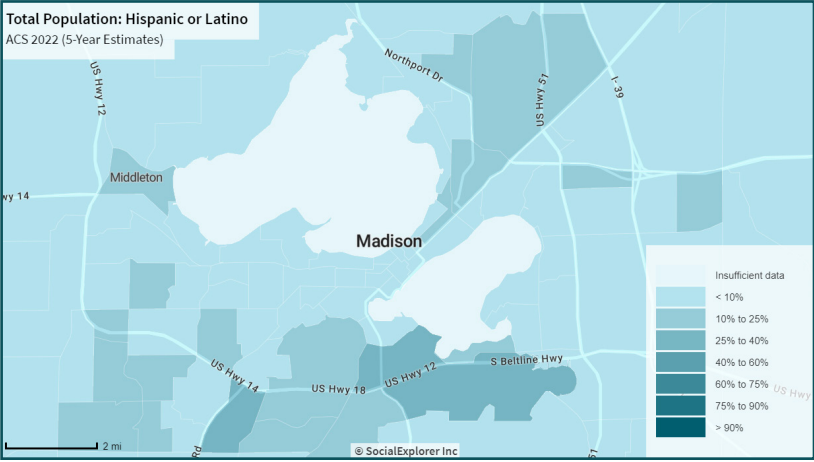


Figure 13. Black Alone Population by Census Tract

Source: Social Explorer, Table A03001, ACS 5-year Estimates

Figure 15. Hispanic or Latino Population by Census Tract



Age & Gender:

The age and gender of City of Madison residents contributes to household trends and needs including household income, size, and geographic location, amongst other factors. Since 2000, those aged 20 to 44 have consistently represented the largest age group. This group generally includes college-aged students, young professionals, and young families – groups that drive both population stability and new household formation. From 2010 to 2020 this group increased by 1,800 individuals per year on average. The only other age group to increase at a similarly higher rate is those ages 65 to 84, with an average growth of 900 individuals per year – a demonstration of national trends of populations aging in place. Even without significant growth, the second largest age group by population remains those 0 to 19 years old, generally children and dependents of family households in the city. The age group with the lowest representation are those 85 years or older, which has remained relatively consistent over the past two decades.

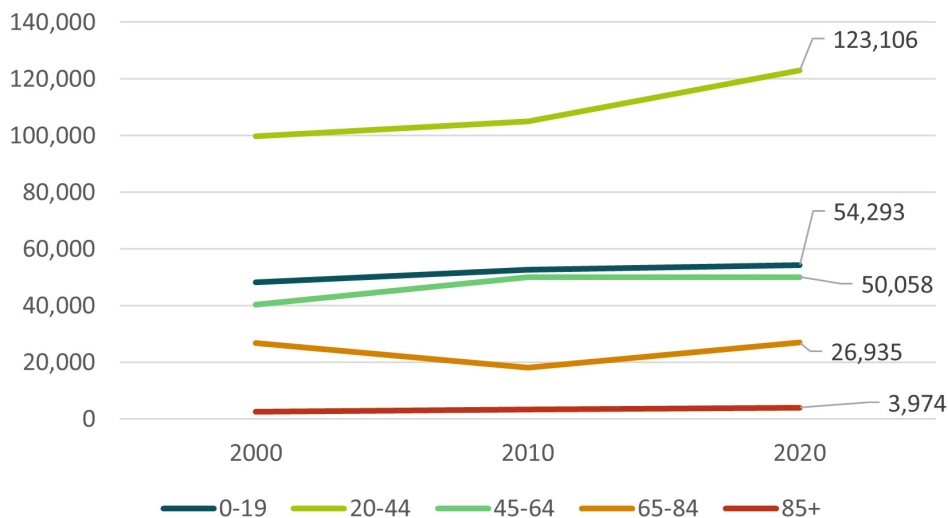
In 2022, there was a generally even distribution by gender (male and female) within all age groups, excluding ages 20 to 44 and 85+ (Figure 17). For the largest age group (20-44) there is a 4-percentage point higher representation of males than females in Census data – meaning that generally younger male-identifying people are slightly more likely to move to Madison. However, this evens out by the 45-64 age group and shows a higher percentage representation of female-identifying residents through the 85 or older group (in which female-identifying residents exceed the male population by 34 percent).

The median age for the City of Madison, by race and ethnicity displays a consistently higher median age for the White population in comparison to populations of color – BIPOC residents of Madison simply tend to be younger than White residents of the city. This could be due to several factors but is most likely a result of a larger population of White older adults within the city, larger average household sizes for households of color, and increasing numbers of BIPOC residents over the past two decades. Larger family sizes often indicate more children present within the household who still reside with their family. The Hispanic/Latinx population has consistently maintained the lowest median age (about 24 years and decreasing), which is almost ten years less than the median age for White residents (about 33 years).

From 2016 to 2022 the median age generally did increase for White, Black, Asian, and Latinx residents. The greatest increase in median age was for Black residents, increasing by about three years. This could indicate residents continuing to age in place, or younger residents relocating/finding it more unaffordable to live within the city.

There is a high concentration of individuals 24 years or younger within the neighborhoods closest to UW-Madison and Capitol Square. This concentration is likely largely representative of university students, as well as young professionals that are looking to live downtown. Throughout the Isthmus and Tenney-Lapham neighborhoods on the East side of Madison the median age increases to generally ages 28 to 37, continuing to represent young professionals but also younger residents.

Figure 16. Population by Age Group

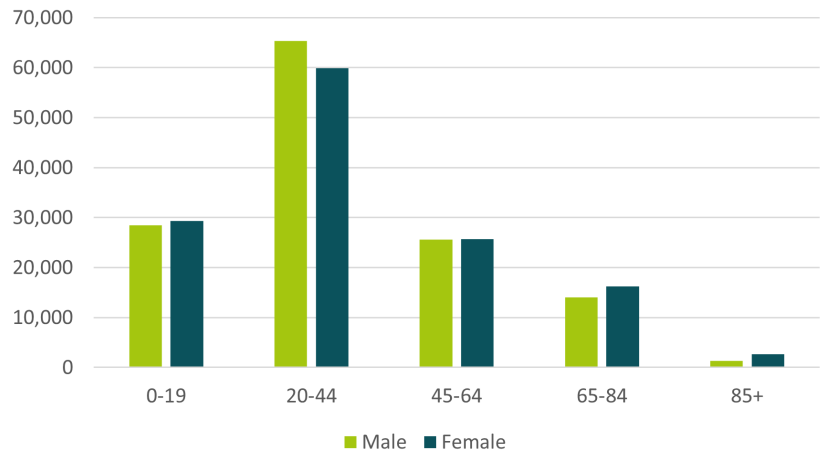


Source: City of Madison Estimates, Table DP05 ACS 5-year estimates

On both the East and West sides of Madison the median age generally increases in neighborhoods the further they are from central Madison/downtown. However, in both South and North Madison, there are still pockets of residents with a median age squarely in the early to mid-thirties, which are census tracts that also have generally higher than city-average BIPOC residents. From 2000 to 2020 Madison has seen a steady increase of the population ages 20 to 44, who make up the greatest share of residents (48%).

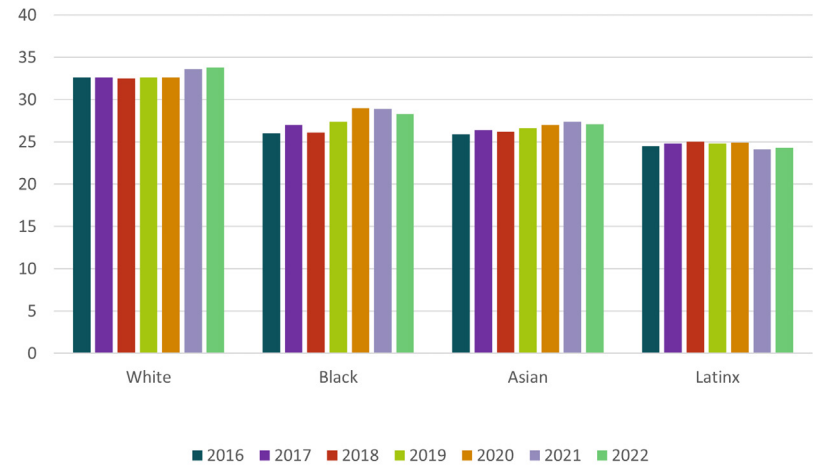
This is likely due to an influx of young and early middle-aged professionals showing increased preference to live in a more urban setting (UW-Madison enrollment has increased since 1990 but would not solely account for this increase). The school-aged population (19 and under) is the second largest, which is increasing at a slower rate, and makes up 21% of the community. This is followed by ages 45-64 (19% of population), ages 65-84 (10% of population) and ages 85+ (1.5%), which has not had significant growth since 2000.

Figure 17. Age Group by Gender



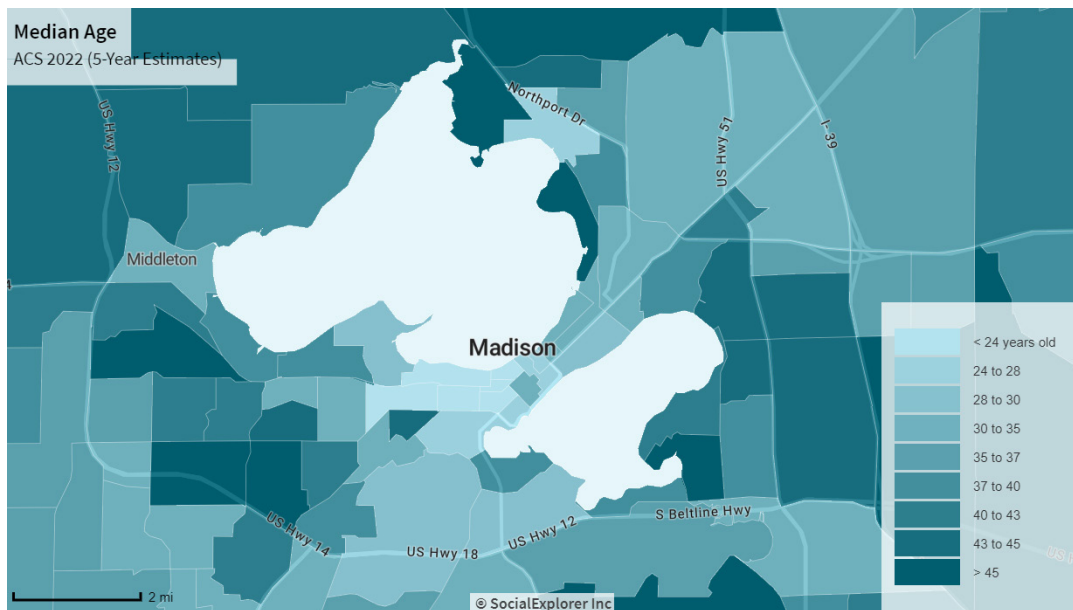
Source: Table DP05, 2022 ACS 5-year estimates

Figure 18. Median Age by Race & Ethnicity



Source: Table B01002I, ACS 5-year estimates

Figure 19. Median Age by Census Tract

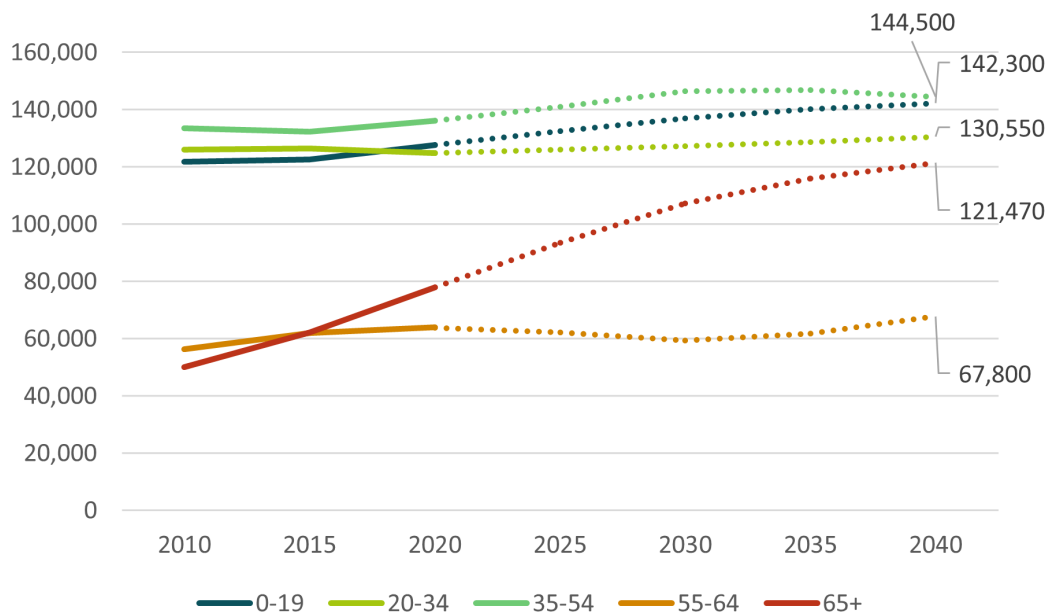


Source: Social Explorer, Table A01004, ACS 5-year estimates

Age & Gender, cont.

The Wisconsin Department of Administration does not issue age projections by minor civil division or place, however, analyzing age projections for Dane County as a whole can identify trends that will impact the City. All age groups are projected to maintain generally stable growth rates, apart from 65 years and older, which is projected to increase by about 36 percent from 2020 to 2040. Ages 35-54 is predicted to maintain as the largest age cohort in the community, followed by school-aged population (0-19). Ages 20-34 are projected to fall below the school-aged population by 2040. Considering the large growth rate for the older adult population through 2040, Madison will likely see a large increase in demand for housing for older adults, both for age-restricted programs that offer services as well as older adults looking for opportunities to age in place.

Figure 20. Population Projections by Age Group - Dane County, WI



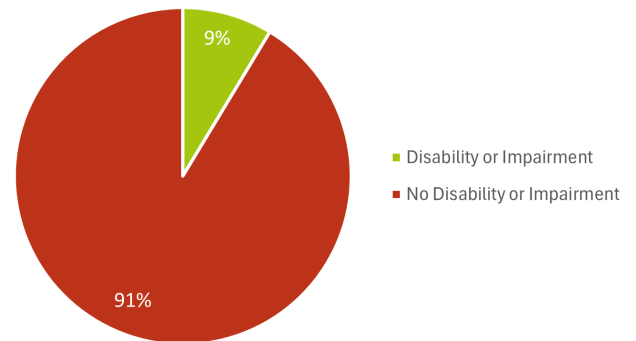
Source: Wisconsin Department of Administration

Disability:

Federal law defines persons with a disability as “any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment.” Persons with disabilities vary by age and location, and by geography - not all forms of disability are equally distributed throughout the city.

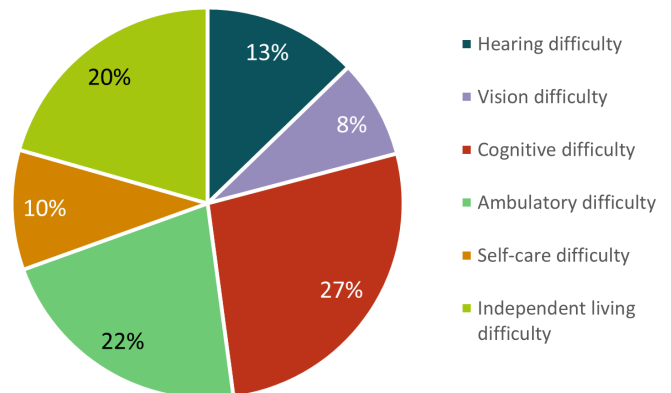
As of 2022, the City of Madison is estimated to have 9 percent of the total population living with a disability or impairment, 4.6 percent lower than the national average. Rates of disability, as shown through the American Community Survey 5-year Estimates have remained relatively consistent since 2016. Residents with a cognitive disability (as defined by the Census Bureau) make up the greatest share (26.9%) of those with a disability and has increased the most over the past several years - surpassing ambulatory difficulty in 2020. Cognitive disability overall has increased by 24 percent since 2016 alone. Independent living difficulty makes up the third greatest share of those living with a disability, and vision difficulty is the least commonly reported.

Figure 21. Percent of Madison with a Disability or Impairment



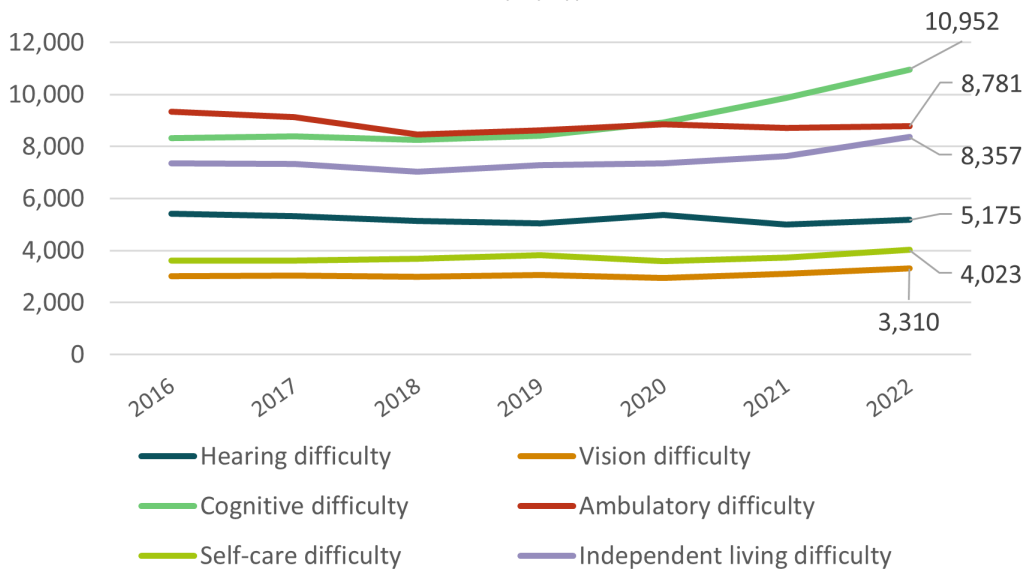
Source: Table S1810, 2022 ACS 5-year estimates

Figure 22. Disability or Impairment by Type



Source: Table S1810, 2022 ACS 5-year estimates

Figure 23. Disability by Type, 2016-2022



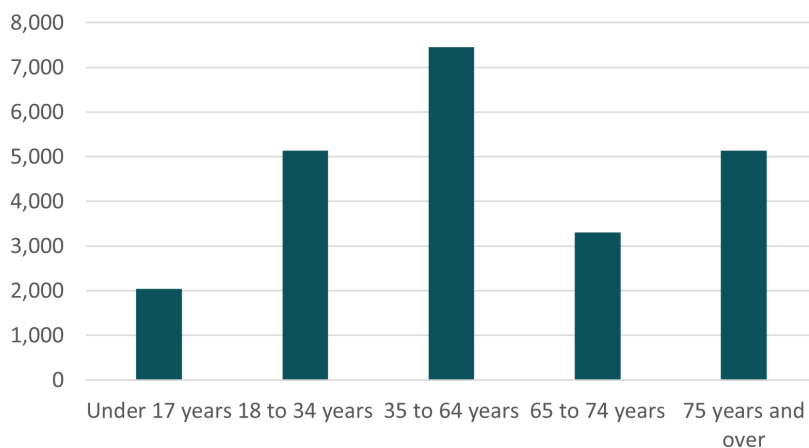
Source: Table S1810, ACS 5-year estimates

Disability, cont.

By age, the largest group in the city with a reported disability are in the 35-to-64-year age group (32%). It is likely that as this population ages this number may increase, as rates of disability tend to be higher as age increases, which could potentially raise the overall percentage of City residents with a disability. Individuals in Madison aged 75 and older, account for 38.9 percent of the total population living with a disability (compared to 46.9% nationally). This rate is more than double the share of disability for those aged 65 to 74 years (16.1%), and over four times the share of those aged 25 to 64 (4.9%).

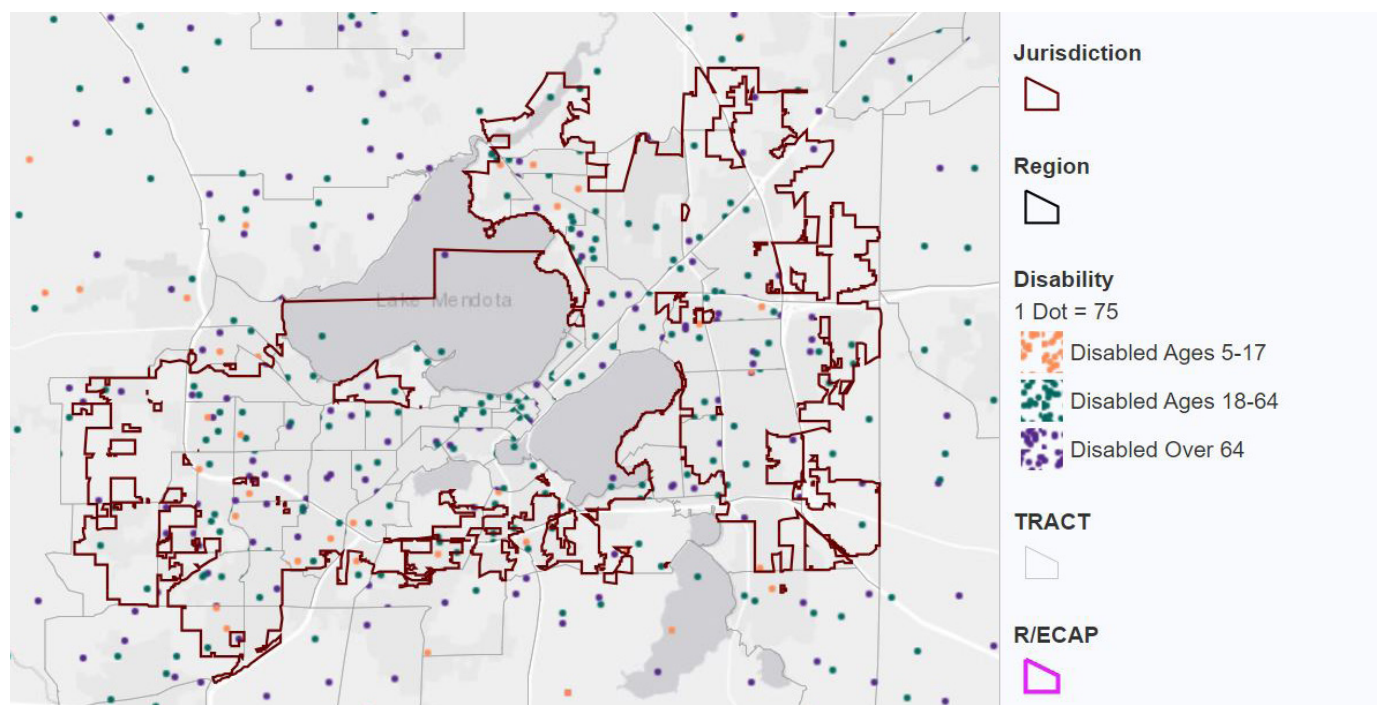
Figure 25 displays general geographic trends by age group for those with a disability. Of those aged 18 to 64, many reside in the Capital Square and east side neighborhoods of the city (places generally with higher population density). Those ages 5 to 17 are more likely to be located on the far west side, south side, and north sides, which are both areas with higher rates of family households and areas with higher rates of BIPOC residents. Residents with a disability that are over the age of 64 are generally not located in the central city or on the periphery, but in the middle, which could likely illustrate increasing rates of disability for residents aging in place. Overall disability trends loosely follow age trends – in that areas with lower median ages have higher numbers of residents with disabilities, and areas with higher median ages have higher numbers of older residents with a disability.

Figure 24. Disability by Age Group



Source: Table S1810, 2022 ACS 5-year estimates

Figure 25. Disability Status by Age Group & Census Tract

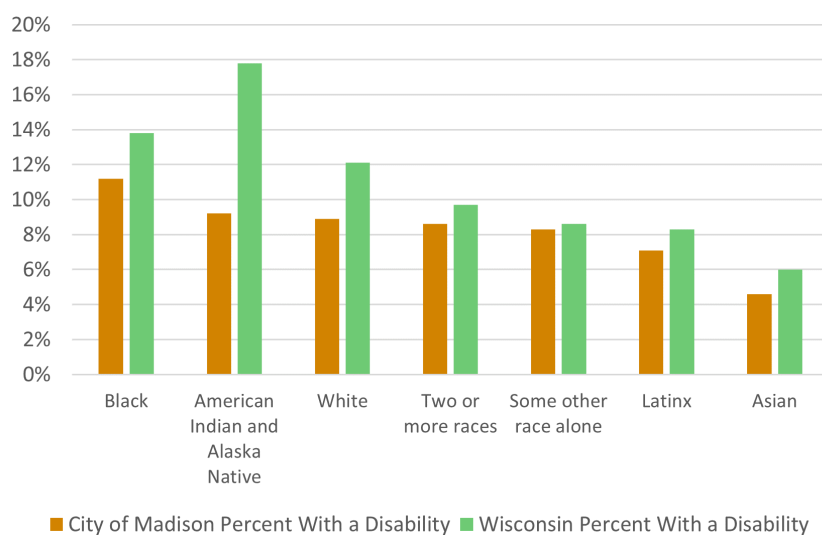


Source: HUD - Affirmatively Furthering Fair Housing, 2020 ACS 5-year estimates
One dot represents 75 individuals

Rates of disability also differ by both race and ethnicity in the City of Madison. As rates of disability are shown to generally increase with age, it would be expected that groups with higher median ages would also display increased rates of disability. In Madison, the White alone population has the highest median age by a significant margin of about 9 years, however, also showing the third highest rate of disability. Black residents have the highest rate of disability (~11%) and American Indian/Alaska Native residents have the second highest (9%).

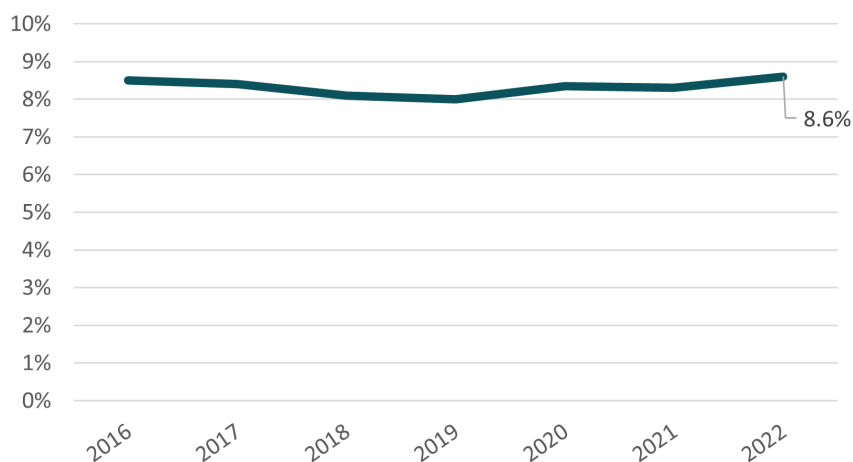
As of 2022, 8.6 percent of all Madison residents reported having a disability, 5 percent lower than the national average of 13.6 percent. Overall rates of disability have remained relatively consistent since 2016.

Figure 26. Disability by Race & Ethnicity



Source: Table S1810, 2022 ACS 5-year estimates

Figure 27. Percent Disability Status, 2016-2022



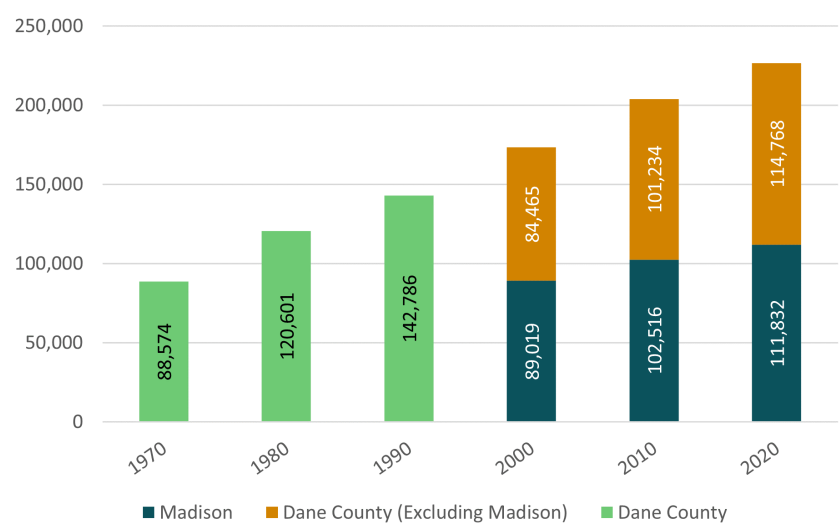
Source: Table S1810, ACS 5-year estimates

Households:

Examining household trends allows for greater understanding of the city and region’s growth and household needs. Under Census guidelines, a household is defined as an occupied dwelling unit including related and unrelated persons. From 2000 to 2020, Dane County added 53,116 new households, and as of 2020, the City of Madison’s growth represented about half the total share (49.3%) of these households. Although Madison became the minority share of the county’s population as of the 2000 Decennial Census, Madison did not become the minority share of households until shortly after the 2010 Census due to generally larger household sizes outside the city.

Table 4 reflects the average annual household growth rates for the City, both for the period from 2011-2021 and for the last three years of that period, 2019-2021. Despite the steady increase in households since 1970 (above) the average growth rate displays a slight slowing in from prior decades, though growth has grown significantly since the coronavirus pandemic as shown by the drastic increase over the past three years of the period in Table 4. Dane County, excluding Madison, is still maintaining a generally higher average annual household growth rate than the city, illustrating the growth of Dane County as a whole.

Figure 28. Household Growth in Dane County (1970-Present)



Source: Table S1101, ACS 5-year estimates, Decennial Census

Table 4. Average Annual Household Growth Rates by Decade

	2011-2021		2019-2021	
	Compound Annual Growth Rate	Total % Growth	Compound Annual Growth Rate	Total % Growth
Population	1.4%	14.5%	2.0%	4.1%
Households (total)	1.7%	17.9%	3.1%	6.4%

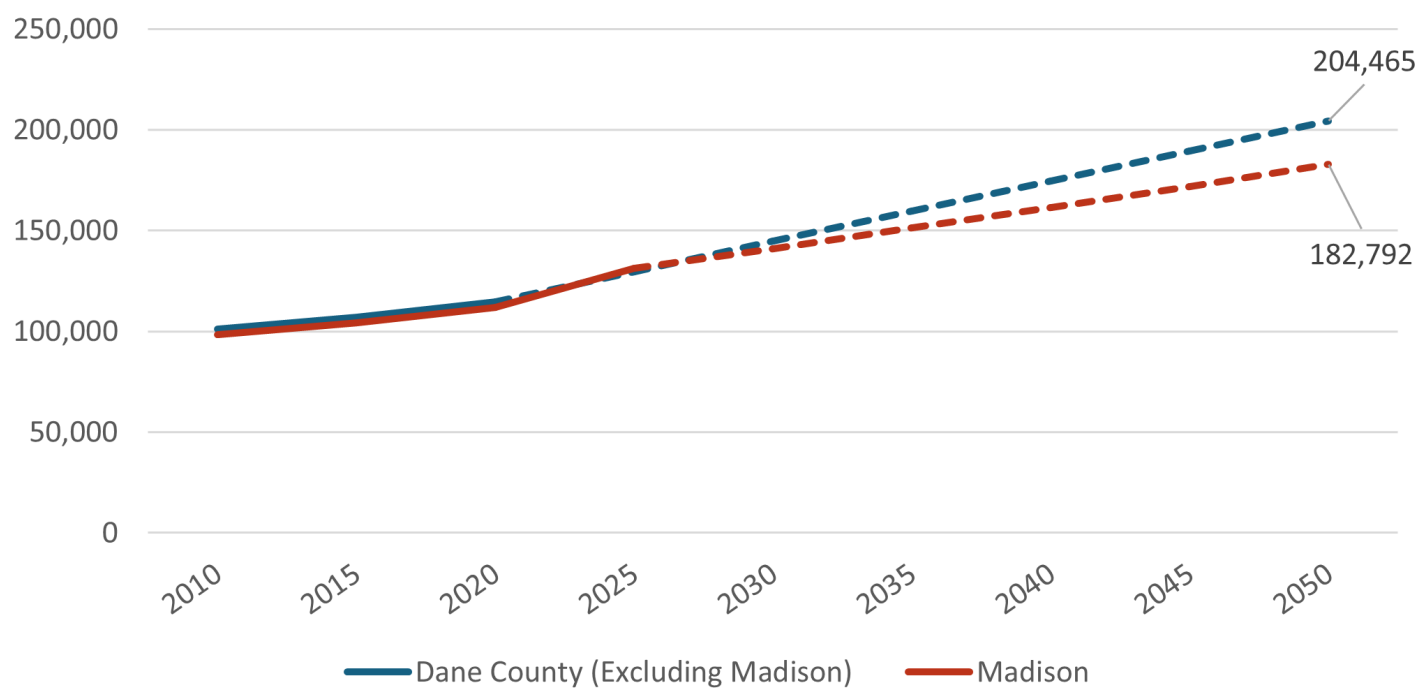
Source: Table DP05 and DP03, ACS 5-year estimates

The city and county are projected to maintain very similar numbers of households through 2030, per estimates calculated by the City's Planning Division and the American Community Survey. Subsequently to 2030, it is expected that Dane County, excluding Madison, will incrementally widen the margin and exceed Madison by approximately 21,673 households. From 2020 to 2050 however, the City is expected to add nearly 71,000 new households. This is an average growth of rate of 10.6 percent every five years, which would be slightly higher than the pre-pandemic annual average, though lower than the growth immediately post-pandemic. In the same period, the county, excluding Madison, is projected to add 89,697 households, with an average 5-year growth rate of 13 percent.

The most recent ACS estimate reports 120,509 total households living in the City of Madison as of 2022. It's projected that between 2010 to 2025, the city's number of households will have increased by 33.8 percent (33,197 total), representing an 11.3 percent increase every five years.

Due to the equivalency in projections of households to housing units (for every household added, a new housing unit will have to be added), the City of Madison will need to create over 2,000 housing units per year just to keep up with projected household growth, without addressing the backlog of needed housing identified by the City's Planning Division.

Figure 29. Household Projections



Source: City of Madison estimates, ACS 5-year estimates

Family Size & Type:

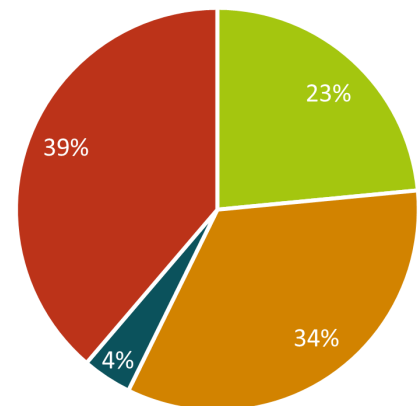
According to American Community Survey's estimates, the most common household types in Madison are one-person (38% of all households) and two-person households (35% of all households). Amongst one-person households, 65 percent are renters. Whereas for two-person households, only 47 percent are renter households. This shift to ownership as household size increases has remained generally consistent and displays increased ability to cover housing costs with larger family sizes (more income earners, generally higher household incomes). Three- and four-or more person households both do tend to be owner rather than renter households, though still have significant numbers of renters by raw number.

Household size also varies by race and ethnicity for households in the city. White households have the greatest proportion of one-person and two-person households at just over 75 percent of White households falling into one of these household types. This is followed by Asian households with about 65 percent of households being with one- or two-person households. Amongst larger-sized households, White households have the smallest proportion amongst all racial and ethnic groups. Hispanic/Latinx households have the greatest proportion of five- and six-or more person households, followed by Black households.

This data shows that households of color are, generally, significantly more likely to have larger household sizes. Overall, most households in Madison regardless of race or ethnicity are between one and four person households. Knowing more about the types of families within Madison households can help to better understand the needs for housing stock in the city. Figure 32 shows that non-elderly, non-family households make up the greatest share of households (39%). A household that is non-elderly, non-family consists of household members who are under the age of 62 and not related through marriage, adoption, or by descent.

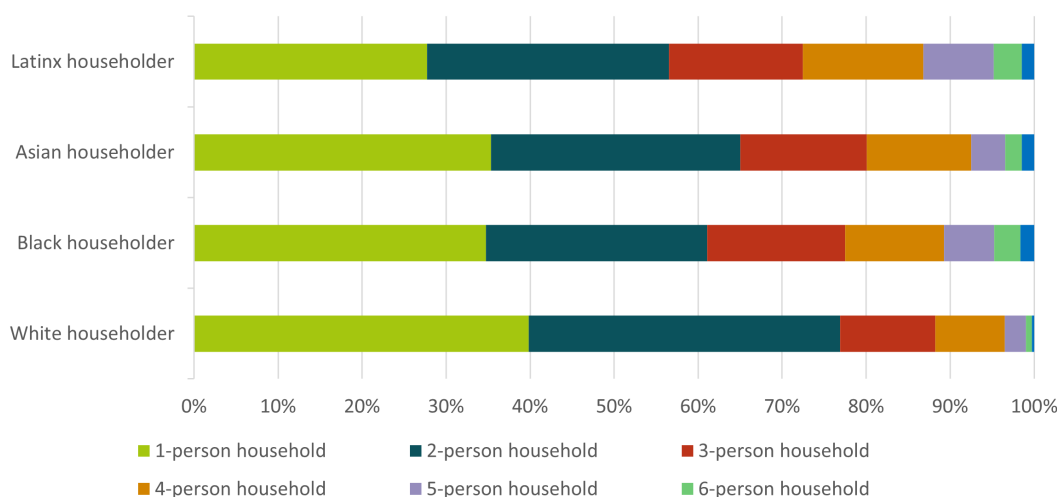
The second most common household type is small family households (34%). These households contain two to four people of any biological relation or age. Conventionally, these households are characterized by one or two parents and their children. Elderly households make up just under one quarter of Madison households. These households are determined as which the head of household or spouse are an older adult who is at least 62 years old or greater. Large family households represent the minority share of households, at just 4% of all households in the city. Large-family households are any household with five or more people of any biological relation or age.

Figure 32. Family Type Distribution



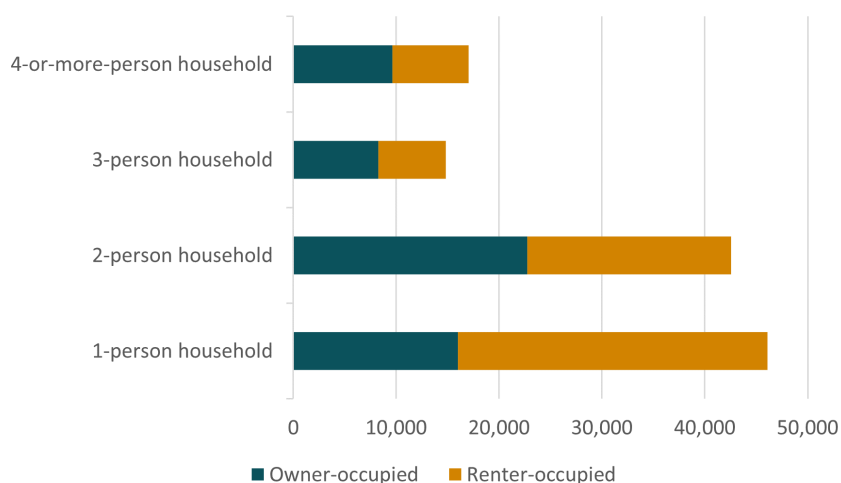
Source: 2016-2020 HUD CHAS

Figure 31. Size of Household by Race & Ethnicity



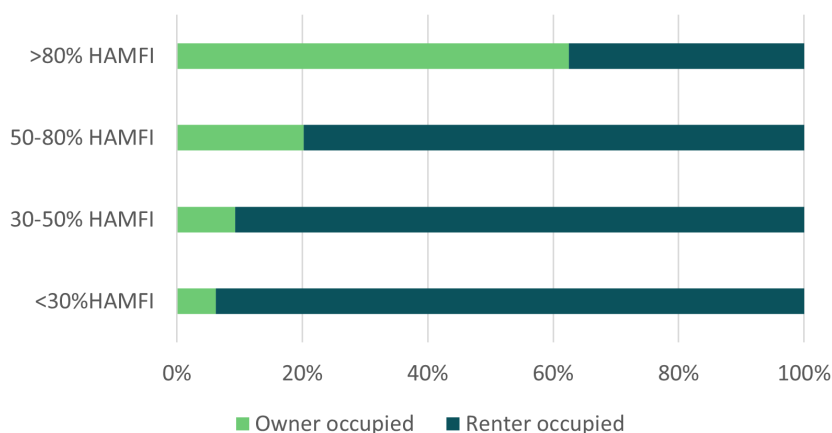
Source: Tables H12A, H12B, H12D, H12H, 2020 Decennial Census

Figure 30. Household Size by Tenure



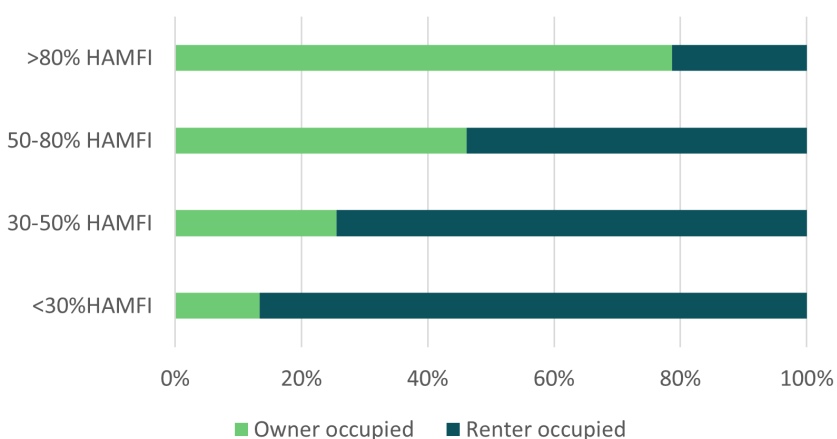
Source: Table S2501, 2022 ACS 5-year estimates

Figure 33, Non-Elderly, Non-Family Households by Income Level and Tenure



Source: 2016-2020 HUD CHAS

Figure 34. Small Family Households by Income Level and Tenure



Source: 2016-2020 HUD CHAS

Amongst non-elderly, non-family households (the most prevalent household) type:

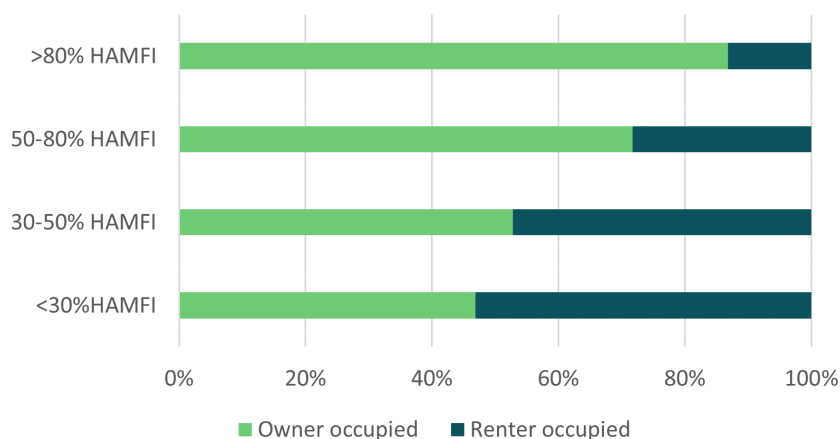
- 25% are homeowners and 75% renters
- 74% of these households are low income, about half are extremely low income
 - 93% of those extremely low income are renters
- 37% of renters in this household type are below 30 percent area median income (considered extremely low-income households).
- This household type represents 19 percent of all homeowners in the City of Madison.
- Many of these households are likely student households, some of which have unreported income from other sources that may not put them in the extremely low income position.

Amongst small family households, the second most prevalent household:

- 63% are homeowners and 37 percent are renters, displaying a large change in tenure distributions from non-elderly, non-family households.
- 34% of all small family households are low income, and 17% are extremely low income
 - 80 percent of those extremely low income are renters.
- They have the largest representation in moderate to high income levels amongst all household types, of which small families comprise 42% of all households.
- They represent the greatest share (42%) of all homeowners in the City of Madison.

Family Size & Type, cont.

Figure 35. Elderly Households by Income & Tenure

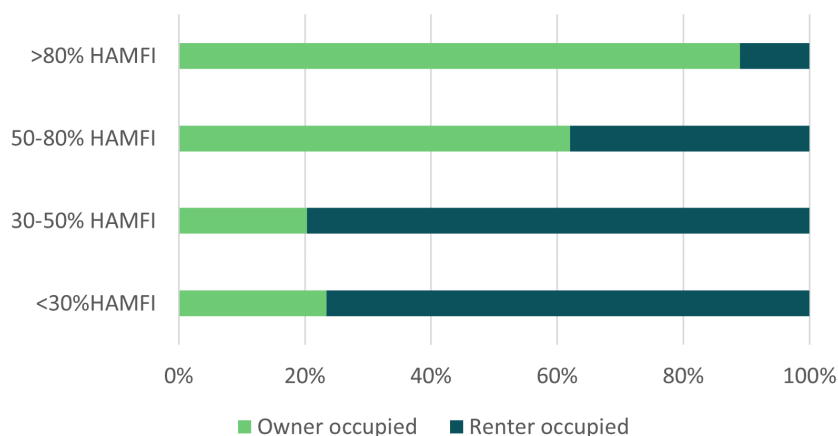


Source: 2016-2020 HUD CHAS

Elderly households, the third most prevalent household type, are comprised of:

- 73% homeowners and 27% renters
- 50% of all elderly households are low income, and 30% are extremely low income, with an almost even distribution of renters to homeowners amongst extremely low income.
- This is the only household type to have an even distribution of renters to owners among those with extremely low income, indicating that tenure is not a significant factor in whether an older adult household experiences severe housing cost burden, with the main factor likely being limited income.

Figure 36. Large Family Households by Income & Tenure



Source: 2016-2020 HUD CHAS

Large family households represent:

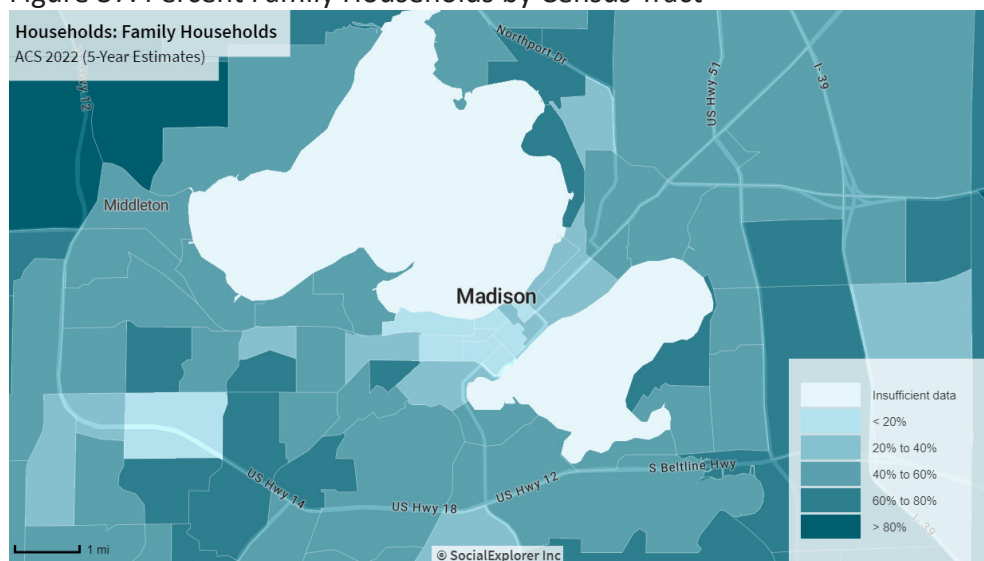
- Only 4 percent of all households in Madison
- 68% homeowners and 32% renters
- 46% are low income, with 21% of all large family households as extremely low income
- 79 percent of extremely low income of this type are renters

In all household types, apart from elderly households, renters are significantly more likely than homeowners to be extremely low income. Small families experience the lowest rate of low incomes and highest rate of homeownership (excluding elderly households). Non-family, non-elderly renters experience the greatest relative burden in housing costs amongst household types.

Downtown Madison consists of the lowest concentration of family households, with several census tracts containing 10 percent or less of family related households. This generally follows patterns of the University of Wisconsin, with the smallest shares of family households living in campus-adjacent areas. Outside of this central area many census tracts contain 20 to 60 percent family households. Generally, the further from the central city, the more likely a household consists of family/related occupants.

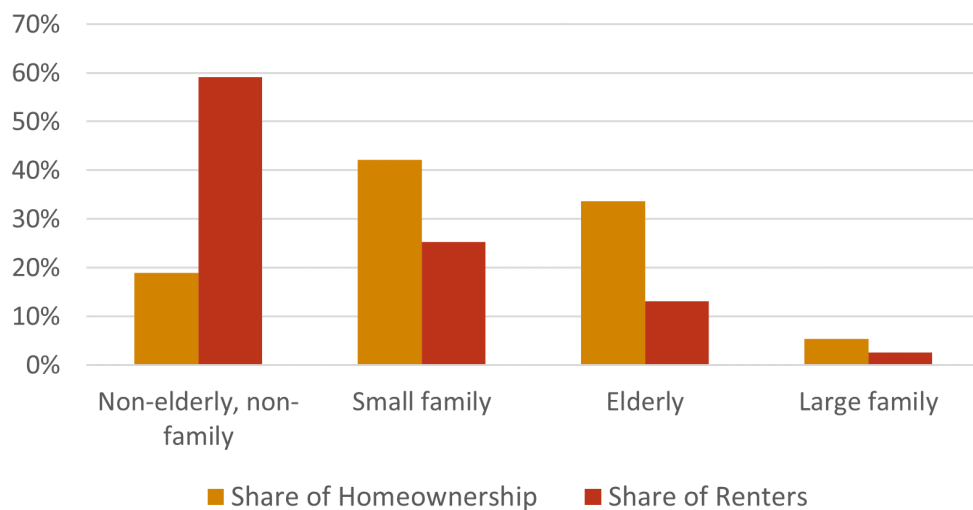
Figure 38 reflects the distribution of homeowners to renters amongst each family type. Small family households make up the greatest share of homeowners in Madison, followed by elderly households. Non-elderly, non-family households represent about 60 percent of renters, with small families as the second most common family type for renters.

Figure 37. Percent Family Households by Census Tract



Source: Social Explorer, Table A10008, ACS 5-year Estimates

Figure 38. Share of Citywide Tenure by Family Type



Source: 2016-2020 HUD CHAS

Income & Employment:

Since 2016, the City of Madison has seen several changes in the share of households across income levels.

Generally, within the city, the largest number of households have had incomes between \$50,000 to \$99,999 annually, which represents about 30 percent of total households. Over the same timeframe, households earning under \$25,000 dropped from the third most common income level (21.6% of households) to the least in this period, which now represents the smallest share of households in the city (15.7% of total households). This may indicate three things, or a combination of all three – first, that many low-income households find the city to be unaffordable and moving elsewhere for more affordable housing, second, that wage growth may have brought households into higher income categories since 2016, and third, that the lowest income households in the city may be more likely to have roommates than they did before – increasing their household size, and artificially moving them up an income tier by adding household members. In 2022, the number of households earning over \$150,000 increased to the second largest share of income in the city, at 19.4 percent of total households. In 2016, this was the least common household income tier and has increased in share by nearly 10 percentage points over six years. This increase of households with incomes in the highest tier is matched with growth in the second highest income level (\$100,000 to \$149,999) as well.

Households earning between \$25,000 and \$49,999 remains the third most common income level by a small margin. In total, households with an annual income below \$50,000 represent about one third of all households in Madison, just under one third of households earn \$50,000 to \$99,999, and 37 percent of households earn over \$100,000 annually. However, nearly all household growth within the city since 2016 has occurred solely in the highest income brackets (over \$100,000 annually), with no growth in lower income brackets.

HUD's Area Median Income (AMI) limits are based on a four-person household as a standardized reference point to reflect a typical household size. It is used as a benchmark to determine housing affordability and eligibility for housing programs. In 2022, the highest annual income for this family size to be considered low income was \$89,400. This indicates a significant number of households were considered extremely low income to low income. The 2022 AMI limits in table 5 are utilized in this analysis due to the use of 2022 data as the most recent comprehensive data.

Because HUD's AMI calculations are updated annually, as incomes in the city (and county) rise, this can create barriers for lower-income households that remain in the City – especially those with stagnant or low income growth – as income- and rent-restricted housing that would have previously been affordable to lower-income households is increasingly priced at higher rates due to the increase in high-income households year over year.

Table 5. Fiscal Year 2022 Income Limits Summary: Madison, WI HUD Metro FMR Area

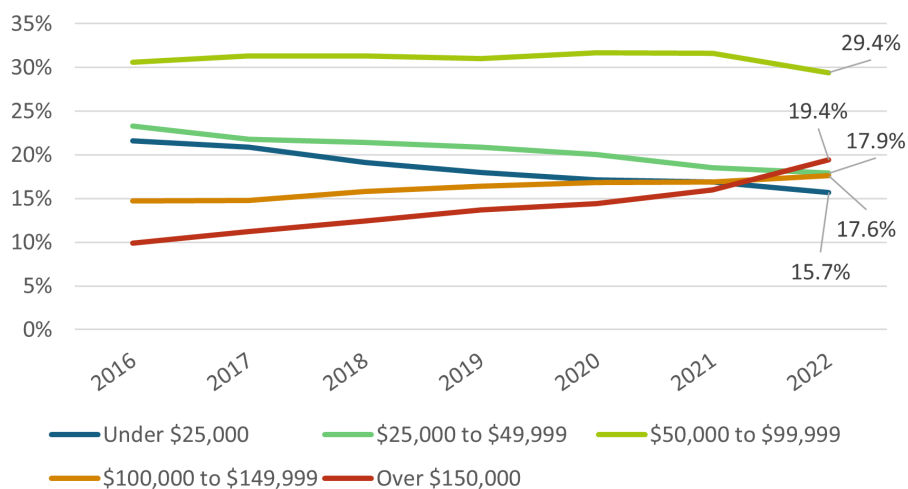
	Household Size							
Income Limit	1	2	3	4	5	6	7	8
Extremely low income (30%)	\$24,250	\$27,700	\$31,150	\$34,600	\$37,400	\$40,150	\$42,950	\$46,630
Very low income (50%)	\$40,400	\$46,150	\$51,900	\$57,650	\$62,300	\$66,900	\$71,500	\$76,100
Low income (80%)	\$62,600	\$71,550	\$80,500	\$89,400	\$96,600	\$103,750	\$110,900	\$118,050

Source: HUD Income Limits

Figure 40 illustrates year-to-year growth of households under 30% Household Area Median Family Income (HAMFI) to greater than 100% HAMFI for 2016 to 2020. HAMFI is a helpful gauge, as it adjusts for both income and family size, based on the HUD AMI table above. This provides a range of income options based on household size (and assumed expenditures), which allows the City to track household growth across AMI levels more closely than solely the number of households, regardless of the size of such households.

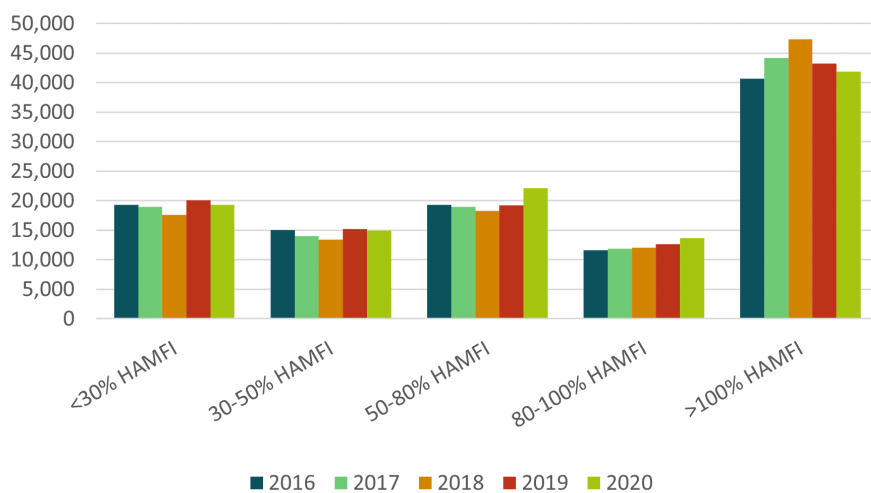
Year over year, the number of households in the 30% and 50% AMI brackets have remained consistent, while there has been household growth in higher-income brackets (greater than 50% AMI). For 2021 HUD data, the numbers have increased even more dramatically, with nearly 49,000 households over 100% HAMFI.

Figure 39. Households by Income Level, 2016-2022



Source: Table S2503, ACS 5-year estimates

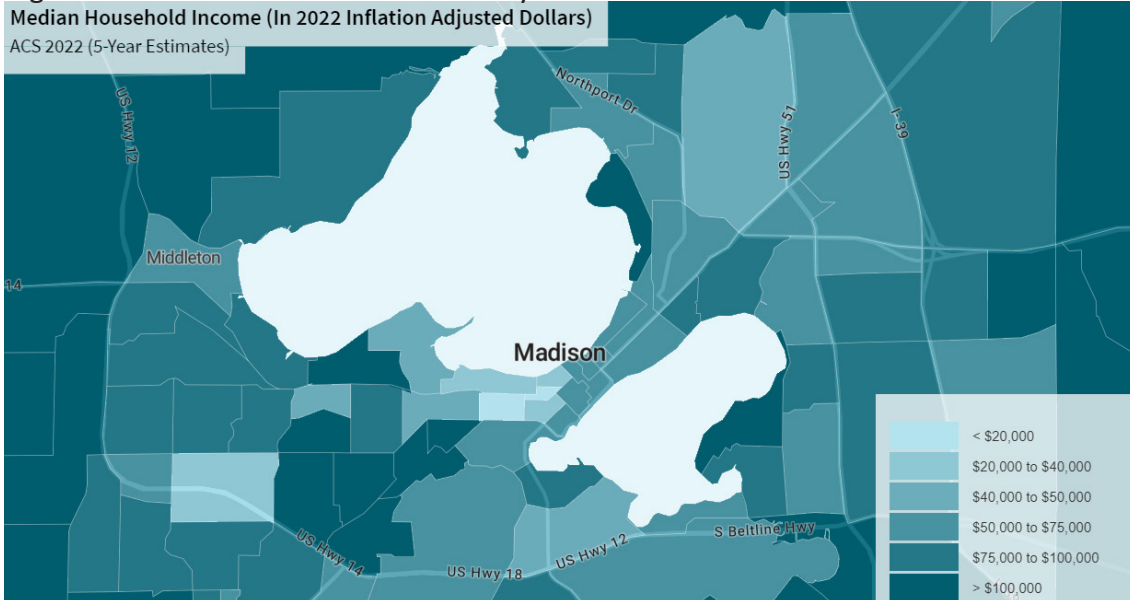
Figure 40. Madison Households by HAMFI Level, 2016-2020



Source: 2016-2020 HUD CHAS

Income & Employment, cont.

Figure 41. Median Household Income by Census Tract



Source: Social Explorer, Table A14006, ACS 5-year Estimates

Figure 41 further displays the median income trends by geography. Within census tracts in central Madison near the UW-Madison campus (highly concentrated areas of non-family residents) there is a high number of significantly low-income households, which depresses the median income. The census tracts in the city with the highest median income value are largely located in West Madison.

From 2017 to 2022, the greatest changes in median household income include:

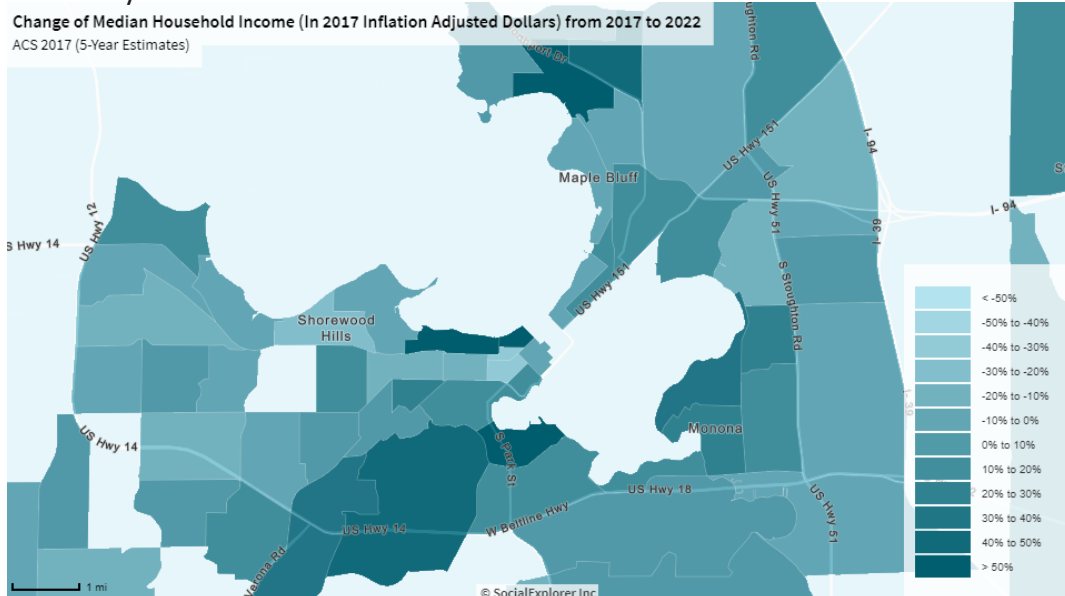
South Madison

- Tract 7 – 37.5% increase
- Tract 14.02 – 47.5% increase
- Tract 13 – 72.12% increase

North Madison

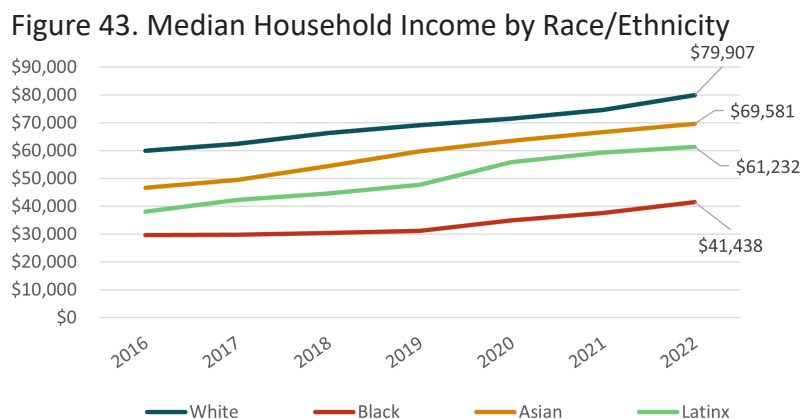
- Tract 23.01 – 58.3% increase
- Tract 24.02 – 48.3% increase

Figure 42. Change in Median Household Income by Census Tract



Source: Social Explorer, Table A14006, ACS 5-year Estimates

For households across all race/ethnicity demographics, the median household income has shown slight, consistent increases year over year since 2016. By race/ethnicity, the highest median income figure is for White residents at \$79,907 annually, with an average increase of \$2,862 per year. Asian households in the city have the second highest median household income, earning about \$10,000 less per year than the median White alone household (\$69,581 median income), followed by Hispanic/Latinx households (\$61,232 median income). Black households in the city continue to show the greatest disparity in median household income, with a median income figure of \$41,438 - approximately \$20,000 less annually than Latinx households, and nearly half that of White households.



While White alone households display the highest median income in the city, they also display the lowest average annual increase in median household income for the period of 2016 to 2022 (table 6), at an average increase of 4.8 percent each year. Black households have the second lowest rate of increase at 5.8 percent, followed by Asian households at 7.1%, and Latinx households at 8.7 percent.

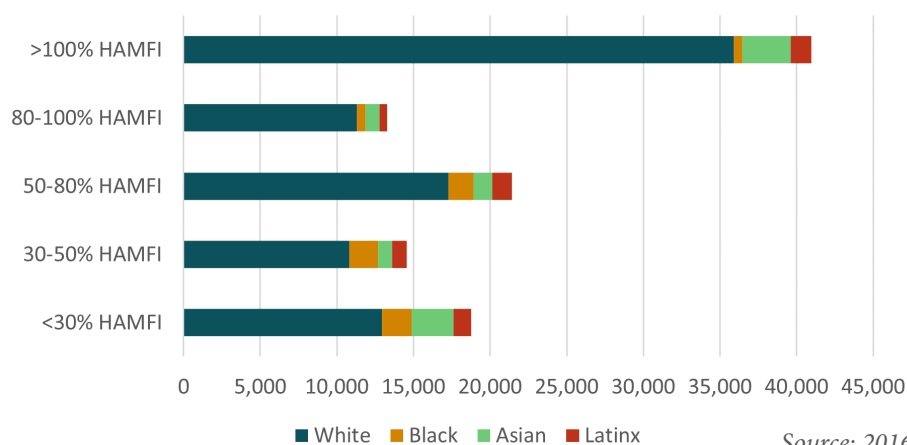
Table 6. Average Annual Rate of Median Income, 2016-2022

	White	Black	Asian	Latinx
Annual Average Rate of Household Median Income (2016-2022)	+4.8%	+5.8%	+7.1%	+8.7%

Source: Table S2503, ACS 5-year estimates

By number of households at each income level, White households represent a significant majority of each income tier as the majority of households overall in the city. However, as seen by median income, White households also have a general greater likelihood to be in higher-income tiers than households of other race/ethnicity demographics, when tracked by AMI.

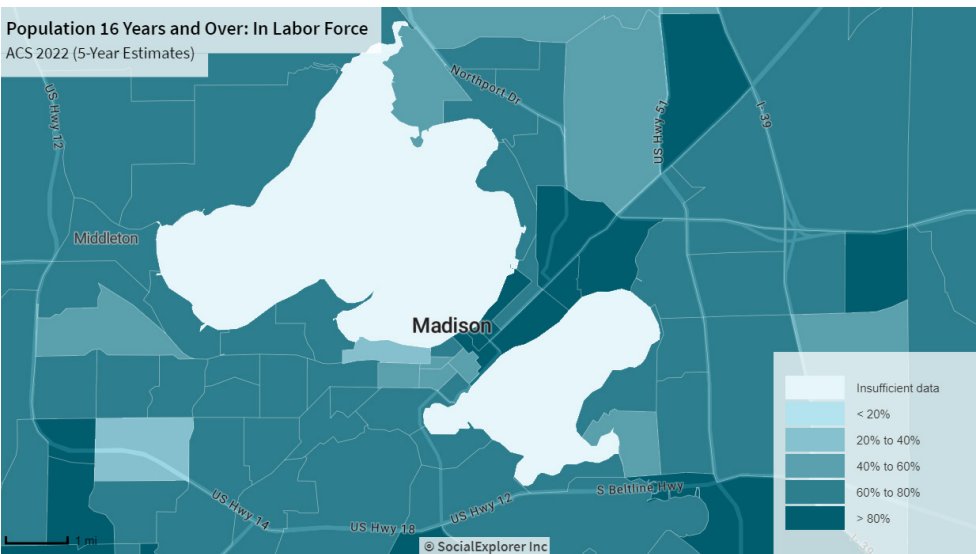
Figure 44. HAMFI Levels by Household Race/Ethnicity



Employment:

The ability to generate income for a household is a critical component of both housing affordability and housing stability. Evaluation of labor force participation for those aged 16 or older is used to determine this rate – indicating people that are active in or actively seeking employment. Overall, the city has high levels of labor force participation across the board, with only a few census tracts with less than 40 percent labor force participation – generally census tracts that are campus-associated or have a large number of student households. Many census tracts across the city have at least a 60 to 80 percent labor force participation rate.

Figure 45. Labor Force Participation Rate

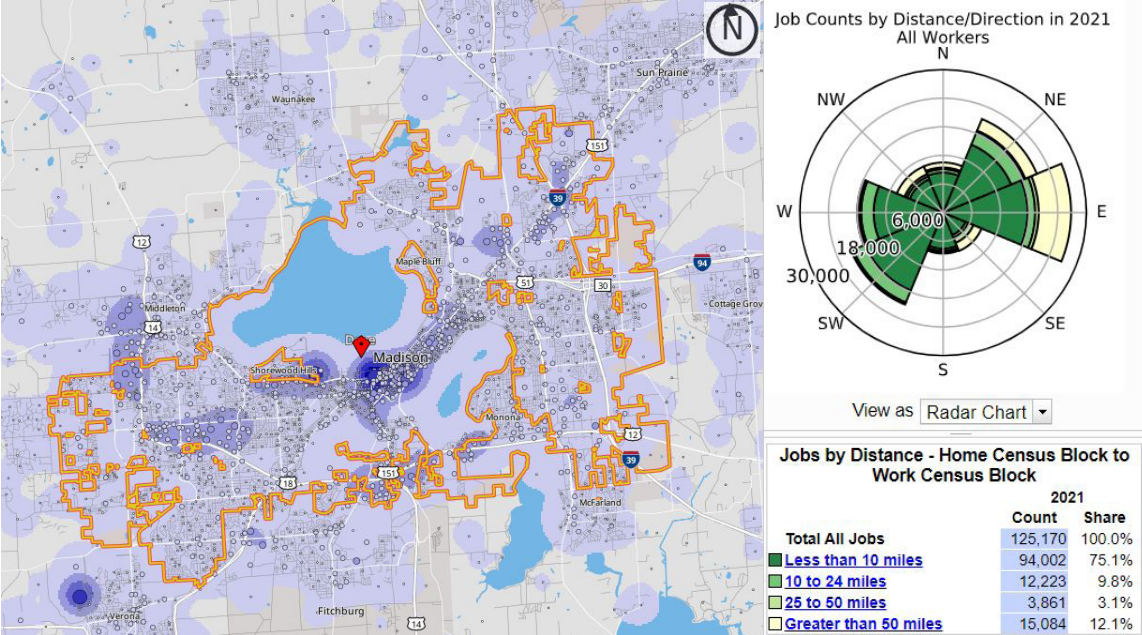


Source: Social Explorer, Table A17002, ACS 5-year estimates

The Census Bureau provides commuting distance and employment concentration by census block group for individuals living in Madison. The central Isthmus displays an exceptionally high job concentration, largely centered around downtown and the University of Wisconsin – Madison campus, including UW Hospitals and University Avenue. Other large centers of employment include the Epic campus in Verona, western Mineral Point Road and the beltline in Middleton, and south Madison along the beltline.

This data additionally reports distance to travel to work from home in mile increments. Most workers with jobs in Madison travel less than 10 miles to work, representing about 75 percent of the total working population. Those traveling more than 50 miles make up 12.1 percent of people working in the city.

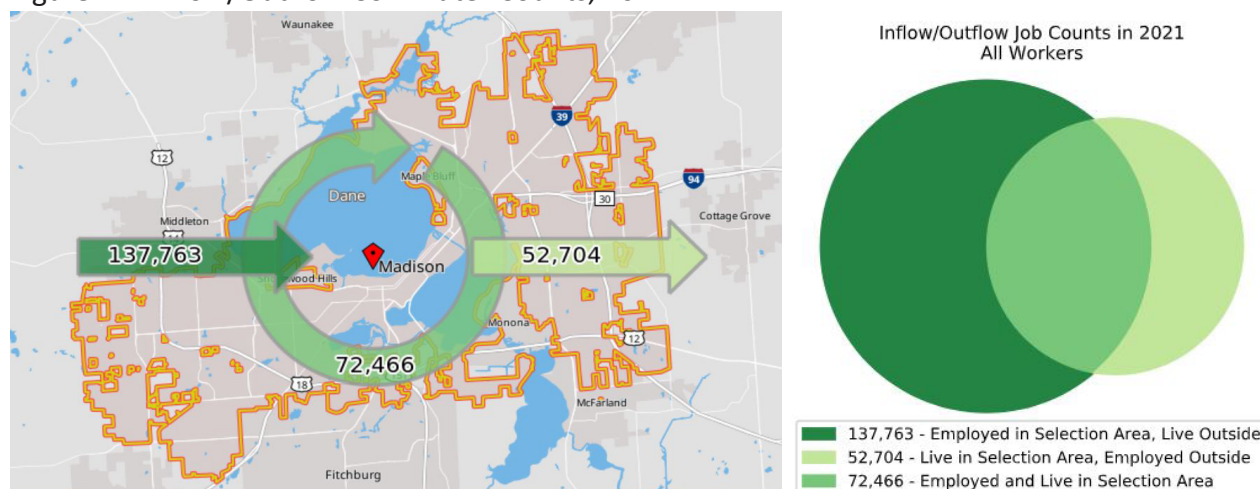
Figure 46. Job Counts by Distance & Direction in 2021



Source: US Census Bureau Center for Economic Studies

Figure 47 provides a snapshot of the inflow and outflow job counts for all workers in the City of Madison in 2021. Of the 210,229 individuals employed in the city, about 66% live outside of its municipal boundaries, and only 35% of those employed both live and work in the city. This indicates a high number of daily commuters, indicating that about one in three workers reside in the city. As housing prices continue to rise, generally housing in the city is more accessible to those with higher wage jobs or multiple income earners in their household – meaning that it is possible that over time residents, especially lower-wage residents, may need to travel longer distances to reach their places of employment.

Figure 47. Inflow/Outflow Commuter Counts, 2021



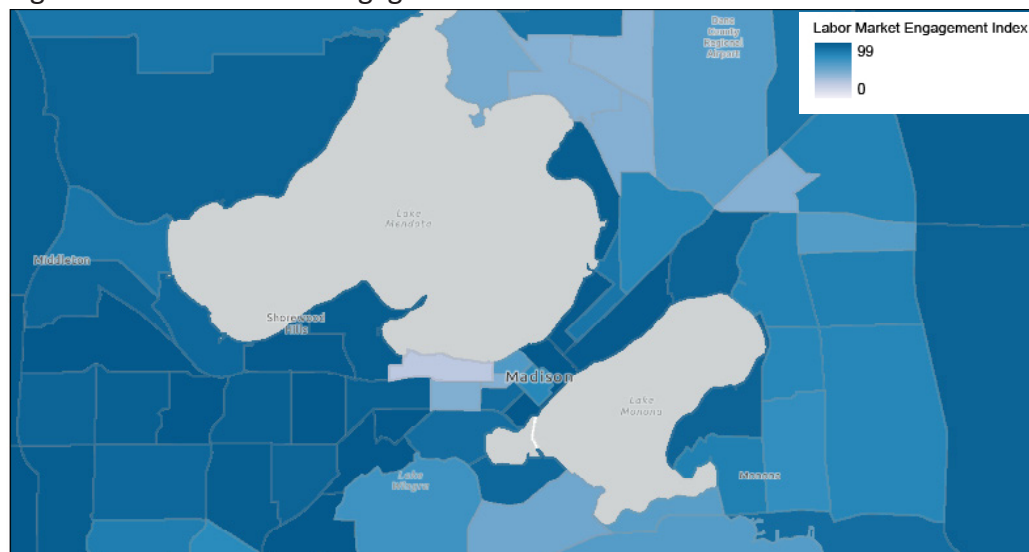
Source: US Census Bureau Center for Economic Studies

The Labor Market Engagement Index is a tool used as a measurement of employment, labor force participation, and educational attainment. A composite score is calculated for each unit of measure then percentile-ranked nationally. This score provides insight into comparisons of labor readiness and involvement to all other areas of the nation. Additionally, it provides insight into isolation of economic development activities, and access to employment, and education. Figure 48 displays that many geographic areas of Madison rank highly on the index, with many exceeding the 80 to 90th percentile nationally. The areas which rank the highest are west Madison and the Tenney-Lapham and Marquette neighborhoods. This indicates high levels of educational attainment, accessibility of employment opportunities, and active participation in the workforce.

In general, areas of the city with lower percentile averages in the Labor Market Engagement Index include UW-Madison campus-adjacent neighborhoods, as well as portions of the south side and a majority of the north side of Madison.

Areas with low-percentile rankings often represent areas in which expanded educational outreach, job and/or skills training, and employment programs for individuals and families could be targeted to increase engagement.

Figure 48. Labor Market Engagement Index

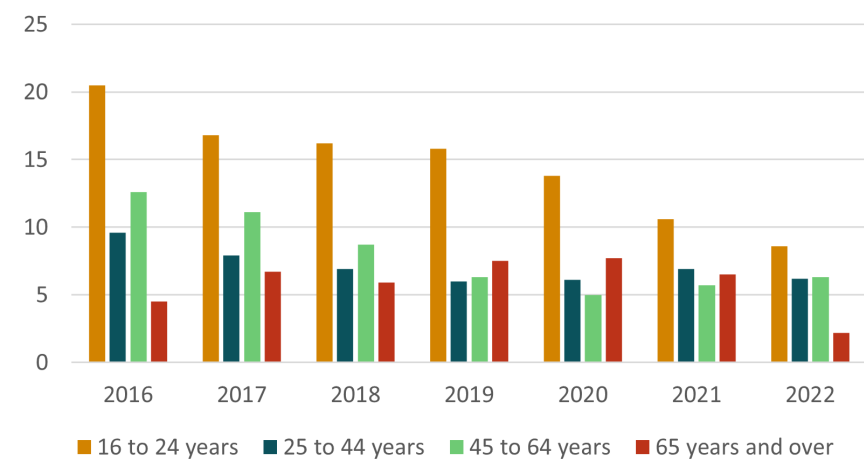


Source: Dane County

Unemployment:

Despite the disruptions of the COVID-19 pandemic, unemployment rates have generally been decreasing since 2016. This is especially true of the 16 to 24 age group, beginning the period at about 20 percent, decreasing more than half (by 11.6 percentage points) by 2022. However, this age group still maintains the highest level of unemployment amongst all age cohorts.

Figure 49. Unemployment Rate by Age Group



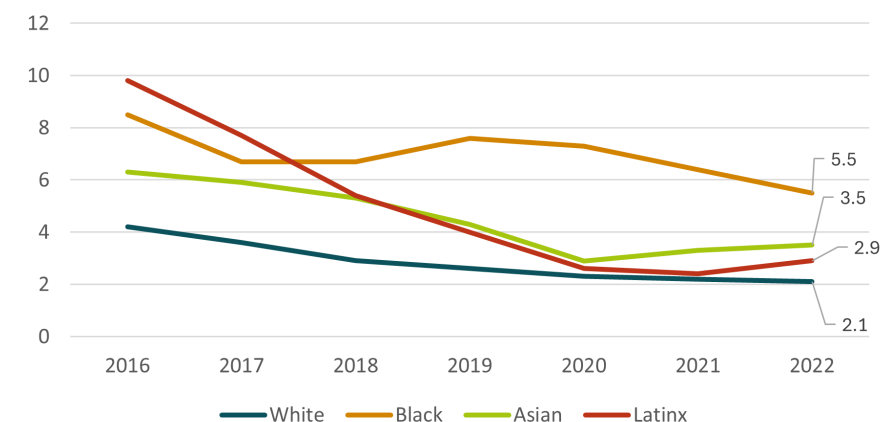
Source: Table S2301, ACS 5-year estimates

For the age groups who make up majority of the workforce (25 to 44 years, 45 to 64 years), the rate has decreased steadily since 2016, with a slight increase in 2021, but has leveled out in 2022.

By race and ethnicity demographics, there is disparity in unemployment rates. However, rates have decreased since 2016 for all reported race/ethnicity categories. In 2016, Hispanic/Latinx populations had the highest rate of unemployment at 9 percent, however by 2022, this group has the second lowest rate at 2.9 percent. The greatest disparity is shown in 2020, in which Black residents had the highest unemployment rate by the highest margin, exceeding other populations by over 4.4 percentage points. White residents consistently had the lowest rate of unemployment in this period, with 2.2 percent unemployed in 2022.

This indicates that for job-seeking residents of the city, White residents are employed at higher rates, most especially starkly in contrast to Black residents, with an unemployment rate nearly 2.5 times higher than White residents.

Figure 50. Unemployment Rate by Race & Ethnicity



Source: Table S2301, ACS 5-year estimates

Educational Attainment:

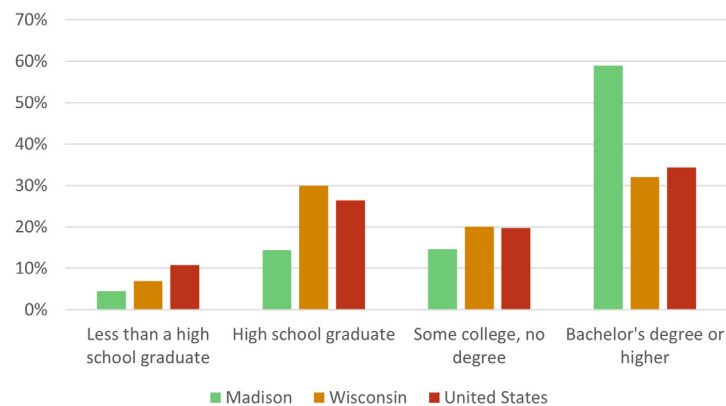
Household income is directly influenced by level of education amongst City of Madison residents. A household's level of education impacts the type of housing a household can afford and access, and how much of their income is put towards housing costs. Because of that, disparities in education contribute to disparities in income, which results in disparity of fair housing choice.

Figure 51 displays that the city has a much higher percentage of residents with a bachelor's degree or higher than the averages for both Wisconsin and the United States. Nearly 60% of residents have at least a college degree, which is nearly double the rate for the state as a whole. The presence of the University of Wisconsin generally contributes to a high level of education amongst Madison residents, as well as the desire of many graduates to stay in the city after completing their degree.

As level of educational attainment increases, median household income increases with it, as displayed in Figure 52. The median household income for a high school graduate (\$35,974) is about 57 percent of the median household income for someone with a bachelor's degree (\$63,180), and half the median income of a graduate or professional degree holder (\$73,119).

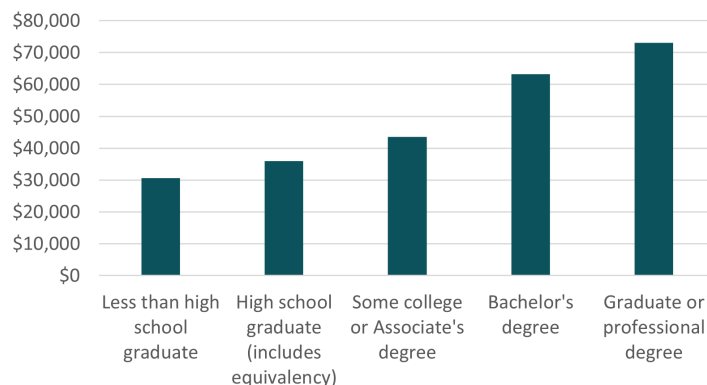
Because of this, poverty rates are lower for households that have higher degrees of educational attainment. However, amongst all levels of education, the City of Madison does have slightly elevated rates of poverty in comparison to the state and nation. Because the poverty rate threshold is a fixed dollar amount set for the nation as a whole, and doesn't adjust for local cost of living, this means that, in general, it is more difficult for households experiencing poverty to afford to live in higher-cost cities than it would be for a household with the same income in other areas.

Figure 51. Level of Education by Percentage of Population



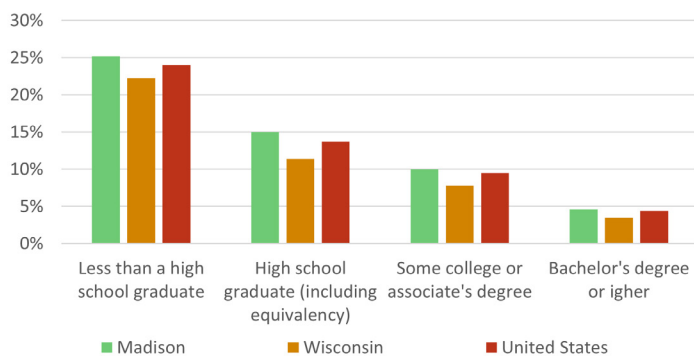
Source: Table S1501, ACS 5-year estimates

Figure 52. Median Income by Educational Attainment



Source: Table S1501, ACS 5-year estimates

Figure 53. Poverty Rate by Educational Attainment



Source: Table S1501, ACS 5-year estimates

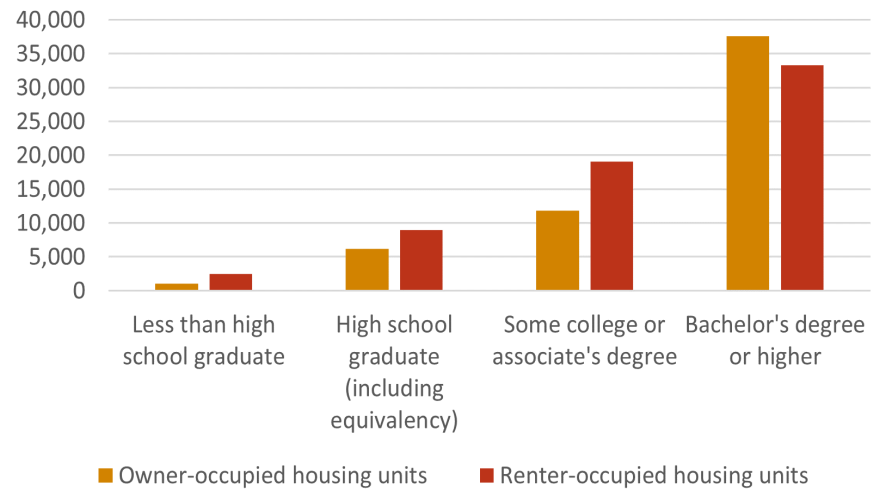
Educational Attainment, cont.

The level of income a household earns is also a factor that influences whether a household owns or rents their home, as tenure is generally correlated to income. While there are many Madison renters who hold a college degree, those with a college degree are the only households by educational attainment that are more likely to own their home than to rent. Conversely, for educational attainment at an associate's degree or less, the majority share are renters.

Figure 55 displays the median gross rent across the city. This map reflects consistently high median gross rents throughout, and very few census tracts with sub-\$1,000 median rental rates. The census tracts with the highest median rental rates, those exceeding \$1,500, are almost exclusively on the west side of the city – surrounding Midvale Boulevard from the Beltline to Shorewood Hills, Monroe Street, and along Regent Street south of campus. Capitol Square and Isthmus neighborhoods have median rents of \$1,300 to \$1,500, generally, while rents decrease slightly further from the city center.

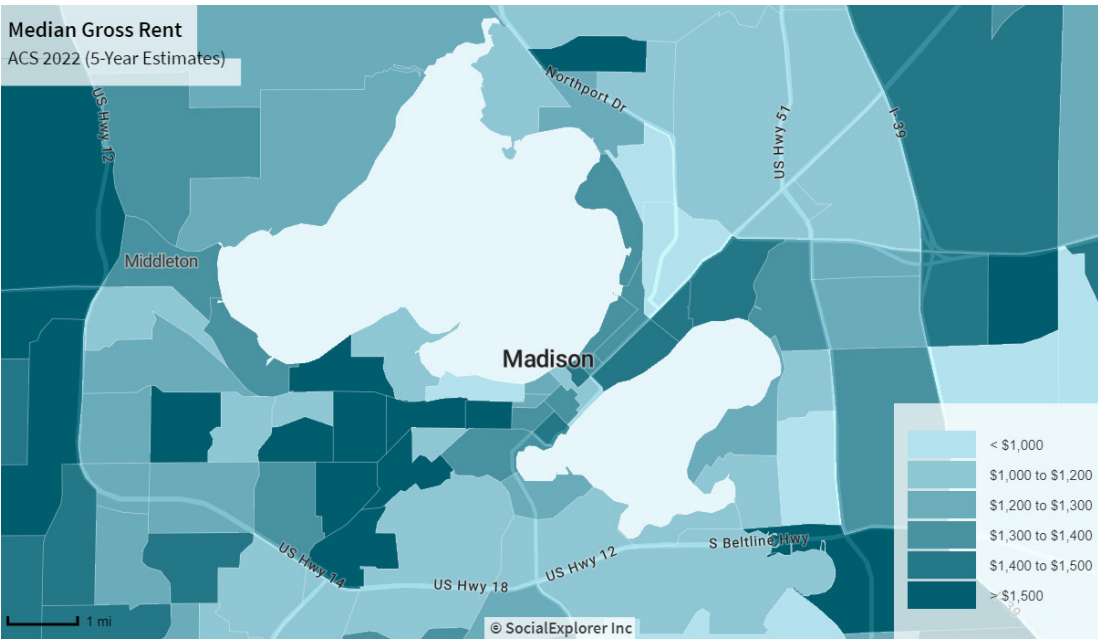
When housing costs do not exceed 30 percent of a household's income, that household is in housing that is considered affordable to them. Any amount over 30% of gross monthly income would mean that the housing is generally unaffordable. By educational attainment, the maximum that median household could pay monthly for housing and still have it be considered affordable to them would be:

Figure 54. Tenure by Educational Attainment of Householder



Source: Table B25013, ACS 5-year estimates

Figure 55. Median Gross Rent by Census Tract



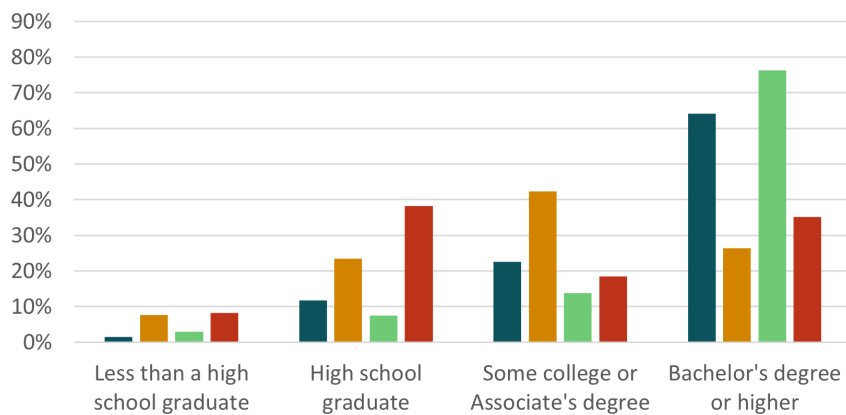
Source: Social Explorer, Table A18009, ACS 5-year estimates

- Less than a High School Diploma: \$767
- High School Diploma: \$899
- Some college/ Associates Degree: \$1,089
- Bachelor's Degree: \$1,580
- Graduate or Professional Degree: \$1,828

* Author's calculations

Because of the disparity in earnings by educational attainment, many census tracts that are closest to public amenities, economic hubs of activity, and walkable areas have median housing costs that are only affordable to the median of those with at least a bachelor's degree. There are also disparities by race and ethnicity amongst levels of educational attainment. Those that hold a bachelor's or higher are, by percent of race/ethnicity, disproportionately Asian residents (76.1%), followed by White residents (64.3%). Black community members make up the smallest share of those who have a college degree at 26.4 percent, though Black residents are much more likely to have an associate's degree. For those whose highest level of education is a high school diploma, or equivalent, Latinx residents represent the greatest proportional share (38.2%) by percent of total population, and Black residents the second greatest share (23.5%). These two demographics also more likely than other demographics to have the highest level of educational attainment be less than a high school degree.

Figure 56. Race/Ethnicity by Educational Attainment

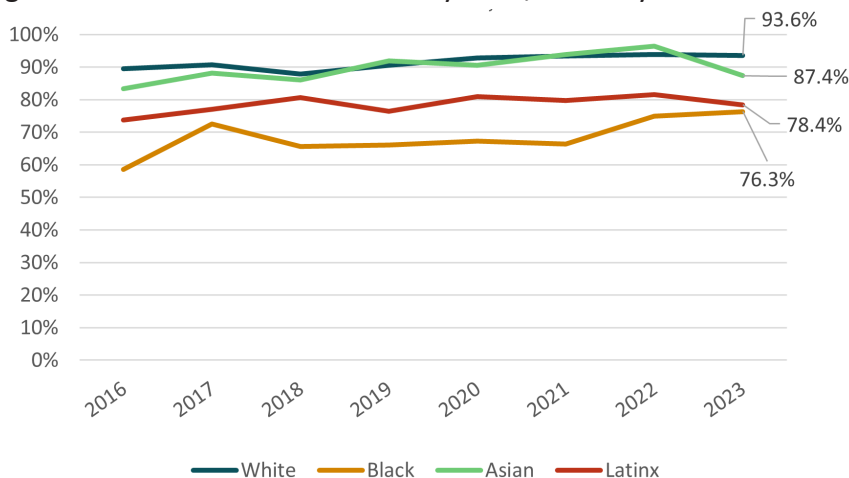


Source: Table B15002A, B, D, I, ACS 5-year estimates

These disparities in degree attainment have a direct impact on household incomes, with households at lower levels of educational attainment being more likely to have lower incomes and thus find housing to be more unaffordable overall.

A 4-year graduation rate is defined as the percentage of students who complete high school, with their adjusted cohort, and earn a diploma. By race and ethnicity, Black students in Madison high schools graduate in four years at the lowest rate in comparison to their peers (76.3%), though the overall graduation rate trend is increasing year over year. White students graduate in 4 years at the highest rate, with a rate 17.3 percentage points greater than that of Black students. Asian students' graduation rates have closely followed the rate for White students since 2016 and exceeding them in several years before a slight drop again in 2023. Hispanic/Latinx students have had a relatively consistent graduation rate over the past several years, though rates are still approximately 15 percentage points less than for White students.

Figure 57. 4-Year Graduation Rate by Race/Ethnicity



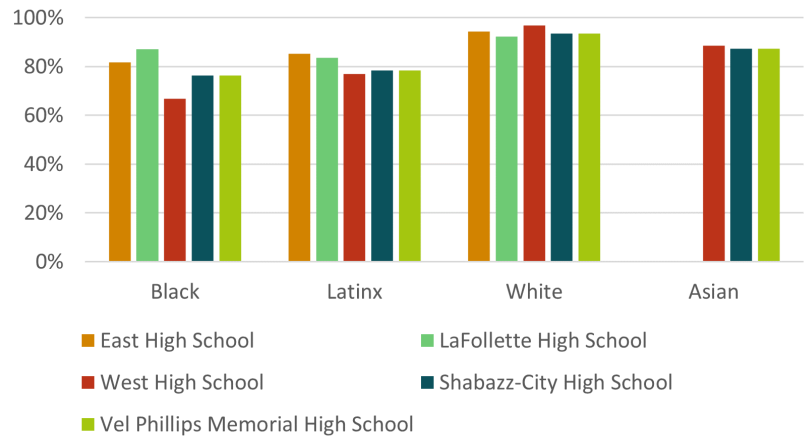
Source: Table B15002A, B, D, I, ACS 5-year estimates

There are also disparities in high school graduation rates by race and ethnicity from high school to high school across Madison. Even with overall disparities in graduation rate, the highest rates of graduation for Black students are at La Follette High School (87.1%), which exceed rates of graduation by 20.4 percentage points in comparison to West High School, which has the lowest rate of graduation for Black students (66.7%). Amongst all reported racial and ethnic groups Black students experience the greatest level of disparity amongst schools, with Latinx students following at an 8.3 percentage point disparity at the greatest.

While there is limited data available for students with a disability further disaggregated by race and ethnicity, there are general reported rates of graduation for students with reported disabilities. Figure 59 reflects the disparity between students with a disability or impairment and students without a disability for high school graduation rates. Students with a disability have been graduating, on average, at a rate of 31.6 percent below students without a disability. However, the 4-year rate of graduation for students with a disability has generally increased since 2016 and is currently about 10 percentage points higher than it was at the beginning of this period.

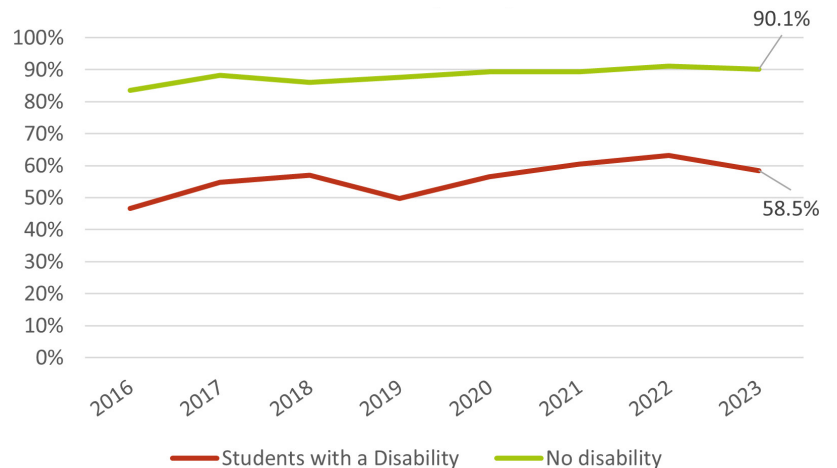
The City of Madison is, overall, a highly educated community with exceptionally high rates of overall educational attainment. There are, however, significant geographic trends in place of residence amongst the highest degree holders. The near West, Capitol Square, and Isthmus neighborhoods are occupied by the highest concentrations of residents with a bachelor's or higher degree, most highly located in campus-adjacent tracts. Peripheral census tracts on the far east and south ends of Madison reflect census tracts with the lowest concentrations residents with higher degrees of educational attainment, with a rate of 20 percent of residents holding at least a bachelor's degree or less in several tracts on the South and North sides of the city.

Figure 58. 4-Year Graduation Rate by Race/Ethnicity & School



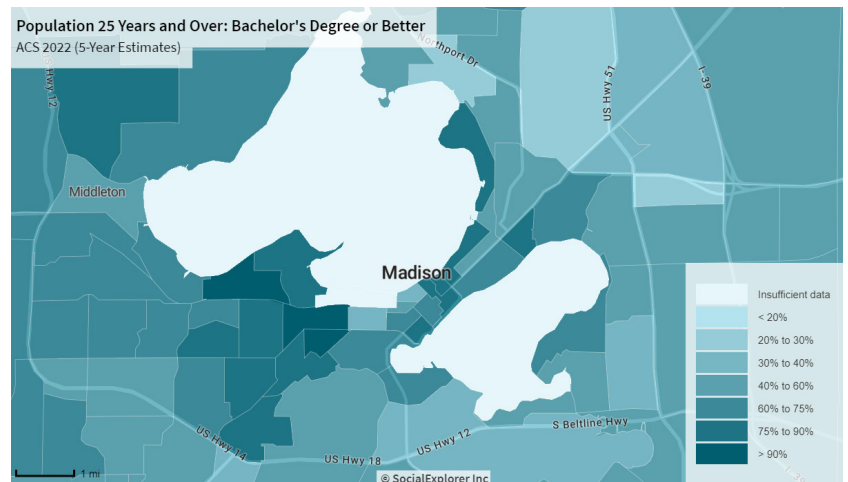
Source: WiseDASH - data not available for Asian students at East High School

Figure 59. High School Graduation Rate by Disability Status



Source: Madison Metropolitan School District

Figure 60. Percent w/Bachelor's Degree or Greater by Census Tract



Source: Social Explorer, Table B12001 ACS 5-year estimates

Poverty:

A general understanding of poverty status is important for highlighting the structural and socio-economic factors that affect access to housing. While poverty rate is an imperfect marker for local geographies, especially high cost of living areas, it does help to illustrate challenges faced by households with some of the lowest incomes in the community. Within the City of Madison, 43,385 persons are living below the poverty threshold, making up 17 percent of the total population. Figure 61 displays the poverty status for those aged 18 to 64 – generally considered to be the “working age” portion of the city’s population.

The areas with the highest concentration of households experiencing poverty are the Capital Square and UW-Madison surrounding neighborhoods. This is likely due to the number of university student households in this area who have a greater likelihood of having nominal to no real income, instead relying on student loans or family support for most of the income (which are not earned income measures in Census data). However, while these households do meet the conditions for falling below the poverty threshold, many (though not all) have other forms support that are not accounted for.

Outside of the campus-adjacent areas, the East and South sides of the city are the generally have next highest population of households experiencing poverty. Most census tracts on the east side of the city have a poverty rate of 10 to 30 percent. The South side largely consists of census tracts with 10 to 30 percent of the population experiencing poverty. In general, based on demographic distributions, residents who are Black, Hispanic/Latinx, younger, or students have a higher likelihood of living in neighborhoods where rates of poverty are higher.

Like rates of unemployment, White households have the lowest rates of those living below the poverty threshold (15.2%). Along with this, Latinx residents have the second lowest rate of poverty (18.6%), followed by Black residents (22.3%). Asian residents have the highest rates of experiencing poverty in the city, with nearly one in four residents living below the poverty line (23.5%). Although a disparity exists between rates in different Census-defined racial and ethnic categories, this disparity has decreased overall since 2016. However, it does illustrate that BIPOC residents do face increased rates of experiencing poverty compared to White households.

Figure 61. Poverty Status by Census Tract, Aged 18 to 64

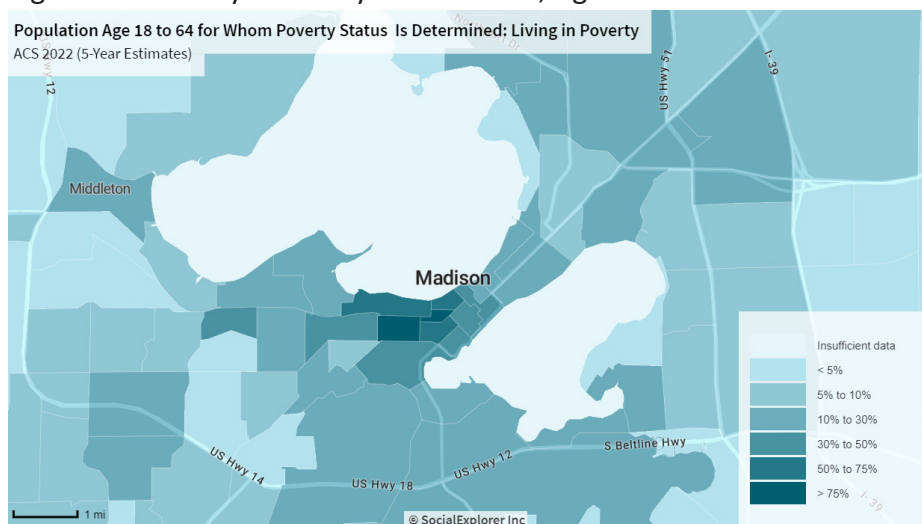
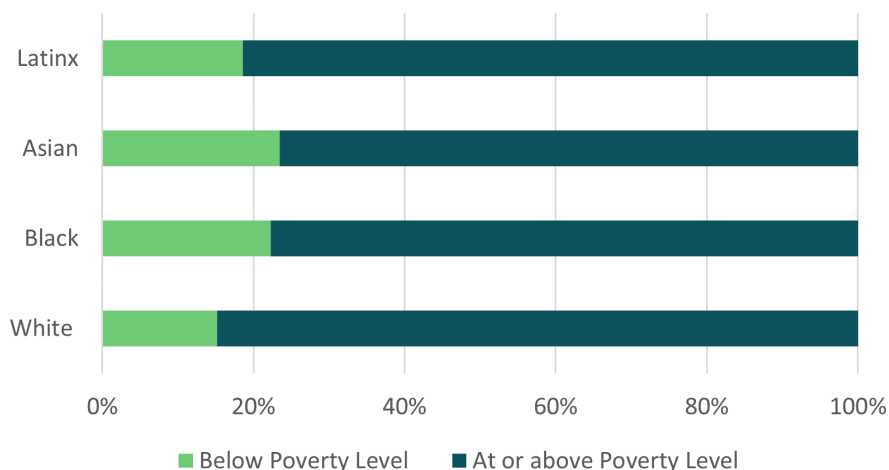


Figure 62. Poverty Status by Race & Ethnicity



Source: Table S1701, ACS 5-year estimates

Poverty, cont.

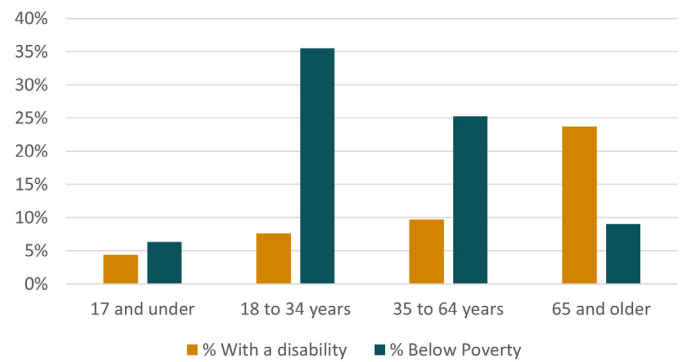
For residents with a disability, rates of those experiencing poverty differ significantly by age group. Those aged 65 and older are the only age group of which the rate of poverty does not exceed the total rate of disability – indicating disparate rates of individuals with a disability below the poverty line. For those aged 18 to 34, about 35 percent of individuals report an income below the poverty level. However, this age group is also representative of the largest share of those with a disability, therefore, more likely to have the greatest number of individuals below the poverty threshold.

Poverty levels also vary by age in addition to race. Figure 64 displays the percent of population under the age of 18 living below the poverty threshold by census tract. Similar to geographic poverty trends for those aged 18 to 64, childhood poverty is highly concentrated in the south side and east side of Madison, which also have neighborhoods with greater concentrations of Populations of Color. There are several census tracts across the city in which at least one in three children live in poverty, which are near campus, as well as the Truax tract.

Older adults, considered here as those aged 65 and over, have lower levels of poverty overall in comparison to youth poverty. However, there are several census tracts of concentration on the southwest side of the city. This includes one in which about half of the older adult population is living below the poverty threshold.

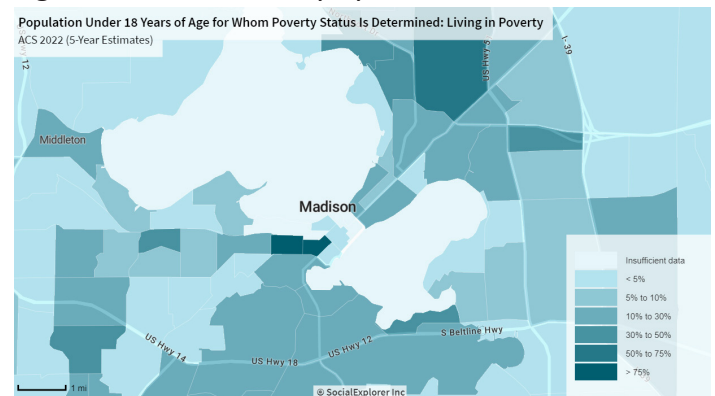
Poverty level is a housing-related statistic that is adjusted for family size by the Census Bureau, even though it is a national threshold. Therefore, the poverty threshold is determined by the household size weighted by the household income for all members of the household aged 16 or over. Evaluating the poverty level for families with children can help to better understand disparities within families. Families who live below the poverty threshold are largely located in the south and east sides, as well as in central Madison.

Figure 63. Rate of Disability by Rate of Poverty by Age Group



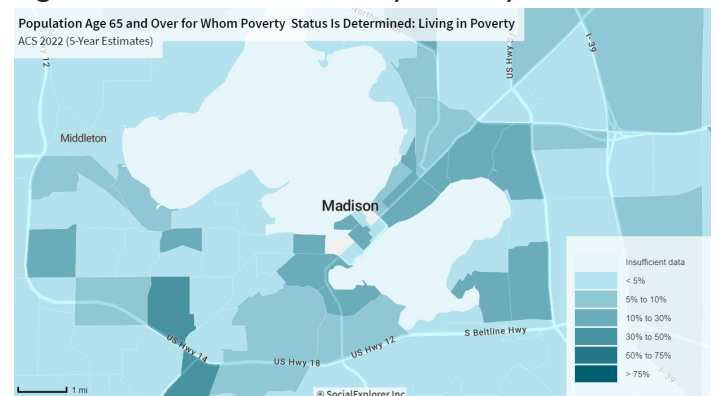
Source: Table B18130, 2022 ACS 1-year Estimates

Figure 64. Youth Poverty by Census Tract



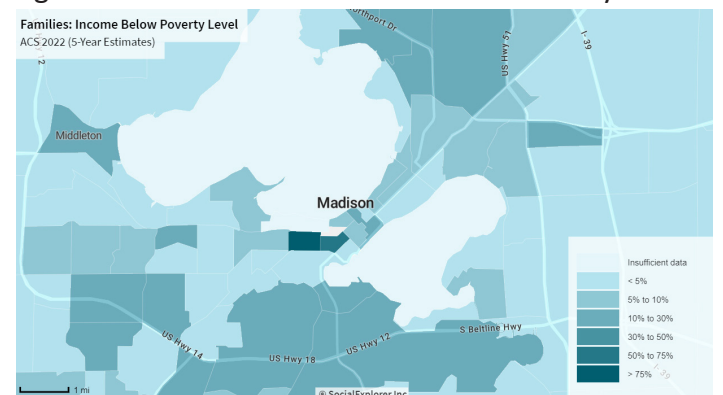
Source: Social Explorer, Table A13003A 2022 ACS 5-year Estimates

Figure 65. Older Adult Poverty Level by Census Tract



Source: Social Explorer, Table A13003C, 2022 ACS 5-year Estimates

Figure 66. Families with Income Below Poverty Level



Source: Social Explorer, Table A13002, 2022 ACS 5-year Estimates

Homelessness:

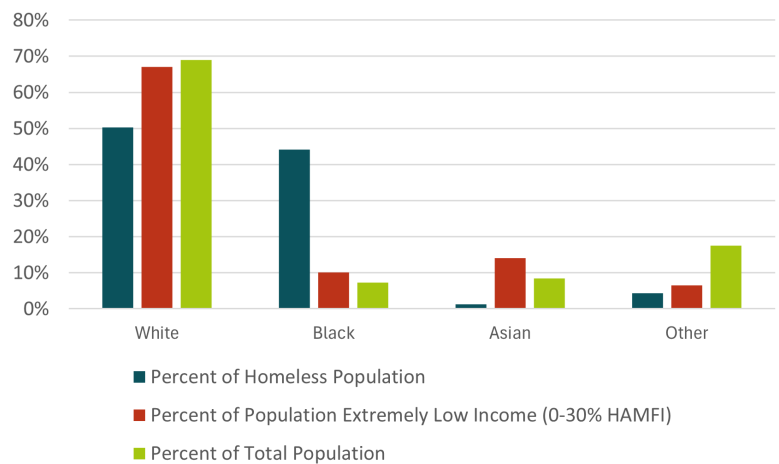
The annual Point-in-Time (PIT) survey in Madison provides insight on the demographic profile and shelter status of individuals experiencing homelessness. This survey is conducted during the last week of January each year and is the one of the primary sources of data for the homeless population in Madison.

White residents makeup about 70 percent of the city’s population, and therefore proportionally represent a large majority of the reported homeless population as well (about 50%). However, there is significant disparity for Black residents and the proportion of the homeless population they makeup – they are drastically overrepresented within those experiencing homelessness, at a rate nearly 6 times higher than the population share. The city population consists of 7 percent Black community members; however, they make up 44 percent of the homeless population.

Rates of homelessness has maintained a similar trend from the previous Analysis of Impediments, with a range of 620 to 753 individuals reported to be experiencing homelessness annually from January 2019 to 2023. This includes a spike in the residents experiencing homelessness during the pandemic, which has only alleviated slightly since the pandemic peak in 2021. In 2021, there were also disruptions in the collection of this data due to the COVID-19 pandemic, in which the unsheltered population was not included. Therefore, it is likely the actual counts for 2021 were higher.

Table 7 displays that persons of color are disproportionately overrepresented in the count of homeless residents at a consistent representation rate of greater than 50 percent each year. This rate was most disproportionate in 2020 – exceeding 60 percent of the total population of residents experiencing homelessness. In particular, Black individual counts exceed White individuals in most reported years, despite only comprising 7 percent of the overall population in the city.

Figure 67. Homeless Population by Race & Ethnicity



Source: 2020 ACS 5-year Estimates, 2016-2020 CHAS, 1/2023 PIT Count – City of Madison

Table 7. January Point-in-Time Survey Counts, 2019-2024

	1/2019	1/2020	1/2021*	1/2022	1/2023	1/2024
White	259	251	308	358	314	322
Black	288	325	383	282	275	292
Asian	6	7	5	5	8	10
Latinx	42	57	49	51	63	86
Other	25	47	8	56	27	27
% Persons of Color	58.2%	63.5%	59.1%	52.4%	54.3%	56.3%
Total Homeless in Count	620	687	753	752	687	737

Source: *Missing unsheltered population data due to COVID-19 disruptions.

Source: HUD Continuum of Care Homeless Assistance Programs

Homelessness, cont.

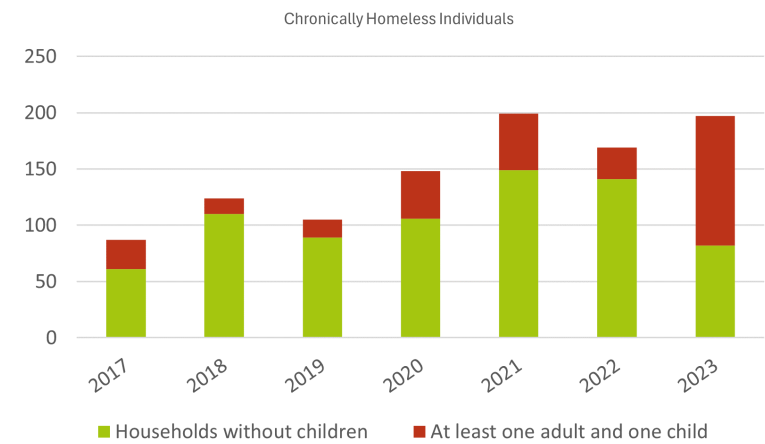
Homelessness for individuals and family homelessness present different needs. Figure 66, reports that most households experiencing homelessness are singles or those without children. This family type is characterized by single adults or adult couples with no children. However, there are a significant number of households with children as well, which was about 30% of the total household type experiencing homelessness in 2024. This household type is reported as households with one adult and at least one child under age 18.

Total counts have fluctuated year to year since 2010, stabilizing prior to the pandemic, before reaching the highest count in 2021. Family types have maintained similar shares of the total count, however, even as overall rates change.

As defined by HUD, a household is considered to experience chronic homelessness if an individual or family where the head of household meets the following conditions:

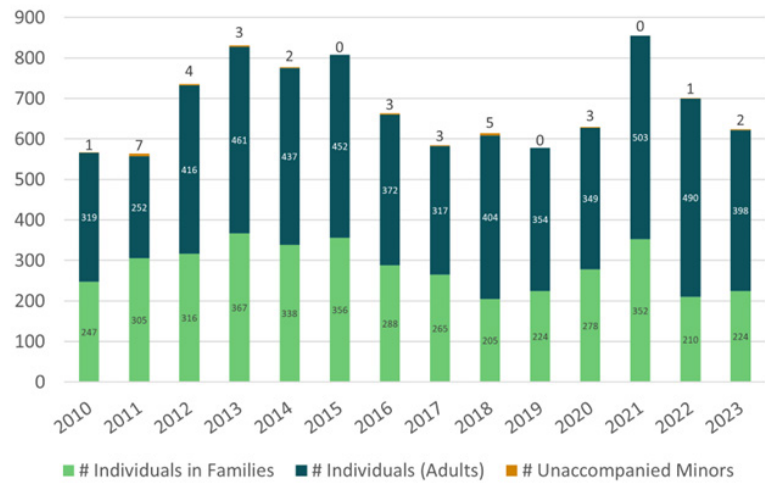
- 1) Has a disabling condition
- 2) Are currently living in a place not meant for human habitation, a safe haven, or in an emergency shelter
- 3) Has been homeless continuously for at least 12 months or on at least 4 separate occasions in the last 3 years where the combined occasions total at least 12 months.

Figure 68. Chronic Homelessness by Family Type



Source: PIT Count – City of Madison

Figure 66. Household Type - Point in Time



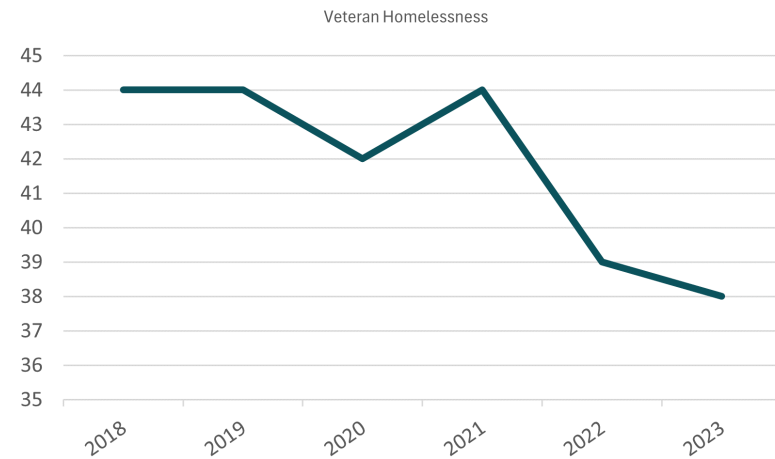
Source: PIT Count – City of Madison

Figure 68 displays household trends for those experiencing chronic homelessness and reveals a generally rising number of chronically homeless individuals from 2017 to 2023. Most notably, the number of chronically homeless families with at least one child have grown significantly. In 2023, this family type represented 58% of families experiencing homelessness.

HUD does not include justice-involved, incarcerated individuals within their criteria of reporting of homeless persons within the PIT; however, research has shown that homeless individuals may frequently filter through the penal system, further increasing the likelihood of housing trauma in the future. Although not considered a formal count within the PIT, the City of Madison receives data on individuals housed in jail the night of PIT who are likely homeless as determined by address of residence on file:

- 134 individuals were incarcerated on the night of the January 2024 PIT who were likely experiencing homelessness prior to arrest
- If added to the PIT count, this would represent 15.4 percent of the recorded homeless population

Figure 69. Veteran Homelessness



Source: PIT Count – City of Madison

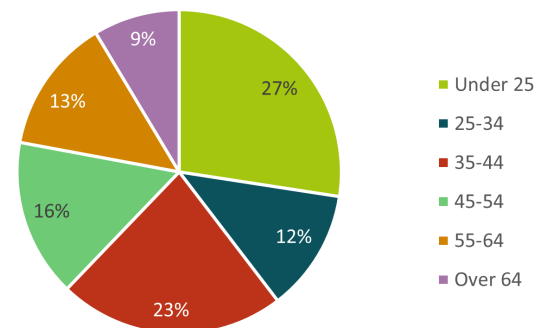
HUD-VASH (Veterans Affairs Supportive Housing) is a voucher program that targets chronically homeless veterans and veterans in need of case management such as housing navigation services. In the 2023 PIT counts, veterans represented 8.4 percent of the total reported homeless population (+1.4% from prior AI). The most recent ACS 5-year estimates (2022) show that about 4 percent of the city’s population hold a veteran status. Therefore, there is a disparate representation of veterans experiencing homelessness. However, since 2010 the total number of homeless veterans have been incrementally decreasing. The 2023 counts are the lowest they have been since 2012. Despite this decreasing trend, there are still a disproportionate number of homeless veterans in the city.

In Madison, the most significant proportion of the homeless population are youth and young adults under the age of 25 (27%). This figure has increased by 5 percent since 2019, representing a growth rate of 1.25 percent each year from 2019 to 2023. However, homelessness amongst older adults is growing and growing steadily, with the 2024 PIT showing large increases in the number of older adults experiencing homelessness, especially pronounced beginning in residents over the age of 45.

The impacts of homelessness on children have been shown to contribute to significant developmental delays, which has the potential to alter behavioral and emotional pattern development into adulthood. As children who have experienced trauma associated with homelessness reach school age, many show physical, psychological and/or emotional symptoms of this trauma associated with housing instability which can disproportionately lead to long term negative emotional and academic outcomes.

Youth housing instability is also monitored by the Wisconsin Department of Public Instruction for the Madison Metropolitan School District. The definition of homelessness within Wisconsin public schools is broader than other general definitions of homelessness. In Wisconsin, youth are tracked “who lack a fixed, regular, and adequate nighttime residence.” This definition is inclusive of students in living situations such as hotels, temporary family or acquaintance accommodations (“doubling up”), and emergency and transitional shelters.

Figure 70. Homelessness by Age

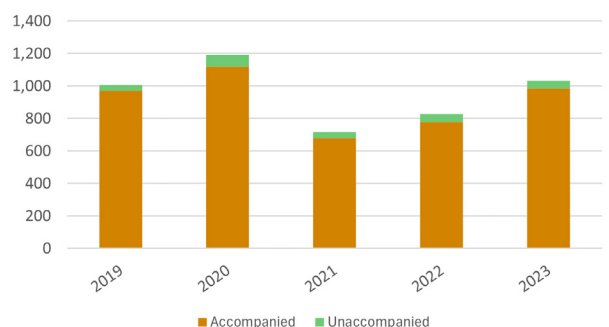


Source: PIT Count – City of Madison

However, HUD programs generally do not recognize doubling up of families in a single unit as a qualification of homeless services. Due to this definitional discrepancy, many children and families do not receive or are not prioritized for housing stability aid. This lack of support is directly influential to outcomes in academic performance, educational attainment, future childhood homelessness, and criminal justice system contact, amongst other things. These outcomes can play a primary role in shaping the transition and future outcomes as children transition to adulthood and obtain and maintain housing stability.

Figure 71 shows that the number of MMSD students experiencing housing instability has fluctuated from 2019 to 2023. It is highly likely that the counts for 2021 are underreported, similar to other data from a variety of sources this year. The data also shows that a large majority of students experiencing housing instability are accompanied by one or more adults. The rate of instability peaked in 2020 for both accompaniment statuses, this is likely due to the inflated level of housing displacement related to the effects of the pandemic. Even after the pandemic effects on reporting, the trend is increasing, and housing instability impacts over 1,000 children every night in Madison that do not have a fixed, permanent home to return to.

Figure 71. MMSD Housing Instability

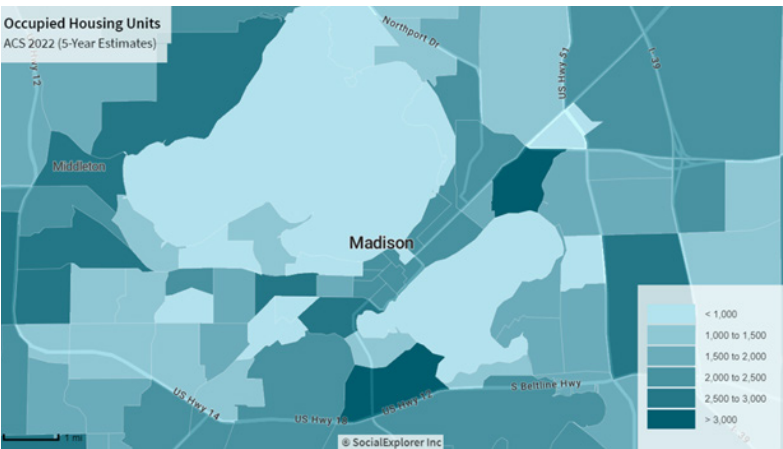


Source: PIT Count – City of Madison

Housing Stock & Tenure:

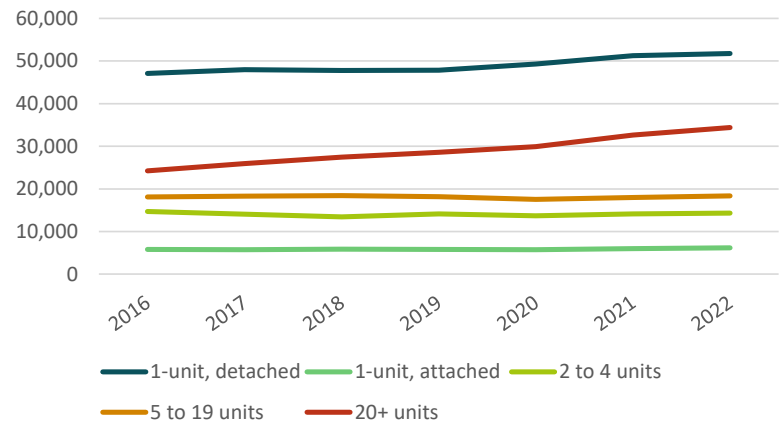
Housing unit geography (that is, where housing units are located within the city) is influenced by a number of factors including land use patterns, zoning code, average lot size demands, and housing needs at the time of construction. Figure 72 reports the total number of occupied housing units by census block group. Due to the city’s low vacancy rate (see figure 152), this data provides a mostly comprehensive snapshot of housing unit counts in the city.

Figure 72. Occupied Housing Units



Source: Social Explorer, Table A10060, 2022 ACS 5-year Estimates

Figure 73. Housing Units by Type

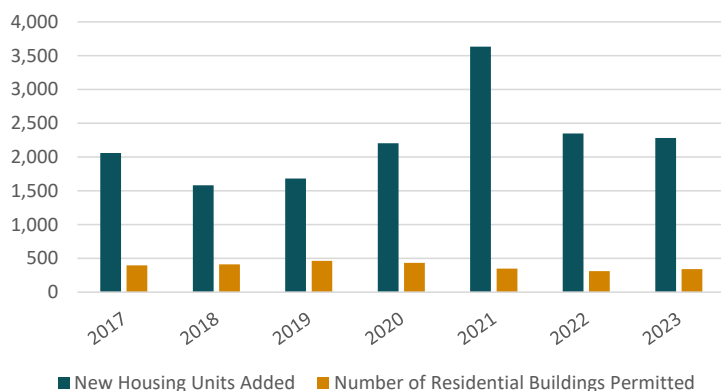


Source: Social Explorer, Table A10060, 2022 ACS 5-year Estimates

Although most housing units in the city are renter-occupied (53%), single-family homes remain the most prevalent housing type. About 58 percent of the housing stock is lower-density with structures made up of one to four units. Single-family housing remains as the largest proportion of housing unit type (46% of all units), with 20+ unit multi-family structures as the second most common structure type (28%). The count of multifamily housing is rising incredibly quickly, as multifamily development is, by far, the most common type of new construction activity in the city.

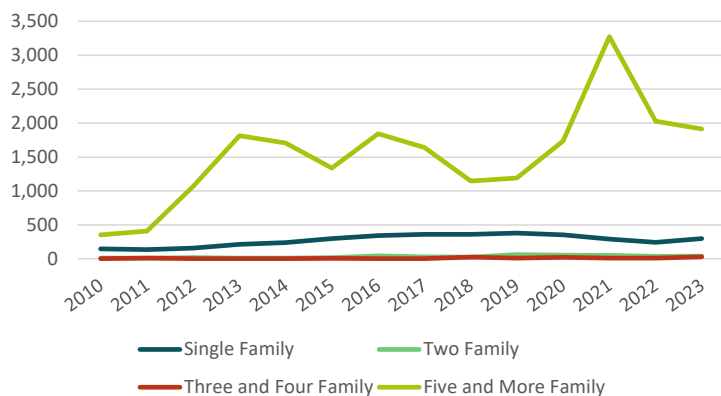
As estimated by the US Census Bureau, since 2016, lower-density developments have increased in overall number by five percent. Structures with 20+ units (multi-family) have increased by the greatest proportion of percent of all unit types, and continue to be the largest driver of new housing construction in the city, whereas “missing middle” style housing of 5–19-unit structures has maintained a similar share to its historic average, not showing the same levels of increased construction activity as larger multifamily buildings. This indicates that the majority growth in multi-family housing stock is high density. The second highest rate of growth is within single-family, detached housing.

Figure 74. New Housing Units Added



Source: City of Madison Building Permits

Figure 75. New Units by Type



Source: City of Madison Building Permits

Figure 76. Approved Residential Developments

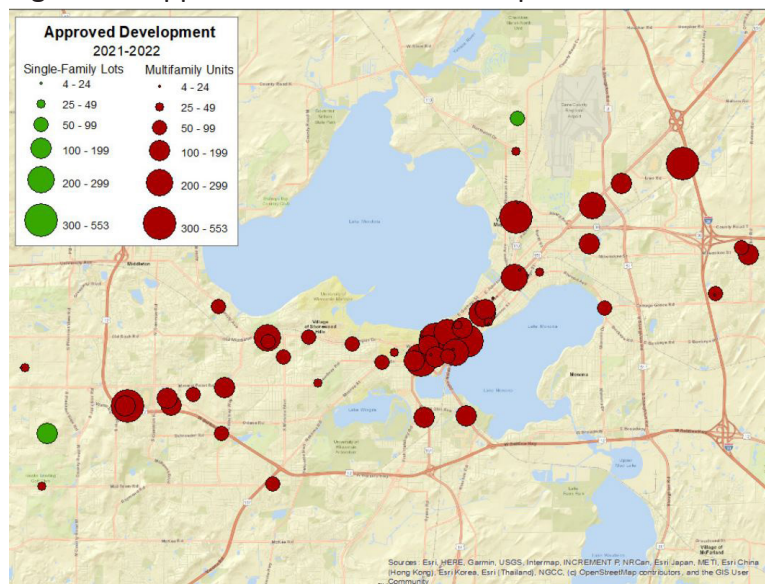


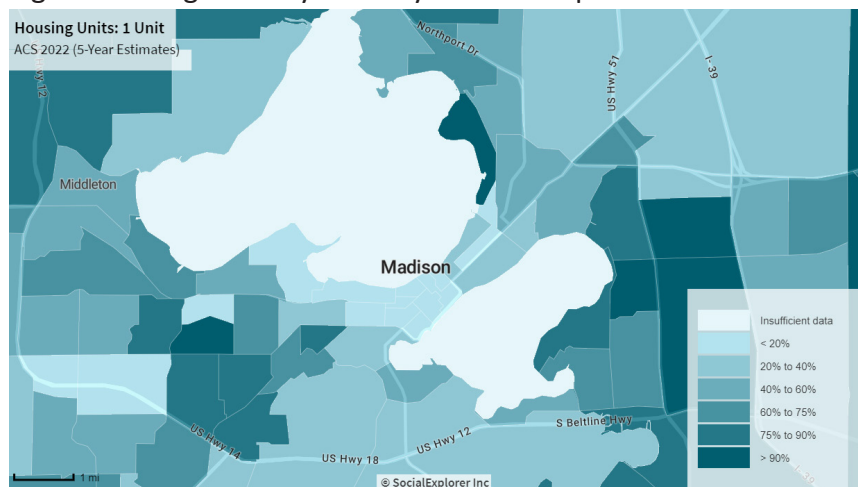
Figure 74 further illustrates the growth in housing units from 2017 to 2023. The city is approving permits for 1,500 new housing units to be built annually at minimum, with recent years well exceeding that mark. From 2018 to 2021 housing unit construction generally increased, with a peak number of units (3,500) in 2021. However, rates of construction have not kept pace with the number in 2021, even if being well above historical averages. If maintained with small increases year over year, this trend of housing unit growth is on trajectory for the estimated number of housing units (~45,000) required to be built by 2050 to meet population growth demands.

The rate of construction for five or more multi-family units has acutely increased from 2010 to present, as shown in figure 75. Higher density multi-family units have been the structure type of focus in the city for over a decade - indicating growing influxes of renter occupied-units in the future.

Geographically, recent developments are most often authorized in central and east areas of the city. The far west side is also experiencing the greatest number of single-family developments, and clusters of multi-family developments.

Housing Stock, cont.

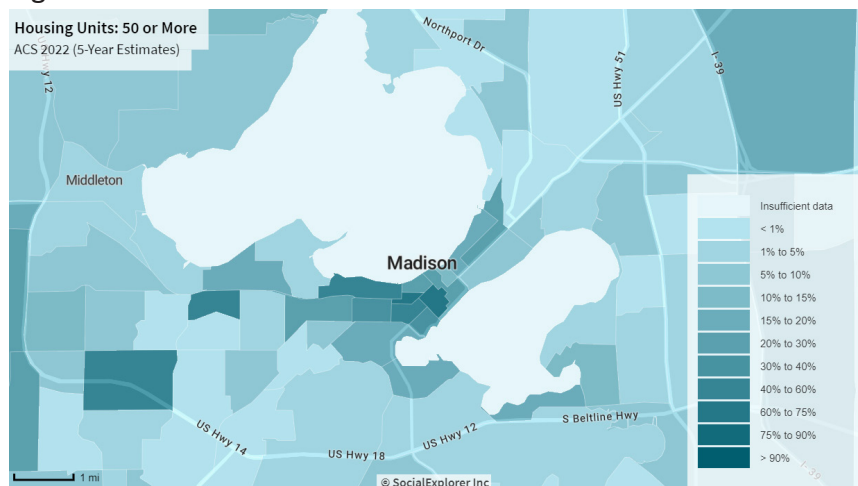
Figure 77. Single Family Units by Block Group



Single-family detached units comprise approximately 41 percent of the city's housing stock. Areas with the greatest number of these units as a total percentage of the housing stock include the Monroe Street Corridor, Westmorland and Midvale Heights, Glen Oaks, Eastmorland, Lake Edge, and Rolling Meadows to Buckeye, but can be generally categorized as near-West, West, and Far East Madison. Areas with lower proportions of single-family homes (increased housing stock diversity) include the central Isthmus, Capitol Square, and campus areas.

Structures with the highest density, of 50 or more residential units in a building as a total percent of the housing stock, are 'generally most concentrated in the Capitol Square and campus neighborhoods, near-West along Regent and University Avenues, and as well as the South Park and East Washington Avenue corridors. Census tract 4.08 (West Madison) contains relatively few housing units – with the exception of housing specialized for older adults, and while having limited large structures, they represent a large proportion of all housing in the tract.

Figure 78. Structures with 50 or More Units



Bedroom Size:

Figure 79. Units by Bedroom Size



Source: Table DP04, ACS 5-year Estimates

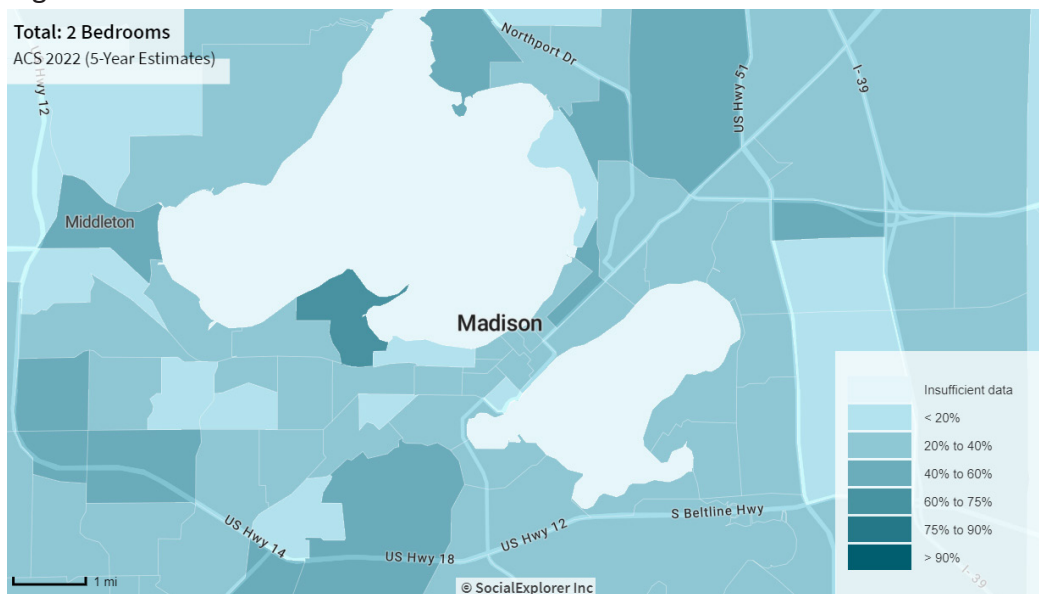
The number of units with different bedroom sizes in the market addresses different family and household size needs, accessibility, and provide insight into overcrowding. Two- and three-bedroom units are the most common unit type in the city by a large margin, followed by one bedroom units. Studio units with no bedroom and units with five or more bedrooms make up the minority share of bedroom types for units. These trends in bedroom size have been maintained for an extended period, though especially for rental housing, smaller unit sizes are the most common in new construction, growing at a rapid rate.

The two most common unit sizes within the City of Madison are two- and three-bedroom housing units, making up 60 percent of all units in the city. The two least common bedroom types are studio units (no bedroom) and units with five or more bedrooms, representing 7 and 2 percent of all units.

Two-bedroom housing units generally are less prevalent in areas with high rates of single-family homes and homeownership when compared to three-bedroom and larger units. Areas within the city that have the largest proportions of two-bedroom units as a percentage of all units include the Eagle Heights neighborhood, and areas of both North and South Madison. However, two-bedroom units as a whole are generally more evenly distributed geographically than 3-bedroom units. Areas that contain the highest percentages of units with three bedrooms, or more, are also areas that generally contain high rates of single-family dwellings.

Two-bedroom units represent 30 percent of the total housing stock, and 35 percent of households are two person households.

Figure 80. 2 Bedroom Units



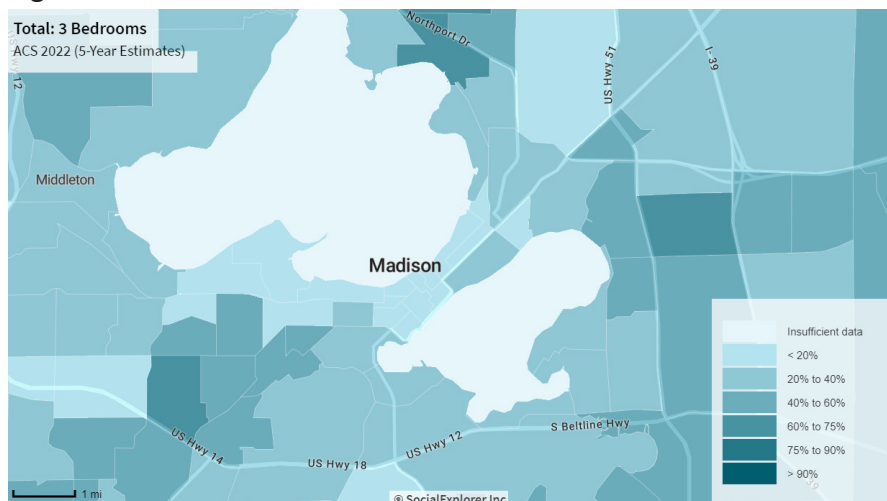
Source: Table DP04, ACS 5-year Estimates

Bedroom Size, cont.

One-bedroom units represent about 18 percent of the total housing stock, and 38 percent of households are one person households. The housing supply of one-bedroom units does not directly match the demand for one person households. Although there may be a size-preference differential (for example, residents wanting a 2nd bedroom for a home office, etc.), the average 2-bedroom unit rents for a higher cost – and without sharing rent obligations amongst multiple members of a household, increases the total rent payment for one-person households. Studio or efficiency (no bedroom) units represent only 7 percent of the housing stock.

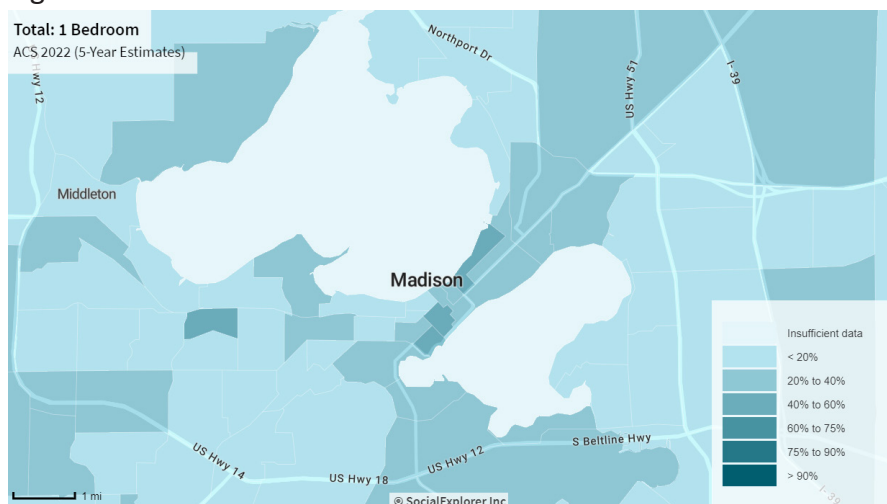
14 percent of households have 4 members, and 11 percent of the housing stock allows for this household type with one bedroom per person. However, small family households and university student households are more likely to occupy these units, in which doubling up may be more commonly accepted.

Figure 81. 3 Bedroom Units



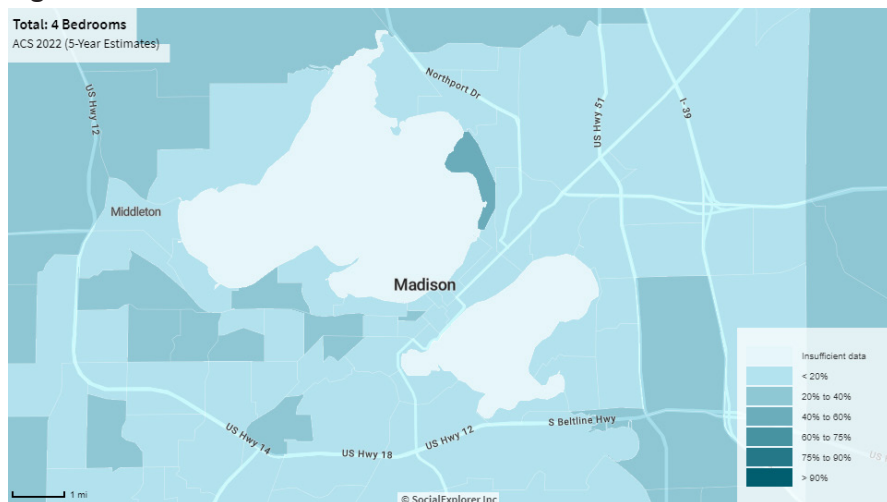
Source: Table DP04, ACS 5-year Estimates

Figure 82. 1 Bedroom Units



Source: Table DP04, ACS 5-year Estimates

Figure 83. 4 Bedroom Units

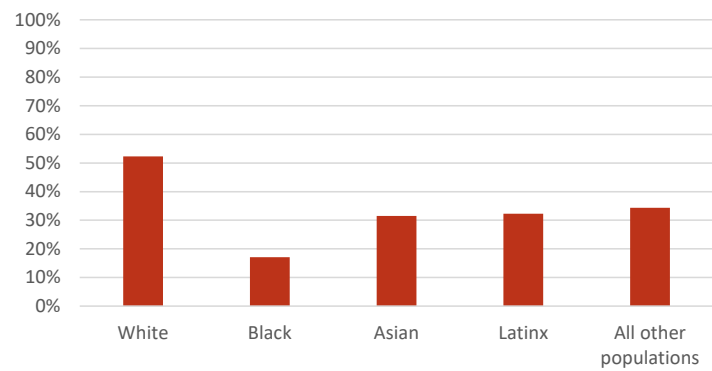


Source: Table DP04, ACS 5-year Estimates

Ownership:

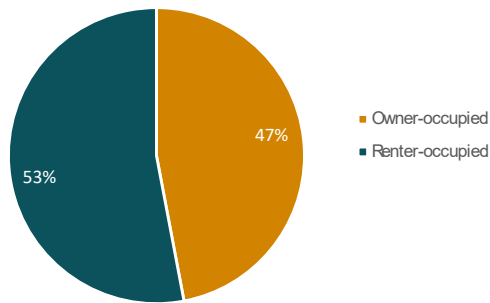
Forty seven percent of all households in the City of Madison own their housing as opposed to rent. Amongst these households, White households are much more likely to be homeowners than households of color, at a rate of about 52 percent, which is greater than the overall rate of ownership in the city (47%). White households are also the only demographic in the city (by race/ethnicity) that are more likely to be homeowners rather than renters. Disparities in homeownership Between White and Black households display a 35.2 percent disparity in homeownership rates, the largest gap between demographics.

Figure 84. Homeownership by Race



Source: Table S2502, 2022 ACS 5-year Estimates

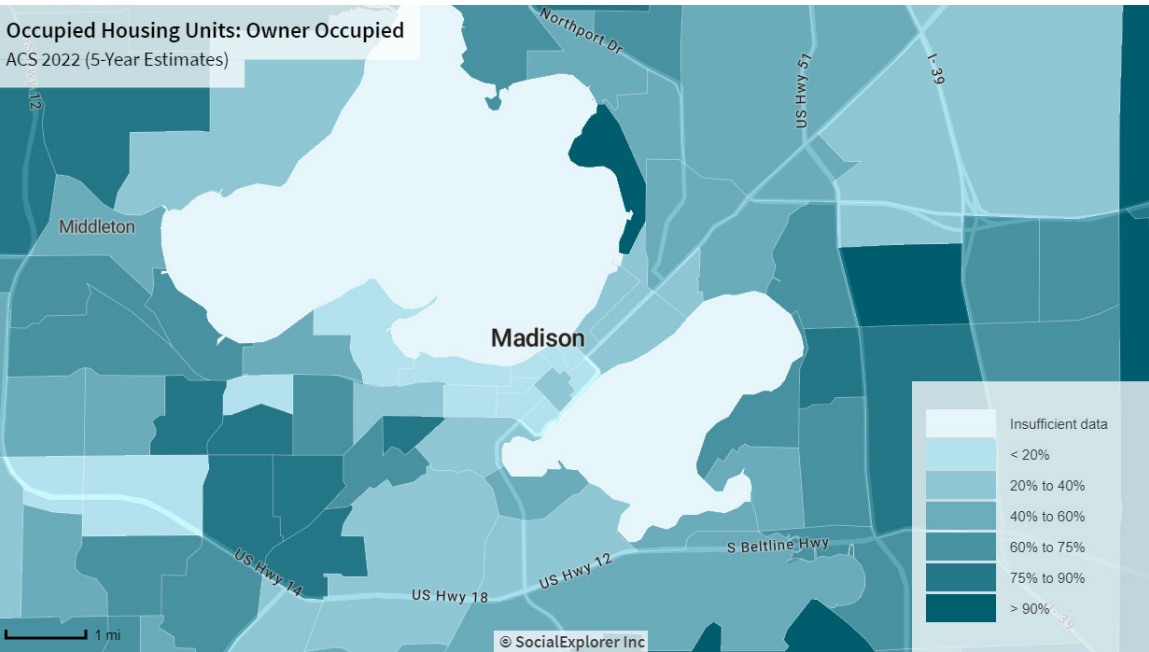
Figure 83. Tenure



Source: Table S2502, 2022 ACS 5-year Estimates

Although nearly half of the households in the city are homeowners, owner-occupancy is not distributed equally geographically – there are census block groups in which 75 percent or more of the housing stock are owner-occupied. These areas are largely near-West and far-East Madison, there are no downtown or isthmus tracts exceeding 60 percent homeowners.

Figure 85. Owner Occupied Units by Block Group



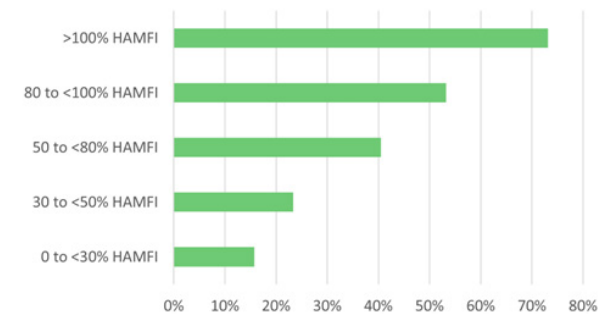
Ownership, cont.

Homeownership rates generally increase as income increases, as displayed by figure 91. Households with higher incomes tend to be (or become) homeowners, as homeownership is more affordable to them. Those at the highest income levels maintain the highest rates of homeownership by income level, with nearly 75% of all households over 100% AMI owning their housing. Ownership rates are shown to increase for all households in higher income levels, however, there is disparity in ownership by race and ethnicity and income. Amongst all income tiers, White residents have the highest rate of ownership, followed by Latinx households. Black households are shown to have the lowest rate of ownership at all income levels.

The number of “likely” new homeowner units, measured as single-family and condo units added to the city’s housing stock, has continued to decrease significantly from the levels of the mid-2000s. Since 2010, there have been no more than seven condominium units permitted in a single year.

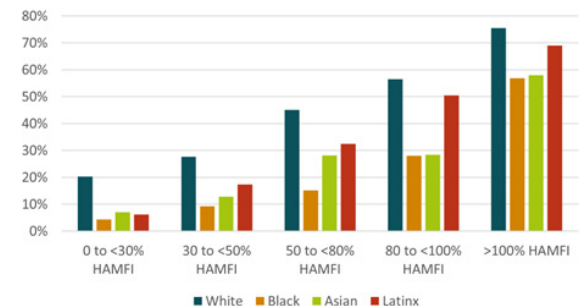
For other single-family units, the city saw a steady increase in permits issued from 2010 to 2019, however a slight decrease coinciding with the onset of the COVID-19 pandemic. This is likely due to disruptions in building rates due to the pandemic, which caused inflation in cost of materials and labor, preventing continued growth in the single-family construction market. However, 2023 permitting indicates the number of single-family permitting is beginning to rise again, and there is continued pipeline of new likely homeownership units currently under development.

Figure 91. Ownership Rate by Income



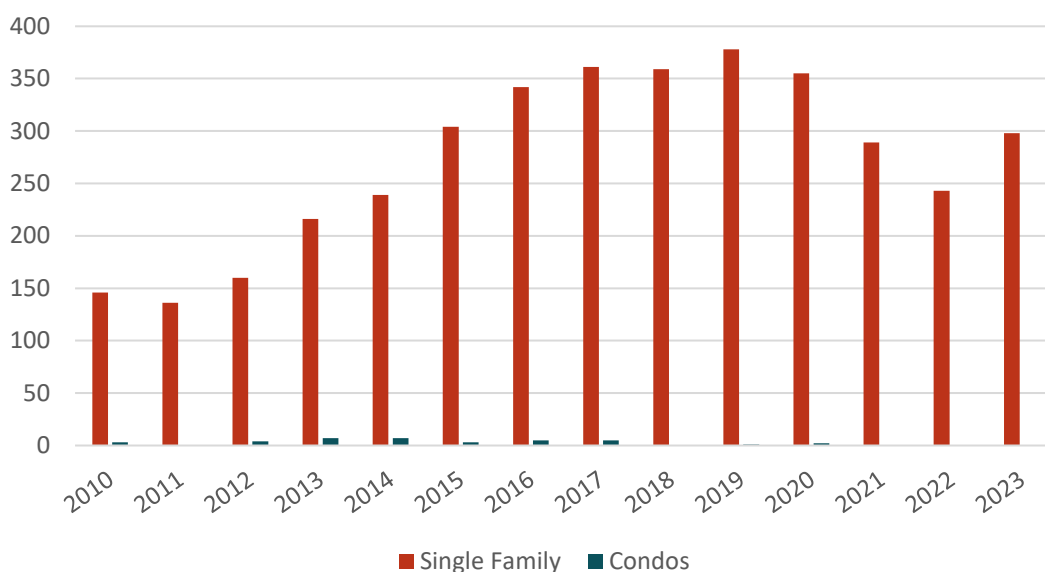
Source: HUD CHAS 2016-2020

Figure 92. Ownership Rate by Race & Income



Source: HUD CHAS 2016-2020

Figure 93. Likely Ownership Building Permits



Source: City of Madison Building Inspection

Owner Affordability:

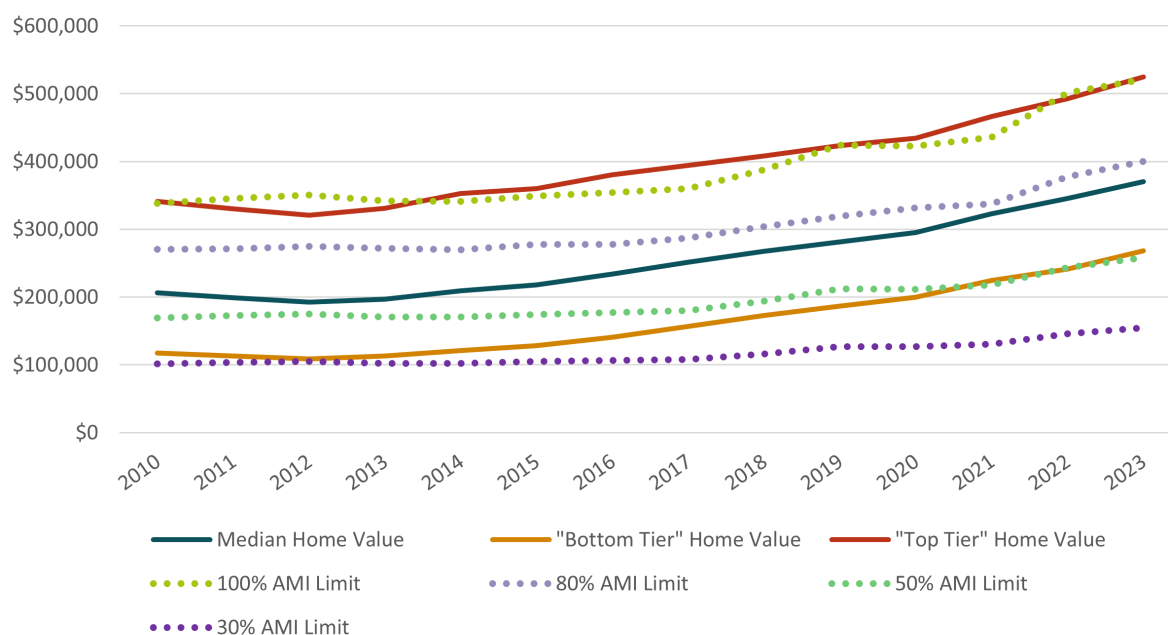
To estimate pricing of the most affordable homeowner options within the city, Zillow offers data for the top, median, and bottom-tiers of homes.

The “bottom tier” measured represents home sales prices of the median of the bottom third of all sales within a given month, offering a reasonable estimate of pricing for the most affordable options within the Madison owner-occupied housing market.

Figure 94 displays ownership accessibility by affordability limits for a family of four. Since 2010, the average home values have steadily increased, with the “top tier” now exceedingly above \$500,000 on average. The 100 percent AMI affordability limit has generally closely followed the increasing rate of home value in this period, meaning that the top-tier homes are still relatively affordable to a households at 100% AMI – as are all other homes in the market.

At the beginning of this decade, bottom-tier (starter) homes were at the very limit of affordability to the lowest income level households (30% AMI), however in 2023, the bottom tier home value surpasses the limit of affordability for 30 percent AMI by a wide margin. The bottom tier of home values is now affordable to those at the 50 percent AMI or greater, though those households still face a competitive disadvantage in a tight home market when competing with other, higher-income households.

Figure 94. Owner Affordability



Source: HUD FY Income Limits, Zillow Sales Price Aggregate Monthly Data 2010-2023

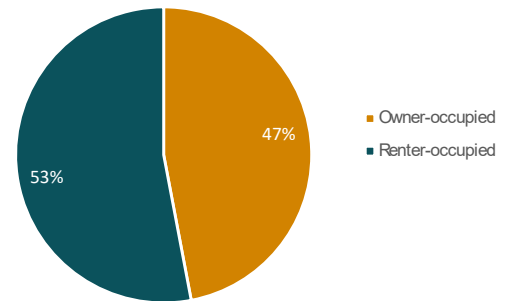
Data on Home Value Tiers taken from the Zillow Home Value Index (ZHVI) for the City of Madison. “Bottom Tier” is defined as the median of the 5th to 35th percentile of home values, “Top Tier” is the median of the 65th to 95th percentile, and median for the market as a whole. AMI Affordability Limits for households by AMI level are calculated by 2023 HUD FY Income limits for a family of 4 so that owner costs represent no more than 30% of total household income. Each year’s estimate reflects data as of January 1st of that year.

Renters:

Fifty three percent of all households in the City of Madison are renters. Black households have the greatest proportion of renters by reported racial and ethnic groups, at a rate of about 83 percent of all Black households renting as opposed to owning their homes. Only about 48 percent of White households are renters. Households of Color, generally, see higher rates of tenure as renters than do White households, by at least 10 percentage points.

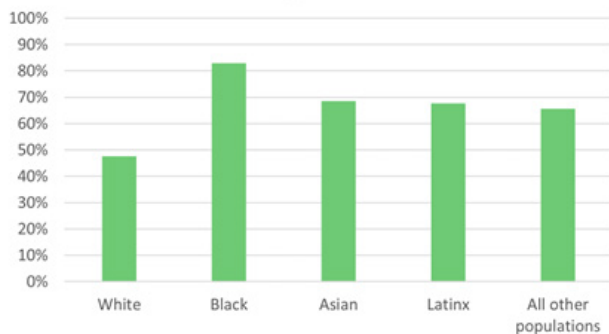
There are many areas within the city which are predominantly renter-occupied, and many of the most predominant renter tracts are campus-adjacent or located on the isthmus. Most census tracts which are most proximal to the UW-Madison campus are 75 percent renter-occupied or greater. Additionally, the isthmus, south Madison, and east side towards Sun Prairie are areas where there is also significant density of renter-occupied units.

Figure 95. Tenure



Source: Table S2502, 2022 ACS 5-year Estimates

Figure 96. Renter Share by Race



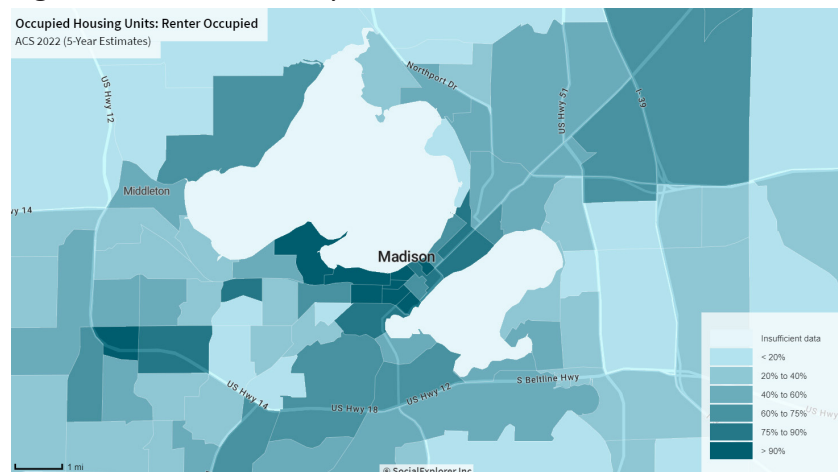
Source: Table S2502, 2022 ACS 5-year Estimates

Rental rates generally decline as household income increases, as displayed by figure 98. Those at higher income levels generally maintain lower rates of renting by household area median family income. However, there are significant numbers of renters over 100% AMI, which is consistent with city growth trends that illustrate a large number of higher-income households moving into the City, either choosing to be renters or renting until they choose to become homeowners.

This is not as significant of a consistency in this trend overall for renters as there is for homeowners, indicating there are a large number of higher income earners renting as well as low income.

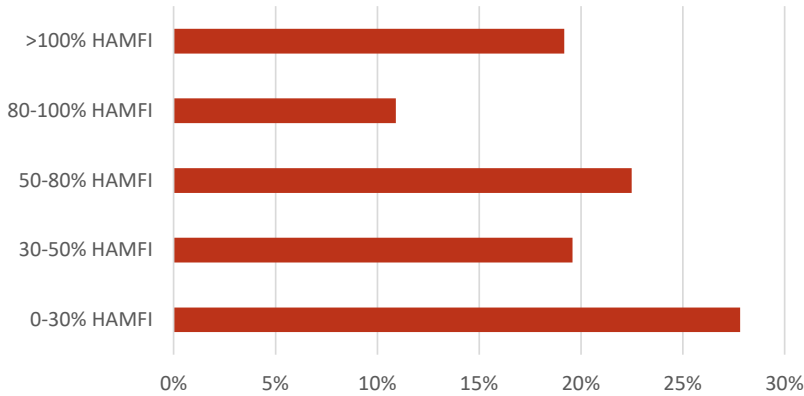
By AMI, White households are less likely to be renters at the extremely and very low-income levels. There households could be entering homeownership leveraging other financial means for downpayment, and may also represent households that have owned their homes for a long time, having entered retirement and/or seen significant drops in income while retaining ownership of their homes. As income increases, all households become more likely to be homeowners, though Black, Asian, and Latinx households are more likely to be renters than White households at the same income levels.

Figure 97. Rental Units by Census Tract



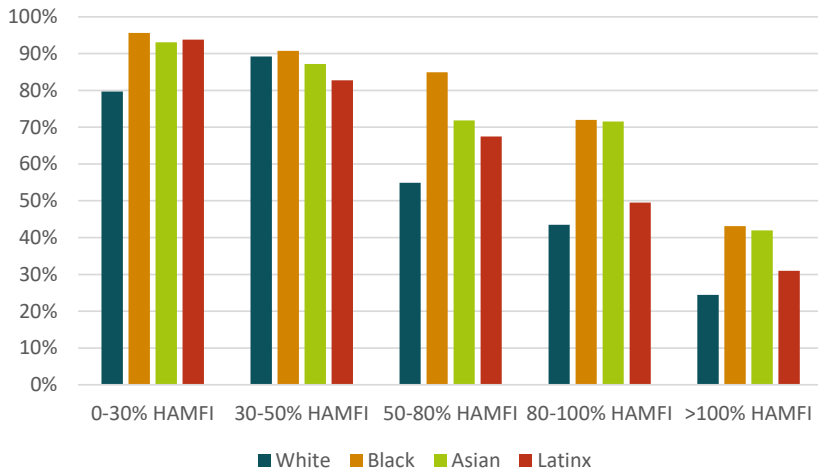
Source: Social Explorer, Table A10060, 2022 ACS 5-year Estimates

Figure 98. Renter Households by Income



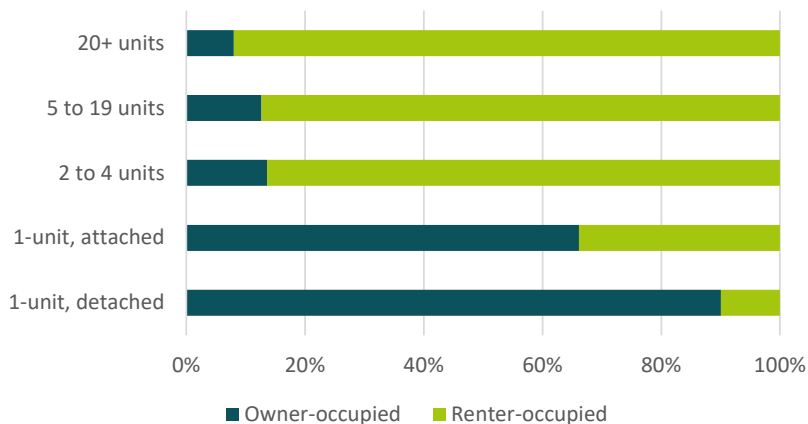
Source: 2016-2020 HUD CHAS

Figure 99. Rental Rate by Race & Income



Source: 2016-2020 HUD CHAS

Figure 100. Tenure by Unit Type



Source: Table B25032, 2022 ACS 5-year

Renter-occupied units make up the majority share of multi-family units across the city. Although single-family detached units are the most prevalent housing type by a large margin, only 5 percent of these units are renter occupied. This figure has reduced by 4 percent since 2016, indicating single-family detached units becoming increasingly owner-occupied where previously some were rentals. Conversely, the densest residential structures, those with 20+ units, represent the unit type with the greatest share of renter-occupied units.

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Structures which contain two or more residential units are made up of over 80 percent renters. This allows an estimate through evaluating construction permitting records which might help identify the rate at which rental units are being constructed. Figure 101 indicates that there have been fluctuations in the rate of smaller-unit permitting, however, it has been generally increasing since 2010 for 2-4 unit buildings. The greatest number of permits being granted are structures consisting of 5 or more units, almost entirely rental, with the peak number of units being 3,273 in 2021.

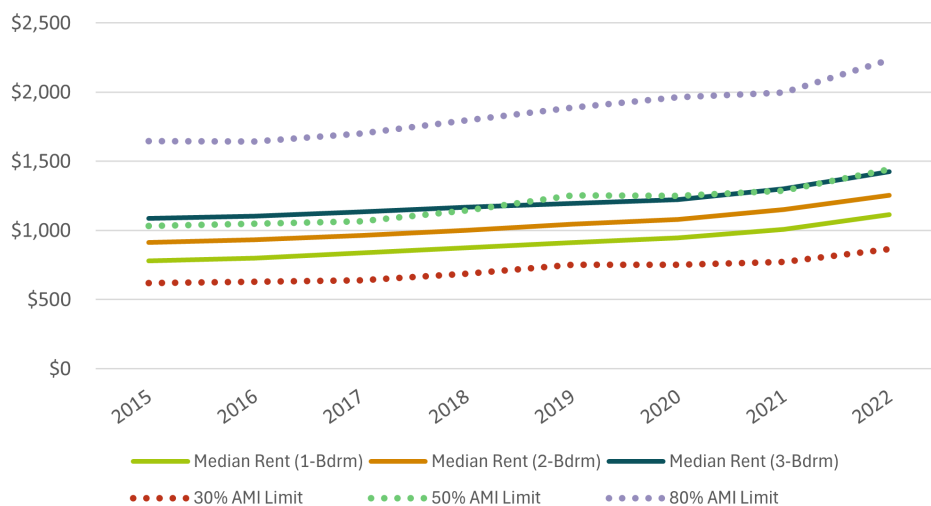
Figure 101. Likely Rental Unit Permits



Rental Affordability:

The most prevalent unit type of one-, two-, and three-bedroom housing units have steadily increased in median rents since 2015. A one-bedroom unit median rent has increased by 31 percent, 2 bedrooms have increased by 27 percent, and three bedrooms by 24 percent, indicating one-bedroom units increasing at the highest rate. The median rent for a one-, two-, and three-bedroom units have consistently exceeded the affordability limits for a households at 30 percent area median income, with even households at 50% AMI exceeding their affordability limit for almost half of all 2-bedroom rentals.

Figure 102. Rental Affordability by Income



Source: Table B25031 ACS 5-year Estimates, HUD AMI Limits

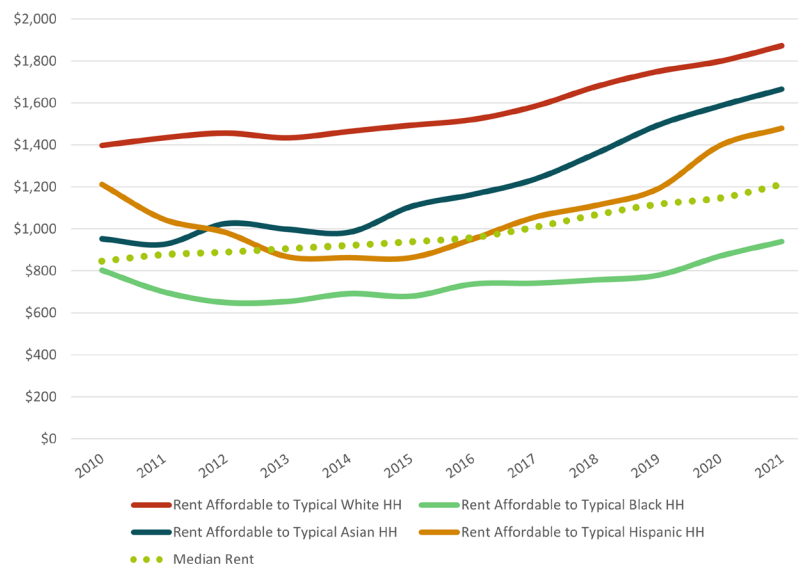
Data on Market Rent by bedroom taken from CoStar Market data. AMI Affordability Limits for households by AMI level are calculated by 2023 HUD FY Income limits for a family of 2 so that rental costs represent no more than 30% of total household income

For households at the 50 percent AMI limit, one-bedroom units are affordable, however the median 2-bedroom unit is close to exceeding the affordability limits at 30 percent of income. Three-bedroom unit median rents would only be affordable to a 2-person household at 80 percent AMI or greater. The 80 percent AMI limits have exceeded all three-unit types since 2015, showing these unit types as generally affordable for those at the 80 percent AMI or greater.

Households of color are disproportionately more likely to rent than own, especially when compared to White households. Since 2010, the median rent in the city has been affordable to a typical White household – by nearly \$600.

Rental affordability has grown for the affordability limits of median Asian and Latinx households, although the affordability limit is still closer to the median rent limits than for White households. The median rental rate still remains unaffordable to the affordability limits of a median income Black household as of 2021, the most recent year for which ACS data was available at the time of this writing.

Figure 103. Rental Affordability by Race



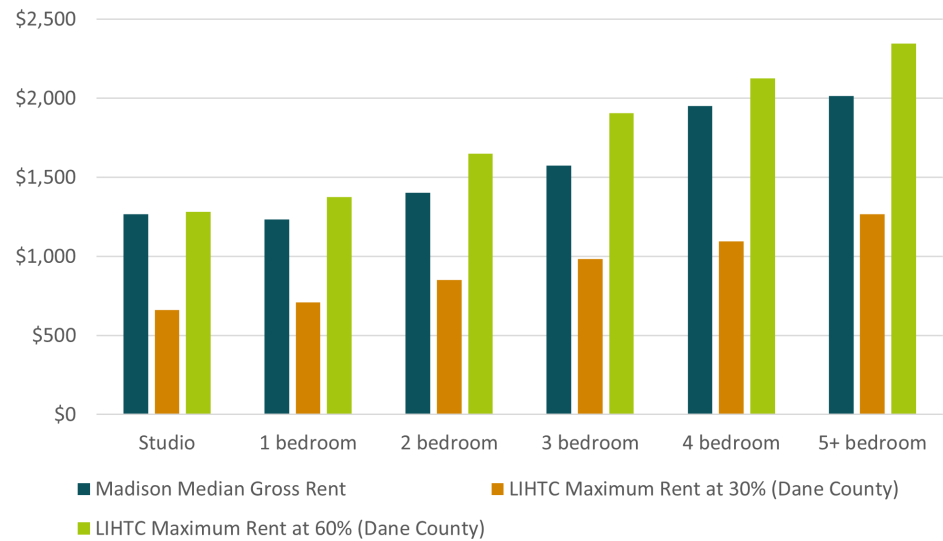
Source: ACS 5-year Estimates

Data was calculated through median rent estimates and median household incomes by demographic.

The Low-Income Housing Tax Credit (LIHTC) is a federal program that provides tax incentives to encourage private developers to build or rehabilitate affordable rental housing. Each year the federal government allocates LIHTCs to state housing agencies, which in turn award these credits to developers. Developers use the credits to attract investment from private investors, who buy the credits to reduce their own tax liabilities. This investment helps finance the construction or renovation of housing that must remain affordable for a period of at least 30 years.

The Wisconsin Standard Multifamily Tax Subsidy Project maximum rent limits for 30 percent AMI units at the Dane County level are less than the city’s Median rent at all unit sizes. This gap has increased since the previous Analysis of Impediments utilizing 2016 data, which indicates that market rents are rising faster than LIHTC rents. However, the at the 60 percent limits, the maximum allowable rent exceeds or is nearly equal to the city median for the market as a whole.

Figure 104. Median Gross Rent & LIHTC Rent



Source: Table B25031 ACS 5-year Estimates, WHEDA 2024 MTSP

Housing Problems:

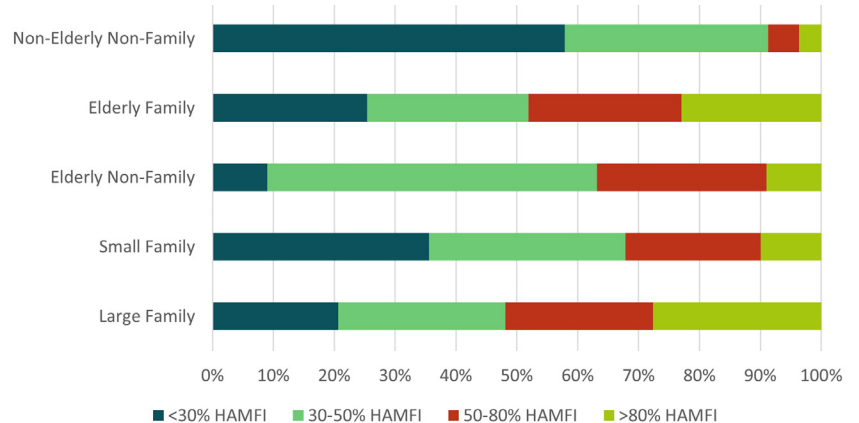
The US Department of Housing and Urban Development defines four specific housing problems in its data and research:

1. The unit lacks complete kitchen facilities
2. The unit lacks complete plumbing facilities
3. The household is overcrowded
4. The household is cost burdened (>30% of income is paid toward gross rent)

In addition to the HUD defined housing problems, it is common for households to experience other housing problems either in the housing market or from the unit itself. Other problem areas identified in past city, academic, and HUD reports include:

1. Under-consumption (higher-income households renting units affordable to lower-income households)
2. R/ECAPS (racially/ethnically concentrated areas of poverty)
3. Areas of racially concentrated affluence
4. Low vacancy rates
5. Segregation by race
6. Eviction and housing discrimination
7. Lending policies and practices that impact protected classes of purchasers

Figure 105. Housing Problems by Family Type & Income



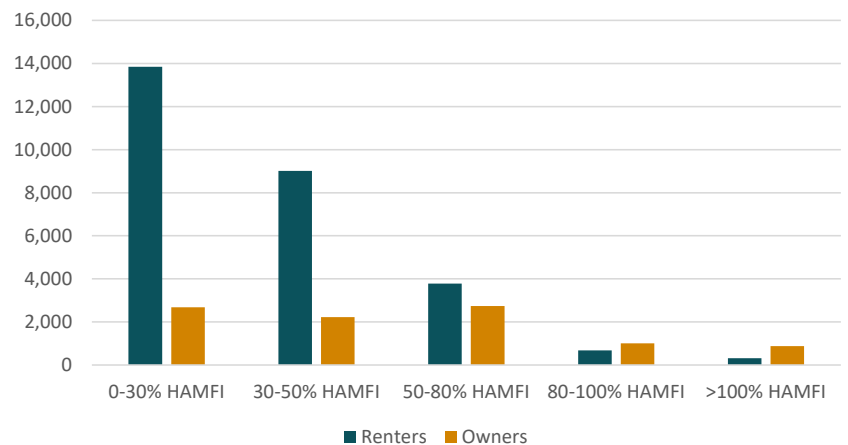
Source: HUD CHAS 2016-2020

Figure 105 displays the distribution of reported housing unit problems by household type and income level. Non-elderly, non-family households, the most common household type, experience the greatest number of overall housing problems, and account for just over half of all reported housing problems. Those in the lowest income levels make up the majority of those with a housing problem of this household type.

Across other household types, 30-50% Household Area Median Family Income levels experience the second greatest number of housing problems. Those that are extremely and very low income represent the majority share of those experiencing one or more housing problems. In total, just over 1 in 4 households in the city experience one or more housing problems (26.9%).

By tenure, there is significant disparity in number of housing unit problems, especially when further disaggregated by income. Renters experience the greatest frequency of housing unit problems, of any kind, at income levels of 0 to 80 percent HAMFI – the most likely cost burdened income levels. This trend is also true of homeowners, of which the prevalence of reported housing problems decrease above the 80 percent HAMFI threshold. However, for homeowners above the 80 percent AMI threshold, they exceed renters in reported housing problems.

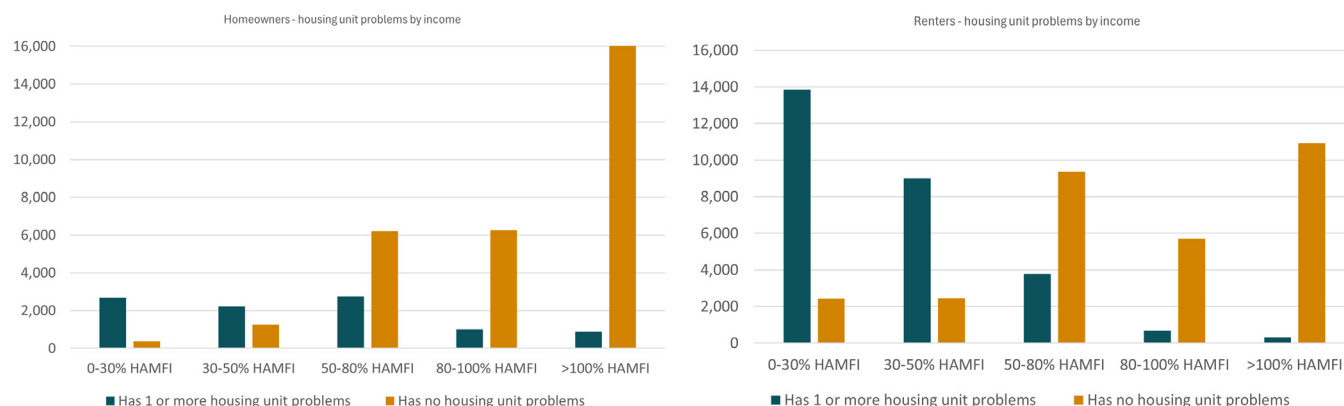
Figure 106. Housing Problems by Tenure & Income



Source: HUD CHAS 2016-2020

By tenure, housing problems vary by income level. Renter households are more likely to experience any housing problem across all income tiers, with the exception of zero/negative income, which reflects inability to make payments towards housing cost. Severe cost burden is experienced by higher income levels amongst homeowners than renters – as renters are more likely to be screened out of a rental unit they can't afford due to income requirements, while homeowners may experience retirement or a significant income shock that leaves their housing drastically unaffordable to them.

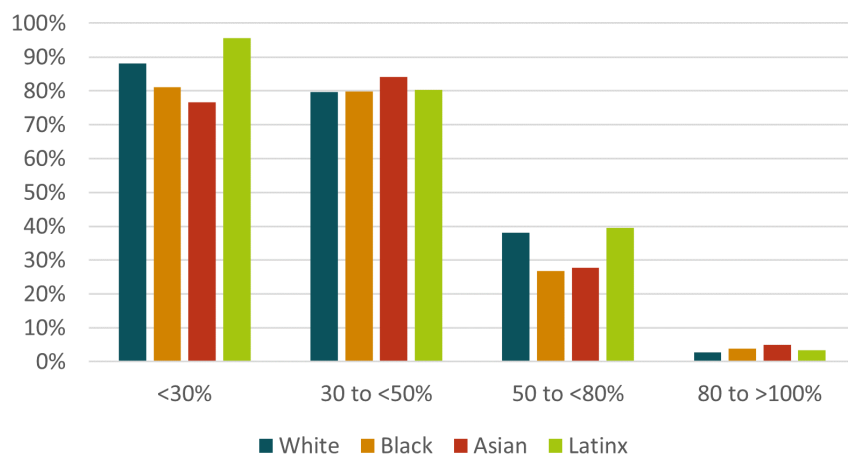
Figure 107/108. Housing Problems by Tenure



Source: HUD CHAS 2016-2020

By race/ethnicity and income, the distribution of housing unit problems is most prevalent in the lowest income levels. For households 30 percent AMI or lower, housing unit problems do not fall below 76 percent of the population by race, with upwards of 96 percent of Latinx households reporting one or more housing problems at the 30% AMI or lower income level. In general, income level is shown to more significantly influence the rate of overall housing unit problems than race.

Figure 109. Housing Problems by Race



Source: HUD CHAS 2016-2020

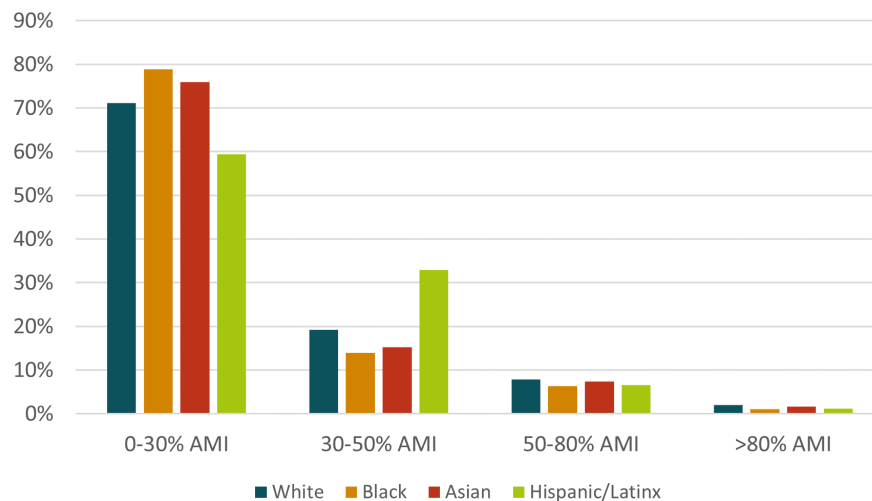
Severe Housing Problems:

Severe housing problems are determined by HUD as one or more of the following conditions:

1. Housing cost burden: Household spends more than 50 percent of its income on housing costs.
2. Inadequate housing: Housing unit is considered substandard, such as having serious plumbing or electrical problems, or lacking a complete kitchen or bathroom.
3. Overcrowding: Household has more than 1.5 persons per room (all rooms).

Race/ethnicity is shown to be a more significant factor in whether a household experiences severe housing problems at the lowest income levels. This is especially true in the extremely lowest-income tiers, in which Black and Asian households experience more severe housing problems than White households. Latinx households at or under 30% AMI have the highest rate of housing problems, but the lowest rate of severe housing problems. However, Latinx households between 30% and 50% AMI have the highest rate of severe housing problems – nearly 15 percentage points higher than that of White households.

Figure 110. Has at Least 1 of 4 Severe Housing Problems



Source: HUD CHAS 2016-2020

Affordability & Consumption:

Figure 111 displays the range of income groups for both entry and median wages by a variety of occupations within the city. As income directly translates to what an “affordable” housing cost is for households, this table provides the direct comparison on what is affordable to each of these occupations according to reported annual average wages by home values and gross rent.

As noted in the homeownership section, as of April 2023, Madison had a bottom-tier home value of \$277,727, which is unaffordable to all the above listed occupations at both entry and median level wages. For the most prevalent rental housing types, the median gross rent ranges from approximately \$1,182 to \$1,697. There are very few listed occupations that are affordable to renters, though even less for homeowners, indicating the high barriers to entry of the homeownership market.

Figure 111. Affordability by Occupation, Entry-Level and Median

Occupation	Entry-Level			Median		
	Entry-Level Wage (Annual)	Maximum Home Value at Entry-Level Wage	Affordable Gross Rent at Entry-Level Wage	Median Wage (Annual)	Maximum Home Value at Median Wage	Affordable Gross Rent at Median Wage
Cashiers	\$22,970	\$111,100	\$574	\$29,880	\$135,700	\$747
Childcare Workers	\$22,900	\$110,900	\$572	\$29,830	\$135,500	\$745
Restaurant Cooks	\$28,950	\$132,300	\$723	\$36,660	\$159,800	\$916
Janitors and Cleaners	\$28,370	\$130,300	\$709	\$34,820	\$153,200	\$870
Teacher Assistants	\$46,120	\$193,200	\$1,152	\$46,120	\$189,600	\$1,152
Pharmacy Technicians	\$34,440	\$154,700	\$861	\$39,640	\$170,300	\$990
Dental Assistants	\$38,540	\$169,600	\$963	\$47,470	\$194,200	\$1,186
Construction Laborers	\$35,650	\$159,100	\$891	\$48,920	\$199,300	\$1,223
Licensed Practical and Vocational Nurses	\$50,060	\$207,200	\$1,251	\$58,480	\$232,400	\$1,461
Child, Family, and School Social Workers	\$43,010	\$182,100	\$1,075	\$56,600	\$225,900	\$1,415
Firefighters	\$25,330	\$119,500	\$633	\$60,800	\$234,700	\$1,520
Elementary School Teachers	\$48,700	\$202,300	\$1,217	\$62,600	\$240,800	\$1,565
Secondary School Teachers	\$50,230	\$207,800	\$1,255	\$62,940	\$241,900	\$1,573
Police and Sheriff's Patrol Officers	\$57,200	\$232,500	\$1,430	\$80,690	\$301,700	\$2,017
Waiters and Waitresses	\$16,530	\$87,600	\$413	\$29,390	\$133,900	\$734
Hairdressers, Hairstylists, and Cosmetologists	\$22,160	\$108,200	\$554	\$34,150	\$150,800	\$853

Occupation Employment and Wage Statistics – Madison, WI, May 2023

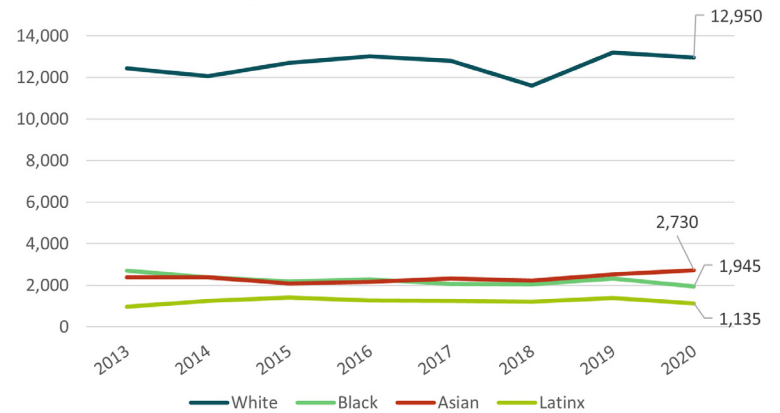
Bureau of Labor Statistics

Maximum home values calculated using FHA Mortgage Calculator, down payment \$35,000, 30-yr fixed FHA, 7.669% interest rate, credit score 800+.

Affordable gross rent calculated by 30% of monthly gross income, not including other household costs or debt payments.

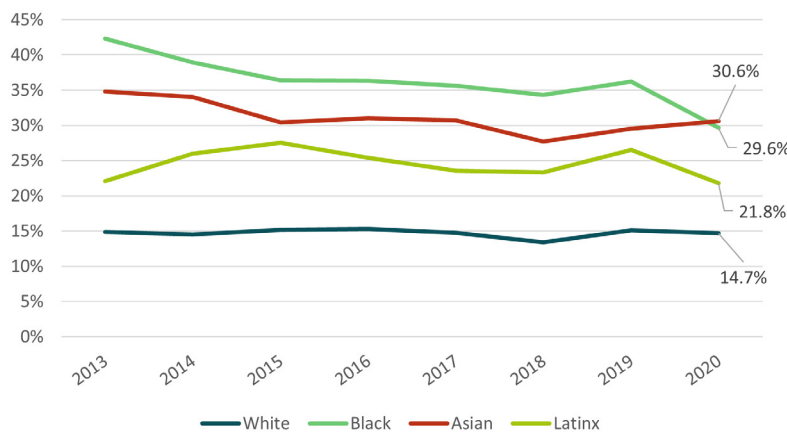
The City of Madison's 2025-2029 Consolidated Plan defines all households with severe housing cost burden to be at-risk of homelessness. Per this definition in the Consolidated Plan, 13,340 renter households, or 27 percent of all renter households in Madison, are facing extreme housing instability and are potentially at risk of homelessness. Of particular concern for this analysis are severely cost burdened rental households earning between 0% and 30% of the HUD Area Median Family Income, who have less choices within the market and income to stabilize their housing. Representing an average of 20 percent of all renter households, households in this category of "extreme need" (0-30% HAMFI, severely cost burdened) face increased difficulty in maintaining stable housing that will remain affordable to them over an extended period.

Figure 113. Extremely Low Income & Cost Burdened Households by Race



Source: HUD CHAS 2016-2020

Figure 114. Extreme Housing Need by Race/Ethnicity



By race and ethnicity, White households comprise the largest raw number of households in "extreme need," or at severe risk of housing instability. However, when adjusted for total number of households in each demographic, data shows that Black households and Asian households are nearly two times more likely to be both low-income and severely cost burdened.

Over the period 2013 to 2020, all households (no matter racial/ethnic demographic) were shown to have decreasing rates of this extreme housing need. However, White households are shown to remain relatively consistent in need. Need for Black households has been decreasing at a quicker rate than other populations, decreasing by nearly 13 percentage points in this period, with the most recent data showing Asian households and Black households to have similar rates of extreme housing needs.

Source: HUD CHAS 2016-2020

Table 8. Extreme Housing Need Rates of Change, 2013-2020

	Annual Average Change (%)	Total Change (%)
Black	-1.6	-12.7
Asian	-0.5	-4.2
Latinx	-0.4	-0.3
White	-0.002	-0.2

Source: HUD CHAS 2016-2020, Author's calculations

Renter Affordability & Consumption:

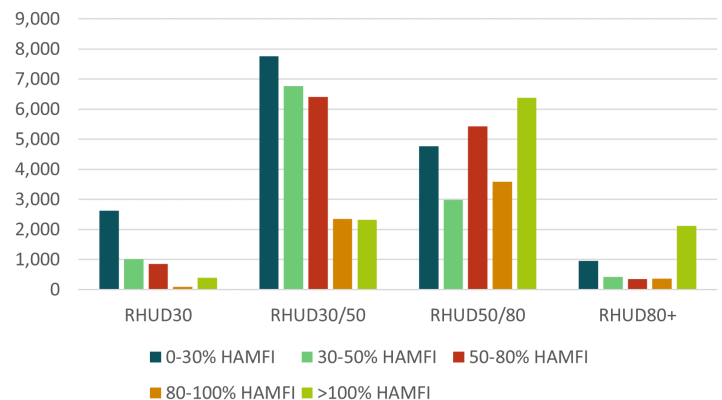
In the rental housing market households, “renting down” is a process by which households with higher incomes can outcompete lower income households for the same units of housing. Higher income households which rent down, rent units at a rate below what they could expect to afford - sometimes paying far less than 30 percent of their income on housing costs.

Figure 115 reflects the number of occupied units at affordability limits by Household Area Median Family Income. In general, units with the lowest gross rents are occupied those in the lowest income categories. However, there is a relatively small number of units that would be affordable for households at the 50% HAMFI or greater. These households often rent units with lower gross rents to secure housing, prioritizing housing cost savings, location, or other benefits from renting less expensive units of housing. This is shown in the RHUD 50-80 data, which reveals that the greatest number of units that would be affordable to households at the 50-80 percent income level are occupied those at the greater than 100% HAMFI bracket. There are thousands of households that rent down within the market, precluding that unit from being rented by a household within that income band, which speaks to the importance of creating housing that is income- and rent-restricted.

Overall, the City of Madison’s total number of renter households has grown by about 17 percent since 2015, displaying a sustained increase in the demand of rental units.

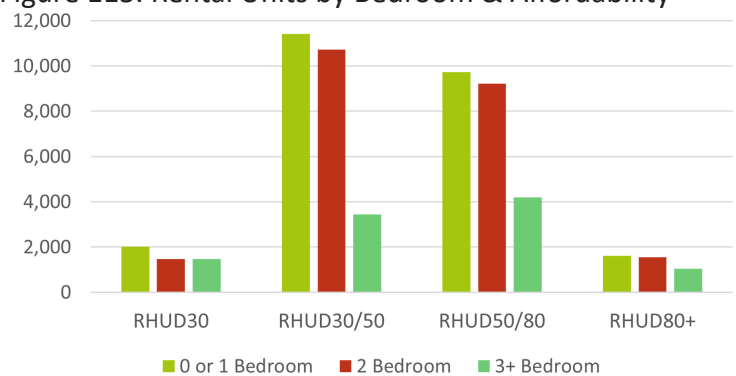
Regardless of size, the most common units for rent in the City are those priced at rates that would be most appropriately affordable to households earning 30-50% of the HUD Area Median Family Income, followed by those earning 50-80% of the AMI. Due to the uneven availability of units affordable to all levels of income, renting both up and down is an inevitability of the city’s rental market.

Figure 114. Rental Unit Consumption by Income



Source: HUD CHAS 2016-2020

Figure 115. Rental Units by Bedroom & Affordability



Source: HUD CHAS 2016-2020

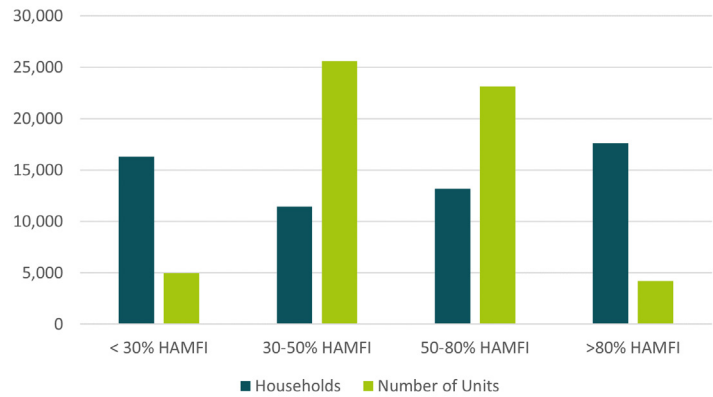
By income, there is an uneven distribution of rental units available. There greatest number of units available are in the greater than 30 less than 50 percent HAMFI and greater than 50 less than 80 percent HAMFI levels. However, a lack of availability of units affordable to the highest income levels results in many of these households occupying units that are affordable to lower income households.

Renting both “up” and “down” is shown by the distribution of households in various income bands occupying housing at various affordability limits. Figure 117 displays the mismatch between number of households within Household Area Median Family Income level and the number of units available to that income level. There is uneven distribution of household income to available units at each level.

Households at all income levels live in rental housing across all price points. Household Area Median Income by unit affordability level show evidence of renting down. Rental units available at the 30 to 50 percent AMI and 50 to 80 percent AMI affordability limits are the most prevalent housing type, therefore units at these affordability limits are more evenly occupied by a range of incomes.

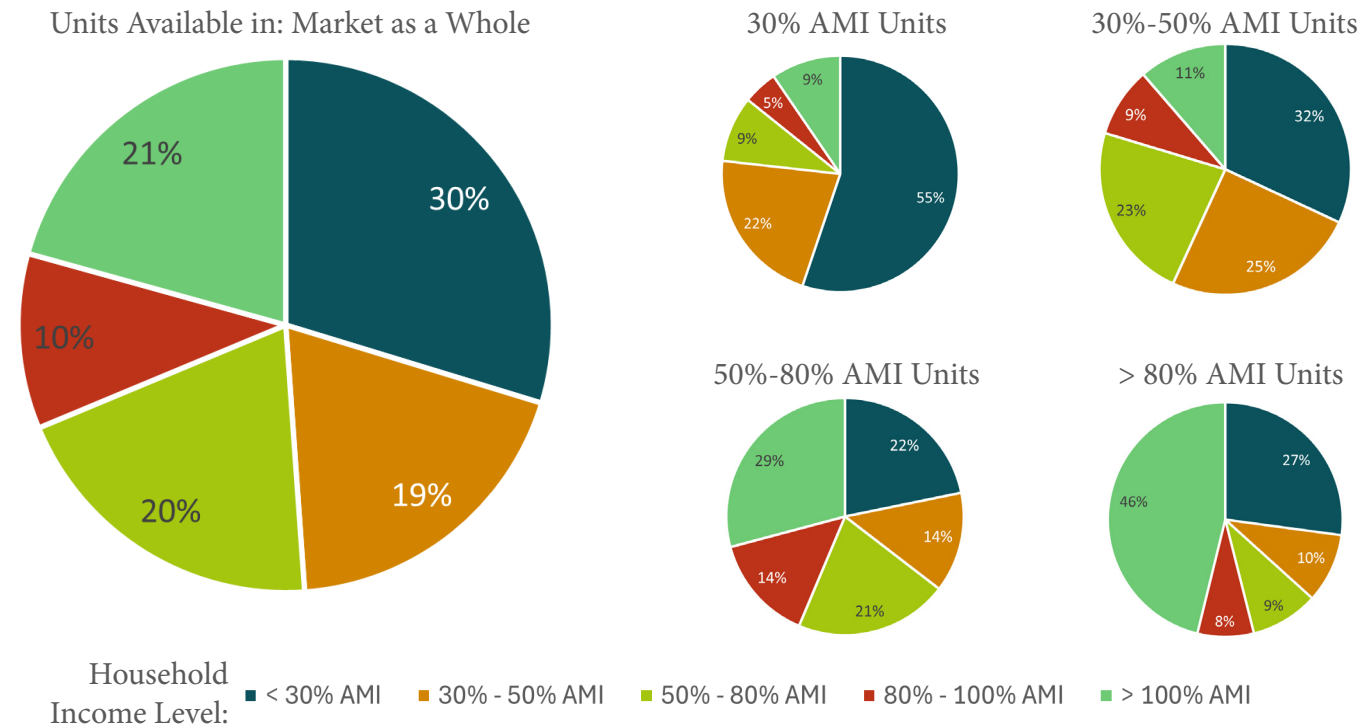
However, households under 30 percent AMI are still the second largest consumers of 50-80% units, as significant numbers of households between 50% and 80% AMI also “rent down” within the market to find housing that is affordable to them, competing with even lower-income households.

Figure 117. Rental Affordability Mismatch



Source: HUD CHAS 2016-2020

Figure 118-122. Rental Consumption by Income/Unit Affordability

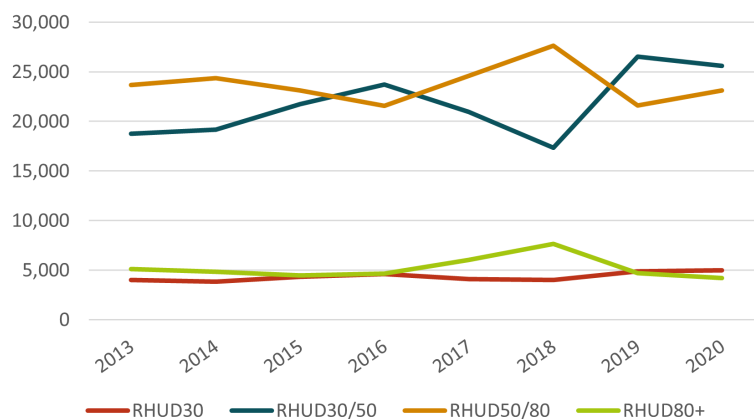


Since 2013, the number of units available by affordability level have been relatively consistent for the lowest and highest priced units: those less than 30 percent AMI and greater than 80 percent AMI, which comprise the lowest share of units overall. Units affordable to the 30 to 50 percent AMI and 50 to 80 percent AMI have fluctuated in this period, with 30 to 50 percent units surpassing as the most prevalent unit type, indicating that there are thousands of units in the city priced at just above and below what would be affordable to a 50% AMI household.

Median rent in Madison first reached a value of over \$1,000 in 2016 and has continued to rise year over year since. Since 2013, the median rent has increased by about 40 percent, with an average annual increase of 4.4 percent. From 2009 to 2013, the median rent exceeded the median renter affordability threshold. However, that gap has continued to narrow since 2015, due to increasing median incomes, though still slightly exceeding the limit.

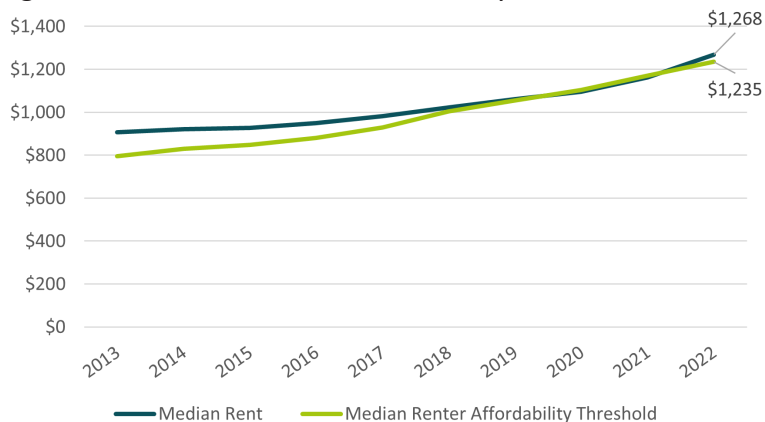
The median income for a renter household in 2022 was \$52,719, which is a 54 percent increase in income during this period. Though the median income of renters is increasing at a higher rate than the rate of increase in median rent, it has not increased enough to drastically increase affordability.

Figure 123. Total Rental Units by Affordability



Source: HUD CHAS 2016-2020

Figure 124. Median Renter Affordability & Median Rent



Source: Table DP04, ACS 5-year estimates, Author's Calculations

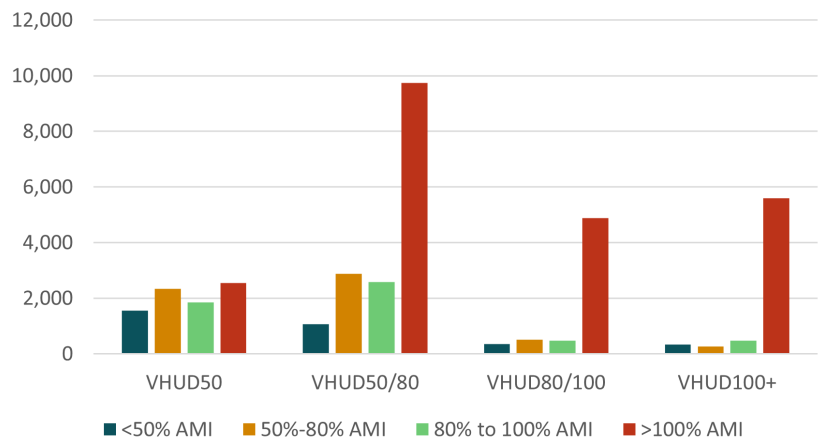
Owner Affordability & Consumption:

Households with incomes exceeding 100 percent AMI represent the majority vast majority of all ownership households, indicating that homeownership is most easily and readily obtained by higher-income households. Homeowners in the highest income levels are shown to most frequently own homes that are within the 50 to 80 percent affordability limits, rather than 80 percent or greater affordability limits (figure 125). Both “renting down” and “owning down” are occurring in the city, with homeowners also obtaining homes at affordability limits below their incomes. In fact, there are more homeowners “owning down” than renters “renting down” in high income levels. Very few homeowners are purchasing homes above their affordability limits, both because homes aren’t available, and because households are making choices that they would like to live in certain areas, prioritize owning at an affordable rate, and other considerations that allow them flexibility in where they would like to live.

The City of Madison has seen an increase of 14 percent in the total number of owner households since 2015, displaying a sustained increase in both the supply and demand of owner-occupied units.

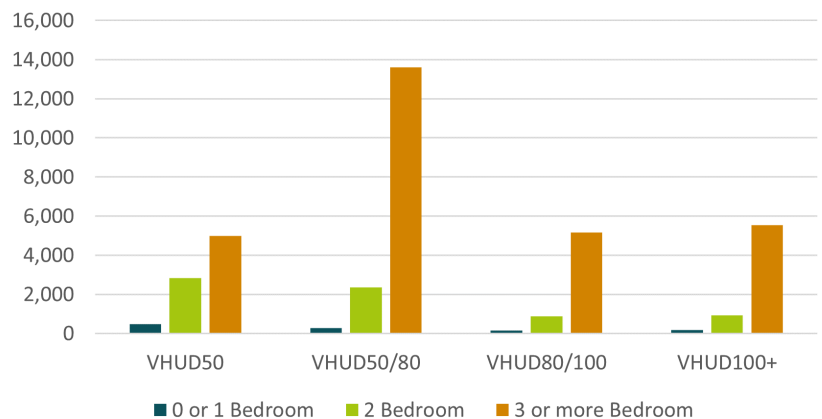
Regardless of size, the most common units are those that would be affordable to households earning 50-80% of the HUD Area Median Family Income. All other affordability limits to homeowners are relatively evenly distributed. However, 3-bedroom units represent the greatest number of affordable unit types across all affordability limits, as 3 or more-bedroom homeownership options are by far the most common type of owner-occupied housing that exists in the city.

Figure 125. Owner Consumption by Income



Source: HUD CHAS 2016-2020

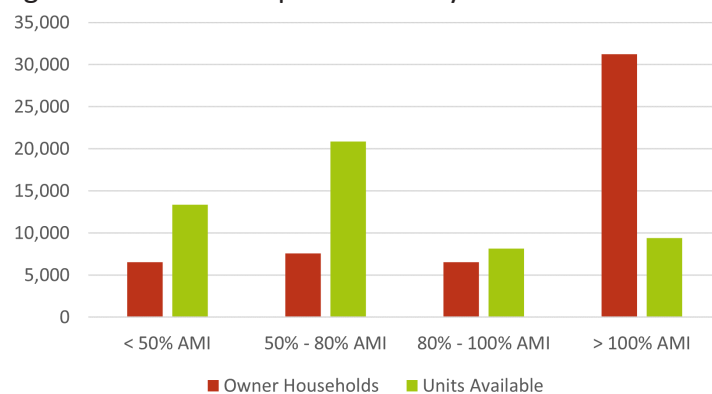
Figure 126. Ownership Units by Affordability/Bedrooms



Source: HUD CHAS 2016-2020

The mismatch between households by income level and units affordable at each income level is stark, though markedly different from rental unit mismatches. Figure 127 displays the mismatch between number of households within Household Area Median Family Income level and the number of units available to that income level for owner-occupied units. There is uneven distribution of ownership units available compared to the household incomes of the households that own the units. Households in the greater than 100 percent AMI category far exceed the number of units available at the affordability threshold by nearly three times, further illustrating how the highest incomes are occupying households below their affordability limits. There is a feasible limit to the upper bound of what new homes can be constructed and then sold for – even households far above 100% AMI may often choose and/or prefer more affordable options to them, placing location, affordability, and other factors above maximizing how much they can “afford” within the market.

Figure 127. Ownership Affordability Mismatch



Source: HUD CHAS 2016-2020

Like renter households, homeowners occupy units across all affordability thresholds. However, unlike renter households, households at the highest income level represent the majority share of ownership households by a large margin.

Households making greater than 100 percent AMI occupy units most commonly at their corresponding affordability level. Still, the vast majority (73%) of all homeowners are above 80 percent AMI, and the majority of homes “affordable” in every value tier are owned by households “under consuming” in the market, that is, buying homes that are drastically affordable within their budget before becoming cost burdened.

Figure 128-132. Owner Occupied Consumption by Household Income and Unit Cost

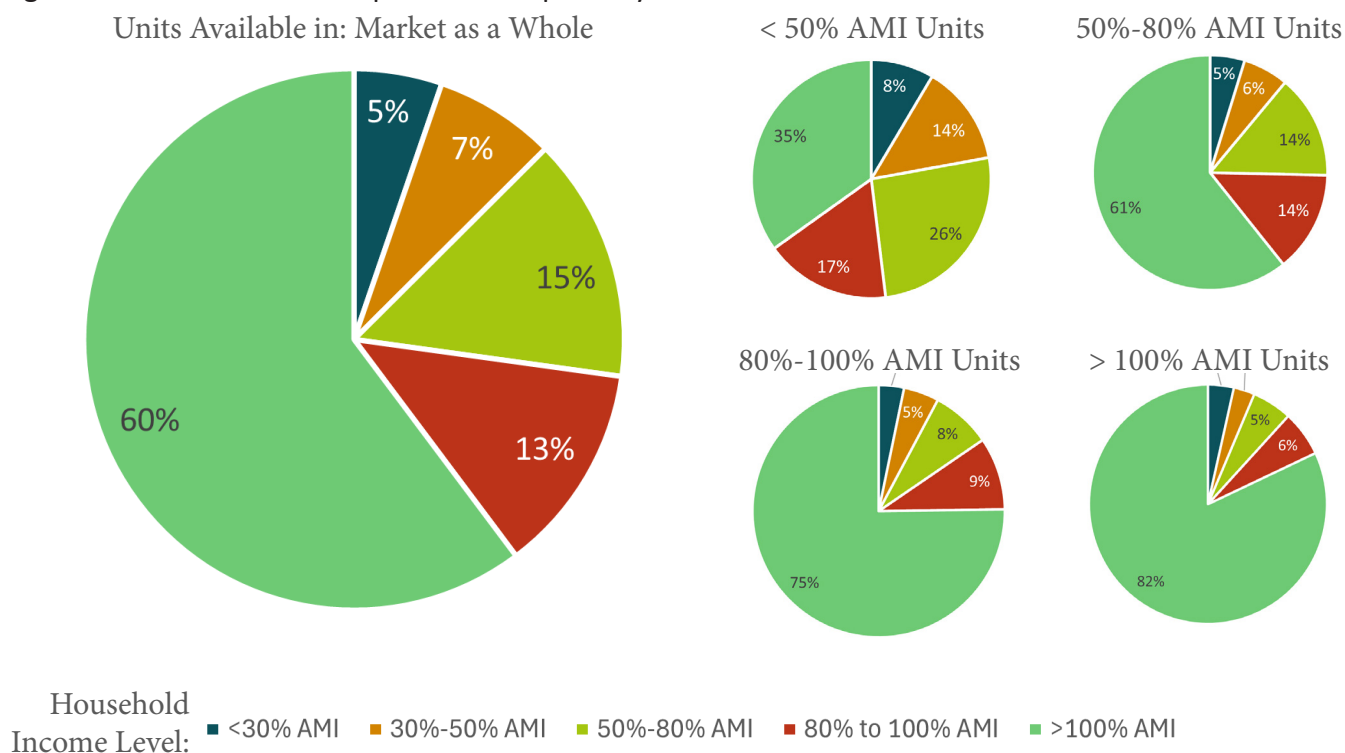
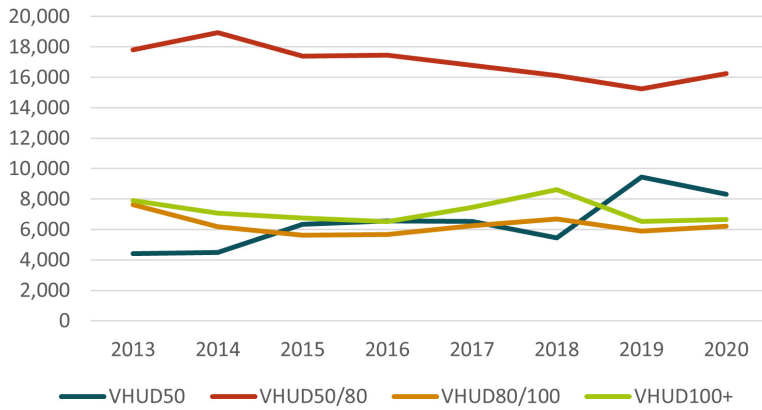


Figure 133. Total Units by Affordability Level



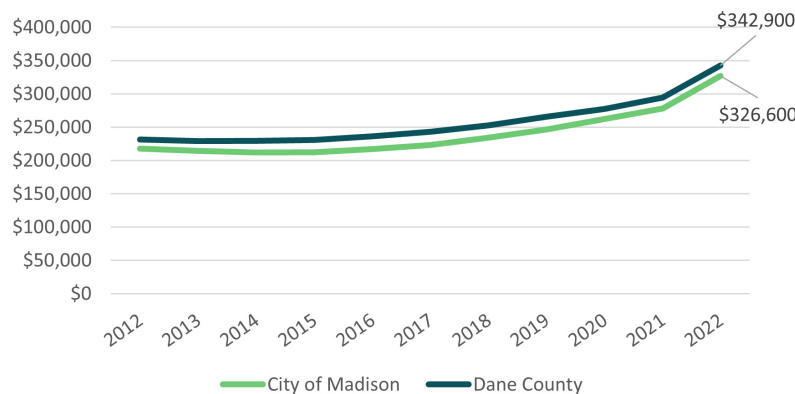
Source: HUD CHAS 2016-2020

Since 2013, the number of homeowner units by affordability level that exist in the market has been relatively consistent for the 50 to 80 percent and 80 to 100 percent affordability levels. Units affordable to the 50 percent AMI and 50 to 80 percent AMI have fluctuated in this period, like the trends in renter units at these affordability levels. Units that would be affordable at the 50 to 80 percent AMI range exceed other affordability levels by a wide margin as the most common unit price point within the market.

Median home values in the city have increased at nearly the same rate as Dane County since 2012, however, the county still maintains slightly higher median home values as measured by the US Census Bureau. Over this decade, the county's median home value grew by 48 percent, with a 4.8 percent annual average increase. For the city, the median home value doubled, with a 5 percent annual average increase.

The median income for a homeowner in the city in 2022 was \$117,134, which is a 38 percent increase in income during this period. In general, while increasing, the median income of homeowners is not increasing at the same rate as median home values, but at a slightly lower rate.

Figure 134. Median Home Value



Source: Table DP04, ACS 5-year Estimates

Overcrowding:

HUD defines an overcrowded household as more than one person per room (excluding bathrooms, kitchens, and other nonliving spaces) in a household, and severe overcrowding as more than 1.5 people per room. Crowding can result in adverse physical and mental health outcomes and depends not only on the number of people sharing a dwelling, but also their age, sex, and relationship to one another.

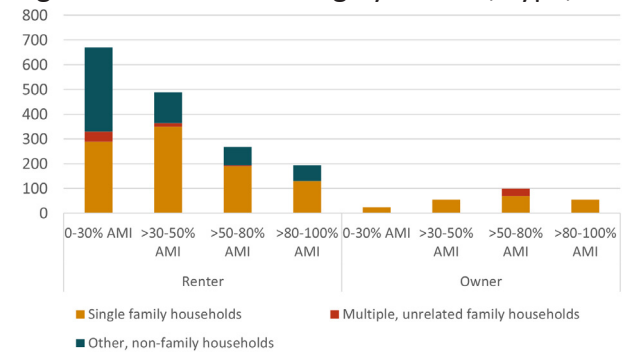
While the city has only about 2 percent of households experiencing crowding, there is disparity in the rate of crowding between renters and owners, as well as by income. Three percent of renter-occupied housing units experience overcrowding, whereas the rate is only 0.6 percent of owner-occupied housing units. Amongst renter households, overcrowding is significantly more likely to occur in households that are lower-income, with about 70% of all households that experience overcrowding having incomes below 50% AMI.

For households that do experience overcrowding, units with one family (related by blood, marriage, birth, or adoption) are the most prevalent, followed by non-family households, the second of which likely represents a large number of student households. Additionally, the small share of owner-occupied households in overcrowding reports are largely within the 1 to 1.5 persons per room rate. In general, most overcrowding reports are in this category as well.

Amongst severely overcrowded households, non-family and one family household types are less prevalent, showing a reduced levels of occurrence. There is greater disparity between renters and owners in households with greater than 1.5 persons per room as opposed to those with more than 1 person per room – meaning that homeowners are much less likely to experience severe overcrowding compared to renter households.

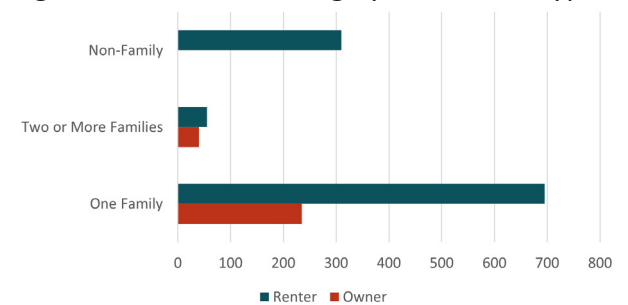
By income and tenure, Figure 138 displays renter households as the most prevalent housing type with overcrowding. However, for owner households, overcrowding is more prevalent in moderately low-income to higher income households. Overcrowding is much more common at lower income levels for renter households, while increased between 50% - 80% AMI for owner households due to the reality that most owner households are at higher incomes overall. The limiting factor for owner households is that income needed for home purchase is more common beginning at 50% AMI, so that is when housing problems generally show up more commonly for owner households.

Figure 135. Overcrowding by Income, Type, Tenure



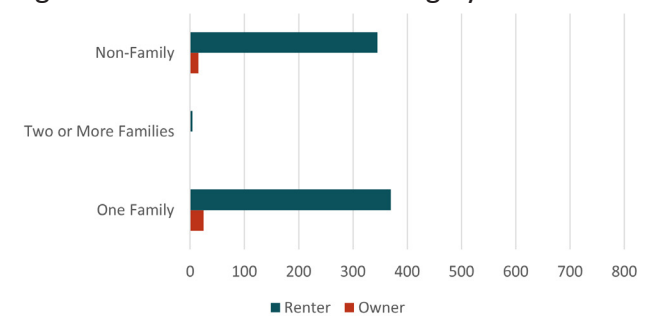
Source: HUD CHAS 2016-2020

Figure 136. Overcrowding by Household Type



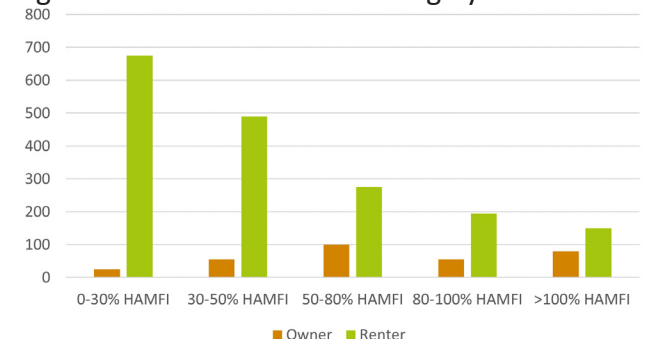
Source: HUD CHAS 2016-2020

Figure 137. Severe Overcrowding by Household Type



Source: HUD CHAS 2016-2020

Figure 138. Severe Overcrowding by Income & Tenure



Source: HUD CHAS 2016-2020

Cost Burden:

As household incomes rise, typically rates of homeownership increase. One way to gauge the effect of housing appreciation and the housing market is through analysis of cost burden for homeowners by income level, and to see if cost burden increases as costs of entry to homeownership increase (appreciation, increased mortgage rates, higher insurance premiums, etc). This can help to signify additional barriers that low-income homebuyers may face related to costs, as well as how much moderate-income homeowners may be “stretching their budgets” in order to secure a home purchase.

Using the most recent cost burden estimates from 2022, figure 139 displays that there is significant cost burden (allocating 30% or more of household income towards housing costs) for owner household incomes under \$50,000 annually. In Madison, 23 percent of all homeowners experience cost burden. Some of this cost burden can be explained by residents who purchased a home and have since retired – still having a mortgage payment, but with reduced income due to no longer working. However, cost burden has increased more generally for homeowners, indicating increased cost barriers to entry.

Based on 2022 AMI limits, households making under \$35,000 annually are considered extremely low income in all cases, and those making under \$50,000 annually are considered low income in most cases as well (the American Community Survey does not adjust for household size as HUD does). This data reflects that lower-income renters are slightly more likely than lower-income owners to experience cost burden, while moderate- to high-income owner households are slightly more likely than renters to experience cost burden.

By race, Black households experience higher rates of cost burden and severe cost burden than all other populations, whether owner or renter households. Amongst renters, Asian households are most often severely cost burdened when compared to other demographic groups, however owner-occupied Asian households experienced the lowest overall rate of cost burden.

Figure 139. Cost Burden by Income & Tenure

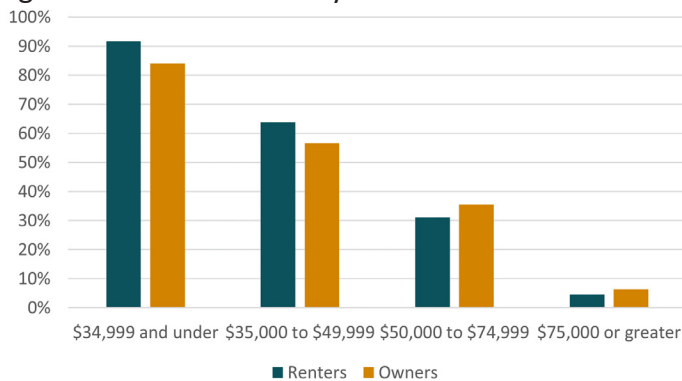


Figure 140. Cost Burden by Race/Ethnicity

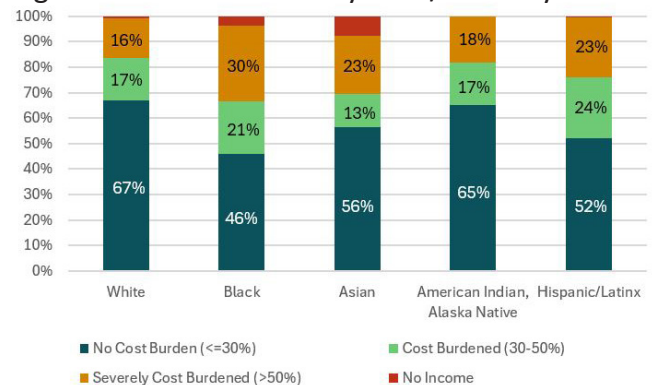


Figure 141. Cost Burden - Renters

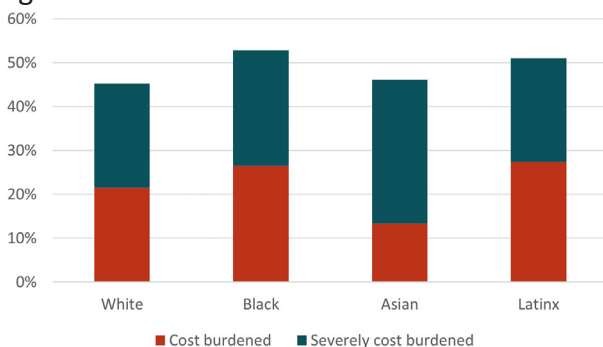
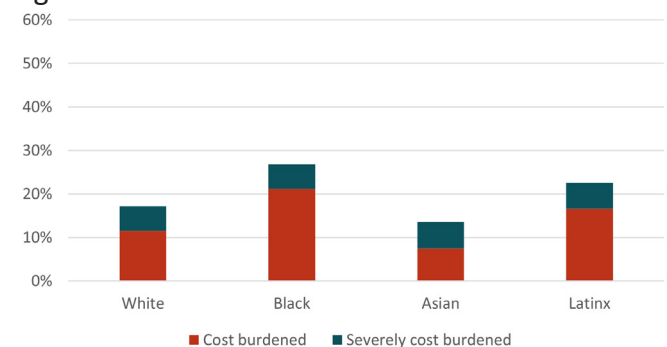


Figure 142. Cost Burden - Owners

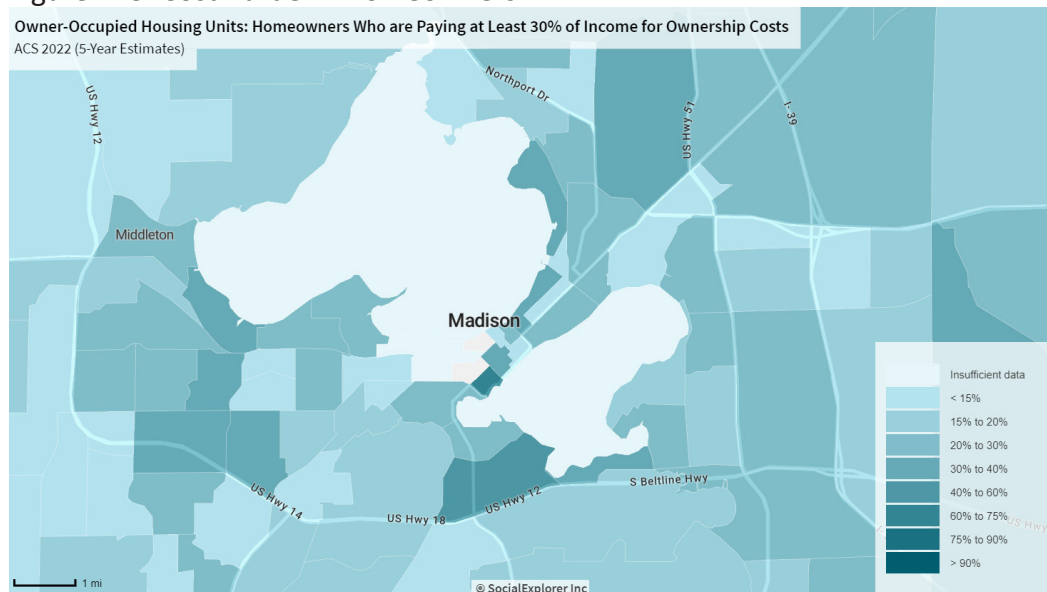


Source: HUD CHAS 2016-2020

Although homeowners are less likely to experience housing cost burden than renters, evaluating spatial trends and distribution can help to exemplify inequalities in homeownership cost burden. Figure 143 reveals the census tracts with the highest rates of homeownership cost burden to be along Lake Monona from Brittingham to Monona Terrace (bordered by W Washington Ave) and South Madison, as well as several other high-cost tracts along Lake Mendota and West Madison.

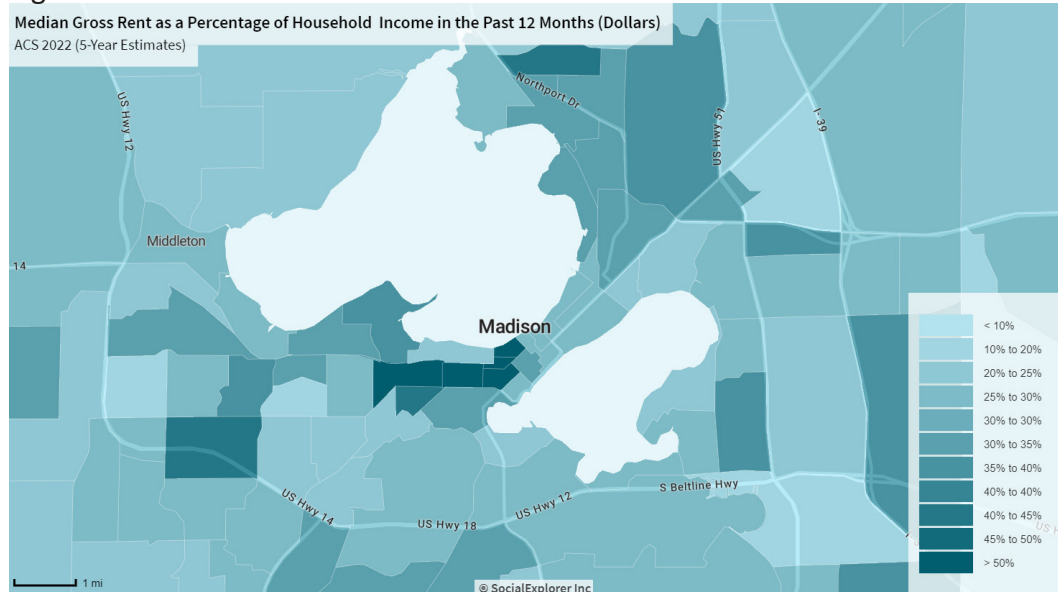
Figure 144 displays the percentage of household income allocated towards rent by census tract. Tracts which are darker in color represent areas with greater cost burden, indicating elevated proportions of median gross rent as a percentage of household income. Census tracts with the highest cost burdens are University-adjacent tracts along the stretch of the Regent Street corridor, as well as the North side, indicating a combination of lower general incomes and higher housing costs.

Figure 143. Cost Burden - Homeowners



Source: Social Explorer, 2022 ACS 5-year Estimates

Figure 144. Cost Burden - Renters

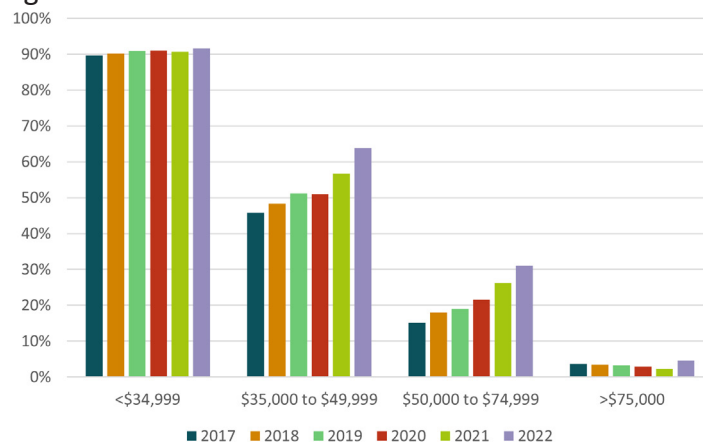


By income, cost burden has increased in all tiers from 2017 to 2022 for renter households. The most significant increases in cost burden are shown to be for renters making \$35,000 to \$74,999 annually. The lowest and highest income categories show the most minimal shifts in cost burden in the same period, reflecting several key takeaways:

1. Households making \$34,999 or less have consistently experienced very high rates of cost burden since 2017 and before, and these households are continuing to be cost burdened at a similar or slightly higher rate each year.
2. Households in middle-income tiers have seen significant increases in cost burden year over year, indicating significant year over year increases in rental housing costs without subsequent income increases.
3. Households making \$75,000 or more have been the least cost burdened by a large margin out of all income tiers, and showed a decrease in cost burden from 2017-2021, but a sharp increase in 2022. This reflects an increase in higher cost of living and increased burden for even the highest incomes.

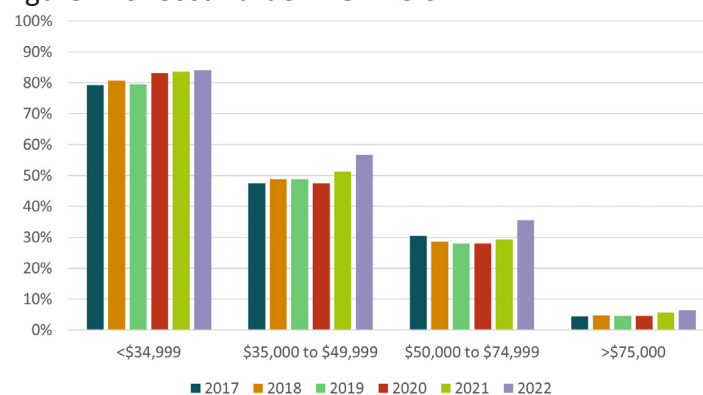
Like renter households, homeowners have encountered a rise in cost burden at all income tiers, with the greatest margins displayed in households making \$35,000 to \$74,999 annually. Because homeowners are more likely to be in the highest income tier (\$75,000 or more), there are more reported instances of cost burden in this income level. However, unlike renters, cost burden for this tier has steadily increased since 2020.

Figure 145. Cost Burden - Renters



Source: Table S2503, ACS 5-year Estimates, 2017-2022

Figure 146. Cost Burden - Owners

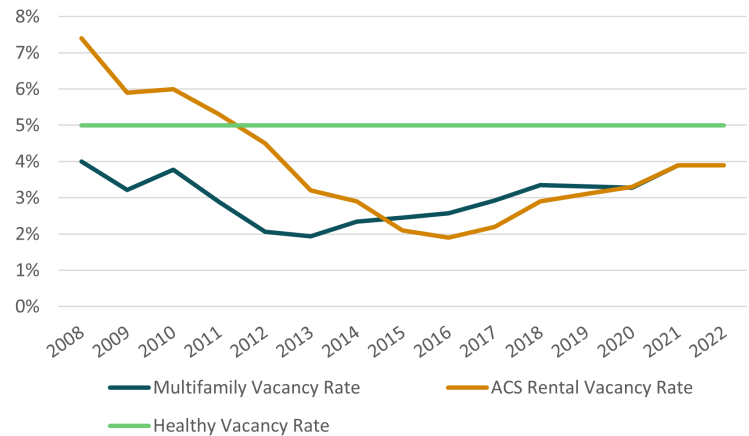


Source: Table S2503, ACS 5-year Estimates, 2017-2022

Vacancy Rate:

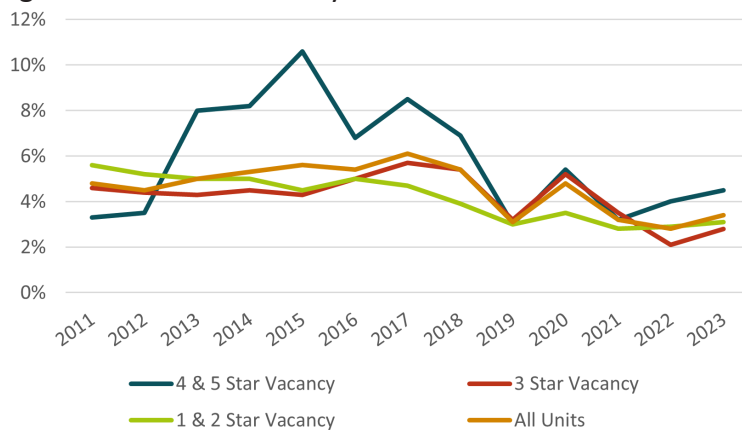
Vacancy rate trends are used to evaluate housing unit availability and competitiveness that tenants face when searching for housing within the market. A healthy vacancy rate for rental units is considered between 5 and 7 percent of the housing stock as vacant. Since 2010, the city has not met a healthy rate of vacancy for multifamily housing units. This can contribute to higher rent rates and home values due to scarcity of housing options, especially near high amenity areas. 2012, 2013, and 2016 mark the lowest rates of vacancy since 2010, since then the city has added 18,313 new multi-family housing units, which has contributed to improving the vacancy rate to reach just under 4 percent in 2021. Though more units are available since this time, vacancy rates remained at the same scarcity level until about 2017, and it is still not substantial enough to decrease cost barriers to entry.

Figure 147. Rental Vacancy Rate



Source: ACS 5-year Estimates, Madison Gas & Electric Vacancy Rates

Figure 148. Rental Vacancy Rate - CoStar



Source: CoStar

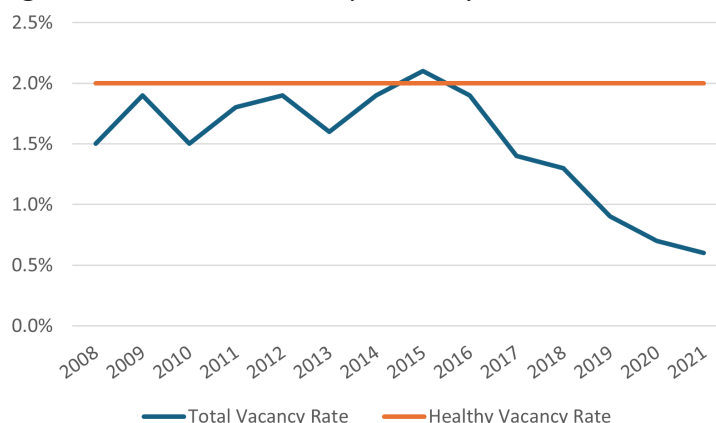
While the American Community Survey estimates vacancy rates for the market as a whole, there is significant lag between when survey estimates are taken and when they're made available (~2 years). Because of this, the city supplements vacancy rate data by utilizing CoStar, which tracks vacancy for professionally managed properties through marketing and back-end property management software.

Although CoStar data is largely limited to professionally managed rental properties (excluding some “mom and pop” landlords), their estimates offer a substantial benefit in that vacancy can be tracked by “tiers” of the housing market. While CoStar trends show that vacancy for all classes of rental properties are below the healthy range of 5-7%, they are substantially lower for low- and mid-cost 1 star, 2 star, and 3 star properties – indicating tighter competition for units at the lower-cost ends of the rental market, even though renter incomes have shown significant increase. This increased competition in the lower portion of the market has the potential to disproportionately impact lower-income households as they compete with higher-income households for the same units of housing.

The homeowner vacancy rate has decreased well below a healthy range since recovery from the Great Recession. Indicating slow bounce back in owner-occupied production and available inventory, as well as growth of income in the rental market, tight markets artificially increase listing and sales prices. This is exacerbated by Madison's growth in high-income households (increasing competition for a limited number of units) – further excluding many previously market-competitive households from entering the ownership market.

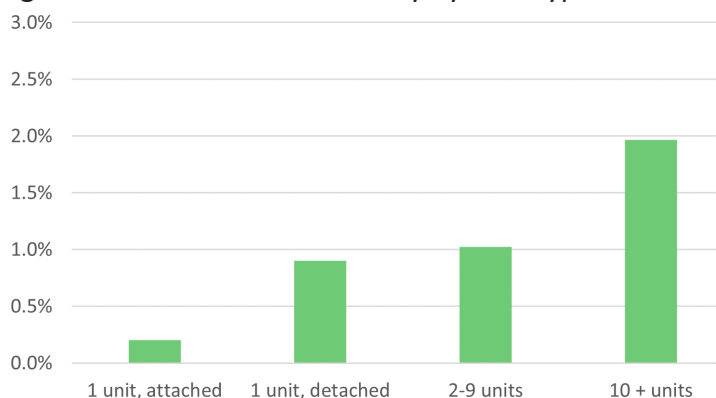
American Community Survey data reveals that in 2022, low vacancy rates are still consistent across different structure types. Single family units (typically owner-occupied) see lower vacancy rates than multi-family units by a small margin, with single unit attached housing having the lowest vacancy rates of all. These units are typically comprised of townhouses, duplexes, or row houses, and are often lower in cost than detached units – indication that (similar to the rental market), that lower cost units experience less overall vacancy and a tighter market. All unit types have a vacancy rate of less than half the healthy rate.

Figure 149. Homeownership Vacancy Rate



Source: ACS 5-year Estimates, Table DP04

Figure 150. Homeowner Vacancy by Unit Type



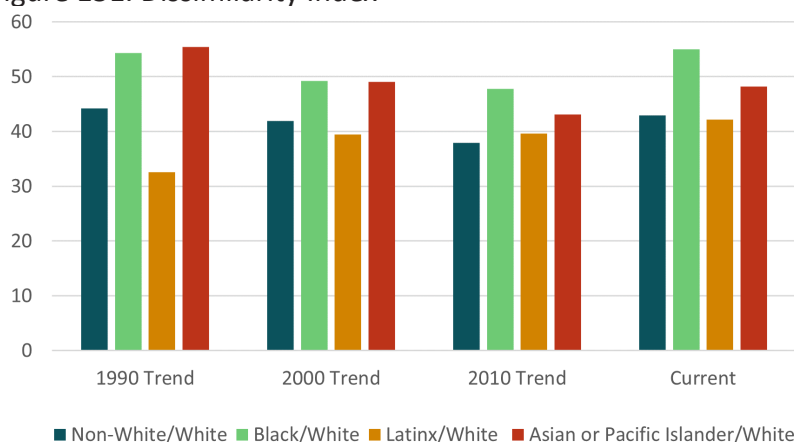
Source: ACS 5-year Estimates, Table DP04

Segregation by Race & Ethnicity:

A dissimilarity index is the primary tool for assessing segregation, as recommended by HUD. This index is a statistical measure used to quantify how evenly two racial or ethnic populations are distributed across a geographic area. A scale of 0 to 100 is applied as the unit of measure with 0 indicating perfect integration of two groups and equally distributed presence. The upper limit of 100 indicates complete segregation.

Per HUD guidelines, a score of 40 or under is considered a low level of segregation, 21 to 54 is considered a moderate level of segregation, and 55 or above is considered a high level of segregation. Madison has generally maintained a moderate levels of segregation between White residents and residents of color since 1990, slowly becoming less segregated before seeing an increase in segregation from 2010 to 2020. The driver of this increase in segregation between 2010 and 2020 has largely been increasing segregation between White households and Black households, and between White Households and Asian households.

Figure 151. Dissimilarity Index



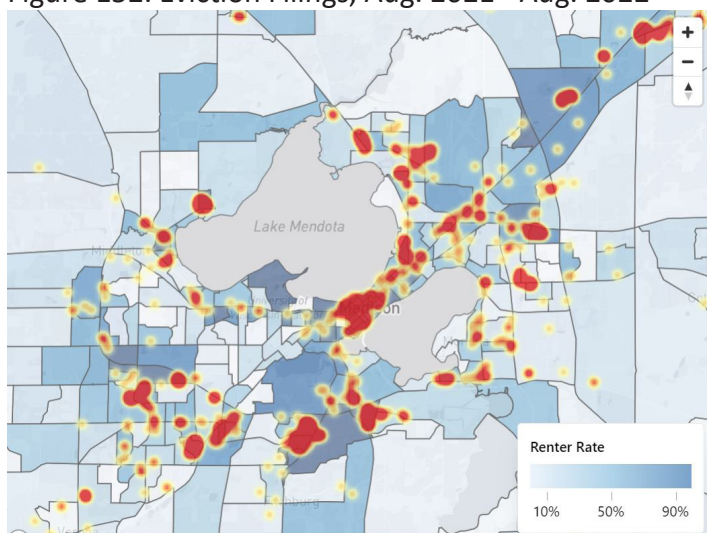
Source: ACS 5-year Estimates

Eviction & Housing Discrimination

Studying the frequency and spatial trends of eviction filings is useful for understanding how housing instability is related to socioeconomic outcomes. The Tenant Resource Center began providing eviction filings by a public use mapping tool, with the earliest reported data beginning in August 2021. These figures show the frequency of eviction filings in comparison to rates of renters by census tract.

Figure 152 reveals that “hotspots” for eviction filings are in census tracts with higher concentrations of renters, as more renters in one area generally increases the chances of eviction actions.

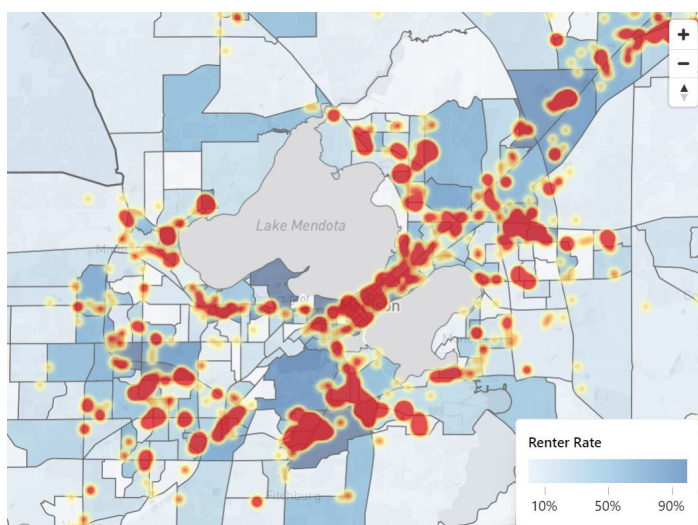
Figure 152. Eviction Filings, Aug. 2021 - Aug. 2022



Source: Tenant Resource Center

From the previous figure's time frame to January 2023 to January 2024 an increased rate of eviction filing is observed in almost all existing hotspots. Specifically, a significant increase is shown along University Avenue between Shorewood Hills and Middleton, Marquette and Tenney-Lapham neighborhoods, as well as the Burr Oak, Leopold, and Capitol View neighborhoods. These hotspots of evictions have grown most prolifically in the census tracts with a renter rate of 75 percent or more, and displays increased filings year-over-year.

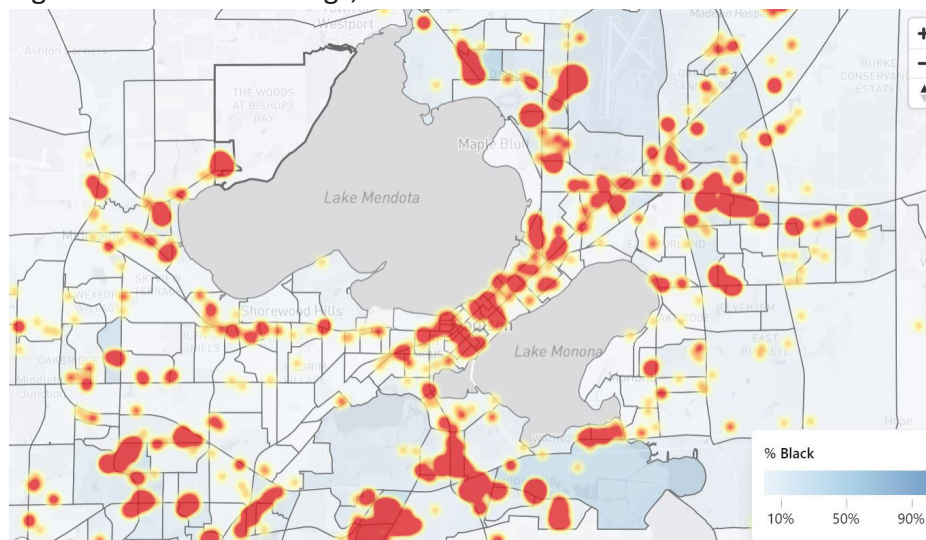
Figure 153. Eviction Filings, Jan. 2023 - Jan. 2024



Source: Tenant Resource Center

Figure 154 reveals by percentage of Black householder renters by census tract. This mapping displays many of the hotspots (areas of greater eviction frequency) are within tracts with a greater concentration of Black residents.

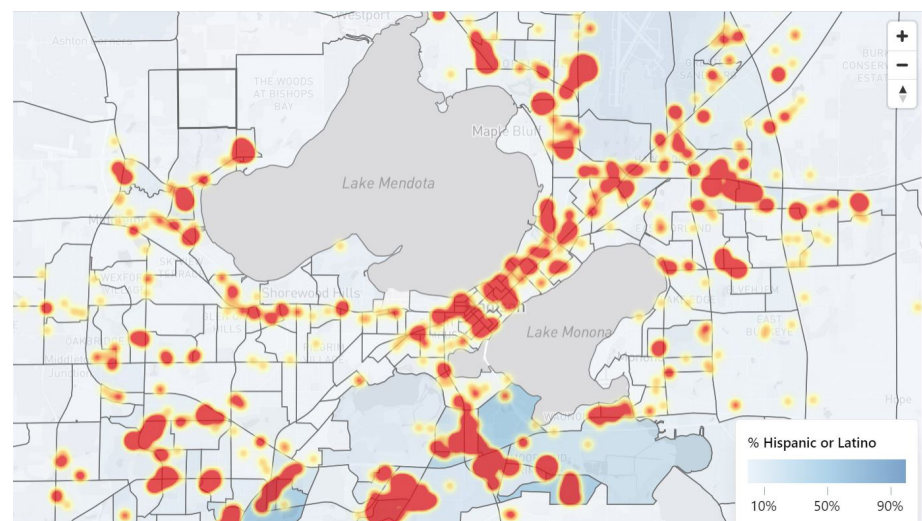
Figure 154. Eviction Filings, Jan. 2023 - Jan. 2024



Source: Tenant Resource Center

Like figure 154, census tracts with higher proportions of Latinx residents have greater hotspots than census tracts with more predominantly White residents.

Figure 155. Eviction Filings, Jan. 2023 - Jan. 2024



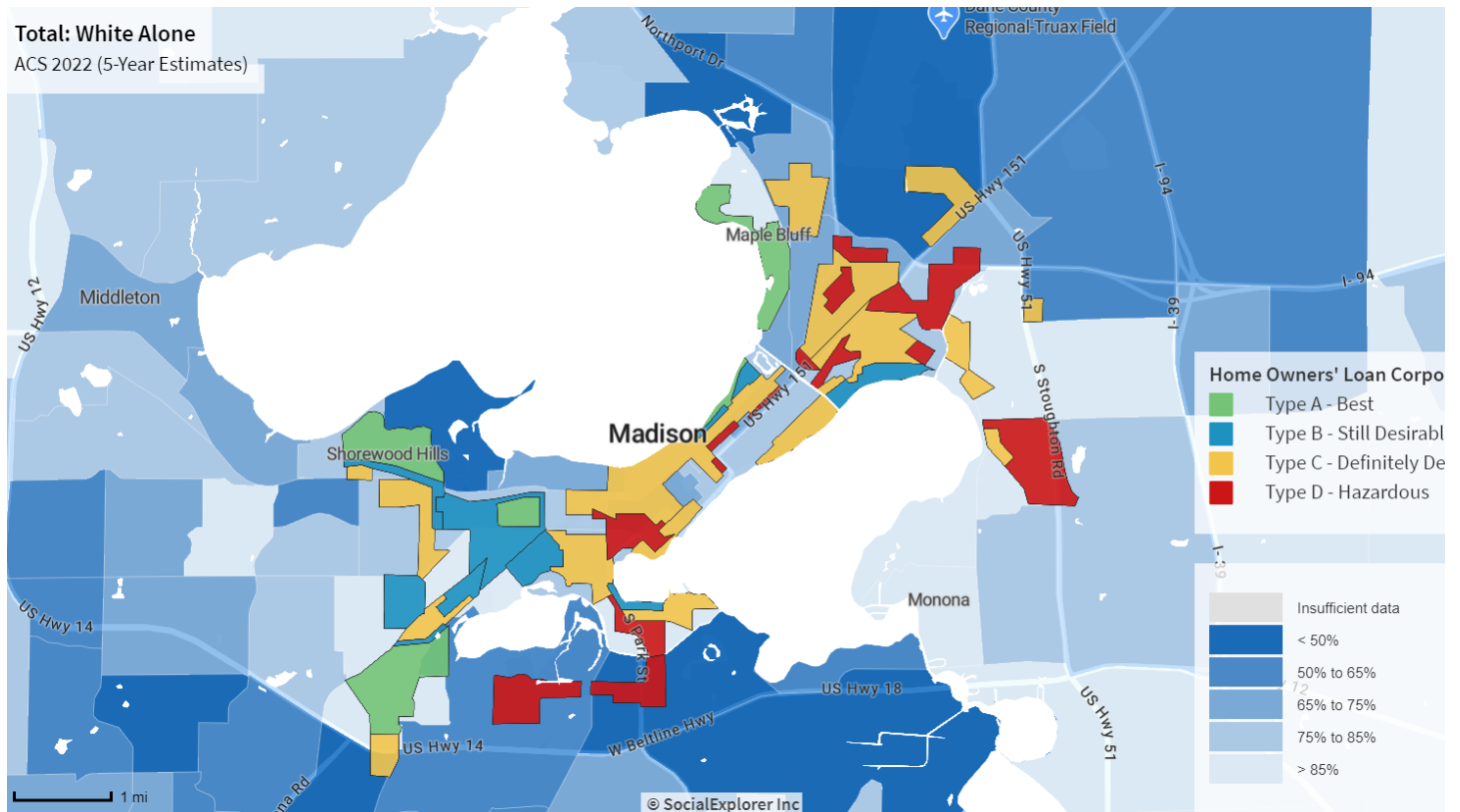
Source: Tenant Resource Center

In the 1930s, Home Owner's Loan Corporation (HOLC) employed discriminatory practices in mortgage lending known as “redlining.” HOLC developed a grading system to assess “investment risk” of neighborhoods across the United States. Rather than evaluating based on financial risk or quality of housing, the grading system was largely based in racial, ethnic and socioeconomic indicators. The effects of this practice are known to leave lasting systemic inequalities in wealth building and disinvestment of neighborhoods, as well as neighborhood racial and economic segregation.

Areas which were assessed as Grade C or D were denoted as declining or hazardous, exhibited as yellow and red in mapping. These neighborhoods were considered less desirable for investment and moderately to highly risky to loan officers. Historically, these were typically neighborhoods which were predominantly Populations of Color.

In comparison to eviction heat maps and maps reflecting population distribution by race/ethnicity we see that many of these census tracts were areas which were graded C and D in redlining maps. It is important to consider how these historical discriminatory practices play a role in fair housing assessments today. Within these C and D graded neighborhoods, there are shown indicators of elevated rates of cost burden, lower labor market engagement and household median incomes, and higher rates of households of color, youth poverty, and low-income households.

Figure 156. HOLC Map, White Alone (not Hispanic or Latino)



Source: : Social Explorer, Table B03002, 2022 ACS 5-year Estimates

*Due to data aggregating limitations in Social Explorer, White demographic data was shown with a flipped color palette to evaluate the relationship between all non-White populations and White populations.

Fair Housing Complaints:

While there has generally been a limited number of complaints to the City of Madison on the basis of housing discrimination since 2010, there has been a recent increase over the past few years due to an increased capacity for outreach and reporting. Since 2010, race has been the most common protected class for which discrimination reports are filed – representing 53% of all complaints. The next few most common reported reasons are retaliations, color, and disability.

The Fair Housing Center of Greater Madison (FHCGM) is another source at which residents are able to report discriminatory instances. Total reports to FHCGM have maintained general consistency in the frequency of reporting since 2014. Similar to reports to the city, the most frequently reported protected classes are disability and race.

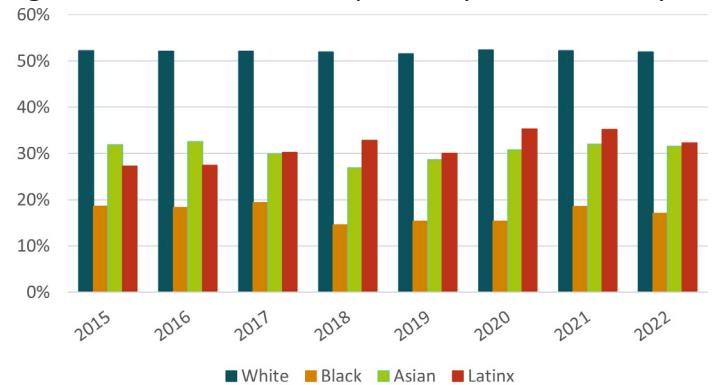
In combination, these two reporting services indicate that there is likely active housing discrimination occurring within the city, particularly on the basis of race, disability, and color – all displaying significant occurrences in comparison to discrimination of other protected class designations. It is worth noting that discrimination complaints, both to the City and the Fair Housing Center, are likely significantly under-representative of the amount of discrimination that exists within the market, as residents facing discrimination must actively reach out to these agencies and report complaints.

Lending Policies and Practices:

Mortgage lending policies and practices directly influence ownership rates within the City of Madison. The rate of homeownership for White householders has remained consistent as the greatest proportion of the White population and is higher than the overall rate of homeownership for the city (47%). Latinx and Asian homeowners have had similar rates of ownership over the past decade, however, Latinx homeownership has continued to grow and now exceeds that of Asian households. Black homeowners represent the smallest share of homeowners by race and ethnicity, and have not seen significant growth trends over the past decade.

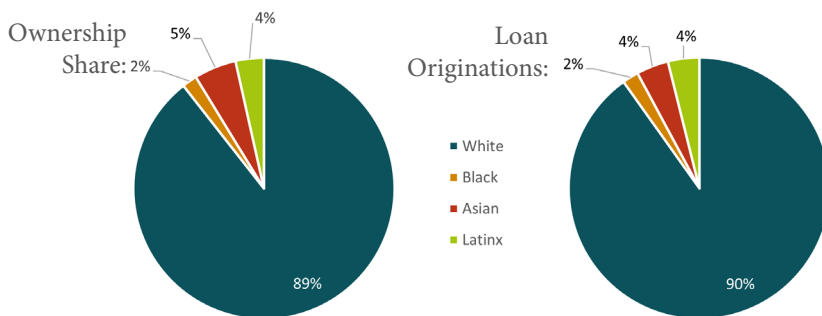
In 2020, White households made up the greatest proportion of homeowners in the city at 89 percent of all homeowners. Similar to rates of ownership by race, Asian and Latinx have similar rates of overall share of homeowners represent 5 and 4 percent of all homeowners in the city. Black residents make up the minority share of owners, representing 2 percent of all homeowners.

Figure 157. Homeownership Rate by Race/Ethnicity



Source: : ACS 5-Year Estimates

Figure 158-9. Ownership Share & Loan Originations by Race



Source: : 2016-2020 HUD CHAS; HMDA 2023

Home Mortgage Disclosure Act data shows that overall share of owner-occupied units closely follows the distributions of home loan originations. In 2023, 90 percent of all mortgage originations in the city were made to White borrowers, increasing the total share in White homeownership.

Figure 160 reveals that this increase in White homeownership was not equally distributed across the city. The south side of Madison experienced the highest increase in White ownership with a 40 to 50 percent increase in White homeowners from 2019 to 2022. Additionally, Capitol Square and surrounding tracts closest to the UW-Madison campus experienced this shift most intensely.

As shown in figure 161, census tract 14.01, above the south Beltline Highway has the highest rate of non-white homeownership with 40 to 60 percent of homeowners as non-White residents. However, this census tract is also one of tracts with the highest rates of increase in White ownership.

Despite BIPOC loan originations representing the small share of new mortgage originations, there are disparate rates of denial for applicants of color. Black applicants represent only 2 percent of all loan originations, yet have the highest share of denied applications (19%). This has decreased only slightly (2 percentage points) since the last Analysis of Impediments to Fair Housing Choice.

Latinx and Black borrowers represent similar overall denial rates, even for those with a household area median family income of greater than 100% (the households most likely to become homeowners). White households have the lowest rates of denial at both the overall level and amongst applicants with the highest income.

Change of White Alone, Not Hispanic or Latino Homeowners from 2019 to 2022
ACS 2019 (5-Year Estimates)



Owner Occupied Housing Units: Non-White Homeowners
ACS 2022 (5-Year Estimates)



Race	Overall Denial Rate	Denial Rate for Households >100% HAMFI
White	7.5%	4.5%
Black	19.0%	12.2%
Asian	8.8%	5.8%
Latinx	17.0%	12.5%

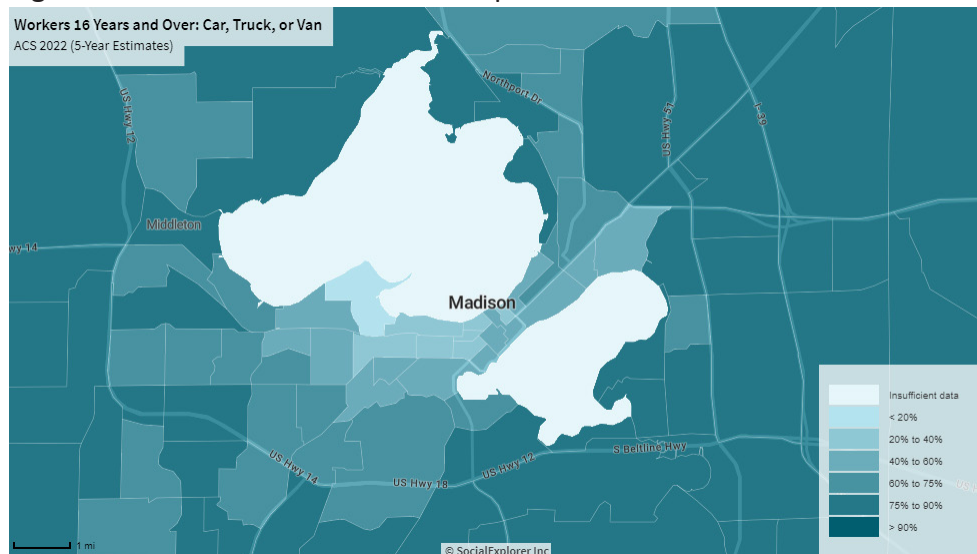
Analysis of Impediments to Fair Housing

Transit Access:

A household's place of residence directly influences the type of transportation choices they have access to and how they reach basic needs such as employment, education, and healthcare. About 65 percent of all city employees commute from outside Madison's municipal boundaries. This is illustrated by the high proportions of individuals within the periphery and beyond utilizing a vehicle as a primary means of transportation to work.

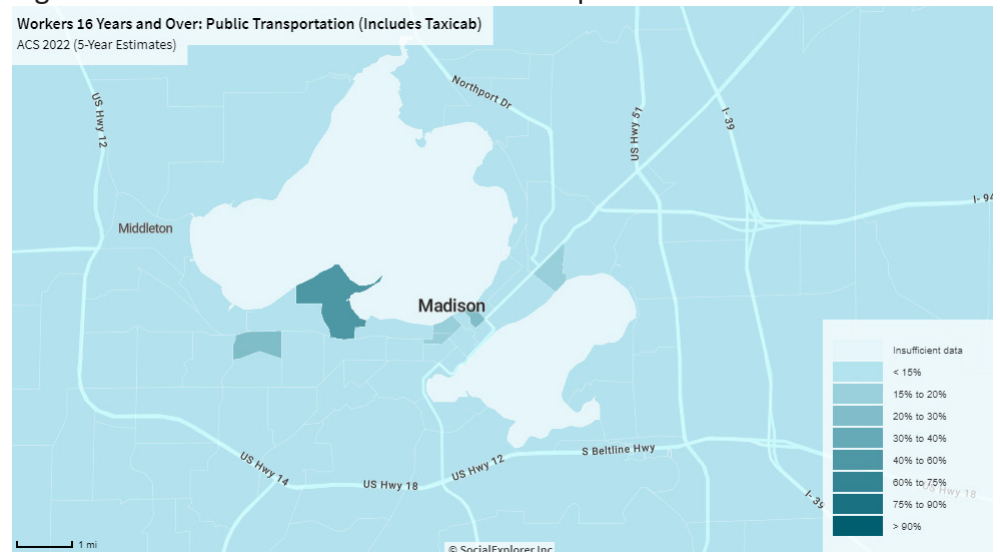
Within most census tracts in the city, less than 15 percent of the population utilize public transportation as a mean of transportation to work. These tracts are largely centrally located, suggesting that many of these individuals also likely reside and/or are employed centrally or along major transit corridors, which have been designed to connect common places of employment and the largest density of housing in the city.

Figure 163. Vehicle as Means of Transportation to Work



Source: : Social Explorer, Table A09005, ACS 5-year Estimates

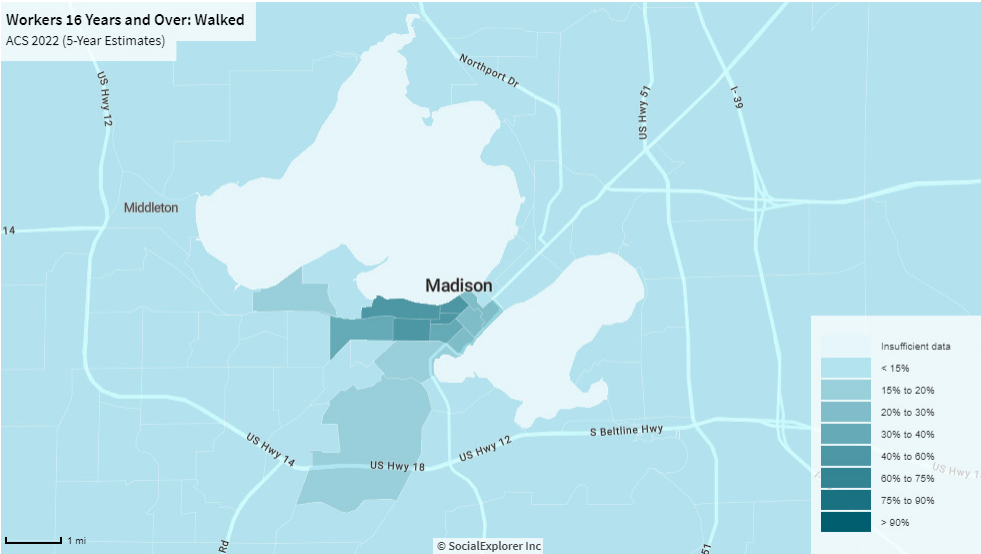
Figure 164. Public Transit as Means of Transportation to Work



Source: : Social Explorer, Table B10060, 2022 ACS 5-year Estimates

Walking as a means of transportation to work is the most common mode of transportation (ahead of public transit and personal vehicle) for workers 16 years and older to get to places of employment for the central parts of the city, but is most common in campus-adjacent tracts and other areas near downtown that have large employment bases.

Figure 165. Walking as Means of Transportation to Work

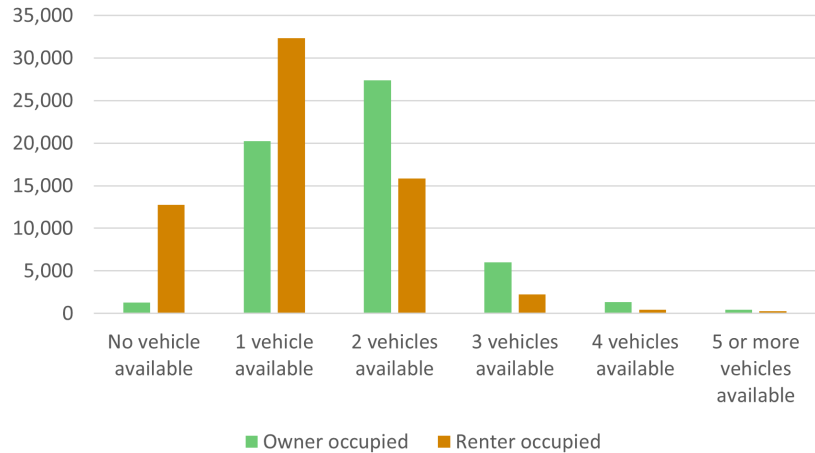


Source: : Social Explorer, Table A09005, ACS 5-year Estimates

Vehicle ownership can often serve as an indicator for financial and housing stability. Renters are more likely than homeowners to have no vehicle or one vehicle available to their household. Whereas homeowners are most likely to have multiple vehicles available. Renters are more likely to be cost burdened and have no personal means of transportation, making it more difficult to obtain housing stability.

Areas of the city in which there are limited transportation options, in addition to not having a personal vehicle, may disproportionately disadvantage renters or low-income households. By 2050, both the total number of jobs and households within a quarter mile of frequent public transit service networks are expected to more than double. Additional commuters and renters are expected in this period, indicating increased demand for efficient and comprehensive service networks.

Figure 166. Vehicles Available by Tenure



Source: : Table B25044, 2022 ACS 5-year Estimates

This is largely being mitigated through Metro’s comprehensive transportation planning and city policies that incentivize increased density of residential development in key, frequent transportation corridors. These policies, such as the Transit Oriented Development Overlay, ensure that as the city grows, both owners and renters will have new options available to them that have easy access to the most reliable transit in the city, ensuring they can accomplish all their daily needs without needing to rely on a car, and saving transportation costs for residents in these areas. While reliable transit is not an option everywhere in the city, prioritizing new housing access along these corridors will help to better connect renters in the future with additional, lower-cost options than private vehicle use.

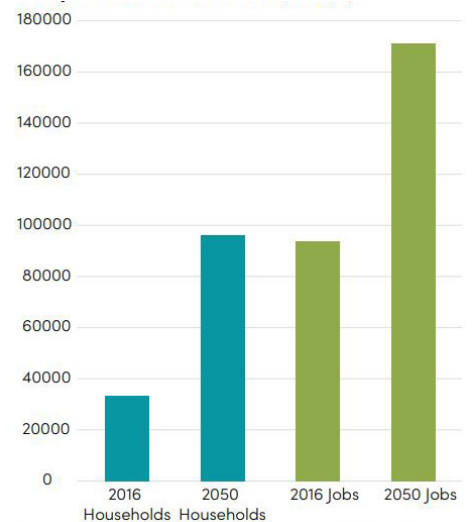
In Fall 2024, the city employed its Bus Rapid Transit system, which moves riders more quickly and efficiently throughout the community by use of larger buses, dedicated lanes, and a new fare collection system. Features of this new bus line include:

Electric buses

- New fare system & station ticket machines
- Bus-only traffic lanes
- New bus tracking technology
- Accessibility features
- Additional bike racks

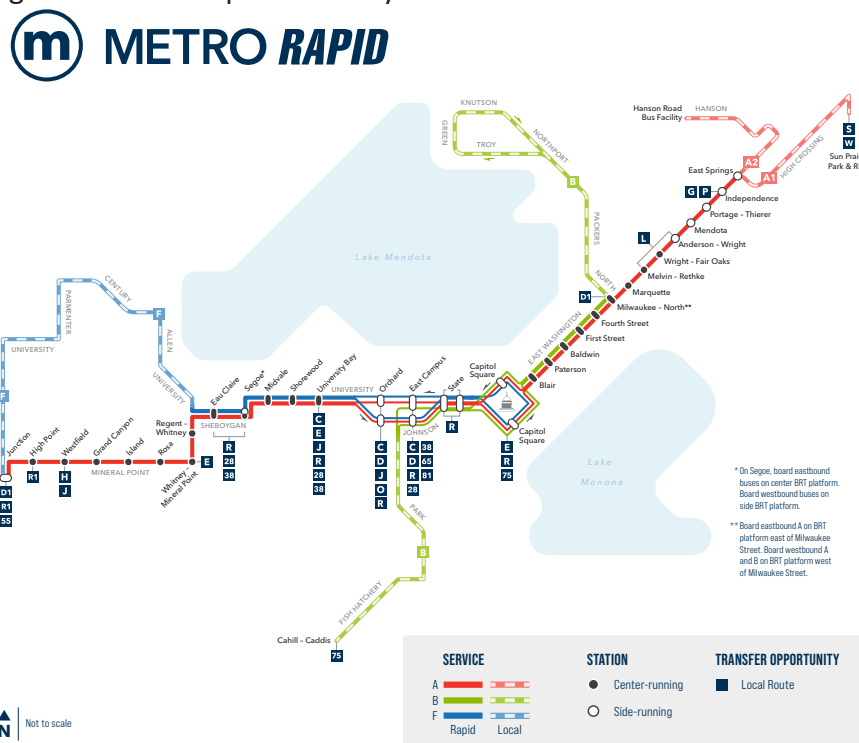
These improvements contribute to greater accessibility for all residents and commuters in the public transit network. More efficient bus routes run from peripheral neighborhoods and have improved connection for folks in these areas, which have lower rates of labor market engagement than central parts of the city. Initial data suggests increased ridership on the main BRT lines in the first year of opening, and future residential developments along these transit lines should continue to positively increase ridership in coming years.

Figure 167. Jobs & Households within Walking Distance of Frequent Service Network



Source: : Greater Madison MPO 2050 RTP

Figure 168. Bus Rapid Transit System Network



Food Access:

In 2018, the City of Madison adopted a Comprehensive Plan which identified a strategy to “Ensure access to food that is affordable, nutritious and culturally specific.” Household income is a key factor in determining food access, and food insecurity is a symptom of poverty. Therefore, low-income households are most at risk of food insecurity, and proximity to a grocery store does not ensure access to affordable, nutritious, and culturally specific foods.

Fast food chains typically target low-income areas because their thriving business model of often offering inexpensive, convenient foods which are typically low in nutrition value. Figure 169 maps fast food locations in the city by census tract and presence of populations of color. Darker blue tracts indicate a higher concentration of BIPOC individuals. Fast food locations are shown to be generally more frequently present in peripheral census tracts with less concentrations of White individuals, lower median incomes, and higher rates of cost burden.

In December of 2022, the Madison Food Policy Council released the third version of the Food Access Improvement Areas map, which highlights areas of the city that impacted by high levels of food insecurity. This map highlights areas that have both low access to grocery stores and high rates of poverty and is a city-level interpretation of the USDA Food Access indicators, ACS vehicle ownership rates, and physical barriers that may be built into the landscape, such as roads or bodies of water that restrict access. Additionally, this map identifies Neighborhood Resource Teams (NRTs), which are comprised of city staff who serve specific neighborhoods with addressing housing, youth recreation, transportation and more. This map is utilized by NRTs and the city as a whole to develop strategic plans and set priorities in expanding food access for all.

Figure 169. Fast Food Locations by Census Tract

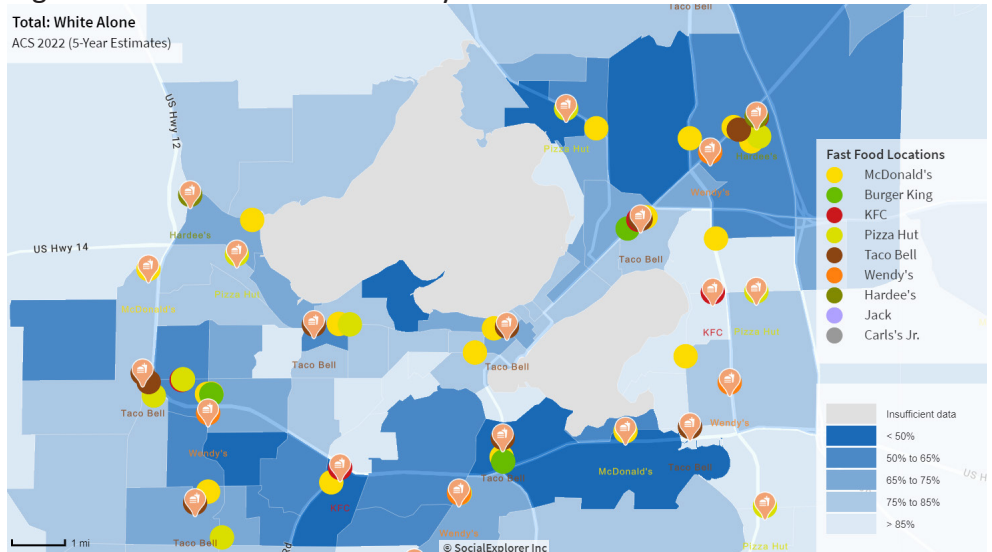
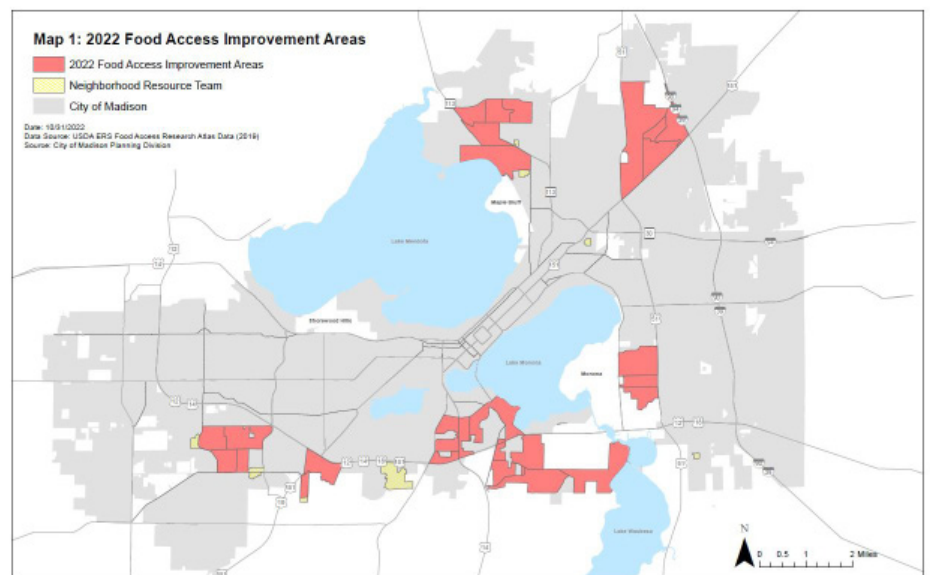


Figure 170. 2022 Food Access Improvement Map



Fair Housing Profile:

This section provides a brief overview of the current fair housing funding, programs and activities including public programs administered by the City of Madison and the efforts of private entities that support or affect fair housing choice.

Group	Development	Sale	Rental Management	Preservation/Rehab	Education and Advocacy	Fair Housing Enforcement
<u>FEDERAL</u>						
HUD	X	X	X	X		X
FHA		X				
Fannie Mae		X				
Freddie Mac		X				
Health and Human Services			X			
Internal Revenue Service	X	X	X			
<u>STATE</u>						
DOA (NSP, HCRI)	X	X				
WHEDA	X	X				
State of Wisconsin Equal Rights Division						X
<u>MUNICIPALITY/COUNTY</u>						
Dane County Equal Opp. Commission						X
Dane County Corporation Counsel						X
City of Madison Dept. of Civil Rights						X
City of Madison Equal Opp. Comm.						X
Madison CDA	X	X	X			
Madison PCED	X			X	X	
<u>STATEWIDE GROUPS</u>						
Wisconsin Partnership for Housing Development	X	X	X			
<u>LOCAL GROUPS</u>						
Tenant Resource Center					X	
Fair Housing Center of Greater Madison					X	X
Access to Independence					X	
Community Action Coalition of SCW					X	
Common Wealth Development	X	X	X	X		
Meridian Group	X		X	X		
Goodwill Industries	X		X	X		
Habitat for Humanity of Dane County	X	X		X		
Housing Initiatives	X		X	X		
Independent Living	X		X	X		
Madison Area Community Land Trust	X	X		X		
Madison Development Corporation	X		X	X		
Movin' Out	X	X	X	X		
Operation Fresh Start	X	X		X		
Porchlight, Inc.	X		X	X		
Project Home	X		X	X		
St. Vincent de Paul			X	X		
The Salvation Army			X			
Tellurian UCAN	X		X			
Urban League of Greater Madison		X		X		
YWCA			X			

Funding Sources Received in Madison:

The City of Madison administers several federal, state and local funding sources for the benefit of fair housing. Priorities for these funds are outlined in the one-year Consolidated Plan Management Process (CPMP) Action Plan, submitted by the City to HUD annually. The 2018 Action Plan outlined goals, objectives, outcomes, and estimated funding for approximately \$12.5 million in anticipated funding. The following is a brief description of these funding sources.

Community Development Block Grant (CDBG)- Entitlement

The Community Development Block Grant (CDBG) program is administered by the Department of Housing and Urban Development. Grants are awarded to entitlement communities for a variety of community development activities that develop “viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income individuals and families.

In Madison, the CDBG Committee establishes policies and makes funding recommendations to the Mayor and Common Council. The use and allocation of CDBG funds is determined through the five-year Consolidated Plan, of which this report is a prerequisite of submittal. For 2018, the City anticipates approximately \$7.4 million to be available for funding.

HOME Investment Partnership Program (HOME)

The HOME program provides grants to states and cities to fund a range of activities that develop, buy or rehabilitate affordable housing. HOME funds are often used in partnership with non-profits. In the 2018 Action Plan, the City anticipates approximately \$6.1 million available for funding.

Emergency Solutions Grant (ESG)

Emergency Solutions Grants, awarded by HUD, are to be utilized in partnership with non-profits to operate shelters, transitional housing, provide homelessness prevention outreach, and rapid re-housing services. In the 2018 Action Plan, the City estimates approximately \$156,000 in available funding.

Continuum of Care (CoC)

Continuum of Care is a program with the goal of ending homelessness through grants awarded by HUD, with federal guidelines to utilize funding for rapid rehousing both individuals and families, as well as to reduce the trauma often associated with displacement and houselessness.

Public Housing Capital Fund

HUD awards Public Housing Capital Fund monies annually to Public Housing Agencies (PHA) for the development, financing, modernization and management improvements of public housing developments. The funds cannot be used for luxury improvements, direct social services, costs funded through other programs and other ineligible activities.

Housing Cost Reduction Initiative

The Wisconsin Department of Administration, Division of Housing (DOH) makes Housing Cost Reduction Initiative (HCRI) program funds available. The program is designed to provide direct financial assistance to reduce the housing costs of low- and moderate-income households.

Affordable Housing Fund

The Affordable Housing Fund is supported by City of Madison general budget allocation to help meet the housing needs of low- and very low- income households. Allocation to the fund comes through the municipal budget process, although recent closures of TIF Districts have allowed for additional generation of money into the fund through by one-year extension of the district. The Fund provides loans and grants to housing developers (profit and non-profit) for acquisition, capital and soft costs associated with new affordable housing. Projects are awarded funding allocations through a competitive application process, guided by a preference for specific areas to target new development, the project's mission furthering City priorities (ex: ending homelessness), and feasibility of the development. This program is administered by the Community Development Division and has substantially increased the ability of developers to secure LIHTC awards through WHEDA.

Major City-Administered Programs:

The City of Madison administers various programs aimed at ensuring fair and equitable housing for the City's residents. Support is provided for these programs through both municipal funding and the above mentioned federal and state sources.

Home-Buy the American Dream

Administering Agency: Community Development Division

Funding Source(s): HOME, WI DOH-HCRI, City Levy (Revolving Loan Fund)

Beneficiaries: LMI first-time homebuyers

Home-Buy the American Dream provides down payment assistance to low-income first-time homebuyers, defined as individuals who have not owned property in the past three years, and single parents. This program offers up to \$35,000 in down payment assistance to homebuyers who wish to purchase a home within the City of Madison. This program operates as a deferred loan, and is not due until the title is transferred, home is sold, or the borrower refinances their mortgage in a cash-out transaction.

Property Tax Assistance for Seniors

Administering Agency: Community Development Division

Funding Source(s): Revolving Loan Fund

Beneficiaries: LMI households

The City offers property tax assistance for seniors through a reverse-mortgage program, capped at the amount of property tax, and not usable for living expenses. This program allows senior homeowners (65+) to age in place without the added monthly expense of budgeting for annual property tax. The program is income-restricted to 80% AMI households, with maximum liquid assets of \$30,000.

Rental Rehabilitation Loans

Administering Agency: Community Development Division

Funding Source(s): CDBG, City Levy (Revolving Loan Fund)

Beneficiaries: LMI Homeowners (Income restricted)

The Rental Rehab Loan Program offers help to owners that need to make major repairs to their properties, implement energy-efficiency upgrades, and comply with building codes and regulations. The program offers owners of properties (that charge no more than fair market rents) access to up to \$200,000 in low-cost loans to update or improve housing units. The loan amount is tiered based on the number of units being rehabilitated (i.e. 1-6 units can receive up to \$75,000 whereas 13-20 units can receive up to \$200,000). This program operates as an interest-bearing loan and compliance requirements of maintaining the units within Fair Market Rent levels during the repayment period.

Impediments to Fair Housing Choice in the City of Madison:

Race & Ethnicity Impediments

1. Moderate to high racial segregation in areas of the City may indicate barriers to geographic housing choice by race/ethnicity.
2. Lack of affordably priced units with 3 or more bedrooms in specific neighborhoods, especially in neighborhoods with larger Populations of Color.
3. Segregation by race/ethnicity within ELI/VLI households shows potential housing discrimination or other barriers for equal access.
4. Disproportionately higher levels of eviction in neighborhoods with higher populations of Persons of Color disproportionately impact future housing choice.
5. Black/African American individuals and families enter homelessness at a greater rate than other households in the same economic condition, indicating greater levels of housing instability.
6. Lack of access/opportunity for economic mobility leads to racialized income disparities that directly impede affordable housing opportunity for Households of Color.
7. Increasing owner-occupied sales prices in areas that are already moderate- to high-income can exclude lower-income households, which are disproportionately Households of Color.
8. Disproportionate rates of cost burden, severe cost burden, and severe housing unit problems amongst Populations of Color.

Age Impediments

1. Lack of assisted housing options (varying levels) for current and future aging populations throughout the City.
2. Lack of enough units within neighborhood interiors for current and future aging populations to downsize while remaining in their community.

Disability Impediments

1. Black/African American households have greater need for accessible units, based on higher disability rates.
2. Lack of accessible units or units with services to accommodate the projected large increase in current and future aging populations, especially those with disabilities.
3. Potential lack of assisted or naturally occurring affordable accessible units disproportionately affects low-income populations, who are more likely to have a household member with a disability.

Income/Affordability Impediments

1. Continued lack of supply of lower-rent units creates persistent affordability mismatch and high levels of cost-burden for lower-income households.
2. Lack of affordable units disproportionately affect Households of Color, who have a disproportionately higher need for lower-rent units due to cost burden and income disparities.
3. Lack of mixed-income neighborhood housing options may perpetuate economic and therefore racial segregation.
4. Low labor force participation in some lower-income Census Tracts which display high access to employment opportunities demonstrates a skills mismatch among employers and the potential employees that they are located near, which may perpetuate economic segregation and ownership disparities.
5. Owner-occupied home prices rising faster than incomes in the City, creating a growing income barrier to homeownership.
6. Lack of owner-occupied housing stock affordable to low- and very-low income households may perpetuate economic & therefore racial segregation.
7. Lack of supply of rental units priced affordably for moderate- to high-income households may “squeeze” the housing market, negatively affecting low-income households’ ability to secure affordably priced units.

Housing Stock Impediments

1. Lack of new construction of affordable homeownership options, coupled with decline in single-family attached and condo construction activity, may lead to increased cost of ownership - disproportionately affecting lower-income households.
2. Little to no rental housing available in specific neighborhoods limits housing choice and opportunity, and lack of supply of units Citywide disproportionately impacts lower-income households.
3. Areas with few “missing middle” housing types and low vacancy rates, especially areas mostly consisting of single-family detached homes, excludes groups more likely to be renters rather than homeowners, and limits options to age-in-place.

Housing Stock Impediments, cont.

4. Lack of affordable owner-occupied and rental housing stock in West Madison creates geographic segregation for lower-income households.
5. Lack of affordable rental housing stock in moderate- to high-income areas may perpetuate economic and therefore racial segregation.
6. Exceedingly low vacancy rates within the renter and homeowner market which contribute to scarcity and inflated home values and rent rates.
7. Historic lack of construction of housing units at the rate of which population growth is occurring.

Lending Impediments

1. Pronounced disparity in lending patterns by race/ethnicity, even for high-income Households of Color.
2. Mortgage lending denial rates, primarily for reasons of credit history, create disparities in ownership by race/ethnicity.
3. Lack of affordable housing in established moderate to higher-income neighborhoods with high concentrations of the City's owner-occupied housing stock effectively serves as a barrier to homeownership in the City.

Education Impediments

1. Unequal access to higher-achieving public schools influences students' long-term earning potential, perpetuating economic and therefore housing disparities.
2. Lower high school completion rates impact future earning potential of individuals by race/ethnicity, disability status, and childhood household income, perpetuating housing barriers and disparities.

Public Impediments

1. State law preempts City's ability to post notice of available tenant resources and rights in rental buildings.
2. Lack of frequent transit service in some areas with higher-than-average concentrations of low-income households may limit mobility of lower-income residents, even with increased access to transit overall for lower-income households.
3. High land costs make it difficult to develop multifamily affordable rental in higher-income areas.
4. Many housing types are conditional instead of permitted uses in Madison's Zoning Ordinance, creating administrative restrictions and barriers to accessibility and affordability.
5. Zoning ordinance restricts the number and density of housing units that can be created in established neighborhoods.

Legislative Impediments

1. State landlord-tenant law currently allows 5-day, no-cure eviction notice for suspicions of criminal activity, with current eviction patterns shown to be more likely in Communities of Color.
2. Frequent state law changes impacting tenant rights makes it difficult for the City and City-contracted agencies to educate tenants of changes to law.
3. State law preempts City's ability to consider solutions to affordable housing issues that are common in other states, such as rent control, inclusionary zoning, etc.
4. State law prohibits City's ability to raise minimum wage to a prevailing or living wage.
5. State law limits municipalities from conducting regular housing inspections of rental properties and from requiring landlord registration.

Actions to Alleviate Impediments to Fair Housing Choice:

The challenge of meeting Madison's varied, and growing, housing needs is the main focus of the City's Housing Forward Initiative. The vision embodied in Housing Forward is to support quality, accessible, affordable housing choices for all Madison households. Launched in April of 2021, its goals include:

1. Increase Housing Choices
2. Create Affordable Housing Throughout the City
3. Combat Displacement and Segregation
4. Ensure Older Adults and Others Can Remain in Their Homes
5. Work to End Homelessness

Despite these early gains, there is general consensus in the community that many in Madison continues to face housing challenges. On October 6, 2023, the Madison Common Council passed a resolution (RES23-00606; Legistar #79226) directing the Housing Strategy Committee to review the Housing Forward Initiative with an eye toward building on its impact. Specifically, the Committee was asked to consider and formulate recommendations around the following:

1. How can the City support the creation of more ownership housing types?
2. How can the City help scale up the development of new affordable rental units beyond the current 400 per year pipeline?
3. How can the City support the creation of affordable student housing?

In addition, the Council requested that recommendations focus on:

- Ensuring affordable housing choices for people with the lowest incomes who may also be facing compounded challenges and higher needs, and;
- Efforts to expand housing options in every Madison neighborhood to improve equitable access to City resources.

The result of this work culminated in the ***Report of the Housing Strategy Committee on Housing Supply & Affordability***, which is attached as Appendix A to this Analysis of Impediments. The recommendations of the Report were created with the Analysis of Impediments in mind, and the strategies contained within touch points of nearly all identified impediments that are within the City's ability to directly influence.