

ANALYSIS OF IMPEDIMENTS TO  
**Fair Housing Choice**

Summary Document of Impediments to Fair Housing Choice in Madison, WI  
in planning for  
Strategies & Actions to Alleviate Impediments

City of Madison Community Development Division | DRAFT April 22 2019

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## Definitions

### *Affordable Housing*

Affordability of housing is relative to income generated per household. The most commonly used statistic for gauging affordability is 30% of a household's income – that is, a household can spend *up to 30%* of their income towards housing related expenses while maintaining affordability. All housing related costs are included as a percent of gross income, for instance renter affordability limits would include utility cost. Owner related affordability limits include taxes, insurance, and utilities as well as mortgage payment and anticipated costs of repair.

### *American Community Survey*

The American Community Survey (ACS) is an ongoing survey conducted by the US Census Bureau that provides data estimates every year. ACS data is used to show characteristics and trends in populations, not hard counts. Five-year data is used when available to increase the accuracy of counts.

### *Community Development Block Grant (CDBG)*

The Community Development Block Grant is a federal grant program administered by HUD that provides funding for flexible community development opportunities directly to municipalities, called *entitlement communities*. The goal of the CDBG program is to provide benefit to low-income households in ensuring affordable housing opportunity, providing services to vulnerable populations, and supporting economic development opportunities.

### *Fair Housing Act*

The Fair Housing Act is a broad statute that prohibits discrimination based upon race, color, religion, sex, national origin, disability, or familial status in the majority of housing transactions.

### *HOME Investment Partnerships Program (HOME)*

The Home Investment Partnerships Program (HOME) is a federal grant program administered by HUD that provides funding to municipalities, referred to as *participating jurisdictions*, to fund acquisition, rehabilitation, and/or construction of affordable housing. These funds are often utilized to strengthen the mission of local non-profit partners for either homeownership or rental opportunities to low-income households.

### *Home Mortgage Disclosure Act*

The Home Mortgage Disclosure Act (HMDA) is a data source supplied in part by mandatory reporting of loan applications within metropolitan statistical areas. HMDA data is used in this report to show loan originations and denials only, by race, for first-liens on owner-occupied housing.

### *Housing Cost Burden*

When a household spends more than 30% of adjusted gross household income on housing, they are considered cost burdened. Households that spend more than 50% of their household income on housing are considered **severely cost burdened**.

### *HUD-CHAS*

Comprehensive Housing Affordability Strategy (CHAS) data is a US Department of Housing and Urban Development (HUD) custom tabulation of ACS data from the US Census Bureau that are not available through standard Census products. Datasets are typically released a year behind ACS tabulations, but have increased precision of tabulations, especially among housing-related data. These data are meant to demonstrate the extent of housing problems and housing needs, particularly for low-income renter households.

### *HUD Area Median Family Income (HAMFI)*

HUD Area Median Family Income (HAMFI) is a measure of median income by household calculated by HUD-determined housing markets, largely based on metropolitan statistical areas. While HAMFI does not provide the precision of a County Median Income or City Median Income, HAMFI offers HUD the ability to adjust median income by known household size in CHAS tabulations, providing more consistent data metrics across demographics.

## *Income Classifications*

HUD provides different income classifications for different programs that they administer – for instance, CDBG programs define “low-income” households as earning below 50% of the Area Median Income, while under Section 8 Housing Assistance Payments a household earning 50% of the Area Median Income or under would be considered “very low-income”. These income definitions vary by program across all income levels. For the purposes of this report, a variation of the most common definitions are used to describe the income levels of households of various sizes. These income categories are:

### **Extremely Low-Income (ELI)**

Extremely Low-Income (ELI) households earn less than or equal to 30% of the HUD Area Family Median Income as measured by MSA, adjusted for family size. Per HUD 2018 FY Income Limits, a household of four (4) in the Madison, WI MSA earning less than or equal to \$27,500 annually would be considered an extremely low-income household. These households fall into the broader low-income classification.

### **Very Low-Income (VLI)**

Very Low-Income (VLI) households earn greater than 30% but less than or equal to 50% of the HUD Area Family Median Income as measured by MSA, adjusted for family size. Per HUD 2018 FY Income Limits, a household of four (4) in the Madison, WI MSA earning greater than \$27,500 but less than or equal to \$45,850 annually would be considered a very low-income household. These households fall into the broader low-income classification.

### **Low-Income (LI)**

Low-Income (LI) households earn greater than 50% but less than or equal to 80% of the HUD Area Median Family Income as measured by MSA, adjusted for family size. Per HUD 2018 FY Income Limits, a household of four (4) earning greater than \$45,800 but less than or equal to \$71,900 annually would be considered a low-income

household. These households fall into the broader low-income classification.

### **Moderate-Income (MI)**

Moderate Income (MI) households earn greater than 80% but less than or equal to 100% of the HUD Area Median Family Income as measured by MSA, adjusted for family size. Per HUD 2018 FY Income Limits, a household of four (4) earning greater than \$71,900 but less than or equal to \$91,700 annually would be considered a moderate-income household.

### **Moderate to High-Income (MHI)**

Moderate to High-Income (MHI) households earn greater than 100% but less than or equal to 140% of the HUD Area Family Median Income as measured by MSA, adjusted for family size. Per HUD 2018 FY Income Limits, a household of four (4) earning greater than \$91,700 but less than or equal to \$128,400 annually would be considered a moderate to high-income household.

### **Very High-Income (VHI)**

Very High-Income households earn greater than 140% of the HUD Area Family Median Income as measured by MSA, adjusted for family size. Per HUD 2018 FY Income Limits, a household of four (4) earning greater than \$128,400 annually would be considered a very high-income household.

## *Low-Cost Housing*

This report defines low-cost housing as housing that would be affordable to a family with an income at 50% of the HUD Area Family Median Income, adjusted for family and bedroom size.

## *Metropolitan Statistical Area (MSA)*

For many data areas, but especially for income-related data, HUD often utilizes Metropolitan Statistical Areas (MSAs) as the unit of measure. MSAs are a geographic unit with at least one urbanized area greater than 50,000 in population, plus adjacent municipalities with a high level of integration with the core as measured by commuting trends. This allows HUD to better represent the effect of regional choice and mobility within housing and economic markets.

## Report Introduction

This report is analysis and review of some (but not nearly all) data points used within the City of Madison's 2018-2019 Analysis of Impediments to Fair Housing Choice, with particular emphasis on data relating to race and ethnicity. This data has been summarized to key elements as an introduction into the history of Fair Housing, how Madison's historic policies have influenced Fair Housing Opportunity, and current disparities that lead to disproportionate access. While this summary represents major data points, it is by design not a comprehensive planning document. Please see the City of Madison's 2018/19 Analysis of Impediments to Fair Housing Choice for more details and full analysis.

This report identifies barriers to Fair Housing in the City of Madison beyond the scope of housing markets, placing emphasis on areas with disparate access or disparity that ultimately create unequal housing access through a framework of interwoven structural advantage and disadvantage. Areas of structural injustices/disparities analyzed for this report include: education, homelessness, incarceration, income, consumption, mortgage lending, and public/administrative. Some impediments have a more "direct" effect on housing, while others are identified for their impact on the earning potential of individuals reinforced by economic segregation giving unequal access to high-performing elementary schools, for instance.

Ultimately, 41 impediments were identified across 9 "impediment areas" within the full Analysis of Impediments. These areas define the relationships between protected class aspects that ultimately impact opportunity within the housing market, but many impediments could potentially be classified in multiple areas due to structural effect and impact on multiple aspects of individuals' identity. These impediment areas are Race & Ethnicity, Age, Disability, Income & Affordability, Housing Stock, Lending, Education, Public Sector, and Legislative. Please see pages 7 and 8 for a full list of impediments identified within the larger document, and page 32 for a list of actions & strategies identified to alleviate impediments.

## Introduction to Fair Housing as a Concept

Fair Housing Opportunity is the ability for households and individuals, regardless of protected class, to have the same access to geographic opportunity within both public and private markets. All municipalities receiving funding from the U.S. Department of Housing and Urban Development (entitlement/participating jurisdictions) are required to *affirmatively further fair housing* within the political and administrative reach of their jurisdiction. A provision of the Civil Rights Act of 1968 (Fair Housing Act), before receiving federal funding within a 5-year cycle, municipalities must create an *Analysis of Impediments to Fair Housing Choice* as part of their *Consolidated Plan* development process. Fair Housing is about more than housing markets – it is about the relationship between social position, structural disparities, and the City of Madison's obligation to proactively further housing opportunities for all individuals in the City, or wishing to move to the City.

## Impediments to Fair Housing Choice of the 2018/19 City of Madison AI

### Race & Ethnicity Impediments

1. Moderate to high racial segregation in areas of the City may indicate barriers to geographic housing choice by race/ethnicity.<sup>1</sup>
2. Lack of affordably priced units with 3 or more bedrooms in specific neighborhoods, especially in neighborhoods with larger Populations of Color.<sup>1</sup>

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<sup>1</sup> Also identified in City of Madison 2013 Analysis of Impediments to Fair Housing Choice

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 in areas that are concentrations of Households of Color, and/or poverty 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. Extreme disparities in rates of incarceration by race/ethnicity directly impede future housing opportunity, furthering wage gaps and segregation in the City.

### 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. 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.<sup>1</sup>
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.<sup>1</sup>

### 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, 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.
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.

### Lending Impediments

1. Pronounced disparity in lending patterns by race/ethnicity, even for high-income Households of Color.<sup>1</sup>
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. Difficult for tenants to file housing discrimination complaints with City and City-contracted agencies results in low numbers of fair housing complaints.<sup>1</sup>
2. State law preempts City's ability to post notice of available tenant resources and rights in rental buildings.
3. Lack of frequent transit service in specific areas with higher than average concentrations of low-income households limits mobility of lower-income residents, impacting access to economic opportunity.<sup>1</sup>
4. High land costs make it difficult to develop multifamily affordable rental in higher-income areas.
5. Many housing types are conditional instead of permitted uses in Madison's Zoning Ordinance, creating administrative restrictions and barriers to accessibility and affordability.
6. 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 implement solutions to affordable housing shortage 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.

## What is Affirmatively Furthering Fair Housing?

As a definition per the U.S. Department of Housing and Urban Development, furthering Fair Housing is:



*"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."*

The above definition (emphasis author's), articulates the direction municipalities should undertake to proactively and definitively work to "overcome patterns of segregation", "foster inclusive communities", and "address significant disparities in housing needs [and] access to opportunity". Therefore, in order to effectively further Fair Housing, research into structural patterns of segregation and disparity must be analyzed in order to determine the current landscape and projected municipal patterns in order to plan for a future where Fair Housing is guaranteed for all households and individuals. Obligations are identified through the Analysis of Impediments research and report process, and individual municipalities choose the strategies that best suit them to meet and achieve Fair Housing objectives.

## Report Structure

This summary report is structured to introduce several historic patterns of segregation that necessitate Fair Housing, analyze current effects within disparity and geography, and propose strategies and actions that can work to alleviate disparate outcomes perpetuated by both private and public markets.

In general, this summary includes:

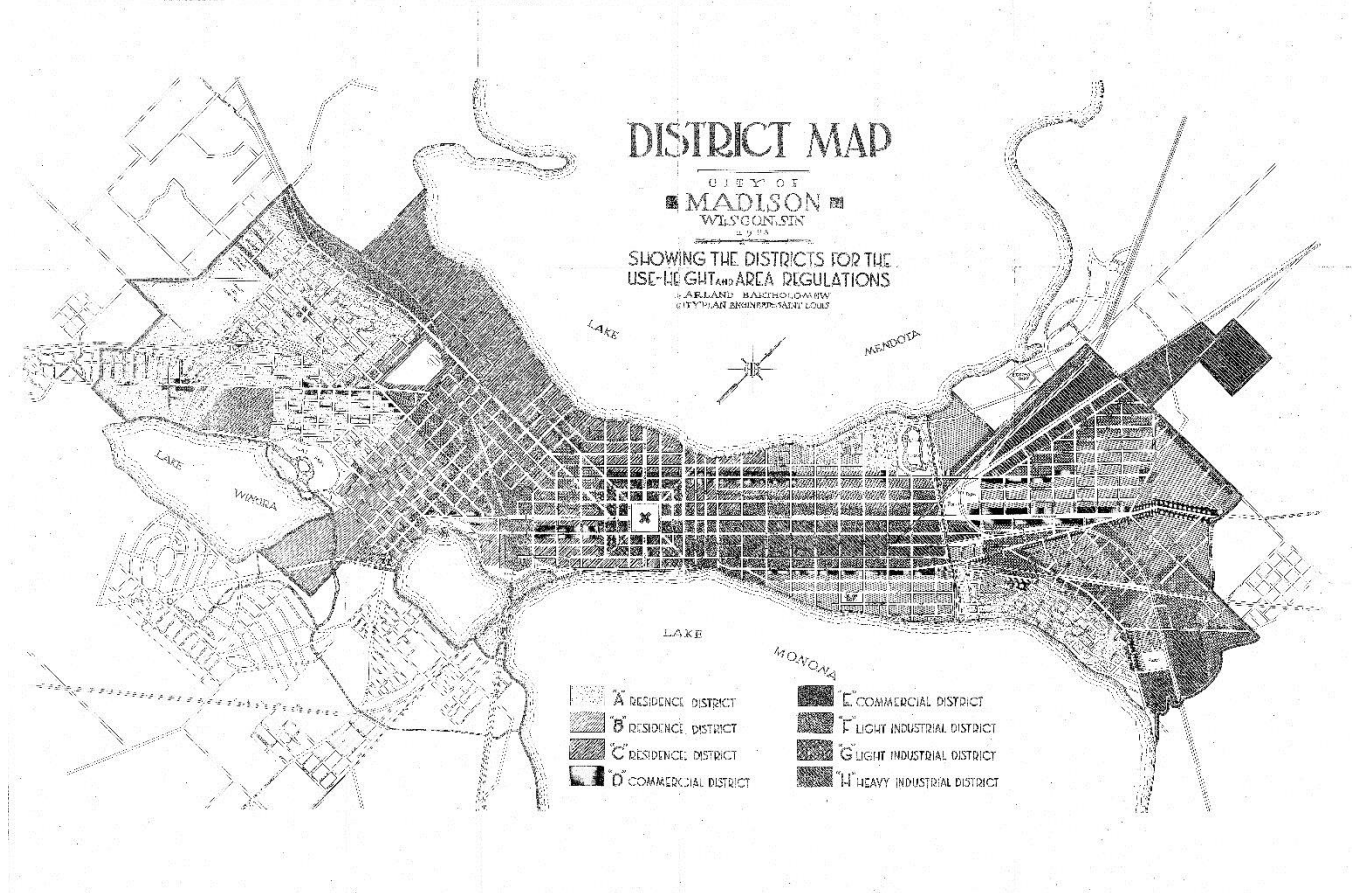
1. Local History and Impact on Fair Housing
  - a. 1922 Zoning Ordinance
  - b. HOLC (Home Owners Loan Corporation) Investment Maps
  - c. Early Segregation (1960s)
2. Current Patterns of Segregation and Disparity
  - a. Geographic Segregation
  - b. Affordability & Consumption
  - c. Educational Opportunity
  - d. Homelessness
  - e. Carceral Shelter of Homeless
  - f. Federal Program Assistance & Race by Geography
  - g. Racially Concentrated Areas of Affluence
  - h. Mortgage Lending
  - i. Public Sector Regulations
3. Opportunities to Address & Alleviate Impediments
  - a. Public & Private Obstacles & Opportunities

# Local History and Impact on Fair Housing

## City of Madison's 1922 Zoning Ordinance

Following the *Buchanan v. Warley* Supreme Court decision in 1916, racially-based zoning ordinances were determined to be unconstitutional for use within the United States. The City of Madison, WI (1920 population 38,378<sup>2</sup>), had no such zoning ordinance in place at the time. However, like many other Cities of the time under the direction of the Model Zoning Ordinance and Hoover administration<sup>3</sup>, the City of Madison officially adopted a zoning ordinance for the City in November of 1922<sup>4</sup>. This ordinance, while beneficial to the growth of the City and Public Welfare, provided regulation of the built environment which may inadvertently carry through disparity in access to housing opportunity to the present-day.

Figure 1: 1922 City of Madison Zoning Map



No detailed analysis of this map is conducted in this summary or the full Analysis of Impediments – it is provided only for reference. However, attention should be drawn to areas of near-West Madison, from Monroe Street to Hoyt Park, areas near Tenney Park and the Tenney Lock-and-Dam, as well as the eastern edge of the City along Lake Monona. These areas of the City were among those to receive a zoning designation of “A” districts, restricting uses to One Family Dwellings, Churches, Schools, Libraries, Farming and Gardening, and Accessory Buildings (sheds, private garages and stables, and home-offices of physicians, surgeons, dentists, musicians, or artists).

<sup>2</sup> U.S. Census Bureau

<sup>3</sup> Rothstein, Richard. “Racial Zoning.” In *Color of Law*, edited by Richard Rothstein, 48–50, 2017.

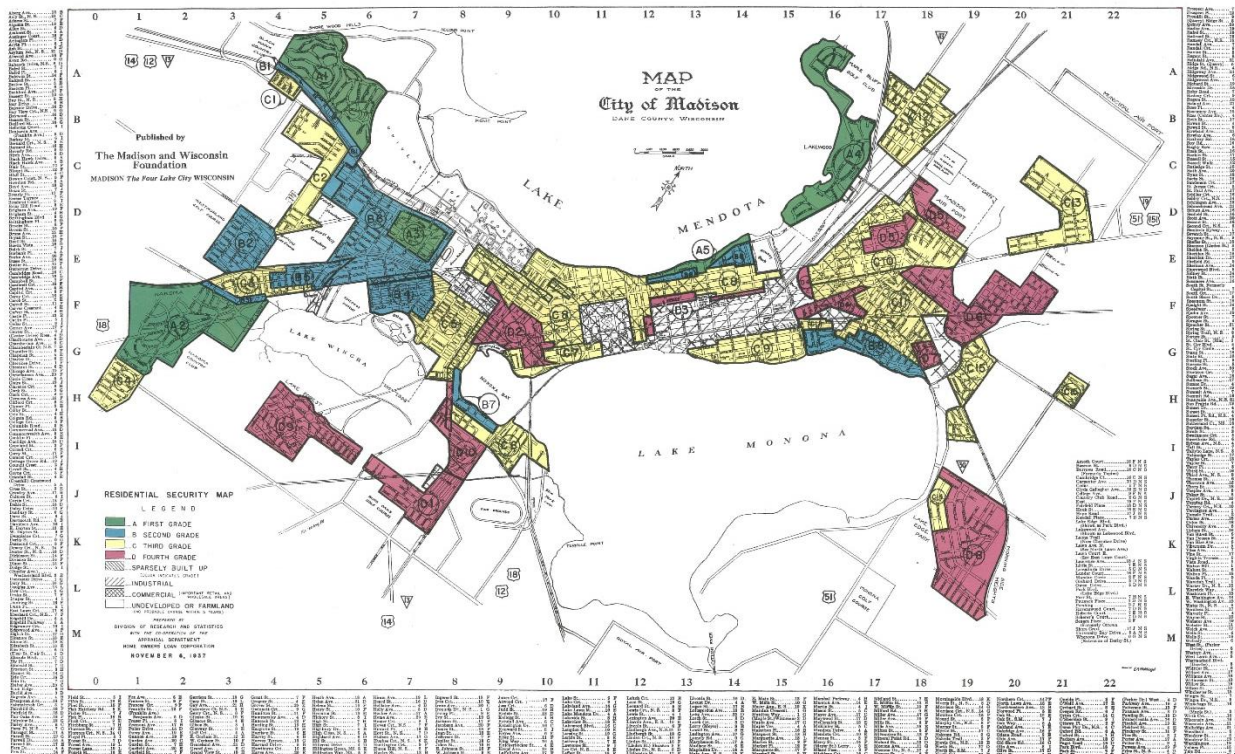
<sup>4</sup> City of Madison General Ordinance No. 2047, Adopted November 20, 1922

## Home Owner's Loan Corporation Investment Mapping

As a result of the impact of the Great Depression upon American wealth building and economic stability, the Federal government created several institutions, one being the Home Owner's Loan Corporation in an attempt to stabilize housing markets across the country. Both locally and nationally, HOLC maps guided investment into residential areas based not only on the physical structure and properties of individual sites, but also as a result of demographics of communities.

The map for the City of Madison, released in 1937 (Fig. 2) builds directly off the 1922 Zoning Ordinance in providing direction to possible investments within the City. For instance, the HOLC investment guidelines show clear preference within "A" graded zones to construction of new residential subdivisions, zoned by the municipalities primarily for One Family Dwellings, including the Villages of Shorewood Hills (1927) and Maple Bluff (1931). Zones graded "A" within HOLC mapping signaled desirable investment opportunities to financial institutions, and helped lead to significant development of single-family construction patterns to allow for Madison's growth.

Figure 2: 1937 HOLC Map for the City of Madison



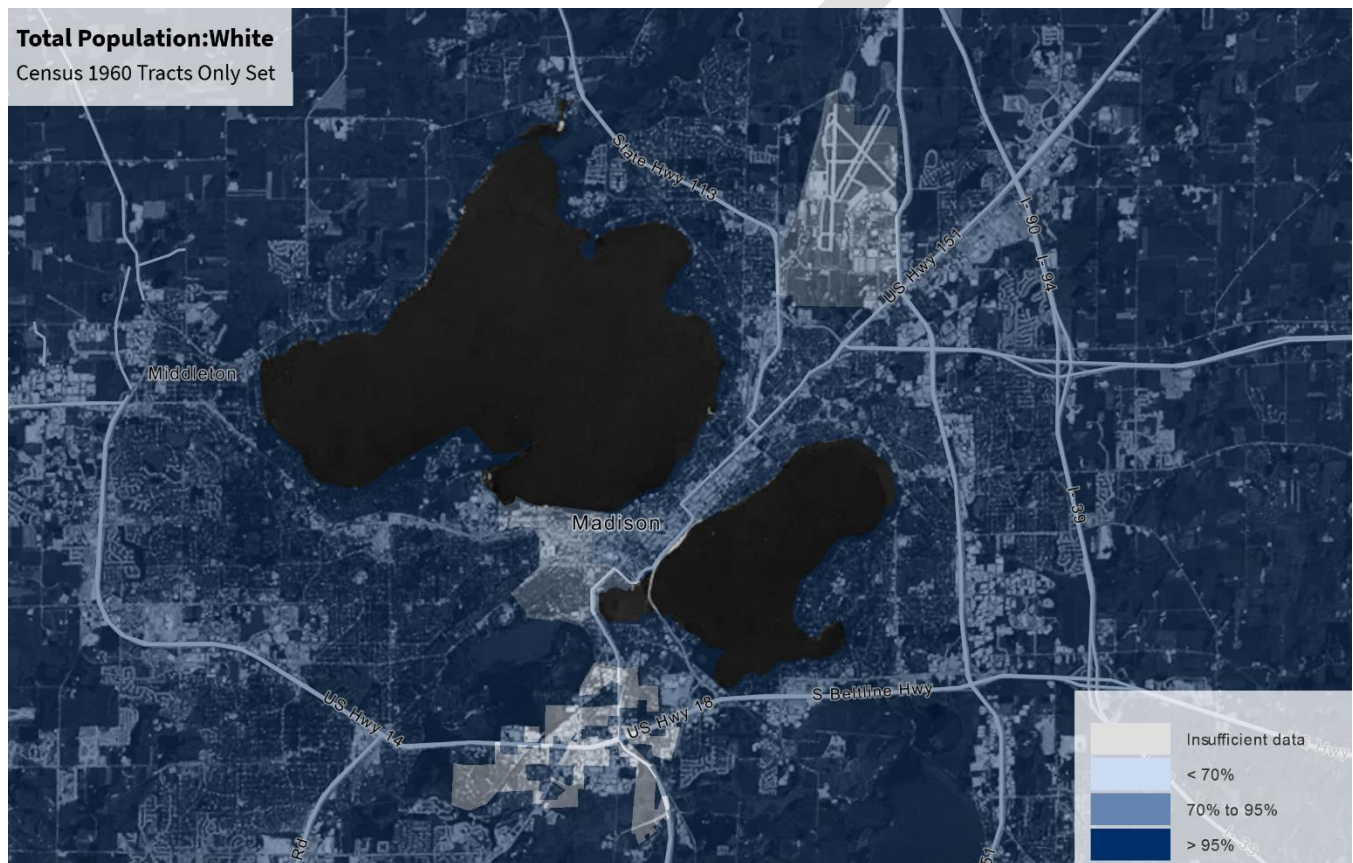
Notably, areas already developed within the limits of the City of Madison that had "A" zoning designations (One Family Dwellings) also received grading of "B" within HOLC products, which secured financial reinvestment and development within neighborhoods that were the primary residence for those who could afford homeownership. Areas near industrial, and areas which contained immigrant and Black communities were effectively prohibited from investment for financial institutions using HOLC maps as guidance. The continuation of disinvestment within immigrant and Black communities across the United States was a precursor to the conditions necessitating the Civil Rights Act of 1968, which introduced the obligation for municipalities receiving federal funding to further fair housing opportunity.



## Segregation in 1960s Madison

Within the 1960s, the City of Madison contained several areas of segregation (Fig. 3). All of these areas – South Madison, North Madison, and Greenbush/Campus, are areas that display increased numbers of Households and Persons of Color to present-day. Additionally, HOLC mapping identified the Greenbush area as “Hazardous”, areas near campus as “Definitely Declining”, and South and North Madison are both extensions of areas that were either “Declining” or “Hazardous”. As HOLC mapping solidified neighborhood investment to be partially consistent with the City’s original and (although about to be revised) zoning code, these areas of the City had not seen the same access to development and investment opportunity as other geographic areas with higher HOLC grades.

Figure 3: 1960s Segregation in the City of Madison



The landscape of 1960’s Madison shows clear patterns that display lack of integration within the City and larger region at the time. Estimates place the White population of Dane County, WI at approximately 98.4% per the 1960 U.S. Decennial Census. However, Census Tract 14 in South Madison was nearly 32.4% Persons of Color at the time of the Census, Census Tract 12 (Greenbush) 6.4% Persons of Color, Census Tract 11 (UW-Madison Campus Area) 5.6% Persons of Color, and Census Tract 25 (North Madison/Airport) 6.4% Persons of Color – all well above both City and County averages.

The final period of time used to highlight the local history of a Fair Housing landscape for the purposes of this summary, it should be noted that the City as a whole has doubled in size since 1960 (126,706 to 255,214), yet integration has been shown to be decreasing since 2000 (pg. 15 Fig. 6). This implies while populations of Color have grown, residential integration remains a top equity priority in the City.

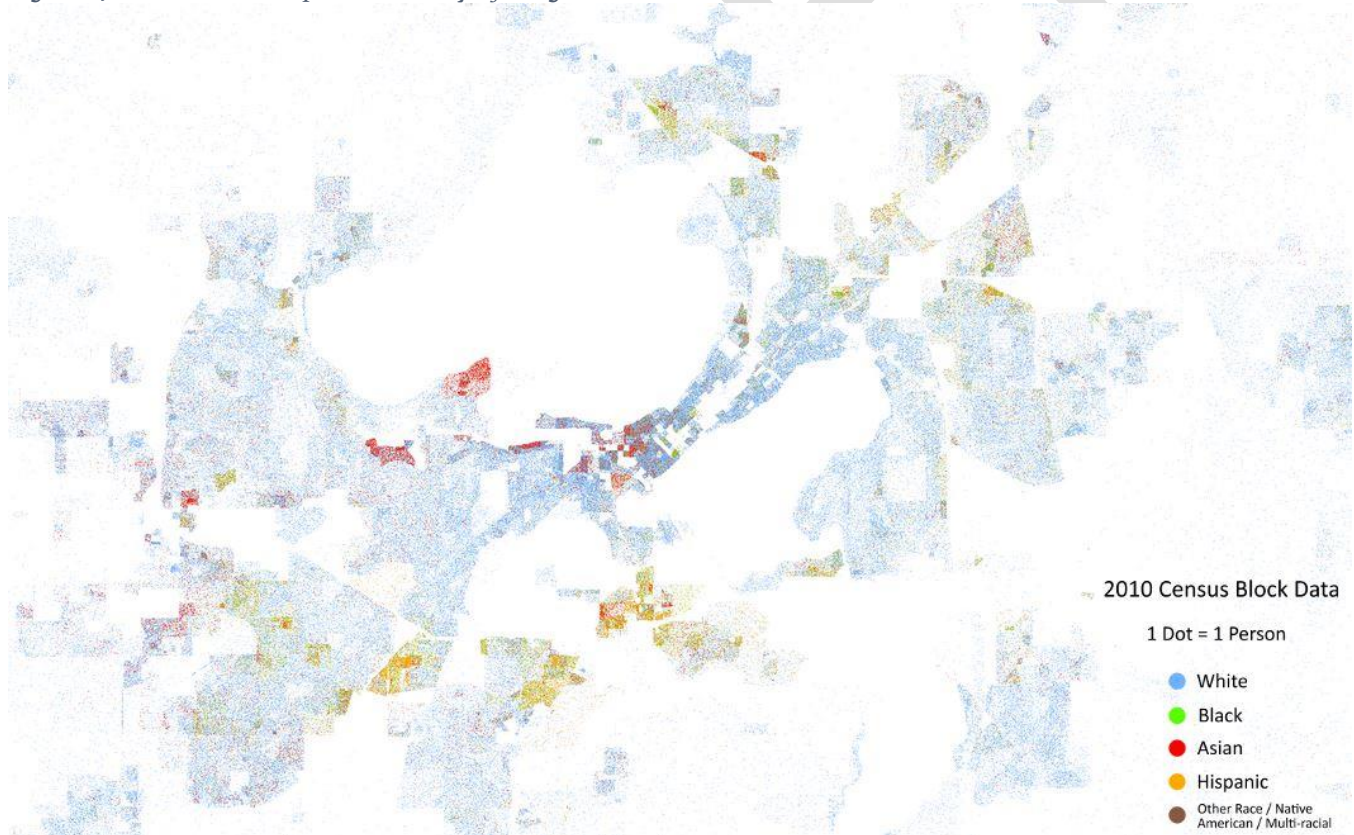
# Current Barriers to Fair Housing Opportunity

## Disparities in Housing – Introduction to Fair Housing Challenges in the Present

In analyzing housing disparities and patterns in the present, it is integral to realize the types of housing that exist outside of traditional private and public markets. For instance, jails and prisons served as a form of shelter for over 12,803 individuals in Dane County alone in 2017<sup>5</sup>. In addition to carceral shelter, homeless housing (emergency, transitional, and permanent) served nearly 4,000 distinct individuals in 2017 (3,962), with another 84 individuals identified as unsheltered within the January 2018 Point-In-Time Count in Madison, WI and Dane County<sup>6</sup>.

To illustrate disparities in forms of housing (particularly incarceration and homelessness), disparate access is apparent within Census data when geographically coded and filtered by race/ethnicity. The cover image for this report, the *Racial Dot Map* (Fig. 4), was produced by the Demographics Research Group at the University of Virginia based on 2010 U.S. Decennial Census data. This data is not aggregated by Census Tract or Block Group, but is a visualization of the direct count of individuals, by Census-defined race/ethnicity, at the exact location they were counted as residing at during the 2010 U.S. Census.

Figure 4: Racial Dot Map - University of Virginia



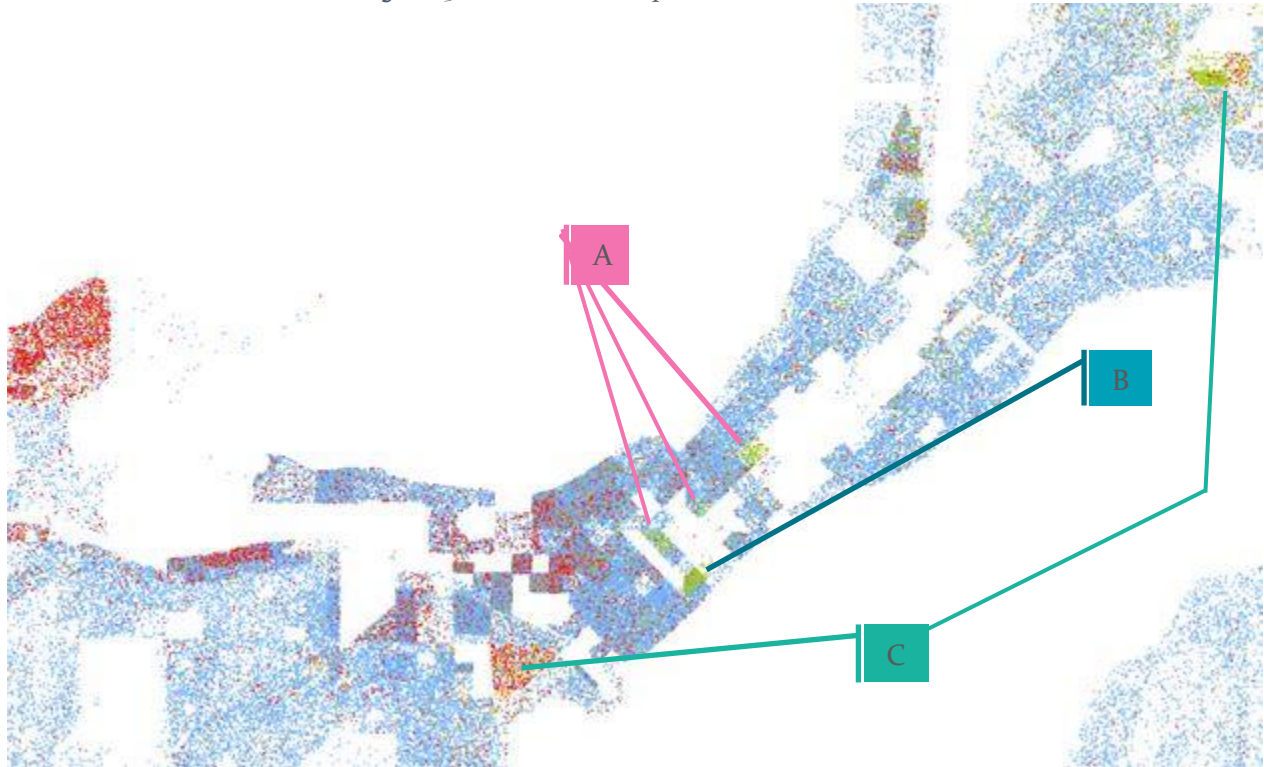
This map displays not only population density and racial/ethnic data for individuals in the United States, displaying residential segregation and integration patterns across the entire country, but it also identifies areas distinct from traditional public or private market interactions and associated disparities.

<sup>5</sup> Wisconsin Department of Corrections, Office of Detention Facilities 2017 Annual Report

<sup>6</sup> Homeless Services Consortium of Dane County, Annual Report 2017

For instance, an examination of the central isthmus of Madison, WI begins to display disparities in mode of housing access without the need to begin analyzing statistical data, from the Census or otherwise.

Figure 5: Racial Dot Map - Madison Isthmus



Legend for annotations of Figure 5:

- A.** Homeless Services & Shelter
  - a. Displays disparity of increased number of Black/African American individuals and families experiencing homelessness
- B.** Dane County Jail & Detention Facility
  - a. Displays disparity in increased number of Black/African American individuals incarcerated in Detention Facilities
- C.** City of Madison Public Housing / Bayview Foundation
  - a. Displays disparity in increased number of Black/African American and Asian households utilizing public housing or project-based Housing Choice Vouchers within a concentrated area

Without further analysis, these occurrences indicate incredible likelihood of housing-related opportunity and effect disparities within the City of Madison, as well as being indicative of large disparities in access to geographic opportunity, fair housing, and community choice. While access to homeless services and access to public housing are necessary and unquestionably beneficial for persons of all races & ethnicities, it does imply disparities in access to traditional housing markets, disparity in incarceration rates, disparities in housing stability, and disparities in income.



Within traditional housing markets within the City of Madison, there is opportunity to assess segregation, most commonly measured by utilizing a dissimilarity index. This index represents a summary measure of the extent to which distribution of any two groups differ across given areas within a larger area – in this case Census Tracts and Block Groups within the City of Madison. Per HUD guidelines, a score of 40 or under is considered a low level of segregation, 41 to 54 is considered a moderate level of segregation, and 55 or above is considered a high level of segregation. While Madison is considered to have low levels of segregation between White residents and Residents of Color, the Index does indicate higher levels of segregation between White and Black and Hispanic/Latino residents of Madison, approaching and exceeding moderate levels of segregation respectively.

Figure 6: Dissimilarity Index

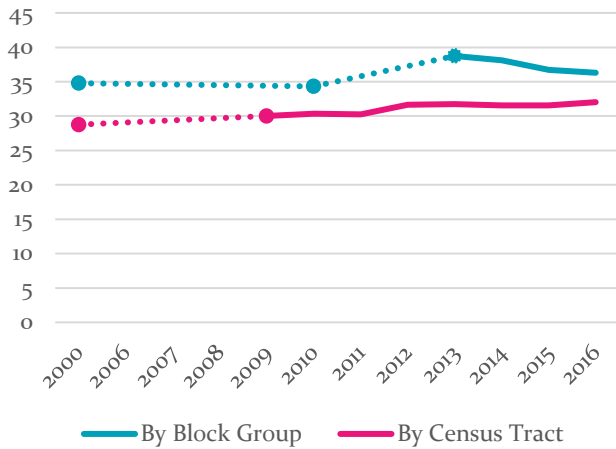
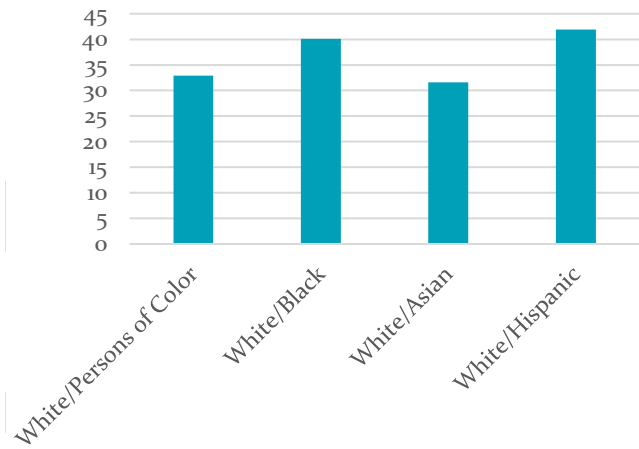


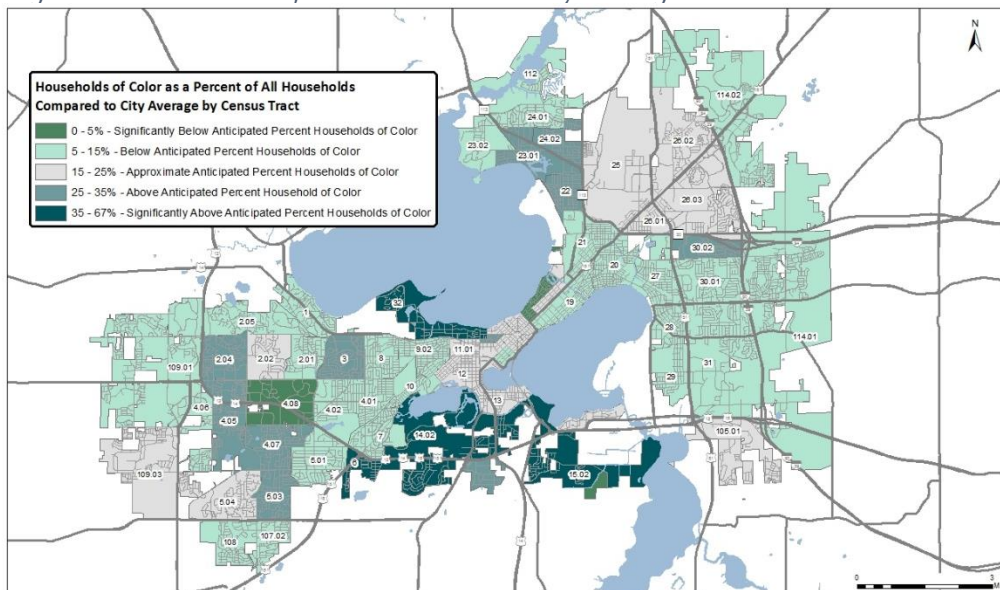
Figure 7: Dissimilarity Index by Race



Source: Decennial Census, American Community 5-Year Survey Estimates, Author's Calculations

An additional way to interpret this index is that the value assigned between two groups would be the percentage of the population of either race that would need to move in order for the two groups to be statistically equal. While Madison has become more integrated over recent years at a Block Group-level, overall Tract-Level dissimilarity has been slowly increasing since the 2000 Census. Importantly, to think about segregation, you must also think about integration.

Figure 8: Households of Color Relative to City Average



Source: 2010-2014 HUD CHAS

Given integration, all areas of the City would have the same pop. % by race/ethnicity. Using a standard deviation in analysis, it is possible to determine areas which have greater levels of segregation than would be expected from City average, In Fig. 8, green areas have a higher White population than would be expected, and blue areas more Persons of Color.



## Affordability & Consumption

Income is central to housing affordability and access. Surveying a range of income groups for both starting and median wages for common occupations within the City, the following table provides a range of what would be affordable to individuals in both for-sale and rental markets. For instance, tracking the median sales price of the bottom third of homes sold in Madison is a good approximation of the average “entry-level” or “starter” home that would qualify to those in entry-level career positions.

Table 1: Housing Affordability by Common Occupation Types

Occupation	Entry-Level Wage (Annual)	Median Wage (Annual)	Maximum Home Value at Entry-Level Wage	Maximum Home Value at Median Wage	Affordable Gross Rent at Entry-Level Wage	Affordable Gross Rent at Median Wage
Bartenders	\$16,460	\$19,410	\$59,000	\$69,000	\$412	\$485
Retail Salespersons	\$16,680	\$22,290	\$60,100	\$79,800	\$417	\$557
Childcare Workers	\$17,600	\$23,920	\$63,000	\$85,400	\$440	\$598
Restaurant Cooks	\$19,470	\$24,900	\$69,700	\$89,200	\$487	\$623
Janitors and Cleaners	\$18,900	\$25,490	\$67,500	\$90,625	\$473	\$637
Teacher Assistants	\$20,300	\$29,650	\$72,700	\$106,100	\$508	\$741
Pharmacy Technicians	\$22,350	\$34,240	\$80,100	\$122,600	\$559	\$856
Dental Assistants	\$32,450	\$39,280	\$116,300	\$140,600	\$811	\$982
Construction Laborers	\$27,430	\$42,610	\$98,200	\$152,000	\$686	\$1,065
Licensed Practical and Vocational Nurses	\$36,170	\$46,100	\$129,500	\$164,000	\$904	\$1,153
Child, Family, and School Social Workers	\$31,790	\$48,650	\$113,800	\$173,600	\$795	\$1,216
Firefighters	\$21,720	\$49,840	\$77,500	\$178,400	\$543	\$1,246
Elementary School Teachers	\$40,790	\$56,160	\$146,100	\$200,400	\$1,020	\$1,404
Middle School Teachers	\$41,640	\$59,270	\$148,100	\$211,500	\$1,041	\$1,482
Police and Sheriff's Patrol Officers	\$47,480	\$65,610	\$169,400	\$234,800	\$1,187	\$1,640

Source: 2018 Bureau of Labor Statistics, Author's Calculations

As of February 2018, Madison has a median bottom-tier home value of \$184,300, which would be unaffordable to all of the listed occupations at an entry-level wage, and only three occupations at the median wage. Approximately 44.6% of all Madison households and 52.1% of all individuals earn below \$50,000 annually, making homeownership often unattainable to many households, even at values for the median starter home within the current housing market.

Figure 9: Ownership and Income by Race/Ethnicity

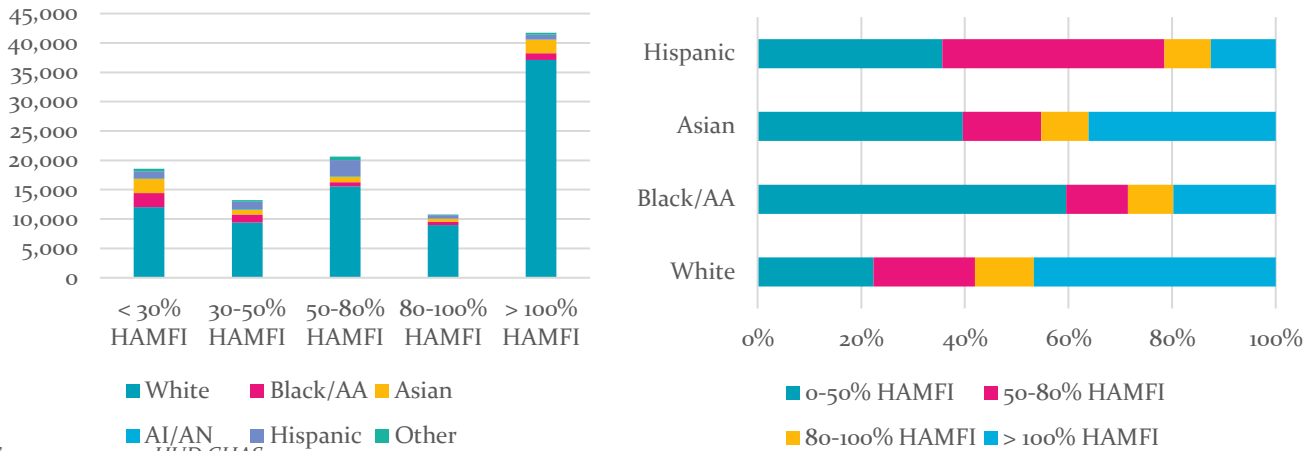


Source: 2010-2014 HUD CHAS

Importantly, the City of Madison also displays large disparity within ownership rates as a total percentage of race/ethnicity. White households are more likely to be homeowners rather than renters, and also display ownership rates approximately 2.5 times (30 points) higher than for both Black and Hispanic/Latino households in the City, and 20 points higher than for Asian households.

Disparities within ownership rate largely appear to persist due to length of tenure, as well as due to household income disparities by race & ethnicity.

Figure 10: Households and Income Level by Race/Ethnicity

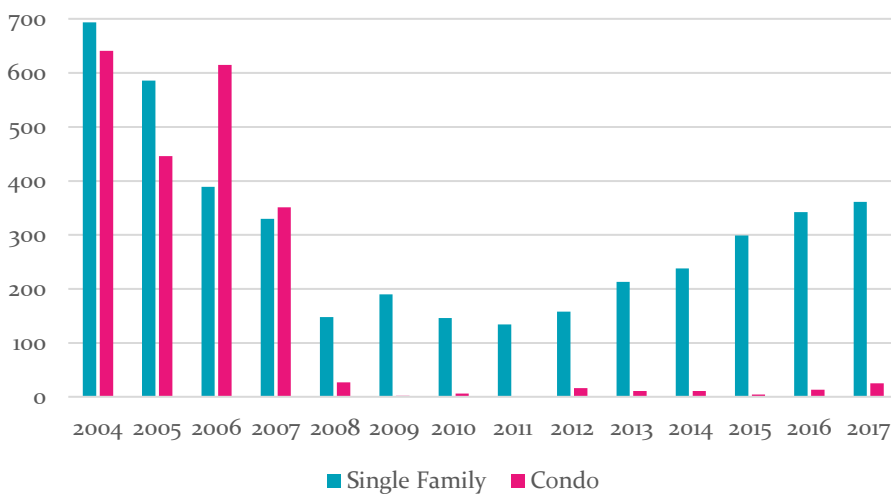


Source: 2010-2014 HUD CHAS

The median income for the City as a whole has remained relatively consistent and slightly increasing, largely due to the large White population of Madison which displays the largest consistency in income. By number at each income level, White households represent the significant majority of each income tier. White households do, however, display a likelihood to be higher-income than other racial or ethnic groups when adjusting for percentage of each racial/ethnic group by income tier (Fig. 10b). This becomes significant as affordability and mobility in housing is directly affected by the amount of income generated by a household. As Madison continues to experience periods of low vacancy rates, demographics with higher incomes have the ability to outcompete lower-income demographics for the same units of housing. While there are significant high-income Households of Color, the share of demographic in each income group displays consistent disparity when compared to income distributions of White households.

Within the ownership market, this disproportionately precludes Households of Color from ownership opportunities, increasing year-to-year as home prices increase in a tight ownership sales market. The

Figure 11: Likely Ownership Unit Construction Permits in the City



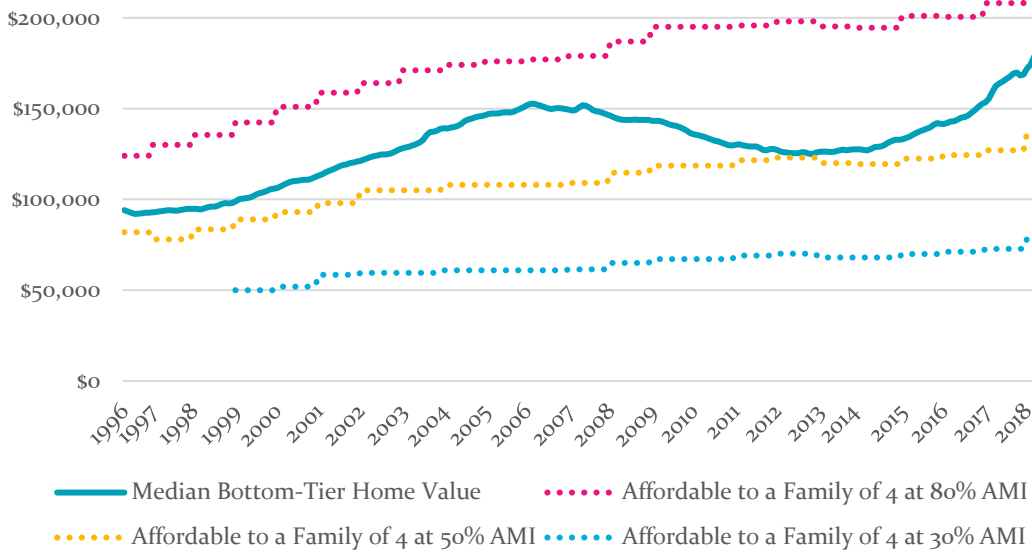
Source: City of Madison Building Inspection

ownership market in the City is tightening not only due to increased demand with income and household growth, but also due to a large gap in starts of necessary units as displayed in Figure 11. While starts on ownership units have increased since 2008, demand based on current growth and ownership rates would necessitate construction of over 900 units annually<sup>7</sup> to adequately grow supply.

<sup>7</sup> Author's Calculations

A lack in new starts of owner-occupied housing pressures the housing market overall. Competitiveness in the ownership market favors households who have higher incomes and requisite downpayments, disadvantages households who cannot secure financing to bid in competitive (and overvalued) markets, artificially inflates home values through increased demand, and serves to effectively tighten the rental market by not supplying enough units, forcing some households who would otherwise be owners to remain within the rental housing market.

Figure 12: Ownership Accessibility by Income



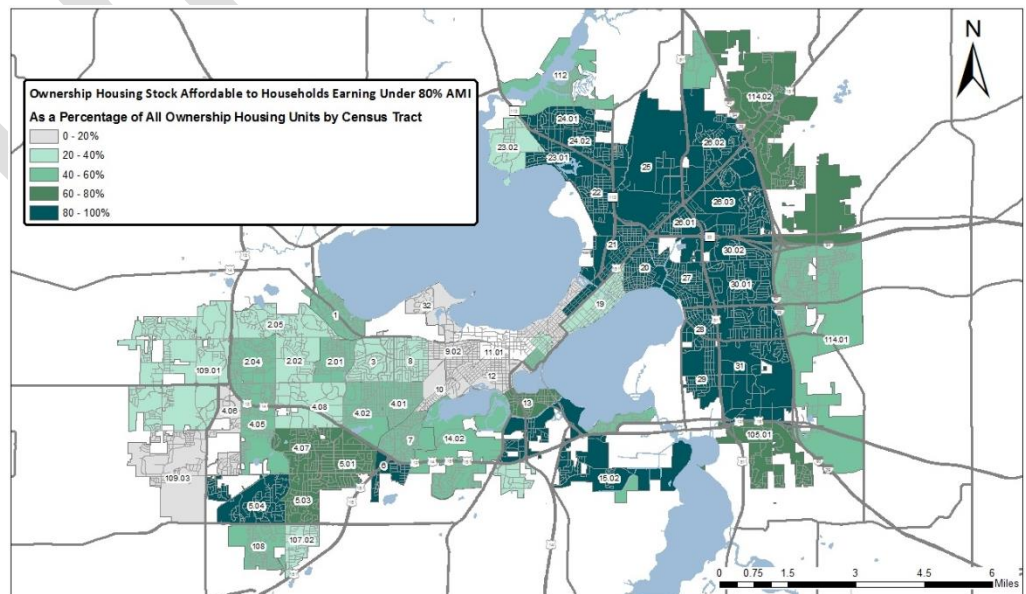
Since 1996, the median bottom-tier (starter) home has never been accessible to households with incomes at 50% HAMFI (Fig. 12). Even since the “housing bubble” and subsequent bust, the Madison housing market has reached and exceeded pre-recession housing cost peaks as of mid-2016.

Source: HUD FY Year Income Limits, Zillow Sales Price Aggregate Monthly Data 1996-2018  
 Median Bottom Tier is defined as the median of the bottom 1/3 of all homes sold, by sales price, in a given month. Author's calculations for Affordability by Family Income assumes family size of 4. Affordability assumes no more than 30% of gross income to be contributed toward mortgage payment. Mortgage calculations assume 30-year fixed-rate, mortgage insurance, 4.65% interest rate, property taxes calculated at current mill rate for the City of Madison(24.2), 97% LTV. Homeowners insurance estimated at \$840 annually. Assumed closing and utility costs paid utilizing savings.

Recent housing prices for the “starter home” tier have since 2013 have risen faster than incomes guidelines for households at 80% of the HUD Area Family Median Income (Fig. 9), indicating an even higher number of households have become priced out of affordable homeownership options within the City’s housing market, even those households to which ownership may have previously been attainable.

Beyond affordability, the price of homes are geographically segregated (Fig. 13), indicating increased economic disparity and lack of geographic option for households attempting to enter the ownership market.

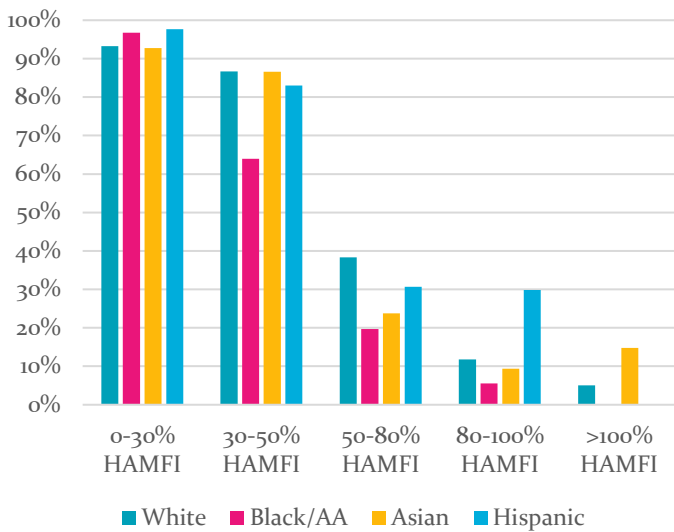
Figure 13: Ownership Units Affordable to LMI Households



Source: 2010-2014 HUD CHAS

The rental market within the City of Madison is generally more complex, as there is more information available for analysis. The primary measure of concern within rental markets is cost burden, which is measured as the percent of total paying more than 30% total income toward rent per month.

Figure 14: Renter Household Cost Burden

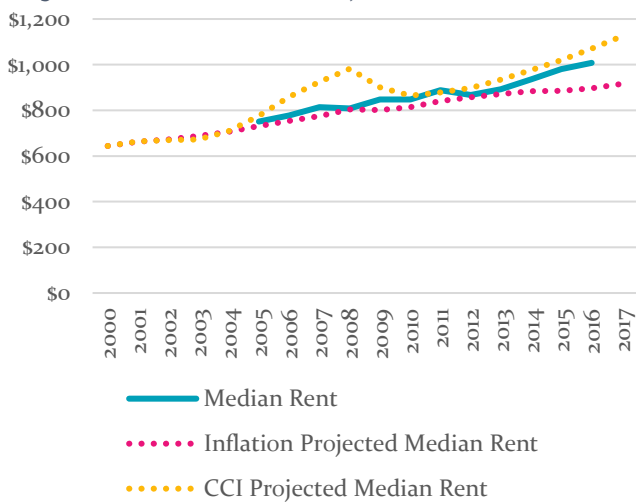


Source: 2010-2014 HUD CHAS

Fig. 14 displays rates of rental cost-burden as a percentage of the total households of each individual race/ethnicity that are experiencing the housing issue at that income level. Nearly all ELI households are cost-burdened, regardless of race or ethnicity, each displaying rates over 90%. VLI Black Households are much less likely than other households at the VLI income level to be cost-burdened as a percentage of the total. Most surprisingly, however, is that LI (50-80% HAMFI) White Households show increased levels of cost burden. In analysis of geography, as well as production, it is likely that these households may live in higher-rent areas, or be more likely to live in newer-construction market rate rental housing.

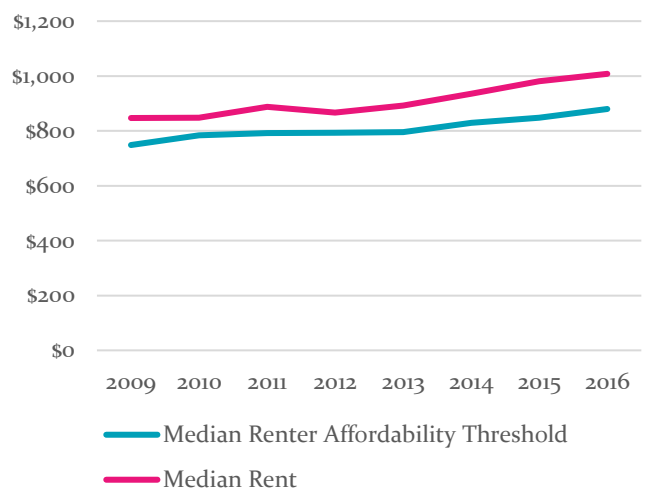
While rates of cost burden are indicative of income disparities, which exist within the City as a measure of gap between income and housing cost (Fig. 15), of more concern to a Fair Housing perspective is where households, generally, can afford to live based on the combination of incomes and rents geographically. This is dependent on rental data by Census Tract (or other geographic area), and the median household incomes for Census-defined racial and ethnic groups City-wide. While rents have not risen unexpectedly drastically (Fig. 16) when indexed to inflation and Construction Cost, the effect that rising rents have had when combined with stagnant incomes for particular groups has deepened gaps in access to housing.

Figure 16: Median Rent Projections



Source: ACS 1-Year Estimates, ENR, BLS

Figure 15: Median Renter Affordability & Median Rent

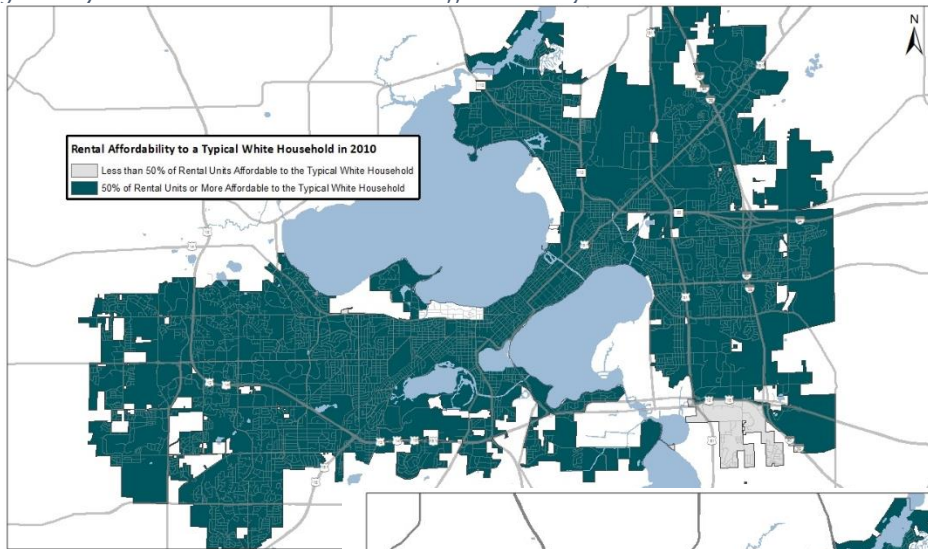


Source: ACS 5-Year, Author's Calculations



Where households can afford to live as renters changes with time. Planning pressures in areas can serve to raise or lower rents within particular neighborhoods, and larger economic trends shape rising and falling median incomes for different groups. To illustrate these changes in affordability, this report maps the areas where a “typical” household (median income) could afford to rent the majority (50% or more) of rental units within a given area – in this case a Census Tract. This method offers a general guide in estimation of where they typical rental household could afford the typical unit of rental housing without becoming cost burdened, essentially measuring relative affordability

White Household Rental Affordability:  
*Figures 17: White Household Rental Affordability*

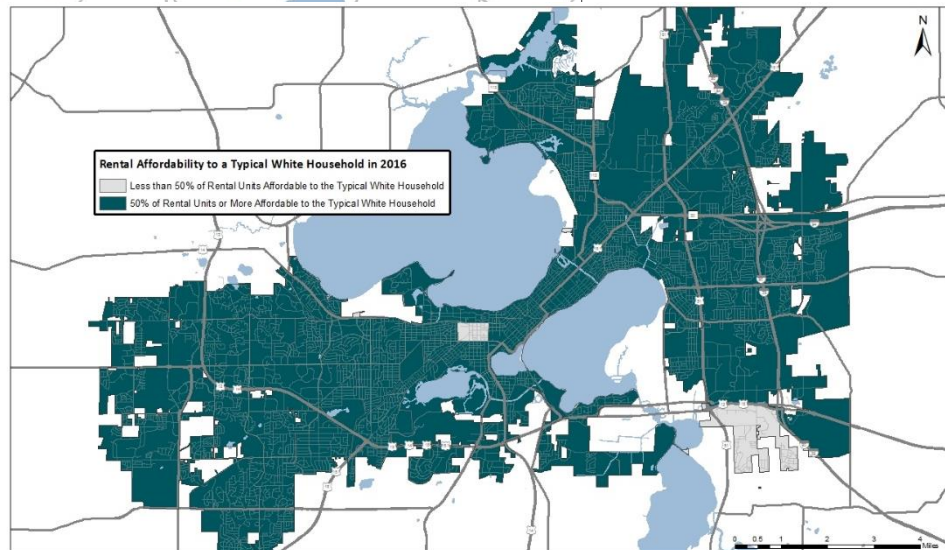


The typical White Household in 2010 could afford the typical rental in every Census Tract within the City of Madison, with the exception of Liberty Place Neighborhood on the peripheral Southeast Border of the City.

2010 Affordability Limit:  
 \$1,385

By 2016, the typical White Household saw one more tract become unaffordable - located in the central isthmus near campus, this likely reflects increased luxury student housing development.

2016 Affordability Limit:  
 \$1,497

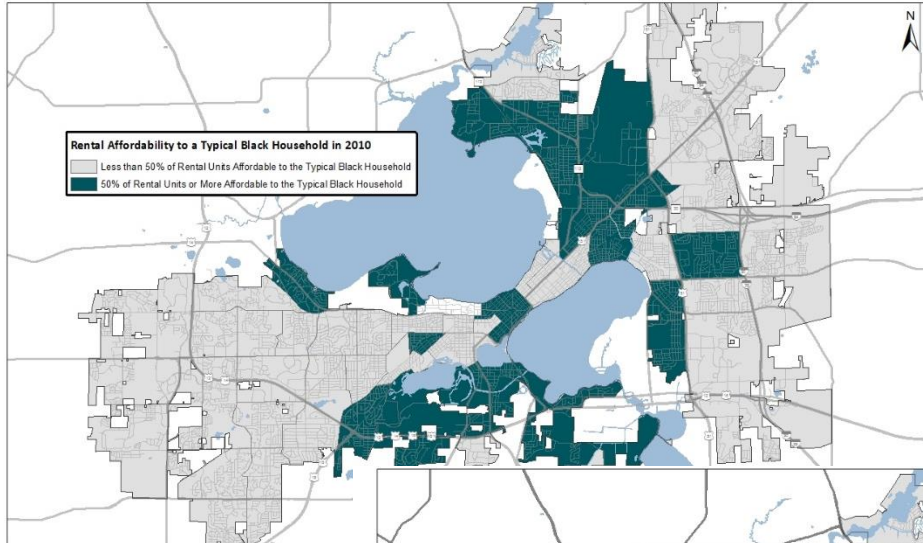


Source: ACS 5-Year Estimates – Gross Rent & HH Income

The maps above showcase general relative affordability for White Households in the City of Madison. While rents increased Citywide, the Median White Household Income also increased, allowing for the typical household to budget an additional \$112 per month toward housing cost while remaining within their affordability threshold.

When mapped by other racial and ethnic groups, the rental housing market looks much different from the relative accessibility and affordability for White Households. For Households of Color, less of Madison is accessible for housing – the definition of an Impediment to Fair Housing Choice.

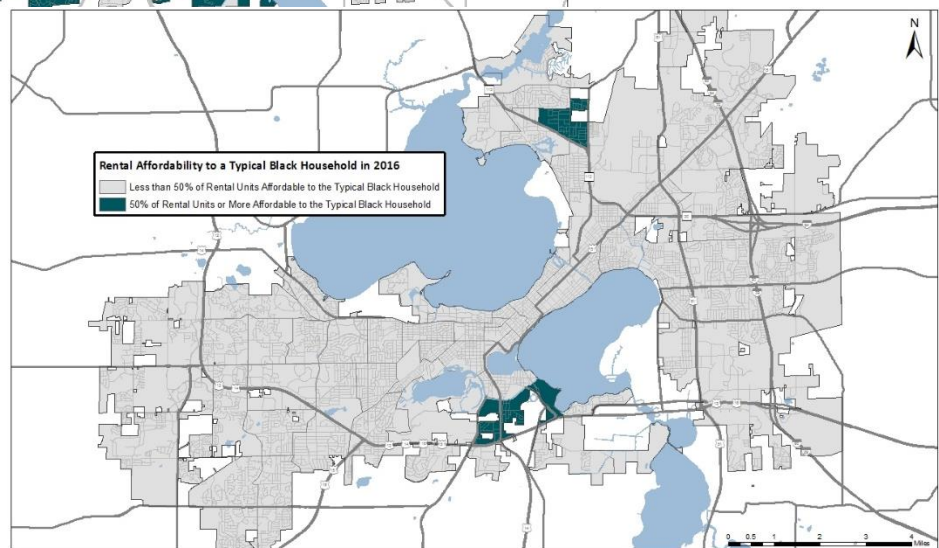
Black Household Rental Affordability:  
 Figure 18: Black Household Rental Affordability



The typical Black Household in 2010 could afford the typical rental through South Madison, Near-East and North Madison, Spring Harbor, and Eagle Heights.

2010 Affordability Limit:  
 \$803

By 2016, due to reduction in median income combined with rising rents, the typical Black household could only afford the typical rental in two areas – one in North and one in South Madison.

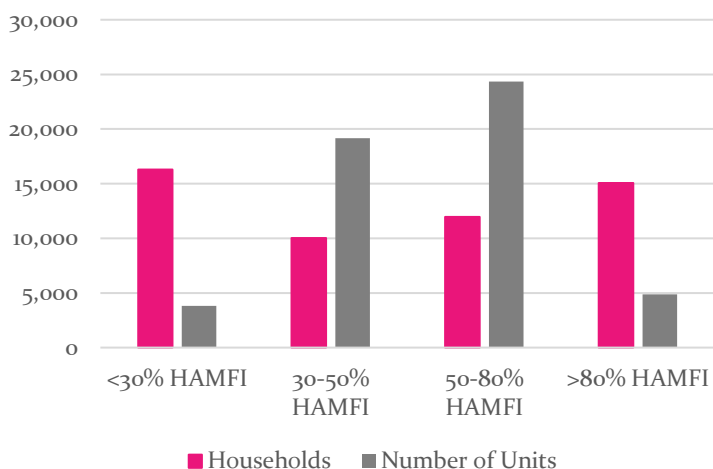


2016 Affordability Limit:  
 \$738

Source: ACS 5-Year Estimates – Gross Rent & HH Income

Similar reductions in areas of affordability were found for Hispanic/Latino households, although not to the extreme limitation of affordability for Black Households in 2016. Asian Households over the same timeframe saw an increase in income above the level of rental increase, increasing areas of opportunity and mobility for the typical Asian household.

Figure 19: Rental Affordability Mismatch



Across the City, there are large gaps between the number of available units and number of households at both ends of the income spectrum (Fig. 19). While this indicates that Madison has a large number of “affordable” units available for Moderate- and High-Income populations, it also indicates a large shortage of affordable housing options to the lowest income households in Madison, exacerbated by the effect of higher-income households necessarily renting down within the market.

Source: 2010-2014 HUD CHAS

## Educational Opportunity

The ability for households to generate income is largely dependent on levels of educational attainment, which in turn creates more opportunity for choice within the housing market. Disparities in education lead to disparities in earnings, which is an indirect impediment to fair housing choice within the City.

For example, a comparison of the geographic location of affordable rental housing between those with Some College or an Associate’s Degree and those with a Bachelor’s degree highlights the earning disparity and its effect on housing within the City of Madison. The typical individual with Some College or an Associate’s degree could afford to rent the typical apartment in only 3 Census Tracts.

Figure 16: Rental Affordability by Educational Attainment

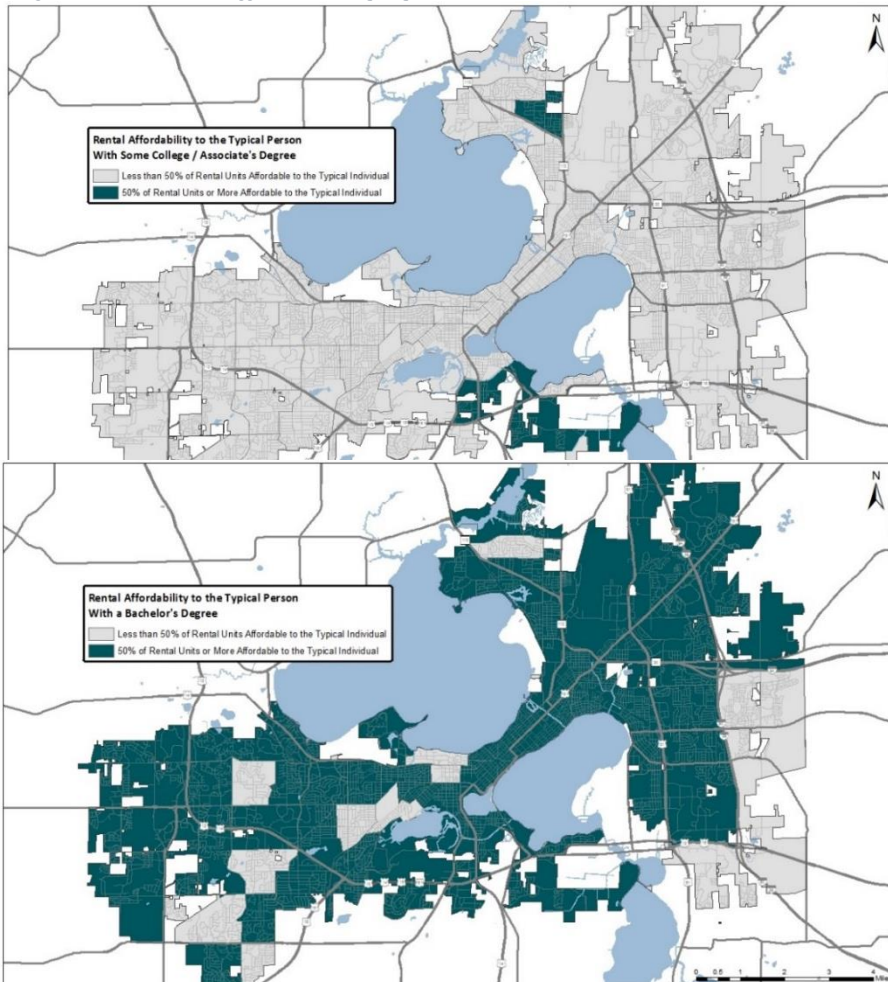
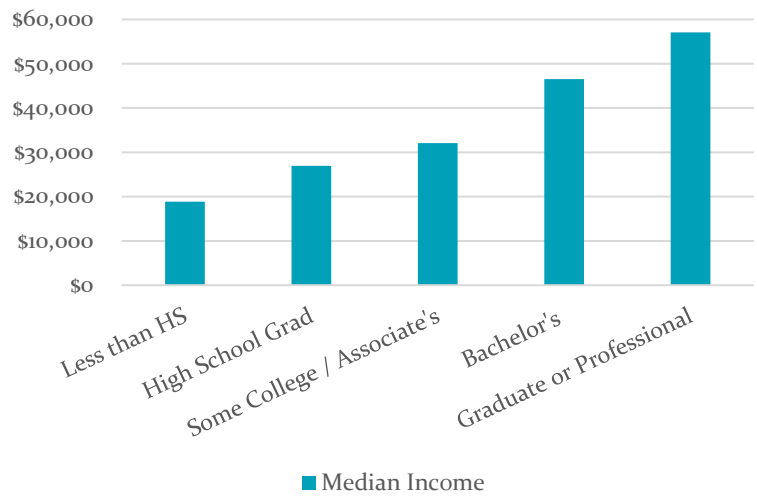


Figure 20: Income by Educational Attainment



Comparatively, the typical person with a Bachelor’s Degree has a much wider geographic range of affordable options for rental housing, as the median income for a college graduate is over \$14,000 higher than an individual without a Bachelor’s degree. For those individuals with a High School diploma or Less than High School, there are no areas of the City which are generally affordable. The 2016 monthly affordability limits for the median individuals by educational attainment are:

- Less than HS: \$472
- HS Diploma: \$675
- Some College / Associate’s: \$802
- Bachelor’s: \$1,165
- Graduate/Professional: 1,428

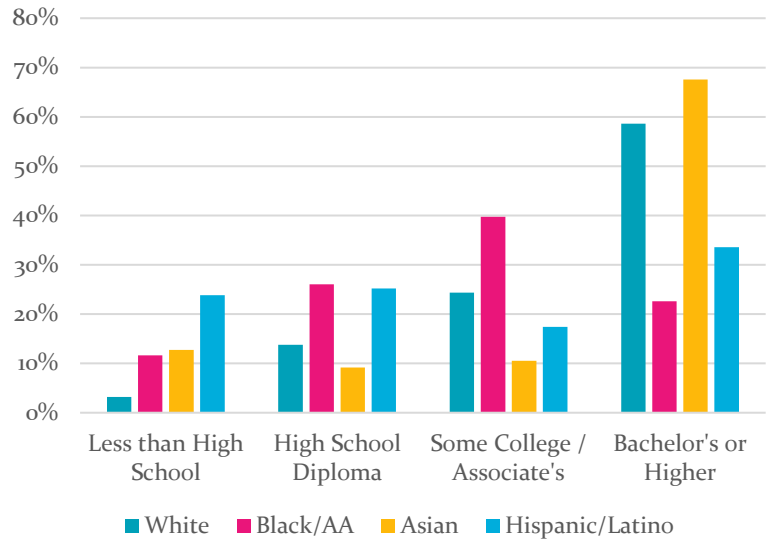
Source: 2012-2016 ACS 5-Year Estimates, Author’s Calculations



By race, Madison displays large disparities in educational attainment, which can directly lead to disparities in housing cost burden, homeownership rates, and other housing problems as a result of disparities in income (See the figure “Median Income by Educational Attainment” above, which demonstrates the income disparities by educational attainment).

- Black/African American and Asian persons are more than three times as likely to have less than a High School diploma compared to White persons
  - Hispanic/Latino persons are seven times as likely
- White persons and Asian persons are nearly two times more likely to have a college degree than Hispanic/Latino persons, and nearly three times as likely than Black/African American persons

Figure 17: Educational Attainment by Race/Ethnicity

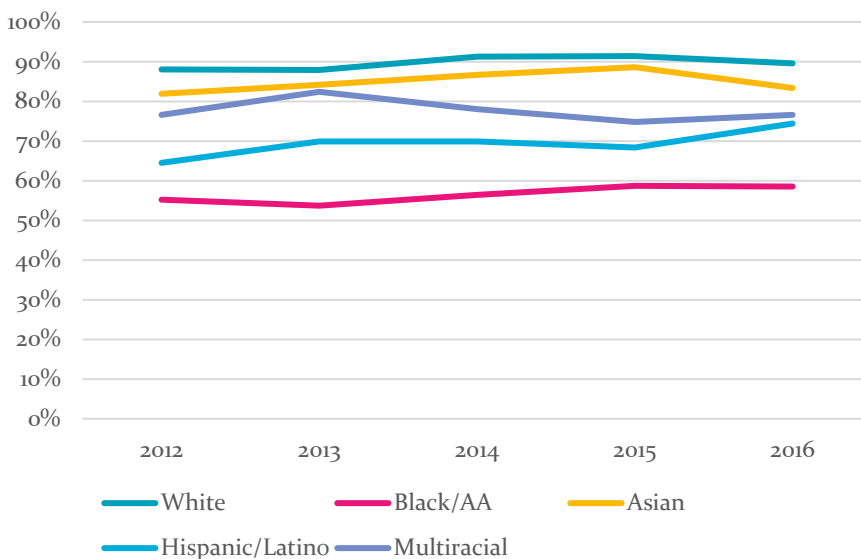


Source: 2016 ACS 5-Year Estimates of Persons Aged 25 Years or Over

In total for those with at least some college represents:

- 83% of the White population
- 62% of the Black population
- 78% of the Asian population
- 51% of the Hispanic/Latino population

Figure 21: 4-Year MMSD High School Completion Rate



Source: Madison Metropolitan School District, District-Wide Graduation Rates

Comparing high school graduation rates within the City, Black/African American students graduate at a much lower rate than White students do, by a margin of 30 percentage points. Graduation rates among Hispanic/Latino and multiracial individuals are 13 percentage points lower, and Asian student graduation rates are six percentage points lower than that of White students. These graduation scores are likely results of access to education by place of residence, which is unequally afforded across the City.

## Homelessness

The annual Point-in-Time survey of homeless in Madison provides detail on the overall needs and demographics of the homeless population. This survey, administered annually on a single night in both January and July, is the main source of data available for the homeless population.

Figure 22: PIT Survey Counts

	1/2016	7/2016	1/2017	7/2017	1/1/2018
White	186	146	169	138	228
Black/AA	273	213	218	176	278
Asian	2	3	8	6	4
Hispanic	47	47	40	44	24
Other	33	25	35	37	36
<b>Persons of Color % of Total*</b>	<b>65.6%</b>	<b>66.4%</b>	<b>64.0%</b>	<b>65.6%</b>	<b>60.0%</b>
<b>Total Homeless in Count**</b>	<b>508</b>	<b>409</b>	<b>435</b>	<b>364</b>	<b>614</b>

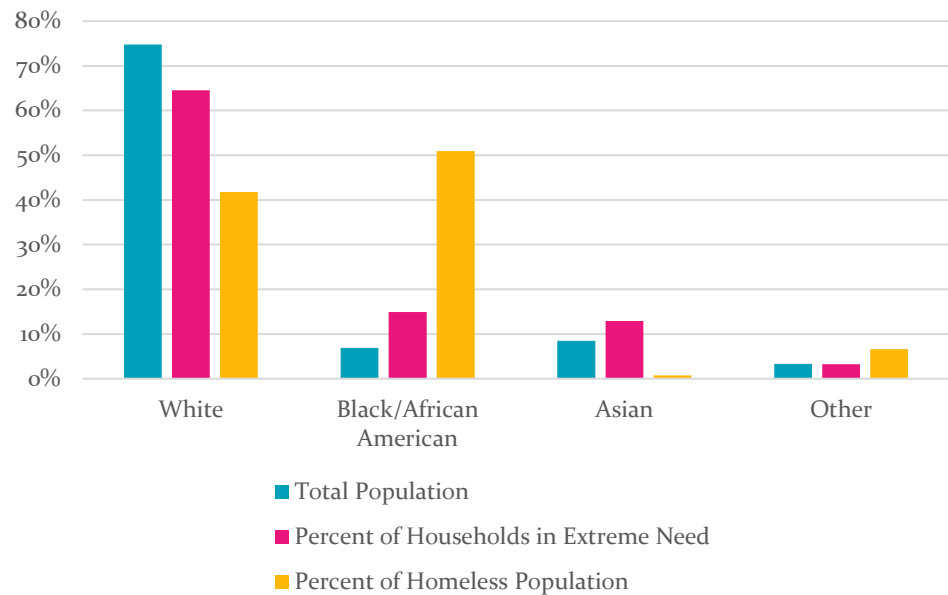
Source: City of Madison Point-in-Time Survey

\*Percent for whom race/ethnicity is known

\*\*Represents all individuals, including those for whom race/ethnicity is unknown.

Counts have generally decreased year-over-year for demographics more largely represented, notably with significant decrease from 2015 levels for White and Black/African American populations. However, the January 2018 PIT Count did display a relatively large increase in the count over prior years, particularly among the White and Black/African American demographics. For all counts, the percent of non-White homeless has remained relatively consistent between sixty- and sixty-seven percent of the homeless population. Relative population shares of different measures shows increased representation in the homeless population, especially for Black/African American Individuals. While approximately 8% of the population, Black/African American Households represent over 50% of the homeless count in the City of Madison.

Figure 23: Percentage of Populations by Race/Ethnicity



Source: 2016 American Community Survey 5-Year Estimates, 2010-2014 HUD CHAS, 1/2018 PIT Count

\*Households in Extreme Need refers to 0-30% HAMFI Severely Cost Burdened Renter Households

Overall, when adjusted for size of the overall population, Black individuals are 27 times more likely to be homeless than White individuals, 15 times more likely if American Indian rather than White, 10 times more likely if multiracial rather than White, and 7 times more likely than White Households if Hispanic or Latino.

## Carceral Shelter of Homeless Individuals

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

- 124 individuals were incarcerated on the night of the January 2018 PIT who were likely experiencing homelessness prior to arrest
  - If added to the PIT count, this would represent 17% of the recorded homeless population.
    - In comparison, 18% of the Homeless population (136 individuals) were in transitional housing
  - On the night of the January PIT, more likely homeless individuals were sheltered through incarceration than were unsheltered.
- 132 individuals were incarcerated the night of the January 2017 PIT
  - These 132 individuals would have represented 18% of the recorded homeless population.
- 131 individuals were incarcerated the night of the 2016 January PIT who were likely experiencing homelessness prior to arrest
  - These 131 individuals would have represented 17% of the recorded homeless population.

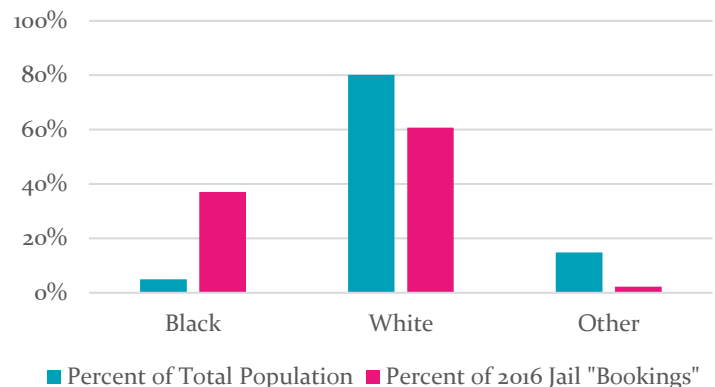
The relative consistency of these numbers indicates that many of the homeless in the City of Madison may be housed at any given time through the correctional system, and likely contain the same racial disparities as homelessness overall and the larger correctional system.

### Carceral Shelter

For the jail system overall within Dane County, the racial disparity within prison bookings shows that while only 5% of the population in the County are Black persons, Black persons account for nearly 40% of all bookings in the Dane County Jail system (Fig. 24).

By length of time, the Average Length of Stay in the jail system in Dane County is 31% longer for Black/African American persons than for White persons.<sup>8</sup> These disparities are notable due to the documented challenges in securing both housing and employment for formerly incarcerated individuals – meaning that disparities in arrests, policing, and incarceration directly lead to challenges in fair housing opportunity once individuals are released from detention.

Figure 24: Percent of Population and Bookings to Dane County Jails, 2016



Source: 2016 ACS 5-Year Estimates, 2016 Dane County Jail Update Study

Figure 25: Dane County Jails Average Length of Stay

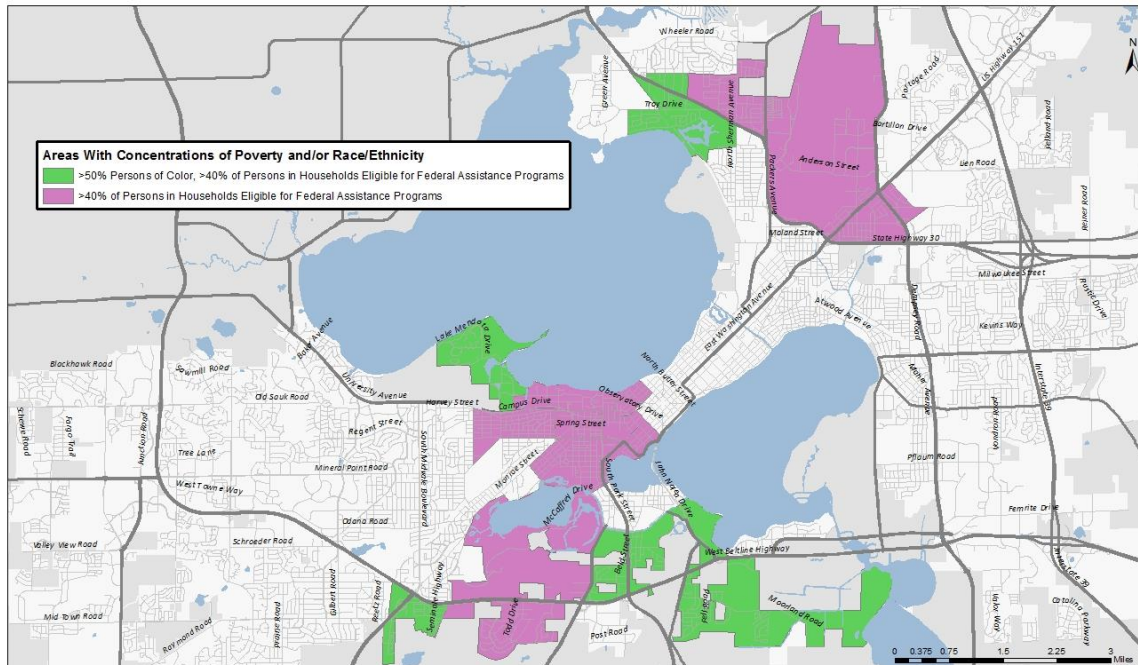
	Black	White	Other	Total
Mean	27.6	21	19.8	23.4
Median	5	3	3	4
Number	24,646	40,203	1,454	66,373

<sup>8</sup> 2016 Dane County Jail Update Study

## Concentrations of Families Eligible for Federal Assistance

Research has shown that different racial groups have different measures for what constitutes an ideal level of diversity. In surveys, People of Color have consistently defined ideal neighborhood diversity as having a smaller percentage of White residents than what White residents consider an ideal level of neighborhood diversity. Historically, once a neighborhood reaches 5-20% population share of Persons of Color, the neighborhood may begin to experience a more rapid decrease in the White population share.<sup>9</sup>

Figure 26: Concentrations of Poverty and/or Race/Ethnicity



Source: 2017 ACS 5-Year Estimates

HUD provides a definition for areas that have both concentrations of race and poverty: Racially/Ethnically Concentrated Areas of Poverty, or R/ECAPs, which must meet or exceed strict criteria of a 40% overall poverty rate and 50% Persons of Color. As of the 2018/19 Analysis of Impediments to Fair Housing, the City no longer has any Census Tracts that would be classified as R/ECAPs.

However, considering the City of Madison's high relative median income and higher cost of living, using a standard federal measure (100% poverty level) does not display the full extent of where households may be in need of support. What is needed is a relative measure of poverty. Using an alternative measure that utilizes eligibility for some Federal assistance programs such as EBT, WIC, and free/reduced lunch, (185% FPL) in order to adjust for the City of Madison's high median income, there are still areas which have both high numbers of Households of Color (more than double the City average), and also have more than 40% of individuals in families that are below 185% of the Federal Poverty Level.

While housing and community choice define Fair Housing to an individual, constraints associated with areas of increased assistance and Persons of Color include them directly within HUD's definition of an impediment to fair housing, and indicate community development needs to municipalities.

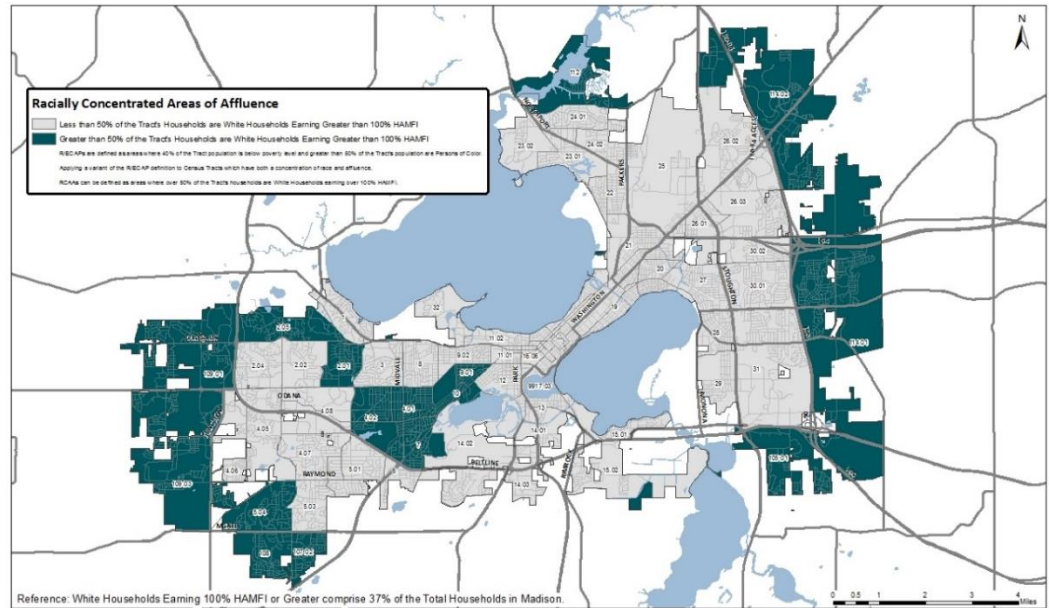
<sup>9</sup> <sup>1</sup> Card, Mas, and Rothstein, "Tipping and the Dynamics of Segregation," *The National Bureau of Economic Research Working Paper*, No. 13052, April 2007.

## Racially Concentrated Areas of Affluence

Areas of concentrated, racialized poverty have been noted in studies to “lead to inequalities in life expectancy... critical types of social capital... and upward mobility.”<sup>2</sup> While HUD offers a definition for R/ECAPs, there are also areas in Madison that have high concentrations of White persons who are members of high-income households. These areas have been referred to in academic research as “Racially Concentrated Areas of Affluence,” and research has pointed to such areas’ ability to “enhance the privileges, benefits, and opportunities of the most affluent, resulting in disproportionate advantage...” to residents in these areas<sup>2</sup>.

Figure 27: Racially Concentrated Areas of Affluence

Adjusting the academic definition to more accurately mirror the adjusted definition above displays non-multijurisdictional tracts including Vilas, Dudgeon-Monroe, Crawford-Marlborough-Nakoma, Summit Woods, Westmorland, Midvale Heights, Wexford Village, Woodland Hills, Highland, Glen Oak Hills, Hill Farms, and Faircrest that could be considered Racially Concentrated Areas of Affluence.



Source: 2010-2014 HUD CHAS, Author's Calculations

Figure 28: Demographics of Racially Concentrated Areas of Affluence

Census Tract	White Households > 100% HAMFI	White, Non-Hispanic	Persons of Color	Poverty Rate	Median Household Income	Homeownership Rate	Cost Burden
2.01	63%	83%	17%	3%	\$84,760	81%	19%
2.05	56%	87%	13%	5%	\$87,214	70%	27%
4.01	54%	89%	11%	4%	\$86,484	80%	27%
4.02	57%	92%	8%	5%	\$85,714	80%	24%
5.04	52%	82%	18%	5%	\$95,482	62%	25%
7	62%	88%	13%	3%	\$90,815	82%	25%
9.01	69%	88%	12%	5%	\$118,625	80%	31%
10	77%	92%	9%	2%	\$96,472	71%	23%
<b>City Average</b>	<b>37%</b>	<b>75%</b>	<b>25%</b>	<b>19%</b>	<b>\$56,464</b>	<b>48%</b>	<b>37%</b>

Source: 2010-2014 HUD CHAS, 2016 ACS 5-Year Estimates

Given the concentration of such areas within Madison, as well as the location’s enduring legacy through Madison’s original zoning ordinance and redlining, these areas could be considered current impediments to Fair Housing, and are areas where investment of low-income housing opportunity should be furthered.

<sup>2</sup> Goetz, Damiano, Hicks, “Racially Concentrated Areas of Affluence: A Preliminary Investigation”, University of Minnesota Center for Urban and Regional Affairs

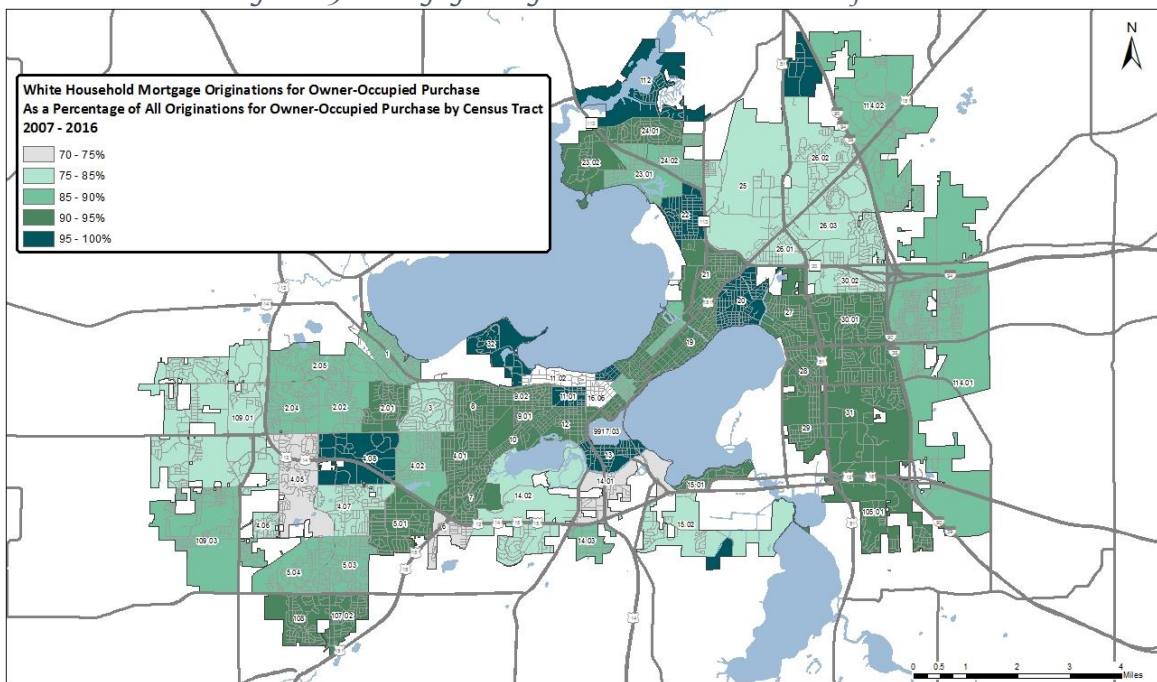


## Mortgage Lending

Mortgage lending policies and practices directly influence ownership rates within the City of Madison.

In the ten year period from 2007 to 2016, 89% of all mortgage originations in the City were made to White borrowers. More recent data from 2017 shows loan originations for White borrowers that year represented 83% of total originations, indicating there may be a shift in homeownership rates or homeownership share in the future should this trend continue.

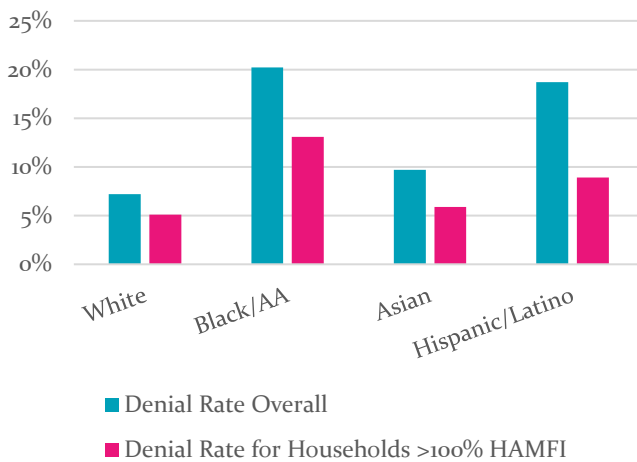
Figure 29: Mortgage Originations to Households of Color



Source: 2007-2016 Home Mortgage Disclosure Act Aggregate Data

However, gains within the share of loan originations for Households of Color are not evenly distributed geographically throughout the City. There are Census Tracts in the City that have seen less than 10 originations to Households of Color over the past 10-year period. As a percentage, the areas with the highest percentage of originations to White borrowers follow general patterns of current discrimination – including the same patterns following investment guided by original zoning.

Figure 30: Mortgage Denial Rate 2007-2016



Source: 2007-2016 HMDA Aggregate Data

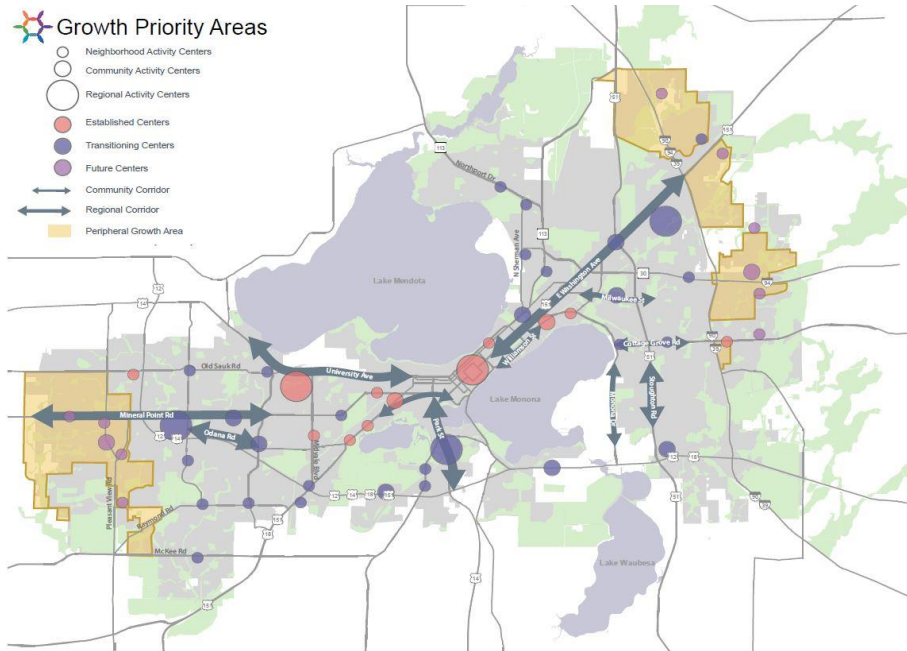
Of additional concern to in mortgage data is denial rate (Fig. 30). For the 10-year period 2007-2016, the Black denial rate was 3 times the White denial rate within the City, the Asian denial rate over 1.5 times greater, and the Hispanic/Latino denial rate nearly 2.5 times greater. Even for moderate- to high-income borrowers, large disparities in rates of denial exist between applicants of different races/ethnicities, indicating likelihood that there are reasons solely beyond income and credit driving denials, a likely Fair Housing issue.

## Public Regulation & Planning

For fair housing activities directly administered by the City, aside from direct programs run through the Community Development Division, fair housing commitments are generally shaped through the regulatory processes of the City’s Planning Division. As the division primarily responsible for the development of the City’s Comprehensive Plan and land use decisions, fair housing needs to remain a key priority in determining best practice in both policy and implementation. An analysis of current documents for potential fair housing issues is generally favorable, although goals should be maintained through implementation to ensure fair housing and equal access.

For example, the 2018 update to the City’s Comprehensive Plan is generally a positive step toward furthering fair housing – it indicates disparities in ownership based on race/ethnicity, cost burden by race/ethnicity, and food access by geography. However, implementation of the plan over the next decade will remain key in proactively identifying and addressing equitable development challenges.

Figure 31: Imagine Madison Growth Priority



Source: Imagine Madison

Growth Priority Areas (Fig. 31) are areas that are prioritized within the Comprehensive Plan for mixed-use infill development. One of the challenges of fair housing within a growing City, growth often occurs as a function of land prices and regulatory ability (zoning) that present favorable conditions for higher-density infill development.

Many of these growth priority areas defined as “Transitioning Centers” may provide challenge for the City in equitable development, as many of these

centers are in or near neighborhoods with significant low-income populations or populations of Color, and

redevelopment may bring gentrification pressures to current residents of these neighborhoods. The City should continue to research and prioritize anti-displacement measures in conjunction with expansion of economic opportunity to ensure residents’ right to remain within these Transitioning Centers, as well as expand community development opportunities in these areas. Gentrification pressures have been shown in research to possibly exacerbate existing pressures to individuals within communities such as:

- Stress due to rising rent and food costs
- Loss of social connections for displaced and remaining residents
- Economic instability associated with relocation
- Educational instability for displaced youth
- Increases in rates of anxiety and depression
- Decrease in amount of affordable housing opportunity
- Higher health risk associated with displacement to older housing stock
- Existing business financial challenges due to increased competition
- Increases in negative contact with law enforcement officers



Additionally, the City’s Generalized Future Land Use categories, especially the categories of Low Residential (LR) and Low-Medium Residential (LMR) may impact future development and fair housing choice by allowing increased density along arterial streets near neighborhood interiors. Housing on arterial streets generally face increased risk of environmental hazards from traffic, and selectively allowing increased density within neighborhood interiors could further fair housing by increasing access for groups more likely to be renters than owners, lower-income residents, and other protected class groups otherwise precluded from living in neighborhood interiors due to low-vacancy rates, accelerating ownership markets, and other housing market conditions.

For instance, in the text of the document, the Plan states “smaller two, three, and four-unit apartment buildings and rowhouses may be compatible with the LR designation....when constructed to fit within the general “house-like” context LR areas.” The City has created large increases in potential density allowances through the public engagement effort of the comprehensive plan to further fair housing, and should continue to explore opportunities to develop “complete neighborhoods” within existing ones.

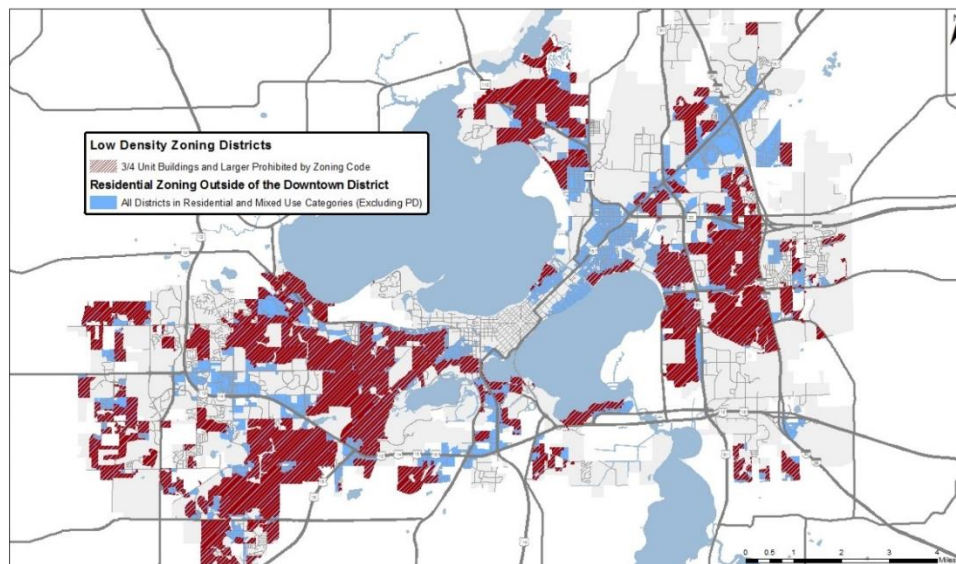
Figure 32: Future Land Uses

Residential Building Form	Low Residential (LR)	Low-Medium Residential (LMR)	Medium Residential (MR)	High Residential (HR)
Single-Family Detached Building				
Civic/Institutional Building				
Two-Family, Two-Unit				
Two-Family – Twin				
Three-Unit Building	*			
Single-Family Attached	*			
Small Multifamily Building	*	**		
Large Multifamily Building		**		
Courtyard Multifamily Building		**		
Podium Building				
Number of Stories	1-2'	1-3	2-5	4-12~
General Density Range (DU/acre)	≤15	7-30	20-90	70+

\* Permitted in select conditions at up to 30 DU/ac and three stories, generally along arterial streets or where these types of buildings are already present or planned within an adopted sub-area plan as part of a pattern of mixed residential development.

Source: Imagine Madison

Figure 33: Low-Density Zoning Districts



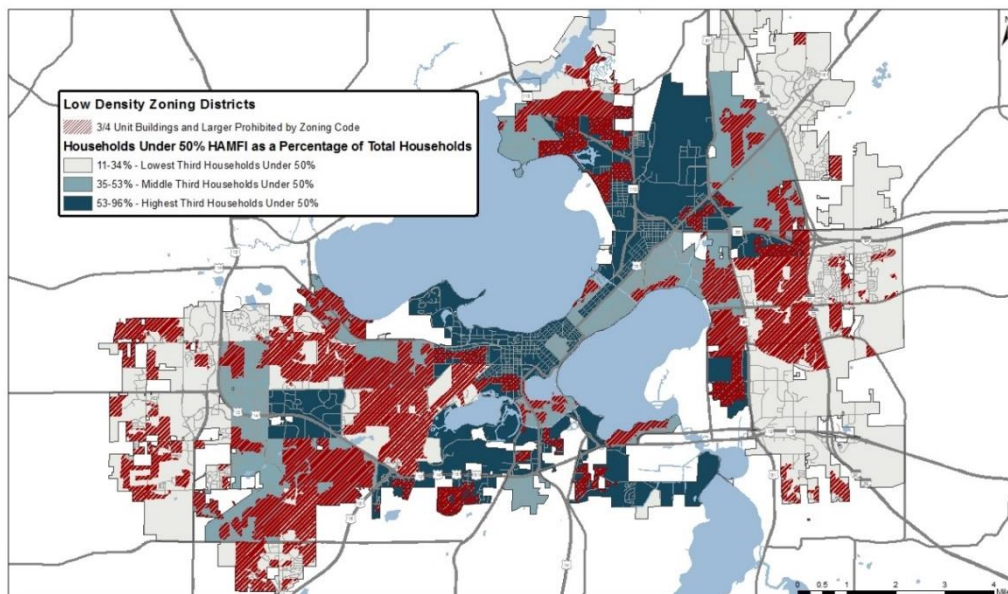
Source: City of Madison Zoning Ordinance

Currently, 79% of all residential zoning outside of the downtown district prohibits 3- or more unit structures as a permitted use. In total, 76% of all residential zoning outside of the downtown district is zoned for single-family detached homes only as permitted uses. This impacts the ability for residents to make housing choices, limiting the ability for many residents to live within neighborhood

interiors across the City by enforcing zoning policy which decreases potential small density increases consistent with existing structures. Zoning primarily for single-family detached homes also serves to inflate market housing costs by restricting supply in desirable areas, causing inflated rates of appreciation for residents in a position to own their homes, and increasing rents for homes in proximity to established neighborhood interiors. This potentially not only perpetuates inequities in wealth building opportunities through ownership, but increases rates of cost burden as well, disproportionately affecting low-income groups more likely to be renters.

Geographically, zoning is generally more restrictive to multi-unit structures on the West side of the City of Madison (fig. 34). With the exception of areas near the Beltline, and along select arterial streets, there are less allowed opportunities for increases in density on the West side of the City within the Zoning Code. This could potentially serve to further geographic barriers to access

Figure 34: Low-Density Zoning Districts and Income

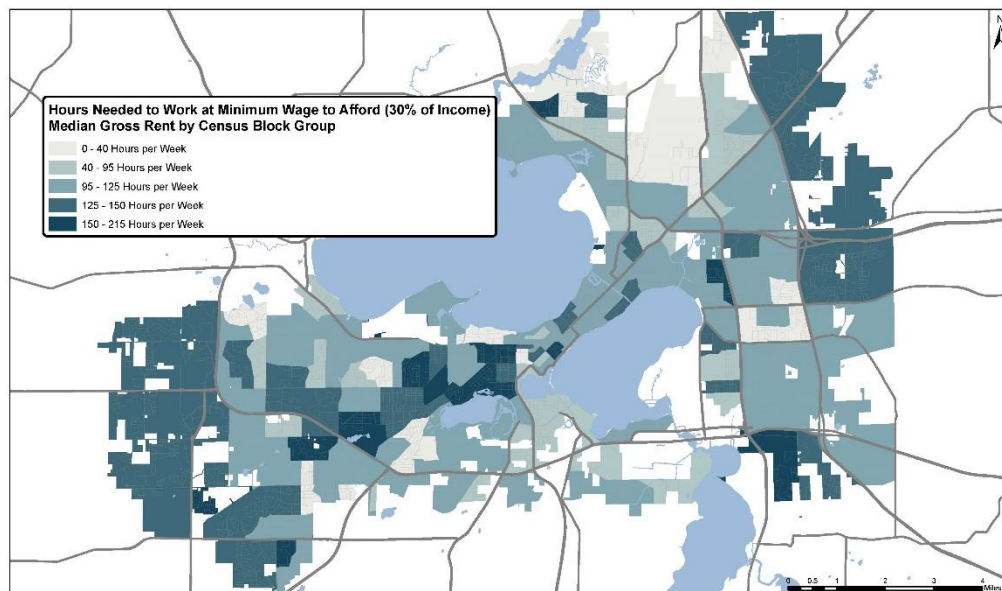


Source: City of Madison Zoning Ordinance, 2010-2014 HUD CHAS

discussed in earlier sections, including affordable housing opportunities afforded unequally due to disparities in ability to generate income. With a lack of affordable rental units on the West side of the City (affordable to 50% AMI), and lack of ownership opportunities affordable to 80% AMI and lower populations, flexibility in zoning policy could allow for more affordable forms of development in areas on the West side of Madison in need of new affordable units. Currently, many of these areas have low numbers of low-income households, and some areas may be considered economically segregated.

Additionally, there is the question of historic policies leading to Fair Housing, including how former policies impact current housing choice for different demographics. All of the original “A” districts within Madison’s 1922 Zoning Ordinance are still zoned primarily for lower density. Zoning guides housing decisions throughout the City, and exploring opportunities to increase development in all neighborhoods is encouraged through Imagine Madison, and should be continued as a Fair Housing measure.

Figure 35: Minimum Wage Hours Needed for Affordable Rental



Source: 2017 ACS 1-Year, Author’s Calculations

Finally, the City has limitations in the wage floor. Looking at median rental costs, and adjusting affordability limits based on minimum wage, there are clear disparities in unit cost that are prohibitive toward households who earn the minimum, particularly West Madison. Raising the income floor should be a top consideration.

## Strategies & Actions to Alleviate Impediments

Given the nature of the Analysis of Impediments as a planning document used to formulate strategies & actions that overcome impediments to Fair Housing, the report, and therefore this summary, is research-based. In Fair Housing, research is a key component of realizing different impacts across different jurisdictions – an integral part of the process toward unique policy strategies tailored specifically to further opportunity within the City of Madison

Within the City of Madison, the report was analyzed by a team within the Community Development Division, and taken to and refined by a staff team consisting of 11 individuals from Divisions across the Department of Planning, Community, and Economic Development. One of the main elements for consideration in refining actions was to create actions that are both implementable and impactful, respecting the differences and unique aspects of different neighborhoods of the City of Madison.

### Actions to Alleviate Impediments to Fair Housing Choice – Taken from 2018/19 Madison AI

Due to the nature of Impediments to Fair Housing Choice, goals and actions to alleviate impediments often encompass several “impediment areas”, each action impacting groups and individuals by social position, identity, history, etc. For this reason, goals and actions are listed by implementation type, along with different impediment areas they address. Please see pp. 1-2 in the 2018 Analysis of Impediments to Fair Housing Choice for a list of identified impediments. Ongoing actions from the 2013 AI, Comprehensive Plan, Biennial Housing Report, and Staff Recommendations to the White House Housing Toolkit are denoted by a \*.

Goals and Actions	Impediment Area	Division
<b>1. Development and Plan Actions</b>		
1. Planning documents should include or be amended to include acknowledgement of residential racial and economic segregation as an impediment to fair housing* <ul style="list-style-type: none"> <li>a. Consolidated Plan</li> <li>b. Biennial Housing Report</li> <li>c. Comprehensive Plan</li> <li>d. Sub-Area/Neighborhood Plans</li> </ul>	Race & Ethnicity, Income, Housing Stock, Public	Planning, Community Development, CDA, Zoning
2. Future neighborhood planning documents should include specific, neighborhood-level steps to overcome historic and current patterns of potential market exclusion* <ul style="list-style-type: none"> <li>a. Ex: Neighborhood plans should propose steps to address neighborhood-specific barriers to fair housing, such as diversity of housing stock, ownership types, and affordability levels, providing specific actions to increase access to residential areas</li> <li>b. Ex: Special Area Plans should address barriers to affordable housing, propose strategies to incorporate affordable housing, and identify and address challenges to equitable development, creating plans for increased fair housing opportunity</li> </ul>	Race & Ethnicity, Income, Housing Stock, Public	Planning, Zoning, Civil Rights
3. Reduce potential impact of neighborhood opposition to affordable ownership and rental housing development* <ul style="list-style-type: none"> <li>a. Explore removal of protest petition from City ordinance as allowable per State statute, easing development process for needed housing types</li> </ul>	Race & Ethnicity, Income, Housing Stock, Public	Planning, Civil Rights

Goals and Actions	Impediment Area	Division
4. Review current regulations within the zoning code and adjust as necessary to maximize potential for context-sensitive density increases in residential and mixed-use districts, supporting missing middle housing types	Race & Ethnicity, Age, Disability, Income, Housing Stock, Public	Planning, Zoning
5. Explore adjustments to current zoning to be consistent with the Future Land Use Map and Comprehensive Plan, preemptively easing barriers to development of more affordable housing types in areas where diversification of housing stock would be beneficial <ul style="list-style-type: none"> <li>a. Ex: Adjusted Generalized Future Land Use Low-Medium Residential district allows missing middle and other higher-density structures, but zoning still may serve as impediment to affordable development (adjustments should be explored across all districts to maximize efficiency in development)</li> <li>b. Ex: Proactively adjust zoning after completion of detailed public engagement projects such as sub-area plans, etc., and review neighborhood plans as written to determine opportunities for upzoning consistent with the plan*</li> <li>c. Ex: Promoting Future Land Use density increases to developers to better take advantage of the intensive public engagement that increased density allowances in certain areas of the City through the Comprehensive Plan</li> </ul>	Race & Ethnicity, Income, Housing Stock, Public	Zoning, Planning
6. Continue to proactively address redevelopment pressures through inter-Division communication and cooperation, prioritizing City funding and program activities to areas identified as facing challenges to equitable development*	Race & Ethnicity, Income, Public	Planning, Zoning, CDA, Community Development, Civil Rights
7. Review and adjust ADU zoning ordinance to allow interior-ADU (basement/attic/etc.) conversion by-right in all residential districts <ul style="list-style-type: none"> <li>a. Explore opportunities to shift from conditional to permitted use for detached ADU types in residential districts*</li> </ul>	Race & Ethnicity, Age, Disability, Income, Housing Stock, Public	Planning, Zoning
8. Review and adjust City zoning ordinances to allow cohousing, housing cooperatives, or other group living arrangements as permitted uses in residential and mixed-use districts*	Income, Housing Stock, Public	Planning, Zoning
9. Explore implementation of “fair share” zoning and density planning, allowing neighborhoods or aldermanic districts public engagement processes to select parcels for upzoning and promotion for higher-density development <ul style="list-style-type: none"> <li>a. Ex: Metropolitan Council of the Twin Cities utilizes an “affordable housing scorecard”, which prioritizes funding and grants for communities that meet affordable housing production quota</li> </ul>	Income, Housing Stock, Public	Planning, Zoning, Common Council
10. Explore relaxing administrative barriers to development, promoting increased development at all rental and ownership levels*	Income, Housing Stock, Public	Planning, Zoning
11. Explore opportunities to relax the City’s review of demolition proposals for residential development*	Income, Housing Stock, Public	Planning, Zoning, Building Inspection
12. Explore removal or modification to City ordinance requiring conditional use for 2 or more unit structures being within a set proximity in residential districts	Housing Stock, Public	Planning, Zoning, Common Council
13. Preemptively explore opportunities to redefine “low cost housing” within City ordinance to promote affordability of smaller unit types that could be exempted from future impact fees due to affordability* <ul style="list-style-type: none"> <li>a. Ex: Accessory Dwelling Units and other unit types create opportunities for “low-cost” housing not reflected in current policy</li> </ul>	Income, Housing Stock, Age, Public	Community Development, Planning



Goals and Actions	Impediment Area	Division
<b>2. Program Actions</b>		
<p>1. Explore changes to better target downpayment assistance program as a tool to further fair housing*</p> <ul style="list-style-type: none"> <li>a. Expand affirmative marketing of downpayment assistance programs to underrepresented groups, increasing access to high-ownership areas*</li> <li>b. Explore increased levels of downpayment assistance offered in areas that are already moderate- to high-income with appreciating value</li> <li>c. Incentivize downpayment assistance in areas undergoing or planned to undergo challenges to equitable development identified through planning processes</li> </ul>	Race & Ethnicity, Income, Housing Stock, Lending, Public	Community Development, Planning
<p>2. Further develop and refine affirmative marketing and tenant selection best practices as requirement for participation in City programs</p>	Race & Ethnicity, Disability, Income, Housing Stock, Public	Community Development, Civil Rights, CDA
<p>3. Continue exploring use of alternative/expanded data points in mapping process for housing investments, refining preference areas based on unique City attributes (high relative income, active living, lack of rental housing, areas cost prohibitive to development, etc.)</p> <ul style="list-style-type: none"> <li>a. Explore including siting/access to higher-performing public schools as a preference in applications for City housing assistance</li> </ul>	Race & Ethnicity, Age, Disability, Income, Housing Stock, Public	Community Development, Planning
<p>4. Explore opportunities for expansion of tenant protections and support*</p> <ul style="list-style-type: none"> <li>a. Expand landlord education programs</li> <li>b. Expand tenant/landlord mediation programs</li> <li>c. Expand investment into eviction-prevention programs</li> <li>d. Partner with MG&amp;E to distribute information to new tenants when opening utility accounts</li> </ul>	Race & Ethnicity, Disability, Income, Public, Legislative, Homelessness	Community Development, Civil Rights
<p>5. Explore increased opportunity to target job &amp; skills training</p> <ul style="list-style-type: none"> <li>a. Toward areas with high eviction rates</li> <li>b. To formerly-incarcerated individuals</li> <li>c. Toward mismatched access/skill neighborhoods</li> </ul>	Race & Ethnicity, Disability, Income, Education	Community Development
<p>6. Develop programs to encourage/target affordable housing in areas of the City that specifically lack large numbers of affordable units and rental units*</p> <ul style="list-style-type: none"> <li>a. Programs should include both increasing access to interior neighborhoods through missing middle development, as well as LIHTC &amp; other larger scale development*</li> </ul>	Race & Ethnicity, Income, Housing Stock, Public	Community Development, Zoning, Planning, CDA
<p>7. Review ordinances that disproportionately criminalize homeless individuals</p> <ul style="list-style-type: none"> <li>a. Continue to support programs that remove barriers to housing caused by interactions with the judicial system.</li> </ul>	Race & Ethnicity, Income, Public	Common Council, Community Development
<p>8. Explore developing loan products targeted to senior owner households for home modifications that allow residents to age in-place*</p>	Age, Disability, Income	Community Development
<p>9. Continue reverse-mortgage program, and explore opportunities for potential to expand program to serve homeowners with limited equity</p>	Age, Disability, Income	Community Development
<p>10. Review TIF policy as tool to promote and expand affordable housing without LIHTC requirement*</p>	Race & Ethnicity, Income, Housing Stock, Lending, Public	Community Development, Economic Development, Planning
<p>11. Continue supporting affordable development through capital budget commitments to the Affordable Housing Fund*</p>	Race & Ethnicity, Disability, Income, Housing Stock, Public	Common Council, Community

Goals and Actions	Impediment Area	Division
		Development, Planning
<p>12. Increase mortgage and loan accessibility to households with adverse credit history*</p> <ul style="list-style-type: none"> <li>a. Fund targeted credit-repair programs for borrowers*</li> <li>b. Continue to support alternative credit-scoring models in underwriting for City programs</li> <li>c. Continue outreach to lenders to inform of fair housing obligations and importance of alternative credit scoring*</li> <li>d. Continue to fund homeownership education opportunities</li> </ul>	Race & Ethnicity, Income, Lending, Public	Community Development, Civil Rights
<p>13. Partner with community development organizations or other partners to review lending patterns of financial institutions in the City*</p> <ul style="list-style-type: none"> <li>a. As of 2018 data release, HMDA data will contain credit score and other data points previously unavailable, allowing CDOs to better determine lending patterns of institutions</li> </ul>	Race & Ethnicity, Income, Lending	Community Development
<p>14. Continue and expand targeted educational support programming for Madison youth in areas that show highest disparities in educational outcomes</p>	Race & Ethnicity, Disability, Income, Education	Community Development
<p>15. Remove barriers to filing of housing discrimination complaints on City websites*</p> <ul style="list-style-type: none"> <li>a. Reorganize the City’s search page to direct to DCR as top result for “housing complaint”</li> <li>b. Add “Housing Discrimination” to the City’s Report a Problem webpage (Currently Civil Rights Discrimination and Employment)</li> <li>c. Add a Discrimination Complaint link from Building Inspection’s Complaints webpage</li> </ul>	Race & Ethnicity, Disability, Age, Income, Public	Civil Rights, Building Inspection
<p>16. Consider regular RESJI Analyses of current and future Metro routes and scheduling, including complete current system analysis and proposed BRT, to evaluate effectiveness of service in meeting demands of transit-dependent riders, low-income communities, and Communities of Color*</p>	Race & Ethnicity, Disability, Age, Income, Public	Metro, Planning, Civil Rights
<b>3. Strategy Actions</b>		
<p>1. Continue promoting needed unit types in City-assisted housing development and rehabilitation as well as the private market*</p> <ul style="list-style-type: none"> <li>a. Continue to encourage and fund scattered-site mod/rehab programs*</li> <li>b. Continue to encourage universal design units in all new developments</li> </ul>	Race & Ethnicity, Age, Disability, Income, Housing Stock, Public	Community Development, Planning, CDA, Civil Rights
<p>2. Explore and maximize opportunities for City to fund affordable homeownership and other tenure-type development (cohousing, co-op, owner-occupied rental, etc.)*</p> <ul style="list-style-type: none"> <li>a. Explore programs that support conversion from affordable rental to affordable condo/ownership models at end of affordability period</li> </ul>	Race & Ethnicity, Income, Housing Stock, Lending, Public	Community Development, CDA
<p>3. Research ways to support increased ownership development, especially of lower-cost ownership types (condo, townhome, cohousing, etc.)</p>	Race & Ethnicity, Income, Housing Stock	Community Development, Planning, Zoning
<p>4. Research policies that support and encourage development of affordable ownership and rental options in the private market without City financial assistance</p>	Income, Housing Stock	Community Development, Planning
<p>5. Proactively partner with Madison Metropolitan School District to identify potential investment/development areas to be considered for preference in City programs</p>	Race & Ethnicity, Disability, Income, Housing Stock, Education	Community Development, Planning

Goals and Actions	Impediment Area	Division
6. Research and implement plans to balance preservation of naturally-occurring affordable homeownership options (most likely to be redeveloped) while encouraging higher-density redevelopment types	Race & Ethnicity, Income, Housing Stock	Planning, Community Development
7. Research land banking and/or other programs that could alleviate problems of prohibitive land cost of affordable development in areas near transit and other amenities*	Race & Ethnicity, Income, Housing Stock, Lending, Public	Community Development, Planning, Economic Development
8. Research and promote financing & funding opportunities that can be used to finance development of Accessory Dwelling Units* a. Ex: Recruit financial institutions to create portfolio loan products to finance ADUs*	Income, Age, Housing Stock, Lending	Community Development
9. Create and maintain clear Division responsibilities and implementation strategies for coordinated housing, development, and real estate goals of the City*	Race & Ethnicity, Age, Disability, Income, Housing Stock, Public	Planning, Zoning, Community Development, Economic Development, Civil Rights
10. Consider re-implementing an Inclusionary Zoning ordinance structured to be consistent with State law	Race & Ethnicity, Income, Housing Stock, Public	Planning, Zoning, Community Development
<b>4. Lobbying Actions</b>		
1. Continually monitor and advocate for increased funding opportunities at State and Federal levels	Legislative	Citywide
2. Advocate for 30-day required Notices to Cure or Quit, as well as general tenant-protections in landlord-tenant law	Legislative	Citywide
3. Advocate for increased local control of housing policies including repeal of preempting legislation (rent control, IZ, etc.)	Legislative	Citywide
4. Advocate for increased statewide minimum-wage and local control for localized minimum wages*	Legislative	Citywide
5. Advocate for increased authorization to conduct regular housing inspections, landlord certifications, and landlord registration*	Legislative	Citywide
6. Advocate for “ban the box” legislation to further employment and housing protections to formerly-incarcerated individuals	Legislative	Citywide

## Summary of Actions & Strategies

If implemented collectively, these actions have the potential to further Fair Housing Opportunity in the City of Madison. Although there is no way to comprehensively reverse the history discrimination and disparate advantage, these actions may serve to further incremental processes that open areas and opportunities for members of the Madison community. However, this plan is by nature limited in process. Furthering Fair Housing will require staff and experts across the City to work within their own Divisions to guide equitable policies, as well as to communicate across Divisions to recognize strengths and limitations of particular strategies, as well as to implement solutions as new impediments arise.