

CITY OF MADISON

BIENNIAL HOUSING REPORT

SUPPLEMENT: HOUSING DATA BY RACE/ETHNICITY

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INTRODUCTION TO SUPPLEMENTAL REPORT

The City of Madison Biennial Housing Report attempts to analyze of the city's entire housing market with a particular emphasis on the affordability of housing and breadth of housing options. Because of the emphasis on affordability, most of the data contained in the report was broken down by household income. The purpose of this supplemental report is to reexamine the core datasets used in the report through the lens of race and ethnicity so we may identify additional trends and housing challenges experienced through this demographic, with a focus upon geographic distribution of its effects.

RECOMMENDATIONS

Segregation by race and segregation by income often overlap geographically. This limits the mobility of a large (and growing) percentage of the population. Due to historically low vacancy rates and a tight ownership market, residents with higher median-incomes have the ability to generally out-compete low-income residents for the same unit (both ownership and rental) that are in desirable areas with high access to basic needs – but potentially in rapidly developing areas as well. This limits housing choice and does not allow equitable access for housing across the city to large populations of People of Color, solely on an economic basis due to income disparity.

- Income appears to be the largest contributing factor to disparity among racial demographics
- Tracts that have historically housed People of Color have begun to see increases in concentration of those communities

In addition to geographic segregation, factors relating to housing instability are much more likely to affect People of Color. This housing instability can lead to decreases in health outcomes, decreased test scores in schoolchildren, and higher rates of absenteeism that shows increased contact with the criminal justice system in studies. Low vacancy rates are shown to increase rents, potentially causing higher turnover rates in economically burdened households. People of Color face higher rates of eviction and incarceration, which exacerbates housing instability as the State of Wisconsin allows discrimination in housing on the basis of criminal record. Since the ability to procure housing is closely tied to economic opportunity and housing has a large demonstrated effect on all aspects of communities, it is in the best interest of the City to investigate ways to improve housing stability and economic standing of historically disadvantaged communities for the long-term health of the city of Madison.

Most importantly, across many identifiers compiled for this report, the same census tracts appear in the data as having greater housing challenges. These tracts consistently contain high percentages of Populations of Color.

To address the challenges of housing affordability and housing instability, the most important thing that the City of Madison can do is to continue implementing the recommendations established in the Biennial Housing Report, particularly in regards to increasing the supply of low-income housing units in desirable areas with high access to basic needs. Additionally, to more specifically target the housing challenges faces by People of Color, the City should:

- Target programs to improve housing stock and stability to areas that have both a high concentration of People of Color and factors that contribute to housing instability
- Require comprehensive training in Fair Housing law to prevent discrimination as condition to the receipt of financial assistance to housing projects
- Increase ease of access and marketing of systems to report housing discrimination

SUMMARY STATISTICS

Many strategies for increasing the supply of affordable housing to low-income residents of the City of Madison are explored thoroughly in prior chapters of the Biennial Housing Report, and would equally impact populations of all races and ethnicities. This report for that reason primarily serves to identify the racial demographics of Madison as they relate to housing. All prior adopted strategies related to increasing housing access should be considered for purposes of this report.

In general, the population of Madison is shifting to show increased population and household shares of People of Color, a trend ongoing since at least 1990. The White population of Madison has a smaller household size, on average, than Households of Color. This results in a 5% discrepancy between population share and household share in the city overall for White/non-White populations.

Madison is more likely than the remainder of the County to house populations of Color – 63% of the non-White population of the County resides within Madison. The percentage of each racial/ethnic group that resides in Madison has remained relatively consistent over time, although since 2000 growth across all racial and ethnic groups has occurred more quickly in greater Dane County than within the City. Within the City, neighborhoods that have historically been the residence of populations of Color have increased in share of these populations over time as well as the City becoming more diverse as a whole. The South and North sides of Madison, in general, contain higher shares of populations of Color in Madison, and score higher on Diversity Indices.

- White individuals and households in Madison have higher median incomes than other racial and ethnic groups
- Households of Color are more likely, on average, to have higher median incomes in areas of the County outside of Madison than those that reside in Madison
- 60% of all Black/African American households are Extremely- or Very-low income, as well as 40% of Asian households, and 36% of Hispanic/Latino households compared to 22% of White households
- While there are many households of Color at higher income levels, there persists a racial disparity in income distribution.
- 36% of all Asian households earn more than the HUD Area Family Median Income, 20% of Black households, and 13% of Hispanic households, compared to 47% of White households.

White households in Madison comprise 79% of the total number of households, yet own 90% of all owner-occupied housing units, and lease only 70% of all rental units. This appears directly correlated to income disparities as households over 100% of the HUD Area Median Family Income are much more likely to be homeowners. For owner-occupied mortgage applications, especially for likely qualified buyers, there is a significantly higher denial rate for Black/African American households and a slightly increased denial rate for Hispanic/Latino households. These two demographics are also more likely to purchase homes in tracts that have a larger minority population than White or Asian households.

In total, Extremely Low-Income renters experiencing severe cost burden (excluding students) are approximately 24% of the total population of renter households. Areas with high renter populations, especially low-income renters, have higher rates of turnover year-to-year than the City as a whole. Evictions may also contribute to turnover, as research by Dr. J. Revel Sims of the University of Wisconsin – Madison has indicated “race is the most important factor explaining evictions in Dane County.”

Homelessness has decreased in the City year-to-year as measured in PIT counts, yet the percentage of homeless that identify as non-White has remained constant at 65% of the homeless population. Populations of Color are more likely to experience homelessness at a higher rate than the White population of Madison, both for families and individuals.

The majority of cost-burdened households are White, yet rates of cost burden are higher among households of Color, especially for Hispanic/Latino and Black/African American households.

DEFINITIONS

American Community Survey

The American Community Survey (ACS) is an ongoing survey conducted by the US Census Bureau that provides data 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 precision of counts.

Home Mortgage Disclosure Act

The Home Mortgage Disclosure Act (HMDA) is a data source supplied in part by mandated 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-lien owner-occupied housing.

HUD-CHAS

CHAS (Comprehensive Housing Affordability Strategy) data is a U.S. Department of Housing and Urban Development (HUD) custom tabulation of ACS data from the U.S. Census Bureau that are not available through standard Census products. Data is delayed a further year than ACS tabulations, but with increased precision of tabulations, especially in housing problems. 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

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 for known household size in CHAS tabulations, providing more consistent data markets across demographics.

Cost Burden

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

Low-Income

According to the U.S. Department of Housing and Urban Development, a household earning less than 80% of the HUD Area Median Family Income, adjusted for household size, is a **low-income household**. A household earning less than 50% of the HUD Area Median Family Income, adjusted for household size, is a **very low-income household**. A household earning less than 30% of the HUD Area Median Family Income, adjusted for household size, is considered an **extremely low-income household**.

For the most recent CHAS data available, the income limit designations for a family of 4 are:

Moderate to High Income: \$80,800 / year or greater

Low-Income: \$63,900 / year or less

Very Low-Income: \$40,400 / year or less

Extremely Low-Income: \$24,250 / year or less

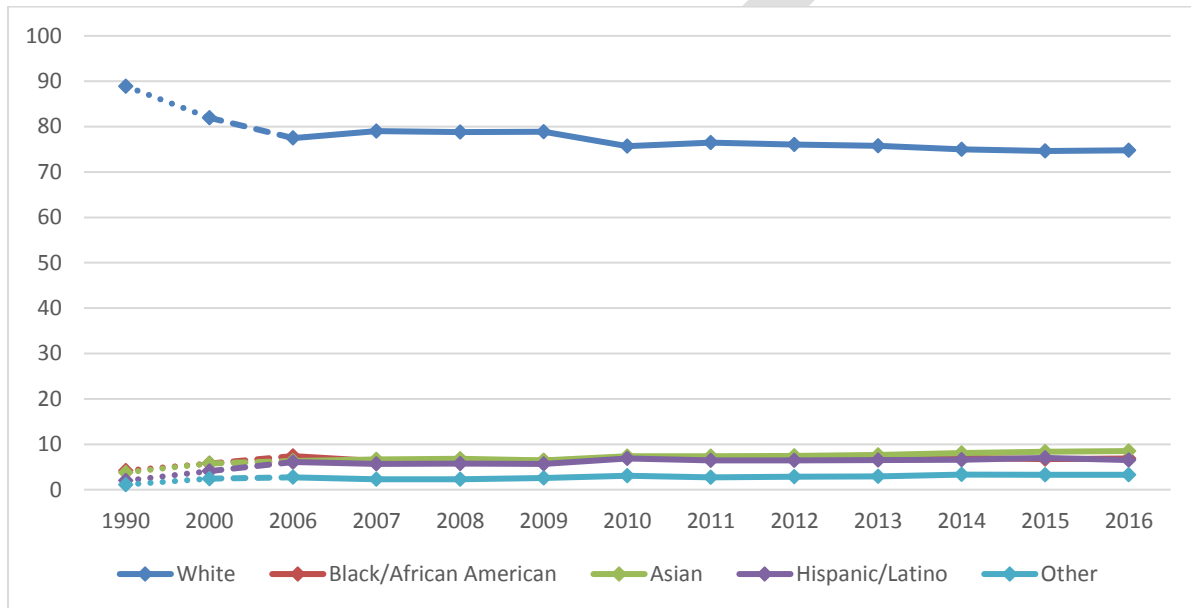
DEMOGRAPHICS

The population of the City of Madison is mostly White at roughly 75% of the population. Numbers from the Census Bureau display slight but consistent decline in the percentage of the population that identifies as White. The Black/African American population of Madison has remained relatively constant as a percent since 2010, displaying times of both decline and growth as a share of total population. Population share has generally increased year-to-year among both Asian and Hispanic/Latino populations in the City.

POPULATION & TRENDS

From 2000 to 2016 the change in Madison's demographic composition has remained relatively stable, with a consistent and slight decrease in percent of White population year to year, decreasing at a slightly increased rate from 2012 onward.

Percent of Total Population by Race: 1990 - 2016



Source: Decennial Census, ACS 3- and 5-Year Estimates

The only Non-White demographic recently displaying a year to year decrease as a percentage is the Black/African American population, beginning in 2013 although slightly increasing from 2015-2016. These decreases are consistent with an increase in the percent of Asian identifying population in Madison, which has increased by approximately 0.17% of the total population per year, as well as the Hispanic or Latino population showing a yearly increase of approximately 0.15% of Madison's total population. While these are relatively small numbers annually, they do display a shift within the population share by race/ethnicity over time.

Percent of Total Population by Race: 2000 – 2016

	2000	2009	2010	2011	2012	2013	2014	2015	2016	Avg. Change	Total Change
White	82.0	78.9	75.7	76.4	76.0	75.7	75.0	74.6	74.8	-0.45	-7.14
Black/African American	5.8	6.4	7.1	7.0	7.2	7.2	7.0	6.7	6.9	0.07	1.09
Asian	5.8	6.5	7.3	7.4	7.4	7.6	8.1	8.4	8.5	0.17	2.74
Hispanic/Latino	4.1	5.7	6.8	6.5	6.5	6.5	6.6	7.0	6.6	0.15	2.46
Other	2.4	2.6	3.1	2.7	2.9	3.0	3.3	3.3	3.3	0.05	0.85

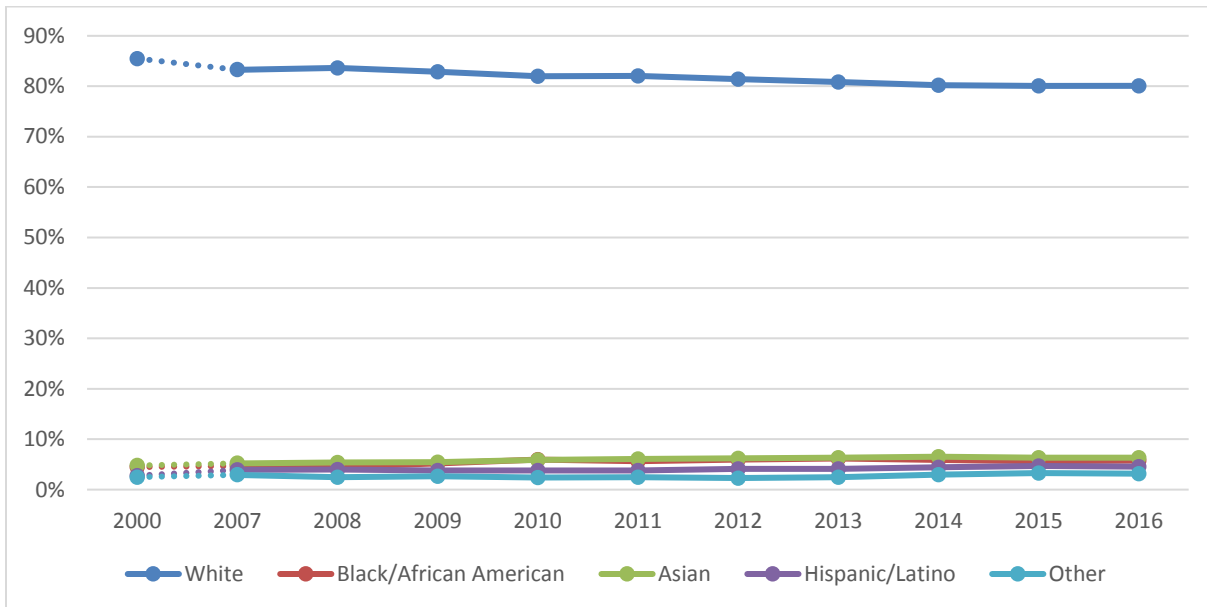
Source: Decennial Census, ACS 5-Year Estimates

Note: All listed Races are considered Not Hispanic/Latino, while Hispanic/Latino may be of Any Race.

HOUSEHOLDS & TRENDS

Population trends are mirrored over more recent years in household composition. There remains an average annual decrease in number of households year to year among the White population, with slight increases in the number of Hispanic/Latino households, Asian households, and Two or More Race households. There is a small but increasing population of American Indian/Alaska Native households within the City, estimated at 438 households as of 2016. This population is not displayed individually due to the relatively small number compared to other racial/ethnic groups, but is displayed with “Other” household demographics.

Percent of Total Households by Race: 2000-2016



Source: ACS 5-Year Estimates

The relative percentages on household in relation to population percentages shows that:

- There is a significant overrepresentation of White households as a percent than would be expected from population share, likely due to a large University population (30,358 Caucasian identifying enrollees as of Fall 2016).
- White households are the only racial or ethnic group that comprise a larger share of households than their respective population share, representative of larger household sizes among non-White racial/ethnic groups.

Percent of Total Households by Race: 2000 – 2016

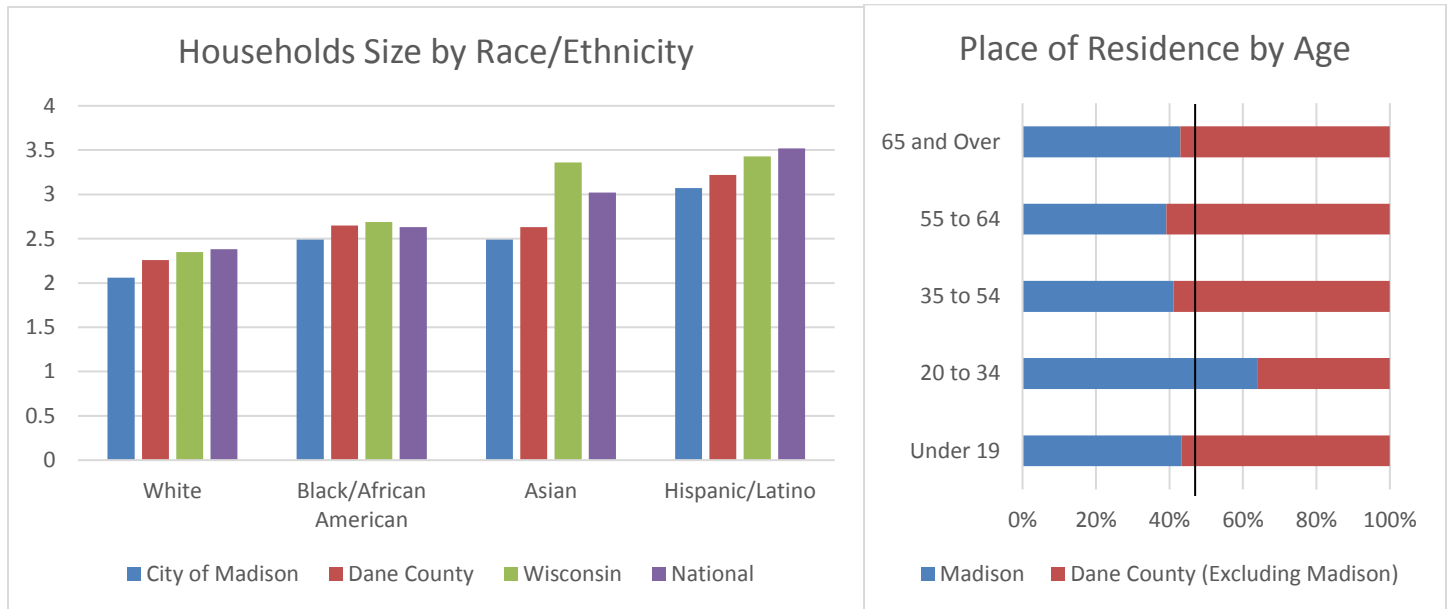
	2000	2009	2010	2011	2012	2013	2014	2015	2016	Avg. Change	Total Change
White	85.5	82.9	82.0	82.0	81.4	80.8	80.2	80.1	80.1	-0.34	-5.40
Black/ African American	4.5	5.2	6.0	5.6	6.0	6.2	5.9	5.6	5.8	0.08	1.32
Asian	4.8	5.5	5.9	6.1	6.2	6.4	6.5	6.3	6.4	0.10	1.58
Hispanic/ Latino	2.8	3.8	3.8	3.8	4.1	4.1	4.4	4.7	4.6	0.11	1.77
Other	2.5	2.7	2.4	2.5	2.3	2.5	3.0	3.3	3.2	0.05	0.72

Source: Decennial Census, ACS 5-Year Estimates

Note: Other includes Some Other Race, Two or More Races, or any other designation not represented by other listed demographics

All listed Races are considered Not Hispanic/Latino, while Hispanic/ Latino may be of Any Race.

The City of Madison has a smaller average household size, by all racial/ethnic groups, than the average for Dane County, the State of Wisconsin, or the United States as a whole. White households in Madison are the only demographic with a higher share of households than population.

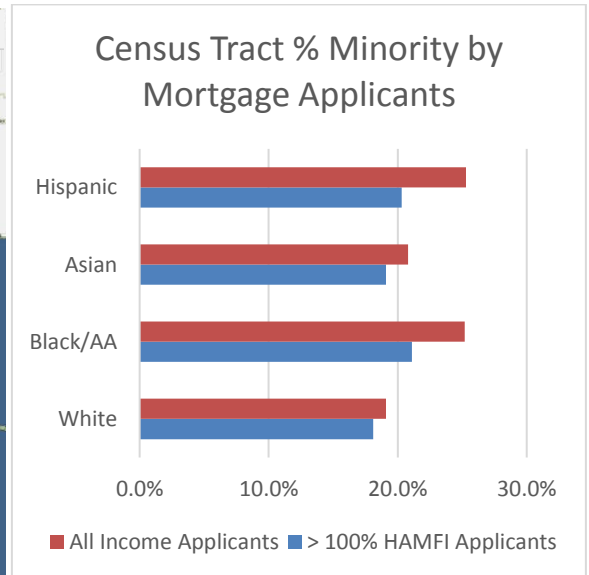
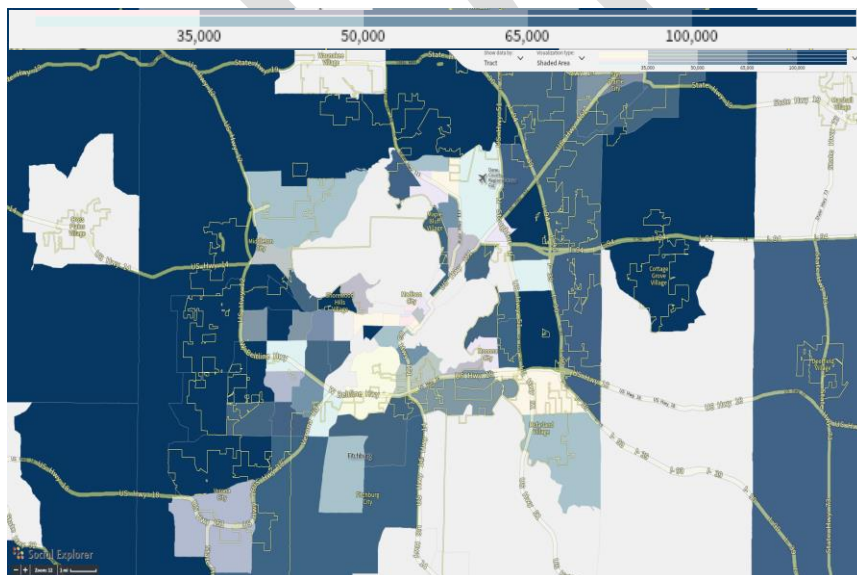


Source: Decennial Census, ACS 5-Year Estimates

HOUSEHOLDS BY INCOME

Even when household incomes rise above the area median, Communities of Color are more likely to locate within similar areas. For instance, in Census Tract 31, bordered by Highway-51, I-90, US-18, and Cottage Grove Road, the median income for a Black/African American household is \$111,000, yet the median income for a Hispanic/Latino household is \$24,000. This would imply that choice to remain in a diverse community may be a larger driver in housing choice for Communities of Color. Additional data from mortgage applicants within the 10-year period 2007-2016 verifies this data, Black/African American households and Hispanic households are more likely to apply to purchase homes in census tracts with higher minority populations than White or Asian applicants are.

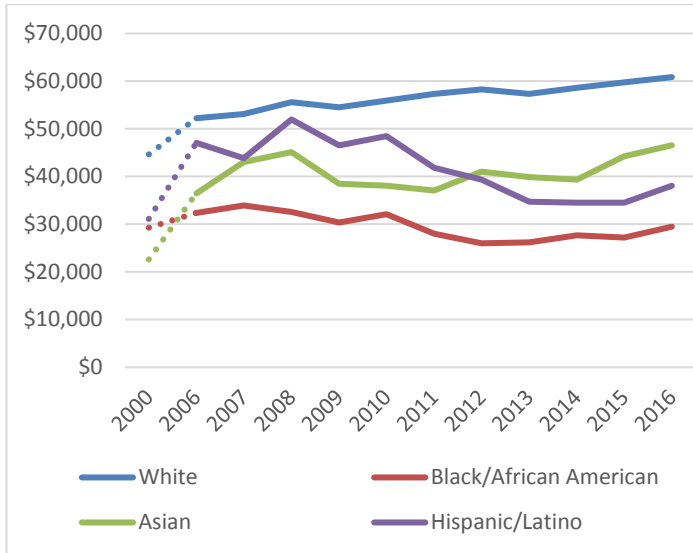
Median Household Income 2015: Households of Color



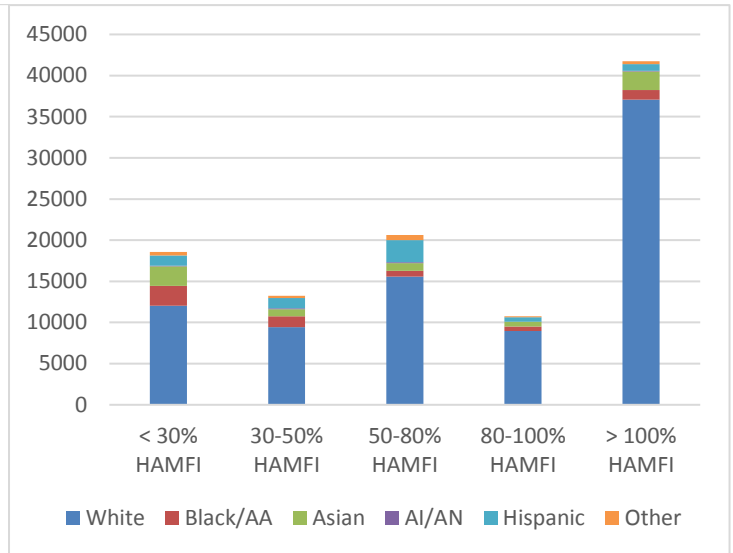
Source: American Community Survey 5-Year Estimates, HMDA 2007-2016

Affordability of and access to housing, both ownership and rental, is directly affected by income generated per household. As Madison continues to experience historically low vacancy rates, households with higher incomes have the ability to out-compete lower-income households 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.

Median Income by Race: 2010 – 2015



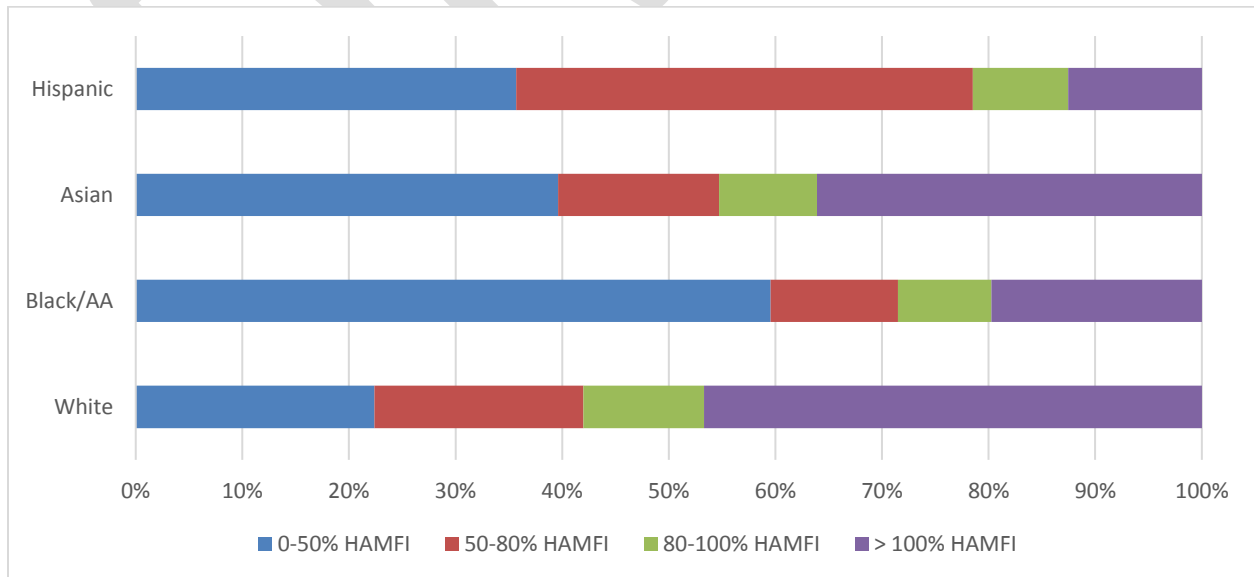
Total Households by Income Level



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

While White households make up the majority demographic of all income levels in the City, when the data is represented as standardized by percent of racial/ethnic group, a disparity in income distribution becomes clear. For moderate- to high-income categories, greater than 100% of the HUD Area Family Median, 47% of White households are represented, compared to 36% of Asian households, 20% of Black households, and 13% of Hispanic households. For extremely low- to very low-income categories, 0-50% of the HUD Area Family Median, 60% of Black households are represented, compared to 40% of Asian households, 36% of Hispanic households, and 22% of White households.

Percent of Racial/Ethnic Group by Income (Students Omitted)

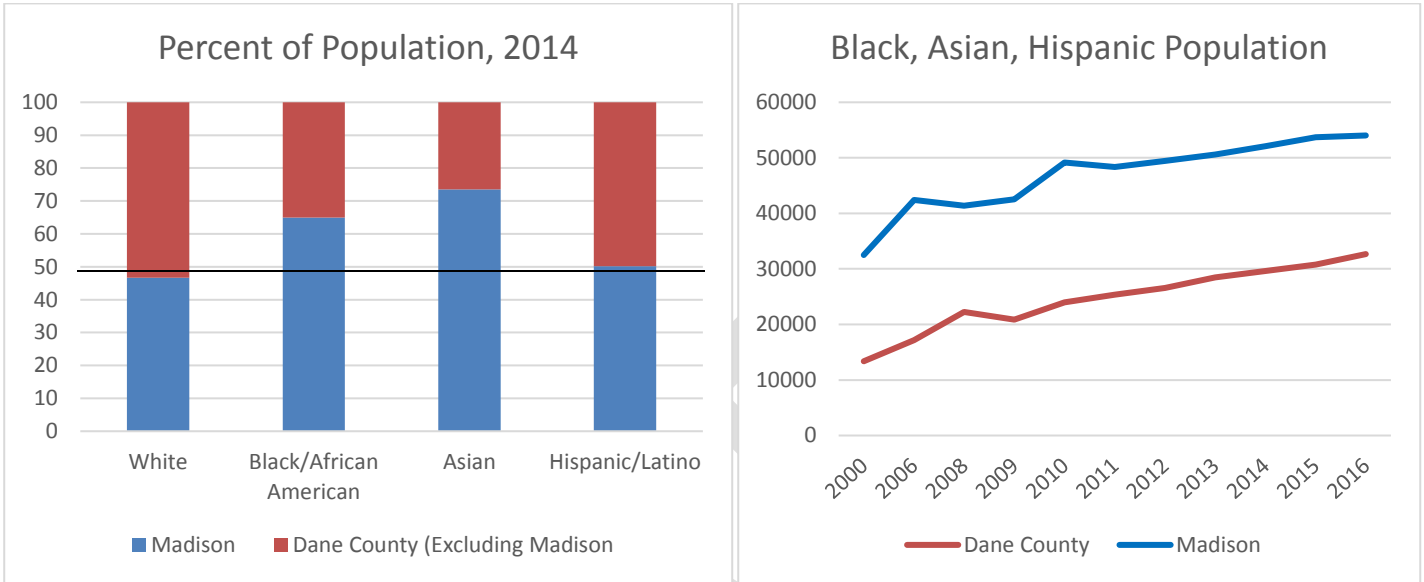


Source: 2010-2014 CHAS

GEOGRAPHIC DISTRIBUTION

In Dane County, it is much more likely for Persons of Color to live within the City of Madison as opposed to the remainder of the County. As of 2016, the only demographic more likely to live outside of the City of Madison was the White population, with 53% of all County residents living outside of the City. 63% of Dane County's non-White population lives within the City of Madison.

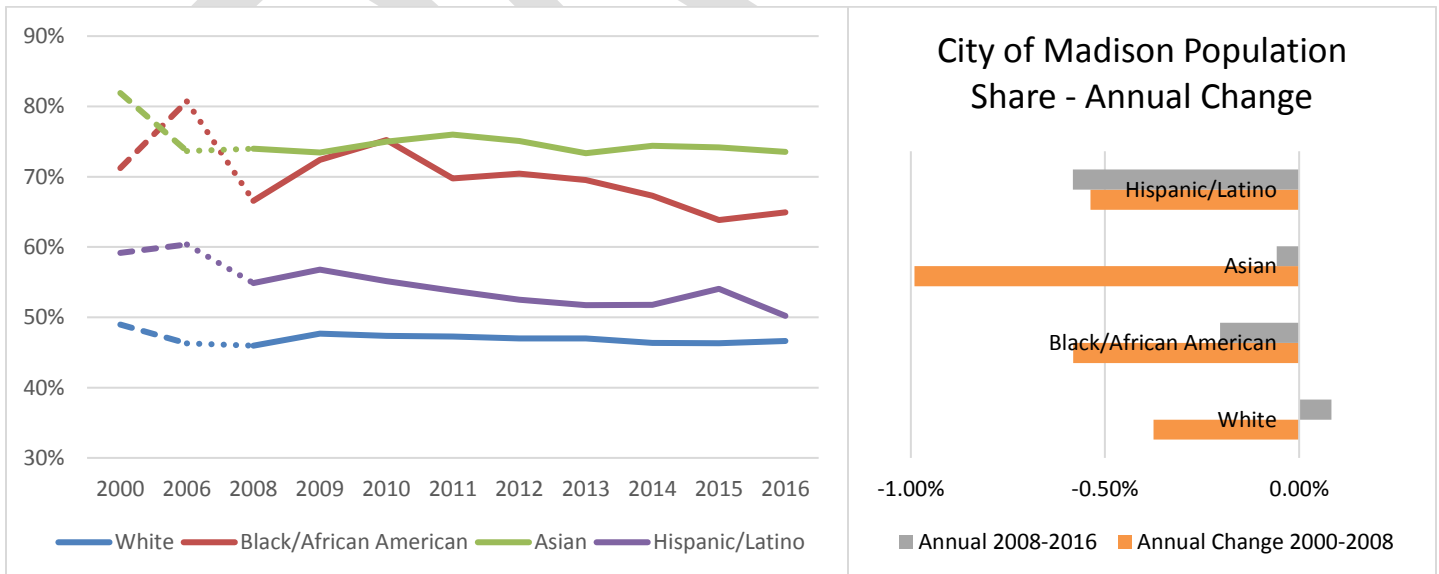
Population Share of Racial/Ethnic Groups within Dane County



Source: ACS 5-Year Estimates

Trends of residence within the County by race/ethnicity have remained relatively consistent over time. From 2000-2008 greater Dane County experienced relatively faster growth across all racial/ethnic demographics than the City of Madison. Since 2008 there has continued to be a larger growth of non-White populations outside of the City than within it, but slightly faster growth within the City for White residents of the County.

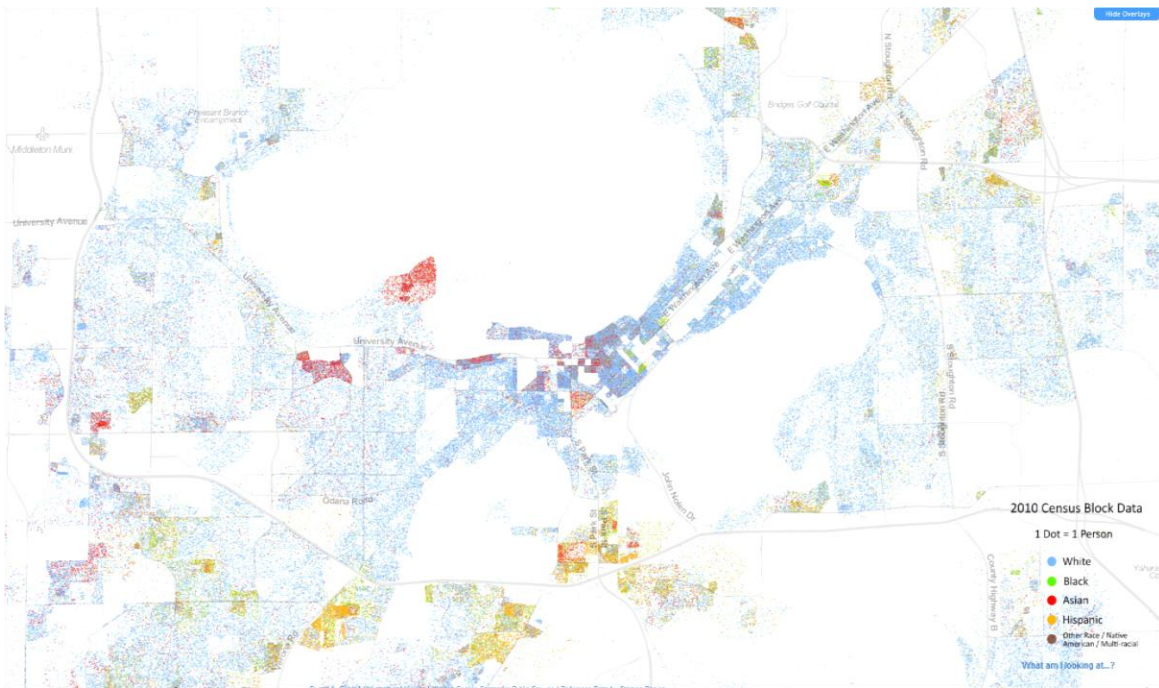
Population Share of Madison within County



Source: Decennial Census, American Community Survey 3- and 5-Year Estimates

DISTRIBUTION WITHIN MADISON

Excluding census tracts associated with the University of Wisconsin, mapping the geographic location of residence for individuals based on race shows potential concentrations of non-White residents in the north and south of the City. Local demographic shifts will continue to alter racial and ethnic distribution over time, altering neighborhood demographics through housing market choice.

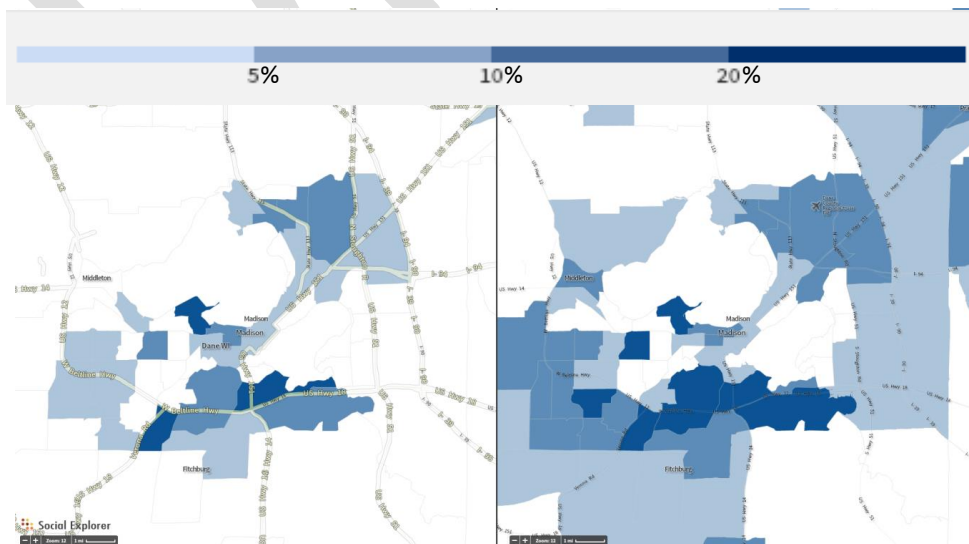


Source: The Racial Dot Map (University of Virginia) – Data based on 2010 Decennial Census

NEIGHBORHOOD DIVERSITY

The percentage share of population held by the largest racial group often measures diversity on a neighborhood level. For example, a neighborhood that is 70% White, 15% Asian, and 15% Black is less diverse than a neighborhood that is 60% White and 40% Latino. Neighborhoods that are currently diverse may become racially concentrated as they increase in percentage of non-White residents. Many census tracts have become more diverse over time, as seen in census distributions of Persons of Color in 2000 and 2015.

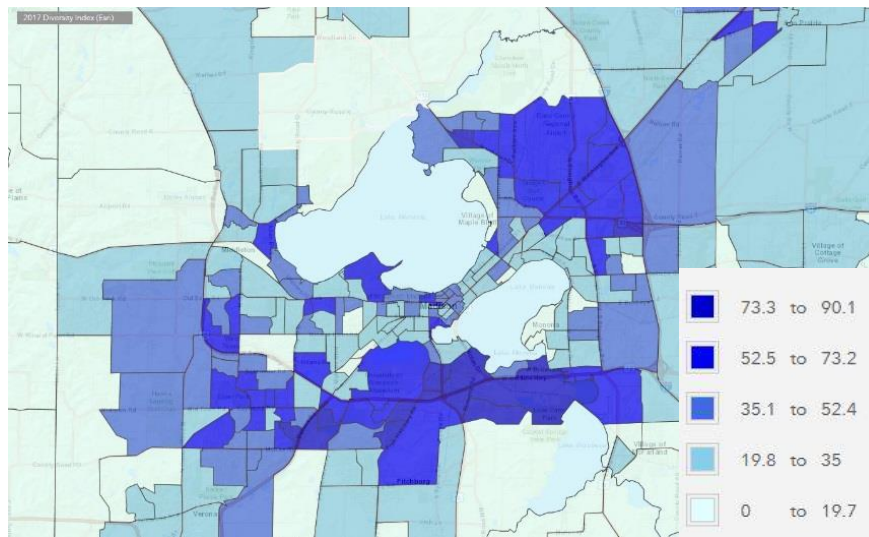
Percent of Population Non-White: 2000 vs. 2015



Source: American Community Survey 5-Year Estimates

Research has shown that different racial groups have differing 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 will begin to experience a more rapid decrease in the White population share than prior.¹

ESRI Diversity Index



An alternative way to measure diversity, the ESRI Diversity Index displays the likelihood that any two persons chosen at random from a Census Block Group belong to a different racial/ethnic group. Scores range from 0 (no diversity) to 100 (extremely diverse).

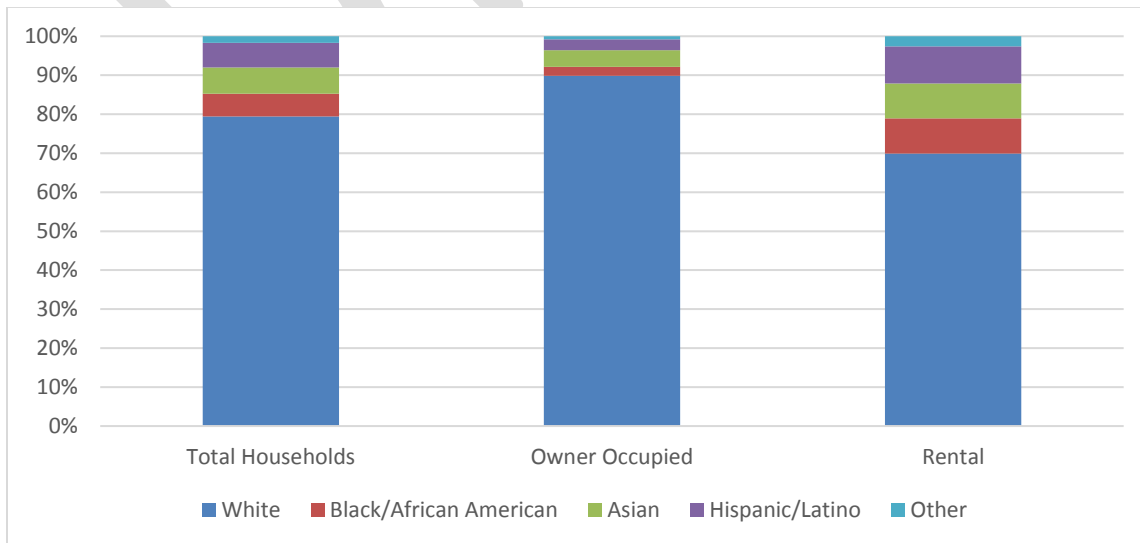
¹ David Card, Alexandre Mas, and Jesse Rothstein, "Tipping and the Dynamics of Segregation," The National Bureau of Economic Research Working Paper, No. 13052, April 2007.

TENURE

Tenure in housing most often refers to the method by which housing is obtained, either by rental or by ownership.

White households are the only racial demographic that are more likely to own their home rather than rent. While White residents are much more likely to be homeowners, they also are by far the largest group of renters within the city, occupying 70% of all occupied rental units.

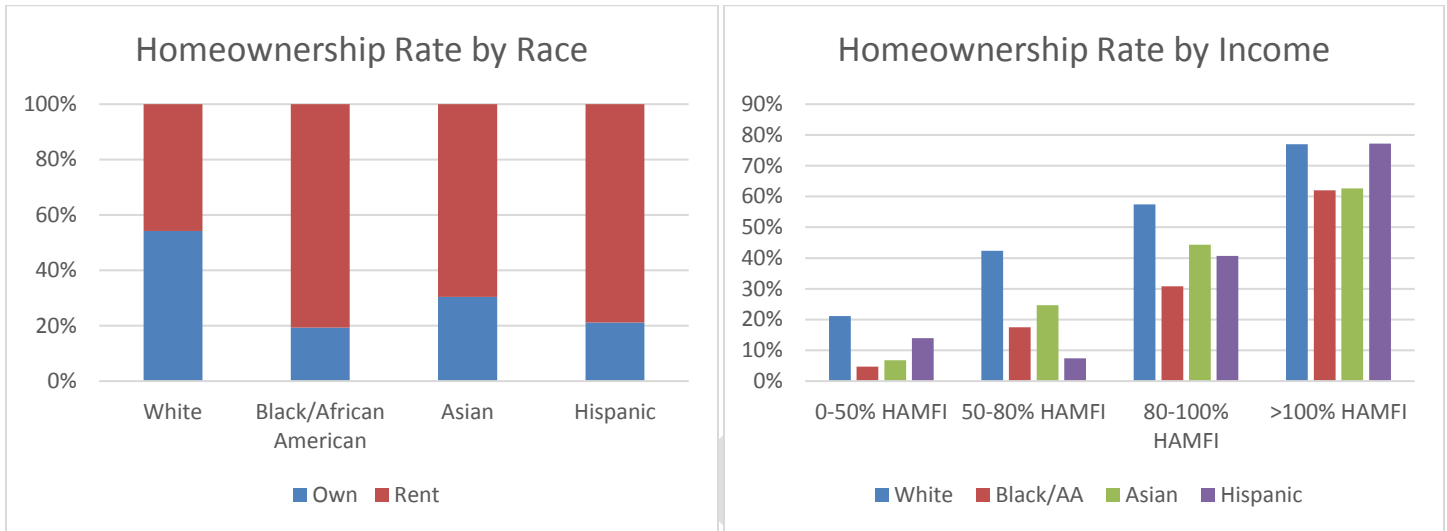
Percent of Housing Stock Occupied by Racial/Ethnicity



Source: CHAS 2010-2014

HOMEOWNERSHIP

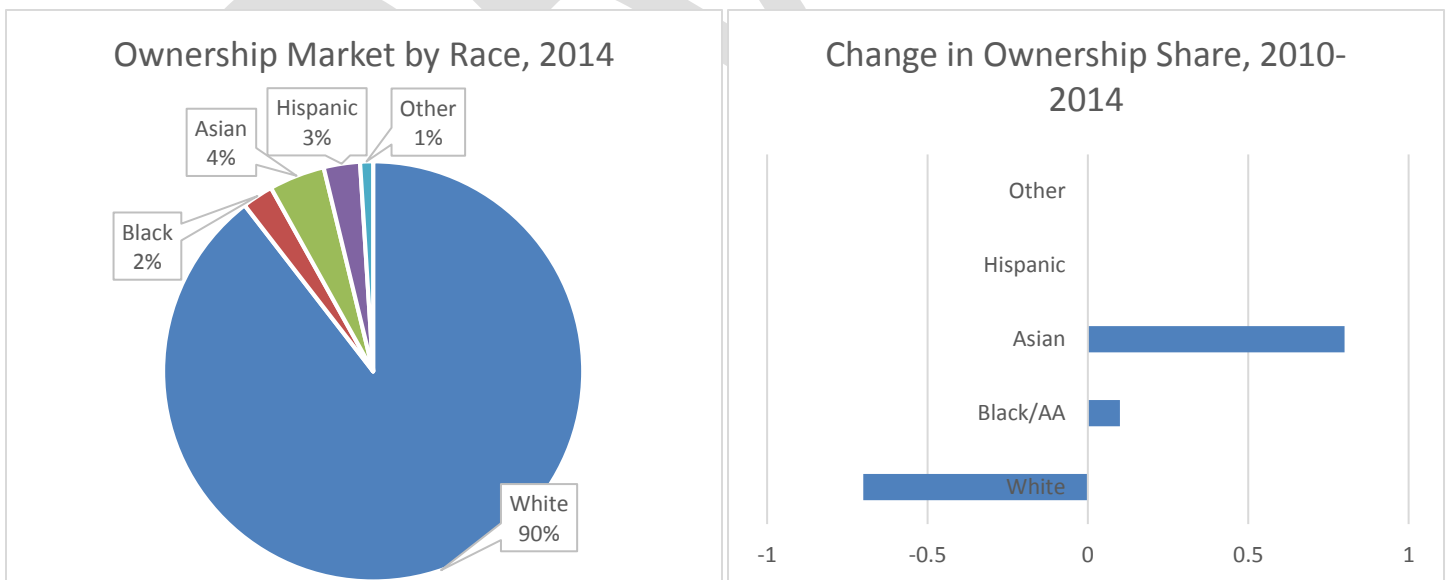
The City of Madison overall has an ownership rate of 48%, 50% when omitting likely students likely precluded from ownership. This falls below both State and National averages of 68% and 64% respectively. However, the rate varies depending on race/ethnicity.



Source: 2010-2014 CHAS

Even at the highest income levels, for those who are likely qualified homeowners, there remains a racial disparity in ownership rates. For households earning more than the HUD Area Median Income (\$80,800), the rate of ownership is 15 points higher for White and Hispanic households than for Black or Asian households. These disparities exist in lower income groups as well, with significantly higher rates of homeownership for White households among all income groups. This is likely explained in part by larger numbers of White senior homeowners at lower income levels, with little to no reported income.

Recently there has been growth in the population share of homeowners of Color, with an increase in Asian owner households of 0.8% from 2010-2014, and Black/African American households of 0.1%. Hispanic/Latino and Other households experienced neither growth nor decline as a share of total homeowners over the 5-year period.



Source: 2006-2010 CHAS, 2010-2014 CHAS

For 10-year period 2007-2016, White applicants received nearly 89% of all mortgage originations within the city of Madison, a number disproportionately high to the share of overall population. This indicates that while the percent of the White population in Madison continues to decrease, the share of mortgage originations is not decreasing at the same rate, preserving a larger than otherwise indicated percent of the housing market for White homeowners.

Of primary concern in mortgage application data is denial rate, reported by race/ethnicity through the Home Mortgage Disclosure Act. Displayed below is all data for first-lien, owner-occupied mortgage applications, both single-family and multi-family.

Mortgage Applications in Madison, 2007-2016

All Mortgage Applications	Outcome			Tract Median Income as % of MSA Median		Tract % Minority	
	Originated	Denied	Denial Rate	Accepted	Denied	Accepted	Denied
White	22402	1743	7.2%	106.2%	101.7%	19.0%	20.1%
Black/African American	503	127	20.2%	96.6%	90.5%	24.8%	27.0%
Asian	1445	155	9.7%	111.2%	102.2%	20.4%	24.8%
Hispanic/Latino	903	208	18.7%	96.4%	92.4%	24.9%	27.2%

Source: Home Mortgage Disclosure Act, 2007-2016

Note: All races considered not Hispanic/Latino; Hispanic/Latino can be of Any Race

- **The overall denial rate for Black/African American and Hispanic/Latino borrowers is significantly higher than that of White and Asian borrowers; reported reasons for application denial does not provide a clear explanation for the disparity.**
- Across all non-White racial and ethnic groups, the average home purchased is more likely to be located within a Census Tract containing larger populations of Persons of Color, especially for Black/African American and Hispanic/Latino buyers.
- **Overall, mortgage applications were more likely to be approved in higher-income census tracts.**

Mortgage Applications for Likely Qualified Borrowers, 2007-2016

Likely Qualified Buyers	Outcome			Tract Median Income as % of MSA Median		Tract % Minority	
	Originated	Denied	Denial Rate	Accepted	Denied	Accepted	Denied
White	9945	532	5.1%	113.6%	110.0%	18.1%	18.2%
Black/African American	159	24	13.1%	109.1%	101.9%	20.6%	24.7%
Asian	756	47	5.9%	118.2%	113.9%	18.9%	21.6%
Hispanic	256	25	8.9%	110.2%	104.5%	20.0%	23.8%

Source: Home Mortgage Disclosure Act, 2007-2016

For “likely qualified buyers,” households earning more than the HUD Area Family Median Income, denial rates are lower than the rate for all applicants by race overall.

However,

- **Disparity remains between Black/African American households and White/Asian households in denial rates among high-income households.**
- **Disparity still remains between Hispanic/Latino households and White/Asian households in denial rates among high-income households.**

Mortgage Applications for Joint Borrowers, 2007-2016

Race of Applicant & Co-Applicant	Outcome			Tract Median Income as % of MSA Median		Tract % Minority	
	Originated	Denied	Denial Rate	Accepted	Denied	Accepted	Denied
White/White	11148	686	5.8%	109.9%	104.7%	18.3%	18.5%
White/African American	190	18	8.7%	102.4%	96.6%	22.3%	20.4%
White/Asian	356	23	6.1%	112.1%	108.9%	19.0%	21.7%
Black/Non-White	117	31	20.9%	99.3%	96.7%	24.5%	26.0%
Asian/Non-White	541	71	11.6%	113.2%	106.1%	20.8%	23.8%

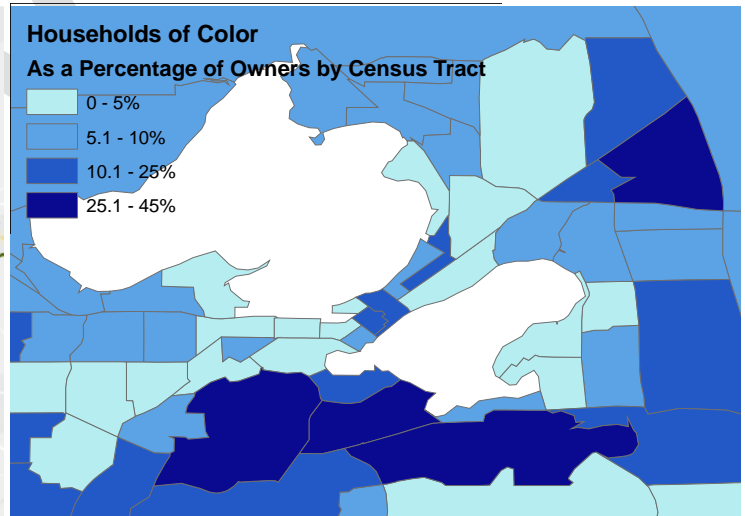
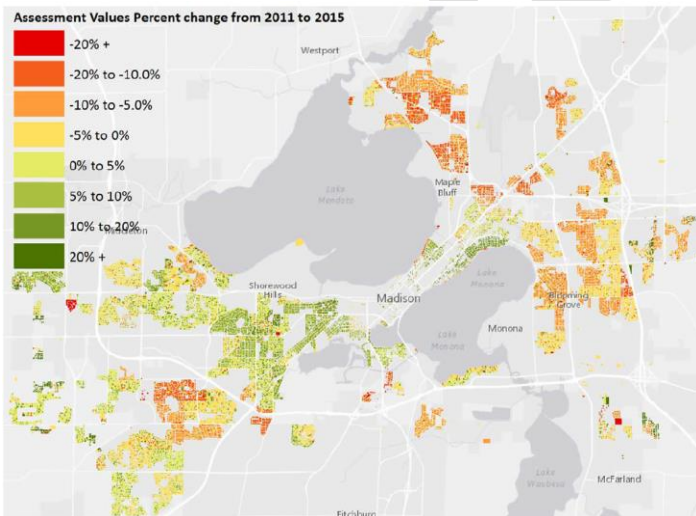
Source: Home Mortgage Disclosure Act, 2007-2016

Note: For categories of Black/African American and Asian as primary applicants, all non-White racial/ethnic groups were combined to better represent samples in achieving a more consistent representation of denial rates.

For joint borrowers:

- **White applicants see an increase in denial rate when applying with a non-White co-applicant.**
- White applicants who apply with a White co-applicant see slightly increased rates of acceptance over White applicants overall.
- **Black/African American applicants, when applying with a Non-White co-applicant experience denial rates 3.6 times higher than White/White applicants, and Asian/Non-White joint applicants experience a denial rate 2 times that of White/White applicants.**

For homeowners in Madison there is a relative appreciation of home-values citywide. However, home values fluctuate over time based on individual neighborhood markets and characteristics. Madison is has seen a depreciation/slower appreciation of home values in some neighborhoods with significant populations of Communities of Color. As these neighborhoods hold higher than average concentration of People of Color, they may also have a higher than average concentration of homeowners of color affected by this trend. Conversely, this trend may provide more readily available affordable housing opportunities for members of all racial/ethnic groups, providing more affordable units for entry into the homeownership market.



Source: 2010-2014 HUD CHAS

There is some consistency with census tracts that have higher rates of ownership by Persons of Color. Given equal distribution, all census tracts would be expected to contain 9% homeowners of Color. The west side of the City and the southeastern isthmus display lower than anticipated rates of ownership for these households, coupled with areas in the north and south which display much higher than expected rates of ownership.

Owner Households by Income Level - % of Racial/Ethnic Group



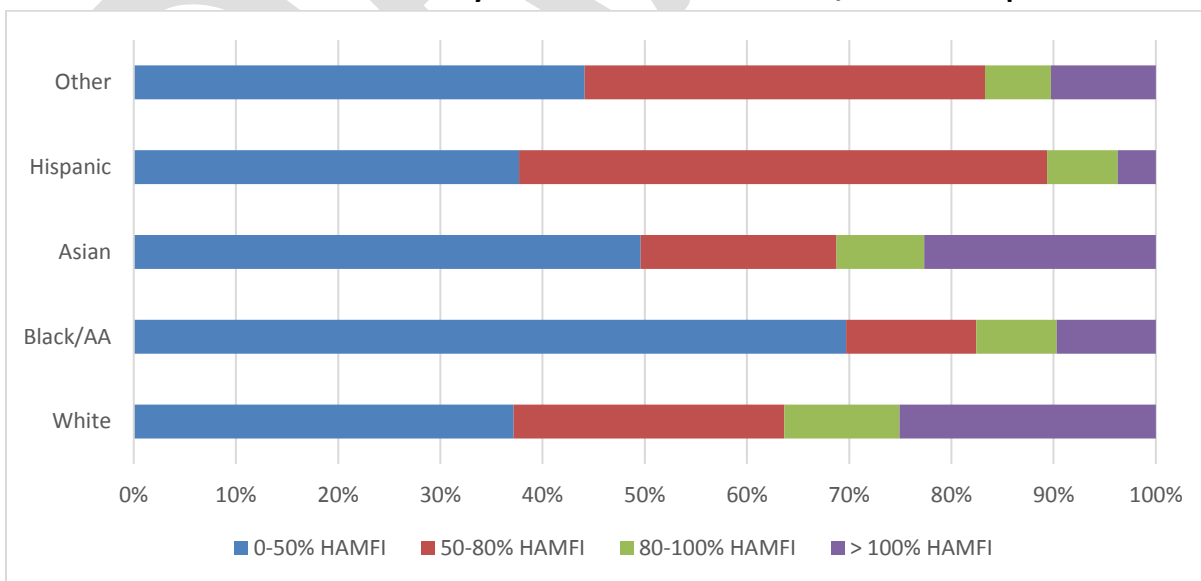
Source: 2010-2014 HUD CHAS

Regardless of race, the majority of homeowners by individual race/ethnicity are households that earn over 100% of the HUD Area Median Family Income. Hispanic/Latino households specifically display increased ownership rates at lower income levels compared to other demographics as a share of owners, but not in overall homeownership rate.

RENTAL

Renter households within the City are more likely to be low-income, with households earning more than 100% of the HUD Area Median Family Income representing only 20% of the rental market compared to 63% of the ownership market. 40% of all renter households in the City are very low or low-income households, 38% of which are households of Color. Households of Color represent 16% of all moderate- to high-income renter households while representing 11% of high-income households regardless of tenure.

Renter Households by Income Level - % of Racial/Ethnic Group



Source: 2010-2014 HUD CHAS

Of particular concern are rental households earning 0-30% of the HUD Area Median Family Income, which are more likely to be severely cost burdened due to income limitations. Representing a significant number of all renter households, households in this category have increased difficulty in maintaining stable housing and display an increase in raw number of households on a year-to-year basis.

Extremely Low Income Severely Cost Burdened Renter Households – Students Omitted

	<u>2007</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
White	3,181	4,981	3,836	4,221	4,416	4,866	4,436
Black/African American	951	1,461	1,371	1,501	1,731	1,901	1,686
Asian	165	475	500	600	750	845	880
Hispanic/Latino	570	530	435	645	655	695	875
Other	200	275	275	350	270	245	245
<i>Total</i>	<i>5,067</i>	<i>7,722</i>	<i>6,417</i>	<i>7,317</i>	<i>7,822</i>	<i>8,552</i>	<i>7,877</i>
<i>% of All Renter Households</i>	<i>22.8%</i>	<i>26.6%</i>	<i>23.9%</i>	<i>25.1%</i>	<i>25.0%</i>	<i>25.7%</i>	<i>23.8%</i>

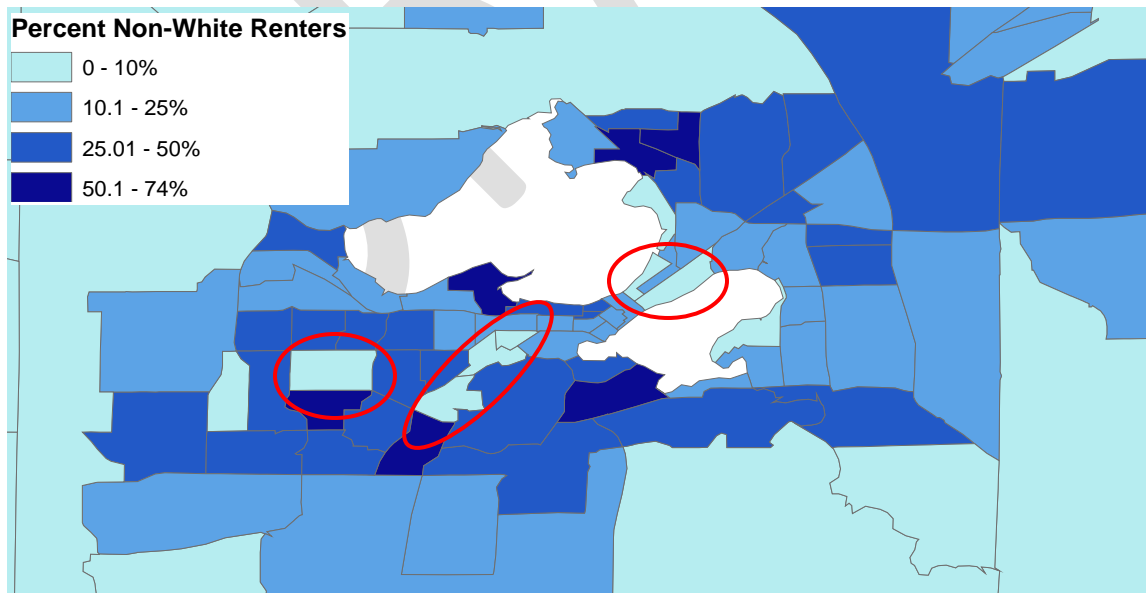
Source: 2009-2014 Annual HUD CHAS

From 2009-2014, Madison experienced annual growth of 3.3% in this population for Black/African American households, 7.5% for Asian households, and 3.4% for Hispanic/Latino households.

Over the same timeframe, Madison experienced annual decreases of 0.3% for White households and 1.4% for Other races & ethnicities in the same category.

Spatially, the distribution of renter households of Color is similar to that of homeowners. If distribution of renter households of Color were consistent with city-wide data, each census tract would be expected to contain 30% non-White renter households. **Areas of the City which contain significantly less renters of color than expected include the Monroe Street corridor on the City’s west side, the majority of the eastern isthmus bordering the lakes, and Census Tract 4.08, bounded by Schroeder Road, Whitney Way, Mineral Point Road, and Gammon Road.**

Renters of Color



Source: 2010-2014 HUD CHAS

TURNOVER

One of the key markers in housing is housing stability is another form of tenure, the time an individual or family has lived at the same place residence. Turnover can be mapped geographically through census tract by the American Community Survey, as seen in the map below. With the exception of Census Tracts that are encompassed by the University of Wisconsin as tracts with extremely high rates of student housing, Madison has high rates of stability, with many sections of the city having 80% or more of their residents remaining in the same unit for more than one year.

The benefits of housing stability are numerous, including:

- Increased access to basic amenities essential for daily living
- Increased test scores in children
- Lower rates of absenteeism from school
- Increased mental and physical health

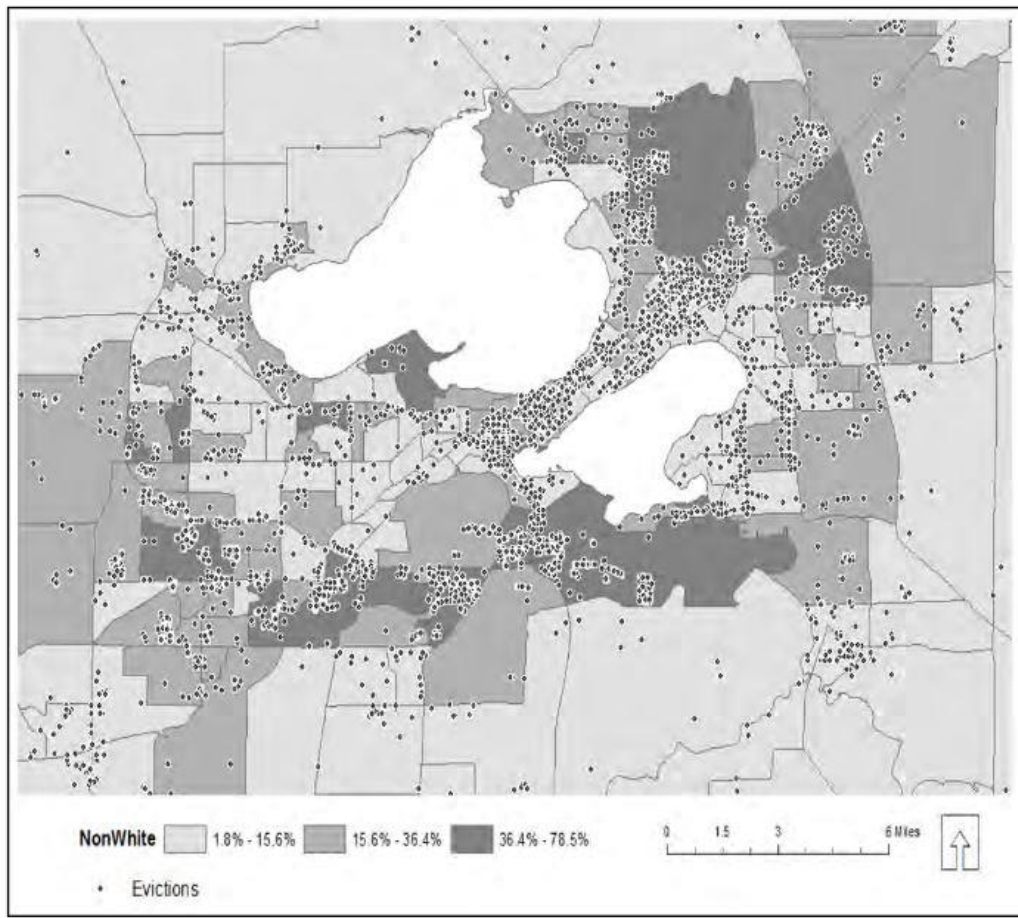
More than 25% Turnover vs More than 25% POC Census Tracts



Source: American Community Survey 5-Year Estimates

Outside of University-associated tracts, of the 10 census tracts with citywide high turnover on the map above, all are in the top 12 for largest percent of non-White population. Within these 10 tracts, the average population of people of color is nearly 42%. **This implies a strong likelihood that People of Color may be much more likely to transition housing units from year to year.** Of the 10 tracts as a whole, nearly 26 percent of the population had changed residences within the past year, which is approximately 10,686 individuals, or 4.2% of Madison's total population.

More data is needed on rates of eviction, but due to confidentiality, data is not publically or easily accessible. For preliminary data on eviction, please see *Evicted in Dane County*, a preliminary report by Dr. J. Revel Sims of the University of Wisconsin - Madison. Preliminary findings from the report indicate **“race is the most important factor explaining evictions in Dane County, [with] the most non-White neighborhoods clearly the most impacted by the eviction process.”**



Source: *Evicted in Dane County, Wisconsin: A Collaborative Examination of the Housing Landscape*, J. Revel Sims

Other findings from the report include:

- 94% of plaintiffs list an address within Dane County, suggesting they may not be absentee landlords. However, many of the plaintiffs with the highest number of eviction cases are management companies, and absentee-property owners would be likely to hire management companies that enforce eviction proceeding against tenants.
- Dane County averages 2,527 eviction proceedings per year, a plurality occurring between the months of May and August.
- Most plaintiffs file relatively few evictions. 90% of all plaintiffs filed less than 10 in the time period studied.
- The legal landscape that governs evictions has shifted heavily to favor landlords in legal proceedings, including but not limited to 2015 Wis. Act 176, which allows for possible evictions over perceived criminal activity.
- There is less ability to regulate housing discrimination and eviction proceedings locally, and tenants have fewer options for recourse.

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 our main source of data available for the homeless population, as traditional data sourcing methods based on housing unit location are ineffective for this population.

Recent PIT Survey Counts

	<u>1/1/2016</u>	<u>7/1/2016</u>	<u>1/1/2017</u>	<u>7/1/2017</u>
White	186	146	169	138
Black/AA	273	213	218	176
Asian	2	3	8	6
Hispanic	47	47	40	44
Other	33	25	35	37
Non-White % of Total	65.6%	66.4%	64.0%	65.6%
Total Homeless in Count	508	409	435	364

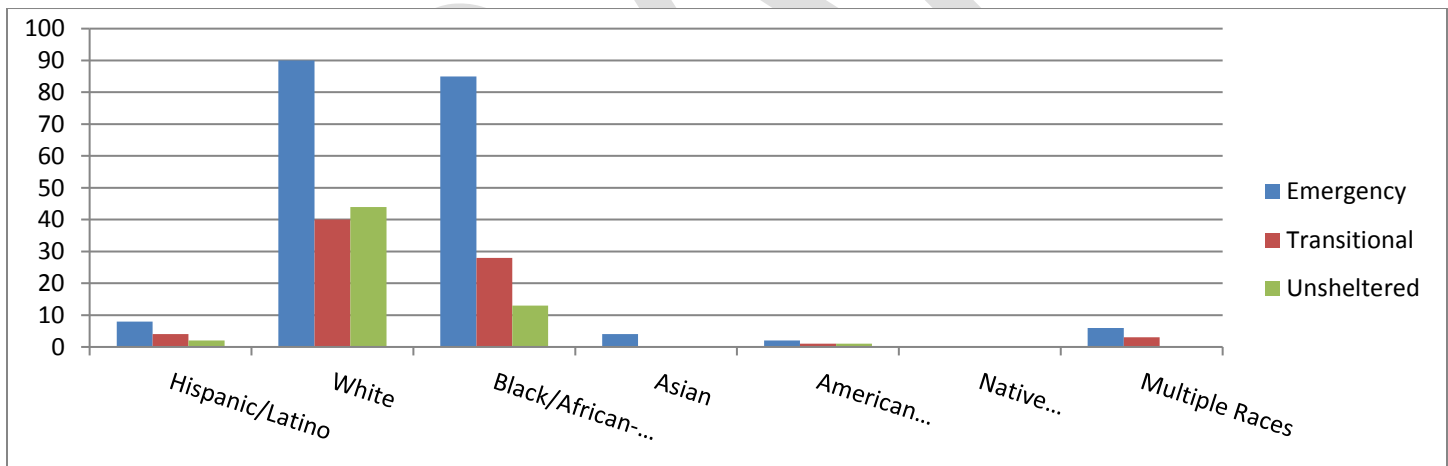
Counts have decreased year-to-year for demographics more largely represented, notably a 9% decrease January-to-January for White and 20% for Black/African American identifying populations, while increasing for Asian and Other identifying populations.

While the count of homeless population has declined overall, the percent of non-White homeless has remained consistent.

SINGLES

Since the PIT survey reports in direct numbers of individuals, we are able to get a direct count of those who are underserved or not served at all by traditional housing methods.

Number of Homeless Individuals on a Nightly Basis



Source: 2017 Point in Time

While the majority homeless in Madison racially identify as White, when adjusted to a ratio of the overall population there is a distinct difference in the percentage of singles, by race, that the traditional housing market is failing.

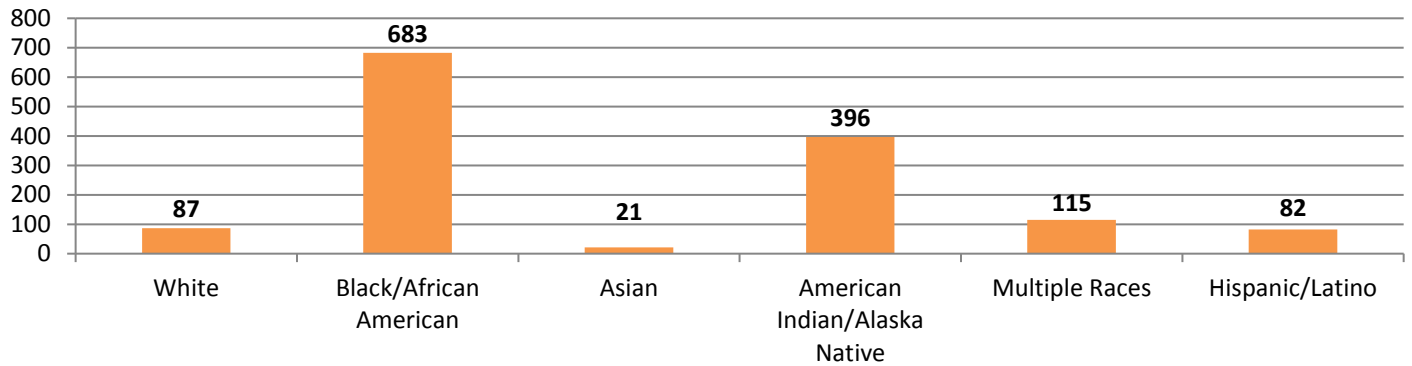
For instance, in Madison, an individual is:

- 8 times more likely to be homeless if Black rather than White
- 4.5 times more likely to be homeless if American Indian rather than White
- 1.3 times more likely to be homeless if Multiple Races rather than White

Overall for singles in Madison, the likelihood of being homeless on a given night is three times as high for those who identify as Non-White as when compared to the White population, both sheltered and unsheltered. For individuals who identify as Black, American Indian, or as More than One Race, that number rises to nearly five times as likely.

Rates of Homelessness by Race/Ethnicity

(Number of Homeless Singles per 100,000 in racial/ethnic group)



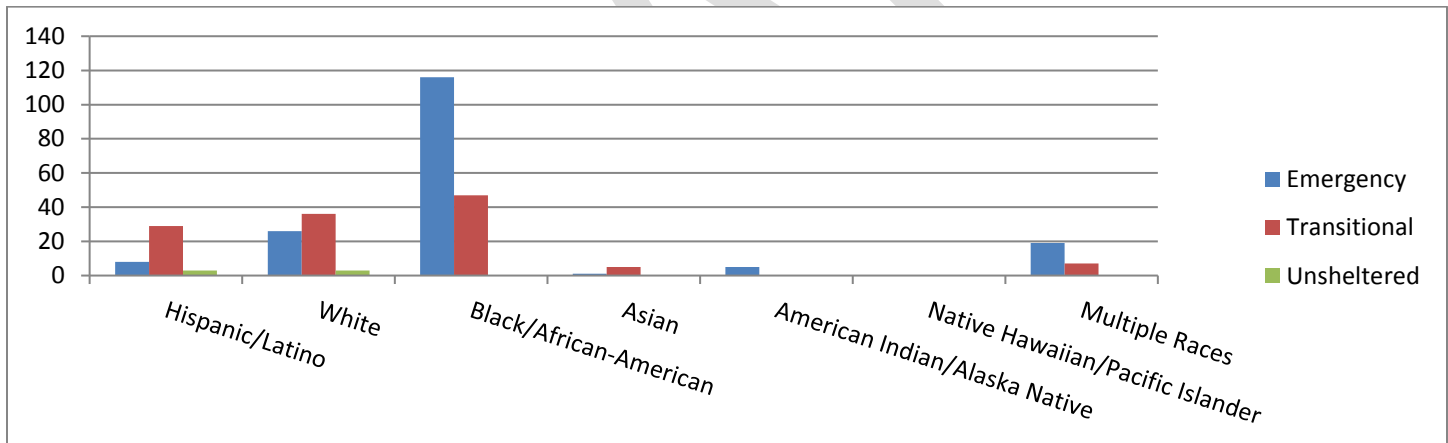
Source: US Census Population Estimate July 1, 2016 & Point-in-Time Count 1/25/2017

Note: Calculations based on representation in surveyed data compared to ACS 5-Year Estimates of Individuals Family or Non-Family by Racial/Ethnic Group

FAMILIES

The system for Homeless shelter in Madison also tracks the number of individuals in families; unsheltered individuals are counted as part of the PIT Count annually. The number counted for Black/African American families is greater than for individuals, and there is a steep drop in the number of White family households as opposed to individuals.

Number of Individuals in Homeless Families on a Nightly Basis



Source: 2017 Point in Time

While the majority of the homeless population in Madison racially identify as White, when adjusted to a ratio of the overall population there is a distinct difference in the percentage of individuals in a family, by race, that the traditional housing market is failing.

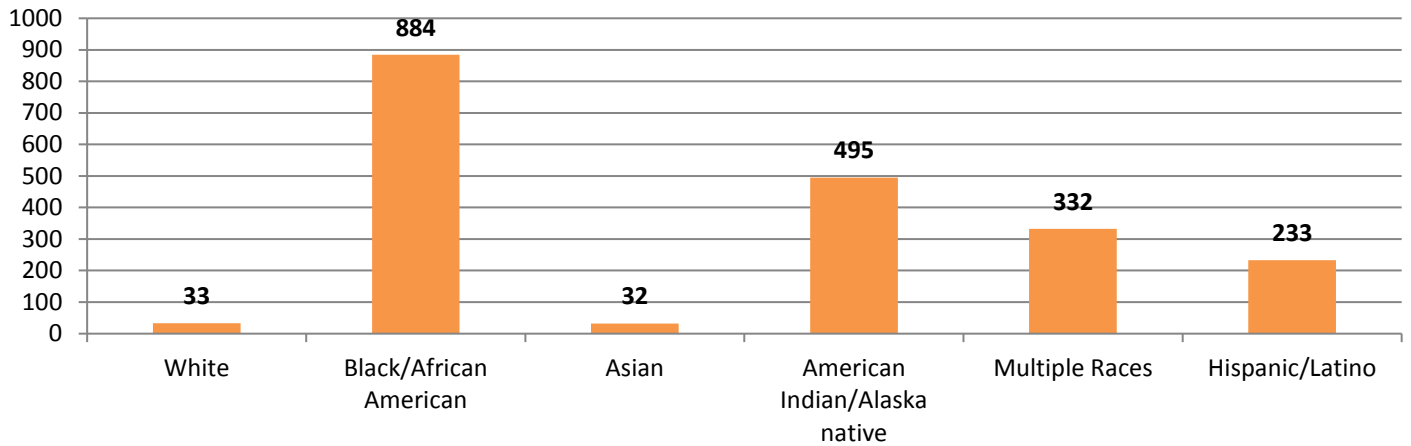
For instance, in Madison, an individual in a family is:

- 27 times more likely to be homeless if Black rather than White
- 15 times more likely to be homeless if American Indian rather than White
- 10 times more likely to be homeless if Multiple Races rather than White
- 7 times more likely to be homeless if Hispanic/Latino rather than White

Overall for members of a family in Madison, the likelihood of being homeless on a given night is twelve times as high for those who identify as Non-White as when compared to the White population, both sheltered and unsheltered. For individuals in families who identify as Black, American Indian, More than One Race, or as Hispanic, that number rises to nearly fifteen times as likely.

Rates of Homelessness by Race/Ethnicity

(Number of Homeless Individuals in a Family per 100,000 in racial/ethnic group)



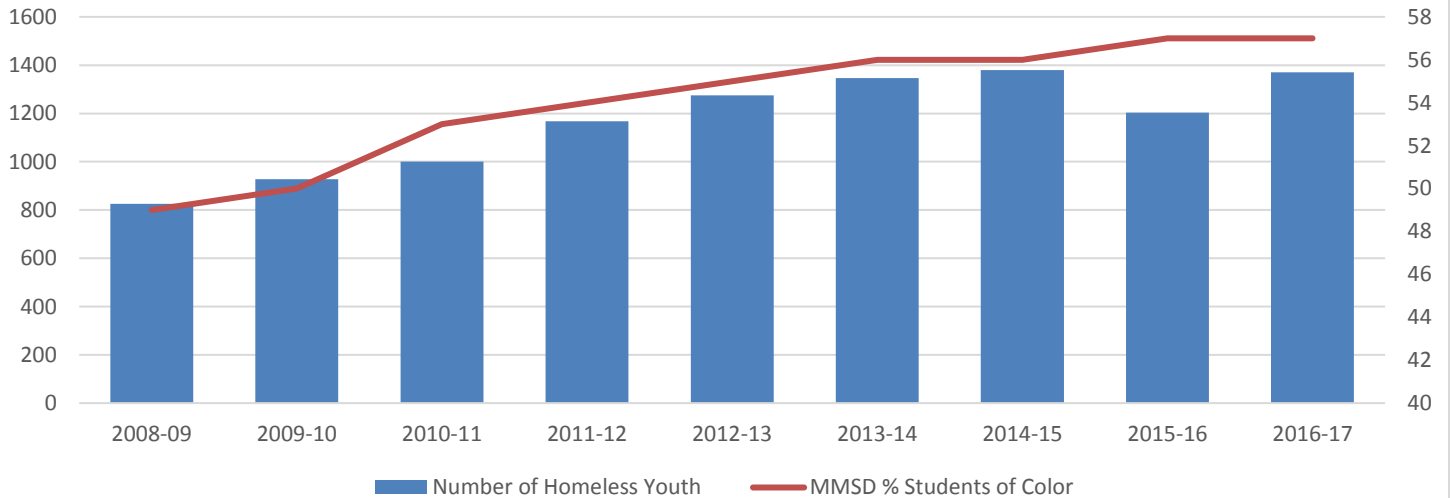
Source: US Census Population Estimate July 1, 2016 & Point-in-Time Count 1/25/2017

Note: Calculations based on representation in surveyed data compared to ACS 5-Year Estimates of Individuals Family or Non-Family by Racial/Ethnic Group

HOUSING INSTABILITY FOR YOUTH

Related to family homelessness is youth homelessness. Tracked by the Department of Public Instruction and collected by school district, the definitions of homelessness are unique, tracking children “who lack a fixed, regular, and adequate night time residence.”

MMSD Housing Instability and Enrollment



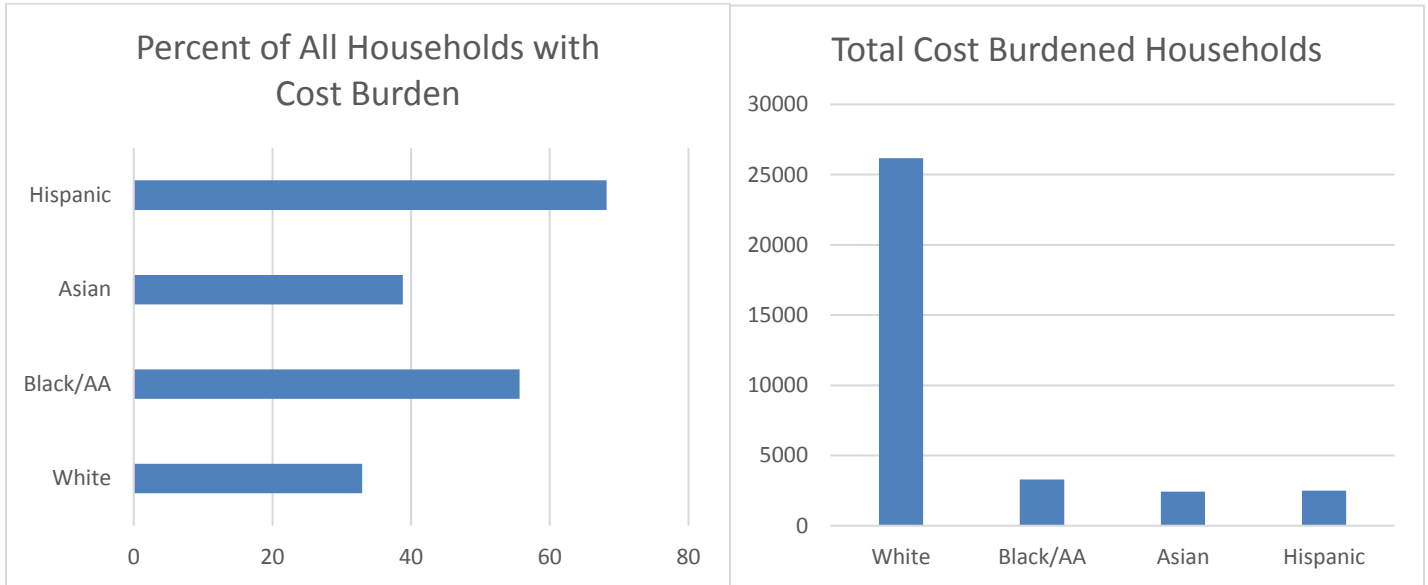
Source: Department of Public Instruction

Due to the known relation of housing instability and household income, it is likely that many of these youth are homeless students of color underserved by the housing market. This has a direct effect on both the achievement gap in the city and stability in the classroom. Exact data from the Department of Public instruction is unavailable to break the data down by further demographics. However, when graphed compared to enrollment for the district as a whole, it shows that increased enrollment for students of color appears consistent with increased reporting of housing instability in students district-wide.

HOUSING CHALLENGES

COST BURDEN

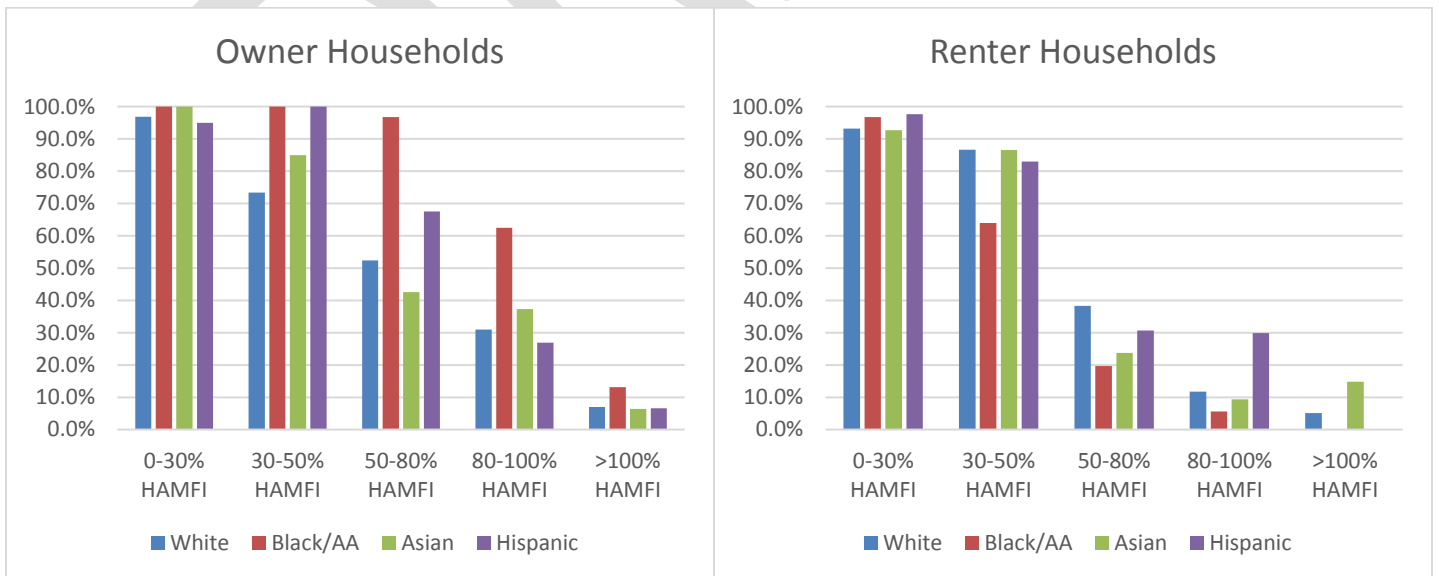
Aside from affordable homeownership and income disparity, the main issue in creating and maintaining affordable housing for all demographics is cost burden. **Regardless of location, households of Color are more likely to be cost burdened as a percent of demographic.**



Source: 2010-2014 CHAS

When broken into Income categories, both by owner and renter households, different trends appear among income groups. Nearly all owner households with less than 30% of the HUD Area Median Family Income are cost burdened. Moving into higher income category owner households, rates of cost burden remain consistently higher among Black/African American households. Asian and Hispanic households experience higher rates of cost burden to White households until 50-80% HAMFI and 80-100% HAMFI incomes.

Rates of Household Cost Burden

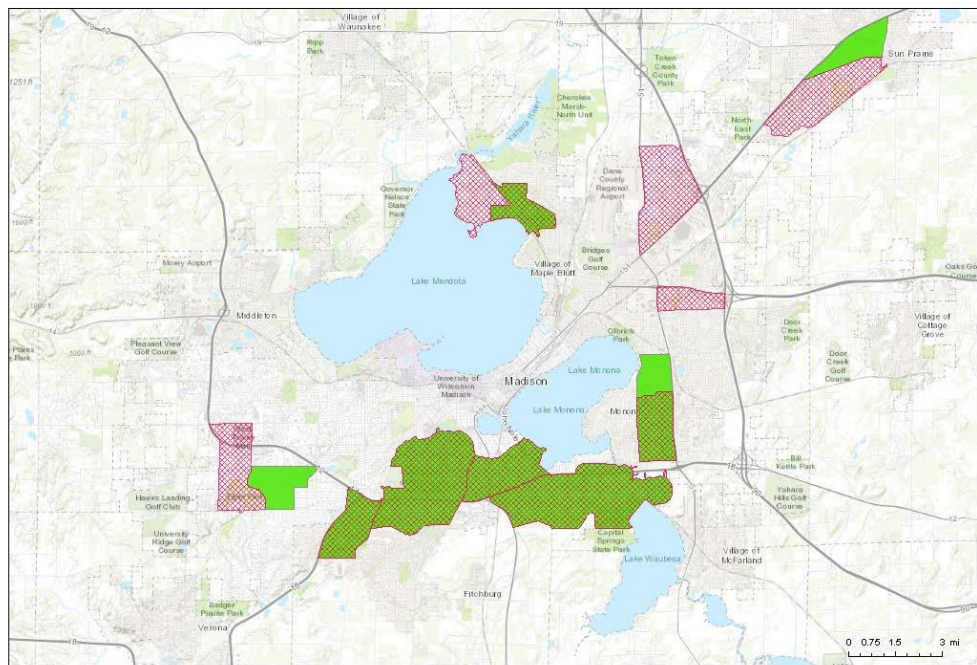


Source: 2010-2014 HUD CHAS

While levels of cost burden are similar for all demographics among the lowest income earner renter households, Black/African American households are less likely to be cost-burdened than other racial demographics as income increases. Hispanic/Latino households show increased rates of cost burden until 50% of the HUD Area Family Median, and Asian households are less likely to be cost burdened than White renter households from 50-100% of the HAMFI.

Due to the large number of White owner households >100% HAMFI, White households overall display lower rates of overall cost burden than other racial/ethnic groups.

FRESH FOOD ACCESS



Fresh Food Access 2010 vs. 2015

Date: 12/20/2017 Source: USDA Economic Research Service, ESRI. For more information: <https://www.ers.usda.gov/data-products/food-access-research-atlas/documentation>

Source: US Department of Agriculture ERS

The USDA Food Access Research Atlas tool tracks low-income census tracts (>20% poverty or <80% HAMFI) where 50% of residents live more than 1-mile from the nearest supermarket, a common indicator of relative ease in purchasing healthy food options.

In the map above, qualifying 2010 census tracts with low food access are denoted by red, and qualifying 2015 tracts denoted by green. Checked areas have remained areas with low access to fresh grocery throughout the time analyzed by the USDA. Areas are also removed from qualifying as they increase in income, no longer retaining the designation based on low-income status.

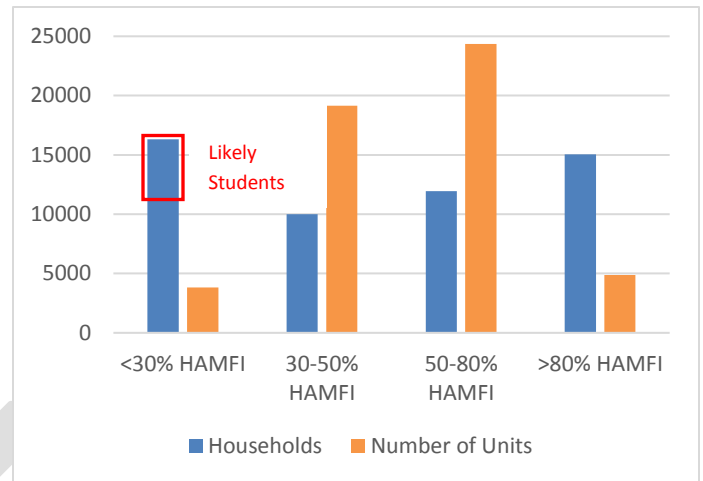
The City has made progress in enabling daily access to grocery since 2010, yet many tracts with low-income populations of all racial/ethnic groups continue to have low access to fresh food, notably the southern areas of the City.

UNIT AVAILABILITY

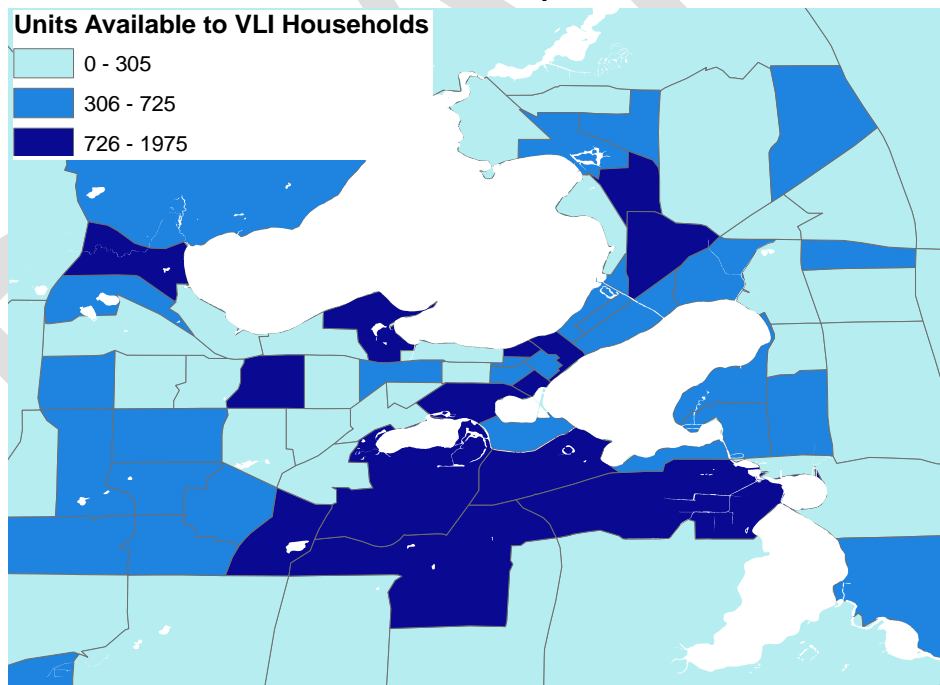
Availability of rental units to households is key to both affordability and geography of residence for those households. **Within the City, there exists a mismatch in availability of units for extremely low-income households.** A family of four considered extremely low-income (30% HAMFI) earns \$24,250 or less per year. Because affordability is fixed at 30% of income, if a family earned exactly that amount, but rented a unit for more than \$606.25 per month, including utilities, that family would be cost burdened.

There are not enough low-income units that exist in the City to serve all low-income households. For extremely low-income households, there is a gap in availability of approximately 7,450 affordable units, excluding student households. Although there are excess units available at rent levels affordable from 30-50% of the HUD Area Median Family Income, any household of the 7,450 that rented a unit in that range would be cost burdened.

Renter Households and Affordable Units



Number of Units Affordable to Very Low Income Households



Even when leasing a unit of higher rent than a household can afford, there are geographic limitations based on income. In a spatial distribution of rental units that would be affordable to households earning between 0 and 50% of the HUD Area Median, there is a clear correlation between areas which have larger populations of households of Color, which are more likely to be low-income due to known income disparities in the City and State..

However, due to housing choice, there are 1,810 moderate- to high-income households that rent units within this low-rent category, directly competing with very low-income households when units become available.

DRAFT

LOCAL SOLUTIONS

In 2013, the US Department of Housing and Urban Development issued a legal requirement that all municipalities issued Federal funding for housing initiatives actively work to further the impact of the Fair Housing Act based on segregation.

The text of the requirement reads:

"[Municipalities need to be] 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 duty to affirmatively further fair housing extends to all of a program participant's activities and programs relating to housing and urban development."

The city of Madison has directly addressed this requirement by creating a multi-departmental Plan of Action, attached below:

Impediments, Goals, and Actions	Responsible Party	Timeline	Status
1. Actions to alleviate Supply Impediments			
1.1 Build more rental units			
1.1.1 Establish policies to maintain a 5% vacancy rate	Housing Strategy Com., Plan Commission, Council, staff	2014	Partial
1.1.2 Encourage flexible development (condo or rental)	Housing Strategy Com., Plan Commission, Council, staff	Ongoing	No
1.1.3 Create programs or incentives (Vancouver as model)	Housing Strategy Com., Plan Commission, Council, staff	2014	No
1.2 Build more large assisted rental units			
1.2.1 Offer incentives to encourage more large units	Housing Strategy Com., Plan Commission, Council, staff	Ongoing	Partial
1.3 Increase supply of single occupancy units			
1.3.1 Study this gap and identify strategies to increase supply	Housing Strategy Com., Plan Commission, Council, staff	2014	Partial
2. Actions to alleviate Affordability Impediments			
2.1 Build more affordable units			
2.1.1 Evaluate demand at various income levels and set targets and strategies for new unit creation	Housing Strategy Committee, Plan Commission, Council, Staff	2014	Partial
2.1.2 Encourage the inclusion of units affordable to low and very low income residents in development in all neighborhoods	Housing Strategy Committee, Plan Commission, Council, Staff	Ongoing	Partial
2.1.3 Provide incentives for the rehabilitation of existing affordable market rate units to mitigate/prevent their replacement by non-affordable units	Housing Strategy Committee, Plan Commission, Council, Staff	Ongoing	No
2.1.4 Encourage more non-traditional housing types (co-housing, co-ops, etc.)	Housing Strategy Committee, Plan Commission, Council, Staff	Ongoing	In Progress
3. Actions to alleviate Financial Impediments			
3.1 More loans to minorities			

3.1.1 More credit and homebuying education	Staff, Homebuyers Roundtable	Ongoing	In Progress
3.1.2 More lender education to avoid predatory lending	Staff, Homebuyers Roundtable	Ongoing	In Progress
3.1.3 More post-purchase education to improve ownership experience	Staff, Homebuyers Roundtable	Ongoing	No
3.1.4 Encourage local lenders to Affirmatively Further Fair Housing, including outreach to underserved communities	Staff, Homebuyers Roundtable	Ongoing	No
3.1.5 Further target City home loan programs toward racial and ethnic households and neighborhoods	Staff	Ongoing	In Progress
3.1.6 Make City loan program information easy to find and understand on the City website	Staff	2014	In Progress
Impediments, Goals, and Actions	Responsible Party	Timeline	Status
4. Actions to alleviate Spatial Impediments			
4.1 Direct assisted/subsidizing housing toward all neighborhoods			
4.1.1 Resist neighborhood opposition to affordable housing	Plan Commission, Council	Ongoing	Yes
4.1.2 Collaborate with CDA and WHEDA to prioritize certain neighborhoods for new units	Staff, CDA, Plan Commission, Council, Housing Strategy Com.	Ongoing	Yes
4.1.3 Develop a Comprehensive Housing Strategy	Housing Strategy Committee, Staff, Council	2014	Yes
4.1.4 Adjust development review fees to tie the fee to the projected unit value or rental cost	Staff, Council	2014	Partial
4.2 Reduce racial segregation			
4.2.1 Acknowledge and craft policy to reduce racial segregation in the comprehensive plan, neighborhood plans, Comprehensive Housing Strategy and the 5 year Consolidated Plan for HUD funding.	Staff, Plan Commission, Council, Housing Strategy Com.	Ongoing	In Progress
4.3 Improve job access via Metro Transit			
4.3.1 Evaluate the routing system and schedule with a focus on the needs of low-income residents and neighborhoods	Staff, Committees, Council, Transit and Parking Commission	2014- 2020	In Progress
4.3.2 Develop more housing along transit corridors	Plan Commission, Council, Transit and Parking Commission	Ongoing	Yes
4.4 Improve access to grocery stores			
4.4.1 Encourage development and services that offer daily grocery access in all neighborhoods	Staff, Plan Commission, Council	Ongoing	Partial
5. Actions to alleviate Administrative Impediments			
5.1 Increase use of fair housing compliant procedures			
5.1.1 Simplify materials and emphasize ease and quick resolutions	Staff	2014	Unknown
5.1.2 Optimize the City website to make it easy to find fair housing info	Staff	2014	Unknown

5.1.3 Coordinated training to identify and direct housing-related complaints	Staff	2014	Unknown
5.1.4 Add "Housing Discrimination" to the Report a Problem system	Staff, IT	2014	Unknown
5.1.5 Contract with a Qualified Fair Housing Enforcement Organization to provide investigative services	Staff	Ongoing	Yes
5.1.6 Revise fair housing ordinances to be consistent with state law	Staff, Council	2014	Unknown
Impediments, Goals, and Actions	Responsible Party	Timeline	Status
5.2 Establish implementation strategies and responsibility			
5.2.1 Establish clear implementation roles and responsibilities within DPCED	DPCED Director, Staff	2014	No
5.2.2 Collaboration and Coordination among DPCED, CDA, DCR	Directors and Staff of each	2014	In Progress
5.2.3 Streamline and combine funding programs	Mayor, Council, Staff	2014-2016	In Progress
5.3 Prevent segregation of disabled residents in group homes			
5.3.1 Consider revisions to the number of residents allowed in Community Living Arrangements	Staff, Plan Commission, Council, Commission on People with Disabilities	2014	Unknown
5.4 Improve protected class representation on Boards and Commissions			
5.4.1 Actively recruit women, African Americans, Hispanics, and disabled persons to City boards and commissions	Council, staff	Ongoing	In Progress

NEIGHBORHOODS AND SEGREGATION

1. Stabilize and increase home values
 - a. Target specific neighborhoods to direct cross-departmental funding toward
 - b. Focus upon fresh food access in areas without accessibility
 - c. Subsidize new home construction paired with buyer income limits to both stabilize & make ownership accessible.
 - i. Example: Minneapolis, MN administers a program to subsidize new construction of Green Certified homes and/or rehab existing homes in low-income communities. Homes are subsidized so that they may be sold to families making 60% AMI – increasing quality of housing stock and assisting to stabilize home values.
2. Increase housing supply
 - a. Creation of affordable housing in all neighborhoods, prioritizing neighborhoods with a lack of affordable rental options.
 - i. Allow those who wish to remain in their neighborhood of choice
 - ii. Allow other to move into areas that may have better access to opportunity
 - b. Prioritize the building of housing of a variety of types and income levels in comprehensive and neighborhood plans
 - c. Decrease the vacancy rate, easing strain on the market
 - i. Allow those with higher median incomes to move into more appropriately priced housing, freeing lower-cost housing for those with lower median incomes. i.e. Filtering
 - ii. Work with Planning & Zoning to implement options as discussed from the White House Toolkit.
3. Address discrimination in housing directly by housing providers
 - a. Create Protected Classes
 - i. This includes the ability of landlords to discriminate based on protected class
 - ii. Madison has many more than the county or state. For instance, many of the city’s protected classes, such as “Arrest Record,” “Conviction Record,” and “Source of Income” are not protected under state law
 - b. Create of an incentive-based program to curb discrimination
 - i. Example: Baltimore offers a voluntary mobility program to Housing Choice Voucher participants with children. This program includes landlord outreach to open up voucher use in “high opportunity” areas (low crime, low poverty, no POC concentration, high access to amenity), housing counseling to families, housing search assistance, down payment & moving cost assistance, and post-move counseling to ensure a smooth transition into the new neighborhood for each family.
4. Reduce transportation spending among low-income residents
 - a. Housing Burden models often incorporate cost of transportation (H+T) into calculations of affordability
 - i. Many low-income communities in Madison live a further distance from downtown and the highest concentration of job access – as such it is likely they pay more for transportation costs.
 - b. This will allow a larger portion of income to go towards housing stability, and allow easier access to employment opportunities, easing access to education and school stability for students
 - c. Subsidize bus passes based off qualifications for public assistance or free/reduced lunch Student Passes.
 - i. Example: Seattle offers free bus passes to homeless through distribution in shelters, as well as offering 50% reduced fares to anyone qualifying for any type of public assistance. Minneapolis offers \$1 rides to anyone qualifying for public assistance (56% reduction).
 - d. Increase core bus service to neighborhoods with high portion of low-income or people of color
5. Create a “Neighborhood Opportunity Fund” grant program
 - a. Fund neighborhood and infrastructure improvement projects on a smaller scale than funding currently allows
 - b. Target to neighborhoods with higher than median populations of people of color
 - c. Example: Chicago’s Neighborhood Opportunity Fund grant program allows funding in targeted commercial corridors for rehab and new business, increasing access to amenity in neighborhoods. Funded by developer fees.

ECONOMIC OPPORTUNITY

1. Fund & Expand homeownership initiatives and opportunity programs, including counseling assistance.
 - a. For likely qualified buyers this may help decrease the disparity in denial rates.
 - b. For low-income borrowers this may ease opportunity in tight housing markets.
 - c. Example: A 2005 HUD study found that as little as \$1,000 of down payment assistance can lead to a 19% increase in the ability of low-income families to purchase a home. A \$10,000 increase improves that to 41% of low-income households. If combined with pre- and post- purchase counseling such as MHFA's "Emerging Markets Homeownership Initiative" there is opportunity to increase that percentage even further if funding were to be approved in both facets on a local level.
2. Raise the minimum wage.
 - a. Many low-income earners are disproportionately people of color, and this would have an immediate and direct affect in terms of housing affordability.
 - b. For instance, raising income from minimum wage of \$7.25 to \$12.00 would bring a two-income household from 50% of median area household income to 80% of median area household income and increase the amount of rent they can afford to pay from \$750 per month to \$1,250 per month.
 - c. Not allowed by state statute
3. Encourage employer-offered sick and safe time at all businesses in the City of Madison
 - a. Low-Income residents often do not have the option to take sick leave in order to care for themselves and their family, causing stress between ability to care for family and stable employment, directly impacting housing stability.