



City of Madison

City of Madison
Madison, WI 53703
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Master

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Controlling Body: PLAN
COMMISSION

File Created Date : 07/30/2019

File Name: Accepting the white paper titled "Equitable Development in Madison"

Final Action:

Title: Accepting the white paper titled "Equitable Development in Madison: An assessment of factors contributing to displacement and gentrification".

Notes:

Sponsors: Satya V. Rhodes-Conway

Effective Date:

Attachments: Equitable_Development_White_Paper_Draft_-_080619.pdf, Equitable_Development_Staff_Memo111119.pdf

Enactment Number:

Author: Dan McAuliffe and Urvashi Martin, Planners

Hearing Date:

Entered by: dmcauliffe@cityofmadison.com

Published Date:

Approval History

Version	Date	Approver	Action
1		Brent Sloat	Approve
2		Brent Sloat	Approve

History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Department of Planning and Community and Economic Development	07/30/2019	Referred for Introduction				
	Action Text:		This Resolution was Referred for Introduction				
	Notes:		Plan Commission (10/14/19), Economic Development Committee (8/21/19), Community Development Block Grant Committee (9/5/19); Equal Opportunities Commission (9/12/19), Housing Strategy Committee (9/26/19), Common Council (11/5/19)				
1	COMMON COUNCIL	08/06/2019	Referred	PLAN COMMISSION	10/14/2019	11/11/2019	
	Action Text:		This Resolution was Referred to the PLAN COMMISSION due back on 10/14/2019				
	Notes:		Additional Referrals to Economic Development Committee (8/21/19), Community Development Block Grant				

Committee (9/12/19), Housing Strategy Committee (9/26/19).

1 PLAN COMMISSION 08/06/2019 Refer COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE 09/05/2019 10/03/2019

Action Text: This Resolution was Refer to the COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE due back on 9/5/2019

Notes:

1 PLAN COMMISSION 08/06/2019 Refer ECONOMIC DEVELOPMENT COMMITTEE 08/21/2019 09/18/2019

Action Text: This Resolution was Refer to the ECONOMIC DEVELOPMENT COMMITTEE due back on 8/21/2019

Notes:

1 PLAN COMMISSION 08/06/2019 Refer HOUSING STRATEGY COMMITTEE 09/26/2019 10/24/2019

Action Text: This Resolution was Refer to the HOUSING STRATEGY COMMITTEE due back on 9/26/2019

Notes:

1 PLAN COMMISSION 08/06/2019 Refer EQUAL OPPORTUNITIES COMMISSION 09/12/2019 10/17/2019

Action Text: This Resolution was Refer to the EQUAL OPPORTUNITIES COMMISSION due back on 9/12/2019

Notes:

1 ECONOMIC DEVELOPMENT COMMITTEE 08/21/2019 Refer ECONOMIC DEVELOPMENT COMMITTEE 09/18/2019 Pass

Action Text: -Madison asked if there is a plan for interviews and personal stories?
-McAuliffe and Martin provided a presentation.

Albouras left at 6:00 pm. A quorum was still present.
Foster left at 6:07 pm. A quorum was still present.

-Madison asked for case studies.
-Kemble asked for personal stories.

A motion was made by Harris, seconded by Kemble, to Refer to the next ECONOMIC DEVELOPMENT COMMITTEE meeting to continue discussion. The motion passed by voice vote/other.

1 COMMUNITY DEVELOPMENT AUTHORITY 09/12/2019 Return to Lead with the Recommendation for Approval Pass

Action Text: (Members of the Equal Opportunities Commission (EOC) convened a meeting in Rm 153 MMB, in conjunction with the ongoing meeting of the CDA.)

Dan McAuliffe, Madison City Planner, provided an overview of the white paper:

The white paper was initiated early this year, following the Oscar Mayer Strategic Assessment. A topic that came up frequently in that report was gentrification and displacement. Increasing population and increases in housing prices (both ownership and rental) put a lot of pressure on housing, especially in areas that have a lot of affordable housing. The white paper follows the model of Portland, Oregon to assess areas with gentrification and displacement. Using primarily census information, the data-driven analysis is based on three types of information:

- Are there populations in existing census tracts that is particularly vulnerable?
- Are we observing demographic changes over time?
- What is the housing market in those areas?

They wanted to point out areas that are in early stage of gentrification, and areas which have already experienced it.

The paper includes recommendations on what the City can do to prevent gentrification and displacement.

Some highlights:

- Displacement may have already occurred in the Atwood, Capital Square, and Bay Creek neighborhoods.
- Greatest concentration of people of color are on the outskirts, not in the central area.
- Allied Drive and South Park Street have the lowest educational attainment rates in the City.
- Demographic change measured the rate of change of persons of color (if population decreased or increased slower than city rate), and is strong in the Central, East, and West sides. There are patterns. Homeownership was hard to track, but shows that rates of persons of color decreased.
- Low- or moderate-home/rent values were looked at under housing market conditions with displacement typologies. Gentrification has occurred in the Capital Square and Atwood areas, with few remaining characteristics of the original neighborhoods. Areas susceptible include Tenney-Lapham, Emerson East, Schenk-Atwood, and Bay Creek. Levels of service fall off in areas outside of dense areas. Recommends the Commissioners think about how these areas relate to transit.
- As a case study, Sherman and Northport had a 10% increase in educational attainment, but also saw rent increases for persons of color.
- Housing prices doubled in the Capital Square and West Washington tracts, previously considered to have economically vulnerable populations.
- Hill Farms has relatively affordable apartments and is a model of how we would like to site affordable housing. That type of area is important to maintain affordable housing.
- South Park Street has increasing home values, and the highest concentration of poverty.
- Eastmorland should be in the process of gentrification, but is not because there are so few rental options.

Urvashi Martin, Madison City Planner, provided strategies currently being implemented in other cities. She noted that some strategies are prohibited by Wisconsin State law:

- Invest in neighborhoods by adding affordable housing. Strategies include housing levy property tax assessments for preservation, Housing Trust Funds dedicated to affordable housing support, developer exactions, and Tax Increment Financing (TIF).
- Preserve affordable housing through rent control, property tax relief, eviction protection laws, and by retaining units with expiring subsidy contracts.
- Stabilize neighborhoods with resources through resident ownership models, homeownership programs, stabilized commercial business development, and targeted economic development.
- Create new affordable housing through density bonuses, inclusionary zoning, land banking, zoning adjustments, impact fee waivers, and adding accessory dwelling units.
- Plan for inclusive and equitable growth with tools, such as community impact reports and community benefit agreements.

Comments and Questions from the Commissioners:

- For the definition of affordable housing, did you drill down to neighborhoods?
McAuliffe said they tried to differentiate between neighborhoods, but did not for the census tracts. For example, in South Madison, the data suggests affordable units in that neighborhood.
- Are there any metrics around success in other cities to determine which ones are most effective?
· Martin said no metrics were provided in connection with similar studies. Those strategies which were "pre-empted" have been the most successful.
- Did this study provide a role for the private sector, such as Microsoft pledging to address the housing crises in Seattle? Can we ask those who have succeeded to help?
- For previous generations, the only way to get out of poverty was to buy from a land owner. Because of rental costs, people cannot afford to get through that door. We need to create something on a larger impact. Strategies are nice, but capital is what will work.
McAuliffe stated that Madison is still trying to build its way out of the recession. Madison had a lower unemployment rate during the recession, but there was a complete evaporation of capital to build. The population increased as driven by jobs. We had a 1% vacancy rate, which has a negative impact on those who need it the most. The vacancy rate is now at 3%.
- In the research, are you looking at ways to move people out of affordable housing into home ownership?
McAuliffe stated that they are not specifically looking at home ownership in this paper.
- Did you look at any increases in flight, of people of color, to other areas like Sun Prairie, Verona, and Mineral Point? If it is increasing elsewhere, then it means we are losing it here.
McAuliffe stated that they looked at some patterns of migration. He would be happy to follow up on this.
- There are concerns about gentrification through private sales of low cost properties in blocks in South Madison, which could be placed on hold (speculation real estate.)
McAuliffe stated that it is real and has an additional negative side. The owner does not put any money into the property during its hold, because the end game is to sell the property. As far as a whole City block, we should make sure the right properties are being redeveloped, such as central areas with transit. There should be a main street in every area. We need additional better places throughout the City, so that residents are not priced out.
- As for Seattle housing with outcomes, there are many people living in tents and under bridges. Affordable communities are too expensive. So for many poor people, the outcome is not there.
McAuliffe stated that the magnitude of the housing crisis is much higher in Seattle, and they are not addressing it completely. That is why it is essential for Madison to be pro-active, look at strategies, and implement strategies early on.
- Is there a way to stop real estate speculation?
McAuliffe said changes in zoning can affect speculation.
- Are you still looking at transit data - areas outside transfer points? How are you connecting that to your paper?
McAuliffe said he will add the transit map shown to the Commissioners during tonight's presentation to the report.
- There is a group working on transportation for the Packers/Sherman area. How are you sharing this with them?
McAuliffe stated that he is also working on the Oscar Meyer redevelopment plan, and they work closely with Madison Metro. We want to make sure we have bus rapid transit embedded into those plans. The current transfer point makes no sense and needs to be at a different location. We do not know the answer to that just yet.
- Some cities are exploring ending single-family housing. Is that a strategy?
McAuliffe said he is not sure how effective that would be, but it could be looked at. Density needs to be placed in a thoughtful manner and there need to be conversations with the community.

(The Equal Opportunities Commission recessed their meeting and left the room at 6:18 pm.)

A motion was made by Evers, seconded by Carter, to Return to Lead with the Recommendation for Approval to the PLAN COMMISSION. The motion passed by voice vote.

1	EQUAL OPPORTUNITIES COMMISSION	09/12/2019	Table			Pass	
	Action Text: McDowell motioned to move to recess at 5:11, Badsing seconded the motion, and it passed by voice vote.						
	The EOC moved to MMB room 153 to join the Community Development Authority meeting and received a presentation from the creators of this document.						
	McDowell motioned to return from recess at 6:23, Badsing seconded the motion, and it passed by voice vote.						
	A motion was made by McDowell, seconded by Schieve, to Table. The motion passed by voice vote/other.						
1	ECONOMIC DEVELOPMENT COMMITTEE	09/18/2019	Return to Lead with the Following Recommendation(s)	PLAN COMMISSION	11/11/2019	Pass	
	Action Text: Foster moved, seconded by Bulgrin, to add a "Be It Further Resolved" clause to direct the Plan Commission to consider re-formatting the document to direct City staff to develop priority recommendations for 2020. The motion passed by voice vote.						
	Foster moved, seconded by Harris, a recommendation to look into guarantee programs as part of the report. The motion passed by voice vote.						
	Madison moved, seconded by Bulgrin, to add "personal stories" and "case studies" to the final report. The motion passed by voice vote.						
	A motion was made by Harris, seconded by Bulgrin, to Return to Lead with the Following Recommendation(s) to the PLAN COMMISSION: To accept the report with these three changes						
	<ol style="list-style-type: none"> 1. To add a "Be It Further Resolved" clause to direct the Plan Commission to consider re-formatting the document to direct City staff to develop priority recommendations for 2020. 2. To look into guarantee programs as part of the report. 3. To add "personal stories" and "case studies" to the final report. 						
	The motion passed by voice vote.						
	Notes: To accept the report with these three changes						
	<ol style="list-style-type: none"> 1. To add a "Be It Further Resolved" clause to direct the Plan Commission to consider re-formatting the document to direct City staff to develop priority recommendations for 2020. 2. To look into guarantee programs as part of the report. 3. To add "personal stories" and "case studies" to the final report. 						
1	HOUSING STRATEGY COMMITTEE	09/26/2019	Re-refer	HOUSING STRATEGY COMMITTEE	10/24/2019	10/24/2019	Pass
	Action Text: McAuliffe introduced the white paper and explained how data was collected. Martin walked through potential and currently used strategies laid out in the paper. A motion was made by Porterfield, seconded by Logan, to Re-refer to the HOUSING STRATEGY COMMITTEE on 10/24/2019. The Committee intends to provide feedback regarding the strategies they feel will be most effective, and to provide "wordsmithing" to more accurately capture the intention of the white paper. The motion passed by voice vote.						
	Notes:						
1	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE	10/03/2019	Return to Lead with the Recommendation for Approval	PLAN COMMISSION	11/11/2019	Pass	
	Action Text: Dan McAuliffe from Planning gave a presentation on Equitable Development in Madison. A motion was made by Christian Albouras, seconded by Rachel Sattler to recommend approval of the whitel paper titled "Equitable Development in Madison". Motion passed by voice vote.						

1	EQUAL OPPORTUNITIES COMMISSION	10/10/2019					
1	EQUAL OPPORTUNITIES COMMISSION	10/17/2019	Return to Lead with the Following Recommendation(s)	PLAN COMMISSION	11/11/2019	Pass	
	Action Text: A motion was made by McDowell, seconded by Dieringer, to Return to Lead with the Following Recommendation(s). The motion passed by voice vote/other.						
	<p>1. The EOC would like an update in about six months about the progress made in addressing these issues and what action plan is being put in place.</p> <p>2. A public-facing document should be made readily available. The EOC recognizes the need to make these reports accessible to the public in every way possible. This includes simplifying and summarizing the contents into a document the community can see and understand.</p>						
	Notes: Recommendations:						
	<p>1. The EOC would like an update in about six months about the progress made in addressing these issues and what action plan is being put in place.</p> <p>2. A public-facing document should be made readily available. The EOC recognizes the need to make these reports accessible to the public in every way possible. This includes simplifying and summarizing the contents into a document the community can see and understand.</p>						
1	HOUSING STRATEGY COMMITTEE	10/24/2019	Return to Lead with the Recommendation for Approval	PLAN COMMISSION	10/28/2019	11/11/2019	Pass
	Action Text: A motion was made by Cranley, seconded by Lemmer, to Return to Lead with the Recommendation for Acceptance. The Housing Strategy Committee members agreed that they would like the following comments noted:						
	<ul style="list-style-type: none"> - Recommend replacing "best practices" with "possible future actions". - Continued evaluation of the zoning code to balance protection of neighborhoods and property development. - Evaluation of strategies to maintain long-term, affordable, quality housing. - Provide technical support to non-profits, and incentives to developers to maintain relationships. - Exploration of the "missing middle"; continued evaluation of non-traditional options for affordable housing. 						
	The motion passed by voice vote.						
1	PLAN COMMISSION	11/11/2019	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER				Pass
	Action Text: A motion was made by Hagenow, seconded by Rewey, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other.						
	Notes: On a motion by Hagenow, seconded by Rewey, the Plan Commission recommended that the white paper be accepted by the Common Council subject to the recommendations of the sub-referrals. The motion to recommend acceptance passed by voice vote/ other.						
1	COMMON COUNCIL	11/19/2019					

Text of Legislative File 56845

Fiscal Note

No additional City appropriation is required with the acceptance of this whitepaper. Implementing recommendations within the whitepaper will require the inclusion of expenditures in future capital and operating budgets, subject to Common Council approval at that time.

Title

Accepting the white paper titled "Equitable Development in Madison: An assessment of factors contributing to displacement and gentrification".

Body

PREAMBLE

The recently adopted Oscar Mayer Strategic Assessment contained a recommendation to evaluate of how housing prices in Madison are impacting displacement and gentrification within the city. After reviewing studies prepared by other communities, Planning Division staff emulated a census tract-based analysis that considered economic vulnerability, demographic change and housing markets to understand which areas are most susceptible to gentrification and displacement. In addition to identifying where this could occur, staff researched best practices that can minimize or mitigate potential negative consequences of future growth in these areas.

WHEREAS, in the City of Madison, as well as nationally, the increasing costs of housing has become a critical issue; and,

WHEREAS, the average cost of housing in Madison increased approximately 25% in the most recent five year period for which data is available; and,

WHEREAS, increasing housing costs have a disproportionate impact on lower-income residents; and

WHEREAS, several central neighborhoods well served by transit have seen some of the highest increases in housing costs, possibly resulting in displacement of low income residents to more affordable, more peripheral areas with less transit access; and

WHEREAS, with anticipated population growth of 70,000 over the next 25 years, market forces are unlikely to change significantly; and,

WHEREAS, analyzing demographic and housing market time series data can help identify areas most at risk for gentrification and displacement; and

WHEREAS, the City of Madison currently has several efforts to increase the supply of affordable housing, however additional steps could be taken.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council accepts the Equitable Development in Madison whitepaper.

BE IT FURTHER RESOLVED, that the Council directs City staff to use these findings to inform housing strategies, policies and programs that can help address displacement, gentrification and affordability issues.