

# City of Sheboygan

## Analysis of Impediments to Fair Housing



The “City of Sheboygan: Analysis of Impediments to Fair Housing 2017” should be used as a meaningful tool and roadmap for the community to take steps to ensure equal access to housing opportunities for all persons in the City of Sheboygan. This study contains an analysis of demographic and economic characteristics in relation to their impact on fair housing, a discussion of fair housing impediments, and a series of recommendations designed to dismantle the impediments identified.

**Table of Contents**

<b>I.</b>	<b>Table of Contents</b>	<b>1</b>
<b>II.</b>	<b>Executive Summary</b>	<b>2</b>
<b>III.</b>	<b>Introduction</b>	<b>7</b>
	a. Overview	
	b. Scope of Study	
	c. Fair Housing	
<b>IV.</b>	<b>Sheboygan Background Data</b>	<b>8</b>
	a. Overview	
	b. Sheboygan Metropolitan Area	
	c. Sheboygan Population Distribution	
	d. Racial Composition	
	e. Household Profiles	
	f. Housing Characteristics	
	g. Age Distribution	
	h. Employment and Income	
	i. Housing Supply	
	j. Education	
<b>V.</b>	<b>Assessment of Current Fair Housing</b>	<b>23</b>
	a. Fair Housing Programs and Activities	
	b. Sheboygan Fair Housing Ordinance	
	c. City of Sheboygan Comprehensive Plan	
	d. Fair Housing Legal Status	
	e. Fair Housing Commission	
	f. Focus Group Results	
<b>VI.</b>	<b>Impediments to Fair Housing Choice</b>	<b>25</b>
<b>VII.</b>	<b>Recommendations</b>	<b>37</b>
<b>VIII.</b>	<b>Resolution</b>	<b>43</b>
<b>IX.</b>	<b>Appendix</b>	<b>44</b>

## **Executive Summary**

The “City of Sheboygan: Analysis of Impediments to Fair Housing 2017” should be used as a meaningful tool and roadmap for the community to take steps to ensure equal access to housing opportunities for all persons in the City of Sheboygan. This study contains an analysis of demographic and economic characteristics in relation to their impact on fair housing; a discussion of fair housing impediments; and a series of recommendations designed to dismantle the impediments identified.

### ***Sheboygan Background Data***

An analysis of the demographic and economic characteristics in Sheboygan assists in identifying trends that currently have or will have an impact on Sheboygan’s housing market and impediments to fair housing choice. Some of the major findings include:

- Over the last five years, the Asian population has increased dramatically.
- Household sizes over the last five years, particularly among Asian and Latino households, have increased.
- Homeownership among all minority groups is lagging significantly behind that of whites.
- The median age for minorities is much lower than that of whites.
- Unemployment rates are higher for African Americans and Latinos than that of whites and Asians. Subsequently, median incomes are lower for African Americans and Latinos than for whites and Asians.
- The proportion of Asians and Latinos without a high school diploma is significantly higher than that of whites and African Americans.
- A majority of Sheboygan’s housing is comprised of older housing units.
- Sheboygan’s housing supply does not contain many large units (4 bedrooms or more).

### ***Update on Impediments accomplished from the 2012-2017 Plan***

In 2013, the City of Sheboygan updated its flawed Fair Housing Ordinance to be consistent with state and federal laws on fair housing.

Currently in 2017, Gorman USA, an affordable housing developer, is under construction on a former elementary school conversion into new Section 42 affordable and accessible housing units. In 2018, a 100 unit conversion of the former Tannery Building is planned as Section 42 Affordable Housing Units as well.

In the past five years, the City of Sheboygan has been aggressive in funding agencies that can assist with fair housing impediments as it relates to budget and financial counseling services, post purchase housing counseling, leveraging community non-profits to provide additional resources to low income homeowners to rehabilitate properties.

The City also hosted in 2016 a fair housing seminar for landlords to learn more about fair housing issues in their rental issues.

## ***Impediments to Fair Housing Choice***

An *impediment* to fair housing choice are defined as any actions, omissions, or decisions that restrict, or have the effect of restricting, the availability of housing choices, based on race, color, religion, sex, disability, familial status, or national origin. Impediments may take the form of a city or other governmental entity's policy, practice or procedure, housing industry practices, or other societal factors that may contribute to impeding a person or family from obtaining housing. The City of Sheboygan's research and interviews with community representatives helped identify the following impediments:

### *City of Sheboygan Impediments*

- Impediment #1: Group Homes of Community Living Arrangements (CLA): Advocates for persons with disabilities in other communities have waged successful legal challenges against municipal ordinances that are similar to Sheboygan's. These challenges asserted that these types of ordinances were too restrictive and were found to have violated the Federal Fair Housing Act.
- Impediment #2: Inadequate Affordable Housing Supply Relative to Resident Income: Currently, 40% of Sheboygan households (2,901 households) pay 30% or more of their income for rent. Three impediments that contribute to the shortage of larger (4 bedrooms or more) affordable housing are the structural quality of housing available, the lack of financial resources to build/preserve/rehabilitate affordable housing, and a lack of housing choice section 8 rent assistance vouchers.
- Impediment #3: Poor Credit, Lack of Credit History and Lack of Financial Literacy: Poor credit history, whether incurred by personal choices or circumstances beyond a person's control, can hinder a person's access to housing.
- Impediment #4: Racial/Ethnic Segregation and Linguistic Isolation: Almost all of the minority population in Sheboygan County is located in the City of Sheboygan. Specifically, the Latino and Asian populations are in the east central part of the City. While segregation and minority concentration are not as serious in Sheboygan as they are in larger urban areas like Milwaukee and Detroit, it is important to recognize their existence now, before the long term effects and costs of segregation start to impact Sheboygan as they have in Milwaukee and elsewhere.

Linguistic isolation exists in over 5% of the households in one census tract. Not surprisingly, those census tracts correspond with tracts that have a higher minority population. A population that does not speak English well will have specific housing impediments related to communicating effectively with a rental agent, real estate agent, mortgage lender or insurance agent.

## *Federal and State Impediments*

While the City of Sheboygan is not directly involved in these Federal and State impediments, it is essential to address them because they impact the City's ability to "affirmatively further fair housing" as required by HUD. Federal and State impediments identified are:

- Impediment #8: Section 8 Housing Choice Vouchers Availability: Cuts in funding to the Section 8 program impedes local communities' ability to assist their population in finding quality, affordable housing.
- Impediment #9: Frequent Attacks on the Community Reinvestment Act (CRA) by Banking Regulators: The constant attack on the CRA by banking regulators hurts low- and moderate-income neighborhoods. Both urban areas and rural communities depend on CRA to leverage affordable housing and economic development.
- Impediment #11: Wisconsin Housing and Economic Development Authority (WHEDA) LIHTC allocation scoring Limits Housing Opportunities: WHEDA's LIHTC allocation scoring limits housing opportunity and contributes to the concentration of poverty as well as racial/ethnic segregation in Sheboygan.
- Impediment #12: No Infrastructure between Medicare/Medicaid and Section 8: The lack of infrastructure between Medicare/Medicaid and Section 8 costs the government more money and keeps persons with disabilities segregated and living in institutions instead of being integrated into society.

## *Private Market Impediments*

Private market impediments are obstacles to fair housing in the housing production, mortgage lending and rental and home sales markets. Though Sheboygan is limited in its ability to directly address private market impediments, it can take a leadership role in bringing these issues to the public's attention.

- Impediment #13: Housing Producers: The main impediment to fair housing in housing production is attributed to a lack of programs that provide financial incentives to developers to build accessible housing, affordable housing or larger housing units to accommodate large families.
- Impediment #14: Mortgage Lending: Discrimination in mortgage lending prevents or impedes home seekers from obtaining the financing normally required to purchase a home. The major impediments identified include:
  - ❖ *Discrimination in the Lending Market*
  - ❖ *Lack of Spanish/Hmong-speaking lenders*
  - ❖ *Foreclosures*
  - ❖ *Lack of flexible underwriting to accommodate persons with no credit history*

- Impediment #15: Housing Sales and Rental Markets: A major impediment to housing choice is discrimination in the sale and rental of housing. Racial discrimination remains the major form of discrimination in the housing market and there is evidence that despite legislative and enforcement efforts, it has not diminished. In addition, with the burgeoning Hmong and Spanish-speaking populations, it is important to ensure an equal level of service be available to alleviate this impediment to fair housing choice.

## ***Recommendations***

The *Recommendations* are the most critical element of the Analyses of Impediments to Fair Housing for local communities to address and remedy the barriers identified.

### *City of Sheboygan Recommendations*

- Recommendation #1: Devote Resources to a Comprehensive Review of Section 15.26 of the City of Sheboygan's Ordinances: Community Living Arrangements (CLA): The City should partner with disability advocacy groups and Independent Living Centers to review and analyze the Community Living Arrangements section of their zoning ordinance.
- Recommendation #2: Facilitate the Production of Affordable and Accessible Housing: The City should do the following: establish an affordable/accessible housing production task force; utilize Tax Incremental Financing (TIF) to produce accessible and affordable housing; enforce existing laws that ensure accessible housing construction; continue to implement the Housing Rehabilitation program; and incorporate Home Modification Requirements into the Housing Rehabilitation program.
- Recommendation #3: Fund Post-purchase Counseling: The City should fund post-purchase counseling services conducted by a viable homebuyer counseling agency in order to successfully combat predatory loans in the Sheboygan community.

### *Federal and State Recommendations*

- Recommendation #4: Advocate for Changes in State and Federal Programs to Expand Affordable Housing Options: The City should advocate for the following: additional Section 8 Housing Choice Vouchers; affordable housing production resources; revisions to WHEDA's Low Income Housing Tax Credit (LIHTC) program allocation scoring; and for the creation of a smoother infrastructure between Medicare/Medicaid and Section 8.

## *Private Market Recommendations*

- Recommendation #5: Advocate for Open and Inclusive Real Estate and Rental Markets: The City of Sheboygan should advocate for more open and inclusive home rental and sales markets by working with the housing industry and appropriate State departments.
- Recommendation #6: Improve Access of Minority and Low-Income Applicants to Home Mortgages: The City should help minority and low-income loan seekers to obtain greater access to home mortgages.

## Introduction

### *Overview*

The following report, the “City of Sheboygan: Analysis of Impediments to Fair Housing” is required by the U.S. Department of Housing and Urban Development (HUD) from all communities that receive Community Development Block Grant (CDBG) funds.<sup>1</sup> The AI serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts. To maximize the potential of this report, the community must view it as more than just a requirement for receiving block grant funding. It should be used as a meaningful tool and roadmap in order for the community to take steps to ensure equal access to housing opportunities for all persons in the City of Sheboygan.

### *Scope of Study*

The City of Sheboygan: Analysis of Impediments to Fair Housing was conducted by the City of Sheboygan, Department of City Development. The report contains several components. First, the study provides an analysis of demographic and economic characteristics in relation to their impact on fair housing. Next is a discussion of impediments within the City of Sheboygan’s policies, procedures and practices; within other governmental level policies; and within the private markets such as: mortgage lending, homeowners insurance, real estate sales and the rental market. These impediments were identified as a result of extensive research and interviews with community representatives. The report concludes with a series of recommendations designed to dismantle those impediments identified in the previous section.

### *Fair Housing*

---

<sup>1</sup> Under the Housing and Community Development Act of 1975, all recipients of Federal Community Development Block Grant (CDBG) funds, used for various housing and community development activities which primarily benefit low and moderate income persons, are required to certify that they will comply with Title VIII of the Civil Rights Act (also known as the Federal Fair Housing Law). HUD must ensure that all programs and activities relating to housing and community development are administered in a manner “affirmatively to further the purpose of Title VIII.” In 2012 the City of Sheboygan received \$793,502 in CDBG funds from HUD, down from \$981,553 in 2011.

Fair housing is a civil right that guarantees equal housing opportunities for all persons regardless of race, color, religion, sex, disability, familial status, national origin, (federal and state) source of income, age, marital status and sexual orientation (state only).<sup>2</sup> These categories, which are covered under these laws, are known as “protected classes.” An *impediment* to fair housing is anything that may hinder or prevent a person from having equal access to housing because of their membership in one of the previously mentioned protected classes. Impediments may take the form of a city or other governmental entity’s policy, practice or procedure, housing industry practices, or other societal factors that may contribute to impeding a person from obtaining housing.

## **Sheboygan Background Data**

### *Overview*

A combination of discrimination, geographic preferences, demographic shifts, changes in the number and structure of households and the economy, among other things account for the City of Sheboygan’s current housing conditions. Geographic Information Systems (GIS) maps are used in this report to map socioeconomic and housing market conditions and to assist in highlighting patterns that may otherwise go unnoticed. The City of Sheboygan’s demographic, economic and social characteristics will be discussed in this section and connections will be made to characteristics that are related to impediments in the housing market.

### *Sheboygan Metropolitan Area*

In order to evaluate the demographic and economic characteristics of the City of Sheboygan, the entire Sheboygan Metropolitan area must be analyzed to provide a larger base and to serve as a comparison to the City. The City of Sheboygan is part of the larger Sheboygan Metropolitan Statistical Area (Figure 1), as defined by the U.S. Census Bureau. The Sheboygan Metropolitan Statistical Area (MSA) and Sheboygan County share the same boundaries. The maps below illustrate the geographic areas analyzed in order to review socioeconomic housing patterns.

---

<sup>2</sup> In Accordance with 24 CFR 570.904 fair housing choice is defined as the “ability of persons regardless of race, color, religion, sex, handicap, familial status or national origin, of similar income levels to have available to them the same housing choices.” Impediments to fair housing are defined as, “any actions, omissions, or decisions, which restrict housing choice because of race, color, religion, sex, national origin, familial status or handicap.”



Figure 1: Metropolitan Sheboygan<sup>3</sup>

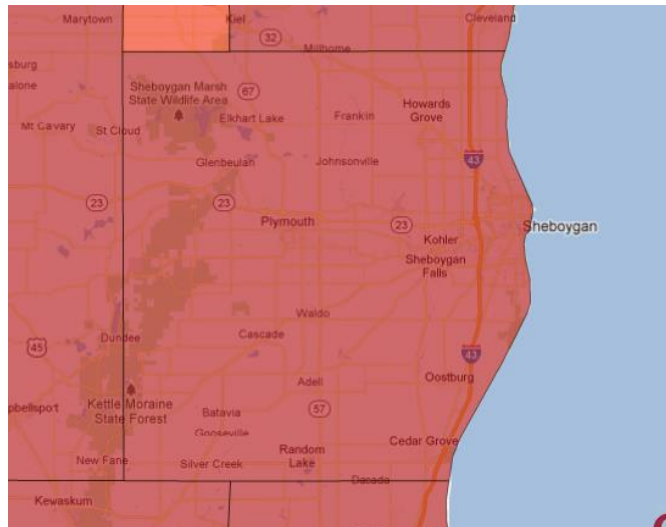
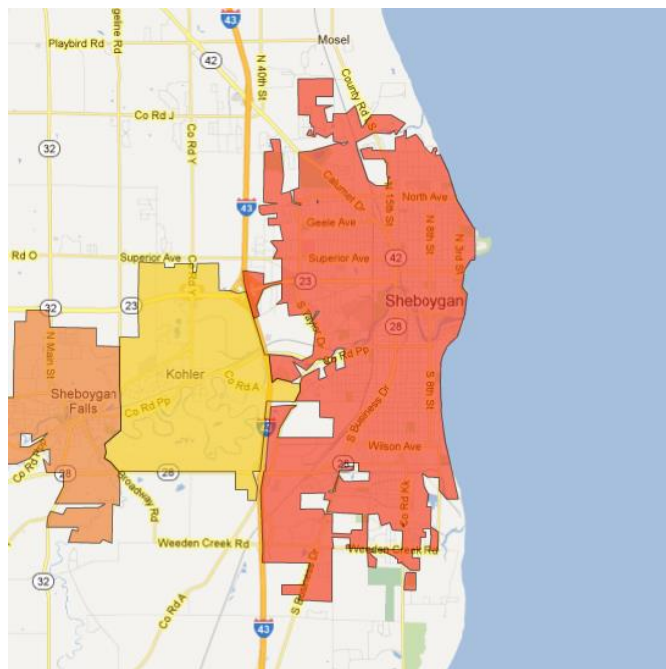


Figure 2: City of Sheboygan<sup>4</sup>



<sup>3</sup> Source: <http://2010.census.gov/2010census/popmap/>  
<sup>4</sup> Source: <http://2010.census.gov/2010census/popmap/>

*Sheboygan Population Distribution*

In 2010, the City of Sheboygan’s population was 49,288, a decrease of 2.96% from 2000. This is in contrast to the surrounding county, which grew by 2.54% during the same period. During this period of slight decrease, whites in the City experienced a decline in population while most minority groups grew at a rapid rate. The implication is that while people of color were moving into the City of Sheboygan, whites were leaving. American Community Survey estimates illustrate this trend continuing on through 2015 where the population of the City of Sheboygan decreased further, while the County population also saw a slight decrease, but continues to increase their share of the overall population.

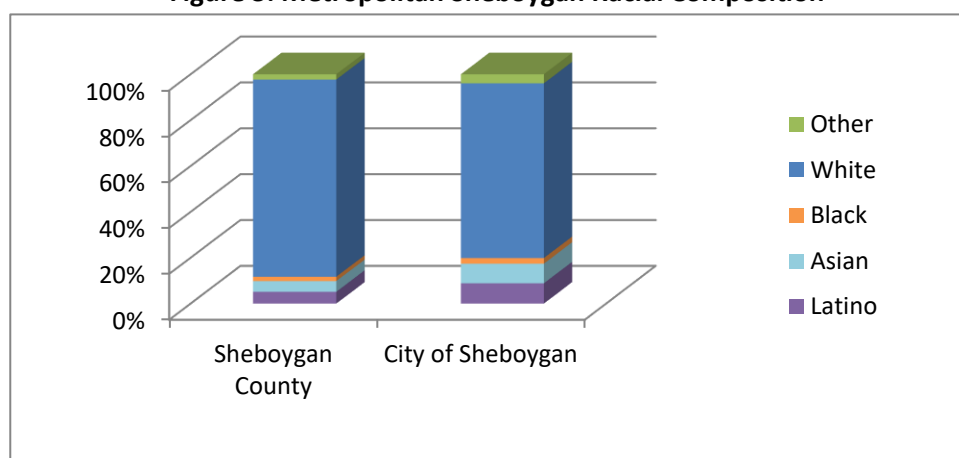
**Table 1: Metropolitan Sheboygan Population Distribution<sup>5</sup>**

Geography	2000		2010		2015 (estimate)	
	Population	Percent	Population	Percent	Population	Percent
Sheboygan County	112,646	55%	115,507	57%	115,226	58%
City of Sheboygan	50,792	45%	49,288	43%	48,853	42%

*Racial Composition*

There is evidence of a racial segregation component to the housing patterns in the City of Sheboygan. In 2010, 75% (13,608 persons) of the Sheboygan metropolitan minority population resided in the City. As pointed out above, the white population actually decreased by 5.8% during the 2000s in the City of Sheboygan while whites accounted for a majority of the growth for the outlying communities in Sheboygan County during that same period. Figure 3 depicts the racial housing pattern in Sheboygan County.

**Figure 3: Metropolitan Sheboygan Racial Composition**



<sup>5</sup> Source: [www.census.gov](http://www.census.gov) and ACS Demographic and Housing Estimates, 2011-2015 ACS Survey 5-year Estimates

Asians experienced the most pronounced percentage increase in population between 1990 and 2010. Between 1990 and 2000 the Asian population grew by 70% (1343 persons) and between 2000 and 2010 the Asian population grew by 36% (1169 persons). The Asian population now accounts for 9% of the overall population in the City of Sheboygan. The Hispanic population had a large increase between 1990 and 2000 of 142% (1782 persons); however, between 2000 and 2010 the Hispanic population shifted and decreased by 43% (1295 persons). The African American population experienced a huge growth rate and grew 294% (306 persons) between 1990 and 2000 and grew by another 115% (475 persons) between 2000 and 2010.

American Community Survey estimates from the 5-year ACS survey shows similar trends in regard to a growing minority population in Sheboygan. Between 2010 and 2015, the most notable difference in population growth based on race/ethnicity is the increase in Hispanic/Latino populations from 3.53% to 10.4%, which is an increase of 3,354 individuals who identify as Hispanic/Latino.

Despite the rapid growth of the minority populations and the decline in the white population during the 1990's and 2000's, whites still make up the vast majority of the population within the City of Sheboygan. Table 2 summarizes the population growth characteristics experienced in the City of Sheboygan between 1990 and 2010, and includes population estimates from the American Community Survey for 2015.

**Table 2: City of Sheboygan Population by Race<sup>7</sup>**

	1990		2000		2010		2015 (Estimate)	
	Population	Percent	Population	Percent	Population	Percent	Population	Percent
<b>Not Hispanic or Latino</b>			47758	94.03%	44,422	90.13%	43,760	89.6%
<b>Hispanic/Latino</b>	1,252	2.46%	3,034	5.97%	1,739	3.53%	5,093	10.4%
<b>Asian</b>	1,927	3.78%	3,270	6.44%	4,439	9.01%	5,158	10.6
<b>Black</b>	104	0.20%	410	0.81%	885	1.80%	932	1.9%
<b>White</b>	46,901	92.09%	43,189	85.03%	40,685	82.55%	40,226	82.3%
<b>Indian/Alaskan Native</b>	216	0.42%	198	0.39%	242	0.49%	96	0.2%
<b>Hawaiian</b>		0.00%		0.00%	12	0.02%	12	0%
<b>Other Race</b>	528	1.04%	23	0.05%	31	0.06%	1,144	2.3%
<b>2 or more races</b>			668	1.32%	1,255	2.55%	1,285	2.6%
<b>Total</b>	50,928	100.00 %	50,792	100.00 %	49,288	100.00 %	48,853	100%

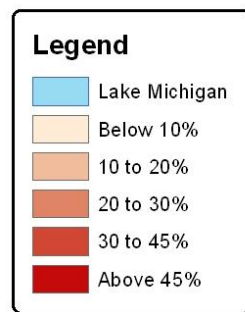
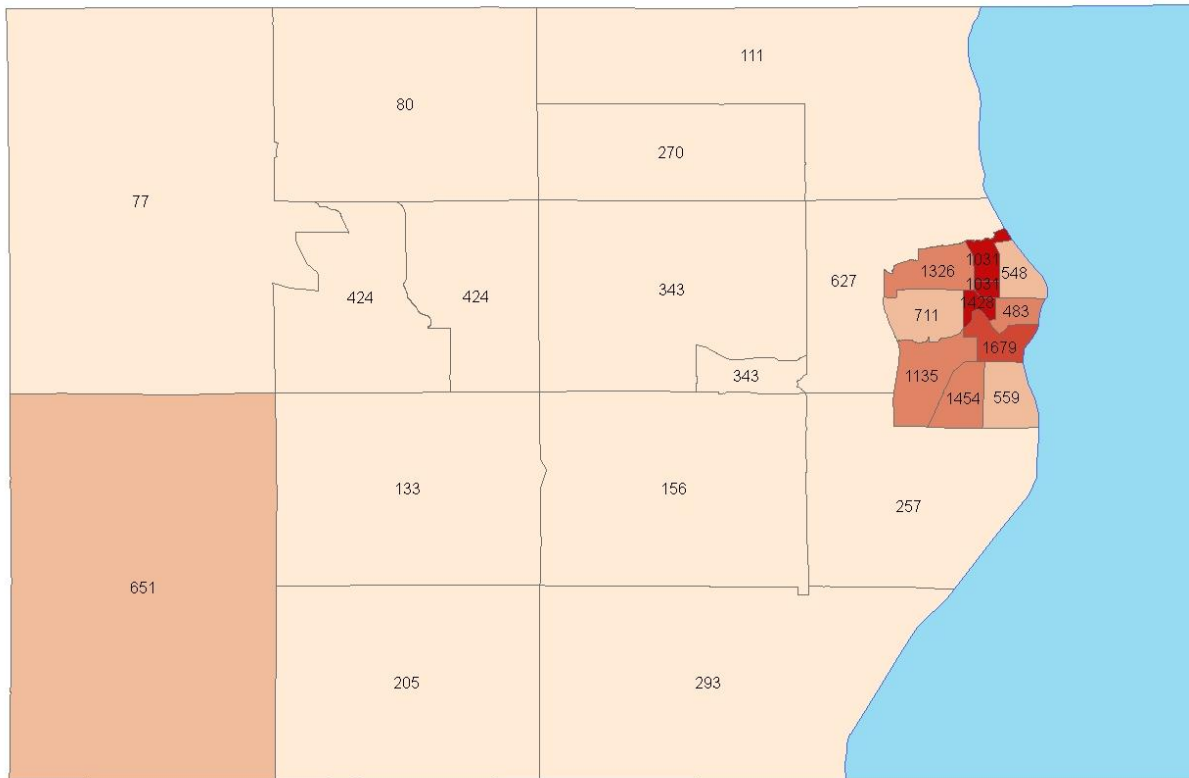
<sup>6</sup> Source: [www.census.gov](http://www.census.gov)

<sup>7</sup> Source: [www.census.gov](http://www.census.gov)

**Map 1: Minority Residents in Sheboygan County (MSA)**

Map 1 illustrates where all non-whites in Sheboygan County live. An overwhelming majority of people of color, also indicated in Figure 3, reside in the City of Sheboygan.

**Number of Minority Residents - Sheboygan County**



*Household Profiles*

Throughout much of the U.S., an increase in households is occurring at a rate that exceeds population growth. This is due to the growing number of single person and single parent households, longer life expectancies, the rate of divorce, etc. A by-product of this trend is smaller household size. Overall, household formation in the City of Sheboygan reflects these national trends – the City of Sheboygan has seen the number of households increase by 6% between 1990 and 2000; however, between 2000 and 2010, the City has seen a slight decrease in the total number of households (2%). This may be an effect of the decrease in population or result of the current economic condition. Also reverse of this trend is the increase seen in 6 and 7 person households. Between 2000 and 2010, the City saw an 18% (70 households) increase in 6 person households, and a 3% (11 households) increase in 7 person households. The City did see an increase in the number of 1 person households of 1% (80 households).

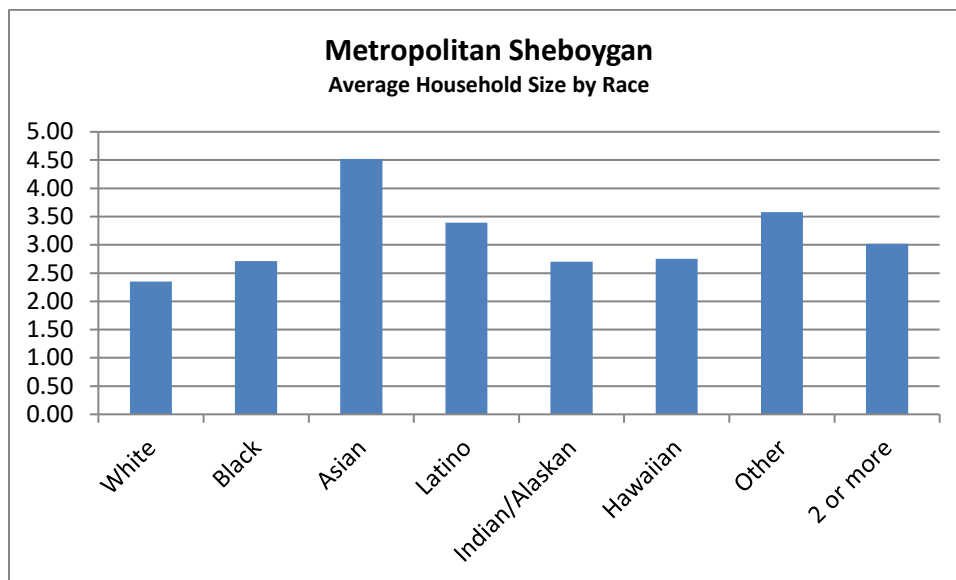
**Table 3: City of Sheboygan Household Size<sup>8</sup>**

Household Size	2000		2010	
	Number	Percent	Number	Percent
<b>1 Person</b>	6,698	32.2%	6778	33.4%
<b>2 Person</b>	6,975	33.6%	6634	32.7%
<b>3 Person</b>	2,903	14.0%	2780	13.7%
<b>4 Person</b>	2,407	11.6%	2260	11.1%
<b>5 Person</b>	1,032	5.0%	1011	5.0%
<b>6 Person</b>	386	1.9%	456	2.2%
<b>7 Person</b>	378	1.8%	389	1.9%
<b>Total</b>	20,779	100.0%	20,308	100.0%
<b>Average Household Size</b>	2.4		2.4	

As illustrated in Figure 4, minority households tend to be much larger than white households; as a result, they require larger housing units. For example, white households have an average household size of just over two persons for both the City of Sheboygan and the County. However, Asians have an average household size of four-and-one-half persons. Latinos have an average household size of over three persons. African Americans have an average of over two-and-one-half persons per household. These numbers compare to an average household size of about two-and-one-half for the State of Wisconsin and United States.

<sup>8</sup> Source: [www.census.gov](http://www.census.gov)

Insert Figure 4: Metropolitan Sheboygan Household Size by Race<sup>9</sup>



City of Sheboygan residents have experienced changes in marital status between 2000 and 2010, as illustrated in Table 4. For example, persons falling within the “never married” category of marital status have increased by 15%, or 1,463 persons, while “married” persons have declined by 13% 2,876 persons. This may be due in part to persons waiting until they’re older to get married. “Divorced” persons increased to 4,259 in 2010, an increase of just 4%. Both the increase in divorced persons and an increase in persons not married are related to smaller overall household sizes.

Table 4: City of Sheboygan Marital Status<sup>10</sup>

Marital Status	Never Married	Married	Divorced	Widowed
<b>2000</b>	10,455	22,061	4,111	3,361
<b>2010</b>	11918	19185	4259	3048
<b>Change</b>	-1463.00	2876.00	-148.00	313.00
<b>% Change</b>	14%	-13%	4%	-9%

<sup>9</sup> Source: [www.census.gov](http://www.census.gov)

<sup>10</sup> Source: [www.census.gov](http://www.census.gov)

*Housing Characteristics*

The City of Sheboygan experienced a housing unit increase of 2.7% from 2000 to 2010, or 577 housing units. Vacant housing units accounted for all of the 577 housing unit increase, with an increase of 1,048 units. This may be due to the economic decline in the later 2000’s as well as due to the decrease in population seen in the City of Sheboygan. Owner-occupied housing accounted for 61% of occupied housing units in the City of Sheboygan, as opposed to the 39% who are renter-occupied.

Updated estimates from the 2015 5-year American community Survey point to similar trends to 2000-2010 in housing unit occupancy, with a slight 0.9% increase in occupancy from 2010 to 2015. Owner-occupied units have declined slightly and rental units have increased slightly, with a 0.7% change between 2010 and 2015.

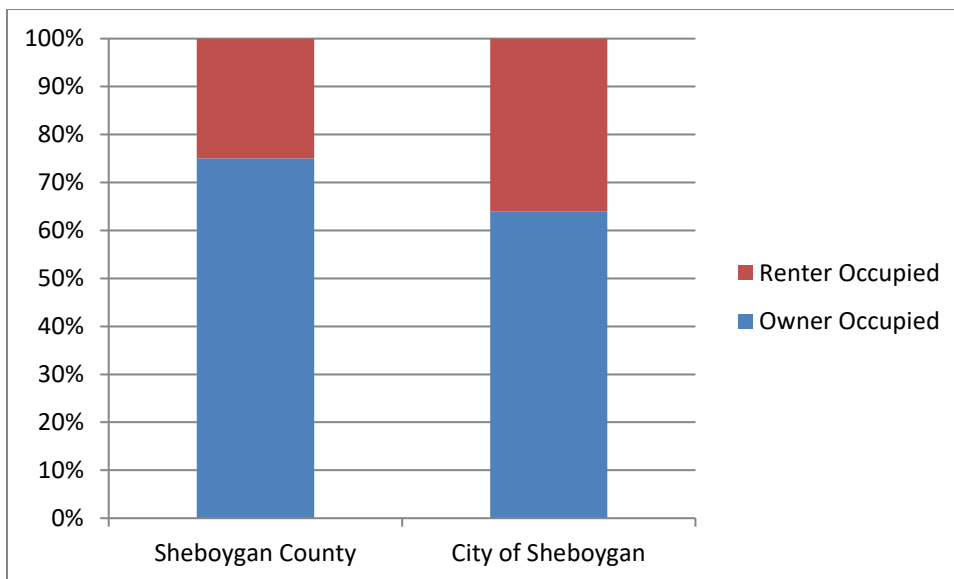
**Table 5: City of Sheboygan Homeownership Status<sup>11</sup>**

Household Size	2000		2010		2015 (Estimate)	
	Number	Percent	Number	Percent	Number	Percent
<b>Total Housing Units</b>	21,762		22,339		21,994	
<b>Occupied</b>	20,779	95.5%	20,308	90.9%	20,183	91.8%
<b>Owner</b>	12,698	61.1%	12,430	61.2%	12,218	60.5%
<b>Renter</b>	8,081	38.9%	7,878	38.8%	7,965	39.5%
<b>Vacant</b>	983	4.5%	2,031	9.1%	1,811	8.2%

As mentioned, Sheboygan’s housing stock is primarily owner-occupied; however, Sheboygan County’s owner occupancy is higher, at 70.7%, than the city’s at 60.5%.

**Figure 5: Metro Sheboygan Homeownership Status**

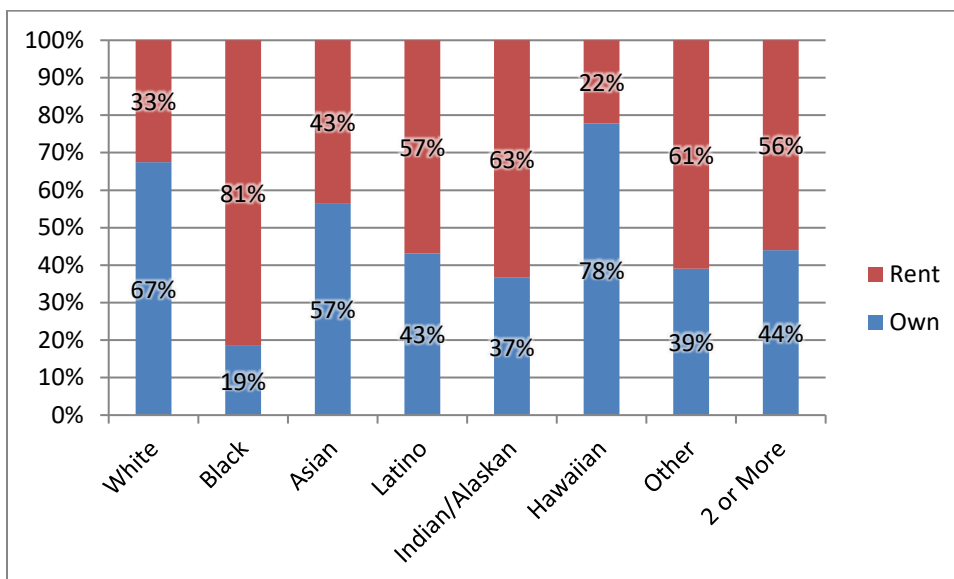
<sup>11</sup> Source: [www.census.gov](http://www.census.gov)



\*based on 2015 ACS Estimates

There are vast disparities in homeownership rates by race in the City of Sheboygan. For instance, more than three times as many whites own their own homes compared to blacks, about 35% more whites own their homes than Latinos, and about 15% more whites own their homes than Asians. The fair housing implications for these disparities will be discussed in detail in the next section.

**Figure 6: City of Sheboygan Homeownership Status by Race<sup>12</sup>**



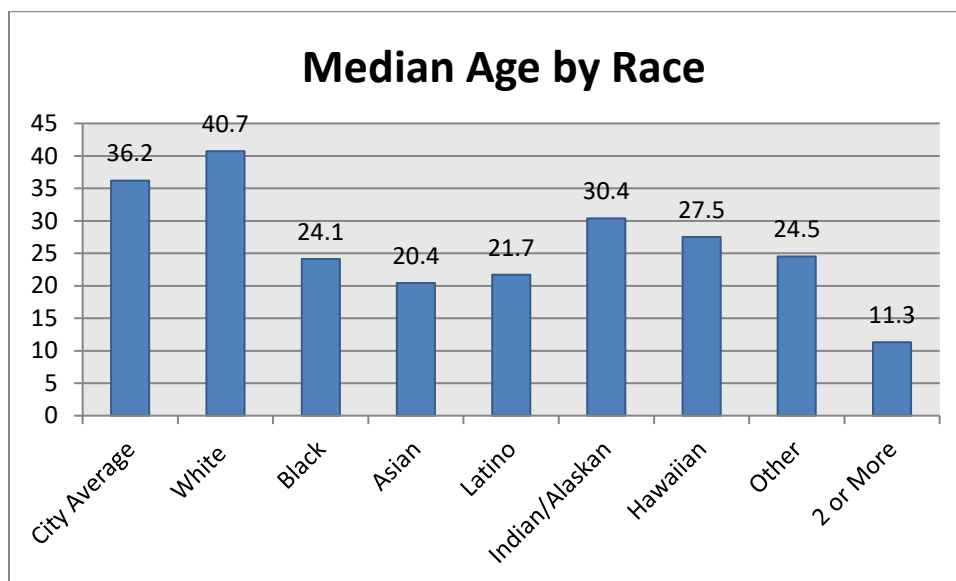
<sup>12</sup> Source: [www.census.gov](http://www.census.gov)



*Age Distribution*

The median age for the City of Sheboygan is 36, which is a year less than the United States median age and the State of Wisconsin median age of 37, and a significant four years less than the Sheboygan County median age of 40. Median age by race and ethnicity varies significantly in Sheboygan, as shown in Figure 7. For instance, Asians have a median age that is 50% below that of whites, while blacks have a median age that is roughly 41% less than whites and Latinos have a median age that is 47% less than whites. The significantly younger median age of minority households presents many implications for future and current housing needs. Currently, larger units are needed to accommodate larger families with children. The younger median age of persons of color suggests that many of these implications of the younger median age are clear. As the children of these families become adults – they will likely create demand for affordable housing and larger housing units (currently housing characteristics more prevalent in minority communities).

**Figure 7: City of Sheboygan Median Age by Race<sup>13</sup>**

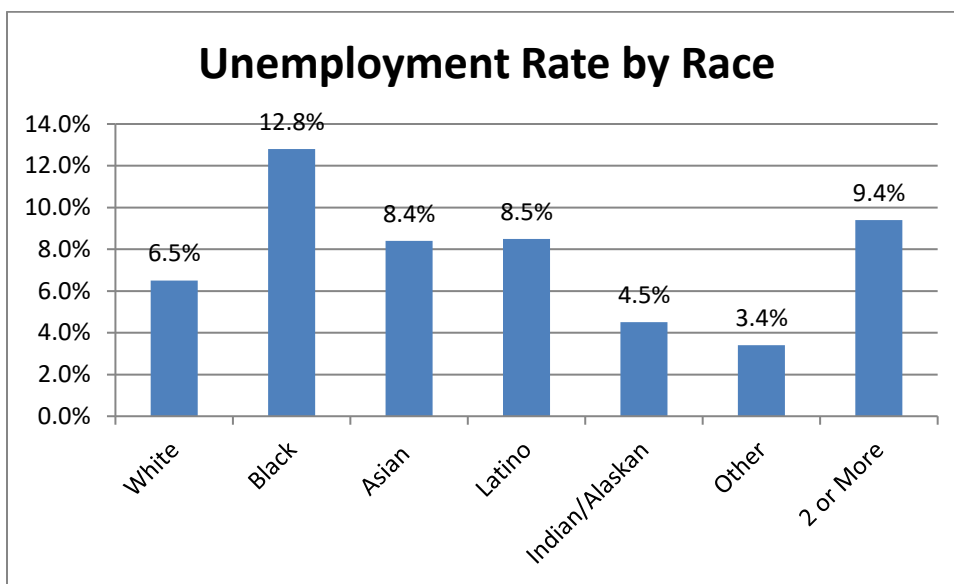


<sup>13</sup> Source: [www.census.gov](http://www.census.gov)

*Employment and Income*

The City of Sheboygan’s unemployment rate in 2010 was 5.2%, which compares to 6.9% for the United States and 6.1% for the State of Wisconsin. However, the unemployment rate for blacks in the City of Sheboygan is 97% higher than for whites, and for Asians and Latinos it is roughly 30% higher.

**Insert Figure 8: Unemployment by Race<sup>14</sup>**



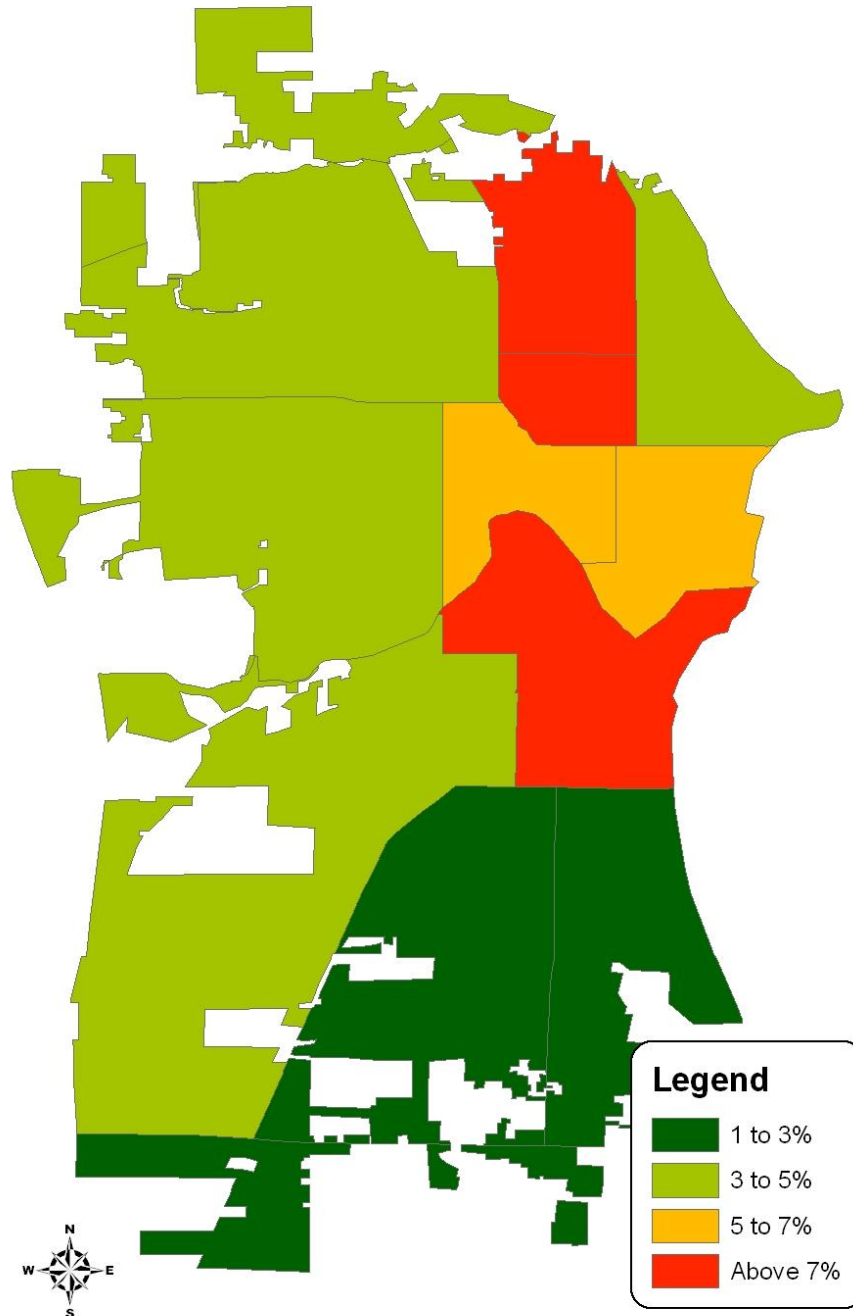
Furthermore, on average – blacks earn \$11,439 less per year than whites, which works out to roughly \$953 per month. Latinos earn \$11,364 less per year than whites, or \$947 per month. Given the relatively higher unemployment rates and lower incomes of African Americans and Latinos in Sheboygan, the need for affordable housing for these populations is more evident.

<sup>14</sup> Source: [www.census.gov](http://www.census.gov)

**Map 2: City of Sheboygan's Unemployed Population**

Map 2 illustrates the proportion of persons unemployed in each census tract in the City of Sheboygan. The highest unemployment rates are in census tracts toward the East side of the City.

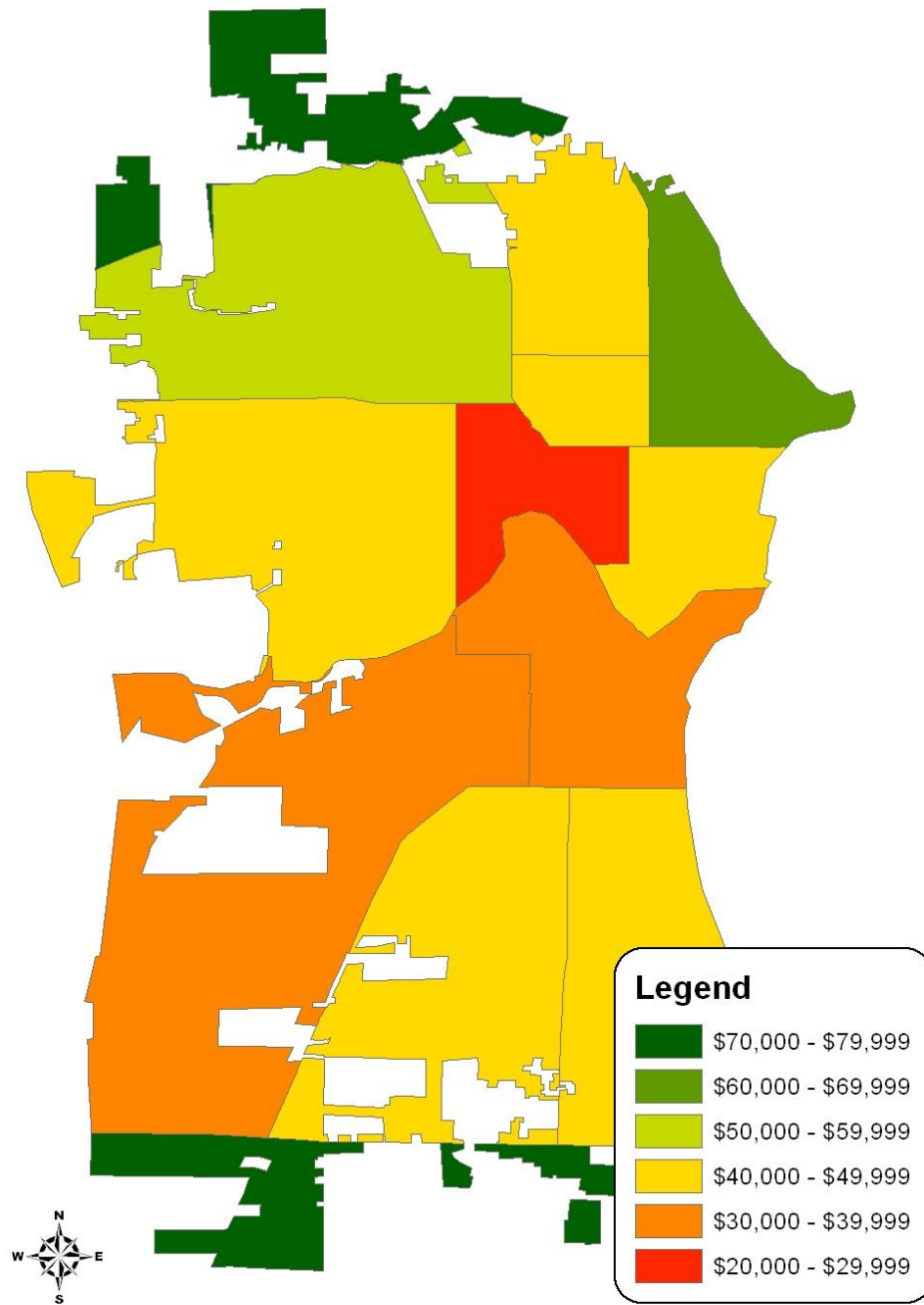
**Unemployed Population - City of Sheboygan**



### **Map 3: City of Sheboygan's Median Household Income**

Map 3 illustrates the median household income for each census tract in the City of Sheboygan. The overall Median Household Income for the City of Sheboygan is \$43,381. While the representation of the lowest median income, shown on this map, does not correspond exactly to the areas of highest unemployment, shown on Map 2, both of these issues exist (as do many of the impediments relating to fair housing) on the East side of the City.

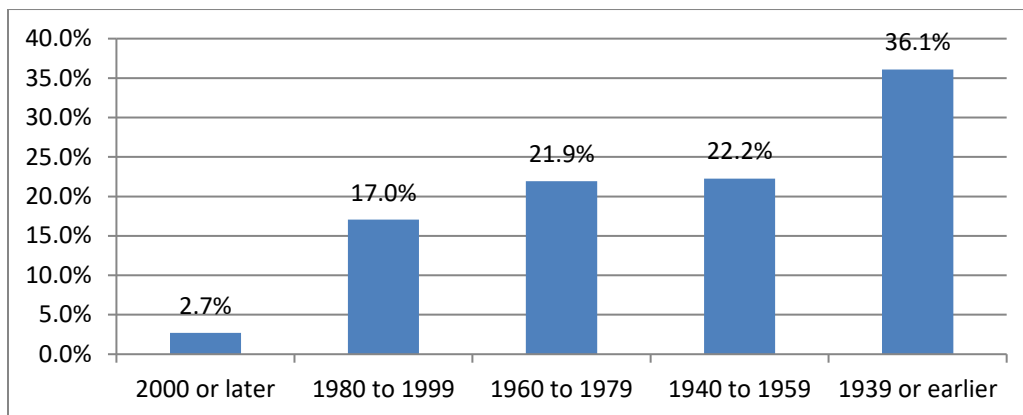
### Median Household Income - City of Sheboygan



*Housing Supply*

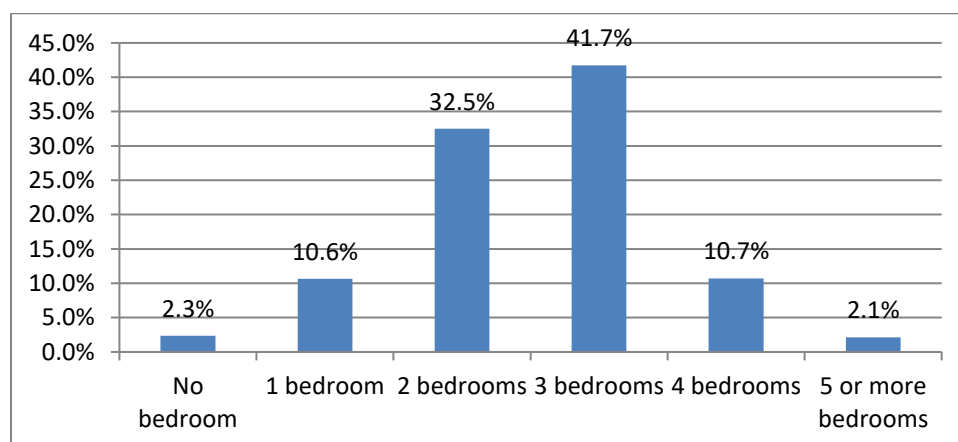
**Figure 9: City of Sheboygan Year Housing Units Built<sup>15</sup>**

<sup>15</sup> Source: [www.census.gov](http://www.census.gov)



The vast majority of the City of Sheboygan’s housing was constructed before 1939. The median year that all structures were built in the City is 1954, which compares with Wisconsin’s median of 1971 and the United States’ median of 1975. In general, older housing stock is likely to be less expensive because it is more likely to be in disrepair or have greater maintenance needs.

**Figure 10: City Sheboygan Number of Bedrooms per Unit<sup>16</sup>**



The City of Sheboygan’s housing is primarily composed of two and three bedroom units, which make up about 75% of the total housing units. The prevalence of two and three bedroom units is relevant given the current and potential need for larger housing units addressing the needs of many of the larger Latino and Asian families.

*Education*

Seventeen percent of the City of Sheboygan’s population has a bachelor’s degree or beyond, which compares to 28% of the United States population and 26% of the State of Wisconsin’s. Vast disparities in

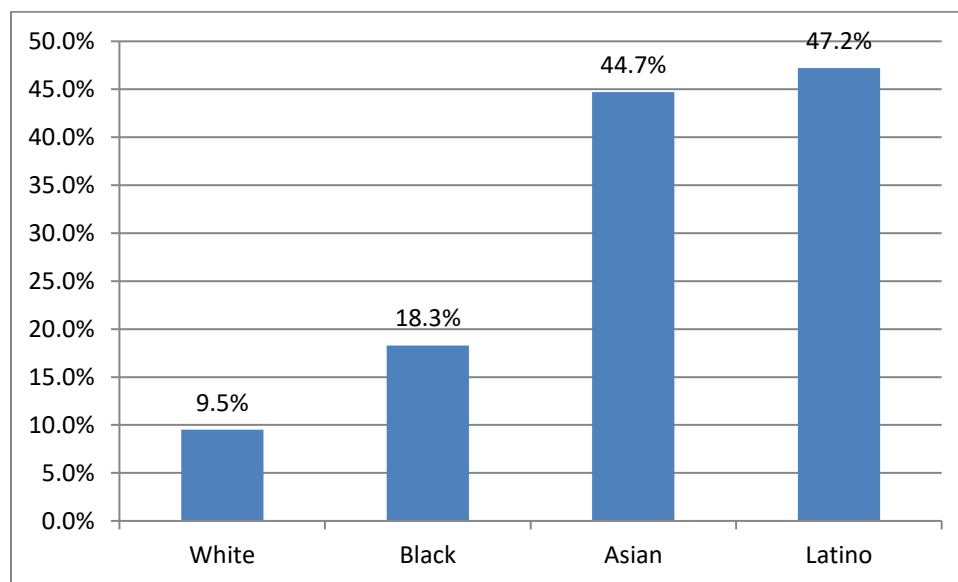
<sup>16</sup> Source: [www.census.gov](http://www.census.gov)

educational attainment manifest when analyzed by race and ethnicity. For instance, Latinos are nearly five times as likely as whites not to have a high school diploma, and Asians are over four-and-one-half times as likely as whites not to have a high school diploma.

The large disparity between whites, Asians and Latinos are due in part to families immigrating to Sheboygan from other countries. For instance, Hmong adults coming from a refugee camp in Thailand are unlikely to have received high school education equivalency. Perhaps over time, the longer immigrant families are here, the more likely the next generation of these families will get a high school diploma and the educational rates will positively change.

Disparities in education are important to fair housing for several reasons. First, persons with less education on the average will have lower incomes than those with more education. This has an effect on how much housing one can afford and the choices available. Also, persons with less education will likely have less access to educational or financial resources that assist people in purchasing a home or obtaining a loan.

**Figure 11: Education by Race<sup>17</sup>**



## Assessment of Current Fair Housing

### *Fair Housing Programs and Activities*

<sup>17</sup> Source: [www.census.gov](http://www.census.gov)

## 1. CDBG Programs

The City of Sheboygan, Department of City Development currently provides funding to income eligible homeowners through one of two HUD programs. A Housing Rehabilitation Loan Program that provides renovation funding to income-eligible homes either on a deferred basis or a 1-4% payback loan. Both of these programs provide funding to better affordable housing in our low-to-moderate income neighborhoods.

## 2. Pre-Purchase Counseling and Homebuyer Assistance

Partners for Community Development assists eligible applicants with direct down payment assistance, pre-purchase counseling services and housing rehabilitation under this program to income eligible applicants.

## 3. Rebuilding Together

The Rebuilding Together organization's mission is to preserve and revitalize houses and communities, assuring that low-income homeowners, particularly those who are elderly and disabled and families with children, live in warmth, safety, and independence. The goal is to make a sustainable impact in partnership with communities.

## 4. The Sheboygan Housing Assistance Center

The Sheboygan Housing Assistance Center provides a single point of contact for clients to access services related to housing issues. The center strives to assist individuals and families secure and adequate housing in a non-discriminatory manner.

## 5. Habitat for Humanity

Habitat for Humanity's mission is to bring people together to build homes, communities and hope. Habitat for Humanity Lakeside, the local chapter has started new programs such as a Brush with Kindness to assist homeowners with making repairs to their properties.

## 6. Love, Inc.

Love Inc.'s Neighbor in Need program provides an intake process to provide services necessary to make improvements to the home or assist with mental health or social service concerns.

### *Sheboygan Fair Housing Ordinance*

Municipal Code of the City of Sheboygan, Chapter 46 – Fair Housing (see Appendix A).

### Declaration of Policy

It is declared to be the policy of the city, pursuant to the United States Constitution and state constitution, W.S.A., §§ 66.1011, 106.04, and also its power to protect the public health, safety and general welfare that all persons, regardless of their sex, race, color, religion, ancestry,



national origin, handicap or sexual orientation, are entitled to fair and equal access to housing. To that end the city enacts this chapter, which prohibits any person, not exempted in this chapter, from discriminating against any other person by impairing to any degree access to any housing or housing accommodations on the basis of sex, race, color, religion, ancestry, national origin, handicap or sexual orientation and creates a board with the power and duty to enforce equal opportunity in housing for all citizens of the city.

### *City of Sheboygan Comprehensive Plan*

On December 5, 2011, the City of Sheboygan adopted its Comprehensive Plan. Chapter Four of this plan describes the City's goals for Housing and Neighborhood Development. The plan states the following:

“Facilitate the provision of quality, safe, and appealing housing at a variety of price points and for all stages of life. Support the development and maintenance of strong neighborhoods.”

The City also states that it will strive to adapt to changing demographics, living preferences, family sizes and economic conditions to continue meeting the needs of existing and potential new residents.

### *Fair Housing Legal Status*

No files or other fair housing complaint details were received by the City of Sheboygan in the last five years. Neither the City Attorney's office nor the Department of City Development maintained records of complaints filed under the City's fair housing ordinance. In addition, neither entity had records of fair housing actions initiated against the City, a company or corporation within the City.

### *Fair Housing Commission*

On April 12, 2006, the Fair Housing Commission made a motion to hold two agenda items until further information is provided. Each motion carried (see Appendix B). The Fair Housing Commission has not met since the April 12, 2006 meeting.

Gen. Ord. No. 63-09-10 adopted April 19, 2010 states that the Fair Housing Commission and the Board of Housing Appeals were merged into a new Board of Housing Appeals and Fair Housing Practices.

### *Focus Group Results*

The City of Sheboygan Department of City Development conducted a survey to gather information regarding impediments to fair housing. The survey went out to various groups and organizations throughout the City (see Appendices C, D & E). The majority of survey participants believed that impediments to fair housing do exist in the City of Sheboygan. The primary reasons these impediments exist are believed to be employment issues, a lack of affordable housing, language/cultural barriers, a lack of education about fair housing rights and responsibilities, and racial bias. Some less common reasons included a fear and misunderstanding of those with disabilities, lack of accessible housing and

lending practices and foreclosures. Most survey participants also thought there was a lack of sufficient education and outreach regarding affirmatively furthering fair housing in the City.

## **Impediments to Fair Housing Choice**

Impediments to fair housing choice are:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

This section describes fair housing impediments identified through the City of Sheboygan's research and interviews with community representatives. This section is organized into City of Sheboygan impediments, Federal and State impediments and Private market impediments.

### *City of Sheboygan Impediments*

- There is no evidence that fair housing rights are being publicized or marketed in an effective way.
- There is no phone number specifically for fair housing questions/complaints listed in the Sheboygan telephone directory.
- The inordinately low number of complaints filed evidences the lack of access or knowledge about Sheboygan's Fair Housing Ordinance. According to the City Attorney, the Commission on Fair Housing Practices only meets when it has a complaint to address. The frequency of fair housing complaints represents only a fraction of the frequency of housing discrimination. The minimal number of complaints may be due to the public's unfamiliarity with the fair housing laws/ordinance and the weak protections the law offers, how the City of Sheboygan can assist them, as well as the subtle nature of housing discrimination.

### *Fair Housing Complaint Profile/Actions Initiated Against the City, Company or a Corporation within the City*

No files or other fair housing complaint details were received by the City of Sheboygan in the last five years. Neither the City Attorney's office nor the Department of City Development maintained records of complaints filed under the City's fair housing ordinance. In addition, neither entity had records of fair housing actions initiated against the City, a company or corporation within the City.

## **Impediment #1: Group Homes of Community Living Arrangements (CLA)**

Community Living Arrangements by City definition refer to facilities licensed by the State of Wisconsin, including child welfare agencies, group homes for children, and community based residential facilities. CLAs, as stated in the Sheboygan zoning ordinance, shall not be within 2,500 feet of another CLA. In

addition, the City ordinance states, “The total capacity of all community living arrangements (of all capacities) in the City shall not exceed 1% of the City’s population (unless specifically authorized by the City Council following a public hearing).”

Advocates of persons with disabilities have said that the intent of this 2500-foot law is to prevent the *ghettoization* of group homes, but instead ends up being an impediment to locating these group homes. Advocates in other communities have successfully challenged similar municipal ordinances as violations of the Federal Fair Housing Act.

## **Impediment #2: Inadequate Affordable Housing Supply Relative to Resident Income**

A shortage of affordable housing may not appear to be a fair housing issue on its face. However, the negative impact that lack of affordability has particularly on persons with disabilities, people of color, families with children or the elderly cannot be ignored. Having an adequate supply of affordable housing, both for ownership and rental, in which a household will pay no more than 30% of its gross annual income, is essential for an open and inclusive housing market in Sheboygan. The Fair Market Rent for a two-bedroom apartment in Sheboygan for 2011 was \$649. According to the National Low Income Housing Coalition’s Out of Reach report, in order to afford this level of rent and utilities without paying more than 30% of its income on housing, a household must earn \$2,117 monthly or \$25,400 annually. Currently, 40% of Sheboygan households (2,901 households) pay 30% or more of their income for rent. Spending more than 30% of household income on rent or housing costs is considered to be a rent burden. See Map 4.

### *Structural Quality/Substandard Housing*

The age of a housing unit is not an absolute predictor of housing quality; however, the older the housing structure, the greater the likelihood of code compliance problems. Thirty six percent of Sheboygan’s housing was built before 1939. The majority of those units are located in the central part of the City. Not surprisingly, the least expensive housing costs are also in the older, central part of the City. (It is likely that one reason many of the homes there are not expensive is because they are more likely to be in disrepair.)

### *The Lack of Financial Resources to Build/Preserve/Rehabilitate Affordable Housing*

In part, the shortage of affordable housing is due to a lack of resources to build and preserve affordable units in Sheboygan. Constructing any type of affordable housing requires numerous subsidies. This layering of subsidies is common in affordable housing and necessary to close the financing gap. Most developers currently obtain financing by combining federal money disbursed through local and state governments. In addition to this very complex nature of financing, the development of affordable housing is also highly competitive. When financing and subsidy resources are scarce and a higher return on investment is unlikely, many developers prefer to build simpler and more profitable market rate housing developments.

### *Housing Authority City of Sheboygan (HACS): Lack of Housing Choice Section 8 Rent Assistance Vouchers*

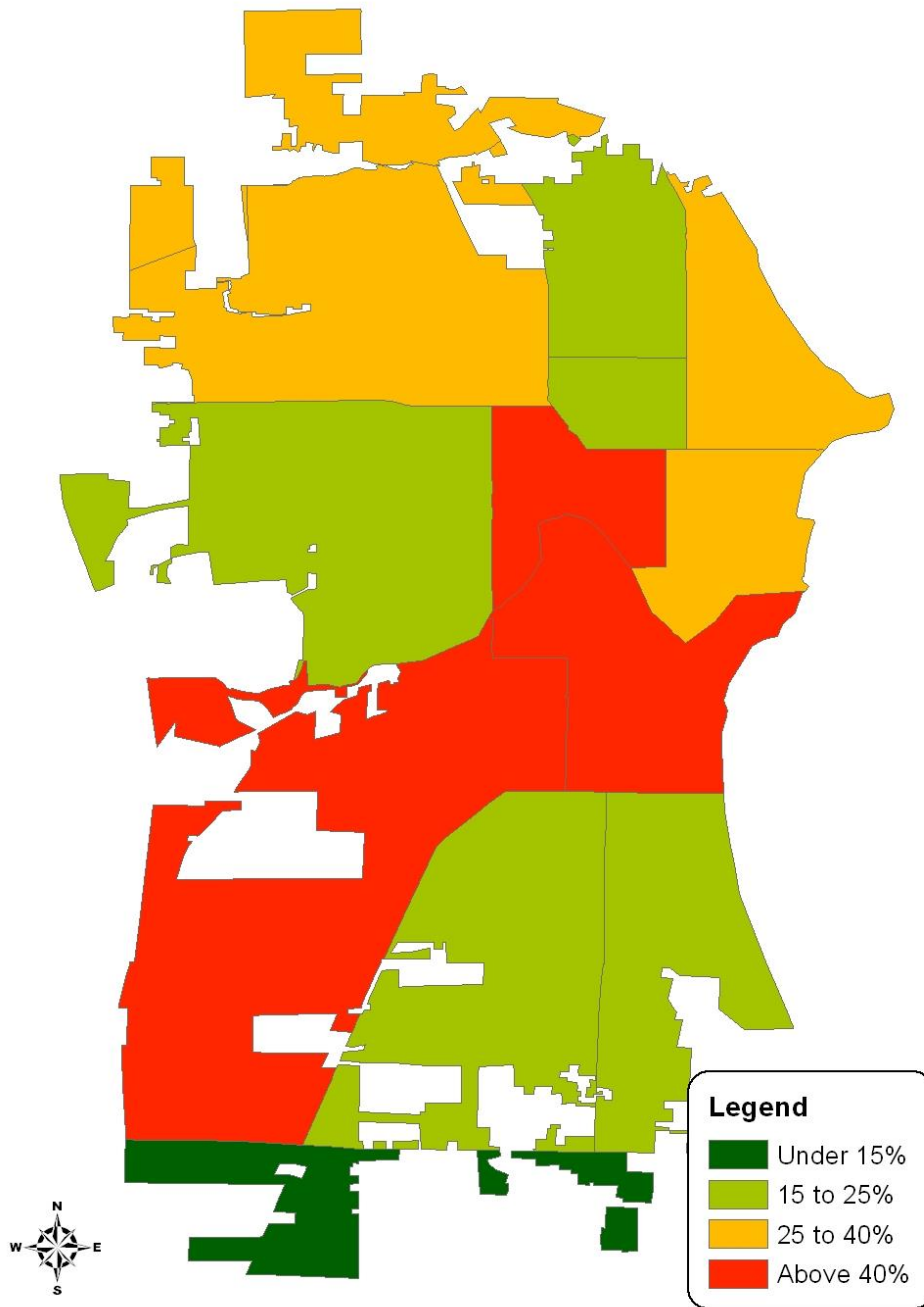
The inability to find suitable and quality affordable housing is a difficult challenge for many households. The need for Section 8 Rent Assistance Vouchers far exceeds the available resources.

**Map 4: Percent of Household Income in Sheboygan Spent on Gross Rent**

Map 4 illustrates which census tracts in the City are spending more of their household incomes on rent. Similar to the map showing the lowest median household incomes, the tracts on the central and east

side of the City are spending the most on rent.

### Percent Income Spent on Gross Rent - City of Sheboygan



### **Impediment #3: Poor Credit, Lack of Credit History and Lack of Financial Literacy**

Poor credit history, whether incurred by personal choices or circumstances beyond a person’s control, can hinder a person’s access to housing. Persons new to this country, specifically those who

speaking Hmong, often have not established the credit required to obtain a prime mortgage or rental housing. In addition, both housing industry and advocacy representatives suggest that some African Americans do not have an established relationship with a conventional bank or financial institution and/or have sufficient credit histories. These situations do not make these groups any less likely to be able to responsibly take on a mortgage; however, these situations do make it difficult for lenders to use conventional underwriting guidelines to give them a mortgage and give lenders a seemingly legitimate excuse to deny the loan. Also, many landlords use an applicant's credit history as a part of the tenant selection process. Those persons without a good credit history may be ineligible for some housing options.

### **Impediment #3: Racial/Ethnic Segregation and Linguistic Isolation**

#### *Segregation*

Legal but discriminatory housing practices created segregated and unequal neighborhoods and communities in all parts of the country, including Sheboygan. Although housing discrimination is no longer legal, residential segregation persists due to long-standing housing patterns, current and historic institutional barriers and economic disparities.

As noted previously, almost all of the minority population in Sheboygan County is located in the City of Sheboygan. Most of the residential minority concentration is in the east central part of the City of Sheboygan, with the Latino and Asian populations. This same area is still very populated with white households.

The reasons for this racial/ethnic segregation in Sheboygan are no different than those reasons established by researchers for other American cities: (1) housing costs are lower in the areas in which minorities have concentrated; (2) some families may choose to live in neighborhoods that have other families of the same race or ethnicity; or (3) discriminatory practices on the part of various actors (real estate professionals, lenders, rental agents or homeowners insurance brokers) in the housing industry. While segregation and minority concentration are not as serious in Sheboygan as they are in larger urban areas like Milwaukee and Detroit, it is important to recognize their existence now before the long term effects and costs of segregation start to impact Sheboygan, as they have in Milwaukee and elsewhere.

#### *Linguistic Isolation*

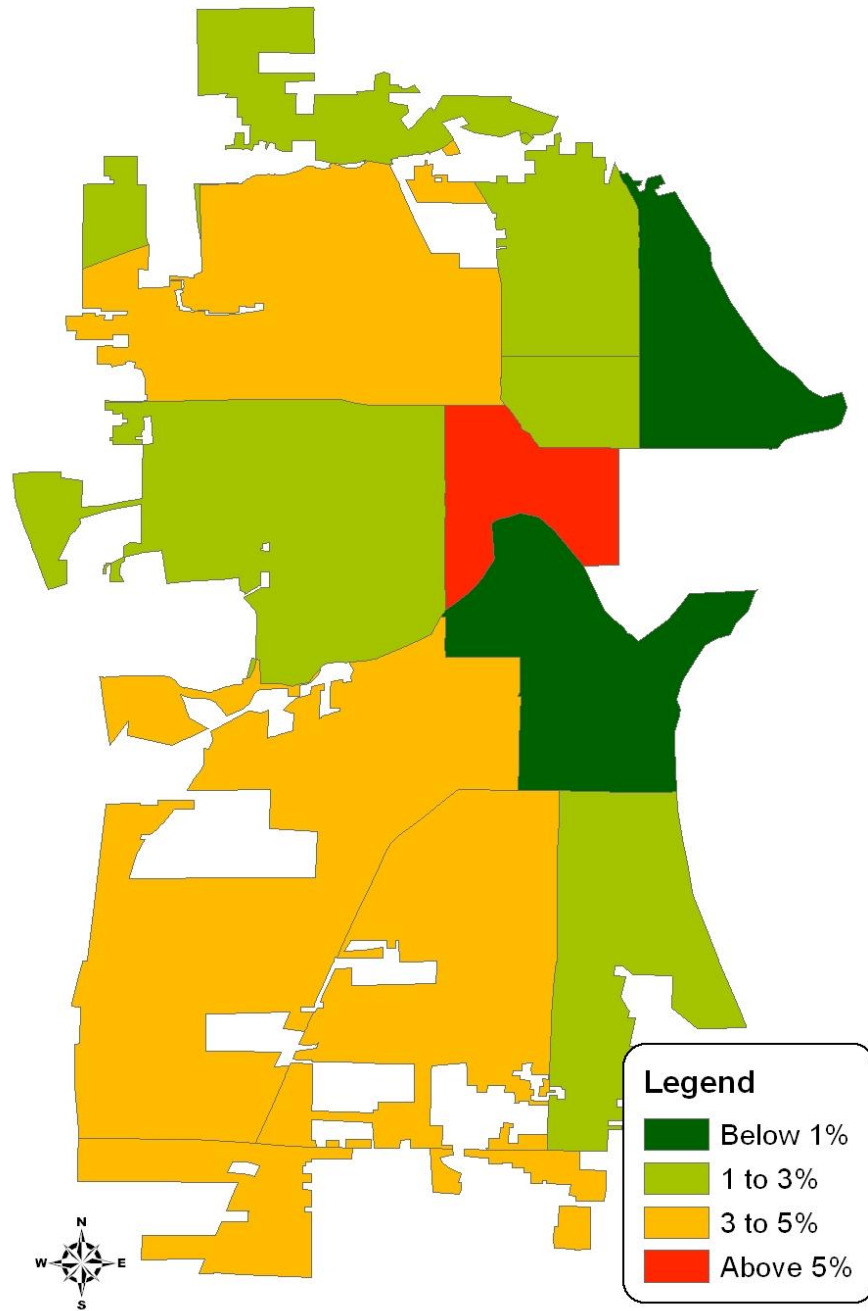
A household in which no one in the household speaks English well is *linguistically isolated*. Linguistic isolation hinders a person's ability to integrate economically, academically and socially into our society and has stranded many non-English speakers in low-wage menial jobs.

As shown on Map 5, there is one census tract in which the linguistic isolation exists in over 5% of the households. A population that does not speak English well will have specific housing impediments

related to communicating effectively with a rental agent, real estate agent, mortgage lender or insurance agent.

## **Map 5: Linguistic Isolation in the City of Sheboygan**

### Linguistic Isolation - City of Sheboygan





While the City of Sheboygan is not directly involved in these Federal and State impediments, it is essential to address them because they impact the City's ability to "affirmatively further fair housing" as required by HUD. In addition, it is important the City address these impediments in order to develop recommendations and local responses, as warranted.

## **Impediment #5: Section 8 Housing Choice Vouchers Availability**

As mentioned previously, cuts in funding to the Section 8 program impedes local communities' ability to assist their population in finding quality, affordable housing.

## **Impediment #6: Frequent Attacks on the Community Reinvestment Act (CRA) by Banking Regulators**

The Community Reinvestment Act is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods. The CRA requires that each depository institution's record in helping meet the credit needs of its entire community be evaluated periodically. That record is taken into account in considering an institution's application for deposit facilities. CRA regulators (Office of the Comptroller of Currency, Office of Thrift Supervision, Federal Reserve Bank, and Federal Financial Institutions Examination Council) are regularly submitting proposals to weaken the Community Reinvestment Act. Both urban areas and rural communities depend on CRA to leverage affordable housing and economic development.

## **Impediment #7 Lack of resources/incentives for developers to build for lowest income households**

As mentioned in the previous section, most resources for the development of affordable housing are federal programs. Resources for the building of new rental housing have lagged far behind the demand, resulting in the shortage of affordable rental housing in many communities, including Sheboygan. Production of new low-income housing today is primarily achieved through the Low Income Housing Tax Credit (LIHTC) Program. This is the most utilized program for the production of affordable housing, but insufficient to overcome the affordable housing shortage, especially for the lowest income families.

## **Impediment #8: Wisconsin Housing and Economic Development Authority (WHEDA) LIHTC allocation scoring Limits Housing Opportunities**

WHEDA's tool for scoring LIHTC applicants, the Qualified Allocation Plan (QAP), gives preference to development projects that have community support. For example, a developer of a LIHTC project must have a letter from the mayor or village president of a community in support of their affordable housing proposal. Under WHEDA's current tax credit scoring policy, it is likely communities that already have affordable housing will continue to allow its development. However, those communities that have a shortage of affordable housing, even though there is a need for it, can continue to deny its development. This policy limits housing opportunity and contributes to the concentration of poverty that exists in some communities.

The process of obtaining low-income housing tax credits in Wisconsin is highly competitive and can only be done through WHEDA. Even though the *local support* category is just 6% of the total QAP scoring, this can be enough to eliminate a project, thus preventing its construction in a community in which it may be greatly needed. This policy, in effect, is an impediment to housing opportunity in Sheboygan and throughout the State.

## **Impediment #9: No Infrastructure between Medicare/Medicaid and Section 8**

Researchers and practitioners have demonstrated repeatedly that people with severe disabilities living in institutions can live successfully in the community. To succeed, they need decent, safe, and affordable housing as well as access to the supports and services they want and need to live as independently as possible. Unfortunately, as mentioned earlier, people with disabilities are disproportionately poor – particularly those individuals who must rely on Supplemental Security Income. For low-income people with disabilities, affordable housing means subsidized housing that is either developed or rented through government housing programs.

### *Private Market Impediments*

Private market impediments are obstacles to fair housing in the housing production, mortgage lending, homeowner's insurance, and rental and home sales markets. Though Sheboygan is limited in its ability to directly address private market impediments, it can take a leadership role in bringing these issues to the public's attention. The following discussion identifies several private market impediments that must be addressed.

## **Impediment #10: Housing Producers**

Housing production in the private market is based on incentives that are usually monetary. Subsequently, one of the impediments to fair housing in housing production is attributed to a lack of programs that provide such incentives to these developers.

### *Accessibility: Not enough rental and for sale units being produced*

The lack of accessible housing is an impediment to persons with disabilities. As mentioned above, one reason not enough accessible units are built is the lack of incentives made available to housing producers. In addition, Sheboygan is not exempt from a statewide impediment – local building inspection departments are not always aware of, and therefore, do not always effectively enforce laws that require accessible construction, like the Americans with Disabilities Act, the Federal Fair Housing Act, and Section 504.

### *Affordability: Not enough affordable housing units being produced*

Lack of affordable housing, both private and subsidized, is an impediment to low-income populations. Because low income persons are more likely to be people of color, persons with a disability, elderly or

families with children, this is a fair housing concern. As mentioned previously, constructing any type of affordable housing requires numerous subsidies. Currently, 40% of Sheboygan households (2,901 households) pay 30% or more of their income for rent.

### *Unit Size: Lack of large units is an impediment*

A lack of larger units is a fair housing impediment because it impacts at least two protected class groups – families (with children and extended), as well as minority households, many of which tend to be larger. The dearth of these larger units also affects families who are low-income, as they do not have the range of choices available to them, as do families with higher income. The result of this impediment is also overcrowded housing, primarily among new immigrant families who may be doubling up, have larger families, or be living as an extended family with several generations under one roof. As discussed in a previous section, these issues are of increasing importance in Sheboygan.

### **Impediment #11: Mortgage Lending**

#### *Discrimination in the Lending Market*

Discrimination in mortgage lending prevents or impedes home seekers from obtaining the financing normally required to purchase a home. Racial discrimination in the home loan industry can be based either on the race of the loan seeker or on the racial composition of the neighborhood in which the home being purchased is located. This latter form of discrimination is commonly referred to as mortgage redlining.

Discrimination in the home loan industry can take several forms including: outright denial of a loan; discouraging a loan seeker from applying; less favorable rates and terms; long processing times; and exclusionary underwriting guidelines. Loan policies can also have a discriminatory effect on minorities when qualifying standards are more stringent than warranted to secure a loan. Discrimination can also occur externally to the lending institution itself, specifically, in the appraisal of the home; in the underwriting of private mortgage insurance, and in the practices and procedures of the secondary loan market. The lack of loan origination offices in minority and central city areas is also a form of redlining, which can lead to disparate impact.

#### *Lack of Spanish/Hmong-speaking lenders*

For non-English speaking persons new to this country or for persons more comfortable speaking another language, obtaining a home mortgage can be particularly difficult. Because non-English speaking persons seeking a mortgage often have to rely on their children or other family members to translate, errors and misunderstandings are more likely to occur.

#### *Foreclosures*

Foreclosures of single-family homes are a serious threat to neighborhood stability and community wellbeing, particularly low income neighborhoods. Research has shown that the explosion in

foreclosures that started in the 1990s was primarily driven by the growth of high risk, subprime lending. Foreclosures, particularly in lower-income neighborhoods, can lead to vacant, boarded-up, or abandoned properties. These properties, in turn, contribute to the stock of “physical disorder” in a community that can create a haven for criminal activity, discourage social capital formation and lead to further disinvestment.

### *Lack of flexible underwriting to accommodate persons with no credit history*

Persons new to this country have not the established credit typically required to obtain a prime mortgage. In addition, many people of color do not have a business relationship with a conventional bank or financial institution. These situations may complicate the ability for members of these groups to obtain a mortgage, even if they are otherwise qualified and creditworthy. Such situations may make it more challenging for lenders to use conventional underwriting guidelines, thus creating an obstacle to homeownership. This impediment to fair housing must be addressed by more flexibility in underwriting guidelines, as will be discussed in the Recommendations Section of this report.

### **Impediment #12: Housing Sales and Rental Markets**

A major impediment to housing choice is discrimination in the sale and rental of housing. Racial discrimination remains the major form of discrimination in the housing market and there is evidence that despite legislation and enforcement efforts, it has not diminished. Moreover, discrimination in the housing market is seen as the major contributor to residential racial segregation.

It is difficult to assess the severity of the problem of discrimination in the sale of homes in Sheboygan on the basis of the number of complaints that have been reported to the City or fair housing enforcement agencies. Typically, most people who are denied housing or offered unfavorable terms because of discrimination do not realize that discrimination has occurred. In other cases, people may be aware or suspect discrimination, but they may not know where to file a complaint, do not feel that it will be remedied, or do not want to be confrontational. In other cases, people may feel vulnerable and fear retaliation by a housing provider.

### *Lack of Spanish and Hmong-speaking real estate brokers*

It is essential for non-English speaking, or limited English speaking persons to have access to housing professionals who are bi- or multilingual. This assures that all home seekers are afforded the same information and service when purchasing housing. With the burgeoning Hmong and Spanish-speaking populations in Sheboygan, it is important to ensure an equal level of service be available to alleviate this impediment to fair housing choice.

## **Recommendations**

The most critical element of the Analysis of Impediments to Fair Housing is the *Recommendations* that are provided for local communities to address and remedy the barriers identified. This section should be used as a starting point for the City to develop and implement a comprehensive fair housing action plan. The format of this section replicates the format found in the Impediments Section.

### **Recommendation #1: Devote Resources to a Comprehensive Review of Section 15.26 of the City of Sheboygan's Ordinances: Community Living Arrangements (CLA)**

The City should partner with disability advocacy groups, such as the Wisconsin Coalition for Advocacy and other Independent Living Centers to review and analyze the Community living Arrangements section of their zoning ordinance. The language should be reviewed in terms of future legal implications and potential liability of the City, as advocates have successfully challenged similar municipal ordinances elsewhere as violations of the Federal Fair Housing Act.

### **Recommendation #2: Increase Education and Outreach about Fair Housing Issues and Resources**

The City of Sheboygan must actively *affirmatively further fair housing* by making sure its residents are informed and educated on their fair housing rights and how to file a claim.

#### *Research and Encourage Fair Housing Service Providers*

The City should research service provider options to provide fair housing services such as: conducting housing discrimination complaint intake, case management, investigation and legal referral services to victims of discrimination; investigations of systemic forms of illegal discrimination; and outreach and education throughout the community.

#### *Increase knowledge and awareness of fair housing rights and procedures*

The City should create a concise packet of information on fair housing, along with a complaint form that can be used to file a claim with the City of Sheboygan. Include the state and federal complaint forms in the packet (see Appendix F). This packet should be easily viewable on the City's website. It should also be available to all different housing and service providers. The packet should also be available in English, Spanish and Hmong.

#### *Increase Outreach to Linguistically Isolated and Bilingual Communities*

The City should facilitate the formation of a partnership with organizations such as the Hmong Mutual Assistance Association that serve non-English speaking or limited English-speaking persons, to develop a pro-active approach to reaching these linguistically isolated populations. The City should also work particularly with agencies that have relationships with the Hmong and Hispanic communities to develop an outreach plan. One important aspect of this plan would be to evaluate and devise methods by which the City communicates with non-English speaking residents about housing issues. Overall, this plan should assess both the immediate and long-term needs of the community and create strategies to address them. In addition, the City should work towards hiring bilingual employees, particularly in departments that most often work with the public.

### *Streamline the City's Discrimination Complaint Process*

The City should draft an internal memo outlining instructions for all City employees as to how to deal with a fair housing complaint. The City should also create an intake form that outlines the process, and should offer this form with the educational packet described above. The complaint process and the forms described above should be readily available via a link on the City's website.

### *Provide Training for City Staff and Elected Officials*

The staff of the City Council and appropriate City departments should be trained and familiarized with the recommendations of this document, the City's Fair Housing Ordinance, the City's obligation to "affirmatively further fair housing" and how to facilitate referrals of fair housing and fair lending inquiries.

### *Federal and State Recommendations*

### **Recommendation #3: Advocate for Changes in State and Federal Programs to Expand Affordable Housing Options**

#### *Advocate for Additional Section 8 Housing Choice Vouchers*

The City of Sheboygan should facilitate a meeting with local HUD officials, as well as Wisconsin's US Senators and Representatives, to discuss the adverse impact of recent HUD actions. Specifically, these discussions should emphasize the deleterious effects of the HUD budget cuts and administrative changes within the Section 8 Voucher Program on the City and its residents. The City of Sheboygan should advocate for additional Section 8 Vouchers or alternative means to meet the need of low-income residents.

#### *Advocate for Affordable Housing Production Resources*

The City of Sheboygan should facilitate a meeting with state and federal elected officials to advocate for additional financing resources to build affordable housing, particularly for extremely low-income persons. The City should also research successful models of affordable housing production in other communities for possible replication in the City of Sheboygan.

*Advocate for Revisions to WHEDA's Low Income Housing Tax Credit (LIHTC) Program allocation scoring*  
WHEDA's tool for scoring LIHTC applicants, the Qualified Allocation Plan (QAP), gives preference to development projects that have community support. As discussed previously, this *community support* allows a municipality to oppose needed affordable housing. The City of Sheboygan should advocate that WHEDA develop a scoring mechanism that calculates the need for affordable housing based on the wages and salaries of the employment opportunities in that municipality. For example, if a community has a large supply of expensive, unaffordable housing, yet a workforce with many low-paying retail jobs, it must develop a housing plan to accommodate the development of housing which is affordable to those low wage earners.

## *Advocate for the Creation of a Smoother Infrastructure between Medicare/Medicaid and Section 8*

Many persons with disabilities who desire to move out of nursing care facilities lack the financial resources to make such a transition. The City should meet with representatives of HUD and the Department of Health and Human Services to explore options that would allow those persons, desiring to do so, to move out of nursing care facilities and be integrated into the community.

## *Private Market Recommendations*

### **Recommendation #4: Advocate for Open and Inclusive Real Estate and Rental Markets**

The City of Sheboygan should advocate for more open and inclusive home rental and sales markets by working with the housing industry and appropriate State departments to accomplish the following:

- Initiate regular training of members of various real estate professional organizations, apartment owners associations, building owners and managers, rental-housing providers, local newspapers and other members of the housing industry to ensure all members have the most up-to-date information on fair housing laws, procedures, regulations and issues. These training sessions should also be designed to increase awareness and sensitivity to fair housing advocacy.
- Encourage greater efforts on the part of the real estate and rental industries to hire and train minority and bilingual real estate and rental professionals.
- Increase efforts by the Wisconsin Department of Regulations and Licensing to prevent and discourage discrimination by licensees. This would mean a greater willingness by the State to use license suspension and revocation powers to prevent and discourage discrimination.
- Initiate public/private worksharing agreements between government and private enforcement advocacy organizations to conduct ongoing systemic testing of the industry to monitor and assure compliance with fair housing laws.
- Encourage more active support by the real estate and rental industries for affirmative programs designed to promote integrated residential patterns.
- Encourage more active participation by providers of rental housing in local rent assistance programs to expand location choice for low-income and minority residents.

### **Recommendation #5: Improve Access of Minority and Low-Income Applicants to Home Mortgages**

There are a number of ways in which minority and low-income loan seekers could obtain greater access to home mortgages, as follows:

- Lenders should adopt a pro-integrative component in their lending programs. Without this component, well-intentioned programs targeting lower income census tracts or borrowers may only serve to exacerbate patterns of racially segregated housing in Sheboygan.
- Lenders need to become more responsive to the needs of all the neighborhoods that they claim to serve. This means locating offices in lower income neighborhoods, having loan originators interact with local citizens and community organizations and participating in programs that will benefit low-income and minority communities, such as the Federal Home Loan Bank's Affordable Housing Program.

- Additional mortgage products are needed that include innovative rate structures, lower down payments and credit provisions for low-income families and immigrant families with no credit history.
- Special loan programs should be more heavily marketed in the lower income and minority neighborhoods. These programs also need to be marketed more creatively through a variety of mediums.
- Housing counseling services for low-income families should be coordinated between the various housing counseling organizations to ensure consistent and uniform information is provided. Counseling service topics should be expanded to include skill development for home seekers to include risk reduction and accident prevention information. This can help improve credit and debt ratios in order to meet the qualifying standards required by lenders.
- Methods need to be explored to work with the secondary market and private mortgage insurance (PMI) companies to tailor programs to the needs of Sheboygan.
- Testing of lenders should be ongoing to monitor compliance with fair lending and fair housing laws, for the same reasons as stated in the previous section.
- Increase efforts by the Wisconsin Department of Financial Institutions to prevent and discourage discrimination by lenders and brokers. This would mean a greater willingness by the State to use license suspension and revocation powers to prevent and discourage discrimination
- Training programs for loan officers should be expanded to assure they are knowledgeable about fair lending requirements and sensitive to community needs.
- There needs to be an expansion of second review programs for minorities who are rejected.



Resolution

Appendix A

**MINUTES  
SHEBOYGAN COMMISSION ON FAIR HOUSING PRACTICES  
Wednesday April 12, 2006 @ 7:00 p.m.**

**Members Present:** Alderperson Marilyn Montemayor, Vue Yang, Dan Castro, Mary Keittel, Cory Salchert

**Others:** Susan Hart, Steve McLean

- Alderperson Montemayor called the meeting to order at 7:00 p.m.
- Minutes of March 21 reviewed by Committee. Motion by Yang, second by Keittel to approve. Motion carries.
- Discussion on the Makini Johnson issue. Susan Hart explained that she had talked to Dean Bogenschuetz, a member of the Housing Authority Board of Directors, and that they had decided to invite members of this committee to their next meeting; but he did not know when it was. Motion by Castro, second by Yang to hold until further information is gathered. Motion carries.
- Discussion on Erica Rodriguez's concerns with landlord Gary Kaker. Attorney McLean reported that he had called St. Vincent de Paul, but they were unable to provide information about the money distributed to Mr. Kaker such as which church wrote the check, or even if a check had been written. Also, St. Vincent had not been able to reach Ms. Rodriguez. Motion by Castro, second by Yang to held until more information is provided. Motion carries.
- No new business.
- It was decided to hold off on scheduling the next meeting until we receive needed information about Makini Johnson & Erica Rodriguez.
- Motion to Adjourn by Yang, second by Castro, motion carries.

Submitted by Susan Hart

**Appendix B**

*Supportive Housing Providers - Distribution List*

<b>Name</b>	<b>Organization</b>	<b>E-mail</b>
Ruth Evans	Lakeshore CAP	<a href="mailto:revans@lakeshorecap.org">revans@lakeshorecap.org</a>
Heidi Gudmundson	Runaway and Youth Services/LSS	<a href="mailto:heidi.gudmundson@lsswis.org">heidi.gudmundson@lsswis.org</a>
Karen Roehl	Legal Actions of WI	<a href="mailto:ksr@legalaction.org">ksr@legalaction.org</a>
Areli Estrada	Partners for community development	
Lucio Fuentes	Partners for Community Development	<a href="mailto:lucio@partners4cd.com">lucio@partners4cd.com</a>
Joe Rupnik	Sheboygan Housing Authority	<a href="mailto:housing@excel.net">housing@excel.net</a>
Laura Roenitz	Safe Harbor	<a href="mailto:Laurar@sheboygansafeharbor.org">Laurar@sheboygansafeharbor.org</a>
JoAnne Kemnitz	The Salvation Army	<a href="mailto:joanne_kemnitz@usc.salvationarmy.org">joanne_kemnitz@usc.salvationarmy.org</a>
Ann Wondergem	United Way	<a href="mailto:annw@sauw.org">annw@sauw.org</a>
Colleen Homb	Lakeshore CAP	<a href="mailto:colleenh@lakeshorecap.org">colleenh@lakeshorecap.org</a>
John Mees	Sheboygan Area School District	<a href="mailto:jmees@sheboygan.k12.wi.us">jmees@sheboygan.k12.wi.us</a>
Dave Humbracht	Landlord Association	<a href="mailto:dhumbracht@gmail.com">dhumbracht@gmail.com</a>
Mitch Birke	Economic Support	<a href="mailto:birkemb@co.sheboygan.wi.us">birkemb@co.sheboygan.wi.us</a>
Char Neitzel-Goostree	Salvation Army Housing	<a href="mailto:char_neitzel-goostree@usc.salvationarmy.org">char_neitzel-goostree@usc.salvationarmy.org</a>
Jennifer Miller	Salvation Army Emergency Shelter	<a href="mailto:jennifer_miller@usc.salvationarmy.org">jennifer_miller@usc.salvationarmy.org</a>
Katy Pruitt	Safe Harbor	<a href="mailto:katyp@sheboygansafeharbor.org">katyp@sheboygansafeharbor.org</a>
Kirsten Navarrette	Legal Actions of WI	<a href="mailto:kln@legalaction.org">kln@legalaction.org</a>
Dawn Zoerner	Partners for community development	<a href="mailto:sunnyside@partners4cd.com">sunnyside@partners4cd.com</a>
Kristina Meekins	Boys and Girls Club :Howards Grove	<a href="mailto:kmeekins@thepositiveplace.com">kmeekins@thepositiveplace.com</a>
Ryan Schmitt	Sheboygan Police Department	<a href="mailto:ryan.schmitt@ci.sheboygan.wi.us">ryan.schmitt@ci.sheboygan.wi.us</a>
Kim Murrow	Comfort Keepers	<a href="mailto:kimmurrow@comfortkeepers.com">kimmurrow@comfortkeepers.com</a>
Lisa Hurley	Home Care Health	<a href="mailto:lisa.hurley@homecarehealth.org">lisa.hurley@homecarehealth.org</a>
Dane Checolinski	Sheboygan County EDC	<a href="mailto:checolinski@sheboygancountyedc.com">checolinski@sheboygancountyedc.com</a>
	Sheboygan County Health Dept	<a href="mailto:liebedll@co.sheboygan.wi.us">liebedll@co.sheboygan.wi.us</a>
	Sheboygan County Health Dept	<a href="mailto:hippedah@co.sheboygan.wi.us">hippedah@co.sheboygan.wi.us</a>
Wendy Schmitz	Senior Activity Center	<a href="mailto:seniorcenter@ci.sheboygan.wi.us">seniorcenter@ci.sheboygan.wi.us</a>
Dennis Ketterman	Habitat for Humanity	<a href="mailto:dkhfhl@gmail.com">dkhfhl@gmail.com</a>
Kristine Feggstad	UW-Sheboygan	<a href="mailto:kristine.feggstad@uw.edu">kristine.feggstad@uw.edu</a>
Allison Weber	Lakeshore Technical College	<a href="mailto:allison.weber@gotoltc.edu">allison.weber@gotoltc.edu</a>
General Info	Lakeshore Technical College	<a href="mailto:info@gotoltc.edu">info@gotoltc.edu</a>
Kristin Blanchard	SCIO	<a href="mailto:scio@excel.net">scio@excel.net</a>
Thomas Eggebrecht, Director	Sheboygan County Aging and Disability Reso	<a href="mailto:adrc@co.sheboygan.wi.us">adrc@co.sheboygan.wi.us</a>
Charlene Cobb	Veterans Service Center	<a href="mailto:cvso@co.sheboygan.wi.us">cvso@co.sheboygan.wi.us</a>
Thomas Eggebrecht, Director	Elder Services	<a href="mailto:eggebtde@co.sheboygan.wi.us">eggebtde@co.sheboygan.wi.us</a>
Liz Mahloch	Division of Economic Support	<a href="mailto:MAHLOLLM@co.sheboygan.wi.us">MAHLOLLM@co.sheboygan.wi.us</a>
Dale Hippensteel	Division of Public Health	<a href="mailto:hippedah@co.sheboygan.wi.us">hippedah@co.sheboygan.wi.us</a>
Marty Bonk	Division of Social Services	<a href="mailto:BONKMJB@co.sheboygan.wi.us">BONKMJB@co.sheboygan.wi.us</a>
Jane Jensen	Sheboygan County UW-Extension - Family Liv	<a href="mailto:jane.jensen@ces.uwex.edu">jane.jensen@ces.uwex.edu</a>
Michael J. Taubenheim	Rocky Knoll Health Care Center	<a href="mailto:taubemjt@co.sheboygan.wi.us">taubemjt@co.sheboygan.wi.us</a>
Henry Capetillo	Home, Inc.	<a href="mailto:wihminc@sbcglobal.net">wihminc@sbcglobal.net</a>
Kenneth R King	Family Service Association, Inc.	<a href="mailto:ken.king@excel.net">ken.king@excel.net</a>
Chasong M. Yang	Hmong Association, Inc.	<a href="mailto:mail@hmaaweb.org">mail@hmaaweb.org</a>
Kate Baer (Hildebrandt)	Family Connections, Inc.	<a href="mailto:kateb@familyconnectionscc.org">kateb@familyconnectionscc.org</a>
Greg Wells	Rebuilding Together, Inc.	<a href="mailto:wells@charter.net">wells@charter.net</a>

**Appendix C**

**HOUSING DISCRIMINATION INFORMATION**  
 Departamento de Vivienda y Desarrollo Urbano    Oficina de Derecho Equitativo a la Vivienda  
 U.S. Department of Housing and Urban Development    Office of Fair Housing and Equal Opportunity

**Instructions:** (Please type or print) Read this form carefully. Try to answer all questions. If you do not know the answer or a question does not apply to you, leave the space blank. You have one year from the date of the alleged discrimination to file a complaint. Your form should be signed and dated.

Your Name		
Your Address		
City	State	Zip Code
Best time to call	Your Daytime Phone No	Evening Phone No

**Who else can we call if we cannot reach you?**

Contact's Name	Best Time to call
Daytime Phone No	Evening Phone No
Contact's Name	Best Time to call
Daytime Phone No	Evening Phone No

**1** What happened to you?  
 How were you discriminated against?  
 For example: were you refused an opportunity to rent or buy housing? Denied a loan? Told that housing was not available when in fact it was? Treated differently from others seeking housing?  
 State briefly what happened.

## HOUSING DISCRIMINATION INFORMATION

Departamento de Vivienda y Desarrollo Urbano    Oficina de Derecho Equitativo a la Vivienda  
U.S. Department of Housing and Urban Development    Office of Fair Housing and Equal Opportunity

### 2 Why do you think you are a victim of housing discrimination?

Is it because of your:

· race · color · religion · sex · national origin · familial status (families with children under 18) · disability?

For example: were you denied housing because of your race? Were you denied a mortgage loan because of your religion? Or turned down for an apartment because you have children?

Briefly explain why you think your housing rights were denied and circle the factor(s) listed above that you believe apply.

Who do you believe discriminated against you?

For example: was it a landlord, owner, bank, real estate agent, broker, company, or organization?

Identify who you believe discriminated against you.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

### 4 Where did the alleged act of discrimination occur?

For example: Was it at a rental unit? Single family home? Public or Assisted Housing? A Mobile Home?

Did it occur at a bank or other lending institution?

Provide the address.

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

### 5 When did the last act of discrimination occur?

Enter the date

\_\_\_/\_\_\_/\_\_\_

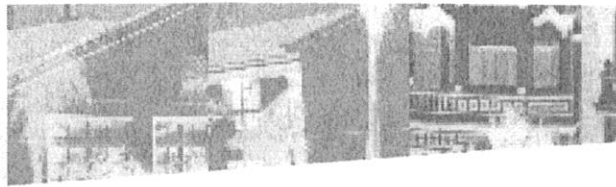
Is the alleged discrimination continuing or ongoing?

Yes No

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Send this form to HUD or to the fair housing agency nearest you. If you are unable to complete this form, you may call that office directly. See address and telephone listings on back page.



It is Unlawful to Discriminate in Housing Based on These Factors...

- Race
- Color
- National origin
- Religion
- Sex
- Familial status (families with children under the age of 18, or who are expecting a child)
- Handicap (if you or someone close to you has a disability)

If You Believe Your Rights Have Been Violated...

- HUD or a State or local fair housing agency is ready to help you file a complaint.
- After your information is received, HUD or a State or local fair housing agency will contact you to discuss the concerns you raise.

Detach here. Fold and close with glue or tape (no staples)

Keep this information for your records.

Date you mailed your information to HUD: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_

Address to which you sent the information:

Office \_\_\_\_\_ Telephone \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

If you have not heard from HUD or a State or local fair housing agency within three weeks from the date you mailed this form, you may call to inquire about the status of your complaint. See address and telephone listings on back page.