

2012

# City of Eau Claire: Analysis of Impediments to Fair Housing



Submitted by the  
Metropolitan  
Milwaukee  
Fair Housing  
Council

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## Author of the Report

This report was produced by the Metropolitan Milwaukee Fair Housing Council, Inc. (MMFHC). Kori Schneider Peragine, Carla Wertheim and Erika Sanders are the primary staff responsible for its content.

MMFHC was established in October 1977 as a private, non-profit organization dedicated to promoting fair housing throughout the State of Wisconsin by combating illegal housing discrimination and by creating and maintaining racially and economically integrated housing patterns. MMFHC operates the following four programs:

### **Enforcement Program**

- Intake of fair housing complaints and counseling on options for remedy.
- Investigative services for persons who allege housing discrimination.
- Referrals to attorneys and government agencies.
- Systemic investigations of institutional discrimination.

### **Outreach and Education Program**

- Presentations to consumers, advocates and the general public.
- Fair housing training for property owners and managers, real estate agents and other members of the housing industry.
- Fair housing technical assistance to government agencies, civil social service agencies and housing providers.

### **Fair Lending Program**

- Intake of fair lending complaints and counseling on options for remedy.
- Promotes fair lending and seeks to eradicate predatory lending practices through a community coalition, the Strategies to Overcome Predatory Practices (STOPP) Initiative.
- Monitoring of financial institutions' fair lending practices.
- Technical assistance and education for lenders and the general public.

### **Inclusive Communities Program**

- Technical assistance and professional support to community organizations, developers and local policy makers on inclusionary housing policies and the promotion of racial and economic integration.
- Assistance with consumers' access to pro-integrative housing choices.
- Research, analysis and documentation of fair and affordable housing opportunities and impediments.

MMFHC provides services throughout the State of Wisconsin through three offices. Its main office is located in the City of Milwaukee and satellite offices of the organization are located in Madison (Fair Housing Center of Greater Madison) and Appleton (Fair Housing Center of Northeast Wisconsin).

This Analysis of Impediments to Fair Housing report was funded by the City of Eau Claire.

The Nonprofit Center of Milwaukee's Data Center provided MMFHC with mapping services, data analysis and other technical assistance.

## Executive Summary

This report, *City of Eau Claire: Analysis of Impediments to Fair Housing 2011*, should be used as a planning tool to ensure equal housing opportunities for all persons in the City of Eau Claire. The report has three main components: an analysis of demographic and economic characteristics in relation to their impact on fair housing; a description of fair housing impediments; and recommendations designed to dismantle impediments

### ***Demographic and Economic Characteristics***

An analysis of the demographic and economic characteristics in the City of Eau Claire identifies trends that currently have or will have an impact on the housing market and impediments to fair housing choice. Some items of note include:

- According to the 2010 Census, Eau Claire's population in 2010 was 65,883, an increase of 6.8% from 2000.
- Nonwhite residents in Eau Claire increased between 2000 and 2010: The Hispanic population increased by almost 105%; Asian population had an increase of 32.5%; African American population increased by 68.5%; white residents comprise 90.3% of the City's population, a decrease of 3.1% of the City's total population since 2000
- Minority households tend to be larger than white households; as a result, they are more likely to require larger housing units. In 2000 white households have an average household size of 2.3 persons in Eau Claire; Asians have an average household size of 5.2 persons; Latinos have an average household size of about 2.6 persons; and African Americans have an average of about 2.7 persons per household.
- According to the 2000 U.S. Census, 16% of Eau Claire's population has a disability (including physical disabilities, mental disabilities, mobility disabilities and "other").
- In 2010, only 25.6% of African Americans, 16.6% of Latinos, and 42% of Asians owned their homes. The homeownership rate for whites was more than two times that, at 56.8%.
- The median age for Eau Claire residents was 28.5 years in 2009. Median age by race and ethnicity varies significantly in Eau Claire: whites (30), Asians (20.9), Latinos (20.6), and African Americans (23.8).
- The 2009 ACS reported Eau Claire's median household income at \$39,858. The 2009 ACS reported white household income at \$40,535, black at \$29,306, Latino at \$27,326, and Asian at \$30,000<sup>1</sup>.

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<sup>1</sup> Margins of error on median income by race and ethnicity are significant - from +/- \$16,000 up to +/- \$37,000. This is due to the small sample size of nonwhite populations.

- According to the 2009 ACS, 6.2% of Eau Claire households do not have a vehicle available.
- In May 2011, the median home value in Eau Claire was \$114,900.
- According to the 2009 ACS, 92% of city residents 25 years and older graduated from high school. Vast disparities in educational attainment are revealed when analyzed by race and ethnicity. For instance, Latinos (67.7%), Asians (61.5%) and African Americans (71.3%) are significantly less likely to have a high school diploma than whites (93.3%).
- Almost 6% of Eau Claire’s population speaks a language other than English at home. About 2.4% of the population does not speak English very well.

### ***Fair Housing Impediments***

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 a federal or State of Wisconsin protected class.<sup>2</sup> Impediments may take the form of a governmental entity’s policy, practice or procedure; housing industry practices; and other societal factors that may contribute to impeding a person or family from obtaining housing. Impediments in the report fall into one or more of three categories: City of Eau Claire impediments, state and federal impediments, and private market impediments. Though the City may have limited ability to address impediments in the private market and at the state and federal levels, this report would be incomplete without listing them.

### **City of Eau Claire Impediments**

#### **Impediment #1: Flawed City Fair Housing Ordinance**

Features of the City’s fair housing ordinance that create impediments to fair housing in Eau Claire include: the ordinance does not provide comprehensive protections on the basis of familial status (also called “family status”) or sexual orientation; the ordinance is unclear regarding persons protected under the ordinance; the ordinance fails to provide comprehensive listing of prohibited acts; the ordinance lacks adequate protection for persons with disabilities; the ordinance does not prohibit discrimination in all areas of the housing market; the ordinance is silent on the enforcement process, including statute of limitations; the ordinance provides negligible penalties for violations of the law; and the ordinance does not allow victims of illegal housing discrimination to obtain compensatory or injunctive relief.

#### **Impediment #2: Lack of Housing Units Accessible to Persons with Disabilities**

Nearly 16% of Eau Claire’s population has a disability (including physical disabilities, mental disabilities, mobility disabilities and “other”). Eau Claire has a large proportion of older housing

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<sup>2</sup> Protected classes listed in the Federal Fair Housing Act and the Wisconsin Open Housing Law include race, religion, color, national origin, sex, disability, familial status, marital status, sexual orientation, ancestry, age, status as a victim of domestic abuse, sexual assault and stalking, and lawful source of income.

stock; 38% of the City’s housing was built in 1959 or earlier. Older housing units are less likely to be accessible to persons with physical disabilities; however, they are also more likely to be affordable. Newer dwellings are more likely to be accessible, but are typically less affordable.

### **Impediment #3: 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.

#### *The Lack of Financial Resources to Preserve, and/or Rehabilitate Affordable Housing*

The shortage of affordable housing is attributable, in part, to a lack of resources to preserve such units in Eau Claire. CDBG and HOME funds are used to build, preserve and rehabilitate housing in the City. However, the demand for these resources exceeds their availability.

#### *Structural Quality of Housing*

According to the City of Eau Claire’s Consolidated Plan for 2010-2014, large households are the most likely to have housing problems such as cost burdens and substandard housing. Additionally, the Consolidated Plan indicated that the conversion of large single-family houses into apartments reduces the supply of large units and increases overcrowding.

### **Impediment #4: 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.

### **State and Federal Housing Policy Impediments**

While the City of Eau Claire is indirectly involved in these state and federal impediments, they must be addressed, as they impact the City’s ability to “affirmatively further fair housing.”<sup>3</sup> State and federal impediments include:

### **Impediment #5: Frequent Attacks on the Community Reinvestment Act (CRA) by Banking Regulators**

CRA regulators submit proposals to weaken the Community Reinvestment Act (CRA). Weakening CRA would be problematic because the provisions of CRA encourage depository

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<sup>3</sup> Affirmatively further fair housing (AFFH) is a requirement for communities receiving HOME, CDBG and other federal funds. HUD has not defined AFFH statutorily.

institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods.

**Impediment #6: Lack of Resources/Incentives for Developers to Build for the Lowest Income Households**

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.

**Impediment #7: 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 local community support. So those communities that have a shortage of affordable housing can continue to deny its development, even though there is a need for it.

**Private Market Impediments**

Private market impediments are obstacles to fair housing in the housing production, mortgage lending, homeowners' insurance, rental and home sales markets. Though the City of Eau Claire 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 and supporting fair housing enforcement and education efforts in the private market.

**Impediment #8: 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. No evidence of lending discrimination exists in Eau Claire; however most evidence of lending discrimination is uncovered from systemic investigations. No such investigations have taken place in Eau Claire.

*Foreclosures*

Foreclosures of single-family homes are a serious threat to neighborhood stability and community wellbeing, particularly low income neighborhoods. In June 2011, RealtyTrac reported that 1 in every 1,189 Eau Claire County housing units received a foreclosure filing. Eau Claire is faring better than other communities in the state of Wisconsin, but the foreclosure rate still bears scrutiny

## **Impediment #9: Homeowners Insurance**

### *Discrimination in the Homeowners Insurance Market*

Homeowners insurance is a requirement for a home mortgage; therefore, the impact of discrimination in the insurance industry is reflected in racial and ethnic homeownership rate disparities. Racial discrimination in the provision of insurance not only denies fair housing choice, but also fosters disinvestment and the deterioration of neighborhoods.

## **Impediment #10: Housing Sales and Rental Markets**

### *Discrimination in the Sales and Rental Markets*

A major impediment to housing choice is discrimination in the sale and rental of housing. In Eau Claire discrimination based on a disability remains the major complaint filed with HUD.<sup>4</sup> The protected classes of race and family status are also among the complaints most frequently taken by HUD.

### *Lack of Spanish and Hmong-speaking Real Estate Brokers*

With the burgeoning Hmong and Spanish-speaking populations in Eau Claire, it is important to ensure an equal level of service be available to alleviate this impediment to fair housing choice.

## ***Recommendations***

Recommendations to remedy the identified barriers to fair housing are the most critical element of this document. The recommendations are presented in three categories: City of Eau Claire recommendations, state and federal policy recommendations and private market recommendations.

### **City of Eau Claire Recommendations**

#### **Create and Implement a Comprehensive Strategy for Production of Affordable and Accessible Housing**

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<sup>4</sup> The Wisconsin Equal Rights Division received 12 complaints from Eau Claire County from January 1, 2005 to May 23, 2011. Of those 12 complaints, 6 were rejected and 6 were investigated. Of the 6 investigated 4 were deemed “no probable cause”, 1 was deemed “probable cause” and the final was deemed “untimely filed”. The “probable cause” complaint’s basis was *source of income*. The bases for the “no probable cause” complaints were a combination of : 2 *disability*, 2 *race*, 1 *creed*, 1 *color*, 1 *ancestry* and 1 *sex*.

The strategy should include the following components: funding an affordable/accessible housing production task force; incorporating visitability and home modification requirements into City subsidies/funding; funding visitability and accessibility outreach and education; identifying and overcoming housing production impediments; creating a citywide housing trust fund; and utilizing Tax Incremental Financing (TIF) to produce accessible and affordable housing.

### **“Affirmatively Further Fair Housing” and “Section 3” Requirement Education**

Local nonprofits and developers who are subrecipients of federal CDBG and HOME funds are not adequately aware of their responsibilities and obligations regarding “*affirmatively furthering fair housing*”<sup>5</sup> and *Section 3*,<sup>6</sup> a hiring policy. The City should incorporate education on Section 3 and “affirmatively furthering fair housing” requirements into funding meetings with its CDBG and HOME subrecipients.

### **Support Comprehensive Fair Housing Services**

The City should research fair housing service provider options (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). Additional components of a comprehensive fair housing program are training for city staff and elected officials and outreach to linguistically isolated and bilingual communities.

### **Fund Consumer Education**

The City of Eau Claire should continue to work with Western Dairyland, Catholic Charities and UW-Extension to provide financial literacy services to the community. Improved credit of homeseekers will improve chances of securing safe and affordable housing. Additionally, renter education should be provided to assist potential renters in finding and keeping decent housing.

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<sup>5</sup> FHA requires HUD to “administer [housing] programs...in a manner affirmatively to further the policies of [the Fair Housing Act],” including the general policy to “provide, within constitutional limits, for fair housing throughout the United States.” 42 USC §3608(e)(5). A grantee is “required to submit a certification that it will affirmatively further fair housing, which means that it will (1) conduct an analysis to identify impediments to fair housing choice within the jurisdiction; (2) take appropriate actions to overcome the effects of any impediments identified through that analysis; and (3) maintain records reflecting the analysis and actions in this regard.” 24 C.F.R. § 570.601(a)(2) , 24 CFR § 91.225(a).

<sup>6</sup> Section 3 is a means by which the Department of Housing and Urban Development (HUD) fosters local, economic improvement, and individual self-sufficiency. Section 3 is the legal basis for providing jobs for residents and awarding contracts to businesses in areas receiving certain HUD financial assistance.

### **Produce an Annual Report of Lending Practices**

The City Comptroller's Office should produce and distribute an annual report of lending activity in the city.

### **Review and Amend Local Fair Housing Ordinance**

The Eau Claire fair housing ordinance should be amended to include definitions of "disability" as well as each of the protected classes.

The ordinance should be amended to unambiguously prohibit discrimination in the provision of homeowners insurance and all facets of the financing of housing.

The ordinance must be amended to ensure that it provides viable enforcement options for victims of housing discrimination and to include specific penalties for violations of the law. Those penalties should be increased to provide a true punitive and deterrent effect, consistent with civil forfeitures delineated in federal and state fair housing laws. The ordinance should also be amended to include relief for victims of housing discrimination in the form of compensatory and injunctive relief.

### **Amend Zoning Ordinance Regarding Community Living Arrangements**

The City should partner with disability advocacy groups, such as Center for Independent Living for Western Wisconsin and others, to review and analyze the Community Living Arrangements section of its zoning ordinance

### **State and Federal Recommendations**

**Advocate for Changes in State and Federal Programs to Expand Affordable Housing Options** - Specifically by advocating for additional Section 8 Housing Choice Vouchers and advocating for revisions to WHEDA's Low Income Housing Tax Credit (LIHTC) Program allocation scoring.

### **Private Market Recommendations**

#### **Advocate for Open and Inclusive Real Estate and Rental Markets**

Eau Claire should advocate for more open and inclusive home rental and sales markets by working with the housing industry by encouraging housing providers to seek fair housing training; encouraging greater efforts on the part of the lending, real estate and rental industries to hire and train minority and bilingual lenders, underwriters, real estate and rental professionals;

and promoting more active participation by providers of rental housing in local rent assistance programs to expand locational choice for low-income and minority residents.

# Introduction

The *Analysis of Impediments to Fair Housing* is a report required by the U.S. Department of Housing and Urban Development (HUD) from communities that receive Community Development Block Grant (CDBG) funds. However, to maximize the potential of this report, City officials must view it as more than just a requirement for receiving block grant funding. It should be used as a meaningful tool enabling the community to take steps to ensure equal access to housing opportunities for all persons in the City of Eau Claire.

According to Carolyn Peoples, former Assistant Secretary of HUD’s Fair Housing and Equal Opportunity Office, “Once the jurisdiction completes the AI, it must report on its implementation by summarizing the impediments identified in the analysis and describing the actions taken to overcome the effects of the impediments identified through the analysis in its Consolidated Annual Performance and Evaluation Report (CAPER). Although AIs are not submitted or approved by HUD, each jurisdiction should maintain its AI and update the AI annually where necessary. Jurisdictions may also include actions the jurisdiction plans to take to overcome the impediments to fair housing choice during the coming year in the Annual Plan that is submitted as part of the Consolidated Plan submission.”

### *Fair Housing*

Fair housing is a civil right that guarantees equal housing opportunities for all persons regardless of their membership in categories called “protected classes.” Protected classes under federal and state fair housing laws are listed in the following table.

<b>Federal Fair Housing Act Protected Classes</b>	<b>Wisconsin Open Housing Law Protected Classes</b>
<p><b>Race</b> – A person’s race or the race of persons with whom one associates.</p> <p><b>Color</b> – A person’s skin color.</p> <p><b>Sex</b> – A person’s sex, including sexual harassment or intimidation.</p> <p><b>National Origin</b> – The country of one’s birth and/or the nationality of one’s ancestors.</p> <p><b>Religion</b> – A person’s religious beliefs or denominational affiliation.</p> <p><b>Disability/Handicap</b> – A physical or mental impairment that substantially limits one or more major life activities.</p> <p><b>Family/Familial Status</b> – Household composition, including the presence of children.</p>	<p>State law includes all federal protections, plus:</p> <p><b>Age</b> – Persons 18 years of age and older.</p> <p><b>Ancestry</b> – The country of one’s birth and/or the nationality of one’s ancestors.</p> <p><b>Marital Status</b> – Married, single, divorced, widowed or separated.</p> <p><b>Lawful Source of Income</b> – A person’s legal means of income, including such subsidized forms as Social Security, Food Stamps, Unemployment Compensation, etc.</p> <p><b>Sexual Orientation</b> – Heterosexuality, homosexuality and bisexuality.</p> <p><b>Domestic Abuse, Sexual Assault and Stalking Victims</b> – Persons who have been or are victims of domestic abuse, sexual assault or stalking.</p>

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 a protected class. Impediments may take the form of a city or other governmental entity's policy, practice or procedure, housing industry practices, or other societal factors.

#### *Scope of the Study*

The *City of Eau Claire: Analysis of Impediments to Fair Housing* contains several components. First, the study provides an analysis of demographic and economic characteristics in relation to their impact on fair housing. Included are descriptions of Eau Claire's racial and ethnic composition, household profiles, population of persons with disabilities, homeownership, age distribution, employment and income levels, poverty, unemployment patterns, transportation, housing supply characteristics, education and linguistic isolation. Next, the report identifies impediments to fair housing. Impediments are organized into three broad categories: City of Eau Claire impediments, federal and state impediments, and private market impediments. Then, this report lists recommendations for dismantling the impediments to fair housing choice. In the final section, the City's implementation strategy - a road map for enacting this report's recommendations - is outlined.

## Demographic and Economic Characteristic Analysis: Fair Housing Implications

Eau Claire’s current housing conditions are created by a complex combination of factors, including:

- illegal discrimination in the housing market,
- geographic preferences of home seekers,
- demographic shifts,
- changes in the number and structure of households, and
- trends in the larger economy.

Eau Claire’s demographic, economic and social characteristics will be discussed in this section of the study, with emphasis on characteristics related to impediments to fair housing choice in the housing market.

In 2010, the Eau Claire submitted a *Consolidated Plan for Community Development Block Grant, HOME and Housing Programs* for the years 2010-2014. This document contains a useful summary of 2000 and 2010 census data and 2005-2009 American Community Survey (ACS) data for the City of Eau Claire and was used as a source for much of the demographic data in this section. Additional data and geographic information science (GIS) maps were also used in this report to map socioeconomic and housing market conditions and assist in highlighting patterns that may otherwise go unnoticed.

**Table 1: Eau Claire Population Distribution, 1990 - 2010**

	1990 Population	2000 Population	2010 Population
<b>City of Eau Claire</b>	56,856	61,704	65,883
<b>Eau Claire County</b>	85,183	93,142	98,736
<b>Chippewa County</b>	52,360	55,195	62,415

Source: 1990, 2000, and 2010 U.S. Census

The City of Eau Claire is located within both Eau Claire and Chippewa Counties. According to the 2010 Census, Eau Claire’s population in 2010 was 65,883, an increase of 6.8% from 2000. The population of the Eau Claire County was 98,736 in 2010, an increase of 6% from 2000. Chippewa County’s population, while still smaller than that of Eau Claire County, increased at a

higher rate, by 13%. Since 1990, the City of Eau Claire has maintained a constant 67% of Eau Claire County's population.

## Racial Composition

An examination of demographic changes reveals increases in nonwhite residents in Eau Claire between 2000 and 2010:

- The Hispanic population increased by almost 105%.
- The Asian population had an increase of 32.5%.
- The African American population increased by 68.5%.
- White residents comprise 90.3% of the City's population, a decrease of 3.1% of the City's total population since 2000.

The race and ethnicity proportions of Eau Claire Public Schools vary from the overall population and may be a predictor of the City's future demographic. For instance, the Asian American school population is 9.8% of the school population versus 4.6% of the total population. African Americans make up 3.4% of the school population versus 1.1% of the total population. The Hispanics represent 2.4% of the school population versus 1.9% of the total population. The white school population is 83.3% of the school population versus 90.3 of the overall population.

The Asian American population in Eau Claire is predominately Hmong, and “[t]he arrival of the Hmong to Eau Claire over the past thirty years has introduced the city to its first significant ethnic minority population.”<sup>7</sup>

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<sup>7</sup> Christian, Jenna; Moua Pa Sia Low; Vogeler, Ingolf; Wisconsin Geographer Volume 23(2008-2009); *The Cultural Landscape of the Hmong in Eau Claire, WI*

**Table 2 : City of Eau Claire Population by Race Over Time**

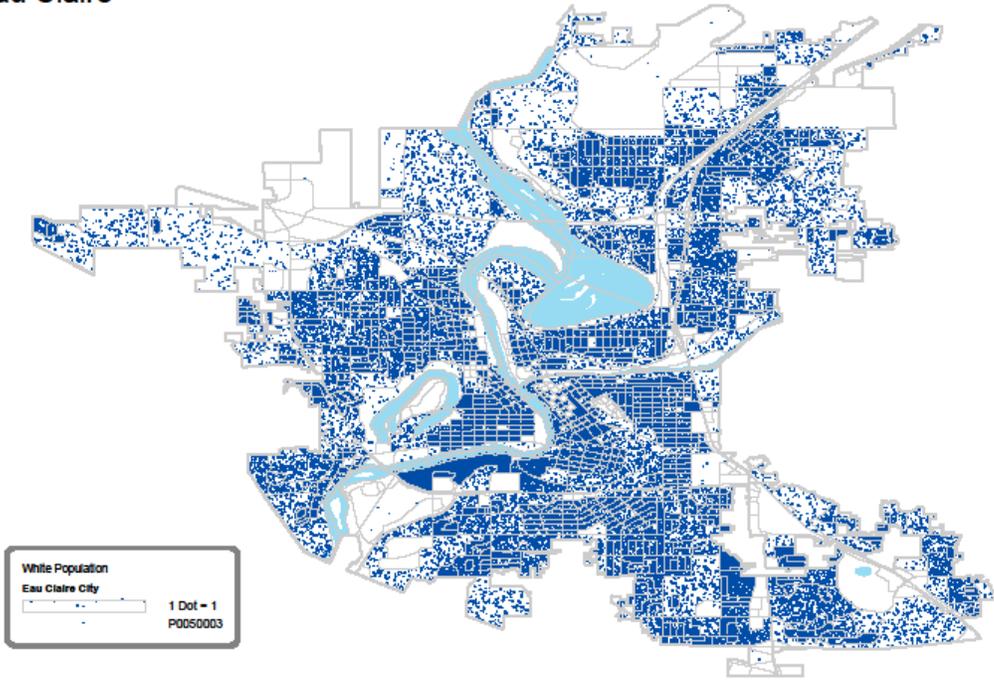
Race	1990		2000		2010	
	Population	%	Population	%	Population	%
<b>White</b>	54,042	95.1	57657	93.4	59499	90.3
<b>African American</b>	211	0.4	429	0.7	723	1.1
<b>American Indian</b>	332	0.6	337	0.5	327	0.5
<b>Asian or Pacific Islander</b>	2,150	3.8	2,282	3.7	3,023	4.6
<b>Other Race</b>	121	0.2	209	0.3	35	0.1
<b>Two or More Races</b>	NA	NA	790	1.2	1008	1.5
<b>Total</b>	<b>56,856</b>		<b>61,704</b>		<b>65,883</b>	

<b>Latino/ Hispanic</b>	343	0.6	619	1.0	1,268	1.9
<b>Not Hispanic</b>	56,513	99.4	61,085	99.0	64,615	98.1
<b>Total</b>	<b>56,856</b>		<b>61,704</b>		<b>65,883</b>	

Source: 1990, 2000, and 2010 U.S. Census

# Map 1: Dot Density for White population

Population Density  
Eau Claire

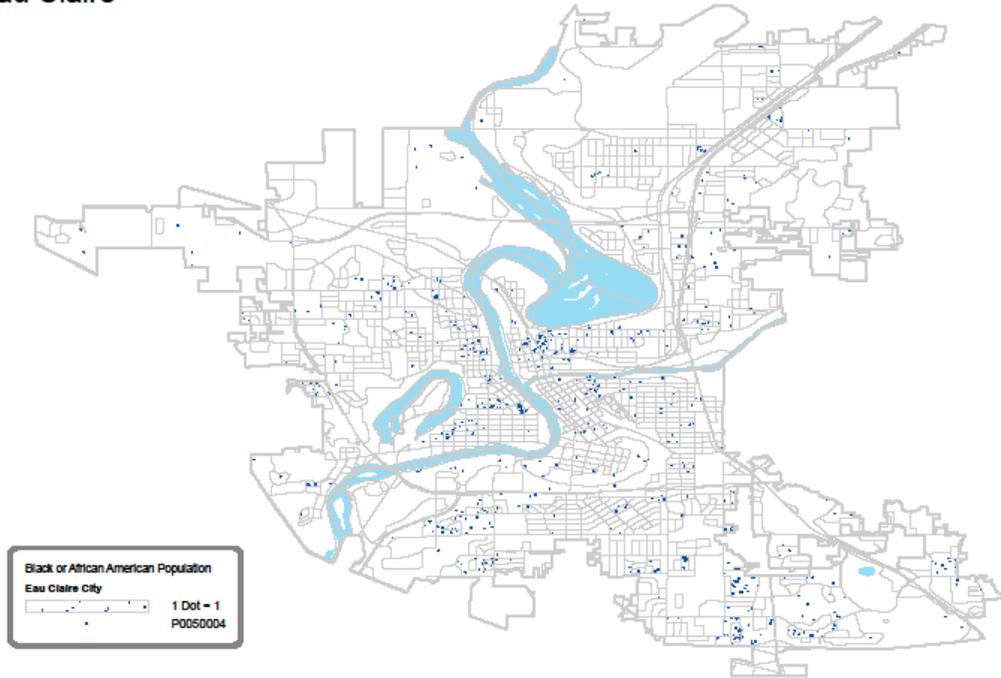


Source U.S. Census 2010 P 5 :P0050003 03 9

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## Map 2: Dot Density for African American population

Population Density  
Eau Claire

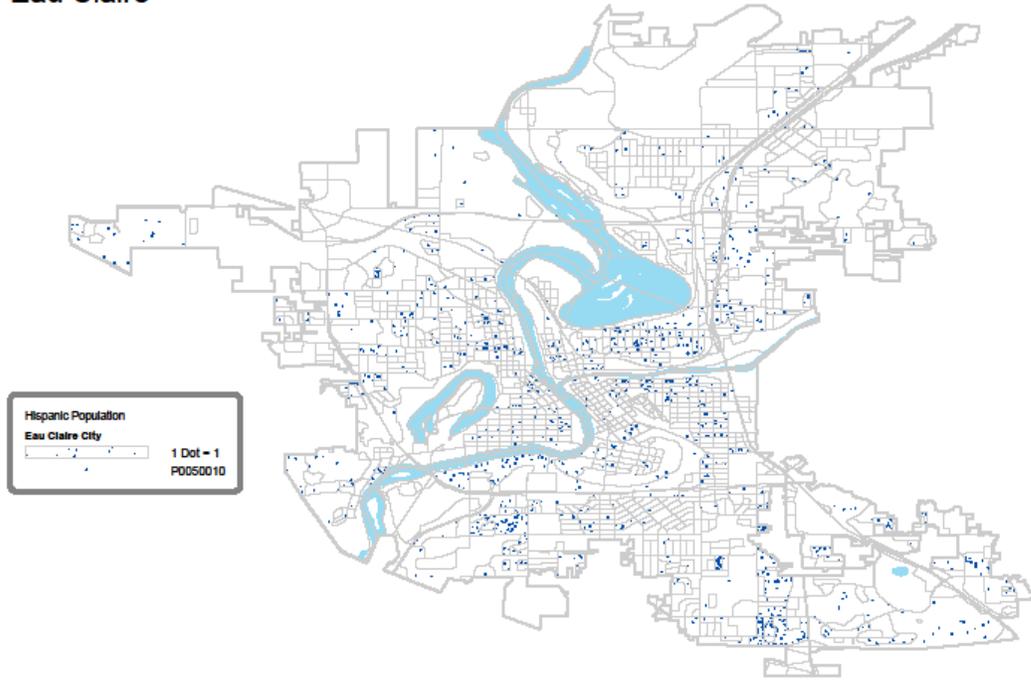


Source U.S. Census 2010 P 5 :P0050004 03 9

Nonprofit Center of Milwaukee - 2011

### Map 3: Dot Density for Latino population

Population Density  
Eau Claire

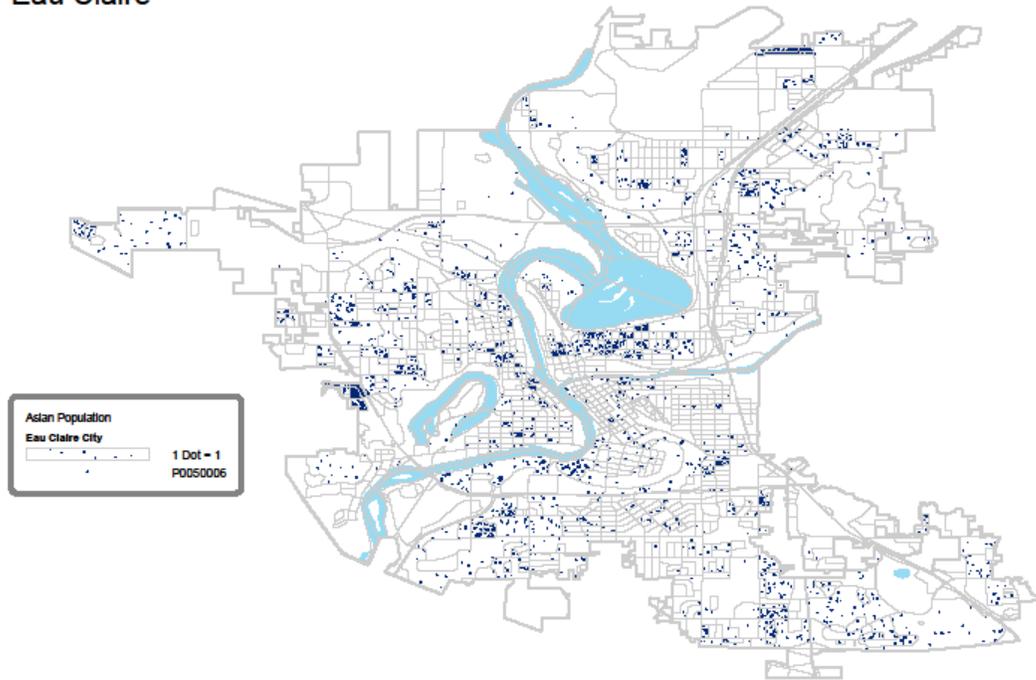


Source U.S. Census 2010 P 5 :P0050010 03 9

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## Map 4: Dot Density for Asian population

Population Density  
Eau Claire



Source: U.S. Census 2010 P 5 :P0050006 03 9

Nonprofit Center of Milwaukee - 2011

Legally sanctioned discriminatory housing practices created segregated and unequal neighborhoods and communities throughout the United States. Although discrimination is no longer legal, it is still an endemic problem.

## Household Profiles

Throughout much of the U.S., an increase in the number of households is occurring at a rate that exceeds population growth. This is due to a variety of factors, including the growing number of single person and single parent households, longer life expectancies and the rate of divorce. A result of this trend is smaller household size. Consider:

- The number of households in Eau Claire increased from 24,016 to 26,803 between 2000 and 2010, or 11.6%.
- The average household size decreased from 2.38 persons to 2.29 persons.
- One-person households increased significantly, by 15.2%, or 1095 households between 2000 and 2009.
- Two-person households also increased by 12.8%, or 1073 households, during the same time period.
- Households of four or more people decreased during this time by 267 households, or 5.5%.

Minority households tend to be larger than white households; as a result, they are more likely to require larger housing units. In 2000:<sup>8</sup>

- White households have an average household size of 2.3 persons in Eau Claire.
- Asian Americans households are more than two times that of white households with an average household size of 5.2 persons.
- Latinos have an average household size of about 2.6 persons.
- African Americans have an average of about 2.7 persons per household.
- In comparison, the average household size in Wisconsin 2.5 persons and the U.S. is 2.6 persons.

Although average household size declined, many households continue to live in overcrowded households. The traditional census definition of overcrowded household is a household that has

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<sup>8</sup> The 2005-2009 American Community Survey did not include this data by race/ethnicity because the sample size was too small.

more persons than the number of rooms it occupies.<sup>9</sup> According to the 2009 American Community Survey, 1.3% of the City’s households were overcrowded. According to the 2009 American Community Survey, African American (20.1%) and Asian American (16.5%) households are significantly more likely to be crowded than white (0.8%) and Latino (0%) households.

Families may find ‘house partners’ necessary to meet the cost of housing, which can result in overcrowding. In addition, the “married-couple family” now makes up 15.8% of the City’s households. Almost one in five households (19.4%) is headed by a female with “no husband present.”

**Table 3: Eau Claire Household Size, 2000 - 2009**

Household Size	2000	2009
	Percent	Percent
<b>1 Person</b>	7202	8297
<b>2 Person</b>	8395	9468
<b>3 Person</b>	3602	4015
<b>4 or More People</b>	4817	4550
<b>Total</b>	24,016	26,330
<b>Average Household Size</b>	<b>2.38</b>	<b>2.29</b>

Source: 2000 U.S. Census and 2009 American Community Survey

## Persons with Disabilities

Housing stock with inaccessible features impedes access for persons with many different types of physical disabilities. Ensuring an adequate supply of accessible housing to meet the needs of persons with disabilities must be a City goal. While the actual number of accessible private housing units is not available, multiple sources<sup>10</sup> indicate that demand for such housing is greater

<sup>9</sup> Bathrooms and hallways are not included.

<sup>10</sup> Based on interviews with representatives from the Center for Independent Living for Western Wisconsin, Realtors Association of Northwest Wisconsin, and the Eau Claire School District.

than the supply. According to the 2000 U.S. Census, 16% of Eau Claire’s population has a disability (including physical disabilities, mental disabilities, mobility disabilities and “other”).<sup>11</sup>

Persons with disabilities are more likely to be unemployed or employed in lower paying jobs. Based on income data as well as interviews with representatives of the Center for Independent Living for Western Wisconsin, it is very evident that persons with disabilities are proportionally more in need of affordable housing than those without disabilities. According to the 2009 American Community Survey, 10% of the State of Wisconsin’s population was below the poverty line, and 27.7% of the population with a disability was below the poverty line. The combined need for housing that is both accessible and affordable poses great challenges for many.

Homeownership

**Table 4: Eau Claire, Renter/Homeownership Proportion, 2010**

	2000		2010	
	Number	Percent	Number	Percent
<b>Total Housing Units</b>	24,895	100%	28,134	100%
<b>Occupied</b>	24,016	96.5	26,803	95.3
<b>By Owner*</b>	13,759	57.3	14,779	55.1
<b>By Renter*</b>	10,257	42.7	12,024	44.9
<b>Vacant</b>	879	3.5	1,331	4.7

\* Of All *Occupied* Housing Units

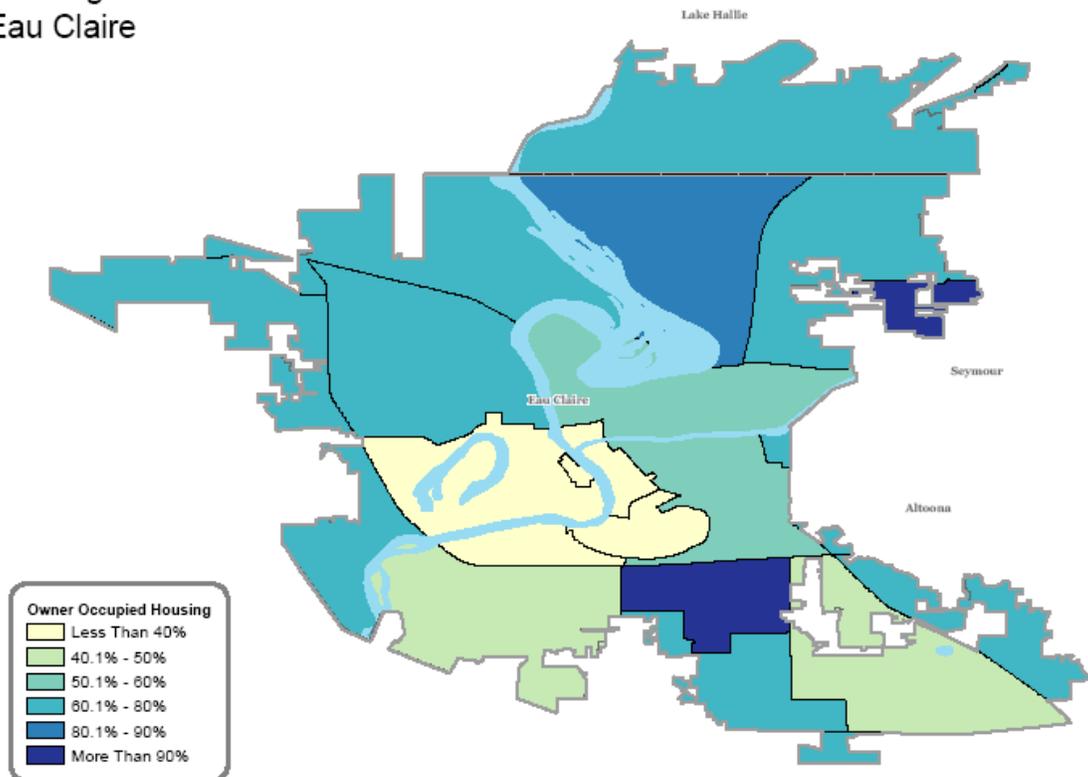
Source: 2000 and 2010 U.S. Census

The homeownership rate in Eau Claire in 2010 was 55%. About 45% of Eau Claire’ households rented. Homeownership rates by race and ethnicity show significant disparities. In 2009, only 25.6% of African Americans and 16.6% of Latinos owned their homes. The homeownership rate for whites was more than two times that, at 56.8%. Almost 42% of Asians owned their homes, thus faring slightly better than other minority groups. As home equity is often the foundation for educational, employment and business opportunities, these disparities disadvantage minorities. Impediments to homeownership are impediments to fair housing.

<sup>11</sup> 2009 American Community Survey defines “disability” differently and therefore reports the percentage of persons in the City of Eau Claire with disabilities as 9.9%. The technical explanation of these difference can be found at [http://www.census.gov/hhes/www/disability/disab\\_defn.html#00census](http://www.census.gov/hhes/www/disability/disab_defn.html#00census)

## Map 5: Homeownership in Eau Claire, 2009

### Housing Tenure Eau Claire



Source: American Community Survey 2005 - 2009 Estimate: Table B25003001

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## Age Distribution

In 2009, 15.2% of the City's population was 60 and older. The aging of Eau Claire's population has several fair housing-related repercussions. As the population ages, there will be a corresponding need for increased enforcement of fair housing laws' accessibility provisions, as well as education for this population so that elderly persons are aware of their accessibility-related fair housing rights. In addition, housing providers and developers will require increased access to education regarding their responsibilities to provide accessible housing.

The median age for Eau Claire residents was 28.5 years in 2009, which is younger than the U.S. median age of 36.5 and the Wisconsin median age of 37.8. Median age by race and ethnicity varies significantly in Eau Claire. In 2009:

- The median age for whites was 30.
- Asians had a median age that is 30.3% below that of whites, or 20.9.
- Latinos had a median age that is 31.3% below whites, or 20.6.
- The median age of African Americans was 20.7% lower than whites, or 23.8.

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 persons are children, likely not yet owning or renting their own housing. Future implications of the younger median age are clear. As the children of these families become adults, they may continue and amplify the trends their parents and grandparents experienced: a strong need for affordable housing and larger housing units.

## Employment, Income and Poverty

The City of Eau Claire's unemployment rate has increased in recent years.<sup>12</sup> Fully 4.5% of the City's labor force was unemployed at the time of the 2009 American Community Survey (ACS). By 2011, the rate had increased to 6.6%.<sup>13</sup> The national unemployment rate is 9.1% and Wisconsin's is 7.4%.

When unemployment rates are analyzed by race there are stark differences between whites and nonwhites. African American residents (20.4%) and Asian Americans (5.9%) of Eau Claire are almost more likely to be unemployed than whites (4.2%). Hispanics unemployment is lower than that of whites (3.4%).

According to the 2000 Census and the 2009 ACS, poverty in Eau Claire increased significantly, from 13.6% to 18.7%. The African American (44%) and Asian American (35.5%) poverty rates in Eau Claire are more than 2 times the rate for whites (17.3%). The Latino poverty rate is 27.5%. Clearly, Eau Claire's employment and housing landscapes are working to much greater advantage for whites than for Asians, African Americans, and Latinos.

<sup>12</sup> An unemployed person is someone in the labor force not working but actively seeking employment.

<sup>13</sup> 2011 Wisconsin Bureau of Labor Statistics

City median incomes by race and ethnicity further illustrate this disparity. The 2009 ACS reported Eau Claire's median household income at \$39,858. The 2009 ACS reported white household income at \$40,535 was significantly higher than that of black (\$29,306), Latino (\$27,326), and Asian (\$30,000) households in the City<sup>14</sup>.

## Spatial Mismatch

As noted above, the unemployment rate in the City of Eau Claire was 6.6% in May of 2011. According to the 2009 ACS, 6.2% of Eau Claire households do not have a vehicle available. This increases challenges to accessing housing and employment opportunities. While the ACS did not categorize households without a vehicle by race and ethnicity, we assume based on other disparities that these populations are disproportionately affected by this impediment.

Map 6 below illustrates Eau Claire households without cars.<sup>15</sup>

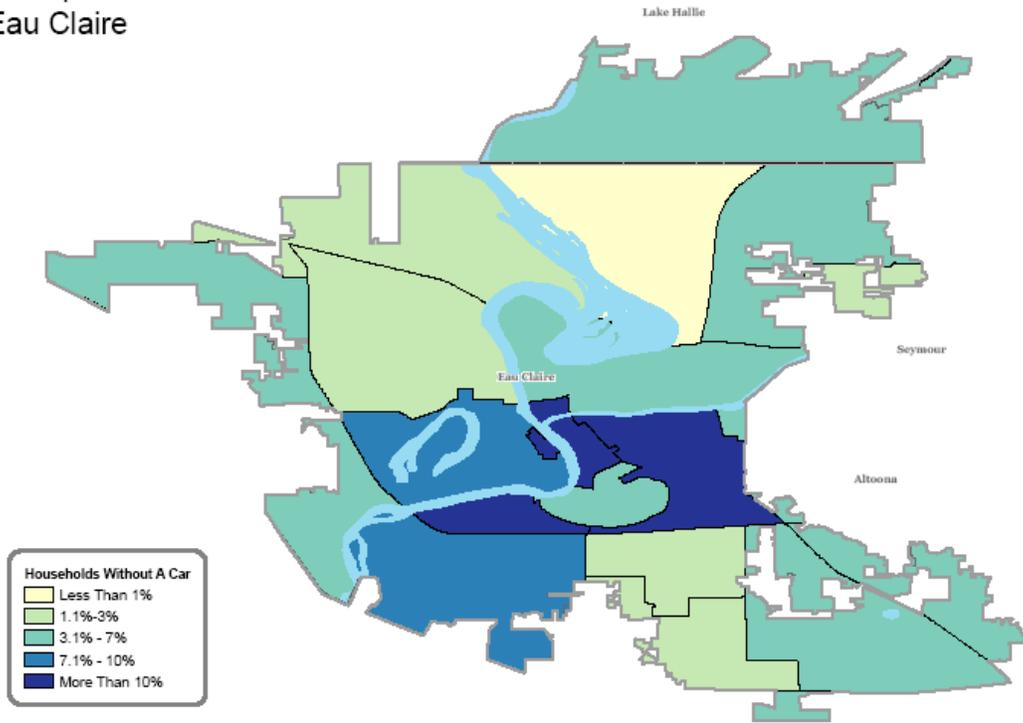
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<sup>14</sup> Margins of error on median income by race and ethnicity are significant - from +/- \$16,000 up to +/- \$37,000. This is due to the small sample size of nonwhite populations.

<sup>15</sup> Census tracts with very small populations, like the tract the airport is located in, may overemphasize the nature of the spatial mismatch for that tract.

## Map 6: City of Eau Claire Households Owning Vehicles, 2009

Transportation  
Eau Claire



Source: American Community Survey 2005 - 2009 Estimate: Table B25046

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## Housing Supply Characteristics

In May 2011, the median home value in Eau Claire was \$114,900, compared to \$150,000 for the U.S. and \$136,000 for Wisconsin.<sup>16</sup>

<sup>16</sup> The median home value is based on sales in Eau Claire County. <http://www.eppraisal.com/eau-claire-wi/home-values.mvc>

**Table 5: City of Eau Claire Housing Units by Year Structure Built, 2009**

<b>Year Built</b>	<b>Number</b>	<b>Percent</b>
Before 1940	5351	19.2
1940 to 1949	2141	7.7
1950 to 1959	3277	11.7
1960 to 1969	2695	9.7
1970 to 1979	4899	17.5
1980 to 1989	2961	10.6
1990 to 1999	3674	13.2
2000 to 2004	2359	8.4
2005 or later	562	2
<b>Total</b>	<b>27,919</b>	<b>100.0%</b>

Source: 2009 American Community Survey

Over 38% of Eau Claire’s housing was constructed before 1959; 29.2% was built between 1960 and 1979; and 34.2% was built after 1980. In general, older housing stock is often less expensive, because it is more likely to be in disrepair or have greater maintenance needs, but it is also more likely to be inaccessible to persons with disabilities.

The Eau Claire City-County Health Department reported that building code citations declined from 101 in 2006 to 45 in 2010. According to home inspection data from Health Department from February 2010 to August 2011, there were 119 home inspections in the CDBG targeted area. On average, there were just over 9 interior violations and just over 2 exterior violations per inspection. Further, over half the homes had weatherization and smoke detector violations.

**Table 6: City of Eau Claire, Housing Unit Size, 2009**

Bedrooms	2009	
	Number	Percent
None	405	1.5
1	3727	13.3
2	8910	31.9
3	10068	36.1
4	3808	13.6
5 or more	1001	3.6
<b>Total</b>	<b>27,919</b>	<b>100.0%</b>

Source: 2009 American Community Survey

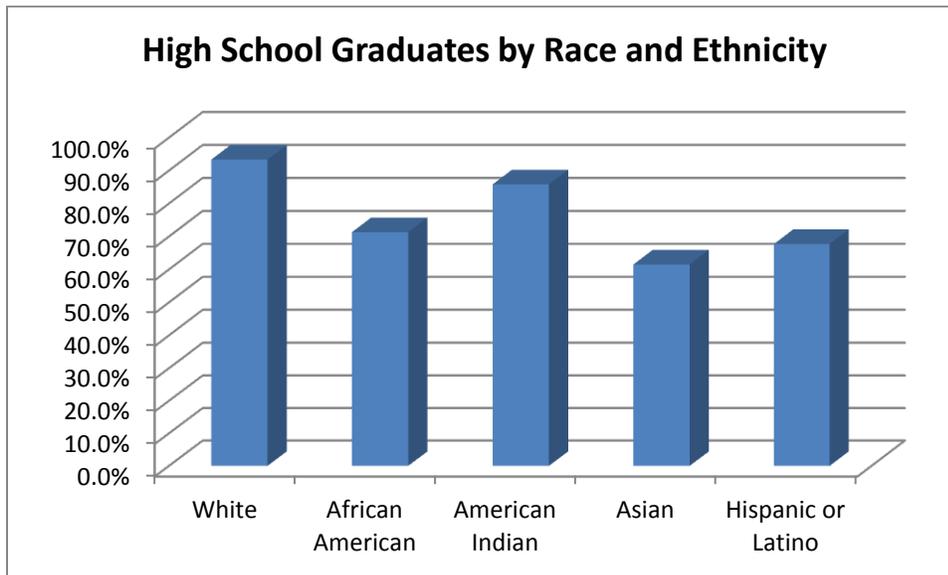
Eau Claire’s housing is primarily composed of two- and three-bedroom dwellings, which together make up 68% of the total housing units. The prevalence of two- and three-bedroom units is relevant given the need for larger housing, particularly as experienced by many larger minority families. The need for units with three and four bedrooms is a pressing one in the city.

## Education

According to the 2009 ACS, 92% of city residents 25 years and older graduated from high school. Vast disparities in educational attainment are revealed when analyzed by race and ethnicity. For instance, Asians (61.5%), Latinos (67.7%), and African Americans (71.3%) are significantly less likely to have a high school diploma than whites (93.3%). See Figure 1.

Disparities in education are important to fair housing for several reasons. First, persons with less education tend to have lower incomes than those with more education. This reduces the range of housing available to such households. Also, persons with less education are more likely to have very limited access to educational or financial resources that assist in purchasing a home or obtaining a loan.

**Figure 1: Educational Attainment by Race**



Source: 2009 American Community Survey

## Linguistic Isolation

A household in which no one 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.

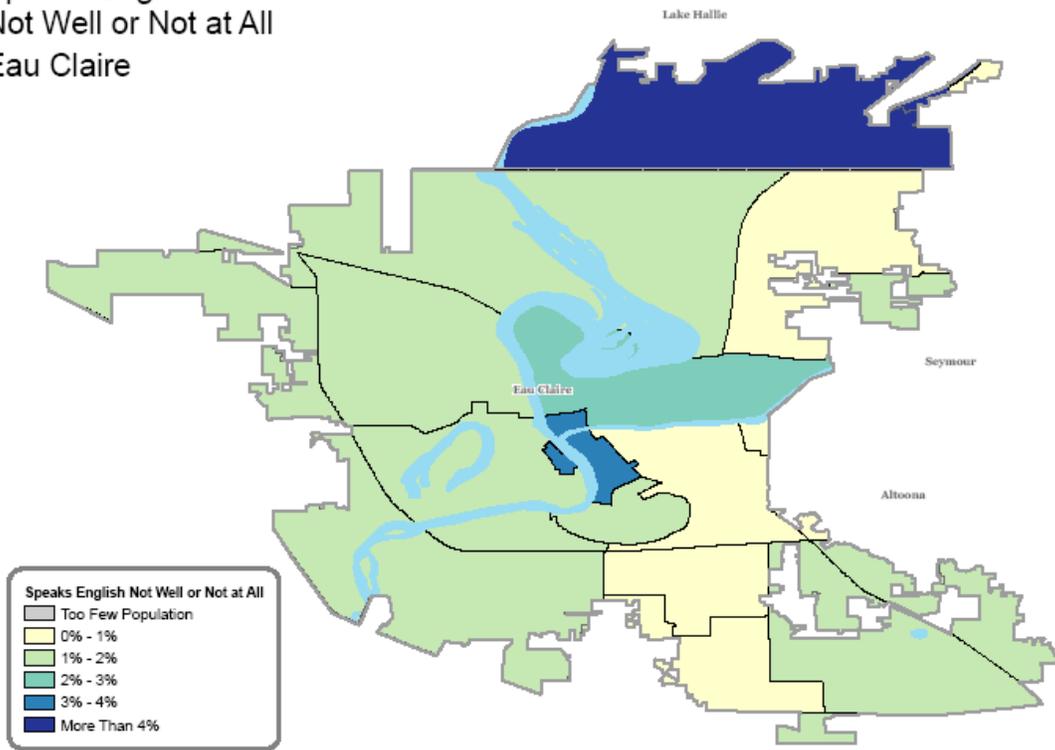
Almost 6% of Eau Claire’s population speaks a language other than English at home. About 2.4% of the population does not speak English very well. Of Eau Claire’s linguistically isolated households, 41% speak an Asian language, 35% are Spanish-speaking, 21% are Indo European,<sup>17</sup> and 3% are “other.”<sup>18</sup> A population that is both minority and does not speak English well may face discrimination based on national origin as well as challenges related to obtaining housing, like communicating effectively with a rental agent, real estate agent, mortgage lender or insurance agent.

<sup>17</sup> Indo-European languages in Eau Claire consist of French, Italian, German, Slavic, and Persian.

<sup>18</sup> According to the 2009 American Community Survey

## Map 7: Eau Claire, Linguistic Isolation, 2010

Speaks English  
Not Well or Not at All  
Eau Claire



Source: American Community Survey 2005 - 2009 Estimate: Table B16005

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### Comparable Entitlement Jurisdictions

It is helpful to compare Eau Claire to similar entitlement jurisdictions in Wisconsin.<sup>19</sup> Using 2005-2009 American Community Survey data and 2010 U.S. Census data, the cities of La Crosse and Wausau were briefly reviewed to contrast of Eau Claire's demographics with those of other communities.

<sup>19</sup> Entitlement jurisdictions are those that receive CDBG and/or HOME funds from U.S. Department of Housing and Urban Development.

**Table 7: La Crosse, Wausau & Eau Claire Total Population, 2010**

	<b>La Crosse</b>	<b>Wausau</b>	<b>Eau Claire</b>
<b>2010 Population</b>	51,320	39,106	<b>65,883</b>

**Table 8: La Crosse, Wausau & Eau Claire Race and Ethnicity Proportions, 2009**

	<b>La Crosse</b>	<b>Wausau</b>	<b>Eau Claire</b>
Percent White	91.7	85.2	90.3
Percent African American	2.2	0.9	1.1
Percent Asian American	4.1	11.3	4.6
Percent Hispanic	0.9	1.3	1.9

**Table 9: La Crosse, Wausau & Eau Claire Poverty Rate by Race and Ethnicity, 2009**

	<b>La Crosse</b>	<b>Wausau</b>	<b>Eau Claire</b>
White Poverty Rate	23.6	10.0	17.3
African American Poverty Rate	54.5	35.5	44.0
Asian American Poverty Rate	35.1	24.2	35.5
Hispanic Poverty Rate	32.0	26.8	27.5

**Table 10: La Crosse, Wausau & Eau Claire Median Income by Race and Ethnicity, 2009**

	<b>La Crosse</b>	<b>Wausau</b>	<b>Eau Claire</b>
White Median Income	\$36,152	\$41,614	\$40,535
African American Median Income	\$16,851	\$27,019	\$29,306
Asian American Median Income	\$39,103	\$38,641	\$30,000
Hispanic Median Income	\$28,000	\$30,692	\$27,326

**Table 11: La Crosse, Wausau & Eau Claire Homeownership by Race and Ethnicity, 2009**

	<b>La Crosse</b>	<b>Wausau</b>	<b>Eau Claire</b>
White Homeownership Rate	51.1	63.2	56.8
African American Homeownership Rate	2.8	0.0	25.6
Asian American Homeownership Rate	52.3	30.3	42.0
Hispanic Homeownership Rate	32.0	27.9	16.6

While Eau Claire is larger than the cities of La Crosse and Wausau, similar disparities among racial and ethnic lines exist. Similarities, illustrated in Tables 7 through 11 on the following pages, include:

- Asian Americans are the largest minority group in all three communities.
- Nonwhites experience poverty to a greater degree in all the communities.
- Nonwhites have lower median incomes in all three communities, with the exception of Asian Americans in Wausau and La Crosse, whose incomes are statistically identical to those of whites.
- Nonwhites have a significantly lower homeownership rate in all three communities.

By and large, Eau Claire's race and ethnic disparities and related impediments are not unique to Eau Claire and must to be addressed by all communities.

## Fair Housing Impediments

As mentioned in this report's introduction, an *impediment* to fair housing is anything that may hinder or prevent a person from having equal access to housing because of membership in a federal or Tennessee protected class. Impediments may take the form of a city or other governmental entity's policy, practice or procedure, housing industry practices, or other societal factors.

This section describes fair housing impediments identified through MMFHC's research and interviews with community representatives. Impediments are organized into three broad categories:

- City of Eau Claire impediments,
- Federal and State of Wisconsin impediments, and
- Private market impediments.

Some impediments fall under more than one of the above categories.

### **Impediment #1: Flawed City Fair Housing Ordinance**

In order to complete a thorough analysis of impediments to fair housing choice in Eau Claire, it is necessary to review the City ordinance that seeks to protect individuals' rights to housing: "Chapter 9.16 – Fair Housing." The mere existence of a local fair housing ordinance is not sufficient to ensure that equal housing opportunities are realized within a community. The law must have broad protections, remedies and enforcement mechanisms available to victims of illegal housing discrimination.

This section will detail some of the more problematic aspects of the ordinance; because of space constraints it is not possible to provide an exhaustive analysis of each. Listed below are some of the features of the ordinance that create impediments to fair housing in Eau Claire.

#### The Ordinance Does Not Provide Comprehensive Protections

Eau Claire's fair housing ordinance provides no protections on the basis of familial status (also called "family status") or sexual orientation, and is therefore inconsistent with the state fair housing statute, the Wisconsin Open Housing Law (WOHL). WOHL has included protections on the basis of sexual orientation since 1982 and family status since 1989; the federal Fair Housing Act has included protections based on familial status since 1988. As a result, the Eau Claire fair housing ordinance fails to protect families with children, multi-generational families and other family configurations (such as adult siblings living together) from discrimination. Persons experiencing discrimination in Eau Claire on the basis of sexual orientation or family status have no local source of remedy.

Inconsistencies between WOHL and local municipalities' fair housing ordinances are confusing to housing consumers and providers and can lead to uneven enforcement of the law, lack of compliance with the law and underreporting of complaints by housing consumers.

#### The Ordinance is Unclear Regarding Persons Protected Under the Ordinance

There are many instances in which the Eau Claire fair housing ordinance is unclear about what the protected classes actually are, and how those protected classes are defined:

- a) In 9.16.010, the "Definitions" section, there are only 6 protected classes listed (race, color, religion, ancestry, national origin, sex), whereas in 9.16.020, the "Purpose" section, there are 10 protected categories listed (sex, race, color, handicap, religion, national origin, sex or marital status of the person maintaining a household, lawful source of income, age, ancestry). This may lead to confusion on the part of both housing providers and consumers.
- b) Only one protected class ("handicap") is defined in the ordinance. The lack of detailed definitions for other protected classes can lead to confusion for both housing providers and consumers as to who is protected under this law. Including definitions of each protected classes could alleviate such confusion and would be consistent with WOHL. In particular, the categories of age, marital status and lawful source of income are poorly understood by housing providers and housing consumers. For example, it's not commonplace for a housing

consumer to know whether “lawful source of income” includes protections for Social Security Disability income, food stamps, or participation in the Section 8 Rent Assistance Program. Similarly, housing consumers and providers often seek technical assistance from MMFHC on who, specifically, is covered by the protected classes of age and marital status.

Further, the definition of “handicap” in the ordinance is very brief and unclear as to precisely what types of disabilities are protected, and whether Eau Claire’s definition is consistent with WOHL or the federal Fair Housing Act.

- c) In the section “Definitions,” the list of protected classes concludes with “. . . of another person.” This language is ambiguous and may confuse readers as to whether it refers to a homeseeker or another person in the homeseeker’s household.
- d) In the section “Prohibited acts,” items 2, 3 and 4 refer to the protected class of the “person refused.” This excludes protection for persons who are provided unlawful treatment not because of their membership in a protected class, but rather their association with a member of a protected class. For example, it does not protect persons who have friends or family members of another race from being denied housing. Discrimination based on association with a member of a protected class is not uncommon, and should be specifically protected by the ordinance.
- e) The ordinance states that housing providers may require references (Section 9.16.050) concerning a homeseeker’s “family, marital, financial or business status,” but not relating to “race, color, physical condition, developmental disability . . . or creed.” The omission of the other protected classes of such as national origin, religion and ancestry implies that it is permissible to ask questions or obtain references on those bases when, in fact, that would be violative of state and federal fair housing laws. Moreover, “physical condition” and “creed” appear nowhere else in the ordinance and are not defined.

#### The Ordinance Fails to Provide Comprehensive Listing of Prohibited Acts

The ordinance does not include several protections afforded under state and federal fair housing laws, including prohibited acts such as:

- failure to negotiate
- providing untruthful information
- providing different terms and conditions
- eviction or termination of tenancy based on membership in a protected class

#### The Ordinance Lacks Adequate Protection for Persons with Disabilities

As noted above, the ordinance provides an inadequate definition of “handicap,” but it also falls short of adequate protections for persons with disabilities in other ways, including:

- The ordinance does not contain a provision that would permit persons with disabilities to make reasonable modifications of existing housing to allow full use and enjoyment of the

housing. Such a provision, found in both federal and state laws, ensures that persons with disabilities may make modifications to the premises, such as a ramp to the outside door of a building for persons who use a wheelchair or a strobe light to alert persons with hearing impairments of emergency situations within a building. There is well-established federal case law as to the rights and protections under this provision of the law.

- The ordinance does not allow for the provision of reasonable accommodations in rules, policies, practices or services to permit persons with disabilities full use and enjoyment of housing. Such accommodations might include a designated parking space to allow a tenant with a disability closer and easier access to the building. This opportunity for persons with disabilities to obtain such accommodations is contained in both state and federal fair housing laws and there is well-established case law in this area.
- The ordinance fails to include requirements that housing be designed and constructed to ensure accessibility for persons with disabilities. Therefore, under the current ordinance it is not a violation to build a multifamily development with doors that are too narrow for persons in a wheelchair or with multiple steps at an entrance door. Both the federal and state fair housing laws include such requirements.

The omission of these protections send a chilling message to persons with disabilities in Eau Claire regarding the level of concern the City has for furthering housing opportunities for persons with disabilities. These omissions are particularly egregious, as enhanced protections for persons with disabilities have been contained in the federal law since 1988 and the state law since 1992.

#### The Ordinance Does Not Prohibit Discrimination in All Areas of the Housing Market

Eau Claire's fair housing ordinance does not provide comprehensive protection against discrimination in all areas of the housing market. As discussed below, some housing industries are not included in the Eau Claire law, contrary to protections afforded in both state and/or federal fair housing laws.

Discrimination in the homeowners insurance market has gained much attention over the past several years. Lawsuits and administrative complaints against some of the largest providers of homeowners insurance in Milwaukee, Toledo, Richmond, Philadelphia, and Washington, DC have revealed widespread forms of discrimination against minority homeowners. The ordinance makes no reference to discrimination in the insurance industry, and thus fails to protect its residents from this form of discrimination. Homeowners insurance is a critical necessity to protect the economic wealth of residents and preserve the viability of neighborhoods. The absence of protection against such discrimination leaves residents, and neighborhoods, vulnerable to the loss of homes.

Secondly, although the ordinance explicitly prohibits the refusal to finance housing, it is silent about discrimination in the terms, conditions or services of such financing. This omission is particularly problematic in view of the persistence of predatory lending, whereby people are not refused financing for their homes, but the terms and conditions of the loan may be less favorable

due to the race, age or gender of the homeowner. The ordinance, as currently written, provides no protection for persons victimized by such practices.

#### The Ordinance is Silent on the Enforcement Process, including Statute of Limitations

Eau Claire's fair housing ordinance does not specify any enforcement procedures or timelines for the filing and adjudication of fair housing complaints. In the absence of any explanation of where to file complaints, when they must be filed, or the process by which a complaint will be investigated and adjudicated, victims of housing discrimination are highly unlikely to seek to remedy their rights under the ordinance. This, like other problems in the ordinance, has a chilling effect for persons discriminated against in housing and is a major impediment for furthering fair housing in Eau Claire.

#### The Ordinance Provides Negligible Penalties for Violations of the Law

The City of Eau Claire mandates that the penalty for violating its fair housing ordinance is "not less than twenty-five dollars nor more than two hundred dollars." Civil forfeitures are intended to punish a violator of the law and deter further illegal conduct. The Eau Claire ordinance accomplishes neither purpose. Such minimal fines discourage victims of housing discrimination from pursuing claims under the ordinance, as no significant redress will be achieved. Further, these limited forfeitures send a message to the community that the City does not regard the deleterious effects of illegal housing discrimination on individual victims, as well as the community at large.

These penalties are substantially lower than those under either federal or state fair housing laws.

#### The Ordinance Does Not Allow Victims of Illegal Housing Discrimination to Obtain Compensatory or Injunctive Relief

In addition to inadequate penalties described above, the ordinance does not allow victims to recover either compensatory damages or injunctive relief. Therefore, victims may not be compensated for out-of-pocket expenses incurred or for the emotional duress experienced as a result of a discriminatory act. Additionally, the ordinance contains no provision for victims to obtain the housing illegally denied them. Both federal and state fair housing laws include these forms of relief for victims as a way to help the person recover true and comprehensive relief for the injury of discrimination. They are essential components for a fair housing law to have meaningful and effective impact in the community.

This analysis addresses some of the provisions of this Ordinance that impede citizens' rights to fair housing. A more thorough analysis of the entire Ordinance should be conducted by the City Attorney to ensure all provisions are consistent with state and federal fair housing laws.

## **Impediment #2: Lack of Housing Units Accessible to Persons with Disabilities**

While the City of Eau Claire's policies may not be directly responsible for the shortage of accessible housing, local policy can and should be used to address this shortage.

Ensuring an adequate supply of accessible housing to meet the needs of persons with disabilities must be a City goal. While the actual number of accessible private housing units is not available, the strong need for such housing is apparent. As mentioned in the Demographics section, in 2000 nearly 16% of Eau Claire's population has a disability (including physical disabilities, mental disabilities, mobility disabilities and "other").

Eau Claire has a large proportion of older housing stock; 38% of the City's housing was built in 1959 or earlier. Older housing units are less likely to be accessible to persons with physical disabilities and are more likely to have narrow hallways, small bathrooms, and steps; however, they are also more likely to be affordable. Newer dwellings are more likely to be accessible, but are typically less affordable. This is a critical point because persons with disabilities are more likely to have low income. According to the city of Eau Claire 2010-2014 Consolidated Plan, the majority of persons waiting for one-bedroom public housing are young disabled persons with mental disabilities.

When the Federal Fair Housing Act was amended in 1988, "disability" was added as a protected class. Moreover, the 1988 amendment required multifamily residences built for first occupancy after March 13, 1991 to have a variety of basic accessibility features, such as doorways and hallways of a certain width, an accessible entrance, accessible environmental controls. Over 76% of Eau Claire's housing was built in 1990 or earlier and therefore is not required to meet federal accessibility guidelines.

In addition, approximately 15.2% of Eau Claire households are headed by individuals 60 and older. Frequently, homes owned by the elderly need to be made accessible, as many older adults have mobility impairments leading to difficulty entering and leaving their homes as well as moving efficiently inside them. The supply of rental housing, according to a city-funded 2010 senior housing study, is adequate to meet the current demand of elderly rental households in the Eau Claire market area.

## **Impediment #3: Inadequate Affordable Housing Supply Relative to Resident Income**

The Fair Market Rent for a two-bedroom apartment in Eau Claire for 2011 was \$635. 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. Assuming a 40-hour work week, 52 weeks per year, and this level of income translates into a Housing Wage of \$12.21. Eau Claire residents who work in retail, child care and other service jobs will likely be unable to afford that housing wage of \$12.21. According to the 2009 American Community Survey, 51% of Eau Claire's renting households spend 30% or more on housing costs. Additionally, 26.9% of all renting households spend 50% or more of their income on housing costs. Spending more than 30% of household income on rent or housing costs is considered to be a rent burden. Rent burdens are problematic because households spending a large percentage of their income on housing have less to spend on other essentials, like food, child care, health care and transportation. Eau Claire's high rent burden may be due in part to high demand for rental units by students, with little or no income, attending the University of Wisconsin – Eau Claire. When demand for rental units exceeds supply, rents tend to increase. Full time students are less likely to have high income; therefore students may disproportionately have a high rent burden.

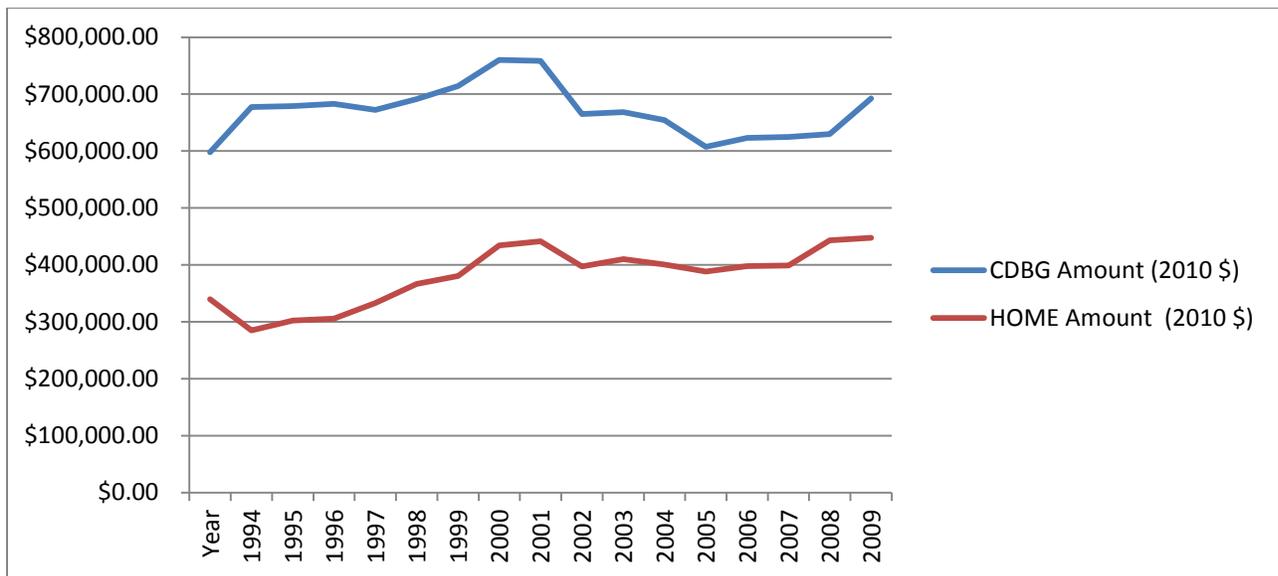
A shortage of affordable housing may not appear to be a fair housing issue on its face. However, the negative impact that lack of affordability has particularly on persons with disabilities, people of color, families with children or the elderly cannot be ignored. An adequate supply of affordable housing, both for ownership and rental, is essential for an open and inclusive housing market in Eau Claire. Evidence of the affordable housing shortage can be found in the Eau Claire Housing Authority's waiting list. The Housing Authority currently assists about 455 households with Section 8 and HOME rent assistance vouchers. As of July 2011, 633 households remain on that waiting list to obtain a voucher. The Eau Claire Housing Authority indicates the longest public housing waiting list is for two-bedroom units and units with four or more bedrooms.

### ***The Lack of Financial Resources to Preserve, and/or Rehabilitate Affordable Housing***

The shortage of affordable housing is attributable, in part, to a lack of resources to preserve such units in Eau Claire. CDBG and HOME funds are used to build, preserve and rehabilitate housing in the City. However, the demand for these resources exceeds their availability. Constructing any type of affordable housing requires numerous subsidies; layering of subsidies is common in affordable housing projects and is necessary to close financing gaps. Most developers currently obtain financing by combining federal money disbursed through local and state governments, CDBG and HOME grants or loans, the Low Income Housing Tax Credit (LIHTC) program, among other financial resources. 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.

Complex financing arrangements make the development of affordable housing difficult, and this situation is exacerbated by the fact that already inadequate funding sources are decreasing. The City of Eau Claire’s Housing Division received just over \$1,379,000 in CDBG and HOME allocation in 1994, decreasing over time to just \$1,139,000 in 2010. When viewed in present dollar values, the difference over time is even starker.

**Figure 2: Eau Claire CDBG and HOME Funds Over Time (converted to 2010 \$)**



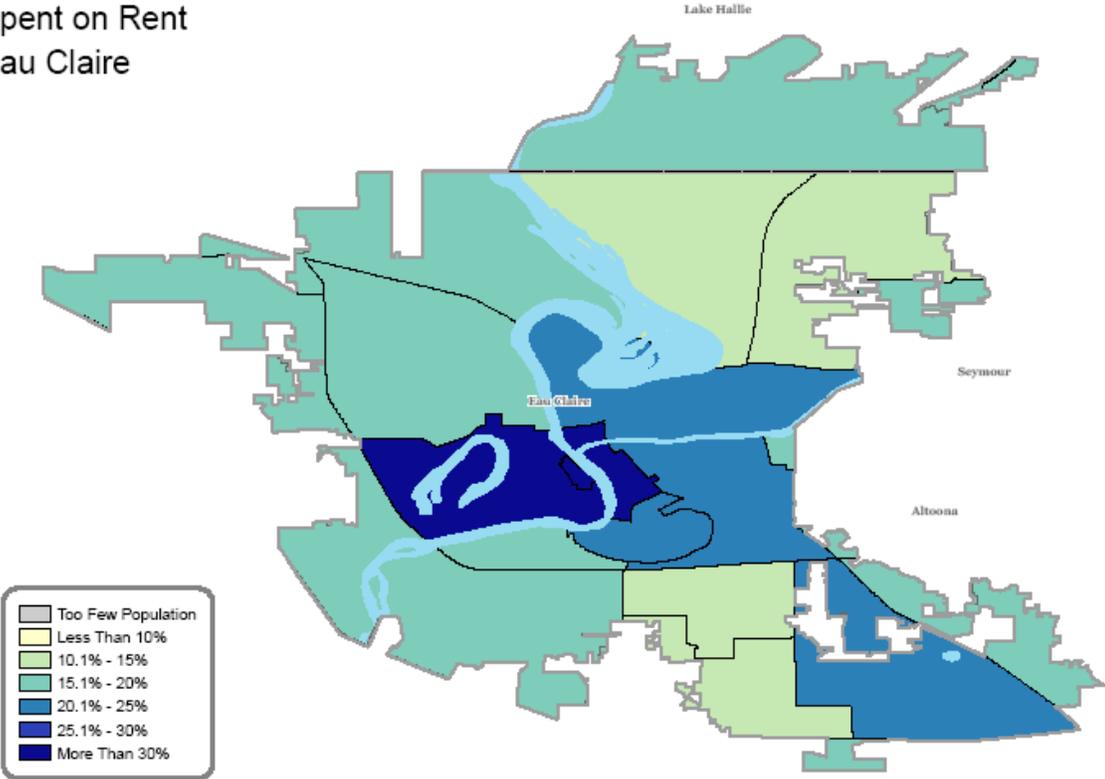
### *Structural Quality of Housing*

While Eau Claire has housing that is *affordable* to those at middle income levels, and even some to those at lower incomes, the condition of that housing is often not taken into account. The age of a housing unit is not an absolute predictor of housing quality. However, it can be assumed that the older the housing structure, the greater the likelihood of code compliance problems.

Housing that is of poor structural quality has negative health and socioeconomic implications for the people who reside in such conditions. Further, some people who are “doubled up” in overcrowded households may not be on the unit’s lease, and thus particularly vulnerable to eviction and homelessness. According to the City of Eau Claire’s Consolidated Plan for 2010-2014, large households are the most likely to have housing problems such as cost burdens and substandard housing. Additionally, the Consolidated Plan indicated that the conversion of large single-family houses into apartments reduces the supply of large units and increases overcrowding.

### Map 8: Percent Spent on Gross Rent, 2010

Percent Income Spent on Rent  
Eau Claire

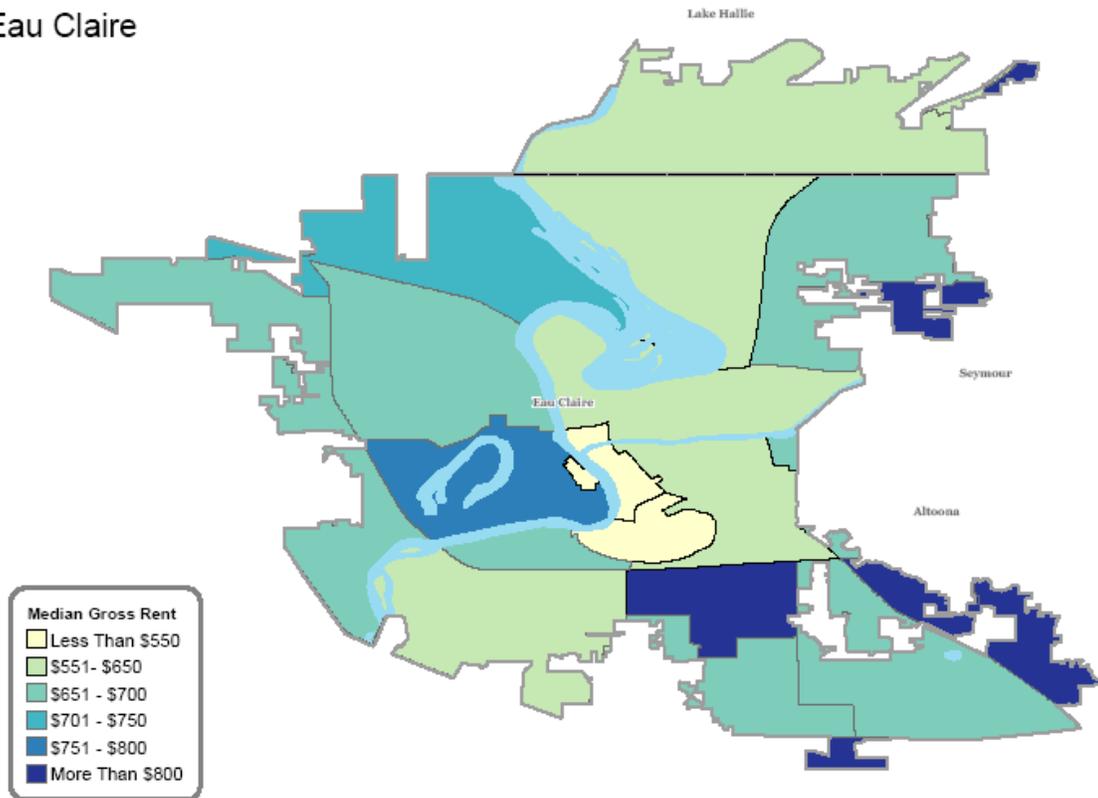


Source: American Community Survey 2005 - 2009 Estimate: Tables B25064 and B19013

Nonprofit Center of Milwaukee - 2011

**Map 9: Median Gross Rent, 2010**

**Median Gross Rent  
Eau Claire**



Source: American Community Survey 2005 - 2009 Estimate: Table B25064

Nonprofit Center of Milwaukee - 2011

**Impediment #4: 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 speak Hmong and Spanish, 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.

## State and Federal Policies

While the City of Eau Claire is not directly involved in these state and federal impediments, it is essential that this report and the City address them in some way, because they impact the City's ability to "affirmatively further fair housing" as required by HUD. The City must seek to overcome the following impediments in whatever capacity it has, albeit limited.

### **Impediment #5: Frequent Attacks on the Community Reinvestment Act (CRA) by Banking Regulators**

CRA regulators (the Office of the Comptroller of Currency, the Office of Thrift Supervision, the Federal Reserve Bank and the Federal Deposit Insurance Corporation) submit proposals to weaken the Community Reinvestment Act (CRA). Weakening CRA would be problematic because the provisions of CRA encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods.

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 when federal examiners consider a financial institution's application to add or remove branches, or to merge with or acquire additional institutions. Both urban areas and rural communities depend on the private sector dollars generated by CRA to encourage mortgage lending and small business loans, and to leverage affordable housing and economic development. There is no specific testing evidence to either confirm or deny banks failing to meet credit needs in Eau Claire; however, bank performance should continue to be monitored to ensure credit needs of the community are to be met.

### **Impediment #6: Lack of Resources/Incentives for Developers to Build for the Lowest Income Households**

As mentioned in the previous section, most resources for the development of affordable housing are provided through 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. 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 it targets households making 50% to 60% of the area median income. Therefore it is insufficient to overcome the affordable housing shortage,

especially for the lowest-income families, those making less than 50% of area median income. While this was not an impediment identified in our analysis of Eau Claire demographics, city officials should continue to evaluate whether there is a need for additional resources to meet the housing needs of the city's lowest income residents.

**Impediment #7: Wisconsin Housing and Economic Development Authority (WHEDA): LIHTC Allocation Scoring Limits Housing Opportunities**

It is in the best interest of communities to increase their supply of high quality affordable housing. The most prevalent tool for building affordable housing is the Low Income Housing Tax Credit (LIHTC). However, WHEDA's tool for scoring LIHTC applicants, the Qualified Allocation Plan (QAP), gives preference to development projects that have local community support. For example, a developer of a LIHTC project must have a letter from the mayor or village president 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 can continue to deny its development, even though there is a need for it. 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 accounts for 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 has the potential to limit housing opportunity, perpetuate segregation and contribute to the concentration of poverty that exists in some communities.

## Private Market Impediments to Fair Housing Choice

Private market impediments exist in housing production, mortgage lending, homeowners insurance, rental and home sales markets. Though the City of Eau Claire 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, educating housing consumers and providers, and enacting additional regulations or legislation to ameliorate problems arising from private market impediments. The following discussion identifies several private market impediments that must be addressed. The impediments listed are all directly or indirectly related to illegal discrimination in the market.

### **Impediment #8: 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. Discrimination in the home loan industry can take several forms, including: outright denial of a loan; discouraging a loan seeker from applying; offering less favorable rates, terms and service; taking an inordinate amount of time to process applications; and using exclusionary underwriting guidelines. Most evidence of lending discrimination is uncovered from systemic investigations. No such investigations have taken place in Eau Claire.

#### *Lack of Spanish and Hmong-speaking Lenders*

For persons new to this country who do not speak English, or are more comfortable speaking another language, obtaining a home mortgage can be even more stressful than for other borrowers. 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, and discrimination or fraudulent practices are less likely to be uncovered. The dearth of bilingual lenders in *any* community creates a greater risk for the likelihood of differential treatment to occur to non-English speaking persons. No analyses were conducted to confirm that lack of Spanish- and Hmong- speaking lenders is an impediment in Eau Claire; however because this impediment occurs throughout the nation, City and housing advocates should continue to monitor needs of these populations to ensure they are met. The Eau Claire Area Hmong Mutual Assistance Association currently provides translation services to the Hmong community in Eau Claire for housing and other services.

### *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.<sup>20</sup>

In June 2011, RealtyTrac reported that 1 in every 1,189 Eau Claire County housing units received a foreclosure filing. Eau Claire is faring better than other communities in the state of Wisconsin, but the foreclosure rate still bears scrutiny. Comparatively, Wisconsin’s foreclosure rate is 1 in every 818 homes.<sup>21</sup> Data from case filings reported to the Wisconsin Circuit Court Consolidated Court indicate that in the first quarter of 2011, Eau Claire County had between 0.1 and 1.6 foreclosure filings per 1000 households. Chippewa County had a higher percentage – 2.4 to 2.7 filings per 1000 households. Foreclosure filings in both counties decreased between the first quarter of 2010 and 2011: Chippewa County’s foreclosures decreased between 0.1 and 9.9%; Eau Claire County’s foreclosure filings decreased more than 30%.

### **Impediment #9: Homeowners Insurance**

#### *Discrimination in the Homeowners Insurance Market*

Homeowners insurance is a requirement for a home mortgage; therefore, the impact of discrimination in the insurance industry is reflected in racial and ethnic homeownership rate disparities. Racial discrimination in the provision of insurance not only denies fair housing choice, but also fosters disinvestment and the deterioration of neighborhoods. Discrimination in the provision of homeowners insurance can take many forms. Insurance redlining is the systematic refusal of insurers to issue policies and/or providing inferior terms and conditions on property in certain neighborhoods, based on racial stereotypes or other non-market criteria. Minimum policy requirements and restrictions or penalties on older homes also have a discriminatory impact on older inner city neighborhoods.

Despite the plethora of academic studies and legal action taken by organizations, individual complaints concerning discrimination in the insurance market are relatively rare. Insurance discrimination can be subtle, and without knowledge of underwriting policies and rate standards,

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<sup>20</sup> Immergluck, Dan and Smith, Geoff, “There Goes the Neighborhood: The Effect of Single-Family Mortgage Foreclosures on Property Values”; Georgia Institute of Technology and the Woodstock Institute, June 2005

<sup>21</sup> RealtyTrac

it is difficult or impossible for homeowners seeking insurance to know that they have received unfavorable treatment. Most evidence of homeowners insurance discrimination is uncovered from systemic investigations. No such investigations have taken place in Eau Claire.

### *Language Barriers in Obtaining Homeowners Insurance*

In order to obtain comprehensive homeowners insurance, consumers must have a clear understanding of insurance products and property needs. The area of homeowners insurance can be very complex and technical; many homeowners, especially those purchasing their first home, may be confused or lack knowledge about the proper coverage necessary for their property. This confusion can be exacerbated when homeowners speak languages other than English, or for whom English is a second language. In Eau Claire, the shortage of Hmong and Spanish-speaking insurance agents can be an impediment not only to minority homeownership, but also for obtaining proper insurance coverage for this group of consumers. The dearth of bilingual insurance agents in *any* community creates a greater risk for the likelihood of differential treatment to occur to non-English speaking persons. No analyses were conducted to confirm that lack of Spanish- and Hmong- speaking insurance agents is an impediment in Eau Claire; however, because this impediment occurs throughout the nation, City and housing advocates should continue to monitor needs of these populations to ensure they are met. As mentioned, the Eau Claire Area Hmong Mutual Assistance Association does provide translation services to the Hmong community in Eau Claire.

## **Impediment #10: Housing Sales and Rental Markets**

### *Discrimination in the Sales and Rental Markets*

A major impediment to housing choice is discrimination in the sale and rental of housing. In Eau Claire discrimination based on a disability remains the major form of discrimination in the housing market, as evidenced by complaint data which indicates allegations of discrimination based on a disability are the most frequently filed HUD complaints.<sup>22</sup> The protected classes of race and family status are also among the complaints most frequently taken by HUD. In recent years, some statewide and national complaint data indicate that discrimination based on a person's disability has surpassed race. According to HUD's 2007 Annual Report, this is due, at least in part, to the additional protections afforded persons with disabilities under the Fair

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<sup>22</sup> The Wisconsin Equal Rights Division received 12 complaints from Eau Claire County from January 1, 2005 to May 23, 2011. Of those 12 complaints, 6 were rejected and 6 were investigated. Of the 6 investigated 4 were deemed "no probable cause", 1 was deemed "probable cause" and the final was deemed "untimely filed". The "probable cause" complaint's basis was *source of income*. The bases for the "no probable cause" complaints were a combination of : 2 *disability*, 2 *race*, 1 *creed*, 1 *color*, 1 *ancestry* and 1 *sex*.

Housing Act, e.g., the rights to reasonable accommodations and modifications, as well as the Act's requirements for accessible design and construction in multifamily housing.<sup>23</sup>

It is difficult to assess the severity of the problem of discrimination in the sale of homes in Eau Claire 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. A local real estate professional indicated that there are instances in which the seller has a racial bias, and in those cases "you have to turn down a listing." However, that doesn't guarantee that the next real estate professional is as ethical.

#### *Lack of Spanish and Hmong-speaking Real Estate Brokers*

As discussed in the section on homeowners insurance, 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 homeseekers are afforded the same information and service when purchasing housing. With the burgeoning Hmong and Spanish-speaking populations in Eau Claire, it is important to ensure an equal level of service be available to alleviate this impediment to fair housing choice. The dearth of bilingual real estate professionals in *any* community creates a greater risk for the likelihood of differential treatment to occur to non-English speaking persons. No analyses were conducted to confirm that lack of Spanish- and Hmong- speaking real estate professional is an impediment in Eau Claire; however because this impediment occurs throughout the nation, City and housing advocates should continue to monitor needs of these populations to ensure they are met. The Eau Claire Area Hmong Mutual Assistance Association does assist in bridging language gaps between the Hmong community and the real estate industry through translation services.

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<sup>23</sup> US Department of Housing and Urban Development, "State of Fair Housing, Annual Report on Fair Housing," 2007

## Recommendations

Recommendations to remedy the identified barriers to fair housing are the most critical element of this document. This section, therefore, should be used as a starting point for the City of Eau Claire to develop and implement a comprehensive fair housing action plan. The recommendations are categorized into:

- 1) *City of Eau Claire Policy* recommendations – The City has some direct control over implementation of these recommendations.
- 2) *Eau Claire County, State and Federal Policy*-related recommendations – The City of Eau Claire may have limited control over implementation of these recommendations, but to omit them from this report would leave readers with an incomplete understanding of the fair housing issues facing its residents. Eau Claire should exercise whatever power it has – albeit limited - to enact these recommendations, such as through lobbying, advocacy or educational efforts.
- 3) *Private Market*-related recommendations – As in the category above, the City of Eau Claire’s ability to implement these recommendations may be limited, but those limitations do not completely absolve the City from attempting to execute these recommendations through whatever means at its disposal. Creative, proactive City initiatives could have a large impact on the elimination of fair housing impediments in the private market.

The following recommendations are not in any order of priority.

**Create and Implement a Comprehensive Strategy for Production of Affordable and Accessible Housing**

*Fund an Affordable/Accessible Housing Production Task Force*

The City of Eau Claire should establish an Affordable/Accessible Housing Production Task Force. This task force, comprised of private sector and not-for-profit housing experts, would be charged with identifying and securing federal and private funds to help subsidize the development of low-income, affordable and accessible housing. Emphasis should be placed on locating this housing near job growth, on transit lines, and without contributing to existing concentrations of low-income populations. Further, this Task Force should identify the challenges in producing such housing, as well as develop recommendations for policy changes on federal, state, and local levels.

*Incorporate Visitability and Home Modification Requirements into City Subsidies/Funding:* City CDBG and HOME funds should prioritize funding to projects that will ensure visitability for new construction. In addition the City should continue to fund agencies that provide home modification grants to persons with disabilities. The grants should also be expanded to include landlords with disabled tenants who require a modification. Visitability is an international movement to change home construction practices so that virtually all new homes, whether or not designated for residents who currently have mobility impairments, offer three specific accessibility features. Newly constructed homes often contain the same major barriers as older, existing homes: steps at every entrance, and narrow interior doors, with the bathroom door usually the narrowest door in the house. In the visitability movement, three key features are promoted: At least one zero-step entrance on an accessible route leading from a driveway or public sidewalk, all interior doors providing at least 31.75 inches (81 cm) of unobstructed passage space and at least a half bathroom on the main floor.

*Fund Visitability and Accessibility Outreach and Education:* Many in the housing industry, including builders, architects, developers and policymakers, don't fully understand the benefits of building visitable housing. The City should partner with organizations that advocate for affordable and accessible housing for persons with disabilities to conduct community outreach and education on these issues.

*Identify and Overcome Housing Production Impediments*

The City should convene discussions with for-profit and not-for-profit housing producers and lenders regarding how to overcome impediments to the production of accessible, affordable, and

large (4 or more bedrooms) housing units. A secondary goal of these discussions would be to educate for-profit developers about current tools available for the production of affordable housing. Lastly, these discussions may be used to encourage for-profit and not-for-profit housing developers to consider partnering on affordable, accessible and large-unit housing projects.

#### *Create a Citywide Housing Trust Fund*

The City of Eau Claire should create a local Housing Trust Fund (HTF) – a new, ongoing, dedicated source of revenue to support affordable and accessible housing. The HTF could be administered by the City and support a wide range of housing, including permanent housing services for the homeless as well as the development and preservation of affordable and accessible rental units. The HTF could also support first-time homebuyers and provide preservation assistance for the homes of existing homeowners.

*Utilize Tax Incremental Financing (TIF) to Produce Accessible and Affordable Housing:* The City of Eau Claire should utilize TIFs<sup>24</sup> to increase the production of housing units accessible for persons with disabilities and affordable to residents with lower incomes. For instance, TIF approval evaluation criteria could prioritize residential development projects that include accessible and/or affordable housing. Additionally, the State of Wisconsin passed TIF legislation in 2009 that allows municipalities to extend their TIF districts by one year after loan for improvements is repaid. The cities can then use that additional tax increment to fund affordable housing in that municipality. Eau Claire should partner with disability rights advocacy groups, local community development groups and affordable housing developers to extend their active TIF districts by one year in order to fund the production of affordable, accessible housing.

#### **“Affirmatively Further Fair Housing” and “Section 3” Requirement Education**

Local nonprofits and developers who are subrecipients of federal CDBG and HOME funds are not adequately aware of their responsibilities and obligations regarding “*affirmatively furthering fair housing*”<sup>25</sup> and *Section 3*,<sup>26</sup> a hiring policy. The City should incorporate education on Section

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<sup>24</sup> When a Tax Incremental Finance (TIF) District is created 1) a base value is of the district is assessed; 2) City financed loans allow improvements to the district to be made, 3) all increases in value thereafter are “incremental value” and its tax revenue is used to pay off debt, 4) TIF districts are closed when their debts are paid off.

<sup>25</sup> FHA requires HUD to “administer [housing] programs...in a manner affirmatively to further the policies of [the Fair Housing Act],” including the general policy to “provide, within constitutional limits, for fair housing throughout the United States.” 42 USC §3608(e)(5). A grantee is “required to submit a certification that it will affirmatively further fair housing, which means that it will (1) conduct an analysis to identify impediments to fair housing choice within the jurisdiction; (2) take appropriate actions to overcome the effects of any impediments identified through that analysis; and (3) maintain records reflecting the analysis and actions in this regard.” 24 C.F.R. § 570.601(a)(2) , 24 CFR § 91.225(a).

3 and “affirmatively furthering fair housing” requirements into funding meetings with its CDBG and HOME subrecipients.

### **Support Comprehensive Fair Housing Services**

The City should research service provider options to provide fair housing services (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). Existing local organizations could incorporate a fair housing program into their services, or existing fair housing organizations (such as the Metropolitan Milwaukee Fair Housing Council or Legal Aid Society of Minneapolis) could contract fair housing services to Eau Claire.

Other than complaints to U.S. Department of Housing and Urban Development and the State of Wisconsin Equal Rights Division, there is no testing evidence to confirm or deny discrimination in Eau Claire exists.

Complaints of illegal housing discrimination to the U.S. Department of Housing and Urban Development and the State of Wisconsin Equal Rights Division provide some indication of discrimination in Eau Claire, but only in a limited way. Illegal housing discrimination is vastly underreported, because housing consumers are unaware of their rights, lack knowledge about how to seek a legal remedy, or lack confidence that a legal remedy is obtainable from government agencies that process fair housing complaints. Because of the underreporting of illegal housing discrimination, quantifying it is challenging. Systemic investigations and other fair housing services (such as education to victims, which can empower victims to seek legal remedy) can aid in attempts to understand the prevalence of fair housing law violations. A comprehensive fair housing program includes systemic investigations in the markets of mortgage lending, sales, rental and homeowners insurance to determine whether discrimination based on any protected classes is occurring.

Moreover, provision of fair housing services is an important component of entitlement jurisdictions’ obligation to affirmatively further fair housing.

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<sup>26</sup> Section 3 is a means by which the Department of Housing and Urban Development (HUD) fosters local, economic improvement, and individual self-sufficiency. Section 3 is the legal basis for providing jobs for residents and awarding contracts to businesses in areas receiving certain HUD financial assistance.

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

The staff of the City Council and appropriate City departments should be trained and familiarized with 1) the recommendations of this document; 2) the City's Fair Housing Ordinance; 3) the City's obligation to "affirmatively further fair housing" and 4) how to facilitate referrals of fair housing and fair lending inquiries.

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

The City should continue to partner with the Eau Claire Area Hmong Mutual Assistance Association for outreach to the Hmong community. The City should also facilitate the formation of a partnership with organizations that serve Spanish-speaking persons and persons with limited English proficiency to develop a proactive approach to reach these linguistically isolated populations on fair housing and fair lending issues.

### **Fund Consumer Education**

The City of Eau Claire should continue to work with Western Dairyland, Catholic Charities and UW-Extension to provide financial literacy services to the community. Improved credit of homeseekers will improve chances of securing safe and affordable housing. Additionally, renter education such as the University of Wisconsin - Extension's "Rent Smart" program should be provided to assist potential renters in airing and keeping decent housing.<sup>27</sup>

### **Produce an Annual Report of Lending Practices**

The City Comptroller's Office should produce and distribute an annual report of lending activity in the city. A similar report is produced by the City of Milwaukee, *City of Milwaukee Annual Review of Lending Practices of Financial Institutions*. A report containing similar analyses would be a valuable resource in the City's ability to analyze lending patterns and respond to lending patterns that may harm City residents.

### **Review and Amend Local Fair Housing Ordinance**

The Eau Claire fair housing ordinance should be amended to include a definition of "disability" to ensure clarity and protection of persons with disabilities in the City of Eau Claire. Such a definition could be based on state and federal fair housing laws to ensure consistent and comprehensive legal rights for persons with disabilities in the City. The ordinance should also be amended to protect the rights of persons with disabilities to reasonable accommodations and

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<sup>27</sup> *Rent Smart* curriculum consists of 11 lessons, which may be taught separately or in combination with other units. <http://fyi.uwex.edu/house/rent-smart/>.

modifications, and should be consistent with state and federal fair housing laws in requiring accessibility in new multifamily housing.

The ordinance should also be amended to include definitions for each protected class, and the protected classes should be listed consistently and in full in each instance where a list is part of the ordinance's language.

The ordinance should be amended to unambiguously prohibit discrimination in the provision of homeowners insurance and all facets of the financing of housing.

The ordinance must be amended to ensure that it provides viable enforcement options for victims of housing discrimination. The law should include a process for enforcing the law and a statute of limitations that mirrors state and federal law. It is recommended that Eau Claire review the local ordinances of municipalities within and outside Wisconsin to evaluate other structural mechanisms for local enforcement, such as the use of local administrative law judges in some jurisdictions.

The ordinance should be amended to include specific penalties for violations of the law. Those penalties should be increased to provide a true punitive and deterrent effect, consistent with civil forfeitures delineated in federal and state fair housing laws.

The Ordinance should be amended to include relief for victims of housing discrimination in the form of compensatory and injunctive relief. In order to provide consistent enforcement efforts, the ordinance should be amended to reflect such relief as found in federal and state fair housing laws.

### **Amend Zoning Ordinance Regarding Community Living Arrangements**

The City should partner with disability advocacy groups, such as Center for Independent Living for Western Wisconsin and others, to review and analyze the Community Living Arrangements section of its zoning ordinance. The City of Eau Claire's Ordinance is unclear in its regulations. This presents a potential barrier to persons with disabilities and should be reviewed in terms of current and future legal implications and potential liability. Advocates have successfully challenged overly restrictive regulations on group homes as violations of the Federal Fair Housing Act.

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

*a. Advocate for Additional Section 8 Housing Choice Vouchers*

The City should facilitate a meeting with local HUD officials, as well as Wisconsin's U.S. Senators and Representatives, to discuss the adverse impact of recent HUD budget cuts and administrative changes within the Housing Choice Voucher Program on the County and its residents.

*b. 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 in a previous section, this allows opposition to needed affordable housing to have a chilling effect on LIHTC applications. In order to increase the supply of affordable housing units in the Chippewa Valley area, the City 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 and eliminates the provisions by which developments receive additional scoring points awarded for community support of projects. For example, if a community has a large supply of expensive, unaffordable housing, yet a workforce with many low-paying retail jobs, points could be awarded based on the need in that community for housing which is affordable to those low wage earners.

### **Advocate for Open and Inclusive Real Estate and Rental Markets**

Eau Claire should advocate for more open and inclusive home rental and sales markets by working with the housing industry as follows:

- The City should use its relationships within the housing industry to encourage housing providers to seek fair housing training.
- The City should encourage greater efforts on the part of the lending, real estate and rental industries to hire and train minority and bilingual lenders, underwriters, real estate and rental professionals.
- The City should promote more active participation by providers of rental housing in local rent assistance programs to expand locational choice for low-income and minority residents.