



# Racial Discrimination in Housing and Homeownership

## What Your Community Can Do

### Racial Discrimination Impacts Everyone

Historical patterns of racism persist today, creating significant racial disparities in housing and homeownership long after the Fair Housing Act (1968). Racial disparities in housing do not just affect people of color: they impact entire communities—employers, school districts, families, community stability, and the local tax base.

The **Regional Housing Strategy Advisors** identified **Equity** as one of their **Core Values** as well as two top **Priorities** in the **Strategic Action Plan**:

#### CORE VALUE - EQUITY

Historically excluded populations and lower-income households have access to quality housing

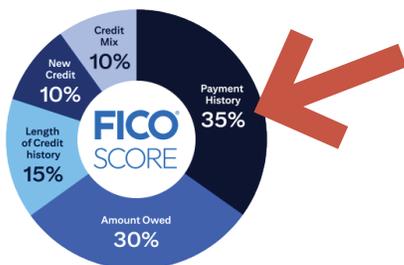
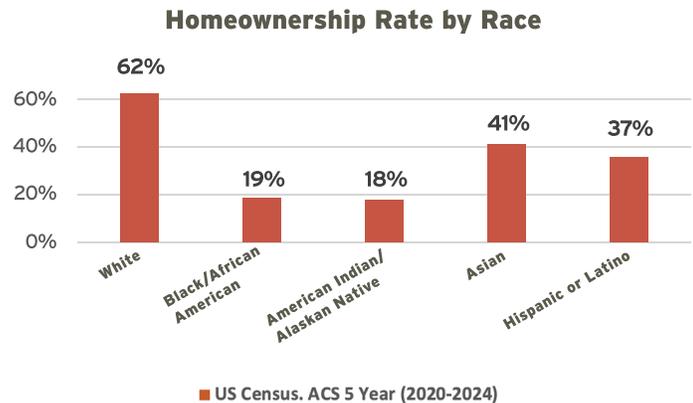
**PRIORITY:** Provide Housing, Resources, and Protections for the Most Vulnerable Populations

**PRIORITY:** Increase Pathways to Homeownership

### Ongoing Impacts of Racial Discrimination

#### Lower Homeownership Rates

Decades of housing policies discriminating against people of color (POC) households, including redlining and racial covenants, have significantly blocked Black households from homeownership. In recent 5-Year estimates for Dane County, 19% of Black households and 37% of Hispanic or Latino households are homeowners, compared to 62% of White Households. Black homeownership saw a modest increase of 4% from the prior reporting period. US Census. ACS 5-Year (2016-2020 vs. 2020-2040).



#### Difficulty in Obtaining Mortgages

In 2023, Black borrowers were twice as likely to be rejected on a mortgage application than white borrowers. A primary driver for lower credit scores; FICO models prioritize home mortgage payments to boost credit scores, while rental payments are less likely to be considered, and are a reporting option for landlords. National Association of Realtors, HDMA 2023 Data.

## POC 3.8% more likely to receive subprime loans

-Urban Institute, 2023

## Predatory Lending

Black people are 3.8% more likely to be targeted for sub-prime loans than White people. Predatory loans are easier to get, have higher interest rates, and much higher rates of foreclosure than conventional mortgage loans.

## Stigmatization and Isolation

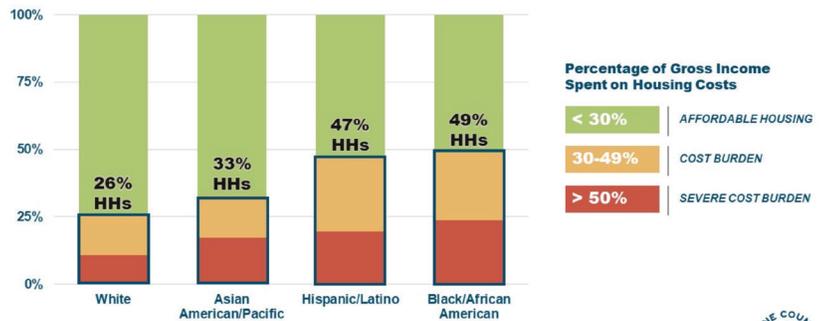
Geographic separation—steering people into separate neighborhoods based on income or race—has led to lower-income residents being isolated within their community. Isolation contributes to a stigma around low- to moderate- income households and reinforces negative stereotypes of us vs. them, or “those people,” creating higher rates of anxiety and social distress.

## Economic Impact: Bad for Business!

Dane County is facing a well-documented, ongoing, and critical workforce shortage (UW Extension, WI Labor Shortage, 2025; United Way, Workforce Development Mobilization Plan 2025). Communities who oppose low- to moderate- income-housing due to stigma or other reasons restrict the size and stability of the regional workforce. Preventing affordable and workforce housing from being developed directly impacts business owners in your community, and increases the likelihood of business closures. It also has a significant impact on school districts and public safety’s ability to recruit and retain essential workers.

### COST BURDEN BY RACE/ETHNICITY

PEOPLE OF COLOR ARE MORE LIKELY TO EXPERIENCE COST BURDEN



Source: PLUMs ACS 5-Year (2016-2020); SB Friedman



## Housing & Community Instability

In Dane County, people of color are more likely than their White counterparts to be cost-burdened (spending 30% of their income on housing). 26% of White households are cost burdened, compared to 49% of Black households and 47% of Hispanic Latino households. Low- to moderate-income households who are cost-burdened often choose between basic necessities such as food, healthcare, household supplies, car repairs, etc., in order to pay their rent, and are more likely to face eviction.

**Evictions cause severe life disruptions such as job loss, drop in student attendance, and loss of healthcare and social networks.**

**Evictions also lead to higher demands for social services, resources and financial support.**

**Black people are 8X over-represented in the homeless population relative to their share of the total Dane County population**

*Citation: Dane Forward: A Five-Year Plan to Prevent and End Homelessness 2024-52029*

## Obstacles to Economic Mobility

Obstacles to homeownership and building equity have compounding effects: 1) the inability to gain equity and use that for other purposes such as education, starting a business, home improvement remodeling 2) passing onto to children 3) as collateral for other loans, purchases, or investments, for example.

# What Communities Can Do - Taking the Next Step

There are many different steps you can take to make your community more welcoming to people of color, below are a few examples. For some communities this might be your first step, for others you may be looking to expand your efforts. If you are not a person of color, the obstacles they face may be difficult to see or understand. These activities can provide a helpful step to acknowledging and addressing racial disparities and the negative social and economic impacts to your residents & community.



- 1. Proclamation** - Issue a proclamation each year acknowledging Black History Month such as the [Village of Cottage Grove](#) or [City of Fitchburg](#), and do one activity to observe it in your community.
- 2. Educational Event** - Invite a POC speaker to give a presentation on their area of expertise - business, technology, real estate, history, the arts; do a roundtable, or an exhibit at Village or City Hall (partner with a local organization, school, chamber, etc.). Request a presentation of [Prejudice in Places](#) and learn how you can renounce a restrictive deed on your property.
- 3. Webpage** - Dedicate a webpage of your local government's website to racial equity and inclusion information and resources, for example: [City of Madison's Racial Equity and Social Justice Initiative](#), or [Dane County Civil Rights Department](#).
- 4. Formal Resolution** - Pass a resolution renouncing racism in all forms, see [Village of Waunakee](#) or [here](#).
- 5. Committee** - Form a work group or Committee to conduct an assessment of racial disparities in your municipality and identify issues and key areas of opportunity like the [City of Monona's Diversity, Equity, Inclusion, and Belonging Implementation Committee](#), or [Village of McFarland](#).
- 6. Comprehensive Plan** - Acknowledge past harms of discrimination in your comprehensive plan. Identify specific goals, strategies, and priorities that address racial discrimination and work to heal the harms of the past as in the [City of Middleton](#) comprehensive plan.
- 7. Housing Development** - Build more affordable-workforce housing throughout your community. The [Regional Housing Strategy](#) identified the need for 26% of all new units to be made affordable to low-to moderate-income households to meet Dane County's current and future demand, commit to it. [Affordable Housing 101](#).
- 8. Educate yourself** on the history and ongoing impacts of racism to you and your community, The [February 2026 RHS Newsletter](#) features community organizations, information and resources to address that racial disparities in housing, or start a book club, [see slide 48 for suggestions](#).
- 9. Meeting Agendas** - Add a statement at the top on all your municipal meeting agendas to remind you of your commitment such as the Dane County Board Supervisors - ***Consider: Who benefits? Who is burdened? Who does not have a voice at the table? How can policymakers mitigate unintended consequences?***
- 10. Accountability** - Identify a responsible party, person, or committee, and request an annual update on your activities. Without someone whose job it is to facilitate or track this work, efforts to address racial disparities can quickly dissipate.

## Want to Learn More?

Email your questions to [regionalthousing@danecounty.gov](mailto:regionalthousing@danecounty.gov) or visit [rhs.danecounty.gov](https://rhs.danecounty.gov) to sign up for the monthly RHS housing newsletter.

