

# Fair Housing & Equity Assessment

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Mid-South Regional Greenprint

September 11, 2014

Prepared for the  
Memphis-Shelby County Office of Sustainability  
On behalf of the  
Mid-South Regional Greenprint Consortium

By



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# Executive Summary

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## Introduction

In November 2011, the United States Department of Housing and Urban Development awarded to the Shelby County Government a \$2,619,999 Sustainable Communities Regional Planning Grant to prepare the Mid-South Regional Greenprint & Sustainability Plan. The Greenprint study area includes the Memphis and West Memphis Metropolitan Planning Organizations (MPOs), covering 4 counties and 18 municipalities located in the states of Tennessee, Arkansas, and Mississippi. HUD requires all Sustainable Communities grantees to complete a Fair Housing Equity Assessment (FHEA) as a tool to inform the priorities, strategies, and investments outlined in the regional plan. The Mid-South Greenprint FHEA, is an endeavor to streamline the Mid-South region's approach to fair housing and to identify and address barriers to fair housing choice that often do not follow jurisdictional boundaries.

## Historical Overview

The Mid-South region has a long and storied history in Americana. From legendary blues and rock n' roll influence to the Civil Rights Movement of the 1960s, the area continues to prosper as the home of major corporations such as FedEx. Social and economic situations have affected housing in Memphis more than any other external force. Race and income have determined the housing available for Blacks and Whites dating back to the 1800s. Although conditions have improved between White and Black residents of the region, lingering effects are still evident in current housing patterns. Blacks live in historically Black locations and Whites continue to live within midtown Memphis and its eastern suburbs.

## Demographic Overview

As of the 2010 Census, the four counties containing the Mid-South Regional Greenprint study area had a combined population of 1,178,211, an increase of 8.7% from the 2000 population figure. In 2010, non-Hispanic African Americans made up the largest share of the region with 47% of the population, followed by non-Hispanic Whites with 44%. These figures represent a change from 2000, when Whites made up the largest share of the region (51%) and Blacks the second largest share (44%). Over the ten year period, White population fell by 5% (or 27,325 persons) while Black population grew by 15% (or 72,743 persons).

Other minority groups also saw substantial growth rates over the 2000-2010 period. Most notably, the Hispanic population added 35,152 persons, an increase of 131%, to make up 5% of the region's population by 2010. American Indians, Asians, Native Hawaiians/Pacific Islanders and persons of other or multiple races had strong growth rates since 2000 (ranging from 20% to 53%) but remain a small share of the overall population, together accounting for less than 4% of the region.

Throughout the region, median household income is estimated at \$48,282, which is a 20% increase since 2000. Highest median incomes are in DeSoto and Fayette Counties at \$58,851 and \$56,297, respectively. Households with Black and Hispanic householders are concentrated in lower income categories – 38% and 36% of these households have incomes below \$25,000, respectively, compared to 16% of non-Hispanic White households. On the other end of the income spectrum, 29% of White households have incomes above \$100,000 versus 9% of African American households and 8% of Hispanic households. Wage data indicates that pay in the Memphis MSA tends to be below national levels. Median pay in the metro area was below the U.S. median for 21 of the 22 occupation categories examined and, in those categories, ranged from 83% to 99% of the national medians.

### Segregation Analysis

Four methodologies (Dissimilarity, Exposure, Isolation, and Entropy indices) for analyzing segregation were used in this study. A reconciliation of the four indices has shown that, on the whole, segregation between Whites and Black, Asian and Hispanic minorities in the Greenprint study area are in the high to moderate range and were persistent but slightly declining over the 2000-2010 decade. Memphis and jurisdictions in the western portion of the study area tend to have non-White populations above what would be predicted based solely on income data, while those to the south and east of Memphis have lower minority populations than can be explained by differences in income.

### Concentrated Areas of Poverty (RCAPs & ECAPs)

There are 32 tracts in the Greenprint study area that are areas of concentrated poverty and majority non-White population. These 32 tracts are home to 95,152 residents, or 8.5% of the study area's total population. While population grew by only 7% for the Greenprint area overall from 2000 to 2010, population living in a racially or ethnically concentrated area of poverty (RCAP/ECAP) expanded by 97%. For the most part, the driving forces behind this jump were an increase in regional poverty and tract-level changes in poverty rates rather than tract-level or region-wide changes in minority concentrations. More than any other minority group, African Americans tend to reside in these areas; nearly 16% of the study area's Black residents (about one in six) live in an area of racially or ethnically concentrated poverty.

### Public Investment & Infrastructure

The Memphis Area Transit Authority (MATA) is the Mid-South region's only provider of public transit. MATA buses and trolleys serve an area of 311 square miles located overwhelmingly in the City of Memphis with limited access to West Memphis, Bartlett, Germantown, and Whitehaven among other areas. DeSoto and Fayette County currently do not have any form of public transportation. Downtown Memphis, midtown Memphis, and the Poplar Road corridor are all reasonably well served by MATA but other large areas with high concentrations of employment (such as the Memphis International Airport, Germantown Road, Southaven, and

Horn Lake) are underserved. This incongruity limits the housing options of people employed in these job centers who must rely on MATA for transportation between home and work.

The quality of public schools within a community can also be a primary driver of housing choice. In 2013 Memphis City Schools, an overwhelmingly minority and low-income school district merged with Shelby County Schools, a more affluent, and better performing suburban district.<sup>1</sup> Following the merger, six incorporated suburban municipalities that had been served by Shelby County Schools chose to individually break off and each form its own “autonomous school district.” These six districts will remain separate from the newly-merged Shelby County School district.<sup>2</sup> Compounding race and class tensions raised by the merger, the majority of low performing schools slated for closure as a result of the merger are located in high minority and low income areas.<sup>3</sup>

### Access to Areas of Opportunity

Black and Hispanic residents face the largest opportunity gaps relative to White residents. They are more likely to live in neighborhoods with higher poverty, lower school proficiency and less labor market engagement, and these disparities persist regardless of poverty status. For jobs access, values were relatively consistent across all races and ethnicities, suggesting a somewhat even distribution of these dimensions across the region. Transit access was uniformly better for minority residents compared to Whites and for persons in poverty compared to those not in poverty.

### Land Use & Zoning

Because zoning codes present a crucial area of analysis for a study of fair housing barriers, each of the study area’s municipal zoning codes was individually reviewed against a set of fair housing criteria and assigned a risk score (1=low risk; 3=high risk) indicative of the codes’ potential to result in housing discrimination.

The overall risk scores ranged from a low of 1.22 in Memphis to a high of 2.44 in Piperton. Memphis was followed by Braden, Collierville, Germantown, and Lakeland all with risk scores at or below 1.50. Of all the zoning ordinances in the Greenprint study area, these were the most permissive and the least likely to result in housing discrimination or the limitation of fair housing choice. Piperton was assigned an average risk score of 2.28, indicating that its zoning ordinance had the greatest potential to result in housing discrimination. Bartlett (2.06) and

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<sup>1</sup> Dillon, Sam, Merger of Memphis and County School Districts Revives Race and Class Challenges, Nov 5, 2011, [http://www.nytimes.com/2011/11/06/education/merger-of-memphis-and-county-school-districts-revives-challenges.html?\\_r=0](http://www.nytimes.com/2011/11/06/education/merger-of-memphis-and-county-school-districts-revives-challenges.html?_r=0)

<sup>2</sup> Chalkbeat, Merger, 2014, <http://tn.chalkbeat.org/topics/merger/>

<sup>3</sup> Jaclyn, Zubrzycki, Urban Districts Struggle to Improve Academics After School Closings, Research Says, February 14, 2014, <http://tn.chalkbeat.org/2014/02/14/research-on-academic-impact-of-school-closings-suggests-hard-road-ahead/>

Hernando (2.00) also scored highly relative to the region. Comparing the scores among the four counties, Shelby County's municipalities had a lower combined average (1.60), followed by the municipalities in Crittenden County (1.78), DeSoto County (1.84), and then Fayette County (1.91).

## Housing Profile

According to the 2012 ACS estimates, the four-county Mid-South region contains a total of 497,720 housing units, of which 294,777 or 59.2% are in the City of Memphis and another 20.9% (or 104,070 units) in other Shelby County locations. Of the 497,720 total housing units in the region, 363,493 (73.0%) were single-family units and 122,569 (24.6%) were multi-family units. A total of 11,658 (2.3%) of the units in the region consisted of mobile homes, boats or RVs. Arlington, TN had the highest proportion of single-family units (98.5% of all units) while the City of Gallaway, TN had the highest number of multi-family structures, comprising 39.3% of the City's housing stock.

Of the total number of owner-occupied housing units in the Mid-South region, the 2012 ACS reported that 34.7% of households with a mortgage, and 16.6% of households without a mortgage were cost burdened (i.e. housing expenses exceeding 30% of household income). Conversely, 57.1% of renters in the region spent more than 30% of their income on rent. A renter at the median renter income would need to keep rent costs at or below \$985 to avoid cost burden in DeSoto County, MS and \$692 in Shelby County. Likewise, in Fayette County and Crittenden County, the median renter would need to maintain rent below \$653 and \$550, respectively. In order to afford a two bedroom housing unit (at the Fair Market Rent of \$768) without spending more than 30% of one's income on rent, a minimum wage worker would need to work 80 hours per week. The Center for Neighborhood Technology estimates that monthly transportation costs for the 22 municipalities in the Mid-South region average \$1,257. With little transit access available to low-wage job centers, transportation costs are likely to exacerbate cost burdens for low-income persons who must commute to their jobs via private vehicles.

## Fair Housing Organizations & Activities

More than one in five residents of the Mid-South region who responded to survey questions about fair housing reported that they had experienced housing discrimination. When persons indicated that they had experienced housing discrimination, 55.6% responded that they did not think it would do any good to file a complaint, 16.7% did not know where to file, and 16.7% did not file for fear of retaliation. These data indicate that more education and outreach is needed to help people understand the protections available under Fair Housing Laws and the procedures that should be followed to file complaints with Fair Housing agencies.

## Housing Discrimination Complaints

Based on responses from Fair Housing agencies for the 2006-2013 reporting period, the disposition of complaints administratively or that were determined to have no cause outnumber

cases that were determined to have cause. Cases filed based on disability outnumbered those based on other factors such as race, familial status or other protected classes.

## Housing Discrimination Lawsuits

A review of the nature, extent, and disposition of significant housing discrimination lawsuits filed and/or adjudicated between 2006 and 2013 within the Mid-South region revealed 10 lawsuits with substantial bearing on the availability of fair housing choice. The cases reviewed tend to fall into one of two categories, either (1) predatory and discriminatory lending schemes that targeted a protected class or (2) “design and construction” cases where developers and operators engaged in a pattern or practice of discrimination against persons with disabilities by failing to design and construct covered multifamily dwellings and public accommodations in accordance with the features of accessible and adaptable design and construction required by the Fair Housing Act and Americans with Disabilities Act. The number of cases in these two broad categories underscores the challenges the Mid-South region faces in ensuring and supporting fair housing choice for all of its residents.

## Barriers and Recommendations

This FHEA has identified the following seven barriers to fair housing and equity in the region. Each barrier listed is followed by recommendations, the implementation of which will correct, or begin the process of correcting, the related barrier. It should be noted that these barriers are largely systemic and will require effort from both private sector and public sector actors to correct.

### **Barrier #1: Public Disinvestment in Minority and Low-Income Areas**

Views on the equity of public investment vary widely, largely by place of residence. Some minority residents who were interviewed or responded to surveys and live in the City of Memphis in areas such as Frayser and South Memphis feel that public investments are not made fairly and that funding does not get allocated proportionately or by need. Some persons felt that racial discrimination still plays a part in the allocation of public funds. Persons who live outside the City of Memphis were less likely to describe this phenomenon or to name it as an issue.

Stakeholders and other persons who were interviewed as a part of the FHEA also identified the region’s education systems as being a reflection of unequal public investments. HUD’s “school proficiency index” largely supports this claim and shows that access to proficient schools (as defined by HUD’s methodology) was uniformly lower for Blacks and Hispanics in comparison to Whites, regardless of poverty status or age. For Blacks and Whites, the disparity gap is 30 points for all persons, 24 points for persons in poverty, 33 for children and 27 for children in poverty. For Hispanics and Whites, the gap is 21 for all persons, 17 for persons in poverty, 25 for children and 18 for children in poverty.

The City of Memphis has merged its school system, with Shelby County’s system resulting in school closings, primarily in low-income and high-minority neighborhoods. Local public schools

are connective institutions that bind neighborhoods together and serve as sources of community pride. Many city residents view these events as a loss of an important linkage among their families and neighbors. Residents of the City worry that the closing of some neighborhood schools will create a barrier to revitalization of these portions of the City.

A further concern is that the creation of new independent school districts in Shelby County's suburban municipalities will further complicate the challenges of operating and funding a restructured Shelby County school system. Individuals also speculate that school performance may suffer as a result of the structural changes and that fragmenting the education system could contribute to a re-segregation in the education system and become a barrier to student achievement.

**Recommendation:** Study area stakeholders should develop a regional capital improvements plan that incorporates needs identification and scoring factors. The plan should include factors that measure needs and should encourage members to adopt the needs factors as a part of their processes for identifying and prioritizing public facilities projects such as libraries, parks, and community centers. Needs factors might include, but would not be limited to, population proportionality, population density, age/condition of existing infrastructure, and consistency with Greenprint priorities. Use of the needs factors should result in new investment focused on underserved areas. Participating Metropolitan Planning Organizations would be encouraged to adopt and use the formula factors if they are not in conflict with rating and selection criteria required by outside funding agencies and programs.

To address the disparities in access to proficient schools, the Greenprint Consortium, or potentially an equity coalition established during the Greenprint planning process, is encouraged to create a regional education forum with representatives from all school systems and from the three state governments. The body would promote cross-district cooperation and communication while leaving the establishment of policies and the responsibility for curriculum adoption and operations up to the respective school districts. It is also important that the forum include an advisory role for parents and area residents. In addition to serving as a medium for cooperation and dialogue among the region's school districts, the forum should serve as a "think tank" on education ideas and practices and should include participants and advisors from universities who are subject matter experts.

### **Barrier #2: Inadequate Public Transportation Choices**

Deficiencies in the public transit system were mentioned as a significant issue by stakeholders and others interviewed during development of the FHEA. The current system does not serve enough of the region outside the City of Memphis, and in places that are currently served, access to transit is often difficult and frequently inconvenient due to inadequate scheduling. Inadequate transit service is a serious barrier to mobility for low-income households and to persons with disabilities and limits the ability of these individuals to access services, employment, and suitable affordable housing.

Where public transportation infrastructure does exist, its utility is often undercut by poor “last mile” connections to riders’ final destinations. Sidewalk infrastructure is often poor or missing, leaving pedestrians to walk along the edges of busy streets or to cross vast parking lots to reach their homes, jobs, and services.

Here again, HUD data derived from its Transit Access Index supports these accounts. Transit access scores were very low regardless of race or ethnicity indicating generally poor transit access across the region. A separate *State of Employment* study conducted in 2013 in conjunction with the Greenprint project found that even key regional employment centers such as the airport, the Germantown Road corridor, Southaven, and Horn Lake all lacked adequate transit routes and schedules. Fayette and DeSoto Counties are completely unserved by public transportation and MATA service to West Memphis in Crittenden County is limited to just two routes per day.

**Recommendation:** Issues such as employment, education, and housing are all dependent on people being able to reach these areas in order to better themselves. Therefore, increasing public transit will help to alleviate many of the other social issues within the region. Expansion of the current public transportation network will require increased funding, but also innovative ideas for alternative transportation options such as vanpools and transportation management associations. Any pedestrian infrastructure investments should be planned in close coordination with MATA to maximize their value in connecting people to transit.

Because transit issues affect the entire region, consideration should be given to creating a multi-jurisdictional regional transportation authority to serve all members of the Greenprint area. The Memphis and West Memphis MPOs, along with MATA should jointly lead the effort to create such a framework. Federal, state, local, and private funding would be needed for capital and operating costs and the authority created would need to be structured in such a way as to receive and manage these funding types, including funds from local municipalities with new transit service. It may be possible to restructure MATA to perform this function. Special attention should be paid to ensuring that persons with disabilities are better served by enhancing demand-service options.

### **Barrier #3: Predatory & Discriminatory Lending Practices**

In the course of this assessment, a review of significant fair housing-related lawsuits over the most recent eight-year period was conducted. This review found ten lawsuits filed regarding predatory and/or discriminatory lending practices targeted at particular protected classes. These suits ranged from foreclosure and underwriting practices employed by major banks and insurers, such as Wells Fargo and Farmer’s Group, to a fraudulent lending scheme resulting in racketeering claims, to acts of deception by large-scale landlords. Though these cases are all quite distinct from one another, taken together they illustrate a pattern of predatory and discriminatory practices by a variety of private sector actors throughout the region.

**Recommendation:** A review of the plaintiffs engaged in the lawsuits described above finds that the suits were primarily brought by individuals who believed they had been discriminated against. Only in the case of City of Memphis v. Wells Fargo Bank, N.A. did a public entity file the suit. The region would benefit from the advocacy and intervention of a regional human rights commission that monitors fair housing compliance, investigates individual claims of discrimination, and brings enforcement actions when necessary. Existing expertise and organizational capacity from groups such as the Fair Housing Alliance of Greater Memphis, Memphis Area Legal Services, and the Mid-South Peace and Justice Center should be consulted and included in this effort. Formation of such a body with formal investigatory jurisdiction across state lines would also require consultation and buy-in from HUD officials, as there is no known precedent for such a regional model under existing HUD programs. However, many other responsibilities of such an organization (education, advocacy, legal assistance) could be offered on a regional basis without a need for HUD's direct involvement. The burden of filing a lawsuit may deter many discrimination victims from pursuing relief, but an advocate equipped to take up such causes on victims' behalf could be effective.

#### **Barrier #4: Lack of Knowledge of Fair Housing Rights and Responsibilities**

Currently, the handling of fair housing complaints is determined, in part, by the availability of designated organizations in the jurisdiction where incidences may occur. This sometimes means that a complaint may need to be pursued at the state level when no local organization exists. This process can be inefficient and may discourage members of protected classes from filing complaints following acts of housing discrimination.

Another related fair housing issue is the inadequate level of fair housing education among Greenprint region residents. Because residents of the region are often unaware of their Fair Housing rights, they may take no action when confronted with acts of discrimination against them. In a survey of area residents performed for the FHEA, only 31% indicated that they knew their fair housing rights and only 25% of those who reported that they had experienced housing discrimination actually filed complaints. Of those who reported experiencing discrimination but chose not to file a complaint, 60% indicated that they "...did not know what good it would do" and 20% responded that they "...did not know where to file." Lack of knowledge of Fair Housing rights and responsibilities continues to be a barrier to fair housing choice.

**Recommendation:** A regional approach to providing fair housing education and enforcement would be more efficient than the current fragmented system. The regional human rights commission that has already been recommended in this FHEA could be empowered to serve in this role. A regional commission would also serve as the primary convener for conferences and workshops in the region to better educate persons about their fair housing rights and to distribute information on housing choice. Periodic advertisements in the real estate sections of local newspapers or posters in public places offering tips on how to recognize discrimination and what to do about it could be especially effective. The commission could refer citizens to

other fair housing organizations in their area for counseling, investigations, and potentially for enforcement or it could also carry out these duties directly. As already mentioned earlier in this section, the commission would also serve the broader goal of developing strategies and actions to help reduce discrimination in the region.

#### **Barrier #5: Prevalence of Racially Prejudiced Attitudes and Patterns of Segregation**

The Segregation Analysis contained in the FHEA determined that levels of segregation between Black and White residents in 2010 were down slightly from those in 2000, but still in the high range. An analysis of expected minority population showed that Memphis, West Memphis, and cities on the western side of the study area had more minority population that could be explained by income differences alone, while cities to the south and east (Bartlett, Southaven, Germantown, Collierville) had less minority population than income figures would have predicted.

In general, meeting participants and stakeholders reported that historical discrimination by Whites against minorities, particularly Blacks, is less of a problem than in the past. However a number of African-Americans who reside in the City of Memphis continue to report that the specter of discrimination continues in other forms, particularly in what they describe as economic discrimination.

Meeting participants and stakeholders living outside the city limits of Memphis, tended to perceive any persistent discrimination as based on economic factors which perhaps resulted in de facto discrimination due to the correlation between minority status and poverty in Memphis. In contrast, Black participants who were Memphis residents were more likely to feel that discrimination and unequal distribution of public facilities and public services continue to persist.

Racial discrimination has deep roots in the Memphis region and many individuals interviewed for the FHEA believed that its impact is still being felt. While the intensity of discrimination may not be as high as in the past, many minority interviewees strongly believed that racial discrimination continues as a driving force behind segregation.

**Recommendation:** A regional human rights commission could provide a forum to explore ways to overcome the history of racial discrimination and segregation in the Mid-South area. Leadership should include political, business, faith-based, non-profit, and citizen representatives. As already discussed, several local organizations exist that could lend expertise and capacity to this regional commission. The focus of the commission should be toward inclusive community-building using education, communications, and activities that develop solutions to problems created by discrimination. Unless the commission is a high-profile organization with broad community support, its success and longevity would be questionable.

## **Barrier #6: Limited Housing Options for People with Disabilities**

Two primary factors restrict the housing choice of people with disabilities: 1) restrictive zoning provisions, and 2) neglect of accessibility standards set by the Americans with Disabilities Act. In the first case, municipalities in the Greenprint area were generally found to have “medium risk” zoning codes with respect to provisions specifically affecting people with disabilities. These provisions often included tight restrictions on the placement of group homes, typically requiring special permitting or limiting them to just a few residential districts. Other problematic zoning codes failed to outline a process by which people with disabilities can request reasonable accommodations be made to their homes, and others require public hearings be held on zoning-related changes for people with disabilities when a simple administrative approval would be more appropriate. These zoning provisions and unnecessary complexities could have the effect of discouraging the placement of group homes and other housing for people with disabilities within particular municipalities.

The second factor limiting housing options for people with disabilities is a pattern of disregard for federally-required accessibility standards by developers and property owners in the Greenprint study area. Between 2006 and 2014, five significant lawsuits have been filed against owners, developers, architects, and operators of multi-unit apartment complexes in the region who failed to include accessible units in their apartments as required by the Americans with Disabilities Act (ADA). These omissions caused over 2,400 “ADA-covered” apartment units to be constructed without the required accessibility features, a significant loss to the region’s stock of accessible housing units. Defendants in these suits collectively paid over \$1.7 million in compensation, damages, and penalties to settle these suits.

**Recommendation:** Local stakeholders, including disability rights advocates and the Memphis and West Memphis MPOs, should meet together to review the impacts of municipal zoning ordinances, prioritize the ordinances most in need of amendment, develop model zoning provisions, and work with local officials to advocate amendments that would expand fair housing choice. Model language that would incorporate visitability standards into existing codes exists and could be advocated by the group. To the extent possible, code revisions that encourage greater accessibility and/or visitability should be incentivized so that developers and design professionals are rewarded for implementing them. Amending ordinances that are likely to cause housing discrimination reduces risk of legal challenge for these municipalities as well.

Of the five ADA-related lawsuits filed, two were brought by the Memphis Center for Independent Living and two by the U.S. government, indicating the importance of vigilant advocates able to take legal action for enforcement of fair housing laws when necessary. The ongoing work of the Memphis Center for Independent Living should be recognized, supported and potentially replicated so as to identify and correct instances of discrimination affecting other protected classes.

## **Barrier #7: Insufficient Affordable Housing Options**

Stakeholders and other persons interviewed consistently cited poverty as a barrier for families obtaining suitable affordable housing. More than 25% of households inside the City of Memphis are classified as in poverty and many other families in Memphis are at or below 50% of the Area Median Income. Not only is the region's poverty rate increasing (from 12.3% in 2000 to 19.3% in 2008-2012), but the correlation between poverty and race is strong: every high poverty census tract in the region (poverty rate of 40% or more) had a minority population of 50% or greater. More than one in three Black and Hispanic households received income of less than \$25,000, compared to one in six White households.

The comparative lack of income for minority households calls for additional affordable housing options. The concentration of affordable housing units in particular areas then is a factor contributing to limited housing choices for low-income households, which overwhelmingly tend to be racial and ethnic minorities. The housing that is affordable and available to these families is frequently substandard, is located in areas away from services and employment, and lacks adequate access to transportation. Concentration of affordable housing in the region (including rental units accepting Housing Choice Vouchers) increases the racial segregation that currently exists in the region.

**Recommendation:** Existing organizational capacity, such as that of the Community Development Council, should be tapped and enhanced to provide the region with a body that can serve in an advocacy role for affordable housing and act as a clearinghouse for housing information. For example, affordable housing opportunities throughout the region could be advertised by this organization so households on one side of the region could learn about housing options they may not otherwise hear advertised. The organization could also advocate for best practices in terms of encouraging low-income housing options and maintaining existing affordable housing stock in good repair. Finally, the organization could play a role in working with private owners to retain as many units of subsidized housing as possible as Low Income Housing Tax Credits and other contracts approach expiration.

Additional affordable housing stock is needed throughout the region, not just in the City of Memphis. Housing constructed in areas of high opportunity may need to be intentionally marketed to diverse homebuyers or tenants from throughout the region in order to expand fair housing choice. The marketing of affordable housing opportunities could jointly be handled by the affordable housing advocacy organization described above as well as the already-proposed regional human rights commission, which could assist from an equity perspective. These organizations would need capacity to reach beyond Memphis to serve the larger region.

A regional lender consortium should be created to provide private capital needed to fund affordable housing projects. Public funds could be used to leverage the private capital provided to the consortium. The lenders who would make up the membership of the consortium would be asked to pledge funding to a lending pool that could be used to construct or rehabilitate

housing in the Greenprint region. Mixed income housing would help make many of the projects feasible and could result in additional affordable housing becoming available in various parts of the region.

## Introduction

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Equal access to housing choice is a cornerstone principle of America's commitment to equality and opportunity for all. Title VIII of the Civil Rights Act of 1968, more commonly known as the Fair Housing Act, ensures protection of housing opportunity by prohibiting discrimination in the sale or rental of housing on the basis of race, color, religion, sex, and national origin. The Act was amended in 1988 to provide stiffer penalties, establish an administrative enforcement mechanism and to expand its coverage to prohibit discrimination on the basis of familial status and disability. The U.S. Department of Housing and Urban Development (HUD), and specifically HUD's Office of Fair Housing and Equal Opportunity (FHEO), is responsible for the administration and enforcement of the Fair Housing Act and other civil rights laws.

The Sustainable Communities Regional Planning Grant Program is a coordinated effort of HUD, the U.S. Department of Transportation, and the U.S. Environmental Protection Agency. Under this program, grantees must explore issues of regional sustainability, using an inclusive planning process that identifies disparities experienced by different groups within a region. Planning efforts must underscore the importance of social equity and access to opportunity as components of any regional Sustainable Communities effort.

In November 2011, the United States Department of Housing and Urban Development awarded to the Shelby County Government a \$2,619,999 Sustainable Communities Regional Planning Grant to prepare the Mid-South Regional Greenprint & Sustainability Plan. The plan is designed to enhance regional livability and sustainability by establishing a unified vision for a region-wide network of greenspace areas, or Greenprint, which serves to address long-term housing and land use, resource conservation, environmental protection, accessibility, community health and wellness, transportation alternatives, economic development, neighborhood engagement, and social equity in the Greater Memphis Area.

The Greenprint study area includes the Memphis and West Memphis Metropolitan Planning Organizations (MPOs), covering 4 counties and 18 municipalities located in the states of Tennessee, Arkansas, and Mississippi. As the map on the following page depicts, the study area boundaries include Shelby County, TN, and the cities of Arlington, Bartlett, Collierville, Germantown, Lakeland, Memphis, and Millington; northern DeSoto County, MS, including the cities of Hernando, Horn Lake, Olive Branch, Southaven, and Walls; eastern Crittenden County, AR, including the cities of West Memphis, Marion and Sunset; and western Fayette County, TN, including the cities of Piperton, Gallaway, and Braden.

HUD requires all Sustainable Communities grantees to complete a Fair Housing Equity Assessment (FHEA) as a tool to inform the priorities, strategies, and investments outlined in the regional plan. The Mid-South Greenprint FHEA, is an endeavor to streamline the Mid-South



## Definitions & Data Sources

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### Definitions

**Affirmatively Further Fair Housing** – In keeping with the latest proposed guidance from HUD, to Affirmatively Further Fair Housing Choice (AFFH) is to comply with “the 1968 Fair Housing Act’s obligation for state and local governments to improve and achieve more meaningful outcomes from fair housing policies, so that every American has the right to fair housing, regardless of their race, color, national origin, religion, sex, disability or familial status.”<sup>4</sup>

**Fair Housing Choice** - In carrying out its Fair Housing and Equity Assessment, the Mid-South Regional Greenprint Consortium utilized the following definition of “Fair Housing Choice”:

- The ability of persons of similar income levels to have available to them the same housing choices regardless of race, color, religion, sex, national origin, familial status, or handicap.

**Barriers to Fair Housing Choice** - As adapted from the *Fair Housing Planning Guide*, barriers to fair housing choice are understood to include:<sup>5</sup>

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

**Protected Classes** - In carrying out its Fair Housing and Equity Assessment, the Mid-South Regional Greenprint Consortium utilized the following definition of Protected Classes:

- Title VIII of the Civil Rights Act of 1968 prohibits housing discrimination based on race, color, national origin or ancestry, sex, or religion. The 1988 Fair Housing Amendments Act added familial status and mental and physical handicap as protected classes.

**Affordable** - Though local definitions of the term may vary, the definition used throughout this analysis is congruent with HUD’s definition:

- HUD defines as "affordable" housing that costs no more than 30% of a household's total monthly gross income. For rental housing, the 30% amount would be inclusive of any tenant-paid utility costs.

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<sup>4</sup> U.S. Department of Housing and Urban Development. “HUD Publishes New Proposed Rule on Affirmatively Furthering Fair Housing Choice.” Press Release No. 13-110. July 19, 2013..

<sup>5</sup> U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 2: Preparing for Fair Housing Planning, Page 2-17)*. March 1996.

- For homeowners, the 30% amount would include the mortgage payment, property taxes, homeowners insurance, and any homeowners' association fees.
- Housing affordable to a low-income family of four (income up to 80% of the area median income) residing in the Greenprint study area would carry a total monthly cost not exceeding \$1,160 as reported by the National Low Income Housing Coalition's 2013 *Out of Reach* data.

## Data Sources Used in This Analysis

**Decennial Census Data** – Data collected by the Decennial Census for 2010 and 2000 is used in this Assessment (older Census data is only used in conjunction with more recent data in order to illustrate trends). The Decennial Census data is used by the U.S. Census Bureau to create several different datasets:

- 2010 and 2000 Census Summary File 1 (SF 1) – This dataset contains what is known as “100 percent data”, meaning that it contains the data collected from every household that participated in the 2010 Census and is not based on a representative sample of the population. Though this dataset is very broad in terms of coverage of the total population, it is limited in the depth of the information collected. Basic characteristics such as age, sex, and race are collected, but not more detailed information such as disability status, occupation, and income. The statistics are available for a variety of geographic levels with most tables obtainable down to the census tract or block level.
- 2000 Census Summary File 3 (SF 3) – Containing sample data from approximately one in every six U.S. households, this dataset is compiled from respondents who received the “long form” Census survey. This comprehensive and highly detailed dataset contains information on such topics as ancestry, level of education, occupation, commute time to work, and home value. The SF 3 dataset was discontinued for the 2010 Census; therefore, SF 3 data from the 2000 Census was the only tract-level data source available for some variables.

**American Community Survey (ACS)** – The American Community Survey is an ongoing statistical survey that samples a small percentage of the U.S. population every year, thus providing communities with more current population and housing data throughout the 10 years between censuses. This approach trades the accuracy of the Decennial Census Data for the relative immediacy of continuously polled data from every year. ACS data is compiled from an annual sample of approximately 3 million addresses rather than an actual count (like the Decennial Census's SF 1 data) and therefore is susceptible to sampling errors. This data is released in two different formats: single-year estimates and multi-year estimates.

- 2012 ACS 1-Year Estimates – Based on data collected between January 2012 and December 2012, these single-year estimates represent the most current information

available from the U.S. Census Bureau, however; these estimates are only published for geographic areas with populations of 65,000 or greater.

- ACS Multi-Year Estimates – More current than Census 2010 data and available for more geographic areas than the ACS 1-Year Estimates, this dataset is one of the most frequently used. Because sampling error is reduced when estimates are collected over a longer period of time, 5-year estimates will be more accurate (but less recent) than 3-year estimates. ACS datasets are published for geographic areas with populations of 20,000 or greater. The 2008-2012 ACS 5-year estimates are used most often in this assessment.

**Previous Works of Research** – This FHEA builds upon previous works of significant local research conducted for or within the Greenprint region. These include the following:

- Mid-South Regional Greenprint Vision Plan – This October 2013 document was prepared by a group of consultants for the Memphis and Shelby County Division of Planning and Development and the Mid-South Regional Greenprint Consortium. The Vision Plan lays the groundwork for all aspects of the Greenprint project and identifies strategic directions, objectives, and action steps.
- State of Employment – Prepared by Nelson/Nygaard for the Greenprint Consortium, this October 2013 report examines the distribution of population and employment across the region and identifies needs relative to transportation connections between them.
- City of Memphis: Analysis of Impediments to Fair Housing Choice (2011) prepared by Metropolitan Milwaukee Fair Housing Council, Shelby County, Tennessee Analysis of Impediments to Fair Housing Choice (2011) prepared by Brewer & Barlow, PLC, and Analysis of Impediments to Fair Housing Choice for the City of West Memphis, Arkansas (2010) prepared by Western Economic Services, LLC – These studies assess fair access to housing throughout each geography, and identify any potential barriers to housing choice. Elements include demographic and economic analyses, assessments of mortgage lending, housing complaints and fair housing resources, an identification of impediments, and recommendations for overcoming these barriers.

## Stakeholder Engagement

**Mid-South Regional Greenprint Fair Housing Survey** – This survey was designed to collect input from a broad spectrum of the community and received responses from residents across the study area. The survey consisted of 28 distinct questions, allowing a mixture of both multiple choice and open-ended responses. In all, there were 45 responses to this survey, though not every question was answered by every respondent. As a result, where a percentage of survey

respondents are cited in this assessment, it refers only to the percentage of respondents to the particular question being discussed and may not be a percentage of the full 45 survey respondents. Surveys were received over a 103-day period, from December 13, 2013 to March 25, 2014. Paper surveys received were manually entered by the Survey Administrator into SurveyMonkey for tabulation and analysis. To prevent “ballot stuffing,” the SurveyMonkey software bars the submission of multiple surveys from a single IP address. The link to the online survey was distributed through various email distribution lists and posted on the Greenprint’s website. A Spanish translation of the same survey was also made available in hard copy and online. The Spanish version of the survey did not receive any responses.

**Stakeholder Interviews** – Key community stakeholders were identified, contacted, and interviewed either individually or in small groups as part of this Analysis. These stakeholders included mayors, representatives of nonprofit organizations, municipal and county staff, fair housing advocates, lenders, and real estate agents. Other stakeholders not belonging to any of these groups were occasionally interviewed as dictated by the course of research carried out for this Analysis. More than 25 stakeholder interviews were conducted.

**Public Meetings** – Twelve public meetings were held in order to provide forums for residents of the Greenprint study area and other interested parties to contribute to this FHEA. Meeting dates, times, and locations are listed below. Meetings were held both during the day and in the evenings in various locations across the region, providing a variety of options for residents to attend. These meetings were advertised via flyers and emails distributed by the Greenprint Consortium using its various email distribution lists. The format of these meetings ranged from small-group roundtable discussions to moderated forums. In several cases, FHEA education and input opportunities were added to the agendas of existing community meetings and workshops. Notes were taken of the public comments at all meetings.

**Key Stakeholder Meeting**

Community Development Council  
1548 Poplar Avenue  
Memphis, TN  
Tuesday, November 12, 2013  
9:00 a.m.

**Kickoff Meeting**

Benjamin L. Hooks Central Library  
3030 Poplar Avenue  
Memphis, TN  
Tuesday, November 12, 2013  
1:30 p.m.

**West Memphis Meeting**

West Memphis Neighborhood Center  
14<sup>th</sup> & Polk  
West Memphis, AR  
Tuesday, November 12, 2013  
5:30 p.m.

**Hickory Hill Meeting**

Hickory Hill Community Center  
3910 Ridgeway Road  
Memphis, TN  
Tuesday, November 12, 2013  
5:30 p.m.

**North Memphis Meeting**

Dave Wells Community Center  
915 Chelsea Avenue  
Memphis, TN  
Wednesday, November 13, 2013  
5:30 p.m.

**Galloway Meeting**

Galloway Housing Authority  
200 Jackson Street  
Galloway, TN  
Wednesday, November 13, 2013  
5:30 p.m.

**Greenprint Consortium Meeting**

Collierville Town Hall  
500 Poplar View Parkway  
Collierville, TN  
Thursday, November 14, 2013  
10:00 a.m.

**Frayser Meeting**

North Frayser Community Center  
2555 St. Elmo Avenue  
Memphis, TN  
Thursday, November 14, 2013  
5:30 p.m.

**South Memphis Meeting**

Gaston Community Center  
1046 S. Third Street  
Memphis, TN  
Thursday, November 14, 2013  
5:30 p.m.

**Housing & Employment Meeting**

Workforce Investment Network  
480 Beale Street  
Memphis, TN  
Thursday, January 9, 2014  
9:00 a.m.

**Financial Literacy Meeting**

HOPE Credit Union  
1451 Madison Avenue  
Memphis, TN  
Thursday, January 9, 2014  
6:00 p.m.

**Housing & Employment Meeting**

Workforce Investment Network  
480 Beale Street  
Memphis, TN  
Friday, January 10, 2014  
9:00 a.m.

## Limitations of this Analysis

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This Fair Housing and Equity Assessment was prepared by WFN Consulting for the Memphis-Shelby County Office of Sustainability on behalf of the Mid-South Regional Greenprint Consortium. This report seeks to analyze the current fair housing climate in the region, identify barriers to fair housing choice and equity, and set forth recommended strategies for overcoming the identified barriers. Some of the barriers identified in this report will require additional research and on-going analysis by entities within the region. This report does not constitute a fair housing action plan or any other type of community plan, however, it should be a key resource to inform such plans as they are developed.

HUD and its partners continue to release new guidance for the development of Fair Housing Equity Assessments (FHEAs), some of it released while this report was being researched and drafted. To maintain project deadlines, this FHEA uses the *Fair Housing Planning Guide* as an underpinning resource augmented by more recently released FHEA guidelines, and particular knowledge of HUD's recent expectations relative to AIs and FHEAs.

Though licensed attorneys with land use and fair housing experience have participated in the research contained herein, no portion of this Analysis shall constitute or be relied upon as legal advice or as a legal opinion.

Throughout this analysis, the authors have made careful decisions regarding which datasets to use. The choice of a dataset often involves tradeoffs between criteria. For example, more recent datasets often have a limited number of data variables available for analysis. Additionally, there is the unavoidable tradeoff between geographic and socio-economic detail (less detailed data for smaller geographies) that sometimes restricts the availability of data. Also, the detailed definitions of data variables can change over time limiting their comparability.

Finally, all source data used in the preparation of this analysis, whether from national sources (e.g. the U.S. Census Bureau), local sources (e.g. the *State of Employment* report), or from proprietary sources (e.g. RealtyTrac) is assumed to be accurate.

## Historical Overview

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The Mid-South region has a long and storied history in Americana. From legendary blues and rock n' roll influence to the Civil Rights Movement of the 1960s, the area continues to prosper as the home of major corporations such as FedEx. The cultural hub of Memphis has been the focal point for much of the region's history.

The City of Memphis began as a trade hub and Mississippi River crossing point to the western United States. Today, Memphis has evolved from its humble beginnings to become the twentieth largest city in the United States.

After Shelby County was purchased by the United States Government from the Chickasaw Nation in 1818 as part of the Jackson Purchase, the City of Memphis was created on May 22, 1819 and thereafter opened for settlement.<sup>6</sup> The resulting influx of new residents and the constant passage of people through its borders made Memphis a center for trade, commerce, and an expanding population. These elements of Memphis' history lay the framework for the city's development patterns and the distribution of its population.

Located in the southwestern corner of the state of Tennessee, Memphis is a strategically located city on the Mississippi River. Memphis became an important corridor to the new, expanding western frontier during the early 1800s as Native Americans and White settlers alike both used Memphis as a major crossing point. Being located on the Mississippi River also provided to Memphis significant levels of economic activity including trade and transportation. Prior to the Civil War, the two largest markets in the area were cotton and the slave trade.<sup>7</sup> Cotton grown from the fertile Mississippi Delta area was transported to Memphis where riverboats then used the Mississippi River to ship the cotton to the western frontier as well as farther north and south to New Orleans and other southern cities.

Due to such a high volume of cotton trade in Memphis, the slave trade was a linked market that grew quickly and concurrently in the region. These two activities had a major impact on the area as Memphis prospered economically as a result of the use of slave labor. Slaves were brought into the area in high numbers quintupling the population of Memphis to 33,000 between 1850 and 1860.<sup>8</sup> This created one of the larger Black populations within an urban area by the end of the late 1800s.

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<sup>6</sup> Tennessee Historical Society, Jackson Purchase, January 1, 2014, <http://tennesseeencyclopedia.net/entry.php?rec=698>

<sup>7</sup> City-Data, Memphis: History, 2009, <http://www.city-data.com/us-cities/The-South/Memphis-History.html>

<sup>8</sup> Tennessee Historical Society, Jackson Purchase, January 1, 2014, <http://tennesseeencyclopedia.net/entry.php?rec=698>

The Civil War began in April 1861 where shortly after, the state of Tennessee seceded from the Union on June 8, 1861.<sup>9</sup> Union troops captured Memphis in early 1862.<sup>10</sup> Because of the city's strategic importance, Memphis was spared much damage and continued to prosper during the remainder of the Civil War. The early capture and occupation of Memphis by Union troops also resulted in the city's infrastructure remaining mostly intact, allowing Memphis to recover much quicker than most other Southern municipalities.

Memphis' Black population began to grow rapidly as slaves were freed at the end of the Civil War. The stability that accompanied Union occupation and a sound economic structure made Memphis attractive for the newly freed slaves. This growth of the Black population contributed to heightened tensions between Whites and Blacks within Memphis resulting in a series of riots against Black communities in 1866. The riots left many Black people dead and numerous properties burned and damaged.<sup>11</sup> Social and economic mobility were further hampered as Jim Crow laws were passed in the South following Reconstruction and Union occupation. Blacks found their lives very difficult with little chance for economic prosperity which helped lay the groundwork for the rise of the Civil Rights movement of the 1960s.

Many Black residents sought to live in affordable areas where there was safety and where homes were their own. South Memphis and in particular, Orange Mound, became the most affordable area in which to buy a home and raise a family. Orange Mound began development in 1890 and offered lots of land for less than \$100.<sup>12</sup> These neighborhoods were originally occupied by Black families and to this day are still predominately (approximately 80% in some neighborhoods) Black.<sup>13</sup>

As South Memphis became predominately Black, along with a growing population in the 1940s, North Memphis became another affordable area for housing. By 1940 most Blacks lived either "north of Jackson Avenue or south of Poplar Avenue, with the neighborhoods in between ranging from 10 to 55 percent in Black occupancy."<sup>14</sup> This began to create a wedge of mostly White homeowners in the center of the city expanding eastward and northward towards the suburbs.

Memphis went through a large annexation period in the 1940s through the 1960s. As surrounding suburbs were incorporated into the city, wealthier white homeowners began to move further outside the city. The 1940s also saw Black homeownership beginning to decline in

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<sup>9</sup> University of Houston, Timeline of Secession, 2013,

[http://www.digitalhistory.uh.edu/learning\\_history/south\\_secede/timeline\\_secession.cfm](http://www.digitalhistory.uh.edu/learning_history/south_secede/timeline_secession.cfm)

<sup>10</sup> City-Data, Memphis: History, 2009, <http://www.city-data.com/us-cities/The-South/Memphis-History.html>

<sup>11</sup> The Freedman's Bureau Online, Reports of Outrage, Riots, Murders, Jan. 15, 1866 - Aug. 12, 1868, 2013, <http://www.freedmensbureau.com/tennessee/outrages/memphisriot.htm>

<sup>12</sup> Carter, Rube, Orange Mound - Our History,

<http://www.orangemoundtennessee.com/website/files/history.shtml>

<sup>13</sup> City-Data, Memphis - Percentage Black Alone, 2013, <http://www.city-data.com/city/Memphis-Tennessee.html>

<sup>14</sup> Silver, Christopher, *The Separate City: Black Communities in the Urban South, 1940-1968*, 1995. Accessed via google books in March 2014.

Memphis.<sup>15</sup> As renting in predominately Black areas became more common, housing prices fell. This was also a time when available and affordable housing become dilapidated and substandard. This trend, combined with the location of many housing projects in the predominantly Black areas of South Memphis, made the creation of mixed-income neighborhoods almost impossible.<sup>16</sup> Memphis began to look more segregated than ever before.

As the Civil Rights Movement was growing in influence, Blacks were beginning to move into what were once predominately White homeowner areas. The result was a further exodus of White homeowners from Memphis to the suburbs to the east (“White flight”) beginning in the 1960s and continuing through the 1990s.<sup>17</sup>

Generally, White homeowners had higher median incomes than Black homeowners allowing White homeowners to choose where they wanted to live.<sup>18</sup> Black families had lower incomes, were less mobile, and had to generally stay where they had historically lived in North and South Memphis. As this White flight continued, Black families moved into areas that had previously been predominately White.

As Whites left Memphis, housing prices dropped and after the 1960s Black homeowners began to earn higher incomes. Seeking greater opportunity, Blacks began to migrate further northward into North Memphis and Frayser, to Raleigh and Cordova. A southern migration pattern for Blacks began in South Memphis, then to Whitehaven, to Southeast Memphis, to Hickory Hill, and finally ending in southeast Shelby County. Today’s picture of Memphis resembles a giant “C” of predominately Black areas with the center of Memphis extending out east as a wedge of predominately White homeowners.<sup>19</sup>

In addition to Memphis’ rich Civil Rights history, its cultural significance in music cannot be overlooked. Its rich history of pioneering artists in blues, country, and rock n’ roll have influenced music and culture for decades. Beale Street became the site of multiple clubs and bars where blues musicians would congregate. From here, blues and the electric guitar were fused together by the likes of B.B. King and Muddy Waters.<sup>20</sup> Music progressed further when artists like Elvis Presley and Jerry Lee Lewis took the elements of blues they heard in Memphis and infused faster rhythms and vocals helping to form early rock n’ roll. Nearly all contemporary music owes a debt to blues and rock n’ roll, in which Memphis played a formative role.

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<sup>15</sup> Silver, *The Separate City*.

<sup>16</sup> Silver, *The Separate City*.

<sup>17</sup> Brosnan, James W., Jimmie Covington, Shirley Downing, Races Stay "Isolated" in Memphis, Study Says, 2013, <http://web.commercialappeal.com/newgo/special/census/040501/5race.htm>

<sup>18</sup> Silver, *The Separate City*.

<sup>19</sup> City-Data, Memphis - Percentage Black Alone, 2013, <http://www.city-data.com/city/Memphis-Tennessee.html>

<sup>20</sup> Historic Memphis, Historic Memphis Beale Street, <http://historic-memphis.com/memphis-historic/beale/bealestreet.html>

Other communities in the Mid-South region have a similar proud history. DeSoto County in Mississippi is named after the Spanish explorer Hernando de Soto who explored the region and supposedly died there in 1542.<sup>21</sup> Likewise, the area now known as West Memphis, Arkansas was also explored by de Soto. The local Native American populations in both DeSoto County and West Memphis were devastated by the European diseases brought by de Soto and his men. Settlers moved into the region in much the same fashion as they had in Shelby County, opening up large tracts of land after Native American removal.

More recent demographics in DeSoto County and West Memphis reflect a significant rise in the population of Black residents. It appears that there is an element of “Black flight” from Shelby County and other surrounding areas into DeSoto County and West Memphis.<sup>22</sup> Census data shows that between 2000 and 2010 there was an increase of 23,050 Black residents with a 188.7% change for DeSoto County and an increase of 1,194 Black residents with a 7.7% change for West Memphis.<sup>23</sup> Both DeSoto and Crittenden counties are attractive to new residents for their lower housing prices.

Social and economic situations have affected housing in Memphis more than any other external force. Race and income have determined the housing available for Blacks and Whites dating back to the 1800s. Although conditions have improved between White and Black residents of the region, lingering effects are still evident in current housing patterns. Blacks live in historically Black locations and Whites continue to live within midtown Memphis and its eastern suburbs.

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<sup>21</sup> Johnson, Fry & Co., De Soto's Discovery of the Mississippi, 1541, 2014, <http://www.gilderlehrman.org/history-by-era/exploration/resources/de-soto%E2%80%99s-discovery-mississippi-1541>

<sup>22</sup> Bailey, Henry, 'Black flight' propels DeSoto County growth, census figures show, February 4, 2011, <http://www.commercialappeal.com/news/2011/feb/04/black-flight-propels-desoto/>

<sup>23</sup> CensusViewer, Population Overview, 2012, <http://censusviewer.com/county/MS/DeSoto>, <http://censusviewer.com/city/AR/West%20Memphis>

## Demographic Overview

### Population Characteristics

As of the 2010 Census, the four counties containing the Mid-South Regional Greenprint study area had a combined population of 1,178,211, an increase of 8.7% from the 2000 population figure. In 2010, non-Hispanic African Americans made up the largest share of the region with 47% of the population, followed by non-Hispanic Whites with 44%. These figures represent a change from 2000, when Whites made up the largest share of the region (51%) and Blacks the second largest share (44%). Over the ten year period, White population fell by 5% (or 27,325 persons) while Black population grew by 15% (or 72,743 persons).

Demographic Overview of the 4-County Mid-South Regional Greenprint Area					
	2000		2010		2000-2010 % Change
	Count	Share	Count	Share	
Total Population	1,084,343	100.0%	1,178,211	100.0%	8.7%
Population by Sex					
Male	520,094	48.0%	564,460	47.9%	8.5%
Female	564,249	52.0%	613,751	52.1%	8.8%
Population by Race and Ethnicity					
Non-Hispanic	1,057,445	97.5%	1,116,161	94.7%	5.6%
One Race	1,048,525	96.7%	1,102,885	93.6%	5.2%
White	549,205	50.6%	521,880	44.3%	-5.0%
Black or African American	480,507	44.3%	553,250	47.0%	15.1%
American Indian/Alaskan Native	1,980	0.2%	2,373	0.2%	19.8%
Asian	15,497	1.4%	23,743	2.0%	53.2%
Native Hawaiian/Pacific Islander	296	0.0%	359	0.0%	21.3%
Other race	1,040	0.1%	1,280	0.1%	23.1%
Two or more races	8,920	0.8%	13,276	1.1%	48.8%
Hispanic or Latino (of any race)	26,898	2.5%	62,050	5.3%	130.7%

Sources: U.S. Census 2000 SF1 Table P005 and 2010 SF1 Table P8

Other minority groups also saw substantial growth rates over the 2000-2010 period. Most notably, the Hispanic population added 35,152 persons, an increase of 131%, to make up 5% of the region's population by 2010. American Indians, Asians, Native Hawaiians/Pacific Islanders and persons of other or multiple races had strong growth rates since 2000 (ranging from 20% to 53%) but remain a small share of the overall population, together accounting for less than 4% of the region.

The table and chart on the following pages display 2000 to 2010 population change for each of the four counties and the City of Memphis. As shown, Shelby County constitutes the largest share of the region's population (79% as of 2010) and is the most diverse with 87% of the minority population. It experienced a modest 3% population growth since 2000 although the City of Memphis saw a population loss. Regional expansion was driven by growth in Fayette and DeSoto Counties, which together added 63,660 persons over the ten year period.

With the exception of Fayette, each county saw an increase in diversity since 2000. White population fell in Shelby and Crittenden Counties and decreased as a share of total population in DeSoto. DeSoto County saw the most notable change in terms of racial composition, going from 15% to 30% minority over the ten year period.

In the City of Memphis, Whites made up a little over one-quarter of the population as of 2010 and Blacks composed nearly two-thirds. These figures represent an 18% decline in White population and a 3% growth in Black population since 2000.

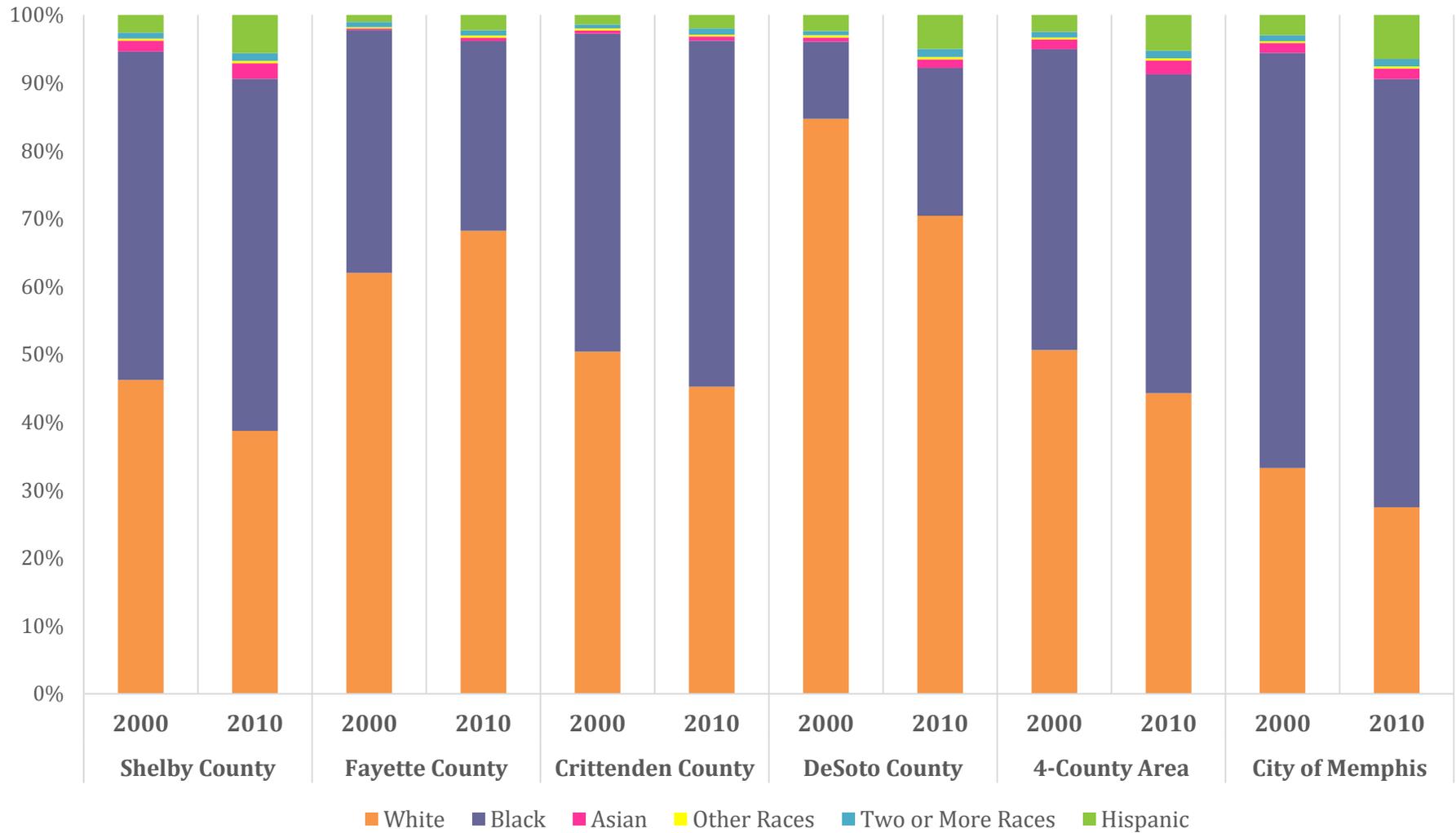
The map on page 33 illustrates the population distribution for non-Hispanic White, non-Hispanic Black, and Hispanic residents in the four-county area. As shown, the majority of the region's Black population resides in the City of Memphis, predominately in the southern and northwest parts of the city. Most of Memphis' White population lives in a band running through the center of the I-240 loop or east of I-240 to the city limits. Hispanic residents reside predominately in Shelby and DeSoto Counties, including the Cities of Memphis, Southaven, and Horn Lake.

Overall, population trends indicate a move toward greater diversity region-wide; however, proceeding segregation analyses will examine demographic patterns more closely to assess levels of diversity within the study area by census tract and jurisdiction.

Racial and Ethnic Composition of the Population, 2000 to 2010									
	2000	2010	% Change	2000	2010	% Change	2000	2010	% Change
	<b>Shelby County, TN</b>			<b>Fayette County, TN</b>			<b>City of Memphis, TN</b>		
Non-Hispanic One Race									
White	414,888	359,106	-13.4%	17,858	26,193	46.7%	216,174	177,735	-17.8%
Black or African American	434,201	481,431	10.9%	10,312	10,742	4.2%	397,732	408,075	2.6%
American Indian/Alaskan Native	1,538	1,804	17.3%	50	106	112.0%	1,009	1,186	17.5%
Asian	14,552	21,245	46.0%	61	186	204.9%	9,373	10,067	7.4%
Native Hawaiian/Pacific Islander	248	274	10.5%	2	3	50.0%	162	159	-1.9%
Other race	946	1,097	16.0%	9	23	155.6%	697	742	6.5%
Two or more races	7,735	10,595	37.0%	216	302	39.8%	5,636	6,931	23.0%
Hispanic or Latino (of any race)	23,364	52,092	123.0%	298	858	187.9%	19,317	41,994	117.4%
Total Population	897,472	927,644	3.4%	28,806	38,413	33.4%	650,100	646,889	-0.5%
	<b>Crittenden County, AR</b>			<b>DeSoto County, MS</b>					
Non-Hispanic One Race									
White	25,643	23,028	-10.2%	90,816	113,553	25.0%			
Black or African American	23,828	25,953	8.9%	12,166	35,124	188.7%			
American Indian/Alaskan Native	121	120	-0.8%	271	343	26.6%			
Asian	236	301	27.5%	648	2,011	210.3%			
Native Hawaiian/Pacific Islander	11	6	-45.5%	35	76	117.1%			
Other race	28	15	-46.4%	57	145	154.4%			
Two or more races	279	465	66.7%	690	1,914	177.4%			
Hispanic or Latino (of any race)	720	1,014	40.8%	2,516	8,086	221.4%			
Total Population	50,866	50,902	0.1%	107,199	161,252	50.4%			

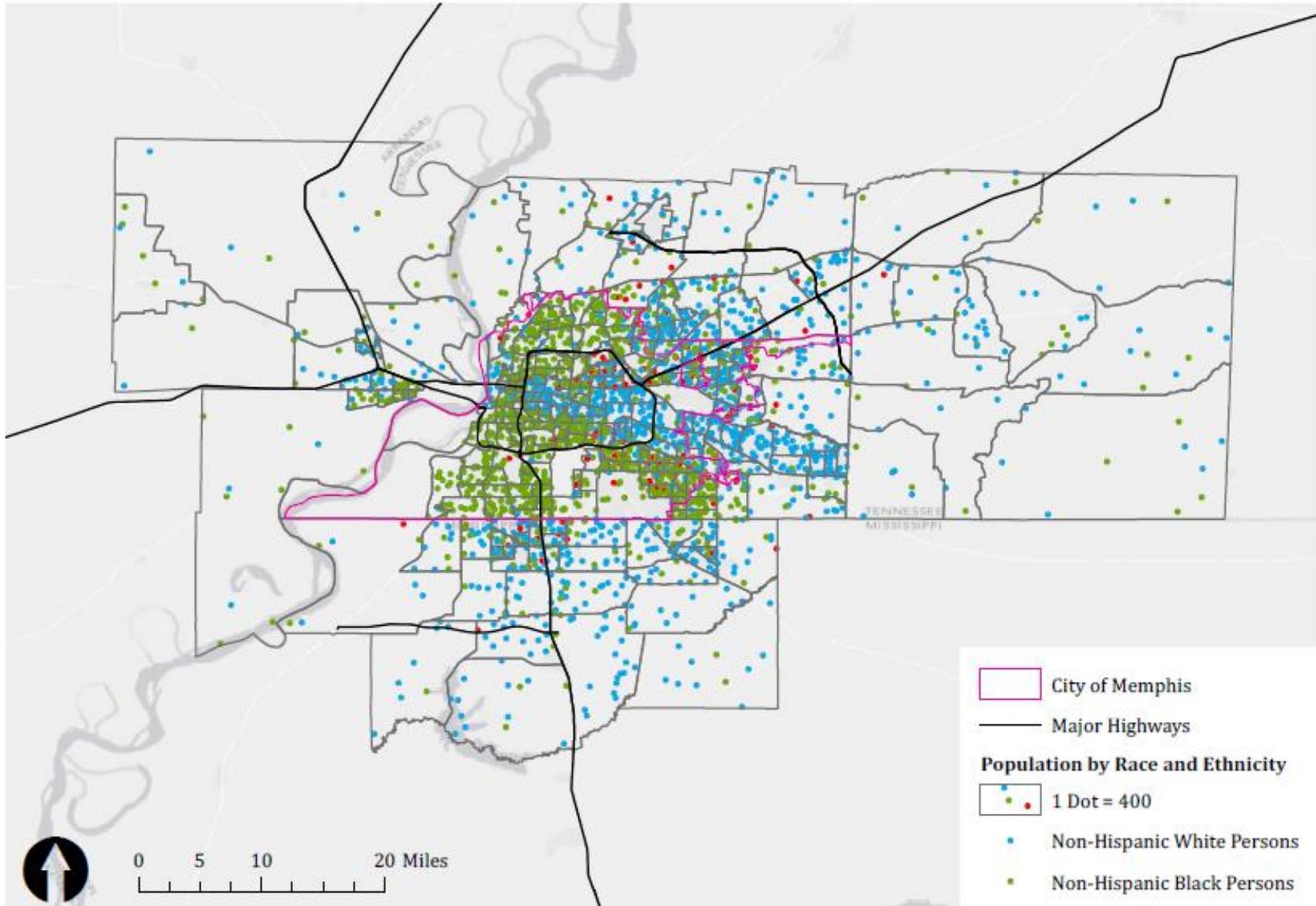
Sources: U.S. Census 2000 SF1 Table P005 and 2010 SF1 Table P8

### Racial and Ethnic Composition of the Population, 2000 to 2010



Note: "Other races" includes American Indians, Alaskan Natives, Native Hawaiians, Pacific Islanders, and persons of other or multiple races.  
 Sources: U.S. Census 2000 SF1 Table P005 and 2010 SF1 Table P8

# Population by Race and Ethnicity, 2010



Source: U.S. Census 2010 SF1 Table Table P9, Census TIGER

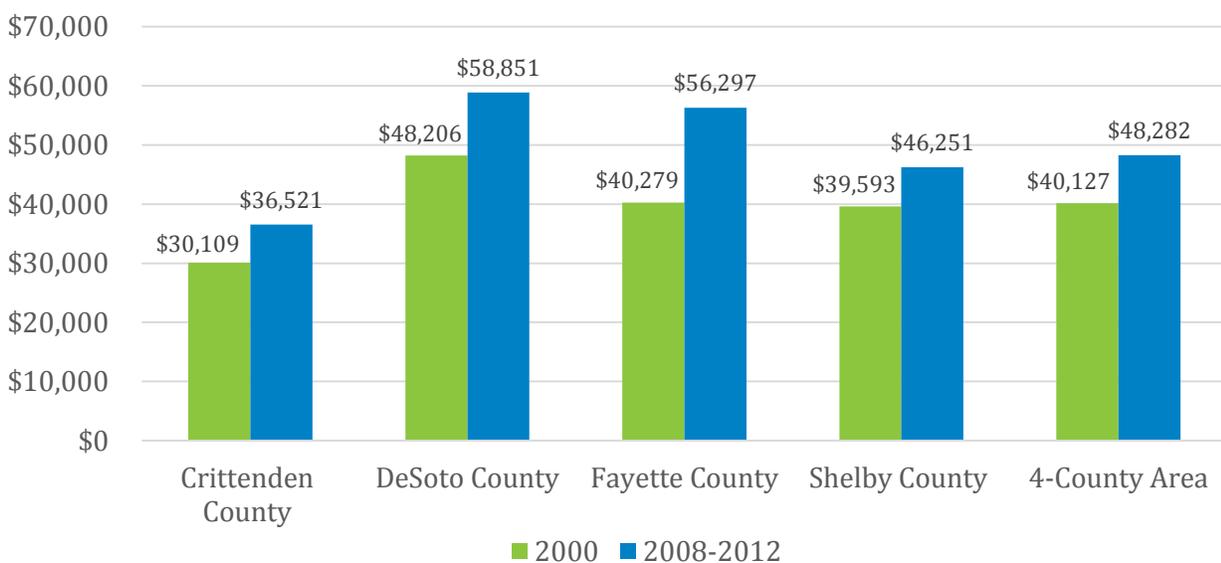
## Employment & Economic Profile

Like many U.S. cities, Memphis and the surrounding areas are still recovering from the impact of the past decade's economic recession. During the recession, some residents of the region faced job losses, pay cuts, or foreclosures, and saw resulting reductions to their household income. Income plays the most important role in helping individuals and families determine how much money they need to budget for mandatory expenditures, like mortgage, rent, or utility payments in comparison to discretionary income they may have available for living expenses or savings and investments. Household income is a strong indicator of an individual or family's standard of living. While economic factors may not be the strongest determinant in a family or individual's housing choice in every circumstance, the relationships between household income and race/ethnicity should be evaluated for potential restrictions to fair housing choice.

### Household Income

The chart below provides median household incomes for the four-county Greenprint region according to the 2000 Census and the 2008-2012 American Community Survey. Throughout the region, median household income is estimated at \$48,282, which is a 20% increase since 2000. Highest median incomes are in DeSoto and Fayette Counties at \$58,851 and \$56,297, respectively. Fayette saw the largest increase over the period, growing by 40%. Medians in Shelby and Crittenden Counties fall below the national median of \$53,046, while medians in DeSoto and Fayette Counties are above the national mark. With the exception of Crittenden County, all are above the Tennessee median of \$44,140.

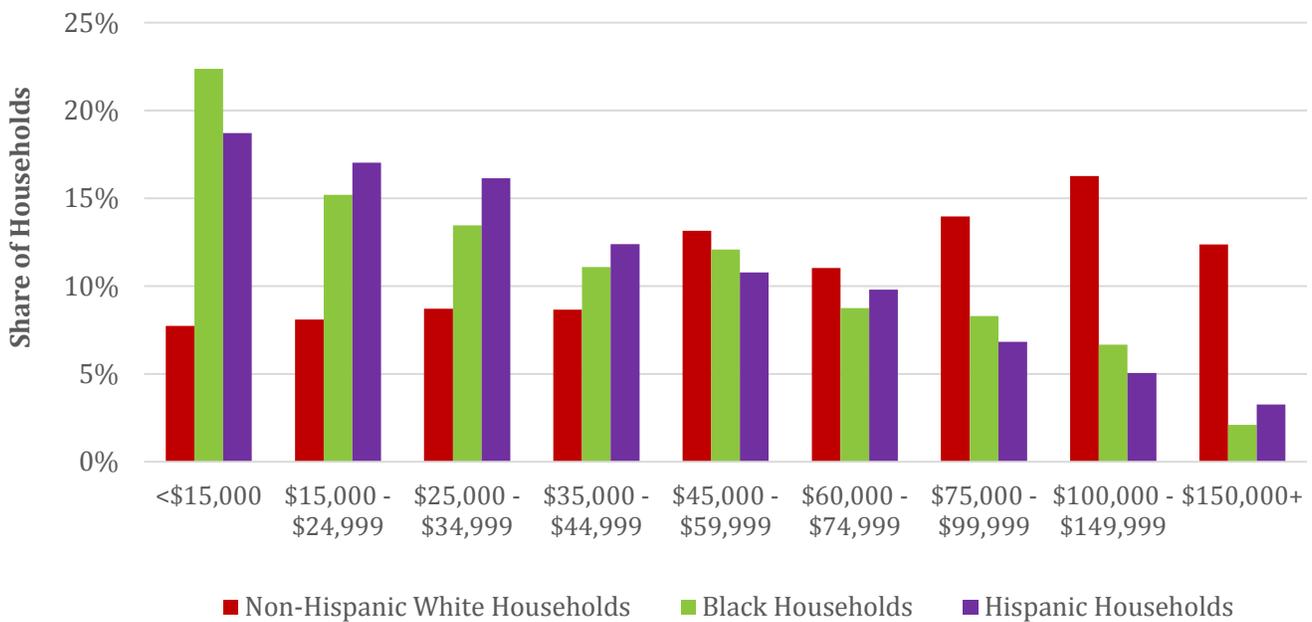
Median Household Income by County



Sources: U.S. Census 2000 SF3 Tables P052 and P053 and 2008-2012 American Community Survey Tables B19001 and B19013

Household income distribution by race and ethnicity for the four-county area is provided in the figure on the following page. With household income being the major determinant of one’s budget for housing, income differences amongst racial/ethnic groups translate to varying abilities to afford housing throughout the region. As shown, households with Black and Hispanic householders are concentrated in lower income categories – 38% and 36% of these households have incomes below \$25,000, respectively, compared to 16% of non-Hispanic White households.

**Household Income Distribution, 2008-2012**



Sources: 2008-2012 American Community Survey Tables B19001, B19001B, B19001H, B19001I

On the other end of the income spectrum, 29% of White households have incomes above \$100,000 versus 9% of African American households and 8% of Hispanic households. Lower household incomes for Black and Hispanic households are likely to limit their housing choices in terms of location, type, and quality; for minority households eligible for subsidized housing, choice of location will be dependent on the geographic availability of such housing.

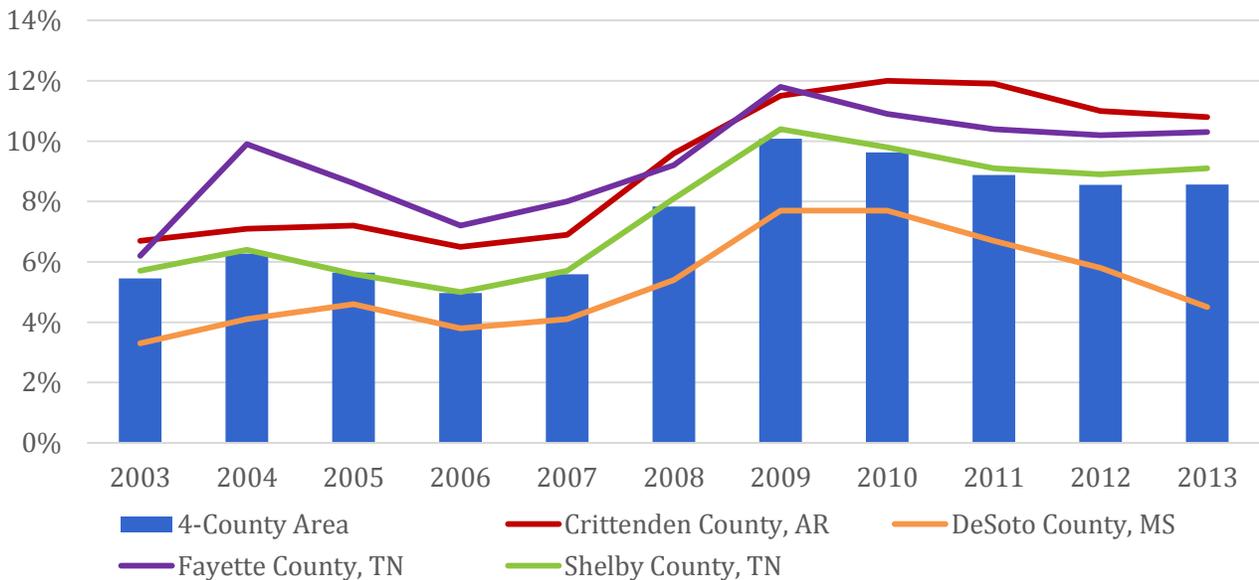
**Unemployment**

The unemployment rate in the four-county area was 8.6% as of December 2013, the latest month for which data is available, with an estimated 45,909 persons looking for work. Historical unemployment data shown in the chart below clearly reflects the impact of the recession. The regional unemployment rate doubled from 5.0% in 2006 to 10.1% in 2009 and has edged

downward since. County unemployment rates follow similar trends, with the lowest unemployment rate in DeSoto County and the highest in Crittenden. While DeSoto's December 2013 rate of 4.5% was below the national rate of 6.5%, the remaining counties and the region were above this mark.

As a community's unemployment rate rises, its households have less money available to budget between mandatory expenses like their mortgage or rent payments and their discretionary expenses. Other potential related impacts of the recession, including increased poverty and difficulty affording housing, will be further explored in subsequent sections of this document.

**Unemployment Rate, Dec 2003 to Dec 2013**



Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics

## Workforce and Industry

According to the 2008-2012 American Community Survey, 533,590 residents of the four-county region are employed. At 70%, the majority of residents work for private companies; nearly one-quarter are either self-employed or unpaid family workers. Government employees make up a small share of employed residents at 6%.

Residents in the region work in a diverse array of industries. The largest share are employed in educational services, healthcare, and social assistance jobs (22%), followed by transportation, warehousing, and utilities (12%) and retail trade (11%). Three other industries account for 9% or more of employed residents – arts, entertainment, recreation, accommodation, and food services; professional, scientific, management, administrative and waste management services; and manufacturing.

Civilian Employment in the 4-County Area		
	Employees	% of Total
<b>Employment by Type of Worker</b>		
Private Company Employees	371,474	69.6%
Private Not-for-Profit Employees	11,735	2.2%
Self-Employed in Incorporated Businesses	43,791	8.2%
Self-Employed in Not Incorporated Businesses; Unpaid Family Workers	77,086	14.4%
Local, State and Federal Workers	29,504	5.5%
<b>Total</b>	<b>533,590</b>	<b>100.0%</b>
<b>Employment by Industry</b>		
Agriculture, Forestry, Fishing & Hunting, Mining	2,754	0.5%
Construction	28,719	5.4%
Manufacturing	49,345	9.2%
Wholesale Trade	20,242	3.8%
Retail Trade	58,537	11.0%
Transportation & Warehousing, Utilities	61,376	11.5%
Information	7,724	1.4%
Finance & Insurance, Real Estate, Rental & Leasing	32,332	6.1%
Professional, Scientific, Management, Admin. & Waste Mgmt. Services	51,188	9.6%
Educational Services, Healthcare & Social Assistance	116,977	21.9%
Arts, Entertainment, Recreation, Accommodation & Food Services	51,675	9.7%
Other Services, Except Public Administration	27,656	5.2%
Public Administration	25,065	4.7%
<b>Total</b>	<b>533,590</b>	<b>100.0%</b>

Source: 2008-2012 American Community Survey Table C24070

## Jobs and Major Employers

The workforce section provided employment by *place of residence* for the four-county area (i.e., employed persons living in the area, regardless of where they work). This section examines employment by *place of work*, specifically, jobs located in the Memphis metropolitan area.<sup>24</sup> To

<sup>24</sup> The Bureau of Labor Statistics provides employment and wage data by occupation for metropolitan areas throughout the U.S. The definition of the Memphis MSA used by the BLS includes Crittenden County, Arkansas; DeSoto, Marshall, Tate, and Tunica Counties, Mississippi; and Fayette, Shelby, and Tipton Counties, Tennessee.

assess rates of compensation in the region, average wages in the region are compared to national averages by occupation, as shown in the table below.

<b>Jobs and Wages by Occupation in the Memphis MSA, 2012</b>						
<b>Occupation Category</b>	<b>Memphis MSA</b>			<b>U.S.</b>		<b>Memphis: U.S. Wage Ratio</b>
	<b>Jobs</b>	<b>% of Total</b>	<b>Median Wage</b>	<b>% of Total</b>	<b>Median Wage</b>	
Management	30,990	5.2%	\$80,730	4.9%	\$93,910	86.0%
Business & Financial Operations	20,660	3.5%	\$57,270	4.9%	\$62,500	91.6%
Computer & Mathematical	10,470	1.8%	\$71,950	2.7%	\$76,270	94.3%
Architecture & Engineering	6,830	1.2%	\$72,700	1.8%	\$73,540	98.9%
Life Physical & Social Science	2,940	0.5%	\$56,390	0.8%	\$60,100	93.8%
Community & Social Service	5,840	1.0%	\$37,930	1.4%	\$40,400	93.9%
Legal	3,060	0.5%	\$66,190	0.8%	\$75,270	87.9%
Education Training & Library	33,380	5.6%	\$45,420	6.4%	\$46,020	98.7%
Arts, Design, Entertain., Sports & Media	4,390	0.7%	\$36,300	1.3%	\$43,930	82.6%
Healthcare Practitioners & Technical	38,550	6.5%	\$54,050	5.9%	\$60,200	89.8%
Healthcare Support	13,620	2.3%	\$24,880	3.0%	\$25,550	97.4%
Protective Service	19,570	3.3%	\$31,840	2.5%	\$36,620	86.9%
Food Preparation & Serving Related	48,470	8.2%	\$18,180	8.9%	\$18,930	96.0%
Building & Grounds Cleaning & Mainten.	19,950	3.4%	\$21,090	3.3%	\$22,690	92.9%
Personal Care & Service	16,830	2.8%	\$18,840	2.9%	\$20,840	90.4%
Sales & Related	58,600	9.9%	\$24,020	10.6%	\$25,120	95.6%
Office & Administrative Support	96,400	16.3%	\$30,340	16.4%	\$31,510	96.3%
Farming, Fishing & Forestry	680	0.1%	\$22,860	0.3%	\$19,370	118.0%
Construction & Extraction	16,780	2.8%	\$33,950	3.8%	\$40,120	84.6%
Installation Maintenance & Repair	22,490	3.8%	\$39,500	3.9%	\$41,020	96.3%
Production	37,260	6.3%	\$29,100	6.6%	\$30,920	94.1%
Transportation & Material Moving	83,270	14.1%	\$27,670	6.7%	\$28,960	95.5%
<b>Total</b>	<b>591,020</b>	<b>100.0%</b>	<b>\$31,120</b>	<b>100.0%</b>	<b>\$34,750</b>	<b>89.6%</b>

Note: Estimates do not include self-employed workers.

Source: U.S. Bureau of Labor Statistics Employment and Wages data from Occupational Employment Statistics (OES) Survey

The Bureau of Labor Statistics estimates 591,020 jobs in the MSA as of 2012. Occupations with the largest share of employees included office and administrative support with 16% and transportation and material moving with 14%. Relative to the national distribution of jobs,

metro Memphis had twice as high a concentration of transportation and material moving jobs and 1.3 times the share of protective service occupations.

Wage data indicates that pay in the Memphis MSA tends to be below national levels. Median pay in the metro area was below the U.S. median for 21 of the 22 occupation categories examined and, in those categories, ranged from 83% to 99% of the national medians. Lower wages and resulting reduced budgets often impact a household's ability to afford adequate shelter. The Housing Profile section of this document takes a closer look at housing affordability throughout the region.

As part of the Mid-South Regional Greenprint process, Nelson/Nygaard Consulting Associates, Inc. produced a *State of Employment* report identifying major employers and job concentrations in the Memphis region. They note that most large employers are located in downtown Memphis or around the airport, with others scattered in the southeast and eastern part of the city. No major regional employers are located in northern Memphis or DeSoto, Crittenden or Fayette Counties.

The table on the following page identifies top employers by industry for Shelby, Crittenden, and DeSoto Counties. Given the modest number of jobs in Fayette, top employer information was not available there. FedEx is the single largest employer in the region, with approximately 30,000 employees at multiple locations within the area.

Major Employers in the Mid-South Regional Greenprint Area			
Shelby County, TN		Crittenden County, AR	
Employer	Industry	Employer	Industry
FedEx Corp	Shipping	West Memphis School District	Education
Memphis City Schools	Education	Crittenden Memorial Hospital	Health Care
United States Government	Government	Marion School District	Education
Tennessee State Government	Government	Wal-Mart Stores, Inc.	Retail
Methodist LeBonheur	Healthcare	Family Dollar	Distribution
Baptist Memorial Health Care Corp.	Healthcare	Southland Racing Corporation	Race Tracks
City of Memphis	Government	Mid-South Community College	Education
Wal-Mart Stores, Inc.	Retail	FedEx Freight, Inc.	Shipping
Shelby County Government	Government	Hino Motors Manufacturing USA	Auto Parts
Shelby County Schools	Education	Schneider National Carriers	Trucking
DeSoto County, MS			
Employer	Industry		
Baptist Memorial Hospital – DeSoto	Healthcare		
DeSoto County School District	Education		
Future Electronics	Retail		
Kawneer Co., Inc.	Retail		
Landau Uniforms, Inc.	Retail		
Marietta America Inc.	Retail		
Quebecor World Olive Branch	Manufacturing		
The Home Depot	Retail		
Walmart Stores, Inc.	Retail		
Williams-Sonoma	Retail		

Source: Shelby County Government Adopted Budget Fiscal Year 2014; Arkansas Economic Development Commission Research Division, November 2013; American Registry, 2013

## Workforce Development

Programs providing job training and placement are provided by the states of Tennessee, Arkansas, and Mississippi and also through local Workforce Investment Act agencies operating throughout the Mid-South region. Targeted education and training for young people is available

in the region through the federal Job Corps Program available at the Dr. Benjamin L. Hooks Job Corps Center located in the City of Memphis.

In the states of Tennessee, Arkansas, and Mississippi the focus of job training and placement programs is oriented toward providing employment and educational services to employers and job seekers through single departmental points of contact and somewhat customized services. These state departments (the Tennessee Department of Labor and Workforce Development, the Arkansas Department of Workforce Services, and the Mississippi Department of Employment Services) work with local Workforce Investment Act providers which have offices in Memphis, West Memphis, and in Southaven, Mississippi.

In Memphis and West Memphis, workforce centers are located in or adjacent to racially and/or ethnically concentrated areas of poverty (RCAP/ECAPs, which are discussed in detail later in this analysis), enhancing the opportunity for residents in these areas of concentrated poverty to learn about and prepare for employment opportunities. The location of these centers in areas nearest to low income residents also helps these residents gain ready access to career counseling, job training, job availability information, and placement into jobs. DeSoto County's job center is located in Southaven, Mississippi and is not within or near RCAP/ECAP census tracts. The workforce development centers located in the Mid-South Regional Greenprint study area are listed below. Where applicable, proximate RCAP/ECAP census tracts are noted.

Tennessee Career Center – Hickory Hill  
4240 Hickory Hill  
Memphis, TN 38141  
(Proximate to RCAP/ECAP census tracts: 82, 105)

Tennessee Career Center – Walnut Grove  
3040 Walnut Grove Rd.  
Memphis, TN 38111  
(Proximate to RCAP/ECAP census tract: 205.23)

Tennessee Career Center – Downtown  
480 Beale Street  
Memphis, TN 38103  
(Proximate to RCAP/ECAP census tracts: 18, 20-24, 37, 44-46, 48, 50-51, 54, 59)

Tennessee Career Center at Somerville  
121 West Court Square  
Somerville, TN 38068  
(No proximity to RCAP/ECAP census tracts)

Mid-South Community College  
2000 W. Broadway  
West Memphis, AR, 72301  
(Proximate to RCAP/ECAP census tracts: 301.01, 304.01, 305.01, 305.02)

DeSoto County WIN Job Center  
7320 Highway 51 North  
Southaven, MS 38671  
(No proximity to RCAP/ECAP census tracts)

In addition to the opportunities made available by the workforce development centers listed above, certain public funding requirements also help to develop the region's workforce, particularly for low-income residents. Every city, county, or organization that receives grant funds from HUD must comply with Section 3 of the Housing and Urban Development Act of 1968. This section of the statute requires that recipients of grant funds ensure that the funds are expended for activities that provide potential employment opportunities for low- to very-low income persons. According to HUD's Section 3 requirements, businesses and employers working on HUD-funded projects must "to the greatest extent feasible" make a good-faith effort to train and employ low- to very low-income individuals in the area and also to contract with businesses identified as meeting the Section 3 business criteria.

Accordingly, The City of Memphis and the City of West Memphis (which encompass all the identified RCAP/ECAPs and also happen to be HUD grantees) are required to develop Section 3 plans and to set targets for the hire of low-income persons and firms and to report their annual performance against their plan goals. Section 3 requirements, to the extent the goals set are ambitious and the implementation is sound, are important means of extending training and employment opportunities to low-income residents.

## Segregation Analysis

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Segregation, or the degree to which two or more racial or ethnic groups live geographically separate from one another, can directly affect the quality of life in cities and neighborhoods. As new people settle in an area, their race or ethnicity is likely to have an effect on the dynamics of the community where they live.<sup>25</sup> A study by the Federal Reserve Bank of Cleveland compared the economic growth of more than 100 areas in the U.S. between 1994 and 2004 and concluded that racial diversity and inclusion was “positively associated with a host of economic growth measures, including employment, output, productivity, and per capita income.”<sup>26</sup> In general, diverse communities have been found to benefit from greater innovation arising out of the varied perspectives within the community. Additionally, multilingual and multicultural regions are best positioned for success in the global marketplace.

Despite the economic and other advantages of diversity, patterns of racial and ethnic segregation remain prevalent in many regions and cities. Segregation is typically perceived of negatively, but it is important to note that it is not always due to overt housing discrimination. In fact, there could be at least three reasons why patterns of segregation exist:

- personal preferences cause individuals to want to live in neighborhoods with others of a particular race and ethnicity;
- income differences across race and ethnic groups limit the selection of neighborhoods where persons of a particular race and ethnicity can live; and,
- illegal discrimination in the housing market limits the selection of neighborhoods where persons of a particular race and ethnicity can live.

However, even when the causes of segregation are benign, its effects can be detrimental. “Numerous studies have focused on the possible effects of residential neighborhoods on social and economic outcomes. Persistent economic and racial residential segregation is implicated in enduring racial and ethnic inequality.”<sup>27</sup> For example, research demonstrates that African-American homeowners earn less equity in their non-rental homes because their incomes are lower and they resided in areas that are more segregated. “Individuals take account of the race-ethnic composition of neighborhoods when deciding if and where to move. These patterns may result from a number of underlying social processes. While race-ethnic prejudice may govern residential choices to some degree, the ethnic composition of a neighborhood is also correlated

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<sup>25</sup> Sawyer, N. and Tatian, P. (2003, October). Segregation Patterns in the District of Columbia: 1980 to 2000. Washington, DC: The Urban Institute.

<sup>26</sup> PolicyLink. 2011. “America’s Tomorrow: Equity is the Superior Growth Model.” [http://www.policylink.org/atf/cf/%7B97c6d565-bb43-406d-a6d5eca3bbf35af0%7D/SUMMIT\\_FRAMING\\_WEB\\_FINAL\\_20120127.PDF](http://www.policylink.org/atf/cf/%7B97c6d565-bb43-406d-a6d5eca3bbf35af0%7D/SUMMIT_FRAMING_WEB_FINAL_20120127.PDF)

<sup>27</sup> Bruch, E. (2005) Residential Mobility, Income, Inequality, and Race/Ethnic Segregation in Los Angeles. Princeton, NJ: Princeton, University.

with other factors that determine neighborhood attractiveness. For example, neighborhoods vary in levels of crime, quality housing, and poverty.”<sup>28</sup>

The task in this Segregation Analysis is to determine the degree to which residents of the Mid-South Regional Greenprint study area are segregated by race and ethnicity, based on population counts from the 2000 and 2010 U.S. Censuses.

Residential segregation is the degree to which two or more racial or ethnic groups live geographically separate from one another. Early in the field of residential segregation analysis Duncan and Duncan<sup>29</sup> (1955) defined a “dissimilarity index” which became the standard segregation measure for evenness of the population distribution by race. By 1988 researchers had begun pointing out the shortcomings of dissimilarity indices when used apart from other measures of potential segregation. In a seminal paper, Massey and Denton<sup>30</sup> (1988) drew careful distinctions between the related spatial concepts of sub-population distribution with respect to evenness (minorities may be under- or over-represented in some areas) and exposure (minorities may rarely share areas with majorities thus limiting their social interaction).

This report will use the methodology set forth by Duncan and Duncan for the measurement of evenness of the population distribution by race (dissimilarity index) as well as measures of exposure of one race to another (exposure and isolation indices), based on the work of Massey and Denton. Workers in the field generally agree that these measures adequately capture the degree of segregation. These measures have the advantage of frequent use in segregation analyses and are based on commonsense notions of the geographic separation of population groups. An additional analysis for the Entropy Index will provide a measure of multi-group diversity not accounted for by the other indices which necessarily are limited to two racial or ethnic groups at a time.

## Dissimilarity Index

The Dissimilarity Index (DI) indicates the degree to which a minority group is segregated from a majority group residing in the same area because the two groups are not evenly distributed geographically. The DI methodology requires a pair-wise calculation between the racial and ethnic groups in the region. Evenness, and the DI, are maximized and segregation minimized when all small areas (census tracts in this analysis) have the same proportion of minority and majority members as the larger area in which they live (here, the Mid-South Regional Greenprint

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<sup>28</sup> Ibid.

<sup>29</sup> Duncan, Otis D., and Beverly Duncan. 1955. “A Methodological Analysis of Segregation Indices.” *American Sociological Review*, Vol. 20.

<sup>30</sup> Massey, Douglas, S. and Denton, N. A., 1988. “The Dimensions of Residential Segregation.” *Social Forces*, Vol. 67, No. 2, University of North Carolina Press.

study area).<sup>31</sup> Evenness is not measured in an absolute sense, but is scaled relative to some other group. The DI ranges from 0.0 (complete integration) to 1.00 (complete segregation). HUD identifies a DI value between 0.41 and 0.54 as a moderate level of segregation and 0.55 or above as a high level of segregation.

The regional proportion of the minority population can be small and still not be segregated if evenly spread among tracts. Segregation is maximized when no minority and majority members occupy a common area. When calculated from population data broken down by race or ethnicity, the DI represents the proportion of minority members that would have to change their area of residence to achieve an even racial or ethnic distribution.

Although the literature provides several similar equations for the calculation of the DI, the one below is the most commonly used. This equation differences the magnitude of the weighted deviation of each census tract's minority share with the tract's majority share which is then summed over all the tracts in the region:<sup>32</sup>

$$D = \left( \frac{1}{2} \right) \sum_{i=1}^n \left| \frac{Min_i}{Min_T} - \frac{Maj_i}{Maj_T} \right|$$

where:

D = Dissimilarity Index

Min<sub>i</sub> = Minority group population of census tract i

Min<sub>T</sub> = Minority group regional population

Maj<sub>i</sub> = Majority group population of census tract i

Maj<sub>T</sub> = Majority group regional population

n = Total number of census tracts in the region.

The table below presents the results of these calculations between non-Hispanic Whites, non-Hispanic Blacks, non-Hispanic Asians, and Hispanics in the Mid-South Regional Greenprint study

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<sup>31</sup> Study area census tracts are identified by HUD's Office of Policy Development & Research in data files provided to Sustainable Communities Regional Planning Grant program participants for use in preparing Fair Housing and Equity Assessments.

<sup>32</sup> Calculation after [Desegregation Court Cases and School Demographics Data](http://www.s4.brown.edu/schoolsegregation/desegregationdata.htm), Brown University, Providence, Rhode Island. Source: <http://www.s4.brown.edu/schoolsegregation/desegregationdata.htm>. Accessed February 27, 2013.

area.<sup>33</sup> The graph that follows presents the same data in a visual format so that trends can be more readily identified.

Overall, the DI calculations show a slight decline in segregation between most racial and ethnic groups in the Greenprint study area during the 2000-2010 period. As of 2010, the majority remain moderately to highly segregated (DI values above 0.41). The table and graph of DI calculations shows that the DI between Whites and Blacks was 0.70 in 2000 and declined to 0.66 in 2010, a drop of 5.7%, but still a high degree of segregation. This can be interpreted as meaning that in 2010 66% of Black residents *or* 66% of White residents would have had to move in order for the two groups to be identically distributed geographically, which would have completely eliminated Black and White segregation in the region (i.e., each census tract containing the same share of the region’s White population as of the region’

<b>Dissimilarity Index Mid-South Regional Greenprint Study Area</b>		
<b>Group Exposure</b>	<b>Dissimilarity Index (2000)</b>	<b>Dissimilarity Index (2010)</b>
<b>Black-White</b>	0.70	0.66
<b>Asian-White</b>	0.38	0.36
<b>Hispanic-White</b>	0.46	0.51
<b>Asian-Black</b>	0.68	0.64
<b>Hispanic-Black</b>	0.53	0.48
<b>Asian-Hispanic</b>	0.46	0.54

Sources: U.S. Census 2000 SF1 Table P004 and 2010 SF1 Table P11

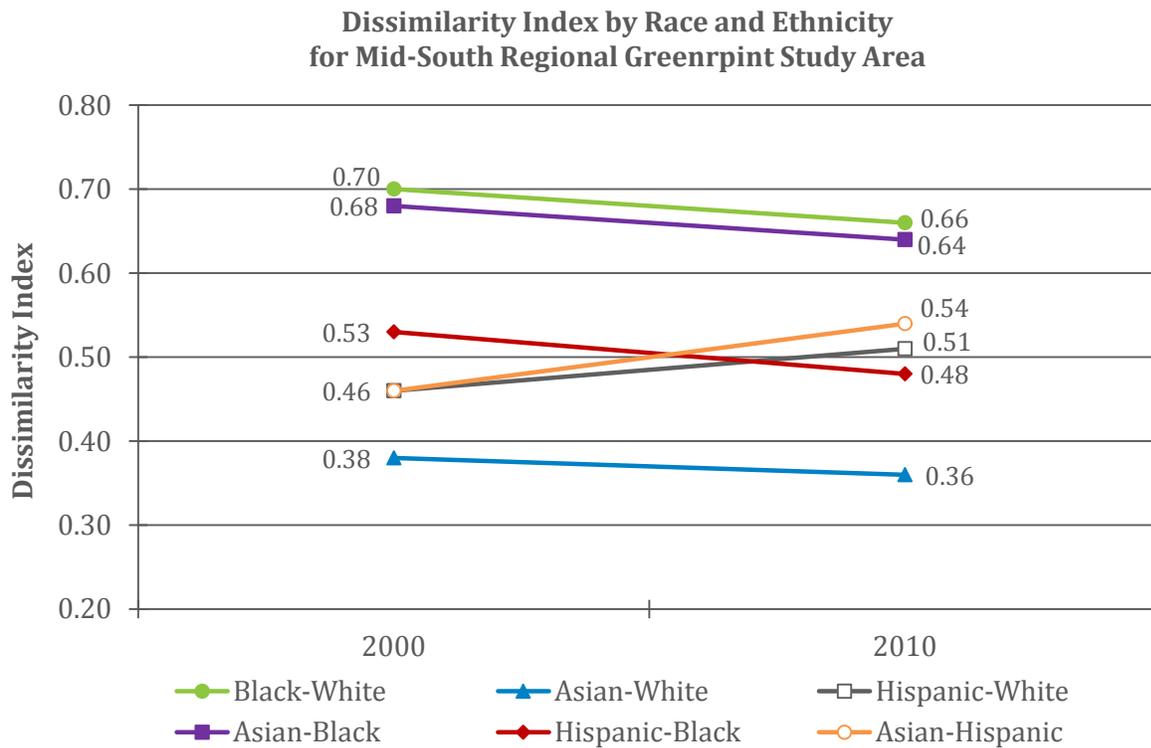
Other groups showing high segregation (least even distribution) were Asians and Blacks (0.64, a decrease of 5.9% from the 2000 level). Moderate levels of segregation exist between Asians and Hispanics (0.54, an increase of 17.4%), Hispanics and Whites (0.51, an increase of 10.9%), and Hispanics and Blacks (0.48, a decrease of 9.4%). White and Asian segregation were low and down slightly over the decade.

According to the DI computations, segregation in the Greenprint area is highest between Blacks and Whites, who together constitute 91.0% of total study area population. As the proceeding analysis of predicted racial/ethnic composition will show, Memphis and areas to the west tend to have a larger share of non-White residents (84.1% of whom are African Americans region-

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<sup>33</sup> The DI methodology requires that each group be distinct from each other. Each racial or ethnicity (Hispanic) group cannot overlap. This study focuses primarily on four groups: Hispanics, Non-Hispanic Whites, Non-Hispanic Blacks, and Non-Hispanic Asians (to be called “Whites,” “Blacks,” and “Asians” for simplicity).

wide) than would be predicted based on income trends, while areas to the east have a lower share. In both 2000 and 2010, least segregation was between Asians and Whites (0.36, decline of 5.3%), indicating that these racial groups are the most similarly distributed among census tracts.



Source: U.S. Census 2000 SF1 Table P004 and 2010 SF1 Table P11

While a distinction can be made between voluntary integration (lifestyle choice driven by social factors) and involuntary integration (housing choice driven by economic or other factors), it is impossible with the existing datasets to make a definitive finding between the two. However, it is likely that Blacks and Hispanics, with lower average incomes than other groups, found themselves in economic situations that left them little choice but to occupy, and compete for, the lowest cost housing options available to them.

### Exposure Index

Two basic, and related, measures of racial and ethnic interaction are exposure (this section) and isolation (next section). These two indices, respectively, reflect the possibility that a minority person shares a census tract with a majority person (Exposure Index, EI, this section) or with another minority person (Isolation Index, II, next section).

“Exposure measures the degree of potential contact between minority and majority group members” (Massey and Denton 1988). Exposure is a measure of the extent two groups share

common residential areas and so it reflects the degree to which the average minority group member experiences segregation. The EI can be interpreted as the probability that a minority resident will come in contact with a majority resident, and ranges in value from 0.0 to 1.0, where higher values represent lower segregation.

As with the Dissimilarity Index, each calculation of EI involves two mutually exclusive racial or ethnic groups. The EI measures the exposure of minority group members to members of the majority group as the minority-weighted average (the first term in the equation below) of the majority proportion (the second term) of the population in each census tract, which can be

$$Prob = \sum_{i=1}^n \left( \frac{Min_i}{Min_T} \right) \left( \frac{Maj_i}{Tot_i} \right)$$

written as:

where:

Prob = Probability that minority group members interact with majority group members

Min<sub>i</sub> = Minority group population of census tract i

Min<sub>T</sub> = Minority group regional population

Maj<sub>i</sub> = Majority group population of census tract i

Tot<sub>i</sub> = Total population of census tract i

n = Total number of census tracts in the region.

The EI is not “symmetrical” so the probability of a typical Black person meeting a White person in a tract is not the same as the probability of a typical White person meeting a Black person in that tract. An illustrative example of this asymmetry is to imagine a census tract with many White residents and a single Black resident. The Black person would see all White people, but the White residents would see only one Black person. Each would see a much different world with respect to group identification.

The maximum value of the EI depends both on the distribution of racial and ethnic groups and on the proportion of minorities in the area studied. Generally, the value of this index will be highest when the two groups have equal numbers and are spread evenly among tracts (low

segregation). If a minority is a small proportion of a region’s population, that group tends to experience high levels of exposure to the majority regardless of the level of evenness.<sup>34</sup>

The “Exposure Index” table shows that in 2010 the typical probability of a Black person interacting with a White person was 21%, and that the probability of a White person interacting with a Black person was similar at 23%. This probability can also be interpreted to mean that on average 21 of every 100 people a Black person met were White and 23 of every 100 people a White person met were Black. Asians and Hispanics had higher likelihoods of meeting Whites (59% and 40%, respectively), but a much smaller chance of Whites meeting them (3% and 5%).

<b>Exposure Index Mid-South Regional Greenprint Study Area</b>		
<b>Interacting Groups</b>	<b>Exposure Index (2000)</b>	<b>Exposure Index (2010)</b>
<b>Black-White</b>	0.22	0.21
<b>White-Black</b>	0.19	0.23
<b>Asian-White</b>	0.64	0.59
<b>White-Asian</b>	0.02	0.03
<b>Hispanic-White</b>	0.49	0.40
<b>White-Hispanic</b>	0.02	0.05
<b>Black-Asian</b>	0.01	0.01
<b>Asian-Black</b>	0.27	0.29
<b>Black-Hispanic</b>	0.02	0.05
<b>Hispanic-Black</b>	0.42	0.44
<b>Asian-Hispanic</b>	0.04	0.05
<b>Hispanic-Asian</b>	0.02	0.02

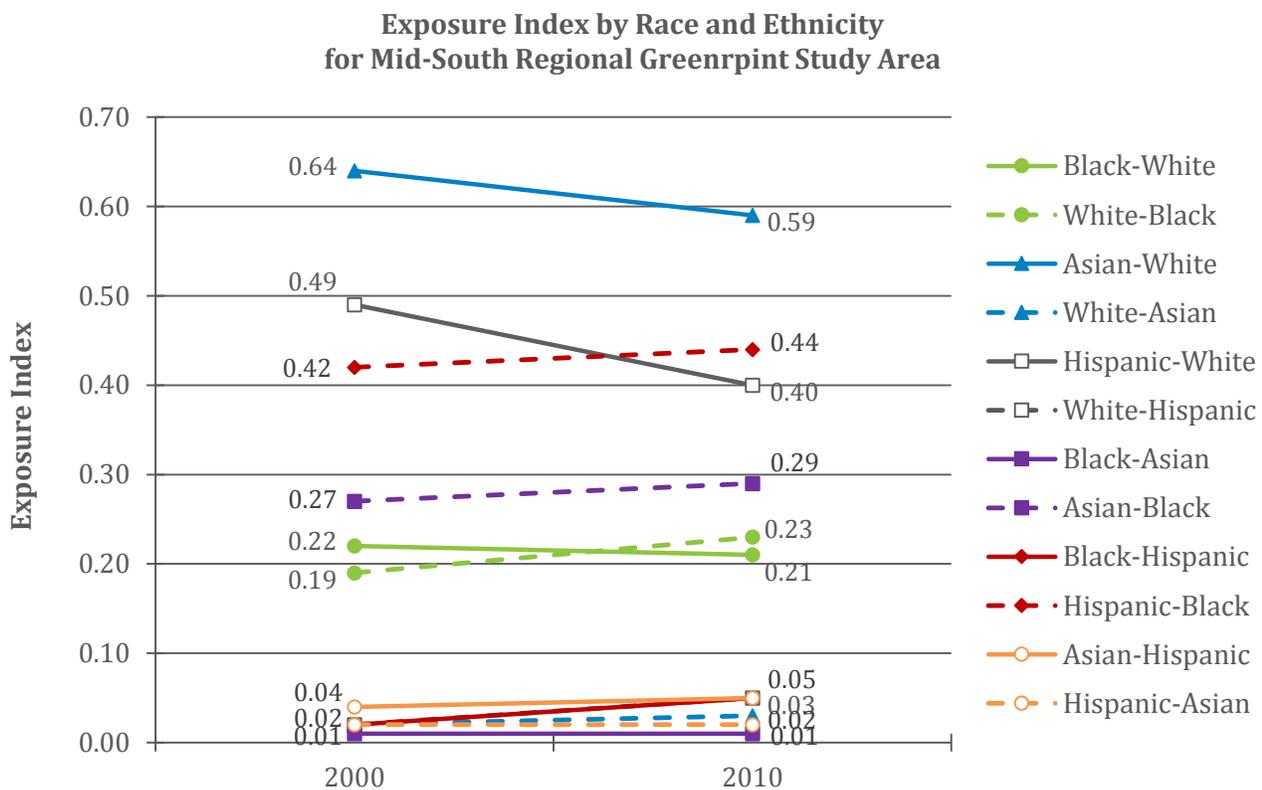
Sources: U.S. Census 2000 SF1 Table P004 and 2010 SF1 Table P11

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<sup>34</sup> John Iceland, Weinberg D.H., and Steinmetz, E. 2002. “Racial and Ethnic Residential Segregation in the United States: 1980-2000.” U.S. Census Bureau. Paper presented at the annual meetings of the Population Association of America, Atlanta, Georgia.

The probabilities of a typical White person and a typical Black person interacting with a Hispanic person in their tract of residence were both 2% in 2000 and each rose to 5% by 2010, reflecting the significant growth in the Hispanic population over that time frame.

The following graph “Exposure Index by Race and Ethnicity” shows three downward sloping lines indicating a decline in exposure of each minority group (Black, Asian and Hispanic) to Whites. Exposure of Whites to minority populations and of minorities to each other increased in seven of the nine pairings examined, indicated by upward sloping lines. The findings reflect growing diversity region-wide, as minorities make up larger shares of the population and social interaction amongst racial and ethnic groups increases. Generally low levels of exposure to Asians and Hispanics (EIs ranging from .01 to .05) are not surprising given that these groups make up low levels of the region’s population (2% and 5%, respectively, in 2010).



Source: U.S. Census 2000 SF1 Table P004 and 2010 SF1 Table P11

### Isolation Index

The Isolation Index (II) measures “the extent to which minority members are exposed only to one another” (Massey and Denton, p. 288). Not a measure of segregation in a strict sense, the II is a measure of the probability that a member of one group will meet or interact with a member of the same group. The II can be viewed more as a measure of sociological isolation.

A simple change in notation from the Exposure Index equation yields the formula for the Isolation Index given below. This measure is calculated for one racial or ethnic group at a time so unlike the DI or EI, it does not compare the distribution of two groups. Instead, each calculation measures the isolation of a single group.

Similar to the EI, this index describes the average neighborhood for racial and ethnic groups. It differs in measuring social interaction with others of the same group instead of other groups. The II is the minority weighted average (the first term of the equation) of each tract's minority population (the second term) and can be defined as:

$$Prob = \sum_{i=1}^n \left( \frac{Min_i}{Min_T} \right) \left( \frac{Min_i}{Tot_i} \right)$$

where:

Prob = Probability that minority group members share an area with each other

Min<sub>i</sub> = Minority group population of census tract i

Min<sub>T</sub> = Minority group regional population

Tot<sub>i</sub> = Total population of census tract i

n = Total number of census tracts in the region.

The II is a region-level measure for each race/ethnicity summed up from tracts within the region. The II can be interpreted as a probability that has a lower bound of 0.0 (low segregation corresponding to a small dispersed group) to 1.0 (high segregation implying that group members are entirely isolated from other groups).

The Isolation Index values for the Mid-South Regional Greenprint study area (see the table and graph on the following pages) show Blacks and Whites are moderately isolated, in effect segregated, from other racial and ethnic groups. In 2000, the average White resident lived in a tract that was 75% White and the average Black resident lived in a tract that was 74% Black. By 2010, isolation for both groups declined – to 0.67 for Whites and 0.71 for Blacks. For Asians and Hispanics, isolation indices were much lower. In 2010 an average Asian resident had only a 5% chance of interacting with other Asians and an average Hispanic resident had a 13% chance of encountering another Hispanic person.<sup>35</sup>

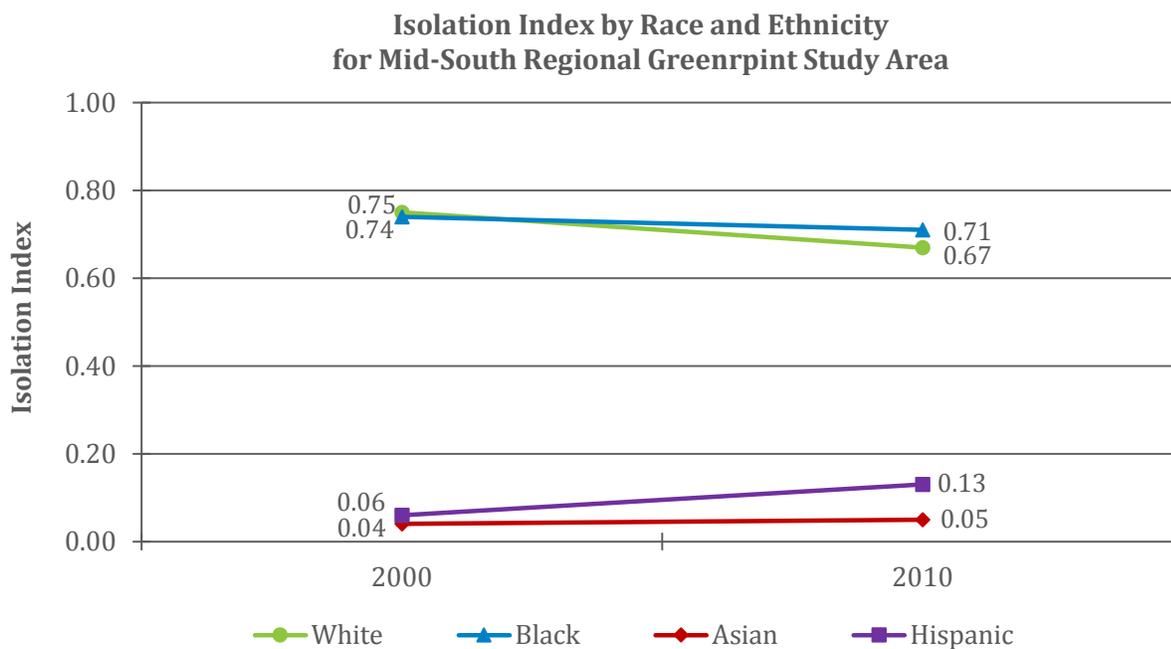
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<sup>35</sup> The Isolation Index methodology implicitly assumes that the tract populations are evenly distributed within a census tract so that the frequency of social interactions is based on the relative population counts by tract for each

The high II values for Whites and Blacks compared to Asians and Hispanics were largely due to the higher proportion of the former two groups in the region and the relatively small proportion of the latter. The trend over the 2000-2010 decade showed increased isolation for Hispanics, from 0.06 to 0.13. Hispanic population growth over that time period likely resulted in settlement patterns that created enclaves, even as it increased other population segments' exposure to Hispanics.

Isolation Index Mid-South Regional Greenprint Study Area		
Group	Isolation Index (2000)	Isolation Index (2010)
White	0.75	0.67
Black	0.74	0.71
Asian	0.04	0.05
Hispanic	0.06	0.13

Sources: U.S. Census 2000 SF1 Table P004 and 2010 SF1 Table P11



Source: U.S. Census 2000 SF1 Table P004 and 2010 SF1 Table P11

race or ethnicity. Within actual neighborhoods racial and ethnic groups are not homogenous (e.g., families or small area enclaves) so that the chances of one group meeting another of the same group may be different than an even distribution might imply.

## Entropy Index

Entropy, a mathematical concept based on the spatial evenness of the distribution of population groups, can be used to calculate diversity among racial and ethnic groups in a geographical area.<sup>36</sup> Both the Dissimilarity Index and Exposure Index can only measure the segregation of two groups relative to each other, but the Entropy Index has the advantage of being able to measure the spatial distribution of multiple racial and ethnic groups simultaneously.

The Entropy Score (h) for a census tract is given by:

$$h_i = - \sum_{j=1}^k p_{ij} \ln(p_{ij})$$

where:

k = Number of groups

$p_{ij}$  = Proportion of population of j<sup>th</sup> group in census tract i (=  $n_{ij}/n_i$ )

$n_{ij}$  = Number of population of j<sup>th</sup> group in tract i

$n_i$  = Total population in tract i.

The higher the calculated value for h, the more racially and/or ethnically diverse the tract. The maximum possible level of entropy is given by the natural logarithm (ln) of the number of groups used in the calculations (Iceland 2004). The maximum score occurs when all groups have equal representation in the geographic area. In this case k = 4 (non-Hispanic Whites, non-Hispanic Blacks, non-Hispanic Asians, and Hispanics) so the maximum value for h is  $\ln(4) = 1.39$ . A tract with h = 1.39 would have equal proportions of all groups (high diversity) and a tract with h = 0.0 would contain only a single group (low diversity).

The Diversity Index map on the following page shows the results of the region-wide tract-level calculations of the Entropy Score as a measure of diversity in 2010. Visually, it can be seen that high diversity census tracts (those with highest h values) are scattered throughout the region. They include the Walls, Collierville, and Millington areas, along with small pockets of diversity in eastern Memphis inside I-240 and along I-40. The three census tracts with the highest Entropy Scores are located inside I-240 (tract 36.00 with h=1.22, tract 27.00 with h=1.21, and tract 89.00

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<sup>36</sup> Iceland, John. 2004. "The Multigroup Entropy Index (Also Known as Theil's H or the Information Theory Index)." University of Maryland.

with  $h=1.14$ ). The next three highest  $h$  scores occur in three tracts along I-40 just south of Bartlett.

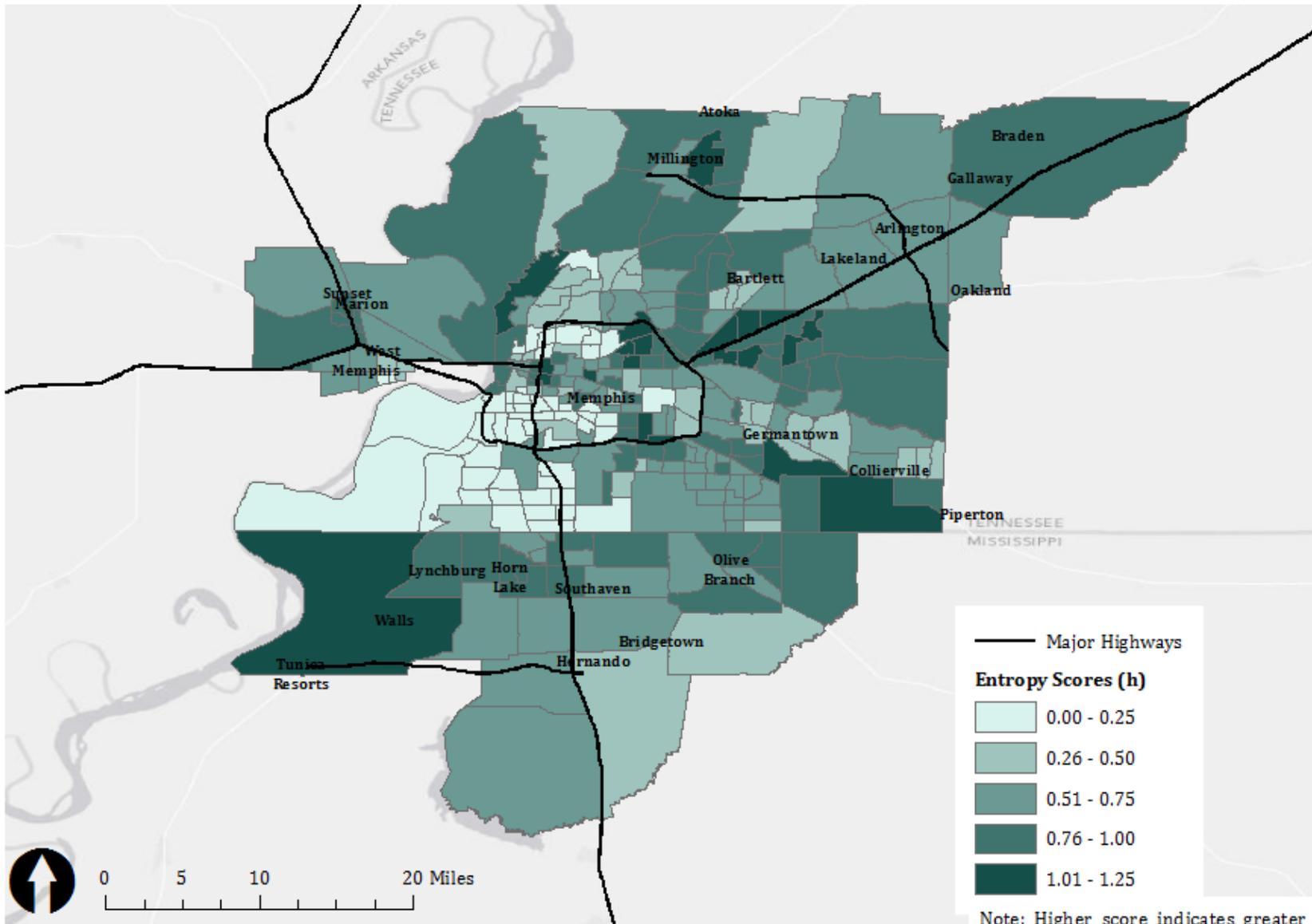
Diversity was lowest throughout the western half of the City of Memphis. Nineteen tracts in that area had Entropy Scores below 0.10, indicating very little racial or ethnic diversity. Analyses of predicted racial/ethnic composition by place and racial/ethnic concentrations of poverty appear later in this document and delve further into the geography of race/ethnicity in Memphis and the region.

The Entropy Score is not a true measure of segregation because it does not assess the distribution of racial and ethnic groups across a region. A region can be very diverse if all minority groups are present but also highly segregated if all groups live entirely in their own neighborhoods (or census tracts). However, Entropy Scores, measures of tract-level diversity, can be used to calculate the Entropy Index<sup>37</sup> (EI) which measures the distribution of multi-group diversity across tracts and an entire region.

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<sup>37</sup> Iceland, John. "Beyond Black and White: Metropolitan Residential Segregation in Multi-Ethnic America," U.S. Census Bureau, Housing and Household Economic Statistics Division, paper presented at the American Sociological Association meetings, Chicago, Illinois, August 2002.

# Diversity Index by Census Tract, 2010



Sources: 2010 U.S. Census SF1 Table P11, Census TIGER

The EI measures unevenness in the distribution of multiple racial and ethnic groups in a region by calculating the difference in entropy between census tracts and the larger region as a whole. The Entropy Index (H) for a region is the weighted average variation of each tract’s entropy score differenced with the region-wide entropy as a fraction of the region’s total entropy

$$H = \frac{\hat{H} - \bar{H}}{\hat{H}}$$

(Iceland 2004):

where:

$\hat{H}$  = Entropy for the region’s tracts as a whole

$\bar{H}$  = Average of the individual census tracts’ values of h weighted by the population

H = Entropy Index for the region.

The EI ranges between H = 0.0 when all tracts have the same composition as the entire region (minimum segregation) to a maximum of H = 1.0 when all tracts contain one group only (maximum segregation).<sup>38</sup> Regions with higher values of H have less uniform racial distributions and regions with lower values of H have more uniform racial distributions.

The below Entropy Index table gives the result of an entropy calculation for the Greenprint study area as a whole. Over the 2000-2010 decade the EI declined from 0.35 to 0.33, a dip of 5.7%. This method of entropy analysis gives a concise summary statement that across the major racial and ethnic groups (Whites, Blacks, Asians, and Hispanics), regional diversity increased slightly which is an indication of a modest trend toward less segregation.

Entropy Index Mid-South Regional Greenprint Study Area	
2000	2010
0.35	0.33

Sources: U.S. Census 2000 SF1 Table P004 and 2010 SF1 Table P11

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<sup>38</sup> White, Michael J. 1986. "Predicted Ethnic Diversity Measures for 318 U.S. Metropolitan Areas by Census Region, 1980." *Population Index*, Vol. 52.

## Reconciliation of the Four Segregation Indices

One important question concerns whether the overall racial and ethnic segregation in the Mid-South Regional Greenprint study area has worsened, improved, or remained about the same between 2000 and 2010. The four methodologies (Dissimilarity, Exposure, Isolation, and Entropy indices) for analyzing segregation used in this analysis allow for a possible consensus answer. Separately, each analysis found that:

- The Dissimilarity Index calculations showed a slight decline in segregation for four of the six racial/ethnic pairings from 2000 to 2010. Segregation remains high between Blacks and Whites (0.66) and Asians and Blacks (0.64) and moderate between most other groups. Segregation increased between Whites and Hispanics (by 9.8%) and Asians and Hispanics (by 14.8%) over the ten year time frame.
- The Exposure Index calculations showed that Whites and Blacks (who make up the large majority of study area population) have similarly low levels of exposure to one another. EIs for most racial/ethnic pairings rose or remained steady from 2000 to 2010, with the exception of minority exposure to Whites, which decreased in each of the three pairing examined (Black, Hispanic, and Asian).
- The Isolation Index analysis showed that during the 2000s White isolation dropped by almost 11% and Black isolation by 4%, but both remained high (0.67 and 0.71, respectively), a finding that correlates to the relatively low levels of exposure these groups have to one another. Trends for Hispanics indicate that as their population has grown so has isolation, with the index more than doubling over ten years.
- The Entropy Index analysis showed a decline of 5.7% over the decade reflecting a growing tendency for each tract to have a racial and ethnic composition approximating that of the region as a whole, a modest overall decrease in segregation.
- The Entropy Index also showed that diversity, as indicated by a mixture of racial and ethnic groups within census tracts, is lowest in western Memphis, while areas of high diversity are scattered in pockets throughout the region.

This Segregation Analysis has shown that, on the whole, segregation between Whites and Black, Asian and Hispanic minorities in the Greenprint study area are in the moderate range and were persistent but slightly declining over the 2000-2010 decade. Although Blacks and Whites make up relatively equal shares of study area population (43% and 48%, respectively) their dissimilarity index remains high and exposure index low.

## Predicted Racial/Ethnic Composition Ratio

In addition to an examination of segregation using the indices discussed above, HUD's Office of Policy Development and Research developed a methodology that analyzes the actual racial/ethnic composition of a jurisdiction relative to its predicted racial/ethnic composition. For each jurisdiction, predicted minority composition is determined based on income distribution, assuming that for each income category the minority composition of the local population will match that of the region. For example, if 30% of the regional population with incomes below \$20,000 are White, it is predicted that in each jurisdiction 30% of persons with household incomes below \$20,000 would be White.

Minority population predictions by income category are then summed to arrive at total predicted number of minorities in each jurisdiction. The ratio of actual non-White residents to predicted non-White residents is then used to assess the level of minority population by jurisdiction. A ratio from 90% to 110% indicates an actual non-White share very close to what is predicted. A 50% to 90% ratio signals actual minority populations slightly-to-moderately below predicted levels, and under 50% indicates a minority population level extremely below what is predicted.

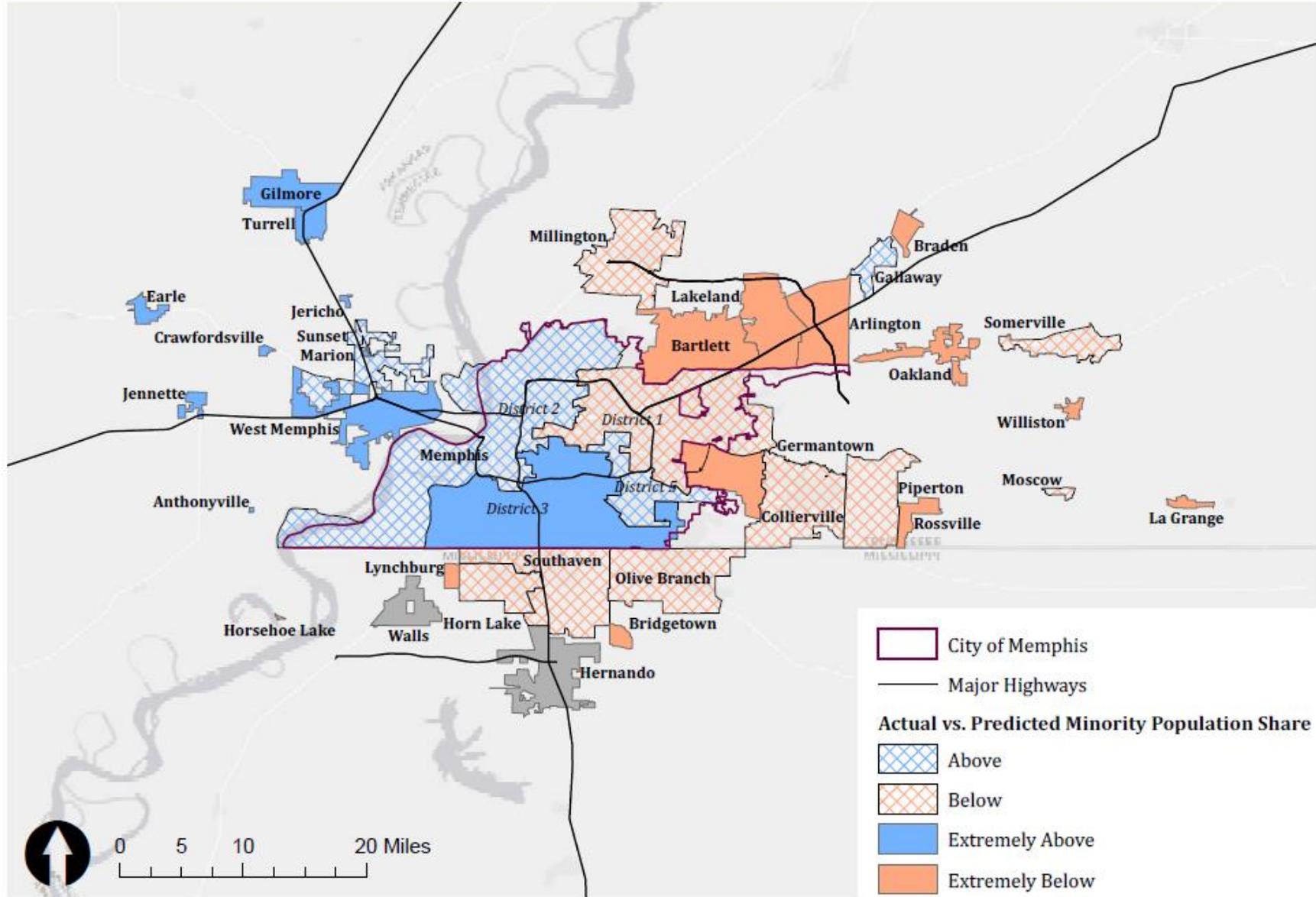
The map on the following page shares findings from the predicted minority composition ratio analysis (provided for Sustainable Communities program participants by HUD) for jurisdictions in the Mid-South Regional Greenprint study area.

As the map indicates, jurisdictions in the western portion of the study area tend to have non-White populations above what is predicted, while those to the south and east of Memphis, with the exception of Gallaway, have lower minority populations than are expected.

HUD-provided data divides the City of Memphis by county subdivisions, including Shelby County Commission districts 1-3 and 5. District 1 is the only area with a lower than predicted minority population share. Districts 2 and 5 have a higher minority population than would be expected based on income alone, while District 3's minority share is extremely higher than income would predict. Predicted racial composition data was not available by Shelby County's recently-redrawn single-member Commission districts, but former districts serve as the best proxy for demonstrating differences in racial composition within the City of Memphis.

Two cities – Walls and Hernando – are mixed in terms of ratios of actual to predicted minority populations. Parts of each of these jurisdictions have non-White shares above predicted, while other portions of the cities have minority shares as predicted or below predicted. Note that no city in the region had a minority population share at or around the income-based prediction.

# Actual versus Predicted Racial/Ethnic Share of Population



Source: U.S. HUD Office of Policy Development & Research Fair Housing Equity Analysis look-up tool table 2, Census TIGER

Considering that the large majority of non-White study area residents are African Americans, this analysis indicates that Black residents are more likely to reside in Memphis and jurisdictions to its west and less likely to live east of Memphis than can be explained by differences in income. While public input revealed the frequent perception that racial segregation in the region was due to economics, the predicted population analysis contends that income, and the ability to afford housing in certain areas, is not the sole determinant of where people live. Even controlling for income, Blacks are more likely to live in the west and Whites to the east.

## **Stakeholder Input**

Commenters at public meetings noted that segregation may be driven more by household income than by the races of the residents, but that minority households had and continue to have lower incomes than White households in the Greenprint Region. With the Memphis population having slightly more than one-fourth of its population in poverty, race and poverty continue to be conjoined indicators of segregation.

In general, meeting participants and stakeholders think that historical discrimination by whites against minorities, particularly African-Americans, is less of a problem than in the past. However, a number of African-Americans who reside in the City of Memphis continue to report that the specter of discrimination continues in other forms, particularly what they describe as economic discrimination.

Given the lengthy history of racial discrimination in the region and the southern U.S. in general, feelings of racial tension continue, varying by degree and by person. These feelings seem to be more acute in the City of Memphis, and should be understood as an issue that will bear on the Greenprint planning process and the implementation of Greenprint recommendations.

Public meeting participants and stakeholders were asked if households with similar incomes had equal access to a range of housing choices. Most commenters feel that if a person or family has sufficient income and sound credit to afford housing, that they are able to do so. One public sector stakeholder noted that lending disparities are no longer an issue when compared with the past. Some African-American commenters who were residents of the City of Memphis disagreed, stating that in their opinion, race is still being used to limit housing choices for minority households.

If a meeting participant or stakeholder lives outside the city limits of Memphis, their perception is that discrimination and equity are generally not currently major problems in the Memphis area. In contrast, participants who are city residents who are African-American are more likely to feel that discrimination and unequal distribution of public facilities and public services continue to persist. Only two commenters cited specific instances of housing discrimination, while some commenters at meetings in the City of Memphis stated that they believe housing discrimination continues to occur. Another comment suggested that housing discrimination has

become more subtle, such as long complex application forms that could confuse a person with lower education who is more likely to be non-white.

## Concentrated Areas of Poverty (RCAPs & ECAPs)

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The preceding Segregation Analysis illustrated racial and ethnic segregation through several different measures, however, one variable not taken into account in that analysis is poverty. HUD has developed a methodology specifically for Sustainable Communities grantees that identifies census tracts in the Mid-South Regional Greenprint study area containing racially concentrated areas of poverty (RCAPs) and/or ethnically concentrated areas of poverty (ECAPs). HUD defines an RCAP/ECAP as a census tract with a family poverty rate of 40% or greater (or a family poverty rate at least 3 times that of the tract average for the metropolitan area, whichever is greater) and a non-White population of 50% or more.

According to the 2010 U.S Census and the 2008-2012 American Community Survey, there are 32 tracts in the Greenprint study area that are areas of concentrated poverty and majority non-White population (see the table on following page). These 32 tracts are home to 95,152 residents, or 8.5% of the study area's total population. By comparison, in 2000, there were 29 RCAP/ECAP census tracts with a total of 48,224 residents, or 4.6% of the total study area population. While population grew by only 7% for the Greenprint region overall from 2000 to 2010, population living in an RCAP/ECAP expanded by 97%. For the most part, the driving forces behind this jump were an increase in regional poverty and tract-level changes in poverty rates rather than tract-level or region-wide changes in minority concentrations (as will be examined further at the end of this section).

More than any other minority group, African Americans tend to reside in these areas; over 15% of the study area's Black residents (about one in six) live in an area of racially or ethnically concentrated poverty. They constitute the largest share of total RCAP/ECAP population at 87%. From 6 to 7% of Native Americans, Hispanics, and persons of other or multiple races in the study area live in an RCAP/ECAP. Asians and Pacific Islanders were less likely to live in areas of racially or ethnically concentrated poverty (2 to 3%).

Because, by definition, RCAPs and ECAPs are majority minority tracts, White residents cannot be more impacted by living in such areas as minority populations. Even so, the representation of the White population in the region's RCAP/ECAPs is low. A total of 7,633 White persons reside in the 32 RCAP/ECAP tracts, representing only 1.6% of the White population. The previous analysis of segregation patterns in the Greenprint study area demonstrated that Whites were somewhat segregated and isolated from other racial and ethnic groups. The RCAP/ECAP analysis suggests that those segregatory tendencies are exacerbated when the variable of poverty is included. The likelihood that the average White resident lives in proximity to a resident of a different race or ethnicity is even lower when that minority resident lives in a high-poverty tract.

The maps on the following pages show family poverty rates and concentrations of non-White population for the four-county area for 2000 and 2010. The poverty rate maps indicate that poverty is heavily concentrated in central Memphis, especially along the western portion of the I-240 loop. Poverty rates are generally lowest in eastern Shelby and DeSoto Counties. Between the 2000 Census and the 2008-2012 American Community Survey, the overall poverty rate for the Greenprint study area increased from 12.3% to 19.0%. Poverty levels intensified in northern Memphis and northern Shelby County, along with western DeSoto County, and lessened slightly in the tracts immediately west of I-240 around I-40. Note that in both 2000 and 2008-2012, every census tract with 40% or more of families living in poverty had more than 50% minority population (i.e., there existed no majority White tracts with a concentration of poverty).

<b>RCAP/ECAP Summary Mid-South Regional Greenprint Study Area</b>				
	<b>2000</b>		<b>2008-2012</b>	
	<b>Count</b>	<b>Share</b>	<b>Count</b>	<b>Share</b>
<b>RCAP/ECAP Tracts</b>	29	11.5%	32	11.9%
<b>In RCAP/ECAP Tracts:</b>				
Total Population	48,224	4.6%	95,152	8.5%
Non-Hispanic, One Race Alone				
White	2,572	0.5%	7,633	1.6%
Black/African-American	44,569	9.6%	82,536	15.4%
Native American	75	3.9%	150	6.7%
Asian	146	0.9%	483	2.1%
Pacific Islander	11	3.7%	11	3.1%
Some Other Race	45	4.4%	69	5.5%
Non-Hispanic, Two or More Races	322	3.7%	834	6.5%
Hispanic	484	1.8%	3,436	5.6%
Non-White Population	45,652	8.8%	87,519	13.7%

Sources: U.S. Census 2000 and 2010, American Community Survey 2008-2012

Note: Includes only census tracts in the Mid-South Regional Greenprint study area, as identified in Fair Housing Equity Analysis data provided for Regional Planning Grant Program participants by HUD's Office of Policy Development and Research.

The next set of maps examine racial/ethnic population concentrations from 2000 to 2010. In both years, the heaviest concentrations of minority residents are in Memphis, especially the western portion of the city. As of 2000, there were 135 study area census tracts with a 50% or higher non-White population (or 53.6% of total study area tracts). By 2010, this number was 151 tracts, or 56.1% of the study area total. Geographically, non-White concentrations increased in north DeSoto County, West Memphis, and northwest Shelby County.

The final two pairs of maps indicate changing location of RCAP/ECAPs from 2000 to 2010. In 2000, most were concentrated around the I-240/I-40 interchange outside of the loop. By 2010, this concentration broke up and RCAP/ECAPs were more scattered, although still generally in and around the western portion of I-240. Note that changes in RCAP/ECAPs are driven more by changing poverty rates at the tract level than by changing concentrations of non-White population. The tracts at the I-40/I-240 interchange, for example, did not see a significant change in minority population share from 2000 to 2010; however, poverty rates did change and thus altered RCAP/ECAP status.

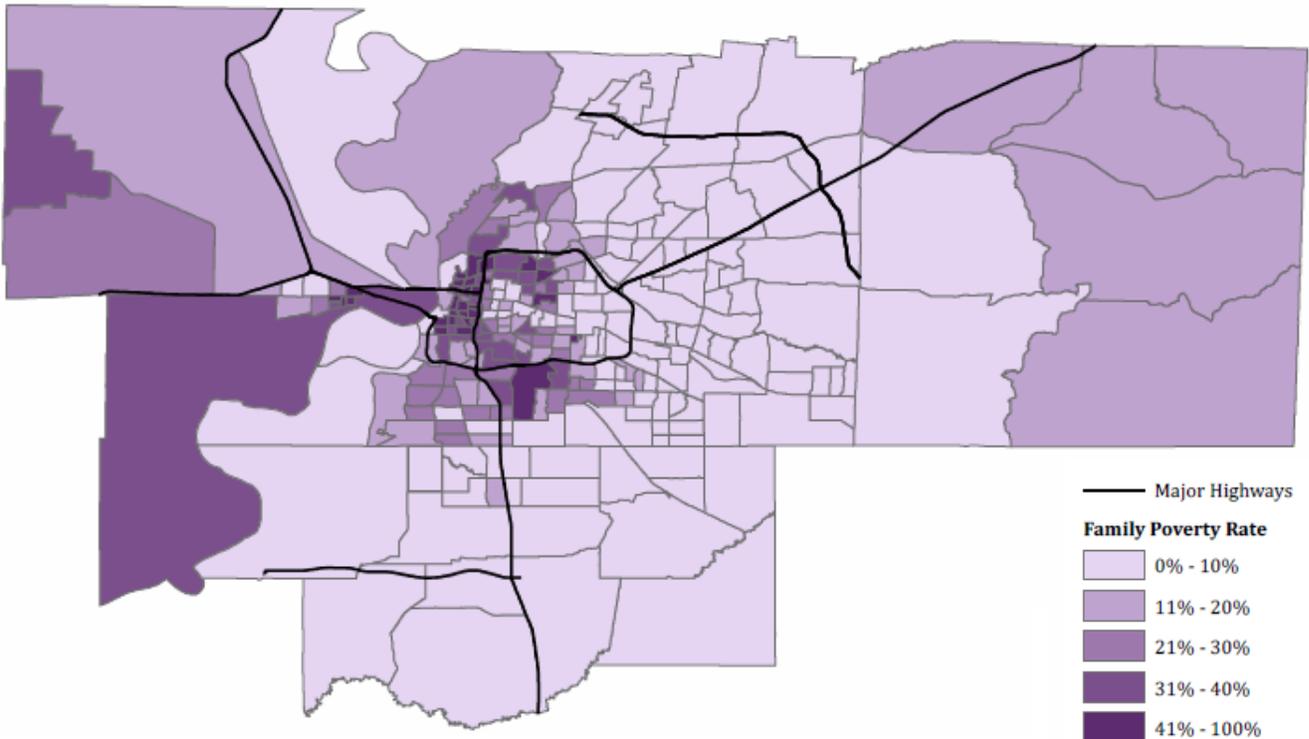
The appendix provides changes in population, minority share of the population, and family poverty rate between 2000 and 2010 for each RCAP/ECAP. Of the 32 RCAP/ECAPs identified in 2010, only seven tracts – 8, 28, 45, 50, 59, 113, and 114 – were also RCAP/ECAPs in 2000. In the remaining 25 tracts, changes in minority shares of the population were low – only four tracts had changes of more than 10 percentage points and only one tract crossed the threshold to being majority minority (tract 307.02 in Crittenden County, where tract boundaries changed between 2000 and 2010). Turning to poverty rates, however, shows that 14 of the 2010 RCAP/ECAP tracts had poverty rate increases of 10 percentage points or more, and of these, 11 tracts had increases greater than 20 percentage points. Thus, the driving force behind a change in RCAP/ECAP status was a rise in family poverty rates rather than changes in racial/ethnic composition.

Similarly, tracts that fell out of the RCAP/ECAP pool from 2000 to 2010 did so due to a drop in poverty rate rather than a change in racial/ethnic makeup. Of the 29, RCAP/ECAPs in 2000, only one had a minority population share below 50% by 2010 (tract 104.20 in Shelby County). For the 2000 tracts where the family poverty rate fell below the 40% threshold by 2010 (and whose boundaries remained constant over the ten year period), poverty rates fell by between 2 and 31 percentage points, with the majority seeing a change of 10 percentage points or more.

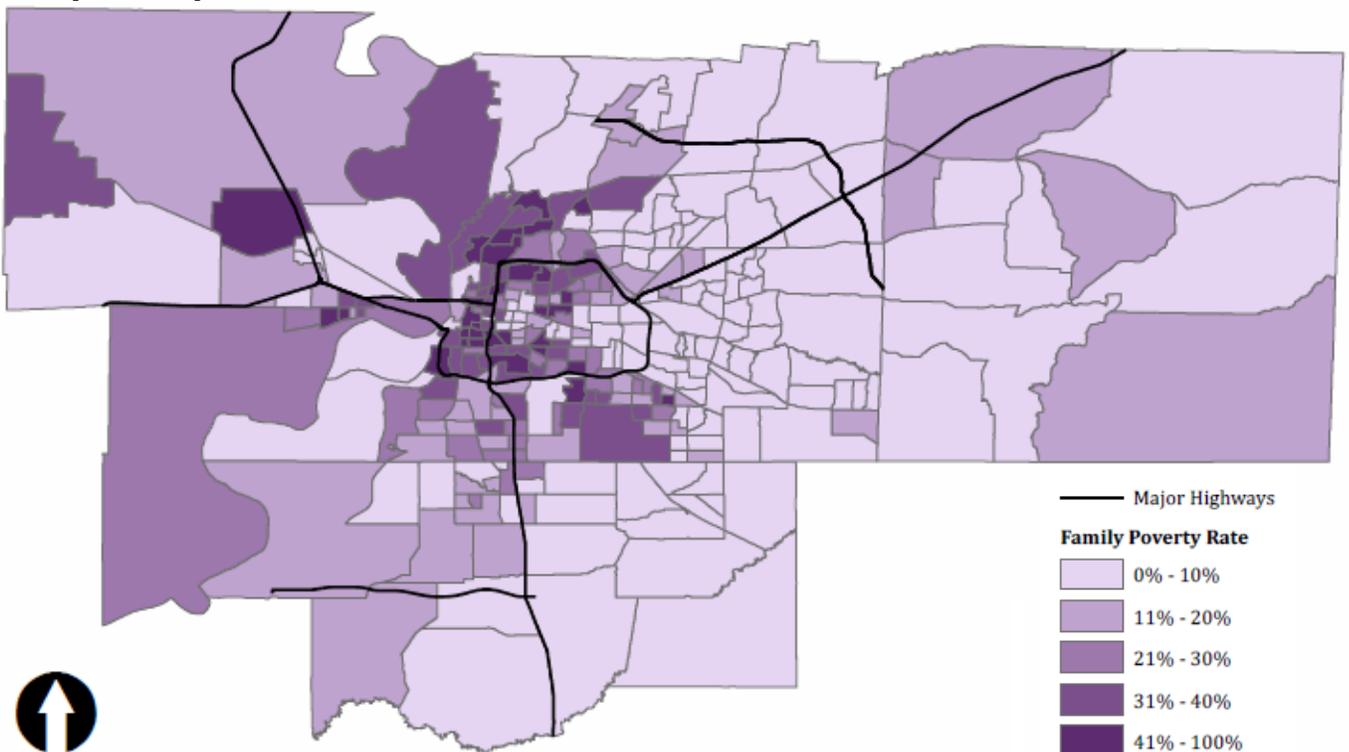
Overall, these dynamics indicate that, in the Greenprint region, tract-level poverty rates tend to change more quickly than concentrations of minority populations. Poverty rates were a stronger determinant of RCAP/ECAP status changes between 2000 and 2010 than changes in racial/ethnic composition.

## Family Poverty Rates by Census Tract in 2000 and 2008-2012

### Family Poverty Rate in 2000



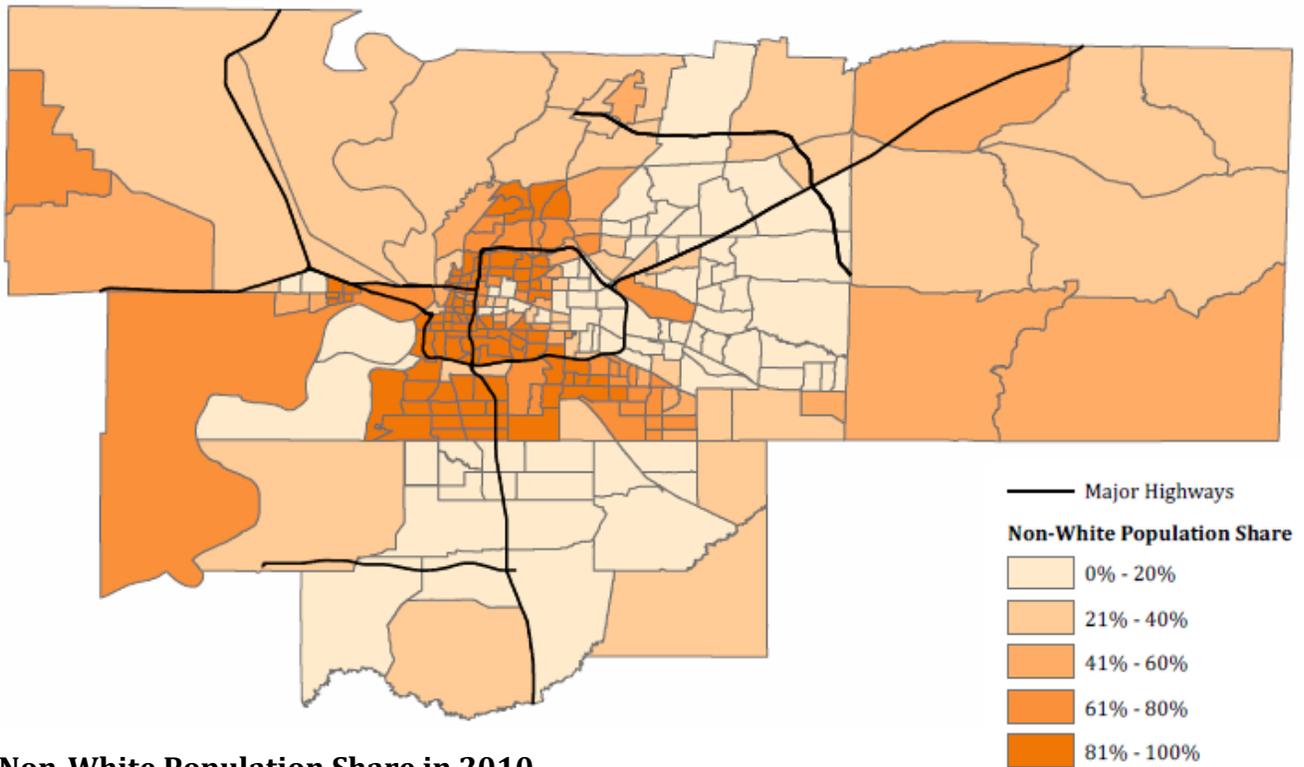
### Family Poverty Rate in 2008-2012



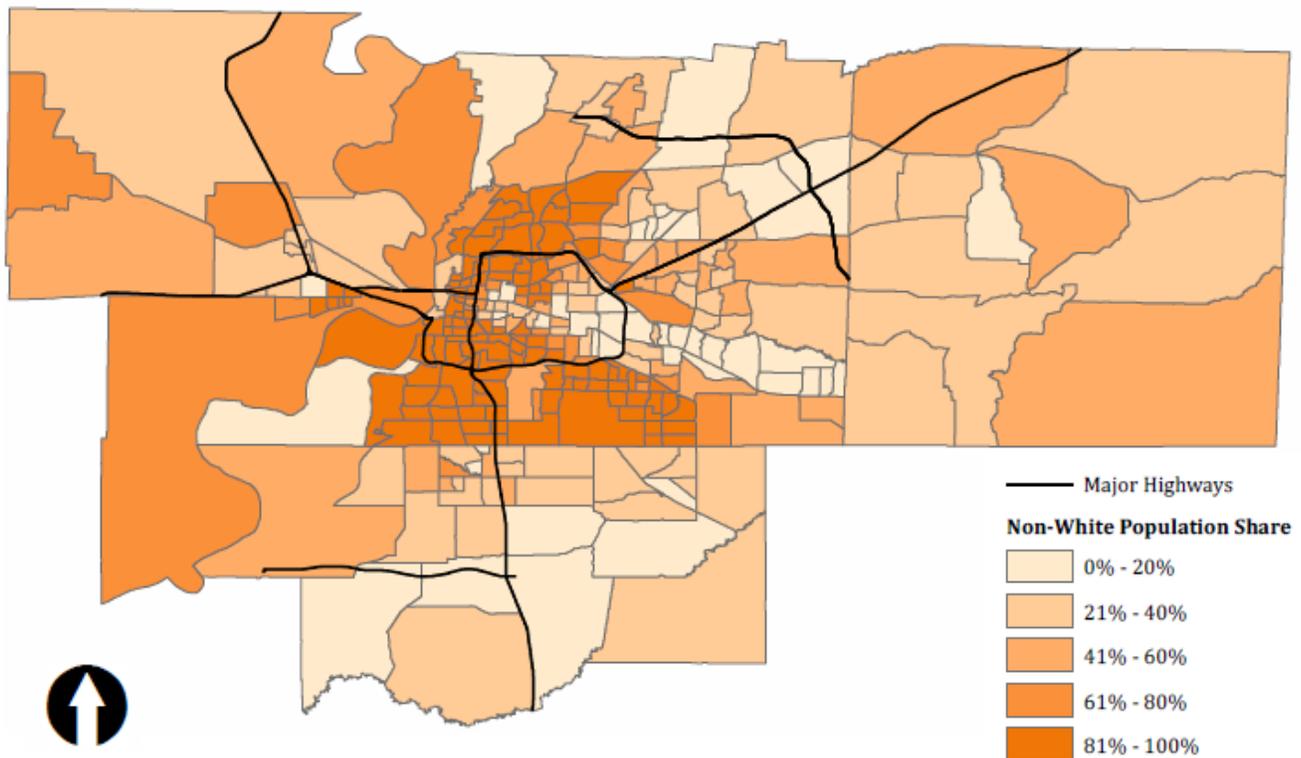
Sources: U.S. Census 2000 SF3 Table P090, 2008-2012 American Community Survey Table S1702, Census TIGER

## Non-White Population Share by Census Tract in 2000 and 2010

### Non-White Population Share in 2000

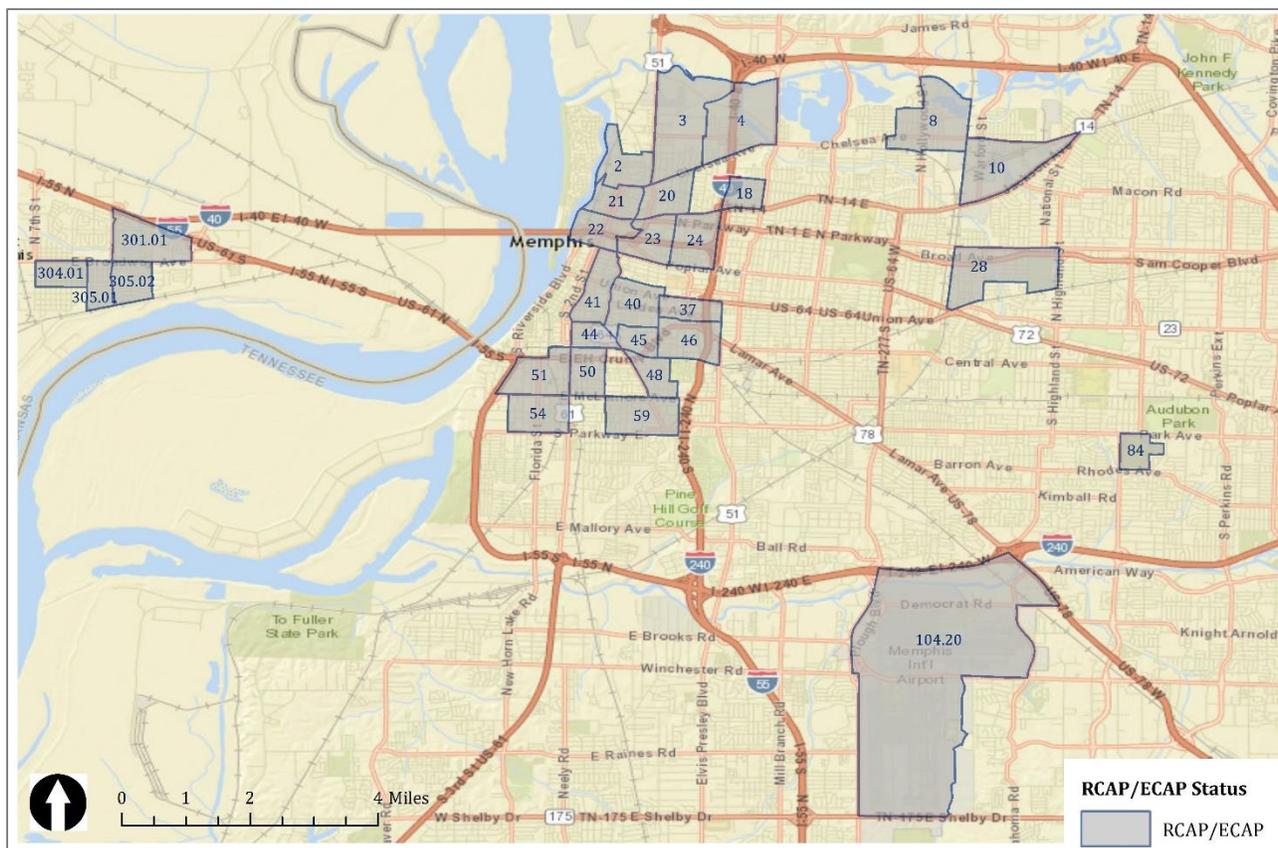
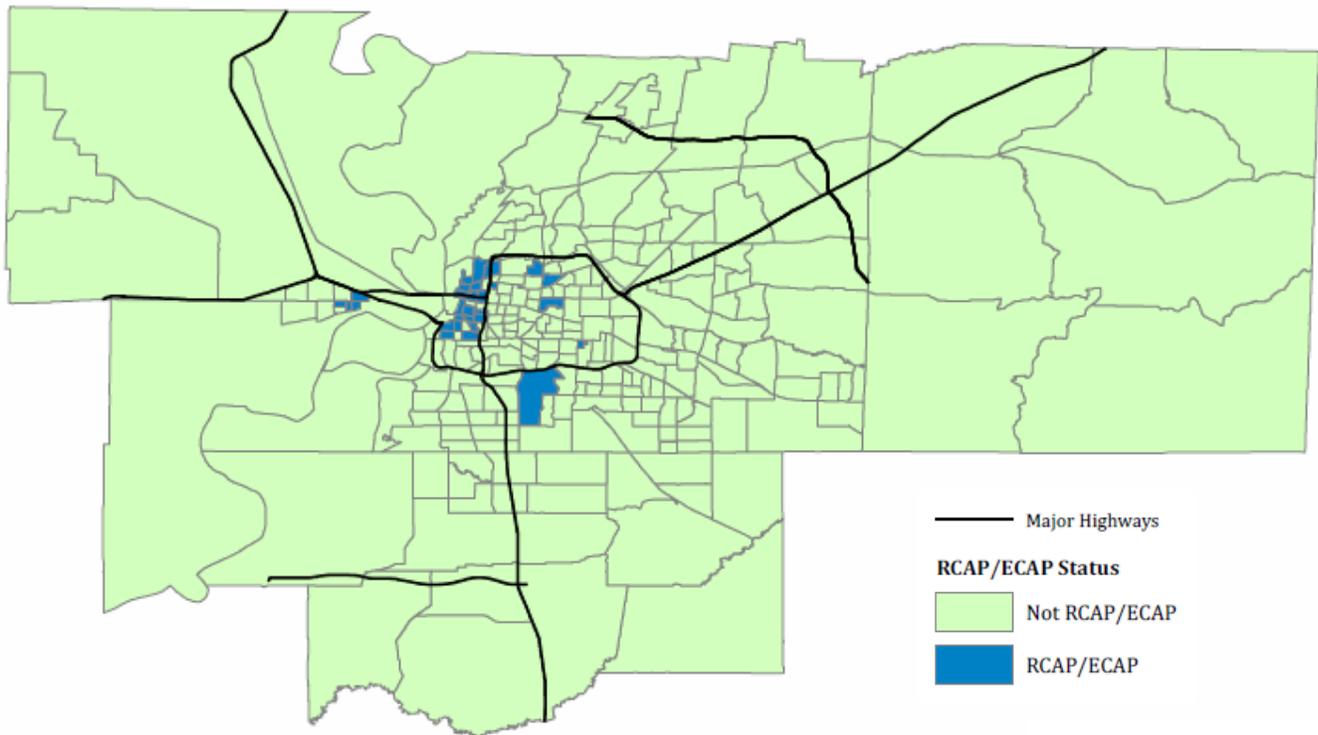


### Non-White Population Share in 2010



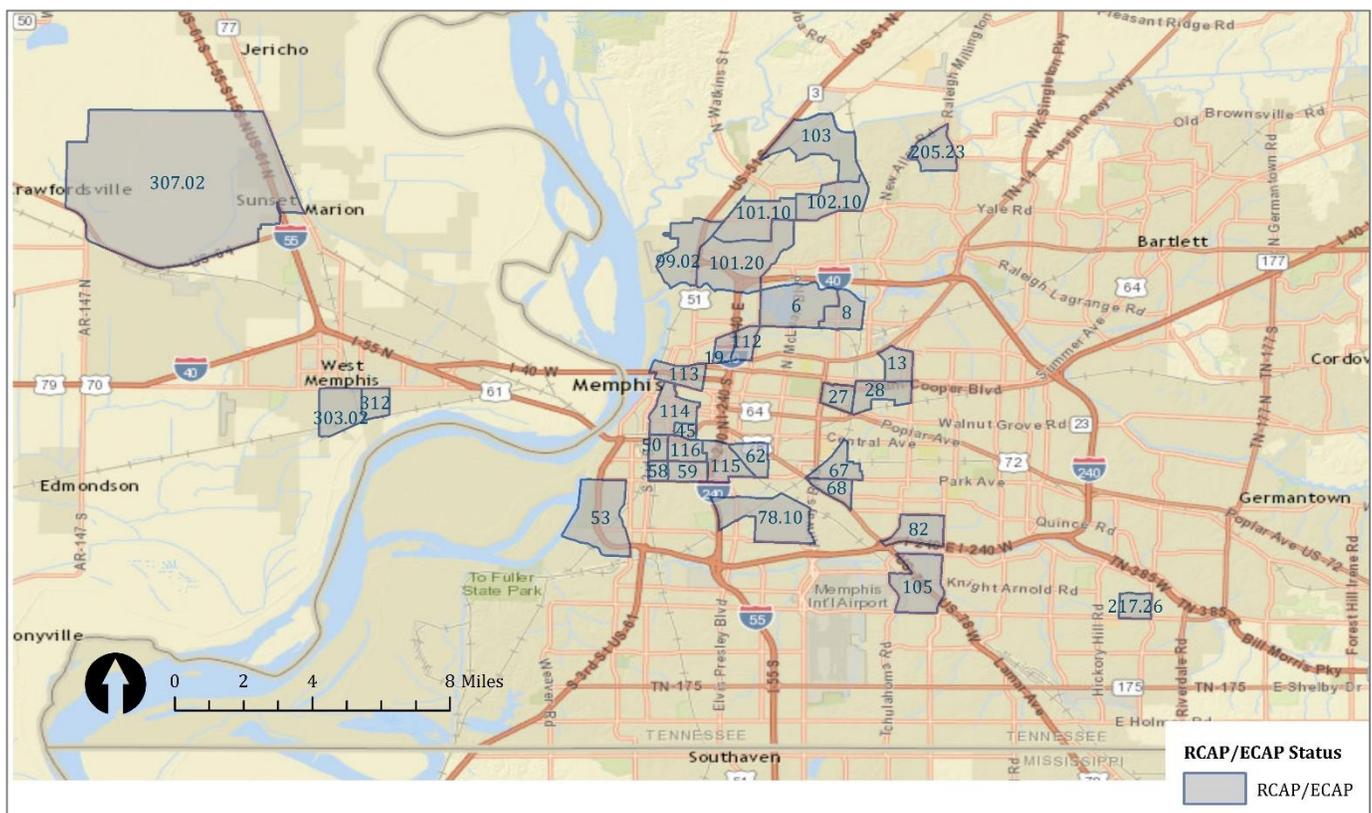
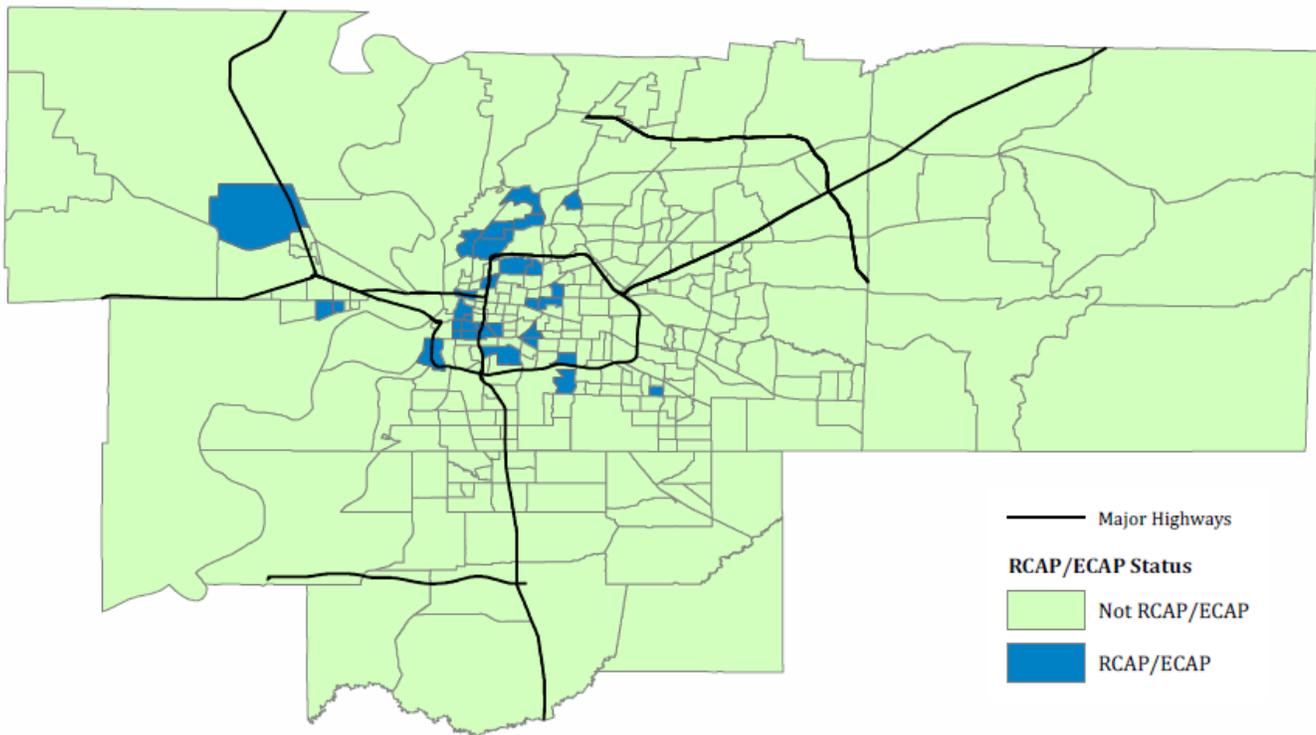
Sources: U.S. Census 2000 SF1 Table P004 and 2010 SF1 Table P9, Census TIGER

## Racially/Ethnically Concentrated Areas of Poverty, 2000



Sources: U.S. Census 2000 SF1 Table P004 and SF3 Table P090, Census TIGER

## Racially/Ethnically Concentrated Areas of Poverty, 2010



Sources: U.S. Census 2010 SF1 Table P9 and 2008-2012 American Community Survey Table S1702, Census TIGER

## Public Investment & Infrastructure

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The availability and affordability of housing for Mid-South residents is closely connected to and dependent upon the investment of public resources for critical services that are necessary to support daily living. Most notable among these services are:

- Transportation to give residents access to the basic building blocks of daily living such as employment, healthcare and social services, family members or other personal relationships, shelter, and food;
- Education and job training; and
- Safe and accessible drinking water and sanitary sewer systems to properly collect and treat wastewater.

In this discussion, these types of public investments will be analyzed to assess the degree to which these investments have been provided in an equitable manner in the past and to consider whether equity is likely for planned future investments. This analysis primarily concerns the impact of these investments in the region's largest jurisdictions (the City of Memphis and Shelby County) but also examines the region's other counties and cities as well.

### Transportation

The Mid-South region is strategically located as a key crossroads for transportation of various modes (roads, rail, air, and water). While these transportation intersections are important for interstate and international commerce, they are equally important for local residents as means for conducting the business of daily life. Ease of transportation and access to transportation networks between and within communities runs parallel to the quality and affordability of housing. The overall quality of a resident's home can be shaped by the quality of transportation access and availability. Well maintained roads and sidewalks help residents reach their jobs and other destinations in a timely manner while also allowing people to live in a wider range of neighborhoods. Similarly, public transportation permits residents who cannot afford privately owned vehicles to reach a broader range services and places of employment. Currently, the Memphis Area Transit Authority (MATA) is the Mid-South region's only true provider of public transit. MATA buses and trolleys serve an area of 311 square miles located overwhelmingly in the City of Memphis with limited access to West Memphis, Bartlett, and Germantown, among other areas (see map on following page).<sup>39</sup>

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<sup>39</sup> Memphis Area Transit Authority, Maps and Schedules, 2014, [http://www.matatransit.com/uploadedFiles/Main\\_Site/Content/Maps\\_and\\_Schedules/System\\_Map/MA TA%20system%20map%20web%20feb%202013.pdf](http://www.matatransit.com/uploadedFiles/Main_Site/Content/Maps_and_Schedules/System_Map/MA%20system%20map%20web%20feb%202013.pdf)

## Memphis Area Transit Authority System Map



Source: Memphis Area Transit Authority

The limited numbers of MATA routes and infrequent service along some lines continue to pose equity issues for people who rely on transit as their only means of transportation to reach services and employment. As demonstrated in Nelson/Nygaard's *State of Employment* study for the Mid-South region, residents relying on MATA often experience difficulty reaching their areas of employment.<sup>40</sup> The *State of Employment* study highlights the relationship between employment density and the number of daily trips by MATA to job centers throughout the region. The findings show that downtown Memphis, midtown Memphis, and the Poplar Road corridor are all reasonably well served by MATA. This leaves large areas with high concentrations of employment (such as the Memphis International Airport, Germantown Road, Southaven, and Horn Lake) underserved by MATA. The map provided in the appendix illustrates the location of low-income jobs in Shelby County, and how transportation access does not

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<sup>40</sup> Nelson/Nygaard Consulting Associates, Inc., *State of Employment*, 2013, <http://www.midsouthgreenprint.org/wp-content/uploads/2013/08/State-of-Employment-v7.pdf>

overlap properly. This incongruity limits the housing options of people employed in these job centers who must rely on MATA for transportation between home and work.

For those with limited access to MATA, whether from their homes or places of employment, private transportation is almost exclusively required. The Center for Neighborhood Technology captures the average monthly transportation costs for 22 municipalities in the Mid-South region showing that the average monthly cost is \$1,257.<sup>41</sup> The data supports the concern that there are region-wide high transportation costs as each municipality's monthly average is within a few hundred dollars of all other corresponding averages. Given previous income and employment insight provided by the *State of Employment* report, "many people could spend nearly their entire incomes on housing and transportation."<sup>42</sup> In many cases, private transportation costs are higher the further one travels, making some of the region's most affordable (and remote) suburbs poor options for those with low incomes.

The Housing Profile section examines housing affordability in the Greenprint region and estimates numbers of "cost burdened" households, defined by HUD to include those spending more than 30% of income on housing.<sup>43</sup> These households are often the same as those that suffer from a lack of access to transportation. As the map in the appendix and the Nelson/Nygaard report shows, locations of low-income jobs in Shelby County are not aligned with transit service, and low-income households are likely to be burdened by both housing costs and by costs associated with private transportation to and from work.

West Memphis, DeSoto County, and Fayette County are all important points of transportation connected with Memphis. West Memphis is located along Interstate 40 which travels and connects from the City of Memphis to other western states in the United States. It is a strategic location for goods and people traveling westward. DeSoto County is similar as it is the southern passageway from Memphis to southern cities, namely New Orleans, along Interstate 55. Both locations are primarily organized for automobile travel with interstate highway access being the focal point of transportation. Fayette County is the eastern access point through which Interstate 40 connects Memphis to Jackson and Nashville.

Residents in West Memphis, DeSoto County, and Fayette County are underserved by public transportation. MATA does extend its lines into West Memphis but the frequency of its trips is low.<sup>44</sup> There are two routes offered with pickup in the morning and a return route in the evening.<sup>45</sup> Previously the West Memphis MATA routes were paid for by the City of West Memphis with the intention of increasing customers to the Southland Park Gaming and Racing

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<sup>41</sup> Center for Neighborhood Technology.

<sup>42</sup> Nelson/Nygaard, *State of Employment*.

<sup>43</sup> U.S. Department of Housing and Urban Development, <http://www.hud.gov/offices/cpd/affordablehousing/index.cfm>

<sup>44</sup> Memphis Area Transit Authority, Maps and Schedules.

<sup>45</sup> Moore, Linda A., MATA Buses Cross River for Free, 2009, The Commercial Appeal

casino. This route was originally free of charge to riders but, due to increased traffic from the City of Memphis to West Memphis, a paid service was instituted.<sup>46</sup> Briefly in 2012, MATA removed the Southland bus stations causing riders to exit the bus on an Interstate 40 frontage road and walk up an exit ramp to their destination. The bus stop has since been moved closer to the original Southland destination.

DeSoto and Fayette County currently do not have any form of public transportation.<sup>47</sup> Residents of these counties who do not have vehicles of their own must rely on others for transportation or be constrained in housing, employment, and other opportunities to limited areas. MATA has begun a transit study of Memphis and has included the DeSoto County area in order to consider implementing a public transportation plan for the future.<sup>48</sup> Fayette County currently does not have any plans to bring public transportation to its jurisdiction. It is important to note however that Fayette County is a largely rural area with a low population density and therefore may not be a feasible location for a public transportation system.<sup>49</sup>

Although playing a much smaller role in local transportation, the Mid-South region is served by the National Railroad Passenger Corporation, better known as Amtrak. Amtrak has a station in Memphis that is a major transportation hub for trains traveling throughout the Southeast and Mid-Western cities such as Chicago and St. Louis.<sup>50</sup> Although Amtrak does not provide local commuter service to Mid-South residents, the Memphis station allows residents another source of business and pleasure travel apart from planes and buses.

## **Roads and Alternative Transportation**

While public transportation serves Memphis and some other areas in the Mid-South region, the movement of people within the area primarily relies upon the use of roads. Shelby County, Memphis, and the region's other jurisdictions have devoted the majority of their transportation resources towards maintaining and building new roadways. As highlighted in the *State of Employment* study, "resources were nearly solely focused on building and expanding roads."<sup>51</sup> Pedestrian infrastructure deficiencies provide an important example of a byproduct of these road-focused transportation investment patterns. As the region grew, an underlying assumption

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<sup>46</sup> Sayle, Hannah, MATA Responds to Video of Southland Route, 2012, <http://www.memphisflyer.com/NewsBlog/archives/2012/11/14/mata-responds-to-video-of-southland-route>

<sup>47</sup> American Public Transportation Association, Tennessee Transit Links, 2014, <http://www.apta.com/resources/links/unitedstates/Pages/TennesseeTransitLinks.aspx#a84>

<sup>48</sup> Orman, Shelley, DeSoto County Looks to Memphis on Public Transportation Plan, June, 20, 2012, <http://www.localmemphis.com/news/local/story/DeSoto-County-Looks-to-Memphis-on-Public/d/story/S9-Stu5FeUaX4stuDr3QJg>

<sup>49</sup> United States Census, Fayette County, Tennessee, January 6, 2014, <http://quickfacts.census.gov/qfd/states/47/47047.html>

<sup>50</sup> American Public Transportation Association, Tennessee Transit Links.

<sup>51</sup> Nelson/Nygaard, *State of Employment*.

of planners and developers was that most businesses' customers would be automobile drivers. This fostered the construction of large parking lots in front of stores with little to no access by sidewalk. These development patterns discourage pedestrians from walking between destinations and complicate travel for MATA riders who must walk between their bus stop and their final destinations.

Again, the *State of Employment* study finds that most MATA users walk for at least one part of their trips on public transit.<sup>52</sup> This means that pedestrian access to and from the MATA bus system, or "last mile" service, is not always adequate. Better investment in pedestrian infrastructure would have a positive impact on the public transportation experience within the region while possibly increasing MATA ridership. Any new pedestrian infrastructure investments contemplated should be considered along with existing and proposed MATA investments to better align the region's pedestrian and public transportation resources.

Shelby County has begun to prioritize alternative transportation investments, recently devoting a \$2.6 million grant under the federal MAP-21 program and a separate \$3 million local investment to projects involving walking, bicycling, and transit use.<sup>53, 54</sup> Through these initiatives, multiple bike route and sidewalk renovations are scheduled across the county which are expected to promote new MATA ridership.

One of the larger infrastructures investments was awarded to the Memphis Area Transit Authority in 2009.<sup>55</sup> This investment includes \$17.8 million to upgrade the entire MATA bus system. Thirty-five new buses will be purchased in order to update the existing fleet and can be used to accommodate new route expansions. Routes and bus frequency can also be updated with this grant award. MATA plans to replace its I.T. and radio systems company-wide as well.

The Memphis MPO's Annual Listing of Federally Obligated Projects tracks funds obligated for a variety of transportation projects throughout the MPO. As the table below shows, the greatest share – 73.1% or \$269.8 million – were for road projects in Tennessee and Mississippi. Transit projects in Tennessee constituted one-tenth of obligated funds, totaling \$38.0 million. The remaining 16.6% of funds were spent on bike/ped projects or enhancements, Intelligent Transportation Systems (ITS), signalization, safety or other enhancements, and bridge projects.

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<sup>52</sup> Nelson/Nygaard, *State of Employment*.

<sup>53</sup> Memphis MPO, Memphis MPO Announces \$2.6M in Alternative Transportation Projects, December 3, 2013, <http://www.shelbycountyttn.gov/DocumentCenter/View/14619>

<sup>54</sup> Tennessee Advisory Commission on Intergovernmental Relations (TACIR), Public Infrastructure Needs Inventory, July 2013, <http://tn.gov/tacir/infrastructure.html>

<sup>55</sup> Grant: Memphis Area Transit Authority, <http://projects.propublica.org/recovery/item/20120630/37171>

**Federally Obligated Transportation Project Funding,  
Memphis Municipal Planning Organization Area, Fiscal Years 2011-2013**

Project Type	FY 2012	FY 2013	2-Year Total	
			Amount	Share
Tennessee Road Projects	\$83,026,673	\$135,474,593	\$218,501,266	59.2%
Mississippi Road Projects	\$22,968,259	\$28,344,968	\$51,313,227	13.9%
Tennessee Transit Projects	\$16,419,382	\$21,552,107	\$37,971,489	10.3%
Tennessee Bike/Ped Projects*	\$12,789,412	\$19,789,579	\$32,578,991	8.8%
Mississippi Bike/Ped Projects	\$0	\$1,438,471	\$1,438,471	0.4%
Tennessee Mitigation Projects**	\$11,811,205	\$6,794,096	\$18,605,301	5.0%
Mississippi Mitigation Projects	\$1,465,373	\$1,992,233	\$3,457,606	0.9%
Tennessee Bridge Projects	\$5,890,827	(\$472,639)	\$5,418,188	1.5%
Mississippi Bridge Projects	(\$119,528)	(\$22,918)	(\$142,446)	0.0%
<b>Total Obligation</b>	<b>\$ 154,251,603</b>	<b>\$214,890,490</b>	<b>\$ 369,142,093</b>	<b>100.0%</b>

\*Includes bike/ped and other enhancement projects.

\*\*Includes ITS/signal/safety and other mitigation projects.

Source: Memphis MPO Annual List of Obligated Projects, Fiscal Years 2012 and 2013

The Tennessee Department of Transportation lists three investment projects specifically for Shelby County.<sup>56</sup> All investments are spread over FY2015 and FY 2016. These investments include construction on 3 overhead bridges along I-240, construction on SR-3 and SR-3 at Craft Road to Shelby Drive. These investments show that not only is Shelby County committed to alternative forms of transportation, but that more commonplace roads and bridges will continue to be updated alongside these new Greenprint initiatives.

West Memphis completed a transportation improvement study in 2012 that sought to plan the use of its State of Arkansas transportation funds from 2013 to 2016. Under this study, there was no identified use of state funds for any type of public transportation.<sup>57</sup> All funding has instead been directed towards road improvement and various other walking trail enhancements. Under this plan, West Memphis will still fully rely on MATA for public transportation. As previously described, MATA provides only limited service for West Memphis riders traveling to and from the City of Memphis.

<sup>56</sup> Tennessee Department of Transportation Proposed Fiscal Years 2015-2017,  
<http://www.tdot.state.tn.us/news/2014/ThreeYearProgram2015-2017.pdf>

<sup>57</sup> Metropolitan Planning Organization West Memphis, Arkansas, West Memphis Area Transportation Study  
Transportation Improvement Program Fiscal Years 2013-2016, October 25, 2012,  
<http://mpo.midsouthcc.edu/FY13/TIP%202013-2016%20Rev%20102512a.pdf>

Regarding public transportation, DeSoto County, Mississippi shares issues similar to those of West Memphis. The City of Hernando's General Development Plan states that public transportation is largely provided by the City of Memphis, although the MATA network does not actually reach DeSoto County, and residents must rely instead on private vehicles to reach their places of employment and services. Currently, Hernando's General Development Plan makes no provision for future public transportation service within the city.<sup>58</sup> Despite its lack of public transit, Hernando has identified the need for growth in its number and quality of sidewalks.<sup>59</sup> Investment in this area will allow residents to more safely travel between local destinations using means other than automobiles.

Within Fayette County, there are no major cities with sufficient potential ridership to support a systematic public transportation network. As a largely rural area, Fayette County currently does not have any plans to add alternative transportation infrastructure to its cities. This signifies that Fayette County would rather concentrate resources on other areas of importance to its residents.

### **Stakeholder Input**

A number of meeting participants stated, in various ways, that the key to a household's ability to obtain suitable and affordable housing is income, and that the keys to adequate income are obtaining and holding a good job and having suitable, affordable, and reliable transportation to that job.

Almost universally mentioned was the inability of the Memphis public transit system to move its riders from home to work and back again in reasonable timeframes. A companion complaint was the almost absence of transit service to the suburbs. Limited transit service during nighttime hours is also a particular problem for many workers.

While the largest employers in the region are located in Shelby County, and most are in the City of Memphis, the existing transit system is not user friendly because of lengthy travel times and limited routes and schedules. These problems are particularly acute for low-income families whose homes are not near jobs in the City of Memphis or the suburbs.

Specific transit improvements mentioned by participants include:

- improved image of transit to broaden ridership base;
- expanded transit routes and hours of operation;
- extended transit further into the suburbs; and

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<sup>58</sup> City of Hernando, General Development Plan 2007-2027, 2007, <http://cityofhernando.org/wp-content/uploads/2011/06/City-of-Hernando-General-Development-Plan-2007-2027-Combined.pdf>

<sup>59</sup> City of Hernando, General Development Plan 2007-2027.

- special attention to make transit more accessible and convenient for riders working at FedEx, local medical centers and other major employers.

Respondents to the fair housing survey echoed concerns of other stakeholders. When asked to specify whether several public services were equally distributed throughout the region, the majority of respondents (72%) identified public transportation as not being equally distributed.

## Water & Sewer

As a region grows, its water and sewer systems must be updated to accommodate the increase in people and usage as well as to repair older equipment. Fortunately, Shelby County sits above a large natural aquifer containing up to 100 trillion gallons of water.<sup>60</sup> This places Shelby County at an advantage over other cities that source their water from outside areas. Memphis Light, Gas and Water or MLGW is the largest three-service municipal utility in the United States and provides Shelby County with electricity, gas, and water. The MLGW earned a perfect score during the state of Tennessee’s Department of Environment and Conservation’s tests on water system management, treatment, and pump facilities.<sup>61</sup> This rigorous annual test seeks to discover any potential sources of contamination or breakdowns.

Shelby County and the City of Memphis’ sewer systems have recently come under federal and state scrutiny. In 2012 the United States Department of Justice and the Tennessee Department of Environment and Conservation settled with the City of Memphis over multiple violations regarding unpermitted discharges from its sewer system. Sanitary sewer overflows were found to have occurred “1,170 times in a five year period” largely in areas where the median income was lower than the Tennessee average of \$34,960.00.<sup>62</sup>,<sup>63</sup> This illustrates a potential discrepancy in the quality of utilities offered to Memphis area residents. The City of Memphis was forced to pay a fine of over \$1.2 million and spend another estimated \$250 million to repair and upgrade its current sewer system.<sup>64</sup> Shelby County currently provides wastewater treatment to many unincorporated areas, making its need for functional and reliable sewer systems vital.<sup>65</sup>

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<sup>60</sup> Memphis Light, Gas and Water, About, 2014, <http://www.mlgw.com/about/>

<sup>61</sup> Memphis Light, Gas and Water, 2012 Annual Report, 2013, [http://www.mlgw.com/images/content/files/pdf/MLGW2012\\_AR\\_web.pdf](http://www.mlgw.com/images/content/files/pdf/MLGW2012_AR_web.pdf)

<sup>62</sup> Tennessee Clean Water Network, Tennessee Clean Water Network settles with the City of Memphis over Sanitary Sewer Overflows, April 16, 2012, <http://www.tcnw.org/prmemphis>

<sup>63</sup> City-Data, Memphis: History, 2009, <http://www.city-data.com/us-cities/The-South/Memphis-History.html>

<sup>64</sup> United States Environmental Protection Agency, City of Memphis - Tennessee Sanitary Sewer Overflow Settlement, August 13, 2013, <http://www2.epa.gov/enforcement/city-memphis-tennessee-sanitary-sewer-overflow-settlement>

<sup>65</sup> Shelby County, Shelby County Water Study, 2013, <http://shelbycountyttn.gov/DocumentCenter/Home/View/661>

The City of West Memphis operates its own utilities providing water and electric service. Its water services came under scrutiny in 2012 for failure to have the correct number of samples delivered to EPA and again for failure to meet the total coliforms standard.<sup>66</sup> These types of violations, while not immediately harmful, do show a lapse in quality of service to customers throughout West Memphis.

## Education

The quality of public schools within a community can be a key indicator of community vitality and a primary driver of housing choice. Because families with children often choose to live in districts where the schools are perceived to be strongest, high-growth areas tend to have dynamic public school options that bridge the socioeconomic needs of all students. Conversely, poor-performing schools can drive away residents and lead to blight. Therefore, the link between school quality and housing choice must be considered.

The dynamics of school performance and neighborhood vitality have had a large role to play in recent changes to many of the school systems in the Mid-South region. In 2013 Memphis City Schools, an overwhelmingly minority and low-income school district merged with Shelby County Schools, a more affluent, and better performing suburban district.<sup>67</sup> Following the merger, six incorporated suburban municipalities that had been served by Shelby County Schools chose to individually break off and each form its own “autonomous school district”. These six districts will remain separate from the newly-merged Shelby County School district.<sup>68</sup> Some residents served by the Shelby County School District fear that the incorporation of Memphis City Schools students and the exodus of students within the six new autonomous districts will result in an overall downward trend in educational performance. Further compounding race and class tensions raised by the merger, the majority of low performing schools slated for closure as a result of the merger are located in high minority and low income areas.<sup>69</sup>

Crittenden County contains five different school districts. West Memphis is located entirely in its own school district and is facing numerous problems of population decline, incomes and housing values dropping, as well as poor education rankings.<sup>70</sup> These declining factors all impair the quality of public education provided in West Memphis. U.S. News & World Report shows

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<sup>66</sup> West Memphis Utility Commission, Water Department, 2014, <http://www.westmemphisutilities.com/water.htm>

<sup>67</sup> Dillon, Sam, Merger of Memphis and County School Districts Revives Race and Class Challenges, Nov 5, 2011, [http://www.nytimes.com/2011/11/06/education/merger-of-memphis-and-county-school-districts-revives-challenges.html?\\_r=0](http://www.nytimes.com/2011/11/06/education/merger-of-memphis-and-county-school-districts-revives-challenges.html?_r=0)

<sup>68</sup> Chalkbeat, Merger, 2014, <http://tn.chalkbeat.org/topics/merger/>

<sup>69</sup> Jaclyn, Zubrzycki, Urban Districts Struggle to Improve Academics After School Closings, Research Says, February 14, 2014, <http://tn.chalkbeat.org/2014/02/14/research-on-academic-impact-of-school-closings-suggests-hard-road-ahead/>

<sup>70</sup> USA.com West Memphis, West Memphis, AR, 2014, <http://www.usa.com/west-memphis-ar.htm>

poor test scores for the West Memphis district with almost every category measured falling below the state average.<sup>71</sup> A poorly performing school district paired with general population decline is a strong marker for disinvestment in the community.

Public schools in DeSoto County serve a far smaller student population than those in Shelby County and are organized under a single county school district allowing for uniformity across levels of education.<sup>72</sup> US & World Report News has ranked all schools in the district on college readiness, algebra proficiency, and English proficiency by comparing them to the state average. The overwhelming majority of the schools in DeSoto County place either above the Mississippi average or very close to the state average.<sup>73</sup> These test scores help illustrate DeSoto County's ability to produce students ready to enter post-secondary education or the workforce. This high quality of education spread evenly across the county appears to ensure that no matter where students may live in DeSoto County, they will receive a quality education that is above the Mississippi average in many categories.

## Summary

Housing conditions in any area are dependent on many other factors besides the physical housing available and barriers to accessing that housing. Many times a home is only as attractive as the services available in the area. Residents want to live in areas that provide adequate and reliable public services.

The Mid-South region contains both well performing and underperforming public services. Public transportation service along with roads, sidewalks, and other alternative transportation means are major issues within the Mid-South region that are not uniformly provided. The overall condition of the region's various water treatment and delivery services is sufficient, but sewer and wastewater services in the City of Memphis have incurred substantial violations. Memphis will need to make significant investments in its sewer system in order to maintain a system properly supports the city's current and future needs. Public education in the region continues to perpetuate major disparities in school quality, particularly with the establishment of new autonomous school districts in suburban Shelby County. In addition to the logistical challenges, the Memphis and Shelby County schools merger has revived many racial and class tensions.

## Stakeholder Input

Many comments received regarding the distribution of public services indicated that facilities were provided evenly and equitably. Commenters who lived out of the City of Memphis tended

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<sup>71</sup> U.S. News & World Report, West Memphis School District, 2014, <http://www.usnews.com/education/best-high-schools/arkansas/districts/west-memphis-school-district>

<sup>72</sup> US.com, DeSoto County, 2014, <http://www.usa.com/desoto-county-ms.htm>

<sup>73</sup> U.S. News & World Report, DeSoto County School Dist, 2014, <http://www.usnews.com/education/best-high-schools/mississippi/districts/desoto-county-school-dist>

to feel this way, while it was more typical for a commenter who lived in the City to believe that there was inequity. In Memphis, areas like Frayser which have suffered disinvestment through the years were noted as being neglected when the city allocated funding among city council districts. Types of investment specifically mentioned as needed in these areas were parks, pools, schools, infrastructure construction and maintenance, and public safety response times.

When asked to identify public services equally distributed throughout the region, Fair Housing Survey respondents' top answers were garbage collection, fire protection, and water/sewer. Services seen as being provided unequally are public transportation, schools, and parks.

## Access to Areas of Opportunity

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As with the earlier RCAP/ECAP analysis, this section analyzes the Mid-South Regional Greenprint study area using a methodology developed by HUD's Office of Policy Development and Research. HUD provides Sustainable Communities grantees with data comparing, by race and ethnicity, six "opportunity dimensions" for several different subpopulations. The six opportunity dimensions calculated by HUD are:

- Poverty – based on family poverty rates and share of households receiving public assistance;
- School proficiency – based on school-level data regarding student performance on state exams;
- Labor market engagement – based on employment levels, labor force participation and educational attainment;
- Jobs access – based on distance to job locations and labor supply levels;
- Transit access – based on distance to nearest rail or bus transit station or stop; and
- Health hazards exposure – based on distance to facilities releasing toxic chemicals and levels of toxicity, according to the Environmental Protection Agency (EPA).

### Access to Opportunity by Race, Ethnicity, and Poverty Status

For each racial or ethnic group reported, a value is assigned for these six indices. Higher index values reflect more favorable neighborhood characteristics. The index for each minority group is also compared with the index for Whites to arrive at an estimate of disparity.<sup>74</sup> Positive disparity numbers indicate that Whites, on average, reside in more favorable neighborhood conditions (higher values for the opportunity dimensions) than the minority group being compared. Negative values indicate that the minority group tends to live in neighborhoods with more favorable conditions than their White counterparts.

The first comparison is between the general population of the Greenprint study area and that portion of the population in poverty. For persons in poverty, school proficiency, labor market engagement, and health hazards index values are uniformly lower than for the general population, meaning people in poverty tend to reside in communities with less opportunity, when measured by these dimensions. Disparities between job access index values do not substantially vary between the general population and the subpopulation of people in poverty.

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<sup>74</sup> The analysis of access to opportunities includes data for Hispanics, Non-Hispanic Whites, Non-Hispanic Blacks, Non-Hispanic Asians, Non-Hispanic Native Americans, and Non-Hispanic Pacific Islanders. As in the segregation analysis, these groups are referred to as "Hispanics," "Whites," "Blacks," "Asians," "Native Americans," and "Pacific Islander" for simplicity.

But, transit access improved for those in poverty, indicating that the poorer subpopulation is more likely to live in communities with access to transit.

Disparities between index values for Whites and each major minority group are also measured by poverty status. Comparing opportunity index values between White and Black study area residents reveals significant disparities for poverty, school proficiency, and labor market engagement, regardless of poverty status. Opportunity indices for White residents are uniformly higher than for Black residents along these dimensions, with disparities ranging from 24 to 33 points. For access to jobs, opportunity is relatively equal amongst White and Black residents regardless of poverty status; however, poor Blacks face higher health hazard exposure risk than do their White counterparts. In terms of transit access, Blacks fare better than Whites, with index scores 17-18 points above Whites for the overall population and the population living in poverty.

Hispanic study area residents also tend to live in lower opportunity neighborhoods when compared to White residents, regardless of poverty status. Opportunity gaps between the two groups in terms of poverty, school proficiency, and labor market engagement range from 14 to 22 points. Hispanic residents' jobs access and exposure to health hazards are roughly equivalent or just slightly below those of White residents (0 to 6 disparity points), while their access to transit is better (by 8 to 9 points).

Similar although less pronounced disparities in opportunity exist for Native Americans and Pacific Islanders relative to Whites. Poverty, school proficiency, and labor market engagement show the largest gaps (10 to 16 points), while jobs access and health hazards exposure are relatively equal. Transit access is generally more favorable for Native Americans and Pacific Islanders than for Whites. Note that too few poor Native Americans or Pacific Islanders live in the Greenprint study area to develop reliable indices for these subpopulations.

For most opportunity dimensions, Asians in the general population had index values quite similar to Whites. But when looking at the subpopulation of people in poverty, Asians had higher opportunity indices than Whites for the poverty, labor market engagement, jobs access, and transit access dimensions by 10 to 16 points.

Overall, Black and Hispanic residents face the largest opportunity gaps relative to White residents. They are more likely to live in neighborhoods with higher poverty, lower school proficiency and less labor market engagement, and these disparities persist regardless of poverty status. For jobs access, values were relatively consistent across all races and ethnicities, suggesting a somewhat even distribution of these dimensions across the region. In all instances, minorities had better transit access than Whites.

**Disparity in Access to Neighborhood Opportunity - All Persons in Mid-South Regional Greenprint Study Area**

Panel A - All Persons								Disparity				
Opportunity Dimension	All Persons	White Persons	Black Persons	Hispanic or Latino Persons	Asian Persons	Native American Persons	Pacific Isldr. Persons	White -Black	White-Hispanic	White-Asian	White - Native Amer.	White - Pacific Isldr.
Poverty	57	75	41	52	74	59	63	33	22	1	16	11
School Proficiency	46	62	32	41	60	47	51	30	21	2	15	11
Labor Market Engagement	59	75	44	57	78	60	64	31	18	-4	14	10
Job Access	51	55	48	50	58	52	51	6	5	-3	2	4
Transit Access	37	27	45	36	28	34	32	-18	-9	-1	-7	-5
Health Hazards Exposure	56	59	54	57	60	57	58	4	1	-1	2	0
Counts	1,118,507	480,531	537,029	60,885	23,457	2,222	349					
Panel B - Persons in Poverty								Disparity				
Opportunity Dimension	All Poor Persons	Poor White Persons	Poor Black Persons	Poor Hispanic or Latino Persons	Poor Asian Persons	Poor Native American Persons	Poor Pacific Isldr. Persons	Poor White -Black	Poor White - Hispanic	Poor White - Asian	Poor White- Native Amer.	Poor White - Pacific Isldr.
Poverty	34	59	26	41	69			33	18	-10		
School Proficiency	29	48	24	30	49			24	17	-1		
Labor Market Engagement	37	62	29	48	75			33	14	-12		
Job Access	50	55	49	50	67			6	5	-12		
Transit Access	50	37	54	45	53			-17	-8	-16		
Health Hazards Exposure	35	51	30	45	47			20	6	4		
Counts	204,066	32,938	149,972	15,361	2,233	384	0					

Source: U.S. HUD Office of Policy Development & Research Fair Housing Equity Analysis Look-Up Tool, Table 4a2

The data from HUD included a second comparison, this one between the general population of children in the region and those children living in poverty. In general, children in the Mid-South Regional Greenprint study area live in neighborhoods with similar opportunity levels as all residents (adults and children) for each racial and ethnic group. No opportunity index score for the general population of children varied from that of the total population by more than 6 points regardless of the dimension or the racial/ethnic group.

When compared to opportunity dimensions for all children, the index values for poor children dropped in three areas – poverty, school proficiency, and labor market engagement.<sup>75</sup> Differences in jobs access and exposure to health hazards were nominal, while transit access was higher. These findings remained true when looking at opportunity by race and ethnicity. In comparison to poor White children, both poor Black and poor Hispanic children tend to live in neighborhoods with considerably lower opportunity in terms of poverty, school proficiency, and labor market engagement (disparity levels range from 18 to 35 points). Poor Black and poor Hispanic children were likely to live in areas with better transit access than their white counterparts by 23 and 14 points, respectively.

In terms of disparity relative to White study area residents, similar patterns exist for children living in the Greenprint region as for the overall population. Greatest opportunity gaps exist in terms of poverty, school proficiency, and labor market engagement. For each of these dimensions, disparity is most pronounced between White and Black children, followed by White and Hispanic children, and then Whites and Native Americans. This trend holds for both the general population of children and for those living in poverty. Asian children tend to live in neighborhoods with very similar opportunity levels to those of White children, a pattern similar to that of the general population.

In terms of school proficiency – a key dimension for children – White children live in neighborhoods with an opportunity score 33 points higher than Black children, 25 points higher than Hispanic children, 20 points higher than Native American children and 3 points higher than Asian children. For children in poverty, school proficiency gaps are smaller but still significant – 27 points between White and Black children and 18 points between White and Hispanic children.

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<sup>75</sup> Due to low numbers of Pacific Islander children living in the study area and low numbers of Asian, Native American and Pacific Islander children in poverty in the study area, opportunity indices were not calculated by HUD for these groups.

**Disparity in Access to Neighborhood Opportunity - All Children in Mid-South Regional Greenprint Study Area**

Panel A - All Children								Disparity				
Opportunity Dimension	All Children	White Children	Black Children	Hispanic or Latino Children	Asian Children	Native American Children	Pacific Islr. Children	White -Black	White-Hispanic	White-Asian	White -Native Amer.	White -Pacific Islr.
Poverty	55	77	41	52	75	55		36	25	2	22	
School Proficiency	45	66	32	40	63	46		33	25	3	20	
Labor Market Engagement	57	76	44	57	80	58		32	19	-4	18	
Job Access	50	53	47	48	56	47		5	5	-3	5	
Transit Access	34	21	43	34	24	30		-22	-13	-3	-9	
Health Hazards Exposure	56	59	55	57	60	56		4	2	-2	3	
<b>Counts</b>	299,476	103,408	161,325	20,158	6,198	710	144					

Panel B - Children in Poverty								Disparity				
Opportunity Dimension	All Poor Children	Poor White Children	Poor Black Children	Poor Hispanic or Latino Children	Poor Asian Children	Poor Native American Children	Poor Pacific Islr. Children	Poor White-Black	Poor White -Hispanic	Poor White -Asian	Poor White-Native Amer.	Poor White -Pacific Islr.
Poverty	30	61	26	40				35	21			
School Proficiency	30	54	27	36				27	18			
Labor Market Engagement	34	64	30	46				34	18			
Job Access	48	53	48	48				5	5			
Transit Access	49	29	52	43				-23	-14			
Health Hazards Exposure	53	59	52	56				6	3			
<b>Counts</b>	82,903	7,258	67,377	7,289	695	101	0					

Source: U.S. HUD Office of Policy Development & Research Fair Housing Equity Analysis Look-Up Tool, Table 4b

## Summary

The analysis of access to neighborhood opportunities shows that poverty, school proficiency, labor market engagement, and transit access are the three areas where level of opportunity is most related to race, ethnicity, and poverty status. The former three tend to be worse for minorities and those in poverty, while transit access is uniformly better for minority residents and persons in poverty. Jobs access is relatively similar regardless of these factors, while exposure to health hazards is more closely related to poverty status than to race or ethnicity.

## Geography of Opportunity

In addition to assessing access to opportunity by race, ethnicity, and poverty status, HUD also provides Sustainable Communities grantees with scores for each of the six opportunity indices by block group. Mapping these scores indicates how different areas of the region do in terms of providing access to each opportunity dimension. In the six maps below, darker shading indicates lower scores, and thus lower opportunity, while lighter shading indicates higher index scores and greater opportunity levels. Census tracts that qualified as RCAP/ECAPs in 2010 are also identified on each map.

The first three maps show that poverty, school proficiency, and labor market engagement tend to be low in the RCAP/ECAP neighborhoods and in other block groups in western and southern Memphis. On all three of these dimensions, higher opportunity areas are located in east Shelby County, including eastern Memphis (outside of the I-240 loop), unincorporated Shelby, Bartlett, Lakeland, Collierville, and Germantown. Most of DeSoto County offers proficient schools, although scores for poverty and labor market engagement vary.

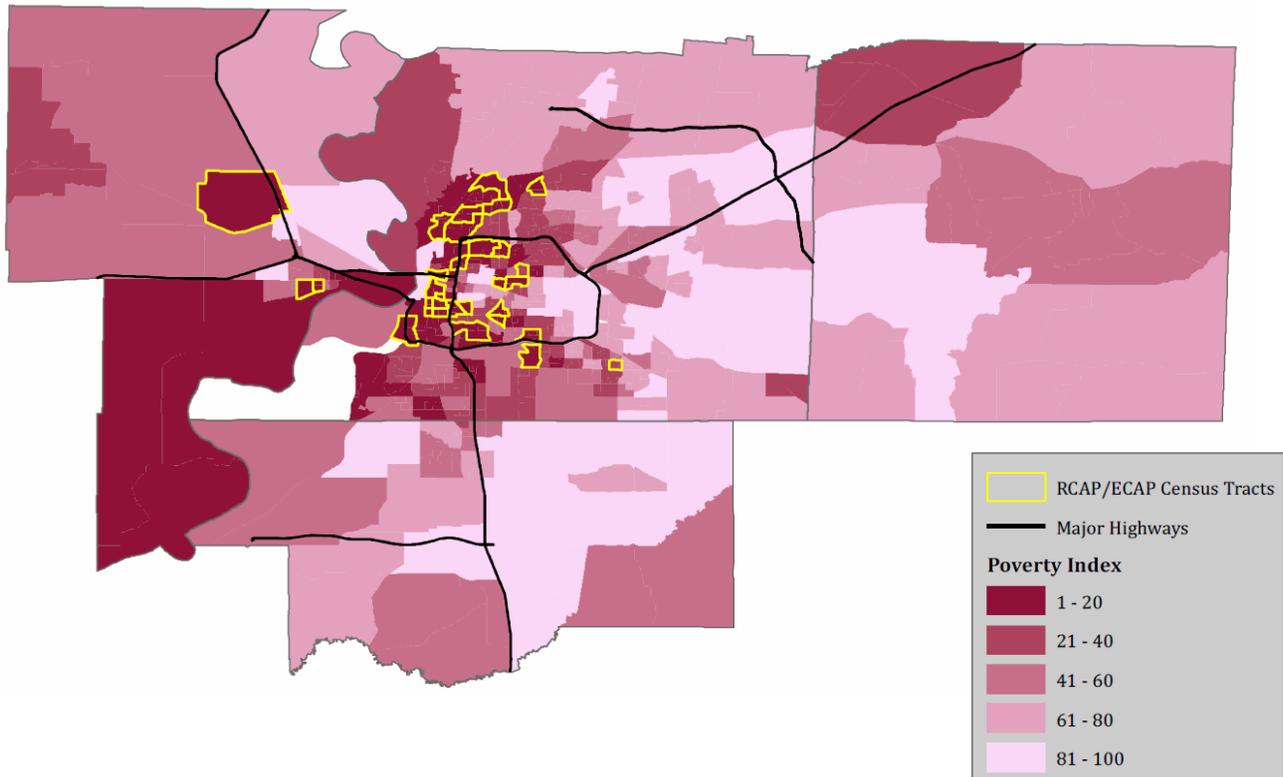
Access to jobs tends to be better in census block groups in Memphis than in suburban cities or unincorporated parts of the counties, although scores vary throughout the region. Several of the RCAP/ECAP tracts, especially those in central Memphis, are well-positioned in terms of access to jobs.

Transit access is uniformly better in Memphis and West Memphis than in suburban locations, reflecting MATA's service area. Most RCAP/ECAPs are well-served in terms of access to transit, with the exception of those in Crittenden County, where service is diminished or, in the case of one westernmost tract, non-existent.

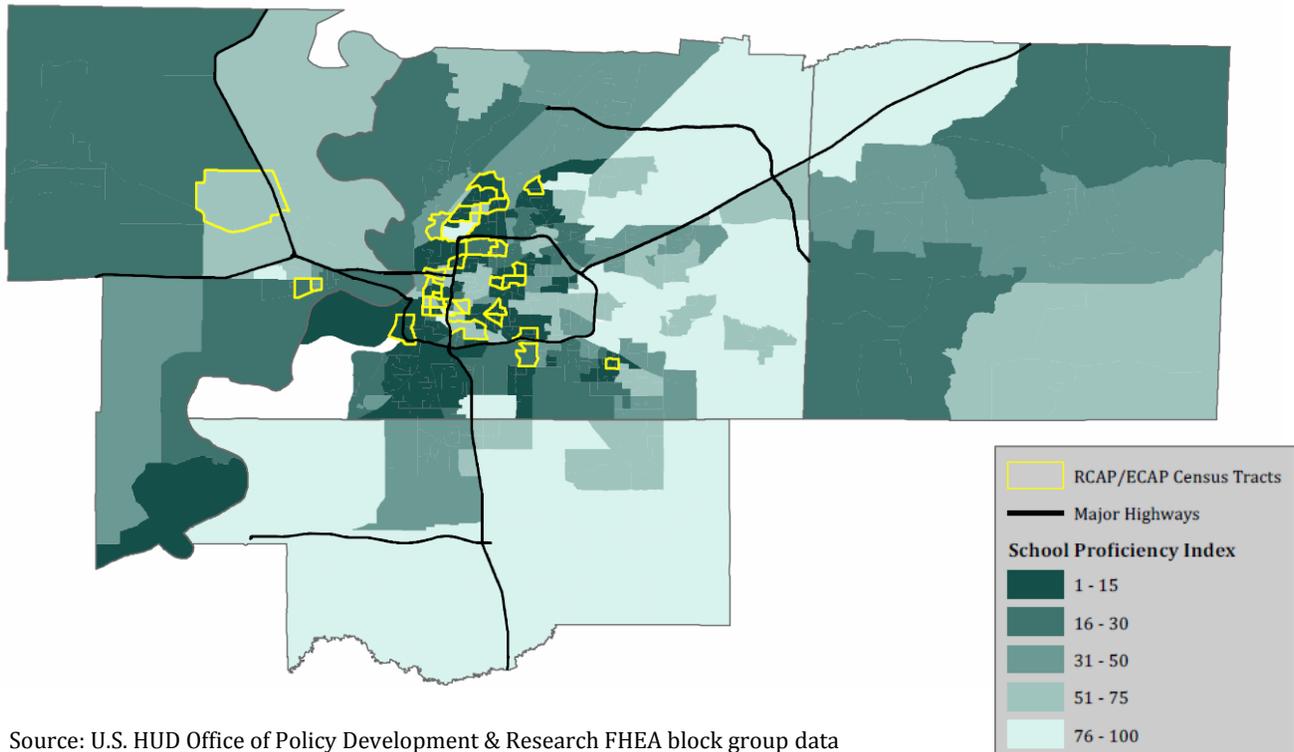
Levels of exposure to health hazards vary little throughout the region, although Memphis, West Memphis, and north Shelby County have somewhat higher exposure levels than more suburban areas. Elevated exposure to health hazards is seen in only one RCAP/ECAP, located along I-55 near the Rivergate Industrial Park.

The recommendations section of this document will address ways to encourage additional housing development in higher opportunity neighborhoods in the region.

## Poverty Index Scores by Block Group

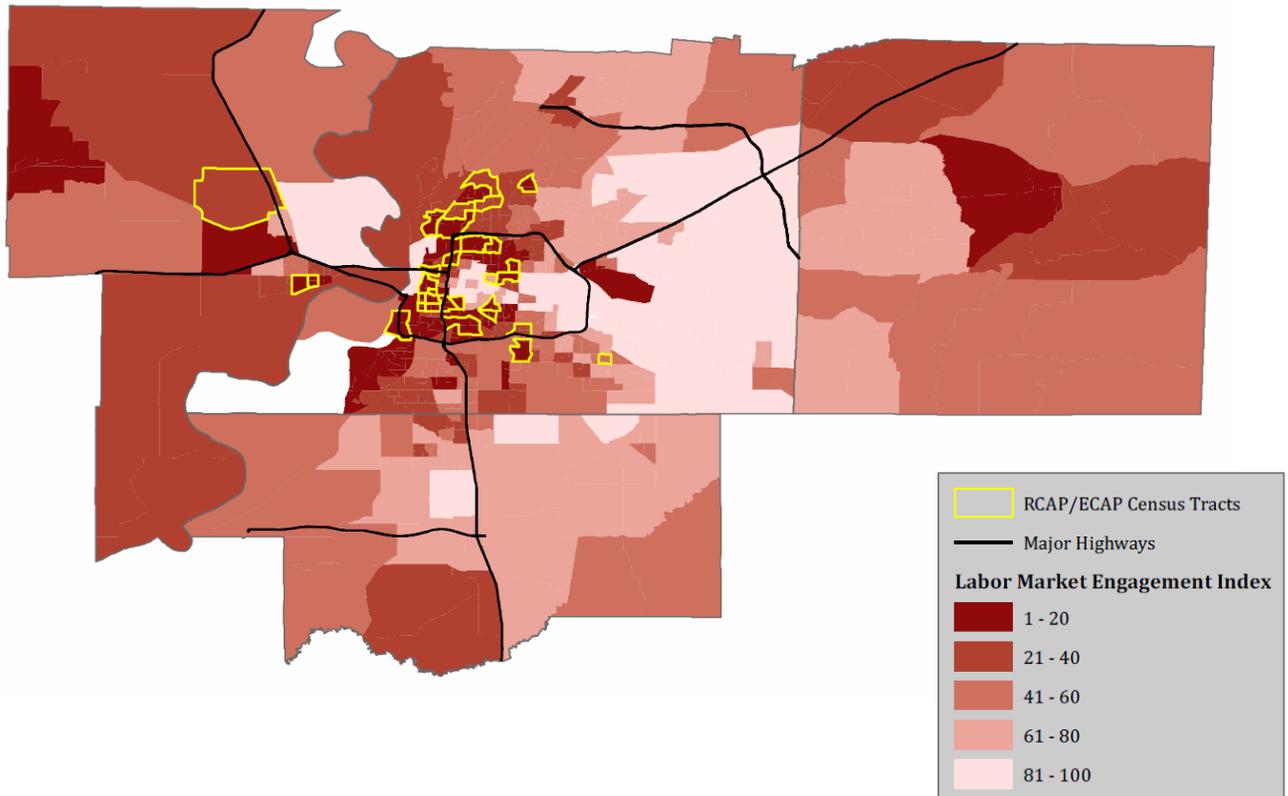


## School Proficiency Index Scores by Block Group

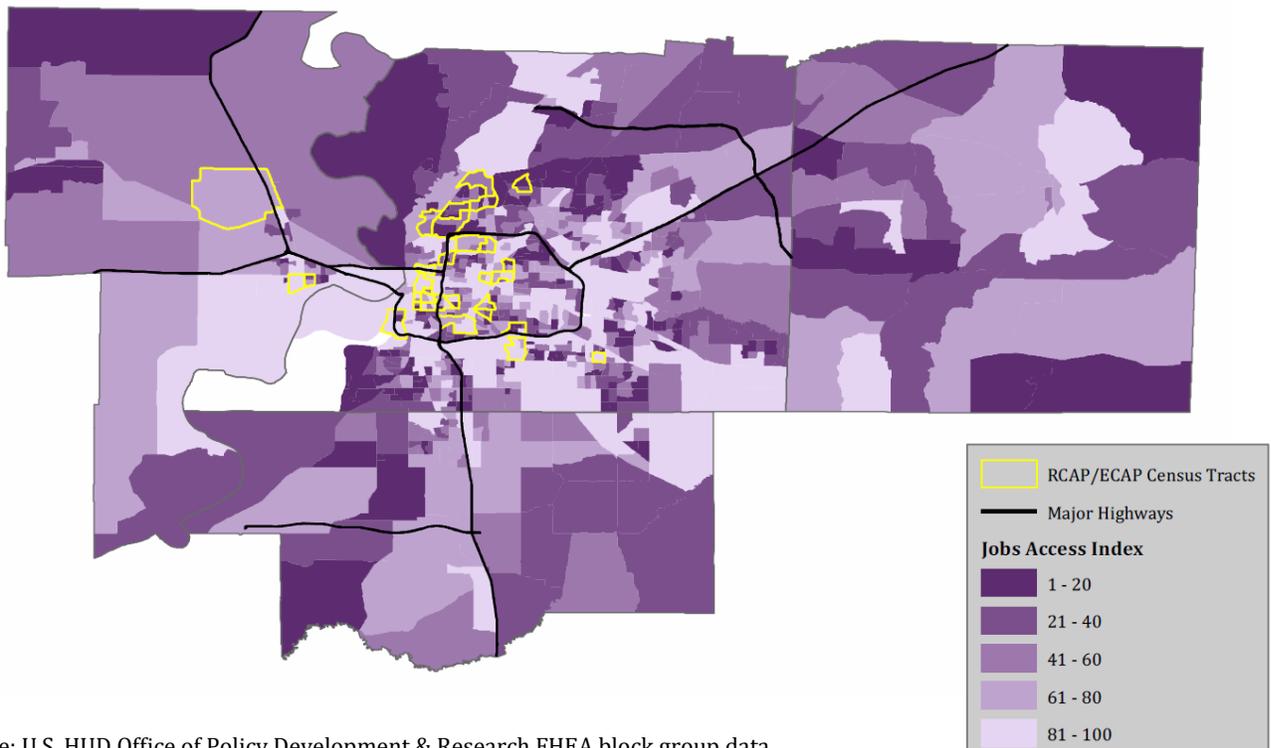


Source: U.S. HUD Office of Policy Development & Research FHEA block group data

## Labor Market Engagement Index Scores by Block Group

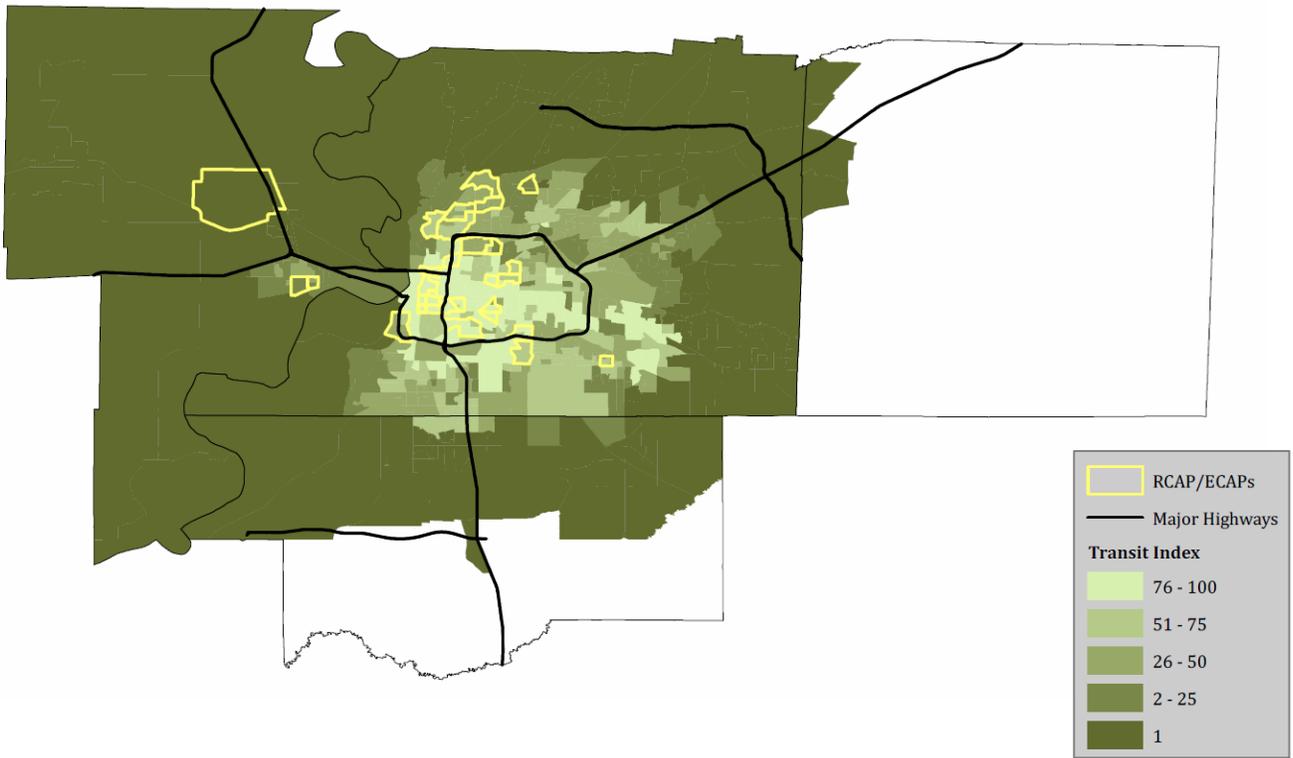


## Job Access Index Scores by Block Group

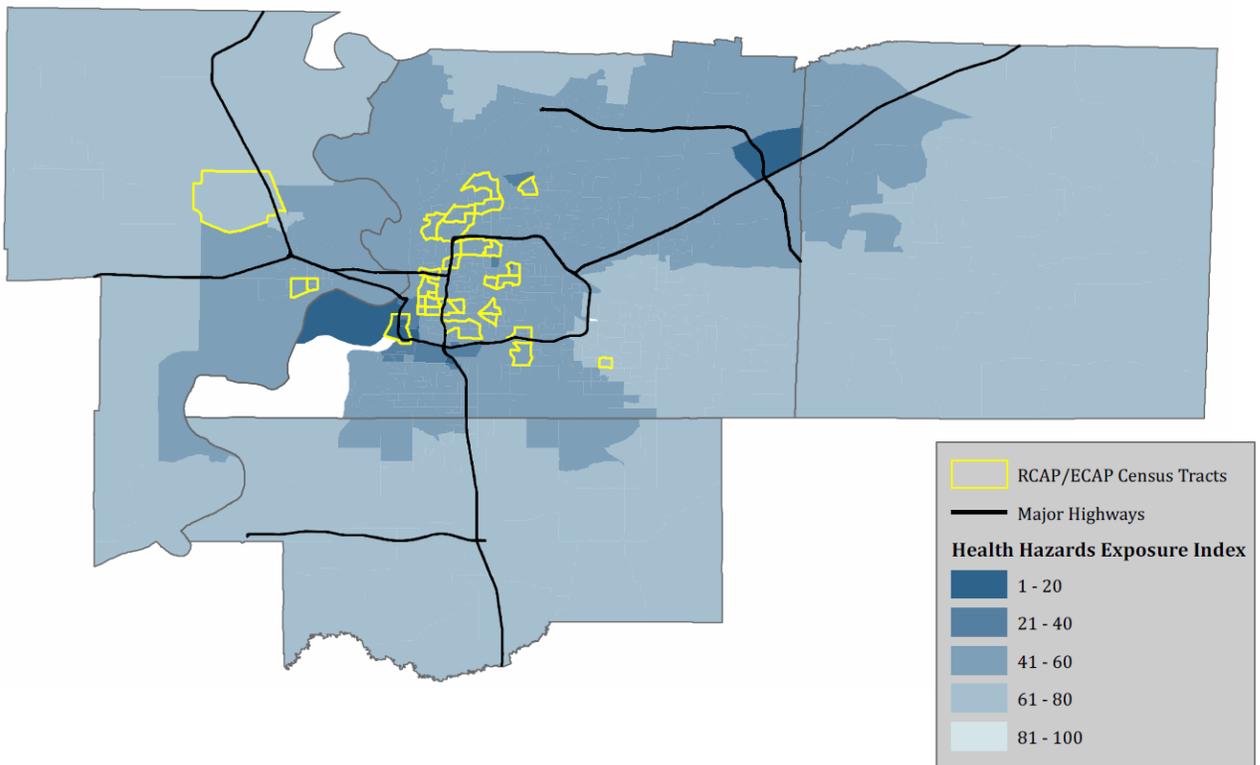


Source: U.S. HUD Office of Policy Development & Research FHEA block group data

## Transit Access Index Scores by Block Group



## Health Hazards Exposure Index Scores by Block Group



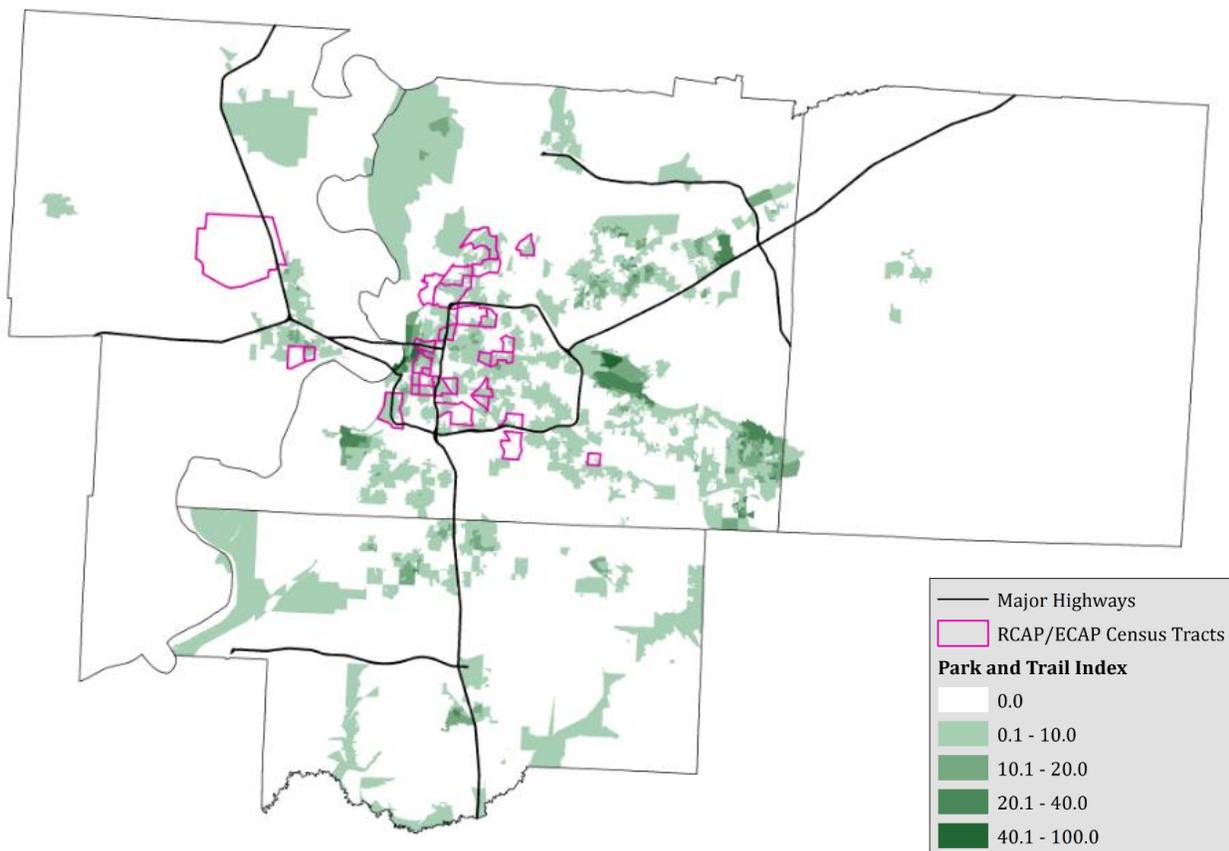
Source: U.S. HUD Office of Policy Development & Research FHEA block group data

In addition to the opportunity indices calculated by HUD, the Greenprint Consortium prepared an index assessing access to parks and trails by block for the four-county area. An index score of zero indicates no parks or trails within one-half mile, and higher scores mean more parks and trails within one-half mile of the block. As the map below shows, Shelby County offers residents the best access to outdoor recreation space, with concentrations of parks along the Mississippi and Wolf Rivers. The Highway 79 corridor from I-240 to I-269, including the City of Bartlett and the Ellendale and Brunswick communities also offers better park/trail access than most of the region.

Within the I-240 loop, several blocks have index scores in the 1-10 range, although others have no access. Most RCAP/ECAPs also have index scores within this range, indicating some, albeit limited, level of access to parks/trails within a half mile. Four RCAP/ECAP tracts have no access to a park or trail within a half mile (303.02 and 307.02 in Crittenden County and 99.02 and 105 in Shelby County).

### Park Access Index Scores by Block

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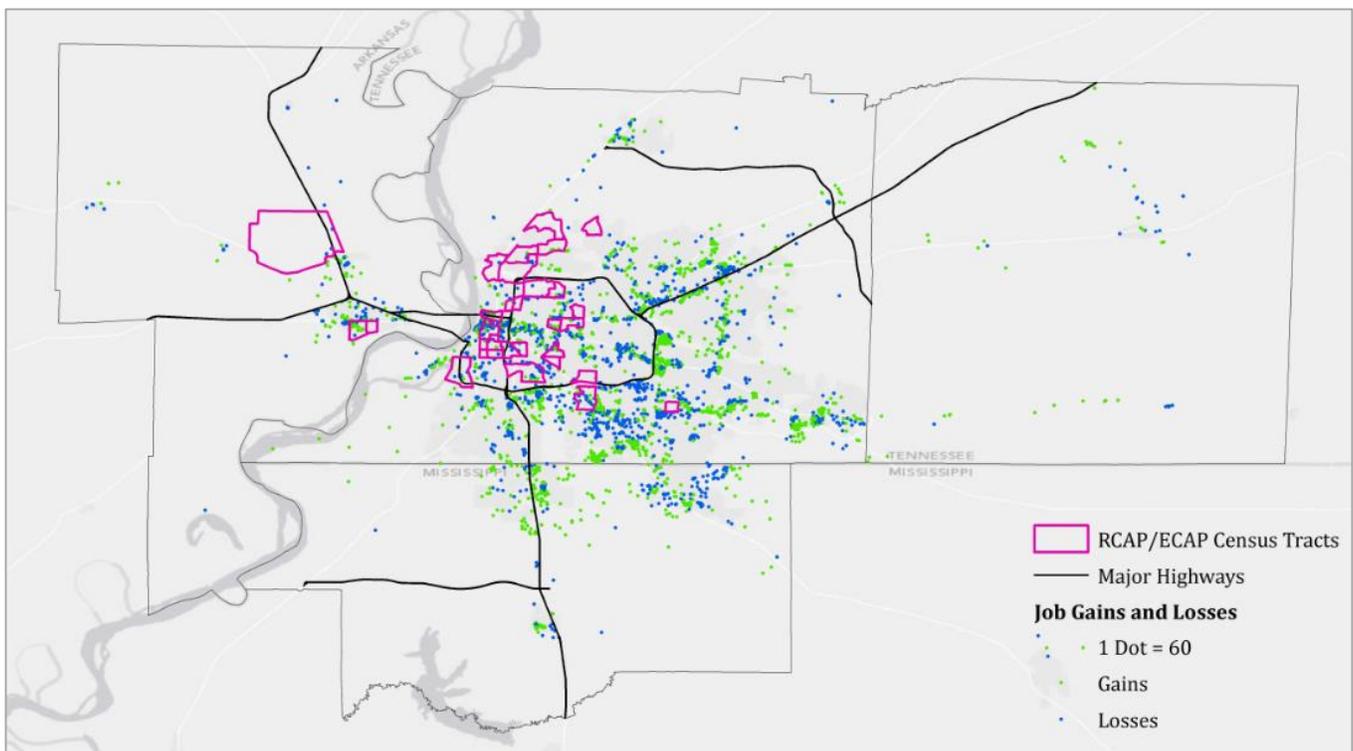


Source: Greenprint Consortium

Another important measure of neighborhood opportunity is proximity to areas of employment growth and workforce development programs for low and moderate wage workers. The map below shows job gains and losses from 2004 to 2011 for the four-county area. As shown, from a regional perspective, areas with most job gains and losses tend to overlap rather than to signify a wholesale shift in employment centers from one area to another. The Highway 78 corridor outside of I-240, for example, saw both considerable job losses and considerable gains over the seven year period.

Employment gains or losses were not concentrated in the RCAP/ECAP census tracts. Only five of these tracts saw notable changes in employment: tracts 113 and 114 to the southwest of the I-40 and I-240 interchange, tract 27 within the I-240 loop, tract 105 along Highway 78, and tract 303.02 in Crittenden County.

### Job Gains and Losses by Census Block, 2004-2011

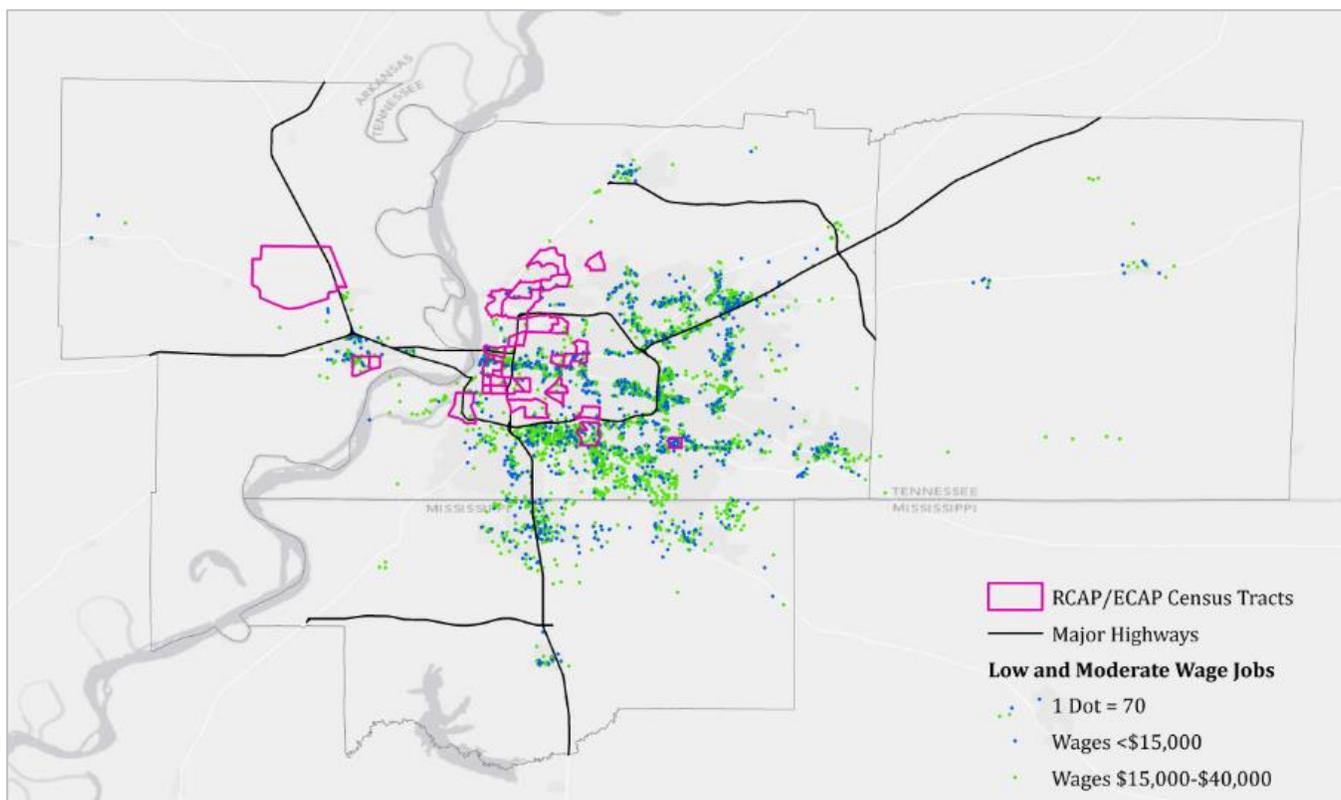


Source: U.S. Census 2011 Longitudinal Employer-Household Dynamics; ESRI (basemap)

The map on the following page identifies low (under \$15,000 annually) and moderate (\$15,000 to \$40,000 annually) wage jobs in the four-county area. These jobs are heavily concentrated along major transportation corridors in southeast Shelby County and along Highways 72 and 79 inside the I-240 loop. Of the 32 RCAP/ECAPs, most do not contain significant numbers of low and moderate income jobs. Six do contain employment concentrations including the five listed above and tract 217.26 in southeast Shelby County along Highway 385. The workforce development section of the demographic overview identified potential resources available for

low/moderate wage workers living in RCAP/ECAPs and throughout the study area, including workforce development centers and Section 3 hiring goals.

### Low and Moderate Wage Jobs by Census Block, 2011



Source: U.S. Census 2011 Longitudinal Employer-Household Dynamics; ESRI (basemap)

## Land Use & Zoning

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Comprehensive land use planning is a critical means by which governments address the interconnection and complexity of their respective jurisdictions. The interconnectedness of land uses means that a decision as to the use of a particular piece of property has consequences not only for surrounding property, but for a myriad of other issues as well. For example, a decision to use a parcel of land for development of a shopping mall (a land use decision) will not only influence the value and use of surrounding property thus impacting the local tax base and increasing demands on public infrastructure, but it is necessarily a traffic and environmental decision as well (such an intensive commercial use will increase traffic flow and large impervious parking lots will increase stormwater runoff). For this reason, “[t]he land-use decisions made by a community shape its very character – what it’s like to walk through, what it’s like to drive through, who lives in it, what kinds of jobs and businesses exist in it, how well the natural environment survives, and whether the community is an attractive one or an ugly one.”<sup>76</sup> By extension, decisions regarding land use and zoning have direct and profound impacts on affordable housing and fair housing choice, as will be discussed within this section.

From a regulatory standpoint, local government measures to control land use typically rely upon zoning codes. These codes often define the scope and density of housing resources available to residents, developers and other organizations within certain areas. While zoning codes have an important role to play in regulating the health and safety of the built environment, overly restrictive codes can negatively impact fair housing choice within a jurisdiction. Examples of zoning provisions that most commonly result in barriers to fair housing choice include the following:

- Restrictive forms of land use that exclude any particular form of housing, particularly multi-family housing, or require larger lot sizes that deter affordable housing development.
- Restrictive definitions of family that impede unrelated individuals from sharing a dwelling unit.
- Placing administrative and siting constraints on group homes.
- Restrictions making it difficult for residents with disabilities to locate housing in certain neighborhoods or to modify their housing.
- Restrictions on occupancy of accessory housing structures such as carriage homes or basement units.

Because zoning codes present a crucial area of analysis for a study of fair housing barriers, each of the study area’s municipal zoning codes (except for Sunset, AR, which was unresponsive to

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<sup>76</sup> John M. Levy. *Contemporary Urban Planning, Eighth Edition*. Upper Saddle River, NJ: Pearson Prentice Hall, 2009.

requests for zoning information) was obtained and individually reviewed against a set of 18 fair housing issues (see pages 89-90 for the list of issues). For each issue, the ordinance was assigned a risk score, with the possible scores defined as follows:

- 1 = low risk – this provision does not pose a significant risk for discrimination or limitation of fair housing choice;
- 2 = medium risk – this provision is neither the least permissive nor the most restrictive; it very well could interfere with fair housing choices although its effect is likely not widespread; and
- 3 = high risk – this provision causes or has significant potential to cause systematic and widespread housing discrimination.

The 18 individual risk scores were averaged for each municipality, yielding a composite score indicative of the probability of the municipality’s zoning ordinance, in general, limiting fair housing choice. The complete reports for the individual municipalities are included as an appendix to this document, however, the composite scores lend themselves to comparative analysis here.

The overall risk scores ranged from a low of 1.22 in Memphis to a high of 2.44 in Piperton. Memphis was followed by Braden, Collierville, Germantown, and Lakeland all with risk scores at or below 1.50. Of all the zoning ordinances in the Greenprint study area, these were the most permissive and the least likely to result in housing discrimination or the limitation of fair housing choice. Piperton was assigned an average risk score of 2.28, indicating that its zoning ordinance had the greatest potential to result in housing discrimination. Bartlett (2.06) and Hernando (2.00) also scored highly relative to the region. Comparing the scores among the four counties, Shelby County's municipalities had a lower combined average (1.60), followed by the municipalities in Crittenden County (1.78), DeSoto County (1.84), and then Fayette County (1.91). With the exception of Crittenden County, each of the other three counties contained a municipality with a composite risk score of 2.00 or greater, however four of the five lowest risk scores were Shelby County municipalities.

<b>Zoning Code Analysis by Municipality</b>			
<b>SHELBY COUNTY, TN</b>		<b>CRITTENDEN COUNTY, AR</b>	
<b>Municipality</b>	<b>Risk Score</b>	<b>Municipality</b>	<b>Risk Score</b>
Arlington	1.78	Marion	1.83
Bartlett	2.06	Sunset*	--
Collierville	1.39	West Memphis	1.72
Germantown	1.44		
Lakeland	1.50		
Memphis	1.22		
Millington	1.83		

Zoning Code Analysis by Municipality			
FAYETTE COUNTY, TN		DE SOTO COUNTY, MS	
Municipality	Risk Score	Municipality	Risk Score
Braden	1.39	Hernando	2.00
Galloway	1.89	Horn Lake	1.72
Piperton	2.44	Olive Branch	1.83
		Southaven	1.78
		Walls	1.89

\*The City of Sunset was unresponsive to requests for zoning information.

Another dimension for analysis involves averaging the risk scores for all municipalities for each of the 18 fair housing issues evaluated in the zoning analysis. Using this approach highlights specific fair housing issues and the degree to which their application may be problematic or restrictive throughout the region in general.

Zoning Code Issue Analysis	
ISSUE	RISK SCORE
1. Does the jurisdiction’s definition of “family” have the effect of preventing unrelated individuals from sharing the same residence? Is the definition unreasonably restrictive?	1.82
2. Does the definition of family discriminate against unrelated individuals with disabilities (or members of any other protected class) who reside together in a congregate or group living arrangement?	1.88
3a. Does the zoning ordinance require a use permit to locate housing for individuals with disabilities in certain residential districts? 3b. Is housing for individuals with disabilities allowed as of right only in a few residential zones? 3c. Is such housing mischaracterized as a “boarding or rooming house” or “hotel”?	2.00
4. Does the zoning ordinance unreasonably restrict housing opportunities for individuals with disabilities who require onsite supportive services?	1.82
5. Does the jurisdiction’s policies, regulations, and/or zoning ordinance allow persons with disabilities to make reasonable modifications or provide reasonable accommodation to specific zoning or regulatory requirements?	2.00
6a. Does the jurisdiction require a public hearing to obtain public input for specific exceptions to zoning and land-use rules for applicants with disabilities? 6b. Is the hearing only for applicants with disabilities rather than for all applicants?	2.00
7. Does the ordinance impose spacing or dispersion requirements on certain housing types, creating a disparate impact on certain populations?	1.12
8a. Are there any restrictions for Senior Housing in the zoning ordinance? 8b. If yes, do the restrictions comply with Federal law on housing for older persons (i.e., solely occupied by persons 62 years of age or older or at least one person 55 years of age and has significant facilities or services to meet the physical or social needs of older people)?	1.76

<b>Zoning Code Issue Analysis</b>	
<b>ISSUE</b>	<b>RISK SCORE</b>
9. Does the zoning code distinguish senior citizen housing from other single family residential and multifamily residential uses by the application of a special or conditional use permit?	1.65
10. Does the jurisdiction restrict any inherently residential uses (such as shelters or residential treatment facilities) only to non-residential zones?	1.82
11. Does the ordinance include residential zones with high minimum lot sizes, wide street frontages, large setbacks, low FARs, large minimum building square footage, and/or low maximum building heights, effectively preventing affordable or multi-family housing?	1.18
12. Are unreasonable restrictions placed on the construction, rental, or occupancy of accessory structures (i.e. carriage house, guest house, basement unit) within residential districts?	2.59
13a. Does the ordinance fail to provide zones where multi-family housing is permitted as of right? 13b. Do multi-family districts restrict development only to low-density housing types?	1.24
14. Does the ordinance unreasonably restrict the siting of mobile, manufactured, and modular homes	1.76
15a. Is the process by which a use permit (CUP, SUP, SLUP) is obtained unreasonably lengthy, complex and costly, effectively discouraging applicants? 15b. Is there a clear procedure by which denials may be appealed?	1.06
16. Does the zoning ordinance include an inclusionary zoning provision?	1.94
17. Does the zoning ordinance include a discussion of fair housing?	1.88
18a. Do the jurisdiction's codes presently make specific reference to the accessibility requirements contained in the 1988 amendment to the Fair Housing Act? 18b. Are the jurisdiction's accessibility standards (as contained in the zoning ordinance or building code) congruent with the requirements of the Fair Housing Act? 18c. Is there any provision for monitoring compliance?	1.94

Of the 18 issues studied, the Greenprint study area's zoning codes generally handled very well the matter of establishing reasonable, uncomplicated processes for obtaining use permits and setting forth transparent appeal procedures (Issue 15). This issue received the lowest average risk score, with nearly all municipalities' ordinances assigned a 1, or low-risk designation, for this issue. This is important because zoning codes can sometimes unnecessarily complicate these processes with many layers of review and long spans of time between them, effectively discouraging all but the most determined permit seekers from even applying for a permit. An applicant seeking to develop property for a use requiring special permitting would likely select a site elsewhere rather than navigate these types of processes. The finding that the Mid-South region's zoning ordinances generally do not impose such burdens is a feature that advances fair housing choice.

Another very low risk score of 1.12 was computed for Issue 7. This issue concerns spacing or dispersion requirements for certain housing types, often applied to group homes. By requiring minimum distances between group homes or other specific uses, the land available for such housing options can become greatly constrained, severely limiting housing choice. All but one municipality in the region scored a 1 on this issue.

Overall for all municipalities studied, Issue 12 received the highest average risk score of 2.59, indicating the existence of significant regulatory restrictions on the construction, rental, or occupancy of accessory structures throughout the region. More than half of the region's municipalities, spread among all counties, received a high risk score for this issue. The use of accessory structures as dwellings provides private market opportunities to incorporate smaller, more affordable housing units into neighborhoods of opportunity that otherwise would be expensive places to live. While the region's zoning ordinances generally do not support this possibility, the impact on fair housing is not likely to be widespread. Due to relatively low land costs and the rural character of large portions of the study area, little demand for accessory structures as housing would be expected.

With the exception of the spacing requirements described above, other fair housing issues affecting residents with disabilities tended to be classified as medium risk. An average risk score of 2.00 was computed for Issues 3, 5, and 6, all related to zoning provisions affecting the rights of people with disabilities. Issue 3 concerns heightened requirements on the siting of housing for people with disabilities, whether by requiring a special use permit or by allowing such housing as of right in only a few different residential zones; 5 out of the 17 ordinances (29%) were scored a 3 on this issue. The region's zoning codes were also medium risk with regard to allowances for people with disabilities to make reasonable modifications to their properties and/or for provisions for reasonable accommodation (Issue 5). In many of the ordinances, there was no clear process by which persons with disabilities would be able to request special accommodation. Instead, such requests are often treated as variance requests and subject to unreasonable administrative burdens. All 17 of the ordinances reviewed (100%) were assigned a medium risk score of 2 for this issue.

With an average risk score of 2.00, local zoning codes were generally found to be medium risk with regard to their requirements that public hearings be held on petitions for exceptions to zoning regulations for people with disabilities (Issue 6). Whereas simple administrative procedures may be adequate for the granting of exceptions, public hearings, especially when required for applicants with disabilities and not others, open the prospect that subjective or prejudiced opposition from members of the public can be cited as grounds for denial. Here again, all 17 of the ordinances reviewed (100%) received a risk score of 2 for this issue. Also common were provisions unreasonably restricting housing opportunities for people with disabilities due to requirements for onsite supportive services. This matter, addressed as Issue 4, received an average risk score of 1.82 and was scored a 3 for 5 of the 17 codes reviewed.

It must be noted that the foregoing analysis of the Greenprint study area zoning ordinances is highly generalized. Therefore, it is important to view the analysis presented here as an overall sense of the zoning ordinances for the region as a whole but not to assume the averaged scores correctly characterize each individual jurisdiction. Similarly, where average scores are derived for individual municipalities, it should be noted that even those jurisdictions with the highest average risk scores scored lower than some of their peers on individual issues. These variables indicate that the municipalities in the region could learn from one another how to improve their respective codes. For example, Germantown and Collierville could be resources to communities of similar character, like Piperton, that had more restrictive codes. As stated above, a detailed report on the zoning provisions and risk scores for each of the region's municipalities is included as an appendix.

## Housing Profile

The housing profile presents a snapshot of current housing conditions within the Mid-South Regional Greenprint study area and includes components such as age of the housing stock, home values, foreclosure, housing problems, and housing cost burdens. This housing profile provides an important backdrop to other components of the Fair Housing and Equity Assessment illuminating them and offering context.

### Characteristics of Housing Stock

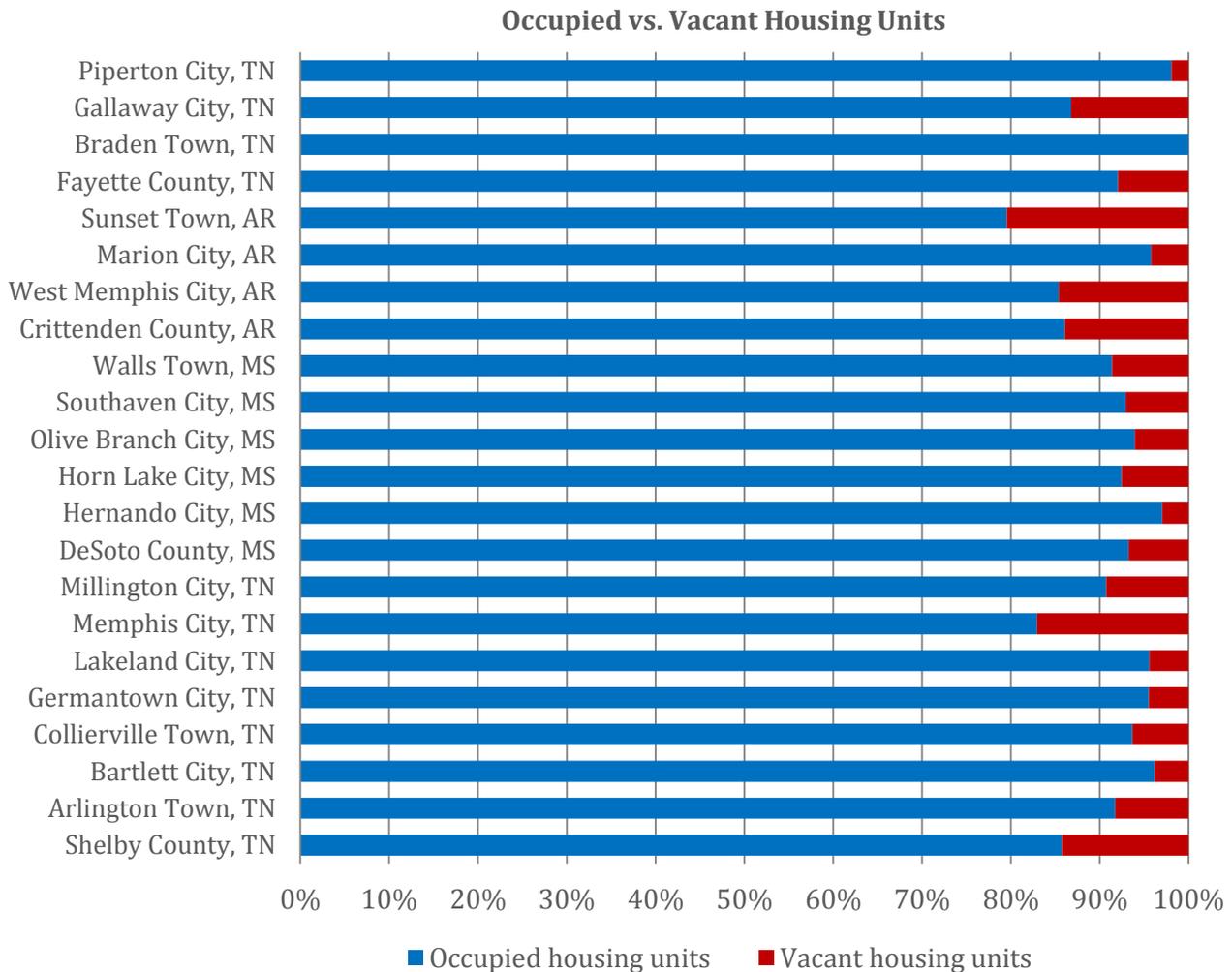
According to the 2012 ACS estimates, the four-county Mid-South region contains a total of 497,720 housing units, of which 294,777 or 59.2% are in the City of Memphis and another 20.9% (or 104,070 units) in other Shelby County locations. DeSoto County makes up 12.4% of regional population while Crittenden and Fayette Counties have smaller shares of 4.3% and 3.1%, respectively.

Total Housing Units by County and Municipality					
County/Municipality	Number of Units	Share of Region	County/Municipality	Number of Units	Share of Region
<b>Shelby County, TN</b>	<b>398,847</b>	<b>80.1%</b>	Piperton City, TN	633	0.1%
Arlington Town, TN	3,488	0.7%	<b>DeSoto County, MS</b>	<b>61,657</b>	<b>12.4%</b>
Bartlett City, TN	19,639	3.9%	Hernando City, MS	5,108	1.0%
Collierville Town, TN	15,583	3.1%	Horn Lake City, MS	9,551	1.9%
Germantown City, TN	15,063	3.0%	Olive Branch City, MS	13,219	2.7%
Lakeland City, TN	4,777	1.0%	Southaven City, MS	19,429	3.9%
Memphis City, TN	294,777	59.2%	Walls Town, MS	314	0.1%
Millington City, TN	4,467	0.9%	<b>Crittenden County, AR</b>	<b>21,560</b>	<b>4.3%</b>
<b>Fayette County, TN</b>	<b>15,656</b>	<b>3.1%</b>	Marion City, AR	4,533	0.9%
Braden Town, TN	103	0.0%	Sunset Town, AR	132	0.0%
Gallaway City, TN	295	0.1%	West Memphis City, AR	11,667	2.3%
<b>Total for 4-County Region</b>				<b>497,720</b>	<b>100.0%</b>

Source: 2008-2012 American Community Survey Table DP04

An analysis of the region's vacancy rates reveals a vacancy rate of 13.1%, or 65,282 total vacant housing units. The region's highest vacancy rates were found in the Town of Sunset, AR and the City of Memphis, TN at 20.5% and 17.0%, respectively. Given Sunset's small size (132 total housing units), the vacancy rate translates to only 27 vacant units; however, Memphis has over 50,000 unoccupied units. High residential vacancy rates can be symptomatic of imbalances in the housing market, such as an oversupply of housing, lack of demand, or a lack of appropriate

housing options. Vacancy rates are important because they can translate into reduced revenue for cities and counties to fund general operating obligations, fewer students to populate local schools, and a general market uncertainty that can discourage new investment. Vacancy can also negatively affect the value of nearby housing, leading to a chain reaction in which more homeowners abandon their property and vacancy rates further increase. As noted in the 2012 ACS estimates, the City of Gallaway, TN and the City of West Memphis, AR had the highest homeowner vacancy rates in the region at 8.9% and 6.1%. The City of Memphis, TN and Shelby County, TN had the highest rental vacancy rates at 14.7% and 13.8%.



Source: 2008-2012 American Community Survey Table DP04, [www.factfinder2.census.gov](http://www.factfinder2.census.gov)

Of the 497,720 total housing units in the region, 363,493 (73.0%) were single-family units and 122,569 (24.6%) were multi-family units. A total of 11,658 (2.3%) of the units in the region consisted of mobile homes, boats or RVs. Arlington, TN had the highest proportion of single-family units (98.5% of all units) while the City of Gallaway, TN had the highest number of multi-family structures, comprising 39.3% of the City’s housing stock.

**Mid-South Regional Greenprint Housing Unit Analysis by Municipality**

	Shelby County, TN		Arlington Town, TN		Bartlett City, TN		Collierville Town, TN		Germantown City, TN		Lakeland City, TN	
	Estimate	Percent	Estimate	Percent	Estimate	Percent	Estimate	Percent	Estimate	Percent	Estimate	Percent
<b>UNITS IN STRUCTURE</b>												
<i>Total housing units</i>	398,847	100.0%	3,488	100.0%	19,639	100.0%	15,583	100.0%	15,063	100.0%	4,777	100.0%
<b>1-unit, detached</b>	267,228	67.0%	3,435	98.5%	17,977	91.5%	13,309	85.4%	12,661	84.1%	4,026	84.3%
<b>1-unit, attached</b>	17,086	4.3%	0	0.0%	375	1.9%	329	2.1%	644	4.3%	82	1.7%
<b>2 units</b>	9,171	2.3%	0	0.0%	135	0.7%	95	0.6%	23	0.2%	0	0.0%
<b>3 or 4 units</b>	19,740	4.9%	0	0.0%	127	0.6%	231	1.5%	401	2.7%	84	1.8%
<b>5 to 9 units</b>	33,987	8.5%	40	1.1%	508	2.6%	1,094	7.0%	640	4.2%	223	4.7%
<b>10 to 19 units</b>	24,694	6.2%	0	0.0%	205	1.0%	306	2.0%	167	1.1%	148	3.1%
<b>20 or more units</b>	22,084	5.5%	13	0.4%	268	1.4%	170	1.1%	482	3.2%	84	1.8%
<b>Mobile home</b>	4,773	1.2%	0	0.0%	44	0.2%	49	0.3%	45	0.3%	130	2.7%
<b>Boat, RV, van, etc.</b>	84	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>UNITS IN STRUCTURE</b>												
<b>Memphis City, TN</b>												
<b>Millington City, TN</b>												
<b>Fayette County, TN</b>												
<b>Braden Town, TN</b>												
<b>Gallaway City, TN</b>												
<b>Piperton City, TN</b>												
<b>UNITS IN STRUCTURE</b>												
<i>Total housing units</i>	294,777	100.0%	4,467	100%	15,656	100.0%	103	100.0%	295	100.0%	633	100.0%
<b>1-unit, detached</b>	178,816	60.7%	2,640	59.1%	12,401	79.2%	87	84.5%	128	43.4%	591	93.4%
<b>1-unit, attached</b>	14,347	4.9%	289	6.5%	166	1.1%	0	0.0%	40	13.6%	0	0.0%
<b>2 units</b>	8,547	2.9%	106	2.4%	234	1.5%	0	0.0%	69	23.4%	0	0.0%
<b>3 or 4 units</b>	18,230	6.2%	205	4.6%	190	1.2%	0	0.0%	19	6.4%	0	0.0%
<b>5 to 9 units</b>	29,418	10.0%	247	5.5%	148	0.9%	0	0.0%	16	5.4%	0	0.0%
<b>10 to 19 units</b>	21,779	7.4%	179	4.0%	158	1.0%	0	0.0%	2	0.7%	0	0.0%
<b>20 or more units</b>	20,214	6.9%	189	4.2%	136	0.9%	1	1.0%	10	3.4%	0	0.0%
<b>Mobile home</b>	3,347	1.1%	612	13.7%	2,208	14.1%	15	14.6%	11	3.7%	34	5.4%
<b>Boat, RV, van, etc.</b>	79	0.0%	0	0.0%	15	0.1%	0	0.0%	0	0.0%	8	1.3%
<b>UNITS IN STRUCTURE</b>												
<b>DeSoto County, MS</b>												
<b>Hernando City, MS</b>												
<b>Horn Lake City, MS</b>												
<b>Olive Branch City, MS</b>												
<b>Southaven City, MS</b>												
<b>Walls Town, MS</b>												
<b>UNITS IN STRUCTURE</b>												
<i>Total housing units</i>	61,657	100.0%	5,108	100.0%	9,551	100.0%	13,219	100.0%	19,429	100.0%	314	100.0%
<b>1-unit, detached</b>	50,483	81.9%	4,102	80.3%	7,713	80.8%	11,406	86.3%	14,787	76.1%	224	71.3%
<b>1-unit, attached</b>	973	1.6%	193	3.8%	300	3.1%	69	0.5%	323	1.7%	0	0.0%
<b>2 units</b>	345	0.6%	34	0.7%	109	1.1%	51	0.4%	151	0.8%	0	0.0%
<b>3 or 4 units</b>	1,254	2.0%	162	3.2%	180	1.9%	171	1.3%	692	3.6%	2	0.6%
<b>5 to 9 units</b>	3,346	5.4%	166	3.2%	512	5.4%	684	5.2%	1,713	8.8%	63	20.1%
<b>10 to 19 units</b>	1,740	2.8%	68	1.3%	363	3.8%	469	3.5%	804	4.1%	0	0.0%
<b>20 or more units</b>	631	1.0%	91	1.8%	184	1.9%	43	0.3%	260	1.3%	3	1.0%
<b>Mobile home</b>	2,885	4.7%	292	5.7%	190	2.0%	326	2.5%	699	3.6%	22	7.0%
<b>Boat, RV, van, etc.</b>	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>UNITS IN STRUCTURE</b>												
<b>Crittenden County, AR</b>												
<b>West Memphis City, AR</b>												
<b>Marion City, AR</b>												
<b>Sunset Town, AR</b>												
<b>UNITS IN STRUCTURE</b>												
<i>Total housing units</i>	21,560	100.0%	11,667	100.0%	4,533	100.0%	132	100.0%				
<b>1-unit, detached</b>	14,851	68.9%	7,666	65.7%	3,562	78.6%	81	61.4%				
<b>1-unit, attached</b>	305	1.4%	281	2.4%	11	0.2%	2	1.5%				
<b>2 units</b>	707	3.3%	464	4.0%	82	1.8%	9	6.8%				
<b>3 or 4 units</b>	1,140	5.3%	940	8.1%	101	2.2%	0	0.0%				
<b>5 to 9 units</b>	1,908	8.8%	1,601	13.7%	203	4.5%	0	0.0%				
<b>10 to 19 units</b>	725	3.4%	255	2.2%	451	9.9%	0	0.0%				
<b>20 or more units</b>	231	1.1%	71	0.6%	71	1.6%	0	0.0%				
<b>Mobile home</b>	1,693	7.9%	389	3.3%	52	1.1%	40	30.3%				
<b>Boat, RV, van, etc.</b>	0	0.0%	0	0.0%	0	0.0%	0	0.0%				

Source: U.S. Census Bureau, 2008-2012 American Community Survey Table DP04, www.factfinder2.census.gov

The age of an area's housing stock typically has a substantial impact on the overall housing conditions as well as the housing choices available in the region. As housing ages, maintenance costs rise which can present significant housing affordability issues for low- and moderate-income homeowners. Overall, 52.9% of the region's housing units were built before 1980 and 47.1% of the housing stock was constructed in 1980 or later. However, the age of the housing stock varies greatly between municipalities. As reflected in the table below, Memphis, TN had the largest percentage of housing stock built prior to 1980 at 83.9%. Conversely, several jurisdictions in the region have grown considerably since 2000 and contain high proportions of the region's newer housing stock. For example, housing constructed between 2000 and 2009 makes up 73.8% of the total housing stock in Arlington, TN and 40.4% of the total units in Walls, MS.

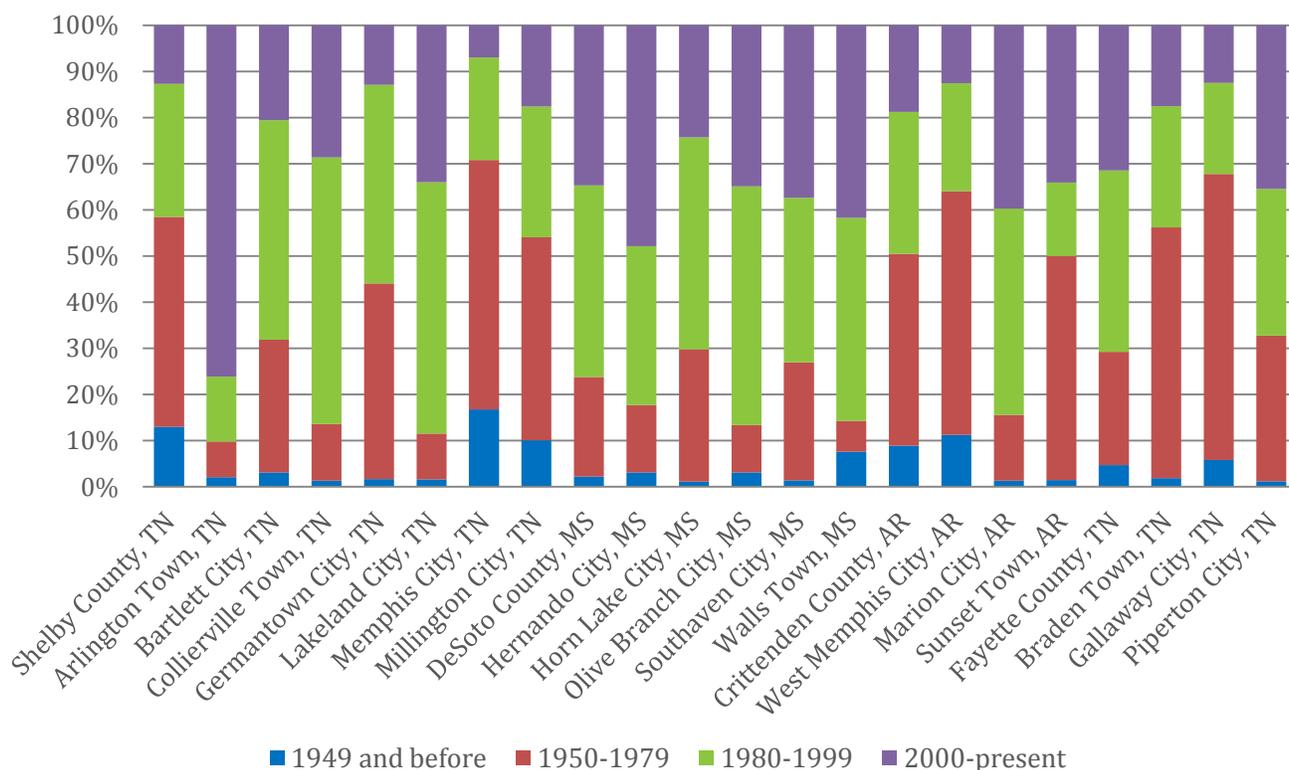
Age of Housing Stock by Jurisdiction											
Year Built	Shelby County, TN	Arlington Town, TN	Bartlett City, TN	Collier-ville Town, TN	German-town City, TN	Lakeland City, TN	Memphis City, TN	Millington City, TN	DeSoto County, MS	Hernando City, MS	Horn Lake City, MS
1949 and before	13.0%	2.1%	3.1%	1.3%	1.7%	1.6%	16.8%	10.1%	2.2%	3.1%	1.1%
1950-1969	27.3%	4.5%	7.4%	3.1%	5.7%	4.6%	34.5%	30.8%	9.1%	6.8%	7.6%
1970-1979	18.2%	3.2%	21.4%	9.2%	36.6%	5.3%	19.5%	13.1%	12.5%	7.8%	21.1%
1980-1989	14.4%	1.4%	17.7%	15.9%	27.5%	19.3%	13.1%	16.5%	12.7%	11.5%	15.9%
1990-1999	14.4%	12.7%	29.9%	41.8%	15.5%	35.1%	9.1%	11.8%	28.9%	22.9%	30.0%
2000-2009	12.6%	73.8%	20.6%	28.5%	12.7%	34.0%	6.9%	17.6%	34.3%	47.2%	24.3%
2010-present	0.1%	2.4%	0.0%	0.1%	0.2%	0.0%	0.1%	0.0%	0.4%	0.6%	0.0%

Year Built	Olive Branch City, MS	Southaven City, MS	Walls Town, MS	Crittenden County, AR	West Memphis City, AR	Marion City, AR	Sunset Town, AR	Fayette County, TN	Braden Town, TN	Gallaway City, TN	Piperton City, TN
1949 and before	3.1%	1.4%	7.6%	8.9%	11.3%	1.3%	1.5%	4.7%	1.9%	5.8%	1.2%
1950-1969	4.4%	12.4%	3.5%	21.7%	30.2%	3.9%	18.2%	10.7%	38.8%	23.7%	14.0%
1970-1979	5.9%	13.2%	3.2%	19.9%	22.6%	10.4%	30.3%	13.9%	15.5%	38.3%	17.5%
1980-1989	10.4%	14.0%	7.0%	13.5%	12.5%	12.2%	6.1%	14.5%	14.6%	7.5%	20.2%
1990-1999	41.2%	21.6%	36.9%	17.3%	10.9%	32.5%	9.8%	24.8%	11.7%	12.2%	11.5%
2000-2009	34.2%	37.3%	40.4%	18.6%	12.4%	39.4%	34.1%	31.2%	17.5%	12.5%	34.0%
2010-present	0.7%	0.1%	1.3%	0.2%	0.2%	0.4%	0.0%	0.3%	0.0%	0.0%	1.4%

Source: U.S. Census Bureau, 2008-2012 American Community Survey Table DP04, [www.factfinder2.census.gov](http://www.factfinder2.census.gov)

### Age of Housing Stock by Jurisdiction

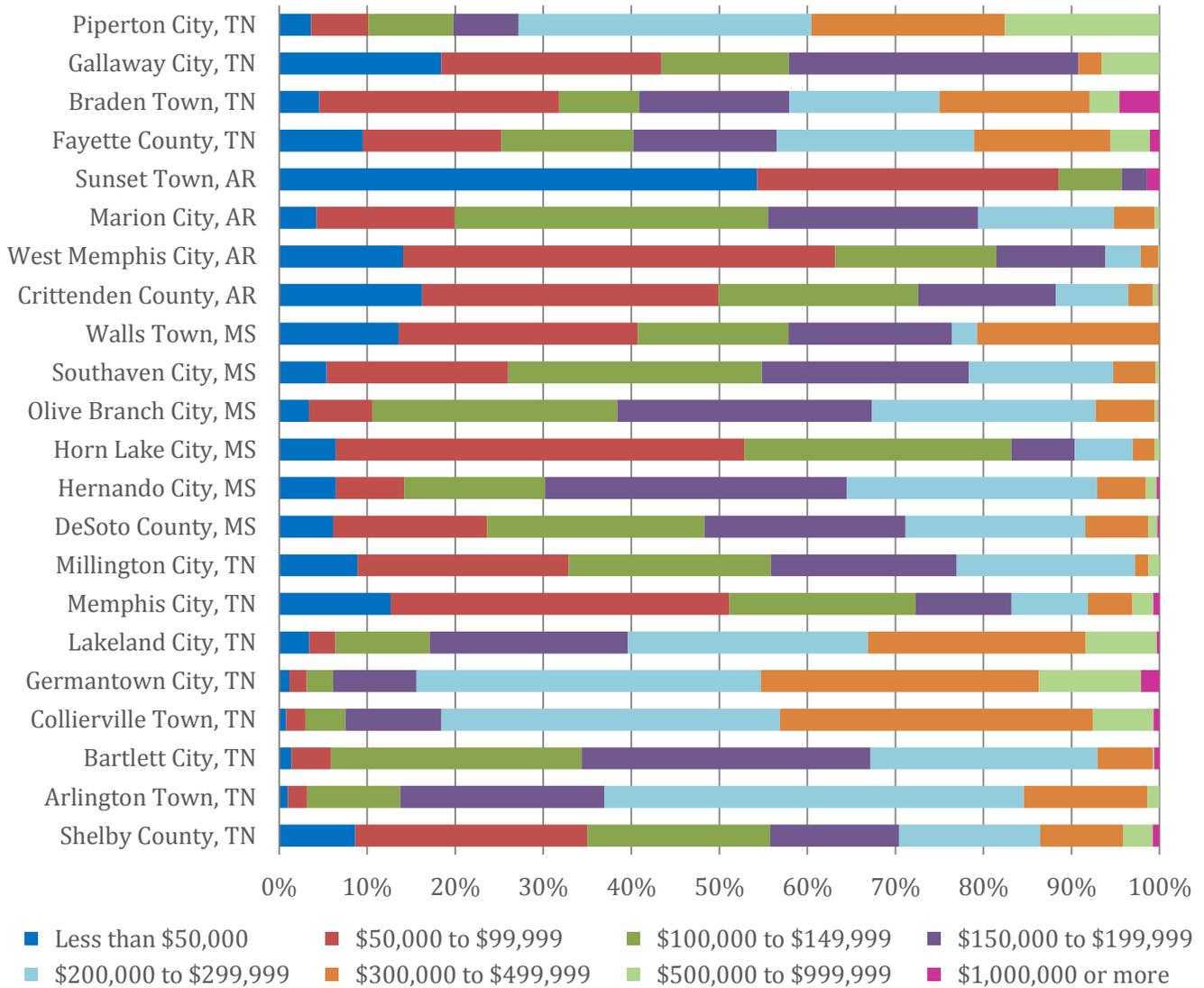


Source: 2008-2012 American Community Survey Table DP04, [www.factfinder2.census.gov](http://www.factfinder2.census.gov)

Home values, as reported in the 2012 ACS estimates, reflect significant variance across the region. The highest median home values were found in Germantown, TN (\$286,100) and Collierville, TN (\$281,800). Other municipalities with median home values over \$200,000 were Piperton, TN (\$257,700), Lakeland, TN (\$232,700), and Arlington, TN (\$225,900).

As shown in the chart below, four jurisdictions have a majority of their housing valued below \$100,000. They include Sunset (88.6%), West Memphis (63.2%), Horn Lake (52.8%) and Memphis (51.2%). Homes valued from \$100,000 to \$199,999 make up a majority of five cities: Bartlett (61.3%), Marion (59.4%), Olive Branch (56.7%), Southaven (52.3%), and Hernando (50.3%). Overall, the region's home values are relatively modest with less than 1% exceeding \$1 million; these houses are concentrated in Shelby County, specifically in Memphis and Germantown.

### Mid-South Regional Greenprint Home Values, 2012



Source: 2008-2012 American Community Survey Table DP04, [www.factfinder2.census.gov](http://www.factfinder2.census.gov)

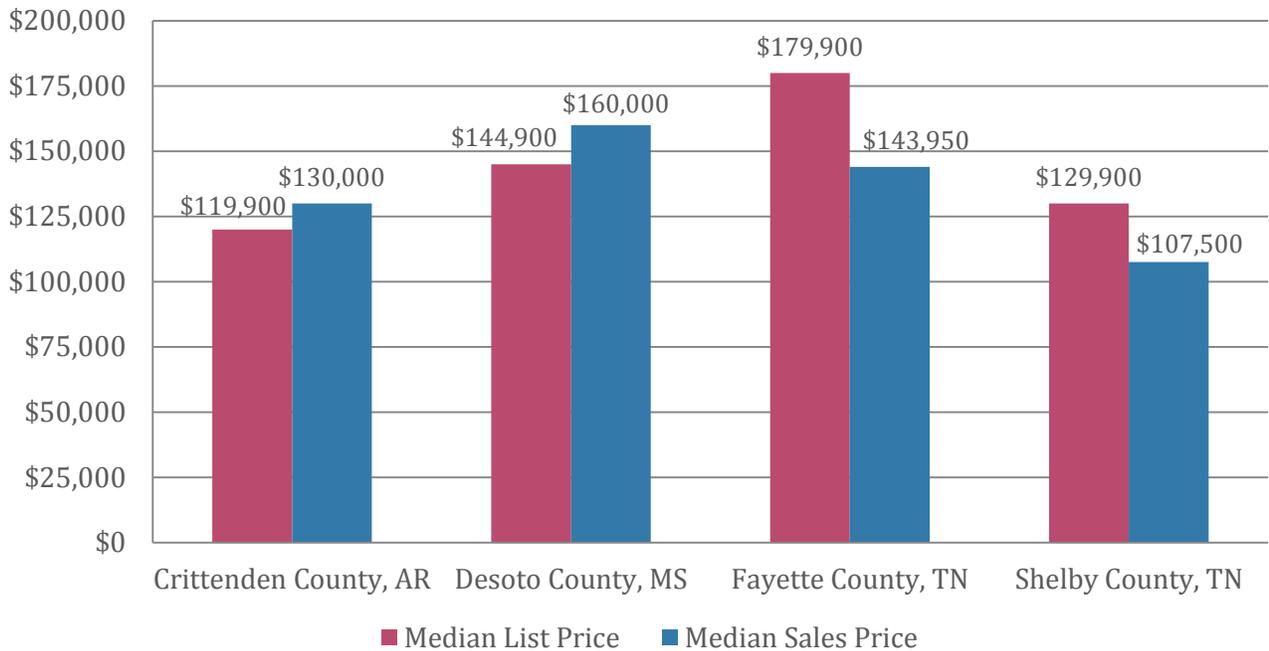
### Home Sales & Foreclosures

According to the Memphis Area Association of Realtors, in November 2013 existing home sales totaled 890 in the HMA,<sup>77</sup> which is a decrease of 2% when compared with the number sold during 2012. Realty Trac reports that median list prices in the four-county area ranged from \$119,900 to \$179,900 in January 2014, while median sales prices ranged from \$107,500 to \$160,000. The highest median sales price was in DeSoto County and the lowest in Shelby County.

<sup>77</sup> The Memphis Housing Market Area (HMA) data is comprised of Fayette, Shelby, and Tipton Counties in Tennessee; DeSoto, Marshall, Tate, and Tunica Counties in Mississippi; and Crittenden County in Arkansas. The HMA is coterminous with the Memphis, TN-MS-AR Metropolitan Statistical Area (MSA).

Notably, the median sales price was above the median list price in both DeSoto and Crittenden Counties, potentially reflecting tighter sales markets in these areas.

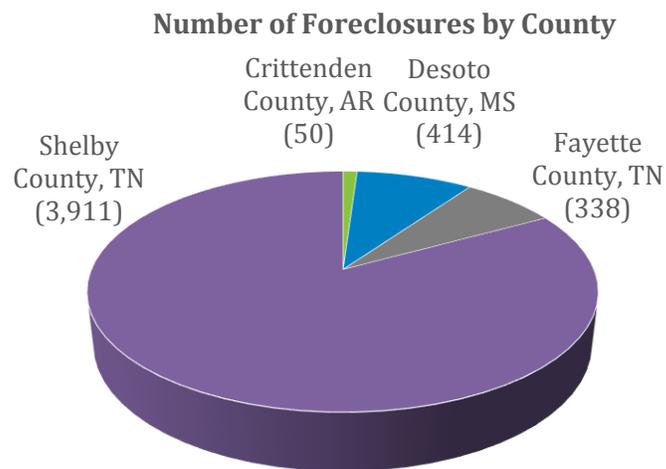
**Median Sales/List Prices in January 2014**



Source: Realty Trac, January 2014, Real Estate Trends, [www.realtytrac.com](http://www.realtytrac.com)

**Foreclosure Data**

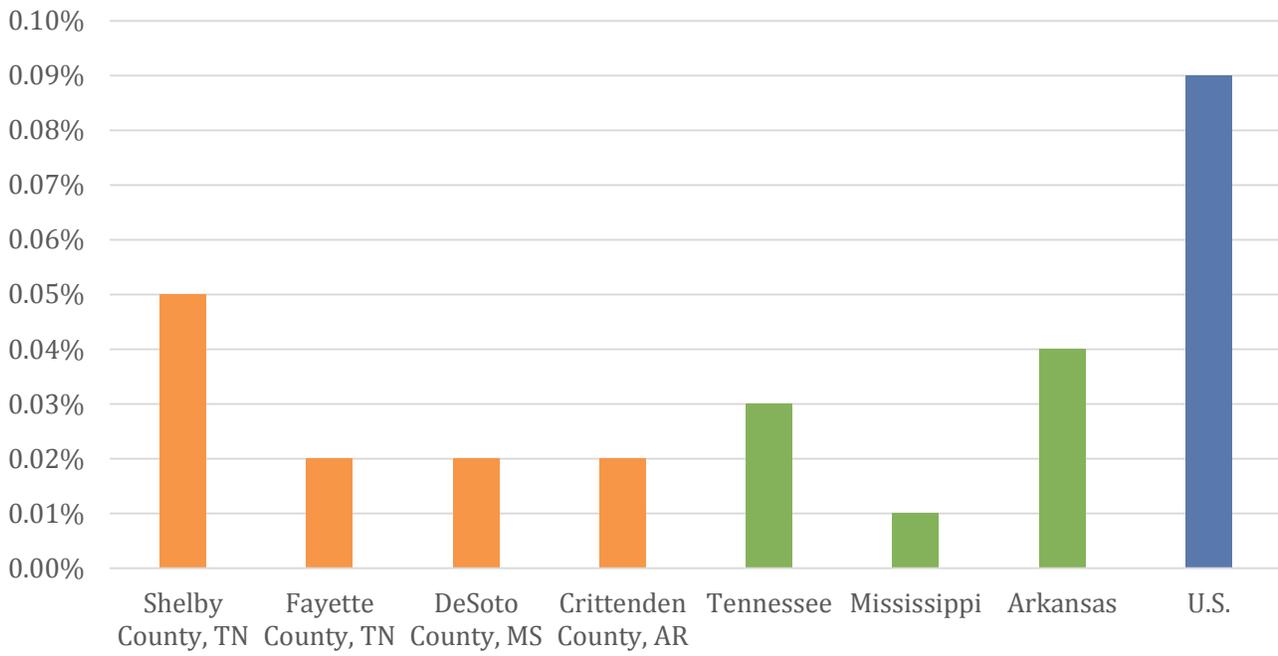
According to Realty Trac’s foreclosure data, 4,713 (0.95%) of the Mid-South region’s 497,720 total housing were in foreclosure as of November 2013. Shelby County, TN and Fayette County, TN respectively had totals of 3,911 and 338 homes that were in some stage of foreclosure (default, auction or bank owned). DeSoto County, MS and Crittenden County, AR had 414 and 50 foreclosures, respectively.



Source: Realty Trac, November 2013, Real Estate Trends, [www.realtytrac.com](http://www.realtytrac.com)

In comparison to the national average of foreclosure activity, all four counties in the Mid-South had foreclosure percentages lower than the national rate of 0.09%. Shelby County's rate of 0.05% was above the 0.02% rate of Fayette, DeSoto and Crittenden Counties.

**Foreclosure Rates by Location in November 2013**



Source: Realty Trac, November 2013, Real Estate Trends, [www.realtytrac.com](http://www.realtytrac.com)

### Housing Problems & Affordability

The physical condition of housing units can exacerbate housing affordability problems for low income residents. An examination of housing problems can reveal the prevalence of overcrowding, incomplete plumbing or kitchen facilities, and cost burdens. According to the Census Bureau, a housing unit is classified as lacking complete plumbing facilities when any of the following are not present: piped hot and cold water, a flush toilet, and a bathtub or shower. Overcrowding occurs when a housing unit has more than one but less than 1.5 people per room; severe overcrowding is defined as 1.5 or more people per room.

The 2012 ACS estimates show that the Mid-South region had a total of 4,844 (0.61%) occupied housing units that lacked complete plumbing facilities and 8,384 (1.05%) housing units lacking complete kitchen facilities. Additionally, 18,077 (2.26%) housing units were overcrowded and another 4,723 (0.59%) were categorized as severely overcrowded, as shown in the table below.

Overcrowding and Severe Overcrowding								
	Shelby County, TN	Arlington Town, TN	Bartlett City, TN	Collierville Town, TN	German-town City, TN	Lakeland City, TN	Memphis City, TN	Millington City, TN
SELECTED CHARACTERISTICS								
Occupied housing units	341,948	3,200	18,894	14,599	14,389	4,567	244,538	4,054
Lacks complete plumbing facilities	2,130	35	158	115	0	0	1,688	0
Lacks complete kitchen facilities	3,733	35	259	171	110	0	3,001	25
No telephone service available	9,494	15	329	147	232	126	8,127	82
OCCUPANTS PER ROOM								
Occupied housing units	341,948	3,200	18,894	14,599	14,389	4,567	244,538	4,054
1.00 or less	332,122	3,200	18,719	14,470	14,301	4,535	235,888	3,975
1.01 to 1.50	7,786	0	133	121	88	32	6,762	79
1.51 or more	2,040	0	42	8	0	0	1,888	0
	DeSoto County, MS	Hernando City, MS	Horn Lake City, MS	Olive Branch City, MS	Southaven City, MS	Walls Town, MS	Crittenden County, AR	West Memphis City, AR
SELECTED CHARACTERISTICS								
Occupied housing units	57,518	4,958	8,834	12,422	18,065	287	18,560	9,963
Lacks complete plumbing facilities	170	13	41	9	98	0	143	96
Lacks complete kitchen facilities	309	28	58	80	102	2	126	121
No telephone service available	1,233	56	359	196	363	6	656	299
OCCUPANTS PER ROOM								
Occupied housing units	57,518	4,958	8,834	12,422	18,065	287	18,560	9,963
1.00 or less	56,300	4,821	8,447	12,214	17,753	279	17,792	9,550
1.01 to 1.50	995	51	297	194	289	8	631	326
1.51 or more	223	86	90	14	23	0	137	87
	Marion City, AR	Sunset Town, AR	Fayette County, TN	Braden Town, TN	Gallaway City, TN	Piperton City, TN		
SELECTED CHARACTERISTICS								
Occupied housing units	4,343	105	14,412	103	256	621		
Lacks complete plumbing facilities	0	0	57	6	7	0		
Lacks complete kitchen facilities	0	0	81	6	7	8		
No telephone service available	146	13	492	1	28	9		
OCCUPANTS PER ROOM								
Occupied housing units	4,343	105	14,412	103	256	621		
1.00 or less	4,159	99	14,220	102	251	610		
1.01 to 1.50	167	1	136	1	5	11		
1.51 or more	17	5	56	0	0	0		

Source: U.S. Census Bureau, 2008-2012 American Community Survey Table DP04, www.factfinder2.census.gov

## Household Cost Burdens

Because many minorities, people with disabilities, and other protected classes tend to have lower than average incomes, housing affordability becomes an important aspect of fair housing choice. HUD considers housing affordable if it costs less than 30% of a family's income.<sup>78</sup> Households that spend over that threshold are considered by HUD to be “cost burdened” and may have difficulty affording the other basic household necessities such as food, clothing, and transportation. Yet, according to HUD, 12 million renters and homeowners in the United States spend more than 50% of their income on housing. Cost burden occurs when a household has gross housing costs that range from 30% to 49.9% of gross household income; severe cost burden occurs when gross housing costs represent 50% or more of gross household income. For homeowners, gross housing costs include property taxes, insurance, energy payments, water and sewer service, and refuse collection. If the homeowner has a mortgage, the determination also includes principal and interest payments on the mortgage loan. For renters, this figure represents monthly rent plus utility charges, but does not include the costs of home maintenance. Given the varied age of housing stock in the region, the home maintenance and repair costs associated with older construction can add significant housing cost burden.

As noted in the following Affordability Snapshot for the region, of the total number of owner-occupied housing units in the Mid-South region, the 2012 ACS reported that 34.7% of households with a mortgage, and 16.6% of households without a mortgage were cost burdened. Conversely, 57.1% of renters in the region spent more than 30% of their income on rent. The classification of ACS data does not align with HUD's severe cost burden definition, so an estimate of the numbers of households facing severe cost burden cannot be determined.

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<sup>78</sup> U.S. Department of Housing and Urban Development,  
<http://www.hud.gov/offices/cpd/affordablehousing/index.cfm>

## Mid-South Regional Greenprint Study Area Affordability Snapshot

	Shelby County, TN	Arlington Town, TN	Bartlett City, TN	Collierville Town, TN	Germantown City, TN	Lakeland City, TN	Memphis City, TN	Millington City, TN
Median owner-occupied unit value	\$135,500	\$225,900	\$174,200	\$281,800	\$286,100	\$232,700	\$98,300	\$135,400
<b>MORTGAGE STATUS</b>								
Owner-occupied units	205,791	2,901	15,892	12,523	12,633	3,657	127,483	2,231
Housing units with a mortgage	150,672	2,594	11,871	9,871	8,659	2,859	89,942	1,532
Housing units without a mortgage	55,119	307	4,021	2,652	3,974	798	37,541	699
<b>SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME</b>								
Housing units with a mortgage	149,480	2,594	11,808	9,854	8,645	2,859	88,939	1,532
Less than 20.0 percent	51,994	855	4,550	3,526	3,985	1,242	29,259	571
20.0 to 24.9 percent	24,197	584	2,498	2,107	1,605	507	12,839	366
25.0 to 29.9 percent	19,348	453	1,311	1,341	1,022	419	11,317	115
30.0 to 34.9 percent	12,295	141	822	816	620	291	7,320	110
35.0 percent or more	41,646	561	2,627	2,064	1,413	400	28,204	370
Housing unit without a mortgage	54,029	307	4,007	2,635	3,897	798	36,644	687
Less than 10.0 percent	20,142	152	1,795	1,271	1,823	269	12,310	293
10.0 to 14.9 percent	11,178	60	1,032	500	853	176	7,200	205
15.0 to 19.9 percent	6,788	42	475	315	406	154	4,756	61
20.0 to 24.9 percent	4,188	14	218	157	280	83	3,074	27
25.0 to 29.9 percent	2,763	0	194	98	146	0	2,124	14
30.0 to 34.9 percent	1,981	15	110	21	86	0	1,619	9
35.0 percent or more	6,989	24	183	273	303	116	5,561	78
<b>GROSS RENT</b>								
Occupied units paying rent	130,969	299	2,694	1,979	1,698	802	113,165	1,601
Less than \$200	1,911	0	0	0	0	0	1,849	0
\$200 to \$299	3,088	0	25	9	0	0	3,004	43
\$300 to \$499	8,506	6	99	0	0	0	8,152	78
\$500 to \$749	36,610	53	281	358	133	107	34,351	630
\$750 to \$999	42,748	9	598	610	333	259	37,428	460
\$1,000 to \$1,499	30,633	36	910	788	495	310	23,956	334
\$1,500 or more	7,473	195	781	214	737	126	4,425	56
Median rent	\$833	\$1,648	\$1,152	\$1,006	\$1,300	\$1,041	\$805	\$783
<b>GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME</b>								
Occupied units paying rent	126,729	299	2,623	1,979	1,617	802	109,209	1,601
Less than 15.0 percent	11,630	30	365	276	167	116	9,683	52
15.0 to 19.9 percent	13,334	54	389	378	425	34	10,532	245
20.0 to 24.9 percent	14,958	40	365	249	256	116	12,366	263
25.0 to 29.9 percent	13,423	56	215	198	95	59	11,561	294
30.0 to 34.9 percent	11,732	39	314	243	100	77	9,969	118
35.0 percent or more	61,652	80	975	635	574	400	55,098	629

Source: U.S. Census Bureau, 2008-2012 American Community Survey Table DP04, www.factfinder2.census.gov

## Mid-South Regional Greenprint Study Area Affordability Snapshot

	DeSoto County, MS	Hernando City, MS	Horn Lake City, MS	Olive Branch City, MS	Southaven City, MS	Walls Town, MS	Crittenden County, AR
Median owner-occupied unit value	\$153,000	\$173,100	\$97,300	\$165,500	\$140,900	\$127,100	\$100,200
<b>MORTGAGE STATUS</b>							
Owner-occupied units	43,933	3,981	6,052	9,847	12,437	140	10,735
Housing units with a mortgage	33,289	3,083	4,897	7,702	9,212	118	7,231
Housing units without a mortgage	10,644	898	1,155	2,145	3,225	22	3,504
<b>SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME</b>							
Housing units with a mortgage	33,129	3,075	4,868	7,696	9,166	118	7,165
Less than 20.0 percent	13,574	1,219	2,109	2,875	3,939	32	2,843
20.0 to 24.9 percent	5,844	577	830	1,380	1,562	36	1,165
25.0 to 29.9 percent	4,214	361	516	972	1,162	25	924
30.0 to 34.9 percent	2,559	130	348	611	788	0	431
35.0 percent or more	6,938	788	1,065	1,858	1,715	25	1,802
Housing unit without a mortgage	10,549	885	1,129	2,131	3,199	22	3,465
Less than 10.0 percent	5,299	497	524	1,027	1,626	0	1,525
10.0 to 14.9 percent	2,010	83	206	452	693	3	534
15.0 to 19.9 percent	1,372	119	148	335	479	11	558
20.0 to 24.9 percent	569	83	14	92	218	4	227
25.0 to 29.9 percent	327	22	26	87	61	4	127
30.0 to 34.9 percent	214	0	66	33	47	0	145
35.0 percent or more	758	81	145	105	75	0	349
<b>GROSS RENT</b>							
Occupied units paying rent	12,764	957	2,663	2,296	5,496	142	7,251
Less than \$200	97	27	0	66	4	0	181
\$200 to \$299	191	49	50	0	89	3	306
\$300 to \$499	818	92	213	217	251	26	1,111
\$500 to \$749	1,624	215	262	105	643	62	3,093
\$750 to \$999	5,060	268	1,279	626	2,556	42	1,553
\$1,000 to \$1,499	4,143	246	806	986	1,623	9	935
\$1,500 or more	831	60	53	296	330	0	72
Median rent	\$936	\$806	\$920	\$1,051	\$928	\$695	\$679
<b>GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME</b>							
Occupied units paying rent	12,555	957	2,599	2,235	5,424	142	7,048
Less than 15.0 percent	1,252	125	201	321	498	0	845
15.0 to 19.9 percent	1,587	160	218	236	771	12	647
20.0 to 24.9 percent	2,302	226	435	549	896	3	892
25.0 to 29.9 percent	1,424	71	320	287	630	5	728
30.0 to 34.9 percent	1,010	10	263	181	456	14	795
35.0 percent or more	4,980	365	1,162	661	2,173	108	3,141

Source: U.S. Census Bureau, 2008-2012 American Community Survey Table DP04, [www.factfinder2.census.gov](http://www.factfinder2.census.gov)

## Mid-South Regional Greenprint Study Area Affordability Snapshot

	West Memphis City, AR	Marion City, AR	Sunset Town, AR	Fayette County, TN	Braden Town, TN	Galloway City, TN	Piperton City, TN
Median owner-occupied unit value	\$89,500	\$143,900	\$47,700	\$173,700	\$180,600	\$120,800	\$257,700
<b>MORTGAGE STATUS</b>							
Owner-occupied units	4,874	3,032	70	11,807	88	76	551
Housing units with a mortgage	2,977	2,664	18	7,790	63	53	396
Housing units without a mortgage	1,897	368	52	4,017	25	23	155
<b>SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME</b>							
Housing units with a mortgage	2,977	2,664	18	7,752	63	53	396
Less than 20.0 percent	1,067	1,257	0	2,796	22	28	153
20.0 to 24.9 percent	487	434	0	1,473	16	11	83
25.0 to 29.9 percent	496	251	0	762	2	4	55
30.0 to 34.9 percent	186	134	4	567	11	0	27
35.0 percent or more	741	588	14	2,154	12	10	78
Housing unit without a mortgage	1,893	353	41	4,009	25	23	155
Less than 10.0 percent	765	243	18	2,187	9	12	80
10.0 to 14.9 percent	261	74	2	660	8	6	27
15.0 to 19.9 percent	355	20	7	383	1	2	20
20.0 to 24.9 percent	120	0	0	244	3	0	7
25.0 to 29.9 percent	76	0	8	120	0	3	3
30.0 to 34.9 percent	111	0	0	81	0	0	6
35.0 percent or more	205	16	6	334	4	0	12
<b>GROSS RENT</b>							
Occupied units paying rent	4,819	1,264	35	1,982	10	157	53
Less than \$200	153	0	0	143	0	12	0
\$200 to \$299	269	0	1	217	0	41	0
\$300 to \$499	685	132	5	352	0	65	2
\$500 to \$749	1,932	675	16	520	5	21	2
\$750 to \$999	1,124	199	13	361	3	9	33
\$1,000 to \$1,499	656	195	0	342	2	9	10
\$1,500 or more	0	63	0	47	0	0	6
Median rent	\$680	\$717	\$631	\$661	\$825	\$364	\$868
<b>GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME</b>							
Occupied units paying rent	4,665	1253	35	1,974	10	157	53
Less than 15.0 percent	555	136	0	290	4	20	10
15.0 to 19.9 percent	329	221	3	300	1	13	32
20.0 to 24.9 percent	439	317	0	400	1	12	6
25.0 to 29.9 percent	481	162	0	205	0	25	0
30.0 to 34.9 percent	586	37	13	162	2	11	0
35.0 percent or more	2,275	380	19	617	2	76	5

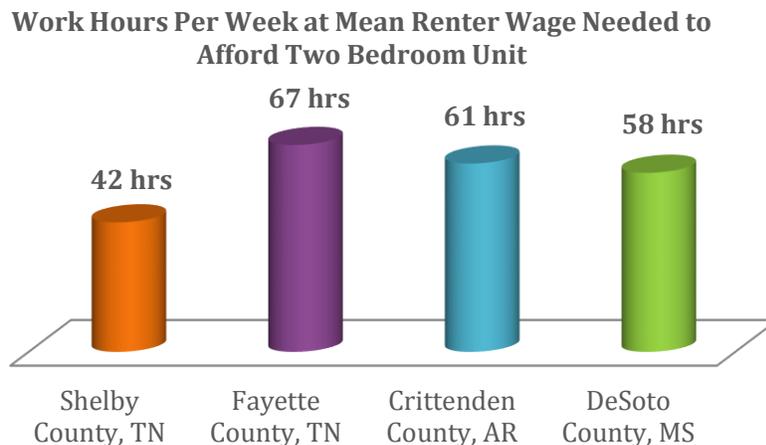
Source: U.S. Census Bureau, 2008-2012 American Community Survey Table DP04, [www.factfinder2.census.gov](http://www.factfinder2.census.gov)

## Renter Affordability

Cost-burdened renters may be least able to cope with financial setbacks (such as a reduction in hours or a job loss) and therefore are often at risk of homelessness. Faced with such a financial setback, a cost-burdened household often must choose between rent and food or rent and healthcare. Similarly, cost-burdened homeowners with a mortgage who have an unforeseen financial constraint, such as temporary illness, divorce, or the loss of employment—may face foreclosure or bankruptcy.

The National Low Income Housing Coalition’s “*Out of Reach*” 2013 Annual Report calculates the amount of income a household must receive in order to afford a rental unit based on the number of bedrooms in a rental unit at the Fair Market Rent (FMR), consistent with HUD’s affordability standard of paying no more than 30% of income for housing costs. This data is presented in the Renter Affordability table below for each individual county within the Mid-South region. As reported in the 2013 *Out of Reach* study, the NLIHC estimated that the median household income for a renter in the region varied from \$39,402 in DeSoto County, MS to \$22,013 in Crittenden County, AR. The area’s Fair Market Rent (FMR) for a two-bedroom apartment was \$768.

A renter at the median renter income would need to keep rent costs at or below \$985 to avoid cost burden in DeSoto County, MS and \$692 in Shelby County. Likewise, in Fayette County and Crittenden County, the median renter would need to maintain rent below \$653 and \$550, respectively. Individuals earning minimum wage could face the possibility of having more severe cost burdens, as a single full-time minimum wage job would allow only \$377 per month for rent expenses. In order to afford a two bedroom housing unit (at the FMR of \$768) without spending more than 30% of one’s income on rent, a minimum wage worker would need to work 80 hours per week. Based on its analysis, the NLIHC estimates that 65% of renters in Crittenden County, 39% of renters in DeSoto County, 56% of renters in Fayette County, and 55% of renters in Shelby County are unable to afford a 2 bedroom housing unit in the region.



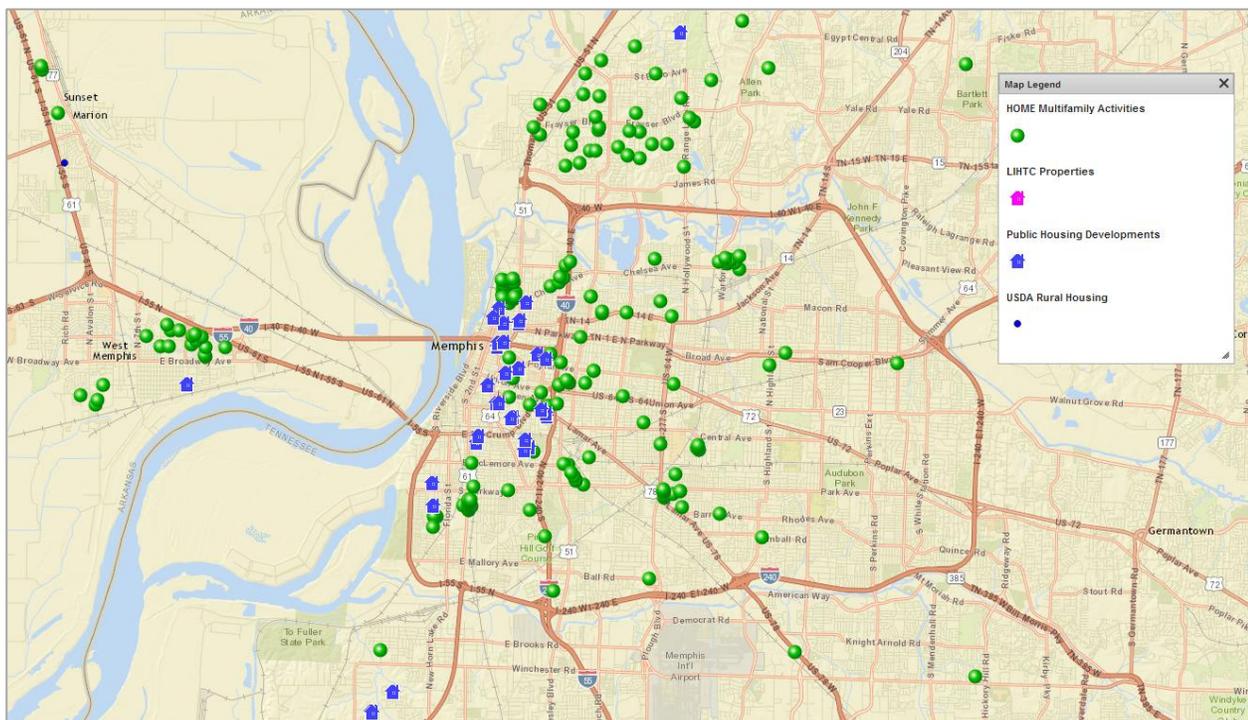
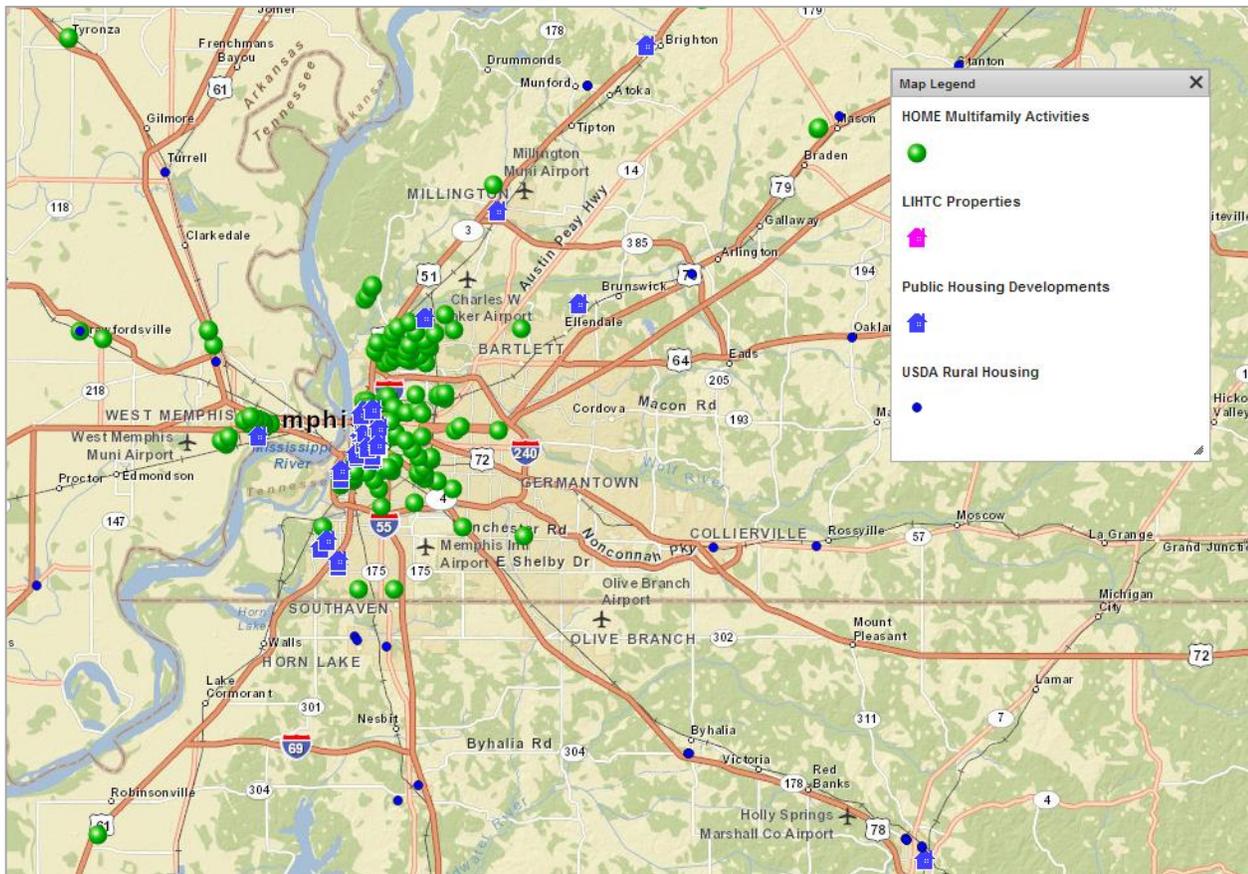
Source: National Low Income Housing Coalition, “Out of Reach” 2013 Annual Data, [www.nlihc.org](http://www.nlihc.org)

Mid-South Regional Greenprint Study Area Renter Affordability				
Household Characteristics	Crittenden County, AR	Desoto County, MS	Fayette County, TN	Shelby County, TN
<b>Number of Households 2007-2011</b>				
Total	18,757	56,641	13,825	340,394
Renters	8,092	13,088	2,402	133,399
% Renters	43%	23%	17%	39%
<b>Minimum Wage, Mean Renter Wage, SSI Monthly Payment</b>				
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25
Estimated Mean Renter Wage	\$9.68	\$10.20	\$8.77	\$13.97
SSI Monthly Payment	\$710	\$710	\$710	\$710
<b>2013 Fair Market Rent (FMR)</b>				
One-Bedroom	\$648	\$648	\$648	\$648
Two-Bedroom	\$768	\$768	\$768	\$768
Three-Bedroom	\$1,049	\$1,049	\$1,049	\$1,049
Four-Bedroom	\$1,170	\$1,170	\$1,170	\$1,170
<b>Annual Area Median Income</b>				
Annual AMI	\$58,000	\$58,000	\$58,000	\$58,000
30% of AMI	\$17,400	\$17,400	\$17,400	\$17,400
Estimated Renter Median Income	\$22,013	\$39,402	\$26,115	\$26,900
Rent Affordable at Renter Median Income	\$550	\$985	\$653	\$692
<b>Maximum Affordable Monthly Housing Costs by % of AMI</b>				
30% of AMI	\$435	\$435	\$435	\$435
50% of AMI	\$725	\$725	\$725	\$725
80% of AMI	\$1,160	\$1,160	\$1,160	\$1,160
Rent Affordable at Median Income	\$1,450	\$1,450	\$1,450	\$1,450
Rent Affordable with Full Time Job Paying Min Wage	\$377	\$377	\$377	\$377
Rent Affordable with Full Time Job Paying Mean Renter Wage	\$503	\$530	\$456	\$727
Rent Affordable to SSI Recipient	\$213	\$213	\$213	\$213

Source: National Low Income Housing Coalition, "Out of Reach" 2013 Annual Data, <http://www.nlihc.org/>

Some Mid-South residents who are unable to afford housing turn to subsidized housing programs for assistance. The subsidized housing options available in the region include traditional public housing units, Housing Choice Vouchers, housing units financed by Low-Income Housing Tax Credits (LIHTC), and properties funded in part by federal funds provided under the HOME Program. Though the structures of each of these programs vary considerably, they all generally reduce a tenant's cost burden through the application of some form of subsidy. The maps below, the second an inset of the first providing greater detail of the Memphis area, display the concentrations of publicly subsidized housing units throughout the region. In many cases, clusters of these units coincide with tracts identified earlier in this assessment as RCAP/ECAPs, although these are some exceptions to this generalization.

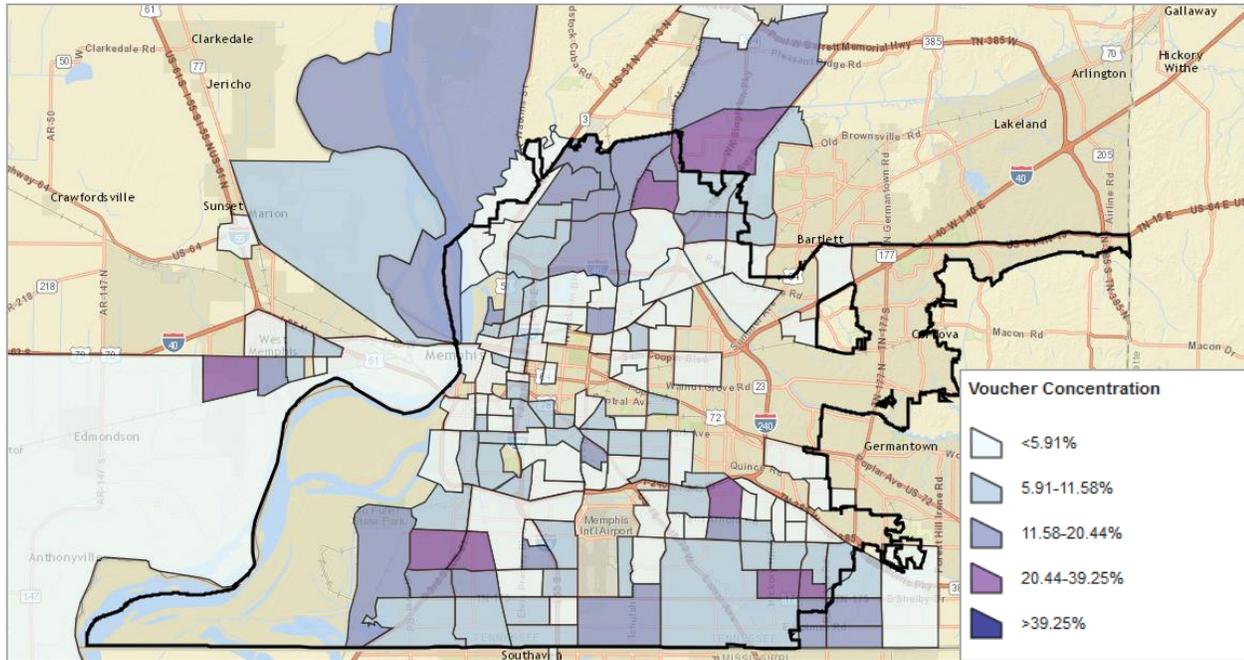
# Locations of Publicly Subsidized Housing Developments



Source: CPD Maps, <http://egis.hud.gov/cpdmaps/>, data accessed June 20, 2014.

The map below identifies concentrations of Housing Choice Vouchers by census tract. In most RCAP/ECAPs, units where a voucher was being used made up under 10% of total housing units (28 of the 32 RCAP/ECAPs). The four RCAP/ECAP tracts where over 10% of housing units were voucher-holders include tracts 102.10 (18.5%), 103 (14.0%), and 205.23 (22.0%) in Shelby County and tract 303.02 (19.6%) in Crittenden County.

### Housing Choice Voucher Concentrations



Source: CPD Maps, <http://egis.hud.gov/cpdmaps/>, data accessed September 9, 2014.

### Stakeholder Input

Substandard housing conditions in the City of Memphis were often mentioned as a particularly vexing problem that has existed for many years and which continues. Areas such as North Memphis and South Memphis were singled out as areas with high numbers of vacant and abandoned structures that are often neglected by their absentee owners. People think that Memphis is not doing enough code enforcement and that what is being done is inadequate.

“White flight” from the City of Memphis was often mentioned as a continuing manifestation of racial discrimination. Homes in Memphis previously occupied and maintained by fleeing whites often fell into disrepair when they are purchased and converted into rental properties which become occupied by lower income households. A pattern of neighborhood decline often followed these events as more and more housing units become subsidized rental units.

The Fair Housing Survey queried participants regarding their current living situation and the motivations that drive their housing choices. Most respondents (64%) are somewhat to very satisfied; the remaining 36% are not very satisfied or not at all satisfied. Considering only the respondents who identified themselves as members of racial or ethnic minorities, 54% are satisfied and 46% are not satisfied. Housing that is too small or in an unattractive area are participants' top reasons for dissatisfaction. When asked what factors they consider when looking for a place to live, more than half of respondents identified the attractiveness of the neighborhood (76%), the price of housing (64%), and proximity to work (57%).

Survey takers also answered questions regarding the availability of housing for persons with disabilities, the elderly, households with Section 8 vouchers, and low- and moderate-income persons. In general, many respondents were unsure as to levels of availability. Of those that did provide a "yes" or "no" answer to these questions, 86% feel the region is lacking in sufficient housing for persons with a disability, 61% feel it is lacking in elderly housing, 57% report a lack of Section 8 housing, and 61% note insufficient levels of housing for low- and moderate-income households.

## Fair Housing Organizations & Activities

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### Fair Housing Knowledge

Public awareness of fair housing laws and issues is critical to reducing fair housing violations and is a means to help end housing discrimination. It is important that citizens know their fair housing rights and how these protections affect housing choice. The baseline analysis of public awareness of fair housing issues comes from a national survey “How Much Do We Know?” published by HUD in 2002. The study reported that only one-half of the survey respondents could correctly identify as unlawful six of eight scenarios describing illegal fair housing conduct.<sup>79</sup> In addition, HUD’s study found that 14% of the adult population claims to have experienced some form of housing discrimination at one point or another in their lives. Of those who thought they had been discriminated against, 83% indicated they had done nothing about it, while 17% say they did pursue a complaint. In HUD’s follow-up study “Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law” (published in 2006), 41% of the former survey respondents said it was “very likely” they would do something about future discrimination compared to only 20% in the initial survey.”<sup>80</sup> The survey revealed that 46% of those who reported having experienced discrimination in the past and done nothing about it said they would very likely do something about future discrimination.

A logical assumption can be made that individuals with greater understanding of fair housing laws are more likely to pursue a formal complaint of discrimination when they feel their rights have been violated. Therefore, there is an association between knowledge of the law, the discernment of discrimination, and efforts in response to housing discrimination. It is critical that efforts are taken at the local level to educate, inform, and provide referral assistance on fair housing issues to better equip residents to deal with potential acts of housing discrimination.

Studies by HUD, such as those described above, continue to highlight that a significant number of housing discrimination incidents go unreported. Fair housing education helps residents of the region learn about the protections in fair housing laws, which in turn enables them to recognize and appropriately report housing discrimination if and when it happens to them.

In addition to fair housing education and outreach, other fair housing services that are available in the region include the investigation and resolution of housing discrimination complaints; discrimination auditing and testing; and, the dissemination of fair housing information via

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<sup>79</sup> Martin D. Abravanel and Mary K. Cunningham, “How Much Do We Know? Public Awareness of the Nation’s Fair Housing Laws,” U. S. Department of Housing and Urban Development, 2002.  
<http://www.huduser.org/Publications/pdf/hmwk.pdf>

<sup>80</sup> Martin D. Abravanel and Mary K. Cunningham, *Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law*, U.S. Department of Housing and Urban Development, February 2006.  
<http://www.fhco.org/pdfs/DoWeKnowMoreNowSurvey2006.pdf>

written material and at fair housing workshops, and seminars. Fair housing agencies also provide landlord/tenant-counseling services that educate property owners and tenants of their rights and responsibilities under fair housing law and other consumer protection legislation as well as mediating disputes between tenants and proprietors.

## Fair Housing Organizations

**Memphis Area Legal Services (MALS)** was created in 1970 and is the primary provider of civil legal representation to low income families in the western Tennessee counties of Shelby, Fayette, Lauderdale, and Tipton. The organization maintains offices in the cities of Memphis and Covington.

The MALS helps individuals and families facing critical issues such as:

- domestic violence;
- mortgage foreclosure, eviction or homelessness;
- wrongful denial of health care, food stamps, unemployment compensation or other assistance;
- consumer fraud or predatory lending; and
- special challenges of children of the elderly.

The MALS operates a Fair Housing Center located on Main Street in Memphis, funded with federal and local grants, where it provides legal assistance to victims of fair housing discrimination and predatory lending, renters with landlord/tenant issues, and persons who are facing foreclosure due to mortgage default.

The **Shelby County Department of Housing (SCDH)** is a county agency that receives annual entitlement grants from HUD. A portion of its Community Development Block Grant funds is allocated each year to promote fair housing and to help eliminate impediments to fair housing choice within Shelby County. The commitment to affirmatively further fair housing within its jurisdiction is focused on providing housing and housing related programs that benefit low-to moderate-income individuals and families. To accomplish this goal, Shelby County has utilized HUD funds to employ a Fair Housing Compliance Officer who coordinates fair housing outreach and information events and is responsible for making appropriate referrals for fair housing complaints.

The Fair Housing Compliance Officer is also directly involved in Fair Housing organizational meetings in the community (e.g. West Tennessee Affordable Housing Coalition, the Metropolitan Planning Organization, Transportation Policy Board Meetings, the Regional Sustainability/Regional Greenprint Consortium, and Shelby County Trustee Homebuyer Education Workshops).

Growing out of the Civil Rights Movement, the **Memphis Center for Independent Living (MICL)**, is a regional agency located in Memphis that advocates for persons with disabilities, one of the protected classes under the Fair Housing Act of 1968. Since 1987 the MICL has served as the center of a network of action, information, and resources to assist persons with disabilities deal with barriers, isolation, and dependency. The MICL works to ensure that persons with disabilities have equal access to transportation, housing, and employment.

Non-residential community-based services provided by the MICL are:

- Peer counseling;
- Employment advocacy;
- Transportation information; and
- Housing information.

**Collaborations** continue to bring fair housing information to residents of the Mid-South Region. The following organizations are described because of their involvement with fair housing.

**The Fair Housing Alliance of Greater Memphis (FHAGM)** is a non-profit organization formed to provide fair housing education and outreach to the public and to housing providers (including community development organizations, mortgage companies, financial institutions and real estate professionals).

The FHAGM was the first entity in the City of Memphis created and specifically geared toward attacking the problem of housing discrimination and also seeking solutions.

The agency is a collaboration of governmental agencies, banking/mortgage institutions and housing-related entities established for the purpose of agency networking, information exchange and community education to aid and encourage partnerships that promote equal choice in housing selections.

Another collaborative effort is the **Tennessee Alliance for Legal Services (TALS)**, which works with independent providers of civil legal services to support agencies in Tennessee.<sup>81</sup> The TALS is statewide non-profit organization that is committed to increasing equal access to justice in Tennessee by building partnerships for the delivery of effective, civil legal services for low-income and elderly Tennesseans. A primary service offered by TALS includes training opportunities for attorneys, paralegals, and advocates within the legal services, including educational opportunities regarding Fair Housing Law. A TALS Fair Housing Task Force is responsible for holding and organizing annual Fair Housing Act training events.

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<sup>81</sup>Tennessee Alliance for Legal Services; <http://www.tals.org/>

Several other agencies also have roles in providing fair housing education and compliance efforts throughout the Mid-South: the Tennessee Human Rights Commission, the Arkansas Fair Housing Commission, the Institute for Disability Studies, the Mississippi Development Authority, and the Shelby County Department of Housing. Each organization has its own fair housing education goals and objectives and utilizes collaborative efforts to enhance fair housing education in the region.

**The Tennessee Human Rights Commission (THRC)** is an independent state agency originally founded by Part II of the Tennessee Human Rights Statute to educate housing providers and residents about fair housing law. Through investigation and enforcement, the agency works to prevent and resolve discriminatory acts in housing, employment, and public accommodations. The THRC provides information about fair housing law, disability rights and steps to file a complaint by initiating and supporting fair housing activities in a variety of ways. The THRC participates in fairs, meetings, and other activities to support fair housing education and outreach, including recognizing April as Fair Housing Month each year.<sup>82</sup> Throughout the year, the agency maintains cooperative agreements with HUD to coordinate their investigations and avoid duplication of efforts in seeking to end discrimination.

**The Arkansas Fair Housing Commission (AFHC)** is a quasi-judicial, regulatory, enforcement agency originally established in 2003 to enforce fair housing laws and to provide fair housing education within the State of Arkansas.<sup>83</sup> The agency receives, investigates, conciliates, and/or resolves complaints alleging violations of the Federal and State of Arkansas Fair Housing Act. Fair housing education and outreach is also an important component of AFHC's mission. The AFHC provides training on fair housing rights and responsibilities to communities, social service organizations, housing providers, real estate professionals, bankers, and government organizations. The Commission also hosts and initiates events, activities and programs to promote the fair housing laws. Aside from the educational and outreach events and activities promoted through training, technical assistance, and annually during Fair Housing Month, AFHC reaches out to college students through the Fair Housing Ambassador Program, which was created to assist college students in developing leadership skills to advance civil rights issues statewide.

**The Housing Initiative at the Institute for Disability Studies (IDS) of the University of Southern Mississippi** is a private fair housing organization in the state of Mississippi that has been in existence for over 30 years. Through fair housing technical assistance and training activities, the institute reaches out to many groups – realtors, lenders, advocacy groups, state and local governmental entities and the public – to ensure that individuals with disabilities can

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<sup>82</sup> Tennessee Human Rights Commission; <http://www.tn.gov/humanrights/resources.shtml>

<sup>83</sup> The Arkansas Fair Housing Commission  
<http://www.fairhousing.arkansas.gov/index.php/about-us/about-the-director>

purchase a home or find permanent housing depending on their needs. Through education and outreach, the IDS Mississippi Fair Housing Initiative Program (M-FHIP) works to ensure equal opportunities in housing for all people and to increase homeownership through education and outreach that affirmatively furthers fair housing.<sup>84</sup> In addition to education and outreach activities, IDS staff also assists victims of housing discrimination in filing fair housing complaints with HUD and/or the Mississippi Development Authority (MDA).

The **Mississippi Development Authority (MDA)** is the State's economic and community development agency, serving businesses, communities, and workers across the state. The MDA completes HUD-required Analyses of Impediments to Fair Housing Choice (AI) every five years to assess fair housing needs and to identify barriers to fair housing. The agency is also responsible for managing economic stimulus funds, federal disaster recovery funds, and funding for other federal programs in the state. The Community Services Division of the MDA is the grant and loan administrator for the state, providing funding to communities for public infrastructure needs and community development projects. The Community Services Division also administers technical and financial assistance programs that support the economies of Mississippi's communities.

In partnership with the University of Southern Mississippi's IDS, the MDA also conducts outreach and education regarding fair housing by creating and distributing brochures about fair housing rights and agencies across the state. The MDA sponsors housing conferences, conducts trainings, and coordinates with all the fair housing agencies, local entities, and sub-recipients in the state regarding their efforts to affirmatively further fair housing. However, there is no statewide fair housing law in Mississippi, so no state agency is eligible for HUD funding under the Fair Housing Assistance Program.

### Fair Housing Opinion Survey

As a part of the FHEA analysis, a public survey was conducted among the residents of the Mid-South Region to solicit their opinions on fair housing issues. A total of 45 survey responses was received, which is not sufficient to yield scientific data, but anecdotally the results reveal important insight into fair housing issues in the region. Based on survey responses, a strong need exists to continue fair housing education directed toward the housing industry and to residents of the region. Specific questions and responses dealing with housing discrimination are presented in this section of the FHEA.

The following charts and narrative summarize responses from Mid-South residents who responded to questions about housing discrimination. Note that not every respondent answered

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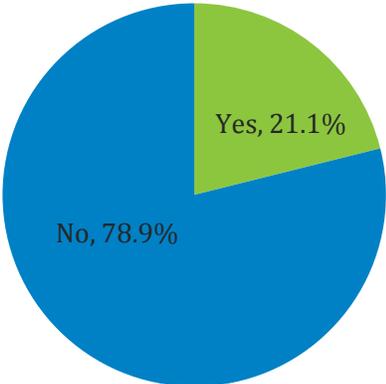
<sup>84</sup> The University of Southern Mississippi, *Institute for Disability Studies*  
<http://www.usm.edu/disability-studies/housing-overview>

every survey question; therefore, where percentages are used, they represent the percentage of respondents to a particular question and not the survey as a whole.

When residents who were surveyed were asked if they had ever experienced housing discrimination while living in the Mid-South Region, 30 (78.9%) of 38 respondents stated they had never experienced housing discrimination, while 8 (21.1%) stated they had experienced housing discrimination.

**Mid-South Regional Greenprint Fair Housing Survey Results – Discrimination Victims**

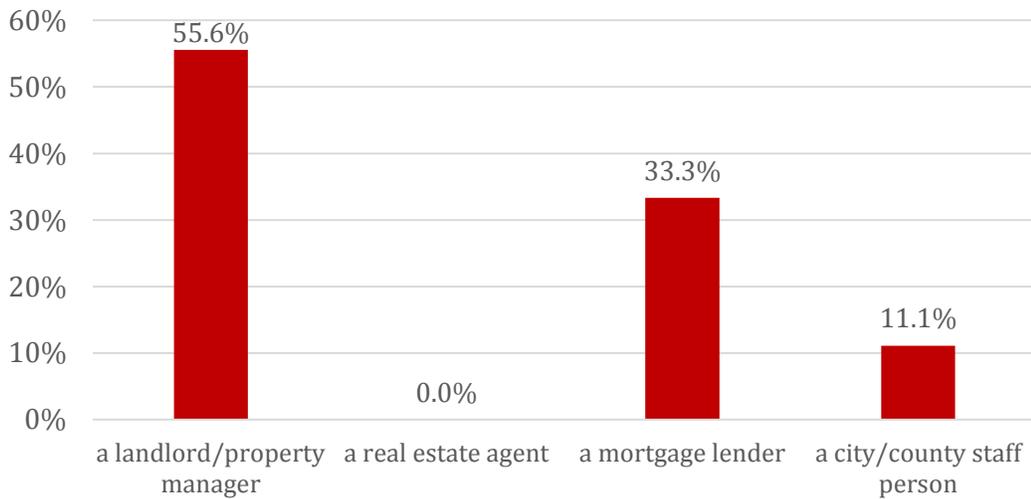
Have you ever experienced housing discrimination while living in the Mid-South Region?



The survey respondents that experienced discrimination were asked who or what organization discriminated against them. Of the nine (9) survey respondents who answered this question, 5 (55.6%) stated that a landlord or property manager had discriminated against them, while 3 (33.3%) stated that a mortgage lender discriminated against them, and 1 (11.1%) reported that a city or county staff person discriminated against them.

### Mid-South Regional Greenprint Fair Housing Survey Results – Persons Who Discriminated

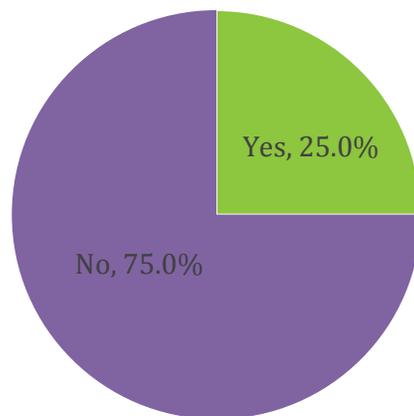
If you answered YES, Who discriminated against you?



Of the nine (9) survey respondents who reported experiencing discrimination, eight responded to the question about reporting discrimination and only 2 (25%) actually filed a fair housing complaint.

### Mid-South Regional Greenprint Fair Housing Survey Results – Reporting Discrimination

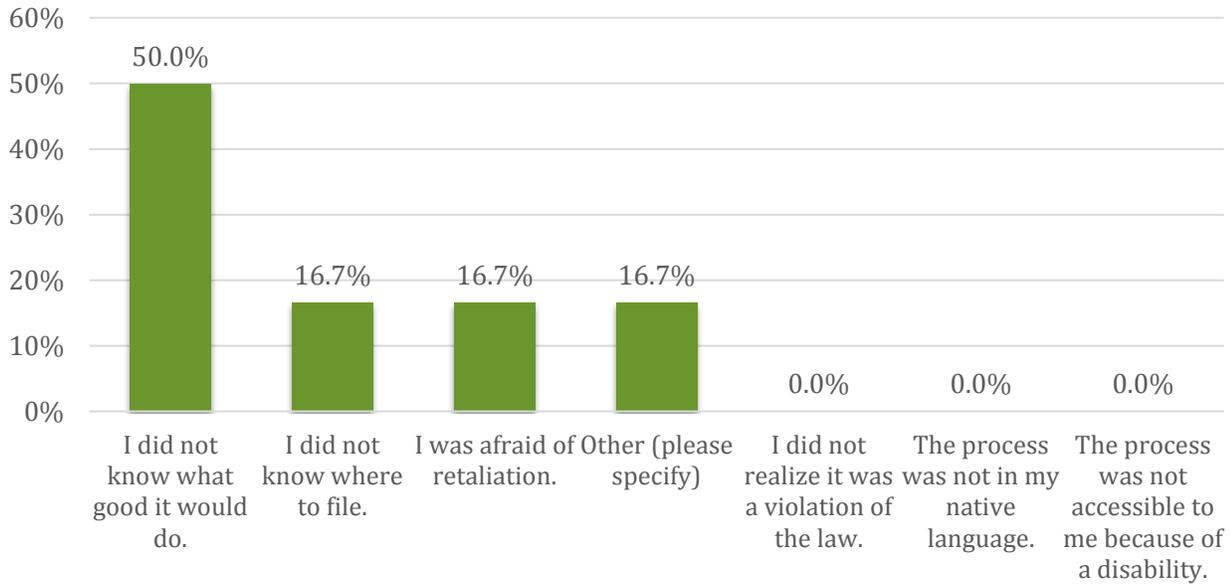
Did you file a report when you felt discriminated against?



For respondents who did not file a fair housing complaint, three of six (50%) stated they did not know “what good it would do,” one of the survey respondents stated that they did not know where to file a complaint, another person reported that they were afraid of retaliation, and one respondent indicated no specific reason.

### Mid-South Regional Greenprint Fair Housing Survey Results – Reasons for Not Filing a Complaint

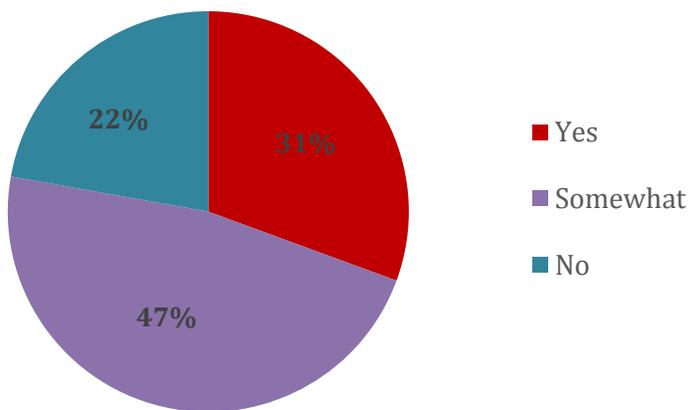
If you answered NO, why didn't you file?



When area residents were asked if they were knowledgeable about their fair housing rights, 28 (77.8%) of the 36 survey respondents stated they were either familiar or somewhat familiar with fair housing rights. Eight (22.2%) of the 36 stated they did not know their fair housing rights. Two-thirds of participants (66.7%) report not knowing where to file a housing discrimination complaint.

### Mid-South Regional Greenprint Fair Housing Survey Results – Knowledge of Fair Housing Rights

Do you know your Fair Housing Rights?



While HUD has not determined a national standard for the adequate level of public awareness about fair housing law; it encourages jurisdictions to make continuing efforts to increase public awareness. Knowledge of fair housing laws and their penalties can serve as a deterrent to violations and can help reduce the number of discriminatory acts.

When asked to select possible barriers to fair housing in the Mid-South region, survey respondents identified low credit scores, a concentration of low-income housing in certain areas, and income levels of minority and female-headed households as the most serious impediments.

## Housing Discrimination Complaints

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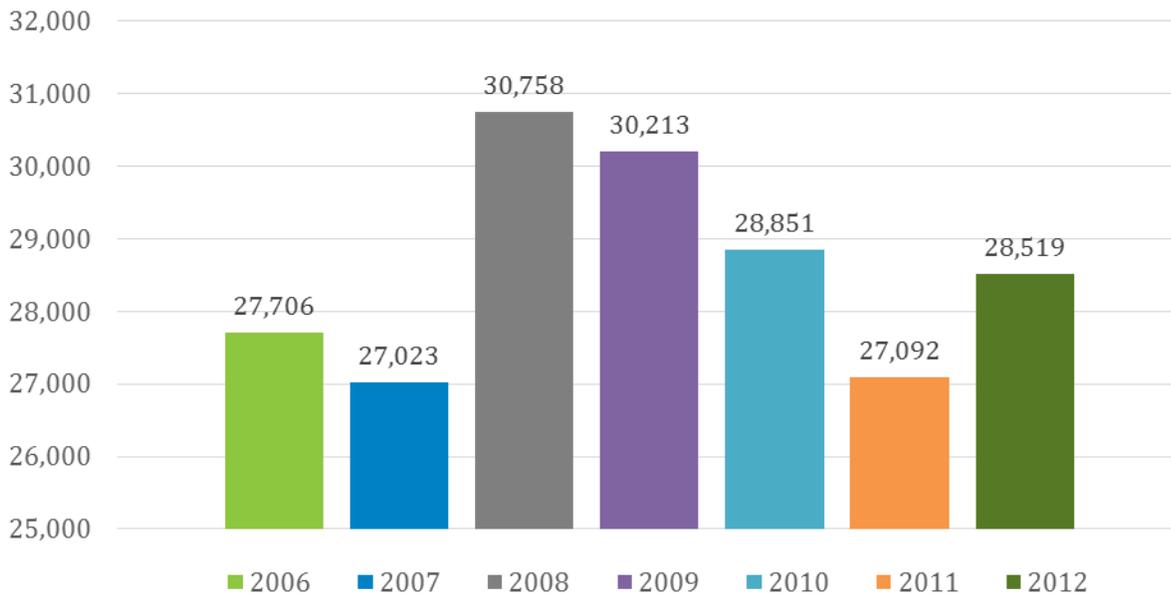
The HUD Office of Fair Housing and Equal Opportunity (FHEO) administers federal laws and establishes national policies that ensure that all Americans have equal access to the housing of their choice. Individuals who believe they are victims of housing discrimination can file a fair housing complaint through the respective HUD Regional FHEO office and/or through local or state fair housing organizations. Typically, when a complaint is filed with one or more of these agencies, a case is opened and an investigation of the allegations of housing discrimination is initiated.

If the complaint is not successfully mediated, the FHEO determines whether reasonable cause exists to believe that a discriminatory housing practice has occurred. Where reasonable cause is ascertained, the parties to the complaint are notified by HUD's issuance of a "Determination", as well as a "Charge of Discrimination", and a hearing is scheduled before a HUD administrative law judge. Either party (complainant or respondent) may cause the HUD-scheduled administrative proceeding to be terminated by electing to have the matter litigated in Federal court.

### National Housing Discrimination Complaints

According to the National Fair Housing Alliance (NFHA) 2013 Fair Housing Trends Report, national data continues to show housing discrimination acts that result in complaints filed with fair housing agencies. The data in 2012 showed that more disability complaints had been filed than any other type of fair housing complaints. The NFHA suggests that this may be attributed to apartment owners' direct refusal to make reasonable accommodations or modifications for people with disabilities. As a result, HUD has implemented the Fair Housing Accessibility FIRST program to assist in educating architects and builders regarding design and construction of accessible housing units. Total complaints filed nationally, as reported by NFHA are reflected in the chart that follows.

### National Fair Housing Complaints



Source: National Fair Housing Alliance, 2013 Fair Housing Trends, April 13, 2013

While the number of housing discrimination complaints at the national level may not correlate in a mathematical way with the number of similar incidents in the Mid-South region, these national statistics serve to illustrate that housing discrimination remains a national problem.

### Regional Housing Discrimination Complaints

In the Mid-South region, housing discrimination complaints are handled by the HUD Regional FHEO offices located in Atlanta, Georgia and Fort Worth, Texas. The Atlanta office is responsible for Region IV which includes the states of Mississippi and Tennessee. The Region VI HUD office, located Fort Worth, is responsible for the state of Arkansas.

During the preparation of this FHEA, HUD, state and local fair housing offices were contacted in all three states in the Greenprint study area. Complaint data reported by responsive agencies is presented here.

### Complaints from Marion and West Memphis, Arkansas Filed with HUD's Fort Worth FHEO

Region VI of the HUD FHEO is located in Fort Worth, Texas and receives complaints by households regarding alleged violations of the Fair Housing Act for cities and counties throughout Arkansas, Louisiana, Oklahoma, New Mexico, and Texas. The mission of the FHEO is to protect individuals from employment, housing and public accommodation discrimination, and hate violence. To achieve this mission, the FHEO maintains databases and investigates complaints of housing discrimination, as well as complaints in the areas of employment, housing,

public accommodations and hate violence. The following table identifies the number of housing discrimination complaints filed by location at which the alleged discrimination occurred, the status of the complaint, and the basis for the complaint.

From January 1, 2006 through December 31, 2013, nine housing complaints were filed regarding housing in the Arkansas cities of Marion and West Memphis. Of these complaints, two were determined to have cause. As of December 31, 2013, all nine FHEO complaints had been closed.

Two of the nine complaints were based on race only; one involved race and disability; three were for disability; two involved familial status, and one complaint was based on religion. When combined, 6 complaints based on race and disability represented 67% of cases, 2 familial status cases represented 22%, and one religion case represented 11%. The total exceeds the number of complaints due to multiple discrimination allegations within a one complaint.

<b>Housing Discrimination Complaints -Cities of Marion and West Memphis, Arkansas January 1, 2006 - December 31, 2013</b>				
<b>Violation City</b>	<b>Filing Date</b>	<b>Closed Date</b>	<b>Case Closure Type</b>	<b>Bases</b>
Marion	10/12/06	11/03/06	Administrative Closure	Race
Marion	04/26/07	06/17/08	Cause (FHAP)	Race, Disability
Marion	07/08/10	09/08/10	No Cause	Race
West Memphis	05/19/08	06/24/08	Withdrawn with Resolution	Disability
West Memphis	09/16/08	02/25/09	Administrative Closure	Familial Status
West Memphis	09/08/09	11/30/09	No Cause	Religion
West Memphis	04/30/12	08/07/12	No Cause	Disability
West Memphis	08/16/12	11/21/12	Cause (FHAP)	Familial Status
West Memphis	07/08/13	12/02/13	Conciliated	Disability

Source: Fort Worth office, U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity

### **Complaints Filed with HUD’s Atlanta FHEO**

Region IV of the HUD FHEO is located in Atlanta, Georgia and receives complaints by households regarding alleged violations of the Fair Housing Act for cities and counties located in Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Puerto Rico

and the Virgin Islands. The responsibilities of Region IV HUD mirror those described for HUD Region VI.

### **Complaints from Desoto County, Mississippi**

From January 1, 2006 through December 31, 2013, 20 housing complaints were filed with HUD Region IV from the cities of Hernando, Horn Lake, Olive Branch, Southaven, and Walls:

- Three (15%) were Conciliated/Settled; and
- Nine (45%) were determined to have No Cause; and
- Three (15%) were Withdrawn after Resolution; and
- One (5%) was Withdrawn without resolution; and
- Three cases (15%) the complainant failed to cooperate or could not be located; and
- One case (5%) HUD had no jurisdiction; and
- No complaints from DeSoto County were in Open status as of December 31, 2013.

The bases for the complaints were:

- Six (30%) of the twenty complaints were based on race only; and
- One (5%) was based on race and color; and
- Four (20%) involved race and sex; and
- One (5%) involved sex only; and
- Four (20%) were for disability; and
- Two (10%) were based on race and disability; and
- Two (10%) involved combinations of race, color, sex, national origin, disability status, and familial status.

The table on the following page identifies the details about the housing discrimination complaints filed by location in Desoto County where the alleged discrimination occurred, the status of the complaint, and the basis for the complaint. All complaint cases from DeSoto County were resolved or closed administratively by December 31, 2013.

**Housing Discrimination Complaints - Cities of Hernando, Horn Lake, Olive Branch  
Southaven and Walls, Mississippi - January 1, 2006 - December 31, 2013**

<b>Violation City</b>	<b>Filing Date</b>	<b>Closed Date</b>	<b>Case Closure Type</b>	<b>Bases</b>
Hernando	08/17/06	09/28/07	No Cause	Disability, Familial Status, National Origin
Hernando	04/23/08	07/24/08	No Cause	Disability
Horn Lake	11/01/06	02/29/08	Withdrawn After Resolution	Race, Sex
Horn Lake	04/28/08	09/05/08	Lack of Jurisdiction	Race
Horn Lake	10/10/12	06/20/13	No Cause	Disability
Horn Lake	11/26/12	02/06/13	No Cause	Sex
Horn Lake	10/23/12	01/02/13	Conciliated/Settled	Race
Horn Lake	02/07/13	05/09/13	No Cause	Race
Olive Branch	07/16/07	04/23/09	Complainant Failed to Cooperate	Race
Olive Branch	06/09/08	07/09/08	Unable to Locate Complainant	Race, Disability
Southaven	09/29/07	10/31/08	Withdrawn Without Resolution	Race
Southaven	03/26/08	09/30/08	No Cause	Race, Sex
Southaven	06/06/08	09/03/08	Complainant Failed to Cooperate	Race, Color
Southaven	02/07/08	03/13/08	Withdrawn After Resolution	Race, Sex
Southaven	08/19/09	07/09/10	Conciliated/Settled	Race, Disability
Southaven	12/21/09	01/14/10	Withdrawn After Resolution	Disability
Southaven	06/08/10	09/25/11	No Cause	Race, Sex
Southaven	01/26/12	07/24/12	Conciliated/Settled	Race
Southaven	06/06/13	09/24/13	No Cause	Disability
Walls	07/10/08	09/26/08	No Cause	Race, Disability, Familial Status, Sex

Source: Atlanta office, U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity

## Complaints from Fayette County, Tennessee

From January 1, 2006 – December 31, 2013 eight housing complaints were filed with the HUD FHEO Office in Atlanta from Fayette County, Tennessee

- Seven (87.5%) were determined to have No Cause; and
- One (12.5%) case was determined to be outside of HUD’s jurisdiction

The bases for the complaints were:

- Four (50%) alleged discrimination based on Race, only; and
- One (12.5%) indicated discrimination based on National Origin and Religion;
- One (12.5%) noted Disability Status as the basis; and
- One (12.5%) alleged Race and Disability Status as the bases; and
- One (12.5%) identified Race, Familial Status, and Color as the basis.

All eight cases from Fayette County were resolved or closed administratively by December 31, 2013.

Complaints of Housing Discrimination in Fayette County, Tennessee January 1, 2006 – December 31, 2013				
Violation City	Filing Date	Closed Date	Case Closure Type	Bases
Chattanooga	09/23/07	03/25/08	No Cause	National Origin, Religion
Rossville	02/05/07	11/27/07	No Cause	Race, Disability
Somerville	05/04/07	08/04/08	No Cause	Race
Somerville	02/19/08	06/03/08	No Cause	Race
Somerville	05/27/08	05/27/09	No Cause	Race
Somerville	01/02/09	03/19/10	No Cause	Disability
Somerville	06/22/10	03/18/11	Lack of Jurisdiction	Race, Familial Status, Color
Somerville	05/20/08	06/03/08	No Cause	Race

Source: Atlanta office, U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity

## Complaints from Shelby County, Tennessee

From January 1, 2006 to December 31, 2013, 169 housing discrimination complaints were filed with HUD from Shelby County. The acts of alleged housing discrimination occurred in the following Shelby County cities: Arlington (1), Bartlett (2), Cordova (5), Germantown (1), Memphis (156), and Millington (4). The complaints from Memphis represented 92.31% off all complaints filed from Shelby County.

A summary of the 169 housing discrimination complaints from Shelby County filed with HUD under the protected classes provided by the Fair Housing Act of 1968, are depicted in the following table.

Summary of Housing Complaints Filed With HUD Shelby County, Tennessee January 1, 2006 - December 31, 2013		
Bases for Complaints <sup>1</sup>	Number of Complaints	Percentage of Complaints by Bases
Disability	66	39.1%
Familial Status	3	1.8%
National Origin	6	3.6%
Race	89	52.7%
Religion	2	1.2%
Sex	2	1.2%
Retaliation <sup>2</sup>	1	0.6%
<b>Totals</b>	<b>169</b>	<b>100.0%</b>

Notes:

<sup>1</sup>Some complaints were filed under multiple bases. The initial base listed was used for this classification table.

<sup>2</sup>Retaliation is not a protected class.

Source: Atlanta office, U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity

Only 5 complaints (2.96%) of the 169 filed from Shelby has not been resolved or closed administratively by December 31, 2013. A table containing all the housing discrimination complaints received by HUD from Shelby County is provided as an appendix to the FHEA.

## Complaints Filed with the Tennessee Human Rights Commission

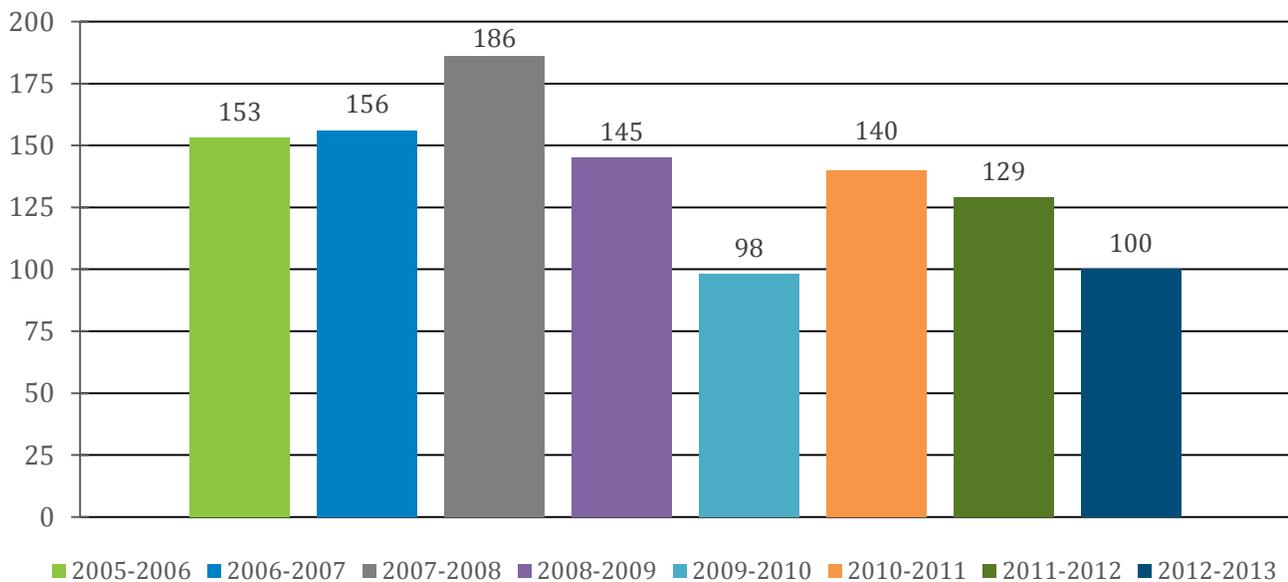
Acting under cooperative agreements with HUD and the Equal Employment Opportunity Commission (EEOC), the Tennessee Human Rights Commission (THRC) provides federal and

state agencies with coordinated investigations of fair housing complaints in the State of Tennessee.

According to the THRC’s Annual Reports from 2006-2013, the number of fair housing complaints filed in Tennessee over this 8-year period totaled 1,107, and are depicted by year in the chart below. Complaints filed are not consistently identified by county in the annual reports, however cases specific to Shelby County have been broken out since 2011. The numbers and percentages of total annual complaints originating in Shelby County were: 2011 – 22 (15.7%); 2012 – 19 (15%); and 2013 – 5 (5%). No other Tennessee counties in the Mid-South area were separately reported in THRC Annual Reports.

During the 2006-2013 period the THRC closed 965 housing complaint cases, as reported in the chart below.

**Tennessee Human Rights Commission  
Fair Housing Complaints Filed 2006-2013**



Source: Tennessee Human Rights Commission Annual Reports 2006-2013

**Complaints Filed With the State of Arkansas**

The State of Arkansas Fair Housing Commission (AFHC) reported that it had referred 8 complaints to the HUD FHEO Fort Worth office between January 1 2006 – December 31, 2013 for housing units located in the cities of West Memphis and Marion. No complaints were filed with the AFHC from the City of Sunset during the reporting period.

Six of the complaints were filed by renters and two involved rental assistance and/or Section 8 programs. Two complaints were determined to have cause, one case was voluntarily withdrawn,

one was administratively closed, and one was resolved through conciliation. Three complaints were determined to have no cause. As these eight complaints were all referred to HUD for investigation, they are included in the data reported in Table 1 from HUD Region VI.

### Summary

More than one in five residents of the Mid-South Region who responded to survey questions about fair housing reported that they had experienced housing discrimination. When persons indicated that they had experienced housing discrimination, 55.6% responded that they did not think it would do any good to file a complaint, 16.7% did not know where to file, and 16.7% did not file for fear of retaliation. These data indicate that more education and outreach is needed to help people understand the protections available under Fair Housing Laws and the procedures that should be followed to file complaints with Fair Housing agencies.

Based on responses from Fair Housing agencies for the 2006-2013 reporting period, the disposition of complaints administratively or that were determined to have no cause outnumber cases that were determined to have cause.

Cases filed based on race or race plus other factors outnumbered all other causes, followed by complaints based on disability.

A summary of 206 housing discrimination complaints filed by residents of Mid-South Greenprint member jurisdictions in Arkansas, Mississippi, and Tennessee follows.

Summary of Housing Complaints Filed in Mid-South Regional Greenprint Jurisdictions		
Bases for Complaints	Number of Complaints	Share of Complaints
Race	114	55.3%
Disability	74	35.9%
Sex	3	1.5%
National Origin	6	2.9%
Religion	3	1.5%
Familial Status	5	2.4%
Retaliation	1	0.5%
Totals	206	100.0%

Because of the apparent limited level of understanding of fair housing laws among residents of the region, based on survey responses and complaint patterns, the fair housing agencies serving the Mid-South must continue their focus on information dissemination and fair housing education. The goal should be to help improve fair housing knowledge among residents of the region and to increase their trust in a process that can address incidents of fair housing discrimination when they occur.

## Housing Discrimination Lawsuits

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This section contains a summary of the nature, extent, and disposition of significant housing discrimination lawsuits filed and/or adjudicated between 2006 and 2013 that affect fair housing choice within the Mid-South region. The cases chosen for discussion are important because of their impact on the rights of local governments and residents to redress housing discrimination and because of their impact on the responsibilities of mortgage lenders, insurers, and housing developers to comply with the Fair Housing Act (FHA), Americans with Disabilities Act (ADA), and other state fair housing laws. These cases also have bearing on an analysis of fair housing choice because of the potential number of residents within a protected class that should benefit from the standards set by these cases.

The cases discussed below tend to fall into one of two categories, either (1) predatory and discriminatory lending schemes that targeted a protected class or (2) “design and construction” cases where developers and operators engaged in a pattern or practice of discrimination against persons with disabilities by failing to design and construct covered multifamily dwellings and public accommodations in accordance with the features of accessible and adaptable design and construction required by the FHA and ADA. The number of cases in these two broad categories highlights the challenges the Mid-South region faces in ensuring and supporting fair housing choice for all of its residents.

Besides the cases discussed in this section, other “reverse redlining” and predatory lending lawsuits have been filed against major banks and mortgage lenders but are not discussed here in cases where the court never adjudicated the merits of the claims either because the plaintiff who brought the action lacked standing (See, e.g., Memphis Center for Independent Living v. Woodglen, Civil Action No.2:09-cv-02121-STA-cgc, 2009 U.S. Dist. LEXIS 122583 (W.D. Tenn. Oct. 19, 2009)); or the plaintiff’s claim was time barred because plaintiff failed to file within the relevant statute of limitations (See, e.g., Humphrey v. Citibank N.A., 2:12-CV-00148-MPM-JMV, 2013 U.S. Dist. LEXIS 137465 (N.D. Miss. July 2, 2013)); or defendant filed bankruptcy and the case was administratively closed (See, e.g., Jackson v. Novastar, 2:06-cv-02249 (W.D. Tenn.)). In addition, individual private litigants have filed many other fair housing lawsuits and HUD complaints in the past ten years, but because those cases only affect individual households and do not appear to have a substantial impact on fair housing issues for the region’s population at large or its governmental organizations, they are not included in this discussion or analysis.

### **1. City of Memphis v. Wells Fargo Bank, N.A., Civil Action No. 2:09-cv-2857-STA (W.D. Tenn.) (case dismissed July 3, 2012, following settlement).**

On April 7, 2010, the City of Memphis and Shelby County filed a lawsuit in the United States District Court for the Western District of Tennessee against Wells Fargo Bank, alleging the bank engaged in discriminatory lending practices in violation of the Tennessee Consumer Protection

Act (TCPA) and the federal Fair Housing Act, as amended (FHAA). The Plaintiffs' complaint asserts that from 2000 to 2009, the bank targeted African-American mortgage borrowers in a practice known as "reverse redlining," which included steering these borrowers into predatory mortgage loans with discriminatory, deceptive, and unfair terms so that borrowers either paid more for their loans than they should have or received loans that the bank knew borrowers could not afford. In Plaintiffs' view, the result of these lending practices was a disproportionately high number of foreclosures in predominantly African-American neighborhoods in Memphis and Shelby County.

The City and County presented statistical evidence showing that although only 15% of Defendants' loans were for the purchase of homes in predominantly African-American neighborhoods (those with an 80% or more African-American population), 18% of those resulted in foreclosure. In contrast, only 3% of loans made in predominantly white neighborhoods resulted in foreclosure. Memphis also alleged that from 2004 to 2008, Wells Fargo made "high-cost loans" (loans with an interest rate that was at least 3% above a "federally-established benchmark") to 63% of its African-American borrowers in the City but only to 26% of its white borrowers in the City. In Shelby County, Wells Fargo made these high-cost loans to 51% of its African-American borrowers but to only 17% of its white borrowers. Plaintiffs also provided evidence that Wells Fargo encouraged its loan officers to instruct minority borrowers not to submit documentation about income or put any money down, factors which would push their loans into the subprime category and result in higher interest rates and fees. At the same time, loan officers failed to offer prime mortgages where borrowers could qualify for those products. Some Wells Fargo employees referred to loans of this type as "ghetto loans." Plaintiffs also accused the Bank of failing to properly underwrite adjustable rate mortgages for African-American borrowers and using higher interest rate caps in African-American neighborhoods, actions which additionally made borrowers more vulnerable to foreclosure.

The municipalities argued that Wells Fargo's discriminatory lending practices directly harmed the City and County by causing (1) higher demands on governmental services for police calls, fire calls, and boarding-up and cleaning properties and (2) "significant declines" in property values and reduced property tax revenue.

Wells Fargo filed a Motion to Dismiss arguing that the City and County did not have standing to sue for alleged fair housing violations against private borrowers, and that the government could not show any harm that was fairly traceable to Wells Fargo's alleged discriminatory practices. The Defendants contended that most of the housing disparities in Memphis arise from racial, socio-economic, and educational inequalities, and that Plaintiffs could not seek to hold Defendants responsible for these deeper and more widespread problems facing the City and County. The Court held that Plaintiffs had carried their burden to establish standing in this case because the well-pleaded facts were enough to show a causal connection between Defendants' alleged FHA violations and injury to the Plaintiffs. Additionally, the Court found Plaintiffs

adequately pleaded their claim that Wells Fargo's lending practices had a disparate impact on African-Americans in Memphis and Shelby County in violation of the FHA. The Motion to Dismiss was denied. (City of Memphis v. Wells Fargo Bank, N.A., 2011 U.S. Dist. LEXIS 48522 (W.D. Tenn. May 4, 2011)).

Subsequently, on June 14, 2012, the parties filed a Joint Notice of Resolution, reaching a settlement wherein Wells Fargo, while denying the allegations of the complaint, agreed to pay \$3 million to Memphis and Shelby County to support economic development and \$4.5 million in grants for mortgage down payments and home renovations. Defendant also set a lending goal of \$432.5 million in new loans and financial assistance for residents of Memphis and Shelby County over the next five years. This figure includes \$125 million earmarked for low and moderate income borrowers. On July 3, 2012, the case was dismissed with prejudice on the Plaintiffs' motion.

The firm representing Memphis and Shelby County filed a similar action against Wells Fargo on behalf of the City of Baltimore. Another suit filed by the United States against Wells Fargo on July 12, 2012 (Civil Action No. 1:12-cv-01150 (D.D.C.)), made essentially equivalent allegations. Under a consent order in that case, entered September 21, 2012, Wells Fargo agreed to provide \$59.3 million in compensation to African-American and Hispanic retail subprime borrowers across the country and \$125 million in compensation for wholesale borrowers who were allegedly steered into subprime mortgages or who allegedly paid higher fees and rates than white borrowers because of their race or national origin. The consent order provided that any borrowers identified pursuant to an internal review who received subprime Wells Fargo loans from the bank's retail channel who might have qualified for prime loans would be compensated in an amount commensurate with the amounts paid to borrowers who received subprime loans from the bank's wholesale division. As a result of its review, Wells Fargo identified nearly 4,000 retail subprime borrowers who are eligible for compensation. With the additional compensation to retail subprime borrowers, the settlement with Wells Fargo totaled \$234.3 million.

2. **Willingham v. Novastar Mortgage, Inc.**, Civil Action No. 2:04-cv-02391-BBD-tmp (W.D. Tenn.) (administratively closed August 31, 2007, following settlement and default judgments); **Carr v. Home Tech Services, Inc.**, Civil Action No. 2:03-cv-02569-BBD-tmp (W.D. Tenn.) (administratively closed August 28, 2007, following settlement and default judgments); **Johnson v. Equity Title & Escrow Co. of Memphis, LLC**, Civil Action No. 2:03-CV-02567, 476 F. Supp. 2d 873 (W.D. Tenn. March 6, 2007) (administratively closed August 28, 2007, following settlement and default judgments); **Spinks v. Home Tech Services, Inc.**, Civil Action No. 2:03-cv-02568-BBD-tmp (W.D. Tenn.) (case administratively closed August 27, 2007, following settlement and default judgments); **Hayes v. Home Tech Services Co., Inc.**, Civil Action No. 2:05-cv-02019-BBD-tmp (W.D. Tenn.) (case administratively closed August 29, 2007 following settlement and default judgments); **Lewis v. Memphis Financial Services**, Civil Action

**No. 2:05-cv-02524-BBD-tmp (W.D. Tenn.) (case administratively closed August 28, 2007, following settlement and default judgments); Tyson v. Equity Title & Assoc., Civil Action No. 2:00-cv-02559-BBD-tmp (case administratively closed August 29, 2007, following settlement and default judgments).**

In a series of companion cases filed between 2000 and 2006 by homeowners represented by Memphis Area Legal Services, plaintiffs alleged that defendants (comprised of one or more mortgage companies, lending companies, title companies, home repair companies, closing attorneys, and appraisers) engaged in discriminatory predatory lending schemes (often known as “equity swapping” or “equity theft”) targeted at African-American homeowners. The facts of each case, though unique, fit a similar pattern.

The cases alleged that Defendants acted in concert to lure unsuspecting and unsophisticated African-American homeowners into exploitative mortgage loans under the pretense of consolidating debt and/or financing home repairs or home improvements. Plaintiffs were often approached by a home remodeling contractor who gave the homeowner a quote for home improvement work and then instructed the homeowner to contact one of the other named defendants for financing. Loan applications prepared by defendants often misstated the plaintiff's income or were left blank. Plaintiffs complained that they never received a Good Faith Estimate of Closing Costs prior to closing, and often were not aware of how much money they were financing or other loan terms such as interest rate, closing costs, and fees. Documents were often notarized after the closing and outside the presence of the borrower, and back-dated. When the application process was finalized, some plaintiffs asserted that the loan package consolidated unsecured debt and the home improvement loan into a mortgage loan for a far greater amount than the plaintiff originally requested for financing. In other cases, the loans consolidated unsecured debt without the plaintiff's knowledge or agreement. Plaintiffs were routinely charged excessive fees that did not appear on the HUD-1 Settlement Statement, and the amount of money some plaintiffs ultimately received also did not match the amount stated on the respective HUD-1 Settlement Statement. Plaintiffs were often not informed of their right to rescind or in some cases were effectively given only the date of closing to cancel. They all complained that they were rushed through signing the closing documents with little or no explanation of what they were signing. In one case, the loan was sold from one defendant to another, but multiple defendants deducted mortgage payments from the plaintiff's personal checking account on a monthly basis without crediting her loan balance. The promised home improvement work, the original impetus for seeking a loan, was often never done. In cases where home improvement work was actually undertaken, the workmanship was often subpar, incomplete, and led to more problems than the homeowner had originally.

Plaintiffs' cases sought relief for alleged violations of the federal Fair Housing Act, Racketeer Influenced and Corrupt Organizations Act (RICO), Equal Credit Opportunity Act (ECOA), Truth

in Lending Act (TILA), Real Estate Settlement Procedures Act (RESPA), Tennessee Consumer Protection Act (TCPA), and various other state law claims.

In each case, multiple defendants filed motions to dismiss. In one published opinion, (Willingham v. Novastar Mortgage, Inc., 2006 U.S. Dist. LEXIS 97149 (W.D. Tenn. Feb. 7, 2006)), the Court dismissed Plaintiff Willingham's claim under 12 U.S.C. §§ 2604(c)(RESPA) because no private right of action exists under Sec. 2604(c) of RESPA. The Court also dismissed Plaintiff's claims for breach of fiduciary duty, unconscionability, and her claim under the Consumer Protection Act (*Tenn. Code Ann. §47-18-109(a)*) because the claim involved the credit terms of her mortgage transaction and she did not argue that her claims are covered under the Tennessee Equal Consumer Credit Act as required. In another published opinion (Carr v. Home Tech Co. Inc., 476 F. Supp. 2d 859, (W.D. Tenn. March 6, 2007)), the Court dismissed Plaintiff's claim under *Tenn. Code Ann. § 47-18-109* (TCPA) because the statute of limitations had expired for this claim, and dismissed the claim under 12 U.S.C. §§ 2604(c)(RESPA) because no private right of action exists under Sec. 2604(c) of RESPA. And in a third published opinion (Johnson v. Equity Title & Escrow Co. of Memphis, Civil Action No. 2:03-cv-02567, 476 F. Supp. 2d 873 (W.D. Tenn. March 6, 2007)), the Court again dismissed Plaintiff's claim under *Tenn. Code Ann. § 47-18-109* (TCPA) because the statute of limitations had expired for this claim, and dismissed the claim under 12 U.S.C. §§ 2604(c)(RESPA) because no private right of action exists under Sec. 2604(c) of RESPA. However, in each case, the Court denied the remainder of defendants' motions, allowing the plaintiffs to pursue their claims for violations of FHA, RICO, ECOA, TILA, and other state law claims.

As for the Fair Housing Act claims, Plaintiffs specifically alleged that Defendants discriminated in the terms and conditions of the mortgage loans and in the provision of services in connection therewith because the homeowner is African-American. The respective complaints contained similar allegations that Defendants' actions are in violation of the FHA because they make "housing unavailable to African-Americans by subjecting them to discriminatory terms and conditions on loans that they neither want nor need, thereby reducing their ability to use and enjoy housing." The Court held that for an FHA claim, it is irrelevant whether the scheme to make housing unavailable prevented the Plaintiff from securing housing or made housing that the Plaintiff already owned uninhabitable. If the allegations were taken as true, the injury was actually caused by acceptance of a loan designed to fail. For the claims of conspiracy and RICO, the Court found that the respective Plaintiffs' complaints had sufficiently alleged the predicate offenses of mail fraud and wire fraud. The Court further found that the Plaintiffs had alleged a pattern of racketeering activity adequate to fulfill the requirement of an "association-in-fact enterprise" between the dozen or more defendants. From these findings the Court concluded that Plaintiffs had made cognizable claims under RICO.

The above cited cases were each administratively closed and dismissed in late August 2007, after plaintiffs reached settlement agreements with the majority of the defendants and/or were granted default judgment against others.

**3. Lumpkin v. Farmers Group Inc., Civil Action No. 2:05-cv-02868 (W.D. Tenn.) (case dismissed following settlement on Jan. 5, 2010).**

In this class-action lawsuit filed November 28, 2005, Plaintiff, on behalf of herself and all others similarly situated, sued five insurance and underwriter affiliates of Farmers Insurance, alleging that the Defendants discriminated in the issuance and pricing of homeowners insurance policies, in violation of Section 3604 of the Fair Housing Act, as amended, 42 U.S.C. 3601, et seq. (FHA). Plaintiff alleged that the Defendants' credit scoring program, used in their automated underwriting systems to price homeowners' property and casualty insurance policies has a disparate impact on racial minorities. As a result of the credit scoring system, which the Defendants had been using since 1999, the pricing of policies issued to racial minorities allegedly resulted in higher premiums than the pricing offered to similarly situated white homeowners.

Defendants filed a motion to dismiss, relying on the McCarran-Ferguson Act (15 U.S.C. § 1012(b)), which prohibits federal laws that are not specifically related to the business of insurance from being construed to "invalidate, impair, or supersede any law enacted by a state to regulate the insurance business." In ruling on Defendants' Motion to Dismiss, the District Court had to determine whether a civil action pursuant to the FHA would invalidate, impair, or supersede Tennessee law governing insurance.

In its published opinion, 2007 U.S. Dist. LEXIS 98994 (W.D. Tenn., Apr. 26, 2007), the Court first noted that the FHA's prohibition against discrimination applies to regulate the insurance industry. Section 3604(b) of the FHA makes it unlawful to discriminate in the provision of services or facilities in connection with the sale or rental of a dwelling because of race or color, among other factors. *42 U.S.C. § 3604(b) (2006)*. Section 3605 forbids racial discrimination in the provision of housing or of the financial assistance used to maintain a dwelling. *42 U.S.C. § 3605(a)-(b)*. Although the FHA does not explicitly state that it was intended to govern the practices of property insurers, previous court decisions have concluded that the provision of homeowners insurance falls within the "provision of services or facilities in connection therewith" governed by § 3604(b). See, e.g., *Lindsey v. Allstate Ins. Co.*, 34 F. Supp. 2d 636 (W.D. Tenn. 1999). Moreover, the Sixth Circuit has adopted the HUD understanding that insurance underwriting practices are governed by the FHA. *Nationwide Mut. Ins. Co. v. Cisneros*, 52 F.3d 1351, 1360 (6th Cir. 1995), cert. denied, 516 U.S. 1140 (1996). While Tennessee insurance law also prohibits insurance rates that are "unfairly discriminatory," *Tenn. Code Ann. § 56-5-303(a)(1)*, Defendants argued that state law permitted disparate impact as long as the rates are actuarially sound.

Reviewing the FHA and Tennessee insurance law, the Court affirmed that the FHA neither “invalidates” nor “supersedes” Tennessee insurance law because there is no direct conflict between the two. Rather the FHA merely supplements the state law. The Court found that because both the FHA and Tennessee insurance law prohibit racial discrimination, without an explicit exception for actuarially sound scoring with disparate impact, they are in harmony. In addition, the FHA does not “impair” Tennessee insurance law because it does not interfere with the state’s administrative regime. Tennessee does not provide a private right of action for racial or ethnic discrimination in the provision of homeowners insurance, so that the only remedy available to Plaintiff was a claim under the FHA.

In a subsequent opinion on Defendants’ Motion for Reconsideration (2007 U.S. Dist. LEXIS 98949 (W.D. Tenn., July 6, 2007), the Court reiterated the reasoning supporting its original holding to deny Defendants’ Motion to Dismiss and denied the request for reconsideration. The parties settled privately, and the case was dismissed on January 5, 2010.

#### **4. Guavara v. UMH Properties, Inc., Civil Action No. 2:11-cv-02339 (W.D. Tenn.).**

On May 1, 2010, a flood caused extensive damage to Memphis and Shelby County. Flood water rose up to nine feet at the Memphis Mobile City mobile home park (MMC), a community located several miles north of downtown Memphis in the Frayser area and which includes approximately 150 mobile trailers. Many residents had to be evacuated by Memphis and FEMA emergency responders. Many of the mobile homes were uninhabitable and residents were left without shelter. Subsequently, on May 2, 2011, 32 named Plaintiffs brought this class action on behalf of all former and current Hispanic residents of MMC who have been adversely affected by the alleged discriminatory and illegal practices of the Defendants. (Defendant UMH also owns and operates Allentown Mobile Home Community, another large mobile home park nearby Memphis Mobile City.) Plaintiffs are all people of Mexican descent, many with very limited English proficiency.

Plaintiffs’ claims arise under the Fair Housing Act of 1968, as amended, 42 U.S.C. §§3601, et seq., the companion Tennessee Human Rights Act, as amended, Tenn. Code Ann. § 4-21-601 et seq., the Tennessee Consumer Protection Act, Tenn. Code Ann. § 47-18-101, et seq; breach of the common law duty to disclose a latent defect; Tenn. Code Ann. § 47-9-625; breach of the common law warranty of habitability; and various other state law claims.

Specifically, the Plaintiffs have alleged that they and all former residents of MMC have been targeted for exploitative and discriminatory housing practices because of their national origin through a scheme carried out by the Defendants. The facts as alleged by Plaintiffs, state that the Defendants conspired to sell manufactured homes through fifteen-year financing agreements called Retail Installment Contracts (RICs) that require that homes be kept on a leased lot at MMC until the purchaser has paid the entire financed purchase price. These terms lock residents into a lengthy and expensive lease commitment for a depreciating asset. The structure of these

transactions, combining a purchase of the mobile home with an undisclosed long-term lease obligation, has prevented residents at MMC who were purchasing a trailer that may be salvageable after the flood from moving it away from the site where it is likely to be flooded again. In addition, structuring these transactions as a sale of a mobile home, as opposed to a rental, shifts the responsibility for payment of property taxes, maintenance, and insurance premiums from the Defendants to the resident. Through this scheme, the Defendants allegedly have locked the Plaintiffs into contracts whereby they are faced with a choice of remaining in the MMC trailer park for the length of the Installment Contract and being subject to the whims of rent increases and other terms of residence at MMC, or leaving and forfeiting the equity and “home ownership” they were promised at MMC. The mobile home park is in a designated flood plain and has experienced major flooding previously in 1987 and 1995, and again in 2010. Despite this history of serious flood problems, the Defendants have taken no meaningful actions to protect residents from flooding and do not disclose the problem to prospective residents. Thus, Plaintiffs’ trailers and personal property are subject to loss and severe damage from flooding.

The Plaintiffs also have alleged that they have been subjected to extremely abusive treatment in the terms and conditions of their residency at MMC because of their national origin in violation of the FHA, 42 U.S.C. § 3604 (b), and Tenn. Code Ann. § 4-21-601(2). Some of these terms and conditions involve failing to register trailers in the names of buyers in spite of the fact that they were charged a fee for titling, leaving them with no badge of ownership but all the attendant responsibilities; improperly requiring residents to pay all of the property taxes associated with a lot/pad (even taxes that accrued prior to their residency), rather than only the increased tax for affixing a trailer to the land; shifting all the burden for maintaining and insuring the trailers to the resident, even though their “ownership” rights were very tenuous in many instances because they had no formal badge of ownership of the trailers; frequently and arbitrarily raising the rent on the pads on which the trailers sat. Plaintiffs also alleged they had been threatened and intimidated on numerous occasions by management of the mobile home park.

Defendants moved to stay the proceedings and require the Plaintiffs to arbitrate their claims because of arbitration clauses in Retail Installment Contract and Security Agreements (“RISCs”) signed by many of the Plaintiffs. The Court ultimately required nineteen Plaintiffs to arbitrate, but allowed the case to continue as to ten remaining Plaintiffs. The case has been referred to a magistrate judge for all pretrial procedures and to submit a report and recommendation on Defendants’ latest Motion to Dismiss for failure to state a claim, filed September 25, 2013. Plaintiffs filed their response in opposition to Defendants’ motion on December 5, 2013. As of the date of this summary, the magistrate judge had not yet ruled on Defendants’ motion.

**5. Memphis Center for Independent Living v. Makowsky Construction Company, Civil Action No. 01-2069D/Pha (W.D. Tenn.).**

The Memphis Center for Independent Living (“MCIL”), a disability rights organization, sued the owners, developers, architects, and operators of three Memphis apartment complexes (Champion Hills at Stonebridge, Champion Hills at Windyke and Eton Square Apartments) and two Mississippi apartment complexes (The Magnolias in Hernando, Mississippi, and Cypress Lakes Apartments in Robinsonville, Mississippi), in a case filed on January 25, 2001, alleging that the Defendants engaged in a pattern or practice of discrimination against persons with disabilities by failing to design and construct covered multifamily dwellings and public accommodations in accordance with the features of accessible and adaptable design and construction required by subsection 804(f)(3)(C) of the Fair Housing Act, 42 U.S.C. §3604(f)(3)(C), and the Americans with Disabilities Act, 42 U.S.C. §12183(a)(1). The United States, as Plaintiff-Intervenor, joined the case in November 2001.

Windyke is comprised of 15 multi-story, non-elevator apartment buildings each having four or more apartment dwellings, and 120 ground-floor dwellings. Stonebridge is comprised of 22 multi-story, non-elevator apartment buildings each having four or more apartment dwellings, and 176 ground-floor dwellings. Eton is comprised of 13 multi-story, non-elevator apartment buildings each having four or more apartment dwellings, and 104 ground-floor dwellings.

On March 21, 2005, the Court entered a consent decree resolving claims against Defendants Makowsky Construction Company, Inc., Archeon, Inc., Reaves Sweeny Marcom, Inc., Penn Investors, Inc., Makowsky Ringel Greenberg, LLC, MRB-Stonebridge, LP, MRB-Windyke, Inc., Belz Investco, LP and Belz Investco, GP. The Consent Decree required extensive retrofitting of the complexes, damages to MCIL, a fund to help low- and moderate-income people with disabilities make their own homes more accessible, and a civil penalty to the United States

Under the settlement, the Defendants were required to retrofit Stonebridge, Windyke, and Eton Square apartment complexes including the interiors of ground-floor units as well as sidewalks, entryways, and other public exterior spaces. They also were required to make certain other accessibility enhancements, which are not required by federal law, available upon request such as roll in showers and roll under cooking surfaces. And Defendants were required to survey The Magnolias and Cypress Lakes Apartments in Mississippi for compliance with the access requirements of the FHA. The Defendants agreed to pay \$260,000 to compensate individuals who experienced harm at any of these properties due to non-compliance. The Defendants also were required to pay \$20,000 to MCIL, and \$20,000 as a civil penalty to the United States. By March 21, 2010, the required retrofits at the Memphis properties were certified by the parties’ neutral inspector as complete, and the Original Consent Order expired.

**6. Memphis Center for Independent Living and the United States v. Milton and Richard Grant Co., 2:01-cv-02069-BBD-tmp (W.D. Tenn.).**

In a companion case bearing the same docket number, the MCIL sued the owners, developers, architects, and operators of the Wyndham Apartments in Memphis and Camden Grove Apartments in Cordova, Tennessee, alleging that the Defendants failed to design and construct the apartment units with required features for people with disabilities. The United States as Plaintiff-Intervenor joined the case in November 2001.

Specifically, the Plaintiff's and United States' Complaints allege that the Defendants engaged in a pattern or practice of discrimination against persons with disabilities by failing to design and construct covered multifamily dwellings and public accommodations in accordance with the features of accessible and adaptable design and construction required by subsection 804(f)(3)(C) of the Fair Housing Act, 42 U.S.C. §3604(f)(3)(C), and the Americans with Disabilities Act, 42 U.S.C. §12183(a)(1).

Wyndham Apartments is comprised of 51 multi-story, non-elevator apartment buildings each having four or more apartment dwellings and 166 ground-floor dwellings. Camden is comprised of approximately 64 multi-story, non-elevator apartment buildings each having four or more apartment dwellings and 276 ground floor dwellings.

On February 15, 2007, the Court approved a consent decree requiring Defendants Richard and Milton Grant Company, J. Richard Grant, Milton Grant, Richard and Milton Grant, LLC, Wyndham, LLC, Camden Grove, LLC, Camden Grove 2, LLC, John R. Gillentine, Henry Hart, Henry Hart Engineering, P.C. and Parker, Estes & Associates, Inc. to retrofit dwelling units and public and common use areas at the two complexes, and to provide accessible pedestrian routes from front entrances of ground floor units to public streets and on-site amenities. Defendants were required to enter into a contract with a neutral inspector approved by the United States to conduct on-site inspections of the retrofits that have been performed to determine if they have been completed in accord with the specifications of the Consent Decree. The Defendants also were required to establish a Community Retrofit Fund of \$320,000, administered by the MCIL, to enable qualified individuals in Shelby County, Tennessee, to modify residential dwellings to increase their accessibility to persons with disabilities. The Defendants also were required to pay \$10,000 in compensatory damages to the MCIL and \$110,000 in civil penalties to the federal government, and to undergo training on the requirements of the Fair Housing Act and the Americans with Disabilities Act. The consent decree was originally set to remain in effect for three years.

The Consent Decree also specifically required all future covered multifamily housing designed or constructed by the Defendants after the date of settlement to comply with the accessibility requirements of the FHA and the ADA.

The case was closed following the Consent Decree, however, the court reserved jurisdiction to enforce the terms of the Consent Decree if necessary. Indeed, the United States, as Plaintiff-Intervenor, subsequently filed a Motion to Enforce Consent Order arguing that some of the Defendants had failed to make required modifications to certain properties to bring them in compliance with the FHA and ADA, including another property, Cypress Lakes, designed or owned by Defendants. A Supplemental Consent Order was extended until March 2011 to provide time for the Defendants to make the necessary retrofits to all covered properties.

**7. United States v. Bryan Construction Co. Inc., Civil Action No. 2:05-cv-02188-JPM-tmp (M.D. Tenn.).**

On March 10, 2005, the federal government filed suit in the Middle District of Tennessee against eleven defendants for engaging in a pattern or practice of discrimination against persons with disabilities and denying rights to a group of persons because of disability. The pleadings alleged that Defendants, including general contractors, architects, engineers, owners, developers, failed to design and construct three multi-family apartment developments in downtown Memphis—South Bluff Apartments, Harbor Town Square Apartments, and Island Park Apartments—in compliance with the accessibility requirements of the Fair Housing Amendments Act (FHAA) and the Americans with Disabilities Act (ADA).

After several years of litigation, the parties reached a settlement on all claims. While Defendants denied the government’s allegations, they agreed to the terms of the Consent Order, entered on November 30, 2009. The Consent Order stipulated Defendants’ responsibilities with respect to retrofitting the Memphis area properties at issue in the government’s Complaint as well as bringing into compliance a list of additional covered multifamily dwellings (including 145 covered units of The Horizon at Riverside Bluffs in Memphis) with the features of accessible and adaptable design and construction required by the FHA and ADA. In all, the Consent Order concerns eleven complexes located in Tennessee, Alabama, Louisiana and Texas that contain more than 800 units covered by the FHA’s accessibility provisions. The Consent Order also required: (1) Defendants to pay all costs related to making the complexes for which they were responsible accessible to persons with disabilities; (2) Defendants to pay up to \$117,000 to compensate individuals harmed by the inaccessible housing; (3) Defendants to undergo training on the requirements of the Fair Housing Act and provide periodic reports to the United States; and (4) two defendants, Steve Bryan and Bryan Construction Company, Inc., to pay a civil penalty of \$12,000.

The Consent Order established two settlement funds, the “Subject Properties Settlement Fund” and the “Additional Properties Settlement Fund.” The Court supervised payments from these funds to individuals aggrieved by the Defendants’ FHA violations. The last disbursement was ordered on March 30, 2012, and the remainder of the settlement funds were then returned to the Defendants.

The parties agreed that the Consent Order did not release the Defendants from any claims by the United States concerning any other covered multifamily dwellings not identified and addressed by its terms, including any previously or future designed and constructed dwellings. Indeed, the U.S. brought another action against some of the same defendants for similar design and construction faults in the case discussed next.

**8. United States v. Bryan Company, Civil Action No. 3:11-cv-302CWR-LRA (S.D. Miss.).**

On May 19, 2011, the United States filed a complaint against the developers, owners, and design professionals responsible for the design and construction of nine properties in Mississippi, Louisiana, and Tennessee (including Sutton Place and Oak Hollow apartments in DeSoto County, MS, and Houston Levee apartments in Cordova in Shelby County, TN). The complaint alleges that the Defendants violated the FHA and the ADA by failing to design and construct the multifamily properties in accordance with the relevant accessibility requirements. The nine complexes identified in the pleadings comprise more than 2,000 apartments with more than 800 ground-floor units that are required by the Fair Housing Act to contain accessible features. Eight of the complexes contain leasing offices that are required by the ADA to contain accessible features. (At least four of the Defendants also were named defendants in the previously discussed case U.S. v. Bryan Construction Co., Inc.)

On May 15, 2013, the government entered a settlement agreement with nine of the nineteen defendants in a court-approved Partial Consent Order. The group of defendants who settled, collectively referred to as the “Design Professional Defendants,” were required to pay the United States \$925,000. The government was then obligated to allocate \$865,000 of the settlement payment into an Accessibility Fund, to be used in its sole discretion to retrofit the subject properties. The government could then use \$60,000 of the settlement payment to compensate individuals aggrieved by the Defendants’ alleged discriminatory conduct. The Partial Consent Order also required the Design Professional Defendants, and their employees, to undergo training on the design and construction requirements of the FHA. The Partial Consent Order was set up to remain in effect for three years, with the Court retaining jurisdiction to enforce the terms of the settlement.

The trial against the remaining Defendants is on the Court’s calendar to begin January 21, 2014.

**9. Sentell v. RPM, Civil Action No. 4:08CV00629 (E.D. Ark.) (claims settled and case dismissed December 31, 2009).**

Plaintiff commenced this action against RPM Management Company, Inc., on July 23, 2008, alleging violations of the Fair Housing Act (FHA). RPM operates the Village Square Apartments in Cabot, Arkansas. The Plaintiff, who claims to have a qualified disability, filed a complaint with the Department of Housing and Urban Development (HUD) via the Arkansas Fair Housing Commission on December 19, 2006, alleging violations of the FHA. The commission determined

that the property did not meet the FHA's accessibility requirements, that the doorways were too narrow, and that the bathrooms did not allow for installation of grab bars. The commission found that approximately 378 interior doors and 108 bathrooms were not in compliance.

Plaintiff's complaint against RPM alleges that RPM is in violation of the FHAA as the owner and administrator of the Village Square Apartments; that RPM failed to ensure that the apartments were constructed in accordance with FHAA requirements; and that RPM failed to modify the apartments or provide her with a reasonable accommodation.

On February 5, 2009, RPM filed a third party complaint against Robert Bailey, the architect and designer of the apartment complex, alleging that his architectural designs constituted violations of the FHA, breach of contract, and negligence. RPM claimed it is entitled to contribution from Bailey for any damages awarded under Plaintiff's FHA claim and for RPM's costs in defending the lawsuit. Plaintiff then sought to amend her complaint to add Bailey as a defendant because his design and construction constituted an alleged continuing violation of the FHA.

In a published opinion, 653 F. Supp. 2d 917 (E.D. Ark. July 13, 2009), the District Court denied Plaintiff's request to add Bailey as a defendant because her claims against him were barred by the applicable statute of limitations. Although the Eighth Circuit had yet to rule on whether the alleged discriminatory design and construction practices may form a continuing violation in FHA cases, the Court was persuaded that, based on the reasoning in previous cases, the continuing violation doctrine should not apply to claims against the architect. The Court concluded that "the continuing violations theory is not applicable for purposes of design and construction cases pursuant to the Fair Housing Act because the failure to design and construct in compliance with the Act has a continuing *effect* rather than constituting a continuing violation." (Emphasis added.) This Court then noted that, although the effects of an improper design may be felt for years into the future, the architect's violation of the FHAA occurs when he provides his services.

RPM's negligence and breach of contract claims against Bailey also were barred by the applicable statute of limitations.

Plaintiff and RPM subsequently settled their claims in a private agreement, and the case was dismissed on December 31, 2009.

**10. Freeman v. Sullivan, Civil Action No. 2:11-cv-02424 (W.D. Tenn.) (case dismissed 2013).**

On May 27, 2011, Plaintiffs filed a pro se Complaint against the Memphis Housing Authority (MHA) and employees of the Department of Housing and Urban Development, alleging housing discrimination in violation of the Fair Housing Act ("FHA"), 42 U.S.C. §§ 3601, *et seq.*, § 504 of the Rehabilitation Act of 1973, 29 U.S.C. §§ 701, *et seq.*, and the Housing and Community Development Act of 1974, 42 U.S.C. §1437f.

Plaintiffs are an unmarried couple who lived in Section 8 housing in St. Paul, Minnesota, before moving to Memphis, Tennessee in August 2006. At that time, they scheduled a meeting with representatives of MHA to review Plaintiff Freeman's Section 8 portability voucher, a document that facilitates the relocation of current Section 8 renters. Plaintiffs' joint allegations address their September 7, 2006, meeting with employees of MHA. At the September 7 meeting, the discussion included Plaintiffs' request to cohabitate, the required paperwork for rent subsidization, and a request to install a grab bar in Freeman's apartment. Plaintiffs' request to cohabitate was denied because they were not married. Plaintiffs' alleged their rights were violated because MHA (1) failed to allow Freeman to apply for housing with Hunter; (2) delayed processing Freeman's paperwork for five months; and (3) failed to approve the installation of a grab bar in Freeman's apartment bathroom.

The Defendants filed separate motions to dismiss, which were reviewed by a magistrate judge who then filed a report and recommendation with the district court judge. In a published opinion (Freeman v. Sullivan, 2013 U.S. Dist. LEXIS 84646 (W.D. Tenn. June 17, 2013)) upholding the magistrate judge's recommendations to dismiss the Complaint, the Court stated that the relevant issue was Plaintiffs' "family status." In deciding family status, MHA's criteria permitted an applicant to add persons to a household in the event of: (1) birth, (2) marriage, (3) adoption, (4) the need for a live-in aide limited to a person providing care, and (5) emergencies. HUD's definition of a family, which adopts the definition used in the Housing Choice Voucher Program, 24 C.F.R. § 982.201, states that a family "may be a single person or a group of persons" or "a group of persons consisting of two or more elderly persons living together." See also 24 C.F.R. §5.403 (family "may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides."). Plaintiffs argued that MHA's criteria ran afoul of HUD regulations. However, the Court noted that differences between local public housing authorities (PHAs) and HUD regulations are not enough, absent a showing of an unreasonable relationship between local and federal regulations, to state a claim under the Fair Housing Act. Local PHAs are given much deference based on "Congress' intent to facilitate the provision of low-income housing through local authorities, which are more responsive to community needs."

Plaintiffs relied on Hann v. Housing Authority of City of Easton, 709 F. Supp. 605 (E.D. Pa. 1989), in which a district court invalidated a PHA's decision to deny an application to cohabitate brought by an unmarried couple with three children. The Court, however, found that case distinguishable because the policy underlying the Hann decision, i.e. that unmarried couples with children were entitled to family status because "couples with children can often create a positive family situation when unmarried," did not apply in the present case because Plaintiffs did not have children. Moreover, nothing in the record suggested that MHA's criteria were attempting to advance a moral agenda with no reasonable governmental purpose. A fair reading of MHA's policy would permit cohabitation for unmarried caregivers and in cases of emergency. The Court concluded that absent the caregiver or emergency situation, restricting cohabitation

by unmarried adults without children deters fraudulent applications, a policy cited by Hann as reasonable. Accordingly, the Plaintiffs' complaint was dismissed on June 17, 2013.

## Barriers and Recommendations

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In the *Fair Housing Planning Guide*, HUD defines an impediment to fair housing choice as an action, omission or decision based on race, color, religion, sex, disability, familial status, or national origin that restricts or has the effect of restricting housing choices or the availability of housing choices.<sup>85</sup> In the absence of a specific HUD definition for barriers to be assessed in the Fair Housing and Equity Assessment, this definition is used instead. Throughout this assessment various community issues have surfaced, both positive and negative. Some of these issues represent general community needs (e.g. the quality of jobs available) and, while valid, do not restrict or have the effect of restricting housing choice and thus do not constitute barriers. Even some affordable housing-related issues (e.g. low credit scores leading to denial of apartment rental applications) fall short of classification as barriers to fair housing choice.

For this analysis, qualitative data received in the form of input from interviews and community meetings was combined with quantitative data from the U.S. Census and from the many other sources consulted. In some cases, the quantitative data collected from a single source was clear and compelling enough on its own to indicate the existence of a barrier. In other cases, and particularly with the use of qualitative data, the cumulative effect of a comment or criticism repeated many times over in many different settings was sufficient to indicate a barrier. Sometimes a weak or inconclusive correlation of quantitative data from one source could be supported by public comments and input or data from another source to constitute a barrier.

In this section, the barriers identified are summarized with supporting examples noted. Each barrier listed is followed by recommendations, the implementation of which will correct, or begin the process of correcting, the related barrier. It should be noted that these barriers are largely systemic and will require effort from both private sector and public sector actors to correct.

### **Barrier #1: Public Disinvestment in Minority and Low-Income Areas**

Views on the equity of public investment vary widely, largely by place of residence. Some minority residents who were interviewed or responded to surveys and live in the City of Memphis in areas such as Frayser and South Memphis feel that public investments are not made fairly and that funding does not get allocated proportionately or by need. Some persons felt that racial discrimination still plays a part in the allocation of public funds. Persons who live outside the City of Memphis were less likely to describe this phenomenon or to name it as an issue.

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<sup>85</sup> U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 2: Preparing for Fair Housing Planning, Page 2-17)*. March 1996.

Stakeholders and other persons who were interviewed as a part of the FHEA also identified the region's education systems as being a reflection of unequal public investments. HUD's "school proficiency index" largely supports this claim and shows that access to proficient schools (as defined by HUD's methodology) was uniformly lower for Blacks and Hispanics in comparison to Whites, regardless of poverty status or age. For Blacks and Whites, the disparity gap is 30 points for all persons, 24 points for persons in poverty, 33 for children and 27 for children in poverty. For Hispanics and Whites, the gap is 21 for all persons, 17 for persons in poverty, 25 for children and 18 for children in poverty.

The City of Memphis has merged its school system, with Shelby County's system resulting in school closings, primarily in low-income and high-minority neighborhoods. Local public schools are connective institutions that bind neighborhoods together and serve as sources of community pride. Many city residents view these events as a loss of an important linkage among their families and neighbors. Residents of the City worry that the closing of some neighborhood schools will create a barrier to revitalization of these portions of the City.

A further concern is that the creation of new independent school districts in Shelby County's suburban municipalities will further complicate the challenges of operating and funding a restructured Shelby County school system. Individuals also speculate that school performance may suffer as a result of the structural changes and that fragmenting the education system could contribute to a re-segregation in the education system and become a barrier to student achievement.

**Recommendation:** Study area stakeholders should develop a regional capital improvements plan that incorporates needs identification and scoring factors. The plan should include factors that measure needs and should encourage members to adopt the needs factors as a part of their processes for identifying and prioritizing public facilities projects such as libraries, parks, and community centers. Needs factors might include, but would not be limited to, population proportionality, population density, age/condition of existing infrastructure, and consistency with Greenprint priorities. Use of the needs factors should result in new investment focused on underserved areas. Participating Metropolitan Planning Organizations would be encouraged to adopt and use the formula factors if they are not in conflict with rating and selection criteria required by outside funding agencies and programs.

To address the disparities in access to proficient schools, the Greenprint Consortium, or potentially an equity coalition established during the Greenprint planning process, is encouraged to create a regional education forum with representatives from all school systems and from the three state governments. The body would promote cross-district cooperation and communication while leaving the establishment of policies and the responsibility for curriculum adoption and operations up to the respective school districts. It is also important that the forum include an advisory role for parents and area residents. In addition to serving as a medium for

cooperation and dialogue among the region's school districts, the forum should serve as a "think tank" on education ideas and practices and should include participants and advisors from universities who are subject matter experts.

### **Barrier #2: Inadequate Public Transportation Choices**

Deficiencies in the public transit system were mentioned as a significant issue by stakeholders and others interviewed during development of the FHEA. The current system does not serve enough of the region outside the City of Memphis, and in places that are currently served, access to transit is often difficult and frequently inconvenient due to inadequate scheduling. Inadequate transit service is a serious barrier to mobility for low-income households and to persons with disabilities and limits the ability of these individuals to access services, employment, and suitable affordable housing.

Where public transportation infrastructure does exist, its utility is often undercut by poor "last mile" connections to riders' final destinations. Sidewalk infrastructure is often poor or missing, leaving pedestrians to walk along the edges of busy streets or to cross vast parking lots to reach their homes, jobs, and services.

Here again, HUD data derived from its Transit Access Index supports these accounts. Transit access scores were very low regardless of race or ethnicity indicating generally poor transit access across the region. A separate *State of Employment* study conducted in 2013 in conjunction with the Greenprint project found that even key regional employment centers such as the airport, the Germantown Road corridor, Southaven, and Horn Lake all lacked adequate transit routes and schedules. Fayette and DeSoto Counties are completely unserved by public transportation and MATA service to West Memphis in Crittenden County is limited to just two routes per day.

**Recommendation:** Issues such as employment, education, and housing are all dependent on people being able to reach these areas in order to better themselves. Therefore, increasing public transit will help to alleviate many of the other social issues within the region. Expansion of the current public transportation network will require increased funding, but also innovative ideas for alternative transportation options such as vanpools and transportation management associations. Any pedestrian infrastructure investments should be planned in close coordination with MATA to maximize their value in connecting people to transit.

Because transit issues affect the entire region, consideration should be given to creating a multi-jurisdictional regional transportation authority to serve all members of the Greenprint area. The Memphis and West Memphis MPOs, along with MATA should jointly lead the effort to create such a framework. Federal, state, local, and private funding would be needed for capital and operating costs and the authority created would need to be structured in such a way as to receive and manage these funding types, including funds from local municipalities with new transit

service. It may be possible to restructure MATA to perform this function. Special attention should be paid to ensuring that persons with disabilities are better served by enhancing demand-service options.

### **Barrier #3: Predatory & Discriminatory Lending Practices**

In the course of this assessment, a review of significant fair housing-related lawsuits over the most recent eight-year period was conducted. This review found ten lawsuits filed regarding predatory and/or discriminatory lending practices targeted at particular protected classes. These suits ranged from foreclosure and underwriting practices employed by major banks and insurers, such as Wells Fargo and Farmer's Group, to a fraudulent lending scheme resulting in racketeering claims, to acts of deception by large-scale landlords. Though these cases are all quite distinct from one another, taken together they illustrate a pattern of predatory and discriminatory practices by a variety of private sector actors throughout the region.

**Recommendation:** A review of the plaintiffs engaged in the lawsuits described above finds that the suits were primarily brought by individuals who believed they had been discriminated against. Only in the case of City of Memphis v. Wells Fargo Bank, N.A. did a public entity file the suit. The region would benefit from the advocacy and intervention of a regional human rights commission that monitors fair housing compliance, investigates individual claims of discrimination, and brings enforcement actions when necessary. Existing expertise and organizational capacity from groups such as the Fair Housing Alliance of Greater Memphis, Memphis Area Legal Services, and the Mid-South Peace and Justice Center should be consulted and included in this effort. Formation of such a body with formal investigatory jurisdiction across state lines would also require consultation and buy-in from HUD officials, as there is no known precedent for such a regional model under existing HUD programs. However, many other responsibilities of such an organization (education, advocacy, legal assistance) could be offered on a regional basis without a need for HUD's direct involvement. The burden of filing a lawsuit may deter many discrimination victims from pursuing relief, but an advocate equipped to take up such causes on victims' behalf could be effective.

### **Barrier #4: Lack of Knowledge of Fair Housing Rights and Responsibilities**

Currently, the handling of fair housing complaints is determined, in part, by the availability of designated organizations in the jurisdiction where incidences may occur. This sometimes means that a complaint may need to be pursued at the state level when no local organization exists. This process can be inefficient and may discourage members of protected classes from filing complaints following acts of housing discrimination.

Another related fair housing issue is the inadequate level of fair housing education among Greenprint region residents. Because residents of the region are often unaware of their Fair Housing rights, they may take no action when confronted with acts of discrimination against them. In a survey of area residents performed for the FHEA, only 31% indicated that they knew

their fair housing rights and only 25% of those who reported that they had experienced housing discrimination actually filed complaints. Of those who reported experiencing discrimination but chose not to file a complaint, 60% indicated that they “...did not know what good it would do” and 20% responded that they “...did not know where to file.” Lack of knowledge of Fair Housing rights and responsibilities continues to be a barrier to fair housing choice.

**Recommendation:** A regional approach to providing fair housing education and enforcement would be more efficient than the current fragmented system. The regional human rights commission that has already been recommended in this FHEA could be empowered to serve in this role. A regional commission would also serve as the primary convener for conferences and workshops in the region to better educate persons about their fair housing rights and to distribute information on housing choice. Periodic advertisements in the real estate sections of local newspapers or posters in public places offering tips on how to recognize discrimination and what to do about it could be especially effective. The commission could refer citizens to other fair housing organizations in their area for counseling, investigations, and potentially for enforcement or it could also carry out these duties directly. As already mentioned earlier in this section, the commission would also serve the broader goal of developing strategies and actions to help reduce discrimination in the region.

#### **Barrier #5: Prevalence of Racially Prejudiced Attitudes and Patterns of Segregation**

The Segregation Analysis contained in the FHEA determined that levels of segregation between Black and White residents in 2010 were down slightly from those in 2000, but still in the high range. An analysis of expected minority population showed that Memphis, West Memphis, and cities on the western side of the study area had more minority population that could be explained by income differences alone, while cities to the south and east (Bartlett, Southaven, Germantown, Collierville) had less minority population than income figures would have predicted.

In general, meeting participants and stakeholders reported that historical discrimination by Whites against minorities, particularly Blacks, is less of a problem than in the past. However a number of African-Americans who reside in the City of Memphis continue to report that the specter of discrimination continues in other forms, particularly in what they describe as economic discrimination.

Meeting participants and stakeholders living outside the city limits of Memphis, tended to perceive any persistent discrimination as based on economic factors which perhaps resulted in de facto discrimination due to the correlation between minority status and poverty in Memphis. In contrast, Black participants who were Memphis residents were more likely to feel that discrimination and unequal distribution of public facilities and public services continue to persist.

Racial discrimination has deep roots in the Memphis region and many individuals interviewed for the FHEA believed that its impact is still being felt. While the intensity of discrimination may not be as high as in the past, many minority interviewees strongly believed that racial discrimination continues as a driving force behind segregation.

**Recommendation:** A regional human rights commission could provide a forum to explore ways to overcome the history of racial discrimination and segregation in the Mid-South area. Leadership should include political, business, faith-based, non-profit, and citizen representatives. As already discussed, several local organizations exist that could lend expertise and capacity to this regional commission. The focus of the commission should be toward inclusive community-building using education, communications, and activities that develop solutions to problems created by discrimination. Unless the commission is a high-profile organization with broad community support, its success and longevity would be questionable.

#### **Barrier #6: Limited Housing Options for People with Disabilities**

Two primary factors restrict the housing choice of people with disabilities: 1) restrictive zoning provisions, and 2) neglect of accessibility standards set by the Americans with Disabilities Act. In the first case, municipalities in the Greenprint area were generally found to have “medium risk” zoning codes with respect to provisions specifically affecting people with disabilities. These provisions often included tight restrictions on the placement of group homes, typically requiring special permitting or limiting them to just a few residential districts. Other problematic zoning codes failed to outline a process by which people with disabilities can request reasonable accommodations be made to their homes, and others require public hearings be held on zoning-related changes for people with disabilities when a simple administrative approval would be more appropriate. These zoning provisions and unnecessary complexities could have the effect of discouraging the placement of group homes and other housing for people with disabilities within particular municipalities.

The second factor limiting housing options for people with disabilities is a pattern of disregard for federally-required accessibility standards by developers and property owners in the Greenprint study area. Between 2006 and 2014, five significant lawsuits have been filed against owners, developers, architects, and operators of multi-unit apartment complexes in the region who failed to include accessible units in their apartments as required by the Americans with Disabilities Act (ADA). These omissions caused over 2,400 “ADA-covered” apartment units to be constructed without the required accessibility features, a significant loss to the region’s stock of accessible housing units. Defendants in these suits collectively paid over \$1.7 million in compensation, damages, and penalties to settle these suits.

**Recommendation:** Local stakeholders, including disability rights advocates and the Memphis and West Memphis MPOs, should meet together to review the impacts of municipal zoning ordinances, prioritize the ordinances most in need of amendment, develop model zoning

provisions, and work with local officials to advocate amendments that would expand fair housing choice. Model language that would incorporate visitability standards into existing codes exists and could be advocated by the group. To the extent possible, code revisions that encourage greater accessibility and/or visitability should be incentivized so that developers and design professionals are rewarded for implementing them. Amending ordinances that are likely to cause housing discrimination reduces risk of legal challenge for these municipalities as well.

Of the five ADA-related lawsuits filed, two were brought by the Memphis Center for Independent Living and two by the U.S. government, indicating the importance of vigilant advocates able to take legal action for enforcement of fair housing laws when necessary. The ongoing work of the Memphis Center for Independent Living should be recognized, supported and potentially replicated so as to identify and correct instances of discrimination affecting other protected classes.

### **Barrier #7: Insufficient Affordable Housing Options**

Stakeholders and other persons interviewed consistently cited poverty as a barrier for families obtaining suitable affordable housing. More than 25% of households inside the City of Memphis are classified as in poverty and many other families in Memphis are at or below 50% of the Area Median Income. Not only is the region's poverty rate increasing (from 12.3% in 2000 to 19.3% in 2008-2012), but the correlation between poverty and race is strong: every high poverty census tract in the region (poverty rate of 40% or more) had a minority population of 50% or greater. More than one in three Black and Hispanic households received income of less than \$25,000, compared to one in six White households.

The comparative lack of income for minority households calls for additional affordable housing options. The concentration of affordable housing units in particular areas then is a factor contributing to limited housing choices for low-income households, which overwhelmingly tend to be racial and ethnic minorities. The housing that is affordable and available to these families is frequently substandard, is located in areas away from services and employment, and lacks adequate access to transportation. Concentration of affordable housing in the region (including rental units accepting Housing Choice Vouchers) increases the racial segregation that currently exists in the region.

**Recommendation:** Existing organizational capacity, such as that of the Community Development Council, should be tapped and enhanced to provide the region with a body that can serve in an advocacy role for affordable housing and act as a clearinghouse for housing information. For example, affordable housing opportunities throughout the region could be advertised by this organization so households on one side of the region could learn about housing options they may not otherwise hear advertised. The organization could also advocate for best practices in terms of encouraging low-income housing options and maintaining existing affordable housing stock in good repair. Finally, the organization could play a role in working

with private owners to retain as many units of subsidized housing as possible as Low Income Housing Tax Credits and other contracts approach expiration.

Additional affordable housing stock is needed throughout the region, not just in the City of Memphis. Housing constructed in areas of high opportunity may need to be intentionally marketed to diverse homebuyers or tenants from throughout the region in order to expand fair housing choice. The marketing of affordable housing opportunities could jointly be handled by the affordable housing advocacy organization described above as well as the already-proposed regional human rights commission, which could assist from an equity perspective. These organizations would need capacity to reach beyond Memphis to serve the larger region.

A regional lender consortium should be created to provide private capital needed to fund affordable housing projects. Public funds could be used to leverage the private capital provided to the consortium. The lenders who would make up the membership of the consortium would be asked to pledge funding to a lending pool that could be used to construct or rehabilitate housing in the Greenprint region. Mixed income housing would help make many of the projects feasible and could result in additional affordable housing becoming available in various parts of the region.

## Conclusion

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Counties and cities in the Memphis region joined together to prepare a Mid-South Regional Greenprint and Sustainability Plan, using a \$2,619,999 Sustainable Communities Regional Planning Grant from HUD. The Greenprint planning area includes:

- Shelby County, Tennessee and the cities of Arlington, Bartlett, Collierville, Germantown, Lakeland, Memphis, and Millington;
- Northern DeSoto County, Mississippi and the cities of Hernando, Horn Lake, Olive Branch, Southaven, and Walls;
- Eastern Crittenden County, Arkansas and the cities of Memphis, Marion and Sunset; and
- Fayette County, Tennessee and the cities of Piperton, Gallaway, and Braden.

Sustainable Communities grantees are required to complete a Fair Housing and Equity Assessment (FHEA) as a part of their plans. The Mid-South Greenprint FHEA was prepared to foster the streamlining of the Mid-South region's approach to fair housing and public investment, to identify and address barriers to fair housing choice and to recommend actions to maximize housing choice equity.

The implementation of the actions recommended in the FHEA cannot be not be undertaken only by the member governments in the planning area. Businesses, nonprofits, the faith community, other stakeholders, and individual residents of the region will all need to become involved in the implementation of the FHEA's recommendations. To increase the opportunities for success, these organizations and individuals should join together to achieve the objective of having fair and affordable housing choices available to protected classes under the Fair Housing Act and to all residents of the Mid-South region.