



Analysis of Impediments to Fair Housing Choice: A joint Equity Plan to address housing needs

**Shelby County
City of Memphis**

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City of Memphis Division of Housing and Community Development
Memphis-Shelby County Division of Planning and Development, Department of Housing

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SECTION ES.

Executive Summary

EXECUTIVE SUMMARY

This section summarizes the main findings from the regional Analysis of Impediments to Fair Housing Choice (AI) conducted for the City of Memphis and Shelby County. This Executive Summary provides background on the study, highlights key fair housing issues, and summarizes the goals and strategies to address barriers to fair housing choice.

Study Background

The city of Memphis sits within Shelby County, which is made up of the urban core, suburban and rural areas. The city and county border the Mississippi River and are located in the southwest corner of the State of Tennessee.

In 2017 and again in 2024, the City of Memphis and Shelby County agreed to collaborate to fulfill a requirement by the U.S. Department of Housing and Urban Development (HUD) to analyze barriers to housing choice. This fair housing analysis is required of any city, county, and state receiving certain HUD funding, including such sources as Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME). HUD encourages regional collaboration on these studies, recognizing that housing challenges do not end at jurisdictional borders—and that regional partnerships are key to addressing housing needs and sustaining economic growth.

The overall goal of the Regional AI approach is to help communities analyze challenges to fair housing choice and establish goals and priorities to address fair housing barriers. A secondary goal is to help communities move toward an economic opportunity philosophy when making planning and housing policy decisions.

How does economic opportunity relate to fair housing? Historically, housing policies and programs have focused on creating new units, with limited regard to location. This approach has shifted in recent years, as a result of legal challenges and research showing that where housing is located has a lasting effect on the economic outcomes of residents—and, consequently, the economic health of neighborhoods and entire communities.

Many studies have found long-term public savings related to improvements in housing stability and economic inclusion. For example:

- Dr. Raj Chetty’s well known Equality of Opportunity research found economic gains for adults who moved out of high poverty neighborhoods when they were children. Gains were larger the earlier the children were moved from these high poverty neighborhoods.¹
- A companion study on social mobility isolated the neighborhood factors that led to positive economic mobility for children: lower levels of segregation, lower levels of income

¹ <http://www.equality-of-opportunity.org> and http://www.equality-of-opportunity.org/images/mto_exec_summary.pdf

inequality, high quality education, greater community involvement (“social capital”), and greater family stability.

- A 2016 study by the National Bureau of Economic Research (NBER) found positive economic and social outcomes for children raised in publicly subsidized housing, regardless of the poverty level of the neighborhood.² Another research project had a slightly different conclusion. A study by researchers at Johns Hopkins University found that when assisted housing is located in higher quality neighborhoods, children have better economic outcomes. The study also concluded that because low-income African American children are more likely than low-income white children to live in assisted housing, the location of assisted housing in poor quality neighborhoods has a disproportionate impact on African American children’s long term economic growth.³

An economically inclusive approach to fair housing planning is also consistent with the “affirmatively furthering fair housing” clause in the Federal Fair Housing Act (FHA). The FHA requires that HUD programs and activities be administered in a manner that affirmatively furthers the intent of the Act. Federal courts have interpreted this to mean doing more than simply not discriminating: The obligation also requires recipients of federal housing funds to take meaningful actions to overcome historic and current barriers to accessing economically stable communities.

“Home” encompasses a variety of factors—good neighbors, safe environments, quality schools, social services, jobs, and transportation—all of which affect the economic health of a neighborhood and its residents.

Fair Housing law and enforcement. The Federal Fair Housing Act (FFHA) was part of the federal Civil Rights Act of 1968. The original language in the FFHA prohibited discrimination in the sale, rental and financing of dwellings in housing-related transactions based on race, color, national origin and religion. The FFHA was amended 20 years later, in 1988, to prohibit discrimination on the basis of disability or familial status, and to require accessible units in multifamily developments built after 1991.

Developments exempted from the FFHA include: housing developments for seniors, housing strictly reserved for members of religious organizations or private clubs, and multifamily housing of four units or less with the owner occupying one unit.

Organization of this AI. The research in the AI covered demographic patterns, including racial and ethnic segregation and concentrated areas of poverty; housing patterns, including the provision of publicly assisted housing; land use regulations and zoning ordinances that affect the siting and types of housing; access to housing and community amenities by residents with disabilities; and enforcement of fair housing laws and fair housing resources in the region.

Following this Executive Summary, the report is organized around the following sections:

² <http://www.nber.org/papers/w19843.pdf>

³ <https://jhu.pure.elsevier.com/en/publications/race-and-assisted-housing>

- Section I. Demographics and Segregation
- Section II. Housing Patterns
- Section III. Publicly Assisted Housing
- Section IV. Access to Opportunity
- Section V. Disability and Access
- Section VI. Community Engagement Findings
- Section VII. Fair Housing Environment
- Section VIII. Fair Housing Goals

Community Participation Process

Building from the previous AI resident survey conducted in 2019, the core team including HCD and DPD took this initial analysis to design a second survey geared towards those working in housing-related fields. This survey was distributed via email to 348 local stakeholders and the team received 52 responses. These responses are discussed in more detail in Section VI. Community Engagement Findings. Takeaways from this process along with the results of ongoing resident engagement conducted by both agencies were used in the formation of impediments and highest priority fair housing issues.

What are the primary fair housing challenges in Memphis and Shelby County? What factors contribute to the creation and/or persistence of those challenges?

The primary fair housing issues and the contributing factors in the Memphis and Shelby County include:

- **Segregation persists.** There is relatively high racial/ethnic segregation in the region—particularly of African American residents. This is true both at the macro-level (between the city and county) and at the micro-level (neighborhood by neighborhood). There is also evidence of segregation by national origin, though these residents are less likely than African American residents to live in areas of concentrated poverty.

Contributing factors to segregation include historical settlement patterns, distribution of attainable/affordable housing (both market-rate and publicly assisted housing), land use and zoning regulations, disparities in mortgage lending, and economic factors.

- **Disparities in housing needs.** Minority households, particularly African American and Hispanic households, experience housing problems at higher rates than non-Hispanic white and Asian households in Memphis, and, to a lesser extent in Shelby County. Large family households also experience housing problems at relatively high rates.

African Americans and other non-Asian minorities also have a harder time accessing capital for home purchase loans, home improvement loans and refinances. Minority borrowers who are successful in getting a loan are more likely to receive subprime (higher than average) interest rates on their loans.

Minority residents (particularly African Americans), residents with a disability, and large households were more likely than other groups to have experienced displacement (having to move when they did not want to move) in the past five years. The most common reasons were reduced household income (i.e., lost job, hours reduced), being evicted for being behind on the rent, personal reasons (e.g., divorce), or moving due to mold or other unsafe conditions.

Minority residents and those with disabilities were also more likely to report poor condition of housing in their neighborhoods.

Contributing factors to disparities in housing needs include lower homeownership rates among most minority groups, low availability of affordable units in a range of sizes, lack of private investments in specific neighborhoods, economic factors, and lending discrimination.

- **Disparities in access to opportunity.** Regional data for the Memphis metro area show racial disparities in resident access to low poverty neighborhoods, school quality, environmentally healthy neighborhoods, and to a lesser extent, job proximity. Disparities are most pronounced for African American, Hispanic, and Native American residents relative to non-Hispanic white residents. Trends are similar in both Memphis and Shelby County outside Memphis, though the gap is wider between groups in the city of Memphis—particularly relating to environmental justice and poverty exposure.
 - There are wide economic disparities between the city and county, as reflected by the location of R/ECAPs and poverty rates overall. The African American population is disproportionately impacted by poverty concentrations, more so than other racial/ethnic minorities and more so than immigrant and limited English proficient populations.
 - Access to proficient elementary schools is a key concern for families in Memphis and Shelby County, as is racial/economic segregation in schools. Non-Asian minority students have lower access to quality schools, even when comparing income-similar residents.
 - Even when minority groups live close to jobs, they have trouble actually accessing the jobs, most likely due to a skills and/or education mismatch with job requirements. Low-vehicle access and inconsistent/insufficient public transit also impact people’s ability to access and maintain living wage employment.
 - Limited vehicle access also impacts residents’ ability to access healthy food. There are less full-service grocers within many low-income, minority concentrated neighborhoods.
 - Racially/ethnically concentrated and high poverty neighborhoods have high environmental justice indices, indicating higher levels of pollution, higher rates of chronic disease and high social vulnerability. These factors impact quality of life and the ability of households to be able to recover from severe climate events.
 - Resident survey responses also highlight crime and safety as a key neighborhood concern, particularly for residents with disabilities and racial/ethnic minorities.

***Contributing factors** to disparities in access to opportunity include availability of affordable units in a range of sizes, limited support for multifamily housing, distribution of publicly assisted housing, NIMBYism, lack of private investments in specific neighborhoods, lending discrimination, steering, land use and zoning laws, limited/lack of public transit in certain areas, urbanization, and economic disparities.*

- **Barriers to housing choice for people with disabilities.** There is a shortage of affordable accessible housing for those with disabilities. Top needs for these households include need for modification funding for grab bars, ramps, etc; need for modification and accommodation training for landlords, especially around service animals/emotional support animals and accessibility modifications; and need for education/outreach to residents explaining rights and resources related to requesting modifications and accommodations.

Transportation is the biggest barrier to accessing community amenities and facilities, health care, and employment for people with disabilities.

Households that include people with disabilities experience higher levels of the following housing challenges than other residents:

- Worry about rent increasing to an amount they can't afford;
- Live in what they consider to be high crime neighborhoods;
- Live in neighborhoods with buildings in poor condition;
- Live in neighborhoods with inadequate sidewalks, street lights, drainage, or other infrastructure.

***Contributing factors** include a lack of accessible housing across the region; lack of fair housing knowledge/compliance among landlords; limited public transportation in many neighborhoods, lack of public and private investment.*

- **Location and utilization of publicly assisted housing.** Disparities by race/ethnicity in program utilization relative to eligible households are evident in Memphis and Shelby County outside of Memphis. Generally, African American residents are overrepresented among housing program participants relative to their representation among all households earning less than 50 percent of Area Median Income (AMI). Conversely, Hispanic households tend to be underrepresented among program participants.

Patterns in location of publicly supported housing programs indicate that a relatively high proportion of location-specific housing program units (LIHTC, project-based section 8 and other multifamily) are located in areas with high poverty. In general, there is a concentration of public housing near downtown Memphis while other types of publicly assisted housing are distributed throughout North and South Memphis and Midtown. There is a notable lack of publicly assisted housing developments in East Memphis, Germantown, Cordova, and Collierville.

***Contributing factors** include lack of affordable housing in a range of unit sizes, NIMBYism, land use and zoning regulations.*

- **Lack of fair housing capacity.** Survey responses, complaint, and legal case data indicate potential discrimination in the housing market.
 - Seventy-six percent of survey respondents reported that households they serve have experienced discrimination when they looked for housing in the region. 40% report they were denied housing due to income, credit history or use of a housing choice voucher. 24% reported discrimination based on race/ethnicity, age, disability, sex, gender, or familial status. 12% were denied housing due to criminal history.
 - Resident survey responses highlighted NIMBYism as a concern in the region noting limited community support for different types of housing—low-income housing and apartment buildings—and housing uses—housing for low-income seniors, housing for people recovering from substance abuse, and housing for persons with disabilities. Some survey responses indicate people of different races not being welcome in certain neighborhoods due to race.
 - Legal cases and investigations indicate potential fair housing concerns in the banking and lending industry related to predatory lending, redlining, and maintenance (or lack thereof) of Real Estate Owned (REO) properties.

Contributing factors include perceived and actual housing discrimination, lack of fair housing knowledge among landlords and real estate professionals, and fair housing violations within the banking industry.

Ongoing Efforts to Affirmatively Further Fair Housing

Both the City of Memphis and Shelby County have taken actions to affirmatively further fair housing choice and address fair housing issues in their community. Their past actions were guided by a 2019 Analysis of Impediments to Fair Housing Choice, completed by the City of Memphis and Shelby County in 2019 and a regional Fair Housing Equity Assessment completed in 2014. Specific efforts by the City and the County to improve fair housing choice include:

- Initiatives aimed at increasing housing choice for HCV participants—both through efforts to increase information and resources for voucher holders and outreach to recruit/retain landlords accepting vouchers in high opportunity areas;
- Funding for fair housing outreach, education, investigation and enforcement activities;
- Efforts to improve access to transportation and employment for protected class populations;
- Down payment assistance to assist low- and moderate-income homebuyers, many of whom are protected classes;
- Home repair and rehabilitation programs for low- and moderate-income owners, many of whom are protected classes;
- Incorporated visitability/accessibility standards and Health Design Standards for housing created with government funding;

- Affirmative marketing of programs to protected class groups including people with disabilities and Spanish-speaking residents; and
- Partnerships with organizations that provide people with disabilities with the advocacy, training, resources, and peer support needed to live independently.

Goals and Strategies: How can those fair housing issues be addressed?

The City of Memphis and Shelby County identified the following goals and strategic partnership opportunities to address fair housing concerns in the region.

Figure ES-1.

Goals and Strategic Partnership Opportunities

REGIONAL FAIR HOUSING GOALS & STRATEGIC PARTNERSHIP OPPORTUNITIES	
Goal 1. Address fair housing concerns in the ownership market:	
A.	Continue to improve housing quality and increase housing accessibility through housing rehabilitation, repair and accessibility grant programs and low-cost lending.
B.	Continue to improve ownership affordability and access to capital: <ul style="list-style-type: none"> • Create opportunities for other innovative, non-traditional financing options for homebuyers • Expand down payment assistance programs • Boost residents' access to residential capital through partnerships with local lenders (to understand and address lending disparities) • Coordinate with the National Fair Housing Alliance to address appraisal biases and deficiencies in the local housing market • Work with local lenders and non-profits to improve financial literacy and housing counseling
C.	Continue to create affordable housing opportunities through partnerships with local non-profit and for-profit developers by: <ul style="list-style-type: none"> • Utilizing HOME CHDO set-aside funds • Creating development incentives to offset development the affordability gap in the local market • Advocate for reduced or subsidized fee structures • Reduce code barriers to missing middle housing development
D.	Continue expanding efforts to address title clearance issues <ul style="list-style-type: none"> • Advocate for reformed state and local title clearance policies to support the Shelby County Land Bank and Metropolitan Memphis Land Bank Authority (MMLBA) ability to effectively and efficiently return tax foreclosure properties back to the market for affordable housing development • Strengthen relationships with non-profits such as The Works, Inc. conducting legal counseling and heirship education to maintain clear titles and promote intergenerational wealth
Goal 2. Address fair housing concerns in the rental market:	
A.	Support equitable access to quality affordable housing choice for renters: <ul style="list-style-type: none"> • Support the Fair Housing Council of Metropolitan Memphis (est. 2023) to address fair housing concerns and conduct fair housing testing to further equitable opportunity • Continue working with the Memphis Housing Authority and other agencies conducting this work to expand rental assistance opportunities (such as housing choice vouchers, tenant-based rental assistance, and similar) especially in high opportunity areas and expand housing mobility counseling. Encourage and promote opportunity for landlord participation in these types of programs
B.	Improve and expand access to renters' rights information and legal support for residents in need: <ul style="list-style-type: none"> • Continue funding eviction prevention efforts. This includes strategies such as emergency rental assistance, renter basic skills training, financial counseling, mediation between landlords/tenants, and other similar strategies. • Expand partnerships with agencies conducting this work including Shelby County Community Services, Memphis Area Legal Services (MALs), and Memphis Public Interest Law Center

<ul style="list-style-type: none"> • Advocate for efforts to establish a Housing Court to more effectively route legal cases related to tenant/landlord disputes and other housing-related issues • Partner with local organizations and government entities to advocate for a Rental Registry • Work to adopt an approach to strategic code enforcement to reduce blight and improve property conditions
C. Expand education for landlord rights and responsibilities in maintaining and providing quality housing choice.
Goal 3. Address fair housing concerns related to land use and development policies:
<p>A. Promote community support of subsidized housing developments in high opportunity areas:</p> <ul style="list-style-type: none"> • Engage community partners to support more equitable strategies in siting LIHTC and other publicly supported housing developments • Prioritize intentional placement of subsidized housing near public transportation and community assets
<p>B. Develop policies and procedures that support production of diverse housing types across all neighborhoods, including affordable/workforce housing:</p> <ul style="list-style-type: none"> • Address tax liability for missing middle housing types • Expand building code related to siting small multifamily development and compliance with fair housing and accessibility standards. • Continue to amend zoning/land use regulations to ensure that a diversity of housing choices are allowable throughout zoning districts • Encourage or require universal design to improve ADA visitability in existing and new housing units, including incentives for increased cost of compliance
Goal 4. Utilize economic development tools to promote fair housing choice and access to opportunity:
A. Expand collaborative efforts with economic development initiatives (such as EDGE, Downtown Memphis Commission, Community Redevelopment Agency, and others) to help target investments to address fair housing concerns related to disparate access to opportunity.
<p>B. Increase access to job training resources for under-employed residents and for residents with disabilities through partnerships with regional service providers and employers:</p> <p>Expand efforts to support the City of Memphis' Office Business Diversity and Compliance, Memphis Area Minority Contractors Association and other workforce development agencies</p>
<p>C. Promote economic investment (public and private) in distressed areas that have high minority concentrations:</p> <ul style="list-style-type: none"> • Strengthen partnerships with lenders such as community development financial institutions (CDFIs) that serve the region to support increased funding for small businesses and organizations working in distressed areas. • Expand awareness and utilization of Community Investment Tax Credits to increase financial institutions' investment in strategic placement of affordable housing. • Continue prioritizing anchor areas as identified in Memphis 3.0 where new construction of affordable housing could serve as an economic catalyst for revitalization. • Leverage county-owned land banked properties for catalytic development and affordable housing development that encourages infill and higher density residential use (missing middle housing and/or higher density transit-oriented development). <p>D. Coordinate investments with agencies such as the Memphis Blight Elimination Steering Team, Memphis Medical District Collaborative, Memphis Local Initiative Support Corporation (LISC), the Community Redevelopment Agency, to eliminate and reduce the spread of blight through targeted public facilities investments and affordable housing development.</p>
Goal 5. Promote equity in access to community assets:
<p>A. Strengthen regional transportation planning and expand public transit service to increase access to jobs and services for all residents.</p> <ul style="list-style-type: none"> • Continue to coordinate with the MPO to ensure transportation planning activities take housing issues into consideration and support Memphis 3.0 initiative.

B.	Support MATA’s implementation of the Transit Vision 2040 to improve job access for minority residents through transit services
C.	Coordinate with City of Memphis Division of Engineering’s Bikeway and Pedestrian Program to support more equitable distribution of pedestrian improvements such as sidewalks and street lighting to improve accessible infrastructure and promote safety.
D.	Support organizations improving sustainable commute options in collaboration with agencies such as Innovate Memphis working with local school districts to improve access to school and community programming for all students.
E.	Support the Office of Sustainability and Resilience’s efforts to expand projects which preserve and create community assets. <ul style="list-style-type: none"> Implement strategies identified in the adopted Regional Resilience Master Plan and Memphis Area Climate Action Plan.
F.	Support initiatives that merge climate action to environmental justice and health equity
G.	Support and collaborate with Memphis Parks and Memphis Public Libraries to maximize program offerings and supplemental community resources in public facilities.
Goal 6. Prioritize climate goals that help advance sustainable housing conditions.	
A.	Expand energy efficiency and weatherization efforts for low- to moderate-income households: <ul style="list-style-type: none"> Partner with technical and vocational schools such as Moore Tech to expand workforce development Provide support for weatherization efforts related to local vulnerabilities to extreme heat, strong winds, and severe winter weather.
B.	Focus efforts on strategies that reduce energy burden for low-income households
C.	Prioritize healthier housing conditions for low- to moderate-income households served by local housing programs. <ul style="list-style-type: none"> Strengthen partnerships with academic institutions such as the University of Memphis’ School of Public Health to better evaluate program impacts and outcomes Better utilize relevant scientific information in decision-making in public service delivery Identify opportunities to reform existing programs to better comply with the use of Health Design Standards
D.	Incentivize developers to prioritize energy efficient construction strategies

SECTION I.

Demographics and Segregation

Section I:

Demographics and Segregation

This section discusses demographic patterns, segregation, and poverty concentrations in the study area, with a specific focus on the distribution of protected class populations. After brief notes on data sources and terminology, this section begins with a demographic summary, which is followed by detailed demographic pattern and segregation analyses as well as a discussion of racially and ethnically concentrated areas of poverty.

Data Notes

Sources. Data from HUD’s Affirmatively Furthering Fair Housing Data and Mapping Tool (AFFH-T) were originally used throughout this section and the report as a whole to help describe demographic, socioeconomic, and housing characteristics as well as access to opportunity areas.¹ Those data focus on jurisdiction level, Census tract level, and block group level data; the most recent year available in the HUD AFFH-T is 2015. More recent data for the U.S. Census Bureau’s American Community Survey (ACS) are included where possible, along with other publicly available datasets.

Participating jurisdictions. This AI focuses on the City of Memphis and Shelby County, the participating CDBG entitlement entities. Data for the Memphis Metro Area are included where appropriate to provide context for the analysis. The Memphis Metro Area consists of nine counties in three states: Crittenden County, Arkansas; Benton County, Mississippi; DeSoto County, Mississippi; Marshall County, Mississippi; Tate County, Mississippi; Tunica County, Mississippi; Fayette County, Tennessee; Shelby County, Tennessee; and Tipton County, Tennessee.

Demographic Summary

The City of Memphis is home to 630,027 residents, accounting for about 68 percent of the total Shelby County population (926,440). The Memphis Metro Area has a population of 1.34 million (69% of whom live in Shelby County).

Race and ethnicity. The racial/ethnic distribution is distinct between the city and the balance of Shelby County, as shown Figure I-1. Figure data for Shelby County exclude Memphis and figure data for the Memphis Metro exclude Shelby County to highlight the differences in their demographic compositions.

Nearly two thirds of the Memphis population are African American compared to one- third in the balance of the county and in the metro area outside of Shelby County. Hispanic residents also account for a larger portion of the Memphis population (8%) compared to the balance of the county (4%) and metro (4%).

Figure I-1.
Population by Race and Ethnicity, 2022

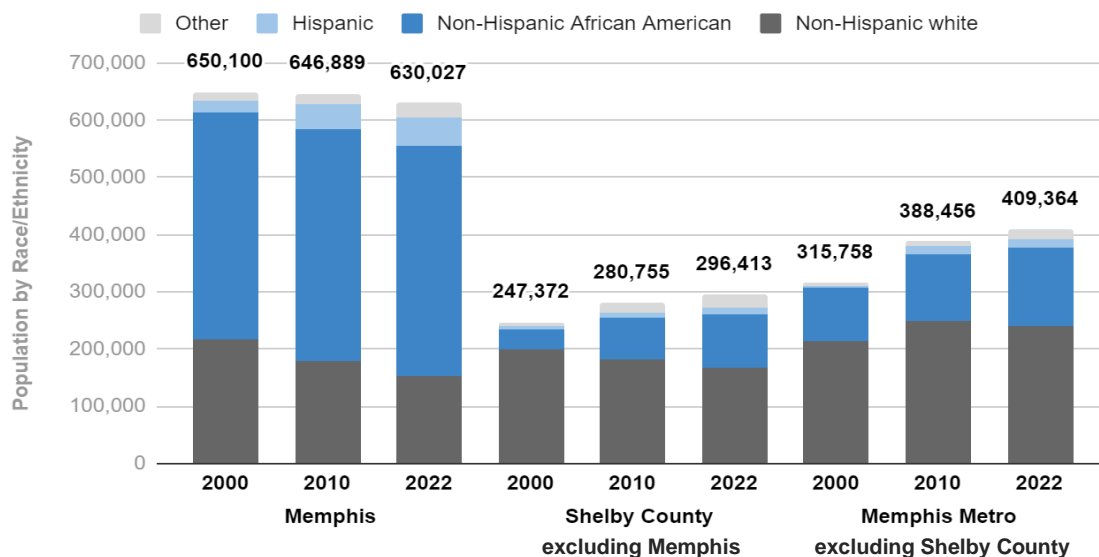
	Memphis		Shelby County excluding Memphis		Memphis Metro excluding Shelby County	
	Number	Percent	Number	Percent	Number	Percent
Total Population	630,027	100%	296,413	100%	409,364	100%
White, Non-Hispanic	151,666	24%	168,105	57%	240,149	59%
African American, Non-Hispanic	403,837	64%	92,273	31%	135,863	33%
Hispanic	50,539	8%	12,293	4%	16,775	4%
Asian or Pacific Islander, Non-Hispanic	10,350	2%	16,355	6%	3,451	1%
Native American, Non-Hispanic	423	0%	90	0%	411	0%
Other or Two or more Races	13,212	2%	7,297	3%	12,715	3%

Source: 2022 5-yr American Community Survey.

The population of the Memphis Metro Area grew by 24% between 1990 and 2022, increasing from 1.075 million to 1.336 million—but growth was uneven across geographies. Between 2000 and 2022, the population of Memphis decreased overall, while Shelby County outside the City of Memphis and the surrounding Metro Area grew by 17% and 23%, respectively.

The racial and ethnic changes in population were also uneven. Figure I-2, which focuses on racial/ethnic changes between 2000 and 2022, indicates a decline in non-Hispanic white residents over that period in both the City of Memphis and the balance of Shelby County. The decline in non-Hispanic white residents was offset slightly by an increase in African American, Hispanic, and other minority residents. The Metro Area increased in overall population, largely due to Non-Hispanic African American and Other races moving into the region.

Figure I-2.
Changes in Population by Race and Ethnicity, 2000 through 2022



Source: 2000 and 2010 Census, 2022 5-yr American Community Survey.

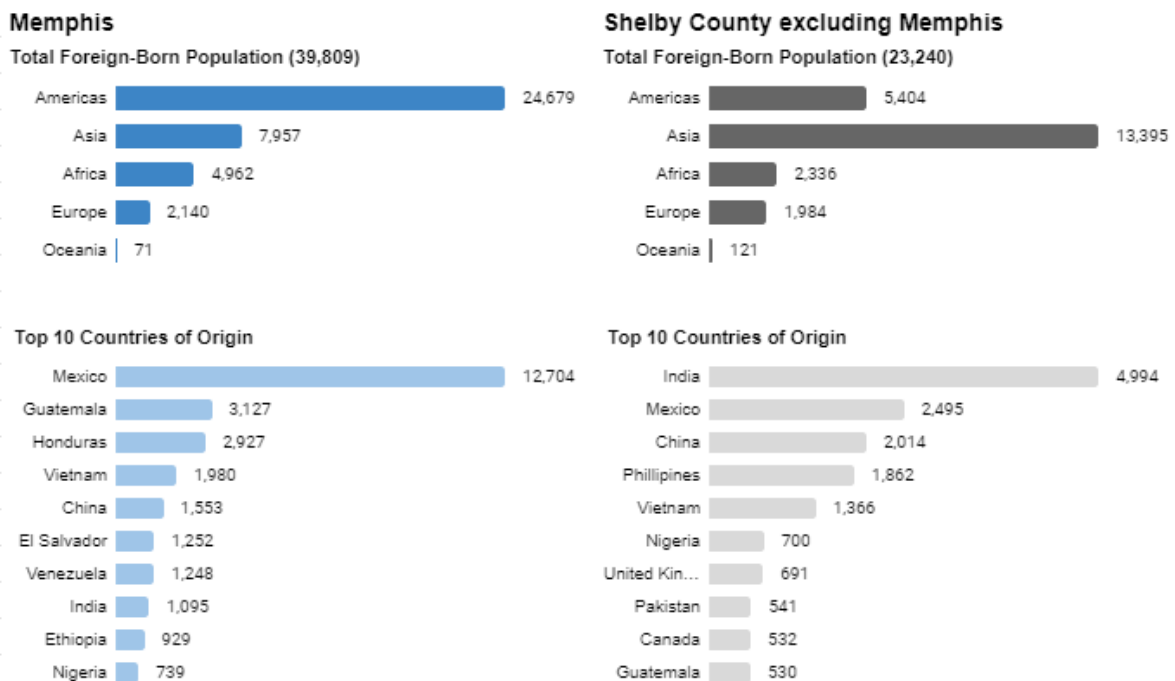
National origin. National origin, a protected class in Federal Fair Housing Law, is based on either the country of an individual’s birth or where his or her ancestors originated. Census data available to analyze segregation by national origin are more limited in definition—they represent the foreign-born population, not ancestry.

In 2022, approximately 39,809 residents of Memphis were born in a country outside of the U.S. These residents represented about 6% of the city’s total population. In Shelby County outside Memphis an additional 23,240 residents (6% of the population) were born outside the U.S.

Figure I-3 shows the top regions and countries of origin for foreign-born residents living in Memphis and Shelby County. As shown by the figure, most foreign-born residents in Memphis are from the Americas (primarily Central America) but most foreign-born residents in the balance of the county are from Asian countries.

Individual countries with the highest representation in Memphis are Mexico (with nearly 13,000 residents), Guatemala (3,127 residents) and Honduras (2,927). In Shelby County excluding Memphis the foreign-born populations are largely from India (4,994), Mexico (2,495), and China (2,014).

Figure I-3.
Country of Origin for Foreign-Born Residents of Memphis and Shelby County, 2022



Source: 2022 5-yr American Community Survey.

Limited English proficiency residents. While people with limited English proficiency (LEP) are not a protected class under the Fair Housing Act, HUD has determined that the ability to communicate proficiently in English is closely related to national origin, which is a protected class. In Memphis and Shelby County, those who have limited English proficiency and speak Spanish as their native language are the largest single group but still represent a small percentage of the total population (3.1%). Asian and Pacific Islander languages are the next largest LEP groups, but are

represented by a variety of native tongues, including Chinese, Korean, Vietnamese, Tagalog and other Asian languages and represent under 1% of the population.

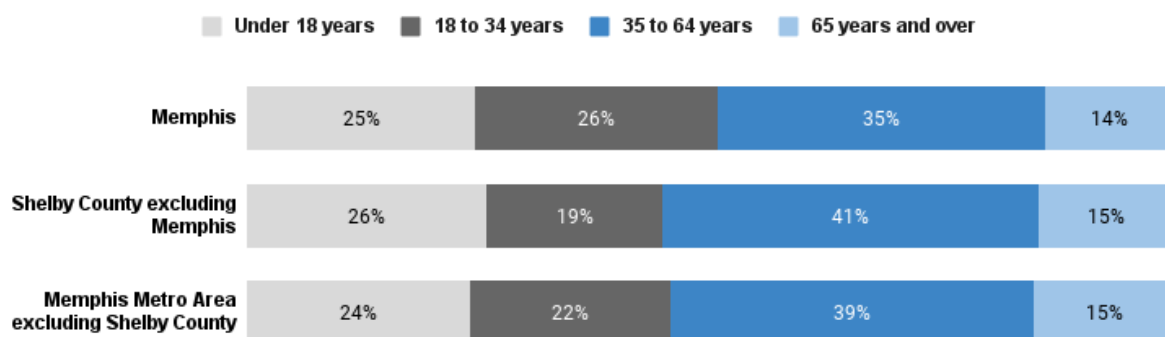
Figure I-4.
Language Spoken at Home, Memphis and Shelby County, 2022

	Memphis			Shelby County excluding Memphis		
	Number of Speakers	Limited English Proficient	LEP as a % of Total Population	Number of Speakers	Limited English Proficient	LEP as a % of Total Population
Total Population 5 years and over	584,798	24,376	4.2%	278,764	7,550	3.7%
Speak only English	528,830	0	0.0%	249,996	0	0.0%
Speak a language other than English at home	55,968	24,376	4.2%	28,768	7,550	3.7%
Spanish	38,550	17,877	3.1%	8,629	2,815	1.0%
Other Indo-European languages	4,904	1,020	0.2%	6,070	1,133	0.4%
Asian and Pacific Island languages	6,597	3,325	0.6%	8,461	3,106	1.1%
Other languages	5,917	2,154	0.4%	5,608	496	0.2%

Source: 2022 5-yr American Community Survey.

Age and Disability. Figure I-5 compares the age distribution of Memphis, the balance of Shelby County, and the balance of the Memphis MSA. Children account for about one quarter of all residents in the city, balance of county, and balance of the MSA. Seniors also reflect roughly the same proportion of the population in the city (14%) and balance of both the county and MSA (15%). However, the city has a higher representation of young adults (aged 18 to 34) than the balance of the county and MSA, offset by a lower proportion of middle-aged residents (aged 35 to 64).

Figure I-5.
Age Distribution, 2022



Source: 2022 5-yr American Community Survey.

Age distribution is strongly correlated with disability—a protected class under the fair housing act—as incidence of disability increases substantially for residents aged 65 and older. Figure I-6 shows disability by age for Memphis, Shelby County (excluding Memphis) and the Memphis Metro (excluding Shelby County). Overall, about 14% of Memphis residents, 11% of Shelby County residents (excluding Memphis), and 15% of MSA residents (excluding Shelby County) have some type of disability.

Figure I-6.
Disability by Age, 2022

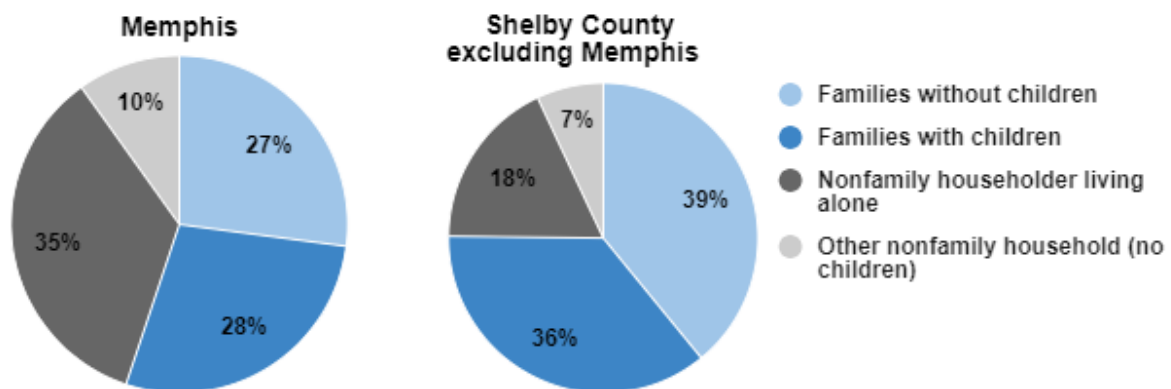
	Memphis		Shelby County excluding Memphis		Memphis Metro excluding Shelby County	
	Number with a Disability	% of Age Cohort with a Disability	Number with a Disability	% of Age Cohort with a Disability	Number with a Disability	% of Age Cohort with a Disability
Total	85,198	14%	31,171	11%	59,991	15%
Under 18 years	7,396	7%	3,002	4%	4,820	5%
18 to 34 years	12,973	8%	3,709	7%	7,674	9%
35 to 64 years	35,351	16%	11,190	9%	25,181	16%
65 years and over	29,478	34%	13,270	31%	22,316	37%
65 to 74 years	14,408	27%	5,989	22%	11,130	29%
75 years and over	15,070	47%	7,281	47%	11,186	50%

Source: 2022 5-yr American Community Survey.

Households with children. Federal familial status protections apply to families with children, a person who is pregnant and anyone in the process of securing legal custody of any individual who has not reached the age of 18 years.

Figure I-7 shows the arrangements of households in Memphis and the balance of Shelby County. About one quarter of all Memphis households are families with children and one-third of all Shelby County (excluding Memphis) households are families with children. City of Memphis has a larger population of Nonfamily householders living alone (35%) than Shelby County outside of Memphis (18%).

Figure I-7.
Household Composition, Memphis and Shelby County, 2022



Source: 2022 5-yr American Community Survey.

Segregation/Integration

This section discusses racial and ethnic segregation in the city, the county, and the region, including the history of segregation patterns. This history is important not only to understand how residential settlement patterns came about—but also, and more importantly, to explain differences in housing opportunity among residents today. In sum, not all residents had the ability to build housing wealth or achieve economic opportunity. This historically unequal playing field, in part, determines why residents have different housing needs today.

“Educating the public about the history of federal, state and local government-sponsored housing segregation is necessary to achieve support for policies that will effectively target entrenched patterns of residential segregation. We will explore the forgotten history of government policies that established, fostered, and perpetuated racially segregated communities around the country, and discuss the present-day challenges to making the Fair Housing Act’s commitment to removing racial barriers to equal housing opportunities a reality.”
--Forward from HUD’s 2015 Fair Housing Policy Conference

History of segregation. The greater Memphis region, like most of America, has a long history of government sponsored and supported laws, ordinances, policies, and programs which have resulted in denial of the most basic human and civil rights for persons of color and women. This systemic and institutionalized discrimination has taken many forms including: taking land from native populations by force and deception; enslavement of people of African descent to use them as the underpinning of its economy; state constitutions which deny civil rights to people of color; “black codes” and “Jim Crow” laws which controlled every aspect of the lives of African Americans; and various other forms of state sponsored discrimination and segregation against African Americans, Native Americans, Latino immigrants, women, and people with disabilities.

One of the most notable results of these state sponsored or sanctioned actions are the resulting segregated housing patterns that often relegate people of color to living in segregation, racially and ethnically concentrated areas of poverty, and in communities with limited access to opportunity. The segregated housing patterns and externalities of living in racially concentrated areas of poverty are documented by the extensive data in this report. To put the data in perspective and to understand the housing discrimination and segregation that currently exists we must examine Memphis’ racial history.

Elimination of native population. Spanish explorers Hernando De Soto (1540), Tristan de Luna (1559), and Juan Pardo (1567) led the first European expeditions into western Tennessee. Upon arrival, they encountered various native tribes or nations who had inhabited the region for centuries including the Muscogee, Yuchi, Cherokee, Choctaw, and Chickasaw.² By the 1760’s the British arrived in western Tennessee. As the Europeans presence increased in the area, the native population was decimated by disease; and later, forcibly displaced to the South and West.

In the late 1830’s, most of the remaining natives and the Black slaves they owned were forcibly relocated to Oklahoma as part of the “Trail of Tears”.³

Legal slavery in Memphis. Tennessee was founded as a slave state in 1796. However, slavery in Tennessee predates the founding of the state. Similarly, the enslavement of Africans in Memphis and Shelby County began before the founding of Memphis in 1819. It lasted almost 100 years until the abolishment of slavery with the passage of the 13th amendment to the U.S. Constitution in 1865. By 1860 Tennessee’s 275,719 slaves represented just fewer than 25% of the total population.⁴ The

² Dye, David (2009). “TN Encyclopedia: Pardo Expedition”. The Tennessee Encyclopedia of History and Culture.

³ Satz, Ronald, 1979, *Tennessee’s Indian Peoples*. Knoxville, TN: University of Tennessee Press.

⁴ W.E.B. Du Bois, 1935, *Black Reconstruction in America, 1860–1880*, New York: Oxford University Press,

legacy of legal slavery and the 100 years of neo-slavery, which followed has had a profound effect on the creation of communities defined by segregation and racially concentrated areas of poverty.

The Civil War, the end of slavery, and reconstruction. Tennessee was the last state to secede from the Union and join the Confederacy on June 8, 1861. It was the first state to rejoin the Union on July 24, 1866. The causes of secession that lead to the Civil War are complex. However, clearly at the root of secession and the Civil War was the desire for Tennessee and the other southern states to maintain slavery.

The Civil War was waged from 1861 to 1865 and devastated both North and South. The War ended with the surrender of the Confederacy on May 9, 1865. The end of the war meant the end of legalized chattel slavery. During this period, Congress also developed a program to reconstruct the south and to protect the new freedoms and rights of the Black population. This period and its federal programs are commonly referred to as “Reconstruction”. One of the main programs of reconstruction was the Freedman’s Bureau.

The US Constitution was amended in 1865 with the passage of the 13th Amendment, which outlawed involuntary servitude (slavery) except for punishment of a crime after having been duly convicted. However, Tennessee had a pressing desire to re-enter the Union and end the occupation. When the Tennessee legislature began to debate a Black Code; it received such negative attention in the Northern press that no comprehensive Code was ever established. Instead, the State legalized Black suffrage and passed a civil rights law guaranteeing Blacks equal rights in commerce and access to the Courts.⁵

The assassination of President Lincoln in 1865 was in effect a coup d’état. President Lincoln was succeeded by Vice President Andrew Johnson, a founder of Memphis, former Senator from Tennessee, slave owner, and southern sympathizer. President Johnson made it clear that he intended to hand as much power as possible back to those who formerly controlled the southern states.

In response to President Johnson’s actions and the post war actions of the South to nullify the outcome of the war, the “Radical Republicans” who controlled congress passed a series of civil rights laws to give citizenship and basic human and civil rights to the newly freed slaves. The Civil Rights Act of 1866 was passed by Congress, which provided for citizenship for all persons including the newly freed slaves and gave the newly freed slaves the same property and contracting rights as White citizens.

Race Riot of 1866. Commonly referred to as the Memphis Massacre of 1866 was a 3-day series of violent attacks by white police officers and a white mob on Black Union soldiers and the Black community of Memphis, which took place early in the reconstruction era. This event was shocking even at a time when mob violence in the south as a means of enforcing white supremacy was common. During three days of mob violence, 46 Blacks and 2 whites were killed, 75 Blacks injured, over 100 Black persons robbed, 5 Black women raped, and 91 homes, 4 churches and 8 schools burned in the Black community.⁶ The public outcry after this event and others like it in other

⁵ Forehand, 1996, "Striking Resemblance"

⁶ United States Congress, House Select Committee on the Memphis Riots, Memphis Riots and Massacres, 25 July 1866, Washington, DC: Government Printing Office (reprinted by Arno Press, Inc., 1969)

southern cities sped the passage of the reconstruction era legislation and the passage of the 14th amendment. This riot or massacre also affected housing patterns as Blacks began settling in South Memphis neighborhoods.

Tennessee “Jim Crow” Laws. The State of Tennessee enacted 20 Jim Crow laws between 1866 and 1955, including six requiring school segregation, four which outlawed miscegenation, three which segregated railroads, two requiring segregation for public accommodations, and one which mandated segregation on streetcars.⁷ The 1869 law declared that no citizen could be excluded from the University of Tennessee because of race or color, but then mandated that instructional facilities for Black students be separate from those used by white students.⁸ As of 1954, segregation laws for miscegenation, transportation and public accommodation were still in effect.⁹

Racial violence and lynching. Memphis has a long history of enforcing Jim Crow laws through law enforcement. These laws were also enforced through vigilantism, private force, terrorism, intimidation, and violence.

The Ku Klux Klan was founded in Pulaski, Tennessee in 1865 by six former Confederate officers including Nathan Bedford Forrest who was a former Confederate general, slave owner and trader. (Statues and parks named after Forrest and other Confederate heroes have caused major controversies in recent years as localities have sought to have them removed and state legislatures have protected them in the interest of historical preservation.) The “Klan” was notorious for its racial violence, intimidation, lynching, and actions which served to deprive people of color, Jews, and immigrants of their civil and human rights. The Klan and other white citizen organizations often enforced the racist social policies and segregationist policies of the white community.

Lynching was a common method of enforcing the racial, political, economic, and social status quo. The purpose of lynching was to incite fear in the hearts and minds of people of color. It was a common practice during slavery. It was utilized during reconstruction against both Blacks and white Republicans as a means to overturn Republican rule. It was also utilized to deal with Blacks whose economic success or attitude offended the local white population or government. Lynching was often a public spectacle with advertising of the event, hundreds of witnesses in attendance, including women and children. Photographs were taken and the event memorialized. The savagery of lynchings is hard to overstate.

Ida B. Wells, a notable Memphian and crusading anti-lynching journalist set out to debunk the myth that lynching was a result of Black sexual predation and show that lynching was, in fact, a tool of economic terrorism and disenfranchisement.

Segregation during the Boss Crump era. For most of the first half of the twentieth century the political machine of Edward Hull “Boss” Crump ran Memphis. Crump was mayor of Memphis for a short time but later controlled every aspect of public and private decision making in the Memphis region for decades. Boss Crump’s impact on Memphis cannot be overstated, nor can his influence on

⁷ Pauli Murray, 1950, States Laws on Race and Color

⁸ Pauli Murray, 1950, States Laws on Race and Color

⁹ <https://blackpast.org/primary/jim-crow-laws-tennessee-1866-1955>

race relations and housing patterns. His impact on racial housing patterns was documented in an article entitled “Memphis Burning.”¹⁰

Crump oversaw the beginning of public housing in Memphis and was largely responsible for its placement and design which often was used as a tool to destroy stable Black neighborhoods and dramatically increased the density of previously stable Black neighborhoods. A short litany of Boss Crumps attacks on the Black community related to housing that was documented in “Memphis Burning” exemplifies the cycle of fight, flight, and blight that has made Memphis what it is today include the following:

- In the 1930s, the Crump machine initiated the federally funded “slum clearance” of ten blocks across the street from the Church family home. The problem was that it was no slum at all, but a stable, middle-class, Black neighborhood. Decades later, a Black Memphis resident, Lester Lynom, described it as “almost a lynching of the Negroes of Memphis.” He added, “It wasn’t just the house, it was what the house represented.”
- The Memphis Housing Authority—established in the mid-1930s as part of the wave of local authorities begun under Roosevelt’s New Deal—leveled a 46-acre area and replaced the single-family homes with a low-rise, 900-unit public housing complex. As justification, the Housing Authority cited statistics showing that the city’s Black population had doubled in less than thirty years. Densifying an existing Black neighborhood was a racist strategy to prevent African Americans from encroaching on predominantly white areas. The complex, known as William H. Foote Homes, opened in 1940—directly across the street from the Robert Church house.
- What was left of the city’s most prosperous, integrated neighborhood began to deteriorate. Surrounded by dense, low-income housing, the fine Victorian homes were subdivided and turned into cheap rooming houses.
- Another slum clearance program demolished the area east of Lauderdale, including the vacant lot where the Church mansion had stood, and in 1955 the MHA opened the 650-unit Edward O. Cleaborn Homes. Both public housing complexes were designated exclusively for African Americans.
- A house was firebombed by a White Mob, at 430 East Olive Avenue, which had been recently sold to the Williams family, the sixth or seventh Black household to move into a neighborhood of small cottages occupied mainly by whites. Apparently, that was one Black family too many. Soon after they moved in, white neighbors formed a violent, reactionary mob, shouting epithets at the new residents, patrolling the streets and taking down *For Sale* signs. They threatened to tar and feather homeowners who sold to Black buyers. “When they see a house being shown, they round up the mob,” said Mrs. L.C. Hauser, a white resident of East Olive. “It’s like the Paul Revere signal.”

¹⁰ Preston Lauterbach, March 2016, Memphis Burning. “The Inequality Chronicles.”

Racially restrictive covenants. “Racially restrictive covenants in Deeds” started to appear in the U.S. circa 1890, expanded around 1910, then expanded greatly after the *Buchanan v. Warley* case outlawed racial zoning in 1917. The covenants aimed to keep Blacks (and other groups labelled as ‘undesirables’) out of white neighborhoods. Builders included these covenants in deeds to new subdivisions and neighborhood associations enlisted existing homeowners to subscribe to them to try to halt expanding Black neighborhoods. The real estate industry enthusiastically supported racially restrictive covenants.¹¹

Like other neighborhoods in Memphis, the Sherwood Forest subdivision near Park and Getwell had 1946 covenants prohibiting people of “any race other than the white race” from living on any of the lots except in servants’ quarters.¹²

While the enforcement of these covenants was held to be an unconstitutional violation of the equal protection clause of the 14th Amendment in *Shelly v. Kramer* in 1948, these clauses continued to be placed in deeds and informally enforced and respected by neighborhood and homeowner associations for decades after the Shelly case.

Real estate agents role in segregation. Realtors played an important role in segregating Memphis and every other major city. The realtor’s code of ethics beginning in the 1920’s prohibited realtors from introducing members of races or nationalities that would be detrimental to neighborhood property values.¹³ Later realtors would engage in Blockbusting, a process that encourages “white flight” by inducing whites to move based on representations that Blacks or Latinos were moving into their neighborhood and would lower their property values and destroy their quality of life. Realtors also heavily engaged in steering, a practice of encouraging people to buy or rent in neighborhoods where the realtor thought they belonged or would be most comfortable based on their race or ethnicity.

It should be noted that Realtors and other real estate organizations at the time did not allow Black membership. As a result of racially exclusionary practices of the real estate industry, Black real estate professional founded the National Association of Real Estate Brokers (NAREB) commonly, referred to as Realists in 1947.

White flight from Memphis. White flight from Memphis has taken place a number of times in Memphis’ history. It occurred during the civil war when Blacks moved to Union controlled Memphis to seek their freedom and protections of the Union army. White flight occurred after the riots of 1866 and during the reconstruction period of that era. White flight occurred after the riots of 1968 in response to Dr. King’s assassination, and white flight occurred after busing began in Memphis in the 1960’s and 70’s.

Beginning in the 1950s, working-class whites moved just beyond the city’s boundaries, first north to Frayser and south to Whitehaven, and then “out East” to Germantown, Collierville, and Cordova, where they built roads, schools, shopping centers, and hospitals — all the features of a city, spread

¹¹ City of Memphis: Analysis of Impediments to Fair Housing Choice, 2011, the Metropolitan Milwaukee Fair Housing Council

¹² <http://archive.commercialappeal.com/news/segregation-persists-in-memphis-area-neighborhoods-experts-say-but-solutions-are-elusive-ep-11794730-324362081.html/>

¹³ City of Memphis: Analysis of Impediments to Fair Housing Choice, 2011, the Metropolitan Milwaukee Fair Housing Council

over small rural communities. The completion of the I-240 freeway loop in 1984 directed commerce away from the urban core of Memphis and toward the suburbs. Today, the highest concentrations of wealth, educational attainment, and jobs are on the eastern edge.¹⁴

Many white Memphians responded to the advent of busing in the 1970s by fleeing to the suburbs and forming segregated academies. In 2010, Memphis public schools remained overwhelmingly Black, and county schools continued to be predominately white. Blacks made up a majority of the city population, and whites made up a majority of the county population.¹⁵ In an ongoing effort to recapture its lost revenue base, Memphis has annexed this ever- expanding “crabgrass frontier”.¹⁶

When county and city schools were finally merged, in 2011 that sparked a new segregationist revolt. Within two years, six suburban municipalities withdrew from the consolidated system and established their own schools (with a huge assist from the state legislature, which changed a law that had prohibited new school districts), and now those suburban districts no longer need to share their resources with the city.¹⁷

The remainder of this section discusses recent and current racial/ethnic segregation in Memphis and Shelby County using data from HUD and the U.S. Census Bureau.

Trends in racial/ethnic distribution. Figures I-8 and I-9 (on the following page) show trends in racial/ethnic distribution from 1990 to 2020 in Memphis and Shelby County.

Seen side-by-side, the maps show the growth of the African American residents of Memphis and Shelby County, and the ebbing non-Hispanic white population, as well as the segregation that continues to exist over this period. Specifically:

- The maps broadly show non-Hispanic white residents moving out of some parts of Memphis—particularly South Memphis—and into less populated areas in eastern Shelby County as well as outside of Shelby County.
- African American residents also move east (both within the city and into Shelby County) but did not vacate the city to the same extent as non-Hispanic white residents. Within Shelby County, the areas showing the highest increase in African American residents are East of Memphis both north and south of Germantown.
- Other minority residents, including Native American, Asian Pacific, and Hispanic residents, had substantial increases in population between 1990 and 2020 and largely settled within the City of Memphis, particularly in northeast and southeast neighborhoods in the city.

The maps illustrate that racial and ethnic diversity is increasing in the Memphis Metro. However, diversity and residential integration are not the same. While ethnic/racial diversity grows, neighborhood integration lags behind for most groups.

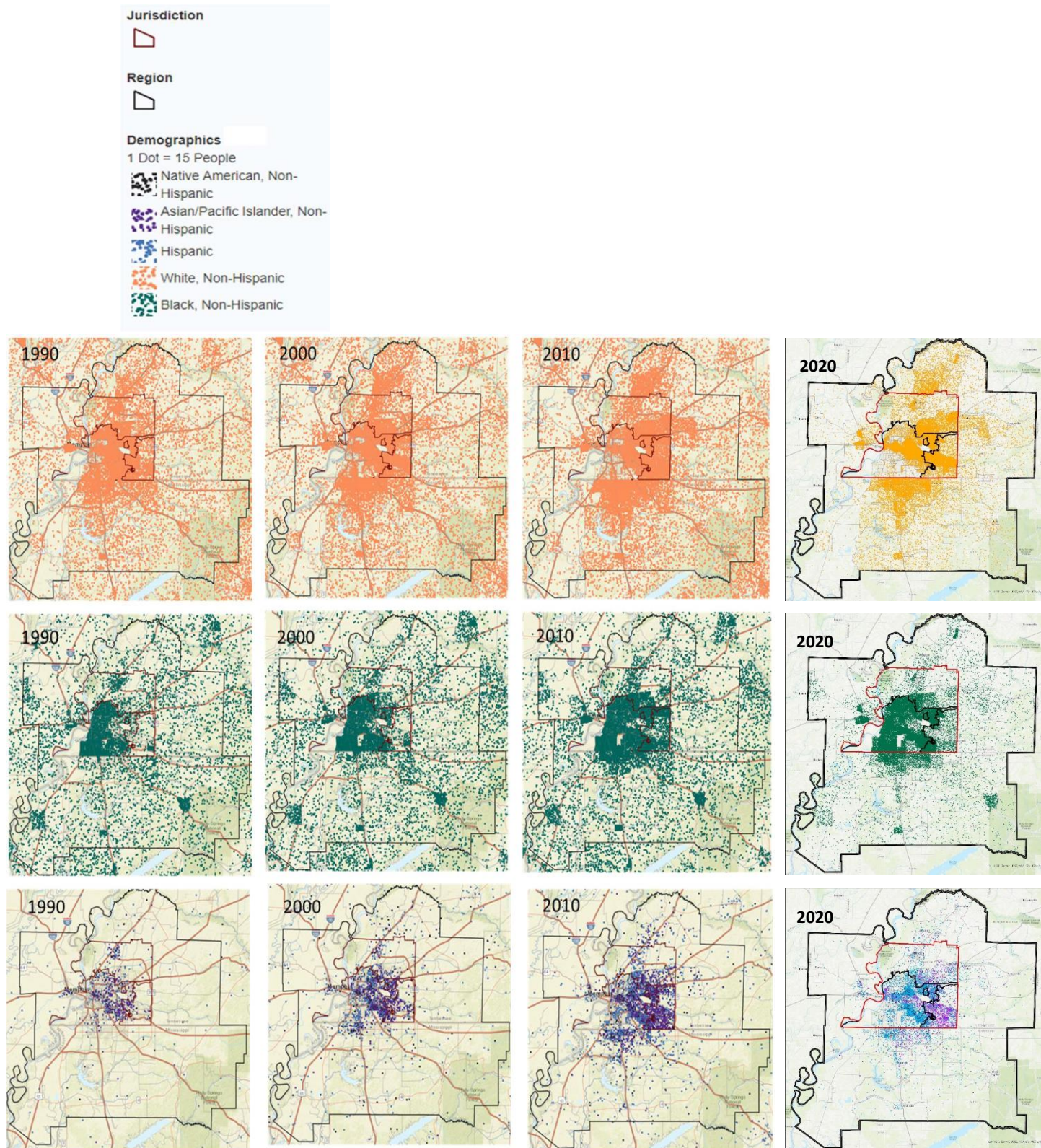
¹⁴ Preston Lauterbach, March 2016, Memphis Burning. “The Inequality Chronicles.”

¹⁵ <https://cdr.lib.unc.edu/indexablecontent/uuid:be5cba8a-d668-4b37-aac0-8cfcefe13d9f>

¹⁶ Preston Lauterbach, March 2016, Memphis Burning. “The Inequality Chronicles.”

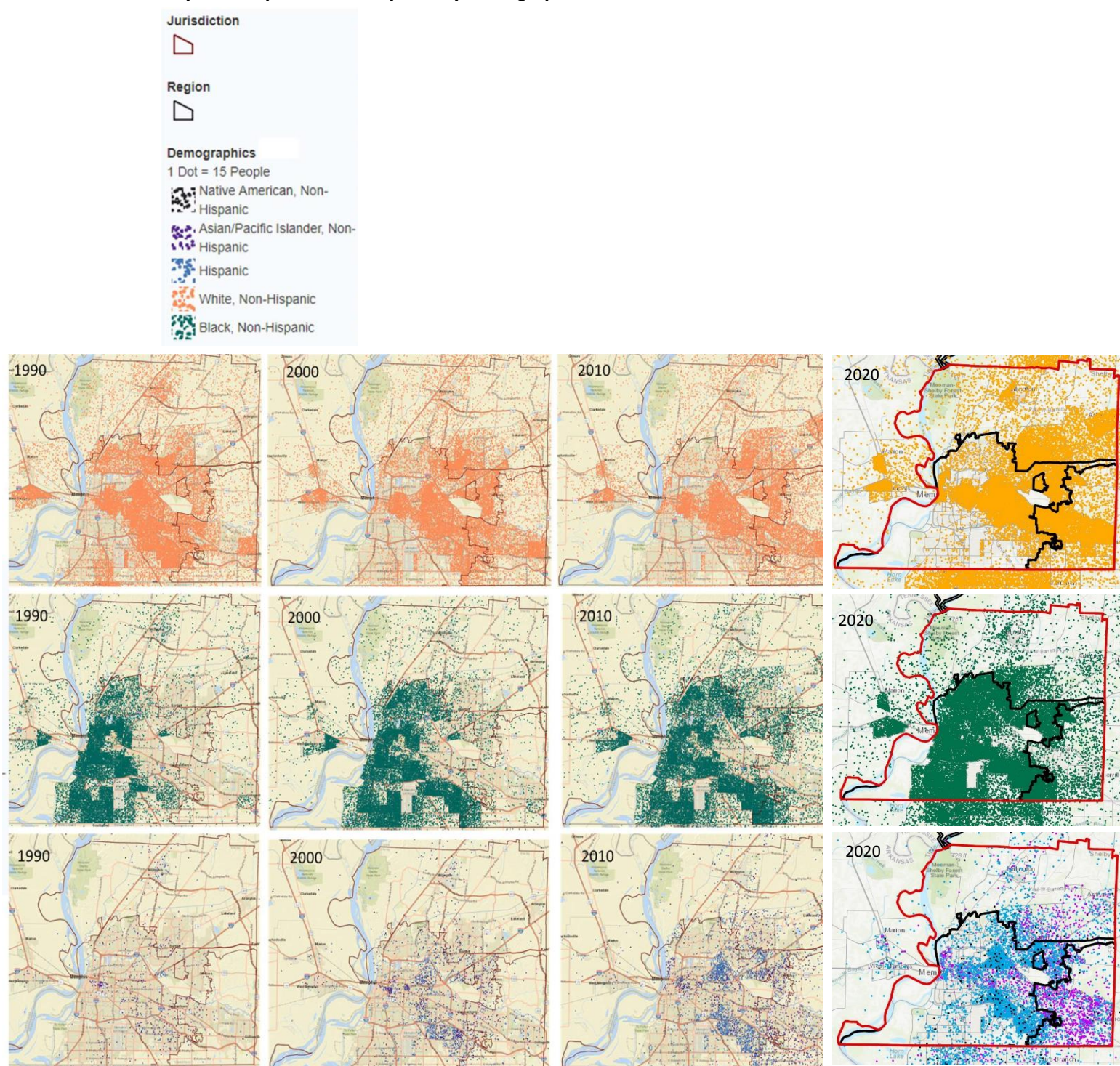
¹⁷ Preston Lauterbach, March 2016, Memphis Burning. “The Inequality Chronicles.”

**Figure I-8.
Memphis Metro Area Demographic Trends**



Source: HUD, Affirmatively Furthering Fair Housing, <https://egis.hud.gov/affht/>; 2020 Decennial Census <https://data.census.gov/>

Figure I-9.
City of Memphis and Shelby County Demographic Trends

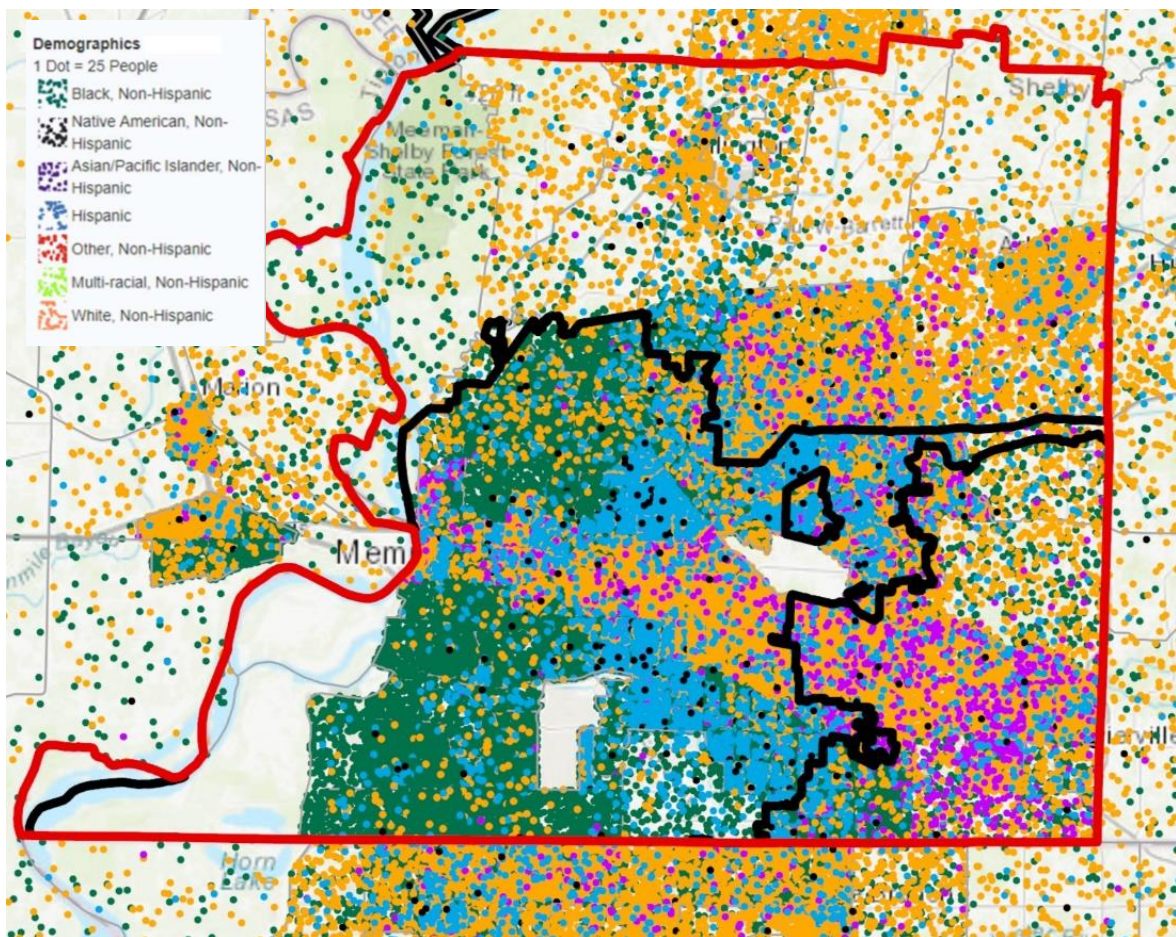


Source: HUD, Affirmatively Furthering Fair Housing, <https://egis.hud.gov/affht/>; 2020 Decennial Census <https://data.census.gov/2022>

Concentrations. Segregation can occur on the macro level (between municipalities or between a municipality and the surrounding county) or on the micro level (by neighborhood). The Demographic Overview at the beginning of this section shows macro segregation between the City of Memphis (majority African American) and the balance of Shelby County (majority non-Hispanic white). The following analysis uses maps to illustrate the spatial distribution of different groups in both the City of Memphis and Shelby County. The maps illustrate neighborhood-level (micro) segregation by showing geographic concentrations of protected class residents.

Racial/ethnic minorities. Figure I-10 shows the representation of racial/ethnic minorities (collectively) in the region, illustrating the higher concentration of minorities in the city surrounded by predominantly non-Hispanic white populations in the balance of county and region. Within the city, East Memphis has the highest concentration of non-Hispanic white residents, while African American residents are concentrated in downtown, North Memphis, and South Memphis. Hispanic residents are concentrated in the southeast and northeastern parts of the City of Memphis.

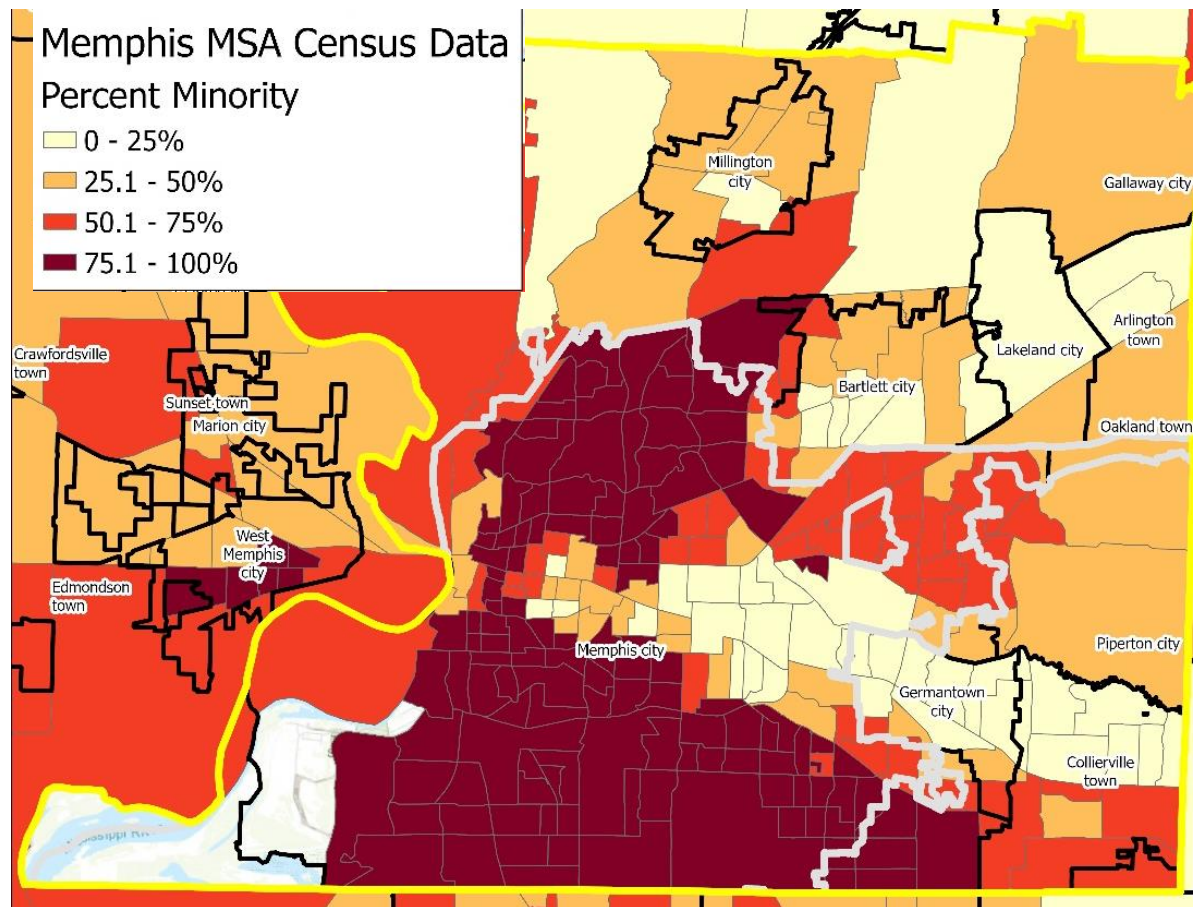
Figure I-10.
Racial and Ethnic Distribution, 2020



Source: 2020 Decennial Census <https://data.census.gov/>

Figure I-11 shows similar trends by shading the Census tracts according to the percentage of residents identifying as a racial/ethnic group other than non-Hispanic white. Many of the neighborhoods across North Memphis and across South Memphis are minority populations that account for 75% or more of the total tract population. In contrast, neighborhoods in East Memphis, Midtown and in surrounding suburbs have minority populations below 25%.

Figure I-11.
Memphis and Other Municipalities in Shelby County, TN (2020)



Source: 2020 Decennial Census <https://data.census.gov/>

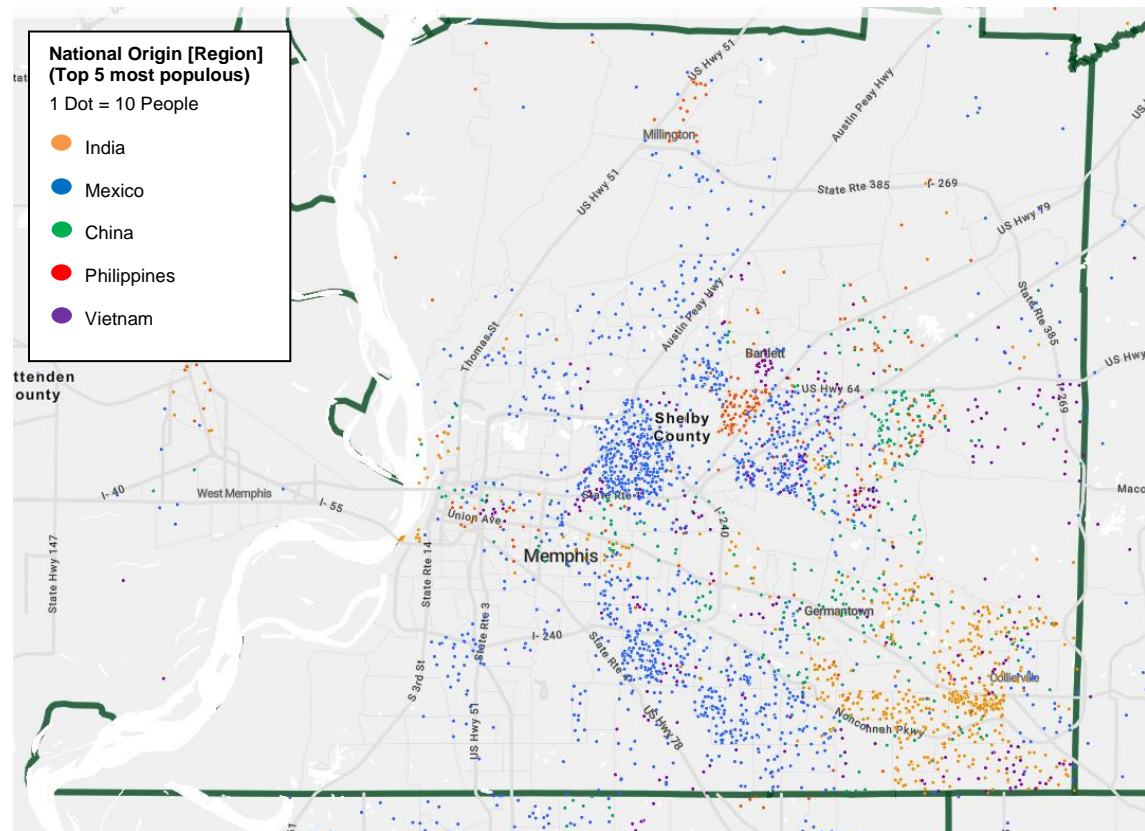
National origin. As discussed in the demographic overview, about 6% of both the city's and county's populations are foreign-born residents. Figure I-12 (on the following page) shows the geographic distribution of foreign-born populations from India, Mexico, China, Philippines, and Vietnam (the five most populous countries of origin for the region's foreign-born residents).

The map illustrates that there are several neighborhoods in Memphis with a predominance of foreign-born residents:

- Clusters of Indian residents are downtown but predominantly residing in eastern Shelby County;
- Mexican residents are largely clustered in southeast and northeast Memphis;
- Residents of Filipino or Vietnamese descent are clustered in northeast Memphis;

In Shelby County, outside of the City of Memphis, clusters of Mexican-born residents live on the fringes of the city, with foreign-born Vietnamese and Indian residents dispersed throughout the county. Note, however, the lack of foreign-born residents in the City of Millington (estimated to be 54% non-Hispanic white in 2022) and the rural northeastern corner of the County.

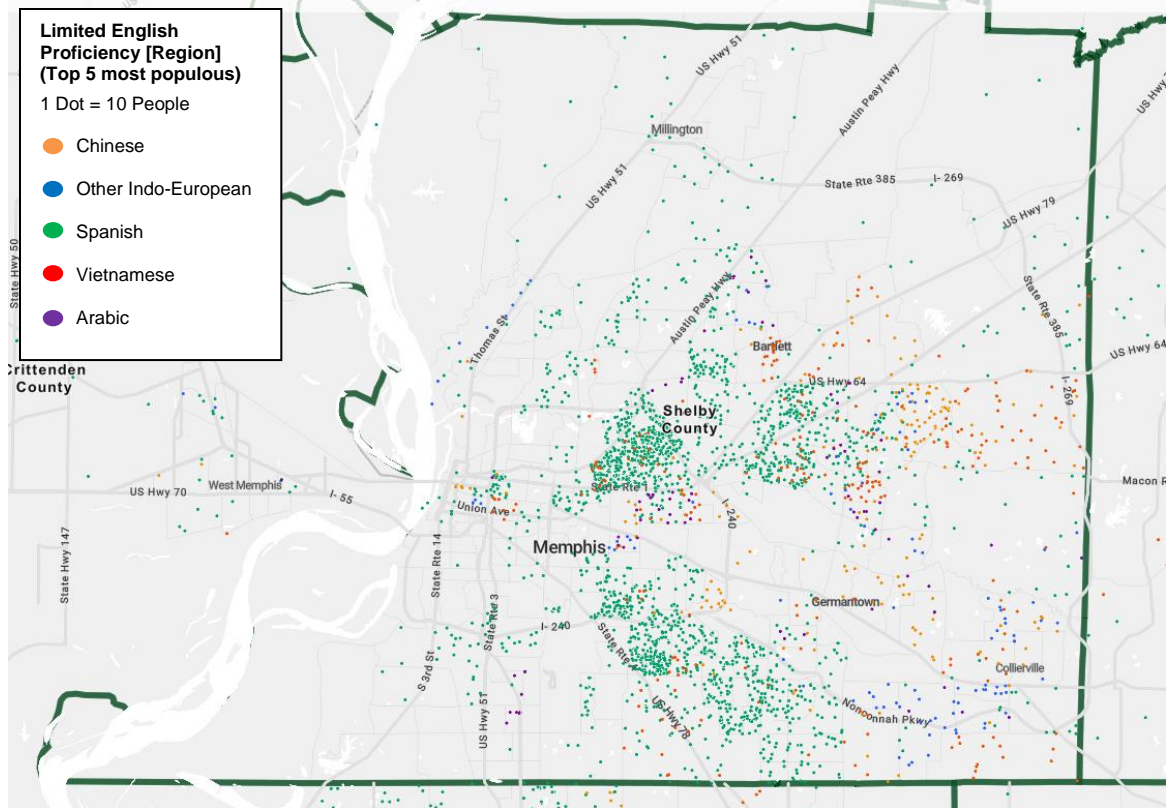
Figure I-12.
Distribution of Foreign-Born Residents (from the Five Most Populous Countries of Origin), 2022



Source: Social Explorer; 2022 5 yr American Community Survey.

Limited English proficiency residents. As stated by HUD in its 2016 Directive, “The link between national origin and LEP is fairly intuitive but is also supported by statistics.” This is the case in Memphis, Shelby County, and the broader region, where these groups follow closely the largest groups of foreign-born residents, apart from natives of India, most of whom speak English. A comparison of the dispersion of these two groups illustrates the relationship when examining Figures I-12 and I-13.

Figure I-13.
Distribution of Limited English Proficient Residents, 2022



Source: Social Explorer; 2022 5 yr American Community Survey.

Segregation levels. The dissimilarity index (DI) is a widely used measure of racial residential segregation that measures the degree to which two distinct groups are evenly distributed across a geographic area. DI values range from 0 to 100—where 0 is perfect integration and 100 is complete segregation. Dissimilarity index values between 0 and 39 generally indicate low segregation, values between 40 and 54 generally indicate moderate segregation, and values between 55 and 100 generally indicate a high level of segregation.

It is important to note that this DI data uses non-Hispanic white residents as the primary comparison group. That is, all DI values compare a particular racial group’s distribution in the jurisdiction against the distribution of non-Hispanic white residents. Because HUD provided data and maps have not been updated since 2015, more up to date data is provided where available. Some categories are marked N/A for not available.

The City of Memphis was ranked as the 6th most segregated city out of ten cities with the largest Black populations in the US in 2020, with a Dissimilarity Index for the white to non-White population of 67.¹⁸ Figure I-14 shows the DI for Memphis, Shelby County, and the Memphis Metro overall. Trends indicate consistently high Black/white segregation in the City of Memphis and the Metro overall. Hispanic/white segregation has increased in the city and the metro overall, though this trend

¹⁸ H Carr, J., & Zonta, M. (n.d.). *2022 State of Housing in Black America: The Elusive Dream of Black Homeownership*. National Association of Real Estate Brokers. https://www.nareb.com/site-files/uploads/2022/11/2022-State-of-Housing-in-Black-America_V4.pdf

may simply reflect the increasing number and proportion of Hispanic residents as opposed to purely indicating increasing segregation of that population. Overall non-white/white segregation has increased in Memphis and Shelby County over the past ten years.

Figure I-14.
Dissimilarity Index of Segregation, 1990 – 2020 (Current)

Racial/Ethnic Dissimilarity Index	Memphis				Shelby County			
	1990	2000	2010	Current	1990	2000	2010	Current
Non-White/White	70.0	64.0	63.4	67.0	36.2	41.8	46.4	62.0
Black/White	71.7	67.2	68.5	66.2	42.4	49.9	52.7	N/A
Hispanic/White	32.3	48.2	54.9	55.9	38.1	26.0	39.2	N/A
Asian or Pacific Islander/White	30.4	32.0	31.4	29.9	30.9	26.3	29.9	N/A

Racial/Ethnic Dissimilarity Index	Memphis Metro Area				Interpreting the index:
	1990	2000	2010	Current	
Non-White/White	62.9	61.9	57.0	N/A	<div>0-39 Low Segregation</div> <div>40-54 Moderate</div> <div>55-100 High</div>
Black/White	65.0	65.3	61.9	58.9	
Hispanic/White	32.1	46.0	50.7	52.4	
Asian or Pacific Islander/White	37.3	38.6	37.6	38.5	

Source: Brown University; Federal Reserve Bank of St. Louis; NAREB.

While the dissimilarity index may indicate a level of segregation between whites and minority residents, it does not identify the underlying causes for the segregation. It is plausible that some minority residents actively seek housing in neighborhoods (Census tracts) where individuals with similar backgrounds as themselves are living and where familiar cultural amenities can be found (religious centers, specialized supermarkets, etc.). On the other hand, discriminatory practices could be occurring that result in minority residents concentrating in certain neighborhoods regardless of their actual preferences.

Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs)

This section expands on the segregation analysis by adding a layer of economic consideration. A Racially or Ethnically Concentrated Area of Poverty (R/ECAP) is a neighborhood with a poverty rate of 40 percent and a racial and/or ethnic concentration.

It is very important to note that R/ECAPs are not areas of focus because of racial and ethnic concentrations alone. This study recognizes that racial and ethnic clusters can be a part of fair housing choice if they occur in a non-discriminatory market. Rather, R/ECAPs are meant to identify areas where residents may have historically faced discrimination and continue to be challenged by limited economic opportunity.

HUD's definition of a Racially/Ethnically Concentrated Area of Poverty is:

- A census tract that has a non-white population of 50 percent or more (majority-minority) or, for non-urban areas, 20 percent, AND a poverty rate of 40 percent or more; OR

- A census tract that has a non-white population of 50 percent or more (majority-minority) AND the poverty rate is three times the average tract poverty rate for the County, whichever is lower.

Areas of racial and ethnic concentration are not, per se, areas lacking opportunity. Many areas that are racially and ethnically concentrated offer high opportunity amenities. It is therefore important to examine racial and ethnic concentrations in the context of other variables: poverty and income diversity, existence of affordable housing, neighborhood safety, and location of community amenities. This section of the report examines racially and ethnically concentrated areas and areas of concentrated poverty. Section IV, the Access to Opportunity analysis, examines minority concentrations and access to affordable housing, quality schools, neighborhood conditions and transit.

Poverty trends. Sixteen percent of Memphis Metro residents are living in poverty. The poverty rate in the City of Memphis (24%) is three times that of the balance of Shelby County (8%)—indicating high levels of economic disparity between the city and county.

Figure I-16 shows poverty rates in Memphis, Shelby County excluding Memphis, and the Memphis Metro overall in 2000, 2010, and 2022. Poverty rates have decreased slightly in the City of Memphis and the MSA.

Figure I-16.
Poverty
Rate,
2000,
2010 and
2022

Source: 2000
Census, 2010
ACS, 2022 ACS.

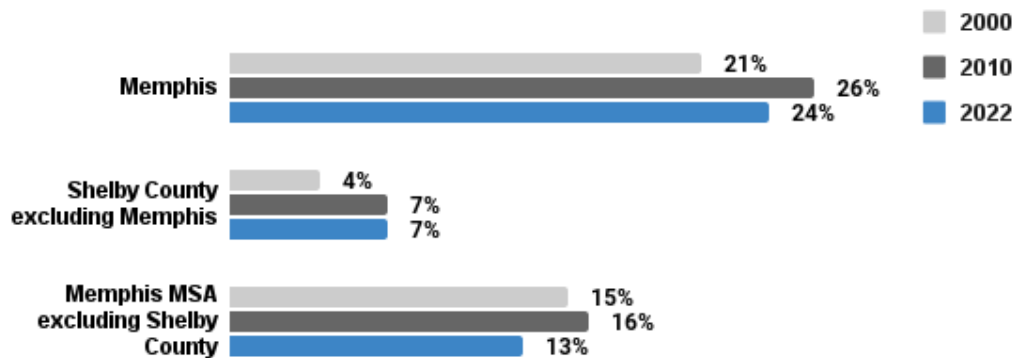


Figure I-17 shows poverty rates by age and race/ethnicity for the city, county, and region. Poverty rates are highest for the region's children: 25 percent of children region-wide are living in poverty, 37 percent of Memphis children are living in poverty, and 7 percent of children in the balance of the county are living in poverty.

Poverty data by race/ethnicity reveal high levels of poverty for racial/ethnic minority groups—particularly African American and Hispanic residents—compared to non-Hispanic white residents.

Figure I-17.
Poverty by Age and Race/Ethnicity, 2022

	Memphis		Shelby County excluding Memphis		Memphis Metro excluding Shelby County	
	Number	Percent	Number	Percent	Number	Percent
Total Population	145,191	24%	19,670	7%	51,473	13%
By Age						
Under 18 years	56,208	37%	5,179	7%	18,388	19%
18 to 64 years	75,094	23%	11,781	7%	27,662	11%
65 years and over	13,889	16%	2,710	6%	5,423	9%
By Race/Ethnicity						
Non-Hispanic White	15,939	11%	8,581	5%	18,871	8%
African American	111,585	28%	9,111	10%	27,998	21%
Hispanic/Latino	13,590	28%	770	6%	2,716	16%
Asian	1,083	11%	920	6%	148	4%
Other minority	2,994	25%	288	4%	1,740	14%

Source: 2022 5-yr American Community Survey.

Neighborhood poverty. At the neighborhood level, research has shown that a 40 percent poverty threshold is the point at which an area becomes socially and economically dysfunctional. Conversely, research has shown that areas with up to 14 percent of poverty have no noticeable effect on community opportunity.¹⁹

As noted previously, R/ECAPs are areas in which there are both racial concentrations and high poverty rates. Specifically, they are Census tracts that have poverty rates exceeding 40 percent or three times the regional poverty rate and are majority minority (minorities account for 50% or more of the total population).²⁰

The City of Memphis is comprised of 183 total Census tracts.²¹ One hundred forty-eight of those tracts (81%) have a majority non-white population and 41 tracts (22% of all tracts) have a poverty rate of 40 percent or higher. All except one of the high poverty tracts are also majority minority tracts and thus meet the definition of racially/ethnically concentrated areas of poverty.

Shelby County has an additional 64 Census tracts in the area outside the City of Memphis. Of those, 23 Census tracts (36%) have majority minority populations. However, there are no tracts in the balance of Shelby County with poverty greater than 40 percent so there are no HUD- defined R/ECAPs.

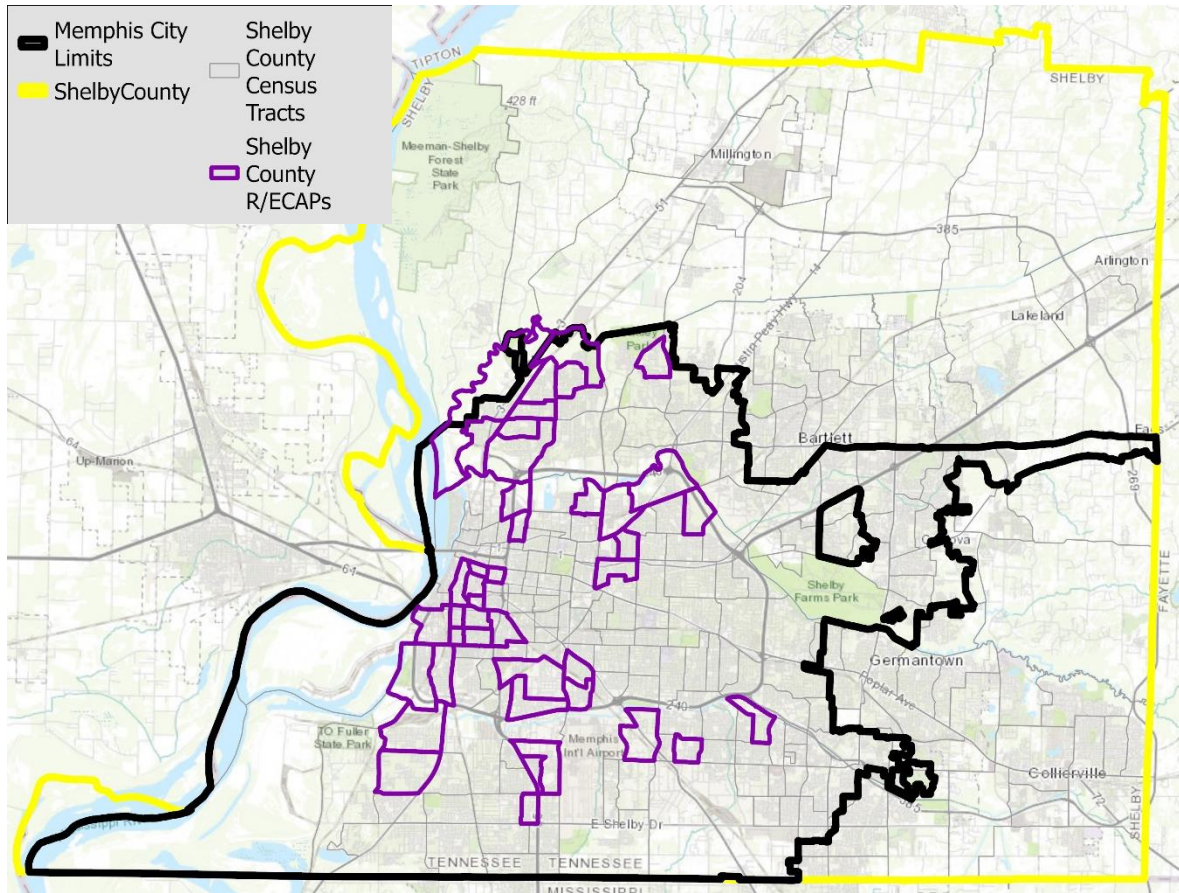
Figure I-18 maps the R/ECAPs in Memphis, as of 2020. As shown, they are primarily located downtown and across north and south Memphis.

¹⁹ The Costs of Concentrated Poverty: Neighborhood Property Markets and the Dynamics of Decline.” In Nicolas P. Retsinas and Eric S. Belsky, eds., *Revisiting Rental Housing: Policies, Programs, and Priorities*. Washington, DC: Brookings Institution, 116–9.

²⁰ The regional poverty measure is defined by core based statistical area (CBSA) and is 9 percent for all portions of the Denver region, excluding Boulder (7%) and Weld (10%) counties.

²¹ Tracts with fewer than 10 housing units are excluded. Census tract boundaries are not perfectly aligned with municipal boundaries; tracts in which a majority of the population was in city boundaries are considered to be in Memphis.

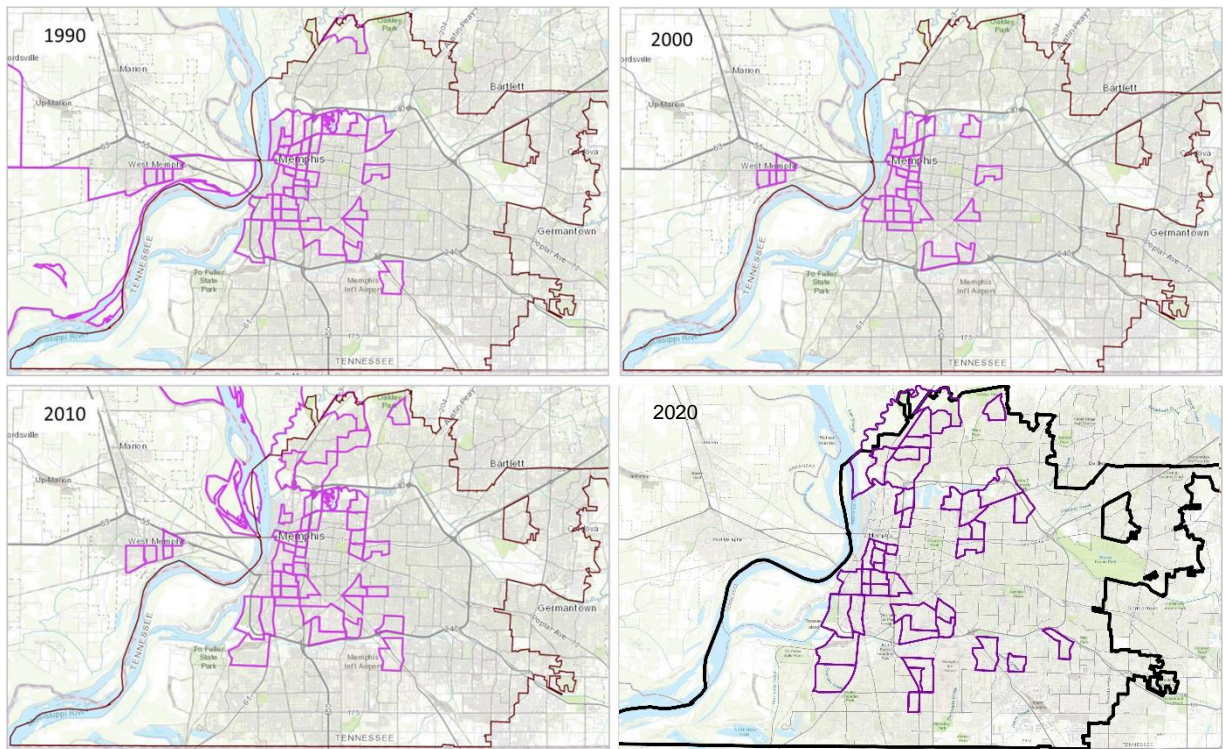
Figure I-18.
Racially/Ethnically Concentrated Areas of Poverty, 2020



Source: 2020 5 yr American Community Survey.

R/ECAPs are not static. The figures below illustrate the change in R/ECAP neighborhoods between 1990 and 2020. Changes in R/ECAPs status can reflect economic shifts (changes in the poverty rate) and/or demographic shifts (changes in percent minority). The number of R/ECAPs in Memphis declined between 1990 and 2000 but then increased in 2010. Most of the fluctuations in R/ECAP designation from 2010 to 2020 reflect shifts in the poverty rate by neighborhood, as opposed to racial/ethnic shifts.

Figure I-19.
Racially/Ethnically Concentrated Areas of Poverty, 1990-2020



Source: HUD AFFH-T; 2020 5 yr American Community Survey.

R/ECAP demographics. Memphis R/ECAP neighborhoods are home to 104,190 residents (16% of the city's total population). Figure I-20 compares the demographics of R/ECAP residents to the city's population overall.

Eighty-three percent of R/ECAP residents are Black or African American, compared to 64 percent of Memphis residents overall. In contrast, just 8 percent of R/ECAP residents are non-Hispanic white compared to 25 percent of Memphis residents overall. These disparities indicate an overrepresentation of Black residents and an underrepresentation of non-Hispanic white residents in R/ECAPs.

Hispanic residents are slightly overrepresented, while other minority groups are slightly underrepresented in R/ECAPs—collectively these residents account for 10 percent of the R/ECAP population and 11 percent of the city population overall. Immigrant populations are also overrepresented in R/ECAPs.

Families with children account for 56 percent of all families in R/ECAPs—which is slightly higher than the city overall.

**Figure I-20.
R/ECAP
Demographics, 2020**

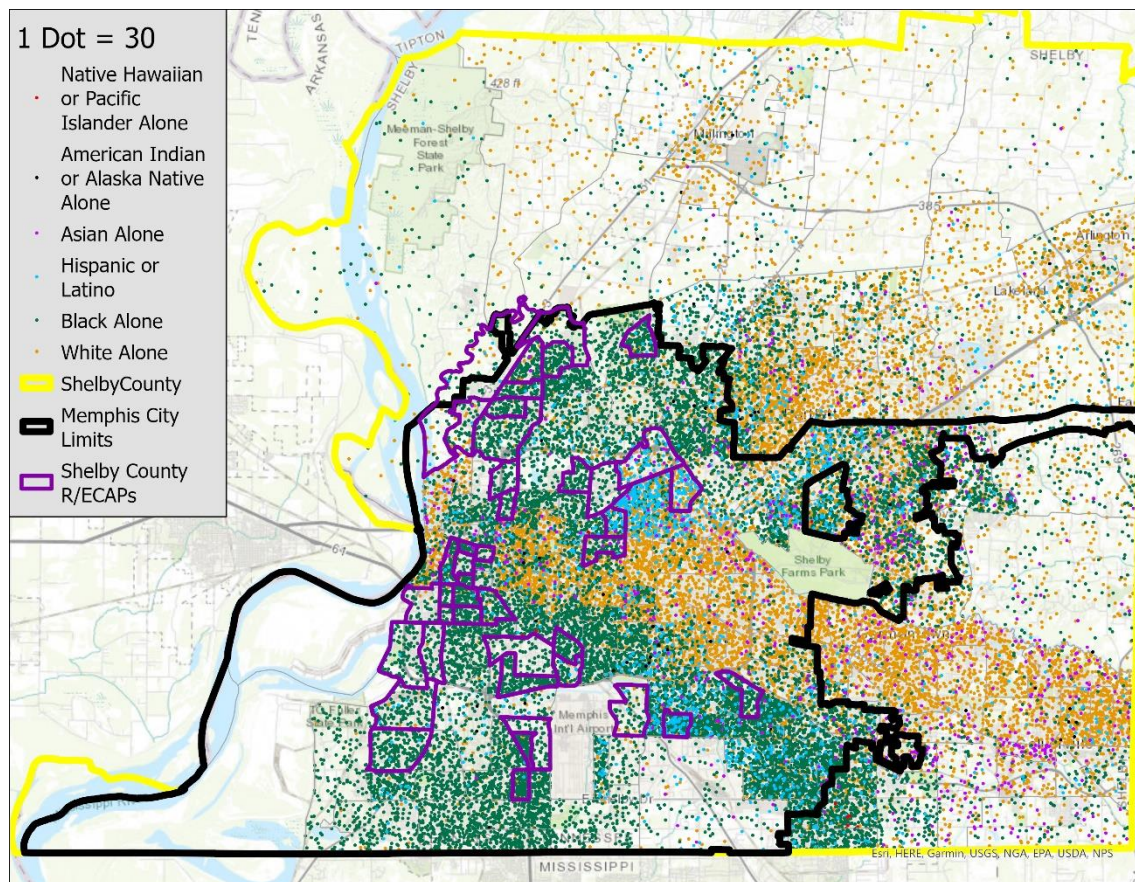
Source:
2020 5 yr American Community
Survey.

	City of Memphis R/ECAPs		City of Memphis Overall	
	Number	Percent	Number	Percent
Race/Ethnicity				
Total Population	104,190	100%	650,910	100%
White, Non-Hispanic	8,145	8%	161,785	25%
Black, Non-Hispanic	86,121	83%	417,629	64%
Hispanic	7,929	8%	47,896	7%
Other minority	1,995	2%	23,600	4%
Family Type				
Total Families	20,481	14%	142,661	100%
Families with children	11,493	56%	72,591	51%
National Origin				
Total Population	5,390	14%	39,170	6%
Mexico	1,950	14%	13,573	2%
Honduras	475	22%	2,204	0%
Guatemala	609	27%	2,289	0%
Vietnam	262	13%	1,999	0%
China	19	1%	1,803	0%

Figure I-21 maps the Memphis R/ECAPs along with race/ethnicity.

- R/ECAPs generally overlay neighborhoods that have a very high proportion of African American residents; however, there are also many neighborhoods that are predominantly African American and are not R/ECAPs;
- Most areas of Hispanic concentration in Memphis and most areas with concentrations of foreign-born residents are located outside R/ECAPs; and
- The notable exceptions are four R/ECAP tracts to the northeast and southeast of Memphis that have a high concentration of Hispanic residents.

Figure I-21.
R/ECAP Overlay with Race/Ethnicity, 2020



Key Fair Housing Findings from Section I

- There is relatively high racial/ethnic segregation in the region—particularly of African American residents. This is true both at the macro-level (between the city and county) and at the micro-level (neighborhood by neighborhood).
- There is also evidence of segregation by national origin among immigrant populations.
- There are wide economic disparities between the city and county, as reflected by the location of R/ECAPs and poverty rates overall. The African American population is disproportionately impacted by poverty concentrations, more so than other racial/ethnic minorities and more so than immigrant and limited English proficient populations.

SECTION II.

Housing Patterns

SECTION II.

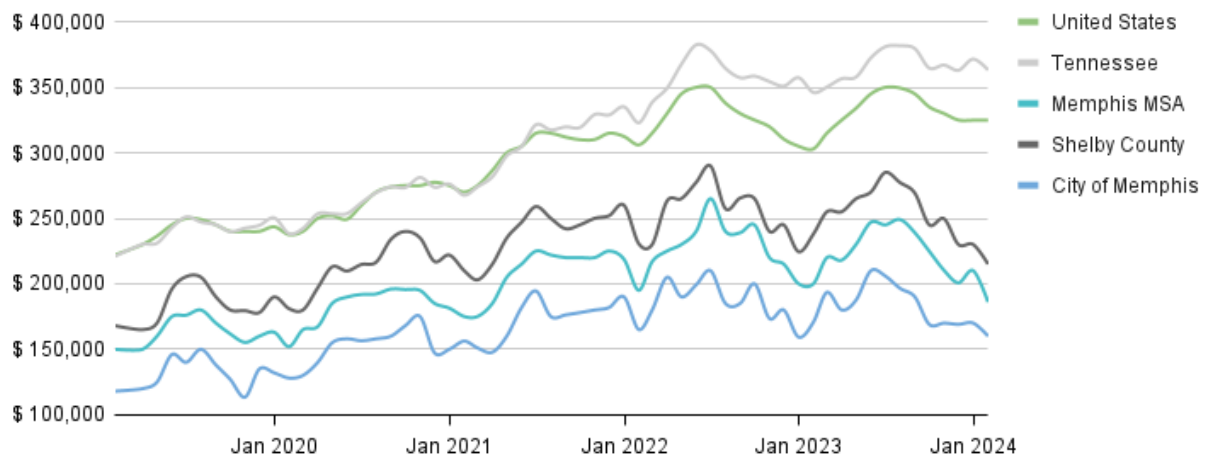
Housing Patterns

This section examines which protected classes experience the highest rates of housing problems compared to other groups and examines how tenure and housing burden vary geographically. It begins with a discussion of housing market trends in general.

Housing Market Trends

The Memphis Metro Area is known as a relatively affordable housing market with median home prices typically below national medians and median rents at or below national rates. Figure II-1 illustrates these trends by plotting median sale prices for the United States, the State of Tennessee, the Memphis Metro, Shelby County, and the City of Memphis over the past 5 years.

Figure II-1.
Median Home Price Trends



Source: Zillow Research Data.

However, housing prices relative to national markets is not the best indicator of affordability in a given market. Rather, housing prices should be considered relative to the incomes of residents within that market. Figure II-2 shows trends in median rent and median home values relative to median incomes of renters and owners in the Memphis Metro. Changes over time demonstrate that home prices in the rental market are increasing at a slightly lower rate than incomes, while home prices in the ownership market are increasing at a higher rate than incomes, resulting in inconsistent levels of affordability in recent years—as measured at the median.

Figure II-2.
Housing Price and Income, Memphis Metro

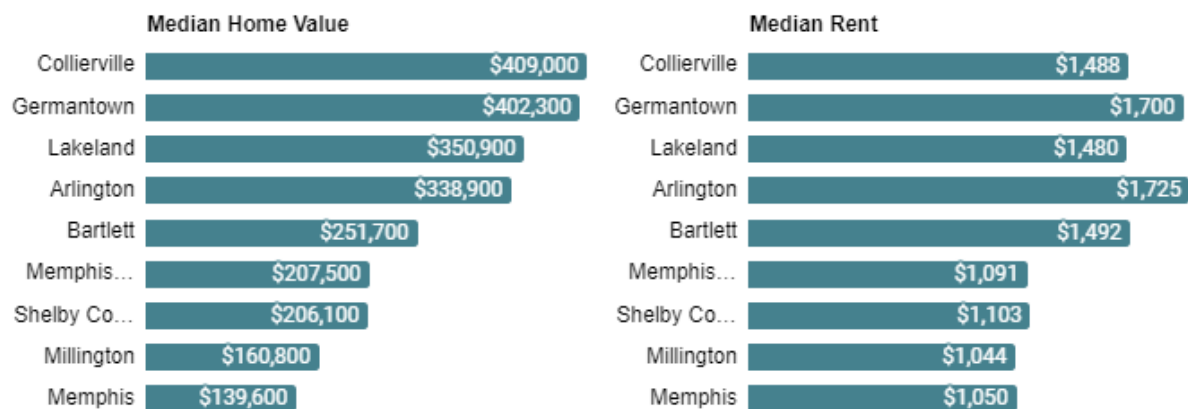
Source:
2015 and 2022 5 yr American
Community Survey.

	2015	2022	Total Change	Compound Annual Growth Rate
Median gross rent	\$849	\$1,091	29%	3.6%
Median renter household income	\$28,626	\$39,464	38%	4.7%
Median home value	\$133,300	\$207,500	56%	6.5%
Median owner household income	\$63,475	\$84,930	34%	4.2%

Figure II-3 shows the median rent and home value for the Metro, the City of Memphis, Shelby County, and towns/cities in Shelby County. Note that the Shelby County data do include the City of Memphis (median price data are not available for the county excluding Memphis).

Collierville has the highest median home value at \$409,000 and one of the highest median rents at \$1,488 per month (including utilities). The City of Memphis has both the lowest median home value (\$139,600) and one of the lowest median rents (\$1,050).

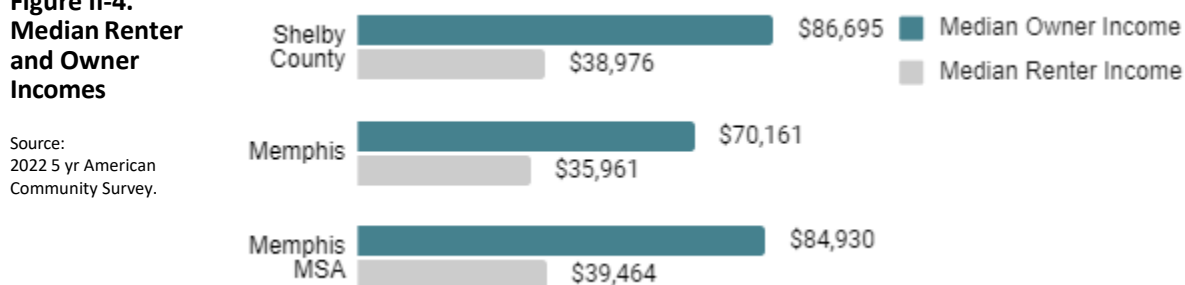
Figure II-3.
Median Rent and Median Home Value by Jurisdiction, 2022



Source: 2022 5 yr American Community Survey.

Figure II-4 shows the difference in incomes for renters and owners in Memphis, Shelby County, and the Metro. Not surprisingly, renter incomes are much lower than owner incomes—in each jurisdiction shown, median renter incomes are nearly half that of owners. In general, Memphis households—both owners and renters—have a lower median income than county households.

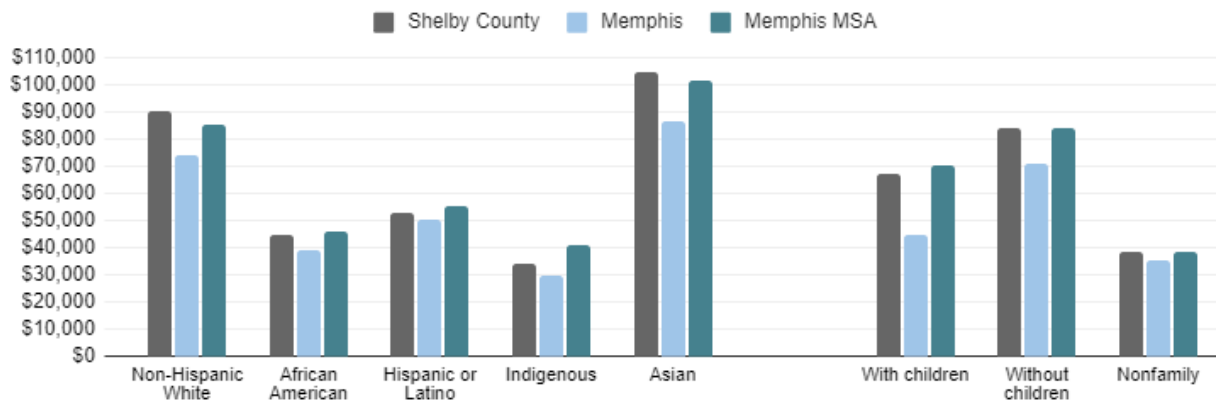
Figure II-4.
Median Renter and Owner Incomes



Source:
2022 5 yr American
Community Survey.

In the context of this fair housing analysis, affordability concerns and housing needs are viewed through the perspective of disparities by protected class. Affordability can become a fair housing issue if/when protected class groups are disproportionately impacted by housing prices and problems. Figure II-5 shows median income by race/ethnicity and by familial status to identify which groups may be most vulnerable to affordability changes.

Figure II-5.
Median Income by Race/Ethnicity and Housing Type, 2022



Source: 2022 5 yr American Community Survey.

In both Memphis and Shelby County, non-Asian minority households have significantly lower median incomes than non-Hispanic white households. Family households have higher median incomes than non-family households but among families, those without children have higher median incomes than those with children.

Patterns in Tenure and Affordability

In the Memphis Metro Area overall, 61 percent of all households are owners and 39 percent are renters. The City of Memphis has a much lower ownership rate (47% of households are owners) compared to the balance of Shelby County, in which 76 percent of households are owners.

Figure II-6 displays the total households and the percent of those households that are owners (ownership rate) by household type and by racial/ethnic group. It also calculates the difference in ownership rates between families with and without children and between non-Hispanic whites and the largest racial/ethnic groups (African American and Hispanic). Differences of 20 percentage points or more are considered substantial disparities and are highlighted for emphasis.

In the City of Memphis disparities in ownership are evident by household type and by race/ethnicity:

- Families without children are nearly twice as likely to own their homes as families with children;
- Sixty-four percent of non-Hispanic white householders are owners, compared to just 39 percent of African American householders and 43 percent of Hispanic householders.

In Shelby County outside of Memphis ownership rates are significantly higher across all household types and racial/ethnic groups than in the City of Memphis. Even so, some disparities persist, particularly for Hispanic householders (59% owners) compared to non-Hispanic white householder (84% owners). There are also differences between non-Hispanic white and African American ownership rates (21 percentage point difference) and between families with and without children (25 percentage point difference).

Figure II-6.
Homeownership Rates by Household Type and Race/Ethnicity, 2022

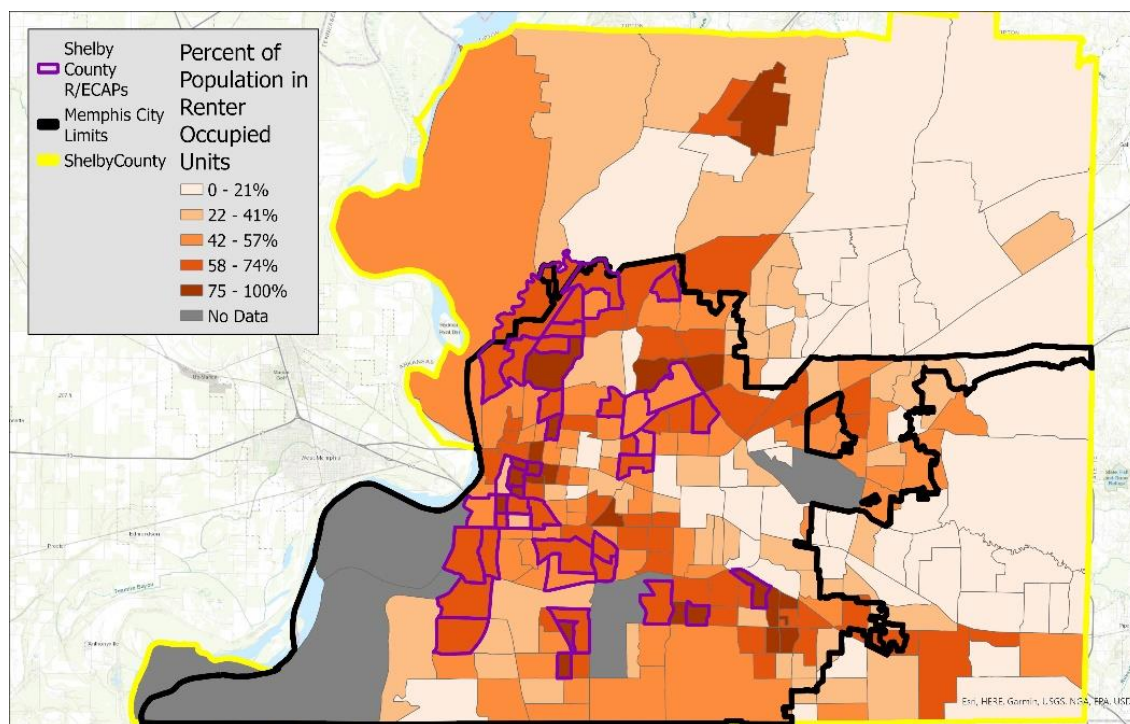
Household Type and Race/Ethnicity of Householder	Memphis		Shelby County excluding Memphis		Memphis Metro excluding Shelby County	
	Total Households	Ownership Rate	Total Households	Ownership Rate	Total Households	Ownership Rate
Homeownership Rates						
All Households	251,586	47%	106,253	76%	152,610	74%
Families with children	69,856	30%	38,222	68%	53,703	55%
Families without children	68,092	77%	41,511	93%	56,684	98%
Non-family households	112,886	39%	26,371	60%	41,550	66%
Race/Ethnicity of Householder						
Non-Hispanic white	72,762	64%	64,272	84%	94,631	82%
Black or African American	158,092	39%	32,239	63%	49,492	57%
Hispanic	12,708	43%	3,025	59%	4,093	63%
Asian or Pacific Islander	3,871	56%	4,936	67%	1,130	87%
Some other race	5,590	42%	847	54%	1,755	58%
Two or more Races	6,641	43%	2,721	70%	3,962	72%
Differences in Ownership Rate						
<i>Families with/without children difference</i>		-47%		-25%		-43%
<i>Black/non-Hispanic white difference</i>		-25%		-21%		-25%
<i>Hispanic/non-Hispanic white difference</i>		-21%		-25%		-19%

Note: Data presented are numbers of households, not individuals.

Source: 2022 5 yr American Community Survey.

Figure II-7 maps tenure by neighborhood in Shelby County. Darker shading indicates a higher proportion of renters. Not surprisingly, R/ECAP neighborhoods tend to have high proportions of renters. Within the county (outside of Memphis), there are relatively few areas with high proportions of renters. One notable exception is the neighborhood surrounding the Millington Airport (in north central Shelby County). This neighborhood includes the Mid-South Naval Base, and its high percentage of renters is primarily related to military housing in the Census tract.

Figure II-7.
Proportion of Renters by Census Tract, 2020



Source: 2020 5 yr American Community Survey.

Disproportionate Housing Needs

HUD provides Comprehensive Housing Affordability Strategy (CHAS) data to assess the differences in housing needs among household groups. “Housing problems” are defined by HUD as units having incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burdened households – households paying greater than 30 percent of their monthly income on housing costs (including utilities). “Severe” housing problems include all of the above except that severely cost burdened households are spending greater than 50 percent of their monthly income on housing costs.

Housing needs by household type and race/ethnicity. Figure II-8 shows the housing needs of households by race/ethnicity and familial status in the City of Memphis, Shelby County excluding Memphis, and the Memphis Metro excluding Shelby County based on HUD CHAS data.

In the Metro area as a whole, 32 percent of households experience at least one of the four housing problems. The percentage of all households with a housing problem is higher in the City of Memphis (38%) than in the balance of the county (23%), and balance of the Metro (28%). Housing problems are much higher for minority residents (especially Black and Hispanic residents) in the city and—to a lesser extent—in the county and metro, while non-Hispanic white and Asian residents are less likely to suffer from housing problems. Analyzed by household type and size, larger families and non-family households are more likely to experience housing problems than smaller families, with one exception for larger families in the balance of the county.

**Figure II-8.
Demographics
of Households
with Housing
Needs**

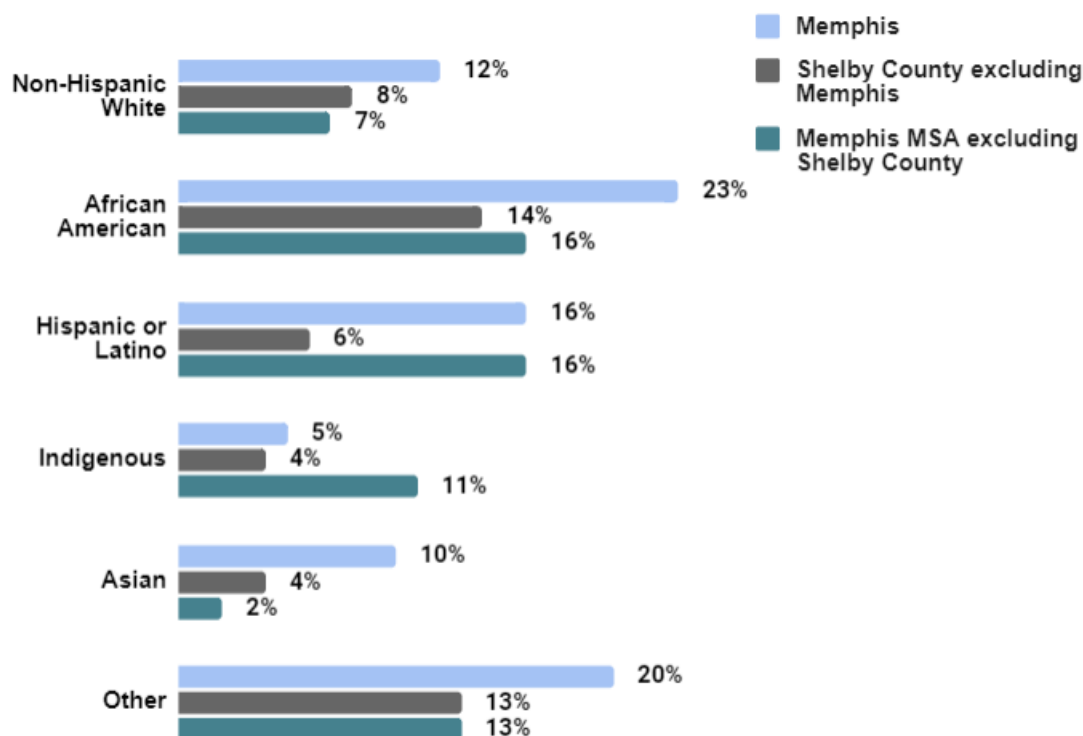
Note:
The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%. The four severe housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 50%.

Source:
2016-2020 CHAS data.

Households Experiencing Any of 4 Housing Problems	Memphis			Shelby County excluding Memphis			Memphis Metro excluding Shelby County		
	Total Households	# with Problems	% with Problems	Total Households	# with Problems	% with Problems	Total Households	# with Problems	% with Problems
Total	255,755	97,825	38%	100,850	23,620	23%	152,125	38,905	26%
Race/Ethnicity									
Non-Hispanic White	75,825	19,205	25%	63,475	12,390	20%	96,275	18,458	19%
African American/Black	159,030	71,035	45%	28,480	9,035	32%	47,906	17,892	37%
Hispanic	12,225	5,110	42%	3,045	1,015	33%	3,967	1,353	34%
Asian or Pacific Islander	4,080	929	23%	4,290	750	17%	1,051	291	28%
Native American	330	95	29%	105	4	4%	224	78	35%
Other, Non-Hispanic	4,265	1,451	34%	1,450	426	29%	2,702	833	31%
Household Type and Size									
Family households, <5 people	121,130	38,970	32%	65,640	11,895	18%	93,005	18,465	20%
Family households, 5+ people	19,015	9,725	51%	9,870	1,510	15%	16,217	5,548	34%
Non-family households	107,790	49,130	46%	23,665	9,410	40%	41,235	14,890	36%
Households Experiencing Any of 4 Severe Housing Problems									
	Total Households	# with Severe Problems	% with Severe Problems	Total Households	# with Severe Problems	% with Severe Problems	Total Households	# with Severe Problems	% with Severe Problems
Total	255,755	55,720	22%	100,850	11,140	11%	152,125	19,160	13%
Race/Ethnicity									
Non-Hispanic White	75,825	10,325	14%	63,475	5,765	9%	96,275	8,460	9%
African American/Black	159,030	40,790	26%	28,480	4,345	15%	47,906	9,130	19%
Hispanic	12,225	3,124	26%	3,045	465	15%	3,967	932	23%
Asian or Pacific Islander	4,080	534	13%	4,290	321	7%	1,051	157	15%
Native American	330	19	6%	105	4	4%	224	24	11%
Other, Non-Hispanic	4,265	928	22%	1,450	240	17%	2,702	457	17%

Figure II-9 focuses on households with severe cost burden—spending 50 percent or more of their income on housing costs. At this level, households live on the edge, just one medical bill, accident, natural disaster, or job layoff away from homelessness. In Memphis, and the balance of Shelby County and the Metro area, Black residents are nearly twice as likely to experience severe housing cost burden as non-Hispanic white residents. This is true for Hispanic and Indigenous households in the balance of the Metro as well. Hispanic households appear to be nearly three times as likely to experience severe housing cost burden in the City and balance of the Metro area than the balance of Shelby County.

Figure II-9.
Severe Cost Burden by Race/Ethnicity, 2020



Note: Percent shown reflects proportion of households in each category that spend 50% or more of their income on housing costs.

Source: 2016-2020 CHAS data.

Housing burden by neighborhood. The most frequently experienced housing problem is housing cost burden (monthly housing costs including utilities exceeding 30% of monthly income). Looking at housing burden alone, the patterns documented above hold up geographically across neighborhoods within Memphis, but less so in the County (outside of the City) and in the Region.

Looking at housing burden within R/ECAP neighborhoods (Figures II-10 and II-11), it is clear that renters in these areas frequently experience higher housing cost burden than non-R/ECAP tracts. Interestingly though, this is less true for owner households within R/ECAP tracts.

Figure II-10.
Percent of Households with Housing Burden (Mortgages), 2020

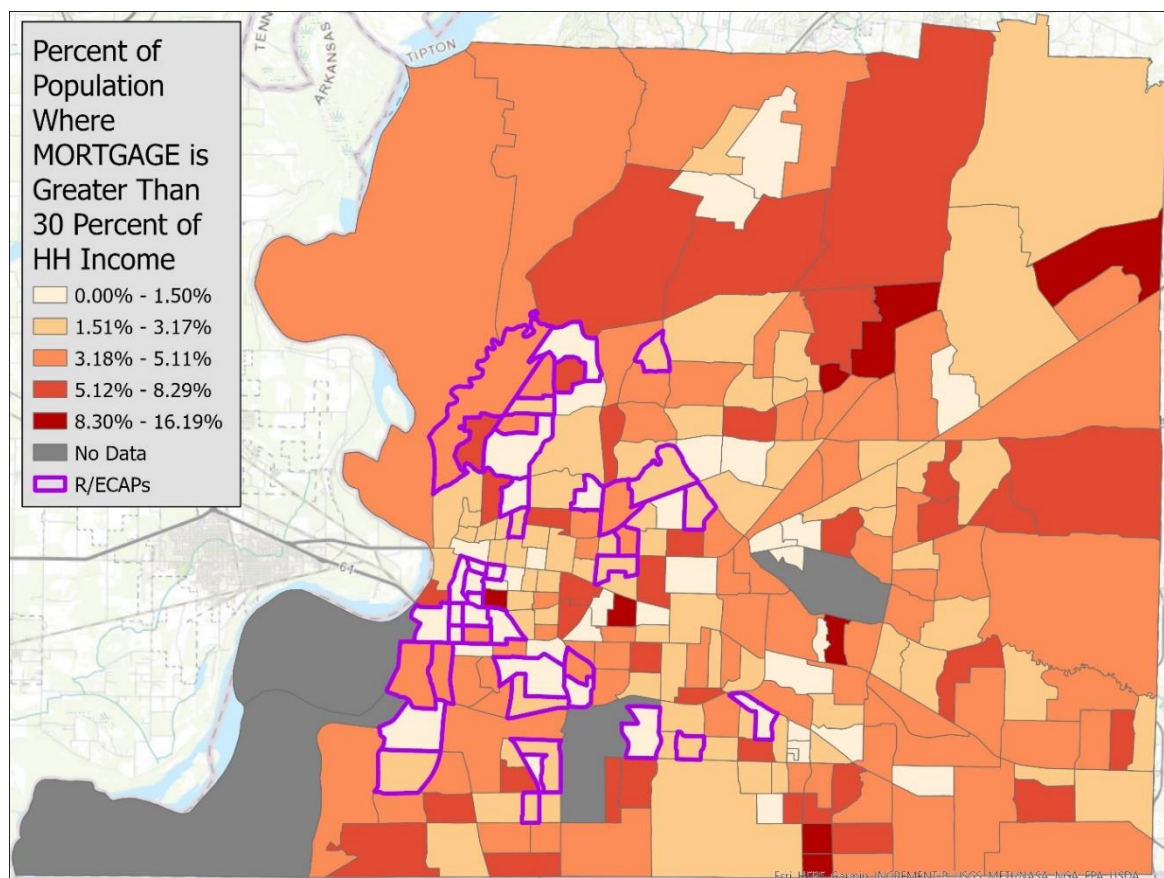
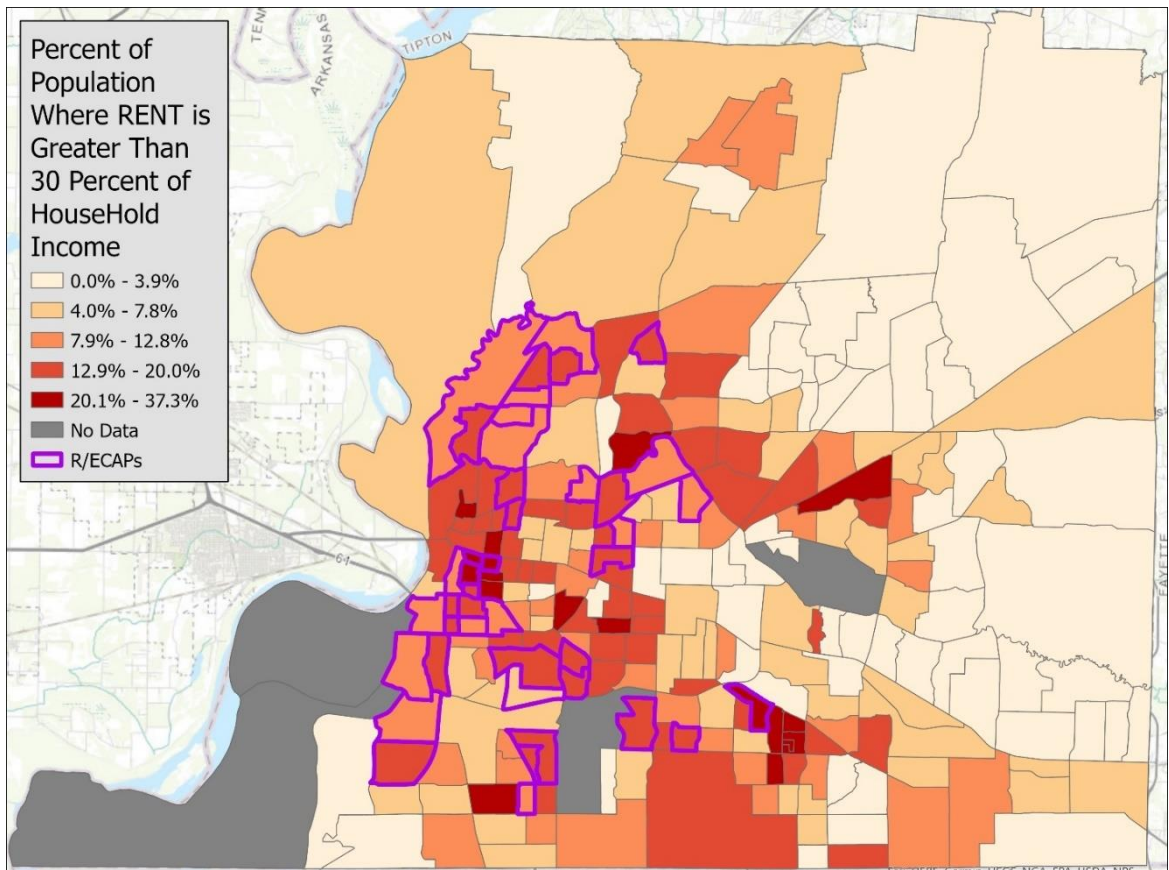


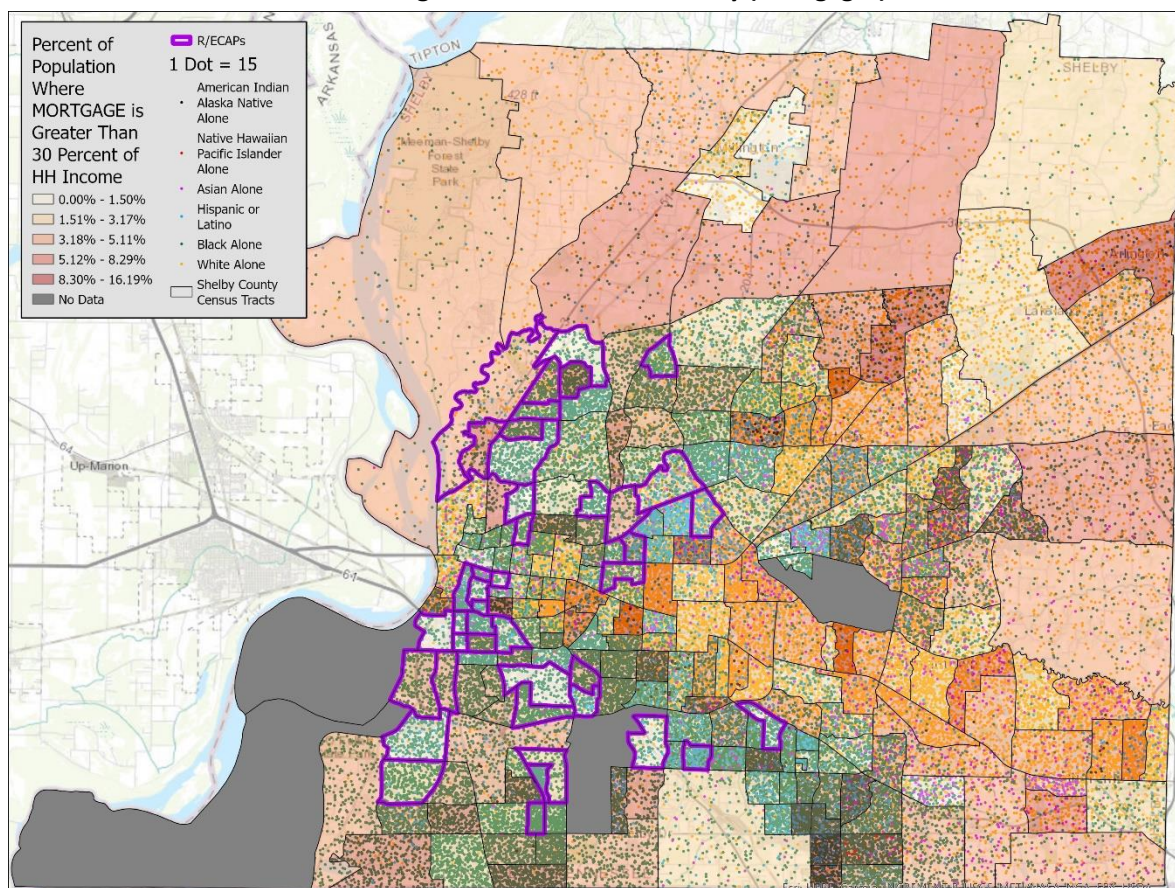
Figure II-11.
Percent of Households with Housing Burden (Renters), 2020



Source: 2020 5 yr American Community Survey.

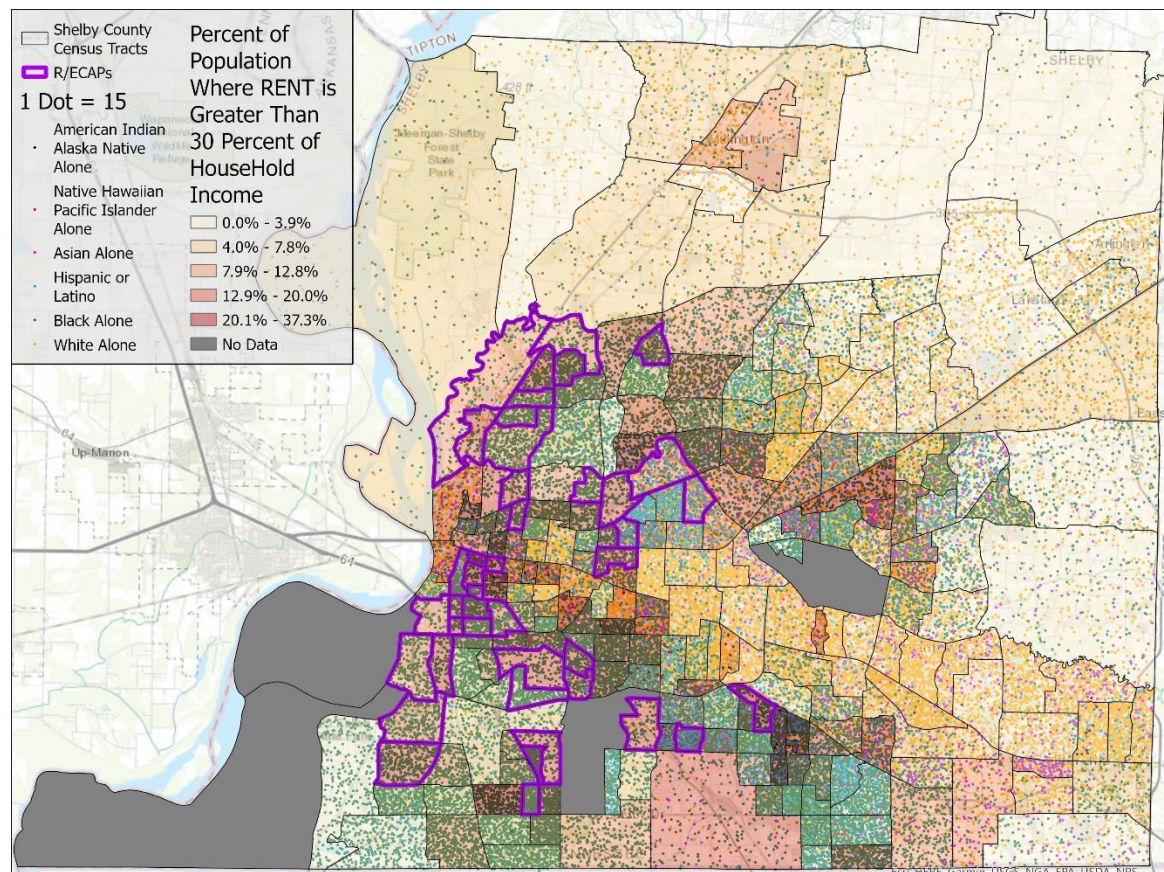
Figures II-12 and II-13, on the following page, shows housing burden along with race/ethnicity for Memphis and Shelby County. Many areas with high housing burden (shown by darker shading) align with areas that have a high proportion of African American residents.

Figure II-12.
Percent of Households with Housing Burden and Race/Ethnicity (Mortgages), 2020



Source: 2020 5 yr American Community Survey.

Figure II-13.
Percent of Households with Housing Burden and Race/Ethnicity (Renters), 2020



Source: 2020 5 yr American Community Survey.

Mortgage Lending

This portion of the Housing Patterns section focuses on private sector actions that could present barriers to fair housing choice, specifically considering barriers to ownership based on trends in mortgage lending. It begins with input from the National Fair Housing Association (NFHA), which has been investigating lending institutions in the region for potential violations of the Fair Housing Act and was interviewed as a stakeholder for this study in 2019. Their input is followed by an analysis of current Home Mortgage Disclosure Act (HMDA) data, which report lending activity of financial institutions.

NFHA Input. The NFHA was interviewed by the study team as part of the 2019 fair housing analysis to provide feedback on barriers to ownership caused by lending institutions in the Memphis Region. The core findings from NFHA's evaluation are below, and are still relevant today.

- There are disparities in maintenance of real estate owned (REO) properties in Memphis, specifically a lack of maintenance and marketing of properties located in communities of color.
- Modern-day redlining appears to be occurring in North and South Memphis, despite recent legal actions against lending institutions.¹

- Minimum loan amounts—typically set around \$50,000—have a disproportionate impact on communities of color in Memphis, notably in North and South Memphis where home values are relatively low.²
- Some developers noted challenges in getting a fair appraisal for new construction in redevelopment areas where there are not enough appropriate comps to correctly value new construction projects. This impacts potential buyers’ ability to secure a mortgage.
- Some residents and stakeholders feel that insurance companies are inflating replacement values which results in paying higher insurance rates.

Mortgage lending. HMDA data are widely used to examine potential discrimination in mortgage lending. Financial institutions have been required to report HMDA data since the 1970s, when civil rights laws prompted higher scrutiny of lending activity. The variables contained in the HMDA dataset have expanded over time, allowing for more comprehensive analyses and better results. However, despite expansions in the data reported, public HMDA data remain limited because of the information that is *not* reported. As such, studies of lending disparities that use HMDA data carry a similar caveat: HMDA data can be used to determine disparities in loan originations and interest rates among borrowers of different races, ethnicities, genders, and location of the property they hope to own. The data can also be used to explain many of the reasons for any lending disparities (e.g., poor credit history). Violations of fair lending, practices, however, generally originate with federal regulators who have access to a broader set of information (e.g., borrower loan files) related to lending practices.

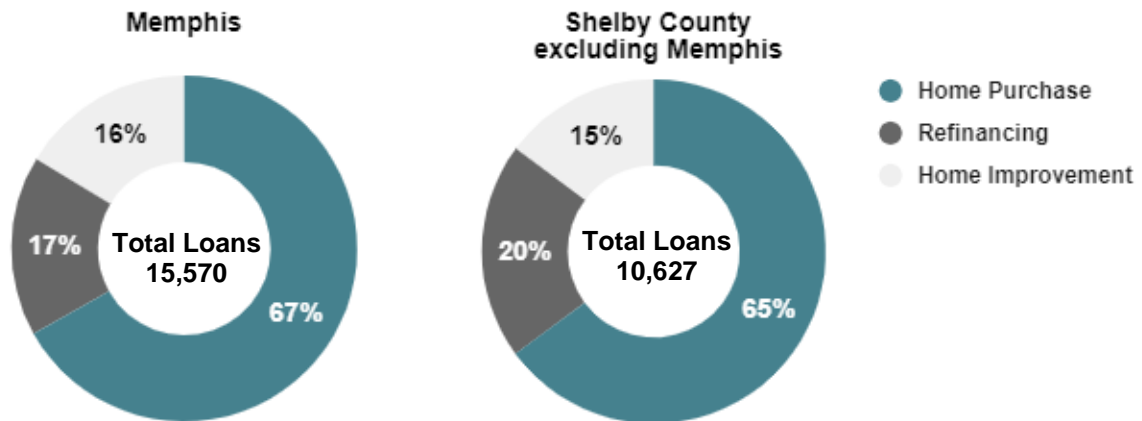
This section uses the analysis of HMDA data to determine if disparities in loan approvals and terms exist for loan applicants of different races and ethnicities. The HMDA data analyzed in this section reflect loans applied for by residents in 2022, the latest year for which HMDA were publicly available at the time this document was prepared.

Loan applications. Figure II-14 shows loan applications by type in 2022 in Memphis and the balance of Shelby County. In 2022, there were 15,570 loan applications filed in Memphis and another 10,627 loan applications filed elsewhere in Shelby County for owner-occupied homes. Between 15 and 16 percent were home improvement applications, 17-20% were refinance applications, and the remainder were home purchase applications (65-67%).

¹ NFHA also cited the following article in discussing this finding: <https://www.revealnews.org/article/is-this-the-new-redlining-how-people-of-color-are-being-shut-out-of-buying-homes/>

² Minimum loan amounts are a threshold below which the financial institution will not underwrite a mortgage loan.

Figure II-14.
Loan Application Purpose, 2022



Note: Does not include loans for multifamily properties or non-owner occupants..

Source: FFIEC HMDA Raw Data.

Outcome of loan applications. Figure II-15 shows the result of loan applications, by location of the property. In Shelby County excluding Memphis 55 percent of loan applications were originated—meaning the loan was approved by the financial institution and accepted by the application. That compares to 53 percent in the City of Memphis.

In addition to the distribution of loan outcomes, BBC calculated a separate “denial rate,” defined as the number of denied loan applications divided by the total number of applications excluding withdrawn applications and application files closed for incompleteness. This measure of denial provides a more accurate representation of applications with an opportunity for origination and is consistent with the methodology used by the Federal Reserve in analyzing HMDA denial data. The denial rate was higher in the City of Memphis (19%) than in the remainder of Shelby County (14%).

Figure II-15.
Action Taken on Loan Applications, 2022

Action Taken	Memphis		Shelby County excluding Memphis	
	Frequency	Percent	Frequency	Percent
Loan Purchased	1,857	12%	1,603	15%
Application approved but not accepted			456	3%
Application denied by financial institution	2,457	16%	1,266	12%
Application withdrawn by applicant	2,091	13%	1,228	12%
File closed for incompleteness	464	3%	396	4%
Loan originated	8,245	53%	5,882	55%
Total	15,570	100%	10,627	100%
Denial rate*	19%		14%	

Note: Does not include loans for multifamily properties or non-owner occupants. Denial Rate is the number of denied loan applications divided by the total number of applications, excluding withdrawn applications and application files closed for incompleteness.

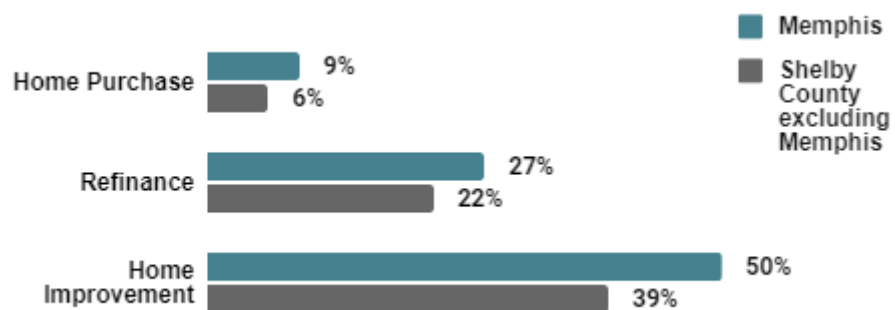
Source: FFIEC HMDA Raw Data.

Figure II-16 shows denial rates by loan type. Home improvement and refinance loans have much higher denial rates than do home purchase loans: county wide denial rates were 29 percent for improvement loans and 31 percent for refinance loans originated compared to 7 percent for home mortgage loans.

The denial rates for each loan purpose were higher in the City of Memphis than in the balance of Shelby County.

Figure II-16.
Denial Rate by Loan Purpose, 2022

Note:
Does not include loans for multifamily properties or non-owner occupants. Denial Rate is the number of denied loan applications divided by the total number of applications, excluding withdrawn applications and application files closed for incompleteness.



Source: FFIEC HMDA Raw Data.

Outcome of applications by race and ethnicity. In 2022, 33 percent of applicants for residential mortgage, home improvement or refinance loans classified their race/ethnicity as non-Hispanic white. Twenty-six percent were African American, 4 percent were Asian, 4 percent were Hispanic and less than 1 percent identified as another non-Hispanic minority (Native American or Native Hawaiian/Pacific Islander). Twenty-five percent did not provide race information, compared to 10% in 2017.

Figure II-17 shows the outcome of applications, along with the denial rate, by race and ethnicity for Shelby County overall. Among applicants that disclosed their race/ethnicity, denial rates were highest for African American (32%), followed by Other non-Hispanic minority applicants (30%). The denial rate for non-Hispanic white and Asian applicants was much lower at 12 percent and 13 percent, respectively.

Figure II-17.
Action Taken on Loan Applications by Race/Ethnicity, Shelby County, 2022

	Non-Hispanic White	African American	Asian	Hispanic	Joint	Other Non-Hispanic Minority	Racial/Ethnic Info not Provided by Applicant
Number of loan applications	8,729	6,880	1,165	1,069	300	92	6,613
Percent approved but not accepted	3%	3%	3%	3%	2%	4%	2%
Percent denied by financial institution	10%	26%	10%	17%	9%	22%	7%
Percent withdrawn by applicant	13%	14%	16%	15%	13%	18%	10%
Percent closed for incompleteness	3%	4%	4%	4%	4%	10%	2%
Percent originated	67%	51%	62%	59%	66%	45%	37%
Denial Rate	12%	32%	13%	21%	11%	30%	6%

Note: Does not include loans for multifamily properties or non-owner occupants. Denial Rate is the number of denied loan applications divided by the total number of applications, excluding withdrawn applications and application files closed for incompleteness.

Source: FFIEC HMDA Raw Data.

Figure II-18 shows denial rates by race/ethnicity and geography. The figure also calculates the percentage point difference in denial rates between non-Hispanic white applicants and applicants of other races/ethnicities. Differences of 10 percentage points or more are highlighted for emphasis.

Across all jurisdictions African American applicants and Other minority applicants have disproportionately high denial rates compared to non-Hispanic whites. Hispanic applicants also experienced disproportionately high denial rates in Memphis compared to non-Hispanic whites. Disparities by race/ethnicity are greatest in the City of Memphis.

Figure II-18.
Action Taken on Loan Applications by Race/Ethnicity, Memphis and Shelby County, 2022

	City of Memphis		Shelby County Excluding Memphis	
	2017	2022	2017	2022
Denial Rate				
All Applicants	21%	19%	17%	14%
Non-Hispanic white	13%	11%	12%	12%
Asian	12%	13%	10%	12%
African American	32%	35%	26%	26%
Hispanic	18%	21%	14%	20%
Other non-Hispanic minority	34%	33%	31%	26%
Racial/ethnic information not provided by applicant	36%	9%	30%	7%
<i>Asian/NHW Difference</i>	-1%	2%	-2%	0%
<i>African American/NHW Difference</i>	19%	24%	14%	14%
<i>Hispanic/NHW Difference</i>	5%	10%	2%	8%
<i>Other/NHW Difference</i>	21%	22%	19%	14%

Note: Does not include loans for multifamily properties or non-owner occupants. Denial Rate is the number of denied loan applications divided by the total number of applications, excluding withdrawn applications and application files closed for incompleteness.

Source: FFIEC HMDA Raw Data.

Reasons for differences and trends. There are many reasons why denial rates may be higher for certain racial and ethnic groups. First, some racial and ethnic groups are very small, so the pool of potential borrowers is limited and may skew towards lower income households, since minorities typically have lower incomes. Figure II-19 examines differences in loan denial rates by income range. Loan applicants were grouped into one of three income ranges:

- Applicants earning less than 80 percent of the HUD Median Family Income (MFI) at the time—or less than \$61,840;
- Applicants earning between 80 and 120 percent MFI—\$61,840 and \$92,760; and
- Applicants earning greater than 120 percent MFI—\$92,760 and more.

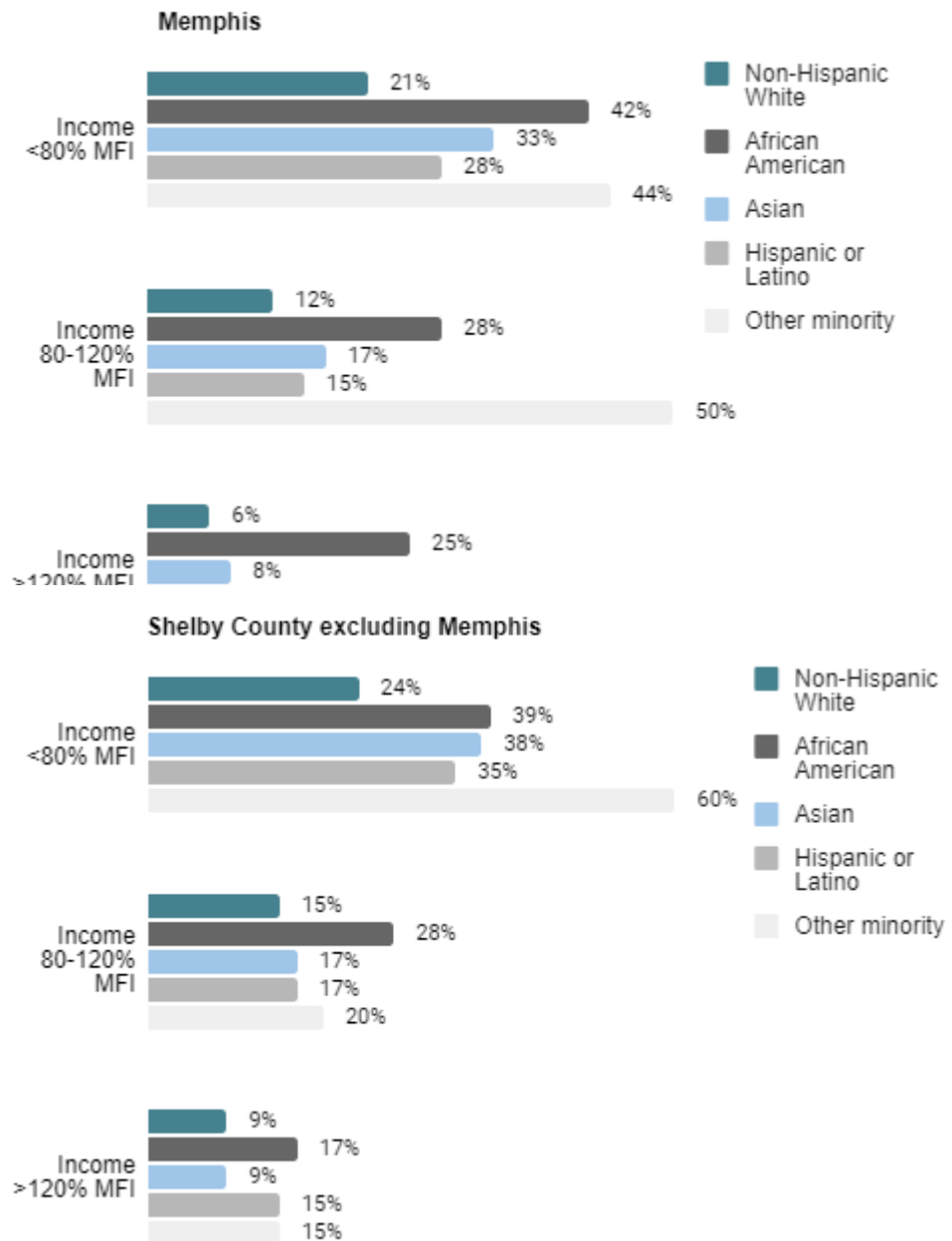
As shown by Figure II-19, the disparity in denial rates persists for African American and other non-Hispanic minority applicants, even at higher incomes. The one exception is for Asian applicants earning above 120% of MFI, when denial rates are comparable to non-Hispanic white applicants.

Figure II-19.
Denial Rate by
Race/Ethnicity
and Income,
Memphis and
Shelby County,
2022

Note:
Does not include loans for
multifamily properties or
non-owner occupants.
Denial Rate is the number
of denied loan
applications divided by
the total number of
applications, excluding
withdrawn applications
and application files
closed for
incompleteness.

Source:
FFIEC HMDA Raw Data.

Loan denial
rates can also
vary by race and
ethnicity based
on the type of
loans applied for
by applicants.
Denial rates are
typically highest
for home
improvement
loans, often
because the
additional debt
will raise the
loan to value
ratios above the
levels allowed by a financial institution.



In the region as a whole, African American applicants were less likely to apply for home purchase loans than non-Hispanic white applicants: African American applicants accounted for 29 percent of loan applications for home purchases, compared to 49 percent of non-Hispanic white applications – based on applicants that chose to self-identify their race/ethnicity.

African American applicants were also less likely to apply for refinancing loans (24% of loan applications) than non-Hispanic white applicants (67%).

Figure II-20 displays the denial rate by race and ethnicity and loan purpose. Denial rates for home purchases are comparatively low across racial and ethnic groups compared to other loan purposes but are highest for African Americans. African Americans and non-Asian minority groups experience

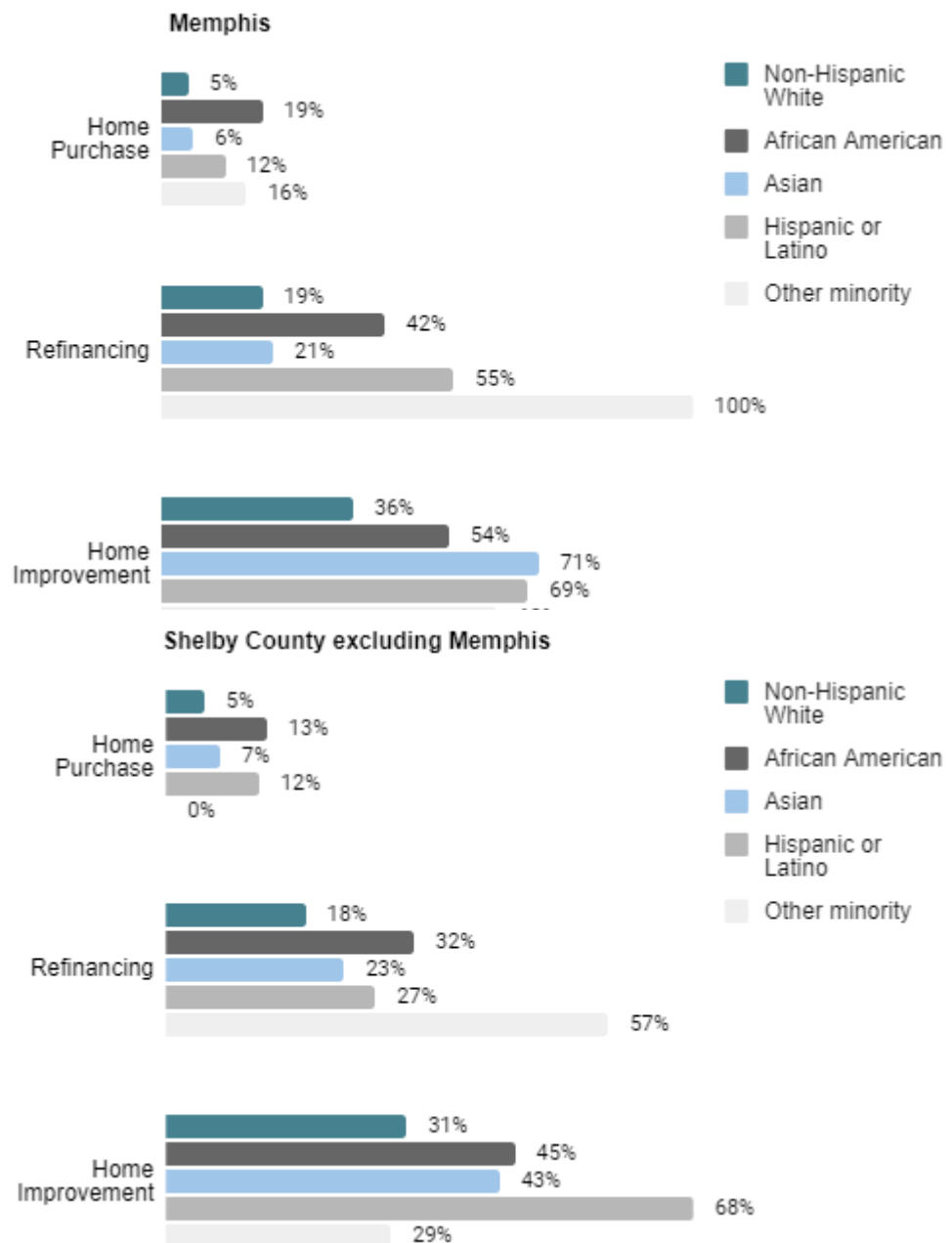
higher rates of denial for refinancing applications than non-Hispanic white and Asian applicants. Denial rates for refinancing are significantly lower among non-Asian minority groups in the balance of Shelby County than they are in Memphis. (There were too few home improvement loan applications for individual racial/ethnic categories for analysis).

Figure II-20.
Denial Rate by
Race/Ethnicity
and Loan
Purpose,
Memphis and
Shelby County,
2022

Note:
Does not include loans
for multifamily
properties or non-
owner occupants.
Denial Rate is the
number of denied loan
applications divided by
the total number of
applications, excluding
withdrawn applications
and application files
closed for
incompleteness.
Excludes denial rates
when fewer than 20
loans were made;
denoted as N/A.

Source:
FFIEC HMDA Raw Data.

HMDA data
contain some
information on
why loans were
denied, which
can help to
explain
differences in
denials among
racial and ethnic
groups. Figure II-
21 shows the
reasons for
denials in Shelby
County by race/ethnicity.



Among Hispanic applicants and African American applicants, the most common reason for denial was credit history (36% and 47%, respectively). Among Asian and non-Hispanic white applicants, the most common reason was debt-to-income ratio (39% and 32%, respectively). That reason also ranked highly among Hispanic applicants (34%) and African American applicants (24%).

Figure II-21.
Reasons for Denial by Race/Ethnicity, Shelby County, 2022

	Non-Hispanic White	African American	Asian	Hispanic
Collateral	12%	9%	12%	6%
Credit application incomplete	12%	7%	16%	9%
Credit history	29%	47%	24%	36%
Debt-to-income ratio	32%	24%	39%	34%
Employment history	9%	1%	1%	2%
Insufficient cash (downpayment, closing costs)	1%	2%	2%	2%
Mortgage insurance denied	0%	*0%	0%	0%
Other	7%	7%	4%	5%
Unverifiable information	4%	3%	3%	5%
n=	858	1,810	121	184

Note: Does not include loans for multifamily properties or non-owner occupants. *n=1.

Source: FFIEC HMDA Raw Data.

Subprime analysis. The subprime lending market declined significantly following the housing market crisis. Subprime lending has increased in the last few years, though not back to its peak of 25 percent in 2006. Nationally, in 2022, about 5 percent of conventional home purchases were subprime.^{3,4}

In 2022, in Shelby County 8.7 percent of originated loans were subprime, up from 6.5 percent in 2017. As shown in Figure II-22, the incidence of subprime loans increased for Asian and Hispanic borrowers in Shelby County between 2017 and 2022, while decreasing significantly for African American borrowers. This is likely due to forty-six percent of loans originated for African American lenders in 2022 being FHA or VA first-time homebuyer loans – which have lower interest rates, compared to 16% of these loan types among all racial and ethnic groups.

³ For the purposes of this section, “subprime” is defined as a loan with an APR of more than three percentage points above comparable Treasuries. This is consistent with the intent of the Federal Reserve in defining “subprime” in the HMDA data.

⁴ https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfc_hmda_2017-mortgage-market-activity-trends_report.pdf

Figure II-22.
Subprime Loans by
Race/Ethnicity, Shelby
County, 2017 and 2022

Note:
Does not include loans for multifamily
properties or non-owner occupants.

Source:
FFIEC HMDA Raw Data, 2017 and 2022

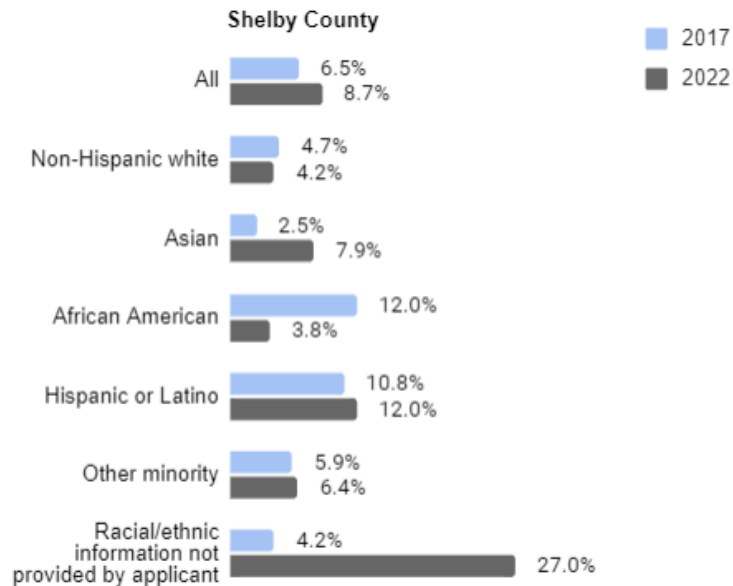


Figure II-23 shows the proportion of originated loans that have subprime interest rates by race/ethnicity and geography. Asian and Hispanic borrowers in the City of Memphis were much more likely than non-Hispanic white and African American borrowers to receive subprime rates in 2022, while there is little difference in subprime loan originations among various racial and ethnic groups in the balance of Shelby County.

Figure II-23.
Subprime Loans by Race/Ethnicity, Memphis and balance of Shelby County, 2017 and 2022

	City of Memphis		Shelby County Excluding Memphis	
	2017	2022	2017	2022
Percent of Originated Loans that are Subprime				
All Applicants	8%	11%	5%	4%
Non-Hispanic white	4%	6%	4%	2%
Asian	3%	16%	2%	2%
African American	15%	4%	10%	3%
Hispanic	14%	14%	9%	7%
Other non-Hispanic minority	10%	7%	7%	5%
Racial/ethnic information not provided by applicant	6%	32%	3%	16%
<i>Asian/NHW Difference</i>	-1%	10%	-2%	0%
<i>African American/NHW Difference</i>	11%	-2%	6%	1%
<i>Hispanic/NHW Difference</i>	10%	8%	5%	5%
<i>Other/NHW Difference</i>	6%	1%	3%	3%

Note: Does not include loans for multifamily properties or non-owner occupants.

Source: FFIEC HMDA Raw Data 2017 and 2022.

Bank on Memphis. Shelby County and the City of Memphis participate in the Bank On Memphis Financial Literacy Program. Bank On Memphis is a public-private partnership between the City of Memphis, Shelby County government, financial institutions and nonprofits to encourage the

unbanked to establish an account at a mainstream financial institution. According to Bank On Memphis 40% of the Memphis Metro Area is unbanked or underbanked.

Downpayment Assistance Programs. In an effort to address lending discrimination, Shelby County and the City of Memphis offer down payment assistance programs. Shelby County's Down Payment Assistance (DPA) Program assists low-to- moderate income individuals in covering a portion of the down payment and closing costs associated with purchasing a home. Funds may be used to purchase an existing home or a newly constructed home anywhere within the boundaries of Shelby County as long as the purchase price does not exceed \$400,000. Up to \$6,000 is available as a 3 percent loan and repayment terms can extend up to fifteen years (180 months). The City of Memphis also has a Down Payment Assistance (DPA) Program that assists low-to- moderate income individuals meet the down payment and closing costs associated with purchasing a home. This program provides assistance up to 10% of the sales price, not to exceed \$25,000. Max sale prices are based on HUD HOME Value Limits, which are currently \$247,000 for an existing home, and \$285,000 for new construction – for a single-family home.

Land Use and Zoning

A matrix listing types of regulations and policies in land development codes that are indicators of impediments to fair housing was developed to show some areas where potential barriers to fair housing may exist. The review considered land development policies, zoning and subdivision regulations. Building codes were also reviewed to determine if nationally- recognized building codes are adopted and the relationship of those codes to HUD-accepted codes (called "safe harbor" codes).

Shelby County and the City of Memphis share a zoning Code, called the Unified Development Code (UDC), which governs land use in the City of Memphis and unincorporated Shelby County. Incorporated portions of Shelby County outside Memphis are governed by land use and zoning codes of their respective municipalities. The analysis below focuses on the UDC, since this AI is being conducted specifically for the City of Memphis and the Shelby County governments. The UDC was updated in 2022 to allow increased diversity among housing types across more neighborhoods. Some notable changes include allowing small multifamily (duplex, triplex, townhomes, etc.) and "large homes" (usually 4-6 units) by right in more zoning districts, and allowing accessory dwelling units (ADU's) by right on lots over 7,000 sq ft.

Some of the key factors in land development codes that most commonly result in barriers to fair housing choice and reasonable accommodation include:

- Site Standards: Large lots or excessive setbacks between structures or from streets that can increase development costs, e.g., special infrastructure;
- Density Limits: Restriction on or prohibition of multifamily housing, low floor area ratios (FAR) for multifamily or mixed-use development, or low density requirements;
- Use-Specific Standards: Special site or operational requirements for group homes for protected classes, e.g., persons with disabilities, that are not required for other residences or groups;

- Public Services: Additional requirements for infrastructure or essential municipal services not required for other residences or dwelling units;
- Definitions and Occupancy: Definitions of family or occupancy limits that prohibit or limit the number of unrelated persons in a household;
- Procedures: Review procedures, public hearings, or notice requirements for different housing types, housing for protected classes, or low-income housing;
- Housing Choice: Limits or prohibitions on alternative affordable housing options such as accessory dwelling units, modular or manufactured homes, and mixed-use developments;
- Spacing: Minimum distance between group homes for protected classes, e.g., persons with disabilities, that are not required for other residences or groups;
- Reasonable Accommodation: Regulations inhibiting modifications to housing for persons with disabilities or their ability to locate in certain neighborhoods; and
- Codes: Local land development codes and standards that are not aligned with federal and state regulations governing fair housing and reasonable accommodation.

The matrix in Figure II-24 groups indicators into four categories based on the common barriers to fair housing choice and drawn from the questions in HUD’s Fair Housing Planning Guide, Chapter 5, related to public policies and actions and zoning laws and policies. A review of comprehensive plans (where adopted) and other ordinances affecting land development, and equitable infrastructure requirements and distribution was beyond the scope of this analysis.

Please note, an observation made by the writers was the particular challenge in reviewing and interpreting of the zoning codes. The layout and cross-referencing proved challenging at times for our planning and development professionals with decades of experience in this field. As we completed this section a concerning question emerged, is this difficulty to review and interpret the zoning codes an obstacle for other planning and development professionals as well as the general public attempting to use them. Furthermore, this dynamic could lead to over- dependency of builders, developers and the general public upon the government staff and departments of the various jurisdictions to determine what uses are permitted by right or not.

Figure II-24.

Indicators of Land Development Code Barriers and Impediments to Fair Housing

INDICATOR		Memphis – Shelby County UDC	
CODES			
1. Zoning Code		Yes	
<i>Do zone districts allow a range of density and dwelling unit types? (Supports the placement of new or rehabilitated housing for lower-income households in a wide spectrum of neighborhoods)</i>		Districts allow a wide range of dwelling unit and density types. Yes, multifamily/apartments are allowed by right in RU-3, RU-4, RU-5, and Central Business Districts, and as a Special Use in Commercial zones. However, the potential prevalence of medium to high density residential use development through the City and County is restricted. See further discussion of “multifamily development in zoning code” after this matrix.	
2. Building Code		Yes	
<i>Are nationally recognized building codes adopted? (Indicates that FHAA and ADA requirements for accessibility are followed)</i>		International Building Code (IBC) contains Accessibility Standards. Note: ADA does not apply to single family residential properties.	
SITE STANDARDS			
3. Large Lot Sizes, Dimensions, or Dwelling Unit Size		Limitations	
<i>Are there large lot size, setbacks, or lot widths or minimum standards for size of dwelling units? (Contributes to increased development costs and discourages attached or multifamily housing)</i>		For subdivisions of ≥ 10 acres, detached housing must be at least 60% of the allowed housing types. These require larger lots with increased setbacks, lot widths, etc.	
4. Requirements Favoring Low Density		No	
<i>Are the maximum densities, Floor Area Ratios (FAR) or building heights low? (Indicator that certain housing types and densities cannot be achieved in a wide spectrum of neighborhoods)</i>		No, not by definition. The maximum density for the FAR or minimum heights appear favorable to multifamily or apartment developments. However, the zoning districts where this type of housing can be developed is restricted.	
5. Site Improvements for New Construction		Yes	
<i>Are there special design requirements for buildings or site improvements that increase development costs? (Contributing factor in increased construction costs and increased housing costs which disproportionately affect lower-income households)</i>		There are landscaping and architectural standards and requirements that do not apply to single-family homes. Though the cost of constructing these added features would potentially not be prohibitive for market rate medium to high density residential use development, that would be used by protected class members. It could potentially be burdensome and an obstacle for development of affordable housing.	

6. Spacing or Dispersal Requirements	No
<i>Are there minimum distances required between group homes or other housing for FHAA protected individuals or groups? (Indicates exclusion or limits to housing choice for FHAA protected groups)</i>	
7. Single Family Development Pattern	Limitations
<i>Do development codes favor single-family lot development over cluster development? (Indicates lack of housing options for a wide spectrum of residents)</i>	Yes. However, Mixed Use Districts may contain a Campus Master Plan zone which permits clustering
8. Floodplain Construction	Yes
<i>Does the zoning code allow construction in floodplains (which is often used for affordable housing and thus is likely to have a disparate impact on FHA-protected residents).</i>	Yes (Sec. 36-108)
USES AND DEFINITIONS	
9. Multifamily Units	Limitations
<i>Are multifamily units allowed? (Exclusion of or prohibition of multifamily residences indicates limited housing options)</i>	Yes, apartments are allowed by right in RU-3, RU-4, RU-5, and Central Business Districts, and as a Special Use in Commercial zones. Duplex and Townhomes are allowed by right in RU-1, RU-2, RU-3, RU-4, and Commercial Zones. Small Multifamily (3-6 units) are allowed by right or as a Special Use in all zones except R-3 and above, CBD and EMP. However, the potential prevalence of medium to high density residential use development through the City and County is restricted.
10. Accessory Dwelling Units (ADUs)	Limitations
<i>Are ADUs allowed? (Indicates flexibility in code for a wide array of housing options)</i>	Yes. A) On lots \geq 7,000 sq. ft. B) Container homes are allowed as ADUs only as a Conditional Use. C) One additional parking space required for 500 sq. ft. of ADU. D) Must be detached.
11. Mobile/Manufactured Homes	Limitations
<i>Are mobile or manufactured homes allowed? (Indicates flexibility in code for a wide array of housing options)</i>	Mobile home parks are a conditional use; manufactured homes are Permitted by Right.
12. Facilities for Persons with Disabilities and Other FHAA Groups Allowed in a Wide Array of Locations	Limitations
<i>Are facilities for FHAA protected individuals or groups excluded from residential zone districts either by use or occupancy restrictions? (If excluded indicates disparate treatment)</i>	Rooming houses are Permitted by Right in 2 commercial zones and by special or conditional use in most zones. Supportive Living and Personal Care Homes for the Elderly are Permitted by Right in 12/13 (respectively)

	zones, unless in an Overlay District. Transitional homes (for those in rehab from mental/ drug/alcohol treatment) are Special Use or not allowed in Districts (e.g. Medical Overlay) regardless of underlying zone.
13. Definition of Family	Limitations
<i>Is there a definition of family and does it allow unrelated individuals, including persons with disabilities to share the same residence?</i>	A Family is ≤ 4 unrelated persons or 8 unrelated mentally retarded, mentally handicapped or physically handicapped persons (+ 3 house parents or guardians). This definition of “family” does not apply to residences wherein mentally retarded, mentally handicapped or physically handicapped persons reside when such residences are operated on a commercial basis.
14. Occupancy Limits or Requirements	Limitations
<i>Are there occupancy limits on the number of persons residing in a dwelling unit (Indicates exclusion of for group or congregate living facilities for persons protected under FHAA)</i>	Restricted to not more than 4 unrelated persons or 8 disabled persons, unless commercial group home. As mentioned, above, Transitional homes (for those in rehab. from mental/ drug/alcohol treatment) are Special Use or not allowed in Districts (e.g. Medical Overlay) regardless of underlying zone.
15. Vague Language	Yes
Does the document use vague language or categories (allows arbitrary or discriminatory interpretation and/or enforcement and may be used to block housing for protected groups)?	The layout and cross-referencing throughout the code could be an obstacle to the general public, planning and development professionals using it independent of government staff. PUDs are subject to requirements for “the screening of objectionable views or uses and reduction of noise...”
POLICIES AND PROCEDURES	
16. Special review, public hearing, or notice?	Yes
<i>Is public input required for exceptions to zoning and land-use rules? (Indicates different treatment of an FHAA protected class if the process is not the same for all applicants)</i>	Overlay district development requires public notice to neighbors within 1000'.
17. Conditional/Special Use	Yes
Is a conditional use or special use process employed (which adds additional risks and requirements such as additional open space, recreation, landscaping, buffers, limits on scale, all of which can increase costs and decrease affordability, and may affect FHAA-protected classes such as residences, group homes, mobile home parks)?	A) Mobile homes, container homes, group homes and rooming houses are by conditional use permit B) Stacked townhomes, apartments, large-home multifamily, and boarding houses/SROs, are by special use approval in some zones.

18. References to Fair Housing Act and Americans with Disabilities Act	Limitations
<i>Do local codes include language that indicates they are instituting regulations that adhere to the provisions of these acts? (Indicates that federal and state provisions are being followed)</i>	Code refers to ADA in general and in regard to sidewalks, street trees and parking; There is no reference to FHA or affordable housing.
19. Able to modify or vary zoning and building standards for reasonable accommodation in residences	Unclear
<i>Do regulations allow persons with disabilities to make modifications to residences for reasonable accommodation? (Indicates flexibility to make housing accessible to disabled persons)</i>	No mention in regulations

Multifamily development in the zoning code. It is difficult to discern where multifamily uses are allowed by right in Memphis/Shelby County. Within the zoning ordinance, the "Multifamily" use is discussed in general, in regard to parking and setbacks and a few other details; however, these sections do not define what categories allow multifamily and whether it is permitted by right or by conditional use. A search on "Multifamily" gives that information.

However, even with this spelling, the results are confusing. Multifamily is universally used to include apartment construction, but Memphis/Shelby County uses it in such a way that the user cannot assume that apartments are allowed. For example, while Residential Urban – 3, 4 and 5 (RU-3, RU-4 and RU-5) allow multifamily uses including apartments, Residential Urban 1 and 2 (RU-1 and RU-2) do not allow apartments. Moreover, because of the nature of past development patterns and the lack of multifamily construction, the definition of new RU-3, RU-4 and RU-5 restricts the availability of multifamily zoning:

"New RU-3 districts are generally located in an infill or redevelopment location where similar lot sizes are part of the original fabric of development. Additionally, RU-3 districts should have a shared street network with and are generally located at least 500 feet from a CMU-1, CMU-2, CMU-3, or CBD district or are within 500 feet of an arterial."

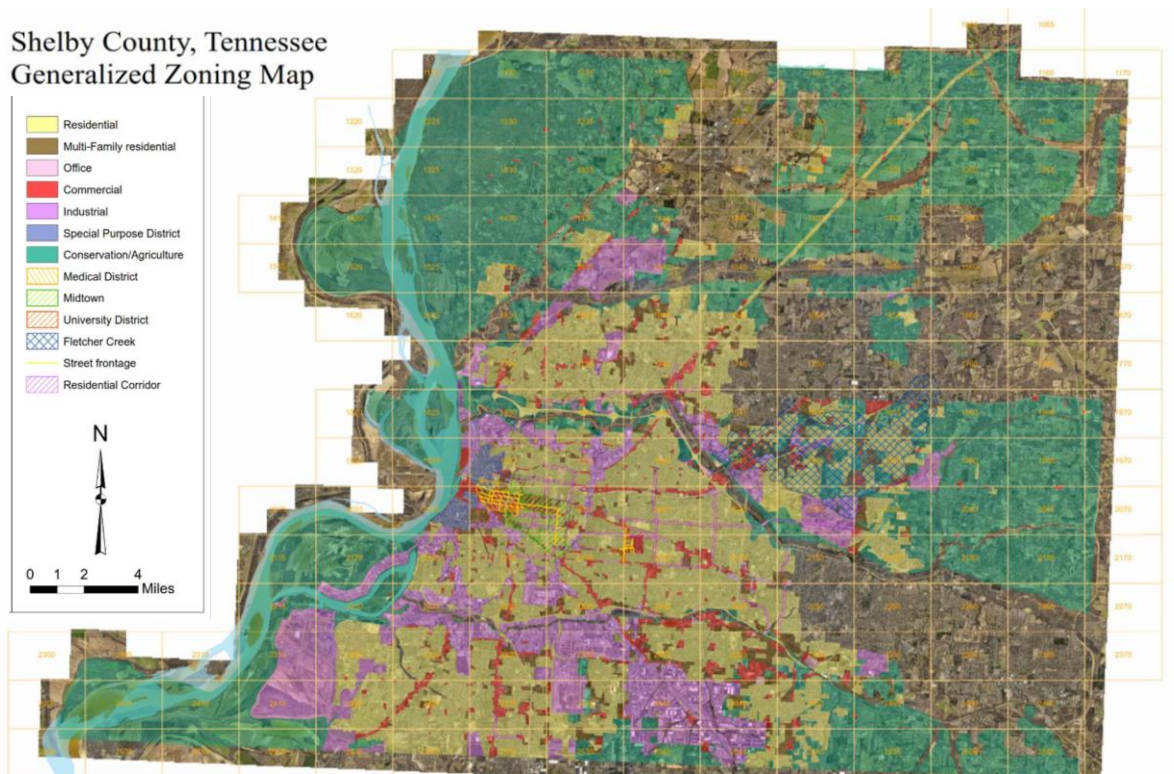
Apartments are generally the most affordable form of multifamily rental housing. However, Memphis/Shelby County's zoning ordinance and maps cannot be used by a developer to understand where apartments might be allowed. Along with other uses, apartments are allowed by right in RU-3, RU-4, RU-5, and Central Business Districts, and as a Special Use in Commercial zones. Using the Planning Department's zoning maps to discern availability is difficult. There is one large "wall map" which provides a legend for each zone, but the scale is not usable to determine anything regarding specific properties or even neighborhoods because all multifamily residential is one shade of brown.⁵ There are individual "grid" maps that solve the scale problem, but they lack the legend which is necessary to understand the zones shown.⁶

⁵ See <http://www.shelbycountyttn.gov/DocumentCenter/View/20840/Zoning-Atlas-wall-map?bidId=>

⁶ See <http://www.shelbycountyttn.gov/DocumentCenter/View/20724/Zoning-Atlas-Page-1655?bidId=>

Figure II-25 shows the generalized zoning map for Shelby County under the UDC.

Figure II-25.
UDC Generalized Zoning Map



Source: City of Memphis and Shelby County Unified Development Code.

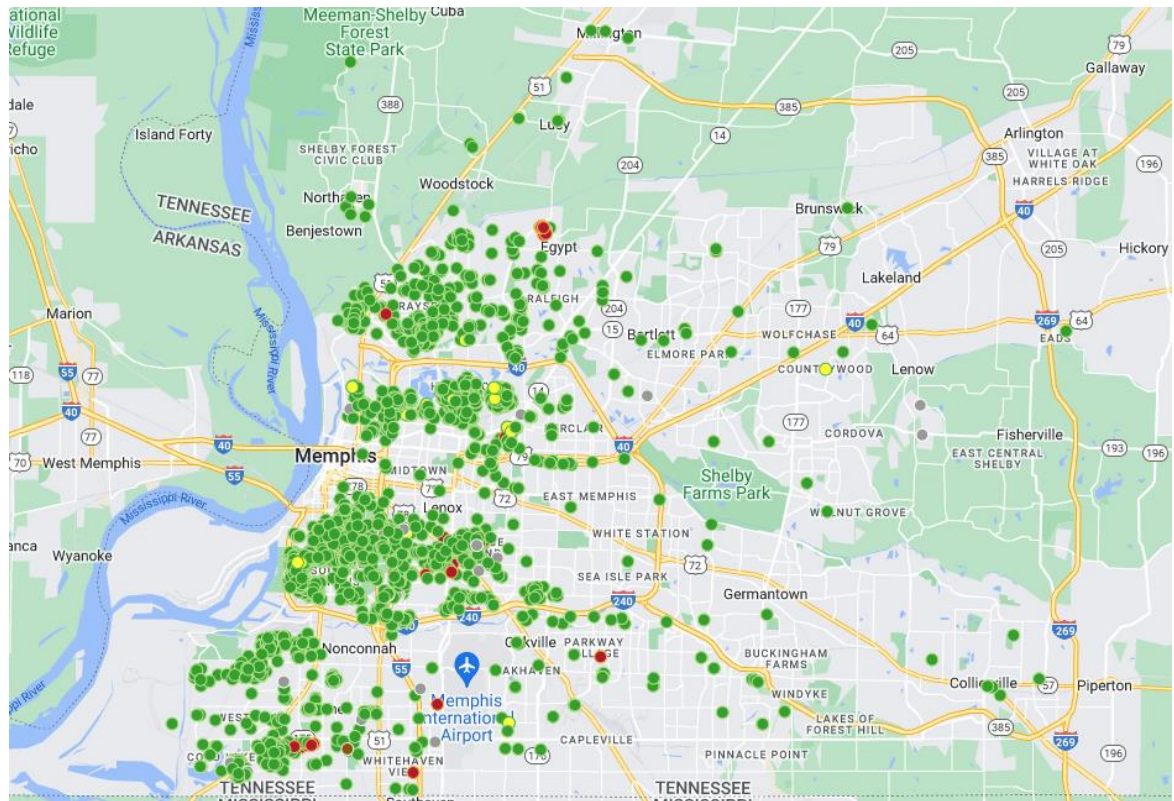
Memphis 3.0. In 2019, the City adopted Memphis 3.0, the city's first Comprehensive Plan since the 1980's. Previous comprehensive plans focused on geographic expansion through annexation and outward growth, resulting in Memphis covering a large amount of land with a relatively stagnant population size. These strategies also resulted in disinvestment in many existing neighborhoods, especially within historically Black and Brown communities. Memphis 3.0 focuses on "building up, not out", prioritizing de-annexation and revitalization around "anchor" areas within the urban core. The purpose of the plan is to create a future in which Memphis is stronger, healthier, more efficient, and sustainable.

In addition, focuses including "Improving access and use of existing parks, green spaces, greenways, and open space," and "Creating greater access to a network of greenways, bikeways, sidewalks, and other modes of active transportation," and "Establishing a transit network design that shifts service toward goals of ridership and frequency," would be facilitated by creating these amenities adjacent to multifamily housing, so that fewer residents would have to drive to access parks, greenways and these alternate modes of transportation. The City of Memphis issued \$200M in Accelerate Memphis bonds to catalyze this work, improving public parks, revitalizing citywide assets, and activating Memphis 3.0 through "anchor" investments.

Lastly, Memphis 3.0's goal is to "Increase support and resources for community-based developers and businesses," by simplifying the zoning code and by providing detailed zoning information available on zoning maps. The UDC update in 2022 pushed this work in the right direction.

Lank Banking Programs. Land banking in the City of Memphis and in Shelby County is administered by the Shelby County Land Bank and the Memphis Metropolitan Land Bank Authority (MMLBA). The County’s online list for June 2024 listed approximately 2,900 land banked parcels, the great majority of which are zoned residential, located in predominantly-minority neighborhoods.⁷ Over 80% were listed as vacant. Figure II-26 maps the location of the County’s land banked properties as of June 2022. The MMLBA had 17 parcels listed for sale in June 2024, the majority of which were residential and vacant.

Figure II-26.
Land Banked Properties for Sale (accessed: June 26, 2024)



The County’s 2019 Analysis of Impediments to Fair Housing recommended land banking to facilitate development of affordable housing in “areas of potentially higher opportunity” using properties acquired at tax sales. Though many of these parcels are not located in areas of high opportunity they do represent a resource available for redevelopment in racially/ethnically concentrated areas of poverty. The city and county should continue prioritizing strategies that leverage these assets to help guide investment in areas of lower opportunity as well as create affordable housing in areas of high opportunity.

⁷ <https://landbank.shelbycountyttn.gov/sites/default/files/ZoningDistricts.11-0928.pdf>

Key Fair Housing Findings from Section II

In the City of Memphis disparities in ownership are evident by household type and by race/ethnicity:

- Disparities in home-ownership are evident by household type and by race/ethnicity in both Memphis and Shelby County:
 - In Memphis, families without children are nearly twice as likely to own their homes as families with children;
 - Sixty-four percent of non-Hispanic white householders are owners, compared to just 39 percent of African American householders and 43 percent of Hispanic householder;
 - In Shelby County outside of Memphis ownership rates are significantly higher across all household types and racial/ethnic groups than in the City of Memphis.
- The most affordable areas in the City of Memphis are also those with the highest poverty rates and minority concentrations, commonly R/ECAPs.
- Minority households, particularly African American and Hispanic households, experience housing problems at higher rates than non-Hispanic white and Asian households in Memphis, and, to a lesser extent in Shelby County. Large family households also experience housing problems at relatively high rates, with one exception for larger families in the balance of the county.
- African Americans and other non-Asian minorities also have a harder time accessing capital for home purchase loans, home improvement loans and refinances. Minority borrowers who are successful in getting a loan are more likely to receive subprime (higher than average) interest rates on their loans.
- The zoning review conducted for this analysis indicates that limitations on multifamily development may create barriers to fair housing choice by limiting the diversity of housing choices is allowable throughout residential districts. The review also suggests there is opportunity to improve clarity in code related to fair housing and accessibility standards.

SECTION III.

Publicly Assisted Housing

SECTION III.

Publicly Supported Housing Analysis

This section provides an analysis of publicly supported housing, including publicly supported housing demographics, location and occupancy, and access to opportunity. The analysis discusses all types of publicly supported housing, including HUD-funded programs as well as developments supported through the Low-Income Housing Tax Credit, or LIHTC, program.¹

HUD Assisted Housing

Publicly supported housing in the City of Memphis (excluding LIHTC) represents seven percent of the total housing units in the jurisdiction. Forty-eight percent of this number (or 8,999 units) is obtained through HUD’s voucher program, which addresses demand for affordable housing but does not address supply.

Affordable housing units added to the Memphis jurisdiction’s housing stock (public housing, project-based Section 8, and other HUD-supported multifamily housing) equals 4 percent of the jurisdiction’s total housing. Figure III-1 shows the total units by program in the Memphis area.

Figure III-1.
Section 8, Public
Housing, and Other
Rental Assistance
Programs

Source:

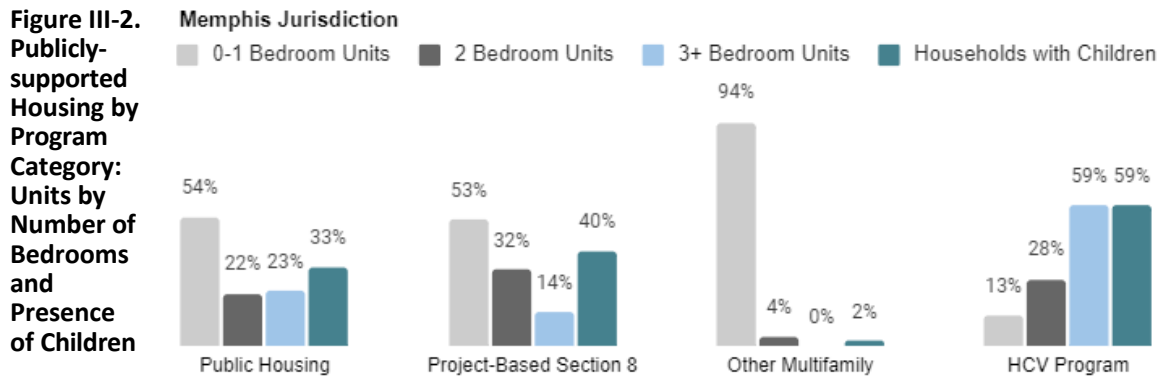
Memphis Housing Authority FY2024-2025 Draft Plan; HUD MF Properties

	Memphis Jurisdiction
Public Housing	1,704
Project-based Section 8	6,985
Other Multifamily	1,183
HCV Program	8,999
Total HUD Assisted Units/Vouchers	18,871

Families in HUD-assisted housing. Within the Memphis area, households with children represent 55 percent of those living in publicly supported housing, but almost half of all publicly supported units contain 2 bedrooms or less. There is a need for more units with 3 or more bedrooms.

Of all of the publicly supported housing programs, Housing Choice Vouchers do the best in accommodating families with children and/or households who need larger units. Figure III-2 shows unit size and occupancy of families with children by program type.

¹ The LIHTC program originated in 1986 under the Tax Reform Act and was part of an effort by the federal government to devolve the obligation of publicly-supported housing to states and local governments. Today, the LIHTC is the largest single producer of affordable rental housing in the country.



Source:
HUD.

Persons with disabilities in HUD-assisted housing. Persons with disabilities represent 14 percent of residents aged five or older in the City of Memphis as 13 percent of resident’s five or older in the balance of Shelby County. As shown below, in Figure III-3, people with disabilities are slightly overrepresented in HUD programs overall but are significantly overrepresented in public housing.

Figure III-3.
Disability by Publicly Supported Housing Program Category

Disability by Publicly Supported Housing Program Category	Memphis Region	
	Num.	Pct.
Public Housing	897	33%
Project-Based Section 8	960	16%
Other Multifamily	119	18%
HCV Program	1,639	17%
Total all programs	3,615	19%

Note: The definition of "disability" used by the Census Bureau may not be comparable to reporting requirements under HUD programs.

Source: HUD MF; Memphis Housing Authority.

Representation of racial and ethnic groups by housing program. HUD provides data on the racial and ethnic make-up of households assisted by housing authorities. Figure III-4 shows the racial/ethnic distribution of participants in housing programs compared to the proportion of households earning less than 50 percent AMI – “income eligible” – for the Memphis region.

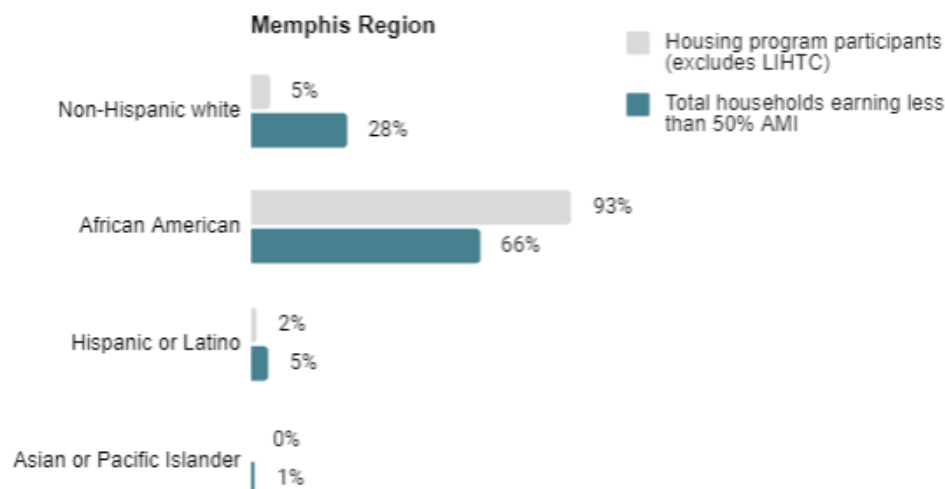
Disparities by race/ethnicity in program utilization relative to eligible households are evident in the Memphis area. Most notably, African Americans are participating in HUD programs at rates higher than would be expected, given their representation among income eligible households:

- 93 percent of housing program participants in Memphis are African American compared to 66 percent of total households earning less than 50 percent of AMI; and
- Hispanic/Latino residents are slightly overrepresented in HUD programs. Hispanic households account for 5 percent of program participants in Memphis but account for 2 percent of households earning less than 50 percent AMI; and

- Non-Hispanic white householders are underrepresented, accounting for 5 percent of program participants but 28 percent of income eligible households in Memphis.

**Figure III-4.
Publicly
Supported
Households
by
Race/Ethnicity**

Source:
HUD MF; Memphis
Housing Authority.



Patterns in Location by Program

Figure III-5 maps the location of publicly supported housing units in Memphis and elsewhere in Shelby County by type and identifies the percentage of rental units that house voucher holders. The icons and shading on the map represent different types of publicly supported housing:

- Blue icons indicate housing that is owned and operated by a public housing authority (public housing developments and scattered sites).
- Green icons represent affordable rental housing that have Section 8 subsidies (project-based vouchers).
- Purple icons represent Low Income Housing Tax Credit (LIHTC) developments.
- Grey shading shows the percentage of rental units in that Census tract that house Housing Choice Voucher holders.

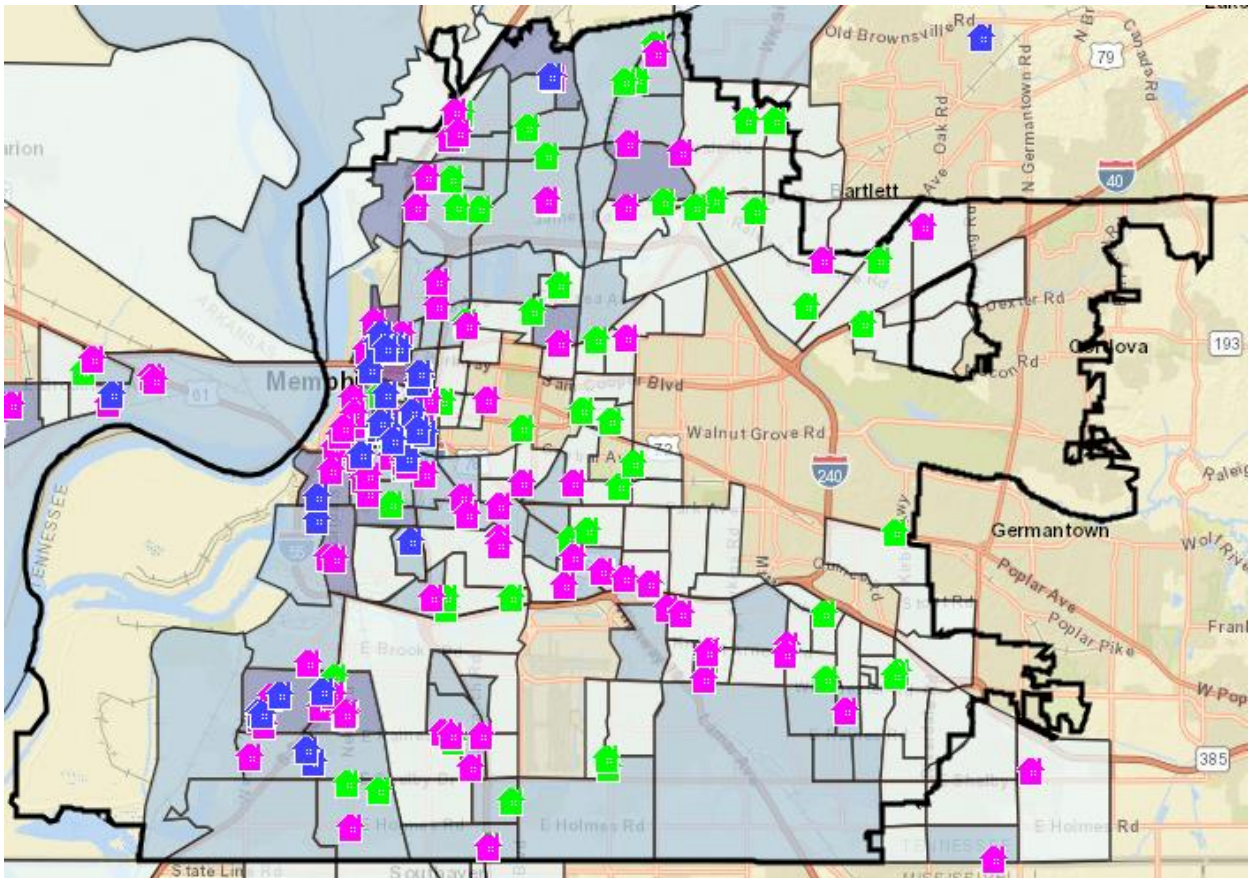
Most of the icons shown on the map fall within the City of Memphis, but there are two public housing sites, three LIHTC developments, and one multifamily development supported by project-based vouchers in Shelby County outside of Memphis.

Within the City of Memphis, the map shows a concentration of public housing near Downtown but the other types of publicly assisted housing are distributed throughout North and South Memphis and Midtown. However, the map does indicate an absence of publicly assisted development in East Memphis. Voucher use is highest across North Memphis and South Memphis.

In general, publicly assisted housing units (and high housing choice voucher use) tend to be located in neighborhoods that also have large minority—particularly African American—populations, which could contribute to patterns of segregation for publicly assisted housing residents.

In Shelby County outside Memphis voucher use is highest north of the City of Memphis, though for many Census tracts in the county there was not data available for voucher use. There is a notable lack of publicly assisted housing developments in Germantown, Cordova, and Collierville.

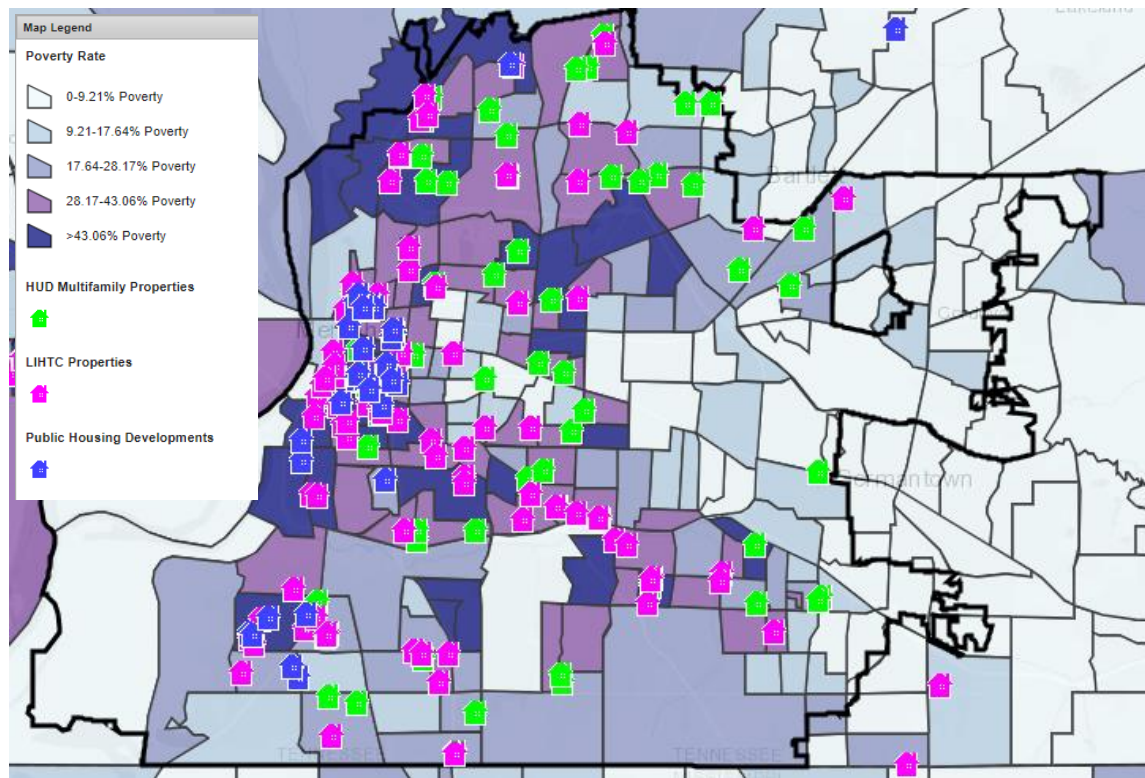
Figure III-5.
Publicly Assisted Housing in Memphis and Shelby County



Source: HUD Consolidated Plan and Continuum of Care Planning Tool

Figure III-6 shows the location of publicly supported housing relative to the poverty rate by census tract. The figure illustrates that residents living in publicly assisted housing units are more likely than their counterparts in market-rate housing to be living in areas with concentrated poverty.

Figure III-6.
Publicly Assisted Housing in High Poverty Census Tracts



Source: HUD Consolidated Plan and Continuum of Care Planning Tool

There are also disparities by specific HUD program:

- **Public housing.** Public housing is almost exclusively occupied by African American residents (95%). Families with children are less likely to be in racial and ethnically concentrated areas of poverty. The opposite is true for persons with a disability, who are much more likely to be in R/ECAP tracts.
- **Project based section 8.** According to HUD's aggregated data, there are 6,985 occupied units in project-based section 8 (PBV) housing in Memphis' CDBG Jurisdiction. One third (33%) are located in R/ECAP neighborhoods.
- **Housing choice vouchers.** HUD data show that 67 percent of all voucher holders use their vouchers in areas that do not have concentrated poverty (non-R/ECAPs). Families with children represent 60 percent of households with housing choice vouchers. Fifty-nine percent of HCV holders are occupying units with three or more bedrooms, highlighting the value of this program in reducing overcrowding among publicly supported housing.

Low Income Housing Tax Credit Housing

The LIHTC program originated in 1986 under the Tax Reform Act and was part of an effort by the federal government to devolve the obligation of publicly supported housing to states and local governments. Today, the LIHTC is the largest single producer of affordable rental housing in the country. The LIHTC program is distinct from the programs discussed above in that it is not necessarily administered by local housing authorities, although housing authorities can apply for LIHTC funds. Tax

credits in the State of Tennessee are allocated by the Tennessee Housing Development Agency (THDA) based on applications received and the standards outlined in the Qualified Allocation Plan (QAP).²

Figures III-5 and III-6 (above) show the location of LIHTC developments and HUD’s LIHTC database provides latitude and longitude for LIHTC locations. According to these HUD sources, there 104 LIHTC developments supplying 15,085 units in the City of Memphis and another 3 developments supplying 239 affordable units in Shelby County outside Memphis.

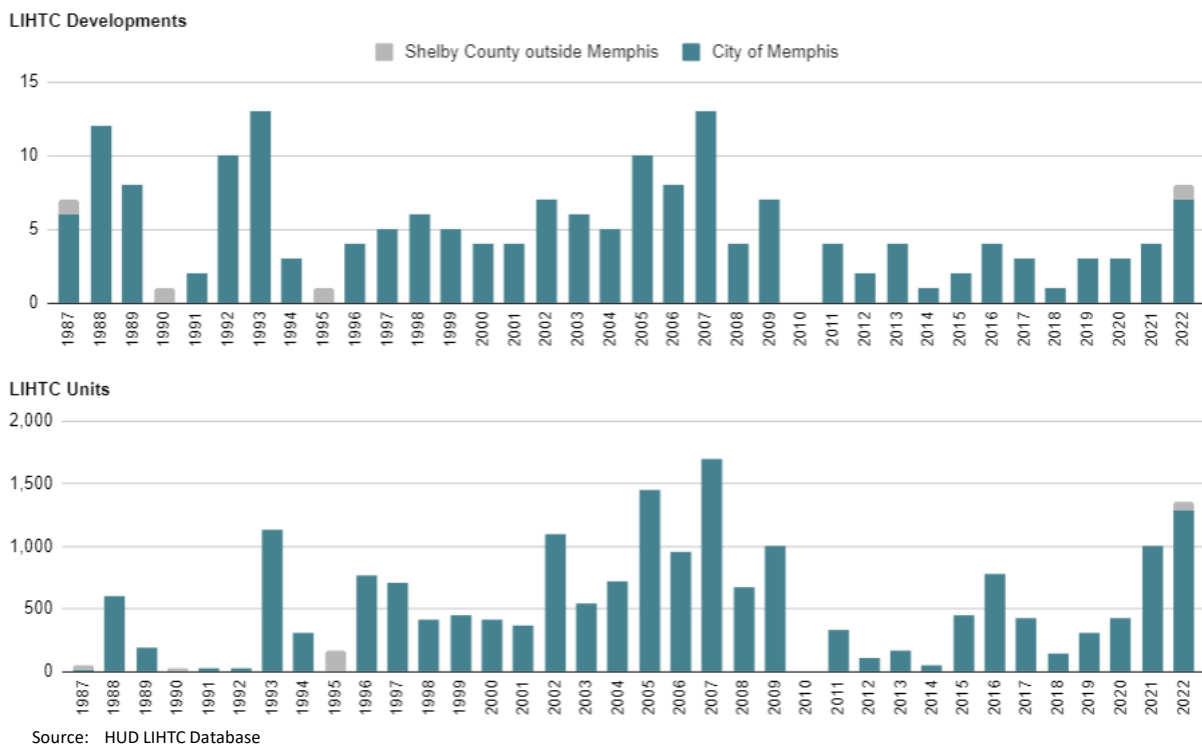
When looking at the location of LIHTC properties and areas of racial/ethnically concentrated areas of poverty, siting may perpetuate segregation in the City of Memphis and the balance of the County:

- LIHTC properties in Memphis are located in neighborhoods which average 90 percent minority. Almost half of LIHTC developments (42%) are located in R/ECAPs.
- LIHTC developments in Shelby County outside of Memphis are sited in neighborhoods with lower poverty rates.

Figure III-7 shows the number of LIHTC developments and units by year built in Memphis and Shelby County. The most concentrated development period was between 2005 and 2009.

Relatively few properties have been placed in service between 2010 and 2020, but development has increased in the past couple years.

Figure III-7.
Number of LIHTC Developments and Units, Shelby County and City of Memphis



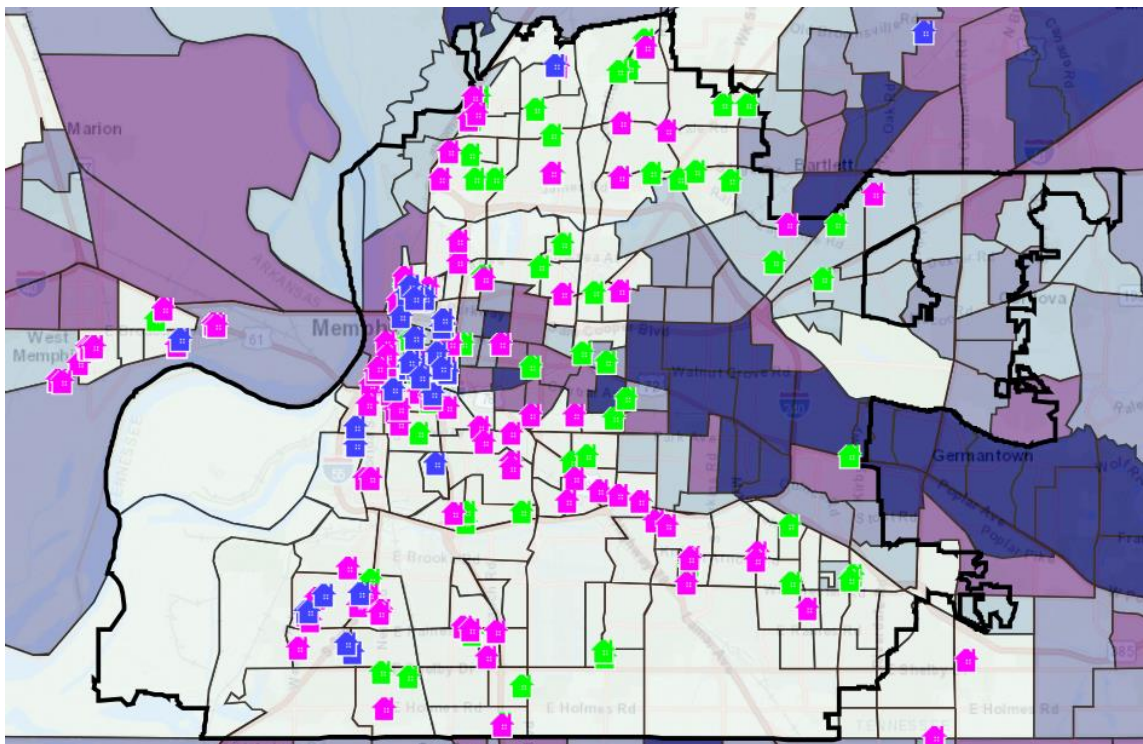
² <https://thda.org>

Publicly Supported Housing in Predominantly White Neighborhoods

Although this section does highlight that many publicly supported housing units are located in predominantly minority and/or poverty concentrated areas, there are some publicly assisted developments located in predominantly white neighborhoods. Detailed examination of a sample of those publicly supported housing facilities that from a “distance” appear to be located in predominantly-white neighborhoods show that the city follows the nationwide-trend of restricting units to the disabled and/or elderly and often keeping the projects smaller when placing them in predominantly-minority neighborhoods—or in integrated neighborhoods— relative to minority majority neighborhoods. Figure III-8 shows the location of publicly supported housing relative to predominantly white census tracts.

For example, there are some project-based voucher (Section 8) and LIHTC properties, shown in green and pink respectively, below that appear to be located in predominantly-white areas of the City. However, A is a LIHTC project (St. Peter Manor) located in a census tract that is 66 percent white but is restricted to elderly and disabled residents. The Section 8 housing (Union Ave Baptist Towers) represented by B is actually located in a tract that is only 29 percent minority and are restricted to the disabled. Raleigh/Gillespie, the Project-based Section 8 housing represented by C is located in a neighborhood that is 72 percent minority and available exclusively for the disabled population with only 20 units.

Figure III-8.
Publicly Supported Housing and Percent white



Source: HUD Consolidated Plan and Continuum of Care Planning Tool

Thus, while these properties may represent neighborhoods of more “opportunity,” they are still, for the most part, in predominantly-minority neighborhoods. In a predominantly-minority City like Memphis, this might be expected, but as the City has such a high level of segregation, there are

predominantly-white neighborhoods. These neighborhoods, however, appear to lack publicly supported housing that serves the general low-income population, being restricted to small-scale projects for residents who are disabled or elderly.

Key Fair Housing Findings from Section III

- Disparities by race/ethnicity in program utilization relative to eligible households are evident throughout the Memphis area.
 - Generally, African American residents are overrepresented among housing program participants relative to their representation among all households earning less than 50 percent of Area Median Income (AMI).
 - Hispanic households are slightly overrepresented among program participants, while non-Hispanic white households underrepresented.
- Patterns in location of publicly supported housing programs indicate that a relatively high proportion of location-specific housing program units (LIHTC, project-based section 8 and other multifamily) are located in areas with high poverty.
- In general, there is a concentration of public housing near downtown Memphis while other types of publicly assisted housing are distributed throughout North and South Memphis and Midtown. There is a notable lack of publicly assisted housing developments in East Memphis, Germantown, Cordova, and Collierville.

SECTION IV.

Disparities in Access to Opportunity

SECTION IV.

Access to Opportunity

The access to opportunity section of the AI expands the fair housing analysis beyond housing to examine conditions that affect economic opportunity more broadly. This section examines access to opportunity in education, employment, transportation, low-poverty environments, and environmentally healthy neighborhoods through the lens of race and ethnicity, national origin, and family status.

How does economic opportunity relate to fair housing?

The Federal Fair Housing Act requires that HUD programs and activities be administrated in a manner that affirmatively furthers (AFFH) the policies of the Fair Housing Act. Federal courts have interpreted this to mean doing more than simply not discriminating: The AFFH obligation also requires recipients of federal housing funds to take meaningful actions to overcome historic and current barriers to accessing housing and economically stable communities.

Recent research has demonstrated that fair housing planning has benefits beyond complying with federal funding obligations:

- Dr. Raj Chetty’s well known Equality of Opportunity research found economic gains for adults who moved out of high poverty neighborhoods when they were children. The gains were larger the earlier the children were when they moved.¹
- A companion study on social mobility isolated the neighborhood factors that led to positive economic mobility for children: lower levels of segregation, lower levels of income inequality, high quality education, greater community involvement (“social capital”), greater family stability.
- A 2016 study by the National Bureau of Economic Research (NBER) found positive economic and social outcomes for children raised in publicly subsidized housing, regardless of the poverty level of the neighborhood.²

This has been articulated by HUD as: “the obligations and principles embodied in the concept of fair housing are fundamental to healthy communities...and...actions in the overall community planning and development process lead to substantial positive change.”

Measuring “Opportunity”

To facilitate the Access to Opportunity analysis, HUD developed a series of indices that measure access to opportunity and allow comparison of opportunity indicators by race and ethnicity, for households below and above the poverty line, among jurisdictions, and to the region. HUD maps

¹ <http://www.equality-of-opportunity.org> and http://www.equality-of-opportunity.org/images/mto_exec_summary.pdf

² <http://www.nber.org/papers/w19843.pdf>

and tables were previously available through the AFFH data and mapping tool, but have not been updated since 2015 due to Administration changes at the national level. The AI team for Memphis and Shelby County found a series of data points and indicators to use in place of the HUD AFFH indices that offer valuable and comparable information to provide an analysis of Access to Opportunity.

The following data are used for each opportunity area:

- **Low-Poverty Neighborhoods.** The Social Vulnerability Index³ (SVI), created by the CDC, has an indicator for Socioeconomic Status. It is an index that includes the share of the population living below 150% of the poverty threshold, the unemployment rate, housing cost burden, share of the population without a HS diploma, and share of the population without health insurance. This index provides a picture of combined poverty indicators within neighborhoods. The values range from 0 to 100. The higher the index score, the greater exposure to socioeconomic vulnerability in a neighborhood.
- **Proficient Schools.** This section combines Great Schools⁴ ratings with attendance boundaries for Memphis-Shelby County Schools to show which neighborhoods have access to high performing schools. Great Schools Ratings combine student progress “growth”, standardized test scores, equity (gaps between disadvantaged and non-disadvantaged students) and college readiness (HS graduation rate, AP courses, and SAT/ACT scores). The combined scores are ranked 1 to 10. The higher the score, the higher the school rating is in a neighborhood.
- **Employment Opportunities Index.** This section evaluates unemployment, labor force participation, educational attainment, and job accessibility using public transportation vs an automobile. When viewing this data holistically it is evident which neighborhoods have higher access to employment accounting for skills and spatial mismatch.
- **Transportation.** This section analyzes the availability of and dependence on public transportation by looking at low-vehicle access neighborhoods and single-parent households with children, as well as areas experiencing food apartheid.
- **Environmentally Healthy Neighborhoods.** The Environmental Justice Index⁵, created by the CDC, measures the cumulative impacts of environment injustice at the census tract level. The index is a combination of social vulnerability and environmental burden (including air pollution, toxins, proximity to transportation infrastructure, built environment risk factors, water pollution, and chronic disease). Values range from 0 to 100. The index value represents the proportion of census tracts that experience cumulative impacts of environmental burden and injustice equal to or lower than the tract of interest. For example, a ranking of 95 means that 95% of tracts nationally experience less severe cumulative impacts on health and well-being from environmental injustice.

³ <https://www.atsdr.cdc.gov/placeandhealth/svi/index.html>

⁴ <https://www.greatschools.org/gk/ratings/>

⁵ <https://www.atsdr.cdc.gov/placeandhealth/eji/index.html>

Across all racial and ethnic groups, exposure to low poverty areas, school quality, job opportunities, and environmental health are higher in Shelby County outside Memphis than within the City of Memphis. However, exposure to transit and job proximity is higher in the City of Memphis than the balance of County.

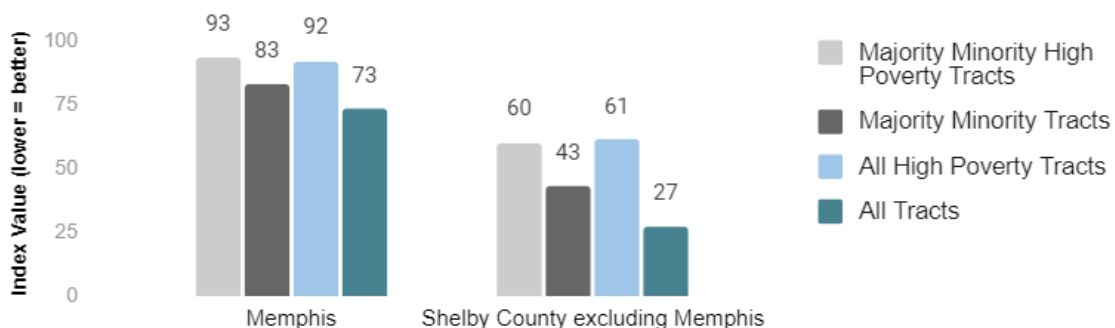
In general, the data show the largest racial disparities are related to poverty, school quality, environmental justice, and to a lesser extent, job proximity. Disparities are most pronounced for African American, Hispanic, and Native American residents relative to non-Hispanic white residents. Trends are similar in Memphis and Shelby County outside Memphis, though the gap is wider between groups in the City of Memphis—particularly for employment opportunity and poverty.

Access to Low Poverty Neighborhoods

The SVI's Socioeconomic Status Index is based upon poverty indicators in a Census tract and percentiles are ranked nationally. The higher the score, the greater likelihood that residents are within a neighborhood experiencing a cycle of poverty. Figure IV-1 shows Socioeconomic Status by minority and poverty concentration in Memphis and Shelby County outside Memphis. A high poverty tract is a tract with a poverty rate higher than the broader geographic area, 23.6% for Memphis and 18.1% for Shelby County.

In both Memphis and Shelby County outside Memphis, racially/ethnically concentrated areas with high poverty rates, and high poverty tracts more broadly have higher socioeconomic status indices. Racial/ethnic concentration alone increases exposure to poverty indices, but not to the same degree. Overall, residents in the balance of Shelby County have significantly less exposure to neighborhoods experiencing a cycle of poverty than in Memphis, shown by an index score of 27 and 73 respectively.

Figure IV-1.
Social Vulnerability Index: Socioeconomic Status by Poverty and Minority Concentration, 2022

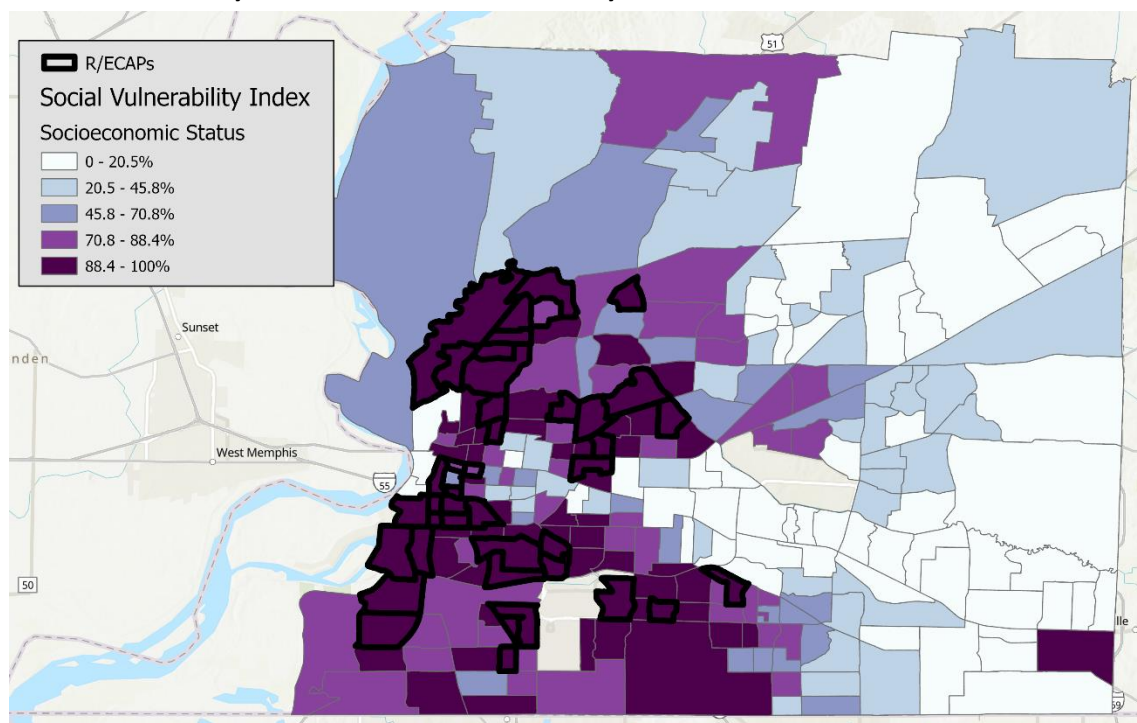


Source: Social Vulnerability Index; 2022 5 yr American Community Survey.

Note: High Poverty is defined as being above the poverty rate for that geographic area (n=23.6 for Memphis, n=18.1 for Shelby County)

Figure IV-2 maps Socioeconomic Status by Census tract overlayed with R/ECAPs. All except one R/ECAP tract has an index of 88.4 or higher.

Figure IV-2.
Social Vulnerability Index: Socioeconomic Status by Census Tract, 2022



Source: Social Vulnerability Index <https://www.atsdr.cdc.gov/>

Access to Proficient Schools

Memphis and Shelby County share a school system – the largest in the state. Although many of its schools have won and continue to win awards, prior to the merger of Memphis City School District and the Shelby County School District in 2011, the quality of the city schools were often put forth as a rationale for residents of the county who did not want to be annexed to the city.

Since that merger, Shelby County municipalities have created six more school districts, one as small as 888 students (2016, NCES), and the state created a predominantly-minority (99%) charter district, “established to turn around Tennessee’s lowest performing schools... the majority of which are located in Shelby County.”⁶

School Proficiency. Research shows a correlation between school performance and poverty⁷ and between school performance and segregation.⁸ Following this trend, those schools in the Memphis-Shelby County School District located in predominantly-minority neighborhoods are more likely to have lower Great Schools Ratings – which account for test scores, growth, equity, and opportunity. Moreover, schools in R/ECAPs are also less likely to be proficient. Figures IV-3-5 map Great Schools ratings of schools based on MSCS attendance boundaries for

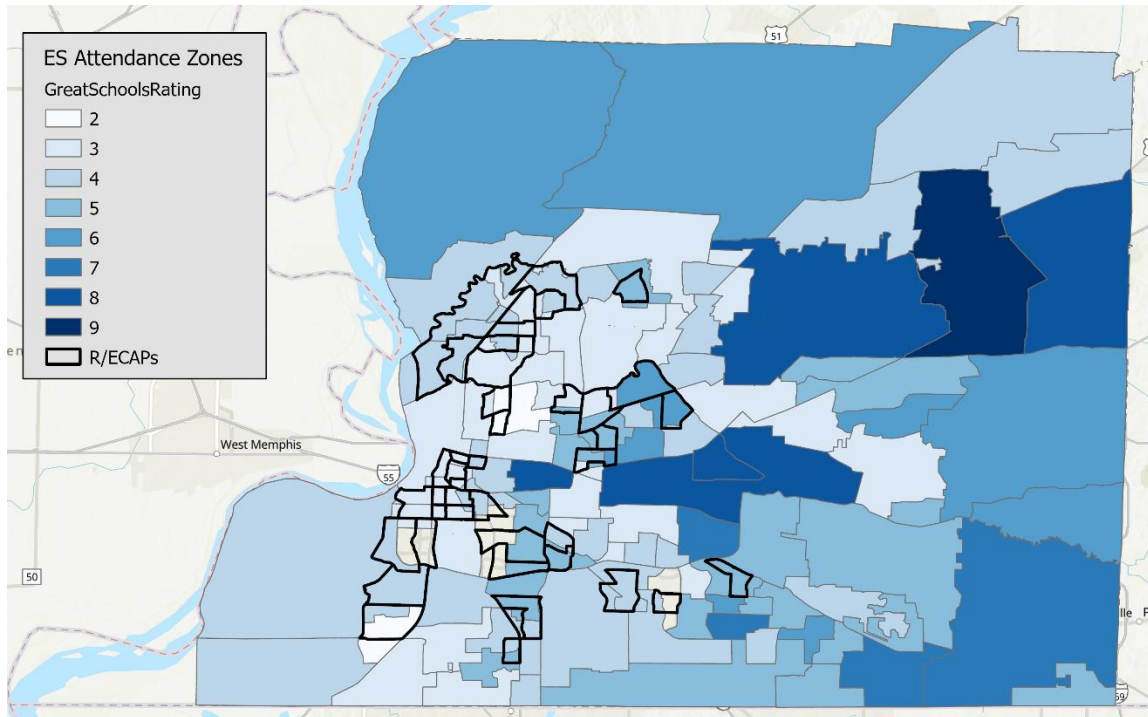
⁶ Memphis School Guide, Achievement School District, <http://memphischoolguide.org/how-do-i-enroll/greater-memphis-school-districts/>

⁷ Ansell, Susan. “Achievement Gap,” *Education Week*, July 7, 2011. <https://www.edweek.org/ew/issues/achievement-gap/index.html>

⁸ Joyner, Ann et al., “The Effects of Racially- and Economically-Isolated Schools on Student Performance: Summary,” *Poverty and Race*, 2010.

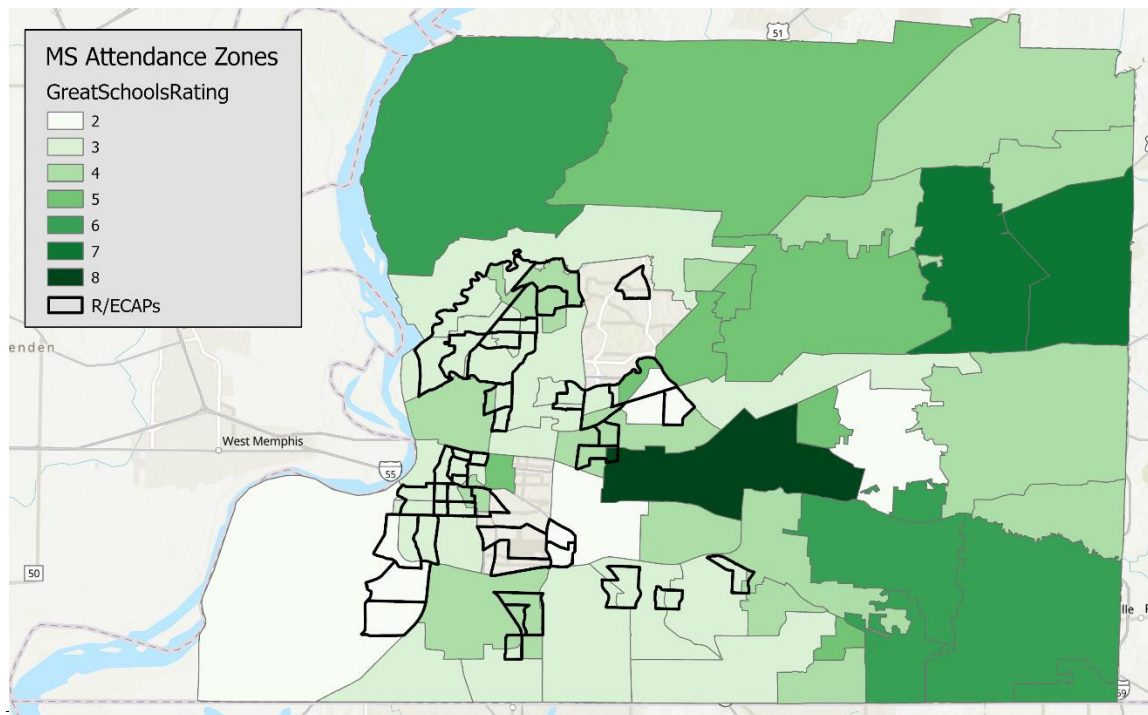
neighborhoods in Shelby County, including Memphis. Recall that areas with the highest concentration of African American and other racial/ethnic minorities run across North and South Memphis. While there are a couple R/ECAPs zoned for higher rating elementary schools, there are no attendance zones for proficient middle and high schools that overlap with R/ECAP tracts.

Figure IV-3.
Elementary School Attendance Zones by R/ECAP Tracts



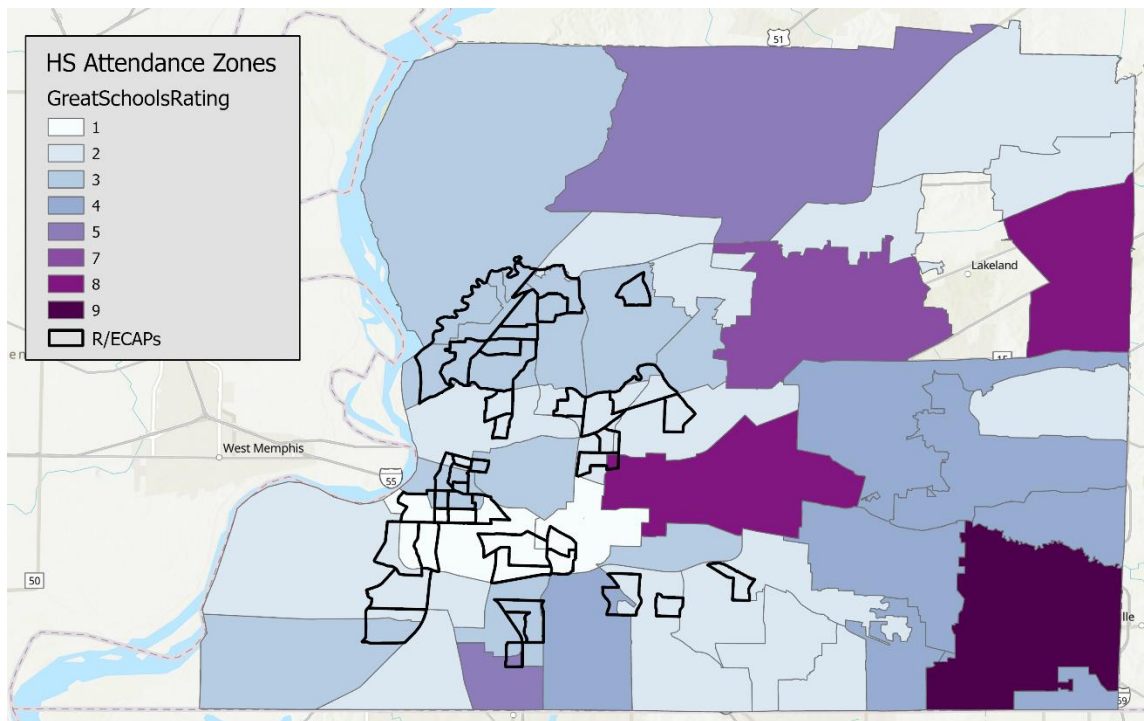
Source: Great Schools; MSCS; 2022 5 yr American Community Survey.

Figure IV-4.
Middle School Attendance Zones by R/ECAP Tracts



Source: Great Schools; MSCS; 2022 5 yr American Community Survey.

Figure IV-5.
High School Attendance Zones by R/ECAP Tracts

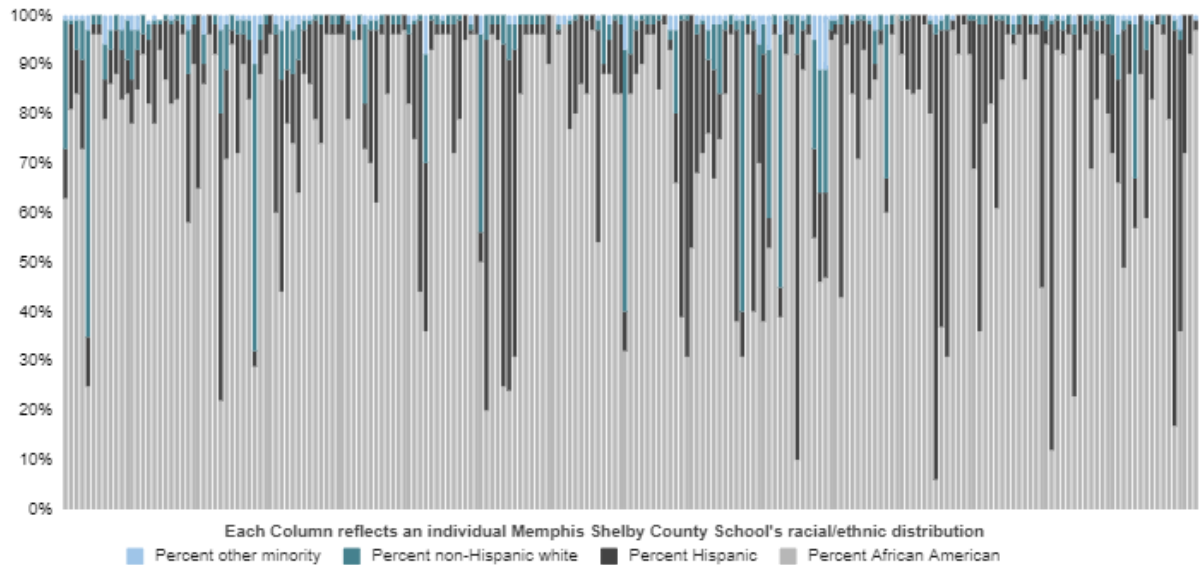


Source: Great Schools; MSCS; 2022 5 yr American Community Survey.

Racial/ethnic and economic distribution of student population. Of the 205 schools in the Memphis-Shelby County School District reporting race and ethnicity information for 2022-2023,⁹ only one (one half of one percent) had a student body that was as white as the state average (59% non-Hispanic white), and only one in four (23%) had a student body that was as white or whiter than the District average of 5 percent.

⁹ <https://www.tn.gov/education/districts/federal-programs-and-oversight/data/data-downloads.html>

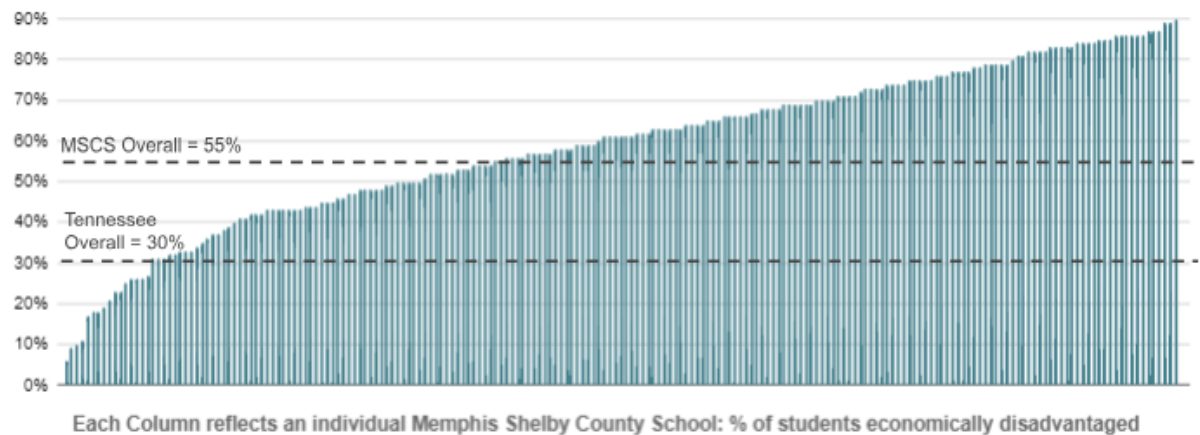
Figure IV-6.
Racial/Ethnic Distribution of Memphis Shelby County School District Students by Individual School, 2022-2023



Source: Tennessee Department of Education.

The schools are segregated economically as well, but not to the same extents as they are racially/ethnically segregated. Of the 205 schools in the Memphis-Shelby County School District reporting Economic Disadvantage¹⁰ information for 2022-2023, only 16 (8%) had a student body that was as wealthy as the state average (30%), and only 84 (41%) had a student body that was as wealthy or wealthier than the District average (55%).

Figure IV-7.
Economically Disadvantaged Shelby County School District Students by Individual School, 2022-2023



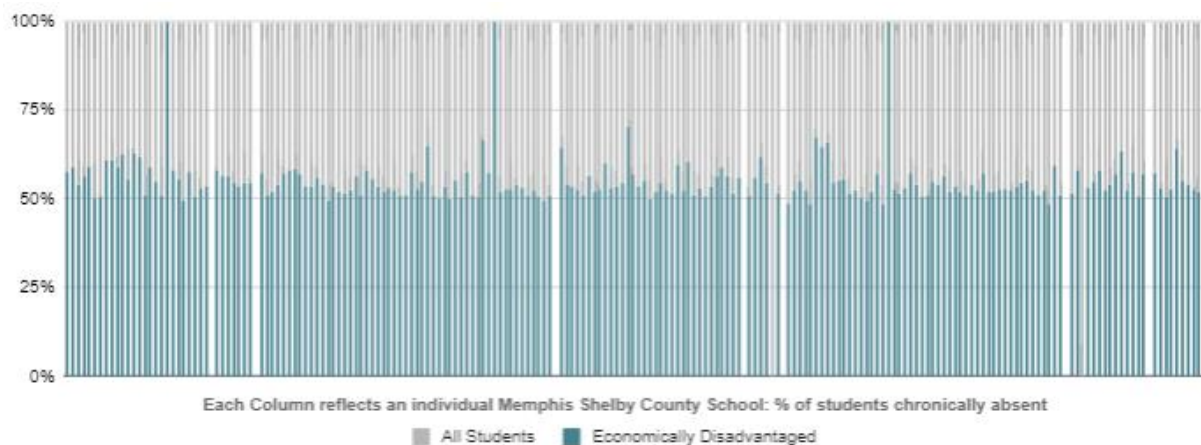
Source: Tennessee Department of Education.

¹⁰ % of students eligible for the federal Free and Reduced Price Lunch program.

This stratification and school segregation occurred through a combination of settlement patterns, attendance of private schools, and the creation and protection of predominantly white school systems in other municipalities within the County (all of which opened since the merger), as well as creation of the district of charter schools known as the Achievement School District.

Chronic absenteeism is also a factor impacting student success. Economically disadvantaged students are more likely to be chronically absent. Chronic absenteeism is defined by a student missing at least ten percent of school days in an academic year. Aside from having an adverse effect on grades and test scores, frequent absence can be an indicator of future high school dropout rates, lower health outcomes, and future involvement in the criminal justice system¹¹.

Figure IV-8.
Chronic Absenteeism Memphis Shelby County School District Students by Individual School, 2022-2023



Source: Tennessee Department of Education.

Figure IV-9 shows the stark difference in racial/ethnic composition of Memphis-Shelby County District schools and other districts in the county that formed after the city/county merger (districts marked with an asterisk were formed after the merger).

Figure IV-9.
Race and Ethnicity of Students by District, 2022-23 School Year

Note:
* indicates district was formed after the city and county merger.

Source: Tennessee Department of Education.

School District	Total Students	Percent Economically Disadvantaged	Percent White	Percent Non-White
MSCS	104,944	55%	5%	95%
Germantown*	5,899	4%	73%	27%
Lakeland*	2,080	6%	65%	35%
Millington*	2,475	35%	38%	62%
Collierville*	9,105	2%	55%	45%
Bartlett*	8,785	10%	54%	46%
Arlington*	4,748	5%	71%	29%
Achievement*	5,864	67%	2%	98%
Total	143,900	45%	17%	83%

¹¹ <https://www.whitehouse.gov/cea/written-materials/2023/09/13/chronic-absenteeism-and-disrupted-learning-require-an-all-hands-on-deck-approach/>

In many instances, neighborhood segregation creates school segregation. However, district boundaries influence the racial imbalance of schools. Nationwide racial segregation of schools *within* districts has declined in recent decades but segregation *between* districts has increased.¹² Shelby County's school districts illustrate this trend. Such school district segregation may have the effect of exacerbating residential segregation.

Access to Employment Opportunities

The Greater Memphis Chamber's Prosper Memphis 2030 Plan outlines bold, but attainable goals for advancing inclusivity and prosperity in the Memphis business region. It identifies challenges related to lack of industry diversity and a mismatch in labor market skills and employer needs.¹³ Though employment opportunities are largely driven by the private sector, public policy can affect both job proximity and labor market engagement through job training, zoning, and job siting incentives. For the purposes of this fair housing analysis, the following discussion focuses on disparities in access to employment by protected class populations.

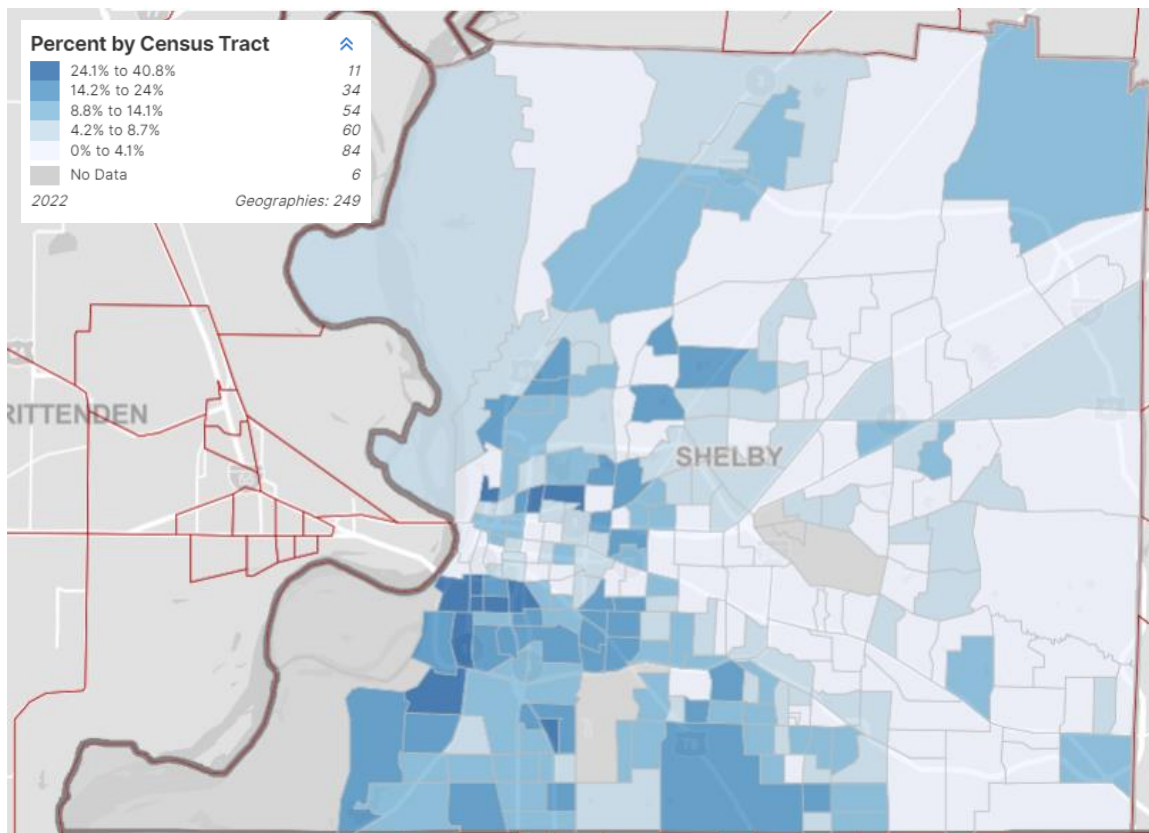
Access to employment is determined by examining skills and education, as well as proximity to jobs. Unemployment, labor force participation and completion of a HS diploma are all factors that indicate access to living wage employment. In addition, comparing the number of jobs accessible via public transit and personal automobile are impacted by residential proximity to employment.

Figures IV-10 and IV-11 show the unemployment rate and labor force participation rate by census tract. Remembering that minority populations are concentrated north and south of the Memphis core, it is evident that unemployment rates are higher in these areas and labor force participation is lower.

¹² Whitehurst, Grove J. et al., "Balancing Act: Schools, Neighborhoods and Racial Imbalance," Economic Studies at Brookings, The Brookings Institute, Nov. 2017.

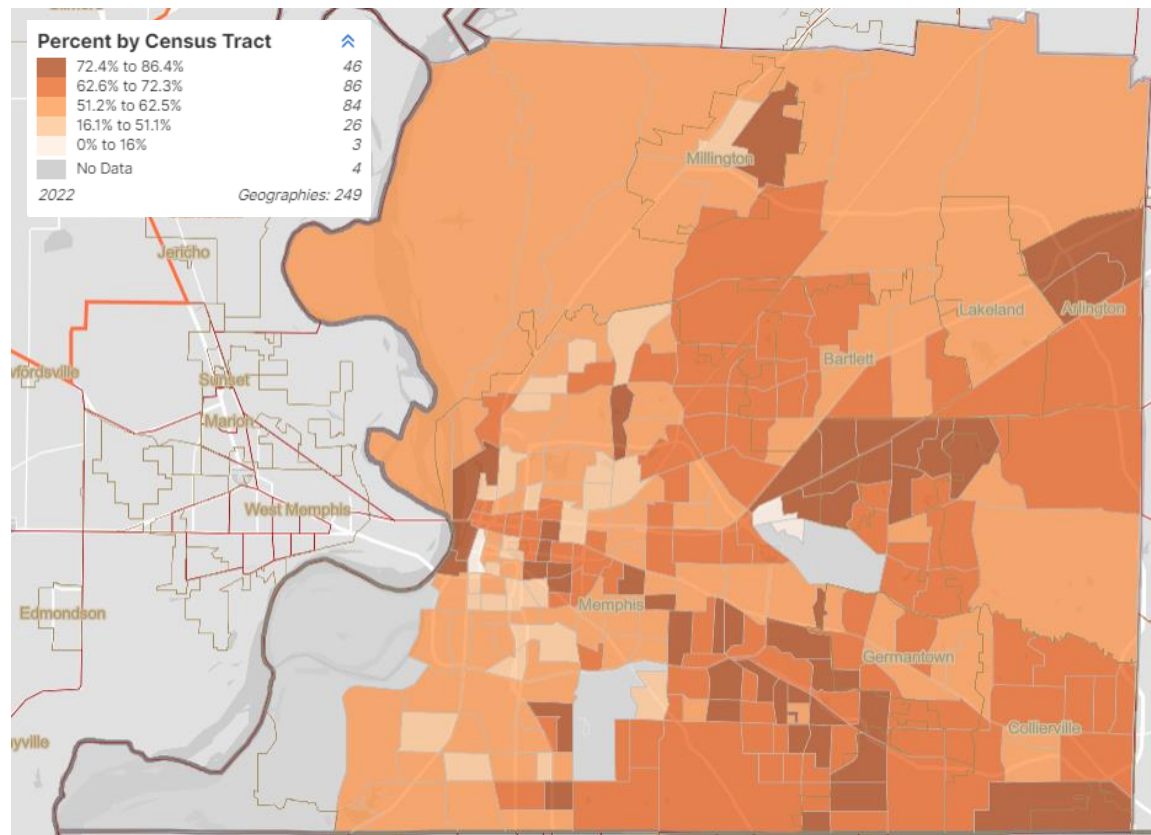
¹³ <https://memphischamber.com/prosper-2030/>

Figure IV-10.
Unemployment Rate Over 16 Years of Age (2022)



Source: 2022 5 yr American Community Survey.

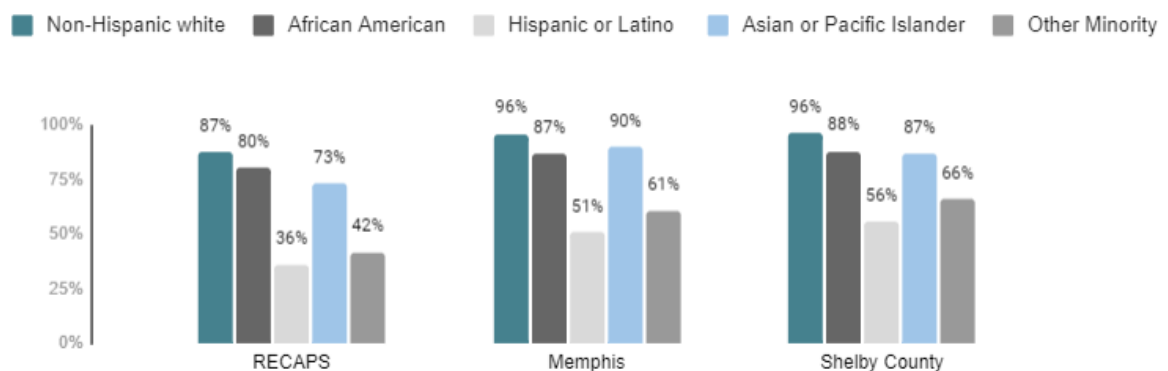
Figure IV-11.
Labor Force Participation Rate Over 16 Years of Age (2022)



Source: 2022 5 yr American Community Survey.

Figure IV-12 shows the share of the population that has completed high school by race/ethnicity for R/ECAP tracts, Memphis, and the balance of Shelby County. Disparities between different racial/ethnic groups are relatively comparable across the three geographic areas, but Hispanic/Latino and “other” minority populations have much lower graduation rates in R/ECAP tracts than in the City of Memphis and balance of Shelby County.

Figure IV-12.
Share of Population with HS Diploma by Race and Ethnicity, 2022

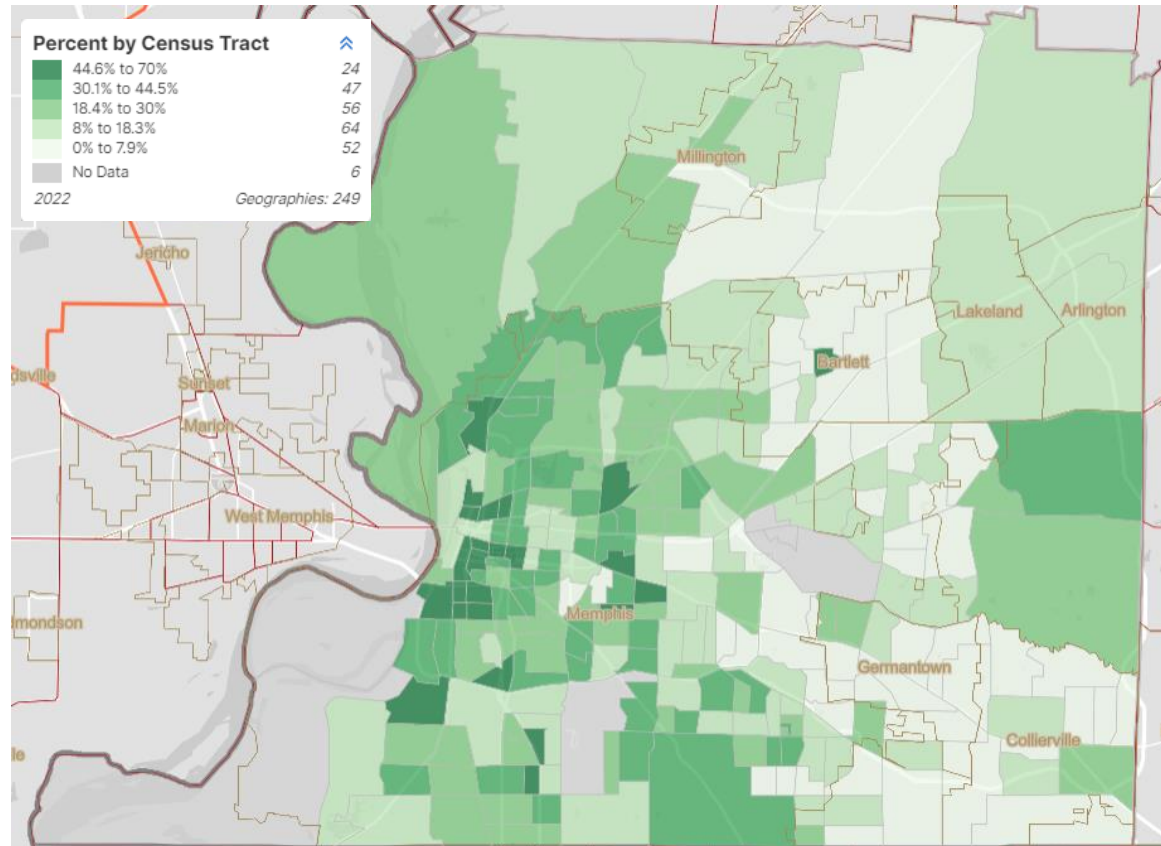


Source: 2022 5 yr American Community Survey.

When analyzing these three metrics together, this indicates that even when minority groups live close to jobs, they have trouble actually accessing the jobs, most likely due to a skills and/or education mismatch with job requirements.

Figure IV-13.

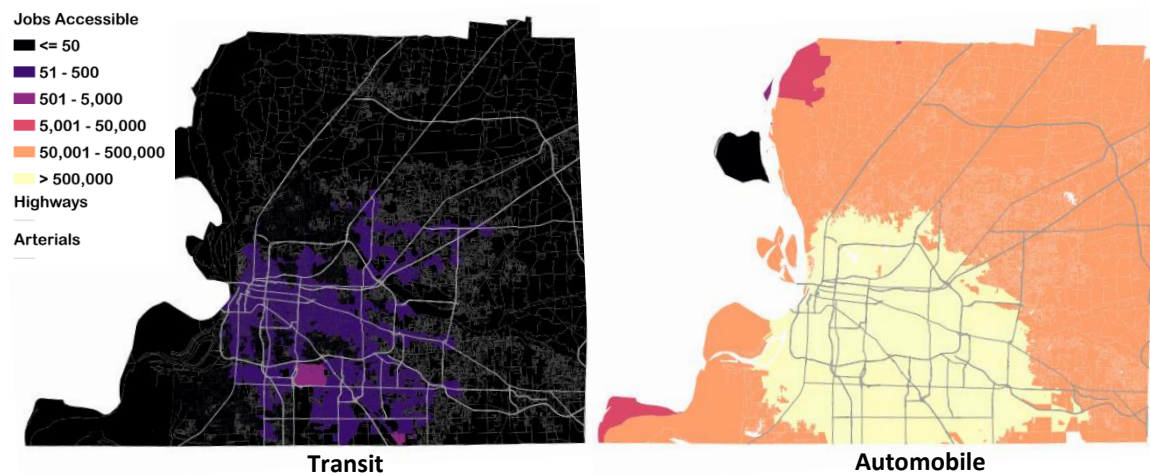
Poverty Rate for Population 25 Years and Over with HS Diploma (2022)



Source: 2022 5 yr American Community Survey.

Figure IV-14 shows the number of jobs accessible within 30 minutes by public transportation and an automobile. The map shows that access to jobs increases exponentially with vehicle access. The largest number of jobs available utilizing public transit is between 501-5,000 but only if residents live in two small areas of the city. With vehicle access, over 50,000 jobs are accessible within 30 minutes for almost the entire county.

Figure IV-14.
Number of Jobs Accessible within 30 minutes by Transit and Automobile (2022)



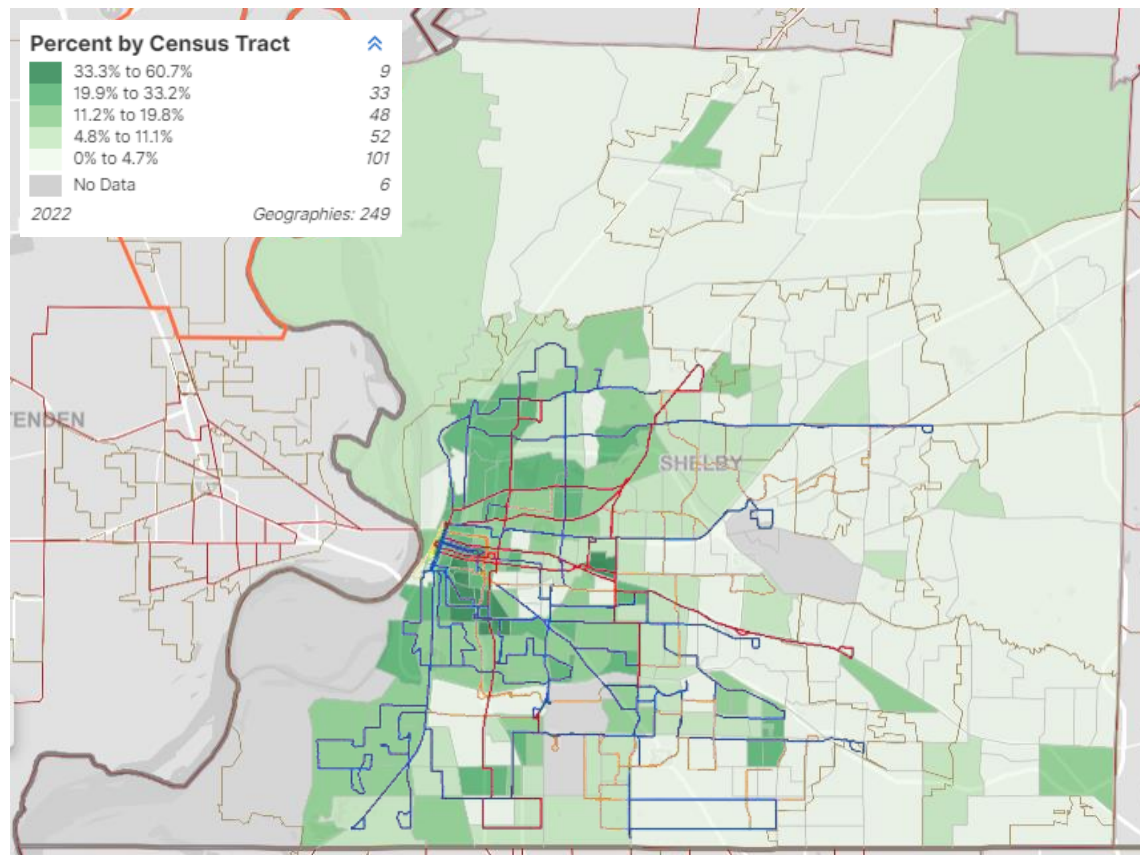
Source: 2022 5 yr American Community Survey; BLS.

Access to Transportation

The Memphis region largely reflects a suburban growth pattern which can pose challenges for transit services, transportation networks, and access to low-cost transportation. Overall, less than 1 percent of residents metro-wide commute to work using public transportation. That rate is closer to 1 percent in Shelby County (0.6%) and a bit higher in the City of Memphis (0.9%). Use of public transit to get to work also varies by age, race, and income: younger residents (aged 20 to 44), African American residents, and lower income residents are all more likely to use transit than the population overall.

Figure IV-15 shows transit access and frequency for census tracts with the lowest vehicle access. Many areas with concentrations of residents that don't have vehicle access have transit routes that operate at 60-minute frequency or slower. Overall, 65 percent of Memphians using transit don't have access to a vehicle, highlighting the need for reliable, frequent transit – especially within high poverty, low vehicle access census tracts.

Figure IV-15.
Households with No Vehicle Access and MATA Service Frequency

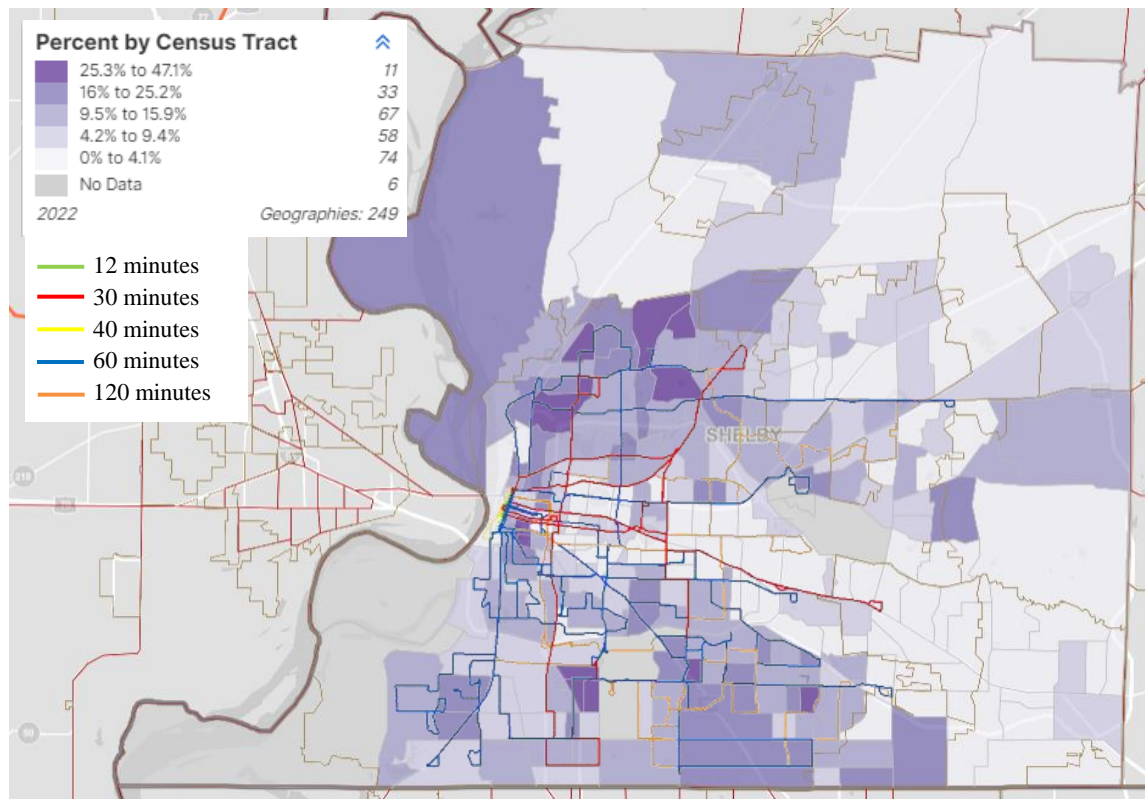


Source: 2022 5 yr American Community Survey; MATA.

Within the City of Memphis, 42 percent of single parent households are experiencing poverty. Female headed households, which make up 90 percent of single-parent households, are less likely than male headed households to have vehicle access¹⁴. Figure IV-16 shows transit access and frequency for census tracts with higher concentrations of single-parent households. Many of these areas have transit routes that operate at 60 minute frequency or slower. Even if transit is a backup source of transportation, having accessible transit options is paramount.

¹⁴ https://nationalequityatlas.org/indicators/Car_access?breakdown=by-race-ethnicity&geo=070000000004748000

Figure IV-16.
Single-Parent Households with Children and MATA Service Frequency



Source: 2022 5 yr American Community Survey; MATA.

During the Memphis 3.0 planning process, the city has identified challenges related to the current transit system and outlined a vision for future transit, incorporating input from a large-scale community engagement effort. The Memphis 3.0 Transit Vision Choice report, which outlines existing conditions of the transit system, reports substantial and self-reinforcing declines in transit ridership and services between 2005 and 2015. During that period the Memphis Area Transit Authority (MATA) cut services by 22 percent and ridership declined by 28 percent. The report also notes limitations in frequency of service—only a few MATA routes offer 30-minute frequency and only one offers 20-minute frequency.¹⁵

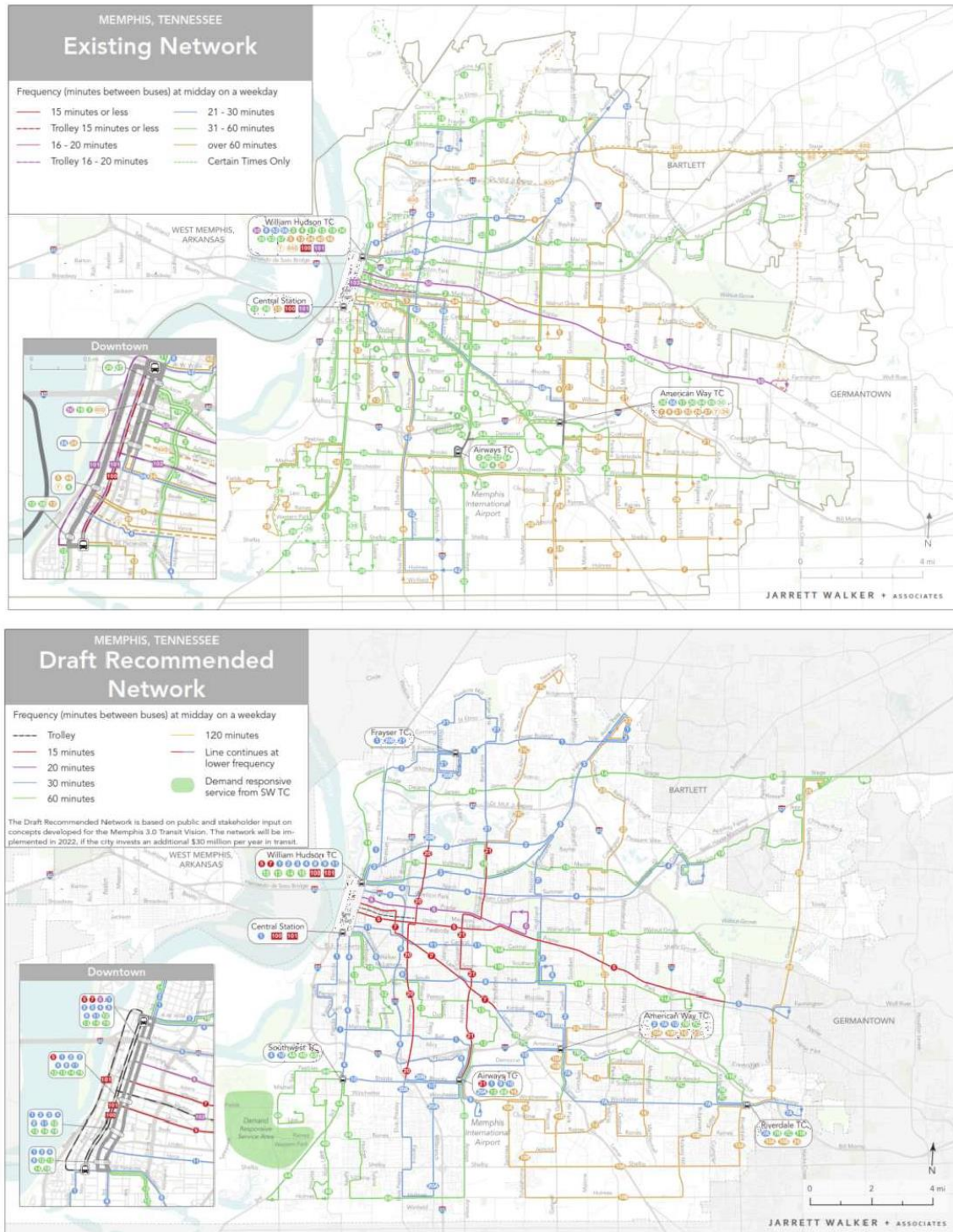
Memphis 3.0 also offers a vision for the future of transit in the city which features the following improvements:

- More buses arriving more often;
- 39 percent more jobs reachable in an hour by transit for the average Memphian (17,000);
- 45 percent more jobs reachable in an hour for minority residents and 49% for low-income residents; and
- 79,000 more people and 103,000 more jobs near frequent service (every 15 minutes).

¹⁵ Memphis Transit Choices Report, available online at <http://www.memphis3point0.com/transit>

Figure IV-17 shows the existing MATA network and the proposed network as part of Memphis 3.0 Transit Vision. It should be noted that the draft recommended network would require a new investment of \$30 million per year in transit.

Figure IV-17.
Existing and Proposed MATA Network

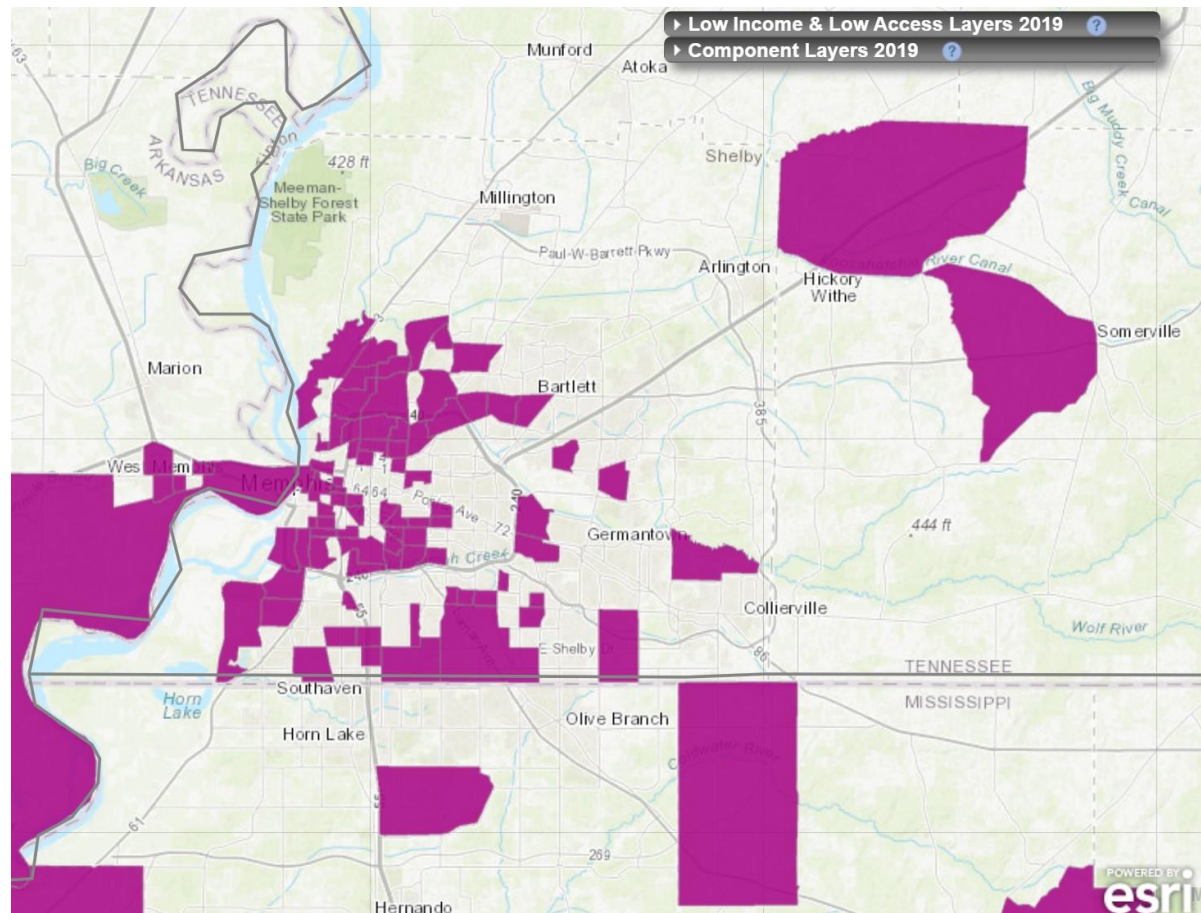


Source: Memphis 3.0 Transit Vision.

Transportation challenges are commonly associated with access to employment, but transportation also impacts residents' ability to access other services and amenities, including health foods, for example.

Figure IV-18 depicts census tracts in which more than 100 households have no access to a vehicle and are more than a half mile from the nearest supermarket. This problem—pervasive in both Memphis and the region—affects both health and allocation of resources.

Figure IV-18.
Census Tracts with Low Vehicle Access and Limited Access to Healthy Food, 2019



Note: Pink shading indicates census tracts in which more than 100 households have no access to a vehicle and are more than a half mile from the nearest supermarket.

Source: US Dept. of Ag Economic Research Service: Food Access Research Atlas.

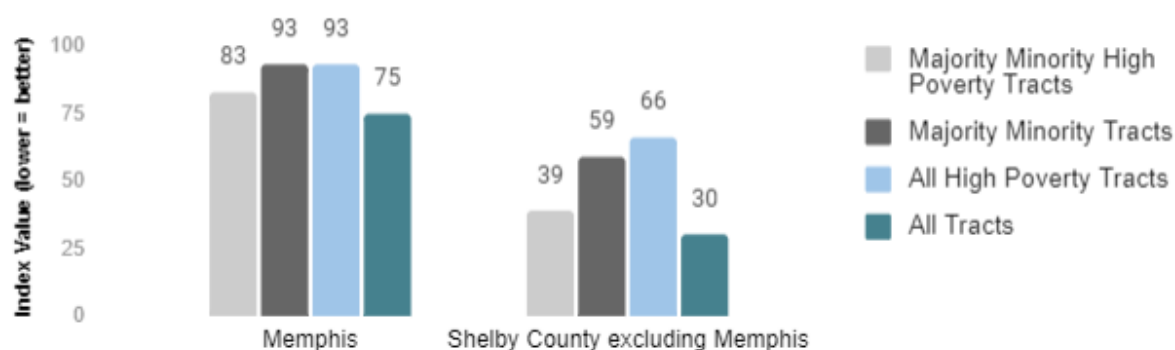
Access to Environmentally Healthy Neighborhoods

Environmental Hazards. The Environmental Justice Index, created by the CDC, measures the cumulative impacts of environment injustice at the census tract level. The index is a combination of social vulnerability and environmental burden. The environmental burden includes air pollution, proximity to hazardous and toxic sites, proximity to transportation infrastructure, built environment risk factors (lead-paint) and benefits (walkability, parks), water pollution, and chronic disease prevalence. The index value represents the proportion of census tracts that experience cumulative impacts of environmental burden and injustice equal to or lower than the tract of interest. For

example, a ranking of 95 means that 95% of tracts nationally experience less severe cumulative impacts on health and well-being from environmental injustice.

Figure IV-19 shows the CDC’s Environmental Justice Index by minority and poverty concentration in Memphis and the balance of Shelby County. Within Memphis, indices are the same for poverty concentrated and minority concentrated areas, but higher for both groups than the City overall by 20 points – showing that there are disparities. In the balance of Shelby County however, high poverty tracts are experiencing a more disparate impact of environmental burden than all other tracts. Shelby County as a whole experiences a much lower environmental burden and lower social vulnerability than the City of Memphis, represented by an index of 30 and 75 respectively.

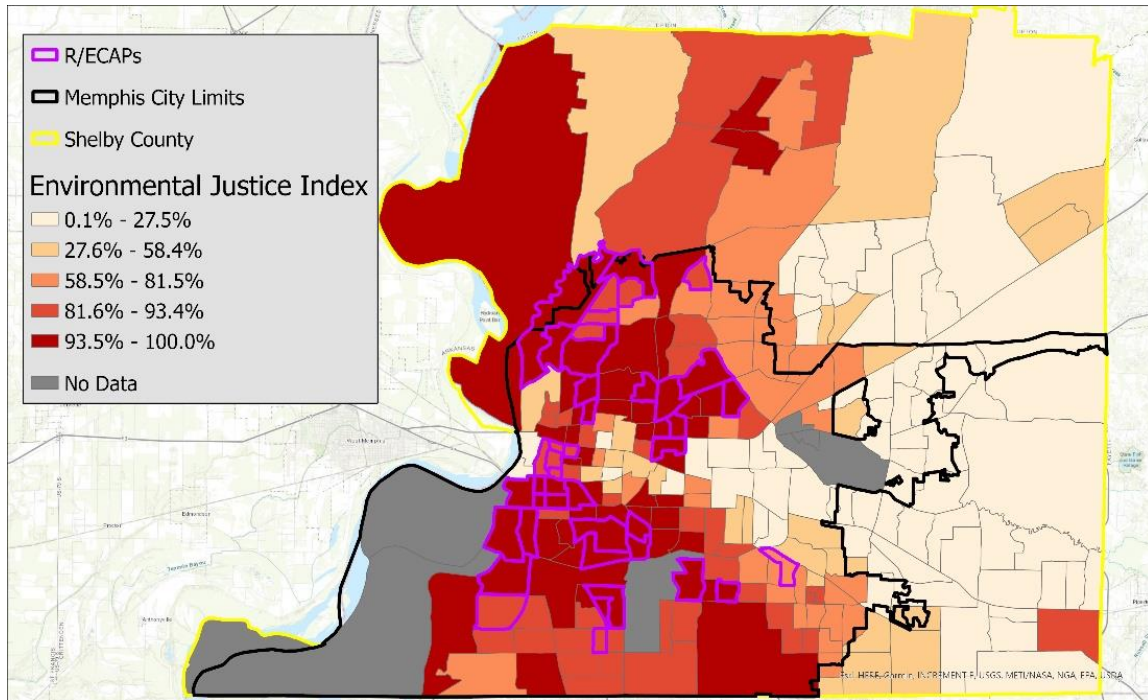
Figure IV-19.
Environmental Justice Index by Poverty and Minority Concentration, 2022



Source: 2022 5 yr American Community Survey; Environmental Justice Index.

Figure IV-20 maps the EJI Index by Census tract, the darker the census tract, the greater environmental burden and social vulnerability. The primary areas with higher index values are north and south of the Memphis core. Within Memphis, these areas have a higher concentration of minority—primarily African American—residents and include many R/ECAPs. Environmental Justice Index above 75 (.75) indicates a high likelihood of chronic conditions.

Figure IV-20.
Environmental Justice Index by Census Tract, 2022



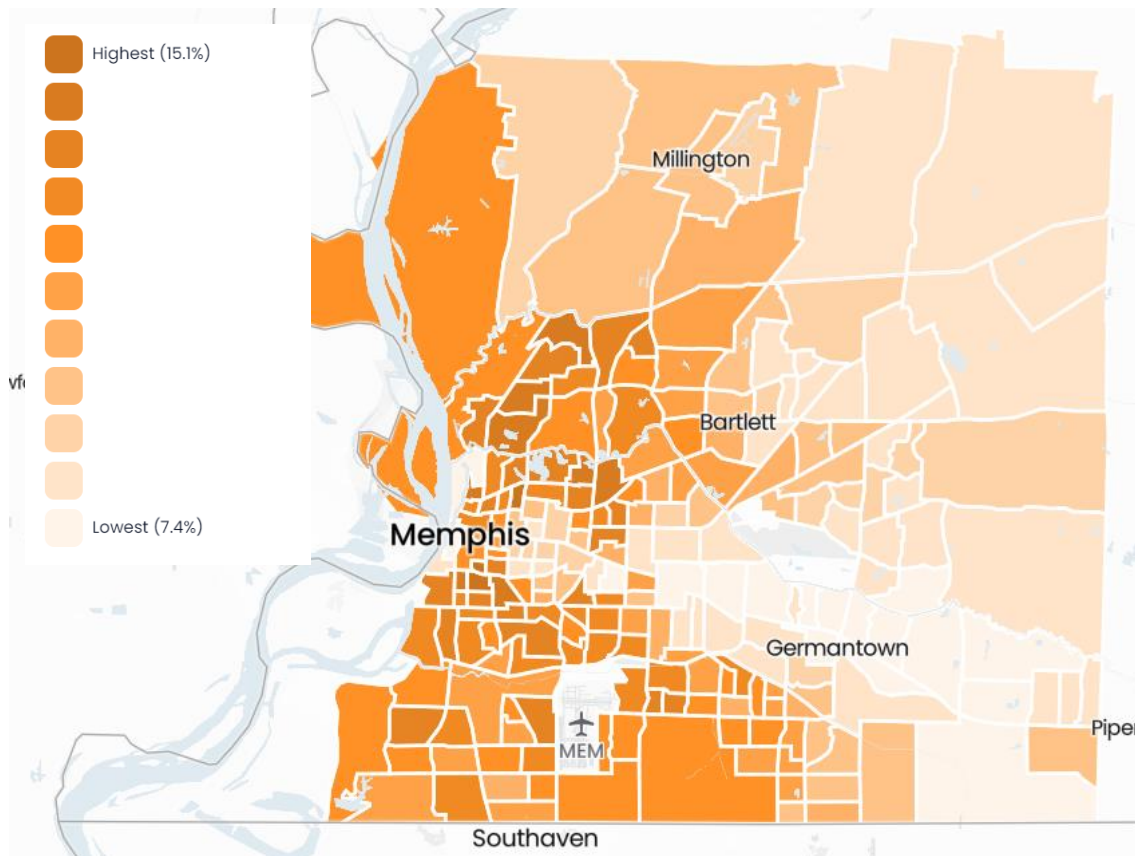
Note: Darker shading indicates higher opportunity index values.

Source: 2022 5 yr American Community Survey; Environmental Justice Index.

The American Lung Association reports that almost 10 percent of children in Shelby County have pediatric asthma.¹⁶ Le Bonheur children's hospital treats over 4,000 children with asthma each year, with almost 5% needing intensive care. Figure IV- 21 on the following page, shows asthma rates by Census tract in Shelby County.

¹⁶ <https://www.lung.org/research/sota/city-rankings/states/tennessee/shelby>

Figure IV-21.
Shelby County Asthma Rates, 2019



Source: Greenlink Equity Maps.

A federally-funded program to address these issues reduced emergency room visits by 55 percent, hospitalizations by 70 percent, and asthma exacerbations by 53 percent. The improvement was attributed, in part, to the “growing awareness of need for [the] collaboration of health, housing and legal service providers.”¹⁷ This collaboration involved both Memphis and Shelby County entities.

Climate change. While the Memphis region is not subject to sea level rise, it is exposed to extreme flooding events, high winds, tornadoes and extreme heat, all of which have been shown to increase in frequency and severity as climate change occurs.

The vulnerability of the general population of the Memphis Region was recognized by the provision of a \$60 million HUD National Disaster Resilience (NDR) grant to Shelby County “to increase its resiliency. The Memphis Area Climate Action Plan¹⁸ was released in 2020, along with the Mid-South Regional Resilience Plan¹⁹, both of which identified strategies to mitigate the region’s impact on climate change and work to build more resilient Communities.

Extreme heat is a facet of increased vulnerability to which socially-vulnerable populations are most susceptible. Extreme heat is the highest climate related cause of death in the US, and the number

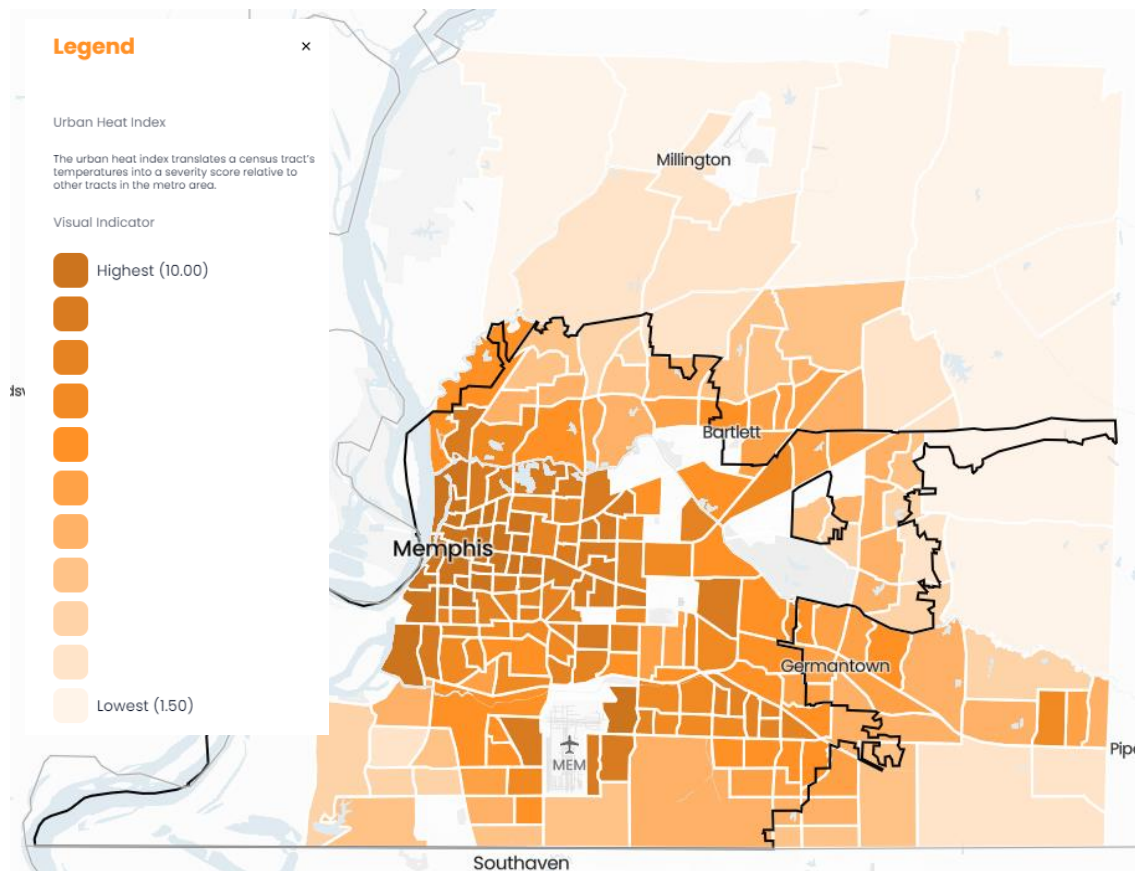
¹⁷ <https://www.prnewswire.com/news-releases/le-bonheur-childrens-hospital-fights-pediatric-asthma-180889411.html>

¹⁸ <https://www.develop901.com/osr/memphisClimateActionPlan>

¹⁹ <https://resilientshelby.com/overview/resilience-activities/resilience-plan/>

of hot days is on the rise in recent years. In 2022, the region experienced 68 days above 90 degrees, with that number projected to grow to 97 by 2075. Memphians experience 21 more days above 90 degrees than more rural surrounding areas, caused by the urban heat island effect. Due to development patterns, the large amount of impervious surfaces in urban areas of Memphis cause temperatures to reach an average of 16 degrees hotter than surrounding areas with more previous surfaces and tree cover. Figure IV-22 shows the urban heat index severity by census tract in Shelby County.

Figure IV-22.
Shelby County Urban Heat Index, 2019



Source: Greenlink Equity Maps.

For those with no air conditioning or the inability to pay a higher power bill, these figures can make the difference between life and death. According to the EPA, "Heat islands can affect communities by increasing summertime peak energy demand, air conditioning costs, air pollution and greenhouse gas emissions, heat-related illness and mortality, and water quality."²⁰ The EPA recommends five strategies to reduce the heat island effect: trees and vegetation, green roofs, cool roofs, cool pavements, and smart growth. The County is using HUD funds to construct greenways, but should also consider other heat-reducing components.

²⁰ EPA, Heat Island Effect: Heat Island Mitigation Strategies," <https://www.epa.gov/heat-islands>

A mega-study of climate change and social vulnerability by the USDA ²¹ concludes “Climate change decision-making processes that do not consider climate vulnerability, equity, and justice may fail to adequately provide services, information, education, and support to key segments of society.”²²

Key Fair Housing Findings from Section IV

- Regional data for the Memphis metro area show racial disparities in resident access to low poverty neighborhoods, school quality, job opportunities and job proximity. Trends are similar in both Memphis and Shelby County outside Memphis, though the gap is wider between groups in the city of Memphis—particularly job opportunities and poverty exposure.
- Disparities are also persistent among residents experiencing poverty, but to a lesser extent in Shelby County.
- Access to proficient schools is a key concern for families in Memphis and Shelby County, as is racial/economic segregation in schools.
- Even when minority groups live close to jobs, they have trouble actually accessing the jobs, most likely due to a skills and/or education mismatch with job requirements.
- Public transit options are limited for all residents. This has a disproportionate impact on residents that rely on public transportation (low income and people with disabilities) to access jobs and other services.

²¹ Lynn, Kathy, Katherine MacKendrick and Ellen M. Donoghue, “Social Vulnerability and Climate Change: Synthesis of Literature,” USDA, August 2011. https://www.fs.fed.us/pnw/pubs/pnw_gtr838.pdf

²² United Nations Development Program, “Mapping Climate Change Vulnerability,” Nov.1, 2010.

SECTION V.

Disability and Access Analysis

SECTION V.

Disability and Access Analysis

This section provides a focused fair housing analysis for people with disabilities living in the Memphis metro area. The section begins with a population profile of persons with disabilities then discusses housing accessibility, integration of persons with disabilities living in institutions and other segregation settings, disparities in access to opportunity for people with disabilities, and disproportionate housing needs of people with disabilities.

HUD defines a person with disabilities as a person who:

- has a disability as defined in Section 223 of the Social Security Act, or
- is determined by HUD regulations to have a physical, mental or emotional impairment that:
 - a) is expected to be of long, continued, and indefinite duration; b) substantially impedes his or her ability to live independently; and c) is of such a nature that such ability could be improved by more suitable housing conditions, or
- has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act, or
- has the disease acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome (HIV).

For the purpose of qualifying for low-income housing under HUD public housing and Section 8 voucher programs, the definition does not include a person whose disability is based solely on any drug or alcohol dependence.

The U.S. Census Bureau, which provides much of the data on the number of people living with a disability uses the following self-reported definitions in the decennial Census and ACS datasets:

- **Hearing difficulty:** Deaf or having serious difficulty hearing.
- **Vision difficulty:** Blind or having serious difficulty seeing, even when wearing glasses.
- **Cognitive difficulty:** Because of a physical, mental, or emotional problem, having difficulty remembering, concentrating, or making decisions.
- **Ambulatory difficulty:** having serious difficulty walking or climbing stairs.
- **Self-care difficulty:** Having difficulty bathing or dressing.
- **Independent living difficulty:** Because of a physical, mental, or emotional problem, having difficulty doing errands alone, such as visiting a doctor's office or shopping.

Population Profile

Individuals with disabilities represent 14 percent of the total population of Memphis and 11 percent in Shelby County outside of Memphis. In the balance of the metro (Memphis Metro excluding Shelby County), the incidence of disability is similar to the City of Memphis: 15 percent for the population overall. Figure V-1 shows the number and percent of people with disabilities in the region and in each participating jurisdiction by type of disability and by age.

In both Memphis and the balance of the county, residents aged 65 and older have much higher rates of disability (34% in Memphis, 31% in the balance of county, and 37% in the balance of the Metro) than other age groups. Ambulatory disability is the most common type of disability in all jurisdictions, followed by cognitive and independent living difficulties.

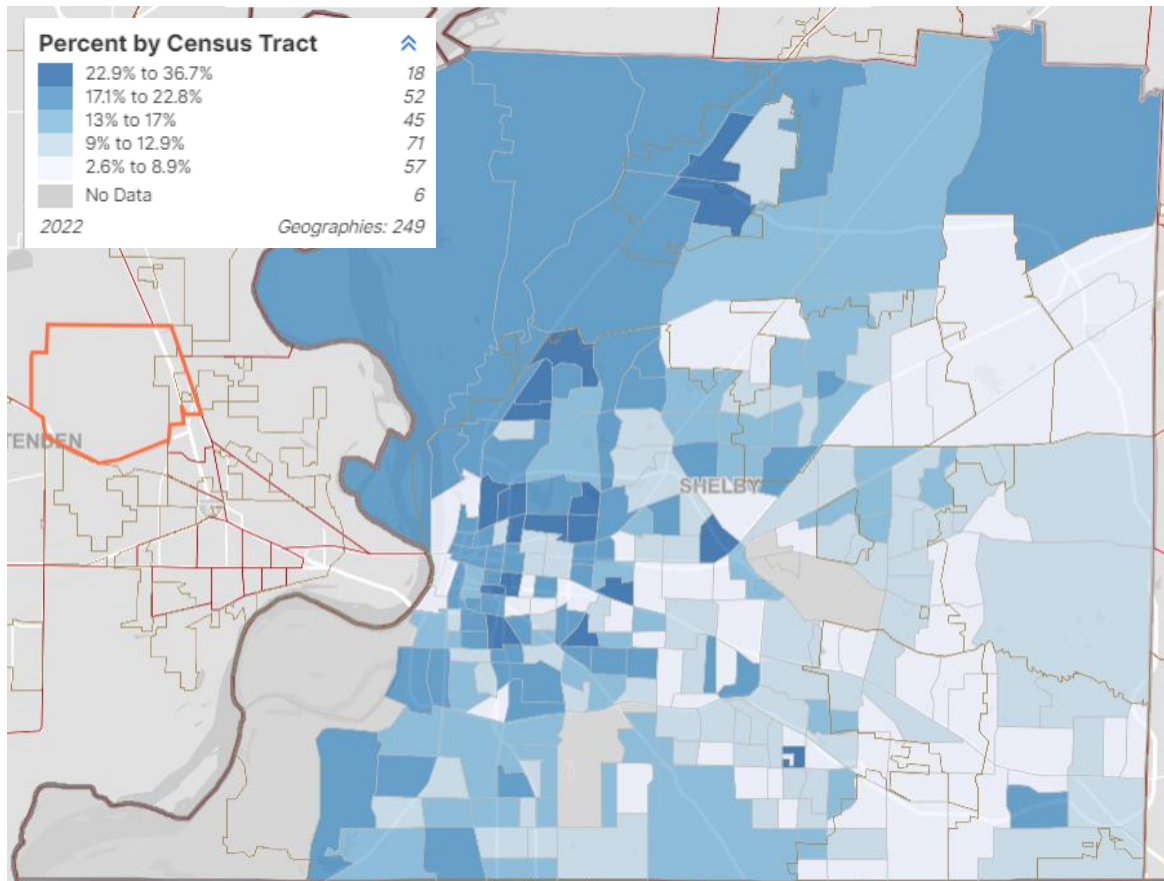
Figure V-1.
People with A Disability by Age and Type of Disability, 2022

	Memphis		Shelby County excluding Memphis		Memphis Metro excluding Shelby	
	Number of People with a Disability	Percent of Age Cohort with a Disability	Number of People with a Disability	Percent of Age Cohort with a Disability	Number of People with a Disability	Percent of Age Cohort with a Disability
Total Population	85,198	14%	31,171	11%	59,991	15%
By Age						
Under 5 years	396	1%	251	1%	62	0%
5 to 17 years	7,000	6%	2,751	5%	4,758	6%
18 to 64 years	48,324	13%	14,899	9%	32,855	13%
65 years and over	29,478	34%	13,270	31%	22,316	37%
By Type of Disability (All Ages)						
Hearing difficulty	14,475	2%	8,397	3%	15,215	4%
Vision difficulty	17,204	3%	6,517	2%	12,362	3%
Cognitive difficulty	35,425	6%	11,368	4%	22,448	6%
Ambulatory difficulty	44,630	7%	15,898	5%	30,971	8%
Self-care difficulty	16,502	3%	6,282	2%	11,274	3%
Independent living difficulty	30,584	5%	10,802	4%	21,315	5%

Source: 2022 5 yr American Community Survey.

It is important to note that, just like any household, not all persons with disabilities need or desire the same housing choices. Fair housing analyses often focus on how zoning and land use regulations govern the siting of group homes. Although group homes should be an option for some persons with disabilities, other housing choices—particularly scattered site units—must be available to truly accommodate the variety of needs of residents with disabilities. Figure V-2 shows where residents with disabilities live.

Figure V-2.
Share of Persons with Disabilities by Census Tract, 2022



Source: 2022 5 yr American Community Survey.

The map shows a slightly higher density of residents with disabilities in some areas— particularly downtown Memphis and in Northwest and Southwest Memphis—but these areas generally have a higher density of residents overall and therefore do not indicate a fair housing concern related to segregation of people with disabilities. Although people with disabilities are not geographically concentrated, they do experience unique challenges to accessing housing. Housing challenges specific to people with disabilities and disparities in access to opportunity for people with disabilities are discussed in more detail in the remainder of this section.

Housing Accessibility

Affordable accessible housing. Overall, stakeholders surveyed identified that 19 percent of households they serve identified an inability to live independently and handicap accessibility as concerns prohibiting them from “aging in place”. Twenty-nine percent of households have requested modifications from their landlord to accommodate for a disability. Of those, 13 percent reported that modifications were not made, 50 percent either paid for their own modifications or another organization paid, and in 38 percent the landlord paid for the modifications.

Housing affordability, the cost of moving, and barriers associated with personal history all effect housing choice for households with disabilities. Difficulty finding a landlord willing to rent to them is a top factor for respondents with a disability.

Stakeholders in the region identified a lack of accessible housing to be a challenge in the region, specifically citing a need for more funding for accessibility improvements to owner-occupied homes and the desegregation of people with disabilities living in public housing (public housing tends to be concentrated in disadvantaged neighborhoods).

Residents with disabilities living in housing that does not meet their needs. These issues—limited supply of accessible units, including a lack of ADA-compliant accessible housing in the public and private housing markets, impacts households with a member with a disability’s ability to find housing.

Types of improvements or modifications needed by these households include:

- Grab bars in the bathroom;
- Wider doorways;
- Fire alarm/doorbell made accessible for deaf or hearing impaired resident;
- Service or emotional support animal allowed in home;
- Ramps; and
- Reserved accessible parking spot by entrance.

Survey data from the resident survey conducted in 2018, shown in Figure V-3, indicates that about one in seven residents with disabilities live neighborhoods where they cannot get around due to inadequate infrastructure (e.g., missing/broken sidewalks, poor street lighting, dangerous traffic). A similar proportion have not requested needed accommodations out of fear that their rent will increase or they will be evicted.

Figure V-5.
Housing Challenges Experienced by Residents with Disabilities

Percent of Residents Experiencing a Housing Challenge	Disability
My home does not meet the needs of the household member with a disability	29%
I have a disability or a household member has a disability and cannot get around the neighborhood because of broken sidewalks/no sidewalks/poor street lighting/dangerous traffic	15%
I worry if I request an accommodation for my disability my rent will go up or I will be evicted	13%
I can’t afford the housing that has accessibility features I need	10%
My landlord refused to make a modification (e.g., grab bar, ramp, etc.) for my or my household member’s disability	6%
My landlord refused to accept my therapy/companion/ emotional support animal	3%
I am afraid I will lose my in-home health care	2%

Source: BBC Research & Consulting from the 2018 Memphis-Shelby County Fair Housing Survey.

Housing denial and discrimination. Overall, 26 percent of Memphis Metro survey respondents who seriously looked for housing to rent or buy experienced a denial. Households that include a

member with a disability were more likely than other residents to experience denial when looking for housing (46%). The top five reasons why these residents believe they were denied housing to rent or buy were:

- Bad credit;
- Income too low;
- Eviction history;
- Landlord didn't accept the type of income I earn (social security or disability benefit); and
- Lack of stable housing record.

About 15 percent residents of the Memphis Metro area who responded to the survey felt they were discriminated against when they looked for housing in the region. That rate was much higher for households including someone with a disability, 23 percent of which said they felt they were discriminated against.

Access to publicly supported housing. Figure V-4 shows the number and percent and percent of HUD program participants living in various types of publicly assisted housing. In the Memphis metro overall about 30 percent of public housing residents have a disability, compared to 15 percent of housing choice voucher holders. A similar trend is evident in the City of Memphis where one-third of all public housing residents have a disability compared to 15 percent of voucher holders.

Figure V-4.
Disability by Publicly Supported Housing Program Category

Disability by Publicly Supported Housing Program Category	Memphis		Shelby County excluding Memphis		Memphis Metro	
	Num.	Pct.	Num.	Pct.	Num.	Pct.
Public Housing	859	33%	38	30%	965	31%
Project-Based Section 8	939	16%	n/a	n/a	960	16%
Other Multifamily	107	20%	0	0%	109	17%
HCV Program	1,091	15%	44	9%	1,399	15%
Total all programs	2,996	19%	82	13%	3,433	18%

Note: The definition of "disability" used by the Census Bureau may not be comparable to reporting requirements under HUD programs.

Source: HUD Affirmatively Furthering Fair Housing Data and Mapping Tool.

Location of housing. A detailed discussion of the location of publicly supported housing in relation to areas of racial/ethnic concentrations as well as poverty concentrations is included in Section III Publicly Assisted Housing. That analysis reveals that publicly supported housing developments—particularly public housing—tend to be located in higher poverty areas. For residents with disabilities that live in publicly assisted units, the development locations may create a barrier to housing choice, especially considering the program with the highest proportion of residents with a disability (public housing) is also the most likely to located in R/ECAPs in Memphis.

Difficulty using Section 8 vouchers. Overall, 14 percent of survey respondents whose household includes a member with a disability live in publicly supported housing. The number of Section 8 voucher holders with a disability who participated in the survey is very small (n=5). Of these, four in

five consider it somewhat or very difficult to find a landlord that accepts a housing voucher. All of these voucher holders identify “condition of housing unit does not pass Housing Quality Standards (HQS)” as a reason for their difficulty. Three out of four identified “not enough properties available,” “voucher is not enough to cover the rent for places where I want to live” as other factors that make it difficult to use a voucher.

Among the residents with disabilities who seriously looked for housing in the past five years, 60 percent were denied housing to rent or buy. Landlords being unwilling to accept the type of income (social security or disability benefits) was one of the top five reasons these residents were denied housing to rent. The other reasons were “income too low,” “bad credit and eviction history,” and “lack of a stable housing record.”

Memphis Housing Authority’s reasonable accommodations policy. Under the Fair Housing Act, a Housing Authority “must grant the accommodation unless doing so would impose an undue financial and administrative burden to the PHA (Notice PIH 2016 – 09 (HA)).” PHAs must consider requests for reasonable accommodations that are necessary for a qualified individual with a disability to benefit from the program (HUD’s implementing regulations at 24 CFR 100.204, 24 CFR 8.33, and 28 CFR 35.130). An individual with a disability can request a reasonable accommodation to any rules, policies, practices or services at any time.

The Memphis Housing Authority requires residents to submit evidence of their disability and need for an accommodation from “a qualified professional (not necessarily a physician) having knowledge of a person’s disability who can verify the person’s disability and need for a reasonable accommodation.”

The Memphis Housing Authority states in its policy and procedural manual that “[r]equested accommodations will not be approved if the person’s disability is not verified by a health care professional, the individual is not a person with a disability, or the requested accommodation is not necessary and reasonable based on the health care provider’s responses.”

The procedures outlined in the Reasonable Accommodation Policy and Procedures appear to be unduly cumbersome. Authorized members of the Housing Authority staff should have the authority to approve accommodations where the disability and the need are apparent without placing the request on a waiting list or requiring further documentation.

Disparities in Access to Opportunity for Persons with Disabilities

As discussed earlier in this section, there does not appear to be a geographic concentration of people with disabilities in the City of Memphis or the balance of Shelby County. In theory, that means that residents with disabilities have similar exposure to community assets and stressors as the population at large. However, it is important to note that there are some neighborhood characteristics which can have a greater impact on residents with disabilities. For example, public transit is a much more critical asset to a person whose disability prevents them from driving a car than it might be to an otherwise similarly situated resident.

Survey respondents whose household includes a member with a disability described what is needed in the Memphis Metro area to help the person with a disability in their household to access

community amenities, facilities or services such as parks, libraries, government buildings, cultural facilities, and festivals/events and to receive better health services.

Barriers to accessing community amenities, facilities or services. When asked what is most needed for the member of the household with a disability to better access community amenities, facilities or services, transportation was the barrier identified by the greatest proportion of respondents. Transportation barriers include access to accessible fixed route bus and paratransit services, accessible parking, and pedestrian infrastructure such as sidewalks, curb cuts/ramps, and crosswalks. In addition to transportation, these residents expressed a need for better outreach to the disability community about community amenities and events and a greater emphasis on public safety.

- *“More services made available to transport people with a disability to services.” (Resident with a disability)*
- *“More sidewalk with ramps.” (Resident with a disability)*
- *“Safe streets, walkable neighborhoods with easy public transport.” (Resident with a disability)*

Barriers to better health services. Disability households were somewhat less likely than Memphis Metro respondents to agree that health care facilities are convenient to where they live. As with access to community amenities and facilities, transportation poses a barrier to receiving better health services for residents with disabilities. In addition to transportation access, a number of respondents noted a need for improved access to mental health services. Several respondents suggested a need for increasing public awareness about people who live with disabilities.

- *“Reliable, consistent, safe transportation.” (Resident with a disability)*
- *“More programs for low income families that have a child with autism.” (Resident with a disability)*
- *“Accessible transportation that is affordable.” (Resident with a disability)*
- *“More mental health practitioners who practice after business hours. A recent search showed me this is rare.”*

Barriers to employment. For those residents with a disability who are of working age, job training and coaching, transportation, and outreach to employers encouraging hiring of residents with disabilities are the most common suggestions for what is needed for the resident with a disability to become employed or to move to a better job. In addition to working with employers to hire residents with disabilities, several participants emphasized the importance of employers’ understanding of and willingness to make reasonable accommodations for residents with disabilities to get and stay employed.

- *“More training for the disabled.” (Resident with a disability)*
- *“I just need help finding a job. I have had no luck and I’m afraid me and my 3 year old will be homeless again.” (Resident with a disability)*
- *“More companies willing to work with the mentally ill.” (Resident with a disability)*

- *“More education about autism accommodations in the workplace.” (Resident with a disability)*
- *“Part-time, close by, easy hours and conditions.” (Resident with a disability)*

Households that include a member with a disability were one of the least likely groups to agree with the statement “The location of job opportunities is convenient to where I live.”

Integration of Persons with Disabilities Living in Institutions and Other Segregated Settings

The Money Follows the Person (MFP) demonstration program was created to help assign funding in a way that allows people with disabilities to transition out of institutions but still receive the care they need in a more integrated setting. MFP is a federally funded grant administered by states; in Tennessee the program is managed by the TennCare.

According to the 2016 Cross State MFP report, 1,869 residents were able to transition from institutional care to living in integrated settings through the MFP program since the state began receiving funding in 2011. Of those, 951 were older adults, 816 were non-seniors with physical disabilities and 102 were non-seniors with intellectual or developmental disabilities. In 2016 alone (the most recent reporting year) 458 residents statewide transitioned from institutional to integrated living situations through the MFP program.¹

Though the progress of MFP is notable, some Memphis stakeholders and disability advocates expressed concern that some residents with disabilities may be vulnerable to abuse through the program. Specifically, the advocates cited instances in which host homes for people with disabilities provide inadequate living conditions but take control of the resident’s income in addition to collecting MFP payments.

The Memphis Center for Independent Living (MCIL) is a key resource locally for residents with disabilities in the region and has helped about 2,000 local residents transition from nursing homes to independent living situations.²

¹ <https://www.medicaid.gov/medicaid/ltss/downloads/money-follows-the-person/2016-cross-state-report.pdf>

² <https://sites.google.com/site/mcilaction/home>

Key Fair Housing Findings from Section V

- People with disabilities are not geographically concentrated in Memphis and Shelby County, but do experience unique and disproportionate housing needs and face discrimination in the market.
- People with disabilities also report higher levels of housing denial than other residents. Among survey respondents with disabilities who seriously looked for housing in the past five years, 60 percent were denied housing to rent or buy. Landlords being unwilling to accept the type of income (social security or disability benefits) was one of the top five reasons these residents were denied housing to rent.
- There is a shortage of affordable accessible housing for those with disabilities—one in four households that include a member with a disability are living in housing that does not meet their accessibility needs.
- Top needs for these households include need for modification funding for grab bars, ramps, etc; need for modification and accommodation training for landlords, especially around service animals/emotional support animals and accessibility modifications; and need for education/outreach to residents explaining rights and resources related to requesting modifications and accommodations.
- Transportation is the biggest barrier to accessing community amenities and facilities, health care, and employment for people with disabilities.
- Households that include people with disabilities experience higher levels of the following housing challenges than other residents:
 - Worry about rent increasing to an amount they can't afford;
 - Live in what they consider to be high crime neighborhoods;
 - Live in neighborhoods with buildings in poor condition;
 - Live in neighborhoods with inadequate sidewalks, street lights, drainage, or other infrastructure.

SECTION VI.

Community Engagement Findings

SECTION VI.

Community Engagement Findings

This section reports the findings from the community engagement process for the Memphis- Shelby County AI Update.

Stakeholders Survey

In 2017, residents of Memphis and Shelby County had the opportunity to share their experiences with housing choice and access to opportunity through a resident survey. To update the current plan in 2024, key stakeholders that serve the Memphis and Shelby County community completed an online survey to provide insight on housing barriers and discrimination experienced by households that they serve. The survey instrument included questions about challenging housing conditions among households and their agencies, housing choice, issues regarding aging in place, experience with housing discrimination, and concern towards educating the public on fair housing rights.

Survey outreach and promotion. The City of Memphis and Shelby County promoted the stakeholder survey and sought stakeholders' participation through several platforms, not limited to emails and focus groups.

Survey promotion and outreach efforts conducted by the City of Memphis and Shelby County included:

- Posted a link to the survey on the Shelby County Department of Housing's website;
- Distributed the survey via email to a comprehensive list of stakeholders; and
- Held a series of focus group discussions with specific stakeholders for deeper conversations regarding the populations served.

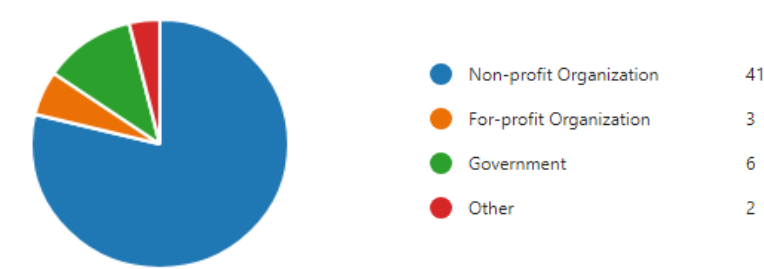
Geographic note. Throughout this section, survey data includes responses from stakeholders that serve populations in both the City of Memphis and Shelby County. The purpose of this venture is to capture the thoughts and gather opinions of the stakeholders across Memphis and Shelby County to have a better understanding of the existing conditions in all communities.

Survey request. Stakeholders in Memphis and Shelby County received personalized emails with links to complete the survey. The survey request was necessary to include the expertise of the stakeholders and to guide the process of developing the joint City-County Equity Plan. The input of the stakeholders through the completion of the survey helped to identify critical fair housing-related needs in both the Memphis and Shelby County communities. At the same time, it helped in the planning efforts to develop thoughtful and impactful paths to better address key issues facing the populations served.

Stakeholder selection. To update this Equity Plan in the most effective manner, Shelby County and Memphis reached out to over 400 stakeholders in both the County and City for their input in the completion of the survey. A total of 52 stakeholders fully completed the survey, which is over ten percent of the entire group. This represents a relatively good response rate and sample size for the survey data.

Figure VI-1 presents the share of survey respondents by their organization type. The majority (79%) of the stakeholders are nonprofit organizations, 12 percent are government officials, 6 percent are for-profit organizations, while the remaining 4 percent represent a university or quasi-government organization. The mission and scope of services of these respondents cover diverse needs in both Memphis and Shelby County. These include housing development (20%), homelessness and special needs (36%), community organizing, uninsured youth, and other underserved populations in the City and County. The stakeholders in Memphis and Shelby County serve all racial/ethnic backgrounds, while the largest share are Black/African Americans (29%), White/Caucasian (20%), and Hispanic (20%) population. Even though the stakeholders serve all income groups, they mainly help the very low-income (<50% AML) and low-income (<80%) groups, representing over 70 percent of households served.

Figure VI-1.
Stakeholders by Organization Type



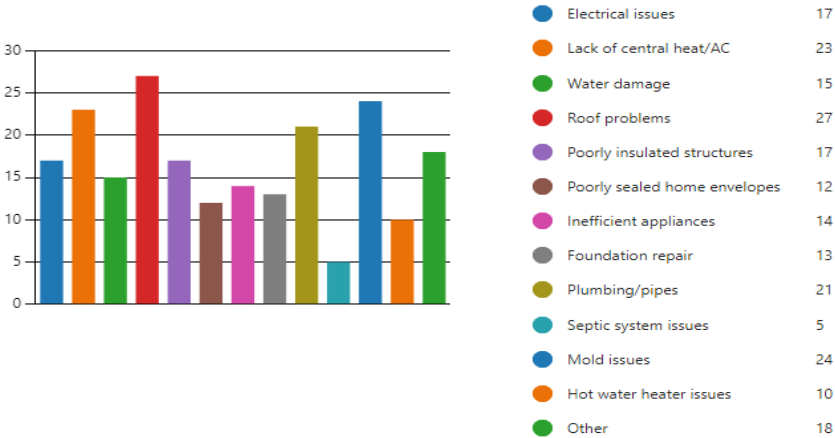
Source: Equity Plan Goals Feedback – 2024.

Challenging housing conditions. In the survey, stakeholders were asked about the most challenging housing conditions for their agencies and the households served. Since these agencies/stakeholders work more closely with residents, they have ‘firsthand’ experience and understanding of some of the housing conditions that plague different households. Figure VI-2 shows that residents have several challenging housing conditions, such as mold issues, foundation repair, plumbing issues, and others. The stakeholders found roof problems the most challenging for them to address for the households served. Other notable housing conditions found challenging include mold issues, lack of central heat/AC, and plumbing/pipes.

Figure VI-2.
Most Challenging Housing Conditions.

Source: Equity Plan Goals Feedback – 2024.

Other challenging housing



conditions worth noting according to the stakeholders include cost of utilities, financial credit concerns for lending stakeholders, lack of housing options, transportation shortages where housing exists, lead poisoning, and access to affordable low-barrier decent housing.

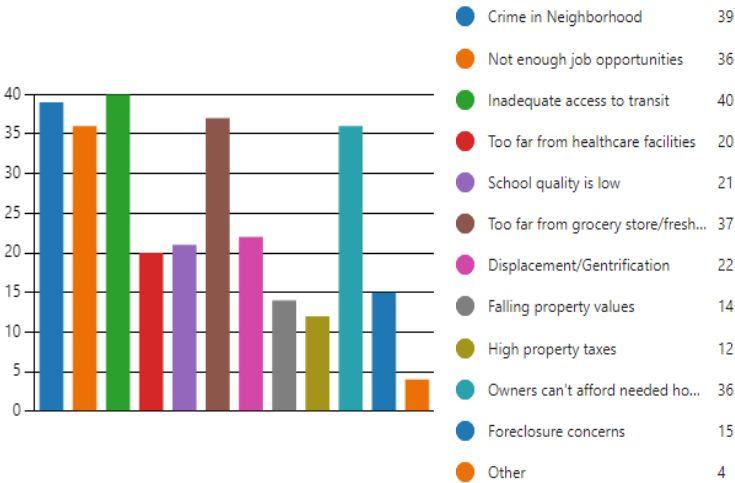
Housing choice issues among households. The next two sections examine housing choice issues. To delve deeper in the housing issues faced by households in the City and County, the survey examined housing choice faced by households. Housing choice plays an important role in determining the quality of life and overall well-being of residents. Figure VI-3 shows results of the stakeholders’ responses concerning housing choice faced by the households served. Inadequate access to transit and crime in neighborhoods were the two top housing choice barriers faced by households in Memphis and Shelby County.

Figure VI-3.

Housing Choice Issues

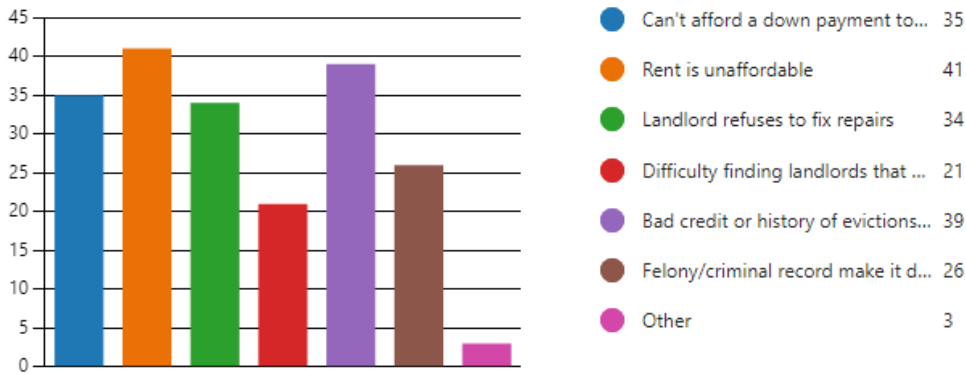
Source: Equity Plan Goals Feedback – 2024.

Other housing choice issues that households face include the inability of owners to afford home repairs, far distances to fresh food/grocery stores, and insufficient job opportunities. Equally important are the other housing choice issues that the stakeholders noted including low school quality, displacement/gentrification, too far distance from healthcare facilities, foreclosure concerns, and falling property values.



Stakeholders also revealed the housing choice barriers specific to renters they serve. Similar to all other households in the city and county, renters face different types of housing choice issues, and the greatest is unaffordable rent. Approximately 80 percent of stakeholders revealed that the renters they serve have issues with rising rents. Another barrier to housing choice among renters was bad credit or history of evictions/foreclosures leading to difficulty in qualifying for rental units. Renters also experience issues with the cost of downpayments, which prevents them from becoming homeowners. Landlords not repairing and upgrading units, as well as felony/criminal records are other housing choice barriers that renters face.

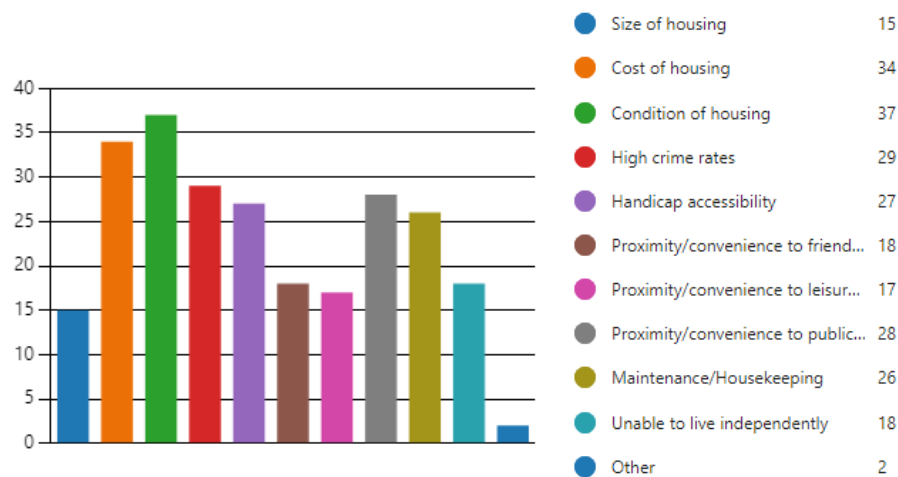
Figure VI-4.
Barriers to Housing Choice for Renters.



Source: Equity Plan Goals Feedback – 2024.

Retirement and Aging in Place. The survey examined the concerns of households that are approaching retirement age. As shown in Figure VI-5, households that are approaching retirement are most concerned with the condition of housing units. The cost of housing is the other main concern that impact senior households' ability to 'age in place'. The rate of crime and proximity or convenience to public services such as health facilities, grocery stores, post office, and other services also are important to these households. Other important factors include handicap accessibility, and maintenance or housekeeping. Other issues that stakeholders noted include proximity to friends and family, proximity to leisure, and an inability to live independently.

Figure VI-5.
Factors Impacting Older Residents Ability to Age in Place.

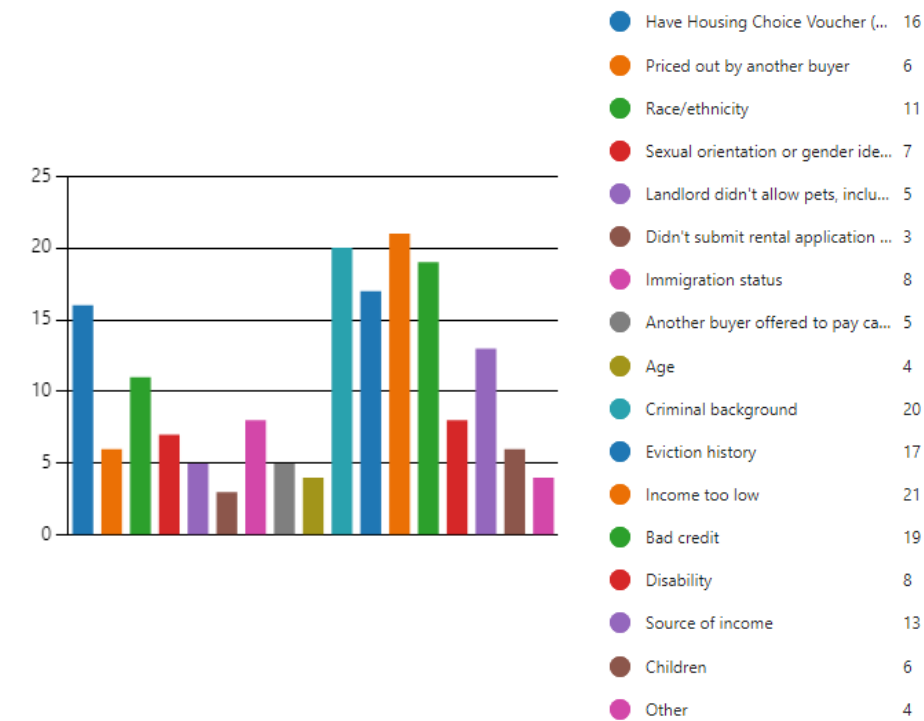


Source: Equity Plan Goals Feedback – 2024.

Households experiencing housing discrimination. According to the survey, 76 percent of stakeholders stated that those they serve have reported experiencing housing discrimination. In

addition, stakeholders reported on the different types of housing discrimination households in Memphis and Shelby County faced. Some resulted in being denied housing either for rent or purchase. Figure VI-6 shows the basis cited for the discrimination. Twenty-six percent of households faced discrimination related to income, an additional 9 percent were due to having a Housing Choice Voucher, 12 percent was related to criminal background. An additional 21 percent was due to poor credit or a history of eviction. Another 28 percent experienced discrimination related to their classification as a protected class (age, race, sexual orientation, disability, familial status, etc.).

Figure VI-6.
Reported Basis for Discrimination.

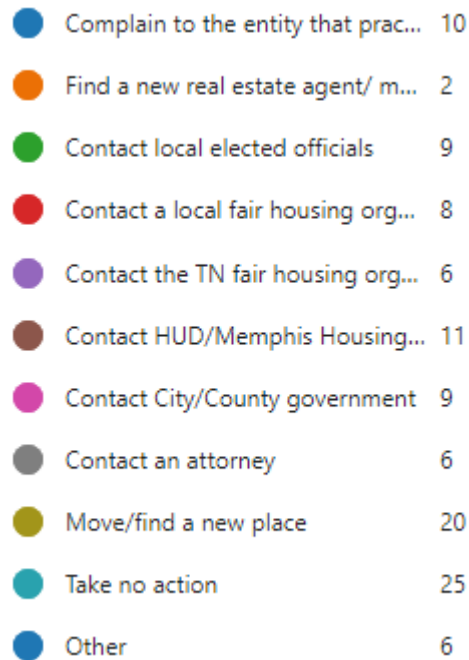


Source: Equity Plan Goals Feedback – 2024.

Figure VI-7 shows the action taken by households that experienced discrimination.

Figure VI-7.
Actions taken by households that experience housing discrimination.

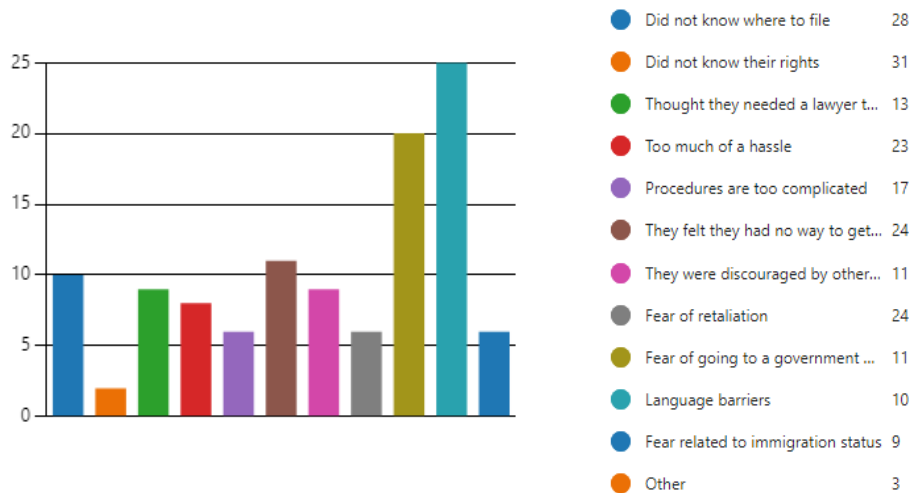
Source: Equity Plan Goals Feedback – 2024.



Stakeholders noted that 22 percent of households that faced discrimination did not take any action, while another large share just moved or found a new place to live (18%). Thirty-eight percent of households reported the discrimination, with almost 60 percent of reports being made to either HUD or the Memphis Housing Authority. Some others contacted local elected officials or the local government.

Of the 40 percent of households that did not file a complaint, responses revealed that many households did not know their rights (15%), didn't understand the process (32%), didn't have the time or capacity (20%), or had other fears that prevented them filing (22%), including retaliation or deportation. Figure VI-8 lists all of the reasons cited for not filing a housing discrimination complaint. Stakeholders agreed that the City and County can play a larger role in furthering access to fair housing education so that residents both understand their rights and know how to file a fair housing discrimination complaint.

Figure VI-8.
Reasons for households not filing a housing discrimination complaint.



Source: Equity Plan Goals Feedback – 2024.

Barriers to the affordable housing supply in Memphis and Shelby County. The majority of stakeholders (71%) reported that there is a lack of quality, affordable housing in Memphis and Shelby County. Figure VI-9 lists the barriers impacting the supply of high quality and affordable housing units in the area. The lack of maintenance of existing affordable housing units, and the lack of housing options/types in the existing affordable housing stock were noted most prominently. When citing barriers to the production of additional affordable housing, barriers included the lack of interest among developers to construct affordable housing; rising development costs, such as infrastructure fees, lands and some other hidden fees; zoning regulations; and NIMBYism.

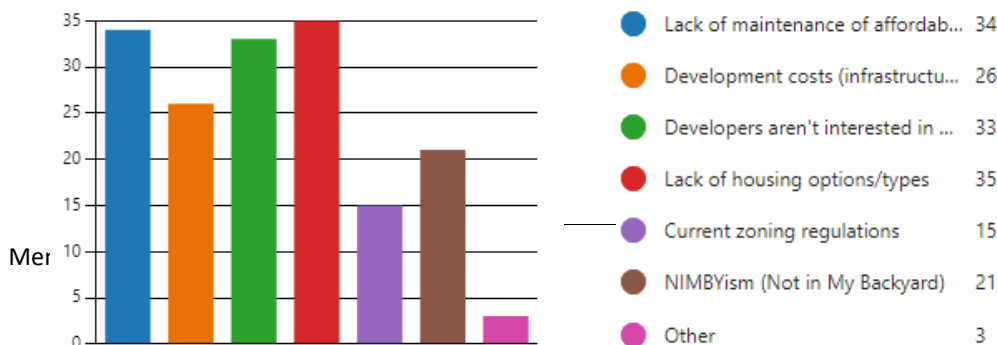


Figure VI-9.
Barriers to the Affordable Housing Supply.

Source: Equity Plan Goals Feedback – 2024.

Additional stakeholder concerns. Listed below are some of the other fair housing concerns highlighted by stakeholders that were not addressed in the survey.

- Lack of a rental registry and renter’s rights.
- Inefficient code enforcement and lack of inspections of rental properties.
- The need for subsidies to cover the gap between production costs and resale/rental returns.
- Preference should be given to community-based developers to acquire vacant land for housing development vs institutional and out of town investors.
- Lack of diversity in the real estate, banking, development, and appraisal professions.
- Lack of legal representation and access needed to support families facing eviction and discrimination.
- Apartment complexes charging high application fees or move-in fees, instead of deposits. These fees add to high rents and are nonrefundable.
- Lack of suitable housing units for low-income older adults.
- Landlords lose money when tenants do not take care for the rented properties.

SECTION VII.

Fair Housing Environment

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Fair Housing Environment

This section of the City of Memphis/ Shelby County AI begins with an overview and analysis of the fair housing protections available to local residents and future residents of the City of Memphis, and Shelby County. This section also addresses fair housing and fair lending complaints by examining complaint data and legal cases related to fair housing violations in the City of Memphis and in Shelby County.

Fair Housing Laws, Statutes and Ordinances

Federal laws. The following federal laws apply:

- **The Fair Housing Act.** Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in housing and housing related services on the basis of race, color, religion, sex, national origin, handicap or familial status.

The Fair Housing Act also includes affirmative requirements related to persons with disabilities. It is unlawful to refuse to make reasonable accommodations in rules, policies, practices or services, if such an accommodation is necessary for a handicapped person to use the housing. Further, landlords must allow reasonable modifications of a dwelling or common use areas, if necessary for the handicapped person to use the housing.

The Fair Housing Act also contains requirements for multifamily dwellings containing four or more units ready for first occupancy after March 13, 1991. All ground floor units must have:

- an accessible route into and through the unit;
- accessible lights switches, electrical outlets, thermostats, and other environmental controls;
- reinforced bathroom walls to allow later installation of grab bars; and
- kitchens and bathrooms that can be used by people in wheelchairs.

In addition, all public and common area must be accessible to persons with disabilities and all doors and hallways must be wide enough for wheelchairs.

- **Title VI of the Civil Rights Act of 1964.** Title VI of the Civil Rights Act of 1964 provides for nondiscrimination in federally assisted programs on the basis of race, color, or national origin. Title VI states that no person should be excluded from participation in, denied the benefit of, or subjected to discrimination in any program or activity receiving federal financial assistance.
- **Title I of the Housing and Community Development Act of 1974.** Title I states that no person shall be denied the benefits of or be subjected to discrimination under any program or activity funded in whole or in part with funds made available through the Housing and Community Development Act on the basis of race, color, national origin, sex, age or handicap.

- **Housing for Older Persons Act.** HOPA makes several changes to the 55 and older exemption under the Fair Housing Act. Since the 1988 Amendments, the Fair Housing Act has exempted from its familial status provisions (55 and older properties are NOT exempt from other provisions of the law including providing reasonable accommodations to persons with disabilities) properties that satisfy the Act's 55 and older housing condition.
 - First, it eliminates the requirement that 55 and older housing have "significant facilities and services" designed for the elderly.
 - Second, HOPA establishes a "good faith reliance" immunity from damages for persons who in good faith believe that the 55 and older exemption applies to a particular property, if they do not actually know that the property is not eligible for the exemption and if the property has formally stated in writing that it qualifies for the exemption. HOPA retains the requirement that senior housing must have one person who is 55 years of age or older living in at least 80 percent of its occupied units.

- **Section 504 of the Rehabilitation Act of 1973.** Section 504 states that no person because of their disability can be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Any individual who has a physical or mental disability which for that individual constitutes or results in a substantially limits one or more major life activities; has a history of such an impairment or is regarded as having such an impairment is covered under Section 504. Current drug abusers and alcoholics who are not in recovery are not covered.

- **Section 508 of the Rehabilitation Act of 1973.** Section 508 was enacted to eliminate barriers in information technology, to make available new opportunities for people with disabilities, and to encourage development of technologies that will help achieve these goals.
 - The law applies to all Federal agencies when they develop, procure, maintain, or use electronic and information technology.
 - Agencies must give disabled employees and members of the public access to information that is comparable to the access available to others.

- **Architectural Barriers Act of 1968.** The Architectural Barriers Act (ABA) requires that certain buildings financed with federal funds be designed and constructed to be accessible to persons with disabilities. This Act covers

- Any building that is constructed or altered by or on behalf of the United States;
- that is leased by the Federal Government; or
- which is financed in whole or in part by a grant or a loan made by the United States.

The third application of this Act only applies to loans or grants which have specific design, construction or alteration requirements attached to the performance of the grant or loan. In 1989 the HUD Secretary made a policy decision that the ABA would also apply to programs and activities funded under the CDBG program.

- **Section 3 of the Housing and Urban Development Act of 1968.** The purpose of Section 3 of the Housing and Urban Development Act of 1968 is to ensure that low income and persons receiving public assistance for housing benefit from employment and economic opportunities generated by HUD financed projects. Section 3 requires that a grantee;

- Implement procedures to notify eligible residents within the community of training and employment opportunities generated by the grant award.
- Notify potential contractors and subcontractors of their responsibilities under this Act.
- Facilitate the training and employment of qualified residents.
- Ensure that all contractors and subcontractors are in compliance with Section 3 requirements.
- Document all actions taken to comply, report any impediments encountered and the results of any actions taken as a result of Section 3 requirements.

Section 3 requirements must be met only for Section 3 covered assistance, which is defined as:

- Public and Indian Housing Assistance;
- Section 8 and other housing assistance;
- housing rehabilitation;
- housing construction; and
- other housing assistance.

Both the grantee and subcontractors are covered if the grantee receives over \$200,000 and the subcontractor receives over \$100,000. Only the grantee is covered if the contractor or subcontractor receives less than \$100,000. All grantees, contractors and subcontractors receiving Public and Indian Housing Assistance MUST comply with Section 3 requirements regardless of the amount of the award.

- **Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency).** Executive Order 13166 seeks to eliminate to the extent possible limited English proficiency as a barrier to full and meaningful participation in federally funded programs and services.
- **Executive Order 13217 (Community Based Alternatives for Individuals with Disabilities).** Executive Order 13217 requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.

These federal laws and orders are investigated by the U. S. Department of Housing and Urban Development's (HUD) Fair Housing and Equal Opportunity Division (FHEO). The local HUD FHEO office is located at 200 Jefferson, Suite 300, Memphis, TN 38103. Phone: (901) 544-3367,

Fax: (901) 544-3697, TTY: 1 (800) 855-1155.

State and local statutes and ordinances. There are also a number of state and local statutes related to fair housing:

- **State of Tennessee Human Rights Act.** The Tennessee Human Rights Act prohibits discrimination in Housing and Finance (GS 4-2-600). It prohibits discrimination on the basis of race, color, creed, religion, sex, disability, familial status or national origin.

The Tennessee Human Rights Commission (THRC) enforces the Tennessee Human Rights Act and is designated as a Fair Housing Assistance Program by the U. S. Department of Housing and Urban Development. As Substantially Equivalent to HUD, it is possess similar powers as HUD to enforce the federal Fair Housing Act, as amended.

Despite being substantially equivalent to the federal law, the TN Human Rights Act only allows aggrieved parties 180 days to file a complaint with the agency as opposed to the one- year statute of limitation under the federal law.

The local THRC office is located at 40 S Main St 2nd Floor Suite 200, Memphis, TN 38103

- **City of Memphis Fair Housing Ordinance.** The City of Memphis prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, age, familial status, source of income, or handicap/disability (10-36-3).

The City of Memphis' Fair Housing Ordinance is not substantially equivalent with federal or state fair housing laws. There is no provision for equitable relief for aggrieved persons under the Ordinance. The Ordinance does not provide for a private right of action which means that an aggrieved person cannot file a lawsuit based on a violation of the Ordinance. The ordinance only allows for the collection of a fine of \$50.00 and a penalty not to exceed

\$200.00 per violation. The Ordinance states that each day of a continuing violation constitutes a new violation for the purpose of the fine and penalty (10-36-7).

The Ordinance requires the designated Fair Housing Officer to notify aggrieved persons of their right to file with state and federal agencies. The current designated fair housing officer for the City of Memphis is the Memphis Fair Housing Center which is a project of the Memphis Area Legal Services, Inc. located at 22 N. Front Street, Suite 1100 Memphis, TN 38103 Phone: 901.432.4663

- **Memphis Fair Housing Center (MFHC).** The Memphis Fair Housing Center (MFHC) was established as a project of Memphis Area Legal Services, Inc. in 1997 with a grant from the City of Memphis. MFHC provides fair housing education and enforcement services and offers comprehensive housing counseling services. The staff is authorized to give information and legal guidance on housing issues. MFHC is a HUD approved Housing Counseling Agency and provides homebuyer education, Mortgage delinquency and default counseling, and advice in the areas of fair lending, housing accessibility and landlord/tenant issues. MFHC is located at 22 N. Front Street, Suite 1100 Memphis, TN 28103 Phone: 901.432.4663

Fair Housing Complaint Trends

Fifty-four (54) complaints were filed in Shelby County during the period January 1, 2018 through June 30, 2020—an average of 18 complaints per year.

Figure VII-1 shows the basis of complaints (number and percent). Note that many individual complaints have multiple bases.

- 31 percent of the total complaints filed included an allegation of race discrimination;
- 48 percent of the total complaints filed included an allegation of disability discrimination;
- 22 percent of the total complaints filed included an allegation of sex discrimination;
- 15 percent of the total complaints filed included an allegation of retaliation;
- 13 percent of the total complaints filed included an allegation of familial status discrimination;
- 6 percent of the total complaints filed included an allegation of discrimination based upon National Origin;
- 6 percent of the total complaints filed included an allegation of discrimination based upon religion;
- 11 percent of the total complaints filed included an allegation of discrimination based upon color.

Figure VII-1.
Basis of Complaints, January 1, 2018 through June 30, 2020

Note:
Complaints can have more than one basis; percentage shown reflect percent of total complaints not total bases.

Source:
HUD FHEO.

<u>Shelby County</u>		
Race	17	31%
Disability	26	48%
Sex	12	22%
Retaliation	8	15%
Familial Status	7	13%
National Origin	3	6%
Religion	3	6%
Color	6	11%
Total Bases	82	
Total Complaints	54	

Legal Cases

As part of the fair housing analysis, legal cases involving fair housing issues were reviewed to determine significant fair housing issues and trends in. Case searches were completed using the National Fair Housing Advocate's case database and the U.S. Department of Justice's fair housing database.

The legal cases presented in the databases include those that involved a court decision and have been reported to legal reporting services. (Open or ongoing cases would not be represented unless a prior court decision on the case has been made.) Additionally, disputes that are settled through mediation are not included in the reported cases.

Predatory Lending: City of Memphis v Wells Fargo (2012). On April 7, 2010, the City of Memphis filed a lawsuit in the United States District Court for the Western District of Tennessee, Western Division under Tennessee state law and the Fair Housing Act against Wells Fargo Bank. The Plaintiff, represented by private counsel, asked the court for injunctive, monetary, and declaratory relief, claiming that the Defendant's unlawful, irresponsible, unfair, deceptive, and discriminatory lending practices resulted in injuries to Memphis's minority neighborhoods. Two other cases -- Baltimore v. Wells Fargo and U.S. v. Wells Fargo made essentially equivalent allegations.

The Plaintiffs alleged that since 2000, the Defendant had engaged in a pattern or practice of targeting African-American neighborhoods in Memphis and Shelby County for deceptive, predatory, or otherwise unfair lending practices.

In 2012, according to newspaper reports, the parties reached a settlement in which the Defendant agreed to pay \$3 million to the city and county to support economic development and \$4.5 million in grants for mortgage down payments and home renovations. The Defendant also set a lending goal of \$425 million for residents of Memphis and Shelby County over the next five years. This figure included \$125 million earmarked for low and moderate-income borrowers. On July 3, 2012, the case was dismissed with prejudice on the plaintiffs' motion. The consent decree ran its course with no further activity in the court.

Redlining: National Community Reinvestment Coalition v. First Tennessee Bank, NA (2015).

On October 5, 2015 the National Community Reinvestment Coalition filed with the United States Department of Housing and Urban Development a complaint alleging that First Tennessee Bank, National Association violated Section 805 of the Fair Housing Act as amended in 1988. NCRC ascertained that First Tennessee Bank was responsible for discriminatory terms and conditions for making loans, discrimination in the making of loans, and discriminatory financing, with respect to real estate transactions. NCRC further alleged that First Tennessee Bank denied loan applications submitted by African American and Hispanic borrowers at higher rates than applications submitted by non-Hispanic white borrowers. The alleged violations relate to First Tennessee Bank's lending practices in census tracts with a majority of minority (African American or Hispanic) residents of the four Metropolitan Statistical Areas containing the Tennessee cities of Chattanooga, Knoxville, Memphis, and Nashville.

Justice Department and Consumer Financial Protection Bureau Reach Settlement with Bancorp South Bank to Resolve Allegations of Mortgage Lending Discrimination

On June 29, 2016, the United States filed a complaint and a consent order in United States and Consumer Financial Protection Bureau v. BancorpSouth Bank (N.D. Miss.). The joint complaint with the Consumer Financial Protection Bureau (CFPB) alleges that the bank failed to provide its home mortgage lending services to majority-minority neighborhoods on an equal basis as it provided those services to predominantly white neighborhoods, a practice commonly known as "redlining," throughout its major market areas in the Memphis Metropolitan Statistical Area; discriminated on the basis of race in the pricing and underwriting of mortgage loans originated by its Community Banking Department; and implemented a discriminatory loan policy or practice of denying applications from minorities more quickly than similarly-situated white applicants in its Mortgage Department, in violation of ECOA and FHA. The consent order requires the bank to amend its pricing and underwriting policies, establish a monitoring program, have employees undergo fair housing and fair lending training, extend credit offers to unlawfully denied applicants, and open a new full-service branch or Loan Processing Office (LPO) in a high-minority neighborhood, among other injunctive relief. The consent order also includes a \$2.78 million settlement fund to remediate harmed borrowers for pricing and underwriting discrimination; a \$4 million loan subsidy program to extend mortgage loans to qualified applicants in the Memphis MSA; at least \$800,000 in advertising, outreach, and community partnerships; and a \$3 million civil money penalty to the CFPB. The court entered the consent order on July 25, 2016.

Community Benefit Agreements. First Tennessee Bank and NCRC also entered into a five- year Community Benefits Agreement on April 8, 2018 worth \$3.95 billion dollars.

- **Increasing home ownership:** Fund \$515 million in home purchase and rehabilitation mortgage lending. This will translate into approximately 967 new homes owned by people of color and 533 homes owned by low- or moderate-income people.
- **Building small business:** Fund \$1.9 billion in small business lending to businesses in low-to-moderate areas and businesses with less than \$1 million in annual revenue.
- **Fostering community development:** Fund \$1.5 billion in community development and multi-family lending and investments.
- **Strengthening communities:** Fund \$40 million in grants and philanthropy, including supporting workforce development, small business, housing counseling, Community Development Corporations (CDC), Community Development Financial Institutions (CDFI), and funding financial literacy and education programs for children, young adults and small business entrepreneurs.
- **Supporting supplier diversity:** Devote 3%-6% of the bank's supplier spending to minority-owned businesses.
- **Partnering with minority-owned marketing firms:** Earmark a portion of the bank's marketing budget to minority-owned firms.

Several Memphis area non-profits participated in the planning and crafting of the Community Benefits Plan including Advance Memphis, Memphis Area Legal Services, Inc., Memphis Urban League, and the Memphis Area Housing Authority.

“The Memphis Housing Authority is excited to support the First Tennessee Community Benefit Plan. The population we serve in Memphis are by definition low-income households who have not always had the ability to benefit from a true banking relationship. The Memphis Housing Authority feels this plan will provide them access to services that will build their self-sufficiency, independence from government assistance and improve their future,” said Marcia Lewis, Executive Director, Memphis Housing Authority.”

Assessment of Progress Towards Goals and Actions

The City of Memphis and Shelby County completed an Analysis of Impediments to Fair Housing Choice (AI) in 2011 and the broader region completed a Fair Housing Equity Assessment (FHEA) in 2014. Both of those efforts identified a number of impediments and goals to address fair housing concerns in the jurisdictions and the region. Both Memphis and Shelby County have taken actions since those reports to address fair housing concerns, though some impediments do persist. The 2014 FHEA outlined detailed actions broken down by year and separated City and County. This 2024 update provides a more coordinated and succinct effort that demonstrates improved coordination around joint housing efforts and makes actionable the goals set out in the Housing Policy Plan first published in 2022.

Shelby County and City of Memphis actions, 2018 through 2024.

The recommendations within the Housing Policy Plan are built with four guiding priorities in mind: **improving housing quality, supporting homeownership, diversifying the housing stock, and improving quality low-income housing.** These guiding principles inform the design and implementation of recommended strategies and will enable the City and County to track the impacts of its affordable housing activities. Aligning the City and County’s affordable housing policies, programs, and investments with these guiding principles will help them to more effectively address the affordable housing needs of its residents and workers.

Guiding Priority	Description of Action
Improve Housing Quality	Focus on helping owner occupants remain in their homes and bring value back to disinvested neighborhoods. Additionally, increase the level of private and public investment to end the cycle of disinvestment in the region.
Support Homeownership	Address barriers to homeownership and reduce the increasing proportion of renters that are not benefitting from homeownership wealth generation.
Diversify Housing Stock	Adjust housing regulations and requirements to encourage private investment in a range of housing typologies, including middle-scale housing which is more economically viable and better aligns with resident needs.
Increase Quality Low-Income Housing	Focus and scale local public funding to increase the production of affordable housing units by leveraging federal, state, and philanthropic resources.

Working in collaboration the County and City can influence the structural barriers to a healthy housing market: the economics of housing, access to housing financing, and the supply and alignment of public and philanthropic funding.

Their focus should be on three areas:

Housing Economics	Financing Access	Public & Private Commitment
<ul style="list-style-type: none"> It costs more to build or rehabilitate a home than the home is worth in many areas within Shelby County. As a result, there is not enough investment to maintain existing homes, leading to blight, and not enough new homes to attract homebuyers and households with higher incomes. The underinvestment reinforces itself by leading to increased blight, lower quality properties and a growing gap between the cost to build and rehabilitate housing and the value. 	<ul style="list-style-type: none"> A healthy housing market requires property owners with access to financing to build, purchase, maintain, and repair homes. Currently, there is a significant portion of property owners in Shelby County that cannot access housing financing. New financing products that leverage public and philanthropic guarantees are necessary to expand the flow of investment into housing in Shelby County. 	<ul style="list-style-type: none"> The need for affordable housing is several orders of magnitude greater than the funding available for it. Existing public and philanthropic funds need to be deployed in a coordinated and strategic fashion and steadily scaled-up over time.

The City of Memphis and Shelby County have the capacity to mitigate the region's growing housing crisis by deploying a set of recommended tools to address residents' housing needs. There are five primary actions the City and County must undertake for the implementation of the Housing Policy Plan to become actionable and achieve success. The following recommendations are framed around Memphis 3.0, the comprehensive plan focusing growth into core neighborhoods to create more dense, mixed-use, mixed income, walkable, and transit-served communities.

Focus Area	Primary Action	Recommendation
Housing Economics	Land Use	Reform land use regulations to allow for new types of housing that are economically viable, lower development costs, and simplify the entitlement process.
	Land Activation	Activate land in the county by clearing tax and legal encumbrances and returning it to the market for investment and use.
	Tax Reform	Address property tax policies to support reinvestment in the housing stock and new development, and to limit displacement pressure on existing

		homeowners.
Finance Access	Financing	Expand the availability to financing for purchasing, developing, and rehabilitating housing by providing public or philanthropic guarantees for private financing.
Private & Public Alignment	Funding	Align public funding by combining and redesigning existing housing programs and scaling up local public and philanthropic funding.

Housing Economics - Land Use Progress			
Recommendation	Description	Implementation Timeline	Implementation Type
Amend the UDC to Encourage ADU Development	Increase flexibility to permit Accessory Dwelling Unit (ADU) development by reducing the lot size requirement for parcels eligible to construct ADUs.	Done	Policy Change
Allow Cottage Development on Narrow Platted Lots	Strategically reuse parcels with a lot width under 45 feet by allowing cottage-style development, consolidating with adjacent parcels, or dedicating as open space.	Done	Policy Change
Update Zoning for Small-Scale Residential Development	Change the City and the County's zoning to allow two-to-six-unit development in more places.	Partial	Policy Change
Support Multifamily, Transit-Oriented Development	Memphis and Shelby County will adopt a zoning overlay to increase the production of multifamily housing and expand feasible by-right development in high frequency transit corridors.	Done	Policy Change
Reform the Building Code for Small-Scale Residential Development	Memphis and Shelby County recently updated its building codes to allow three-to-six-unit structures to follow the residential building code, rather than the commercial building code.	Starting back July 1, 2024	Policy Change

Housing Economics – Land Activation Progress

Recommendation	Description	Implementation Timeline	Implementation Type
Reform Title Clearance Process	Improve the Shelby County Land Bank (SCLB) and Blight Authority of Memphis' (BAM) ability to return properties that are off-market due to tax liens to productive use. This can be done through several measures, the most significant being title clearance reform.	Years 1-5	Policy Change
Enhance the City's Property Maintenance	The City will adopt and formalize a strategic approach to code compliance and work with owners to reduce blight. Multiple entities will need to collaborate to improve blighted properties that may have outstanding liens, fines, or unpaid taxes.	Years 1-5	Process Change
Establish Heir Title Assistance Programs	Memphis has many older homeowners who may not have the means to navigate the legal system to pass home titles to descendants. As such, facilitating the passing of titles from older, existing homeowners to heirs will promote intergenerational wealth transfer.	Years 2-3	<u>Funding</u> , Process Change

Housing Economics – Tax Reform Progress			
Recommendation	Description	Implementation Timeline	Implementation Type
Develop Tax Relief Programs to Encourage Reinvestment	The City and County will use tax relief programs to support the rehabilitation of older homes that have fallen into disrepair by providing a reduction in taxes or eliminating incremental taxes that would otherwise result from improving the property.	Years 1-3	Policy Change

Address Tax Liability on Two-to-Six Unit Structures	Residential structures with two or more units within Shelby County are currently taxed as commercial, rather than residential structures, nearly doubling their property tax burden and thereby limiting the market viability of constructing middle-density housing in many neighborhoods where market-rate rents are modest to low. This requires state level change.	Years 1-3	<u>Funding</u> (\$500,000 seed fund)
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Finance Access – Finance Progress			
Recommendation	Description	Implementation Timeline	Implementation Type
Prioritize Rental Loan Improvement and Infill Construction	The City will support additional financing products for investors and developers to enhance development feasibility of multifamily infill structures.	Pilot in progress; Years 1-5	<u>Funding</u> (\$500,000 seed fund)
Provide Pathways for Homeowner Investment	The City and County will provide pathways for existing homeowners to invest in their homes , both to support homeownership and improve overall housing quality.	New loan product for low interest loan LISC/United Housing (part CDBG funded); Years 1-5	Policy Change/ <u>Funding</u>
Develop Financing Products for New Homeowners	The City, in conjunction with local banks, will develop and expand financing products for new homeowners, expanding homeownership opportunities to households that have been traditionally excluded from owning homes.	Enhanced DPA program; *see end slide; Years 1-5	Process Change/Partnership

Public and Private Commitment - Funding Progress			
Recommendation	Description	Implementation Timeline	Implementation Type

Consolidate Housing Programs	Increase the impact of existing housing programs by consolidating locally administered housing programs and coordinating locally administered housing programs with related programs administered by nonprofit organizations.	Year 1	Process Change
Dedicate New Local Funding	The City and County will leverage additional funding through local , private, state, and federal resources to make long-term investments in housing. Both will also dedicate funding to programs having the greatest impact with the resources available.	Additional Housing Trust Fund dollars allocated (\$5M); Dedicated ARPA and HOME ARP – although these are temporary funds; Years 2-3	<u>Funding</u> /Policy Change
Leverage Community Investment Tax Credit (CITC)	The City should engage local banks to maximize the use of the Community Investment Tax Credit (CITC) program to make loans at below market interest rates for affordable housing, which can support new, quality affordable housing.	Year 1	Partnership/Advocacy
Advocate for State Support	Conduct advocacy to the State on key issues related to state resources. These include advocating for changes to the state’s Qualified Action Plan, increasing the availability of bond financing and other resources that will improve programming.	Years 1-5	Partnership/Advocacy

Beginning in Spring 2024, a joint Housing Task Force led by DPD and HCD are bringing together key stakeholders from local agencies including both private and public sectors. In depth focus groups are planned as of Summer 2024 to unpack the barriers to affordable housing development and activate strategies to address those. Three focus groups include members working on Finance, Land Acquisition, and Regulation and Infrastructure topics.

Comprehensive assessment of past goals. Based on the actions described above and discussion with the City of Memphis and Shelby County staff, the study team evaluated progress on all past impediments/goals listed in the jurisdictions' AIs and FHEA. A matrix showing that evaluation is included in Appendix A.

Key Fair housing Findings from Section VII

- The top two bases for fair housing complaints filed in the past year in the region were race and disability, followed by sex, retaliation, and family status. The most common reasons were discriminatory terms and conditions and discriminatory refusal to rent.
- Legal cases and investigations indicate potential fair housing concerns in the banking and lending industry related to predatory lending, redlining, and maintenance (or lack thereof) of Real Estate Owned (REO) properties.
- Both the City of Memphis and Shelby County have taken actions to affirmatively further fair housing choice and address fair housing issues in their community. Specific programmatic efforts by the City and the County to improve fair housing choice include:
 - Initiatives aimed at increasing housing choice for HCV participants—both through efforts to increase information and resources for voucher holders and outreach to recruit/retain landlords accepting vouchers in high opportunity areas;
 - Funding for fair housing outreach, education, investigation and enforcement activities;
 - Efforts to improve access to transportation and employment for protected class populations;
 - Down payment assistance to assist low and moderate income homebuyers, many of whom are protected classes;
 - Home repair and rehabilitation programs for low and moderate income owners, many of whom are protected classes;
 - Incorporated visitability/accessibility standards for housing created with government funding;
 - Affirmative marketing of programs to protected class groups including people with disabilities and Spanish-speaking residents; and
 - Partnerships with organizations that provide people with disabilities with the advocacy, training, resources and peer support needed to live independently.

SECTION VIII.

Fair Housing Issues and Goals

SECTION VIII.

Fair Housing Issues and Goals

This section presents goals for how Memphis and Shelby County can address the fair housing challenges identified in this AI. This section begins with a summary of fair housing issues and contributing factors, then presents goals to address those issues.

Summary of Fair Housing Issues and Contributing Factors

The primary fair housing issues and the contributing factors in the City of Memphis and Shelby County include:

- **Segregation persists.** There is relatively high racial/ethnic segregation in the region—particularly of African American residents. This is true both at the macro level (between the city and county) and at the micro level (neighborhood by neighborhood). There is also evidence of segregation by national origin, though these residents are less likely than African American residents to live in areas of concentrated poverty.

Contributing factors to segregation include historical settlement patterns, distribution of attainable/affordable housing (both market-rate and publicly assisted housing), land use and zoning regulations, disparities in mortgage lending, and economic factors.

- **Disparities in housing needs.** Minority households, particularly African American and Hispanic households, experience housing problems at higher rates than non-Hispanic white and Asian households in the City of Memphis, and, to a lesser extent in Shelby County. Large family households also experience housing problems at relatively high rates.

African Americans and other non-Asian minorities also have a harder time accessing capital for home purchase loans, home improvement loans and refinances. Non-Asian minority borrowers who are successful in getting a loan are more likely to receive subprime (higher than average) interest rates on their loans.

Minority residents (particularly African Americans), residents with a disability, and large households were more likely than other groups to have experienced displacement (having moving when they did not want to move) in the past five years. The most common reasons were reduced household income (i.e., lost job, hours reduced), being evicted for being behind on the rent, personal reasons (e.g., divorce), or moving due to mold or other unsafe conditions. Minority residents and those with disabilities were also more likely to report poor condition of housing their neighborhoods.

Contributing factors to disparities in housing needs include lower homeownership rates among most minority groups, availability affordable units in a range of sizes, lack of private investments in specific neighborhoods, economic factors, and lending discrimination.

- **Disparities in access to opportunity.** Regional data for the Memphis metro area show racial disparities in resident access to low poverty neighborhoods, school quality, labor market engagement, and to a lesser extent, job proximity. Disparities are most pronounced for African

American, Hispanic, and Native American residents relative to non-Hispanic white residents. Trends are similar in both Memphis and Shelby County outside Memphis, though the gap is wider between groups in the City of Memphis—particularly for labor market engagement and poverty exposure. Disparities persist even when comparing income-similar residents of different races/ethnicities.

- There are wide economic disparities between the city and county, as reflected by the location of R/ECAPs and poverty rates overall. The African American population is disproportionately impacted by poverty concentrations, more so than other racial/ethnic minorities and more so than immigrant and limited English proficient populations.
- Access to proficient elementary schools is a key concern for families in Memphis and Shelby County, as is racial/economic segregation in schools. Non-Asian minority students have lower access to quality schools, even when comparing income-similar residents.
- Even when minority groups live close to jobs, they have trouble actually accessing the jobs, most likely due to a skills and/or education mismatch with job requirements.
- Racial/ethnic disparities in labor market engagement are present in Shelby County outside Memphis but are much more pronounced within the City of Memphis.
- The data do not indicate significant disparities in access to transportation by race/ethnicity; however, public transit options are limited for all residents. This is a disproportionate impact on residents that rely on public transportation (low income and people with disabilities) to access jobs and other services.
- Resident survey responses also highlight crime and safety as a key neighborhood concern, particularly for residents with disabilities and racial/ethnic minorities.

***Contributing factors** to disparities in access to opportunity include availability of affordable units in a range of sizes, limited support for multifamily housing, distribution of publicly assisted housing, NIMBYism, lack of private investments in specific neighborhoods, lending discrimination, steering, land use and zoning laws, limited/lack of public transit in certain areas, and economic disparities.*

- **Barriers to housing choice for people with disabilities.** There is a shortage of affordable accessible housing for those with disabilities—one in four households that include a member with a disability are living in housing that does not meet their accessibility needs. Top needs for these households include need for modification funding for grab bars, ramps, etc; need for modification and accommodation training for landlords, especially around service animals/emotional support animals and accessibility modifications; and need for education/outreach to residents explaining rights and resources related to requesting modifications and accommodations.

Transportation is the biggest barrier to accessing community amenities and facilities, health care, and employment for people with disabilities.

Households that include people disabilities experience higher levels of the following housing challenges than other residents:

- Worry about rent increasing to an amount they can't afford;
- Live in what they consider to be high crime neighborhoods;
- Live in neighborhoods with buildings in poor condition;
- Live in neighborhoods with inadequate sidewalks, street lights, drainage, or other infrastructure.

Contributing factors include a lack of accessible housing across the region; lack of fair housing knowledge/compliance among landlords; limited public transportation in many neighborhoods, lack of public and private investment.

- **Location and utilization of publicly assisted housing.** Disparities by race/ethnicity in program utilization relative to eligible households are evident in Memphis and Shelby County outside of Memphis. Generally, African American residents are overrepresented among housing program participants relative to their representation among all households earning less than 50 percent of Area Median Income (AMI). Conversely, Hispanic households tend to be underrepresented among program participants.

Patterns in location of publicly supported housing programs indicate that a relatively high proportion of location-specific housing program units (LIHTC, project-based section 8 and other multifamily) are located in areas with high poverty. In general, there is a concentration of public housing near downtown Memphis while other types of publicly assisted housing are distributed throughout North and South Memphis and Midtown. There is a notable lack of publicly assisted housing developments in East Memphis, Germantown, Cordova, and Collierville.

Contributing factors include lack of affordable housing in a range of unit sizes, NIMBYism, land use and zoning regulations.

- **Lack of fair housing capacity.** Survey responses, complaint, and legal case data indicate potential discrimination in the housing market.
 - Fifteen percent of resident survey respondents felt they experienced discrimination when they looked for housing in the region; rates are highest among households living in publicly assisted housing (38%), large families (29%), households which include a member with a disability (23%), African American residents (23%), families with children (23%), and low income households (23%).
 - About one in 10 people who seriously looked for housing report steering by a real estate professional. Perceived steering was higher in Shelby County outside Memphis than in the City of Memphis.
 - Resident survey responses highlighted NIMBYism as a concern in the region noting limited community support for different types of housing—low income housing and apartment buildings—and housing uses—housing for low income seniors, housing for people recovering from substance abuse, and housing for persons with disabilities.
 - Some survey responses indicate people of different races not being welcome in certain neighborhoods due to race.

- Legal cases and investigations indicate potential fair housing concerns in the banking and lending industry related to predatory lending, redlining, and maintenance (or lack thereof) of REO properties.

***Contributing factors** include perceived and actual housing discrimination, lack of fair housing knowledge among landlords and real estate professionals, and fair housing violations within the banking industry.*

Goals Development

This section presents goals for how the City of Memphis and Shelby County can address the fair housing challenges and contributing factors identified in this AI.

To the extent possible, the goals and strategies address those challenges that disproportionately affect certain protected classes. However, given the pressures in the existing housing market—and because the jurisdictions cannot apply housing preferences for certain protected classes without violating the Fair Housing Act—many of the goals and strategies will improve access to housing for all residents with housing challenges, and to the extent allowable, focus on the protected classes with the greatest housing needs.

In developing the goals, the participating partners recognized that the public sector faces some limitations in how it can influence housing prices. The public sector’s primary “sphere of influence” lies in:

- Using its regulatory authority to encourage a range of housing prices and types;
- Funding/managing the development of housing that contains affordability restrictions; and
- Making resources available—monetary, staff, land, existing buildings—and working with partner organizations to address housing challenges.

The Federal Fair Housing Act (FHA) can make it challenging to specifically direct funding to address the housing needs of specific protected classes. Other than senior housing, housing for persons with disabilities, and larger units that can accommodate families, housing cannot be specifically reserved for members of a protected class, even if they face disproportionate housing needs. Yet the public sector can be mindful of how its decisions and allocation of resources can negatively or positively affect certain protected classes.

Goals and Strategies

The City of Memphis and Shelby County identified the following goals and strategic partnership opportunities to address fair housing concerns in the region. Figure VIII-1 lists those goals and partnership opportunities along with the fair housing issue to be addressed by each goal. Unless otherwise specified, both the City and the County intend to pursue the stated goal.

**Figure VIII-1.
Goals and Strategic Partnership Opportunities**

REGIONAL FAIR HOUSING GOALS & STRATEGIC PARTNERSHIP OPPORTUNITIES	Fair Housing Issues or Impediments to be Addressed by Goal
Goal 1. Address fair housing concerns in the ownership market:	
A. Continue to improve housing quality and increase housing accessibility through housing rehabilitation, repair and accessibility grant programs and low-cost lending.	Disparities in housing needs; Barriers to housing choice for people with disabilities
B. Continue to improve ownership affordability and access to capital: a. Create opportunities for other innovative, non-traditional financing options for homebuyers b. Expand down payment assistance programs c. Boost residents' access to residential capital through partnerships with local lenders (to understand and address lending disparities) d. Coordinate with the National Fair Housing Alliance to address appraisal biases and deficiencies in the local housing market e. Work with local lenders and non-profits to improve financial literacy and housing counseling	Segregation, Disparities in housing needs; Disparities in access to opportunity
C. Continue to create affordable housing opportunities through partnerships with local non-profit and for-profit developers by: a. Utilizing HOME CHDO set-aside funds b. Creating development incentives to offset development the affordability gap in the local market c. Advocate for reduced or subsidized fee structures d. Reduce code barriers to missing middle housing development	Segregation, Disparities in housing needs; Disparities in access to opportunity
D. Continue expanding efforts to address title clearance issues a. Advocate for reformed state and local title clearance policies to support the Shelby County Land Bank and Metropolitan Memphis Land Bank Authority (MMLBA) ability to effectively and efficiently return tax foreclosure properties back to the market for affordable housing development b. Strengthen relationships with non-profits such as The Works, Inc. conducting legal counseling and heirship education to maintain clear titles and promote intergenerational wealth	Segregation, Disparities in housing needs; Disparities in access to opportunity
Goal 2. Address fair housing concerns in the rental market:	
A. Support equitable access to quality affordable housing choice for renters: a. Support the Fair Housing Council of Metropolitan Memphis (est. 2023) to address fair housing concerns and conduct fair housing testing to further equitable opportunity b. Continue working with the Memphis Housing Authority and other agencies conducting this work to expand rental assistance opportunities (such as housing choice vouchers, tenant-based rental assistance, and similar) especially in high opportunity areas and expand housing mobility counseling. Encourage and promote opportunity for landlord participation in these types of programs	Lack of fair housing capacity
B. Improve and expand access to renters' rights information and legal support for residents in need:	Disparities in housing needs;

<ul style="list-style-type: none"> a. Continue funding eviction prevention efforts. This includes strategies such as emergency rental assistance, renter basic skills training, financial counseling, mediation between landlords/tenants, and other similar strategies. b. Expand partnerships with agencies conducting this work including Shelby County Community Services, Memphis Area Legal Services (MALS), and Memphis Public Interest Law Center c. Advocate for efforts to establish a Housing Court to more effectively route legal cases related to tenant/landlord disputes and other housing-related issues d. Partner with local organizations and government entities to advocate for a Rental Registry e. Work to adopt an approach to strategic code enforcement to reduce blight and improve property conditions 	Segregation; Disparities in access to opportunity, Location and utilization of publicly assisted housing
C. Expand education for landlord rights and responsibilities in maintaining and providing quality housing choice.	Disparities in housing needs; Segregation
Goal 3. Address fair housing concerns related to land use and development policies:	
<ul style="list-style-type: none"> A. Promote community support of subsidized housing developments in high opportunity areas: <ul style="list-style-type: none"> a. Engage community partners to support more equitable strategies in siting LIHTC and other publicly supported housing developments b. Prioritize intentional placement of subsidized housing near public transportation and community assets 	Segregation; Disparities in access to opportunity; Location and utilization of publicly assisted housing
<ul style="list-style-type: none"> B. Develop policies and procedures that support production of diverse housing types across all neighborhoods, including affordable/workforce housing: <ul style="list-style-type: none"> a. Address tax liability for missing middle housing types b. Expand building code related to siting small multifamily development and compliance with fair housing and accessibility standards. c. Continue to amend zoning/land use regulations to ensure that a diversity of housing choices are allowable throughout zoning districts d. Encourage or require universal design to improve ADA visitability in existing and new housing units, including incentives for increased cost of compliance 	Segregation; Disparities in housing needs; Disparities in access to opportunity; Location and utilization of publicly assisted housing
Goal 4. Utilize economic development tools to promote fair housing choice and access to opportunity:	
<ul style="list-style-type: none"> A. Expand collaborative efforts with economic development initiatives (such as EDGE, Downtown Memphis Commission, Community Redevelopment Agency, and others) to help target investments to address fair housing concerns related to disparate access to opportunity. 	Disparities in access to opportunity
<ul style="list-style-type: none"> B. Increase access to job training resources for under-employed residents and for residents with disabilities through partnerships with regional service providers and employers: <ul style="list-style-type: none"> a. Expand efforts to support the City of Memphis' Office Business Diversity and Compliance, Memphis Area Minority Contractors Association and other workforce development agencies 	Disparities in access to opportunity, Barriers to housing choice for people with disabilities
<ul style="list-style-type: none"> C. Promote economic investment (public and private) in distressed areas that have high minority concentrations: <ul style="list-style-type: none"> a. Strengthen partnerships with lenders such as community development financial institutions (CDFIs) that serve the region to support increased funding for small businesses and organizations working in distressed areas. b. Expand awareness and utilization of Community Investment Tax Credits to increase financial institutions' 	Disparities in housing needs; Disparities in access to opportunity; Location and utilization of publicly assisted housing

<p>investment in strategic placement of affordable housing.</p> <ul style="list-style-type: none"> c. Continue prioritizing anchor areas as identified in Memphis 3.0 where new construction of affordable housing could serve as an economic catalyst for revitalization. d. Leverage county-owned land banked properties for catalytic development and affordable housing development that encourages infill and higher density residential use (missing middle housing and/or higher density transit-oriented development). e. Coordinate investments with agencies such as the Memphis Blight Elimination Steering Team, Memphis Medical District Collaborative, Memphis Local Initiative Support Corporation (LISC), the Community Redevelopment Agency, to eliminate and reduce the spread of blight through targeted public facilities investments and affordable housing development. 	
Goal 5. Promote equity in access to community assets:	
<ul style="list-style-type: none"> A. Strengthen regional transportation planning and expand public transit service to increase access to jobs and services for all residents. <ul style="list-style-type: none"> a. Continue to coordinate with the MPO to ensure transportation planning activities take housing issues into consideration and support Memphis 3.0 initiative. b. Support MATA's implementation of the Transit Vision 2040 to improve job access for minority residents through transit services 	Segregation; Disparities in access to opportunity; Barriers to housing choice for people with disabilities
<ul style="list-style-type: none"> B. Coordinate with City of Memphis Division of Engineering's Bikeway and Pedestrian Program to support more equitable distribution of pedestrian improvements such as sidewalks and street lighting to improve accessible infrastructure and promote safety. 	Disparities in access to opportunity; Barriers to housing choice for people with disabilities
<ul style="list-style-type: none"> C. Support organizations improving sustainable commute options in collaboration with agencies such as Innovate Memphis working with local school districts to improve access to school and community programming for all students. 	Disparities in access to opportunity
<ul style="list-style-type: none"> D. Support the Office of Sustainability and Resilience's efforts to expand projects which preserve and create community assets. <ul style="list-style-type: none"> a. Implement strategies identified in the adopted Regional Resilience Master Plan and Memphis Area Climate Action Plan. E. Support initiatives that merge climate action to environmental justice and health equity 	Disparities in access to opportunity
<ul style="list-style-type: none"> F. Support and collaborate with Memphis Parks and Memphis Public Libraries to maximize program offerings and supplemental community resources in public facilities. 	Disparities in access to opportunity
Goal 6. Prioritize climate goals that help advance sustainable housing conditions.	
<ul style="list-style-type: none"> A. Expand energy efficiency and weatherization efforts for low- to moderate-income households: <ul style="list-style-type: none"> a. Partner with technical and vocational schools such as Moore Tech to expand workforce development b. Provide support for weatherization efforts related to local vulnerabilities to extreme heat, strong winds, and severe winter weather. B. Focus efforts on strategies that reduce energy burden for low-income households 	Disparities in housing needs; Disparities in access to opportunity
<ul style="list-style-type: none"> C. Prioritize healthier housing conditions for low- to moderate-income households served by local housing programs. 	Disparities in housing needs; Disparities in access to

<ul style="list-style-type: none"> a. Strengthen partnerships with academic institutions such as the University of Memphis' School of Public Health to better evaluate program impacts and outcomes b. Better utilize relevant scientific information in decision-making in public service delivery c. Identify opportunities to reform existing programs to better comply with the use of Health Design Standards <p>D. Incentivize developers to prioritize energy efficient construction strategies</p>	<p>opportunity</p>
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Appendix A.

Assessment of Progress to Goals Matrix

APPENDIX A.

Assessment of Progress to Goals Matrix

Based on the actions described in Section VII and discussion with the City of Memphis and Shelby County staff, the study team evaluated progress on all past impediments/goals listed in the jurisdictions' AIs and FHEA. A matrix showing that evaluation below. The "Source" field indicates the document in which the impediment/barrier was identified; "FHEA" is the 2014 Fair Housing Equity Assessment, "COM AI" refers to the 2011 City of Memphis AI, and "SC AI" refers to the 2011 Shelby County AI. Following the development of Memphis 3.0 Comprehensive Plan update in 2021 and Memphis and Shelby County Housing Policy Plan in 2022, the team has also designated "3.0" and "HPP" throughout as additional source documents. In the 2024 update to this plan, additional initiatives and progress were added as applicable to each barrier or impediment.

Barrier Identified	Source	Assessment of Progress to Goals
Barrier #1: Public Disinvestment in Minority and Low-Income Areas	FHEA, 3.0	Memphis 3.0 provides an overview of the patterns of inequity and a vision forward to address these disparities. Memphis 3.0 identifies areas of disinvestment that are largely concentrated in minority and low-income areas. According to Shelby County Consolidated Annual Reporting and Evaluation Reports submitted to HUD each year, targeted investments including downpayment assistance, rehabilitation of properties for elderly, minority, and disable residents, and lead hazard reduction work for similar populations. Memphis and Shelby County partnered to draft the Greenprint in 2014 and the Analysis of Impediments in 2014. The Regional Resilience Master Plan in 2019 and Mis-South Climate Action Plan updated in 2024 also address needs related to those disproportionately impacted by climate change and associated environmental factors.
Barrier #2: Inadequate Public Transportation Choices (Impediment #5: Inadequacies of the Transit System)	FHEA, 3.0	HCD funded the Memphis Area Transit Authority to provide match funding for a Job Access and reverse Commute program to operate a new route from the urbanized area of the City to a suburban employment center in Shelby County. The service was designed to transport low-income individuals to and from jobs and employment related activities. This project provided transit to 2790 people in FY2015. The Transit Vision 2040 provides a comprehensive assessment of how to address the disparate access to public transportation and rethink how to connect neighborhoods for an inclusive and accessible city.
Barrier #3: Predatory & Discriminatory Lending Practices	FHEA, HPP	HCD also provided funding to the Memphis Community Development Council to continue updates of their lending studies to determine trends by banks, savings and loans, credit unions, mortgage companies and finance companies that do business in Memphis and Shelby County. The HPP identifies the need to expand mortgage lending to new and existing homeowners and expand access to loan products. DPD is currently working to develop new loan products and programs that can help improve access to new homebuying opportunities across Shelby County.
Barrier #4: Lack of Knowledge of Fair Housing Rights and Responsibilities	FHEA	HCD and Shelby County have funded Memphis Area Legal Services to operate the Memphis Fair Housing Center. The contract provides funding for outreach, education, investigation and enforcement activities. HCD and Shelby County have partnered with the Fair Housing Alliance of Greater Memphis, the local HUD office, Memphis Consumer Credit, and other local organizations to present the to host an Annual Fair Housing Conference. In 2023, the Fair Housing

		Council of Metropolitan Memphis was established and hiring full time staff to support fair housing programming in Shelby County.
Barrier #5: Prevalence of Racially Prejudiced Attitudes and Patterns of Segregation	FHEA, 3.0, HPP	HCD and Shelby County have advertised to Hispanic/Latino and other protected classes in local publications to increase awareness of their Fair Housing rights, and provide education to the general public at large about the Fair Housing Law. The HPP identifies how historical practices such as redlining have contributed to current patterns of segregation and identifies strategies to mitigate these inequities.
Barrier #6: Limited Housing Options for People with Disabilities	FHEA, 3.0	Incorporate Visitability and Home Modification Requirements into City Subsidies/Funding. HCD worked with the Mayor's Committee for Citizens with Disabilities on an ordinance that would incorporate certain features in construction make new houses funded through HCD or MHA visitable, and in many cases livable, for persons with mobility impairments. During FY16, the committee recognized a need to incorporate additional features into the ordinance, so HCD will work to amend the ordinance during FY17 to incorporate these features. Shelby County has invested funds directly into rehabilitation assistance for persons with disabilities 2014 through 2024. HOME-ARP funding in 2021 necessitated targeted outreach to organizations that address the needs of those with disabilities and assess how to support improving access to services for residents that are differently abled and incorporate those needs into HOME-ARP Allocation Plans accordingly.
Barrier #7: Insufficient Affordable Housing Options	FHEA, HPP	HCD and DPD continue to assess how to improve access to quality affordable housing. Recent efforts have expanded the home rehabilitation program to stabilize deteriorating housing stock for low income residents across Shelby County, and new programs to incentivize construction of affordable units are under development. Other efforts include providing mobility assistance to families. Housing Choice Voucher program recipients will also receive support to tackle source of income discrimination and find stable housing accepting HCVs.

Impediment Identified	Source	Assessment of Progress Toward Goals
Impediment #1: Flawed City Fair Housing Ordinance	COM AI	The City of Memphis' Fair Housing Ordinance is not substantially equivalent with federal or state fair housing laws. There is no provision for equitable relief for aggrieved persons under the Ordinance. The Ordinance does not provide for a private right of action which means that an aggrieved person cannot file a lawsuit based on a violation of the Ordinance. The ordinance only allows for the collection of a fine of \$50.00 and a penalty not to exceed \$200.00 per violation.
Impediment #2: Lack of Housing Accessible to Persons with Disabilities	COM AI, 3.0	Incorporate Visitability and Home Modification Requirements into City Subsidies/Funding. HCD worked with the Mayor's Committee for Citizens with Disabilities on an ordinance that would incorporate certain features in construction make new houses funded through HCD or MHA visitable, and in many cases livable, for persons

		with mobility impairments.
Impediment #3: Inadequate Affordable Housing Supply Relative to Resident Income	COM AI, HPP	HCD and DPD continued to work towards improving mobility assistance to families. Referrals to Housing Choice Voucher programs and supporting agencies providing subsidies to residents in need will also continue. The HPP identifies numerous strategies to increase the supply of affordable housing that is responsive to local community contexts. There is currently a 35,000 unit supply gap identifies for earners earning less than \$40,000/year. Inclusive growth remains a priority for these initiatives. For example, tax reform as an avenue to protect residents offset property tax increases with home and neighborhood improvement efforts
Impediment #4: Need for a Critical Review of Memphis Housing Authority's Policies & Practices	COM AI, HPP	Identification and mapping of non-impacted areas. HCD worked with MHA to prepare maps to identify non-impacted areas with housing opportunities in low-poverty and/or opportunity neighborhoods. These maps are provided to voucher holders at their briefing and are used to educate them about the full range of areas where they may look for housing in areas with more opportunities for their families. In the past year, these maps have helped 922 (51.5%) families move to areas where there is better educational and employment opportunities. Housing provider outreach is needed, especially in non-impacted areas. The HPP identifies MHA as a key partner to advocate for state support and as a partner to increase the quality of low-income housing in Memphis.
Impediment #5: Inadequacies of the Transit System	COM AI, 3.0	HCD funded the Memphis Area Transit Authority to provide match funding for a Job Access and reverse Commute program to operate a new route from the urbanized area of the City to a suburban employment center in Shelby County. The service was designed to transport low-income individuals to and from jobs and employment related activities. The Transit Vision 2040 shows increased frequency on many routes with 15-minute and 30-minute headways on routes strategically designed to better connect residents to jobs, amenities, and connect neighborhoods more effectively
Impediment #6: Shelby County does not have a Fair Housing Ordinance	COM AI,	Chapter 10-36 of the Memphis Code of Ordinances outlines the "City of Memphis Fair Housing Ordinance" which helps codify fair housing practices and provide for uniformity and enforcement of the laws that prohibit discrimination in housing. The newly established Fair Housing Council of Metropolitan Memphis will help enforce and monitor compliance with relevant laws and investigate incidences of discrimination in Shelby County. As of first quarter 2024, the Fair Housing Council has hired an Executive Director and has plans in place to hire additional staff.
Impediment #7: Historically Inadequate Code Enforcement by Shelby County	COM AI, 3.0	Shelby County's DPD has worked to streamline and improve permitting processes related to Construction Code Enforcement and has improved turnaround times and efficiency. The HPP calls for the City's Code Enforcement efforts to better address blight and focusing on returning such properties to productive use. Memphis 3.0 calls for better alignment and coordination between City Code Enforcement and DPD's Land Use and Development Services (LUDS), which is currently underway.
Impediment #8: Limited Transit in County	COM AI, 3.0	HCD funded the Memphis Area Transit Authority to provide match funding for a Job Access and reverse Commute program to operate a new route from the urbanized area of the City to a suburban employment

		center in Shelby County. The service was designed to transport low-income individuals to and from jobs and employment related activities. The Transit Vision 2040, as part of Memphis 3.0 guides the development of a more inclusive and accessible public transit system.
Impediment #9: Limited LIHTC development in County	COM AI, HPP	Nearly 80% of the active LIHTC units in Shelby County were built before 2010. There have been 2,500 units built between 2010-2020 compared to over 8,000 units in the decade prior (2000-2009). Gap financing is recommended to increase the number of LIHTC units available. HCD will lead the effort to prioritize entitlement and local approval processes for LIHTC development.
Impediment #10: NIMBY attitudes	COM AI, HPP, 3.0	Strategic infill with missing middle housing typologies is recommended in the HPP. Neighborhood-scale development and multifamily units that integrate well with existing single family neighborhoods can help change the perception of increased density. Robust community engagement to guide the development of strategic plans also helps combat NIMBYism and have improved buy-in from local residents
Impediment #11: State Limitations to Fair Housing	COM AI, HPP	The State of Tennessee Fair Housing Law is considered substantially equivalent.
Impediment #12: Frequent Attacks on the Community Reinvestment Act (CRA) by Banking Regulators	COM AI, 3.0	Memphis 3.0 calls for improved collaborations with the Community Development Financial Institutions (CDFI) network and Community Reinvestment Act (CRA) Association to fill financing gaps in single and multifamily lending in communities that suffer from a lack of capital.
Impediment #13: Lack of Resources/Incentives for Developers to Build for the Lowest Income Households (Duplication of Affordable Housing supply and reword potentially)	COM AI, 3.0, HPP	Some of the key factors in land development codes that most commonly result in barriers to fair housing choice and reasonable accommodation include: - Site Standards: Large lots or excessive setbacks between structures or from streets that can increase development costs e.g., special infrastructure Density Limits: Restriction on or prohibition of multifamily housing, low floor area ratios (FAR) for multifamily or mixed-use development, or low density requirements- Use-Specific Standards: Special site or operational requirements for group homes for protected classes, e.g., persons with disabilities, that are not required for other residences or groups - Public Services: Additional requirements for infrastructure or essential municipal services not required for other residences or dwelling units - Definitions and Occupancy: Definitions of family or occupancy limits that prohibit or limit the number of unrelated persons in a household.
Impediment #14: U.S. Department of Housing and Urban Development does not adequately fund or incentivize PHAs to utilize mobility strategies	COM AI, HPP	The HPP identifies strategies for public housing authorities including Memphis Housing Authority to help advocate for increased funding to Shelby County. Millington Housing Authority is located in the urban county entitlement community for Shelby County and is consulted regularly when generating HUD-mandated plans and reports. The HPP identifies the need to establish development goals with these housing authorities and seek additional funding to support redevelopment efforts.
Impediment #15: Racial Segregation of Project Based	COM AI, HPP	Of the approximate 27,000 subsidized affordable units across Shelby County, less than 100 are project based vouchers. Nearly half are LIHTC. Improved integration of affordable units into mixed income neighborhoods is

Housing		recommended.
Impediment #16: Mortgage Lending	COM AI, HPP	HCD provided funding to the Memphis Community Development Council to continue updates of their lending studies to determine trends by banks, savings and loans, credit unions, mortgage companies and finance companies that do business in Shelby County. Lending discrimination cases will also be better investigated by the newly established (2023) Fair Housing Center in Memphis.
Impediment #17: Homeowners Insurance	COM AI	Homeowners insurance can be cost prohibitive for low income residents. Programs that help subsidize costs of homeownership are recommended.
Impediment #18: Housing Sales and Rental Market	COM AI, HPP	Memphis' rental market is not meeting the needs of households earning less than \$40,000 annually. 89% of renter households earning less than \$35k are cost-burdened, indicating great need to increase the supply of units to drive the market towards better supporting quality housing availability and choice.
Impediment # 19. There is an inadequate supply of decent, affordable housing for people of low and moderate income in Shelby County, as a whole and particularly in areas outside the City of Memphis.	SC AI, HPP, 3.0	The HPP identifies numerous strategies to increase the supply of affordable housing including increasing subsidies and incentives for new construction, reform land use regulations to allow for new types of housing that are economically viable, activate land in the county by clearing tax and legal encumbrances and returning it to the market for investment and use, and address property tax policies to support reinvestment in the housing stock and new development. Expanding availability of financing for purchase, development of, or rehabilitating housing and scaling up local public and philanthropic funding will help address the housing gaps.
Impediment # 19. a) Standard rents exceed the Fair Market Values established by HUD and Memphis Housing Authority for Housing Choice Voucher holders.	SC AI, HPP, 3.0	Market rate rents are not affordable to low-income earners. Rents have remained steady since 2010, but stagnant and declining wages have led to the continued need for affordable housing. The median rent increased from \$919 to \$942 between 2019 and 2022, which is a 2.5% increase compared to a 7.5% increase nationally. Renters wages have increased by just under 3% between 2010 and 2020, keeping pace with this slow increase in rents. Shelby County's affordability pressures are as much about incomes as affordability. Subsidies need to offset high construction costs to increase the number of units available. Voucher and subsidy programs need to increase capacity to serve more clients than current levels. The need far outstrips the resources available.
Impediment # 19. b) There is a limited amount of Low Income Housing Tax Credit Development in Shelby County	SC AI	Low Income Housing Tax Credits (LIHTC) are the most prominent funding source for affordable housing subsidies but are limited in scope and location and have been declining in recent years. In addition, most are clustered in the City of Memphis and very few units are available in the urban county.
Impediment # 19. c) Land Acquisition	SC AI, HPP	DPD is currently developing a program to address vacant land issues and move more parcels into productive use. Acquisition costs are part of the identified development constraints in construction or rehabilitation of new units. As such, DPD will launch an affordable housing incentive program that helps mitigate this barrier.
Impediment # 19. d) Tax Rates for Rental Housing Make It Difficult to Provide Decent, Affordable Housing.	SC AI, HPP	Tax rate revenue remains an important source for local governments, but the burden on low income residents that bear the costs of an improved neighborhood and associated home values should be considered. Solutions to this problem include tax freezes for single family or multifamily construction projects that focus on affordable rental unit construction and low income earners residing in places that are undergoing growth and revitalization.

Impediment # 19. e) The Urban County Consortium Guides a Relatively Small Amount of Community Development Block Grant and HOME Funds	SC AI, HPP	DPD's Department of Housing manages CDBG and HOME entitlement funds for the Urban County outside the City of Memphis. These longstanding programs help stabilize existing housing stock with the home rehabilitation program for low- to moderate-income residents. This program was recently augmented with local Shelby County funds and the City of Memphis' HOME funds, with DPD serving as a sub-recipient for home rehabilitation expansion. Continuing to leverage these funds and expand to meet community needs is recommended
Impediment # 19. f) Lack of Other Resources and Incentives to Develop Affordable Housing in the Consortium Area	SC AI, HPP	DPD's Department of Housing regularly engages members of the Urban County Consortium to gauge community development needs including affordable, quality housing. DPD and HCD are also developing programs to incentivize and subsidize the construction of affordable units
Impediment # 20. There is a Lack of Accessible Housing for People with Disabilities Throughout Shelby County	SC AI, HPP	SCHD worked with organizations such as The Memphis Center For Independent Living and others groups who work with citizens with disabilities to market our in-house programs such as rehab and down payment assistance to help individuals get into affordable housing and make their existing homes more visitable and handicap accessible. Any residential housing supported with CDBG or HOME Funds was done so on compliance with Visitability standards. The Department incorporated Handicapped and Visitability standards into rehabilitation activities when the opportunity presented itself. This was a specific recommendation of the new AI and Shelby County will utilize its rehab program to take advantage of this opportunity when it presented itself. By modifying individual housing units through the rehab program Shelby County can increase accessibility of housing stock over the long term for individuals in need of modified housing.
Impediment # 20. a) The Construction Code Enforcement Office Should Take a Much More Active Role in Inspecting for Compliance with the Fair Housing Amendments Act in New Residential Construction	SC AI, HPP	DPD includes the Department of Construction Code Enforcement and the Department of Housing. These two departments within DPD will coordinate efforts to ensure permit compliance, Visibility standards and mobility accommodations code compliance, and make efforts ensure new construction is compliant with the Fair Housing Amendments Act. The Department of Housing currently integrates mobility-related health and safety considerations in its existing home rehabilitation program and will lead efforts to coordinate further with Construction Code Enforcement. A Housing Task Force jointly led by DPD and HCD will also help identify key opportunities to improve agency coordination and process improvement. DPD is also beginning to create robust data dashboarding to help capture and share publicly the improvement in permit approval times, site plan approval times, inspection schedules and other elements of Construction Code Enforcement and Department of Housing programs
Impediment # 21. Rental Property Managers Throughout Shelby County do not Understand the Duty to Make Reasonable	SC AI, HPP	SCDH and the Fair Housing Officer used funds to contract with the Memphis Area Legal Services/Memphis Fair Housing Center to provide 16 workshops and seminars. Of the various training opportunities, the following were on topics related to reasonable accommodations for people with disabilities: HUD VASH, Landlord/Tenant and Disability training given at Center for Independent Living, Renters' Rights outreach at Memphis Towers, and Fair Housing Presentation at the Memphis Central Library. When SCDH or the Fair

Accommodations for People with Disabilities		Housing Officer receive calls in regards to renters' rights for people with disabilities, those callers are referred to The Memphis Center for Independent Living and Memphis Area Legal Services. The Memphis Center for Independent Living offers comprehensive Independent Living Programs that provide people with disabilities with the advocacy, training, resources and peer support needed to live independently. Memphis Area Legal Services is the primary provider of civil legal representation to low income families in the western Tennessee counties of Shelby, Fayette, Tipton and Lauderdale; no fees are accepted for services
Impediment # 22. There is Abundant Evidence of Discriminatory Lending Throughout Shelby County, Which Ultimately Denies Protected Class Members Housing Choice and Quality of Life	SC AI, HPP	The Department contracted with Memphis Area Legal Services/Memphis Fair Housing Center to: (1) provide assistance to low-income individuals who believe that they have experienced discriminatory actions related to securing housing within the Urban County; (2) assist the Housing Department in carrying out fair housing related workshops/seminars on relevant fair housing topics, (3) work to expand fair housing awareness throughout the Urban County, the public sector, and private sector. \$50,886.74 was invested in this activity that also included (4) exploring various testing procedures with landlords and housing agencies.
Impediment #23 Foreclosures	SC AI, HPP	In 2017, the National Fair Housing Alliance announce a study it undertook to identify disparities in maintenance of real estate owned (REO) properties in Memphis, specifically a lack of maintenance and marketing of properties located in Shelby County. In 2024, the newly established Greater Memphis Fair Housing Council is working to hire additional staff to begin studies and testing of appraisal bias, steering, and other issues related to home sales.
Impediment # 24 Shadow inventory/ bank owned properties	SC AI, HPP	Memphis and Shelby County passed the Memphis Blight Elimination Charter in 2015 to more effectively and permanently remove blight from neighborhoods – and prevent its spread. In 2017, the National Fair Housing Alliance announce a study it undertook to identify disparities in maintenance of real estate owned (REO) properties in Memphis, specifically a lack of maintenance and marketing of properties.
Impediment #25 Other Predatory Consumer Lending	SC AI, HPP	DPD staff are members of the Memphis LISC Advisory Committee and regularly works with lenders and other agencies working in the residential and commercial lending spaces. DPD will continue to support efforts for improved access to credit and credit repair opportunities
Impediment #26 Absence of Full Service Banks in Racial and Ethnic Minority Communities	SC AI, 3.0	Siting of community resources including banking institutions was considered in Memphis 3.0's neighborhood designations and degree of change (Anchors, Accelerate, Nurture, Sustain) and makes specific recommendations to improve opportunities to ensure lower-income residents have access to community amenities. Market interventions will help facilitate and guide the establishment of banks and other commercial enterprises such as grocery stores in areas that have historically lacked such resources.
Impediment # 27. Discrimination and Redlining in Homeowners Insurance Affects Housing Affordability and	SC AI, HPP, 3.0	The total eradication of this impediment is outside of the capabilities of SCDH. Shelby County will engage in discussions with the City of Memphis and others to explore ways to execute an in-depth study of homeowner's insurance underwriting and how it affects affordability and quality of life for protected class members as part of the Assessment of Fair Housing (AFH) to be under development during the 2017 program year. This

Quality of Life for Many Protected Class Members		discussion and resulting AFH will be used to influence subsequent planning in regard to Affirmatively Furthering Fair Housing
Impediment # 28. Members of the Hispanic Community in Shelby County are Heavily Concentrated in Mobile Home Parks, which are in Flood Plains, where They are Exploited Because of Language Barriers and Lack of Sophistication in Consumer Issues	SC AI, HPP, 3.0	According to the office of Construction Code Enforcement there are currently requirements in place that require mobile home parks which are in flood plains to be two feet above the flood plain. This was put in place after flooding that took place in certain areas. The Regional Resilience Master Plan first published in 2018 speaks to more thoughtfully sited infrastructure and housing and also recommends key action items that help mitigate flood risk. Drainage projects and upgraded infrastructure will help address flood risk across Shelby County, and large-scale park and stream restoration activities are underway as of 2024 in multiple locations across the county. Coordination with the Division of Engineering and ongoing involvement in the Resilience Council helps DPD stay engaged in current resilience efforts.
Impediment # 29. There is a Critical Shortage of Appropriate Rental Housing for Large Families Throughout Shelby County.	SC AI, 3.0	During the 2016 PY, this impediment was not addressed. SCDH is extremely limited by the fact that it (1) has no Housing Authority or access to Housing Choice Vouchers (both the City of Memphis), (2) does not issue Low Income Housing Tax Credits (the State of Tennessee), and (3) does not finance or directly subsidize housing construction (the result of limited funding and authority); the Department will not ignore these issues. This impediment will be addressed during the 2017 Program Year by building on dialogue and partnerships between the public and private sector that were developed out of the Shelby County Greenprint and the Fair Housing Equity Assessment (FHEA) that was a part of that Regional Planning effort and seek new strategic opportunities through the development of the Assessment of Fair Housing, in partnership with the City of Memphis, to get underway during the program year 2019.
Impediment # 30. There is an Inadequate Public Transit System Throughout Shelby County, but Particularly in Areas Outside the City of Memphis	SC AI, 3.0	This impediment was not addressed during the 2016 Program Year. In order to address this impediment in PY 2017, the Department will attend local Metropolitan Planning Organization (MPO) meetings in order to insure that transportation planning activities take housing issues in to consideration as part of the overall long range transportation planning process. As pointed out in the AI, transportation can be a major factor in a person's ability to secure housing of their choice. Typically, the MPO's Transportation Policy Board and its Engineering and Steering Committee meets each quarter during the year to focus on transportation and planning issues. Involvement in these meetings will increase the Department's involvement in the overall planning process and allow the Department greater input into how planning decisions can impact Fair Housing efforts in the community. During PY 2017 SCDH staff attended local Metropolitan Planning Organization (MPO) meetings in order to insure that transportation planning activities take housing issues in to consideration as part of the overall long range transportation planning process. As pointed out in the AI, transportation can be a major factor in a person's ability to secure housing of their choice. Typically, the MPO's Transportation Policy Board and its Engineering members help identify key issues in the MPO and seek grant funds to address gaps.
Impediment # 31. Exclusionary	SC AI	During the 2016 PY and 2017 PY, this impediment was not addressed. In the 2018 PY, the Shelby County Fair

Zoning Prevents Many Members of Protected Classes From Living in Cities in the Consortium	HPP	Housing Officer began making efforts to coordinate with the Department of Construction Code Enforcement to review zoning codes in municipalities within the consortium to identify any provisions that would unnecessarily exclude protected class members and meet with local officials to consider alternatives. DPD continues to work with the Urban County Consortium through its entitlement funded programs to build relationships and support inclusive growth throughout Shelby County.
Impediment #32. Restrictive Covenants in Many Planned Developments in Unincorporated Shelby County and Cities in the Consortium Prevent Many Protected Class Members From Living in the Areas	SC AI, 3.0, HPP	The SCDH partnered with the Memphis Area Legal Services/Memphis Fair Housing Center to sponsor training targeted at local developers. During PY 2017, developers were referred to MALS for information concerning their role in fostering housing of choice. As of 2024, DPD and HCD are leading efforts to guide the work of a newly established Housing Task Force to identify key barriers to the development of affordable housing.
Impediment #33. There are Virtually No Traditional Public Housing Units in Shelby County Outside the City of Memphis.	SC AI, HPP	Shelby County Department of Housing does not receive funds for public housing nor is the Department an official part of public housing in Shelby County. However, SCDH continued to provide technical assistance to the Millington Housing Authority when needed. The Millington Housing Authority is fully functioning and required no other assistance from the Housing Department
Impediment # 34. Shelby County Does Not Have a Fair Housing Ordinance	SC AI	During the 2016 PY, a Fair Housing Ordinance was drafted for consideration but it has not yet been adopted
Impediment # 35. Shelby County no longer has a Fair Housing Officer.	SC AI	Shelby County had a Fair Housing Officer from 2012 – 2019, but does not currently have a position dedicated solely to fair housing. It is now incorporated into the ongoing work of DPD's Department of Housing, and remains a function of ongoing homeownership and home repair, construction, and financing that is part of the Department's broader work.
Impediment #36. Many Governmental Actions Have an Unintended Adverse Effect on Housing Choice or Create an Unintended Barrier or Impediment to Fair Housing.	SC AI, HPP	DPD and HCD provide Down Payment Assistance to low-to-moderate individuals and families throughout Shelby County in an effort to increase their ability to secure homes of their choosing in a community of their choice. SCDH reports the yearly dollar amount invested and number of homeowners supported in each year's CAPER. DPD and HCD are also coordinating efforts to develop and facilitate a Housing Task Force that will help address fair housing needs across Shelby County.