

## **II. Executive Summary**

The Twin Cities Regional Analysis of Impediments to Fair Housing choice (AI) is a thorough examination of structural barriers to fair housing choice and access to opportunity for members of historically marginalized groups protected from discrimination by the federal Fair Housing Act (FHA). This analysis specifically analyzes the following jurisdictions in the Twin Cities Region: Anoka County, Coon Rapids, Dakota County Hennepin County, Bloomington, Eden Prairie, Minneapolis, Minnetonka, Plymouth, Ramsey County, St. Paul, Washington County, Woodbury, Scott County and Carver County. While Coon Rapids and Minnetonka are no longer classified as entitlement jurisdictions, the two cities were included in this analysis, as they were entitlement jurisdictions for the majority of the 5-year period between AIs conducted for the Region.

In addition to analyzing and identifying barriers to fair housing choice within the Region, this AI also outlines meaningful strategies that can be implemented to achieve progress towards the various entitlement jurisdictions' obligation to affirmatively furthering fair housing. The Lawyers' Committee for Civil Rights Under Law (Lawyers' Committee), in consultation with the Twin Cities Fair Housing Implementation Council (FHIC) prepared this AI. To provide a foundation for the conclusions and recommendations presented in this AI, the Lawyers' Committee reviewed and analyzed:

- Data from the U.S. Census Bureau and other sources about the demographic, housing, economic, and educational landscape of the Consortium, nearby communities, and the broader region;
- Local housing production and education data;
- Various County and City planning document and ordinances;
- Data reflecting housing discrimination complaints;
- The input of a broad range of community groups and stakeholders that deal with the realities of the housing market and the lives of members of protected classes in the Twin Cities Region.

The AI draws from these sources to conduct an analysis of fair housing issues such as patterns of integration and segregation of members of protected classes, racially or ethnically concentrated areas of poverty regionally, disparities in access to opportunity for protected classes, and disproportionate housing needs. The analysis also examines publicly supported housing in the city as well as fair housing issues for persons with disabilities. Private and public fair housing enforcement, outreach capacity, and resources are evaluated as well. The AI identifies contributing factors to fair housing issues and steps that should be taken to overcome these barriers.

### **Overview of the Twin Cities Region**

The Twin Cities Region falls within the Minneapolis-St. Paul-Bloomington, MN-WI metropolitan statistical area. The Region has historically been overwhelmingly white and remains so to this day, despite a growing number of immigrants of color. Minneapolis and St. Paul specifically are the most diverse, both of which have historical enclaves of Black residents. The cities have growing Hispanic/Latinx populations, as well as growing communities of Hmong and Somali residents. With the exception of smaller suburbs immediately outside of the urban centers the remainder of

the region remains extremely white, despite small concentrations of Black, Indigenous and other people of color (BIPOC).

Patterns of segregation and disparities in access to opportunity in housing and other areas are very stark in the Twin Cities. The same characteristics that make the Twin Cities an ideal place to live for many—environmental healthy neighborhoods, proficient schools, and high home ownership rates, to name a few—are not at all equally experienced by the Region’s communities of color, low-income communities, and persons with disabilities. Neighborhoods with higher concentrations of BIPOC residents have less access to proficient schools, are less environmentally healthy, have less access to transportation and jobs and have higher rates of poverty. Many jurisdictions within the region have taken significant steps to improve access to safe and affordable housing, including increased contributions to Housing Trust Funds, zoning changes, larger and deeper affordability requirements for new developments, and reform of code enforcement services. At the same time, however, the Twin Cities region is attractive to outside investors using their capital to fund massive new developments that are not affordable for many residents. Smaller, outer ring suburbs have also experienced Not in My Backyard (NIMBY) sentiment from residents in response to attempts to develop more affordable housing or allow for increased density. In addition, as the urban centers become less affordable, many residents are being pushed out to the suburbs. Transit-oriented development has provided additional transportation options throughout the larger suburban/rural region, but has also been met with critiques of displacement and gentrification of communities of color that once resided in the new transit corridors.

Further, as civil rights attorneys, we would be remiss not to acknowledge that systemic racism within the Region has led to strategic disinvestment in communities of color, and over-policing of Black and Brown bodies. These disparities were brought to the forefront in Minneapolis following the murder of George Floyd by officers of the Minneapolis Police Department. The police were called by the clerk of a Minneapolis convenience store, located at 38<sup>th</sup> Street and Chicago Avenue, over an allegedly counterfeit \$20 bill. Since then, residents of the Region and the country have stood up to demand that police no longer be able to ravage Black communities. This event has sparked important conversations in the Region and beyond, and we hope that as a result, data in future Analyses of Impediments will show increased opportunity to housing, jobs, and schools for historically disadvantaged populations.

### **Contributing Factors to Fair Housing Issues**

In addition to the main sections of the AI, this analysis includes a discussion of the following contributing factors to fair housing issues:

1. Access to financial services
2. Access for persons with disabilities to proficient schools
3. Access to publicly supported housing for persons with disabilities
4. Access to transportation for persons with disabilities
5. Admissions and occupancy policies and procedures, including preferences in publicly supported housing
6. Availability of affordable units in a range of sizes
7. Availability, type, frequency, and reliability of public transportation
8. Community opposition

9. Deteriorated and abandoned properties
10. Displacement of and/or lack of housing support for victims of domestic violence, dating violence, sexual assault, and stalking
11. Displacement of residents due to economic pressures
12. Impediments to mobility
13. Inaccessible public or private infrastructure
14. Inaccessible government facilities or services
15. Lack of access to opportunity due to high housing costs
16. Lack of affordable, accessible housing in a range of unit sizes
17. Lack of affordable in-home or community-based supportive services
18. Lack of affordable, integrated housing for individuals who need supportive services
19. Lack of assistance for housing accessibility modifications
20. Lack of assistance for transitioning from institutional settings to integrated housing
21. Lack of community revitalization strategies
22. Lack of local private fair housing outreach and enforcement
23. Lack of local public fair housing enforcement
24. Lack of local or regional cooperation
25. Lack of meaningful language access for individuals with limited English proficiency
26. Lack of private investment in specific neighborhoods
27. Lack of public investment in specific neighborhoods, including services or amenities
28. Lack of resources for fair housing agencies and organizations
29. Lack of state or local fair housing laws
30. Land use and zoning laws
31. Lending discrimination
32. Location of accessible housing
33. Location of employers
34. Location of environmental health hazards
35. Location of proficient schools and school assignment policies
36. Location and type of affordable housing
37. Loss of affordable housing
38. Occupancy codes and restrictions
39. Private discrimination
40. Quality of affordable housing information programs
41. Regulatory barriers to providing housing and supportive services for persons with disabilities
42. Siting selection policies, practices, and decisions for publicly supported housing, including discretionary aspects of Qualified Allocation Plans and other programs
43. Source of income discrimination
44. State or local laws, policies, or practices that discourage individuals with disabilities from living in apartments, family homes, supportive housing and other integrated settings
45. Unresolved violations of fair housing or civil rights law

## Proposed Goals and Strategies

The following goals and strategies were developed and refined using the aforementioned data sources and extensive conversations with community groups, local stakeholders, community members, and jurisdiction staff.

*Goal 1: Increase the supply of affordable housing in high opportunity areas.*

- Change existing land use and zoning laws, where possible, to allow for more types of affordable housing, such as Accessory Dwelling Units (ADUs), Single Room Occupancy (SRO) multi-family projects, or other low cost models such as tiny homes.
- Provide additional investments in the Affordable Housing Trust Funds in St. Paul and Minneapolis and additional investments in affordable housing in the other jurisdictions.
- Provide funding to assist community organizations in purchasing, rehabilitating, and leasing dilapidated rental properties. Ensure that these organizations have the right of first refusal to purchase prior to outside, for-profit developers.
- Condition the distribution of grant funds to jurisdictions by the Metropolitan Council based on communities providing concrete plans to meet their fair share of the decennial affordable housing needs.
- Expand bonus point offerings in RFPs to incentivize the development of large units with three or more bedrooms.

*Goal 2: Preserve the existing stock of affordable rental housing.*

- Partner with the Minnesota Attorney General's office to develop land lease and other protections for residents of manufactured home communities.
- Provide restrictions on the "flipping" of affordable rental housing by outside investors. Require that 1) a large percentage of units remain affordable at deeper levels of affordability; 2) previous tenants have rights of return; and 3) displaced tenants have access to relocation services.
- Rehabilitate and maintain the existing stock of publicly owned, affordable single-family homes. Provide regular inspection and maintenance of these properties.
- Provide Advanced Notice of Sale and Tenant Opportunity to Purchase/first right of refusal for tenants of affordable housing units that are for sale.

*Goal 3: Support homeownership for households of color.*

- Develop partnership with local lending institutions to conduct homebuyer and financial literacy education targeted at communities of color.
- Develop a program or policy to provide for regular review of local lending practices for fair housing issues.
- Increase funding for down payment assistance programs.
- Fund and facilitate credit counseling and improvement programs targeted at communities of color.
- Provide more opportunities for families on public assistance to transition to ownership.

- Provide long-term support for communities of color beyond down payment assistance, such as additional funding programs for necessary repairs.

*Goal 4: Prevent Displacement of Black and Brown low- and moderate-income residents.*

- Pilot a Right to Counsel Program to provide pro bono counsel to tenants facing eviction.
- Pass localized Just Cause Eviction protections and advocate for statewide Just Cause eviction legislation.
- Advocate for statewide rent control/stabilization legislation.
- Consider the impact of transit-oriented development and preserve additional units in mixed income developments along transit corridors
- Establish a minimum nonpayment of rent threshold for evictions of \$100 and adopt a rule which allows tenants to cure by paying the full amount owed up to and including the date of trial for the eviction.
- Establish a policy for regular community participation in advance of approving new development in areas populated by low- and moderate-income Black and Brown residents. To ensure maximum participation, these meetings should be held at a variety of times be accessible via public transportation, be in locations that are ADA accessible, and provide food and perhaps childcare, if the meeting occurs in the evening.
- Establish policies that provide for analysis of potential fair housing impacts of new development in areas populated by low- and moderate income Black and Brown residents.
- Conduct or contract for regular research on gentrification and displacement throughout the region.
- Provide funding for rent relief programs, foreclosure prevention programs, and small business support in distressed areas.
- Establish use of the Equitable Development Scorecard to evaluate all new residential and mixed-use development proposals.

*Goal 5: Increase community integration for person with disabilities.*

- Increase the supply of integrated permanent supportive housing by utilizing Project-Based Vouchers in developments that include units that have rents that are within Housing Choice Voucher payment standards as a result of inclusionary zoning programs. Require a set-aside of permanent supportive housing units through requests for proposals and notices of funding availability under the HOME Investment Partnerships programs as well as under locally-funded affordable housing programs.
- Advocate for greater funding from the Minnesota Legislature for the Developmental Disabilities Waiver in order to eliminate the need for a wait list for services under that program.
- Ensure consistency in disability-related Housing Choice Voucher preferences across housing authorities.
- Deepen enhanced accessibility requirements for developments receiving federal financial assistance to require that 10% of units be accessible to persons with ambulatory disabilities and that 4% of units be accessible to persons with sensory disabilities.
- Increase funding and availability of Metro Mobility services.

- Encourage Metro Transit to subsidize rides of caregivers assisting riders with disabilities.
- Explore the creation of more affordable transportation options, especially outside of Minneapolis and St. Paul.
- Ensure that bus stops and curb cuts are plowed and/or shoveled after snowfall.
- Increase regional cooperation among disability service providers.
- Provide additional funding to disability support service organization to ensure recruitment and retention of qualified support staff.
- Create and invest in a relief fund for landlords and tenants to apply for rehabilitation assistance related to the cost of requested reasonable accommodations.

*Goal 6: Ensure equal access to housing for person with protected characteristics, lower-income, and homeless.*

- Implement source of income protections throughout the Region and advocate for statewide protections.
- Eliminate participation in the Crime Free Multi-Housing program by local police departments.
- For municipalities with crime-free housing and nuisance ordinances that allow for eviction based on a number of calls for emergency service or criminal activity of tenants, condition funding on the repeal of these ordinances and advocate for statewide legislation banning these ordinances. This legislation should explicitly prohibit eviction based solely on calls for emergency service, particularly for survivors of domestic violence, victims of crime, and those experiencing health emergencies.
- Require that all rental and homeownership applications be made available in Spanish, Hmong, and Somali, and ensure that paper copies are available for those without computer access.
- Ensure that housing authorities have translation services available to their customers.
- Encourage landlords to follow HUD's guidance on the use of criminal backgrounds in screening tenants.
- The St. Paul Housing Authority should eliminate the use of a policy that allows for termination without proof beyond a reasonable doubt or a report to law enforcement.
- Following Minneapolis's example, introduce and pass legislation that requires inclusive credit screening practices that do not rely on FICO scores.
- Increase the capacity of existing fair housing enforcement agencies by providing additional funding for staff.
- Provide additional funding to increase capacity and frequency of record expungement clinics.
- Following Minneapolis's example, transition from exclusively complaint-based code-enforcement services. Provide for regular code enforcement review of all rental properties as part of rental licensing restrictions.
- Monitor school redistricting policies for those that may create new or exacerbate existing segregation patterns for communities of color.
- Establish a permanent Fair Housing Advisory Committee that will participate regularly in FHIC meetings. This committee should be made up of a diverse group of community members.

- Work with the courts to ensure that they refrain from publishing evictions immediately when filed. Courts should wait to publish evictions on a tenant's record until after a judgement has been entered.
- Work with the courts to prevent evictions from remaining on a tenant's record when the eviction has been dismissed, and reduce the amount of time evictions remain on a tenant's record from 7 years to 2 years.
- Explore capping the amount of application fees private landlords may charge and the creation of a universal rental application to reduce the difficulty of applying and the amount of fees landlords are able to charge
- Restrict the ability of landlords to evict tenants during the winter months.
- Expand services and resources for homeless families.
- Partner with community based fair housing organizations to conduct regular testing of potential discriminatory steering practices by realtors.

*Goal 7: Expand access to opportunity for protected classes.*

- Increase regional cooperation to encourage transit development that connects communities of protected classes to employment and reduces general transit-related isolation of these communities.
- Increase the minimum wage in the metro area to \$15 an hour.
- Enact legislation to prevent landlords from requiring excessive security deposits or multiple months' rent.
- Regularly review the screening criteria of the Region's Public Housing Authorities to ensure compliance with HUD Background Screening Guidance, including criminal backgrounds, rental history, and credit history. As mentioned above, the St. Paul Housing Authority should eliminate the current policy of allowing for termination for criminal activity when the alleged activity has not even been reported to law enforcement or proven beyond a reasonable doubt.
- Relax stringent guidelines for reasonable accommodations claims to Public Housing Authorities.
- Consult with industry experts and community groups to create a Racial Justice Framework for analysis of proposed development and siting of affordable housing.
- Provide funding and staffing for public campaigns to combat NIMBY sentiment throughout the region. These campaigns should also include content to dissuade negative notions around voucher holders.

*Goal 8: Reduce barriers to mobility.*

- Enact policies that provide for regular reviews of residency and other preferences for fair housing impacts.
- Implement selective use of payment standards based on Small Area Fair Market Rents (FMRs), to expand housing choice specifically in zip codes that are areas of opportunity. As an example, for a Minneapolis zip code, the current payment standard for a two bedroom apartment is \$1,228. For the same zip code, the Small Area FMR payment standard would be \$1,820.

- Condition the receipt of public funds for any new housing development on the acceptance of vouchers and agreement not to discriminate on the basis of an applicant's receipt of public assistance.
- Enact policies providing for regular review of landlord listing services to ensure availability of units in opportunity areas.
- Implement a fair housing auditing policy for LIHTC developments overseen by Minneapolis, St. Paul, Washington County, and Dakota County, specifically assessing voucher holder marketing and access—particularly for family LIHTC housing outside of concentrated areas.
- Expand policies providing for regular landlord/developer outreach and engagement, to encourage and support participation in the voucher program, including periodic workshops and an ongoing working group.
- Institute protocols to regularly review and report on suballocators' LIHTC performance in achieving siting balance (in designated areas of opportunity), and further incentivize development in areas of opportunity through set asides, basis boost designations, and/or increased competitive points.