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GOVERNOR'S NEW HORIZONS TASK FORCE ON FAIR HOUSING

FINAL REPORT

June 1986

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I. EXECUTIVE SUMMARY

The New Horizons Task Force on Fair Housing appointed by Governor Rudy Perpich in October 1985, has assessed the housing situation in Minnesota and found that housing discrimination is alive and pervasive in Minnesota's urban and rural areas. It was discovered that discrimination Minnesota-style was for the most part subtle, in many cases, unintentional.

With the slow but steady death of federal housing assistance programs, affordable housing that is decent, safe and sanitary is becoming increasingly hard to find. In most instances, protected class persons are those most adversely affected.

Realizing the problems facing Minnesota citizens, the New Horizons Task Force has developed an organizational structure for the state's first statewide fair housing organization. This organization will be geographically based in 13 regions of the state, allowing each region to adapt the program of work to the specific needs of the individual region.

The program of work, outlined here in this report, consists of: publishing brochures and manuals; initiating a media campaign with radio, television, and the printed media; initiating a scholarship for minorities interested in a real estate career; establishing a counseling service to advise citizens on the buying, selling and the renting of homes; as well as other programs outlined in this report. To emphasize that some of the proposed activities recommended by this task force have been identified by other entities, a report by the Minnesota Department of Commerce is herein referred.

Also included in the report is a description of public activities performed by the New Horizons Task Force in answering its charge to inform the citizens of Minnesota of their rights and remedies regarding fair housing.

Three recommendations were made to the Governor and are outlined in this report. Briefly, they are as follows: that the Governor proclaim April to be Fair Housing Month; that an annual and bi-annual report be submitted to the Governor on the activities and progress of the statewide fair housing organization; and that cities receiving block grants be required to perform some type of fair housing activity.

The pages that follow will give you an in-depth look into the work and recommendations that the New Horizons Task Force developed over the last seven months. We trust that you will also be enlightened and join with us in educating the citizens of Minnesota of their legally protected rights to fair housing.

II. BACKGROUND

With the enactment of Title VIII of the Civil Rights Act of 1968, the authority and responsibility for administering fair housing laws was placed on the secretary of the Department of Housing and Urban Development. With this responsibility passed on to regional H.U.D. offices, the Minneapolis Regional Office, after an intense study found that Minnesota not only had few fair housing organizations in the metropolitan area, but that there were virtually no fair housing organizations in the outstate areas. There was no statewide fair housing organizations in Minnesota to serve all the citizens in this state.

Realizing this void and in addressing their charge to administer fair housing laws, the Minneapolis H.U.D. office contacted the Minnesota Housing Finance Agency to propose the idea of implementing H.U.D.'s New Horizons Housing Opportunity Program to the state which ultimately would result in Minnesota's first statewide fair housing organization. The Minnesota Department of Human Rights, the Minnesota Department of Energy and Economic Development was contacted and asked if they, together with M.H.F.A. and H.U.D., would be interested in joining in a combined effort to bring the New Horizons Housing Opportunity Program to Minnesota. Individuals from the four agencies met in August 1985 and began organizing a plan of action to initiate a statewide private fair housing effort.

This planning committee met continuously for two months to draft a workable structure to provide Minnesota with a statewide private Fair Housing Program and then submitted it to Governor Perpich for his support. Governor Perpich acted quickly in giving his support to this effort and appointed 15 individuals from the real estate industry, community groups, state and local government and individuals from the Asian, Black, Hispanic and Indian communities to the Governor's New Horizons Task Force on Fair Housing with Minnesota Human Rights Commissioner Linda C. Johnson as chair.

III. ESTABLISHMENT OF TASK FORCE

On October 25, 1985, the first meeting of the Governor's New Horizons Task Force on Fair Housing was held at the state capitol in St. Paul. It was at this first meeting that Chairperson Johnson explained the co-operative roles played by the Minnesota Housing Finance Agency (M.H.F.A.), Department of Energy and Economic Development, Minnesota Department of Human Rights and H.U.D.

III. ESTABLISHMENT OF TASK FORCE (continued)

It was also at this meeting that the chair outlined the structure the task force would take in reaching the ultimate goal of establishing a statewide fair housing organization.

The task force was divided into four sub-committees to develop a program of work for the statewide fair housing organization to perform. The breakdown of the sub-committees were as follows:

The Educational Activities Concentrated on:

1. Developing Informational Materials
2. Developing Public Presentations of Title VIII and the Minnesota Human Rights Act, and
3. Developing Positive Attitudes Toward Fair Housing

The Local Compliance Concentrated on:

1. Making an Assessment of the Complaint Processing Procedures
2. Creating Awareness of Complaint Processing Procedures, and
3. Developing Voluntary Compliance Projects

The Special Programs Committee was Charged with:

1. Identifying and Assessing Special Programs available in Minnesota
2. Fund Raising Activities
3. Developing Housing Presentations at Human Rights Day Activities
4. Establishing a Special Programs Network, and
5. Establishing a Statewide Fair Housing Clearing House

The Assistance of Minority Families was Charged to:

1. Make an Assessment of the Home Buyer's Market
2. Assess the Rental Market, and
3. Review Advocate Groups and Their Roles

IV. ASSESSMENT

In a detailed assessment of the housing situation in Minnesota, the task force found that housing discrimination is alive and pervasive in Minnesota's urban areas. There, American Indians, Blacks, Asians and Hispanics are clustered in areas on the verge of becoming ghettos.

Discrimination also exists in rural areas, where non-whites are encouraged to live with their own or near reservations or in less desirable areas of town. Doors are closed to single parents and persons receiving public assistance. Discrimination Minnesota-style, it was discovered, for the most part subtle, and in many cases, was unintentional.

With the slow but steady death of federal housing assistance programs, affordable housing that is decent, safe and sanitary is becoming increasingly hard to find. Low-income minority groups are the hardest hit because they pay the most and receive the least for their housing dollar, but they are not alone in facing household discrimination. Doors are closed to middle and upper-income minority households as well.

It was through their findings that the New Horizons Task Force developed an organizational structure and a program of work for Minnesota's first statewide fair housing organization to address the diverse housing problems facing 20% of the state's population.

V. ACTIVITIES

For the past seven months, the New Horizons Task Force has not only been actively working to bring about Minnesota's first statewide fair housing organization, but they have also taken affirmative steps to inform citizens on their rights to fair housing.

On December 4, 1985, at the annual Human Rights Day Conference in St. Paul, Ms. Denise Beigbader represented the task force in a workshop on fair housing. On April 1, 1986, the task force drafted a Fair Housing Month proclamation for Governor Perpich's signature as well as notified metro area and outstate media of the fact that April is Fair Housing Month nationally as well as in Minnesota. The task force also submitted a proposal to the U.S. Department of Housing and Urban Development on April 1, 1986 for a grant to begin the statewide fair housing organization.

V. ACTIVITIES (continued)

A 501 (c)(3) status has been applied for with the Internal Revenue Service for the statewide fair housing organization. A 501 (c)(3) status is defined as a tax-exempt, private, and non-profit organization, organized and operated exclusively for, among other things, educational purposes. The application was submitted May 23, 1986 and a positive determination is expected in six weeks.

VI. ORGANIZATIONAL STRUCTURE

The proposed statewide fair housing organization will be geographically based in 13 regions of the state. Nine (9) board members will be selected from each of the 13 regions. The regional Board of Directors shall elect the chair who shall serve as their representative on the statewide Board of Directors.

The statewide Board of Directors shall be composed of 19 persons, 13 of whom shall be the chairs of the respective regions. There will be 6 at-large members who shall be appointed from the New Horizons Task Force by the Governor. The statewide Board of Directors shall be divided into 4 committee structures. They are as follows: The Executive Committee, The Educational Activities Committee, The Assistance to Minority Families Committee, and The Local Compliance Committee.

The Executive Committee shall be comprised of the elected statewide chair, the chairs of The Educational Activities, Local Compliance and Assistance to Minority Families Committees, the treasurer and the Executive Director, who shall serve as ex-official members. The Executive Committee shall provide overall coordination for the voluntary fair housing effort and they shall be responsible for monitoring all human and financial resources. The statewide Board of Directors will meet annually in the month of June. Each region, beginning with Region 1 and following in numerical order, will host the annual meeting.

The regional approach by this task force would serve the citizens of Minnesota well. With this regional approach, each region will be able to structure the program of work developed by the task force to address the specific needs of each individual region.

VII. PROPOSED ACTIVITIES RECOMMENDED BY THE TASK FORCE

The program of work developed by the New Horizons Task Force for the statewide fair housing organization should prove to be an effective tool to educate citizens on their legally established right to fair housing.

There are plans to publish general fair housing brochures and manuals for the general public and real estate agents, appraiser and educational institutions, to use as educational tools. The brochures will be published in several different languages and will stress how to get help quickly if a person feels they have been discriminated against.

The English version of this pamphlet has already gone through its first printing and is being distributed through the Department of Human Rights.

There are plans for a printed media campaign, as well as radio and television campaigns.

The printed media campaign will consist of placing short concise ads in daily and weekly newspapers which will highlight what illegal discrimination constitutes in the housing business. Examples of these ads are available at this time. The television ad campaign has already been kicked off. In conjunction with the Minneapolis Department of Civil Rights, who at approximately the same time as the establishment of the task force, received a grant to produce public service announcements (P.S.A.) about fair housing. The department agreed to make the P.S.A.'s as generic as possible so that they may be used in outstate areas and will be made available to the statewide fair housing organization for a small copying fee. These P.S.A.'s should be ready for use in the Fall of '86.

The radio P.S.A.'s still have to be produced, but when produced, they will be placed on cassettes for easy distribution to statewide radio stations.

There is currently a fair housing curriculum developed by 2 teachers in the Minneapolis school system for elementary and secondary schools.

It is the goal of this task force to advocate and promote the inclusion of this fair housing curriculum in the State Board of Education's curriculum.

It is hoped that by teaching children at a young age about their rights to fair housing, these future landlords, tenants, homeowners and realtors

VII. PROPOSED ACTIVITIES RECOMMENDED BY THE TASK FORCE (continued)

will practice fair housing voluntarily without the necessity of establishing an organization like the statewide fair housing organization.

There will also be counseling service available to advise citizens on the buying, selling, renting of homes.

This counseling service will have interpreters for non-English speaking persons and for those who are hearing impaired.

In addition, there will be a speaker's bureau to address schools and local community groups on fair housing issues.

This speaker's bureau will be comprised of public and private fair housing authorities.

The following 2 recommendations made by this task force are in the area of establishing some fair housing guidelines for real estate agents, appraisers, etc. To cut down on illegal practices of steering, red-lining, etc.,

This task force is recommending that the statewide fair housing organization work with those real estate and appraiser organizations to develop certain licensing and membership requirements which would ensure that fair housing as a topic is understood and practiced by its members.

To strengthen this recommendation, the Department of Commerce also investigated the problems of the recruitment and retention of minorities seeking employment in the real estate industry.

In their report, it is recommended that an inner-agency agreement between H.U.D. and state agencies be developed to address equal employment, regulation, enforcement, education and recruitment.

It was also recommended that human relations and equal opportunity courses should be made mandatory for persons seeking a real estate license of a license renewal.

VII. PROPOSED ACTIVITIES RECOMMENDED BY THE TASK FORCE (continued)

The task force is also recommending that the statewide agency assist in the establishment of a scholarship fund for minorities who want to enter into a real estate career.

In looking at the real estate field in Minnesota, the task force found, as did the Department of Commerce, that minorities and women are under-represented in this industry. Several factors are indicated in these findings. First and foremost, is the fact that minorities are not made aware that opportunities exist until career plans are fixed and it is too late to change. There are other factors which include a "sink or swim attitude" in a highly competitive market with few real estate organizations providing the time or training to insure that minority agents learn to "swim" in the industry.

The New Horizons Task Force has recommended a scholarship be established for minorities who want to enter a real estate career. The Commerce Report also suggested such a scholarship, endowed from the licensing fee levied against sales agents and brokers and other sources, state and private, that may be solicited. They suggest that administration and approval of such grants should be left primarily to institutions of higher education under the direction of the Minnesota Department of Commerce and the Minnesota Association of Realtors, and that such funds should be managed by the state, and that a program should be implemented to inform the public about real estate career opportunities, directed at high schools, colleges, citizens groups and the general public.

With the establishment of the statewide fair housing organization and the proposed speaker's bureau, this educational outreach about the real estate industry could be performed, reaching a large percent of the population.

All of the recommendations suggested and approved by the New Horizons Task Force and the Minnesota Department of Commerce will be achievable with the establishment of the statewide fair housing organization and will result in a state better informed and concerned about a person's legally established right to fair housing.

VIII. RECOMMENDATIONS TO THE GOVERNOR

The New Horizons Task Force recommends that each year the Governor of Minnesota proclaim April as Fair Housing Month in Minnesota, to coincide with National Fair Housing Month across the nation.

When the statewide fair housing organization is fully established, the State Board of Directors should submit an annual and bi-annual report to the Governor on activities and progress of the organization.

Those cities in Minnesota who receive Community Block Grants should be required to perform some type of fair housing activity annually and based on performance of those activities, those block grants be rewarded or withheld from those cities not complying.