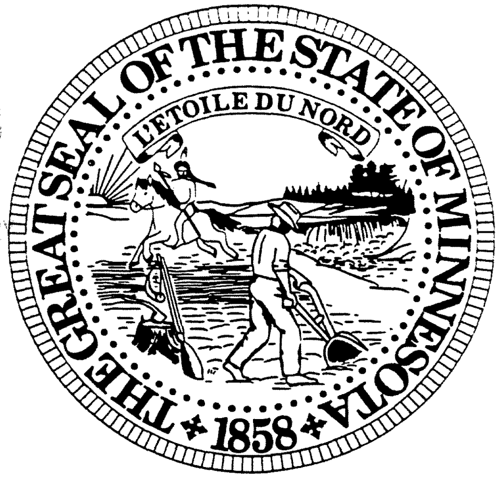
State of Minnesota



Analysis of Impediments to Fair Housing Choice

FFY 1996-2000

Submitted to
The Department of Housing
and Urban Development

Submitted by:
The Minnesota Housing
Finance Agency

February 6, 1996

State of Minnesota
Analysis of Impediments to Fair Housing Choice

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I. Introduction and Executive Summary of the Analysis

A. Introduction

The state of Minnesota certified in its 1996-2000 Consolidated Plan that the "...State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard." This Analysis of Impediments to Fair Housing Choice, along with the above referenced maintenance of records, meets this requirement.

The Governor of Minnesota has designated the Minnesota Housing Finance Agency (MHFA) as the lead agency in the Consolidated Plan process. The MHFA also serves as the lead agency for the Fair Housing Planning requirements. The contact person at MHFA is:

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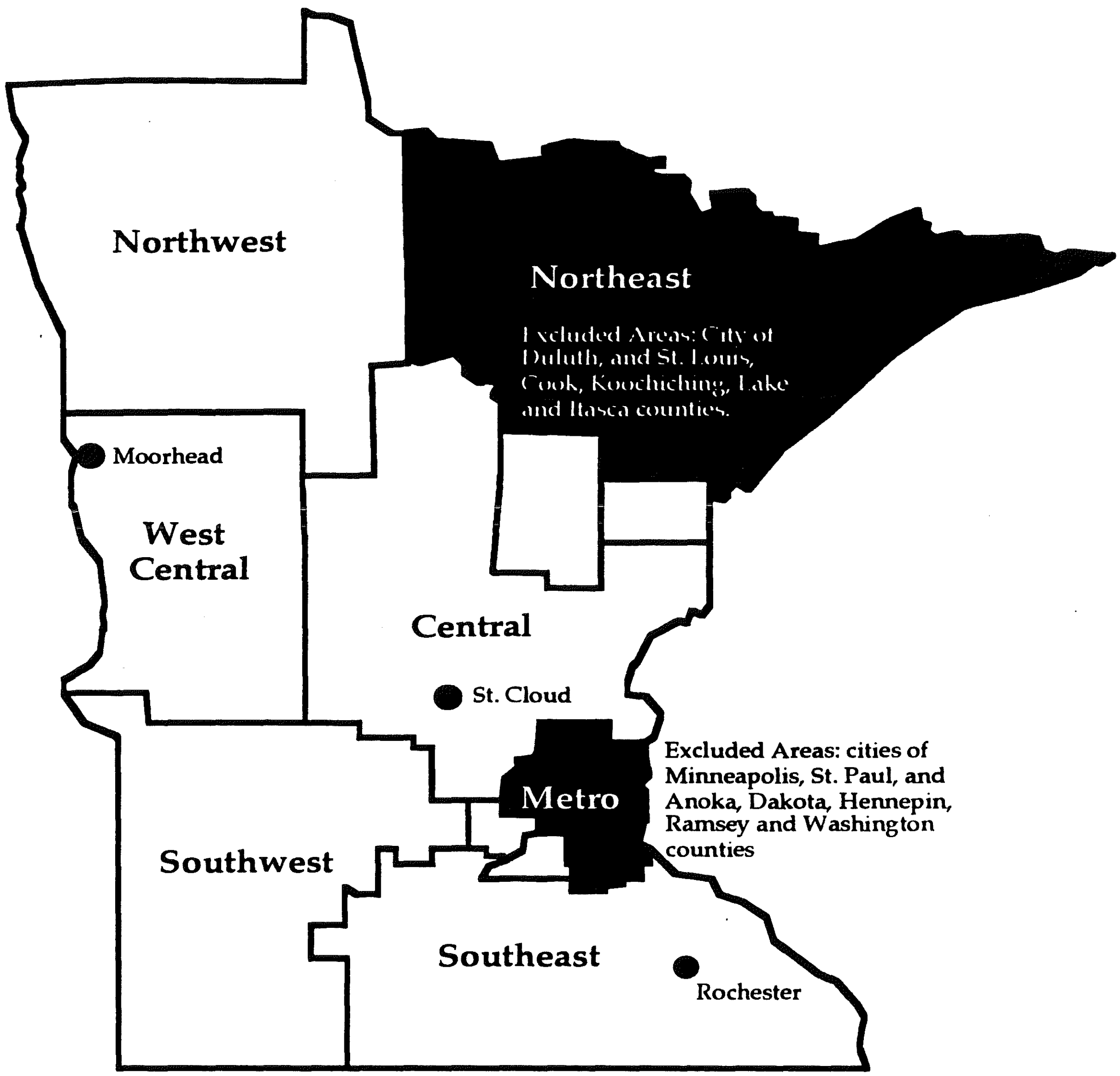
The Minnesota Department of Trade and Economic Development (DTED) and the Minnesota Department of Economic Security (MDES) assisted in the completion of the Analysis of Impediments to Fair Housing Choice.

This Analysis of Impediments to Fair Housing Choice covers the state of Minnesota with the exception of the following areas: (Map A)

City of Minneapolis
City of St. Paul
City of Moorhead
City of St. Cloud
City of Rochester
City of Duluth
Hennepin county consortium (including the cities of Bloomington and Plymouth)
Consortium (Anoka, Dakota, Ramsey, and Washington counties)
Consortium (St. Louis, Cook, Koochiching, Lake, and Itasca counties)

Map A: Those parts of the state of Minnesota not included in this analysis



Impediments to fair housing choice are defined by the U.S. Department of Housing and Urban Development (HUD) as:

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

B. Citizen Participation

The state of Minnesota used its extensive Consolidated Plan citizen participation process as an opportunity to get public input on impediments to fair housing choice. The following section describes the citizen participation process used by the state of Minnesota for the Consolidated Plan and also for the Analysis of Impediments to Fair Housing Choice.

Citizen Participation Plan

In accordance with the Consolidated Housing and Community Development regulations, MHFA, DTED and MDES developed a Citizen Participation Plan for the 1996-2000 Consolidated Plan process. The Citizen Participation Plan outlined how the state planned to solicit citizen input on the 1996-2000 Consolidated Plan.

The comment period for the Citizen Participation Plan was from February 27, 1995, through March 14, 1995. Copies of the Citizen Participation Plan were sent to 54 depositories, which included libraries, Regional Development Councils, Minnesota Initiative Fund offices, Minnesota Housing Partnership Network offices, and councils and associations who represent persons of color. Copies of the Citizen Participation Plan could also be obtained from MHFA. Notices were placed in the St. Paul *Pioneer Press*, the *Star Tribune*, and the *State Register*.

MHFA responded to comments on the Citizen Participation Plan. The 1996-2000 Citizen Participation Plan was adopted on March 15, 1995. Appendix A is the adopted Citizen Participation Plan; it includes a list of depositories that were used for the draft Citizen Participation Plan and the draft 1996-2000 Minnesota Consolidated Plan.

Public Meetings

The public meeting process for the 1996-2000 Minnesota Consolidated Plan began in March 1995. Six regional public meetings were held to obtain information about housing and community development needs that are particular to that region. A meeting was held in each of the Minnesota Initiative Fund regions. Meetings were held in: Virginia, Faribault, Fergus Falls, Thief River Falls, Mille Lacs, and Marshall. State legislators were invited to participate in the public meetings. A representative from MHFA, DTED and MDES was present at all public meetings.

The Minnesota Housing Partnership Network offices were instrumental in organizing each of the meetings. The Regional Director scheduled the place and helped publicize the meeting by sending out flyers to those who have expressed an interest in housing and community development in the past. MHFA placed at least one notice in a regional newspaper for each meeting.

At each meeting, the state asked four housing and three community development questions. Meeting participants were asked to identify their community development and housing needs, the barriers to meeting these needs, the top community development and housing priorities, and impediments to fair housing. A list of the questions asked at public meetings and focus groups is in Appendix B.

Focus Groups

In addition to the six regional public meetings, the state sponsored 25 focus groups. The four housing questions were discussed at each meeting, while community development issues were only discussed with groups who deal directly with community development issues. MDES and DTED representatives attended only the focus groups that touched issues pertaining to ESG and CDBG; MHFA representatives attended all of the focus groups. Three types of groups/organizations were targeted for participation in focus groups: 1) traditional housing/community development groups (e.g. Minnesota Association of Realtors, and Community Action Association Directors); 2) groups/ organizations which represent people with special needs or other special populations (e.g. Coalition for Battered Women, Council on Black Minnesotans, and the Mental Health State Advisory Council); and 3) groups who do not deal directly with housing, but come into contact with it on a regular basis (e.g. Hennepin County Community-Based Services (public health nurses and social workers), and representatives from the FORCE Unit of the St. Paul Police). A full list of the groups/organizations that participated in focus groups is in Appendix C.

Focus groups were held from March 1995 through June 1995. These meetings were not publicized outside of the group/organization. The purpose of the focus groups was to get housing and community development insights of a particular population.

C. Methodology Used

Four primary sources of information were used to identify the impediments to fair housing for this Analysis of Impediments to Fair Housing Choice. The four sources are

i) Demographic data from the 1996-2000 Consolidated Plan
ii) Information gathered from the Consolidated Plan Citizen Participation Process
iii) Information gathered from the Fair Housing Workshop cosponsored by HUD and MHFA -- October 1994
iv) Key Informant interviews

Demographic data from the 1996-2000 Consolidated Plan -- The data used for the Consolidated Plan were obtained from the 1990 Public Use Microdata Sample (PUMS) for Minnesota, which is a subset of the 1990 decennial census. This data is used to provide a picture of Minnesota households. The following populations are discussed: households with children, households with a member with a disability, African American, Native American, Asian American, Hispanic, white and all households. Data on regional distribution, income, tenure, housing cost burden, overcrowding, and substandard housing conditions are presented.

Information from the Consolidated Plan Citizen Participation Process -- As discussed in the previous section, the state of Minnesota undertook an extensive Consolidated Plan citizen participation process. At each of the public meetings and focus groups participants were asked to help identify impediments to fair housing. Although anecdotal in nature, this information has been used extensively in this Analysis of Impediments to Fair Housing Choice. A summary of the responses to the question, "What are the major impediments to fair housing in your area?" can be found in Appendix D.

Information from the Fair Housing Workshop -- In anticipation of the requirement to complete an Analysis of Impediments to Fair Housing Choice, the MHFA and HUD cosponsored a Fair Housing Workshop at the MHFA offices on October 25, 1994. People responsible for preparing the Analysis of Impediments from around the state were invited to the Workshop at which guest speakers from community and special interest groups, and the real estate and banking industries discussed their perceptions of existing impediments to fair housing choice. A summary of comments was sent to all workshop participants. (This summary can be found in Appendix E.) Impediments to fair housing identified by both speakers and workshop participants are included in this report.

Key Informant Interviews -- The final source of information used to complete this Analysis of Impediments to Fair Housing Choice is interviews with key informants around the state. Each of the individuals were asked three questions: 1) What are the impediments to fair housing in your area?, 2) Prioritize the impediments from (1), and (3) What do you think the state should do about the impediments identified in (1)? A summary of the interviews can be found in Appendix F. Because some of the people interviewed asked that their comments be anonymous, none of the interview results have been specifically attributed. Although the information obtained from these interviews is anecdotal in nature, it informs and expands our knowledge of fair housing issues and impediment to fair housing choice around the state.

In addition to the four primary sources of information, the regional Continuum of Care plans were analyzed for any fair housing issues that were identified. The Continuum of Care plans are a statewide effort on the part of the state of Minnesota, the Community Action Associations, and the Regional Housing Networks to assess the problem of homelessness, develop strategies for addressing the problem and coordinating current homeless assistance services.

Many of the issues raised by people in the Consolidated Plan public meetings and focus groups, the Fair Housing Workshop, and the key informant interviews are more accurately characterized as barriers to affordable housing rather than impediments to fair housing. As one participant said in response to the question about impediments to fair housing:

> "..I think the impediment to fair housing is attitudes and it has to do not so much with race color or religion or whatever but it has to do with income."

As HUD's Fair Housing Planning in American manual indicates, the "... two concepts (to affirmatively further fair housing and affordable housing activities) are not equivalent but they are also not entirely separate." The provision of affordable housing for low and moderate income families is not in and of itself sufficient to affirmatively further fair housing. However, because minority families and persons with disabilities are disproportionately represented among low income groups and would benefit from the provision of additional housing, affordable housing, this report includes discussion of barriers to affordable housing which were identified in the process of the State's fair housing planning.

D. Conclusions

The following list of impediments to fair housing choice and action steps to address those impediments is divided into five sections: 1) Market Forces and Conditions, 2) Inadequate Information, 3) Attitudes, 4) Individual and Cultural Barriers, and 5) Government Regulations and Enforcement.

A more complete analysis of the impediments to fair housing choice can be found in section IV of the complete State of Minnesota Analysis of Impediments to Fair Housing Choice.

Market Forces and Conditions

Impediment: There is a shortage of affordable housing throughout Minnesota.

> **Action Step:** 1) The Strategic Plan section of the 1996-2000 Minnesota Consolidated Plan states that MHFA anticipates it will assist 40,174 households in obtaining and/or maintaining affordable housing in FY 1996.
>
> 2) The MHFA 1996-97 Affordable Housing Plan projects over $800 million in investment in affordable housing.

Impediment: There is a shortage of affordable housing for members of protected classes.

> **Action Step:** In accordance with the 1995 Annual Performance Report to the Minnesota Legislature and the 1996-2000 Minnesota Consolidated Plan, MHFA has established several objectives that ensure that persons of a protected class are being adequately served by MHFA programs.
>
> 1) MHFA will provide affordable homeownership opportunities to Native Americans and other people of color in proportion to their share of the eligible population as a whole, annually.
>
> Measure (1-01): The number of households receiving assistance through Indian housing activities, both tribal and urban.
> Measure (1-02): Under the Minnesota Mortgage (MMP) and Housing Assistance Fund (HAF) activities, the percent of minority MHFA borrowers (i.e., with a household head being a person of color) assisted, annually, is at least equal to the percent of income eligible minority renter households, i.e., potential homebuyers, in the population as a whole, by 1997.

Actual Performance	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996*	F.Y. 1997*
Number of households assisted, Indian housing	68	35	48	50	54	60	63
Percent minority households, MMP	5.4%	6.7%	6.2%	8.7%	10.0%	10.6%	11.4%
Percent of minority households, HAF--all borrowers	13.0%	12.1%	11.2%	11.6%	15.4%	13.2%	13.8%
Percent of income eligible minority renters	7.9% in 1990	7.9% in 1990	7.9% in 1990	8.4% in 1994	Un-known	Un-known	Un-known

*Numbers for FY1991 - FY1995 reflect actual performance. Numbers for FY1996 and FY1997 are performance objectives.

Data shown here are for the largest volume activity in the homeownership opportunities program--MMP--and the HAF, (which includes additional assistance to lower income borrowers obtaining a mortgage under one of several MHFA activities). The proportion of MHFA's minority borrower population should reflect the proportion of income eligible minority renter households, i.e., eligible homebuyers, in the population as a whole.

Data on the numbers of households assisted through Indian housing activities includes both tribal Indian housing and urban Indian housing. A count of the numbers of households assisted, i.e., loans financed, is a measure in and of itself.

Annual changes in the proportion of MHFA minority borrowers may be explained by a variety of external factors including: fluctuations in housing affordability among the minority communities, changes in lender or MHFA outreach efforts to the minority communities concerning available assistance, and the nature and success of partnerships between MHFA and minority organizations or community reinvestment-oriented lenders.

The last few years show that MHFA's MMP activity has not served minority households in a proportion equal to or greater than their proportion in the general population, although HAF activity has. Achievement of the goal to increase that proportion of minority borrowers should be enhanced by a public information/

communication effort that was targeted to eligible minority borrowers in FFY 1994. This information targeting effort will continue.

MHFA's Full Cycle Lending and Homeownership Counseling programs should also help increase minority participation in homeownership programs.

2) MHFA will provide affordable home improvement and rehabilitation opportunities for homeowners who are persons of color, in proportion to their share of the eligible population as a whole, annually.

Measure (2-01): The percent of minority MHFA borrowers (i.e., with a household head being a person of color) assisted, annually, is at least equal to the percent of income eligible minority owner households (i.e., potential borrowers) in the population as a whole, by 1997.

Actual Performance	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Percent of minority borrowers, MHFA Fix-up Fund loans	1.6%	2.3%	2.3%	4.3%	5.0%	5.5%	5.5%
Percent of income eligible minority owners, Census data	1.9% in 1990	1.9% in 1990	1.9% in 1990	2.0% in 1994	2.0% in 1994	2.0% in 1994	2.0% in 1994
Percent minority borrowers, MHFA deferred loans	4.7%	6.7%	7.0%	9.2%	9.0%	9.0%	9.0%
Percent of income eligible minority owners, Census data	2.3% in 1990	2.3% in 1990	2.3% in 1990	2.4% in 1994	2.4% in 1994	2.4% in 1994	2.4% in 1994

Data shown here are for the home improvement loan and deferred loan activities. The proportion of MHFA's minority borrower population should reflect the proportion of income eligible minority renter households, i.e., eligible homebuyers, in the population as a whole.

MHFA deferred loans and home improvement loans have assisted minority borrowers in excess of the proportion of income eligible minority borrowers in Minnesota's population. MHFA Home

Improvement Program has increased its efforts since to target more information more effectively to minority communities and to make financing more accessible to eligible minority residents. MHFA staff are working with community groups, churches, the media, and lenders to communicate MHFA improvement and rehabilitation lending opportunities to persons of color.

The interest and ability of eligible homeowners in participating in MHFA programs, the location of the eligible population, and the ability of lenders to market MHFA products will affect the performance of MHFA in assisting the minority communities at the appropriate levels.

3) To increase the number of loans financed for accessibility improvements, annually through 1997, at current levels of funding.

Measure (3-01): The number of home improvement loans financed for accessibility improvements under the Accessibility Loan component of MHFA's Great Minnesota Fix-up Fund increases to 75, annually, by 1997.

Actual Performance	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Number of access loans financed	NA	NA	0	24	50	60	75

The Accessibility Loan component of MHFA's Great Minnesota Fix-up Fund is only one source of accessibility loan financing. Other possible sources include: the Accessibility Loan Fund, the Deferred Loan Access Program, the Revolving Loan Program, and the HOME Deferred Loan Program.

MHFA provides loan financing for accessibility improvements on several different terms, in an attempt to meet the varying needs of homeowner households with a disabled member. MHFA anticipates that it can finance more accessibility loans at current funding levels by changing activity guidelines and marketing strategies to increase public awareness and make financing more readily available.

Accessibility loans as a component of the home improvement activity were not authorized until 1991, as a supplement to the general home improvement loans available through the Great Minnesota Fix-up Fund. The purpose of the new accessibility component is to assist households with a disabled member who is assessed by county social services as at risk of being institutionalized. Three forms of accessibility financing have been developed to meet the varying needs of households with a disabled member.

MHFA has changed income limits, maximum loan amounts, interest rate structures, and other program guidelines in order to coordinate different types of assistance and to make the most effective match between households' needs and the accessibility financing available. Recent efforts should simplify the processing of loans. MHFA will conduct outreach activities to organizations that support or provide services to families with disabled members.

MHFA is working with the Department of Human Services (DHS) and county social service agencies, which must provide risk assessments for approval of certain types of access loans. Increasing social service agencies' understanding of the activity and the risk assessment process should improve processing and increase accessibility loan activity.

MHFA and the Minnesota Office of Fannie Mae are exploring a funding collaboration to assist households with a physically disabled member. In it, households now contending with financially significant home accessibility barriers would receive assistance to build a new home or purchase and rehabilitate existing property. Fannie Mae would provide the mortgage financing in this efforts, with MHFA providing secondary financing for the purchase and/or rehab accessibility "gap".

4) MHFA will assist individuals (and their families) having severe, persistent mental illness.[1] Currently 50.5 percent of the households served under the Bridges program are minority households.

Measure (2-01): Median annual household income of Bridges recipients is at or below HUD's definition of very low income.
Measure (2-02): The greatest percent of participants leaving Bridges do so because they have obtained permanent affordable rental housing.

Impediment: The Analysis of Impediments to Fair Housing in the City of Minneapolis references the use of three practices by which landlords screen applicants for rental housing. Fair housing advocates are concerned that members of protected classes are more likely than others to be excluded by these practices. The three practices are: the use of application fees, the setting

[1]MHFA is in the process of developing specific measures of performance in meeting its objective. As historical data become available, the MHFA will establish more specific objectives and performance targets with which to measure achievement in this area.

of income admission standards (i.e. the requirement to have minimum monthly incomes of two and a half times the monthly rent), and the setting of minimum occupancy requirements.[2] While these practices are currently seen mostly in the central cities of the Twin Cities metropolitan area, there is some concern that they may be spreading to suburban and Greater Minnesota areas.

Action Step: 1) MHFA is looking to HUD for guidance on the issue of occupancy standards. MHFA has evaluated HUD's proposed occupancy standard which is based on persons per square foot rather than persons per room and MHFA supports HUD's proposed occupancy standard.

2) MHFA will continue to encourage the managers of its properties to screen tenants and to have fair, consistent, and reasonable income standards. As a part of this, managers have been encouraged to consider all sources of income, including in-kind income.

Impediment: There are several systemic characteristics of the mortgage industry which create impediments to fair housing choice. Three issues were identified in public meetings and focus groups: 1) There is no access to the secondary mortgage market in large parts of rural Minnesota. 2) Loan officers are currently paid on a commission basis. The commission is equal to one percent of the mortgage amount. This compensation system creates an incentive for loan officers to focus on large mortgages and to avoid processing smaller mortgages on more affordable housing. 3) Under the HUD system of rating underwriters, if an underwriter receives a "poor" rating they may not be allowed to approve FHA loans in the future. This may make underwriters overly careful about approving some loans.

Action Step: 1) MHFA staff will continue to serve on the MBA's Affordable Housing Committee.

2) MHFA will continue to distribute the Affordable Housing directory and will work to keep the information in that directory current.

Impediment: In some parts of the state, landlords require at least a six-month or a one-year lease.

Action Step: While it is not illegal for landlords to require a lease with a minimum length, it is illegal for a landlord to treat potential tenants differently based on their race, national origin, sex, etc. MHFA Fair

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[2]Analysis of Impediments to Fair Housing in the City of Minneapolis -- DRAFT, January 1996.

Housing staff will recommend to the Minnesota Department of Human Rights (MDHR) and to HUD that fair housing testing be done in those areas of the state where this practice has been identified.

Impediment: Economic development efforts around the state have, in the past, ignored the housing needs created by that development. "Affordable housing must be a component of economic development". (Key Informant interview)

Action Step: 1) MHFA and DTED will implement the Economic Vitality and Housing Initiative. Regional advisory groups have been established in the six Minnesota Initiative regions and in the metropolitan area. These regional advisory groups will provide guidance to the state in the form of investment criteria for the investment of the additional state funds.

2) The McKnight and Blandin Foundations have created the Greater Minnesota Housing Fund. This Fund will provide financing for the development of housing in Greater Minnesota.

3) DTED has had 100 percent compliance with the fair housing requirements associated with its Small Cities Development Program (SCDP). DTED will maintain 100 percent compliance with both the existing and newly developed fair housing planning requirements.

Impediment: "For those families who require accessible housing there is simply a lack of accessible housing available". (Greater Minnesota Lenders focus group)

Action Step: 1) MHFA is working with a coalition of public and private agencies to design the demonstration delivery system for Federal National Mortgage Association's (FNMA or Fannie Mae) program.

2) MHFA and the Minnesota Office of Fannie Mae are exploring a funding collaboration to assist households with a physically disabled member. In it, households now contending with financially significant home accessibility barriers would receive assistance to build a new home or purchase and rehabilitate existing property. Fannie Mae would provide the mortgage financing in this efforts, with MHFA providing secondary financing for the purchase and/or rehab accessibility "gap".

Inadequate Information

Impediment: State officials and policy makers do not have adequate information about fair housing issues. This lack of information makes it difficult to respond adequately to abuses of fair housing laws.

Action Steps: 1) To increase its knowledge of fair housing issues the State will hold a focus group meeting with representatives from the local Human Rights Commissions around the state. This focus group will be held by December 31, 1996.

2) To increase its awareness of fair housing issues faced by tenants, the State will hold a focus group meeting with representatives from Tenants' Unions around the state. This focus group will be held by December 31, 1996.

3) The MHFA will cosponsor "Nuts and Bolts of Fair Housing in Minnesota", a conference put on by the Legal Aid Society of Minneapolis on fair housing issues. At the conference national and local speakers will share their knowledge and experience about the promotion of fair housing. This conference will be held February 16, 1996.

4) To improve access to existing information on housing discrimination charges with the State, the MDHR will install a new computer system. The computer system is expected to be installed and operational by December 31, 1997.

Impediment: Tenants do not have adequate information about their rights. The following comments were made at public meetings, "I think a big part of fair housing is education -- tenants knowing their rights". (Southeast public meeting)

Action Step: 1) MHFA will continue to ensure that tenants in its multifamily developments are provided with information about their fair housing rights.

2) MHFA, in cooperation with local partners around the state, will run a series of public service announcements about tenants rights and responsibilities. These public service announcements will run during the month of April which is Fair Housing month.

3) MHFA will complete the production of a video tape which addresses tenant rights and responsibilities. The video tape will be

made available at cost throughout the state. It will be available in five languages (Spanish, Hmong, Vietnamese, Cambodian, and Laotian). This video tape will be completed by June 30, 1996.

Impediment: Landlords lack information on their responsibilities related to disability issues. At the focus group with representatives from the Centers for Independent Living, one participant said, "Landlords need to be trained -- they need disability awareness and education. This training needs to be ongoing because there is always staff turnover".

Action Step: 1) MHFA Fair Housing staff will ensure that an up-to-date Affirmative Fair Housing Marketing Plan (AFHMP) from each of the MHFA-financed multifamily developments is on file at the agency.

2) MHFA Fair Housing staff and HUD staff will meet with the Minnesota Multi-Housing Association to develop ways to inform and train landlords about their responsibilities related to tenants and prospective tenants of subsidized housing who are disabled. Representatives from the Minnesota Fair Housing Center and the Legal Aid Society will be invited to this meeting. This meeting will be held by December 31, 1996.

3) MHFA Fair Housing staff will encourage the MDHR to write rules for the state affirmative marketing regulations.

Attitudes

Impediment: Some landlords discriminate against families with children. As one public meeting participant put it, "If you have kids, they might as well be pets." (Northwest public meeting)

Action Step: 1) MHFA will continue to monitor the AFHMPs and the actions of the managers of its multifamily developments to ensure that if this practice occurs it will be stopped immediately.

2) MHFA staff will meet with HUD staff to alert them to this finding and to encourage HUD to pursue fair housing testing and strong enforcement of the fair housing laws which protect the rights of families with children. This meeting will be held by December 31, 1996.

3) MHFA staff will provide training to its Family Homeless Prevention and Assistance Program (FHPAP) grantees on fair housing

issues, specifically those fair housing laws which apply to families with children.

Impediment: Prejudice, bigotry, and racism on the part of people and local governments create an impediment to fair housing choice. As one key informant said, "This is a very white state and people have a hard time accepting minorities. Though some communities have made significant progress in welcoming newcomers, others have not." Several of the regional Continuum of Care plans identified racial discrimination, primarily directed at Asian and Hispanic people, as a problem.

Action Step: 1) MHFA Fair Housing staff will encourage the MDHR and HUD to pursue active fair housing testing programs and strict enforcement of fair housing laws.

2) MHFA Fair Housing staff will gather additional information on those communities which have ".. made significant progress in welcoming newcomers..." and share that information with those communities that "..have not...".

3) MHFA Fair Housing staff will explore the possibility of cosponsoring a statewide ad campaign which addresses issues of discrimination and prejudice.

Individual and Cultural Barriers

Impediment: Language barriers can create an impediment to fair housing. Several of the regional Continuum of Care plans identified language differences as a barrier to securing housing.

Action Step: 1) MHFA will complete the translation of a document which contains information about all Agency activities. This document will be translated into five languages: Spanish, Hmong, Vietnamese, Cambodian, and Laotian. This translated document will be completed by December 31, 1996.

2) MHFA will complete the production of a video tape which addresses tenant responsibilities. This video tape will be available in five languages (Spanish, Hmong, Vietnamese, Cambodian, and Laotian). This video tape will be completed by June 30, 1996.

Impediment: Families often need social services within walking distance of their housing. Because most social services tend to be concentrated in the central cities, this has the effect of concentrating families in the central city. The lack of services in the suburbs and Greater Minnesota creates an impediment to housing choice.

Action Step: The Metropolitan Housing Implementation Group, which includes the MHFA, the Metropolitan Council, the Family Housing Fund, the FNMA, the Local Initiatives Support Corporation, the Greater Minneapolis Housing Corporation, the Corporation for Supportive Housing, the Minneapolis Public Housing Agency, and HUD has developed funding criteria which include the following: "The proposed project promotes linkages among public facilities and sources of employment, services, and transportation with affordable housing". This criteria will be applied to projects proposed to the MHIG member organizations.

Impediment: Landlords are requiring proof of citizenship before leasing an apartment.

Action Step: None

Government Regulations and Enforcement

Impediment: There is no timely recourse for fair housing problems. This impediment was identified in several public meetings. Comments on this issues included, "There is no recourse for those experiencing housing discrimination. The legal paths take longer than one year and most people can't wait that long". (Northeast public meeting) "The process for addressing fair housing violations is too cumbersome, lengthy, and ultimately too expensive for most people". (Community Action Association Directors focus group) "There is a lot of blatant discrimination going on. It is not enough to have laws that prohibit this kind of discrimination - there has to be a way to enforce those laws". (Minnesota Association of Realtors focus group)

Action Step: None

Impediment: Exclusionary land use practices increase the cost of housing.

Action Step: The Metropolitan Livable Communities Act (LCA), passed by the Minnesota Legislature in the 1995 session, is designed to support and encourage Twin Cities metropolitan area communities in their efforts to provide greater housing choice through the increased availability of affordable and life-cycle housing options. As a condition for eligibility for funding, participating communities are required to negotiate affordable and life-cycle housing goals with the Metropolitan Council. As a part of this process communities have been asked to examine their zoning laws and land use regulations to determine the extent to which these laws and regulations exclude affordable housing. MHFA will continue to work with the Metropolitan Council to implement the LCA.

II. Jurisdictional Background

A. Introduction

Data Set

The data for this document was obtained from the 1990 PUMS for Minnesota, which is a subset of 1990 decennial census. PUMS data are based on the housing unit and the persons in the housing unit (a household), in broad geographical areas (PUMAs -- Public Use Microdata Areas, based of population areas of 100,000 persons, which may be a county, a portion of a county, or a collection of counties). PUMS data are a subsample of the full census sample. The PUMS subsample households received a census long-form questionnaire, which asked additional questions on the characteristics of the housing unit and the occupants. The five percent sample used contains records representing five percent of the housing units in Minnesota and the persons in them. The file contains individual weights for each person and housing unit that, when applied to the individual records, expand the sample to the total population. Therefore, the PUMS data set is a representation of the entire Minnesota population. The unit of measurement for PUMS is a household, which is one or more persons occupying a housing unit.

Since the basic unit of analysis in PUMS data is the housing unit and the persons who live in it, specific tabulations based on any set of existing variables are possible (such as families by race of householder). Unless otherwise stated, the data used in the Minnesota Consolidated Plan and the Minnesota Analysis of Impediments to Fair Housing Choice are PUMS data. Since PUMS is a sample of the population, the results may deviate from 1990 census data.

Division of the State

The seven regions used for the 1996-2000 Consolidated Plan and the Analysis of Impediments to Fair Housing Choice match the economic development regions identified by DTED and by the Minnesota Initiative Fund regions. The seven regions are:

- *Northwest Region* including Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake and Roseau counties.

- *Northeast Region* including Aitkin, Carlton, Cook, Itasca, Koochiching, Lake and St. Louis counties.

- *West Central Region* including Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse and Wilken counties.

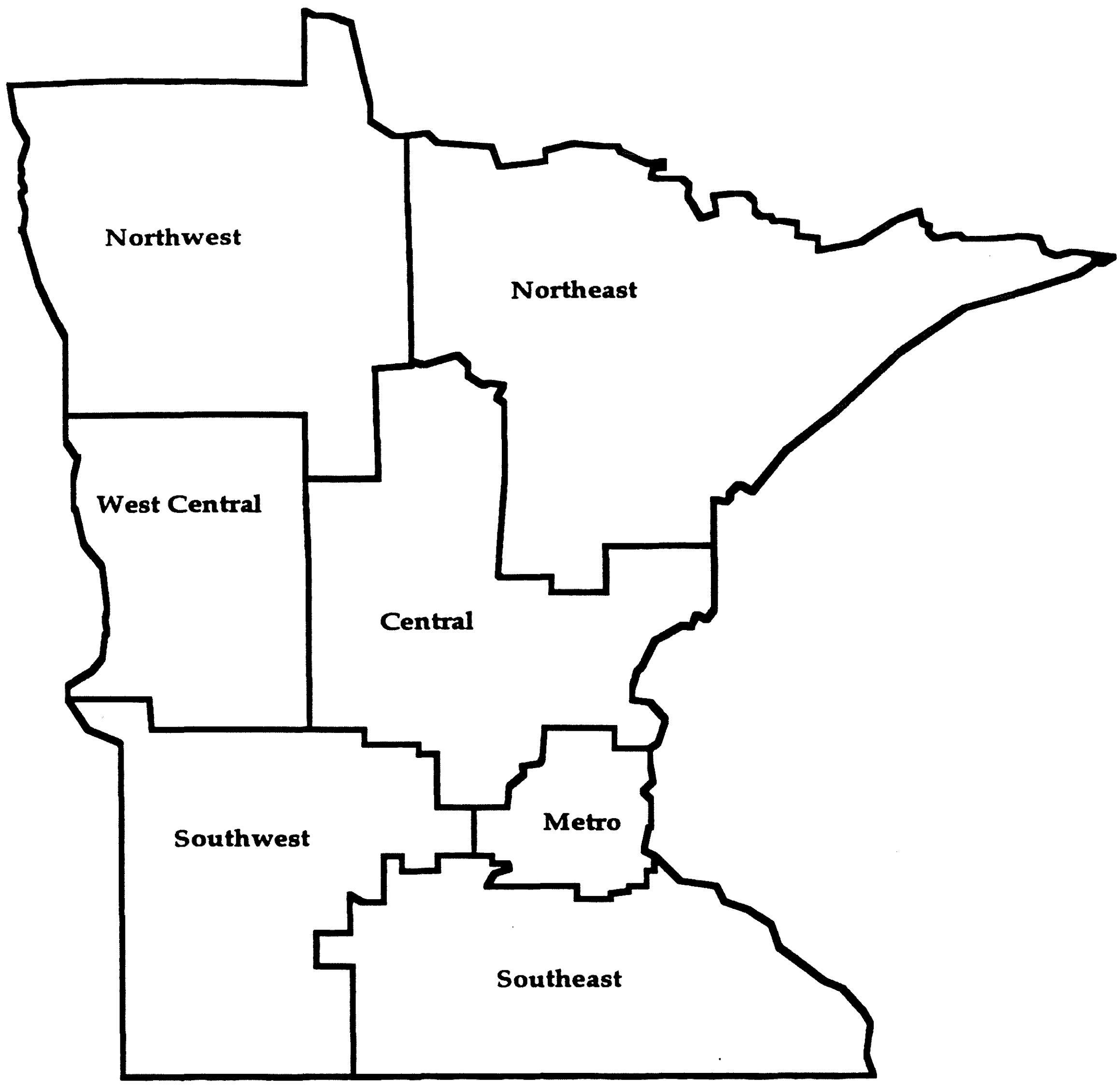
- *Central Region* including Benton, Cass, Chisago, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena and Wright counties.

- *Southwest Region* including Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac Qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift and Yellow Medicine counties.

- *Southeast Region* including Blue Earth, Brown, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, LeSueur, Martin, Mower, Nicollet, Olmsted, Rice, Sibley, Steele, Wabasha, Waseca, Watonwan and Winona counties.

- *Metro Region* including Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties.

Map B: Consolidated Plan and Analysis of Impediments to Fair Housing Choice/ Minnesota Initiative Fund Regions



B. Demographic Data

The following populations are discussed in this section : households with children, disabled, African American, Native American, Asian American, Hispanic origin, white and all households. Many of the households discussed in the data section are not mutually exclusive. The populations defined by race (e.g., African American, white) are not mutually exclusive of a household of Hispanic origin, households with children, and households with disabilities. The Hispanic origin population is also not mutually exclusive of the households with children, households with disabilities, and households defined by race.

Although portions of the Northeast and Metro regions are not covered by this report, the data section will discuss these regions selectively, as a point of comparison.

Regional Distribution

Over half of Minnesota's 1,635,188 households live in the Metro region. Likewise, over half of the 1,569,882 white households also live in the Metro region. Since white households are the largest household type, the regional household distribution for all households and white households is very similar. The Southeast region is the second most populated region for all households and for white households, followed by the Central region.

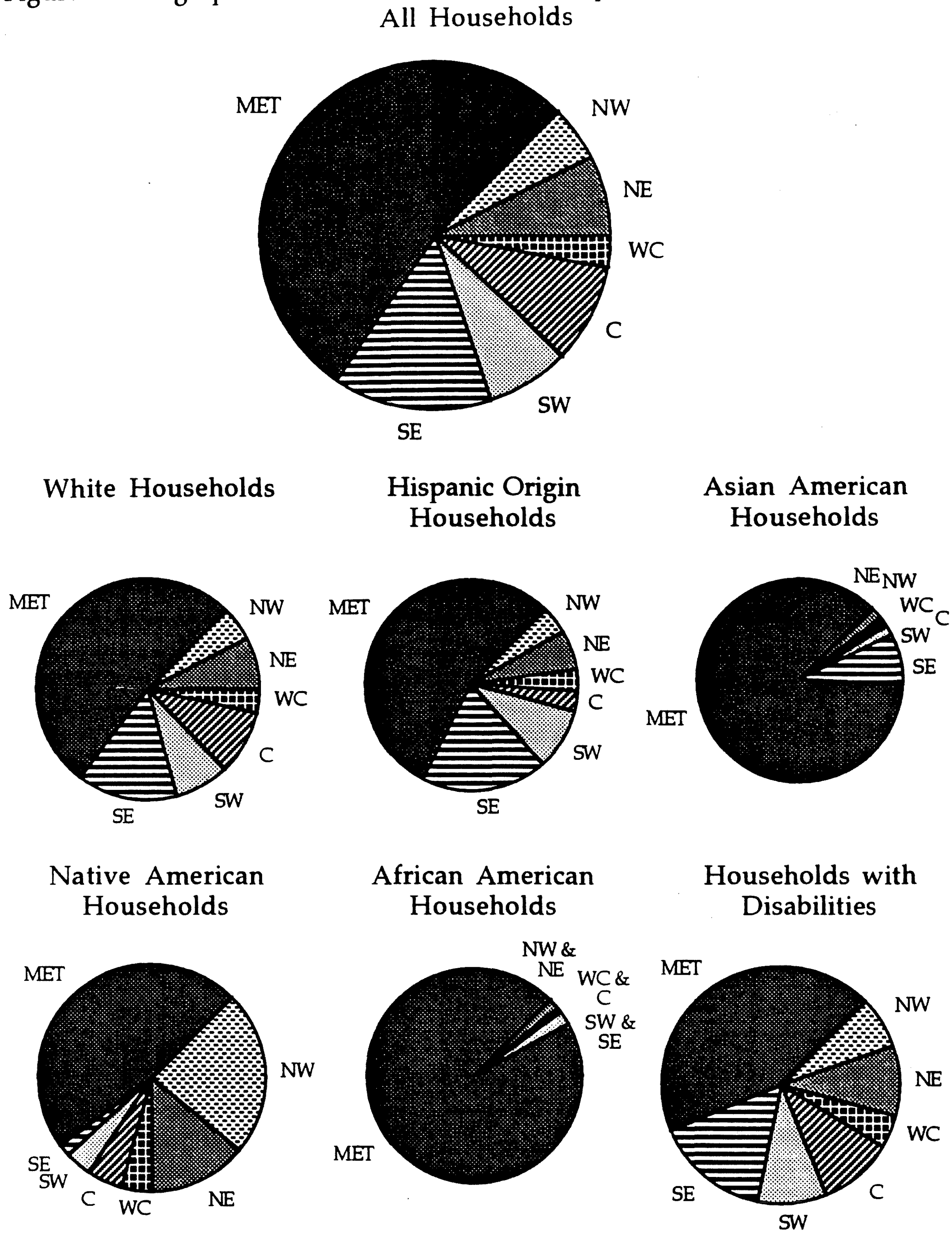
This concentration of population in the Metro region is true for many of the households of protected classes. Over half of the Hispanic, Asian American, and African American households live in the Metro region. Over 95 percent of the African American households and 86 percent of the Asian American households are located in the Metro region. Asian American households have the second fewest number of households at 16,137, followed by African American households at 29,982. There are 63,497 households who are of Hispanic origin.

The largest household of a protected class -- households with children -- has 749,640 households. Since households with children are such a large household type, many of its characteristics -- like white households -- influence the trends of all households and white households. Like white households and all households, over half of households with children live in the Metro region, followed by the Southeast and Central regions.

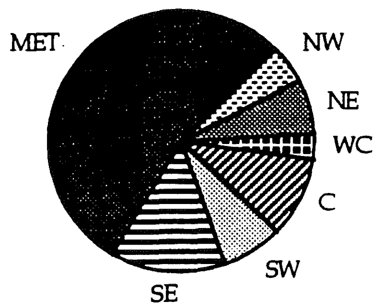
However, other households of protected classes are more evenly distributed throughout the state. About 44 percent of the 221,089 households with disabilities live in the Metro region, and 15.4 percent live in the Southeast region. Over 23 percent of Native American households live in the Northwest region; however, the Metro region contains the highest percentage (48 percent) of the 13,830 Native American households. The Northeast contains nearly 14 percent of the Native American households.

Figure 1 depicts the regional distribution for the total population, white households, and households of protected classes.

Figure 1: Geographic Distribution of Selected Populations



Households with Children



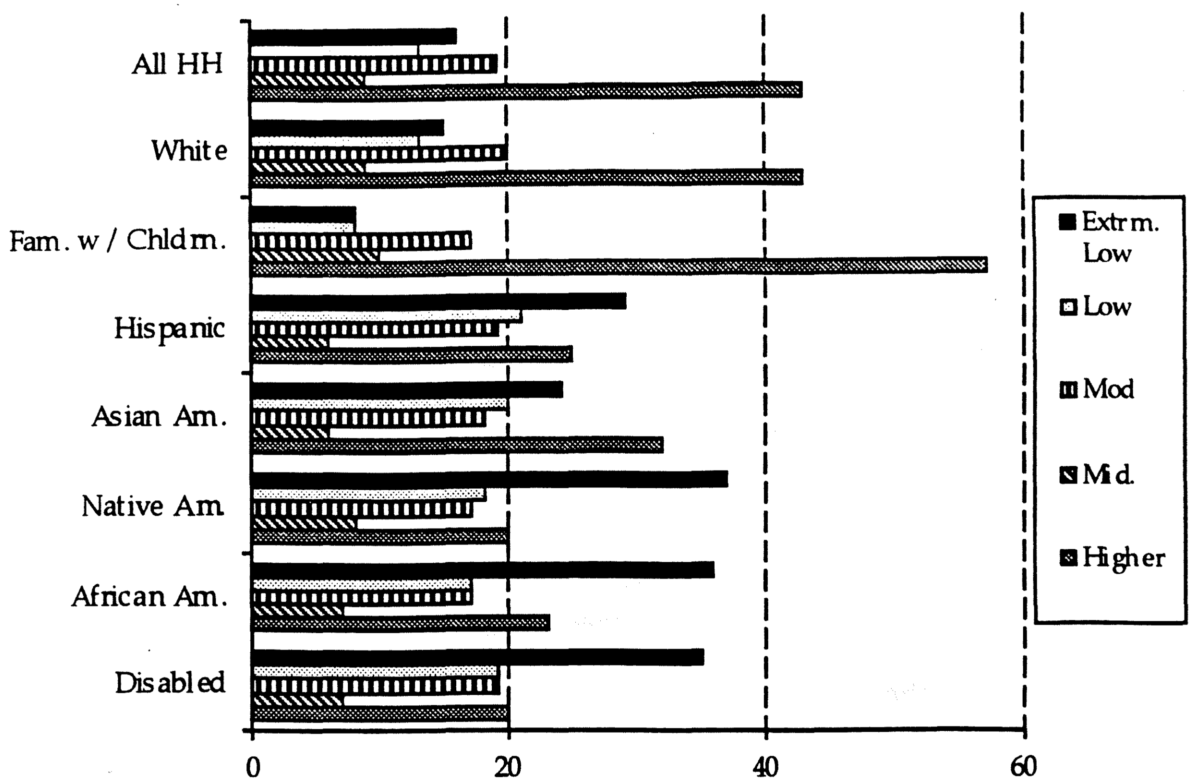
Income

Forty-three percent of the state's households have higher incomes -- incomes that exceed 95 percent of the state's median family income (MFI). Minnesota's 1995 MFI is $43,500. Nine percent have incomes between 80-95 percent of the state's MFI, or have a middle income. Nineteen percent of the state have a moderate income, between 50-80 percent of Minnesota's MFI. Thirteen percent of Minnesota's households are low income households, earning between 30-50 percent of the state's MFI. Sixteen percent of the households earn extremely low incomes, which are between 0-30 percent of the state's MFI. White household are distributed virtually the same as all households between the various income categories.

Over half (57 percent) of households with children have higher incomes and 16 percent have extremely low and low incomes. This tendency toward higher incomes makes households with children more like all households and white households than other protected class households.

However, most households of protected classes are distributed differently among the income groups. While all households', white households' and households with children incomes tend to be weighted toward higher incomes, households of protected classes' incomes tend to be weighted toward lower incomes. Most populations of protected classes have relatively few households who have higher incomes. Contrasted with the all households' higher income rate of 43 percent, only 20 percent of households with disabilities and Native American households, and 23 percent of African American households have a higher income. While 16 percent of the entire state's households have an extremely low income, over one-third of Native American households, African American households, and households with disabilities have extremely low incomes. Figure 2 depicts the income distribution for various populations.

Figure 2: Income Distribution for Various Populations



Regional Comparison

In general, each region's income distribution is weighted toward lower incomes when compared to the entire state's income distribution. Households of protected classes also follow this trend: a larger percentage of the selected population with lower incomes and a smaller percentage of household with higher incomes. White households comprise the majority population in all of the regions; therefore, the income distribution of white households greatly affects the income distribution for the region as a whole.

Northwest -- Forty-three percent of the Northwest's households have either extremely low or low incomes, compared to 29 percent for the entire state. Twenty-five percent of the Northwest households have an income above $41,325, compared to 43 percent for the state. Northwest white households follow the total Northwest households' income trend.

Sixty-seven percent of households with disabilities have extremely low or low incomes in the Northwest; 54 percent of these same households at the state level have similar incomes. Sixty-one percent of Northwest Asian

American households have low incomes; at the state level, 20 percent of Asian American households have the same income.

The Northwest income distribution of the 32 African American households is very different from the state distribution. In the Northwest, 28 percent of African American households have an extremely low income -- compared to 36 percent at the state level. However, there are no households that have a low or moderate income in the Northwest, while 34 percent of the state's African American households earn a similar income. Seventy-two percent of African American households have a middle or higher income, compared to only 30 percent at the state level.

Unlike at the state level, few households with children have higher incomes and more have lower and middle incomes. Slightly more than one-third of households with children in the Northwest have higher incomes, compared to 57 percent at the state level. Twenty-eight percent of these households in the Northwest have extremely low and low incomes, versus 16 percent at the state level.

Northeast -- Forty percent of the households in the Northeast region have either extremely low or low incomes, compared to 29 percent for the entire state. Moreover, 30 percent have a higher income, while 43 percent of the state's households have incomes that exceed $41,325. White households in the Northeast follow the same income distribution as the region as a whole.

There is a larger percentage of extremely low and low income households with disabilities in the Northeast than in the state. In the Northeast, 63 percent of households with disabilities have extremely low or low incomes compared to 54 percent at the state level. Similarly, a higher percentage of African Americans have extremely low or low incomes than at the state level. Seventy-two percent of African American households have extremely low or low incomes in the Northeast, as opposed to 53 percent at the state level.

West Central -- The West Central region continues the trend toward lower regional incomes. Only 24 percent of all West Central households have high incomes and 44 percent have extremely low or low incomes. West Central white households follow the regional trend.

Similar to the northern regions, households with disabilities in the West Central region are more heavily represented in the lower income groups than the state as a whole. Seventy percent of households with disabilities have either an extremely low or low income, whereas at the state level, 29 percent of households with disabilities have an extremely low or low income.

African American households have polarized incomes in the West Central region. Fifty-nine percent -- as opposed to 36 percent at the state level -- of West Central African American households have an extremely low income. However, 41 percent of West Central African American have higher incomes, opposed to 23 percent at the state level.

Over half of West Central Native American and Asian American households have extremely low incomes, as opposed to 37 percent and 24 percent at the state level, respectively.

Similar to the Northwest region, over one-third of households with children have high incomes, while 57 percent of these households have high incomes at the state level. Twenty-seven percent of households with children have extremely low or low incomes in West Central, while 16 percent have a similar income at the state level.

Central -- The Central region's income distribution does not differ noticeably from the state's distribution. However, the Central region's incomes are weighted toward lower incomes, although not as drastically as other regions. White households follow a similar pattern.

African American households in the Central region do have a larger percentage in higher income households than at the state level. Thirty-seven percent of Central African American households have a high income while 23 percent of the state's African American households earn a similar income.

Southwest -- The income distribution for the entire Southwest region is very similar to the state's, with a higher percentage of households who earn moderate and middle incomes. White households follow a similar pattern.

Many households in the Southwestern region of protected classes have a higher percentage of households with lower incomes than at the state level. Forty-two percent of African American households have an extremely low income in the Southwest; for the state, 36 percent have a similar income. Eighty-one percent of Native American households have an extremely low or low income, while 55 percent of these households have a similar income at the state level. Finally, 68 percent of Hispanic origin households have an extremely low or low income, whereas at the state level, 50 percent have extremely low or low incomes.

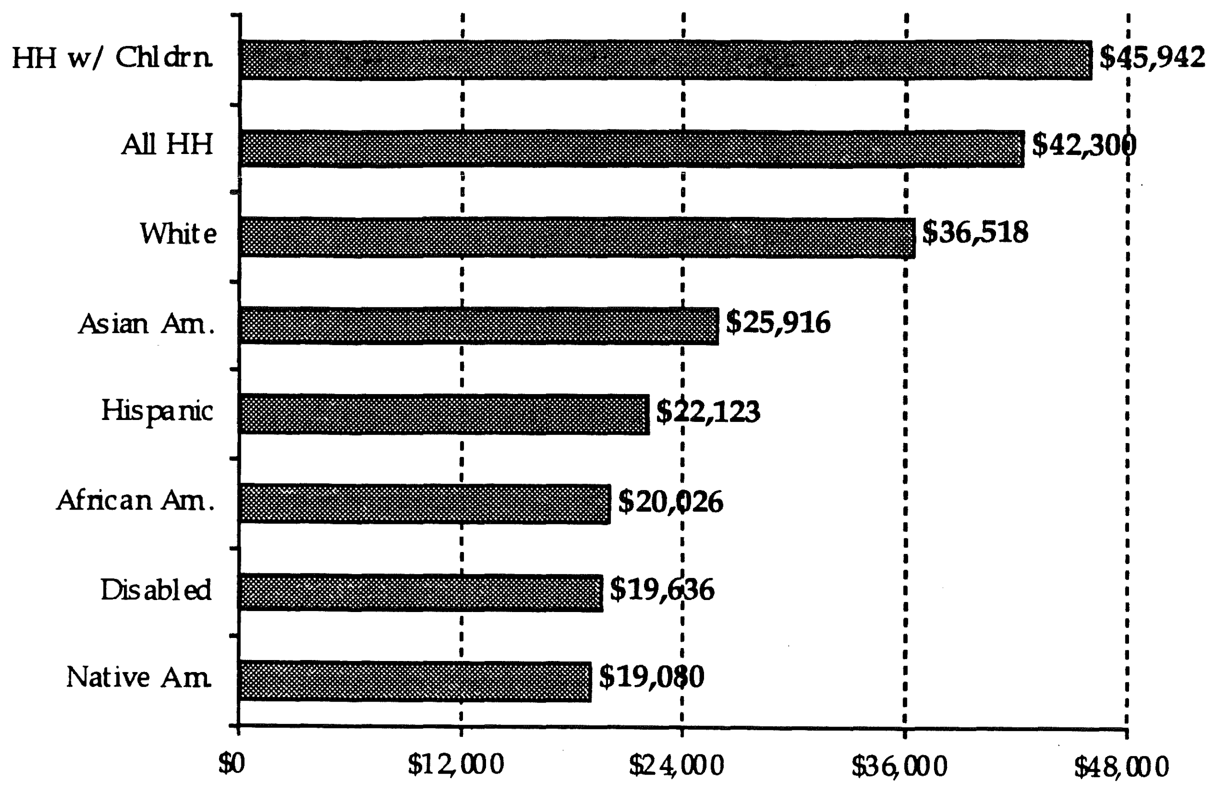
Southeast -- The Southeast's income distribution is similar to the state's, although it is slightly weighted toward lower incomes. White households follow a similar pattern.

Median Income

As a result of white households', all households' and households with children's incomes being weighted toward higher incomes, these populations' median incomes are relatively high. The state's median income is $42,300 and white households' median income is $36,518. Households with children have the highest median income at $45,942.

Similarly, due to populations of protected classes' income being weighted toward lower incomes, most have low median incomes when compared to the all households and white households. Figure 3 depicts median incomes for various populations.

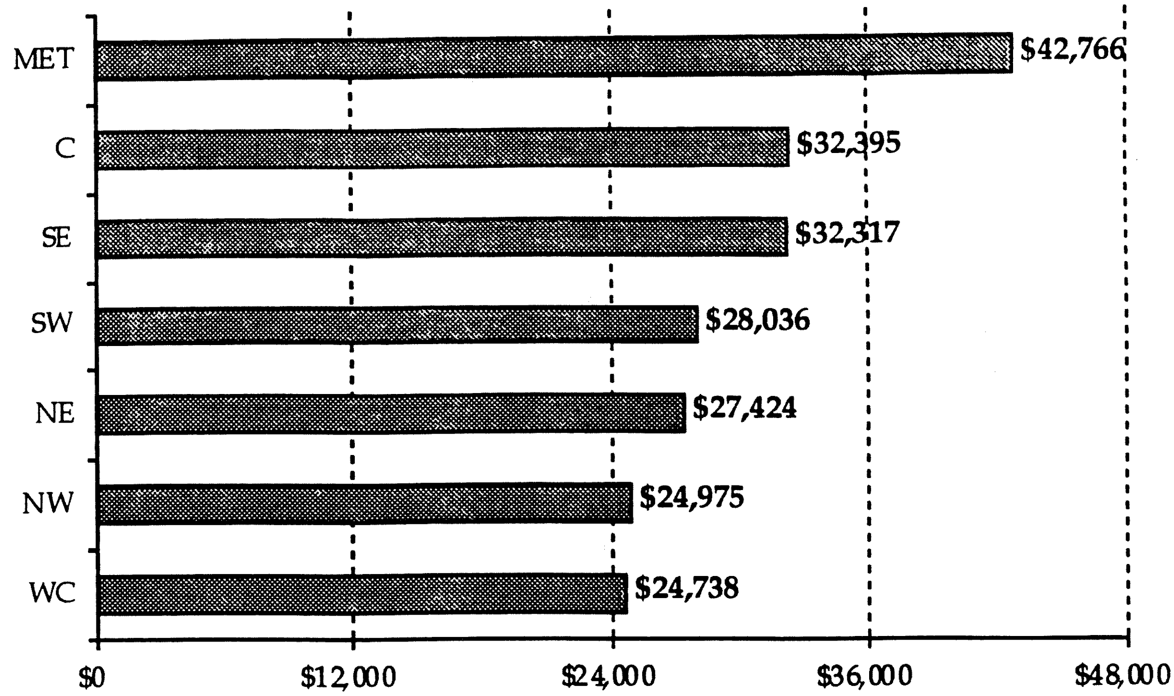
Figure 3: State Median Incomes for Various Populations



Regional Comparison

All of the regions' median incomes were significantly lower than the state's median income, which is reflected in a higher percentage of households with lower incomes. Figure 4 summarizes the median income for each region.

Figure 4: Median Income for State Regions



Tenure

Seventy-two percent of all Minnesota households own the housing unit it occupies. White households have a slightly higher ownership rate at 73 percent. Households with disabilities and Hispanic origin households have relatively high ownership rates at 67 percent and 62 percent, respectively. Households with children have the highest ownership rate at 81 percent.

However, the remaining populations of protected classes have low ownership rates, which may, in part, be a function of their low median incomes. Thirty percent of African American households own the unit they occupy; 40 percent of Asian American households own; and 45 percent of Native American households own.

Regional Comparison
Despite lower median incomes when compared to the state's median income, all regions had a higher ownership rate than the state. The Northwest and Central regions have the highest ownership rates at 78 percent; the Northeast and West Central regions have a 77 percent ownership rate; and the Southwest and Southeast regions have a 75 percent ownership rate.

Perhaps boosting the ownership rate in many regions, some households of protected classes have very high ownership rates when compared to the state level. However, high ownership rates are most notably due to high ownership rates among white households and households with children, who make up the majority of households in the regions. Meanwhile, in many regions, households of protected classes have very low ownership rates, especially when compared to the ownership rate for the region as a whole.

African American households do not exhibit this trend. Regional ownership rates among African American households are exceptionally high in some regions and exceptionally low in others. Households with children have consistently very high ownership rates with no region's ownership rate for this group being lower than 80 percent.

Northwest -- Disabled households in the Northwest have a high ownership rate -- 73 percent -- when compared to the state ownership rate for that group -- 67 percent. Likewise, the Native American ownership rate is higher than the state's rate for the same population -- 58 percent and 45 percent, respectively.

Although the ownership rate among African American households is not drastically lower than the state's rate, it remains a very low ownership rate at 28 percent.

Northeast -- Unlike the Northwest, the African American households in the Northeast region have a high ownership rate when compared to the African American's state percentage. Sixty percent of African American households in the Northeast own their units, compared to 30 percent at the state level. Native American households follow a similar trend: 54 percent of Northeast Native American households own their unit, while 45 percent own at the state level.

West Central -- Of the 69 African American households in the West Central region, none of these households own their units; all African American households in the West Central region rent.

Central -- Reversing the trend in the West Central region, all 101 African American households own the unit they occupy. Similarly, Asian American households have a high ownership rate when compared to the state's ownership rate, 64 percent versus 40 percent, respectively.

Southwest -- The Native American ownership rate in the Southwest region is much lower than the state's rate. In the Southwest, 28 percent of Native American households own the unit they occupy, while 45 percent of Native American households in the state own.

Southeast -- Native American ownership rates are also high in the Southeast region when compared to the state's rate: 57 percent in the Southeast.

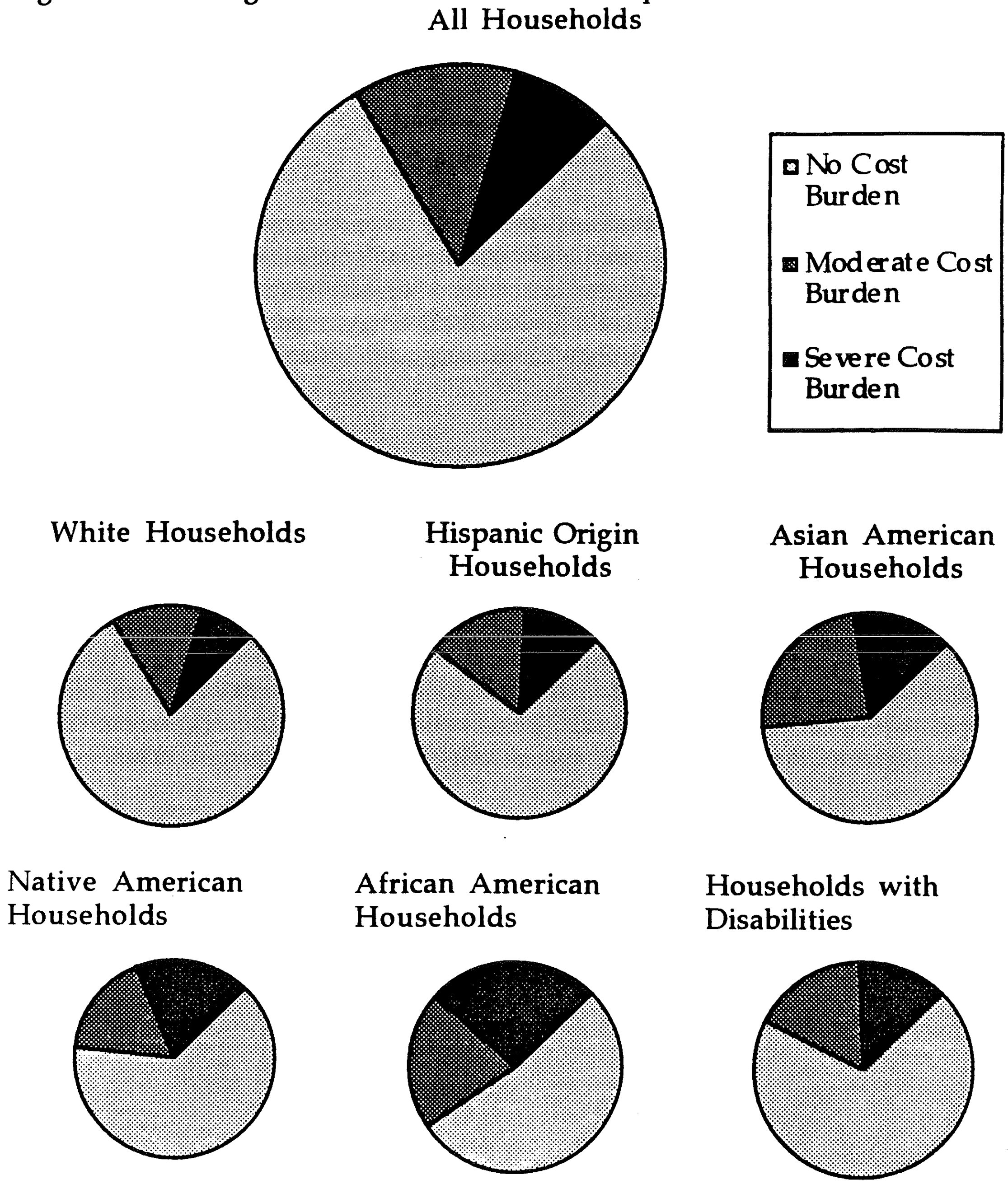
Cost Burden

Thirteen percent of all Minnesota households have a moderate housing cost burden, that is, they pay between 31-50 percent of gross household income on gross housing costs; white households mirror the state's percentage. Eight percent of all households and white households pay more than 50 percent of the gross household income on gross housing costs, that is, they have a severe housing cost burden.

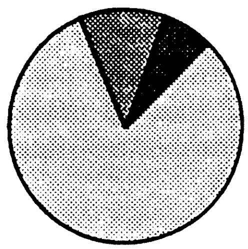
Perhaps reflecting their lower median incomes, most households of protected classes exceed the cost burden rates for all households and white households. At the extreme end, 24 percent of all Asian American households have a moderate cost burden and 26 percent of all African American households have a severe cost burden.

Households with children have a high percentage of households with no cost burden. Eighty-one percent of these households have no cost burden, 12 percent have a moderate cost burden, and seven percent have a severe cost burden. Figure 5 depict the cost burden rates for various populations.

Figure 5: Housing Cost Burden for Selected Populations



Households with Children



Regional Comparison
The cost burden rates for all of the regions hover closely to the rates for the entire state: 13 percent of the households have a moderate cost burden and eight percent have a severe cost burden. White households in all region closely resemble the regions' trends. Households with children have very high percentages of households with no cost burden; all regional ownership rates exceed 81 percent.

Northwest -- Over 80 percent of all Asian American households pay between 30-50 percent of their incomes on housing costs, versus 21 percent at the state level. Twenty percent of Asian American households in the Northwest do not have a cost burden, while 61 percent of Asian American households at the state level do not have a cost burden.

Fewer African American households in the Northwest region have a cost burden: 28 percent have a moderate cost burden, no households have a severe cost burden, and 72 percent have no cost burden. Fifty-three percent of African American households do not have a cost burden at the state level.

Northeast -- Fewer Northeastern Asian American households have a cost burden than at the state level. Seventy-four percent of Northeastern Asian American households do not have a cost burden (12 percent have a moderate cost burden and 14 percent have a severe cost burden) while 61 percent of Asian Americans at the state level do not have a cost burden (24 percent have a moderate cost burden and 15 percent have a severe cost burden).

West Central -- Significantly fewer West Central Asian American households do not have a cost burden. Only 42 percent of Asian Americans in West Central do not have a cost burden, while 58 percent have a severe cost burden.

Central -- Perhaps reflecting their high ownership rates when compared to their respective populations' regional ownership rates, both African American and Asian American households in the Central region have a high percentage of households without a cost burden. Eighty-one percent of

African American households in the Central region do not have a cost burden (19 percent have a severe cost burden), while only 53 percent of African American households at the state level do not have a cost burden. Likewise, 78 percent of the Asian American households do not have a cost burden (seven percent have a moderate cost burden and 15 percent have a severe cost burden) in the Central region, while 61 percent of state Asian American households do not have a cost burden.

Southwest -- Eighty-four percent of Asian Americans do no have a cost burden in the Southwest region, 12 percent have a moderate cost burden and four percent have a severe cost burden. At the state level, however, fewer Asian Americans have no housing cost burden (61 percent) and more households have a cost burden -- 24 percent have a moderate cost burden and 15 percent have a severe cost burden. Likewise, more African American households in the Southwest have affordable housing: three-fourths of Southwest African American households do not have a cost burden, compared to 53 percent at the state level for the same households. Moreover, there are no African American households in the Southwest that have a severe cost burden.

Southeast -- Eighty percent of Native American households in the Southeast have no housing cost burden, whereas at the state level, 64 percent of all Native American households have no cost burden.

Asian American households in the Southeast tend to have higher cost burdens than for this population at the state level. In the Southeast, 48 percent of Asian American households do not have a cost burden, while at the state level, 61 percent do not have a cost burden. In the Southeast, one-third of these households have a moderate cost burden, while at the state level, less than one-fourth of Asian American households have a moderate cost burden.

Overcrowding

Two percent of all Minnesota households have more than one person per room -- or is overcrowded. Only white households and households with disabilities have a lower overcrowded sub-population; for both populations, 1.3 percent of the households are overcrowded.

Most of the households of protected classes have overcrowded rates that are noticeably higher than the state's rate. Over one-third of Asian American households are considered overcrowded. Meanwhile, 11 percent of Native American and nearly 10 percent of African American households are overcrowded. Almost four percent of household of a Hispanic origin and households with children are overcrowded.

Regional Comparison
The regional overcrowding rates are similar for the state as a whole. White households in each region follow the regional trends. In most instances, overcrowding among households of protected classes are low and follow the state rates for overcrowding. However, in most regions, African American households are not overcrowded.

Northwest -- Over 80 percent of the 46 Asian American households in the Northwest are overcrowded, compared to 38 percent at the state level. However, no African American households are overcrowded in the Northwest.

Northeast -- Similarly, in the Northeast, no African American households are overcrowded, compared to 9.7 percent at the state level. Asian American households have a lower overcrowded rate in the Northeast -- 14 percent -- than at the state level, although it remains very high when compared to populations.

West Central -- Similar to the Northeast and Northwest regions, no African American households in the West Central region are overcrowded.

Central -- Perhaps a reflection of the very high ownership rate among African American and white households in the Central region, no African American and white households are overcrowded. Central Asian American households have a very low overcrowded rate -- 4.7 percent -- compared to 38 percent at the state level.

Southwest -- Following the other regions' trend, no Southwest African American households are overcrowded. However, 71.6 percent of Southwest Asian American households are overcrowded.

Southeast -- Similar to the Southwest and Northwest regions, Asian Americans in the Southeast have a high overcrowded rate -- 42.1 percent.

Substandard

The census data fails to adequately measure the quality or condition of the state's housing, such as drafty windows, poor plumbing or peeling paint. The census does track housing characteristics that help describe the condition of housing. If a housing unit has four or more of the following characteristics, it is considered "substandard": built prior to 1979; lack of complete bathroom facilities (contains hot and cold piped water, flush toilet, and bathtub or shower); lack of complete kitchen facilities (contains sink with piped water, range or cookstove, and refrigerator); lack of telephone; sewage system other than public or septic; a dug well or spring creek water source; and fuel oil/kerosene, coal, wood, or no fuel source.

Very few Minnesota households live in units that are considered substandard. Only 0.4 percent of all households live in substandard units. Percentages for households of a protected class differ only slightly from the state's. One percent of all Native American households live in substandard units; 0.8 percent of households with disabilities occupy substandard units; and 0.5 percent of all Asian American households occupy units that are substandard. Fewer than 0.4 percent of all African American, Hispanic origin and white households, and households with children live in substandard units.

Regional Comparison

The regional substandard rate among all households is very low for all households as well as households of protected classes. In many cases, no households of a particular protected class live in a substandard unit.

III. Evaluation of Jurisdiction's Current Fair Housing Legal Status

A. Summary of fair housing complaints filed with the Minnesota Department of Human Rights

This section describes data on housing discrimination charges filed with the MDHR. It should be noted that the MDHR is unable to provide the final outcome of each of these housing charges. The MDHR expects that with the installation of a new computer system within two years that they will be able to provide these results in the future.

Table 1 shows the housing discrimination claims by basis in state fiscal years 1993 - 1996. Over one-third (35 percent) of the housing discrimination charges were based on racial discrimination. Thirteen percent of housing discrimination charges filed were on the basis of disability.

Table 1: Housing Charges filed with the Minnesota Department of Human Rights -- By Basis, State Fiscal Years 1993-1996

Basis of charge	1993	1994	1995	1996	Total
Reprisal*	2	7	6	5	20
Race	25	26	38	12	101
Familial Status	6	8	7	5	26
Marital Status	4	8	6	2	20
Sex	4	9	2	4	19
National Origin	2	11	10	6	29
Public Assistance	8	8	6	3	25
Disability	10	8	13	6	37
Color	1	--	2	--	3
Sexual Orientation	--	1	2	--	3
Religion	--	--	2	1	3
Age	--	--	--	1	1
TOTAL	62	86	94	45	287

*Reprisal is defined in state statute. The definition of reprisal can be found in the glossary in Appendix I.

Table 2 shows the housing discrimination charges filed with the MDHR by county from SFY1993 through SFY1996. It should be noted that the county listed is the county in which the owner of the housing is located, i.e. if the owner of a rental unit located in Anoka county resides in Hennepin county the claim would be listed under Hennepin county. It would be helpful to know the county where the rental unit is located, but again, this information is not currently available from the MDHR. The installation of their new computer system will enable better access to this information in the future.

In Table 2, only counties in which housing discrimination was charged are listed; if a county is not listed that means that there were no housing charges filed with the MDHR originating from that county.

Table 2: Housing Charges filed with the MDHR -- by County, SFY 1993-1996.

County	1993	1994	1995	1996	Total
Anoka*	3	8	4	6	21
Beltrami	--	1	3	--	4
Benton	--	2			2
Benton-Sherburne-Stearns#*	2	6	10	--	18
Blue Earth-Nicollet#	--	--	1	--	1
Brown	1	--	--	--	1
Carver	1	--	--	--	1
Carver-Hennepin#	--	1	1	--	2
Cass	--	2	--	--	2
Chisago	--	1	--	--	1
Clay	--	--	--	1	1
Crow Wing	1	2	--	--	3
Dakota*	1	5	9	--	15
Douglas	--	--	2	--	2
Filmore	--	--	--	1	1
Hennepin*	33	32	38	15	118
Itasca*	--	--	3	1	4
Kandiyohi	--	--	1	--	1
Lyon	1	2	--	--	3
Mille Lacs	--	--	2	--	2
Norman	1	--	--	--	1
Ottertail	--	--	2	--	2
Pennington	--	--	2	--	2
Pipestone	--	2	--	--	2
Polk	--	1	--	--	1
Ramsey*	5	3	8	10	26
Rice-Dakota*#	1	--	--	--	1
St. Louis*	5	--	1	4	10
Steele	4	2	--	3	9
Wabasha	--	1	--	--	1
Wabasha-Goodhue#	--	1	--	2	3
Washington*	--	2	--	--	2
Watonwan	1	--	--	--	1
Winona	1	1	--	--	2
Wright	--	---	3	--	3
Yellow Medicine-Chippewa#	1	1	--	2	4
Out of state	0	10	4	2	16
TOTAL	62	86	94	45	287

*Indicates counties which are located in areas of the state not covered by this report.
#Indicates cities located in multiple county areas.

The preceding tables show the housing discrimination claims filed with the MDHR. Charges can also be filed with HUD. The State has requested from the Chicago Regional Office of HUD a listing of fair housing complaints in the state of Minnesota. Due to the federal budget situation and the fact that non-essential federal workers have been furloughed for a significant period of time, this information was not available to the state of Minnesota in time for the completion of this document. When it becomes available, this information will be included in future Analyses of Impediments.

B. Federal and State Fair Housing Laws

Table 3 illustrates the differences between the federal Fair Housing Act and the state of Minnesota fair housing law. State of Minnesota law includes three protected groups which the federal law does not include: sexual or affectional orientation, marital status, and receipt of public assistance.

Table 3: Comparison of U.S. and Minnesota Fair Housing Laws

Protected Group	Federal Fair Housing Act	State of Minnesota
Race	*	*
Sex	*	*
Religion	*	*
Familial Status	*	*
Handicap/Disability	*	*
National Origin	*	*
Color	*	*
Creed		*
Sexual or Affectional Orientation		*
Marital Status		*
Receipt of Public Assistance		*

IV. Identification of Impediments to Fair Housing Choice and Action Steps

The following list of impediments to fair housing choice and action steps is divided into five sections: 1) Market Forces and Conditions, 2) Inadequate Information, 3) Attitudes, 4) Individual and Cultural Barriers, and 5) Government Regulations and Enforcement.

Market Forces and Conditions

Impediment: There is a shortage of affordable housing throughout Minnesota.

> **Analysis:** The most cited impediment to fair housing in the Consolidated Plan meetings and key informant interviews was the lack of affordable housing, especially affordable housing for those with low incomes. While the lack of affordable housing and impediments to fair housing are not equivalent, they are also not entirely separate. Since the demand for affordable units is greater than the supply, market discrimination -- due to increased competition -- may often mask fair housing infractions. With an increase in the supply of -- and therefore a decrease in competition for -- affordable units, the market may be forced to use a more equitable and less clandestine means of filling a vacant unit.
>
> The State of Minnesota acknowledged the need to create a state agency whose mission was to increase the number of affordable units and expand homeownership opportunities to a wider audience. In 1971, the Minnesota Legislature authorized the creation of MHFA and since then the State has been committed to increasing the number of units affordable to those with low and very low incomes.
>
> MHFA's mission is to address Minnesota's housing needs by providing financial and related customer assistance so that Minnesotans have decent, safe, affordable housing and stronger communities. MHFA's strategic goals include the following: that Agency programs and operations are responsive to people of color, women, people with disabilities and special populations, that the Agency develops and maintains partnerships among public and private entities which assist in identifying and responding to housing needs, that the Agency preserves and strengthens its financial capacity by expanding and diversifying sources of capital, leveraging available capital, and making non-loan investments a priority, and that the Agency is proactive in managing its loan portfolio, recognizing and considering resident needs while making appropriate business decisions.

Action Step: 1) The Strategic Plan section of the 1996-2000 Minnesota Consolidated Plan states that MHFA anticipates it will assist 40,174 households in obtaining and/or maintaining affordable housing in FY1996.

2) The MHFA 1996-97 Affordable Housing Plan projects over $800 million in investment in affordable housing.

Impediment: There is a shortage of affordable housing for members of protected classes.

Analysis: The state of Minnesota recognizes that increasing the affordable housing supply alone will not automatically ameliorate the effects of fair housing infractions, and that targeting of certain populations who are historically underserved is necessary. Deliberate targeting or setting programmatic goals can be used as a means of combating fair housing infractions.

It is crucial that MHFA ensure that its programs are meeting the needs of households of protected classes. Specific allocation or targeting of funds for persons of color or persons with special needs is necessary in order to ensure that underserved populations receive the benefit of MHFA's affordable housing programs. Historically and supported by recent data, persons of color and persons with special needs have lower incomes and are more likely to live in overcrowded, substandard and expensive housing, and have lower ownership rates than the general population. To ensure that these populations receive the necessary assistance, MHFA sets programmatic objectives for certain populations.

In this section we report only those performance objectives related to homeownership, home improvement programs, and one rental assistance program (Bridges). Other rental program objectives are not discussed because MHFA rental programs currently serve households of color at a rate higher than their percentage in the population.

Action Step: In accordance with the 1995 Annual Performance Report to the Minnesota Legislature and the 1996-2000 Minnesota Consolidated Plan, MHFA has established several objectives that ensure that persons of a protected class are being adequately served by MHFA programs.

1) MHFA will provide affordable homeownership opportunities to Native Americans and other people of color in proportion to their share of the eligible population as a whole, annually.

Measure (1-01): The number of households receiving assistance through Indian housing activities, both tribal and urban.
Measure (1-02): Under the Minnesota Mortgage (MMP) and Housing Assistance Fund (HAF) activities, the percent of minority MHFA borrowers (i.e., with a household head being a person of color) assisted, annually, is at least equal to the percent of income eligible minority renter households, i.e., potential homebuyers, in the population as a whole, by 1997.

Actual Performance	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996*	F.Y. 1997*
Number of households assisted, Indian housing	68	35	48	50	54	60	63
Percent minority households, MMP	5.4%	6.7%	6.2%	8.7%	10.0%	10.6%	11.4%
Percent of minority households, HAF--all borrowers	13.0%	12.1%	11.2%	11.6%	15.4%	13.2%	13.8%
Percent of income eligible minority renters	7.9% in 1990	7.9% in 1990	7.9% in 1990	8.4% in 1994	Un-known	Un-known	Un-known

*Numbers for FY1991 - FY1995 reflect actual performance. Numbers for FY1996 and FY1997 are performance objectives.

Data shown here are for the largest volume activity in the homeownership opportunities program--MMP--and the HAF, (which includes additional assistance to lower income borrowers obtaining a mortgage under one of several MHFA activities). The proportion of MHFA's minority borrower population should reflect the proportion of income eligible minority renter households, i.e., eligible homebuyers, in the population as a whole.

Data on the numbers of households assisted through Indian housing activities includes both tribal Indian housing and urban Indian housing. A count of the numbers of households assisted, i.e., loans financed, is a measure in and of itself.

Annual changes in the proportion of MHFA minority borrowers may be explained by a variety of external factors including: fluctuations in housing affordability among the minority communities, changes in lender or MHFA outreach efforts to the minority communities concerning available assistance, and the nature and success of partnerships between MHFA and minority organizations or community reinvestment-oriented lenders.

The last few years show that MHFA's MMP activity has not served minority households in a proportion equal to or greater than their proportion in the general population, although HAF activity has. Achievement of the goal to increase that proportion of minority borrowers should be enhanced by a public information/ communication effort that was targeted to eligible minority borrowers in FFY 1994. This information targeting effort will continue.

MHFA's Full Cycle Lending and Homeownership Counseling programs should also help increase minority participation in homeownership programs.

2) MHFA will provide affordable home improvement and rehabilitation opportunities for homeowners who are persons of color, in proportion to their share of the eligible population as a whole, annually.

Measure (2-01): The percent of minority MHFA borrowers (i.e., with a household head being a person of color) assisted, annually, is at least equal to the percent of income eligible minority owner households (i.e., potential borrowers) in the population as a whole, by 1997.

Actual Performance	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Percent of minority borrowers, MHFA Fix-up Fund loans	1.6%	2.3%	2.3%	4.3%	5.0%	5.5%	5.5%
Percent of income eligible minority owners, Census data	1.9% in 1990	1.9% in 1990	1.9% in 1990	2.0% in 1994	2.0% in 1994	2.0% in 1994	2.0% in 1994
Percent minority borrowers, MHFA deferred loans	4.7%	6.7%	7.0%	9.2%	9.0%	9.0%	9.0%
Percent of income eligible minority owners, Census data	2.3% in 1990	2.3% in 1990	2.3% in 1990	2.4% in 1994	2.4% in 1994	2.4% in 1994	2.4% in 1994

Data shown here are for the home improvement loan and deferred loan activities. The proportion of MHFA's minority borrower population should reflect the proportion of income eligible minority renter households, i.e., eligible homebuyers, in the population as a whole.

MHFA deferred loans and home improvement loans have assisted minority borrowers in excess of the proportion of income eligible minority borrowers in Minnesota's population. MHFA Home Improvement Program has increased its efforts since to target more information more effectively to minority communities and to make financing more accessible to eligible minority residents. MHFA staff are working with community groups, churches, the media, and lenders to communicate MHFA improvement and rehabilitation lending opportunities to persons of color.

The interest and ability of eligible homeowners in participating in MHFA programs, the location of the eligible population, and the ability of lenders to market MHFA products will affect the performance of MHFA in assisting the minority communities at the appropriate levels.

3) MHFA will increase the number of loans financed for accessibility improvements, annually through 1997, at current levels of funding.

Measure (3-01): The number of home improvement loans financed for accessibility improvements under the Accessibility Loan component of MHFA's Great Minnesota Fix-up Fund increases to 75, annually, by 1997.

Actual Performance	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Number of access loans financed	NA	NA	0	3	50	60	75

The Accessibility Loan component of MHFA's Great Minnesota Fix-up Fund is only one source of accessibility loan financing. Other possible sources include: the Accessibility Loan Fund, the Deferred Loan Access Program, the Revolving Loan Program, and the HOME Deferred Loan Program.

MHFA provides loan financing for accessibility improvements on several different terms, in an attempt to meet the varying needs of homeowner households with a disabled member. MHFA anticipates that it can finance more accessibility loans at current funding levels by changing activity guidelines and marketing strategies to increase public awareness and make financing more readily available.

Accessibility loans as a component of the home improvement activity were not authorized until 1991, as a supplement to the general home improvement loans available through the Great Minnesota Fix-up Fund. The purpose of the new accessibility component is to assist households with a disabled member who is assessed by county social services as at risk of being institutionalized. Three forms of accessibility financing have been developed to meet the varying needs of households with a disabled member.

MHFA has changed income limits, maximum loan amounts, interest rate structures, and other program guidelines in order to coordinate different types of assistance and to make the most effective match between households' needs and the accessibility financing available. Recent efforts should simplify the processing of loans. MHFA will conduct outreach activities to organizations that support or provide services to families with disabled members.

MHFA is working with DHS and county social service agencies, which must provide risk assessments for approval of certain types of access loans. Increasing social service agencies' understanding of the activity and the risk assessment process should improve processing and increase accessibility loan activity.

MHFA and the Minnesota Office of Fannie Mae are exploring a funding collaboration to assist households with a physically disabled member. In it, households now contending with financially significant home accessibility barriers would receive assistance to build a new home or purchase and rehabilitate existing property. Fannie Mae would provide the mortgage financing in this efforts, with MHFA providing secondary financing for the purchase and/or rehab accessibility "gap".

4) MHFA will assist individuals (and their families) having severe, persistent mental illness.[3] Currently 50.5 percent of the households served under the Bridges program are minority households.

Measure (2-01): Median annual household income of Bridges recipients is at or below HUD's definition of very low income.

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[3]MHFA is in the process of developing specific measures of performance in meeting its objective. As historical data become available, the MHFA will establish more specific objectives and performance targets with which to measure achievement in this area.

Measure (2-02): The greatest percent of participants leaving Bridges do so because they have obtained permanent affordable rental housing.

Impediment: The Analysis of Impediments to Fair Housing in the City of Minneapolis references the use of three practices by which landlords screen applicants for rental housing. Fair housing advocates are concerned that members of protected classes are more likely than others to be excluded by these practices. The three practices are: the use of application fees, the setting of income admission standards (i.e. the requirement to have minimum monthly incomes of two and a half times the monthly rent), and the setting of minimum occupancy requirements.[4]

Analysis: While these three practices are currently seen mostly in the central cities of the Twin Cities metropolitan area, there is some concern that they may be spreading to suburban and Greater Minnesota areas.

The concern over occupancy standards in publicly subsidized developments has arisen largely from developments with federal subsidies -- primarily Section 8. HUD is currently wrestling with how to formulate an acceptable occupancy standard under the Fair Housing Act. Financing tools currently available to MHFA, such as low income housing tax credits, bond financing, and state appropriated funds, do not have occupancy standards and, as a result, MHFA does not impose occupancy standards on developments financed with these tools.

However, MHFA financed developments located in municipalities which do have occupancy standards would be subject to those standards. This is a local control issue and not under the control of MHFA.

Action Step: 1) MHFA is looking to HUD for guidance on the issue of occupancy standards. MHFA has evaluated HUD's proposed occupancy standard which is based on persons per square foot rather than persons per room and MHFA supports HUD's proposed occupancy standard.

2) MHFA will continue to encourage the managers of its properties to screen tenants and to have fair, consistent, and reasonable income standards. As a part of this, managers have been encouraged to consider all sources of income, including in-kind income.

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[4]Analysis of Impediments to Fair Housing in the City of Minneapolis -- DRAFT, January 1996.

Impediment: There are several systemic characteristics of the mortgage industry which create impediments to fair housing choice. Three issues were identified in public meetings and focus groups: 1) There is no access to the secondary mortgage market in large parts of rural Minnesota. 2) Loan officers are currently paid on a commission basis. The commission is equal to one percent of the mortgage amount. This compensation system creates an incentive for loan officers to focus on large mortgages and to avoid processing smaller mortgages on more affordable housing. 3) Under the HUD system of rating underwriters, if an underwriter receives a "poor" rating they may not be allowed to approve FHA loans in the future. This may make underwriters overly careful about approving some loans.

Analysis: These three impediments are systemic to the mortgage industry and tend to reduce the opportunity for low income persons to become home owners. This has a disparate impact on members of protected classes.

MHFA led the way nationally by creating a secondary mortgage market for the Farmers' Home Administration guarantee program. By doing this MHFA helped to increase homeownership opportunities for people in Greater Minnesota.

In order to encourage homeownership among underserved populations, many lenders have developed community lending products. Examples of these products include Norwest's Community Home Ownership Program (CHOP), Marquette's Marquette Opportunity Mortgage (MOM), and First Bank's Home Advantage programs. The MHFA has supported such efforts by introducing the Entry Cost Home Ownership (ECHO) program to provide downpayment assistance in cooperation with private lender initiatives.

While MHFA has no control over mortgage industry practices or standards, the Agency has developed and operates a variety of homeownership initiatives which specifically address the needs of low income homebuyers. These initiatives include: i) the Community Activity Set-Aside Program (CASA), ii) the Homeownership Center, and iii) Home Stretch -- a homeownership counseling program.

MHFA, in cooperation with the Mortgage Bankers Association (MBA), has developed the Affordable Housing directory to increase homeownership in underserved populations.

The MBA's Affordable Housing Committee sponsored the development and implementation of the Affordable Housing Specialist Training, designed to educate bankers about all aspects of affordable housing. Topics covered in the course include: cultural diversity, fair lending, underwriting and appraisals of lower income and inner-city loans, and homebuyer education and counseling. The course was offered free of charge to Mortgage Bankers Association of Minnesota members. Several members of the MHFA Homes Division staff have completed this training.

Action Step: 1) MHFA staff will continue to serve on the MBA's Affordable Housing Committee.

2) MHFA will continue to distribute the Affordable Housing directory and will work to keep the information in that directory current.

Impediment: In some parts of the state, landlords require at least a six-month or a one-year lease.

Analysis: This practice creates a significant impediment for migrant/seasonal farmworkers who are typically in the region for only a three to four month period of time. A key informant indicated that in some areas the lack of housing available with a short term lease has led to seasonal farmworkers living in hotels which charge $300 per person per week.)

Action Step: While it is not illegal for landlords to require a lease with a minimum length, it is illegal for a landlord to treat potential tenants differently based on their race, national origin, sex, etc. MHFA Fair Housing staff will recommend to the MDHR and to HUD that fair housing testing be done in those areas of the state where this practice has been identified.

Impediment: Economic development efforts around the state have, in the past, ignored the housing needs created by that development. "Affordable housing must be a component of economic development". (Key Informant interview)

Analysis: During the 1995 Minnesota legislative session, $13 million was appropriated to address the lack of affordable housing in areas of the state that are experiencing economic growth. This effort is called the Economic Vitality and Housing Initiative. MHFA will administer these additional funds through three existing programs: the Affordable Rental Investment Fund, Community Rehabilitation Program, and the Capacity Building Grants Program. One of the goals of the Initiative is to address the barriers to producing affordable housing. In pre-Initiative public meetings, the following areas were consistently identified as barriers to affordable housing: the wages of the new employees are far below rents of new units; single family homes consistently sell for less than construction costs; there is no homebuyer training; there is a lack of buildable land; and there is a lack of people who know how to develop affordable housing. Through new programs -- such as Full Cycle Lending -- and the additional appropriations to existing MHFA programs, these barriers can be addressed.

DTED has strengthened the fair housing requirements for its SCDP grantees. Before SCDP funds are released, all Grantees must complete the DTED Community Fair Housing Equal Opportunity (FHEO) Summary Sheet. This form has been recently revised to include questions about the Grantees' efforts to identify barriers or impediments to fair housing choice in their community. A copy of the revised form is in Appendix H. A hold is placed on SCDP funds and the funds are not released until the Community FHEO Summary Sheet is on hand, along with documentation of other fair housing/equal opportunity actions taken by the Grantee. DTED awards SCDP funds in March of each year and conducts an Implementation Workshop shortly thereafter. During the Implementation Workshop, Grantees are informed of the content of the Community FHEO Summary Sheet and the requirement to submit the form prior to release of SCDP funds.

Before SCDP funds are released, all Grantees must develop and submit to DTED a copy of their Fair Housing Plan of Action. In addition to a statement of certification to affirmatively further fair housing, DTED requires that all Grantees develop a Fair Housing Plan of Action that promotes fair housing choice in the community. Regardless of the nature of the program, Grantees are required to develop a Fair Housing Plan of Action and undertake fair housing activities at least once per year during the time that the grant is open. The fair housing activities must be over and above those that are already in place.

Action Step: 1) MHFA and DTED will implement the Economic Vitality and Housing Initiative. Regional advisory groups have been established in the six Minnesota Initiative regions and in the metropolitan area. These regional advisory groups will provide guidance to the state in the form of investment criteria for the investment of the additional state funds.

2) The McKnight and Blandin Foundations have created the Greater Minnesota Housing Fund. This Fund will provide financing for the development of housing in Greater Minnesota.

3) DTED has had 100 percent compliance with the fair housing requirements associated with its SCDP. DTED will maintain 100

percent compliance with the existing and newly developed fair housing planning requirements.

Impediment: "For those families who require accessible housing there is simply a lack of accessible housing available". (Greater Minnesota Lenders focus group)

Analysis: Fannie Mae is developing a secondary market for loans made to low-income households with a disabled members. Fannie Mae expects to test this product nationally in 1996 and Minnesota expects to be one of the demonstration sites.

Action Step: 1) MHFA is working with a coalition of public and private agencies to design the demonstration delivery system for Fannie Mae's program.

2) MHFA and the Minnesota Office of Fannie Mae are exploring a funding collaboration to assist households with a physically disabled member. In it, households now contending with financially significant home accessibility barriers would receive assistance to build a new home or purchase and rehabilitate existing property. Fannie Mae would provide the mortgage financing in this efforts, with MHFA providing secondary financing for the purchase and/or rehab accessibility "gap".

Inadequate Information

Impediment: State officials and policy makers do not have adequate information about fair housing issues. This lack of information makes it difficult to respond adequately to abuses of fair housing laws.

Analysis: The discrimination charges filed with the MDHR and HUD are probably a significant undercount of the actual number of people who experience housing discrimination. Many people who experience housing discrimination may never file a complaint or pursue any sort of action against the perpetrator of the discrimination. Simply analyzing the list of discrimination charges filed provides an incomplete picture of the fair housing situation in Minnesota. Though the State has systematically gathered a lot of information about impediments to fair housing through the Consolidated Plan public participation process, and the preparation of this Analysis of Impediments to Fair Housing Choice, the State still needs a more thorough and rigorous understanding of the impediments to fair housing choice.

Action Steps: 1) To increase its knowledge of fair housing issues the State will hold a focus group meeting with representatives from the local Human Rights Commissions around the state. This focus group will be held by December 31, 1996.

2) To increase its awareness of fair housing issues faced by tenants, the State will hold a focus group meeting with representatives from Tenants' Unions around the state. This focus group will be held by December 31, 1996.

3) The MHFA will cosponsor "Nuts and Bolts of Fair Housing in Minnesota", a conference put on by the Legal Aid Society of Minneapolis on fair housing issues. At the conference national and local speakers will share their knowledge and experience about the promotion of fair housing. This conference will be held February 16, 1996.

4) To improve access to existing information on housing discrimination charges with the State, the MDHR will install a new computer system. The computer system is expected to be installed and operational by December 31, 1997.

Impediment: Tenants do not have adequate information about their rights. "I think a big part of fair housing is education -- tenants knowing their rights". (Southeast public meeting)

Analysis: Both the Legal Aid Society and the Minnesota Attorney General's office distribute information about tenants rights.

Action Step: 1) MHFA will continue to ensure that tenants in its multifamily developments are provided with information about their fair housing rights.

2) MHFA, in cooperation with local partners around the state, will run a series of public service announcements about tenants rights and responsibilities. These public service announcements will run during the month of April which is Fair Housing month.

3) MHFA will complete the production of a video tape which addresses tenant rights and responsibilities. The video tape will be made available at cost throughout the state. It will be available in five

languages (Spanish, Hmong, Vietnamese, Cambodian, and Laotian). This video tape will be completed by June 30, 1996.

Impediment: Landlords lack information on their responsibilities related to disability issues. At the focus group with representatives from the Centers for Independent Living, one participant said, "Landlords need to be trained -- they need disability awareness and education. This training needs to be ongoing because there is always staff turnover".

Analysis: The federal Affirmative Fair Housing Marketing Regulations require that all federally subsidized multifamily properties prepare an AFHMP. To ensure compliance with this regulation, MHFA distributes a copy of the instructions for preparing this plan and requires that a copy of this plan is kept on file with MHFA. MHFA requires that new or updated AFHMPs be submitted by MHFA-financed multifamily developments in areas throughout the state that have experienced demographic or management changes or from developments that have an outdated AFHMP in agency files. Updated plans are requested as necessary.[5]

Under these regulations applicants are required to carry out an affirmative marketing program to attract prospective buyers or tenants of all majority and minority groups in the housing market areas regardless of race, creed, color, religion, sex, national origin, marital status, status with regard to receipt of public assistance, disability or familial status. This plan must also include assurances that any group(s) of persons normally NOT likely to apply for the housing without special outreach efforts (because of existing neighborhood racial or ethic patterns, location of housing in the SMSA, or price or other factors) know about the housing, feel welcome to apply and have the opportunity to buy or rent.

Minnesota state statute 363.032 states that "To promote and encourage open housing policies, the commissioner (of the MDHR) must establish affirmative marketing regulations for housing developers that receive more than $50,000 in state or local funds. The regulations must require the management or marketing agency for the housing development to adopt an information distribution or marketing plan for actively informing minorities and other protected groups of available housing opportunities." This law has been in the rule making process at the MDHR for over 3 years.

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[5]The instruction form and a copy of the application form can be found in Appendix G.

Action Step: 1) MHFA Fair Housing staff will ensure that an up-to-date AFHMP from each of the MHA-financed multifamily developments is on file at the agency.

2) MHFA Fair Housing staff and HUD staff will meet with the Minnesota Multi-Housing Association to develop ways to inform and train landlords about their responsibilities related to tenants and prospective tenants of subsidized housing who are disabled. Representatives from the Minnesota Fair Housing Center and the Legal Aid Society will be invited to this meeting. This meeting will be held by December 31, 1996.

3) MHFA Fair Housing staff will encourage the MDHR to write rules for the state affirmative marketing regulations.

Attitudes

Impediment: Some landlords discriminate against families with children. As one public meeting participant put it, "If you have kids, they might as well be pets." (Northwest public meeting)

Analysis: MHFA is unaware of any current cases of discrimination on the basis of familial status in any of its multifamily developments.

Action Step: 1) MHFA will continue to monitor the AFHMPs and the actions of the managers of its multifamily developments to ensure that if this practice occurs it will be stopped immediately.

2) MHFA staff will meet with HUD staff to alert them to this finding and to encourage HUD to pursue fair housing testing and strong enforcement of the fair housing laws which protect the rights of families with children. This meeting will be held by December 31, 1996.

3) MHFA staff will provide training to its Family Homeless Prevention and Assistance Program (FHPAP) grantees on fair housing issues, specifically those fair housing laws which apply to families with children.

Impediment: Prejudice, bigotry, and racism on the part of people and local governments create an impediment to fair housing choice. As one key informant said, "This is a very white state and people have a hard time accepting minorities. Though some communities have made significant progress in welcoming newcomers, others have not." Several of the regional

Continuum of Care plans identified racial discrimination, primarily directed at Asian and Hispanic people, as a problem.

Analysis: Several key informant, when asked what the State could do about prejudice and bigotry, responded that there was nothing that the State could do legislatively. One key informant responded that what was required was "...education which leads to a moral conversion".

MHFA has supported recent fair housing efforts including: the development of the Minnesota Fair Housing Center and Legal Aid's Housing Discrimination Law Project.

Action Step: 1) MHFA Fair Housing staff will encourage the MDHR and HUD to pursue active fair housing testing programs and strict enforcement of fair housing laws.

2) MHFA Fair Housing staff will gather additional information on those communities which have ".. made significant progress in welcoming newcomers..." and share that information with those communities that "..have not...".

3) MHFA Fair Housing staff will explore the possibility of cosponsoring a statewide ad campaign which addresses issues of discrimination and prejudice.

Individual and Cultural Barriers

Impediment: Language barriers can create an impediment to fair housing. Several of the regional Continuum of Care plans identified language differences as a barrier to securing housing.

Analysis: MHFA has a variety of information about Agency programs translated into languages other than English. Since 1990 MHFA homeownership and home improvement program information has been available in Spanish. In addition, one page handouts on homeownership and home improvement programs have been translated into Spanish, Vietnamese, Hmong, Laotian, and Thai and used at housing fairs.

MHFA has had its standard lease -- the lease which is used in its multifamily developments -- translated into Spanish.

Action Step: 1) MHFA will complete the translation of a document which contains information about all Agency activities. This document will be translated into five languages: Spanish, Hmong, Vietnamese, Cambodian, and Laotian. This translated document will be completed by December 31, 1996.

2) MHFA will complete the production of a video tape which addresses tenant rights and responsibilities. This video tape will be available in five languages (Spanish, Hmong, Vietnamese, Cambodian, and Laotian). This video tape will be completed by June 30, 1996.

Impediment: Families often need social services within walking distance of their housing. Because most social services tend to be concentrated in the central cities, this has the effect of concentrating families in the central city. The lack of services in the suburbs and Greater Minnesota creates an impediment to housing choice.

Analysis: MHFA Multifamily management staff has worked with its building owners and managers to facilitate service delivery to building sites.

Action Step: The Metropolitan Housing Implementation Group, which includes the MHFA, the Metropolitan Council, the Family Housing Fund, the FNMA, the Local Initiatives Support Corporation, the Greater Minneapolis Housing Corporation, the Corporation for Supportive Housing, the Minneapolis Public Housing Agency, and HUD has developed funding criteria which include the following: "The proposed project promotes linkages among public facilities and sources of employment, services, and transportation with affordable housing". This criteria will be applied to projects proposed to the MHIG member organizations.

Impediment: Landlords are requiring proof of citizenship before leasing an apartment.

Analysis: Effective 6/1/95, pursuant to Section 214 of the Housing and Community Development Act of 1980, HUD is prohibited from making financial assistance to persons OTHER THAN citizens of the United States, nationals "or certain categories of eligible non-citizens". Verification of eligible status must be obtained by 6/1/96.

Action Step: None

Government Regulations and Enforcement

Impediment: There is no timely recourse for fair housing problems. This impediment was identified in several public meetings. Comments on this issues included, "There is no recourse for those experiencing housing discrimination. The legal paths take longer than one year and most people can't wait that long". (Northeast public meeting) "The process for addressing fair housing violations is too cumbersome, lengthy, and ultimately too expensive for most people". (Community Action Association Directors focus group) "There is a lot of blatant discrimination going on. It is not enough to have laws that prohibit this kind of discrimination - there has to be a way to enforce those laws". (Minnesota Association of Realtors focus group)

Analysis: Fair housing complaints can be filed with the U.S. Department of Housing and Urban Development and the Minnesota Department of Human Rights. Federal regulations require that HUD investigate any complaint within 100 days. The MDHR is required to investigate within 12 months of the complaint. In addition bias/hate crime complaints can be filed with the Federal Bureau of Investigations (FBI).

MHFA has supported the creation of the Minnesota Fair Housing Center and Legal Aid's Housing Discrimination Law Project. Both of these efforts are designed to improve information about fair housing and to investigate and enforce fair housing law.

Action Step: None

Impediment: Exclusionary land use practices increase the cost of housing.

Analysis: The University of Minnesota's Center for Urban and Regional Affairs (CURA) published a study in 1994 which examined the land use planning practices and regulatory requirements of ten Twin Cities suburban communities.[6] [7] The study was conducted to assess the extent to which the land use planning practices of those communities either intentionally or unintentionally limited the housing choices for moderate and low income households. In

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[6]Lukermann, Barbara L., and Michael P. Kane, "Land Use Practices: Exclusionary Zoning, de Facto or de Jure?: An Examination of the Practices of Ten Suburban Communities in the Twin Cities Metropolitan Area", Center for Urban and Regional Affairs, 1994.

[7]It should be noted that the ten Twin Cities communities in the study are not covered by the state of Minnesota's Analysis of Impediments to Fair Housing Choice. This impediment is included because many of the same types of practices may spread to communities outside the metropolitan area.

Minnesota, the home-rule powers of local units of government gives those local governments the power to determine how land may be used and to set performance standards on housing densities and quality. These standards can (and frequently do) have the effect of excluding moderate and low income families from securing housing in those communities. In assessing the land use practices of the ten communities, exclusionary practices were found to exist in each one.

In terms of the availability of subsidized housing, the study concluded that low income households with access to Section 8 rent subsidies or qualifying for other subsidized units had much less choice available to them in the suburban communities. Only 2.4 percent of the housing units in the ten communities were subsidized.

Action Step: The Metropolitan Livable Communities Act (LCA), passed by the Minnesota Legislature in the 1995 session, is designed to support and encourage Twin Cities metropolitan area communities in their efforts to provide greater housing choice through the increased availability of affordable and life-cycle housing options. As a condition for eligibility for funding, participating communities are required to negotiate affordable and life-cycle housing goals with the Metropolitan Council. As a part of this process communities have been asked to examine their zoning laws and land use regulations to determine the extent to which these laws and regulations exclude affordable housing. MHFA will continue to work with the Metropolitan Council to implement the LCA.

Appendix A

THE CITIZEN PARTICIPATION PLAN FOR THE 1996 MINNESOTA CONSOLIDATED PLAN AND ANNUAL PERFORMANCE REPORT[8]

Purpose

The consolidated plan is a relatively new U.S. Department of Housing and Urban Development (HUD) requirement that combines the planning and application process for four existing HUD grants: the Community Development Block Grant (CDBG), the Emergency Shelter Grant (ESG), HOME Investment Partnerships (HOME), and Housing Opportunities for Persons with AIDS (HOPWA).

In effect, the consolidated plan examines the current housing situation, explores the housing and community development needs of the state, and sets priorities for spending the HUD grant monies. A vital component of exploring the state's housing and community development needs and setting spending priorities is public comment. The consolidated plan offers the opportunity for strategic statewide planning to occur alongside citizen participation.

HUD requires the state to develop a citizen participation plan that outlines policies and procedures of how the state intends to solicit citizen participation. The purpose of the citizen participation plan is to give a sense of direction and purpose to the citizen participation process.

Consultation

When preparing the consolidated plan, the state will consult with public and private agencies that provide housing, health and social services. The state will consult with health and child welfare agencies concerning lead-based paint hazards.

Applicability and Adoption of the Citizen Participation Plan

The state will adopt a citizen participation plan that sets forth the state's policies and procedures for citizen participation.

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8 This plan may be obtained in alternative formats by calling 612/296-8206 or (TDD) 612/297-2361.

Encouragement of Citizen Participation

The state will provide for and encourage citizen participation, including persons of low income, person of color and non-English speaking persons, throughout the consolidated planning process and annual performance report process. In the event that there are any substantial amendments to the consolidated plan or annual performance report, citizen comment on the proposed amendments will be sought. A number of the depositories will either be located in an area of minority or low income concentration or service a minority population. Furthermore, a number of the focus groups will be conducted with organizations that represent persons of color and persons with disabilities.

Comment on the Citizen Participation Plan and Amendments

The state will allow for a comment period of at least 15 days in which it will receive comments on this Citizen Participation Plan. In the event that there are substantial amendments to this Citizen Participation Plan, an additional comment period of at least 15 days will be allotted. This Citizen Participation Plan (and, if necessary, the substantially amended Citizen Participation Plan) will be sent to selected depositories before the 15 day comment period begins. A list of depositories that will have the Citizen Participation Plan available is attached. A limited number of this Citizen Participation Plan will be available through the MHFA.

This Citizen Participation Plan will be made available in a format accessible to persons with disabilities upon request.

Public Comment on the Proposed Consolidated Plan

Before the state adopts a consolidated plan, the state will make available to interested parties the proposed consolidated plan for a comment period no less than 30 days. This comment period will begin between 40 and 65 days before the consolidated plan's submission date to HUD (approximately 31 December 1995.)

Citizens will be notified of the consolidated plan's availability through newspaper notification. The notification will appear in at least one newspaper that is circulated throughout the state.

Along with the notification that the proposed consolidated plan is available for public comment, the state will publish a summary of the consolidated plan's contents and the consolidated plan's purpose. The notification will be published between 14 and 20 days before the consolidated plan comment period begins. A list of locations where copies of the entire proposed consolidated plan may be examined will also be listed in the notice.

The proposed consolidated plan will be available at selected depositories for the full public comment period. A full list of these depositories appears at the end of this Citizen Participation Plan. Although interested parities will be encouraged to use the depositories' copies, a reasonable number of the proposed consolidated plan will also be available from the MHFA during the public comment period.

Citizens or groups that have attended any of the public hearings will receive a letter notifying them of the consolidated plan's availability for comment.

Public Hearings

Approximately six public hearings will be arranged with the help of the Minnesota Housing Partnership's Regional Network Project. The network coordinator will help arrange a time and place for the public hearing.

Citizens will be notified of the public hearing through newspaper notification. The notice will appear in at least one newspaper in each region. The notice will appear between 14 and 20 days before the public hearing.

At the advice of the network coordinator, the needs of non-English speaking persons will be anticipated for and met. All buildings in which these hearings will be held will be accessible to persons with disabilities.

Focus Groups

In addition to the public hearings, the state will hold a series of informal focus groups to fulfill the consultation requirements. The purpose of focus groups is to attain a specialized perspective on housing and community development. These informal focus groups will be held with those groups that represent special housing interests, such as persons with disabilities, nonprofit housing developers, and homeless persons.

Consideration of Public Comments

The state will consider any comments of individuals or groups received in writing or at public hearings. A summary of the written and public hearing comments, and a summary of the written comments not accepted and the reasons therefore, will be included in the final consolidated plan.

Amendment Criteria

The following criteria will constitute a substantial amendment to the consolidated plan.

1. If the state decides to make a change in its allocation priorities or a change in the method of distribution of federal monies that is not discussed in the consolidated plan.

2. If the state decides to carry out an activity, using funds from any federal program covered in the consolidated plan, not previously described in the action plan.

3. If the state decides to change the purpose, scope, location or beneficiaries of an activity that is funded by federal monies.

Citizen Participation in the Event of an Amendment

In the event of an amendment to the consolidated plan, the state will make available to interested parties the proposed amended consolidated plan for a comment period no less than 30 days.

Citizens will be notified of the amended consolidated plan's availability through newspaper notification. The notification will appear in at least one newspaper that is circulated throughout the state. The notification will be published between 7 and 14 days before the amended consolidated plan comment period begins.

The amended sections of the consolidated plan will be distributed to the statewide designated depositories for the full public comment period. A full list of these depositories is attached. Although interested parities will be encouraged to use the depositories' copies, a reasonable number of full amended copies or amended sections of the consolidated plan may be obtained from MHFA during the public comment period.

Consideration of Public Comments on the Amended Plan

The state will consider any comments on the amended consolidated plan by individuals or groups received in writing or at public hearings. A summary of the written and public hearing comments on the amendments, and a summary of written comments not accepted and the reasons therefore, will be included in the final consolidated plan.

Consolidated Plan Annual Performance Report

Before the state submits a consolidated plan annual performance report -- hereafter referred to as the performance report -- to HUD, the state will make available to interested parties the proposed performance report for a comment period no less than 15 days. This comment period will begin between 40 and 65 days before the performance report's submission date to HUD (approximately 31 December 1995.)

Citizens will be notified of the performance report's availability through newspaper notification. The notification will appear in at least one newspaper that is circulated throughout the state. The notification will be run along with the consolidated plan's notification of the public comment period. The notification will be published between 14 and 20 days before the performance report comment period begins.

The performance report will be available at selected statewide depositories for the full public comment period. A full list of these designated depositories appears at the end of this Citizen Participation Plan. Although interested parties will be encouraged to use the depositories' copies, a reasonable number of copies of the performance report will be available from the MHFA during the public comment period.

The state will consider any comments of individuals or groups received in writing or at public hearings. A summary of the written and public hearing comments, and a summary of the written comments not accepted and the reasons therefore, will be included in the final performance report.

Citizen Participation Requirements for Local Governments

For the Community Development Block Grant Program the Department of Trade and Economic Development will require local governments to comply with citizen participation regulations at 24 CFR 570.486.

Specifically, DTED will require prospective local applicants to:

1. Encourage citizen participation, particularly by low and moderate income persons residing in slum or blighted areas in which CDBG funds are proposed to be used.

2. Ensure that citizens receive timely notice of meetings where the proposed use of CDBG funds will be discussed.

3. At public meetings, prospective applicants must discuss housing and community development needs; the amount of CDBG funds being

sought; the proposed project activities; the amount of CDBG funds proposed to be used for low and moderate income persons; and local antidisplacement and relocation plans.

In addition, prospective local applicants must:

1. Provide technical assistance to low and moderate income individuals or groups in order to encourage participation in the CDBG program.

2. Conduct at least two public hearings -- one prior to transmitting an application to the state, the second during the implementation of an approved project. The second hearing must solicit comments on proposed amendments to the approved project. There must be advance public notice of the hearings and the hearings must be held at times, dates and locations convenient and accessible to the general public and identified CDBG beneficiaries. The needs of non-English speaking residents must be met where a significant number of non-English speaking residents are expected to attend.

Finally, local CDBG grantees must provide citizens with the address, phone number and times for submitting complaints and grievances and provide a timely written response to any complaints or grievances.

Availability to the Public

The approved consolidated plan, performance report, and any substantial amendments will be available to the public. Within 30 days of HUD approval of both the consolidated plan and performance report, the state will publish a notice in at least one newspaper with a statewide circulation confirming that the consolidated plan and performance report have been approved. Copies of the consolidated plan and performance report will be available through MHFA within 30 days of HUD approval of both the consolidated plan and the performance report.

Upon request, the consolidated plan and performance report will be made available in a form accessible to persons with disabilities.

Access to Records

The state will provide interested parties with access to information and records relating to the state's consolidated plan and the state's use of assistance under the programs covered by this part during the preceding five years. The public will be provided with reasonable access to housing assistance records, subject to state and local laws regarding privacy and obligations of confidentiality, during the performance report public comment period.

Complaints

The state will provide a substantive written response to every written citizen complaint within 15 working days of the receiving the comment.

Use of the Citizen Participation Plan

The state will follow its adopted Citizen Participation Plan.

List of Citizen Participation Plan, Consolidated Plan and Performance Report Depositories

The following organizations and public places will be used as depositories for citizens to examine this Citizen Participation Plan, the consolidated plan, and the performance report.

LIBRARIES

Arrowhead Library System
701 11th Street North
Virginia, MN 55792-2298

Bemidji Public Library
6th & Beltrami
Bemidji, MN 56601

Duluth Public Library
520 West Superior Street
Duluth, MN 55802

East Central Regional Library
244 South Birch
Cambridge, MN 55008-1588

East Lake Branch Library
2727 East Lake Street
Minneapolis, MN 55406

Franklin Branch Library
1314 Franklin Avenue East
Minneapolis, MN 55404

Minnesota Valley Regional Library
100 E. Main Street
Mankato, MN 56002

Nobles County Library
Post Office Box 99
Worthington, MN 56187

Northwest Regional Library
101 East First Street
Thief River Falls, MN 56701-2041

Owatonna/Steele County Library
105 North Elm Street, Box 387
Owatonna, MN 55060-7488

Pioneerland Public Library System
410 W. 5th Street
Willmar, MN 56201

Red Wing Public Library
225 East Avenue
Red Wing, MN 55066-2298

Grand Marais Public Library
First Street & West Second Avenue
P.O. Box 280
Grand Marais, MN 55604- 0280

Great River Regional Library
405 St. Germain
St. Cloud, MN 56301

Hosmer Branch Library
347 East 36th Street
Minneapolis, MN 55408

Lake Agassiz Regional Library
115 S. 6th Street, Box 699
Moorhead, MN 56560

Lexington Branch Library
1080 University Avenue W.
St. Paul, MN 55104

Marshall-Lyon County Library
301 West Lyon Street
Marshall, MN 56258

Merriam Park Branch Library
1831 Marshall Avenue
St. Paul, MN 55104

Minneapolis Public Library
300 Nicollet Mall
Minneapolis, MN 55401

Rice Street Branch Library
995 Rice Street
St. Paul, MN 55117

Riverview Branch Library
1 East George Street
St. Paul, MN 55107

Rochester Public Library
11 First Street SE
Rochester, MN 55901

Sumner Branch Library
611 Emerson Avenue North
Minneapolis, MN 55411

St. Paul Public Library
90 West 4th Street
St. Paul, MN 55102

Washburn Branch Library
5244 Lyndale Avenue South
Minneapolis, MN 55419

West Seventh Popular Branch Library
265 Oneida Street
St. Paul, MN 55102

Winona Public Library
151 West 5th Street
Winona, MN 55987

RDCS

Northwest RDC
525 Brooks Avenue South
Thief River Falls, MN 56701-2734

Headwaters RDC
P.O. Box 906
Bemidji, MN 56601-0906

Arrowhead RDC
330 Canal Park Drive
Duluth, MN 55802-2316

Mid-Minnesota
333 West Sixth Street
Willmar, MN 56201-9999

East Central RDC
100 South Park Street
Mora, MN 55051-1431

South West RDC
P.O. Box 265
Slayton, MN 56172-0265

Region Nine
P.O. 3367
Mankato, MN 56002-3367

Metro Council
230 East Fifth Street
St. Paul, MN 55101-1634

Upper Minnesota Valley RDC
323 West Schlieman
Appleton, MN 56208-1299

Region II Development Corp
PO Box 1353
Bemidji, MN 56601

HOUSING PARTNERSHIP'S REGIONAL NETWORK PROJECT OFFICES

Tri-Valley Opportunity Council
PO Box 607
Crookston, MN 56716

Bi-County Community Action Program
PO Box 579
Bemidji, MN 56601

Northeastern MN Housing Partnership
Box 818
Tower, MN 55790

Central Minnesota Housing Partnership
PO Box 642
St. Cloud, MN 56302

Southwestern MN Housing Partnership
2524 Broadway Avenue, Box 265
Slayton, MN 56172

Overcoming Poverty Together
1507 Mankato Mall, Room 206
Mankato, MN 56001

Southeastern MN Housing Network Project
326 S. Broadway Ave., Suite D
Albert Lea, MN 56007

West Central Minnesota Housing Partnership
Norwest Bank Building, Suite B-3
220 West Washington Ave.
Fergus Falls, MN 56537

MCKNIGHT REGIONAL OFFICES

Northwest MN Initiative Fund
4th St. & Irving, Box 975
Bemidji, MN 56601

Northeastern MN Initiative Fund
332 West Superior
Duluth, MN 55802

West Central MN Initiative Fund
205 Norwest Bank Bldg
220 West Washington
Fergus Falls, MN 56537

Central MN Initiative Fund
58 East Broadway, Box 59
Little Falls, MN 56345

Southwest MN Initiative Fund
163 9th Ave.
Granite Falls, MN

Southeastern MN Initiative Fund
540 West Hills Circle, Box 570
Owatonna, MN 55060

COUNCILS, ASSOCIATIONS, AND OTHER LOCATIONS

Spanish Speaking Affairs Council
506 Rice St.
St. Paul, MN 55103

Asian Pacific Minnesotans
100 Meridian Bank
205 Aurora Ave.
St. Paul, MN 55103

Council on Black Minnesotans
426 Wright Bldg.
2233 University Ave.
St. Paul, MN 55114

MHFA
400 Sibley Street, Suite 300
St. Paul, MN 55101-1998

Appendix B

1996 CONSOLIDATED PLAN MEETING QUESTIONS

HOUSING

1. What are the most significant housing needs in your area or among your members? What are the most significant problems among individuals or families with special housing needs?

2. Are there any barriers to finding or producing affordable housing -- either federal, state or local policies or community attitudes?

3. What are the major impediments to fair housing in your area?

   An impediment to fair housing is any action or decision taken because of race, color, religion, sex, disability, familial status or national origin which restricts housing choices or the availability of housing choices or have the effect of restricting housing choices.

4. What should be the top priorities for the use of affordable housing resources?

COMMUNITY DEVELOPMENT

5. What are your general non-housing community development needs? For example, community development needs may include water, waste water, storm sewer, jobs, commercial building rehabilitation, industrial development, and demolition of dilapidated structures.

6. What are the barriers to meeting these non-housing needs with local resources?

7. What should be the top priorities for use of state/federal non-housing community development resources?

Appendix C

Consolidated Plan Public Meetings and Focus Groups

MHFA, DTED, and MDES held Consolidated Plan public meetings in the following regions of the state:

Northwest
Northeast
Central
West Central
Southwest
Southeast

MHFA, DTED and MDES held Consolidated Plan focus group meetings with the following organizations:

Adult Community Support Program Training Conference
Community Action Association Directors
Council on Black Minnesotans
Developmental Disabilities Council
Directors of the Independent Living Centers
Disability Law Center
Frogtown Action Alliance
The Governor's Council on Developmental Disabilities
Greater Minnesota Lenders Association
Hennepin County Community-Based Services -- Public Nurses
Homebuyer Training Program Administrators
Indian Affairs Council
Mental Health State Advisory Council
Metro Interfaith Coalition for Affordable Housing
Midwest Farmworkers Employment and Training, Inc.
Minnesota Association of Realtors
Minnesota Coalition for Battered Women
Minnesota Coalition for the Homeless
Minneapolis Consortium of Nonprofit Developers
Minnesota Mortgage Bankers
Minnesota Multihousing Association
Minnesota Tenants Network
Neighborhood House West
People's Network of Minnesota, Inc.
Senior Federation
St. Paul Coalition for Community Development
St. Paul Police: the FORCE Unit

Appendix D

Summary of responses to fair housing questions from Consolidated Plan public meetings/focus groups

Battered Women's Coalition 4.20.95

Landlords who do not want persons of color to move into their unit will increase the requirements for living there, or enforce it when it hasn't been enforced in the past. An example of this would be requiring the monthly income to be three times the monthly rent.

A lot of landlords will tell a person of color that there are no units available, but will tell the next person -- a white person -- that there are units available.

Many landlords will increase the rent for a person of color with a Section 8 certificate. They will increase it to maybe $3 over the Fair Market Rate, which makes the unit ineligible for the program.

CAP Agency Directors 5.3.95

Racial/ethnic discrimination is a problem in some areas; more commonly noted was discrimination against people perceived to belong to a particular "class," i.e., lower income or poor people.

The process for addressing fair housing violations is too cumbersome, lengthy, and ultimately too expensive for most people -- through either the courts or the Department of Human Rights; one suggestion was to implement a non-legal approach to solving problems, e.g., mediation.

Human Rights is not aggressive enough in dealing with grievances filed.

Single women with children, particularly teenagers, frequently are perceived as undesirable renters and may have difficulty finding landlords who are willing to rent to them.

People on public assistance frequently are perceived as undesirable neighbors or tenants.

Minnesota Coalition for the Homeless 5.18.95

no comments

Adult Community Support Program Training Conference 6.14.95

People are leery of renting to people with a mental illness.

Many landlords use economic distinctions as a means of discrimination.

It takes too long for fair housing complaints to be investigated. Consumers can't get it done alone because it is a long and frustrating process.

References become difficult for someone who has been institutionalized for a long time. When they can only supply references from a group home, the landlord wonders what is "wrong" with them.

Council on Black Minnesotans 5.4.95

Discrimination.

Families with children with disabilities.

Substandard, expensive housing.

Developmental Disabilities Council 4.5.95

In rural areas, the only accessible units are in retirement housing.

The opportunity to choose where to live, including not having to live with other disabled persons.

Dispersed affordable housing -- e.g. avoid situations where as seniors sell their homes, a neighborhood may become a "social service district."

Not enough income to afford housing when a person can only work part time.

Minnesota Disability Law Center 4.21.95

Persons with a mental illness are discriminated against. Many do not have a renting history, which is used as a reason for denying them the unit.

Midwest Farmworkers Employment and Training 4.3.95

Racial discrimination in private rental housing is pervasive. The Department of Human Rights did a study and found that bias against Hispanic people was open and direct. MFET frequently calls on behalf of families and is told that an apartment is available. But when the families shows up, the owners won't answer the door.

St. Paul Police Department -- FORCE Unit 4.11.95

no comments

Frogtown Action Alliance 5.8.95

Redlining still exists in this area. There are very few independent insurance agents who are actually located in the Frogtown area. Insurance is much higher for this area. They do not offer a replacement policy or renter's insurance for people who live in this area.

Greater Minnesota Lenders 5.16.95

There are significant language barriers. Some banks have had to hire interpreters to deal with non-English speaking customers. However language translation services are very expensive. Isn't there some way that these costs could be shared?

There is not a very great diversity of people in the mortgage lending industry. There needs to be a greater diversity.

For those families who require accessible housing there is simply a lack of accessible housing available.

The impediments to fair housing exist at the underwriting level not the loan origination level. This is especially true in smaller communities.

The level of competition in the mortgage lending industry should result in less discrimination. The impediments to fair housing are probably MUCH worse in rental housing.

Homebuyer Training Program Administrators 4.26.95

buying up a number of homes in their neighborhood in order to control who moves into the neighborhood. This way they can keep "those people" out.

In a recent example in St. Cloud, an owner of an 8-plex apartment building stopped paying the utility bills in order to get all the (minority) tenants out.

The SE Asian families in St. Paul are large and often live together as an extended family. This has led to housing being condemned in many cases due to overcrowding.

There is a lot of discrimination against couples who are living together and not married.

In the central cities landlords have imposed a requirement that a tenant's income must be two and one-half times the rent. This effectively discriminates against public assistance recipients.

Community attitudes -- many communities simply don't want anymore rental properties. This has the effect of discriminating against poor people.

Independent Living Center Directors 5.24.95

Landlords need to be trained -- they need disability awareness and education. This training needs to be ongoing because there is always staff turnover.

There is no real commitment on the part of developers/managers to create accessible units and then rent to people with disabilities. There are numerous accessible units that are filled with able-bodied people.

Miscellaneous Comments

Racial prejudices, especially against Chicano-Latino persons in Region 9.

Blatant racism. In Minneapolis, redlining continues, especially in the Phillips neighborhood.

MN Tenants Network 3.20.95

Persons of color cannot find housing in Duluth. There is no enforcement of fair housing practices in the area. Persons who are homosexual have the same problem in Duluth.

The CDBG process is too subjective. If you aren't an identified "player", you don't get CDBG money. There is no support for fair housing with the CDBG money.

There is some "tenant-bashing" that goes on. It is assumed that all tenants are bad. A lot of communities back this view. For example, landlord coalitions are funded with city money; the landlords really don't need this sort of support. Some communities dedicate a lot of money to extracting or keeping out low income households.

The expansion of highway 394 is supporting getting the rich out of the central cities and getting them out to the suburbs where they don't have to deal with the poor. This is being subsidized by the government. The government is condoning the separation of income classes.

There is a growing sense of "NIMTO" -- Not In My Term of Office. Many government officials don't want to support "controversial" housing issues that may reflect poorly upon in them in the wealthy community's eyes.

Minnesota Mortgage Bankers 4.25.95

The pervasive negative attitudes about rental housing has a disparate impact on racial groups.

Government policies such as zoning (i.e. large lot zoning).

Language barriers

Intimidating institutional structures

Appraisers need additional training in fair lending/fair housing issues.

If smaller banks are exempted from the Community Reinvestment Act (CRA) this will drastically reduce their commitment to affordable housing.

Multi-Housing Association 4.5.95

There is an abuse of the current fair housing rules now. Anything can be turned into a fair housing issue, when it is really just the property owner protecting their property and cutting their risks.

There needs to be more education on discrimination for all involved.

504 regulations are an impediment to fair housing.

Neighborhood House 5.24.95

Landlords discriminate on the basis of race and/or ethnic origin.

Landlords intimidate people who are not in the country legally. They refuse to fix problems and maintain the apartments and threaten to turn tenants into the INS if they complain about the condition of the apartment.

People don't know their rights.

Landlords discriminate against Hispanics. They require all sorts of unnecessary documentation once they see that someone is Hispanic.

Landlords don't allow families with children or they allow only families that have just one child.

Landlords discriminate against families with children.

Regulations that set the maximum family size in certain size apartments -- this discriminates against large families.

Tenants don't know their rights.

Landlords discriminate against people who are on welfare. They refuse to rent to welfare recipients.

Non-Profit Developers 5.2.95

Sometimes fair housing is relative to the group you are talking about. Many communities with recovering women and children don't want men around. Some Southeastern Asian groups want to live as a community. Also, some recovering alcoholics want a dry community. In these cases, you may run into fair housing problems. These communities have good intentions; there should be a waiver process that these groups can go through.

Peoples Network of Minnesota 4.4.95

The Hmong people are all in one area. We need to have more integration we other people and people of other classes. There are too many people of one ethnic background together and too many people of one economic status together in this area. There is a need for more integration and less segregation.

Community Based Public Health Nurses 5.3.95

There are clearly some adverse community attitudes to families with low incomes, persons who have a mental illness, persons with a brain injury, families with children, and single parents.

The federal preference system is discriminatory in and of itself. It pits the have-nots against each other.

Minnesota Association of Realtors 5.22.95

There is a lot of blatant discrimination going on. It is not enough to have laws that prohibit this kind of discrimination – there has to be a way to enforce those laws.

The media -- the media presents biased views of neighborhoods.

A lack of funds to provide education and to enforce existing laws.

A lack of information -- provide information to people about their rights and provide it on television.

Senior Federation 3.20.95

Accessibility issues -- buildings should be built so that they are easily modified to meet the needs

State Advisory Board on Mental Health 5.8.95

no comments

Northeast -- Virginia 3.22

There are just a few landlords in Virginia and so if a tenant gets a bad reputation, it gets around quickly. Sometimes it is really difficult to rent because of this.

Some rental units will have just one meter. The landlord will bill all of the utilities to the minority household. Once they are unable to pay these high utilities, they can easily be evicted.

There is no recourse for those experiencing housing discrimination. The legal paths take longer than one year and most people aren't willing to wait that long.

Southeast -- Faribault 4.5.95

Through our office and our nine county region we see a lack of willingness to rent to low income large families and single-parent households. We have a 236 project in our region that we monitor through the HUD Title VI process. We have had several African- American families living there come to us with a complaint. The HUD attorney constantly advises these families to just settle for $1,000 out of court. The landlord or the owner of the building will write out $1,000 checks to these people because he does not want any African-American families living in his building. He will have five or six vacancies. We've gone in there after he's turned away African-American families and asked if there are rental units. They show us units the same day that they turn away families. There are a couple of families that settled and got cash so we have seen fair housing work.

Watonwon County is an area in which we have seen prejudice against the Hispanic population. People won't rent to them or will give them substandard housing.

There are companies who actively recruit people from out of state to come to southern Minnesota and work at jobs because they can not find employees here. Many of those families are Hispanic or African-American families. For some, English is not their first language. That has been new to southern Minnesota over the last five to ten years and has resulted in what I see as increases in fair housing violations.

People come here, they have jobs, but they need housing. CAP agencies contact landlords and oftentimes one of the first questions asked by the landlord is well are they Mexican. If they say they are Hispanic, they will say they don't have anything available. It's real blatant.

When the last five units were completed, the community went berserk on us. The schools and the city were calling us; what are we doing in bringing these minorities. There is no support group. The kids are being harassed in the schools and they are not being invited into the churches. It's not that they can't find the housing -- we had the housing available -- but they don't have any support at all. We -- as a housing authority -- bring these families into this community and have them harassed and have no control over it.

As far as tenants go, I think a big part of fair housing is education -- knowing that they have tenant rights. I had an African-American woman in last week who was denied a rental because she wasn't married to the man she lived with. That is against the law, but she doesn't know this. She figures it is because she is black and she is probably correct. Until tenants know of their rights, a lot of these things won't be enforced.

West Central -- Fergus Falls

We need to encourage pride in persons of color. In this area many of them end up living in bad housing. We need to produce low-income housing, which fosters pride and boosts self-esteem and make people feel like they are part of the community.

One of the regional newspapers, *The Fargo Forum*, can't wait to publicize any time a Hispanic is involved in trouble. They just racial stereotype it to death.

Money is the major impediment to fair housing.

A community was interested in getting involved in tax credit rental units, but they decided against it because they wouldn't be able to control the type of tenants that would live in there. These attitudes are still out there.

The ways of discrimination are more subtle in terms of who people rent to or who people sell to.

We heard a lot of exclusionary remarks from elected officials, that we don't want certain kinds of housing because it attracts certain types of people.

I try to appeal to a person's sense of community when I confront a fair housing issue. Isn't it better to bring the people into homeownership and into full membership of the community? Otherwise, what we've known for 20 years is going to go on for our children. I try and hit from a common sense point of view and ignore the whole question of race.

Fair housing has to do with economic discrimination.

Southwest -- Marshall 5.11.95

We have some cultural problems in this region. We have a new form of immigrant into America today and that population is increasing rapidly in Southwestern Minnesota. I think that there are some misconceptions and some false impressions.

We don't list our rental unit any more. We have this informal way of letting people know that we have a house for rent, or a unit for unit because we want to make sure that we get the right family unit living in there.

It can be covered up, disguised as zoning. We don't want that unit built in town; we'll move it to the outskirts of town where all the rest of the HUD homes and so-called low-income homes are being built.

As long as we have a housing shortage, we'll have the issues that we are speaking of. When people can be selective as to who they want to rent to, discrimination will occur.

We don't have tenant associations, like in the metropolitan areas. We don't have anybody that is going to take that risk of stepping on anyone's toes.

Central -- Mille Lacs 4.21.95

People see the relocation of workers into Minnesota and think it's a new phenomenon. It's not. Migrant workers from Texas who are predominately of Mexican descent have been coming into Minnesota since the 1920's and 1930's to work in the sugar beet industry. What's happening now is that workers are being recruited by the meat pack processing industries, and they are relocating here on a permanent basis. What has happened is that Minnesota communities, such as St. Cloud, Willmar, and Marshall, are experiencing quite a bit of economic growth. Employers are looking at the existing labor forces and these labor forces are not adequate, so employers have to recruit new workers. These new workers are settling in those communities and looking for affordable housing and they're facing barriers.

If you look at the protected classes, and I realize there is discrimination that happens at different levels, but I think the impediment to fair housing is attitudes and it has to do not so much with race, color or religion or what ever but it has to do with income. If you look in our area, if you have an individual who applies for a building permit for a $300,000 home its a good thing. If you spend $300,000 for a low income development its a bad thing. I think its that whole attitude towards low income people.

An impediment is people's attitude toward mobile homes, trailer homes in general. There is a large barrier towards that, especially in the city limits. It's just that nobody wants to live next to a trailer house.

It's really very low income people that are discriminated against. I think that really is the issue. I've had so many conversations with policy makers, business leaders and people of the general public. They are saying we don't want low income housing. But according to the calculations, in the St. Cloud area 50% of median income, is $19,700 for a family of four, that's $9.50 an hour which is the highest hourly rate that has been mentioned here in this room. We need a better term than "low income housing" -- maybe "affordable housing", People are not making the connection, that low income housing is housing that people can afford. I don't think people are doing the analysis of what the reality of the situation is.

In support of that, I was at a council meeting where we had discussion about low income or affordable housing and who would qualify and I had someone run out later and catch me and tell me how he was against it. I started talking to him about the ages of his children and since they were probably college graduates they would they fall in that income limit category. He had never made that connection between his children and their need for affordable housing.

What we are experiencing in St. Cloud is that it's a tremendously fast growing area of the state. People have this basic assumption that "if you build it they will come" and "those" people will flock into the community. So much of it is just perception. We are so accustomed to a homogenous culture and then we see something different and we tend to freak out. I think that we build barriers, and in St. Cloud we are really experiencing that

Northwest -- Thief River Falls

The migrant seasonal farmworkers population comes into the area beginning like a month ago. They're temporary residents, and landlords traditionally don't like to rent to them because they are temporary. It costs money every time somebody moves in or out of their units so landlords avoid renting to them if at all possible. We occasionally run into discrimination problems. There's not enough seasonal farmworker housing for these people. Yet, they augment a $6 billion industry in the valley -- which is considered very valuable -- but the attitude towards these people who make that industry thrive is very poor. The biggest reason for that is the housing problems that they have. They come way too early -- before they are needed in the fields -- because there isn't enough housing for them unless they do that. They may be here two or three months without work. They pull their children out of school in Texas to come up here, get housing and then they stay long enough to do their work and then they return to their homes.

When you're looking at places for larger families, especially single-parent families, I think there is a very definite bias against renting to single-parent families. It is difficult to prove, but it is easy to feel.

It's a serious problem for a single parent, because they think you're going to trash their home. If you have kids, you might as well be pets because they're kind of like the same. Most of the houses I've been looking at, I'd probably get my kids taken away from me because of the condition of the apartments.

Appendix E

HUD/MHFA Fair Housing Workshop Summary
October 25, 1994

SUMMARY of GENERAL INFORMATION

A tight time schedule did not prevent an exchange of useful information at a fair housing workshop held recently at the offices of the Minnesota Housing Finance Agency. The purpose of the workshop was for speakers to offer their perspectives on the impediments to fair housing.

Some of the presenters provided participants with population statistics that makes the impediments have impact on a greater number of people. Following is a summary of the information provided: The population of people of color has increased in the state of Minnesota as evidenced by 1990 census data referenced by some of the presenters.

* In the Hispanic community the recent census data indicated there are over 70,000 Hispanics living in Minnesota with 70% living in the Metropolitan area. The majority of that 70,000 plus is Mexican or Chicano (38,500 or 64%). Hispanics from South/Central America numbered 27,500. Puerto Ricans accounted for 3,600 and Cubans numbered 1,250. Public housing is home to 46% of the Hispanic population.
* In Minnesota's American Indian community there has been a 43% increase since 1980. This increase represents the fastest growing population in the state. There are approximately 50,000 American Indians in Minnesota. Yet, they have the worst housing and education and are the poorest population in the state.
* The majority of Minnesota's increasing Asian population has been among Hmongs and Koreans.

Another group of Minnesota residents affected by impediments to fair housing is people with disabilities. In Minnesota people with disabilities account for 20% of the population (approximately 700,000). Fifty percent of Minnesota's population benefit from accessibility. Impediments affect seniors who, while aging, need modifications to existing homes they own. There is a serious shortage of accessible/adaptable housing of all types. On the other hand, people with accessible units cannot find renters due to improper marketing thereby creating a mismatch of supply and demand. There is a need for local ordinances to reflect the needs of housing impediments for people with disabilities.

SUMMARY of IMPEDIMENTS

Group 1 Regulatory environment

* Land use regulations increase the cost of housing. A soon to be released study by the Minnesota Association of Realtors estimates that 25-35% of the cost of new construction is a direct result of land use regulations.

* There is a significant variation in building costs (i.e., building permits), between cities . It is not clear that this variation in costs is related to the municipality's actual costs -- but instead may be an effort by the municipality to keep affordable housing out.

* There is often substantial regulatory delay related to environmental issues. This delay creates obstacles to new construction, and raises the costs of that construction.

* The property tax structure in Minnesota favors home owners at the expense of renters. The Minnesota Multi Housing Association estimates the following break down of gross rental income:

50% -- debt service
30% -- operating expenses
3% -- vacancy rate allowance
20% -- property taxes

In Minnesota, 20% of gross rental income goes to property taxes. The U.S. average is only 9%. The results of this property tax structure include declining maintenance on rental units and a lack of incentive for people to build new apartment units.

*Both existing and proposed laws, rules, regulations, and local ordinances should be reviewed to determine their impact on fair housing.

*The Davis Bacon Act, a federal law which requires that union wages be paid on housing developments over a certain size, creates an impediment to the construction of affordable housing.

*Among some immigrant groups, there is confusion about zoning laws. For example, based on their cultural expectations, they do not understand that zoning laws prohibit raising chickens in the city.

Group 2: Market/Industry or Structural Impediments

* There is no access to the secondary mortgage market in large parts of rural Minnesota.

* FNMA (Fannie Mae) and FNHMC (Freddie Mac) need to work more closely with bankers to ensure the impediments to fair housing and impediments to affordable housing are addressed.

*Loan officers are currently paid on a commission basis. The commission is equal to 1% of the mortgage amount. This compensation system creates an incentive for loan officers to focus on large mortgages and to avoid processing smaller mortgages on more affordable housing.

*The HUD system of rating underwriters creates an impediment to fair housing. Under the HUD system, if an underwriter receives a "poor" rating, they may not be allowed to approve FHA loans in the future. This may make underwriters overly cautious about approving some loans.

*There is discrimination in real estate sales and in appraisals. Specifically the neighborhood viability assessment part of appraisals is susceptible to discrimination.

*There are very few Southeast Asian realtors. Potential Southeast Asian homebuyers don't know whom to trust.

*Coming up with the required downpayment or closing costs is very difficult for people and creates a barrier to homeownership.

*More housing is needed on the Indian reservations throughout the state.

* The Twin Cities metropolitan area has become increasingly unfriendly to good landlords. Many of the good landlords are getting out of the rental industry.

* Low interest loan programs are not available in certain areas of the state.

<u>Group 3 Services</u>

* There is a lack of coordination among groups of service providers, and between service providers and housing providers.

* Families often need social services within walking distance of their housing. Because most social services tend to be concentrated in the central cities, this has the effect of concentrating families in the central city. The lack of services in the suburbs and rural Minnesota creates an impediment to families moving to these areas.

*Existing services are not working.

* Subsidized housing is not available once children are grown.

Group 4 Education

* The primary and secondary education system in this country needs to teach kids about credit and the responsible use of credit. Kids leaving high school need to understand the importance of credit and their credit rating. Perhaps a standardized curriculum could be developed for this purpose. A poor credit history creates a serious obstacle to people who want to buy a home.

*Homeownership counseling programs are needed to help people to buy a home. The lack of these programs is an impediment to fair housing. These homeownership counseling/education programs could be tailored to meet the needs of specific groups of people, i.e. the MHFA Urban Indian Housing Home Ownership Program.

* Realtors need to be educated about the laws related to immigration. In the past there have been instances of realtors incorrectly telling families that they cannot purchase homes because of their immigration status.

* People are not aware of the various financing options for homeownership. More efforts should be made to increase awareness and to make financing information more understandable. The technical terms should be simplified.

* Many people are not aware of alternative homeownership programs, (e.g., Habitat for Humanity), that they may be qualified for.

* Many people have little understanding about home systems, (e.g., plumbing and heating). This may create obstacles to their maintaining their home once they have purchased it.

*All information on housing (both rental and ownership) should be translated into other languages.

*Workshops on all aspects of housing (how to be a good tenant, how to buy a home, how to maintain a home, etc.) are needed for the refugee community.

Group 5 Discrimination -- personal experiences/perceptions/realities

* The permanent and migrant populations in Minnesota face different impediments. For example, migrant workers, who are only in the area for a few months, may face the problem of landlords refusing to rent units without a one year lease. Many landlords are also requiring proof of citizenship from prospective tenants.

*In the area of fair housing, poverty and racism go hand in hand.

*Large families have a very difficult time finding affordable housing. In addition to a shortage of large units there are also restrictive limitations imposed on the number of family members allowed in units of particular sizes.

* The discrimination faced by Native Americans is, for the most part, a problem faced by low income American Indians. Middle and upper income American Indians don't seem to face the same level of discrimination.

* Many people continue to live in substandard housing without complaining about the substandard conditions for fear that their housing will be condemned. Rather than risk losing the only housing they can find, they live with the substandard conditions.

* There is a great deal of classism. One speaker indicated that classism was the real problem. "If everyone made $60,000 per year there would be no fair housing laws". We wouldn't need any.

* There is discrimination on the basis of marital status.

* There is discrimination on the basis of homelessness. Homeless people leaving emergency shelters or transitional housing often face discrimination in locating housing.

*There is significant community resistance (Not in My Backyard or NIMBY) to the siting of affordable housing, or supportive housing.

*The practice of redlining is alive and well. This is the practice of "redlining" a neighborhood or area and refusing to approve mortgages or insure housing in that area. Another example of discrimination is steering minority groups only to certain neighborhoods.

*Low income people are concentrated in areas where housing is substandard and rents are high.

SUGGESTED SOLUTIONS

Though the purpose of the workshop was to identify impediments to fair housing, several solutions were also presented.

* Formal testing is needed to document the existence of discrimination.
* All housing materials (both rental and homeownership) should be translated into other languages.
* Claims of housing discrimination should be investigated.
* Local ordinances need to reflect the need for accessible/adaptable housing. A prototype is available from Margo Imdieke at the State Counsel on Disability
* There is a need for a loan program , with low interest or no interest, for owners and renters to make accessibility modifications to their housing.
* Realtors should be educated about housing accessibility features.
* Building officials need to learn about accessibility and accommodations.
* Common areas (i.e., laundry, entrances, office) of multifamily housing should be accessible.

Appendix F
Key Informant Interviews

Interview 1
Date of Interview: January 19, 1996

1) What are the impediments to fair housing in your area?

*community attitudes -- prejudice, bigotry, and racism on the part of people and local governments. This is a very white state and people have a hard time accepting minorities. Though some communities have made significant progress in welcoming newcomers, others have not.

*Some communities don't want affordable housing for fear of attracting people they don't want in their community. But affordable housing must be a component of economic development. Business must assume some responsibility for looking at the stock of affordable housing and paying wages (with adequate benefits) to enable people to afford housing. Rural communities in Minnesota have become like maquiladores -- businesses locate there to take advantage of low taxes and cheap labor.

*For example, there are people who live in Tracy in a company-owned trailer park. This is essentially company housing -- workers wages are reduced by the cost of their housing . The conditions in the trailer park are terrible.

2) Prioritize the impediments to fair housing identified in (1).

Community attitudes
*Communities have a stake in developing housing for all of their members.
*Housing goes hand-in-hand with economic development.

3) What do you think the state of Minnesota should do about the impediments to fair housing that you have identified?

When economic development funds are made available <u>require</u> communities to include plans for housing or to use some of these funds for housing.

Think about how the state can encourage local responsibility for planning/developing more affordable housing.

Businesses have an obligation to pay fair wages/benefits so that people can afford to pay for housing.

4) Other

There are plenty of cheap houses available for rent in small towns in this area -- but then people have very high transportation costs to commute to work.

We need improved codes and better enforcement of codes in mobile home parks.

Interview 2
Date of Interview: January 19, 1996

1) What are the impediments to fair housing in your area?

*poverty
*lack of affordable housing
*racism (which affects jobs/poverty/housing)

2) Prioritize the impediments to fair housing identified in (1).

1) racism
2) poverty
3) lack of affordable housing

3) What do you think the state of Minnesota should do about the impediments to fair housing that you have identified?

The state can't do anything (especially anything legislative) until there is education. Without education there cannot be the "moral conversion" necessary to end racism and bigotry. However, the state can provide some of the resources for the education. Education can consist of everything of signs to public service announcements to fines in cases of discrimination.

The state could help to reduce the risk for banks to encourage "fair housing lending". The state could guarantee "risky" loans to encourage banks to make loans in marginal areas or to people with marginal credit histories.

4) Other

There have been some serious racism and fair housing issues in the city of Moorhead. There has been an increase in the Hispanic population living on the western edge of Moorhead. There has also been an increase in gang activity, drugs and crime in this same area. The reaction of the community has been that it is the fault of the Hispanics -- so when an Hispanic family tries to move to other parts of the city they have not been welcomed. The city of Moorhead has been trying to address this issue by working with neighborhood activists.[9]

Units of local government have asked the church community not to bring anymore Southeast Asian refugees into the area.

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[9]The city of Moorhead is not covered by this Analysis of Impediments to Fair Housing Choice. The city of Moorhead has prepared its own Analysis.

Interview 3
Date of Interview: January 23, 1996

1) What are the impediments to fair housing in your area?

*No short term leases -- minimum length of lease is 6 months. Migrant/seasonal farmworkers are in the area for a maximum of 6-8 weeks.
*Because of the shortage of housing some local hotels have charged as much as $300 per week per person.

2) Prioritize the impediments to fair housing identified in (1).

1) no short term leases

3) What do you think the state of Minnesota should do about the impediments to fair housing that you have identified?

Develop housing for seasonal workers. This housing would be used by workers for 4-6 months of the year.

Enforce housing code.

4) Other

Growers in the area are bringing in trailers and buying up houses in the smaller towns in order to provide housing to workers. Most of the housing is in decent shape. The housing is typically provided to workers for free.

A production facility (Pro-Gold) for producing sugar from corn is currently being built nearby in North Dakota. This development has created 150 job construction jobs -- and these workers have taken almost all of the available housing.

Small towns in the area have demolished much of their substandard housing. While this has eliminated their blighted housing it has also eliminated most of the housing options for migrant workers.

Migrant Legal Services has a very strong presence in the area. They have not gotten terribly involved in housing issues -- mostly because people don't think to go to Migrant Legal Services for help with housing.

Not too many of the migrant workers want to stay here permanently, but the absence of housing means that migrant workers could not stay past the end of the growing season, even if they wanted to.

Interview 4
Interview Date: January 16, 1996

1) What are the impediments to fair housing in your area?

NIMBY (Not in My Backyard) issues create barrier to the development of affordable housing. Community attitudes create the same barriers. Those attitudes often change if, once the housing is developed, it is well managed.

Having to pull together financing from a variety of sources makes the development of affordable housing difficult.

Racial discrimination -- the predominantly white, Norwegian population in the northwestern part of the state has not been ready for the small increases in minority populations. There has not been enough diversity training available and the media has focused on the problems rather than the positive aspects of this change in the population.

Growers are not longer providing housing for their seasonal farmworkers. Seasonal farmworkers now have to look for housing in the rental market. Because affordable housing is in such short supply people have to come early (before they are needed in the fields) to find a place to live. Often they have to camp in the parks in town and eat at the homeless shelter. The public perception is that these workers have come to the area to "live on welfare" and escape the heat of the south. The experience of the agencies who work with these people is quite different -- these people are genuinely looking for work.

2) Prioritize the impediments to fair housing identified in (1).

   i) Racial discrimination
   ii) No short term leases available (creates a real impediment for seasonal farmworkers).
   iii) Familial status -- people with children are discriminated against.

3) What do you think the state of Minnesota should do about the impediments to fair housing that you have identified?

Help get seasonal farmworker housing built in several communities in northwestern Minnesota.

Sanction those communities who create roadblocks to the development of low income housing and special needs housing (i.e. seasonal farmworker housing).

4) Other

TVOC has worked for the last five years to try to get some seasonal farmworker housing built. The city of Crookston has created barrier after barrier after barrier to the development of this housing. At the time of the interview the city was refusing to provide a letter to TVOC which indicated that the development could be hooked up to city water and sewer. TVOC has now filed a complaint with HUD over the city's actions.

Interview 5
Date of Interview: January 26, 1996

1) What are the impediments to fair housing in your area?

*lack of affordable housing
*economic discrimination (discrimination against poor people)
*some prejudice (experienced by both renters and homebuyers)

2) Prioritize the impediments to fair housing identified in (1).

*lack of affordable housing
*economic discrimination

3) What do you think the state of Minnesota should do about the impediments to fair housing that you have identified?

There should be stricter enforcement of housing discrimination law -- use testers.

Fund more housing development.

Mandate multi-racial committees/councils

4) Other

The Tracy Chamber of Commerce has funded a downpayment program targeted toward minority homebuyers. The program has been quite successful -- no one has defaulted on a loan yet.

The community is learning to deal with the increase in diversity. Approximately 10% of Tracy's population is now made up of minorities -- approximately 200 Hispanics and 70-100 Hmong.

Realtors in the community have been aggressive in responding to discrimination by home sellers.

Interview 6
Date of Interview: January 19, 1996

1) What are the impediments to fair housing in your area?

*Racial/social discrimination
*Discrimination against families with children (especially single parent families)
*Poor rental references
*An eviction process which works too rapidly
*Vacancies which are not advertised -- when landlords have a vacancy they find tenants through informal networks or by word-of-mouth. This way landlords can avoid renting to people they don't want to rent to.

2) Prioritize the impediments to fair housing identified in (1).

Racial/social discrimination

3) What do you think the state of Minnesota should do about the impediments to fair housing that you have identified?

Put more non-profit organizations in an ownership position. These organizations are more sensitive to fairness, diversity, and social issues than for-profit organizations are.

Make long-term investments in families. Provide incentives to families to become self-sufficient and to become homeowners.

Provide tenant education programs -- help people learn how to become good tenants.

Appendix G
Affirmative Fair Housing Marketing Plan Forms

INSTRUCTIONS FOR PREPARING AN AFFIRMATIVE FAIR HOUSING MARKETING PLAN

1. **Introduction** - The Affirmative Fair Housing Marketing Regulations require that each applicant carry out an affirmative marketing program to attract prospective buyers or tenants of all majority and minority groups in the housing market area regardless of race, creed, color, religion, sex, national, origin, marital status, status with regard to receipt of public assistance, disability or familial status. The applicant shall describe on this form the activities it proposes to carry out during advance marketing, where applicable, and the initial sales or rent-up period. The affirmative marketing program also should assure that any group(s) of persons normally NOT likely to apply for the housing without special outreach efforts *(because of existing neighborhood racial or ethnic patterns, location of housing in the SMSA, or price or other factors)*, know about the housing, feel welcome to apply and have the opportunity to buy or rent. In addition to the specific advertising activities, please describe activities relating to instructions to staff on fair housing concerns.

2. **Part 2 - Applicant and Project Identification**. Parts A, B, C and D are self-explanatory. With respect to Part E, specify approximate starting date of marketing activities to the groups targeted for special outreach and the anticipated date of initial occupancy. Part F is to be completed only if the applicant is not to implement the plan on its own. For Part G, indicate all MHFA funding sources.

3. **Part 3 - Type of Affirmative Marketing Plan**. Applicants for multifamily and subdivision projects are to submit a Project Plan which describes the marketing program for the particular project or subdivision. Scattered site builders are to submit individual annual plans based on the racial composition of the geographical area. For example, if a builder plans to construct units in both minority and non-minority geographical areas, separate plans shall be submitted for all of the housing proposed for both types.

4. **Part 4 - Direction of Marketing Activity**. Considering factors such as price or rental of housing, the racial/ethnic characteristics of the neighborhood in which housing is (*or is to be*) located, and the population within the housing market area, public transportation routes, etc., indicate which group(s) you believe are least likely to apply without special outreach.

5. **Part 5 - Marketing Program**. The applicant shall describe the marketing program to be used to attract all segments of the eligible population, especially those groups designated in Part 4 of the Plan as least likely to apply. The applicant shall state: the type of media to be used, the names of newspapers/call letters of radio or TV stations; the identity of the circulation or audience of the media identified in the Plan, e.g., White (Non-Hispanic), Black (Non-Hispanic), Hispanic, Asian-American/Pacific Islander, American Indian/Alaskan Native; and the size or duration of newspaper advertising or length and frequency of broadcast advertising. Community contacts include individuals or organizations that are well known in the project area or the locality and can influence persons within the groups considered least likely to apply. Such contacts may include, but need not be limited to: neighborhood, minority and women's organizations, churches, labor unions, employers, public and private agencies, and individuals who are associated with these organizations and/or are well-known in the community.

6. **Part 6 - Future Marketing Activities**. State how you intend to continue your affirmative marketing efforts to maintain attained goals or correct any current occupancy concerns.

7. **Part 7 - Experience and Staff Instructions**.

   a. Indicate whether the applicant has previous experience in marketing housing to group(s) identified as least likely to apply for the housing.

   b. Describe the instructions and training given to sales/rental staff. This guidance to staff must include information regarding federal, state and local fair housing laws and this AFHM Plan. Copies of any written materials should be submitted with the Plan, if such materials are available.

8. **Part 8 - Additional Considerations**. In this section, describe other efforts not mentioned previously which are planned to attract persons in either those groups already identified in Part 4 of the Plan as least likely to apply for the housing or in groups not previously identified in the Plan. Such efforts may include outreach activities to female-headed households.

9. **Current Occupancy or Anticipated Occupancy for New Projects**. For existing developments, list your current occupancy broken down in the categories provided. For new projects, list the numbers you anticipate will occupy the units.

10. **Signatures**. The applicant's authorized agent signs the AFHM Plan at the bottom and dates it. By signing the Plan, the applicant assumes full responsibility for its implementation. The Agency may at any time monitor the implementation of the Plan and request modification in its format or content, where the Agency deems necessary.

11. **Notice of Intent to Begin Marketing**. At least 90 days before the start of sales or rental marketing activities the applicant with an approved Affirmative Fair Housing Marketing Plan shall submit notice of intent to begin marketing, if applicable. This notice is submitted either orally or in writing to the FHEO Division of the Minnesota Housing Finance Agency.

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MINNESOTA HOUSING FINANCE AGENCY
AFFIRMATIVE FAIR HOUSING MARKETING PLAN

***COMPLETE FORM AND SUBMIT TO: FAIR HOUSING AND EQUAL OPPORTUNITY DIVISION**
(612) 296-9795 or (612) 296-9825

1. INTRODUCTION

State and Federal affirmative fair housing marketing regulations require that each applicant subject to these Regulations carry out an affirmative marketing program to attract prospective buyers or tenants of all minority and non-minority groups to the housing that the applicant is providing. These groups include Whites (Non-Hispanic) and members of minority groups: Blacks (Non-Hispanic), American Indians/Alaskan Natives, Hispanics and Asian/Pacific Islanders in the Standard Metropolitan Statistical Areas (SMSA) or housing market area who may be subject to housing discrimination on the basis of race, color, creed, religion, sex, national origin, marital status, status with regard to receipt of public assistance, disability, or familial status.

2. APPLICATION AND PROJECT IDENTIFICATION

A. NAME OF APPLICANTS	B. PROJECT OR APPLICATION NUMBER
	NUMBER OF UNITS (indicate family, elderly, etc.)
ADDRESS (Include City, State and ZIP Code)	PRICE OR RENTAL RANGE OF UNITS: FROM $________ TO $________
TELEPHONE NUMBER	D. FOR MULTIFAMILY HOUSING ONLY. ☐ ELDERLY ☐ NON-ELDERLY
C. PROJECT NAME	E. APPROXIMATE STARTING DATES ADVERTISING______ OCCUPANCY______
	F. NAME OF MANAGING/SALES AGENT
LOCATION / ADDRESS (Include City, State and ZIP Code)	ADDRESS (Include City, State and ZIP Code)
COUNTY	G. MHFA PROGRAM (s) USED TO FINANCE

3. TYPE OF AFFIRMATIVE MARKETING PLAN

☐ Project Plan. ☐ Annual Plan (for single family scattered site units).
NOTE: A separate Annual Plan must be developed for each area in which the housing is to be built.

☐ Minority Area ☐ White (non-minority) Area ☐ Mixed Area (with ______% minority residents)

4. DIRECTION OF MARKETING ACTIVITY

Indicate below which group(s) in the housing market area are least likely to apply for the housing because of its location and other factors without special outreach efforts.

☐ White (Non-Hispanic) ☐ African American (Non-Hispanic) ☐ American Indian or Alaskan Native ☐ Hispanic ☐ Asian or Pacific Islander

5. MARKETING PROGRAM

A. COMMERCIAL MEDIA

Check the media to be used to advertise the availability of this housing

☐ Newspaper(s)/Publication(s) ☐ Radio ☐ TV ☐ Billboard(s) ☐ Other (Specify)

NAME OF NEWSPAPER, RADIO OR TV STATION	RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE	SIZE/DURATION OF ADVERTISING

6. BROCHURES, SIGNS AND HUD'S FAIR HOUSING POSTER:

(1) Will brochures, leaflets, or handouts be used to advertise? ☐ Yes ☐ No. If yes, attach a copy or submit when available. (2) For project site sign, indicate sign size ______ x ______; Logotype size ______ x ______. (3) HUD's Fair Housing Poster must be conspicuously displayed wherever sales/rentals and showings take place. Fair Housing Posters will be displayed in the ☐ Sales/Rental Office(s); ☐ Real Estate Office(s); ☐ Model Unit(s);
☐ Other (Specify)________________

** Failure to complete each section will delay approval of the AFHMP.*

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5. COMMUNITY CONTACTS

To further inform the group(s) least likely to apply about the availability of the housing, the applicant agrees to establish and maintain contact with the groups/organizations listed below that are located in the housing market area or SMSA. If more space is needed, attach an additional sheet. Notify MHFA of any changes in this list. Attach a copy of correspondence to be mailed to these groups/organizations. (Provide all requested information.)

NAME OF GROUP/ORGANIZATION	RACIAL/ETHNIC IDENTIFICATION	APPROXIMATE DATE OF CONTACT OR PROPOSED CONTACT	PERSON CONTACTED OR TO BE CONTACTED

ADDRESS AND TELEPHONE NUMBER	METHOD OF CONTACT(S)	INDICATE THE SPECIFIC FUNCTION GROUP/ORGANIZATION WILL UNDERTAKE IN IMPLEMENTING THE MARKETING PROGRAM

6. FUTURE MARKETING ACTIVITIES (Rental Units Only)

Check the block(s) that best describe future marketing activities to fill vacancies as they occur after the project has been initially occupied.

☐ Newspapers/Publications ☐ Radio ☐ TV ☐ Brochures/Leaflets/Handouts ☐ Site Signs

☐ Community Contacts ☐ Others *(Specify)* ____________________

7. EXPERIENCE AND STAFF INSTRUCTIONS

A. Indicate any experience in marketing housing to the group(s) identified as least likely to apply.

B. Indicate training to be provided to staff on federal, state and local fair housing laws and regulations, as well as this AFHM Plan. Attach a copy of the instructions to staff regarding fair housing.

8. ADDITIONAL CONSIDERATIONS

9. *ANTICIPATED OR ACTUAL RESIDENT DEMOGRAPHICS*

Please list the number of persons, use real numbers not percentages, that you anticipate will occupy or presently occupy the units as a result of your affirmative marketing efforts.

____ White ____ Blacks ____ Asians ____ Indians ____ Hispanics ____ Disabled

____ Single-Headed Households ____ Persons on Public Assistance

10. SIGNATURES

By signing this form, the applicant agrees, after appropriate consultation with MHFA, to change any part of the plan covering a project to assure continued compliance with affirmative fair housing marketing regulations.

SIGNATURE OF PERSON SUBMITTING PLAN

NAME *(TYPE OR PRINT)*

TITLE AND COMPANY

DATE

FAIR HOUSING DIVISION USE ONLY

APPROVAL BY	DISAPPROVAL BY
SIGNATURE	SIGNATURE
NAME (TYPE OR PRINT)	NAME (TYPE OR PRINT)
TITLE	TITLE
DATE	DATE

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Appendix H
Department of Trade and Economic Development
Community FHEO Summary Sheet:
Small Cities Development Program

Illustration 1-2

Community FHEO Summary Sheet

Small Cities Development Program
State of Minnesota

Locality: ______________________________ Date: ______________

Type of Government: ______________ Prepared by: ______________________

Chief Executives:

______________________________ ______________________________

______________________________ ______________________________

Council or Board Representives:

Name (* if minority; • if female)	**District Represented** (* if LMI dominant)

☐ Are Members Appointed? ☐ Elected? ☐ At Large? ☐ By District?

Community Development:

What department is responsible for community and economic development in the community? ______________________________

Name of Director: ______________ Telephone Number: ______________

How does the community encourage citizen participation? ______________________________

____

Community Organizations:

List organizations with active interest in community development:

Organization Name	**Contact**	**Address and Telephone Number**

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Has the community received previous HUD CDBG/Minnesota SCDP grants? ____________

Type	Year

Population Characteristics:

Individuals	Total	Male	Female	Over 65		
				Total	Male	Female
Total						
Minority						
Non-minority						

Population by Race	Number	Percentage
White, Not Hispanic		
Black, Not Hispanic		
American Indian/Native Alaskan		
Hispanic		
Asian		
Other		

Household Characteristics:

Category		Total Units	LMI	Minority	Female Head of Household	Over 65
Number of Units	Owner					
	Renter					
	Total					
Project Area (if different)	Owner					
	Renter					
	Total					

Community FHEO Summary Sheet

(continued)

Affirmative Action

Does the community have an Affirmative Action Officer? ☐ Yes ☐ No

Name: ______________________________ Telephone Number: ______________

Does the community have a Human Rights Commission? ☐ Yes ☐ No

Name: ______________________________ Telephone Number: ______________

How does the community encourage business/training/employment of minorities, women and low income residents in SCDP assisted projects?

Does the community have written employment and personnel policies? ☐ Yes ☐ No

Are equal opportunity guidelines followed in advertising vacancies? ☐ Yes ☐ No

Does the community maintain employment data sufficiently detailed to allow assessment of composition of employees by:

Sex	☐ Yes	☐ No
Race	☐ Yes	☐ No
Disability Status	☐ Yes	☐ No
National Origin	☐ Yes	☐ No

Does the employment data indicate possible deficiencies in providing employment opportunities to any group? ☐ Yes ☐ No

If yes, explain:

Have any equal employment opportunity complaints been filed against the community?
☐ Yes ☐ No

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Fair Housing

Has the community conducted an analysis to identify barriers/impediments to fair housing choices? ☐ Yes ☐ No

Did the analysis include a review of :

Demographics	☐ Yes	☐ No
Zoning/planning issues	☐ Yes	☐ No
Housing patterns based on race, disability, etc.	☐ Yes	☐ No
Lending and property insurance practices	☐ Yes	☐ No
Housing supply/shortages	☐ Yes	☐ No
Number and types of complaints	☐ Yes	☐ No
Other________________________	☐ Yes	☐ No

Did the analysis reveal barriers/impediments to fair housing choices in the community?
☐ Yes ☐ No

If yes, explain and describe actions taken or proposed to remove the identified barriers/impediments:

Low Income/Publicly-Assisted Housing

How many units of low income housing are in the community?____________________

Number of family units ________ Number of elderly units ________ Section 8 Certs ________

Name of government unit responsible for administering publicly-assisted housing programs:

____

(Unit) (Contact Person) (Telephone Number)

Appendix I
Glossary

ADL: activities of daily living.

Affordable Housing: Affordable housing is generally defined as housing where the occupant is paying no more than 30 percent of gross income for gross housing costs, including utility costs.

AIDS and Related Diseases: The disease of acquired immune deficiency syndrome or any conditions arising from the etiologic agent for acquired immune deficiency syndrome.

Alcohol/Other Drug Addiction: A pattern of pathological use accompanied by the physical manifestations of increased tolerance to the chemical or chemicals being used or withdrawal syndrome following cessation of chemical use.

Certification.: A written assertion, based on supporting evidence, that must be kept available for inspection by HUD, by the Inspector General of HUD, and by the public. The assertion shall be deemed to be accurate unless HUD determines otherwise, after inspecting the evidence and providing due notice and opportunity for comment.

Chemical Abuse: a pattern of inappropriate and harmful use which is operationalized as the use of a chemical that exceeds social or legal standards of acceptability, the outcome of which is characterized by three or more of the following:

A. weekly use or intoxication;

B. inability to function in a social setting without becoming intoxicated;

C. driving after consuming sufficient chemicals to be considered legally impaired under Minnesota Statutes, section 169.121, whether or not an arrest takes place;

D. excessive spending on chemicals that results in an inability to meet financial obligations;

E. loss of friends due to behavior while intoxicated; or

F. chemical use that prohibits the individual from meeting work, school, family, or social obligations.

Chemical abuse also includes inappropriate and harmful patterns of chemical use that are linked to specific situations in an individual's life such as loss of a job, death of a loved one, or sudden change in life circumstances. Chemical abuse does not involve a pattern of pathological use, but may progress to pathological use.

Committed: Generally means there has been a legally binding commitment of funds to a specific project to undertake specific activities.

Consolidated Plan: The document that is submitted to HUD that serves as the planning document (comprehensive housing affordability strategy and community development plan) of the jurisdiction and an application for funding under any of the Community Planning and Development formula grant programs (CDBG, ESG, HOME, or HOPWA), which is prepared in accordance with the process prescribed in this part.

Cost Burden (Cost Burden > 30%): The extent to which gross housing costs, including utility costs, exceed 30 percent of gross income, based on data published by the U.S. Census Bureau.

Developmental Disabilities: a severe, chronic disability of a person five years of age or older which is attributable to a mental or physical impairment or a combination of mental and physical impairments; is manifested before the age of 22, is likely to continue indefinitely; results in substantial functional limitations in three or more areas of major life activity, which are self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency. The disability must also reflect the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are lifelong or extended duration and are individually planned and coordinated.

Minnesota provides services to individuals who are diagnosed as having mental retardation or a related condition. The definition of mental retardation or related condition (MR/RC) provided in Minnesota Rules, Parts 9525.0004 - 9525.0036 is more restrictive than the definition of "developmental disability" as outlined in the Developmental Disabilities Act. According to Minnesota Rules 9525.0016, Subpart 2, a person with mental retardation is someone who has been diagnosed as having substantial limitations in present functioning, manifested as significantly subaverage intellectual functioning, existing concurrently with demonstrated deficits in adaptive behavior and who manifests these conditions before the age of 22. A person with a related condition is a person who has been diagnosed as having a severe chronic disability that meets all of the following conditions:

(1) is attributable to cerebral palsy, epilepsy, autism, Prader-Willi syndrome, or any other condition, other than mental illness as defined under Minnesota Statutes, section 245.4871, subdivision 15, found to be closely related to mental retardation because the condition results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with mental retardation and requires treatment or services similar to those required for persons with mental retardation;

(2) is manifested before the age of 22;

(3) is likely to continue indefinitely; and

(4) results in substantial functional limitations in three or more of the following areas of major life activity: (a) self care; (b) understanding and use of language; (c) learning; (d) mobility; (e) self-direction; or (f) capacity for independent living.

Elderly Household: For HUD rental programs, a one or two person household in which the head of the household or spouse is at least 62 years of age.

Elderly Person: A person who is at least 62 years of age.

Emergency Shelter: Any facility with overnight sleeping accommodations, the primary purpose of which is to provide temporary shelter for the homeless in general or for specific populations of the homeless.

Existing Homeowner: An owner-occupant of residential property who holds legal title to the property and who uses the property as his/her principal residence.

Extremely Low Income Household (Family): Households whose income is between 0 and 30 percent of the state's median household income.

Family: See definition in 24 CFR 812.2 (The National Affordable Housing Act definition required to be used in the CHAS rule differs from the Census definition). The Bureau of Census defines a family as a householder (head of household) and one or more other persons living in the same household who are related by birth, marriage or adoption.

Family Self-Sufficiency (FSS! Program): A program enacted by Section 554 of the National Affordable Housing Act which directs Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to use Section 8 assistance under the rental certificate and rental voucher programs, together with public and private resources to provide supportive services, to enable participating families to achieve economic independence and self-sufficiency.

Federal Preference for Admission: The preference given to otherwise eligible applicants under HUD's rental assistance programs who, at the time they seek housing assistance, are involuntarily displaced, living in substandard housing, or paying more than 50 percent of family income for rent. (See, for example, 24 CFR 882.219.)

First-Time Homebuyer: An individual or family who has not owned a home during the three year period preceding the HUD-assisted purchase of a home that must be used as the principal residence of the homebuyer, except that any individual who is a displaced homemaker (as defined in 24 CFR 92) or a single parent (as defined in 24 CFR 92) may not be excluded from consideration as a first-time homebuyer on the basis that the individual, while a homemaker or married, owned a home with his or her spouse or resided in a home owned by the spouse.

For Rent: Year round housing units which are vacant and offered/available for rent. (U.S. Census definition)

For Sale: Year round housing units which are vacant and offered/available for sale only (U.S. Census definition)

Frail Elderly: a person over the age of 62 (both those who are in institutions and in the community) who have a great deal of difficulty with two or more ADLs. This is roughly comparable to case mix "A" level of functioning. (Approximately 25 percent of the institutionalized elderly population is case mix "A" which means they could reside in supportive housing instead of a nursing home if such arrangements were appropriately available. In addition, it is estimated that 2.5 percent of the non-institutionalized elderly population 62+ is dependent in 2+ ADLs or at the same case mix "A" level, and therefore prime candidates for supportive housing. These estimates do not take into account individual preferences.)

HOME: The HOME Investment Partnerships Program, which is authorized by Title II. of the National Affordable Housing Act.

Homeless Family with Children: A family composed of the following types of homeless persons: at least one parent or guardian and one child under the age of 18; a pregnant woman; or a person in the process of securing legal custody of a person under the age of 18.

Homeless Person: A youth (17 years or younger) not accompanied by an adult (18 years or older) or an adult without children, who is homeless (not imprisoned or otherwise detained pursuant to an Act of Congress or a State law), including the following:

(1) An individual who lacks a fixed, regular, and adequate nighttime residence; and
(2) An individual who has a primary nighttime residence that is:
 (i) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);

(ii) an institution that provides a temporary residence for individuals intended to be institutionalized; or
(iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Homeless Subpopulations: Include but are not limited to the following categories of homeless persons: severely mentally ill only, alcohol/drug addicted only, severely mentally ill and alcohol/drug addicted, fleeing domestic violence, youth, and persons with HIV/AIDS.

Hispanic Origin: Those who classified themselves as being Mexican, Puerto Rican, or Cuban, or being from Spain or a Spanish-speaking country, or being Hispanic, Latino, etc. Origin is viewed by the Census Bureau as ancestry, nationality group, lineage or country of birth of the person or the person's parents or ancestors prior to arrival in the U.S. Persons of Hispanic Origin can be of any race.

Household: All persons who occupy a housing unit as their usual place of residence. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Householder: Based on the census form, households are classified according to the way the first person listed is related to the other people living in the household. Any adult household member 15 years old and older could be designated as the householder.

Housing Unit: An occupied or vacant house, apartment, mobile home, group of rooms, or a single room (SRO housing) that is intended as separate living quarters.

HUD: The United States Department of Housing and Urban Development.

Institutions/institutional: Group quarters for persons under care or custody (U.S. Census definition).

Large Family (Related): A household of 5 or more persons which includes at least one person related to the householder by blood, marriage or adoption.

Lead-Based Paint Hazards: Any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects as established by the appropriate Federal agency.

Low-income Household (Family): Households whose incomes are between 31 percent and 50 percent of the state's median household income.

Median Household Income: The level of income at which half of all household incomes are below this income and half of all household incomes are above this income.

Mental Illness: 1 ADULT. (a) "Mental illness" means an organic disorder of the brain or a chronically significant disorder of thought, mood, perception, orientation, memory, or behavior that is listed in the clinical manual of the International Classification of Diseases (ICD-9-CM), current edition, code range 290.0 to 302.99 or 306.0 to 316.0 or the corresponding code in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-MD), current edition, Axes I, II, or III, and that seriously limits a person's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, and recreation.
(b) A "person with acute mental illness" means a person who has a mental illness that is serious enough to require prompt intervention.
(c) For purposes of case management and community support services, a "person with serious and persistent mental illness" means a person who has a mental illness and meets at least one of the following criteria:
1. the person has undergone two or more episodes of inpatient care for a mental illness within the preceding 24 months;
2. the person has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months duration within the preceding 12 months;
3. the person:
i) has a diagnosis of schizophrenia, bipolar disorder, major depression, or borderline personality disorder;
ii) indicates a significant impairment in functioning; and
iii) has a written opinion from a mental health professional, in the last three years, stating that the person is reasonably likely to have future episodes requiring inpatient or residential treatment, of a frequency described in clause (1) or (2), unless ongoing case management or community support services are provided;
4. the person has, in the last three years, been committed by a court as a mentally ill person under chapter 253B, or the person's commitment has been stayed or continued; or
5. the adult was eligible:
i) under clauses (1), (2), (3) or (4), but the specified time period has expired or the adult was eligible as a child under section 245.4871, subdivision 6; and
ii) the adult has a written opinion from a mental health professional, in the last three years, stating that an adult is reasonably likely to have future episodes requiring inpatient or residential treatment, of a frequency described in clause (1) or (2), unless ongoing case management or community support services are provided.

2. CHILD. Minnesota Statute 245.462, subdivision 6, for purposes of eligibility for case management and family community support services, "child with severe emotional disturbance" means a child who has an emotional disturbance and who meets one of the following criteria:

(1) the child has been admitted within the last three years or is at risk of being admitted to inpatient treatment or residential treatment for an emotional disturbance; or

(2) the child is a Minnesota resident and is receiving inpatient treatment or residential treatment for an emotional disturbance through the interstate compact; or

(3) the child has one of the following as determined by a mental health professional:

(i) psychosis or a clinical depression; or

(ii) risk of harming self or others as a result of an emotional disturbance; or

(iii) psychopathological symptoms as a result of being a victim of physical or sexual abuse or of psychic trauma within the past year; or

(4) the child, as a result of an emotional disturbance, has significantly impaired home, school, or community functioning that has lasted at least one year or that, in the written opinion of a mental health professional, presents substantial risk of lasting at least one year. The term "child with severe emotional disturbance" shall be used only for purposes of county eligibility determinations. In all other written and oral communications, case managers, mental health professionals, mental health practitioners, and all other providers of mental health services shall use the term "child eligible for mental health case management" in place of "child with severe emotional disturbance."

<u>Middle Income Household (Family)</u>: Households whose incomes are between 81 percent and 95 percent of the state's median family income.

<u>Moderate Income Household (Family):</u> Households whose incomes are between 51 percent and 80 percent of the state's median family income.

<u>Non-Homeless Persons with Special Needs</u>: Includes frail elderly persons, persons with AIDS, disabled families, and families participating in organized programs to achieve economic self-sufficiency.

<u>Occupied Housing Unit</u>: A housing unit that is the usual place of residence of the occupant(s). A housing unit not meeting this criterion is considered vacant.

<u>Other Household:</u> A household of one or more persons that does not meet the definition of a Small Related household, Large Related household or Elderly Household.

Overcrowded: A housing unit containing more than one person per room (U.S. Census definition).

Owner: A household that owns the housing unit it occupies (U.S. Census definition).

Person with a disability: A person who is determined to:

(1) have a physical, mental or emotional impairment that:
  (i) is expected to be of long-continued and indefinite duration;
  (ii) substantially impedes his or her ability to live independently; and
  (iii) is of such a nature that the ability could be improved by more suitable housing conditions; or

(2) have a developmental disability, as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6007); or

(3) be the surviving member or members of any family that had been living in an assisted unit with the deceased member of the family who had a disability at the time of his or her death.

Physically Disabled Person: a person who:

1. because of disability cannot walk without significant risk of falling;
2. because of disability cannot walk 200 feet without stopping to rest;
3. because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;
4. is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter;
5. has an arterial oxygen tension (PAO2) of less than 60 mm/Hg on room air at rest;
6. uses portable oxygen;
7. has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association;
8. has lost an arm or a leg and does not have or cannot use an artificial limb; or
9. has a disability that would be aggravated by walking 200 feet under normal environmental conditions to an extent that would be life threatening.

PUMS: Public Use Microdata Sample . PUMS data is based on the housing unit and the persons in the housing unit, in broad geographical areas (PUMA's-public use microdata areas, based of population areas of 100,000 persons, which may be a county, a portion of a county, or a collection of counties). PUMS data is a subsample of the full census sample. The PUMS subsample received the census long-form questionnaire, which asked additional questions on the characteristics of the housing unit and the persons in it.

Race: The concept of race, used by the Census Bureau, reflects self-classification by respondents according to the race with which they most closely identify. The five major racial groups used by the Census Bureau -- white, black, Asian or Pacific Islander, American Indian and "other" -- are a synthesis of over 800 racial categories identified by respondents.

Regional Treatment Centers: State hospitals which treat individuals with developmental disabilities, mental illness, or chemical dependency.

Rent Burden > 30% (Cost Burden): The extent to which gross rents, including utility costs, exceed 30 percent of gross income, based on data published by the U.S. Census Bureau.

Rent Burden > 50% (Severe Cost burden): The extent to which gross rents, including utility costs, exceed 50 percent of gross income, based on data published by the U.S. Census Bureau.

Rental Assistance: Rental assistance payments provided as either project-based rental assistance or tenant-based rental assistance.

Renter: A household that rents the housing unit it occupies, including both units rented for cash and units occupied without cash payment of rent (U.S. Census definition).

Reprisal: It is an unfair discriminatory practice for any employer, labor organization, employment agency, public accommodation, public service, educational institution, or owner, lessor, lessee, sublessee, assignee or managing agent of any real property, or any real estate broker, real estate salesperson, or employee or agent thereof to intentionally engage in any reprisal against any person because that person:

(1) Opposed a practice forbidden under this chapter or has filed a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this chapter; or

(2) Associated with a person or group of persons who are disabled or who are of different race, color, creed, religion, sexual orientation, or national origin.

A reprisal includes but is not limited to, any form of intimidation, retaliation, or harassment. It is a reprisal for an employer to do any of the following with respect to an individual because that individual has engaged in the activities listed in clause (1) or (2): refuse to hire the individual; depart from any customary employment practice; transfer or assign the individual to a lesser position in terms of wages, hours, job classification; job security, or other employment status; or inform another employer that the individual has engaged in the activities listed in clause (1) or (2).

Service Needs: The particular services identified for special needs populations, which typically may include transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services to prevent premature institutionalization and assist individuals to continue living independently.

Severe Cost Burden (Cost Burden > 50%): The extent to which gross housing costs, including utility costs, exceed 50 percent of gross income, based on data published by the U.S. Census Bureau.

Severe Mental Illness: A serious and persistent mental or emotional impairment that significantly limits a person's ability to live independently. See Minnesota Statutes 245.462 subdivision 20, "Serious and Persistent Mental Illness".

Sheltered: Families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter, including emergency shelters, transitional housing for the homeless, domestic violence shelters, residential shelters for runaway and homeless youth, and any hotel/motel/apartment voucher arrangement paid because the person is homeless. This term does not include persons living doubled up or in overcrowded or substandard conventional housing. Any facility offering permanent housing is not a shelter, nor are its residents homeless.

Single Person Households: Consists solely of the householder. If the householder is over the age of 62, the household is classified as an elderly single household.

Small Family (Related): A household of 2 to 4 persons which includes at least one person related to the householder by birth, marriage, or adoption.

Substandard Condition: A unit containing four or more of the following conditions: built prior to 1979; lack of complete plumbing (complete units containing hot and cold piped water, flush toilet, and bathtub or shower); lack of complete kitchen facilities (complete facilities containing sink with piped water, range or cookstove, and refrigerator); lack of telephone; sewage system other than public or septic; a dug well or spring creek water source; fuel oil/kerosene, coal wood, other or no fuel source.

Supportive Housing: Housing, including Housing Units and Group Quarters, that have a supportive environment and includes a planned service component. Note: this definition is different than DHS' definition.

Supportive Service Need in FSS Plan: The plan that PHAs administering a Family Self Sufficiency program are required to develop to identify the services they will provide to participating families and the source of funding for those services. The supportive services may include child care, transportation, remedial education, education for completion of secondary or post secondary schooling, job training, preparation and counseling, substance abuse treatment and counseling, training in homemaking and parenting skills, money management, and household management; counseling in homeownership, job development and placement, follow-up assistance after job placement, and other appropriate services.

Supportive Services: Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, child care, transportation, and job training.

Transitional Housing: A project that is designed to provide housing and appropriate supportive services to homeless persons to facilitate movement to independent living within 24 months, or a longer period approved by HUD. For purposes of the HOME program, there is no HUD-approved time period for moving to independent living.

Unsheltered: Families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., streets, parks, alleys).

Vacant Housing Unit: Unoccupied year-round housing units that are available or intended for occupancy at any time during the year.