



Minneapolis Bows To AFFH Rule

The Minneapolis-St. Paul, MN metro area will accept HUD's requirements under its new Fair Housing Act (FHA) rule to desegregate the region's suburban neighborhoods. The acceptance by the Twin-Cities settles a fair housing complaint brought by four housing activist groups.

"The agreements will serve as the foundation to promote housing opportunities and comprehensive regional housing planning that address residential integration and segregation within Minneapolis, St. Paul and the Twin Cities metro area," HUD says.

Under HUD's new interpretation of the 1968 FHA -- the Affirmatively Furthering Fair Housing rule -- communities receiving federal subsidies (primarily housing funding and Community Development Block Grant awards) must adjust their zoning rules to allow high density development for low-income housing in single-family home neighborhoods if HUD determines a community failed through the years to comply with federal requirements to house poor families.

Communities are offered an ultimatum if HUD determines they either violated the 1963 Civil Fraud Act by falsifying their reports to the department or used other methods to mask spending priorities. Communities are required to comply with requirements to use a percentage of their federal subsidies to build low-income housing in locations other than minority-concentrated inner-city ghettos.

Cities that HUD determines are guilty of doctoring reports in order to show compliance must either accept the department's mandate to change their zoning rules to adopt what HUD calls "inclusionary zoning" or lose all federal subsidies and possibly repay already spent financial assistance.

HUD's inclusionary zoning concept relies on relocation of poor minority families to high opportunity neighborhoods -- those with good housing and schools, abundant job opportunities and mass transit access -- to elevate their social, academic and economic standings.

“These agreements place Minneapolis and St. Paul at the forefront of city and regional planning that incorporates fair housing as one of its stated goals,” says Gustavo Velaquez, HUD assistant secretary for Fair Housing & Equal Opportunity.

HUD says it will attempt to use the Minneapolis-St. Paul settlement as a national model for its new AFFH enforcement strategy.

“Under the agreements, the city of Minneapolis and the city of St. Paul will move forward on plans to revise a regional fair housing analysis within a year, taking advantage of new tools provided through HUD’s *Affirmatively Furthering Fair Housing Rule* (italics provided by HUD),” HUD explains. “The cities’ analysis will identify barriers that affect the rights of fair housing choice within the cities’ jurisdiction and region, including patters of integration and segregation, racially or ethnically concentrated areas of poverty, and disparities in access to opportunity and disproportionate housing needs with no admissions of liability.”

HUD settles on the Twin Cities as a possible AFFH enforcement model after an attempt to use affluent Westchester County, NY as the model collapsed following nearly seven years of bickering over interpretation of its 2009 agreement to change local zoning rules.

A similar HUD move earlier this year requires Baltimore County, MD to begin building housing for poor families from Baltimore City’s inner-city neighborhoods (see **HAL 03-18-2016 issue No. 12**). But the Minnesota agreement gives HUD the opportunity to focus on dispersal of poor minority families from major inner-city ghettos to surrounding suburbs.

The Twin Cities agreement settles a 2015 complaint from the Metropolitan Interfaith Council on Affordable Housing, the Webber-Camden Neighborhood Organization, the Whittier Alliance, and the Folwell Neighborhood Association accusing the cities of failing to comply with all of HUD’s civil rights requirements in their spending of affordable housing allocations.

The cities must now develop a new study showing racial and ethnic disparities in each of the regions’ ZIP codes. They must also accept the supervision of an independent federal monitor and participate in a regional fair housing planning process including the creation of an advisory committee to ensure compliance with the HUD mandate.

Minneapolis officials are already facing a backlash from landlords over a city proposal to require landlords to accept Section 8 housing vouchers even if they don’t want to participate in a federal housing program (see **HAL 06-10-16 Issue No. 24 for details**). The same dilemma roiled the Westchester settlement.

6/17/16 12:58 AM