

### **Federal Fair Housing Discrimination Complaint Dismissed Against Sale of a Minnesota Community**

A HUD investigation concluded that "no reasonable cause exists to believe that a discriminatory housing practice has occurred."

The complainant filed last September, by AEON and residents, alleged that the sale of the community to a developer violated the Fair Housing Act and denied homeowners their first right of refusal to buy the community, under Minnesota Statute 327C.095; and, further claimed the sale had a disparate impact on displaced Latino residents, who apparently comprised about a quarter of the residents.

The investigation by HUD concluded that "no reasonable cause exists to believe that a discriminatory housing practice has occurred." Apparently, within the past week, some type of additional relocation compensation for displaced homeowners has been agreed to by the City and the developer.

#### **Regarding its dismissal of the disparate impact claim, HUD stated;**

To establish a prima facie case of discrimination in violation of Sections 804(a) and 804(b) of the Act based on disparate impact, the following elements must be met:

1. The policy or practice in question negatively affects a particular protected class to a much greater extent than it affects others; and
2. The disparity is actually caused by the policy or practice in question.

The first element has not been met because Complainants have not identified a facially neutral, generally applicable policy or practice; rather, they have identified a single act or decision of Respondent Lowry Grove to sell the Park to Respondent Village. Secondly, most of the residents of the Park are non-Hispanic and presumably, low income, thus, in all likelihood, the decision does not have a greater impact on Hispanic residents.

The second element is also not met because there is no policy or practice identified by Complainants. Rather, there is a single occurrence of the sale of the Park.

#### **V. CONCLUSION**

For the reasons set forth above, there is no reasonable cause to believe that the Act was violated, as alleged. This Determination only addresses the violations of the Act alleged in the complaint and does not address any potential violations of any other provision of law. A determination is limited to the facts developed in a specific investigation and is not a determination of compliance with all requirements of the Act.