

A Place to Call Home: Source of Income Protection

Authors: Farhiya Dini, BSW, MSW Candidate; Ally Petersen, BS, MSW Candidate; Olivia Rivers, BS, MSW Candidate; Sierra Wieneke, BS, MSW Candidate

Minnesota State University, Mankato, Department of Social Work – April 2024

HOUSING: A BASIC NEED, A HUMAN RIGHT.

Issue Statement

In 2010, the Court of Appeals wrongly applied the Minnesota Human Rights Act when it ruled to allow landlords to discriminate against someone who is a recipient of a federal public assistance program. Minnesota should clarify what has been the law in Minnesota for 50+ years: Refusing to rent to someone because they are a recipient of federal, state, or local public assistance, including housing voucher programs (such as Section 8) and VASH (Veterans Affairs Supportive Housing), is a violation of the Minnesota Human Rights Act, it is discrimination, and it is illegal. Freedom from discrimination in housing must be the public policy in Minnesota for all Minnesota, regardless of the source of income used to pay rent.



Lee's Story

[Lee Greene](#) has been an excellent tenant at his apartment for 18 years. He acquired a disability as a result of a traumatic brain stem injury. His monthly disability benefits became his primary source of income. He became extremely rent-burdened with most of his fixed income used to pay his rent. Each month he was forced to make tough decisions about what bills would be paid. Living like this was not sustainable. He applied for the Housing Choice Voucher Program (commonly known as Section 8) and was placed on a waitlist. He was on the brink of homelessness. Finally, some good news. He was awarded a Housing Choice Voucher. Sadly, his landlord did not want to participate in the Housing Choice Voucher program. This left Lee having to scramble to find a place to rent that would accept his voucher. Was Lee a good tenant? Yes. He had an 18-year record of being a good tenant. What changed? His source of income.

Lee is not alone. According to the [American Bar Association](#), “ever since the HCV voucher was created, landlords and property management companies have routinely rejected voucher holders or found ways to discourage their applications.”

The National Fair Housing Alliance’s most recent [Fair Housing Trends Report](#) (2023) indicates that in 2022 there were 33,007 housing complaints, the highest number of complaints in a single year. Complaints of discrimination increased in two categories: domestic violence and source of income (SOI). The number of complaints is believed to be a drop in the bucket. Most incidents of housing discrimination go undetected and unreported.

The policy recommendations are not endorsed by Minnesota State University, Mankato.

Fair Housing Policy in Minnesota

FREEDOM FROM DISCRIMINATION IS THE PUBLIC POLICY OF MINNESOTA.

It is the [policy in Minnesota](#) to promote fair housing in accordance with the federal [Fair Housing Act](#), Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, and the Minnesota Human Rights Act. Minnesota Statute [363A.09](#) defines unfair discriminatory practices in housing to include "refusal to sell, rent, or lease or otherwise deny or withhold from any person or group of persons any real property" in nine protected class categories:

- Race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, and familial status.

The Minnesota Human Rights Act

The [Minnesota Human Rights Act](#) was enacted in 1967 and is the State's law prohibiting discrimination (unfair or prejudicial treatment) in employment, housing, public accommodations, public services, education, credit, and business based on protected class status in nine categories (listed above). In 1973, "status with regard to public assistance" was added as a protected class.

Minnesota Statute [363A.02](#) states that "discrimination threatens the rights and privileges of the inhabitants of this state and menaces the institutions and foundations of democracy." The Minnesota Department of Human Rights enforces the Minnesota Human Rights Act. Among the Department's duties are to receive and investigate complaints of discrimination.



Understanding the Need to Clarify SOI Protection

Source of Income discrimination mainly effects renters of color, women, and people with disabilities.

[Twenty-two states](#), the District of Columbia and many local jurisdictions prohibit source of income discrimination in housing. [Minnesota](#) is one of five states that has limited protections or protections weakened by the Courts. In Minnesota, the Court of Appeals ruled that because participation in the Section 8 program is voluntary, it is not unlawful for property owners to refuse to rent to participants in the Section 8 program.

Housing Choice Voucher Program



A [2018 HUD study](#) found lower voucher denial rates in jurisdictions that have legal protections against voucher discrimination.

Public support for paying rent can come in the forms of federal, state, and local government assistance, the Housing Choice Voucher Program, commonly known as Section 8, or some other form of public assistance. In 2023, the Housing Choice Voucher Program supported approximately [2.3 million household](#) and almost [5.25 million people](#). HCV is the largest rental assistance program in the United States. However, fewer landlords are accepting the vouchers leaving many under-resourced families struggling to find safe, stable, and affordable homes.

The [Housing Choice Voucher](#) (HCV) Program is a 56-year-old federal program designed to assist low-income families, older adults, and people with disabilities in obtaining safe and affordable housing. [Eligibility criteria in Minnesota](#) includes:

- Income limits that vary based on the size of the household and county of residence (see table to the right).
- U.S. citizenship or eligible immigration status.
- Clean criminal record.
- Good rental history.
- Meeting the definition of a “family.”

Family Size	Income Limit
1	\$23,120
2	\$26,400
3	\$29,700
4	\$33,000
5	\$35,650
6	\$38,300
7	\$40,950
8	\$43,600

The application process varies based on the housing authority in the local area. In general, the application process entails contacting the local housing authority, completing an application form with necessary documentation, attending an eligibility interview, waiting for approval and placement on the waiting list.

Obtaining and using an HCV can be a difficult task in and of itself. Obstacles include:

- Restrictive eligibility criteria.
- A long wait to get on the waitlist and then more years to receive the rental assistance.
- Short timeframe (within [60 days](#)) to find a housing unit that will accept the voucher.
- Losing the voucher if unable to secure rental property within the 60-day timeframe.
- Difficulty finding housing that is affordable and meets access needs even with a voucher.

To make matters worse, the discrimination against individuals and families using a voucher forces them to find housing in low-opportunity areas with [fewer economic opportunities](#) and higher levels of crime and pollution. A [pilot study](#) conducted by the U.S. Department of Housing and Urban Development (HUD) found that landlords were more likely to deny housing vouchers in low-poverty areas compared to high poverty areas.

Common Misconceptions about Housing Choice Vouchers

- ✓ The belief that landlords may have to lower their rent to accept housing vouchers. Rental property owners do not have to lower rent if they accept the vouchers.
- ✓ The fear of the administrative burden of federal red tape. The “red tape” is limited to a home inspection of the property and a basic housing contract with the local housing authority.
- ✓ Not being able to apply their usual [background screening](#) criteria. Landlords can use their regular screening criteria regarding tenant history (including criminal background or credit history).
- ✓ Not being able to charge voucher holders a security deposit. Landlords can charge a security deposit.
- ✓ There are no benefits to rental property owners. Housing assistance is a guaranteed source of income. Most programs will provide direct payments to landlords, eliminating issues with missed or late payments.

Policy Position Statement and Recommendations

Housing is a basic human need and should be afforded to everyone as a human right. Source of income discrimination forces individuals and families into low-opportunity communities with fewer chances for social and economic mobility. Minnesota legislators must clarify what has been the law in Minnesota for 50+ years. Minnesota legislators must revise the Minnesota Human Rights Act to include clear language prohibiting source of income discrimination from all sources of income, including housing voucher programs (such as Section 8) and VASH (Veterans Affairs Supportive Housing).

For these reasons, we recommend the following:

- Revise the Minnesota Human Rights Act to include clear language that prohibits any person from refusing to rent to someone because they are a recipient of a federal, state, or local public assistance program, including housing voucher programs such as Section 8 and VASH (Veterans Affairs Supportive Housing) ([HF3640/SF3780](#)).
- Put measures in place to reduce or eliminate landlord opposition and misconceptions. Provide resources for the Minnesota Department of Human Rights and local housing authorities to educate property owners about the reliability of vouchers as a source of rental payment and ensure they understand that market rate rents, security deposits, and regular tenant screening criteria all apply to voucher holders.
- Ensure that the Minnesota Department of Human Rights is sufficiently funded and held responsible for monitoring and enforcing source of income antidiscrimination laws, including investigating complaints and performing regular compliance testing.



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