



**STAFF REPORT NO. 57**  
**CITY COUNCIL MEETING**  
**4/13/2021**

REPORT PREPARED BY: Julie Urban, Housing and Redevelopment Manager

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director  
4/6/2021

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: Katie Rodriguez, City Manager  
4/6/2021

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider a resolution supporting the City's participation in the Just Deeds Coalition, which works to facilitate the removal of discriminatory covenants from property deeds.**

**EXECUTIVE SUMMARY:**

The Just Deeds project is a coalition of organizations whose mission it is to acknowledge, educate, and work to address systemic racism in housing in Minnesota. Coalition members provide free help to homeowners to find and discharge discriminatory covenants from property titles. Just Deeds is reaching out to Richfield and other Minnesota cities to participate in the project to work together to dismantle racist systems.

Racial or discriminatory covenants were a common tool used from the early 1900s until the 1960s to prevent Black, Indigenous, People Of Color (BIPOC), and non-Christians from buying property and living in residential neighborhoods across the country, including in the City of Richfield. Property deed language commonly stated: "no person of any race other than the Caucasian race shall use or occupy any building on any lot, except that this covenant shall not prevent occupancy by domestic servants of a different race domiciled with an owner or tenant."

While unequivocally deemed illegal with the passage of the Fair Housing Act in 1968, this discriminatory practice had a far-reaching impact on the development of the Twin Cities and communities of color, resulting in racially segregated communities and creating severe inequities between white and BIPOC communities still felt today.

Using data collected by the Mapping Prejudice project, a map of the racial covenants that exist in Richfield has been created and is attached. There are 3,714 parcels in the City that contain some form of racial covenant on the property deed. Included in that list are 27 parcels owned by the City or Housing and Redevelopment Authority (HRA). The properties include Wood Lake Nature Center, several parks, some right-of-way and three HRA-owned parcels.

Action taken by the State Legislature in 2019 has made it possible for property owners to formally discharge the covenant on their property title. The discharge doesn't remove the language but instead acknowledges it and its harmful intent and formally renounces this racist tool.

By becoming a participant in the Just Deeds project, the City will commit to raising awareness of the inequities caused by these racist tools, renounce the covenants on our own properties, and assist residents with filing a discharge of any racial covenant.

### **RECOMMENDED ACTION:**

**By motion: Adopt a resolution condemning the use of discriminatory covenants, discharging discriminatory covenants on City-owned property, and approving participation in the Just Deeds Coalition.**

### **BASIS OF RECOMMENDATION:**

#### **A. HISTORICAL CONTEXT**

- In 2016, the Mapping Prejudice project at the University of Minnesota began mapping discriminatory covenants in Hennepin County, exposing the extent of these racist tools and raising awareness of the lasting impacts on BIPOC communities. Building on the Mapping Prejudice work, in 2019, the City of Golden Valley and its Human Rights Commission began working with the Just Deeds coalition to bring awareness to this painful history of discrimination and facilitate the disavowal of racial covenants.
- Staff became aware of racial covenants existing in Richfield when one was found during the platting process for the Municipal Center and when a builder through the Housing & Redevelopment Authority's (HRA) Richfield Rediscovered Credit Program discovered one on a property he'd purchased and brought it to the attention of staff.
- The City began racial equity work in 2018, becoming a member of the Government Alliance for Racial Equity (GARE), and in 2020 took a significant step towards advancing this work by hiring an Equity and Inclusion Administrator. Becoming a participant in the Just Deeds project is another step the City can take towards advancing racial equity in the community and ensuring that all our residents have the opportunity to thrive.
- In 2018, the City took action to begin erasing the inequities caused by housing discrimination perpetuated by racial covenants and other government policies by creating its First-time Homebuyer Program (Program). The Program was created in response to troubling data regarding the disparities in homeownership rates between white households and households of color. According to the 2019 American Community Survey (ACS), 70% of white households own a home while just 31% of households of color own a home in Richfield. The Program is designed and marketed towards people traditionally underrepresented in the homeownership market. Of the first 16 loans issued, 9 have been to households of color.
- On March 15, 2021, representatives from the Just Deeds Coalition presented to members of the City Council, HRA, Planning Commission, and Human Rights Commission. Members present expressed strong support for becoming a participating city.

#### **B. POLICIES (resolutions, ordinances, regulations, statutes, etc):**

- Advancing equity is a core value and goal of the City.
- In 2019, the State passed a law making it possible for a property owner to discharge the discriminatory covenant on their property.

#### **C. CRITICAL TIMING ISSUES:**

Following passage of a resolution, a team of staff people would move forward in the following areas:

1. Create a webpage where residents can look up their property's racial covenant and apply for help to officially discharge the covenant from their property title.
2. Develop a communications plan to inform residents about racial covenants and the Just Deeds project and the importance of not just erasing discriminatory covenants from property records, but formally acknowledging and then renouncing them.
3. Work with the Human Rights Commission to raise awareness of racial covenants, housing discrimination, and the Just Deeds project.
4. Develop partnerships with community organizations to educate and engage

residents.

5. Discharge covenants from City- and HRA-owned properties.

**D. FINANCIAL IMPACT:**

- The cost to the City is in staff time. Hennepin County has waived the normal fees for recording the disavowal.
- The Minnesota Association of City Attorneys (MACA) will be providing pro-bono services to assist people with the process of discharging covenants.

**E. LEGAL CONSIDERATION:**

The Richfield City Attorney has been part of the conversations regarding the Just Deeds project.

**ALTERNATIVE RECOMMENDATION(S):**

Decide not to participate in the Just Deeds project.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Resolution	Resolution Letter
<input type="checkbox"/> Richfield Map of Racial Covenants	Exhibit
<input type="checkbox"/> HRC Letter of Support	Backup Material

## RESOLUTION NO.

### RESOLUTION CONDEMNING THE USE OF DISCRIMINATORY COVENANTS, DISCHARGING DISCRIMINATORY COVENANTS ON CITY-OWNED PROPERTY, AND APPROVING PARTICIPATION IN THE JUST DEEDS COALITION

**WHEREAS**, discriminatory covenants were tools used by real estate developers to prevent Black, Indigenous, People of Color (BIPOC) and non-Christian individuals from buying or occupying property in certain areas, and they were common throughout the United States from the early 1900s to the 1960s; and

**WHEREAS**, the purpose of discriminatory covenants was to racially and religiously homogenize communities by excluding BIPOC and non-Christian individuals from communities. These tools segregated the metro area and built a hidden system of apartheid; and

**WHEREAS**, in 2016, the University of Minnesota founded Mapping Prejudice to expose the racist practices that shaped the landscape of the metro area. Mapping Prejudice researched restrictive covenants in Hennepin County and created the first-ever comprehensive map of racial covenants in an American city. The project mapped 24,131 covenants in Hennepin County, including 3,714 covenants in Richfield; and

**WHEREAS**, an example of a common covenant in Richfield declared that “No persons of any race other than the Caucasian race shall use or occupy any building or any lot, except that this covenant shall not prevent occupancy by domestic servants of different race domiciled with an owner or tenant;” and

**WHEREAS**, the discriminatory covenants in Richfield are spread throughout the community; and

**WHEREAS**, the City of Richfield owns 27 parcels of land that contain a discriminatory covenant, including parcels occupied by Adams Hill Park, Milner Pond, Upton Park, Jefferson Park, Taft Park, and the Woodlake Nature Center, as well as parcels owned by the Housing and Redevelopment Authority; and

**WHEREAS**, City leaders knew about the use of discriminatory covenants and sanctioned their use. For example, the plat of Betcher’s Addition includes the language “no race or nationality other than white persons shall use or occupy any dwelling on any lot except that this covenant shall not prevent the occupancy by domestic servants of a different race when employed by any owner or tenant,” and was approved by the City Council on August 23, 1937; and

**WHEREAS**, restrictive covenants are no longer enforceable. Legal efforts to eliminate Discriminatory Covenants include *Shelley v. Kraemer*, 334 U.S. 1 (1948), in which the United States Supreme Court prohibited courts from enforcing Discriminatory Covenants and the Minnesota Legislature in 1953 enacted statutes that prohibited new

covenants, but existing covenants were still legal in Minnesota until 1962; and

**WHEREAS**, as a result of these judicial and legislative actions, today, Minnesota law and federal law prohibit discrimination in the sale or lease of housing based on race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation, or familial status and those state and federal prohibitions extend to the refusal to sell or to circulate, post or cause to be printed, circulated, or posted, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation, or familial status; and

**WHEREAS**, in 2019, the Minnesota Legislature passed a law authorizing property owners to individually discharge or renounce discriminatory covenants by recording a discharge form in the county property records; and

**WHEREAS**, removing the covenant from a property deed merely erases the painful evidence of past wrongdoing, while formally renouncing the covenant acknowledges the painful past and shines the light on discriminatory practices and the impacts that can still be felt today; and

**WHEREAS**, discriminatory covenants promoted and established residential racial segregation, which historically and currently has impacted property ownership, accumulation of wealth, property transfers, mortgage eligibility, rental eligibility, property values, property tax base, internet access, and more. Discriminatory covenants fortified systemic racism and compounded economic divestment in specific communities within Hennepin County; and

**WHEREAS**, discriminatory covenants created disparities and benefitted White communities as 70% of white households own a home in Richfield compared to just 31% of households of color; and

**WHEREAS**, discriminatory covenants created demographic patterns that remain in place today; and

**WHEREAS**, the State of Minnesota, including the City of Richfield, recognizes the harm that Discriminatory Covenants—and the racial, religious, and other discriminatory practices that they represent—cause to society in general and to the individuals who are adversely affected by racial, religious, and other discrimination through the presence of discriminatory covenants in the public land records.

**BE IT RESOLVED** by the City Council of the City of Richfield that:

1. The City of Richfield disavows and condemns the past use of discriminatory covenants and prohibits discriminatory covenants from being used in the future.
2. Staff and the City Attorney are directed to investigate and to identify all real property owned by the City that contains discriminatory covenants and to prepare and record an affidavit or request an examiner's directive discharging such discriminatory covenants pursuant to Minnesota Statute § 507.18, subd. 5.
3. City staff is directed to participate in the work of the Just Deeds Coalition to educate the community about this and other historically discriminatory practices; to identify contemporary discriminatory systems, policies, and practices; and to take action to dismantle racist systems, practices, and policies in the City of Richfield to create equity for all.

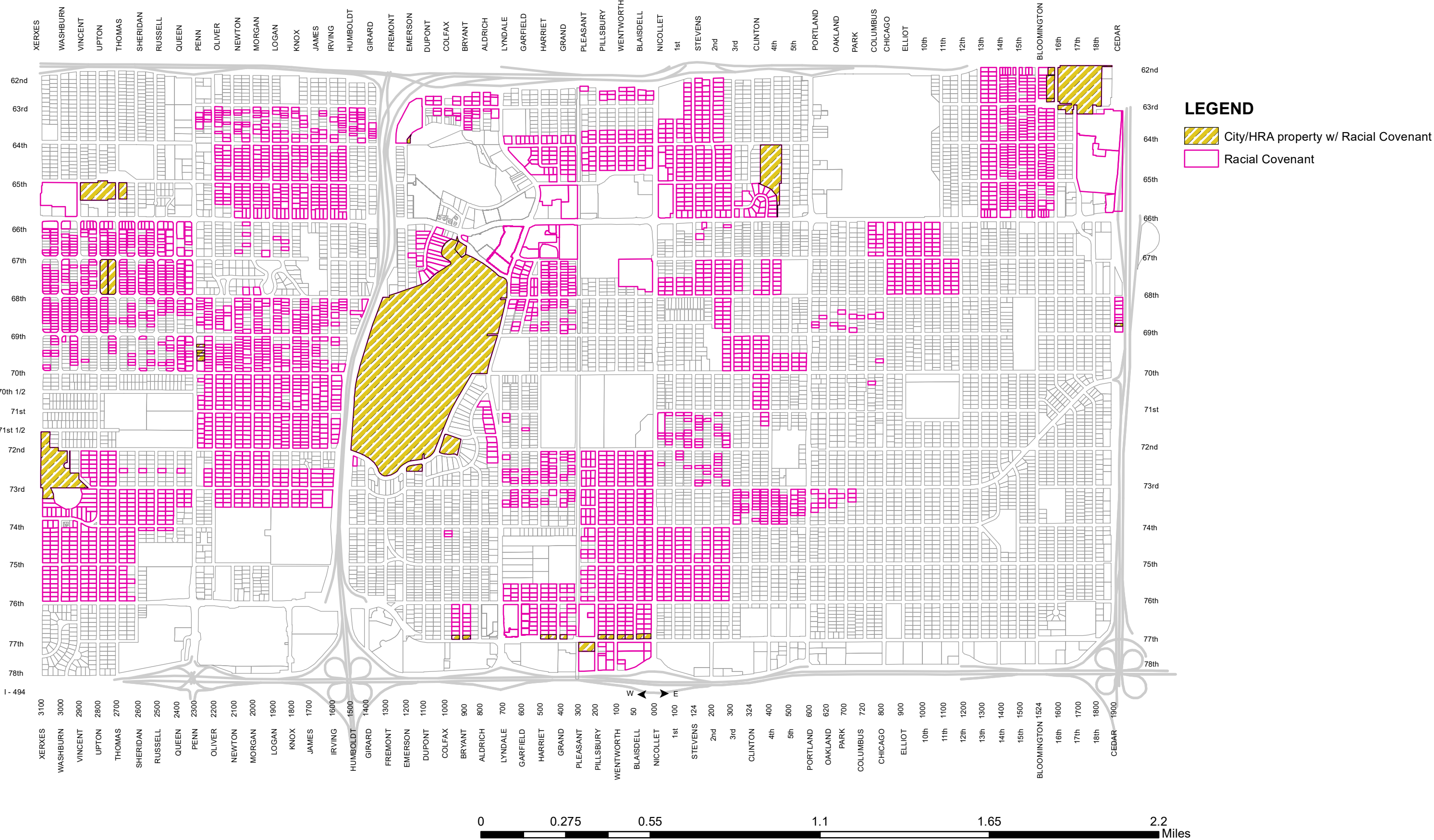
Adopted by the City Council of Richfield, Minnesota this 13<sup>th</sup> day of April, 2021.

Maria Regan Gonzalez, Mayor

ATTEST:

Elizabeth VanHoose, City Clerk

# Racially Restrictive Covenants in Richfield





## City Council Memorandum

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Date: April 7th, 2021

To: Mayor Maria Gonzalez and the Richfield City Council

From: Mara Glubka, Chair, Richfield Human Rights Commission

CC: Melissa Poehlman, Assistant Community Development Director, City of Richfield

Subject: Support for City of Richfield Participation in the Just Deeds Project

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I write to confirm the support of the Human Rights Commission of Richfield (HRC) for participation of the City of Richfield in the Just Deeds Project and urge you to pass a resolution doing the same.

On April 6, 2021, city staff presented information to the HRC related to the history of discriminatory covenants in the United States, the State of Minnesota, and the City of Richfield. It is clear that this racist tool was used to segregate and disenfranchise Black, Indigenous, People of Color (BIPOC), and non-Christian individuals. It is further clear that the impacts of these covenants and other racist policies have compounded over time and today impact property ownership, accumulation of wealth, property transfers, mortgage and rental eligibility, property values, internet access, educational opportunities, and more.

The lasting harm of discriminatory covenants is clear. Further, it is clear that the City of Richfield and other government entities played a role in this discriminatory system through various regulatory processes. I urge the City Council to take an active role in dismantling racist and otherwise discriminatory systems via participation in the Just Deed Project. Through Just Deeds I urge the City Council to approve a resolution that:

- Disavows and condemns the past use of discriminatory covenants and prohibits discriminatory covenants from being used in the future.
- Directs staff and the City Attorney to investigate and identify all real property owned by the City that contains discriminatory covenants and to discharge such covenants pursuant to Minnesota Statute § 507.18, subd. 5.
- Direct staff to participate in the work of the Just Deeds Coalition to educate the community about this and other historically discriminatory practices; to identify contemporary discriminatory systems, policies, and practices; and to take action to dismantle racist systems, practices, and policies in the City of Richfield to create equity for all.

The Richfield Human Rights Commission recommended approval of a resolution stating the same unanimously on April 6, 2021.