



U.S. Department of Housing and Urban Development
Fair Housing and Equal Opportunity
Office of Special Investigations
451 7th Street, SW, Room 5234
Washington, DC 20410

January 15, 2026

By Certified U.S. Mail and Email

The Honorable Jacob Frey
Mayor of Minneapolis
350 S. Fifth St., Room 330
Minneapolis, Minnesota 55415
jacob.frey@minneapolismn.gov

RE: Secretary-Initiated Investigation of the City of Minneapolis, the Division of Race & Equity, and the Community Planning and Economic Development Department

Dear Mr. Frey:

I am the Assistant Secretary for Fair Housing and Equal Opportunity, and I am writing to notify you that, pursuant to the Fair Housing Act,¹ the United States Department of Housing and Urban Development is initiating an investigation into the City of Minneapolis's housing policies, practices, and programs. Under President Trump's historic leadership, "it is the policy of the United States to protect the civil rights of all Americans."² That mandate includes ensuring nationwide compliance with the Fair Housing Act and Title VI of the Civil Rights Act of 1964.

The rise of racial and ethnic favoritism within Minnesota's government is alarming.³ As you well know, Somali fraud in Minnesota has cost the American taxpayer at least \$9 billion.⁴ When responsible Minnesota officials raised concerns about the Somali nonprofit rackets fleecing the United States treasury to fund the lavish lifestyles of the foreign and homegrown criminals who ran them, Governor Tim Walz and his administration turned a blind eye.⁵

¹ See 42 U.S.C. § 3610(a)(1)(A)(iii).

² Exec. Order No. 14173, 90 C.F.R. 8633 (Jan. 21, 2025) (cleaned up).

³ See Daniel Strand, *The Banality of Minnesota Fraud*, FIRST THINGS (Jan. 14, 2026) ("If your ideology emphasizes diversity and acceptance, but you live in a homogeneous society, there is a not-so-latent guilt that makes one vulnerable to race-grifters. Democratic politicians and the Somali community have exploited that vulnerability to great effect.").

⁴ Press Release, H. Comm. on Oversight & Gov't Accountability, 119th Cong., Oversight of Fraud and Misuse of Federal Funds in Minnesota: Part I (Jan. 7, 2026).

⁵ See generally Ryan Thorpe & Christopher F. Rufo, "The Largest Funder of Al-Shabaab Is the Minnesota Taxpayer," CITY J. (Nov. 19, 2025).

Rather than protect the interests of Americans, the Walz administration allowed this fraud to flourish because it worried about “alienat[ing] the Somali community.”⁶ This is a concern you appear to share.⁷ The Walz calculation was political, identitarian, and craven. As former Minnesota state senator David Gaither explained in commenting on this scandal: “If you don’t win the Somali community, you can’t win Minneapolis. And if you don’t win Minneapolis, you can’t win the state.”⁸

This racial favoritism appears to extend to Minneapolis’s housing policy. Specifically, Minneapolis has committed to making available and allocating housing resources based on race and nationality, presenting potential violations of the Fair Housing Act and Title VI.⁹

The Fair Housing Act provides, in pertinent part, that it is illegal “to discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race … or national origin.”¹⁰ Similarly, every entity engaged in “residential real estate-related transactions” is prohibited from discriminating against “any person” in the availability or “terms or conditions of such a transaction because of race … or national origin.”¹¹ Title VI also prohibits racial and national origin discrimination in “any program or activity receiving Federal financial assistance.”¹²

Despite these well-established federal antidiscrimination laws, your “Minneapolis 2040” plan promises to prioritize housing resources for so-called “cultural districts”—that is, areas “significantly populated by people of color, Indigenous people and/or immigrants.”¹³ Minneapolis also vows to “focus on people of color” and “indigenous people” when expanding support programs for homeowners.¹⁴ Minneapolis’s current Strategic and Racial Equity Action Plan claims to tangibly align “racial equity goals with department plans and budgets.”¹⁵ For

⁶ *Id.*

⁷ Blaze Media (@theblaze), X (Dec. 31, 2025, 2:37 PM), <https://x.com/theblaze/status/2006449759339557234> (“Minneapolis Mayor Jacob Frey goes out on stage dancing and waiving a Somalian flag”).

⁸ Thorpe & Rufo, *supra* note 5.

⁹ See U.S. Att’y Gen., Guidance for Recipients of Federal Funding Regarding Unlawful Discrimination (July 29, 2025) (explaining that “federal antidiscrimination laws” apply to “discriminatory practices, including those labeled as Diversity, Equity, and Inclusion (‘DEI’) programs”).

¹⁰ 42 U.S.C. § 3604(b) (cleaned up).

¹¹ 42 U.S.C. § 3605(a) (cleaned up).

¹² 42 U.S.C. § 2000d.

¹³ Minneapolis City Council, *Minneapolis 2040 – The City’s Comprehensive Plan*, 164 (Oct. 25, 2019), https://minneapolis2040.com/media/2018/pdf_minneapolis2040_updated-june-2024.pdf.

¹⁴ *Id.* at 177.

¹⁵ City of Minneapolis Division of Race & Equity, *Strategic & Racial Equity Action Plan*, 2-3,

example, your Community Planning and Economic Development department will prioritize “rental housing for Black, Indigenous, People of Color and Immigrant communities” by “leveraging [its] rental licensing authority.”¹⁶ That is not going to fly.

The United States Supreme Court has long recognized that “racial and ethnic distinctions of any sort are inherently suspect,” and this holds “regardless of the race of those burdened or benefited by a particular classification.”¹⁷ By the same principle, civil rights protections “are not limited to discrimination against members of any particular race.”¹⁸ “Nothing in [Title VI] endorses racial discrimination to any degree or for any purpose.”¹⁹ And for good reason. As Chief Justice John Roberts observed: “It is a sordid business, this divvying us up by race.”²⁰

As a result of Minneapolis’s racialized housing policy, I have directed the Office of Special Investigations to investigate Minneapolis for potential fair housing violations and its compliance with Title VI. Our investigation will determine whether the city has violated or intends to violate 42 U.S.C. §§ 3604, 3605 and 42 U.S.C. § 2000d and its implementing regulations.

Upon completion of this investigation, the Office of Fair Housing and Equal Opportunity (FHEO) may file a complaint against Minneapolis for discrimination based on race or national origin under the applicable statutes. If FHEO finds reasonable cause to believe Minneapolis has or intends to violate the civil rights of its citizens, we will file charges of discrimination or refer the matter to the United States Department of Justice for further enforcement.

Additionally, this letter serves as a formal demand to preserve all existing and future records and materials related to Minneapolis’s housing plans. You should construe this preservation notice as an instruction to take all reasonable steps to prevent the destruction or alteration, whether intentionally or negligently, of all documents, communications, and other information, including electronic information and metadata, that are or may be responsive to the Department’s investigation. This instruction includes all electronic messages sent using official and personal accounts or devices, including records created using text messages, phone-based message applications, or encryption software.

<https://www.minneapolismn.gov/media/-www-content-assets/documents/SREAP-Brochure.pdf> (last visited Jan. 15, 2026).

¹⁶ *Id.* at 8-9.

¹⁷ *Miller v. Johnson*, 515 U.S. 900, 904 (1995) (cleaned up).

¹⁸ *McDonald v. Santa Fe Trail Transportation Co.*, 427 U.S. 273, 279-80 (1976).

¹⁹ *Students for Fair Admissions, Inc. v. President and Fellows of Harvard Coll.*, 600 U.S. 181, 310 (2023) (Gorsuch, J., concurring).

²⁰ *League of United Latin Am. Citizens v. Perry*, 548 U.S. 399, 511 (2006) (Roberts, C.J., concurring in part and dissenting in part).

Hon. Jacob Frey
January 15, 2025
Page 4 of 4

Within ten (10) business days of this letter's date, FHEO will issue initial requests for information from Minneapolis. Please reach out to [REDACTED] with any questions.

Sincerely,



Craig W. Trainor
Assistant Secretary
Fair Housing and Equal Opportunity

cc: Erik Hansen, Director
Community Planning & Economic Development