

## **REPARATIONS**

### **REDRESSING INSTITUTIONAL RACISM AND REDLINING**

**Evanston, Illinois**

The benchmark 2019 represents the 400th year since the institution of Black African enslavement in America. After two hundred forty-six years of legal slavery that deferred Blacks' receipt and retention of the wealth generated as the fruit of their labor, institutionalized by one hundred and three years (and counting) of intentional government-sanctioned discriminatory laws and practices, especially in the areas of home ownership and housing opportunities, a tremendous disparity exists in the levels of wealth owned by White and Black households in the United States. This legacy of wealth inequality between White and Black America appears unresolvable without substantial governmental and institutional intervention.

As of the 4th quarter 2019, 44% of Black Americans own their own home as compared to 73.7% of White Americans. The 29.7% gap between Black and White home ownership is larger today than it was prior to 1968 when redlining and other forms of racial discrimination were legal. It has been said, "A good head start beats fast running." The benefits White America derived from their head start in the area of home ownership cannot be overcome simply by belated implementation of equal housing regulations. At this point, equal housing laws and elimination of discriminatory practices do not redress the damages and opportunity costs incurred by Blacks victimized by slavery, discrimination, and racial segregation.

Given that real property ownership is the primary source of wealth-building for the majority of Americans, creative and resourceful strategies that promote and sustain home ownership and real property investment by Black Americans are essential means of resolving the racial wealth disparity. A reparations-based paradigm can provide the most impactful and beneficial mode of resolution for this critical socio-economic issue.

According to the US Census, Evanston, Illinois, has a population of approximately 74,756, and 12,409 persons (or 16.6% of the population of Evanston) are Black. Home Mortgage Disclosure Act (HMDA) data reveal there were only 95 new mortgages to Black borrowers in the most recent disclosure period. The total mortgage production for Evanston was 1,487 loans. Although Blacks constitute 16.6% of the population, Blacks received only 6.3% of the new mortgages. White applicants were approved for mortgages 67.57% of the time; by contrast, only 42.6% of Black applicants were approved for mortgages. The denial rate for Blacks (33.18%) was more than twice that of White applicants (15.39%). Of the 247 Black borrower applications for mortgages in Evanston, only 95 were successful.

This lack of success in the mortgage space has a negative effect on the consciousness of the community and helps to foster an environment where Blacks are more apt to purchase a non-appreciating asset, such as a car or other consumer goods, rather than chance denial on a wealth-building, appreciating asset such as a home. This self-perpetuating cycle of consumerism is prompted by the disparate treatment of Black consumers in the housing and mortgage industries.

Current housing finance policies have created barriers rather than bridges to home ownership. Policies such as Loan Level Price Adjustments (LLPAs) for Fannie Mae and Freddie Mac mortgages, instituted

in April 2008, charge lower-down-payment and lower-FICO-score borrowers a higher price for mortgage financing. I call LLPAs the "Poor Pay More Fee Adjustment."

Prior to April 2008 every approved applicant had access to the same pricing. The mortgage crisis and public bailout of both Fannie Mae and Freddie Mac created a fee increase as rationale to avoid losing the enterprises. The total amount loaned to the GSEs was \$191 billion. To date they have repaid \$297 billion, \$106 billion of which is profit, all of which has gone to the US Treasury, with zero dollars expended for housing program benefits.

Why this is important in this conversation concerning reparations: LLPAs represent a continuation of government policies that have a race- and class-based disparate result. Given the significant levels of inequity in income and wealth between Black and White America, once again it is Black and underserved communities who continue bearing the burden of subsidizing the housing finance system by incurring higher housing costs than their White, better-situated counterparts.

In America the average Black family earns \$43,966 annually, compared to the average White family income of \$70,727 per year. White American households typically have ten times the net wealth of Black American households. In other words, for every dollar White America has, Black America has a dime. The result of fewer financial resources is less economic capacity and lower overall credit scores. Given the historic institutional and systemic discriminatory features and disparate treatment embedded in practices in the American housing and finance industries, we have a housing finance system designed, whether intentionally or not, to unjustifiably discriminate.

Also, as a matter for consideration, it should be understood that discrimination in housing is as much the result of local policies and traditions as it is the result of federal policies such as redlining. Black families in Evanston were systematically herded into one area, West Evanston. Real estate agents practiced informal racial zoning, steering Black households to West Evanston while restricting them from other areas. White Evanston sellers placed private restrictive covenants in the sales contracts for their homes that forbade future sale to Black buyers. Evanston banks refused to make loans to Blacks who wanted to live outside of West Evanston. In 1919 the city passed a zoning ordinance that zoned almost every block where Black people lived to commercial use.

As a result, Black families were forced to live in West Evanston. The city, by both practice and policy, segregated Black families into an area that became undervalued and underserved. Historic local policies and practices served to facilitate the unequal and disparate housing situation we have today, thereby depriving Black households of economic opportunities and institutionalizing financial inequity for Black communities, en masse.

In America, sustained home ownership creates generational wealth. However, a primary obstacle to home ownership is accumulation of requisite down-payment and closing cost amounts. Many working-class Black families are credit worthy but unable to save the necessary cash investments to access the housing finance system. Reparations in the form of down-payment and closing cost assistance would provide an immediate boost to home ownership opportunities for Black families in Evanston.

Funded pre-home ownership counseling and financial training are important to sustaining and maintaining successful home ownership. I strongly recommend the formation of accessible and program-funded housing counseling sites.

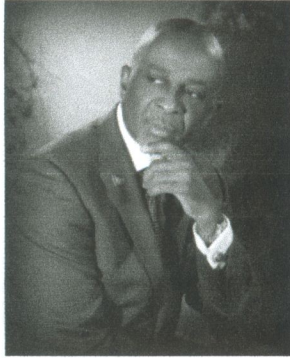
I believe that this would be a good start to improving the rate of Black home ownership in Evanston. I also think that finding good lending partners to support this laudable objective will be important to the success of the endeavor. I took a look at some of the current lenders in the Evanston area. An assessment is as follows:

1. JPMorgan Chase Bank funded 218 mortgages in the last HMDA data year (2018). Of the 218 mortgages, 150 went to White borrowers, 17 to Black, 11 to Asian, and 7 to Hispanic applicants. The approval percentage for White borrowers is 62.24%; for Blacks, 47.22%.
2. Bank of America funded 65 new mortgages, including 43 to White borrowers, 2 to Black borrowers, 4 to Asians, and 2 to Hispanic Borrowers. The denial rate for Black applicants is 55.56%, versus 22.06% for White applicants.
3. BMO Harris Bank funded 43 new mortgages, 32 to White borrowers, 5 to Black borrowers, 3 to Asian, and 2 to Hispanic borrowers. The approval rate for Black borrowers is 41.67%.
4. Fifth Third Bank funded 8 new mortgages in Evanston, including 6 to White borrowers, 1 to Black, and 1 to unknown ethnicity.
5. Byline Bank reported 12 new mortgages, including 9 to White borrowers and 3 to unknown ethnicities, zero to Black borrowers.
6. Wintrust Bank reported 8 new mortgages, including 4 to White borrowers, 2 to Asian, and 2 to unknown ethnicities, zero to Black borrowers.
7. PNC Bank reports 14 new mortgages, including 10 to White borrowers and 4 to unknown ethnicities, zero to Black borrowers.

These are obviously dismal numbers overall. I encourage partnering with a non-depository mortgage lender. Non-depository lenders have much better success percentages with borrowers of color.

Respectfully Submitted,

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February 20, 2020  
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### **MARK ALSTON**

Mark Edward Alston, Owner of Alston & Associates Mortgage Company, he is the immediate past 1st. vice president of the California Association of Real Estate Brokers. Mark has served as President of the Consolidated Board of Realtist of Los Angeles, Chairman of the Public Affairs and Mortgage Banking Committees for the National Association of Real Estate Brokers.

Mark has been in the Real Estate Profession since 1989. Mark is a highly regarded public speaker and public policy strategist in the area of housing finance opportunity.

Some of Mr. Mark Edward Alston's past achievements and current involvements are:

- Successfully led a national initiative to include Real Estate Brokers in distressed property disposition which brought millions of dollars to inner city communities.
- Spoke in the United States Congress regarding the plight of urban housing.
- Recently testified in Congress before the subcommittee on Housing and Finance.
- Presented to Congress a public policy white paper identifying the impact and result of underserved financial services in inner city communities.
- Los Angeles County Board of Supervisors "Outstanding Achievement in his community Award"
- City of Los Angeles "Outstanding Community Achievement Award"
- City of Inglewood "Outstanding Community Achievement Award"
- National Association of Real Estate Brokers "Mortgage Professional of 2014"
- California Association of Real Estate Brokers "Realtist of the Year 2011"
- Southwest Los Angeles Association of Realtors "Realtor of the Year 2004"
- Board Member, Consolidated Board of Realtist of Los Angeles
- Board Member, Los Angeles Museum of African American Art
- Past Board Member, Mini House Women's Recovery Center
- Past Board Member, Seattle NAACP

## Articles

*Chicago Tribune*, May 6, 1903, page 13

### **EVANSTON BLACKS FEAR WAVE OF RACE PREJUDICE.**

**Resent Article Published in a Local Paper and Call Massmeeting for Tomorrow to Protest Against It.**

Incensed at an article in an Evanston paper, which they believe was calculated to arouse antagonism to their race, the leaders of the colored people of the suburb have called a massmeeting of the 700 negro voters there tomorrow evening to protest.

The article tells of a certain colored man frightening women, and calls upon the colored people to keep their brother at home. The article is headed, "A Rope Might Do," and the colored people in Evanston take it seriously.

Chew Williams, a former member of the Georgia legislature and now a mail carrier in Evanston, was indignant.

"What do you think of that?" he said. "Trying to arouse a feeling against the blacks, the same as in the south. What have we done that we should be insulted?"

George W. Edwards issued a statement which said in part:

"This article assumed that a colored man was frightening women in Evanston, when such has not been proven. I believe this article has raised a certain feeling against the colored race, and I deplore it."

*Chicago Tribune*, Jan 22, 1904, page 7

### **NORTH SHORE TOWNS AROUSED.**

**Influx of Negroes Alarms the Residents of Evanston, Wilmette, Winnetka, and Glencoe.**

The negro population of north shore towns steadily is increasing, and in Evanston the newcomers are deemed especially objectionable by the authorities, as there are four times as many cases of assault and larceny, according to police figures.

In Evanston, Wilmette, and Winnetka the negroes are occupying in some sections entire blocks. Glencoe residents are aroused over the influx of negroes. Out of a population of 1,200 it is estimated that more than 300 are colored.

As a solution of the problem suddenly presented, Evanston citizens are reviving the old scheme of a town for negroes, to be located near Niles Center. To this it is proposed to deport objectionable characters.

# Whites Seek Petition to Oust Man From Home

## Evanston Joins Hands With Jim Crowers

Evanston—aristocratic suburb of Chicago, home of former Vice President Charles G. Dawes and Northwestern university —joined the ranks of narrow-minded communities this week when a group of white citizens went before Superior Judge Denis J. Sullivan on a petition to evict a Race citizen from his home in an exclusive neighborhood.

An original petition was filed on April 27, and Tuesday of this week the group appeared in Judge Sullivan's court and made application for an injunction to force the occupant to move out at once.

The citizen against whom the petition was filed is Harvey Walden, a letter carrier in Evanston for 15 years and a respectable citizen, who bought the property at 1844 Wesley Ave. about a year ago. He moved into it six months ago, and immediately there went up a howl from other residents in the block over his presence. Walden, who is married and has two children, is being represented by Attorney Julius H. Feilinger.

When the matter was called Tues-

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# 'Hat-In-Hand' Group In Evanston Would Bar Race

## Whites Seek to Limit Population by Appealing to Jim Crow Element

A step to bar any more Race people from Evanston was temporarily blocked Sunday afternoon, after citizens, at an interracial meeting had been asked to adopt a resolution to stop more members of their race from making Evanston their home.

Evanston's present Race population was asked to assume the burden of seeing to it that no more of the Race settled there. The resolution, the most serious step thus far taken by white Evanstonians to draw the color line, was introduced at a meeting of "leaders" of both races, called to discuss a federal housing project for Race residents. Reports of social workers and a survey under Northwestern university's auspices had long ago indicated urgent need for better housing, but no action came. Influential Evanstonians feared, it was explained Sunday, that a better housing project, making Evanston "more attractive," would tend to increase the suburb's Race population.

It was made known that these white Evanstonians would okay better housing if the darker Evanstonians would use their influence to keep more of their Race from coming to Evanston. The restrictive resolution was presented, a Race leader, Mrs. Bessie Willis, moved its adoption, while other "leaders" registered approval. In a heated attack, Alderman Jourdain branded the resolution an "offer for a deal" that was "an insult to any Colored man's self-respect." He said "Our people would rather do without the housing project than accept it on the terms of such a deal. No other group in Evanston would even be asked to

accept local improvements for the group now living here, in return for agreeing to bar any more from coming. Surveys prove that better housing is badly needed. If our people cannot get support for improved housing on the grounds of ordinary decency and humanity, without entering into a deal like this, then you can keep your support. Colored people in Evanston are not going on record as drawing the line on other Race people, in exchange for better advantages for themselves. They ought not to be asked to do so." Alderman Jourdain pointed out that as a practical matter, the resolution was "silly, anyway," since the only way our people now living in Evanston could bar more from coming, would be to stand at Howard street, and pick the newcomers off at the city limits. The alternative would be to send pickets South and stop the migrants at the railroad stations. Movements of populations are conditions by economic and social factors, and not by resolutions." Rev. Olden of the Mt. Zion church after James Morton had asked for discussion of the resolution, challenged its wisdom and a motion to table it was passed.

# Report Blames Realtors For North Shore Jim-Crow Housing

"The segregated society of North Shore . . . reflects the wishes of only a small percentage of North Shore residents," begins the summary report of the North Shore Summer Project, based on interviews conducted over the past nine weeks by more than 100 college students. The 10-page report, released during a news conference following a rally in Evanston's Bent Park, after a four-mile march by NSSP supporters from Keilworth past the headquarters of the Evanston - North Shore Board of Realtors, further states: "If realtors would exert as much leadership and pressure in a positive direction as they do in maintaining the status quo they have created, then our communities would be as open as they are now closed." To answer the realtors' con-

temption that the North Shore community does not want integration, the students, using a questionnaire drawn up by professional interviewers, asked a number of questions of homeowners whose houses are currently listed with the Evanston-North Shore Board of Realtors. 72.7% of 462 homesellers interviewed said that they would show their home to any qualified buyer brought by the realtor, regardless of the buyer's race, religion or national origin. 82% of 1,560 homeowners interviewed whose houses are not for sale stated that they would accept Negroes as next-door neighbors. Other facts brought out by the interview indicated that 57% of the homeowners had never discussed the issue of nondiscriminatory housing with their realtor, showing that realtors have apparently been making assumptions without knowing the true feelings of their clients. The interviews also identified neighborhoods where block discussions relating to equal opportunity in housing would be helpful. It was also discovered through the interviews that 322 persons were either not influenced by the racial or religious composition of a prospective neighborhood or insisted it be non-restricted, as opposed to only 110 who would be influenc-

ed by the ethnic composition. Plans will be formulated within the next couple of months to follow up the results of the survey, announced leaders of the summer project, which ended Aug. 30, after an all-night vigil in front of the headquarters of the Evanston-North Shore Board of Realtors, focus of the drive against residential segregation. Project spokesman also announced that no vigils or other reality-based demonstrations will be held this month, "to allow the Board of Realtors to review the findings in our report and to take steps toward equal treatment and equal service for all homeseekers."

A Restrictive covenant from an Evanston home

OF HOUSING RESTRICTIONS

DST.

**MEMORIALS**

DOCUMENT NO	NATURE AND TERMS OF DOCUMENT	DATE OF DOCUMENT	DATE YEAR
122960/60	<p>General Taxes for the year 1959</p> <p>Subject to General Taxes levied in the year 1960</p> <p>Terms, conditions and provisions of a certain zoning ordinance passed by the City Council of the City of Evanston, on January 18, 1921 and approved January 19, 1921, a copy of which was recorded in the Recorder's Office of Cook County, Illinois, on February 4, 1921, as Document Number 7060292.</p> <p>Fifteen (15) foot building line, as shown on Plat of said Subdivision recorded in the Recorder's Office of Cook County, Illinois, as Document Number 8127208.</p> <p>Restrictions as to cost and location of buildings to be erected on said premises, as shown in Document Numbers 364149 and 361466.</p> <p>Restrictions that said premises shall not be conveyed, leased to, or occupied by anyone not a Caucasian, (servants excepted).</p> <p>Provides for reverter in case of breach thereof, as shown in Document Numbers 364149 and 361466.</p>		