



Reparations Committee
Thursday, January 6, 2022
Lorraine H. Morton Civic Center, G300 9:00 AM

AGENDA

To access meeting link: <https://www.cityofevanston.org/government/boards-commissions-and-committees/reparations-committee>

Page

1. CALL TO ORDER/DECLARATION OF A QUORUM

2. PUBLIC COMMENT

3. APPROVAL OF MINUTES

- A. **Approval of the December 2, 2021 Meeting Minutes** 3 - 5
[Reparations Committee - Dec 02 2021 - Minutes - Pdf](#)

4. CONSIDERATION

- A. **Approval of the Reparations Restorative Housing Procedures and Implementation** 6 - 16

Staff seeks approval of the reparations restorative housing procedures and implementation.

For Action

[Approval of the Reparations Restorative Housing Procedures and Implementation - Attachment - Pdf](#)

B. **Finalize the Selection Process for the Restorative Housing Beneficiaries**

Staff seeks direction from the Committee on the method to select the Ancestor beneficiaries.

For Action

5. COMMUNICATION

6. ADJOURNMENT

The next meeting is tentatively scheduled for next Thursday, January 13 at 9 a.m.

Draft



City of
Evanston™
MINUTES

Reparations Committee

Thursday, December 2, 2021 @ 9:00 AM

Lorraine H. Morton Civic Center, G300

**COMMITTEE MEMBER
PRESENT:**

Peter Braithwaite, Councilmember, Carlis Sutton, Committee Member, Robin Rue Simmons, Committee Member, Bonnie Lockhart, Committee Member, Claire McFarland Barber, Committee Members, and Bobby Burns, Councilmember

**COMMITTEE MEMBER
ABSENT:**

Devon Reid, Councilmember

STAFF PRESENT:

Kimberly Richardson, Deputy City Manager and Tasheik Kerr, Assistant to the City Manager; Nicholas Cummings, City Attorney

1. CALL TO ORDER/DECLARATION OF A QUORUM

The meeting was called to order at 9:01 a.m. by Chair/Councilmember Braithwaite.

2. PUBLIC COMMENT

No public comment was given.

3. APPROVAL OF MEETING MINUTES

A. Approval of the November 2, 2021, Meeting Minutes

Staff recommends approval of the minutes for the Reparations Committee meeting of November 4, 2021.

Moved by Committee Members Claire McFarland Barber
Seconded by Committee Member Robin Rue Simmons

Ayes: Committee Member Robin Rue Simmons, Committee Members Claire McFarland Barber, Councilmember Peter Braithwaite, Committee Member Carlis Sutton, Committee Member Bonnie Lockhart, and Councilmember Bobby Burns

Approved 6-0 on a recorded vote

4. DISCUSSION

A. **Restorative Housing Program Update**

Ms. Kimberly Richardson provided an update to the Committee on the application review process. Of the 600+ applications received 146 applicants applied under the “Ancestors” Of the 23 “Ancestor” applicants, 13 applicants potential qualify if they submit corrected information. Committee member Lockhart stated that December 15 should be the cut-off for applicants to provide updated information to qualify. The Committee agreed with the timeline, and Ms. Richardson stated that staff will continue outreach to those individuals by email, phone, and mailed letter.

In conversation as it relates to the next steps for implementation, the committee discussed a potential partnership with Community Partners for Affordable Housing (CPAH) to support the distribution of funds to the eligible applicants. Committee member Ms. Richardson informed the Committee that she has been in conversation with CPAH since the City did not have the staff and resources internal to manage the distribution of funds. Committee member Simmons questioned the communications, as a number of committee members were not aware of this potential partnership. Chair Braithwaite acknowledged discussions have been ongoing, but no final action will be taken without the Committee’s opportunity to provide feedback on the process for distributing funds. Councilmember Burns also what to ensure CPAH is the right community partner and he did acknowledge that staff will additionally support.

B. **Approval of the 2022 Calendar Year Meeting Schedule for the Reparations Committee**

Approval of the 2022 calendar year meeting schedule for the Reparations Committee.

Moved by Committee Member Bonnie Lockhart
Seconded by Committee Members Claire McFarland Barber

Ayes: Committee Member Bonnie Lockhart, Committee Members Claire McFarland Barber, Councilmember Peter Braithwaite, Committee Member Carlis Sutton, Committee Member Robin Rue Simmons, and Councilmember Bobby Burns

Approved 6-0 on a recorded vote

5. **COMMUNICATION**

A. **Reparations Financial Donation Report**

Ms. Tasheik Kerr updated the Committee on the November 2021 donations report. To date, the City has received \$31,500 in donations to the Reparations Fund.

B. **Evanston Community Day: Building Black Wealth Through Homeownership Workshops**

Draft

Reparations Committee
December 2, 2021

Committee member Simmons expressed how she was excited about community wealth day. Dearborn Real Estate Realtors is sponsoring the event. A financial institution announced this year that they were offering a mortgage offer for those who are eligible. Among them will be black real estate professionals who can provide more details. The event will take place at Faith Temple Church on Saturday, December 4, and Yo Fresh Yogurt will be the food vendor.

6. ADJOURNMENT

The meeting was adjourned by Chair Braithwaite at 10:03 am.



Memorandum

To: Members of the Reparations Committee
From: Kimberly Richardson, Deputy City Manager
Subject: Approval of the Reparations Restorative Housing Procedures and Implementation
Date: January 6, 2022

Recommended Action:

Staff seeks approval of the reparations restorative housing procedures and implementation.

Committee Action:

For Action

Summary:

Once beneficiaries are selected to participate in the Restorative Housing Program, the City of Evanston seeks to partner with Community Partners for Affordable Housing (CPAH) to support the distribution of funds to the participants.

Once approved by the Reparations Committee, the City of Evanston and CPAH will finalize an administrative memorandum of understanding as outlined in the attached procedure guidelines.

Attachments:

[Housing Program Procedures DRAFT 01.04.22](#)



City of Evanston
Reparations Restorative Housing Program Procedures

Overview

Once beneficiaries are selected to participate in the Restorative Housing Program, the City of Evanston will hold information session(s). The information session will describe available benefit options, how the program will be implemented, recommendations, additional resources, estimated timing, and program expectations.

The City of Evanston has partnered with Community Partners for Affordable Housing (CPAH) to support the distribution of funds to the participants. Below outlines the procedure for distribution.

Program Benefits

A. Home Purchase Benefit

B. Home Mortgage Assistance Benefits

Pre-Payment of Monthly Mortgage Payment
Lump-Sum Principal Payment

C. Home Improvement Benefit

Homeowner Managed Construction
CPAH-Managed Construction

Initial Step Applies to All Benefit Options:

The City of Evanston will issue a program approval letter to CPAH. The letter will include:

- Selected participant's name, address, phone number, and email.
- Participant's selected benefit.
- Benefit amount.

A. Home Purchase Benefit

CPAH will contact the homebuyer(s) within 5 business days of receiving the certification. CPAH staff will ask the homebuyer(s) whether they have any questions or concerns and will provide information about CPAH's pre-purchase education class and pre-purchase counseling services. Both the class and counseling will be voluntary and offered free of charge. Homebuyers who complete a HUD-certified pre-purchase counseling program like CPAH's are 30 times less likely to ever experience foreclosure.

If the homebuyer does elect to take advantage of housing counseling services, a HUD-certified housing counselor will work with the homebuyer to develop an individualized action plan to prepare for homeownership. If the homebuyer elects not to participate in housing counseling services, the homebuyer can simply proceed to the below steps as they prepare to close on their home.

At least 15 business days prior to closing, the homebuyer must submit the following to CPAH:

1. Mortgage loan commitment letter
2. Executed purchase contract
3. Loan estimate statement
4. Title report
5. Wiring instructions
6. Preliminary closing disclosure (2 days prior to closing)
7. Closing confirmation (2 days prior to closing)

A CPAH HUD-certified housing counselor will review the above documentation and let the homebuyer know if they have any questions or concerns. Please note that CPAH staff are not attorneys and cannot provide legal advice. All homebuyers should be represented by a qualified real estate attorney.

CPAH will wire the home purchase benefit directly to the title company on the day of closing along with closing instructions requiring the title company to send CPAH a copy of the final closing statement.

B. Home Mortgage Assistance Benefits

CPAH will contact the homeowner(s) within 5 business days of receiving the certification. CPAH staff will ask the homeowner(s) whether they have any questions or concerns and will provide information about CPAH's free and voluntary housing counseling services. CPAH staff will ask the homeowner which of the following mortgage assistance benefits they select: (1) Option A – pre-payment of their monthly mortgage payments until funds are depleted or (2) Option B – a lump-sum principal payment on their mortgage.

Option A: Pre-Payment of Monthly Mortgage Payment

If the homeowner selects this option, CPAH will make a pre-payment of the homeowner's monthly mortgage payment. If the homeowner's taxes and insurance are escrowed into their monthly mortgage payment, these costs will be pre-paid as part of that payment. If the homeowner's lender/loan does not accept such prepayments, CPAH will work with the homeowner to explore other options.

Option B: Lump-Sum Principal Payment

If the homeowner selects this option, CPAH will make a lump-sum payment towards the principal balance of the loan. This will reduce the amount owed on the loan but will not change the borrower's monthly payments.

In order for CPAH to issue any payment, the homeowner must provide the following documentation:

1. CPAH certification indicating which option is selected
2. Borrower's Authorization to Release Information (authorizing the borrower's lender to share information and discuss the borrower's loan with CPAH)
3. Homeowner's most recent mortgage statement

CPAH will verify that the lender will accept the homeowner's preferred payment and issue payment directly to the lender. A copy of the payment will be provided to the homeowner.

C. Home Improvement Benefit

- Beneficiary selects the home improvement benefit, indicating whether the homeowner desires to self-manage the construction project (Option A) or have CPAH help manage the construction process (Option B).
- If the applicant selects the home improvement benefit, the letter will include a scope of work or general summary of the work desired.

Option A: Homeowner Managed Construction

1. If the homeowner selects Option A (homeowner managed construction), CPAH will contact the homeowner(s) within 5 business days of receiving the certification. CPAH staff will ask the homeowner(s) whether they have any questions or concerns. If the homeowner is hiring a general contractor to manage the rehab process, CPAH will remind the homeowner to gather at least two (three is recommended) proposals/estimates for the work and submit those proposals to CPAH along with the homeowner's choice of general contractor. If the homeowner is acting as his or her own general contractor, the homeowner will be asked to submit proposals/estimates from the selected tradesperson(s).
2. CPAH will review the proposals for cost reasonableness and provide any comments to the homeowner. A copy of the proposals and CPAH's comments will also be provided to the City of Evanston. The homeowner may contact CPAH if they have any questions. The homeowner may then select any contractor or tradespersons that they desire as long as the person/company maintains the appropriate licenses with the City of Evanston.
3. Once the homeowner is ready to begin his or her construction project, they will proceed with getting the necessary building permits and initiating construction per the City of Evanston normal building permit procedures, except that the homeowner or contractor may inform building department staff that permit fees should be waived.
4. The homeowner may request CPAH to distribute up to three payments during the course of the rehabilitation project: (a) Initial, (b) Interim, and (c) Final.

(a) The Initial payment will be no more than 25% of the total job cost and may be requested upon executing the construction contract.

(b) The Interim payment will be no more than 50% of the total job cost less any Initial payment and may be requested upon 50% completion of the work.

(c) The Final payment will be the remaining balance up to the amount of the benefit and may be requested upon 100% completion.

All payments will be made directly to contractors or tradespersons.

5. To request the Initial payment, the homeowner must send a written request (electronic is acceptable) to CPAH with the following:

- a. the amount requested (maximum 25% of total project cost)
- b. payee(s) information (the contractor or tradesperson)
- c. payee's W-9 form
- d. payee's completed ACH form for electronic payment
- e. a copy of the executed contract(s)
- f. contractor's invoice
- g. a copy of contractor's City of Evanston contractor license

Initial payment will be processed within 10 business days of receiving all of the above information.

6. To request the Interim payment, the homeowner must send a written request (electronic is acceptable) to CPAH with the following:

- a. the amount requested (up to 50% of the total project cost less Initial payment)
- b. payee(s) information (the contractor or tradesperson)
- c. payee's W-9 form and executed contract (if not already provided)
- d. payee's completed ACH form for electronic payment (if not already provided)
- e. contractor's invoice
- f. a certification signed by the homeowner and contractor(s) stating that at least 50% of the work included in the contract is complete

Interim payment will be processed within 10 business days of receiving all information.

7. To request the Final payment, the homeowner must send a written request (electronic is acceptable) to CPAH with the following:
 - a. the amount requested (the remaining balance owed up to the benefit amount)
 - b. payee information (the contractor or tradesperson)
 - c. payee's W-9 form and executed contract (if not already provided)
 - d. payee's completed ACH form for electronic payment (if not already provided)
 - e. contractor's invoice
 - f. a final waiver of lien signed by the homeowner and contractor(s) stating that 100% of the work included in the contract is complete
 - g. a copy of the results of the final inspection from the City of Evanston.
 - h. Final payment will be processed within 10 business days of receiving all of the above information.

Option B: CPAH-Managed Construction

1. If the homeowner selects Option B (CPAH-managed construction), CPAH will contact the homeowner(s) within 5 business days of receiving the certification. CPAH staff will ask the homeowner(s) whether they have any questions or concerns. They will also schedule a time to meet with the homeowner(s) to inspect their home and develop an initial Work Write Up (WWU) or scope of work.
2. The homeowner(s) and CPAH staff will inspect the home together. CPAH staff will make recommendations, but it is ultimately up to the homeowner to decide what they would like included in the WWU. For example, CPAH staff will recommend addressing any identified life-safety or health issues such as electrical, plumbing, lead-based paint, radon, mold, or other concerns. If the home is built before 1978, CPAH will recommend a lead-based paint inspection by an independent inspection firm. CPAH staff and the homeowner will consider the \$25,000 home improvement benefit budget and whether any additional resources may be available, if needed, when drafting the WWU. If the homeowner decides not to address any identified life-safety or health issues, they will sign a certification acknowledging their decision. CPAH staff will also encourage the homeowner to include a 10% contingency for unexpected costs.

3. After the home inspection is complete, CPAH will begin assembling the WWU per the homeowner's desired repairs and improvements. If additional environmental testing was conducted such as lead-based paint, radon, or mold, CPAH staff will include those results in the WWU, as necessary. CPAH staff will provide the WWU with estimated costs to the homeowner for review. CPAH staff will work with the homeowner to make any desired adjustments to the WWU.
4. Once the homeowner approves the WWU, CPAH will generate bid documents which will be distributed to interested general contractors. The homeowner may recommend additional general contractors to receive the bid documents. Contractors are not required to be licensed by the City of Evanston to submit bids/proposals, but they must be licensed before receiving building permits or initiating any work.
5. The typical bid period is 10 business days. All bids/proposals are formal and submitted to CPAH in a sealed envelope or through CPAH's electronic bidding software. After the bid deadline, the bids will be opened in the presence of at least two CPAH staff. CPAH staff will assemble a summary sheet showing each bid/proposal received. The summary sheet and copies of the bids/proposals will then be distributed to the homeowner. CPAH can help the homeowner evaluate bids/proposals and answer any questions. The project will be re-bid if fewer than two bid/proposal responses are received (at least 3 is preferred). If fewer than two responses are received during the second round of bidding, the homeowner may choose to re-bid again or select the bid/proposal received if the single bid/proposal is within 15% of CPAH's initial cost estimate.
6. Once the homeowner decides which general contractor to select, CPAH will prepare a home rehabilitation contract between the homeowner and general contractor. All projects will use the same contract template. The home rehabilitation contract should be reviewed carefully by both the homeowner and general contractor as it will state each party's rights, responsibilities, and govern the overall rehabilitation project. CPAH is not a party to the contract.
7. CPAH will then coordinate a pre-construction conference with the homeowner and general contractor. The parties will discuss expectations for the job, timing, anything needed for the contractor to begin work, or special circumstances. The homeowner and general contractor will sign the home

rehabilitation contract during the pre-construction conference. CPAH will issue a written notice to proceed to the contractor at this time.

8. The general contractor shall be responsible for applying for and obtaining the required building permits, based on the WWU and home rehabilitation contract. The contract shall give the general contractor 30 days to apply for and obtain the required building permits. However, extensions may be approved when necessary.
9. The general contractor shall remain in contact with CPAH about the status of building permits and to coordinate a construction start date. The notice to proceed document will indicate the number of allowable days to complete rehabilitation work, as well as the project start and ends dates. CPAH will conduct site visits at least every other week to monitor progress when work is being performed.
10. Written change orders will be used in instances where as-built conditions of the home or other external factors that could not have been known or anticipated affect the work in progress. When these situations are encountered and changes to the WWU must occur, the general contractor must submit a request for change order to CPAH which details the conditions encountered, photographs, what needs to be done to correct them, and any changes to the costs included in the approved bid. All change orders must be approved in writing by CPAH, the homeowner, and the general contractor before proceeding.
11. In the event that a dispute occurs between the homeowner and the contractor regarding the work completed, CPAH will take appropriate action in accordance with the provision of the rehabilitation contract but will not institute any legal action on behalf of the homeowner or contractor. CPAH will interview all parties to arbitrate the dispute and to determine if the work has been performed in accordance with the contract and in a workmanlike manner. If the work has not been completed properly, the contractor will be directed in writing to make the necessary corrections before receiving final payment. If the contractor fails to make the necessary corrections, a thirty-day notice of dismissal will be sent to the contractor from the homeowner via certified mail (return receipt requested). This letter states that the contractor must complete work within thirty days from the date of letter. Upon expiration of the thirty-day

notice, CPAH will negotiate a price with another contractor to make corrections and complete any work. When corrections are made to the satisfaction of CPAH, arrangements will be made to pay the new contractor for the corrections. The contractor that failed to perform will be paid the balance of the funds remaining in the contract, if any. This payment will only be made upon receipt of the appropriate release documents and all written warranties from the contractor. If the contractor does make the corrections as requested and the work is deemed satisfactory by CPAH, the final payment will be disbursed to the contractor.

12. The general contractor may request CPAH to distribute up to three payments during the course of the rehabilitation project: (1) Initial, (2) Interim, and (3) Final.
 - a. The Initial payment will be no more than 25% of the total job cost and may be paid upon executing the construction contract.
 - b. The Interim payment will be no more than 50% of the total job cost less any Initial payment and will be paid upon 50% completion.
 - c. The Final payment will be the remaining balance up to the amount of the benefit and paid upon 100% completion of the job, less a 10% retainage held for 30 days.

All payments will be made directly to the general contractor.

- a. To request the Initial payment, the general contractor must send a written invoice (electronic is acceptable) to CPAH with the amount requested (maximum 25% of total project cost) along with a completed W9 form, ACH form, and a copy of their City of Evanston contractor license. CPAH will process the payment within 10 business days of receiving written approval from the homeowner.
- b. To request the Interim payment, the general contractor must submit an invoice to CPAH that lists the work completed to date showing a minimum of 50% of the job completed along with a completed W9 form and ACH form (if not previously provided). CPAH will schedule an inspection with the homeowner and general contractor to confirm the completion status for each item being invoiced. The Interim payment will be processed within 10 business days of CPAH staff confirming that the work was completed and receipt of a signed partial completion certificate from the homeowner which

authorizes the Interim payment.

- c. To request the Final payment, the general contractor must submit an invoice to CPAH that lists the work completed to date (100% completion) along with the final permit inspection approvals and final lien waivers, completed W9 form and ACH form (if not previously provided). CPAH will schedule an inspection with the homeowner and general contractor to confirm the completion status of the entire job. The Final payment will be processed within 10 business days of CPAH staff confirming that the work was completed and receipt of a signed final completion certificate from the homeowner which authorizes the Final payment. CPAH will hold a 10% retainage from the final payment for 30 days, after which the money will be released to the general contractor as long as there are no outstanding issues with the work. If the homeowner has any issues concerning the work completed, they should contact CPAH prior to the release of the retainage money.

DRAFT