

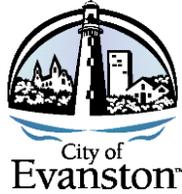
Memorandum

To: Housing and Homelessness Commissioners
From: Sarah Flax, Housing and Grants Manager
Subject: September 5, 2019 HHC Meeting Cover Memo
Date: September 3, 2019

Attached please find:

- The meeting agenda
- Item 3: Draft minutes of the August 1, 2019 meeting for approval
- Item 4: Application for landlord-tenant services funding – Metropolitan Tenants' Organization
- Item 5: ADU pilot proposal – Evanston Development Cooperative

We look forward to seeing you on September 5th.



HOUSING AND HOMELESSNESS COMMISSION

Thursday, September 5, 2019

7:00 PM

Lorraine H. Morton Civic Center, 2100 Ridge, Room 2402

- 1. CALL TO ORDER / DECLARATION OF QUORUM**
- 2. APPROVAL OF MEETING MINUTES** August 1, 2019
- 3. PUBLIC COMMENT**
- 4. METROPOLITAN TENANTS ORGANIZATION APPLICATION FOR LANDLORD-TENANT SERVICES FUNDING RENEWAL**
- 5. EVANSTON DEVELOPMENT COOPERATIVE ACCESSORY DWELLING UNIT PILOT PROPOSAL**
- 6. STAFF REPORTS**
- 8. NEW/OTHER BUSINESS**
- 8. ADJOURNMENT**

Next Meeting: October 3, 2019 at 7:00 p.m. in room 2402

Order & Agenda Items are subject to change. Information about the Housing and Homelessness Commission is available at: www.cityofevanston.org/government/agendas-minutes. Questions may be directed to Savannah Clement at 847.448.8679.

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La ciudad de Evanston está obligada a hacer accesibles todas las reuniones públicas a las personas minusválidas o las quines no hablan inglés. Si usted necesita ayuda, favor de ponerse en contacto con la Oficina de Administración del Centro a 847/866-2916 (voz) o 847/448-8052 (TDD).



DRAFT

MEETING MINUTES

HOUSING AND HOMELESSNESS COMMISSION

Thursday, August 1, 2019, 7:00 P.M.

Lorraine H. Morton Civic Center, Room 2402

Present: Chair Larry Donoghue, Ellen Cushing, Monika Bobo, Kathy Feingold, Moika Long, Renee Phillips

Absent: Noelle Gilbreath, Alderman Eleanor Revelle

Staff: Sarah Flax, Housing and Grants Manager

Call to order

Chair Donoghue called the meeting to order at 7:04 PM with a quorum present.

Approval of minutes for June 6, 2019 meeting

Ellen Cushing moved approval, Monika Bobo seconded the motion; it was approved unanimously.

Public comment

Joey Rodger spoke about Interfaith Action's Community Discovery project with the Executive Service Corps to identify current services for homeless and food insecure people, as well as unmet needs, and develop an online and paper directory of services.

Connections for the Homeless Tenant-Based Rental Assistance Funding Renewal Application

Chair Donoghue gave a brief overview of the \$300,000 funding request. Betty Bogg, Executive Director, Jen Feuer-Crystal, Housing Program Manager, and Nia Tavoularis, Director of Development for Connections, thanked the City for its partnership and explained that the goal of the program is to provide rent subsidies and support services, including education/job skills, to homeless families with children in Evanston schools for up to 24 months to enable them to pay for market rate housing. City HOME funds are used exclusively for rent that is paid directly to Evanston landlords, and utilities on behalf of families in the program. Connections raises funding for case management and other services. Examples of clients' accomplishments were provided. Connections explained that new TBRA families would come from the current wait list of 31 families. Families not enrolled in TBRA would be referred to other Connections programs or partner agencies. Discussion about the relationship between Connections and the school social workers to ensure that children were assessed for medical and psycho-social needs, followed. Connections explained that parental releases were required for this. In addition, Connections has a partnership with the Josselyn Center to provide additional supports.

There being no further questions or discussion, Ellen Cushing moved that the Commission approve the request for \$300,000 for TBRA and recommend its approval to

the Planning and Development Committee and City Council on September 9, 2019. Moika Long seconded the motion and it was approved 6-0.

Presentation from Evanston Development Cooperative

Dick Co and Robinson Marcus from the Evanston Development Cooperative (EDC) made a presentation about how Accessory Dwelling Units (ADUs)/coach houses could address housing needs including smaller, more affordable units, particularly in high cost single family neighborhoods, create and retain community wealth, and reduce Evanston’s carbon footprint using new construction materials to address climate change and sustainability. EDC is incorporated as an Illinois cooperative business in Illinois, with worker/employee and resident/investor shareholders. Each shareholder has one vote and Investment by any shareholder is capped at \$10,000 per IL co-op law. They presented work by Northwestern computer science students to estimate the number and sizes of ADUs that could be constructed based on lot coverage of existing homes. Several examples of how ADUs/coach houses and modest sized houses on smaller lots could address different housing needs were presented. Discussion relating to what types of ADUs and smaller scale housing was allowable under current zoning, and potential issues relating to expanding ADUs like additional parking requirements. Dick and Robbie answered questions from the commission and audience. Several potential projects are currently being considered and one or more may be brought to the HHC for consideration.

Staff Reports

City received its 2019 CDBG, HOME and ESG grant agreements from HUD. Staff is working on the 2020-2024 Consolidated Plan; the needs assessment survey is open until 8/25/19 with outreach to residents through emails, community advocates at summer events and activities, etc.

Chair’s Report

None.

New/Other Business

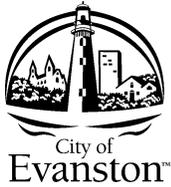
None.

Adjournment

Ellen Cushing moved to adjourn at 8:45 PM, Monika Bobo seconded the motion and it was approved unanimously.

The next scheduled meeting of the Commission is Thursday, September 5, at 7:00 PM. in room 2404.

Respectfully submitted,
Sarah K. Flax, Housing and Grants Manager



Memorandum

To: Housing and Homelessness Commission

From: Johanna Leonard, Community Development Director
Sarah Flax, Housing and Grants Manager
Savannah Clement, Housing Policy and Planning Analyst

Subject: Landlord-Tenant Services with Metropolitan Tenants Organization & Lawyers' Committee for Better Housing

Date: August 27, 2019

Recommended Action:

Staff recommends approval by the Housing and Homelessness Commission of a not to exceed \$70,000 renewal contract with Metropolitan Tenants Organization (MTO) and Lawyers' Committee for Better Housing (LCBH) for landlord-tenant services.

Funding Source:

The funding source is the City's Affordable Housing Fund, 250.21.5465.65497, Landlord-Tenant services. The Affordable Housing Fund currently has a cash balance of approximately \$900,000.

Summary:

The City contracted with MTO and LCBH for landlord-tenant services from October 1, 2018 through September 30, 2019 for a not to exceed amount of \$70,000 following a competitive Request for Applications process earlier that year. Between October 1, 2018 and June 30, 2019, MTO has handled 243 cases, averaging 27 cases per month. In addition, MTO held a workshop on renters' rights in December 2018. To date, the City has paid \$32,625 to MTO for basic services (this amount includes \$10,875 that is scheduled to be paid in the September 23rd bills list).

MTO submitted an application for renewal of its contract with the City made up of \$33,500 for assisting residents with landlord-tenant inquiries through its hotline and Evanston's 311 system, handling around 30 cases per month, providing two trainings to landlords and tenants, and distributing information on its website about landlord-tenant rights and responsibilities. In addition, Mediation services and tenant organizing would be provided at \$1,500 and \$5,000, respectively, and its partnership with LCBH for legal consultation services would be \$30,000 for the 12-month. This collaboration with LCBH will create more efficiency in service delivery by reducing intake redundancy and improving data collection. It will also more effectively help low-income tenants avoid displacement through free legal representation in eviction cases and illegal lockouts.

The MTO/LCBH landlord-tenant contract would run from October 1, 2019 through September 30, 2020 for the following services:

- Operate a free hotline for landlord-tenant inquiries Monday through Friday from 1-5 pm; for callers who call outside of those hours, MTO will return all calls within two business days
- Respond to landlord-tenant inquiries received through the City's 311 system
- Deliver information and assistance to landlords and tenants, including help with writing letters, strategies on how to resolve issues through negotiations, and referrals to other sources
- Work with the City to maintain current landlord-tenant information on the City's and MTO's websites
- Coordinate at least one two-hour training for Evanston tenants and/or small landlords
- Work with the City's Property Standards Division to provide at least one two-hour training to Evanston property managers
- Offer mediation services to landlords and tenants, as needed
- Identify potential buildings for tenant organizing if the tenants are facing common problems such as a foreclosure, poor maintenance, building security concerns, health hazards, etc.
- Provide direct legal services to low-income tenants, as necessary

Staff recommends entering into funding at a not to exceed amount of \$70,000 for the services proposed by MTO and LCBH for the 12-month contract beginning October 1, 2019 on the same terms as the current contract. Staff recommends including two trainings and a \$10,000 legal retainer fee for LCBH in the basic scope of work for a base contract amount of \$43,500 (\$30,000 for the basic scope of services listed in the RFA, \$1,750 for each training, and a \$10,000 legal retainer fee for Lawyers' Committee for Better Housing). The remaining \$26,500 in the contract would be for mediation services, tenant organizing and legal services. These would be reimbursable expenses billed to the City on a quarterly basis, up to \$26,500. Contract renewal may be considered again in 2020, contingent on the delivery of services and subject to the availability of funding.

Attachments:

- MTO/LCBH application/qualifications narrative
- Exhibit A – Fee Schedule



1727 S Indiana Avenue, Suite G03
Chicago, IL 60616-1390
Tel: 773/292-4980
Hotline: 773/292-4988
Fax: 773/292-0333
www.tenants-rights.org

August 13, 2019

**City of Evanston
Lorraine M. Morton Civic Center
2100 Ridge Road, Room 3203
Evanston, Illinois 60201**

To Whom It May Concern:

The Metropolitan Tenants Organization (MTO) is happy to submit a proposal to renew our Landlord and Tenants Services contract for the City of Evanston. The Metropolitan Tenants Organization is the largest provider of services to tenants and tenants' organizations in the Chicago Metropolitan area. MTO has been providing services to renters for over 30 years and we believe a good tenant and good landlord can make a difference in ensuring that housing is decent and affordable.

MTO's legal partner, the Lawyers' Committee for Better Housing (LCBH) has been in existence for almost 40 years. They have an equally illustrious history. The agency has defended thousands of tenants in eviction court and helped them to avoid homelessness. Our proposed budget includes \$30,000 for LCBH to provide technical support to MTO and free legal representation and advice for Evanston tenants with low and moderate incomes.

Over the past year MTO, LCBH, and the City of Evanston have forged a partnership to preserve affordable housing and stabilize tenants in their homes and communities. The number of tenants and landlords served has been slowly increasing over the past year. We are now handling about 40 cases per month. MTO provides phone counseling, in person counseling at the Evanston library on Friday afternoons, three workshops to landlords and tenants, and in several cases LCBH provided legal support.

As you consider our request, we hope that you will find the resources to maintain this program, which, in the long run will reduce other costs by preventing homelessness.

If you have any questions or need further information, please feel free to contact me at 773-292-4980 x 226 or via email at johnb@tenants-rights.org.

Sincerely,

**John Bartlett
Executive Director**

Landlord-Tenants Submission

City of Evanston, Illinois

The Qualifications and Experience of Organizations:

Currently, the Metropolitan Tenants Organization (MTO) has three interrelated program areas: Tenant Stabilization, Affordable Housing Preservation, and Advocacy.

Tenant Stabilization works with individual tenants to stabilize their housing situation. Our Tenant Stabilization program includes the Tenants' Rights Hotline, the Squared Away Chicago App, and the Healthy Homes Program.

The *Tenant's Rights Hotline* and *Squared Away Chicago* app serve about 10,000 renters every year. The hotline and app empower renters to preserve and stabilize their housing situation by giving tenants tools and support needed to resolve current housing issues. When combined with the Hotline, the app makes it easy for tenants find out the law, communicate with their landlord, document their situation, and most importantly, solve their housing problems. These two services also act as the eyes and ears of the agency. They alert us to emerging issues. The hotline and app serve as portals to MTO's organizing and advocacy programs.

MTO's *Healthy Homes Program (HHP)* provides families with additional assistance to address any home-based health hazards. MTO conducts home inspections to assess the problems, and provides information to tenants to help them identify, correct, and maintain a safe and healthy home. The *HHP* also acts as a means to bridge health care and housing by looking at prevention. MTO has developed partnerships with several agencies, health care providers, and universities, including, Chicago Department of Public Health (CDPH), Sinai Urban Health Institute (SUHI), Loyola University, and funding from US Environment Protection Agency (EPA). This collaboration works with renters, particularly homes with children, to abate home-based health hazards like asthma triggers and lead.

Affordable Housing Preservation Program (AHPP) at MTO works to stabilize tenants and their connectedness with their communities by preserving affordable housing. MTO works in subsidized and market housing. Low-income renters face a variety of pressures and conditions that can lead to displacement. Deteriorating buildings, poor maintenance, foreclosures, and building owners opting out of affordable contract renewals are all reasons that tenants may be forced to relocate, thus affecting their stability. MTO's AHPP works to help renters address these issues and remain in affordable, stable, safe, and decent housing. MTO works in approximately 40 buildings every year with new and/or existing tenants' associations.

Tenant Advocacy at MTO is rooted in the organization's vision and values of nurturing the engagement of families advocating on their own behalf for positive change. Sometimes that change means promoting legislative policies and programs. Supporting renting families takes place at all levels from the Tenant Hotline, the Squared Away Chicago app, walk-ins, or networking at community events. Families learn about their housing rights and the interconnectedness to other rights such as health care and civil rights. As tenant leaders increase their skill sets through the experience of asserting their rights, MTO develops opportunities to engage them in city, state, and national policy campaigns. Through MTO renters are able to identify commonalities between their own experiences and those of renters from other parts of the region. They identify common issues and develop campaigns and organizing strategies to move issues forward. Emerging leaders are nurtured with training opportunities, as well as encouragement to take on

positions of leadership in broader campaigns for institutional change. Through these campaigns, renting families can meet with government officials and impact public and private rental housing policy. As they participate in broader social justice coalitions in which MTO participates, they experience the successes peoples' movements can have. This experience helps to build momentum and ownership over the process of positive social change.

A survey of MTO's program participants highlights our capacity to work with low-income households and individuals. Almost fifty-five percent of constituents have incomes at or below the poverty line, 71% are African American, 15% are Latino/Hispanic. Seventy-five percent of all people who use MTO's services are women. Fifteen percent of our constituents identify as immigrants and refugees.

Most of the service population lives in Cook County's poorest neighborhoods. Their homes are often in disrepair, with pests, heating problems, leaks, mold, etc. The women in these predominantly female-heading households are often afraid to complain out of fear of eviction and the threat it poses to their families. Moving from home to home is a way of life. Even though moving costs money and harms their children's education, most of these women feel they have no choice.

MTO has the capacity to service Evanston's Spanish speaking population. MTO has 3 bi-lingual Spanish speaking staff. Should other languages be required MTO has relationships that can provide this assistance on an as needed basis.

MTO provides similar services for the City of Chicago and Cook County in its southern suburbs. For each we provide renters with an information and referral phone help line, organize tenants' associations and host workshops on the tenant laws for the area. MTO has also had several EPA grants to assist renters around healthy homes issues such as lead paint hazards, pest, mold, etc.

Since its founding in 1980, LCBH has provided direct legal assistance for low-income families facing eviction or other serious housing issues. As the needs of renters changed, so did LCBH's services. When Chicago's affordable housing supply rapidly declined, placing more renters at risk of homelessness, LCBH hired a social worker to help keep vulnerable families stable. When the foreclosure crisis placed entire buildings full of tenants at risk of eviction, LCBH intervened, winning settlements that awarded tenants financial damages and time to move. Drawing on its years of experience, LCBH helped to shape policies that protect Chicago's renters, such as the Residential Landlord and Tenant Ordinance (RLTO) and the Keep Chicago Renting Ordinance Eviction (KCRO). This experience uniquely qualifies LCBH to provide consultation to the City of Evanston regarding its landlord-tenant or fair housing brochure as well updates to its human rights ordinance.

LCBH prioritizes case acceptance based on a client's vulnerability to homelessness. Most of LCBH's clients are parents with minor children, seniors, or individuals with disabilities. In 2018, 63% of LCBH's clients receiving non-helpline (foreclosure related) legal services were women; 35% had children under 18 living in the household; and 65% reported an income under \$20,000. Further, 9% of LCBH clients were over 65 years old and 44% identified as a person with a disability or stated that a member of his/her household has a disability.

References

Leona Barth, City of Chicago MTO and LCBH have had a contract with the City of Chicago to provide similar services since the 1990s. 312-744-0891- Leona.Barth@cityofchicago.org

Pam White, Cook County, - MTO has had a contract with Cook County for close to 10 years.
(312) 603-1057- pamela.white@cookcountyil.gov

Program Staff and Managers

MTO has a dedicated and knowledgeable staff. The following positions will be assigned to the program:

Oversight of the program is vested in John Bartlett, MTO's Executive Director with 30-plus years of experience in nonprofit organizations dealing with tenant rights, including 20 years in management capacities at MTO. Mr. Bartlett is a trained professional mediator and for the past 20 years has routinely performed mediations for the US. Postal Service.

Our County Organizer, David Wilson, has worked with the organization 15 years. He both answer calls from County residents and organizes tenants' associations in the County and the City. Mr. Wilson has organized and presented numerous Landlord and Tenants training seminars throughout his career. He has received high marks from participants for his thoroughness and capacity to relate to participants. Mr. Wilson has also been instrumental in organizing trainings for HUD property managers. More than 80 managers attended his last training. Mr. Wilson is an expert in subsidized housing laws.

Hotline Coordinator, Lolita Davis, has been with the organization for 3 years. Ms. Davis has been through trainings conducted by the Lawyers' Committee for Better Housing and the National Alliance for HUD Tenants. Ms. Davis prepares reports and vouchers.

Our Hotline Counselor, Javier Ruiz, is fully English/Spanish bilingual and has been working in service agencies in Chicago for several years.

LCBH staffing includes:

Mark Swartz, Executive Director –Mark has advocated on behalf of Chicago's renters for over a decade. In 2008 he launched LCBH's Tenants in Foreclosure Intervention Project (TFIP) where he developed an early warning system to alert community-based organizers about recent foreclosure filings and sales and released annual data and policy reports on the impact of foreclosure on renters. Under Mark's supervision, LCBH drafted the original version of the ordinance that eventually passed in 2013 known as the Keep Chicago Renting Ordinance that created additional protections for Chicago renters living through foreclosure. Mark's focus is on renters' rights, tenants in foreclosure law, and access to justice issues in eviction court, and he has given numerous presentations to bar associations, law schools, and regional conferences. Mark graduated cum laude from the University of Wisconsin Law School.

Aileen Flanagan, Senior Attorney – Aileen, a graduate of Loyola University Law School, was admitted to practice in May of 2009, and has been with LCBH since 2012. She manages LCBH's Tenants in Foreclosure Helpline, and facilitates training for housing counselors and tenant advocates.

Jonathon Raffensperger, Staff Attorney – Jon represents tenants in eviction court, as well as in other litigation and non-litigation matters that relate to housing conditions and landlord-tenant issues. He is a graduate of Dartmouth College and the University of Chicago Law School and was admitted to practice in November 2010. Prior to joining LCBH, Jon was a litigation associate in private practice.

Fees

Please see attached sheet

Contract

MTO wishes to negotiate an exception to the insurance requirement of \$5,000,000. See Insurance section in Scope of Service.

M/W/EBE

This is not applicable to MTO as the agency is a nonprofit and has no ownership. MTO's Board would qualify as 60% of MTO's board are people of color and 60% are women.

Project Proposal

The Metropolitan Tenants Organization (MTO) proposes to partner with the Lawyers' Committee for Better Housing (LCBH) to provide Evanston tenants with comprehensive services that will stabilize and improve the living conditions of Evanston renters. MTO and LCBH have been providing tenants with services for well over 30 years. MTO and LCBH have worked together as partners on many projects in the past and present. This partnership will elevate Evanston tenant services to new standards. MTO will be the lead partner in the collaboration.

Currently there are few free legal services available to Evanston renters. Most of these services are only available to subsidized tenants. The vast majority of low-income renters, however, reside in the private rental market. Displacement can have severe consequences for tenants and in many cases can be avoided with minimal legal assistance. MTO and LCBH have instituted an Eviction Prevention Program which has a long-term goal of providing every renter with the service they will need to avoid eviction.

We believe with a small increase in the budget for legal services MTO and LCBH will be able to significantly increase service levels in Evanston. LCBH analysis of Cook County eviction court data show that since 2014, Evanston has averaged about 200 plus eviction filings every year. Over half of those filings resulted in court ordered evictions. Pre-litigation eviction diversion strategies, connecting qualified renters to homeless prevention dollars, and in-court eviction advice and litigation services are all strategies that MTO and LCBH have utilized, and will continue to utilize in this project.

Scope of Services:

Basic:

MTO will operate a free help line for City of Evanston renters and property owners. The helpline will be open from 1 to 5 daily and will answer calls on a first come, first served basis. MTO has the capacity to handle more than 30 cases every month. Callers will receive information that relate to creating a better understanding of and compliance with Evanston's Residential Landlord and Tenants Ordinance. For callers who do not call during helpline hours, MTO will return all calls within 48 hours. MTO will make two attempts to return the call.

Besides verbal information all callers who request it will receive packets of information as follow-up which will include sample letters and information. Information will be sent via mail or email. MTO may also provide additional assistance to tenants and landlord which may include help in writing letters, strategies on how to resolve issues through negotiations, and referrals to other resources, to assist with health issues, homeless prevention funding, and other resources, depending on the need. Callers can also request written information about the RLTO and sample letters. The Hotline is a first line of defense in efforts to prevent homelessness and maintain Evanston's affordable rental housing.

MTO has extensive relationships with legal service providers as well as attorneys throughout the region. As a part of the contract MTO will make referrals to the best available free legal assistance provider. MTO is aware that for market rate tenants there are few resources, which is why we are proposing that as a part of this contract, LCBH will provide direct legal services to low-income renters. By providing this service MTO and LCBH can make sure that low-income residents will get the support they will need to avoid dislocation. The MTO-LCBH Partnership will streamline legal referrals and reduce displacement, by making sure that renters have the tools and resources to avoid eviction and stay in their homes. MTO will act as a liaison between tenants and attorneys and work with renters to avoid eviction and unwanted displacement. The MTO-LCBH collaboration will decrease intake redundancy, create a smooth handoff of eviction cases, improve data collection, and, in the end, increase tenant stability. Increased stability will have positive effects on both the families and their communities, including effects on education, health, and employment.

MTO will work with the City of Evanston to maintain current Landlord and Tenant information on the City of Evanston's website and MTO's website. MTO is currently investigating whether it is feasible to modify MTO's web app for Chicago to create a web app for Evanston that will contain downloadable and editable letter templates for rent reduction notices, 14-day termination notices, essential service notices, etc. Should it not be possible to change the web app, MTO will post all letters and information on its website, www.tenants-rights.org.

Additional Services:

MTO will organize and provide at least one two-hour training for Evanston tenants and/or small landlords. MTO routinely hosts trainings 20 to 30 trainings of this nature throughout the year. The trainings will provide an overview of Evanston's Residential Landlord and Tenants Ordinance as well as a questions and answers period to go over individual concerns. MTO will provide all participants with sample letters and other written materials.

MTO at no cost to the City of Evanston will take part in round tables of service provider networks and Evanston's Continuum of Care. Through participation in these forums MTO will expand outreach efforts to renters and will work to encourage renters to call as soon as problems arise and are thus easier to resolve rather than wait for a crisis to occur, which makes resolving problems more difficult.

As a part of this agreement, MTO will organize a two-hour training for property managers. MTO will work with the City's Property Standards Division to conduct outreach to landlords, particularly small landlords and those with a history of poor performance. MTO will work with Taft West, of Chicago Community Loan Fund, to facilitate the training.

On an as needed basis, MTO will provide mediation services for landlords and tenants. MTO's Executive Director is a professional mediator and can handle complex in-person disputes. MTO staff are able to work with tenants to communicate with landlords to develop win-win agreements. MTO will also conduct informal mediations/negotiations over the phone.

When there are building-wide repair or other problems, working with a tenants' association is often the most effective and efficient means of resolving disputes. When tenants call with a problem, they are asked if others in their building are facing a similar problem. A counselor will identify a building for organizing if the majority of tenants are facing a common problem such as a foreclosure, poor maintenance, building security concerns, health hazards, or other issues that may threaten the viability and affordability of the complex. In those cases, MTO's field organizer will help residents form tenant associations, and provide

the training and support needed to help resolve the issue(s) threatening the preservation of the building, while also working to keep it affordable.

MTO and LCBH are available to consult with the City of Evanston regarding emerging landlord and tenant issues and help to develop a proactive response that may require programmatic or legislative fixes.

Finally, LCBH's staff attorneys will provide high-quality legal representation to tenants facing housing instability. These services will include eviction defense for low-income renters as well as litigation services to combat retaliation and illegal lockouts. LCBH has extensive experience in this area. In 2018, LCBH provided legal services to 806 client families, serving 1,233 people total. LCBH's services secure positive outcomes, including financial benefits, dismissals, additional time to move, and sealed records.

Without an attorney, renters in eviction court are at a huge disadvantage. In 2017, there were approximately 29,965 eviction filings in Cook County, with many more renters being “informally evicted” by a coercive landlord, poor conditions, or lockouts. LCBH data show that without an attorney, the likelihood that an eviction order will be entered against a tenant is about 62%; with an attorney, it’s about 45%. In other words, by having an attorney, tenants decreased their odds of getting an eviction order by about 25%. The benefits of having an attorney are even greater when the tenant is represented by a civil legal aid provider, a non-profit organization that offers free legal help with non-criminal legal issues. 50% of cases where tenants were represented by private attorneys resulted in eviction orders. Legal aid representation resulted in eviction orders only 22% of the time, less than half the rate of their private attorney counterparts.

The impact of eviction has lasting consequences. This is true even for those who paid their rent in a timely manner, but were evicted without cause, or where an eviction suit was merely filed and was either dismissed or adjudicated in favor of the tenant. And since many landlords and housing authorities refuse to take on persons with evictions on their record, families are often forced to relocate to neighborhoods with higher levels of poverty and violent crime, or accept lower quality units.

LCBH attorneys will provide consultation to make sure letters written by tenants to landlords regarding rent reductions, eviction notices, essential services and other issues are consistent with the provisions of Evanston’s Landlord Tenant Ordinance. When such letters are not effective at resolving a dispute, LCBH will assess the appropriateness of providing more in-depth legal services.

Scope of Services:

MTO will accept referrals by phone and email from City’s 311 system. MTO will also accept referrals from City’s website and from all other Evanston sources including governmental and nonprofit entities. On at least a monthly basis, MTO will provide onsite counseling in Evanston at a City of Evanston office/meeting space. We will acknowledge all calls with 2 business days and resolve all simple requests within 5 days.

Reporting:

MTO will work with the City of Evanston on a reporting format. Reports are turned in on a monthly basis. MTO can change or update reporting per request of City of Evanston

Tracking and reporting are done primarily through dBase software and Microsoft Excel. MTO has developed mapping capabilities for the City of Chicago. We expect to be able to develop the same for Evanston. The exception to our monthly reporting cycle involves our Tenants Rights Hotline, for which a weekly recap report is a regular Agenda item at our All-Staff Meeting every Friday morning. This schedule recognizes the critical nature of the Hotline to our overall program, and focuses on Hotline staffing (both staff and volunteer), number of calls, and any anomalies in the types of calls (MTO's Hotline calls have historically served as an early warning system on the state of the rental housing market in Evanston).

Additionally, the Hotline/Volunteer Supervisor and the Executive Director/Assistant Director meet no less than monthly to discuss benchmarks and any needed adjustments.

Pricing

Please see attached sheet.

Insurance:

MTO wishes to negotiate the comprehensive general liability requirement discussed in the RFP. MTO believes it creates a hardship to effectively and efficiently perform the services required. Currently, MTO maintains a 1,000,000 combined single limit for each occurrence and can designate the City as Additional Insured. It would cost an additional \$4,000 to increase that to \$5,000,000. It would add unnecessary additional costs to the project, which MTO would have to take on. We already have absorbed some of the costs of the project. We ask for a waiver from this exceedingly high amount of insurance. No other governmental agency including the City of Chicago requires such a large policy.

Exhibit A - Fee Schedule

| Fee Summary | |
|-----------------------------|--------------------|
| Total Staff Costs | \$67,052.50 |
| Total Reimbursable Expenses | \$2947.50 |
| Total M/W/EBE Participation | \$0.00 |
| Total Project Cost: | \$70,000.00 |

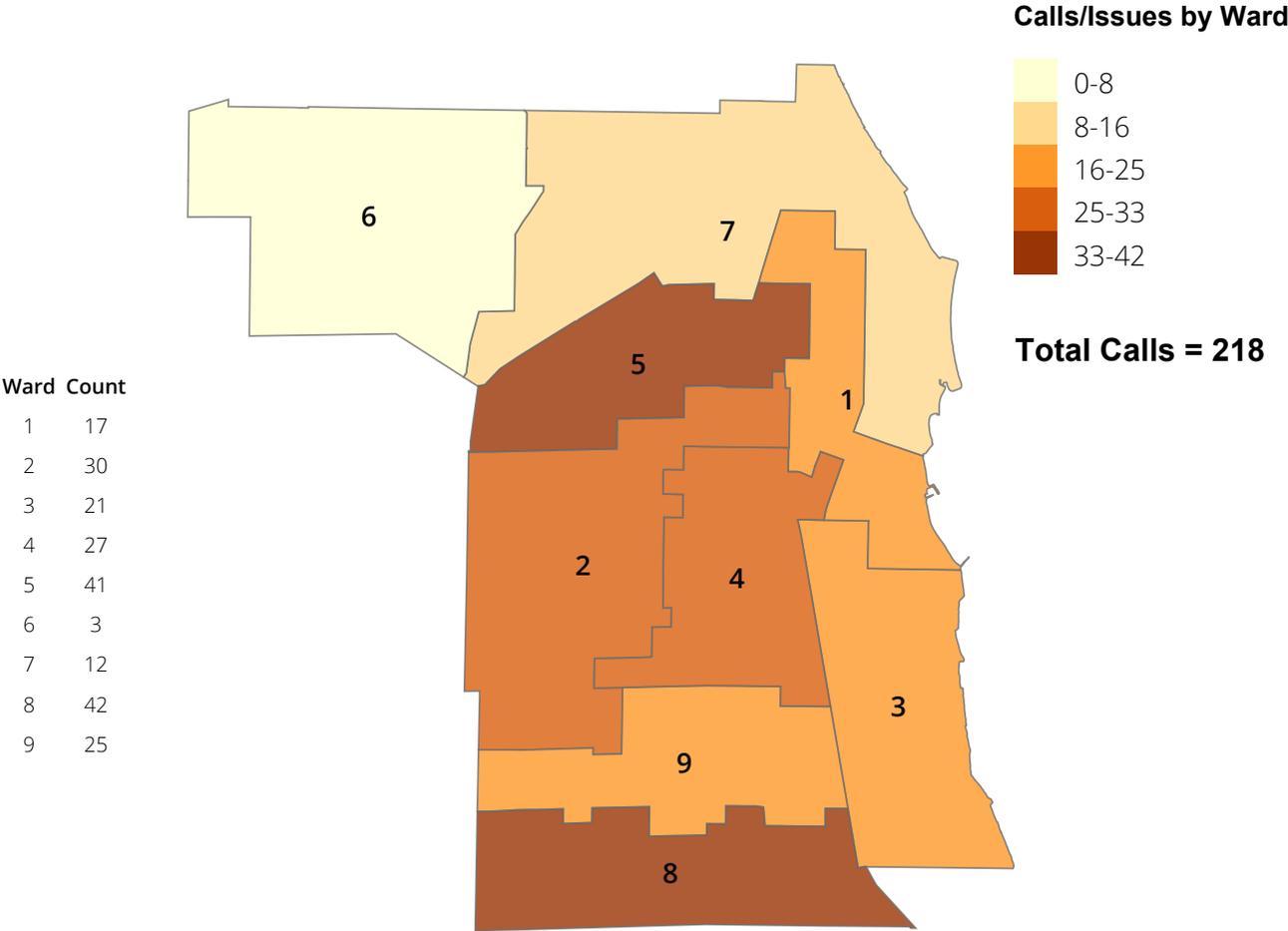
| Fee Detail by Task | | | | |
|---|----------------------|------------------|---------------|-----------------|
| Task 1: Basic Scope of Services (1.A.-C.) | | | | |
| Assigned Staff | Firm Name | Avg. Hourly Rate | Project Hours | Proposed Cost |
| Lolita Davis | Metropolitan Tenants | 25 | 375 | \$9,375 |
| Javier Ruiz | Metropolitan Tenan | \$19.50 | 250 | \$4,875 |
| David Wilson | Metropolitan Tenan | \$25 | 300 | \$7,500 |
| John Bartlett | Metropolitan Tenan | \$42.50 | 140 | \$5,950 |
| <i>Total Reimbursable Expenses (e.g. printing, travel, supplies, etc)</i> | | | | <i>\$2,300</i> |
| Total Proposed Cost - Task 1 | | | | \$30,000 |
| Task 2: Landlord or Tenant Group Training (2.A.) | | | | |
| Assigned Staff | Firm Name | Avg. Hourly Rate | Project Hours | Proposed Cost |
| David Wilson | Metropolitan Tenan | \$25 | 50 | \$1,250 |
| John Bartlett | Metropolitan Tenan | \$42.5 | 9 | \$382.5 |
| <i>Total Reimbursable Expenses (e.g. printing, travel, supplies, etc)</i> | | | | <i>\$117.5</i> |
| Total Proposed Cost - Task 2 | | | | \$1,750 |
| Task 3: Property Managers Group Training (2.B.) | | | | |
| Assigned Staff | Firm Name | Avg. Hourly Rate | Project Hours | Proposed Cost |

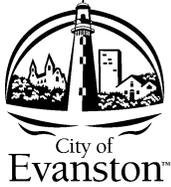
| | | | | |
|---|--------------------------------------|------------------|---------------|--------------------|
| David Wilson | Metropolitan Tenan | \$25 | 50 | \$1,250 |
| John Bartlett | Metropolitan Tenan | \$42.5 | 9 | \$382.5 |
| <i>Total Reimbursable Expenses (e.g. printing, travel, supplies, etc)</i> | | | | \$117.50 |
| Total Proposed Cost - Task 3 | | | | \$1,750.00 |
| Task 4: Mediation Services (2.C.) | | | | |
| Assigned Staff | Firm Name | Avg. Hourly Rate | Project Hours | Proposed Cost |
| John Bartlett | Metropolitan Tenants | \$42.50 | 30 | \$1,275.00 |
| <i>Total Reimbursable Expenses (e.g. printing, travel, supplies, etc)</i> | | | | \$225. |
| Total Proposed Cost – Task 4 | | | | \$1,5000 |
| Task 5: Tenant Organizing (2.D.) | | | | |
| Assigned Staff | Firm Name | Avg. Hourly Rate | Project Hours | Proposed Cost |
| David Wilson | Metropolitan Tenants | \$25 | 150 | \$3750 |
| John Batlett | Metropolitan Tenants | \$42.5 | 25 | \$1062.50 |
| <i>Total Reimbursable Expenses (e.g. printing, travel, supplies, etc)</i> | | | | \$187.50 |
| Total Proposed Cost - Task 5 | | | | \$5,000 |
| Task 6: Consulting Services (2.E.) | | | | |
| Assigned Staff | Firm Name | Avg. Hourly Rate | Project Hours | Proposed Cost |
| Mark Swartz | Lawyers Committee for Better Housing | \$100 | 300 | \$30,000.00 |
| <i>Total Reimbursable Expenses (e.g. printing, travel, supplies, etc)</i> | | | | \$0.00 |
| Total Proposed Cost - Task 6 | | | | \$30,000.00 |

Metropolitan Tenants Organization

Hotline Calls: Aug 2018-Aug 2019

City of Evanston





Memorandum

To: Members of the Housing and Homelessness Commission

From: Johanna Leonard, Community Development Director
Sarah Flax, Housing and Grants Manager
Savannah Clement, Housing Policy and Planning Analyst
Marion Johnson, Housing and Grants Intern

Subject: Evanston Development Cooperative ADU Pilot Proposal

Date: September 5, 2019

Recommended Action

Staff recommends approval of a loan of up to \$220,000 from the Affordable Housing Fund to a local homeowner to finance the building of an Accessory Dwelling Unit (ADU)/coach house by Evanston Development Cooperative (EDC). The homeowner will rent the ADU at 80% AMI for 20 years to households from the City's centralized waitlist managed by Community Partners for Affordable Housing. This project will be a pilot and case study on financing ADUs to local residents, community members, private investors and future financial partners and integrate additional affordable housing in high cost single family neighborhoods and TOD areas.

Funding Source:

Funding is from the City's Affordable Housing Fund, 250.21.5465.65535, Rehab Loans. This line item has a budgeted amount of \$500,000 for 2019.

Livability Benefits:

Built Environment: Support housing affordability;

Equity & Empowerment: Ensure equitable access to community benefits, and support poverty prevention and alleviation.

Climate & Energy: Improve energy and water efficiency, reduce greenhouse gas emissions

Economy & Jobs: Expand job opportunities, develop workforce, and support green jobs and businesses

Discussion:

ADUs have been identified as a strategy that can address multiple affordable housing needs in Evanston, including increasing the supply of affordable housing units,

particularly in single-family neighborhoods where rental is limited, as well as help address displacement of lower income residents by providing them with rental income and increased equity, and enabling seniors to age in place.

ADUs increase housing supply and density while maintaining the character of existing neighborhoods. The addition of ADUs addresses the City Council goal to expand affordable housing options and will further Evanston's capacity to remain an economically and racially/ethnically integrated community.

Currently financing of ADUs is reliant on the financial capacity of the property owner in the form of savings, equity loans or refinancing of their property. Establishing additional financing options will ensure a broader and more equitable access to building ADUs to address different needs. This pilot loan will also provide an opportunity for EDC to build its first ADU in Evanston using its sustainable panelized construction materials and showcase the opportunities available to private investors and financial partners to finance future ADU projects, as well as illustrate ADUs' potential to homeowners and residents. The pilot would also help establish and confirm all processes necessary between all parties (property owner, EDC, building contractors, City departments, etc.) for the building and renting of an affordable ADU.

The property owners at 1118 Sherman Avenue reached out to EDC after hearing about its community dialogue on affordable housing, with the intention of constructing an affordable, 2-bedroom ADU that could house up to four people. The property owners do not qualify as low or moderate-income residents (LMI), yet they do not have the resources to privately finance ADU construction.

Based on the property owners' commitment to use their private property for a public good, this pilot will help demonstrate how residents can use their land creatively to finance and expand affordable housing options for our residents and collaborate in the development of an economically integrated city. With limited quantities of city-owned land, this pilot can help develop programs to incentivize the creation of additional affordable, healthy homes on private land, particularly in single-family neighborhoods.

The loan amount will be \$150,000 at minimum and cannot exceed \$220,000, at an interest rate of 1% for 20 years. The ADU will be rented at 80% AMI to income eligible households from the centralized waitlist for the duration of the loan. The loan will be recorded on the property. See draft loan agreement attached.

As noted above, this is a pilot project that will help inform the development of financing programs for ADUs for individual home owners who lack cash resources to undertake the construction of an ADU. Other programs will be developed to help low-income homeowners avoid displacement by providing them additional income to help pay property taxes, etc., and to enable seniors to age in place. In addition to detached coach house ADUs, revising City zoning to allow internal and attached ADUs is being considered in the development of the City's comprehensive Affordable Housing Plan.

Other local governments already offer ADU financing through various programs. Boston, MA, and Denver, CO, provide interest-free deferred loans (due at the time of sale of the property) to eligible homeowners. L.A. County, CA, is piloting a program that

provides forgivable loans to homeowners building ADUs for residents transitioning out of homelessness. And, Santa Cruz, CA, provides loans for affordable ADUs in collaboration with a local credit union. While many of these programs have lower loan amounts, the majority are also for attached units which are considerably less expensive to create. Given that Evanston's zoning does not allow attached or internal ADUs, there is a need to develop viable financing of detached ADUs, preferably through private financing or public-private partnerships. This loan provides a first step in this direction.

Additionally, this loan will ensure that EDC can take steps towards their goal of hiring and training low/moderate-income residents for work in sustainable construction, by building homes that are 90% more energy efficient than the average single-family home.

Attachments

- Draft Loan Agreement
- Evanston Development Cooperative financial model for 1118 Sherman avenue
- Summary of other local governments financing programs
- Evanston Development Cooperative executive summary

DRAFT OF LENDING TERMS

Project: 2-Bedroom ADU at 1118 Sherman Avenue (“Project”)

Partners: Stuart Jessup and Elizabeth Jackson (“Owner,” 1118 Sherman Avenue)
City of Evanston (“Lender”)

This non-binding document (“Document”) aims to establish the lending agreement (“Loan”) between Owner and Lender to construct the coach house (“Project”) at 1118 Sherman Avenue. Owner and Lender have both expressed interest in executing an agreement to construct affordable, sustainable housing in Evanston through a local workforce.

1. Amount

Owner shall receive a line of credit totaling no more than \$220,000 to be used for site work, construction, fees (architectural, engineering, permit, etc.), maintenance, and all project-related costs. The final amount will be issued as a second mortgage on the property.

2. Terms

Initial minimum draw: \$150,000 (\$30,000 at zoning approval + \$120,000 after building permit)

Maximum draw: \$220,000

Period of time: 1 year draw up to 30 days after issuance of Certificate of Occupancy (COO), and 20 years repayment (beginning at 90 days after COO or receiving rental income, whichever comes first)

Interest rate: Fixed 1% on principal balance (beginning at 90 days after COO or receiving rental income, whichever comes first)

Monthly payments: Principal plus interest

Interest-only payments: If facing unforeseen financial difficulties, Owner may request making interest-only payments for a specific period of time to be agreed upon by Lender.

3. Project Affordability

Owner shall agree to rent the Project at 80% of the Area Median Income (AMI) as determined in the Illinois Housing Development Authority’s Schedule of Maximum Monthly Gross Rents in Chicago (Cook, Du Page, Lake, Kane McHenry, and Will Counties). The 80% AMI rental rate shall be determined and published by IHDA on an annual basis.

4. Owner Financial Verification

Prior to issuance of the Loan, Lender shall carry out a credit check and income verification of Owner to ensure their capacity to meet the financial requirements of the Loan. Additionally, Lender shall ensure that Owner is current with all City of Evanston and property accounts, including property taxes, water bills, mortgages, and property insurance.

5. Evanston Development Cooperative’s Role as General Contractor

Issuance of the Loan shall be contingent upon Owner's decision to hire Evanston Development Cooperative ("General Contractor") to complete construction of the Project.

6. Loan Issuance Terms

Upon approval of the Project's plans and specifications through the completion of a Zoning Analysis form, as approved by the City of Evanston's Zoning Office, \$30,000 of the loan amount shall be distributed to the Owner to cover project-related costs. This date starts the 1-year draw period.

Upon submission of all relevant documents and issuance of a building permit to the General Contractor, the Owner shall submit verification of the building permit, signed construction invoice, and other relevant documents required by the Lender. Upon receipt of certification of the building permit, the Lender shall begin distribution of funds to the General Contractor (totaling a minimum of \$120,000 and maximum of \$220,000), with each draw to be approved by the Owner.

No additional funds can be drawn after 30 days after the issuance of the Certificate of Occupancy or 1 year after the issuance of the loan, whichever comes first. The final principal balance will constitute the "loan amount."

City will issue a note on the property to record said "loan amount."

7. Loan Payment Period

Owner's monthly payments shall commence in the first month ("Month 1") in which the Owner receives rental income from the Project or 90 days after issuance of Certificate of Occupancy, whichever comes first. Monthly payments are due to the City of Evanston by the last business day of the month.

8. Renter Outreach, Identification, Screening, and Administration

Owner shall follow the "Policies and Procedures" for Affordable Rental Housing established in the City of Evanston's Inclusionary Housing Ordinance. Therefore, Owner shall provide Community Partners with Affordable Housing (CPAH) with the rights and responsibilities to carry out tenant outreach, income verification, and screening for qualified applicants on the City of Evanston's Centralized Waitlist.

As the "Policies and Procedures" states, the Owner shall be responsible for offering the rental lease to identified and screened tenant applicants. Additionally, as the "Policies and Procedures" indicate, it is possible that not all income-qualified applicants will receive an offer of a lease from the Owner.

9. Definition of “Opting Out”

For the Owner, the following actions shall be defined as “opting out”:

- a. Selling the property on which the Project exists.
- b. Transferring ownership of the property on which the Project exists.
- c. Subdividing the property on which the Project exists.
- d. Carrying out a cash-out refinance on the property on which the Project exists.
- e. Renting the Project at a rate higher than that established in this Document.
- f. Renting the Project in a manner that fails to align with the “Policies and Procedures” of the City of Evanston’s Inclusionary Housing Ordinance.
- g. Renting the Project on Airbnb or other short-term rental services.

10. “Opting Out” Fee in First Five Years

From the time period of Month 1 to five years thereafter, the Owner shall be responsible for the following payment if the Owner opts out:

- a. Payment of the principal balance due
- b. A flat sum payment equating to 5% annual interest rate of the “loan amount” during the time period.

For example, if the Owner opted out 3 years after Month 1 with \$179,000 in principal balance on a \$200,000 “loan amount,” they would pay the Lender \$179,000 (Item a) with an additional \$30,000 ($\$200,000 \times 5\% \times 3 \text{ years}$) payment (Item b).

11. “Opting Out” in Remaining Years of Loan Term

From five years after Month 1 to the conclusion of the 20-year repayment term, the Owner shall be responsible for payment of the remaining principal balance due on the total loan amount.

12. A New Property Owner

If a person or entity different from the Owner attains ownership of the property on which the Project is located, the owner of the property (“New Owner”) may, if they meet the financial verification requirements defined in Clause 4, assume the loan amount, terms, and affordable rental agreement. Otherwise, the loan would be repaid at time of transfer.

Financial Pro Forma for 1118 Sherman Coach House Project

| | |
|------------------------------------|-----------|
| Cost of Coach House + Fees | \$210,000 |
| Permit Value of Coach House | \$140,000 |

Funds

| | |
|-------------------------|-----------|
| Cash | \$10,000 |
| Community Support | \$0 |
| City Assistance (Grant) | \$0 |
| Loan | \$200,000 |

Term Loan

| | |
|----------------------------|-------------|
| Loan Amount | \$200,000 |
| Annual Interest Rate | 1.000% |
| Periodic Interest Rate | 0.083% |
| Years | 20 |
| Number of Monthly Payments | 240 |
| Monthly Principal Payment | \$833.33 |
| 1st Interest Payment | \$166.67 |
| Last Interest Payment | \$1 |
| Total Interest Paid | \$19,916.67 |

Monthly Cost of Coach House

| | Annual | Building Value | Assessment Level | State Equalizer | Local Tax Rate | Exemption* |
|---------------------------------|-----------------|----------------|------------------|-----------------|----------------|------------|
| Property Tax Increase | \$319.64 | \$3,835.63 | = | \$140,000 | 10% | 2.9109 |
| Property Insurance Increase | \$25.00 | \$300 | | | 9.41% | 1 |
| Utilities (Electricity + Water) | \$50.00 | | | | | |
| Maintenance | \$83.33 | \$1,000 | | | | |
| Vacancy (0.5 month / year) | \$66.88 | \$802.50 | | | | |
| CapEx Reserve | \$83.33 | \$1,000 | | | | |
| Total: | \$628.18 | | | | | |

Monthly Income

| | 80% AMI |
|---------------|----------------|
| Gross Rent | \$1,605 |
| City Subsidy | \$0 |
| Total: | \$1,605 |

Illinois Housing Development Authority (April 2019)

| | 100% AMI | 80% AMI | 60% AMI |
|------------------|------------|------------|------------|
| 2 Bedroom | | | |
| Gross Rent | \$2,005 | \$1,605 | \$1,203 |
| Rent | \$1,955.00 | \$1,555.00 | \$1,153.00 |
| 1 Bedroom | | | |
| Gross Rent | \$1,671 | \$1,337 | \$1,002 |
| Rent | \$1,621.00 | \$1,287.00 | \$952.00 |

First Monthly Balance

| | 80% AMI |
|-----------------|--------------|
| Loan Payment | -\$1,000 |
| Operating Costs | -\$628 |
| Income | \$1,605 |
| Total: | -\$23 |

Homeowner

| | |
|-----------------------|-----------------|
| Years: | 20 |
| Total Interest Paid | -\$19,916.67 |
| Total Operating Costs | -\$150,763 |
| Loan Repayment | -\$200,000 |
| Total Rent Collected | \$385,200 |
| Net: | \$14,521 |

Last Monthly Balance

| | 80% AMI |
|-----------------|--------------|
| Loan Payment | -\$834 |
| Operating Costs | -\$628 |
| Income | \$1,605 |
| Total: | \$143 |

City of Evanston

| | This Proposal | | Voucher* |
|--------------------|--------------------|-----------------|---------------------|
| | 20 yrs | 4 yrs | |
| Terminate | | | |
| Loan | -\$200,000 | -\$200,000 | |
| Loan Repayment | \$200,000 | \$200,000 | |
| Interest Collected | \$19,916.67 | \$40,000 | |
| Monthly Outlay | | | -\$400.00 |
| Net: | \$19,916.67 | \$40,000 | -\$96,000.00 |

*Subsidy to bridge gap between 80% and 100% AMI, for 20 years

Summary of Local Government ADU Financing Programs

City of Denver

- Established in May of 2019.
- Allocated \$500,000 from Denver's Affordable Housing Fund.
- Forgivable loan if homeowners meet affordability requirements:
 - Homeowners or secondary tenant must earn less than 80% AMI.
 - ADU or primary house rent cannot exceed 80% AMI for 25 years.
- Program is offered to households earning up to 120% AMI.
- Deed restrictions are placed on the property of participating households.

County of Santa Cruz

- Established in 2003.
- Allocated \$540,000 in 2018.
- Provides homeowners with a forgivable, 3% interest loan.
 - Loan is forgiven if homeowners rent at or below 70% AMI for 20 years.
 - Homeowners pay full loan amount plus interest if they do not rent affordably.
- Deed restrictions placed on the property.

City of Boston

- Established in April of 2019.
- Allocated \$650,000.
- Zero-interest, deferred loans to homeowners.
 - No monthly loan payments – loan is due when homeowner sells property, transfers ownership, or undertakes a cash-out refinance.
- Program is offered to households earning up to 135% AMI.
- Must be current with all City of Boston and property debts.

Los Angeles County

- Established in August of 2017.
- Allocated \$550,00 for an 18-month pilot program.
- Provides homeowners with a forgivable loan:
 - Loan is forgiven if homeowners rent to formerly homeless tenants for 10 years.
 - Interest stops accruing after 5 years.
- Homeowners receive rental income through Section 8 or other vouchers.
- Program aims to streamline ADU permitting process.

City of Evanston

- Proposed in September of 2019
- Allocating a maximum of \$220,000 for a pilot project.
- Provides homeowners with a 1% loan if:
 - Homeowners rent the ADU at or below 80% AMI for 20 years.
- If homeowners sell the property, transfer ownership, or violate loan term agreements:
 - Homeowners pay full amount of the loan plus 5% interest.
- Deed restrictions are placed on the property.
- Homeowners must be current with all City of Evanston and property debts.



Executive Summary

The Evanston Development Cooperative (EDC) builds environmentally sustainable, affordable homes by and for our town's residents. Our for-profit cooperative is democratically owned and governed by local workers and residents because EDC believes that Evanston possesses the human capital, financial capital, and moral goodwill to build an equitable city. Our airtight construction technologies create homes that are far more energy efficient than the average house, aligning with the City of Evanston's Climate Action and Resilience Plan (CARP) goals. By allowing our residents to collaborate as the builder and developer of our town's homes, we provide a business mechanism for our entire community to address citywide issues of affordable housing, workforce development, racial equity, and environmental sustainability.

EDC offers ownership to two types of shareholders: Worker-members (Class A) who are employed by EDC and Evanston community members (Class B) who invest in EDC. Class A shareholders must be Evanston residents and EDC employees that direct business operations and build EDC homes. Class B shareholders contribute their lived and professional expertise and introduce EDC to their Evanston network. Our cooperative model caps all shareholder investments at \$10,000, and all shareholders have one vote regardless of investment size. Because all employees and resident members have an equal vote in our business, we provide the Evanston community with the power to decide the shape, color, and cost of housing in our city.

We are initially focused on constructing coach houses, or accessory dwelling units (ADU's). ADU's are detached, independent housing units on the property of a single-family home. ADU's generate rental income for the existing homeowner, provide housing to elderly parents and other relatives, or help current homeowners downsize from their primary home. Under current Evanston zoning, approximately 4,700 coach houses that are 600 square feet or larger could be built today. Through partnerships between large national banks, regional community development financial institutions (CDFI's), and local governments, cities are implementing programs to ensure affordability on properties with ADU's. Learning from cities such as Portland, OR and Los Angeles, CA that build hundreds of ADU's annually, EDC aims to develop similar public-private partnerships to make our homes livable, cost-effective, and healthy for all Evanston residents.

Incorporated on December 12, 2018, EDC plans to begin the construction of 1 pilot project in the Fall of 2019. We currently have 5 homeowners under contract for pre-construction services, aiming to build 4 ADU's in 2020 to reach \$900,000 to \$1,000,000 in construction revenue. We currently have 27 cooperative members whose collective investment totals \$125,000, and we plan to raise an additional \$70,000 through shareholder memberships by the end of 2019. EDC has received a \$60,000 grant from the City of Evanston, as well as a \$50,000 grant from Cook County, to provide jobs in sustainable construction to low or moderate-income (LMI) residents. We aim to achieve profitability by 2021, gradually developing our community's capacity to finance and build affordable, resilient homes for our residents.

EDC President Dick Co began full-time work with EDC in January of 2019 after directing "House by Northwestern" at Northwestern University, where he was on the faculty for 10 years. Cofounder and Vice President Robinson Markus began full-time work in late June. Eric Dingle, a local general contractor, EDC Class A shareholder and Board of Directors member, will oversee day-to-day construction for EDC's pilot project. EDC's inaugural cooperative meeting was June of 2019, with our next shareholders' meeting slated for December of 2019.