



Board Meeting and Retreat Agenda
February 5, 2025 (rescheduled from 1/22/2025) 6:30 PM ZOOM

1. Call to Order and Roll Call

2. Mission minute:

Vision

Communities we can all call home.

Mission

Open Communities works to eradicate housing discrimination, and unjust practices that perpetuate segregation and inequity. We foster thriving, inclusive communities through fair housing enforcement, housing counseling, education, outreach, and advocacy.

3. Move to approve Consent Agenda: Read before the meeting and call Cheryl before the meeting to ask questions)- a call for changes and correction and a vote to approve all items in the Consent Agenda.

- Minutes from November 2024 *see addendum A*
- Development Report- *See Addendum B*
- OC Program Updates- *See Addendum C*
- Financials- *see Addendum D*
- CEO Report, including Strategic Plan Update– *see Addendum E*

4. Old Business:

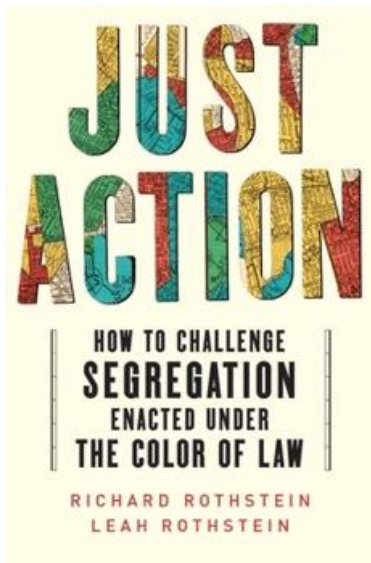
- Move to delay discussion of the need to revise our mission statement until next meeting.

5. Committee Reports:

- Finance
- Advocacy
- Fundraising

6. New Business

- Move to vote on providing a grant to Open Communities for the remaining \$279,000 in the Fannie Mae settlement fund, designated Fannie Mae Community Funds.
- Discuss status of HUD under new administration and implications for OC funding.
- Discuss Cheryl's role as Executive Director and new schedule; and roles of management team.
- Introduction of a Co-ED model for non-profit management.
- Assign chapter presentations for FY25 book selection, *Just Action by Richard Rothstein and Leah Rothstein*:



In his best-selling book *The Color of Law*, Richard Rothstein demolished the de facto segregation myth that black and white Americans live separately by choice, providing "the most forceful argument ever published on how federal, state, and local governments gave rise to the reinforced neighborhood segregation" (William Julius Wilson). This landmark work--through its nearly one million copies sold--has helped to define the fractious age in which we live. *The Color of Law*'s unrefuted account has become conventional wisdom. But how can we begin to undo segregation's damage? "It's rare for a writer to feel obligated to be so clear on solutions to the problems outlined in a previous book," writes E. J. Dionne, yet Richard Rothstein--aware that twenty-first-century segregation continues to promote entrenched inequality--has done just that, teaming with housing policy expert Leah Rothstein to write *Just Action*, a blueprint for concerned citizens and community leaders.

As recent headlines informed us, twenty million Americans participated in racial justice demonstrations in 2020. Although many displayed "Black Lives Matter" window and lawn signs, few considered what could be done to redress inequality in their own communities. Page by page, *Just Action* offers programs that activists and their supporters can undertake in their own communities to address historical inequities, providing bona fide answers, based on decades of study and experience, in a nation awash with memes and internet theories.

Often forced to respond to social and political outrage, banks, real estate agencies, and developers, among other institutions, have apologized for past actions. But their pledges--some of them real, others thoroughly hollow--to improve cannot compensate for existing damage. *Just Action* shows how community groups can press firms that imposed segregation to finally take responsibility for reversing the harm, creating victories that might finally challenge residential segregation and help remedy America's profoundly unconstitutional past.

7. Move to adjourn meeting.

Next Board Meeting: March 19, | 6:30-8:30 PM | IN-PERSON



BOARD MEETING MINUTES

Date: 11/20/2024

Time Commenced: 6:35 p.m.

Board Attendee Names: Grace Mya, Herb Brenner, Carol Golder, Roger Williams, Emily Love, Rose Shapiro, Adam Klinger

Absent Board Members: Jessica Flores

Staff Attendee Names: Cheryl Lawrence, Dalal Boudiaf

Quorum Yes No

ORDERS OF BUSINESS

1. Consent Agenda Approved Yes No

2. Old Business:

Clarifications from 09/07/24 meeting:

- Northwestern AI project for searching illegal rental ads on the web with students Dev and Saloni is currently covering metropolitan Chicago. We are starting there and working on the second phase after the first of the year, perhaps with NHFA to scale it up. OC doesn't have a license because OC took ownership of the IP. The IP is the property of OC. We are letting the students use the code, in a different way that is outside housing.
- Book recommendation on Board Management is a great resource.
- Board gathering: schedule a separate gathering each month that a board gathering is scheduled, maybe an in-person meal. Play it by ear.

3. New Business:

- Helen Cho: approved as newest board member. We are up to 9 board members. Cheryl will send everyone the yearly addendum to the handbook.
- Motion to change the CEO title to "Executive Director." Approved.
- *Motion to accept Jessica Flores as Vice-President and appoint Adam Klinger to fill out the remainder of her term as treasurer. Approved.

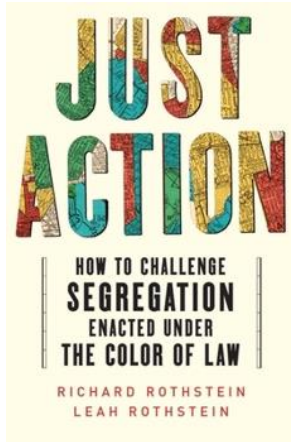
- **Approved Bylaws change:**

1. Registered agent changed from Carol Golder to CSC Global

2. Change from a minimum of 7 board members to a minimum of 8 board members to keep within Illinois law.
 3. Struck some language to allow board members to serve longer than 3 consecutive terms.
 4. Change of bylaws to include what we voted on a year ago regarding approval of expenses and checks/drafts 1. if ED not available, treasurer/president can sign checks. 2. ED can sign checks up to \$5,000 without approval
 5. Organization will purchase D&O insurance for board members.
- Motion to approve the addition of an Advocacy Committee to the board. It will be headed by Roger Williams, and Helen Cho will also sit on the committee. The fundraising committee will be headed by Carol. Approved unanimously.
 - Carol mentioned that there is a board match combining Giving Tuesday and annual appeal and encouraged board members who plan to make their annual donations before the end of the year to let Carol know so it can be added to the board match.
 - Use of the \$604,000 in Fanny Mae funds allocated to OC, we have disbursed \$325,000 and have \$279,000 left, have to allocate by February 2025. Cheryl is recommending that we use the remaining settlement funds to provide OC with a grant given the uncertainty of HUD going forward in this political climate. Also, OC provides several services directly that are permissible in the approved list from NHFA of “community investments” in which to invest settlement funds. We are the kind of organization (e.g. we have housing counseling) the settlement funds were to be allocated for. As a board, we should know where the funds are going. Cheryl will check with our attorneys to confirm this is acceptable. There is also appx. \$40,000 in interest in the FM savings acct. which will go into OC general funds.
 - Main Fair Housing Grant from HUD (PEI) grant expired 10/31/24, but because we had an active grant during last year’s application process, we were precluded from applying in the last round. This leaves us with a 6-8 month gap in PEI funding for FH activities. We submitted an application for this round due this month but the earliest would be June for funding (we should hear in March or April is we will be receiving grant).
 - We have received some new grants not in the budget, but others that are in the budget are no longer viable. Cheryl will prepare a summary for finance committee and prepare a revised budget.
 - We are receiving funding in different areas, so are addressing our accounting chart of accounts so that we can accurately show how the funding is being exactly allocated.
 - There was a discussion of the need to revise the mission statement to be able to maintain organizational standing in lawsuits. Becoming more important that we’re showing in our mission that we are “damaged” other than just because we’re not being paid. Mission statement could be strengthened if we move the section about inclusivity and harm to our constituents to the top of the mission statement and all the positive things that can happen to foster inclusive communities, and we have

to do the discrimination work because it's undermining our mission to foster inclusive communities. Corporations are attacking OC's organizational standing. This could become more acute in the trump (I am determined not to capitalize that name) administration.

Book selection approved for this term:



Just Action by Richard and Leah Rothstein -includes ways of approaching issues through action, including forming alliances.

Time and Date of next Board meeting: January 22, 2025, 6:30-8:30 p.m. via Zoom

Time of Adjournment: 7:56 p.m.

Signature of Board President and Secretary

_____, Board President

_____ *Emily Love* _____, Secretary

Development: Dalal Boudiaf/Sarah Petersen

November 16, 2024 – January 15, 2025

Development Updates

Development Department:

Dalal Boudiaf, Finance and Administration Director

Sarah Petersen, Development and Communications Director

Individual/Corporate Contributions

November 16, 2024 – January 15, 2025

First Name	Last Name	City	Note	Gift date	Gift amount
Jody	Adler	Highland Park		12/3/2024	10.3
Andy and Rich	Amend	Highland Park		12/16/2024	150
Phyllis	Arist	Evanston		12/7/2024	35
Elizabeth	Bearwald	Highland Park	Owner of Bent Fork	12/28/2024	103
Kristin	Berg	Park Ridge		12/30/2024	300
Steven	Bernstein	Evanston		1/7/2025	18
Steven & Sharon	Bialer & Feigon	Evanston	DAF	11/26/2024	1000
Richard	Biller	Sarasota, FL	Given in honor of Carol	12/4/2024	1000
Lee and Melvin	Blum	Winnetka	Herb's friend	12/13/2024	50
David	Borris	Highland Park		12/18/2024	250
Dalal	Boudiaf	Evanston	Staff	11/26/2024	51.5
Herbert	Brenner	Northbrook	BOARD	1/7/2025	1000
Barb	Buckley/Jones	Mount Prospect	Sarah B's mom	12/14/2024	51.5
Stuart	Cleland	Evanston	Founder's family	12/28/2024	128.75
Marilee	Cole	Evanston		12/16/2024	100
Sally and John	Daniels	Wilmette		12/28/2024	50
Maurya	Delaney	Evanston	Former staff	12/3/2024	103
Evanston Community Foundation		Evanston	Sponsorship duplicate for '24 Run	12/9/2024	500

			Redline (said to keep)		
Sherrill	Frost-Brown	Silver Spring, MD	Former staff/now at NFHA	12/29/2024	30.9
Carol	Gayle	Lake Forest		12/3/2024	25.75
Betsy	Godnabb		New online donor, no address	12/4/2024	25.75
Janice	Goldblatt	Highland Park	monthly donor	12/22/2024	25.75
Carol	Golder	Winnetka	BOARD	12/31/2024	7500
Joan	Golder	Northbrook	Carol's mother-in-law	12/31/2024	100
Laurie	Goldstein	Evanston	DAF at ECF	12/11/2024	200
Paul	Goren	Evanston		12/15/2024	50
Bill	Gould	Northfield	Given in honor of Herb	12/3/2024	100
Lee and Ellen	Gussin	Highland Park	Given in honor of Carol	12/3/2024	51.5
Claudia	Hall	Chicago	monthly donor/Dom's partner	12/28/2024	25.75
Carol	Jungman	Evanston	former OC consultant	12/3/2024	51.5
Mark	Karlin	Evanston	OC volunteer advocate	12/3/2024	25.75
George	Kasios	Lincolnwood		12/9/2024	25
Gerry	Keen	Highland Park	Keen Family Foundation DAF	12/12/2024	200
Sharon	King	Glenview	Sharon King Foundation	12/18/2024	1500
Adam	Klingher	Evanston	BOARD	12/30/2024	5000
David & Jacqueline	Koch	Wilmette		12/18/2024	500
Robin	Letchinger	Highland Park		12/25/2024	257.5
Emily	Love	Highland Park	BOARD	12/3/2024	257.5
Marcena and Mike	Love	Winnetka		12/16/2024	125
Carolyn	Mack	Harwood Heights		12/3/2024	103

Craig and Debbie	Marlowe	Buffalo Grove		12/3/2024	100
Jason	McKean	Skokie	Works in equity dept at NWU	1/4/2025	515
Jean	Meadows	Highland Park		12/17/2024	150
Liz	Ring	La Grange	OC accountant	12/20/2024	103
Kim	Moloney	Evanston		12/17/2024	100
Jennifer	O'Neil	Evanston		11/26/2024	103
Michelle	Patt	Skokie		12/30/2024	51.5
Roger and Susan	Petersen	West Des Moines, IA	Sarah BP's in-laws	1/2024	103
Sarah	Petersen	Evanston	Staff	12/3/2024	50
James	Roberts	Alexandria, VA	Given in memory of Rayna Miller, Laura Wilcox and Boy Wilcox	12/13/2024	20
Lisa and Jeff	Rosenberg	Wilmette	Eve's friends	12/30/2024	103
Julie	Rosner	Northbrook		12/3/2024	150
Heather	Ross	Northbrook		12/28/2024	200
Piper and Jono	Rothschild	Wilmette		12/17/2024	250
Margaret	Sents	Glenview		12/4/2024	50
Isaac	Serotta	Deerfield	Rabbi Makom Solel Lakeside	12/18/2024	250
Margaret	Shaklee	Evanston		11/20/2024	500
Carolyn	Shapiro	Evanston		12/31/2024	250
Rose	Shapiro	Chicago	BOARD	12/22/2024	250
Ronald	Sonenthal	Highland Park		12/12/2024	100
Barbara	Statland	Wilmette		12/9/2024	100
Claudia	Steinbrecher	Highland Park	Tester	12/17/2024	36.05
Dianne	Stone	Glencoe	Herb's friend	12/3/2024	515
Chris	Strobel	Johns Island, SC	DAF	12/10/2024	250
Geralyn K. and Philip	Lu	Winnetka	Potter's Clay Foundation -	12/11/2024	10000

			surprise, unrequested gift		
Sarah	Vanderwicken	Evanston		1/8/2025	100
Patricia	Vile	Northbrook	Herb's partner	12/4/2024	50
Georgia	Vlahos	Evanston	YIMBY housing advocate	12/3/2024	25.75
Fred	Walz	Wilmette	Cheryl's father-in-law	12/14/2024	2000
Elizabeth and Mark	Weisbard	Wilmette		12/30/2024	100
Al	Belmonte	Evanston	Wesley Realty Group Inc.	12/30/2024	515
Eve	Williams	Wilmette	Staff	12/3/2024	103
Roger	Williams	Skokie	BOARD	1/7/2025	500
Ashraf	Youssef	Lincolnshire		12/17/2024	100
Joanne	Zolomij	Evanston	on Evanston Housing Commission	11/25/2024	50
				TOTAL =	\$ 38,925.00

Grants Updates

Awarded

Funder	Amount Awarded	Purpose	Funding Period	Notes
ACLS PhD Fellow Site Host	Fully funded \$72,000 the first year and \$74,000 the second year plus \$8,000 per year for benefits for 2-year placement of full-time recent humanities PhD	Community Advocacy Manager (volunteer/advocacy capacity building, community engagement/needs assessment, and campaigns)	Fellow would start September 2025 for 2 years	Help us advertise position!

Pending

Funder	Amount Requested	Restricted/Unrestricted	Anticipated Decision	Funding Period	Notes
New Trier Township (NTT)	\$30,975	Direct Services for Older Adults in New Trier Township	Spring 2025	5/1/25 – 4/30/26	Invited to the hearing at the NTT on 12/3/24

HAI HOI – Housing Action Illinois – Homeownership Initiative	\$35,667.08	OC worked with HAI and is applying to receive these funds through HUD on behalf of its subgrantees	Still waiting to hear updates from HAI.	Approximately 7/1/24 – 3/31/25	App submitted on 4/4/24.
P.E.A.R.L. Milling Co Pledge Grant (Pepsi Co)	\$10,000-24,999	Black women; housing & economic stability; removing systemic barriers	Fall 2024	One time	LOI Submitted 6/26/24
HUD EOI	\$125,000	Education and Outreach Initiative	Spring 2024	5/1/25 – 4/30/26	Submitted on 11/14/24

Denied:

Funder	Amount Requested	Notes
Cigna Group Foundation	\$100,000	Outreach to Veterans; unable to provide specific feedback on denial
Endeavor Community Investment Fund	\$200,719	2-year Capacity Building for volunteer/advocate network & tech; noted very competitive with 109 applications

Prospects:

Funder	Notes
AmeriCorps VISTA through HAI	Application due 1/31 for 1 year Development/Communications VISTA to build fundraising and outreach infrastructure. Would start 8/2025
Northwestern Univ Racial Equity Grant	Due 1/24/25 in conversation with NWU professors & students regarding technology project to sort and analyze data on modern redlining in financial institutions
First Bank of Highland Park	Rolling Application
	The Development team is continuing to gather a list of prospects and family foundations that align with OC's mission and will make it a priority to apply for private/corporate grants.

Currents:

Name	Amount	Time Period
William C. McAlaine Foundation	\$50,000	Unrestricted gift, friend of Cheryl's

FHOI – Fair Housing Organization Initiative (HUD – Gov)	\$260,000	6/1/24 – 5/31/25
AARP Foundation	\$258,997.05 total over 3 years (1 st payment \$103,598.81 at start; \$64,749.26 after 10/8/24; \$64,749.26 after 10/8/25; \$25,899.72 after final report 1/2026)	1/1/2024-12/31/26
Illinois Access to Justice (Eviction Prevention)	\$140,000	7/1/24-6/30/25
RRF Foundation for Aging	\$30,000	1/1/25 – 12/31/25
Niles Township	\$8,000	5/1/24-4/30/25
City of Des Plaines	\$7,198.16	5/1/24 – 4/31/25
Housing Action Illinois (HAI) – Housing Counseling Program	\$28,930.96	7/1/24-3/31/25
AgeOptions	\$48,004	10/1/24 – 9/30/25

EVENTS

Hope for Homes Day: This year’s Hope for Homes Day, a statewide day of giving to orgs addressing homelessness/housing, is scheduled for July 17, 2025. This year there is a \$250 fee to participate and matching funds are not guaranteed like last year, but we’re welcome to find our own match to offer donors.

Walk for Welcoming Homes: We’re working on our City of Evanston permit for a fall walk/education fundraising event tentatively scheduled for 9/13/25. We hope to rent the Evanston Ecology Center (pending Ecology Center renovation completion estimated for spring 2025) for an indoor space to display educational materials and as backup for inclement weather. The walk will either be a 1 mile or 2 mile loop on the path around the canal path near the Ecology Center. Early ideas for educational focus are imagining a future of abundant housing options for the full lifespan.

PEOPLE - STAFF/VOLUNTEERS/PARTNERS

Adler University Development Intern: We were matched with Social Justice Practicum intern for the Development Department. Our intern, Porshia Baymon, is working remotely 8-10 hours per week, currently on an internal resource and client fact sheet on local Residential Landlord Tenant Ordinances.

ACLS PhD Fellow Site Host Accepted: Competitive national host sites were publicly announced 1/16/25 and we will begin advertising the opportunity for recent Humanities PhD’s to apply for the ACLS Leading Edge Fellowship position at Open Communities to start Sept 2025. Please help spread the word of this exciting opportunity for a 2-year, fully funded Community Advocacy Manager position at OC within your networks and recent Humanities PhD grads you know!

COMMUNICATIONS

Website Redesign: Our website testing phase is complete. Next, OC staff will be trained and given access to editing capabilities. We met with a free Plain Language consultant to make the text more accessible. After final edits and updated images are added, the site will be ready for launch.

Online Marketing

We've kept a full social media calendar on Facebook (1,749 followers), Instagram (1,596 followers), and LinkedIn (509 followers) to share all the great happenings at OC and the community, as well as educate the public about Fair Housing topics and area resources. Your likes, comments, and shares on our posts help expand our reach! Our e-newsletter mailing list keeps growing (3,749 subscribers) as we gather emails at our outreach events and people subscribe through our website.

Passionate About Housing Related Topics?: Do you have an idea for a future OC blog post? We welcome guest writers to explore housing-related topics. Reach out to Sarah Petersen if you have an idea.



Fair Housing Board Update, January 2025

- General Updates
 - The Fair Housing Team has seen somewhat of a lull in discrimination complaints throughout December and the first half of January.
 - Of the complaints we have fielded – many continue to revolve around source of income as well as disability claims.
 - We wrapped up a three-year PEI grant, which provides the bulk of our funding for investigation and enforcement activities, at the end of last November. Dominic recently submitted a 3-year report to our grant monitor. The leadership team is anxiously awaiting announcements of funding for the round we applied to in the late fall, though we may not hear for another 2-3 months. This funding round is for 4 years, whereas previous cycles were only 3 (this is ostensibly due to fears of the new admin disrupting/eliminating programs).
 - Dominic began supervising two undergraduate 1-day-a-week interns from UIC on Thursdays and is discussing bringing on a social work field placement from UChicago this fall.
 - We also received excellent news that we've been accepted for a [Leading Edge fellowship](#). This means that, if we find a match, a fellow will support us with community advocacy for two years, beginning this fall. Big thanks to Sarah Petersen and Helen Cho.
- Advocacy
 - Advocacy work has fired back up quickly; the agency is now re-convening groups of nonprofit workers and community leaders to pursue passing a Just Cause ordinance in Evanston, is meeting with a statewide coalition which is again working with Senator Villa to introduce a bill that would severely limit so-called “crime free” programs and nuisance property ordinances.
 - Open Communities has been speaking in support of proposed zoning changes in Evanston, and has also been meeting with local government officials (with lots of support from Eve Williams) to discuss ways we can partner on affordable housing initiatives that help to make communities more integrated and inclusive.
 - The proposed rule to Affirmatively Further Fair Housing has been pulled at the federal level, as was a strong proposal to reform how criminal backgrounds are screened in HUD-assisted. These rules were trashed due to the incoming Trump admin, which, as you all know, is threatening to remake the federal bureaucracy and would have certainly undermined these rules as well.
- Investigations

- We are nearing completion of several rental testing investigations that Kenya is conducting, which will all most likely be enforced through administrative complaints to IDHR.
- Dominic and Adelaide have done several test in person, both for “design and construction” investigations as well as for one lending investigation where we met with a mortgage broker. While our team doesn’t anticipate focusing nearly as much energy in this area as we do in rental, we want to be ready for when complaints arise and also be able to supplement redlining data analyses that Adelaide is working on.
- Dominic and leaders from the Moran Center and the Shriver Center on Poverty Law will be meeting with Commissioner Scott Britton on 1/23 to discuss a potential amendment to the Cook County Human Rights Ordinance, as they have recently invoked a portion of the law that exempts the county from accepting complaints from jurisdictions that provide similar protections and remedies (places like Evanston, Skokie, and others have their own fair housing laws but nowhere near as robust an administrative process to actually pursue complaints and provide relief).
- Education Activities
 - Events have been slow due to the season. However, here are some highlights:
 - We have yet another “housing fair” in late January at Northwestern to give students our information as a resource.
 - We are planning a potential fair housing symposium for social service workers in April.
- Client Stories (all names changed).
 - Reema came to Open Communities because her husband was being harassed (including hatespeech and incident of assault) due to their family’s national origin / race. We connected them with an attorney at Moran Center who are now representing them and helped them obtain a no-stalking order. Dominic and the Moran attorney, Kevin Grigsby, are now working together to press the HOA board to evict the perpetrator, as the owner of his unit (this is a condo building) is out of the country and non-response. We presented case law and HUD guidance to the Board that states that individuals with knowledge of illegal harassment and power to intervene are required to do so under the FHA.

HC Board Report November 19th- January 21st

During this last period, the Housing Counseling Program served 52 clients with one-on-one counseling services and provided referrals to community resources and brief advice to 50 households.

Sarah Buckley has provided reverse mortgage counseling to one client in this time period.

During this period counselors secured CDBG funding for one of our low income senior clients to get her roof, and plumbing repaired. Due to leaks in her plumbing and roof, she has had significant water damage to walls and windows which are a hazard to her health.

We continue to see a steady trend of homeowners seeking counseling services due to mortgage or tax default as well as a steady number of daily calls from renters seeking affordable housing or rental assistance.

While we provide referrals as best we can for those rental clients, the need for affordable housing is far beyond the resources available. Lacking, housing counselors are experienced at piecing together assistance from municipalities, local charities, and government programs such as the Court Based Rental Assistance Program, when applicable.

IA2J Report

Service Dates: 11/16/24-1/15/2025.

IA2J PROGRAM'S GOALS FY 2024-2025

- Referrals: 138
- Number of individuals provided and Assessment: 138
- Accompaniments: 72
- Individuals reached through KYR Presentations: 229
- Number of individuals through Outreach: 2469

Service Numbers Breakdown:

- Referrals: 32 out of 138
- Number of individuals provided and Assessment: 32 out of 138.
- Accompaniments: 26 out of 72
- Individuals reached through KYR Presentations: 196 out of 229.
- Number of individuals through Outreach: 1597 out of 2469

UPDATES:

- During the month of December, OC CNC went to the Highwood Library and gave a KYR presentation. Despite the weather, 15 people attended. The personnel of the library invited her to return on February 13th to provide another presentation.

CLIENT STORIES:

- **November:** During the month of November, two clients received rental assistance after OC CNC completed the applications on their behalf. One of the clients, an older adult, was struggling to pay rent in November. His only income comes from SSID, which he uses primarily for rent, food, and medications. He received \$850 in assistance, while the other client received \$1,000.
- **December:** In December, one client received accompaniment to the Daley Center and a holiday meal. OC CNC had reached out to a school social worker to request an extra meal

for this older adult couple. The social worker made an exception and provided a meal kit for them. During their time at the Daley Center, the coordinator assisted the client with translation and navigating the platform/app used by the court for her case.

- **January:** In January, a client called to request information about affordable housing in Highwood. During the call, OC CNC shared details about potential rental properties. The client also disclosed that her 17-year-old daughter had suffered sexual abuse when she was 7-8 years old. She mentioned that she learned about the incident two years ago and involved the police at that time. During the call, OC CNC helped complete an application for her daughter at the Josselyn Center.

Open Communities						
FY24 Budget-to-Actual Analysis						
As of December 31, 2024						
OPEN COMMUNITIES	Budget Revision Draft	FY25 BUDGET	FY25 ACTUAL THROUGH DEC 2024	FY25 BUDGET YTD THROUGH	VARIANCE (\$)	VARIANCE (%)
	1/16/2025			6		
INCOME						
Contribution-Board	18,000	14,000	15,437	7,000	8,437	121%
Contributions-Individual	90,000	42,100	80,921	21,050	59,871	284%
Events Tickets/Raffle		15,000	-	7,500	(7,500)	-100%
Events - Sponsorships/Contributions	5,000	-	-	-	-	0%
Corporate Sponsorships/Contributions		50,000	284	25,000	(24,716)	-99%
Foundations	200,000	300,000	98,249	150,000	(51,751)	-35%
Litigation Income	25,000	36,000	7,500	18,000	(10,500)	-58%
Program Income	10,000	-	5,636	-	5,636	0%
Federal Govt (ERTC Refund)		-	-	-	-	0%
Local Govt	50,000	50,000	25,000	25,000	-	0%
HUD-Fair Housing Grants		-	-	-	-	0%
HUD - PEI	212,712	170,000	127,712	85,000	42,712	50%
HUD - FHOI	260,000	260,000	93,092	130,000	(36,908)	-28%
CDBG		55,000	-	27,500	(27,500)	-100%
IDHA Housing Counseling Grants		-	-	-	-	0%
IHDA ILRPP 2.0		-	-	-	-	0%
IHDA - HAF		-	-	-	-	0%
IHDA- HSCP		-	-	-	-	0%
HUD/HAI Housing Counseling	80,000	80,000	50,978	40,000	10,978	27%
HAI - HSCP		-	-	-	-	0%
ILAJ/Westside Justice	140,000	135,000	69,661	67,500	2,161	3%
Age Options	33,200	33,200	8,000	16,600	(8,600)	-52%
Investment/Interest Income	25,000	24,000	15,402	12,000	3,402	28%
Fannie Mae One-time Grant	279,000					
TOTAL INCOME	1,427,912	1,264,300	597,873	632,150	(34,277)	-5%
EXPENSES						
Payroll	800,148	844,032	413,649	422,016	(8,367)	-2%
Employer Payroll Taxes	80,479	84,403	31,644	42,202	(10,558)	-25%
Healthcare	36,000	36,000	17,691	18,000	(309)	-2%
PEO Services (HR, Payroll, 401K, Benefits)	33,000	33,000	15,803	16,500	(697)	-4%
Phone-Staff Reimbursement	8,400	8,400	3,750	4,200	(450)	-11%
Accounting	17,000	15,400	7,740	7,700	40	1%
Audit	12,000	10,000	6,000	5,000	1,000	20%
Legal Services		-	-	-	-	0%
Marketing Consultant	1466	-	1,466	-	1,466	0%
Marketing - Website		1,000	-	500	(500)	-100%
Fair Housing Testers and Expenses	16,560	16,560	6,905	8,280	(1,375)	-17%
Americorp VISTA	13,000	6,000	9,836	3,000	6,836	228%
Salesforce Implementation	15,000	15,000	5,954	7,500	(1,546)	-21%
Fundraising & Events		4,000	157	2,000	(1,843)	-92%
Credit Card Fees	500	300	294	150	144	96%
Occupancy	106,126	106,126	52,628	53,063	(435)	-1%
Sub-lease (FLAP)	-32,513	(32,513)	(16,124)	(16,257)	133	-1%
Insurance (Gen. Liability, D&O, WC)	5,640	8,100	5,904	4,050	1,854	46%
Staff Training/Prof Development	6,000	2,004	4,132	1,002	3,130	312%
Staff Travel Out-of-town	5,000	2,004	2,536	1,002	1,534	153%
Conferences, Events (Staff attend)	2,000	2,004	-	1,002	(1,002)	-100%
HUD Approved Training	9,575	-	9,575	-	9,575	0%
Events-local (OC host/participates)	12,000	2,004	-	1,002	(1,002)	-100%
Local Travel	1,200	2,004	620	1,002	(382)	-38%
Food/Refreshments/Staff Outing	1,500	1,500	939	750	189	25%
Marketing/advertising	2,100	2,100	1,694	1,050	644	61%
Bank Fees	900	900	465	450	15	3%
Hiring	360	360	-	180	(180)	-100%
Equipment Expense		-	-	-	-	0%
Memberships/Donations [Other orgs]	2,400	2,400	300	1,200	(900)	-75%
Printing/Photocopy Gen	1,650	1,620	1,007	810	197	24%
Software License & Subscriptions	18,000	15,451	9,008	7,726	1,282	17%
Telecom (phones & internet)	18,000	24,000	8,633	12,000	(3,367)	-28%
Translation Services	800	240	604	120	484	403%
Postage/Ship/Messgr	100	1,020	-	510	(510)	-100%
Office Supplies	6,000	6,000	4,851	3,000	1,851	62%
Govt Fees & Licenses	400	434	100	217	(117)	-54%
OC Grants to Non-Profits		-	-	-	-	0%
Other or uncategorized	30,000	-	476	-	476	0%
TOTAL EXPENSES	1,230,791	1,221,853	608,235	610,927	(2,692)	0%
NET OPERATING INCOME	197,121	42,447	(10,362)	21,224	(31,586)	-149%
GAAP-ONLY ADJUSTMENTS						
Depreciation				N/A	N/A	N/A
Lease adjustment under ASU 2016-02				N/A	N/A	N/A
TOTAL GAAP-ONLY ADJUSTMENTS						
NET INCOME - GAAP		42,447	(10,362)	21,224	(31,586)	-149%

Open Communities Balance Sheet

As of December 31, 2024

	Total	As of Dec 31, 2023	
	As of Dec 31, 2024	(PY)	
ASSETS			
Current Assets			
Bank Accounts			
1000 Gen Checking x7756	49,793.80	20,967.90	
1010 IHDA HAF ILRPP2 x4970	8,050.00	2.85	
1011 IHDA HSCP Deposits x1923	50.00	50.00	
1060 OC Organizational Fund @ ECF	85,234.15	81,151.88	
1086 Fannie Mae Community Fund x7944	511,834.61	626,642.11	<i>Board restricted funds r</i>
1087 General Savings x7952	81,290.36	39,666.07	
1088 Board Restricted Savings x4738	262,425.78	252,755.07	
Total Bank Accounts	\$ 998,678.70	\$ 1,021,235.88	
Accounts Receivable			
1100 Grants & Accts Receivable	268,338.73	215,250.12	<i>Includes \$161.8k ERTC i</i>
Total Accounts Receivable	\$ 268,338.73	\$ 215,250.12	
Other Current Assets			
1200 Undeposited Funds	15,002.90	10,350.00	
1203 Rent Deposits	16,973.33	16,973.33	<i>deposit paid on Ridge A</i>
1400 Prepaid Expense - Insurance	0.00	0.00	
1401 D&O	142.00	154.00	
1402 Gen Liab	212.00	235.00	
Total 1400 Prepaid Expense - Insurance	\$ 354.00	\$ 389.00	
1405 Other Prepaid Expenses	240.00	1,833.34	
Total Other Current Assets	\$ 32,570.23	\$ 29,545.67	
Total Current Assets	\$ 1,299,587.66	\$ 1,266,031.67	
Fixed Assets			
1510M01 Furniture and Fixtures	24,804.00	24,804.00	
1599 Accumulated Depreciation	-5,315.15	-1,771.72	
Total Fixed Assets	\$ 19,488.85	\$ 23,032.28	
Other Assets			
1600 Right-of-Use Asset	330,375.90	434,757.76	<i>Asset related to value o</i>
Total Other Assets	\$ 330,375.90	\$ 434,757.76	
TOTAL ASSETS	\$ 1,649,452.41	\$ 1,723,821.71	
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 Accounts Payable	33,231.47	9,800.53	
Total Accounts Payable	\$ 33,231.47	\$ 9,800.53	
Credit Cards			
2190 Delaney #7752	0.00	4,080.07	

2195 Lawrence #7590	3,792.59	2,868.21	
Dalal B Credit Card	2,178.37		
Total Credit Cards	\$ 5,970.96	\$ 6,948.28	
Other Current Liabilities			
2050 Rent Deposit	5,200.00	5,200.00	<i>FLAP rent deposit held l</i>
2201 Accrued Vacation	33,135.03	26,147.14	
Total Other Current Liabilities	\$ 38,335.03	\$ 31,347.14	
Total Current Liabilities	\$ 77,537.46	\$ 48,095.95	
Long-Term Liabilities			
2600 Lease Liability	348,613.17	428,780.52	<i>Liability for future rent</i>
Total Long-Term Liabilities	\$ 348,613.17	\$ 428,780.52	
Total Liabilities	\$ 426,150.63	\$ 476,876.47	
Equity			
3200 Unrestricted Net Assets	758,580.29	726,689.65	
3300 Board Restricted Funds	484,000.00	604,000.00	
Net Income	-19,278.51	-83,744.41	
Total Equity	\$ 1,223,301.78	\$ 1,246,945.24	
TOTAL LIABILITIES AND EQUITY	\$ 1,649,452.41	\$ 1,723,821.71	
	-	-	
Board Restricted Funds:			
Beginning of Year	604,000.00		
Rebuilding Together	(120,000.00)		
Balance as of 12/31/24	484,000.00		
CPAH	(185,000.00)	<i>committed</i>	
Open Communities	(15,000.00)	<i>committed</i>	
Rebuilding Together	(5,000.00)	<i>committed</i>	
Remaining to Spend	279,000.00		

ADDENDUM D

OPEN COMMUNITIES

BOARD MEETING: 01/22/2025 Rescheduled to 02/05/2025(FY25)

CEO REPORT- CHERYL LAWRENCE

- **Thank you.** The staff appreciated their year-end break and would like me to extend their gratitude for the much-needed down-time.
- **New Republican Administration:** has already made a direct assault on HUD and we had an \$85,000 payment held up in the freeze. It appears it has now been released but we are still waiting for it to hit our bank account. We also have two applications waiting at HUD to hear if we will be awarded funding. One award is worth \$1.7 M over four years and the other is \$125,000 for one year (combined \$550,000 for FY2026). We typically should hear about the funding in March or April, but, considering the current state of play, we are not confident that the process will move forward unimpeded, even though Congress had already approved this funding. OC has over one year of reserves, so we are able to absorb the information as it comes and plan. We are working diligently to find alternative sources of funding and will be focusing on individual donors. We need to start thinking about various scenarios, and the options available to the organization. No need to panic but planning will be crucial.
- **Cheryl Lawrence- new schedule:** Due to personal family issues related to aging parents and other obligations, my hours (and salary) will be reduced by 20% starting 2/1/2025. This was approved by the Executive Committee.
- **Co-Executive Director form of management:** in the last few months, we have been discussing the idea of a shared co-executive director paradigm which is becoming more common due to the exhaustive workload of an E.D. and the separate expertise of program versus fundraising and administration. There will be materials distributed on shared leadership.
- **Audit for FY24** is moving along.
- **Fannie Mae Community Fund**—You may remember that as part of the lawsuit settlement with Fannie Mae in 2022, we received \$604,000 that was set aside for the benefit of the community. We provided \$125,000 grant to Rebuilding Together to provide home repairs to preserve affordable housing owned by low-income, and will be granting \$185,000 this week to Community Partners for Affordable Housing soon and \$15,000 to two students at Northwestern University who developed an AI tool to scour the internet to find illegal rental ads (saving numerous hours of staff time. This leaves a net balance of \$279,000. The fund in its entirety needs to be allocated by February 2025. The Finance Committee will recommend approving a grant to Open Communities for this remainder of the settlement funds to support housing counseling and fair housing activities.



GRANT TO OPEN COMMUNITIES

FANNIE MAE COMMUNITY RELIEF FUND

This **GRANT** of \$279,000 is made to Open Communities through the settlement proceeds resulting from the lawsuit *NFHA, et al., v. Fannie Mae*, settled in January 2022.

- i. Open Communities is an Illinois 5013c Not-for-Profit Corporation (OC)
- ii. National Fair Housing Alliance was the lead plaintiff in the above-mentioned case (NFHA)
- iii. Funds are currently held in a restricted savings account titled “Fannie Mae Community Funds” at Wintrust bank.

RECITALS

WHEREAS, after a multi-year investigation, Open Communities in collaboration with NFHA and eighteen other fair housing organizations sued Fannie Mae as the mortgage holder of thousands of residential properties during the foreclosure crises.

WHEREAS, it was alleged that Fannie Mae created a disparate impact on communities of color by maintaining foreclosed properties differently in affluent white areas than they did in predominately majority- minority communities.

WHEREAS, this lawsuit was settled in January of 2022 for \$53,000,000.

WHEREAS, the settlement was divided into three areas: (1) Diversion of Resources and Reimbursement of expenses. (2) Damages for “frustration of mission” and (3) Community Relief

WHEREAS, as a result of this settlement OC was awarded \$1,031,626.80 in total. Broken down as (1) Diversion \$29,484; (2) Damages \$247,142.86 and (3) Community Relief \$755,000

WHEREAS, diversion and damages (\$276,626.86) were allocated to OC general funds.

WHEREAS, Open Communities set up a “restricted” savings account to maintain community relief funds. Per page two of the “Fannie Mae Community Relief Funds Member Guidance” (attached) allows for 20% to be allocated for administering these funds (\$755,000). As a result \$604,000 was deposited into the restricted savings account and \$151,000 was deposited in OC general funds.



WHEREAS, OC worked in collaboration with community organizations to distribute funds as recommended by the “Fannie Mae Community Relief Funds Member Guidance” (attached).

WHEREAS, \$125,000 was given as a grant to Rebuilding Together of North Suburban Chicago, a 501c3 non-profit organization, to provide home repairs for low-income BIPOC homeowners to preserve affordable housing.

WHEREAS, \$185,000 was given as a grant to Community Partners for Affordable Housing, a 501c3 non-profit organization that builds and maintains affordable housing using a community land trust model. In this case, Evanston Twp (north of Chicago) donated a residential lot with a home on that had been severely damaged by fire. Open Communities grant funds the restoration of the house (and was used to leverage Low Income Tax Credits that were sold to purchase more affordable housing units that were about to move to market rate apartments). All these units will be “affordable” in perpetuity.

WHEREAS, \$15,000 was given as a grant to students at Northwestern University in Evanston, IL to develop an internet tool using AI (artificial intelligence) to automatically search the web for illegal rental ads, saving innumerable and valuable staff hours.

WHEREAS, there are lapses in funding from HUD for OC fair housing activities of longer than six months in enforcement activities and eighteen months in education and enforcement activities.

WHEREAS, there is a shortage of funding resulting from the elimination of Covid Pandemic emergency funding to support OC HUD-certified housing activities to maintain current staff levels.

WHEREAS, there is a remainder of \$279,000 in OC’s “Fannie Mae Community” Fund that needs to be allocated by February, 2025 per the lawsuit settlement agreement.

WHEREAS, the “Fannie Mae Community Relief Funds Member Guidance” allows for funds to be used to support fair housing and housing counseling activities (see page 3,4).

AGREEMENT

NOW, THEREFORE, in consideration of the need by Open Communities fair housing and housing counseling programs, Open Communities approves to grant the remaining \$279,000 in its Community Relief Fund to Open Communities to support these programs



On behalf of Open Communities:

Cheryl L. Lawrence, Executive Director

Signature Date

Herbert Brenner, Board President

Signature Date

**FANNIE MAE COMMUNITY RELIEF FUNDS
MEMBER GUIDANCE – CONFIDENTIAL**

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A. General Information

This document provides guidance on the use of the \$30,200,000 set aside in the Fannie Mae settlement to address community relief (“Community Relief Funds”). As Fannie Mae is in conservatorship, the ultimate authority should any questions arise related to Fannie Mae must be resolved by both Fannie Mae and the Federal Housing Finance Agency, Fannie Mae’s conservator. The plaintiffs must deliver a report to Fannie Mae and the Federal Housing Finance Agency about the uses and benefits of the \$35,390,000 designated as funds to be used to address “community needs” as per the Settlement Agreement.

The Effective Date of the Settlement Agreement is February 7, 2022.

- 1) Under the Settlement Agreement and distribution agreement, the Community Relief Funds may be used for: Addressing community needs, including home ownership, neighborhood and/or community stabilization, access to credit, property rehabilitation, residential development in African American and Latino communities, fair housing education and outreach, counseling, and other fair housing activities.
- 2) Under the Distribution Agreement, the Community Relief funds are separated into two components. Of the \$35,390,000, \$5,190,000 will be used to conduct fair housing activities. Each organization received \$247,142.86 for this purpose. The remaining \$30,200,000 will be used for the broader range of activities outlined above to include fair housing activities.
- 3) We expect the Community Relief funds to be spent over an 18-36 month time period, although there may be situations where the funds last longer.

- 4) It is recommended that Community Relief Funds be placed in an account that is segregated from your other operating funds or savings/endowment accounts.
 - a) Each Fair Housing Organization can earn interest on the funds and the interest earned on the account(s) can be directed to your general operating expenses or back into your Community Relief Funds.
- 5) Each Fair Housing Organization can use up to 20% of the \$30,200,000 portion of the Community Relief Funds for costs to administer the funds.
 - a) For accounting purposes, the full 20% can be recognized as revenue (placed in your budget) immediately and used over the course of the time you implement your programs, including the activities listed above in paragraph 1.

B. Suggestions for Parameters on Use of Funds

- 1) The Community Relief Funds should be directed to communities of color and integrated communities to promote fair housing choice, homeownership opportunities for people of color, and inclusive communities.
- 2) Any questions about the use or limits on expenditure of the funds can be raised with the National Fair Housing Alliance's (NFHA) Vice President of Housing and Community Development. The Negotiating Committee¹ will also provide feedback regarding questions or issues relative to the use or limitation of the funds. The Negotiating Committee can serve as a sounding board to help the Fair Housing Organizations make decisions when they have questions about how to set parameters on the expenditure of the Community Relief Funds.
- 3) Overall, we encourage Fair Housing Organizations to use the funds to stabilize communities through housing and community development related activities. We generally discourage the Fair Housing Organizations from using the funds for demolition. However, there may be special circumstances when providing funds for demolition makes sense. For example, if a property next door is causing health and safety issues or refinancing or homeowners' insurance is being denied because of the risk next door and there are no other funding sources available to demolish the property—then Fair Housing Organizations could consider using funds for demolition.

¹ The Negotiating Committee is comprised of the following people: Keenya Robertson, President and CEO, Housing Opportunities Project for Excellence, Inc.; Bill Tisdale, President and CEO, Metropolitan Milwaukee Fair Housing Council; Jim McCarthy, President and CEO, Miami Valley Fair Housing Center, Inc.; Erin Kemple, President and CEO, The Connecticut Fair Housing Center, Inc.; and Lisa Rice, President and CEO, National Fair Housing Alliance.

C. Approaches to Expending Funds

- 1) There are a variety of approaches that the Fair Housing Organizations can take when spending the Community Relief Funds. These are just a few ideas. (See Draft Proposal for Partnership Agreement between Fair Housing Organizations and Fannie Mae for other ideas, attached as Exhibit 1)
 - a) One model involves collaborating with different organizations within your community to provide down payment assistance grants or aggressive renovation grants. It might be helpful to prepare a survey of available community resources to assess how and where funds may help to fill program and services gaps. You may consider holding a competitive application process in your service area to obtain proposals from organizations working in your area.
 - b) Another approach is to identify a geographic area and work closely with the city, employers, the state development office, the land bank and other community development entities to strategically target holistic redevelopment for businesses and affordable housing for purchase or rent. This could be effective in an area where a resident-driven community plan is already in place that identifies needs and strategies for a targeted area. The impact of this activity could then be studied by university researchers so it can be replicated by other cities supporting fair housing.
 - c) Yet another approach for Fair Housing Organizations located in Keys Unlock Dreams Initiative designated cities is to partner with NFHA on a coordinated strategy for implementation of the funds.
 - d) Other approaches involve utilizing funds to help home buyers by providing renovation funds to individuals who have gone through housing counseling and also provide down payment assistance for buyers looking at REO properties so homes go to owner-occupants rather than investors.
- 2) Examples of possible programs include the following (see **Appendix** for full list of activities):
 - a) Supporting First Generation Down Payment and Closing Cost Assistance Programs
 - b) Supporting Individual Development Plan Programs for Homeownership
 - c) Supporting Shared Equity Housing Programs
 - d) Supporting Land Banks
 - e) Supporting Community Land Trusts
 - f) Supporting Housing Counseling Programs
 - g) Supporting Foreclosure and Loss Mitigation Programs
 - h) Supporting Housing Rehabilitation/Renovation Programs
 - i) Supporting Small Dollar Mortgage Programs sponsored by CDFIs

- j) Supporting Affordable Housing Developments in accordance with Fair Housing Principles
 - i) Direct Investments
 - ii) Developing Guidelines for State Low-Income Housing Tax Credit Qualified Allocation Plans
- k) Fair Housing Agency Activities
 - i) Mitigating Appraisal Bias
 - ii) Affirmatively Furthering Fair Housing Implementation and Regional Fair Housing Planning
 - iii) Fair Housing Education and Outreach Programs
 - iv) Mitigating Discrimination Against Housing Choice Voucher Holders
 - v) Addressing Algorithmic and Tech Bias
 - vi) Mitigating Environmental Injustice in Black and Latino Neighborhoods
 - vii) Eviction Prevention for Underserved Groups and in Black and Latino Neighborhoods

D. Selecting Organizations as Partners

- 1) Vetting Channels to Distribute Funds. The Fair Housing Organizations should thoroughly vet any organization with which they plan to collaborate. Remember your reputation is on the line and should be prepared to shared details on the administration of these funds.
 - a) The vetting process may include the following:
 - i) collecting the following forms or documents:
 - (1) Organizations most recent 990 form
 - (2) Annual report or similar document
 - (3) Annual budget summary
 - (4) Recent budgeted to actual financials
 - (5) Latest Audit
 - (6) Board of Directors list
 - (7) W-9 Form
 - (8) Articles of Incorporation
 - (9) Proof of 501c3 status (letter of determination)
 - (10) Copy of Organization's Bylaws
 - (11) Proposed Budget
 - ii) Meet with CEO/Executive Director and Board Chair as well as staff who would implement your program.
 - (1) Does the board do a self-evaluation?
 - iii) Meet with Board Treasurer and bookkeeper/controller.
 - (1) review financial reports.
 - (2) look at last 2 years of audit reports—any findings?
 - (3) check balance sheet.
 - iv) Speak with organization funders/monitors.

- (1) When speaking with funders, find out if the organization submits activity reports and financial reports on time and does it achieve the activities stated in the grant.
- v) Speak with clients served by the organization.
 - (1) When speaking with clients, ask to randomly select clients from their log and create a short questionnaire/survey for each client to measure quality of service received.
- vi) How have their funders rated their work, timeliness, accuracy, etc.
- vii) The vetting process should also yield information on the organization's ability to service persons with disabilities and those who do not use English as a first language
- viii) Consider the diversity and inclusivity of the board and organization leadership.
 - (1) Do the board and staff represent the community they serve?
- ix) You may want to consider finding participants who are part of a national network or who are routinely funded by funders who provide organizational assessments and other checks on operations and financial sustainability.

National Organizations Who May Have Local Affiliates in your Area

	Areas of Expertise
Center for Community Progress	Neighborhood Stabilization, National Land Bank Network
Grounded Solutions Network	Shared Equity Homeownership, Community Land Trusts, Limited-Equity Cooperatives
Local Initiatives Support Corporation (LISC)	Affordable Housing and Community Development, economic development/small business
National Community Stabilization Trust	Property Acquisition (First Look), Homeownership Alliance, Middle Neighborhoods, Developing Affordable Starter Homes (DASH)
National CAPACD	Coalition of AAPI community development organizations
National Urban League	Civil rights, direct services and community programming (homeownership, housing counseling etc.)
NeighborWorks America	Housing Counseling, Homeownership & Lending Services, Comprehensive Community Development
UnidosUS	Latinx civil rights organization, housing and financial counseling, homeownership services, etc.

- 2) We suggest that Fair Housing Organizations engage a variety of partners so that the funds reach all neighborhoods and groups who may have been destabilized by discriminatory practices.
- 3) We highly suggest that Fair Housing Organizations create a process to review partners and grant recipients with multiple staff and/or board members as decision-makers so as to document a fair selection process.

E. Contracting with Partner Organization(s)

- 1) Administrative Fees:
 - a) The Negotiating Committee recommends 10-15% cap on administrative fees allowed to be charged by grantees of the Community Relief Funds. (This cap is separate from the up to 20% of the Community Relief Funds that can be used by fair housing organizations to administer the funds.)
 - b) The Negotiating Committee recommends *not* paying developer fees or allowing pass through grants to subgrantees.
- 2) Sign a contract for services with a termination clause. The contract ought to be able to be terminated with only two (2) weeks notice and payment for work completed as approved.
- 3) Include a statement of work with a proposed timeline for key milestones so you can measure if the partner is completing work on time and providing high quality work.
- 4) Outline a schedule or process for disbursement of funds up front to make expectations clear and ensure that work proceeds on time and at the quality level expected.
- 5) Require a quarterly report or reporting at another routine increment to be able to track against the statement of work. It is recommended that you provide key metrics that you plan to track to partners at the outset so that they are aware of your expectations at progress reports and/or your final report.
- 6) Include requirements for BEFORE and AFTER photo requirements for projects where it is appropriate.
- 7) Include the ability to get statements from people who benefitted from the grants—down payment assistance grants, for example, can show recipient and home in a photo.
- 8) Require that your agency be included in any report, press, and annual report giving credit for supporting programs/projects.

F. Reporting

- 1) Under the settlement agreement, NFHA must provide a report to Fannie Mae detailing the use of the Community Relief Funds² during the 24-month period after the Effective Date of the settlement. NFHA's report is due to Fannie Mae³ by *30 months after the Effective Date which is August 7, 2024*. NFHA may also provide a brief report to general public regarding Community Relief Funds activities during the one-year period after the settlement. This section describes the reporting to be provided by the fair housing organizations to NFHA that will allow NFHA to draft the reports.
- 2) Many of the Fair Housing Organizations included in the Fannie Mae settlement are also Plaintiffs in other REO-related lawsuits with ongoing litigation. It is recommended that all Fair Housing Organizations keep organized, up-to-date documentation of the distribution of their settlement funds. These documents may be requested in the process of litigation on other REO cases.
- 3) **Interim Check-in:** each fair housing organization will conduct a virtual check-in with NFHA's VP of Housing and Community Development providing details about:
 - a) How you plan to spend the Community Relief Funds including:
 - (1) Fair housing activities that will be undertaken with the \$247,142.86 allotment each organization received as per the Distribution Agreement.
 - (2) A description of the activities that are intended to be conducted with the remaining Community Relief Funds received by the organizations.
 - (3) The percentage the organization will use for administration of the programs.
 - b) How you have spent the Community Relief Funds including fair housing activities conducted

The check-in shall be held **by the end of December 2022**.

- 4) **Annual Reports:** Each year, each fair housing organization will prepare a report to NFHA providing details on the following:
 - a) How you plan to spend the funds (with metrics identified in appendix of this document)
 - b) How you have allocated or spent the funds to date (including metrics in appendix).

² According to the Settlement Agreement, Plaintiffs must report on how they used the \$35,390,000 Community Relief Fund to address community needs.

³ The report will also be submitted to Fannie Mae's conservator, FHFA.

- c) Provide photos showing before and after project work, when applicable.
 - d) Provide news articles or newsletters covering your use of the funds.
 - e) Outline administrative fees spent to implement the programs.
 - f) Name of outside organizations with whom you have partnered to implement the program and a description of the benefits of the partnership.
 - g) Name of organizations receiving financial or other support and a description of the support.
 - h) Individual stories and quotes from community members narrating the impact of these funds.
 - i) Amount of leveraged funds realized.
- 5) The annual report to NFHA each year should also provide information detailed metrics on the activities completed or individuals served. These should also include demographic information and addresses where possible. See the appendix of this document for the required metrics based on activity type.
- 4) If a fair housing organization opts to use any portion of the Community Relief funds on “fair housing education and outreach, counseling, and other fair housing activities”, the annual report should include information regarding the following metrics, with demographics:
- a. Number of persons reached through the fair housing education and outreach.
 - b. Number of persons counseled.
 - c. Number of tests conducted (by investigation type – i.e.- rental, sales etc.)
 - d. Number of investigations completed (by investigation type)
- 5) The annual reports shall be due Tuesday, February 7, 2023, Wednesday, February 7, 2024, and a final report on all activities on Thursday, February 7, 2025.

G. Branding & Communications

We want everyone to know that fair housing is supporting these activities because of enforcement actions taken. We want your city, county and state to know that because you investigated allegations of discriminations and secured a settlement, that fair housing is contributing to economic redevelopment of neighborhoods your city/community. They ought to see that supporting your work brings funding that leverages the city’s funding and other general fund investments in neighborhoods and provides economic stability.

- 1) Logo: Groups are using various terms to name their programs –Inclusive Communities Fund and others. You may wish to name your program.
- 2) Photographic History: Fair Housing Organizations may want to hire professional or university photographer to document the work that is being done with the community relief funds.

- 3) Publicize your outcomes when possible so we develop more credibility and visibility as a movement.
- 4) Invite mayors, council members, members of Congress and Senators to participate in news stories explaining project(s)—when you have a group of new homebuyers moving in—or a renovation is completed and the Realtors or Homebuilders helped or donated materials—or small businesses in the target area received a grant and did upgrades—invite politicians to celebrate and remind everyone that your fair housing work was a major contributor to the successes noted.

H. Repurposing of HUD Funds

The FHIP Notice of Funding Opportunity (“NOFO”) that grant awardees agree to when they sign their HUD contracts includes the following language:

Reimbursement Requirement. *Grantees must reimburse the Federal government the amount of the grant from all financial settlements, conciliations, and agreements reached because of their use of FHIP funds. FHEO may authorize the use of funds from such settlements, conciliations, and agreements to be treated as program income in addition to any grant awarded, consistent with 2 C.F.R. Part 20.*

Plaintiffs may or may not have pursued the REO investigations in this Fannie Mae case, in-part, using HUD FHIP funds. Plaintiffs that used HUD funds to investigate Fannie Mae’s REO practices should review their HUD contracts and engage their HUD grant monitor to request repurposing the funds.

Plaintiffs have had different responses from grant monitors in different regions when fielding requests to repurpose the funds, but HUD Region IV has reported to HOPE Fair Housing Center in Miami that since the settlement happened after the expiration of their HUD grant, HUD has no authority over that money, according to the grant documents, 24 CFR 84.24, and the June 2013 AAPPG.

- For program income, the Schedule of Articles for HOPE’s grant in question references 24 CFR 84.24, which states the following: (e) Unless HUD regulations or the terms and conditions of the award provide otherwise, recipients shall have no obligation to the Federal Government regarding program income earned after the end of the project period.
- In addition, the June 2013 FHIP Guide was in effect during HOPE’s grant in question (link provided below) and states the following on page 79: FHIP Policy - a. Standard Treatment. Unless otherwise specified in the FHIP grant, program income received or accrued to the grantee during the period of the grant may be retained by the grantee, added to the funds committed to the FHIP project, and thus used to further project objectives. HUD does not

have authority over program income received beyond the period of the grant.

<https://www.hud.gov/sites/documents/FY13HUD-FHIPAAPPGUIDE.PDF>

NFHA has conferred with HUD Headquarters in recent weeks about providing guidelines for how HUD regions should process this matter when a case settlement occurred after the close of the grant period. We expect further info from HUD on this matter in the coming weeks.

APPENDIX.

The table below outlines possible activities that fair housing organizations may undertake with partners using community relief funds. This chart is subject to revision based on actual activities taken on using settlement funds.

INDIVIDUALS/HOUSEHOLDS			NEIGHBORHOODS			SYSTEMS
Creating New Homeowners	Supporting Renters to access and maintain stable housing	Preserving Existing Homeowners	Increasing Affordable Housing Supply	Neighborhood Stabilization/ Addressing Vacant and Abandoned land and homes	Creating Vibrant, Healthy Communities & Furthering Environmental Justice	Cross-Cutting Systemic Efforts
<ul style="list-style-type: none"> • Down payment/Closing cost assistance programs • Individualized Development Accounts (IDAs) for homeownership • Shared equity homeownership programs • Housing/Credit Counseling • Special Purpose Credit Program (SPCP) for new homeowners • Small Dollar Mortgage Programs • Fair Housing E&O and Investigations 	<ul style="list-style-type: none"> • Eviction Prevention • Fair housing E&O and investigations related to rental, including mitigating discrimination against housing choice voucher holders (source of income) 	<ul style="list-style-type: none"> • Foreclosure and Loss Mitigation • SPCPs and other activities to increase access to capital for owner-occupied rehab/repairs • Accessibility-related and home modifications/repairs • Fair Housing E&O and Investigations 	<ul style="list-style-type: none"> • Create new affordable housing through new build • New affordable housing through acquisition rehab • Supporting Affordable Housing Development in accordance with Fair Housing Principles 	<ul style="list-style-type: none"> • Land Banking • Community Land Trusts • Rehab for Vacant properties, including Development and Appraisal Gap Subsidies 	<ul style="list-style-type: none"> • Investments in parks and green spaces (beautification efforts & placemaking, i.e - block clean ups, community gardens events etc.) • Lead abatement/ensuring healthy homes • Mitigating environmental issues in communities of color • Investing in small business corridors, job creation, other economic development activities 	<ul style="list-style-type: none"> • Addressing Algorithmic & Tech Bias • Mitigating Appraisal Bias • Affirmatively Furthering Fair Housing Implementation and Regional Fair Housing Planning • Other Systemic Fair Housing issues - E&O and Investigation

KEY METRICS

NFHA will collect the following metrics from co-plaintiff fair housing organizations and its own partners in NFHA-led cities. This chart may also be updated based on additional activities taken on with settlement funds. You should notify your partners of your intention to collect this information at the beginning of your agreement so they are prepared to report on these items with demographic and geographic data as applicable. NFHA will use these numbers to communicate our broader impact to key stakeholders and to conduct research on longer-term, long-lasting impacts of these investments on behalf of the co-plaintiffs. In addition to the metrics in the table below, we will also collect:

- \$ amount leveraged
- \$ amount equivalent of In-kind contributions
- # of volunteer hours

INDIVIDUALS/HOUSEHOLDS			NEIGHBORHOODS			SYSTEMS
Creating New Homeowners	Supporting Renters w/Stable Housing	Preserving Existing Homeowners	Increasing Affordable Housing Supply	Neighborhood Stabilization/ Addressing Vacant and Abandoned land and homes	Creating Vibrant, Healthy Communities & Furthering Environmental Justice	Cross-Cutting Systemic Efforts
# of new homeowners (D) # of IDAs (D) \$ saved in IDAs # of new shared equity homeowners (D) # of individuals counseled for new homeownership, credit and financial capability (D) # of SCPC loans # of small dollar home loans made (D) # fair housing outreach events/trainings on credit and homeownership # fair housing ads on homeownership # fair housing audience reached by E&O efforts on homeownership	# evictions prevented (D/PC) # fair housing rental tests (PC) # fair housing investigations related to rental (PC) # fair housing audience reached by E&O efforts on rental # individuals who received fair housing counseling	# homeowners (post-purchase) counseled (D) # Foreclosures prevented (D) # SPCP loans related to rehab finance # homes made accessible (PC) # owner occupied home repairs # fair housing outreach events/trainings on foreclosure mit. and rehab loans # fair housing ads on foreclosure mit. and rehab loans # fair housing audience reached by E&O efforts on foreclosure mit./rehab lending # individuals receiving fair	# units of affordable housing created (D) # lots/land acquired for affordable housing # Affordable Housing Programs/Plans informed (demographics of area) # of community land trust properties created (D)	# lots preserved in land bank (address) # lot disposition for community use (address) # vacant homes rehabbed for affordable housing or other community benefit (address)	# parks or green spaces improved (addresses) # home-based health hazards addressed (D) # environmental hazards addressed in a community of color (address) # square footage/sq. mileage improved	# of individuals prevented from possible discriminatory outcomes because algorithmic or tech concerns addressed # AFFH or regional plans informed

# individuals receiving fair housing counseling # fair housing tests completed related to homeownership (PC) # fair housing investigations completed related to homeownership (PC)		housing counseling # fair housing tests related to existing homeowners (PC) # of fair housing investigations completed related to existing homeowners (PC)				
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(D) (PC) – please include demographic data on race/protected class

(Address) - please include address so that we can identify demographics of the census tract/area