



Community Investment Corporation

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FOR IMMEDIATE RELEASE: April 15, 2014

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Innovative New Community Investment Corporation Program Provides More Affordable Apartments Targets Redevelopment of 1-4 Unit Buildings

Chicago Mayor Rahm Emanuel today announced the launch of Community Investment Corporation's (CIC) new 1- 4 Unit Rental Redevelopment Program. This innovative program is among the first in the United States to finance the redevelopment of smaller buildings for affordable rental housing.

The 1- 4 Unit Rental Redevelopment Program will finance approximately 200 buildings and 400 apartments over three years, helping bolster areas still reeling from the recession.

Capitalized by 11 bank investors, a program-related investment by the MacArthur Foundation and a grant from the Attorney General's foreclosure settlement funds, the loan pool will finance responsible investors in rehabbing small groups of distressed 1- 4 unit buildings in targeted areas.

"Headlines might be touting a rental comeback, but many neighborhoods still struggle with distressed buildings and a significant need for affordable rental housing," said Jack Markowski, CEO of Community Investment Corporation. "By financing clusters of distressed 1- 4 unit buildings, our new program will help improve these neighborhoods and provide more affordable rental housing."

"This new loan pool targets the redevelopment of one- to four-unit buildings, which represent nearly 50 percent of all rental units in Chicago and are too often under-resourced," Mayor Emanuel said at a neighborhood press conference to announce the new program. "Through strong collaboration between the City, businesses, and non-profits, like CIC, this financing will help small- and mid-sized investors make a strong investment in our communities, while most importantly providing affordable housing options for Chicagoans."

"This funding is a down payment on the future for communities hit hardest by the foreclosure crisis," said Illinois Attorney General Madigan, whose office allotted \$2 million toward the loan pool from relief secured in the national foreclosure settlement. "Investing in affordable housing will help stabilize these neighborhoods and help families move forward on the road to recovery."

CIC's 1- 4 Unit Rental Redevelopment Program emerged after The Preservation Compact, a policy collaborative housed out of CIC to keep rental housing affordable, delved into the dynamics of 1- 4 unit buildings during downturn. The findings were surprising: Small buildings comprise 48% of Chicago's rental stock, and areas with concentrations of these buildings were disproportionately hit by the crash. Yet there was no financing available to help investors rehab groups of small buildings. CIC's new program fills this gap.

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Community Investment Corporation is a 501(c)(3) nonprofit multifamily rehab lender which promotes quality affordable housing in the six-county Chicago area through its flexible, user-friendly loan products and educational programs.

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Investors in the 1- 4 Unit Rental Redevelopment Program include PNC Bank, The Northern Trust, BMO Harris, Urban Partnership Bank, First Savings Bank of Hegewisch, Leaders Bank, First Eagle Bank, and four Wintrust banks: Northbrook Bank, Lake Forest Bank, Village Bank and North Shore Community Bank. In addition, the Attorney General's Office provided a \$2 million grant and the MacArthur Foundation provided a program-related investment.

"Supporting private investment in small rental properties that provide housing options to many Chicagoans is one of the most effective ways to maintain and grow our affordable housing stock," said MacArthur President Robert Gallucci. "This fund will help ensure that entrepreneurs in Chicago can continue and even increase their efforts to support the stabilization of city neighborhoods as well as the region's housing recovery."

A separate program funded by the JPMorgan Chase Foundation facilitates the acquisition and creative financing of 1-4 unit buildings in these areas, which will complement the activities of the Rental Redevelopment Program loan pool.

"We greatly appreciate the participation of the Attorney General, the MacArthur Foundation, and all of our bank partners. The capital they've provided will improve distressed neighborhoods and spur additional investments," Markowski commented.

Community Investment Corporation (CIC) is Chicago's leading multifamily lender. Since its founding in 1984, CIC has provided more than \$1.1 billion to acquire, rehab and preserve almost 51,000 units of affordable housing for more than 125,000 metro Chicago residents. A recipient of the MacArthur Award for Creative and Effective Institutions, CIC programs also include Energy Savers, the Troubled Buildings Initiative, the Preservation Compact and Property Management Training. For more information, see www.cicchicago.com.

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