



**Community Investment Corporation** • Chicagoland's Leading Multifamily Rehab Lender

# DEVELOPMENTS

## WE DID IT: Over \$1,000,000,000 since 1984!

CIC commenced its lending program for multifamily buildings in 1984 following a decade of financing single-family buildings. The thought of lending \$1 billion no doubt sounded like a dream. Yet earlier this year, in a loan to South Side investor Michael Pullium, CIC surpassed that milestone and is now at work on lending its second billion to preserve another generation of buildings.

Although a billion is a large number, it came from adding up the value of more than 1,600 loans of varying sizes to a wide variety of borrowers who invested in many types of apartment buildings. They range from five units to multiple buildings having many dozens of units. There is no such thing as a "typical" CIC borrower, but if there were Michael Pullium certainly could stake a claim to the title. In that spirit, we interviewed him recently to learn his impressions of what it is like to borrow from CIC:



Michael Pullium and Anthony Hawthorne

"CIC helped a family member to acquire a few multifamily buildings during the 1990s. Through that relationship, I was introduced to Anthony Hawthorne, my loan officer. Over the past several years, Anthony and I have discussed several deals. However, I became a CIC customer initially by refinancing a few of my multifamily properties, and then utilized its services to acquire additional properties. Also, CIC's newsletters and classes were excellent resources for management ideals.

"The CIC experience has been one in which I feel like I have a partner. When I phone CIC, I am greeted on a first-name basis (as with my visits to CIC's office). When I approach deals with CIC's backing, it gives me a wider perspective and a sense of security knowing that CIC is not just providing financial support but also investing in my success as I continue to build my investment portfolio.

"The advice I would give today is to 'buy right,' which in my opinion is a combination of the following factors: (a) obtaining properties at a low per-unit cost; (b) maintaining competent construction staff at a low labor cost; (c) achieving economies of scale by acquiring properties in close proximity in order to serve many tenants at a minimized management cost; and (d) acquiring a solid base of subsidized units.

"CIC's philosophy towards real estate investing is very consistent with my vision and goals to provide quality affordable housing in underserved communities. Anthony Hawthorne has not been shy in encouraging me to grow in order to serve more of the community. Nor has he been shy in his critical analysis of possible deals in order to get even better deals. Every member of CIC's staff is very knowledgeable in their area of expertise and has been there to assist whenever I have questions or need advice."

Thanks, Mr. Pullium. And thanks to all of our customers who have borrowed \$1 billion to provide affordable rental housing throughout the Chicago area and who inspire us as we continue toward our second billion.



Michael Pullium and two of his buildings

# Energy Savers program increases scope, resources

FOR  
A TYPICAL  
24-UNIT  
BUILDING,  
THE ANNUAL  
SAVINGS ADD  
UP TO \$10,000  
PER YEAR.



In 2008, CIC and CNT Energy launched the Cook County Energy Savers program to help owners of multifamily buildings reduce one of their largest operating costs: utilities.

## Energy Savers provides:

- Free energy audits from the Center for Neighborhood Technology (CNT) and help to design energy retrofits that to date have averaged an average savings of 30 percent annually.
- Low-cost fixed-rate subordinate financing through CIC to fund the retrofits when needed.

Energy Savers was originally funded by \$3.25 million from CIC, the John D. and Catherine T. MacArthur Foundation, and the Grand Victoria Foundation. Since the program began, 13,000 apartment units have been audited and 4,500 units retrofitted. Of the units retrofitted, 1,400 units involving 55 loans or grants totaling \$4 million have been processed through CIC. For a typical 24-unit building, the annual savings add up to \$10,000 per year.

The capacity of Energy Savers recently increased in two ways. Its geographic reach now includes Kendall County and the city of Rockford in addition to the CIC service area of Cook, DuPage, Lake, McHenry, Kane and Will Counties. Its loan capital in CIC's Energy Savers Fund has increased to \$7.5 million for the next three years under an agreement with the MacArthur Foundation, Chicago Department of Environment, Chicago Metropolitan Agency for Planning, and PNC Bank.

For information on obtaining an Energy Savers loan, contact CIC Senior Loan Officer James Lackland at 312.870.9925 or [james.lackland@cicchicago.com](mailto:james.lackland@cicchicago.com).

## cic is new home for Preservation Compact

On April 1, CIC became the leading administrative partner in The Preservation Compact, an effort originally convened by the MacArthur Foundation and the Urban Land Institute to preserve affordable rental housing in Cook County.

Stacie Young, formerly director of the Interagency Council of DePaul University, is the new director for The Preservation Compact. Young has more than 20 years experience in housing, community development, and public policy in Chicago.

## The Preservation Compact

A Rental Housing Strategy for Cook County

"We are eager to begin," said CIC President Jack Markowski. "The Preservation Compact will affirm and expand CIC's role as the leading force for preservation of affordable rental housing in the Chicago area. I am confident that this will be a mutually rewarding experience for CIC and for The Preservation Compact."



Taft West, Director of Property Management Training

# Boost curb appeal with spring landscaping

**First the bad news:** If you neglect spring landscaping, your property's curb appeal will suffer for the rest of the year.

**Now the good news:** Spring landscaping doesn't have to be nearly as much work if you invest time in caring for the exterior flowers, trees, shrubs and lawn. This care in spring will result in terrific curb appeal, helping to retain current tenants and to attract prospects to your property throughout the year.

### SPRING LANDSCAPING TASKS

- **Clear away dead plants and trees.**

Trim overgrown hedges and mow the lawn. Turn the soil in existing flowerbeds. Wash down the driveway and remove stains, if any. As you survey your lawn in spring, see if there are any matted patches where the grass blades are all stuck together. This can be caused by a disease known as "snow mold." New grass may have difficulty penetrating these matted patches. But a light raking will be sufficient to solve the problem.

- **Power wash the exterior of your property.**

You can rent a power washer at your local home improvement store for about \$50. This will freshen up your existing exterior. Do repaint the trim, however. Consider a new color, one that will brighten up the existing color.

- **If your front door is in bad shape, replace it.**

If it's functional but dull, repaint or add new stain. If the door is fine, but your entryway is dull, consider adding ornamentation. Clean up or replace your porch light. Place two large planters or pots to either side of your doorway. You can often find them on sale at the end of the season. Be sure your stoop or porch is clean and stain-free. Consider painting the stair railings the same color as the trim.

- **For your flowerbeds, choose a mix of annuals and perennials.**

Plant the perennials farther apart and mix in the annuals between them. The perennials will continue to bloom for a few years, but as their name implies, the annuals will need replacing every year. The annuals will keep your garden looking fresh and the perennials will save you money.

- **Kill any weeds in the lawn and reseed.**

If your lawn is subjected to high levels of foot traffic year after year, it may eventually start to show signs of soil "compaction." That term describes soil which, deprived of proper aeration, suffers from excessive water runoff and poor conditions for plant rooting. The basic idea behind lawn aeration is that, like you, your lawn and the soil under it need to breathe. The process of lawn aeration can be as simple as poking holes in the soil throughout the lawn. You should also rake *deeply*, rather than just skimming the autumn leaves off the top of the lawn.

If you can't afford to replace any trees that you had to remove, fill in the holes and seed.

My next column will include more ideas to increase your property's curb appeal.

Until next time,  
*Taft*

## At **cic**, a dedicated team takes pride in its work

### How did you get into the business and come to work at **cic**?

After acquiring a real estate broker's license in 1979, I started in the business as a property manager, managing commercial property and condo associations, and doing some brokerage. One project I worked on was a multifamily building near Milwaukee and Pulaski. In looking at options for the purchase and rehab of the property for a group of investors, I contacted John Pritscher. I had known John for many years and found out he was president of Community Investment Corporation. That was my first contact with CIC.

I was very impressed with CIC's mission and by John's passion for the business and CIC. In 1988, when I found out about an opening at CIC as controller and treasurer, I was finishing the MBA program at Loyola with a concentration in accounting. I came for an interview and am still here 23 years later. It has been and is a great experience to be a part of CIC's accomplishments and growth.

### What is your favorite part of working at **cic**?

Seeing the success of CIC in providing quality affordable housing to low- and moderate-income individuals and families is the most rewarding part of being here. CIC is a dedicated team that takes pride in its work. Many staff, board and loan committee members have been with CIC for many years, and there is little turnover. Everyone focuses on the mission while at the same time pulling together to maintain operations of CIC as a self-supporting enterprise. I am grateful to be a part of it.

### What is your job at **cic**?

Since CIC is a small business with 38 employees, everyone wears more than one hat. As the Chief Financial Officer and Treasurer of CIC and its affiliate, Community Initiatives Inc. (CII), I am involved in the overall operations of the company. My primary responsibilities are ensuring for CIC's financial needs and reporting, Human Resources management, and IT functions. An important part of the financial responsibilities is maintaining relationships with and reporting to the many financial institutions and the private foundations and public funders that have partnered with CIC over the past 23 years in its mission of providing credit in the low- and moderate-income neighborhoods of metropolitan Chicago.

### What are some interesting things about you that most people don't know?

My family, which now includes three wonderful grandchildren, is the joy of my life. I try to spend as much time with all of them as possible. I have found that the years pass way too quickly.

History is one of my great reading interests. A book I recently finished reading, which I highly recommend, is *Unbroken*, a novel about the Second World War. One message from this book, which I think has not been appreciated, is that the war did impact our soldiers in ways similar to our country's more recent wars.

I enjoy riding my bike, and it is one way I try to keep in reasonable shape. I have set a goal for myself this year of participating again in the 60-mile ride held near Starved Rock each fall. I also enjoy movies and cooking – the bigger the pot, the better the food!



Tom Hinterberger, Chief Financial Officer and Treasurer



Jack Markowski

## Farewell Mayor Daley, Welcome Mayor Emanuel

**Mayor Daley has demonstrated an unswerving commitment to Chicago's people and neighborhoods.**

With the election of Rahm Emanuel, the baton passes to a new generation to preserve affordable housing and strengthen communities in Chicago. For the past 22 years, Mayor Richard M. Daley has been our leader. From removing graffiti, tearing down vacant buildings, and planting trees to transforming public housing, revitalizing commercial strips, and building new schools, parks and libraries, he has demonstrated an unswerving commitment to Chicago's people and neighborhoods. Historically, the vast majority of CIC's lending activity has taken place during Mayor Daley's tenure, and we have worked closely and productively with his administration.

Together with the City, CIC has implemented programs to rehab multifamily properties, to train property managers, to conserve energy, and to bring SRO buildings up to code. In partnership with the City, CIC has rescued portfolios of deteriorated government-assisted multifamily housing, including 80 buildings in the Chicago Equity Fund portfolio and 100 buildings in the Lawndale Restoration Project. And acting as an agent for the City under the Troubled Buildings Initiative, Community Initiatives Inc. (CII) has intervened to preserve 500 buildings with 9,800 housing units.

In the late 1990s, Mayor Daley saw that an upsurge in housing abandonment was being

caused by irresponsible predatory lending. As a result, he championed legislation in which Chicago became the first city in the country to state that it would not do business with predatory lenders. Unfortunately for Mayor Daley and for all of us, however, reckless financing took another turn: subprime lending, that eventually resulted in the collapse of the housing market and the foreclosures and abandonment that confront us today.

As Mayor Emanuel takes office, one of his first challenges will be to address the estimated 19,000 vacant buildings that litter Chicago's landscape. These buildings are symptoms of a broader setback in the quality of life in many neighborhoods. While CIC has steadfastly persevered in providing access to credit for multifamily housing throughout the Chicago area, we know that housing does not exist in a vacuum. In the long run, the buildings financed by CIC will only be successful if they are located in strong and secure neighborhoods.

As the baton passes from one mayor to the next, we say to Mayor Daley, "Thanks for your dedication and your tireless work, and we salute you for a job well done." To Mayor Emanuel, we say, "Congratulations on your election. We look forward to working with you to renew Chicago, to build strong neighborhoods with plenty of affordable rental housing."

**Jack Markowski**  
CIC President



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# cic RATE WATCH

## Adjustable Rate

**5.75%** for 3-year ARM\*

**6.25%** for 5-year ARM\*

CIC adjustable-rate loans typically have a 20-year term, with a 25-year amortization. Rate adjustments are capped and there is no prepayment penalty.

**\*Rates as of April 8, 2011**

All rates and terms subject to change.

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**312.258.0070**



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**312.258.0070 | [www.cicchicago.com](http://www.cicchicago.com)**

## cic energy savers program

- FREE energy audit
- Low-cost energy loans at 3%\*
- Save up to 40% on energy costs

**Call a **cic** Loan Officer for details.**

\* subject to change

