



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

## New investors join **cic**

CIC is able to lend money to preserve affordable multi-family housing because of our loan pool of more than \$400 million from local financial institutions. Since the March 2010 five-year agreement was signed with investors, CIC has added six more, bringing the total number of our investors to 35.

The newest **cic** investors, in order of their joining us, are:

**First Merit Bank NA**  
**Northbrook Bank & Trust**  
**Hoyne Savings Bank**  
**First Bank of Highland Park**  
**Metropolitan Capital Bank**  
**Town Center Bank**

Thanks to these and all of our investors who make the work of CIC possible.



# DEVELOPMENTS

## Preserving Cook County's affordable rental housing

Four in ten Cook County residents rent, yet our affordable rental stock has been shrinking and demand has out-paced supply for the last two decades. It almost always is more cost-effective to preserve existing housing than to build it new.

The Preservation Compact was created in 2007 to ensure that the existing supply of courtyard, high-rise and 2- to 4-flat buildings remain a vital part of our housing mix. Headquartered since April at CIC, the Compact brings together a wide range of housing leaders to reverse affordable rental housing loss. Participants include building owners, government officials, tenant groups, energy experts, large and smaller-scale housing developers, lenders, and nonprofit advocates.

Director Stacie Young and Program Associate Kerry Sullivan staff the project. A 31-member leadership committee representing business, nonprofit and governmental organizations provides overall direction and creates working groups to evaluate complex problems and explore solutions.

### The Compact's focus areas include:

#### Coordinating with public agencies

An interagency working group meets monthly to monitor government-assisted properties. The Compact convenes representatives from city, county, state, and federal housing agencies to identify and develop joint solutions for preserving at-risk properties.

#### Identifying suburban strategies

Suburban municipalities often lack the capacity to identify at-risk buildings or to learn about available preservation resources. The Preservation Compact partner, Metropolitan Planning Council, ensures that preservation strategies reach the suburbs and develops regional collaborations to leverage scarce resources for preservation.



Kerry Sullivan and Stacie Young

## The Preservation Compact

A Rental Housing Strategy for Cook County

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THE COMPACT  
BRINGS TOGETHER  
A WIDE RANGE OF  
HOUSING LEADERS  
TO REVERSE  
AFFORDABLE  
RENTAL  
HOUSING LOSS

### Engaging tenants

The Preservation Compact partners, Chicago Rehab Network and the Sargent Shriver National Center on Poverty Law, provide technical assistance and information to tenants to ensure rental properties are maintained and remain affordable.

### Expanding availability of energy retrofits

The Energy Savers Program, administered by CIC and the Center for Neighborhood Technology, has led to the retrofit of 6,000 apartment units in Cook County. The Compact is developing strategies to bring energy retrofits to more properties.

### Improving consistency in property taxes

The Compact is evaluating the effect of recent changes in tax policy, and is developing recommendations for a more predictable, fair system of taxing multifamily rental buildings.

### Developing strategies for 2- to 4-unit buildings

There is very little market demand for ownership of distressed 2- to 4-unit buildings, which comprise approximately one-third of Cook County's rental housing stock. The Compact is developing strategies for the rehab and re-use of buildings with two to four units. Without such strategies, many buildings may be lost from the region's housing stock.

### Streamlining government processes

Many local building codes and processes for permits and inspections are complex, time consuming, and costly. The Compact is identifying recommendations to improve and streamline government processes to make them easier and less costly to operate multifamily rental buildings.

### Collecting and analyzing data

The Institute for Housing Studies (IHS) at DePaul University, a Compact partner, collects and analyzes data on the affordable rental housing market in Cook County. The Compact is working with IHS to bring relevant, accessible information and analysis to assist practitioners engaged in the preservation of affordable rental housing in Cook County.

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The Preservation Compact works behind the scenes to make more housing available for more people in the Chicago area. For information, contact Stacie Young at **312.870.9955** or [stacie.young@cicchicago.com](mailto:stacie.young@cicchicago.com).



**cic**  
Community Investment Corporation

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FEATURED

**CIC Provides Financing to Buy and Rehab Multifamily Apartment Buildings**

Loan Programs Energy Savers

## cic has rehabbed its website

[www.cicchicago.com](http://www.cicchicago.com)

Same address, different look! With the assistance of NuZoo Media, CIC has launched a redesigned website which has a cleaner look and is much simpler to navigate. By the first of the year, it will be possible to fill out information on a CIC loan application digitally through an interactive PDF file. We appreciate your comments; just go to "Contact Us/Ask a Question" at the upper right corner of our website and let us know your thoughts.



Taft West, Director of Property Management Training

# Get ready, here comes winter

Days are getting shorter, leaves are falling, temperatures are dropping. It is time to make sure your building is ready for winter. Thorough inspections on a regular basis will save you money in the long run. Hire professional contractors to perform the maintenance and repairs that are beyond your expertise. Here is a partial list of what to check:

## BUILDING INSPECTION

**EXTERIOR** - *Inspection should begin at the roof, work to the bottom of the building, and include the grounds.*

**ROOF** Check for cracks, blisters, holes and loose shingles. Make sure flashing is sealed.

**GUTTERS AND DOWNSPOUTS** All items must be securely fastened. Clean out leaves and debris; otherwise water will run over the top and eventually find its way inside the building. If it reaches the interior drywall, the moisture creates mold.

**LIGHTING** Porch and all perimeter lighting must be functional for security and safety. Make sure lighting back-up system is working in the event of a power failure.

**BRICK WALLS** Check for loose mortar in joints and cracked bricks. A white powder ("effervescence") on brick means moisture is getting inside joints and spot tuckpointing is needed. Use mortar, not caulk.

**STAIRS** Should not sag or have loose boards. Handrails should be bolted and firmly in place.

**DOORS** All doors should close snugly and lock properly. Exterior doors should have weather-stripping to keep out cold air.

**GROUNDS** Sidewalks should have no cracks or tripping hazards. Shrubs, grass and trees should be neatly trimmed.

**DRIVEWAYS** Check for cracks, buckling, oil spots or transmission fluid spills.

**FENCES** Should be strong, erect and undamaged. Gates should lock properly, and hinges should be aligned and oiled.

**PLAYGROUND** Make sure equipment meets legal requirements, and swings are secure and adequately spaced. Wood chips should be thick enough to cushion a fall. Check for any damage that may cause injury.

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**INTERIOR** - *Inspection should begin at the lowest level/basement and ascend to the top areas. A series of inspections should be done which concentrate specifically on plumbing, electrical and heating systems.*

**BASEMENT FOUNDATION** Check for cracks, moisture and holes that bugs and mice could use to gain entry.

**STAIRS** Steps should be firm and supportive without missing stair treads.

**CARPETING** Should be cleaned, as needed, and should not be worn or torn.

**FLOORS HARDWOOD** floors should not sag or squeak. To fix squeaks, nail floor to subfloor or place a shim between joist and subfloor. **TILE** floors should be clean and shiny. **CERAMIC** floors should be free of cracks or chipping.

**LOCKS/DOORS** Locks should work freely and doors should not stick.

**LIGHT FIXTURES** Make sure fixtures are hung properly and secured to the ceiling.

**CEILINGS** There should be no large cracks or wet spots. Small cracks should be plastered. Ceiling joists should be straight and not sagging.

**ELECTRICAL RECEPTACLES** Make sure the faceplate covers receptacles. Check to be sure all wires are connected securely.

**CIRCUIT BREAKERS** Be sure they are tightly locked and all locations have identification stickers. *When work is in progress*, hang a highly visible sign on electrical box and turn off power until work is completed.

**PLUMBING** Inspect the system and all valves, faucets, drains and P-traps for leaks or loose connections.

**HOT WATER HEATER** Keep the tank clean and dry. Check for leaks. The tank should be drained every year.

**TOILETS** Should be seated and flush properly. Check for leaks at the handle or base, and at water supply lines.

**BOILER** Check for leaks. During the heating season, check the water gauge level, the thermostat and relief valve daily.

**RADIATORS** Check valves for leaks and proper on/off when turned. System may need to get bled annually. Air vents should be checked for proper wall attachment and should be free of dust, soot or rust.

**FURNACES** If there is a **CENTRAL** furnace, have it checked by a professional HVAC firm prior to the start of the season. For **INDIVIDUAL** furnaces, check motors and belts; and change filters monthly or per manufacturer's recommendations.

**THERMOSTATS** Remove face cover and check calibration. Manually turn toward "heat" and the furnace should deliver heat to the unit.

# Construction Department is **cic's** "secret weapon"

CIC is different from other multifamily mortgage lenders. For example, CIC issues long-term financing and has no prepayment penalty on its adjustable-rate mortgage loans. Another distinguishing but less well known feature is the CIC "secret weapon," its Construction Department.

The success of an investment in rental property hinges on many factors, but certainly good quality physical rehab performed in a timely fashion is one of them. From the very beginning of the lending process, CIC's Construction Department evaluates the pre-rehab state of the building, assesses the contractor's reputation, and works with the owner to develop an appropriate budget and scope of work.

This oversight helps to ensure that the purchaser receives value for his or her investment, including a quality rehab which can be expected to last for years to come.

Even after a loan has been approved and rehab completed, the Construction Department monitors the physical state of the exterior of every building in the CIC loan portfolio on an annual basis through visits to each property. In the fiscal year just ended, CIC staff and several other experienced professionals inspected 485 buildings. This process helps to catch structural problems so that any necessary repairs can be made at a more reasonable cost than they would be if the building was allowed to deteriorate. Such vigilance protects not only the landlord but also the tenants, the neighborhood (preventing blight), and even CIC, which as a lender has its own investment in the property.

The Construction Department has been unusually busy this year. The number of construction draws – monthly payments made to landlords and their general contractors during the construction phase of a rehab project for work completed during the intervening period – increased by more than 50% above the average for the last five years, and the amounts paid out exceeded \$22.7 million, which again was a substantial increase.

The Department also performs inspections and provides estimates for the CIC Servicing Department on buildings under consideration for purchase by CIC subsidiary Community Initiatives, Inc., as well as on any insurance claims for properties in the CIC loan portfolio.

Two new publications of the Construction Department will be ready for distribution in early 2012: a third revision of the **cic rehab checklist**, which gives a landlord a handy tool to assess the condition of a building as well as the potential costs involved in correcting any deficiencies; and a revised **cic performance standards** manual to provide benchmarks for rehabs that are visually appealing and sturdily built.

Led by Construction Risk Manager **MATT GREENE**, the Department includes Construction Inspector **ROGER CASAS**, Construction Processing Assistant **RUTH THOMPSON**, and Construction Data Assistant **MARIA BOJCZUK**. Each plays a part in making sure that a CIC building serves the needs of its owner, its residents, and its community.



## Rules for heating of rental property in Chicago

### If tenant is responsible for the heat

"A building Owner/Agent is required to provide a tenant, as part of his/her lease agreement, the projected annual and average monthly cost of utility service based on energy consumption during the most recent period of twelve months of continuous occupancy by one or more occupants, current or estimated rates and normal weather."

The landlord can obtain this information by faxing a form to the utility to get the cost of heating the unit during the previous heating season.

*Heating Cost Disclosure Rules and Regulations are enforced by the Commissioner of Consumer Services under the authority granted by the Municipal Code of Chicago, Section 5-16-060.*

### If landlord is responsible for the heat

"Every family unit or rooming unit to which heat is furnished ... shall be supplied with heat from September 15 of each year to June 1 of the succeeding year ... a minimum temperature of 68 degrees at 8:30 a.m. and thereafter until 10:30 p.m. and 66 degrees at 10:30 p.m. and thereafter until 8:30 a.m. averaged throughout the family unit or rooming unit."

*City of Chicago Heating Ordinance 13-196-410, Residential Buildings.*



Martin Berg, Director of Marketing and Communications

## Marketing director delivers the message

### How did you get into this business?

Growing up in St. Louis, I remember often hearing discussions of various commercials while watching TV with my family. One of my three older brothers was a marketing director, and another was a reporter with the St. Louis bureau of United Press International. So I suppose marketing got into my blood. Although a psychology major, I minored in communications at Saint Louis University.

My career began in 1979 in the public relations department of the old St. Anne's Hospital on the West Side. There, I learned I had found my niche. I love to deliver "messages" to people in ways they can understand and which help my organization grow. I also really enjoy writing and editing.

### How did you come to work at CIC?

After working for the Chicago Association of Neighborhood Development Organizations (CANDO) for 12 years, I took a self-directed "sabbatical" in late 2000 for about six months that included riding the train across Canada. When I decided to resume working, I distributed widely my resume with a cover letter.

CIC had been a member of CANDO, so we knew a little bit about each other. But I was unaware that CIC had a job opening and thus didn't apply for a job with CIC. Fortunately, two people who knew me passed my resume along to then-CIC President John Pritscher, my future boss ... and here I am.

### What's your favorite part of working at CIC?

What we accomplish at CIC by providing good affordable housing and improving neighborhoods makes Chicago a better

place. Having spent six years studying to be a Catholic priest, it's not surprising that I prefer to work for an organization whose purpose is beyond making money. CIC fulfills that. Also, the staff of CIC is very talented, with many interesting personalities, and quite a few people who have been here 10 to 20 years or more.

### What is something interesting about you that most people don't know?

This is a fun question. Many possibilities come to mind. My interests include trains, baseball, the English language, geography, choral singing, and classical and Russian Orthodox music. I guess the most interesting thing people don't know about me is that not only do I practice marketing, I also teach it online several times a year and every year can't wait to start teaching it again.

Along with marketing, I teach two other online courses for the University of Illinois-Chicago in the Certificate in Nonprofit Management program. The students are in countries all over the world. So far I've had students located in Moldova, Lebanon, New Zealand, India, Russia, Afghanistan (an American soldier), Senegal, Nigeria and a number of other countries. Because online postings and discussions don't happen in "real" time, I easily can schedule teaching outside of CIC working hours during the five-week course span.

As any teacher can tell you, I learn from my students as well as teach them. Their ideas and strategies about marketing come from a wide variety of nonprofits and cultures.



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**cic** Senior Loan Officer James Lackland (right) and Peter Ludwig of Center for Neighborhood Technology hold Chicagoland Apartment Marketing and Management Excellence (CAMME) Awards given October 28 by the Chicagoland Apartment Association for "Excellence in Sustainability and Green Practices" of the Energy Savers program.

# cic RATE WATCH

## Adjustable Rate

**5.50%** 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 November 15, 2011**

All rates and terms subject to change.

Call Us For Latest Rates  
**312.258.0070**