



Community Investment Corporation

FACT SHEET: 1-4 Unit Rental Redevelopment Loan Program

PURPOSE: Provide a take-out term loan for groups (9 unit minimum) of distressed 1-4 unit buildings purchased and rehabbed by investors to complement public and private redevelopment efforts in low and moderate income communities.

NEIGHBORHOOD CLUSTER:

- To maximize neighborhood impact and to facilitate property management, most of the properties should be located in a neighborhood cluster consisting of 32 blocks (approximately 0.25 square mile).
- Should be located in Cook, McHenry, Lake, DuPage, Will, or Kane Counties

REDEVELOPMENT ACTIVITIES:

The neighborhood cluster should be in an area targeted by other investment and community anchors. Examples include, but are not limited to, the following amenities/activities:

- Improving housing or commercial building stock
- Easy access to mass transportation
- Religious or Educational Institution
- Park and/or recreation facility
- Emerging retail district
- Arts Center
- Youth or Senior Center
- Health facilities
- Public Safety facilities (Fire, Police, etc.)
- Infrastructure improvements (water mains, street, lighting, etc.)
- Community-Based Organizations (neighborhood block clubs, housing activists, etc.)

LOAN TERMS:

	1ST MORTGAGE	2ND MORTGAGE
Term	10 years	10 years
Amortization	15 years	15 years
Loan-to-Value	60% maximum	120% maximum (on total amount)
Loan to Cost	80%	80%
Debt Coverage	1.5 minimum	1.25 minimum
Security	First mortgage on the property	Second mortgage on the property
Minimum Units		
Per Loan	9 units	9 units
Prepayment	No prepayment penalty	No prepayment penalty
Recourse	Full recourse to the borrower	Full recourse to the borrower

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