



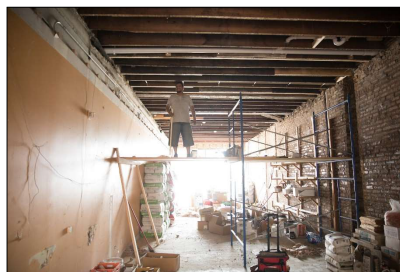
2020 Report to Investors - Agenda

1. Welcome: David Dykstra, Wintrust, CIC Board Chair
2. Presentation of the 2020 Performance and Credit Review Report:
Jack Markowski, CIC President
 - Recognition of Charles (Chas) Hall, Leaders Bank, Chair of the Multifamily Loan Committee
3. Loan Committee Perspective: Tiffany Taylor, Wintrust, Chair of the 1-4 Unit Loan Committee and Member of the Multifamily Loan Committee
4. Q&A
5. Adjourn

Community Investment Corporation

CIC's mission is to be a leading force in affordable housing and neighborhood revitalization through innovative financing, programs, and policy leadership

- Chicago's multifamily rehab lender
- Preservation of rental housing is the core business of CIC



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Community Investment Corporation

- 16 member Board of Directors
 - Bankers, finance and housing experts, community leaders
- Experienced, knowledgeable staff
- Broad range of complementary programs
- Overall loan portfolio: \$304 million
- Strong financial position: \$38.5 million net assets



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Community Investment Corporation

CIC is a pooled risk lender, and its success is the direct result of the long-term support of Chicago area institutions investing in CIC's programs.

- Multifamily loan program: \$295 million, 39 investors
- 1-4 Unit loan program: \$35 million, 12 investors
- Opportunity Investment Fund: \$34 million, 9 investors
- Program Related Investments: \$32.2 million, 4 investors



Community Investment Corporation

BY THE NUMBERS Since 1984

 **\$1.55 billion**
loaned
2,565
loans financed

63,800
units rehabbed 

 homes for
159,000 low and
moderate income people



Units Touched in FY 2020

5,845

Includes the Multifamily Loan Program; the Energy Savers Loan Program; the 1-4 Unit Rental Redevelopment Loan Program; The Preservation Compact; the Troubled Buildings Initiative; Acquisition and Disposition of multifamily, 1-4 unit, and condo properties; and the Micro Market Recovery Program.



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Highlights of FY 2020

- \$42.3 million in loans and grants to acquire, rehab and preserve 954 units of affordable housing
- Responded to the challenges presented by the coronavirus through loan modifications, online seminars and training, and outreach on available resources.
- Delivered investor returns in a challenging environment (3.4% net return on multifamily and 5% on 1-4 unit program)
- Acquisition/Disposition – 89 buildings with 141 units



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Renewal of the Note Purchase Agreements

- In FY20, successfully completed a multi-year effort to renew the Multifamily and 1-4 Unit Loan Note Purchase Agreements
- \$330 million in commitments from 40 investors
 - \$294.9 for Multifamily NPA
 - \$35 million for 1-4 NPA
- Effective from March 15, 2020 through 2025



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CIC and the Coronavirus

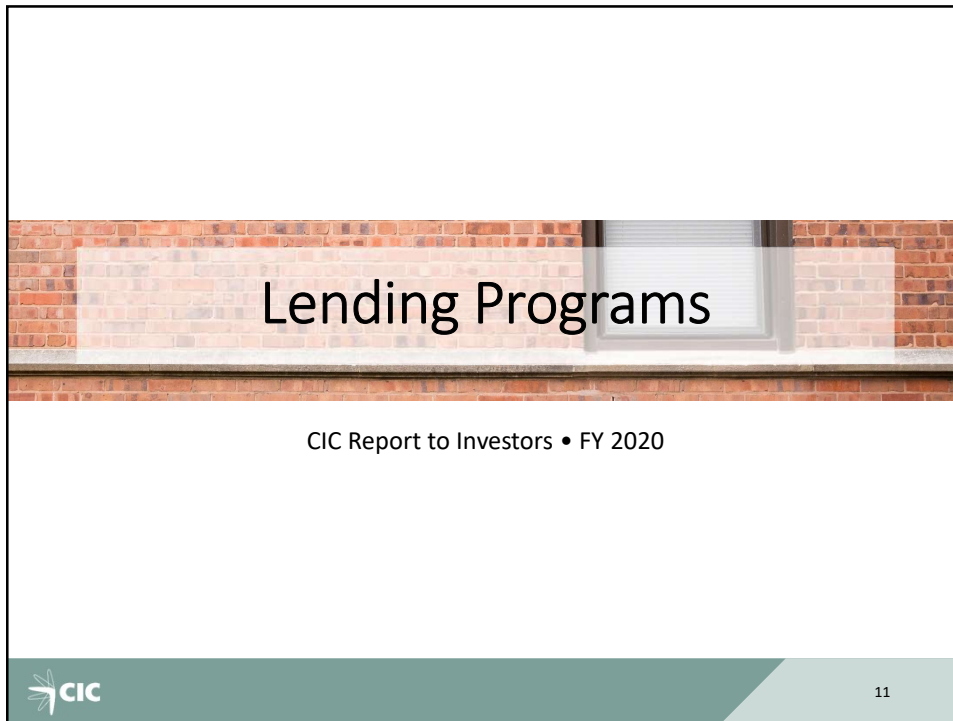
- Business closures and increases in unemployment disproportionately affected the unsubsidized rental housing tenants and building owners and LMI communities of color

CIC Responses

- Transitioned to remote office operations in March
- Cash flow management: sold all eligible loans to investors
- Temporarily suspended new lending
- Approved for Paycheck Protection Program
- Increased focus on servicing and asset management
- Loan modifications
- Advocacy and Borrower outreach




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Lending Programs

CIC Report to Investors • FY 2020




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Lending Programs
FY 2020 Lending Report

CIC's lending in FY 2020 was significantly affected by the coronavirus pandemic.

CIC provided \$42.3 million in loans and grants to acquire, rehab, and preserve 954 units of affordable rental housing.



Fiscal Year	Loan Volume (\$MM)
84	14
85	13
86	22
87	17
88	23
89	16
90	29
91	31
92	50
93	63
94	55
95	31
96	33
97	32
98	49
99	42
00	36
01	45
02	58
03	70
04	65
05	53
06	61
07	52
08	69
09	68
10	54
11	42
12	48
13	45
14	34
15	30
16	53
17	70
18	76
19	67
20	42



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Lending Programs
FY 2020 Lending Report

CIC approved \$42.3 million in FY 2020

Financial Assistance FY 2020		
	#	\$ (000)
Multifamily Loans		
Multifamily NPA	41	35,390
Agency Debt	2	2,316
Total Multifamily	43	37,706
Opportunity Investment Fund Loans		
Mezzanine Debt	3	785
1-4 Unit Program Loans NPA		
1st Mortgages	2	1,467
2nd Mortgages	0	\$0
Total NPA 1-4 Program	2	1,467
TOTAL LENDING		\$39,958
Grants		
TIF Vacant Building Grants	2	830
FHLBC Affordable Housing Program	2	1,500
TOTAL LENDING AND GRANTS	52	\$42,288



Lending Programs
FY 2020 Lending Report

Impact Investing

Who does CIC lend to?

- Small businesses: 50% property ownership/ management is their full time job.
- An average of 4 employees (but 39% have no employees)
- 54% are minority or women owned businesses

Where does CIC lend?

- 86% of loans in majority African American Census tracts.
- In Census tracts with an average median income of \$42,290 (about 55% of Area Median Income).
- In areas of low Labor Market Engagement (17 on a scale of 1-100).

Who lives in the buildings CIC finances?

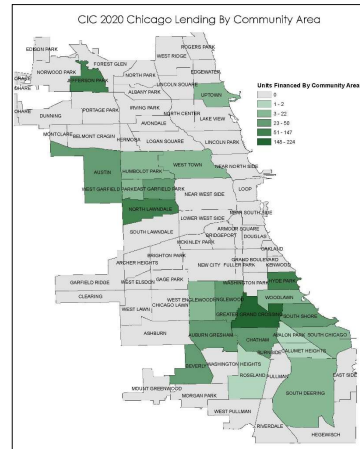
- 92% of households living in CIC-financed buildings have an income of less than \$40,000 per year. 34% have an income of less than \$20,000 per year.



Lending Programs
 FY 2020 Lending Report

Impact Investing: Location and Affordability of Loans in FY 2020

- CIC made loans in 22 Chicago communities and in 2 suburbs
- 99% of units financed affordable at 80% AMI
- 88% of units financed affordable at 60% AMI
- 70% of units financed affordable at 50% AMI



Lending Programs
 Condition of Portfolio

Condition of Multifamily Portfolio (9-30-20)

Multifamily Lending Program

- Total Outstanding Balance: \$265 million
- Sold to Investors: \$207.6 million
- Notes Sold in FY 2020: \$54.7 million
- Flex Fund
 - Total: \$14.5 million (7.4% of total Multifamily investor commitments)
 - Notes Sold FY 2020: \$73,940 (0.1% of Multifamily notes sold)



Lending Programs
Condition of Portfolio

Multifamily Loan Program FY 2020 Delinquencies

Summary of Delinquent Multifamily Note Purchase Agreement				
Loans Sold in Notes				
Delinquent & Non-Performing Loans	9/30/2020		9/30/2019	
	\$MM	%	\$MM	%
30 days	12.5	6.0	0.8	0.4
60 days	2.0	1.0	3.0	1.5
Delinquent Sub Total	\$14.5	7.0%	\$3.8	1.9%
90+ Days	7.3	3.5	3.4	1.8
Foreclosure	3.1	1.5	5.3	2.7
Workout	-	0.0	1.2	0.6
Non-performing Sub Total	\$10.5	5.0%	\$10.0	5.1%
Total	\$25.0	12.0%	\$13.8	7.1%
REO Properties	0.6	0.3	0.3	0.2
Total REO plus Delinquency & Non-Performing	\$25.6	12.3%	\$14.1	7.2%
Multifamily Notes Outstanding	\$207.6		\$194.7	



Lending Programs
Condition of Portfolio

Borrower Assistance Program

- Developed in response to severe cash flow shortages resulting from COVID-19 economic shutdowns
- Deferral of principal and interest for three months
- As of 9/30/20, provided forbearances for 25 borrowers with 61 loans for \$44 million



Lending Programs
Condition of Portfolio

Multifamily Loan Program Risk Ratings – Notes Sold to Investors

Risk Ratings of Multifamily Note Purchase Agreement Loans as of 9/30/20			
Rating	Balance	# of Loans	%
Pass	\$175,421,475	335	84.5%
Acceptable	\$10,966,518	25	5.3%
Special Mention	\$12,147,529	19	5.9%
Substandard	\$3,988,749	8	1.9%
Doubtful	\$4,504,464	14	2.2%
Loss	\$602,268	2	0.3%
Total	\$207,631,003	403	100.0%



Lending Programs
Condition of Portfolio

Multifamily Loan Program Debt Service Coverage Ratios On Loans Sold to Investors

Multifamily Loan Program Debt Service Coverage Ratios on Loans Sold to Investors			
	Loans	SMM	%
Balance ≥ \$500,000	106	\$128.1	62%
Balance < \$500,000	297	\$79.5	38%
Total	403	\$207.6	100%
Financial Reports Received			
DSCR ≥ 1.0	188	\$101.6	77%
DSCR < 1.0	46	\$30.8	23%
<ul style="list-style-type: none"> 41 of these 46 loans are current. (\$27.4 million of the \$30.8 million) 			



Lending Programs
Condition of Portfolio

Multifamily Loan Program Debt Service Coverage Ratios On Loans Sold to Investors ≥ \$500,000

DSCR for Multifamily Loans ≥ \$500,000 Sold to Investors			
	Loans	SMM	%
Total Loans ≥ \$500,000	106	\$128.1	
Financial Reports Submitted	76	\$89.3	
Loans Reporting with DSCR ≥ 1.0	58	\$66.3	74%
Loans Reporting with DSCR < 1.0	18	\$23.0	26%
• 16 of these 18 loans are current. (\$20.6 million of the \$23 million)			
Loans Not Reporting†	30	\$38.8	

† Includes loans recently to servicing, foreclosure, REO, or payoff/sale in process.



Lending Programs
Condition of Portfolio

Multifamily Loan Program FY 2020 Losses

- \$1.8 million in losses on three loans
- All losses were anticipated and were fully covered for participating investors by the Multifamily Investor First Loss Fund.



Lending Programs
Condition of Portfolio

Multifamily Loan Program Investor First Loss Fund

Multifamily Investor First Loss Fund					Multifamily Portfolio Balance
Beginning Balance (10/01/19)	Charges	% Portfolio	Additions to Reserve	Ending Balance (9/30/20)	
\$3,926,209	\$1,792,575	0.86%	\$1,582,480	\$3,716,114	\$207,631,004



Lending Programs
Condition of Portfolio

Multifamily Loan Program Return to Investors

- FY 2020 Investor Net Return: 3.4%
 - 1.6% above rolling 3-year average for 3-year Treasury Notes
- Since 1989, average Investor Net Return: 5.3%



Lending Programs
Energy Savers

Energy Savers

CIC financed energy efficiency retrofits in 111 units in six buildings.

- Since the launch of Energy Savers, 254 loans with \$23.2 million and 34 grants for \$2.8 million, representing 11,274 units
- In FY 2017, the “stand alone” Energy Savers Loan Fund was phased out, fully integrating energy efficiency into of CIC’s standard product suite.



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Lending Programs
Opportunity Investment Fund

Opportunity Investment Fund

- Mezzanine debt to create and preserve affordable housing in high cost neighborhoods
- \$34 million in mezzanine debt
- Owners keep 20% of units affordable at or below 50% AMI for 15 years



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Lending Programs
Opportunity Investment Fund

Opportunity Investment Fund

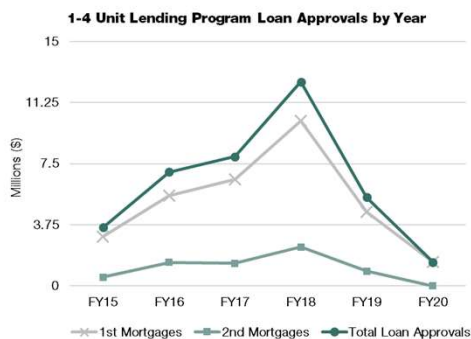
- OIF combines resources from public (\$8 million), private (\$21 million), and social impact (\$5 million) investors
- In FY 2020, approved and closed three loans for \$785,000. Overall, \$3 million in OIF has been approved.
- The Preservation Compact developed the Fund; CIC is the Fund Manager



Lending Programs
1-4 Unit Rental Redevelopment Program

1-4 Unit Rental Redevelopment Loan Program

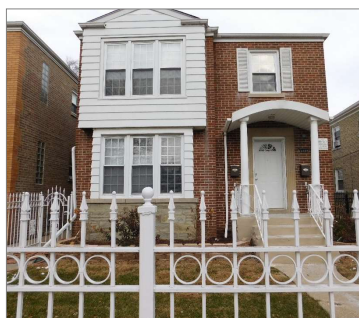
- Loans Approved FY 2020: \$1.5 million, 2 loans for 20 units (first mortgage loans)
- FY 2015 – 2020: \$38 million, 80 loans for 616 units



Lending Programs
1-4 Unit Rental Redevelopment Program

1-4 Unit Rental Redevelopment Loan Program

- Notes sold in FY 2020: \$1.4 million
- Outstanding Notes Sold: \$21 million
- Delinquencies
 - First mortgage loans - \$1.2 million (90+ days, 7.1%)
 - Second mortgage loans - \$299,946 (90+ days, 8.3%)
- No losses
- Return to Investors: 5%



Lending Programs
Condition of Portfolio

1-4 Unit Loan Program Risk Ratings – Notes Sold to Investors

Risk Ratings of 1-4 Unit Note Purchase Agreement Loans as of 9/30/20			
Rating	Balance	# of Loans	%
Pass	\$18,127,499	48	86.1%
Acceptable	-	-	-
Special	-	-	-
Mention	1,381,126	3	6.6%
Substandard	1,535,766	2	7.3%
Doubtful	-	-	-
Loss	-	-	-
Total	\$21,044,391	53	100.0%



Lending Programs

CIC In-House Loans

CIC In-House Loans

- CIC holds \$64.8 million of In-House Loans
 - Permanent Loans: \$32.6 million
 - Multifamily: \$24.3 MM
 - Energy Savers: \$3.4 MM
 - 1-4: \$4.6 MM
 - Initiatives: \$0.3 MM
 - Delinquencies: 11.75% overall (\$3.8MM; 10.14% non-performing (\$3.3MM))
 - Construction Loans: \$32.2 million (\$6 million out of balance/delays)
- Risk Ratings: 79% pass or acceptable
- CIC Losses FY2020: \$162,000
- Loss Reserve: \$2 MM

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Community Development Activities

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Community Development Activities
Property Management Training

Property Management Training

- FY 2020, 49 sessions attended by 1,988 current or prospective managers and owners
- Over 22,700 attendees since 1998
- All classes fully transitioned to virtual learning in March, with a focus on helping owners through the pandemic through no-cost, topical webinars.



Community Development Activities
Community Initiatives, Inc.

Troubled Buildings Initiative (TBI)

Code enforcement to improve physical conditions and management in buildings, preventing abandonment and demolition

Troubled Buildings Initiative 2003 - 2020				
	FY 2020		2003 to 2020	
	Buildings	Units	Buildings	Units
Buildings Recovered	39	703	739	13,870
Buildings Demolished	0	0	80	957
Buildings Addressed by the Program	17*	326*	1,094	18,433

* New buildings and units added to program in FY 2020



Community Development Activities
Community Initiatives, Inc.

Acquisitions and Dispositions

CIC & CII Acquisition/Disposition Activity				
	FY 2020		Since Inception	
	Sold/Transferred to New Owners		Buildings	Units
	Buildings	Units	Buildings	Units
Multifamily (2003-)	1	6	248	4,191
Condos (2009-)	7	42	95	776
1-4 Units* (2015-)	81	93	639	836
Total	89	141	982	5,803

* Includes individual condo units bought and sold apart from the condo de-conversion program.



Community Development Activities
The Preservation Compact

The Preservation Compact

The Compact brings together the region’s public, private, and nonprofit leaders to promote policies and programs to preserve affordable rental housing in Cook County.

- Rapidly convened stakeholders to respond to the pandemic, created resource hub for building owners, outreach to owners and tenants on available government assistance
- Launched the Preservation Lab, a joint effort with DePaul’s Institute of Housing Studies. The first analysis and policy brief focused on stabilizing renters and buildings during the coronavirus.



Community Development Activities
The Preservation Compact

The Preservation Compact

- Coordination of public agencies; preserved affordable housing in 4 properties with 427 units
- Over 11 years, interagency coordination has preserved 56 properties with 6,817 units.
- Worked with City of Chicago and Urban Land Institute to develop polices to facilitate Accessory Dwelling Units and update the Affordable Requirements Ordinance.
- Convened statewide partners to develop proposal for rental housing property tax incentive.
- Advocated for energy efficiency incentives.



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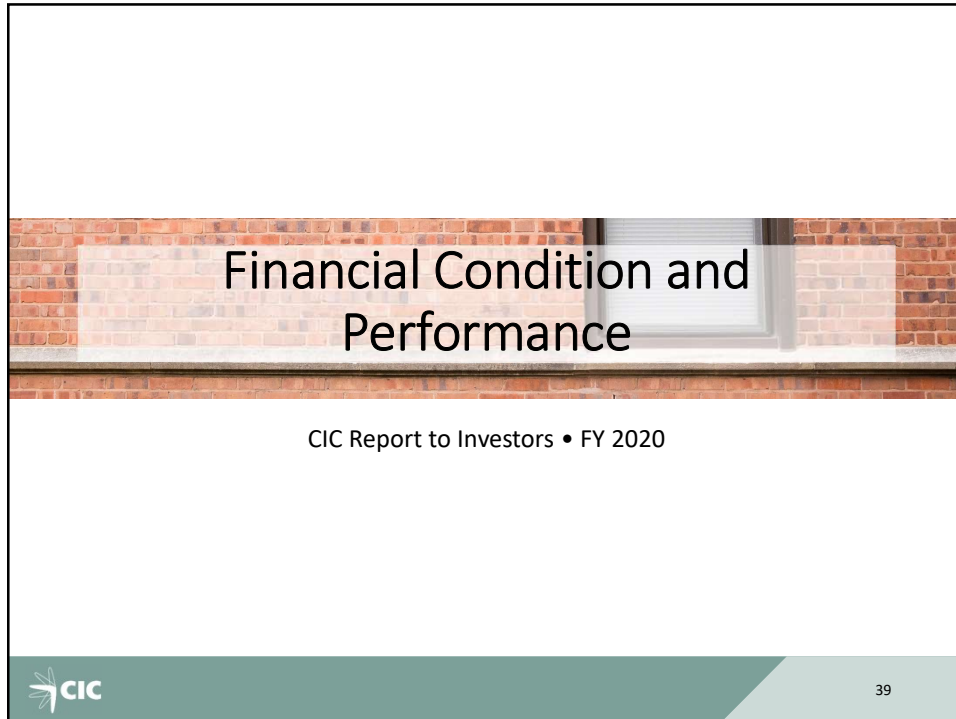
Community Development Activities

Supporting a Strong Environment for Community Development

- Three large out-of-state investors purchased more than 650 buildings, with almost 4,500 units, largely concentrated on Chicago's south side
- Buildings have many code violations, widespread vacancies
- CII and The Preservation Compact have led efforts to address impact of these buildings
- CII receiverships
- Portfolios being resolved through court ordered sales and bankruptcy.




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Financial Condition and Performance

CIC Report to Investors • FY 2020

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[Financial Condition and Performance](#)

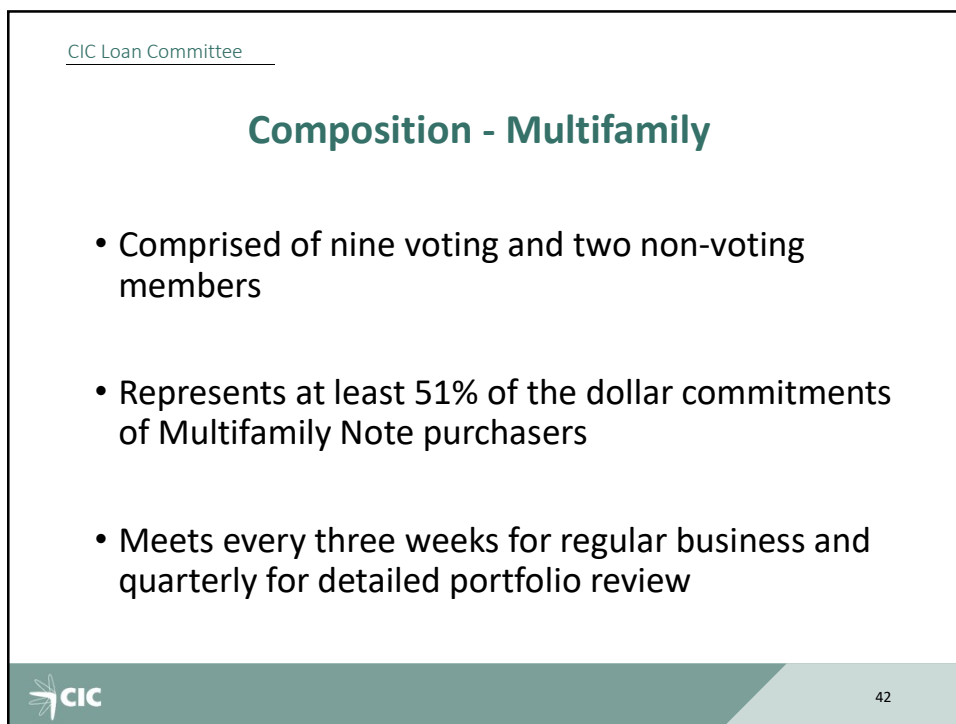
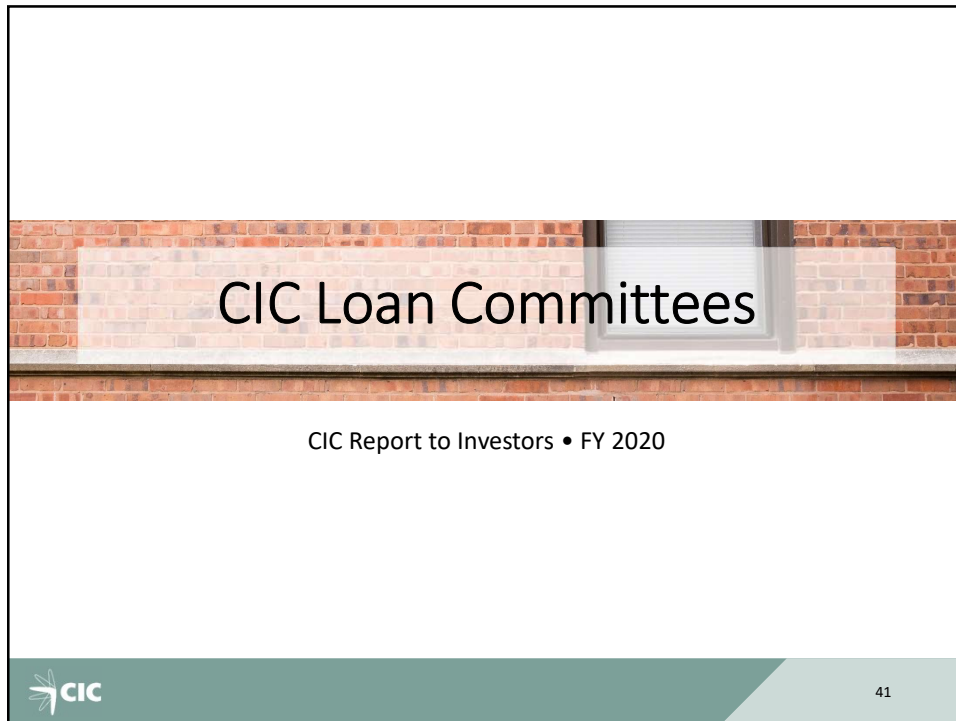
Financial Condition and Performance of CIC and CII

CIC continues to perform well financially in the midst of a challenging economy.

- Consolidated Net Operating Surplus: **\$264,000**
 - CIC: \$104,000
 - CII: \$160,000
- Increase in Unrestricted Net Assets: **\$344,000** (to: \$34.7 million)
- Total Net Assets (consolidated): **\$38.5 million**

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This slide has a white background. At the top left, the text "Financial Condition and Performance" is written in a small, blue, sans-serif font and is underlined. Below this, the title "Financial Condition and Performance of CIC and CII" is centered in a large, bold, green, sans-serif font. Underneath the title, a paragraph of text states "CIC continues to perform well financially in the midst of a challenging economy." followed by a bulleted list of three items. The first item is "Consolidated Net Operating Surplus: \$264,000" with two sub-bullets: "CIC: \$104,000" and "CII: \$160,000". The second item is "Increase in Unrestricted Net Assets: \$344,000 (to: \$34.7 million)". The third item is "Total Net Assets (consolidated): \$38.5 million". At the bottom left, there is a green bar containing the CIC logo, which consists of a stylized bird icon and the letters "CIC". At the bottom right, the number "40" is displayed in a small, black, sans-serif font.



CIC Loan Committee

Composition – 1-4 Units

- Comprised of four voting members
- All 1-4 note purchasers are invited to join
- Meets once a month



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CIC Loan Committee

Duties

- Review and approve loan requests in excess of \$500,000
- Review management approvals of loans of \$500,000 and less
- Monitor loans in construction phase
- Monitor past due loans and recommend actions for CIC
- Set interest rates
- Approve OREO sales



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CIC Loan Committee

Underwriting Considerations

- Ownership / sponsorship
- Loan to value / Loan to cost
- Sources and uses / amounts and adequacy
- Property performance / actual and pro-forma
- Adequacy of construction budget and timeline
- Geographic performance
- Management strength
- Contractor strength
- Guarantor strength / creditworthiness / past performance



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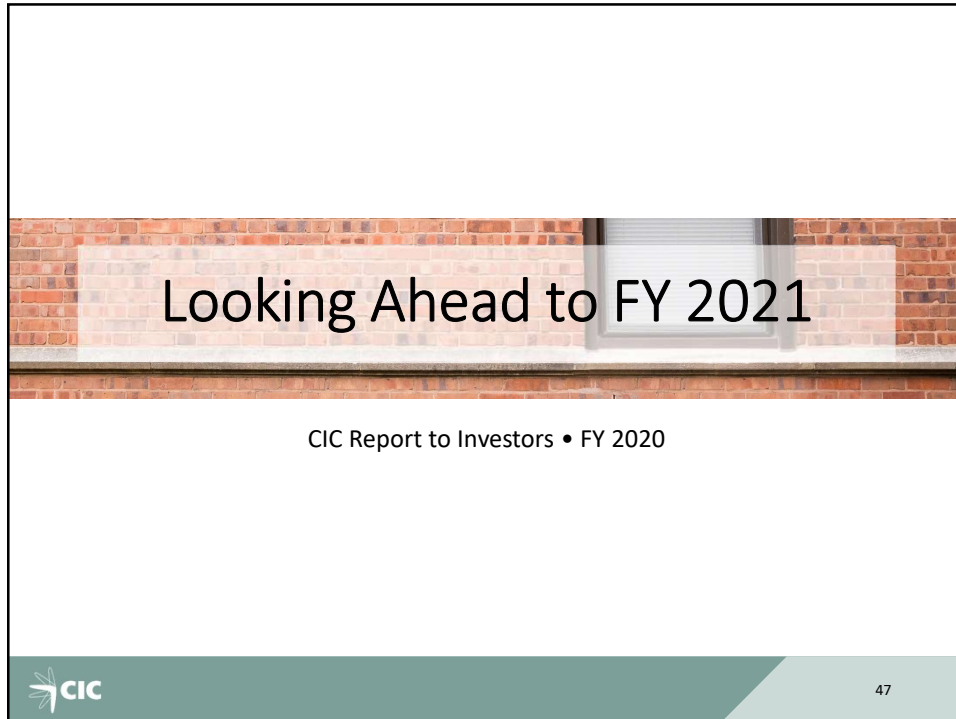
CIC Loan Committee

Opportunity Investment Fund Investment Committee

- Comprised of OIF investors
- Governed by LLC Agreement (CIC Mezzanine Investors, LLC)




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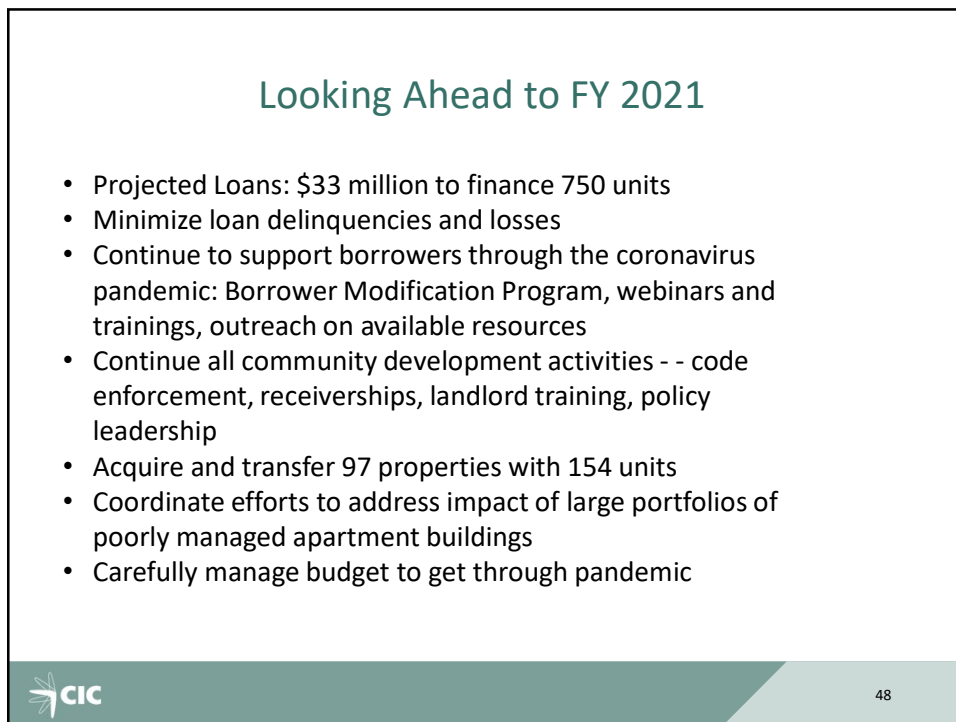


Looking Ahead to FY 2021

CIC Report to Investors • FY 2020


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Looking Ahead to FY 2021

- Projected Loans: \$33 million to finance 750 units
- Minimize loan delinquencies and losses
- Continue to support borrowers through the coronavirus pandemic: Borrower Modification Program, webinars and trainings, outreach on available resources
- Continue all community development activities - - code enforcement, receiverships, landlord training, policy leadership
- Acquire and transfer 97 properties with 154 units
- Coordinate efforts to address impact of large portfolios of poorly managed apartment buildings
- Carefully manage budget to get through pandemic

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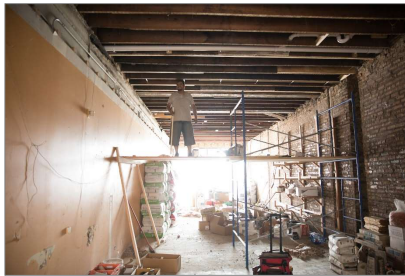
How Can You Work with CIC?

- Refer customers (Jack Crane)
- Refer investors; publicize CIC programs; tell your story (Anne Cole)
- Refer your troubled loans and REOs to CII (Jonah Hess)
- Property Management Training (Jessica Sivals)
 - Contribute, host, refer clients
- Troubled Buildings Initiative (Jonah Hess)
 - Identify troubled buildings, target areas
- Participate in and support the efforts of The Preservation Compact (Stacie Young)
- Give us your best ideas!



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Questions and Discussion



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