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MAYOR EMANUEL AND ILLINOIS ATTORNEY GENERAL LISA MADIGAN ANNOUNCE \$26 MILLION PROGRAM TO HELP REDEVELOP VACANT, ONE- TO FOUR-UNIT BUILDINGS INTO AFFORDABLE RENTALS

Mayor Rahm Emanuel, Illinois Attorney General Lisa Madigan and civic leaders announced today the creation of a new, \$26 million loan pool that will make financing available to rehab and preserve groups of vacant, one- to four- unit buildings as affordable rental housing.

Eleven private lending institutions contributed to the pool, which will be administered by Community Investment Corporation (CIC), a not-for-profit rehab lender specializing in multifamily apartment buildings.

"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. "Through strong collaboration between the City, businesses, and non-profits, like CIC, this financing will help small and mid-sized developers 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 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."

The "Small Apartment Building Rental Redevelopment Program" will provide 10-year loans for projects involving a minimum of nine housing units. The program's creation by CIC is among the goals of the City of Chicago's "Five-Year Housing Plan," which was approved in February by City Council. The plan prioritizes the need for financial institutions to work with local non-profits to expand funding commitments for neighborhood-based redevelopment efforts.

“We are working to reverse the recent damage caused by the recession and housing crisis, and this financing will serve to spur development in our neighborhoods, increase economic growth and create stable communities for our families,” said Alderman Ray Suarez, 31st Ward.

Approximately 200 properties containing 400 units are expected to be rehabilitated and financed through the program, primarily within concentrated low and moderate- income areas, where foreclosure rates are often more than twice the citywide average.

“The loan pool will provide long-term financing for responsible investors who are rehabbing vacant 1-4 unit buildings,” said Jack Markowski, president of CIC. “There’s no other loan product in the marketplace that provides this type of financing, so it’s an important resource that will drive investment into areas that need it the most.”

Lenders participating in the loan pool include PNC Bank, Northern Trust , BMO Harris, Urban Partnership Bank, First Savings Bank of Hegewisch, Leaders Bank, First Eagle Bank, Wintrust, Northbrook Bank, Lake Forest Bank, Village Bank, and North Shore Community Bank.

“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.”

In addition to the commitments from private lenders, the MacArthur Foundation will make a \$5 million investment and the Illinois Attorney General’s Office will contribute \$2 million in bank foreclosure settlement funds to the pool.

For more information on the 1-4 Unit Rental Redevelopment Loan Program, call CIC at 312-258-0070.

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