

# COMMUNITY BLUEPRINT:

CCLF'S NEWSLETTER OF COMMUNITY DEVELOPMENT PROJECTS, ISSUES & FEATURES

## Dill Pickle Food Cooperative Breaks Ground on its Expansion



On April 17th, Dill Pickle Food Co-Op members and community members celebrated the ground breaking of their new location. Off the blue line in Logan Square, the new location will expand Dill Pickle's retail space from 1,100 square feet to 6,500 square feet. The long awaited location will be able to offer a greater array of merchandise including an expanded dry goods section, bulk foods, dairy, produce and meats. Plans for the new store include fresh prepared foods, deli bar, juice bar and a small community room. The increase of retail space has enabled Dill Pickle to join the National Co-op Grocers, an association of almost 200 food co-ops nationwide that leverage buying power and will allow Dill Pickle to take advantage of purchasing discounts.

As a Co-Op, Dill Pickle is owned and governed by its members, and as such, the project was funded in part by its' members. CCLF also helped to finance the new location by giving Dill Pickle a \$1.75 million construction loan. This loan will enable Dill Pickle to offer more healthy food to the greater community. The larger space will also enable Dill Pickle to create 18 new living-wage jobs. A strong proponent for the local community, Dill Pickle will prioritize sourcing from local businesses and Chicago's growing local food economy. Dill Pickle is working with over 100 local vendors, including 30 small sustainable farms.

The cooperative also has strong local support from a variety of community organizations and leadership within and outside of the Logan Square community. Alderman Carlos Rosa and State Representative Will Guzzardi both spoke at the ground breaking. On the cooperative, Alderman Rosa said, "Multinational corporations open up in different communities in the city of Chicago every day. When they open up in a community, they're not often looking to build community. They're looking for ways to extract profit. The beautiful thing about Dill Pickle is that they're looking to build community." The new location is expected to open in early Fall 2017.

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## Housing Cooperative Combats Gentrification in Wicker Park



*The Woolman-Washington Cooperative*

Wicker Park is known for its nightlife, food scene, boutique clothing stores, beer gardens and limited available affordable housing. Zillow currently lists a 2 bedroom apartment in Wicker Park for \$2,985 a month. Among the droves of hipsters and incoming crowds sits Woolman-Washington Cooperative Apartments where rent is based on your family income and residents take "ownership" of the property. Woolman-Washington Cooperative Apartments is a federal government subsidized housing model working to establish long-term affordability regardless of the neighborhood's escalating property values. One hundred percent of the tenants meet HUD income guidelines.

Housing cooperatives are not generally understood by the general public and limited equity housing co-ops, in particular, are something many mortgage lenders have a hard time financing. A housing cooperative is a legal corporation where residents manage the property through an elected board of directors and established bylaws and operating agreements. Chicago Community Loan Fund is one of the few lenders that embraces limited equity housing cooperatives in the Chicagoland region and supports their mission of wealth building for low- and moderate-income families by residents owning shares in the cooperative. Woolman-Washington Cooperative Apartments has struggled to secure financing for a number of projects to improve the condition of their property since its inception in 1982 until they met CCLF.

Woolman-Washington (at that time, Pierce North Apartments) was targeted for closure in the early 1980s because Wicker Park was a "tough" neighborhood then and the local neighborhood association was interested in removing families they deemed contributing to the problem. During that time two multi-family unit buildings across the street from Woolman-Washington were vacated completely as part of the larger community development strategy of the Wicker Park Association. The removal of tenants from multi-families property in Wicker Park was quickly resulting in gentrification.

## CCLF Continues to Host Innovative Workshops



CCLF hosted its first ever Receivership Workshop on Saturday June 3rd, a half-day training that covered the basics of receiverships and the implementation process. The goal is to make more developers aware of the opportunity to be qualified by the City of Chicago to rehabilitate and sell properties that have been deemed a "nuisance." The workshop was hosted at the JLM Community Center in East Garfield Park with 25 attendees. CCLF provided some financing to Mt. Vernon Baptist Church to help open the center in 2008.

On June 13th, CCLF offered its signature Project Readiness Workshop. At this workshop, participants learned about the fundamentals of real estate development, including organizational capacity, Green Building Certification and financing sources. A total of 8 people from various organizations participated.

## CCLF's Aeris Rating Improved from

**\*\*\* A+ to \*\*\* AA-**

A three star (\*\*\*) AA- rating means that not only is CCLF a CDFI that has a clear alignment of its mission, strategies, activities and data, but we also have very strong financial strength, performance, and risk management.

## Housing Cooperative Combats Gentrification in Wicker Park (cont.)



Marion Turner, was living in the Pierce North Apartments at the time and she along with the other founding members of the cooperative, organized a few of the residents with the fierce determination to stay put. They met with Midwest Friends Housing Corporation. Midwest's purpose was to establish a housing project which would be well-managed by the persons who live in it and would provide housing at a cooperative speculative profit. Midwest agreed to convey title to the purchaser free of charge. Woolman-Washington Cooperative Apartments, Inc. was then organized as an Illinois not-for-profit corporation by occupant-tenants of Pierce North Apartments.

Fortunately, the property was converted into a cooperative where the residents were empowered to manage the facility and hire their own staff. Marion became one of the first board members of the cooperative and the first action they took was naming the building Woolman-Washington after the antislavery pioneer, John Woolman, who helped launch the underground railroad and the first African American Mayor of Chicago, Harold Washington. "I like living here because it is close to everything; anything you want – transportation, the hospital, stores are all nearby. – Maryann "Grannie" Turner, original board member of Woolman-Washington Cooperative Apartments.

Not everyone was thrilled with the formation of the cooperative. Neighboring property owners kept a peering eye on the board but began to notice a change over time. Tenants that violated the rules were removed, the roof was repaired, the lawn was well kept, a new porch was constructed, hallways were painted and the laundry room modernized. The members of the cooperative took real pride in their home and maintained it as best they could.

Today, Marion's granddaughter, Kimberly Turner, is President of the Board. She has lived at Woolman-Washington for 18 years and speaks highly about the cooperative which has 51 units with a waiting list of over 100 families. "I like living here because it gives me peace of mind. It is a family environment and I like walking out of my home knowing I am safe," she explained. The current Board of Directors was faced with many obstacles such as deteriorating windows and two vacant units that were in such disrepair that they sat vacant for 17 years. During the HUD annual inspection, the Cooperative would get low scores because of failing windows and the Directors wanted to improve their score but needed financing to get the job done properly. That is when they reached out to Chicago Community Loan Fund for help.

CCLF provided a loan to help replace the windows and get the two units ready for occupancy. The repairs were overwhelming at times as the two units were a complete gut rehab and the floor in one of the units had to be lowered. Additionally, the windows had to meet the restrictions of the landmark status of the building. Kimberly stated, "The best thing about CCLF is that they have been patient, very patient. It took two years to repair two units that were planned to be completed in six months." "I appreciate CCLF gave us the opportunity. They were the only ones that did."

Within days of the completion of the work the two units were both contracted to be occupied before the close of the month. Esther Tabb had already moved in at the time this article was written. She was living in a one bedroom apartment and got guardianship of her two grandchildren. It was difficult sharing the space, but thanks to CCLF's financing, they now live in a two bedroom unit and the children have their own room where they can play and do school work.

## After School Matters Opens New Site



After School Matters, a project funded by CCLF's New Market Tax Credits, officially opened on June 11th in Portage Park. The Michael and Karyn Lutz Center features art studios, a dance studio, vocal booths, tech labs and a full commercial kitchen. Over the course of the summer, nearly 600 teens will participate in 28 programs in the new center. After School Matters is expected to accommodate up to 1,500 students every year at this location.

## Erie Teen Center Ribbon Cutting



Erie Teen Health Center celebrated the grand opening of its newly renovated and expanded location in Humboldt Park/West Town neighborhoods. The new location will have the capacity to serve 2,000 more patients than they have in the past. The center will continue to serve teens of low-income communities and provide confidential services. Erie Teen Health center is the only stand-alone full-service health facility in Chicago providing services to teens.

## Husband and Wife Team Builds Community Gems



*Jason Williams outside the property on South Winchester Avenue*

Jason and Esther Williams have been rehabbing properties since 2006. While they initially started working on properties part-time, in 2009 Jason and Esther started rehabbing full time and formed Ultimate Real Estate group shortly thereafter. The goal of Ultimate Real Estate is to pursue the acquisition, development and rehab of small residential properties. Jason is also a broker and is a member of the Chicago Association of Realtors and the National Association of Realtors.

In rehabbing properties throughout Chicago's South Side, Jason and Esther's goal is to redevelop and revitalize neighborhoods in their home city. When looking to acquire a property on South Winchester in the Auburn Gresham neighborhood, Jason and Esther were referred to Chicago Community Loan Fund by the Cook County Land Bank Authority (CCLBA) as a resource for financing and technical assistance. They were the first successful developers to acquire property through CCLBA, and the property on South Winchester Ave. is their fifth property acquired through the CCLBA.

While Jason typically works with banks for lending, he was very happy to get approved for financing by CCLF because of the "flexibility and understanding" of his individual goals and operations. Shortly after his approval from CCLF, Jason acquired the property on South Winchester Ave. The single-family home was originally a 4-bedroom, 2-bath house. Through the renovation process Jason was able to add another bedroom and bathroom, making it a 5-bedroom, 3-bath house. He also finished the basement, adding an entertainment and wet bar space; and there will also be a newly constructed garage added in the back. The increase of size will make the property ideal for a large family. The construction and rehab of the property will preserve affordable housing in Auburn Gresham.

When Jason and Esther acquire a new property in a community, they make sure that they talk to everyone on the block before they start rehab and construction. Neighbors are happy with Ultimate Real Estate's work as it adds to the aesthetics of the area. They even allow neighbors to see the inside of the home before it goes on the market. The neighbors serve as a great source for referrals when it comes to selling the property.

## JPMorgan Chase released its PRO Neighborhoods Case Study on the Chicago CDFI Collaborative



The partnership between Chicago Community Loan Fund, Community Investment Corporation (CIC) and Neighborhood Housing Services (NHS) over a three year period was summarized in a report produced by JPMorgan Chase which funded the collaborative with \$5 million in the wake of the 2008 housing crash to rehabilitate vacant 1-4 unit buildings that were threatening entire blocks. The Chicago Collaborative helped small-scale real estate entrepreneurs restore deteriorated or abandoned buildings and provided hundreds of homes to low-income households.

Calvin L. Holmes, President of CCLF, joined Charlie Corrigan, Vice President, Corporate Responsibility at JPMorgan Chase, John Markowski, CEO of CIC and Kristen Faust, President of NHS to share the results of the program with peer community development financial institutions at the Opportunity Finance Network regional meeting held in Chicago June 29, 2017. Collectively they were able to leverage the \$5 million into 27.7 million making \$25 million in loans which preserved 593 housing units in low-income communities. They shared tips for working with peer CDFIs and acknowledged the collaboration was made stronger through the support of JPMorgan Chase.

## Changing Chicagoland - CCLF Focuses on the Future of Our Region at our Annual Stakeholders Meeting



On June 6th, CCLF welcomed over 75 funders, investors, and community partners to its Annual Stakeholders Meeting held at the Federal Reserve Bank of Chicago. This year's meeting reviewed CCLF's portfolio performance in 2016 and first quarter of 2017; informed partners about the future of CCLF and our strategic plan; highlighted our borrower, XS Tennis and Education Foundation; and offered investors and partners the opportunity to get more involved. Matt Reilein, Chair of CCLF's Board, discussed CCLF's successes over the past year and our vision for the future.



Bob Tucker, CCLF's COO and Executive Vice President of Programs, presented CCLF's Strategic Plan "Strengthening CCLF, Strengthening Neighborhoods, Strengthening Chicagoland." Bob walked our stakeholders through the strategic planning process, which included: an internal assessment and market landscape, refinement and option identification, options assessment and implementation planning.

Through our strategic plan, we will make investments to strengthen CCLF's infrastructure so that as we grow, we are a backbone for local partners to strengthen weak neighborhood markets and create healthy neighborhoods. Bob then went on to describe our other goals for FY2017- FY 2020 which include: deploying capital, growing our CRE and supporting our local partners. The implications of our strategic plan include a goal of growing our assets to \$100 million and better serving six-county metropolitan Chicago by FY2020.

## Calvin Holmes Spoke at the OFN Midwest Regional Meeting



Calvin L. Holmes and Charlie Corrigan speak at the OFN conference about the PRO Neighborhoods Case Study. As a panelist, Calvin gave an overview of CCLF's contributions to the PRO Neighborhoods and CDFI Collaboration

"The Chicago case study illustrates what CDFIs can accomplish, and the potential unleashed when they deploy their resources collectively. Concrete evidence shows how coordination leverages performance, and how the rewards can stretch into the future," explained Daniel Sprehe, Managing Director for Corporate Responsibility at JPMorgan Chase.



The mission of Chicago Community Loan Fund is to provide flexible, affordable and responsible financing and technical assistance for community stabilization and development efforts and initiatives that benefit low- to moderate-income neighborhoods, families and individuals throughout metropolitan Chicago.

## Changing Chicagoland - CCLF Focuses on the Future of Our Region at our Annual Stakeholders Meeting (cont.)

Angela Dowell, Vice President of Finance, presented highlights of CCLF's financial health and our 2016 audit, including a financial benchmarking scan. The result of the scan shows that CCLF is at or ahead of its peers when it comes to asset size, investment return and operating revenue per employee.

Angela then shared our success with the New Market Tax Credits program. CCLF deployed a total of \$15 million dollars in NMTC, provided by the CDFI Fund, to three customers: POAH (Trianon Lofts), Erie Family Health Center and After School Matters. CCLF also drew \$5.5 million from the Bond Guarantee Program in 2016 and expects to draw an additional \$3 million or more in 2017.



Lycrecia Parks, newly promoted to Vice President of Portfolio Management, reviewed CCLF's portfolio performance in 2016 and first quarter 2017 with our stakeholders. As of 3/21/2017, CCLF had 123 loans and an outstanding principal balance of \$53 million. CCLF is projected to close 35 loans worth \$22.5 million by year end 2017. Lycrecia was excited to announce that CCLF has continued to have a .04% delinquency rate and 5.54% loan loss reserve per investor covenants. CCLF continues to have substantial social impact throughout

greater Chicagoland, with a cumulative amount of 411 loans amounting to \$157.4 million, \$1.1 billion dollars leveraged, 7,953 housing units, 2,905 jobs created and 3.2 million square feet in commercial real estate and community facilities.

Calvin L. Holmes, CCLF's President, shared CCLF's vision. While many CDFI's are expanding outside of their initial service area, CCLF remains intentionally hyper local. We are one of the largest single metro-market CDFI's in the nation and will continue to grow our impact within the Chicagoland area. Calvin mentioned that despite proposed budget cuts by the Trump Administration, CCLF's portfolio and finances will remain strong. We will continue to work with public and private partners to leverage our financing.

Calvin then turned his focus onto special initiatives that CCLF has a role in. The Chicago Neighborhood Rebuild Program, Activate Retail and Chicagoland Owners Land Trust (COLT) are important new initiatives that CCLF will be focusing on in the next few years.

The event closed with a presentation from our borrower XS Tennis and Education Foundation. Renell Perry, a Board Member of XS Tennis talked about the importance of the XS Tennis Village project, and the focus on the needs of the community and youth development. Renell mentioned the importance of youth mentorship and thanked CCLF for helping to finance the project. XS Tennis is expected to have its ribbon cutting in October 2017 and will serve 5,000 youth through sports, academic tutoring and overall health and wellness. The over arching goal of XS Tennis will be getting more students of color into college with athletic scholarships.

## Chicago Neighborhood Rebuild Program Launches Workforce Services Component

CCLF and the City of Chicago's Department of Planning and Development held a pre-submittal conference on June 28 at City Hall to explain how the Chicago Neighborhood Rebuild Pilot Program will integrate jobs for youth and ex-offenders into the program. CCLF is serving as the administrator of the program that will facilitate the acquisition and rehabilitation of vacant single-family homes and 2-flats in the 7th, 10th and 11th Police Districts in need of critical investment, and provide employment and training opportunities for 200 local youth in these neighborhoods. The pilot program will focus on the intersection of crime and violence, unemployment, economic development, and vacant buildings - to help improve community stability. The workforce services component will include wraparound social services such as recruitment, assessment, job training and placement as well as other employment-related, support services for unemployed and underemployed community residents. It will also include the transitional jobs component consisting of basic board up, lawn care, construction skills training and any additional experiential learning opportunities for youth. The goal is violence prevention through jobs for youth 18 and older with or without felony convictions.

# CCLF Noteworthy

## Thank You to Funders and Investors

### For their recent grants, CCLF thanks:

Citi Foundation, Marquette Bank and The Searle Fund at the Chicago Community Trust

### For their recent investments, CCLF thanks:

Devon Bank, Irene D. Ginger, Kristin Faust, Kristen Ginger, Lincoln Stannard, Louise J. Bowditch, New Visions Foundation, Robert S. Bowditch, Sisters Of Charity of St. Elizabeth.

## Staff & Board News



Taft West joined CCLF in the second quarter of 2017 as Vice President of Technical Assistance and Sustainability. During his 30-year real estate career, Taft worked in various management assignments including condominiums, affordable housing and public housing. Prior to joining CCLF, Taft was the Director of Property Management Training for Community Investment Corporation. He also held executive and administrative positions with Draper and Kramer, RESCORP Realty and Rockford Housing Authority. Taft is a licensed broker in the State of Illinois and a Continuing Education Instructor at the Chicago Association of Realtors.

On April, 4 2017, Maurice Williams, VP of Economic Development was pinned as a Certified Commercial Investment Member (CCIM). Out of the 150,000 global commercial real estate practitioner's, only 8.6% have received a CCIM designation. The CCIM lapel pin denotes that the wearer has completed advanced coursework in financial and market analysis, and demonstrated extensive experience in the commercial real estate industry. CCIM designees are recognized as leading experts in commercial investment real estate. Globally, there are 13,000 CCIM members. CCIM Institute is commercial real estate's most influential professional organization, with members closing \$200 billion annually in commercial real estate deals.



Calvin L. Holmes, CCLF President, presented on Strategies that create "Place-Making" Economic Development and New Demand for Real Estate at the University of Illinois - iHotel Conference Center on Thursday, May 4th. He was joined by other experts in the commercial real estate and development field. Around 100 participants were engaged in the forum on new innovations in economic development.

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## Credit Memos: CCLF Lends \$7.6 Million in the 2nd Quarter

**7254 S. Vernon, Inc.** received a \$517,900 permanent loan to preserve 13 units of affordable housing in the Greater Grand Crossing community area. This loan is part of the **Cook County Preservation Compact**. Thanks to **Daniel P. Whitmore, Juan P. Moreno** and **Ryan Smith** of **Mayer Brown** for serving as CCLF's counsel on this transaction.

**8011 Ellis, LLC** received a \$110,000 mini-permanent loan for the rehabilitation and preservation of 6 units of affordable housing in the Chatham community area. This loan is part of the **Cook County Preservation Compact**. Thanks to **Brandon Calvert** of **Charity & Associates, P.C.** for serving as CCLF's counsel on this transaction.

**Aurora Revitalization Owner, LLC** received a \$2,157,880 predevelopment loan for the repurposing to two mixed-use real estate buildings in Aurora, IL. The project will eventually create 76 units of affordable housing, a performing arts school and rehearsal space. Thanks to **Rachel Bates, Nicole Stauffer, Julian Milward,** and **Kyle DeThomas** of **Latham & Watkins LLP** for serving as CCLF's counsel on this transaction.

**Dill Pickle Food Co-Op** received a \$1,750,000 construction/mini-permanent loan for the expansion and relocation of their existing food cooperative in the Logan Square community area. Thanks to **Bradley Laken, Christopher Butler** and **Michael McMahon** of **Kirkland & Ellis LLP** for serving as CCLF's counsel on this transaction.

**DPY Management, Inc.** received a \$190,800 mini-permanent loan to rehab 2 single family homes in order to preserve affordable housing in Burnham, Illinois. This loan is part of CCLF's **Neighborhood Investor Lending Program** and the **Cook County Preservation Compact**. Thanks to **Kris Curran** of **Nixon Peabody** for serving as CCLF's counsel on this transaction.

**The Ecumenical Institute** received a \$2,830,000 refinance/mini-permanent loan to restore the Chicago Landmarked ICA GreenRise building which contains 27 units of affordable housing and office space for numerous social service tenants in the Uptown community area. This loan is part of the **Cook County Preservation Compact**. Thanks to **Jeffrey Stevens** and **Margaret Cremin** of **McDermott Will & Emery LLP** for serving as CCLF's counsel on this transaction.

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Printed by:  
Salsedo Press