

COMMUNITY BLUEPRINT:

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

President's Message



President Donald Trump released his Fiscal Year 2018 budget blueprint on March 16th to advance the safety and security of the American people. **CCLF President, Calvin L. Holmes, reflects on the proposed budget:**

"In addition to severe cuts to many domestic programs, President Trump's budget neglects the needs of many low-income urban and rural communities. The CDFI Fund is one of the many crucial tools that would be cut under the new budget proposal. This budget does not respond to the real needs of Americans who have been left behind. The drastic cut in funding to the CDFI Fund, affordable housing programs, and many other domestic investments that help low-income Americans rebuild their lives will greatly affect the efforts to leverage private investment in underserved

urban and rural markets. CCLF has been able to leverage three dollars in private capital for every dollar awarded from the CDFI Fund. These investments create affordable housing, jobs and access to higher quality goods and services in low-income communities among many other benefits. Without CDFI Fund support, many neighborhoods would lose access to credit for community development, thus slowing recovery efforts in urban and rural areas that are still trying to recover from the financial crisis.

Since its inception, CCLF has provided \$155 million in financing to create or retain more than 7,916 housing units, over 2,877 jobs, and over 3.2 million square feet of commercial real estate and nonprofit facility space throughout greater Chicagoland. CCLF helped to fund Englewood Square, where a Whole Foods opened in a food desert community. This development is now offering access to fresh and healthy foods, job training for local youth, and attracting other retailers to Englewood such as Chipotle and Starbucks resulting in 200 new jobs for neighborhood residents where unemployment is more than twice the city average at 18.7%. In addition to Englewood Square, CCLF helped finance the Stony Island Arts Bank in South Shore and the new XS Tennis campus in Washington Park.

As the budget process moves to Congress, CCLF urges all Illinois elected officials to understand how important the CDFI Fund is to the communities they represent. Community Development Financial Institutions like CCLF rely on the CDFI Fund as an essential resource for building resilient urban and rural communities, and we urge Congress to reject budget cuts to the CDFI Fund and other critical domestic programs that aid every day Americans."

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CCLF New Markets Tax Credit (NMTC) Advance Affordable Housing, Health Services and Youth Development



Rendering of Trianon Lofts

In the summer of 2015, the Chicago Community Loan Fund received its first New Markets Tax Credit (NMTC) Allocation from the Community Development Financial Institution (CDFI) Fund. CCLF was awarded a \$15 million allocation which it deployed in three diverse, transformative and exciting projects in three different Chicago neighborhoods. CCLF provided \$5 million of NMTC allocations in each of the three projects.

In its first project, CCLF helped provide equity in Trianon Lofts, an apartment building developed by Preservation of Affordable Housing, Inc. (POAH) in the Woodlawn neighborhood. Trianon Lofts broke ground in July 2016, and when completed, the building will have 24 two-bedroom apartments and provide 7,000 square feet of commercial space on the ground floor. Thirteen of the apartments will be reserved for those earning between 80 to 120 percent of area median income - as low as \$49,200 for a family of two.

The building is located directly across from MetroSquash's new recreation and education facility and adjacent to the University of Chicago's Medical Center campus. Trianon Lofts also received funding from the U.S. Department of Housing and Urban Development; City of Chicago; JP Morgan Chase Bank; BMO Harris; and Local Initiatives Support Corporation.

"By bringing a mix of market-rate apartments and new retail space to a long-underserved community, Trianon Lofts is central to POAH's Woodlawn revitalization efforts in the Cottage Grove corridor," said Bill Eager, Vice President, Chicago Area of POAH. "Without CCLF's vision, confidence and New Markets credits, this deal never would have happened."

In its second project, CCLF used its NMTC allocation to help finance Erie Family Health Center's (EFHC) buildout of its Patient Access Center and improvements and expansion of EFHC's Teen Health Center, both located in the Humboldt Park neighborhood.

Ongoing Revitalization of Pullman Earns Chicago Neighborhood Initiatives the Metropolitan Planning Council Award

Chicago Neighborhood Initiatives (CNI)'s President, David Doig, recently announced that CNI's ongoing revitalization of the historic Pullman community has earned CNI the Metropolitan Planning Council's (MPC) 2016 Burnham Award for Excellence in Planning. CCLF and CNI are collaborating on the JPMorgan Chase Pro Neighborhood initiative to spark commercial retail in low- to moderate-income neighborhoods.

Woodlawn Awarded the 2016 Neighborhood of the Year by Curbed Chicago



Over sixteen Chicago neighborhoods competed to be declared "Neighborhood of the Year" but Woodlawn won! CCLF has funded 25 projects in Woodlawn, including the use of New Market Tax Credits in Trianon Lofts.

CCLF New Markets Tax Credit (NMTC) Advance Affordable Housing, Health Services and Youth Development (cont)

The Patient Access Center will house a call center, medical records and referral departments and will serve as the primary entry point of over 70,000 patients and health care partners accessing Erie's medical and ancillary services. The expanded Teen Center will serve the unique health care needs of youth and teens.

CCLF's final \$5 million of NMTC allocation was deployed to renovate an existing 36,000 square foot building to be used by After School Matters for after school and summer programming for teens in the Belmont Cragin neighborhood. The building is called the Michael and Karyn Lutz Family Center, and the building will serve approximately 1,000 teens every year.

"Bank of America Merrill Lynch is pleased to provide financing through a NMTC investment and Banc of America CDE allocation to help renovate After School Matters," said Marie Cervay, Vice President of Community Development Banking at Bank of America Merrill Lynch. "Building strong communities is central to the bank's purpose, and this new facility will provide after-school and summer programming for under-resourced high school teens, investing in their long-term success."

"Our collaboration with Chicago Community Loan Fund, who provided the majority of the NMTC allocation for the renovation, was essential to this project's financing," said Ms. Cervay. "As a new NMTC partner, we are pleased to serve our shared goals of supporting community development to benefit low income neighborhoods, families and individuals."

CCLF Customer Creates Affordable Housing in Chatham



Don and Sean of Strata Investments

CCLF Customer, DL3 Wins CDNA Award for Englewood Square



The Chicago Neighborhood Development Award for Outstanding For-Profit Neighborhood Real Estate Project Award went to DL3 Realty for Englewood Square Retail Center located at 63rd and Halsted. This development includes a Whole Foods Market, Starbucks and Chipotle among other retailers, and CCLF served as a predevelopment lender on the project. In accepting the award, Leon Walker, Managing Partner of DL3, specifically thanked Calvin Holmes and CCLF. The project added some 200 jobs and almost 40 local suppliers to the Whole Foods.

CCLF Customer Creates Affordable Housing in Chatham (cont.)

Don Duszynski and Sean Connolly are founders of Strata Investments, a real estate development company that rehabilitates vacant properties and creates affordable housing for families in Chicago Housing Authority's Housing Choice Voucher Program. The company also offers properties to first time homeowners and renters. Their mission is to provide excellent affordable housing options in thriving, desirable neighborhoods. Strata helps families find affordable housing in the buildings and neighborhoods that best suit their needs.

Don and Sean met when they worked together at Sean's prior company. With Sean's entrepreneurial drive, he proposed a partnership with Don's background as a CPA to do something about all the vacant properties that resulted from the Great Recession. In 2012, they launched Strata Investments and soon found themselves managing a total of 39 properties providing 44 units of housing in Chicago's South and West Sides. A total of 71% of their tenants receive some form of subsidy where they may pay 30% to 60% of the total cost of rent through the voucher program. Strata has sold 15 of their fully renovated properties to first time home buyers. In total 86 families now live in renovated properties from Strata.



The South Rhodes Building

Strata acquired a two flat building on South Rhodes in the Chatham neighborhood and applied for financing from CCLF to rehab the property. "We worked with a number of lenders in the past but heard that CCLF had a similar mission to ours and better financing terms," stated Don. CCLF provided Strata a loan for \$166,100 and Strata went to work on the 1,230 square feet in each unit providing high quality upgrades such as wood floors, cabinets and kitchen appliances including a dish washer.

On Fat Tuesday, February 28, 2017, Strata sold the property to a first time home owner, Chris Bush, giving Mr. Bush a whole new reason to celebrate Mardi Gras. Homeownership is the primary asset for building wealth in America for many low and middle income working families and now the Bush family has an income generating property that will be an investment in their future.

"It's been gratifying to partner with Strata Investments to turn a vacant property into a high-quality, affordable home for a first-time homeowner. Strata has successfully revitalized the housing stock in neighborhoods hit hard by foreclosure while being profitable as a company," said Lincoln Stannard, Portfolio Management Officer at Chicago Community Loan Fund. "As they grow their business in 2017, we look forward to working with them to provide more affordable housing and stabilize communities across Chicago." Some of the communities that Strata has worked in are on the South and West Sides, including the communities of Humboldt Park, Austin, Chatham, Woodlawn, Auburn-Gresham, Calumet Heights, and South Shore.

Strata Investments participated in CCLF's **Neighborhood Lending Investor Program** which is a financing product that enables mission driven customers with a higher loan-to-value and low equity threshold, to buy and rehab properties which have a low appraised value due to the impacts of the foreclosure crisis.

Activate Retail



Activate Retail is CCLF's new commercial real estate (CRE) brand. CCLF's CRE will help support new retail corridors, community businesses, local jobs, healthier food, community spaces and stronger local economies through financing and technical assistance.

CCLF will offer predevelopment, construction, permanent, subordinate, and equity financings, along with technical assistance and policy advocacy. For inquiries about Activate Retail, email Maurice Williams, Vice President of Economic Development at mwilliams@cclfchicago.org or call (312) 788-2490.

Breaking Ground Building Homes and Transforming North Lawndale



New Homes built by Breaking Ground now stand in place of vacant land on S. Spaulding Ave in Lawndale.

In 1987, a man named Mark Ennis commuted through North Lawndale every day witnessing the devastating effects the abandoned properties was having on neighborhood youth and families. In an effort to help the neighborhood, he decided to buy a six-flat to create better housing for residents at affordable rates and using local youth as workers. More neighborhood residents took an interest and he soon was hiring others and rehabbing other properties through a nonprofit corporation he founded which became Breaking Ground. Now, Breaking Ground has built 77 new homes and has rehabbed an additional 63. Breaking Ground rehabilitated three blocks with at least a dozen homes each in North Lawndale with the help of the City of Chicago's Affordable Housing Programs including its Neighborhood Stabilization Program (NSP). Breaking Ground is making a strong case for affordable housing and homeownership in North Lawndale.

Breaking Ground's strategy of building and rehabbing multiple homes on a single block has helped to dramatically improve some of the most disinvested communities in Chicago. Prior to Breaking Ground building homes on the 1200 blocks of S. Spaulding, Sawyer and Christiana, neighborhood kids typically loitered on the vacant land where harm to the youth often followed. As soon as Breaking Ground started building new homes, homeowners moved in creating a safer environment. Joe Pruitt, Breaking Ground's Project Manager, and Jeff Dennis, Executive Director, lived and worked on S. Spaulding for years and watched the neighborhood change. "Since people are now invested in the block, most homeowners are now incentivized to report crime", they stated. "Block by block, North Lawndale is getting safer and cleaner."

Chicago Community Loan Fund has been providing financing for Breaking Ground's rehabilitation projects dating back to 2001 through the City's Neighborhood Stabilization Program. CCLF has helped finance fifteen properties throughout the West Side of Chicago.

CCLF Technical Assistant Leads Project Readiness Workshop



On March 7th, 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 17 people from various organizations participated.

Chicagoland Owners Land Trust Board held its first meeting



The Chicagoland Owners Land Trust (COLT) Board held its first meeting on March 29, 2017, at the offices of Greater Southwest Development Corporation. COLT ultimately hopes to redevelop and place into a land trust 50 properties in Cook County. CCLF received a \$1 million grant from Bank of America to start COLT.

CCLF Noteworthy

Thank You to Funders and Investors

For their recent grants, CCLF thanks:

John D. and Catherine T. MacArthur Foundation and The Searle Fund of the Chicago Community Trust.

For their recent investments, CCLF thanks:

Capital One, First Savings Bank of Hegewisch, Individual Investor

Staff & Board News



Candace Gregory joined CCLF in January 2017 as the Senior Accountant. In this position, she produces financial and operational related reports, conducts compliance monitoring and reporting to investors and funders, supports capitalization efforts and monitors and reports investment metrics to management, key stakeholders and investors. Candace has been working in the accounting field for over five years and enjoys working for not-for-profit organizations. Prior to joining CCLF, she worked at UNO Charter School Network as Senior Accountant and Accounts Payable Supervisor. She earned a Bachelor's Degree in Accounting and a Master of Science Degree in Forensic Accounting from Roosevelt University.

Christian Dorsey joined CCLF in January 2017 as a Senior Loan Program Officer after 6 years at Urban Partnership Bank in the Commercial Real Estate Group. Chris began as a Credit Analyst underwriting and modeling transactions as well as acting as the market intelligence arm for the group. He went on to become a Commercial Real Estate Banker specializing in multifamily and retail transactions. Chris is a graduate of Loyola University and earned a Bachelor in Business Administration with a Marketing Concentration. Chris is a native of Chicago and is a board member of the South Side Little League.



Holly Kavis is a Loan Closing Officer who joined CCLF in February 2017. As a Loan Closing Officer, she helps protect and secure CCLF's security position through managing the loan closing process. Previously, she worked as a paralegal, particularly in the real estate area, and has managed transactions and compliance measures involving affordable housing. Holly holds a Bachelor of Science in Accounting, acquired through Robert Morris University, and a Master of Science in Real Estate, acquired through Roosevelt University.

Katey Frederking joined CCLF's as a Marketing and Communications Assistant in March 2017. Her primary role is supporting CCLF's marketing, communications, and public relations activities both externally and internally. Prior to starting at CCLF, Katey worked at Chapman and Cutler LLP as a marketing assistant. Katey holds an MA in Global Communication and International Development from the American University of Paris in France and a BS in Communications and Business Management from Carroll University in Wisconsin.



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.

Lyrecia Parks (pictured left) was recently promoted to Vice President of Portfolio Management. Lincoln Stannard (pictured right) was recently promoted to Portfolio Management Officer.



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CCLF President Calvin L. Holmes participated on a panel at the 2017 Illinois Governor's Conference on Affordable Housing on March 14th. Calvin discussed how collaboration between State agencies, community organizations, and the private sector is key to providing quality housing, comprehensive services and employment to persons in need. Speakers from IHDA, Southwestern Illinois Development Authority and CIC also participated on the panel. There were 80 participants at the conference.



Calvin Holmes participated as Guest Expert at the 7th Salon Session at the Arts Bank

On February 16th Calvin represented CCLF as a "Guest Expert" at the University of Chicago Ethical Redevelopment Salon at the Stony Island Arts Bank. Calvin, along with two other industry experts, answered the question "The future of urban philanthropy or urban development: How do funders or organizations see it and what are the emerging needs from practitioners seeking funding?" There were a total of 25 participants at the salon session.



The New York Law School hosted their third annual "The Rooftops Conference." Maurice Williams, CCLF's Vice President of Economic Development, presented on the topic of "A Funding Toolbox for Physical Space Projects." Maurice and a panel of four other individuals discussed their perspectives to the central, recurrent questions of funding choices for not-for-profit real estate capital projects. Approximately 200 people participated.

Angela Dowell, CCLF's Vice President of Finance, recently joined the Young Nonprofit Professionals Network's Board of Directors as Finance Co-Chair. YNPN activates emerging leaders and helps them acquire the skills and awareness they need to be effective changemakers. Angela has been a member of YNPN for more than six years.



Credit Memos: CCLF Lends \$1.4 Million in the 1st Quarter

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963 E 84th LLC received a \$192,000 mini-permanent loan to preserve 11 units of affordable housing in the Chatham community area. This loan is part of the **Cook County Preservation Compact**. Thanks to **Nick Beard** and **David Sickle** of **DLA Piper LLP** for serving as CCLF's counsel on this transaction.

Guide Right Organization received a \$170,400 construction/mini-permanent loan to rehab and provide 4 units of affordable housing in the Roseland community area. This loan is part of CCLF's **Neighborhood Investor Lending Program** and the **Cook County Preservation Compact**. Thanks to **Jeffrey P. Gray** and **Kailey Grant** of **Barnes & Thornburg LLP** for serving as CCLF's counsel on this transaction.

ILRE, LLC received a \$280,000 mini-permanent loan to preserve 6 units of affordable housing in the South Shore community area. This loan is part of the **Cook County Preservation Compact**. Thanks to **Jeffrey P. Gray** and **Kailey Grant** of **Barnes & Thornburg LLP** for serving as CCLF's counsel on this transaction.

Maple Capital LLC received a \$514,000 mini-permanent loan to preserve 12 units of affordable housing in the Greater Grand Crossing and Chatham community areas. This loan is part of the **Cook County Preservation Compact**. Thanks to **India D. Williams**, **Mary Patricia Kogut** and **Elise Tincher** of **Kirkland & Ellis LLP** for serving as CCLF's counsel on this transaction.

T&R Properties Management & Consultants, Inc. received a \$100,000 mini-permanent loan to preserve 3 units of affordable housing in the Greater Grand Crossing community area. This loan is part of CCLF's **Neighborhood Investor Lending Program** and the **Cook County Preservation Compact**. Thanks to **Douglas F. Tedeschi**, **Erik W. Hepler**, **Brian Haroldson** and **Timothy J. Landwehr** of **Kirkland & Ellis LLP** for serving as CCLF's counsel on this transaction.

Ultimate Homes Chicago, LLC received a \$147,000 construction/mini-permanent loan to acquire and rehab a single family home in order to provide affordable housing in the Auburn Gresham community area. This loan is part of CCLF's **Neighborhood Investor Lending Program** and the **Cook County Preservation Compact**. Thanks to **Robert T. Buday**, **Rachel Bates** and **Nicole Stauffer** of **Latham & Watkins, LLP** for serving as CCLF's counsel on this transaction.

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