



***Executive Director's Report to Board of Directors
November 21, 2014***

Brian White, Executive Director



Executive Director's report covers:

- Progress Report YTD
- Looking Ahead to 2015

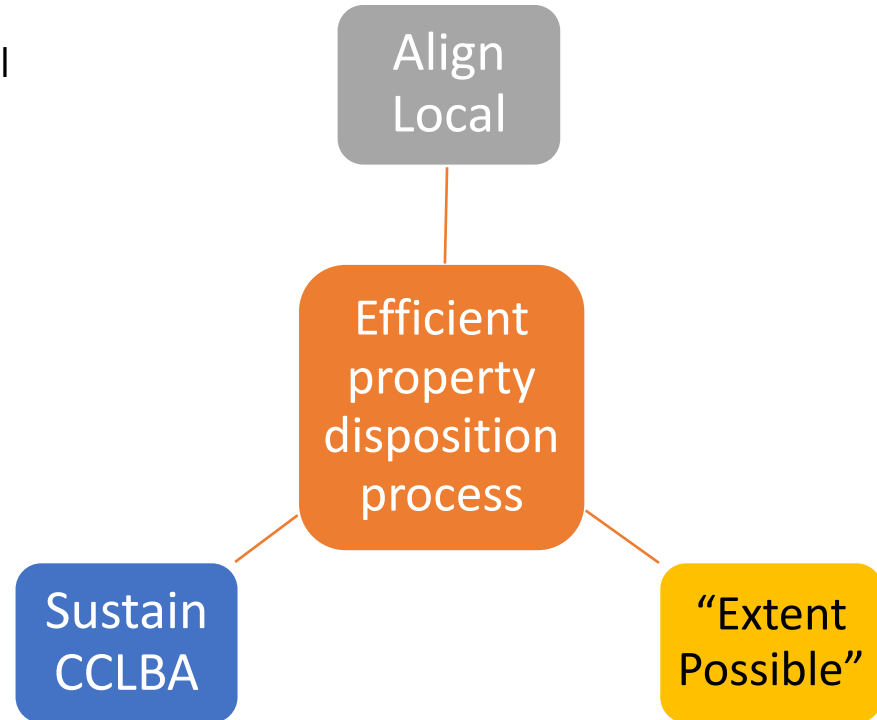


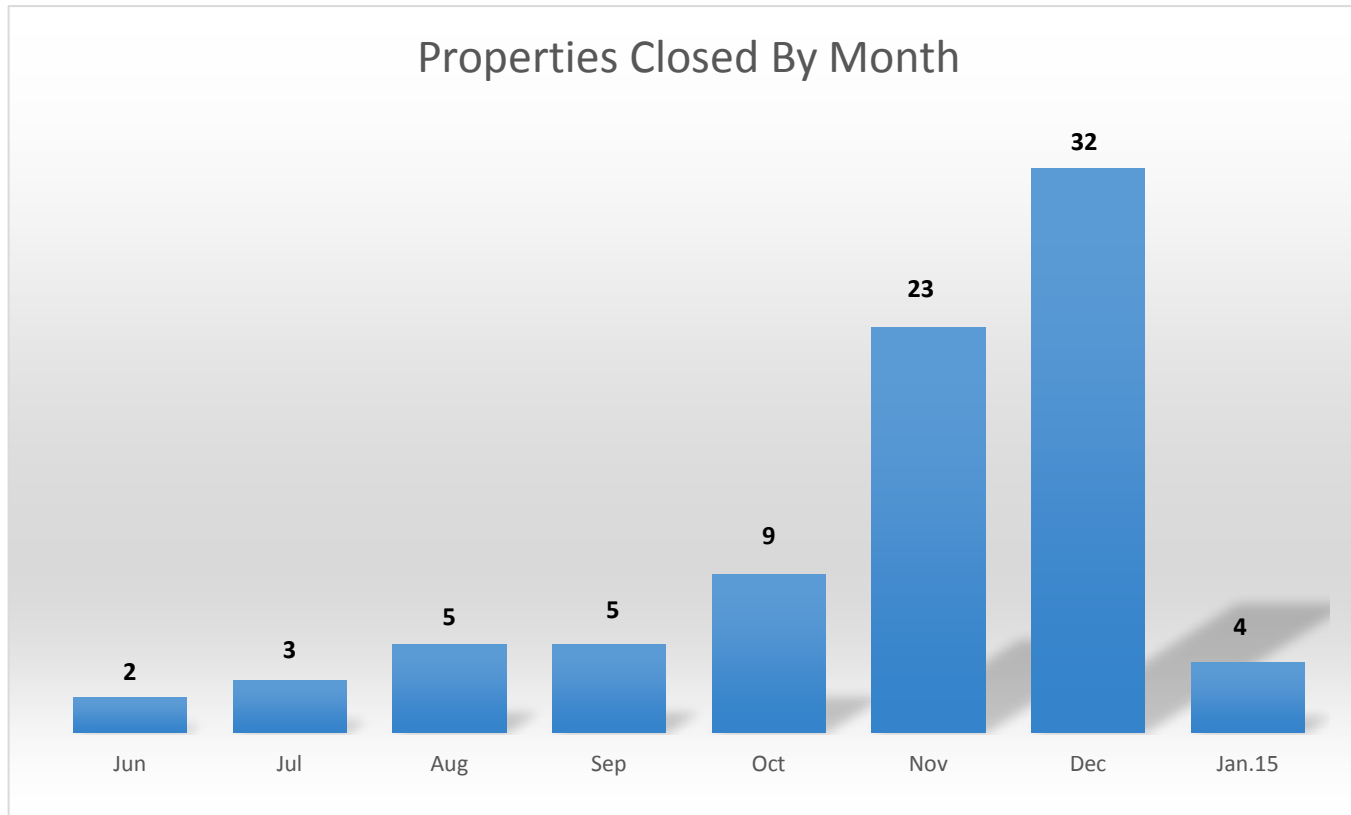
- **January 2013 – The Founding**
 - CCLBA created by ordinance; Board appointed by President Toni Preckwinkle
 - CCLBA:
 - Creates policies and procedures, committee structure, strategic priorities;
 - Develops data-centric partnerships
 - Completes national search for Executive Director
 - Funding commitments from IL Attorney General, MacArthur, Chicago Community Trust, and IHDA
- **January 2014- Standing up the CCLBA**
 - Partnerships with Chase, Wells Fargo, NCST
 - Created model for evaluating property values; standardized process/forms for acceptance, conveyance, conduit agreements, and sales; hired staff; developed Demolition/Deconstruction strategy
 - Extensive outreach and creation of first municipal partnerships
 - Moving beyond residential; narrowing geographic focus; shifting from retail to wholesale strategy



Operating Principles

- Operate in a manner consistent with plans and priorities developed by local and municipal officials, other municipal bodies, and community stakeholders;
- Establish an efficient property disposition process for transferring properties to responsible parties, who will return them to productive use in a timely manner and consistent with the mission.
- To the extent possible, strive to increase affordable housing, create jobs, promote economic development, and promote sustainable communities.





- Totals do not include 6 properties CCLBA helped other groups acquire directly
- November totals include 5 closings for properties sold out of the CCLBA
- **Total count, including anticipated closings for January: 83 properties, representing 129 units and 1 industrial building**
- As of 11/20/14



Acquisition Considerations

- What is the likely disposition, based on property location, type, condition & market demand?
- What are the carrying & operational costs to CCLBA?
- Is the property a safety hazard, either due structural issues or how it is being used in the community?
- What is the condition of other properties on the block and how does this property affect the value of the others?
- Is the property near transit and community resources needed by future residents?
- Does our acquisition respond to requests from partners to act?
- Would taking the property demonstrate visible action and encourage others to act in similar fashion?

CCLBA Evaluation Model

A is CCLBA cost to acquire property

B is CCLBA cost to stabilize and hold property, including:

Actual costs

Opportunity costs

Time in CCLBA

C is estimated cost for third party developer to complete rehab.

D is Target post rehab price, as affordable to end buyer at or below 100% AMI

$A + B + C > D = \text{acquire}$

$A + B + C < D \neq \text{do not acquire or seek better pricing/cash contribution}$



	Total	Average
Costs to acquire	\$794,143	\$10,589
Revenue from conveyers	\$393,879	\$5,879
Carrying Costs	\$26,203	\$594
Proceeds from Dispositions	\$873,429	\$11,384
Net Revenue	\$446,620	\$5,800

- Costs to acquire include purchase costs.
- Revenue from conveyers includes cash and cash equivalents for donated property.
- Carrying costs include security added after purchase and expenses incurred to conduct feasibility evaluations.
- Proceeds include actual sales or the minimum purchase price required to recover CCLBA "aggregate costs".



What We Have Learned

Acquisition Strategy	Discussion
Acquire “ready to convey” property to support Private Bank Loan Program and secure property for partners	<ul style="list-style-type: none">▪ Higher upfront costs; easier disposition▪ Could be seen as interfering with “the market▪ Modest, but likely revenue potential
Acquire “ready to demo” property to remove blighted properties	<ul style="list-style-type: none">▪ High cost▪ Small proportion of rehab candidates▪ Still requires disposing of vacant land
Acquire properties via conduit to support partnership strategies	<ul style="list-style-type: none">▪ Mitigates risk of holding time and cost▪ Aligns with community plans▪ Can support commitments of financing▪ Requires developing partnership plan and agreement (time)

Other Acquisition Strategies	Discussion
Acquire properties via abandonment statute	<ul style="list-style-type: none">▪ Highest impact with CCLBA using ability to clear title▪ Requires municipal coordination▪ Judicial process is time intensive▪ Will likely include mix of “ready to demo” and conduit properties
Tax Forfeiture	<ul style="list-style-type: none">▪ Easier acquisition (no cash required)▪ Can be done any time of the year▪ Non-judicial process▪ Properties with strategic value can be identified beforehand▪ Will likely include mix of “ready to demo” and conduit properties



What We Have Learned

Strategy	Property Types	Sources
Acquire “ready to convey” properties to generate social impact & revenue	Residential Vacant lots	NCST/NSI Private owners Banks and GSEs “Market”
Acquire “ready to demo” properties that are blighted or nonconforming & demolish to boost adjacent values	Residential Small commercial	Private owners Banks and GSEs Municipal governments
Acquire properties and hold with conduit or conveyance agreements to secure future development.	Residential Commercial Industrial Vacant land	Private owners Banks and GSEs Municipal governments



- **Exercise Additional Acquisition Strategies**
 - Scavenger sale
 - NCST NSI
 - Conduit partnerships with municipalities and mission-driven development partners
- **Expand Homebuyer Acquisition/Rehab Program**
- **Broaden Strategy to Target Industrial, Commercial, and Open space**
- **Develop Deconstruction as Community & Workforce Development Opportunity**
- **Support Cook County Projects & Initiatives**



2013 Scavenger Sale parcels
representing \$504.7 million in tax
amounts due (n=23,069).

- Gray – vacant land
- Yellow - SF Residential
- Brown - MF Residential
- Purple - Industrial
- Red – Commercial

CCLBA can acquire parcels and sell, returning net
proceeds to taxing bodies.

