Executive Director’s report covers:

• Progress Report YTD

• Looking Ahead to 2015
Overview

- **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
• 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.
Inventory Update

- 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

\[ A + B + C > D = \text{acquire} \]
\[ A + B + C < D \neq \text{do not acquire or seek better pricing/cash contribution} \]
<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs to acquire</td>
<td>$794,143</td>
<td>$10,589</td>
</tr>
<tr>
<td>Revenue from conveyers</td>
<td>$393,879</td>
<td>$5,879</td>
</tr>
<tr>
<td>Carrying Costs</td>
<td>$26,203</td>
<td>$594</td>
</tr>
<tr>
<td>Proceeds from Dispositions</td>
<td>$873,429</td>
<td>$11,384</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$446,620</td>
<td>$5,800</td>
</tr>
</tbody>
</table>

- 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”.

Inventory Update
### Acquisition Strategy Discussion

<table>
<thead>
<tr>
<th>Acquisition Strategy</th>
<th>Discussion</th>
</tr>
</thead>
</table>
| Acquire “ready to convey” property to support Private Bank Loan Program and secure property for partners | - 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                        | - High cost  
- Small proportion of rehab candidates  
- Still requires disposing of vacant land |
| Acquire properties via conduit to support partnership strategies                      | - 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

<table>
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| Acquire properties via abandonment statute                             | - 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                                                           | - 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 |
<table>
<thead>
<tr>
<th>Strategy</th>
<th>Property Types</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquire “ready to convey” properties to generate social impact &amp; revenue</td>
<td>Residential, Vacant lots</td>
<td>NCST/NSI, Private owners, Banks and GSEs “Market”</td>
</tr>
<tr>
<td>Acquire “ready to demo” properties that are blighted or nonconforming &amp; demolish to boost adjacent values</td>
<td>Residential, Small commercial</td>
<td>Private owners, Banks and GSEs, Municipal governments</td>
</tr>
<tr>
<td>Acquire properties and hold with conduit or conveyance agreements to secure future development.</td>
<td>Residential, Commercial, Industrial, Vacant land</td>
<td>Private owners, Banks and GSEs, Municipal governments</td>
</tr>
</tbody>
</table>
• 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.