



**CHICAGO
INFRASTRUCTURE
TRUST**

Housing Action Illinois

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Presented By

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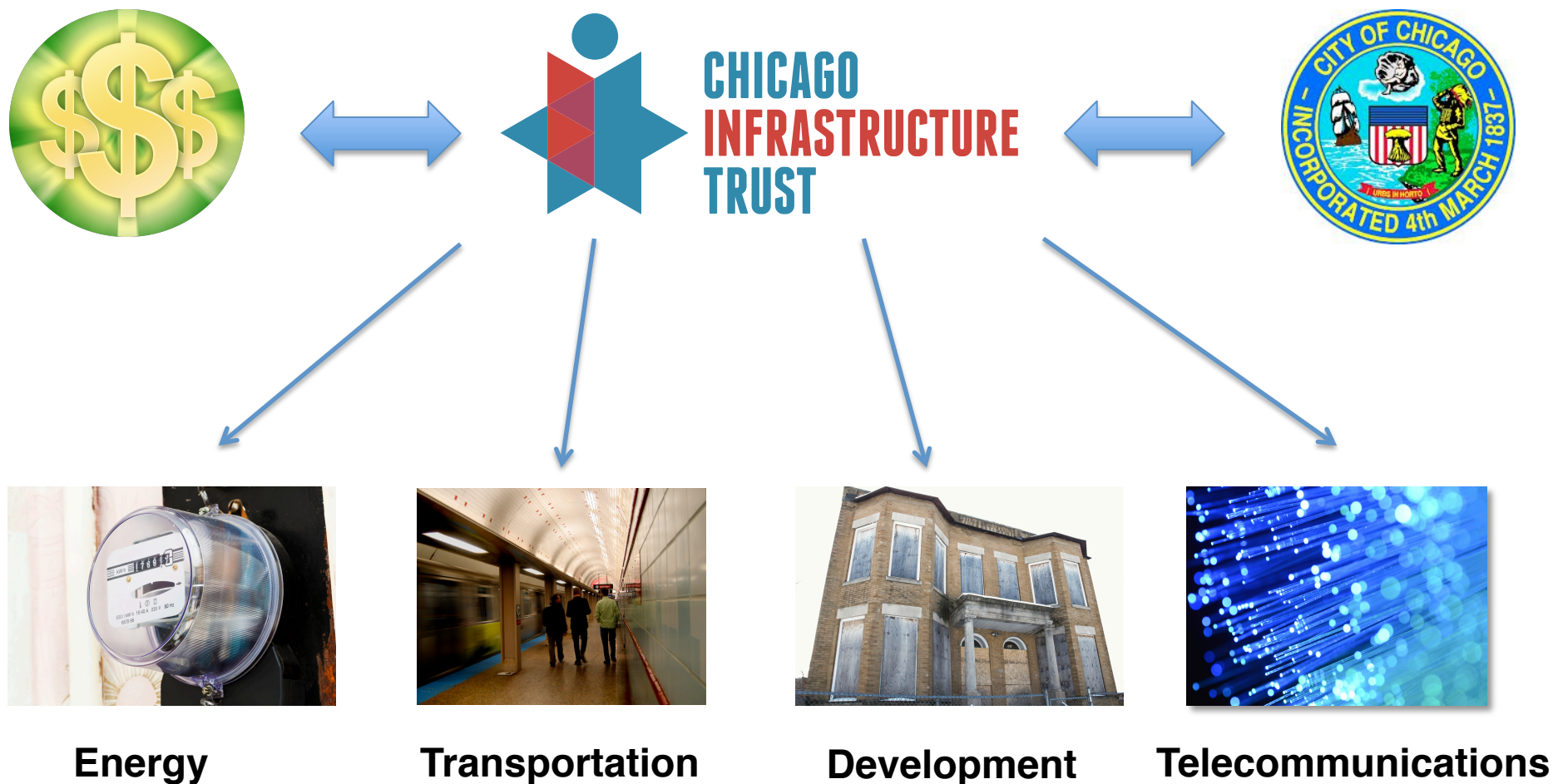
Confidential



Mission



To assist the people of the City of Chicago, the City government, its sister agencies and private industry in providing alternative, innovative financing and project delivery options for transformative infrastructure projects



Our Approach



Risk transfer



Off-credit,
off-balance sheet



Budget Neutral



Self-funding projects



Underappreciated
assets

Housing Mission Statement



Create a self-sustaining **neighborhood revitalization** solution by developing new market-rate housing for Chicago's **underserved communities**

Ultimately, we improve the human condition

Project catalyst and initial findings



- Shortage of Chicago's market-rate housing that is **truly attainable** for underserved communities:
 - Meet the income levels of the neighborhoods (Southside and Westside)
 - Disabled/fixed income residents
 - Transitioners: new home buyers, recent college grads, retirees
 - Chicago Housing Authority waiting list (40,000)
- Chicago owns over 15,000 vacant lots

Proposed sustainable solution



- Innovative cost model in **range of \$100k to \$200k**
- Secure packaged mortgage and short-term construction financing for project
- Execute on proof-of-concept for **long-term feasibility**
- Create mix-shift of housing units – Owners and Renters

Appeal to clustered vacant lots

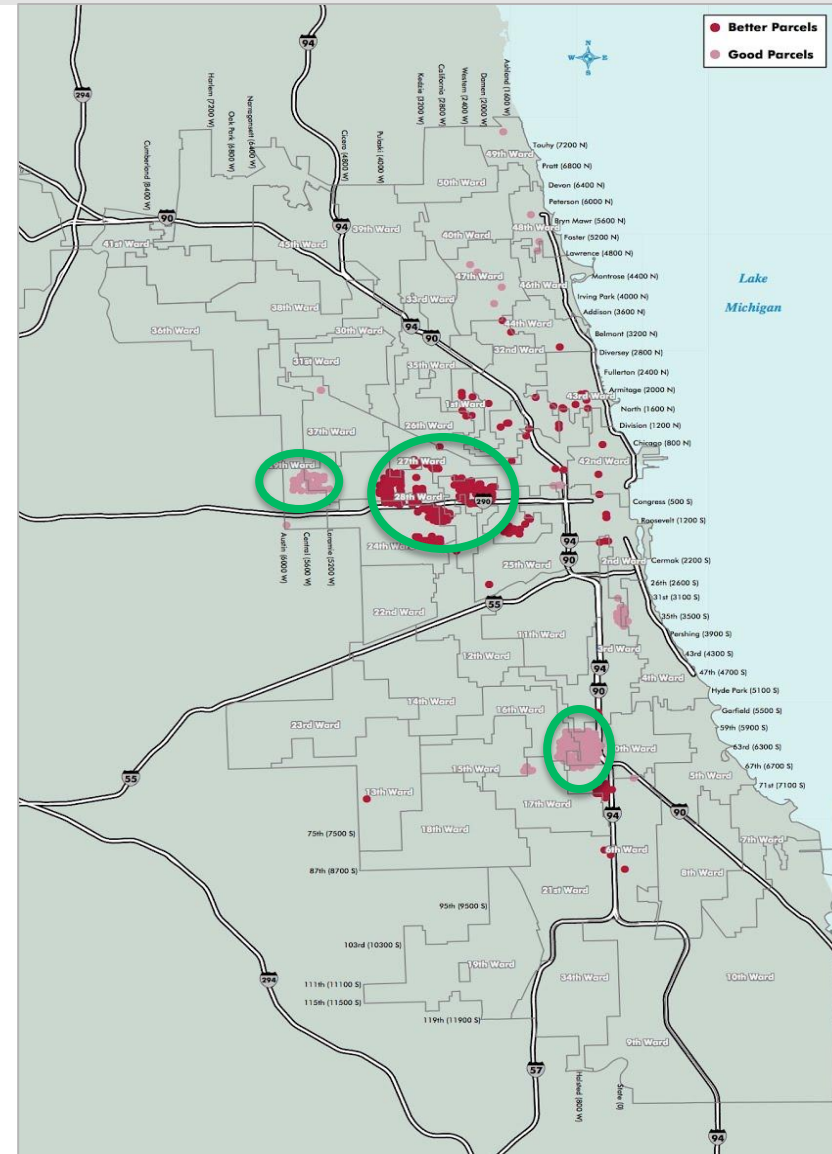
1,455 Parcels Considered “Most Desirable”

- Demand-based analysis identified 1,455 available parcels that would be most desirable

Best Parcels (527)	Good Parcels (928)
<ul style="list-style-type: none"> Within ½-mile of a grocery store Within ½-mile of a CTA station Affordable Housing Need Index Score: 1* 	<ul style="list-style-type: none"> Within ½-mile of a grocery store Within ½-mile of a CTA station Affordable Housing Need Index Score: 2*

- Based on this analysis, the greatest concentration of demand would be on the West and South sides
 - Auburn Gresham
 - West Garfield Park
 - East Garfield Park
 - Lawndale
 - Homan Square
 - Near West Side
 - Austin
 - Englewood

* Affordable Housing Need Index is a 4-point scale created by the DePaul University Institute for Housing Studies, where 1 indicates greatest need



Proof of Concept Strategy

Keys partnership wins

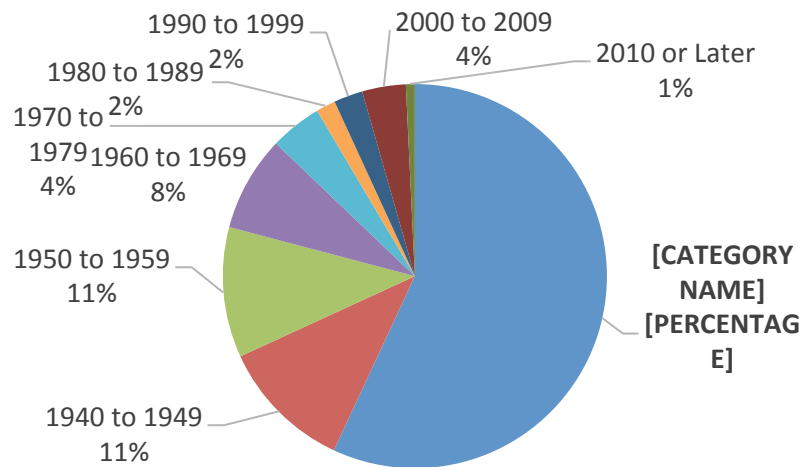


- Seed funder: Strides for Peace
- Community partner: St. Sabina (Father Pfleger)
- Program partners:
 - Chicago Architectural Biennial
 - American Institute of Architects
 - Chicago Architectural Foundation
- Construction Advisor: Clayco Corp
- Energy Efficiency Advisor: Ellevate Energy

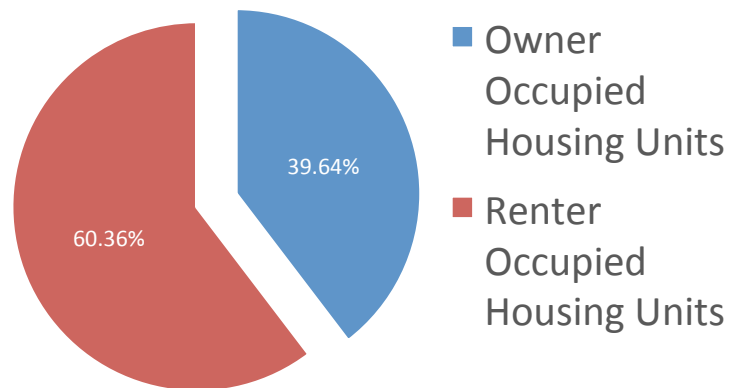
Auburn Gresham is prime location



Year House Built



Owners vs Renters

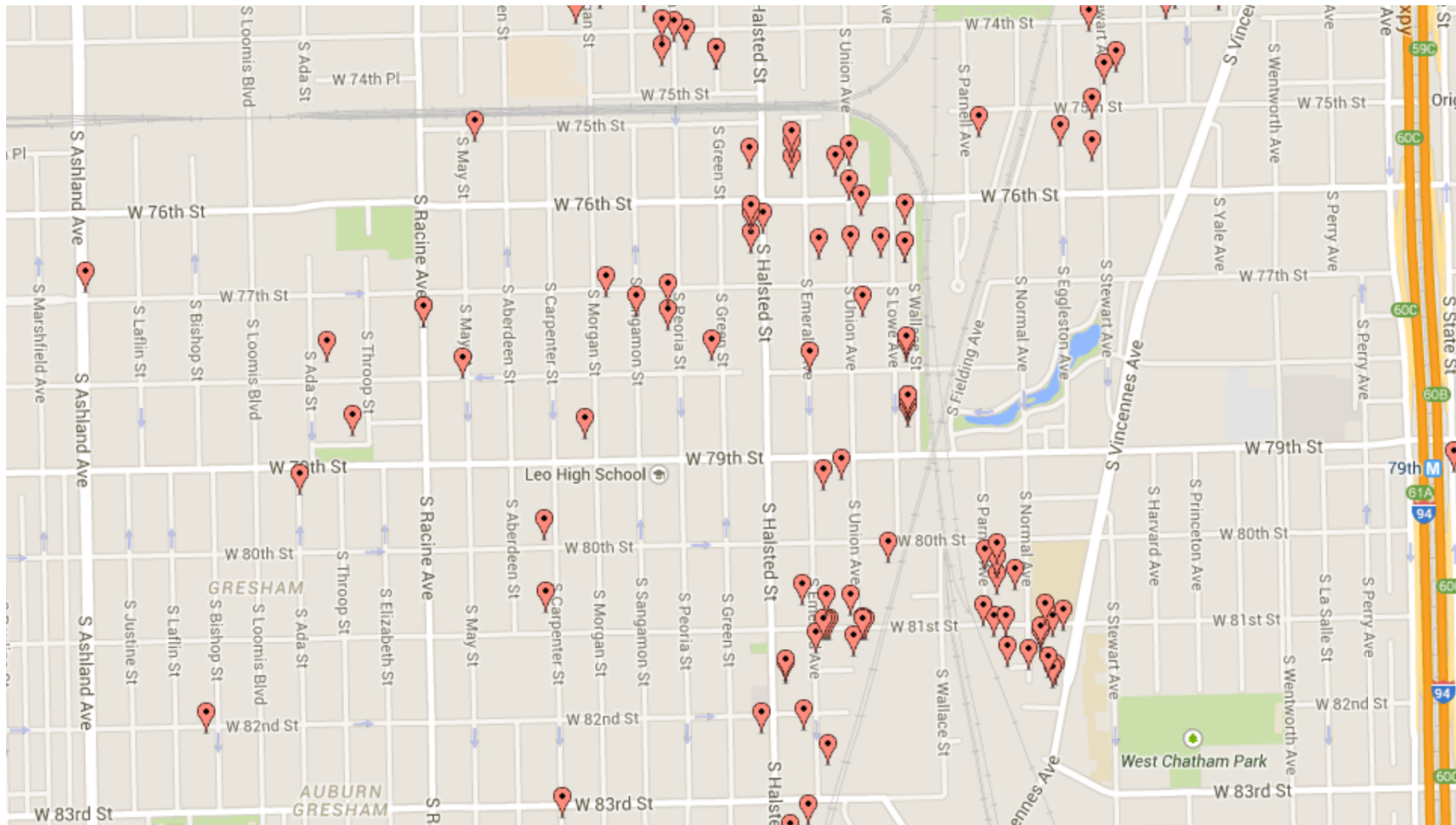


Population:	44,384
Average Household Income	\$35,558
Median rent (2011)*:	\$724
Unemployed ages 16+ :	32.79%
% of in-neighborhood spend:	60.4%

Source: CBRE

*City data for Auburn Gresham instead of 17th Ward, selected socioeconomic indicators 2008-2012

Vacant lot options in Auburn Gresham



Vacant lot next to bungalow



The community voice matters



Foreclosures can't be ignored



Design-build competition



House Sale Price	\$125,000	\$ 150,000
Unit type	Single-family	Single-family
Story levels	1 flat	2 flat
Number of Bedrooms	3	4
Number of Bathrooms	1.5	2
Square feet	1,200	1,500
Lot size	125x25	125x25
Standards	Energy efficient	Energy efficient, special lighting and fixtures

Monthly payment is truly achievable



Monthly Payment Given Mortgage Amount*

		\$ 100,000	\$ 125,000	\$ 150,000	\$ 175,000	\$ 200,000
Interest Rate	0.50%	\$ 299	\$ 374	\$ 449	\$ 523	\$ 598
	1.00%	\$ 321	\$ 402	\$ 482	\$ 562	\$ 643
	1.50%	\$ 345	\$ 431	\$ 517	\$ 603	\$ 689
	2.00%	\$ 369	\$ 461	\$ 554	\$ 646	\$ 738
	2.50%	\$ 394	\$ 493	\$ 591	\$ 690	\$ 789
	3.00%	\$ 421	\$ 526	\$ 631	\$ 736	\$ 841
	3.50%	\$ 448	\$ 560	\$ 672	\$ 784	\$ 895
	4.00%	\$ 476	\$ 595	\$ 714	\$ 833	\$ 952

 Ideal monthly payment

*Calculated base on 30-year fixed mortgage, excludes property taxes and insurance.

Milestones over next 12 months



- **6/1/2015** – Secure additional champions from the City of Chicago
- **8/1/2015** - Launch design-build competition to build 2 prototypes.
- **9/1/2015** - Evaluate the feasibility of manufacturing plant
- **10/30/2015** – Host judging process at Chicago Architectural Biennial
- **1Q16** – Begin building homes

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THANK YOU

@The_CIT

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