

CIC is fortunate to have a number of borrowers who have been with us for a long time through many deals. One of those is **Andre Howard**, an investor who specializes in smaller buildings on the South Side of

Chicago. Although he owns more than a dozen multi-family buildings, he also works as an insurance agent. Despite his busy schedule, we were able to

speaking with him recently to ask him what makes his investments successful:

CIC: *Mr. Howard, how many buildings do you have now?*

Andre Howard: I'm not one to attract a lot of attention. But I have eight buildings in Auburn Gresham, three in Chicago Lawn, two in West Pullman/Roseland, and one in Grand Crossing. Altogether I have 192 units, and they're together in clumps so that I can make one stop, go on the next one, and so forth.

For example, the one in Grand Crossing is on my way to the ones in Pullman. The buildings in Auburn Gresham are all within a quarter-mile radius of each other. I try to maintain each one and have my building be the best building in the block.



Andre Howard

CIC: *When did you start investing in multi-family?*

AH: I started with a single-family house; that was it. That was all I had, along with a good relationship with a bank. When I became interested in multifamily, I financed with that institution, but then I heard about CIC's experience in making rehab succeed. As I learned from CIC literature, they made things easier, and I eventually refinanced my first property with them. Since I established my relationship with CIC, I've been nothing but happy because I understand the mission of the corporation.

Like most CIC investors, I want to rehab, to take care of my properties and to manage them properly. Maintaining properties is important; it's about image and doing good with the community. And I truly understand the mission. Once you become a proven investor, the company stands with you.

Sometimes I see a building and talk with [Senior Loan Officer] James [Lackland] to see if it makes sense. Sometimes what he says is not what I want to hear, but he's willing to give it to me straight, and I trust his experience.

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Secrets of Multifamily Success

CIC interviews a South Side entrepreneur

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Andre Howard owns this building at 7914 S. Hermitage in Auburn Gresham



New Online Property Management Course Offers Licensing CEUs



CIC is teaming up with the University of Illinois at Chicago Great Cities Institute to present a new three-week online program in property management for real estate professionals April 22 to May 12. The instructor-led course, named Strategic Multifamily Management, will cover two topics per week for each of the three weeks and is designed for current multifamily residential building owners and managers, as well as those considering establishing a career in the industry. **The program is accredited for six CEUs by the Illinois Department of Banks and Real Estate.**

Online learning offers the convenience that today's real estate professionals need. No need to rush to class after work or log on at a specific time. Our virtual

classroom operates on an asynchronous basis rather than a fixed time. Cost is projected to be \$375, and enrollment will be limited. Visit our website at www.cicchicago.com to learn about early enrollment specials. For more information, call Larry McCarthy at CIC or email him at lmccarthy@cicchicago.com.

The topics are:

- Marketing/Tenant Selection Plan, Lease-up & Occupancy
- Fair Housing
- The Eviction System
- State and Local Landlord & Tenant Laws
- Maintenance Systems
- Housing Choice Voucher (Section 8) Program.

Multifamily Success *(continued from page 1)*

CIC: *What do you think is the toughest challenge for people who invest in multifamily buildings?*

AH: You need a good quality product, and you have to know people. When you get into the details of learning how to manage these buildings and the tenants, managing comes naturally because you understand your clientele and you get a good feel. A happy tenant is a longstanding tenant.

Also, many new investors just focus on the revenue, instead of the steps that it takes to make the building successful over the long term. The CIC Property Management Training, which I've taken myself, goes over the actual life expectancy of a boiler, hot water heater, the roof, and so on. It takes you through the whole nine yards of planning for the future, like how much money you should set aside and budget for particular purposes. It's a very good course.

CIC: *What advice would you give to people just starting out in multifamily investing?*

AH: Over a period of time, if you continue to invest in your property it will pay off for you. With my first building on Laflin Street, the majority of the tenants are still there after 12 years. We're like family. Over this period I haven't had any problems because I stay on top of the problems. Do something once a year to show tenants you're here for the long term, and be a pillar of the community.

One year, for example, I updated all the bathrooms; another year I did all new kitchen floors. Then people know you care about the building, and about them, and small issues don't become big ones. You might spend dollars on the front end, but you'll get them back eventually. On the other hand, if you defer maintenance now, it'll come back to bite you later. Don't be afraid to invest in your long-term investment.



Another Andre Howard building at 7915 S. Hermitage

Inaction can, and probably will, cost you \$500 per violation.



If you receive an Administrative Notice of Violation from the City of Chicago, you shouldn't ignore it. Inaction can, and probably will, cost you \$500 per alleged violation. With multiple violations, this can rapidly add up until the violations are remedied. According to the website of the Department of Administrative Hearings (<http://www.cityofchicago.org/AdminHearings/>) a "respondent" (the person who received the notice) who does not appear can be found liable by default on the first hearing date.

Administrative Hearings hears more than 400,000 cases per year involving many types of violations, including Building, Fire, Zoning, Health, Sanitation, Environmental, Consumer Protection, and Parking. It is not required to establish jurisdiction over the respondent through personal service or publication. Instead, it can notify respondents by U.S. Mail or by posting a sign on the property itself. The rules of evidence and procedure do not apply, although hearing officers (who lack the full powers of a judge) cannot sentence violators to jail.

DON'T IGNORE CITY ADMINISTRATIVE HEARINGS NOTICES

These are the steps of the administrative process if you are cited:

1. A police officer, city inspector, or other city official with enforcement authority files a case.
2. A Notice of Violation is sent to the party allegedly responsible for the violation. In the case of a building code violation, the administrative hearing date is included on the ticket. The alleged violator is instructed to report to the central hearing facility at 400 W. Superior.
3. A hearing is held.
 - a. The City presents its evidence of the alleged violation. It must demonstrate that it is more likely than not that the alleged violation exists.
 - b. The hearing officer decides whether the evidence is sufficient. If it is not, the case is dismissed.
 - c. However, if the City does establish its case, you get an opportunity to present your evidence that the alleged violation did not exist.
 - d. The hearing officer decides whether the respondent is liable or not for each count. If the City establishes its case and you do not appear, you will be found liable by default.
 - e. Each violation carries a penalty of up to \$500.
4. Either the City or the respondent may appeal the administrative decision within 35 days by filing a civil lawsuit for administrative review in Cook County Circuit Court. A filing fee is required.

You also may appeal a default judgment. The appeal must be filed within 21 days of the mailing date stamped on the notice of default judgment. For more information, visit the website cited above or call (312) 742-8200.

At a March 3 breakfast, Chicago Buildings Commissioner Norma Reyes announced that all persons acting as a general contractor in the city of Chicago must obtain a new General Contractor license by March 29. The General contractor's license is in addition to any other license required by law.

GENERAL CONTRACTORS NEED NEW CITY LICENSE BY MARCH 29

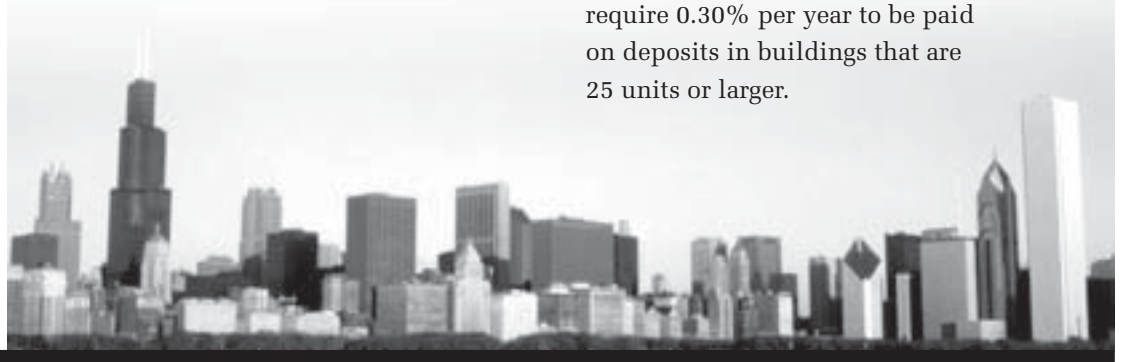
CIC confirmed with a Department of Buildings spokesman that the regulation does apply even to owner/general contractors who do substantial work on their own buildings (unless they live in the building, and the building is no more than three stories high and six units or fewer). However, the same source said that there may be a "transition period" for several months after the deadline during which the regulation will not be strictly

enforced. Call (312) 744-3895, email buildings@cityofchicago.org, or visit the Department of Buildings on the City website at www.cityofchicago.org where there is detailed information and a downloadable application.

NEW 2004 INTEREST RATES FOR CITY TENANT DEPOSITS

The 2004 security deposit interest rates for the City of Chicago have been set at 0.42% per year. All multifamily buildings, except those which are owner-occupied and contain fewer than six apartments are required to pay interest within 30 days of the anniversary date of the lease on all security and pet deposits, as well as on any prepaid rent that is held for over six months.

Evanston has adopted the same rate as Chicago. Most other areas in the state will require 0.30% per year to be paid on deposits in buildings that are 25 units or larger.



*[Dave's] passion
was educating
apartment owners
and managers
on the topic of
fair housing.*

A great friend of fair housing, **David Schucker**, passed away on January 17, 2003. Dave was Director of Housing Industry Initiatives at the Leadership Council for Metropolitan Open Communities where he worked for 34 years prior to his retirement in 2002. His passion was educating apartment owners and managers on the topic of fair housing, and in that capacity he was a frequent speaker at many forums including CIC's Property Management Training Program. Dave will be missed.



“Chicago Rents Right” Brings Landlords, Tenants Together



By **John G. Markowski**
Commissioner, Chicago
Department of Housing

The overall goal is to continue to educate landlords and tenants about their rights and responsibilities before a crisis occurs.

Many believe the relationship between landlords and tenants must, by its very nature, be adversarial. But the success of the **Chicago Rents Right** initiative shows that a strong partnership around common themes for both groups is not only possible but is absolutely essential for Chicago’s rental community.

For seven years the City of Chicago and the Department of Housing have facilitated **Chicago Rents Right**, a partnership between organizations representing tenants and landlords designed to educate Chicagoans about the rights and responsibilities of both parties.

Despite the successful passage of the Residential Landlord and Tenant Ordinance and ongoing outreach efforts by **Chicago Rents Right**, too many landlords and tenants remain unaware of the key provisions of the law. At least 60% of Chicagoans live in rental housing and it is estimated that the majority of those renters fail to enter into lease agreements that protect them as well as landlords.

To that end, **Chicago Rents Right** is a tremendous resource that meets people where they are. The group has conducted training sessions through aldermanic offices in nearly every ward in the city, and has provided information and training at Department of Housing Neighborhood Expos, Taste of Chicago and CAPS meetings. **Chicago Rents Right** also provides resources for conflict and problem resolution and referrals to essential programs and services.

As a fresh start to the new year, at least a dozen local organizations representing landlords and tenants (including CIC) met recently to reaffirm their commitment to **Chicago Rents Right** for 2004 and beyond. This inclusive group was energized, full of productive new ideas and ready to build on

previous successes in order to better serve Chicago’s rental community.

For example the Rents Right hotline (312-742-RENT), which receives between 700-900 calls per month, has been updated in English and Spanish with much-improved prompts to better serve landlords and tenants. **Chicago Rents Right** also has committed to strengthening ties with Chicago’s growing immigrant community and has heightened its communications and public relations efforts to better reach those groups. We are also improving access to Rents Right information on the Department of Housing website (<http://www.ci.chi.il.us/Housing/>). Also, continue to look for Rents Right representatives at Housing expos throughout the city.

The Chicago Rents Right hotline (312-742-RENT) receives between 700-900 calls per month.

Leona Barth, a Rents Right co-facilitator and director of education for the Chicago Land Apartment Association, said the mission of Rents Right is as urgent today as it was when it began in 1997.

“**Chicago Rents Right** provides a neutral avenue for all sides to come together respectfully with ideas and discussion for an agenda we all share,” Barth said. “We all have very strong, positive things to contribute to Chicago’s neighborhoods.”

The overall goal is to continue to educate landlords and tenants about their rights and responsibilities before a crisis occurs. At a time when at least 38% of Chicagoans remain “rent burdened”—meaning more than 30% of their income is used for housing—it is more important than ever that we remain committed to fulfilling the **Chicago Rents Right** motto: **Good tenants, Good landlords, Great neighborhoods!**



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**UPCOMING PROPERTY
MANAGEMENT SESSIONS**

South

March 15-18, 6:00-9:00 PM
South Shore Cultural Center
71st & South Shore Drive,
Chicago

West

March 29-April 1, 6:00-9:00 PM
Bethel Cultural Arts Center
1140 N. Lamon [4900W], Chicago

Northwest Suburban

April 12-15, 6:00-9:00 PM
Oakton Community College
1600 E. Golf Road, DesPlaines, IL

West Suburban

April 24 (all day Saturday)
9:00AM-5:00 PM
West Towns Board of Realtors
6017 W. 26th Street, Cicero, IL

Northwest

April 26-29, 6:00-9:00 PM
North Park University
5000 N. Spaulding, Chicago

STATISTICAL SNAPSHOT:

**Status of Troubled Buildings
Initiative** as of March 1, 2004

Status	Number of Buildings	Number of Units
Rehab Complete	3	48
Rehab in Process	27	707
Under Receivership	7	122
In Court/ Need Case	38	624
Need Inspection	17	300
Other	12	206
TOTAL	104	2007



5.00% for 3-year ARM*
5.50% for 5-year ARM*

Both adjustable-rate loans typically have a 20-year term, with 25-year amortization. Rate adjustments are capped and there is no prepayment penalty.

For more specific information on CIC products and current rates, call Community Investment Corporation at **(312) 258-0070**.

* As of March 1, 2004