



Energy Savers

One Stop Energy Efficiency Shop for Multifamily Building Owners



222 S. Riverside Plaza, Suite 380 | Chicago, IL 60606-6109

CIC is Chicago's Multifamily Rehab Lender

Introduction – Who We Are

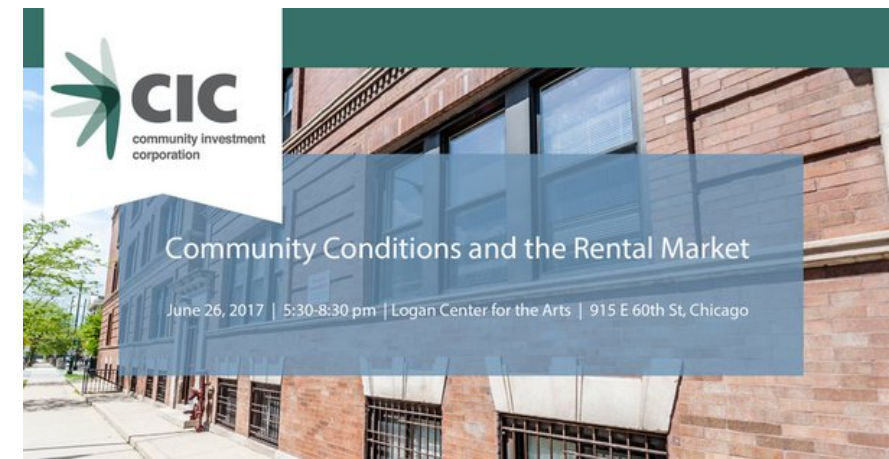
- CIC is a non-profit mortgage lender that provides financing to buy and rehab multifamily apartment buildings with five units or more.
 - Also offers creative financing for portfolios of 1-4 unit rental properties, mixed-use building, co-ops, SROs and special-needs housing.
- Active in the six-county metropolitan Chicago area.
- CIC programs include **the Troubled Buildings Initiative, Property Management Training, The Preservation Compact and Energy Savers.**

MISSION STATEMENT

The mission of CIC is to be a leading force in affordable housing and neighborhood revitalization through innovative financing, programs, and policy leadership.



RenewWoodlawn
Make It Your Home!



CIC's 2017 Neighborhood Forum

Introduction – CIC Impact

Since 1984:

- * \$1.2 Billion in loans
- * 2,200 loans to buy / rehab buildings
 - * 58,000 residential units rehabbed
 - * 17,000 property managers trained
- * In 2016, 95% of units in buildings financed by CIC were affordable to tenants earning 60% AMI or less

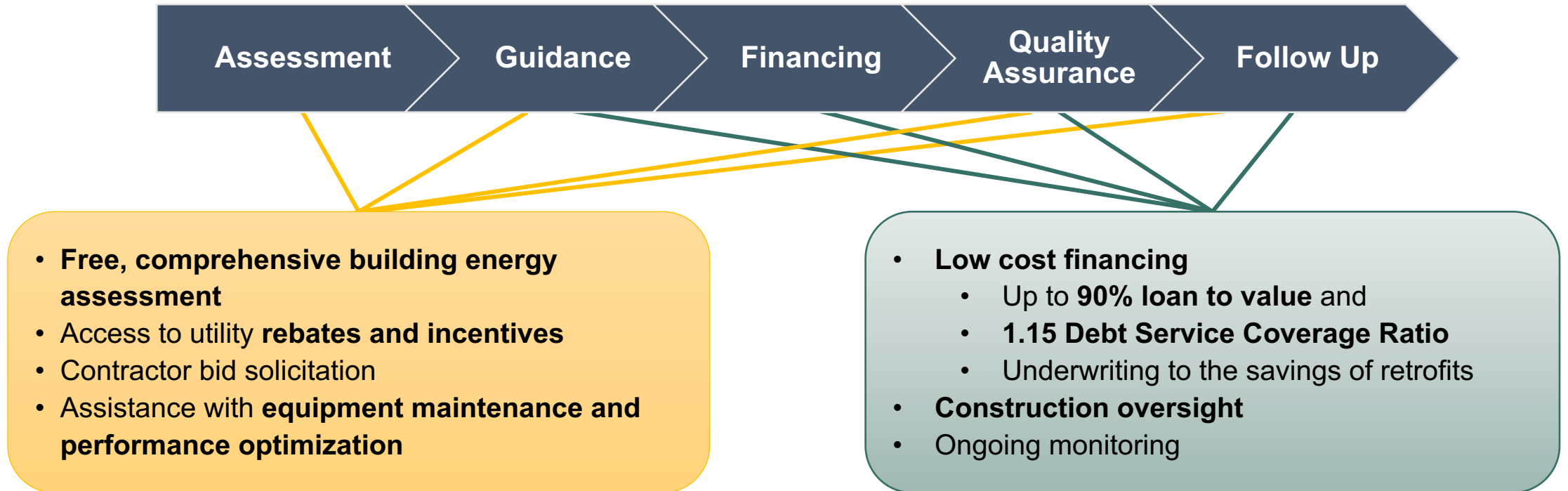


Energy Savers – Overview

- Preserving and improving affordable rental housing since 2008
- Partnership: Elevate Energy and Community Investment Corporation
 - Comprehensive building energy assessments at no cost to owner
 - Intensive handholding and follow-up
 - Ongoing monitoring

“One Stop Energy Efficiency Shop for Multifamily Building Owners”

Energy Savers – Process



ELEVATE ENERGY
Smarter energy use for all



Energy Savers – Case Studies

7549 South Essex Avenue, 4-story brick building with 23 units, South Shore

- **CIC loan amount: \$85,000**
- Energy efficiency upgrades completed:
 - Air Sealing-General
 - Air Sealing & Insulation-Roof Cavity/Attic
 - Appliance Replacement-Refrigerators
 - Boiler Replacement
 - Boiler Controls
 - DHW Heater Replacement and DHW Insulation
 - Insulation-General
 - Insulation-Heating Pipes
 - Lighting Retrofit
 - Low Flow Faucet Aerators
 - Low Flow Showerheads
- **Natural gas savings: 37% or \$9,600 per year**



Energy Savers – Case Studies

6731 South Jeffery Boulevard, seven-story brick building with 55 units, South Shore

- **CIC loan amount: \$80,000**
- Energy efficiency upgrades completed:
 - Installed new steam boiler
 - Installed new boiler controls with indoor temperature sensors
 - Replaced hot water heaters with high efficiency models
 - Insulated heating pipes

Natural gas savings: 45% or \$21,600 per year



11227-11231 S Hermosa, brick building with 12 units, Morgan Park

- **CIC loan amount: \$47,036**
- Energy efficiency upgrades completed:
 - Air sealing and insulation in roof cavity
 - Boiler replacement
 - Domestic hot water heater repair/tune-up

Natural gas savings: 29% or \$3,840 per year

Energy Savers – Testimonials

*“Going through **the program** made owning this building viable. If you are a building owner making a large investment in your property, you have to incorporate energy efficiency. This must be done first to stabilize the property.”*

– **Ljubomir Sopcic**, Owner of three multifamily buildings. **\$68,967 actual annual savings.**

*“I saved **over \$30,000 on my operating costs** last year with the program. This is the best investment I’ve made in my property in 10 years.”*

– **Don Wenzel**, Lifestyle Properties, worked with Elevate Energy and CIC to complete energy efficiency improvements in **five Chicago apartment buildings.**

*“The **tenants don’t want to move.** They are so comfortable and happy in the winter – and they know they will pay more in heat if they move to another place.”*

– **Nick DiCosola**, DiCosola Group, completed energy upgrades in two, ~20 unit buildings heated with high-efficiency, individual furnaces.



Energy Savers – Outcomes

- The Energy Savers partnership between CIC and Elevate Energy has retrofitted more than **32,000 units** in **750 buildings**, with **CIC loans and grants totaling \$25 million for more than 10,000 units**.
- A study by Navigant, a global consulting firm, verified program savings:
 - Program participants reduced their energy consumption by **25 to 30 percent**, or **\$10,000 annual savings** in the utility bill of a typical **24-unit building**.
 - Other benefits include:
 - Lower vacancy rates
 - Higher rental incomes in retrofitted building
 - Improved tenant comfort, health, and safety resulting in fewer complaints
 - Improved Net Operating Income
 - Additional cash for capital improvements

Energy Savers – From Model to Mainstream

- CIC has updated its financing options based on investor confidence and customer feedback.
- Program success from 2008 to 2016
 - \$23 million in loans
 - \$116,000 losses; current delinquencies: 3.5%
 - Strong performance; minimal losses
- In 2017 began lending from CIC's regular loan pool and structuring loans to have the same term and amortization as 1st mortgages.
 - Many owners preferred longer amortization periods (25 years verses 7)
- In fiscal year 2017, Energy Savers loans have been approved for **\$1.48M** with **211 dwelling units** at **11 properties**.
- Delinquencies continue to be low.

Energy Savers – Future Challenges and Opportunities

- Challenges:
 - Stable energy costs
 - Expanding program to all CIC rehab transactions and expanding customer base
 - Refining strategies for communicating financial benefits to owners
- Opportunities:
 - Continue and enhance collaboration with Elevate Energy
 - Emphasize water: rising water prices = more incentive and savings potential (CIC includes water retrofits in Energy Savers)
 - Expanded rebate and incentive programs from Illinois utilities (Future Energy Jobs Act).
 - Relaunch multifamily on-bill loan program:
 - Expand financing potential for simple, midstream retrofits (smaller transactions)
 - Provide unsecured financing for those with non-CIC first mortgages
 - Expand financing options for subsidized affordable housing providers

Conclusion

- CIC launched the Energy Savers program as a tool for controlling utility costs and preserving affordable rental housing.
- Partnership with Elevate Energy creates a “One-Stop Shop” for multifamily building owners.
- Program outcomes are robust, with owners savings 25% to 30% on utility costs.
- CIC now lending for energy- and water- retrofits as part of regular program and practice.
- CIC is continually improving communication about the program and encouraging energy- and water-retrofits for all CIC customers.
- Opportunities to expand the program include encouraging water retrofits, coupling financing with substantial utility-company incentives, and relaunching the on-bill program.



Jack Crane
Senior Vice President, Director of Lending
Jack.crane@cicchicago.com

Katie Elmore
Energy Savers Manager
312.870.9928
katherine.elmore@cicchicago.com
www.cicchicago.com/energy-savers

222 S. Riverside Plaza, Suite 380 | Chicago, IL 60606-6109
CIC is Chicago's Multifamily Rehab Lender
www.cicchicago.com

