



**FHLBank**  
Chicago

# Targeted Community Lending Plan **2023**

# FEDERAL HOME LOAN BANK OF CHICAGO

## 2023 TARGETED COMMUNITY LENDING PLAN

Pursuant to 12 C.F.R. Parts 1290.6 and 1291.13, FHLBank Chicago presents its 2023 Targeted Community Lending Plan (TCLP). The TCLP documents market dynamics, as well as housing and economic development needs, within FHLBank Chicago's district of Illinois and Wisconsin (the "District"). Specifically, the TCLP:

- Reflects timely market research on trends in the District;
- Describes how FHLBank Chicago will address identified credit needs and market opportunities in the District with targeted community lending;
- Establishes targeted community lending performance goals;
- Identifies and assesses significant affordable housing and economic development needs in its District that will be addressed through its programming;
- Specifies, from among the identified needs, the particular affordable housing needs that FHLBank Chicago will address via any Targeted Funds under its Affordable Housing Program.

The TCLP is developed in consultation with FHLBank Chicago's Community Investment Advisory Council (CIAC), shareholders ("members"), housing associates, public and private economic development organizations, and other stakeholders and partners throughout the District. FHLBank Chicago's 2023 TCLP comprises four sections: Mission; District Housing and Economic Development Trends; Needs Assessment; and Strategy and Goals.



# EXECUTIVE SUMMARY

The economic and social impact of the COVID-19 pandemic continues to linger in Illinois and Wisconsin, exacerbating preexisting affordable housing and economic development challenges and also creating new hurdles. Affordable rental and homeownership opportunities are in short supply, mirroring national trends. While economic conditions have improved in 2021 and into 2022 as recovery from the pandemic has proceeded, underserved communities, including the District’s Native American communities, continue to experience heightened need for affordable housing and economic development support.

FHLBank Chicago delivers products and services to meet the needs of our members and their customers and communities, continually monitoring market conditions in the District to identify unmet affordable housing and economic development needs and respond with refinements to our community investment strategy. To this end, FHLBank Chicago annually compiles a District Needs Assessment to inform the subsequent year’s programming. The 2023 Needs Assessment identifies the following affordable housing and community lending needs:

Affordable Housing Needs		
✓ Housing for Individuals with Disabilities	✓ Permanent Supportive Housing	✓ Housing for Unhoused Households
✓ Reinvestment in Aging Housing Stock	✓ Rural & Tribal Land Housing Investment	✓ Investment in Low-Income Minority Areas
✓ Access to Economic Opportunities	✓ Investment in Small Projects	✓ Diversity in Affordable Housing Development
✓ Housing for Large Families	✓ Digital Equity	✓ Promotion of Homeownership
✓ Housing for Individuals Recovering from Substance Abuse	✓ Housing for Formerly Incarcerated Individuals	✓ Housing for Individuals Recovering from Physical Abuse, Domestic Violence, Dating Violence, Sexual Assault or Stalking
Economic Development and Community Lending Needs		
✓ Support for Small Businesses	✓ Support for CDFIs and Nonprofit Lenders	✓ Support for Native Economic Development
✓ Climate Sustainability, Resilience, and Recovery		

These needs directly inform 2023 Community Investment program offerings. Impact goals, metrics, and 2023 performance targets are identified for each program, with impact viewed from three perspectives: FHLBank Chicago member impact, end beneficiary impact, and community impact.

# I. MISSION

FHLBank Chicago is a member-focused cooperative committed to delivering products and services that meet the needs of our members and their customers and communities. FHLBank Chicago offers competitively-priced funding, a reasonable return on investment, and Community Investment programs that support affordable housing and economic development needs in members' communities.

Each year, FHLBank Chicago sets aside 10% of its net income to invest back into members' communities in support of affordable housing. This annual contribution – required per federal statute – supports two programs:

- **Affordable Housing Program (AHP) General Fund**
- **Downpayment Plus® (DPP)**

FHLBank Chicago also offers several products to support and facilitate members' affordable housing and economic development lending, including:

- **Community Housing Advances**
- **Community Economic Development Advances**
- **Community Small Business Advances**

In addition, FHLBank Chicago offers specialized programs to respond to unique District needs. In 2023, these additional offerings include:

- **Community First® Accelerate Grants for Small Business**
- **Community First® Diverse Developer Initiative**
- **Community First® Housing Counseling Resource Program**
- **Community First® Disaster Relief Program**
- **Community First® Awards**
- **Community First® Fund**
- **Supplemental DPP funds to support year-round program availability**

FHLBank Chicago believes affordable housing and economic development activities are most impactful when they occur in tandem, leveraging one another in support of a broader goal: **community-building**. Collectively, our programs seek to build community, creating new opportunities for our members – and the communities they serve – to thrive.

## II. DISTRICT HOUSING AND ECONOMIC DEVELOPMENT TRENDS

FHLBank Chicago monitors market conditions in the District to identify unmet needs and opportunities to support affordable housing and community lending. Ongoing assessment of these dynamics informs FHLBank Chicago's Community Investment strategy. District housing and economic development trends are presented below.

### DISTRICT HOUSING TRENDS

In Illinois and Wisconsin, affordable rental and homeownership opportunities are in short supply, mirroring national trends. The reverberating effects of the lingering COVID-19 pandemic continue to surface in the housing market as construction material costs increased 17.5% in 2021, well above the average increase of 1.5% between 2015 and 2020.<sup>1</sup>

Demand for affordable rental units exceeds supply, and more than half of all renters with income at or below the poverty line are severely cost burdened, spending more than half their income on rent.<sup>2</sup> A quarter of all renter households across the District, approximately 640,000 households, are extremely low-income, but only 35% of these households have access to affordable, available housing. Low- and moderate-income renters are also cost-burdened. In Wisconsin and Illinois, respectively, 26% and 35% of renters between 51-80% AMI spend more than 30% of household income on rent.

Affordable homeownership opportunities are scarce as the market is increasingly challenging for low- and moderate-income homebuyers, including first-time buyers. With rising interest rates and a limited supply of available properties, homes sell quickly and often above asking price. Wisconsin's statewide median home price at the end of 2021 was \$231,000, a 10% increase from 2020. Illinois has seen a similar increase with a median home price of \$250,000 in 2021, up 11.1% from 2020.<sup>3</sup> Households at or below 80% AMI are particularly limited in affordable options in both urban and suburban geographies throughout the District.

Further, homeownership rates in the District are disparate across racial and ethnic groups. In Illinois, just 45% of Black households and 62% Hispanic households can afford to buy a typical home, as compared to 70% of White households.<sup>4</sup> The trend in Wisconsin is similar, 43% of Black households and 60% of Hispanic households able to afford a typical home, as compared to 71% of White households.

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<sup>1</sup> *December 2021 Producer Price Index Report*, Bureau of Labor Statistics.

<sup>2</sup> NLIHC tabulations of 2020 ACS PUM

<sup>3</sup> Wisconsin Realtors Association, 2021; Illinois REALTORS, 2021.

<sup>4</sup> *2021 Snapshot of Race and Home Buying in America*, National Association of REALTORS®.

The District's state housing finance agencies – Illinois Housing Development Authority (IHDA) and Wisconsin Housing and Economic Development Authority (WHEDA) – offer a variety of programs to support affordable rental and owner-occupied housing and annually adjust program priorities to address ongoing and emergent state housing needs. FHLBank Chicago coordinates with these entities to align programming for maximum impact.

IHDA's 2022 Illinois Annual Comprehensive Housing Plan identifies several priority service populations, including: extremely low-income families; low-income seniors and persons with disabilities; low-income persons facing housing displacement, or those unable to afford housing near employment opportunities and reliable transportation; and persons experiencing or at risk of homelessness.<sup>5</sup> IHDA is focused on supporting economic resiliency, advancing access for priority populations, promoting environmental sustainability, and addressing inequities in housing. IHDA's 2022-2023 Qualified Allocation Plan (QAP) reflects many of these priorities for its Low-Income Housing Tax Credit (LIHTC) program.

WHEDA's 2021-2022 QAP incorporates similar priorities for its LIHTC program, including: increasing the supply of affordable housing to very-low-income families, senior citizens, veterans, and those requiring supportive services; developing innovative financing strategies, including leveraging local, state, and federal funding and using tax credit programs efficiently; expanding affordable housing in high-opportunity areas that align with broader community development plans; and increasing economic opportunity and housing outcomes through homeownership initiatives, property management approaches, and high-quality service delivery.

## **DISTRICT ECONOMIC DEVELOPMENT AND COMMUNITY LENDING TRENDS**

Economic conditions in Illinois and Wisconsin improved in 2021 and into 2022 as recovery from the pandemic proceeded.<sup>6</sup> Federal relief from the American Rescue Plan and the reopening of states' economies have been key drivers for these improvements. In fiscal year 2021, real GDP rebounded to 5.7% in Illinois and 6.5% in Wisconsin, as compared to 5.7% nationally. At year-end 2021, the unemployment rates in Illinois and Wisconsin were 5.1% and 3.1%, respectively, compared to 3.9% nationally. Both Illinois and Wisconsin experienced significant job losses during the first months of the pandemic in 2020; however, jobs rebounded as the states reopened for business.

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<sup>5</sup> *Illinois' 2022 Annual Comprehensive Housing Plan*, Illinois Housing Development Authority, 2022.

<sup>6</sup> *Illinois Economic and Fiscal Policy Report*, Governor's Office of Management and Budget, November 2021; *State of Illinois Economic Forecast*, Moody's Analytics, February 2022; *Wisconsin Economic Forecast Update*, Wisconsin Department of Revenue, February 2022).

Despite economic recovery in both Illinois and Wisconsin, small businesses have remained vulnerable to lingering economic impacts of the COVID-19 pandemic.<sup>7</sup> Many businesses lack access to adequate savings, insurance, and credit to weather the crisis, and they have struggled to manage business disruptions and keep their doors open. Additionally, lending to small businesses decreased in the second half of 2021, largely due to the end of the Paycheck Protection Program (PPP).

Although conditions for small businesses have improved as pandemic recovery continues, the outlook for small businesses remains challenged. As of May 2022, the NFIB Small Business Optimism Index was 93.1, marking the fifth consecutive month below the 48-year average of 98 and indicating deteriorating expectations for business conditions. This trend can largely be attributed to inflation, a constrained labor market, and supply chain disruptions. Fifty-one percent of all business owners reported job openings they could not fill in May 2022, and 72% of business owners reported raising their average selling prices, a 32% net increase from May 2021.<sup>8</sup>

The Federal Reserve Bank's *Small Business Credit Survey* has consistently found that businesses owned by people of color often face more financial and operational challenges than white-owned businesses.<sup>9</sup> Particular disparities relate to revenue, access to pandemic-related financial assistance, and access to financing. Findings include:

- Seventy-nine percent of Asian-owned firms, 72% of Black-owned firms, 67% of Hispanic-owned firms, and 59% of white-owned firms reported in 2021 that their revenues had not yet rebounded to 2019 levels.
- While 70% of white-owned firms in 2021 received all of the PPP funding they applied for, the same was true for just 55% Asian-owned firms, 44% of Hispanic-owned firms, and 31% of Black-owned firms.
- Even among firms with good credit scores, firms owned by people of color were less likely than white-owned firms to have received all of the financing for which they applied.

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<sup>7</sup> *2021 Small Business Profiles*, U.S. Small Business Administration Office of Advocacy, 2021.

<sup>8</sup> *Small Business Economic Trends*, National Federation of Independent Business, May 2022. Note: Percentages are adjusted for seasonality.

<sup>9</sup> *Small Business Credit Survey: 2022 Report on Firms Owned by People of Color*, Federal Reserve Banks, June 2022.

The pandemic also underscored the important role played by Community Development Financial Institutions (CDFIs) in local markets Districtwide. Markets hardest hit by the pandemic included historically underserved populations, which created an opportunity for CDFIs to amplify their support for such communities. New liquidity from government and philanthropic relief sources flowed to many CDFIs; in 2021 alone, the U.S. Treasury, via the CDFI Fund, awarded \$1.5 billion to CDFIs to support economic relief in communities, and philanthropic donations bolstered CDFIs' balance sheets to support their pandemic response. CDFIs in Illinois and Wisconsin have benefited from these and other funding sources, which have provided them with needed liquidity to meet the heightened housing and economic development needs of underserved communities throughout the District.

## The Important Role of CDFIs

**Community Development Financial Institutions (CDFIs)** are private-sector, financial intermediaries with a primary mission of community development. CDFIs:

- Meet financial services needs in historically underserved communities, positioning them as a critical resource for pandemic recovery.
- Finance small businesses, community institutions, and housing development in markets, with the goal of providing affordable, consumer-friendly lending options to economically disadvantaged communities.
- Include community development banks, loan funds, credit unions, corporations, and venture capital funds.
- Attract public and private capital sources (e.g., U.S. Department of the Treasury's CDFI Fund, conventional financial institutions, foundations, corporations, individuals, and customer deposits (for depository CDFIs).
- 38 CDFIs are chartered in Illinois; 20 CDFIs are chartered in Wisconsin, including four certified Native CDFIs serving Native American communities.

## NATIVE AMERICAN HOUSING AND ECONOMIC TRENDS

Both Illinois and Wisconsin are home to Native American populations, with 101,823 and 92,246 American Indian or Alaskan Native individuals residing in each state, respectively.<sup>10</sup> There are 11 federally recognized Native Nations in FHLBank Chicago's District, all of which are located in Wisconsin on tribal land encompassing over one-half million acres in 16 counties. While Illinois has no federally recognized tribes, the Chicago metropolitan area is home to a large Native American population, estimated at 82,937 individuals. In 2020, 2.2% of Illinois' population and 2.5% of Wisconsin's population identified as American Indian and/or Alaska Native. A disproportionate percentage of these populations lives in poverty, as compared to state poverty levels overall.

A network of organizations exists throughout the District to support the needs of Native American communities and individuals. To develop and deliver products and services that meet the needs of this District population, FHLBank Chicago leverages relationships throughout this network. In Wisconsin's tribal communities, this

<sup>10</sup> 2019 ACS 1-Year Estimates, American Community Survey, United States Census Bureau.

network includes tribal housing partners (see table below), which play a pivotal role in delivering affordable housing solutions.

<b>Tribe Name</b>	<b>Tribally Designated Housing Entities/ Authorities</b>	<b>Tribal Population</b>
<b>Bad River Band of Lake Superior Chippewa Indians</b>	Bad River Housing Authority	6,945
<b>Forest County Potawatomi Community</b>	Wisconsin Potawatomi Housing Authority	1,400
<b>Ho Chunk Nation</b>	Ho-Chunk Housing and Community Development Agency	6,563
<b>Lac Courte Oreilles Band of Lake Superior Chippewa Indians</b>	Lac Courte Oreilles Housing Authority	7,275
<b>Lac du Flambeau Band of Lake Superior Chippewa Indians</b>	Lac du Flambeau Chippewa Housing Authority	3,415
<b>Menominee Indian Tribe of Wisconsin</b>	Menominee Tribal Housing Department	8,720
<b>Oneida Tribe of Indians Wisconsin</b>	Oneida Housing Authority	16,567
<b>Red Cliff Band of Lake Superior Chippewa Indians</b>	Red Cliff Chippewa Housing Authority	5,312
<b>St. Croix Chippewa Indians of Wisconsin</b>	St. Croix Chippewa Housing Authority	1,054
<b>Sokaogon Chippewa Community - Mole Lake Band of Lake Superior Chippewa</b>	Sokaogon Chippewa Housing Authority	1,377
<b>Stockbridge-Munsee Band of Mohican Indians</b>	Mohican Housing Department	1,565

*(Sources: Tribal Nations of Wisconsin, Wisconsin Department of Public Instruction; Eastern Woodlands Tribally Designated Housing Entities, United States Department of Housing and Urban Development.*

Native American communities in the District face disproportionate barriers to accessing capital, credit, and financial services. Specific challenges include:

- Lack of governmental capacity to support planning, execution, and compliance monitoring for development initiatives
- Lack of infrastructure, including roads, sewer, housing, waste disposal, and broadband service
- Workforce-job skills mismatch
- Job scarcity
- Lack of small business development and technical support resources, and
- Lack of revenue sources

Wisconsin’s four Native CDFIs – specialized, mission-driven CDFIs certified as such by the CDFI Fund – have led the effort to expand access to financial products and services. They play an important role in supporting the community development needs of Native American communities and populations. Native CDFIs providing services in Wisconsin are listed in the table below.

Native CDFI	Financial Products/Services Provided
<b>First American Capital Corporation</b>	Provides loans and technical assistances to Native-owned businesses both on and off reservations throughout Wisconsin.
<b>First Nations Community Financial</b>	Provides education, training, and access to capital to Ho Chunk Nation tribal members.
<b>NiiJii Capital Partners, Inc.</b>	Provides alternative financing and development services for entrepreneurs and small businesses on the Menominee, Mole Lake and Lac du Flambeau Reservations.
<b>Wisconsin Native Loan Fund</b>	Provides education and affordable lending opportunities to Wisconsin tribal members.

These Native CDFIs collaborate via the Wisconsin Indian Business Alliance (WIBA) to expand Native economic development in Wisconsin. Together, they coordinate and leverage resources to facilitate access to loans, training and financial counseling for members of Wisconsin’s 11 federally-recognized tribes. Other organizations supporting economic development for Native American populations in Wisconsin and Illinois include state agencies such as Wisconsin Economic Development Corporation and Illinois Department of Commerce and Economic Opportunity, as well as Great Lakes Inter-Tribal Council, Inc., a regional coordinating body. Numerous nonprofit organizations in each state also support this work.



### III. NEEDS ASSESSMENT

Each year, FHLBank Chicago conducts a Needs Assessment to ensure its Community Investment programs align with affordable housing and community lending needs across the District. The annual Needs Assessment informs enhancements to existing programs as well as the creation of new programs. The Needs Assessment relies on quantitative and qualitative data and incorporates input from diverse members and partners throughout the District. The 2023 Needs Assessment reflects research conducted through June 2022.

#### AFFORDABLE HOUSING NEEDS

The 2023 Needs Assessment identified the following critical housing needs:

NEED	DESCRIPTION
<b>Housing for Individuals with Disabilities</b>	<p>Many individuals with physical, mental, or developmental disabilities face housing challenges, as they may have limited income and/or limited housing options, causing them to be either unstably housed or paying too much in rent to afford other essentials. Additionally, many adults with disabilities live with aging caregivers, leaving them at risk of future institutionalization or homelessness, often without the supportive care that they need. Some individuals with disabilities also struggle to find accessible housing. Research on housing supply and demand for disabled individuals indicates a clear need for more affordable, accessible, and supportive housing options.</p>
<b>Permanent Supportive Housing</b>	<p>Individuals with chronic physical or mental health conditions, or histories of homelessness or trauma, often benefit from service-rich, supportive housing. This includes individuals exiting institutional settings such as medical facilities and prisons. Both IHDA and WHEDA incentivize projects that provide supportive housing, as residents of such projects may have difficulty securing suitable housing and maintaining tenancy without on-site supportive services. Permanent supportive housing has been shown to improve health outcomes, housing stability, and economic self-sufficiency, and reduce the number of days spent by vulnerable populations in shelters, emergency medical facilities, jails, and prisons. Demand for permanent supportive housing exceeds supply, and these much-needed projects in the District often have long waitlists.</p>
<b>Housing for Unhoused Households</b>	<p>Homelessness remains a critical challenge in both Illinois and Wisconsin, and COVID-19 has only intensified the economic and mental health challenges that place individuals at risk of homelessness. While the District benefits from a network of emergency and transitional housing programs, demand for individual shelter beds and transitional housing units exceeds supply. Industry experts from across the District also cite a significant need for both temporary and permanent housing options for unhoused families, including supportive housing options providing wraparound services for chronically homeless and/or highly vulnerable populations.</p>

<p><b>Housing for Formerly Incarcerated Individuals</b></p>	<p>Discrimination, along with affordable housing shortages, often excludes formerly incarcerated individuals from the housing market. Because the incarceration system disproportionately impacts people of color, ensuring housing for justice-involved individuals is a racial equity issue, as well. There is a need across the District to incentivize affordable housing developments to expand access to safe, affordable housing for returning, justice-involved individuals. Housing instability is a key indicator of criminal recidivism, so incentivizing such housing is an investment in the future of returning citizens and the households they are rejoining.</p>
<p><b>Housing for Individuals Recovering from Substance Abuse</b></p>	<p>Stable housing plays a vital role in recovery from substance abuse. Substance abuse often contributes to housing instability and homelessness; likewise, housing instability and homelessness can make it difficult for individuals struggling with substance abuse to achieve recovery. Engaging in substance abuse treatment and recovery is difficult without a safe, stable place to live. For those who are unstably housed, substances may be used to cope with the insecurities of their day to day lives, making recovery that much harder. Districtwide, there is a need for housing options and supportive services for individuals in recovery.</p>
<p><b>Housing for Individuals Recovering from Physical Abuse, Domestic Violence, Dating Violence, Sexual Assault or Stalking</b></p>	<p>Persons experiencing physical abuse, domestic violence, dating violence, sexual assault or stalking face heightened vulnerability to homelessness. Lack of safe and affordable housing is one of the greatest barriers that survivors of abuse and violence face when they choose to leave an abusive situation. There is a critical need for permanent housing for this population. Housing stability is imperative to healing and to positive outcomes for individuals and families who have survived abuse and violence.</p>
<p><b>Access to Economic Opportunities</b></p>	<p>Housing practitioners have long recognized the link between access to economic opportunities, and positive economic, health and wellbeing outcomes for residents. It can be extremely difficult for families to improve their economic circumstances in neighborhoods absent such opportunities. Across the District, there is a need for affordable housing that links residents with economic opportunities, via development of affordable housing in high-opportunity areas, with access to jobs and other amenities that support the economic, physical, and social wellbeing of residents.</p>
<p><b>Digital Equity</b></p>	<p>In today’s economy, broadband Internet service is an essential utility, facilitating access to economic, educational, and social opportunities. However, it has not always been prioritized in affordable housing development, and the availability of digital infrastructure Districtwide remains uneven. To ensure digital equity for residents of both rental and owner-occupied affordable housing, in both rural and urban areas, there is a need for projects that provide sustained support for three priorities: 1) Ensuring available, affordable internet connectivity; 2) Providing access to high-quality devices and technical support for residents; and 3) Delivering technology training opportunities to all residents. By providing sustained support for digital equity, affordable housing projects can support community-building, serving as a gateway to new opportunities and connections for residents.</p>

<p><b>Promotion of Homeownership</b></p>	<p>Homeownership is a powerful tool for building individual wealth. In 2019, the majority of the District’s households were on this path, with 66.6% and 68.2% of Illinois and Wisconsin households, respectively, owning their home in 2020.<sup>11</sup> However, for many households, homeownership is out of reach due to insufficient resources, including financial capacity and financial literacy and readiness. Downpayment assistance programs and housing counseling services play a pivotal role in facilitating sustainable homeownership, and an expansion of these services is needed throughout the District, particularly to improve their reach to minority populations that experience disproportionately low homeownership rates.<sup>12</sup> Expanding access to financial resources and homebuyer counseling is key to promoting sustainable homeownership for all, and to increasing minority homeownership and promoting equity in wealth-building.</p>
<p><b>Reinvestment in Aging Housing Stock</b></p>	<p>Housing stock across the District is aging, with over 70% of total housing stock built 30+ years ago, and over 35% built 50+ years ago.<sup>13</sup> Much of central Illinois and rural Wisconsin have not seen significant new housing development in decades, as recent activity is concentrated in the District’s metropolitan areas.</p> <ul style="list-style-type: none"> <li>• <b>Single-family.</b> The need for reinvestment in aging single-family stock continues to grow as the Baby Boomer generation ages. Funding for repairs and accessibility modifications allows older residents to age in place, which has been found to improve health outcomes and reduce social isolation. This is particularly needed in rural areas that may lack assisted living facilities, or for low-income seniors who may not be able to afford long-term care.</li> <li>• <b>Multifamily.</b> Reinvestment in multifamily rental properties, for repairs and upgrades to aging rental assets, is a critical need Districtwide, especially so in rural areas where there may only be a few affordable rental properties across several communities.</li> </ul>
<p><b>Rural &amp; Tribal Land Housing Investment</b></p>	<p>Sixty-six of Illinois’ 102 counties and 46 of Wisconsin’s 72 counties are fully designated as rural, with most of Wisconsin tribal lands located in those areas.<sup>14</sup> Despite the substantial rural landscape in both states, housing development remains largely concentrated in metropolitan areas. Barriers to rural development include: high construction costs, limited labor availability, limited availability of capital, aging housing stock, rural population migration absorbing housing supply and driving up sale prices, and lower rent ceilings limiting project income, among other factors. The lack of affordable housing supply for low- and moderate-income families points to the critical need for investment in affordable housing in rural communities, including tribal communities.</p>
<p><b>Investment in Low-Income Minority Areas</b></p>	<p>The District experiences high rates of residential segregation by race/ethnicity and income, with communities of color experiencing heightened poverty and less investment than predominantly white communities. Affordable housing investment in low-income minority areas yields valuable benefits: 1) expansion of the stock of quality, affordable housing for current residents, many of whom are highly housing-cost</p>

<sup>11</sup> *Forecasting State and National Trends in Household Formation and Homeownership Project*, The Urban Institute.

<sup>12</sup> In 2020, just 25.47% of Black Wisconsinites owned their homes, versus 71.1% of white residents. In Illinois, just 38.8% of Black Illinoisans owned their homes, versus 72.8% of white residents. *ACS 5-Year Estimates, 2018 and 2019*; *Federal Reserve Bank of St. Louis, 2020*.

<sup>13</sup> *ACS 5-Year Estimates, 2019*.

<sup>14</sup> *A Snapshot of Rural Illinois*, Illinois Institute for Rural Affairs; *Urban and Rural Counties*, Wisconsin Department of Health Services.

	<p>burdened; 2) opportunities for wealth creation for homebuyers wishing to settle and invest in diverse communities; and 3) economic revitalization for historically-disinvested, minority communities. There is an urgent need for quality, affordable housing in the communities where many cost-burdened households of color currently reside, so that relocation is not a prerequisite for access to housing opportunities.<sup>15</sup> Facilitating investment in majority-minority areas, where such investment is consistent with a community’s revitalization plan, creates economic opportunities for renters and homebuyers alike.</p>
<p><b>Housing for Large Families</b></p>	<p>Housing units for large families – particularly rental housing units – are in scarce supply Districtwide, due to their relatively higher development cost and municipal restrictions that may limit their development. Supportive housing for large families and housing for multigenerational households is particularly scarce. In many communities, including Native communities, multigenerational living arrangements are common, serving as a key homelessness prevention strategy within families. However, without large units available, homes may be overcrowded, posing health and safety risks. Large family units across a broad spectrum of project types are a critical need in District.</p>
<p><b>Investment in Small Projects</b></p>	<p>Small (1-24 unit) development projects are an optimal housing solution in smaller communities across the District, where there is a clear affordable housing need but no market for large-scale developments. Small projects can be challenging to develop; they tend to be poorly aligned with the priorities of many competitive financing programs, and they often cannot support needed debt without additional soft funding sources. Their developers may also lack capacity to assemble complex financing or commit to long-term compliance obligations. Resources for small-scale development are needed to ensure that the District’s smaller communities can offer quality affordable housing options for residents.</p>
<p><b>Diversity in Affordable Housing Development</b></p>	<p>Equity in the affordable housing industry is not just about access to opportunities for diverse housing residents; it is also about access to development opportunities for diverse developers of affordable housing, as well as their development team partners. Nationwide, only two percent of development companies are Black-led, and minority-led real estate firms control just 1.5% of all real estate assets under management.<sup>16</sup> This lack of diversity “at the top” is largely attributable to lack of access: to capital, to professional networks, and to specialized training needed for complex deals. As a result, diverse developers, and their partners on development teams, may be excluded from impactful projects that would benefit their communities and position them to invest even more deeply in the future. Diverse development teams bring diverse perspectives and backgrounds to the projects they support, and this drives innovation and inclusion from which residents also benefit.</p>

<sup>15</sup> Of note, Black households in Illinois and Wisconsin are significantly more housing-cost burdened than the overall population in each state; 58% and 64% percent of Black households in Illinois and Wisconsin, respectively, experience moderate or severe levels of housing-cost burden, as compared to 48% and 42%, respectively, for the state populations overall.<sup>15</sup> This trend is also true, though less stark, for Hispanic households.

<sup>16</sup> *Equitable Path Forward*, Enterprise Community Partners.

# ECONOMIC DEVELOPMENT & COMMUNITY LENDING NEEDS

Community lending by FHLBank Chicago members is an important source of capital supporting local economies throughout the District. FHLBank Chicago has inventoried the District’s critical community lending needs (below) in order to hone products and strategies to effectively respond to those needs.

NEED	SUMMARY
<p><b>Support for Small Businesses</b></p>	<p>Small businesses comprise an important sector of the U.S. economy, employing nearly half of all U.S. employees and generating wealth in local communities. Despite their value, barriers to creating, sustaining, and growing small businesses are substantial. Access to capital is one of the greatest challenges facing small business, especially those owned by people of color and/or located in low-income areas. The COVID-19 pandemic exacerbated these equity disparities. As pandemic-related assistance dissipates, access to lending capital will be critical for small businesses, especially in the context of inflation, labor market constraints, and supply chain disruptions. Grants also prove instrumental for business owners who lack access to capital or personal equity.</p>
<p><b>Support for CDFIs and Nonprofit Lenders</b></p>	<p>CDFIs and other nonprofit lenders play a critical role in financing small businesses, community facilities, and real estate development in markets that may be challenging for traditional lenders to serve. As a result, the work of these organizations complements, rather than competes with, that of traditional lenders to expand access to financing in disinvested and diverse communities. Ongoing support for CDFIs safeguards their critical role in underserved markets. Funding for capacity-building, innovation, and impact measurement are imperative, ongoing needs that the pandemic has only intensified. CDFIs also have an ongoing need for “patient capital” they can lend for a return focused social impact (e.g., housing or jobs), with greater risk tolerance than traditional capital investments, longer tenors for the return of capital, and providing a high level of management support to the borrowing entity.</p>
<p><b>Support for Native Economic Development</b></p>	<p>Native American communities in the District navigate heightened barriers to successful economic development. Areas of particular need include: Capacity-building and technical support for tribal entities, to facilitate the development of housing and small business programming; financial literacy and small business training opportunities for tribes and their members; capacity-building programs for small businesses to support expansion of Native-owned businesses and businesses in tribal communities; and comprehensive strategic planning to support community-building efforts that benefit the whole community.</p>
<p><b>Climate Sustainability, Resilience, and Recovery</b></p>	<p>Over the course of the past 50 years, extreme weather and climate events have increased in frequency and severity, resulting in an uptick in economic losses that globally have totaled more than \$3.64 trillion</p>

during that time period.<sup>17</sup> To mitigate and counteract adverse impacts of climate-related events, resources are needed to support three key priorities: sustainability, resilience, and recovery. Sustainability-oriented activities proactively seek to prevent negative environmental impacts from development activities; resilience-oriented activities seek to mitigate losses resulting from disasters when they do occur; and recovery-oriented activities support relief for communities when disasters happen. As communities Districtwide increasingly experience climate-related events, there is growing need for financial resources ensure local homeowners and small businesses can weather the storms.



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<sup>17</sup> World Meteorological Organization and UN Office for Disaster Risk Reduction, *Atlas of Mortality and Economic Losses from Weather, Climate and Water Extremes*, 31 Aug 2021.

## IV. STRATEGY AND GOALS

The section below summarizes how each FHLBank Chicago Community Investment program aligns with identified District need(s). Note that some identified needs explicitly tie to specific programs, while other needs may implicitly inform program offerings. Impact goals, metrics, and 2023 performance targets are also identified for each program, with impact viewed from three perspectives: FHLBank Chicago member impact, end beneficiary impact, and community impact.

<b>AFFORDABLE HOUSING PROGRAM (AHP) GENERAL FUND</b>		
<b>PROGRAM OVERVIEW</b>		
FHLBank Chicago addresses many affordable housing needs through its competitive Affordable Housing Program (AHP) General Fund, which supports the acquisition, construction, and/or rehabilitation of rental or owner-occupied housing. Identified District needs directly inform the program strategy.		
<b>DISTRICT NEEDS</b>		<b>2023 PROGRAM STRATEGY</b>
Housing for Individuals with Disabilities	→	Housing for Special Needs Populations scoring category
Permanent Supportive Housing	→	Permanent Support Housing scoring category
Housing for Unhoused Households	→	Housing for Homeless Households scoring category
Housing for Individuals Recovering from Abuse	→	Housing for Special Needs Populations scoring category
Housing for Formerly Incarcerated Individuals	→	Housing for Special Needs Populations scoring category
Access to Economic Opportunities	→	Creating Economic Opportunity Through Residential Economic Diversity scoring category
Digital Equity	→	Access to Internet scoring category
Promotion of Homeownership	→	Community Stability: Promotion or Preservation of Homeownership scoring category
Reinvestment in Aging Housing Stock	→	Community Stability: Promotion or Preservation of Homeownership scoring category
	→	Community Stability: Rehabilitation of Existing Occupied Housing scoring category
Rural & Tribal Land Housing Investment	→	Rural Housing/In-District scoring categories
Investment in Low-Income Minority Areas	→	Projects Serving Low-Income Minority Areas scoring category
Housing for Large Families	→	Large Family Units scoring category
Investment in Small Projects	→	Project of 24 or Fewer Units scoring category
Diversity in Affordable Housing Development	→	Development Team Inclusion scoring category

# AFFORDABLE HOUSING PROGRAM (AHP) GENERAL FUND

## 2023 PROGRAM PARAMETERS

- Program Budget: TBD
- Maximum Grant: \$900,000/project
- Application Deadline: June 9, 2023

## 2023 IMPACT GOALS, METRICS, AND PERFORMANCE TARGETS

Member Impact Goals	Metrics	Targets
Broad reach to members, including members that are new to the program	<ul style="list-style-type: none"> <li>• % of potential member users that apply for/receive an award</li> <li>• % of total member applicants/awardees that are new to the program</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
Facilitate collaboration between members and sponsors/developers, including diverse sponsors/developers, that expands program participation and generates future opportunities to partner/invest	<ul style="list-style-type: none"> <li>• % of total sponsor/developers that are new to the program</li> <li>• % of applications seeking Member Financial Commitment points</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
End Beneficiary Impact Goals	Metrics	Targets
Create/preserve affordable housing units	<ul style="list-style-type: none"> <li>• # of housing units created/preserved</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
Support sustainable homeownership and wealth-building for LMI households, including minority households	<ul style="list-style-type: none"> <li>• % of households achieving sustained homeownership (i.e., no foreclosure in past 5 yrs.)</li> <li>• % increase over time in LMI and minority households served</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
Demographic diversity of households served, reflective of the District's population	<ul style="list-style-type: none"> <li>• Distribution of beneficiary households across income levels (30/50/60/80% AMI)</li> <li>• Distribution of beneficiary households by unit size</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
Community Impact Goal	Metric	Target
Equitable distribution of program dollars across the district to meet communities' unique housing needs, including those of underserved communities	<ul style="list-style-type: none"> <li>• % of the District's counties and high-need areas (e.g., rural counties, Low-Income Minority Areas, Tribal areas) that receive program dollars</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>

## DOWNPAYMENT PLUS®

### PROGRAM OVERVIEW

Downpayment Plus® and Downpayment Plus Advantage® (collectively, “DPP,” FHLBank Chicago’s Homeownership Set-Aside programs), offer members year-round, easy-to-access downpayment and closing cost assistance for low- and moderate-income homebuyers. This program, which requires participation in homeownership education and counseling, supports sustainable homeownership for low- and moderate-income households. DPP addresses the identified District need for: **Promotion of Homeownership**.

### 2023 PROGRAM PARAMETERS

- Program Budget: TBD to meet demand
- Maximum Grant: TBD/homebuyer
- Availability: Year-Round
- Member Limit: TBD/member

### 2023 IMPACT GOALS, METRICS, AND PERFORMANCE TARGETS

Member Impact Goal	Metrics	Targets
Broad reach to members, including members that are new to the program	<ul style="list-style-type: none"> <li>• % of potential member users that reserve/receive a grant</li> <li>• % of total members reserving/receiving a grant that are new to the program</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
End Beneficiary Impact Goals	Metrics	Targets
Create/preserve affordable housing units	<ul style="list-style-type: none"> <li>• # of housing units created/preserved</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
Support sustainable homeownership and wealth-building for LMI households, including minority households	<ul style="list-style-type: none"> <li>• % of households achieving sustained homeownership (i.e., no foreclosure in past 5 yrs.)</li> <li>• % increase over time in LMI and minority households served</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
Demographic diversity of households served, reflective of the District's population	<ul style="list-style-type: none"> <li>• Distribution of beneficiary households across income levels (30/50/60/80% AMI)</li> <li>• Demographic distribution of beneficiary households compared to demographics of District’s LMI population</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
Community Impact Goal	Metric	Target
Equitable distribution of program dollars across the district to meet communities’ unique housing needs, including those of underserved communities	<ul style="list-style-type: none"> <li>• % of the District’s counties and high-need areas (e.g., rural counties, Low-Income Minority Areas, Tribal areas) that receive program dollars</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>

# COMMUNITY ADVANCES AND LETTERS OF CREDIT

## PROGRAM OVERVIEW

FHLBank Chicago offers discounted financing to its members to support affordable housing for low- and moderate-income households, and to help develop and revitalize communities. The Community Advances Program provides discounted advances and standby letters of credit, while the Community Small Business Advance Program provides members with zero-rate financing for eligible small business lending in low- to moderate-income communities. Community Advances and Letters of Credit address the identified District needs for:

- ✓ **Promotion of Homeownership**
- ✓ **Reinvestment in Aging Housing Stock**
- ✓ **Support for Small Businesses**

## 2023 PROGRAM PARAMETERS

- Program Budget: TBD
- Availability: Year-Round
- Member Limit: TBD

## 2023 IMPACT GOALS, METRICS, AND PERFORMANCE TARGETS

Member Impact Goal	Metrics	Targets
Broad reach to members, including members that are new to the program	<ul style="list-style-type: none"> <li>• % of potential member users that draw an advance</li> <li>• % of total members drawing an advance that are new to the program</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
End Beneficiary Impact Goals	Metrics	Targets
Create/preserve affordable housing units	<ul style="list-style-type: none"> <li>• # of housing units created/preserved</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
Create/preserve jobs and small businesses in members' communities	<ul style="list-style-type: none"> <li>• # of jobs created/preserved</li> <li>• # of small businesses supported</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
Community Impact Goals	Metric	Target
Facilitate community lending activities throughout the District, including in underserved communities	<ul style="list-style-type: none"> <li>• % of the District's counties and high-need areas (e.g., rural counties, Low-Income Minority Areas, Tribal areas) that receive program dollars</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
Equitable distribution of program dollars across the district to meet communities' unique housing and/or economic development needs, including those of underserved communities		

# COMMUNITY FIRST® ACCELERATE GRANTS FOR SMALL BUSINESS

## PROGRAM OVERVIEW

Community First® Accelerate Grants for Small Business (“Accelerate”) was launched in 2022 as a rebranding of FHLBank Chicago’s Community First® Capacity-Building Program, which previously supported nonprofit lenders. Accelerate provides flexible grant funds to strengthen small businesses located in Illinois and Wisconsin. Accelerate addresses the identified District need for: **Support for Small Businesses.**

## 2023 PROGRAM PARAMETERS

- ✓ Program Budget: \$750,000
- ✓ Maximum Grant: TBD
- ✓ Application Deadline: TBD
- ✓ Member Limit: TBD/member

## 2023 IMPACT GOALS, METRICS, AND PERFORMANCE TARGETS

Member Impact Goals	Metrics	Targets
Broad reach to members	<ul style="list-style-type: none"> <li>• % of potential member users that apply for/receive an award</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
Facilitate collaboration between members and applicant/grantee organizations, including diverse organizations, that expands program participation and generates future opportunities to partner/invest	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
End Beneficiary Impact Goal	Metrics	Targets
Create/preserve jobs and small businesses in members’ communities	<ul style="list-style-type: none"> <li>• # of jobs created/preserved</li> <li>• # of small businesses supported</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
Community Impact Goals	Metric	Target
Facilitate community lending activities throughout the District, including in underserved communities	<ul style="list-style-type: none"> <li>• % of the District’s counties and high-need areas (e.g., rural counties, Low-Income Minority Areas, Tribal areas) that receive program dollars</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
Equitable distribution of program dollars across the district to meet communities’ unique housing and/or economic development needs, including those of underserved communities		

# COMMUNITY FIRST® DIVERSE DEVELOPER INITIATIVE

## PROGRAM OVERVIEW

In 2022, FHLBank Chicago launched the Community First® Diverse Developer Initiative (DDI) to support career and talent development initiatives for diverse developers of affordable housing in Illinois and Wisconsin. Beneficiary organizations include diverse development firms seeking to expand expertise; talent development programs dedicated to increasing diversity within the affordable housing industry; trade/professional associations that support diverse developers; and established development firms seeking to offer career development opportunities to diverse developers. The Community First® Diverse Developer Initiative addresses the identified District need for: **Diversity in Affordable Housing Development.**

## 2023 PROGRAM PARAMETERS

- ✓ Program Budget: \$1,000,000
- ✓ Maximum Grant: TBD
- ✓ Application Deadline: TBD
- ✓ Member Limit: TBD/member

## 2023 IMPACT GOALS, METRICS, AND PERFORMANCE TARGETS

Member Impact Goals	Metrics	Targets
Broad reach to members, including members that are new to the program	<ul style="list-style-type: none"> <li>• % of potential member users that apply for/receive an award</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
Facilitate collaboration between members and diverse developers that generates future opportunities to partner/invest	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
End Beneficiary Impact Goals	Metrics	Targets
TBD	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
Community Impact Goals	Metrics	Targets
Equitable distribution of program dollars across the district	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
TBD	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>

# COMMUNITY FIRST® HOUSING COUNSELING RESOURCE PROGRAM

## PROGRAM OVERVIEW

In 2022, FHLBank Chicago launched the Community First® Housing Counseling Resource Program, providing grants to HUD-approved housing counseling agencies in Illinois and Wisconsin to support expanded service to minority and low- and moderate-income homebuyers and facilitate sustainable homeownership. Two FHLBank Chicago housing associates, Illinois Housing Development Authority (IHDA) and Wisconsin Housing and Economic Development Authority (WHEDA), administer the Housing Counseling Resource Program on FHLBank Chicago’s behalf. The Community First® Housing Counseling Resource Program addresses the identified District need for: **Promotion of Homeownership.**

## 2023 PROGRAM PARAMETERS

- ✓ Program Budget (2022-2024): \$6.2 million over three (3) years
- ✓ Agencies Served: TBD
- ✓ Geographies Served: Districtwide coverage

## 2023 IMPACT GOALS, METRICS, AND PERFORMANCE TARGETS

Member Impact Goal	Metric	Target
Broad reach to members	<ul style="list-style-type: none"> <li>• # of members served by or benefitting from the program (member nexus)</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
End Beneficiary Impact Goal	Metric	Target
Support sustainable homeownership and wealth-building for LMI households, including minority households	<ul style="list-style-type: none"> <li>• % increase over time in LMI and minority households served</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
Community Impact Goal	Metric	Target
Equitable distribution of program dollars across the district to meet communities’ unique housing needs, including those of underserved communities	<ul style="list-style-type: none"> <li>• % of the District’s counties and high-need areas (e.g., rural counties, Low-Income Minority Areas, Tribal areas) that receive program dollars</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>

# COMMUNITY FIRST® DISASTER RELIEF PROGRAM

## PROGRAM OVERVIEW

The Community First® Disaster Relief Program offers direct disaster relief funding for homeowners and small businesses in members’ communities impacted by designated disasters. The Community First® Disaster Relief Program addresses the identified District needs for:

- ✓ **Climate Resiliency and Sustainability**
- ✓ **Promotion of Homeownership**
- ✓ **Support for Small Businesses**

## 2023 PROGRAM PARAMETERS

- ✓ Program Budget: TBD
- ✓ Maximum Grant: TBD
- ✓ Availability: Year-Round

## 2023 IMPACT GOALS, METRICS, AND PERFORMANCE TARGETS

Member Impact Goal	Metric	Target
Broad reach to members, including members that are new to the program	<ul style="list-style-type: none"> <li>• % of potential member users that apply for/receive an award</li> <li>• % of total member applicants/awardees that are new to the program</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
End Beneficiary Impact Goals	Metrics	Targets
Create/preserve affordable housing units	<ul style="list-style-type: none"> <li>• # of housing units created/preserved</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
Create/preserve jobs and small businesses in members’ communities	<ul style="list-style-type: none"> <li>• # of jobs created/preserved</li> <li>• # of small businesses supported</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
Community Impact Goal	Metric	Target
Equitable distribution of program dollars across qualified disaster areas to meet communities’ unique housing and/or economic development needs, including those of underserved communities	<ul style="list-style-type: none"> <li>• % of qualified disaster counties that receive program dollars</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>

# COMMUNITY FIRST® AWARDS

## PROGRAM OVERVIEW

The annual Community First® Awards recognize outstanding community investment achievements and innovation throughout the District. The awards, which include public recognition as well as grant funds, are based on nominations by members and presented in the following categories: Affordable Housing; Diversity, Equity and Inclusion; Economic Development; and Emerging Leader. Activities recognized by Community First® Awards must align with one or more identified District needs.

## 2023 PROGRAM PARAMETERS

- ✓ Program Budget: TBD
- ✓ Maximum Grant: TBD
- ✓ Application Deadline: TBD

## 2023 IMPACT GOALS, METRICS, AND PERFORMANCE TARGETS

Member Impact Goal	Metrics	Targets
Broad reach to members, including members that are new to the program	<ul style="list-style-type: none"> <li>• % of potential member users that apply for/receive an award</li> <li>• % of total member applicants/awardees that are new to the program</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• TBD</li> </ul>
Community Impact Goal	Metric	Target
Equitable distribution of program dollars across the district to meet communities' unique housing and/or economic development needs, including those of underserved communities	<ul style="list-style-type: none"> <li>• % of the District's counties and high-need areas (e.g., rural counties, Low-Income Minority Areas, Tribal areas) that receive program dollars</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>

# COMMUNITY FIRST® FUND

## PROGRAM OVERVIEW

In 2014, FHLBank Chicago launched the Community First® Fund (CFF), a \$50 million revolving loan fund to support economic development and affordable housing throughout Illinois and Wisconsin. CFF provides flexible, long-term, unsecured financing to partner organizations that, in turn, finance or invest in affordable housing, commercial real estate, community facilities, or businesses. Partner organizations may include community development financial institutions (CDFIs), community development loan funds, state housing finance agencies, and regional/national intermediaries with a footprint in the District. CFF address the identified District needs for:

- ✓ **Support for CDFIs and Nonprofit Lenders**
- ✓ **Promotion of Homeownership**
- ✓ **Support for Small Businesses**

## 2023 PROGRAM PARAMETERS

- ✓ Funds Deployed: TBD
- ✓ Funds Available: TBD
- ✓ # Partners: 8 (as of 1/1/2023)

## 2023 IMPACT GOALS, METRICS, AND PERFORMANCE TARGETS

Member Impact Goal	Metric	Target
Broad reach to members	<ul style="list-style-type: none"> <li>• # of members served by or benefitting from the program (member nexus)</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
End Beneficiary Impact Goals	Metrics	Targets
Create/preserve affordable housing units	<ul style="list-style-type: none"> <li>• # of housing units created/preserved</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
Create/preserve jobs in members' communities	<ul style="list-style-type: none"> <li>• # of jobs created/preserved</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
Community Impact Goal	Metric	Target
Facilitate community lending activities throughout the District, including in underserved communities	<ul style="list-style-type: none"> <li>• % of the District's counties and high-need areas (e.g., rural counties, Low-Income Minority Areas, Tribal areas) that are supported by program dollars</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>

## COMMUNITY ENGAGEMENT

### PROGRAM OVERVIEW

FHLBank Chicago convenes industry events, provides training, and leads/leverages outreach activities to facilitate knowledge-sharing, explore District needs, and engage in collaborative problem-solving with members and community partners.

### 2023 PROGRAM GOALS

- ✓ Industry Convenings: TBD
- ✓ Training Sessions: TBD
- ✓ Outreach Events: TBD



APPROVED BY THE BOARD  
OF DIRECTORS ON THE 13<sup>th</sup>  
DAY OF SEPTEMBER, 2022.

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Its Corporate Secretary