



2023 ANNUAL REPORT

LETTER FROM THE BOARD CHAIR

2023 was an exciting year for Chicago Development Fund (CDF), the City of Chicago's New Markets Tax Credit (NMTC) financing entity. In addition to receiving an award of \$55 million in NMTC allocation from the Community Development Financial Institutions (CDFI) Fund, CDF deployed \$32 million in NMTC allocation into four transformative projects, including:

- a Federally Qualified Health Center in a medically underserved area in Brighton Park;
- two full-service grocery stores increasing access to affordable, high-quality groceries in food deserts in Auburn-Gresham and Morgan Park;
- a community hub providing employment readiness and workforce training services in Austin; and
- a comprehensive support services center for justice-involved youth in North Lawndale.

Between its founding in 2005 and the end of 2023, CDF has received a total of \$521 million in federal NMTC allocation. It has deployed \$448.5 million of those resources to 46 projects, prioritizing investments on the city's South and West Sides that:

- Increase access to healthcare, programs for at-risk youth, job training, and other vital community services
- Eliminate food deserts by bringing new retail grocery projects to underserved areas
- Create and retain well-paying jobs that are accessible to residents of low-income communities

CDF's successes are the result of collaboration with community organizations, board members, and elected officials. We look forward to continuing to nurture these partnerships in support of high impact projects in 2024 and beyond.

With gratitude,

Ciere Boatright
Chair of the Board of Directors
Chicago Development Fund



Auburn Gresham Healthy Lifestyle Hub

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01 OVERVIEW

CDF History

On July 27, 2005, the Chicago City Council passed a resolution authorizing the creation of CDF, an Illinois not-for-profit corporation. The purpose of CDF is to assist the community and economic development activities of the City of Chicago by using the federal NMTC program to invest in Low- Income Communities (LICs). CDF was certified by the Community Development Financial Institutions Fund (CDFI Fund) of the U.S. Treasury as a Community Development Entity (CDE) in August 2005, making it eligible to compete for and use NMTCs.

Tax Credit Allocation Authority

CDF applies for and is awarded NMTC allocation in a competitive federal NMTC application process. To generate capital for projects, tax credit investors – typically, large commercial banks that are active in Chicago – make Qualified Equity Investments (QEIs) into CDF. These QEIs are then used to provide subsidized financing to projects that meet NMTC criteria and CDF’s investment priorities.

Through 2023, CDF has received \$521 million in NMTC allocation, 86% of which has been deployed to 46 high impact projects in the City of Chicago (summarized in table to right). This allocation has generated \$139 million in NMTC equity and supported a total of \$963 million in new investment.

ROUND	RECEIVED	CLOSED	REMAINING	CLOSED %
4th (2006)	\$100 M	\$100 M	\$0	100%
7th (2009)	\$55 M	\$55 M	\$0	100%
8th (2011)	\$18 M	\$18 M	\$0	100%
9th (2012)	\$65 M	\$65 M	\$0	100%
11th (2014)	\$43 M	\$43 M	\$0	100%
13th (2016)	\$75 M	\$75 M	\$0	100%
16th (2019)	\$55 M	\$54 M	\$1 M	98%
17th (2020)	\$55 M	\$38.5 M	\$16.5 M	70%
19th (2022)	\$55 M	\$0 M	\$55 M	0%
TOTAL	\$521 M	\$448.5 M	\$72.5 M	86%

About New Markets Tax Credits

Congress created the NMTC program in 2000 to incentivize investments that create jobs and provide services in economically disadvantaged areas. The CDFI Fund, a division of the U.S. Department of Treasury, administers the NMTC program. Through 2023, the CDFI Fund has made 1,563 awards totaling \$76 billion in tax credit authority to Community Development Entities.

The NMTC program is used primarily to fund commercial, industrial, community facility, and mixed-use real estate projects, as well as operating businesses located in qualifying LICs. NMTCs can provide “gap financing” covering 15% to 20% of a project’s capital costs, usually in the form of low-interest, forgivable debt.

02 GOVERNANCE

CDF'S activities are overseen by a Governing Board and an Advisory Board, the compositions of which are described below, and staffed by the City of Chicago's Department of Planning and Development (DPD).

Governing Board

The Governing Board, which met on May 2 and June 8, 2023, is composed of the following nine officials:

- Commissioner of DPD (Chair of the Governing Board)
- Director of the Office of Budget and Management
- Chief Financial Officer (or City Comptroller, in absence of a CFO)
- City Treasurer
- Chair of the Committee on Finance of the City Council
- Chair of the Committee on Economic, Capital and Technology Development of the City Council
- Chair of the Committee on the Budget and Government Operations of the City Council
- DPD Employee appointed by the Board Chair
- Chair of CDF's Advisory Board

Advisory Board

CDF's Advisory Board, which met on April 28 and June 8, 2023, evaluates CDF's investment activities in furtherance of the organization's mission, reviewing all major CDF policies and proposed investments of NMTC allocation and making formal recommendations to the Governing Board. At all times, the Advisory Board maintains accountability to Chicago's LIC's through members who are LIC representatives.¹¹ These members bring valuable perspective on the investment priorities of Chicago's underserved neighborhoods through their experience with community development and the local organizations with which they are affiliated. The DPD Commissioner serves in an ex-officio capacity on the Advisory Board. Up to eight additional members are appointed by the Mayor and approved by City Council. The appointed members serving in 2023 included:

- Rafael Leon (Chair) – Executive Director, Chicago Metropolitan Housing Development Corporation
- Craig Chico – President & CEO, Back of the Yards Neighborhood Council
- Edward Coleman – Secretary of the Board of Directors, West Side Forward; and Founder, EAC Consulting
- Jaime DiPaulo – President & CEO, Illinois Hispanic Chamber of Commerce
- Angela Hurlock – Executive Director, Claretian Associates; Chairperson, Chicago Housing Authority Board of Commissioners
- Maxine Mitchell – Founder and President, Applied Real Estate Analysis, Inc.
- Carlos Nelson – Executive Director, Greater Auburn-Gresham Development Corporation
- Rev. Richard Tolliver – President & CEO, St. Edmund's Redevelopment Corporation



PROJECT TOUR

On June 8, CDF hosted a tour of three projects it had supported with NTMC allocation: BUILD, Inc., North Lawndale Employment Network, and Auburn Gresham Healthy Lifestyle Hub. Members of CDF's boards, Aldermen and representatives from their offices, city staff, and NMTC investors participated in the event, seeing firsthand the impact of CDF's NMTCs on the City's South and West sides.

¹ As of December 31, 2023, 78% of members were LIC representatives, substantially greater than the 25% required by the CDFI fund

03 INVESTMENT PRIORITIES

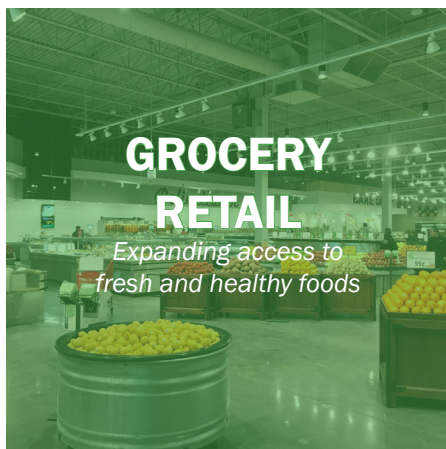
CDF uses its NMTC allocations to provide critically-needed financial support to projects in Low-Income Communities (LICs) on the South and West sides of the City, focusing on three major project types:



CDF supports facilities and organizations that provide low-income residents with key services that improve their quality of life. CDF has closed on financing for 30 such projects through 2023, including job training facilities, health clinics, and social service centers.

RECENT EXAMPLE: BUILD, INC.

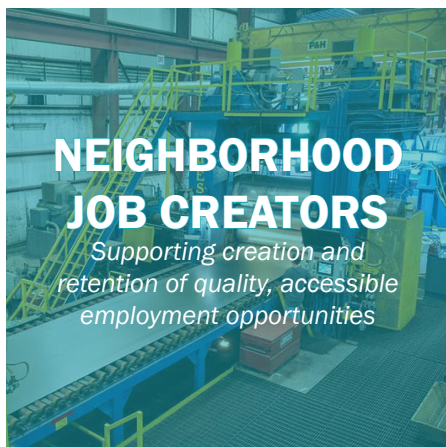
NMTC financing supported the renovation and construction of a 51,000-square-foot community center focused on violence prevention in Austin. The project provides STEAM education, arts therapy, and physical and mental wellness programming to more than 2,800 community members annually.



CDF enhances the City's healthy foods access initiatives by providing financing for grocery stores in food deserts and other underserved areas. Through 2023, five such developments have received financing from CDF, providing their communities with 198,000 square feet of full-service grocery and retail space.

RECENT EXAMPLE: JEFFERY PLAZA

Acquisition of 113,300-square-foot Jeffery Plaza shopping center plus renovation and equipment purchase and installation for a 62,300-square-foot Shop & Save Market grocery store in the center's former Dominick's space. The project provides healthy foods access to nearly 70,000 food desert residents.



CDF invests in projects that serve as vital engines for economic opportunity for disadvantaged residents by supporting high-quality, accessible jobs in their neighborhoods. Through 2023, CDF has provided NMTC allocation in support of 11 projects in this category.

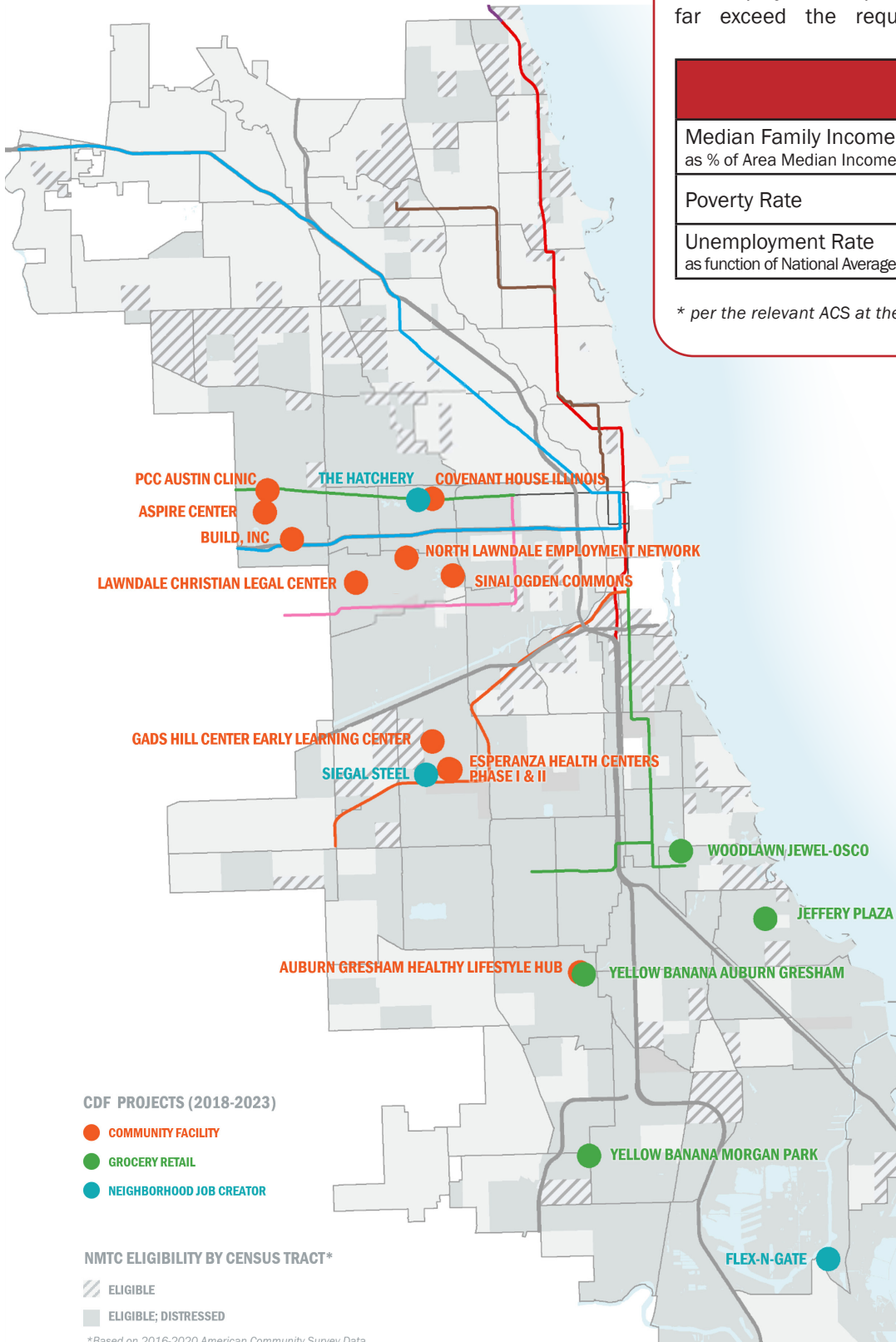
RECENT EXAMPLE: SIEGAL STEEL

NMTC financing supported equipment expenditures at a steel coil processing plant in Brighton Park. The project supports 60 full-time equivalent jobs (FTEs), 97% of which receive a living wage and benefits and 92% of which are accessible without a four-year degree.

The CDFI Fund designates a subset of NMTC-eligible census tracts as being particularly distressed based on American Community Survey (ACS) data. On average, CDF's track record projects lie predominantly in tracts that far exceed the requirements for distress*:

	Distressed Requirement	CDF Track Record*
Median Family Income as % of Area Median Income	≤60%	48%
Poverty Rate	≥30%	34%
Unemployment Rate as function of National Average	≥1.5x	2.4x

* per the relevant ACS at the time of investment



04 COMMUNITY & ECONOMIC IMPACTS TO DATE

SERVICES

30

projects supported that offer health care, job training and placement, after-school programs, and education

1,318,300

square feet developed for organizations providing vital community services

84%

of participants are low-income

251,300

clients anticipated to be served annually at full operation

HEALTHY FOODS

5

projects provide retail access to healthy foods

198,000

square feet developed to address healthy food access

100%

of projects accept SNAP and/or WIC

216,300

residents of USDA-designated Low-Income, Low-Access areas living within each stores' primary trade radius

JOBS

5,200

FTEs anticipated to be supported
at full operation
(1 FTE per \$26,600 in CDF NMTC subsidy)

\$50,200

average annual wage
for full-time positions

95%

of full-time positions
offer health benefits

70%

of full-time positions are accessible
without a college degree

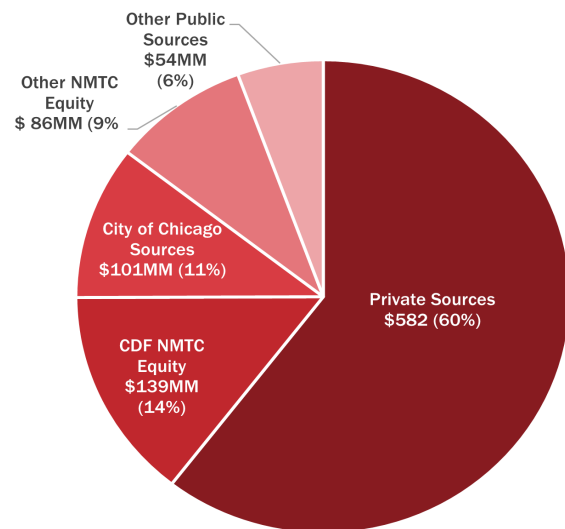
LEVERAGING PRIVATE INVESTMENT

\$448.5M

in NMTC allocation provided
to 46 projects

\$963M

supported in total project
investment



05 COMMUNITY AREA SPOTLIGHT: WOODLAWN

As a place-based CDE whose work is intertwined with city initiatives and local revitalization strategies, CDF prioritizes complementary investments that build on one another, supporting meaningful long-term change in distressed neighborhoods. For example, CDF's multiple investments in the Woodlawn community area stemmed from CDF's close community partnerships and intimate knowledge of the community's planning efforts.

ABOUT WOODLAWN

Woodlawn, a majority Black neighborhood on Chicago's South Side with a rich history of community activism and planning, is a remarkable case study on the transformative power of community-driven redevelopment.

In the early 1960s, Woodlawn was home to a population of more than 80,000 people and one of the busiest commercial corridors on the South Side, but racially discriminatory policies and years of disinvestment led to significant population loss, a deteriorating housing stock, and chronic crime.

Despite these setbacks, Woodlawn residents have been resilient and steadfast in their commitment to restoring their neighborhood's economic and cultural vibrancy. As a result, median household income has increased, violent crime has fallen steadily year over year since 2000, and the population has started to grow after five decades of decline.

In 2006, when the U.S. Department of Housing and Development explored closing the Grove Parc Section 8 housing complex, residents organized a neighborhood coalition to initiate revitalization and advocate against their displacement. In direct partnership with this coalition, Preservation of Affordable Housing (POAH) and the City of Chicago successfully collaborated to win a \$30.5 million HUD Choice Neighborhood Implementation grant in 2011. The grant, which leveraged more than \$400 million in development, supported the redevelopment of the Grove Parc complex, yielding new and renovated housing, new commercial and community facilities providing vital services for residents, and investment in community schools, public safety, infrastructure, and job training.

In support of these efforts, CDF has invested multiple times in Woodlawn, yielding the following impacts:

\$5.8 MM

in net NMTC benefit from CDF
deployed allocation

220

permanent FTEs supported,
100% paying a living wage

32,500

Residents of USDA-designated
Low-Income, Low-Access areas
living within the store's primary
trade radius

170

community youth
receiving after-school
programming and
academic support

CDF Investment: Woodlawn Jewel-Osco

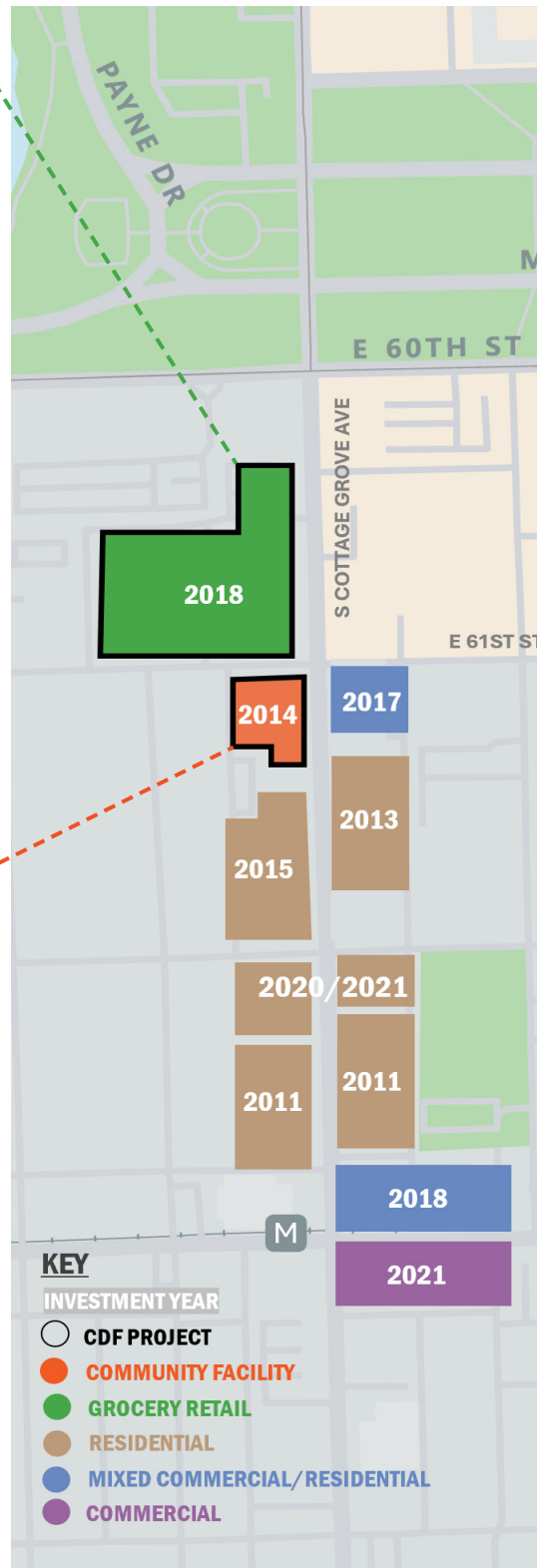
CDF's \$11.5 million NMTC QEI supported the purchase and installation of equipment and inventory costs for a new 48,000-square-foot full-service grocery store located at the northwest corner of 61st Street and Cottage Grove Avenue. POAH selected the project to be the commercial anchor for the Choice Neighborhood Initiative in response to residents' concerns about local sources of food and employment.

The project boosted the neighborhood redevelopment's visibility and brought the first full-service grocery store to the community in over 40 years. The project provides access to healthy, affordable fresh foods in a USDA Food Desert. Additionally, it supports 200+ permanent FTE positions, 99% of which are accessible with less than a four-year college degree. POAH has also partnered extensively with Jewel-Osco to ensure a focus on hiring and training neighborhood residents.

CDF Investment: MetroSquash

CDF's \$5 million NMTC QEI supported the acquisition and construction of a 19,300-square-foot sports and academic facility at 6100 S. Cottage Grove Avenue. The project created a permanent home for MetroSquash, a nonprofit with a mission to use squash, academics, mentoring, cultural enrichment, and community service to empower Chicago Public School students. POAH specifically identified MetroSquash as the Choice Neighborhood Initiative's anchor community facility.

The Project provides low-income students in 5th through 12th grade with after-school enrichment, college preparation, and assistance in obtaining scholarships. Additionally, the project provides vital community space and professional support for Woodlawn Children's Promise Community (WCPC), a coalition of nonprofit and neighborhood partners focused on expanding support for youth and families and improving education outcomes in the community.



05 2023 FUNDING ACTIVITY

Esperanza Health Centers Phase 2



CDF NMTC Allocation
\$12 million

Community Area
Brighton Park

Closing Date
March 3, 2023

Scope
Construction of a
44,000-square-foot
health and wellness center

Sponsor

Founded in 2004, Esperanza Health Centers (Esperanza) is a minority-controlled Federally Qualified Health Center that provides bilingual primary care, behavioral health, and wellness services to more than 40,000 patients annually via seven health clinics on Chicago’s Southwest Side.

Features

The project, which is adjacent to one of Esperanza’s existing health clinics, completes the organization’s flagship Brighton Park campus. The new building includes 34 exam rooms, 12 counseling rooms, space for specialty programs like senior day services and patient education, and a full-service café.

Impact

The new facility increases Esperanza’s capacity to deliver health care services to underserved residents and to launch innovative programs that address acute neighborhood needs. At full operation, the project will provide 20,000 unique patients annually with primary and behavioral health care services and employ nearly 130 permanent FTEs. The building will have a particular focus on seniors, a growing portion of Brighton Park’s population, which Esperanza will serve through geriatric health services and on-site adult day services via its newly-established Program of All Inclusive Care for the Elderly (PACE) center.

Yellow Banana



CDF NMTC Allocation

\$5.5 million

Community Area

Auburn Gresham & Morgan Park

Closing Date

March 31, 2023

Scope

Acquisition and remodel of two grocery stores in food deserts on Chicago's South Side

Sponsor

Yellow Banana, founded in 2021, is a minority-owned retail grocery platform operating 38 stores across the Chicago, Cleveland, Milwaukee, Jacksonville, and Dallas metropolitan areas, including six Save A Lot locations in Chicago. Yellow Banana's mission is to deliver essential nutrition to working families at affordable prices.

Features

Both full-service grocery stores will include expanded produce sections, meat counters, dairy sections, and refrigerated, frozen, dry, and general merchandise grocery offerings.

Impact

The project will increase access to affordable, high-quality, and healthy groceries for nearly 51,000 Low-Income Community residents, including approximately 30,500 USDA Food Desert residents within a one-mile radius of either store. The project will support 16 permanent FTEs across the two locations. All positions are accessible without a high school diploma, and Yellow Banana intends to maximize its hiring from the Auburn Gresham and Morgan Park communities.

Aspire Center



CDF NMTC Allocation

\$10 million

Community Area

Austin

Closing Date

September 7, 2023

Scope

Redevelopment of the closed Robert Emmet elementary school into a 38,000-square-foot mixed-use community resource and workforce training center

Sponsor

The project is co-sponsored by Austin Coming Together (ACT) and Westside Health Authority (WHA). ACT, founded in 2010, and WHA, founded in 1988, have the shared mission of improving education and economic development outcomes for the Austin community and the greater West Side.

Features

The project includes a manufacturing workforce training center operated by Jane Addams Resource Corporation (JARC); offices and programmatic space for WHA and ACT to provide community wellness and employment services; spaces to be developed in the future for a health clinic and café; and a BMO Harris Bank branch.

Impact

ACT and WHA will serve more than 5,900 hard-to-employ individuals annually with comprehensive employment preparedness and skills development services. JARC will provide manufacturing training, job placement, and financial literacy services to help 100 participants gain access to high paying jobs annually. At full operation, the project is anticipated to support more than 50 permanent FTEs across the various tenants.

Lawndale Christian Legal Center



CDF NMTC Allocation

\$4.5 million

Community Area

North Lawndale

Closing Date

November 28, 2023

Scope

Rehabilitation of an existing facility and the construction of an addition to create a new 32,600-square-foot comprehensive support services center

Sponsor

Lawndale Christian Legal Center (LCLC) is a minority-controlled nonprofit organization that provides holistic, community-based legal defense and wrap-around services to emerging adults ages 18 to 24. Since its founding in 2010, LCLC has assisted hundreds of juveniles and emerging adults through and away from the criminal justice system with its advocacy and its network of community-based services and assets within North Lawndale.

Features

The transformed building includes 20 single-room occupancy units for LCLC's new residential workforce development program; a computer lab; program and training space; fitness facilities; a commercial kitchen and cafeteria; and office space for LCLC's attorneys, case managers, and outreach workers.

Impact

The project increases the accessibility of LCLC's services to young adults in North Lawndale's K-Town and supports new programs that address the neighborhood's unmet needs. The project is expected to provide 1,980 clients annually with holistic, community-based legal representation and social services to promote better community outcomes. LCLC's residential workforce development program will provide 20 clients annually with stable housing, robust support services, hard-skills training, transportation, and career opportunities with partnering unions and general contractors. The project is anticipated to employ nearly 50 permanent FTEs at full operation.

Chicago Development Fund

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