

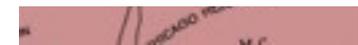
Advisory Board Meeting



March 31, 2026

From Left: North Lawndale Employment Network, photo credit Tom Harris; Auburn Gresham Healthy Lifestyle Hub; BUILD, Inc., photo credit Tom Harris

**CHICAGO
DEVELOPMENT
FUND** ★ ★ ★ ★



Discussion Topics



- ★ Public Comment Period
- ★ Approval of Minutes
- ★ Portfolio Status
- ★ Consideration of Inherent Homes Project
- ★ NMTC Program and Timing Updates
- ★ Advisory Board Role in NMTC Program Compliance
- ★ Other Business

PUBLIC COMMENT PERIOD



APPROVAL OF MINUTES



PORTFOLIO STATUS



Portfolio Overview

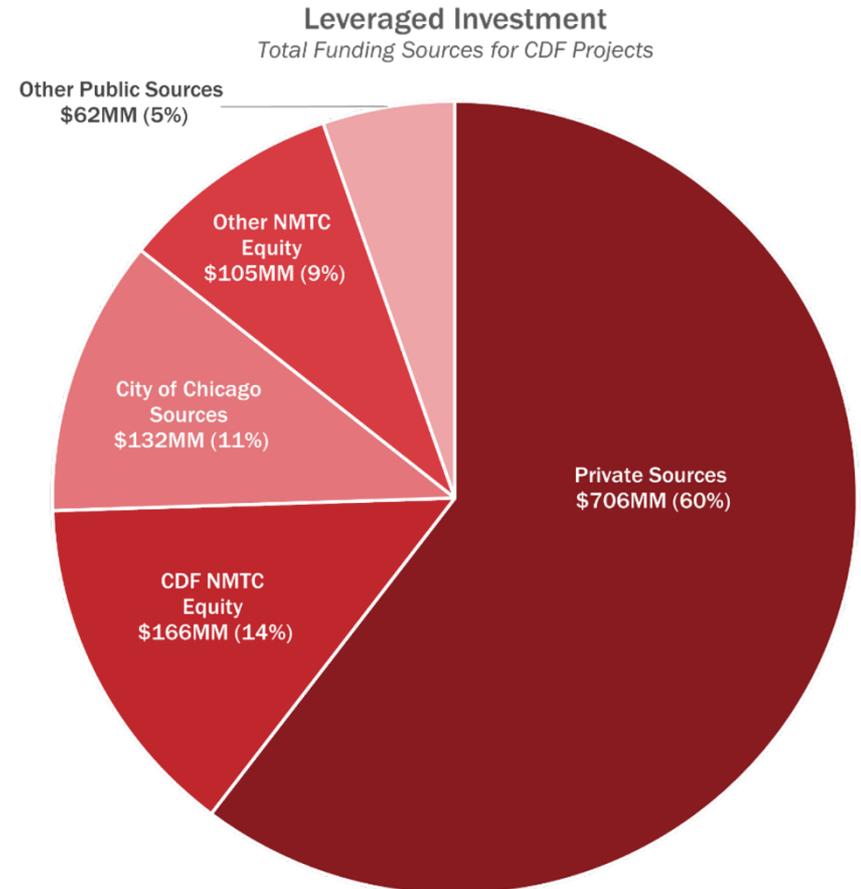


Overview of CDF Investments

- ★ Has closed on NMTC financing for 55 projects, including:
 - ★ 35 Community Facilities
 - ★ 6 Grocery Retail Projects
 - ★ 14 Neighborhood Job Creators
- ★ NMTC activity has leveraged \$1.17 billion in new investment (see right)

Impacts of Projects at Stabilization

- ★ Job Creation & Retention
Support 7,000+ permanent jobs and create 3,300+ temporary construction jobs
- ★ Community Services
Provide 256,000+ low-income individuals with critical health and social services
- ★ Healthy Food Access
Provide 248,000+ residents of USDA Food Deserts with access to fresh, healthy food



Portfolio Status



21 active projects
are in the 7-year compliance period
(nine shown below)

34 unwound projects
have completed the compliance period
(recent shown below)



Freedman Seating



Forty Acres Fresh Market



Lawdale Christian Legal Center



Flex-N-Gate



Aspire Center



Yellow Banana



Esperanza Health Centers Phase II



Woodlawn Jewel-Osco



Siegal Steel



BUILD, Inc



LCHC Residency



Gads Hill Center

■ Community Facility
 ■ Grocery Retail
 ■ Neighborhood Job-Creator

Freedman Seating photograph courtesy of Freeman Seating; Flex-N-Gate photograph courtesy of Tim Graham; Esperanza Health Centers Phase II photograph courtesy of Esperanza Health Centers; BUILD, Inc. photo credit: Tom Harris; Gads Hill Center photograph courtesy of Gads Hill Center

Recently Approved Projects



Comer Xchange



- Renovation of vacant building into hub for IT skills training and job creation in Greater Grand Crossing
- NMTC financing closed July 2024
- \$9MM in CDF NMTC allocation

Fillmore Center



- Equipment for commercial laundry operator as part of redevelopment of industrial building in North Lawndale
- NMTC financing closed October 2024
- \$7.5MM in CDF NMTC allocation

Sankofa Village Wellness Center



- Construction of multi-tenant, health-focused community facility in West Garfield Park
- NMTC financing closed December 2024
- \$10MM in CDF NMTC allocation

Carole Robertson Center



- Renovation of a community facility for early childhood education in South Lawndale
- NMTC financing closed February 2025
- \$6.5MM in CDF NMTC allocation

TCA Health Center



- Construction of nutrition innovation center and renovations to an existing health center in Riverdale
- NMTC financing closed March 2025
- \$9MM in CDF NMTC allocation

Austin Hope Center



- Construction of a multi-tenant pediatric health and services center in Austin
- NMTC financing closed October 2025
- \$12MM in CDF NMTC allocation

■ Community Facility
 ■ Grocery Retail
 ■ Neighborhood Job-Creator

CONSIDERATION OF INHERENT HOMES PROJECT



Project Overview



Financing the purchase and installation of equipment, building materials, salary/wages, and other expansionary operating expenses for Inherent's home building production in its newly leased 70,000-square-foot facility in North Lawndale



Address

1300 S Kostner Ave

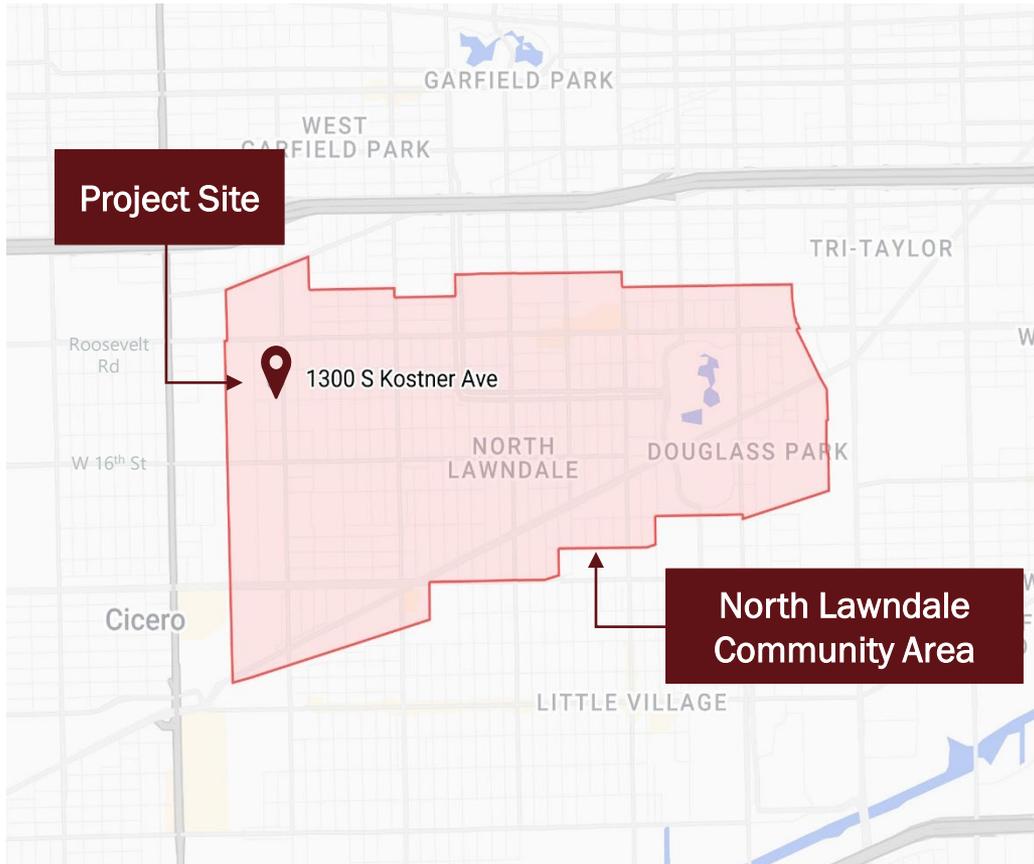
Neighborhood

North Lawndale

Closing Timeframe

Q2 2026

Project Location



Address

1300 S Kostner Ave, Chicago, IL 60623

Community Area

North Lawndale

Ward

24 (Scott)

Census Tract

17031290900 (Qualified, Deeply Distressed)

- ★ Median Family Income: 32%
- ★ Poverty Rate: 41%
- ★ Unemployment Rate: 25.1% (4.65x national)

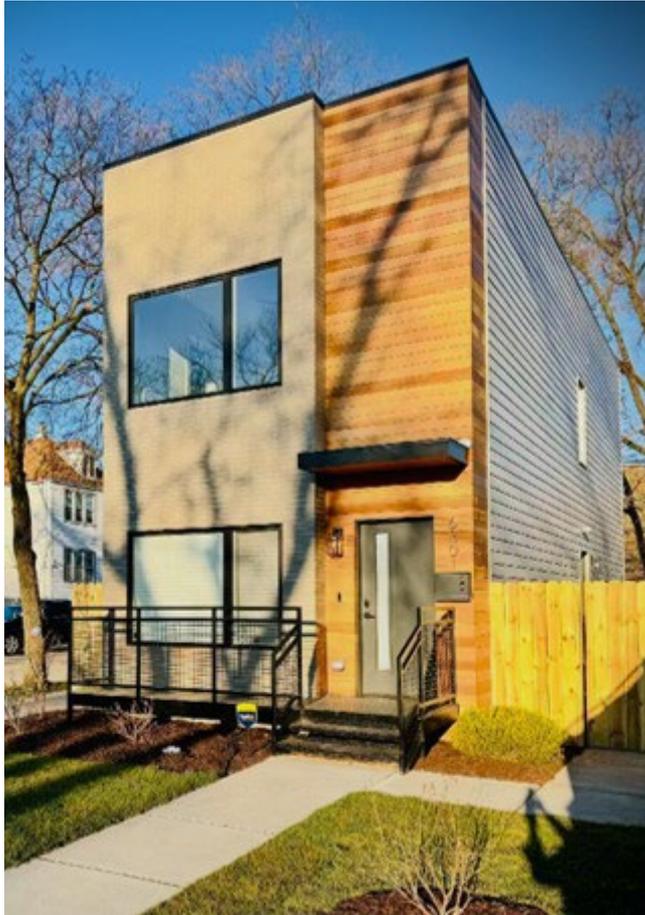
Sponsor – Inherent L3C – Overview



- ★ **Inherent L3C (Inherent)**, was formed in 2021 with the mission to transform lives, communities, and generations through homeownership
 - ★ Co-owned by Tim Swanson (lead partner and CEO) and Harry Huzenis (investor partner)
 - ★ Produces affordable modular for-sale housing primarily for Chicago’s South and West sides
 - ★ Provides homebuyers with five years of workmanship warranty and quarterly maintenance and support
 - ★ Past and Future Production
 - ★ Delivered 33 homes to date
 - ★ 6 homes currently under production and many more in near-term pipeline slated for 9 community areas across Chicago’s South and West sides
- ★ Inherent’s work is supported by **Inherentance**, an affiliated nonprofit involved in site acquisition and development, and fundraising



Sponsor – Inherent L3C – Affordability



Inherent targets households earning between 80% and 150% of AMI and prices its homes at no more than 3x a household's annual income, capping housing costs at 33% of income

Inherent's Housing Typologies and Prices

TYPE	PRICE*	AFFORDABILITY
Tiny Home <i>400sf, 1bed/1 bath</i>	\$95,000	30% AMI
Two Flat <i>800sf 2 bed/1 bath per unit</i>	\$225,000	60% AMI
Three Flat <i>1,150sf 3 bed/2 bath per unit</i>	\$275,000	80% AMI
Bungalow <i>800sf 2 bed/2 bath w/800sf basement for future buildout</i>	\$350,000	100% AMI
Two Story Single Family <i>1,450sf, 3 bed/2 bath</i>	\$395,000	120% AMI

* unsubsidized

NMTC Project Components



1. EQUIPMENT PURCHASES AND UPGRADES

Module column lifts, industrial miter saw, material moving equipment, production cell computer control systems, and various production line tools

2. BUILDING MATERIALS AND INVENTORY

Home building materials related to mechanical, electrical, flooring/tile, roofing, siding, windows, plumbing, and technology

3. EXPANSIONARY OPERATING EXPENSES

Primarily salary/wage expenses of home building production staff

Together, these elements will help Inherent to:

- **Quintuple** its annual unit output
- Increase the size of its workforce by **350%**
- Decrease its cost to build by **10% to 15%** on each home

Community Impacts



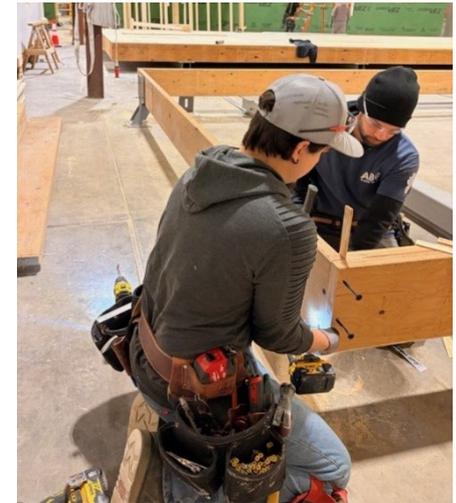
Quality, Accessible Jobs

- ★ Anticipated to support 95 FTEs (21 retained, 76 created)
- ★ Job Quality – 100% of FTEs will earn a Living Wage* and/or receive benefits
 - ★ Employees will earn an average wage of \$30.71/hour, 1.2x the Living Wage
 - ★ Benefits include medical/dental/vision insurance, retirement benefits, paid time off, and down payment grant for an Inherent Home
 - ★ Inherent will provide training to promote growth within and advancement outside of the company
- ★ Job Accessibility – 86% of FTEs will be in roles not requiring a 4-year degree
 - ★ Majority of roles will be entry-level skilled trade positions.
 - ★ Will recruit low-income and hard-to-employ residents, particularly from the South and West sides, through community partners (e.g., Dawson Technical Institute, Chicago BUILDS/CPS, Revolution Workshop)

Community Plan Alignment

- ★ Advances goals of the North Lawndale Quality-of-Life Plan to grow local employment opportunities in the industrial sector and encourage businesses to hire local residents

* Per MIT Living Wage Calculator for 1 adult in Cook County, Illinois



Transaction Details



Proposed Allocation

Up to \$10 million from CDF

Other Key Sources

Schreiber Recoverable Grant

NMTC Investor

Valley National Bank

Timeline

NMTC financing is anticipated to close in the second quarter of 2026

Sources	
NMTC "B Note"	\$2,920,000
Schreiber Recoverable Grant Proceeds	\$6,920,000
Total Sources	\$9,840,000
Uses	
Equipment & System Tools	\$1,435,000
Inventory/Material	\$2,681,250
Other Operating Expenses – Production Payroll	\$5,139,750
Investment Fund Expense Reserves (Valley Bank)	\$40,000
CDF CDE Fee/Expense Reserves	\$244,000
Transaction Closing Costs	\$300,000
Total Uses	\$9,840,000

NMTC PROGRAM AND TIMING UPDATES



NMTC Program and Timing Updates



2024/2025 Application Cycle – \$10 billion round (double round)

November 2024	CDFI fund announced opening of round
January 2025	CDF submitted an application to the CDFI fund
December 2025	Awards announced; CDF's application was unsuccessful

Future Application Cycles

- NMTC program made permanent via the One Big Beautiful Bill Act; awards are expected to continue on a roughly annual basis going forward
- Next application anticipated to open in Q2/early Q3 2026 with awards announced approximately 9 months later

ADVISORY BOARD ROLE IN NMTC PROGRAM COMPLIANCE



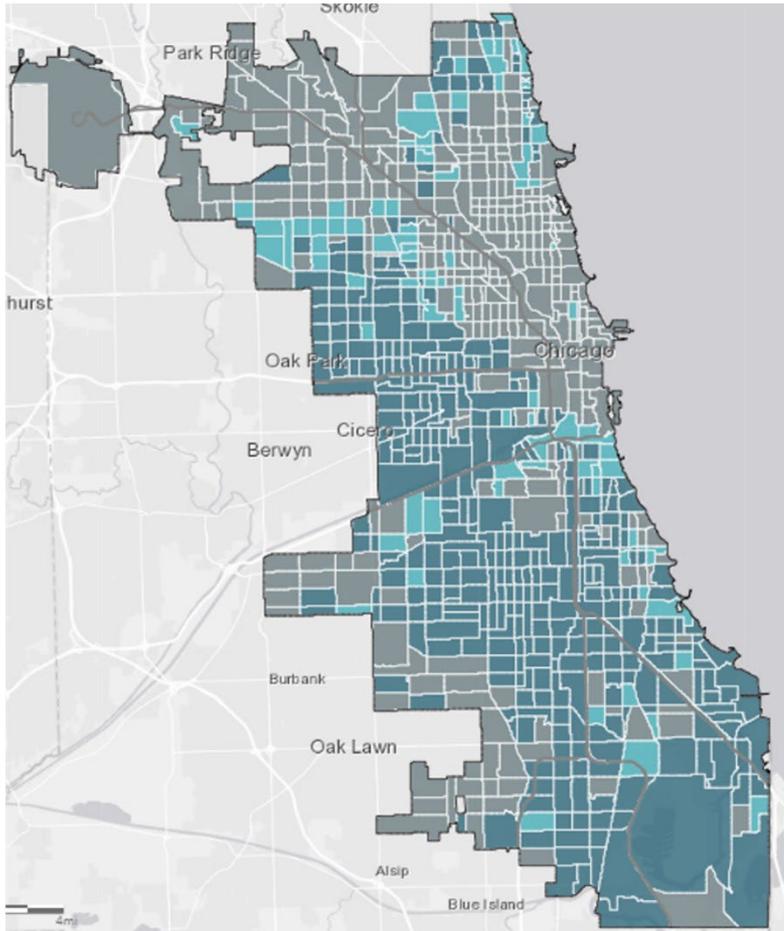
NMTC Program Compliance – LIC Accountability



- ★ Failure to maintain CDF's status as a qualified Community Development Entity (CDE) with the Community Development Financial Institutions (CDFI) Fund could result in:
 - ★ CDF being barred from future NMTC awards; and/or
 - ★ Recapture of 100% of NMTCs CDF has allocated to date, with penalties and interest (CDF is "on the hook" via its agreements with NMTC investors)
- ★ To maintain CDE status, CDF must demonstrate that it is accountable to low-income communities (LICs) through inclusion of LIC representatives on the Advisory Board.
 - ★ At all times, at least 20% of Advisory Board members must be LIC representatives; investors often require higher levels.
 - ★ CDF must document annually that it remains accountable to LICs by collecting affidavits from Board members; this will be distributed to the Advisory Board following this meeting



Ways to Qualify as an LIC Representative



NMTC Eligibility

Ineligible Eligible Eligible, Distressed

- ★ Live in an LIC;
- ★ Work for an organization with the mission to serve LIC residents;
- ★ Serve as a board member of an organization with the mission to serve LIC residents;
- ★ Serve as a religious leader of an institution located in an LIC;
- ★ Work as an employee of a government agency/department that principally serves LICs (but not City of Chicago); and/or
- ★ Own a small business which provides goods and services to or principally employs LIC residents

Advisory Board members should advise CDF immediately if place of residence, employer, board membership, or small business ownership changes.

OTHER BUSINESS

