

**Strength  
Through  
Partnership**



**2020 FHLBank Chicago  
Community Investment Advisory  
Council Annual Report**



## Letter from the Advisory Council Leadership

This past year, communities across Illinois and Wisconsin experienced a variety of challenges resulting from the COVID-19 pandemic. The prolonged impacts on housing, small businesses, and local economies reinforced the importance of FHLBank Chicago's Community Investment programming, and our members and community partners that make them possible. For the Community Investment Advisory Council, 2020 provided an opportunity to shape and expand programs to make a meaningful difference throughout the District. We are proud to highlight our work and remain committed to meeting the challenges of tomorrow.



## Racial Equity Working Group

In late summer of 2020, the Advisory Council launched a working group to promote racial equity across FHLBank Chicago's Community Investment programs and in the affordable housing and community development space districtwide. Nine Advisory Council members participated in this effort, and together, we completed a review of the competitive Affordable Housing Program and the Downpayment Plus® Program using a Racial Equity Impact Assessment tool. As a result of this review, we made recommendations to increase equity within these programs and identified areas for new programs, as well. The Racial Equity Working Group is charting new territory, highlighting opportunities to strengthen our commitment to diversity, equity, and inclusion.

## Deep Dive Discussions

Throughout the year, the Advisory Council held deep dive discussions on important topics in community development during our joint meetings with the Board of the Directors' Affordable Housing Committee. These discussions were led by Advisory Council members and allowed us to share expertise on issues affecting communities throughout the District and provide valuable learning opportunities. Topics explored included Community Reinvestment Act modernization; affordable housing amid the COVID-19 crisis; the history of racial inequities in housing; and needs, priorities, and solutions for affordable housing beyond 2020. We look forward to continuing these engaging conversations in the coming year.

In service,

### **Jackie L. Newman**

*Community Investment Advisory Council Chair, Executive Director, Springfield Housing Authority, Springfield, Illinois.*

### **David Porterfield**

*Community Investment Advisory Council Vice Chair, Director of Real Estate Development, Movin' Out, Inc.*

## Rising to the Challenge: COVID-19 Pandemic Relief

As the impact of the global COVID-19 pandemic unfolded in the spring of 2020, our members acted quickly to maintain your business operations and support your customers across Illinois and Wisconsin. You navigated the uncommon uncertainty by looking beyond yourselves and recognizing strength lies within the communities you serve.



**98%**  
member  
participation

But our members and your communities were not alone in the fight. The profound impact of the pandemic caused strain not only on communities and businesses but also on financial markets. The Federal Home Loan Bank of Chicago (FHLBank Chicago) adapted alongside our members to adjust the way we work by doing so virtually and without interruption to continue to deliver our products and services you rely on. However, we knew more assistance was necessary in order to support our members and your communities during this challenging time.

On April 27, 2020, we launched our COVID-19 Relief Program, a one of a kind program providing all of our members with access to two special offerings—the COVID-19 Relief Advance, a zero-rate advance to meet your immediate liquidity needs, and the COVID-19 Relief Grant, a grant up to \$20,000 to assist small businesses and nonprofits affected by the pandemic in your communities.

“Our customers loved the program and were so appreciative of those funds at a time when they were shut down and needed them most so they and their employees could survive,” said Kevin Day, President and CEO, State Bank of Waterloo, located in Waterloo, Illinois. “The funds provided needed payroll funding to support the employees and the local community. It’s all a waterfall effect. Employees continue to get paid, continue purchasing from local stores, and continue using local services. The COVID-19 Relief Program not only helped our clients, it helped the community at large.”

While our COVID-19 Relief Advance helped members with the shifting market and balance sheets, members used our COVID-19 Relief Grant to meet the needs of more than 5,000 beneficiaries across Illinois and Wisconsin including food pantries, social service organizations, local shops and restaurants, first responders, and many more. An astounding 98% of members took advantage of at least one of these offerings, which totaled more than \$2 billion in advances and \$13.1 million in grants in just four weeks.

“We worked with the Foundation for Black Women’s Wellness, a nonprofit that focuses on black families and the women that lead them,” said Jaimes Johnson, Director of Community Partnerships, University of Wisconsin Credit Union, Madison, Wisconsin. “The pandemic disproportionately impacted these women, and the funding provided relief and stability to over 200 families during a time of critical need.”

As the pandemic carried on, we too recognized the disproportionate impact the pandemic was having on the most vulnerable members of our communities and the importance of having conversations about how its effects differed across demographics in Illinois and Wisconsin.

Our Office of Diversity and Inclusion and African American Employee Resource Group (ERG) launched an internal educational series titled “COVID-19 in Communities.” The series of articles explored the impact COVID-19 presented in different populations, including rural and urban neighborhoods, people of different generations, historically disenfranchised communities, and more. These articles were followed by engaging discussions by FHLBank staff and a signature event featuring guest speakers with experience working with these populations. The speakers included Maggie Rzechula, Vice President, City National Bank of Metropolis, Metropolis, Illinois; Steve Vogt, Executive Vice President and Chief Financial Officer, City National Bank of Metropolis, Metropolis, Illinois; Maria Kim, President and CEO, Cara, Chicago, Illinois; Grace Chan McKibben, Executive Director, The Coalition for a Better Chinese American Community, Chicago, Illinois; and Terry Peterson, Vice President, Corporate and External Affairs, Rush University Medical Center, Chicago, Illinois.

“The ongoing conversations at our Bank and with our members and community partners guide our work and enable us to direct support where it is most needed,” said Katie Naftzger, Community Investment Officer, FHLBank Chicago. “We are humbled by our members’ community relief efforts and thank them for the opportunity to partner with them in this important work.”

View our [COVID-19 Relief Program video](#) to hear the stories of how beneficiaries across Illinois and Wisconsin benefited from your work and generosity.

## Committed to Action and Making an Impact

In the weeks following the conclusion of our COVID-19 Relief Program, our District continued to battle the pandemic and its economic impact. The negative effects were felt in every community, but it soon became more apparent that some populations had been disproportionately affected by the crisis, including Black, Latino, Native American, elderly, rural, and low- and moderate-income communities.



More than **1,300 organizations** supported

In conversations with our members, many expressed a shared interest in addressing racial and economic equity disparities in their cities and towns. Although a remarkable 98% of our members participated in the COVID-19 Relief Program earlier in the year, our members recognized an additional opportunity to invest in their communities where support was needed most.

On August 10, 2020, we announced the creation of a Targeted Impact Fund. This program provided all of our members with access to up to \$20,000 in grant funding to support populations hardest-hit by COVID-19. Beneficiary categories supported Minority Business Enterprises (MBEs) and/or Women's Business Enterprises (WBEs), the advancement of Black and Latino Communities, empowerment services for populations hardest hit by COVID-19, and affordable housing sustainability. Members were able to maximize their available grant funds by committing to match some or all of the base grant dollars.

At the conclusion of the program on November 10, 2020, 76% of our members had participated in the Targeted Impact Fund helping more than 1,300 beneficiaries. In total, \$9.8 million grant funds were provided throughout Illinois and Wisconsin, which included \$1.5 million in member matching.

[View our video](#) learn how our members committed to creating impactful change in their communities through the Targeted Impact Fund.

## Year-Round Investment in Your Communities

Throughout 2020, we partnered with our members to support communities that needed it most. This effort was furthered by three staple Community Investment programs – our competitive Affordable Housing Program (AHP), our Downpayment Plus® (DPP®) Program, and the Community First® Capacity-Building Grant Program.



Nearly **3,000 homebuyers** assisted through DPP

In 2020, FHLBank Chicago granted \$24.8 million through our competitive AHP to finance 44 housing projects in Illinois and Wisconsin, all the result of collaboration between our members and local housing organizations. These awards supported the acquisition, rehabilitation, and new construction of more than 2,000 housing units. Your partnership with us on this program changes lives in our District as we expand the supply of safe, stable affordable housing via both rental and homeownership opportunities.

Each year, FHLBank Chicago contributes 10% of our earnings to affordable housing programs, including both the competitive AHP and DPP Program. DPP is FHLBank Chicago's downpayment assistance grant program, which is available to all members to support your mortgage lending to low- and moderate-income households. Throughout 2020, 178 members disbursed \$17 million in DPP grants in support of nearly 3,000 homebuyers in your communities to assist with downpayment and closing costs for eligible households. This support ensured that households on the path to affordable homeownership were not deterred in fulfilling their goals, even as the pandemic unfolded.

In addition to these regulatory grant programs, FHLBank Chicago opts to fund additional Community Investment programming to support the unique needs of our district. The pandemic highlighted the critical importance of one such program in particular—the Community First Capacity-Building Grant Program. We recognized investing in the strength of nonprofit community development lenders was imperative in 2020 as they provide essential products and services to diverse communities throughout Illinois and Wisconsin. Through the Community First Capacity-Building Grant Program, we awarded \$948,562 to 21 nonprofit community development lenders in partnership with 14 members in Illinois and Wisconsin. These award recipients are using the Capacity-Building Grant funds to support the development and expansion of loan products, information technology upgrades, improvements to organizational policies and procedures, and for professional development of staff and boards of directors.

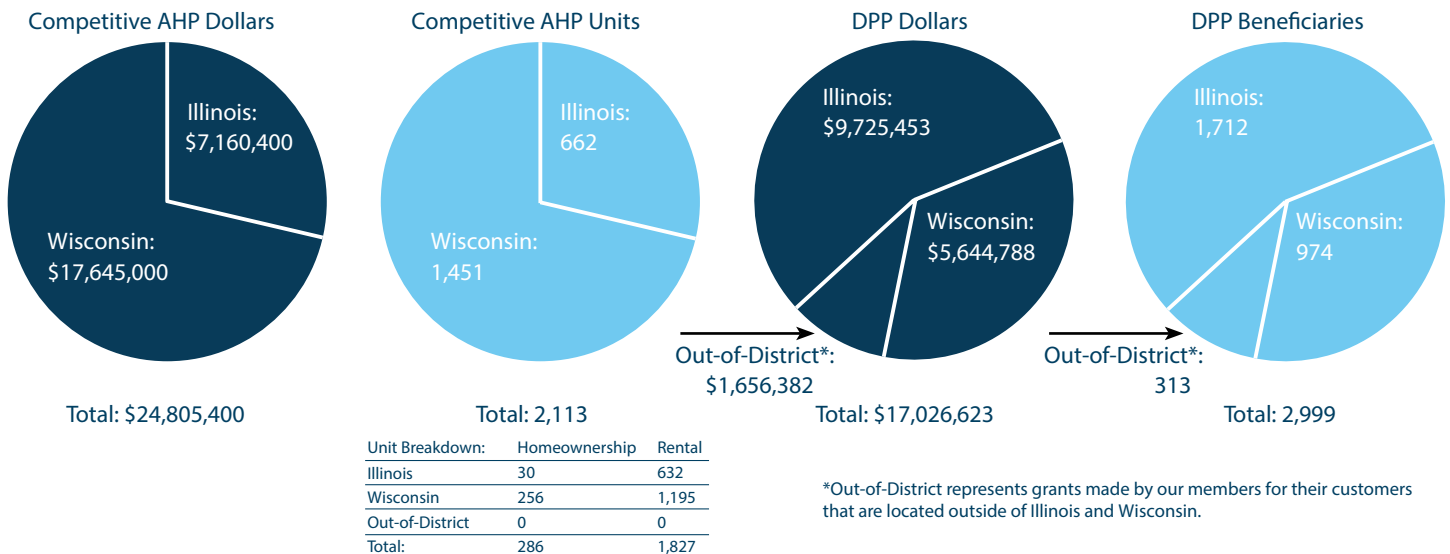
# 2020 Community Investment Performance Summary

The Federal Home Loan Bank of Chicago (FHLBank Chicago) provides financing and direct funding tools that support the affordable housing and local community lending initiatives of our members. By using our products individually or in combination, FHLBank Chicago members and their community partners can create economically competitive solutions that contribute to the quality of life in the communities they serve.

## Programs

	2020 Beneficiaries	2020 Dollars (originated)	Cumulative Since 1989 Beneficiaries	Cumulative Since 1989 Dollars (\$ millions) (originated)
<b>Community Lending</b>				
Community Development Advance	15 (t)	\$395,536,348	1,001 (t)	\$3,103
Community Housing Advance	6,463 (u)	\$836,533,461	139,361 (u)	\$9,805
Community Small Business Advance	24 (t)	\$16,409,177	64 (t)	\$34
Mixed Use	0 (t)	\$0	42 (t)	\$113
<b>Subtotal Community Lending</b>		<b>\$1,248,478,986</b>		<b>\$13,055</b>
<b>Grant Programs</b>				
Competitive Affordable Housing Program (AHP)*	2,113 (u)	\$24,805,400	86,375 (u)	\$508
Downpayment Plus (DPP) Program	2,912 (u)	\$16,507,096	41,489 (u)	\$222
Downpayment Plus Advantage (DPP Advantage)	87 (u)	\$519,527	1,444 (u)	\$9
<b>Subtotal Grant Programs</b>	<b>5,112 (u)</b>	<b>\$41,832,023</b>	<b>129,308 (u)</b>	<b>\$739</b>
<b>Total Program Financing</b>		<b>\$1,290,311,009</b>		<b>\$13,794</b>

(t) transactions (u) housing units \*Awarded



## Voluntary Programs

	2020 Beneficiaries	2020 Dollars (committed)	Since Inception Beneficiaries	Since Inception Dollars (committed)
Community First® Awards (i)	4	\$40,000	39	\$347,500
Community First® Capacity-Building* (i)	21	\$948,562	41	\$1,709,526
Community First® Disaster Relief (i)	0	0	327	\$1,631,167
Community First® Fund (ii)	0	0	8	\$45,750,000

(i) beneficiaries are grants (ii) beneficiaries are partners \*Awarded

## Community Investment Advisory Council



**Jackie L. Newman, Chair**

*Executive Director*  
Springfield Housing Authority



**David Porterfield, Vice Chair**

*Director of Real Estate Development*  
Movin' Out, Inc.



**Joaquin J. Altoro**

*Chief Executive Officer and Executive Director*  
Wisconsin Housing & Economic Development Authority



**Mark Angelini**

*President*  
Mercy Housing Lakefront



**Deborah E. Bennett**

*Senior Program Officer*  
Polk Bros. Foundation



**Allison Milld Clements**

*Executive Director*  
Illinois Housing Council



**Lafayette Crump**

*Commissioner of City Development*  
City of Milwaukee



**Russell D. Kaney**

*Principal*  
21st Century Communities, LLC



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*Executive Director*  
Illinois Housing Development Authority



**Tom Landgraf**

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Dimension Development, LLC



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Housing Action Illinois



**Julie Nelson**

*Associate Director*  
Corporation for Supportive Housing



**Kevin Newell**

*President and Chief Executive Officer*  
Royal Capital Group



**Sean O'Brien**

*Principal*  
Northpointe Development, LLC



**Valerie Johnson Renk**

*Chief Executive Officer*  
Habitat for Humanity of Dane County

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Federal Home Loan Bank of Chicago