

Chicago Community Loan Fund

Making the Critical Difference



MAKING THE CRITICAL DIFFERENCE

Midwest Energy Efficiency Alliance

MIDWEST ENERGY SOLUTIONS CONFERENCE

Funding Energy Efficiency Panel

January 9, 2008
Chicago, IL



About Opportunity Finance (CDFIs)

- **Mission of Intermediaries**
- **History of the Industry**
- **Scale of Industry**
- **Types of Intermediaries**
- **Regional Industry**
- **CCLF**
- **Q&A**

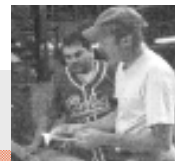
MAKING THE CRITICAL DIFFERENCE



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MISSION

- **Community Development Financial Institutions (CDFIs)** are private, non-governmental financial institutions that have community development as their primary mission and that develop a range of strategies to address that mission
- **Differ from conventional financial institutions:** provide T.A. and mission-driven vs. shareholder driven & seek overlooked opportunities (i.e., **Opportunity Finance!**)



HISTORY

- **45+ Years**
- **Launched as another strategy for revitalization and poverty alleviation with roots in Roosevelt's New Deal and Kennedy's War on Poverty**
- **As a response to "redlining" in the 1960s with support from Civil Rights Movement**
- **To fill gaps**



HISTORY/SCALE

- **Have played an integral role in attracting banks and others to LMI places and people**
- **Clinton's CRA Enforcement (1992) and CDFI Fund (1994) fueled huge growth in 1990s**
- **Grown from handful to 565+, 50 states**
- **1993, 300 CDFIs managed \$2 billion, now 565+ manage over \$15 billion (or so)**
- **Sizes range: \$100,000s to \$2 billion+**
- **Increase in bank partnerships/multi-layer financing today**



FIVE TYPES

- **COMMUNITY DEVELOPMENT BANKS**
- **COMMUNITY DEVELOPMENT CREDIT UNIONS**
- **COMMUNITY DEVELOPMENT LOAN FUNDS**
- **COMMUNITY DEVELOPMENT VENTURE CAPITAL FUNDS**
- **MICROENTERPRISE LOAN FUNDS**

***Source: Opportunity Finance Network/Pinsky 11/6/2000**

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REGIONAL INDUSTRY

- **170 CDFIs**
- **High concentration in Illinois (Chicago)**
- **\$100,000s to \$2 billion+**
- **All 5 types**
 - **Housing, community facilities, commercial/retail/industrial, small business**



About CCLF

- **Who is CCLF/How CCLF Works**
- **CCLF's Community Impact**
- **What Makes CCLF Unique**
- **Sustainable Development Program**



Roots in the Community

- Established in 1991
- By concerned individuals committed to organizing socially responsible investing to support grassroots community development
- Mission: facilitating community economic development by providing affordable, flexible financing & T.A.



Roots in the Community

- Original investment: \$200,000
- Now capitalized at over \$20 million
- A community development financial institution (CDFI) serving Metro Chicago
- A member of the Opportunity Finance Network



How CCLF Works

- Individuals, foundations, corporations (e.g., banks), government and religious orders invest in CCLF at below-market rates
- CCLF re-lends investors' funds to CDCs and CBOs engaged in community development & social services
 - Below market rates
 - Flexible, patient capital
 - Pre-construction-permanent financing
 - Technical assistance



Impact Across Chicagoland

- Funded 140+ loans totaling \$28+ million since inception to CDCs and CBOs
- 120 organizations
- 53 communities
- **1/2** billion \$\$ leveraged
- 4000+ housing units
- Nearly \$1.5 million square feet of community facility and commercial space



What Makes CCLF Unique

- Leading predevelopment lender
- Leading affordable housing cooperative lender
- “Go-To” lender for novel concepts
- “Go-To” lender for small or new organizations
- Early/leading promoter of sustainable development



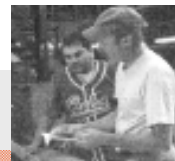
Eligible Organizations

- Non-profit Corporations (esp. faith-based)
- Non-profit/For-profit Joint Ventures
- Worker-owned & Housing Cooperatives
- Small DBE/WBE Real Estate Development Firms (case-by-case)



Types of Projects

- Affordable Multi & Single family Housing
- Social Service Facilities
- Retail/Commercial/Industrial Facilities
- Social Enterprises





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SUSTAINABLE DEVELOPMENT PROGRAM



Why Does a Lender Care?

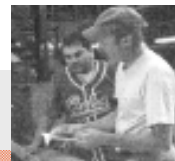
- **Sustainable projects = good loans**
- **Lower housing costs = more successful residents**
- **Sustainable buildings = better health = more successful residents**
- **Sustainable buildings = better environment**
- **Triple Bottom Line**

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Sustainable Development Program

- Building for Sustainability Workshop
- Project Readiness Workshop
- Working Group on Sustainable Design
- Green Resources Guide
- Online Design Resource Center



Sustainable Development Program

- First Point of Contact Promotion
- Underwriting Technical Assistance
- Lower Loan Pricing



OTHER GREEN CDFI LENDERS

- Shorebank
- Enterprise
- LISC
- CIC
- IFF



Future Opportunities

- Attracting equity to expand loan pools and lower pricing



CONTACT US!
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CDFI Industry Information

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THANK YOU!

