FIRST INSTALLMENT INTERIM PERFORMANCE UPDATE

This report is a six-month update detailing the progress of the Chicago Residential Investment Fund ("CRIF" or the "Fund") following the receipt of the first payment of City funds (the "First Installment") disbursed pursuant to an agreement between CRIF and the City of Chicago (the "City") executed on April 15, 2026 (the "Operating Grant Agreement"). Data in this report (the "Interim Performance Update") covers expenditures from the commencement of CRIF operations on April 15, 2026 through the end of the third quarter on September 30, 2026 (the "Reporting Period").

Pursuant to Section 3.2 of the Operating Grant Agreement, the purpose of this document is to provide an update to the key performance indicators that are described in Exhibit B of the Operating Grant Agreement ("Exhibit B"), including:

- Budget Performance Report
- Active Development Progress Report
- Recruitment and Staffing Report
- Unit Production Report

Executive Summary

Below is a brief summary of significant key performance indicators described in Exhibit B. The full details for each of these are described in their respective sections of this report.

Spending:

During the Reporting Period, CRIF expended a total of $373,979 across all categories or 59% of the budgeted amount of $634,904.

Revenue:

The First Installment of $2,000,000 in City funds was received April 27, 2026. No developer fees, rents or interest have been earned to date in the interim period.

Reserves:

A total of $896,211 is held in two separate Board-designated accounts specific to Operating Reserves and Future Reserves.

Staffing:

CRIF currently has three full-time employees on staff, including the Chief Executive Officer, the Director of Investments, and the Director of Special Projects. It is currently interviewing candidates for the role of Development Manager, a position with an anticipated start date in October 2026.

Development:

CRIF is evaluating development opportunities for its first projects but is not yet a party to any real estate transactions nor have any housing units been produced.

✶ 1. Budget Performance Report

This data compares CRIF's actual expenditures with the unadjusted budget provided to the City in Exhibit A of the Grant Agreement ("Exhibit A") which defines "Year 1" as running from January 1, 2026 through December 31, 2026. While monthly expenditures for the Year 1 period is provided as required in the tables below, data for the period from January to September 2026 is also provided to allow for more accurate direct comparisons. In all cases, expenditures are grouped into the eight budget categories included in Exhibit A.

Expenses by Area of Spend – Original Budget vs. Actual

The table below includes all CRIF expenditures through September 30, 2026, identified by budget category, term, and a comparison to data included in Exhibit A:

Budget Category	Exhibit A Budget (Full Year)	Exhibit A Budget (Jan. to Sept.)	Actual Expenditures (Jan. to Sept.)	% of Budget (Jan. to Sept.)	Variance (Jan. to Sept.)
Payroll	$459,712	$259,133	$160,136	62%	$98,997
Administrative	$53,370	$30,164	$46,890	155%	($16,726)
Marketing	$2,750	$2,000	$0	0%	$2,000
Office	$93,800	$60,500	$17,369	29%	$43,131
Legal & Professional	$248,500	$211,000	$107,133	51%	$103,867
Travel	$11,000	$8,000	$1,852	23%	$6,148
Insurance	$66,395	$48,107	$40,092	83%	$8,015
Miscellaneous	$22,000	$16,000	$508	3%	$15,492
Total Operating Expenses	**$957,527**	**$634,904**	**$373,980**	**59%**	**$260,925**

Original budget amounts are taken without adjustment from Exhibit A of the Grant Agreement. Variance is the comparison of actual expenditures to Exhibit A figures.

Explanation of Variances

- **Payroll:** This category is running significantly under budget. The primary reason for this is that the original budget assumed contract-based compensation at higher rates that accounted for a reimbursement of income taxes. CRIF, however, commenced operations with salary-based employment. The Chief Executive Officer was, for example, expected to have an initial contract-based salary of $291,525, while the actual figure is $205,000. Other factors impacting this change included an assumed starting date of April when employees started between May and August.
- **Administrative:** This category is currently running above budget assumptions for the January to September 2026 period, but below the overall figure for the year as a whole. This

discrepancy is largely due to CRIF engaging an IT managed service provider as well as the first-year audit fees.

- **Office:** Expenditures in this category are significantly below its allocation having utilized just 29% of the original budget. CRIF realized reduced costs in this category by leasing a small office in a co-working space that carries a much lower rent burden than the larger downtown space assumed in the original budget.
- **Legal & Professional:** This category is running below the anticipated budget due to lower than anticipated legal expenses.
- **Insurance:** CRIF carries all required insurance but was able to secure policies at a moderately lower rate than was originally estimated. Additionally, CRIF has paid all insurance premiums for the year and will incur no additional expenditures until 2027.
- **Travel, Marketing and Miscellaneous:** There has been minimal activity to date in each of these categories during CRIF's start-up phase.

Revenues Collected

All revenues collected by CRIF through September 30, 2026, identified by project, date and type are defined below. To date, no developer fees, rents, asset management fees or interest income have yet been earned.

Date	Type	Project	Source	Amount
04/27/2026	Grant – Operating Capital	None	City of Chicago	$2,000,000
09/03/2026	Other – Credit card cash-back	None	JPMorgan Chase	$1,269
Total				**$2,001,269**

The original budget projected $123,038 in developer fees from the first project in July 2026, but no project-level agreements have yet been executed. It should be noted, however, that the budget assumed that these fees would be generated seven months after the organization commenced operations. With an actual start-up in mid-May though, CRIF is currently only in month five of operations.

Reserve balances have not yet been invested, but the CRIF Board approved the investment of those funds into a series of limited-risk investment vehicles (Resolution 2026-09). Staff is currently engaged with its banker – JPMorgan Chase – to identify investments to deploy funds in a manner that aligns with those requirements and CRIF expects to start earning interest in Q4 2026.

Budget Reserves

A total of $896,211 is currently held in two separate Board-designated accounts. This includes:

- Operating Reserves: $381,263 was placed into a dedicated reserve account to be used pursuant to the Board-approved Operating Reserves policy (Resolution 2026-09). These funds are meant to only be utilized as a result of a significant disruption to the organization's normal course of business.
- Future Reserves: $514,948 of unbudgeted funds that are anticipated to be programmed as part of the fiscal year 2026-2027 budget were placed in to a dedicated reserve account. These funds cannot be expended without further Board action.

✶ 2. Active Development Progress Report

Real Estate Transactions

As of the date of this report, CRIF is not, and has not been, a party to any real estate transactions including a purchase agreement, partnership agreement, or funding agreements nor have any CRIF assets been committed to a project. Accordingly, there are no updates to report at this time.

Status Categories and Criteria

Although no project agreements have yet been approved, CRIF anticipates categorizing future transactions using the following criteria:

Status	Criteria
Active	CRIF is a legal party, and the transaction is progressing as anticipated.
In Process	CRIF has secured Board or Council approval, but the project has not yet executed an agreement.
Stalled	CRIF has secured Board or Council approval, but progress has been paused or delayed beyond the expected schedule due to financing, approvals, market or counterparty issues.
Inactive	CRIF either secured City Council approval or was a legal party to an agreement, but the transaction has been terminated, withdrawn or completed with no further CRIF obligations.

✶ 3. Recruitment and Staffing Report

Current Staff

CRIF currently has three staff members who joined the organization between May and August 2026.

Name	Position Title	Start Date
Tim Jeffries	Chief Executive Officer	May 18, 2026
Chase Wheeler	Director of Investments	July 13, 2026
Hanneke van Deursen	Director of Special Projects	August 17, 2026

Open Positions and Recruitment Efforts

CRIF is currently hiring one additional staff person for the role of Development Manager. At this time, there are no immediate near-term plans for additional hires beyond this position.

Position	Status and Recruitment Efforts
Development Manager	Open. Recruitment began in September 2026 with the role expected to be filled in October 2026.

✶ 4. Unit Production Report

CRIF has not yet produced or delivered any housing units. As a result, there is no data regarding affordable or market-rate units that can be reported at this time. CRIF will report units, affordability levels and delivery dates for each project as transactions close.

✶ Appendix A: 2026 Budget

Included for reference the budget summary for the first the 2026 annual operating budget (January 1 to December 31, 2026) approved pursuant to Resolution 2026-09.

2026 ANNUAL OPERATING BUDGET — SCHEDULE OF APPROPRIATIONS

Budget Period: January 1 – December 31, 2026

Expense Item	Vendor or Description	Amount
REVENUE		
City of Chicago Grant	Per Grant Agreement	$ 2,000,000
Investment Income	Estimated 4% yield on grant balance	$ 40,000
Total Revenue		**$ 2,040,000**
PAYROLL & BENEFITS*		
CEO	Per CEO contract (Resolution 2026-05)	$ 171,853
Director of Investments	Partial-year (start Jul 6)	$ 98,528
Director of Special Projects	Partial-year (start Aug 17)	$ 75,665
Development Analyst	Partial-year (start Nov 1)	$ 29,250
Intern	Stipend (start Sep 1)	$ 1,667
Staff Performance Bonuses	2026 accrual; cash payment 2027	$ 45,000
Total Payroll & Benefits		**$ 421,963**
OPERATIONAL EXPENSES		
Project Specific Due Diligence	External Consultants	$ 120,000
Accounting	External CPA firm	$ 32,200
General Counsel	Hourly	$ 200,200
Payroll Base Cost	Gusto	$ 840
Payroll Employee Cost	Gusto	$ 252
HR Base Cost	Gusto	$ 300
HR Employee Cost	Gusto	$ 160
Branding & Visual Identity	External Design Firm	$ 75,000
Business Strategy Consulting	External Strategy Consultant	$ 75,000
Transportation	Mileage and local transit	$ 400
Conference Travel	Professional development	$ 6,500
Marketing	Outreach materials	$ 1,750
Insurance	D&O, EPLI, GL, cyber, prof. liability	$ 49,000
Office Lease	Platform	$ 11,433
Office Build-Out	Furniture and Misc. Elements	$ 10,000
Executive Search	Maneva (one-time)	$ 45,918
Registered Agent	Wolters Kluwer (one-time)	$ 684
Initial Legal Setup	Chatman & Cutler (one-time)	$ 18,020
Other Operating Expenses	Misc. Operational	$ 3,500
Contingency Reserve (~2% of OpEx)	Within-budget contingency	$ 11,677
Total Operational Expenses		**$ 662,834**
IT & HARDWARE		
Computer	Onboarding Cost	$ 3,000
Monitors	Onboarding Cost	$ 1,050
Peripherals	Onboarding Cost	$ 1,500
Cell Phone	Onboarding Cost	$ 3,000
Cell Phone Contract	Monthly carrier	$ 1,425
Web Hosting	One-time setup	$ 234

2026 ANNUAL OPERATING BUDGET — SCHEDULE OF APPROPRIATIONS

Budget Period: January 1 – December 31, 2026

Expense Item	Vendor or Description	Amount
Google Account / Domain	One-time setup	$ 157
IT Managed Service Provider	Monthly service	$ 17,482
Other IT Expenses	Per Employee	$ 2,850
Total IT & Hardware		**$ 30,698**
SOFTWARE		
Accounting Software	Quickbooks	$ 920
Office 365	Microsoft	$ 418
Project Management Software	SmartSheets or a similar product	$ 361
Real Estate Data Subscription	CoStar or a similar product	$ 13,200
Local Development Data Subscription	Chicago Cityscape or a similar product	$ 2,375
Adobe Pro	Per Employee	$ 570
Board Management Software	OnBoard or a similar product	$ 9,500
Other Software Expenses	Per Employee	$ 950
Total Software		**$ 28,294**
TOTAL OPERATING EXPENDITURES		**$ 1,143,789**
BOARD-DESIGNATED RESERVES & CARRY-FORWARDS		
Board-Designated Operating Reserve	4 months of 2026 operating expenses	$ 381,263
Reserved for Future Operations	Carry-forward to 2027 operating budget	$ 514,948
Net Unallocated		$ -
TOTAL APPROPRIATION		**$ 2,040,000**

** Exact titles and roles are representative and may change based on organizational needs.*