NEIGHBORHOOD OPPORTUNITY FUND

Program Overview

www.NeighborhoodOpportunityFund.com
Neighborhood Opportunity Fund

OUTLINE

1. Program Background and Overview
2. NOF Rds 1 and 2 Recap
3. NOF Guidelines & Eligibility
4. NOF Application Guidance
Program Background

• The NOF program creates new resources to support ongoing neighborhood economic development

• Commercial and cultural amenities enhance quality of life in neighborhoods

• **The Goal:** Create inclusively vibrant commercial corridors and build community wealth on the South, Southwest and West Sides
Program Background

• Modifications to zoning code to redirect density bonus payments to neighborhood commercial development projects
• FAR bonus for developer fee:
  • **80% Neighborhood Opportunity Fund (NOF)**
  • 10% Adopt-A-Landmark Fund
  • 10% Local Impact Fund

FROM DOWNTOWN... $\rightarrow$ ...TO NEIGHBORHOODS

- McDonald’s new HQ in West Loop
- Garifuna Flava Caribbean Restaurant in West Englewood
Program Background

• **A catalyst for investment**
  • Many good projects don’t happen because of a shortfall in capital
  • Other projects are lured/incentivized that may have remained on the sideline
  • NOF provides financial assistance that leverages private investment
    • Two program tracks:
      • \( \leq 250,000 \) (Application deadline: December 22\(^{nd}\))
      • \( \geq 250,000 \) (Applications accepted on rolling basis)

• **Strategic focus on location**
  • Neighborhoods of need
  • Collective impact on commercial corridors
NOF Rounds 1 and 2 Recap

- Over 1,000 applications received
- 90 projects selected amounting to $12M in NOF funding
NOF Rounds 1 and 2 Recap

- 27 Start-up businesses
- 26 community anchor businesses making upgrades to their facilities
- 19 businesses opening new locations
- 18 business expansions

Project Types

- Start Up: 20%
- Local Anchor: 29%
- New Location: 21%
- Expansion: 30%
WHERE ARE NOF FUNDS INVESTED?

Projects requesting $250,000 or less must be located on either Eligible Commercial or Priority Investment Corridors.

For more detailed maps, please visit www.neighborhoodopportunityfund.com to see if property is located in an eligible area.
NOF Guidelines & Eligibility (Projects < $250,000)

Project Requirements:

• Funds can be used to make building improvements that lead to retail or cultural spaces. A priority will be placed on supporting projects that…
  • *Fill a gap* in services or goods that are underrepresented in the neighborhood
  • *Build community wealth* and tie benefits to local residents
  • Demonstrate feasibility with a *clear and ready path to implementation*
  • Can clearly *define and measure success*

Eligible Applicants/Projects:

• Business owners, property owners, landlords and non-profits
• Project must be commercial or cultural in nature
• Project must be located on an Eligible Commercial Corridor or Priority Investment Corridor
HOW CAN FUNDS BE USED?

ELIGIBLE EXPENSES

• General rehabilitation of existing buildings
• New construction (up to 30% of total project costs)
• HVAC, Plumbing and Electrical
• Roofing and masonry repairs
• Façade repairs
• Architect, design and engineering fees and other soft costs associated with eligible hard costs
• Property acquisition and assembly
• Environmental remediation
• Demolition
• Security measures
• Minor site improvements (e.g., fencing or planters) as part of a larger, eligible project

INELIGIBLE EXPENSES

• Residential dwelling units or the residential portion of a mixed-use building
• Minor repairs and improvements, such as painting
• Operating or working capital
• Equipment and furniture
NOF Project Highlight

GALLERY GUICHARD
DEVELOP GREAT MIGRATION SCULPTURE GARDEN ADJACENT TO ART GALLERY

450 E. 47TH ST
NOF Project Highlight

IVORY DENTAL & AFRO JOE’S COFFEE SHOP
NEW LOCATION FOR EXISTING DENTAL AND ORTHODNOTICS PRACTICE AND BUIDLOUT
FOR AN ADJACENT START-UP COFFEE SHOP

8344 – 48 S. HALSTED ST.
CARNICERIA LA HACIENDA NO. 4
RENOVATIONS TO EXISTING SMALL GROCER EXPANDING WITH 4TH STORE

5159 S. KEDZIE
NOF Project Highlight

BROWN SUGAR BAKERY
NEW LOCATION FOR ESTABLISHED CHICAGO BORN BAKERY

4800 W. CHICAGO AVE.
Round 3 Application Form

Overview

**Application Structure:**
1. Applicant Background
2. The Project Property
3. Project Description
4. Project Budget and Finances
5. Project Implementation Plan
Round 3 Application Form

Sections I - III:

I. Applicant Background
   • High level description of the applicant
     • What type of applicant?
     • What is the operating history of the applicant, or, what is their plan
       for operations if a start-up? (Business plan helpful!)

II. The Project Property
   • Site Control – Tenant or property owner? If the applicant doesn’t yet have
     site control, they are encouraged to demonstrate progress with a LOI, real
     estate contract or any other documentation that shows effort/progress.
   • Building Condition and Liabilities – Is the building in good standing in
     terms of building code requirements, taxes and any liens? If not, it is
     important to identify any issues and detail a plan to remedy them.

III. Project Description
   • Describe the vision and concept of your project.
   • What impact will the project have directly on your business and more
     broadly for the community.
Section IV. Project Budget and Finances

**ESTIMATED PROJECT COSTS**

Please complete the following tables to detail the different types of anticipated costs of your project.

### Hard Costs

- Facade renovation: storefront replacement and masonry repairs: $40,000.00
- Plumbing: $25,000.00
- Electrical: $25,000.00
- HVAC: $20,000.00
- Carpentry and framing -- interior buildout: $40,000.00
- Roofing: $30,000.00

**Total** $180,000.00

### Soft Costs

- Architectural fees: $15,000.00
- Engineering fees: $5,000.00

**Total** $20,000.00

### Acquisition Costs

- Purchase of 601 S. LaSalle: $100,000.00

**Total** $100,000.00

High level categorical descriptions are fine.

Soft costs directly related to eligible hard costs. Operating costs are not eligible!
## Section IV. Project Budget and Finances

### PROJECT SOURCES AND USES TABLE

<table>
<thead>
<tr>
<th>Source</th>
<th>Value</th>
<th>Percentage of Budget</th>
<th>Use</th>
<th>Value</th>
<th>Percentage of Budget</th>
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</thead>
<tbody>
<tr>
<td>Equity:</td>
<td>$25,000.00</td>
<td>8%</td>
<td>Hard Costs:</td>
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<td>60%</td>
</tr>
<tr>
<td>Debt:</td>
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<td>Soft Costs:</td>
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<tr>
<td>NOF Grant**:</td>
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<td>Acquisition Costs:</td>
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<td>NOF Build Community Wealth Bonus**:</td>
<td>$45,000.00</td>
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<tr>
<td><strong>Total</strong></td>
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<td>100%</td>
<td><strong>Total</strong></td>
<td>$300,000.00</td>
<td>100%</td>
</tr>
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</table>

* The NOF Grant cannot exceed 50 percent of total costs for renovation projects and cannot exceed 30 percent if the project involves new construction.

** The Build Community Wealth Bonus cannot exceed 15 percent of total project costs, and is only applicable if you are applying for the Build Community Wealth Bonus as a Local Business and Property Owner (see Exhibit A for details).

**Sources and Uses should be equal!**

**Note:** While applicants do not need to have debt sources secured (e.g. loan from a bank of CDFI), they should be able to identify how much equity they will be able to put in and how much debt they will need to take on.
Exhibit A. Build Community Wealth Bonus

A key goal of NOF is to support locally-based business and property owners and to create employment opportunities in areas in need of new jobs.

**BONUS CAN BE EARNED IN ONE OF TWO WAYS:**

**Option 1: Local Business and Property Owner**

- Applicant(s) reside in NOF program’s *Qualified Investment Area*
- The level of NOF assistance for construction increases from 50% to 65% of the total project cost

**Option 2: Local Hiring**

- Applicant hires at least two (2) individuals who reside in NOF program’s *Qualified Investment Area*
- Wage and/or employee training expenses can be reimbursed up to an amount equal to 15% of total eligible project costs. These grant funds cannot be used as part of the project budget, like in Option 1. They are paid out AFTER project is complete and wage expenses are incurred.
  - Family members are not eligible employees.
## Project Finances

<table>
<thead>
<tr>
<th>Anticipated Project Sources of Funds</th>
<th>Anticipated Project Uses of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Source</strong></td>
<td><strong>Use</strong></td>
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<td>Equity:</td>
<td>Hard Costs:</td>
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<td>NOF Grant*:*</td>
<td>Acquisition Costs:</td>
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<td>NOF Build Community Wealth Bonus**:</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

*ONLY accurate if you qualify for Option 1 of the Build Community Wealth Bonus.*
Map to determine BCWB eligibility

**Option 1**
Owner(s) from applicant (business or property owner(s)) must have their primary residence in Qualified Investment Area.

**Option 2**
Minimum of 2 new hires for business, must work 30+ hours per week; employees must live in Qualified Investment Area.
Section V: Project Implementation Plan

• Project Financing
  • What other sources of funds will you obtain for your project?
  • What progress have you made to secure them?
    • Any progress made should be described; applicants are encouraged to send any supporting documentation to show effort/progress

• Construction/Development
  • While you’ve already laid out and detailed your expected project scope and budget, here is where you can discuss how you will approach doing the work.
    • Do you have contractors who will bid on the work? An architect?
    • What is your timeline for obtaining all bids, applying for permits and completing the project?
Round 3 Application Form

Application Tips:

• **Submit in one submission** – please avoid submitting multiple versions of the application or a string of supplementary documents.

• **Not first come, first served** – being thorough is more important than being quick.

• **Be honest, clear and don’t overpromise.** An implementable and attainable project that provides incremental impact to the commercial corridor is a win.

• **Send what you have.** If you’ve done the leg work on obtaining site control, developing a business plan, architectural drawings, bid letting, securing financing or other efforts, send it along! These things are not required at the time of application, but it can’t hurt to show your work.

• **Take your time, but don’t wait until the final day.** 😊