



City of Chicago
Department of Planning and Development (DPD)
Small Business Improvement Fund (SBIF) Program Rules

The City of Chicago's Small Business Improvement Fund is a TIF program that provides reimbursement grants to building owners or tenants for eligible investments that preserve building stock, improve neighborhood appearance or economic value, and enable businesses to stay in the neighborhood, remain competitive, or even expand within the TIF District.

SomerCor 504, Inc. ("SomerCor"), a not-for-profit Certified Development Company, administers the SBIF Program in conjunction with the Chicago Department of Planning and Development ("DPD").

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Funding:

- Grants, only in the form of reimbursement, to the approved person or legal entity who incurred the costs of the eligible improvements.
- SBIF applications and SBIF grants are non-transferrable between applicants and/or properties. Potential applicants who wish to apply for SBIF funds for more than one property must submit separate applications for each property.
- Each Property shall be eligible to receive the Maximum Program Assistance no more than every three years. “Property” shall mean:
 - (1) a building regardless of whether it has multiple addresses or permanent index numbers (“PINS”); and/or
 - (2) contiguous parcels under Common Ownership, regardless of whether they have multiple addresses or PINS. A building or multiple parcels under common ownership shall mean having an ownership interest by the same person or legal entity of 7.5% or more.
- Applicants whose eligibility is established by being Industrial businesses currently employing a maximum of two hundred (200) full-time equivalent employees under the Eligible Applicant requirements are entitled to funding up to 50% of eligible costs.
- Applicants whose eligibility is established by the Net Worth Requirements under the Eligible Applicant requirements are entitled to funding in the following manner:
 - up to ninety percent (90%) of eligible costs if the Applicant demonstrates a net worth less than \$3,000,000.
 - up to sixty percent (60%) of eligible costs if the Applicant demonstrates a net worth equal to or greater than \$3,000,000, but less than \$6,000,000.
 - up to thirty percent (30%) of eligible costs if the Applicant demonstrates a net worth equal to or greater than \$6,000,000, but less than \$9,000,000.
- Applicants whose eligibility is established by the Annual Sales Requirement under the Eligible Applicant requirements are entitled to funding in the following manner:
 - up to ninety percent (90%) of eligible costs if the Applicant demonstrates annual sales totaling less than \$3,000,000.
 - up to sixty percent (60%) of eligible costs if the Applicant demonstrates annual sales totaling equal to or greater than \$3,000,000, but less than \$6,000,000.
 - up to thirty (30%) of eligible costs if the Applicant demonstrates annual sales totaling equal to or greater than \$6,000,000, but less than \$9,000,000.

- To determine net worth and total liquidity, applicant and business tax returns, income statements, and bank statements will be reviewed by SomerCor.
- The Maximum Program Assistance shall be:
 - (i) less than Two Hundred and Fifty Thousand Dollars (\$250,000) maximum assistance per industrial Property;
 - (ii) less than Two Hundred and Fifty Thousand Dollars (\$250,000) maximum assistance per industrial Property occupied by multiple owners or tenants, provided that no individual Applicant shall receive assistance greater than One Hundred Thousand Dollars (\$100,000);
 - (iii) less than One Hundred Fifty Thousand Dollars (\$150,000) maximum assistance per commercial Property occupied by a single owner or tenant; or
 - (iv) less than Two Hundred and Fifty Thousand Dollars (\$250,000) maximum assistance per commercial Property occupied by multiple owners or tenants, provided that no individual Applicant shall receive assistance greater than Seventy-Five Thousand Dollars (\$75,000).

Applicants may receive one or more grants up to the Maximum Program Assistance. Once an Applicant has received the Maximum Program Assistance, the Applicant shall not be eligible to reapply for another Program grant for the same Property until three years from the date on which it receives final payment for the preceding Program grant(s), provided it has met DPD's guidelines and procedures regarding re-application. Applicants who have received a Program grant for one Property shall not be excluded from applying for Program grants for another Property.

- Applicants selected by lottery; a waiting-list will be created, if needed. Any waiting-list shall expire two (2) years after the date of its creation. Any applicants placed on the waiting-list shall remain on the list until the waiting-list expires, they receive a grant, withdraw from the waiting-list, or are otherwise determined to no longer be eligible under the Program to receive a grant.
- The maximum grant any Property would be eligible to receive under the Program shall be reduced dollar for dollar by
 - (i) any Direct City Financial Assistance from any other program for the Property within (3) years before the date of the application,
 - (ii) any Direct City Financial Assistance currently being received for such Property, or
 - (iii) any Direct City Financial Assistance that the City has agreed to provide to such Property at any time in the future pursuant to a written contract (except for "gap" financing for the Project that is disclosed at the time the Application is first filed).

“Direct City Financial Assistance” shall mean financial assistance directly provided by the City – including the Neighborhood Opportunity Fund (NOF) grant and Community Development Grant (CDG) grants - but shall not include any funds received pursuant to a contract for goods and services, a Delegate Agency Grant Agreement, or the Workforce Solutions Program.

- The maximum SBIF grant any property will be eligible to receive will be reduced dollar for dollar by any Neighborhood Opportunity Fund (NOF) or Community Development Grant (CDG) assistance received for the property within three years before the date of the SBIF application, any NOF or CDG assistance for a current project for the property, or any NOF or CDG assistance committed for the property through conditional commitment letter.
- Applicants must report if they have applied for and/or received other Direct City Financial Assistance for the property, including funding from the Neighborhood Opportunity Fund or a Community Development Grant. Applicants may apply for these programs at the same time but may not receive funding from more than one program for the same work concurrently. DPD may make exceptions at its discretion consistent with the regulations of the programs.
- Reimbursement for vacant properties will require one hundred percent (100%) lease-up of the portion of the property subject to the SBIF grant with a qualified tenant occupying the space.
 - To meet the lease-up requirement, there must be an executed lease between the landlord and the qualified tenant, and that tenant must be occupying and actively operating their business or not-for-profit operation out of the leased space.

Eligible Applicants:

- Applicants must have proof of site control for the project property, including a deed or executed lease agreement, by the deadline to complete Stage 1 of the application.
- Property owners that have an ownership interest in a commercial business, located on the property to be improved, with a maximum average annual sales of Nine Million Dollars (\$9,000,000) for the past three (3) years, or a business plan for a new business showing the same level of projected maximum average annual sales for three (3) years (the "Annual Sales Requirement"). Property owners that would otherwise be evaluated for eligibility under the Annual Sales Requirement but lease any part of the property to

one or more entities in which they do not have an ownership interest are to be evaluated for eligibility under the Net Worth and Liquidity Requirements.

- Industrial businesses currently employing a maximum of two hundred (200) full-time equivalent employees. Property owners of industrial businesses currently employing a maximum of two hundred (200) full-time employees. Property owners that would otherwise be evaluated for eligibility under this paragraph, but lease more than 50% of the property to one or more entities in which they do not have an ownership interest are to be evaluated for eligibility under the Net Worth and Liquidity Requirements.
- Property owners who conform to maximum net worth and liquidity requirements (total net worth no more than Nine Million Dollars (\$9,000,000), and total liquidity of no more than Five Hundred Thousand Dollars (\$500,000) per individual owner/entity, and who lease space to eligible commercial or industrial tenants.
- Tenants that meet the Annual Sales Requirement, have a leasehold interest in the property they would like to improve pursuant to a lease agreement with the property owner, and have express prior property owner approval to make specific improvements. The property owner's eligibility will not be a requirement for the Tenant's eligibility.
- Businesses which are not eligible include, but may not be limited to: national chain businesses and franchise businesses (as defined by DPD); branch banks; day labor employment agencies; currency exchanges; pay day or title secured loan stores; pawn shops; fortune telling services; liquor stores; taverns and bars, except pursuant to the rules stated below; hotels and motels; adult uses; private clubs; not-for-profit social clubs; not-for-profit organizations that have a national affiliation; start-up banquet halls (i.e. been in business for less than one calendar year); track wagering facilities; K-12 schools; gas stations; firearms dealers; firearms ranges; places of worship; smoke shops/cigar lounges; tobacco dealers, including sales of tobacco, nicotine, or similar products and accessories; residential storage warehouses; trailer-storage yards; and junk yards, or any uses similar to those listed.
- Not-for-profit organizations that meet other program requirements, and that are not of the types listed above as not being eligible for SBIF funding, may apply for SBIF and will be reviewed for eligibility similarly to for-profit businesses and property owners, if applicable. For not-for-profit organizations, revenues will be reviewed using tax returns and income statements. Net worth and liquidity will be reviewed using the organization's balance and bank statements. Restricted grants and income unrelated to the Property will be considered to determine the organization's net worth and liquidity including, but not limited to, residential rents, memberships, donations, grants, and ticket sales. In place of business or Property owners, checks will be performed on the

executive director, president, and treasurer of the board of directors of not-for-profit applicants to ensure that they are not indebted to the City and that they are in compliance with child support laws. DPD reserves the right, in its discretion, to ask for additional or different documentation than listed above to determine the eligibility of a not-for-profit organization.

- Religious organizations that operate an industrial or commercial business may be eligible for a Program grant provided that an authorized officer signs an affidavit stating that (a) the room or space that the SBIF funds will be used to acquire, improve or rehabilitate is not its primary place of worship; (b) SBIF funds will be used only for those portions of the acquisition, improvement or rehabilitation of the premises that are attributable to business activities described in its application; and (c) If in the future it uses the premise for inherently religious activities it will reimburse the City for the present value of the improvements, in an amount not to exceed the grant of SBIF funds.
- Rules for Taverns and Bars: Taverns and bars shall be defined as those businesses holding a “Tavern License” as defined by Chapter 4-60 of the Municipal Code of Chicago. An Applicant that is a bar or tavern at the time its Application is submitted and has held a valid license as such **and** been in business under said license for a minimum of two calendar years, may be approved by DPD to receive a grant under the Program. An Applicant, at the time its Application is submitted, that has not held a tavern license and been in business as a tavern/bar for at least two calendar years shall not be eligible for funding under the Program, including any Applicant that has purchased a Tavern License. As part of its application, each Applicant shall list its full and complete legal business name and any “DBA” names, its operating address, and beginning date of business or tavern license ownership. DPD will provide each Application to the City’s Department of Business Affairs and Consumer Protection (“BACP”) to vet each Applicant in regard to pending license discipline cases and community meetings for public nuisance issues. After such vetting, DPD, in consultation with BACP, will determine whether each Applicant is designated as eligible for funding under the Program. DPD’s determination shall be made in its sole discretion and shall be final.
- Property owned or leased by any city, county, state, or federal government entity including, but not limited to, the City of Chicago, the Chicago Housing Authority, the Chicago Public Schools, etc., and any tenants of such property, are not eligible to receive SBIF funding.
- City of Chicago employees and elected officials cannot receive more than \$1,000 per calendar year from SBIF or from any City loan or grant program unless the Commissioner of Planning & Development or Housing designate City employees or officials as “eligible,” or the City Council includes a provision exempting City personnel from this restriction.”

- No owner or tenant of a Property shall be eligible to apply for the SBIF program or receive a Program grant if there are Lis Pendens, pending litigation or a code enforcement action affecting the title to the Property or the viability of the proposed project, or if there are current injunctions, foreclosures actions, or liens, including but not limited to mechanic's liens, tax liens or judgment liens, recorded against the Property. For any application received on or after October 16, 2022, DPD may determine such Property eligible in its sole discretion for any foreclosures or delinquent payments. DPD's determination shall be final. If any of the issues noted above arise post-approval/during the construction stage, it must be resolved before the construction completion deadline, or the approval will be voided, and the application will be removed.
- DPD, in its sole discretion, may deny new applications based on past experience with the Applicant or Property involving misrepresentation, non-compliance with the requirements of the Program, or similar issues. Additionally, in the event of a major change to a project, such as a change in construction plans, unforeseen damage to the building, or, for start-up businesses, a change in the business plan, DPD may remove the project from the Program in its sole discretion.

Special Rules Applicable to the LaSalle Central TIF

- The Maximum Program Assistance shall be no greater than \$250,000 per Project and no greater than \$1,000,000 per Property.
- The Maximum Program Assistance may be increased by \$50,000 for an Applicant that is expanding from a "Qualifying Low- or Moderate-Income Neighborhood" by opening an additional location in the LaSalle Central TIF.
- An Applicant is eligible for reimbursement of up to 90% of Eligible Costs incurred for the Project, in an amount not to exceed the Maximum Program Assistance.
- There shall be no limits on the Net Worth, Liquidity, or Annual Sales for Applicants.
- Only improvements (interior or exterior) on the ground floor of a building will be eligible for reimbursement.
- Projects that expand above or below from the ground floor may be considered for funding in DPD's sole discretion.

- For an Applicant that is the Property owner to be eligible for reimbursement, 100% of the building's square footage subject to the SBIF grant must be leased and occupied.
- No Property is eligible to receive Grant Funds under the Program if the Property has received (i) any Direct City Financial Assistance (as defined in the Program Rules) from the City for the Property within (3) years before the date of an application, (ii) any Direct City Financial Assistance currently being provided to such Property, or (iii) any Direct City Financial Assistance that the City has agreed to provide to such Property at any time in the future pursuant to a written contract.
- All other rules and requirements of the SBIF Program not in conflict with these Special LaSalle Central Rules shall apply to all applications received for Grant Funds in the LaSalle Central Area.

Eligible Costs:

Any TIF-eligible improvement which permits a building owner to attract new commercial or industrial tenants, allows an eligible business owner to maintain or expand operations, or contributes to the improved appearance and viability of a property may be funded by the Program. This includes, at DPD's discretion, funding for the rehabilitation, remodeling or renovation of improvements including, but not limited to, the following:

- roof and facade;
- components of signs or awnings which are permanently affixed to the building;
- alterations or structures needed for ADA compliance (e.g., railings or ramps);
- HVAC and other mechanical systems;
- plumbing and electrical work;
- certain project-related architectural and construction management fees related to the project;
- permanent interior renovations, including fixtures;
- the purchase of adjacent land parcels for purposes of expansion or parking (only when lot is adjacent to applicant property and the lot will provide parking in support of commercial activity in that building – parking lot and parking garage improvement costs are not eligible);
- solar panels; and
- environmental remediation inside, under, or directly adjacent to a building undergoing a SBIF-funded renovation project if the remediation is related to the renovation project.

The cost of an energy audit that recommends measures to improve the energy efficiency of a building may be included as a rehabilitation cost to the extent that:

- the building renovations undertaken pursuant to such recommendation promote energy efficiency and resource conservation (e.g., the installation of low-flow plumbing fixtures or energy-efficient HVAC systems, the use of building materials made with a high degree of recycled content or renewable or non-toxic substances, installation of energy efficient lighting systems); and
- the cost of the energy audit does not exceed 10% of the project budget.

The following items are not eligible for reimbursement, and therefore will not be counted toward total project cost (this is not an exhaustive list):

- new construction – this includes construction of properties not yet built, building expansions, and the build-out and improvements to any existing building that is less than three (3) years from the date of the issuance of initial certificate(s) of occupancy issued in connection with that building;
- minor repairs or improvements such as painting or cleaning;
- equipment-related expenses;
- planters surrounding or affixed to buildings;
- outdoor dining or drinking areas including roof decks, beer gardens, outdoor patios, balconies, awnings, porches, and decks;
- fencing including pergolas, trellises, arbors, privacy screens, and similar structures;
- parking lot construction or repair;
- landscaping;
- work on the interior of residential units; and
- work, in DPD's sole determination, which is not consistent with the goals of this Program or the redevelopment priorities of the relevant TIF area, including, projects that do not conform with the uses and goals defined in the governing Redevelopment Plan for the relevant TIF area.

Energy Efficiency Requirement:

All industrial applicants shall be required to purchase products that earn the ENERGY STAR and meet the ENERGY STAR specifications for energy efficiency. The applicant is encouraged to visit energystar.gov for complete product specifications and updated lists of qualifying products.

Design Requirements:

In order to receive funding, projects must conform to design requirements including meeting [DPD's Design Guidelines](#), when applicable. Projects shall also comply with design guidelines and additional neighborhood requirements as described in guidelines, style guides, community plans and other planning documents associated with the TIF area and neighborhood in which the Property is located.

Applicants are strongly advised to consult with SomerCor and design professionals on design requirements and guidelines before drawing up plans for work. Work which is potentially damaging to the building, such as use of incorrect tuckpointing materials, will not be reimbursed. Plans must be submitted to SomerCor for design approval prior to beginning construction, or the project will be automatically disqualified. DPD will work with applicants on mutually agreeable design changes and/or enhancements to their projects.

All applicants for commercial properties who are approved for a grant of \$25,000 or greater shall be required to make at least one exterior improvement using at least ten percent (10%) of the maximum amount of their approved grant, including but not limited to, façade repair, windows and doors, and other exterior improvements eligible under the Program subject to DPD approval. At DPD's sole discretion, the requirement may be waived if the applicant can demonstrate to DPD's satisfaction that no exterior improvements are needed because improvements have been recently completed or the exterior features of the building have been well-maintained and are consistent with DPD's Design Guidelines.

Key elements from the Design Guidelines relating to building exteriors include:

- Preserving or recreating the original design and window openings when possible.
- Incorporating permanent signage to clearly identify the business.
- Adequate lighting, especially near entrances, to welcome customers.
- Avoid window clutter - windows should let in natural light and attract passersby to the business.
- Other forms of security are preferred, but if necessary, only interior-mounted security gates that are integrated into the storefront design will be reimbursed.

Permit Requirements:

Applicants are ultimately responsible for obtaining the correct permits prior to commencement of construction and must provide proof of permits or permit applications submission (receipt showing payment) to SomerCor within 120 days of being approved for a SBIF grant.

To learn if a building permit is needed, see our Guide to Permits or visit www.cityofchicago.org/buildings. If a building has been designated a Chicago Landmark or as part of a Chicago Landmark District, you should check in with the Landmark's Division prior to getting a permit. Roofing permits are mandatory, if applicable. Permits should be applied for immediately upon receiving SBIF approval.

Compliance:

- Checks will be performed on all applicants prior to project approval to ensure they are not indebted to the City and that they are in compliance with child support laws. Any

applicant who enters into a payment plan with the City for its debts shall be in compliance with its plan in order to receive any reimbursements, including when the project is completed.

- If there is no person or legal entity with 7.5% or more of ownership, all owners/entities must provide personal financial information to ensure that they are not indebted to the City and that they are in compliance with child support laws.
 - In the case of non-for-profits, compliance checks will be completed on the Executive Director, President, and Treasurer. Other organization leadership members may be included at the discretion of DPD.
 - The check for child support compliance requires that applicants submit their full social security numbers through SomerCor's secure portal. This information will be kept confidential.
 - Any scofflaw debt found during the approval stage and cleared with the City of Chicago via a payment plan, must be in compliance before any reimbursement will be made for eligible costs incurred. In the case that a business or nonprofit has multiple owners/leadership members, each owner/leadership member must be in compliance with their respective payment plan to proceed to reimbursement.
- Applicants must be current on property taxes both before DPD approves a project/issues a commitment letter, and before DPD will reimburse project costs.
 - Each applicant will complete an Economic Disclosure Affidavit.
 - Grantees are required to sign an affidavit when they receive their reimbursement certifying that they will maintain an active licensed business in the Property and will not relocate, sell the Property (if applicable), or sell the business or Property ownership entity (as applicable) within a three-year period following disbursement of SBIF funds. In the event of vacancy, relocation, or sale of the property or business during the three-year compliance period, the Grantee shall reimburse the City of Chicago for the full amount of the SBIF grant.
 - In cases of SBIF reimbursement for land purchase, proof of land ownership will be required before reimbursement may be made.

- SBIF recipients must place the SBIF program decal on their entry door upon completion of their project.

Project Stage Requirements & Time Limits:

Each stage of the program has a time limit by which Applicants must complete the requirements. Each stage must be completed before the application may move to the next stage. **Unless SomerCor or DPD has granted an extension of time, Applicants who do not complete each stage by the stated deadline will be disqualified and removed from the program.**

DPD may shorten stage timelines and deny extensions due to impending TIF expirations. In all cases, projects must be completed and paid for, and documentation accepted and approved by SomerCor, prior to the TIF expiration date.

- Stage 1 – Applicant Eligibility Review - Applicant responds to request to determine eligibility and supplies any missing information to complete their application: twenty (20) days.
 - Applicants must provide proof of site control for the project property, including a deed or executed lease agreement, by the deadline to complete Stage 1 of the application, subject to DPD's discretion.
- Stage 2 – Project Eligibility Review - Plans, bids, and specs, are obtained; debts are cured: one hundred twenty (120) days. Applicants are not permitted to act as their own General Contractor.

Note: Stage 1 and 2 must be completed before final review and project approval by DPD. If approved, applicants will receive a "Conditional Commitment Letter" signaling construction may begin.

- Stage 3 – Project Approval and Construction - Construction is completed: ten (10) months.
- Stage 3.4 – Proof of Financing and Proof of Permit or permit application (concurrent with the 10-month construction period) - Applicant provides evidence to the satisfaction of DPD within one hundred and twenty (120) days following the date of the commitment letter that it has sufficient funds and a permit or permit application to complete the approved project.
 - Evidence of financing may include, but is not limited to, proof of commitment from a financial institution for a loan or line of credit or financial statements that

demonstrate that the applicant currently has sufficient equity to complete the project, at least 50% of the funds needed to cover total project costs.

- Evidence of permits includes proof of permits or receipt showing payment for permit applications.
- Stage 4 – Reimbursement – Applicant provides proof of payment documentation to SomerCor to review. This includes a sworn statement, invoices, cancelled checks, waivers of lien, and building permits. Once all documents are received, it will take 4-6 weeks for processing and then the grant payment will be made by check.

A maximum of two (2) extensions may be granted with DPD approval in the case of unavoidable delay due to extraordinary circumstances. DPD also may on a case-by-case basis grant a Grant-Eligible Application an additional amount of time to complete any Program requirement. In such case, DPD shall have discretion to determine the appropriate length of the extension.

Once construction is complete, all conditions of the conditional commitment letter are satisfied, all construction project costs are paid, all payment documentation for these costs is submitted to SomerCor, City of Chicago debt is cleared, and a closing site visit is complete, it generally takes four-to-six weeks to receive the grant reimbursement.

DPD may shorten stage timelines and deny extensions due to impending TIF expirations. In all cases, projects must be completed and paid for, and documentation accepted and approved by SomerCor, prior to the TIF expiration date, or reimbursement will not be possible. When a TIF district is scheduled to expire within a calendar year of application, SomerCor project managers will alert applicants to the schedule at the beginning of the application process. Applicants must meet these deadlines to receive reimbursement. Exceptions are not possible.

Technical Assistance:

- SomerCor will provide technical assistance to aid applicants in selecting contractors, obtaining bids, and drawing up proper work contracts.
- Delegate agencies, such as local chambers of commerce and economic development organizations, are contracted by the City to aid applicants with the SBIF program. Applicants can enter their address in the [SBIF Locator Tool](#) to find nearby delegate agencies.

Project Financing Phase Option:

The SBIF program is a reimbursement grant. Applicants should be prepared to pay out of pocket or to finance their SBIF projects. Applicants are required to show proof of financing for 50% of the contract price of their SBIF project in Stage 3, the construction phase. Applicants are encouraged to contact their business lender or reach out to one of the lenders listed on the

SomerCor website at the beginning of the application process to put their financing in place as soon as possible.

SBIF applicants may apply to receive reimbursement in up to three phases, which allows applicants to utilize the SBIF grant without requiring them to have 100% of the upfront costs in hand at the start of the project.

Applicants who choose the phased payment approach must receive approval for the full scope of work before beginning construction. They also must still show proof of financing for 50% of the total contract price of the entire project. The phase disbursements will be based on progress or completion of eligible construction items.

Phase Program Requirements:

- The applicant must request to complete the project in phases from their SomerCor Project Manager at the time their project is approved. Applicants must complete the project items by the phase schedule agreed to by both parties.
- The total grant amount reserved for the entire project must be at least \$50,000.
- Reimbursement for each phase must be a minimum of \$25,000 worth of work, and each improvement being reimbursed must be complete and clearly invoiced.
- At Stage 3.4, applicants must show proof of financing of 50% of the total contract price.
- Start-ups can receive two phase disbursements. The first disbursement cannot exceed 50% of the grant amount reserved. The applicant will be required to provide proof of payments and proof of progress. Once the project is complete and the license is issued at the location, the remaining amount will be disbursed.
- Non-startups can receive up to three phase disbursements until the reserved grant amount is disbursed. At each disbursement request, the applicant will be required to provide proof of payments and proof of progress.
- Both tenant and landlord applicants can request the phase option, but only landlords with a current tenant under lease/operating a business in the property listed on the application will be eligible for phase payments. Landlords without a leased tenant at time of application are not eligible.
- The phase work schedule will be determined based on necessity, contractor recommendations, and the outlined rules above.

Phasing Example:

SBIF Phasing Example	
Approved Scope of work:	complete roof tear-off, HVAC system, and façade renovations
Contract price:	\$180,000.00
SBIF Grant Approval at 90% reimbursement :	\$150,000.00
Phase I	
Scope of work:	Roofing
Contract price:	\$60,000.00
Eligible Grant Amount 90%:	\$54,000.00
Grant Request Phase I:	\$54,000.00
Grant Amount Reserved: (\$150,000 minus phase I, \$54,000):	\$96,000.00
Phase II	
Scope of work:	HVAC System
Contract price:	\$40,000.00
Eligible Grant Amount 90%:	\$36,000.00
Grant Request Phase II:	\$36,000.00
Grant Amount Reserved: (\$150,000 minus phase I (\$54k) & phase II (\$36k):	\$60,000.00
Phase III	
Scope of work:	Façade renovation
Contract price:	\$80,000.00
Eligible Grant Amount 90% (\$150k minus phase I & II, not to exceed \$150k):	\$60,000.00
Grant Request Phase III:	\$60,000.00
Grant Amount Reserved:	\$0.00

Minority/Women-Owned Businesses (M/WBE):

A directory of City of Chicago certified M/WBE contractors will be provided to all eligible applicants to encourage the hiring of such contractors under the program. [Online access to this directory can be found here.](#)

SBIF Program FAQ's:

Am I in a SBIF district?

Resources available to determine if you are in a SBIF district:

- You can consult the [Chicago Department of Planning and Development zoning map](#) and the [SBIF Locator Tool](#).
- [Individual maps of TIF districts](#) are made available by the Chicago Department of Planning and Development.
- If you own the property, your Cook County property tax bill will indicate if you are in a TIF district.
- You can submit an inquiry to the SomerCor team at sbif@somercor.com

Who can apply for a SBIF grant?

Business and property owners can apply if they are in SBIF districts in the City of Chicago that are currently accepting new applications for the program. Business owners can own or lease their places of business. Landlords of commercial or industrial properties can also apply. To be eligible:

- **Commercial Business:** Annual sales must total less than \$9,000,000.
- **Industrial Business:** Must have two hundred (200) or fewer full-time equivalent employees.
- **Landlord:** Property owners must have a combined net worth that does not exceed \$9,000,000 and total liquid assets that do not exceed \$500,000. (Examples of liquid assets are cash on hand, and non-retirement stocks and bonds.) This requirement shall also apply to Industrial Businesses that lease any portion of the property to one or more entities which do not share common ownership with the applicant business.
- **Tenant:** Annual sales of less than \$9,000,000, with express prior property owner approval.

Can start-up or new businesses apply for SBIF?

Yes, start-ups can apply. Start-up applicants must supply a detailed business plan and projections of the business's income and expenses for its first 36 months of operation as part of their application materials. Start-up applicants also must confirm with BACP that the property is zoned for the planned use, and a license to operate at this location can be issued.

If you have only been in business for 1-2 years, SomerCor requires tax returns and a projection of gross sales to equal three years of data.

The City of Chicago reserves the right to impose additional conditions for funding in connection with start-up business applications.

Am I eligible if I live outside of Chicago?

The important consideration is where you have your business/property. To participate in SBIF, your property must be in the City of Chicago, as the funding source comes from property taxes. If you live in another area, please call your city's planning, economic development, or community development department to see what other programs may be available to assist small businesses.

Can I build a roof deck or outdoor patio with SBIF funds?

No. Improvement of outdoor spaces, landscaping and fencing, and any construction of new spaces or elements that expand the footprint of the building cannot be paid for with SBIF funds.

What if my building has both business and residential spaces?

The SBIF program is for business properties. Residential projects are ineligible. However, Chicago has many mixed-use buildings that have commercial space on the ground floor and

residential space on the upper floors. Often, the portion of these properties used for commercial purposes are eligible for SBIF funding.

Mixed Use Buildings

Eligible elements:

- Eligible interior renovations on the ground floor that are for commercial use only.
- Envelope and structural repairs such as roof, tuckpointing, flood damage, beams, storefronts, and basement repairs that are for commercial use only. If some ground floor uses are not eligible for SBIF, these expenses are pro-rated. For example, if 100% of ground floor uses are SBIF-eligible, 100% of the costs will be SBIF-eligible, and the reimbursement grant will be paid based on the applicant's qualified percentage of reimbursement. If 50% of ground floor uses are SBIF-eligible, 50% of the costs will be SBIF-eligible, reimbursement grant will be paid based on the applicant's qualified percentage of reimbursement.
- Building systems that are for commercial use only. If the systems are shared by the residential and commercial uses, costs will be pro-rated to cover only those for the commercial uses.

Ineligible elements:

- Residential doors
- Residential windows
- Residential interiors common area spaces
- Roofing is ineligible if the building is the applicant's primary residence.
- Conversion of residential units to commercial units

What is the maximum grant amount allowed under (SBIF)?

- \$250,000 maximum assistance per industrial property
- \$150,000 maximum assistance per single owner/tenant commercial property or landlord
- \$250,000 maximum may be granted per multiple owner/tenant commercial property, with \$75,000 maximum assistance per tenant/landlord

Applicants may receive one or more grants up to their maximum program assistance. Once this maximum is reached, the applicants will need to wait three years to reapply.

How is the SBIF grant reimbursement percentage determined?

Your reimbursement percentage will be determined according to your *appropriate* application type (Landlord, Tenant, Owner-occupied, Industrial). Applicants cannot opt to apply under an application type that does not correspond to the actual nature of the applicant's control of the project property or the organization or operation of the business. Factors that determine reimbursement percentage and related financial eligibility criteria are **business gross sales/not-**

for-profit gross receipts, landlord net worth, landlord liquidity, and number of full-time equivalent employees, depending upon application type.

- **Commercial Business (Tenant Applicant)** – based on gross sales/gross receipts for non-profit
 - \$0-\$3M = eligible for 90% reimbursement
 - \$3-\$6M = eligible for 60% reimbursement
 - \$6-\$9M = eligible for 30% reimbursement
- **Commercial Business (Landlord Applicant/no interest in the business leasing the space)** – is based on net worth with a liquid assets cap of \$500,000 per individual
 - \$0-\$3M = eligible for 90% reimbursement
 - \$3-\$6M = eligible for 60% reimbursement
 - \$6-\$9M = eligible for 30% reimbursement
- **Commercial Business (Owner-Occupied Property)** –
 - The above-mentioned schedules for both net worth AND sales AND all requirements for Landlord and Commercial Tenant types also apply. If the applicant should fall within different eligibility ranges for net worth and sales, then the applicant will be eligible for the lesser of the two percentages.
- **Industrial Business** (for both Building Owner or Tenant Business) –
 - Eligible for 50% reimbursement with 200 or fewer full-time employees

What can I do through the SBIF, and what costs are eligible for reimbursement?

Project costs that are eligible under the SBIF program include expenses related to: renovation and repair of commercial and industrial buildings (or the commercial portion of a mixed-use building); alterations needed for compliance with the Americans with Disabilities Act; facade repair and restoration of historic buildings; MEP improvements; and improvements necessary for environmental remediation. The program can reimburse for qualified permanent work expenses as well as some of the associated project “soft costs” such as project-specific expenses for architectural work. A more complete list of eligible and ineligible project types and costs can be found on the [SBIF Eligibility page](#). All external work listed on the application must comply with [City’s Design Guidelines](#).

Any work started before receipt of a conditional commitment letter from the City of Chicago’s Department of Planning and Development is not eligible for grant funds. Projects completed outside of the formal grant process are not eligible for grant funds; grants cannot be retroactively awarded for projects completed outside of the formal grant process. New construction is not eligible for grant funds.

How do I pay back the money?

The funds provided by the City of Chicago through the SBIF program are reimbursement grants. As such, the funds are not repaid to the City of Chicago by the applicant.

What will my responsibilities be to the city once I receive the money?

Once the applicant receives the grant, he or she must provide minimal information to SomerCor annually. Grantees are required to maintain an active licensed business in the Property for three years. If the applicant owns the property, they must continue to own the Property and property ownership entity for three years. If applicant leases the property, they must not relocate the business outside of the TIF district for three years. If the applicant is a tenant, the lease term must have more than three years remaining.

SBIF recipients are also required to place a SBIF decal sticker in their window and send a picture of that to their SomerCor project manager. Stickers are received along with the final reimbursement check. This promotion is an easy way for recipients to become ambassadors for this impactful program.

Will there be enough SBIF funds for all applicants?

Each Tax Increment Financing (TIF) district that has the SBIF program authorized in it has limited funds reserved for the program. If demand for the SBIF funds is greater than the available funding supply, then a lottery will be conducted to determine the order in which each grant application may be accommodated. If any surplus funds become available, they will be allocated to waitlisted applicants.

What about Scofflaw (City Debt)?

Each individual who is applying for a grant and has an interest as an owner, tenant, partner, member, or board member (in the case of not-for-profit entities) in the business that operates at the project property or in the ownership of that property (for owner-occupied applicants) must cure any unpaid parking tickets, water bills, past due license fees, or other indebtedness owed to the City of Chicago to participate in the SBIF program. Applicants can cure the debt via a City payment plan. Applicants using a payment plan must be in compliance with that plan to receive any SBIF reimbursement funds.

Additionally, no conditional commitment for funding or reimbursement for completed work shall be made in connection with a property for which Cook County property taxes are past due. Also, all such individuals must be current on all child support payments (if applicable) and must submit a satisfactory Economic Disclosure Statement and Affidavit.

Is there SBIF funding in my area?

Every SBIF area has its own budget that the City refills if it has TIF funds available and if there is a demonstrated need for more grant money. Please check chicago.gov/sbif or with SomerCor to see if there are funds in your SBIF. We also maintain an interested party list for funds. Send an email to the SomerCor team at sbif@somercor.com to be added to the interested party list. When more funding becomes available, or the City allocates more funds, we will let you know. The interested party list helps the City of Chicago gauge demand for additional funding in particular SBIF areas.

What if I am in a TIF and it is not a SBIF?

Tax Increment Financing (TIF) is the mechanism that funds the Small Business Improvement Fund (SBIF). If you are in a TIF district and it does not have a SBIF, please contact Nora Curry with DPD at nora.curry@cityofchicago.org.

Application Process – Getting Started:

- 1) [Confirm your business is in a SBIF District](#)
- 2) [Check which SBIF Districts are open](#)
- 3) Review SBIF program rules
- 4) [Click here to fill out application](#) via Submittable. All applications must be received by SomerCor by 5:00 p.m. Central Time on the application acceptance period “close” deadline date to be considered for the SBIF Program.

SomerCor 504, Inc. SBIF Contact Information:

Applicants are encouraged to contact SomerCor at sbif@somercor.com or by calling (312) 360-3300 with questions about the SBIF Program. (Se habla español)

Time on the application acceptance period “close” deadline date to be considered for the SBIF Program.