

THE NEIGHBORHOOD OPPORTUNITY FUND GRANT PROGRAM MANUAL

**DEPARTMENT OF PLANNING AND DEVELOPMENT
BUREAU OF SMALL BUSINESS DEVELOPMENT**

LAST UPDATED: FEBRUARY 5, 2025



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I. HISTORY & OVERVIEW

The Neighborhood Opportunity Fund (NOF) provides grants up to \$250,000 to businesses and organizations making eligible investments on the City's South, West and Southwest Side commercial corridors. Grants can only be accessed through reimbursement or an escrow agreement for completed work.

The program was created by the Chicago Department of Planning and Development (DPD) in 2016 with the establishment of the Neighborhood Opportunity Bonus program, which enables downtown developers to make financial payments to the City in exchange for density bonuses for new construction projects. Eighty percent of the proceeds are allocated to the Neighborhood Opportunity Fund. The remainder is split between the [Adopt-A-Landmark Fund](#) and the [Local Impact Fund](#).

The NOF grants are prioritized for projects that have a catalytic impact on their respective neighborhoods, especially projects that involve local businesses owners.

Mission of the NOF Program

The NOF awards grants up to \$250,000 for construction projects that permanently improve commercial spaces. Up to \$50,000 in additional funding may be provided for specified technical assistance. Grant eligibility depends on project location, project use, and the amount of financial assistance being requested. The NOF intends to:

- Invest in communities most in need of resources in the City of Chicago.
- Promote strong, accessible neighborhood commercial areas where residents can enjoy shopping, eating, and other amenities – make communities more livable, vibrant places.
- Prioritize commercial uses that are community-driven, catalysts for positive change, and make commercial areas local destinations.
- Ensure that investments are complementary with other neighborhood efforts and are structured to ensure long-term sustainability.
- Build community-based wealth by supporting entrepreneurs of color.

The NOF Program Manual

This manual is a guide for navigating the requirements for applying to, and participating in, the NOF program. It provides information on the roles of DPD, the program administrator, and any relevant third party at the direction of the program administrator, who will work with the client throughout the process. Information on other grants can be found on [DPD's website](#).

Application Timeline

The NOF applications are accepted on a rolling basis and evaluated quarterly. For submittal deadlines, please visit [Chicago.gov/nof](#).

II. GRANT ELIGIBILITY REQUIREMENTS

Who can apply for NOF?

Criteria to participate in the NOF includes the proposed project location and use. Eligible projects are capital, real estate development projects involving the construction of a new structure or building addition, the internal or external rehabilitation of an existing structure, or a combination of both. To the extent a proposed project application does not meet these parameters, the application may be referred to other City programs, as applicable, or local partners. Eligibility verification will ultimately be at the discretion of DPD and the program administrator.

Eligible Geographies

In order to be considered for the NOF, projects must be located on an NOF corridor, known as an Eligible or Priority Corridor. Eligible Corridors are public streets that are generally zoned for retail or commercial uses. Priority Corridors are public streets that are generally zoned for retail or commercial uses and have a high amount of retail or commercial activity, projects on these corridors are more competitive. Both Eligible and Priority Corridors were chosen because of their location within the Qualified Investment Area (QIA). The QIA is a geographic area consisting of multiple neighborhoods that have sustained persistent, historic disinvestment and significant economic disadvantage over the past 40 years, as indicated by high rates of unemployment, poverty and vacancy, and low rates of educational attainment.

Eligible Projects

The NOF can fund projects comprising any of the following uses independently or combined in a mixed-use development. All uses must be revenue-generating and in substantial compliance with the Chicago Zoning Ordinance (see Appendix I):

- Commercial (office, retail, exteriors of mixed-use residential)
- Cultural (museums, theaters, performance venues)
- Non-profits with an on-site commercial component
- Artisanal Manufacturing, production, and services with an on-site commercial component

Ineligible Projects

- Places of worship that exclusively promote or incorporate religious teachings of any kind (e.g. after school programming with religious education)
- Residential properties including home-based businesses and live/work spaces
- Heavy Manufacturing or industrial businesses or properties
- Social services organizations including workforce development, schools and daycare centers

Eligible Project Costs

Acquisition Costs: Eligible costs include that of real estate and property. Projects with acquisition costs must propose substantial rehabilitation or new construction work for costs to be reimbursed. Property acquisition alone, without an associated structural rehabilitation or new construction project, is an ineligible use of grant funds. (More information on Acquisition coverage can be found in Section III.)

Hard Costs: Costs associated with construction and permanent building improvements include, but are not limited to, the following:

- Site preparation, including clearing, demolition, earthwork, and environmental remediation
- Interior construction, including walls, doors, stairs, floors, and ceilings
- Finishing work including painting and millwork
- Building mechanicals and services, including electrical, plumbing, HVAC, fire protection, and elevators
- Substructure, including foundations and basement
- Shell, including roof, floor, exterior walls, façade, windows, and doors
- Porch, patio, and exterior stairs
- Security measures including cameras and associated electrical cost
- Public infrastructure (e.g. sidewalks, landscaping, storm sewers, sight lighting) as part of a real estate development project

Soft Costs: Costs associated with professional services and fees corresponding to eligible hard costs include, but are not limited to, the following:

- Architectural, engineering, and design (e.g. feasibility studies, master planning, design work).
- Project Management fees (i.e., construction consultants assisting the applicant in completing their project after receipt of their conditional award letter)

Exterior Work Requirement

Applicants for commercial properties who are approved for grants of \$25,000 or greater must make at least one exterior improvement, consistent with the “Design Guidelines: Ground Floor Commercial” guide which can be found on [DPD’s Design Guidelines](#) webpage, using at least 10 % of their base grant amount, including but not limited to, facade repair, windows and doors, signage, and other exterior improvements subject to DPD approval. Such requirement may be waived if the applicant can demonstrate, to DPD’s satisfaction, that no exterior improvements are needed.

Ineligible Uses of the NOF

- Repairs and improvements for government facilities; deferred maintenance issues (e.g. boiler system replacement); or repairs compelled by a Court Order due to significant issues, mechanic liens, building code violations, or substantial past due property taxes

(Continued)

- Minor structural/site repairs and improvements (e.g. outdoor patio resurfacing)
- Operational expenses of any kind (e.g. staff salaries)
- Creation of new surface parking lots (e.g. design, construction, resurfacing, etc.)
- Hard costs related to furnishings, fixtures, and equipment (e.g. refrigerators, tables, desk chairs) that will not be part of the completed NOF project.

III. GRANT STRUCTURE & DISBURSEMENT

The NOF grants can only be accessed through reimbursement or an escrow agreement for completed work. The NOF grants include the base grant, coverage for acquisition, and the possible addition of the Technical Assistance Fund (TAF). Read more about eligible project costs in Section II.

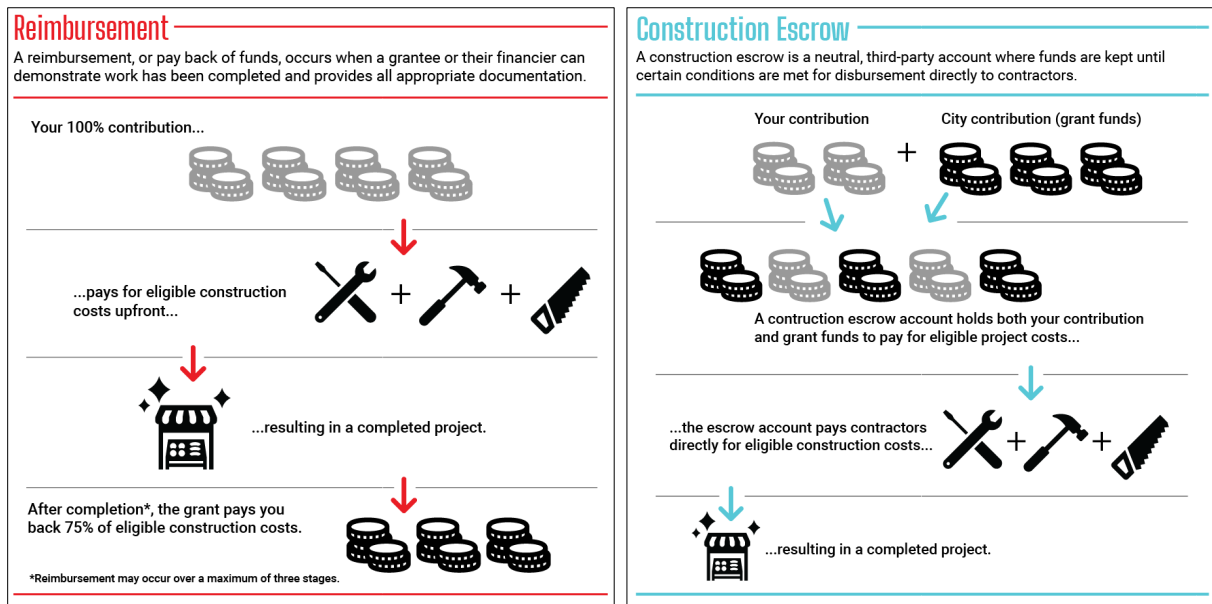
How Are Grant Funds Structured?

Base grant: The base grant calculations are based on the total eligible project costs and may be impacted by coverage needed for acquisition. The base grant may not exceed 75% of total eligible project cost or \$250,000, whichever is less, and is subject to approval by the program administrator and DPD (see Appendix II).

Acquisition coverage (optional): Acquisition may qualify if it is part of a larger rehabilitation or new construction project. Acquisition may be covered at 75% or less depending on the ratio of acquisition to total eligible project costs. The acquisition costs are credited to the actual construction project and will impact the base grant amount. A project including acquisition may qualify for up to 75% coverage if acquisition costs are low relative to the total eligible project costs. A project including acquisition may qualify for less than 75% coverage if the acquisition costs are high relative to the total eligible project costs (see Appendix II).

Technical Assistance Fund (optional): Applicants who utilize a DPD-approved Technical Assistance provider (TA provider) may qualify for the TAF, financial assistance for expenses associated with design, permitting, and comprehensive construction management support. These funds are provided in addition to the base grant. The maximum amount is 20% of the base grant amount or \$50,000, whichever is less. The TA provider may request up to three payments from the grantee's TAF allotment (see Appendix III).

How Are Grant Funds Disbursed?



The NOF grant payments are disbursed in one of the following ways:

- Construction escrow
- Reimbursement

Any unapproved payments made towards the project may result in some or all of the grant being voided.

Construction Escrow: A construction escrow is a neutral, third-party account where funds are kept until certain conditions are met for disbursement.

Once an applicant receives a conditional award letter (CAL) and demonstrates proof of financing, the program administrator will execute an agreement among the grantee, DPD, the title company, and the general contractor (GC) establishing a grantee's construction escrow account. The grantee must deposit the entirety of their contribution into the account, after which DPD will deposit the entirety of the grant amount into the account. If the grantee is funding the escrow via debt financing controlled by a financial institution, the lender must disburse loan funds to the account. The program administrator will administer the disbursement of funds, or draws, from the escrow account to pay for eligible project costs. Each draw requires DPD's review and approval of the grantee's documentation (i.e., sworn statements and waivers of lien). Grantees who elect to receive payment via escrow must execute an escrow agreement with DPD, the title company, and the GC.

Use of an escrow account requires the following:

1. Total project costs must exceed \$150,000 (not including pre-development expenses).
2. Documentation of available funds for the project owners' contribution and a minimum of a 30% personal contingency.

(continued)

If the escrow account has been set-up and the finalist has made direct payments to the GC, a sub-contractor, or material supplier without first informing the project administrator, the grant may be partially or fully voided.

Reimbursement: A reimbursement, or pay back of funds, occurs when a grantee or their financier can demonstrate work has been completed and provides all appropriate documentation.

The grant may be disbursed directly to the grantee, or a financier working on behalf of the grantee, if they decide to pay the contractor directly themselves.

Grantees may submit up to three separate payment requests via reimbursement or escrow. Any payment requests beyond the allotted three may incur administrative costs that will be the responsibility of the grantee (i.e., \$500 per draw out of escrow, as of November 2024).

Project Completion

DPD and the program administrator will conduct a due diligence review to ensure the business is currently operating at full capacity and that there are no outstanding requirements needed. This will include, but is not limited to, having a completed Completion Survey, conducting a site visit during business hours, checking on the status of a Certificate of Occupancy, and following up on health inspections. Only when an active business license, final permits, and the final draw has been issued can a project receive a Certificate of Completion, formally recognizing the project as complete.

Grantees are highly encouraged to commemorate project milestones with groundbreakings and ribbon-cuttings. Event coordination with DPD is highly encouraged to leverage the City's extensive marketing and press-related resources and to facilitate potential participation with elected officials and/or other dignitaries, depending on project scope.

Combining the NOF with Other City Funds: Applicants may use the NOF assistance in conjunction with certain City funds, including a TIF redevelopment agreement or the Adopt-a-Landmark Fund.

For a single project, applicants may apply to multiple grant programs offered by the Small Business Development Bureau (SBD). If the application has been determined eligible for multiple SBD grant program, the applicant must choose one in which to participate. Applicants may not receive funding, for a single project, from two or more SBD programs at the same time. An applicant may apply for SBD grant funds for the completed project three years from its completion, or the date the final payment was issued.

This provision is not applied to any funds received pursuant to a contract for goods and services, a Delegate Agency agreement, a Cook County tax incentive or the Workforce Solutions program (formerly TIFWorks).

IV. APPLICATION & PROJECT SELECTION PROCESS

The NOF applications are accepted on a rolling basis and selected quarterly. Applicants are required to attend an online or in-person information session or watch a pre-recorded one. After screening for eligibility requirements, applications are evaluated by DPD and the program administrator based on project readiness and project realization. Selected projects are then forwarded to the NOF Advisory Committee and subsequently the DPD Commissioner for review and approval to become finalists. Projects are expected to be completed within two years from receiving a CAL.

Applicants who, after screening, meet most, but not all eligibility criteria may be placed in the NOF project pipeline and are designated Pipeline applicants. Pipeline applicants may be paired with a Community Development Financial Institute (CDFI) for assistance with improving certain readiness factors, especially financing. Once an applicant can fully meet the NOF criteria they are encouraged to reapply.

Applicants who do not have financing, site control, a construction plan, nor meet other baseline criteria, are removed from consideration but encouraged to seek assistance and resources from DPD to reapply.

Project Readiness

To be considered for project readiness, applications must demonstrate site control, and a financially feasible project budget as defined below:

Required site control documents:

- Recorded Deed.
- Fully executed lease (minimum of 5 years).
- Purchase and sale agreement or redevelopment agreement (for projects with an acquisition component).

Financial Feasibility:

- Identify funding need.
- Identify and detail the uses of project funds, including hard costs (e.g. building mechanical systems and façade repair), soft costs (e.g. architectural fees) and acquisition costs, when applicable.
- Provide acceptable documents as proof of financing for 50% of total project cost (four months after receiving a CAL):
 - A bank statement demonstrating available funds for 50% total project costs.
 - Bank statements for partial costs may be combined with other secure funding sources.
 - Closing documents from a lender showing their financing is active and ready to be used for the project.
- Provide a balanced "Sources and Uses" table that identifies the type and amount of secured or pending debt, as well as the type and amount of personal equity to be contributed to the project.

Project Realization

To be considered for project readiness, applications must provide construction cost estimates (from licensed GCs), detailed business descriptions, and demonstrate how the project provides positive community impact.

Construction Costs: Applications must provide at least one complete GC bid that itemizes all project expenses and gives a total project cost. Accurate construction estimates supported by a licensed GC will make applications more competitive.

The applicant may also consider providing a permit application timeline or the permit itself (preferred). If a GC has been selected for the project, the contractor's construction and payment timeline should also be provided.

Business Description: Applicants should detail the services they will provide and how it benefits the community. A business and strategic plan is also required for start-ups and strongly encouraged for other applicants.

Community Impact

Proposals with significant potential for catalytic community impacts are preferred. Proposals are reviewed in context with community plans and any input from community organizations, elected officials, and neighbors to determine their alignment with local goals.

Application Evaluation

The NOF grant is competitive, and applications are evaluated relative to other application submissions. In addition to project readiness and realization, selections are made based on funding availability and DPD's commitment to an equitable geographic disbursement.

The NOF Advisory Committee

The NOF Advisory Committee is a group of community economic development leaders representing a cross-section of the city. The Committee reviews recommended projects and provides feedback to DPD. Following the Advisory Committee's review, the recommended projects are submitted for final review and approval by the DPD Commissioner. If approved, the applicant is designated as a finalist. Applicants who are not approved are encouraged to apply in a subsequent round.

V. GRANT TIMELINE & APPROVAL PROCESS

Once designated an NOF grantee, projects are expected to be completed within two years. If more time is needed to complete the project, grantees may apply for an extension at the appropriate stage. All extension requests must be clearly communicated to and approved by DPD and the program administrator. If a grantee has not been in communication with the program administrator nor requested an extension in advance, they may be removed from the program.

The NOF participants are designated as follows:

1. Applicant

After submitting an application, this person is designated an applicant.

2. Finalist

An applicant becomes a finalist once an application is approved by the DPD Commissioner. At this time, the newly designated finalist will have three to six months to submit required documentation for a CAL.

3. Grantee

A finalist becomes a grantee once a CAL is executed. At this time, the newly designated grantee is expected to complete the project within two years.

4. Alumnus

A grantee becomes an alumnus once their project is complete and open for business. For the next three years, the alumnus must complete three annual surveys administered by the program administrator.

Stages and Documentation

Since all NOF projects require the grantee to fund the project upfront, a series of stages, requirements, and documents must be completed before grant funds are disbursed through reimbursement or escrow. Failure to complete a stage or satisfy one or more conditions, may result in removal from the program. Anyone removed from the program is always encouraged to apply again.

Stage 1: Legal Documents

- **Timeline:** required 21 days from date of finalist designation
- **Description:** Finalists to provide documentation for the City to determine ownership, conduct a scofflaw investigation, and administer a City debt search.
- **Documents Collected:**
 - Economic Disclosure Statement
 - Affidavit of Child Support Compliance
 - Affidavit and Certification of Property Owner
 - Organization/Ownership chart
 - Principal Profile Form

Stage 2: Project Documents

- **Timeline:** required 120 days from the date of submission of legal documents
- **Description:** Finalists are instructed to produce all construction cost estimate bids and should provide permit-ready architectural drawings. Previously submitted documents may be requested once more to ensure DPD and the program administrator have current versions. Completion of this stage is followed by issuance of a CAL, designating the finalist a grantee and marking the official start of the project.
- **Documents collected:**
 - Cleared Scofflaw request (from Department of Finance)
 - Proof of Site Control (at least one of the following):
 - Recorded Deed
 - Fully executed lease (minimum of 5 years)
 - Architectural Drawings (permit-ready if applicable)
 - Two GC bids
 - License for the GC of the client's choice
 - Insurance for the GC of the client's choice
 - Construction timeline

Stage 3: Proof of Financing, Proof of Permit and Construction Completion

Part I: Proof of Financing and Proof of Permit

- **Timeline:** required 120 days from date of issuance of a CAL
- **Description:** A minimum proof of financing for 50% of total project costs will need to be verified four months after the issuance of a CAL in preparation for project budgeting. A proof of permit is also required for applicable projects.
- **Documents collected:**
 - Permit issued by the City of Chicago
 - A bank statement demonstrating available funds for 50% total project costs.
 - Bank statements for partial costs may be combined with other secure funding sources.
 - Closing documents from a lender showing their financing is active and ready to be used for the project.

Part II: Construction and Completion

- **Timeline:** required 12 months from issuance of a CAL
- **Description:** The grantee is expected to complete the project in accordance with Stage 2 and the permit issued by the City of Chicago. All grantees are expected to keep consistent and clear communication with the program administrator. At six months or 180 days into the project, the program administrator will evaluate project progress. All construction payments to GCs or reimbursements to grantees will be processed in this stage. The documents collected are determined by the grantee's confirmed financing structure: reimbursement or escrow.
- **Documents collected (Each project requires different documentation):**
 - Signed covenants
 - Confirmation of payment of property taxes
 - Confirmation of registration with the Secretary of State
 - Detailed invoices
 - Canceled checks (for reimbursement)

(continued)

- Sworn Owner's Statement (for escrow)
- GC Sworn Statement (for escrow)
- Reimbursement letter (for escrow, if the GC paid their sub-contractors [subs] directly)
- Waivers of lien
- Final signed permits (if applicable, for final payments)
- Certificate of Occupancy (if applicable, for final payments)
- Business license (for final payments)

Stage 4: Project in Process of Closing

- **Timeline:** required 90 days from submission of final payment request
- **Description:** This stage is set up to allow the grantee time to complete post-project documentation as necessary and other items as outlined by the program administrator
- **Documents Collected:**
 - Final payment request corrections
 - Completion survey
 - Permit signatures
 - Business license issuance
 - Payment of property taxes
 - Registration with the Secretary of State

Stage 5: Project Completion

- **Description:** Certificate of Completion is issued and recorded and the final payment has been issued. This marks the transition from grantee status to alumnus status and the beginning of annual surveys.

Requirements

Contractor Requirements: Contractors, including GCs and subcontractors, must be appropriately licensed by the City of Chicago and carry satisfactory insurance. Certificate of Insurance showing Commercial General Liability Insurance coverage is required.

Grantees must submit at least two contractor bids to ensure they are receiving market-rate pricing on materials and labor. Contract bids should have sufficient detail in work specifications as well as line-item pricing. Lump sum pricing will not be acceptable.

Scofflaw Requirements: All grantees must be either clear of all city indebtedness or participating in a payment plan to receive approval for grant funding. City scofflaw searches identify debts incurred by unpaid parking tickets, water bills, inspection fees, permit fees and other administrative hearing fees.

Scofflaw searches are conducted once for each finalist, however, DPD reserves the right to conduct a scofflaw search at any time during the grant period.

Finalists with scofflaw debts that were identified at the time of application will be provided 30 days to address these debts. If the debts are not cleared within that timeframe, or the finalist is

not making significant progress towards clearance (such as entering into a payment plan), DPD reserves the right to remove the finalist from the program.

Change in Business Concept During Participation in the NOF

Grantees selected for participation in the NOF program are chosen in part due to their business concepts. If the business concept changes any time after the application was submitted, the program administrator must be notified. The program administrator reviews the change with DPD and if approved, a written and signed approval will be provided. If not approved, the project will be removed from the program regardless of project progress.

Removal from Program

The program administrator, in conjunction with DPD, determines whether required documentation has been adequately submitted by the deadline. If not, the grantee will be removed and any remaining grant funds shall be rescinded. Any funds remaining in escrow shall be returned to the grantee or paid toward outstanding contractor balances. Removed grantees may not be reinstated however they are encouraged to reapply for the program once they can meet the program's requirements and deadlines.

Grant Conditions

Project Compliance Term: The NOF projects are subject to three-year monitoring and compliance terms that start upon the issuance of Certificates of Completion. Grantees are required to provide annual status reports and complete surveys that provide basic data about the business as well as confirm it is still operating at the project property (see Appendix III).

Recapture Provisions: Each grantee must complete and adhere to a NOF Grant Recipient Covenant form. The covenant states that the grantee will not sell or relocate from the property without consent from DPD during the three-year monitoring term. Violations may require the grantee to reimburse the City for some or all of the grant amount. For grantees who own their property (not applicable to tenants), a Memo of Grant Recipient Covenant must be recorded on the title of the project property, memorializing this recapture provision. After three years, a release of this document will be recorded on title.

VI. ACRONYMS

BACP: City of Chicago Business Affairs and Consumer Protection

CAL: Conditional Award Letter

CDFI: Community Development Financial Institution

CDG: Community Development Grant

CT: Chicago Title [Insurance Company]

DOB: City of Chicago Department of Buildings

DOH: City of Chicago Department of Housing

DPD: City of Chicago Department of Planning and Development

EDS: Economic Disclosure Statement(s)

ETOD: Equitable Transit-Oriented Development [Grant]

GC: General Contractor

LLR: Loan Loss Reserve

MO: City of Chicago Mayor's Office

NOF: Neighborhood Opportunity Fund Small Grants Program

QIA: Qualified Investment Area

SBIF: Small Business Improvement Fund

TA: Technical Assistance Services

TAF: Technical Assistance Fund

TIF: Tax Increment Financing

APPENDIX I – CHICAGO ZONING ORDINANCE

Property owners are expected to demonstrate full compliance with zoning regulations, life-safety requirements, and all other statutory codes that apply to their properties.

APPENDIX II – GRANT CALCULATION MODELS

Model 1: Base Grant Calculation

Project Line Item	Item Eligible?	Cost
Demolition	<input checked="" type="checkbox"/>	\$10,000
Masonry	<input checked="" type="checkbox"/>	\$30,000
Storefront Improvements	<input checked="" type="checkbox"/>	\$20,000
HVAC	<input checked="" type="checkbox"/>	\$30,000
Ceiling	<input checked="" type="checkbox"/>	\$5,000
Flooring	<input checked="" type="checkbox"/>	\$5,000
Furniture, Fixtures, & Equipment	<input type="checkbox"/>	\$20,000
Total Project Costs (TPC) The sum of <i>all</i> expenses		\$120,000
Total Eligible Project Costs The TPC minus <i>ineligible</i> expenses		\$100,000
Grant Percentage Rate: 75% of <i>eligible</i> project costs		x 0.75
NOF Base Grant Amount		\$75,000

MODEL 1: This is the basic grant calculation only considering 75% of total eligible project costs. You will notice that this model is not taking 75% of the total project costs. This is because there are \$20,000.00 of ineligible expenses. These expenses therefore are not eligible for grant consideration.

Model 2: Base Grant Capped at \$250,000

Project Line Item	Item Eligible?	Cost
Demolition	<input checked="" type="checkbox"/>	\$50,000
Masonry	<input checked="" type="checkbox"/>	\$130,000
Storefront Improvements	<input checked="" type="checkbox"/>	\$50,000
HVAC	<input checked="" type="checkbox"/>	\$120,000
Ceiling	<input checked="" type="checkbox"/>	\$50,000
Flooring	<input checked="" type="checkbox"/>	\$40,000
Electrical	<input checked="" type="checkbox"/>	\$100,000
Plumbing	<input checked="" type="checkbox"/>	\$200,000
Framing & Carpentry	<input checked="" type="checkbox"/>	\$260,000
Total Project Costs (TPC) The sum of <i>all</i> expenses		\$1,000,000
Total Eligible Project Costs The TPC minus <i>ineligible</i> expenses		\$1,000,000
NOF Base Grant Amount Rate cannot be more than the \$250,000 maximum.		\$250,000

MODEL 2: This model demonstrates that the grant amount for NOF cannot be higher than \$250,000.00 regardless of the total project costs.

Model 3: Grant Calculation with Low Acquisition Costs

Project Line Item	Item Eligible?	Cost
Demolition	✓	\$10,000
Masonry	✓	\$30,000
Storefront Improvements	✓	\$20,000
HVAC	✓	\$30,000
Ceiling	✓	\$5,000
Flooring	✓	\$5,000
Property Acquisition	✓	\$20,000
Total Project Costs (TPC) The sum of <i>all</i> expenses		
		\$100,000 <i>excluding acquisition</i>
Total Eligible Project Costs The TPC minus <i>ineligible</i> expenses		
		\$100,000 <i>excluding acquisition</i>
Grant Percentage Rate: 75% of <i>eligible</i> project costs		
		x 0.75
NOF Base Grant Amount		
		\$75,000
Acquisition Costs		
		\$20,000
NOF Acquisition Coverage Rate: 75% of acquisition costs, as long as: a) 75% of acquisition is not greater than the total eligible project costs and b) adding in 75% of acquisition will not cause the total NOF grant to exceed \$250,000		
		\$15,000
Total NOF Grant Amount Grant amount for eligible project costs plus the NOF Acquisition Coverage		
		\$90,000

MODEL 3: This model demonstrates how \$15,000 of grant credit for acquisition is applied to the entire grant amount. This means that for total eligible project costs of \$100,000, the grant amount is \$75,000 plus \$15,000.00, or \$90,000. Please note that grant credit for acquisition is applied to the construction grant. The acquisition grant is not paid out upon buying a property.

Model 4: Grant Calculation with High Acquisition Costs

Project Line Item	Item Eligible?	Cost
Demolition	<input checked="" type="checkbox"/>	\$15,000
Masonry	<input checked="" type="checkbox"/>	\$80,000
Storefront Improvements	<input checked="" type="checkbox"/>	\$40,000
HVAC	<input checked="" type="checkbox"/>	\$30,000
Ceiling	<input checked="" type="checkbox"/>	\$20,000
Flooring	<input checked="" type="checkbox"/>	\$15,000
Property Acquisition	<input checked="" type="checkbox"/>	\$600,000
Total Project Costs (TPC) The sum of <i>all</i> expenses		\$200,000 <i>excluding acquisition</i>
Total Eligible Project Costs The TPC minus <i>ineligible</i> expenses		\$200,000 <i>excluding acquisition</i>
Grant Percentage Rate: 75% of <i>eligible</i> project costs		x 0.75
NOF Base Grant Amount		\$150,000
Acquisition Costs		\$600,000
NOF Acquisition Coverage Rate cannot be 75% of acquisition costs because a) 75% of acquisition alone (\$450,000) is greater than the total eligible project costs (\$200,000), and b) because its addition would cause the total NOF grant to exceed the total eligible project costs (\$200,000).		\$50,000
Total NOF Grant Amount Grant amount for eligible project costs plus the NOF Acquisition Coverage		\$200,000

MODEL 4: This model demonstrates how acquisition credit can be applied to make the grant amount 1:1 with the total eligible project costs.

Model 5: Grant Calculation with TA Fund Soft Cap (20%)

Project Line Item	Item Eligible?	Cost
Demolition	✓	\$10,000
Masonry	✓	\$30,000
Storefront Improvements	✓	\$20,000
HVAC	✓	\$30,000
Ceiling	✓	\$5,000
Flooring	✓	\$5,000
Total Project Costs (TPC) The sum of <i>all</i> expenses		\$100,000 <i>excluding TA expenses</i>
Total Eligible Project Costs The TPC minus <i>ineligible</i> expenses		\$100,000 <i>excluding TA expenses</i>
Grant Percentage Rate: 75% of <i>eligible</i> project costs		x 0.75
NOF Base Grant Amount		\$75,000
TA Fund Percentage Rate: 20% of NOF Base Grant Amount		x 0.20
Addition of TA Fund		\$15,000
Total NOF Grant Amount Grant amount for eligible project costs plus the addition of the TA Fund		\$90,000

MODEL 5: This model demonstrates how the TAF, capped at 20% of the eligible grant amount, impacts the overall grant amount.

Model 6: Grant Calculation with TA Fund Hard Cap (\$50,000)

Project Line Item	Item Eligible?	Cost
Demolition	✓	\$120,000
Masonry	✓	\$30,000
Storefront Improvements	✓	\$45,000
HVAC	✓	\$20,000
Ceiling	✓	\$60,000
Flooring	✓	\$40,000
Electrical	✓	\$100,000
Plumbing	✓	\$45,000
Framing & Carpentry	✓	\$40,000
Total Project Costs (TPC) The sum of <i>all</i> expenses		\$500,000 <i>excluding TA expenses</i>
Total Eligible Project Costs The TPC minus <i>ineligible</i> expenses		\$500,000 <i>excluding TA expenses</i>
NOF Base Grant Amount Capped at \$250,000		\$250,000
Addition of TA Fund Rate cannot be more than the TA Fund's \$50,000 maximum.		\$50,000
Total NOF Grant Amount Grant amount for eligible project costs plus the addition of the TA Fund		\$300,000

MODEL 6: This model demonstrates how the max TAF stacks on top of the max grant amount.

APPENDIX III – Technical Assistance Fund

As of the spring of 2024, the NOF may provide additional funds for DPD-approved Technical Assistance providers (TA providers) as defined below:

- **Architects:** licensed, insured, and reputable design professionals who assist the NOF participants to produce drawings that will be used for construction and permitting. These providers may have experience in project management and may assist in navigating the permitting process.
- **Construction Project Managers:** licensed, insured, and reputable contractors and professionals who assist the NOF participants in managing the contracting and construction processes. Additionally, these providers may assist in navigating the permitting process.

List of Providers: The current list of TA providers is available at Chicago.gov/NOF

Fees for Technical Assistance Services: After notice of a grant award, finalists will be able to select and determine scope with an approved TA provider. Compensation for approved TA providers will vary depending on the scale of the project and the services that are required. The maximum amount for these additional funds will be either 20% of the base grant amount or \$50,000, whichever is less.

Fees for these services must be billed using a fixed rate with a total time commitment relative to each required project milestone below.

Required Milestones for Payment: The following are the minimum required milestones at which payment will be issued for each of the Approved TA provider roles. Respondents are permitted to include for consideration additional milestones at which payment could be received.

Architect Milestones

- **Milestone 1 - Plan sets submitted for permit review:** Design and construction documents have been submitted for permitting and bidding of proposed project.
- **Milestone 2 - Permits issued:** The point at which the project has all its required approvals and construction is demonstrably underway.
- **Milestone 3 - Construction completed:** The point at which the project has passed all its inspections, and all payment documentation (inclusive of sworn statements and lien waivers) has been collected.

Construction Manager Milestones

- **Milestone 1 - Completion of Bid Letting:** The point at which the NOF grantee has received at least two adequate bids from contractors for their scope of work and has

selected the contractor with whom they want to work with. Please note that in some projects, depending on complexity and scale, an architect may need to be retained to produce design documents for the contractors to bid on.

- **Milestone 2 - Permit Issuance and “Groundbreaking”:** The point at which the project has all its required approvals and construction is demonstrably underway.
- **Milestone 3 - Project Completion:** The point at which the project has passed all its inspections, and all payment documentation (inclusive of sworn statements and lien waivers) has been collected.

Milestones Not Reached: If a project is halted or discontinued by the NOF grantee, the Approved TA Provider may apply for a partial payment for services rendered up to the point of cancellation. The partial payment may not exceed 30% of the milestone payment and may be granted, once reviewed and approved by the program administrator, under the following conditions:

1. The NOF grantee formally decides to discontinue the project.
2. The Approved TA Provider was not listed as a reason for the NOF participant in arriving at their decision.
3. The work performed by the Approved TA Provider can be substantiated.

Determining Scope of Services: The NOF grantees and Approved TA providers will be responsible for scoping the services to be delivered based on individual needs of each project. Each Approved TA provider will be responsible for documentation of the services provided to the NOF grantees (based on the agreed-upon scope of services).

Contracting & Invoicing: Prior to the initiation of any services, an NOF grantee and their selected Approved TA provider shall enter into a contractual agreement on a form deemed acceptable by the City of Chicago which includes an invoice form and supplementary information that evidences the work for which payment is requested. Up to three payments can be made from the TAF allotment.

For a TA provider to be compensated for their work, the following steps must have been accomplished:

1. The executed contract with associated itemized milestones must be sent over to the program administrator for review and approval. The grantee must have received their Conditional Award Letter
 - Any approved work and milestones that have an outstanding invoice may be paid once the applicant receives their Conditional Award Letter

APPENDIX IV – Project Documents

Below are documents required in the finalist and grantee stages of the program:

Finalist Stage:

- Cleared Scofflaw request (from Department of Finance)
- Proof of Site Control (at least one of the following):
 - Recorded deed
 - Executed lease (minimum five years)
 - Fully executed Purchase and Sale Agreement/Redevelopment Agreement
- Architectural Drawings (permit-ready if applicable)
- Two GC bids
- License for the GC/subcontractors of the client's choice
- Insurance for the GC/subcontractors of the client's choice
- Construction timeline

NOF Grantee Stage:

- Permit issued by the City of Chicago
- Bank statement with a written statement that the funds shown are solely to be used on the construction project OR
- Closing documents/promissory note

Construction Completion:

- Signed covenants
- Confirmation of payment of property taxes
- Confirmation of registration with the Secretary of State
- Detailed invoices
- Canceled checks (for reimbursement)
- Sworn Owner's Statement (for escrow)
- GC Sworn Statement (for escrow)
- Reimbursement letter (for escrow, if the GC paid their sub-contractors [subs] directly)
- Waivers of lien
- Final signed permits (if applicable, for final payments)
- Certificate of Occupancy (if applicable, for final payments)
- Business license (for final payments)