## COMMUNITY DEVELOPMENT GRANT (SMALL) APPLICATION OVERVIEW

#### **INFORMATION SESSION**

DEPARTMENT OF PLANNING AND DEVELOPMENT COMMISSIONER CIERE BOATRIGHT





# Community Development Grants

For grants up to \$250,000

Apply by 11:59 am November 8, 2024





#### **PROGRAM OVERVIEW**

- CDG Small Grants (CDG-S) are available for up to \$250,000.
- CDG-S Grants will cover up to 75% of eligible expenses.
- > This is a reimbursement-based grant: all expenses must be paid up front by the business owner. Funds are reimbursed to awardees once you've submitted proper documentation and once specific construction milestones are met.
- > Selected projects must be completed within two years of the orientation and must be maintained for an additional three years.
- > Any work completed prior to your orientation will not be considered eligible for this grant.

### \* GRANT STRUCTURE

Grant awards are based on eligible costs from architectural/engineering bids and general contracting bids. *All grants are reimbursement-based*.

Total <u>Eligible</u> Project Cost						
Grant* (up to 75% of <u>eligible</u> project costs, <b>up to \$250,000</b> )	Grantee Portion* (a minimum of 25% of <u>eligible</u> project costs)					

- Grant awards are capped based on the eligible costs you provide in your application's project financing table.
- Regardless of the total project cost, the maximum award amount for CDG Small grants is \$250,000.
- Strong applicants will provide proof that they are able to finance at least 50% of the total project cost.



#### **Community Development Grants are available to:**

- Business owners and entrepreneurs, property owners, non-profit organizations, and community developers for revenue-generating projects
- Properties located in the City of Chicago
- Commercial, mixed-use, and light manufacturing projects
  - Mixed-use projects must be part of a larger commercial project, residential expenses must not exceed 25% of the total grant amount. Eligible residential expenses must be part of larger, building wide systems/improvements (e.g. plumbing, tuckpointing).
  - Land acquisition expense is eligible as part of a larger commercial project. Land acquisition must not exceed 25% of the total grant amount.
- New Construction at vacant sites
- "Vanilla box" projects with a strong community impact, 100% of ground floor tenants must be identified to receive the full grant amount.

### **ELIGIBLE EXPENSES**

- Major exterior and interior renovations
- Acquisition, architectural/design, engineering, site prep, demolition, and construction fees
- Roofing, masonry, façade, windows, doors
- Mechanical systems, such as HVAC, electrical, and plumbing
- > ADA accessibility improvements
- Note that the Contractors doing this work will need to have a City of Chicago license and an active insurance policy

<sup>\*</sup>Other items can be included in the total project cost, but may not be eligible; all expenses that are submitted will be reviewed.

### INELIGIBLE PROJECTS

#### The following project types or conditions are ineligible:

- The project's end-use involves at least one of the following: social service/assistance, place of worship/religious activity, heavy industry or manufacturing, non-revenue generating activities.
- The grant recipient is a residential or home-based business.
- > The grant recipient is a government entity.
- Your project will not be completed within the required timeframe.
- Your project's scope of work is already being funded through another Department of Planning and Development Grant.
- Your construction has already been completed.
- Your business has completed another Department of Planning and Development grant in the last 3 years.

<sup>\*</sup>If you have further questions about the eligibility of your project please email: <a href="mailto:DPDGrants@cityofchicago.org">DPDGrants@cityofchicago.org</a>





#### READINESS AND FEASIBILITY

#### Strong applications will provide proof of project readiness, including:

- > An itemized budget supported by a City-licensed contractor's bid
- Design documents provided by a State-licensed architect
- Proof of financing for at least 50% of the total project cost, or a plan to secure financing
- Detailed business plan including up-to-date profit and loss statements
- Audited tax documents from prior years

### \* SITE CONTROL

#### All applications must include proof of site control, acceptable documents include:

- Lease: An executed lease for the project site in your business's legal name (as listed on the application) for multiple years with the option to renew.
- > Deed / Real Estate Contract for the project location with the name of your business entity (as listed on the application).
- ➤ A Letter of Intent for the project location, signed by both the intended lessor and lessee, including the name of your business entity (as listed on the application).

### \* FINANCING

- Complete the financing table as included in the Submittable application and provide details about project financing you have secured to demonstrate project feasibility.
- ➤ Project owners must provide proof of financing for at least 50% of the total project cost, or their plan to secure financing, with **evidence** of said funds.

Examples of what constitutes an acceptable and unacceptable example of proof of financing is on the next slide.

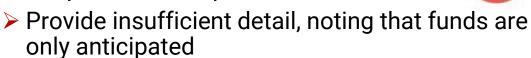


				Anticipated (Answer
Funding Type	Dolla	Amount 🔻	Additional Notes (Optional) 🔻	"Secured" or "Anticipated 🔻
			Latest Bank Statement from	
Business Checking/Savings	\$	130,000	Bank A Attached	Secured
			Latest Bank Statement from	
Personal Checking/Savings	\$	28,500	Bank B Attached	Secured
			Loan Commitment Letter	
Loans from Financial Institutions	\$	80,000	Attached	Secured
Loans from Individuals				
Securities (Stocks and Bonds)				
Gifts from Private Individuals				
Gifts/Grants from Institutions (Federal, State,				
Non-Profit):				
Gifts/Grants from the City of Chicago:				
Crowd-Funding:				
Other Funding Sources:				
Total	\$	238,500		



- Acceptable examples will...
  - ➤ Have specific evidence attached to the application, such as your latest bank statements or a loan commitment letter
  - ➤ Be more than 50% of the total project cost

#### ➤ Unacceptable examples will...



- Not provide any specific evidence for that funding type
- List the City CDG-S grant itself under the Proof of Financing

				Anticipated (Answer
Funding Type	Dolla	r Amount 💌	Additional Notes (Optional)	_ <u></u>
Business Checking/Savings				
Personal Checking/Savings	\$	75,000		Anticipated
Loans from Financial Institutions				
Loans from Individuals				
Securities (Stocks and Bonds)				
Gifts from Private Individuals				
Gifts/Grants from Institutions (Federal, State,				
Non-Profit):				
Gifts/Grants from the City of Chicago:	\$	250,000	CDG Small Grant	
Crowd-Funding:				
Other Funding Sources:				
Total	\$	325,000		

### PROJECT BUDGET

- ➤ Grant awards are determined by eligible, itemized expenses provided in your application. Please provide a detailed list and indicate which costs are supported by contractor estimates.
- ➤ If selected as a finalist, a comparable, itemized bid will be required for every single eligible expense.
- ➤ A contingency of up to 10% of your eligible project construction costs is allowed and encouraged, up to the \$250,000 cap.



### PROJECT BUDGET

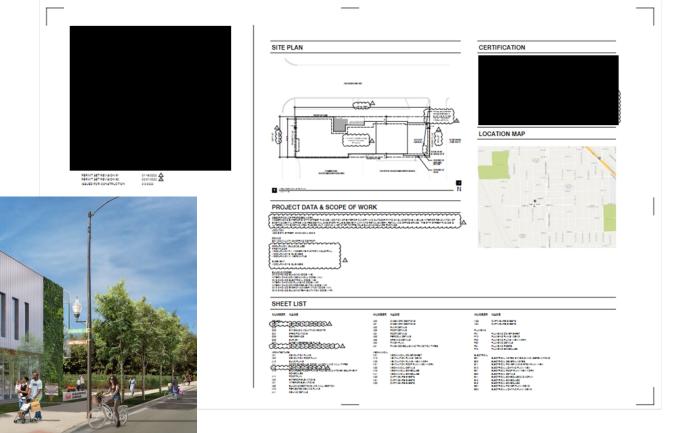
				Supported with contractor bid/estimate? (Answer "Yes" or
Cost Category	<b>■</b> Amount (US Dollar)	v	Additional Notes	■ "No")
Design/Architecture Fees	\$	7,800.00	Already Paid	No
Permitting Fees	\$	500.00		No
<b>Demolition/Site Preparation</b>	\$	2,800.00		No
Roofing	N/A		No roofing work needed	N/A
Walls	\$	7,800.00		Yes
Floors	\$	1,500.00		Yes
Windows	N/A		Now windows needed	N/A
Doors	\$	9,764.00		Yes
Masonary	\$	7,000.00		Yes
Plumbing	\$	24,000.00		Yes
HVAC/Mechanical	\$	32,000.00		Yes
Electrical	\$	30,200.00		Yes
Carpentry	\$	4,500.00		No
<b>Building System Securtiy</b>	\$	3,700.00		No
Outdoor Landscaping/Signage	\$	-		N/A
Finishes and Fixtures	\$	7,000.00		No
Furniture and Equipment	\$	12,000.00		No
Other Non-Construction Costs				
(please describe in additional note	s) \$	-		
Other Construction Costs (please				
describe in additional notes)	\$	-		
Property Acquisition Cost	\$	-		
<b>Total Construction Costs</b>		131,564.00		
Total Non Construction Costs	\$	19,000.00		
Project Contingency (10%)	\$	13,156.40		
Total Project Costs	\$	163,720.40		

- ➤ Good examples of a project budget will...
  - > Have accurate cost estimates, because that will impact the overall grant award
  - ➤ Be supported by actual bids by potential contractors
  - > Have a lot of detail, and will have lines that are sufficiently broken out
  - ➤ Not include ineligible costs, like the Furniture and Equipment line item shaded in yellow



#### DESIGN AND CONSTRUCTION PLANS

If you are working with an architect at this stage, providing design documents and construction plans help to demonstrate a project's readiness.





### **APPLICATION REVIEW**

#### Readiness

Projects can demonstrate readiness by providing:

- Site control documentation
- A detailed project budget and construction timeline
- Construction and design documents

#### **Feasibility**

Projects are more competitive when:

- 50% of project financing has been secured
- Permits have been issued
- A detailed business plan and leadership team summary is included
- A profit and loss statement or demonstration of financial stability is included

#### **Community Impact**

Explain how your project will contribute to the community

- Incorporate the neighborhood design guidelines in your plans
- Submit letters of support from community members and elected officials
- Provide a detailed plan for community engagement and outreach
- Introduce yourself and your project to your Alderperson

#### **Due Diligence**

Before moving forward with an application, the City will:

- Check for City-owed debt, Cook County property tax debt, and zoning compliance
- Work with the Department of Buildings and Department of **Business Affairs and** Consumer Protection to review your organization, project feasibility, and project site
- Confirm your business is in Good Standing with the State of Illinois

### \* HOW TO APPLY

- Register on the City of Chicago Submittable page (for free) to review and complete the application.
- Read and answer all questions thoroughly and completely.
- Provide all required documents.
- > Provide all supplemental documents, where available:
  - Design and Construction documents
  - Business plans
  - Community letters of support
- Submit your application by 11:59 AM on November 8, 2024. No late applications will be accepted.

### Questions?

View the webinar and see the frequently asked questions:
Chicago.gov/CDG

Email: DPDGrants@cityofchicago.org



