

NEIGHBORHOOD OPPORTUNITY FUND PROGRAM OVERVIEW

DEPARTMENT OF PLANNING AND DEVELOPMENT
COMMISSIONER CIERE BOATRIGHT

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The NOF Team



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AGENDA

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What is the NOF?

Program Overview

Background and Mission

The NOF was launched in 2016 to build strong and vibrant commercial corridors on the South, Southwest, and West Sides.

It is a reimbursement grant and technical assistance program that supports permanent builds and renovations of commercial spaces.

GOALS:

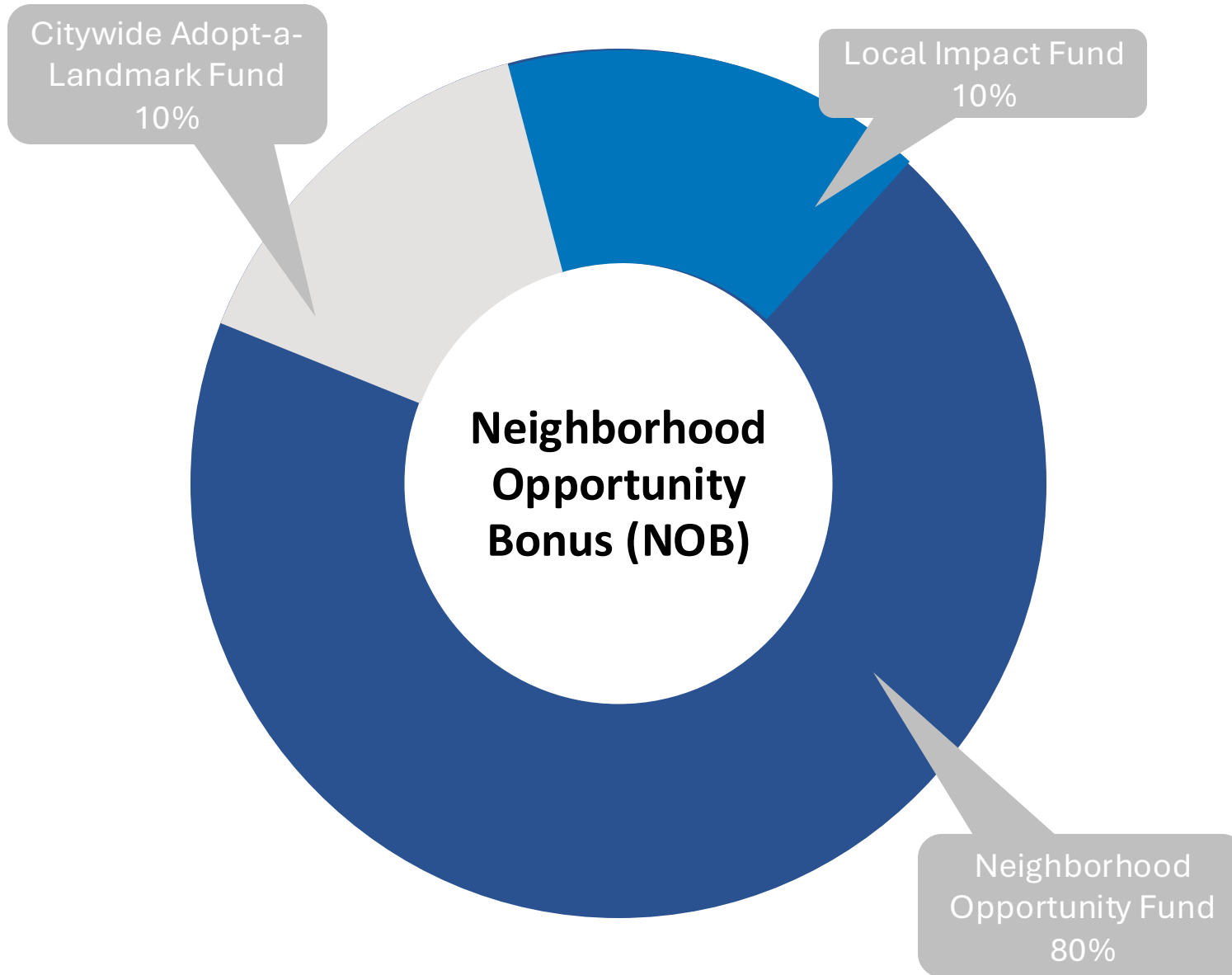
Invest in communities most in need of resources in the City of Chicago.

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.



NOF Funding Source

NEIGHBORHOOD OPPORTUNITY BONUS (NOB)

Special fees paid by downtown area development projects are leveraged to foster neighborhood development and central area growth. The NOF receives 80% of these funds.

Unlike most other City financial incentives programs, the NOF program is not funded through local property taxes

NOF Completed Projects at a Glance

113

Total Completed
Projects

31

Community Areas
Impacted

22

Wards Impacted

Leavitt Laundry – 2145 W Cermak Rd (South Lawndale)

\$136,600 NOF Grant



Before



After

Bronzeville Winery – 4420 S Cottage Grove Ave (Grand Boulevard)

\$250,000 NOF Grant



Before



After

Who is Involved?

The Department of Planning and Development (DPD)

DPD funds and provides the Neighborhood Opportunity Fund grant. DPD works directly with NOF finalists and grant recipients, or grantees, to navigate City of Chicago departments and requirements.

SomerCor

SomerCor, the Program Administrator, works in partnership with DPD and is the primary contact for NOF grantees. Somercor is responsible for assisting grantees in managing and stewarding projects through necessary milestones to reach project completion.

What's New in 2025?

Technical Assistance Fund

The NOF's new Technical Assistance Fund (TAF) provides additional assistance of up to 20% of the grant amount. This assistance is in addition to the grant and may be used to pay for services provided from a pre-selected list of project managers and architects.

Increased Coverage

For upcoming rounds, the NOF has increased coverage from 50% to 75%, allowing more support for transformative capital improvement projects.

Loan Loss Reserve

The NOF has established a Loan Loss Reserve that, with the assistance of Community Development Financial Institution lenders (CDFIs), will provide 'pipeline applicants' with tools to address issues stemming from access to capital.

What is the NOF?

Program Structure

Grant Calculation

Total Eligible Project Cost (100%)

NOF Grant*
(75% of eligible project costs)

Grantee Portion
(25% of eligible project costs)

TAF*
(20% of the
NOF Grant)

*Regardless of the total eligible project cost, the maximum award amount for the NOF grant is \$250,000 and the maximum amount of the TAF is \$50,000

Grant Calculation Elements

Base Grant

The base grant is calculated from the project's eligible expenses, which are identified by DPD and the NOF program administrator. The base grant cannot exceed 75% of total eligible project costs or \$250,000 (whichever is less).

Acquisition Coverage

Acquisition of the project property may qualify if it is part of a larger rehabilitation or new construction project. The acquisition costs are credited to the actual construction project and will impact the base grant amount.

Technical Assistance Fund (TAF)

The TAF provides financial assistance for approved design, permitting, and construction management service providers. The TAF is provided in addition to the base grant. The maximum amount is 20% of the base grant amount or \$50,000 (whichever is less).

The NOF grant is paid out in one of two ways described below:

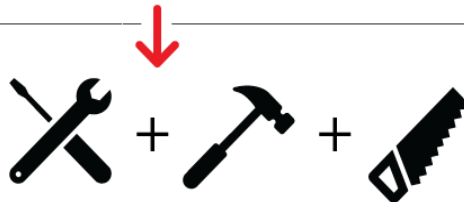
Reimbursement

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.

Your 100% contribution...

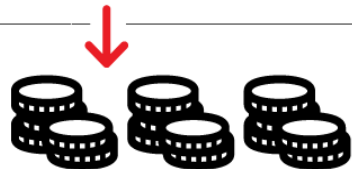


...pays for eligible construction costs upfront...



...resulting in a completed project.

After completion*, the grant pays you back 75% of eligible construction costs.



*Reimbursement may occur over a maximum of three stages.

Construction Escrow

A construction escrow is a neutral, third-party account where funds are kept until certain conditions are met for disbursement directly to contractors.

Your contribution



City contribution (grant funds)

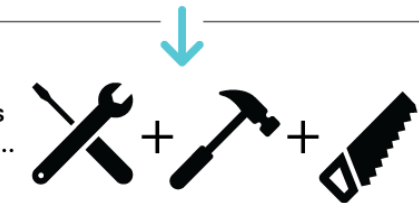


+



A construction escrow account holds both your contribution and grant funds to pay for eligible project costs...

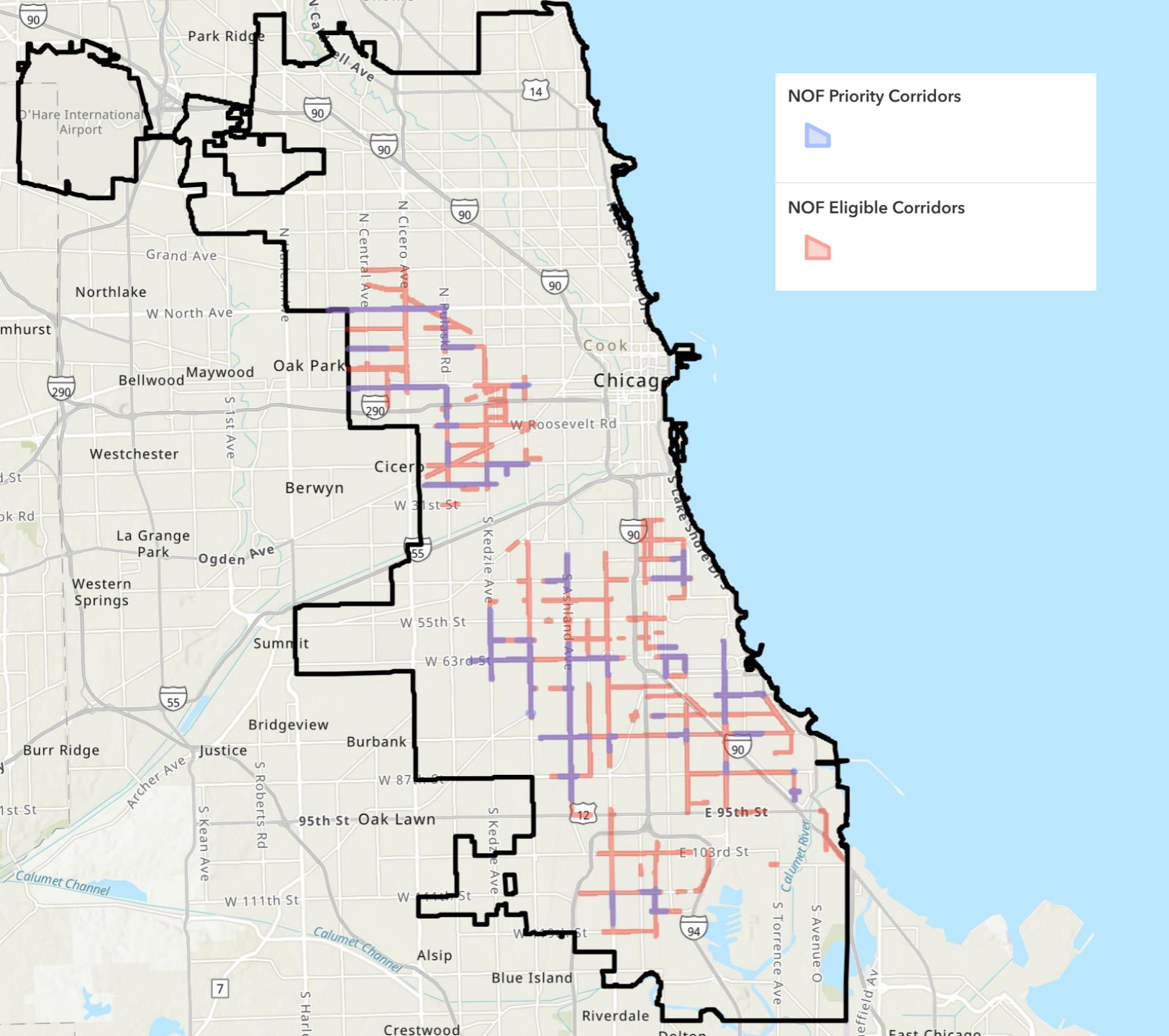
...the escrow account pays contractors directly for eligible construction costs...



...resulting in a completed project.

Before Applying

Eligibility Requirements



NOF Eligible Locations

- NOF projects must be in a Priority Corridor or an Eligible Corridor.
- These corridors provide a strategic focus on location and ensure collective impact on commercial corridors.
- To verify that your project is on one of these eligible corridors, visit our [interactive map](http://chicago.gov/NOF) at chicago.gov/NOF

Eligible Applicants

Eligible Types Include:

- **Commercial properties** (office, retail, exteriors of mixed-use residential)
- **Cultural institutions** (museums, theaters, performance venues)
- **Non-profit organizations** with an on-site commercial component
- **Artisanal manufacturing, production, and services** with an on-site commercial component

Ineligible Types Include:

- **Residential properties** including home-based businesses and live/work spaces
- **Social services organizations** including workforce development and daycare centers
- **Places of worship** that exclusively promote or incorporate religious teachings of any kind
- **Industrial or heavy manufacturing** including food and beverage processing

Eligible Expenses

Eligible Expenses Include:

- Minor site improvements when part of a larger project
- Building demolition and environmental remediation
- Security measures
- Roofing, façade, and mechanical system repairs
- Architectural and engineering fees
- HVAC, plumbing and electrical

Ineligible Expenses Include:

- Minor repairs or improvements (e.g. painting) that are not part of a larger project
- Construction/rehabilitation of residential units or the residential portion of a mixed-use building
- Repairs or improvements to bring a building into compliance with the City of Chicago's Building Code that are not part of a larger project
- Operating expenses of any kind

Ted's Place - 5813 W. Madison St. (Austin)

\$44,000 NOF Grant



Before



After

Black Planet Products- 107 W 95th St (Roseland)

\$10,200 NOF Grant



Before



After



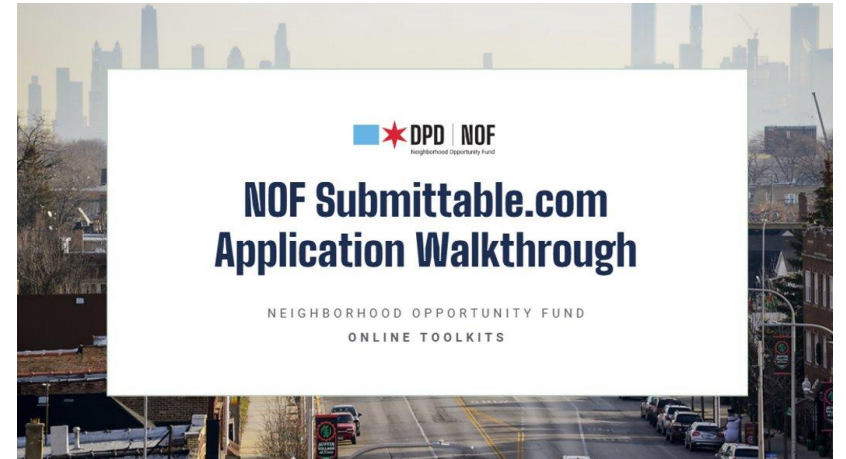
Before Applying Resources

Application Toolkits

The NOF offers a series of 'toolkits' to assist you in preparing your application. All of them, and further applicant resources, can be found at somercor.com/NOF

Toolkit topics cover all *required* portions of the NOF application:

- A guide to Submittable.com (*pictured*)
- A walkthrough of creating an anticipated sources and uses table
- How to provide proof of site control
- Construction bids and tips on obtaining contractor proposals
- What is needed to document your sources of funds



This toolkit offers step-by-step instructions for the NOF application on Submittable.com, including definitions of terms that are frequently used in the NOF process.



NOF Community Partners

If you need assistance with putting together your NOF application, please feel encouraged to reach out to any of our community partners.

Find the full list and contact information at chicago.gov/NOF under 'Resources.'

Program Process

How Do I Apply?

Application Period

Applications are accepted on a rolling basis and evaluated quarterly. The next evaluation deadline is **11:59 PM on Friday, February 14, 2025**. Grant Finalists for this intake period will be announced in March 2025.

You may submit your application at any time.

Applications submitted after the evaluation deadline will be reviewed in the following round.

Submittable.com Application

The NOF application process is completely online.

Find it at chicago.gov/NOF

What to know:

- You will have to create a free account on Submittable.com
- A preview of the application questions and requirements can be found in the Submittable.com Application Toolkit at somercor.com/NOF
- Applications can be saved as drafts and continued later
- You must upload all required documentation; applications without required documents will be disqualified

Common Application Mistakes

Required Materials Missing

Applicants must upload documentation to verify their responses to some questions. For example, if an applicant answers 'Yes' to having site control, they must also include their deed/lease. Make sure to have all required materials ready to go!

Insufficient Preparation

Applicants who do not have financing, site control, a construction plan, or meet other baseline criteria are encouraged to apply at a later time. The NOF's rolling application period means there's no rush!

Incomplete Responses

Applications with missing or partial responses will be disqualified but encouraged to reapply. If you need clarification on any part of the application, please contact us at NOF@cityofchicago.org or reach out to our community partners. We are here to help!

Program Process

What to Expect

How are Projects Selected?

Beyond baseline eligibility requirements, applications are evaluated on:

PROJECT READINESS

Applications must demonstrate site control and a financially feasible project budget as defined in the NOF Program Manual.

PROJECT REALIZATION

Applications must provide construction cost estimates, detailed business descriptions, and demonstrate the project's positive community impact.

The NOF grant is competitive, selections are made based on funding availability, and equitable geographic disbursement.

Anticipated NOF Project Timeline

Stage 1: Legal Documents

Finalists have 21 days from finalist designation to provide documentation for the City to determine ownership, conduct a scofflaw investigation, and administer a City debt search.

STAGE
1

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

Grantees have 120 days after receiving their CAL to provide updated proof of financing and to produce a permit. Grantees have 12 months from issuance of their CAL to complete construction.

STAGE
3

Stage 5: Project Completion

After all documentation has been approved, the Certificate of Completion is issued and recorded, marking the transition from grantee status to alumnus status.

STAGE
5

Stage 2: Project Documents

Finalists have 120 days to produce construction bids and provide permit-ready architectural drawings. Once approved, they will then receive their CAL.

STAGE
2

Stage 4: Process of Closing

Grantees have 90 days from submission of final payment request to complete post-project documentation and other items as necessary.

STAGE
4

Conclusion

Osito's Tap – 2553 S Ridgeway Ave (Little Village)

\$205,000 NOF Grant



Before



After

Magnolia Screen Printing – 2504 W 63rd St (Chicago Lawn)

\$110,000 NOF Grant



Before



After

Next Steps

Application Evaluation Deadline: Friday, February 14th at 11:59 PM

Grant finalists for this intake period will be announced in March 2025

Applications must be submitted online, no hard-copy applications will be accepted

Applicants are encouraged to work with community partners in order to develop strong and competitive applications

NOF General Contact Information

DPD

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