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**CITY COUNCIL APPROVES HIGH CAP FUNDING AND REFORMS TO THE
NEIGHBORHOOD OPPORTUNITY FUND PROGRAM**

*Mayor Lightfoot's Enhancements to NOF to Help Businesses and Entrepreneurs Access
Larger Sums of Capital Earlier on in the Project*

CHICAGO—The City Council today approved improvements to the Neighborhood Opportunity Fund (NOF) program which will increase grant funding for new construction projects by up to 50 percent of a project's total cost, enabling more capital for individual community improvements along South, West and Southwest side commercial corridors.

These reforms were recommended by Mayor Lori E. Lightfoot's administration and were announced along with the availability of \$10 million in new business development grants provided by the NOF program. The first of two 2020 application periods is now open until February 29th, allowing businesses to access the enhanced NOF program, which includes 100 percent grant matching and other enhancements that will make funding more easily accessible for grantees.

"Our efforts to reform the Neighborhood Opportunity Fund grant process will allow more residents and businesses in Chicago to fulfill their dreams, with additional funds available spurring economic investment in neighborhoods with the greatest need," said Mayor Lightfoot. "From the INVEST South/West initiative to recent reforms to our TIF system – the City of Chicago is sending a clear message that every community in Chicago is open for business."

NOF grants up to \$250,000 will help small businesses, entrepreneurs and other organizations to improve properties along under-invested commercial corridors. These grants can be applied to a range of business development and expansion costs - including property acquisition and rehabilitation expenses, new construction costs, design and remodeling expenses, site improvement and repair costs, and other eligible expenses. The availability of new NOF funds will further the City's INVEST South/West community redevelopment initiative, which leverages \$750 million in public funds over the next three years to spur economic growth in targeted areas of the city.



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“The improvement means that a \$100,000 new construction project will be eligible for \$50,000 in grant funding versus \$30,000. Likewise, a \$500,000 project will be eligible for \$250,000,” DPD Commissioner Maurice Cox said. “The increased access to capital reduces an owner’s need for other funding sources and makes new projects more viable where they’re needed most.”

Recent NOF enhancements enable 100 percent of a project’s total costs to be funded through the program if the business owner and employees are local residents. Additional enhancements include access to grant funding earlier and throughout the construction process, access to lending and construction coaches, and an online application portal that helps would-be businessowners assess the readiness of their proposals.

“Reforms to the NOF program will enable dozens of new projects that will help restore commercial vitality, foster new investment, and provide quality of life amenities where they’re needed most,” Ald. Gilbert Villegas (36th) said.

The first round of 2020 NOF grant finalists are expected to be announced this spring. Based on community feedback on the program, the City identified a second cycle for July, which will allow businesses and other applicants more time to plan their applications.

“The Neighborhood Opportunity Fund is one important financial resource in our toolbox and it allows us to provide community businesses with access to capital that will help them grow and expand,” said 3rd Ward Alderman Pat Dowell. “The reforms we have worked with Mayor Lightfoot to pass today will unlock better access to capital earlier on in the process, and are in direct response to the feedback we’ve received from local residents about how to improve the program.”

Source funding for the three-year-old NOF program is generated by zoning fees paid by downtown construction projects. Approximately \$35.5 million has been allocated to nearly 100 neighborhood projects to date, including \$12 million authorized today by City Council to support 2020 program applicants.

NOF funding is one of several planned funding sources for the INVEST South/West initiative that Mayor Lightfoot announced in 2019. INVEST South/West is a groundbreaking initiative that will marshal the resources of multiple City departments, community partners and corporate partners to revitalize the core of 10 underinvested neighborhoods on Chicago’s South and West Sides. The initiative creates a network of communities for planned growth, with priority projects identified by the community, for the community. These projects may include new



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retail, transportation, parks and other infrastructure and quality of life investments for local residents.

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