

COMMUNITY DEVELOPMENT GRANT APPLICATION GUIDE

DEPARTMENT OF PLANNING AND DEVELOPMENT
BUREAU OF ECONOMIC DEVELOPMENT

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I. CDG PROGRAM OVERVIEW

Community Development Grants (CDG) are intended for real estate development projects requesting more than \$300,001 in financial assistance from the City.

Medium Community Development Grants (CDG-M) are intended for moderate real estate development projects demonstrating a need of \$300,001 to \$5,000,000 in financial assistance from the City. CDG-M awards are made during competitive, semi-annual funding rounds, to eligible projects that demonstrate impactful development, create jobs, and improve the quality of life of neighborhood residents and visitors. CDG-M support up to 50% of total project costs involving new construction, rehabilitation or a combination of both.

Large Community Development Grants (CDG-L) are intended for complex development projects demonstrating a need of more than \$5,000,000 in financial assistance from the City. CDG-L applications are reviewed and awarded on a rolling basis, to eligible projects that demonstrate impactful development, create jobs, and improve the quality of life of neighborhood residents and visitors. CDG-L are not limited to a specific amount of total project costs, but generally range from 20%-30% of total project costs. CDG-L are generally subject to more rigorous covenants, requirements, and conditions than CDG-M.

More information about the Community Development Grant program rules and policies can be found [here](#).

Purpose of this Document

The CDG application is the sole document that DPD uses to review applications requesting the use of City funds and the questions being asked are frequently specific. This guide offers explanatory direction to help applicants understand the CDG application objectives. This guide is intended for demonstration purposes only, not as a response template for applicants. Applications with responses that replicate sample text from this document will not be considered.

II. CDG APPLICATION FREQUENTLY ASKED QUESTIONS

Below are common questions asked of DPD about CDG-M/L applications, and the application review process. More information on both programs can be found [here](#).

How can I apply for a Community Development Grant?

Prospective applicants must use the free, online platform, Submittable, to apply for the [CDG-M](#) and [CDG-L](#). Applicants must complete a free registration with Submittable to apply. The applications can also be accessed on the City's [Community Development Grant website](#).

When can I apply for a Community Development Grant?

CDG-M applications are accepted on a rolling basis, throughout the year, with semi-annual funding round deadlines, generally in February (Round 1) and August (Round 2). Applications must be submitted by the round deadline to be considered for a particular round of funding. For more details on the current funding round, please visit [the Community Development Grant website](#).

CDG-L applications are not subject to funding round deadlines, but instead reviewed and awarded on a rolling basis throughout the year.

How long does the application review process take?

The CDG-M review process takes approximately five months, from the close of the funding round to the announcement of grant finalists.

The CDG-L review process takes approximately three or four months, from receiving the application to notifying the applicant if a project is selected, ineligible, or if additional information is requested.

How are projects selected?

DPD staff first determine the proposed project's eligibility, based on the amount of funds requested and the proposed uses of funds. All eligible projects are then reviewed for potential zoning, design, and historic preservation issues, and evaluated by the response criteria outlined in this guide. Selected projects are considered for all eligible funding sources administered by the Bureau of Economic Development.

Proposed projects that are ineligible are not reviewed by DPD staff.

What helps a project get selected for funding?

The CDG program was developed to improve accessibility to City funding sources; however, applicants bring a range of experience to the table when planning and developing projects, and some applicants may be more successful with a team of experienced professionals at their

side. It is recommended that applicants engage a real estate attorney, an accountant or representative from a financial institution supporting the proposed project, an architect, and at least one contractor.

CDG-M applications received in sufficient time before the funding round deadline may be reviewed by DPD staff. Staff may send the CDG-M applicant a deficiency letter that identifies any issues with the application. The applicant may correct, and then resubmit the application, prior to the deadline. It is in the applicant's best interest to apply well in advance of the round deadline so that DPD staff can review the application and determine if additional information is needed. DPD will not accept additional documentation for an application after the funding round deadline; therefore, CDG-M applicants must submit all required and optional documentation with the application, by the funding round deadline.

CDG-L applications are reviewed by DPD when submitted. CDG-L applicants will be notified directly if projects are selected or ineligible for funding; however, most CDG-L applicants will receive a deficiency letter from DPD, identifying issues with the application, which they may correct and resubmit when ready.

What if my project is not selected for funding?

All applicants will be notified if their projects are selected or not selected for a grant. Applicants whose projects are not selected for funding may reapply in the future, if desired. Applicants may contact DPD staff to request a deficiency letter outlining any issues, questions and concerns about a denied project.

III. CDG APPLICATION GUIDE

The following section provides question-by-question guidance to applicants completing the CDG-M and CDG-L applications, including the overall intent of the question. Please note that the information and headings below follow the order of the application, but not all questions have been addressed.

SECTION I – APPLICANT INFORMATION

Applicant's Relationship to the Project

The applicant must identify, by selection, if they are a non-profit or private tenant (lessee), property owner (lessor), or property owner and tenant (owner-occupied). Private business owners and developers are eligible to apply, as are non-profits, social service providers, and religious organizations, provided that proposed project uses are eligible, publicly accessible, and not secondary or conditional to a primary, permanent use.

SECTION II – PROPOSED PROJECT SUMMARY

Proposed Project Name

The applicant must provide a name for the project, which may be the same as the applicant's legal business name or DBA listed in the previous section.

Proposed Project Development Type

The applicant must identify, by selection, the type of real estate development project being proposed. CDG grants fund capital real estate development projects proposing to construct a new structure or building addition; rehabilitate an existing structure; or a combination of both (rehabilitation of an existing structure with a new building addition).

Proposed Project Summary

The applicant must provide a statement that represents the use and intent of the project upon completion. This summary is limited to no more than 75 characters.

Total Grant Request

The applicant must provide the amount of funds they are requesting from the City to help finance the proposed project.

CDG-M applicants must request between \$300,001 - \$5,000,000 in City funding. Requests must not exceed 50% of the Total Project Cost (defined below). If an applicant is eligible for the Local Residency Bonus (Bonus), they may request up to 75% of the Total Project Cost (TPC) in City funding. Applicants who request funding exceeding 50% of the TPC, but do not qualify for the Bonus, will be ineligible. To determine an applicant's Bonus eligibility, [search the applicant's residential address on the map](#), and, if the query returns "This address is eligible for the Local Residency Bonus," the applicant is eligible for the Bonus.

CDG-L applicants must request City funding that exceeds \$5,000,000. There are no defined limits on the grant amount as a percentage of TPC, but CDG-L typically does not exceed 30% of TPC. CDG-L applicants are ineligible for the Bonus.

Total Project Cost

The applicant must provide the aggregate value of all acquisition, hard, and soft costs necessary to complete the proposed project. Hard costs are associated with construction and permanent building improvements. Soft costs are associated with professional services and fees related to eligible hard costs. Acquisition costs are associated with acquiring real estate and property. Projects with acquisition costs must include substantial and related rehabilitation or new construction work. Applications submitted only for reimbursement of property acquisition costs, without an associated structural rehabilitation or new construction project (redevelopment project), will not be considered for the CDG program.

SECTION III – PROPOSED PROJECT SITE

Property Identification Numbers (PINs)

The applicant must list **all** PINs associated with the proposed project site. If unknown, the applicant can identify the PINs associated with their proposed project site at [CookViewer](#), and can find information on each PIN at the [Cook County Property Tax Portal](#). All PINs listed should have clean titles and be free of unpaid taxes, current liens and court orders. The application provides fields for 11 PINs; however, if needed, the applicant may submit a list of additional PINs in the *Supplemental Documentation* section of the application.

Proposed Project Vacancy

The applicant may identify the proposed project site as vacant, but they must also provide documentation to validate the vacancy. DPD will accept a utility statement, or affidavit from the previous property owner, validating the vacancy and the duration of the vacancy.

Current Uses

The applicant must identify, by checking boxes, all uses currently occupying the proposed project site, and provide the respective square footage of each use. Once uses are selected, fields will appear for the associated square footage. If the site is currently partially vacant, the applicant should select the uses that currently occupy the site in addition to “No uses currently occupy the site (vacant).”

Current Conditions Description

The applicant must provide detailed descriptions of the condition of the land comprising the project site and any structures located on the proposed project site; the suitability of the site for the proposed development and associated uses; and any environmental issues associated with the site, whether confirmed or perceived. The applicant should indicate if a professional Environmental Site Assessment of the site has confirmed the environmental condition of the land and upload this document in the *Proposed Project Documentation* section.

Proposed Project Site Photos

The applicant must upload photographic images of the land, and of the interior and exterior of all existing structures, comprising the proposed project site. Images submitted must have been taken within the last six months. Google Streetview images will not be accepted.

SECTION IV - PROPOSED PROJECT DESCRIPTION

Proposed Project Use

The applicant must identify, by checking boxes, all proposed project uses, and the respective square footage of each use. All proposed uses must be accessible to the public, and the primary, permanent uses of the structure – not temporary, conditional or secondary to a primary use. Uses should add to the economic vitality of the surrounding neighborhood, benefit the community, and meet a local need.

The proposed project use must primarily comprise one of the following eligible uses, either independently, or in combination with another eligible use:

- Commercial (office, retail)
- Cultural (museums, theaters, performance venues)
- Industrial and Manufacturing
- Institutional (healthcare and non-profit higher education)
- Residential (must include 10+ units, subject to the Affordable Requirements Ordinance, and 100% ground floor commercial use)
- Social Services (workforce development, unhoused interventions, etc)

Projects with uses that are permitted by-right, or in the process of receiving a zoning amendment, are given greater consideration than those that are not permitted by-right, or do not present evidence of engagement with the City' Zoning Administrator, if needed. Evidence of engagement with zoning should be included in the *Proposed Project Documentation* section.

Ineligible uses of grant funds, regardless of eligible project use, include the following:

- Design, construction, resurfacing, etc. of surface parking lots, unless required as an engineered barrier to provide remediation.
- Projects only correcting deferred maintenance issues (e.g. roof repairs, boiler system replacement, ADA compliance).
- Projects only conducting minor structural/site repairs and improvements (e.g. outdoor patio resurfacing).
- Projects only addressing building repairs compelled by a Circuit Court Order (e.g. ADA compliance, structural integrity).
- Operational expenses of any kind (e.g. staff salaries, business promotion).
- Projects including Low-Income Housing Tax Credit (LIHTC) funds as a source of financing.
- Projects only improving government facilities.

Proposed Project Occupants

The applicant must identify the type, and names, of occupants of the proposed project at completion (aside from residential occupants). The occupants may be only the applicant, the applicant and other tenants, or other tenants, only. All listed occupants should be registered with the IL Secretary of State, and in Good Standing. Projects with secured tenants must include a signed LOI or lease for each tenant, for a term of five or more years, that matches the legal business names/DBAs of the listed occupants. Applicants who have secured tenants, and provided supporting documentation, are given more consideration during the evaluation process.

Proposed Project Business Impact

The applicant must identify, by selection, whether the proposed project is bringing a new business or organization to the community that is not currently located in the community; enhancing an existing business or organization that is currently in the community (e.g. a new building addition or substantial renovation that will expand services and grow the employee and/or clientele base); or retaining an existing business or organization currently in the community, as-is (e.g. an interior reconfiguration that will better serve employees and clientele).

Proposed Project Community Impact

The applicant must describe the new, enhanced or retained services identified in the previous response:

- New businesses or organization services should include complete descriptions of the uses and services that the proposed project will bring to the community, and how the proposed project services will differ from, and contribute to, surrounding uses and proposed development in the community.
- Enhanced businesses or organization services should include complete descriptions of the uses and services currently offered to the community, the service improvements or enhancements that will result from the proposed project, and how the resulting project services will differ from, and contribute to, surrounding uses and proposed development in the community.
- Retained businesses or organization services should include a full description of the uses and services currently offered to the community, any changes to services resulting from the proposed project and the impact this will have on the community, and if the resulting project services will differ from, and contribute to, surrounding uses and proposed development in the community.

Proposed Project Operational Impact

The applicant must provide specifics on how the proposed project will benefit business operations and the community in which it is located:

- New businesses or organization services should describe how locating the proposed project in the selected community will impact operations, and economically benefit the community. Responses should include metrics that demonstrate reasonable and attainable impacts and benefits. For example, the clientele of an existing organization must travel quite far by transit to access services at the current location outside their community, but relocating these services to their community will improve access and

triple the clientele. Additional materials or demonstration of points made in this response can be included in *Supplemental Documentation* section of the application.

- Enhanced businesses or organization services should describe how the proposed project will impact current operations, and the economic benefits associated with the improvements. Responses should include metrics that demonstrate reasonable and attainable impacts and benefits. For example, a new addition to a restaurant will allow for the development of a catering business, and the restaurant recently signed a contract to provide catering to a nearby event space. Additional materials or demonstration of points made in this response can be included in *Supplemental Documentation* section of the application.
- Retained businesses or organization services should describe how the proposed project will impact current operations, and the economic benefits of retaining the business in the community. Responses should include metrics that demonstrate reasonable and attainable impacts and benefits. For example, the proposed improvements will result in larger meeting rooms that will increase the ability to provide services, or many current employees live in the surrounding community, and improvements to the current location will prevent the business from moving to a different location. Additional materials or demonstration of points made in this response can be included in *Supplemental Documentation* section of the application.

Anticipated Jobs Created/Retained

The applicant must provide the number of Full-Time Equivalent (FTE) jobs that will be created or retained by the proposed project once completed. An FTE is defined as 35 hours worked by any worker per week, in aggregate. For example, one employee working 35 hours per week would be 1 FTE, as would two employees working 15 and 20 hours each, per week, respectively. If the proposed project is a new business or organization, the number of retained jobs should be 0.

Proposed Project Construction

The applicant must provide a description of all interior and exterior structural work and site work required to complete the proposed project. The description must also reflect all proposed project uses. For example, if residential units are listed in the proposed project uses, along with ground floor commercial, both must be addressed in the description. The response must indicate if construction on the proposed project has begun or is complete, and the respective dates the work began or was completed.

Estimated Construction Start Date

The applicant must provide the estimated start date of construction of the proposed project. This response can be an approximation, but it should not be aspirational. If construction has already begun or is complete, enter the date of initiation or completion.

Estimated Construction Duration

The applicant must provide the estimated duration of construction of the proposed project, from the start date, above, to the date it is generally open to the public. This field can be an approximation, but it should not be aspirational.

SECTION V – PROPOSED PROJECT DOCUMENTS

Phase I/II Environmental Site Assessment or No Further Remediation Letter

The applicant should submit all, professional Environmental Site Assessments that have been completed for the proposed project site to support the environmental issues documented in the *Current Conditions Description*.

Proof of Site Control

The applicant must submit documentation to verify their control of the proposed project site. The site control documentation must match the address identified in the *Proposed Project Site* field, and the applicant's name. Acceptable forms of site control documentation include:

- Letter of Intent/Interest (LOI) to purchase or lease the proposed project site, signed by both the applicant and the current property owner. LOIs for leasing the site must be for a term of five or more years for a CDG-M and a CDG-L.
- Lease of five or more years for a CDG-M and a CDG-L, for the proposed project site, in the applicant's name, along with a letter of consent from the property owner for the improvements, if not specified in the lease agreement.
- Real Estate Contract for the proposed project site, in the applicant's name.
- Deed for the proposed project site, in the applicant's name.
- If engaged in a land sale through the ChiBlockBuilder program, documentation evidencing that the application for the proposed project site was accepted.

Applicants seeking CDG-M, who have secured tenants, should include executed leases or signed LOIs of five or more years for each. Applicants seeking CDG-L, who have secured tenants, must include executed leases or signed LOIs of ten or more years for each. The tenant names listed on the leases or LOIs must match the legal business names or DBAs of identified project occupants.

Proposed Project Design Documents

The applicant must submit documentation to demonstrate that an architect or developer has been engaged in the proposed project. Documents must clearly depict all proposed project uses and construction work described in the application (e.g. if residential units are listed in the proposed uses, along with ground floor commercial, the documents must clearly show both uses). Design documents can include, but are not limited to, exterior site plans, interior floor plans, architectural elevations and architectural renderings. Submitting only plat surveys or existing conditions site plans does not fulfill this requirement.

Proposed Project Contractor Estimate

The applicant must submit documentation demonstrating that a licensed contractor has prepared a hard cost estimate for the proposed project budget. The line items and associated hard costs listed in the contractor estimate must match the line items and associated hard costs listed in the Development Costs sheet of the Developer Input Form, which is described in the next paragraph. Estimates should be on the contractor's company letterhead, include the contractor's contact information, and performed within six (6) months of submitting the application.

Developer Input Form

The applicant must submit a completed Developer Input Form (DIF) to demonstrate the total project budget (Development Costs) and all funding (Capital Stack) that has been secured to finance the proposed project. The DIF must first be downloaded from the link in the application and saved to the applicant's computer. Once downloaded, the applicant must:

1. Review the **Instructions** sheet, which is the first sheet in the document.
2. Complete the **Development Assumptions**, using the proposed project site information.
3. Complete the **Development Costs** sheet, using the contractor estimate for the proposed project.
4. Complete the **Capital Stack** sheet, using the sources and amounts of outside financing (equity, debt, additional subsidies) that have been secured, and the incentive amount being requested, for the proposed project.

Proof of Financing

The applicant must submit documentation to substantiate the claims of outside financing listed in the Capital Stack sheet of the DIF. All documentation must match the financing sources and amounts listed in the Capital Stack, must be dated within six (6) months of submitting the application, and must be in the applicant's name, or business name. For example, if a loan of \$1,500,000 from Wintrust Bank is listed as debt in the Capital Stack, a term sheet or Letter of Interest from Wintrust Bank, substantiating the loan amount, addressed to the applicant or applicant's business, dated within in six months of submitting the application, must be submitted. Acceptable forms of financial documentation include:

- Bank account statements in applicant's name or business name, with account numbers redacted.
- Loan term sheets/LOIs from financial institutions in applicant's name or business name.
- Letters indicating gifts of funds to applicant or applicant's business, signed by the person or organization gifting the funds.
- Formal commitments of other funds, such as grants, to applicant or applicant's business, specifying the amount, nature and terms of the obligated funds, such as the award and spent-by dates.

Statement of Financial Need

The applicant must explain why the proposed project would have unacceptable returns without City funding and identify any economic hardships they have sustained while seeking financing for the project. The applicant must also demonstrate that they have exhausted all, potential, outside sources of financing (debt, equity, gifts of funds, etc.), or explain why they have elected not to seek all potential, outside sources of financing.

Supplemental Documentation

The applicant may submit additional documents in support of the application that further defines the proposed project or merit DPD staff consideration. These may include, but are not limited to, zoning review letters, ChiBlockBuilder documentation, pro formas, the development team structure, feasibility studies, market analysis, or operating plans.

City of Chicago Construction Compliance Policies

The applicant must review and acknowledge these requirements. All recipients of City funding must comply with the City's construction requirements, including M/WBE, Prevailing Wage, Local Hiring, the Affordable Requirements Ordinance, the Sustainable Development Policy and Incentive Performance Measures. Additionally, the applicant must acknowledge that neither they, nor a member of the proposed project's ownership structure, is currently employed, or eligible for rehire, by the City of Chicago.

Voluntary Applicant Information

The applicant may complete this optional field, which helps staff improve the accessibility and reach of the City's financial resources.