

Central City Storefront Activation Loan Program

Purpose/Goal:

The goal of the Storefront Activation Loan Program is to encourage reinvestment in older buildings in downtown and central city commercial areas in the city to attract desired businesses such as restaurants. In addition, the loan program is intended to increase the tax base of the specified areas of the city.

The loan program will provide low interest loans for interior improvements and upgrades to attract new, desirable business tenants to vacant or underutilized spaces. It is intended that the loan program address public safety, health and welfare concerns such as fire safety upgrades, proper ventilation, commercial kitchen installations and energy efficient upgrades in older buildings in the specified areas of the city.

Program amount: \$1,250,000

Eligible Properties

- Located in Central City (see eligibility map)
- Property must not have any outstanding code violations. If violations exist, they must be corrected prior to any other work being done with program funds. Program funds may be used to remedy interior code violations.
- Must be a commercial property (mixed-use buildings are also eligible, but program funds may only go towards renovating the commercial areas of the building).
- Buildings must be at least 50 years old.
- Property cannot be tax exempt at the time of loan origination or at any time during the loan repayment period; the property must be current on real and personal property taxes at the time of loan origination and at all times during the loan repayment period.

Eligible Uses of Funds

High Priority

- Fire Safety
 - o Sprinkler systems
 - o Lateral upgrades to accommodate sprinkler system
 - o Permanent kitchen ventilation/hood systems and fire suppression systems.
 - o Exit route lighting/signage
 - o Egress windows
 - o Fire rated doors
- Commercial kitchen installation. Funds may not be used for commercial kitchen equipment that is not permanently installed in the building.

Medium Priority

- HVAC work
- Electrical
- Carpentry work/framing
- Drywall

- Energy efficiency upgrades
- Any work that will improve ADA accessibility
- Plumbing
- Work to address building flooding and/or site drainage issues.

Low Priority

- Remodeling to bring interior spaces up to modern standards Lighting upgrades
- Window repair or replacement.
- Painting of interior spaces
- Replacement or repair of flooring
- Other permanent improvements to tenant spaces will be considered

Improvements and work that qualifies for Downtown Façade, Sign, or Awning grants will be directed to that program depending on grant fund availability. Applicants may utilize both programs.

Loan Terms

- Loans of up to \$50,000 can be approved by Community Development staff. These loans will have a 1% interest rate and 5-year amortization and monthly payments.
- Loans between \$50,001 and \$100,000 will be approved by Redevelopment Authority with terms to be determined by the RDA.
- Loans for fire safety and commercial kitchens will be eligible for 10% of the loan to become a grant at the completion of the project. If other projects are completed with the loan funds, only the portion of the loan for the commercial kitchens or fire safety improvements are eligible for the 10% grant. Grant amount will be awarded at the end of the 5-year retention period.
- Owners that sell the property within 5 years of the loan date are not eligible for any grant funding.
- The City will consider subordinating to other mortgages.

Other requirements

- Obtaining at least two quotes is required.
- If work is proposed to be completed by the owner(s) or their employees, loan funds may only be used for supplies and materials, not labor. Receipts or invoices must be submitted prior to disbursement of funds.
- Must submit a set of plans and a list of projects to be completed along with application. Building permits may be required depending on the scope of the project.
- Any exterior remodeling or modification within a Historic District or on a Local Landmark will need to obtain a Certificate of Appropriateness from the Landmarks Commission.
- Applicant must be the property owner.
- Funds will be distributed either directly to contractors upon verification of work completion or as a reimbursement to the owner upon verification of work completion.

This is a detailed street map of a portion of Chicago, Illinois. The map shows a grid of streets, with major thoroughfares like North Avenue, State Street, and Madison Avenue. The map is oriented with North at the top. The streets are labeled with their names, and the map includes a scale bar at the bottom right. The map is a black and white line drawing, showing the layout of the streets and the locations of various landmarks.