PRE-DEVELOPMENT FUND

The Pre-Development Fund provides grant funding to Black and Latinx community developers to cover the costs of pre-development services for catalytic brick-and-mortar projects. Pre-development services are non-administrative expenses incurred prior to site acquisition and construction and pertain to due diligence and preliminary plans and specifications.

PURPOSE FOR FUND

Seventy percent of decisions that relate to project outcomes are made within the first 10 percent of the development life cycle. For community developers who work in challenging markets, pre-development is fraught with multiple competing deadlines that complicate an already precarious development outlook.

Grants from the Pre-Development Fund bring a welcome degree of certainty to community-centered projects and allow emerging developers to compete with more established regional and national developers that have the financial resources to navigate pre-development. Since its launch in September 2020, the Pre-Development Fund has supported 10 catalytic projects with an estimated market value of $105,723,355.

ELIGIBLE USES

- Economic, market and other feasibility analyses for the project.
- Architectural services limited to zoning analysis, test fits, cost estimating, space planning, and/or preliminary schematic design.
- Site due diligence, including but not limited to, environmental studies, soil testing, appraisals and surveys.
- Community engagement and coordination.
- Earnest money and deposits to execute purchase agreements and/or options for site control.
- Professional services and initial fees related to project funding to support deal structuring, financial packaging, tax credit applications, and/or grant applications.
- Project management professionals and consultants, including attorneys, accountants and project managers, used to support project approvals.

QUICK FACTS

- Long-term fund to support catalytic real estate development projects in underinvested Cook County communities
- Provides no-cost capital - grants up to $100K
- Benefits nonprofit and for-profit community developers*
- Supports Black and Latinx community developers
- Builds individual and community wealth

* For-profit developers must use a 501(c)3 fiscal sponsor. The Pre-Development Fund supports developers with maximum revenues of $10M.

REAL ESTATE ADVISORS

Catalytic real estate development projects are a critical measure of recovery from the acute crisis of the COVID-19 global pandemic and the chronic crisis of urban disinvestment in Black and Latinx communities. Consider supporting the Pre-Development Fund at The Chicago Community Trust. For more information contact Michael Davidson, Senior Director of Community Impact, at: mdavidson@cct.org.