



Pre-Development Fund | Frequently Asked Questions

For-Profit Developers

For-profit community developers are eligible to receive a grant from the Pre-Development Fund provided annual revenues are less than \$10 million, the company has a positive historical track record of working in communities of color, and the company secures a nonprofit fiscal sponsor to submit the application. The Pre-Development Fund prioritizes for-profit community development companies under the ownership of people of color, particularly Black and Latinx owners.

What is a nonprofit fiscal sponsor?

A fiscal sponsor is a nonprofit 501c3 organization that provides fiduciary oversight, financial management, and other administrative services to help build the capacity of charitable projects that do not have their own 501c3 charitable status. “Fiscal sponsorship” refers to the formal agreement between the fiscal sponsor organization and the sponsored project/organization. The Trust requires the fiscal sponsorship agreement to be documented in an MOU (memorandum of understanding) or contract. Applicants can submit the MOU in the format of their choosing.

I am a qualifying for-profit community developer and would like to apply to the Pre-Development Fund.

How do I find a nonprofit fiscal sponsor?

There is no straightforward approach to finding a fiscal sponsor. For recommendations, consider contacting a representative organization or leader of the community in which you’re working. Examples include chambers of commerce, community development corporations, ward offices, and municipal economic development staff. You can also contact trade organizations or regional nonprofit organizations that have relationships with local community development interests.

Can The Chicago Community Trust help me find a nonprofit fiscal sponsor?

No. The Trust cannot help you find or secure a nonprofit fiscal sponsor.

My for-profit development company is large, with a sizable workforce and annual revenues exceeding \$10 million. Am I still eligible for funding from the Pre-Development Fund?

No. The Fund aims to support small and mid-sized for-profit developers with annual revenues under \$10 million.

My small for-profit development company is partnering with a large, established for-profit development company on the project. Am I still eligible to receive funding from the Pre-Development Fund?

Yes, as long as the pre-development funds are used by and benefit your small for-profit development company. The qualifying partner must apply to the Pre-Development Fund.

I'm a for-profit community developer not based in the project's community. Am I still eligible for a grant from the Pre-Development Fund?

Yes, as long as the project meets a market need and has the support of the community in which your project is located.

What qualifies as a for-profit Black or Latinx developer?

Recognizing the need to strengthen and build the capacity of Black and Latinx developers, the goal of the Pre-Development Fund is to promote ownership structures that go above and beyond traditional MBE/WBE ownership requirements. The Fund is targeting developers with 70 percent minority ownership.