

Pre-Development Fund | Frequently Asked Questions

General

How does the Pre-Development Fund define “community developer”?

The Pre-Development Fund defines a community developer as a nonprofit organization or for-profit company that administers real estate development projects in accordance with the values, principles, and plans of the community in which the projects are occurring. The Pre-Development Fund prioritizes community developers of color, particularly Black and Latinx community developers. Additionally, applicants that have identified professional service providers (i.e., architecture, legal, zoning consultants) of color will be more competitive.

How does the Pre-Development Fund define “community of color”?

Defined geographies in which 70 percent of residents are non-white. A community of color is composed of residents identifying as one or more racial and ethnic identities (African, Latinx, Arab, Asian, Native American). The Pre-Development Fund prioritizes Black and Latinx communities.

Do female and female-identified developers receive priority from the Pre-Development Fund?

Yes. The Pre-Development Fund prioritizes female and female-identified community developers of color, especially Black and Latinx developers.

My project is in an underinvested community of color but is outside of Cook County. Am I eligible to receive a grant from the Pre-Development Fund?

No. The Pre-Development Fund is exclusive to projects in Cook County.

The Pre-Development Fund requires that I have a demonstrated positive track record in the community of my project. What does this mean?

It means having established relationships with representative community leaders and organizations who can substantiate any claims that your project is in accordance with the community’s values, principles, and plans. Letters of support and other communications endorsing your project and partnership are strongly encouraged.

What’s the process of securing a grant from the Pre-Development Fund?

The application process has two steps: project scope and full application. The Trust will invite applicants that submit eligible and competitive project scopes to submit a full application.

When can I expect to be notified if my project scope meets the criteria to submit a full application?

Trust staff will notify all applicants following each project scope deadline that their proposal is under review. A week from the deadline, staff will inform applicants if they are invited to submit a full application.

If my project scope is declined, will I be told why?

You will receive a notice that your Project Scope does not competitively align with the requirements of the Pre-Development Fund. Staff limitations do not allow for individual discussions about denials.

If my project scope is declined, can I re-apply?

Yes, but we advise you to communicate with Pre-Development Fund staff about the reason for the decline so you can submit a more competitive proposal.

Can I apply for multiple grants from the Pre-Development Fund?

Yes, but only if the applications are for separate projects on different sites.

Can I apply for renewal funding for the same project from the Pre-Development Fund?

No.

The project scope form is very short. How do I convey all of my project's details within the space limitations?

A project scope cannot capture all the details of your project. As best you can, capture the critical themes for your project: community support, financial viability, and how the project benefits the neighborhood.

Am I eligible for the Pre-Development Fund if this is my first development project?

Yes, as long as your project aligns with the priorities of the Pre-Development Fund.

I am a for-profit small business owner and would like to apply for a grant from the Pre-Development Fund. Am I eligible?

Yes. However, the Trust will assess the business by two standards. 1) Does the business meet a market need within the community? 2) Can the business demonstrate an intentional way it serves the community (e.g., amenity, access to equipment)? Additionally, all for-profit applicants will need to identify an established nonprofit that can provide fiscal sponsorship for the grant. You will need to articulate the fiscal sponsor relationship in an MOU (memorandum of understanding). For-profits cannot use their own nonprofits. They must select a separate nonprofit that has a connection to the neighborhood.

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 or 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.

My development has enough funding to move into construction. Am I still eligible for a grant from the Pre-Development Fund?

No. The Pre-Development Fund supports the early-stage development activities that can help secure funding for construction. Pre-development funds cannot be used to close the gap in funding construction activities.

I have pre-development activities that are not listed in the “qualifiable expenses” section. Is that okay?

Be prepared to share a high-level overview of proposed pre-development activities with the project scope and, if invited, in greater detail for the full application. Staff will let you know if the activities listed do not qualify for funding.

What commonly requested costs are not covered by Pre-Development Fund?

The Fund does not cover acquisition, option, or holding costs connected to site control. Additionally, the Fund does not cover soft costs such as franchise fees. This list is not exhaustive. Instead, it is intended to give applicants insight into what is not covered. Applicants are encouraged to ask for clarification for any expense not listed in the “qualifiable expenses” section.

Can I use dollars from the Pre-Development Fund to pay for expenses incurred on the project before receiving the grant?

No. The Pre-Development Fund does not reimburse expenses. You can only use the grant funds to cover pre-development costs incurred for the project after the grant agreement date.

Does the Pre-Development Fund pay for indirect costs associated with the developer’s organization or company, such as staff time and overhead?

No. The Pre-Development Fund only pays for third-party professional services.

The Pre-Development Fund has secured advisors and technical assistance providers. What does this mean, and how can that help my project?

Upon request, applicants can take advantage of free technical assistance. The level of technical assistance is subject to advisor availability.

Can I talk with Pre-Development Fund staff about my project before submitting a project scope? What about before submitting the full application?

Unless an applicant has a question not addressed on the landing page, we encourage applicants to consider the project scope as the first step. Tight calendars and staff bandwidth prevent timely or substantive responses during this stage. If invited to submit a full application, each applicant will be required to complete a technical assistance session. That will be your opportunity to learn more about the process and ask detailed and project-specific questions.

Does the Pre-Development Fund provide grant-writing assistance?

No. Pre-Development staff will assist only with questions related to eligibility and the application process.

How does the Pre-Development Fund classify L3C entities?

L3Cs are considered private sector entities and, therefore, must secure a nonprofit fiscal sponsor to be eligible for the Pre-Development Fund.

Does the Pre-Development Fund make grants for housing projects?

Typically, no. A housing project would need to be paired with a business concept or located near catalytic community assets. Transit-orientated or mixed-use development are examples of qualifiable project types.