



# TIF Multifamily Purchase Rehab

## FAQs

### **1. Does the building owner have to spend TIF funds on the individual apartments and/or commercial spaces, or can they be used toward building-wide or health and safety improvements?**

The minimum rehab threshold of \$10,000 per residential unit is a metric to determine a minimum scope of rehab work required for the program. The funds are not required to be spent within each individual residential unit. For example, if an applicant has a 20 unit mixed use building with well-maintained and occupied residential units, a \$200,000 TIF grant could be used solely to rehab retail spaces and improve an exterior façade.

### **2. What types of improvements are covered in the TIF Purchase Rehab program?**

CIC underwrites each project based on what investment level is needed to make the project economically feasible with a quality renovation and long term affordability. All projects must follow CIC's [Rehab Performance Standards](#). A building owner must provide a construction narrative and Contractor's Sworn Statement for the entire project, including residential and commercial units. Architectural drawings and other documents required by the City may be needed before CIC approval.

Additional TIF funds may be available through the program for buildout of commercial space when tenant is identified and lease signed.

### **3. What improvements are required for commercial/retail spaces?**

For vacant commercial/retail spaces, the minimum standard is a "white box" (also known as "vanilla box"), ready for lease-up and build-out by future tenants. Additionally, the exterior of any commercial spaces must be safe, attractive, and generally enhance the streetscape. Tenant-occupied commercial units must be code compliant and follow CIC's [Rehab Performance Standards](#).

See CIC's [TIF Multifamily Purchase Rehab Commercial Real Estate Standards](#).

### **4. Does a participant have to use a loan in conjunction with the TIF? Does the loan have to be from CIC?**

TIF Purchase Rehab Program funds are targeted for buildings that need substantial rehab and must be paired with private funding sources such as, but not limited to, loans. Participants may use CIC or another lender.

### **5. How are TIF Purchase Rehab Funds dispersed? Will the participant front the costs and be reimbursed at completion? How will funds be broken out by acquisition verses construction costs?**

During rehab, CIC provides construction oversight and administers TIF grant payouts as is typical for CIC construction loan draws. If TIF funds are used to cover a portion of acquisition costs, they may be disbursed at closing.

**6. How does the City measure “impact” and decide whether development costs qualify?**

This goal of the program is aligned with the City’s INVEST South/West Initiative. Priority will be TIF grant applications that aim to revitalize and activate underutilized ground level retail space in mixed use properties within designated INVEST South/West corridors. Absent the presence of this type of building stock within certain TIFs, projects that bring a large number of quality, affordable residential units in a cost effective manner would also be considered impactful.

**7. How is the affordability enforced?**

The borrower signs a Grant Agreement and Mortgage, which will be recorded with the title company at closing. After construction is complete, the City of Chicago monitors the long term affordability. The affordability restrictions will remain in place upon sale of the building.

**8. What happens if the affordability requirement multiplied by units in building results in a non whole number? For example, 8 units x 40% = 3.2**

Generally, the affordable unit count will be rounded up to the next whole number. Alternatively, the size of the grant can be adjusted to encompass a smaller percentage of total project costs.

**9. What is the average length of time between submitting an application and closing a grant?**

CIC’s loan process takes about 60 business days. Timely completion and submission of required documents will reduce your processing time.