

# 2021

*Annual Financial Report*

## Neighborhood Opportunity Bonus



Lori E. Lightfoot  
Mayor

*Neighborhood Opportunity Fund  
Adopt-A-Landmark Fund  
Local Impact Fund*

**City of Chicago**

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*The financial information in this booklet represent initial approvals in 2021 and is subject to change.  
The information was not audited by an accredited agency.*

COVER IMAGE: The 2021 zoning bonus project 601 W. Monroe St.

## **FORWARD**

The 2021 annual report on the Neighborhood Opportunity Bonus system provides a detailed look at one of the most innovative community improvement programs ever developed by the City of Chicago.

The program was designed to ensure all of Chicago benefits from downtown expansion and investment. For too long, Chicago's West, Southwest and South side neighborhoods were isolated from the billions of dollars of private investment occurring downtown and select lakefront community areas. The Neighborhood Opportunity Bonus system brings equity to this imbalance through new funding that's creating stronger retail strips, better public facilities and enhanced historic resources for everyone who works, lives and raises families in the city.

The program was made possible by improvements to the City's zoning code, which was refined to enable downtown construction projects to seek additional size and density through voluntary financial contributions that support neighborhood growth. Every contribution to the system is voluntary, and every allocation is extensively reviewed by the Department of Planning and Development and prior to distribution. This report provides an accounting of revenues and expenditures as part of the City's commitment to making the program fully accountable to stakeholders citywide.

As downtown Chicago and the Neighborhood Opportunity Bonus system continue to grow, generations of Chicagoans will benefit for years to come.

# Neighborhood Opportunity Bonus Overview

***The Neighborhood Opportunity Bonus system is an innovative community development tool that leverages private investment in downtown construction projects on behalf of under-served neighborhood commercial corridors, local infrastructure and historic landmarks.***

Approved by City Council in 2016, the Neighborhood Opportunity Bonus system helps ensure an equitable approach to community development by making new financial resources available for important community areas that lack private investment. The program is part of an effort to foster equitable citywide growth by leveraging strong markets on behalf of weak markets and important neighborhood improvement projects.

The city's strongest investment market — downtown — has benefited from dozens of corporate headquarter relocations and new residential investment projects. Meanwhile, the city's weakest markets — primarily on the West and South sides of the city — continue to suffer from decades of disinvestment dating to drastic population shifts to the city's suburbs following World War II. The program was developed by the Department of Planning and Development to address these disparities in private investment under the premise that ongoing investment downtown is unsustainable without strong neighborhoods.

The Neighborhood Opportunity Bonus system generates funding by allowing floor area ratio (FAR) bonuses for new construction projects within Chicago's Downtown (D) zoning district. Floor area bonuses enable new buildings to exceed zoning restrictions on total floor space for a given location in exchange for financial payments.

Previously, zoning bonuses were regulated by a 2004 ordinance that allowed additional space in exchange for on-site design amenities of questionable public value, such as atriums, winter gardens, green roofs, fountains and other design features. The new system eliminated these bonuses while still ensuring high-quality design through a rigorous design review and approval process that is separate from bonus calculations.

FAR increases through the Neighborhood Opportunity Bonus system are only available for projects within Chicago's Downtown zoning district due to the proximity of numerous public transit options that can support the additional density. Ongoing development has expanded the downtown area beyond the established boundaries of the district since it was designated in 2004.

To accommodate ongoing expansion, the downtown district's boundaries were expanded by City Council in 2016 and 2017. The expanded areas are well-served by public transit and possess other features that align with the development patterns of the downtown area, including higher densities, proximity to thousands of jobs, and robust market demand. The added geography expanded the zoning district by more than 20 percent, providing for more transit-oriented growth while increasing the area that can generate revenues for neighborhood improvement projects.

Prior to the creation of the fund, the City's primary

economic development tool for neighborhood improvements involved Tax Increment Financing (TIF). Illinois state law requires that TIF revenues must be used within the individual districts that generated the funding, which means revenues from downtown TIF districts must be allocated for downtown projects. The Neighborhood Opportunity Fund instead allocates revenues generated anywhere within the downtown area's 7.2-square-mile footprint to "qualified investment areas" that encompass an 86-square-mile area on the West, Southwest and South sides. Payments into the Neighborhood Opportunity Bonus system are deposited into three funds, each with a specific purpose within the context of local needs: the Neighborhood Opportunity Fund, the Adopt-a-Landmark Fund and the Local Impact Fund.

## **Adopt-A-Landmark Fund**

Ten percent of Neighborhood Opportunity Bonus revenues are designated for the citywide Adopt-a-Landmark Fund, which is earmarked for restoration of designated City of Chicago Landmarks and contributing buildings in designated Landmark districts throughout the city, subject to program guidelines. Adopt-A-Landmark grants under \$250,000 are intended for projects located on an eligible commercial corridor to help repair and rehabilitate a building's exterior that is visible from the public way or an interior space that is open to the public. Uncompleted projects are eligible for grants larger than \$30,000. Completed projects are eligible for grants up to \$30,000. Grants that exceed \$250,000 require City Council review and approval.

## **Local Impact Fund**

Ten percent of Neighborhood Opportunity Bonus revenues are designated for the Local Impact Fund, which supports infrastructure and other public improvements located within one mile of the development site. Eligible expenditures include public transit facilities, streetscapes, open spaces, river walks, public buildings and other uses, including designated City Landmarks.

## **Neighborhood Opportunity Fund**

Eighty percent of Neighborhood Opportunity Bonus revenues are allocated for the Neighborhood Opportunity Fund (NOF). In 2019, Mayor Lightfoot announced that NOF will serve as a key funding tool to encourage investment in the 10 initial neighborhoods participating in the INVEST South/West initiative. The fund supports projects along commercial corridors within the West, Southwest, and South sides that will have a catalytic impact, especially projects that fill a gap in goods or services that are underrepresented in the neighborhood, and demonstrate financial feasibility with a clear and ready path to implementation.

To be eligible, projects must be related to new construction or the rehabilitation of existing buildings that lead to publicly accessible commercial spaces or cultural assets. Grants up to \$250,000 must be used for projects located on a commercial corridor. Grants that exceed \$250,000 require City Council approval and are subject to the City's construction compliance requirements.

## Neighborhood Opportunity Bonus 2021 Payment Commitments

Revenues are collected when a FAR bonus project applies for a building permit with the Department of Buildings. Annual revenue and funding allocation amounts are not the same. All projects listed below were approved in 2021 unless noted otherwise.

Address	Bonus Square Feet	Pending NOF Payment	Pending Local Impact Payment	Pending Adopt-A-Landmark Payment	Total Pending Payment
1245 W. Fulton Market	77,386	\$1,436,284	\$179,536	\$179,536	\$1,795,355
315 N. May/1112 W. Carroll	409,383	\$7,598,148	\$949,769	\$949,769	\$9,497,685
400 N. Elizabeth	192,724	\$3,576,956	\$447,119	\$447,119	\$4,471,194
160 N. Morgan	84,343	\$1,565,401	\$195,675	\$195,675	\$1,956,751
525 S. Wabash	207,366	\$2,919,713	\$364,964	\$364,964	\$3,649,642
601 W. Monroe	236,248	\$4,384,769	\$548,096	\$548,096	\$5,480,961
901 N. Halsted	1,038,243	\$19,269,790	\$2,408,724	\$2,408,724	\$24,087,238
1400 S. Wabash	105,650	\$1,487,562	\$185,945	\$185,945	\$1,859,452
741 N. Wells	182,226	\$1,920,373	\$240,047	\$240,047	\$2,400,466
1130 N. State	138,361	\$3,807,708	\$475,964	\$475,964	\$4,759,636
150 E. Ontario	81,926	\$2,254,604	\$281,825	\$281,825	\$2,818,254
1201 W. Fulton	175,505	\$3,257,364	\$407,170	\$407,170	\$4,071,704
917 W. Fulton	197,420	\$3,664,123	\$458,015	\$458,015	\$4,580,153
210 N. Aberdeen	86,823	\$1,611,435	\$201,429	\$201,429	\$2,014,294
1150 W. Lake	110,570	\$2,052,185	\$256,523	\$256,523	\$2,565,232
1000 S. Michigan	23,144	\$325,853	\$40,732	\$40,732	\$407,317
801-921 N. Wells	427,036.58	\$11,758,104	\$1,469,763	\$1,469,763	\$14,697,630
640 W. Washington	160,502	\$2,978,917	\$372,365	\$372,365	\$3,723,646
37 S. Sangamon	75,563	\$1,402,440	\$175,305	\$175,305	\$1,753,050
1229 W. Randolph	10,131	\$188,028	\$23,503	\$23,503	\$235,035
160 N. Elizabeth	148,482	\$2,755,826	\$344,478	\$344,478	\$3,444,782
310 N. Peoria/311 N. Sangamon	38,750	\$719,200	\$89,900	\$89,900	\$899,000
<b>Totals</b>	<b>4,207,783</b>	<b>\$80,934,782</b>	<b>\$10,116,848</b>	<b>\$10,116,848</b>	<b>\$101,168,477</b>

## Neighborhood Opportunity Bonus 2021 Revenues

Revenues are collected when a FAR bonus project applies for a building permit with the Department of Buildings. Annual revenue and funding allocation amounts are not the same. All projects listed below were approved in 2021 unless noted otherwise.

Address	Bonus Square Feet	NOF Payment	Local Impact Payment	Adopt-A-Landmark Payment	Total Payment
210 N. Aberdeen	191,890	\$1,609,727	\$201,216	\$201,216	\$2,012,159
741 N. Wells	69,542	\$1,913,796	\$239,224	\$239,224	\$2,392,245
150 E. Ontario	81,926	\$2,254,615	\$281,827	\$281,827	\$2,818,268
160 N. Morgan	84,343	\$1,566,167	\$195,771	\$195,771	\$1,957,709
1000 S. Michigan	23,144	\$325,853	\$40,732	\$40,732	\$407,317
1354-1408 S. Wabash	105,651	\$1,487,562	\$185,945	\$185,945	\$1,859,452
160 N. Elizabeth	148,482	\$2,755,826	\$344,478	\$344,478	\$3,444,782
<b>Totals</b>	<b>704,977</b>	<b>\$11,913,546</b>	<b>\$1,489,193</b>	<b>\$1,489,193</b>	<b>\$14,891,932</b>

# Neighborhood Opportunity Fund

## 2021 Small Grant Allocations

*Allocations are preliminary estimates. Final awards are determined after two contractor bids have been received and a construction budget is finalized.*

Project	Address	Conditional Award
Diaz Group LLC Office Space	5100 S. Damen	\$250,000
"The Beauty Experience" LLC	1511 W. 79th St.	\$250,000
Angel of God Resource Center, Inc.	10810 S. Halsted	\$250,000
Bitoy's Sweet Treats	5957 W. Chicago Ave.	\$172,377
Black Planet Products LLC	107 W. 95th St.	\$66,748
Blue Tin Production	3055 W. 63rd St.	\$250,000
Burdeens Chicago	2139 W. Cermak Road	\$250,000
Carnitas Uruapan - Little Village	3801 W. 26th St.	\$250,000
Chicago BodyShop	2049 E. 79th St.	\$250,000
Chicago Human Rhythm Project	8701 S. Bennett Ave.	\$207,700
ChiFresh Kitchen	400 E. 71st St.	\$250,000
Conscious Plates	820 E. 63rd St.	\$131,420
Elia's Mattress	1846 W 47th St.	\$217,924
Exa MD Urgent Care	200 E. 75th St.	\$250,000
Floating Museum NFP	949 E. 75th St.	\$250,000
Flyball	4404 S. Cottage Grove	\$166,100
Gomez Tires & Wheels	1934 W. 51st St.	\$74,186
Ivory Dental Specialists	8344 S. Halsted	\$42,350
Jamaican Jerk Villa	632-654 W. 79th St.	\$250,000
La Casa de Samuel	2836-38 W. Cermak Road	\$250,000
La Lena Restaurant	3756 W. North Ave.	\$243,375
Lawndale Christian Development Corp.	3806 W. 16 St.	\$48,250
Leavitt Laundry, LLC	2145 W. Cermak	\$97,838
Mikkey's Retro Grill	839 W. 79th St.	\$198,402
Moreno's Liquors DBA Osito's Tap	2553 S. Ridgeway	\$141,471
Naty's Pizza 26	3849 W. 26th St.	\$250,000
Ninety Two Sneakers & Apparel	4717 South Ashland Ave.	\$28,050
Nova Driving School	5550 W. Fullerton	\$183,000
Nuevo Leon Bakery	4062 W. 26th St.	\$158,593
Plates On Purpose NFP at 3008E P.S.	3008 E. 92nd St.	\$250,000
Pop That Pop on the Grove	4424 S. Cottage Grove	\$161,080
POTLUC	6004 W. North Ave.	\$250,000
Record Track	2804 E. 87th St.	\$250,000
Reggio's Pizza	4438 S. Cottage Grove	\$250,000
Restaurant Las Esperanzas	1758 W. 47th St.	\$49,500
Rincon Family Services	3944 W. North Ave.	\$250,000
Roots Southern Cuisine	633 E. 75th St.	\$250,000
SanJustins Kitchen	157 W. 75th St.	\$250,000
Slab Bar-B-Que LLC Expansion	1922 E. 71st St.	\$248,182
Stephens Properties 1 LLC	1519 W. 79th St.	\$250,000
Taqueria Huentitan	4019 W. North Ave	\$250,000
Taqueria Los Alamos	2416 W. Cermak	\$250,000
Third City Cafe	5534 W. North Ave.	\$250,000
Ujamaa Cooperative, NFP	1914 W. 79th St.	\$250,000
Urban Luxe Café	2911 E. 79th St.	\$196,600
	<b>Total</b>	<b>\$9,083,147</b>



# Neighborhood Opportunity Fund

Program allocations that exceed \$250,000 require City Council approval. The below allocations were approved by City Council in 2021.

## 2021 Large Grant Allocations

Project	Address	Award Amount
J Marie Development	949 E. 75th St.	\$2,075,000
Motoworks	1901 S. Western Ave.	\$1,415,602
Plant Chicago	4459 S. Marshfield Ave.	\$575,000
The Plant	1400 W. 46th St.	\$1,757,500
	<b>Total</b>	<b>\$5,823,102</b>

# Adopt-A-Landmark Fund

Landmark allocations are reviewed and approved by the Commission on Chicago Landmarks and City Council on a periodic basis.

## 2021 Awards

Project	Address	Award Amount
Glessner House	1800 S. Prairie	\$100,000
Emmett Till House	6427 S. St. Lawrence	\$249,541
Muddy Waters House	4339 S. Lake Park	\$250,000
KAM Isaiah Israel	5039 S. Greenwood	\$250,000
2nd Presbyterian Church	1936 S. Michigan	\$250,000
Schlitz Tied House	9401 S. Ewing	\$242,300
Ebenezer Missionary Baptist	4501 S. Vincennes	\$900,000
Gunnison Lofts	1215 W. Gunnison	\$250,000
6901 S. Oglesby Coop	6901 S. Oglesby	\$250,000
Pentecostal Church of Holiness	4208 W. 15th	\$248,000
Stone Temple Baptist	3622 W. Douglas	\$250,000
Greenstone Church	11211 S. St. Lawrence	\$1,084,235
	<b>TOTAL</b>	<b>\$4,324,076</b>

# Local Impact Fund

Local Impact Fund allocations may be identified when a FAR bonus project is approved by City Council. Allocations are frequently identified after City Council through community discussions and inter-agency collaboration with central area aldermen.

## 2021 Allocations

Project	Address	Award
Lake Street lighting upgrades, viaduct improvements	Various locations	\$431,175
Randolph Street improvements	Various locations	\$702,238
	<b>TOTAL</b>	<b>\$1,133,413</b>

# Appendix

## Neighborhood Opportunity Fund

### *Advisory Committee*

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Jennifer Barnes  
South Shore Brew

Wendell Harris  
Chicago Community Loan Fund

Brenda Palms Barber  
North Lawndale Employment Network

Meghan Beals  
Department of Cultural Affairs and Special Events

Craig Chico  
Back of the Yards Neighborhood Council

Emily Talen  
University of Chicago

Ed Coleman  
Bethel New Life

Danielle Tillman  
BKL Architecture

Jaime diPaulo  
Illinois Hispanic Chamber of Commerce

Joanna Trotter  
The Chicago Community Trust

Steve Hall  
Local Initiatives Support Coalition

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## Neighborhood Opportunity Fund

### *Community Partners*

51st Business Association Allies for Community Business Arts & Business Council of Chicago  
Austin African American Business Network Association Austin Chamber of Commerce  
Back of the Yards Neighborhood Council BACP Calumet Area Industrial Commission  
Chatham Business Association SBD Chicago Community Loan Fund Chicago Community  
Trust Chicago Lawyers' Committee for Civil Rights Chicago Neighborhood Initiatives Chicago  
Urban League DCASE Department of Buildings Far South CDC Greater Auburn Gresham  
Development Corp. Greater Chatham Initiative Greater Englewood CDC Greater Roseland  
Chamber of Commerce Greater Southwest Development Corp. IFF Illinois Hispanic Chamber of  
Commerce Lawyers for the Creative Arts LISC Little Village Chamber of Commerce Little Village  
Community Foundation Local Initiatives Support Corp. Mid South Business Association & Resource  
Center New Covenant Community Development Corp. North Lawndale Employment Network  
Northwest Connection Chamber of Commerce Northwest Side Housing Center Polsky Center for  
Entrepreneurship and Innovation Quad Communities Development Corp. South Chicago Parents  
and Friends, Inc. South East Chicago Commission South Shore Chamber Southeast Chicago  
Chamber Sunshine Enterprises West Humboldt Park Development Council West Side Forward  
Westside Health Authority Women's Business Development Center YWC