



# Office of the City Clerk

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## Acronyms

DPD	Department of Planning and Development
GFOA	Government Finance Officers Association
MCC	Municipal Code of Chicago
NSAA	National State Auditors Association

NOF	Neighborhood Opportunity Fund
OIG	Office of Inspector General
QIA	Qualified Investment Area

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The Department of Planning and Development (DPD) awards grants to qualified Neighborhood Opportunity Fund (NOF) Small Grant applicants and monitors grantees; projects to ensure that program funds are invested in neighborhoods impacted by poverty and high unemployment; , ?S ' .

From January 201 y.through November 2022, DPD awarded \$32 million in NOF Small Grants and paid \$11 million to grantees for completed work.

**DPD has no formal performance measurement procedures.**

This makes it difficult for the Department to evaluate a funded program to determine if it is achieving its intended social and economic outcomes and effectively distributing program funds.

**DPD should improve its current procedures to ensure that all review materials are collected and retained.**

DPD's Administration of NOF Small Grants Program

# I | Executive Summary

The Office of Inspector General (OIG) conducted an audit of the Department of Planning and Development's (DPD) administration of the Neighborhood Opportunity Fund (NOF) Small Grants program. The objectives of the audit were to determine if DPD,

1. selects grantees based on application requirements;
2. monitors funded projects for compliance with program requirements; and
3. formally measures the NOF Small Grants program's progress toward defined goals.

## A | Conclusion

OIG concluded that DPD adheres to its selection and monitoring procedures, ensuring the NOF Small Grants program awards grants to qualified applicants for approved project costs. However, the Department does not formally measure the program's progress toward defined goals. This precludes DPD from determining whether the NOF Small Grants program has its intended effect of improving social and economic outcomes.

## B | Findings

DPD awarded NOF small grants to eligible applicants and ensured that grantees complied with program requirements. While there is room for improvement, the Department's grantee selection and project monitoring processes align with best practices by clearly defining program eligibility, measuring applicants against criteria, and ensuring that grantees are reimbursed only for eligible and approved costs.

However, DPD has no specific, documented program goals and does not formally measure program performance. Therefore, it cannot demonstrate whether the program achieves its intended social and economic outcomes. Nor does DPD collect contractually required quarterly reports from its program administrator, which should include performance metrics including the number of jobs retained and created, the number of start-up businesses launched, and the number of vacant commercial units occupied. NOF Small Grants program staff stated that they do not formally measure program performance because they have prioritized completing grantee projects rather than evaluating program outcomes.

## C | Recommendations

OIG recommends that DPD improve its current procedures to ensure completion of all grantee selection steps and retention of related records. Furthermore, the Department should define measurable program goals and develop performance measurement procedures that facilitate the assessment of progress toward those goals. Finally, DPD should ensure that it collects contractually required quarterly performance reports from the program administrator.

## D | DPD Response

In response to our audit findings and recommendations, DPD stated that it will develop comprehensive procedures to track and retain selection process procedure results. In addition, the Department will work with an external consultant to convert the guiding principles of the NOF Small

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Grants program into clear measurable goals. DPD also committed to implementing a quarterly program performance process that will include reviewing the program administrator's contractually required reports and briefing senior staff on the program's progress.

The specific recommendations related to each finding, and DPD's response, are described in the "Findings and Recommendations" section of this report.

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## II | Background

Established in 2016, the Neighborhood Opportunity Fund (NOF) is an economic development tool that provides grants for development projects in "neighborhoods impacted by poverty, high unemployment, and other indicators of economic deprivation."<sup>1</sup> NOF is funded by contributions from property developers who are required to make those contributions in exchange for permission to build construction projects in downtown Chicago which exceed the size limits imposed by the Chicago Zoning Ordinance.<sup>2</sup> The Department of Planning and Development (DPD) uses NOF to award grants to businesses and cultural organizations in qualified investment areas (QIAs), which are neighborhoods at "significant economic disadvantage." The City determines these areas using historical U.S. Census data on educational attainment, real estate vacancy, poverty, public assistance, and employment.<sup>3</sup> Through NOF, DPD awards small grants up to \$250,000 and large grants between \$250,000 and \$2.5 million. Since their inception, NOF's Small and Large grant programs have been administered by multiple divisions within DPD. The two programs currently reside in separate divisions and have different direct management. Considering this operational separation, OIG focused this audit on the Small Grants program.

The Municipal Code of Chicago (MCC) § 16-14-040 states that the purpose of NOF is to simultaneously promote growth in downtown Chicago while investing in business development and creating jobs in economically disadvantaged neighborhoods. The Fund is also intended to strengthen neighborhood commercial corridors and to address the decline of private investment in QIAs. This purpose underscores the guiding principles of the NOF's Small Grants program, which are,

- "To invest in the communities most in need in the City of Chicago
- "To recognize that strong neighborhood commercial corridors-where local residents can shop, eat, and enjoy-make communities more livable, vibrant places
- "To prioritize commercial uses that are resident-requested, are catalysts for positive change, and help make commercial corridors local destinations
- "To ensure that investments are complementary with other neighborhood efforts and are structured to ensure long-term sustainability
- "To build community-based wealth by supporting entrepreneurs of color and neighborhood employment"<sup>4</sup>

DPD awards NOF grants to businesses and cultural organizations to fund site acquisition, construction, or renovations. The NOF Small Grants program also funds technical assistance advisors who help grantees obtain financing and manage construction projects. DPD funds Small

<sup>1</sup> City of Chicago, MCC § 16-14-040.

<sup>2</sup> City of Chicago, MCC § 17-4-1001. "Downtown" is defined by MCC 17-1-1500 as "an area bounded by: Division Street; Lake

Michigan; the Stevenson Expressway; the CTA red line right-of-way; Cermak Road; Stewart-Avenue; the South Branch of the Chicago River; 16th Street; the Dan Ryan Expressway; the Eisenhower Expressway; Ashland Avenue; Ogden Avenue; Hubbard Street; the Kennedy Expressway; Ogden Avenue; Chicago Avenue; North Halsted Street; and the North Branch Canal."

<sup>3</sup> City of Chicago Department of Planning and Development, "Neighborhood Opportunity Fund Small Grants Program Manual," November 2021, p 6, accessed via Neighborhood Opportunity Fund "About - Program Materials" webpage on July 28, 2022, <<https://neighborhoodopportunityfund.com/about/#program-materials>>

" City of Chicago Department of Planning and Development, "Neighborhood Opportunity Fund Small Grants Program Manual," p 3.

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Grants projects by reimbursing grantees as they complete the work approved during the selection process. Figure 1 below shows examples of past NOF Small Grants projects.

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### Figure 1: Businesses and Cultural Organizations Use NOF Small Grants in Various Ways

Source: *OIG design with images from DPD, Google Maps, and Brenda Perez from Timeout Chicago*

<sup>5</sup> Perez, Brenda, "Osito's Tap", photograph, Timeout Chicago, July 26, 2021, accessed July 28, 2022, <<https://www.timeout.com/chicago/bars/ositos-tap>>.

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## A | Program Revenue and Awards

From 2017 through 2021, the City collected \$101,292,563 in NOF revenue through required contributions from property developers, as illustrated in Figure 2. .

Figure 2: NOF Revenues, 2016-2021<sup>6</sup>

Year'	NOF Revenue
■2016	''' ■ \$ 4',308',453
2017 •	.,,.,, 2,244,772
'2018	.i*''' ■ 31,201,220
.2019.	33,530,422.
'2020 '	. 18,094,150
2021	11,913,546
<b>Total</b> :..	<b>=&gt;X. \$ 101,292,563</b>

Source: *Annual Neighborhood Opportunity Bonus Reports, 2017-2021* <sup>1</sup>

Over the life of the program, DPD has selected 212 NOF grantees and awarded an estimated \$67.2 million in grants. This includes \$35.2 million to 25 grantees in the Large Grant program and \$32.0 million to 187 grantees in the NOF Small Grants program. The Department distributes these awards through reimbursements to grantees and direct payments to contractors as funded work is completed. As of November

2022, DPD has paid grantees in the Small Grants program \$11.0 million, or 34%, of their awarded funds, and grantees in the Large Grant program about \$7.2 million, or 21 % of their awarded funds. The various statuses of all awarded NOF Small Grants projects-the focus of this audit-are set out in Figure 3.

<sup>6</sup> The amount of NOF revenues varies annually as it fluctuates with the number of developers that contribute to NOF each year in exchange for permission to exceed size limits, of the Chicago Zoning Ordinance.

<sup>7</sup> DPD included revenues from both 2016 and 2017 in the inaugural Neighborhood Opportunity Bonus 2017 Annual Financial Report. City of Chicago Department of Planning and Development, "Neighborhood Opportunity Bonus 2017 Annual Financial Report," Summer 2018, p. 7, <[https://www.chicago.gov/content/dam/city/depts/zlup/Planning and Policy/Publications/NOB Annual Report 2017 Final.pdf](https://www.chicago.gov/content/dam/city/depts/zlup/Planning%20and%20Policy/Publications/NOB%20Annual%20Report%202017%20Final.pdf)>; DPD, "Neighborhood Opportunity Bonus 2018 Annual Financial Report," Spring 2019, p. 8, <[https://www.chicago.gov/content/dam/city/depts/zlup/Planning and Policy/Publications/2018 NOB Report.pdf](https://www.chicago.gov/content/dam/city/depts/zlup/Planning%20and%20Policy/Publications/2018%20NOB%20Report.pdf)>; DPD, "Neighborhood Opportunity Bonus 2019 Annual Financial Report," p. 4, <[https://www.chicago.gov/content/dam/city/depts/zlup/Planning and Policy/Publications/ 2019 NOB Report pdf](https://www.chicago.gov/content/dam/city/depts/zlup/Planning%20and%20Policy/Publications/2019%20NOB%20Report.pdf)>; DPD, "Neighborhood Opportunity Bonus 2020 Annual Financial Report," p. 4, <[https://www.chicago.gov/content/dam/city/depts/zlup/Planning and Policy/Publications/2020 NOB Report.pdf](https://www.chicago.gov/content/dam/city/depts/zlup/Planning%20and%20Policy/Publications/2020%20NOB%20Report.pdf)>; DPD, "Neighborhood Opportunity Bonus 2021 Annual Financial Report," p. 3, <[https://www.chicago.gov/content/dam/city/depts/zlup/Planning and Policy/Publications/2021 NOB Report pdf](https://www.chicago.gov/content/dam/city/depts/zlup/Planning%20and%20Policy/Publications/2021%20NOB%20Report.pdf)>

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Figure 3: NOF Grantees Have Completed 59 Projects From 2017 Through November 3, 2022

Project Status	Number of Projects	Amount Awarded	Amount Paid
Completed ....	59	\$ 8,471,481	\$ 7,548,229
Removed/Withdrawn <sup>8*</sup>	48	\$ 7,514,252	\$ 98,651
Under construction - 80		16,025,381	3,320,681
<b>Total</b>		<b>\$32,011,114</b>	<b>\$ 10,967,561</b>

Source: DPD.

DPD has a contract with a program administrator to help operate the NOF Small Grants program. The program administrator's primary responsibilities are to review application materials and process reimbursement requests. Two employees of the program administrator are assigned to the NOF Small Grants program.

## B | Economic Development Program Best Practices

The Government Finance Officers Association (GFOA) and the National State Auditors Association (NSAA) have identified best practices for economic development programs.<sup>9</sup> These include standards for selection, monitoring, and performance measurement processes. The best practices for each process are, in summary:



- Selection - An economic development program should include a clearly defined selection process to promote consistency and transparency. As part of this process, the administering agency should establish eligibility criteria and review applications to ensure that grant recipients meet them.
- Monitoring - A program should have procedures that ensure collection of all required grantee reports and information, verify the accuracy and reliability of the information provided, and compare this information to program requirements.
- Performance measurement - A program should contain measurable objectives and goals to create accountability and facilitate program evaluation.

## C I NOF Small Grants Program Selection Process

DPD's NOF Small Grants program selection process includes the following steps:

1. Interested applicants complete a prescreening quiz, verifying that the nature and location of the proposed project meet program requirements.<sup>10</sup>

<sup>B</sup> DPD stated that the two most common reasons for grantees to remove or withdraw projects are financing issues and changes to project scope. OIG interviewed a terminated grantee and a withdrawn grantee who confirmed that they discovered unexpected issues with their buildings after starting their project which expanded the project scope and made it financially unrealistic.

-Government Finance Officers Association, "Establishing an Economic Development Incentive Policy," accessed February 22, 2022, <<https://www.gfoa.org/materials/establishing-an-economic-development-incentive-policy>>; National State Auditors Association, "Best Practices in Carrying Out State Economic Development Efforts," p 3-6, accessed February 22, 2022, <<https://www.nasact.org/files/News%20and%20Publications/White%20Papers%20Reports/NSAA%20Best%20Practices%20Document%202004%20Economic%20Development.pdf>>.

<sup>10</sup> DPD accepts NOF Small Grant applications twice a year, during six-week application windows

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2. Verified applicants complete an online application, which demonstrates the project's financial feasibility, provides plans for construction, describes the intended social and economic impact, and establishes overall readiness to proceed.<sup>11</sup>
3. The NOF program administrator confirms that each application is complete and that the project type and location meet program requirements. The program administrator also reviews applications to verify that applicants intend to meet requirements for construction planning, project cost estimates, site control, and financing.
4. DPD and the program administrator evaluate all eligible applications using a scoring rubric referred to as the "full scorecard." This process takes into account both objective measures (e.g., the proposed project location and the legal status of the applicant's business) and subjective measures (e.g., the project's proposed social and economic impact). Using the full scorecard, DPD compares applicants' qualifications, narrows the pool to align with the program's annual budget allocation, and submits the selected applicants to the NOF Advisory Committee. This committee comprises 11 individuals representing financial organizations, academic institutions, businesses, and other community stakeholders.
5. The NOF Advisory Committee reviews the applications to assess applicants' qualifications and the anticipated impact of the potential project on the relevant communities, then provides a list of proposed

finalists to DPD.

6. DPD considers the proposed finalists to ensure they represent a variety of neighborhoods and types of businesses.
7. To determine whether proposed finalists have building code violations, outstanding property taxes, pending court cases, or other potential issues, DPD performs a "due diligence" review by inquiring with its Bureau of Zoning and the Departments of Buildings, Finance, and Business Affairs and Consumer Protection and reviewing relevant Cook County data. Applicants that pass this review become finalists.
8. Within six months after receiving notice they are finalists, applicants submit required legal, financial, and construction-related documentation.
9. Using a checklist to ensure that project information complies with requirements, DPD and its program administrator verify project site control, guarantee the receipt of appropriate construction bids, confirm that finalists owe no debt to the City, and ensure general project readiness.<sup>12</sup>
10. DPD issues a conditional award letter, officially naming a finalist as a grantee and notifying them of the award amount.
11. Finalists sign a covenant committing to comply with program requirements, such as maintaining the business or organization in the project location for at least three years after construction. (

## D | NOF Small Grants Project Monitoring Process

DPD monitors grantee compliance with program requirements and eligible project costs by reviewing reimbursement requests for work completed at the location approved in the selection process. The program monitoring process includes the following steps:

The application is attached at Appendix A. <sup>12</sup> To preserve their eligibility to become a grantee, a finalist with City debt must either pay the amount due, set up a payment plan, or successfully contest the debt. The checklist is included in the Project Summary Report, attached at Appendix B.

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1. During construction, a grantee submits reimbursement requests to the program administrator. Each request must include invoices for materials or services, records of payment for the invoices, and a summary of completed work.
2. For each request, the program administrator verifies that the submitted documents are.. complete and creates a voucher reimbursement packet. The packet includes a voucher processing report, the submitted records, a spreadsheet of NOF small grant-eligible costs, photos of completed work, and the grantee program application.<sup>13</sup>
3. The program administrator submits the voucher reimbursement packet to DPD for approval.
4. If DPD confirms that the reimbursement sought is valid under the initial grant agreement, the Department approves reimbursement from the NOF account.
5. The program administrator forwards the approval to the financial institution holding the grant funds.
6. With approval from both DPD and the program administrator, the institution issues payment to the grantee or their contractor.

In addition to this voucher approval procedure, DPD monitors completed projects through an annual survey confirming that each business or organization is still located and operating at the approved location. Grantees

found to be in violation of program requirements are required to reimburse the City for distributed grant funds.

## E | NOF Small Grants Program Updates

Since the program's inception-in response to feedback from stakeholders, issues identified by staff, and changes in program leadership.and organization-DPD has updated its NOF Small Grants program processes. Figure 4 summarizes some ofthe notable changes.

<sup>13</sup> The voucher processing report is attached at Appendix C.

Figure 4: DPD Has Updated NOF Small Grants Program Procedures

Updates	Identified Need
Increased incentives for Local Residency and Hiring Bonuses	Originally, NOF Small Grants could fund up to 65% of a grantee's project. However, many grantees experienced difficulty financing the remaining costs. In response, DPD increased the bonuses for grantees residing or hiring within the QIA to allow grantees to receive up to 100% of project funding for eligible costs up to \$250,000.

Expanded the types of expenses that are eligible for reimbursement to include technical assistance.

Converted from a manual application to an online application

Lowered the amount of up-front capital required of grantees

Multiple grantees struggled to obtain financing and find reliable contractors. To address this need, DPD began offering funding for grantees to obtain technical assistance with loan applications and construction project management support.

In 2020, DPD created an online NOF Small Grant application that automatically uploads applicant information into a database. This eliminated the need for the program administrator to perform manual data entry.

DPD introduced an escrow account option, which allows grantees to use up to 75% of their grant award to pay contractors directly (with the approval of DPD). This lowered a barrier to launching projects by reducing the amount of up-front capital required of grantees before reimbursement.

Source: DPD description of changes to the Small Grants program.

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## III | Findings and Recommendations

### FINDING^: DPD'S SELECTS QUALIFIED, I

# IMPLICANTS AND MONITORS PROJECTS TO % ■ ^ iENSURE THAT THEY MEET SMAEE GP^OTS 1%

DPD awarded NOF small grants to eligible applicants and ensured that grantees complied with program requirements. The Department's grantee selection and project monitoring processes align with best practices by clearly defining program eligibility, measuring applicants against criteria, and ensuring that reimbursement payments are limited to qualifying and approved costs.

## A | DPD Generally Adheres to Its Selection Process When Awarding NOF Small Grants to Grantees; There is Room for Improvement

OIG reviewed records associated with the 24 grantees who made up the 2020 NOF Small Grants cohort. For that cohort, DPD provided evidence that it collected and reviewed the majority of required application materials. Figure 5 summarizes, for each required selection procedure, the percentage of related documentation provided to OIG by DPD for the 24 grantees.

Figure 5: DPD Consistently Performed the Majority of the Selection Process Steps

Selection Process Step- . -.. ■	Compliance Rate
Application	100%
Eligibility Check	100%
Intention to meet Program Requir 100%	
Full Application Scorecard	100%
Advisory Committee Review	83%
DPD Zoning Review	100%
Department of Buildings Review	0%
Department of Business Affairs and Consumer Protection Review	75%
Department of Finance Review	96%
Cook County Property Tax Review	96%
Principal Profile Form	100%
Affidavit of Child Support Compliance	100%
Economic Disclosure Statement	100%
Scofflaw Check <sup>14</sup>	96%
Proof of Site Control	100%
Construction Bids	100%
Contractor's License	100%
Contractor's Insurance Certificate	100%

Source: OIG analysis of DPD records.

Regarding the six selection procedures with less than 100% compliance, DPD reported that,

- it performed the review of information from the Department of Buildings but did not retain the hardcopy documents;
- the advisory committee reviewed all grantees in the original cohort, but did not review applicants that later replaced those that had left the program during the selection process;<sup>15</sup>
- it did not perform some due diligence reviews with other City departments for the applicants that joined the program later in the process; and
- it could not account for missing documentation related to five review steps for three applicants.

## B | DPD Consistently Monitored Projects for Compliance with NOF Small Grants Program Requirements.

DPD consistently ensures that project costs are approved as eligible reimbursements before disbursing payments to grantees. OIG reviewed ten randomly selected reimbursement vouchers across the history of the program and determined that the grantees submitted the required supporting documentation, including invoices for materials and services, documentation of the

<sup>14</sup> The "scofflaw check" identifies any debts owed to the City, such as unpaid parking tickets, water bills, and administrative hearing fees. All applicants must be clear of any City debt or enter into a payment plan to be considered for the NOF Small Grants program.

<sup>15</sup> DPD stated that this issue should not recur because the advisory committee now reviews all eligible applicants in the event of grantee attrition.

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grantee's initial payment, and summaries and photos of completed work.<sup>16</sup> OIG also reviewed each of the 14 projects completed between January and October of 2021, and determined that DPD had confirmed the eligibility of all reimbursed costs.<sup>17</sup> The related payment amounts also matched the approved amounts

## | Recommendation

1. DPD should improve their current procedures to ensure all grantee selection steps are completed and related records are retained. Such procedural improvements should include conducting the relevant due diligence reviews for grantees that join the program in later stages of the selection process.

## Management Response <sup>18</sup>

1. *"Department will create a document to track and record selection process procedure results with the intent to also include any replacement projects that are selected as a result of any removed or withdrawn projects. Internally (DPD staff) store tracking data and maintain records within the Proma platform as well as with our program administrator (SomerCor)."*

<sup>10</sup> Based on OIG's understanding of the voucher approval process, which provides clear guidance to grantees and includes multiple layers of review, the risk that vouchers would include ineligible costs is low. Nonetheless, in the interest of addressing potential public interest in whether the City dispersed funds for ineligible costs, OIG reviewed ten reimbursement vouchers. No compliance issues were noted in that sample, and therefore OIG did not expand its review to a larger sample.

"" OIG tested the projects completed in 2021 to ensure that we evaluated DPD's current practices, which incorporates DPD's updates to its NOF Small Grants project monitoring process <sup>13</sup> The entire DPD management response is attached as Appendix D

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## FINDING 2: DPD DOES NOT FORMALLY MEASURE THE NOF SMALL GRANTS PROGRAM'S PERFORMANCE TO EVALUATE ITS OUTCOMES

DPD does not measure the NOF Small Grants program's performance and has not converted its guiding principles into specific performance goals. Best practices for devising and implementing economic development policies include setting measurable objectives and goals to foster accountability and facilitate program evaluation. Although DPD tracks elements such as participant dropout rates and the number of outreach events related to the NOF Small Grants program, these metrics do not inform the Department's overall goals for the program and are not used to assess the its effectiveness or efficiency. Further, while the program administrator is required by contract to issue a quarterly report on program metrics, DPD does not ensure that the program administrator meets this requirement and has not collected any quarterly report.

According to the DPD's contract with the program administrator, this report should include,

- total number of projects closed;
- total amount of grant funds provided as well as total project costs;
- total number and amount of closed loans which were assisted by SomerCor in connection with the completion of the Project;
- number of projects in process;
- total number of applications reviewed;
- total number of applications approved;
- the number of jobs retained and created, as well as temporary construction jobs created;
- the number of vacant commercial units occupied;
- the number of businesses expanded, and number of start-up businesses launched;
- the number of facades improved;
- the percentage of applications funded; and
- other measurable economic benefits of the program as agreed upon between SomerCor and DPD.

If collected and reported, this information would allow DPD to measure performance in each of these dimensions against any established goals. Without measuring the program's performance against specific goals, however, DPD cannot establish whether the program actually strengthens commercial corridors in disinvested neighborhoods. The Department also cannot assess whether the its program updates, described in the Background section of this report, have improved outcomes. For instance, it is unknown whether allowing the use of both the local hiring and residency bonuses, and increasing their amounts, has increased local business ownership or employment in QIAs. Without information regarding the program's



accomplishments and obstacles, DPD is precluded from effectively communicating the impact of the program to stakeholders. Measuring and evaluating NOF Small Grants program performance would help to ensure that its outcomes align with the guiding principles of the NOF Small Grants program.

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NOF Small Grants program staff stated that they have informally prioritized completing projects over measuring program performance. They have viewed the program as evolving, and have chosen to focus on its management, ensuring liquidity for grantees, and generally addressing issues as they arise. While updating the program in response to issues encountered in practice is commendable, it does not replace the need to establish clear program goals and measure progress toward those goals.

## | Recommendations

2. DPD should convert their guiding principles into measurable goals.
3. DPD should develop performance measurement procedures that allow it to assess the program's progress toward the defined goals and to adjust operations as needed.
4. DPD should ensure that its program administrator meets its contractual obligation to develop and submit quarterly program performance reports, thereby potentially informing the Department's effort to set goals and implement performance measures.

## | Management Response

2. *"Staff is now working with the Bloomberg Associates team to convert program Guiding Principles into clear measurable goals. Workshopping Guidelines conversion will begin in early November."*
3. *"Staff is working with the Bloomberg Associates team to convert program Guiding Principles into clear measurable goals that can be shared quarterly and that can clearly articulate issues, challenges, and opportunities to senior staff."*
4. *"Department will implement an official quarterly program performance review that will focus on reports provided quarterly by the program administrator (SomerCor). A kick off meeting will be conducted to level set benchmarks and metrics to be tracked. Reporting format and design will also be established at that time."*

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## IV I Objectives, Scope, and Methodology

### A | Objectives

The objectives of the audit were to determine whether DPD,

- selects NOF Small Grants program grantees based on application requirements;
- monitors funded projects for compliance with NOF Small Grants program requirements; and
- formally measures the program's progress toward defined goals.

For purposes of best practices criteria, OIG used GFOA's "Best Practices: Establishing an Economic Development Incentive Policy" and NSAA's "Best Practices in Carrying Out State Economic Development Efforts."

### B | Scope

The audit's scope included the design and implementation of the selection process for grantees of the NOF Small Grants program selected in 2020. It also included the design and implementation of DPD's project monitoring process for NOF Small Grants projects that were completed between January and October of 2021. Lastly, the scope included an inquiry into whether DPD measures the performance of the NOF Small Grants program.

The scope did not include any processes, applicants, or grantees involved with the NOF Large . Grants program. OIG also did not assess the quality of the criteria DPD uses in their selection and project monitoring processes.

### C | Methodology

For all audit objectives, OIG interviewed DPD staff, leadership, and the NOF Small Grants program administrator. OIG reviewed the NOF Small Grants program's organization, procedures and . improvements, goals, outreach efforts, and challenges to implementation. OIG also interviewed community partners and past and current grantees to gather insights on their experiences with the NOF Small Grants program. Further, OIG reviewed the MCC, external communication of NOF Small Grants program policies, and internal documentation of program processes to confirm interviewees' experiences.

To assess DPD's implementation of its NOF Small Grants program selection process, OIG reviewed all 24 grantees from the 2020 cohort-the most recent cohort with approved and finalized award amounts. OIG

reviewed required application materials, supporting documentation, and evidence documenting DPD's consideration of these materials. OIG did not assess the substance or outcome of DPD's evaluation of the applicants' qualitative responses, only whether the Department reviewed all materials during the selection process.

To assess DPD's implementation of its NOF Small Grants project monitoring process, OIG reviewed invoices and payment documentation for ten reimbursement vouchers over the course of the entire program to verify that the program administrator correctly approved reimbursements for documented work. OIG then reviewed reimbursement vouchers for all 14 NOF Small Grants projects completed between January and October 2021 to ensure that DPD followed its project

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monitoring process. OIG did not assess DPD's criteria for project monitoring, only whether the Department followed its established process.

## D | Standards

OIG conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on its audit objectives. OIG believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objectives.

## E | Authority and Role

The authority to perform this audit is established in MCC § 2-56-030, which states that OIG has the power and duty to review the programs of City government in order to identify any inefficiencies, waste, and potential for misconduct, and to promote economy, efficiency, effectiveness, and integrity in the administration of City programs and operations.

The role of OIG is to review City operations and make recommendations for improvement.

City management are responsible for establishing and maintaining processes to ensure that City programs operate economically, efficiently, effectively, and with integrity.

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# Appendix A | NOF Small Grant Application

ALL APPLICATIONS MUST BE SUBMITTED ONLINE through  
Chicago.gov/NOF <<http://Chicago.gov/NOF>>

## SAMPLE NOF Application 2021 Round 1 (English)

Please answer the questions to the best of your knowledge. You will be asked to provide evidence of your responses.

Please understand that what you are submitting is subject to public release under the Freedom of Information Act (FOIA) or other record production requirements. When an applicant indicates that a document is confidential, DPD will use its best efforts to withhold the document from release. Personal information such as income and owner's draw (salary) will not be released in FOIA searches. This information will only be released to the public in the aggregate for reporting purposes. ^III;

Do you have an Applicant Code? \*

- Yes, I have an Applicant Code.
- No, I do not have an Applicant Code.

7 - Submitter's Role in Project \*

What is your role on the project? Are you completing the application for your own business or building or are you helping a family member, friend, or colleague<sup>1</sup>?

8 - What type of applicant are you? \*

- I am the property owner.
- I am the business owner.
- I am both the business and property owner.
- I am a non-profit organization.

i

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- I am a non-profit organization and property owner.

### Project Description

1 - Project/Business Name \*

You may use the name you Do Business As (DBA) as your project name. In some cases, the DBA and legal business name are the same.

2 - What is the core product or service you are selling or plan to sell at the project location? \*

Example: I will be opening a tamale shop in my neighborhood. I currently sell tamales and tacos at special events and 75% of my sales come from tamales.

#

1 limit: /SO wqid'i

1J/k

Limit: 250 words

2.3b - Why will customers choose your product or service over other competitors? \*

Example: My tamales are very delicious and high-quality; People travel from the suburbs to buy my tamales. I sold \$5,000 worth of tamales working out of a shared kitchen in 2020. I plan to sell more tamales once I have my own kitchen and storefront.

4 - Use the section below to describe how your business will improve the block where it is located. \*

H

, % ' "

""

limit: 250 words

5 - Will you be creating any new jobs with your project? \*

- Yes, I will be creating full-time jobs (35 or more hours a week).
- Yes, I will be creating part-time jobs (Less than 35 hours a week).
- Yes, I will be creating temporary jobs (Short-term worker).
- No, I will not be creating any new jobs.

6 - Build Community Wealth Bonus (BCWB)^

Build Community Wealth Bonuses provide additional funds to eligible projects that support local business and property owners and employment opportunities. Projects may qualify for either bonus or both bonuses.

> \ ' Build Community Wealth Bonus - Local Residency (25%)

If an applicant maintains or her primary residence in an NOF eligible area, s/he may receive a bonus of up to 25% of total eligible project costs, which can be applied towards the construction budget. More than half of the business and/or property owners must qualify. Visit the NOF website to determine if you live in an eligible area, <<https://neighborhoodopportunitiesfund.com/about/>>

Non-profits are not eligible for the Local Residency Bonus.

Build Community Wealth Bonus - Local Hiring (25%)

If an applicant hires new employees who maintain their primary residences in an NOF eligible area, s/he may receive a bonus of up to 25% of total eligible project costs as a reimbursement for wage expenses or training costs, provided s/he hires at least two, new, full-time

employees, or two Full-Time Equivalent (FTE), once the project is complete. The two FTE requirement may be fulfilled with multiple employees working at least 20 hours per week (with at least 60 hours per week across all part-time employees). These funds are reimbursed

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after a qualifying project is completed. Non-profits may apply for the local residency bonus. You can view a map of the NOF eligible area for employees here: <<https://neighborhoodopportunityfund.com/about/>>

Note: Grants may not go over \$250,000 for small grants and \$2.5 million for large grants including the Build Community Wealth Bonus. The Build Community Wealth Bonus for Local Hiring for large grants is capped at \$250,000.

**2.6a Select which of the following you intend to receive. \***

- BCWB Local Residency
- BCWB Local Hiring
- BCWB Local Residency & BCWB Local Hiring
- *I do not intend to receive a Build Community Wealth Bonus ^MW*

**2.7 - If you have a business plan, please upload here. A resume showing prior experience may also be uploaded.**

*Acceptable file types: pdf, doc, docx, txt, rtf, jpg, jpeg, gif, mp3, mp4, m4a, zipttif, tiff, png, wpf, odt, wav, mov, xls, wpd, ppt, pptx, ayi, mpg, xlsx, sib, mus, 3gp, flv, webm, psd, ai, mobi, epub, wmv, eps, key, ogg, aac, flac, aiff, wma, mkv, musx, ibooks, iba, tex, bbl, ltx, fm4v, svg, fdx, dwg, vsd, vss, vst, vdx, vsx, vbx, mpp, mpx, adoc, csv, stl, hevc, heif. ., " y*

Upload a file

:. v

### Project Site Information

The Neighborhood Opportunity Fund finances projects in commercial corridors across Chicago's South, Southwest and West Sides. You can check your eligibility here: ^\*\* <<https://neighborhoodopportunityfund.com/apply/>> ^

1 - Project Site Address ? " \$fc: -Address cannot be a P.O. Box.

;; "

2 - Project Site Address (Unit, Apt) # Address cannot be a P.O. Box.

;; \*\*x

3 - Project City \*

4 Project State \*

5 Project Zip Code \*

6 - What is your preferred mailing address? \*

- I prefer receiving mail at the applicant address.
- I prefer receiving mail at the project site address.

7 - What is the approximate square footage of the project site? \*

8 - Do you currently own the property/project site?<sup>1</sup> \*

- Yes
- No

Having site control is not mandatory, but applicants demonstrating that they have it, or are making a concerted effort to obtain it, will be considered stronger.

3

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You will be required to provide documentation supporting your selection. Additional questions will be presented based

on how question 3:8 is answered.

11 - Building or Site Photo \*

Acceptable file type's: jpg, jpeg, gif, tif, tiff, phg, svg.

Please upload interior, exterior, and street-view photos of the property/project site. By uploading this' photo, you are giving the Department of; Planning permission to use the photo in program materials. Image files only please (jpg, tiff, svg, gif, or png)

12 - What is the current status of the property/project site? \*

- In-use
- Vacant
- Other, please explain

13 - Are there delinquent property taxes for this property/project site? \*

- Yes

You can look up the status of property taxes here: [http\\*s://www.cookcountvpropertvinfo.com](http*s://www.cookcountvpropertvinfo.com) <<http://www.cookcountvpropertvinfo.com>>

Note: YoU may need the PIN for your site in order to look up\_ property taxes. Please reach outHo^a Community Partner if you need assistance. See here: <<https://neighborhdod6ppportunityfund.com/applicaht-suoport/>>3.14 Are you aware of any significant physical ahd/or financial issues with the project site? \*

- Yes, I am aware of significant physical issues with the property.

■■■3~\*r ■~«ijitiu

- No, I am not aware of any significant physical issues

Examples of significant physical issueswiththe prdjectsiteduld be fire damage, a collapsed roof, court-ordered building code violations or environmental remediation. Examples of significant financial issues with the property would be unpaid property taxes<sup>1</sup>, mechanic liens or City inspection fees.

#### Business/Organization Information:

1 - What is the legal name of your business/organization? \*

In some cases, the;DTJji;anci legal business:name are different. The legal name may also be the same as the name you DBA.

2 - What type of service is your business/organization.currently offering, or plans to offer? \*

Manufacturing/industrial, social services (such as a daycare), residential and workforce programs are ineligible uses. Projects associated with places of worship are only eligible if the primary use is commercial, and it is available to the public.

3 - What is your Business Ownership Structure? \*

- Corporation
- Limited Liability Corporation (LLC)
- General Partnership
- Limited Partnership
- Non-profit organization

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- Sole proprietor/Individual
- 4 - Does your business or organization have sales or revenue? \*
- No, my business or organization does not have revenue.
  - Yes, my business has revenue but I can't provide last year's tax return.
  - Yes, my business or organization has revenue and I can provide last year's tax return.
- 4.4b - What is your City of Chicago Business License Number?
- 5 - Which of the following describes the project/business location? \*
- This is the first, physical (brick and mortar) location of this business.
  - This is a remodel of an existing location for this business.
  - This is a new location of this business. .:'
  - *This is an expansion (additional location) of this business. ' /*
- 6 - If you have a website for your business or organization, please enter it here.

Project Budget and Finances

^x ■■■■■ .^:r|r  
'■■■■■■?& ■ ■ '

The NOF grant can cover up to 50% of eligible project costs for renovations to an existing building or for new construction. This percentage can be increased by 25% (or up to 75%), if the applicant qualifies for the Build Community Wealth Bonus. Please visit the website to determine eligibility for the Build Community Wealth Bonus (<https://neighborhoodopportunityfund.com/about/> <[http://neighborhoodopportunityfund.com/about/](https://neighborhoodopportunityfund.com/about/)>). The remaining project costs will need to be covered by the applicant through other sources of funding. • ?:-

5.1 - Project Costs

Use this table to itemize and outline general costs (not exhaustive) you anticipate for your project. Itemize your costs according to the following categories: ~

Hard Costs: costs associated with renovations or new construction (e.g. mechanical systems, electrical and plumbing work and roofing).

Soft Costs: costs associated with project planning < services (e.g. architectural and engineering services); Acquisition Costs: costs associated with



purchasing the project property.

Cost category^:	Dollar Amount	Addtl Notes	supported with a contractor bid? (Yes/No)
Design/Architectural Fees	\$1,000.00		

**Permitting Fees**

Demolition/Site Preparation  
Roofing

Walls

Floors

Windows

Doors

Masonry

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Plumbing			
HVAC/Mechanical			
Electrical			
Carpentry			
Building security system			
Outdoor Landscaping/signage			
Furniture, Fixtures and Equipment (FFE)			
Other Costs (please describe in additional			
Total Construction Costs	0		
Project Contingency (10%)	0	10%	
Property Acquisition Cost			
Total Project Costs	0		
5.2-Total Project Expenses * ,; Note: This number must match the Total at the bottom			
%			
Funding Type		Dollar amount	Addtl Notes ^ are funds sec. anticipated?
Business Checking/Savings:			
Personal Checking/Savings:			
Loans from Financial Institutions:			
Loans from Friends/Individuals:			
Securities (Stocks and Bonds):			
Gifts from Private Individuals:			

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5.5 - Upload the supporting documents for the source(s) of financing shown in questions 5.3 and 5.4. \* Acceptable file types: pdf, doc, docx, jpg, jpeg, png, xls,~xlsx. ■ ■

This may be a term sheet from a lender, bank statement, or other document showing the finances available for this project. If you do not have the funds available yet but have been in discussion with a lender, please upload email correspondence or a Letter of Intent (LOI) from your lender.

5.6 - Have you applied for or received grant funds from the City of Chicago in the last 3 years? \*

- Yes
- No
- Examples of City of Chicago grants include the Small Business Improvement Fund (SBIF) and Affordable Housing Incremental Financing (AHIF) grants. You do not need to report city contracts here.

- **Yes** **"A", "A"**
- *No ig...*

Past applications to the NOF Program will not affect your current application.

■, <sup>1</sup>: ■ "S  
" " V' "• - %t

- 1 - Are you planning to work with a design professional (licensed architect or interior designer) on this project? \*\* W^ .y ^

Yes No

- Yes, I am planning to work with a design professional.
- No, I am not planning to work with a design professional.

- 2 - Do you need assistance in identifying a design professional?

6.3 - How are you approaching the design or "visual appeal" of your business and why? Tell us more about your brand and how you plan to use this grant to support it. \*

*Limit: 200 words*

## 6.4 - Construction Plan

Status (completed, pending, not started, N/A)	Start (Month/Year)	End (Month/Year)
---	--------------------	------------------

Concept/Vision  
Business Needs  
Assessment  
Project Feasibility  
Financing  
Pre-Development

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Acquisition  
Bid Letting  
Design  
Permitting  
Construction  
Ground breaking  
Rough Inspections  
Final Inspections  
Construction Close Out  
Business Operations  
Inventory & Staff Training  
Grand Opening

5 - Documentation that supports your construction plan (optional): <sup>N</sup>

Acceptable file types: pdf, doc, docx, jpg, jpeg, zip, png, xls, ppt, pptx, xlsx, sib, rtius? riobi, epub, key, musx.

Applicants may choose to upload documents that stipporttheirconstruction plan and/or demonstrate

piogiess on these plans. These documents may includes projecttimelinejicootraets with architects or general contractors, contractor bids;architectural drawings, constiuction;documents,,Ofedesign documents.

*Applicants who provide documentation are evakratedimore positively. Select up to 6 files to attach. <sup>s</sup>iS<sup>^</sup>*

6 - Additional Documents (optional) - <sup>^</sup>

Acceptable file types: pdf, doc, docx, txtjirtf, jpg; jpeg>«gif, mp3', mp4, m4a, zip, tif, tiff, png, wpf, odt, wav, mov, xls, wpd, ppt, pptX,%vijVmpg, xlsx, sib'iimius, 3gp,:flv, webm, psd, ai, mobi, epub, wmv, eps, key, bgg, aac, flac, aiff, wma, mkv, musx.lbooks, iba, tex; bbl, ltx, m4v, svg, fdx, dwg, vsd, vss, vst, vdx, vsx, vtx, mpp, mpx, adoc, csv, stl, hevc, heif.-;



#### Additional Applicant Information

The following section is voluntary and will have no affect on your application. Responses to these questions inform our marketing efforts, as well as ensure that the Neighborhood Opportunity Fund is reaching the members of, and making a positive impact on, the communities it intends to serve. You may upload any additional documents you feel will strengthen your application here.

**Responses in this section should reflect the owner or owners of the business or organization identified in this application, or the main contact for a non-profit organization. This information will only be released to the public in aggregate form for reporting purposes. 7.1 - How did you hear about the Neighborhood Opportunity Fund?**

**7.2. If you worked with a community partner, please select which ones you worked with from the list.**

- ...(see official application for list of organizations)

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- 2 - What is your gender?
- 3 - What is your ethnicity?
- 4 - What is your race?
- 5 - What is your preferred language?
- 6 - Are you a veteran?
- 7 - Do you identify as having a disability?
- 8 - Do you identify as lesbian, gay, bisexual, transgender, queer, intersex or asexual (LGBTQIA)?
- 9 - What year were you born?
- 10 - Please select the highest level of education you have completed.

#### Applicant Certification

**SCOFFLAW REQUIREMENTS:** All awardees of the NOF program will undergo a check by the Department of Finance to see if they owe debt to the City of Chicago. Any awardee with outstanding debt owed to the City, and/or property owners (if the awardee owns the property) who are behind on their property taxes, are required to fully, pay the debt(s) or enter into a payment plan for it in advance of any payment of the NOF grant.

Applicant certifies that the information provided in this Application and any supplementary materials provided are true and correct. Applicant further certifies that they understand the scofflaw/requirements (outlined above) for the NOF program. False information may result in forfeiture of eligibility.

Signature \*

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# Appendix B | NOF Small Grant Project Summary Report

## NOF Small Grant - Project Summary Report

### Applicant Verification

il.; ■ Grant Applicant (Legal Name) ■ y^^.

^2S'Grant%plicant(PBA"Name): -.. .....' ■ .

Click or tap here to enter text

Click or tap here to enter text

(3^tIsSt)pplicant in Good Standing with It Sec of State? W

.IA^Jls!^^ '?.|iP8i'"

☐ Yes ☐ No C'N/A

☐ Yes ☐ No

:5MftppJiclnWrvpe:>\$WfcV." • :3lfr ■ ■ f. ^ .

•!6:&Pr6ject-SelectiSn]b^

☐ Property Owner ☐ Business Owner ☐ COwner of Both

Click or tap to enter a date.

12. Please identify the property owner if not the applicant (Legal Entity):

Click or tap here to enter text.

13^Please identify applicant (Legal Entity):. ' . ■■\*,;■£;:£■'. ■ .....is;@&. ■ ' .....

Click or Up here to tinteitext.

14/Numberarul^type of anticipated businesses upbrTproject completion: " ~T' ^fe^L^T ' ~\*@SltjBr ""T^W^A^A^

Number of New Businesses: Click or tap here lo enter text.      Number of Existing Businesses: Click or top here to enter text

Description: Click or tap here to enter text.      Description: Click or tap here to enter text.

15. Anticipated lease-up percentage after project completion:      | Click or tup here to enter tell.

## Legal Entity and Ownership Structure

**16. Attached Org Chart shows the ownership and officers/directors of the applicant.**

17. Have all owners/officers provided completed and signed Principal Financial's notarized Economic Disclosure Statements)? ☐ Yes ☒ No

18. Is the grant applicant receiving BCWB - local residency/ ☐ Yes ☒ No

19. Have all owners/officers provided completed and signed Principal Financial's notarized Child Support Affidavits)? ☐ Yes ☒ No

**21. Please list the individuals that have received Scofflaw Clearance for this project:**

Individual Name	Title / Role	Clearance Expiration Date
Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text;	Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.

Click or tap here to enter text.

Click or tap here to enter text.

Click or tap here to enter text.

Click or tap here to enter text.

Click or tap here to enter text.

Click or tap here to enter text.

## Project Verification

22. The applicant has control of the site through: ☐ Deed ☐ Lease ☐ Other: Click or tap here to enter text.

23. Have the Building Permit(s) been issued for this project? ☐ Yes ☐ No

If yes - please provide the Permit # and issuance date

DOB Permit #: Click or tap here to enter text. Issued Date: Click or tap here to enter text.

Are any owners/officers of the grant applicant also SBA indirectly affiliated?  
☐ Yes ☐ No

If no -- please provide the name of selected GC, license # number and license expiration date:

DOB GC License #: Click or tap here to enter text. Expiration: Click or tap here to enter text.

25. Did grantee provide more than one comparable bid for project?  
☐ Yes ☐ No

NOF small grant project summary report

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Are there any related NOF grants for this site? .....

☐ Yes ☐ No Click or tap here to enter text.

28. Description of

Click or tap here to enter text.

27. Have there been any other city funds (SBIF/TIF/etc) approved or given for this site within the last 3

3111-1, 1 file. CtlIKy

Click or tap here to enter text.

3. If the business is a subsidiary of

Click or tap here to enter text.

3. Is Applicant a subsidiary of

Click or tap here to enter text.

## Financial Verification

For full details please see the attached project plan spread.

32-. Original gra'rrt^nioUnt.reqT^:/3\*j]S"" » application):

Click or tap hero to (-ntcr 'ext.

l34?ArethereWn^ineligible cos^|includedJin\$the GAL?

☐ Yes QNo

t36. What is the applicant's portion of the project costs?.....

Click or top here to enter text.

38. Has the applicant executed the grant covenant?

☐ Yes CNo

■' 33.'\$ftpprbved gra nFamount^Sjlisted ^

Click or tap here to enter text.

35. Does the applicant intend to use a project escrow?

☐ Yes DNo

37. Does applicant anticipate receiving BCWB-local ; hiring?

.. ■ ■-  
☐ Yes DNo

39. Has applicant providedsprdof^ofp'roject financing for

☐ Yes ☐ Not Yet

nof small grant project summary report

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## Project Site Photos

- - -

40. Date Photos taken: Click or top to entr .1 daV:. Compliance

### Statement

These are the facts as presented to me by the applicant-and the result of my investigation.

Date Completed: Click or tap'to enter a date.

Completed by: Click ortap here to enter text.



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# Appendix C | NOF Small Grant Voucher Processing Report

## NOF Small Grants - Voucher Processing Report

Grant Applicant (Legal Name): Project Site Address: Voucher Submission Date:

Click or tag here to enter text.. Click or tap here to enter text. Click ortap to enter a date.

1. What is the Conditional Award Letter (CAL) amount?

2. What is the current project balance? (CAL amount minus all previously paid

2. vouchers) \ ■■ -X -, . 1?

SClickor tap here lo enter text.

. :X^&.- ■■. i ■

\$Click or tap hereito enter text.

7. 8. 9.

10. 11. 12.

13. 14. 15. 16.

3. What category is this voucher request?

4. If construction, is this voucher for reimbursement or escrow draw?

5. For escrow draws, does the payment arrangement of the draw match the escrow agreement (e.g. 50% NOF Funds, 50% grantee funds)?

6. If the payment arrangement does not match the escrow agreement, please explain why; and attach documentation.

If TA fee, has the grantee paid their portion of the contract?

What account should this disbursement come from?

How many previous draws or reimbursements have been approved for this project to date?

Who is paying the check or draw fee for this current voucher?: -A-Mh-

What is the amount requested in this voucher?

Are there any concerns that the costs submitted are higher than anticipated or expected? (If yes, add comments below) \_

Please identify the TA, the GC, or sub-contractors for this voucher:

Is the grantee self-performing or serving as the GC for this project?

Is all the work in the voucher eligible for the grant?

Click or Up here to enter text.

☐ Yes ☐ No ☐ N/A

Click or tap here to enter text.. Click or tap here to enter text.

Click or tap here to enter text.

Yes No

Click or tap here to enter text. Yes No C Yes No

17. Is this the final draw for this project?

The following documents are attached for this voucher request:

- Project plan spread  
Comments: Ok\* of tap here to enter text
- Itemized invoice indicating the labor/materials that have been completed/purchased  
Comments: Click or tap here to enter text

1 of 2

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☐ If voucher is for reimbursement, PAID invoice and proof of payment  
Comments: Click or tap here to enter text.

- Sworn owner's statement

*Comments: Click or tap here to enter text.*

- Sworn GC statement  
*Comments: Click or tap here to enter text.*
- Waiver of lien -GC  
*Comments: .Click or-tap here, to enter text.*
- Waiver of lien -subcontractor(s)  
*Comments: Click or tap here to enter text.*
- , Conditional Approval Letter (CAL)  
*Comments:C.lirk or tap here to enter text.*
- Executed Covenants  
*Comments: Click or tap here to enter text.*

Additional Notes:  
Click or tap here, to enter'text.

#### Compliance Statement

These are the facts as presented to me by the applicant and the result'of my investigation.

Date Completed:.Click or tap to enter a date.

Completed by: Click or tap here to enter text.

# Appendix D | Complete Management Response

Dcborjh Witzburg Inspector General

OFFICE OF INSPECTOR GENERAL City of Chicago

740 N. Sedgwick Street, Suite 100 Chicago Illinois 60610-4773 (773) 478-7799 Fax (773) 475-3949

## Management Response Form

Department Name: Department of Planning and Development Department Head: Commissioner Maurice Cox

Project Title- Administration of the Neighborhood Opportunity Fund Small Grants Program Project Number 21-0395

Date: September 28, 2022

OIG Recommendation "V" ^	... Agree/ ...Disagree	Department's Proposed Action u '	.Implementation V /, Target Data";, ^	Responsible!
1. DPD should improve their current procedures to ensure all grantee selection steps are completed and related records are retained. Such procedural improvements should include conducting the relevant due diligence reviews for grantees that join the program in later stages of the selection process.	Yes	Department will create a document to track and record selection process procedure results with the intent to also include any replacement projects that are selected as a result of any removed or withdrawn projects. Internally (DPD staff) store tracking data and maintain records within the Proma platform as well as with our program administrator (SomerCor)	November 2022	lim Harbin NOF Staff

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	Agree/Disagree	Implementation Target Date	Party Responsible
2. DPD should convert their guiding principles into measurable goals	Yes	November 2022	Jim Harbin NOF Staff
3. DPD should develop performance measurement procedures that allow it to assess the program's progress toward the defined goals and to adjust operations as needed.	Yes	November 2022	Jim Harbin NOF Staff
4. DPD should ensure that its program administrator meets its contractual obligation to develop and submit quarterly program performance reports, thereby potentially informing the Department's effort to set goals and implement performance measures	Yes	November 2022	Jim Harbin NOF Staff

DPD's Administration of NOF Small Grants Program

Nick McFadden  
Senior Performance Analyst

Justin Gutierrez Performance Analyst

Kevin Smith

Chief Performance Analyst Darwyn Jones  
Deputy Inspector General, Audit and Program Review

The City of Chicago Office of Inspector General is an independent, nonpartisan oversight agency whose mission is to promote economy, efficiency, effectiveness, and integrity in the administration of programs and operations of city government.

<sup>y</sup>  
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