

Bronzeville firms targeted for loan plan

Money would go to
rehab area properties

By Jeanette Almada

Special to the Tribune
Though credit is tightening, some Bronzeville commercial property owners will get below-market-rate rehab loans and grants to restore their properties.

The \$12 million Cottage Grove Restoration Initiative Fund was put together by Quad Communities Development Corp., a non-profit group charged with spurring commercial redevelopment throughout Bronzeville.

Quad Communities asked ShoreBank, Harris Bank and Citibank "to help us come up with a loan product that would provide below-market loans for our small businesses," Bernita Johnson-Gabriel, Quad Communities executive director, said last week.

Each of the three banks contributed to the fund to be administered by ShoreBank, which also will underwrite the loans.

"The maximum loan can be \$3 million under this program, but the typical loan is about \$200,000," said Brian Berg, ShoreBank spokesman.

"Once they [Quad Communities] have reviewed applications and approved the projects, they pass them on to us," Berg said. Interest rates run about 10 to 25 basis points below prime, Berg said, adding the bank has a 6 percent loan.

"The target length of each loan is 36 months, but it can be longer, depending on the applicant's qualifications. And there is a maximum amortization period of 25 years," Berg said.

Since it was formed in 2003, Quad Communities and

4th Ward Ald. Toni Preckwinkle have attracted new mixed-use projects to the area. Within two years, those projects are expected to deliver up to 300 new residential units and 75,000 square feet of new commercial space, mostly along Cottage Grove Avenue between 43rd and 47th Streets.

The Restoration Initiative Fund loan is aimed at existing properties in the 43rd and Cottage tax-increment financing district, said Johnson-Gabriel. The largest of those is about 2,500 square feet.

The loan is available to qualifying commercial property owners or small businesses with at least a three-year lease in buildings on Cottage Grove from Pershing Road to 48th Street; 43rd from Vincennes Avenue to Cottage Grove; and 47th Street from about Drexel Boulevard to St. Lawrence Avenue.

Quad Communities also has worked with city leaders to raise grant money for the commercial property owners in the TIF district.

Up to \$1.5 million will be directed into a Small Business Improvement Fund for the district to reimburse small business owners for rehab efforts such as replacing roofs or windows.

"So far, \$500,000 has been directed from the TIF to the SBIF program for that [43rd and Cottage Grove] district," said Derek Walvoord of SomerCorp, a non-profit small business lender that administers the SBIF program.

Like the loan programs, the SBIF grant is available to owners of commercial properties and those who hold at least a three-year lease in a commercial building in the TIF district, Walvoord said. Applicants can use both.