

# RESTAURANT FORGIVABLE LOAN PROGRAM POLICY 2024

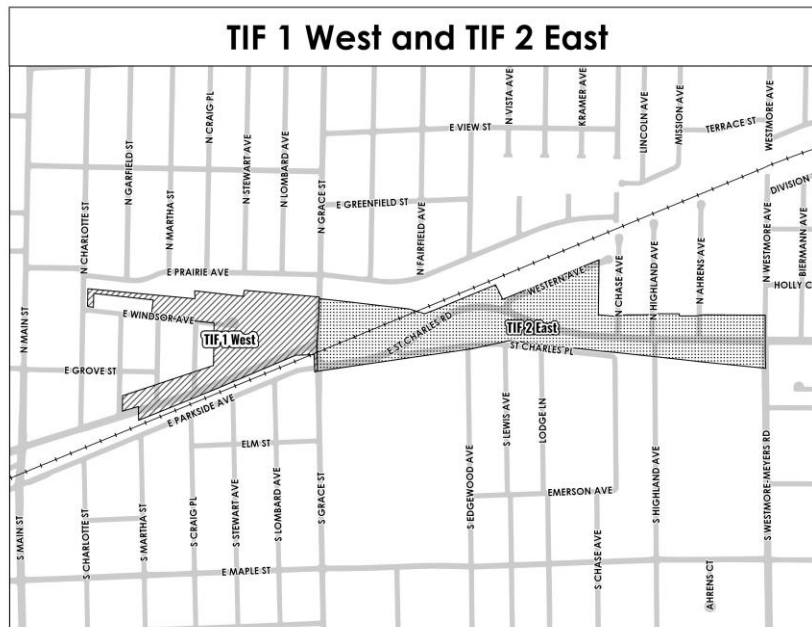
The purpose of the Restaurant Forgivable Loan Program (hereinafter the “Program”) is to increase the economic viability of properties within the eligible TIF Districts by encouraging more restaurants. The Program will offer a forgivable loan for up to one-third (1/3) of the costs associated with the renovation of storefront or office space for use as a sit-down restaurant, as defined within Section 155.802 of Village Code (hereinafter the “Forgivable Loan”). Restaurants are considered desirable uses in that they can create more activity within the designated TIF Districts. The intention of the Program is to create a more viable and attractive area through private/public partnership.

**Eligible TIF Districts**

The Program will only be offered in relation to buildings located within the Lombard St. Charles Road TIF District I (West) or the Lombard St. Charles Road TIF District II (East) (“hereinafter the “Eligible TIF Districts”). The boundaries of the Eligible TIF Districts are shown on Figure 1 below.

Figure 1. Eligible TIF Districts

Lombard St. Charles Road TIF I (West)  
St. Charles Road TIF II (East)



**Program Eligibility**

Eligibility requirements to receive a Forgivable Loan for the renovation of storefront or office space for use as a restaurant (the “Project”) are as follows:

1. **Improvements.** Eligible improvements include code required improvements; life/safety improvements; repair work to floors, walls, and ceilings; upgrading/retrofitting mechanical systems; demolition; space reconfiguration; installation cost of permanent fixtures (except as noted below); finishing work (i.e. painting, coverings for ceilings, walls and floors), and soft costs (i.e. building permits, space/floor plans). The Program does not cover costs associated with trade fixtures or equipment specific to the business.
2. **Amount.** The cost of the Project must be no less than five hundred dollars (\$1,000.00) in order to be considered eligible for the Program. Approved applicants under the Program are eligible to receive a forgivable loan for up to one-third (1/3) of the cost for eligible improvements. Loans for up to ten thousand dollars (\$10,000) can be approved by the Economic and Community Development Committee (ECDC). All Forgivable Loans above ten thousand dollars (\$10,000) must be approved by the Village Board, upon recommendation by the ECDC. The maximum forgivable loan amount is one hundred thousand dollars (\$100,000).
3. **Ownership.** Eligible applicants include the owners of commercial, office or mixed-use buildings or tenants of a commercial, office, or mixed-use buildings who have obtained the building owner's consent relative to the Project application provided that the building is located within the Eligible TIF Districts.
4. **Businesses.** An eligible business must earn at least sixty-five percent (65%) of its gross income from food and beverage sales. Eligible businesses also must provide sit-down food service. Businesses offering exclusively carry-out and/or delivery service are not eligible. Existing restaurants may apply for a Forgivable Loan if they upgrade or expand their facilities pursuant to the Program parameters.
5. **Fees.** Professional, architectural, engineering, and Village permit fees may be included in the total improvement costs. The Program will fund up to twenty-five percent (25%) or one thousand five hundred dollars (\$1,500), whichever is less, of architectural rendering fees prior to Project approval of the improvements. All requests for architectural rendering fees prior to approval must have proper documentation and invoices. There are no application fees associated with the Program. However, if an applicant owes money to the Village all accounts must be brought current before any portion of the Forgivable Loan is disbursed.
6. **Conformance.** All improvements must conform to Village Code . The business owner must maintain the property in compliance with all federal and local laws, ordinances, and regulations.
7. **Administration.** The Director of Community Development will administer the Program. The applicant must submit an application to the Community

Development Department. A representative from the Community Development Department will review the application and all supporting documentation. A separate request for permits shall be submitted to the Community Development Department. The Director of Community Development shall present the application to the ECDC, along with a staff recommendation for a determination as to whether a Forgivable Loan should be approved. If the amount of the Forgivable Loan is less than ten thousand dollars (\$10,000), the ECDC has the authority to approve the forgivable loan. If the amount of the forgivable loan is greater than ten thousand dollars (\$10,000), the ECDC will forward a recommendation to the Village Board, who will then determine whether the Forgivable Loan should be approved.

8. **Appeals.** If the application is not approved by the ECDC, the applicant may resubmit the application after addressing the application deficiencies, or appeal the decision. If the applicant chooses to appeal the decision, a letter of appeal and supporting documentation must be sent to the Director of Community Development within ten (10) days of the rejection with said letter stating the reason for the appeal. The letter of appeal and supporting documents will then be forwarded to the Village Board. The Village Board will address the appeal at a Village Board meeting and make a final determination relative to the application. The denial of the appeal by the Village Board shall not preclude an applicant from submitting a new application for a Forgivable Loan.
9. **Procedural Requirements.** Participants in the Restaurant Forgivable Loan Program must accomplish the following steps:
  - A. An applicant must have a preliminary meeting with representatives from the Community Development Department to determine eligibility for this Program and for advice and technical assistance.
  - B. The owner and/or applicant shall submit the following documents to the Director of Community Development or a designated representative:
    - (i) Pre-application form;
    - (ii) Preliminary plans and preliminary cost estimates;
    - (iii) Business plan;
    - (iv) Details of signage and/or awning design;
    - (v) Proof of ownership, lease, and/or owner's approval;
  - C. After review by the ECDC, and approval of the Forgivable Loan by either the ECDC or the Village Board, depending upon the amount of

the Forgivable Loan, a Certificate of Eligibility” will be forwarded to the owner/applicant.

- D. Upon issuance of the Notice to Proceed, improvements and renovations may start after the required building permits have been issued. All necessary inspections should be coordinated through the Village’s Building Division.
  - E. Upon determination of conformance and receipt of all required documents, the Village will process and disburse the approved funds .
  - F. The Village will record a lien on the property on which the Project has occurred as a guarantee for the Forgivable Loan. In unique situations a business may request a waiver of the lien provision based upon a written request to the Village as part of the grant application, along with their rationale as to why such a waiver should be granted. The waiver of the lien provision is subject to review by the ECDC with ultimate approval or denial by the Village Board of Trustees.
10. One-tenth (1/10) of the Forgivable Loan amount shall be forgiven for each full year after the recording of the lien that a restaurant is operated at the Project location. Release of the lien will be recorded by the Village ten (10) years after the recording of the lien, or earlier if repayment of the Forgivable Loan (or applicable portion thereof) is made to the Village from the date the agreement was executed, provided that no business other than a restaurant has operated at the premises. Anytime a business other than a restaurant operates at the Project location, the lien balance shall become permanent (no more amortized “forgiveness”) and the Village will record a document to this effect. In the event that any business other than a restaurant operates at the location of the Project, the balance of the loan shall be immediately due and payable from the property owner and the recipient of the Forgivable Loan.

For further information or to set up an appointment, please contact:

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