

## Challenge Fund

### Background

- \$1 million allocated in 2015 budget for the Challenge Fund – to seek development teams who had the capacity to acquire and redevelop at least 15 tax foreclosed properties in a twelve month period.
- Overall goal was to use Challenge Fund in a very targeted manner so as to achieve maximum impact for City neighborhoods.
- Pilot program to try and evaluate the model
- City proposed three neighborhoods for development teams to consider (Harambee, Century City and Washington Park) but also allowed teams to propose other neighborhoods with same characteristics (impacted by City tax foreclosures, close to other investment/development initiatives, and presence of a strong local neighborhood organization).

### Response

- 15 responses were received – combination of non-profit and for-profit developers
- A number of responses were not chosen because of current capacity issues (while they had some experience with City tax foreclosed properties, they had not yet gotten to the point where they had a track record that would indicate they could develop 15 properties in 12 months)
- For the final recommendations, the number of teams that were chosen among those who did have capacity was largely a function of the amount of resources available. In order to achieve impact in a target neighborhood, 15 properties per neighborhood was a target – and the resources available (\$1 million) would fund about 30 properties.
- A secondary consideration was the City's priority for target neighborhoods.
- The two groups that were chosen were HACM in the Harambee neighborhood and Northwest Side CDC in the Century City neighborhood

### Teams Not Chosen

- All the groups that responded have been contacted and invited to meet – to discuss other ways (short of Challenge Fund money) that we can support their efforts/ideas to address City in rem properties and/or help them build capacity.