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## Neighborhood Investment Fund Program Overview

The City of Hartford is directing up to \$5,000,000 in the format of forgivable loans to commercial property owners in the City of Hartford through its *Neighborhood Investment Fund Program*. The intent of this program is to provide commercial property owners and business owners with funds to help build-out storefront spaces and to make improvements to existing commercial storefront spaces, providing a much-needed economic boost to our Neighborhood Commercial Corridors.

This is a forgivable loan program. The maximum loan amount is \$250,000 per storefront. The applicant must provide a match of the loan amount (determined by Neighborhood Investment Review Committee). Annual reviews of the owner's property tax history will be conducted to ensure compliance. The loan will be forgiven at the end of the fifth year at the rate of 1/5 per annum.

### I. Eligible Applicants

- a. Property owners with ground floor commercial space
- b. Located in defined eligible areas within the City of Hartford
- c. Not delinquent on real or personal property taxes
- d. In good standing with all City of Hartford codes and regulations (i.e., no unresolved violations of Zoning, Building, or Fire Codes, etc...)
- e. Can demonstrate financial capability to provide up to 50% in matching funds

### II. Defined Eligible Areas

- a. Major commercial corridors including Albany Avenue, North Main Street, Park Street (Between Main Street and Park Terrace), and Maple Avenue
  - i. Other areas are subject to approval by the Neighborhood Investment Fund Review Committee
- b. All storefront commercial properties within defined major commercial corridors will be eligible, but special considerations will be given to the following:
  - i. Vacant properties adjacent to other vacant properties

- ii. Property owners who are leasing their space to MWBE's and/or Hartford based businesses/entrepreneurs
- iii. Restaurant and Retail spaces

### **III. Program Breakdown**

- a. Loans provided can be used for interior and exterior build-out costs of establishing new or expanding businesses in vacant ground floor commercial spaces in Hartford. Loans are intended to cover build-out costs for both the property owner and the business owner
  - i. Eligible work may include, but not be limited to:
    - 1. Floor, stair, ceiling, general façade work, handicapped accessibility projects, installation and/or repair of plumbing, electrical, heating, and ventilation
    - 2. Costs associated with the purchase, delivery, and installation of furniture, fixtures, and equipment are also eligible
    - 3. Soft costs, including but not limited to architect and engineer fees
    - 4. All other eligible expenses deemed appropriate are subject to approval by the City
- b. Property owners with vacant storefront are eligible for a forgivable loan, up to the maximum of \$250,000 per storefront
- c. Any loan awarded must be matched by up to 50% by the owner of the property, the current or future lessee, or a combination of both parties
  - i. Applicants will be required to match at 50%, 25%, or 0% based on an evaluation made by The Neighborhood Investment Fund Review Committee based on a set of standard criteria.
    - 1. Ex: Applicant receiving a \$200,000 forgivable loan with a 50% match required, must cover \$100,000 of build-out costs bringing the total project costs to \$300,000
- d. Property owners with multiple vacant storefronts can apply for each empty property

### **IV. Considerations and Requirements for Applicants**

- a. Applicants must be the owner or manager of the subject property in Hartford
- b. Applicants must submit an IRS W-9 Form
- c. Applicants must show proof of matching funds to be eligible for the grant
- d. An applicant's tenant must sign a minimum 5-year lease agreement on the property. Existing tenants eligible to participate must sign a lease extension

- so that the lease shall not expire until five years after the buildout or upgrades are complete
- i. Lease agreement must include an outlined graduation for rent prices
- e. Applicants must provide a budget for full build-out costs and a budget for the use of the loan funds
- i. The proposed budget must be agreed upon by the Property Owner and Business Owner
- f. Selected applicants shall conform strictly to all federal, state, and municipal laws; applicable rules and regulations; any and all amendments thereto; and to the methods and procedures of all governmental boards, bureaus, offices, commissions, and other agencies

**V. Pre-Application**

- a. Property Owners will fill out an online form identifying the property address and preliminary details. This process is designed for the City to have a better understanding of desired areas for investment
- b. Business Owners/Entrepreneurs will fill out an online interest form identifying the proposed business and preliminary details. The intent of this form is to vet and review business owners and entrepreneurs who may be a good fit for the program
- c. The City will work to match eligible Property Owners with Business Owners. Once Property Owners and Business Owners have signed a Letter of Intent (LOI) or Lease Agreement, they are eligible to submit a formal application

**VI. Application and Reward Process**

- a. The City of Hartford will form a Review Committee to determine the approval/disapproval of all applications
- b. Applications are evaluated based upon the following:
  - i. Applicant eligibility and readiness: The applicant can verify that matching funds are available and meet eligibility requirements;
  - ii. Economic impact: Proximity to other economic development projects within the City of Hartford and is of strategic importance to the City;
  - iii. Growth Potential: The applicant can demonstrate the potential to grow and sustain the business from a financial standpoint;
  - iv. Business Viability: The applicant presents a viable business model that suits business growth and the market environment;
  - v. Prior business experience;
  - vi. Co-location with other properties;

- vii. New job creation;
  - viii. Detailed budget for project
- c. Once approved, the applicant shall enter a standard forgivable loan agreement with the City

## **VII. Timeline**

The Following is a proposed timeline for the rollout and implementation of the Neighborhood Investment Fund Program. All dates are subject to change and are dependent on appropriate staffing and resources.

- a. January-February 2025: Announcement of Neighborhood Investment Fund Program and launch Pre-Applications/Interest Forms
- b. March-April 2025: Accept pre-applications on a rolling basis with pre-applications submitted by April 30<sup>th</sup>, 2025 prioritized
- c. May-July 2025: Property Owners and Business Owners are matched and full applications are submitted by the Property Owner. Commitment Letters are sent to applicants and standard forgivable loan agreements signed