CDFA FOUNDATION

The Caren S. Franzini Fellowship

2026 Capstone Project Report

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Development Tacklebox:

Small Projects, Big Impact

Sharing Insights That Shape Small-scale Development

Development Tacklebox:
Small Projects, Big Impact
Sharing insights that shape small-scale development.

PEOPLE
TOOLS
PLACES
STRONGER
COMMUNITIES

How can small-scale developers better access development finance tools to support equitable, community-driven economic development?

These workbooks examine the key barriers and opportunities for small developers and leave economic development professionals with concrete ways to support small-scale development in their communities.

Capstone Project Overview and Methodology

Why Small-Scale Development Matters

Small developers play an important role in local economic development, but their impact is often underrecognized. They take on targeted projects that reflect community needs, including projects that may be too small for larger developers to pursue. These investments can bring new life to vacant properties, fill gaps in neighborhoods, support local businesses, and create opportunities for people to invest in the communities where they live.

Small developers can also be catalysts for much bigger change. One successful project can encourage another, turning individual investments into block-by-block and neighborhood-wide revitalization. Over time, the work of small developers can help reshape a community and attract investment in places that may otherwise be overlooked.

Despite their importance, small developers often face significant barriers to getting projects done, including access to capital, the ability to scale, and limited experience and resources. These workbooks are organized around those barriers and highlight innovative solutions being used across the country that can either be adopted as they are or adapted to fit local needs and circumstances.

By answering the question of why small-scale development matters and expanding on how communities can support it, these workbooks aim to help small developers move more projects forward. In doing so, they can advance locally led affordable housing, historic preservation, commercial corridor revitalization, and infrastructure projects.

Just as importantly, supporting small developers can create more opportunities for community ownership and wealth building, allowing individuals and families to directly participate in the growth and revitalization of their communities.

How We Define Small-Scale Development

For this project, we define small developers as local organizations working on projects of $10 million or less. We hypothesize that small developers may have limited knowledge of available development finance tools and that access to both capital and technical assistance can improve their ability to successfully complete projects. In turn, supporting small developers can contribute to broader redevelopment efforts in both rural and urban communities. CDFA's Development Finance Toolbox provides the framework for exploring this hypothesis and identifying tools and approaches that can help small developers move projects forward.

Objectives

- Incentivize small-scale development by equipping economic development professionals with programmatic knowledge to help small developers tackle projects they could not finance alone

- Expand the population of local small developers by providing critical insights needed to see a project through from initial conception to completion
- Highlight innovative case studies across three barrier categories, so practitioners can draw inspiration and adapt what works
- Center innovation: each case study shows a familiar development finance tool reimagined for small, community-scale projects
- Translate research findings into separate, actionable guidance for small developers and for development finance professionals and capital providers
- Support intergenerational knowledge transfer and empower the next generation of development finance professionals with the knowledge and experience from more experienced practitioners

The Development Tacklebox

CDFA's Development Finance Toolbox serves as the "tacklebox" behind this project, offering a range of tools—including bonds, tax increment finance, tax credits, revolving loan funds, public-private partnerships, and technical assistance—that communities can adapt to support smaller projects.

Using the familiar fishing phrase "hook, line, and sinker," this capstone explores three common barriers that can keep smaller projects from moving forward or being replicated:

- **The Hook – Access to Capital:** Identifying and combining the right development finance tools to make smaller projects financially feasible
- **The Line – Experience & Resources:** Building the knowledge, partnerships, and technical capacity needed to successfully use those tools and move projects forward
- **The Sinker – Scalability:** Finding ways to make successful approaches easier to replicate, adapt, and use for future projects

Together, the tacklebox and the "hook, line, and sinker" framework demonstrate how communities can use development finance tools and resources to turn smaller projects into meaningful, repeatable community investments.

ABOUT THE WORKBOOKS

Research Methodology

Development Tacklebox: Small Projects, Big Impact was guided by the following research question: How can small-scale developers better access development finance tools to support equitable, community-driven economic development? We define small developers as U.S. organizations that have completed one or more projects of roughly $10 million or less. The 2026 Caren S. Franzini Fellows selected a qualitative approach to capture solutions across varied locations, property types, and project-specific challenges. From there, we developed a six-step approach towards answering our research question:

Our Process



(1) Defining Challenges for Small Development

Two initial small-development challenges were identified through preliminary research:

1. **Technical Assistance**, according to the Center for Strategic and International Studies (CSIS), Technical Assistance in the development field refers to support for a specific project or country program, in the form of advice, research, skills training, and other activities supporting capacity building.

2. **Access to Capital**, according to the Milken Institute, is defined as the ability of individuals to access financial systems, including loans, equity, or investments.

These themes informed the research hypotheses: small developers have limited knowledge of available development finance tools; developers who secure capital are more likely to complete projects; and technical assistance for small developers supports broader rural and urban redevelopment. To identify additional barriers to development for small and incremental projects, we developed a written survey comprising 20 questions with optional multiple-choice responses, specifically tailored for development finance professionals who are current members of the Council of Development Finance Agencies' (CDFA) network. CDFA's membership network comprises roughly 400 member organizations, ranging from state, county, and municipal development finance agencies to non-governmental and private organizations. The network's range of financing expertise spans from investment banking, commercial finance, bond counsel, and more. CDFA members are located throughout the United States and represent a sample of industry professionals from various regions, including urban and rural areas.

(2) CDFA Member Survey

The survey, titled "CDFA Franzini Fellowship Survey on Small-Scale Development," was prepared in SurveyMonkey and shared via email and social media platforms, including LinkedIn, for roughly three weeks, resulting in 64 total survey responses. Of the respondents, eight identified themselves in the last question, which asked if they would like to share their contact information for a short interview about their experience as a development finance professional. The remaining respondents were anonymous and disclosed only their roles in the development finance industry. Of the survey responses, four (6%) were developers, thirteen (20%) were employed at economic development organizations, twenty-five (39%) were employed at public agencies/local government offices, fifteen (23%) were employed at organizations that provide capital, and the remaining seven (11%) worked in positions varying from consultants to program administration. Roughly 87%, or fifty-six of the survey respondents, stated that they have experience working with small-scale developers or small-scale projects. The key findings listed below were provided by 41 of our survey respondents. Lastly, 16 respondents shared comments and recommendations on small-scale development and on what CDFA should prioritize to better support them.

Key Survey Findings

PRIMARY CHALLENGES
Access to capital, planning and predevelopment, and qualifying for debt or equity capital.

WHERE PROJECTS STALL
Predevelopment planning, permitting and zoning, and securing construction or redevelopment financing.

CAPITAL CONSTRAINTS
Project fundamentals, collateral and credit support, and funding limitations.

FINANCING GAPS
Predevelopment, construction, and equity investment.

SCALABILITY LIMITS
Development experience, liquidity, and balance sheet / net worth.

SUCCESS FACTORS
A strong development team, experience, predevelopment capital, and lender / investor relationships.

Comments and Recommendations

MORE HANDS-ON SUPPORT
Increase staff involvement and strengthen rural incentives.

TAILORED PREDEVELOPMENT TOOLS
Expand predevelopment financing designed for smaller projects.

REGIONAL RESOURCE POOLS
Pool resources and improve regional education about available financing.

(3) Three Barrier Themes & Background Research

Survey responses and background research were used to define the three barrier themes in small development that organize the workbooks.

01 · ACCESS TO CAPITAL	02 · EXPERIENCE / RESOURCES	03 · SCALABILITY
A small developer's ability to secure financing, including development finance tools established in CDFA's Development Finance Toolbox.	Development knowledge, firsthand experience, track record, and technical assistance such as training, mentorship, and cohorts.	The strategic expansion of a developer's project portfolio from the first project to a repeatable pipeline.

Experience / Resources listed above is a combined term to address the relationship between technical assistance and experience, where technical assistance results in knowledge gained by the developer that will be utilized in their development career.

Each of these barriers was not only referenced in survey responses and comments but also identified as a recurring challenge in the background research we conducted. Background research involved online searches for small and incremental development, resources readily available for financing and technical assistance, and case studies of small development projects in the United States, regardless of property type. Additional findings revealed limited case studies for commercial and mixed-use property types, and that many project reports and white papers focused on affordable housing projects. Written guidelines for small and emerging developers were also tailored towards affordable housing, and information on permitting and regulations was state-specific. Lastly, key organizations in the small development finance industry, such as the Urban Land Institute, Incremental Development Alliance, Reinvestment Fund, and Small Developer Forum, were identified.

(4) Case Study Selection

Our case study selection methods were developed based on our background research and our definition of a small developer. The criteria for our case study selection process included small development projects with total project costs of roughly $10 million, developments completed in the last ten years, and a focus on selecting a sample of case studies with various property types, from residential to mixed-use and commercial. Project locations were intentionally varied across the United States to gain regional insights, examine rural versus urban communities, and ultimately ensure that all case studies were tied to at least one of the key barrier themes.

Each fellowship member gathered three case studies, made up of project details, a rough estimate of total project costs, and contact information for the project drivers. Project drivers were defined as small developers, architects, engineers, construction contractors, and providers of technical assistance and financing. In total, fifteen case studies were selected by the fellowship members and narrowed to ten final case studies after initial review of each case summary and subsequent consensus on the cases most applicable to one or more of the three barrier themes. The selected cases will examine small developments and capital providers located in Georgia, Maine, Maryland, Missouri, New Jersey, Pennsylvania, Tennessee, and West Virginia. Maine and West Virginia are states with majority-rural populations, according to the 2020 Census Bureau, while the remaining six states have majority-urban populations.

(5) Interviews With Practitioners

The goal of this capstone research is to provide research-backed, timely solutions for common barriers to small development. To address these challenges in real time, the fellowship members compiled a list of potential interviewees who were either project drivers from the selected case studies, development finance professionals who responded to our survey, contacts shared by the CDFA team, or personal contacts of the fellows. After collaborating as a group to prepare questions for developers, capital providers, and development finance professionals, the fellows reached out to all potential interviewees over roughly three weeks. Fifteen interviews were scheduled with small developers, architects, capital providers, and technical-assistance providers. Interviews were conducted virtually or by phone, lasted no more than one hour, and were recorded with permission for future access through CDFA.

What We Asked	
BACKGROUND Path into development or development finance.	**EXPERIENCE** Small projects and programs designed to serve them.
BARRIERS Challenges mapped to the three workbook themes.	**SOLUTIONS** How barriers were addressed and what proved innovative.
LESSONS Advice worth passing to the next developer.	**OUTLOOK** Small and incremental development over the next 5 to 10 years.

(6) Framework for Translatable Advice

The combined background research, member survey, case study selection, and practitioner interviews produced insights for two core audiences.

SMALL DEVELOPERS Practical guidance organized around the real estate development lifecycle.	**DEVELOPMENT FINANCE PROFESSIONALS / CAPITAL PROVIDERS** Program-design and capital-delivery guidance organized around the development finance lifecycle.

Although the entire project was written to address both audiences, the sections covering the three barrier themes were further customized, sharing spotlights on successful technical assistance programs and insights from industry leaders with decades of experience on the importance of knowledge transfer to the next generation. The final package is organized into an introduction and methodology, three barrier-focused workbooks, a closing perspective, two audience-specific interview summaries, and acknowledgments and resources.

Final Summary / Conclusion

Development Tacklebox: Small Projects, Big Impact uses a multi-step qualitative research approach to highlight programs, projects, organizations, and practitioners advancing small-scale development. The CDFA member survey and practitioner interviews strengthen the background research and provide a resource for small developers seeking development finance tools and for development finance professionals adapting those tools in their own communities.

PACKAGE AT A GLANCE:

01 · HOOK	02 · LINE	03 · SINKER	AUDIENCE INSIGHTS
ACCESS TO CAPITAL Capital gaps, underwriting, and tools Workbook begins p. 7	**EXPERIENCE / RESOURCES** Knowledge, capacity, and relationships Workbook begins p. 12	**SCALABILITY** Repeatability, pipeline, and growth Workbook begins p. 17	Interview synthesis by audience Appendix begins p. 26

Council of Development Finance Agencies Caren S. Franzini Fellowship

Founded in 2017 to honor Caren S. Franzini, the former CEO of the New Jersey Economic Development Authority, the CDFA Foundation's Caren S. Franzini Fellowship upholds Caren's legacy of excellence and impact in development finance through an ongoing commitment to foster female leadership. Designed as an eight-month intensive, the Fellowship empowers women with less than a decade of industry experience to advance best practice in development finance through targeted industry research. In addition to producing independent research, Franzini Fellows hone their leadership skills and cultivate robust professional networks across both the public and private sectors, equipping them with the knowledge and skills to be the next generation of leaders in the development finance industry. In 2026, five fellows were chosen from development finance agencies across the United States. This workbook encompasses the full scope of their research and serves as their capstone.

WORKBOOK 01

Access to Capital

Closing the gap that keeps good small projects from penciling

Hook

This workbook examines how small developers secure the debt, equity, gap, and predevelopment dollars that conventional lenders will not provide, using tools in the development tacklebox to close the gap. Understanding how the tacklebox is used in small projects can be illustrated with the classic "hook, line, and sinker" fishing tagline.

THE TACKLEBOX – HOOK

The tacklebox – comprising financial tools such as alternative loans and revolving loan funds – supplies the bait, addressing the hook, or barrier to accessing necessary capital.

Defining Access to Capital

A small developer's ability to secure debt, equity, gap, and predevelopment funding is crucial for financing and completing a project on terms that work for deals of $10 million or less. For small-scale infill and rehabilitation, the binding constraint is often not the permanent mortgage but the early-stage and last-dollar gap capital that conventional lenders will not underwrite.

Access to Capital as a Barrier

For small-scale projects, the hardest dollars are typically the earliest and the last. Our initial research surfaced six recurring barriers:

01 Appraisal and feasibility gaps when the construction cost exceeds the finished value.

02 Insufficient equity, collateral, liquidity, or credit support.

03 Scarce predevelopment funding and high-cost short-term debt.

04 Deal sizes below bank minimums, with disproportionately high transaction costs.

05 Fragmented capital stacks and limited relationships with lenders and investors.

06 Cost overruns and timing delays that thin working-capital reserves cannot absorb.

Using the Development Tacklebox

The strongest solutions combine flexible capital with simplified execution and hands-on support:

01 Alternative debt and equity products sized for small transactions, including bridge loans and mini-perms.

02 Public grants and TIF proceeds sized to the appraisal gap, plus early predevelopment funding.

03 Simplified or phased capital stacks with interest reserves, contingencies, and flexible coverage requirements.

04 Training and mentorship paired directly with capital access.

05 For bond-financed programs, pooled or credit-enhanced structures that spread risk across many small projects.

06 In-house servicing and public partners that can troubleshoot projects after closing.

RESOURCE SPOTLIGHT WFX

Water Finance Exchange

Water Finance Exchange (WFX) is a non-profit intermediary that provides financing solutions, comprehensive technical assistance, and workshops for state water and wastewater infrastructure. WFX works with federal and state stakeholders, communities, and financing resources to address water infrastructure in communities across the United States.

Visit the WFX page here!

WFX's approach involves working hand in hand with communities to ensure that sustainable water infrastructure plans are developed and implemented. Their role supports how developments happen in the communities they work with. Real estate development, no matter the project size, relies on the foundation of access to internet, electricity, and water.

CAPITAL	COMMUNITY ENGAGEMENT	TECHNICAL ASSISTANCE
Blended grants and loans, including up to $250,000 for predevelopment needs or bridge financing.	Workshops connect regulators, public-health leaders, water innovators, communities, and funding partners.	Governance, compliance, asset review, project prioritization, financial assessment, applications, project management, and sustainability.

Supplementary Case Studies and Resources

Additional case study interviews and resources that utilize different tools, address different barriers, or feature different projects.

01	WFX WATER FINANCE EXCHANGE NO COMMUNITY LEFT BEHIND	**Water Finance Exchange · National** Water & wastewater infrastructure	**TOOL** Blended grants, loans + TA **BARRIER** Predevelopment and infrastructure readiness **INTERVIEW**
02	AltCap	**AltCap · Kansas City, MO** Small business / real estate finance	**TOOL** CDFI debt + coaching **BARRIER** Limited conventional credit access **COMPANY WEBSITE – See Appendix**
03		**502 Deering Center · Portland, ME** Small mixed-use / infill	**TOOL** Layered public-private financing **BARRIER** Predevelopment and lender coordination **INTERVIEW**

The following case studies highlight how practitioners reimagined familiar development finance tools to address these barriers.

Case Study #1: Spring Garden Capital Lending

Alternative lending improves capital access for small and mid-sized developers.

WASHINGTON, D.C.

At a Glance

Snapshot: Spring Garden Capital is a private real estate lender providing short-term bridge loans, construction financing, and equity capital to small and mid-size developers.

Organization Type: Capital Provider

CDFA Tool: Project Debt & Equity

Barrier Addressed: Access to Capital

Project Description & History

Spring Garden Capital traces its roots to Valley Green Bank, the first new community bank in Philadelphia since the 1970s. Founded in 2005 by Jay Goldstein, Valley Green Bank was built around small-scale real estate lending. After a 2015 buyout by Univest restricted small-business lending, Goldstein launched Spring Garden Capital in 2016 as a private equity fund — retaining Valley Green's community-lending expertise while freeing the platform from bank regulations.

Spring Garden expands capital access for small developers by financing acquisition, construction, rehab, and rental-conversion projects, serving both first-time developers and experienced general contractors moving into development. By 2023, the firm was making a new loan roughly every day, averaging around **$300,000** each, to small developers in Philadelphia; by 2025, it had provided over **$800 million** in financing across its markets.

Spring Garden Capital's two lending arms are designed to work together: **Spring Garden Lending** covers up to 85% of project costs, while **Spring Garden Equity** supplies up to 75% of the required equity, capped at **$350,000,** as a mezzanine-style layer on top of the senior loan. Combined, the two products can fund up to 95% of a small development project — though combined financing is capped at 90% of as-completed value. Typical deals pair the senior loan with subordinated debt, with leverage generally running 65–75% LTV depending on the market. This drops to 50–60% LTV for land loans.

The company now operates lending teams across Baltimore, Boston, the Columbus/Cincinnati metro, New York, Philadelphia, Pittsburgh, and the greater Washington, D.C. area.

Innovation

Spring Garden reworked the standard construction loan into a phased, single-relationship financing structure suited to small, single-asset developers who can't manage the complexity of a large capital stack. Instead of treating acquisition, predevelopment, construction, and stabilization as separate financing events, Spring Garden layered two newer tools onto its bridge-lending core: an equity product launched in 2023 that provides project equity so developers don't have to raise money in small increments from personal contacts and private investors, and a mini-perm loan launched in 2025.

The Mini perm loan, a 5–10-year loan amortized over **30 years** with a balloon payment, functions like mezzanine debt and lets a developer convert a stalled for-sale project into a long-term rental hold through one closing rather than two. Because equity is offered only as a supplement to an existing Spring Garden loan, developers in high-cost markets can preserve working capital instead of tying it all up before refinancing captures the value increase.

This is Access to Capital in practice: by holding loans in-house rather than selling them on the secondary market, and by layering flexible, phased products around a single core lending relationship, Spring Garden functions as both financier and long-term partner, closing a gap that would otherwise push small developers toward expensive hard money or unreliable friends-and-family capital.

Key Takeaway

By offering debt and equity products, alternative capital providers can widen access to capital for small developers — opening real estate development to first-time and under-capitalized builders.

WATCH THE INTERVIEW

PROJECT CONTACT

Sarah Massey

Director of Business Development

Spring Garden Capital Group

Case Study #2: Baltimore Affordable Housing TIF

Bond-funded grants close the appraisal gap so small developers can finance vacant-home rehabs that no conventional loan would cover.

BALTIMORE, MD

At a Glance

Snapshot: A first-of-its-kind, city-wide non-contiguous **TIF District** that turns increment from already-rehabilitated vacant homes into grants small developers use to close the appraisal gap.

Development Type: Affordable for-sale and rental rehabilitation of vacant properties and lots

CDFA Tool: Tax Increment Finance (bond-funded developer grants)

Barrier Addressed: Appraisal / value gap and access to gap capital, affordable housing, vacancies



Before and after: Reframe Baltimore rehabilitation.

Program Description & History

Baltimore's City-Wide Affordable Housing Development District (the "District") was created December 2, 2024, as a first-of-its-kind, non-contiguous **tax increment finance** (**TIF**) district. At the time of the inaugural bond issuance, the District spanned roughly **8,570** parcels across about 197 neighborhoods and was comprised of **3,421** rehabilitated residences, **4,135** vacant buildings, and **1,014** vacant lots. The District sits inside two much larger commitments: Mayor Brandon Scott's **ReFrame Baltimore**, a 15-year, **$3 billion public-private partnership** to end the city's vacant-housing crisis, and the State's **Baltimore Vacants Reinvestment Initiative**, which appropriates **$50 million** per year to acquire, demolish, and renovate vacant properties. Its purpose is to close the appraisal gap and expand homeownership for households earning 60% to 115% of AMI.

- **The Opportunity:** In neighborhoods with low property values, renovation costs run ahead of finished market value, so the program supplies the missing gap dollars and, where needed, funds the horizontal infrastructure that allows for a small developer to get their project across the finish line.
- **How It Works:** TIF works by capturing the growth in property tax revenue that follows new investment in an area and using that growth to repay bonds (CDFA Tax Increment Finance Resource Center). Thus, an "initial investment" – both public and private – was needed to "jumpstart" property tax appreciation that would generate tax increment and, ultimately, secure the bonds and fund the grants. In this case, the District saw over 82% growth in taxable assessed valuation (to $601,130,130) in just two years after its creation. This growth was attributable to the State and City collaborative investment as part of ReFrame Baltimore and the Baltimore Vacants Reinvestment Initiative, as well as additional outside private investment.
- **The Bond Program:** The Series 2025 Special Obligation Bonds are secured by tax increment generated within the District and were sized to fund the program's grants. The bond ordinance authorizes up to **$65 million**, with future series contemplated up to **$150 million** as more properties are rehabilitated and sold.

The Three Prongs, and the Small-Developer Piece

Series 2025 Bond proceeds were deployed through three prongs: the Affordable Housing Grant Program (**$16.13 million**), the Approved Affordable Housing Developments (**$6.81 million**), and Upton Gateway II engineering and design (**$682,870**). The Affordable Housing Grant Program is the small-developer engine that is open, competitive, and structured as a reimbursement grant sized to the appraisal gap.

- **Outreach and Applications:** DHCD posted the Notice of Funding Opportunity on September 10, 2025, opened applications September 19, held three information sessions, and closed October 3. Marketing reached **52,000+** email and postcard recipients, drew **3,000+** registrations, and **1,400+** session participants. Applications were grouped for review based on prior City vetting: (i) developers with previously awarded properties or executed Land Disposition Agreements, (ii) developers already selected for DHCD's Developer Registry, and (iii) all other applicants. Every group remained subject to threshold review and competitive scoring.
  - **Targeting:** DHCD applied a whole-block redevelopment approach, concentrating the first round in specific Community Statistical Areas identified in the program's market study.
  - **Demand:** The November 2025 investor presentation reported 95+ applications covering 210+ properties that met initial threshold requirements and requested **$27.5 million+**. The later administrator interview described more than **$45 million** of qualified requests against approximately **$15 million** available through the competitive grant round.
  - **Scoring:** Financing and spending ability (40%), applicant capacity (25%), project and alignment with program goals (25%), and site control (10%).
- **Requirements to Receive Grant Funds:** Evidence of site control and a documented appraisal gap; incomes at or below 115% of AMI; a restrictive covenant recorded for at least five years before any disbursement; third-party inspection and cost verification of every requisition; a grant agreement executed within **90 days** of the award letter and funds requisitioned within **12 months**.
- **Grant Awards:** At the time of the interview, the City had released the first batch of award letters and expected a second batch within weeks. The first funding round was expected to support more than 70 developer parties and bring several hundred homes to market.

Innovation

The Affordable Housing Grant Program prong reimagines one of the most familiar tools in development finance: tax increment is used to fund small-developer grants rather than reimburse large-scale infrastructure projects. Other prongs of the Series 2025 program separately fund approved affordable housing developments and infrastructure.

- **Non-Contiguous and City-Wide TIF:** Scattered single-family rehabs across 197 neighborhoods are pooled into one financeable credit instead of being individually too small to bond individually.
- **Small-Scale Grants:** Bond proceeds flow to private developers and are sized to each property's appraisal gap.
- **Recursive by Design:** Grants fund rehabs, rehabs raise assessed value, higher value generates more property tax revenue, and that revenue supports more bonds and more grants.
- **Outside Investment Created the Starting Base:** Public and private investment, much of it supported by State and local vacancy-reduction funding, rehabilitated **3,421** properties before the bond issuance. That value growth generated the initial tax increment that could be bonded to fund the small-developer grants. Because the revenue base was already on the tax roll, the financing did not need to rely on future appreciation or the newly funded projects performing.
- **Built for Small Developers:** The Affordable Housing Grant Program prong explicitly prioritizes small, emerging, women- and minority-owned, and City-based businesses.

Key Takeaway

Baltimore reframed a tool more commonly used to reimburse large-scale infrastructure into a city-wide response to vacancy and the appraisal gap. By bonding against increment already created through public and private reinvestment, the City could fund small-developer grants at scale without relying on future growth.

Each completed rehabilitation then adds assessed value and supports the next round of bonds and grants, creating a recursive public-policy engine for restoring vacant housing and expanding affordability.



Rehabilitated rowhomes within the TIF District.



Completed ReFrame Baltimore rehabilitation.



Upton Gateway: completed for-sale home interiors.

WATCH THE INTERVIEW

PROJECT CONTACT

Max Levee
Administrator
MuniCap

WORKBOOK 02

Experience / Resources

Building the know-how, capacity, and relationships to deliver

Line

This workbook examines the experience, capacity, and relationships small and minority-owned developers need, and the training, mentorship, and hands-on public partners that build them.

THE TACKLEBOX – LINE

Understanding the relationship between experience and resources in small projects can be illustrated with our recurring "hook, line, and sinker" fishing tagline. The baited hook – representing financing obtained – is secured to the fishing line, where the line represents the first-hand experience gained and technical assistance sourced to address the barriers of limited to no prior experience and lack of resources.

Defining Experience / Resources

The technical know-how, staff capacity, professional relationships, and predevelopment support that emerging developers need to execute. Many small and minority-owned developers can identify opportunities but lack the experience, design and construction capacity, and lender or agency relationships to deliver them.

Experience / Resources as a Barrier

Capacity, not ambition, is usually the limiting factor. The interviews repeatedly identified:

01 Limited experience across the full development lifecycle and a thin project track record.

02 Gaps in design, permitting, site planning, construction management, and cost control.

03 Difficulty selecting and managing transparent, right-sized contractors.

04 Few relationships with lenders, public agencies, utilities, and community partners.

05 A lack of free or affordable technical assistance, mentorship, and peer-learning resources.

06 Limited staff time and resilience to navigate repeated approvals and unexpected setbacks.

Recommendations and Solutions

Effective capacity-building is practical, project-based, and paired with real opportunities:

01 Combine structured training, mentorship, and financing in one on-ramp.

02 Provide hands-on public partners that shepherd developers from application through financing and closing.

03 Use pre-approved plans, financing workshops, utility guidance, and clear process maps.

04 Build resource hubs and mentor networks that connect developers to specialists and trusted contractors.

05 Create small first-project opportunities that establish a bankable track record.

06 Engage neighborhood advisory groups early so community knowledge supports project delivery.

Accelerator For America

Accelerator For America (AFA) is a nonprofit, nonpartisan organization offering solutions and resources to mayors and local leaders to create greater economic mobility in underserved communities across the United States. AFA is led by an advisory council comprising mayors, elected officials, and other leaders in the nonprofit and philanthropic sectors, with work driven by a dedicated staff and consulting team.

Visit the AFA page here!

AFA's work is upstream, encouraging participating cities to review their current economic development programs for shortfalls and identify potential changes to improve efficiency. These local communities often review their outreach efforts to ensure their citizens are aware of local policies. Developers can benefit from changes implemented by their communities, and those dealing with permitting and zoning issues can contact local staff and elected officials not only to explain the issue but also to offer solutions, including AFA as a potential resource.

COALITION BUILDING
Partnership support, live research, polling, and coordination among local leaders and stakeholders.

RESOURCE LIBRARY
Policy playbooks, reports, toolkits, and timely guidance covering economic development, transit, infrastructure, housing, and Opportunity Zones.

PLACE-BASED SUPPORT
Small and Midsized Cities Hub, Economic Opportunity Accelerators, and technical assistance for planning, implementation, and management.

Supplementary Case Studies and Resources

Additional case study interviews and resources that utilize different tools, address different barriers, or feature different projects.

01

Accelerator for America · National
Community economic-development support

TOOL Technical assistance + resource hub
BARRIER Program design and local capacity
INTERVIEW

02

Chattanooga Neighborhood Enterprise · Chattanooga, TN
Community development

TOOL Developer support + neighborhood partnerships
BARRIER Readiness and execution capacity
COMPANY WEBSITE – See Appendix

03

Incremental Development Alliance · National
Incremental development training

TOOL Education + peer network
BARRIER Skills, team-building, and local policy
COMPANY WEBSITE – See Appendix

The following case studies highlight how practitioners reimagined familiar development finance tools to address these barriers.

Case Study #1: Jumpstart Philly & Jumpstart Germantown

Pairing training with capital access builds capacity for new small developers.

PHILADELPHIA, PA

At a Glance

Snapshot: Jumpstart Philly and **Jumpstart Germantown** provide training and capital for small developers building workforce housing in Philadelphia, PA.

Organization Type: Nonprofit Community Development Program

CDFA Tool: Training & Capital Provider

Barrier Addressed: Limited experience and resources

Project Description & History

Jumpstart Philly and **Jumpstart Germantown** are paired capacity-building programs supporting small-scale developers in Philadelphia. The training program, **Jumpstart Germantown**, was launched in 2015 as a neighborhood-based strategy to combat blight and develop a new generation of small-scale residential developers in the Germantown neighborhood. **Jumpstart Philly**, the loan program, offers short-term acquisition and construction financing targeting attainable housing built or renovated by first-time and small-scale developers. **Jumpstart Philly** is open to all borrowers, with program graduates earning a discounted interest rate.

Capital is drawn from LISC Philadelphia, the Reinvestment Fund, and a JPMorgan line of credit to minimize interest rates. Jumpstart funds up to 85% of total project costs, with the borrower covering the remaining 15%. Loans average **$135,000** (capped at **$350,000,** plus **$50,000** per additional unit), at an average interest rate of 8.77%. Developers make interest-only payments once construction is complete. **Jumpstart Philly** loans carry AMI restrictions (home sale prices are capped at 90% AMI, rents at 70% AMI) and minimum credit scores (680 to hold a property or 650 to sell). To date, the program has issued **530 loans** totaling **$69 million**.

Jumpstart Germantown's training model has since expanded nationally, with 29 affiliated programs across the country.

Innovation

Jumpstart reimagined the standard hard-money development loan by fusing it with structured education and mentorship. This allows the program to serve small developers who are creditworthy enough to build but too undercapitalized or inexperienced to qualify with a traditional bank.

The mechanics of **Jumpstart Philly's** loan program mirror hard money lending (funding 85% of project cost, requiring interest-only payments, and providing fast underwriting) but add features designed specifically for first-time developers: a mandatory 15% contingency line that every borrower ends up using, deferred servicing fees that let a completed project refinance into a conventional DSCR loan rather than staying trapped in short-term debt, and a graduate interest discount that rewards borrowers for completing the program's 13-hour curriculum.

Layered underneath the **Jumpstart Philly** loan program is **Jumpstart Germantown's** training and mentorship pipeline which pre-qualifies and prepares borrowers before they ever apply for capital. This reduces risk for the lender while building a pipeline of bankable small developers. By treating a lack of experience as its own barrier to capital access, and closing it with targeted education, mentorship, and financing, Jumpstart provides a single on-ramp for developers whom traditional lenders would otherwise turn away, expanding capital access for small developers while building their capacity for future projects.

Key Takeaway

Pairing a short-term construction loan with structured training and mentorship can turn overlooked, inexperienced borrowers into capable, bankable developers a community can rely on.

WATCH THE INTERVIEW

PROJECT CONTACT

Derek Hengemihle

Deputy Director

Jumpstart Germantown & Jumpstart Philly

Case Study #2: Memphis CRA Essential Housing Program

Public land, gap funding, and hands-on coaching build the experience and capacity small, emerging, and minority-owned developers need to deliver.

MEMPHIS, TN

At a Glance

Snapshot: Pairs **CRA-owned lots** and **gap funding** with hands-on coaching, a plan book, workshops, and partner financing so emerging developers can build infill affordable housing.

Development Type: Infill affordable housing (single-family, ADUs, duplexes, quadplexes)

CDFA Tool: Tax Increment Finance + land disposition + technical assistance

Barrier Addressed: Limited experience, capacity, and resources



Essential Housing site announcement at 915 Faxon Avenue, a 3 bed / 2 bath, **1,933** sq ft home.

Project Description & History

The City of Memphis and Shelby County Community Redevelopment Agency (CRA) is a joint City-County agency created in 2017 to fight blight and expand affordable housing. Its portfolio is broad, spanning single-family home repair, blight remediation, greenspace, and commercial redevelopment, funded largely through **tax increment finance**. The Essential Housing Program, launched in February 2025, is one program within that portfolio. It currently operates in the Uptown and Binghampton **TIF** districts, with Soulsville planned, and it puts the CRA's land bank of vacant parcels to work by partnering with emerging and small-scale developers. It is built for first-time and early-career builders: the CRA looks for capacity and willingness rather than a large portfolio or line of credit.

- **Land at Nominal Cost (land disposition):** Developers buy CRA lots for **$1,000,** often worth **$20,000** to **$40,000.**
- **Affordability:** Every home must stay affordable. Households at or below 120% of AMI, sales prices capped at 95% of the area median sales price, and rents at HUD fair-market levels, all locked by a **15-year deed restriction**; more than half of the units are for homeownership.
- **Early success: 22 developers**, **52 lots** awarded, and roughly **80 units** planned in year one, with the first groundbreaking in January 2026.

How the Program Works

The path from interest to construction is short and highly personalized. At each stage, the CRA evaluates whether the developer has a specific plan, the team and financing needed to execute it, and the ability to complete the project within one year. The focus is readiness and follow-through, not portfolio size.

1. Express interest — review the CRA's online inventory and submit a development interest form.
2. Interest meeting — an informal, roughly one-hour conversation about experience, trainings attended, and the vision for specific lots.
3. Proposal and scoring — monthly calls for proposals, **30 days** to submit, scored against program criteria and the neighborhood plan.
4. Award — developers may apply for up to five sites at once; awards have ranged from one to five lots based on demonstrated capacity.
5. Agreement, support, and closing — a program redevelopment agreement formalizes the partnership. CRA staff then shepherd the developer through due diligence, connect them to financing and service providers as needed, and support closing at **$1,000** per lot (see Support Beyond the Land below).
6. Build — construction starts within **90 days** of the agreement and finishes within **12 months** of closing.

Support Beyond the Land

Land is the entry point; the CRA's real contribution is what follows. The program is led by Charia Jackson who stays hands-on, making introductions herself and following up on outcomes, which is the critical **technical assistance** leg of the toolbox at work.

- **Hands-On Coordination:** Jackson personally introduces developers to lenders, funders, and service providers, and follows through until the financing is in place.
- **Capital-Stack Assembly:** The CRA's up to **$20,000 per unit** reimbursable incentive is often paired with incentives like a $10,000 forgivable, zero-interest, three-year Convergence Memphis predevelopment fund, up to $7,500 in Memphis Medical District Collaborative predevelopment grants, and City of Memphis HCD predevelopment and low-cost financing.
- **Flexible Debt:** CDFI partnerships help first-timers avoid high-cost hard-money lenders and, over time, graduate to traditional bank financing.

- **A Plan Book:** Reviewing house designs one at a time slowed every project down, so the CRA assembled a book of **pre-approved, context-sensitive designs** developers can select from, while still allowing them to bring their own. It shortened approvals and helps new homes fit the character of the street.
- **Workshops:** Project-financing sessions where lenders present construction loans and consumer mortgages, plus MLGW utility workshops on historical utility analysis and energy-efficient building.
- **External Education:** Referrals to programs like the Alliance for Housing Progress Emerging Developers Academy and ULI Memphis's REDI/Ready program.
- **Community Backing:** Each district has a resident advisory committee that keeps the neighborhood plan, so approved projects arrive with community support and fewer zoning delays.

Innovation

The innovation is the combined platform: low-cost land, flexible gap funding, and hands-on technical assistance delivered through one public partner.

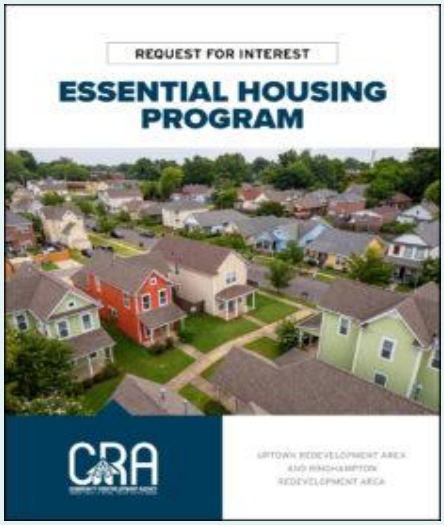
- **Land and Gap Capital: $1,000** lots and an up to **$20,000** per-unit reimbursable incentive give an emerging developer a real project and help cover predevelopment, materials, or design.
- **Capacity to Bankability:** CRA staff shepherd developers through financing and closing, while the plan book, workshops, academy referrals, and **CDFI** relationships build the track record traditional lenders require.
- **Shared Wealth and Community Value:** Below-market land and a 15-year affordability restriction allow the developer to earn a return and the homeowner to build equity, while completed homes restore vacant sites, support economic development, and strengthen neighborhood vibrancy.
- **TIF as a Growth Engine:** Each completed home returns property to productive use and expands the district tax base, creating additional increment that can support future housing and neighborhood investment.

Key Takeaway

For emerging developers, the constraint is rarely ambition. It is experience, capital, and relationships.
Memphis supplies all three: a lot they can afford, a grant that closes the gap, and perhaps most importantly, a public partner who shepherds them from application through financing and closing. The result is new housing and a stronger local developer bench positioned to finance future projects, contribute to economic development, and build more vibrant neighborhoods.



Program signage at an Essential Housing build site.



The CRA's Request for Interest offering 82 buildable lots in the Uptown and Binghampton redevelopment areas.

WATCH THE INTERVIEW

PROJECT CONTACT

***Andrew Murray**, President, and **Charia Jackson**, Essential Housing Lead*
Memphis & Shelby County CRA

WORKBOOK 03

Scalability

Turning one-off deals into a repeatable pipeline

SINKER

This workbook examines how emerging developers move from one-off deals to a repeatable pipeline, and the tools that give them predictable capital, a track record, and the capacity to carry more than one project at a time.

THE TACKLEBOX -- SINKER

The "hook, line, and sinker" fishing tagline demonstrates how small projects achieve scalability. After securing the hook – project financing – to the fishing line – first-hand experience paired with technical assistance through a project's completion – the weighted sinker, which addresses the barrier of scaling from one project to the next, is added, ensuring the project's hook and line can be reused.

Defining Scalability

A small or emerging developer's capacity to grow from one-off deals into a repeatable pipeline of larger or more numerous projects. Scaling requires recurring access to capital, a track record that lenders will credit, and the working capital to carry multiple deals at once.

Scalability as a Barrier

Scaling is the capacity to repeat, grow, or increase the complexity of projects, not simply the size of one project. Common constraints include:

01 Limited balance sheet, liquidity, and working capital to carry multiple projects.

02 A thin track record that constrains access to larger sites and better capital.

03 Difficulty competing for acquisitions against faster, better-capitalized buyers.

04 Permitting, utility, zoning, and historic-review delays that consume scarce staff capacity.

05 Limited access to experienced contractors, specialized partners, and anchor tenants.

06 Rural infrastructure, labor, and transportation constraints that make otherwise similar projects cost more.

Recommendations and Solutions

Developers scale when each project deliberately builds the platform for the next:

01 Start with manageable projects and build critical mass incrementally.

02 Use targeted public gap grants to leverage private capital and unlock catalytic projects.

03 Assemble complementary partners and credible tenants rather than trying to self-perform every role.

04 Pair predevelopment support and technical assistance with investor and lender introductions.

05 Use predictable incentives, supportive zoning, and coordinated public approvals to create a repeatable path.

06 Review actual results against the original pro forma and carry lessons into the next project.

Opportunity Appalachia

The Opportunity Appalachia (OA) program provides targeted support for downtown and rural development, including technical assistance, strategic guidance, and connection to capital. Through this support, projects that create jobs, strengthen local economies, and build long-term prosperity are advanced across the central Appalachian region.

Visit the OA page here!



CAPITAL CONNECTIONS

Seventy financing partners across public loan funds, grants, banks, CDFIs, Opportunity Zones, NMTCs, and Historic Tax Credits.

TECHNICAL ASSISTANCE

More than 150 providers supporting prospectus development, financial structuring, tax credits, business planning, mentorship, and investor pitches.

PROJECT PATH

Predevelopment readiness → site selection / acquisition → capital-stack design and investor connection.

Supplementary Case Studies and Resources

Additional case study interviews and resources that utilize different tools, address different barriers, or feature different projects.

01

Harrisburg TIRZ #23 · Houston, TX

Mixed-use / commercial

TOOL TIF + Chapter 380 agreements

BARRIER Capital to grow a project pipeline

INTERVIEW

02

Opportunity Appalachia · Central Appalachia

Downtown / rural development

TOOL Predevelopment TA + capital connections

BARRIER Project readiness and investor access

COMPANY WEBSITE – See Appendix (Appalachian Community Capital)

The following case studies highlight how practitioners reimagined familiar development finance tools to address these barriers.

Case Study #1: Starland Yard Project

Savannah's first ever food truck park, constructed in a formerly empty lot in the Starland Neighborhood District.

SAVANNAH, GA

At a Glance

Snapshot: The Starland Yard, constructed with a total budget of under **$10 million**, opened in 2019, has operated successfully over the last seven years, and remained resilient during the coronavirus pandemic that occurred roughly eight months after it opened to the public. The Starland District has expanded rapidly in less than ten years with the completion of Starland Yard, the redevelopment of the former Save-A-Lot building, and the restoration of the Starland Dairy.

Development Type: Commercial; Hospitality

CDFA Tool: Private Investment

Barrier Addressed: Demonstrating demand for a small-scale development in the Starland District, where larger developments were proposed, limited expertise in the 'hospitality community space,' and creating the first-ever food truck park in the area; This project has led to even more small-scale projects in the same district.



Starland Yard, located at 2411 Desoto Avenue, Savannah, GA 31401

Project Description & History

Starland Yard, located at 2411 Desoto Avenue, Savannah, Georgia, is a **15,000** square foot food truck park constructed from 30 repurposed shipping containers. The space is in the Starland Neighborhood District and serves as a communal backyard with space for private events, live music, a children's play area, and parking for food trucks, which rotate on a set schedule. Along the perimeter of the Starland Yard, you will find three fixed restaurants: Pizzeria Vittoria Napoletana (Vittoria's), Uncle June's, and T-Rex Tex Mex, and the Y Bar to the left of Vittoria's. The facility operates using a custom payment system for the fixed restaurants, bar, and visiting food trucks. Patrons enter Starland Yard, start a tab for all available food and drink options, and pay their tab upon exiting the space.

Locally known as the "25th Square of Savannah," Starland Yard was privately financed, constructed on a budget of under **$10 million**, and took roughly **10 months** to complete, from 2018 to late summer 2019. Although construction took relatively little time, the project began in 2016 after Starland Partners LLC acquired the land for its food-truck park concept. At the time, Mr. Guy Davidson had **15 years** of development experience and worked with Mr. Niko Ormond to bring their food truck park idea to fruition. They utilized DAI Commercial, a local development brokerage and management firm, as the commercial developer.

Despite DAI Commercial's thirty years of development expertise, this was their first project in the 'hospitality social space' category. Mr. Davidson and Mr. Ormond also worked closely with John Benhase, culinary and operations consultant, and Pila Sunderland, restaurateur, to develop their custom payment system to accommodate the bar, fixed restaurants, and visiting food trucks.

Their general contractor was JTVS Builders, Inc., while materials were sourced from ContainerOne, and Mr. Kevin Rose of Rose Architects PC did the architectural design. The architectural design was unique: the space was constructed from shipping containers, and the project had to navigate zoning and historic requirements within the Starland District. To meet these requirements, the concept went through several iterations, from just two containers on site to thirty, stacking the containers to meet the required first-floor building height of fourteen feet, and strategically placing the Yard's entrance, bar area, and children's play area.

The food truck park has operated successfully over the past several years, overcoming external challenges such as the coronavirus pandemic in 2020. It has established itself as an outdoor living space in the Savannah community for residents and tourists alike. Starland Yard's developers have since replicated their food truck park concept in Jacksonville, Florida, with great success.

Development Stage Highlights:

- Permitting and Design – The small developer for Starland Yard encountered zoning, ordinance, and permitting requirements for the food truck park's building height and materials, as well as its layout. To meet requirements among the city, county, and historic preservation board, accommodations included stacking shipping containers two at a time, glazing the interior of the containers with a polycarbonate product, constructing a 20-foot-long entrance, and ensuring the site had sufficient frontage to form a building façade. As requirements arose, the architect's drawings changed, and the developer had to be flexible with their final concept to ensure costs remained within budget.
- Post-Completion – After the project's completion, the small developer had to decide whether they would hold or sell their project and navigate unexpected challenges like the coronavirus pandemic. Ultimately, the Starland Yard was resilient during the pandemic, as it offered outdoor space for its patrons, and one of its fixed restaurants, Vittoria's, had such high demand for its wood-fired pizzas that the entrance had to be moved to accommodate a second wood-fired oven. Its developer has held it for more than the originally anticipated five years. They have scaled to their next project, using Starland Yard as an outline and proof of concept. The food truck park was conceptualized as a community outdoor living space, and despite initial negative public feedback from residents, public perception has completely shifted, and it has become a tourist destination.

Innovation

- Leveraging the expertise of a longstanding development firm (operating for over **30 years** with little to no expertise in hospitality development at the time), a well-known architect (with extensive experience in architectural design within the Starland District), and industry experts such as Pila Sunderland and John Benhase to create the food truck park's concept and business model.
- Utilizing the nearby Starland Village redevelopment project and recent zoning changes to demonstrate demand for an outdoor living space equipped with food, beverages, and space for live music and private events in the area.
- Taking lessons learned from permitting, zoning, and historic preservation hurdles and successful operations to replicate their food truck park concept in Jacksonville, Florida.

Key Takeaway

The Starland Yard project is an example of how supportive local policies, reuse of underutilized property, and private investment can support neighborhood revitalization.
The food truck park's creation from a former parking lot was enabled by timely city actions, demonstrating how local policy and creative commercial projects can support hospitality and community engagement in a neighborhood district.

WATCH THE INTERVIEW



PROJECT CONTACT

Kevin Rose
Principal and Design Director
Rose Architects PC

Case Study #2: Orange Loop & Orange Loop Container Park

Building Critical Mass: How a Small Developer Changed the Development Trajectory with Urban Revitalization

ATLANTIC CITY, NJ

At a Glance

Snapshot: A **$6 million** small-business and community activation project transforming a vacant Atlantic City lot into 22 flexible commercial spaces within the growing Orange Loop.

Development Type: Small-scale commercial / mixed-use neighborhood revitalization

CDFA Tool: Catalytic public grant / gap financing

Barrier Addressed: Development gap; high construction costs; unconventional construction; distressed-market risk; limited feasibility of speculative commercial development



Project site progress as of summer 2026

Project Description & History

The Orange Loop is a place-based redevelopment initiative in Atlantic City, New Jersey, led by developer Mark Callazzo of MAP 3 Partners beginning in 2016. At the time, Callazzo identified a gap in Atlantic City's commercial landscape: the area lacked a traditional Main Street, creating an opportunity to assemble properties and incrementally introduce new businesses, restaurants, apartments, and community-oriented uses. Callazzo initially developed several restaurants, a yoga studio, and residential units, working with local food-and-beverage operators and gradually building the critical mass needed to attract additional private investment.

The later Orange Loop Container Park expanded this strategy through a 22-space commercial development constructed entirely from repurposed shipping containers, with support from the NJEDA's Activation, Revitalization, and Transformation (ART) Grant Program, providing critical retail space for new entrepreneurs.

Innovation

The Orange Loop Container Park reimagined small-scale commercial development by using prefabricated shipping containers to create 22 flexible business spaces within the established Orange Loop. Inspired by Wilmington's Cargo District, the model offered a cost-conscious and distinctive approach to meeting demand for smaller commercial spaces, while its off-site fabrication, third-party inspection, transportation from California, and flood, wind, and foundation requirements introduced unique development complexities.

The approximately **$6 million** project received a **$2,484,850 NJEDA ART grant**, representing approximately 41% of total project costs, which served as catalytic gap financing that helped MAP 3 Partners leverage additional private and developer capital to complete an otherwise difficult project in a distressed market. For small developers, the project demonstrates how targeted public capital can bridge a feasibility gap, leverage additional investment, and build upon an existing neighborhood ecosystem to scale a developer's impact beyond a single property.

Key Takeaway

Small developers can scale by building incrementally and using each project to grow their experience, capital relationships, track record, and market credibility before taking on greater complexity. The Orange Loop demonstrates how targeted public gap financing can help a developer leverage that accumulated capacity into a larger catalytic project that strengthens an entire neighborhood, not just a single property.

WATCH THE INTERVIEW

PROJECT CONTACT

Mark Callazzo
Managing Partner
MAP 3 PARTNERS LLC

Case Study #3: Staats Building Project

A successful $10 million project that preserved a vacant 41,000-square-foot building in the Elk City Historic District.

CHARLESTON, WV

At a Glance

Snapshot: The **Staats building** has previously been used as a hospital and was slated to become a parking lot. It is now occupied by a non-profit legal services organization that offers free services to its community.

Development Type: Historic Preservation; Mixed-Use Building

CDFA Tools: New Market Historic Tax Credit, Bank Financing, Predevelopment Funding via the Opportunity Appalachia

Barrier Addressed: Technical assistance (resource) provided via community organizations, such as Charleston Area Alliance and WV Brownfield Assistance Center, was instrumental in bringing this project to completion. Access to capital to redevelop a 1922 historic building.



Staats Building, located at 125 W Washington Street, Charleston, WV 25302

Project Description & History

The Staats building, located at 125 W Washington Street, Charleston, West Virginia, was a vacant **41,000** square foot four-story brick building originally constructed in 1922. It served as a community hospital, a movie theater, retail space, and lodge hall over the years. It was designed by John C. Norman, Sr., a renowned Charleston resident and West Virginia's first registered African American architect. The project site is situated between two census tracts, one of which has the highest concentration of poverty in the state, and the other has above-average income.

The structure, located in the heart of Elk City Historic District, has been at risk over time, with mounting issues including asbestos and lead paint contamination, a leaking roof, and open windows. In years past, there were discussions about whether the building should be torn down and whether this would lead to more demolitions and the end of the Elk City Historic District altogether.

In 2014, the land and building were purchased by Crawford Holdings through a blend of creative financing from Charleston Urban Renewal Authority, the Charleston Area Alliance, and private financing. Crawford Holdings is owned by father and son John and Tighe Bullock, who have combined backgrounds in construction, finance, law, and engineering. John has extensive career experience as an engineer, developing construction plans, including several projects he completed with Tighe. Tighe began his career in construction during his childhood, and after encouragement from his family, he decided to pursue higher education. He completed studies in business management, CPA accounting practices, bankruptcy, contract law, and all things taxation. After earning his law degree,

Tighe worked with his dad to form several limited liability companies to renovate small historic buildings in Charleston. These projects were supported by historic state tax credits, which could be earned if building restorations are completed in accordance with requirements set by the Department of Interior Standards. Private financing was also used to support these projects, with total costs of roughly **$1 million** or less. The purchase of the Staats building would be the start of Tighe's largest project he had ever worked on, based on the building's size and the total project costs for the development.

The total project cost for the Staats building was roughly **$10 million**, and the restoration work took place over several years, starting with stabilizing the building, installing a new roof, and remediating on-site lead and asbestos. The project was put on pause in 2020 due to the coronavirus pandemic, and other key barriers included securing a master tenant upon completion of construction and securing financing to cover cost overruns during the development's renovation phase.

These barriers were addressed by a combination of several solutions, including injecting personal equity, receiving technical support via the **Opportunity Appalachia** cohort, syndicating tax credits, and going the extra mile to secure their master tenant, Legal Aid of West Virginia (LAWV). LAWV is a statewide nonprofit organization that provides free legal services and advocacy, serving roughly **7,750** clients each year. Overall, there are an estimated 70 permanent jobs in the Staats building, and 50 construction jobs were created during the renovation project.

Development Stage Highlights:

- Pre-Development – The small developer for the Staats Building credits the successful completion of the project, in part, to the pre-development resources they received from **Opportunity Appalachia**, the Charleston Urban Renewal Authority (CURA), and the Charleston Area Alliance (CAA).

- As part of the **Opportunity Appalachia** program, they used grant funding to develop conceptual drawings for the building, based on their original proposed building use. Although the concept would later shift from mixing housing and commercial units to securing an anchor tenant in the non-profit space, the existing drawings were still useful to the architects as a baseline for updating the plans to the final concept.
- Working with CURA and CAA was instrumental in offering patient capital, with a clear understanding of the project timeframe due to environmental remediation needs and other project challenges. Their capital contribution was subordinate to the bank's lien position and helped to leverage the purchase of the building.

- Securing an Anchor Tenant – The small developer not only secured their tenant but created a win-win situation for both parties. On the developer's side, they have secured a long-term tenant with a strong track record as a non-profit serving the state, occupying majority of the building, and providing steady income to repay their project financing. On the tenant's side, they were able to move to a newly restored, historically significant building on the west side of town, which is more accessible for their clients, and benefit from a custom lobby area with two intake rooms and a playroom surrounded by one-way glass in the middle of the two rooms. Clients can make sure their children are safe while working with the LAWV team.

Innovation

- Participating in the **Opportunity Appalachia** program funded by the Appalachian Regional Commission and hosted by Appalachian Community Capital to receive grant funding and technical assistance for predevelopment support.
- Blending a unique capital stack of low-interest financing via an NMTC Revolving Loan Fund offered by WesBanco Bank's Community Development Corporation and patient, subordinate capital from CURA and CAA.
- Ensuring historic preservation requirements were met by utilizing the owner's expertise in historic preservation in nearby neighborhoods, as well as their backgrounds in accounting, law, construction, and engineering.

Key Takeaway

The Staats Building project is an example of historic preservation and community-led economic revitalization, supported by a collaboration of private investment, local government, and nonprofit organizations.
Pairing public and private resources was essential in restoring a building that was previously scheduled for demolition and has since become home to a nonprofit organization offering free legal services to its community.

WATCH THE INTERVIEW

PROJECT CONTACT
Tighe Bullock
Property Owner and Project Coordinator
Crawford Holdings

WORKBOOK WRAP-UP

Passing the Torch: Preserving the Knowledge Behind the Toolbox

Development finance is built around tools, but knowing what tools are available is only part of the job. Knowing when to use them, how to adapt them to a particular project or community, who to call, and what to do when something does not go as planned comes with experience. Much of that knowledge is gained over years of working on projects, learning from mistakes, and building relationships.

As we worked through the three barriers in this capstone, access to capital, experience and resources, and scalability, we also started thinking about experience from another perspective. What happens to the knowledge within the development finance industry as longtime practitioners retire and a new generation enters the field?

Toby Rittner of the Council of Development Finance Agencies has seen that shift firsthand through his work as an instructor. In 2020, he estimated that about 35 percent of participants in his classes had four years or less of experience in the field. In 2026, he estimates that number is closer to 85 percent. At the same time, experienced professionals are retiring, moving into private consulting, or leaving public sector positions. Rittner believes the industry is losing historical knowledge as a result, which can slow how communities use and adopt development finance tools.

> **TOBY RITTNER ON PRESERVING HISTORICAL KNOWLEDGE**
>
> *"When you start losing the rank and file of the people that have that historical knowledge, it can destroy all the momentum."*
>
> *Toby Rittner, Council of Development Finance Agencies*

That history matters because development finance does not look the same everywhere. Rittner pointed out that every state and community has different capacity, limitations, politics, and experience with development finance tools. What works in one place may not work the same way somewhere else. Understanding those differences often comes from people who have spent years doing the work.

Brett Doney of Great Falls Development Alliance made a similar point based on his more than four decades working in consulting and economic development. His advice to newer professionals is to take advantage of professional development opportunities and work for organizations that are willing to invest in their people. He also noted that you will learn more from people in the industry than from books and guides.

Some lessons simply come from doing the work. They come from deals that did not go as planned, working through problems with clients, learning how much risk an organization is willing to take, and seeing what happens to a project after the financing closes. Doney also emphasized the importance of maintaining relationships with clients and lending partners. To him, the client and lender remain partners throughout the life of the loan and even beyond, with the success of the client creating a shared success for everyone involved.

> **BRETT DONEY ON LEARNING FROM THE FIELD**
>
> *"You will learn more from people in the industry than books and guides."*
>
> *Brett Doney, Great Falls Development Alliance*

Passing Along What We Know

Both Rittner and Doney came back to relationships and mentorship when asked how this knowledge can be passed to the next generation.

Rittner encourages younger professionals to seek out mentors instead of waiting for those relationships to happen. In 1998, he approached someone whose work he admired and asked if he could shadow him. They have stayed in contact ever since. He also stressed the importance of building relationships across the industry and creating opportunities for younger professionals to step into leadership roles.

Doney's career reflects many of those same ideas. He spent about ten years in consulting, twelve years working in rural Maine, and the last twenty years working in economic development in Montana. He credits having great mentors along the way and said the work became more fulfilling when he was able to see projects through from beginning to end and then see the impact they had on his own community.

His advice to the next generation is also practical: work for an organization that invests in you, surround yourself with people who challenge you, build relationships with colleagues and peers, and, when possible, consider working in a smaller organization where you may have the opportunity to gain experience in many different areas. And along the way, celebrate every milestone.

Leaving Something in the Tacklebox

The Development Tacklebox is more than a collection of financing programs. The tools matter, but so does the experience of the people using them.

Throughout this capstone, the projects and programs we studied rarely succeeded because someone simply followed a standard formula. People had to understand their community, find the right partners, figure out how to fill financing gaps, work through setbacks, and adapt tools to fit the project in front of them.

That type of knowledge is hard to capture in a manual.

As experienced development finance professionals begin to leave the field, there needs to be an intentional effort to pass that knowledge along. Mentorship, professional development, peer networks, and giving newer professionals the opportunity to work through real projects are all part of that effort.

The next generation will not do everything the same way, nor should they. Tools will change. Technology will change. Communities and their challenges will change. But there is no reason for the next generation to have to relearn every lesson from the beginning.

Passing the torch means sharing what we have learned, while giving the next generation the opportunity to take that knowledge and make it their own.

WATCH THE INTERVIEW WITH TOBY RITTNER

WATCH THE INTERVIEW WITH BRETT DONEY

APPENDICES · A & B

Audience Insights

Two stand-alone tear sheets translate the research into lifecycle-based guidance for the people designing programs and the developers delivering projects.

Two Audiences, One Research Base

These two tear sheets are the audience-specific outputs of the interview and thematic coding process described in the Research Methodology section. They summarize the same interview evidence in two ways: one for the professionals who design and finance programs, and one for the developers who move projects through the real estate lifecycle.

1 · RESEARCH	2 · SYNTHESIS	3 · AUDIENCE GUIDES
Interviews, member survey, background research	Barrier themes, case studies, and transferable lessons	Two lifecycle-based tear sheets with page references

Appendix A

Development Finance Professionals / Capital Providers

Program lifecycle: ecosystem design, underwriting, capital structure, disbursement, construction servicing, and scaling.

Appendix B

Small Developers

Project lifecycle: foundation-building, site selection, financing, entitlements, construction, stabilization, and the next project.

APPENDIX A · AUDIENCE INSIGHTS

Development Finance Professionals / Capital Providers

Program design and capital-delivery insights organized across the development finance program lifecycle.

Research Base

Case Studies & Sources

- Spring Garden Capital (SGC)
- Jumpstart Philly / Jumpstart Germantown
- Baltimore Affordable Housing TIF
- Memphis Essential Housing
- Harrisburg TIRZ 23 (incl. The Plant at Harrisburg, Buffalo Bayou East)
- 502 Deering Center
- Staats Building Project
- Starland Yard Project
- WFX President interview
- Incremental Development Alliance (IDA) Cofounder podcast
- Podcast with Jim Heid

Lifecycle Framework

Foundation-Building & Ecosystem Design (Before a Program Launches)

Site/District Selection & Underwriting Design

Capital Structuring & Program Design

Application, Approval & Disbursement Process

Construction-Phase Servicing & Risk Management

Completion, Reporting & Scaling the Program

How to Use This Tear Sheet

Read it sequentially as a lifecycle guide or pull the section tied to the decision currently in front of you. Each recommendation is grounded in the interviews, case studies, and supporting research listed above.

RESEARCH METHOD	INTERVIEW SYNTHESIS	AUDIENCE ACTION GUIDE
Research methodology pp. 2–6	Sources, case studies, and barrier themes pp. 7–25	Detailed lifecycle guidance pp. 28–30

Related Case Studies

Spring Garden p. 9 • Baltimore TIF pp. 10–11 • Jumpstart p. 14 • Memphis CRA pp. 15–16 • Starland Yard pp. 19–20 • Orange Loop p. 21 • Staats Building pp. 22–23

1. Foundation-Building & Ecosystem Design (Before a Program Launches)

Barriers to Starting

Community-level barriers are compounding and interconnected: without good internet, water, and electricity, small development won't happen in each community; communities need to invest in these basics to attract it.

Setting the Stage for Small Developers

Financial

- Mission-driven alternative lenders (e.g., Spring Garden Capital) fill the small-developer gap by creating funds specifically sized for small-scale transactions.
- Pooled or common-reserve municipal bonds, where multiple developers share a single bond issuance, can help mobilize capital at this scale.

Programmatic

- There's a need for a full ecosystem to meet small developers' equity needs; cities can help via their own balance sheets, down-payment assistance, and façade grants.
- Create resource hubs that connect new/experienced builders with developers, since small projects are often too small for production builders and too large for custom builders.
- Favor a "whole systems" approach: pair local tax incentives, zoning/building-code changes, and discounted public land together rather than addressing barriers one at a time.
- Coordinate across all parties (government, lenders, developers, contractors)—potentially via a jointly written RFP—so permitting changes, lower loan-to-value requirements, and site-identification help arrive together rather than piecemeal.
- Build a mentorship layer into the ecosystem (possibly tiered by property type) and coordinate it through local development authorities or CDFIs.
- Share knowledge resources directly (e.g., IDA classes) and advocate that capital providers build mentorship into their own loan programs, so capital and know-how are delivered together.

Regulatory

Engage industry/data leaders (e.g., the Incremental Development Alliance) to identify which local zoning/ordinance rules are actually barriers, drawing on a decade of incremental-development network experience across public, private, and nonprofit sectors.

Keep In Mind

Remember (and remind boards/approval bodies) that ***neighborhoods are living systems***; small projects often warrant conservative cost estimating and a mission focus, not maximum ROI. ***Stay connected to community needs***, not just loan volume, as the driver of program design. Small-business/***economic-development needs can surface as a byproduct of a larger infrastructure initiative*** in an up-and-coming-but-struggling area. ***Know the limits of your entity's core mandate*** (e.g., a reinvestment zone's mandate is generally public infrastructure only) and identify the specific statutory authority (e.g., Texas Chapter 380/381 powers) needed to go beyond it into direct economic-development grants.

2. Site/District Selection & Underwriting Design

Easing the Path to the Deal

Sell public/agency-owned land at a nominal price as an on-ramp for first-time developers, removing site acquisition as the first barrier.

Create Pathways to Use DEFI Tools in the Deal

- Let housing/market data drive district or program-area selection; e.g., map every unit's market typology to identify where disinvestment is deepest yet demand still exists.
- Design district boundaries to match how scattered the actual need is; a single contiguous neighborhood may miss most of the problems.
- Confirm legal/charter authority early (e.g., authority for TIF bond proceeds to fund affordable housing up to a defined AMI threshold) before designing the program around it.
- Prime a new district/fund with rehab activity that has already happened, so there's an increment or track record available on day one, rather than waiting on the first developer to build.
- If there's no existing rehab activity to capture, pair the district with a commercial/large mixed-use project that can secure private financing and generate the first increment or expand an existing district with unused capacity.
- Underwrite to the actual funding gap each project needs, not to the size of the request.
- Tie the reimbursement/grant calculation to the value a project creates (e.g., reimbursing off the increase in assessed value) when there's no meaningful infrastructure need to fund.

Keep In Mind

Recognize revenue-structure differences by project type: mixed-use/commercial relies on ROI from rents; affordable/low-income housing relies on occupancy rate rather than ROI, which tends to draw a broader constituency and political support***. Identify rural project-specific underwriting challenges***: fewer available contractors, materially higher transportation costs for labor/materials (WFX has seen 2-3x urban costs), and added compliance from certain funding sources (e.g., USDA bid-purchasing and Davis-Bacon requirements).

3. Capital Structuring & Program Design

Create, Refine, or Expand Capital Access Opportunities

- Structure lending products to fit the small-developer risk profile: predevelopment/acquisition loans (especially where entitlement adds significant value), bridge loans for new construction/rehab, mezzanine equity, and mini-perms (e.g., 5-10-year term, 30-year amortization, balloon at maturity).
- Offer alternative equity products so developers can preserve working capital, and tie in-house equity access to in-house loan borrowers to simplify the overall capital stack (fewer parties, subordinate any additional debt, use government grants to fill remaining gaps).
- Recruit partner capital (local collaboratives, institutional partners, city predevelopment/low-cost financing) instead of funding an entire gap alone, extending reach without increasing direct subsidy exposure.
- Design flexible, cross-category gap grants (e.g., up to $20,000/unit, reimbursable, usable for predevelopment, materials, or design); flexibility is what makes a small grant work on a scattered-site build.

Integrate DEFI Tools into the Capital Stack

- Scale gap-financing programs through districts/zones at different maturity stages; a mature, high-increment district can effectively subsidize a newer one.
- Design participation/reimbursement rates to step down over a zone's life (e.g., 100% in years 1-10, 90% in years 11-20, and 80% in years 21-30) so that timing incentives are explicit.

Protect the Deal

- Lock affordability at the deed rather than by policy alone (income caps, sale-price caps tied to area median, rent caps, multi-year deed restrictions running with the property).
- Set explicit completion-discipline terms in agreements (e.g., construction must start within 90 days, finish within 12 months) so nominally priced land doesn't become a land bank.

Set Small Development Projects Up for Financial Success

- Break large projects into phases to mitigate risk; set up interest reserves up front; confirm developers are well capitalized enough to weather permitting/construction delays; and use lower loan-to-value ratios on predevelopment loans (e.g., 50;60% vs. the usual 65;70%) so collateral still covers the loan if it must be sold at a discount.
- Build in interim interest and a construction-phase contingency reserve to cover payments before completion and absorb some cost overruns; use flexible DSCR requirements that ramp up over the first several years (e.g., 1.10x early, ramping to 1.25x by year five).
- Set collateral and equity requirements based on both "as-is" and "as-completed" appraised value, with lower equity requirements for experienced developers or projects in public-policy-priority areas (rural, low-income census tracts, etc.).
- Mitigate risk with simplified lending terms/legal requirements for small-scale borrowers, and by pairing small-scale lending with larger-developer lending for diversification and faster service.
- Hold and service loans in-house rather than selling in the secondary market; this flexibility helps when a project needs to pivot mid-stream (e.g., for-sale units converting to rentals).
- Build a pre-approved design/plan book if your program requires design approval; it shortens review and improves how new construction sits on the street, while still allowing custom submissions.
- Replace hard-money defaults with CDFI partnerships, so first-time developers aren't forced into premium-priced first deals. [Memphis Essential Housing]

4. Application, Approval & Disbursement Process

Design and Run Programs for Success

- Phase program rollout: fund a small group of "ready" developers first (with land agreements already in place) to work out grant-agreement and requisition mechanics before opening a larger competitive round.
- Stand up a dedicated grant-administration team *before* bonds close; proactively helping applicants execute agreements and assemble invoicing/documentation, rather than assuming developers will handle it unaided.
- Set explicit requisition gates before any dollar disburses (recorded deed, GC or documented self-performance, draw schedule, insurance certificate, proof of financing, bonds where applicable, recorded affordability restriction).
- Plan for lender-timing mismatches: hard-money lenders often won't fund until a project is ready to start, and each funding partner wants confirmation that the others are committed; expect to run collaborative concurrent closings.

- Score applicants on demonstrated capacity (clarity of plan, realistic schedule) rather than portfolio size or years of experience; award sizes (e.g., number of sites) can flex from one to five based on that assessment.
- Run a predictable, recurring application cycle (e.g., monthly calls for proposals, defined submission/scoring windows) so developers can plan around it.
- Put residents/stakeholders in the approval path (e.g., district advisory committees); without formal veto power, their input shapes selection and builds community support, reducing entitlement friction later.
- Make the introductions yourself: connect developers directly to lenders, funders, and service providers rather than just publishing a resource list; that's the difference between a referral and a closing.
- Interview and structure the *program* to be easy to execute, not just the loan; a staffed administration team materially outperforms one that assumes developers arrive with their own counsel and banker.

Keep In Mind

Expect demand to significantly exceed supply in competitive gap-financing rounds (one program saw ~3x oversubscription); some qualified developers may self-select out once they see funding is unlikely. ***Assume any single grant tool won't close a deal alone***; expect most funded projects to layer state, city, and other grant sources (sometimes four to six sources).

5. Construction-Phase Servicing & Risk Management

Provide Ongoing Support

- Provide hands-on, staffed servicing through construction, reviewing draws/requisitions, property by property, since many first-time developers can't self-navigate bond-funded disbursement requirements.
- Build in capacity to help clients solve problems as they arise (e.g., creative ways to avoid foreclosure), while recognizing solutions may be limited by what the lender itself can offer.
- Recognize that broader macro conditions (liquidity strain in high-rate environments, general uncertainty in the lending market) compound simultaneously and require proactive borrower support, not just static underwriting.

Manage Program Risk

- Keep underwriting judgment and servicing in the same hands by having a single administrator handle tax methodology, bond support, disclosure, revenue tracking, *and* grant administration.
- Sight-unseen acquisition by borrowers is a major underwriting risk to watch for; a property coming in significantly worse than expected can force funds to be reallocated from another deal, which a small developer often can't absorb.

6. Completion, Reporting & Scaling the Program

Assess Program Impact

Track and report tangible outcomes (properties rehabilitated and occupied, units delivered); this is typically the tipping point that gives other jurisdictions confidence to replicate a program.

Plan for the Future

- Design programs to be recursive: each funding round finances rehabs; completed rehabs raise assessed value; and the new increment funds the next round.
- Sequence capacity before volume; use an initial small cohort to build the administrative muscle needed before scaling into a much larger, more competitive round.
- Plan for a deliberate scale trajectory (e.g., aiming to roughly double program activity every couple of years) and layer public/state/philanthropic commitments so no single funding source has to carry the program alone.
- Align state and local objectives explicitly (e.g., a state needing housing supply and a city with redeemable vacant stock); that alignment is what makes securing larger state investment straightforward.
- Track record builds programmatic credibility over time (e.g., a multi-year history of agreements, units delivered, and dollars contributed to a larger district-wide capital plan).
- Spend program dollars locally as a matter of design (e.g., directing 70;80% of related contract spend to locally owned small businesses) to build the local contractor base the housing program depends on.

Keep In Mind

High-quality demand can significantly compress a program's expected timeline (e.g., a modeled 10-20-year program running closer to 5-7 years). ***Cross-agency collaboration*** that emerges organically once a program is working (agencies joining in after seeing early success) is often cited as ***the most valuable, if unplanned, innovation***. ***Reframing a familiar tool as broadly accessible***, rather than reserved for large developers or marquee sites, can itself be the core innovation of a program. Good ***small banks are frequently acquired by larger banks***, which steadily narrows small developers' available capital options over time; a market dynamic capital providers should anticipate and design around.

APPENDIX B · AUDIENCE INSIGHTS

Small Developers

Practical guidance organized across the real estate development lifecycle — from building a foundation to scaling the next project.

Research Base

Case Studies & Sources

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- Baltimore Affordable Housing TIF
- Memphis Essential Housing
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- 502 Deering Center
- Staats Building Project
- Starland Yard Project
- WFX President interview
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- Podcast with Jim Heid

Lifecycle Framework

Foundation-Building & Learning (pre-predevelopment)

Site selection & Acquisition

Financing & Capital Stack

Entitlement, Permitting & Design

Contractor Selection & Construction

Completion, Lease-Up & Stabilization

Post-Completion: Hold/Sell, Reporting & Scaling to the Next Project

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Related Case Studies

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1. Foundation-Building & Learning

Build Knowledge and Gain Experience

- Build knowledge/skills in the background while preparing your financial foundation.
- Assess your own skill base; know what you know and identify gaps to fill with targeted learning (including reading books on real estate/investing).
- Real estate development training options: formal training (programs, degrees) vs. "school of life"/hands-on learning (adjacent professions, trial and error).
- Take free education before you need it: emerging-developer academies (e.g., Alliance for Housing Progress Emerging Developers Academy), ULI diversity initiatives, project-financing workshops, utility workshops all improve how lenders read you.
- Connecting with people who are doing the job of interviewing and being mentored by existing developers is one way to learn the business.
- Go work for someone excellent at real estate and/or start small and don't bet the farm.

Build Relationships and Find Partnerships to Support You

- Capital and connections are the two major hurdles; building relationships/networking makes it easier to raise money later.
- Instead of being a generalist, go deep on one part of the process and find partners who fill the other gaps, but be willing to do everything yourself on the first deal to learn how it works.
- Vet any project partners as people you'd trust with your life, especially if a project goes south.
- Learn how to meet someone, get their ear, and deliver a quick pitch.

Leverage New Technology and Tools

AI can speed up parts of the process (research, compiling a knowledge base) but can't replace experience or judgment (e.g., furniture layout); one person can run a development office by pairing AI/basic tools (Zoom, G-suite) with strong partnerships.

Prepare yourself financially:

- Breaking into development is hard because of financing—if you don't have money to risk, mistakes can be very costly.
- Quantifying risk is a challenge; understand what's included in a personal guarantee before you sign it.
- Protect 401(k)s, savings, and homesteads (often excluded from personal guarantees) to build a financial cushion independent of any one project.
- Have a good credit score and a moderate-to-large cash/working-capital reserve before pursuing a project.
- Have contingency funds and contingency plans in place.

Keep In Mind

Real estate is an industry you often learn by failing, sometimes failing big. You have to get started; ***time is the one thing everyone is sure of; use it to your advantage.*** Diversified lending sources are fine if you can manage them; don’t bite off more than you can chew and ***have a backup plan***.

2. Site Selection & Acquisition

Analyzing Deals

- Making the math work is the second-hardest part; expect to look at many deals before one pencils (or get lucky).
- Two paths at site selection: (1) a site with existing advantages (street activity, higher rents, more comps) or (2) a not-yet-up-and-coming site (lower price, but harder to prove the concept, fewer comps).
- Repeat the underwriting process as many times as needed; a proforma that doesn't pencil today doesn't mean the next one won't.
- Competition from cash buyers and wholesalers can beat out small developers on acquisitions; expect to make lowball offers to make the numbers work and expect many offers to be rejected.

Selecting Deals

- Have site control identified (or under negotiation) before applying for gap-financing programs; full commitment isn't required, but you must show where the property and the rest of the capital stack stand.
- Reserve financially for what you can't see: properties bought sight-unseen can come in tens of thousands of dollars worse than underwritten once you're inside.

Sourcing Deals

- Finding the deal is the hardest part; be dispassionate about analyzing deals. Controlling access to a good deal is everything.
- Look for unconventional, off-market property sourcing strategies; most good deals are sourced through community relationships, not listings.
- Network within your community and make your development intentions known (site searches, job creation, community benefit); this surfaces off-market opportunities.
- The more people who know you're interested in real estate, the more likely you are to hear about a property.
- Historic preservation/adaptive reuse: there's a constant new wave of ~50-year-old buildings eligible for tax credits, but these projects are complex and highly specific.
- Opportunity Zones can work but typically require the developer to hold the property long-term (roughly the full ~120-month term).
- Ask what your city, county, or land bank already owns; publicly held vacant lots offered at nominal prices are the most accessible entry point for a first-time developer.
- Keep an eye on local zoning/policy shifts (upzoning, Missing Middle, eliminating single-family zoning); these create new by-right opportunities that are often more profitable without being much more expensive.
- Start where a public partner is already investing (active infrastructure, sidewalk, or home-repair programs); surrounding public investment supports project value on scattered infill sites.

3. Financing & Capital Stack

Sourcing Capital

- Access to startup capital is the #1 reason people never pursue a project; plan for ~15% down plus fees, closing costs, insurance, and a cushion for surprises.
- Capital sources to consider: traditional lending (may be inaccessible due to credit/size/perceived risk), alternative/CDFI lending (fewer strings, geography-dependent), hard-money lenders (higher cost of capital), and friends & family.
- Predevelopment dollars (forgivable/zero-interest) are the highest-value dollars you can raise, since they cover costs incurred before any lender will advance; and are often where first projects stall.
- Reach out to local resources so no predevelopment grant funding is left on the table; be ready to articulate your intended use and general project plan.
- Win program awards on demonstrated capacity, not credentials or portfolio size; show a specific plan for specific sites, a realistic schedule, and who's doing the work.
- Know the actual subsidy gap you need and be able to defend it with a clean pro forma; programs measure your shortfall, not your largest possible ask.
- Stack small predevelopment sources together (e.g., a $10,000 forgivable 3-year fund + up to $7,500 in district grants + city predevelopment/low-cost financing + a per-unit incentive).
- Have a plan for a partial award: either line up additional grant sources or complete the project on a thinner margin. [HOW TO] [Baltimore Affordable Housing TIF]
- Expect a securities-offering-level documentation and reporting burden when a grant is funded through bond proceeds, even on a small rehab; budget time and patience for it.
- Pursue alternative/mission-driven lenders where available, especially if you can't access traditional bank financing or afford hard-money terms.
- Build your bank/CDFI relationship while using a subsidized first-deal program, so your second project can be financed conventionally.
- Talk to multiple lenders; not every project fits every lender, and competing term sheets help you negotiate. You need to be able to trust your lender.
- When applying for financing, look for lenders/loan officers who know your project's specific local market.
- Mitigate lending risk by using simpler capital stacks.
- Projects must be bankable and meet DSCR requirements everywhere, regardless of location, so you can qualify to do the next one.
- High interest rates make buy-and-hold math harder (e.g., ~6.75% DSCR-loan rates); credit score thresholds (e.g., 680 to hold, 650 to sell) affect financing options and exit flexibility.

Managing Project Capital

- "Grant money can solve all of the problems" ---------- and predevelopment grant dollars, spent wisely at the very start, are the most important dollars in a project.

- Cost overruns force new debt, which lowers projected NOI/EBITDA and your overall debt service coverage ratio; plan conservatively.
- Reimbursable incentive programs mean you finance the work first and get repaid later; plan your construction loan and liquidity accordingly.
- Understand affordability math (price caps, deed restrictions) before you bid, and confirm your project still works once sale/rent limits are applied.
- Working capital, not opportunity, is usually what caps your growth: one cost overrun that forces you to move funds off another property costs you the *next* project, not just the current one.
- Use your first (possibly subsidized) project to build a fundable track record; completing a rehab to a program's documentation standard is exactly the history conventional lenders want to see.
- Ask whether the district/zone covering your site has *economic development* authority (not just infrastructure authority); if so, projects with no public-improvement component can still be supported and reimbursed based on the value they create.
- Ask where a TIF/TIRZ zone sits in its life cycle and what's already committed; a zone late in its term (or one whose capacity is committed to other priorities) has less room for your project.
- Expect reimbursement, not cash up front, from value-capture/TIRZ-style tools; you still need a construction lender and enough runway to carry the project.
- Be prepared to commit to community benefits (e.g., local hiring targets) as part of a value-capture agreement; build this into your staffing plan early rather than negotiating it later.
- Frame your application around the value the project will create; the appraisal and stabilized-value assumptions are the substance of a value-capture (reimbursement) application.

Keep In Mind

Alternative building materials/methods (e.g., modular housing) can reduce costs and speed without sacrificing quality.

4. Entitlement, Permitting & Design

Design for Success

- For mixed-use or multi-unit residential, consider designing units so they could later convert to condos, in case the property needs to be sold earlier than planned.
- Use pre-approved design/plan books where offered; selecting from one shortens design review versus submitting your own custom design, which matters on a tight completion deadline.

Navigating Municipal Requirements & Processes

- Get permits; pursuing cheaper workaround solutions may be faster/more profitable short-term but harms the housing market and the city's development profile long-term.
- Many municipally driven challenges only surface when you're trying to do things the right way, especially in large cities.
- Meet with the city early and often; expect the process to be unpredictable regardless. Single greatest source of anxiety on one project was working with the city.
- "Always factor in the uncertainty of bureaucrats in every form." [Starland Yard Project]
- Different city departments (building/development services, site/civil engineering, water & sewer) often don't communicate with each other; budget extra time up front to coordinate across them.

Take Matters Into Your Own Hands

- Advocate for policy change and support council members who back small-scale development.
- Consider getting directly involved in city process if you hit a wall (one developer became a city inspector to learn the inspection process from the inside).

5. Contractor Selection & Construction

Managing Construction

- The project always goes over budget; never underestimate, especially with a contractor you don't know well (e.g., a standard 15% contingency line item is routinely used in full).
- Construction costs are extremely high; look for savings such as sourcing materials secondhand and be aware of added costs from GC hiring and project-management overhead.
- Contractor selection is critical; the #1 reason projects fail is a contractor taking money and running, poor communication, or bad work left unfixed; good contractors are scarce and often "kept secret."

- Select a contractor with experience at your project's scale (or smaller), who provides transparent, detailed bids; mutually beneficial as they build their own portfolio too.
- Being hands-on (DIY on parts of the project) can control costs and, importantly, builds your own understanding of the process (e.g., learning firsthand how long demo actually takes changes how you value hiring it out).

Managing Relationships

- Get to know the local neighborhood while on site; it keeps "eyes on the project," builds community support, and establishes you as an approachable local developer.
- Be aware that local bureaucracy and the opinions of local leadership/board members can genuinely affect a project's success. [Starland Yard Project]

Keep In Mind

Be adaptable and willing to change plans as challenges arise during construction. Small developers need real emotional support through this phase; ***practice resilience as unpredictable challenges arise***.

6. Completion, Lease-Up & Stabilization

Tenant Management

- Where you can, secure a strong anchor tenant; construction costs are fairly fixed by geography, but "the magic happens" in getting good leases and good tenants.
- Going the extra mile to land a strong tenant is itself a form of innovation on a project's economics.
- Build escalations into tenant leases to ensure cash flow adequately covers project debt over time.

7. Post-Completion: Hold vs. Sell, Reporting & Scaling to the Next Project

Final Moves

Think beyond project completion to what comes next; hold-and-manage vs. sell shortly after; and weigh the appraised "As Complete" value in that decision.

Rinse & Repeat

- After your first project, formally compare your original projections/construction budget to actual results (net income and final spend); document what went right, what went wrong, and lessons for next time.
- If you used in-house state tax credits on past projects, larger/subsequent projects may require syndicating credits nationally (bringing in outside equity partners) instead of absorbing credits internally; plan the shift in complexity and partner needs.

Keep In Mind

The first project is what earns you the second; focus on doing the first one right. Starting small builds the experience, network, and net worth needed to take on larger projects. ***Long-term value appreciation -- not the first flip -- is where real wealth in real estate comes from.*** Persistence pays: managing heavy financing/documentation burdens allows you to exploit new and future opportunities.

Acknowledgments & Resources

Development Tacklebox: Small Projects, Big Impact was made possible by the Council of Development Finance Agencies and the CDFA Foundation. Throughout the Caren S. Franzini Fellowship, their staff team was incredibly supportive and ensured we had access to all the resources we needed to put our capstone together. We are grateful for their support and for being a part of this year's fellowship.

It was important to our group to share lessons learned from women in development finance, and in the spirit of the fellowship, we would like to acknowledge Caren Franzini, Kim Avant-Babb, Lakisha Hull, Charity Karanja, Kim Smith, Jennifer Lucas Crowther, Laura Radcliff, Karen Beard, Ann Finnegan, Tonita McKnight, and Naina Magon. The reflections you each shared exemplified the leadership and community impact that we aspire to accomplish in our own careers.

We would also like to extend our gratitude to the CDFA members who participated in our CDFA Franzini Fellowship Survey on Small-Scale Development. Their timely feedback not only guided our research but also led to several recorded interviews that we have shared.

With gratitude to the developers, development finance professionals, and capital providers who shared their time and experience for this series. Their candor about what worked, what did not, and what they wish they had known makes these case studies useful to the practitioners who follow.

Our capstone's closing remarks on the importance of passing the torch in the development industry were informed by our interviews with industry leaders Toby Rittner and Brett Doney. We would like to thank them for the insights they shared, the impact they have had in their professional careers, and their roles as instructors covering development finance best practices.

The remaining pages contain final acknowledgments for each developer and development finance professional that we interviewed, along with sources for our background research and resources for small developers.

Acknowledgments

PROJECT / ORGANIZATION	ACKNOWLEDGMENT	REFERENCES / RESOURCES
WORKBOOK 01 · ACCESS TO CAPITAL		
Spring Garden Capital Lending	Sarah Massey, Director of Business Development	Interview and open-sourced Spring Garden Capital program materials
Baltimore Affordable Housing TIF	Max Levee, Administrator at MuniCap	Interview; Series 2025 offering documents and Baltimore DHCD materials
Water Finance Exchange	Rogelio Rodriguez, WFX President	Interview and open-sourced program resources; featured on the workbook cover
502 Deering Center	Dennis and Kiya Lachman, Developers	Interview and open-sourced project details
WORKBOOK 02 · EXPERIENCE / RESOURCES		
Jumpstart Philly & Germantown	Derek Hengemihle, Deputy Director	Interview and open-sourced training materials
Memphis CRA Essential Housing	Andrew Murray, President & Charia Jackson, Essential Housing Lead at Memphis & Shelby County CRA	Interview and Essential Housing program materials
Accelerator for America	AJ Herrmann, Director of Policy and Program Innovation	Interview and open-sourced resource library; featured on the workbook cover
WORKBOOK 03 · SCALABILITY		
Starland Yard	Kevin Rose, Principal and Design Director of Rose Architects PC	Interview and open-sourced project details
Orange Loop / MAP 3 Partners	Mark Callazzo, Managing Partner of MAP 3 Partners	Interview and NJEDA ART program materials
Staats Building	Tighe Bullock, Project Coordinator at Crawford Holdings	Interview and open-sourced project details
Harrisburg TIRZ #23	Naina Magon, Managing Principal at Hawes Hill & Associates	Interview and TIRZ 23 project plan, budgets, agreements
PASSING THE TORCH: PRESERVING THE KNOWLEDGE BEHIND THE TOOLBOX		
Great Falls Development Alliance	Brett Doney, President & Chief Executive Officer	Interview, providing insights developed over the course of his career in development finance
Council of Development Finance Agencies	Toby Rittner, President & CEO	Interview, providing insights developed over the course of his career in development finance

Resources for Small Developers

Business Stages	Funding	Memberships	Networking/ Events	Site-Readiness	Technical Assistance	Organization Name
All	X				X	AltCap
	X				X	Chattanooga Neighborhood Enterprise
	X					Enterprise Community Partners
	X					OFN's CDFI Locator
	X					USDA Rural Development
		X	X			CDFA
		X	X			Incremental Development Alliance (IDA)
			X			Small Scale Forums
Start-Up				X		Main Street America
				X		National Register of Historic Places
				X		Site Selection Magazine: Guides and Reports
					X	Appalachian Community Capital
					X	IDA Small Scale Development Workshop
Emerging/ Expansion			X		X	Grow America Supporting Empowered Emerging Developers (SEED) Academy

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