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In Practice: Targeted Tools in Infrastructure
and Housing Development



In Practice: Targeted Tools in Infrastructure and Housing Development



Toby Rittner, DFCP

President & CEO
Council of Development Finance Agencies
Columbus, OH



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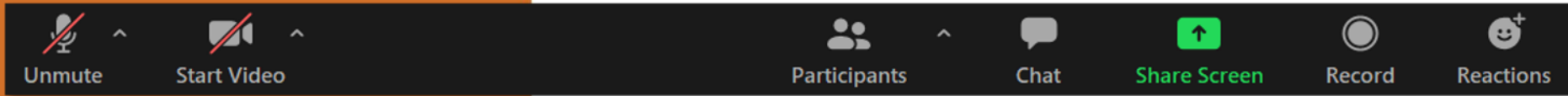
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Understanding TIF: Intro to Tax Increment Finance for Vermont Communities



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Vermont's Community and Housing Infrastructure Program (CHIP) Webinar Series

TIF for Infrastructure & Housing Development

Vermont's Community and Housing Infrastructure Program Webinar Series

Council of Development Finance Agencies | January 13, 2026



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INTRODUCTION

- **SB Friedman Development Advisors, LLC (SB Friedman)** is a Chicago-based consulting firm working with the public and private sectors in a range of disciplines:
 - Special District Designation, Amendment and Administration
 - Public-Private Partnerships and Implementation
 - Market Analysis and Real Estate Economics
 - Development Strategy and Planning
- Our mission is to help our clients create equitable, resilient and well-designed communities through the practice of real estate economics, development finance and urban planning

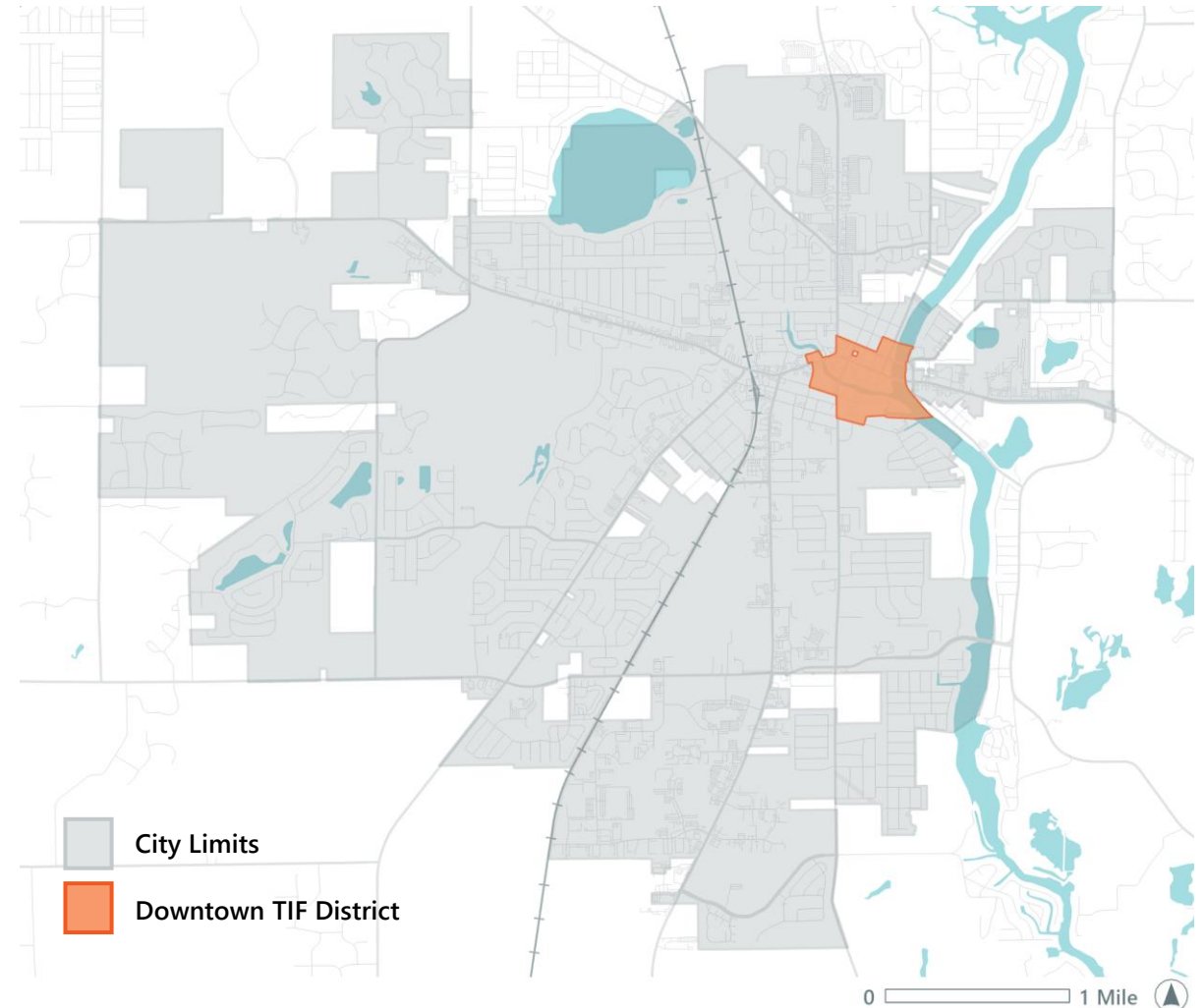


Michael Ryzhov, AICP
Senior Project Manager

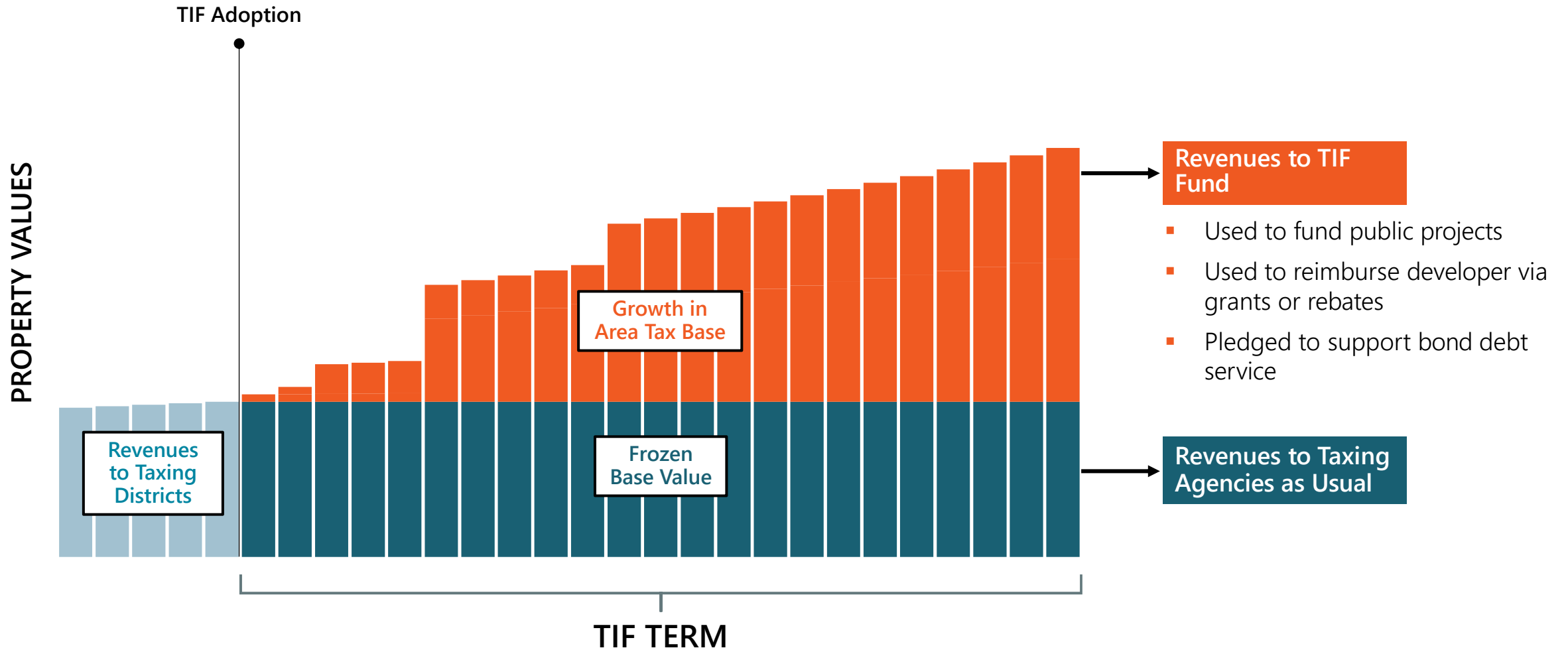
TIF Overview

WHAT IS TAX INCREMENT FINANCING (TIF)?

- TIF is a flexible, public-private finance tool controlled by local governments that can be used to foster high-quality development and redevelopment
- The purpose of TIF is generally to:
 - Eliminate blight through redevelopment
 - Foster economic development
 - Enhance the tax base
- TIF captures incremental property tax revenues from a defined geographic area for reinvestment in that area
- Per Vermont's Community and Housing Infrastructure (CHIP) guidelines, a municipality may retain tax increment for up to 20 years



HOW DOES TIF WORK?



Development Finance

COMMON USES OF TIF IN PRIVATE DEVELOPMENT

- Financing public infrastructure/improvements
- Funding extraordinary costs
- Subsidizing a proposed project that is “proving the market”
- Obtaining higher quality development or development that delivers more public benefits than the market will generate on its own
- Incentivizing to attract or retain investment in a strategic area

FOUR NECESSARY CONDITIONS FOR PROVIDING TIF ASSISTANCE

1
Project contributes to
important public
policy goals

2
Project is
economically feasible
with assistance

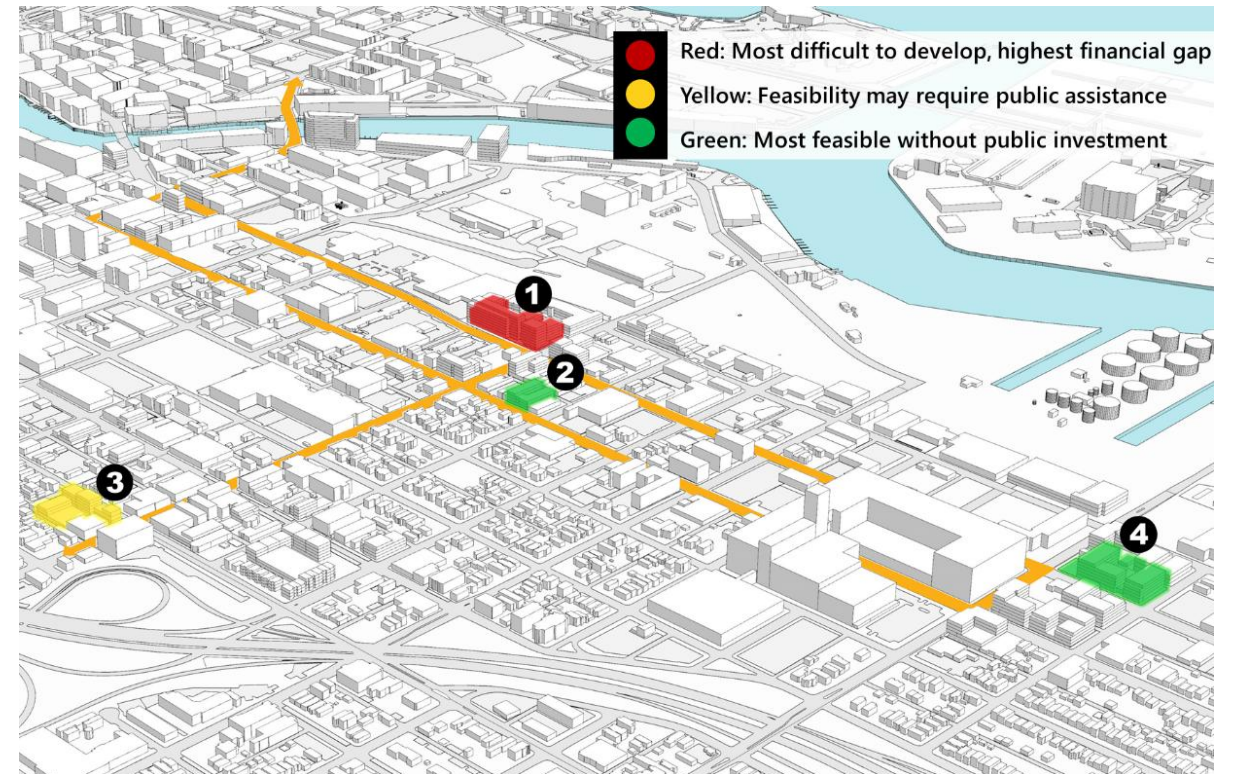
3
Project would not
proceed as desired
'but for' the assistance

4
Project pays for itself
through generated
revenues and/or justifies
investment via
economic/community
impacts

PRIMARY MEANS TO EVALUATE NEED FOR TIF ASSISTANCE

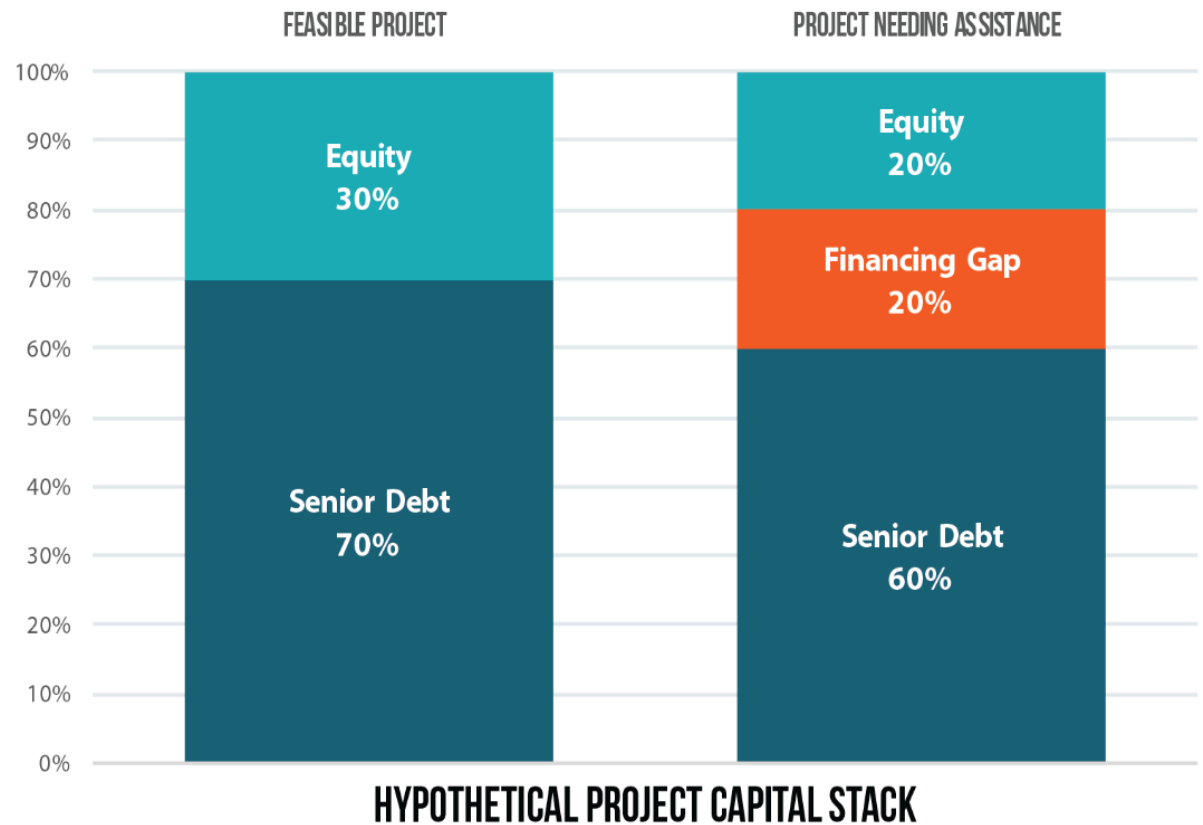
Amount of assistance sized to:

- Allow the project to achieve reasonable risk-adjusted rates of return
- Amount readily explained by extraordinary costs in project budget
- Cost of providing true public improvements that are necessary for project but also benefit the broader community
- Offset the incremental cost of locating at proposed site as compared to alternative site



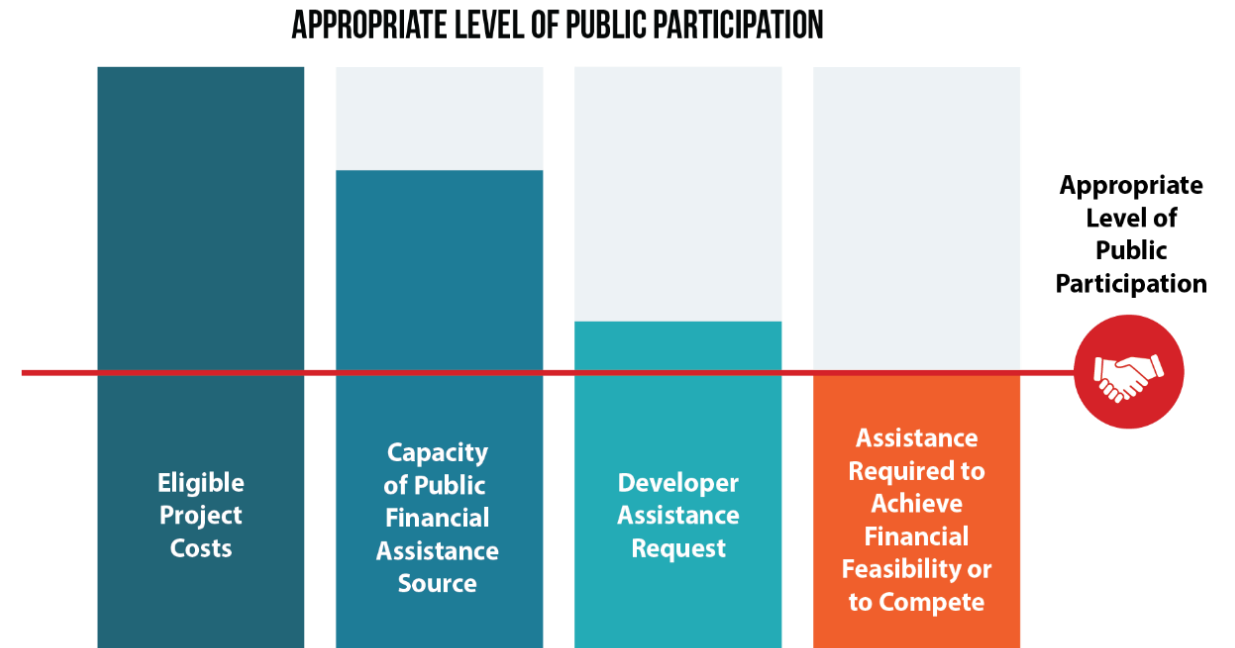
PRO FORMA REVIEW: SANITY CHECKING THE GAP

- Extraordinary cost?
 - (e.g., major environmental or site issue)
- Public infrastructure included in private project?
- Publicly desired features the market won't pay for?
 - (e.g., affordable housing units)



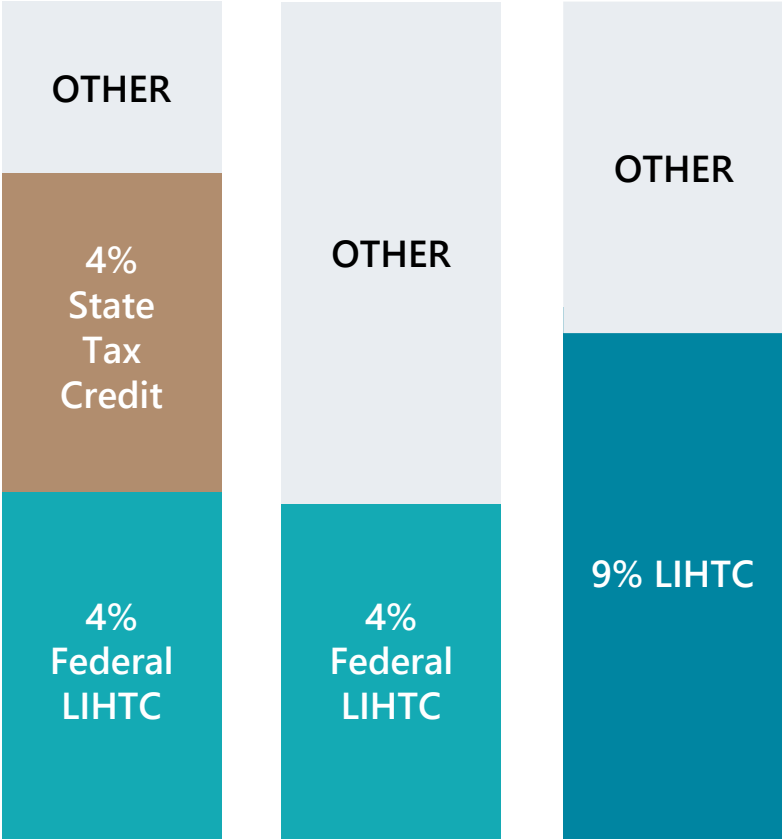
APPROPRIATE LEVEL OF ASSISTANCE

- Assistance required to achieve financial feasibility
The project would not proceed 'but for' the required assistance.
- Other evaluation metrics (secondary to the "but for" analysis):
 - Subsidy as % of project increment
 - Subsidy as % of project cost (public funds "leverage" private)
 - \$ amount per job attracted/retained



AFFORDABLE HOUSING FUNDING GAP

HYPOTHETICAL PROJECT CAPITAL STACK



OTHER SOURCES

- Permanent Debt
- Deferred Developer Fees
- Housing Trust Fund
- HOME/CDBG
- FHLB
- Impact Fees/Density Bonus Option Payments
- **Tax Increment Financing**

Examples of TIF in Action

AFFORDABLE HOUSING

Lucy Gonzales Parsons Apartments (Chicago, IL)

- 100-unit affordable housing development
 - 30-60% Area Median Income
 - 50 Chicago Housing Authority replacement units
- Building completed construction in 2022



AFFORDABLE HOUSING

Lucy Gonzales Parsons Apartments (Chicago, IL)

- \$40.7M Project
 - City sold the lot to Developer for \$1
 - 4 percent low-income housing tax credits (LIHTC) raised more than \$10M of equity for the project
 - Chicago Housing Authority provided partial construction financing
- Still remaining funding gap ...
- Project received \$10.1M TIF grant in 2020
 - Helped project complete capital stack and begin construction

Sources	Amount
Permanent Loan	\$2,900,000
Chicago Department of Housing Loan	\$1,975,383
CHA	\$13,000,000
Illinois Affordable Housing Tax Credit	\$1,800,000
LIHTC Equity	\$10,438,975
Deferred Developer Fee	\$500,000
General Partner Capital	\$100
Total Sources	\$30,614,456
Uses	Amount
Land Acquisition	\$25,001
Construction Costs	\$29,307,076
Other Construction Costs	\$1,899,866
Infrastructure Costs	\$225,600
Environmental Costs	\$847,560
Professional Fees	\$2,118,660
Lender Fees	\$2,923,488
Construction Period	\$394,028
Marketing & Leasing	\$70,000
Developer Fee	\$1,800,000
Reserves	\$1,103,167
Total Costs	\$40,714,456
Gap/TIF Request	\$10,100,000

AFFORDABLE HOUSING

Lucy Gonzales Parsons Apartments (Chicago, IL)

BEFORE
(2018)



AFTER
(2024)



AFFORDABLE HOUSING

Casa Querétaro (Chicago, IL)

- 45-unit affordable housing development
 - 30-60% Area Median Income
 - 15 Chicago Housing Authority replacement units
- Building completed construction in 2015



AFFORDABLE HOUSING

Casa Querétaro (Chicago, IL)

TOTAL DEVELOPMENT COSTS		\$15,459,182	100%
CHA Annual Contributions Contracts	Chicago Housing Authority	\$4,450,000	29%
City HOME	Chicago DOH	\$1,227,920	8%
Deferred Developer Fee	The Resurrection Project	\$122,834	1%
General Partner Equity	General Partner Name	\$100	0%
4% Tax Credit Equity	Syndicator/ Investor	\$5,286,248	34%
TOTAL DEVELOPMENT SOURCES		\$11,087,102	
Gap		\$4,372,080	28%

- Casa Querétaro was approved for a \$4.4 million TIF grant in 2015
- Creative 4% LIHTC deal structures can spur more affordable housing development
- TIF continues provide a major source of gap funding for affordable housing

MIXED-USE REDEVELOPMENT

Maple Street Lofts (Mount Prospect, IL)

- Large-scale mixed-use redevelopment
 - 257 multifamily units
 - 56 townhomes
 - 14,148 SF of retail
 - 268-space public parking garage
- City relocated industrial user and sold site to developer at market price
- \$88.0M Project – received \$9.1M in TIF through various assistance structures
- Building completed construction in 2021



MIXED-USE REDEVELOPMENT

Maple Street Lofts (Mount Prospect, IL)



DOWNTOWN REVITALIZATION

DeKalb, IL

- Various public improvements and development projects
 - Streetscaping
 - Public parking
 - Façade improvements
 - Public-private partnerships



DOWNTOWN REVITALIZATION

DeKalb, IL

BEFORE
(2016)



AFTER
(2021)



DOWNTOWN REVITALIZATION

DeKalb, IL

BEFORE
(2018)



AFTER
(2022)



HOUSING & INFRASTRUCTURE DEVELOPMENT

Warrenville, IL

- City used TIF to support infrastructure buildout and housing development
- Off-site and on-site public improvements
 - Water and sewer infrastructure
 - Public street extension
- 106-unit townhome project (Phase 1)
 - More subsequent townhome development

HOUSING & INFRASTRUCTURE DEVELOPMENT

Warrenville, IL

BEFORE
(2018)



AFTER
(2025)



HOUSING & INFRASTRUCTURE DEVELOPMENT

Warrenville, IL

**BEFORE
(2021)**



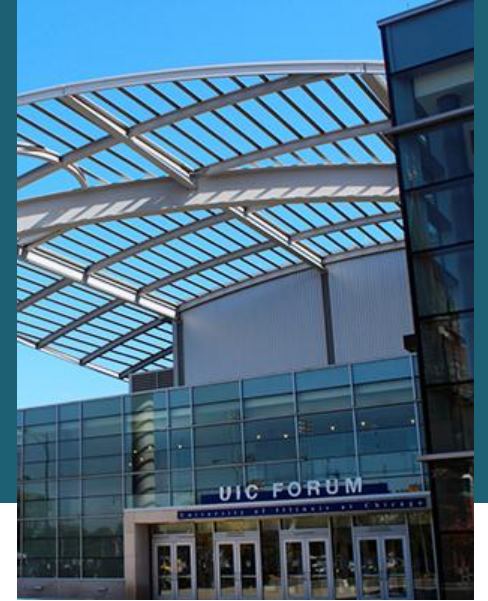
**AFTER
(2024)**



Conclusions

KEY TAKEAWAYS

- TIF is a flexible public-private finance tool that can fund a wide range of public/private improvements
- TIF should be used judiciously, not as an entitlement
 - Funding extraordinary development costs, such as public infrastructure/improvements
 - Obtaining higher quality development or one with more public benefits than market alone will generate
 - Incentivizing to attract or retain investment in a strategic area



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Understanding TIF: Intro to Tax Increment Finance for Vermont Communities

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In Practice: Targeted Tools in Infrastructure and Housing Development

Vermont's Community and Housing Infrastructure Program (CHIP) Webinar Series

January 13, 2026



Example: Village of Dieterich, IL

- The Village of Dieterich is a community of less than 1,000 people in Illinois
- Needed to do something about their population loss or they would lose their school district.
- The school district actually brought the idea of the TIF District to the Village, which is unusual.
- The Village put a new TIF in place, took out a loan and built out the infrastructure (all TIF-eligible costs).
- They ported some money from another TIF to cover the shortfall on loan payments for initial years and then, as homes were built and tax revenues were generated, those revenues became the source of repayment.

Example: Village Dieterich, IL

- The Village held a lotter for the first few lots and then a lottery for a new home.
- Population is now growing and so is school district enrollment.
- They've attracted mostly young families with kids to the town.
- This project is a success. It came with some risk, but it has paid off.



School District Considerations

- When using TIF for residential development, consider its impact on the public school districts.
- We have been working with our municipal clients to structure agreements to use some of the TIF proceeds to help offset the cost of educating students. This is becoming a common practice and is likely to continue as we use TIF to facilitate housing development.

TIF District Creation Considerations

- Suggest creating a TIF that contains both vacant/buildable land and existing housing stock. TIF can't do that much in an existing neighborhood if property values don't increase or if new development isn't happening.
- You need new construction and property value growth to generate TIF funds to spend on rehab programs and to improve infrastructure in the existing neighborhood.

TIF District Creation Considerations

- A tough thing about residential TIFs is that they can be more personal than commercial TIFs.
- Folks that built their homes before the TIF incentives may be jealous of the people getting the incentives.
- This is why communities need to set a direction with clear values and to which they adhere.
- If the goals are housing access and improvement of housing options and creating opportunities for working families to locate in their community, then more housing is necessary.
- If the market isn't doing it, then the City needs to help create the market.

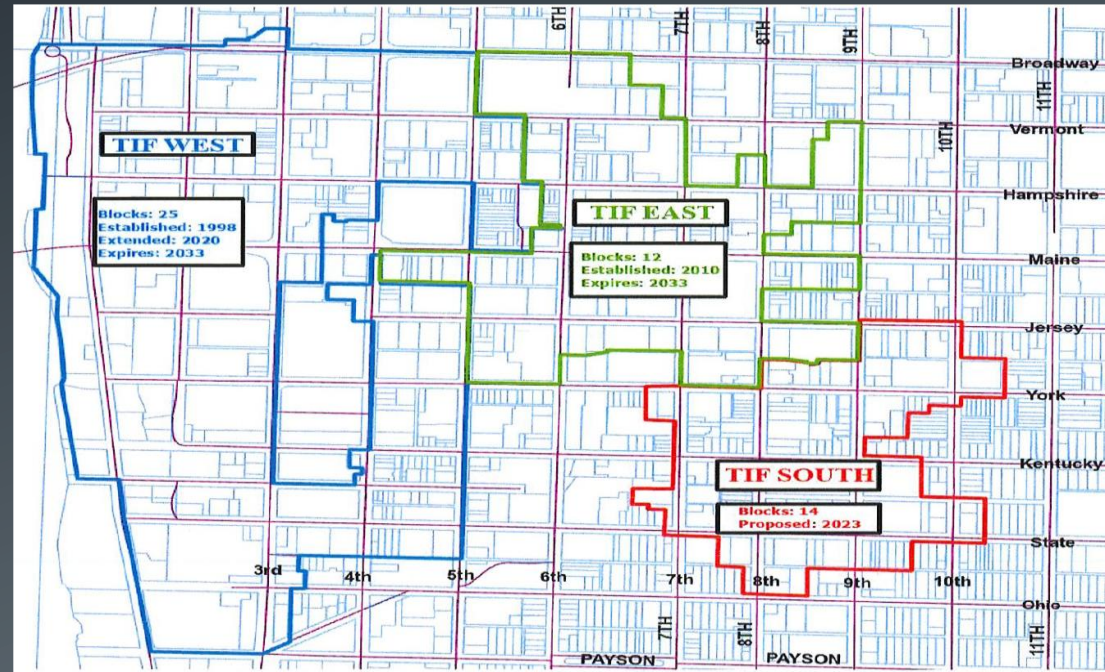


TIF District Creation Considerations

- Another option is providing money (through grants or low-cost loans) to developer or property owners to rehab historic structures for residential use.

Example: Quincy, IL

- The City of Quincy has two active TIF districts.
- TIF-West was established in 1998 while 2010 was the first year for TIF-East.
- From 1998-2015, revenue generated by the TIF districts was used exclusively on downtown infrastructure improvements (parking lots, streetscapes) or to match grants.
- This approach was not leading to significant increases in the EAV for the TIF Districts.
- The city established the DRRP in 2015 to change that.



DRRP Goals, Objectives & How it Works

Goals and Objectives

- Encourage development of market-rate apartments in the existing TIF districts, in particular, within vacant, upper-story locations.
- Stimulate more residential development in the downtown while also improving deteriorating buildings.
- Increase property values within the TIF districts, thus generating additional TIF revenue to potential fund expansions of DRRP.

DRRP Goals, Objectives & How it Works

How it works

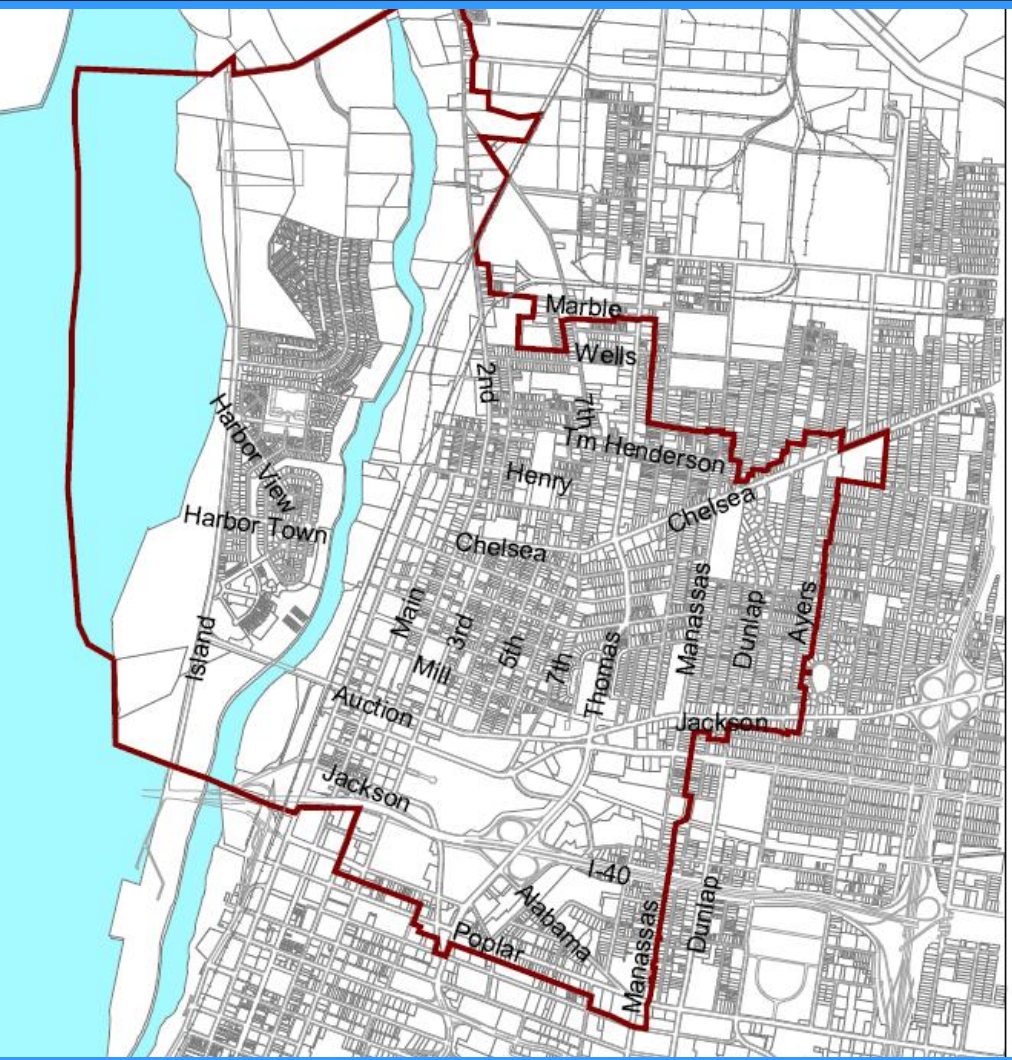
- A property owner seeking to renovate an upper-story apartment in the downtown can receive a 0% interest loan of up to \$25,000 from the city through DRRP.
- The property owner's investment in the project must match or exceed the amount of the city loan so that the DRRP funds do not exceed 50% of the cost of the project.
- The owner will not receive the DRRP funding until a Certificate of Occupancy has been issued for the renovations.
- The owner must provide documentation from a bank that funding is available for the entire cost of the project (including the city's loan contribution) to be eligible for DRRP.



Process

- Application process begins each January
- City advertises request for proposals and then holds an informational meeting where people can learn about the program and how to use it.
- Proposals due roughly a month later
- This is unique because the City is using TIF money to fund a revolving loan program on an ongoing basis.

Project Example – Uptown TIF Memphis, TN



- Leveraged upscale development on Mud Island to revitalize historic Greenlaw Neighborhood (now called Uptown)
- Initiated in 2000 for a 30 year anticipated timeframe

Project Example – Uptown TIF



- Harbor Town is a New Urbanist development along the Mississippi Riverfront
- Developed in the late '80s and early '90s
- 132 acres of reclaimed sand bar near Downtown



Project Example – Uptown TIF

Results achieved:

- Two housing projects redeveloped
- Historic rehabs
- Infill
- Single-family homes
- Business attraction



Thank you!

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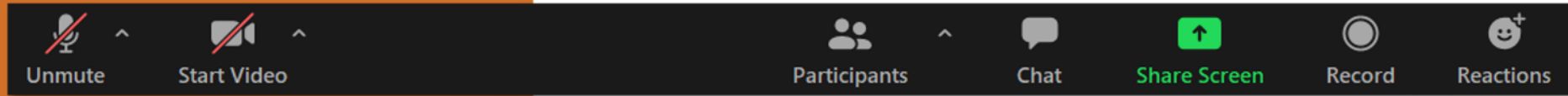
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January 15th, 2026

2:00 PM - 3:30 PM Eastern

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