

Project Type Selection Guide

Four cases, and which one is on your desk

DOCUMENT	MGBA-DEV-JA-09
MODULE	Segment 6 — Four Project Types
USE	Identifying the application and its specific constraint
VERSION	v1.0 — Draft for Review

The mechanism is the same across all four. What changes is where the eligible basis comes from, when consent has to be sequenced, and what is most likely to go wrong. Identify the case first — the rest follows from it.

GROUND-UP COMMERCIAL OR MULTIFAMILY

Where the basis comes from	Mechanical, envelope, lighting, controls, and plumbing, plus allocated soft costs. This is the largest eligible basis of the four in absolute dollars.
The advantage	Everything is being designed now, so documentation is straightforward if you ask for it early.
The constraint	Lender consent must be sequenced into the construction loan negotiation. Get it into the term sheet and this is a clean transaction.
Most common failure	Design team never instructed on cost allocation, so the allocation has to be reconstructed during underwriting.

ADAPTIVE REUSE AND HISTORIC REHABILITATION

Where the basis comes from	Existing buildings have poor envelope and obsolete mechanical systems, which produces very high eligible-cost ratios. Frequently the strongest case in the portfolio.
The advantage	Stacks with historic tax credits, new markets tax credits, and opportunity zone equity — and these are usually the deals with the hardest gap to fill. Missouri has both a deep historic building stock and an active historic tax credit environment.
The constraint	Multiple capital sources means multiple consents and a more complex closing calendar. Historic review may constrain envelope and window scope.
Most common failure	C-PACE raised after the tax credit structure is set, when it should have been in the stack from the beginning.

ACQUISITION WITH PLANNED CAPITAL IMPROVEMENTS

Where the basis comes from	The deferred capital plan on the asset you are buying — typically mechanical replacement, roof, envelope, and controls.
Conventional structure	You fund the capital plan with equity or a bridge facility, and it drags returns during the very period you are trying to stabilize.
C-PACE structure	The capital plan is financed over a term matched to the useful life of the improvements, the improvements raise NOI immediately, and your equity stays deployed toward acquisition rather than repairs.
The constraint	Time it at acquisition, when your lender is underwriting the asset anyway. Consent is materially easier inside the acquisition financing than after it.

COMPLETED OR IN-PROGRESS — THE RECAPITALIZATION CASE

The situation	You built it. You funded improvements with equity. That equity is now sitting in a completed asset instead of in your next deal.
What C-PACE does	Retroactive funding reimburses eligible costs within the lookback window, returning capital to you without a sale, without refinancing the senior loan, and without diluting your position.
The constraint	The window closes on its own, and lender consent on a funded mortgage is the harder conversation. Documentation must be reconstructed from the cost report.
Most common failure	Never asking. Developers systematically overlook this case. If you completed a project recently with meaningful mechanical or envelope scope, ask the question.

AT A GLANCE

Project type	Eligible-cost ratio	Consent difficulty	Sequence C-PACE at
Ground-up	Moderate — largest in dollars	Manageable if raised at term sheet	Predevelopment through term sheet
Adaptive reuse / historic	Highest	Manageable, but more parties	Before the tax credit structure is set
Acquisition with capital plan	High	Easiest — lender is underwriting anyway	At acquisition financing
Completed / in-progress	Varies with what was built	Hardest — mortgage already funded	Immediately — the window closes

Use with the *Retroactive Funding Screen* (MGBA-DEV-JA-05) for the fourth case and the *Capital Stack Comparison Worksheet* (MGBA-DEV-JA-03) for all four.

Markets set in motion. It all starts with collaboration.