**B8428-001 SOCIAL IMPACT REAL ESTATE INVESTING & DEVELOPMENT**

**Adjunct Professor Blair C. Smith**

**Spring 2021, B Term**

**Thursdays, 5:40-8:55pm**

**ALL VIRTUAL**

**COURSE DESCRIPTION**

This course will explore what are, and how to develop and invest in, “social impact” real estate projects. How do we define what constitutes “social impact” with respect to real estate projects? What are the financial building blocks and sources of capital available for developers and investors to utilize when putting together deals?

Using examples of real deals, and focusing on U.S. urban markets, students will work through the challenges and opportunities of financing various types of projects, including: affordable and mixed-income housing, mixed-use, neighborhood retail, community facilities. Students will be exposed to a variety of financial tools (LIHTCs, tax-exempt bonds, NMTCs, etc.) and public sector programs that are necessary to make social impact projects feasible while also being asked to gauge whether the risk-adjusted returns warrant “doing the deal”.

In addition, the course will explore the following questions: who are the players in the “social impact” real estate space? Who are the capital providers in both the public and private sectors? Who are the developers? Can you make money being a socially responsible developer? What role do non-profits play?

Speakers will include: for-profit and non-profit developers, fund managers, government officials and financial institutions.

**REQUIRED PREREQUISITES AND CONNECTION TO THE CORE (For Electives)**

Real Estate Finance (B8331) is not a prerequisite but strongly recommended. Students who have not taken Real Estate Finance or lack demonstrable professional experience are strongly encouraged to attend a 3-hour real estate finance “bootcamp” session – date and time TBD.

The learning in this course will utilize, build on and extend concepts covered in the following core courses:

|  |  |
| --- | --- |
| **Core Course** | **Connection with Core** |
| Corporate Finance | 1. Time value of money 2. Opportunity cost of capital 3. Risk |
| Decision Models | 1. Sensitivity Analysis |
| Strategy Formulation | 1. Creation of value vs. value capture 2. Trade-offs |
| Global Economic Environment | 1. Inflation and the business cycle 2. Fiscal policy 3. Role of financial markets in the economy |

Students will be expected to have mastered these concepts and be able to apply them in the course.

**REQUIRED COURSE MATERIALS**

The following book contains several required readings for the course and can be downloaded digitally in full at the website link, below:

Eds. N.O. Andrews and D.J. Erickson, Investing in What Works for America’s Communities.  San Francisco: Federal Reserve Bank of San Francisco and Low Income Investment Fund.

<http://www.whatworksforamerica.org/the-book/>

All other advance reading materials will be posted on Canvas.

**CLASSROOM NORMS AND EXPECTATIONS**

Class Attendance and Participation:

Class attendance *and* participation are essential to benefit from the experienced professionals who have agreed to participate in your education and develop an on-going relationship with your classmates. I expect everyone to show up for every class, and if there is some plausible reason for not attending, please inform me and the TA ahead of the class.

**ASSIGNMENTS**

Assignment 1: Type A (max 2 people/group)

Assignment 2: Type B

Assignment 3: Type C

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Type*** | ***Designation*** | ***Discussion of concepts*** | ***Preparation of submission*** | ***Grade*** |
| A | group / group | Permitted with designated group | By the group | Same for each member of the group |
| B | group / individual | Permitted | Individually  (No sharing of any portion of the submission) | Individual |
| C | individual / individual | None of any kind | Individually | Individual |

**METHOD OF EVALUATION**

Final grades will reflect grades received in the three (3) Assignments and class participation. There will be no midterm or final examination for this course.

|  |  |  |
| --- | --- | --- |
| Class Preparation and Participation | | 50% |
| Assignment #1 | | 10% |
| Assignment #2 | | 10% |
| Final Paper | 30% | |

**CONTACTING PROFESSOR SMITH**

Office Hours: By appointment [bcs2148@columbia.edu](mailto:bcs2148@columbia.edu)

**TEACHING ASSISTANT:**

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