SOCIAL IMPACT REAL ESTATE
Spring 2019 (B term)

Class Sessions: Thursdays
9:00am-12:15pm; Warren 207

Communications:
Communications about the course will take place through Canvas. Students should make sure they regularly check for announcements and messaging notifications. Please copy TA on all messages to Professor.

Classroom Norms & Expectations:
Class attendance and participation are essential to benefit from the experienced professionals who have agreed to participate in your education and develop an ongoing relationship with your classmates. I expect everyone to show up for every class. If there is a plausible reason for not attending, please inform me and the TA at least 24 hours before class.

Grading:

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<tbody>
<tr>
<td>Class Attendance &amp; Participation</td>
<td>30%</td>
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<td>Team Presentation &amp; Debate</td>
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<td>Final Project</td>
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Final Project:
Final project topics will be distributed midway through the course.
*All readings available either on Canvas or via link below; speakers subject to change as semester progresses*

**Module 1: Course Overview & Fundamentals of Social Impact Real Estate (March 26)**

**Part 1: Introduction to Course**
- Course overview
- What are community needs and how can real estate projects address them?
- What is “social impact investing”?
- What is the “financing gap”?
- Who are the capital providers: Banks, pension funds, private equity, CDFIs, mission-driven capital, “Impact Investors”?
- Key concepts:

**Part 2: Guest Speaker**
- **Margaret Anadu** (Managing Director & Head of Goldman Sachs Urban Investment Group)
- Key questions:
  - How does Goldman Sachs approach social impact investing?
  - What is the capital's motivation? How does it measure “return”?
  - Can $233M help transform South Baltimore?

**Readings to be completed before class:**
- **Urban Revitalization & Impact Investing** – by Council of Development Finance Agencies
- **Intro to LIHTC** – by Enterprise Community
- **Affordable Housing and Low-Income Tax Credits in the United States** – by HBS
- **Housing Policy Debate: The Low-Income Housing Tax Credit as an Aid to Housing Finance: How Well has it Worked?** – by Fannie Mae Foundation
- Goldman Sachs Explains Why It Invested $233 Million in Port Covington -

**Module 2: Stuyvesant Town (April 2)**

**Part 1:**
- Group Presentations / Debate
  - When it comes to neighborhood-defining housing developments, should we let the market take its course, or should the government intervene to preserve affordable housing?
- Discussion on Stuyvesant Town
- Key concepts:
  - Rent control, rent stabilization, the “affordability gap”.
Part 2: Guest Speaker

- **Nadeem Meghji** (Senior Managing Director and Head of Real Estate Americas, Blackstone)
- **Dan Garodnick** (President/CEO of Riverside Park Conservancy; former NYC Councilmember)

Readings to be completed before class:

- 1943 NYT article on original Stuyvesant Town project, racial bias - [https://timesmachine.nytimes.com/timesmachine/1943/06/04/85105849.pdf](https://timesmachine.nytimes.com/timesmachine/1943/06/04/85105849.pdf)
- Blackstone Deal overview - [https://www.nytimes.com/2015/10/22/nyregion/residents-exhale-after-stuyvesant-town-is-sold.html?_r=0](https://www.nytimes.com/2015/10/22/nyregion/residents-exhale-after-stuyvesant-town-is-sold.html?_r=0)

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Module 3: Reviving Newark, NJ (April 9)

Part 1:

- Group Presentations / Debate
  - Will Opportunity Zones be the incentive to finally catalyze the resurgence of Newark and other communities, or are they a giveaway to developers who would be investing there anyway?
- Discussion on Newark
- Key concepts:
  - Public-private partnerships, urban placemaking, Opportunity Zones, adaptive reuse, historical landmark preservation.

Part 2: Guest Speaker

- **Ron Moelis** (CEO and Co-Founder, L+M Development Partners)

Readings to be completed before class:

- **Meshing Public and Private Roles in the Development Process** – by Lynne Sagalyn
- **Catalyst for Change: the FHTC** – by the National Trust for Historical Preservation
- **The Adaptive Reuse Toolkit** – by Matteo Robiglio
• **Opportunity Zone White Paper** – by Duval & Stachenfeld LLP
• Interview with Ron Moelis - [https://commercialobserver.com/2015/07/home-ron-lm-ceo-ron-moelis-is-having-his-moment/](https://commercialobserver.com/2015/07/home-ron-lm-ceo-ron-moelis-is-having-his-moment/)
• As States Pick ‘Opportunity Zones’ for Tax Breaks, a Debate Over Who Benefits - [https://www.wsj.com/articles/will-new-tax-incentives-for-poor-communities-work-some-are-skeptical-1521547201](https://www.wsj.com/articles/will-new-tax-incentives-for-poor-communities-work-some-are-skeptical-1521547201)

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### Module 4: Essex Crossing (April 16)

**Part 1:**

- Group Presentations / Debate
  - Does the development of Essex Crossing (and similar projects) portend unacceptable displacement of local residents, or is it a job-creating boon for the Lower East Side?
- Discussion on Bedford Union Armory
- Key concepts
  - Mixed-use structures, ground-up development, joint ventures, gentrification and community stakeholders.

**Part 2:**

- **Charlie Bendit** (Co-CEO, Taconic Investment Partners)
- **Chris Balestra** (CIO, Taconic Investment Partners)

Readings to be completed before class:

- **Financing for Mixed Use/Planned Development Projects** – by David Jones
- **Holistic Place-Based Investments** - by Nancy Andrews and Dan Rinzler

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### Module 5: Urban Industry: Brooklyn Navy Yard, Brooklyn Army Terminal, Industry City (April 23)

**Part 1:**

- Group Presentations / Debate
  - Does the success of Industry City prove that the private sector is capable of revitalizing urban manufacturing itself, or should public authorities retain ownership of the redevelopment of industrial properties?
- Discussion on Brooklyn Navy Yard, Brooklyn Army Terminal, Industry City
- Key concepts:
  - Urban manufacturing, zoning and land use issues, economic development corporations, cooperatives.
Part 2: Guest Speaker

- **Andrew Kimball** (CEO, Industry City; former CEO, Brooklyn Navy Yard)

Readings to be completed before class:

- **Army Terminal**
- **Navy Yard**
  - 2010 piece on historical preservation: [https://www.nytimes.com/2010/05/16/realestate/16row.html](https://www.nytimes.com/2010/05/16/realestate/16row.html)
- **Industry City**
- **NYC ZoLa – Zoning & Land Use Map**
  - [https://zola.planning.nyc.gov/about?layer-groups=%5B%22building-footprints%22%2C%22commercial-overlays%22%2C%22street-centerlines%22%2C%22subway%22%2C%22tax-lots%22%2C%22zoning-districts%22%5D#9.72/40.7125/-73.733](https://zola.planning.nyc.gov/about?layer-groups=%5B%22building-footprints%22%2C%22commercial-overlays%22%2C%22street-centerlines%22%2C%22subway%22%2C%22tax-lots%22%2C%22zoning-districts%22%5D#9.72/40.7125/-73.733)

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**Module 6: Amazon (April 30)**

Part 1:

- **Group Presentations / Debate**
  - Was the deal for Amazon HQ2 good for Long Island City and NYC at large, or is NYC better off without it?
- **Discussion on Amazon Deal**
- **Key concepts:**
  - Corporate tax incentives, transit-oriented development, union negotiations.

Part 2:

- **Tying course themes together**
• Discussion of final project topics

Readings to be completed before class:

• **Transit-Oriented Development is Good Community Development** – by John Robert Smith and Allison Brooks (*in* “What Works”)

• **Documents**
  o Amazon HQ2 RFP
  o NYC HQ2 Submission

• **Timeline**
  o Initial HQ2 announcement
  o Ranking chances of success
  o HQ2 Short List
    https://www.brookings.edu/research/amazon-hq2-how-did-we-get-here-what-comes-next/
  o Selection
  o Amazon pulls out of deal
    https://www.nytimes.com/2019/02/14/nyregion/amazon-hq2-queens.html

• **Opinion**
  o Nov ’18 – Amazon’s HQ2 Spectacle Isn’t Just Shameful – It Should Be Illegal
  o Dec ’18 – What Critics Get Wrong About Amazon’s HQ2:
  o Feb ’19 – New York Needs Amazon:
    https://www.nytimes.com/2019/02/12/opinion/amazon-hq2-new-york.html
  o Feb ’19 - A Better Way to Attract Amazon’s Jobs:
    https://www.nytimes.com/2019/02/16/opinion/amazon-new-york.html