

## **Public Private Partnerships: Financing Equitable Development - URP 610 - Fall Semester 2018**

Taubman College of Architecture and Urban Planning, 200 Bonisteel Drive, Room 2222, Ann Arbor, MI  
Wednesdays, 6 - 9 pm

Instructor: **Marc Norman**, Associate Professor of Practice, Urban Planning

(917) 647-8944 / Office – Taubman room 3106

e-mail - [marcdn@umich.edu](mailto:marcdn@umich.edu) / Office hours Wednesday 4-5:30pm or by appointment.

This course examines the mechanisms through which real estate is developed in the United States. Through lectures, readings, a field trip, and guest speakers, the course analyzes the interaction of public agencies, developers, and designers in the initiation, financing, and design of developments. Case studies drawn from a variety of locations throughout the U.S. in addition to the region provide concrete demonstrations of how buildings emerge through negotiation among these various parties. By analyzing the structure of existing developments and generating their own development proposals, students will develop the skills to participate effectively within the complex ecology of powers and agendas governing real estate development, design, policy and finance.

The Course counts toward the Real Estate Certificate as part of either, “Real Estate Finance and Investment, or Design & Implementation. It is a 3-credit course

The course addresses the following topics:

Development fundamentals: Theoretical and historical analysis of how markets interact with regulatory systems such as zoning, land use regulation, building codes, tax codes, and government approval processes.

Evaluating economic feasibility: Analysis of developers’ spreadsheets and decision-making process as proposals interact with lenders, governmental agencies, and other stakeholders in the development process.

Structuring developments: Training in how to evaluate risk, structure financing, balance subsidized with market-rate housing and sales with rentals, pricing and marketing units, and the balance of private and public interests.

Negotiating and presenting proposals: Practice in understanding the roles of the players in development, striking balances between private goals and public purposes, and working collaboratively through negotiation.

Assignments include a site planning exercise, a short written assignment, Excel-based financial feasibility analyses, and a final assignment in which student teams structure and present a development proposal. Grading will be based on these assignments as well as class participation.

Class Participation 10%, Written Assignment(s) 30%, in class exercises and quizzes 20%, and Final Presentation 40%

**Architecture collaboration:** This course will be affiliated with ARCH 409/509: The Architecture of Development. This course is designed to expose architecture students to the major perspectives represented during the real estate development process. With a special focus on urban development, students will examine how the following stakeholder groups interact with one another in a series of different project scenarios. Students in URP 610 will be teamed up with architecture students to incorporate design into policy, finance and real estate assignments.

**Textbook Required:** Successful Public/Private Partnerships: From Principles To Practices

Edited By Stephen B. Friedman - ISBN: 978-0-87420-378-3 © 2016 by the Urban Land Institute

Download: <https://uli.org/wp-content/uploads/ULI-Documents/Successful-Public-Private-Partnerships.pdf>

**Real Estate Development: Principles and Process**, Fifth Edition, Urban Land Institute, Miles, Berens, Weiss.

Available online at : <http://ebookcentral.proquest.com.proxy.lib.umich.edu/lib/umichigan/reader.action?docID=2120302>

**Asset Building & Community Development** FOURTH EDITION Gary Paul Green University of Wisconsin-Madison  
Anna Haines University of Wisconsin-Stevens Point:

Textbooks on reserve (optional):

**Planning and Community Development: A Guide for the 21st Century** Paperback

by Norman Tyler (Author) , Robert M. Ward (Author)

Paperback: 276 pages, Publisher: W. W. Norton & Company (December 13, 2010)

ISBN-10: 0393732924

**A Country of Cities**, Vishaan Chakrabarti, Publisher: Metropolis Books (May 30, 2013), ISBN-10: 1935202170

ISBN-13: 978-1935202172

**Form Follows Finance**, Carol Willis, ISBN-13:9781568980447, Publisher: Princeton Architectural Press  
07/03/2008

**The Rise Of The Community Builders : by Weiss, Marc A. (Marc Allan) Call number: HD257 .W461 1987**

**Investment analysis for real estate decisions / by Greer, Gaylon E. Call number: HD 1382.5 .G82 1992**

**One Mile Radius : by Deutschmann, Mark, Advantage Media Group (September 26, 2017), ISBN-10: 1599325365**

**Building equitable cities : by Bowdler, Janis, Urban Land Institute; None edition (January 1, 2018), ISBN-10: 0874204119**

Readings will also be distributed throughout the semester.

Grading:

‘A’ Excellent work

Work reflects outstanding achievement in both content and execution, and far exceeds the given requirements.

‘B’ Good work

Work reflects high achievement in both content and execution, and excels beyond the given requirements.

‘C’ Adequate work

Work fulfills the given requirements.

‘D’ Poor work

Work is less than satisfactory and minimally or incompletely fulfills requirements.

‘E’ Inadequate work

Work fulfills few if any of the requirements.

‘I’ Incomplete work - This grade is only available due to health reasons or other emergency situations.

Students are expected to be extremely rigorous crediting authorship of sources including photographs, maps, diagrams, etc., from all sources including publications, colleagues or previous course work (see note below).

Important note on Plagiarism (approved by Faculty 2/16/2005) Plagiarism is knowingly presenting another person’s ideas, findings, images or written work as one’s own by copying or reproducing without acknowledgment of the sources. It is intellectual theft that violates basic academic standards. In order to uphold an equal evaluation for all work submitted cases of plagiarism will be reviewed by the individual faculty member and/or the Program Chair. Punitive measures will range from failure of an assignment to expulsion from the University.

If you think you need an accommodation for a disability, please let me know at your earliest convenience. Some aspects of this course, the assignments, the in-class activities, and the way the course is usually taught may be modified to facilitate your participation and progress. As soon as you make me aware of your needs, we can work with the Services for Students with Disabilities (SSD) office to help us determine appropriate academic accommodations. SSD (734-763-3000; <http://ssd.umich.edu>) typically recommends accommodations through a Verified Individualized Services and Accommodations (VISA) form. Any information you provide is private and confidential and will be treated as such.

Statement on Diversity, Equity, and Inclusion

Taubman College affirms the principles of diversity, equity, and inclusion as we organize resources and priorities that align with our values. We seek to have a diverse group of persons at all levels of the college - students, faculty, staff and administrators - including persons of different race and ethnicity, national origin, gender and gender expression, socioeconomic status, sexual orientation, religious commitment, age, and disability status. We strive to create a community of mutual respect and trust, a community in which all persons and their respective backgrounds, identities, and views are allowed to be made visible and communicated without the threat of bias, harassment, intimidation, or discrimination.

Other important Policies at Taubman can be consulted at:

[http://taubmancollege.umich.edu/students/academic\\_policies/non-rackham/courses/](http://taubmancollege.umich.edu/students/academic_policies/non-rackham/courses/)

[http://taubmancollege.umich.edu/students/academic\\_policies/general/](http://taubmancollege.umich.edu/students/academic_policies/general/)

Development Fundamentals

|                                 |  |
|---------------------------------|--|
| <p>Class 1<br/>September 5</p>  | <p><b>Overview of Course – What are the Problems to solve?</b></p> <p><i>Concepts include:</i><br/> <i>Development defined. The methods and techniques specific to Public Private development</i><br/> <i>The players involved,</i><br/> <i>Tools for development, finance and Policy</i><br/> <i>Constraints for Developers, architects, policy makers, investors and planners.</i><br/> <i>Assignments and readings will be outlined</i></p> <p><i>Outline of Collaborations of past collaborations with Detroit Planning and Development.</i></p> <p><i>Outline of Collaboration with Taubman School of Architecture and Urban Planning ARCH 409/509 course.</i></p>  |
| <p>Class 2<br/>September 12</p> | <p><b>Historical Background: Redevelopment, Urban Renewal and Incentivizing Growth</b></p> <p><i>Concepts include:</i><br/> <i>Initiatives to alter the urban environment through various means and through history</i></p> <p><i>Case Study – Stuyvesant Town past, present and future contrasted with Starrett City and New Domino.</i></p> <p><i>Excel Workshop – Review development fundamentals, build spreadsheets for understanding and evaluating developments.</i></p> <p><u>Readings:</u><br/> <b><u>The Oxford Handbook of Public Policy: Chapter 24 – Public/Private Collaboration p. 496-525</u></b><br/> <b>Rise of the Community Builders</b> pages 31-37, 141-158<br/>         Joel Schwartz, <b>The New York Approach</b> (Columbus: Ohio State UP, 1993): Ch. 4, “Stuyvesant Town,” 84-107.</p> <p><i>Concepts include:</i><br/>         Eminent Domain, Urban Renewal, Rent Regulation, Multi-Actor Development Concepts and Practices, Government Supported Enterprises (GSEs)</p> <p>Assignment #1 – Speculating on development sites and formulating strategies for feasible development concepts.</p> |
| <p>Class 4<br/>September 19</p> | <p><b>Can Data and the Right Partners Save our cities? It’s Political</b></p>  |

|  |   |
|--|---|
|  | <p>Market Analysis – Using demographics to gauge market demand, project feasibility, development type, etc..</p> <p>Case studies – Making Room Competition and Micro Unit Development<br/>Assignment: Site Planning and analysis – students will be given information on a specific lot to develop ideas about the site.</p> <p>Market analysis<br/>Area median income<br/>Feasibility<br/>Development Trends<br/>Land Trusts/Land Banks<br/>Financing, regulatory and Policy options</p> <p>Readings: <a href="http://www1.nyc.gov/site/hpd/developers/adapt-nyc-rfp.page">http://www1.nyc.gov/site/hpd/developers/adapt-nyc-rfp.page</a> .<br/>Assignment – Collaboration with ARCH 409/509 on design and development</p> <p>Design and Development in the Detroit Context – Potential Field Trip to developments in Detroit and discussions with Taubman Architecture students and professors developing housing proposals for a variety of neighborhoods<br/>Readings: TBD<br/>Guest Speaker: Guest Speaker: Kimberly Dowdell, Partner, Century Partners</p> <p>Assignment #1 due and student presentations</p> |
|--|---|

|                                 |  |
|---------------------------------|--|
| <p>Class 3<br/>September 26</p> | <p><b>The Battle between Returns and A how to define a Healthy City</b></p> <p>Excel Workshop with overview of real estate terms and development parameters.<br/>Assignment: Development Analysis assignment #1. Determination of feasibility for home, rental and office sites. Teams will formulate scenarios for getting to feasibility</p> <p><i>Private sector vs. public sector initiatives- Reading and Responding to RFPs<br/>Planning processes<br/>Affordable Housing /Economic Development<br/>Concepts include:<br/>The RFP process<br/>Involving private developers to further public purposes.<br/>Financial return and feasibility.<br/>Mixed income / Mixed Use development<br/>Closing the Deal</i></p> <p><i>Case Study – Future Proofing Form based Code</i></p> <p><u>Readings:</u><br/>Successful Public/Private Partnerships: From Principles To Practices, ULI<br/>Textbook Part V, Chapters 13 and 15 (Roles of the Public Sector / Affordable Housing)<br/>Friendship Court Master Planning document</p> <p><i>Concepts include:<br/>Underwriting assumptions,<br/>Sources and Uses,<br/>Equity, Returns, operations<br/>Amortization and debt service,<br/>income and expense projections,<br/>Balancing social goals<br/>Addressing policy shortcomings</i></p> |
|---------------------------------|--|

|   |   |
|---|---|
|   | Guest Speakers: India Solomon, Julio Cedano, Eric Tuomey  |
| Class 5<br>October 3<br>Kim Dowdell to<br>Lead class                      | <p><b>Fixing past mistakes, Reforming and Reusing Land, Leveraging opportunities</b></p> <p>Case Studies: Public Place (Gowanus), Rust Belt Futures, New Orleans Future Ground</p> <p>Readings: Underwriting Icicles and Leveraging Sidewalks, Public Place RFP<br/>New Housing Marketplace report – NYC 5 year housing plan<br/><a href="http://www1.nyc.gov/assets/housing/downloads/pdf/housing_plan_hires.pdf">http://www1.nyc.gov/assets/housing/downloads/pdf/housing_plan_hires.pdf</a></p> <p>Concepts: Brownfields, Infrastructure, Tax Credits and Abatements, PACE financing, mixed income, mixed use housing and RFPs.</p> <p>Assignment #2 – Policy and Financing mechanisms for incentivizing development (Teams will investigate current mechanisms and present policies, parameters and examples for a range of programs.</p>                         |
| Class 6<br>October 10   | <p>Presentations of Assignment #2.</p> <p>Group Assignment #3 revealed and Field Trip – Balancing housing, parking and economic development in the city of Ann Arbor.</p> <p>Developers and government officials will detail dilemmas and opportunities facing the city of Ann Arbor. Student teams will select sites and investigate financing options for balancing a range of community needs.</p> <p>Speakers: Jennifer Hall, Paul Fountaine, Susan Pollay of A2DDA</p> <p>Note that an optional reception and mixer with development and policy professionals will take place in Detroit on Thursday, October 11. All students in the course are invited. Information to follow.</p>   |
| Class 7<br>October 17<br>Marc Norman<br>to include Kim<br>Dowdell’s class | <p><b>Solving Problems, Initiating Collaborations, Protecting Wins</b> - Case Study – Charlottesville Friendship Court, Gulfport Economic Incentives - Analyzing Value and Determining Feasibility – <i>Multi-dimensional, multiagency, mixed finance deals.</i></p> <p>Excel Workshop – Analysis for determining value with overview of real estate terms and development parameters.</p> <p>Negotiation Process<br/><i>Concepts include:</i><br/><i>Players, interests and issues, structuring the process, Linking back to the political context, community engagement, gentrification, NIMBYism</i></p> <p><u>Readings</u><br/><i>Fisher, Roger and William Ury, Getting to Yes, Houghton Mifflin 1981</i></p> <p><i>Concepts include:</i><br/>Assignment: Appraisal and Market analysis assignment, governmental intervention and Tax Exempt Bond Financing.</p> |
| Class 8<br>October 24   | <p><b>Urban Informatics / Finding value using valuation measures. Development interventions / enabling development in tough environments.</b></p> <p>-Mapping and spatial analysis of urban phenomena conducted with desktop or online GIS<br/>-Citizen interaction design and civic technologies for participation, and knowledge creation<br/>--Analysis and visualization of urban data from traditional and new sources, including administrative datasets, big data, social media, and others<br/>-Creation of open data and application financing mechanisms to facilitate analysis and unlock</p>  |

|  |  |
|--|--|
|  | <p>public value</p> <p>Presentations for Assignment #3 – Outside guests will review student work and comment on presentations culminating in a panel discussion on development and finance.</p>  |
| <p><b>The Anatomy of Real Estate Development Deals</b></p> |  |
| <p>Class 9<br/>October 31</p>                              | <p>Initiating Projects - This Class will build on the previous Class lectures with a real world example involving Low income housing tax credits and new markets tax credits. Through this example, class will focus on developing the skills to navigate developer investment proposals and understand concepts that drive feasibility.</p> <p>Contemporary: Public Investment Strategies: Catalysts for Private Investment - Public Agency as Developer –</p> <p>Case Study – New York City Housing Authority, New Methods for Regeneration</p> <p><i>Concepts include:</i><br/>Transfer of air rights, inclusionary zoning, mixed use development, governmental incentives. Other speakers to be determined.</p> <p><i>Direct and indirect subsidies</i><br/><i>Affordable housing initiatives</i><br/><i>Trends and Tried-and-True methods</i><br/><i>Qualified Allocation Plans</i><br/>Other programs for funding development:<br/>New Markets and Historic Tax Credits, Tax Incentives, National and State programs for housing and economic development.<br/>The roll of finance Public Sector Finance and Regulation – CRA, FHA, guarantees, Redevelopment Authorities, FNMA, Freddie Mac, GSEs</p> <p>Securitization This American Life podcast (The Giant Pool of Money)<br/><a href="http://www.thislife.org/Radio_Episode.aspx?episode=355">http://www.thislife.org/Radio_Episode.aspx?episode=355</a></p> <p><b>Assignment: Written and presented, teams will outline financing mechanisms used to promote growth, economic development, affordability, energy efficiency, preservation, social goals and special needs.</b></p> |
| <p>Class 10<br/>November 7</p>                             | <p><b>Designing Affordability</b> – National and international models for affordable and equitable development will be discussed and debated with a workshop to flesh out best practices and innovative models for housing design, development and provision.</p> <p>Case Studies – Designing Affordability Exhibition, Brooklyn Public Library, Hunter’s Point South<br/><i>Subsidy Layering</i><br/><i>Bond financing</i><br/><i>Tax abatement programs</i><br/><i>Strategic infrastructure investment</i><br/><i>International Models</i><br/><i>Design and Development as a mechanism for creating opportunity</i></p> <p><u>Readings :</u><br/>Textbook Part V, Chapter 15<br/>Empire State Development Corporation, “Tax Breaks for Business in Economic Development Zones.”<br/>The “80/20” Program, Excerpts from web site of New York State Housing Financing Agency.</p>   |

|                                 |   |
|---------------------------------|---|
|                                 | <p>New York City Independent Budget Office, "Learning from Experience: A Primer on Tax Increment Financing, September 2002.</p> <p>Susan Hobart and Robert Schwarz, Housing Credits: A Leading Financial Tool, <i>Urban Land</i>, November 1995.</p> <p>The Downtown Brooklyn Plan: Economic Perspective", 2004</p>   |
| <p>Class 11<br/>November 14</p> | <p><b>New Partnerships and New Initiatives and Harnessing Technology:</b> Potential Field trip / guest speakers TBD / Ford Foundation, Non profit Community Development Corporations and Community Development Financial Institutions.</p> <p>City form and the role of technology in transforming cities</p> <p>Case Studies: Facebook Catalyst Fund, Community Development Financial Institutions, Mission Related Investing.</p> |
| <p>November 21</p>              | <p>Thanksgiving Holiday - No Class Session</p>  |
| <p>Class 12<br/>November 28</p> | <p><b>Final Assignment is issued:</b> Introduction to final site and the players.</p> <p>Student teams will be paired with Architecture students to create joint proposals for structuring developments in the City of Detroit incorporating design, policy and finance.</p>  |
| <p>Class 13<br/>December 5</p>  | <p><b>Wrap up - the value and limitations of Public Private Partnerships.</b> Lessons learned from national and international projects. Check-ins on Final Presentation progress</p>  |
| <p>Class 14<br/>December 12</p> | <p><b>Final Presentations</b></p>   |