Course Overview

This course is structured to provide students an understanding of the urban development industry today. A practitioners approach will be utilized with leaders from the real estate industry and government being invited to present their experiences. Speakers with expertise in a broad range of fields surrounding urban development include urban developers, brownfield practitioners, affordable housing experts, elected officials, finance professionals, leaders in the green building arena, transportation planners, and market consultants.

PPA 251 is intended to be an elective course for Master's students in the PPA program, a required course for Master's students in the Urban Land Development program, an elective for students in other Master's programs. With permission from the instructor and a student’s undergraduate major advisor, it may also be used an undergraduate elective.

Objectives

- Provide students an understanding of the financial, social, and environmental aspects, challenges and opportunities associated with urban development. Financial feasibility will be factored into all aspects of this course.
- Expose students to leading practitioners from various disciplines.
- Present students topics related to infill developments, mixed-use, mixed-income projects.
- Promote open dialogue about the challenges and opportunities surrounding urban development.
Required Texts:


Optional Texts:


The University as Urban Developer, 2005, David C. Perry and Wim Wiewel, M.E. Sharpe, Inc. Available for purchase at CSUS bookstore or on web at Amazon.Com.

COURSE SCHEDULE – Subject to change

September 8 – First Day of Class

Urban Design and Planning

Guest Lecturer: Louis Kaufman – Kaufman Studio Architecture – Louis has worked as a designer for several noted Los Angeles architectural practices, including Skidmore, Owings and Merrill; Charles Kober and Associates; and Altoon + Porter Architects. Principal positions included Director of Design for Kawahara and Associates / Los Angeles; Managing Director for Altoon + Porter / Amsterdam; and Design Principal for Chong Partners / Sacramento, where he directed design until founding Kaufman Studio in 2006.

Topics Covered:

Introductions – Students career interests 1 hour

1. (15 minutes) Open discussion regarding the principal topics
   a. What is urban design? (what does urban mean? What does design mean?)
   b. What is the objective of urban design? (how is it measured?)
   c. Who controls urban design?

2. (40 minutes) Presentation regarding history of the city

3. (10 minutes) Break

4. (30 minutes) Presentation regarding history of urban design

5. (15 minutes) Presentation regarding history of Sacramento

6. (10 minutes) Break
7. Sacramento case studies
   a. Railyards
   b. West Sacramento Triangle
   c. Curtis Park railyards
   d. East End Capitol development
   e. Sacramento Convention Center
   f. Downtown Plaza shopping center – Photo Tour

8. (15 minutes) Open discussion regarding principal topics

Reading:

Option of Urbanism – Introduction

**September 15**

**Brownfield Development**

Guest Lecturer: **Ignacio Dayrit** - Ignacio is Project Manager for the City of Emeryville Redevelopment Agency and is responsible for the City's Brownfield Pilot Project. The City of Emeryville has redeveloped hundreds of acres of blighted, contaminated property and has received worldwide recognition, including an award from the King of Sweden.

1. Brownfields
   a. History
   b. Regulation
   c. Big picture – correlation with sustainable development
   d. State and Federal programs
   e. Basic Strategies

2. Topics – will be discussed as time allows
   a. Site assessment process
   b. Financing
   c. Liability and insurance
   d. Emeryville case studies
      i. Residential
      ii. Green infrastructure / open space
      iii. Mixed use
   e. Institutional controls
   f. Environmental Justice
   g. GIS-tracking

**Required Reading:**

The Option of Urbanism, Chapter 1 - Futurama and the 20th Century American Dream.  
The Option of Urbanism, Chapter 2 - The Rise of Drivable Sub-Urbia.

**Optional Reading:**
http://www.nemw.org/brownfields.htm#Reports  
http://www.brownfieldscenter.org/big/resources.shtml  
http://www.epa.gov/swerosps/bf/basic_info.htm

Brownfields Redevelopment, California Center for Land Recycling, March 2000, (online) Available  
www.cclr.org/pdfs/casestudies.pdf


Center for Creative Land Recycling: Special Report, 2008, (online) Available  
www.cc;r.org/pdfs/2008_newsletter.pdf

http://cclr.org/  
http://www.dtsc.ca.gov/SiteCleanup/Brownfields/index.cfm#CP_JUMP_13274  
http://www.waterboards.ca.gov/water_issues/programs/brownfields/  
http://www.treasurer.ca.gov/cpcfa/calreuse.asp  
http://www.michigan.gov/deq/0,1607,7-135-3311_4110--,00.html  
http://www.depweb.state.pa.us/ocrlgs/cwp/view.asp?a=1459&Q=517261&ocrlgsNav=|38248|&landrecwasteNav =|30789|

Prepare to answer these questions in class:
- Compared to a greenfield - previously undeveloped land (i.e., open space, forest or agricultural land) - what are the extra steps, if any, in developing a brownfields site? 
- As a developer, given the choice, would you prefer to develop a greenfield or a brownfield? 
- Discuss comparable environmental impacts of developing greenfields and brownfields.

**September 22 – Class will be held at 1801 L Street**  Meet at the community room of  
1801 L (in the courtyard - behind L Wine Lounge) and later we'll tour two projects (1801 L & L Street Lofts).

**Project Feasibility**

Guest Lecturer: Sotiris Kolokotronis - Sotiris is founder and owner of SKK Developments, a real estate firm that specializes in mixed-use, multi-family and land development projects. His projects have won him great acclaim and he is considered one of the region’s most innovative builders.

Guest Lecturer: Ryan Fong – Ryan is the owner and founder of River Rock Development Company, a real estate development company that specializes in managing the acquisition, entitlement, financing, development and disposition of master planned communities in the Sacramento region. Ryan has been a real estate developer in Sacramento since 1987 and has been the project manager for the
development of a number of master-planned communities in the Sacramento region including Laguna West and Stonelake.

Required Reading:

http://harvardbusinessonline.hbsp.harvard.edu/relay.jsp?name=itemdetail&id=804021

The Option of Urbanism, Chapter, Chapter 3 - The Standard Real Estate Product Types: Why every place looks like every place else.

The Option of Urbanism, Chapter, Chapter 4 - Consequences of Drivable Sub-Urban Growth.

Two Page Paper – Since the assigned reading is designed to create a case for class discussion, you may have difficulty determining your approach to the weekly paper. If you are struggling with an approach, you may choose and write about one of the questions below:

1) Discuss how you would approach making an investment decision on the Harvard Business School case study “Waltz on the Danube.” If you were Philip von Wilmowsky, what are the critical issues and decisions you must make.

2) If you were the city manager of Gyor and you were about to write a staff report for the council, what areas do you think are important to address to assist the city council in making a decision about the Roba site. What are the critical decisions you must make when formulating your recommendation.

September 29

Demographics and Market

Guest Lecturer: Tim Cornwall – The Concord Group

The Concord Group is a real estate consultancy that specializes in market, economic, consumer and demographic research. The following topics will be discussed in class.

- Land use programming and phasing
- Product segmentation, positioning and pricing strategy
- Market and economic research
- Financial optimization analysis
- Comprehensive marketing strategy
- Consumer research and focus groups
- Demographic and lifestyle trend forecasting
I. Introduction – The Concord Group (15mins)
a. Who we are and what we do (brief introduction)
b. Where we fit in development process
   i. Client types
      1. Developers
      2. Builders
      3. Financial Institutions
      4. Public Agencies
   ii. Practice areas (shown via powerpoint and class discussion – demonstrate interconnectivity)
      1. Market Feasibility Analysis
      2. Land use programming
      3. Economic Research
      4. Financial Analysis
      5. Demographic and lifestyle trending
      6. Consumer Research
   iii. Project types and variation in location
      1. Urban
      2. Suburban
      3. Exurban
c. Typical Scope of Work or Approach – Class discussion. What do we need to know?
   i. Supply Side Analysis
   ii. Demand Side Analysis
   iii. Site Characteristics

II. What Drives Urban Development? (15 mins)
a. Class discussion
b. Graphed survey results from our recent consumer research – what actual consumers look for and value
c. Appropriate Product Types
d. Transit
e. Employment
f. Mixed-Use Environment
   i. Product types and uses
g. Retail
   i. What works and what doesn’t

III. State of Affairs (15mins)
a. Urban Housing Outlook – Supply Side
   i. Maps and Graphs (pulling together powerpoint slides from recent body of work)
   ii. Including:
      1. Attached Home Sales as % of Total – Various Geographies
      2. TH/Condo/SFD prices
      3. Where do attached prices come close to SFD?
      4. Premiums paid to live in urban environments
         a. Nominal and as % of income
      5. Growth versus Permits
      6. Home Sales by Density
      7. Geographic Home Sales by Decade
8. Consequences of Decreasing Affordability in City Center (yearly progression of 50% affordable ring)

IV. How Do We React, How Do We Plan? (15mins)
a. Composition and Drivers of Demand. Class Discussion
   i. HH Growth
      1. ##s and %
   ii. Economics
      1. Long Term Jobs and Building Permits Ratios
   iii. Buyer Profiles
      1. Who’s in the market? Class Discussion
         a. What are key issues facing each?
            i. What about 10 years ago
            ii. 10 years from now?
   2. PRIZM categories
   a. FIND YOU!

V. Break (10 mins)
VI. Case Studies of Land Use Programming, Phasing, Mix, Positioning, etc. (30 mins)
a. Pearl District - Portland
b. Santana Row – San Jose
c. Mizner Park – Florida
d. Atlantic Station – Atlanta
e. Transbay District – San Francisco
f. Mission Bay – San Francisco
g. Etc....

VII. Break (5 mins)
VIII. Interactive Session (60 mins)
a. 5 Groups of 4
b. Actual development scenario
   i. Greenfield in Orange County, California
   ii. Demand side data
   iii. Supply side data
   iv. Site requirements
   v. Financial implications
d. Groups come up with land use mix

VII. Interactive Session Open Discussion
VIII. Questions and Closing

Required Reading:
The Option of Urbanism, Chapter 5 - The Market Rediscovers Walkable Urbanism.
The Option of Urbanism, Chapter 6 - Defining Walkable Urbanism; Why more is better.

Optional Reading:
October 6

Financing Urban Development – Capital Markets

Guest Lecturer: **Mike DiRe** – Mike runs the Real Estate program for the California State Teachers Retirement System. CalSTRS is one of the largest pensions funds in the world.

Guest Lecturer: **Don Kuemmeler** - Don is one of Pacific Coast Capital Partners’ (PCCP) founding partners. PCCP has invested over $6 billion in debt and equity transactions in the western United States over the past 10 years, becoming one of the leading real estate finance firms in the region.

Guest Lecturer: **Roger Krage** – Roger is a Principal of Gerding Edlen. Gerding Edlen is one of the Nation’s most sustainable urban developers and a leader in green building. At Gerding Edlen, he’s responsible for all aspects of obtaining construction and permanent financing. His duties include assistance in sourcing, securing and documenting capital structures (including debt and equity), as well as coordinating contracts among attorneys and clients.

**Mike DiRe** - Fund Perspective
Big picture perspective on regional, national and global capital markets
Running a public real estate fund
Asset allocation strategies
Social and environmental equity initiatives if applicable

**Don Kuemmeler** - Advisor Perspective
Deal Structuring
Project Sourcing
Fund advising

**Roger Krage** - Developer Perspective
Topic: Is Green $ Chasing Green?
GED Overview

1. Green Imperatives:
   a. environment
   b. market/tenant demands
   c. capital sourcing
   d. profit/value add/risk management

2. Risk Management/Capital Attraction

3. Is Green chasing Green?
   a. It is starting too.
   b. RPIC identification of 45 “green” oriented capital suppliers
   c. GED’s experience in very tight credit market

4. The future
Required Reading:


The Option of Urbanism, Chapter 7 - Unintended Consequences of Walkable Urbanism.

The Option of Urbanism, Chapter 8 - Achieving the Next American Dream: Leveling the playing field and implementing walkable urbanism.

Optional Reading:

CalPERS: Strategic Plan for Real Estate which was presented by PCA at the August 2007 CalPERS Investment Committee meeting http://www.calpers.ca.gov/eip-docs/about/board-cal-agenda/agendas/invest/200709/item05a-01.pdf


Two Page Paper: Back to the Future: The Need for Patient Equity in Real Estate Development Finance, by Christopher Leinberger is a well written primer for our Financing Urban Developments class session. Though it is making a case for patient equity, please do not focus all your attention on the patient equity component, rather use it as a resource to answer the question below:

How would you approach securing financing to develop a new mixed use project in an urban market?

October 13

Urban Development Strategies

Guest Lecturer: Michael Picker – Michael served in top staff and advisory positions for several California elected leaders, Michael knows his way around government and elections. That political expertise has made for success in environmental, development, community, and labor issue initiatives throughout California and the west.

"Place Marketing:" Creating communities involves more than effective design and construction of built spaces. It usually calls for successfully -- and sustainably -- fostering and promoting the idea of a community or a "place." Michael Picker, the guest lecturer, will talk about several effective place marketing efforts, including downtown and Midtown Sacramento, Arroyo Seco in Pasadena and a new project in Sutter County.

Required Reading:

Growing Cooler, Chapter 1 – Overview.
October 20

Green Building

Guest Lecturer: Dennis Wilde - Dennis is a principal at Gerding Edlen, a progressive commercial real estate developer. Gerding Edlen in 2007 became the first development company to aim for the Living Building level in several of its new developments. Gerding Edlen has further committed to having all of it’s projects produce more energy than they consume and consume more waste than they produce by 2012. Dennis is one of the most sought after speaker in the Nation on the subject of Green Building.

Required Reading:
Growing Cooler, Chapter 3 - VMT/CO2/Climate Connection.
Growing Cooler, Chapter 4 - The Urban Environment/VMT Connection.

Suggested Readings:

October 27

Public Policies to Promote Sustainable Development

Guest Lecturer: Dave Jones (D-Sacramento) represents the 9th District in the California State Assembly. His Assembly Bill 1233 was called the ‘most import housing bill of the year’ by affordable housing advocates and his landmark conservatorship reform bill (AB 1363) was one of the most significant bills of 2006. In 2006, Capitol Weekly named Assemblymember Jones the “most effective legislator” other than the Speaker of the Assembly and the Senate President Pro Tem.

Required Reading:
Growing Cooler, Chapter 5 - Environmental Determination versus Self Selection.
Growing Cooler, Chapter 6 - Induced Traffic and Induced Development.

November 3

Inclusionary Housing

Guest Lecturer: Cleve Livingston - Cleve is a founding partner of Boyden, Cooliris, Livingston & Saxe, P.C. Cleve specializes in Land Use, Environmental, Real Estate, Housing and Energy Law. His law experience includes service as General Counsel to the California Department of Housing and Community Development. Cleve is the author or co-author of the following publications: "Growth Controls, State Housing Regulations, and the New Federal Program Requirements," Can We Afford Local Growth
Controls?, Institute of Government Affairs, University of California at Davis, 1977; The California Housing Element Manual, California Department of Housing and Community Development, 1978; The Fair Share Planning Manual, California Department of Housing and Community Development, 1978 Cleve was a member of the 1968 and 1972 Olympic Teams (silver medallist) and served for many years on the United States Men's Olympic Rowing Committee.

Required Reading:

Growing Cooler, Chapter 7 - The Residential Sector.
Growing Cooler, Chapter 8 - The Combined Effect of Compact Development, Transportation Investments, and Road Pricing.

The New Politics of Affordable Housing, Robert E. Lang and Katrin B. Anacker, Metropolitan Institute at Virginia Tech, Volume 19 Issue 2, (online) Available

November 10

Transportation Planning Issues

Guest Lecturer: Mike McKeever - Mike has been at SACOG since 2001, first as Blueprint Project Manager and since 2004 as Executive Director. Over his 30-year career specializing in the field of sustainable, multi-jurisdictional planning, he has owned and managed two private businesses in Portland, Oregon and been instrumental in developing cutting-edge planning techniques to integrate land use, transportation planning and air quality planning.

Required Reading:

Growing Cooler, Chapter 9 - Policy and Program Recommendations.
Growing Cooler, Chapter 10 - Conclusion.

November 17

Entitlement Challenges

Guest Lecturer: Tina Thomas – Tina is a founding partner of Remy, Thomas, Moose and Manley LLP that is a law partnership focusing on land use and environmental law since 1982. Tina began her legal career as a student intern with the Environmental Unit of the California Attorney General's office. Tina and Norman Hill of the Department of Water Resources co-authored chapters on the California Environmental Quality Act, the National Environmental Policy Act and other environmental controls for publication in Longtin's California Land Use by James Longtin. Michael Remy and Tina co-authored a textbook entitled "Environmental Law: A Compilation of Cases."
November 24

Campus as an Urban Development

December 1

Students Choice of Topics (possible choices include Urban Bike Culture, Marketing Urban development projects, Urban Energy programs and policy)

December 8

Presentations

December 15

Check Brookings Friday July 25

http://www.brookings.edu/~media/Files/rc/reports/2007/03california_kotkin/20070320_thirdca.pdf

http://www.brookings.edu/~media/Files/rc/reports/2005/03downtownredevelopment_leinberger/20050307_12steps.pdf

The Revival of Downtowns Nationally and the Implications for Downtown Sacramento
Walkable Urbanism, Cities, Real Estate, Sprawl, California  Christopher B. Leinberger, Visiting Fellow, Metropolitan Policy Program Keynote Presentation at the Annual Meeting of the Downtown Sacramento Partnership

www.mi.vt.edu/data/files/hpd%2017(4)futureofinfillhousing.pdf
**Internet Access**

You will be asked to read things off the Internet. Thus, access to the Internet and is required for this class. If you do not have Internet access at work or home, access to it is provided to students at the Sacramento State’s library or various computer labs.

**Grading Procedure**

Grading
- Class Participation: 20%
- Weekly Papers: 40%
- Written Report: 40%
- No Final Exam

Grades will be calculated using the following formula:

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**Weekly Papers:**

To measure your attendance, and prepare you for participation in class discussions, please submit a typed, double-spaced, two-page maximum answer to a number of discussion questions based on required readings. Included in the Weekly Paper you should include three to five questions for the guest lecturer. These must be turned in by you at the beginning of class. I will look them over and return them to you by the next class meeting with a grade based upon not just a “right or wrong” answer, but also thought, effort, and thoroughness that I judge you put into your answer.

**Written Report:**

Students are expected to critique, expand and comment on one of the following three topics we are going to cover in class:

i) **TBD before September 22**

ii) **TBD**

iii) **TBD**

Students who wish to write on another topic, not included above, must propose a subject before the third class, September 22, for approval. The assigned reading should be used as a basis but other reference and additional material should be included, such as the suggested readings and books.

Papers should be approximately (TBD) pages in length (with a maximum of TBD pages of appendices if needed). All papers must be properly cited with footnotes or endnotes. The written report is due December 8th.

A number grade will eventually be assigned to everything you do. I will assign an overall number grade to all of your weekly answers to discussion. Your final grade will be calculated based on these number grades. Anything above a B- in the course is considered a passing grade.

The average grade assigned to the answers you provide to Weekly Papers week will account for 40% of your grade. Your written report will be worth another 40% and your classroom participation makes up the remaining 20%.

**University policy for dropping this course will be followed. You must complete both of the two homework assignments and the final report to receive a passing grade in this course.**