

SAN JOSÉ STATE UNIVERSITY
DEPARTMENT OF URBAN AND REGIONAL PLANNING
URBP 208, Real Estate Development Studio

SPRING 2021

Course and Contact Information

Instructor(s):	Kelly Snider, Instructor
Telephone:	Text or Voice: (650) 387-3132
Email:	KellySniderConsulting@gmail.com or Kelly.Snider@sjsu.edu
Office Hours:	Monday evenings 7:00 – 8:00 (via Zoom); also anytime by appointment.
Class Days/Time:	Tuesdays, 7:30 – 10:15 p.m.
Classroom:	ONLINE Remote using Canvas, Zoom
Prerequisites:	URBP 205, URBP 206, and URBP 225 or instructor consent

Course Catalog Description

This is a capstone studio course designed to immerse students in the real world of urban property development. Students will explore this world by forming teams and evaluating a mock-development project of an actual site in the San Jose/Silicon Valley Region.

Course Format

Online remote and synchronous. You must have a video/audio computer connection which will allow access to SJSU's "Canvas" instructional sites and Zoom links for class meetings.

Course Description

Early in the course, the instructor will introduce a project that will be our "Focus" site for the semester. Throughout the semester, we will apply lessons learned in relation to potential development of our Focus Site.

Additionally, students will be assigned to collaborative teams for the final Studio project, which is both a written report and oral presentation evaluating a certain development scenario on the Focus Site. Throughout the session we will schedule work sessions during class, so teams can collaborate, ask questions of instructors, and get live feedback as they prepare the final written report and oral presentation (to be delivered via Zoom Video).

The written report must address key components of a development feasibility analysis:

(1) executive summary; (2) site analysis and as-of-right entitlements; (3) market analysis and Equity analysis; (4) entitlement strategy and risk, including legal risk and community benefits risk; (5) height, mass, and bulk "best fit" and reference images to evoke the proposed site design; (6) mock pro-forma with development soft

costs, hard costs, cash flow, and exit strategy identified; (7) financing proposal and return-on-costs projections; and containing a clear (8) recommendation for action.

In place of a final exam, during exam week we will have a special class session, when team will make a 20-minute oral presentation of their proposal, which must include a slide deck and other appropriate visual/graphic materials. Each team’s presentation will be followed by a 10-minute question & answer session during which other students, instructors, and guest judges will ask questions about the presentation.

The goal of the focus site and the final presentation assignment is for students to actively engage in the process of preparing a development proposal and analyses required to support the proposal financially, as well as to thoughtfully incorporate and communicate themes of sustainability, equity, and community. We strongly encourage students to be creative and draw on their own backgrounds, interests, and experience for the final assignment.

Course Learning Outcomes (CLO)

Upon successful completion of this course, students will be able to:

1. Identify the key criteria for evaluating a land parcel as suitable for development.
2. Recognize and explain the key aspects of a project’s feasibility (or infeasibility), including an assessment of entitlement risk; site design and programming; analysis of soft costs and hard cost projections; measuring stakeholder support; ways to measure Return on Investment; and investment exit strategies.
3. Create a feasible development proposal containing an executive summary, simple financial pro forma, recommendation for action, and detailed sections supporting the recommendation.
4. Effectively present a development proposal which can be tailored and modified depending on the audience, such as: investors/lenders; land use decision-makers; civic and neighborhood leaders; community groups; elected officials; and property owners and neighbors.

Required Texts/Readings

None. Articles, lecture notes, and PowerPoint presentations will be distributed electronically via Canvas or e-mail.

Course Requirements and Assignments

Your grade for the course will be based on the following assignments and other activities:

Assignments	Due Date(s)	Percent of Course Grade	Course Learning Objectives Covered
Class Participation	N/A	20%	1, 2, 3 & 4
Written Assignment 1 – Property Tax Exercise		10%	2
Written Assignment 2 – Cash Flow and Return on Costs		10%	2, 4
Written Assignment 3 – Co-financing and RE partnership model(s)		10%	3
Final Presentation – Team Written Report/Slide Deck		25%	1, 2, 3 & 4
Final Presentation – Team Oral Presentation		25%	1, 2, 3 & 4

Final Examination or Evaluation

There is no final examination. The studio course culminates in a written report and oral presentation of a development proposal.

Grading Information

Grades for written assignments will be numeric, ranging from 1 (lowest grade) to 10 (highest grade). Grades for the Team Report, Slide Deck, and Oral Presentation will be numeric, ranging from 1 (lowest grade) to 25 (highest grade). Each student will receive a unique grade for their assignments, written presentation, and oral presentation. In other words, if your team earns a high grade on the written report, but you personally do not contribute to the writing of the report, then your grade will NOT be the same as your team-mates.

Class participation will receive a grade of 1 (lowest grade) to 20 (highest grade), and will be based on attendance online for all scheduled classes; listening to and engaging thoughtfully with professor and guest lecturers; active engagement during in-class work sessions for your final projects; and out-of-class engagement during office hours or other out-of-class times with other students, instructors, and guest lecturers.

Classroom Protocol

This entire class will be taught REMOTELY and SYNCHRONOUSLY. Students should attend every class. Please notify the instructors or a classmate via email or text beforehand if you cannot attend. All students are expected to be attentive, engaged, ask questions, and interact regularly with other students, guest lecturers, and the instructors.

Please note that the course schedule is subject to change.

Course Schedule

Week/Lesson	Date	Topics, Readings, Assignments, Deadlines
1	2/2	<ul style="list-style-type: none"> - Introduction + Overview <ul style="list-style-type: none"> o Instructor Intro/Background o Student Intros/Backgrounds o Why are you taking this class? o What do you hope to get out of your experience in class? - Overview of the semester - In-class Exercise: What does X\$ get you in the Bay? [live search Craigslist, Zillow, apartments.com, etc.] - In-class Exercises: <ul style="list-style-type: none"> o What does X\$ get in the Bay area – residential [live search Zillow, apartments.com, Redfin, Loopnet] o Business Journal and “registry” RE searches [leasing, purchases, transfers] <p>STUDENT PREPARATION FOR 2/9 Read Tersini Project Readings Watch George Monbiot "Administration" vs. "Warlord"</p>
2	2/9	<ul style="list-style-type: none"> - Real Estate Development <ul style="list-style-type: none"> o Process: design, funding, entitlements, construction, stabilization o Real Estate Industry “quadrants”: Developers, Money, Public/Community, Tenants/Residents/End Users - High Accountability orgs vs. Low Accountability orgs <ul style="list-style-type: none"> o Is RE Development “high” or “low” accountability? o Project Labor Agreement/Prevail Wage/Construction Labor – regulated? o Z&L/Tersini Condos; Apartments; discussion - Focus Site <ul style="list-style-type: none"> o History of Focus Project Site development proposals o Overview of final presentation assignment (carries through semester) <p>STUDENT PREPARATION FOR 2/16 Readings on North San Jose “Development Agreement” BEA Systems/Apple/Lowe</p>
3	2/16	<p><i>Guest Lecture: Civil Engineering and Site Improvements</i> DJ Edwards, HMH Weiss Civil Engineers</p> <ul style="list-style-type: none"> - Apple North San Jose site for examples, history, outcome (what is it today?) - Infrastructure and Site Preparation - Subdivisions, Grading, Natural Resources, Utility Plans

Week/Lesson	Date	Topics, Readings, Assignments, Deadlines
		<p>ASSIGNMENT #1 – PROPERTY TAX COMPARISON Assignment #1 is DUE by 9:00 PM on March 4, 2021</p> <p>STUDENT PREPARATION FOR 2/23 Readings on Data Centers, Fulfillment Centers, and 21st century urban uses</p>
4	2/23	<p><i>Guest Lecture: Data Center and Industrial “Cloud” RE</i> Stuart Thompson, Equinix</p> <ul style="list-style-type: none"> - How is the financing, land cost, different from other types of RE? - Is geography important? What are the adjacencies you seek? - How is 21st century data center development different than “traditional” urban land uses? Have planning codes and building codes evolved to assist the industry? Why or why not? <p>STUDENT PREPARATION FOR 3/2</p> <ul style="list-style-type: none"> - Readings TBD
5	3/2	<ul style="list-style-type: none"> - Cash Flow and Return on Costs <ul style="list-style-type: none"> o Process: design, funding, entitlements, construction, stabilization - Real Estate Industry “quadrants”: Developers, Money, Public - Buyout Multi-Family (use the Essex LOI) - Housing and Mixed-Use Development projects <p>REMINDER: Assignment #1 due 9:00 PM March 4, 2021</p>
6	3/9	<ul style="list-style-type: none"> - Public Private Partnerships: - Case Study: Little Tokyo in Los Angeles (Metro LA) - Potential Guest Lecture Metro LA Development staff <p>Assignment #1 grades returned and Q&A discussion</p> <p>STUDENT PREPARATION FOR 3/16 Readings TBD</p>
7	3/16	<p><i>Guest Lecture: REITS, commercial development; outlook for retail development</i> Michael Strahs, Kimco REIT</p> <ul style="list-style-type: none"> - Value-Add Strategies + how to build a value add pro forma - Difference between ground-up and value-add projects - Seeking a “balanced” portfolio with retail/hotel/commercial/housing <p>ASSIGNMENT #2 – Memo to VP on Commercial development options Assignment #2 is DUE by 9:00 PM on April 8, 2021</p> <p>STUDENT PREPARATION FOR 3/23 Readings TBD</p>

Week/Lesson	Date	Topics, Readings, Assignments, Deadlines
8	3/23	<p><i>Guest Lecture: Acquisition, asset management, project financing, and lending</i> June Yook, Mergers & Acquisitions Union Bank SF</p> <ul style="list-style-type: none"> - Underwriting and how analysis is different for BANKS vs. VENTURES - Equity investments, preferred returns, guaranteed returns, and subordination <p>STUDENT PREPARATION FOR 4/6 NOTHING – enjoy Spring Break!</p>
	3/30	- SPRING BREAK MARCH 29 – APRIL 2
9	4/6	<ul style="list-style-type: none"> - <i>Guest Lecture:</i> - Work session for final presentation <p>REMINDER: Assignment #2 due 9:00 PM April 8, 2021</p>
10	4/13	<ul style="list-style-type: none"> - <i>Affordable Housing SUBSIDIZED vs. NOAH</i> - Co-living, short-term rentals, and other residential real estate trends - Financing districts, Mello-Roos, effect on development costs <p>ASSIGNMENT #3 – Financing Models and Partnership Models Assignment #3 is DUE by 9:00 PM on May 3, 2021</p>
11	4/20	<ul style="list-style-type: none"> - Local Control vs. State Control <ul style="list-style-type: none"> o CEQA (why it exists; exemptions; why some want it modified; why others don't) o SB35 o SB50 o Housing Accountability Act reinforcements o SB330 Housing Crisis Act -
12	4/27	<ul style="list-style-type: none"> - Work Session Final Project <p>REMINDER: Assignment #3 due 9:00 PM May 3, 2021</p>
13	5/4	<ul style="list-style-type: none"> - <i>Guest Lecture: Government & Community Relations Consultant</i> -
14	5/11	<ul style="list-style-type: none"> - <i>Guest Lecture: Opportunity Zones and 1032 Exchanges</i> - Erik Hayden – Urban Catalyst - “Follow the money in real estate”: <ul style="list-style-type: none"> o Investments o Partnerships o Waterfall payouts

Week/Lesson	Date	Topics, Readings, Assignments, Deadlines
		<ul style="list-style-type: none"> - Deal structures Receive Feedback on First Draft of Final Presentation – Team Written Report/Slide Deck - Work session for final presentation -
FINAL PRESENTATION	5/18 or 5/25	Final presentation schedule TBD. Will depend on student schedules, obligations for other classes, exams, etc. 5/18 is supposed to be a FREE day, but 5/25 is the last day of the term so perhaps students want to finish earlier?

Plagiarism and Citing Sources Properly

Plagiarism is the use of someone else's language, images, data, or ideas without proper attribution. It is a very serious offense both in the university and in your professional work. In essence, plagiarism is both theft and lying: you have stolen someone else's ideas, and then lied by implying that they are your own.

Plagiarism will lead to grade penalties and a record filed with the Office of Student Conduct and Ethical Development. In severe cases, students may also fail the course or even be expelled from the university.

If you are unsure what constitutes plagiarism, it is your responsibility to make sure you clarify the issues before you hand in draft or final work.

Learning when to cite a source and when not to is an art, not a science. However, here are some common examples of plagiarism that you should be careful to avoid:

- Using a sentence (or even a part of a sentence) that someone else wrote without identifying the language as a quote by putting the text in quote marks and referencing the source.
- Paraphrasing somebody else's theory or idea without referencing the source.
- Using a picture or table from a webpage or book without reference the source.
- Using data some other person or organization has collected without referencing the source.

The University of Indiana has developed a very helpful website with concrete examples about proper paraphrasing and quotation. See in particular the following pages:

- Overview of plagiarism at www.indiana.edu/~istd/overview.html
- Examples of plagiarism at www.indiana.edu/~istd/examples.html
- Plagiarism quiz at www.indiana.edu/~istd/test.html

If you still have questions, feel free to talk to me personally. There is nothing wrong with asking for help, whereas even unintentional plagiarism is a serious offense.

Citation style

It is important to properly cite any references you use in your assignments. The Department of Urban and Regional Planning uses Kate Turabian's A Manual for Writers of Research Papers, Theses, and Dissertations, 8th edition (University of Chicago Press, 2013, ISBN 780226816388). Copies are available in the SJSU King Library. Additionally, the book is relatively inexpensive, and you may wish to purchase a copy.