Hi everyone. I think everyone's kind of still rolling in as we just opened the webinar. But I wanted to welcome you to the ULI webinar Net Zero for all adjust transition for real estate where we will be hearing from some outstanding panelists and exploring teams and strategies for utilize new report of the same title. Before I introduce myself and the panelists, I just want to review the agenda for our next hour together along with some quick housekeeping next slide. So I'll be doing a brief introduction on utilize real estate journey to net zero, including a framework to help the real estate industry get to net zero and strategies for embedding equity into this framework. We'll hear some brief remarks on these topics from our panelists and then we're going to engage in a discussion that draws on utilize new report just pictured here. We have time for audience Q&A. So please submit questions through the Q&A feature that you find at the bottom of Zoom. And then if there's any questions that you'd like to see asked of our panel, you can upload those questions through that feature. Next slide. So I'm Sarah Hammerschmidt, I am Director of Sustainable Development for Thrive Collaborative. We are a Southeast Michigan based startup developer building Britian County Farm, which is a solar powered and fossil fuel free neighborhood in Ann Arbor, MI adjacent to 130 acre Park. Thrive is developing 128 for sale units. And a really wide range of sizes and price points
were partnered with Avalon Housing, who's a nonprofit affordable housing developer, building an additional 50 rental townhomes, 30 of which are reserved for families experiencing homelessness. And I'll share more about this project in a little bit, so I'll be moderating today's webinar. And we're joined by some amazing speakers, Mandy Lee, Senior program manager with Emerald Cities Collaborative, Morgan Malone founding principle of altogether impact. Sarah Levinson, Senior Director with L&M Development Partners. Derek Tillman, who's CEO and President of Bridging the Gap Development, unfortunately was not able to join us last minute. But I do want to share quickly about his project. Next slide. So his project is in Pittsburgh, PA We highly recommend you check it out. Fifth and Din Witty as a passive house design, rooftop solar and net zero potential. It's mixed in some housing. There's a workforce training component. You can learn more at his website. Btgdevelopment.net next slide. So what you see here is framework for how the real estate industry can think about getting to net zero. So as real estate journey to net zero starts with energy efficiency as the most cost effective and foundational solution for carbon energy and cost reduction other components of the framework on site renewables. And we have grid interactivity coupled with building electrification to reduce the onsite fossil fuel demand and then the important step of purchasing offsite renewables, including renewable energy credits, RAC's and then using offsets for any residual admissions, which should hopefully at that point be small strategies to engage tenants in reducing their own admissions. And achieve embodied carbon reductions in building materials. These two remain a challenge for the industry to solve to reach
net zero on a whole building level that encompasses scope 1-2 and three emissions. These steps that that I just described are also all iterative and inform each other and can be approached as a holistic process rather than a linear stepbystep path. Fortunately, as we're here to talk about today, there are opportunities to embed social equity in every aspect of this process. Next slide.

And in terms of what that could look like, there are many ways to pursue a just transition and Mandy is going to help lead us through what that looks like more generally. But here are a few examples of the kind of actions that real estate specifically could look to as ways to embed equity in the net zero process. We're going to touch on these in various ways today. And I also recommend turning to the full report for more details you can find on Knowledgefinder.

With that, I'm going to turn it off to Mandy as our first presenter.

Thank you so much Sarah, and hi everyone. My name is Mandy Lee. I used she her pronouns. I am based in Washington DC on Piscataway and the Cotch Change Land and I am part of Emerald City's Collaborative, which is a national organization working to build what we called High Road economies, especially in environmental and climate related fields.

We do place based work in the Bay Area, San Francisco Bay Area, Los Angeles, Seattle, Boston and DC, but we also function in an ecosystem of other entities that we like to call intermediaries to environmental and climate justice movements. And I feel really grateful to be able to share with you today a framework that helps really ground us in the concept of a just transition, which was. Articulated by an organization called Movement Generation and Climate Justice Alliance for many years now, what you see on the screen is a visualization of this just transition framework, and I want to name that a just transition as articulated by communities on the front lines of environmental and climate racial and economic injustice.
Is not just a set of principles, it's also a set of processes and practices that build economic and political power to shift from an extractive economy to regenerative economy. And so today as we talk about a transition to net zero and we think it, we think about it as a just transition, we're actually thinking about how do we shift the governance and economics of buildings and properties. And their development into the hands of folks who have historically and systemically been excluded, marginalized, experienced disinvestment, and otherwise have been harmed by the by our own industry. The transition is intended to redress these past harms and create new relationships of power. And we know that if. Our process of trying to make a transition to Net 0 is not just then the outcome will never be. And with that I think we can we can go to the next slide. I highly encourage you all to take a look at a couple of links that I'll try to put in the chat in a few minutes. I also wanted to name another tool that's mentioned in this report that I think has been kind of integral to my work that was created by an organization called Facilitating Power. This is the spectrum of community engagement to ownership. So again, kind of at the foundation of thinking about a just transition, we're thinking about ownership, which doesn't only mean physical ownership, but ownership of decision making and processes. And as most of you can can probably imagine and from what you've seen, this spectrum kind of helps acknowledge that. Marginalization is the status quo practice of current systems that truly have been historically designed to exclude certain populations from the decisions and impacts that really define their quality of life, namely low income communities, communities of color, women, youth, people who have experienced incarceration, and gender
nonconforming, and queer

And my encouragement to everyone here today is to make sure that acknowledgement is part of your practice and that we will need to make concerted efforts to break down existing barriers to participation. Otherwise, by default, marginalization is the outcome. The spectrum also helps assert a clear vision for thinking about truly democratic, deeply community rooted. Practices and articulates A developmental process that you can see on the screen to think about the types of activities, the types of partnerships, the way you invest resources in a project budget to actually enable more community ownership of that project. It's also a way to assess your own community involvement and participation efforts and set goals. And I'm just going to close my very brief comments today with gratitude to the creators of both of these frameworks and tools and to name that Emerald Cities Collaborative is a partner in this work and would love to be connected to folks who are interested. We facilitate a network called Centering Equity in the Sustainable Building Sector that brings together sustainability and building professional professionals along with organizers. From environmental and climate justice groups around the country that really seeks to kind of create multistakeholder collaborative spaces to figure this out together because it's very much something that requires a lot of care and a lot of partnership. And I'll pause there, very excited to chat more with everyone in the Q&A and I'll pass it on to the next speaker. Thank you so much, Mandy.

I love what you said about making acknowledgement part of your practice and I think you're spot on. Our current systems. All of our current systems I think need this drastic shift away from the status quo in order...
to make sure that we are really being intentionally equitable.

I would now like to turn it over to.

Morgan Malone.

Hi everyone. Thank you all so much for being here.

My name is Morgan Malone, I'm the founder of Altogether Impact and we are in Economic Development and Social Impact Boutique Consultancy. This is work that comes after over a decade of doing everything possible in economic development and most recently an 8 1/2 billion dollar mega development on the South side of Chicago. That'll be a 20 year project that is a mixed to use project and so coming from the lens of.

Both consultancy and having been in government and in private development, a lot of what I'll be talking about today is our approach to equitable just transition net zero and then also how cities are ushering this approach in. I'm just now coming off of the transition for the mayor, the new mayor of Chicago and how we're going to be ushering in again more equitable development from a social standpoint as well as sustainable standpoint. And So what you're looking at here is a picture of our downtown.

This downtown is 70%. Our buildings in Chicago are 70% of what emit all of our GHD and carbon. And so as we are thinking about what our next wave of sustainability and how we're fighting climate in Chicago, there's been a concerted effort over the last 10 years to try to tackle the built environment. And so that's come through a number of different things like retrofitting programs for smaller buildings.

Incentives, we just committed about $188,000,000 from our ARPA funds to a building optimization and then supporting incentives for green buildings. And so as we put this policy forward, a lot of what has been said has been, hey, we're putting policy forward for the built environment to be transitioning
into being more sustainable, but where is the money?

Often these things can bring your premiums per building up to 10 into 25%. And so a lot of what we’re thinking about is how do we tackle the issues that are very important to the city of Chicago, while we also think about the costs in the ability to implement and then also be able to do real change by 2040. And so we have a number of tools in the city of Chicago whether that has been.

Our Environmental Working Group, our Office of Climate Equity, as well as changing our building code, we’re thinking a lot about sustainable design guidelines and your ability to get through zoning. And so a lot of what we’ve done sustainability related has been embedded into our governance and that has flown into now mega developments as well as smaller developments.

Thinking about how we intentionally embed the betterment of our planet into our building design for now and for always.

So for an example, Brownsville lakefront as I mentioned it's an 8 1/2 billion dollar hundred acre project on the South side of Chicago. And so when building this program we thought really critically about a number of different things, implementation of the Living Building challenge, which is a regenerative approach to let lead and well standards. It's a step up. It's founded by Jason McLennan who is Chief Sustainability Officer at Perkins and well and a lot of the work that he put into developing this challenge is. How do we think about how people live and how the built environment and is able to create regenerative conditions?

And so we think a lot about electrification. We also recognize that the city of Chicago, 2/3 of the city does not have grid, it's infrastructure challenge in the context of electrification, broadband, etcetera. And so micro grids were necessary to get this project off the ground as well as a micro grid community. There are two more
in the neighborhood that have been scaled as well. And so we're always thinking about natural stormwater retention, building electrification, micro grids, what infrastructure are we going to need to pull this off as well as solar. For implementation and geothermal. And so some of these are cutting edge even for a city like Chicago and required a lot of conversation, a lot of underground coordination. And so as we continue to look to the future, our hope is that Brownsville lakefront can be a model for green buildings. And I know there's still an intention for Jason Mcclane to work with us to design the greenest building in the world. And so as we continue those efforts, we're hopeful that they are modeled not only for us, but for the entire country. And next slide, please.

We know for sure that the citizens of Chicago are ready for it and committed to it because you will see online if you'd like, we have a new transition report out for this incoming mayor. In this transition report, I helped staff the report over the last few months and really pull together the voices of Chicagoans across 11 different issues which to include environmental justice. And so when we think about buildings and we think about transitioning to net zero, it isn't just the high rises and what the private development. Workers are doing It's also us thinking about what we as the public sector are doing to align ourselves with the optimization of public buildings, as well as the when every time we build new facilities, how we're embedding. Sustainability conscious practices and to the development of new public facilities. We know that public facilities are also an equitable development tool as a catalyst for investment in neighborhoods. If the public sector is investing 10s of millions of dollars to create new facilities, we also will need restaurants and so many other things. And so our ability to strategically build and also build with green construction in mind, workforce development and some of the other things that Mandy mentioned
in mine as well as community voice.
Enables us to build a new green economy and really
enable economic opportunity for the residents. So when we think
about a green transition that just transition, it isn't just
are we building a building that doesn't emit carbon as
much as it is, are we building a building that
everyone was able to participate in and see some level
of economic vitality from. And so that is the approach
of this new administration of which I'll be helping some
more of this work along and I'm really excited for
where we've been over the last.
Years as we've had a ramp up to this point
and where we're going in this more just and transformative
direction. Thank you all so much for being here today
and I'm really looking forward to sharing my insights.
Thank you, Morgan. I'm excited to dig a little more
into some of the the local policy and local government
parts of it. I love that you're using the Living
Building Challenge as a framework for the Bronzieville project
too.
They have as you know, but so everyone knows they
are really intentional also about equity and justice.
So it's a really amazing framework. So with that, I'm
going to turn it to our last speaker, but not
least Sarah Levinson.
Hi, good afternoon everyone. I feel like Mandy and Morgan
are really tough act to follow and very excited
to be here to talk about our Bernice. As Sarah
said, I'm a Senior Director at L&M Development Partners.
We're a New York City based real estate developer,
predominantly
an affordable housing developer. We also are an owner builder
and have an affiliate marketing and management company
as well.
I am here to talk about Arvern E which is
one of the projects in my portfolio that I
think exemplifies the transition to net zero. So next
slide please. One more.
Thank you. So the Arbourne site is 116 acres site
located in the Arvern and engineer communities on the Rockaway
Peninsula in New York City. It was designated in urban renewal area in 1968 and was under the jurisdiction of the New York City Department of Housing Preservation and Development and lay vacant for and underutilized for about 50 years.

In 2006 the team of L&M Development Partners, the Bluestone organization and Triangle Equities designated the development rights to the site for competitive RFP. The way we look at the site it's predominantly broken up into two pieces. It's the nature preserve which is 35 acres to the West and the development site to the east. Next site slide please. So the we commenced work on the project at the end of 2021.

It will be built in phases and we're anticipating approximately a 10 year build with a build year of 2031.

Anticipating that there will probably be about $1.5 billion of investment in the site all in once the project is completed. Next slide. So this is an illustrative rendering of what the development site will look like once completed. You know some of our goals are really to harness cutting edge energy efficiency and innovative resiliency strategies to become a fossil fuel free community and also the first net zero community.

In New York City. And similarly to what Morgan was saying about the site in Chicago, we're really hoping that this could be an example of how you build sustainable, mixed income, resilient, environmentally just and coastal communities not just in New York City, but across the region. Next slide.

So there's a very extensive program across the site, but very high level on housing. When fully built, we're anticipating about 1.9 million square feet of residential space comprising 1650 units of housing. 80% will be income restricted to a range of households earning between 30% and 125% area median income and the balance 20% will be a for sale market rate product. Next slide please.

Looking at the nonresidential program, we're anticipating over 300,000 square...
feet of nonresidential space across a variety of typologies, including commercial, community facility use, a microbrewery and a boutique hotel as well. Next slide.

So from an energy efficiency standpoint, it's really we're not looking at just one methodology or technology and similarly to Morgan's project, it's really it's a, it's a suite of methodologies that we're using together. So starting from the ground up, this project will be a district geothermal, which means all of the buildings across the campus will be connected and the heating, cooling and domestic hot water will be provided and supported by geothermal. All of the residential buildings will be built to passive house standards and that will also be supplemented by extensive PV arrays and renewables on site. When fully built, we're anticipating over 12 GW hours of renewable solar energy to be provided on site. Overall, the entire site will produce more energy than it will consume, so there will not be a need for offsite racks to become net zero. Next slide.

From a resiliency standpoint, it's it's a very similar, I would say recipe, it's a it's a variety of methodologies that we're looking to employ here starting from site planning and really pulling density up away from the boardwalk and the ocean, taking advantage of our ability to manipulate elevation, we're raising the site anywhere between 3:00 and 8:00 feet depending on location. To get all of our front doors and lobbies up to plus 16 NAV D88 and also our residential apartments and mechanicals will actually be higher than that on the first residential story for added and additional resiliency. In addition, we're also leveraging landscape here to really help with water movement and absorption a very, I would say intricate. Network of Bioswell rain gardens to be planted with native species to not overburden for mechanized irrigation as well. So
I think you know just thinking about the community impacts here because I spent a lot of time talking about the resiliency goals and the energy efficiency goals. You know, in addition to that health and wellness are a big goal for this project and really how do we engage the community. Leverage the not. In addition to the 35 acre nature preserve, there's 10 1/2 acres of privately owned, publicly accessible open space. How do we leverage that to get people out and moving? There's going to be a Greenway and bike path throughout the site, a three acre not-for-profit run urban farm that is going to be focusing on food insecurity in the Rockaways and also has a workforce component. And really how do we get people moving it and engaging and outdoors on the site. In addition, economic development is a huge driver here as well. Really how do we provide, you know, the site is huge and really has been vacant for so long. How do we provide existing residents and community members the services that they've been looking for and also what is planning for the future community? In addition, we're really looking to promote and leverage local businesses out here in Rockaway. And small businesses as well and and MWBE's and really because the site is city owned, we're able to leverage low acquisition to to allow the success of the local and small MWB businesses to thrive. From a community standpoint, we have this project. Really does thrive on community investment and community engagement. We have two community advisory boards that have a set that are focusing on open space. The other one is focusing on economic development and we also have a workforce consortium which is a conglomerate of a number of local not-for-profits out here in Rockaway that's specifically work on. Workforce development and local hiring and really how we can, how we can leverage this project to meet a number
of workforce goals and workforce development across the project and

I think I will leave it there.

Thank you, Sarah. I loved a lot of what you said and in particular.

Feeding a model for coastal communities, I think you know, we're all experiencing the impacts of climate change on like one level or another. So I think projects like this that are really intentional about citing and and taking those proactive strategies to to ensure safety as we continue to see these events happen. It's really critical. So I'm excited to talk to you a little bit more. There's some questions already I've seen in the Q&A about some specific strategies related to that.

So before we turn to the discussion, I just want to take a couple of minutes to talk about the project that I'm working on. Britian County Farm, a 13 acre development with affordable and market rate units that's developed by Avalon Housing, a nonprofit developer and Thrive collaborative for profit developer. Actually 128 units of for sale market rate housing that Thrive is developing counted and 50 units of deeply affordable rental housing is developed by Avalon.

So in addition to this intentional partnership between a forprofit developer and a nonprofit developer, we think this is poised to be one of the most sustainable developments in the country. Super excited to hear that we have some competition in Avern East and Morgan's project in Bronzeville. We're also following principles of the Living Building challenge where a fossil fuel free. Neighborhood geothermal heating and cooling, all the selections that we're making in terms of building products, pictures and finishes are Red List free where possible. It's too much to present here, so please check out our website which is verdean dot community. Next slide, there's our neighborhood plan. I didn't mark it up, but it is on our website, but I just wanted to point out here that our affordable
units are the ones that are situated at the North
End of the site and market rate is the South.
Parcel so above that top Rd. are primarily the affordable
units. The original intent of this neighborhood was to mix
all of the varying price points to the market rate
with affordable. But I think this is a huge barrier
that just we need to overcome as a as an
industry. For legal and financing reasons we had to have
two distinct parcels, one that Avalon owns and one that
Thrive owns I think.
You know until we we can overcome this like we
are faced with this, you know this is where the
affordable is and this is where the market rate is
situation that we're working really, really intentionally on mitigating. But
I just wanted to name this as sort of a
pretty significant barrier to doing a mixedincome neighborhood with affordable
with a capital, a housing options and next slide.
So again, despite these two separate parcels, we're partnering very
closely with Avalon to ensure that this feels like 1 unified neighborhood. So partnering with the affordable housing developer, they
are able to provide the supportive services that are needed that us As for profit developer just aren't in a position to undertake. So we think this is a great partnership from that aspect. And then we're creating a Neighborhood
Association outside of HOA for the market rate to be able to foster community between.
The the all of the residents, we're also working hard the market rate developer to provide attainable units. This is really missing in the Ann Arbor market. So we're looking at smaller units and more affordable price points for you know teachers, nurses etcetera. But then we're working for a cohesive design on building exteriors and so forth. And.
Avalon, this is their first electric development in Ann Arbor.
And so I think us partnering with them has really pushed them to think about the projects that they're working on and how they can have a similar journey to
net zero. So they're doing solar where possible. They can't do it on the rooftops because again, of legal reasons
that we just need to figure out. But you know, they're helping us, we're helping them. It's been a really great partnership, so.

With that, I think we have, we're going to have some time for a little discussion with all of us. So I don't know, Auggie, I think maybe we can take the slides down and everybody can turn their cameras back on and we can I have some questions. And then I know that there are a bunch of Q&A's that keep rolling in, in the Q&A box. So keep keep adding them and I'll monitor them. So as you have heard our panelists bring a variety of perspectives. To the stress transition to net zero, and I wanted to start first by asking Morgan about equitable decarbonization strategies that are led by local policy and government. So I know you've you've worked with a lot of local governments. We've seen successful or not so successful city policies that aim to incentivize not only net zero construction but also center equity within those development goals. Are there certain cities or states that you feel are leading the way? And I I love that. Land that Chicago was come up with, by the way. It's interesting. It's, you know, there's a there's a continuum of participation here, as Mandy would say, like there's the folks who there are the cities who have no funding for this. What are trying to push for is policies and guidelines and building codes for people to do it with very little support. Then there are the cities who do have dedicated funds, whether using TIF funds, whether they're doing a publicprivate partnership and having some partnership with private equity, whether they're creating trust specifically for this work or incentive programs specifically for this work, like a Portland or an Oregon who created taxes specifically for this work. And then there's the equity piece, which. We know people across the built environment struggle with because equity doesn't always pencil, often doesn't pencil, and
requires a lot of partnership. And so, so much of what we find in the context of equity is pushed by government. It's so much of.

How are you including people in the zoning guidelines? We're going to set the baseline for sustainability for the zoning guidelines and that's our participation. But then we're going to tell you developer that you need to have X amount of community meetings or this much community participation or engage with Advisory Council.

As you saw on the continuing this morning or just now, there's a range of what equity really looks like. And so much of the I will host. The town hall is an inherently equitable. And we find that even though we are saying we want to do this work and community in the context of green construction and making sure that folks have those jobs and that we're working on projects based on socio economically disadvantaged areas first who are going to suffer the most and usually have the most heat.

We're also struggling with the time, you know, someone mentioned this in the comments, is that when you want to engage community to do this work. On the flip side, government, government can create the rules and incentivize the rules, but we also need community. And then there's the learning curve of why does this matter? What's the difference between net zero and climate and environmental justice? How does this change my bills? How does this change my electricity bills today or my water bills today? And so there's a lot to be done, I find in cities. But I would say in the context of equity, Chicago's doing a pretty good job of trying to ramp up. And I'm hoping that we move forward even more because still too much focus on the private sector and what can you all do and we all do about development, but not enough focus on
the fact that cities, counties, states have multibillion dollar annual.

Capital infrastructure plans and programs. So we can also do a lot of this work too and inherently be catalysts for continued investment in development and disadvantaged communities. So there is a cycle and a continuum for participation outside of supplier diversity that I think Chicago is doing our best to start with. But I know that there are other places like Denver and New York City who are really trying hard to.

That's great and I want to dig in more on some of this. Community engagement, it's it's one of the examples that is given in the report of a just transition to net zero. And you know, I I think the community aspects of all of it like why are we doing this if not for people and to make things more equitable for marginalized communities. So I look for each of you to share your perspectives on community either how you've engaged community in your projects, you know, beyond the required.

John Hall, public meetings and how that you've seen that impact equity indicators or just examples that you've seen of successful engagements that created more inclusive and equitable projects. And Sarah, maybe we'll start with you.

Sure. Trying to figure out where to where to start on this one I there's a lot.

You know, I think from from our perspective, when we're working on a project, we consider ourselves part of the community. We don't have exit strategies in our development site. We hold all of our assets. It happened that we are already neighbors and community members out in Rockaway. We repositioned, you know, a very large Mitchell Lama literally the week after Sandy hit.

Right on the western border of this project which was about 1100 units. So you know, I think we, we are heavily invested in the community and heavily invested in the outcomes that our projects create. But for this specific project, you know I think community engagement is really,
really

00:34:21 --> 00:34:24: everything and really is what is guiding this project and
00:34:24 --> 00:34:28: making this project so unique and really quite special.
00:34:29 --> 00:34:31: So I think I alluded to it in my open
00:34:31 --> 00:34:36: opening remarks is we do have community advisory boards
00:34:36 --> 00:34:40: that meet quarterly, they're open to the public but there is
00:34:40 --> 00:34:44: a specific board that was appointed by the Community Board
00:34:44 --> 00:34:48: and the local elected officials. So we meet quarterly on
00:34:48 --> 00:34:52: open space. I wouldn't say just issues but open space
00:34:52 --> 00:34:57: programming visioning how you know how to leverage this asset
00:34:57 --> 00:35:02: to to.
00:35:02 --> 00:35:05: Basically, deliver these open space assets to the community.
00:35:05 --> 00:35:09: Same thing with economic development. We have a cab for that
00:35:09 --> 00:35:12: as well. Really. How to provide the services to meet
00:35:12 --> 00:35:15: community needs, but also looking to the future and we're
00:35:15 --> 00:35:18: working together. How do we get a supermarket here? We
00:35:19 --> 00:35:22: Really engaging the community groups and on that as well
00:35:22 --> 00:35:26: we have a project website. We send out newsletters probably
00:35:26 --> 00:35:30: I would say now every other week with construction updates
00:35:30 --> 00:35:33: and also programming that's going on in the community. And
00:35:33 --> 00:35:37: I think what's really interesting just to kind of bring
00:35:37 --> 00:35:40: it full circle is we recently just finished the nature
00:35:40 --> 00:35:43: preserve which is a 35 acre piece to the to
00:35:43 --> 00:35:46: the West and the welcome center that supports it.
00:35:47 --> 00:35:49: And we had our open space cab do a special
00:35:49 --> 00:35:53: kind of before it opens walkthrough to see the preserve
00:35:53 --> 00:35:56: in the building. And it was just really rewarding to
00:35:56 --> 00:36:00: see how excited the community was, you know, thinking
00:36:00 --> 00:36:04: about programming for the buildings stewardship and just how
00:36:04 --> 00:36:07: proud they
00:36:07 --> 00:36:10: were that to have this asset in their community. So
00:36:10 --> 00:36:12: I think it was a very, it was a really,
00:36:13 --> 00:36:16: This is working. This is the, you know, this was
00:36:16 --> 00:36:19: the the outcome of years. Like I would say we
00:36:19 --> 00:36:22: probably spent about five years or so just planning the
00:36:22 --> 00:36:26: preserve, you know, with the Parks Department and the community
alone. So it was really nice to kind of start seeing some. Of the fruits of that labor, that's great. I'll stop there. Mandy, I'd love to hear any of your perspectives or you know, things that you've seen. As really effective strategies for engaging community that have led to actual equitable outcomes and in built environment projects. Yeah, I think I'll start with like the far end of the spectrum of community engagement of like community initiated projects that received support to get where they wanted to go and have kind of redesigned systems to think about development in a new way. A couple that come to mind. Are the East Bay Permanent Real Estate Cooperative. For those who aren't familiar, it's essentially an organization that has brought together thousands of neighbors in Oakland in the Bay Area to essentially create their own development entity. They have purchased properties. That are now housing cooperatives thereby protecting folks who otherwise were expecting to be displaced from their homes. They're now working on a redevelopment of a longstanding kind of cultural hub that is a retail space called Esther's Orbit Room. Again, I'll drop I'll drop more links after I I talk about these but just again like just shaking up your brain a little bit and thinking about different entities and structures. I'll also named that there's an incredible movement to actually return stolen land to indigenous communities. A great example that just happened again in the Bay Area, which has so many great examples. An organization called the Segurote Land Trust just rematriated 43 acres in the East Bay, which has for the last century been held by a local family.
And an organization called Movement Generation has helped anchor the funding for the purchase and the Land Trust now holds the deed. This is, this is you know not just a one off event. This is happening all over the country. And again kind of a mechanism, a new structure that has been supporting this type of transition, our community Land Trust which similar to the real estate cooperative places land. Basically is is a means of taking land out of the speculative market and an example of a community Land Trust that I would like to shout out is actually where I live in Washington, DC There's there's an organization called Building Bridges across the River that is working on a huge public park project as well as the Douglas Community Land Trust and something that they've done really well is basically ensuring that wherever they go, they're investing in communities. Pre development, they are helping build wealth and stabilize folks before any change happens in their community to the extent where they're creating literal, literal savings accounts for children, right? Thinking about a really longterm approach to ensuring that folks can stay in their community and be able to actually enjoy the benefits. Especially when we talk about NET 0, the environmental benefits that communities have been like desperately wanting and craving for, for decades. And then I think kind of moving back towards the middle of the spectrum, where maybe community ownership is not already happening. Something that comes to mind is thinking about trying not to reinvent wheels, but rather under like taking the time to really do your homework and understand what existing organizing is happening, what entities are already well, well respected, trusted leaders in their communities. And have and are accountable to a large base of...
people who are going to be impacted by any given project and the example was given of advisory boards. I think even beyond that we’ve been seeing some interesting approaches to literally ensuring that these kind of more community based grassroots organizations have like a seat at the project team table and even in the case of the NAACP, which is where I used to work and help found the network that I mentioned, the centering equity in the sustainable Building Sector initiative. We’ve actually seen organizations like the NAACP receive like an equity stake in the long term financial model of a project, which is exciting. So I think there are again ways to think about control, decision making, ownership, profit. And just going like as far beyond what we’re what we’re kind of expected to do for community engagement to what would truly be changing the material conditions of people who are living in or impacted by projects I. Think it really is this problem of the status quo that? I like that you said shake up your brain. Like I think that that is something that like all of us need to be doing in this industry to be thinking differently about the way that we approach projects that aren’t just the way that we’ve been doing it for 100 years. I want to ask one more question before we move on to the Q&A, which is blowing up. So there’s a quote in a report by the Green Lining Institute that I really, it really resonated with me because it’s something that that I struggle with just sort of in terms of. Talking about and advocating for this work, so the quote is building electrification must focus 1st and primarily on the goal of improving the health and resilience of the people, rather than the goal of decarbonizing our building stock. Instead of adding one more problem for families to solve, an equitable transition will position electrification as a solution to existing household problems. When that lowers bills, improves health,
and makes homes more comfortable, I thought this is a really great way to frame and humanize the deep equity implications of decarbonization. And I wanted to ask, and maybe Morgan, you can jump in on this one when you've been talking about this just transitioned in that zero to other developers, city officials, anyone involved in development, what language you found to be the most powerful or the most persuasive sort of help some of these not yet adopters think differently about their own work and really shake up their brains? Yeah. I mean, I think the reason why we do all of this is to impact people, right? Like. It's not to just have a portfolio of cool buildings that I can put in a presentation and tell everyone look what I did as much as it is like, are we actually impacting people's quality of life, the social determinants of health? And so we find that bringing health practitioners to the table. And like actually having those folks in the public health saving and community organizations to the table to to be able to articulate in ways that community members can understand as well as the ways that government can be moved by and create political will to move these efforts forward. And for so many people, it's health and cost of living. It's not so much, you know, am I in this building that will be cool as much as it is. Like, how much does this cost me? Does this change any to Mandy's point A in my material conditions and then also for myself and the generations after me, how does this impact our overall health? And to the degree that we're thinking about that with electrification, that also removes opportunities for things like gas leaks and things, you know, there's so many things that become also household hazards, which helps us get the public safety community on board too, because the amount of, especially the folks who are building inspectors, etcetera, the amount of. Household fires that occur every at any given point just
from gas. And so thinking critically about how we are always able to mitigate risk, increase safety, increase health and increase in and manage cost of living has really been talking points that have been able to get people on board who otherwise would say, what does this have to do with me. I'm worried about my daytoday survival. I can't and that's what my constituents are worried about. I can't necessarily think about climate.

Sarah, is there anything you want to add? And if not, the first question I have from the Q&A is for you.

I think Morgan summed it up quite well, the hard act to follow. So I guess I'll, I'll go for the first question.

So this got the most up votes. So your proposed project is on the water with a lengthy filled out. How are you addressing rising sea levels?

Great question. So I think you know we're we're looking at future proofing the site in the sense that we are raising the site anywhere between 3:00 and 8:00 feet which from a you know to get in the weeds that means that we're bringing in over 400,000 cubic yards of clean fill to physically raise the site over time.

We're also setting you know our design flood elevation, I should take a step back because New York City is doing.

A really great job of adjusting their building codes and zoning to address coastal resiliency throughout the city.

And so there's obviously new building codes and zoning codes in place as of May of 2020 that we're adhering to. But in addition to that, you know our design flood elevation is at a +12 give or take depending on where you are. Navde 88, we're already future proofing 4 feet by just raising everything up to plus 16.

And that's really just your first floor and lobbies. All of the residential floors are going to be you know even higher, you know in the plus 20s I would say depending on where you are. So we're already trying
to adjust for not what's code compliant today, but really
to adjust for not what's code compliant today, but really
thinking about the future of the site and the
development and just to give a little bit of a
metric.
The Sandy storm flooding inundation level was at plus 14
back in 2012 and we're already setting the standard to
be two feet higher than that at plus 16 just
for our ground floor elevation.
So I'm kind of scrolling through the Q&A and seeing
a lot of questions about financing. So Morgan, Sarah?
You guys want to maybe just quickly talk through anything
notable about financing and that zero project any any
challenges
and then I can show experience?
I would say generally speaking, the reality is that a
lot of this doesn't perform well and so.
There are extreme challenges to getting capital markets to
find
the buy in and then working with impact investors and
trying to get them to buy in. There's such a
small marginal group of impact investors that the pool isn't,
you know, to do with multigenerational project. The pool isn't
large enough. And So what you're starting to see are
States and large municipalities ushering forth new incentive
programs and
acts around requirements and then knowing that they have to
fund those.
And so we're seeing more of that I would say,
but generally speaking trying to do all of these things,
we have some buildings on the site that ended up
being 25% more than that what they would have generally
cost. And so and at any given point when you're
working with capital markets and you're trying to finance a
project, they're doing due diligence, they have their own
construction
budget team and as they look at the financing, they're
looking at this like.
Okay. Well, we'll compensate you up to $0.75 on the
dollar. You figure out the other 25% and when you're
working with smaller developers or community developer or
you know
a startup developer or someone who's you know not
necessarily
at the point of profit where they're a nine figure
plus organization, that's a significant haul to replicate time
over
time, especially when it comes to predef cost and then
just eating them and how that cuts into your return.
So.
I think generally speaking, we're not quite there yet on
these projects being wholly financeable. But I do think that
over the next 10 years, we'll see an uptick and
hopefully a lot more federal funds to really make this
a reality.
Yeah, so I definitely can.
I understand where Morgan is coming from. I feel like
there could be a support group for those who are
trying to finance these very cutting edge projects. You know,
I think in addition to Mandy saying let's shake up
your brain, the thing that I say a lot day
in and day out that my team hears me says,
well, we've never, no one's ever done this before. So
there's, you know, there's such a thrill to be the
first ones to do something, but there's also so much
unknown and anxiety comes with it.
So there's certain things that you just have to kind
of let it evolve and figure out what the day
may bring, so to speak. But from a financing perspective,
I think Morgan's right there. There definitely are some
challenges
and you know we've definitely seen some cost premiums that
are beginning to level out depending on what.
The material may be or the methodology may be as
the market gets more accustomed to that. I think you
know I worked on our first passive house in our
first geothermal project, you know back it was in
predevelopment
I think in 20/16/2017 and really doing some of these
things for the first time we're we're you know challenging
from a purchasing standpoint but also challenging from a
financing
market you know.
You're you're putting in a geothermal system. How do you
underwrite that on an M&O perspective? You don't really
have
that much data yet. You want to be conservative but
not too conservative because the whole point is that you're supposed to have all this efficiency. So you know, I think one of the benefits that we do have on the Auburn project is it is a city sponsored project in the sense that we're repositioning city owned land that helps overcoming acquisition. There's we have access to tax exempt bond financing and subsidies at both the state and city level and there is generally speaking a pretty strong appetite in New York for tax credits. It you know we're definitely I think every day looking to see what the latest guidance is coming out of the IRA and trying to make sense of it and understand it as quickly as the funds are being rolled out. So not to to miss any opportunities so to speak. But there there is to a certain point a little bit of you know, anxiety as to well as the funding source going to run out is you know what is the next administration going to prioritize so to speak. And then Tim Morgan's point really on the the private side, what are our equity investors looking for? What's interesting to them, what else are they investing in because they're looking at diverse portfolios, so you're you know, I think. All of the projects that have been discussed here today are are very attractive from an ESG standpoint, but you know you're kind of you're kind of competing with others as well from that standpoint. But I think just and Morgan spoke to this earlier just the way that the policy world is is heading in the trajectory at least in New York City and the state is that electrification net zero and passive house buildings are. Heavily prioritized now from a policy perspective and we are starting to see some prioritization and pipeline associated with that and prioritization for funding as well. So I'll just leave it at that. I wish we had more time because I feel like everything you're saying is working like more questions and like I want to talk to you guys more about all the stuff. We only we only have 6 minutes left and I didn't mention yeah I think like.
For Veridian and the project had a financing before
I joined Thrive. But I mean it was like I
call a lot of aspects of this project. I call
a Unicorn. I mean we got pretty discounted land from
the county on land because of the project that was
being proposed and that was aligned with the county's values
and what they wanted to do with it. It was
previously a a juvenile detention facility but then we have
this impact investor that.
Is incredibly flexible. Like really believes in this and there
just aren't enough of those around and getting this finance
through traditional mechanisms just wouldn't have worked.
Hopefully we will
be changing the status quo and making projects like this
more more marketable, more financeable because like quite
frankly we
have all kinds of crises in this world that we
need to address through the way that we do development.
I wanted to maybe end on a question that I'm
hoping that Mandy.
Put some insight on because this is always I think
the hardest part of doing any sort of project, any
sort of anything really evaluation. So if there is there
a process that you know of or that you've seen
to evaluate success in terms of equity, it can be
used after a project is completed, local residents hired etcetera.
Yeah, that's a that's a really great question. I think
one tool that comes to mind.
We actually, Emerald Cities helped put together an
environmental justice
measurement and evaluation framework, but may not be a perfect
fit for every project like it was originally envisioned to
think about renewable energy installation. But I think it's valuable
and at least like looking through and seeing the kind
of criteria that we put in there, but really I
think.
Beyond evaluation, I think something that I think about a
lot is accountability to like upholding the promises and the
commitments that you make. So I'd actually also just named
that something Emerald Cities works on a lot are helping
projects in collaboration with community partners create community benefits agreements and those. Often are really flawed, hard to enforce, but there's more and more resources out there for how to do it. well and create entities that can actually kind of help hold the accountability process. I'll put a couple of a couple more resources in the in the chat for that. Yeah, and I found all the resources. No, go ahead. I found that people are also using racial equity impact assessments, which I found to be valuable. One of the things that we did on Brownsville lakefront was instead of doing a collective bargaining agreement, we codified all of our community benefits into our land sale agreement with the city to run with the land forever. So whether we're developing on it or someone else's. It'll always be required. We also, this was the first time in the history of the city of Chicago had a third. We did use the we had the community as Co governance, as a third party negotiator between the city and the developer. And we met three times a week for eight months to develop all of the design guidelines and all of the zoning uses. And so for some folks, eight months is a very long time, but a lot of folks projects are slow right now anyway. So you have the time and so I think that was. We found that that a yielded better outcomes, but it embedded the accountability and the metrics and the expectations into the design of the program in order to move forward with it and develop at all. One I will say is that equity and justice aren't like one-size-fits-all And so I think that's the heart. That's why you don't find a lot of really strong frameworks of like do this every time because it really should be custom every time you do this work. You know you should consider equity and justice as like. Your internal program administration, your culture, how you're designing processes and delivering on development and in a way that is
allows people to participate at all. How you're building an
impact ecosystem to do this work with you. Then there's
also the external impacts. And those are things that you would typically measure. And
then it's also how are you using a lens for equity and justice in every point of decision making. And
so when you're thinking about how you're making decisions on a project, it's for everything from how you write your
RFP's to how you put bonding and insurance requirements in an RFP to how you design how the community will be involved in.
Preservation of culture and heritage on a site or on a building, what does that look like? How do you
use materiality to engage with the broader community so your building isn't an outlier and flows back out into the community and back into the site. So there's that welcoming bridge. And so when you think about measurement, a lot of what people think about is, well, how do we quickly tell our story, get the numbers out there, get the quantitative going to get the support, when really what ends up being the most transformative is the qualitative and it may feel like small numbers. But taking 50 people from elementary school to college over the life cycle of a project and their involvement with this project and their involvement with green Construction opportunities. Their involvement with getting to witness the development first hand.
Also has the opportunity to change career pathways for those 50 people and then also the trajectory of their upper mobility in their life. And so 50 people over 10 years, people be like, well, 50 people, What is that? But it's the, it's a force multiplier. And so I think folks have to really be considerate of sometimes we're not looking for the highest numbers, we're looking for the most deeply meaningful, impactful change and effort. So be thinking about that in your evaluation.
I think Morgan, that is an amazing place for us to end as the clock just switched over to 2:00.
00:58:25 --> 00:58:28: O'clock Eastern. I want to thank my fellow.
00:58:28 --> 00:58:28: Panelists.
00:58:29 --> 00:58:31: Sarah, Morgan and Mandy, we are so many questions that
00:58:31 --> 00:58:34: we weren't able to get to, but I think please
00:58:34 --> 00:58:36: feel free to reach out to any of us and
00:58:36 --> 00:58:38: we'd be happy to provide, you know, more of our
00:58:38 --> 00:58:41: perspectives or answer some of the questions that we didn't
00:58:41 --> 00:58:43: get to. 2 highlevel things that I took away. I
00:58:43 --> 00:58:46: took away a lot of these things, but two things
00:58:46 --> 00:58:47: kind of resonated with me.
00:58:48 --> 00:58:52: Accountability beyond just evaluation. I think I love that
accountability.
00:58:52 --> 00:58:55: And then everyone go out there and shake up your
00:58:55 --> 00:58:59: brains. We got to do it. And then download utilize
00:58:59 --> 00:59:01: new report. There was a slide to put up but
00:59:01 --> 00:59:05: the report is not zero for all. Adjust transition for
00:59:05 --> 00:59:08: real estate and you can find it on utilize Knowledge
00:59:08 --> 00:59:13: Finder knowledge.utilize.org. Thank you everyone for joining
us. It's great
00:59:13 --> 00:59:15: to see so much interest in Equitable.
00:59:16 --> 00:59:19: NET 0 development. Thanks everyone.