



Case study- Sustainable Cities

The Naked City: A New Jail Reduction Bond

The City of Gotham (population 8 million) is seeking to close a major jail facility, Tikers Island, where a population of 8300 people are held in custody on a daily basis (the vast majority of them minorities), two-thirds of whom cannot make bail so are housed pre-trial. By closing Tikers Island and moving to a system of smaller, borough-based facilities, the city stands to save \$520 million per year from the Department of Correction budget.

Of the people jailed on Tikers Island, there are a significant number who have serious health issues – physical and behavioral health. More specifically, there is a group of more than 2000 people, predominately African American men aged 40 – 60 yrs., who consistently cycle between jail, emergency rooms and shelters. They have long arrest records, predominately for low-level misdemeanor charges.

This vulnerable population is costing the city millions of dollars a year in costs, and significantly eating into Gotham's stretched budget. Further, this population continuing to cycle in and out of Tikers Island decreases Gotham's ability to shut Tikers Island, unleashing the \$520 million dollars in savings per year.

Research shows that the number one factor that can keep people like this out of the jail system is housing. Gotham city officials would like to close down Tikers Island, and they would also like to build housing for this at-risk population that is impacted by homelessness, poverty and physical and behavioral health conditions.

Some stakeholders have proposed a jail reduction bond, tied to housing. But the city has had a poor experience with a previous jail recidivism bond in the past – where they attempted to reduce recidivism in young men by providing jail-based cognitive behavioral therapy; this was not successful. Some city executives are therefore reluctant to go ahead, others see this or some similar form of public-private-partnership as a crucial step forward if Gotham is to address its prisoner problem and the indignities of Tikers Island.

You and your team have been hired to advise the City of Gotham on the feasibility of issuing a new jail reduction bond.

What might a bond look like?

What are the stake holders that you need to engage?

What will the bond need to do to be successful?

What pitfalls need to be avoided?



Case study- This Is the Place: Place Based Investment

Bob has recently made \$100 million through the sale of his B-Corp business. Bob would like to invest his money in his local community of Yonkers, New York. He is particularly interested in issues concerning the employment and empowerment of women and minorities, economic inclusion, health and education. The business that Bob sold was a baking business which hired workers, including employees who had been previously incarcerated, to bake organic bread.

Married with two children, Bob is 55-years old. He and his family have additional savings (including a home and a 401K) and, while he does not wish to invest his \$100 million recklessly he is willing to take an appropriate level of risk while seeking to preserve the bulk of his capital and is prepared to devote himself full time to his investments and charitable giving.

Bob is also concerned about the ethical decisions of some publicly traded companies, especially those which seek to exploit poor or low-income workers. And he has questions concerning the ethics of private equity investments, and their impact on local communities like Yonkers.

How would you advise Bob on developing a place-based investment strategy?



Case study - In the Zone: Opportunity Zones

Can Opportunity Zones help Hawaii?

The state of Hawaii would like to become a center for impact investing and collaborative capitalism. It is also keen to become the first state in the U.S. to entirely switch to renewable power. As an archipelago, with distinct industries, including tourism and agriculture, a large U.S. military presence, a high cost of living and a significant indigenous population, a group that is especially at risk of poverty, Hawaii faces some unique challenges and opportunities. A group of investors, business leaders, academics and politicians see potential in impact investing to help grow the Hawaiian economy and address some of its challenges.

How can opportunity zones best be utilized to achieve this goal?