



# Adaptive Commons

## FOUNDING LEADERSHIP

The management team consists of two co-founders with combined experience of over five decades of real estate, finance, and investing. The core team spans a diverse set of industries, including governance, risk & compliance (GRC), investment banking, and social impact.



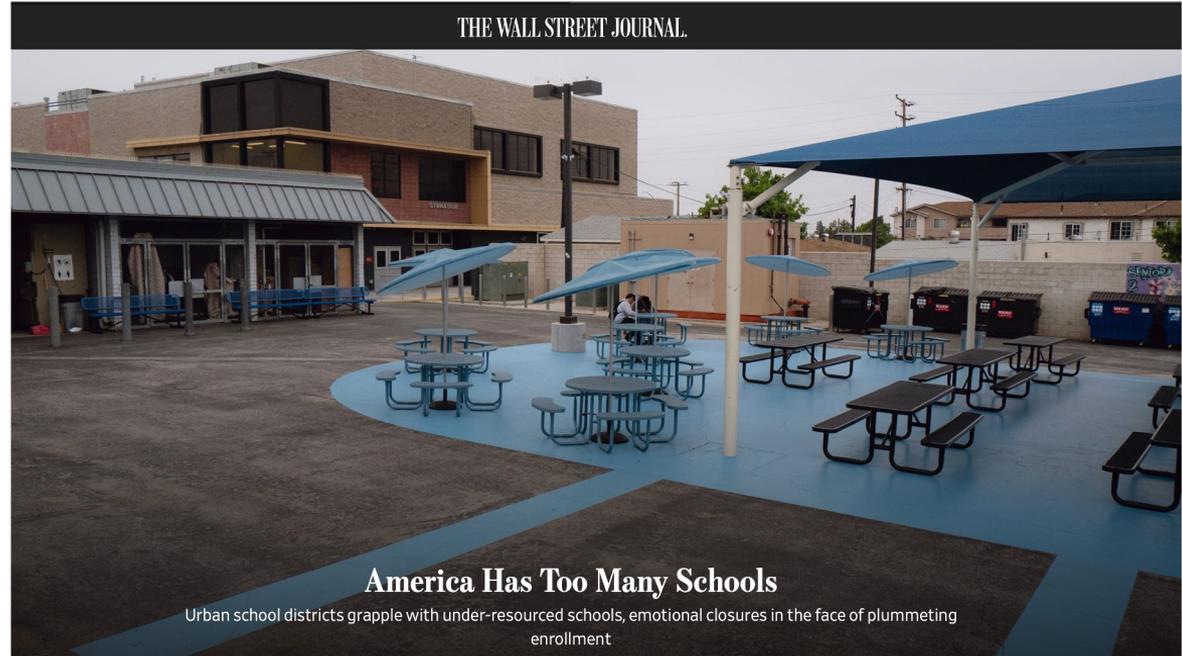
DERWIN SISNETT, PHD  
Chief Executive Officer



MARGARET M. TOWLE, PHD  
Senior Advisor

## EXECUTIVE SUMMARY

- **Focus:** Transforming vacant school properties into affordable housing for teachers and essential workers
- **Target Regions:** Pacific Northwest, Midwest, Northeast with potential expansion
- **Investment Strategy:** Adaptive reuse of vacant school buildings
- **Social Impact:** Creation of 2,800-4,000 affordable housing units for teachers and essential workers



## THE PROBLEM

Teachers across the United States do not make enough money to afford living in the districts where they serve

School districts hold millions of square feet in underutilized, vacant buildings

The affordable housing crisis extends to other essential workers in urban areas and goes beyond schools as civic infrastructure

Climate crisis demands sustainable solutions in real estate development



## SOLUTION: INVEST & TRANSFORM

Identify high-potential vacant school properties in target markets

Invest in the transformation of these assets into workforce affordable housing

Leverage innovative financing models, including historic tax credits and public-private partnerships

Create a scalable, replicable model for school-to-housing conversion nationwide



## MARKET OPPORTUNITY

### Regional Highlights:

- Midwest (e.g., Kansas City, Cleveland, Detroit)
  - Rapid urban revitalization creating affordability challenges for public sector workers
  - Significant inventory of historic school buildings prime for redevelopment
- Northeast (e.g., New York, Boston)
  - Among the highest housing costs nationally, with teachers spending up to 50% of income on rent
  - Aging school infrastructure creating opportunities for adaptive reuse

### Policy Tailwinds:

- Growing number of states passing legislation to facilitate teacher housing development

#	City	Market Conditions (35%)			Financial Feasibility (30%)			Implementation (20%)			Impact Potential (15%)			Results	
		VAC	THN	MS	AS	AC	CC	DE	PS	CS	SO	BSQ	RP	Total	Tier
1	Chicago	4	5	4	5	2	2	5	4	4	5	4	4	3.93	1
2	Philadelphia	5	4	4	4	3	3	4	4	4	4	4	4	3.92	1
3	Cleveland	5	4	3	4	4	3	3	4	4	4	4	3	3.78	1
4	Minneapolis	4	4	4	4	3	3	4	5	4	3	4	4	3.77	1
5	Denver	3	4	4	4	2	2	4	4	4	3	4	4	3.65	2
6	New York	3	5	4	5	1	1	5	4	4	4	4	4	3.62	2
7	Baltimore	4	4	3	4	4	3	3	4	4	3	3	3	3.57	2
8	Washington DC	3	5	4	4	2	2	5	4	3	3	4	4	3.55	2
9	St. Louis	5	3	3	4	4	3	3	3	3	4	3	3	3.45	2
10	Milwaukee	4	3	3	4	4	3	3	3	4	3	4	3	3.43	2
11	Kansas City	4	3	3	3	4	3	3	4	4	3	4	3	3.42	2
12	Birmingham	4	3	3	3	4	4	3	4	4	3	3	3	3.40	2
13	Detroit	5	3	2	4	5	4	3	3	3	4	2	3	3.38	2
14	Atlanta	2	4	4	3	3	3	4	4	3	4	3	4	3.37	2
15	Pittsburgh	4	3	3	4	4	3	3	4	4	3	3	3	3.35	2
16	Boston	2	5	4	4	1	1	5	4	3	3	4	4	3.32	2
17	San Francisco	1	5	4	4	1	1	5	4	3	3	3	4	3.15	3
18	Oakland	2	5	4	3	2	2	4	4	3	3	3	4	3.15	3
19	Sacramento	2	4	4	3	2	2	4	3	3	3	3	4	3.02	3
20	Los Angeles	1	5	4	3	1	1	5	3	3	4	3	3	2.90	3
21	Maui	2	5	3	3	1	1	3	4	4	2	3	3	2.88	3
22	Phoenix	2	3	4	2	3	3	4	3	2	3	2	3	2.85	3
23	Seattle	1	5	4	3	1	1	4	3	3	3	4	3	2.80	3
24	Houston	2	3	3	2	3	3	4	3	2	3	2	2	2.71	4
25	San Antonio	2	3	3	2	3	3	3	3	2	2	2	2	2.58	4

#### Metric Key

VAC: Vacancy Level - School buildings available

AS: Available Subsidies - Tax credits/incentives

DE: Developer Ecosystem - Experienced developers

SO: Scale Opportunity - Project volume

THN: Teacher Housing Need - Salary/housing gap

AC: Acquisition Costs - Purchase affordability

PS: Political Support - Government backing

BSQ: Building Stock Quality - Property condition

MS: Market Stability - RE market strength

CC: Construction Costs - Rehab expenses

CS: Community Support - Local acceptance

RP: Replication Potential - Model scalability

≥4.5 Outstanding

3.5-4.4 Strong

2.5-3.4 Moderate

<2.5 Limited



## MARKET EXEMPLAR: THIS IS CALIFORNIA'S VIEW OF THE OPPORTUNITY\*

31 %

teachers across California who  
are housing cost burdened

46

school districts actively  
looking for a workforce  
housing solution

30 %

underutilized school district  
assets

\*Source: Education Workforce Housing in California – Developing the 21st Century Campus. cityLAB, UCLA; Center for Cities + Schools, Berkeley; the Turner Center for Housing Innovation, Berkeley

## INVESTMENT STRATEGY

1. **Acquisition:** Target 35+ vacant school properties across focus regions
2. **Development:** Partner with experienced local developers for adaptive reuse projects
3. **Financing:** Leverage diverse capital stack, including:
  - Tax credit equity (New Markets, Historic)
  - Low-interest debt from CDFIs
  - Public subsidies and grants
4. **Asset Management:** Source and implement efficient property management to ensure long-term affordability and returns





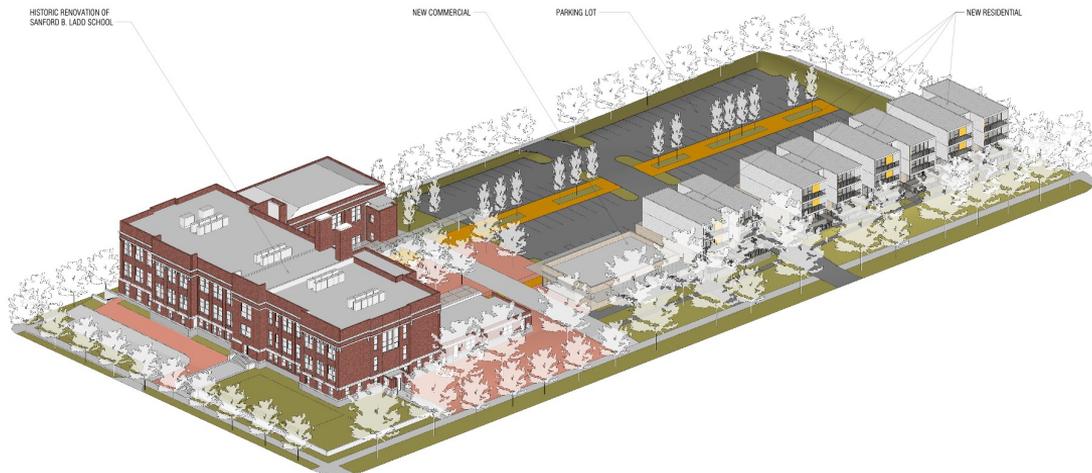
## COMPETITIVE ADVANTAGE

- Proprietary data-driven site selection model for identifying optimal school conversion opportunities
- Deep relationships with school districts and municipalities
- Innovative financing expertise, combining private equity with public incentives
- Strong partnerships with local developers and community organizations
- Scalable model with potential for rapid expansion to new markets

## APPENDIX

## FEATURED PROOF OF CONCEPT: LADD SCHOOL, KANSAS CITY

- Historic landmark in Oak Park neighborhood
- 82 units of affordable housing for KCPS teachers and essential workers
- Adaptive reuse of vacant school building (28 units) + new construction on school grounds (54 units)
- Leverages Historic Tax Credits (State and Federal) and New Markets Tax Credits
- Part of initial \$3M proof of concept fund
- Blueprint for scaling to 35-50 projects in full-scale fund



## TEAM BIOS

### DERWIN SISNETT, CHIEF EXECUTIVE OFFICER

Derwin is the founder and CEO of Adaptive Commons, a real estate company that invests in the transformation of civic spaces for social good. Prior to Adaptive Commons, Derwin co-founded and co-led Maslow Development Inc., a real estate & community development firm that advises, designs, and develops mixed-use communities anchored by high-quality schools. Prior to Maslow, Derwin co-founded and served as the CEO of Gestalt Community Schools, a charter management organization that develops high-quality, community-based charter schools in Memphis, Tennessee. Honored by the White House and the U.S. Department of Education, GCS grew into one of the highest-performing networks of schools in Tennessee, anchoring over 40 acres of a mixed-use development that Derwin spearheaded, including a performing arts center and affordable housing.

In partnership with the Menkiti Group, Derwin also co-founded Grove Social Impact Partner's Obsidian Catalyst Fund, a real estate investment vehicle that aims to drive neighborhood-level social impact by capitalizing a new category of Black real estate developers. Derwin's work has been featured in numerous publications, including Urban Land Institute's *Urban Land Magazine*, The New York Times, and the Wall Street Journal. He has also lectured at various colleges and universities, including Harvard Graduate School of Design, Yale School of Management, and Berkeley's College of Environmental Design, where he is a Faculty Lecturer in Real Estate Development + Design.

Derwin has held private, mayoral- and gubernatorial-appointed board seats at healthcare, foundation, education, and arts-based companies, including Collage Dance Collective, one of the largest Black-led performing arts organizations in the American South, and the developer of Crosstown Concourse, a 1,500,000 sq. ft. adaptive reuse of a historic Sears distribution center. In 2015, Derwin became the youngest person to chair the board of Memphis Light, Gas and Water, the nation's largest 3-tier public utility.

Derwin holds a bachelor's degree from Emory University, a PhD from the University of Memphis, and he is an alumnus of Harvard University's Graduate School of Design, where he was a Loeb Fellow. Derwin is also an Echoing Green Fellow, and a Pahara Fellow of the Aspen Global Leadership Network, where he was selected as a Braddock Scholar.

**TEAM BIOS (CONTINUED)****MARGARET M. TOWLE, SENIOR ADVISOR**

Margaret is the Senior Advisor to Adaptive Commons, a real estate company that invests in the transformation of civic spaces for social good. Prior to Adaptive Commons, Dr. Towle was a Managing Director/Senior Portfolio Manager at *Bank of America Merrill Lynch “BAML”*), where she provided discretionary investment advisory services for a select number of ultra-wealthy families, as well as managing ESG portfolios on *Merrill Lynch’s* internal platform. In addition, she was a member of BAML’s *Global Institutional Consulting Group (“GIC”)*, providing consulting services to institutional clients.

Throughout her career, Dr. Towle has functioned in a variety of roles, including: Managing Partner and head of Research at *Greycourt Advisors (a multi-family office)*, Executive Vice President and Chief Investment Officer at *The Northern Trust Global Advisors*, (where she was responsible for overseeing assets in excess of several billion dollars, including traditional asset classes as well as hedge fund and private equity assets) and Co-Founder/Chairman and CEO of, *Puget Sound Funds*, the first mutual fund company to offer liquid alternative investment products using a Regulated Investment Company (“RIC”) structure. Dr. Towle started her career at *Russell Investments*.

In May 2019, Dr. Towle received the *Investments & Wealth Institute* “Investment Consulting Impact Award.” In addition, she received recognition as one of the “Top 50 Women in Wealth Management” and attended the *Skoll World Forum on Social Entrepreneurship* in Oxford, England as a delegate. Dr. Towle attended the *Center for Entrepreneurial Leadership* as a *Kaufman Fellow*. She was the recipient of IMCA’s *Stephen L. Kessler Writing Award*. She has published in the areas of finance and economics, including the book, “Masters of Finance and Economics: Interviews with Some of the Greatest Minds in Investing and Economics.” She frequently speaks at industry events and has appeared on *FinTech TV*, *CNBC* and *Bloomberg Financial*.

Throughout her career, Dr. Towle has served on numerous non-profits boards. She previously was a board member and co-investment chair of *The American College of Financial Services* endowment, as well as former board member and Treasurer of *Investment & Wealth Institute* (formerly “IMCA”) association, former board member of the U.K. non-profit, *Think Equal*, *Big Sisters of Seattle*, *YWCA King County Investment Committee*, among others. She is a founding board member of the *Center for Women and Democracy at the University of Washington*, and an angel investor in *100 Women in Hedge Funds*. Dr. Towle was a participant in the “Mentoring Women in Business Programme,” as part of the U.K.-based organization, *The Cherie Blair Foundation*.

Dr. Towle earned BA, MA, and Ph.D. degrees from the *University of Washington-Seattle*, with emphasis on political economy and public finance. She holds the following credentials: CAIA® CAP®, CIMA®, CPWA®, FSA®, RICP®. Dr. Towle attended the *Oxford Impact Investment Programme*, *Wharton Social Finance Gender-Lens Investing Program*, and completed the Executive Education Program in Risk Management at the *University of Chicago* and completed post-graduate studies in quantitative methods at the *University of Michigan* at Ann Arbor.