Time: 6:10 p.m. – 8:00 p.m., Mondays
Location: Old Main - 1922 F Street, NW (On F between 19th and 20th), Room 312

Professors: Joseph Firschein
joseph.a.firschein@frb.gov
703-731-5992 (cell)
202-736-5531 (work)
Office hours by appointment

Brett Theodos
btheodos@urban.org
202-415-9533 (cell)
202-261-5865 (work)
Office hours by appointment

Course Description:
This course examines the policy and practice of community development, including how private sector developers and lenders work with nonprofits, foundations, and the public sector to promote sustainable affordable housing, economic development, and other community-based projects that meet both financial as well as social impact criteria. The course explores a range of community and economic development programs and policy issues, including those related to financing affordable housing, charter schools, community facilities, and small businesses. The course also addresses emerging trends that are likely to affect community development policymakers and practitioners in the future, including transit-oriented development, comprehensive community initiatives, and new ways of raising capital for community development projects.

Although the course includes a discussion of public policy analysis and underwriting techniques used by public and private sector community development practitioners, no previous community development finance or public policy experience is required.

Course Prerequisites: None

Required Texts:

http://www.amazon.com/Housing-Policy-United-States-Schwartz/dp/0415836506/ref=dp_ob_image_bk
2) Harvard Business Publishing Coursepack. The coursepack includes the cases listed below:

b) “Buying Property in a Hot Market: NYC Creates a Fund to Keep Affordable Housing Developers in Play.” Case Study from the Kennedy School of Government, Harvard University. 2009. Also included – video interview with Shaun Donovan.

The coursepack is available for $15.80 from the following Harvard Business Publishing link. The link requires students to register with a username and password (if you don’t have a username, you can create one on the site the first time your register):
https://cb.hbsp.harvard.edu/cbmp/access/36838555

For other required readings available for free via the web, see details below under each class. Note that in addition to the required class readings, in some cases there are a number of “additional optional readings.” These readings are for students seeking additional information on a particular topic.

Student Learning Outcomes:
As a result of completing this course, students will be able to:

1) Identify and understand the public policy issues associated with the key federal, state, and local government community and economic development programs, including grant and loan programs, tax credit programs, and regulations;

2) Understand the role that banks and other regulated financial institutions play in community development, explore their incentives, and analyze current policy issues associated with the Community Reinvestment Act (CRA);

3) Describe and analyze the role that Community Development Financial Institutions (CDFIs) play in community development, explain how CDFIs partner with traditional financial institutions, and identify current public policy issues associated with CDFIs and the U.S. Department of the Treasury’s CDFI Fund;

4) Understand the implications of the large volume of foreclosed and/or vacant properties for policymakers and practitioners and current policy issues associated with foreclosed and vacant properties;

5) Understand the role that the housing Government Sponsored Enterprises (GSEs) – Fannie Mae and Freddie Mac – currently play in community development and the implications of alternative policies on the future of the GSE; and
6) Understand and analyze strategies employed by high performing public and private sector community development organizations and describe some of the new approaches being pursued by these organizations.

Class Requirements and Grading:
Students are expected to complete the following requirements:

1. Class Participation (15%): Regular course attendance is required. The class participation grade will be based on students’ informed participation in the class discussions of the assigned required readings and cases. In class, students may be called on to answer questions or summarize assigned articles and cases. In addition, there may be periodic unscheduled in-class writing assignments on the required readings and these assignments will considered as part of the participation grade. Note: students will not be expected to read the “additional optional readings” listed on the syllabus. As noted above, those optional readings are for students seeking more information on a particular topic.

2. Community Development Policy Memo (30%): Students will write an individual analysis of a community development policy topic. Detailed instructions for the policy memo will be posted on Blackboard.

3. Midterm Exam (30%): The exam will focus on items specifically discussed in class and in the assigned readings for the class sessions prior to the exam date. Detailed information on the exam format will be provided prior to the exam.

4. Final Group Presentation (25%): Students will divide into small groups and collaborate on a PowerPoint presentation analyzing a completed community development project. Detailed instructions for the Final Group Presentation will be posted on Blackboard. Final Group Presentation teams must submit their proposed presentation topic (project name, project type, date of completion, and location) in advance. The presentations will take place in class.

Background on Instructors:

Joseph Firschein is Deputy Associate Director and Community Affairs Officer at the Federal Reserve Board of Governors. He leads the Board’s community development and policy analysis teams that are responsible for analyzing emerging consumer and community development policies and practices in order to understand their implications for the economic and supervisory policies that are core to the central bank's functions. These teams provide members of the Board of Governors and other divisions with recommendations for policy considerations. They also promote economic growth and financial stability for low- and moderate-income communities and individuals through a range of activities, including convening stakeholders for discussions on issues, conducting applied research, and gathering information on financial conditions. Through these mechanisms, the staff helps inform Board Members and external policymakers on a number of issues including: potential opportunities to mitigate foreclosure impacts,
increasing affordable housing, improving access to small business credit, and connecting low-income individuals to appropriate financial services and jobs.

Prior to joining the Federal Reserve Board, Joseph served as a Director in Fannie Mae’s Housing and Community Development Division where he managed the business segment responsible for financing community development financial institutions and led the company’s efforts to sell foreclosed single family homes to public entities and nonprofits. Prior to joining Fannie Mae, Joseph managed lending to community development financial institutions at the U.S. Treasury Department Community Development Financial Institutions (CDFI) Fund and served as lead community development analyst at the U.S. Office of Management and Budget (OMB) Housing Branch. Joseph has served as a board member of several local nonprofit community development organizations and is an adjunct professor at Georgetown University and George Washington University, where he teaches courses on community development finance and policy. Joseph has an MBA in Finance from the University of Maryland, Robert H. Smith School of Business; a Masters in Public Policy from the University of California, Berkeley, Goldman School of Public Policy; and a B.A. in Psychology from Stanford University.

Brett Theodos is a senior research associate with the Metropolitan Housing and Communities Policy Center at the Urban Institute. His research focuses on economic and community development, neighborhood change, and affordable housing programs and initiatives. Examples of his community/economic development research include evaluations of the Treasury Department’s New Markets Tax Credit program; the Small Business Administration’s 7(a), 504, MicroLoan, and SBIC loan and investment programs; HUD’s Section 108 program; and HUD’s Strong Cities, Strong Communities National Resource Network. Mr. Theodos is also currently developing a research program that will track investment flows (from public and private sources) into communities that are part of a community development initiative, and investigating the effects of large place-based initiatives in San Diego, Baltimore, and Detroit. With support from the Ford Foundation, he is reexamining the design and operations of the Community Development Block Grant program, for its 40th anniversary year. For the JPMorgan Chase Foundation he is catalyzing a dialogue about the next generation of CDFI capitalization strategies. Mr. Theodos has also conducted several research studies of neighborhood change, including examining the importance of residential mobility.

Mr. Theodos is currently directing an impact evaluation of nine “shared equity” homeownership programs, and another study of 19 down payment assistance programs funded through NeighborWorks America and the Wells Fargo Foundation. In the financial services space, he is researching the geography of debt in America. He also led a study exploring the use, and geographic concentration, of high cost tax refund products. He is leading random control trial impact evaluations of two financial coaching programs, and another study, for the Consumer Financial Protection Bureau, assessing the benefits of providing consumers “rules of thumb” for use in decision-making. Finally, Mr. Theodos’ experience includes assisting nonprofit organizations in developing their capacity in the areas of evaluation and performance measurement. He directs Measure4Change, an initiative sponsored by the World Bank, which provides technical
assistance to several nonprofits. Mr. Theodos has a BA from Northwestern University, and MPP from Georgetown University, and is completing a PhD at George Washington University.
### Class Schedule

*Note: Guest speakers are still being confirmed*

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<tr>
<th>Date</th>
<th>Topic</th>
<th>Reading</th>
<th>Assignment</th>
<th>Homework</th>
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| Aug. 31   | Introduction and overview: Review of course organization and assignments. What is community development (CD) and what are some of the key policy and management issues facing CD policymakers and practitioners? What are the important trends and cross-cutting themes in the CD field? | 1) Schwartz, A. Housing Policy in the United States (course text), pp. 1-10 (“Introduction”) and 17-62 (“Trends, Patterns, and Problems”).  
|           | Additional Optional Readings:                                          |         |            |          |
| Sep. 7    | No class – Labor Day                                                  |         |            |          |
| Sep. 14   | Community Development Lending – Part 1: What roles have financial institutions played in CD and what are their primary incentives, including mission, regulatory, financial, and public relations? What role does the Community Reinvestment Act (CRA) |
|           | 1) Schwartz, A. Housing Policy in the United States (course text), pp. 362-367 (“Community Reinvestment Act”)  
| Sep. 21 Class 3 | Community Development Lending – Part 2: What is the role of CDFIs in CD finance efforts? What are the key challenges facing CDFIs and what are some of the important public policy issues? | 3) National Community Reinvestment Coalition (NCRC) Recommendations on CRA. [http://www.ncrc.org/programs-issues/community-reinvestment](http://www.ncrc.org/programs-issues/community-reinvestment)

4) Bhutta, N. and Canner, G. “Did the CRA Cause the Mortgage Market Meltdown?” Community Dividend. March 1, 2009. [http://www.minneapolisfed.org/research/pub_display.cfm?id=4136](http://www.minneapolisfed.org/research/pub_display.cfm?id=4136)


Additional Optional Readings:


issues facing the CDFI industry? What are the key terms used in affordable housing pro formas and how are pro formas used to evaluate affordable housing projects?


Additional Optional Readings:

1) Review of affordable housing pro formas and basics of underwriting affordable housing projects (materials to be posted on Blackboard)


Sep. 28 Class 4

Public Housing, Privately Owned Rental Housing Built With Federal Subsidy, and Vouchers: To what extent is public housing developed and financed in conjunction with private developers and specifically what is the role of the HOPE VI program in developing mixed-income housing? What are the other key federal programs that

1) Schwartz, A. Housing Policy in the United States (course text), pp. 163-198 (“Public Housing”).


subsidize privately owned rental housing? How are housing vouchers used to support privately owned rental housing? What are the key policy issues and potential reforms associated with these programs?


Additional Optional Readings:


Oct. 5 Class 5

The Low Income Housing Tax Credit (LIHTC) Program: What are the key policy and management issues raised by the LIHTC Program? Who are the key participants in this program?

1) Schwartz, A. Housing Policy in the United States (course text), pp. 135-159 (“The Low-Income Housing Tax Credit”).

2) Baum-Snow & Marion. “The effects of low income housing tax credit developments on neighborhoods.” Journal of Public Economics, 93(5-6). 2009 http://ac.els-cdn.com/S0047272709000024/1-s2.0-S0047272709000024-main.pdf?_tid=4ad5499e-3a31-11e5-9fa1-00000aab0f26&acdnat=1438642088_e0fe68b1ee3c8cbcbbb56f2bf392b37e


Additional Optional Readings:

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<tr>
<th>Oct. 12</th>
<th>State and Local Housing Programs and the Nonprofit Sector: What are the key state and local housing programs, including block grants, tax-exempt bond financing, housing trust funds, and inclusionary zoning?</th>
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<tr>
<td>Class 6</td>
<td>Instructions and team assignments will be discussed for Final Group Presentations (instructions will also be posted on Blackboard)</td>
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</table>


1) Schwartz, A. Housing Policy in the United States (course text), pp. 265-301 (“State and Local Housing Policy and the Nonprofit Sector”).


http://dc.urbanturf.com/articles/blog/the_uncertain_future_of_topa/3357

Additional Optional Readings:

1) “We Own This.” Documentary on TOPA. Latino Economic Development Corporation. April 25, 2011.
### Oct. 19

| Class 7 | Public Sector Economic and Commercial Development Programs: What is the role of public sector programs like Tax Increment Financing (TIF) and the New Markets Tax Credit (NMTC) program in supporting local economic and commercial development? What is the role of early learning in local economic development? |

**Guest Speaker – Lee Goldstein, District of Columbia Office of the Deputy Mayor for Economic Development**

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<td>2</td>
<td>“Investing in Early Learning as Economic Development at the Minneapolis Federal Reserve Bank.” Harvard Business Publishing Coursepack. To purchase, use link under “required texts” section of syllabus.</td>
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### Additional Optional Readings:

|----|----|
| Oct. 26 Class 8 | Community Development and Housing Finance: What are the key features of the present housing finance system, including institutions such as the Federal Home Loan Bank system, the Federal Housing Administration, and the Government Sponsored Enterprises? How do these institutions interact with private real estate developers and lenders working in the CD field? What are the implication of housing finance reform on the CD activities of private sector developers and lenders? | Guest Speaker – Isaac Boltansky, Compass Point Research and Trading | 1) Schwartz, A. Housing Policy in the United States (course text), pp. 69-112 (“Housing Finance”).


**Additional Optional Readings:**


3) Bipartisan Policy Center website. [http://bipartisanpolicy.org/blog/2013/04/co-chair-corner-senator-martinez](http://bipartisanpolicy.org/blog/2013/04/co-chair-corner-senator-martinez)

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<th>Date</th>
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<th>Topic</th>
<th>Readings</th>
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<tr>
<td>Nov. 9</td>
<td>Class 10</td>
<td>Midterm Exam</td>
<td>No assigned readings</td>
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<td>Nov. 16</td>
<td>Class 11</td>
<td>Community Development Trends and Emerging Policy Issues: What are some expert views on how the CD field will evolve for practitioners and</td>
<td>1) Kubisch A. et. al. “Lessons From the Field III: Lessons and Challenges from Two Decades of Community Change Efforts.” Executive Summary, Pgs. vi-x. <a href="http://www.aspeninstitute.org/sites/default/files/content/images/rcc/VoicesfromtheFieldIII.pdf">http://www.aspeninstitute.org/sites/default/files/content/images/rcc/VoicesfromtheFieldIII.pdf</a></td>
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policymakers? What are particular areas of opportunity, including transportation oriented development, “green” development, comprehensive community initiatives, and new ways of raising capital?


Additional Optional Readings:


http://www.frbsf.org/publications/community/review/vol9_issue1/pay-for-success-not-


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**Implications of Foreclosure and Vacant Properties for Community Development:**

What policy efforts have been undertaken to mitigate foreclosure and what has been the success of these programs? What are the key public sector and bank programs that are designed to incentivize reinvestment in areas affected by foreclosure and how are these programs working?

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2) “Policy Considerations for Improving Ohio’s Housing Markets.” http://www.clevelandfed.org/community_development/publications/special_reports/20130522_index.cfm


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**Additional Optional Readings:**


2) DeMarco, E. “Addressing the Weak Housing Market: Is Principal Reduction the Answer.” April 10, 2010 audiocast. http://www.brookings.edu/events/2012/04/10-housing-deMarco
Community Development Programs Involving Small Business Credit: What are the key challenges associated with small business credit access? What are examples of public sector programs and policies designed to address these needs, including credit enhancement programs in the Small Business Administration (SBA) and the Treasury Department’s State Small Business Credit Initiative?


Additional Optional Readings:

1) NY Fed “Fall 2013 Small Business Credit Survey” http://www.ny.frb.org/smallbusiness/Fall2013/


Final Group Presentations

Completed Final Group Presentations to be
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<th>Class 14</th>
<th>presented in class</th>
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TSPPPA Class Policies

1. **Incompletes:** A student must consult with the instructor to obtain a grade of I (incomplete) no later than the last day of classes in a semester. At that time, the student and instructor will both sign the CCAS contract for incompletes and submit a copy to the School Director. Please consult the TSPPPA Student Handbook or visit http://www.gwu.edu/~ccas/faculty/files/Incomplete_poli0.pdf for the complete CCAS policy on incompletes.

2. **Submission of Written Work Products Outside of the Classroom:** It is the responsibility of the student to ensure that an instructor receives each written assignment. Students can submit written work electronically only with the express permission of the instructor.

3. **Submission of Written Work Products after Due Date: Policy on Late Work:** All work must be turned in by the assigned due date in order to receive full credit for that assignment, unless an exception is expressly made by the instructor.

4. **Academic Honesty:** All examinations, papers, and other graded work products and assignments are to be completed in conformance with the George Washington University Code of Academic Integrity. (see http://www.gwu.edu/~ntegrity/code.html)

Note especially the definition of plagiarism: “intentionally representing the words, ideas, or sequence of ideas of another as one’s own in any academic exercise; failure to attribute any of the following: quotations, paraphrases, or borrowed information.”

5. **Changing Grades After Completion of Course:** No changes can be made in grades after the conclusion of the semester, other than in cases of clerical error.

6. **The Syllabus:** This syllabus is a guide to the course for the student. Sound educational practice requires flexibility and the instructor may therefore, at her/his discretion, revise content and requirements during the semester.

7. **Accommodation for Students with Disabilities:** In order to receive accommodations on the basis of disability, a student must give notice and provide proper documentation to the Office of Disability Support Services, Marvin Center 436, 202-994-8250. Accommodations will be made based upon the recommendations of the DSS Office.

8. **University Counseling Center:** The University Counseling Center (UCC), 202-994-5300, offers 24/7 assistance and referral to address students' personal, social, career, and study skills problems. Services for students include:
   - crisis and emergency mental health consultations
   - confidential assessment, counseling services (individual and small group), and referrals

http://gwired.gwu.edu/counsel/CounselingServices/AcademicSupportServices

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