The George Washington University  
Trachtenberg School of Public Policy and Public Administration  
PPPA 6062.10 (CRN 14366)  
Community Development Policy  
Fall 2016 Syllabus  
As of March 30, 2016

Time: 6:10 p.m. – 8:00 p.m., Mondays  
Location: Phillips Hall, Room 415 (801 22\textsuperscript{nd} St., NW)

Professor: Joseph Firschein  
\texttt{joseph.a.firschein@frb.gov}  
703-731-5992 (cell)  
202-736-5531 (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:

\url{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):
http://cb.hbsp.harvard.edu/cbmp/access/48895317

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 Instructor:**
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.
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<tr>
<th>Date</th>
<th>Topic</th>
<th>Reading</th>
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<td>Sept. 5</td>
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<td>some of the key CRA policy issues?</td>
<td>3) National Community Reinvestment Coalition (NCRC) Recommendations on CRA. <a href="http://www.ncrc.org/programs-issues/community-reinvestment">http://www.ncrc.org/programs-issues/community-reinvestment</a></td>
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<td>4) Bhutta, N. and Canner, G. “Did the CRA Cause the Mortgage Market Meltdown?” Community Dividend. March 1, 2009. <a href="http://www.minneapolisfed.org/research/pub_display.cfm?id=4136">http://www.minneapolisfed.org/research/pub_display.cfm?id=4136</a></td>
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<td>4) CRA video. August 2015. San Francisco Fed. <a href="https://www.youtube.com/watch?v=rdOpsTlYbeY">https://www.youtube.com/watch?v=rdOpsTlYbeY</a></td>
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## Sept. 19
### 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 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?


[http://scholars.unh.edu/cgi/viewcontent.cgi?article=1165&context=carsey](http://scholars.unh.edu/cgi/viewcontent.cgi?article=1165&context=carsey)

### Additional Optional Readings:

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

2) American Banker article on CARS and info on CARS  

3) Chicago Community Loan Fund Website.  
[http://www.cclfchicago.org/lending/loan-products](http://www.cclfchicago.org/lending/loan-products)  
[http://www.cclfchicago.org/lending/review](http://www.cclfchicago.org/lending/review)  
[http://www.cclfchicago.org/lending/criteria](http://www.cclfchicago.org/lending/criteria)

## Sept. 26
### Class 4
**Public Housing, Privately Owned Rental Housing Built With Federal Subsidy, and Vouchers:** To what extent is public housing developed and financed in

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

2) Schwartz, A. Housing Policy in the United States (course text), pp. 203-223 (“Privately...
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 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:**

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

2) Novogradac and Co. YouTube Video on LIHTC Basics. [Link](http://www.youtube.com/watch?v=XxwpoLztx70&feature=youtube_gdata_player)


**Additional Optional Readings:**

1) 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) Novogradac and Co. YouTube Video on LIHTC Basics. [Link](http://www.youtube.com/watch?v=XxwpoLztx70&feature=youtube_gdata_player)


**Additional Optional Readings:**

<table>
<thead>
<tr>
<th>Oct. 10 Class 6</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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<tbody>
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<td>1) Schwartz, A. Housing Policy in the United States (course text), pp. 265-301 (“State and Local Housing Policy and the Nonprofit Sector”).</td>
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**Instructions and team assignments will be discussed for Final Group Presentations (instructions will also be posted on Blackboard)**

**Additional Optional Readings:**
| Oct. 17  
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 for local economic and commercial development? What is the role of early learning in local economic development? | 1) “The Uncertain Future of TOPA.” Urban Turf Blog. April 2011.  
http://dc.urbanturf.com/articles/blog/the_uncertain_future_of_topa/3357  

2) “We Own This.” Documentary on TOPA. Latino Economic Development Corporation. April 25, 2011.  
https://www.youtube.com/watch?v=icfkYE-N_2g  


2) “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.  

http://www.urban.org/sites/default/files/alfresco
### Additional Optional Readings:


   [http://reclaimdemocracy.org/tax_increment_financing/](http://reclaimdemocracy.org/tax_increment_financing/)

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<th>Oct. 24</th>
<th>No class – Fall Break</th>
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<td>Oct. 31</td>
<td>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?</td>
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<tr>
<td>Nov. 7</td>
<td>1) Schwartz, A. Housing Policy in the United States (course text), pp. 69-112 (“Housing Finance”).</td>
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   [http://www.fhfa.gov/Media/PublicAffairs/Pages/Prepared-Remarks-Melvin-Watt-at-BPC.aspx](http://www.fhfa.gov/Media/PublicAffairs/Pages/Prepared-Remarks-Melvin-Watt-at-BPC.aspx) |
https://davidhstevensblog.wordpress.com/2015/08/21/why-i-support-reforming-the-gses-not-eliminating-them/

**Additional Optional Readings:**

http://www.nmhc.org/PressRelease.cfm?ItemNumber=57401

2) Seidman, E. et al. “A Pragmatic Plan for Housing Finance Reform.”
http://www.urban.org/uploadedpdf/412845-Housing-Finance-Reform.pdf

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

https://www.cbo.gov/publication/49765


Community Development Policy Memo due via e-mail by beginning of class. Also bring hard copy to class to turn in.

| Nov. 7 Class 9 | Residential Mobility, Assisted Mobility Programs | 1) Chetty et al. 2015. “The Effects of Exposure to Better Neighborhoods on Children: New... |
and Fair Housing: Is residential mobility a complement or competitor to traditional community development? How does residential mobility occur “naturally”? Do programs encouraging mobility benefit low-income people, and if so, in what ways? Is housing discrimination still a problem? What is “Affirmatively Furthering Fair Housing”?

| Nov. 14 | Midterm Exam | Evidence from the Moving to Opportunity Experiment.”
|         |              | http://www.nber.org/papers/w21156
|         |              | lity_neigh.pdf

| Nov. 21 | Community Development Trends and Emerging Policy Issues: What are some expert views on how the CD field will evolve for practitioners and policymakers? What are particular areas of opportunity, including comprehensive community initiatives, pay for success 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. http://www.aspeninstitute.org/sites/default/files/content/images/rcc/VoicesfromtheFieldIII.pdf

Final Group Presentation teams must submit proposed presentation topic (project name, project type, date of completion, and location) by beginning of class.
### Approaches and new ways of raising capital?

|---|

**Additional Optional Readings:**

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?


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


Additional Optional Readings:

1) “Why is Ed DeMarco Blocking a Win-Win Housing Program?” August 1, 2012.

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

https://compasspoint.bluematrix.com/docs/pdf/bddca2aa-e174-40c5-b423-c9f15c8d2925.pdf?


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?

| Commentary/2013/ec%20201310%20why%20small%20business%20lending%20isn%20what%20it%20used%20to%20be.aspx

**Additional Optional Readings:**

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


Dec. 12
Class 14
Final Group Presentations
Completed Final Group Presentations to be presented in class

Policy Memo Grading Rubric:

- Content – 80%
  - Complexity, depth of the response, and demonstrated understanding of the subject
  - Clarity and accuracy when describing key concepts
  - Making conclusions and/or recommendations that are supported by the information in the memo and/or in other cited materials

- Quality of Writing – 20%
  - Following the page length and/or format requirements
  - Grammar and punctuation, spelling, and sentence structure
  - Organization and coherence of ideas
  - Supporting the case analysis with references that add value to the analysis and support the conclusions/recommendations

University Policies:

University Policy on Religious Holidays
1. Students should notify faculty during the first week of the semester of their intention to be absent from class on their day(s) of religious observance.
2. Faculty should extend to these students the courtesy of absence without penalty on such occasions, including permission to make up examinations.
3. Faculty who intend to observe a religious holiday should arrange at the beginning of the semester to reschedule missed classes or to make other provisions for their course-related activities.

Support for Students Outside the Classroom
1. Disability Support Services (DSS): Any student who may need an accommodation based on the potential impact of a disability should contact the Disability Support Services office at 202-994-8250 in the Rome Hall, Suite 102, to establish eligibility and to coordinate reasonable accommodations. For additional information please refer to: http://disabilitysupport.gwu.edu/

2. Mental Health Services 202-994-5300: The University's Mental Health Services 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. counselingcenter.gwu.edu/

Academic Integrity Code
Academic dishonesty is defined as cheating of any kind, including misrepresenting one's own work, taking credit for the work of others without crediting them and without appropriate authorization, and the fabrication of information. For the remainder of the code, see: studentconduct.gwu.edu/code-academic-integrity