

PPPM 407/507 - Spring 2019



School of Planning, Public Policy and Management



University of Oregon

School of Planning, Public Policy and Management PPPM 407/507: Affordable Housing Finance

Spring 2019 (CRN 36873)

Instructor: Amy Cabbage, MNM, CHAM™ (Certified Housing Asset Manager)

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Office Hours: Drop in Mon. 11:30 AM-12:30 PM Hendricks Hall Hearth, Wed. 7:20-8:20 PM immediately after class in 166 Lawrence Hall, or schedule an appointment via email.

Class Time: Wed. 6-7:20 PM

Room: 166 Lawrence Hall

Course Description

PPPM 407/507 surveys affordable housing policy topics and provides an introduction to real estate finance basics. Students will learn how to create a development, operating, and capital replacement budget for a multifamily rental project and practice methods of financial valuation. This course also introduces students to the Low Income Housing Tax Credit Program, the leading source of new housing units for low-income families in the U.S., and other public funding sources.

Learning Objectives

- Understand economic, social, and regulatory factors that have contributed to under-production of housing nationally and in Oregon.
- Critically examine the concept of housing affordability.
- Know the protected classes under the Fair Housing Act.

- Describe the impact of discriminatory housing policies and practices on communities of color, people with disabilities, and other groups. Describe ways in which policy makers and housing practitioners are working to counter these legacies.
- Know the difference between debt and equity financing.
- Know the origins of the Low Income Housing Tax Credit Program and how it functions.
- Describe the purpose and function of at least three additional government funded housing programs.
- Construct a development, operating, and capital replacement budget for an affordable multifamily rental project.
- Utilize methods that developers, lenders, and investors often use to evaluate potential real estate investments and investment performance.
- Graduate students—Investigate a contemporary issue in affordable housing finance.
- Demonstrate:
 - Attentiveness to a range of perspectives
 - Capacity for self scrutiny
 - Willingness to question one’s own assumptions and biases
 - Willingness to participate in evidence-based dialogue about socially urgent topics

Students should have a calculator and Excel or a similar, compatible program.

Course Website

The course website is located on the University of Oregon’s Canvas system (<http://canvas.uoregon.edu>). The class syllabus, announcements and other materials will be posted on the Canvas site. Please check the course website frequently for updates. In addition, make sure that the University registrar has your correct email address. I will use this email address to communicate with you.

Required Reading

No required textbook. All readings will be available on Canvas. Readings are listed under the Course Schedule section (pages 6 - 7).

Assignments and Course Grades

The course grade will be based on the following components:

	<u>Undergraduate</u>	<u>Graduate</u>
Attendance and Participation	10%	10%
Reflection Paper (<i>April 24</i>)	5%	5%
Case Study Assignment (<i>May 8</i>)	20%	15%
Excel Workbook Assignment (<i>May 22</i>)	30%	20%
Graduate Student Research Paper (<i>May 31</i>)	N/A	20%
<i>*Please submit topic choice via email by May 8</i>		
Graduate Student Presentation (<i>June 5</i>)	N/A	5%
Final Exam (<i>June 12</i>)	30%	25%

Grading Scale

100	A+
95-99	A
90-94	A-

85-89	B+
80-84	B
75-79	B-

70-74	C+
65-69	C
60-64	C-

55-59	D+
50-54	D
45-49	D-

<45	F
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Additional Grade Guidelines will be posted on Canvas.

Class Participation

This class is structured to encourage participation, particularly during weeks in which class activities include discussion (see Course Schedule, pages 6 - 7). Attendance is required. Participation includes discussing assigned readings and asking questions inside and outside of class. You are allowed one unexcused absence in this class. For each unexcused absence, you will lose one point off your final course grade.

Ground Rules for Class Discussion

During Week 1, we will review and adopt a set of ground rules or guidelines for class discussion. Students will have the opportunity to suggest additions or changes to the list of guidelines below. ****Updates coming soon!****

Source: University of Michigan, Center for Research on Learning and Teaching

<http://www.crlt.umich.edu/publinks/generalguidelines#rules>

- Listen respectfully, without interrupting.
- Listen actively and with an ear to understand others' views. (Don't just think about what you are going to say while someone else is talking.)
- Criticize ideas, not individuals.
- Commit to learning, not debating. Comment in order to share information, not to persuade.
- Avoid blame, speculation, and inflammatory language.
- Allow everyone the chance to speak.
- Avoid assumptions about any member of the class or generalizations about social groups. Do not ask individuals to speak for their (perceived) social group.

Professional Practice

Students are expected to behave in a professional manner at all times.

- Students should treat each other and the instructor with the professional courtesy and respect expected in a workplace.
- All communications relating to this course and all work turned in for this course should reflect professional standards in tone, presentation, formatting, and spelling.
- The classroom is a place of focused learning. This requires that students arrive on time, stay until the end of the class period, do not disrupt the class by leaving the room temporarily, and refrain from non-learning activities. Students who fail to adhere to these guidelines will be asked to leave for the remainder of the class session.

- I expect all course assignments to be completed and turned in electronically.
- Some assignments will require use of a spreadsheet program for data analysis and graphing. Some familiarity with a spreadsheet program (e.g. Excel), as well as basic concepts in mathematics and algebra at the high school level will be used when we cover the analytic components of the material.

Accessible Education

The University of Oregon is working to create inclusive learning environments. Please notify me if there are aspects of the instruction or design of this course that result in disability-related barriers to your participation. You are also encouraged to contact the Accessible Education Center in 164 Oregon Hall at 541-346-1155 or uoaec@uoregon.edu.

Communication with Instructor

Email is the best way to get in touch with me. I encourage you to email me with questions on the syllabus, assignments, readings, etc. If you would like to meet with me in person, please visit during my office hours or email me to set up an appointment. I am generally prompt in replying to emails, so if you have not heard from me within 48 hours, I encourage you to re-send the email.

Late Assignment Policy

All assignments will be submitted electronically. No hard copies are requested. Late assignments receive only partial credit. When applicable, assignments turned in late with no documentation will be marked down ten percent for every day (24-hour period) they are late. Assignments submitted one minute past the deadline will be graded as late. If an answer key is posted to the website, however, no late homework assignments are accepted (no credit).

Missed Class Policy

If you miss a class, please arrange to get class notes from a classmate. Instructor lecture notes are not available. Caution: Some topics covered in class are not covered well in the literature, so being present in the classroom is important. You are allowed one unexcused absence in this class. For each unexcused absence, you will lose one point off your final course grade.

Incomplete Policy

Students are expected to behave in a professional manner and to turn in all materials at the designated time. In accordance with university regulations, an incomplete will only be given when “the quality of work is satisfactory but a minor yet essential requirement of the course has not been completed for reasons acceptable to the instructor.”

Academic Misconduct

You are expected at all times to do your own work. Copying content from other students and submitting it as your own work is grounds for failing the class. The University Student Conduct Code (available at conduct.uoregon.edu) defines academic misconduct. Students are prohibited from committing or attempting to commit any act that constitutes academic misconduct. By way

of example, students should not give or receive (or attempt to give or receive) unauthorized help on assignments or examinations without express permission from the instructor.

Plagiarism

Students should properly acknowledge and document all sources of information (e.g. quotations, paraphrases, ideas) and use only the sources and resources authorized by the instructor. If there is any question about whether an act constitutes academic misconduct, it is the students' obligation to clarify the question with the instructor before committing or attempting to commit the act. A guide containing a select list of resources for properly citing your sources and avoiding plagiarism is available at: <https://researchguides.uoregon.edu/citing-plagiarism>.

Final Exam

Students must take the final exam to receive a grade in the course.

Equity and Inclusion

Diversity

In this course, class discussions, projects/activities and assignments will challenge students to think critically about and be sensitive to the impact of cultural, religious, gender, race, socioeconomic, physical and cognitive ability, and sexual differences. Students will be encouraged to develop or expand their respect and understanding of such differences.

Classroom Behavior

Maintaining a safe classroom environment where everyone feels comfortable expressing their ideas, beliefs, and values will not only be my responsibility, but the responsibility of each class member as well. Behavior that disregards or diminishes another student will not be permitted for any reason. This means that no racist, ableist, transphobic, xenophobic, chauvinistic or otherwise derogatory comments will be allowed, but it also means that students must pay attention and listen respectfully to each other's comments.

Inclusion

The College of Design (the School of Planning, Public Policy & Management's administrative home), is a community that values inclusion. We are committed to equal opportunities for all faculty, staff and students to develop individually, professionally, and academically regardless of ethnicity, heritage, gender, sexual orientation, ability, socio-economic standing, cultural beliefs and traditions. If you feel excluded or threatened, please contact me or the PPPM Head or anyone else in PPPM who can assist. PPPM has a student-faculty Equity Initiative (all are encouraged to participate) and a Peer Exchange for confidential contact with peers.

Sexual Violence, Harassment and Survivor Support

The UO is committed to providing an environment free of all forms of discrimination and sexual harassment, including sexual assault, domestic and dating violence and gender-based stalking. If you (or someone you know) has experienced or experiences gender-based violence (intimate

partner violence, attempted to completed sexual assault, harassment, coercion, stalking, etc.), know that you are not alone. UO has staff members trained to support survivors in navigating campus life, accessing health and counseling services, providing academic and housing accommodations, helping with legal protective orders, and more.

Please be aware that all UO employees are required reporters. This means that if you tell me about a situation, I may have to report the information to my supervisor or the Office of Affirmative Action and Equal Opportunity. Although I have to report the situation, you will still have options about how your case will be handled, including whether or not you wish to pursue a formal complaint. Our goal is to make sure you are aware of the range of options available to you and have access to the resources you need.

If you wish to speak to someone confidentially, you can call 541-346-SAFE, UO's 24-hour hotline, to be connected to a confidential counselor to discuss your options. You can also visit the SAFE website at safe.uoregon.edu.

Course Schedule (subject to change)

Week 1, April 3: Welcome and Syllabus Review

Class Activities: Introductions, syllabus review, and ground rules for class discussion

Homework: Online survey closes: April 12

Week 2, April 10: Housing Market Dynamics

Prior to class, read:

- Joint Center for Housing Studies at Harvard University (2018), *The State of the Nation's Housing*. Read the Executive Summary and Housing Challenges sections.
- U.S. Department of Housing and Urban Development Office of Policy Development and Research (2018), *Regulatory Barriers and Affordable Housing: Problems and Solutions*.
- ECONorthwest (2018), *Homelessness in the Portland Region: A Review of Trends Causes and the Outlook Ahead*. Read the Executive Summary.

Optional reading:

- Oregon Housing and Community Services (2019), *Oregon Statewide Housing Plan*.

Class activities: Lecture and class discussion

Week 3, April 17: Fair Housing

Prior to class, read and watch:

- Fair Housing Council of Oregon (2014), *Finding Common Ground Inclusive Communities Toolkit: Guide for Housing Providers*.
- Video: Housing Discrimination in Oregon
<http://fhco.org/index.php/learning-resources/videos>

Class activities: Lecture and class discussion

Homework: Reflection Paper due: April 24

Week 4, April 24: Real Estate Finance Basics and The Low-Income Housing Tax Credit Program (LIHTC)

Prior to class, read: Lecture notes

Class activities: Lecture

Homework: Begin work on Case Study Assignment

Week 5, May 1: Public Funding Sources

Optional reading and reference:

U.S. Department of Housing and Urban Development, *Programs of HUD: Major Mortgage, Grant, Assistance, and Regulatory Programs* (2018).

Class activities: Lecture

Homework: Case Study Assignment due next week: May 8

Graduate students, submit Research Paper topic choice via email by May 8

Week 6, May 8: Development Budgets - Part I

Class activities: Lecture and Excel practice - Development sources/uses, operating pro forma

Homework: Begin work on Excel Workbook

Week 7, May 15: Development Budgets - Part II

Prior to class, read: Lecture notes

Class activities: Lecture and Excel practice - "Right sizing" debt, amortization schedules, cap rates, time value of money, return on investment, financial indicators

Homework: Complete Excel Workbook due next week: May 22

Questions for panel guests

Week 8, May 22: Panel Conversation with Local Professionals

I will be out of town this week. No in-person office hours. Feel free to contact me via email.

Week 9, May 29: Asset Management and Affordable Housing Preservation

Prior to class, read: TBD

Class activities: Lecture and class discussion

Homework: Graduate student Research Papers due this Friday: May 31

Week 10, June 5: Graduate Student Presentations

Week 11, June 12 at 7:15 PM: Final Exam

Bring a calculator (no cell phone calculators)