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## UAP 5784: Local Economic Development Planning

### A Practitioner's Perspective on Community Economic Development

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Spring 2009 – Mondays 7:00 to 9:30 PM (Beginning January 26, 2009)

Polycom rooms Alexandria & Blacksburg - Syllabus

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**Office Hours:**  
By appointment – in-person or over the phone;  
please email and/or call to arrange a time.

**Web access to course material:**  
<https://learn.vt.edu/webapps/portal/frameset.jsp>

**Web Assistance/Help Desk:**  
User Services (231-HELP) or <http://4help.vt.edu>

#### **Course Description:**

This course will explore community economic development (“CED”) from a practitioner’s perspective. Among the course objectives are to: describe the CED field, identify key individuals and organizations active in CED, and explore the role of government agencies at the federal, state, and local levels in CED. We begin with an overview of economic development and CED. We then examine the core issues surrounding CED: increasing access to capital, affordable housing, stable jobs, and quality education in low- and moderate-income (“LMI”) communities in the United States. The focus of the course will be on understanding what practitioners are actually doing in CED.

#### **Course Objectives:**

- Demonstrate knowledge of the federal, state, and local government programs that focus on CED.
- Expose students to the practice of CED through case studies and guest lectures.
- Understand financial analysis for CED, from the perspective of lenders, entrepreneurs, and investors.
- Identify organizations that are high performing in education, housing, or small business in LMI communities.
- Gain in-depth knowledge about how tax-advantaged investing has been used extensively for CED.

**Course Requirements:** Students in this course are expected to complete the following requirements:

#### **1. Participation**

Regular course attendance is required and two excused absences are tolerated. As class meets once a week, we expect that you will have read the required material and that you will contribute constructively to class discussions.

#### **2. Briefing Papers**

The course requirements include the completion of two Briefing Papers, with due dates of March 1 and March 30, respectively. For the briefing papers, students are asked to choose a municipality within the United States that will be the focus of CED analysis. Examples of possible locations are: Blacksburg, VA; Washington, DC; Roanoke, VA; Annapolis, MD; and Alexandria, VA. For the first briefing paper, students are asked to describe the challenges that the municipality currently faces with regards to CED. Students will investigate and describe the current issues facing LMI

communities in that municipality (including availability of affordable housing, access to capital and jobs, access to quality education) and provide quantitative metrics (e.g. affordability levels of housing stock, unemployment rate, etc.) on these issues. For the second briefing paper, students will research the municipality’s previous efforts to affect change in those communities. Students will explore the strategies attempted by the municipality and review the appropriate literature on those issues.

### **3. Policy Memorandum**

The major requirement for this class is a policy memorandum. For the memorandum, students have been chosen by either Virginia Governor Tim Kaine or President Barack Obama to write a memo on issues of CED (each student should select one or the other of these two cases). The memo will summarize key CED efforts that have been tried for the state (Kaine) or nation (Obama) and highlight what efforts have worked well and what efforts have produced weaker results. For the memo, students are asked to recommend, given budget realities, appropriate priorities for the respective administration with regards to CED programs targeting workforce development and jobs, affordable housing, and access to capital in LMI communities.

A successful paper will: 1) demonstrate understanding of key efforts tried at the federal or state levels (for Obama or Kaine, respectively); 2) describe how these programs have been implemented and what the results have been, citing studies and real examples if available; and 3) indicate policy recommendations for future CED spending, based on the literature review and given existing budget realities. The memo is expected to be approximately 8-10 pages.

### **4. Policy Memorandum Presentation**

Each student will be responsible for making a 15 to 20 minute presentation on the topic of the policy memorandum. Use of Microsoft Powerpoint (or a similar presentation-prep software) is recommended and appropriate equipment will be made available.

### **Grading**

Participation	20 %
Briefing Paper #1	15 %
Briefing Paper #2	15 %
Policy Memorandum	30 %
Policy Memorandum Presentation	20 %

### **Late or Missed Assignments**

All work must be submitted by the due date. Work that is submitted late will receive reduced credit, except in highly unusual instances.

### **Virginia Tech’s Honor Pledge**

All assignments in this class must conform to Virginia Tech’s Honor Pledge as well as to the usual academic standards. The pledge states that “I have neither given nor received unauthorized assistance on this assignment.” This means that you will refrain from plagiarism and cheating or from any other form of receiving unauthorized assistance. Also see: <http://www.honorsystem.vt.edu/>

**Special Needs:** Any student with documented special needs or circumstances should contact us immediately.

**Class Schedule for Spring 2009**

\*\*Please note that all guest speakers are subject to change based on these individuals' availability

	<b>Date</b>	<b>Topic</b>	<b>Tasks</b>
Week 1	January 26	<u>Introduction &amp; Overview</u> – What is Community Economic Development (“CED”)? Why is it important? How is CED different from traditional Economic Development? Who are the key players involved in this work?	
Week 2	February 2	<u>Issues in CED</u> – What are the problems facing low- and moderate-income communities (i.e. in terms of education, housing, and jobs) in the United States? What tools have been used to measure the extent of these problems? What are the key terms in CED? What is the Community Reinvestment Act?  Guest Speaker: David Bowers, Enterprise Community Partners	
Week 3	February 9	<u>Financial Institutions and CED</u> – What role(s) have banks and non-bank financial institutions played in CED? What have these institutions done well? In what areas do their efforts need improvement? How have financial institutions “underwritten” CED investments?  Guest Speaker: Marie Bibbs, City First Bank of DC; David Leopold, Bank of America	
Week 4	February 16	<u>Federal Government Programs Targeting CED</u> : What agencies have been involved with CED? How <i>should</i> the federal government be involved in CED?  Guest Speaker: Matt Josephs, CDFI Fund; Aaron Klein, United States Senate	
Week 5	February 23	<u>Case Study</u> – Underwriting affordable housing projects as a financier; developing affordable housing projects as a for-profit or non-profit organization.  Guest Speaker: Erika Ruiz, So Others Might Eat	
Week 6	March 2	<u>State and local government programs targeting CED</u> : What agencies have been involved with CED? What are effective state and local programs in VA and DC?  Guest Speaker: Edward Pauls, DC Housing Finance Agency; Craig Pascal, PNC Bank	Briefing Paper #1 Due
Week 7	March 9	Case Study – Underwriting bonds to finance charter school facilities	

		Guest Speaker: Jim Houser, US Department of Education	
Week 8	March 16	<i>Spring Break</i>	
Week 9	March 23	<u>Education and CED</u> : What are practitioners doing to improve education for youth in LMI areas? What is the role played by charter schools?  Guest Speaker: Joseph Bruno, Building Hope; Thomas Nida, United Bank	
Week 10	March 30	<u>CED &amp; Workforce Development</u> : What steps have been taken at the state, federal, and local levels to further workforce development? What impacts have these efforts had?  Guest Speaker: Douglas Steiger, United States Senate	Briefing Paper #2 Due
Week 11	April 6	<u>The Credit Crisis and CED</u> : What were the causes of the credit crisis? How has the credit crisis impacted the lives of practitioners? What has been tried at the federal, state, and local levels to react to the credit crisis?  Guest Speaker: Rachel Firschein, Oppenheimer & Co. Inc.; Charles Tansey, NeighborWorks America	
Week 12	April 13	<u>Evaluation of CED</u> – What tools have evaluators used to measure the impact of CED efforts? Have these evaluations impacted public policy decisions?  Guest Speaker – Brett Theodos, Urban Institute	
Week 13	April 20	<u>The Future of CED</u> – What are students’ projections for the next 5 years in the CED field? 10 years? What are some expert views on how the field will evolve?	
Week 14	April 27	<u>Course Review and Beginning of Student Presentations</u>	
Week 15	May 4	<u>Student Presentations</u>	Final paper due

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## **Reading List:**

The readings for this class are a mix of text book chapters, academic studies, reports and newspaper articles. The newspaper articles are intended to spark discussions about cutting-edge economic development issues.

### **Jan 26: Introduction & Overview**

Pindus, N., Theodos, B., Kingsley, G.T. “Place Matters – Employers, Low-Income Workers, and Regional Economic Development.” The Urban Institute, 2007. Retrieved from: [http://www.urban.org/UploadedPDF/411534\\_place\\_matters.pdf](http://www.urban.org/UploadedPDF/411534_place_matters.pdf).

### **Feb 2: What are the Key Issues in Community Economic Development**

Proscio, Tony. “Food Markets and Healthy Communities” July/August 2006. Journal of Housing and Community Development. Retrieved from: [http://www.lisc.org/docs/news/jhcd\\_food\\_markets\\_07\\_2006.pdf](http://www.lisc.org/docs/news/jhcd_food_markets_07_2006.pdf)

Bartik, T. Local Economic Development Policies. Upjohn Institute Staff Working Paper No. 03-91. 2003, Available at: <http://www.upjohninst.org/publications/wp/03-91.pdf>

The Urban Institute “Housing Partnerships: The Work of Large-Scale Regional Nonprofits in Affordable Housing”. March 2007. Prepared for Housing Partnership Network. 2007, Washington, DC. Retrieved from: [http://www.urban.org/UploadedPDF/411454\\_Housing\\_Partnerships.pdf](http://www.urban.org/UploadedPDF/411454_Housing_Partnerships.pdf). Pgs. 1-44.

### **Feb 9: Financial Institutions and Community Economic Development**

Federal Reserve Bank of San Francisco, Community Affairs Department. “Community Investments, Special Issue on Affordable Housing.” Volume 17, Number 3. September 2005. Retrieved from: <http://www.frbsf.org/publications/community/investments/0508/CIaugust2005.pdf>. Pgs. 1-9

Federal Reserve Bank of San Francisco, “Has the CRA Increased Lending for Low-Income Home Purchases?” FRBSF Economic Letter. 2004-16; June 25, 2004.

Government Accountability Office, “Tax Credits – Opportunities to Improve Oversight of the Low-Income Housing Program.” March 1997. Retrieved from: <http://www.gao.gov/archive/1997/g597055.pdf>. Pgs 1-53.

### **February 16: Federal Government Programs Targeting Community Economic Development**

Bergman, H. and Thompson Osuri, L. “Bush Budget Would Spell Pain for CDFIs,” *American Banker*. New York, N.Y.: Feb 9, 2005. Vol. 170, Iss. 27; pg. 1.

Sass Rubin, J. “Community Development Venture Capital: A Double-Bottom Line Approach to Poverty Alleviation.” *Proceedings*. Federal Reserve Bank of Chicago. April 2001. Pgs. 121-154.

Sass Rubin, J. and Stankiewicz, Gregory. “Evaluating the Impact of Federal Community Economic Development Policies on Targeted Populations: The Case of the New Markets Initiatives of 2000. Federal Reserve Board of Governors. Date Retrieved: 4/10/05. [http://www.federalreserve.gov/communityaffairs/national/CA\\_Conf\\_SusCommDev/pdf/rubinjulia.pdf+%22new+markets+tax+credit%22](http://www.federalreserve.gov/communityaffairs/national/CA_Conf_SusCommDev/pdf/rubinjulia.pdf+%22new+markets+tax+credit%22)

### **February 23: Case Study – Underwriting Affordable Housing Projects**

Husock, H. and Letts, C. “Seeking Neighborhood Revitalization in Philadelphia: Using Tax Credits to Link the Private and Nonprofit Sectors.” Case Study from Kennedy School of Government, Harvard University. 12/1/1999. Retrieved from <http://www.ksg.harvard.edu>.

### **March 2: State and Local Government Programs Targeting Community Economic Development**

Galster, G., Tatian, P., & Accordino, J. Targeting investments for neighborhood revitalization. *Journal of the American Planning Association*, 72(4), 2006, 457-474.

Wall Street Without Walls “Community Development Finance Case Studies for Practitioners” 2003. Retrieved from: [http://www.wallstreetwithoutwalls.com/\\_data/n\\_0001/resources/live/WSWW\\_gtown\\_cases.doc](http://www.wallstreetwithoutwalls.com/_data/n_0001/resources/live/WSWW_gtown_cases.doc). Pgs. 1-12.

Federal Reserve Bank of San Francisco, Community Affairs Department. "Community Investments, Special Issue on Affordable Housing." Volume 17, Number 3. September 2005. Retrieved from: <http://www.frbsf.org/publications/community/investments/0508/CIaugust2005.pdf>. Pgs. 9-23

### **March 9: Case Study – Underwriting Charter School Facilities**

Kivell, J. (2008). Paying for School: An Overview of Charter School Finance. Community Development Investment Center, Federal Reserve Bank of San Francisco. Summer 2008. Retrieved from: <http://www.frbsf.org/publications/community/wpapers/2008/wp08-03.pdf>

### **March 16: Spring Break – NO CLASS**

### **March 23: Education and Community Economic Development**

Low Income Investment Fund "Report to the Community: Charter School Facilities Requirements: A Guide for Developers, Brokers, and Landlords." November 2007. Retrieved from: <http://www.liifund.org/MEDIACENTER-NEW/LIIF%20publications/FY08%20Report%20to%20the%20Community.pdf>.

Robinson, M. and Simonsen, B. "Why Do Issuers Privately Place Municipal Bonds?" *Municipal Finance Journal* 27, no. 3 (Fall 2006): 15.

United States Department of Education "Secretary Spellings \$8.3 Million Charter Schools Grant to Civic Builders Incorporated." Department of Education. April, 2008. Retrieved from: <http://www.ed.gov/news/pressreleases/2008/04/04072008.html>.

### **March 30: CED & Workforce Development**

Markusen, A. (2004). Targeting occupations in regional and community economic development. *Journal of the American Planning Association*, 70(3), 253-268.

Giloth, R. (2000). Learning From the Field: Economic Growth and Workforce Development in the 1990s. *Economic Development Quarterly*, 14(4), 340-359.

### **April 6: The Credit Crisis and Community Economic Development**

Leonard, D. (2008). Can't Grasp the Credit Crisis? Join the Club. New York Times. Retrieved from: [http://www.nytimes.com/2008/03/19/business/19leonhardt.html?pagewanted=2&\\_r=2&th&emc=th&adxnlnx=1205932007-8d3C9AzUO/fpeZOJSwFD6A](http://www.nytimes.com/2008/03/19/business/19leonhardt.html?pagewanted=2&_r=2&th&emc=th&adxnlnx=1205932007-8d3C9AzUO/fpeZOJSwFD6A)

Bond Buyer (2008). HFAs' Big Backlog: Housing Agencies Want Market Access. Retrieved from: <http://www.bondbuyer.com/article.html?id=20081230PAPDB44A>

Abariotes, A. (2009). Weathering the Storm: Community Developers in Minnesota Face the Foreclosure Crisis. Federal Reserve Bank of Minneapolis. Retrieved from: [http://www.minneapolisfed.org/publications\\_papers/pub\\_display.cfm?id=4100](http://www.minneapolisfed.org/publications_papers/pub_display.cfm?id=4100)

Associated Press (2008). Credit Crisis Threatens New Orleans' Recovery. USA Today. Retrieved from: [http://www.usatoday.com/news/nation/2008-10-08-katrina-recovery\\_N.htm](http://www.usatoday.com/news/nation/2008-10-08-katrina-recovery_N.htm)

Norman, J. (2008). Credit Crisis Squeezes Small Businesses. Orange County Register. Retrieved from: <http://www.ocregister.com/articles/business-loans-small-2203723-credit-banks#>

### **April 13: Evaluation Methods for Community Economic Development**

Reese, L., & Fasenfest, D. (1997). What Works Best? Values and the Evaluation of Local Economic Development Policy. *Economic Development Quarterly*, 11(3).

### **April 20: The Future of Community Economic Development**

Seidman, E. "Bridging the Information Gap between Capital Markets Investors and CDFIs." Community Development Investment Review. Federal Reserve Bank of San Francisco. Proceedings of the Conference on the Secondary Market for Community Development Loans. Washington, DC. September 6-7, 2006.

Choi, L. "Creating a Marketplace: Information Exchange and the Secondary Market for Community Development Loans." Community Development Investment Center. Federal Reserve Bank of San Francisco. Working Paper 2007-01. July 2007.