SYLLABUS

PAF 4250/RES 4650: Nonprofit Housing Development, Spring 2011
Baruch College, School of Public Affairs
Tuesdays and Thursdays, 2:30 – 3:45 pm
137 East 22nd Street, Room 203 (The Oak Room)

Professor Hilary Botein
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Course Description:

This course offers students an introduction to the planning, financing, development and management of affordable housing in New York City. We will examine the process of affordable housing development, the range of financing sources, and the roles of nonprofit and for-profit housing development organizations, as well as government, in the affordable housing development process. We will look at case examples from New York City. Guest lecturers from the affordable housing industry will share their expertise with the class.

The course has four sections. The first section is an introduction to key concepts and issues involving affordable housing, and the historical background to affordable housing development in the United States and New York City. The second section reviews the primary funding sources for affordable housing development. The third section considers how these funding sources are applied in the development of affordable housing. The fourth section provides examples of affordable housing development in action.

Course Assignments:

This course has the following assignments and requirements:

1. Written description and class presentation on affordable housing project

This assignment requires you to analyze an affordable housing project in New York City developed by a nonprofit or for-profit housing developer. I expect you to describe how the organization decided to develop the project, what the process entailed, what funding sources were used (for both developing and operating the project), and what lessons were learned. You will need to visit the project. Your written description will be about four to five pages long, and I will post a more detailed assignment on Blackboard. The assignment also includes a 5-minute class presentation about the project on May 10 or 12. I encourage you to use PowerPoint and photographs for this presentation. You must identify the project that you are planning to analyze by March 10 (submit it to me in class), and provide a written progress report on your research by April 12 (submit it to me in class). The final written description is due at the beginning of class on May 10. If you are late with any of these deadlines, your assignment will be graded down accordingly. I will not accept assignments submitted by email.

2. Affordability research

As described in the syllabus below, a short assignment is due on February 3 at the beginning of class.
3. Questions for guest lecturers

We have five guest lecturers in this course. They are experienced practitioners in the affordable housing industry, and will offer you their unique perspectives on the topics that they present. Guest lecturers’ biographies are available on Blackboard.

At the beginning of four of the five classes in which we have a guest lecturer, you must give me two thoughtful typed questions for the guest, based on the reading and/or the guest’s biography.

4. Quizzes and exams

There will be four short (20 minutes) quizzes, as noted on the syllabus. When calculating your course grade, I will drop the lowest quiz score. There also will be midterm and final exams. The final exam will be cumulative, but will emphasize material covered since the midterm. Both exams will be a combination of multiple choice, short answer, and short essay questions. I reserve the right to add quizzes, including surprise quizzes, if it appears to me that students are not completing the assigned reading.

Grading:

I will calculate course grades as follows:

- Affordability research and guest lecturer questions 10%
- Affordable housing report (written and presentation) 20%
- Quizzes 10%
- Midterm 20%
- Final exam 25%
- Class participation 15%

Course Requirements:

- Your participation in class sessions is critical, and represents a significant portion of your final grade. Participation means that you have completed all required readings, are prepared to engage in a serious conversation about the readings, listen to and respond to your classmates and to guest lecturers, offer thoughtful commentary, and ask questions. I will take attendance at each class session. I will allow only four absences for any reason. For each absence above four for any reason (excessive lateness also counts as absence), your final course grade will be reduced by one notch (e.g. from B+ to B).
- Turn off cell phones, pagers, and other devices during class. Use laptop computers only for taking notes.
- Please make sure that you know how to access the Blackboard site for the course, as course documents and reading (including this syllabus) are posted on Blackboard. You should also check it and your Baruch email address on a regular basis, as I may post additional information on the site or email you.
- Hand in your work at the beginning of class on the assigned dates. If you need an extension, you must communicate with me beforehand and negotiate a mutually
acceptable deadline. I will not accept unexcused late assignments, and I will not accept assignments submitted via email.

- There will be no make-up exams or quizzes. In the event of a verified emergency that prevents you from taking the final exam, you may participate in the next scheduled college make-up day.
- Please contact me for an appointment if you have questions or comments about the course, the readings, or lectures. I am interested in your feedback, and will make myself available to meet with you at a time that accommodates your schedule.

Course Reading:

There is no required textbook for this course. If you are seriously interested in developing affordable housing, I suggest that you consider buying Ben L. Hecht, Developing Affordable Housing: A Practical Guide for Nonprofit Organizations (Hoboken, NJ: John Wiley and Sons, 2006). This book provides very useful detailed information about the development process. Deborah Myerson, The Business of Affordable Housing: Ten Developers’ Perspectives (Washington, DC: The Urban Land Institute, 2007), is a good overview of some of the nonprofit and for-profit developers involved in producing affordable housing. These two books are on reserve at Newman Library (please note that the library only has the 1999 edition of the Hecht book, so page numbering may be slightly different), and via various online book retailers.

All of the reading for the course is available on Blackboard, when marked with a “*”, or on the Internet, when linked directly from this syllabus.

I strongly recommend that you print out copies of all readings, so that you can underline them and bring them to class. If for some reason you are not able to print out the reading, be sure to take careful notes as you read.

I also recommend that you read national, New York City, and your local community newspapers. As you will see in our class discussions and presentations, affordable housing development provokes many public debates in New York City, and we will discuss them in class as appropriate. If you see articles that you think would interest the class, please feel free to give them to me and I will copy and distribute them.

Finally, guest lecturers may assign additional short readings for their classes.

Services for Students with Disabilities:

Students with disabilities may receive assistance and accommodation of various sorts to enable them to participate fully in courses at Baruch. To establish the accommodations appropriate for each student, please alert me to your needs and contact the Office of Services for Students with Disabilities, part of the Division of Student Development and Counseling. For more information, contact Ms. Barbara Sirois, Director of the Office of Services for Students with Disabilities, in Newman Vertical Campus, 2-271 or at (646) 312-4590.
Academic Honesty:

Cheating and plagiarism are serious offenses. The following definitions are based on the College's Academic Honesty website:

**Cheating** is the attempted or unauthorized use of materials, information, notes, study aids, devices or communication during an academic exercise. Examples include but are not limited to:

- Copying from another student during an examination or allowing another to copy your work
- Unauthorized collaboration on a take home assignment or examination
- Using unauthorized notes during a closed book examination
- Using unauthorized electronic devices during an examination
- Taking an examination for another student
- Asking or allowing another student to take an examination for you
- Changing a corrected exam and returning it for more credit
- Submitting substantial portions of the same paper to two classes without consulting the second instructor
- Preparing answers or writing notes in a blue book (exam booklet) before an examination
- Allowing others to research and write assigned papers including the use of commercial term paper services

**Plagiarism** is the act of presenting another person's ideas, research or writing as your own:

- Copying another person's actual words without the use of quotation marks and footnotes (a functional limit is *four or more words* taken from the work of another)
- Presenting another person's ideas or theories in your own words without acknowledging them
- Using information that is not considered common knowledge without acknowledging the source
- Failure to acknowledge collaborators on homework and laboratory assignment

I will give a *failing grade* on any assignment that has been plagiarized or an exam or quiz on which a student has cheated. I will make no exceptions. In addition, I am required by College policy to submit a report of suspected academic dishonesty to the Office of the Dean of Students. This report becomes part of your permanent file.
Class Schedule:

Please note that the readings listed below each class are to be completed for that class.

Part I: Introduction and Background

Class 1 (2/1/11) – Introductions; course mechanics and overview
Reading:
- None (first class)

Class 2 (2/3/11) – What is “affordable” housing and how do we calculate it?
Reading:
Assignment (due at the beginning of class):
- Skim briefing material on income limits (http://www.huduser.org/portal/datasets/il/il10/IncomeLimitsBriefingMaterial_FY10.pdf), and find the FY 2010 HUD Section 8 Income Limits (ILs) for the NYC Metropolitan Area, for a family of 4: http://www.huduser.org/portal/datasets/il/il10/IncomeLimits_Section8.pdf
- Read the Introduction to the National Low Income Housing Coalition’s Out of Reach 2010 (http://www.nlihc.org/oor/oor2010/introduction.pdf) and find the 2010 Housing Wage for the NYC Metropolitan Area: http://www.nlihc.org/oor/oor2010/
- Compare to the FMRs, ILs, and housing wages for San Francisco, CA; Huntsville, AL; and another U.S. city of your choosing
- List all of these on a page, and explain what FMR, IL, and Housing Wage each mean, in one sentence of your own words.

Class 3 (2/8/11) – Disinvestment and abandonment: federal policies and programs. How federal financing programs encouraged home mortgage redlining, white flight to the suburbs, and the decline of inner city housing.
Reading:
Class 4 (2/10/11) – Disinvestment, abandonment, and response: New York City policies and programs. New York City’s response to housing abandonment, and programs developed to move housing units from city ownership to ownership by nonprofits, for-profits, and residents.

*Guest Lecturer: John Warren, Chief Operating Officer, Workforce Housing Advisors*

**Reading:**

Class 5 (2/15/11) – Community Development Corporations and other nonprofit housing developers. How did the organizations develop and what do they do?

*Reading:*

Class 6 (2/17/11) – QUIZ #1 and Putting together an affordable housing deal – how do the numbers work? A discussion of project feasibility.

*Reading:*

Part II: Funding Sources

Class 7 (2/22/11) – Federal funding programs: block grants – CDBG and HOME funding

*Reading:*

Class 8 (2/24/11) – Federal funding programs, cont’d: Low-Income Housing Tax Credits

*Reading:*
- Joint Center for Housing Studies of Harvard University, *The Disruption of the Low-Income Housing Tax Credit Program: Causes, Consequences, Responses, and*
Proposed Correctives (December 2009), Executive Summary (pp. 1-12): 


Class 9 (3/1/11) – Low-Income Housing Tax Credit, Part II

Class 10 (3/3/11) – Community Reinvestment Act and community development banking

Reading:


- Howard Husock, “Housing Goals We Can’t Afford,” *New York Times*, December 10, 2008: 

- 3 letters in response to Husock op-ed: 
  http://query.nytimes.com/gst/fullpage.html?res=9A0DE2DD1538F93AA25751C1A96F9C8B63&scp

Class 11 (3/8/11) – New York City financing programs: HPD and HDC

Reading:

- NYC Department of Housing Preservation and Development – review descriptions of all public site new construction programs 
  public site rehabilitation programs 
  (http://nyc.gov/html/hpd/html/developers/hpd-owned_rehabilitation.shtml), and 
  housing finance programs 

- New York City Housing Development Corporation - review program descriptions: 
  http://www.nychdc.com/program/program_page.htm?a=Programs#p4

Class 12 (3/10/11) – Midterm exam

*Submit the name and location of the affordable housing project you will analyze*

Class 13 (3/15/11) – New York State financing programs: DHCR and HFA

Reading:

- New York State Division of Housing and Community Renewal – review descriptions of funding programs: 
  http://www.dhcr.state.ny.us/Programs/

- New York State Housing Finance Agency – review descriptions of multifamily development financing:  
  http://www.nyhomes.org/Developers/MultifamilyDevelopment/

- Patrick McGeehan, “State Discount Mortgage Unit Moves to Increase Interest Rate,” *New York Times*, October 1, 2008: 
  http://www.nytimes.com/2008/10/02/nyregion/02housing.html

No class 3/17/11 – HB out of town
Part III: Funding Uses and the Development Process

Class 14 (3/22/11) – Putting together the development team and acquisition and site control
Reading:
- Enterprise Foundation, Team Selection (2003).*
- Enterprise Foundation, Narrative on the Roles of Various Types of Design Professionals (2003).*
- Enterprise Foundation, Construction Manager’s Roles and Responsibilities (2003).*
- Enterprise Foundation, Contracting with an Environmental Professional (2003).*
- Enterprise Foundation, Negotiating the Acquisition of Real Estate For a Single Family and Small Multi-Family Rehab Programs (2003).*

Class 15 (3/24/11) – “Off-budget” financing – incentives to encourage private developers to include affordable housing units
Reading:
- PolicyLink and Pratt Center for Community Development, Increasing Housing Opportunity in New York City: The Case for Inclusionary Zoning (2004), Executive Summary: http://prattcenter.net/sites/default/files/users/pdf/Inclusionary%20Zoning%20Full%20Report.pdf (this is the whole report; you only need to read the Executive Summary)

Class 16 (3/29/11) – QUIZ #2 and Intermediaries and partnerships – who supports the nonprofits?
Reading:
- *Comeback Cities*, 87-90* (start with “One sector that did pay attention” on pg 87).
- Review websites of Local Initiatives Support Corporation (www.lisc.org) and Enterprise Community Partners (www.enterprisecommunity.org)
Class 17 (3/31/11) – Anatomy of a Deal: Via Verde: an award-winning, “green” project in the South Bronx  
*Guest Lecturer: Ari Alowan Goldstein, Project Manager, Jonathan Rose Companies*

**Reading:**


Class 18 (4/5/11) -- New York City’s New Housing Marketplace

**Reading:**


Part IV: Development in Action – Challenges and Decisions

Class 19 (4/7/11) – The role of a community-based nonprofit: Astella Development Corporation and its years of experience in Coney Island

*Guest Lecturer: Judi Orlando, Executive Director, Astella Development Corporation*

**Reading:**

- Review Astella website: [www.astelladevelopment.org](http://www.astelladevelopment.org)
Class 20 (4/12/11) – QUIZ #3 and Managing affordable housing: what are the issues and challenges?

Submit a one-paragraph progress report on your affordable housing project research

Reading:

- Marc Diaz, Assessing Property Management for Affordable Housing (Cambridge: Joint Center for Housing Studies of Harvard University, 2004):
  [http://www.jchs.harvard.edu/publications/markets/w04-9_diaz.pdf](http://www.jchs.harvard.edu/publications/markets/w04-9_diaz.pdf) (read Executive Summary, Background, and Key Drivers of Property Management; skim the rest)
- Judith Matloff, “Making Change: Property Values,” *City Limits*, May 2002:
  [http://citylimits.org/content/articles/viewarticle.cfm?article_id=2741](http://citylimits.org/content/articles/viewarticle.cfm?article_id=2741)

Class 21 (4/14/11) – Anatomy of a Deal and weathering the funding climate: 11 Broadway

Guest Lecturer: Lisa Gomez, Executive Vice President of Development, L&M Development Partners

Reading:

- Review L&M Equities website: [www.lmequity.com](http://www.lmequity.com)
- Other readings TBD

No class 4/19, 4/21, and 4/26 – Spring Recess

Class 22 (4/28/11) – Supportive Housing: housing and services combined

Guest Lecturer: Ted Houghton, Executive Director, Supportive Housing Network of NY

Reading:

- Corporation for Supportive Housing, Project Profiles (choose any four “Profiles on Developing and Financing Supportive Housing” at the bottom of the page):

Class 23 (5/3/11) – Homeownership v. rental – why and how does a developer choose?

Reading:

Class 24 (5/5/11) – QUIZ #4 and Affordable housing design: should affordable housing be designed differently than market-rate housing?  
Reading:  
- Case Studies in Affordable Housing: Designing an American Asset: Archer Courts (pp 54-57); Chelsea Court (pp 64-67); College Park (pp 68-71) *  

Class 25 and 26 (5/10/11 and 5/12/11) – Student presentations (paper due 5/10)

Class 27 (5/17/11) -- Review and Wrap-Up

Final Examination – Week of May 20-27