



USP 496/596: AFFORDABLE HOUSING FINANCE

Lecturer: Catherine Such
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Class date: Asynchronous
Modality: Remote
Office Hours: By appointment (remote or in person)

Course Description:

Introduction to the unique challenges of financing and developing affordable housing projects. The challenges and tools for financing affordable multifamily rental housing will be covered, as well as affordable housing finance's connection to institutional investment and capital markets. The course will use short, targeted assignments and a final case study to build proficiency.

Course Materials:

Textbook (required):

- Housing Finance Policy in the United States, 4th Edition, Alex Schwartz ("HPUS" in the reading list)
- CohnReznick, 2023, CohnReznick *Affordable Housing Credit Study*
<https://www.cohnreznick.com/insights/2023-affordable-housing-credit-study>
Free, but you will have to register. Referred to as CohnReznick in the reading list

There will be relevant reading included in the modules, which may include podcasts, industry materials, and materials from the NYTimes, the Washington Post, and other periodicals. You should be able to access the materials in the allowed amount/month before the paywall descends, but I suggest you consider a student subscription to the NYTimes which is inexpensive and will allow you to access supplemental reading as well.

Software:

This course is fully remote and accessed through Canvas. You will need Excel and PowerPoint (or a similar deck/presentation platform).

Objectives of the Course:

- Understand and use common terms and concepts in affordable housing such as area median income, debt coverage ratios, housing burden, investor yield, and similar finance concepts. Understand how these concepts influence how rents are charged in federally subsidized affordable housing
- Consider redlining and how this structurally racist/exclusionary practice has influenced and continues to influence affordable housing development

- Understand specific technical tools of affordable housing in the US – the low income housing tax credit, tax exempt bond financing, operating subsidies, property tax exemptions. Consider their impact on who is housed and who is not
- Understand the concept of “pro formas,” both the sources and uses and the net operating income schedules, how they interact, and how subsidies influence both: discuss debt, equity and how they differ
- Apply these concepts through mathematical assignments designed to show how affordable housing is financed and developed
- Understand the motivations of institutions that invest in the housing tax credit
- Understand how, through financial markets, Wall Street influences affordable housing

For MRED students: In addition to mastering the course content, The School of Business expects all students to attain several key attributes, which will provide graduates with a better foundation for working in businesses of the future. While all learning goals are equally important, Critical Thinking will be emphasized in this course.

MRED Learning Goals:

1. **Teamwork and Leadership:** Graduates will demonstrate effective leadership and teamwork competencies, supported by high levels of emotional intelligence (e.g., self-awareness, self-management, social awareness, and social management).
2. **Critical Thinking:** Graduates will critically evaluate real estate development problems and opportunities, analyze those problems with appropriate quantitative and qualitative data analytic techniques, and prescribe and defend subsequent solutions.
3. **Equity and Sustainability Thinking:** Graduates will have an equity and sustainability perspective (e.g., environmental stewardship, intergenerational resources, equitable opportunities, and access).
4. **Communication:** Graduates will effectively communicate complex information with a variety of stakeholders to increase knowledge and achieve objectives.

Method of Instruction:

Class is asynchronous. You are assigned readings in the textbooks and topical readings at the instructor’s discretion. The instructor is expected to be prepared for class and students should be prepared as well.

Enrollment in this section serves as acknowledgement that you will need to be able to access the University’s online delivery platform and any assigned supplemental platforms and may be required to participate in live video conferences, collaborate digitally with classmates, and/or be remotely proctored during exams. These components are essential for creating an online learning environment that works with students’ schedules while maintaining high academic rigor.

A lively discussion of various topics in class through participation in online discussion groups is required, and students will be assigned to groups at the beginning of class. Your experiences and opinions are valued and add to the learning experience. Real world examples and current industry trends will be discussed in class so that you can gain deeper insights into the practical application of theoretical concepts.

Depending on class interest and availability, guest speakers may be invited to lectures to provide you with an exposure to the local real estate industry and real-life perspective. During the first week I will survey the group to see what times might maximize students’ participation in guest lectures. If we have guest speakers, for students who are not able to attend, the lectures will be recorded and available online;

students are expected to either attend live or to watch the recorded lectures in the same week in which they are recorded.

Grading Criteria:

| | |
|------------------------------------|------------|
| All class posts (3) | 15% |
| Small group discussions (4) | 40% |
| Module assignments (4) | 45% |

All class posts: There are three required all class posts bookending the term – you will find them on the general discussion board. You absolutely may comment on your classmates’ posts, but commenting here – unlike the small discussion groups – is not required. These have specific due dates, and cannot be late.

Small Group Discussions – students enrolled in USP596 will be assigned to small groups of 4 -5 by the end of the second week of class. More detail about discussion groups can be found in Canvas. Similarly, small group discussion posts cannot be late – please review the rubric for requirements.

Module assignments – throughout the term, there are individual module assignments meant to reflect the critical thinking goal and to give students an opportunity to practice concepts discussed in class. More detailed information on each assignment is provided separately in Canvas; assignments may differ depending on whether the student is enrolled in 496 or 596. The last module assignment is a summary of the course work and is worth 15 points; others are worth 10 points.

Grading Scale:

Students will be graded on a relative performance basis. I use the following scale:

| | | | | | |
|---------|----|-------------|---------|----|-------------|
| A-Grade | A | 94 to 100% | C-Grade | C+ | 78 to 79.9% |
| | A- | 90 to 93.9% | | C | 72 to 77.9% |
| B-Grade | B+ | 88 to 89.9% | | C- | 70 to 71.9% |
| | B | 82 to 87.9% | D-Grade | D+ | 68 to 69.9% |
| | B- | 80 to 81.9% | | D | 62 to 67.9% |
| | | | | D- | 60 to 61.9% |
| | | | F-Grade | F | Below 60% |

LECTURE RECORDINGS

To the extent we have guest speakers, we will use technology for lecture recordings in this course. Our use of such technology is governed by FERPA, the Acceptable Use Policy and PSU’s Student Code of Conduct. A record of all meetings and recordings is kept and stored by PSU, in accordance with the Acceptable Use Policy and FERPA.

All class recordings will be deleted at the end of the quarter.

Your instructor will not share recordings of your class activities outside of course participants, which include your fellow students, TAs/GAs/Mentors, and any guest faculty or community-based learning partners that we may engage with.

You may not share recordings outside of this course. Doing so may result in disciplinary action.

Technology Requirements

There are several moving parts in this attend anywhere course. The following list of tools encompasses every type of technology you will encounter in this course if you are joining remotely. It is your responsibility to obtain access to these in advance of your first assignment or let me know of your limitations by the end of week 1.

- Functional webcam
- Microphone (internal or USB)
- Google Chrome browser
- Reliable internet connection

If you have technical questions/problems related to using Canvas or obtaining an Odin account, contact the OIT Help Desk at help@pdx.edu or by calling (503) 725-4357.

SCHEDULE

| Week | Date | Lecture Topic | Assignments |
|-------------|-------------|---|--|
| 1 | 1/8/24 | Syllabus, introduction to class, introduction to concepts | <i>All class post – graded (5 points)</i> <i>Respond to guest speaker survey (ungraded)</i> |
| 2 | 1/15/24 | Public sector role and tools in affordable housing finance | <i>All class post – graded (5 points)</i> <i>Organize into Discussion groups + provide facilitator schedule</i> |
| 3 | 1/22/24 | Project feasibility – real estate considerations | <i>Discussion Group Assignment #1 (10 points)</i> |
| 4 | 1/29/24 | Housing operations – revenue and expenses | <i>Discussion Group Assignment #2 (10 points)</i> |
| 5 | 2/5/24 | Operating subsidies: Section 8 + public housing | <i>Module assignment #1: Operating Subsidies (10 points)</i> |
| 6 | 2/12/24 | Simple proformas and financial forecasting/introduction to debt | <i>Discussion Group Assignment #3 (10 points)</i> |
| 7 | 2/19/24 | Debt continued – Important Ratios, Sizing | <i>Module assignment: #2: Debt Coverage Ratios (10 points)</i> |
| 8 | 2/26/24 | Housing tax credit – Concepts and Calculations | <i>Discussion Group Assignment #4 (10 points)</i> |
| 9 | 3/4/24 | Housing tax credit – Investors and the Market | <i>Module assignment #3 – Tax Credit Calculations (10 points)</i> |
| 10 | 3/11/24 | Interest rates – how rates and volatility affect housing production | <i>Final module assignment #4 – Build a Pro forma (15 points)</i> |
| FINAL | 3/20/24 | Final All Class Post | <i>Final all class post – graded (5 points)</i> |

STUDENT RESOURCES AND POLICIES OVERVIEW

ACADEMIC MISCONDUCT

Students are expected to be ethical not only in the classroom, but also out of the classroom. It is in all students' interest to avoid committing acts of academic dishonesty and to discourage others from committing such acts. Academic dishonesty includes, but is not limited to, the following examples: engages in any form of academic deceit; refers to materials or sources or uses devices not authorized by the instructor for use during any quiz or assignment; provides inappropriate aid to another person in connection with any quiz or assignment; engages in Plagiarism.

Any academic misconduct, including, but not limited to, plagiarism, cheating, fabrication, aiding and abetting academic misconduct, falsification of records and documents, communication with fellow students during examination and quizzes and/or using the work of another student will immediately result in a failing grade for the course. Furthermore, students are not allowed to discuss the content of any test, quiz, or homework with anyone. Additional sanctions by The School of Business may also be imposed if it deems necessary.

Plagiarism is the act of claiming someone's work as your own through copying it without giving the creator of the work credit. Plagiarism can also include using another person's theories, ideas, or phrases without proper attribution. The simplest way to avoid plagiarizing is to always cite the sources from which you gather information or develop arguments – just cite anything you use from someone else (it actually makes your work stronger!). Plagiarism is a serious issue and is a violation of the PSU Student Conduct of Code. University policy requires instructors to report all instances of plagiarism and penalize the perpetrator(s) according to guidelines set. Please use the resources provided by the [PSU library](#) if you have any questions on how to cite.

DIVERSITY & INCLUSION

PSU values diversity and inclusion; we are committed to fostering mutual respect and full participation for all students. My goal is to create a learning environment that is equitable, useable, inclusive, and welcoming. If any aspects of instruction or course design result in barriers to your inclusion or learning, please notify me. The Disability Resource Center (DRC) provides reasonable accommodations for students who encounter barriers in the learning environment.

ACCOMMODATIONS

If you have, or think you may have, a disability that may affect your work in this class and feel you need accommodations, contact the Disability Resource Center to schedule an appointment and initiate a conversation about reasonable accommodations. The DRC is located in 116 Smith Memorial Student Union, 503-725-4150, drc@pdx.edu, <https://www.pdx.edu/drc>.

- If you already have accommodations, please contact me to make sure that I have received a faculty notification letter and discuss your accommodations.
- Students who need accommodations for tests and quizzes are expected to schedule their tests to overlap with the time the class is taking the test.
- Please be aware that the accessible tables or chairs in the room should remain available for students who find that standard classroom seating is not useable.
- For information about emergency preparedness, please go to the Fire and Life Safety webpage (<https://www.pdx.edu/environmental-health-safety/fire-and-life-safety>) for information.

TITLE IX

Portland State is committed to providing an environment free of all forms of prohibited discrimination and sexual harassment (sexual assault, domestic and dating violence, and gender or sex-based harassment and stalking). If you have experienced any form of gender or sex-based discrimination or sexual harassment, know that help and support are available. PSU has staff members trained to support survivors in navigating campus life, accessing health and counseling services, providing academic and on-housing accommodations, helping with legal protective orders, and more. Information about PSU's support services on campus, including confidential services and reporting options, can be found on PSU's Sexual Misconduct Prevention and Response website at: <http://www.pdx.edu/sexual-assault/get-help> or you may call a confidential IPV Advocate at 503-725-5672. You may report any incident of discrimination or discriminatory harassment, including sexual harassment, to either the Office of Equity and Compliance or the Office of the Dean of Student Life.

SEXUAL HARASSMENT:

As faculty, one of our responsibilities is to help create a safe learning environment for students and for the campus as a whole. Please be aware that faculty have the responsibility to report any instances of sexual harassment, sexual violence and/or other forms of prohibited discrimination. If you would rather share information about sexual harassment to a confidential employee who does not have this reporting responsibility, you can find a list of those individuals here: <https://www.pdx.edu/sexual-assault/get-help>.

EMERGENCY PREPAREDNESS:

For information about emergency preparedness, please go to the Fire and Life Safety webpage(<https://www.pdx.edu/environmental-health-safety/fire-and-life-safety>) for information.

STUDENT HEALTH AND COUNSELING (SHAC):

The Center for Student Health and Counseling (SHAC) is a community-based health care organization that provides high quality, accessible mental health, physical health, dental, and testing services targeted to the needs of the PSU student population. To make an appointment with SHAC, please call SHAC at 503.725.2800 or go directly to the clinic (1880 SW 6th Ave. UCB, Suite 200). Email address: askshac@pdx.edu

BASIC NEEDS AT PORTLAND STATE:

It can be challenging to do your best in class if you have trouble meeting basic needs like safe shelter, sleep, and nutrition. Resource centers across campus are here to provide assistance, referrals, and support. Please contact anyone on this list for assistance:

Basic Needs Hub: basicneedshub@pdx.edu

Portland State Food Pantry: psufp.com; pantry@pdx.edu

C.A.R.E. Team: askdos@pdx.edu; (503) 725-4422

OTHER STUDENT RESOURCES:

- The Writing Center: <https://www.pdx.edu/writing-center/>
- Center for Student Health and Counseling: <https://www.pdx.edu/shac/>
- Diversity and Multicultural Student Services: <https://www.pdx.edu/dmss/>
- Financial Wellness Center: <https://www.pdx.edu/student-financial/financial-wellness-center>
- For information on food assistance and other resources: <https://www.pdx.edu/student-access-center/>

STUDENT RESOURCES AND POLICIES

[Academic Misconduct](#)

[Accommodations/DRC](#)

[Attendance Policy](#)

[Basic Needs at Portland State](#)

[Diversity & Inclusion](#)

[Emergency Preparedness](#)

[How to Cite and Writing Guides](#)

[Lecture Recordings and Technology](#)

[Other Student Resources](#)

[Research Guides and Tutorials \(Library\)](#)

[Sexual Harassment](#)

[Student Health and Counseling \(SHAC\)](#)

[Student Code of Conduct](#)

[Title IX](#)