Instructor contact information
Instructor: Deidre Lal Schmidt, President & CEO, CommonBond Communities. I prefer to be called Deidre (Dee-dra) and will address students by their first name unless requested by the student to use another name.
Email: deidre.schmidt@commonbond.org
Telephone: 612-483-8938
Office Hours: By appointment

Course prerequisites: None

Course description
Financing affordable multifamily housing in the United States is a complicated endeavor that requires more than just a command of financial principles and analysis but also an appreciation for the nuances and fluidity of policy, public-private-partnership and public discourse. This course will demystify the financial drivers and consequences in our affordable housing delivery system.

It will simultaneously build participants’ confidence in basic financial modeling of affordable housing using the most common capital structures, while also exploring the relationship of finance with policy and regulation, real estate and urban planning objectives, design, and program limitations.

Objectives
Participants in this course should emerge with:
• An understanding of the roles, risk sharing and influence of public and private actors in the financing and provision of affordable housing.
• A practical familiarity with the major financing programs and policies that drive investment in this sector.
• Experience in financial modeling specific to multifamily affordable housing which will prepare them for work in the industry, regardless of role.

eReserves and eBooks
You can access course materials on eReserves on the course Moodle site. Alternately, you can log in to the Reserves Direct website with your internet ID and password. Or, choose the course from the Library Course Page and click on the Course Reserves tab.
Course Moodle site
The Moodle course website is an important part of the course. To access the Moodle course website, go to https://moodle.umn.edu to sign in with your internet ID and password. Check the website regularly to obtain course readings, assignments, announcements, and other information. If you are not familiar with Moodle, please watch the “student orientation resources” at http://it.umn.edu/course-management-system-moodle-related/students.

Moodle is configured to work in all browsers, however it is recommend using either Firefox, Safari (Mac users), or Google Chrome. Avoid Internet Explorer, as many activities in Moodle do not work correctly while using Internet Explorer.

For questions, contact moodle@umn.edu or the course instructor.

Assignment submissions
All assignments should be uploaded before midnight of the day specified. Narrative assignments should be submitted in word (not pdf) format, 1.5 line spaced, 1 inch margins and 11 point font. Excel workbooks should be submitted in their live versions (not pdf or locked). If students anticipate submitting a late assignment, they should contact me as soon as possible. These assignments will be docked according to the circumstances and length of delay.

Attendance and participation
Full and engaged attendance at all sessions will be essential as each week’s lectures and assignments will build upon prior sessions. Some work will be completed in groups and an individual’s ability to contribute to that work will depend on being up to speed and prepared to engage. Attendance records will be kept and will be weighed in the final grade. Work groups will be asked to help evaluate their colleagues’ engagement level and contributors.

Grading
This course will offer a myriad ways for students to test and demonstrate their understanding of the subjects addressed.

- **Individual assignments.** These assignments will constitute 50% of the grade for the course and will include a combination of essay and financial analysis exercises.
- **Group work.** These assignments will constitute 15% of the grade for the course and may include brief presentations.
- **Final exam.** This will account for 20% of the grade for the course and will be comprised of brief essays.
- **Participation.** This will represent 15% of the grade for the course and will be a function of both attendance and engagement as perceived by both the instructor and classmates who are in working groups.
- **Other.** No extra-credit will be available in this course. One optional site tour of an affordable housing development will be arranged for students who are interested. We will attempt to accommodate the most students possible, but cannot assure that all who are interested will be able to attend.

Please also see University of Minnesota policy regarding grades on page 7.
COURSE SCHEDULE

SESSION 1: March 23, 2018
What is affordable housing in the United States and how did it come to be this way?
Grounding in history and fundamentals of affordable housing and its financing
This session will provide a very brief overview of housing policy and financing programs in the United States as context for understanding the current state of play. We will discuss key concepts and definitions which we will revisit frequently in this course and which are essential for a basic understanding of the field.

READING/VIDEO BEFORE CLASS:
- Policy Shift; How the US Developed a Hybrid Model of Affordable Housing Provision. Rosen, Christina.
- The Unintended Consequences of Housing Finance | Regional Plan Association | January 2016

DUE BEFORE CLASS:
- Student introduction, Due March 19th by midnight.

SESSION 2: March 30, 2018
The role of government
The rationale for and form of public subsidies in private housing and public housing
During this session we will discuss the types of financial mechanisms through which the government participates in the production of affordable rental housing. It will also include a conversation with the Executive Director of the Dakota County Community Development Agency, Tony Schertler, about the place that public housing occupies in the US affordable housing landscape, how public housing is financed and maintained and who it serves. Explanation of vouchers, HOPE VI and RAD will be included.

READING/VIDEO BEFORE CLASS:
- “The Towers Came Down, and With Them the Promise of Public Housing” The New York Times Magazine by Ben Austen Feb. 6, 2018

SESSION 3: April 6, 2018
Multifamily financial modeling, debt options and underwriting
During this session we will build an understanding of the five core components of a multifamily housing financial model; 1) operating income, 2) operating expense, 3) development sources, 4) development uses, 5) cash flow projections. We will then demonstrate how a financial model with these components
can be used to determine the amount of debt which can be supported by a housing development. We will also discuss key differences in debt options.

**READ/WATCH BEFORE CLASS:**

**DUE BEFORE CLASS:**
- Government participation group exercise, Due April 4th by midnight

**SESSION 4: April 13, 2018**

**The Low Income Housing Tax Credit**
This session will introduce the largest multifamily affordable rental production program in the US; the Low Income Housing Tax Credit. We will explain the structure, strengths and weaknesses of the program. We will then add this component to the financial model that we built during the last session and discuss the tensions between debt and equity in terms of financial underwriting and control.

**READ/WATCH BEFORE CLASS:**
- Office of the Comptroller of the Currency, Community Development Insights, “Low-Income Housing Tax Credits: Affordable Housing Investment Opportunities for Business.”

**DUE BEFORE CLASS:**
- Basic multifamily financial model exercise, Due April 11th by midnight

**SESSION 5: April 20, 2018**

**Is developer choice a myth? The power of funding priorities**
This session will be used to understand the power of funding priorities to direct the nature of affordable housing development. An in-class group exercise will help students internalize an understanding of the amount of optionality developers can exercise. A panel of development project managers will discuss their own experience.

**READ/WATCH BEFORE CLASS:**
- Wisconsin QAP and Self-Scoring Sheet

**DUE BEFORE CLASS:**
- RESUBMIT - Basic multifamily financial model exercise, Due April 19th
- Public Participation Group Assessment, Due April 19th

**SESSION 6: April 27, 2018**
Points of tension, sources of strength?
The various and multiple requirements imposed on any one transaction by capital providers, market conditions and community goals are often purported to produce a balanced and sustainable end result. With a complete financial model in hand, we will stress test and run alternative scenarios for our theoretical development to explore common trade-offs. A panel of capital providers will discuss their own experience.

READ/WATCH BEFORE CLASS: None
DUE BEFORE CLASS:

- QAP Group Exercise. Due April 26th by midnight
- Low-income Housing Tax Credit financial model. Due April 26th by midnight

SESSION 7: May 4, 2018

The future of affordable housing finance
The first half of this session will be reserved for the final exercise/exam. The second half of the session will focus on new instruments and actors in the multifamily affordable housing finance space as well challenges for the preservation of existing housing. Guest discussants will bring us some examples of emerging trends and issues.

READ/WATCH BEFORE CLASS: None
DUE BEFORE CLASS:

- QAP Group Assessment. Due May 2nd, by midnight
- RESUBMIT - LIHTC Model. Due May 2nd, by midnight
UNIVERSITY OF MINNESOTA SYLLABI POLICY STATEMENTS

Student Conduct Code
The University seeks an environment that promotes academic achievement and integrity, that is protective of free inquiry, and that serves the educational mission of the University. Similarly, the University seeks a community that is free from violence, threats, and intimidation; that is respectful of the rights, opportunities, and welfare of students, faculty, staff, and guests of the University; and that does not threaten the physical or mental health or safety of members of the University community.

As a student at the University you are expected adhere to Board of Regents Policy: Student Conduct Code. To review the Student Conduct Code, please see: http://regents.umn.edu/sites/regents.umn.edu/files/policies/Student_Conduct_Code.pdf.

Note that the conduct code specifically addresses disruptive classroom conduct, which means “engaging in behavior that substantially or repeatedly interrupts either the instructor's ability to teach or student learning. The classroom extends to any setting where a student is engaged in work toward academic credit or satisfaction of program-based requirements or related activities.”

Use of Personal Electronic Devices in the Classroom
Using personal electronic devices in the classroom setting can hinder instruction and learning, not only for the student using the device but also for other students in the class. To this end, the University establishes the right of each faculty member to determine if and how personal electronic devices are allowed to be used in the classroom. For complete information, please reference: http://policy.umn.edu/education/studentresp.

Scholastic Dishonesty
You are expected to do your own academic work and cite sources as necessary. Failing to do so is scholastic dishonesty. Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonesty grades, honors, awards, or professional endorsement; altering, forging, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis. (Student Conduct Code: http://regents.umn.edu/sites/regents.umn.edu/files/policies/Student_Conduct_Code.pdf) If it is determined that a student has cheated, he or she may be given an “F” or an “N” for the course, and may face additional sanctions from the University. For additional information, please see: http://policy.umn.edu/education/instructorresp.

The Office for Student Conduct and Academic Integrity has compiled a useful list of Frequently Asked Questions pertaining to scholastic dishonesty: http://www1.umn.edu/oscai/integrity/student/index.html. If you have additional questions, please clarify with your instructor for the course. Your instructor can respond to your specific questions regarding what would constitute scholastic dishonesty in the context of a particular class—e.g., whether collaboration on assignments is permitted, requirements and methods for citing sources, if electronic aids are permitted or prohibited during an exam.

Makeup Work for Legitimate Absences
Students will not be penalized for absence during the semester due to unavoidable or legitimate circumstances. Such circumstances include verified illness, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, and religious observances. Such circumstances do not include voting in local, state, or national elections. For complete information, please see: [http://policy.umn.edu/education/makeupwork](http://policy.umn.edu/education/makeupwork).

**Appropriate Student Use of Class Notes and Course Materials**

Taking notes is a means of recording information but more importantly of personally absorbing and integrating the educational experience. However, broadly disseminating class notes beyond the classroom community or accepting compensation for taking and distributing classroom notes undermines instructor interests in their intellectual work product while not substantially furthering instructor and student interests in effective learning. Such actions violate shared norms and standards of the academic community. For additional information, please see: [http://policy.umn.edu/education/studentresp](http://policy.umn.edu/education/studentresp).

**Grading and Transcripts**

The University utilizes plus and minus grading on a 4.000 cumulative grade point scale in accordance with the following:

<table>
<thead>
<tr>
<th>Grade</th>
<th>GPA</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>4.000</td>
<td>Represents achievement that is outstanding relative to the level necessary to meet course requirements</td>
</tr>
<tr>
<td>A-</td>
<td>3.667</td>
<td></td>
</tr>
<tr>
<td>B+</td>
<td>3.333</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>3.000</td>
<td>Represents achievement that is significantly above the level necessary to meet course requirements</td>
</tr>
<tr>
<td>B-</td>
<td>2.667</td>
<td></td>
</tr>
<tr>
<td>C+</td>
<td>2.333</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>2.000</td>
<td>Represents achievement that meets the course requirements in every respect</td>
</tr>
<tr>
<td>C-</td>
<td>1.667</td>
<td></td>
</tr>
<tr>
<td>D+</td>
<td>1.333</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>1.000</td>
<td>Represents achievement that is worthy of credit even though it fails to meet fully the course requirements</td>
</tr>
<tr>
<td>S</td>
<td>Represents achievement that is satisfactory, which is equivalent to a C- or better.</td>
<td></td>
</tr>
</tbody>
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For additional information, please refer to: [http://policy.umn.edu/education/gradingtranscripts](http://policy.umn.edu/education/gradingtranscripts).

**Sexual Harassment**

“Sexual harassment” means unwelcome sexual advances, requests for sexual favors, and/or other verbal or physical conduct of a sexual nature. Such conduct has the purpose or effect of unreasonably interfering with an individual's work or academic performance or creating an intimidating, hostile, or offensive working or academic environment in any University activity or program. Such behavior is not acceptable in the University setting. For additional information, please consult Board of Regents Policy: [http://regents.umn.edu/sites/regents.umn.edu/files/policies/SexHarassment.pdf](http://regents.umn.edu/sites/regents.umn.edu/files/policies/SexHarassment.pdf)
Equity, Diversity, Equal Opportunity, and Affirmative Action
The University provides equal access to and opportunity in its programs and facilities, without regard to race, color, creed, religion, national origin, gender, age, marital status, disability, public assistance status, veteran status, sexual orientation, gender identity, or gender expression. For more information, please consult Board of Regents Policy: http://regents.umn.edu/sites/regents.umn.edu/files/policies/Equity_Diversity_EO_AA.pdf.

Disability Accommodations
The University of Minnesota is committed to providing equitable access to learning opportunities for all students. The Disability Resource Center is the campus office that collaborates with students who have disabilities to provide and/or arrange reasonable accommodations.

If you have, or think you may have, a disability (e.g., mental health, attentional, learning, chronic health, sensory, or physical), please contact DS at 612-626-1333 to arrange a confidential discussion regarding equitable access and reasonable accommodations.

If you are registered with DS and have a current letter requesting reasonable accommodations, please contact your instructor as early in the semester as possible to discuss how the accommodations will be applied in the course.

For more information, please see the DS website, https://diversity.umn.edu/disability/.

Mental Health and Stress Management
As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance and may reduce your ability to participate in daily activities. University of Minnesota services are available to assist you. You can learn more about the broad range of confidential mental health services available on campus via the Student Mental Health Website: http://www.mentalhealth.umn.edu.

Academic Freedom and Responsibility: (for courses that do not involve students in research)
Academic freedom is a cornerstone of the University. Within the scope and content of the course as defined by the instructor, it includes the freedom to discuss relevant matters in the classroom. Along with this freedom comes responsibility. Students are encouraged to develop the capacity for critical judgment and to engage in a sustained and independent search for truth. Students are free to take reasoned exception to the views offered in any course of study and to reserve judgment about matters of opinion, but they are responsible for learning the content of any course of study for which they are enrolled.*

Reports of concerns about academic freedom are taken seriously, and there are individuals and offices available for help. Contact the instructor, the Department Chair, your adviser, associate dean Laura Bloomberg, or the Vice Provost for Faculty and Academic Affairs in the Office of the Provost.

* Language adapted from the American Association of University Professors “Joint Statement on Rights and Freedoms of Students”.

OR:
**Academic Freedom and Responsibility: (for courses that involve students in research)**

Academic freedom is a cornerstone of the University. Within the scope and content of the course as defined by the instructor, it includes the freedom to discuss relevant matters in the classroom and conduct relevant research. Along with this freedom comes responsibility. Students are encouraged to develop the capacity for critical judgment and to engage in a sustained and independent search for truth. Students are free to take reasoned exception to the views offered in any course of study and to reserve judgment about matters of opinion, but they are responsible for learning the content of any course of study for which they are enrolled.* When conducting research, pertinent institutional approvals must be obtained and the research must be consistent with University policies.

Reports of concerns about academic freedom are taken seriously, and there are individuals and offices available for help. Contact the instructor, the Department Chair, your adviser, associate dean Laura Bloomberg, or the Vice Provost for Faculty and Academic Affairs in the Office of the Provost.

*Language adapted from the American Association of University Professors “Joint Statement on Rights and Freedoms of Students”.*