Fall 2015

MURP 6175

Marla Nelson

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MURP 6175 Development Finance for Planners

Fall 2015
Mondays 4:00-6:40 PM
311 Milneburg Hall

Instructor: Marla Nelson
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E-mail: mnelson@uno.edu
Phone: 504.280.3110
Office Hours: M 2-4 PM, W 3-5 PM, TH 1-3 & by appt.

Course Description and Content
This course provides students with a working knowledge of the financial principals of real estate development. As a planning course, the emphasis is on the role of the public sector in making development projects that serve public sector goals financially feasible. The focus is less on market driven development than on development projects in underdeveloped or distressed communities. The course begins by with an overview of the community development field and the public sector’s role in urban development. From there it acquaints students with both the real estate development industry – the process, players and various phases--and introduces students to basic financial concepts and tools (e.g. time value of money, net present value). It then provides an understanding of basic financial analysis for real estate development, instructs students how to develop and read development budgets and operating pro forma, and examines different sources of gap financing for community economic development including bond financing, tax increment financing and tax credits.

Learning Goals and Objectives
Through readings, lectures, discussions, guest lectures and case studies, students will develop an understanding of real estate finance, learn how to make informed judgments about the issues that can make or break a real estate project and study techniques used to achieve public sector development goals. This course is a pre-requisite for the community development capstone MURP 6720 Practicum in Urban and Regional Planning.

Course Texts and Readings
All course readings will be posted on Moodle. Students are responsible for accessing and downloading these materials.
Course Requirements

Readings: Students are expected to come to class familiar with the reading material to review it and ask questions. A thorough understanding of the reading assignments is necessary to effectively participate in class and complete class problem sets.

Problem Sets: Students are required to complete 6-8 problem sets over the course of the semester. The problem sets will require a considerable amount of work outside of class; students need to get started immediately after an exercise is introduced.

Class participation: Students are required to attend all classes. Failure to do so will result in a lower class grade. The courtesy of a phone call or e-mail prior to the start of class is requested if you must be absent. In addition to regular and timely attendance, students must actively participate in class to receive a strong participation grade.

Final Exam
There will be an in-class final exam on December 10, 2015.

Criteria for grading and grading standards
All assignments will be introduced and discussed during class. Students will be graded based upon their knowledge and application of particular methods and techniques and the clarity, thoroughness and creativity of their presentation.

All coursework will be graded on a numerical scale based on a specific number of points:

Grading

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Problem Sets</td>
<td>70% (6-8 problem sets; 8-12% each)</td>
</tr>
<tr>
<td>Class participation</td>
<td>5%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>25%</td>
</tr>
</tbody>
</table>

To calculate the final grade, I will sum the numerical grades from all of the course assignments and convert it to a letter grade based on the following:

<table>
<thead>
<tr>
<th>Grading System</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>90-100</td>
</tr>
<tr>
<td>B</td>
<td>80-89</td>
</tr>
<tr>
<td>C</td>
<td>70-79</td>
</tr>
<tr>
<td>D</td>
<td>60-69</td>
</tr>
<tr>
<td>F</td>
<td>0-59</td>
</tr>
</tbody>
</table>
**Late assignments and Incompletes:** All assignments are due at the beginning of class. Late work will not be accepted except under highly unusual situations such as a serious illness or family emergency. No incompletes other than for medical reasons will be given.

**Student Conduct in the Classroom**
Students, as well as faculty, have a responsibility for creating and maintaining an environment that supports effective instruction. The university expects students to conduct themselves in an orderly and cooperative manner. Cell phones should be turned off while in the classroom.

**Academic Integrity**
Academic integrity is fundamental to the process of learning and evaluating academic performance. Academic dishonesty will not be tolerated. Academic dishonesty includes, but is not limited to, the following: cheating, plagiarism, tampering with academic records and examinations, falsifying identity, and being an accessory to acts of academic dishonesty. Refer to the Student Code of Conduct for further information. The Code is available online at [http://www.studentaffairs.uno.edu](http://www.studentaffairs.uno.edu).

**Accommodations**
It is University policy to provide, on a flexible and individualized basis, reasonable accommodations to students who have disabilities that may affect their ability to participate in course activities or to meet course requirements. Students with disabilities should contact the Office of Disability Services as well as their instructors to discuss their individual needs for accommodations. For more information, please go to [http://www.ods.uno.edu](http://www.ods.uno.edu).
Schedule of Topics, Readings and Assignments

Aug 20  Introduction and Course Overview

Familiarize yourself with Excel through the use of a free online tutorial. I recommend Chandoo:
http://chandoo.org/wp/

Listen to the following podcasts:

This American Life, The Giant Pool of Money, Episode Transcript # 355 PODCAST:

http://www.npr.org/2015/05/14/406699264/historian-says-dont-sanitize-how-our-government-created-the-ghettos

Aug 27  Real Estate Development, Community Development and the Role of the Public Sector; Real Estate Development Process


Sept 3  Mortgage Mechanics: Present Value, Loan Calculations, Amortization Tables

Sept 10  Financial Analysis of Real Property: *Return on Investment (IRR, NPV)*; *How Income Taxes Affect Real Estate Investment*


Sept 17  Preparation & Evaluation of Pro Forma I


Oct 24  Preparation & Evaluation of Pro Forma II

In class case study

*Additional readings to be assigned.*
Oct 1  Discounted Cash Flow Analysis  (Guest Lecturer—Kristyna Jones; Nelson at IHSP-CIRM Conference, Montreal, Canada)


Oct 8  Closing the Gap: The Role of the Public Sector and Gap Financing


Oct 15  Municipal finance tools: Municipal Bonds & Tax Increment Financing


Oct 22
NO CLASS: ACSP Conference, Houston, TX
(Class will meet during semester break—Oct 29)

Oct 29
Overview of Tax Credits; Introduction to Low-Income Housing Tax Credits


Nov 5
Low-Income Housing Tax Credits (cont.); Historic District Tax Credits


Nov 12  Historic District Tax Credits (cont.); New Markets Tax Credits


Nov 19  Myrtle Banks and Oretha Castle Haley Case Study

*Guest speaker:*  
Jonathan Leit, Director, New Orleans Office  
Alembic Community Development

*Class to meet at Alembic offices:*  
Workspace at Myrtle Banks  
1307 Oretha Castle Haley Blvd, Suite 300  
*Other speakers TBD*

Nov 26  NO CLASS THANKSGIVING

Dec 3  Teaching Planners to Deal: Economic Development Negotiation Exercise

*Readings to be assigned*

Dec 10  Final Exam
Important Dates*
Last day to adjust schedule w/ out fee.................. 08/10/2015
Semester Classes Begin ...................................... 08/19/2015
Last day to adjust schedule w/fee, or withdraw with 100% refund.................. 08/25/2015
Last day to apply for December commencement.............. 09/25/2015
Final day to drop a course or resign ............................ 10/14/2015
Mid-semester examinations .................................. 10/05-10/09/2015
Final examinations ............................................. 12/07-12/11/2015
Commencement.................................................. 12/16/2015
*Note: check Registrar’s website for Saturday and A/B sessions, and for items not listed here: http://www.registrar.uno.edu

Fall Semester Holidays
Labor Day.................................................. 09/07/2015
Mid-semester break ........................................ 10/15-10/16/2015
Thanksgiving.............................................. 11/26-11/27/2015

Withdrawal Policy – Undergraduate only
Students are responsible for initiating action to resign from the University (withdraw from all courses) or from a course on or before dates indicated in the current Important Dates calendar. Students who fail to resign by the published final date for such action will be retained on the class rolls even though they may be absent for the remainder of the semester and be graded as if they were in attendance. Failure to attend classes does not constitute a resignation. Check the dates on the Registrar’s website, http://www.registrar.uno.edu. Please consult The Bulletin for charges associated with dropping and adding courses.

Incomplete Policy – Undergraduate only
The grade of I is incomplete and is given for work of passing quality but which, because of circumstances beyond the student’s control, is not complete. The issuance of the grade of I is at the discretion of the faculty member teaching the course. For all graduate and undergraduate students, a grade of I becomes a grade of F if it is not converted before the deadline for adding courses for credit (as printed in the Important Dates Calendar) of the next regular semester including summer semester.

Repeat Policy
When a student is permitted to repeat a course for credit, the last grade earned shall be the one which determines course acceptability for degree credit. A student who has earned a C or better in a course may not repeat that course unless, (1) the catalog description indicates that the course may be repeated for credit, or (2) the student’s Dean gives prior approval for documented extenuating circumstances.

Academic Dishonesty Policy

Safety Awareness Facts and Education
Title IX makes it clear that violence and harassment based on sex and gender is a Civil Rights offense subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories such as race, national origin, etc. If you or someone you know has been harassed or assaulted, you can find the appropriate resources here:
http://www.uno.edu/student-affairs-enrollment-management/

UNO Counseling Services and UNO Cares
UNO offers care and support for students in any type of distress. Counseling Services assist students in addressing mental health concerns through assessment, short-term counseling, and career testing and counseling. Find out more at http://www.uno.edu/counseling-services/. First-year students often have unique concerns, and UNO Cares is designed to address those students succeed. Contact UNO Cares through http://www.uno.edu/fac/uno-cares.aspx

Emergency Procedures
Sign up for emergency notifications via text and/or email at L2 Campus Notification: http://www.uno.edu/ehs/communications/index.aspx. All emergency and safety procedures are explained at the Emergency Health and Safety Office: http://www.uno.edu/ehs/

Diversity at UNO
As the most diverse public university in the state, UNO maintains a Diversity Affairs division to support the university’s efforts towards creating an environment of healthy respect, tolerance, and appreciation for the people from all walks of life, and the expression of intellectual point of view and personal lifestyle. The Office of Diversity Affairs promotes these values through a wide range of programming and activities.
http://diversity.uno.edu/index.cfm

Learning and Support Services
Help is within reach in the form of learning support services, including tutoring in writing and math and other supplemental instruction. Visit the Learning Resource Center in LA 334, or learn more at http://www.uno.edu/lrc/.

Affirmative Action and Equal Opportunity
UNO is an equal opportunity employer. The Human Resource Management department has more information on UNO’s compliance with federal and state regulations regarding EEOC in its Policies and Resources website: http://www.uno.edu/human-resource-management/policies.aspx