

PPD 625
ECONOMIC DEVELOPMENT FINANCE
SPRING 2020

INSTRUCTOR

John Perfitt
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LECTURES

Wednesdays at 6 PM via Zoom
zoom.us/my/perfitt

OFFICE HOURS

Fridays at 11 AM

COURSE DESCRIPTION

PPD 625 will facilitate an understanding of the principles of finance and how these principles are applied by economic development professionals to specific and current projects and transactions. Somewhat lighter on theory, this course uses readings and articles from practitioners and takes a practitioner's approach to teaching. Refer to the Course Outline (Excel format) posted to BlackBoard for weekly topics, readings, assignments and other requirements.

LEARNING OBJECTIVES

Students will learn the following:

- Basic principles of finance and their application to projects
- Real estate development and financing
- How to evaluate a project pro forma
- Economic development tools and strategies
- Public finance
- Dynamics of capital markets
- New approaches to community development and public objectives
- Land use regulations and economic impacts of them
- Exposure to new practices, markets, and technology
- Fiscal analysis for local governments
- Critical thinking and analysis
- Understanding the thinking and paradigms of investors and project developers

GRADING CRITERIA

PERCENT OF GRADE

Five One-Page Briefings	20%
Student Project Phase I	40%
Student Project Final: Written + Video Presentation	40%

GRADING

Grading is always done using a curve. Generally, the strongest work receives an A, satisfactory work receives a B and substandard work receives a C. Any non-original work will receive an automatic C.

COURSE POLICIES

The following are policies for PPD625:

- Lecture materials will be posted in bullet point/outline form
- Homework exercises will be reviewed in class and not turned in
- One-page briefings will be turned in via email (see deliverables below)
- Do your own work. You are wasting your tuition dollars if you do not
- Students are expected to have skills with spreadsheet, word processing and presentation software; contact instructor if you do not have these skills
- Students' written work will be evaluated for conciseness, logic flow, typos, and grammatical errors

REQUIRED READING AND OTHER MATERIALS

The following readings are required for this semester:

- *Real Estate Principles, A Value Approach*, by David Ling and Wayne Archer
- Numerous readings in pdf format and posted to BlackBoard.
- Videos and podcasts accessible via hyperlinks in the course outline

ATTENDANCE

Students are expected to attend all classes. There is generally a strong correlation between attendance and engagement and a high grade in this course. Lectures provide much of the material for exams. All materials discussed or referenced in classes will be posted to BlackBoard, but in outline form. If you are going to miss class, just like in the working world, you should notify the professor. Professor will post recordings of class lectures to BlackBoard.

HOMEWORK

Homework assignments will be reviewed and discussed in class. Homework is not handed in nor graded. The review and discussion of homework is for the benefit of students and provides you with a further opportunity to engage in the course. It behooves all students to do the homework before class because concepts will be better reinforced if problems are solved before discussion.

STUDENT DELIVERABLES

This course has three deliverables that will be reviewed and graded.

- 1) Four one-page briefings on assigned readings, podcasts or videos. This is an opportunity for students to do some technical writing and summarize some interesting topics and lessons. Refer to the One-Page Briefing document posted to BlackBoard for instructions on how to create the briefing document.
- 2) Student Project Phase I – Due per the date on the course outline. Refer to the Student Project document posted to BlackBoard that explains the approach and criteria for the student project. The student project requirements will be covered in detail during the second session of class.
- 3) Student Project Phase II – there are two items within this submittal: a written report on the student project in pdf and a 10-minute zoom video with student presenting his or her findings related to the project. Similar to the above, The student project requirements will be covered in detail during the second session of class.

Academic Conduct and Support Systems

Academic Conduct:

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, “Behavior Violating University Standards” policy.usc.edu/scampus-part-b. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, policy.usc.edu/scientific-misconduct.

Support Systems:

Counseling and Mental Health - (213) 740-9355 – 24/7 on call
studenthealth.usc.edu/counseling

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call
suicidepreventionlifeline.org

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-9355(WELL), press “0” after hours – 24/7 on call
studenthealth.usc.edu/sexual-assault

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

Office of Equity and Diversity (OED) - (213) 740-5086 | Title IX – (213) 821-8298
equity.usc.edu, titleix.usc.edu

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298
usc-advocate.symplicity.com/care_report

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity |Title IX for appropriate investigation, supportive measures, and response.

The Office of Disability Services and Programs - (213) 740-0776
dsp.usc.edu

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

USC Campus Support and Intervention - (213) 821-4710

campussupport.usc.edu

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity at USC - (213) 740-2101

diversity.usc.edu

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

dps.usc.edu, emergency.usc.edu

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call

dps.usc.edu

Non-emergency assistance or information.

Office of the Ombuds - (213) 821-9556 (UPC) / (323-442-0382 (HSC)

ombuds.usc.edu

A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern. syllabus will be posted to Blackboard.

PPD625 COURSE OUTLINE FOR SPRING 2021

WEEK	DATE	TOPICS	ASSIGNED MATERIAL	ASSIGNMENTS REVIEWED IN CLASS	ASSIGNMENTS SUBMITTED/DUE/EMAILED
1	01/20/21	Course Introduction		None	None
		Finance Principles	None	None	
2	01/27/21	Finance Principles Continued	Ling Archer Chapter 14	Ling Archer Chapt 14/Study Questions 1-10	None
		Nature of Real Estate Markets	Ling Archer Chapt 2	Ling Archer Chapt 2/Study Questions 1-7	
		Student Project Intro and Requirements	None	None	
3	02/03/21	Zoning and Land Use	PDF: Zoning	Zoning Feasibility Study	One-Page Briefing on Rent Control Podcast
		Environmental Planning	PDF: CEQA	None	
		Rent Control	Rent Control Podcast	None	
4	02/10/21	Development Life Cycle	Ling Archer Chapt 23	Ling Archer Chapt 23/Study Questions 1-8	None
		Real Estate Metrics and Static Pro Formas	None	None	
5	02/17/21	Private Capital Sources	Ling Archer Chapt 19	Ling Archer Chapt 19/Study Questions 1-10	One-Page Briefing on Technical Writing Video
		Leveraging and Discounted Cash Flow Analysis	None	None	
		Technical Writing Skills	Technical Writing Video	None	
6	02/24/21	Project Pro Formas	Ling Archer Chapt 17	Ling Archer Chapt 17/Study Questions 1-10	None
			PDF: ProFormas	Midtown Crossings Pro Forma	
7	03/03/21	Center Point Pro Forma	PDF: CenterPointe	Center Point Proforma	None
		Case Study #1	PDF: Case Study #1	Case Study #1	
8	03/10/21	Public Capital	PDF: Municipal Bonds	Municipal Bonds	Student Project Phase I
		Tax Increment Financing	PDF: TIFF	None	
9	03/17/21	Opportunity Zones	PDF: Opportunity Zones	None	One-Page Briefing on Powerball Revolution
		Case Study #2	PDF: Case Study #2	Case Study #2	
		Elections	Powerball Revolution	None	
10	03/24/21	New Markets Tax Credits	PDF: NMTCs	NMTC Problem	None
		Economic Development Tools	PDF: EconDev Tools	None	
11	03/31/21	Appraisals	Ling, Archer Chapt 7	Ling, Archer Chapt 7/Study Questions 1-10	None
		Income Capitalization	Ling, Archer Chapt 8	Ling, Archer Chapt 8/Questions 1-10	
12	04/07/21	No Class	None	None	None
13	04/14/21	Cap and Trade Program	PDF: Cap and Trade	None	One-Page Briefing on Ted Video
		Crowdfunding Real Estate	PDF: Crowdfunding	None	
		Case Study #3	PDF: Case Study #3	Case Study #3	
		Technical Presentations	Presentations Ted Video	None	
14	04/21/21	Affordable Housing Finance	PDF: Affordable Housing	Affordable Housing Pro Forma	None
		Social Impact Bonds	PDF: Social Impact Bonds	None	
15	04/28/21	Emerging Trends in Development	PDF: Emerging Trends	None	Student Project: Written+10 Min Zoom Video
		Case Study #4	Case Study #4	Case Study #4	