

Community Economic Development: 34:970:562 and 34:833:680
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Spring Office Hours: Mondays and Thursdays 10:00 – 11:30 and 4:00– 4:30

Course Description

This course is designed to familiarize masters and doctoral students with community economic development (CED). The course will review how the CED field evolved as one response to poverty and inequality and will examine the field's present-day composition. In addition to readings and class discussions, the course will include guest speakers who are practitioners in the field of community economic development.

Requirements and Grading

Course participants will be expected actively to participate in class discussions, to write weekly response papers, and to prepare an in-class presentation.

Class Participation

Because this is a seminar, active and informed participation in class discussions is critical and will count for 35% of the overall grade. It is difficult to participate if you're not in class, so participation will include attendance. Each class participant will be allowed one absence. Any additional absences, with the exception of those caused by emergencies, will result in a five-point reduction off the total grade. Anyone who knows in advance that s/he will miss class must let the professor know as soon as possible.

Response Papers

In addition to regular participation in seminar discussions, course participants will be required to write weekly one page, single spaced papers analyzing that week's readings. These papers should not be summaries of the readings. Instead, they should reflect the fact that you have read and thought about all the readings for a given week and should focus on the common themes and critical points that connect those readings. These papers will not be returned with individual grades and comments, but will be read carefully by me in preparation for that week's class and will count for 35% of the overall grade. Please remember to put your name on the papers and to save them as Word files before e-mailing them to me by noon on the Wednesday prior to class. Any papers received after that time will not be accepted.

In-Class Presentation

The presentation will be worth 30% of the overall grade. The presentation is an oral version of a research paper. It should last approximately 20 minutes and can be on any topic related to class content. The presentations will take place during the second half of class on the following dates: March 26th, April 2nd, 9th, 16th, and 23rd and during the entire class on April 30th and May 7th. Your one-page topic proposal is due in class on Thursday, February 26th. A presentation outline is due two weeks before you present. A few prior years' presentations are available on the course's Sakai web site, as is a list of some prior years' presentation topics.

Readings

With the exception of the book *Financing Low Income Communities*, which you can purchase online, all the readings are available on Sakai (<https://sakai.rutgers.edu>) in the Community Economic Development folder.

<p>The Rutgers University policy on academic integrity and plagiarism is available at: http://academicintegrity.rutgers.edu/integrity.shtml#l</p>

January 22

Session 1: Introduction and course overview

Isabel Wilkerson. (2005) Angela Whitiker's Climb. *The New York Times*. June 12.

January 29

Session 2: The Problem Historically: Poverty, Inequality and Lack of Access to Capital

John Iceland. (2003). Characteristics of the Poverty Populations. Chapter 4 in *Poverty in America*, Berkeley, CA: The University of California Press, pp 38-69.

Wikipedia (2009). Economic Inequality. Available at:
http://en.wikipedia.org/wiki/Economic_inequality

Inequality.Org (2009). By the Numbers, Available at:
<http://www.demos.org/inequality/numbers.cfm>

Eric Eckholm (2008). Blue-Collar Jobs Disappear, Taking Families' Way of Life Along. *The New York Times*, January 16.

Dan Immergluck. (2004). Introduction. Chapter 1 in *Credit to the Community: Community Reinvestment and Fair Lending Policy in the United States*. Armonk, NY: M. E. Sharpe, pp. 3-17.

February 5

Session 3: The Problem Updated -- Subprime and Predatory Lending, Foreclosure Crisis, and Economic Decline

Kathleen C. Engel and Patricia A. McCoy. (2007). Predatory Lending and Community Development at Loggerheads. Chapter 7 in *Financing Low Income Communities*.

New York Times

- Review the summary of factors that led to the crisis available at:
http://topics.nytimes.com/topics/reference/timestopics/subjects/c/credit_crisis/index.html
- Gretchen Morgenson (2007) Crisis Looms in Market for Mortgages, March 11.
- Paul Krugman (2007) Innovating Our Way to Financial Crisis, December 3.
- Edmund L. Andrews (2007) Fed Shrugged as Subprime Crisis Spread, December 18.
- Paul Krugman (2008). Don't Cry for Me, America, January 18.
- Gretchen Morgenson (2008). A Mortgage Paper Trail Often Leads to Nowhere, Dec. 28.
- Michael Lewis and David Einhorn (2009). The End of the Financial World as We Know It and How to Repair a Broken Financial World, January 4, Op-Ed Contributors.

Washington Post

- Review charts on the origins of the crisis available at: http://www.washingtonpost.com/wp-srv/business/risk/index.html?sid=ST2008121600014&s_pos=list
- Jill Drew (2008). Frenzy, December 16, 2008
- Dina ElBoghdady and Sarah Cohen (2009). The Growing Foreclosure Crisis, January 17

Guest Speaker -- Wayne Meyer, Housing Director, Housing & Neighborhood Development Services (HANDS).

Under Wayne Meyer's guidance, HANDS has played an integral role in the redevelopment of Orange, NJ. He has been heavily involved in strategizing high-impact developments for long-term change within the Township. Wayne has developed all of HANDS residential, commercial & mixed use properties including acquisitions, financing, development, land use approvals & environmental remediation. Wayne is also a Senior Fellow at the National Housing Institute. He is an attorney and a Certified Public Accountant with more than 20 years of real estate experience in the private sector. He studied Urban Planning on the graduate level at NYU & was recently the CFO of Renaissance Equity, a real estate investment & management firm.

February 12

Session 4: The Role of Policy in Community Economic Development

Alice O'Connor. (1999) *Swimming Against the Tide: A Brief History of Federal Policy in Poor Communities*. In *The Community Development Reader*. New York, NY: Routledge, pp. 9-27.

Julia Sass Rubin, (2007). Introduction, Chapter 1 in *Financing Low Income Communities*, New York, NY: Russell Sage Foundation.

Julia Sass Rubin and Gregory M. Stankiewicz, (2005) *The New Markets Tax Credit Program: A Midcourse Assessment*. In *Community Development Investment Review*, Vol. 1, Issue 1. San Francisco Federal Reserve. pp. 1-12.

Ellen Seidman (2008) *Testimony Before the Committee on Financial Services, United States House of Representatives, February 13*. Available at:
http://www.house.gov/apps/list/hearing/financialsvcs_dem/seidman021308.pdf

Kirk McClure. (2000) *The Low-Income Housing Tax Credit as an Aid to Housing Finance: How Well Has It Worked?* *Housing Policy Debate* 11:1, **read pp. 91-100 only**.

February 19

Session 5: The Organizations of CED: Community Development Corporations and Community Development Financial Institutions

Lehn Benjamin, Julia Sass Rubin, and Sean Zielenbach. (2008) "Community Development Financial Institutions: Expanding Access to Capital in Under-Served Markets. In *The Community Development Reader*. New York, NY: Routledge. pp, 81-88.

Sara E. Stoutland. (1999) *Community Development Corporations: Mission, Strategy and Accomplishments*. In *Urban Problems and Community Development*. (Brookings Institution Press: Washington DC), pp. 193-233.

Rachel G. Bratt and William M. Rohe. (2004) *Organizational Changes Among CDCs: Assessing the Impacts and Navigating the Challenges*. *Journal of Urban Affairs*, Vol. 216, Number 2. pp. 197-220.

February 26

Session 6: Housing (This class will take place at the NJ Housing and Mortgage Finance Agency in Trenton and will run from 1:40 to 4:20).

Joint Center for Housing Studies (2008) *The State of the Nation's Housing*. Executive Summary. Cambridge, MA: Harvard University Press.

Kenneth T. Rosen & Ted Dienstfrey. (1999) "The Economics of Housing Services in Low-Income Neighborhoods," in *Urban Problems and Community Development* (Brookings Institution Press: Washington DC), pp. 437-472

Rachel G. Bratt. (2007) *Financing Production of Low- and Moderate-Income Housing*. Chapter 7 in *Financing Low Income Communities*, New York, NY: Russell Sage Foundation.

Michael E. Stone. (2008) *Social Housing*. In *The Community Development Reader*. New York, NY: Routledge.

Guest speakers

C. Sean Closkey --President, TRF Development Partners

Mr. Closkey joined TRF in 2004 and is responsible for assisting private developers and public sector clients in their efforts to revitalize neighborhood real estate markets. Mr. Closkey previously served as the Executive Director of the New Jersey Housing and Mortgage Finance Agency. His accomplishments include creating and implementing New Jersey's \$2.5 billion Smart Growth Housing Policy. Prior to leading the NJHMFA, Mr. Closkey was Executive Director of St. Joseph's Carpenters Society in Camden. He holds a BS in finance from Villanova University and a MA in economics from the University of Texas at Austin.

Eileen A. Hawes – Chief Financial Officer, NJ Housing and Mortgage Finance Agency

Ms. Hawes joined the HMFA in 1979 and has held various positions within it including Director of Internal Operations and Director of Finance. In her current capacity, which she has held since 1995, Ms. Hawes oversees all fiscal operations of the Agency; secures all multi-family and single-family bond proceeds; directs all phases of bond financings; directs the compilation of the Agency's annual audited financial statements (with total assets in excess of \$3.4 billion); compiles the Agency's annual budget; directs the investments of the Agency's bond funds and general funds; and participates in the development and execution of the Agency's housing initiatives.

March 5 -- NO CLASS

March 12

Session 7: Community Development Lending

Julia Sass Rubin. (2008) Adaptation or Extinction? Community Development Loan Funds at a Crossroads, *Journal of Urban Affairs*.

Julia Sass Rubin, Sean Zielenbach, John P. Caskey and Carla Dickstein (2008). Assessing the Systemic Impacts of Community Development Loan Funds. Paper presented at CDFI Fund Research Conference.

Guest Speakers

David M. Scheck -- Chief Investment Officer, E+Co

E+Co is a triple bottom line public purpose investment fund that invests in and provides development services to small and medium enterprises that supply clean, modern and affordable energy to households, businesses and communities in developing countries in Africa, Asia and Latin America. Mr. Scheck was previously the Executive Director of New Jersey Community Capital, a community development loan fund that serves the state of NJ. Prior to that, he was the inaugural Director of Finance of the New Jersey Redevelopment Authority, spent three years with PNC Bank as lead lender in an entrepreneurial unit responsible for economic development loans and investments for the New Jersey market, was a research analyst with an investment bank on Wall Street, and spent one year as a VISTA volunteer providing consulting services to affordable housing developers and community development corporations serving the urban and rural neighborhoods of North Carolina.

March 19 – SPRING BREAK

March 26

Session 8: Asset creation and the Poor

J. Larry Brown and Larry W. Beeferman (2001). From New Deal to New Opportunity. *The American Prospect*, February 12.

Daniel Schneider and Peter Tufano. (2007). *New Savings from Old Innovations: Asset Building for the Less Affluent*. Chapter 2 in *Financing Low Income Communities*. New York, NY: Russell Sage Foundation.

Reid Cramer, Rourke O'Brien and Alejandra Lopez-Fernandini (2008). *The Assets Agenda: Policy Options to Promote Savings and Asset Ownership by Low- and Moderate-Income Americans*. The New America Foundation.

--Class presentations--

April 2

Session 9: Microenterprise and Microfinance

Karl F. Seidman. (2005). *Economic Development Finance*. Microenterprise Finance. Chapter 13, pp. 292-313. Sage Publications.

Lisa Servon. (2007). "Making U.S. Microenterprise Work: Recommendations for Policy Makers and the Field." Chapter 4 in *Financing Low Income Communities*. New York, NY: Russell Sage Foundation.

--Class presentations--

April 9

Session 10: Financial Service Provision for the Poor and Fringe Banking

John Caskey (2005). Fringe Banking and the Rise of Payday Lending, in *Credit Markets for the Poor*. New York, NY: Russell Sage Foundation.

Douglas McGray (2008). Check Cashers, Redeemed. *The New York Times*, November 9.

Michael S. Barr (2004). *Banking the Poor*. Washington, DC: Brookings.

--Class presentations--

April 16

Session 11: Alternative Depository Institutions: Community Development Banks & Credit Unions

Marva E. Williams. (2007) *The Un-Banks: The Community Development Role of Alternative Depository Institutions*. Chapter 6 in *Financing Low Income Communities*. New York, NY: Russell Sage Foundation.

Ronald Grzywinski. (1991) The New Old-Fashioned Banking. *Harvard Business Review*, 69, pp. 87-98.

Building Blocks. (2002) Fannie Mae Foundation, Volume 3, Issue 3

<http://www.fanniemaefoundation.org/programs/bb/v3i3-index.shtml>

- Michael A. Stegman and Jennifer S. Lobenhofer. (2002). Bringing More Affordable Financial Services to the Inner City: The Bethex Federal Credit Union/RiteCheck Cashing, Inc., Partnership.
- From Competition to Collaboration: Examples of Bank/Check Casher Relationships
- Point of Banking Terminals: A Critical Technological Link

--Class presentations--

April 23

Session 12: Community Development Venture Capital

Bob Zider. (1998). How Venture Capital Works. *Harvard Business Review*, Nov - Dec, Reprint # 98611.

Julia Sass Rubin. (2009). Developmental Venture Capital. Working paper.

Julia Sass Rubin. (2009). Community Development Venture Capital. Working paper.

Non-Required Reading for Reference Only: CDVCA Glossary

--Class presentations--

April 30

Session 13: Class presentations

May 7

Session 14: Class presentations