SAN JOSÉ STATE UNIVERSITY
URBAN AND REGIONAL PLANNING DEPARTMENT
URBP 250: URBAN PLANNING PUBLIC FINANCE
URBP 150: INTRODUCTION TO MUNICIPAL FINANCE

SPRING 2016

Instructor: Dr. Shishir Mathur
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Email: shishir.mathur@sjsu.edu
Office hours: Monday 3:15 pm to 4 pm and by appointment
Class days/time: Monday 7:30 pm to 10 pm
Classroom: DMH 308
Class website: https://sjsu.instructure.com/courses/1187764 (URBP 150)
https://sjsu.instructure.com/courses/1184704 (URBP 250)
Prerequisites: URBP 250: None
URBP 150: Upper division standing
Units: 4

Course Description and Course Learning Objectives

Do you wonder how we pay for our roads, schools, libraries, and other public infrastructure and facilities? What are the traditional as well as some innovative methods of financing public facilities? How can the method of financing such facilities impact urban development? How do we ensure

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that planning and funding of facilities are coordinated? This course discusses these and such other questions/issues related with public financing of urban infrastructure and services.

Financing of public facilities for an urban area is a very dynamic and complex process. The complexity arises, in part, because of the diversity of organizations involved in the decision-making process. The process is political as well as technical in nature. Moreover, there is an ever-increasing competition for limited funds, especially during times of budgetary cutbacks. In this course we will first get introduced to the field of public finance with an overview of the government structure under which public financing works in the US. Next, we will discussion the normative theory of public finance. Thereafter, we will examine public finance at the local government-level. The discussion will include study of the major sources of expenditure and revenue, the budgeting process, and the exploration of the link between budgeting and planning. Next, we will review two important evaluation tools used in the field of public finance, namely, fiscal impact analysis and cost-benefit analysis. In the end, we will examine the traditional as well as the innovative public financing methods. These include property taxes, user fees, impact fees, tax increment financing, special districts, joint development, and land pooling and reconstitution.

Upon successful completion of the course, students will be able to:

1. Identify and describe the budgetary process of a local jurisdiction;
2. Identify linkages (or lack thereof) between a local jurisdiction’s budgeting and planning processes;
3. Understand the role of short- and long-term debt in financing public infrastructure and services;
4. Critically evaluate the impact of various public finance tools on urban development; and
5. Use program evaluation tools like fiscal impact analysis and cost-benefit analysis

**Planning Accreditation Board (PAB) Knowledge Components**

This course partially covers the following PAB Knowledge Components: 3B to 3E.

3B) Governance and Participation: appreciation of the roles of officials, stakeholders, and community members in planned change.


A complete list of the PAB Knowledge Components can be found at http://www.sjsu.edu/urbanplanning/courses/pabknowledge.html.

**Required Course Texts**

**Required Book:**

Cost: Approximately $65

Other readings are electronically available through San Jose State University’s new learning management system (LMS), Canvas by Instructure. A quick guide on how to access CANVAS is at http://www.sjsu.edu/at/ec/docs/CanvasStudentTutorial_Complete.pdf. I may also hand out a
small number of additional articles in class, and at times may ask you to read material available on the web.

**Course Assignments and Grading Policy**

Your grade for the course will be based on the following assignments:

<table>
<thead>
<tr>
<th>Assignments</th>
<th>Percent of Course Grade</th>
<th>Course Learning Objectives Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment 1: One discussion and narrative per class</td>
<td>5%</td>
<td>1-5</td>
</tr>
<tr>
<td>Assignment 2: In-class discussion</td>
<td>5%</td>
<td>1-5</td>
</tr>
<tr>
<td>Assignment 3: Engagement Unit Activity 1: Attend a Public Meeting and Write a Reflection Paper</td>
<td>10%</td>
<td>1-4</td>
</tr>
<tr>
<td>Assignment 4: Engagement Unit Activity 2: Participate in One Role Playing Group with a Guest Lecturer &amp; Write a Reflection Paper and a Synthesis Paper</td>
<td>15%</td>
<td>1-4</td>
</tr>
<tr>
<td>Assignment 5: Draft Term Paper</td>
<td>10%</td>
<td>1-3</td>
</tr>
<tr>
<td>Assignment 6: Final Term Paper</td>
<td>20%</td>
<td>1-4</td>
</tr>
<tr>
<td>Assignment 7: Presentation of Term Paper</td>
<td>10%</td>
<td>1-4</td>
</tr>
<tr>
<td>Assignment 8: Fiscal Impact Exercise</td>
<td>10%</td>
<td>5</td>
</tr>
<tr>
<td>Assignment 9: Cost-Benefit Exercise</td>
<td>10%</td>
<td>5</td>
</tr>
<tr>
<td>Assignment 10: Impact Fee Exercise</td>
<td>5%</td>
<td>4</td>
</tr>
</tbody>
</table>

This class will be a combination of lecture by instructor, in-class discussion, and presentations by the guest speakers. You have to read the assigned material prior to attending that week’s class, and participate in the class discussion. Over the entire semester each student is required to contribute one question per class that s/he would like to see discussed in the class. Such questions may also include clarification of a concept/part of the reading. The question should be emailed to the instructor by Sunday night before the class with the subject line “Name: Class ‘x’ Question,” where “x” stands for the week of the class.

In-class discussion requires participation but more importantly thoughtful participation. You will not be assessed on the amount of participation per se, but rather your contribution to the course learning objective and class discourse through insightful questions or comments.

Assignments 3 and 4 constitute the engagement unit. See the section titled “Course Workload” for a brief description of these assignments. Furthermore, you will have to write one term paper and present the findings of the paper to the class. In the term paper, you will write a memo discussing the linkages between a city’s general plan, capital improvement plan, and budgets. URBP 150 and URBP 250 will have separate writing requirements for these papers. These requirements and
detailed guidelines about writing the papers will be provided later in the semester at the time the paper assignments are introduced. Finally, you will complete three take-home exercises. They will help you conduct fiscal impact analysis, cost-benefit calculation, and impact fee calculation.

**Calculation of Final Course Letter Grade**

The course grade consists of 10 assignments (see above). If a student named “Joe” obtains 4 points on the first assignment, 5 on the second, 9 on the third, 14 on the fourth, 19 on the fifth, 7 on the sixth, 9 on the seventh, 10 on the eighth, and 5 on the ninth, and 5 on the tenth assignment, his final letter grade would be calculated using the following steps:

a) Add the score for each assignment to arrive at the final score for the course.
   \[
   \text{Final score} = 4+5+9+14+19+7+9+10+5+5 = 87
   \]

b) The following grading scheme converts the final score into a letter grade.

   - A+ (96 and above); A (93 to 95); A- (90 to 92); B+ (87 to 89); B (84 to 86); B- (81 to 83); C+ (78 to 80); C (75 to 77); C- (72 to 74); D+ (69 to 71); D (66 to 68); D- (63 to 65); F (below 63)

c) Using the conversion scheme provided in step “b” the score of 87 for “Joe” equals a letter grade of “B+.”

**Other Grading and Assignment Issues**

Late work will not be accepted, except with the instructor’s prior permission.

**Course Workload**

Success in this course is based on the expectation that students will spend, for each unit of credit, a minimum of forty-five hours over the length of the course (normally 3 hours per unit per week with 1 of the hours used for lecture) for instruction or preparation/studying or course related activities including but not limited to internships, labs, clinical practica. Other course structures will have equivalent workload expectations as described in the syllabus.

Because this is a four-unit class, you can expect to spend a minimum of nine hours per week in addition to time spent in class and on scheduled tutorials or activities. Special projects or assignments may require additional work for the course. Careful time management will help you keep up with readings and assignments and enable you to be successful in all of your courses. For this class, you will have to undertake additional activities outside the class hours such as attending public meetings related to financing of infrastructure and services; writing memos critically analyzing the issues discussed in these public meetings; providing peer responses to such memos written by fellow students; and revising your memo based upon the peer responses. Details on how to complete these activities will be provided on handouts distributed in class later in the semester.

**Academic Integrity Statement, Plagiarism, and Citing Sources Properly**

Your commitment, as a student, to learning is evidenced by your enrollment at San Jose State University. The University Academic Integrity Policy S07-2 at http://www.sjsu.edu/senate/docs/S07-2.pdf requires you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and
Ethical Development. The Student Conduct and Ethical Development website is available at http://www.sjsu.edu/studentconduct/.

Plagiarism is the use of someone else's language, images, data, or ideas without proper attribution. It is a very serious offense both in the university and in your professional work. In essence, plagiarism is both theft and lying: you have stolen someone else's ideas, and then lied by implying that they are your own.

Plagiarism will lead to grade penalties and a record filed with the Office of Student Conduct and Ethical Development. In severe cases, students may also fail the course or even be expelled from the university.

If you are unsure what constitutes plagiarism, it is your responsibility to make sure you clarify the issues before you hand in draft or final work.

Learning when to cite a source and when not to is an art, not a science. However, here are some common examples of plagiarism that you should be careful to avoid:

- Using a sentence (or even a part of a sentence) that someone else wrote without identifying the language as a quote by putting the text in quote marks and referencing the source.
- Paraphrasing somebody else's theory or idea without referencing the source.
- Using a picture or table from a webpage or book without reference the source.
- Using data some other person or organization has collected without referencing the source.

The University of Indiana has developed a very helpful website with concrete examples about proper paraphrasing and quotation. See in particular the following pages:

- Overview of plagiarism at www.indiana.edu/~istd/overview.html
- Examples of plagiarism at www.indiana.edu/~istd/examples.html
- Plagiarism quiz at www.indiana.edu/~istd/test.html

If you still have questions, feel free to talk to me personally. There is nothing wrong with asking for help, whereas even unintentional plagiarism is a serious offense.

Citation style

It is important to properly cite any references you use in your assignments. The Department of Urban and Regional Planning uses Kate Turabian’s *A Manual for Writers of Research Papers, Theses, and Dissertations*, 8th edition (University of Chicago Press, 2013, ISBN 780226816388). Copies are available in the SJSU King Library. Additionally, the book is relatively inexpensive, and you may wish to purchase a copy. Please note that Turabian’s book describes two systems for referencing materials: (1) “notes” (footnotes or endnotes), plus a corresponding bibliography, and (2) in-text parenthetical references, plus a corresponding reference list. The instructor prefers the latter.
Accommodation for Disabilities

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential Directive 97-03 at http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf requires that students with disabilities requesting accommodations must register with the Accessible Education Center (AEC) at http://www.sjsu.edu/acc to establish a record of their disability.

You can find information about the services SJSU offers to accommodate students with disabilities at the Accessible Education Center website at www.sjsu.edu/acc.

Accommodation to Students’ Religious Holidays

San José State University shall provide accommodation on any graded class work or activities for students wishing to observe religious holidays when such observances require students to be absent from class. It is the responsibility of the student to inform the instructor, in writing, about such holidays before the add deadline at the start of each semester. If such holidays occur before the add deadline, the student must notify the instructor, in writing, at least three days before the date that he/she will be absent. It is the responsibility of the instructor to make every reasonable effort to honor the student request without penalty, and of the student to make up the work missed. See University Policy S14-7 at http://www.sjsu.edu/senate/docs/S14-7.pdf.

Consent for Recording of Class and Public Sharing of Instructor Material

Common courtesy and professional behavior dictate that you notify someone when you are recording him/her. You must obtain the instructor’s permission to make audio or video recordings in this class. Such permission allows the recordings to be used for your private, study purposes only. The recordings are the intellectual property of the instructor; you have not been given any rights to reproduce or distribute the material.

Library Liaison

The SJSU Library Liaison for the Urban and Regional Planning Department is Ms. Toby Matoush. If you have questions, you can contact her at toby.matoush@sjsu.edu or 408-808-2096.

SJSU Writing Center

The SJSU Writing Center is located in Clark Hall, Suite 126. All Writing Specialists have gone through a rigorous hiring process, and they are well trained to assist all students at all levels within all disciplines to become better writers. In addition to one-on-one tutoring services, the Writing Center also offers workshops every semester on a variety of writing topics. To make an appointment or to refer to the numerous online resources offered through the Writing Center, visit the Writing Center website at http://www.sjsu.edu/writingcenter.

SJSU Counseling and Psychological Services

The SJSU Counseling and Psychological Services is located on the corner of 7th Street and San Fernando Street, in Room 201, Administration Building. Professional psychologists, social workers, and counselors are available to provide consultations on issues of student mental health, campus
climate or psychological and academic issues on an individual, couple, or group basis. To schedule an appointment or learn more information, visit Counseling and Psychological Services website at http://www.sjsu.edu/counseling.

**Dropping and Adding**

Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Refer to the current semester's Catalog Policies section at http://info.sjsu.edu/static/catalog/policies.html. Add/drop deadlines can be found on the current academic year calendars document on the Academic Calendars webpage at http://www.sjsu.edu/provost/services/academic_calendars/. The Late Drop Policy is available at http://www.sjsu.edu/aars/policies/latedrops/policy/. Students should be aware of the current deadlines and penalties for dropping classes.

Information about the latest changes and news is available at the Advising Hub at http://www.sjsu.edu/advising/.

**Classroom Protocol**

This class is primarily run as a seminar, with the goal to foster critical thinking in the complex world of urban public finance. As such, it is expected that students attend each class, be on time, complete the assigned readings prior to each class, and actively participate in discussions with an open mind. If you are unable to attend a class, please notify me in advance. Lectures by the instructor and/or guest experts will supplement the class discussions.

We live in a 24/7 connected world. However, I will request that you refrain from texting, tweeting, surfing, and anything else that you can do on an electronic device unless it is for taking notes or for looking up information relevant to the discussion at hand. If you must connect for other reasons, I ask that you either wait until break or do so with discretion. Phones must be off or on silent.
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COURSE SCHEDULE

(subject to change with fair notice)

Class 1 (February 1)

Course Overview

Class 2 (February 8)

Public Finance: The Local Government Structure

Reading:

Class 3 (February 15)

Public Finance: Theory

Reading:

Class 4 (February 22)

Local Government: Expenditure and Revenue

Reading:

Term Paper Introduced

Draft Due April 11

Final Due May 16
Class 5 (February 29)
Local Government Budgeting
Guest Speaker: TBD

Reading:

Class 6 (March 7)
Determining Infrastructure Needs

Reading:

Class 7 (March 14)
Capital Improvement Planning
Guest Speaker: TBD

Reading:

Class 8 (March 21)
Fiscal Impact Analysis

Reading:

Recommended Reading

Fiscal Impact Exercise Introduced (Due April 18)
Class 9 (March 28) — no class (Spring Break)

Class 10 (April 4)

Cost Benefit Analysis
Reading:

C/B Exercise Introduced (Due April 25)

Debt Management
Reading:

Class 11 (April 11)

Property and Non-Property Taxes
Reading:

Recommended Reading

Draft Term Paper due (bring a hard copy to the class and also email to instructor with the subject line “Name: URBP250/150 Draft Term Paper); Instructor will electronically distribute among the classmates.
Class 12 (April 18)
User Fees
Reading:

Fiscal Impact Exercise Due

Class 13 (April 25)
Special Districts
Reading:

C/B Exercise Due

Class 14 (May 2)
Development Impact Fees
Reading:

Impact Fee Exercise Introduced (Due May 16)

Tax Increment Financing
Reading:
Class 15 (May 9)
*Public Private Partnerships (PPPs); Land Pooling and Reconstitution (LPR)*

**PPP**

**LPR**

Class 16 (May 16)
*Presentation of Term Paper*
(Guidelines for presentation will be handed out separately in class)

*Final Term Paper due (bring a hard copy to class and also email to instructor with the subject line: “Name: 250/150 Term Paper”)*

*Impact Fee Exercise Due*

Class 17 (May 25)
*Final’s exam week. Class meets from 7:45 pm to 10 pm*

*Presentation of Term Paper; Course Reflection*

*Reading for Course Reflection*