

San José State University
Urban and Regional Planning Department
URBP 250: Urban Planning Public Finance
URBP 280: Planning Research Topics
URBP 150: Introduction to Municipal Finance
Spring 2023

Course and Contact Information

Instructor(s):	Dr. Shishir Mathur
Office Location:	In-person
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Email:	shishir.mathur@sjsu.edu
Office Hours:	Friday 4 pm to 6 pm (call at 408-310-7856 or email in advance to request a zoom link) and by appointment
Class Days/Time:	Monday 4:30 pm to 7:15 pm
Classroom:	WSQ 111

Course Catalog Description

URBP 250: Investigation of both the theory and practice of local public finance with emphasis on applications relevant to urban and regional planning. Topics include: public goals and externalities; the function of the budget; sources of revenue and expenditure; the planning programming-budgetary system (PPBS); methods of project evaluation; and traditional as well as innovative methods of public finance including property tax, user fee, impact fee, tax increment financing, and use of special districts.

URBP 280: In-depth examination of selected planning research topics introduced in core seminars for the Master of Urban Planning degree, such as the social and environmental impacts of planning policies.

URBP 150: An introduction to the theory and practice of municipal finance. Topics include public goals and externalities, the function of the budget, sources of revenues, finance tools, expenditure types, the planning programming-budgetary system (PPBS), and methods of project evaluation.

Course Format

In-person course.

Course Web Page and MYSJSU Messaging

Course materials such as syllabus, lecture notes, assignment instructions, etc. are at:

URBP 250 and URBP 280: <https://sjsu.instructure.com/courses/1559413>

URBP 150: <https://sjsu.instructure.com/courses/1564610>

You are responsible for regularly checking your email that you provided on MySJSU to learn of any updates. For help with using CANVAS see [Canvas Student Resource page](#).

Course Description

Do you wonder how we pay for our roads, schools, libraries, and other public infrastructure and facilities? What are the traditional as well as innovative methods of financing public facilities, including land-value-capture-based finance tools? How can the method of funding such facilities impact urban development? How do we

ensure that the planning and funding of facilities are coordinated? This course discusses these and other questions/issues related to 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 processes, which are both political and technical in nature. Moreover, there is ever-increasing competition for limited funds, especially during 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 discuss the normative theory of public finance. After that, we will examine public finance at the local government level. The discussion will include a study of the major sources of expenditure and revenue, the budgeting process, and the exploration of the links between budgeting and planning. Next, we will review two important evaluation tools used in 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 tax, sales tax, user fee, and land-value-capture tools such as impact fee, tax increment financing, special assessments district, joint development, and land pooling and reconstitution.

Course Learning Outcomes (CLOs)

Upon successful completion of this 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

This course partially covers the following PAB Knowledge Components: 2A, 2C, 3B, 3E.

2A: Research: tools for assembling and analyzing ideas and information from prior practice and scholarship, and from primary and secondary sources.

3B: Equity, Diversity and Social Justice: key issues in equity, diversity, and social justice that emphasize planners' role in expanding choice and opportunity for all persons, plan for the needs of the disadvantaged, reduce inequities through critical examination of past and current systems and disparities, and promote racial and economic integration.

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

Required Texts/Readings

Textbook

John R. Bartle, W. Bartley Hildreth, and Justin Marlowe. 2013. *Management Policies in Local Government Finance, 6th Edition*. Washington DC: International City/County Management Association. Cost: Approximately \$100 (purchase); \$45 (rent)

Other Readings

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/ecampus/docs/Canvas-Student-Quick-Guide.pdf>. Instructor 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.

Library Liaison

Name: Peggy Cabrera. Email: peggy.cabrera@sjsu.edu

Course Requirements and Assignments

Success in this course is based on the expectation that students will spend, for each unit of credit, a minimum of 45 hours over the length of the course (normally three hours per unit per week) for instruction, preparation/studying, or course related activities, including but not limited to internships, labs, and clinical practica. Other course structures will have equivalent workload expectations as described in the syllabus.

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

Assignments	Percent of Course Grade	Course Learning Objectives Covered
Assignment 1: One discussion and narrative per class	5%	1-5
Assignment 2: In-class discussion	5%	1-5
Assignment 3: Engagement Unit Activity 1: Attend a Public Meeting and Write a Reflection Paper (<i>Not needed for URBP 280 students</i>)	10%	1-4
Assignment 4: Engagement Unit Activity 2: Participate in One Role Playing Group with a Guest Lecturer & Write a Reflection Paper and a Synthesis Paper (<i>Not needed for URBP 280 students</i>)	15%	1-4
Assignment 5: Draft Term Paper	10%	1-3
Assignment 6: Final Term Paper	30%	1-4
Assignment 7: Fiscal Impact Exercise	10%	5
Assignment 8: Cost-Benefit Exercise	10%	5
Assignment 9: Impact Fee Exercise	5%	4

Assignments 1 and 2: This class will be a combination of lectures by the 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 class discussions. Additionally, you have to contribute one question per class (except when a guest speaker visits the class) that you would like to see discussed in the class. In addition to the question, describe the main points that you would like to see discussed as part of the discussion generated by that question. Write one or two paragraphs (75-100 words). This question will be in addition to any question you might want to ask to clarify a concept/part of the reading. The question and the description should be emailed to the instructor for that week by **Sunday night** with the subject line "First Name Last Name Week "x" Discussion Question and Narrative" where "x" stands for the week number. See the weekly schedule for the week number. Please include the question and description in the body of the email. Do not attach it as a separate file.

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 objectives and class discourse through insightful questions or comments.

Assignments 3 and 4: These assignments constitute the 1-unit engagement unit. For this unit, you will have to undertake additional activities outside the class hours such as attending public meetings related to the 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. ***Please note that URBP 280 students do not need to do Assignments 3 and 4.***

For the 1-unit engagement unit, the instructor will spend an additional 15 hours per semester on activities such as: designing the engagement unit activities and the related assignments, coordinating with community partners to implement the activities, advising students outside of class weekly as needed, and grading the engagement unit activity assignments.

Assignments 5 and 6: You will have to write one term paper in two stages—draft and final. In the term paper, you will write a memo discussing the linkages between a city's general plan and other planning documents, capital improvement plan and other infrastructure plans, and budgets. URBP 150 and URBP 250 will have separate writing requirements for these papers. The requirements will be the same for URBP 250 and URBP 280.

These requirements and detailed guidelines about writing the paper will be provided later in the semester when the paper assignments are introduced.

Assignments 7, 8, and 9: You will complete three take-home exercises—one each on fiscal impact analysis, cost-benefit analysis, and impact fee calculation.

Other Grading and Assignment Issues

Late work will not be accepted, except with the instructor's *prior* permission that is sought and received *before* the assignment due date.

Final Examination or Evaluation

Submission of Final Term Paper (Assignment 6) and "Course Reflection" are the culmination activities for this course.

Grading Information

The course grade consists of nine 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, 7 on the fifth, 28 on the sixth, 10 on the seventh, 5 on the eighth, and 5 on the ninth, 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.
Final score = 4 plus 5 plus 9 plus 14 plus 7 plus 28 plus 10 plus 5 = 87
- b) The following grading scheme converts the final score into a letter grade.

A plus = 100 to 98

A = 97 to 94 points

A minus = 93 to 90 points

B plus = 89 to 87 points

B = 86 to 84 points

B minus = 83 to 81 points

C plus = 80 to 78 points

C = 77 to 75 points

C minus = 74 to 72 points

D plus = 71 to 69 points

D = 68 to 66 points

D minus = 65 to 63 points

F = 62 points or lower

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

Since URBP 280 students will not do Assignments 3 and 4, their maximum points will be 75. The score they get will be normalized to 100 to assign the grade. E.g., if they score 65 points, it will be equivalent to 86.7 points out of 100 (65 times 100 divided by 75), which equals a grade of “B Plus.”

Classroom Protocol

This class is primarily run as a seminar 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 before each class, and actively participate in discussions with an open mind. If you cannot attend a class, please notify the instructor in advance. Lectures by the instructor and/or guest experts will supplement class discussions.

We live in a 24/7 connected world. However, please do not text, tweet, surf, and anything else you can do on an electronic device unless it is for taking notes or looking up information relevant to the discussion at hand. Phones must be off or on silent.

University Policies

Per [University Policy S16-9](#), relevant university policy concerning all courses, such as student responsibilities, academic integrity, accommodations, dropping and adding, consent for recording of class, etc. and available student services (e.g. learning assistance, counseling, and other resources) are listed on [Syllabus Information web page](#) (<https://www.sjsu.edu/curriculum/courses/syllabus-info.php>). Make sure to visit this page to review and be aware of these university policies and resources.

Plagiarism and Citing Sources Properly

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 page: <https://plagiarism.iu.edu/overview/index.html>

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

Citation style

It is important to cite any references you use in your assignments correctly. The Department of Urban and Regional Planning uses Kate Turabian's *A Manual for Writers of Research Papers, Theses, and Dissertations*, Ninth Edition (University of Chicago Press, 2016, ISBN 978-0226430577). Copies of older editions might be available in the SJSU King Library, which you can use. 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.

URBP 250: URBAN PLANNING PUBLIC FINANCE URBP 280: PLANNING RESEARCH TOPICS URBP 150: INTRODUCTION TO MUNICIPAL FINANCE Spring 2023 Course Schedule

(Subject to change with fair notice. Instructor to notify students of the changes through email and by uploading a revised syllabus on the course webpage)

Week 1 (January 30)

Course Overview

Week 2 (February 6)

Public Finance: The Local Government Structure

Reading:

* Svava, James H. 2013. Chapter 3, "Government Structure as Context for the Finance Function." In *Management Policies in Local Government Finance*, ed. John R. Bartle, Hildreth W. Bartley and Justin Marlowe. Washington DC: International City/County Management Association.

Week 3 (February 13)

Public Finance: Theory

Reading:

* Heikkila, Eric. 2000. Chapter 5, "Public Goods and Public Choice." In *The Economics of Planning*. New Brunswick, NJ: CUPR Press, Center for Urban Policy Research, Rutgers University.

* Tiebout, Charles. 1956. A Pure Theory of Local Expenditures. *Journal of Political Economy* 64(5): 416-424.

* Buchanan, James. 1965. An Economic Theory of Clubs. *Economica* 32: 1-14.

* Eric J. Heikkila. 1996. Are Municipalities Tieboutian Clubs? *Regional Science and Urban Economics* 26(2): 203-226.

Week 4 (February 20)

Local Government: Expenditure and Revenue

Reading:

* Chapman, Jeffrey. 2013. Chapter 2, "Local Government Spending and Revenues." In *Management Policies in Local Government Finance*, ed. John R. Bartle, Hildreth W. Bartley and Justin Marlowe.

Washington DC: International City/County Management Association.

* Crane, Randall. 2006. *Public Finance Concept for Planners*. Lincoln Institute of Land Policy Working Paper Series. Cambridge, MA: Lincoln Institute of Land Policy.

Week 5 (February 27)

Local Government Budgeting

Guest Speaker: TBD (no discussion question required)

Reading:

* Franklin, Aimee. 2013. Chapter 6, "Budgeting." In *Management Policies in Local Government Finance*, ed. John R. Bartle, Hildreth W. Bartley and Justin Marlowe. Washington DC: International City/County Management Association.

* Lerner, Josh, and Donata Secondo. 2012. By the People, For the People: Participatory Budgeting from the Bottom Up in North America. *Journal of Public Deliberation* 8(2). doi: <https://doi.org/10.16997/jdd.148>

* Zhang, Yahong, and Yuguo Liao. 2011. Participatory Budgeting in Local Government: Evidence from New Jersey Municipalities. *Public Performance and Management Review* 35(2): 281-302.

Term Paper Introduced

Draft Due April 3

Final Due May 22

Week 6 (March 6)

Determining Infrastructure Needs

Reading:

* Hanousek, Donna. 1989. Chapter 2, "Planning." In *Project Infrastructure Development Handbook*. Washington, DC: Urban Land Institute.

* White, Mark. 1996. *Adequate Public Facilities Ordinances and Transportation Management*. Planning Advisory Service Report Number 465. Washington, DC: American Planning Association.

Week 7 (March 13)

Capital Improvement Planning

Reading:

* Bunch, Beverly, S. 2013. Chapter 11, "Capital Planning and Budgeting." In *Management Policies in Local Government Finance*, ed. John R. Bartle, Hildreth W. Bartley and Justin Marlowe. Washington DC: International City/County Management Association.

* Bowyer, Robert. 1993. *Capital Improvement Programs: Linking Budgeting and Planning*. Planning Advisory Service Report Number 442. Washington, DC: American Planning Association.

* Mathur, S. 2019. Linking Planning with Budgeting: Examining Linkages between General Plans and Capital Improvement Plans. *Journal of Planning Education and Research* 39(1):65-78.

Week 8 (March 20)

Fiscal Impact Analysis

Reading:

- * Burchell, Robert, and David Listokin. 1994. *Fiscal Impact Analysis*. In *Development Impact Assessment Handbook*. Washington, DC: ULI.
- * Heikkila, Eric. 2000. "Rethinking Fiscal Impacts." In *The Economics of Planning*. New Brunswick, NJ: CUPR Press, Center for Urban Policy Research, Rutgers University.

Recommended Reading

- * Burchell, Robert, Listokin, David, and William Dolphin. 1985. *The New Practitioner's Guide to Fiscal Impact Analysis*. New Brunswick, NJ: CUPR Press, Center for Urban Policy Research, Rutgers University.

Fiscal Impact Exercise Introduced (Due April 10)

Week 9 (March 27) — no class, Spring Break!!!

Week 10 (April 3)

Cost Benefit Analysis

Reading:

- * Heikkila, Eric. 2000. "Understanding Cost-Benefit Analysis." In *The Economics of Planning*. New Brunswick, NJ: CUPR Press, Center for Urban Policy Research, Rutgers University.

Debt Management

Reading:

- * Denison, Dwight V. 2013. Chapter 12, "Debt Management." In *Management Policies in Local Government Finance*, ed. John R. Bartle, Hildreth W. Bartley and Justin Marlowe. Washington DC: International City/County Management Association.
- * Mathur, Shishir. 2007. *Using General Obligation Debt to Finance Park and Recreation Public Improvements: The Case of San Jose, California*. Lincoln Institute of Land Policy Working Paper Series. Cambridge, MA: Lincoln Institute of Land Policy.

C/B Exercise Introduced (Due April 24)

Draft Term Paper due (email to the instructor with the subject line "Name: URBP250/280/150 Draft Term Paper" and file name "Name: URBP250/280/150 Draft Term Paper." Instructor will electronically distribute among the classmates.

Week 11 (April 10)

Property and Non-Property Taxes

Reading:

- * Bland, Robert, L. 2013. Chapter 8, "The Property Tax." In *Management Policies in Local Government Finance*, ed. John R. Bartle, Hildreth W. Bartley and Justin Marlowe. Washington DC: International City/County Management Association.
- * Mikesell, John, L. 2013. Chapter 9, "Consumption and Income Taxes." In *Management Policies in Local Government Finance*, ed. John R. Bartle, Hildreth W. Bartley and Justin Marlowe. Washington DC: International City/County Management Association.
- * League of California Cities. (2019). *Propositions 26 and 218 Implementation Guide*. Retrieved September 1, 2021, from <https://www.cacities.org/Prop218andProp26>. Read chapters 1 and 2.

Recommended Reading

* Oates, Wallace. 1969. The Effects of Property Taxes and Local Public Spending on Property Values: An Empirical Study of Tax Capitalization and the Tiebout Hypothesis. *Journal of Political Economy* 77(6): 957-971.

Fiscal Impact Exercise Due (email to instructor with the subject line "Name: FIA Exercise" and file name "Name: FIA Exercise")

Week 12 (April 17)

User Fees

Reading:

* Hendrick, Rebecca. 2013. Chapter 10, "Non Tax Revenue." In *Management Policies in Local Government Finance*, ed. John R. Bartle, Hildreth W. Bartley and Justin Marlowe. Washington DC: International City/County Management Association.

* Mathur, Shishir and Ralph Robinson. 2022. Assessing the Feasibility of Employing Transportation Utility Fee: Need to Overlay Landmark Court Decisions on State-level Determinants. *Journal of Planning Education and Research*. DOI:[10.1177/0739456X221142524](https://doi.org/10.1177/0739456X221142524)

* Martin, Randolph, and Wilder Roland. 1992. Residential Demand for Water and the Pricing of Municipal Water Services. *Public Finance Quarterly* 20(1): 93-102.

* Briggs, Robert. 1989. Evaluating a Water Conservation Surcharge Program in Orange County, Florida. *Government Finance Review* 5(2): 7-10.

* Rosenbloom Sandra. 2010. Alternative Transportation Financing Strategies: Special Equity Implications for Older and Retired People. *Transportation Research Record* 2163: 15–23.

Week 13 (April 24)

Special Districts; Special Assessment Districts

Reading:

* Lin, Ben, Pieser, Richard, and Douglas Porter. 1987. *Special Districts: A Useful Technique for Financing Infrastructure*. Washington, DC: Urban Land Institute.

* Marlow, Michael. 1995. The influence of Special District Governments on Public Spending and Debt. *Applied Economics* 27(7): 596-573.

* Mathur, Shishir. 2015. Funding Public Transportation Through Special Assessment Districts: Addressing the Equity Concerns. *Public Works Management & Policy* 20(2): 127–145.

C/B Exercise Due (email to instructor with the subject line "Name: CB Exercise" and file name "Name CB Exercise")

Week 14 (May 1)

Development Impact Fees

Reading:

* Evans-Cowley, Jennifer. 2006. *Development Exactions: Process and Planning Issues*. Cambridge, MA: Lincoln Institute of Land Policy.

<http://www.lincolninst.edu/subcenters/teaching-fiscal-dimensions-of-planning/materials/evans-cowley-planning.pdf> (accessed January 15, 2013).

* Mathur, S. 2022. *Use of Development Charges Globally*. Working paper.

Mathur, Shishir. 2016. Designing an Impact Fee Program to Meet Rational Nexus Principle and Reduce Vertical Inequity. *Public Works Management & Policy* 21(4): 324–345.

* Mathur, Shishir. 2013. Do All Impact Fees Affect Housing Prices the Same? *Journal of Planning Education and Research* 33(4): 442–455.

Impact Fee Exercise Introduced (Due May 15)

Week 15 (May 8)

Tax Increment Financing

Reading:

* Weber, Rachel, and Laura Goddeeris. 2007. *Tax Increment Financing: Process and Planning Issues*. Cambridge, MA: Lincoln Institute of Land Policy.

Mathur, Shishir. 2017. Use of Tax Increment Financing to Fund Public Transportation: Enabling Environment and Equity Impacts. *Public Works Management and Policy* 22(3): 201–225.

California Association for Local Economic Development (CALED). 2019. *FAQs on California's New Tax Increment Financing Tools*. <https://caled.org/wp-content/uploads/2019/07/TIF-Booklet-10-16.pdf>

Week 16 (May 15)

Public Private Partnerships (PPPs); Land Pooling and Reconstitution (LPR)

PPP

* Yescombe, E.R. 2013. Chapter 16, “Public-Private Partnerships.” In *Management Policies in Local Government Finance*, ed. John R. Bartle, Hildreth W. Bartley and Justin Marlowe. Washington DC: International City/County Management Association.

* Siemiatycki, Matti. 2010. Delivering Transportation Infrastructure Through Public-Private Partnerships: Planning Concerns. *Journal of American Planning Association* 76(10): 43-58.

* Mathur, S. 2017. Public-Private Partnerships for Municipal Water Supply in Developing Countries: Lessons from Karnataka, India, Urban Water Supply Improvement Project. *Cities* 68: 56-62.

LPR

* Mathur, Shishir. 2013. Self-financing Urbanization: Insights From the Use of Town Planning Schemes in Ahmadabad, India. *Cities* 31: 308–316.

* Sorensen, Andre. 2002. *Consensus, Persuasion, and Opposition: Land Readjustment Organizing in Japan*. Cambridge, MA: Lincoln Institute of Land Policy.

Impact Fee Exercise Due (email to instructor with the subject line: “Name: Impact Fee Exercise” and file name “Name Impact Fee Exercise”)

Class 17 (May 22)—Final exam week.

Please note: Since this is final exam week, the class will meet from 5:15 pm to 7:30 pm.

Course reflection

Warner, M. 2010. The Future of Local Government: Twenty-First-Century Challenges. *Public Administration Review* 70: S145-S147.

Final Term Paper due (email to instructor with the subject line: “Name: 150/250 Term Paper” and file Name “250/280/150 Term Paper”).