

Urban Planning 762: Housing Markets and Public Policy

Larry Kilmer
Fall Semester 2019
Wednesday 5:30-8:10
Room SARUP 104
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Office Hours: by Appointment Only

Class Objective:

The three objectives of this course are:

- 1) To expose students to the functions of housing markets.
- 2) For students to understand the influences of public policy on housing markets.
- 3) For students to learn the impacts of housing markets at the neighborhood level including social and racial impacts.

Course Organization:

The course will meet once a week for lecture and/or discussion in SARUP 104. The requirements of the course are: completion of readings, active participation in class, completion of projects/exercises, and passage of exams. **Grades will be based on two exams (25% each), four exercises (10% each), and class participation (10%).** The exercises will be explained more fully in additional handouts. Class participation includes bringing a new news article that you can discuss each week. This means that you succinctly present the key point(s) and the implication(s).

Statement of time investment by the average student: On average, students should spend 48 hours per credit per semester on activities in-class and outside of the classroom (i.e., approx. 144 hours for a 3-credit course).

Total Hours: 3 credits x 48 hours = 144 hours

In Class: 150 minutes x 15 weeks = 37.5 hours

Reading/Viewing Course Materials: = 60 hours

Working on Presentations/Assignments = 46.5 hours

I would like to emphasize that the workload is an estimate and that students are assessed on their performance, not on the time put into the course.

This class will be based on a 100-point scale: (A=100-93, A-=92-90, B+=89-88, B=87-83, B-=82-80, C+=79-78, C=77-73, C-=72-70, D+=69-68, D=67-60, D-=59-58, & F>57). Any test or paper not turned in will result in a zero (0) and 20% of the total score will be reduced for every week that a test or paper is late (i.e. one week late on a 30 point test will lose 6 points).

Readings:Book

Rothstein, Richard. The Color of Law: A Forgotten History of How Our Government Segregated America. New York: Liveright Publishing Corporation, 2017. Print.

Additional readings come in a variety of formats - mostly journal articles and pages in books. The majority you can download from Internet sites. A few will be sent to you as email attachments or posted on Canvas.

Other Material to Consider Reviewing:

In addition to the readings mentioned in the course outline, you may find these sources of interest:

- City Lab: www.citylab.com
- Congress for the New Urbanism: www.cnu.org
- Harvard Joint Center for Housing Studies: www.jchs.harvard.edu
- HUD User: www.huduser.gov
- Metropolis Magazine: www.metropolismag.com
- National Association of Housing and Redevelopment Officials: www.nahro.org
- National Housing Conference: www.nhc.org
- National Housing Resource Center: www.hsgcenter.org
- National Low Income Housing Coalition: www.nlihc.org
- Planetizen: www.planetizen.com
- Robert M. La Follette School of Public Affairs, UW Madison: www.lafollette.wisc.edu
- Shelterforce: www.shelterforce.org
- Urban Institute: www.urban.org
- Urban Land Institute: www.uli.org
- Wisconsin Policy Form: www.wispolicyforum.org

Other Items:

Students with limitations due to disability, including learning disability, may request for any reasonable accommodations. Students will be allowed to complete examinations or other requirements that are missed because of a religious observance. In case special accommodations are needed in order to meet any of the requirements of this course, please contact me as soon as possible.

Reasonable accommodation will be made for a host of circumstances, please ask me as soon as possible if you need accommodations of any kind. The following references can be used to better understand the nature of reasonable accommodations:

http://www.uwm.edu/Dept/SecU/acad+admin_policies/S1.5.htm

http://www4.uwm.edu/Dept/Acad_Aff/policy/

<http://uwm.edu/secu/wp-content/uploads/sites/122/2016/12/Syllabus-Links.pdf>

The university has a responsibility to promote academic honesty and integrity and to develop procedures to deal effectively with instances of academic dishonesty. Students are responsible for

the honest completion and representation of their work, for the appropriate citation of sources, and for respect of others' academic endeavors.

I wish to draw particular attention to the issue of academic conduct and ask that you review the rules relating to student academic misconduct procedures are specified in Chapter UWS 14 and Faculty Document No. 1686 and can be found at:

http://www4.uwm.edu/acad_aff/policy/academicmisconduct.cfm

All work in this course should be your own. In written work, cite your sources for quotes, facts, and opinions, both in the body of your work and in the bibliography. Do not copy word for word unless you place the words in quotation marks. Any plagiarism will be dealt with as a serious ethical breach. If you have questions about whether you are crossing an ethical line, ASK ME.

Here is a link to some good information on plagiarism from the Harvard Guide to Using Sources:

<https://usingsources.fas.harvard.edu/what-constitutes-plagiarism>.

COURSE POLICIES: This course adheres to campus policies regarding students with disabilities, religious observances, active military service, incompletes, discriminatory conduct, academic misconduct, complaints about the course, grade appeals, and firearms. For details about these policies, see:

<http://uwm.edu/secu/wp-content/uploads/sites/122/2016/12/Syllabus-Links.pdf>

Schedule of Classes: (subject to change)

Week 1: 9/4

Class Topic: Introduction to the Course and General Business

Week 2: 9/11

**Class Topic: Overview of Housing – Housing Markets and Public Policy
Assign First Exercise**

**** BRING ARTICLE RELATED TO WEEKLY TOPIC FOR DISCUSSION****

- a. TEXT: Rothstein - Chapter 1-3, pages 3-57
- b. Joint Center for Housing Studies, Harvard University. 2019. "The State of the Nation's Housing 2019." pp 1-18.
Google: The State of the Nation's Housing 2019
- c. Robert Lang & Steven Hornburg, "What is Social Capital and Why is it Important to Public Policy?" Housing Policy Debate, Vol. 9, No. 1 (1998), pp. 1-16.
https://www.researchgate.net/publication/241576527_What_Is_Social_Capital_and_Why_Is_It_Important_to_Public_Policy
- d. Matthew Desmond, "Unaffordable America: Poverty, housing and eviction." Fast Focus. Institute for Research on Poverty, No. 22-2015, 1-6.
<https://www.irp.wisc.edu/publications/fastfocus/pdfs/FF22-2015.pdf>
- e. William G. Grigsby, Housing Markets and Public Policy (Philadelphia: University of Pennsylvania Press, 1963), pp. 30-43, 64-69. - **[To be sent]**

Week 3: 9/18

**Class Topic: Housing Markets and Discrimination
Neighborhood Housing Tour**

**** BRING ARTICLE RELATED TO WEEKLY TOPIC FOR DISCUSSION****

- a. TEXT: Rothstein - Chapter 4-7, pages 58-113
- b. Michael A. Stegman, "The Neighborhood Effects of Filtering", Journal of the American Real Estate and Urban Economics Association (JAREUEA), Summer 1977, pp. 227-241. - **[To be sent]**
- c. Richard Fey and Paul Taylor. 2012 The rise of Segregation by Income. Brown University and Russell Sage Foundation: <http://assets.pewresearch.org/wp-content/uploads/sites/3/2012/08/Rise-of-Residential-Income-Segregation-2012.2.pdf>

- d. Housing Discrimination Against Racial and Ethnic Minorities 2012.
U.S. HUD, Washington DC. Executive Summary, pp. xi-xxiv.
https://www.huduser.gov/portal/Publications/pdf/HUD-514_HDS2012.pdf

Week 4: 9/25

Class Topic: Neighborhood Decline, Revitalization, and Displacement Part I

Guest Speaker: Sam Leichtling

**** BRING ARTICLE RELATED TO WEEKLY TOPIC FOR DISCUSSION****

- a. TEXT: Rothstein - Chapter 8-10, pages 114-175
- b. Neil Smith, "Toward a Theory of Gentrification: A Back to the City Movement by Capital Not People", in Journal of the American Planning Association, October 1979, Vol. 45, No. 4, 538-548. - **[To be sent]**
- c. William G. Grigsby, Morton Baratz, Duncan MacLennan, "Neighborhood Conservation and Revitalization", (Philadelphia: Univ. of Pennsylvania - Research Report Series, No. 4, 1984) pp. 1-35. - **[To be sent]**
- d. R. Florida. Nobody's very good at correctly identifying gentrification. CityLab.com December 15, 2014 <https://www.citylab.com/equity/2014/12/no-ones-very-good-at-correctly-identifying-gentrification/383724/>
- e. City of Milwaukee Anti-Displacement Plan:
<https://city.milwaukee.gov/ImageLibrary/Groups/cityDCD/planning/plans/AntiDisplacement/Anti-DisplacementPlan.pdf>

Week 5: 10/2

Class Topic: Neighborhood Decline, Revitalization, and Displacement Part II

Guest Speaker: Yaidi Cancel

Presentation Title: "Local Initiatives: Planning for better housing and quality of life"

**** BRING ARTICLE RELATED TO WEEKLY TOPIC FOR DISCUSSION****

First Exercise Due at the beginning of class

- a. TEXT: Rothstein - Chapter 11-12, pages 176-213
- b. Alexander von Hoffman, Eric S. Belsky and Kwan Lee. 2006 "The Impact of Housing on Community." Cambridge, MA: Joint Center for Housing Studies, i-ix. Also see pp. 49-70 for excellent source of program definitions and discussion
<http://www.jchs.harvard.edu/research/publications/impact-housing-community-review-scholarly-theories-and-empirical-research>
- c. Margaret Dewar and June Manning Thomas, "What Helps or Hinders Nonprofit Developers in Reusing Vacant, Abandoned, and Contaminated Property?" in Dewar and

Thomas, eds. 2013. *The City after Abandonment*. Philadelphia: University of Pennsylvania Press. <http://closup.umich.edu/files/closup-wp-4-nonprofit-reuse-land.pdf>

- d. Neighborhood Gentrification during the Boom and After
<http://ritholtz.com/2014/07/neighborhood-gentrification-during-the-boom-and-after/>

Week 6: 10/9

Class Topic: Past and Current Housing Programs

Guest Speaker: WHEDA – MEET OFF-SITE: 611 W. NATIONAL AVE.

- a. Roger Williams, Mark Weinheimer, with James Brooks. October 2011. Resilience in the Face of Foreclosures. National League of Cities; Center for Research & Innovation. Pp. 19-22 then skim other cities. - **[To be sent]**
- b. Milwaukee City CDBG Year 2018 Funding Recommendation pp.1-9.
<http://city.milwaukee.gov/ImageLibrary/User/jsteve/2007FundingAllocationPlanPublicHearing/2018-recomm-print-cdbg-cc.pdf>
- c. Milwaukee City HOME Year 2018 Funding Recommendation pp.1-2.
<http://city.milwaukee.gov/ImageLibrary/User/jsteve/2007FundingAllocationPlanPublicHearing/2018-recomm-print-home-cc.pdf>

Week 7: 10/16

Class Topic: Low-Income Housing

Guest Speaker: HACM – MEET OFF-SITE: 6131 W. SILVER SPRING

- a. Bending the Cost Curve: Solutions to Expand the Supply of Affordable Rentals. Andrew Jakobovics, Lynn Ross, Molly Simpson, and Michael Spotts. Urban Land Institute Terwilliger Center for Housing, Washington, DC. 2013. Skim early pages and read pp. 21-32.
http://uli.org/wp-content/uploads/ULI-Documents/BendingCostCurve-Solutions_2014_web.pdf
- b. National Alliance to End Homelessness. “State of Homelessness in America 2016.” Executive Summary and Chapter 1, pp. 6-35. <http://endhomelessness.org/wp-content/uploads/2016/10/2016-soh.pdf>
- c. Bipartisan Policy Center, “Housing America’s Future: New Directions for National Policy”. Washington, DC. 2013. Executive Summary. https://bipartisanpolicy.org/wp-content/uploads/sites/default/files/BPC_Housing%20Report_web_0.pdf
- d. Charles Orlebeke. 2000. “The Evolution of Low-Income Housing Policy, 1949 to 1999. *Housing Policy Debate*, 11:2, 489-520: Skim the article and then read the conclusion.
<https://oied.ncsu.edu/selc/wp-content/uploads/2013/03/Orlebeke-HPD-2000-Evolution-of-LI-Housing-Policy.pdf>

Week 8: 10/23

Class Topic: Midterm Exam

Week 9: 10/30

Class Topic: Housing Costs

**** BRING ARTICLE RELATED TO WEEKLY TOPIC FOR DISCUSSION****

In-Class: Second Exercise Due

- a. Joint Center for Housing Studies, Harvard University. 2019. "The State of the Nation's Housing 2019." pp 19-65.
Google: The State of the Nation's Housing 2019
- b. Open Communities and The Center for Neighborhood Technology. 2014. "Quality of Life, (E)quality of Place: Growing Local Economies through Equitable Transit-Oriented Development." Read introduction pages and pages 1-16, scan thereafter.
https://www.cnt.org/sites/default/files/publications/CNT_OpenCommunities_QualityOfLifeEqualityOfPlace.pdf
- c. Matthew Desmond, "Unaffordable America: Poverty, housing and eviction." Fast Focus. Institute for Research on Poverty, No. 22-2015, 1-6.
<https://www.irp.wisc.edu/publications/fastfocus/pdfs/FF22-2015.pdf>

Week 10: 11/6

Class Topic: Housing Finance

**** BRING ARTICLE RELATED TO WEEKLY TOPIC FOR DISCUSSION****

- a. Financing Real Estate for New Investors – BiggerPockets.com
Chapter 6 Real Estate Financing
<https://www.biggerpockets.com/real-estate-investing/financing>
- b. Predatory Lending
Debt.org
<https://www.debt.org/credit/predatory-lending/>
- c. Norman Miller, Stephanie Rauterkus, and Michael Sklarz. 2009. "The Neighborhood Impact of Sub-prime Lending, Predatory Lending, and Foreclosure." - **[To be sent]**
- d. Real Estate Financing and Investing/Sources of Funds
Wikibooks
https://en.wikibooks.org/wiki/Real_Estate_Financing_and_Investing/Sources_of_Funds

Week 11: 11/13 – NO CLASS

**** PLEASE FIND A GENERAL HOUSING ARTICLE AND SUBMIT YOUR SUMMARY VIA CANVAS BY 6PM ****

Week 12: 11/20

Class Topic: Housing Crisis

**** BRING ARTICLE RELATED TO WEEKLY TOPIC FOR DISCUSSION****

- a. The origins of the financial crisis: Crash course
The Economist
<https://www.economist.com/news/schoolsbrief/21584534-effects-financial-crisis-are-still-being-felt-five-years-article>
- b. Lawrence Summers on 'House of Debt' - FT.com
“Did the response to the financial crisis focus too much on banks while neglecting over-indebted homeowners?”
<https://www.ft.com/content/3ec604c0-ec96-11e3-8963-00144feabdc0>
- c. Barry Eichengreen. August 2010. “Macroeconomic and Financial Policies Before and After the Crisis.” pp. 1-12.
https://eml.berkeley.edu/~eichengr/macro_finan_policies_8-31-10.pdf
- d. Travis Waldron. 2011. “Latinos, African Americans Twice as Likely as Whites to Have Been Affected by the Housing Crisis.” - **[To be sent]**

Week 13: 11/27

Class Topic: Real Estate Investment

**** BRING ARTICLE RELATED TO WEEKLY TOPIC FOR DISCUSSION****

In-Class: Third Exercise Due

- a. Alvin L. Arnold and Jack Kusnet, How to Choose Real Estate for Highest Return (Boston: Warren, Gorham, and Lamont, 1982), pp. 5-18, 22-25,30-35, and 41 (table). We shall go through real estate investment analysis in class, illustrating many of the topics covered in these pages. - **[To be sent]**
- b. Real Estate Financing and Investing/Sources of Funds
Wikibooks
https://en.wikibooks.org/wiki/Real_Estate_Financing_and_Investing/Sources_of_Funds

Week 14: 12/4

Class Topic: Manufactured Housing

**** BRING ARTICLE RELATED TO WEEKLY TOPIC FOR DISCUSSION****

- a. Ann M. Burkhart. 2010. “Bringing Manufactured Housing into the Real Estate Finance System”. Pepperdine Law Review: Vol. 37, 427-457.
<https://digitalcommons.pepperdine.edu/cgi/viewcontent.cgi?article=1042&context=plr>

- b. Alana Semuels. 2014. "Trailer Parks: An Underdog Solution to the Housing Crisis". Citylab.com
<https://www.citylab.com/equity/2014/10/trailer-parks-an-underdog-solution-to-the-housing-crisis/381888/>
- c. Sophie Quinton. 2017. "Why Some Cities Are Buying Trailer Parks". Governing.org
<http://www.governing.com/topics/finance/sl-trailer-parks-cities.html>
- d. William Apgar, Allegra Calder, Michael Collins, Mark Duda. "An Examination of Manufactured Housing as a Community – and Asset-Building Strategy". Neighborhood Reinvestment Corporation. 2002.
<http://www.jchs.harvard.edu/research/publications/examination-manufactured-housing-community-and-asset-building-strategy>

Week 15: 12/11

Class Topic: Future of Housing

**** BRING ARTICLE RELATED TO WEEKLY TOPIC FOR DISCUSSION****

In-Class: Fourth Exercise Due (Future of Housing and Solutions from Rothstein)

- a. Karl Vick. 2017. "The Home of the Future". Time.com
<http://time.com/4710619/the-home-of-the-future/>
- b. Hugh Kelly, Andrew Warren, Anita Kramer. "Emerging Trends in Real Estate 2018". Urban Land Institute. 2017. Skim pages 36-70.
<https://americas.uli.org/wp-content/uploads/sites/125/ULI-Documents/EmergingTrendsInRealEstate2018.pdf>
- c. Rolf Pendall. "The Next Big Question Facing Cities: Will Millennials Stay?" Urban Institute. 2012.
<https://www.urban.org/sites/default/files/publication/26521/901530-The-Next-Big-Question-Facing-Cities-Will-Millennials-Stay-.pdf>
- d. Richard Florida. 2017. "Two Takes on the Future of Cities". Citylab.com
<https://www.citylab.com/equity/2017/04/two-takes-on-the-fate-of-future-cities/521907/>

Week 16: 12/18

Class Topic: Final Exam