This course will explore the institutional, political, and economic context for the making of housing policy in the United States. We will examine competing ideas about solving the nation's housing problems through public intervention in the market focusing on the shift from social welfare to neoliberal policy approaches. In so doing, we will evaluate federal and local public sector responses to housing problems in this country, the different approaches taken by successive federal administrations in the U.S., and regional approaches to affordable housing. Special emphasis will be given to recent initiatives to increase the residential mobility of subsidized housing residents and to deconcentrate poverty by dispersing subsidized housing throughout metropolitan regions, and to the foreclosure crisis.

Undergraduate students in PA 5261/HSG 5463 are graded on their own curve and on the basis of different assignments than the graduate students. Class requirements and determination of final grades are as follows:

<table>
<thead>
<tr>
<th>Graduate student assignments and grade-criteria</th>
<th>Undergraduate student assignments and grade-criteria</th>
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<tbody>
<tr>
<td>Term project worth 30% of final grade</td>
<td>Quizzes – 3 @ 10% = 30% of final grade</td>
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<tr>
<td>Option 1: Policy memos – 3 @ 10% each</td>
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<tr>
<td>Option 2: Community-based research project</td>
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<tr>
<td>Mid-term examination - 30% of final grade</td>
<td>Mid-term Examination - 30% of final grade</td>
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<tr>
<td>Final Examination - 30% of final grade</td>
<td>Final Examination - 30% of final grade</td>
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<tr>
<td>Class participation – 10% of final grade</td>
<td>Class participation - 10% of final grade</td>
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</table>

Memo assignments will be given out during the semester. Quizzes will be announced one week before they occur.

There is a term project option for graduate students that will replace the policy memo assignments. A number of community-based projects will be described in the first week of class that will require small teams of students to complete. If you choose this option you will work with a real-world client to produce the work they request. I will help in the process of determining the scope of the project to ensure it is appropriate for the class.

The mid-term is scheduled for Thurs. March 13. The final exam is Thurs. May 15 at 8:00 p.m.

REQUIRED TEXTS - The books are available for purchase at Coffman.


Listed below are the course topics and reading assignments. Below the required readings is usually a list of further readings on the topic. The required readings can be found in one of three places; in the textbooks, on the course moodle site (this applies to only a couple of articles), and on-line. For the on-line articles, there is a link given on the electronic form of this syllabus.

1. **Tu. 1/21. Introduction: Fundamental questions in housing policy.** The syllabus and course requirements are explained. We begin by exploring the different means by which officials can implement affordable housing policy. What are the tools and techniques available? Household v. unit-based subsidies, supply v. demand side strategies, tax incentives, and regulatory approaches are briefly described. We cover public sector development & ownership of housing, and the role of the non-profit sector. Housing policy often serves other policy objectives. In the past it has been used as macro-economic policy because of the influential role of the construction industry on employment and investment trends. The current concern for how the distressed housing market may trigger a recession in the U.S. and affect investment worldwide is a prime example of the sectors influence in macroeconomic outcomes. Locally, housing is the largest single category of land use in American cities, and thus is integral to community development and urban redevelopment efforts. Housing, as a basic human need, is also influential in achieving a range of social policy outcomes, from racial desegregation to poverty alleviation. Do these purposes conflict with each other? Under what circumstances might each purpose take prominence?

Read: Schwartz, Introduction and chapter 2

2. **Th. 1/23. The context for housing policy: poverty and race.** In this session we introduce the issues of poverty and race and how they relate to questions of housing policy and planning. In the last twenty years, the growing concern with highly concentrated poverty has driven much of U.S. housing policy, and had significant implications for local housing planning. Here we examine the phenomenon of concentrated poverty and how it has led to important changes in U.S. housing policy. Race has been a central element in how housing problems are understood and dealt with for many decades.

Read: Hartman and Squires, chapter 1


Related Sources:
http://www.brookings.org/es/urban/publications/jargowskypoverty

3. **Tu. 1/28. The early years of U.S. federal housing policy: Homeownership.** Large-scale federal intervention in housing began during the depression of the 1930s. Two pillars of federal housing policy were created at this time and they remained the main federal initiatives for over 25 years. These were assistance for working- and middle-class homebuyers through the FHA program, and low-cost rental housing for very low-income persons through the public housing program. We begin by considering FHA.

Read: Schwartz, pp 51-61 and 291-303

Related Sources:

4. **Th. 1/30. Other homeownership assistance efforts at the federal level, and the ideology of homeownership.** FHA has been supplemented through the years by a number of other homeownership initiatives. Here we examine, FNMA (Fannie Mae), GNMA (Ginnie Mae), and the recent National Homeownership Initiative.


5. **Tu. 2/4. Homeownership for low-income families.** The rate of homeownership has steadily increased in the U.S. since the 1930s. As we discussed in the last class session, there is a considerable amount of political support for homeownership. Presidential administrations from Bush-I, to Clinton, to Bush-II have attempted to expand homeownership even further. Doing so has meant targeting households with ever-lower incomes for homeownership. Some argue that these policy initiatives are a laudable attempt to extend the benefits of homeownership to lower-income families that are generally excluded. Others argue that these attempts are risky in that these families may not have the resources to sustain ownership and/or may live in neighborhoods in which property values do not appreciate, leaving families with an economic burden.


Related sources:

6. **Th. 2/6. Discrimination in mortgage lending.** In this session we focus on empirical evidence of discrimination in mortgage lending, and what efforts have been undertaken to reduce racial disparities in home lending. In particular, we focus on the Home Mortgage Disclosure Act and the Community Reinvestment Act as tools available to analysts and advocates to measure and redress discrimination in mortgage lending. We also examine the problem of predatory lending, a new twist in housing discrimination made possible by our extensive efforts to extend homeownership to low-income families.


Related Sources:

7. **Tu. 2/11. The foreclosure crisis, part 1.** Housing values in the United States have steadily increased for decades. An entire generation of post-war baby boomers (with exceptions based on race and class) were made wealthy through homeownership and the steady increase in the value of their homes. Homeownership financed college educations for children, it financed expanding consumerism, and it facilitated secured retirement for millions of Americans. The steady and unprecedented length of the upward march in housing values also may have led investors and Wall Street into believing it was a trend that would never end. If anything, values in the 1980s and 1990s increased even faster, leading to more innovative attempts to wring money and profits out of real estate. The bubble burst in 2006-07. The ‘market correction’ hit hard, slashing property values across the country and slowing new construction to a trickle. It brought down several high profile Wall Street investment firms, and it rippled through the entire national and world economy. Foreclosures are several times their historic rates. In 2009, one new family was losing its home to foreclosure every 10 seconds in the U.S. In this session we look at what brought about this crisis and what the implications of this crisis are for housing policy.
Read: Schwartz, pp. 61-87.


Related sources:

**8. Th. 2/13. The foreclosure crisis, part 2. Local responses.** In this session we focus on what local governments and non-profits are doing to respond to the foreclosure crisis.


Related Sources:

**9. Tu. 2/18. Low Income Housing Tax Credit and privately-owned, publicly-subsidized housing.** For more than 20 years from the late 1960s, the federal government relied heavily upon the private sector to build and operate subsidized housing. Various financial and tax incentives were created to attract the private sector to the arena of subsidized housing. Hundreds of thousands of units were built across the nation. What are these units like? What has been the experience with these programs? What current public policy challenges do they pose?

Read: Schwartz, chapters 5 and 7.
Related sources:
Oakley, Deirdre (2008) “Locational Patterns of Low-Income Housing Tax Credit Developments: A
O’Regan, Katherine M., and Keren M. Horn (2013) “What Can We Learn About the Low-Income Housing
Tax Credit Program by Looking at the Tenants?” Housing Policy Debate 23(3): 597-612.
Deng, Lan (2010) “Low income housing tax credit developments and neighborhood change: A case study of
Deng, Lan (2007) “Comparing the effects of housing vouchers and low-income housing tax credits on
Cutter, Hodgson and Dow (2001) “Subsidized inequities: The spatial patterning of environmental risks and
Schwartz, Alex, and Edwin Melendez (2008) “After year 15: Challenges to the preservation of housing

10. Th. 2/20. The evolution of the public housing program. No program of housing
assistance has attracted more attention and more criticism than has the public housing
program. First created in 1939, it has undergone significant change over time and has
enjoyed widely varying levels of support from Congress and subsequent Presidential
administrations. We examine how the program works, whether the program works, and
some of the major criticisms of the program.

Read: Schwartz, pp. 125-143

Communities” Housing Policy Debate 7 (3).

Related Sources:
Fuerst (2005) When public housing was paradise: Building community in Chicago.
Fisher (1959) Twenty Years of Public Housing.
Friedman (1968) Government and Slum Housing.

11. Tu. 2/25. The current public housing program. The public housing program has
undergone significant changes recently. During the 1980s, HUD attempted to encourage
the privatization of public housing, which didn’t really work. During the 1990s, the HOPE
VI program signaled a large reduction in project-based public housing and the conversion
to household-based subsidies for public housing residents. In this section we examine the
creation of HOPE VI, how it has evolved over time, and its main objectives. We will look
at the design innovations that HOPE VI is bringing to public housing projects across the country. Older, dysfunctional public housing projects were thought to be a negative influence for the neighborhoods in which they were located. One objective of HOPE VI is to attract significant private sector investment that would help to improve neighborhood conditions – not only on the site itself, but also in the surrounding area. There are many factors that might affect whether a HOPE VI project is able to have any spillover impacts.

Read: Schwartz, pp. 143-155.


Related sources:
Oakley, Deirdre, Erin Ruel, and Lesley Reid (2013) “‘It was Really Hard. …It was Alright. …It was Easy.’ Public Housing Relocation Experiences and Destination Satisfaction in Atlanta.” Cityscape 15(2): 173-192.
12. Th. 2/27. The *Hollman v. Cisneros* consent decree in Minneapolis: Redevelopment of the north side. In 1992 several public housing residents in Minneapolis filed suit against the Minneapolis Public Housing Authority and several other defendants, alleging discrimination in the siting of public housing. Unlike in the *Gautreaux* case, HUD was in the mood to settle this case (and several other similar cases around the country) out of court. The 1995 settlement in *Hollman* requires the demolition of hundreds of units of public housing on the north side of the city, the relocation of residents, the development of replacement housing in “non-concentrated” areas of the region, the use of special mobility certificates for public housing families to use in “non-concentrated” areas, and the redevelopment of the north-side site. The *Hollman* settlement captures virtually every important element of national housing policy during the 1990s, including vouchering-out, HOPE VI-like demolition of public housing and redevelopment, and mobility efforts. The demolition of 770 units of public housing on Minneapolis’ northside has led to a major fight over how the community will be remade through public investment. Some in the community want to limit the amount of low-cost housing that is put back into the area in order to limit the re-concentration of poverty. Others see the redevelopment plan as a thin smokescreen for gentrification of the area and a gradual shift in the makeup of the community away from people of color and people of modest means. We also examine some of the outcomes of the settlement. Where have the residents of the north side public housing resettled? How have these resettlement patterns varied by household type? What are the new neighborhoods like? Where have the mobility certificate-users located? How have their resettlement decisions varied by household characteristics?


Related sources:

13. Tu. 3/4. HOPE VI, demolition, and the dismantling of New Deal public housing. For the past two decades the U.S. Department of Housing and Urban Development has pursued an aggressive strategy of downsizing the nation’s public housing stock. This has been accomplished to date through a mix of demolition, redevelopment, and the sale of public housing units in cities across the country. This effort is especially pronounced in some cities. Atlanta, Chicago, and New Orleans have been extremely aggressive in demolishing public housing. Chicago’s Plan for Transformation calls for the demolition of 20,000 public housing units, a greater number than most cities have. Atlanta has plans to tear down all of its public housing; New Orleans has reduced its public housing stock to less than 1,000 units, down from a pre-Katrina high of more than 8,000. In this session we look at the dimensions of this policy and its racial and neighborhood impacts.
14. **Th. 3/6. Redevelopment and mixed-income developments.** Learning from past mistakes in the development of subsidized housing, the new paradigm calls for a more mixed-income, mixed-land use approach. Many places are embracing this model and focusing their efforts on mixed-income developments. What do these developments look like? Do they really enhance social integration across class lines? We visit an example of this approach near downtown Minneapolis – the East Village development, and receive a tour and description of the project from the developer, the Central Community Housing Trust.

[http://uar.sagepub.com/content/vol42/issue3/](http://uar.sagepub.com/content/vol42/issue3/)


Related Sources:

15. **Tu. 3/11 The Section 8 program: The switch to tenant-based subsidies.** The Housing and Community Development Act of 1974 introduced two major innovations in urban policy in the U.S. The first was the Community Development Block Grant (CDBG) which combined a number of categorical programs into a single block grant, giving local governments more discretion in the application of federal funds for community development. The second major innovation was the introduction of tenant-based housing subsidies in the Section 8 program. Instead of subsidizing the production of units (as in public housing and other programs) tenant-based subsidies directed federal assistance to the household who then used the greater purchasing power in the private market.

Read: Schwartz, chapter 8 and pp. 303-311.

Related sources:
Bradbury & Downs, eds. (1981) Do Housing Allowances Work?
Rafter (1985) "Implementing Urban Housing Rehabilitation Programs" Journal of Urban Affairs.

16. **Th. 3/13. MIDTERM EXAM**

17. **Tu. 3/25. The extension of tenant-based subsidies: Vouchers, portability, and “vouchering out” project subsidies.** The federal government has been trying to improve upon tenant-based subsidies since their introduction in 1974. The voucher program and the portability of Section 8 subsidies provides a bit more choice to households. During the Clinton administration, the federal government commits completely to the idea of tenant-based subsidies and even converts many of its project-based subsidies into tenant-based assistance (a process called “vouchering out”).


Related Sources:
_Housing Policy Debate_ 23(3): 559-597.

18. **Th. 3/27. Mobility programs: Gautreaux, MTO, et al.** The basic premise of tenant-based subsidies is that the recipients of public housing subsidies should be given greater choice in their housing than is offered through project-based subsidies. In fact, the location of project-based subsidies has been very problematic, and in some places, demonstrably discriminatory. In the case of _Gautreaux v. Chicago Housing Authority_, public housing plaintiffs alleged that HUD and CHA sited public housing in a way that segregated people of color and denied them effective choice in their housing. Ultimately the Supreme Court agreed with the plaintiffs and ordered a metropolitan-wide mobility program designed to offer public housing residents greater choice and the ability to live outside of primarily-black neighborhoods. Since that decision other communities have initiated programs with similar designs. The Moving To Opportunity (MTO) program is based on _Gautreaux_ but uses poverty as the standard for relocation, rather than race. The program is implemented on a trial basis in five cities, but expenditures are frozen by Congress after backlash in Baltimore.

Read: Briggs, chapter 6 (Goering, “Expanding housing choice and integrating neighborhoods: The MTO experiment.”)
Hartman and Squires, chapter 7.


Related Sources:
George Peterson and Kale Williams, “Housing Mobility: What has it accomplished and what is its promise?” In, *Housing mobility: Promise or illusion?* Alexander Polikoff (Ed.), The Urban Institute, 1997.

19. **Tu. 4/1 Gautreaux in depth.** The Gautreaux program in Chicago is the mother of all mobility programs, both because of its size and because it was the model for most of the other programs that came after. Now that the program has officially ended and we have over 20 years of evidence to scrutinize, it is possible to take a close look at the real story of Gautreaux. What happened to the families involved? Is Gautreaux truly replicable? What are its lessons for public policy?


Hartman and Squires, chapter 13

Related sources:

20. Th. 4/3. Dispersal assessed. In this session we evaluate the policy of dispersing low-income families through demolition and displacement and through voluntary mobility programs. What can be said about how well these programs work and what their benefits and costs have been?


Hartman and Squires, chapter 15.

Related sources:

21. Tu. 4/8. Neighborhood-based housing development organizations. Community development corporations (CDCs) emerged during the 1980s as the leading producers of affordable housing in the nation. National and state legislation oriented housing assistance programs towards these nonprofit developers and an entire industry was created to nurture and support CDCs.


22. **Th. 4/10 Discrimination in housing, part 1. Forms of housing discrimination.** HUD estimates that one million acts of housing discrimination occur each year in the U.S. Steering, blockbusting, and other techniques used to discriminate in the housing market have shaped the urban landscape in fundamental ways.

Read: Schwartz, chapter 11
Hartman and Squires, chapter 2.

Related sources:
Goering (1986) Housing desegregation and federal policy.

23. **Tu. 4/15. Housing discrimination, part 2. Fair housing legislation and testing.** In 1968 Congress passed the Fair Housing Act. Despite passage of the law, fair housing efforts in this country were very weak. It took 25 years for Congress to correct the weaknesses of the Act and improve fair housing implementation. During the 1970s Congress took up the issue of mortgage lending and redlining. The 1974 Home Mortgage Disclosure Act (HMDA) and the 1977 Community Reinvestment Act (CRA) provide the foundation for ensuring that banks meet the credit needs of central city neighborhoods, and that lenders not discriminate in their underwriting decisions.

Read: Hartman and Squires, chapters 3, 4, and 5

Related sources:
Metcalf (1988) Fair Housing Comes of Age.

24. **Th. 4/17. Where to put subsidized housing?** The Fair Housing Act of 1968 requires HUD to “affirmatively further fair housing” in the implementation of all of its programs. Legal decisions since the 1970s have interpreted that phrase to mean that federally-assisted housing should not be located where it might perpetuate patterns of residential segregation.
This would presumably limit the amount of affordable housing that HUD can locate in core neighborhoods of central cities. This requirement is also being extended to the Low Income Housing Tax Credit program, even though it is not administered by HUD. What are the likely impacts of this requirement? Should it also apply to the activities of local community development corporations that may not use HUD funds but that nevertheless are creating subsidized housing in core and sometime segregated neighborhoods?

Read: Hartman and Squires, chapter 6 and chapter 16


Other sources:

25 Tu. 4/22 Regional approaches to housing. Most metropolitan regions in the U.S. have a very familiar pattern of central city poverty and racial diversity surrounded by relative affluence and racial homogeneity in suburban areas. In recent years there has been a resurgent interest in fashioning metropolitan-wide housing strategies to reduce the spatial inequalities characteristic of most urban areas. We discuss the phenomenon of exclusionary zoning and its effects on the regional pattern of residential development. What are the factors driving this resurgence of regionalism? What are some of the policy tools available to address housing issues on a regional basis? The most recent trend in American real estate development is the creation of gated communities, governed by private associations of property owners. What are the implications of this type of development for concepts of community, civic life, and social polarization?


Other sources:

26. **Tu. 4/24. Regional approaches to housing (cont.)**


27. **Tu. 4/29. Fair share housing.** The term “fair share” housing is used to describe various regional housing efforts that attempt to provide a framework for the development and allocation of affordable housing opportunities across communities. Fair share efforts enjoyed a brief period of popularity in the early 1970s but disappeared for the better part of two decades after that. With the recent resurgence in talk about regional approaches to housing problems, fair share is back on the policy agenda. We examine the concept, how such programs work, and explore the record of the largest fair share program in the country, the New Jersey Mount Laurel program.


Related sources:

28. **Th. 5/1. Fair share housing in the Twin Cities.** Again the Twin Cities provides a good example for our examination of housing policy. The 1976 Land Use Planning Act establishes a foundation for a fair share housing program. The Met Council began calculating fair share allocations for communities in the early 1970s. After some years of real success in dispersing subsidized housing developments throughout the region, the Met Council stopped the practice. In 1995 the legislature tried another approach to regional housing by passing the Livable Communities Act (LCA). Now most local governments follow LCA and ignore the LUPA requirements. Why? Incredibly, LCA allows most of
them to do less in the future than they have in the past, and imposes affordability guidelines and benchmarks that have little or no relationship to actual housing need.


Related sources:

29. **Tu. 5/6. Inclusionary zoning.** Suburban jurisdictions have been notoriously resistant to the development of affordable housing. Using restrictive zoning ordinances and erecting other regulatory barriers to low-cost housing, suburban communities have effectively excluded the poor and racial minorities. One method of creating affordable housing in suburban areas is “inclusionary zoning.” In this meeting we examine what is meant by that term and explore both the most famous example of such a program (in Montgomery County, MD) and the Twin Cities version of it.


Related Sources:
Haar (1996), Suburbs under siege: Race, space, and audacious judges.
Downs (1973) Opening up the suburbs.

30. **Thu. 5/8. The southern New England model.** Massachusetts, Connecticut, and Rhode Island have adopted state-wide laws that allow for the review of local zoning and permit
approval decisions for the purpose of enhancing opportunities for low- and moderate-income housing. In this session we see how these programs operate and what impact they have had.


Related sources: