

USC Price

Sol Price School
of Public Policy

PPDE 639 (50917R)

Housing Dynamics for Policy and Planning

Units: 4

Monday, 2-5:20pm

Note: this course is listed only in the special expanded (“PPDE”) section of the course schedule

Location: on-campus VPD 112

Instructor: Dowell Myers

Office: RGL 301

Office Hours: Tuesday 3-5 or by appointment

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Course Description

Catalogue description: Comprehensive introduction to the dynamics of the housing sector, problems, programs, and policies. Attention to both publicly assisted and market rate housing, recent trends and current debates.

Full course description: This course offers a comprehensive introduction to the dynamics of the housing sector that underlie both problems and opportunities for solutions. The course serves graduate students in the fields of public policy, planning, real estate, architecture, public administration, sociology, social work, and other fields. The housing sector occupies broad importance in American society, including a dominant role in consumer finances, the time it occupies in people’s daily lives and also its importance for shaping access to services. From an urban planning and geography perspective, housing also takes up a great deal of space in cities, the majority of the land use, and is a major contributor to shaping density and urban form.

Cities are built up through waves of housing construction over time, with different styles, technologies and locations predominating in successive decades. A major distinction of housing units is that they are highly durable, immovable, and very long lived, ranging from 40 years to well over a century. Thus, the momentary decision to build a housing unit has very long consequences for the place where the housing is built. And many more residents will come to occupy the unit over the decades than the new consumers who first filled the new construction. Battles over gentrification and other neighborhood disputes reflect the contested transitions over time of the previously built housing stock.

The current crisis over housing shortages emerged as perhaps the most urgent state and local policy problem after the recovery from the Great Recession, and during the pandemic years the housing problems only worsened. The consequences are growing problems of affordability, homelessness, overcrowding, decline in homeownership, and inability of the Millennial generation to find housing and form independent households. The shortage of construction reverberates to all corners of the housing stock, because desperate home seekers switch from one housing type or neighborhood to the next, thus interconnecting all segments of the housing stock in a metropolitan area. Problems may be widespread and interconnected, yet all supply is highly localized in specific places. Hyper-localized democracy allows potential construction sites to be zealously guarded by local residents who already have houses and don’t see the need to suffer the inconvenience of adding more. So great is the backlog of need that the State of California is making sustained and unprecedented attempts at reform of the housing approval process.

The great challenge for planners and policy makers is to devise better explanations of the need for housing, and then to devise better program solutions that can win support in a democracy of local decision makers. This course aims to contribute to building a new generation of housing solution leaders.

Housing construction that is locally approved may be vital to increased supply, yet housing problems permeate all of society. Nationwide, housing is being recognized as a major contributor to the growing inequality in American society. It is the most expensive item in most families' budgets, draining away savings of renters, and yet homeowners accrue great gains in wealth due to rising prices. Unequal access to homeownership has produced generational wealth disparities and now it poses a major challenge for younger generations, particularly those from ethno-racial groups with current and past histories of discrimination. Disparities in education and service quality are closely linked to the choice of residential locations, with negative consequences for the future economic success of children raised in different zip codes. Thus, the inequality impacts of housing spill across generations.

Housing is so very expensive to build and operate that housing solutions are not easily paid for. Smart strategies are needed to leverage the benefits of private market housing, which serves 80 percent or more of all households. Public-private, mixed strategies are essential to increase the supply. Public regulation of existing private housing (e.g. rent control) is achieving growing support as the crisis deepens. Targeted, demand-side strategies like housing vouchers are needed to assist households with the deepest needs. But those are more effective if greater affordability can be induced in the market at large. Public policies to assist the poor focus on subsidy programs but those operate in the market context shaped by the other 80 percent. Thus, a whole-market solution is needed that leverages key interconnections.

In addition, rather than adopt a solely physical or economic view of the housing stock, the course is distinguished by a population-centered view that emphasizes people's diverse needs over the lifecycle and the flows of people into and out of different housing segments. These "in" and "out" movements have very different motivations and consequences, while the resulting net changes, if viewed alone, seem more mysterious. Thus, the flows perspective is more informative of problems and possible solutions.

Learning Objectives

Students will acquire a **comprehensive perspective** on the housing sector, including the diverse population to be housed, the full array of housing opportunities that are supplied, involving new construction, private existing housing, and public subsidy programs. Students will understand the basic dynamics of housing demand and supply, and how well the array of different policy strategies can meet housing needs under different conditions.

Students will also acquire a **dynamic perspective on changes** over time, including the lifecycles of housing and households, cyclical variation in housing construction and demand, and current problems following the boom, bust, and Great Recession of the early 21st century. They will acquire familiarity with changes over time in the existing housing units as they filter down or gentrify up, the changing patterns of owning and renting, and new movement patterns since 2010. The impacts of COVID-19 and the Pandemic Recession have triggered new mobility patterns whose long-term effects are not yet known. Meanwhile the housing crisis continues to deepen for both renters and owners.

Knowledge gained will include **skills of data presentation** for describing housing trends, disparities between groups, and changes over past and future decades. Familiarity will also be gained about **available data sources** and periodic reports that describe the current and expected path of housing change.

The final major learning objective is that students will learn how best to **talk about** housing changes and possible solutions, articulating them to local and regional publics and to policy makers. Divisions of interests and perspectives are increasingly polarized in contemporary society, placing a premium on **framing problems and solution strategies** for common understanding and preparing the way for agreed solutions.

This course also addresses three of the four learning objectives that support the MUP capstone course in the Housing and Real Estate concentration:

- Acquire skills assessing proposed planning projects within the context of the interests and perceptions of multiple, competing audiences, including neighbors, organized community groups, planning department or other operating agencies, cognizant elected officials, and the proposed users of the planned project.
- Learn to conceptualize the potential end users as part of a general assessment of where, and what, does housing demand come from.
- Develop practice in bringing an equity lens to bear on proposed planning projects.

(Not covered is: • Learn to view the proposed project within its general budgetary considerations, including both development costs and future fiscal impacts.)

Prerequisite(s): none

Co-Requisite(s): none

Concurrent Enrollment: none

Recommended Preparation: familiarity with Microsoft Excel

Course Notes: none

Technological Proficiency and Hardware/Software Required: Zoom, Microsoft Excel

Required Readings and Supplementary Materials

1. Required books for purchase:

Alex Schwartz, **Housing Policy in the United States**, Routledge, 2015

J. Rosie Tighe and Elizabeth J. Mueller, eds., **The Affordable Housing Reader**, Routledge, 590 pages; hereafter “T&M”

2. Additional required readings are posted on the course Blackboard website.

3. Other additional required readings are listed in the Course Schedule with a web link.

4. Recommended books:

Richard Rothstein, **Color of Law: A Forgotten History of How Our Government Segregated America**, W.W. Norton, 2017.

Shane Phillips, **The Affordable City: Strategies for Putting Housing Within Reach (And Keeping it There)**, Island Press, 2020.

Supplementary periodic reports are referenced in the course (via web):

Harvard Joint Center for Housing Studies (annual), **State of the Nation’s Housing**

Also other occasional major reports and a weekly blog with short research posts

<http://www.jchs.harvard.edu/research>

U.S. Census Bureau (quarterly), **New Residential Construction** (coverage is the nation as a whole or 4 major regions) <https://www.census.gov/construction/nrc/index.html>

U.S. Census Bureau (quarterly), **Housing Vacancies and Homeownership** (coverage is the nation as a whole or 4 major regions) <https://www.census.gov/housing/hvs/index.html>

U.S. Census Bureau (annual), **American Community Survey** (coverage is all levels of geography in the nation) <https://www.census.gov/programs-surveys/acs/>

U.S. Census Bureau (biannual), **American Housing Survey** (coverage is the nation as a whole or 4 major regions, plus much smaller reports on larger metros every 6 years) <https://www.census.gov/programs-surveys/ahs.html>

National Association of Realtors, **Research and Statistics** about resales of existing homes (annual, quarterly and monthly) <https://www.nar.realtor/research-and-statistics>

Fannie Mae, **National Housing Survey** (monthly opinion data and periodic reports) <http://www.fanniemae.com/portal/research-insights/surveys/national-housing-survey.html>

U.S. Census Bureau data on **Geographic Mobility** <https://www.census.gov/newsroom/press-releases/2018/geographic-mobility.html>

Description and Assessment of Assignments

Descriptions below are preliminary examples and subject to replacement prior to scheduled date:

Short Papers:

No. 1 – What is the Millennial housing problem and what is your early take on how to address it?
(10% of course grade)

No. 2 – How much are inequalities improving? Which inequalities in housing are greatest?
(20% of grade)

No. 3 – What are essential messages voters need to hear to persuade them to support housing solutions?
(10% of grade)

No. 4– How well has the supply of housing increased to match needs of the growing population?
(20% of grade)

Final exam: Covers the full semester and is an open-book, individual exam to be taken at home within a prescribed window of time. Questions will be a mix of short answers to test clarity of key concepts and definitions and long answers about 4 major questions about dynamics linking problems and solutions.
(30% of grade)

Class participation: Regular attendance and active engagement in activities, both synchronous and asynchronous. (10% of grade)

Grading Breakdown

Specified above. All components total 100%.

Grading Scale

Course final grades will be determined using the following scale

A	95-100
A-	90-94
B+	87-89
B	83-86
B-	80-82
C+	77-79
C	73-76
D	60-72
F	59 and below

Assignment Rubrics

Will be supplied.

Assignment Submission Policy

All assignments should be submitted through Blackboard at the time specified in the Course Schedule, unless otherwise specified.

Grading Timeline

Assignments will be returned with grading and feedback one to two weeks after submission.

Additional Policies

All reading assignments are to be completed prior to the assigned class day. Required readings and weekly activities are subject to revision with due notice.

It is expected that students will attend every class day that is scheduled although absences can be excused on rare occasions. Students are responsible to catch up on any missed class experiences by consulting with other class members and writing a one-page synopsis of lessons stressed on the day that was missed.

***** All course materials and Zoom recordings are protected for use solely by students registered in this course. No materials may be shared with outside parties, because of copyrights and intellectual property protections. Exceptions are government documents or articles previously published for public use. *****

639 2021 Course Schedule: A Weekly Breakdown

Required readings and weekly activities subject to revision with due notice

	Topics/Daily Activities	Readings and Homework	Deliverable/ Due Dates
		Part A–Growing Housing Problems	
Week 1 Aug 23 L1	Introduction & overview; People, HHs, & housing; Need vs. demand; Comprehensive perspective & interconnections; Change over time	Schwartz (1) Introduction T&M (6): Bratt, “Right to Housing” T&M (17,18) Evolution of Housing Policy Interconnections in Housing: Mismatches and Disrupted Flows The Density Paradox of New York and LA Change in Housing size vs. Change in Household size In class activity -- matching new housing to pop growth	
Week 2 Aug 30 L2,3,4	Housing and population growth amid ongoing problems of housing quality or household “fit”;	Schwartz (2) Trends, Patterns, Problems T&M (2): von Hoffman “History Urban Renewal” Myers, Building the Future as a Process in Time (Blackboard) Pages 1–18 in the Harvard JCHS 2021 “State of the Nation’s Housing” https://www.jchs.harvard.edu/state-nations-housing-2021 Paper 1 introduced In class activity graphing pop & housing change	
Week 3 Sep 6 L2,3,4	LABOR DAY	Read remainder of Harvard JCHS 2021 Working on Paper 1 about the Millennials’ Housing Problem	
Week 4 Sept 13	Changes over time in the housing stock; construction cycles; estimating housing needs and household formation	Myers and Gearin (Blackboard) Reviewing the housing data available from the Census Bureau Census Bureau, New Construction data American Community Survey Data Long History of Construction Cycles and Population Growth How to connect population and housing data	Paper 1 DUE Monday, Sept 13, 11 pm
		Part B–Affordability and Housing “Needs”	
Week 5 Sept 20 L2,6	Rental affordability: problems and solutions	T&M (9, 7) Metcalf, Sand Castles of Affordable Housing (Blackboard) Myers & Park, Constant Quartiles of Rental Affordability in HUD Cityscape https://www.huduser.gov/portal/periodicals/cityscape/vol21num1/ch7.pdf Harvard State of the Nation’s Housing	
Week 6 Sept 27 L2,4,5,6	Homeownership: benefits and risks; Life cycle of res. mobility;	Schwartz (12) Homeownership T&M (15, 13, 14) “Trends in Homeownership” ppt “ReTiming the Rise of Millennial Homeownership” ppt	

	Generational disparities		
Week 7 Oct 4 L2,6	Inequalities and crisis Indicators	Rothstein, Color of Law, Preface, Ch 1, Ch 4 Are Inequalities being improved over time? (race and generation) Data on homeownership and wealth In class activity graphing differences and changes over time Work on Paper 2 using Federal Reserve Survey of Consumer Finances	Paper 2 DUE Thursday, Oct 7, 11 pm
		Part C–Solution Strategies and Obstacles	
Week 8 Oct 11 L1,2,6	Supply side strategies: public housing, tax subsidies, ADU’s, inclusionary credits, bonuses	Schwartz (6, 7, 5) T&M (11) powell on fair housing	
Week 9 Oct 18 L1,2,6,7	Demand side strategies: Section 8 vouchers, rent control, and mortgage inst. deduction	Schwartz (8) Vouchers T&M (20) Strengths & Weaknesses of Vouchers Guest speaker In class activity compare advantages of supply & demand side strategies	
Week 10 Oct 25 L1,2,4,6	The <i>perception problem</i> and building support for housing solutions	NYU Furman Supply Skepticism (Blackboard) Monkonnen & Manville survey experiment on opposition (Blackboard) Andrew Davis, Turning NIMBYs into YIMBYs https://www.linkedin.com/pulse/turning-nimbys-yimbys-andrew-davis/ In class activity essential questions that voters need answered, and how our course materials suggest answers Messages pitched to two crucial audiences: low-income advocates; old-codger voters (supporting Paper 3)	Paper 3 DUE Thursday, Oct 28, 11 pm
		Part D-Indirect Effects, New Problems, and Solutions	
Week 11 Nov 1 L1,4,5	Household formation and Growth of Pop & Housing	Myers 2016, “Peak Millennial” (Blackboard) Myers and Moctezuma 2021, Hispanic Homeownership (Blackboard) Estimating net changes and flows of housing need and demand (in support of Paper 4)	
Week 12 Nov 8 L1,4,6,7	Mobility and Flows through Housing	Myers, Park, Cho 2021 Housing Shortages and the New Downturn in Residential Mobility (Blackboard) How shortages stifle normal housing activity (formation, mobility)	Paper 4 DUE Thursday, Nov. 11 at 11 pm
Week 13 Nov 15	Filtering vs. Gentrification as source of low-income housing	T&M (27) Reconciling People and Place Mawhorter and Myers, “Filtering” in Ency of Housing (Blackboard) Weicher, Long-term Affordable Housing (Blackboard) Myers and Park, “Filtering in Apartments” NMHC report (Blackboard) Displacement as inflow capture Vacancy chains from new construction or leaving rental for owning	
Week 14 Nov 22	Regional Fair Share Plans	About RHNA and legislation Guest speaker	

Week 15 Nov 29	Review for Final Exam	LAST CLASS DAY	
	Take-home final exam with 8-hour window to produce short essays	Answer crucial questions linking housing dynamics, problems, and solutions	FINAL EXAM
		Date: Date and time of the final exam in this class may change due to new directives by the USC Office of the Provost	

Statement on Academic Conduct and Support Systems

Academic Conduct:

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, “Behavior Violating University Standards” policy.usc.edu/scampus-part-b. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, policy.usc.edu/scientific-misconduct.

Support Systems:

Student Health Counseling Services - (213) 740-7711 – 24/7 on call
engemannshc.usc.edu/counseling

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call
suicidepreventionlifeline.org

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-4900 – 24/7 on call
engemannshc.usc.edu/rsvp

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

Office of Equity and Diversity (OED) | Title IX - (213) 740-5086
equity.usc.edu, titleix.usc.edu

Information about how to get help or help a survivor of harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following protected characteristics: race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations.

Bias Assessment Response and Support - (213) 740-2421
studentaffairs.usc.edu/bias-assessment-response-support

Avenue to report incidents of bias, hate crimes, and microaggressions for appropriate investigation and response.

The Office of Disability Services and Programs - (213) 740-0776
dsp.usc.edu

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

USC Support and Advocacy - (213) 821-4710
studentaffairs.usc.edu/ssa

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity at USC - (213) 740-2101
diversity.usc.edu

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call
dps.usc.edu, emergency.usc.edu

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call
dps.usc.edu

Non-emergency assistance or information.

*****Additional **student recommended resource links*******

<https://docs.google.com/document/d/1dhNi37jDc5eWO9nEgnhztWMP0Qjo5NFAwHHGkgdnkBg/edit>

<https://homelessness.usc.edu/general-resources/>