

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY
Edward J. Bloustein School of Planning and Public Policy

U.S. Housing Policy 762 : 310 : 01

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Spring 2014

Tuesday, 9:50 – 12:30

Scott Hall, Room 101

Office Hours: Tuesday, 2-4 pm, and by appointment, Civic Square Building, Room 565

INTRODUCTION, PURPOSE AND GOALS

Most approaches to analyzing U.S. housing policy start from the assumption that there exists a discrete set of policies whose purpose is to address housing problems and to ensure an efficient system of housing production. However, housing policy in the United States comprises more than eighty years of an array of policies that at different times address various issues in housing, and these policies are almost always about more than just housing. Luckily for us, we can use this complex history as a perspective from which to identify the kinds of knowledge, policies and practices that have come to constitute the field of “housing policy”, and how these are relevant for current debates and problems in and beyond housing.

Beginning with the U.S. Federal Government response to the Great Depression, we will chart the development of housing policy for the support and growth of homeownership and for housing the poor. In reviewing this history, we will evaluate the commitment of U.S. housing policy to homeownership in comparison to housing the poor, and the relationship between these policies, the economy and the financial system. We will assess the tensions within housing policies that depend on land development, the private real estate industry and the financial system to deliver housing. Some of the most enduring characteristics of the housing finance system were developed in order to manage the economic and banking collapse of the Great Depression. Ever since, housing policy has been tightly intertwined with economic management and, as demonstrated by the 2008 financial crisis, the global financial system. While this is a course in “U.S.” housing policy, we will find that the current configuration of housing finance makes a clear distinction between “U.S.” and “non-U.S.” housing policy increasingly tenuous.

Once we have in hand the policy history, we can then explore major topics and debates around housing policy. We will situate the housing boom of the 2000s, the subsequent 2008 financial crisis and on-going home foreclosure within the context of the historical transformation of U.S. housing policy, its increasing integration with the broader financial system and its reliance on homeownership. From the current foreclosure crisis, we will place vacancy and abandonment within historical periods of investment and disinvestment in U.S. cities in order to understand the other side of these processes—gentrification.

Moreover, throughout the history of U.S. housing policy, race has played a major role in the allocation of resources and the spatial configuration of housing. We will identify how racial discrimination in homeownership and public housing policy produced certain patterns of urban development, and how these effects were the basis for and magnified by the more recent crisis of subprime lending. Finally, the community development field has become increasingly aligned with and dependent on housing production. While market-oriented housing production remains the dominant mode of housing production, we will look at alternative forms of housing tenure. These housing alternatives are part of historical and more recent social movements that make claims to social justice in the political economic system, related to, but going beyond housing policy.

EXPECTATIONS AND REQUIREMENTS

1. Completion of three written reflection papers (3 pages each) discussing and evaluating the assigned readings (30%).

A total of three reflection papers are required over the course of the semester. Your essays should not only summarize the readings, but they should also engage and assess the ideas and issues in the readings. All papers should be submitted electronically via Sakai and must be typed, double-spaced, 12-point font, and conform to professional standards of grammar, punctuation and citation format. For each of the three reflection papers you may select any reading(s) covered in part of the class as the subject of your paper (see course outline below), and you can ***submit the paper any week during that part*** of the course, but not later than the last week of the section:

Reflection Paper 1: Any readings from **Part I or Part II**: January 21st through February 25th; turn in by February 28th

Reflection Paper 2: **Part III**: March 4th - 25th; turn in by March 28th

Reflection Paper 3: **Part IV**: April 1st - 22th; turn in by April 25th

2. Reading and active participation in class discussions (30%).

Each member of the class shares responsibility to participate in the teaching and learning each week. This requires each member of the class to:

- Attend class regularly
- Complete the assigned readings in full before each of the class meetings
- Reflect on readings and prepare answers to questions provided for each week's assigned readings (posted to Sakai under "Resources")
- Engage with other members of the class in a respectful and constructive exchange of thoughts and discussion of ideas

3. Take-home final exam (40%).

The final course assignment will consist of a set of questions that you will need to answer in a take-home, open-book, essay form. The questions will address the assigned readings and class discussion over the course of the semester. In the April 22nd class meeting we will develop and review, as a class, potential questions. The final exam will be distributed on the April 29th class and is due **Friday, May 9th**.

ACADEMIC INTEGRITY

Plagiarism, cheating, or any other form of academic dishonesty will not be tolerated and will result in a grade of 'F' or zero (0) for the assignment in question. Please familiarize yourself with the University's policy on academic integrity at <http://academicintegrity.rutgers.edu/>.

CLASS SCHEDULE AND READINGS

All required readings are on Sakai under "Resources" tab and the appropriate week's folder. Additional readings are listed to help prepare reflection papers and the final exam, and for those students looking for deeper understanding of a particular issue.

PART I: INTRODUCTION TO HOUSING POLICY

January 21

Introduction and Overview

Themes and Topics:

What is "housing policy"? – What is policy?

Required Readings:

Additional Readings:

Fischer, F. (2009). *Democracy and expertise: Reorienting policy inquiry*. Oxford: Oxford University Press.

O'Connor, A. (2009). *Poverty knowledge: Social science, social policy, and the poor in twentieth-century US history*. Princeton, NJ: Princeton University Press.

January 28

"The Housing Question"

Themes and Topics:

Forms of housing policy knowledge and assumptions – Trends and problems in U.S. housing

Required Readings:

Alex Schwartz, *Housing Policy in the United States*, Chapter 2, pp. 13-50, 2010.

Emily Paradise Achtenberg and Peter Marcuse, "The Causes of the Housing Problem", in Rachel Bratt, et al. (Eds.), (pp. 4-11), *Critical Perspectives on Housing*, 1986.

Von Hoffman, A. (1996). High Ambitions: The Past and Future of American Low-Income Housing Policy. *Housing Policy Debate*, 7(3), 423-446.

Additional Readings: Engels, F. (1935). *The Housing Question* (Vol. 23). C. P. Dutt (Ed.). New York: International publishers.

Dreier, P. (2006). Federal Housing Subsidies: Who Benefits and Why? In R. G. Bratt, M. E. Stone, & C. Hartman (Eds.), *A Right to Housing* (pp. 105-138). Philadelphia: Temple University Press.

Marcuse, P. (1995). Interpreting public housing history. *Journal of Architectural and Planning Research*, 12(3), 240-258.

PART II: HOUSING FINANCE AND LOW-INCOME HOUSING POLICY IN HISTORICAL PERSPECTIVE

February 4

**Housing Finance I:
Great Depression, New Deal Reform and Postwar Growth**

Themes and Topics:

Homeownership – Markets – Regulation – Suburbanization

Required Readings:

Alex Schwartz, *Housing Policy in the United States*, Chapter 3, **pp. 51-58**, 2010.

Kenneth Jackson, *Crabgrass Frontier*, Chapter 11, “Federal Subsidy and the Suburban Dream: How Washington Changed the American Housing Market”, 1985.

Additional Readings:

Fishman, R. (1987). *Bourgeois utopias: The rise and fall of suburbia*. Basic Books.

Sugrue, T. J. (2005). *The origins of the urban crisis: Race and inequality in postwar Detroit*. Princeton University Press.

February 11

**Low-Income Housing I:
Great Depression, New Deal and Postwar Public Housing**

Themes and Topics:

Economic Growth – Land Development – Urban Renewal

Required Readings:

Alex Schwartz, *Housing Policy in the United States*, Chapter 6, **pp. 125 - 142**, 2010.

Marc A. Weiss, Chapter 4, “The Origins and Legacy of Urban Renewal”, in Pierre Clavel et al. (Eds.), *Urban and Regional Planning in an Age of Austerity*, pp. 53-80, 1980.

Additional Readings: Arnold Hirsch, *Making the Second Ghetto*, Chapter 4, “The Loop versus the slums: downtown strikes back”, pp. 100 – 134, 1998.

February 18

Low-Income Housing II: New Federalism, Devolution, and Decentralization

Themes and Topics: Poverty Deconcentration – Redevelopment – Vouchers

Required Readings: Alex Schwartz, *Housing Policy in the United States*, **Chapter 5, pp. 103 – 107; Chapter 6, pp. 143-149; Chapter 7, pp. 157 – 176; Chapter 8, pp. 177 - 188**, 2010.

Crump, J. (2002). Deconcentration by demolition: Public housing, poverty, and urban policy. *Environment and Planning D*, 20(5), 581-596.

Additional Readings: Goetz, E. G. (2003). *Clearing the way: Deconcentrating the poor in urban America*. The Urban Institute.

Larry Bennett, et al., “A Critical Analysis of the ABLA Redevelopment Plan”, in Larry Bennett, et al. (Eds.), *Where Are Poor People to Live?*, pp. 185-215, 2006.

R. Allen Hays, *The Federal Government and Urban Housing*, Chapter 5, “New Directions in Housing Subsidies 1973-1980”, pp. 139-166, 1995.

February 25

Housing Finance II: Crisis, Reform, Neoliberal Housing Finance

Themes and Topics: Financial Crisis—Securitization—GSE—Subprime Lending

Required Readings: Alex Schwartz, *Housing Policy in the United States*, **Chapter 3, pp. 59-88**, 2010.

Aalbers, M. B. (2009). “Why the Community Reinvestment Act cannot be blamed for the subprime crisis”. *City & Community*, 8(3), 346-350.

Ashton, P. (2009). An appetite for yield: the anatomy of the subprime mortgage crisis. *Environment and planning. A*, 41(6), 1420-1441.

Marcuse, P., & Keating, D. W. (2006). The Permanent Housing Crisis: The Failures of Conservatism and the Limits of Liberalism. In R. Bratt, M. E. Stone, & C. Hartman (Eds.), *A Right to Housing: Foundation for a New Social Agenda* (pp. 139-162). Philadelphia, PA: Temple University Press.

Additional Readings: Krippner, G. R. (2011). *Capitalizing on crisis: The Political origins of the rise of finance*. Harvard University Press.

Michael E. Stone, "Pernicious Problems of Housing Finance", in Rachel Bratt, et al. (Eds.), (pp. 82-104), *A Right to Housing*, 2006.

PART III: RACE, FORECLOSURE AND GENTRIFICATION

March 4 **Foreclosure Crisis of 2008 - ?**
Themes and Topics: Foreclosure—Abandonment—Vacancy

Required Readings: Crump, J., Newman, K., Belsky, E. S., Ashton, P., Kaplan, D. H., Hammel, D. J., & Wyly, E. (2008). Cities destroyed (again) for cash: Forum on the US foreclosure crisis. *Urban Geography*, 29(8), 745-784.

Additional Readings: Immergluck, D. (2011). Too little, too late and too timid: the federal response to the foreclosure crisis at the 5-year mark.

March 11 **Gentrification**
Themes and Topics: Gentrification—Displacement—Economic Restructuring

Required Readings: Elvin Wyly and Daniel J. Hammel. "Gentrification, Housing Policy, and the New Context of Urban Redevelopment" in Kevin Fox Gotham (Ed.), *Critical Perspectives on Urban Redevelopment*, pp. 211-276, 2001.

Additional Readings: Lees, Loretta, Tom Slater, and Elvin K. Wyly. *Gentrification*. London: Routledge, 2008.

Marcuse, P. (1985). Gentrification, abandonment, and displacement: Connections, causes, and policy responses in New York City. *Wash. UJ Urb. & Contemp. L.*, 28, 195-240.

Smith, N. (1979). Toward a theory of gentrification: A Back to the city movement by capital, not people. *Journal of the American Planning Association*, 45(4), 538-548.

March 18 – Spring Break; No Class

- March 25** **Race and Housing: Discrimination in Mortgage Lending and Public Housing**
- Themes and Topics:* Redlining—Subprime Lending—Predatory Lending—Blight—Slum Clearance
- Required Readings:* Craig Steven Wilder, *A Covenant with Color*, Chapter 9, “Vulnerable People, Undesirable Places”, pp. 175-217.
- Nesbitt, George, 1949. “Relocating Negroes from urban slum clearance sites.” *Land Economics*, 25: 275-288.
- Wyly, E., Moos, M., Hammel, D., & Kabahizi, E. (2009). “Cartographies of Race and Class: Mapping the Class-Monopoly Rents of American Subprime Mortgage Capital”. *International Journal of Urban and Regional Research*, 33(2), 332-354.
- Additional Readings:* Arnold Hirsch, *Making the Second Ghetto*, Chapter 7, “Making the Second Ghetto”, pp. 212-258.

PART IV: LOCAL HOUSING POLICY, COMMUNITY DEVELOPMENT AND SOCIAL MOVEMENTS

- April 1** **Local Housing Policy and Community Development**
- Themes and Topics:* Community Organizing—Fair Lending—Community Reinvestment Act—Home Mortgage Disclosure Act—Community Development Corporations—Land Use Regulation—Rent Control
- Required Readings:* Alex Schwartz, *Housing Policy in the United States*, Chapter 9, “State and Local Housing Policy and the Nonprofit Sector”, pp. 209-238, 2010.
- James DeFilippis, “Community Control and the Long View”, Chapter 3, pp. 28-35, in James DeFilippis and Susan Saegert, (Eds.), *The Community Development Reader*, 2008.
- Squires, Gregory. 2008. “No Progress Without Protest.” Chapter 10. in DeFilippis and Saegert.
- Additional Readings:*

- April 8** **Reinvestment in Urban Housing Markets**

Themes and Topics: **Special Lecturer, Lee Polonsky**
New Market Tax Credits—Urban Revitalization

Required Readings: O'Reagan, K., & Quigley, J. (2000). Federal Policy and the Rise of Nonprofit Housing Providers. *Journal of Housing Research*, 11 (2), 297-317.

Additional Readings:

April 15 **Community Development and Housing**
Special Presentation, Erica Sims, Deputy Executive Director,
Mutual Housing Association of New York

Themes and Topics: Community Development—Low Income Housing Tax Credit—Vouchers—Development Finance

Required Readings: McClure, K. (2000). The low-income housing tax credit as an aid to housing finance: How well has it worked? *Housing Policy Debate*, 11(1), 91-114.

Additional Readings:

April 22 **Alternative Forms of Housing / Final Exam Review**

Themes and Topics: Housing and Urban Social Movements

Required Readings: James DeFilippis, *Unmaking Goliath*, Chapter 4, "Collective Ownership of Housing", pp. 87-111, 2004.

Marcuse, P. (1999). Housing movements in the USA. *Housing, Theory and Society*, 16(2), 67-86.

Additional Readings:

April 29 **Housing in Global Comparative Perspective**
(distribute final exam)

Themes and Topics: Informal housing—Property Rights

Required Readings: Jones, B. G. (2012). 'Bankable Slums': the global politics of slum upgrading. *Third World Quarterly*, 33(5), 769-789.

Additional Readings: