Affordable Housing Policy and Programs

CRP 3430 / 6430

Class Time: Tuesday and Thursday, 11:40 AM to 12:55 PM
Class Location: Room 208, Sibley Hall
Lecturer: Paul Mazzarella
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Office: Room 203, Sibley Hall
Teaching Assistant: Bailey Gathany
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Course Summary

How pervasive is the issue of housing affordability in the United States? Consider the fact that there isn’t a single housing market where a worker earning the minimum wage can afford even a modestly-priced apartment. Or that over 37.5 million households are considered cost-burdened because they pay an unacceptably high proportion of their incomes for housing. Or that the desire to become a homeowner is so strong that millions of homebuyers at all income levels took out risky, overpriced loans that resulted in a flood of foreclosures and trillions of dollars in loan losses.

Over the past eighty years, local, state and federal governments have tried to make headway against this intractable problem by developing housing production and subsidy programs. These programs have used a variety of different approaches and delivery systems. Intensive government involvement in the development and management of affordable housing evolved into market-driven, private-sector approaches. Tax policy has also played a major role in the allocation of housing resources. Every affordable housing program has had mixed results, but success or failure has not been solely the product of program design or implementation. It’s also due to the fact that housing is not just about shelter. It’s part of a complex mix of community development issues that include land use regulations, economic conditions, racial discrimination, access to credit, demographic shifts, wealth accumulation, public health, and crime, just to name a few. All of these issues play a role in how affordable housing programs function.

This course explores the origins and evolution of affordable housing programs in the United States from the 1930s to the present. All of these programs were created out of policies that drove the rationale for program development. In the United States, housing policies have not always been clearly articulated, but they’ve nevertheless had impacts on the ways that housing has been built and managed. While the changes in public policy are an important component, the focus of this course is on what programs have worked and why they’ve worked. The course will examine why housing affordability is a growing problem; how policy-makers and practitioners developed programs to address this problem; and how these programs actually function. Through readings, case studies, lectures and on-site visits, participants will learn about the strategies and best practices that available to address this serious community development problem. Guest speakers will relate the first-hand experience of practitioners in this field.
The course provides historical context and real life examples for a range of different types of affordable housing, including homeownership; rental housing; public housing; and supportive housing. Programs will be evaluated for their performance in different market conditions and different geographic areas ranging from the neighborhood to the regional level. Students will explore some of the cutting edge programs under development today and how they fit into effective community development strategies.

**Course Requirements**

1. **Attendance/reading/participation (10% of grade)**: All students are required to attend classes, complete all of the assigned readings, and actively participate in class discussions.

2. **Research papers (60% of grade)**: Each student will write papers of 5-6 pages each on key topics related to affordable housing issues. All students will write two papers. The topic for the first paper will be assigned by the instructor. The topic for the second paper will be selected by the student. Papers should be double spaced, use 11 point font, and be approximately six pages in length.

   Students in the graduate section of the class, CRP 6430, will also make short presentations to the class about the topic of their second paper. These presentations may be supplemented by visual presentations, handouts or other materials that enhance the verbal presentation. These presentations will be part of the grade for the second paper.

   The range of possible paper topics that may be selected by students is extremely broad and is not limited to the materials covered in class. Some possible topics include:
   
   ○ A hot button issue in affordable housing such as NIMBY (Not in My Backyard); gentrification; rent control or inclusionary zoning.
   ○ A description and analysis of an affordable housing program. Limited equity coops, land banks, and inclusionary zoning are just a few examples.
   ○ An assessment of affordable housing needs for a city or region.
   ○ Suggested policy or program changes to promote affordable housing in the United States.
   ○ An analysis of whether subprime lending is good or bad for low-income populations.
   ○ An analysis of the potential for building wealth and household assets: Is it better to rent or own?
   ○ The impact of housing location on affordability, wealth creation and housing discrimination.

   Citations for all papers should be from scholarly sources or reputable authors representing think tanks, foundations or government agencies. Interviews with directly affected parties are encouraged. Possible sources include:
   
   ○ Joint Center for Housing Studies, Harvard University
   ○ Brookings Institution
   ○ Urban Studies
   ○ Urban Affairs Review
   ○ Journal of the American Planning Association
   ○ Housing Policy Debate
   ○ Journal of Urban Affairs
   ○ Journal of Planning Education and Research
3. **Case studies:** (30% of grade): The class will be divided into small groups, each of which will design an affordable housing program or project that is based on a real life situation. Each group will make a 30-minute presentation to the class that describes the underlying environment; the alternatives that were considered; the program selected; and a feasibility analysis of the project. The grade for case studies will be based on the quality of the research; the strength of the analysis; and the clarity of the presentation. A copy of the presentation and background materials must be submitted as the final product.

**Readings**

All readings are required and should be completed before each class in order to facilitate discussion.

**Books:** One book is required and is available at the Campus Store, local bookstores or online. This is also available in a digital format. Please see the Blackboard site for CRP 3430 for information.


**Papers and Articles:** All papers and articles are available online. URLs are shown in the syllabus.

**Assignment Completion Schedule**

<table>
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<tr>
<th>Assignment</th>
<th>Due Date</th>
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<tbody>
<tr>
<td><strong>Research Paper #1</strong></td>
<td><strong>Thursday, September 14, 2017</strong></td>
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<tr>
<td>Topic: What are the elements that define a housing market? Describe the interplay between demographics, economic conditions and consumer preferences that create or reduce housing demand. Select a city, metropolitan area or region and describe its housing market and how it’s changing. Compile and analyze demographic, economic and housing data to document your analysis of the selected market area.</td>
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<tr>
<td><strong>Research Paper #2</strong></td>
<td><strong>Thursday, October 12, 2017</strong></td>
</tr>
<tr>
<td>Topic: Each student shall select a topic related to affordable housing policy, practice or impacts and write an in-depth analysis of how that topic is an important element in the examination of affordable housing. Graduate students will be required to make 10-minute presentations to the class and answer questions about the papers they have written. These presentations will be designed to stimulate class discussion. The presentations will be part of the grade for the paper.</td>
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**Assignment of Case Study Projects**

**Case Study Presentations**

The class will be divided into teams of 5-6 students each. Each team will conduct a preliminary feasibility analysis for a development project or affordable housing program that is assigned by the instructor. Each team will make a presentation of their findings to
the entire class. The projects to be evaluated for these presentations will be selected by
the instructor.

Class Schedule

1. Tuesday, August 22, 2017  Course Introduction

   A. Review course requirements and expectations
   B. Is there a right to housing?
   C. Define what affordable housing means
   D. The Big Themes in U.S. housing policy

Readings:

   1. Schwartz: Chapter 1
      Needs and Market Dynamics; Funders’ Network for Smart Growth and Livable
      Communities; 2006

   Online:
   http://www.fundersnetwork.org/files/learn/Getting_Ahead_of_the_Housing_Curve_FINAL.pdf

2. Thursday, August 24, 2017  Why is Housing Affordability an Issue?

   A. Changes in mix/cost of housing over time
   B. Measures of affordability

Readings:

   1. Schwartz: Chapter 2
   2. The State of the Nation’s Housing 2017; Executive Summary; Joint Center for Housing
      Studies, Harvard University, 2017

   Online:

Questions to consider in these readings:

   1. What was the most surprising (or shocking) aspect our current housing situation that was
      revealed to you?
   2. What are the most significant forces affecting today’s housing market?

3. Tuesday, August 29, 2017  Brief History of Early Federal Housing Policy

   A. Origins of Federal intervention in housing policy
   B. Home purchase financing in the U.S. after 1930s

Readings:

   1. Schwartz: Chapter 3 pages 69-80
   Online: [http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w08-1_von_hoffman.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w08-1_von_hoffman.pdf)

*Questions to consider in these readings:*

1. What are the similarities and differences between what happened to housing markets in the Great Depression and our recent housing bubble?
2. What are the biases that are inherent in U.S. housing policy, and how do they affect the outcomes for housing production and management?

4. **Thursday, August 31, 2017**

   **Public Housing**

   A. History of public housing
   B. Controversies surrounding public housing
   C. The development of housing vouchers

   **Readings:**

   1. Schwartz: Chapters 6 and 8

   *Questions to consider in these readings:*

   1. Has public policy created insurmountable handicaps to the development of successful public housing programs?
   2. Is there a private sector alternative to public housing?

5. **Tuesday, September 5, 2017**

   **Evolution of Housing Policy and Finance**

   A. Collapse of thrifts/FIRREA
   C. Community Reinvestment Act
   D. Credit scoring
   E. Subprime and predatory lending

   **Readings:**

   1. Schwartz: Chapter 3 pages 80-102 and Chapter 4
   Online: [http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/cra02-1.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/cra02-1.pdf)

   *Questions to consider in these readings:*
1. Are there more efficient ways to promote public investment in affordable housing?
2. What changes are needed in the design or regulation of private housing finance to reduce the risk of another meltdown of the credit market.

6. Thursday, September 7, 2017  Fair Housing/Gentrification

   A. Fair housing
   B. Gentrification

Readings:

   1. Schwartz: Chapter 11

7. Tuesday, September 12, 2017  Local and Regional Housing Programs

   A. Inclusionary zoning
   B. Incentive zoning

Readings:

   1. Fulton, William and Aubry, Ryan, Beyond Neighborhood Boundaries: Taking a Regional View of Housing. Funders Network for Smart Growth and Livable Communities, 2006
      Online: http://www.fundersnetwork.org/files/learn/Housing_and_Regionalism_Paper_FINAL.pdf

   2. Mintz-Roth, Jesse, Long Term Affordable Housing Strategies in Hot Housing Markets, Joint Center for Housing Studies of Harvard University, 2008
      Online: http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w08-3_mintz-roth.pdf

8. Thursday, September 14, 2017  Affordable Homeownership

   Research Paper # 1 due

   A. The impact of subprime lending on housing markets.

      In class, listen to: This American Life, 5/9/2008, “The Giant Pool of Money”

Readings:

      Online: http://www.planning.org/conference/previous/2009/materials/pdf/S013_Mallach_Affordable_


**Questions to consider in these readings:**

1. *Is the Federal government’s deep support for homeownership justified in light of the benefits that are produced?*
2. *What changes to public policy would help to even the playing field between rental and owner-occupied housing? Would this have a positive impact on wealth creation, development patterns and social integration?*

9. **Tuesday, September 19, 2017**  
**Affordable Housing Program Design**

A. Market analysis/needs assessment  
B. Community development goals  
C. Geographic area  
D. Requirements of subsidy programs

**Readings:**

1. Levy, Diana; Comey, Jennifer and Padilla, Sandra, *In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement*, Urban Institute, 2006  
   **Online:** [http://www.urban.org/uploadedPDF/411294_gentrification.pdf](http://www.urban.org/uploadedPDF/411294_gentrification.pdf)
   **Online:** [https://issuu.com/metropolitanplanningcouncil/docs/home_grown__local_housing_strategies_in_action](https://issuu.com/metropolitanplanningcouncil/docs/home_grown__local_housing_strategies_in_action)
   **Online:** [http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/masnick_w01-11.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/masnick_w01-11.pdf)

10. **Thursday, September 21, 2017**  
**Affordable Homeownership Programs**

A. What are the barriers to homeownership?  
B. What do homeownership programs strive to achieve?  
C. Mechanics of home purchase financing  
C. Homebuyer education and counseling

**Readings:**

1. Schwartz: Chapter 12  
3. Hornburg, Steven P., *Strengthening the Case for Homeownership Counseling: Moving Beyond “A Little Bit of Knowledge”*, Joint Center for Housing Studies, Harvard University, 2004

**11. Tuesday, September 26, 2017**

**Homeownership Financing Programs**

A. Discussion of the merits of homeownership vs. rental housing  
B. Down payment/closing cost loans  
C. Subsidized first mortgage  
D. Market conditions: special considerations for high price, declining or rural markets  
E. Impact of subprime and predatory lending

**Readings:**

1. Quercia, Roberto; Stegman, Michael; Davis, Walter; and Stein, Eric *Community Reinvestment Lending: A Description and Contrast of Loan Products and Their Performance*, Joint Center for Housing Studies, Harvard University, 2001  
   **Online:** [http://jchs.harvard.edu/sites/jchs.harvard.edu/files/liho01-11.pdf](http://jchs.harvard.edu/sites/jchs.harvard.edu/files/liho01-11.pdf)

2. Essene, Ren; and Apgar, William, *Understanding Mortgage Market Behavior: Creating Good Mortgage Options for All Americans*, Joint Center for Housing Studies, Harvard University, 2007  
   **Online:** [http://jchs.harvard.edu/sites/jchs.harvard.edu/files/mm07-1_mortgage_market_behavior.pdf](http://jchs.harvard.edu/sites/jchs.harvard.edu/files/mm07-1_mortgage_market_behavior.pdf)


**12. Thursday, September 28, 2017**

**Innovations in Homeownership Programs**

A. Presentation by Liz Walker, Executive Director of EcoVillage at Ithaca

**Readings:**

1. Davis, John Emmeus, *Shared Equity Homeownership, The Changing Landscape of Resale-Restricted, Owner-Occupied Housing*, National Housing Institute, 2006; Chapters 1, 2 and 5  
   **Online:** [http://community-wealth.org/content/shared-equity-homeownership-changing-landscape-resale-restrictedowner-occupied-housing](http://community-wealth.org/content/shared-equity-homeownership-changing-landscape-resale-restrictedowner-occupied-housing)

   **Online:** [http://www.mobilityagenda.org/docebh.pdf?attredirects=0](http://www.mobilityagenda.org/docebh.pdf?attredirects=0)

**Questions to consider in these readings:**

1. Does the shared-equity concept unfairly limit the ability of homebuyers to build wealth?  
2. How much shared equity housing needs to be developed in order for it to have an appreciable impact on a local housing market?
13. Tuesday, October 3, 2017  Options for Owner-Occupied Housing Development

A. Community land trust
B. Employer assisted housing
C. Condominium/Cooperative housing
D. Self-help/owner-builder housing
E. Manufactured housing

Readings:

1. Apgar, William; Calder, Allegra; Collins, Michael; Duda, Mark; Manufactured Housing as a Community- and Asset-Building Strategy, Neighborhood Reinvestment Corporation and Joint Center for Housing Studies, Harvard University, 2002
   Online: http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w02-11_apgar_et_al.pdf
2. Housing Assistance Council, Through Partnership and Promise: Ten Years of SHOP in Rural Communities, 2007
   Online: http://www.ruralhome.org/storage/documents/hac_shopreport.pdf

14. Thursday, October 5, 2017  No Class

15. Tuesday, October 10, 2017  No Class – Fall Break

16. Thursday, October 12, 2017  Assignment of Case Study Projects
    Research Paper #2 Due

17. Tuesday, October 17, 2017  State and Local Housing Programs
    Student Paper Presentations

A. Housing Finance Agencies/Tax Exempt Bond financing
B. Housing trust funds
C. Tax increment financing
D. Tax abatement programs
E. Assignment of Case Study Groups and Projects

Readings:

Schwartz, Chapter 9

18. Thursday, October 19, 2017  Rental Housing

Readings:

1. Schwartz: Chapter 7
2. Joint Center for Housing Studies, Harvard University: America’s Rental Housing The Key to a Balanced National Policy, 2008
   Online: http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/rh08_americas_rental_housing.pdf
19. Tuesday, October 24, 2017 Rental Housing Development Student Paper Presentations

A. Overview of the rental housing development process

Readings:

   Online: http://www.enterprisecommunity.com/resources/ResourceDetails?ID=19410.doc
2. Enterprise Foundation, *Developing Multifamily Housing with New Construction*, 1999
   Online: https://www.enterprisecommunity.org/download?fid=10699&nid=13721

20. Thursday, October 26, 2017 Low Income Housing Tax Credits Student Paper Presentations

A. Low Income Housing Tax Credit program

Readings: https://www.enterprisecommunity.org/download?fid=10699&nid=13721

1. Schwartz: Chapter 5
   Online: http://www.tandfonline.com/doi/abs/10.1080/10511482.2000.9521364

21. Tuesday, October 31, 2017 Anatomy of a Tax Credit Project Student Paper Presentations

A. Design and financing of the Breckenridge Place tax credit project – Ithaca, NY

Readings:

Materials to be distributed in class

22. Thursday, November 2, 2017 Tour of Local Affordable Housing Projects

23. Tuesday, November 7, 2017 No Class

24. Thursday, November 10, 2016 Senior Housing – Guest Presenters

A. Property management/asset management
B. Resident services

Readings:

   Online: http://www.enterprisecommunity.org/download?fid=10767&nid=13757
   Online: [https://www.innovations.harvard.edu/sites/default/files/hpd_0604_lane.pdf](https://www.innovations.harvard.edu/sites/default/files/hpd_0604_lane.pdf)

25. **Tuesday, November 14, 2016**

   **Housing and Health**

   **Readings:**


26. **Thursday, November 16, 2016**

   **The Future of Affordable Housing**

   A. Wealth gap in the U.S.
   B. Impact of consumer debt
   C. Political commitment to affordable housing

27. **Tuesday, November 21, 2016**

   **Case Study Presentations**

28. **Thursday, November 22, 2016**

   **No Class - Thanksgiving Recess**

29. **Tuesday, November 28, 2016**

   **Case Study Presentations**

30. **Thursday, November 30, 2016**

   **Case Study Presentation**