SACRAMENTO STATE UNIVERSITY  
DEPARTMENT OF ECONOMICS  
FALL 2008  

ECON 180: Urban Economics  

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CLASS MEETINGS:  
M 5:30-8:20pm, Amador Hall 217  

OFFICE HOURS:  
by appt.  

Course Description: Economic analysis and appraisal of models of urban development. Includes consideration of the rise of cities, land use, unemployment, poverty, housing, urban renewal, transportation, and the local public sector.  

Prerequisite: ECON 1B  


Suggested Texts:  
Bogart, William. The Economics of Cities and Suburbs (WB)  
Mieszkowski, Peter and M. Straszheim. Current Issues in Urban Economics (MS)  
Cronon, William. Nature’s Metropolis: Chicago  
Jackson, Kenneth. Crabgrass Frontier  
Garreau, Joel. Edge City  
Fischel, William. The Economics of Zoning Laws  

Grading:  
Homework 300 points (or 10% each)  
Mid-term Exams 400 points (or 20% each)  
Final Exam 200 points  
Class Participation 100 points  

The actual letter grade you earn in this course will be based on a grading scale to be determined after the final exam. This scale may or may not resemble the 10-point scale to which you may be accustomed (e.g., 90-100% is some sort of A, 80-89% is some sort of B, etc) because I reserve the right to curve. I will be happy to provide feedback over the semester on how to interpret your raw homework and exam scores so that you know how you are progressing in the course.
NOTE ON THE CONTENT OF THIS COURSE SYLLABUS

I view the information in this syllabus as a contract between my students and myself. I try to be very clear about my expectations and policies so that everyone knows the basic rules and we all go home happy every Monday and Wednesday and, ultimately, at the end of the semester. Please read the following carefully.

Attendance
Attendance at lecture is left up to your discretion, although it should be obvious that spending 3 hours with me each week will have a positive effect on how much you learn and your final grade. I do not take roll, but I am observant and will be able to ascertain who is there on a regular basis (and who is not).

Academic Honesty
Plagiarism will NOT be tolerated. All direct and indirect quotations from other sources should be properly acknowledged. And yes, I have failed graduate students who plagiarized.

Exams
You may regard the exam dates listed below as carved in stone. Put them in your calendar immediately because there are no make-up exams and very few acceptable excuses for missing one. If you find that you are unable to take an exam on its scheduled date, please make arrangements with me immediately. You may take the mid-term before the scheduled time, but NOT after. Acceptable excuses include a death in the family, a University-sponsored event or excursion, or a serious illness documented by a doctor. You are responsible for bringing a pencil/pen and a non-cell-phone calculator to all exams. Exams are closed-book, closed-note, and closed-friend/neighbor.

ASSIGNMENT SCHEDULE

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<thead>
<tr>
<th>Assignment</th>
<th>Date</th>
<th>Chapters</th>
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<tbody>
<tr>
<td>Homework #1</td>
<td>Monday, September 29, 2008</td>
<td>1-4</td>
</tr>
<tr>
<td>Exam #1</td>
<td>Monday, October 13, 2008</td>
<td>(in class, lecture following)</td>
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<tr>
<td>Homework #2</td>
<td>Monday, October 27, 2008</td>
<td>6-9</td>
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<tr>
<td>Exam #2</td>
<td>Monday, November 10, 2008</td>
<td>(in class)</td>
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<tr>
<td>Homework #3</td>
<td>Monday, December 1, 2008</td>
<td>10-13</td>
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<tr>
<td>Final Exam</td>
<td>Monday, December 15, 2008</td>
<td>5:30-7:30pm</td>
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ADDITIONAL REQUESTS

- I know about the traffic/parking nightmares on campus and am sympathetic, but I do request that you be on time if you choose to attend. If you arrive late, please come in quietly, settle quickly, and at least muster an apologetic expression for me. It is your responsibility to get any material that you miss. I will not provide lecture notes under any circumstances, so I recommend that you find a study-buddy or two in class.
• Please make sure that all cell phones and pagers are shut off during lecture. At a minimum, put these devices in silent mode and refrain from answering calls/pages/text messages during class.

• If you have a physical or learning disability that requires accommodation, please let me know as soon as possible and contact Services to Students with Disabilities at (916) 278-6955 to get the proper documentation well in advance of the first exam. Please note that legally, I cannot provide you accommodation without this documentation.

• Don’t cheat. Ever. Under any circumstances. My job is to teach you economics and then give you a grade that accurately reflects your knowledge of the subject. If you cheat, you force me to assume that you have cheated because you know nothing and your grade will reflect that assumption. Cheating also includes plagiarism on your term papers. If you are dumb enough to plagiarize, the result will NOT be pretty.

• It is useful to clarify the difference between acceptable group study and unacceptable sponging off of your unsuspecting neighbor. I encourage you to work together on assignments, although every student is responsible for submitting his/her own answers.

• This is not the type of class where you can learn the material on your own by looking through the textbook and someone else’s notes the night before the exam. (Not only is this not a good idea generally, but we are covering far too much material to even think this is a good idea). You must keep up with the reading and seek help when you don’t understand something. Utilize class time, my office hours, and email to get your questions answered. Although I do have specific office hours set aside, I maintain an open-door policy for students in my upper-division classes. If I’m in my office, I’ll make time for you if at all possible, so please BE PROACTIVE and stop by.

• I am interested in your feedback and would prefer not to rely on the generic and basically useless evaluation questions that I am only able to read after the semester is already over. I am happy to listen to suggestions and criticisms in person or via email, but if you feel uncomfortable telling me what you really think, I’ve set up an anonymous feedback form on my website at www.csus.edu/indiv/c/chalmersk/Links%20Teaching.html. Yes, it’s really anonymous.

Course Outline and Readings:
Readings are at www.csus.edu/indiv/c/chalmersk/180/ECON180.html.
* indicates optional readings

1. Introduction and Course Overview:
Brief description of the course
AS, Ch 1
*WB, Ch 1

2. Why and Where do Cities Develop?
Comparative advantage, economies of scale, agglomeration economies, localization economies
3. Cities in History: The History of Western Urbanization

Producing areas
*WB, Ch 2
*Cronon, Nature’s Metropolis: Chicago
*Bairoch, Cities and Economic Development
*Jackson, Crabgrass Frontier

4. Introduction to Economic Geography and Regional Growth

concept of economic regions, export base model, comparative advantage of regions, models of interregional trade and development, trends in interregional income differentials, cost considerations in interregional shifts. Does the population follow jobs or do jobs follow population movements?
AS, Ch 5
WB, Chs 4, 7, & 8
Krugman, “Cities in Space: Three Simple Models.”
Glaeser, “Cities, Regions, and the Decline of Transportation Costs.”
*MS, “Recent Trends in Regional Development,” p. 3

5. System of Cities and the Urban Hierarchy (Central Place Theory)

determinants of relative size of urban areas, rank-size rule
AS, Ch 4
*WB, Ch 3

6. Optimal City Size—Pollution and Congestion

Are large cities too large?, cities in LDCs, relationship between city size and quality of life
AS, Ch 4
Glaeser, “Are Cities Dying?”

7. Theoretical Analysis of Urban Structure—Monocentric Model

analysis of land as factor of production, theories of economic rent, central business district (CBD), rent offer curve, why is the land rent function steep?, why do high-income households locate in suburbs?
AS, Ch 6, 7, & 9

8. Multi-Centered Cities—Suburbanization of Employment, Edge City

comparison with Europe
AS, Ch 7
Glaeser, “Sprawl and Growth.”
*Garreau, Edge City
*Downs, “Contrasting Strategies for the Economic Development of Metropolitan Areas: Comparison of Europe and the United States


statistical estimates of urban population densities and its explanations, central city decay/blight, analysis of housing market, neighborhood effects
Mieszkowski and Mills, “The Cause of Metropolitan Suburbanization.”
10. **Urban Transportation**
relative cost of autos vs. public transit, effects of transportation on urban structures, congestion—tolls and effects on urban form and land allocation, benefits of additional highways?
AS, Chs 10 & 11
*Gomez-Ibanez and Small, “Road Pricing for Congestion Management: A Survey of International Practice.”
*Downs, Stuck in Traffic

11. **The Economics of Housing, Zoning and Urban Renewal**
determinants of housing cost, rationales for land use regulation, zoning law in practice, suburban zoning and housing supply, public intervention in housing markets
AS, Ch 9, 13, & 14
Glaeser, “Why Is Manhattan So Expensive?”
Glaeser, “Why Have Housing Prices Gone Up?”

12. **Models of Local Government**
analysis of state/local governments, fiscal problems of central cities, competition and migration, zoning, economic efficiency, local property taxes
AS: Ch 8, 15, & 16
Hamilton, “Zoning and Property Taxation in a System of Local Governments.”

13. **Education and Inequality**
education production function, peer group effects, public versus private schools, role of teachers, class size, decline of test scores, spending inequalities and equalization, desegregation and busing, education vouchers and charter schools
AS, Ch 8

14. **The Problems of Urban Poverty and Ghetto-ization**
demography of poverty, race and poverty, relationship between racial segregation in housing, earning differentials, spatial mismatch hypothesis
AS, Ch 13
Kling, “Experimental Analysis of Neighborhood Effects”
*Yinger, “Closed doors Opportunities Lost: The Cost of Housing Discrimination”
*Mieszkowski, “Studies of Prejudice and Discrimination in Urban Housing Markets.”
*Yinger, “Prejudice and Discrimination in Urban Housing Markets.”
Kain, “The Spatial-Mismatch Hypothesis: Three Decades Later.”
*Cutler and Glaeser, “Are Ghettos Good or Bad?”
*US Housing and Urban Development, *What We Know About Mortgage Lending Discrimination in America*
*Punnell, “Mortgage Lending in Boston”

15. **Crime and Punishment**
crime facts, victims of crime, crime and housing prices, supply of crime, prevention cost, unemployment and crime, police issues, deterrence
AS, Ch 12
*Freeman “Why Do So Many Young American Men Commit Crimes and What Can We Do About It?”