SACRAMENTO STATE UNIVERSITY  
DEPARTMENT OF ECONOMICS  
FALL 2007

ECON 251: Urban Problems, Economics, and Public Policy

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CLASS MEETINGS:  
M 5:30-8:20pm, Douglass Hall 208

OFFICE HOURS:  
M 3:00-4:30pm, W 2:00-3:30pm & by appt.

Course Description  
Historical development, economics and possible policy solutions of the most pressing problems facing central cities and urban areas in the U.S. are presented. Problems discussed include poverty, crime, urban abandonment/suburban sprawl, edge cities, deteriorating infrastructure, and fiscal stress.

Prerequisite  
PPA 220A or ECON 100B

Required Text  

Secondary 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  
Downs, Anthony. Stuck in Traffic

Grading  
Term Paper 30 points (or 30% of final grade)  
Mid-term Exam 30 points (or 30% of final grade)  
Comprehensive Final Exam 40 points (or 40% of final grade)

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).

Term Paper
The term paper should be approximately 15 pages. The term paper must be handed in by 5:30pm, December 3, 2007. A student who turns in an assignment late has been given an advantage over his or her classmates who complete the work on time. Therefore, late assignments will generally be marked down by a grade for each day it is late (i.e., an A paper handed in one day late becomes a B and so forth). This policy will apply except in exceptional circumstances like medical emergencies. If you for some reason cannot attend class when an assignment is due, you must email me the assignment on the day it is due (or before) for it to be counted as received on time.

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 bluebook (either size is fine), 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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<tr>
<th>Assignment</th>
<th>Date</th>
<th>Time</th>
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<tbody>
<tr>
<td>Mid-term Exam</td>
<td>Monday, October 3, 2007</td>
<td>(in class)</td>
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<tr>
<td>Term Paper</td>
<td>Monday, December 3, 2007</td>
<td>(in class)</td>
</tr>
<tr>
<td>Comprehensive Final Exam</td>
<td>Monday, December 17, 2007</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 http://www.csus.edu/indiv/c/chalmersk/Links%20Teaching.html. * indicates optional readings

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<th>Section</th>
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| 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  
AS, Chs 2 & 3 |
| 3. | Cities in History: The History of Western Urbanization  
Producing areas  
Glaeser, Edward “Urban Colossus: Why New York is America’s Largest City.”  
*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 LostL 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
*Munnell, “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?”

Term Paper: Each student will choose an urban region to study. The
student will learn as much as he can about the region and its economy and
develop a strategy for improving the region’s economy. The paper should
include the following:

- A description of the region’s economy, including its most important assets
- A diagnosis of its key economic development challenges
- A description of a specific program to tackle one of these challenges
- A logic model, based on existing literature, that explains why you think this strategy will work
- Any policy changes required to implement this program, improve its effectiveness, or change the outcomes in terms of who benefits
- An evaluation program to monitor and assess the value of the program

The paper should be about 15-20 pages long. Slightly longer or shorter papers are okay, as long as each of the elements above is addressed.

An abstract and draft outline of your paper is due on October 15, 2007.
The paper is due on December 3, 2007.