

Urban Economics Syllabus

EC 431/531
Portland State University
Summer 2020

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Online
Wed 3:30 – 5:00 pm
Office Hours: By Appointment
503-928-6635

Course Description

This course studies the functions of the urban economy: the market sector and the public sector. Economic analysis of issues such as land use, environmental quality, transportation, housing, income distribution, and financing of urban public services. Recommended: Ec 201 (Principles of Microeconomics) and Ec 202 (Principles of Macroeconomics). This is the same course as USP 431 and RE 431 and may be taken only once for credit. (4 credits)

Note: The instructor, and only the instructor, reserves the right to change the contents of this syllabus.

Materials

The following textbook is recommended, but not required.

Arthur O'Sullivan, *Urban Economics*, 8th ed., McGraw-Hill Irwin, 2011 (denoted "O'Sullivan" in the associated readings). Earlier editions may be suitable substitutes; because the order of chapters may vary across editions, it is your responsibility to make sure you review the correct chapters. Chapter titles are provided in the reading list. Copies typically are available on reserve at the PSU library, under RE 510, EC 431, and USP 573.

Additional readings will be distributed via email or D2L. Many of the topics covered in this course involve current relevant policy issues. Additional articles may be distributed and assigned throughout the term. You are urged to follow the latest news and research in urban economics by following Facebook page I created for the course: <https://www.facebook.com/UrbanEconomicsNews/>

Expectations

This is a 400/500-level course, meaning you are expected to have some understanding of basic microeconomics concepts. As a four-credit hour course, you should plan on

spending eight to nine hours a week viewing lectures, reviewing the reading material, and working on assignments.

Students with disabilities: If you have a disability or suspect you might have a disability, you should contact the Disability Resource Center (<https://www.pdx.edu/drc/>). If the DRC determines a reasonable accommodation is necessary, I will work with DRC and you to make the accommodations. Note that DRC services are confidential, and I am not informed of what your disability is. It may take time to put accommodations into place, and they are not retroactive. Captions and alternate media for print materials may take three or more weeks to get produced. Please contact DRC as soon as possible if accommodations are needed.

Communications regarding course performance: At any point in the course that you have concerns about your performance in this course, you are urged to contact me in a timely manner to address those concerns.

Valid and functioning email address: You are expected to provide me with a valid and functioning email address that you regularly check.

Technology requirements: You are expected to have access to D2L as well as technology sufficient to view videos and PDFs, participate in Zoom meetings, download assignments, and upload completed assignments.

Grading

Grading is based on assignments and a final exam.

Assignments (75%): Over the term, I will assign six problem sets designed to improve your understanding of the material. Assignments may consist of short answer questions, graphical or mathematical problems, or short essays. You will have approximately one week to complete the assignments. You are encouraged to work together, if possible.

Grading on assignments is as follows:

- **Zero points:** Assignment is not turned in, or turned in late. No late assignments, please.
- **1 point:** Assignment is turned in, but there is no demonstrated effort to complete the assignment. If you turn in an Assignment with just your name on it and nothing else, you will receive 1 point.
- **2 points:** Assignment is incomplete (e.g., some questions not answered or incomplete answers). “At least you tried.”
- **3 points:** Complete assignment with demonstrated effort.
 - **+1 bonus point** for extraordinary effort and/or demonstrated mastery.

- The grade on Assignments will be based on the five highest scoring Assignments. **The lowest scoring Assignment will be dropped.**

Final exam (25%): The Final Exam will be distributed on or about August 10, and is **due no later than 5 PM PDT on Friday, August 14.** Because of the Summer Term grading deadline, the due date cannot be extended. **You are expected to complete the Final Exam on your own.** Plagiarism or other forms of academic dishonesty will not be tolerated and will result in a zero on the exam.

No “extra credit”: This syllabus identifies the requirements for this course. I do not offer “extra credit” under any circumstance.

Incompletes / grade changes: As an adjunct professor, I have no obligations regarding this course after the term ends and I have no guarantees of future teaching opportunities at the university. As a result, I have a “no incompletes” policy. If you want a grade change, you must follow the university guidelines.

Topics, Lectures, and Meetings Schedule

Lectures will consist of several short videos (less than 15 minutes). Links to video lectures will be posted to D2L.

Online meetings will be held every Wednesday at 3:30 PM PDT. The format will be discussion and Q&A. This will also be an opportunity to discuss the Assignments. These meetings are optional. These meetings have the same Zoom link:

<https://pdx.zoom.us/j/99860375147>

Meeting ID: 998 6037 5147

One tap mobile

+19712471195,,99860375147# US (Portland)

+16027530140,,99860375147# US (Phoenix)

Readings: “O’Sullivan” refers to the textbook. Every article listed below is available for free to PSU students through the library’s online resources. In most cases you will have to use your ODIN account to login. The easiest way to access articles is through PSU’s account with Google Scholar: <https://scholar-google-com.proxy.lib.pdx.edu/>. If possible, please use PSU’s library to access articles. This avoids potential copyright issues and it demonstrates to library administrators which online sources are “in demand.”

Week 1 (22-Jun): Trade, Labor, and the Rise of Cities

Online meeting, Monday, June 22 at 3:30 PM PDT.

- Zoom: <https://pdx.zoom.us/j/99057449789>
Meeting ID: 990 5744 9789
One tap mobile
+19712471195,,99057449789# US (Portland)
+16027530140,,99057449789# US (Phoenix)
- Class introductions and overview of the course

O'Sullivan

- Chapter 1: Introduction and Axioms of Urban Economics
- Chapter 2: Why Do Cities Exist?
- Appendix: Tools of Microeconomics, Sections 1 and 2

Glaeser, Edward L. 1998. "Are Cities Dying?" *Journal of Economic Perspectives*, 12(2): 139-160.

Jeffers, Jamie. 2012. "Dark Age Economics." *The British History Podcast*, Episode 49.
<https://www.thebritishhistorypodcast.com/travels-with-cerdic/>.

Week 2 (29-Jun): Cities and Economic Growth

1st assignment due by 8 AM PDT Monday, June 29

O'Sullivan

- Chapter 3: Why Do Firms Cluster?
- Chapter 5: Urban Growth

Glaeser, Edward L. and Bryce Millett Steinberg. 2017. "Transforming cities: does urbanization promote democratic change?," *Regional Studies*, 51:1, 58-68. DOI: 10.1257/jep.12.2.139.

Quigley, John M. 1998. "Urban Diversity and Economic Growth." *Journal of Economic Perspectives*, 12(2): 127-138. DOI: 10.1257/jep.12.2.127.

Week 3 (6-Jul): Economic Development Strategies

No assignment due this week due to Independence Day in prior week.

Florida, Richard. 2002. "The rise of the creative class." *Washington Monthly*.
https://www.os3.nl/media/2009-2010/courses/icp/richard_florida_-_the_rise_of_the_creative_class.pdf.

Glaeser, Edward L. 2005. "Review of Richard Florida's The Rise of the Creative Class." *Regional Science and Urban Economics*, vol. 35, pp. 593–596.

Wadhwa, Vivek. 2011. "Industry clusters: The modern-day snake oil." *Washington Post*, July 14. https://www.washingtonpost.com/national/on-innovations/industry-clusters-the-modern-day-snake-oil/2011/06/19/gIQAmtx3EI_story.html.

Korn, Peter. 2009. "Bioscience bust?" *Portland Tribune*. May 13.
<https://pamplinmedia.com/component/content/article?id=49529>.

Florida, Richard. 2012. "The Rise of the Creative Class, Revisited." *The Atlantic Cities*. June 25.

<http://creativeclassgroup.com/rfcgdb/articles/national%20journal%20Rise%20of%20the%20Creative%20Class.pdf>.

Week 4 (13-Jul): Land Rent and Land Use

2nd assignment due by 8 AM PDT Monday, July 13

O'Sullivan

- Chapter 6: Urban Land Rent
- Chapter 7: Land Use Patterns
- Chapter 9: Zoning and Growth Controls

Levine, Myron A. 2013. *Taking Sides: Clashing Views in Urban Studies*. McGraw-Hill.

(Readings will be distributed via email.)

- Issue 14: Is Urban Sprawl a Sufficiently Important Problem to Merit Government Corrective Action?
- Issue 15: Do Portland-Style Smart Growth Policies Raise Housing Prices and Hurt Urban Livability?

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Week 5 (20-Jul): Housing Markets and Housing Policy

3rd assignment due by 8 AM PDT Monday, July 20

O'Sullivan

- Chapter 14: Why Is Housing Different?
- Chapter 15: Housing Policy

Glaeser, Edward, and Joseph Gyourko. 2018. "The Economic Implications of Housing Supply." *Journal of Economic Perspectives*, 32(1): 3-30. DOI: 10.1257/jep.32.1.3

Levine, Myron A. 2013. *Taking Sides: Clashing Views in Urban Studies*. McGraw-Hill.

Issue 10: Should Section 8 Housing Vouchers Continue to Serve as the Backbone of the Federal Government's Assisted Housing Efforts? (Reading will be distributed via email.)

Week 6 (27-Jul): Homelessness and Gentrification

4th assignment due by 8 AM PDT Monday, July 27

Levine, Myron A. 2013. *Taking Sides: Clashing Views in Urban Studies*. McGraw-Hill.

Issue 2: Does Neighborhood Gentrification Benefit the Inner-City Poor? (Reading will be distributed via email.)

Hanratty, Maria. 2017. "Do Local Economic Conditions Affect Homelessness? Impact of Area Housing Market Factors, Unemployment, and Poverty on Community Homeless Rates." *Housing Policy Debate*, 27:4, 640-655, DOI: 10.1080/10511482.2017.1282885

Week 7 (3-Aug): Transportation

5th assignment due by 8 AM PDT Monday, August 3

O'Sullivan

- Chapter 10: Autos and Highways
- Chapter 11: Urban Transit

Leape, Jonathan. 2006. "The London Congestion Charge." *Journal of Economic Perspectives*, 20 (4): 157-176. DOI: 10.1257/jep.20.4.157

Duranton, Gilles, and Matthew A. Turner. 2011. "The Fundamental Law of Road Congestion: Evidence from US Cities." *American Economic Review*, 101(6): 2616-52. DOI: 10.1257/aer.101.6.2616

Levine, Myron A. 2013. *Taking Sides: Clashing Views in Urban Studies*. McGraw-Hill. Issue 12: Should U.S. Cities Adopt a System of "Congestion Pricing" to "Tame" Traffic? (Reading will be distributed via email.)

Week 8 (10-Aug): Local Government Finance

6th assignment due by 8 AM PDT Monday, August 10

O'Sullivan

- Chapter 16: The Role of Local Government
- Chapter 17: Local Government Revenue

FINAL EXAM DUE BY 5 PM PDT, FRIDAY, AUGUST 14, 2020