Economics 120 – Urban and Regional Economics, Spring 2011

Instructor: Jon Sonstelie, jon@econ.ucsb.edu, 893-2242, North Hall 2038

Lectures: MWF, 9:00 a.m. to 9:50 a.m., HSSB 1173

Office Hours: Monday and Wednesday, 10:00 a.m. to 12:00 p.m.

Reading: The readings have been assembled in a booklet sold by the UCEN bookstore.

Exams: There will be a midterm on May 6 and a final from 9:00 a.m. to 11 a.m. on June 8. The midterm will consist of one essay question, and the final will have two questions. Answers will be scored from zero to four (F=0 and A=4).

Paper: Each student will write a paper about a neighborhood he or she selects. The paper will use data from the Census to describe residents of that neighborhood. The paper cannot exceed 15 double-spaced pages and is due on May 20. A draft of tables for the paper is due on April 24. More details about the paper and tables will be provided in lecture on April 3. Papers and the draft of tables will also be scored from zero to four.

Daily Quizzes: Each lecture will begin with a short essay question about the reading assigned for the day. Quizzes will be scored on a two point scale: 1 for satisfactory and 0 for unsatisfactory. There will be 26 quizzes in all. The aggregate score for the quizzes will be determined by your percentage of total points as follows:

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<tr>
<th>Percentage</th>
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<tr>
<td>80-100</td>
<td>4.0</td>
<td>55-60</td>
<td>2.3</td>
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<tr>
<td>75-80</td>
<td>3.7</td>
<td>50-55</td>
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<tr>
<td>70-75</td>
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<td>1.7</td>
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<td>60-65</td>
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Course Grade: The scores for the midterm, final, quizzes, tables, and paper will be averaged with the following weights: midterm 15%, final 30%, quizzes 15%, tables 10%, and paper 30%. This average will determine your course grade as follows:

<table>
<thead>
<tr>
<th>Weighted Average</th>
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<tr>
<td>3.85-4.00</td>
<td>A</td>
<td>2.15-2.50</td>
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<tr>
<td>3.50-3.85</td>
<td>A-</td>
<td>1.85-2.15</td>
<td>C</td>
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<td>3.15-3.50</td>
<td>B+</td>
<td>1.50-1.85</td>
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<td>2.85-3.15</td>
<td>B</td>
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<td>D</td>
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<tr>
<td>2.50-2.85</td>
<td>B-</td>
<td>0.00-0.50</td>
<td>F</td>
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Schedule:

March 28, Monday: Introduction

March 30, Wednesday: An Introduction to Los Angeles

April 1, Friday: Census Data, Class Project
   Student paper

April 4, Monday: Why Do Cities Exist?

April 6, Wednesday: Localization Economics

April 8, Friday: What Limits the Growth of Cities?
   Carey McWilliams, Southern California: An Island on the Land, 1946, Chapter VII, “Years of the Boom,” pp 113-137.

April 11, Monday: City Growth and Land Values

April 13, Wednesday: The Single Tax
   Henry George, Progress and Poverty, The Modern Library, 1889, pp 402-421

April 15, Friday: Land Values and Building Heights

April 18, Monday: Population Density
April 20, Wednesday: Household Income and Residential Location
   Cara Mia DiMassa, “Developers, industry battle for L.A.’s heart,” Los Angeles

April 22, Friday: Commuting Modes and Residential Location, **Tables due**
   Stephen F. LeRoy and Jon Sonstelie, “Paradise Lost and Regained: Transportation
   Innovation, Income, and Residential Location,” *Journal of Urban Economics*,

April 25, Monday: Zoning
   William Fischel, *The Economics of Zoning Laws*, Johns Hopkins Press, 1985,
   Chapter 2-4.

April 27, Wednesday, Regulations and Housing Prices
   Edward L. Glaeser, Joseph Gyourko, and Raven Saks, “Why is Manhattan so

April 29, Friday: Employment Subcenters.
   Genevieve Giuliano and Christian Redfearn, “Employment Concentrations in Los
   2957.

May 2, Monday, The Market for Public School Quality
   William A. Fischel, *The Homevoter Hypothesis: How Home Values Influence
   Local Government Taxation, School Finance, and Land-Use Policies*, Harvard
   University Press, 2001, Chapter 1, “An Asset Market Approach to Local

May 4, Wednesday: Financing California’s Public Schools
   Jon Sonstelie, Eric Brunner, and Kenneth Ardon, *For Better or For Worse? School
   Finance Reform in California*, Public Policy Institute of California, 2000,
   Chapters 1, 2, and 3. pp 1- 65.

May 6, Friday: **Midterm**

May 9, Monday: The Public School Voucher
   Eric Brunner and Jon Sonstelie, " "Homeowners, Property Values, and the Political
   Economy of the School Voucher," *Journal of Urban Economics* 54 (2003),
   pages 239-257.

May 11, Wednesday: Highway Congestion
   Brooking Institute, Washington, D.C., 2004, Chapter 10, “Peak-Hour and Other
   Road Pricing,” and Appendix B.
May 13, Friday: California’s Urban Transportation Problem
Tracy Gordon and co-authors, *Fiscal Realities*, Public Policy Institute of California, 2007, Chapter 8, “Transportation.”

May 16, Monday: Racial Segregation

May 18, Wednesday: Racial Segregation and Unemployment

May 20, Friday: Home Mortgages

May 23, Monday: Renting versus Owning.

May 25, Wednesday: Was There a Housing Price Bubble?

May 27, Friday: The Foreclosure Crisis, Paper due

May 30, Monday. Memorial Day

June 1, Wednesday: Subprime Lending

June 3, Friday: What Have We Learned?

June 8, Wednesday: Final Exam, 9 a.m to 11 a.m.