

Princeton University  
Woodrow Wilson School of Public and International Affairs  
Graduate Program

## **WWS 593a - Affordable Housing**

Syllabus - Fall Term 2007(half-semester, first half)

Instructor: David N. Kinsey  
Class: Mondays, 1-4 pm, 023 Robertson Hall      Office Hours: By appointment  
Office: 124A Corwin Hall      Telephone: 609-924-4990  
E-mail: [dkinsey@princeton.edu](mailto:dkinsey@princeton.edu)      Fax: 609-924-4107  
Assistant: Renée Weist, 342 Wallace Hall, 609-258-4856      [weist@princeton.edu](mailto:weist@princeton.edu)

### Introduction

Affordable housing is decent housing affordable to individuals and families paying no more than 30% of their income for housing. Under diverse programs, income-restricted affordable housing provides homes for households in different income brackets, e.g., (federal definitions) extremely low income (less than 30% of area median income), very-low income (between 30%-50% of area median income), low income (between 50-80% of area median income), and moderate income (between 80%-120% of area median income). Affordable housing is developed in the United States by the public, private, and nonprofit sectors, using various techniques and subsidy sources to plug the gap between the cost of housing and the financial resources of these households.

This nation's housing crisis is real. One in seven U.S. households in 2005 had "severe cost burdens," i.e., paid more than 50% of their income for housing. Nearly one-half of low income households in the United States (i.e., with incomes less than 80% of area median income), a total of 13.2 million households, had severe cost burdens. Furthermore, 2.1 households in the United States live in severely inadequate housing, while nearly three-quarters of a million people are homeless on any given night. Even after the 2007 federal minimum wage increase is fully implemented, households with a single minimum wage will not be able to afford even a modest two-bedroom rental anywhere in the United States.

This course explores supply-side approaches to addressing this pervasive housing crisis. We will examine the current policy and practice of producing new income-restricted affordable housing, both single-family and multi-family, for sale and rental, in the United States.

### Course Format and Requirements

- Lectures, seminar discussions of readings and case materials, in-class exercises, a field trip, and student presentations
- Active, informed participation in class
- Two papers (one short, one longer)

### Evaluation

The course grade and written evaluation will be based upon:

Participation in class	30%
Oral presentations	15%
Short paper	15%
Term paper	40%

### Writing Requirements

1. Short paper: Write a three page maximum, double-spaced memorandum proposing a development process for your client, a nonprofit housing developer, for a hypothetical 50 unit, 100% affordable housing development on a two acre, vacant, infill urban site currently zoned for commercial uses. Identify the client and make explicit any assumptions.

2. Term paper: Write an 8-10 pages maximum, double-spaced term paper that analyzes a current affordable housing production policy issue or problem, presents findings, and concludes with specific recommendations for a client (real or hypothetical). One-three additional pages may provide tables, maps, charts, etc., as appropriate. Discuss the paper topic before class with the instructor and then in class with the entire class. Initial findings and draft recommendations will be presented and discussed at the last class. Both initial and final versions of the term paper will be submitted before the course ends at the Fall Break. The instructor will review and comment promptly on the initial version.

### Readings

Readings are available in the Stokes Library in Wallace Hall, through e-reserves, and on various web sites listed and with links in this syllabus.

Two books have been ordered at the Princeton University Store, which may also be obtained from on-line book sellers. Both are useful manuals and reference works.

Hecht, Bennett L. *Developing Affordable Housing: A Practical Guide for Nonprofit Organizations*. 3rd<sup>d</sup> ed. Hoboken: John Wiley & Sons, Inc., 2006.

Schwartz, Alex F. *Housing Policy in the United States: An Introduction*. New York: Routledge, 2006.

### Weekly Schedule of Topics, Readings, and Assignments

- The readings are listed in **decreasing** order of importance for the week's discussions.
- Skimming is an important skill to learn.
- Additional handouts will be provided throughout the term.

#### **Week 1 September 17 Introduction: Affordable Housing Policy and Issues, in the U.S., 1934-2007**

Does housing matter? Why? What is affordable housing? What are low income, moderate income, lower income, workforce, and middle income housing? What is the gap between housing cost and household financial resources and how is the gap narrowed or filled? What are the roles of government, as well as the nonprofit and private sectors, in providing affordable housing? What is the current stock of affordable housing in the United States? How has United States affordable housing policy evolved since the New Deal?

#### Readings:

Schwartz, Alex F. *Housing Policy in the United States: An Introduction*. New York: Routledge, 2006, Chapters 1 and 2, pp. 1-45. The entire book may be usefully skimmed and reread throughout the half-semester as a primer on housing policy.

Jones, Tom, William Pettus and Michael Pyatok. *Good Neighbors: Affordable Family Housing*. New York: McGraw Hill, 1995, Forward and Chapters 1-2, pp. 8-27.

Joint Center for Housing Studies. *The State of the Nation's Housing: 2007*. Cambridge, MA: Joint Center for Housing Studies, Harvard University, June 11, 2007. "Executive Summary" and "Housing Challenges", pp. 1-4 and 25-30.

<http://www.jchs.harvard.edu/publications/markets/son2007/index.htm>

Hecht, Bennett L. *Developing Affordable Housing: A Practical Guide for Nonprofit Organizations*. 3rd ed. New York: John Wiley & Sons, Inc., 2006, Chapter 1, pp. 3-11.

## **Week 2 September 24 The Affordable Housing Development Process**

What are the key steps in the process of developing affordable housing? How does the process differ for the public, private, and non-profit sectors? Any differences for different housing types? Locations? What is total development cost and how is it determined?

Assignment No. 1: Distribute your short paper by email to the instructor and all class members by September 23, 9 pm.

### Readings:

Hecht, Bennett L. *Developing Affordable Housing*. Chapters 2-5, pp. 13-84.

Schmitz, Adrienne, et al. *Multifamily Housing Development Handbook*. Washington, D.C. ULI-the Urban Land Institute, 2000, "Pearl Court Apartments Case Study", pp. 258-267.

Davis, Sam. *The Architecture of Affordable Housing*. Berkeley: University of California Press, 1995, Chapter 2, pp. 35-61.

Jones, Tom, et al. *Good Neighbors: Affordable Family Housing*. Chapters 3-4, pp. 29-45.

## **Week 3 October 1 Designing Affordable Housing**

What is the design process for affordable housing and how does it, or should it, differ, from the design process for market-rate housing? What factors influence the cost of developing affordable housing?

Assignment No. 2 Make a short, two-minute oral presentation on your tentative term paper topic.

Guest Speaker: Beth Kitchen, AICP, Kitchen & Associates Architectural Services, Collingswood, N.J.

<http://www.kitchenandassociates.com/indexflash.shtml>

### Readings:

Bohl, Charles C. "Affordable Housing Design for Place Making and Community Building." In William M. Rowe and Harry L. Watson, eds. *Chasing the American Dream: New Perspectives on Affordable Homeownership*. Ithaca & London: Cornell University Press, 2007, pp. 113-145.

Jones, Tom, et al. *Good Neighbors: Affordable Family Housing*. Chapters 5-12 (read carefully Chapter 5 and skim case studies), pp. 47-247.

Davis, Sam. *The Architecture of Affordable Housing*. Chapters 3-4, pp. 63-125.

Schmitz, Adrienne, et al. *Affordable Housing: Designing an American Asset*. Washington, D.C.: ULI-the Urban Land Institute, and the National Building Museum, 2005. 126 pp. (for more case studies)

**Week 4 October 8 Nonprofit Housing Development: Field Trip to Mount Laurel, New Jersey**

What is the role of the nonprofit sector in producing affordable housing? How was Ethel Lawrence Homes (140 townhouses rented to families with incomes from 10% to 70% of area median income) financed and developed?

Host and Guest Speaker: Peter J. O'Connor, Esq., Executive Director, Fair Share Housing Development, Inc., Cherry Hill, N.J. (nonprofit developer of Ethel Robinson Lawrence Homes and counsel for the plaintiffs in the landmark *Mount Laurel* exclusionary zoning litigation since 1971)

Readings:

Kirp, David L., John P. Dwyer, and Larry A. Rosenthal. *Our Town: Race, Housing, and the Soul of Suburbia*. New Brunswick, N.J.: Rutgers University Press, 1995. pp. 1-10, maps after p.10, photos after p. 35, 35-57, and 186-195.

Lawrence-Halley, Ethel. "About Ethel Lawrence." Rutgers-Camden, The Richard C. Goodwin Lecture in Honor of Ethel Lawrence, nd. <http://goodwinlecture.rutgers.edu/lawrence.htm>

Fair Share Housing Development, Inc. Case Study on Ethel Robinson Lawrence Homes, Mount Laurel, NJ – 140 new family rental affordable units (Vol. I: Phase I, 100 units; Vol. II: Phase II, 40 units; complete Low Income Housing Tax Credit application)

Smothers, Ronald. "Decades Later, Town Considers Housing Plan For the Poor." *The New York Times*, March 3, 1997.  
<http://query.nytimes.com/gst/fullpage.html?res=9C0CE7D71F31F930A35750C0A961958260&n=Top%2fReference%2fTimes%20Topics%2fSubjects%2fH%2fHousing>

Smothers, Ronald. "Low-Income Houses and a Suburb's Fears." *The New York Times*, April 5, 1997.  
<http://query.nytimes.com/gst/fullpage.html?res=9C06E2D9103DF936A35757C0A961958260&sc=&pagewanted=all>

Smothers, Ronald. "Ending Battle, Suburb Allows Homes for Poor." *The New York Times*, April 12, 1997.  
<http://query.nytimes.com/gst/fullpage.html?res=9B06E3DE1E3CF931A25757C0A961958260&n=Top%2fReference%2fTimes%20Topics%2fSubjects%2fH%2fHousing>

Capuzzo, Jill P. "The Affordable Housing Complex That Works." *The New York Times*, November 25, 2001.  
<http://query.nytimes.com/gst/fullpage.html?res=950DEFD7163AF936A15752C1A9679C8B63>

Getlin, Josh. "Home Is Where the Hurt Was: After a bruising legal fight, an affluent New Jersey town has housing for the poor. But it's still a struggle to keep doors of acceptance open." *Los Angeles Times*. November 5, 2004.  
[http://seattletimes.nwsourc.com/html/nationworld/2002090397\\_housing14.html](http://seattletimes.nwsourc.com/html/nationworld/2002090397_housing14.html)

Schwartz, Alex F. *Housing Policy in the United States*. pp. 199-204.

### **Week 5 October 15 Financing Affordable Housing**

What are the key considerations in financing affordable housing? What are common alternate approaches to funding and financing total development cost for different types of affordable housing? How do Low Income Housing Tax Credits really work?

#### Readings:

Hecht, Bennett L. *Developing Affordable Housing*. Chapters, 6-12 (read closely Chapter 12, particularly The Whitelaw case study and pro forma: rental housing developed by a nonprofit for very-low income households in Washington, DC, using LIHTC).

McClure, Kirk. "The Low-Income Housing Tax Credit Program Goes Mainstream and Moves to the Suburbs." *Housing Policy Debate*. Vol. 17, Issue 3, 2006, pp. 419-446.  
[http://www.fanniemae.foundation.org/programs/hpd/pdf/hpd\\_1703\\_mcclure.pdf](http://www.fanniemae.foundation.org/programs/hpd/pdf/hpd_1703_mcclure.pdf)

Schwartz, Alex F. *Housing Policy in the United States*. Chapter 5, pp. 83-100 and Chapter 9 (partial), pp. 177-192.

### **Week 6 October 22 Future Policy on Affordable Housing Production**

What should be the key elements of federal and state affordable housing production policy in the future?

Assignment No. 3: Make a five-minute oral presentation and progress report on your term paper. Identify your client or perspective, and focus on the issues analyzed, findings, and recommendations.

#### Readings:

Katz, Bruce and Margery Austin Turner. "Rethinking Affordable Housing Strategies: An Action Agenda for Local and Regional Leaders." Research Brief, The Brookings Institution and The Urban Institute, December 2003, 19 pages.

Rowe, William R. "Conclusion: Toward More Efficient and Equitable Homeownership Policies." In William M. Rowe and Harry L. Watson, eds. *Chasing the American Dream: New Perspectives on Affordable Homeownership*. Ithaca & London: Cornell University Press, 2007, pp. 263-277.

Schill, Michael H. and Susan M. Wachter. "Principles to Guide Housing Policy at the Beginning of the Millennium." *Cityscape*. Vol. 5, No. 2, 2001, pp. 5-19.  
<http://www.huduser.org/periodicals/cityscape/vol5num2/schill.pdf>

Schwartz, Alex F. *Housing Policy in the United States*. Chapter 13, pp. 269-276.

Assignment No. 4: Submit the complete term paper, by Tuesday, October 23, at 9 am, by email, to [dkinsey@princeton.edu](mailto:dkinsey@princeton.edu), which the instructor will review, comment on, and return by Wednesday, October 24, 5 pm. Submit the final term paper, by email, by Monday, November 5, 9 am (end of Fall Break). Both the initial and final versions of the paper may be submitted earlier than these deadlines.