Course Description

This course analyzes the urban neighborhood as a dynamic physical, social, economic, and political space. It considers: what the neighborhood is, what functions it plays, why it can change in terms of its residents’ income levels or race, physical conditions, commerce, public services, and social interrelationships, and what consequences for livability transpire. Based on this analysis, a variety of policy options for dealing with neighborhood income segregation, racial segregation, and physical deterioration will be critically evaluated. The focus will be on developing analytical frameworks that will permit the student to understand the origins and consequences of neighborhood change and offer powerful prescriptions for revitalizing neighborhoods and forestalling their decline.

Learning Outcomes

One set of learning outcomes will be specific to the substantive content of the course. By the end of this course, students will be able to:

- Understand the forces that affect the vitality of neighborhoods and the various policy options for responding
- Understand the six core principles of neighborhood dynamics (see below)
- Understand and apply the basic housing submarket model to elucidate causes and processes of neighborhood change

These outcomes will be assessed via numerous take-home exercises and a comprehensive written examination.

The second set of learning outcomes will be dependent on the role(s) the student plays during the team neighborhood revitalization project work. However, all students who successfully complete the course should achieve:
• Improved understanding of the circumstances and behaviors that promote collaborative problem-solving, goal achievement and team satisfaction, and those that inhibit productive group performance;
• Stronger skills in interacting effectively in working groups of different sizes;
• Increased proficiency in identifying tasks, data, analyses, and modes of presentation that are tailored to the goals of the assignment.

These outcomes will be assessed via the oral and written team neighborhood revitalization projects and written self-assessments submitted at the end of the term.

The course will achieve these outcomes in an interdisciplinary fashion. Both theoretical models and case studies will be employed in these explorations to combine the abstract and real, general and particular. Lectures, discussions, and individual and group projects will be used to the learning outcomes of the course.

Core Principles

The course is founded on conveying six core principles of why and how neighborhoods change and how plans and policies for stemming decline and promoting revitalization can be most efficaciously specified:

• *Principle of Externally Generated Change*: most forces causing neighborhoods to change originate outside the boundaries of that neighborhood, often elsewhere in the metropolitan area

• *Principle of Coded Signals*: modest, often subtle changes in a neighborhood environment can lead to major alterations in behavior of residents, owners, and investors because the signals are encoded with future predictions about the neighborhood

• *Principle of Threshold Effects*: changes in neighborhoods typically progress in non-linear, even discontinuous fashion once they exceed a critical point

• *Principle of Inefficiency*: decision-makers in neighborhoods usually undertake an inefficient amount of activities of various sorts due to externalities, strategic gaming, and self-fulfilling prophecies. *Externalities*: most decisions in neighborhoods regarding mobility, upkeep, etc. have impacts on neighbors which typically are not considered by the decision-makers; *Gaming*: expected payoffs perceived by some decision-makers will be influenced by uncertain actions of other decision-makers in the neighborhood; *Self-fulfilling Prophecies*: if many individual decision-makers share the same expectations about the neighborhood they will behave collectively in a manner that brings about their expectation

• *Principle of Inequity*: lower socioeconomic status households and property owners typically bear a disproportionate share of the financial and social costs of neighborhood changes

• *Principle of Policy-Induced Zero-Sum Game*: many neighborhood policies improve one neighborhood but thereby set in motion forces that cause the decline of other neighborhood(s), resulting in zero net gain for the city
Course Purposes

The first purpose is to gain a fuller understanding of that which crucially affects the well-being of all urban citizens: the neighborhoods in which they live. This will be accomplished by the comprehensive topical coverage provided in the course. The second purpose is to develop students’ skills in thinking like “an urban social scientist,” through the critical and conceptual modes of interdisciplinary analysis employed in class and assignments. The third purpose is to develop students’ skills in team-building, rigorous analysis, policy development, and developing cogent conclusions and presenting them effectively.

These goals will be accomplished through a variety of pedagogic strategies, including: lectures, intensive case studies of neighborhood policies in Detroit and elsewhere, and group and individualized analysis projects. The course will be demanding in many respects; to make it otherwise would be to disrespect you by underestimating your capacities for growth.

The course is intended to be of interest to graduate students in: Urban Planning, Political Science, Public Administration, Sociology, Social Work and Economics. It is a required core course for the MUP concentration in Housing & Community Development.

Texts

M. Pollock and E. Rutkowski, *The Urban Transition Zone*, 1998 (This book is out of print and is only available from the professor, free of charge; he has been given permission by authors to post on our class Blackboard.)

W. Grigsby, M. Baratz, G. Galster, and D. Macleannan. *Dynamics of Neighborhood Change and Decline*. Pergamon Press, 1987. (This book is out of print and is only available from the professor, free of charge; he has been given permission by authors to post on our class Blackboard.)

Other reading assignments also will be available on our course Blackboard, or on easily accessible, full-text downloadable websites. *All readings are required.*

Assignments, Evaluation Procedures and Expectations

1. **Problems.** Several homework problems will be assigned that require students to work through numerical or graphic expositions of analytical models that have been presented in readings and class, thereby developing mastery of the material.

2. **Team Policy Project.** Multi-person teams will be constituted from the class, and will investigate, analyze and develop a comprehensive plan for preserving, enhancing, or restoring some aspect(s) of livability in a Detroit-area neighborhood. As a capstone exercise, the team will make an oral and written presentation of their analysis and suggested policy response. More detailed specifications follow.

3. **Examination:** A short-answer/essay/problems exam will ask students to synthesize and reflect on overarching theoretical and conceptual elements of the course.
Final grades will be determined as follows:

- Problems: 15%
- Team Policy Project: 35%
- Exam: 40%
- Class Participation: 10%

Each component will be assigned the numerical equivalent of a letter grade (A=4.0; A- = 3.67, e.g.); these are averaged using the weights above to arrive at final GPA.

**Expectations of Students**

I expect the following of all students, so that the maximum learning outcomes, educational benefit and intellectual stimulation can be gained from this course:

- **attend** all classes; after one absence the student’s class participation grade will be reduced by one quality point (e.g., A to A- for each subsequent absence
- **participate** actively in class, by asking questions, engaging in discussions, etc.
- **take comprehensive, precise notes**; class lectures & discussions are invaluable
- **submit all assignments when they are due**; no late assignments will be accepted, so planning to avoid unforeseen contingencies is imperative
- **read** all assigned material before the class for which they are assigned; come prepared to ask questions about/discuss/contribute to appropriate part of lecture what you read
- **maintain academic integrity**, especially with regard to plagiarism and inappropriate collaboration, by following these guidelines:
  - cite all sources (including internet) for facts and ideas used in papers at the point in the text where information was used (not simply at end in “references”); follow (author last name, year) in-text APA citation style
  - do not consult or collaborate (via phone, email, writing or in person) with anyone about any aspects of homework assignments or papers; instead address questions to the professor via email or via Q&A during in-person appointment

**Students with Disabilities**

If you have a documented disability that requires accommodations, you will need to register with Student Disability Services for coordination of your academic accommodations. The Student Disability Services (SDS) office is located at 1600 David Adamany Undergraduate Library in the Student Academic Success Services department. SDS telephone number is 313-577-1851 or 313-577-3365 (TDD only). Once you have your accommodations in place, I will be glad to meet with you privately during my office hours to discuss your special needs. Student Disability Services’ mission is to assist the university in creating an accessible community where students with disabilities have an equal opportunity to fully participate in their educational experience at Wayne State University.”

**Audio-Visual Lecture Capture**

Our classroom will be equipped for recording our class. Recorded lectures will be published to a menu item called "EchoCenter" in our Blackboard for student viewing. I hope this will be a helpful resource for homeworks and preparation for exams.
A Biographic Sketch of the Professor

George Galster is the Clarence Hilberry Professor of Urban Affairs in the Department of Urban Studies and Planning, Wayne State University. He earned his Ph.D. in Economics from M.I.T., with a dissertation focusing on measuring housing market discrimination. He has published 145 peer-reviewed scholarly articles, 35 book chapters and eight books. His work has focused on the dynamics and consequences of metropolitan housing markets and neighborhoods, especially the ways in which space is structured in ways that create unequal opportunities by race, ethnicity and class.

Dr. Galster has been a consultant to the U.S. Department of Housing and Urban Development, U. S. Department of Justice, numerous municipalities, community organizations, civil rights groups, and private organizations like the National Association of Realtors, American Bankers Association and Fannie Mae. He currently serves on the boards of two community development financial institutions. He has provided housing and neighborhood policy consultations to public officials in Australia, Canada, China, Scotland, and the U.S.

Dr. Galster’s published works on neighborhoods have five times won “Best Conference Paper” awards from the Urban Affairs Association and Association of Collegiate Schools of Planning, and his analysis of neighborhood revitalization strategies in Richmond won the “Best Paper of 2006” award by the Journal of the American Planning Association. A recent study of scholarship by faculty in graduate schools of planning in the U.S. rated his work as among the “Top Ten Most-Cited.” He currently serves as Associate Editor of Housing Policy Debate, Management Board member of Housing Studies, and Editorial Board member for three other international scholarly journals. In 2016 the Urban Affairs Association awarded him the prestigious “Contributions to the Field of Urban Affairs” prize.

Dr. Galster has held positions at Harvard University, the University of California at Berkeley, the University of North Carolina - Chapel Hill, Amsterdam University (Netherlands), Delft Institute of Technology (Netherlands), Mannheim University (Germany), Western Sydney University (Australia) and Glasgow University (Scotland). He served as Director of Housing Research at the Urban Institute in Washington, DC before coming to Wayne State University in 1996.
COURSE TOPICS and READING SCHEDULE

UP 6680  Neighborhood Decline and Revitalization

Note: all readings are required and are listed in preferred order of reading; Grigsby et al. Dynamics, and Pollock and Rutkowski, Urban Transition, refer to your required texts described above; other readings are also found on Blackboard unless a website noted.

PART ONE: CONCEPTS AND THEORIES OF NEIGHBORHOOD CHANGE

Jan. 10

I. Fundamental Questions about Urban Neighborhoods

A. What Is the Urban Neighborhood? [social vs. geographic def.; perceptual vs administrative boundaries; Suttles’ synthesis; attribute bundle approach]
B. What Functions Does It Play? [econ, social, political, administrative]
C. What Makes for a Healthy, Livable Neighborhood? [physical, social and status dimensions; implications of class-race prejudices for “livability”]
D. What Causes the Health and Livability of a Neighborhood to Change?
E. Why Worry About Neighborhood Change? [Principles: Inefficiency & Inequity]

Jan. 17

II. How Do Metro-Wide Demographic and Economic Forces, Working Through the Array of Housing Submarkets, Cause Neighborhood Changes?

[Investopedia; “Basics of Economics Demand and Supply,” pp. 1-3, 6-17 only]

A. Submarket Theory of Change [quality segmentation, demand, stock supply, equilibrium, inter-submarket adjustment mechanisms]
Galster and Rothenberg, “Filtering in Urban Housing: A Graphical Analysis of a Quality-Segmented Market,” Jl. of Planning Education and Research, 1992; [only pages 37-44 up to Dynamics of Inter-Submarket Adjustment section]

Jan. 24

II. How Do Metro-Wide Demographic and Economic Forces, Working Through the Array of Housing Submarkets, Cause Neighborhood Changes? (cont.)

B. Application of Submarket Theory: Filtering [how metro-wide forces external to neighborhood impact on neighborhoods, filtering process & consequences, determinants of neighborhood vulnerability to same] CON’T NEXT PAGE
Grigsby et al., *Dynamics*, chs. 3-6;

**Jan. 31**

**II. How Do Metro-Wide Demographic and Economic Forces, Working Through the Array of Housing Submarkets, Cause Neighborhood Changes? (cont.)**
Galster, *Driving Detroit*, ch 9 (2012);
C. Principles Implied by Submarket Theory
D. Critique of submarket theory
Rothenberg et al., *Maze of Urban Housing Markets*, 1991, ch. 9
E. Neighborhood Residential Change and Retail Changes
F. Neighborhood Housing, Retail & Local Public Sector Changes: Reinforcing Cycles

**Feb. 7**

**III. Indicators and Character of Neighborhood Change**
A. Conceptual Dimensions of Change [outcome and antecedent behavior indicators]
B. Expectations of Change
C. Principle of Coded Signals [race, crime as leading expectational predictors]
Grigsby et al., *Dynamics*, chs. 4, 7;
Taub et al., *Paths of Neighborhood Change*, 1984, ch. 6: pp. 119-141

**Team Meetings re: Team Policy Project** [Each team meets during last part of class] A one-page summary documenting: (1) how you plan on operationalizing your “neighborhood” for study, (2) what action steps you plan on taking to gather information, and (3) your plans for assigning tasks to teammates, (4) the names and emails of all on your team-- must be emailed to me by end of February. This document should also list any clarifying questions you have of me.

**Feb. 14**

**IV. Nature of Interactions Among Neighborhood Decision-makers: Threshold Effects, Externalities, Strategic Gaming, and Self-Fulfilling Prophecies**
A. Principle of Threshold Effects [def., examples, mechanism, implications]
B. Externalities
C. Strategic Gaming
D. Self-Fulfilling Prophecies
E. Principle of Inefficiency
Pollock and Rutkowski, pp. 6-10, & Appendix B
Feb. 21
V. Mortgage and Insurance Markets and Neighborhood Change

A. Rationale for Concern [risk vs. race debate; too much or too little $ flows]
B. Evaluation of Evidence on Current Discrimination in Mortgage & Insurance Markets
C. Implications for planners & policymakers
Pollock and Rutkowski, pp. 13-16


Feb. 28
VI. Causes and Consequences of Neighborhood Racial Transition

A. Current State of Racial-Ethnic Segregation and Transitions
B. Transition as seen through Racial Replacement Rates
C. Market Influences on Unbalanced Racial Replacement Rates
D. Non-Market Influences on Racial Replacement Rates
E. Consequences [applications of Principles of coded signals, inefficiency, inequity, self-fulfilling prophecies, externalities]


Pollock and Rutkowski, pp. 10-12;


Colwell, “Economic Views of Segregation and Integration,” ORER Newsletter, summer, 1991 [VERY important to understand this model!]

{play simulation game at [http://ncase.me/polygons/](http://ncase.me/polygons/) (follow onscreen instructions)}

A representative from each team must email me during the first week of March and report briefly on interim progress on the team’s neighborhood project

March 6
VII. Causes and Consequences of Neighborhood Income Class Transition

A. Current State of Class Segregation and Transitions
B. Causes of Class Transition [influences on class replacement rates, causing downward succession, potential displacement via gentrification]
C. The Impact of Class Prejudices
D. Consequences


Grigsby et al., *Dynamics*, chs. 2, 7, 8
March 14

NO CLASS: WSU SPRING BREAK

PART TWO: NEIGHBORHOOD POLICY APPLICATIONS AND ANALYSIS

March 21

IX. Introduction to Unresolved Policy Controversies: People vs. Place, Triage, Zero-Sum Impacts

A. Archetypical Policy Thrusts [people strategy vs. 4 types of place strategies: revitalization, market stabilization, poverty deconcentration, regional equity]

Crane and Manville, People or Place? Land Lines July, 2008

B. Flows of Neighborhood Resources & Population and Points of Policy Intervention

C. Targeting & Triage Strategies & Principle of Thresholds/Inefficiency vs. Inequity


D. Principle of Policy-Induced Zero-Sum Game

Pollock and Rutkowski, Pp. 1-6;

March 28

X. Challenges to Planning and Policy in Redeveloping Badly Deteriorated or Abandoned Neighborhoods

Redevelopment Strategies (bring back some middle class) [examples, efficiency & equity concerns, financing issues, case studies]:

Grigsby et al. Dynamics, ch. 9
Mallach (2008) Managing Neighborhood Change, NHI, pp. 7-17
Levy et al. (2006) “In the Face of Gentrification,” Urban Institute
Levy et al. (2006) “Keeping Housing Affordable in Gentrifying Neighborhoods,” Urban Institute

April 4

Examination (no rescheduling will be permitted)
April 11

XI. Challenges to Planning and Policy in Stabilizing Threatened Neighborhoods

Market Stabilization Strategies (retain current pop. via repair, rehab, homeownership) [examples, efficiency & equity concerns, financing, case study]
Mallach, Managing Neighborhood Change, NHI, 2008, pp. 18-23
Galster, Homeowners and Neighborhood Reinvestment, 1987, chs. 10, 14 (pp. 298-314 only in ch. 14
(2005) ch. 6 only
Belsky, “Rehabilitation Matters: Improving Neighborhoods One Home at a Time,”
Bright Ideas (2002)
Thomas, Redevelopment and Race, 1996; ch.4
Thomson, “Targeting in 3 Cities,” powerpoint for Urban Affairs Assoc. 2011

April 18

XII. Challenges to Planning and Policy in Encouraging Racially and Economically Diverse Neighborhoods

A. Overarching Policy Challenges [threshold effects, expectations and preferences, inter-jurisdictional strategic gaming]
B. Racial Diversity:

C. Class Diversity

Fannie Mae Foundation’s Housing Facts and Findings 8(1)
April 25  **WSU STUDY DAY—NO CLASS**

May 2  
**Neighborhood Revitalization Policy Teams’ Written & Oral Reports**  
[SEE SEPARATE INFO SHEET ON BLACKBOARD FOR DETAILED SPECIFICATIONS OF THIS ASSIGNMENT]

Note 1: ALL teams’ **written reports must be emailed to me**  
(george.galster@wayne.edu) **same day as oral briefing [no hard-copy report required]**

Note 2: Each written and oral report should explicitly reflect an understanding of (and appropriate citations of) the overarching policy issues/principles discussed in readings previously assigned, PLUS these added ones are **required**:

- Temkin and Rohe, *op. cit.*, pp. 109-end only  
- Taub et al., *op. cit.*, pp 190-194  
- Rohe (2009) “From Local to Global: 100 Years of Neighborhood Planning,”  
  *JAPA*, spring  

Several good examples of how neighborhoods can be described, underlying processes analyzed, and appropriate policies developed—and then presented effectively in a report—are available for you as models to emulate; see esp:

- Pebley & Vaina, “In Our Backyard,” (2002) RAND [pp. 5-16 only]

Note 3: At the time each team’s oral reports are given, I expect a hard-copy, signed document from each student grading and commenting upon the contributions of every team member.