

Orange County Housing Impact Study

Scope of Work and Time Line

ISSUE: Developers involved in providing various forms of affordable housing, including supportive permanent housing, find themselves facing the same two objections from residents that live near the proposed development site: 1) Affordable housing leads to more crime and 2) Affordable housing reduces local property values.

Objective: Our study will help us understand the impact of affordable housing, especially Permanent Supportive Housing (PSH), on local rates and patterns of crime and housing values. We extend existing studies by also examining how the siting of affordable impacts the revenues of local retail businesses.

Existing Findings

Affordable Housing and Property Values

The studies that have examined these issues at the national level have been mixed. One study conducted by Truilia examined low-income housing tax credit (LIHTC) housing across the 20 least affordable housing markets and found no effect in 17 cities, a negative impact in two cities (Boston and Cambridge, MA) and a **positive impact** on property values in Denver. Similarly, a study of LIHTC housing in Charlotte, NC and Cleveland, OH demonstrated diverging patterns with property values declining in Charlotte but increases in the presence of such housing in Cleveland.

In summary, the research demonstrates that the impact of affordable housing generally has no discernible impact on property values, but that place matters – with some locations actually benefiting from the siting of such housing.

Affordable Housing and Crime

There is a rich literature that examines the impact of crime on local housing prices as well as the impact of recipients of housing vouchers moving into a particular neighborhood impacts crime, but very few studies that look how affordable housing impacts crime at a highly disaggregated level. One recent study in Austin, TX that does examine this issue finds that, first, affordable housing (again using LIHTC financing to measure affordable housing) is sited in high crime areas, and, second, once built, affordable housing reduces the level of crime.

Affordable Housing and Business Activity

Though the benefits of adding more potential customers to local retail businesses are obvious, there does not appear to be any research that quantifies the impact on business revenues. Given that residents of PSH must have income in order to qualify for such housing (generally in the way of SSI payments) and that only 30% of the monthly income goes towards paying rent, tenants do have some modest amount of disposable income. Given that tenants of PSH are likely to rely on public transportation, local retail business that provide basic good and services should see a positive impact on

gross receipts. Beyond increasing sales, America's business community has long recognized the reducing homelessness has other benefits such as reducing the fear that might otherwise keep patrons from frequenting an area frequented by the homeless, and contributing to the creation of a stable, dependable labor force.

PROPOSED RESEARCH DESIGN: Given that the above studies are conducted either at the national level or in places that do not necessarily share the unique racial/ethnic and economic composition of Orange County, we propose to study the impact of affordable housing on both crime and property values within the county. Our proposal contains two parts, which are potentially separable: an analysis of affordable housing, crime, and property values using existing administrative data, and a mixed-methods analysis of the relationship between affordable housing and local attitudes using independently collected data.

- **First**, we will use data from our partners that will permit us to move beyond LIHTC housing to examine supportive permanent housing and other types of affordable housing developments.
- **Second**, because developers and cities keep records on all sites considered for such housing, regardless of whether or not it was built, we are afforded the opportunity to create counter-factual that more credible measures the true impact of built housing on the surrounding environment, rather than simply identifying correlations. That is, we can compare to the change in property values and crime both in the areas where affordable housing **was built** as well as the places considered by developers, but where ultimately housing **was not built**.
- **Third**, we propose to conduct a series of focus groups with residents in areas where affordable housing was built, where it was proposed but not built, and in areas where future projects are proposed to measure attitudes towards such housing. We also measure perceptions regarding changes in property values and crime.
- **Fourth**, we propose to extend the topic to better understand the impact of such developments on the local economy. For instance, we will survey or conduct focus groups with local residents and business to better understand whether local residents of affordable housing frequent their establishments or otherwise utilize the goods/services offered.

DELIVERABLES: The research team will delivery both an interim and a final report. In addition to briefing partners and local stakeholders, UCI and the Irvine Institute will host a symposium on this important topic and invite leaders in academia and the policy world to comment on the findings and present their related work.

Putting the Findings to Work

Even when presented with research finding refuting that affordable housing negatively impacts crime and housing values, local residents still cling to their long held negative perceptions. However, once the housing is built, these perceptions quickly begin to erode. Therefore, this project will enact a broad informational campaign to share the results with local and state policy makers, developers and stakeholders

RESEARCH TEAM

Professor George Tita - Principal Investigator

In addition to being a member of the Department of Criminology, Law and Society (CLS) for the last 19 years, Dr. Tita is also the founding director of the Master's of Public Policy program at UCI the Director of the City Futures Institute. Dr. Tita's research has focused on collaborative efforts involving stakeholders from the criminal justice systems, social service providers, and local residents on addressing crime. He has also published on the impact of crime on local housing values.

Professor John Hipp – Co-Investigator

Dr. Hipp joined CLS in 2006 and is currently Director of the Metropolitan Futures Initiative, an interdisciplinary project that has a commitment to build communities that are economically vibrant, environmentally sustainable, and socially just. He is also co-Director of the Irvine Lab for the Study of Space and Crime. Dr. Hipp is a leading expert in community dynamics and crime.

Professor Emily Owens – Co-Investigator

Trained as an economist, Dr. Owens joined CLS in 2016 having established herself as a leading figure in the crime and public policy field at The University of Pennsylvania. Dr. Owens is an expert in conducting careful evaluation of policies and programs, including how local economic development shapes crime.

BUDGET

Budget: The total cost of this project is \$155,000.

Academic Personnel (Tita, Hipp, Owens) : \$91,434.00

PhD Student Support: \$27,508.00

Master's of Public Policy Graduate Student Support: \$10,125.00

Supplies: \$200.00

Travel: \$1,500.00

Business Data: \$16,000.00

Focus Groups (gift cards, translation services, transcription of interviews): \$8,233.00

TOTAL: \$155,000.00

BUDGET NARRATIVE

Professor Tita will serve as the Principal Investigator and is responsible for overseeing all facets of the project including leading the focus group data collection, managing the MPP student efforts to collect information on the citing of affordable housing in Orange County, assisting on the impact analysis on crime and housing values, and working with our partners in the dissemination of findings at local and national conferences. The budget will cover Professor Tita for one summer month and 10% of this academic year salary.

Professor Hipp will lead the efforts to assess the impact of affordable housing on crime. This includes collecting, cleaning and analyzing the data. He will also provide input on the analysis of affordable housing on local housing prices as well as on the sampling framework for the focus groups. Hipp will lead the writing up of the crime related results and contribute to all written reports. The budget will cover Professor Hipp for one Summer Month of salary.

Professor Owens will lead the efforts to assess the impact of affordable housing on local property values. This includes collecting, cleaning and analyzing the data. She will also provide input on the analysis of affordable housing on crime as well as on the sampling framework for the focus groups. Owens will lead the writing up of the housing price related results and contribute to all written reports. The budget will cover Professor Owens for one Summer Month of salary.

PhD Student, Seth Williams, will assist in all facets of data collection, cleaning and analysis. He will also contribute to the writing of all written reports. Hipp will take the lead in supervising the student, with Owens and Tita also meeting regularly with Williams.

A group of three MPP Students will work under the supervision of Tita to collect the data on all affordable housing in the county including the type of housing, size and amenities. The students will also collect data on where housing was proposed but was not built as this data will prove useful in constructing comparison areas for the analysis outlined in the proposal. The group of students will be broadened during the Academic Year as part of a Capstone Project. This project will look at why certain proposals to build affordable housing were defeated. The Capstone group will also participate in the collection of the Focus Groups.

The above research will include ongoing meetings with the Steering Committee comprised of members of Jamboree Housing, The United Way, and The Continuum of Care sub-committee on Housing.

TIMELINE: July 1, 2019 – June 30, 2020

July – September:

- Collect and update crime data from local police agencies
- Collection all needed information on the built (as well as proposed but not built) affordable housing
- Procure business data
- Assembling the needed housing data using Zillow, Truilia or other publicly available sources

October – December

- Data entry, data cleaning of all data (affordable housing information, police data, housing price data, business data)
- Launch MPP Capstone and conduct stakeholder interviews to document the successful opposition to proposed affordable housing projects
- Design the sampling framework for focus groups; create Spanish (and other, if needed) versions of the open-ended surveys.

January – March

- Data analysis
- Conduct Focus Groups
- Meet with Steering Committee to discuss

April – June

- Complete data analysis
- Write Reports
- Dissemination of Results
- Hold Symposium at UCI to present results (first or second week of June)