What *do* the neighbors think? Assessing the community impact of Neighborhood Stabilization efforts

Erin Graves, Policy Analyst
Motivation

- Foreclosure crisis and concentration of foreclosures in LMI
- Federal intervention
- Community impact
Background

- Foreclosures
  - Nationally
  - In Boston
- Externalities
  - Price impact
  - Crime impact
  - Social impact
Research Question

Does rehabilitating abandoned homes impact neighborhood social indicators?
Design

- NSP foreclosures vs. REOs (treatment and control group) N=16
- Longitudinal: Before and after treatment
- Administration
  - Door-to-door visits to affected households (N=275) living in abutting parcels N=144
  - Mail survey
- Mixed methods
  - Quantitative
  - Observational
  - Qualitative
Figure 1: Typical Study Neighborhood

Source: Federal Reserve Bank of Boston
Results

- Variability in renovation status
- No effect of treatment
- Marginal effect of rehabilitation
- Influence of homeownership
- Qualitative results
# Survey Demographics

<table>
<thead>
<tr>
<th></th>
<th>City-Owned Treatment (N = 154)</th>
<th>REO Control (N = 156)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years at residence</td>
<td>12.8</td>
<td>10.7</td>
</tr>
<tr>
<td>Homeowners</td>
<td>31%</td>
<td>22%</td>
</tr>
<tr>
<td>Married</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>Children in home</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>Employed</td>
<td>53%</td>
<td>52%</td>
</tr>
<tr>
<td>Age</td>
<td>45.4</td>
<td>46.7</td>
</tr>
<tr>
<td>Male</td>
<td>36%</td>
<td>41%</td>
</tr>
</tbody>
</table>
## Neighborhood Characteristics

<table>
<thead>
<tr>
<th></th>
<th>City-Owned Treatment</th>
<th>REO Control</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>((N = 152))</td>
<td>((N = 156))</td>
</tr>
<tr>
<td>Sense of Community</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Walkable</td>
<td>3.0</td>
<td>3.4***</td>
</tr>
<tr>
<td>Safe</td>
<td>2.3</td>
<td>2.7***</td>
</tr>
<tr>
<td>Involved community group</td>
<td>54%*</td>
<td>39%</td>
</tr>
<tr>
<td>Parcel Distress</td>
<td>30.7</td>
<td>30.1</td>
</tr>
</tbody>
</table>

* \(p < .05\); *** \(p < .001\)
Parcel Condition

• Parcel scores significantly better in 2012 than 2011
  – Driven by renovations to treatment properties
  – Not related to program status
  – Same pattern for low-cost items

• Owner-occupied parcels in better condition in both years
## Survey Data

<table>
<thead>
<tr>
<th></th>
<th>Sense of Community</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
</tr>
<tr>
<td>City-Owned Treatment</td>
<td>0.00</td>
</tr>
<tr>
<td>Year is 2012</td>
<td>-0.12</td>
</tr>
<tr>
<td>Treatment x Year</td>
<td>0.10</td>
</tr>
<tr>
<td>Property rehabbed</td>
<td>0.13</td>
</tr>
<tr>
<td>Year is 2012</td>
<td>0.11</td>
</tr>
<tr>
<td>Rehab x Year</td>
<td>-0.29</td>
</tr>
</tbody>
</table>

+ p < .10
Sense of Community

• Controlling for demographic characteristics, sense of community associated with:
  – Length of residence (+)
  – Involvement in neighborhood organizations (+)
  – Walkability (+)
  – Block’s average parcel distress(-)
  – Improvement in block’s average parcel condition from 2011 (-)
Before: resident views of target foreclosed homes

- Disinterest
- Individual level problem
  - Not a community problem
  - Not a housing market problem
- Not a magnet for crime
Before: resident concerns

- Crime and social disorder
- Abandoned lots
- Influence of outsiders
Resident Ranking of Concerns

- Safety at night: 27
- Traffic & parking: 14
- Abandoned houses: 5
- Vacant lots: 5
After: Resident views of foreclosed homes

- Varied outcomes, varied interest
- Rehabilitation vs. re-occupancy
After: Resident concerns

• Crime and social disorder
  – In target homes
  – In neighborhood generally

• Interest in vacant homes and action on vacant lots

• Call for community
Conclusion and policy recommendations

• Conclusions from this study
  – No program effect
  – Marginal unexpected effect for rehab
  – Correlates of community
  – Call for community

• Policy implications
  – For NSP
  – For community development