

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

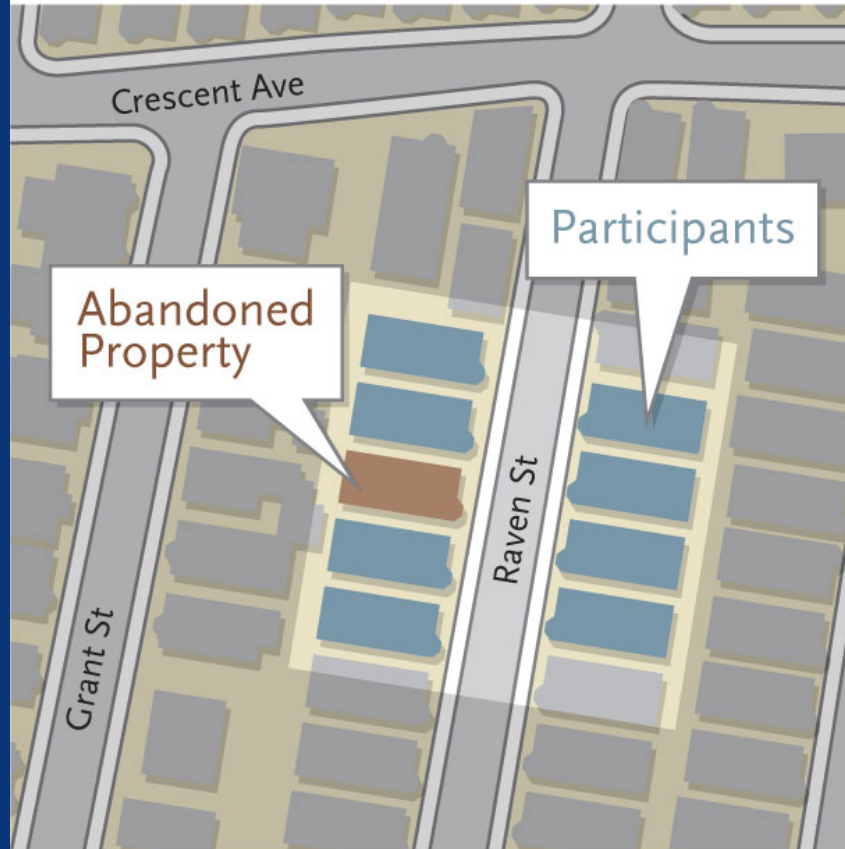
Research Question

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

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

Neighborhood Characteristics

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

* $p < .05$; *** $p < .001$

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

	Sense of Community		
	B	SE	β
City-Owned Treatment	0.00	0.12	0.00
Year is 2012	-0.12	0.11	-0.09
Treatment x Year	0.10	0.16	0.06
<hr/>			
Property rehabbed	0.13	0.12	0.09
Year is 2012	0.11	0.13	0.08
Rehab x Year	-0.29	0.17	-0.19+

+ $p < .10$

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 (-)

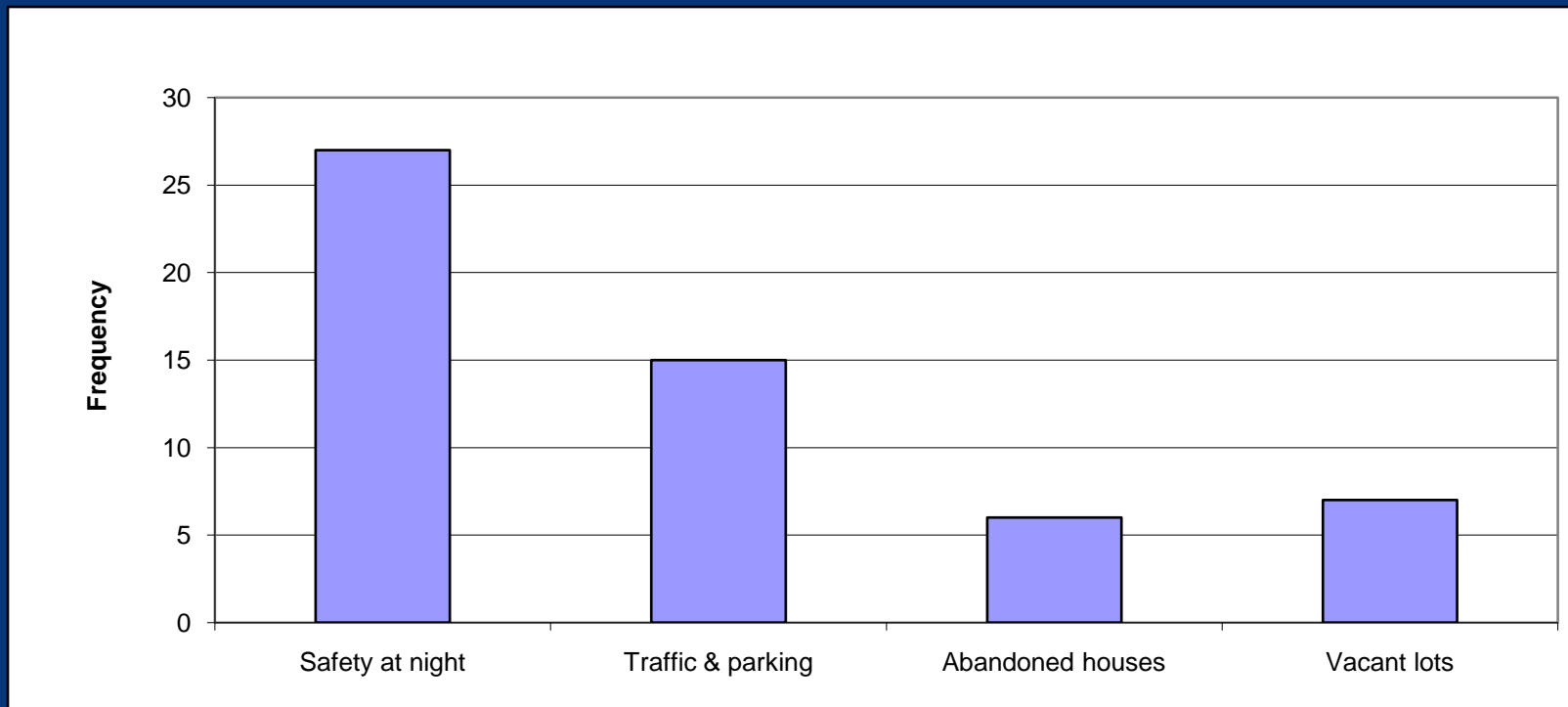
Before: resident views of target foreclosed homes

- 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



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