Beyond anecdotal evidence: Do subsidized housing developments increase neighborhood crime?

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abstract

While planners and policymakers have advocated the need for project-based subsidized housing, they often face the challenge of strong community opposition due to the negative perceptions of subsidized housing and subsidized households, and the fear that these developments and residents would bring increased crime. This paper aims to extend beyond anecdotal evidence by examining the impact of a popular U.S. affordable housing program, the Low-Income Housing Tax Credit (LIHTC) program, on neighborhood crime rates. We estimate the levels and trends in neighborhood crime before and after LIHTC developments, based on crime incidents data from 2000 to 2009 in Austin, Texas, using the Adjusted Interrupted Time Series–Difference in Differences (AITS–DID) approach to clarify the causal direction of impacts of LIHTC developments. Results show that LIHTC subsidized housing tended to be developed in neighborhoods where crime was already prevalent, and contrary to popular perception, LIHTC developments have a mitigating impact on neighborhood crime. These results suggest that LIHTC developments may be an effective tool for revitalizing distressed neighborhoods by ameliorating the “broken windows” problem and reducing neighborhood crime.

1. Introduction

While many researchers and policymakers have advocated the need for project-based subsidized housing, they often face the challenge of strong community opposition to subsidized housing developments. Local community residents are typically staunchly opposed to the introduction of subsidized housing into their neighborhoods, expressed through Not-In-My-Back-Yard (NIMBY) behavior. Concerns about subsidized housing from local residents are typically rooted in a negative perception of households receiving subsidies, which are often tied to attitudes toward their race/ethnicity and poverty status (Freeman & Botein, 2002). However, one of the cores of NIMBY sentiment from local residents often stems from the fear that subsidized housing would bring increased crime into the neighborhood due to the influx of “undesirable” households (Ellen, Lens, & O’Regan, 2012; Lens, 2014; Nguyen, 2005). NIMBY attitudes have posed a significant barrier for the placement of subsidized housing, presenting a conundrum for policymakers pursuing more affordable housing options (Freeman & Botein, 2002; Galster, Tatian, & Smith, 1999; Santiago, Galster, & Tatian, 2001).

During the past few decades, project-based subsidized housing programs in the U.S. have shifted from the traditional public housing program to the LIHTC program. The LIHTC program is unique because it utilizes private equity to produce affordable housing by awarding tax credits to housing developers (Deng, 2007; Van Zandt & Mhatre, 2009). Thus, compared to the public housing program, the LIHTC program has been considered a more effective tool in creating low-income housing that is of a better structural quality and more mixed income (Deng, 2009; Woo, Joh, & Van Zandt, 2014). While previous studies have examined the relationships between public housing developments and neighborhood crime, few studies have focused specifically on the impacts of LIHTC developments. Furthermore, the results from previous research have been inconsistent, with some studies finding a negative impact of subsidized housing on neighborhood crime while others have found an insignificant impact (DeLone, 2008; Galster, Pettit, Santiago, & Tatian, 2002; Griffiths & Tita, 2009; McNulty & Holloway, 2000). These inconsistent findings may stem from the methodological limitations of previous studies that do not take into account the direction of causality between subsidized housing and neighborhood crime. Our study fills these gaps.
by examining how the spatial distribution of LIHTC developments in neighborhoods influences crime incidents.

We examine the impacts of LIHTC developments on neighborhood crime from 2000 to 2009 in Austin, Texas. The empirical methodology of this study specifies the causal direction of the impacts of LIHTC developments to explain the change of levels and trends in crime rates over time. We also examine how the impacts of LIHTC developments vary across different types of crime such as property and violent crime in neighborhoods. To briefly summarize the results, we find that LIHTC subsidized housing tends to be developed in neighborhoods with already higher crime rates, rather than promoting the increase of neighborhood crime. Contrary to popular perception, LIHTC developments do not contribute to increased crime and may have a positive impact on reducing neighborhood crime. This suggests that concerns about heightened crime due to LIHTC developments might be misguided. Our results may help policymakers understand how LIHTC developments impact crime in neighborhoods and help them develop policies to enhance its positive impacts and alleviate negative ones.

2. Literature review

2.1. The spatial concentration of crime in cities

It is a well-established fact that the majority of crimes are committed in cities, and within cities some neighborhoods are more prone to crime than others. Hence, crime tends to be concentrated in a few places within a given city (Sampson, 1985; Sherman, Gartin, & Buerger, 1989; Weisburd & Amramp, 2014). While early studies in spatial criminology were rather coarse in terms of geographic scale, more recent studies have examined the distribution of crime at much smaller levels of aggregation due to advances in data availability, such as the street block or street segment level (Andresen & Malleson, 2013; Groff, Weisburd, & Yang, 2010). Both cross-sectional and longitudinal studies of crime distribution have shown that crime is highly concentrated in small micro-areas within a given city, colloquially known as “hot spots” of crime. Researchers have shown that a disproportionately large number of crime incidents occur in very small geographic areas within cities. For example, Sherman et al. (1989) found that 50 percent of calls for police service originated from only 3 percent of addresses and intersections in Minneapolis, Minnesota; in a more recent study, Weisburd, Groff, and Yang (2012) found a similar pattern in Seattle, Washington where 5 percent of street segments accounted for 50 percent of crime incidents. Similar patterns of crime concentrations were also found in cities outside of the U.S. (Andresen & Lining, 2012; Andresen & Malleson, 2011; Weisburd & Amramp, 2014).

Where there appears to be a general consensus on the phenomenon of crime concentration in cities, there are still limitations and knowledge gaps. While it has been largely established that crime tends to occur in small geographic areas, many studies have not considered the spatial nature of crime concentration and subsidized housing developments. For instance, some neighborhoods with subsidized housing developments may be more prone to crime, which reinforces negative public perceptions on subsidized housing. Another gap is the limited number of study areas or cities where crime concentrations have been examined, which raises the issue of generalizability. Finally, the past literature is relatively scant in terms of examining crime concentrations by crime type, as certain categories of crime (e.g., violent crime such as homicide, robbery, assault, and rape) may have a very different spatial distribution than property crimes. We address these limitations and gaps in our study by examining the relationship between subsidized housing developments and the distribution of different crime types at a micro-level scale in a U.S. city (Austin, Texas) that has not been the focus of many previous studies on crime.

2.2. How subsidized housing developments may affect neighborhood crime

Community opposition to subsidized housing developments has been a longstanding concern for policymakers. This opposition is often rooted in fear of “undesirables” into neighborhoods, which often carries racial and class undertones due to differences in characteristics among residents and tenants of subsidized and non-subsidized housing (Nguyen, 2005; Woo et al., 2014). Recent literature on the topic have pointed to numerous studies showing how subsidized housing developments may decrease neighborhood housing prices due to the spillover effects of subsidized housing from physical and socioeconomic changes (Baum-Snow & Marion, 2009; Woo, Joh, & Van Zandt, 2015). These changes may result in a drop in housing prices due to “white flight” or if potential home buyers perceive the neighborhood as undesirable due to tenant characteristics or perceived disamenities. Additionally, subsidized housing developments may promote increased housing turnover in neighborhoods (Baum-Snow & Marion, 2009; Tiebout, 1956; Woo et al., 2014). Racial and socioeconomic differences among tenants of subsidized and non-subsidized housing may have a destabilizing effect on neighborhoods as the migration of subsidized households into neighborhoods may drive some existing non-subsidized residents to move out (Woo et al., 2014). Rapid turnover discourages neighborhood social cohesion and contributes to the breakdown of informal social control (Ross, Reynolds, & Geis, 2000; Sampson, 1985; Sampson & Groves, 1989). The constant influx and outflow of residents in response to subsidized housing developments may lower social integration by inhibiting the growth of neighborhood networks. Therefore, high housing turnover due to lower neighborhood social cohesion may increase crime within neighborhoods (Ross et al., 2000; Smith & Jarjoura, 1988).

Furthermore, the decline of neighborhood quality due to the influx of subsidized households may increase neighborhood crime (Dear, 1992; Kean & Ashley, 1991). The broken windows theory, which is one of the paradigms explaining the relationships between crime and physical dilapidation, proposes that an environment of physical disrepair or disorder causes neighborhood decline (Sampson & Raudenbush, 2004; Wilson & Kelling, 1982). The deterioration of the physical appearance of neighborhoods due to graffiti, garbage, abandoned cars, and dilapidated houses in communities may lead to individual perceptions of prevalent crime, which triggers community disinvestments and neighborhood decline (Massey & Denton, 1993). In this context, concerns about increasing crime due to the influx of subsidized households into neighborhoods might be plausible.

2.3. LIHTC subsidized housing developments in the U.S.

The public housing program in the U.S. produced over one million affordable housing units between the late 1930s and the mid-1980s (Eriksen & Rosenthal, 2010; Schwartz, 2010).