

### THANK YOU TO JENNA HORNSTOCK!

This week, January 31, we held a robust GLUE Council meeting—your business advisory group. First, we are both thrilled and saddened by the news that GLUE Council's senior SCAG staff leader, Jenna Hornstock, will be leaving SCAG to join Mayor Bass as her Deputy Mayor for Housing. We wish her the very best of luck in her new role, as she's already a strong advocate and planner for housing. We note that Mayor Bass is breaking down silos in LA and BIZFED LA, GLUE Council member, has just entered into an agreement with the County of LA to address homelessness and housing. We welcome the opportunity to assist Jenna in her successes for these tough issues.

### NEW MEMBER: SNAP, INC.

We welcomed a new member, Jasson Crockett of Snap, Inc. (parent corp of SnapChat) to add to a strong technology industry sector for GLUE.

### SCAG UPDATES

GLUE Council members received updates on SCAG's legislative agenda, Housing, and Connect SoCal, the local data exchange. Members provided comments and suggested upgrades on the Clean Transportation Technology Policy.

### ECONOMIC QUICK HITS—INFORM CONNECT SOCIAL—SMALL BUSINESS CONCERNS

Every meeting, we ask a member to provide issues from a particular sector to help SCAG staff prepare for the next SCS/ RTP. This month we focused on the issues affecting small business (generally 500 employees or less, and about 90% of the state's economy). Those issues include access to capital—in this pre-recession economy, banks are pulling back on capital for small business now—thus an increase in floating debt. In addition, inflation is hitting them hard, especially mom and pop restaurants and even chains. The cost of goods, utilities and increased labor costs keep growth tamped down. In addition, Dr. Wallace Walrod noted that the Draper Innovation Index shows California falling from 11th to 14th in innovation. California's venture capital is strong, but the state continues to be listed as 49th out of 50 states in positive small business policy. <https://index.draperhero.org> for more info.

### NEW AFFORDABLE HOUSING DOES NOT INCREASE CRIME/DECREASE HOME VALUES

We welcomed George Tita of UCI's Livable Communities Lab who presented his findings on a recent study of Orange County affordable housing impacts on community crime and existing home values. Below is a copy of the Executive Summary. SCAG staff also can share the short slide presentation. Bottom line: this should be very helpful to elected officials from the region to be able to “respectfully push back” on the oft-quoted opposition statement: “Don't build that project because it will promote crime and/or reduce my home value.” There is no evidence for either.

### INFLATION SUMMARY UPDATE

The big question facing the economy right now is whether policymakers can bring down inflation without driving up unemployment and putting millions of people out of work.

Some encouraging signs have emerged on that front lately. Inflation has moderated significantly over the past six months, though it remains too high. The job market has proved remarkably resilient: Despite high-profile layoffs in tech and a few other sectors, overall unemployment remains at a half-century low. [Data released by the Labor Department](#) yesterday showed only a slight increase in layoffs in December; we'll get fresh data on unemployment tomorrow, when the government releases its monthly jobs report.

But many economists, including policymakers at the Federal Reserve, have viewed those signs of progress warily. That's partly because they've been burned before, initially dismissing high inflation as temporary, only to see it prove more severe and last longer than almost anyone anticipated. But it's also partly because of signs within the economic data that suggest inflation may persist.

Chief among those signs: wages, which have been rising much faster than they were before the pandemic. Fed officials have repeatedly argued that it will be hard for inflation to fall back to their long-term goal of 2 percent as long as wages keep rising at a rate of 5 percent or more a year, as they have been since the middle of 2021.

On Tuesday, however, there was a hopeful sign. Wages in the private sector rose just 1 percent in the final three months of 2022, the equivalent of a 4.2 percent annual growth rate. Jerome Powell, the Fed chair, called the data "constructive" yesterday and applauded the evidence of moderating inflation, even as he warned that both pay and prices were still rising faster than policymakers were comfortable with. Ultimately, an economy with 4 percent wage growth and 2 percent inflation will be better for workers than one with 6 percent wage growth and 8 percent inflation. – ***New York Times***

#### ATTACHMENTS:

- George Tita, UCI's Livable Communities Lab, Executive Summary and Power Point
- So Cal Gas, High Winter Bills 2023

# THE IMPACT OF AFFORDABLE HOUSING ON HOUSING & CRIME IN ORANGE COUNTY

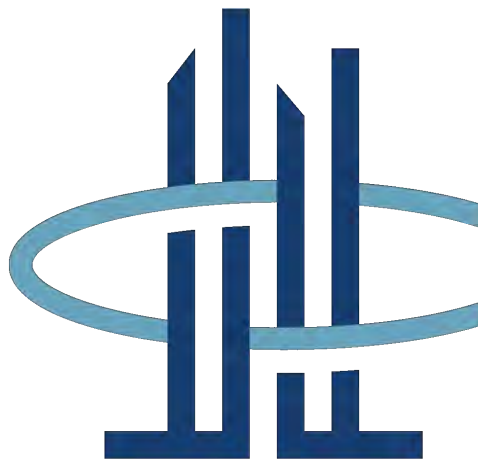
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Produced by the Livable Cities Lab



L I V A B L E  
C I T I E S L A B

## INTRO

Orange County is facing a critical housing shortage. It is estimated that 65,000 housing units are needed to meet current demand (Orange County Business Council <https://ocbc.org/whos-really-blame-ocs-housing-affordability-crisis/>). This shortage cuts across all categories of housing but is especially acute within the affordable housing sector. There are a number of reasons why the supply of affordable housing is not keeping up with demand. Some are recent, such as increasing material and labor costs along with a disruption in the supply-chain. Some are more endemic, such as long lead times and the high costs associated with the permitting and approval process. The fear that affordable housing will destroy local property values and/or increase crime remains one of the more entrenched barriers to development.

Careful research has shown this not to be the case across a diverse set of communities in America (Galster 2002; Center for Housing Policy 2009; Albright, Derickson and Massey 2013). Two recently published articles found the same: Stacy and Davis (2022) looked at the impact on property values in Alexandria, VA and found a small but statistically significant positive impact on property values. Similarly Voith et al. (2022) have positive spillover effects on surrounding property values in Chicago, IL and Cook County, IL. Closer to home, study participants in San Diego, CA reported having serious concerns over the siting affordable housing in their community, believing that it would both increase crime and reduce property values. But again, no empirical evidence was found to warrant such concerns (Abdel-Samad, et al. 2020.) However, some remain unconvinced of results from other places arguing that, in this case, Orange County, is sufficiently different that such research sheds no light on the local reality.

This research does not and cannot comment on the complexities of why it takes so long to build housing, or why it is so expensive. This research examines two simple questions: First, what happens to local housing values following the placement of affordable housing in Orange County? Second, what happens to local levels of crime following the placement of affordable housing in Orange County?

## DEFINING AFFORDABLE HOUSING

The category of housing defined as “affordable housing” for the purpose of this research is described as rental housing units that serve Orange County households that fall within the 30%-120% Average Median Income (AMI) category. This equates to an annual income of roughly \$26,000 - \$83,000 based on 2019 standards. Our data includes housing units that serve special needs populations, homeless, disabled, other, that might fall below the 30% AMI threshold including housing for what is generally described as permanent supportive housing units. Emergency, temporary, transitional and other specialized categories of shelter/housing is excluded from our study.

## WHERE IS AFFORDABLE HOUSING IN ORANGE COUNTY?

We worked closely with the local housing authorities (County, Anaheim, Garden Grove, and Santa Ana) in order to locate affordable housing. The City of Irvine and several other public sources maintain publicly accessible lists that identify affordable housing opportunities

throughout the County or within specific jurisdictions. The list we created was shared with local developers of affordable housing including American Family Housing, Community Development Partners, Jamboree Housing, and National CORE to review the database of affordable properties.

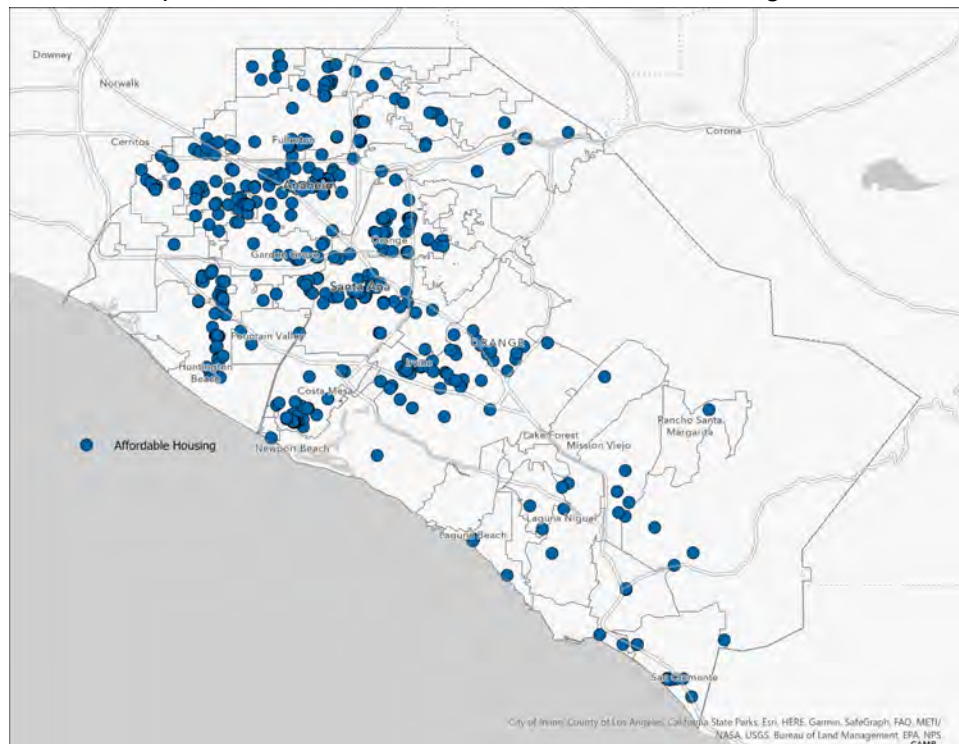
This resulted in additional locations being added to our master list. Finally, the list was augmented by conducting a web search for housing that accepted income-based housing vouchers from other sites including <https://affordablehousingonline.com/>.

The augmented list was again vetted by our partners in the Housing Authority and Development community resulting in a list of 371 distinct affordable housing units used in the data analysis.

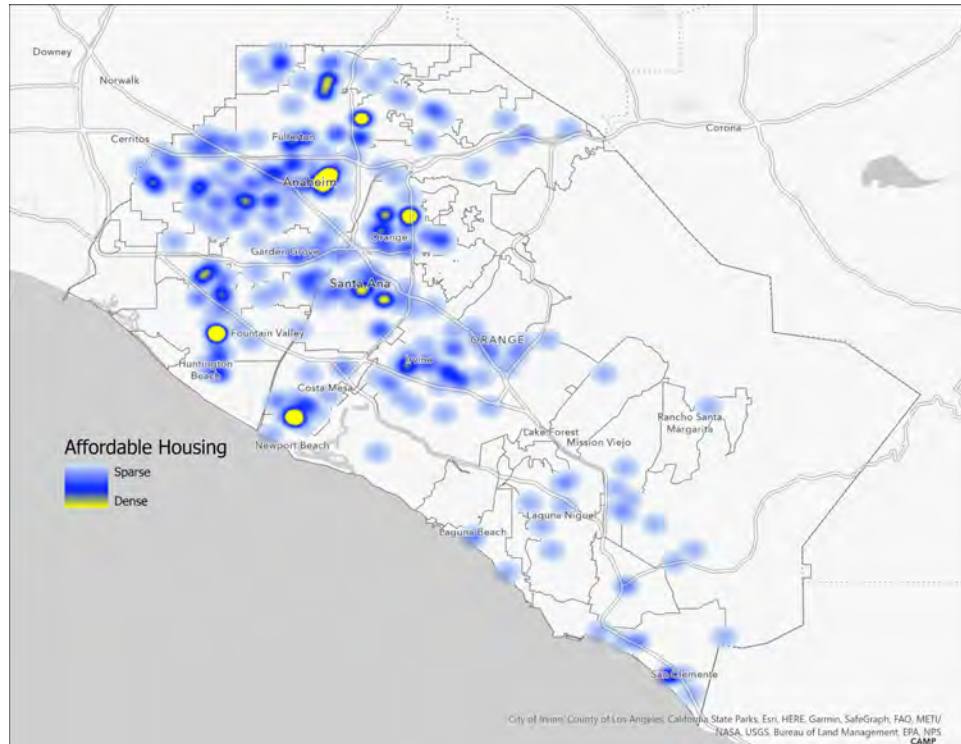
Map 1 displays the location of each unit and Map 2 uses the locations to demonstrate the density of affordable housing throughout Orange County. Affordable housing is located in most populated areas of the county, but areas of density emerge primarily in the northern sections of the county.

The density map is an effective way to support the importance of the effort to “de-concentrate” affordable housing away from highly impacted areas.

Map 1 – Locations of Individual Affordable Housing Units



Map 2- Kernel Density Map of Affordable Housing



## DEMOGRAPHIC AND ECONOMIC DATA

Table 1 presents demographic and economic measures from the 2010 American Community Survey at the level of census block groups for both places with affordable housing and those without. On average, places with affordable housing have a larger Hispanic population, lower median household income, fewer homes valued over \$750,000. However, 18%, or nearly 50 of the census block groups with affordable housing, are places where average home values are \$750,000 or greater.

Still, as shown by both the maps and the summary data, affordable housing is located in areas on the lower end of the economic scale and whose residents are disproportionately members of groups that do not identify as Non-Hispanic White.

TABLE 1 – Social and Economic Characteristics of Orange County Block Groups (2010)

	Without Affordable Housing		With Affordable Housing	
	Average	SD	Average	SD
Hispanic (%)	28.98%	0.25	46.42%	0.28
Non-Hispanic White (%)	47.29%	0.26	30.20%	0.22
Non-Hispanic African American (%)	1.50%	0.03	2.13%	0.03
Non-Hispanic Asian (%)	18.73%	0.17	18.06%	0.16
Non-Hispanic Two or More Races (%)	2.86%	0.03	2.29%	0.03
Non-Hispanic Other (%)	3.29%	0.03	2.91%	0.03
Median Household Income	\$104,063	\$42,648.58	\$71,645.95	\$30,586.66
Moved in the Last Year (%)	11.34%	9.20%	13.09%	9.88%
Average Household Size, Overall	3.07	0.85	3.23	0.91
Average Household Size, Owner	3.03	0.89	3.36	1.10
Average Household Size, Renter	3.34	1.23	3.16	1.05
Median Rent	\$2,018	\$568.93	\$1,559	\$376.00

English-Only Speaking (%)	59.90%	24.64%	43.27%	23.28%
Value Under \$100,000	3.76%	10.96%	8.38%	21.13%
Value (\$100,000 - \$150,000)	0.95%	4.22%	1.61%	7.81%
Value (\$150,000 - \$200,000)	1.02%	4.15%	1.21%	4.58%
Value (\$200,000 - \$300,000)	3.66%	10.30%	4.96%	10.85%
Value (\$300,000 - \$400,000)	6.76%	11.59%	9.65%	15.96%
Value (\$400,000 - \$500,000)	11.85%	15.66%	15.81%	18.26%
Value (\$500,000 - \$750,000)	35.94%	25.89%	39.74%	27.20%
Value (\$750,000 - \$1,000,000)	19.84%	21.25%	11.11%	15.99%
Value (\$1,000,000 - \$1,500,000)	8.95%	14.62%	4.42%	11.35%
Value (\$1,500,000 - \$2,000,000)	3.01%	7.84%	1.04%	4.20%
Value (\$2,000,000+)	4.25%	13.21%	2.07%	8.72%
Number of Block Groups	1548		271	

## HOUSING VALUES

### WHAT DID WE DO?

In order to evaluate claims that affordable housing will reduce local property values, we obtained data on all residential home sales in Orange County between 2001 and 2020. We focused our analysis on homes sold within two miles of affordable housing developments and within three years before or after the development's opening date. We focused on neighborhoods where we observed active development of affordable housing from 2001 to 2020 - every neighborhood in our sample had homes sold both before and after the opening of an affordable housing development. There were a total of 1,158,258 residential properties bought and sold around 229 affordable housing developments in our analysis sample.



We focused on two measures of home values: the total sales price, and the price per square foot. We also made two adjustments to these values in order to make meaningful comparisons before and after the affordable housing development opened. First, we adjusted the value of the sales price to account for inflation, translating all prices into 2020 values. Second, we conducted a statistical procedure to separate the impact of the affordable housing development from other changes in the Orange County housing market that are unrelated to any specific neighborhood conditions. This is particularly important given the influence of the 2008 recession, when median home values fell to 57% of their 2005 value, and the post-2018 period where the yearly growth rate in median home sales price has doubled, in real terms, every year.

In practice, this involves identifying all homes located more than three miles from any affordable housing site in our sample. We then estimated the average sales price, and price per square foot, of these homes in each of the 228 months from Jan 2002 to December 2021. Finally, we returned to our analysis sample, and subtracted the relevant average “more than three miles away” sales price from each price of each home sold within 2 miles of an affordable housing development in order to create an “adjusted sales price.” Changes in this adjusted sales price reflect the change in local home values around affordable housing that do not depend on changes in the overall tightness of the Orange County housing market.

## WHAT DID WE FIND?

Based on this adjusted home value, we find that, on average, the observed sales price of the homes nearby (as shown in Figure A1) increased following the citing of affordable housing. Within one-fifth ( $\frac{1}{5}$ ) of a mile of the development, the observed home sales price increased by about \$15,800 (when considering average home size, this is roughly \$9.45 per square foot). Similarly, among homes sold about  $\frac{1}{2}$  mile away, the observed increase in sales price was about \$14,200 (or \$5.56 per square foot), whereas homes sold one mile away increased by \$13,500 (or \$2.99 per square foot). This is generally not consistent with concerns about affordable housing depression home values.

Figure H1 shows the relationship between affordable housing and local home sales prices in more detail, tracing the average home sales price before and after an affordable housing site opens, adjusted for county housing trends, for homes adjacent to, and further away from, the development site.

Prior to the development, homes less than  $\frac{1}{5}$  of a mile from the development site were sold for at least \$30,000 below typical Orange County prices, and values increased by about \$10,000 for every tenth of a mile further from the location. Homes sold between one and 2 miles from the site of a future affordable housing project were similar in value to the rest of Orange County. In the three years following the opening of the affordable project, however, homes within  $\frac{1}{5}$  of a mile of the site all increased in value, with the biggest increase observed in the homes closest to the project. We observe a general increase of roughly \$10,000 in home values within 1.5 miles of the development, which slowly tapers off as we move further and further away.

Real estate professionals often focus on price per square foot to reflect the desirability of housing, which directly accounts for the impact of living space on total sales price. Figure H2

converts figure H1 into price per square foot. We conclude that this more robust measure of home value does not suggest that affordable housing depresses neighborhood quality. Homes immediately adjacent to affordable housing projects increase in value by roughly \$15 per square foot, and by approximately \$2-\$5 per square foot about  $\frac{2}{3}$  of a mile away. We observe no substantial or consistent difference in the price per square foot on homes sold more than  $\frac{3}{4}$  of a mile from affordable housing.

## DOES THE NEIGHBORHOOD MATTER?

Placing affordable housing in already affordable neighborhoods may impact the local environment in a different way than affordable housing introduced into a higher income neighborhood. In order to evaluate claims that affordable housing may be particularly detrimental to the quality of higher income places, we examined the neighborhood poverty rates in around all successfully places affordable housing developments in Orange County, and selected the developments in the top 25% of poverty rates (the highest poverty rates) and the bottom 25% of poverty rates (the lowest poverty rates). On average, affordable housing developments places in the top 25% were in neighborhoods with a 26% poverty rate, and places in the bottom 25% had a 6.2% poverty rate.

We then repeated our analysis of overall adjusted sales price and adjusted price per square foot in neighborhoods with the lowest and highest levels of poverty where affordable housing has been placed. As shown in figures H3 and H4, opening affordable housing in places with higher poverty rates has a modest positive impact on the value of surrounding homes. Relative to the rest of Orange County, the affordable housing opened in the highest poverty rate places was associated with a \$15 increase in price per square foot in the immediate vicinity of the development, which falls to a roughly \$5 increase in price per square foot up to two miles away.

Figure H5 reveals that, on average, home values increase in more affluent in areas following the opening of affordable housing. The only exception is the for homes that are adjacent to affordable housing and sold in the three years after a development opens, sold for about \$15,000 less than homes sold in the three years before. However, Figure H6 reveals that this decrease in sales price is offset by an increase in price per square foot of \$15. Thus, the supposed negative impact on sales price is simply an artifact of the size of the homes that sold before versus after the opening of affordable housing. While the houses that sold prior to the opening were larger, the homes that sold following were smaller but more valuable as measured by square footage. The increase in value per square foot is found across the study area. The \$15 increase in the sales price per square foot of nearby homes decreases to a roughly \$3 increase in price per square foot, relative to the rest of the county, more than  $\frac{2}{3}$  of a mile away.

Overall, the data on actual home sales do not support the claim that affordable housing depresses local home values. We also do not find evidence that placing affordable housing in relatively wealthier neighborhoods has a substantially different effect on the price per square foot of nearby homes than affordable housing in higher poverty neighborhoods. Homes that have the highest increase in value are located within  $\frac{2}{3}$  of a mile of the opening affordable housing development.

## **CRIME**

### **WHAT DID WE DO?**

We made a significant effort to collect crime data from as many cities in the county as possible. The earlier crime data for this study were collected as part of the Southern California Crime Study (SCCS) (<https://ilssc.soceco.uci.edu/southern-california-crime-study/>). In that study, the researchers made an effort to contact each police agency in the Southern California region[1] and request address-level incident crime data for the years 2005-2012.[2] Many of the agencies were willing to share their data with us. The data come from crime reports officially coded and reported by the police departments.

We classified crime events into six Uniform Crime Report (UCR) categories: homicide, aggravated assault, robbery, burglary, motor vehicle theft, and larceny. Crime events were geocoded for each city separately to latitude–longitude point locations using ArcGIS 10.2, and subsequently aggregated to blocks. The average geocoding match rate was 97.2% across the cities. These data have been used in several prior studies (Kubrin and Hipp 2016; Hipp and Kubrin 2017).

The LCL research team and its partners from the Orange County United Way and Jamboree Housing then made attempts to update the original data set by reconnecting with all local law enforcement agencies in Orange County. The data request mimicked the original request for crime times and locational data. The research team used the same process to geocode the data, though many agencies provided data that was already geocoded to the precise location of the event. Table 2 presents the agency and years from which we have the crime data.

Table 2. Crime Data by Year and Law Enforcement Agency

City Name	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Aliso Viejo	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Anaheim								X	X	X	X	X	X	X	X	X	X	X	X	X	
Brea											X	X	X	X	X	X	X	X	X	X	X
Buena Park									X	X	X	X	X	X							
Costa Mesa																X	X	X	X	X	X
Cypress																					X
Dana Point	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Fountain Valley																X	X	X	X	X	X
Fullerton							X	X	X	X	X	X	X	X	X						
Garden Grove						X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Huntington Beach						X	X	X	X	X	X	X	X	X	X		X	X	X	X	X
Irvine					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
La Habra						X	X	X	X	X	X	X	X	X	X						
La Palma															X	X	X	X	X	X	X
Laguna Beach									X	X	X	X	X	X	X						
Laguna Hills	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Laguna Niguel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Laguna Woods	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Lake Forest	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Los Alamitos																					
Mission Viejo	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Newport Beach	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X						
Orange										X	X	X	X	X	X	X					
Placentia																				X	X
Rancho Santa Margarita	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Rossmore	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
San Clemente	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
San Juan Capistrano	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Santa Ana	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Seal Beach	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X					
Stanton	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Tustin						X	X	X	X	X	X	X	X	X	X						
Villa Park	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Westminster							X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Yorba Linda	X	X	X	X	X	X	X	X	X	X	X	X	X								

After aggregating the crime data to census blocks, we joined the data to the locations for affordable housing placement. We computed the distance around each housing placement and determined the distance of each block from the housing up to one mile. Based on the year of the housing placement, we determined the amount of crime within a block during the year of placement, and then each of the three years before and after placement.

Our analyses compared the amount of crime in blocks both before and after the housing placement. We assessed these differences for two violent crimes: aggravated assault and robbery. We also assessed these differences for three property crimes: burglary, motor vehicle theft, and larceny (theft). For these analyses, we determined which blocks were within three different buffers of the housing placement: within 1/5 of a mile; between 1/5 and 1/2 mile; and between 1/2 and 1 mile.

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[1] We define the region as including five counties: San Bernardino, Riverside, Los Angeles, Orange and San Diego.

[2] 61.8% of the cities have data for all or seven of the eight years in this range. For remaining cities, coverage varies year to year.

## WHAT DID WE FIND?

Regarding the two violent crimes, we found no evidence of an increase after the placement of housing. In Figure C1 we see that the number of aggravated assaults in blocks within 1/5 of a mile actually decline very slightly after placement, whereas there is effectively no difference at longer distances. In Figure C2 for robberies, the number of robberies actually slightly declines after placement at all distances from the housing. Turning to the property crimes, Figure C3 for burglaries tells the same story: the number of burglaries after placement actually slightly declines at all distances from the housing. The one exception is in Figure C4, where the number of motor vehicle thefts slightly increases after placement at all distances. This is a very modest effect, as the average block experiences an additional 1/10 of a motor vehicle theft after placement. In Figure C5 there is no change in larcenies after placement within 1/5 of a mile, and very slight increases at longer distances.

## DOES NEIGHBORHOOD MATTER?

We also assessed whether the poverty level of the neighborhood impacted the relationship between affordable housing placement and changes in crime. For these models we aggregated the violent crimes into one measure, and the property crimes into another. In Figure C6 we see no evidence that violent crimes increase after placement in high poverty neighborhoods. There are actually slightly fewer violent crimes within 1/5 of a mile, and little difference at longer distances. There is some evidence of an increase in property crime in high poverty neighborhoods after placement as seen in Figure C7. The average block within 1/5 mile has about one more property crime every two years, and blocks from 1/5 to 1/2 mile have about one more property crime every three years.

In low poverty tracts, it appears that there is little change in crime after placement of housing. Figure C8 shows that there is actually a very slight drop in violent crimes within 1/5 to 1/2 mile of housing after placement, but no difference at other distances. In Figure C9 we see that for blocks within 1/5 mile of a placement there is about 0.1 more property crimes per year—that is, one more property crime every 10 years. There is no change for blocks from 1/5 to 1/2 mile, and blocks from 1/2 to 1 mile have about one more property crime every 5 years.

## CONCLUSIONS

The siting of affordable housing does not negatively affect housing prices in Orange County. In fact, we see modest increases in both sales prices and price per square footage county wide, with the most pronounced impact in places categorized with higher rates of poverty.

The siting of affordable housing reduces most types of crime, especially violent crime. The overall impact is best described as “null”, as the changes in crime are measured in a fraction of a single crime per year.

Prior to collecting and analyzing the data, we completed a literature review of similar studies conducted in other parts of the United States. The results from our analysis for Orange County add to what has been found elsewhere: The placement of affordable housing does not negatively impact the surrounding community, and in many ways, it enhances both local property values and increases public safety.

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Figure A1 – Summary of Housing Overall Housing Prices and Distance to Affordable Housing

Distance	Home Sale Price Difference after Affordable Housing Established
.2 Miles	\$15,817.42 (\$132.73)
½ Mile	\$14,259.58 (\$53.01)
1 Mile	\$13,514.58 (\$17.82)
2 Miles	\$10,685.99 (\$35.85)

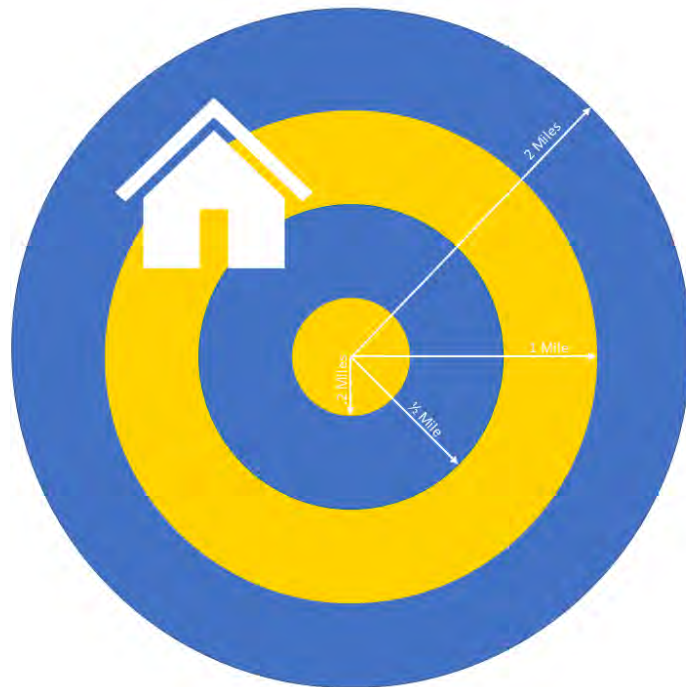
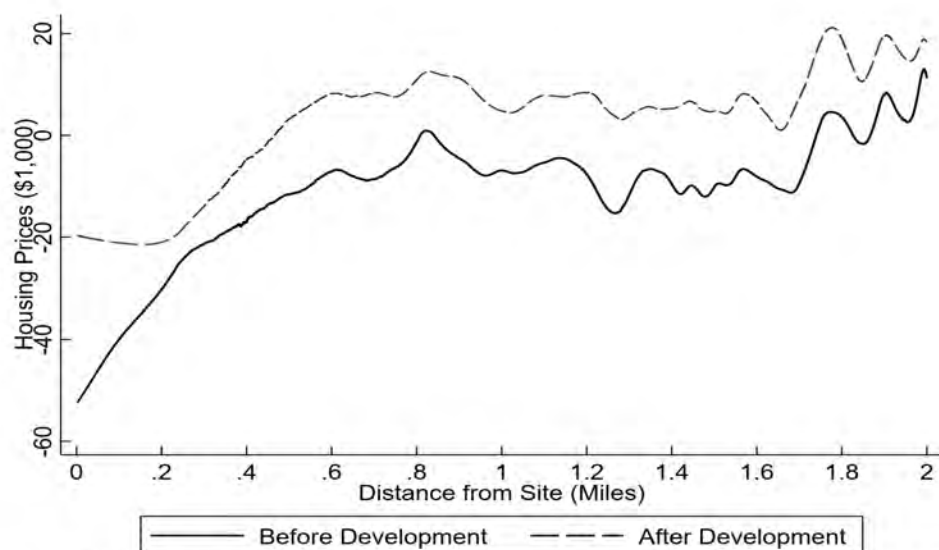
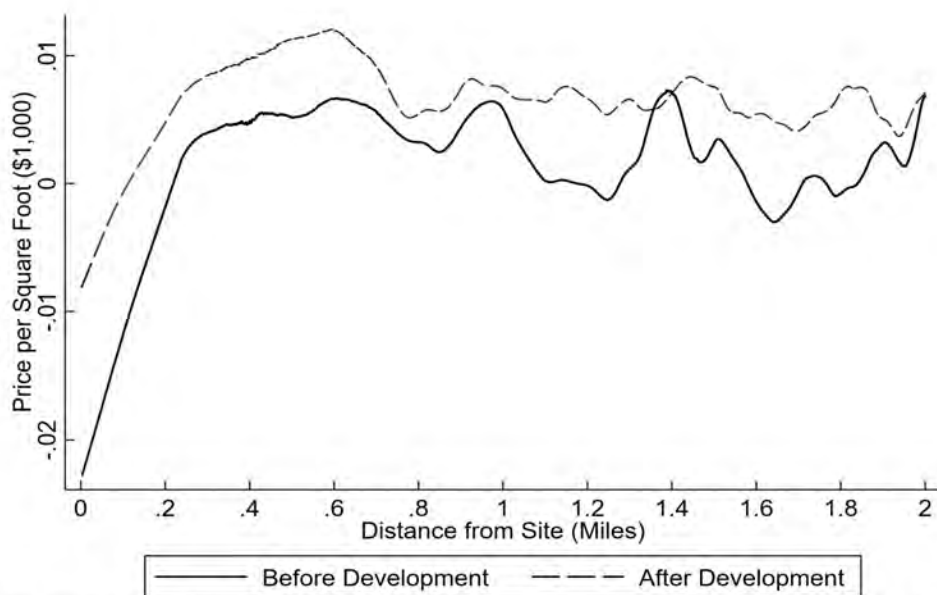


Figure H1. Overall Housing Prices



Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance to site, \$2020

Figure H2. Price Per Square Foot Overall



Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance to site, in \$20;



Figure H3 - Housing Prices – High Poverty Tracts

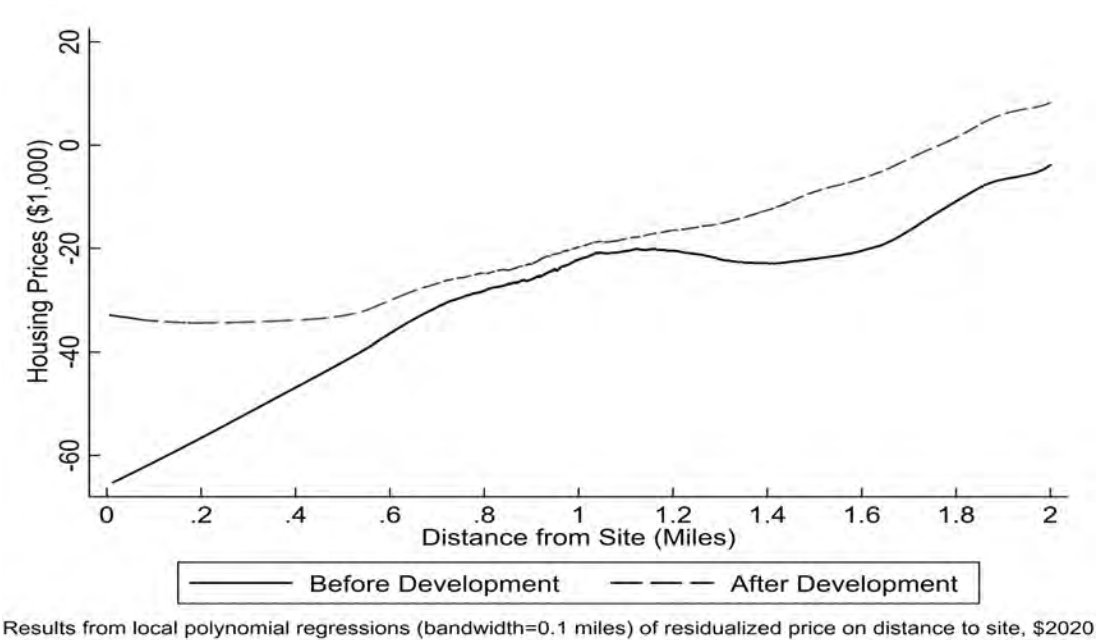


Figure H4 - Price Per Square Foot - High Poverty Tracts

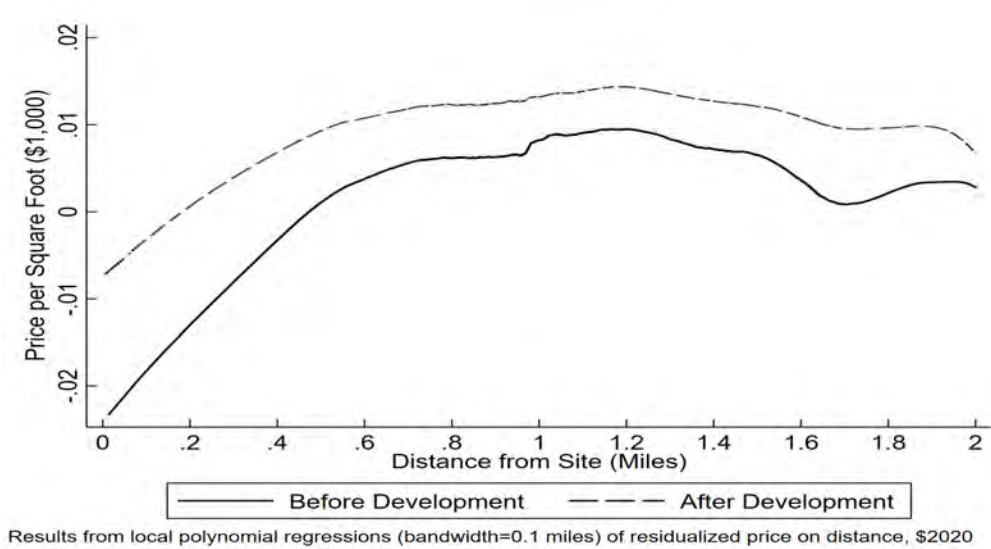


Figure H5 - Housing Prices – Low Poverty Tracts

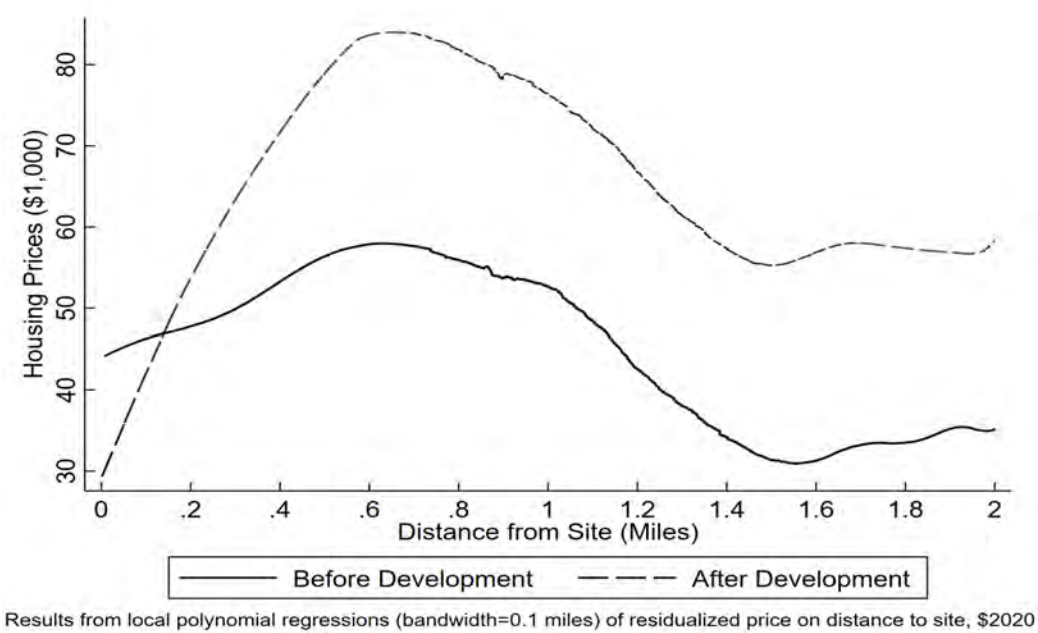


Figure H6 - Price Per Square Foot - Low Poverty Tracts

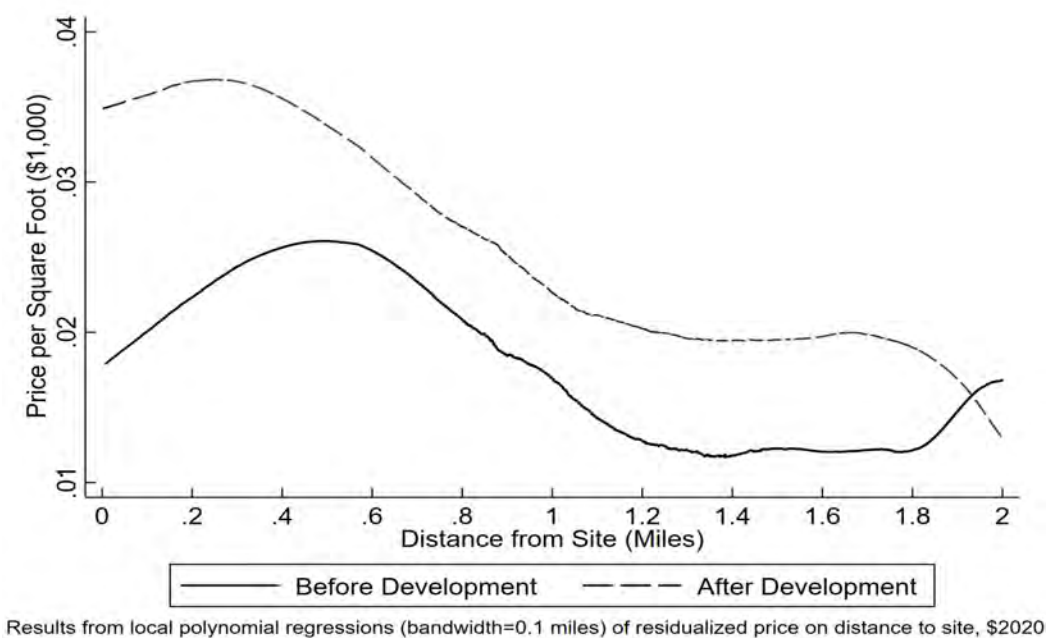


Figure C1 – Aggravated Assaults, Overall

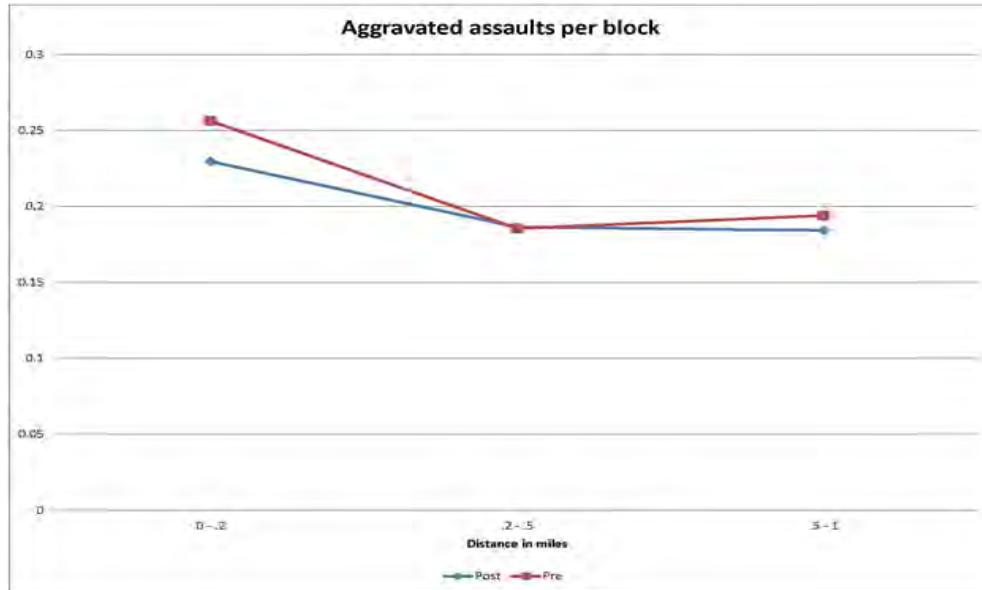


Figure C2 – Robberies, Overall

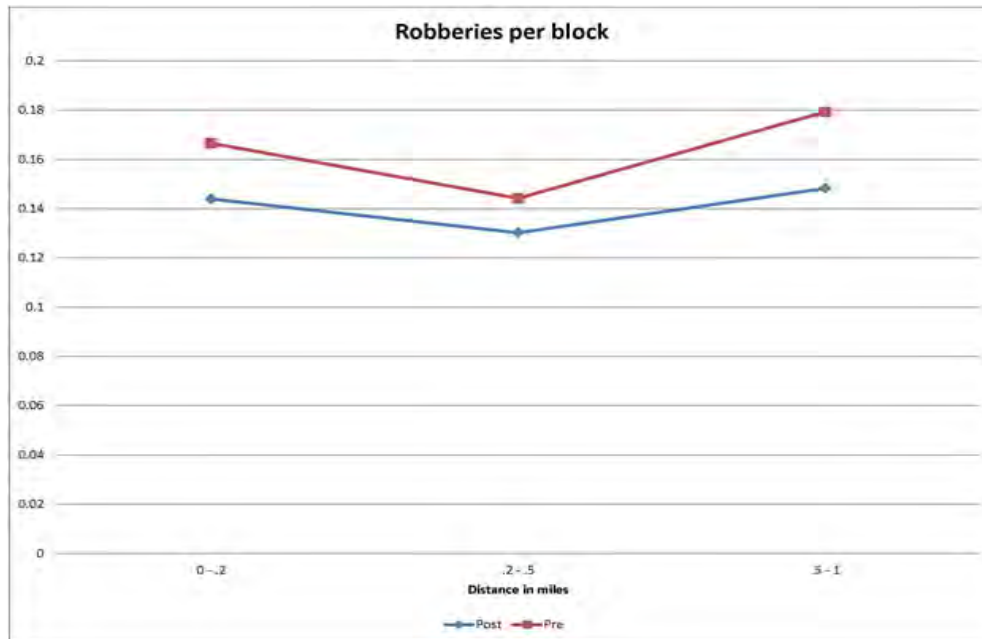


Figure C3 – Burglaries, Overall

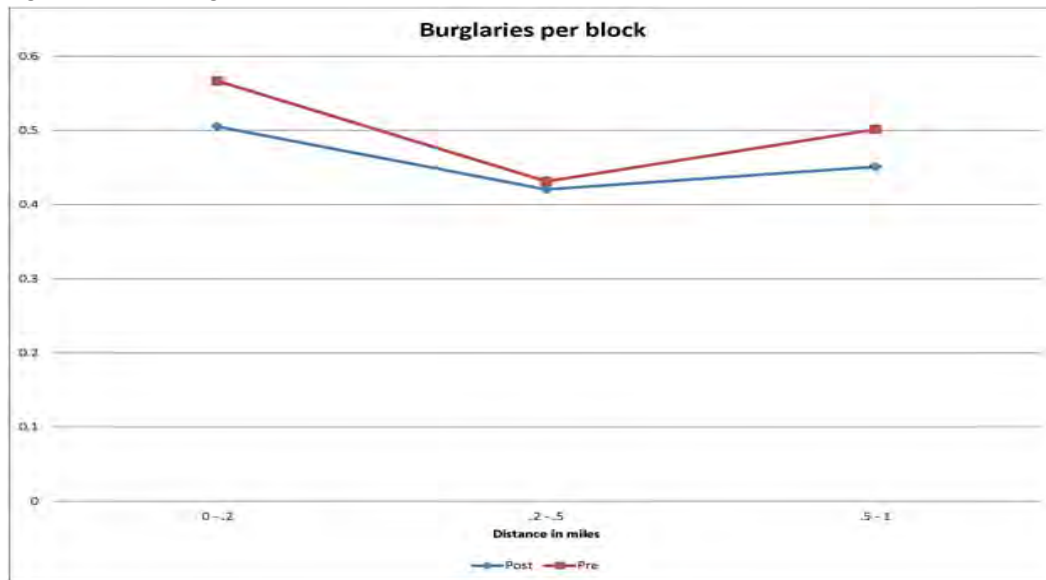


Figure C4 – Motor Vehicle Theft, Overall

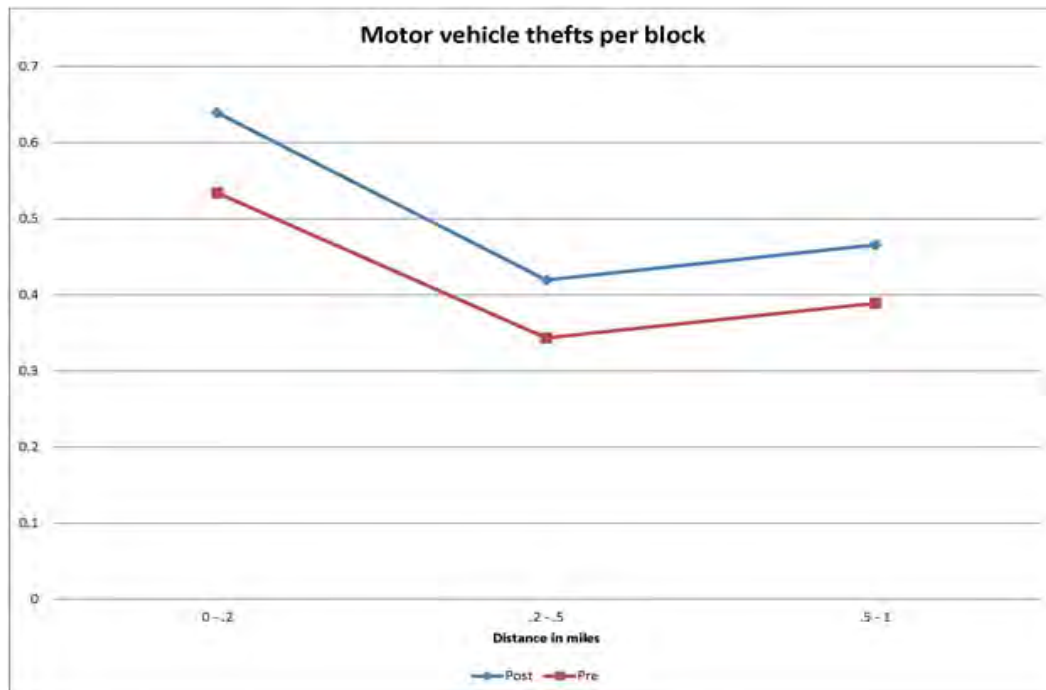


Figure C5 – Larceny, Overall

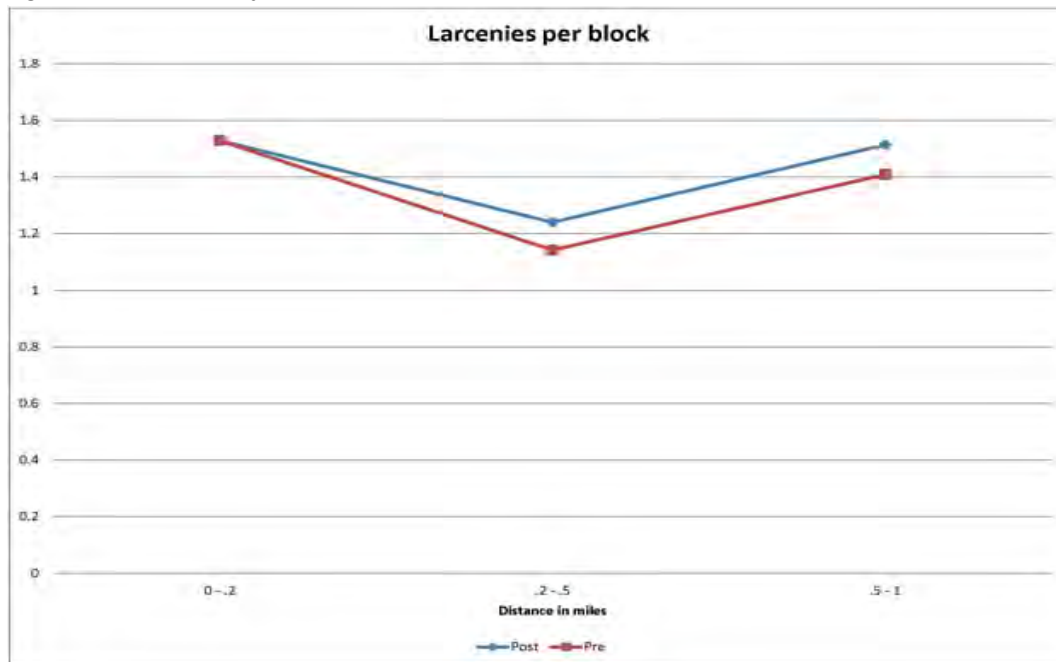


Figure C6 – Violent Crimes in Higher Poverty Places

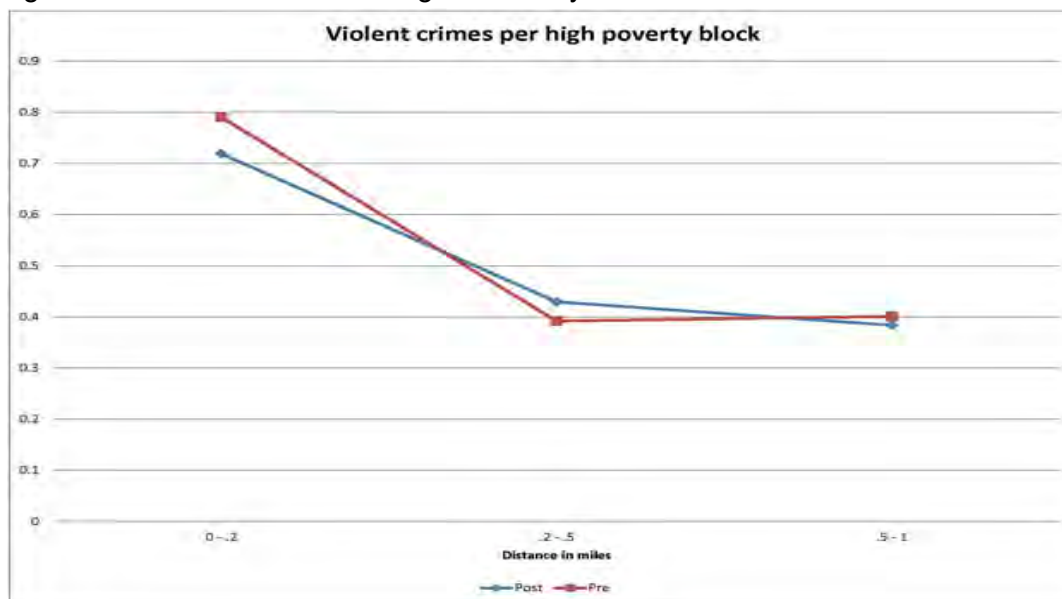


Figure C7 – Property Crimes in Higher Poverty Places

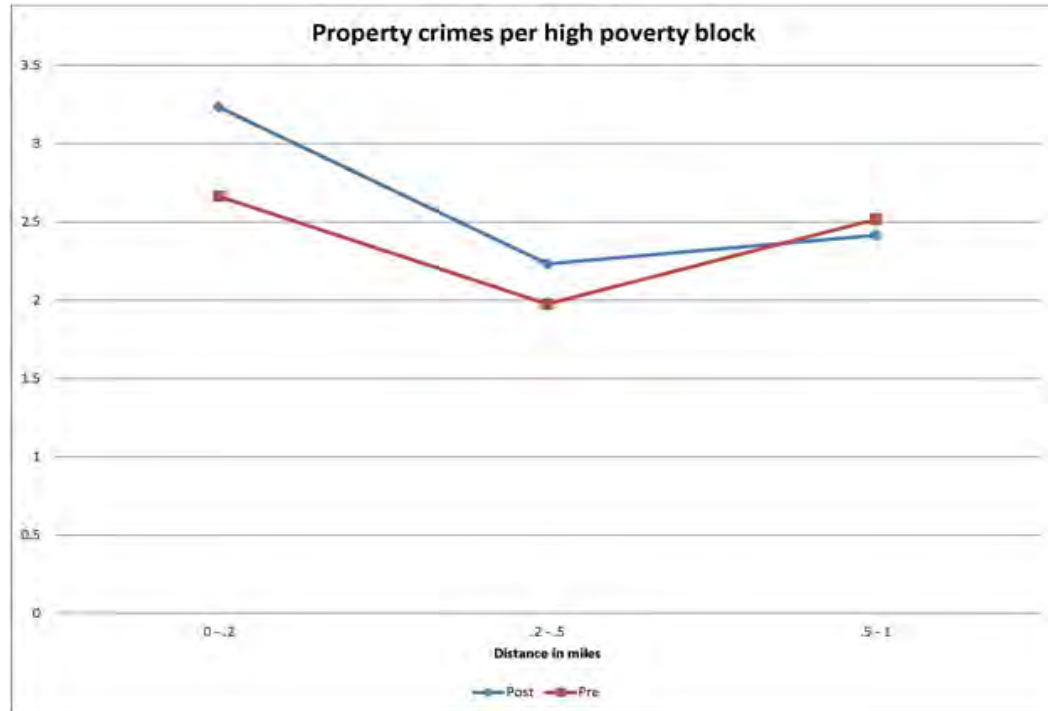


Figure C8 – Violent Crimes, Lower Poverty Places

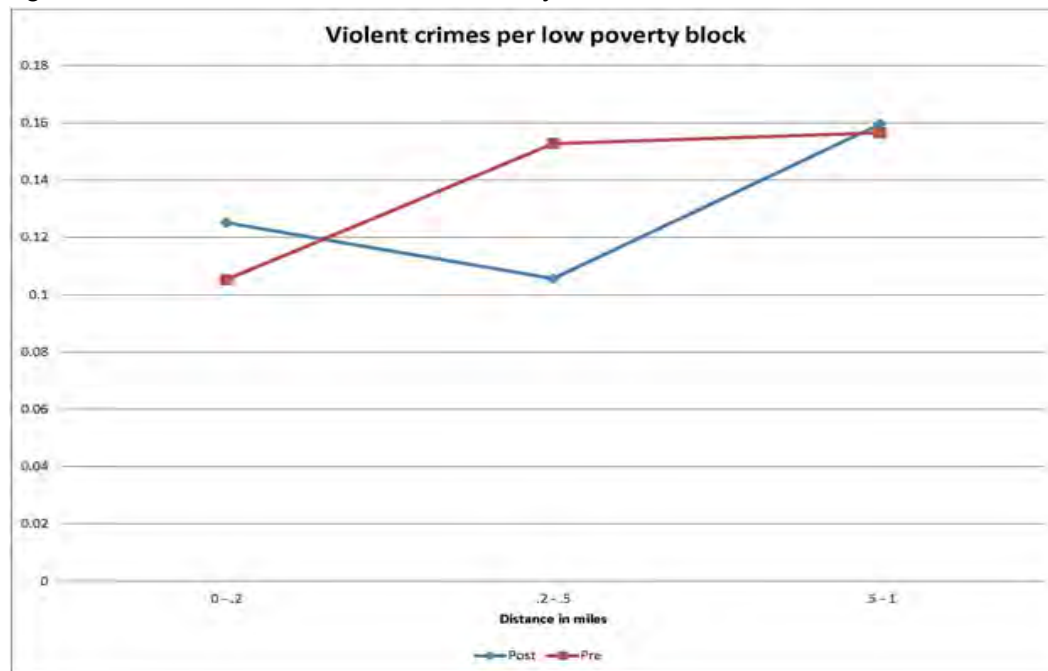
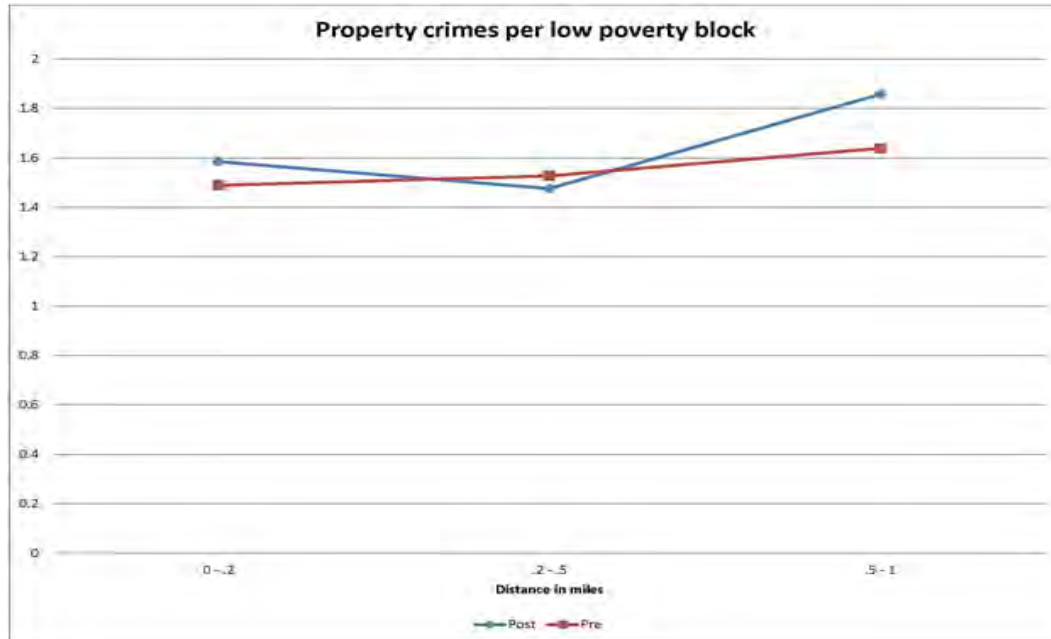


Figure C9 – Property Crimes, Lower Poverty Places





L I V A B L E  
C I T I E S L A B

## Global Land Use and Economic Council

January 30, 2023

Creating Livable Cities for Everyone



# LIVABLE CITIES LAB

Creating Livable Cities for All



## Mission Statement

To leverage the academic expertise of UCI faculty and students in order to engage policy makers and stakeholders around two important issues: providing dignified housing for all and creating and maintaining safe communities

## Research Portfolio

- Public Safety
  - Community Critical Response Teams in Anaheim
  - Multi-City study of Gun Violence
- Housing
  - **The Impact of Affordable Housing on Crime and Property Values**

# Orange County Affordable Housing Impact Study



John Hipp, Clarissa Iliff, Emily Owens, George Tita, Seth Williams

# Our Research Question

## **Affordable Housing**



Housing Prices

?



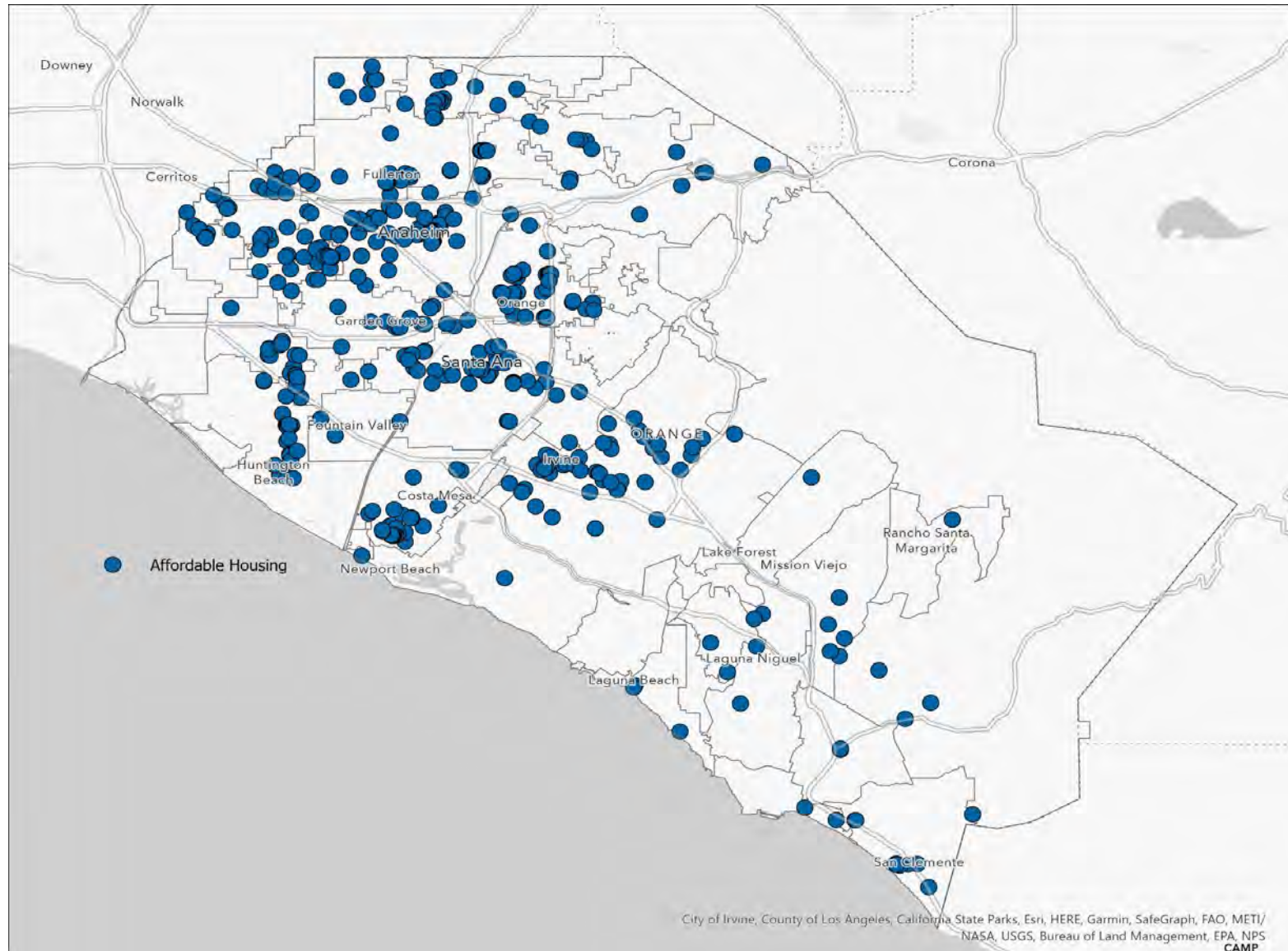
Crime & Safety

# Affordable Housing



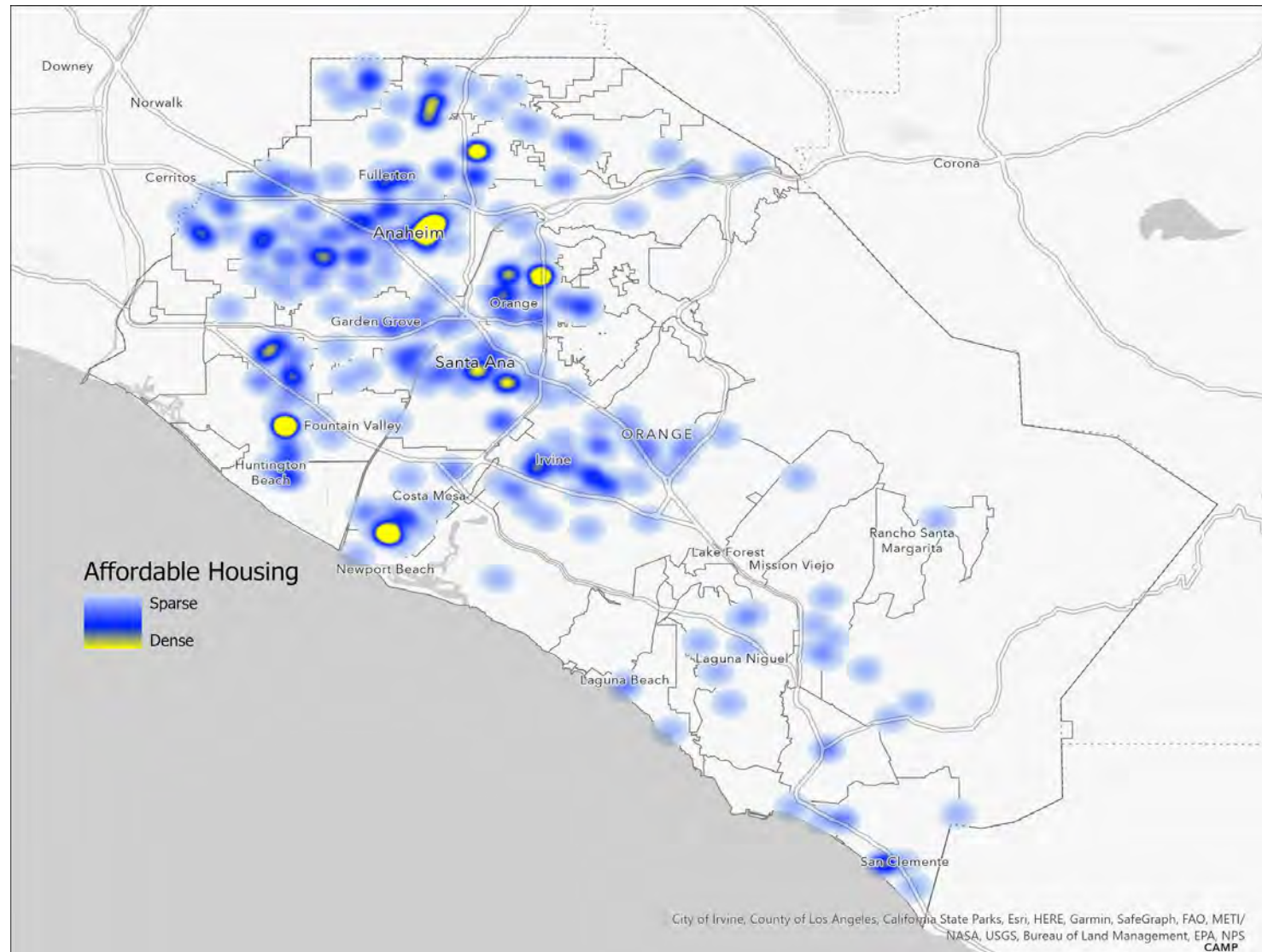
- Rental units for households that fall within the 30%-120% of Median Household Income
- Excluded emergency shelters
- Includes voucher-based properties
- Over 370 properties identified

# Affordable Housing in Orange County





# Affordable Housing in Orange County



Kernel Density Map of  
Affordable Housing

# Affordable Housing

## The Socio-Economics of Place

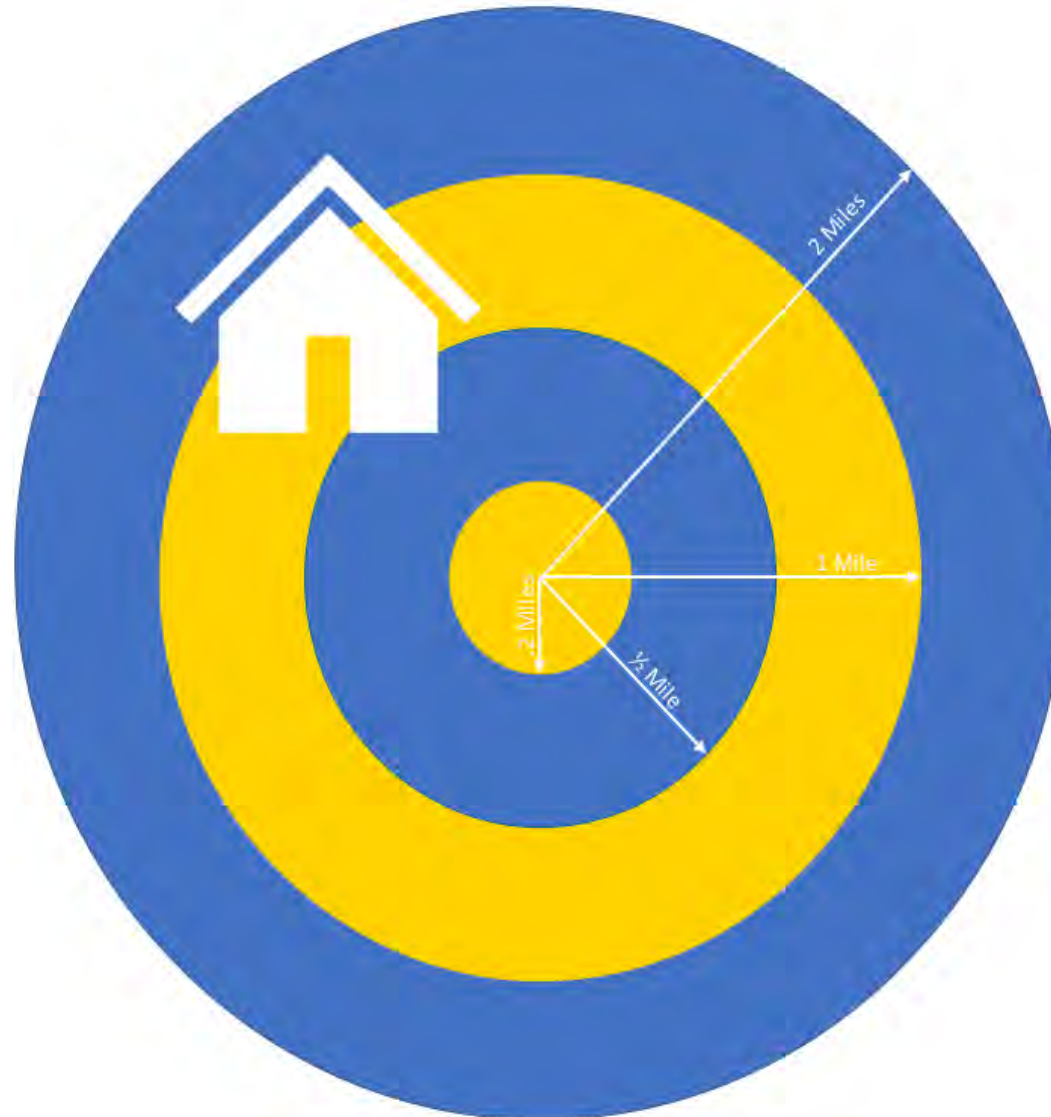


- On average, places with Affordable housing have:
  - Lower Median Household income (\$71,645 v \$104,000)
  - Slightly more residential turnover (13.1% 11.3%)
  - Slight larger household (3.23 v 3.07)
  - Fewer English-only speaking household (43.3% v 59.9%)
  - Lower percent Non-Hispanic White (30.2% v 47.3%)
  - Fewer homes valued above \$750,000 (18.6% v 36%)

# Affordable Housing in Orange County

## The Impact on Housing

Distance	Home Sale Price Difference after Affordable Housing Established
.2 Miles	\$15,817.42 (\$132.73)
½ Mile	\$14,259.58 (\$53.01)
1 Mile	\$13,514.58 (\$17.82)
2 Miles	\$10,685.99 (\$35.85)





# How is housing related to home values? (2001-2020)

Adjusted for annual fluctuations in OC housing market

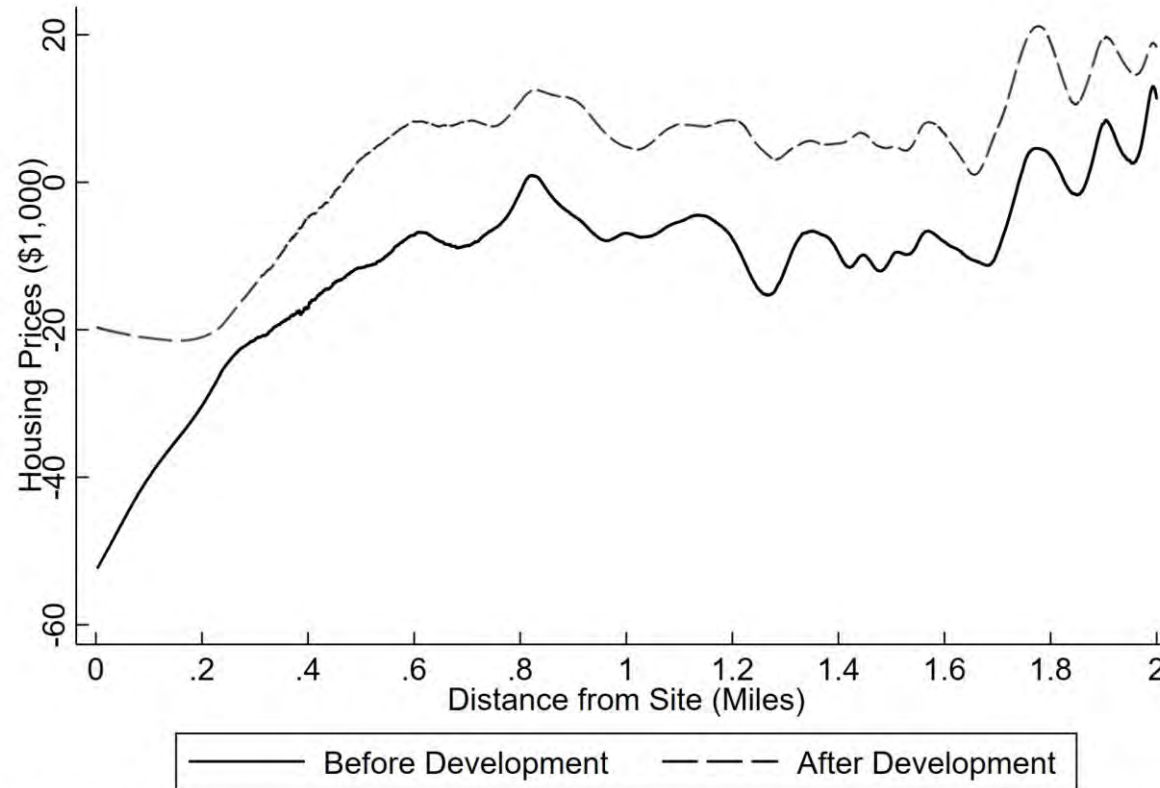


Note: Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance to site, (\$2020)

Figure H1. Overall Housing Prices

# How is housing related to home values? (2001-2020)

Adjusted for annual fluctuations in OC housing market



Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance to site, \$2020

Figure H1. Overall Housing Prices

## How is housing related to home values? (2001-2020)

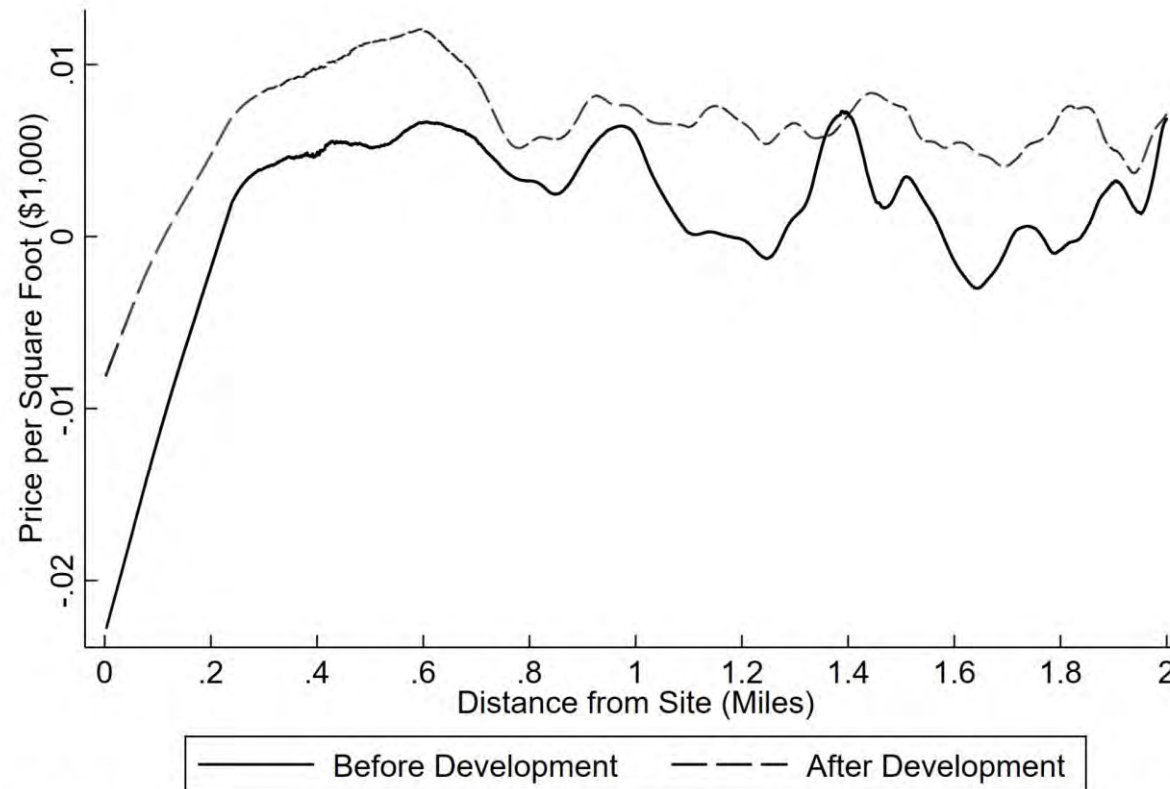
Price (\$1000) per Square Foot - Adjusted for annual  
fluctuations in OC housing market



Figure H2. Price Per Square Foot Overall

## How is housing related to home values? (2001-2020)

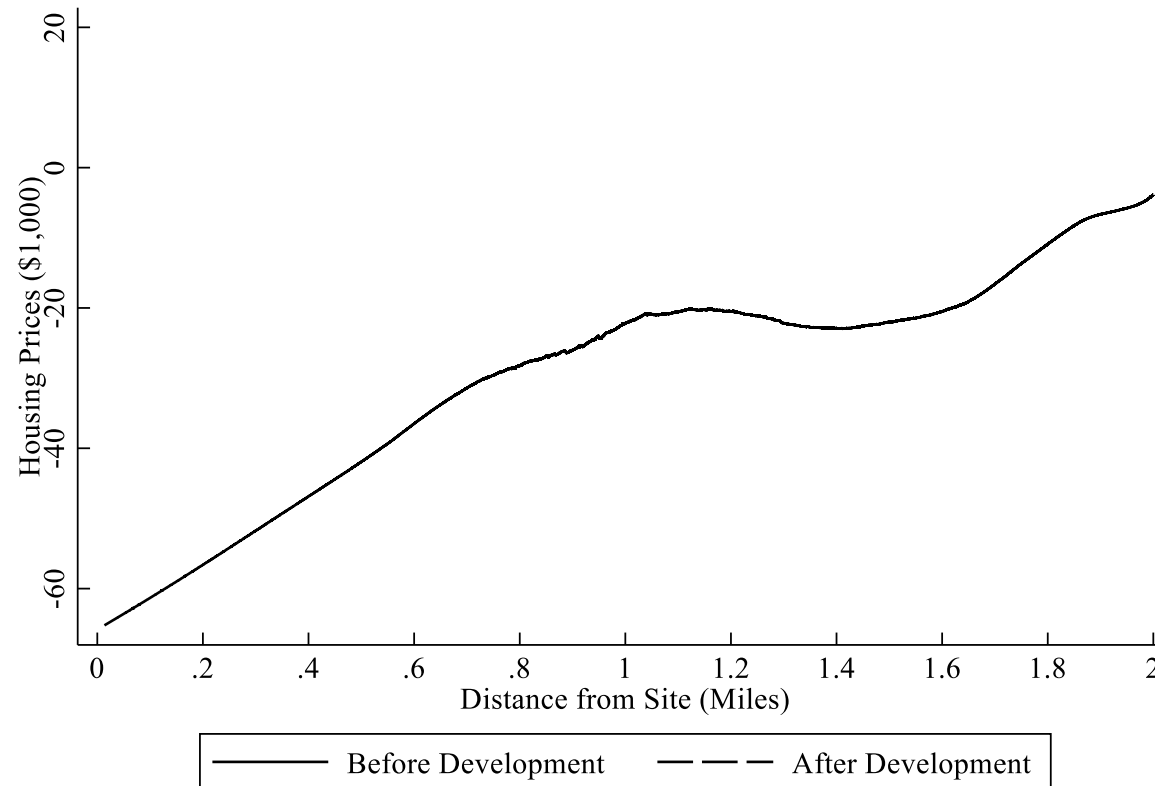
Price (\$1000) per Square Foot - Adjusted for annual  
fluctuations in OC housing market



Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance to site, in \$2020

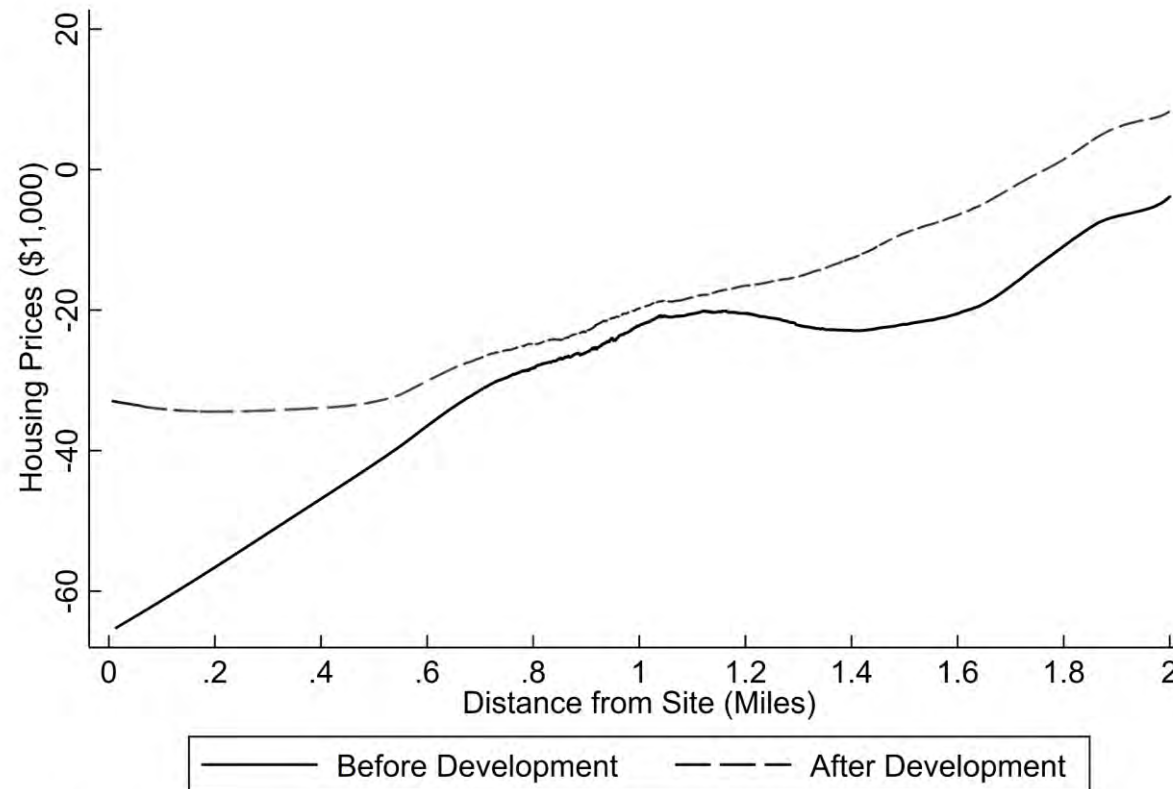
Figure H2. Price Per Square Foot Overall

# How is housing related to home values in the Highest Poverty Neighborhoods? (2001-2020)



Note: Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance to site, (\$2020).

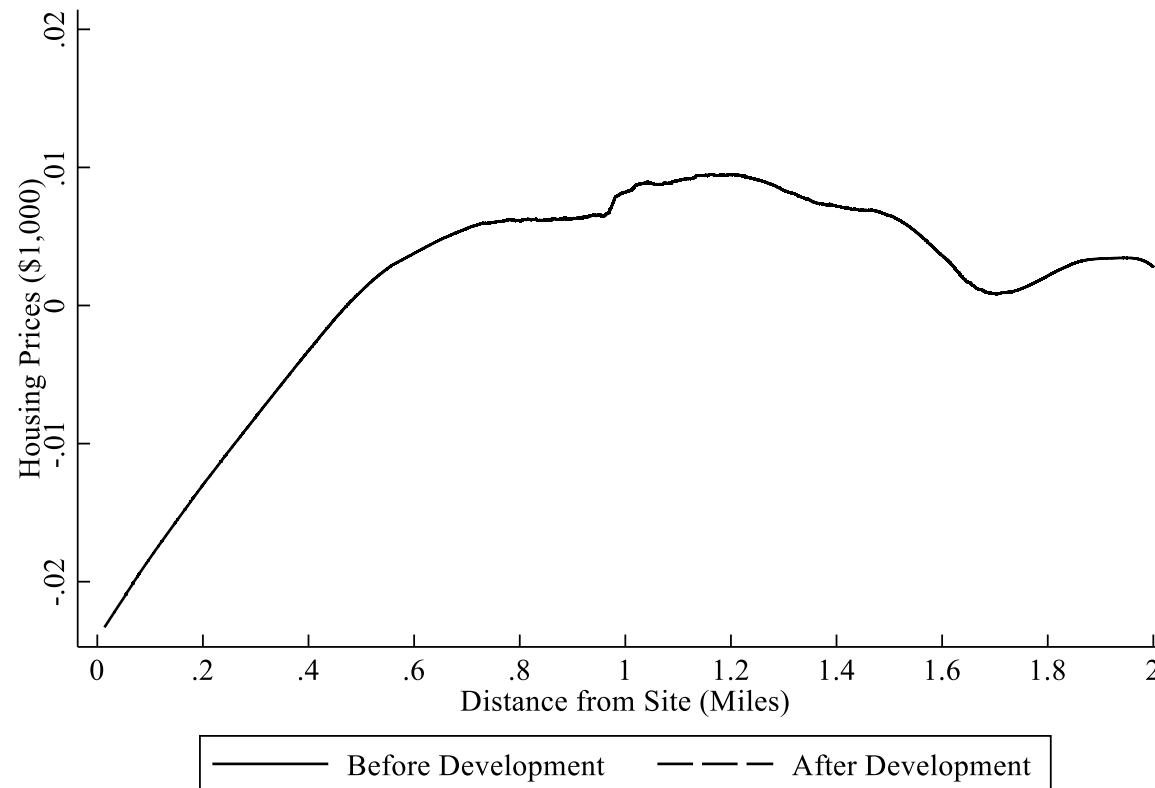
# How is housing related to home values in the Highest Poverty Neighborhoods? (2001-2020)



Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance to site, \$2020

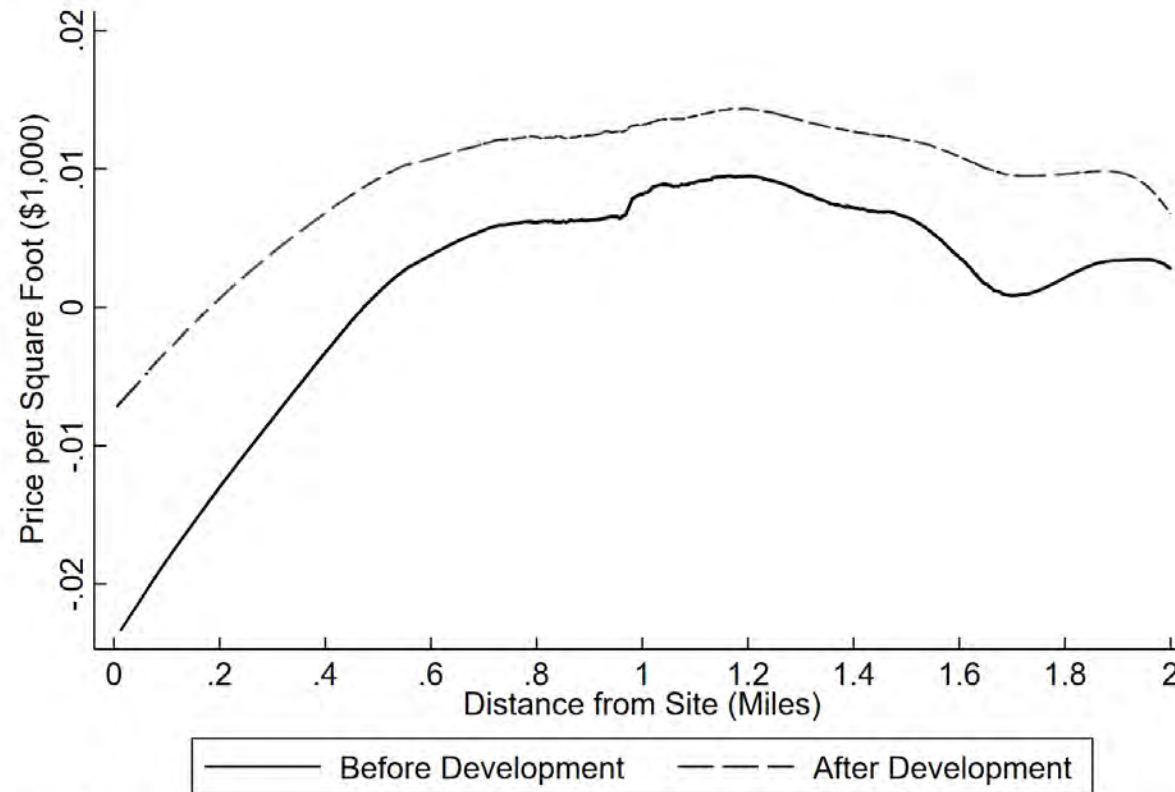
Figure H3 - Housing Prices – High Poverty Tracts

# How is housing related to home values in the Highest Poverty Neighborhoods? (2001-2020)



Note: Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance to site, (\$2020).

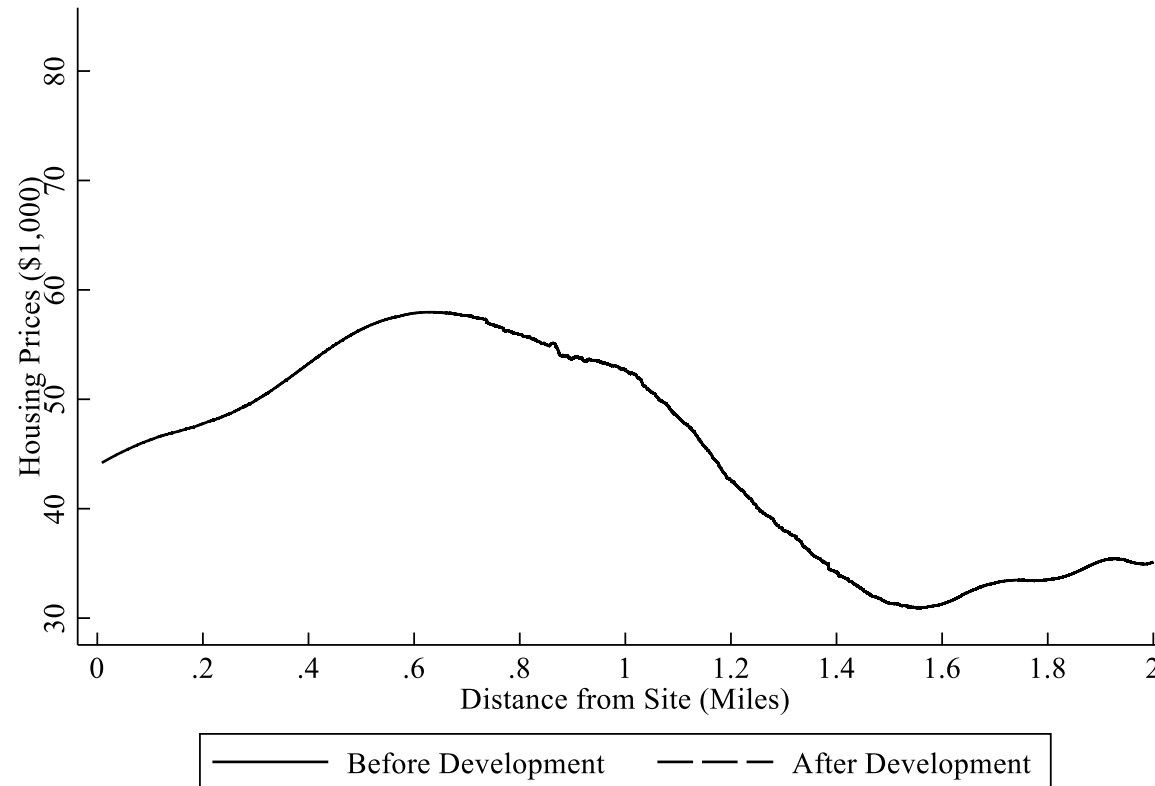
# How is housing related to home values in the Highest Poverty Neighborhoods? (2001-2020)



Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance, \$2020



# How is housing related to home values in the Lowest Poverty Neighborhoods? (2001-2020)



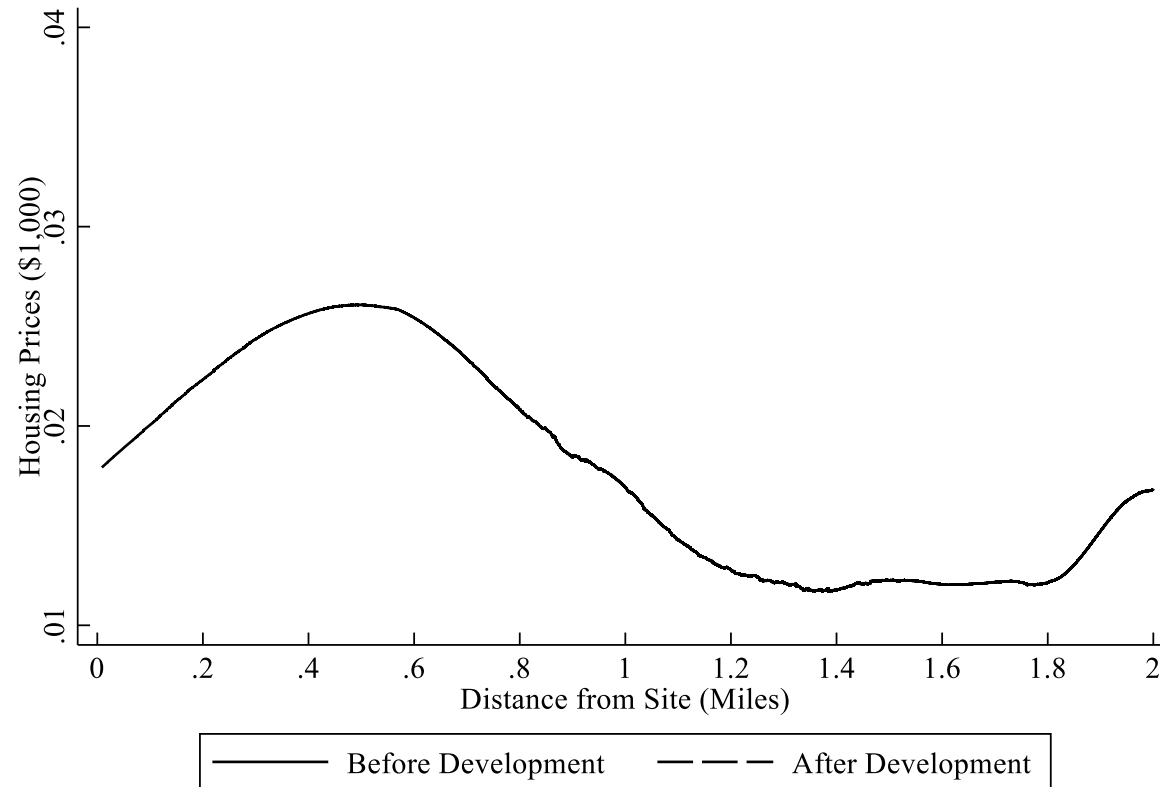
Note: Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance to site, (\$2020).

# How is housing related to home values in the Lowest Poverty Neighborhoods? (2001-2020)



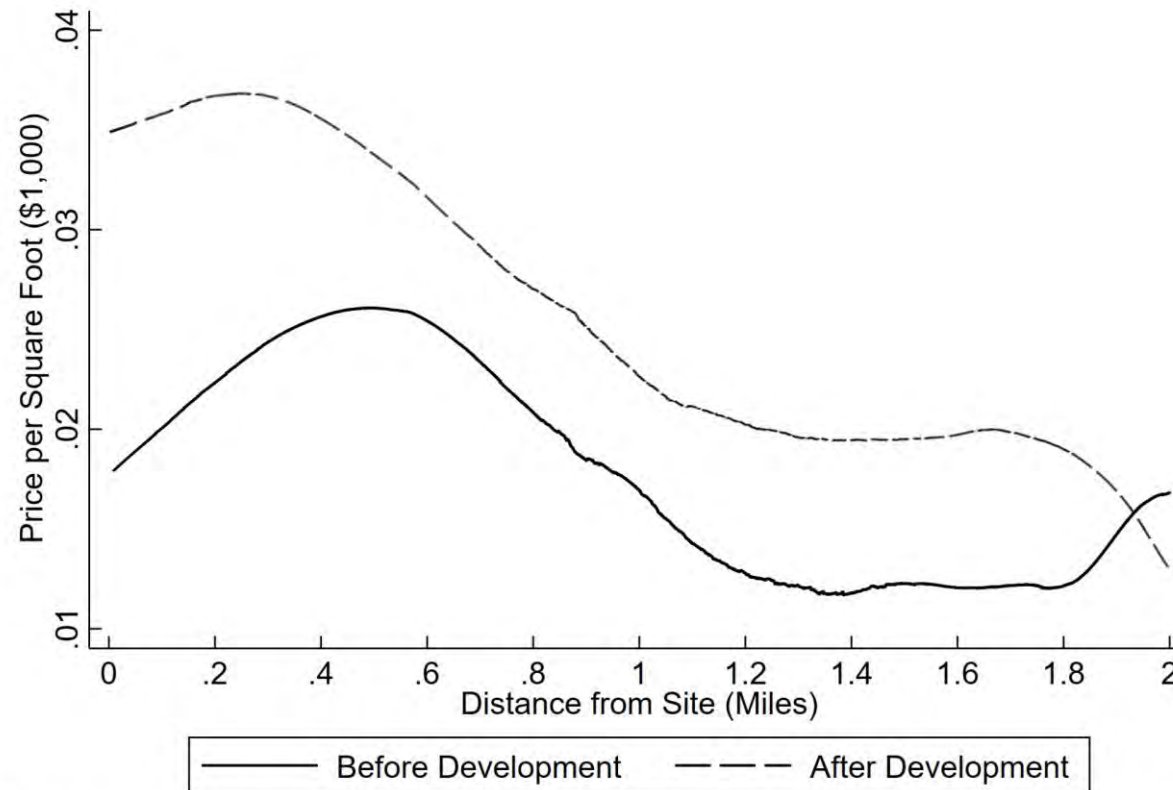
Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance to site, \$2020

# How is housing related to home values in the Lowest Poverty Neighborhoods? (2001-2020)



Note: Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance to site, (\$2020).

# How is housing related to home values in the Lowest Poverty Neighborhoods? (2001-2020)



Results from local polynomial regressions (bandwidth=0.1 miles) of residualized price on distance to site, \$2020

# Summary



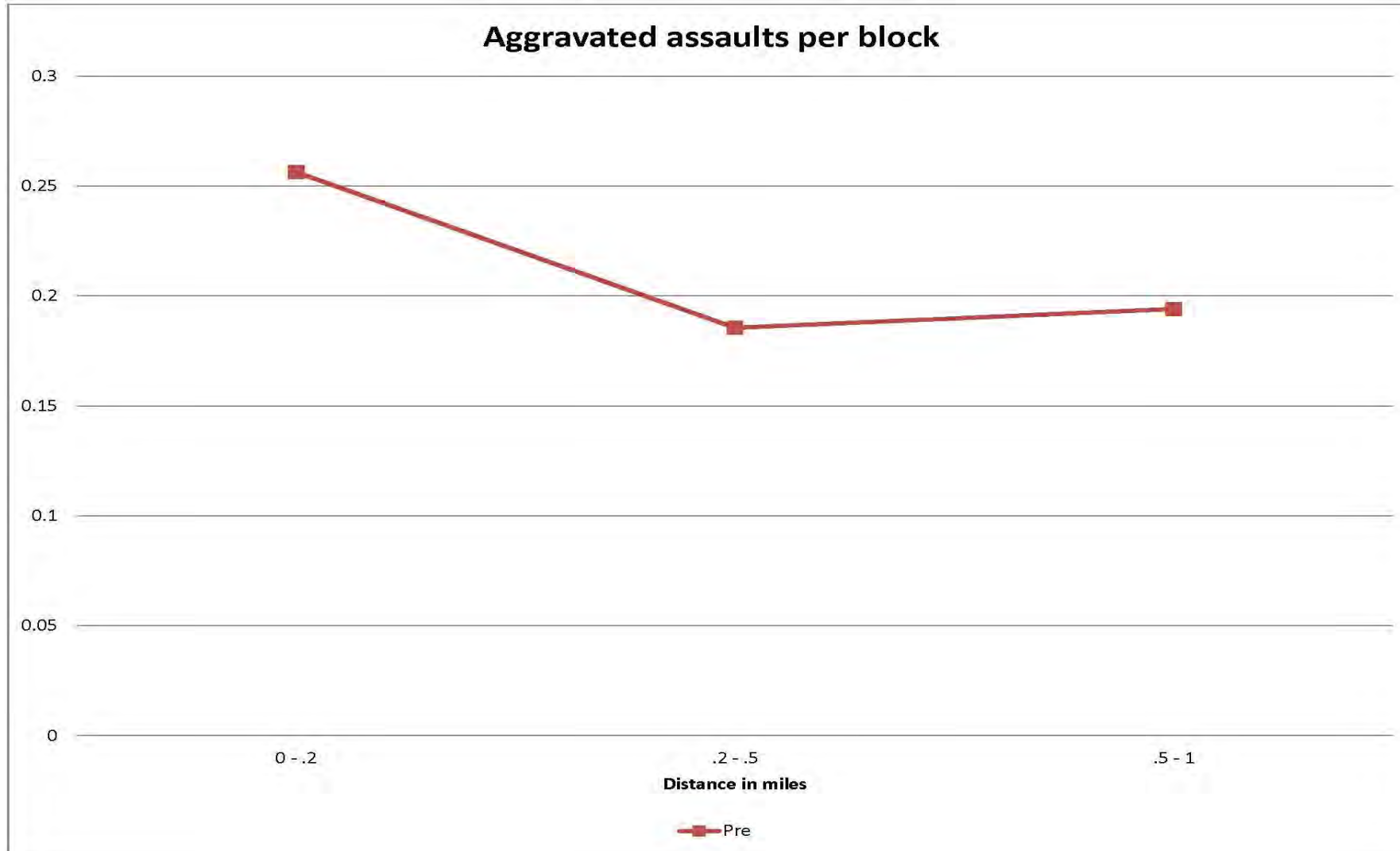
- Data do not support concern that affordable housing lowers home values
- Homes located closest to affordable housing have largest gains in value
- Similar effect in highest and lowest poverty neighborhoods

# Affordable Housing and Crime

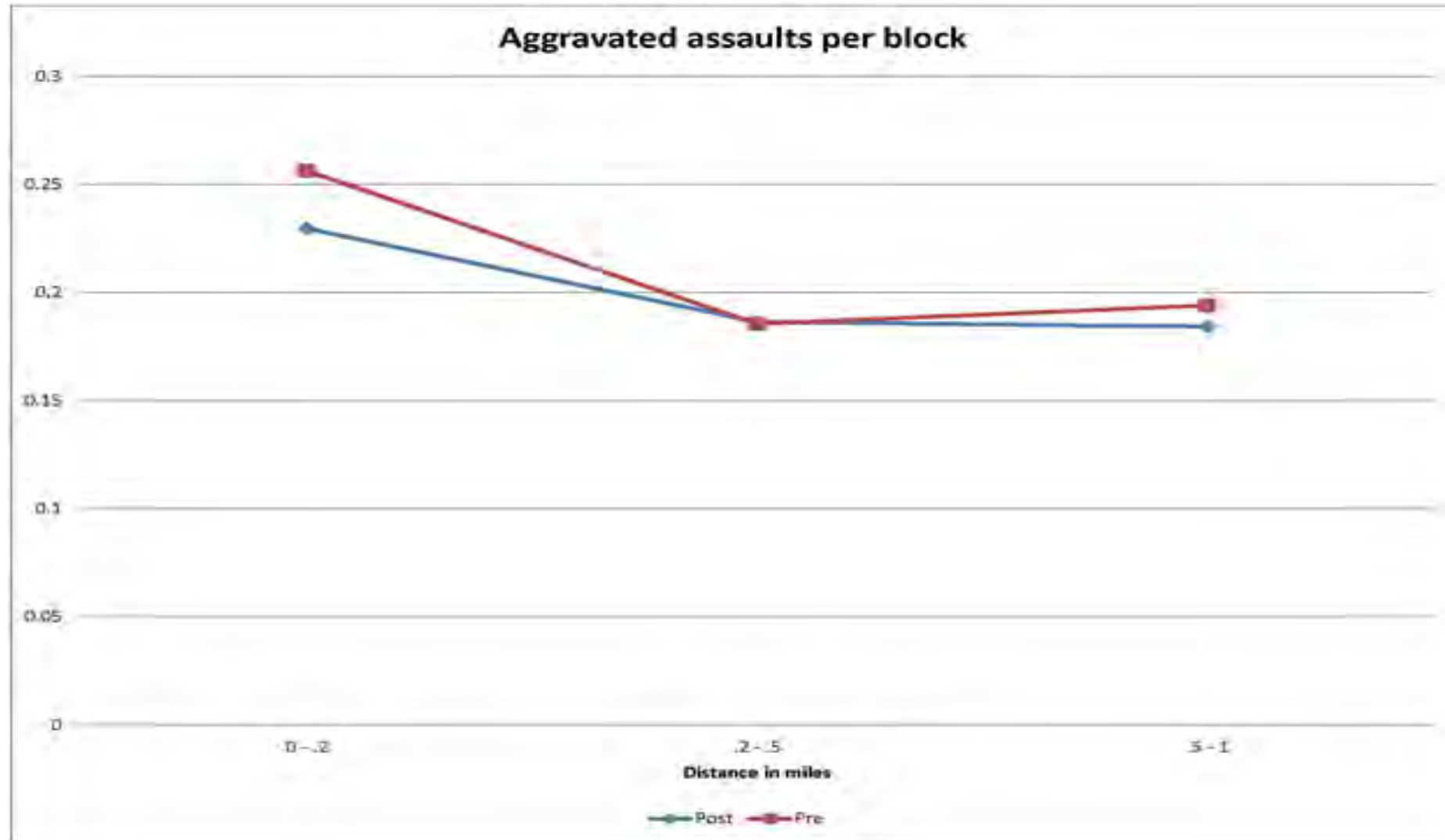


- Crime Types
  - Aggravated Assault
  - Robbery
  - Burglary
  - Motor Vehicle Theft
  - Larceny
- We look at overall, and then by lower/higher poverty levels

# How is housing related to aggravated assault? Before Opening Affordable Housing

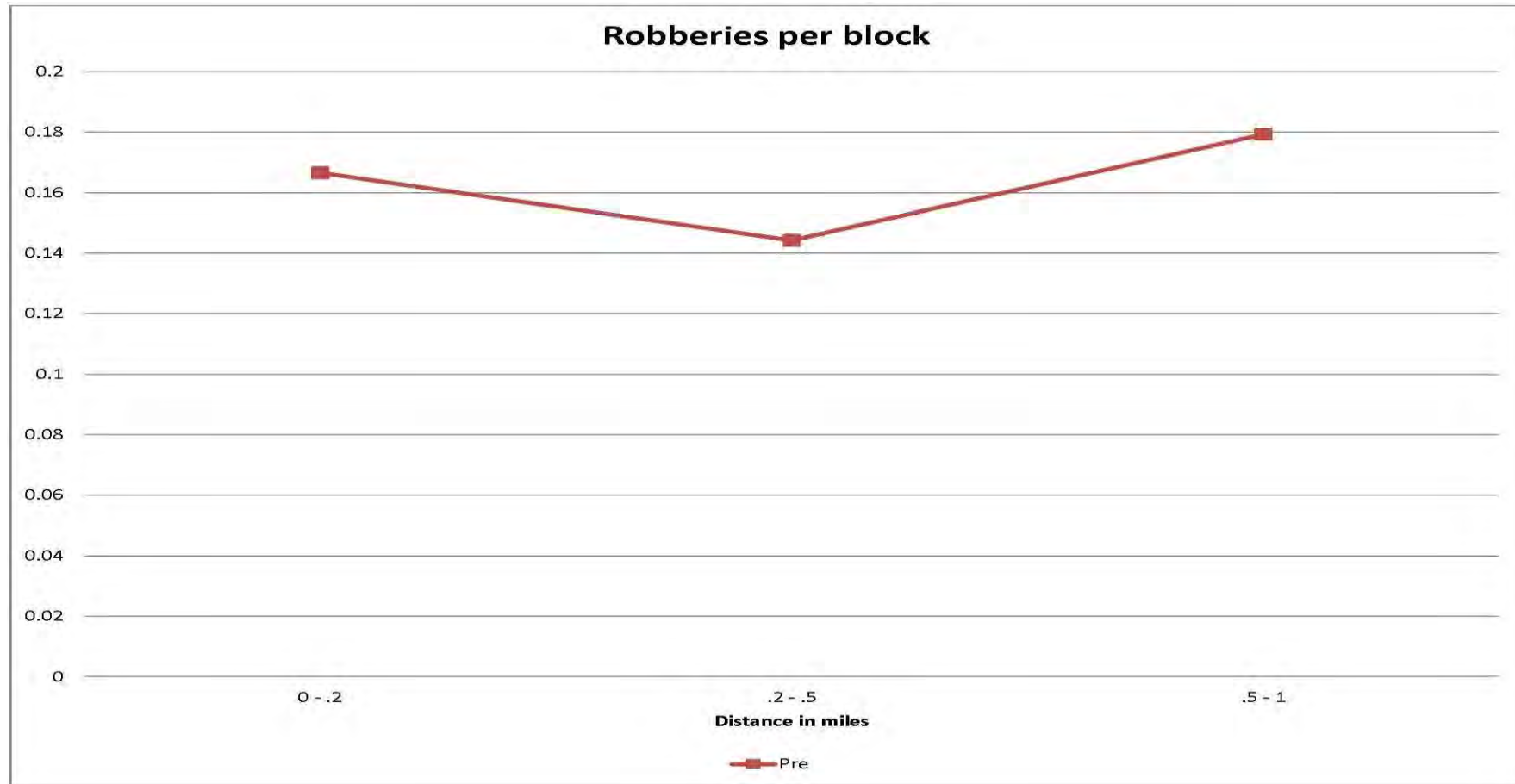


# How is housing related to aggravated assault? After Opening Affordable Housing

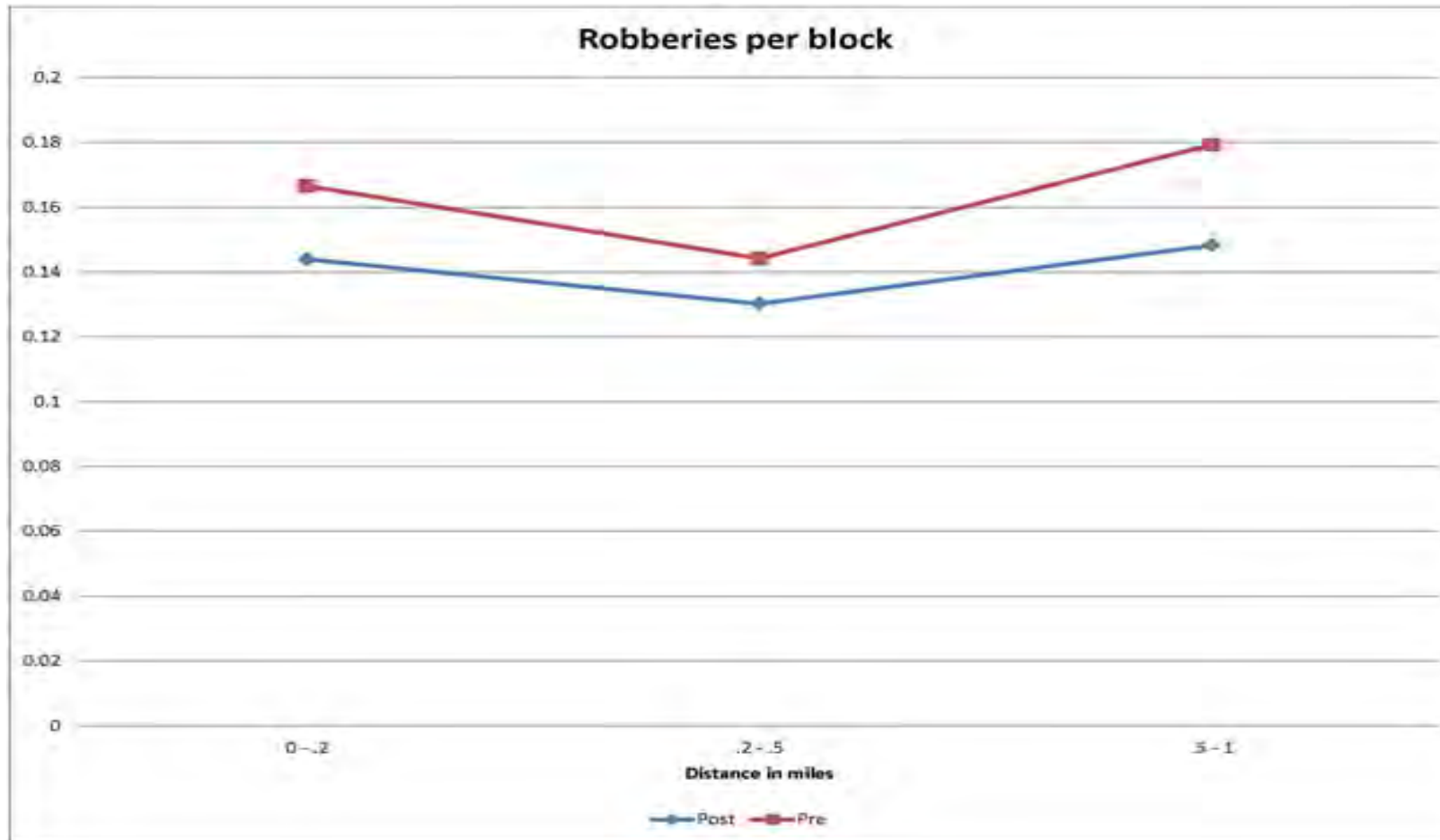




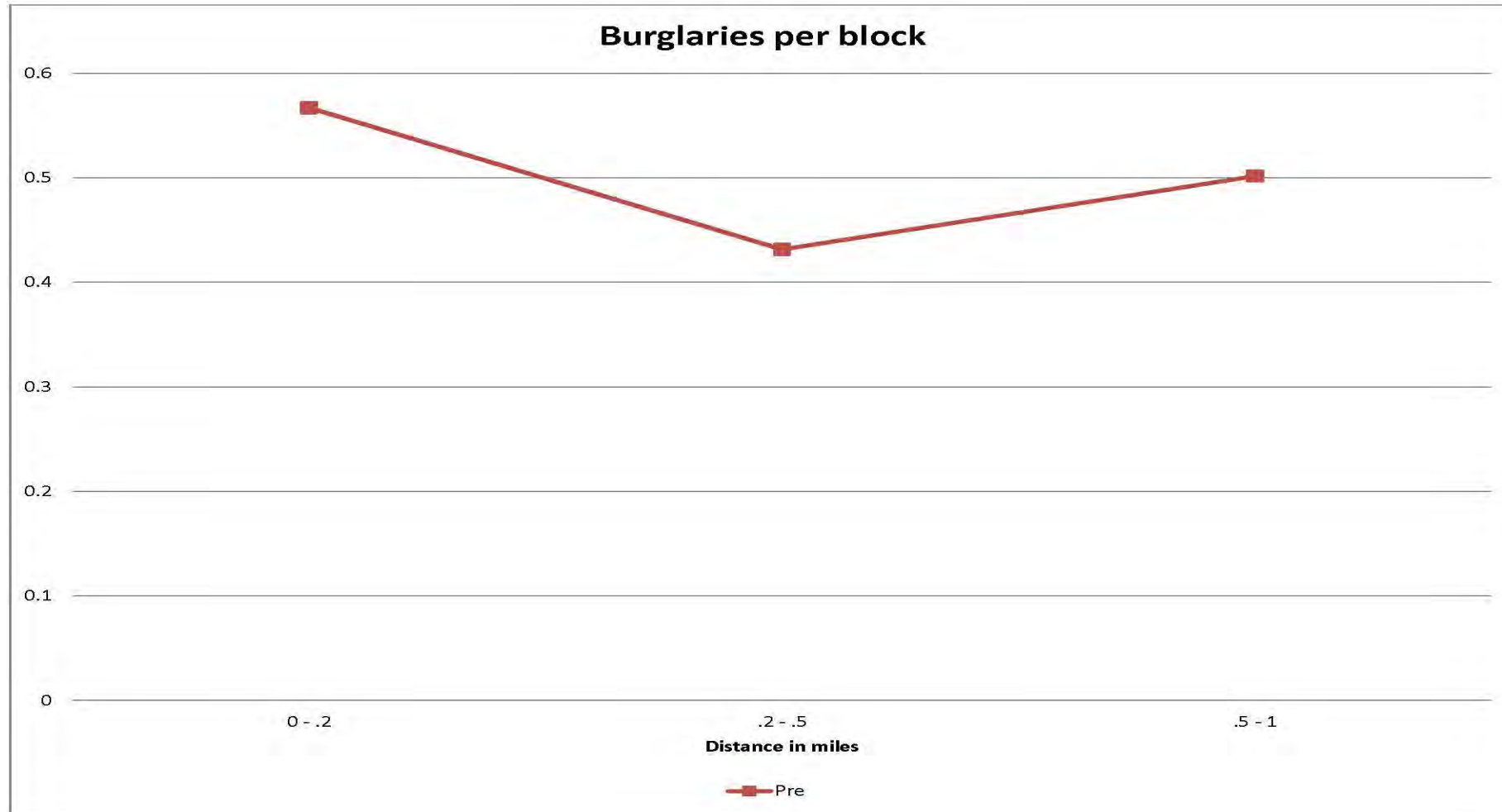
# How is housing related to robbery? Before Opening Affordable Housing



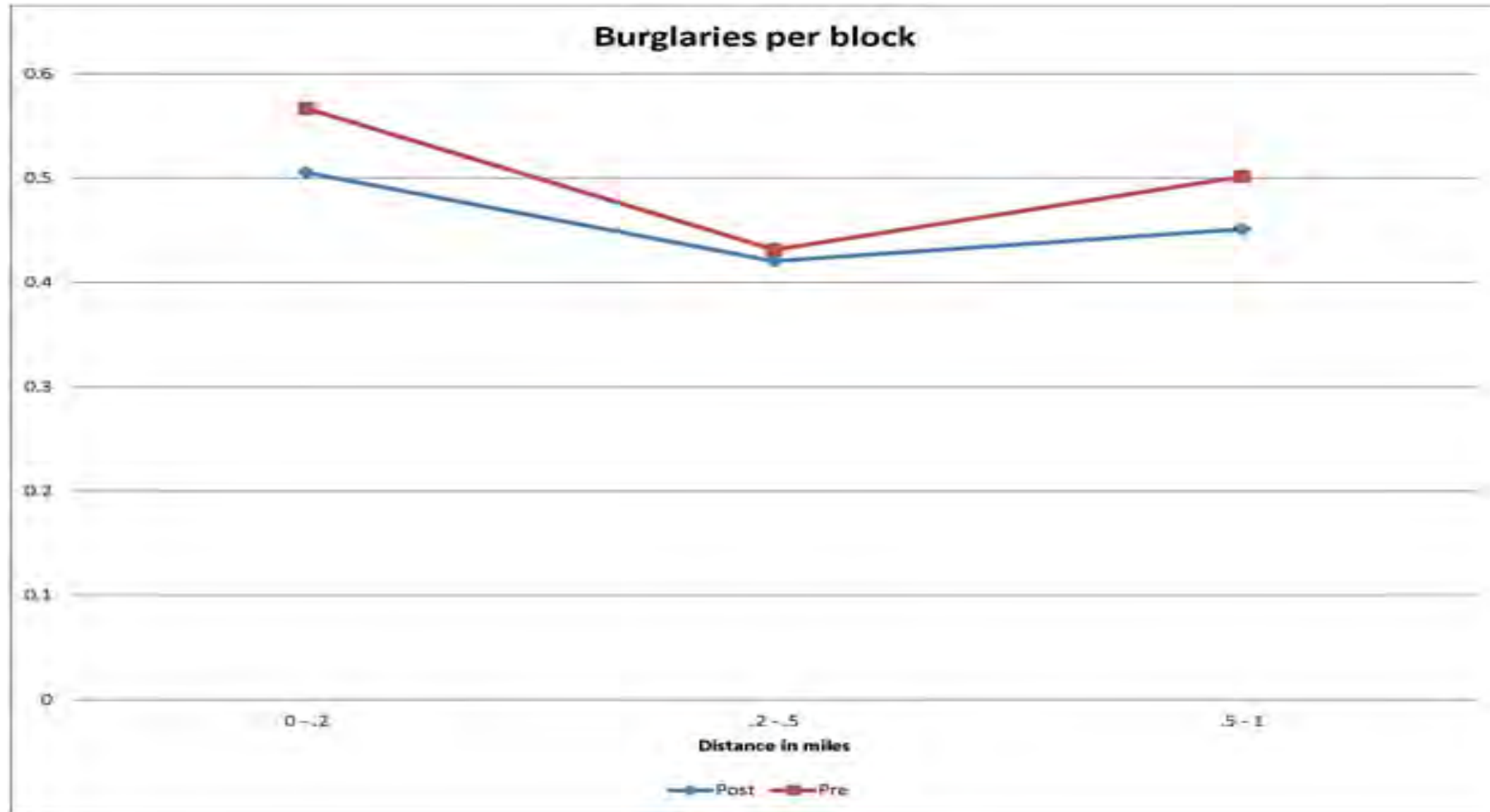
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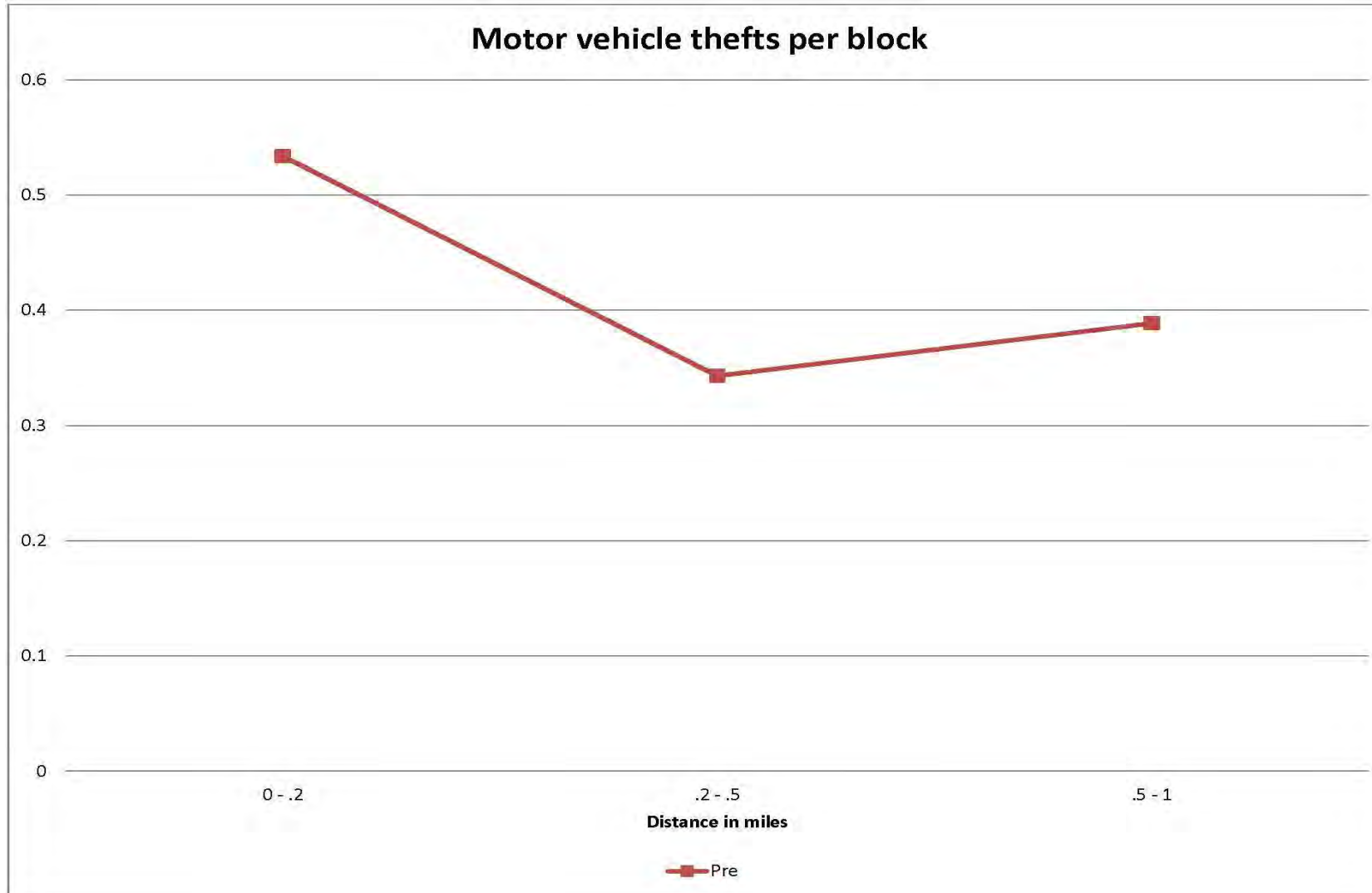
# How is housing related to burglary? Before Opening Affordable Housing



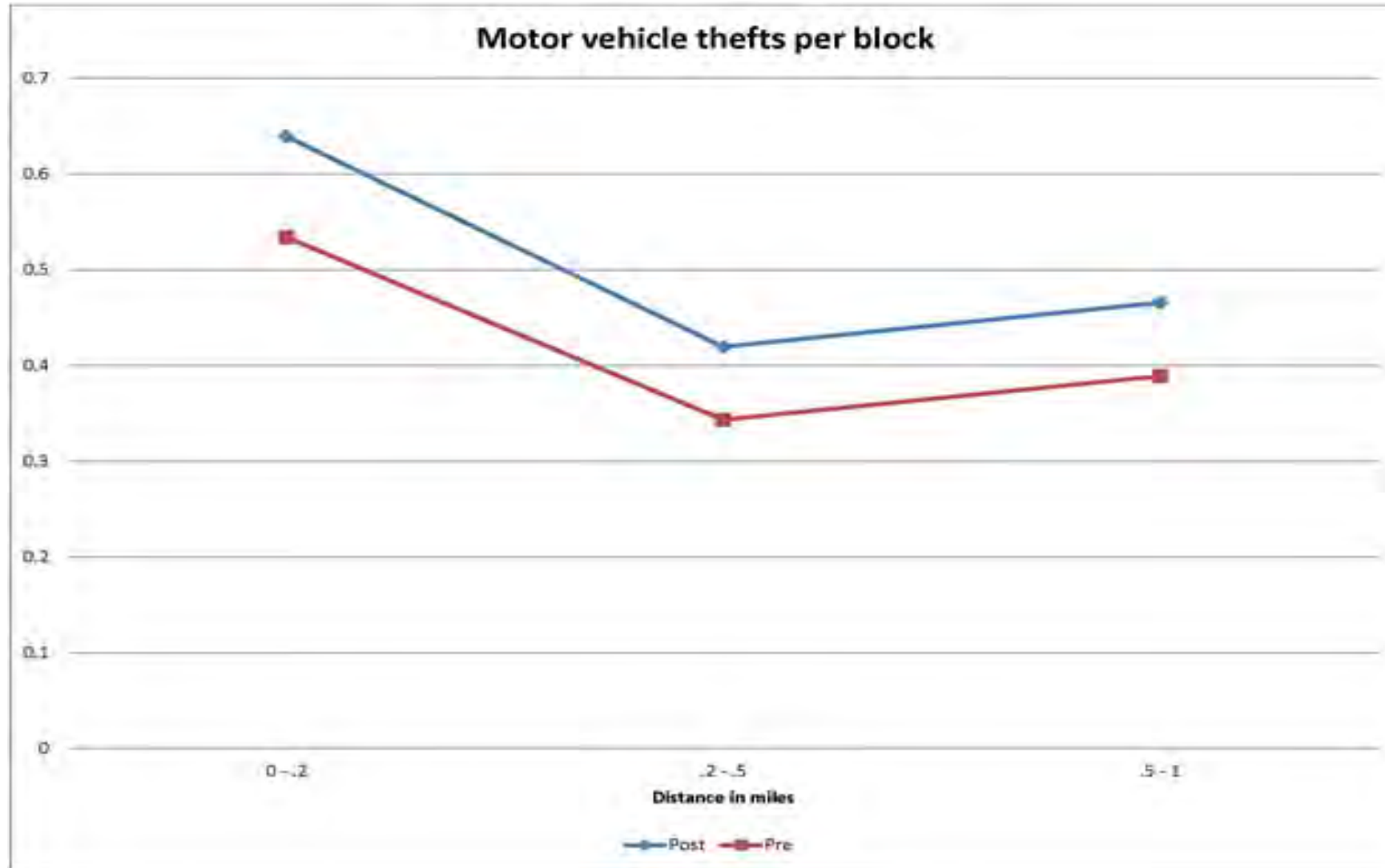
# How is housing related to burglary? After Opening Affordable Housing



# How is housing related to motor vehicle theft? Before opening of Affordable Housing



# How is housing related to motor vehicle theft? After opening of Affordable Housing



# But the magnitude of the effect matters!

- Motor Vehicle - The effect size is about 0.1 crimes additional PER YEAR
- The magnitude is small for all crimes, all places

# Our Conclusions

## Affordable Housing



Housing Prices



Crime & Safety





# Thank You to Our Funders

- American Family Housing
- City of Anaheim
- City of Garden Grove
- Community Development Partners
- Jamboree Housing
- Keith and Judy Swayne Charitable Fund
- OC Community Foundation
- OC Housing Authority
- National Community Renaissance of California

# Questions

[gtita@uci.edu](mailto:gtita@uci.edu)



L I V A B L E  
C I T I E S L A B

**UCI<sup>®</sup>**

Social Ecology



L I V A B L E  
C I T I E S L A B

# Thank You!

<https://livablecitieslab.socialecology.uci.edu/>

Creating Livable Cities for Everyone



## Save Money, Save Energy

Unprecedented cold weather across the nation in part has caused natural gas market prices in the West to more than double between December and January – to the tune of 128% since December. According to the US Energy Information Administration (EIA), several factors are contributing to higher natural gas commodity prices.

- Widespread, below-normal temperatures on much of the West Coast, including Washington and Oregon;
- High natural gas demand for heating by customers in areas with below normal temperatures;
- Reduced natural gas supplies to the West Coast from Canada and the Rocky Mountains;
- Reduced interstate pipeline capacity to the West Coast because of pipeline maintenance activities in West Texas; and
- Low natural gas storage levels on the West Coast.

SoCalGas does not set the price for natural gas. Instead, natural gas prices are determined by national and regional markets. SoCalGas buys natural gas in those markets on behalf of residential and small business customers, and the cost of buying that gas is billed to those customers with no markup, meaning SoCalGas does not profit from the movement of gas commodity prices. Residents can prepare for higher than average energy bills this winter by taking a few steps.

- Lower your thermostat three to five degrees – if health permits. It can save up to 10 percent on heating costs.
- Install proper caulking and weather-stripping and save roughly 10 to 15 percent on heating and cooling bills.
- Wash clothes in cold water and save up to 10 percent on water heating costs.
- Consider turning down the temperature on your water heater.
- Limit the use of non-essential natural gas appliances such as spas, pool heaters, and fireplaces.
- Sign up for Bill Tracker Alerts to monitor natural gas consumption, take steps to reduce usage, and avoid bill surprises. Alerts will be sent through email or text and include a bill-to-date and projected next bill amount to help you manage your energy bills as easily as possible. Visit [www.socalgas.com/MyAccount](http://www.socalgas.com/MyAccount).
- Sign up for the level pay program at [socalgas.com/LevelPayPlan](http://socalgas.com/LevelPayPlan) which helps level the ups and downs of your monthly natural gas bill.

SoCalGas also has several income-qualified programs that can provide a monthly bill discount, help with energy-efficiency, award a one-time grant, or help those with medical conditions. For more information about these programs, visit [socalgas.com/Assistance](http://socalgas.com/Assistance).

For residents who might not have internet access, they can call 800-427-2200 to sign up for various programs.