Gaining Perspective on Community Land Trust Properties: A Pilot Study Measuring

Property Conditions and Public Perception

By

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Thesis

Submitted to the Faculty of the

Graduate School of Vanderbilt University

in partial fulfillment of the requirements

for the degree of

MASTER OF SCIENCE

in

Community Research and Action

August, 2014

Nashville, Tennessee

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Chapter I

Introduction

Perhaps nothing is more emblematic of achieving the "American dream" than becoming a homeowner. Homeownership has shouldered the burden of the Dream since the early 1900s with federal housing policies and real estate lobbying supporting the growth of homeownership rates as the decisive symbol of capital progress (Gotham, 2002; Jackson, 2008; O'Conner, 2001). To own a home has endowed individuals and families with increased social status, a vehicle for wealth accumulation and an opportunity for economic and social mobility. However, homeownership has also produced vulnerability for people. In the current neoliberal climate where participation in the free-market is synonymous with success, low-income and minority residents both assume the greatest risk in purchasing a home and suffer the most severe economic and social consequences when homeownership fails (Hacker, 2008; Saegert, Fields, & Libman, 2009; Silverman & Patterson, 2011; Thaden & Rosenberg, 2010). Developing mechanisms to provide sustainable, affordable, and stable housing for this particular niche of Americans is a necessary element of rebuilding the housing market in the U.S. (Davis, 2010b; Rohe & Watson, 2007; Temkin, Theodos & Price, 2010). While the recent housing crisis has had a deeply negative impact on low-income homeowners, it has also created an opportunity for shared equity initiatives, like community land trusts (CLTs), to gain momentum and provide a possible solution for the challenges of homeownership for low income populations (Curtin & Bocarsley, 2008).

Shared equity homeownership refers to "various forms of resale-restricted, owner-occupied housing in which the rights, responsibilities, risks and rewards of ownership are shared" (Davis, 2010, p. 270). One model of shared-equity housing that has demonstrated success despite the recent mortgage and foreclosure crisis are CLTs (Sklar, 2009). CLTs are nonprofits or public agencies that provide stewardship to low-income individuals by offering financial and supportive services that are uniquely tailored to their needs. These services may include mortgage protection, foreclosure

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prevention, sales and re-sales services, and home maintenance programming as well as unique financial safeguards that protect low-income homeowners from the threat of foreclosure. Together, these services have proven to be a model of sustainability of affordability for low-income homeowners and have set a standard unparalleled by former affordable housing initiatives (Davis, 2010b; Thaden & Rosenburg, 2010). However, current empirical studies provide limited information on the model due to a level of analysis that has been overwhelmingly at the individual level. There is a gap of knowledge and associated empirical research on the physical and social implications of inserting low-income houses into middle-income neighborhoods using the CLT model.

In this study, I explore how CLT housing fits into an existing middle-class neighborhood in Tucson, Arizona. First, I examine whether the observable conditions of CLT housing are similar to non-CLT housing using the photographs of CLT houses in an online survey. Second, I examine if public perceptions of CLT housing are consistent with public perceptions of low-income housing and what factors are associated with particular attitudes about low income housing. Together these inquiries provide important information about how CLTs contribute to understanding the feasibility of integrating affordable housing into middle-income neighborhoods and demonstrates how CLTs positively affect public perceptions of low-income housing.

Chapter II

Shared Equity Housing and the Community Land Trust Movement

The concept of shared equity is not a novel idea. John Stuart Mill and his contemporary Henry George expressed the illegitimacy of unearned wealth accumulation by private landowners in their writings *The General Principle of Taxation* (Mill, 1848) and *Social Problems* (George, 1886). Mill and George suggested that because society, not individual landowners, is responsible for infrastructure and social improvements, society deserves to recapture the wealth that emerges from sustained homeownership on public land.[1] While these scholars have been integral in the development of the shared equity concept, the advent of shared equity housing in the U.S. remains contested (Borsodi, 1978; Howard, 1902; Morgan, 1942; Swann, 1978). Some people assert its beginning in the wake of Urban Renewal in the late 1970s (Saegert, Fields, & Libman, 2009; Temkin, Theodos & Price, 2010), while others suggest its advent in the post World War I and Depression era, when labor housing was in high demand (Rose, 2011). That said, shared equity housing has been a model of affordable housing that has been slow to gain momentum over the past hundred years of housing policy in the U.S. (Davis, 2010b).

In his seminal article on shared equity homeownership, Davis (2010b) defines shared equity homeownership as:

> …a generic term for various forms of resale-restricted, owner-occupied housing in which the rights, responsibilities, risks and rewards of ownership are shared between an income-eligible household who buys the home for a below-market price and an organizational steward who protects the affordability, quality, and security of that home long after it is purchased (p. 270).

This definition succinctly addresses aspects of all shared equity housing models in a way that provides a broad interpretation of the flexible and adaptable nature of shared equity housing. This flexibility and adaptability are strengths of the model and provides for its

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[1] The assumption, here, is that all land is public.

resiliency, stability, reliability and successful cross-site implementation (Davis, 2010b; Temkin, Theodos & Price, 2009).

Shared Equity Goals, Structure and Rationale

Shared equity housing's primary goal is sustainability or, the maintenance of housing affordability in perpetuity. While sustainability is maintained in a number of ways depending on the shared equity model, CLTs are unique in their use of deed restrictions and housing stewardship[2] (Abromowitz & White, 2006). In this model, the housing steward is either a local nonprofit or public agency that provides resources, programming and assistance to low-income homeowners and maintains an inventory of property that income-eligible homeowners can buy. At the point of sale, the steward (the CLT) retains ownership of the land and assumes all responsibility for its maintenance, while the homeowner solely purchases the property on the land. By retaining ownership of the land, the steward offers low-income homebuyers properties at a dramatically reduced rate. At the point of resale, the homeowner receives the equity in the home that was a result of any home improvements made during their tenure plus a percentage of the overall home value appreciation.[3] The homeowner surrenders the portion of the equity that was a result of increased land value and market-growth as the steward's share of equity. The steward then returns the equity to the community for neighborhood improvements, to the steward to buy or rehab additional properties, or it may be recycled back into the same property to sustain housing affordability for future homeowners. The calculation on how equity is split is derived from a unique formula created by the steward and takes into account the local economy, housing and market values, structural and political processes, down payments, resale, and pre-purchase stipulations. Additionally, by keeping land in trust, CLTs provide "a model of tenure" (Davis, 2010b, p. 262), meaning that "'forever' is the gold standard, with many proponents… willing to countenance nothing less than contractual restrictions of ownership, use, and resale of

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[2] Although most shared equity stewards use 99-year deed restrictions, some stewards choose a 30-year affordability restriction.
[3] All CLT homeowners receive 100% return of the down payment made on the home at the time of purchase.

owner-occupied homes that never lapse" (p. 267) - a standard never before set by affordable housing solutions (Fireside, 2008).

While a number of formats of shared equity housing exist,[4] the CLT model has been implemented the most broadly nationwide and uses all elements of the above process, providing the largest and broadest sample for gathering neighborhood-level data on shared equity housing (Davis, 2010b; Temkin, Theodos and Price, 2010). In Davis' (2010) article, *More Than Money*, he asserts that CLTs provide a safety net for low-income residents that leave low-income homeowners with more resources after homeownership than what any former affordable housing model has offered.[5] In the first empirical, cross-site, in-depth report on shared equity housing initiatives, Temkin, Theodos, and Price (2010) report findings that profoundly support Davis' assertions and outline significant strengths of the model for low-income homeowners. They find that shared equity residents realized between $6,000 to $70,000 in wealth accumulation at resale and 90% were homeowners five years after becoming homeowners. They also determine that shared equity housing programs faired well, if not better than market – rate housing, during the housing bust. While loans were traditional 30 year, fixed rate mortgages, homeowners made 35 – 73% of the area median income (AMI). This is a staggering number considering HUD's lowest margin for AMI homeownership eligibility is 80% AMI. These facts have vast implications for the significant role CLTs have in filling the gap between traditional affordable housing initiatives and the low-income individuals and families working towards the American dream of homeownership. The relationship between CLT housing and neighborhood stability then, compliments existing research on the strong correlation between homeownership and neighborhood stability (Rohe & Steward, 1996).

However, there are only a handful of empirical studies on CLTs (Davis, 2010a). With the majority of literature focusing primarily on individual- and household-level outcomes associated with model, studies are needed to understand the effects of CLTs on neighborhoods and to determine possible barriers to and solutions for broadening the

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[4] Some other common terms and formats are known as: Long-term affordable, Limited Equity, Below Market Rate, Moderately Priced Dwelling Units, Deed Restricted, Limited Equity Cooperatives, Housing Cooperatives, Resale-Restricted, Owner-Occupied Housing, etc (Temkin, Theodos & Price 2010; Davis 2006).

[5] In other words, it provides true asset accumulation.

social and economic support for shared equity as a permanent affordable housing solution (Davis, 2006; Ganapati, 2010; Rose, 2011; Temkin, Theodos & Price, 2010; Thaden and Rosenberg, 2010).[6] Even though share equity housing boasts of rampant success for it's homeowners, the model's efforts are thwarted by critics who assert that shared equity housing will lower housing values and contribute to neighborhood decay by displaying signals traditionally associated with low-income neighborhoods (i.e., graffiti, trash, unmaintained properties, etc) (Carswell & Skobba, pending). Because CLTs support, promote and incentivize low-income households to become homeowners, opposition to CLTs is riddled with NIMBY (not in my backyard) sentiments (ibid). NIMBYism refers to place-protective public attitudes that oppose new programs or groups of people based on attributes that differ from the existing characteristics of place (Devin-Wright, 2009). Relative to shared equity housing, NIMBYism is supported by homeowners and local organizations that believe that low-income residents will neglect their properties and consequently cause comprehensive neighborhood decline (Carswell & Skobba, pending; Thaden, 2012).

While practitioners and scholars have, in fact, observed that CLTs contribute to neighborhood investment and improvements, no empirical research exists that provides evidence for the success of shared equity models at the neighborhood-level (Carswell & Skobba, pending; Davis, 2010b; Rose, 2011; Temkin, Theodos, & Price, 2010; Thaden & Rosenberg, 2010). For this reason, this study hopes to begin to fill these gaps in research by exploring the observable characteristics of CLT house conditions in order to answer the following questions:

Research Question 1: Are the observable characteristics of CLT houses similar to non-CLT houses in the same neighborhood and considered "acceptable" to respondents?

Research Question 2: Does an online intervention of viewing and rating CLT and non-CLT houses change perceptions of desirability (i.e., personal proximity to properties)?

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[6] What literature does exist are on limited access or pay-only access journals; I chose to exclude these articles from my literature review due to lack of funds and uncertainty in credibility of these journals.

Research Question 3: What respondent characteristics are associated with house ratings and perceptions?

Chapter III

Methods

My research questions attempt to understand two issues affecting the acceptance of the CLT model – the physical conditions of CLT properties and public perceptions of the properties. To answer these questions, an online survey instrument was developed using photographs of CLT properties in one neighborhood in Tucson, Arizona.[7] These photos and their corresponding question responses elicited interesting data on how both norms associated with low-income housing and respondent demographics affect perceptions of CLT houses.

The Steward and the Neighborhood

To pilot this study, I selected the Pima County Community Land Trust (PCCLT) in Tucson, Arizona because it met the following inclusion criteria: (1) had a large inventory of housing in a small metropolitan region, (2) was relatively new and had success during the recent housing crisis, and (3) had a large number of current listings and recent sales. While many of the 240 CLTs in the country satisfied these criteria, conversations with PCCLT staff and support from the National Community Land Trust Network indicated the necessary buy-in to facilitate the successful implementation of the study.

The PCCLT is a private, community based non-profit that offers the "permanent stewardship of land and the perpetual preservation of the affordability [of housing]" (PCCLT, n.d.) to residents in Tucson, Arizona. By rehabbing foreclosed homes, the PCCLT uses public funds (namely, Neighborhood Stabilization Program 1, 2, and 3

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[7] These photographs were taken as part of a windshield survey of this neighborhood. The windshield survey data was collected for a larger multi-level study of CLT properties across a number of neighborhoods.

funds[8]) to reduce the cost of housing for low- and moderate- income individuals and families. In exchange for the affordable rates of homeownership, PCCLT homeowners agree to a limited return in equity for their tenure in their homes, allowing for the affordability of homes for subsequent homebuyers. While this model has been criticized as a sort of pseudo-homeownership, PCCLT homeowners hold the deed to their homes and maintain all of the rights and responsibilities of any traditional homeowner. The model, however, minimizes the risks for these lower income homeowners by sharing the burden of homeownership through a housing steward (the CLT). The shared aspect of the model requires that PCCLT homeowners enter into a 99-year ground lease that is both inheritable and renewable.[9] Because this model guarantees investment in the property and consequently the neighborhood in perpetuity, these homeowners directly insure Tucson's housing market against a future foreclosure crisis (Sklar, 2007; Thaden & Rosenburg, 2010). By purchasing foreclosed homes and selling them to mortgage-ready homebuyers, the PCCLT offers a viable and sustainable solution to stave the negative consequences of Tucson's housing crisis.

At the time of this study an article in a local paper, *The Arizona Daily Star*, reported that the rate of foreclosure in Tucson had spiked by 20% since the previous year (Quinn, 2012). While rates of foreclosure skyrocketed, trustee deeds[10] significantly declined creating a wildly unstable housing market. Even though the PCCLT was a fairly new CLT in 2012, they maintained a healthy stock of housing inventory, with 20 houses "For Sale" or under contract, 32 homes sold and 10 homes under construction or being rehabbed (all of which had once been foreclosed properties). The following map indicates all PCCLT-owned homes during the study period.

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[8] The Neighborhood Stabilization Program (NSP) is a federal program "established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment" (HUD, n.d.). The PCCLT and its partners have received NSP grants for all three rounds of funding.
[9] This means that CLT houses can remain in families in perpetuity.
[10] A trustee deed is what purchasers of foreclosed homes hold.

Figure 1.
Map of all PCCLT properties in March of 2011

The Online Survey

To collect data for this pilot study, I developed an online survey using pictures taken in March of 2011 during a windshield survey of both CLT and non-CLT properties in the study neighborhood. I chose the SurveyGizmo survey development tool because it allowed for unlimited usage of photos on surveys at a low subscription rate and provided access to a nationally representative sample.[11] The survey had four question types; there were: (1) questions on respondent demographics (namely, race, educational attainment, and income level), (2) questions regarding photographs of houses about house conditions and acceptability, (3) proximity questions, and (4) qualitative questions about the survey's integrity. For each photographic question, survey respondents were asked to rate the condition of houses and answer a proximity question regarding the photograph of the house. The following is a sample question from the survey:

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[11] *see* "Sample" section that follows

Figure 2.
Example of photographic question from the online survey

Q1. In my opinion, the house pictured above is in the following condition.
   (1 – Good to 4 – Dilapidated)
Q2. I would be comfortable with having the house pictured above on my block.
   (1 – Strongly disagree to 5 – Strongly agree)

Some photos were labeled by "Market rate" or "CLT/Low-income" labels while others were not labeled at all. Photos and labels were not randomized, so every respondent saw the same photos, with the same labels, in the same sequence. These survey scores provided indicators for housing conditions (Q1) and acceptability of properties based on housing conditions (Q2).

To test for the presence of NIMBYism in house ratings, the proximity questions associated CLT properties with the "low-income" label and were asked using a pre-/post-test format. The questions were posed before the photographic portion of the survey (Time 1) and then after respondents completed the photographic portion of the survey (Time 2). The survey took, on average, 18 minutes to complete[12] and question responses were scored using Likert scales. The proximity questions were:

I would feel comfortable…
   1. *…having low-income properties in my neighborhood.*
   2. *…having low-income properties on my block.*
   3. *…having low-income residents as my neighbors.*

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[12] Data provided by the online survey instrument, SurveyGizmo.

Time 1 data indicated respondents' initial perceptions of low-income housing prior to viewing CLT property photos, and Time 2 data indicated if there was a changed in response/perceptions after viewing the pictures of CLT houses.[13] A second set of correlations used three new variables to operationalize change in survey responses to the proximity questions. The new variables were calculated by taking the difference in Time 1 and Time 2 responses. Because the question used a Likert scale with 1 indicating "strongly disagree" and 5 indicating "strongly agree," an increase in score indicated a positive change in perception. The new variables, "ChangeProxBlock," "ChangeProxNeigh," "ChangeProxRes," were created by subtracting Time 1 from Time 2 responses so that scores emulated the direction and extent of the change in perception (i.e., a "1" indicates a one unit move towards "strongly agree"). These data provided the information necessary to address RQ2 regarding the effectiveness of the online survey intervention and demonstrate the presence of, or lack of, NIMBYism is survey responses.

Lastly, qualitative question responses provided feedback on the survey's structure and gave survey respondents a forum to share their experience of the survey. The two questions were: "Were you surprised by anything in the survey?" and "What would you improve in this survey?" Question responses were coded into the following categories:

1. I wasn't surprised by anything /no improvement needed
2. Type of house/neighborhood
3. Good condition of low-income housing
4. Similarity of low-income and market-rate houses
5. Issues with labeling
6. Miscellaneous

Response codes 1-3 referred to the quality of low-income houses (or, the similarity between CLT and market-rate houses), while response codes 4-6 referred to the survey questions and study structure. Surveys were completed between June of 2011 and November of 2011, yielding a total of 201 responses for data analysis. A description of all variable used in this analysis can be found in Table 1.

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[13] After conducting the windshield survey three months prior, I was aware that the CLT properties did not bear the physical attributes traditionally associated with "low-income" housing (evidence of poor maintenance, trash, graffiti, etc) and wanted to test if pictures that portrayed "low-income" (in this case, CLT) properties that deviated from people's expectation of low-income properties, had an effect on perceptions. It was apparent to the researcher that the CLT properties were not distinguishable from the non-CLT properties based on the physical characteristics of the properties, attesting to the assumptions of the CLT model.

Table 1.
Variables in the analysis

Variable	Description
Income	Respondent's income bracket. Income brackets are consistent with census data brackets and are coded 1 = < $25,000 to 5 = > $75,000.
Educational Attainment	Respondent's highest level of educational attainment. Levels of educational attainment are consistent with census data and are coded 1 = 12th grade or less to 5 = post graduate degree.
Race	Respondent's race coded 1 = White, 2 = Black, 3 = Other. While data specifying "other" was collected, for the purpose of the analysis all "other" races were collapsed into code 3.
Condition of house	A single item on the survey asking respondents to rate the condition of properties from 1 (excellent) to 4 (dilapidated).
House on block	A single item on the survey asking respondents to share their level of comfort having the portrayed house (in a photograph) on their block. Respondents strongly disagreed (1) to strongly agreed (5) with the statement, "I would feel comfortable having the property on my block."
ProxBlockA	A single item on the survey asking respondents to share their level of comfort having a low-income house/CLT property on their block. Respondents strongly disagreed (1) to strongly agreed (5) with the statement, "I would feel comfortable having the property on my block." The "A" in the variable name signifies survey responses at Time 1.
ProxNeighA	A single item on the survey asking respondents to share their level of comfort having a low-income house/CLT property in their neighborhood. Respondents strongly disagreed (1) to strongly agreed (5) with the statement, "I would feel comfortable having the property in my neighborhood." The "A" in the variable name signifies survey responses at Time 1.
ProxResA	A single item on the survey asking respondents to share their level of comfort having a low-income residents as neighbors. Respondents strongly disagreed (1) to strongly agreed (5) with the statement, "I would feel comfortable having the low-income residents as my neighbors." The "A" in the variable name signifies survey responses at Time 1.
ChangeProxBlock	A computed variable created by subtracting respondent's comfort level with having a low-income house/CLT property on their block at Time 1 from Time 2.
ChangeProxNeigh	A computed variable created by subtracting respondent's comfort level with having a low-income house/CLT property in their neighborhood at Time 1 from Time 2.
ChangeProxRes	A computed variable created by subtracting respondent's comfort level with having a low-income resident as a neighbor at Time 1 from Time 2.
ScaleProx (dependent variable)	A scale summing the responses of all three proximity questions at Time 1. Reliability, measured by Chronbach's alpha, is .895.
ScaleChange (dependent variable)	A scale summing all the (above) "ChangeProx" variables. Reliability, measured by Chronbach's alpha, is .69.
Surprise	A single item on the survey asking respondents if they were surprised by anything in the survey. These questions were open-ended. Responses were coded from 1 through 6 with codes 1 through 3 referring to the quality of low-income houses (or, the similarity between CLT and market-rate houses), while response codes 4-6 referred to the survey questions and study structure.
Improve	A single item on the survey asking respondents what they would improve about the survey. These questions were open-ended. Responses were coded from 1 through 6 with codes 1 through 3 referring to the quality of low-income houses (or, the similarity between CLT and market-rate

Sample. To ensure that the survey's sample would be a random, nationally representative sample, I used *Cint* through the online survey development tool, SurveyGizmo. *Cint* is an integrated and customizable online panel tool used for market research and survey delivery. I did not provide Cint with any exclusion criteria for my survey sample and requested a nationally representative sample of at least 200 unduplicated individuals. The following table demonstrates the demographic distribution of the 201 survey respondents[14] with percentages confirming the nationally representativeness of the sample.[15]

Table 2.
Sample demographics

Income Level		Educational Attainment		Race
33%	$75,000+	18%	Post-graduate degree	73% White
21%	$50,000-$74,999	31%	Bachelor's or Assoc. degree	9% Black
16%	$35,0000-$49,999	22%	Some college, no degree	15% Other
12%	$25,000-$34,999	23%	Graduated HS/HS equivalent	
19%	< $25,000	6%	12th grade or less	

Data Analysis. First, descriptive statistics were run for the survey items to determine if CLT and non-CLT houses were rated similarly and acceptability of properties based on physical characteristics. An independent samples t-test determined if there was statistical evidence to support or reject the following null hypothesis related to RQ1:

H_0 There is no difference in how CLT and non-CLT houses were rated based on physical conditions

Second, to test for the presence of NIMBY attitudes in how these houses were rated and perceived, proximity questions were asked at the beginning and end of the photographic portion of the survey. NIMBY attitudes are derived from assumptions and perceptions about different socio-cultural groups, where the dominant group attempts to

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[14] I also issued the survey to online listservs and colleagues (n=27) but am only using the Cint sample to not contaminate the fidelity of my findings.

[15] A one sample t-test confirmed the respresentativeness of the sample for all three variable at the .001 level of significance.

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spatially isolate or exclude the minority group (Pendall, 1999). Posing questions of proximity before the photographic portion of the survey provided data on the respondents' initial perception of, or expectation of, "low-income" housing; asking the same questions at the end of the photographic portion of the survey provided data on whether perceptions changed by simply viewing images of low income housing that deviated from the norm. Responses were coded (1 = strongly disagree to 5 = strongly agree); codes 1 and 2 and 4 and 5 were collapsed to create respective "disagree" and "agree" variables. Means and standard deviations for question responses at Time 1 and Time 2 provided data on perceptions and perception changes. A paired samples t-test indicated if there was a statistically reliable difference between the Time 1 and Time 2 responses and provided data to support or reject the following null hypothesis related to RQ2:

H_0 There is no difference in perceptions between Time 1 and Time 2

Lastly, the demographic variables (race, educational attainment, and income level) of survey respondents were dummy coded, using the level 1 category as the referenct category (e.g., the <$25,000 category for income was the referent category). These dummy-coded variables were then used in two sets of regressions to determine if respondent demography (independent variables) was predictive of: (1) initial perceptions of CLT housing and (2) changes in perceptions of CLT housing (dependent variables). Time 1 question responses and changes in question responses were transformed into scales, "scaleProx" and "scaleChangeProx" respectively,[16] to run this analysis and address RQ3.

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[16] A factor analysis determined that all three proximity variables should be included in the Prox scale with a chronbach's alpha of .895 determined that this scale is reliable. A factor analysis determined that all three change variables should be included in the changeProx scale with a chronbach's alpha of .69 determined that this scale is reliable.
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Chapter IV

Findings

Descriptives and Correlations

Table 3 displays the descriptive statistics for the photographic questions of the survey. The means indicate that CLT properties minimially outscore non-CLT properties.

Table 3.
Descriptive statistics for photographic questions

Question	Housing Type	Mean	Std. Deviation
Condition of house	Non-CLT	3.47**	.702
	CLT	3.61**	.601
Acceptability of house on block	Non-CLT	3.65**	1.064
	CLT	3.74**	.985

For both questions, CLT homes (M = 3.61; SD = .60; p = .000) were rated slightly more favorably than non-CLT homes (M= 3.47; SD = .70; p = .000) at the .001 level of significance (t(200) = -5.44). Here, we fail to reject the null hypothesis and find that the minimal difference in the two housing types based on observable, physical characteristics actually favors the CLT model. These findings discount the underlying assumptions of the "neighborhood decay" critique of the CLT model that suggests that CLT properties bear signs traditionally associated with low-income housing. While these findings provide evidence to reject critics' neighborhood decay critique of CLT housing, the survey also provided robust evidence of NIMBY perceptions based on the CLT models' relationship to the low-income housing label.

To address RQ2, analysis of Time 1 and Time 2 responses to the proximity questions provided data on NIMBY perceptions (at Time 1) and changing perceptions (at Time 2). With a nationally representative sample of population demographics, these data provided interesting information on perceptions and expectations of low-income housing. Time 1 data were taken prior to the photographic questions. The following table (Table 4)

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displays the percentage of individuals who responded in each category (disgree, neutral or agree).[17]

Table 4.
Time 1 and Time 2 response frequencies (percentage)

I would feel comfortable…	Responses	Time 1	Time 2
…having low income properties in my neighborhood.	Agree	38	56
	Neutral	33	25
	Disagree	52	19
…having low income properties on my block.	Agree	34	53
	Neutral	32	25
	Disagree	30	19
…having low income residents as my neighbor.	Agree	36	48
	Neutral	36	30
	Disagree	35	21

Here, the data indicates a change in perception at Time 2 across all three proximity questions. For instance, when referring to the first question, where some people had no opinion, or were neutral, they developed an opinion after seeing photographs of low income/CLT properties. Consequently, the numbers of those who disagreed with the statement decreased (from 27% to 19%) and those that agreed with the statement increased (from 38% to 56%). Table 5 displays the mean and standard deviation for each response category.

Table 5.
Descriptive statistics for Time 1 and Time 2 responses

I would feel comfortable…	Time 1 Mean(SD)	Time 2 Mean(SD)
…having low income properties in my neighborhood.	2.07(.86)	2.36(.81)
…having low income properties on my block.	1.96(.89)	2.29(.88)
…having low income residents as my neighbor.	2.08(.83)	2.25(.82)

A paired samples t-test determined that the changes in responses between Time 1 and Time 2 were statistically significant at the .001 level of significance for all three

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[17]   The strongly agree and strongly disagree categories were collapsed into the agree and disagree categories respectively, to strengthen the level of analysis.

proximity questions (neighborhood mean change = -.36; SD = 1.04; p = .000; block mean change = -.42; SD = 1.08; p = .000; resident mean change = -.25; SD = .87 p = .000). Therefore the use of pictures as an online survey intervention had a measurable effect on survey respondents' perceptions of low-income housing in general, and CLT housing specifically.

A correlation analysis all "Prox" variables and "Change" variables revealed that these variables are all positively correlated with one another at the .001 level of significance respectively. This indicates that a change in one response elicited a change in all responses. What is interesting is the relationship between the Prox and Change variables. With the exception of the correlation of ProxResA with ChangeProxNeigh, the correlations of all Prox variables to all Change variables is negative, meaning that there is an inverse relationship between the sets of variables. These correlations (in addition to the frequencies in Table 5) provide statistically significant evidence to support the finding that survey participants' perceptions of CLT housing improved after viewing photos of CLT properties in the online intervention.

Table 6.
Correlations

	1	2	3	4	5
1. ProxNeighA	1	.73**	-.29**	-.46**	-.18*
2. ProxResA		1	-.16*	-.05	-.41*
3. ChangProxBlock			1	.36**	.35**
4. ChangeProxNeigh				1	.36**
5. ChangeProxRes					1

* Correlation is significant at the 0.05 level (2-tailed).
** Correlation is significant at the 0.001 level (2-tailed).

Regressions

To better understand the relationship of respondent demographics to perceptions of low-income/CLT properties, a number of regression analyses were run. The first set of regressions used a scale of Time 1 answers, "scaleProx,"[18] to the proximity questions as

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[18] A factor analysis determined that all three proximity variables should be included in the scale. A chronbach's alpha of .895 determined that this scale is reliable.

the dependent variable and each dummy-coded demographic variable as the independent variables. The second set of regressions used a scale of the change variables, "scaleChangeProx,"[19] as the dependent variable. The referent categories for each variable were all of the level 1 categories for each variable. Table 7 displays outputs from the ordinary least squares regression analyses linking participant demographics to Time 1 proximity question responses and changes in responses to proximity questions.

Table 7.
Regression results predicting scaleProx and scaleChange proximity responses

	scaleProx			scaleChange		
	B	**SE**	**R^2**	**B**	**SE**	**R^2**
Income[a]						
(Constant)	2.59**	.14	.24	.20*	.10	.15
$25K-$35K	-.43*	.22		.14	.15	
$35K-$50K	-.25	.21		.03	.14	
$50K-$75K	-.35	.19		.06	.13	
>$75,000	-.62*	.23		.28	.16	
EducationalAttainment[a]						
(Constant)	2.34**	.29	.15	.53*	.20	.27
HS diploma	-.04	.33		-.43*	.22	
Some college	-.20	.32		-.25	.22	
Bachelor	.08	.37		-.35*	.25	
Post-graduate	-.27	.32		-.65*	.22	
Race[a]						
(Constant)	2.31**	.07	.01	.24**	.05	.07
Black	.11	.25		.06	.16	
Other	-.26	.17		.06	.11	

[a] The referent category for income was <$25,000, for educational attainment was 12th grade or less, and for race was White.
* Significant at the 0.05 level (2-tailed).
** Significant at the 0.001 level (2-tailed).

Here, the most significant predictor for Time 1 survey responses was income level, while the most significant predictor for changes in responses was level of educational attainment. These data demonstrate the existence of NIMBY attitudes at the beginning of the survey when CLT properties were likened to low-income properties, as well as, the power to change these perceptions through positive messaging and education about the CLT model. While these models are relatively weak (highest R^2 = .27), they have implications for methods for marketing the CLT model and the positive influence CLTs

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[19] A factor analysis determined that all three change variables should be included in the scale. A chronbach's alpha of .69 determined that this scale is reliable.

may have on perceptions of low income housing. Ironically, while there was no significant relationship found between race and survey responses in this study, the findings relating income and educational attainment to house acceptability demonstrate the influence social-cultural mores have on perceptions of low income housing and provide important information to existing studies on race and class stereotyping of low-income properties (*see* Tihge, 2009).

Chapter V

Unintended Findings: Qualitative Responses

At the conclusion of the survey, two open-ended questions elicited high response rates and significant qualitative findings. The questions: (1) "*Were you surprised by anything in the survey?*" and (2) *"In your opinion, how could this survey be improved?"* yielded a 78% and 73% response rate respectively and provided rich qualitative data. While these questions were intended to give the researcher feedback about the survey's quality and the respondents' experience of the survey, a review of responses warranted additional analysis. Survey responses were coded, quantified and analyzed using a basic analysis of response frequencies. Table 8 displays question response categories and their frequencies.

Table 8.
Qualitative question response categories and response rates

Response Category	Were you surprised by anything in the survey?	In your opinion, how could this survey be improved?
I wasn't surprised by anything /no improvement needed	42%	54%
Type of house/neighborhood	1%	5%
Good condition of low-income housing	26%	1%
Similarity of low-income and market-rate houses	15%	1%
Issues with labeling	2%	4%
Miscellaneous	6%	10%
Survey structure	8%	25%

While a large proportion of survey respondents were not surprised by anything in the survey, an equal amount of survey respondents were surprised by the good condition of CLT houses and how similar the CLT and non-CLT houses were. These findings provide additional validation to the quantitative findings discussed above, but also provide a more thorough understanding of respondents' attitudes and expectations when completing the survey. One respondent exclaimed:

> *"It would be more authentic if you showed dilapidated houses for low-income houses."*

The subtext here is that the survey was not authentic because the study portrayed only good quality low-income housing – quality of housing that deviates from the hegemonic assumption of this housing type. Even though one complete neighborhood was surveyed using blind surveyors, the authenticity and credibility of the survey was questioned numerous times because of respondents' expectation of what low-income housing "looks like." Other respondents wrote comments like:

> *"Yes, I was surprised about some of the better looking properties being low-income homes. Normally, a person would expect those to look like the traditional 'project' homes, but they were quite attractive."*
>
> …and…
>
> *"I thought the low-income houses were going to be 'dilapidated' but they looked fine and dandy."*

While another respondent suggested: *"Not really. However I didn't see what I expected to be low income housing."*

Responses to the second question were even more revealing about how people perceive, judge and make assumptions about low-income housing. While the majority of respondents (54%) saw no need to improve the survey, suggestions for improvements were overwhelmingly about how housing is assessed and judged apart from its physical attributes. The following respondents took issue with the similarities in the low-income and market-rate properties:

> *"Show houses that are a better fit for low income housing"*
>
> ...and…
>
> *"Stronger differences in the houses would help. A lot were similar."*

While the following respondent very clearly took issue with labeling and its effect on how people perceive housing,

> *"I think that all the houses shown should not have market rate or low income so that people cannot tell what type of house they really belong to. Without the naming it is impossible to tell the types of housing each house comes from. Also people judge by the type of house not by appearance/look."*

the most shocking responses, targeted the homeowners by asking questions and offering suggestions like:

> *"What race are the inhabitants?"*
>
> …and…
>
> *"Provide pictures of people of color in front of houses. Compare that with picture of whites in front of houses."*

The number of qualitative responses regarding the race of the homeowners provided justification for additional statistical analysis. Cross tabulations of respondent demographics and the coded qualitative survey responses yielded interesting results. The colomns in Table 9 represent all individuals who's question responses indicated a surprise in the condition of low-income/CLT houses (surprise) or suggested improvements for the representativeness of the houses that were photographed (improve). While the quantitative analysis revealed significant relationships between income, educational attainment and survey responses, this qualitative data sustained the racial dialogue often present in discussions on NIMBYism. The demographic variables were transformed into dichotomous variables in the table below.

Table 9.
Cross tabulations of participant demographics by surprise and improve response codes

	Surpise	**Improve**
Income		
< $35,000	44%	41%
> $35,000	56%	59%
EducationalAttainment		
HS diploma or less	28%	28%
> Some college	72%	72%
Race		
White	78%	64%
Other	22%	36%

The data above indicate that White, more educated and higher income individuals were more surprised by and requested more representative pictures of low-income housing more often than minority and lower educated individuals. Unfortunately, a lack of statistically significant chi-square statistics indicate that the relationships between participant demographics and qualitative question responses are inconclusive.

While these data are inconclusive, both the quantitative and qualitative data provide insight into whom to target when marketing CLTs and how CLT researchers and practitioners might develop messaging to policy makers, CLT housing host neighborhoods, and CLT homeowners. Additionally, these findings have implications for our understanding of NIMBYism. Literature and media often express NIMBY attitudes primarily along racial lines (Pendall, 1999; Tihge, 2009), but these findings suggest that NIMBYism may be alternatively expressed, enacted, and better understood along economic disparities.

Chapter VI

Discussion and Conclusion

This study examines the CLT model as one creative solution to the housing problem and one creative pathway to the American dream for lower income homeowners. Where previous studies have widely focused on individual-level and household-level outcomes, empirical data is needed on neighborhood level outcomes of the model. While this study is far from comprehensive, it begins to carve a path towards understanding the critiques of the model and ways to address perceptions that have affected the slow growth of the model. What this study found is that when CLT properties are distinguishable from market-rate properties, they are in better condition than there market-rate counterparts, and therefore do not contribute to neighborhood decay based on any physical characteristics. Additionally, this research positions CLTs as the method to make homeownership possible and sustainable for low income populations. In sum, CLT properties contribute to stabilizing neighborhoods in their supportive contributions to low-income residents and overall sustained investment in local housing markets.

This study also provides information on how NIMBYism affects the CLT model. While CLTs work with low-income populations, there are no aspects of the model that are similar to any historical forms of low-income housing. However, this model has been slow to gain acceptance in the U.S. because of its relationship to the term, "low-income housing." There is no question that there are wide-spread, widely-accepted negative associations with low income housing; it is often associated with poor housing conditions and the presence of trash, graffiti, broken windows, and high crime in neighborhoods. These associations provide the foundation for the NIMBY mentality in more affluent populations and neighborhoods. While it is clear to CLT practitioners and researchers that this model deconstructs the expectation of low income housing based on the physical attributes traditionally associated with "low-income housing," public acceptance of the CLT model is slow evolving because of it serves low-income populations. What this study demonstrates is that deconstructing NIMBY attitudes in regards to CLTs may be

easier than expected. This study's survey demonstrated a significant change in perception of survey respondents by simply showing pictures of CLT houses that deviated from the expectation of low-income housing. This finding has significant implications for the potential growth and acceptance of the model. By enabling homeowners to enter houses and neighborhoods that do not bear the symbols traditionally associated with low-income neighborhoods, CLTs make the Dream more real for low-income populations while maintaining the Dream for those who have already achieved it.

Even though this study effectively debunked the neighborhood decay critique of the CLT model, additional research is needed to address the housing value critique (see page 5 of this study). While CLTs create access for low-income individuals, host neighborhoods are often reluctant to accept CLT homes and homeowners out of fear of the possibility of lowering neighborhood housing values. Even though this fear is valid, practitioners suggest that CLTs were designed to prevent this from occurring. While this study did not directly address the housing value critique, it contributes to future studies of this critique by determining that there are no identifying attributes of CLT properties that make them appear to be "low income" or different from the surrounding houses. Any lowering of housing values, then, could not be an effect of the existence of CLT properties in neighborhoods, but must be attributed to specific social, political, or economic processes occurring in that location.

Even though the "American Dream" remains synonymous with owning a home, owning a home has only been easily accessible to higher income populations. However, low-income populations who aspire to become homeowners have historically taken the greatest risk in achieving the Dream and have consistently fallen victim to imbalanced housing markets and homeownership products not designed to meet their needs. What the CLT model provides to low-income populations is equity in opportunity for low-income people with an added benefit of security. By leveling the playing field, CLTs help stabilize an otherwise volatile market, provides low-income homeowners a measure of sustainability not realized by any previous form of affordable housing opportunities, and ensures the maintenance of neighborhood desirability for people living in CLT host neighborhoods. While homeownership for the lower echelons of society is often abstract

at best, creative solutions, like CLTs, remove economic barriers and provide the social

support necessary to make these dreams and abstractions a sustained reality.

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