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JUN 12 2017

June 12, 2017

City of Central Point
140 S 3rd Street
Central Point OR 97502

Attention: Planning Commission

Inre: Smith Crossing

To Whom It May Concern

I want to thank you for allowing us this extra 7 days to review and learn more about "Smith Crossing" in the Twin Creeks Developement.

Most areas of concern have been previously addressed in and by other neighbors. I and others still have great concerns with traffic congestion generated by this project.

Since the June 6, 2017 meeting we have learned that the Senior Housing complex at the corners of N, Haskell, Richardson Drive and Taylor is planning on adding 40 units to their apartments as soon as they can get the funding.

There is, also. the develoment being planned for S. Haskell, which will only add more traffic to the corner of N Haskell, S Haskell and Pine Street.

Many new homes have been added to Twin Creeks.

In today's world, most people do not take the newspaper and many others, also, do not have internet capabilities. Most of my neighbors had no idea this proposal was in the works and then we only had a few days to express our concerns .

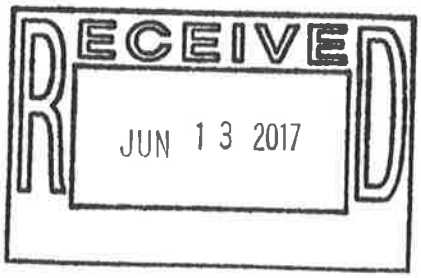
At this time I would ask that the traffic survey be updated before the July 18, 2017 meeting.

I have gone to Charles Point and have spoken with the Manager there and she put at rest many of my concerns. I feel that the project, overall, is in good hands.

Sincerely, Charles R Stamps
541-665 0188

SSCS Charles R Stamps, USCG (RET.)
529 Blue Moon Dr
Central Point, OR 97502-8635

June 13, 2017



City of Central Point
140 So. 3rd Street
Central Point, OR 97502

Attention: Planning Commission

RE: Smith Crossing

To Whom It May Concern:

I have reviewed the *"Planning Department Supplemental Findings of Fact and Conclusions of Law"* and the *"Findings of Fact"* prepared by Scott Sinner, Agent for the Applicant regarding the Smith Crossing at Twin Creeks application and have several comments and questions. The references are to those documents.

Finding: Master Plan Exhibit 3, Circulation: There is *"an opportunity to relocate (a) portion of"* a 65 foot section of the Off-Street Pedestrian Accessway. Regarding **Finding 17.67.040 (A) (9)**, *"the Applicant shall coordinate with Twin Creeks Development Co. to locate a portion of the path...."* Has that been done?

17.65.050 Zoning Regulations, Table 2 shows the *"Maximum Building Height"* for both Phase 1 and Phase 2 as 34 feet. However, in the Findings of Fact prepared by Scott Sinner, the *"Maximum Building Height"* for each building is 37 feet. This inconsistency concerns me. The Planning Department found the parking spaces required and proposed by the Applicant were not correct. See Table 3 of the Planning Department response. Are there other *"Findings in Fact"* which are not consistent, not accurate, not really *"facts"*?

Finding 17.67.050 (F) (3): The application refers to the Twin Creeks Transit Oriented Development (TOD) Master Plan, which sets parking standards. That document apparently indicates: *"Except for multifamily housing, fifty percent of all residential off-street parking areas shall be covered."* I suggest that exception may no longer be appropriate, that the Master Plan needs to be reviewed prior to approval of this application. Despite that exception, *"The project includes 25 single car garages (5 in Phase 1 and 20 in Phase 2)."* I wonder why there are garages for only 5% of Phase 1 units yet nearly 14% of the Phase 2 units.

Finding 17.67.050 (D) addresses *"Solar Orientation"* and indicates what *"should"* be done to take *"advantage of the climate of Central Point."* This finding states *"The proposal maximizes solar orientation to the **greatest extent possible with the context of the existing street network.**"* (Emphasis added.) I think that is not the case if there were fewer buildings in the project. If there were fewer

buildings, the *"orientation"* could be adjusted. Regarding *"Solar Orientation"* in the Scott Sinner Findings of Fact, it says *"Both Phases of the development* ***considered*** *solar orientation in the design process. The siting objectives of this section were utilized and* ***considered*** *with other site constraints and existing easement. CPMC (Central Point Municipal Code) standards for building orientation adjacent to a right of way and natural features (Griffin Creek) constrained the site. The sites, particularly Phase 1 are further encumbered with existing sanitary and irrigation easements. The structures were sited with the solar orientation in the code* ***as much as possible*** *given all the site constraints and density requirements."* (Emphasis added) That might be the case if all the buildings included in the application are built, eight in Phase 1 and nine in Phase 2. However, if fewer buildings are constructed on the site, I suggest many of these *"constraints"* would no longer exist.

Finding 17.67.050 (G): *"The massing of individual buildings should be adjusted to preserve important views while benefiting new and existing occupants and surrounding neighborhoods. Views of Table Rock and Mt. McLoughlin were identified in the Twin Creeks TOD Master Plan."* From our home on Blue Moon Drive, our view of Table Rock will be blocked by the two story row houses across from our home when construction is completed in the near future. Our view of Mt. McLoughlin will similarly be blocked by the Smith Crossing apartment complex. This project is NOT *"Consistent"* with that provision of the TOD Master Plan.

Finding 17.67.050 (H): The TOD Master Plan states *"care should be taken to minimize the impact of noise, lighting, and traffic on adjacent dwellings."* The finding indicates *"The majority of vehicle parking and loading areas are centrally located within the site and therefore screened by buildings and site landscaping."* If the occupants in each phase have one vehicle per unit, a total of 245 vehicles, most of which will travel along Haskell, traffic will be significantly increased. While that will have an *"impact"* on those living in *"adjacent dwellings,"* the greater impact will likely be at Richardson Elementary School, at the intersection of Haskell and Pine Street. How many children will be hurt or killed in traffic accidents before people regret approving this increased traffic? But of course, at that time, the project will have been built so other efforts and additional expense will be required to reduce the likelihood of further injuries.

Finding 17.67.050 (I)(1): The Master Plan *"addresses transitions in density."* The finding points out *"Property to the west of Phase 1 is ... developed with existing two-story single family attached residents."* There are also numerous single story row houses west of Phase 1. The finding says *"the proposal is consistent with the density transition standard of this item* ***as evidenced by its compliance with the TOD Master Plan...."*** (Emphasis added.) In view of the impact on *"existing"* residents, I submit the Master Plan be reviewed and revised prior to approval of

this application. Furthermore, **Finding 17.67.050 (I)(7)** indicates *"density should be increased incrementally, to buffer existing neighborhood from incompatible building types or densities."* Crossing Haskell to existing homes on Blue Moon cannot reasonably be characterized as *"increased **incrementally**."* (Emphasis added)

Finding 17.67.050 (I)(5): The finding states *"the Master Plan establishes a mix of housing types throughout a 230-acre community, which encourages interaction among individuals with diverse backgrounds and income levels."* How is that accomplished when the *"Site Plan for each phase illustrates a network of **private*** (limited to residents of Smith Crossing, emphasis added) *pedestrian walkways with the housing development to provide connectivity between the apartment buildings, clubhouse and pool, playground and open space amenities."* **(Finding 17.67.040 (C).)**

Numerous landscaping issues are of concern. In several of the findings regarding **17.67.050 (K)(2),** *"trees **shall be*** (emphasis added) *planted"* in prescribed locations and sizes. The master plan in force at the time many existing trees were planted has resulted in numerous problems. Some trees were planted over underground utilities and water lines, which, as the trees have grown, have disrupted service. In other cases trees and lighting poles are so close together that the tree prevents effective lighting. The roots of other trees have caused the sidewalks to become uneven, resulting in safety hazards. Some homeowners are concerned about the size of some trees, afraid that in a wind or snow storm part of the tree might fall, damaging their homes. Some trees are very *"dirty,"* dropping acorns, nuts, fruit, and leaves that create trip or slip hazards. I strongly recommend a thorough review of tree, shrub and ground cover requirements be done before this project is approved. For example, **17.67.050 (K)(2)(d)(i),** provides that *"trees and shrubs **must be*** (emphasis added) *fully protected from potential damage by vehicles."* A corresponding requirement apparently does not exist protecting people and property from trees and shrubs.

In a similar manner, **Finding 17.67.050 (L)(1-3)** specifies *"metal-halide lamps ... shall be used for general lighting .... Sodium-based lamp elements are not allowed."* There might be better lighting available now or in the near future. Specifying what is allowed and what is prohibited may not be in the best interest of the citizens, the environment, etc.

This Smith Crossing proposal refers to the Twin Creeks Transit Oriented Development (TOD) Master Plan. In the Findings of Fact prepared by Scott Sinner, *"The purpose of the Central Point transit oriented development (TOD) district is to promote efficient and sustainable land development and the increased use of transit as required by the Oregon Transportation Planning Rule."* Furthermore, *"The Twin Creeks Master Plan identifies proposed service routes*

from Rogue Valley Transit District (RVTD), however, RVTD does not currently have Route 40 into the Twin Creeks area. The closest RVTD stop is 2nd and Manzanita .66 miles from the site with schedules (sic) service every ½ hour from 6:18 AM to 7:18 PM weekdays." In view of that, until public transportation is better utilized (because it better fits the needs of citizens), I think it is inappropriate to base proposed construction on the Twin Creeks Transit Oriented Development (TOD) Master Plan.

I am also concerned about the need for additional housing in Central Point. What are the demographics of people who might live in Smith Crossing? Is there a market for this type of housing in Central Point? If there is, will it merely increase the vacancy rate in other parts of the city creating blight elsewhere?

I was unable to find any information regarding the Applicant, PMCI, Inc. Are they financially sound? Will they complete any approved construction? Who will manage the property when built? What is their history? Nobody wants a large, vacant, partially completed building in the city. What guarantees has the Applicant/Developer provided the City of Central Point? Has the City of Central Point made any commitments to the Applicant/Developer regarding this property?

In conclusion, I urge that action on this proposal be delayed until the Twin Creeks Transit Oriented Development (TOD) Master Plan is reviewed and updated. As **Finding 17.67.050 (I)(7)** indicates *"There are no changes proposed to the land use plan or zoning text."* Perhaps changes are appropriate at this time to promote safety and be in accordance with public interest.

Sincerely,

Jim Huefner
523 Blue Moon Drive
Central Point, OR 97502
541-727-8998

June 13, 2017

To the Planning Committee, City Council, and Mayor Williams:

We are shocked and concerned about the disadvantage that the proposed Smith Crossing Apartment Complex brings to the community of Central Point.
Our greatest concern rests on how simply massive the project will be: with 245 rental units and many additional low-income houses. Why is the city encouraging the development of the flood of social liquidity instead of promoting and protecting homeownership in our community? The negative effects of this direction are already undermining the Twin Creek neighborhood as people are hurrying to list their homes in order to leave the area—before ground has even been broken yet.

Our neighborhood more than any other will feel the reduction in value—not only due to the proximity to a transient populous, but also due to the noise and vastly inadequate parking plan. The only people benefiting from this plan are the developers exploiting our city to satisfy their pursuit of profit. No homeowner wants to purchase a house in a neighborhood that will only decrease in value, while taxes for a small home are already outrageous. We ask that you read the article provided.

Homeowners are the pillars of a community, and a city that does not protect the foundation of a progressive society instead promotes an influx of population that has no attachment to the neighborhood. This in turn promotes higher crime, social instability, decrease in educational achievement, etc.. The research and support for this is included in the article provided.
We believe that Central Point should move towards developing and encouraging home ownership. This will benefit the city in encouraging a strong community. In our neighborhood, particularly, we see families that *want* to live here—that sacrifice a lot and will do almost anything to preserve and develop their lives and homes here. Moving instead towards encouraging transient renters will only destroy this communal attitude.

"In addition to tangible financial benefits, homeownership brings substantial social benefits for families, communities, and the country as a whole." We are the reason that this area has become a desirable place to live; you owe it to us to hear our concerns.

Michael and Svieta King

Thru Mike & Svieta

502 Griffin Oaks Dr

Susan Gressett

Susan Gressett

506 Griffin Oaks Dr.

Hannah King

King

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JUN 13 2017

Social Benefits of Homeownership and Stable Housing

NATIONAL ASSOCIATION OF REALTORS®

Research Division

April 2012

Introduction

Research has consistently shown the importance of the housing sector on the economy and the long-term social and financial benefits to individual homeowners. The economic benefits of the housing market and homeownership are immense and well documented. The housing sector directly accounted for approximately 15 percent of total economic activity in 2011. Household real estate holdings totaled $16 trillion in the last quarter of 2011. After subtracting mortgage liabilities, net real estate household equity totaled $5.9 trillion.

In addition to tangible financial benefits, homeownership brings substantial social benefits for families, communities, and the country as a whole. Because of these societal benefits, policy makers have promoted homeownership through a number of channels. Homeownership has been an essential element of the American Dream for decades and continues to be so even today.

The purpose of this paper is to review existing academic literature that documents the social benefits of homeownership. Furthermore, this paper examines not only the ownership of homes, but also the impact of stable housing (as opposed to transitory housing and homelessness) on social outcomes, looking specifically at the following outcome measures:

- Educational achievement;
- Civic participation;
- Health benefits;
- Crime;
- Public assistance; and
- Property maintenance and improvement.

In general, research supports the view that homeownership brings substantial social benefits. Because of these extensive social benefits - what economists call positive externalities - policies that support sustainable homeownership are well justified.[1]

[1] There is a strong correlation between homeownership with income, education, age, marital status, and several other factors. Therefore, a strong correlation between homeownership and social outcome variables may simply be superfluous in that the correlation is simply capturing the impact of higher income, education, and the like. To isolate the impact solely attributable to homeownership and/or stable housing, it is important to control for factors that are generally present with homeownership (like higher income and older age). Carefully executed research, as documented below, takes these and many other factors into account to isolated the impact of homeownership on social outcomes.

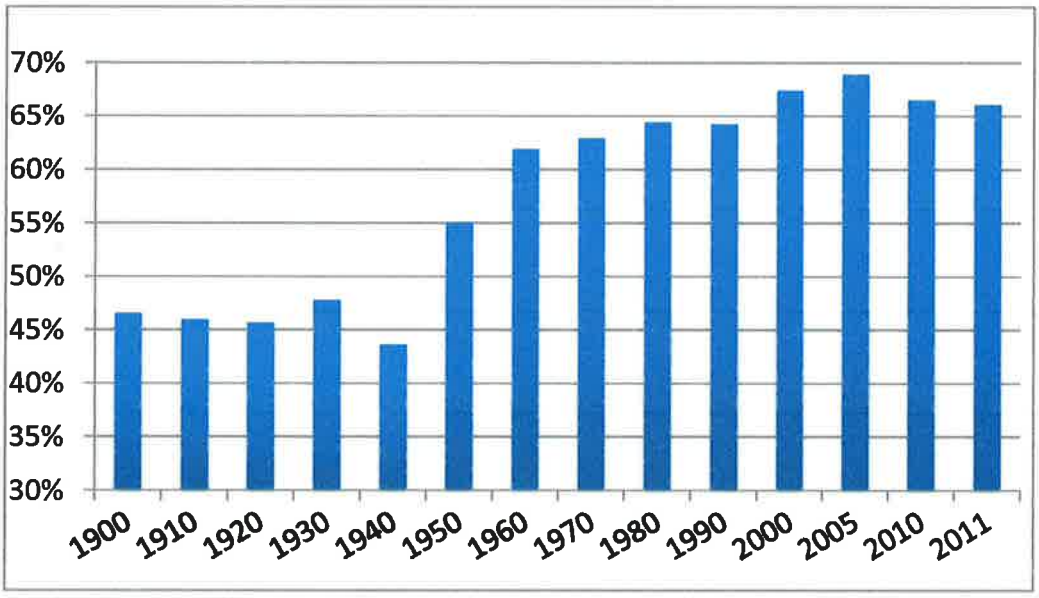
Trends in Homeownership

The prevalence of homeownership is not universal. Across different demographic groups and even within different regions of the country, the homeownership rate varies widely. Many of these gaps are long standing. Therefore, the social benefits of homeownership differ widely from community to community.

Less than half of Americans owned their homes at the beginning of the 20th century (see **Exhibit 1**). Homeownership remained fairly stable until the onset of the Great Depression, during which many homeowners lost their homes. In the subsequent two decades, the homeownership rate rose dramatically with the rate easily topping 60 percent by 1960. Modest gains were made during the 1960s, 1970s and 1980s. However, during the early 1990s, the homeownership rate once again trended upward as mortgage rates steadily declined and the economy expanded at rates not experienced in many years. By 2004, 69 percent of Americans owned their homes – a record high. The homeownership rate has since declined to 66.0 percent as of the end of 2011.

Exhibit 1

Homeownership Rate for Selected Years (1900 – 2011)



Source: U.S. Census Bureau

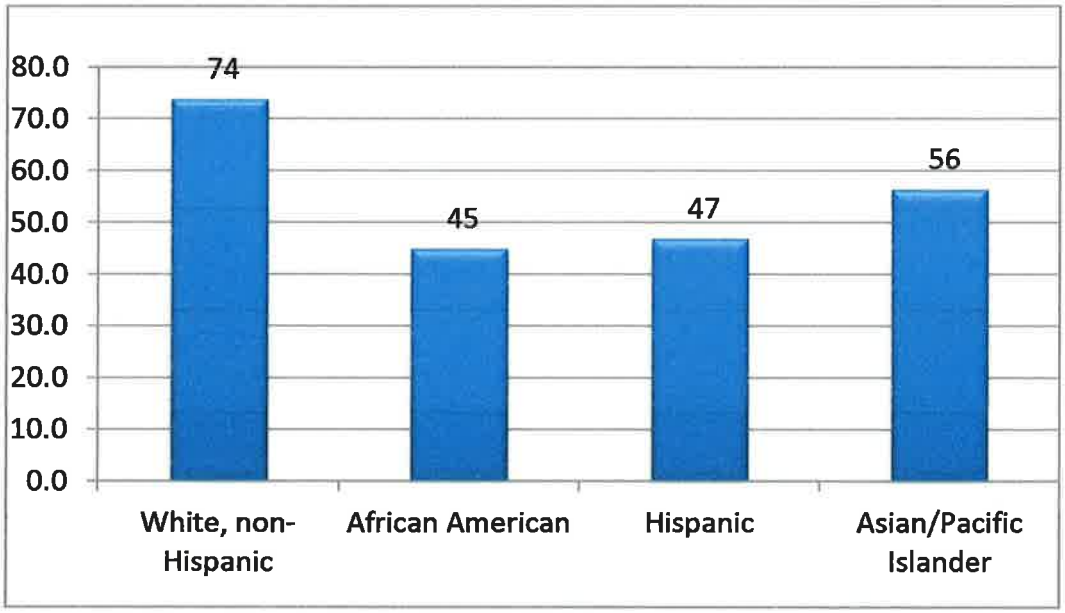
Minorities have made marked progress in homeownership in recent years (see **Exhibit 2**). But even with these gains, the homeownership rate among minorities still lags significantly behind that of whites. In 2011, fewer than half of African-American and Hispanic households owned their homes. In contrast, more than 74 percent of non-Hispanic whites were homeowners.

A large part of the gap in homeownership among minorities can be attributed to differences in economic circumstances and the age composition of minority populations. Income and wealth holdings among minorities are typically lower than that of whites. Furthermore, there is a disproportionately higher share of younger households – who are less likely to be homeowners – among minorities. Finally, a large number of minorities, particularly Asians and Hispanics, live

in less affordable urban centers on both the East and West coasts. By some estimates, if income, age, and family type (but not location) of minorities were similar to that of whites, the homeownership gap would be reduced from roughly 25 percentage points to about 10 percentage points. Even after adjusting for financial and demographic factors, minorities would have a lower homeownership rate than whites.

Exhibit 2

Percentage Point Gains in Homeownership Rate by Racial Group (1994 – 2011)



Source: U.S. Census Bureau, Housing Vacancy Survey

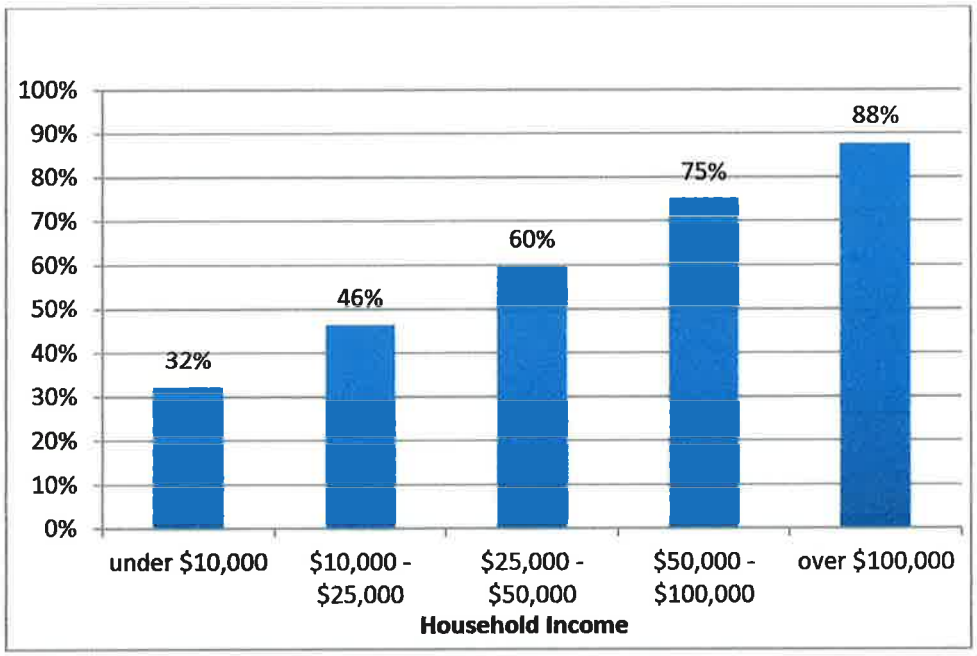
Recent research suggests that targeting discrimination in housing and mortgage markets or targeting renters' lack of information about the home buying process would contribute to narrowing of racial gaps in homeownership. Also important are efforts to reduce differences in household circumstances by race and ethnicity—including wealth, income, and marital status—that account for a large majority of observed differences in homeownership rates.[2]

One of the primary drivers of homeownership is income. As **Exhibit 3** shows, the homeownership rate is less than 35 percent for households in the lowest income bracket while it approaches 90 percent for those in the top income bracket. Higher income clearly widens the choice of available homes for purchase and increases the likelihood that a household will qualify for a mortgage. While homeownership is not limited to those with higher incomes, households with lower incomes face barriers such as too few homes in lower price ranges in locations near their place of employment.

Exhibit 3

Homeownership Rate by Income Level

[2] Haurin, Donald R., Herbert, Christopher E. and Rosenthal, Stuart S., Homeownership Gaps Among Low-Income and Minority Households. *Cityscape,* Vol. 9, No. 2, 2007.



Source: 2010 American Community Survey

A home purchase entails substantial transaction costs, as measured both in financial resources and search time; therefore it is rational for people who are expecting to move frequently to forego homeownership. Younger households are more mobile because they are more likely to be single and more likely to change employers. As a result, mobility rates decline as age rises. According to the U.S. Census Bureau, about one-quarter of those aged 20 to 29 years moved during 2010 while only 4 percent of those aged 55 and over moved during the same year. [3] Higher mobility rates among young people contribute to lower homeownership rates for this group. In addition, due to the large upfront cost associated with purchasing a first home, households need time to accumulate necessary savings. Therefore, as **Exhibit 4** depicts, it is not surprising to see that homeownership rates rise with the age of households.

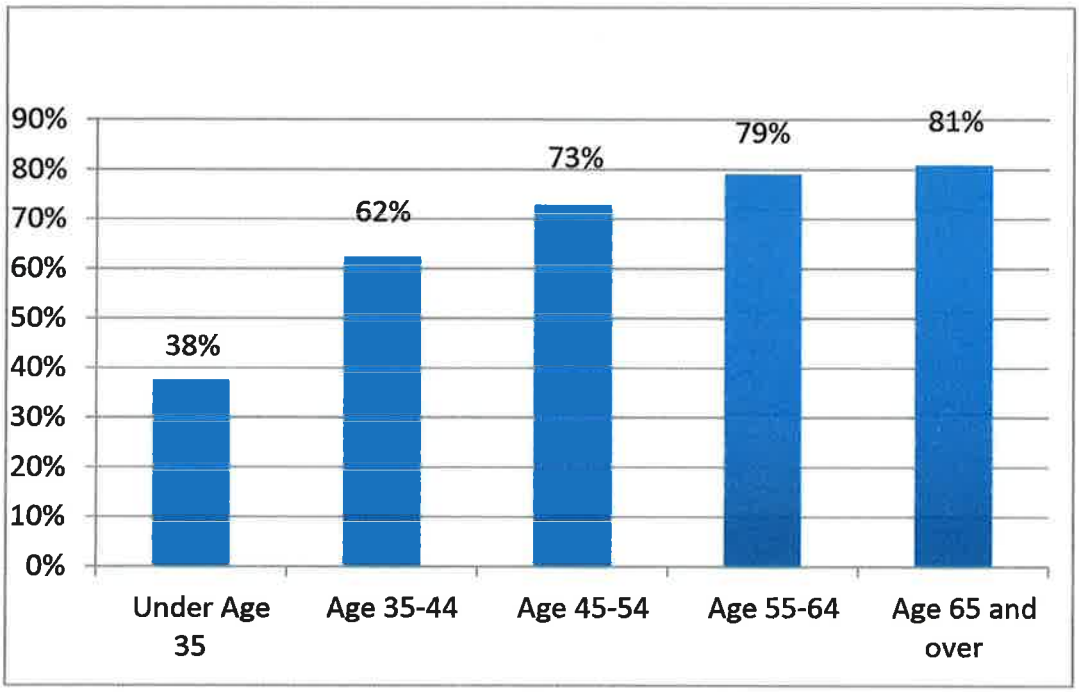
Homeownership and Stable Housing

Homeownership and stable housing go hand-in-hand. Homeowners move far less frequently than renters, and hence are embedded into the same neighborhood and community for a longer period. While 4.7 percent of owner-occupied residents moved from 2010 to 2011, 26 percent of renters changed residential location.[4] The key reason for the higher "mover rate" among renters is the fact that renters are younger – that is, changing and searching for ideal jobs, not yet married, and hence, literally, less committed. The mover rate or percentage of people changing residence, among 20-to-24 year-olds was 27 percent, and for 25-to-29 year-olds it was 26 percent, as shown in **Exhibit 5**. The mover rate then declines rapidly from 14 percent for those in their early 30s to less than 5 percent for those 65 years or older.

[3] The Current Population Survey, Geographical Mobility 2008 to 2009, Table 1.
[4] The Current Population Survey, Geographical Mobility 2008 to 2009, Table 1.

Exhibit 4

Homeownership Rate by Age



Source: U.S. Census, Housing Vacancy Survey, 2011

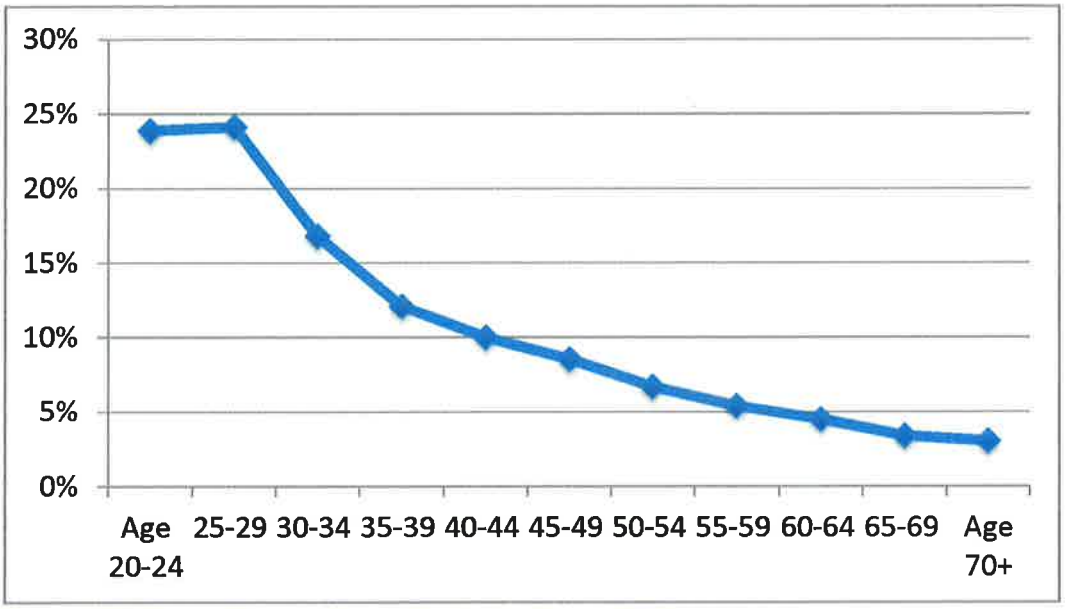
As to why people move, the predominant reason given by Current Population Survey respondents in 2010 to 2011 was housing-related. Almost one-third said they moved to a better home, a better neighborhood, or into cheaper housing. The second most popular reason cited was family-related at 28 percent. Work-related reasons (new job, lost job, easier commute, retired, etc.) were reported by only 18.5 percent of respondents. Very few indicated change of climate and health reasons for moving.

Poverty status and marital status also have strong relationships with mobility. The mover rate among those living below the poverty level was almost twice as high as those living above the poverty line. By contrast, the mover rate for married-couple family households was only half the rate compared with households living in other arrangements.

To determine the impact of homeownership on mobility, it is necessary to employ a mathematical regression model to isolate the impact of individual variables. Just because renters are five times more likely than homeowners to move, does not mean that the renters are moving because of their tenure status. High renter mobility could be a result of renters being young and not married. The Census report, after employing such a technique, found that homeownership does have a statistically significant impact of lowering the mover rate. That is, among people of the same age, same income, and same marital status, a person was significantly more likely to change residence in a given year if he or she was a renter rather than a homeowner. Homeowners bring stability to neighborhoods.

Exhibit 5

Mover Rate (percentage of people changing residence) by Age 2010-2011



Source: U.S. Census Bureau, Current Population Survey, 2010

Many sociology studies have found that residential stability strengthens social ties with neighbors.[5] Other research has focused on how mobility diminishes the depth of social ties because there is less time to build long-term relationships. Sampson and his colleagues argue that social cohesion and strong ties are paths through which resources for social control are made.[6]

As we shall see, the purported benefits of homeownership may partly arise not directly from ownership, but from greater housing stability and social ties associated with less frequent movements among homeowners. Therefore, policies to boost homeownership can raise positive social outcomes, but only to the extent that homeownership brings housing stability.

Homeownership and Educational Achievement

In this section several studies on the relationship between homeownership and educational achievement are discussed. Consistent findings show that homeownership does make a significant positive impact on educational achievement. Less clear, however, is whether homeownership in itself, stable housing (i.e., less frequent residential change), or favorable

[5] Warner, B. and P. Roundtree, 1997, "Local social ties in a community and crime model: questioning the systematic nature of informal social control," *Social Problems* 44: pp. 521-536

[6] Sampson, R., S. Raudenbush, F. Earls. 1997. "Neighborhoods and Violent Crimes," *Science* 277: pp 918-24.

neighborhood characteristics are the main underlying factors contributing to better educational outcomes.

Green and White found that homeowners have a significant effect on their children's success. The decision to stay in school by teenage students is higher for those raised by home-owning parents compared to those in renter households.[7] Furthermore, daughters of homeowners have a much lower incidence of teenage pregnancy. The authors point to certain behavioral characteristics required of homeowners that get passed onto their children. First, a home purchase naturally involves one of the largest financial commitments most households will undertake. Homeowners, therefore, tend to minimize bad behavior by their children and those of their neighbors that can negatively impact the value of homes in their neighborhood. Second, homeowners are required to take on a greater responsibility such as home maintenance and acquiring the financial skills to handle mortgage payments. These life management skills may get transferred to their children. However, the causation link between homeownership and improved schooling performance is not completely clear. It could very well be that homeownership brings residential stability, and it is the stability that raises educational attainment. Such an interpretation would be consistent with a study by the New York Federal Reserve Bank which found that, though homeownership raises educational outcomes for children, neighborhood stability further enhanced the positive outcome.[8] In addition, a study by Hanushek, Kain, and Rivkin showed that changing schools negatively impacts children's educational outcomes particularly for minorities and low income families.[9] Aaronson found that parental homeownership in low-income neighborhoods has a positive impact on high school graduation.[10] But he cautioned that some of the positive effects may arise due to the greater neighborhood stability (less residential movement) and not necessarily to homeownership alone.

In another study by Harkness and Newman, the authors examined whether children from lower-income and higher-income families benefit equally from homeownership and found that for children growing up in families with incomes less than 150 percent of the federal poverty line, homeownership raises educational attainment, earnings, and welfare independence in young adulthood. These positive results do not extend to the long-term outcomes of children in families with incomes more than 150 percent of the poverty line, however. These findings suggest that homeownership effects are not only attributable to unobserved characteristics of homeowners, but also indicate causal effects[11].

In another study, jointly authored by a sociologist and an economist, a higher overall quality of life among homeowners is believed to contribute to the well-being of both homeowners and their children in a number of ways. For example, young children of homeowners tend to have higher

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[7] Green, Richard K. and Michelle J. White 1997. "Measuring the Benefits of Homeowning: Effects on Children," *Journal of Urban Economics* 41(3): 441-461.

[8] Harkness, J. and S. Newman, 2003."Effects of Homeownership on Children: The Role of Neighborhood Characteristics and Family Income," *FRBNY Economic Policy Review*.

[9] Hanushek, E., J. Kain, S. Rivkin, "The Cost of Switching Schools," Working Paper, University of Texas, 1999.

[10] Aaronson, D., A Note on the Benefits of Homeownership, Journal *of Urban Economics*, 47 (3): 356-369.

[11] Joseph Harkness, Sandra Newman. Differential effects of homeownership on children from higher- and lower-income families. *Journal of Housing Research.* Washington: 2003. Vol. 14, Iss. 1; pg. 1

levels of achievement in math and reading and fewer behavioral problems (which often carry over into reduced deviant behavior in later years). Better social outcomes arise as parents provide a more supportive environment for their children. These factors, as well as many others, help explain increased educational attainment and higher lifetime annual incomes of homeowners' children.[12] Research has also confirmed that access to economic and educational opportunities are more prevalent in neighborhoods with high rates of homeownership and community involvement.[13] Boehm and Schlottmann show that the average child of homeowners is significantly more likely to achieve a higher level of education and, thereby, a higher level of earnings. The authors further find the housing tenure of parents plays a primary role in determining whether or not the child becomes a homeowner.[14]

Finally, a recent study examining whether homeownership has positive effects on the academic achievement of children finds significant effects of home environment, neighborhood quality, and residential stability on the reading and math performance of children between the ages of three and twelve.[15] Because it appears that educational outcomes were strongly influenced by homeownership and residential stability, the authors suggest that government policies that promote homeownership or residential stability should be considered as part of any strategy to improve education.

Homeownership and Parenting

Though the homeownership effect on success of children has been debated in academic literature, a recent study approached this question from a different perspective. Instead of trying to account for unobserved characteristics of homeowners, they examined whether there is a relationship between home ownership and engaged parenting behaviors in the home, school, and wider community for low to moderate income households. Researchers focused on four variables: parental school involvement, frequency of reading to child, child's participation in organized activities, and child's screen time (television viewing and playing videogames). Altogether, these measures reveal parenting behaviors broadly believed to be associated with positive child outcomes. The authors propose that homeownership provides for engaged parenting practices in two ways: economic and psycho-social. The economic impact of home ownership refers to the positive impact of nurturing neighborhoods. While both home owners and renters may aspire to be engaged parents, home owners likely live in neighborhoods with more opportunities for school involvement or participation in neighborhood activities. The psycho-social component refers to the idea that being a home owner may limit the severity of economic hardships and the degree to which financial hardships result in psycho-social stress

[12] Haurin, Donald R., Toby L. Parcel and R. Jean Haurin 2001. "The Impact of Homeownership on Child Outcomes." Low-Income Homeownership Working Paper Series LIHO-01.14, Joint Center for Housing Studies of Harvard University.

[13] Ellen, Ingrid Gould and Margery Austin Turner 1997. "Does Neighborhood Matter? Assessing Recent Evidence," *Housing Policy Debate* 8(4): 833-866.

[14] Boehm, Thomas P.; Schlottmann, Alan M. Does Home Ownership by Parents Have an Economic Impact on Their Children? *Journal of Housing Economics,* Sept. 1999. Vol. 8, Iss. 3, pgs 217-232.

[15] Lisa L Mohanty, Lakshmi K Raut. Home Ownership and School Outcomes of Children: Evidence from the PSID Child Development Supplement. *The American Journal of Economics and Sociology.* Malden: Apr 2009. Vol. 68, Iss. 2; pg. 465

and disengaged parenting. This idea works through two channels. First, low- to moderate-income households that are able to buy a home have already found ways to manage their limited finances in order to become eligible for a mortgage. If such effective strategies are sustained, it could help reduce economic pressure. Second, they have greater access to formal credit to sustain the household during times of economic hardship, putting less strain on familial relationships and parenting. Home owners in this study have higher adjusted net worth and liquid assets than renters. The authors, therefore, assume that home ownership promotes parental engagement by giving parents more options for managing financial hardships and reducing the severity of financial hardships when they do occur, thereby reducing stress and disengagement from children. It is important to emphasize, especially considering the housing crisis, that all of the homeowners studied received prime fixed-rate 30-year mortgages with a 38% debt-to-income criteria. Therefore, these home owners have not experienced the financial shocks of interest rate adjustments or the stress of excessively high interest rates associated with many sub-prime mortgages. The results of the study suggest that children of selected home owners are more likely to participate in organized activities and have less screen time when compared with renters. However, home owners were found less likely to read to their children than renters. There was no effect of home ownership on parental school involvement. On the whole, their findings suggest that home ownership and financial stability may create opportunities for parents to engage in some positive parenting behavior. As noted, the group of home owners surveyed in this study was less likely than renters to report financial hardships. The authors suspected that these financial stressors may reduce the ability of renters to afford organized activities for their child. Screen time, on the other hand, is relatively inexpensive for most families.

Homeownership and Civic Participation

Homeowners have a much greater financial stake in their neighborhoods than renters. With the median national home price in 2010 at $166,000, even a 5 percent decline in home values will translate into a loss of more than $8,300 for a typical homeowner. Because owners tend to remain in their homes longer, they add a degree of stability to their neighborhood. Homeowners also reap the financial gains of any appreciation in the value of their home, so they also tend to spend more time and money maintaining their residence, which also contributes to the overall quality of the surrounding community.[16,17] Renters, with less wealth tied to a specific locality, have less incentive to protect the value of their property via the political process. The right to pass property to an heir or to another person also provides motivation to properly maintain the property.

The extent of community involvement and the benefits that accrue to society are hard to measure, but several researchers have found that homeowners tend to be more involved in their communities than renters. For example, homeowners were found to be more politically active

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[16] Rossi, Peter H. and Eleanor Weber 1996. "*The Social Benefits of Homeownership: Empirical Evidence from National Surveys," Housing Policy Debate* 7(1) 1-35.

[17] Rohe, William M. and Leslie S. Stewart 1996. "Homeownership and Neighborhood Stability," *Housing Policy Debate* 7(1): 37-81.

than renters.[18] Homeowners participate in elections much more frequently than renters. A study by Glaeser and DiPasquale found that 77 percent of homeowners said they had at some point voted in local elections compared with 52 percent of renters. [19] The study also found a greater awareness of the political process among homeowners. About 38 percent of homeowners knew the name of their local school board representative, compared with only 20 percent of renters. The authors also found a higher incidence of membership in voluntary organizations and church attendance among homeowners.

As before, it is not clear if homeownership in itself determines more civic participation or if the correlated variable of residential stability is more responsible for higher civic participation. One study that directly attempted to disentangle the two impacts found length of residence to be more important than homeownership. Therefore, according to this study a renter household in a stable neighborhood is more likely to be engaged in a community and civic activity than a homeowner who frequently moves. There also is some evidence that homeownership programs may result in increased property values near subsidized or locally assisted homeownership sites and can, under the right circumstances, draw other non-housing investment to the community.[20]

Two most recent studies examined civic engagement and social capital of homeowners. A study looking at civic engagement investigated whether people volunteer more if they have a stake in the community such as owning a home. The authors argued that homeowners have a stake in the community given that home is a unique investment where the asset is tied to a fixed geographical location and consequently the value of the property is determined by the condition of the neighborhood in which it is located and the social institutions that serve its residents. The study found that simply owning a home increases the number of hours volunteered, but low-value homeowners do not volunteer any more or less than high-value homeowners. Thus, while homeownership increases the number of hours volunteered, home value itself has no impact on volunteering. Another important finding suggests that homeownership yields a positive influence on volunteering regardless of how long the homeowner has lived in the neighborhood. This result challenges previous studies which implied length of tenure was critical. The study focusing on social capital discusses the importance of social networks and given the greater social network of homeowners, homeowners' resultant access to social capital[21]. Social capital refers to social resources a person can access through contacts with others in his or her social networks. To differentiate between an individual's overall social capital and the social capital connected with his or her neighborhood, authors asked whether any of the people a respondent knows who could provide a given resource reside in his or her neighborhood. If homeownership creates social capital, homeowners are expected to have more overall social capital resources and also more resources within their neighborhoods. If homeownership only influences the geographical distribution of social capital, homeowners are expected to know more people in their

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[18] Cox, K., 1982. "Housing Tenure and Neighborhood Activism," *Urban Affairs Quarterly* 18, pp. 107-29.

[19] DiPasquale, D. and E. Glaeser, 1998, "Incentives and Social Capital: Are Homeowners Better Citizens?", *Journal of Urban Economics* 45, 354-384.

[20] Ellen, Ingrid Gould, Scott Susin, Amy Ellen Schwartz, and Michael Schill 2001. Do Homeownership Programs Increase Property Value in Low Income Neighborhoods? *Low-Income Homeownership Working Paper Series LIHO-01.13, Joint Center for Housing Studies of Harvard University.*

[21] Manturuk, K, M. Lindblad, and M Quercia. 2010. Friends and Neighbors: Homeownership and Social Capital Among Low- to Moderate-Income Families. Journal of Urban Affairs 32.

neighborhoods but not more people overall. In other words, if homeownership produces beneficial social impacts associated with social capital, homeowner will have more social contacts inside and outside his neighborhood than renters. But if homeownership only fosters relationships within a neighborhood and there is not a greater social benefit to it, homeowners will only know more people in the neighborhood but not also outside of it. The results indicate that homeownership does create social capital and provide residents with a platform from which to connect and interact with neighbors. Neighborhood tenure duration has no impact on social capital acquired via social ties with neighbors. But, neighborhood group membership does, as does having a child in the home.

The study also discusses several interesting phenomena about homeownership and the power of attachment arising from homeownership. Homeowners in many ways identify with their neighborhood, whether through interaction with neighbors, membership in neighborhood groups or by selection of social ties with other homeowners. As the authors argue, homeowners are more likely to seek out opportunities to interact with their neighbors because they feel a sense of attachment to others who live near them, particularly in urban communities. Owning a home means owning part of a neighborhood, and a homeowner's feelings of commitment to the home can arouse feelings of commitment to the neighborhood, which, in turn, can produce interactions with neighbors. Overall, attachment to the neighborhood is stronger for homeowners and long-term renters than for more transient residents. Another study found that the strongest predictor of attachment is not a place characteristic but rather whether the person is a homeowner[22].

Another interesting point the authors made is that individuals select the people with whom they form social relationships within a social space that facilitates routine interaction with others. The most common place to form social relationships is the workplace. Like a workplace, homeownership serves to facilitate interactions within a neighborhood and open opportunities for the acquisition of social capital. However, people also consider the potential long-terms costs and benefits[23], thus homeowners may see ties to other homeowners as more valuable because of a higher potential for longer lasting relationships. As the authors further argue, both homeowners and renters are less likely to look for social ties with renters because renters are perceived as temporary residents. Homeownership implies permanence, while renting implies mobility[24]. In fact, previous studies have found mobility does impact the creation of social capital. Communities with higher in-migration and out-migration were shown to have lower levels of social capital[25].

Homeownership and Health Benefits

Homeowners are happier and healthier than non-owners. But again, it would be incorrect to simply look at the correlation between homeownership and health outcomes to draw conclusions since homeownership is also correlated with such factors as income and education levels. And surely, higher income and education are associated with better health. Nonetheless, there are a

[22] Woldoff, R. A. 2002. The effects of local stressors on neighborhood attachment. Social Forces, 81, 87–116.
[23] Van Der Gaag, M., & Snijders, T. A. B. 2005. The resource generator: Social capital quantification with concrete items. Social Networks, 27, 1–29.
[24] Coffe, H. 2009. Social capital and community heterogeneity. Social Indicators Research, 91, 155–170.
[25] Coffe, H.,& Geys, B. 2006. Community heterogeneity: A burden for the creation of social capital? Social Science Quarterly, 87, 1053–1072.

few academic studies that provide evidence of the positive impact of homeownership on health even after controlling for factors like income and education.

Rohe and Stegman found that low-income people who recently became homeowners reported higher life satisfaction, higher self-esteem, and higher perceived control over their lives.[26] But the authors cautioned on the interpretation of the causation since residential stability was not controlled for. Similarly, Rossi and Weber concluded that homeowners report higher self-esteem and happiness than renters.[27] For example, homeowners are more likely to believe that they can do things as well as anyone else, and they report higher self ratings on their physical health even after controlling for age and socioeconomic factors. In addition to being more satisfied with their own personal situation than renters, homeowners also enjoy better physical and psychological health.[28]Another study showed that renters who become homeowners not only experience a significant increase in housing satisfaction, but also obtain a higher satisfaction even in the same home in which they resided as renters.[29]

More recently, research examining the association of self-rated health with socioeconomic position showed that social mobility variables, such as the family financial situation and housing tenure during childhood and adulthood, impacted one's self-rated health. In particular, the socioeconomic disadvantage indicated by not being able to save any money or not owning or purchasing a home, is negatively associated with excellent or very good self-rated health. [30] A similar examination, but looking at self-reported financial well-being, also showed financial well-being depends on home ownership, the number of children, health insurance, age, and income.[31]

Homeownership and Crime

Homeowners have a lot more to lose financially than do renters. Property crimes directly result in financial losses to the victim. Furthermore, violent non-property crimes can impact the property values of the whole neighborhood. Therefore, homeowners have more incentive to deter crime by forming and implementing voluntary crime prevention programs.

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[26] Rohe, W. and R. Stegman. 1994. "The Effects of Homeownership on Self Esteem, Perceived Control, and Life Satisfaction of Low Income People," *Journal of the American Planning Association*, 60(2), pp. 173-84.

[27] Rossi, P. and E. Weber. 1996. "The Social Benefits of Homeownership: Empirical Evidence from National Surveys," *Housing Policy Debate*, 7, pp. 1-15.

[28] Rohe, Willam M., Shannon Van Zandt and George McCarthy 2001. *The Social Benefits and Costs of Homeownership: A Critical Assessment of the Research.* Low-Income Homeownership Working Paper Series LIHO-01.12, Joint Center for Housing Studies of Harvard University.

[29] Luis Diaz-Serrano. Disentangling the housing satisfaction puzzle: Does homeownership really matter? *Journal of Economic Psychology*. Amsterdam: Oct 2009. Vol. 30, Iss. 5; pg. 745

[30] Catherine R Chittleborough, Anne W Taylor, Fran E Baum, Janet E Hiller. Monitoring Inequities in Self-Rated Health Over the Life Course in Population Surveillance Systems. *American Journal of Public Health.* Washington: Apr 2009. Vol. 99, Iss. 4; pg. 680, 10 pgs

[31] David Penn. Financial well-being in an urban area: an application of multiple imputation. *Applied Economics*. London: Oct 2009. Vol. 41, Iss. 23; pg. 2955

Research on crime and homeownership shows that homeowners are far less likely to become crime victims. A study of both property and violent crime in New York City suburbs found that homeowners encountered significantly lower crime rates even after controlling for other socioeconomic variables[32]. Glaeser and Sacerdote also found a lower incidence of crime victims among homeowners.[33]

From sociological literature on social disorganization, recent research by Miles-Doan showed residential mobility as a contributing factor for the higher violence rate by spouses and intimates.[34] In a similar vein, a recent work by Kubin found that residential mobility is significantly and positively related to homicides.[35]

The results are congruent with sociologists' theories of social disorganization, or a breakdown in social bonds, family and neighborhood association.[36] A high level of social disorganization is said to exist where there is a high level of deviance in social norms and a lack of community to realize common values. Crime, suicide, juvenile delinquency, teen pregnancy and drug usage are all the consequences of social disorganization. The generally accepted causes of social disorganization include poverty, low educational attainment, family disruption, and racial segregation in urban life. In addition, frequent residential mobility is also considered one of the key causes of social disorganization.

For example, one of the first college textbooks on the subject, appropriately titled ***Social Disorganization***, mentions crime, unemployment, divorce, venereal disease, illiteracy, undernourishment, and *mobility* and *transiency* (our emphasis) as indications of a disorganized society.[37] In another study Bursik showed the link between mobility and crime.[38]

A stable neighborhood, independent of ownership structure, is also likely to reduce crime. It is easier to recognize a perpetrator of crime in a stable neighborhood with extensive social ties. Therefore, the empirical studies showing a lower crime rate among homeowners and people living in a stable housing environment are consistent with theories on social disorganization.

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[32] Alba, R., J. Logan, P. Bellair. 1984. "Living with Crime: The Implications of Racial/Ethnic Differences in Suburban Location," *Social Forces* 73: pp. 395-434.

[33] Glaeser, E. and B. Sacerdote. 1999. "Why is there more crime in cities?" *Journal of Political Economy* 107: pp. s225-s258.

[34] Miles-Doan, Rebecca. 1998. "Violence Between Spouses and Intimates: Does Neighborhood Context Matter?", *Social Forces*, 1998, pp.623-645.

[35] Kubrin, Charis E., "Structural Covariates of Homicide Rates: Does Type of Homicide Matter?" *Journal of Research in Crime and Delinquency,* 2003, pp. 139-170.

[36] Shaw, C. and H. McKay. 1942. *Juvenile Delinquency and Urban Areas.* Chicago: University of Chicago Press.

[37] Elliot, M. and F. Merrill, *Social Disorganization*, 1941, Harper & Brothers Publishers.

[38] Bursik, R.J., Jr. 1999. "The Informal Control of Crime through Neighborhood Networks," *Sociological Focus* 32: pp. 85-97.

Homeownership and Public Assistance

We found earlier that housing stability lowers teenage pregnancy. There is vast literature on the link between teen pregnancy and the likelihood of receiving public assistance.[39] Therefore, to the extent that homeownership and stable housing reduce teen pregnancy, one can expect a reduction in the incidence of public assistance among those living in a stable neighborhood.

Furthermore, Page-Adams found that homeowners are better able to adjust after being laid off from a job due to their access to home equity credit lines, and hence, lessening their need for public assistance.[40]

Homeownership and Property Maintenance and Improvement

Another key benefit received by homeowners is the structural quality of their housing.[41] However, a well maintained home not only generates benefits through consumption and safety, but research has shown that high quality structures also raise mental health.[42]

It is often suggested that owner-occupied housing is better maintained than renter-occupied. In a study by Henderson and Ioannides, the authors argue that landlords cannot distinguish between households that will maintain a rental unit from those that will cause damage. Consequently, landlords charge rents based on the expected level of care that will be taken by renters and households that plan to take care of their dwelling are motivated to become homeowners.[43] Further, homeowners have a financial interest in ensuring that their unit is well maintained and repaired while mobile households may ignore damage.[44] In contrast, Ozanne and Struyk find that including information about the neighborhood and housing structure in estimating statistical relationships causes the owner-occupancy effect to disappear.[45]

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[39] Sawhill, I., 1998. "Teen Pregnancy Prevention," Brookings Institute's Policy Brief #38.

[40] Page-Adams, D., and N. Vosler. 1997. *Homeownership and Well-Being Among Blue-Collar Workers,* Washington University, School of Social Work.

[41] R.D. Dietz, D.R. Haurin, 2003. The social and private micro-level consequences of homeownership. *Journal of Urban Economics 54 (2003) 401–450* 423

[42] G.W. Evans, N.M. Wells, A. Moch, 2003. Housing and mental health: a review of the evidence and a methodological and conceptual critique, *Journal of Social Issues* 59.

[43] J.V. Henderson, Y.M. Ioannides, 1983. A model of housing tenure choice. *American Economic Review* 73, 98–113.

[44] G.C. Galster, 1983. Empirical evidence on cross-tenure differences in home maintenance and conditions. *Land Economics* 59, 107–113.

[45] L.J. Ozanne, R.J. Struyk, Housing from the existing stock: comparative economic analyses of owner occupants and landlords, Working paper 221-10, The Urban Institute, Washington, DC, 1976.

Another early study finds that owner-occupant landlords are more likely to rehabilitate housing dwellings than other rental housing landlords because owners most directly experience the improvements, as opposed to current and future renters or tenants.[46]

Heywood also finds that income impacts the level of maintenance with low-income owner-occupants maintaining their homes less than high-income owner-occupants. [47]

When looking at the different effect renters have on maintenance, research compared differences in price appreciation using the repeat sales technique and found some evidence that renter-occupied housing appreciates less than owner-occupied housing.[48] Finally, a study looking at how much neighbors affect each other provides evidence that the maintenance behavior of individual homeowners is influenced by those of their neighbors.[49]

Conclusion

Owning a home embodies the promise of individual autonomy and is the aspiration of most American households. Homeownership allows households to accumulate wealth and social status, and is the basis for a number of positive social, economic, family and civic outcomes. Two-thirds of all U.S. households who own their home currently are enjoying these benefits.

The positive social benefits from homeownership and stable housing are compelling. As this paper has shown, there is evidence from numerous studies that attest to the benefits accruing to many segments of society. Homeownership boosts the educational performance of children, induces higher participation in civic and volunteering activity, improves health care outcomes, lowers crime rates and lessens welfare dependency.

Owning a home is different from renting. With the home purchase comes the pride of ownership and the sense of belonging in a community where one has a financial stake in the neighborhood. Perhaps, homeowners are "happier" just from having achieved the so-called "American Dream" -- a sense of accomplishment, a milestone. Also, ownership entails greater individual responsibility. As discussed above, homeownership requires a large (if not the largest) financial outlay of a person's life and often requires the responsibility of a mortgage spanning 30 years. Therefore, it is a long-term commitment, which may alter human behavior.

Given such an opportunity, public policy makers would be wise to consider the immense social benefits of homeownership for families, local communities and the nation.

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[46] N.S. Mayer 1981. Rehabilitation decisions in rental housing: an empirical analysis. *Journal of Urban Economics* 10 , 76–94.

[47] F. Heywood, Poverty and disrepair: challenging the myth of ignorance in private sector housing, *Housing Studies* 12 (1997) 27–46.

[48] D.H. Gatzlaff, R.K. Green, D.C. Ling, Cross-tenure differences in home maintenance and appreciation, *Land Economics* 74 (1998) 328–342.

[49] Y.M. Ioannides, Residential neighborhood effects. *Regional Science and Urban Economics* 32 (2002) 145–165.