

THE IMPACT OF COURT-ORDERED SCATTERED-SITE PUBLIC HOUSING ON RESIDENTIAL REAL ESTATE VALUES

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Dissertation Abstract

In response to a federal court order, the Dallas Housing Authority (DHA) announced in July 1995 that it would build the Frankford Townhomes public housing project in a neighborhood in the North of the city. The location of the project was chosen to satisfy specific racial and income conditions required by the judge. The order was the result of the *Walker v. HUD* lawsuit against the City of Dallas, DHA, and the US Department of Housing and Urban Development for racial segregation in public housing and was designed to help some of Dallas' poorest black residents. The first paper in this dissertation evaluates the effect of DHA's site announcement on the sales prices of nearby homes using a difference-in-differences hedonic price model that controls for spatial autocorrelation with a weights matrix. The spatial models are estimated for different-sized treatment groups to measure the effects on neighborhoods at different distances from the project and to detect the maximum distance at which the effects are significant. We also compare the initial Announcement Effect with the long-run change in prices (the Real Effect) in order to establish if there was a behavioral over-reaction.

The second paper applies the above methodology for the case of Frankford Townhomes to four additional *Walker v. HUD* scattered public housing sites in Dallas. Maps and a brief history of the neighborhood opposition and legal challenges to each site provide context to the results.

As a robustness check of the methodology, the third paper performs a spatial falsification exercise by simulating the spatial GMM estimation of Villas at Hillcrest, the site with the fiercest neighborhood opposition of the five, on over 5,000 randomly drawn locations satisfying the court's criteria. The position of the "true" statistically significant estimates from Hillcrest in the tails of the distribution of "false" estimates seems to reinforce the peculiarity of the Hillcrest site, which suggests that the spatial hedonic difference-in-differences methodology and its treatment/control group "rings" are appropriate for understanding price dynamics around a location.