

**The Neighborhood as Commons:
Reframing the Problem of Neighborhood Decline**

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Abstract

Neighborhood decline in the U.S. is typically viewed as inexorable—a product of forces beyond the control of cities. Yet if urban neighborhoods have the characteristics of a commons, homeowners may adopt strategic behaviors that lead to a cycle of disinvestment in the housing stock, followed by abandonment: a tragedy of the commons. Low-income neighborhoods are especially vulnerable to this dynamic. If decline is a tragedy of the commons, however, commons research suggests that it is potentially avertable by neighborhood collective action; following principles of commons governance, neighborhood organizations and municipalities can facilitate collective action.

We begin our inquiry by reviewing research on neighborhood decline as widely viewed through the lens of neighborhood “succession.” In this model neighborhoods pass from upper to lower income groups while housing maintenance costs increase. Interestingly, the research casts doubt on the succession model. We argue that framing the neighborhood as a commons offers an alternative explanation based on the strategic nature of housing upkeep in an urban setting. Neighborhoods are exposed to highly subtractive uses that discourage maintenance. After delineating the commons-like attributes of neighborhoods, we use design principles drawn from research on common-pool resources to frame an analysis of an illustrative case on the West Side of Buffalo, NY: a single block in an advanced stage of decline collectively engineered a turnaround by overcoming holdout problems. Applying commons theory, we can explain both decline and turnaround in terms of collective action primarily at the block level.

Based on our analysis, we discuss three ways to facilitate collective action:

- Fostering a joint sense of responsibility for the neighborhood among its residents, e.g., through block club activity;
- Making strategic “counter-investments,” e.g., one or two prominent improvements on a run-down block, to leverage further investment among neighbors;
- Securing neighborhood access to legitimate means of coercion for the enforcement of housing rules, obtained in Buffalo through a separate housing court and its innovative use of neighborhood liaisons to monitor property-owner compliance and neighborhood effects.

We conclude that the commons offers a useful frame for the analysis of neighborhood decline and turnaround: neighborhood decline need not be inexorable. Because neighborhood effects are multi-level, the urban commons requires multi-scale collective action. The primary commons unit is a single block-face, i.e., opposite sides of the same street between intersections. At this scale neighbors directly affect one another’s strategic choices regarding housing upkeep. Adjacent blocks similarly affect one another—just as deteriorated housing affects others on the same block, deteriorated blocks affect neighboring blocks. The wider neighborhood interest in specific blocks means that larger neighborhood districts can be important sources of social capital for block clubs. On a still wider scale, municipalities can facilitate collective action at both block and district levels if they recognize the legitimacy of neighborhood collective action and provide low-cost access to coercion to constrain potential holdouts.

INTRODUCTION

Neighborhood decline is a long-standing, perplexing problem in urban America. Despite promising indications of urban revival at the turn of the century (Grogan and Proscio, 2000), the erosion of the housing stock has accelerated. Brookings reports that vacant housing increased by 4.5 million units, or 44 percent, from 2000 to 2010, concentrated in older, industrial cities: “Boarded houses, abandoned factories and apartment buildings, and vacant storefronts are a common part of the landscape in large cities like Detroit, Buffalo, and Philadelphia, and a host of smaller cities” (Mallach, 2012, p. 6).

Explanations of neighborhood decline focus largely on factors beyond the control of cities: an aging housing stock, suburbanization, and poverty (Grogan and Proscio, 2000, p. 3). One popular explanation is based on neighborhood “succession,” whereby low-income residents displace higher income residents in a housing stock increasingly costly to maintain (Kushner, *et al*, 2011, p. 410). Recent attention has focused on the dynamics of metropolitan housing markets, where the construction of high-end suburban housing reduces the market value of urban housing, leaving some neighborhoods worthless and abandoned (Galster, 2001). For many analysts, poverty is the root cause of decline (Downs, 1981, p. 12; Grigsby, *et al*, 1987, p. 58). In the succession model the only way to slow neighborhood decline is to reduce the number and impact of low-income residents, those who can’t afford to maintain an aging housing stock.

Suppose, however, that the neighborhood is not simply a collection of aging houses but a distinct sort of commons, sharing the critical attributes of common-pool resources (Oakerson, 1999; Fennel, 2009; Foster, 2011). If so, neighborhoods are potentially exposed to decline from within, based on an internally driven, self-reinforcing dynamic of disinvestment that leads to abandonment. The “tragedy of the commons” works its way to an inevitable end no one wants. Although Garrett Hardin (1968) famously equated the commons with tragedy, subsequent research by Elinor Ostrom and colleagues (1990) has shown that tragic outcomes can be averted through the collective action of commons users.

How we frame the problem has a direct bearing on how we choose to address it. Framed as a process of “succession,” we may choose to watch the inevitable unfold and wait for opportunities to rebuild and redevelop. Housing policy continues to focus on new construction even though, as Kushner and colleagues (2011) argue, “one must not lose sight of the need to retain existing stock if housing production is ultimately to meet the demand for housing” (p. 411). Framed as a commons dynamic, neighborhood decline is no longer understood as an unrelenting process that leads to the wrecking ball but, rather, as a contingent problem subject to internal dynamics as well as external stresses, potentially responsive to neighborhood collective action. It may even be possible for low-income neighborhoods to “remain stable and pleasant” places to live without having “to make everyone middle-class” (Grogan and Proscio, 2000, p. 2).

SUCCESSION AND DECLINE: PREVIOUS RESEARCH

We begin by examining the empirical warrantability of the succession model, where succession refers to the succession of income groups, and housing deterioration is predicted to follow on succession.² The question is—how and under what circumstance does income succession produce housing deterioration?

Grigsby and colleagues (1987) rejected some oft-cited answers to the question. The succession model assumes that the maintenance requirements of housing increase with age. Not so, they argued: homes, unlike automobiles can be “maintained almost indefinitely” (p. 43). Because housing components deteriorate at different rates, each can be repaired or replaced as needed, so that annual costs rarely exceed a small fraction of original construction costs. Evidence further suggested that decline can precede succession and succession can occur without decline ensuing (Grigsby *et al.*, 1987, p. 49). The authors offered two possible explanations: behavioral factors (“poor housekeeping, theft, vandalism, and assaults”) and externalities (Grigsby, *et al.*, 1987, p. 50). The externality argument recognizes that the market value of a dwelling is affected not only by its own level of upkeep but also by the upkeep of surrounding structures, so that “property owners in deteriorating neighborhoods are not apt, unilaterally, to make repairs that would be economic only if other owners took steps to improve their structures as well” (Grigsby, *et al.*, 1987, p. 53).

George Galster (1987) conducted an elaborate cross-sectional study of the relationship between individual homeowner reinvestment decisions and aggregate neighborhood reinvestment in two cities—Wooster (OH) and Minneapolis. He found

no evidence that lower household income is associated with greater incidence of exterior home defects, controlling for other factors (Galster, 1987, p. 236). But he found clear evidence that a decline in neighborhood quality³ strongly tends to discourage homeowners from exterior maintenance (Galster, 1987, p. 197). Furthermore, pessimism about the future of the neighborhood was associated with a reduction in annual expenditures on upkeep and an increase in exterior housing defects, especially in low-quality neighborhoods (Galster, 1987, p. 229). Higher-income residents in particular are apt to reduce upkeep as lower-income residents enter, so that decline becomes a self-fulfilling prophecy (Galster, 1987, p. 237). Yet, he found that individual homeowners were motivated to invest “significant sums” in housing upkeep if both the homeowner and neighbors exhibited strong neighborhood solidarity—with the effects of solidarity on upkeep estimated in the range of several hundred dollars per year (Galster, 1987, pp. 218-219).

Behavioral patterns, neighborhood externalities, self-fulfilling prophecies, and solidarity among neighbors are a product of neighborhood dynamics, not factors beyond their control. Nonetheless, the original source of decline may still lie outside urban neighborhoods. In subsequent work Rothenberg and colleagues (1991, Ch. 9) and Galster (2001, 2015) argue that speculative housing development on the urban fringe aimed at upper-income homeowners destabilizes the metropolitan housing market. The effects of the increase in supply ripple through housing sub-markets from high to low quality, reducing prices and allowing lower income homeowners to enter previously unaffordable neighborhoods. In this modified model of succession the supply of new

suburban housing drives the process of neighborhood decline. Although the dynamic fosters upward mobility in housing as various income groups relocate from less to more desirable neighborhoods, the least desirable neighborhoods in the market are potentially left with vacant and abandoned housing.

Even if neighborhood change is initiated from outside, however, it does not follow that decline is inexorable; rather, like a body responding to an externally contracted pathogen, neighborhood outcomes depend on how neighborhoods respond. Galster (2001, p. 2122) saw considerable scope for “collective intervention, whether it come from informal social processes, non-profit, community-based organizations or the governmental sector.” The efficacy of collective intervention depends, however, on choosing means of collective action that fit the problem and its specific context (Ostrom and Ostrom, 1991).

IS THE NEIGHBORHOOD A COMMONS?

Whether an urban neighborhood can be usefully construed as a commons is open to question. Aren't neighborhoods divided between private space and public space? Housing and the lot on which it sits is private space, while streets, sidewalks, and neighborhood parks are public spaces. Private space is subject to exclusion and bought and sold on the market, while public space is open to all and owned by local governments. Where is the commons in this picture?

Imagine two houses. The first is a red-shuttered cottage with a white picket fence and gurgling fountain next to proud homeowners. The second, nestled deep in a bed of weeds, offers a sagging porch, peeling paint, spotty roofing, a few boarded-up

windows, and a broken pane through which you can see a squatter starting a fire on the floor boards as his companion prepares a line of heroin on a broken plate. Place these two dwellings a mile apart on a country road and the homeowners are little affected. But suppose we contract the distance. As we move the blighted property closer and closer until it is next door, the value of the homeowner's property plummets. Of more immediate concern, Mom and Dad do not want their children to be exposed to obvious substance abuse, and they are worried about fire raging out of control. Unable to sell their house for what they paid for it, they rent it out. Since they have no incentive to invest in the property, a home once cherished becomes a blighted property in less than a decade. After being flipped a few times, it is demolished and becomes another skinny empty lot disfiguring the streetscape.

Though most often applied to renewable natural resources, the concept of the commons is applicable to any durable asset used in common by multiple persons (Oakerson, 1992). Users cannot feasibly exclude one another but can potentially subtract from the benefit each user obtains. The commons is distinguishable from three other types of goods: private goods, which combine exclusion and subtractability (rivalry); public goods, which combine non-exclusion and (relative) non-subtractability; and toll goods (or club goods), which combine exclusion and non-subtractability (Ostrom and Ostrom, 1991, pp. 164-168). Although the commons allows for sharing (like a public good), it is sharing within limits; outside those limits, subtractive use threatens the asset, as when fishers overfish a fishery, pastoralists overgraze a pasture, or overweight vehicles destroy a road. Subtractability occurs alongside low exclusion, a

weak ability on the part of community members to exclude one another from accessing and using the resource. When the inability to exclude extends to persons from outside a well-defined community of users, the resulting “open access” condition destroys any opportunity for collective action among users (Bromley, 1992).

Neighborhoods exhibit weak exclusion. Absent extraordinary collective powers, neighborhood residents are unable to exclude any of their neighbors from the neighborhood. Residents cannot be expelled, nor newcomers barred entry. Although the requirement that one purchase or rent property to become a neighborhood resident precludes fully open access, new entrants do not need permission from existing residents or property owners. Although zoning can function in an exclusionary manner by influencing the type of housing built, once housing is in place, homeowner entry requires only a willing seller and a willing buyer (screened perhaps by a real estate agent). Moreover, neighborhoods are generally open to ingress by anyone unless the streets and sidewalks are held privately—gated communities being the (growing) exception. Cities thrive on openness, but householders can also use it to attract unsavory visitors who subtract from the enjoyment of the neighborhood by its residents. Neighborhoods are also subject to crowding, when the number of people occupying its housing exceed capacity.

This quasi-open neighborhood space is shared under conditions of subtractability. The neighborhood commons is multidimensional: it includes an air shed, sound shed, streetscape, and social space, all of which supply a stream of benefits and costs necessarily shared among neighbors. Neighbors affect one another’s property

values and amenities in myriad ways. Lee Ann Fennel (2009, p. 46) cites “lawn maintenance, rubbish control, yard art, external painting, on-site car repairs, and pet-keeping” as potential sources of subtractability, further suggesting that “absent some constraint, owners might shift residential parcels into more intensive and lucrative uses,” that degrade the neighborhood. Neighborhood standards can be expected to differ, however, so that the subtractability of various uses and behaviors must be viewed as context-dependent.⁴

Depending on the prevailing neighborhood standard, subtractability affects the incentives of property owners in two ways. First, a commons user needs assurance that other users will cooperate before agreeing to act collectively; otherwise, an individual contribution is futile. This is the primary collective action problem (Runge, 1992). Given assurance, however, the same user may still have a strong incentive to defect and ride free on the benefits provided by others. For this reason, collective action may depend on continuous monitoring and enforcement. In the case of neighborhoods freerider incentives are muted: maintenance and investment on the part of neighbors can increase a homeowner’s incentive to do likewise. Simon (2001, p. 44) explains:

If your neighbors paint their houses, you will benefit simply because the neighborhood is more attractive (an externality effect); it may also be true that the benefit from painting your house will now be greater than it would have been if they had not painted theirs (a complementary effect).

While performing maintenance produces positive externalities, it also produces complementary benefits that neighbors can claim only if they reciprocate.

Homeowners benefit individually from performing maintenance because it (1) maintains or increases property values, (2) sustains or improves the livability of the home, and (3) earns the esteem of neighbors. When assured that others will maintain their property, most neighbors maintain their own property out of self-interest. Complementarities between neighboring properties reduce freerider incentives. The only required sanctions are provided by the market (declining property values), the personal inconvenience associated with a leaky roof or broken steps (livability), or informal social pressures (a desire for neighborhood esteem).

All of these sanctions are muted, however, when one's neighbors fail to maintain their homes; even esteem is discounted as neighborhood standards loosen. Property owners are potentially exposed to circumstances that lead to neglect of maintenance, vicissitudes that are closer at hand in low-income neighborhoods or during an economic downturn. As the economic return on maintenance declines, maintenance costs remain much the same. The neighborhood commons therefore varies in its need for monitoring and enforcement, both across neighborhoods and across time. In particular, low-income neighborhoods are more likely to require monitoring and enforcement of their own neighborhood standards.

AN ILLUSTRATIVE CASE ON THE BUFFALO WEST SIDE

In 2002, a handful of West Side residents in Buffalo, NY, formed the West Side Community Collaborative to address problems in a fifteen-block area sandwiched between Richmond Avenue, a major north-south thoroughfare, and the Niagara River.⁵ Comprised of approximately 11,000 residents in 5,000 homes, the area is one of the most ethnically diverse neighborhoods in the state. Six blocks east, Elmwood Avenue, a business corridor parallel to Richmond, was attracting an increasingly affluent population to what came to be called “Elmwood Village.” Richmond was a boundary street; realtors distinguished sharply between properties on its east side and west side. Collaborative leader Harvey Garrett (hereafter Harvey) described the stark difference observed after crossing Richmond east to west: on the first street west of Richmond, there were

prostitutes, drug dealers, several vacant houses, crime, declining property values, and nobody wanted to be there. The next block over [there were] 12 vacant properties in three blocks. Nobody wanted to be there. The next block over . . . was one of the most violent neighborhoods on the West Side . . . [So] you had \$200,000 . . . houses on Richmond Avenue [while] one block over you could buy a house for \$2,000 (H. Garrett, personal communication, 2009).

Though the city response to the deteriorating housing stock was mainly demolition, the housing stock offered opportunity for low-income households. Early residents had built

durable housing, and many houses are doubles—apartments built one on top of the other. A homeowner can live in one apartment and rent the other for the mortgage payment.

Initially formed to implement a 5-year revitalization plan, the Collaborative became a multi-level association bringing together neighborhood residents and block clubs, community organizations, government agencies, law enforcement, realtors, and banks (LISC, 2005). It pursued three related objectives: (1) to increase homeownership without excluding responsible tenants and landlords; (2) to turn qualified local tenants into homeowners; and (3) to encourage a mixed-income population in order to help build its commercial district (believing that low income populations alone cannot support prosperous commercial districts.) The group chose a “block-by-block” strategy (H. Garrett, personal communication, 2009): what if they could move the boundary located on Richmond westward, one block at a time? Even if crime and blight were eradicated on a single block in the middle of the West Side, nobody would relocate there because of too much surrounding risk. Block by block, the group reasoned, investment would encourage investment.

In year one the Collaborative tackled the first three blocks west of Richmond. Residents organized block clubs, whose activities included cleaning up vacant lots, painting both occupied and abandoned houses, making gardens, picking up trash, repairing sidewalks, fostering communication between residents, and addressing street crime and disorder. The second year the Collaborative did the same for the next three blocks while finding homeowners for the first three.

To explore the dynamics of both decline and turnaround, we focus on a single block that experienced both within a short time frame. In order to preserve the anonymity of residents, we give the block a fictional name, “Alexis Street.” Alexis is more precisely a *block face*—the two sides of a street situated between intersecting streets. A total of 15 structures front entirely on the street; half of the lots on one side of the street face an adjacent, non-parallel street. Alexis is a relatively narrow street, and traffic is one-way.

When the Collaborative began work in 2002, lead paint peeled off shabby exteriors, and police mostly stayed away. A drug gang worked out of two structures that occupied the front and rear of the same lot (not an unusual configuration on the West Side), and a prostitution ring occupied the two structures on an adjacent lot. One landlord, a non-resident, owned all four properties. The houses were falling apart; even the roofs were caving in. Hoses ran out of windows oozing foul goop. Some apartments had squatters; others, even squatters could not tolerate.

Across the narrow street, the Browns had lived in a house at the rear of the lot for ten years; they rented out the two homes at the front and rear of the adjacent parcel. Their properties were well maintained, and they kept a flower garden in the vacant front portion of their lot. Tired of not feeling safe and unable to keep good quality tenants, they were on the verge of leaving in 2002 (H. Garrett, personal communication, 2009). Down the bloc, on the same side as the Browns stood a deteriorating two-story complex that housed a combination of studios and apartments. At the end of the block was a tavern, which fronted on the intersecting street. A late-partying clientele occasionally

wandered away from its patio to defecate on neighbors' lawns. In 2003, the New York state smoking ban pushed more rowdiness into the street.

In 2001, prior to the Collaborative's intervention, a house on the opposite corner of the block (fronting an intersecting street) sold to a young, low-income couple for \$2,000. An enormous single-family dwelling divided into multiple apartments, it was for many years a drug house and had fallen into disrepair. Immediately upon purchase, they completely remodeled the interior and replaced the roof, while slowly improving the exterior; however, their work did not spark further improvement on the street.

The Collaborative identified the drug gang and prostitution ring as priority concerns. Fear of the gang was a critical problem because it inhibited neighborhood communication. Neighbors could not meet openly, and residents stayed off their front porches. In the Collaborative's view, however, the root of the problem was the property owner, not his troublesome tenants. Focusing on the drug-dealers and prostitutes would have meant relying mainly on police and the criminal justice process. Instead, the Collaborative found a reliable partner in Buffalo's Housing Court, which hears all housing-related cases. Graffiti, uncut grass, peeling paint, and sagging porches are not only indicators of neglect: they are housing code violations.

The first step was to get the attention of the city's housing inspectors. Harvey reports, "Because the city had given up on the area west of Richmond, inspectors did not think it [inspecting the properties] was worth their time" (H. Garrett, personal communication, 2009).⁶ The Collaborative responded by monitoring the inspections

process itself—repeatedly calling inspectors, visiting the properties with them, taking photographs, and showing up in court with prints.

Once the properties were in court, the Collaborative discovered that for two decades all four had been repeatedly cited for similar violations. Each time, they had been dismissed for “substantial compliance,” which means that owners had demonstrated progress and it was simply assumed they would finish. This time, on the advice of neighborhood residents, the judge gave the owner four options: he could (1) fully repair the houses (2) demolish the houses, (3) transfer the properties to someone the court was confident would repair and maintain them, or (4) go to jail (H. Garrett, personal communication, 2009; H. Nowak, personal communication, 2010). During the next five months the landlord made no attempt to sell the property but patched holes in walls with bits of roofing material and applied leftover paint. At the next hearing the judge made it clear that jail time was imminent. The landlord then put the properties on the market for \$100,000; no buyers were interested. At this point, the Collaborative sought the assistance of West Side Neighborhood Housing Services (WSNHS), a private, nonprofit housing agency that provides an array of housing-related services on the West Side with both governmental and nongovernmental support. When WSNHS offered the landlord \$15,000 for all four properties, he accepted.

WSNHS evicted the prostitution ring and drug gang. Two of the houses, one at the front and the other at the rear of the adjacent lot, were unsalvageable, and WSNHS had them demolished; after a short delay, painting and repairs were underway on the exteriors of both properties. Procuring a donation of paint, the Collaborative repainted

exteriors up and down the block. Householders planted gardens and used available materials, such as an old wine press and granite slabs, to add character.

Widespread exterior improvements were followed by real estate activity. Next door to the former drug house, an old carriage house stood vacant and deteriorating for years. It sold in 2003 for \$6,300. The new owners stripped off nasty green paint to expose pleasing brick. Once the former hives of criminality and blight were being replaced by respectable housing, the long-suffering Browns chose to re-invest. Starting in 2003, they re-sided, re-painted, re-roofed, added a new driveway, and installed new windows in all three properties. Wanda, a tenant of the Browns who had previously expressed her determination never to buy property on the block, now became interested in doing so. In 2004, she purchased one of the two renovated properties for \$67,500 and, moreover, became a block club leader. Wanda's house was a double, allowing her to rent the lower apartment for \$500 a month and cover most of her mortgage payment.

Real estate activity accelerated. The other renovated property was sold to a homeowner in 2006 for \$75,000. Soon thereafter, five dwellings were converted from rental to homeowner status. In 2005, one sold for \$30,000 and, in 2009, another sold for \$125,000. One homeowner-property was sold to a new homeowner. In 2010, the second renovated property sold again to another homeowner, this time for \$155,000, a 207 percent increase from just a few years earlier. By 2010, only one rental property owned by a nonresident landlord remained.

As the street improved, the multipurpose complex that occupied much of one side of the block remained in a state of neglect. When asked to invest in the property (or

sell it to somebody who would), the owners were reluctant. Once they recognized that the street was improving, however, they chose to improve with it. By 2010, the owners had moved their offices back into the building, and they continued to invest in the property. Down the block, the corner tavern proved more resistant. After the neighbors worked with the local council member to obtain removal of its troublesome patio, tensions continued. However, since 2008, the tavern has embraced street improvement, adding flowers and trees and installing bicycle racks. By 2010, the tavern was hosting the monthly meeting of the Alexis Street Block Club.

GOVERNING THE NEIGHBORHOOD-COMMONS

Although neighborhood succession and decline was well underway on Alexis Street in 2002, it had been reversed by 2006. Clearly there was collective intervention, as Galster suggests, but how did it work? A single case may, of course, be exceptional. We use the case not to demonstrate the workability of commons remedies (well established in other contexts) but to illustrate the mode of analysis that commons theory brings to neighborhood decline.

If neighborhood decline responds to collective intervention, it becomes important to understand how to design interventions that work in diverse contexts and can be sustained over the long term. Systematic field studies of various common-pool resources around the world disclosed a set of eight institutional design principles associated with sustainable, user-governed resource management (E. Ostrom, 1990, 88-

102; 2005, 258-271). We use these principles as a template for analyzing the Alexis Street experience.

Principle 1: Clear Boundaries

Effective commons governance requires clear boundaries around the commons, which allows individuals to identify whose use lies within the resource system. On Alexis Street the commons is primarily a block face. It is clearly defined, intersecting on either end with a busier street. Householders easily recognize one another as members of a small and intimate community. The six properties that front on an adjacent street and the three corner properties are less identified with the block, but remain closely connected to its condition, as residents who once removed feces of tavern patrons from their lawns would attest. Galster found that neighborhood quality directly affects upkeep behavior “only when the neighborhood is defined at a very localized (i.e., block-face) geographic scale” (Galster, 1987, p. 223). The dynamic observed on Alexis Street was limited mainly to a single block face and bounded by it.

Rather than functioning as one large, undifferentiated commons, a city is partitioned by many identifiable boundaries such as rivers, train tracks, highways, and especially surface streets. Though permeable, these physical boundaries limit to some extent the impact of use-related interdependencies among parcels of property. Wide avenues like Richmond can function as a boundary that runs down the middle of the street. On narrower streets, such as Alexis, the block-commons consists of both sides of a street: the block face. Overall, a city is a configuration of interconnected blocks; each block face is potentially a separable commons, though separable to different degrees.

Principle 2: Proportional Sharing of Benefits and Costs

Effective commons governance requires that the costs of collective action be shared among members of the community in rough proportion to the benefits each member receives; collective action then produces shared net benefits for the whole community. On Alexis Street, collective action allowed property owners to realize benefits commensurate with the costs of their property maintenance or re-investment. The result was a shared benefit, a common good enjoyed by all residents. As argued above, the neighborhood-commons poses mainly an assurance problem; once solved, homeowners realize complementary benefits only when they also invest in their property, producing benefits for others as well.

Principles 3 and 4: Rule Making and Monitoring

Effective commons governance requires that the user community participate in making the rules that govern resource use and can monitor user behavior and invoke the rules. Unlike many natural resource communities around the world, city residents lack authority to make and enforce their own neighborhood rules. Rather, the rules governing property maintenance come from city and state governments in the form of housing codes. The uniformity of housing codes is a weakness in governing the neighborhood commons given the diversity of neighborhood standards and circumstances. However, Alexis Street residents did closely monitor compliance with rules and invoked the rules in court, advising on application and enforcement. On Alexis Street, code enforcement was not a product of routine regulation by a government agency; rather, it was a process driven by neighborhood initiative and

participation, in effect adding a coercive capability to otherwise voluntary collective action among neighbors.

Principle 5: Available Sanctions

Effective commons governance requires that graduated sanctions are available to constrain user behavior. Potential code enforcement sanctions were effectively used on Alexis Street to leverage a holdout into abandoning his position. Landlords who rent to drug dealers and prostitutes in a residential neighborhood are behaving as holdouts in the classic sense, realizing a benefit at substantial cost to others. Yet within the courtroom, the holdout was given ample opportunity to comply with existing rules; less punitive actions were always preferred. In this sense, sanctions were graduated. Outside the courtroom, the Collaborative typically sought cooperation from property owners, including absentee landlords, before seeking coercion. This approach often allowed residents to proceed with improvements without the costly time-delay involved in legal proceedings.

Principle 6: Conflict Resolution

Effective commons governance requires that members of the user community have low-cost access to conflict-resolution facilities. On Alexis Street, recourse to an independent, authoritative third-party—Housing Court—allowed the neighborhood to resolve disputes among property owners in accordance with established rules. No member of the community needed to confront criminal gangs, who nonetheless lost their ability to intimidate residents.

Principle 7: External Recognition

Effective commons governance requires that external authorities recognize the user community's right to organize and act collectively. City Hall's Board of Block Clubs recognizes block clubs as legitimate organizations representing neighborhood interests, although many function effectively in Buffalo without official recognition. On Alexis Street, Housing Court provided the crucial recognition for neighborhood monitoring through the appointment of neighborhood residents as court liaisons (discussed below).

Principle 8: Nested Organization

If the commons is large and complex, effective commons governance requires that collective action occur at multiple levels, where one level is nested in another. Alexis Street residents did not act alone; rather, they were supported by a more inclusive group operating at a larger scale on the West Side. Cities are a complex, layered commons in which small-scale effects confined to a block face are nested within larger scale effects extending to a city district, such as the West Side. Adjacent blocks and streets affect one another, as the Collaborative's block-by-block strategy recognized. Although the primary unit of collective action is the block face, the surrounding neighborhood clearly has an interest in fostering and assisting collective action on any given block. The layered nature of the urban commons therefore requires more than a single level of collective organization (see Galster 2001, p. 2114). On the West Side, block clubs were nested within the Collaborative and other West Side organizations enabling residents to take account of both small-scale and larger scale

effects. The Collaborative brought greater social capital, and WSNHS, greater financial capital, to bear on a particular block face than its residents could muster alone.

Unlike the resource commons, the neighborhood is both produced and consumed by neighborhood residents and property owners (Galster, 2001, p. 2116). Applied to urban neighborhoods, the commons model includes in the same frame two sets of activities usually analyzed separately: property upkeep and property use. Residents contribute to the neighborhood in a variety of ways, whether by painting the fence or planting flowers, but also by abstaining from behaviors that subtract from the enjoyment of neighbors, especially those that make the neighborhood feel unsafe. The turnaround on Alexis Street did not occur until highly subtractive behaviors were ended and residents saw visible and sustained improvement; consistent with Galster's (1987) findings, these changes transformed the residents' view of the block's future. In particular, an interior renovation (as noted in the corner house) was not sufficient.

FACILITATING COLLECTIVE ACTION

Effective commons governance depends on direct user involvement in governance as opposed to the exclusive exercise of authority by government agents. The commons avoids tragedy when users act collectively. Like resource users who have strong incentives to act collectively when their livelihoods are at stake, homeowners may have strong incentives to act when their property values are at stake. But collective action is costly, sometimes prohibitively so. What inhibits neighbors from acting collectively? What can be done to facilitate collective action? We suggest

three points of intervention: (1) fostering responsibility for the neighborhood; (2) leveraging investment; and (3) obtaining rule enforcement.

Fostering Neighborhood Responsibility

The Collaborative encountered five main obstacles to the acceptance of joint responsibility on the West Side: weak incentives, feelings of isolation, narrow conceptions of responsibility, the structure of the law surrounding private property, and (paradoxically) a strong sense of justice.

Incentives. One factor strongly affecting the incentive to participate in collective action is homeownership. Renters are less likely to view themselves as permanent residents whose long-term interests are tied to the condition of the neighborhood. Some significant degree of homeownership *on each block face* seems to be a necessary condition of collective action (see also Rothenberg *et al.*, 1991, p. 287). As Alexis Street turned around, homeownership increased, and some renters became homeowners on the same block.

Isolation. Even homeowners residing on the same block face may have difficulty acting collectively. The costs of collective action include large doses of time and effort. Feelings of solidarity among neighbors reduce those costs, as feelings of isolation increase them. When residents saw members of the Collaborative planting a garden or cleaning a vacant lot on the West Side, they would often exclaim, “Thank God you are here! I’ve been fighting this battle by myself for years.” Residents who feel isolated are unable to act collectively; Galster (1987, pp. 218-219) found that low-

solidarity discourages home maintenance. Overcoming feelings of isolation can benefit from external intervention, such as provided on Alexis Street by the Collaborative.

Boundaries of Responsibility. All individuals must determine the limit of their responsibility for others. One is clearly responsible for one's own house and grounds, especially if a homeowner; but this is a privatized sense of responsibility, the sort characterized by Alexis de Tocqueville (1945, p. 260) in his classic account of New England towns as "a narrow selfishness, marked out by four sunk fences and a quickset hedge." It was a broader sense of responsibility that impressed Tocqueville about New England, a willingness to take a proportionate responsibility for the care of the village. In order to recognize the decline of their block as a problem shared in common with others, not "my problem" but "our problem," neighbors must extend their scope of responsibility beyond their own property limits. As a neighborhood deteriorates, individual residents may assume, without communication, that others don't care about their shared urban space and mirror that attitude themselves. One obstacle to joint responsibility may be neighborhood decline itself.

A narrowly defined sense of responsibility is reinforced by the design of municipal institutions. Centralized municipalities foster the idea that City Hall is responsible for the neighborhood, not neighborhood residents acting collectively: if something is wrong, call the City, and when the City fails to act, complain bitterly! The Collaborative operated on a contrary principle—that citizens are more productive when they spend their time "doing stuff" instead of seeking after funding or trying to get others to act in their interest (H. Garrett, personal communication, 2009). Inaction from

City Hall should not be allowed to get in the way of neighborhood action. Residents must be willing to mobilize their own resources and turn them into fresh coats of paint, new plantings, boarded-up vacant structures, and other items on a long to-do list.

The Law of Private Property. When a threat to neighborhood wellbeing is located on private property, legal conceptions inhibit residents from taking direct action to address the threat. The prime example in declining neighborhoods is the abandoned house—an invitation to criminal activity and squatting that poses a fire hazard. Usually, when a vacant house needed to be sealed, the Collaborative thought it prudent to ask the city to do it initially, while advising residents to monitor the property and, at the first sign of forced entry, reseal it themselves. Getting residents to take direct action often required some convincing: many residents are paralyzed by respect for private property. Yet, if neighbors continually wait for the city—the only entity lawfully empowered to board up privately-owned property—squatters will continue to make the rational calculation that a few weeks of shelter is worth the few minutes it might take to pry off a board. However, the local citizen who within hours is able to spot the point of entry and then secure it will dissuade potential squatters: “Why should I spend time breaking into this house when I can sleep in another abandoned property that is not so closely watched?” The Collaborative assumed that one can seal, clean, paint, and mow the lawn without any legitimate party reacting negatively, including the absent owner.

Recourse to direct action exposes the mismatch between the nature of an urban neighborhood and the legal institutions (as well as cultural norms) used to organize and govern its use. As Fennel (2009) argues, private property in the urban context is not as

private as it might seem. The law treats each parcel as private property, subject to the law of trespass, trumped only by the action of a distant City Hall. In order to act responsibly from a neighborhood standpoint, residents perforce act outside those conventional legal and cultural boundaries.

A Strong Sense of Justice. Sometimes neighborhood responsibility means doing for others what they would ordinarily be expected to do for themselves, e.g., painting a house its owner cannot afford to paint—or is too stingy to paint. Some residents resist this strategy, arguing instead for punishing non-cooperators—in commons terms, holdouts. The Collaborative followed a different principle: punitive measures were sought only when useful as a means of preserving the neighborhood. This approach can be viewed as an extension of the principle of graduated sanctions (Principle 5) to include generosity and forgiveness as a means of fostering solidarity.

Leveraging Investment

Reversing the tragedy of the neighborhood-commons requires making *housing investments that encourage others to invest* as well. Housing maintenance and investment in an urban neighborhood are *strategic* decisions in the sense that individual homeowner decisions depend on the decisions of others on the block face. This interdependency can lead *either* to a cycle of disinvestment or a cycle of re-investment. Both are subject to threshold effects as well as perception issues.

The strategic homeowner does not strictly follow his or her preferences when deciding whether or how to invest. Instead of making decisions about housing maintenance and upgrades based solely on the condition of the property and personal

preferences, homeowners take into account the condition and use of surrounding property. For example, because the condition of surrounding property limits the visual effect of exterior investment, homeowners in a degraded neighborhood may choose to upgrade interiors but not exteriors (as frequently observed on Buffalo's West Side).

Complementarities make it possible to use an initial investment to leverage further investment among neighbors. Because a homeowner may realize a greater return from painting his house when his neighbor also paints her house, painting can spread through the neighborhood—blight in reverse. Homeowners who are willing to risk going first can leverage improvements from others.

When one or more individuals choose to invest in neighborhood property, despite prevailing disinvestment, they can be considered *counter-investors*, persons who invest against the neighborhood trend. Counter-investment potentially can reverse a disinvestment cycle, but investments must be carefully selected for their leveraging potential. Counter-investment should improve what neighbors hold most in common. This means improving primarily the most visible portions of the streetscape: the street, front yards, and front facades—the portions of the 'urban commons' that most inform homeowner decisions: "Should I move away? Should I put on a new roof? Should I mow my lawn today?" Backyard and interior improvements, like remodeling and weatherization, do little or nothing to alter neighbors' decisions (just as Alexis Street continued to decline after new residents renovated the interior of their home on the corner). Though it is difficult to identify precisely, a threshold must be crossed before expectations on a block face flip and the cycle of disinvestment reverses, altering the

perceptions not only of block face residents but also of external actors, including real estate brokers. This threshold will be somewhat different for different actors.

Obtaining Enforcement

Like most commons, neighborhoods are rule-governed spaces: cities use their police powers to regulate land use, housing, and public behavior. Of greatest interest for neighborhood decline is the housing code, which stipulates various conditions that housing is required to satisfy. Many of these rules obviously are unenforced—the extent of neighborhood decline being the prime evidence. Neighborhood collective action may often hinge on rule enforcement to deal with holdouts, raising the question of the neighborhood's access to coercion.

Unusual among cities, Buffalo has a separate Housing Court, created by state law in 1978.⁷ The law gave a housing judge wide discretion:

Regardless of the relief originally sought by a party, the court may recommend or employ any remedy, program, procedure or sanction authorized by law for the enforcement of housing standards, if it believes they will be more effective to accomplish compliance or to protect and promote the public interest.... The court may retain continuing jurisdiction of any action or proceeding relating to a building until all violations of law have been removed (New York State Laws of 1909, Ch. 570, § X).

Yet, the creation of an institution with discretion does not guarantee that it will be effectively used. Inspectors can write citations and the court can fine violators, while the deterioration of housing stock proceeds.

In 2003, just as the West Side Community Collaborative was getting underway, a new judge was assigned to preside over Buffalo's Housing Court.⁸ Newly elected to the panel of judges that constitute the Buffalo City Court, Henry Nowak conceived of Housing Court as a problem-solving venue. If its role were mainly punitive, he maintains, there would be no point in having a separate court: "But," he notes, "if you want to get the roof fixed, you need a special court and special legislation" (H. Nowak, personal communication, 2010). In his own copy of the legislation, Judge Nowak had circled and re-circled the "or" in "to accomplish compliance *or* to protect and promote the public interest" (emphasis added). How to determine the public interest and bring it to bear in court was the institutional puzzle he had to solve.

In the seven years that followed, Judge Nowak greatly expanded the scope of the court in two basic ways. First, he moved away from a punitive approach toward one based on problem solving. Just as the Collaborative found at the neighborhood level, punishment and problem solving are often antithetical. Nowak acknowledged that many of the defendants brought before him were slumlords, drug dealers, or gangsters. "There is one way," he said, "I can guarantee you the property will not be fixed: if I throw him [the owner] in jail" (H. Nowak, personal communication, 2010). Likewise, instead of simply imposing fines, he used the threat of fines as leverage to push reluctant property owners to invest in their property or sell it to somebody who would, as he did with the

delinquent owner of four properties on Alexis Street. Owners could mitigate their fines if they made repairs, and with full compliance an owner could usually avoid penalties entirely.

Although previous analysts have treated code enforcement as a potential contributor to housing abandonment (see Grigsby, *et al.*, 1987, p. 54), driving up costs for landlords unable to recover those costs from low-income renters, the problem-solving nature of Housing Court achieved the reverse. Unfortunately, a problem-solving focus is much more labor intensive. Nowak estimated that a typical case required twenty or more appearances to be resolved.

Nowak's second basic change focused on neighborhood involvement, needed if Housing Court was to be a problem-solving venue. Echoing Jane Jacobs (1961), he notes that citizens are the "best eyes and ears" on the street; they often know the offending property's history and can keep close tabs on it in the future. Neighborhood involvement does not just happen, however, and initially it did not happen in Judge Nowak's courtroom. He remedied this in two ways: first, by rearranging the court calendar, at the suggestion of neighborhood leaders, so that they knew when cases from their locale would be heard; and, second, by appointing neighborhood liaisons.

When Judge Nowak began scheduling cases by district, each of the city's nine districts was allotted a morning or afternoon. In the judge's words, "everything changed" (H. Nowak, personal communication, 2010). Community members knew the details of the properties intimately and had valuable information about them, including their history and current condition. They began coming to court because they realized

that, as Harvey notes, “in two hours a week [one could] see every single case in your area” (H. Garrett, personal communication, 2010). The scheduling change also made it easier for the neighborhood to work with city inspectors. The hallway outside of Housing Court became a place of lively exchange, where neighbors buttonholed inspectors, contact information was obtained, and services discussed. Often the judge would direct defendants to talk to community members in order to connect people to resources.

Neighborhood liaisons were recruited from various community-based organizations, AmeriCorps, block clubs, and others, totaling some 25 volunteers, trained by the court. They investigated problems and gathered neighborhood concerns to relay to the court. Part of the job was monitoring the implementation of court orders, including the work of city inspectors, property owners, police, and tenants. They also identified emerging problems (e.g., the new tenant who turns out to be a drug dealer), and sometimes they brought urgent matters to the court’s attention (e.g., the water pipes that froze over the winter and were flooding a vacant house). Liaisons sometimes recommended court *inaction*. For instance, a house may come into court with numerous and extensive violations; however, it may also be the newly purchased, first home of a low-income family who will need months, perhaps years, to correct the violations. After making sure the neighbors are on board, a liaison officer can report to the court that the property is being slowly rehabbed, and the neighbors would like the judge to give the owner time to finish. In this way a low-income family has a chance to succeed instead of being forced to pay fines and/or sell the property to someone who has the capital to

correct the violations quickly, forestalling gentrification. Or, the lawn might be overgrown because an elderly man broke his hip and has been unable to secure assistance. Often liaison officers can connect the elderly or disabled with a local resident willing to lend a hand during the summer.

Organized as a problem-solving venue, Housing Court was accessible to neighborhood residents, reliant on neighborhood knowledge and resident monitoring, and sensitive to neighborhood conditions calling for differing degrees of leniency or strictness of enforcement. Its ability to constrain the holdout position taken by landlords was clearly instrumental in curtailing neighborhood decline on the West Side.⁹ Its weakness is its heavy reliance on judicial discretion. Sustaining the neighborhood-friendly approach taken by Judge Nowak depends on the development of a problem-solving tradition in the court that can survive a succession of judges.

CONCLUSION

Elinor Ostrom's eight principles of commons governance can be adapted to the study of the neighborhood-commons in American cities. By using the block face as the primary unit of analysis one can perceive the relevant relationships among neighbors and observe their decision-making dynamic over time. Moreover, subject to further research, the West Side experience suggests that neighborhood blight is a block-level problem that responds to block-level remedies. Voluntary associations of householders—block clubs—coordinate collective action and strategic investment among neighbors, monitor neighborhood behavior, and invoke housing-related rules.

Larger-scale neighborhood organizations bring the social capital of a wider district to bear on the issues addressed at the block-face level.

Note that the two standard institutional remedies for the tragedy of the commons touted by Hardin (1968) turn out to be inadequate: private property and administrative regulation. The housing market treats the neighborhood as divisible among homeowners, leaving spillovers to be regulated by city authorities through the services of building inspectors. Markets hasten neighborhood decline in the presence of highly subtractive users, and administrative regulators may be unresponsive to the highly local conditions present on specific city blocks.

Even though citywide collective action is insufficient to govern the neighborhood-commons, cities can help facilitate collective action among neighbors. Access to coercion can be critical for the success of neighborhood efforts, especially at the outset. Urban neighborhoods generally lack coercive powers, which lie with city hall, making collective action at a sub-city level entirely voluntary. The presence of a housing code, however, potentially brings coercion within reach of neighbors. The key is not the use of coercion in routine ways but, rather, neighborhood access to coercion as part of a problem-solving process. Buffalo's Housing Court added a coercive capability to the otherwise voluntary instruments of collective action available to neighborhood residents, who were able to monitor the enforcement process themselves.

Still more can be done to strengthen the capacity for collective action in urban neighborhoods. Suburban neighborhoods often have institutional arrangements capable of addressing holdout problems: homeowners associations, in which membership is

compulsory, organized by means of deed covenants put in place by subdivision developers and enforceable in court (see Nelson, 2005). The purpose of these institutions is of a piece with collective action in urban neighborhoods—both aim at maintaining property values and sustaining neighborhood amenities. The negative externalities most suburban homeowners face, however, pale in comparison to those that confront urban residents; yet it is urban residents who typically lack coercive capabilities. The creation of compulsory homeowners associations in urban neighborhoods would require unanimity among property owners in the neighborhood in order to add the appropriate covenant to each and every deed—a requirement almost sure to face insurmountable holdout problems. State enabling legislation would be needed to create a capacity for neighborhood incorporation by majority or supermajority vote. A neighborhood incorporated on a homeowner association model would have the ability to make housing rules and invoke those rules without having to rely on city inspectors.¹⁰ Such an institution comes much closer to fulfilling Ostrom’s principles of sustainable commons governance.¹¹

Some of our readers may be inclined to dismiss any effort to reverse neighborhood decline as gentrification. Although a full discussion lies beyond the scope of this paper, gentrification clearly can threaten the preservation of stable neighborhoods for low-income residents. “Gentrification” is often used loosely to refer to any degree of replacement of lower income residents by higher income residents, but any process of neighborhood renewal will then qualify as gentrification. In our view, gentrification is better understood as wholesale neighborhood change—a substantial

turnover in the population of a neighborhood from lower to higher income residents. We conjecture that wholesale change is more likely to follow on wholesale deterioration—unless extraordinary governmental powers, such as eminent domain, are used to displace existing residents and businesses. Strategies that inhibit deterioration may simultaneously discourage gentrification, while unrelenting deterioration opens the door wide. Much like resisting neighborhood decline, resisting gentrification at the hands of large-scale developers may also turn upon neighborhood-level collective action, albeit of a different sort and on a scale larger than a block face.

In the meantime, much of the housing stock in urban America continues to be lost to blight, abandonment, and demolition. Factors both external and internal to cities and their neighborhoods are at work. When internal factors weigh heavily, commons research suggests practical remedies: tragedy can be averted—provided that neighborhood residents act collectively. An important priority for urban policy is then to facilitate collective action, block by block.

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Endnotes

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²We do not include demographic changes as a component of neighborhood decline, focusing instead on the deterioration of the housing stock. Cf., Rothenberg, *et al* (1991, pp. 275-278) on components of decline.

³ Galster's (1987, p. 85) index of neighborhood quality combines property values, mean household income, and the percentage of dwellings with exterior defects.

⁴ A "lower" standard does not imply there is no standard. See Venkatesh (2009).

⁵This account of the West Side experience is based primarily on the authors' interviews with Harvey Garrett in 2009 as well as the experience of co-author Jeremy Clifton as a community development practitioner on the West Side from 2007 to 2010 including monthly meetings of the West Side Community Collaborative. He worked closely with a wide range of community leaders who willingly shared their knowledge, contacts, and methods. Public records were used to confirm home prices, the basic chronology of events, and other aspects of the story. Other than Harvey Garrett and Housing Court Judge Henry Nowak, the names used in this paper are fictitious.

⁶ See Foster's (2011) discussion of "regulatory slippage" in cities.

⁷ Others include Cleveland, Pittsburgh, Boston and New York City. See Kushner, *et al* (2011, pp. 433-436.)

⁸ This account of Housing Court is based primarily on the authors' interviews with Judge Henry Nowak in 2010 as well as coauthor Jeremy Clifton's experience as a neighborhood liaison officer on the West Side from 2007 to 2010. Nowak left the court in 2010.

⁹ Housing Court did not always provide sufficient coercion. When the Collaborative encountered an open-air drug market three blocks west of Richmond, the Erie County District Attorney's office declared a "no plea bargain" policy for drug arrests made on the street, and Family Court agreed to haul teenaged drug-runners into court instead of simply sending them to a probation officer. For this work, the Collaborative won a MetLife Community-Police Partnership Award (LISC, 2005).

¹⁰ Judge Nowak sought legislation from city council that would allow residents to seek judicial action without a reliance on city inspectors, to no avail.

¹¹ Incorporated neighborhoods could be assigned a range of limited powers, e.g., a share of the municipal property tax in the manner of business improvement districts (BIDs) and possibly eminent domain powers. See Foster (2011) for a discussion of institutional options.