Do Homeless Shelters Increase Local Crime? Evidence from Los Angeles

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1 Introduction

This paper provides causal evidence on the effect of homeless shelters on local crime rates. Homeless shelters may either attract more homeless individuals and associated crime (Cohen & Felson 1979, Anderson 2014), or reduce street homelessness and potentially lower crime (Cohen 2019). Empirical evidence on this topic remains scarce despite local protests against shelter placements.

Using geocoded data on homeless shelters and arrest records in Los Angeles, I estimate the causal relationship by leveraging spatial and temporal variation in shelter capacity and neighborhood exposure. My findings contribute to the policy debate on homelessness and crime.

JEL Codes: O18, R31, L65, P36
Keywords: Homelessness, Housing, Crime

2 Empirical Strategy

To estimate the impact of homeless shelters on crime, I first run a naive OLS regression:

$$Y_{it} = \alpha + \beta H_{it} + \gamma_i + \delta_t + \epsilon_{it},$$

where Y_{it} is the crime rate per 100,000 residents, and H_{it} measures exposure to designated homeless beds. Fixed effects γ_i and δ_t control for time-variant differences and year-specific shocks. I examine six crime categories, using the log of crime rates to mitigate outliers and interpret coefficients as percentage changes.

To address potential endogeneity, I apply a shift-share instrument following Bartik (1993) and Cohen (2019). I assign 2012 exposure shares to each census tract and predict exposure

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based on citywide capacity changes from 2016–2022. This strategy isolates the exogenous component of shelter placement, assuming funding allocation depends on existing shelter locations rather than local crime trends.

3 Data

I use arrest data from the Los Angeles Police Department (LAPD) and the Housing Inventory Count (HIC), conducted annually by HUD. Arrest data includes charges, times, and locations, while HIC data provides addresses and capacities of homeless shelters. My analysis focuses on the 485 single-site housing locations that have been active at some point between 2016 and 2022. Figure 1 maps the shelters, revealing their concentration in central and southern Los Angeles, highlighting the need for robust causal identification.

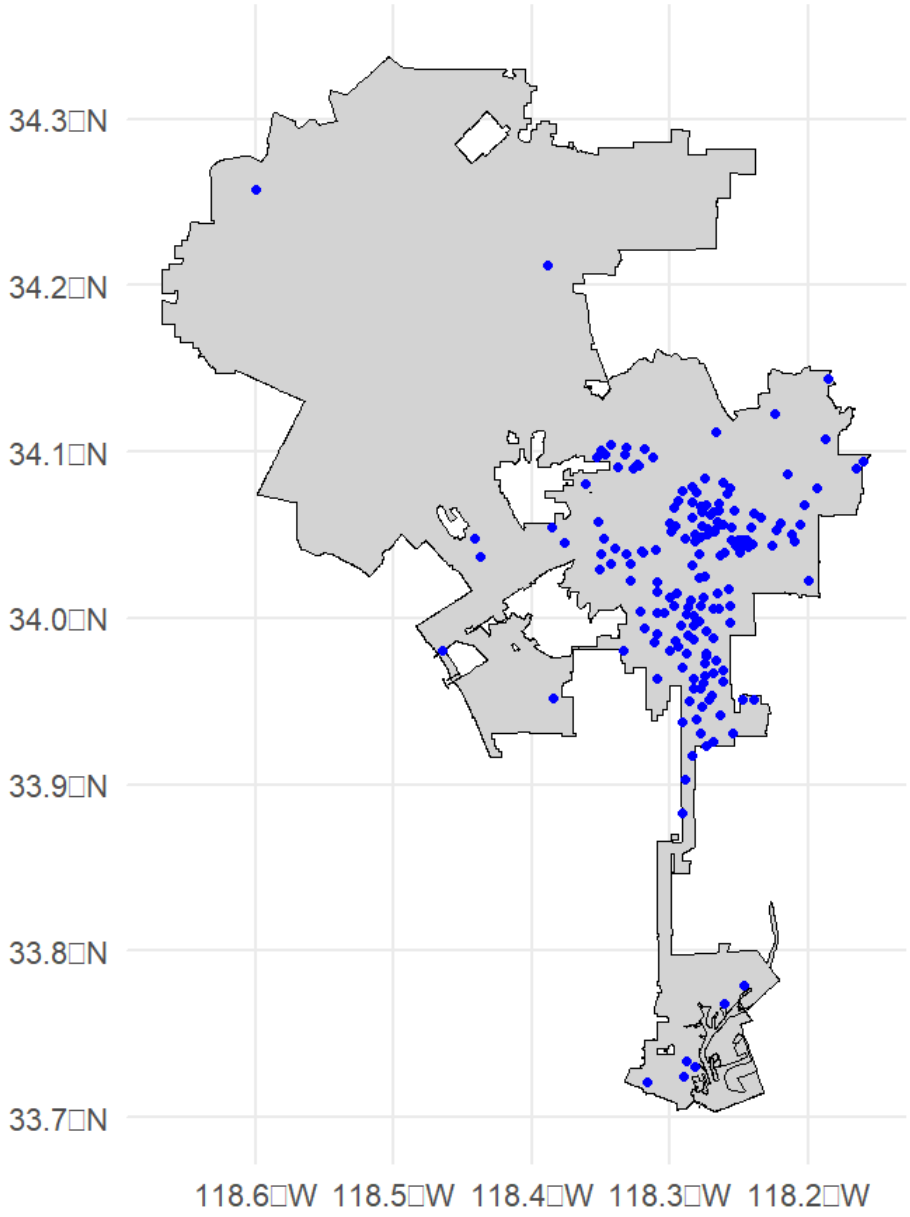
4 Results

Using the exposure measure and the identification strategy outlined earlier, I find that additional homeless beds increase disorderly conduct arrests by 0.591% per 100,000 residents. The results, presented in Table 1, Panel B, show this effect is statistically significant. However, no significant relationships are observed for other crimes, including narcotic laws, assault, robbery, and burglary. Panel A of Table 1 confirms that the OLS estimates do not yield significant results.

5 Conclusion

My findings suggest that a higher exposure to homeless shelters increases the prevalence of arrests due to disorderly conduct in a neighborhood. Meanwhile, I do not find any evidence for an effect on arrests due to narcotic drug laws, aggravated assault, robbery, larceny, or burglary. A potential explanation for this relationship is that these housing sites ultimately increase a neighborhood's exposure to homelessness by attracting a higher number of homeless individuals to the area. An alternative explanation could be that a higher exposure to homeless shelters is correlated to a higher police presence in the neighborhood. My findings contribute to the discussion about the placement of homeless shelters as well as that about the relationship between homelessness and crime.

Figure 1: Map of Homeless Shelters in Los Angeles, 2022



Locations of homeless shelters are drawn from the 2022 Housing Inventory Count (HIC).

Table 1: OLS and 2SLS Results

	(1) Narcotic drug laws	(2) Aggravated assault	(3) Robbery	(4) Larceny	(5) Burglary	(6) Disorderly conduct
Panel A: OLS						
Distance-Weighted Beds	0.00013	-0.00009	-0.00029	0.00002	-0.00072	0.00003
	(0.0006)	(0.0004)	(0.0007)	(0.0007)	(0.0007)	(0.0006)
adj. R^2	0.582	0.571	0.463	0.471	0.283	0.415
Panel B: 2SLS						
Distance-Weighted Beds	0.00024	0.00001	0.00032	0.00074	0.00006	0.00591^{***}
	(0.0010)	(0.0008)	(0.0012)	(0.0013)	(0.0013)	(0.0012)
adj. R^2	0.582	0.571	0.463	0.471	0.283	0.417
N	7,658	7,658	7,658	7,658	7,658	7,658

Notes: All specifications include year and census tract fixed effects. Standard errors in parenthesis. * $p < .10$, ** $p < .05$, *** $p < .01$

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