

# Strategic Issue: Reinvestment in Older Communities



## Trends Impacting Reinvestment in Older Communities

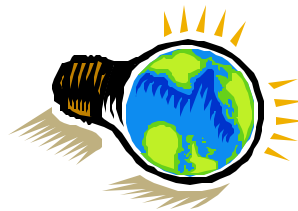
The largest component of existing housing stock in St. Louis County was constructed during the 1960s. In 1990, two-thirds of the County's housing units were at least twenty years old. The majority of the oldest housing stock is located adjacent to the City of St. Louis.

There is a growing reliance on tax incentives, rather than market forces, to encourage improvements in the housing and commercial building stock- even in affluent communities. Past development was principally market driven. Incentive-driven development is becoming more common in order to remain competitive with new development in surrounding counties.

Commercial buildings in St. Louis County were largely constructed between 1960 and 1990. Many

industrial buildings date back to the 1960s and 1970s, while office construction peaked during the 1980s. Many of these buildings are considered functionally obsolete and are not competitive with today's standards.

Redevelopment and infill development are substantially different from new development and will require changes in county and municipal procedures, codes, and regulations.



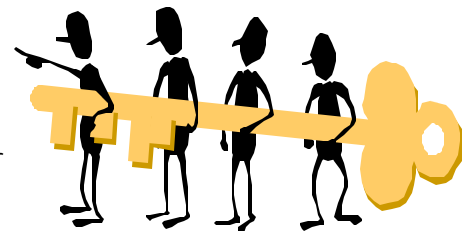
## Perspectives on Reinvestment in Older Communities

Government officials identified poverty and its growing influence in inner ring communities (municipal and unincorporated) as the top concern facing St. Louis County.

Top issues of public concern are the aging housing stock, mixed and confusing approaches to property code enforcement, and the need for stronger community development.

### Key Themes from Reinvestment in Older Communities

- ' As St. Louis County ages, preserving and stabilizing its older neighborhoods is vitally important.
- ' Maintenance of aging housing and commercial structures to prevent deterioration is a growing issue.
- ' Commercial and industrial areas which no longer meet contemporary standards need to be revitalized.
- ' Declining or blighted areas need redevelopment plans.
- ' Maintaining and replacing streets, sidewalks, sewer and water lines is important to improving



# Table of Contents

---

---

## **Introduction: The Case for Reinvestment in Older Communities**

### **Background Data and Trend Analysis**

Population of the St. Louis Metropolitan Area by County, 1940-2000

### **Indicators of the Need for Reinvestment**

Growth and Aging Trends in St. Louis County

Telephone Survey Results

County Government Officials

Public Forums

## **The County's Involvement in Reinvestment in Older Communities**

### **Best Practices From Around the County: Reinvestment in Older Communities**

#### **Initiatives**

Asset-Based Planning

Community Development Corporations

Church-Based Support of CDC's and Related Efforts

Weed and Seed Programs

Pre-Measuring Key Market and Economic Characteristics

Smart Growth Efforts

Revised Building Codes for Renovation of Existing Buildings

University Students as Affordable Consultants to Neighborhood Businesses

Expanding Housing Development and Housing Choices

### **Defining St. Louis County's Role in Reinvestment in Older Communities**

Obstacles to Reinvestment

Legislative Reinvestment Tool

## **References and Resources**

# Introduction: The Case for Reinvestment in Older Communities

---

---

In the late 1950s and early 1960s, America experienced a significant exodus from the urban center population to what are now inner-ring suburbs. This exodus was followed by additional migration as the population gained affluence and newer housing met modern consumer preferences. But inner-ring suburbs that flourished in the late 1960s and 1970s now are experiencing their urban neighbors' population losses and economic decline as migrations continue and new housing products continue to improve. This threat to the suburbs has been called "the second urban crisis (Miller)."

This trend is no less true in metropolitan St. Louis than elsewhere. While some of the more affluent suburbs like the cities of Webster Groves and Kirkwood thrived well before World War II, programs such as FHA mortgages and the expansion of the federal highway system made it easier for families to leave the central city. These trends created most of what are now the older, inner-ring suburbs of St. Louis County which now are facing similar urban aging pressures—older populations, harder to maintain homes and business structures, obsolete commercial centers, and so forth.

Helping to improve and strengthen these older suburban communities is as important for an entire region as it is to revitalize central city downtowns and urban neighborhoods. Yet most urban planning strategies and regulations still focus on greenfield development, in this case planning and developing in the newly growing suburbs. That leaves an increasingly critical gap for the pivotal and rapidly changing metropolitan "middles" (Seaver).

Community disinvestment and neighborhood decline are now not only problems associated with a big city. In fact, community deterioration, especially in suburbs that were once blue-collar and middle-class, has the ability to accelerate and intensify. This is because older, working-class suburban communities have less social, fiscal, and governmental infrastructure to slow these powerful trends (Orfield). Compared to big

cities, inner-ring suburbs lack the scale of the central city's business district, its elite neighborhood tax base (e.g., a number of high income neighborhoods still exist in the City of St. Louis), its social welfare and police infrastructure, and its network of organized political activity. Once trouble hits, therefore, the inner suburbs often decline far more rapidly.

Much experience has been gained in promoting reinvestment in inner cities and some of this experience is also valuable for the inner ring suburbs. But there are new conditions and new stresses, as pointed out above regarding the lack of a "big city" infrastructure. Moreover, the spread of urban decline into suburban areas demonstrates that the trend is of truly regional concern, not just isolated in a single, albeit large, central city.

These trends are on the minds of planners, public officials, and residents in St. Louis County. The background research conducted by the St. Louis County Department of Planning clearly indicates that many of St. Louis County's formerly vibrant inner-ring suburban communities are becoming subject to neighborhood decline and deterioration. The public officials retreat, telephone survey and opinion poll of County residents, and the various community forums also raised issues which point to the need to address neighborhood decline and disinvestment.

Thus, roles for St. Louis County emerge. As a large unit of government, it offers the opportunity to assist its own inner-ring suburban communities (both incorporated and unincorporated) with the infrastructure and resources too often lacking in small jurisdictions. Moreover, as the wealthiest and most populated county in the St. Louis metropolitan area, St. Louis County—perhaps in conjunction with the City of St. Louis—has the opportunity to identify and implement regional solutions to the spread of socioeconomic decline.

# Background Data and Trends

St. Louis County's population grew rapidly between 1940 and 1970, increasing from about 274,000 just before World War II to 951,000 in 1970. As shown on the following graph, this rate of growth for the County was similar to the rate of growth for the entire metropolitan area. Importantly, this rate of growth for the County and region before 1970 was also similar to the rate of national population growth. Since 1970, however, the U.S. population has continued to grow at about the same historic rate while metropolitan St. Louis and St. Louis County have relatively "leveled off."

Reaching just under one million residents in 1970, the County's present population is just over one million. Moreover, the metropolitan area reached just under 2.5 million in 1970 and is, today, only just above that mark. Thus, St. Louis County has not added residents in the past 30 years at anywhere near the rate it did in the prior three decades. Nor has the region. For that matter, nor have the five metropolitan counties of Metro East where the population has remained relatively stable at about 600,000.

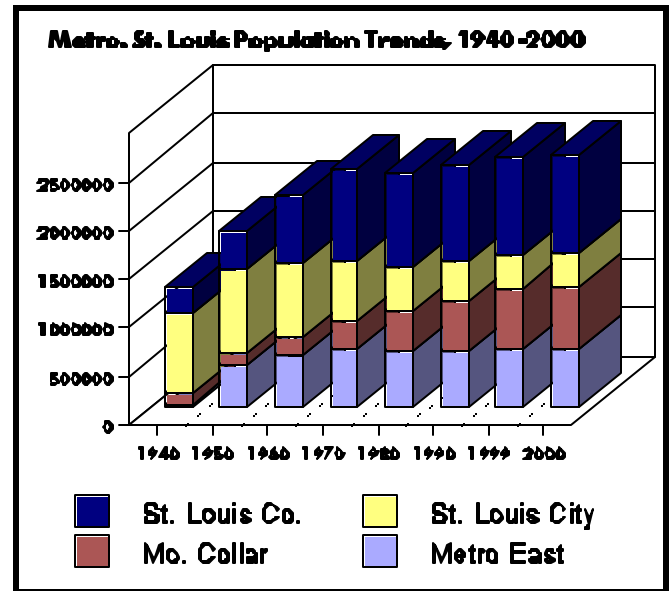
**Population of the St. Louis Metropolitan Area By County, 1940-2000**

Jurisdiction	Census 1940	Census 1950	Census 1960	Census 1970	Census 1980	Census 1990	Estimate 1999	Forecast 2000
St. Louis City	816,000	856,800	750,000	622,200	453,100	396,700	342,900	337,900
St. Louis Co.	274,200	406,300	703,500	951,400	973,900	993,500	1,010,200	1,011,500
St. Charles Co.	25,600	29,800	53,000	93,000	144,100	212,900	275,500	282,800
Jefferson Co.	32,000	38,000	66,400	105,200	146,200	171,400	195,700	198,300
Franklin Co.	33,900	36,000	44,600	55,100	71,200	80,600	91,700	93,600
Lincoln Co.	14,400	13,400	14,800	18,000	22,200	28,900	35,600	36,300
Warren Co.	7,700	7,700	8,800	9,700	14,900	19,500	24,300	25,000
Sullivan in Crawford Co.						1,000	1,300	1,300
<b>Metro West</b>	<b>1,203,800</b>	<b>1,388,000</b>	<b>1,641,100</b>	<b>1,854,600</b>	<b>1,825,600</b>	<b>1,904,500</b>	<b>1,977,200</b>	<b>1,986,700</b>
Clinton Co.	22,900	22,600	24,000	28,300	32,600	33,900	35,700	36,000
Jersey Co.	13,600	15,300	17,000	18,500	20,500	20,500	21,600	22,000
Madison Co.	149,300	182,300	224,700	250,900	247,700	249,200	257,800	259,100
Monroe Co.	12,800	13,300	15,500	18,800	20,100	22,400	26,200	26,800
St. Clair Co.	166,900	206,000	262,500	285,200	267,500	262,900	265,300	268,100
<b>Metro East</b>	<b>365,500</b>	<b>439,500</b>	<b>543,700</b>	<b>601,700</b>	<b>588,400</b>	<b>588,900</b>	<b>606,600</b>	<b>612,000</b>
Metro Area	1,569,300	1,827,500	2,184,800	2,456,300	2,414,000	2,493,400	2,583,800	2,598,700

Sources: Population Subcommittee of the Metropolitan Census Advisory Committee of the St. Louis Chapter, American Statistical Association; Development Strategies.

But there has been population growth in the Missouri “collar counties” of St. Charles, Jefferson, Franklin, Lincoln, and Warren—most notably St. Charles County. This “growth” has come at the expense of other parts of the region, however. On a net basis, the collar county growth has come at the expense of the population in the City of St. Louis—although migration patterns also show that former St. Louis Countians move to the collar counties in large numbers while St. Louis County continues to attract from the City.

With numerical population stability in St. Louis County, however, has come a growing recognition that investment in many of the County’s communities (incorporated and unincorporated) has leveled off or declined. Ongoing population movement has resulted in differing settlement patterns throughout the County and many communities have been experiencing disinvestment or lack of reinvestment much as older urban areas of the U.S. (the City of St. Louis among them) have been experiencing since about World War II. Source: U.S. Census and the Population Subcommittee of the Metropolitan Census Advisory Committee of the St. Louis Chapter of the American Statistical Association.



# Indicators of the Need for Reinvestment in Older Communities

## Growth and Aging Trends in St. Louis County

Four principal means of information gathering were utilized in determining critical issues which St. Louis County faces in the next several years including; a trend analysis conducted by the St. Louis County Department of Planning; a telephone and focus group surveys of St. Louis County residents; a daylong retreat of senior St. Louis County government officials, including both elected and appointed leaders; and nine community forums throughout the County to solicit comment and perspectives from St. Louis County residents.

### FOUR CRITICAL ISSUES FACING ST. LOUIS COUNTY

- ' Reinvestment in older areas
- ' Traffic congestion
- ' Services to unincorporated areas
- ' The County's role in the region

What are the signs of disinvestment or potential problems associated with a failure to reinvest in St. Louis County's communities? Key indicators are pointed out in a report by the St. Louis County Department of Planning in preparation for the current strategic planning process. The following discussion summarizes key points regarding the need for focused attention on reinvestment and County government's potential role in the reinvestment process.

**! There is a large and aging generation of post WWII housing stock.** Such housing was state of the art at the time when families sought new housing for growing families in the suburbs. Many such homes are no longer as functional, including their size, for the 21st

century. A great many of these homes are still occupied by aging "parents." What is the market for these homes? Do they represent the next step in urban decline as future generations ignore the older homes in favor of more functional (and usually more valuable) housing further out?

**! There is an aging of the commercial property in the County.**

Employment followed residential growth to St. Louis County, allowing the County to now be the biggest employment center in the region and in the state. As jobs followed residents, places of employment were constructed which were suitable at the time. As developable land decreased and the population stabilized, less "new" space is being constructed and the older space is becoming less and less desirable. St. Charles County's residential growth is now attracting jobs, too. The impact of this pressure on St. Louis County's commercial infrastructure, tax base, and job base is indicative of a need for reinvestment.

**! There is a national, even global, trend toward "despatialization"** or a

decreasing need to be near places of work or even places of shopping. This raises implications for infrastructure, transportation systems, and the relevance of existing commercial centers. If reinvestment is necessary, what are the new needs? Should there be conversions of land uses together with major infrastructure changes?

**! As the population of the County and the region ages over the next few decades (due to the baby boom cohort), the County faces the issue of attracting and retaining new workforce entrants.** A shrinking entry level cohort combined with an aging County population means St. Louis County will need new and competitive approaches to attract and retain

a diversity of household types.

- ! **There is a growing reliance on tax incentives, rather than market forces, to encourage improvements in the building stock** (housing and commercial), even in seemingly affluent communities. Past development was principally market driven as the population was growing. Maintaining the quality of life may require a more incentive driven economy both to compete with greenfield counties and to adjust development costs to reflect higher expenses associate with redevelopment and rehabilitation versus new development.
- ! **Government fragmentation continues to be a mixed blessing.** Are the many communities of St. Louis County a deterrence to comprehensive reinvestment or do they offer diversification of opportunity for different life styles? With suburban disinvestment or lack of investment come tax base changes which may make the services of many smaller governments (including nonmunicipal governments like school and fire protection districts) increasingly difficult to finance. This can lead to even greater internal dissent and competition for tax which can foster further decline in the quality of life. County government can suffer along with municipalities and other jurisdictions in terms of loss of tax base, loss of relevance, and a shifting of resources devoted to competition rather than growth.

## Telephone Survey Results

In February, 1999, 617 St. Louis County residents respondent to a telephone survey regarding the direction of planning for the County. Residents of unincorporated areas numbered 303 respondents while there were 314 respondents randomly telephoned within municipalities. Several of the findings relate to the issue of reinvestment in the County.

- ! **Residents generally feel the County and municipalities are moving in the**

**“right direction.”** An important follow up question is, of course, What is the right direction? The survey does not directly deal with that issue other than to point out a very high degree of apparent satisfaction with the quality of life in St. Louis County and its municipalities (about half the survey respondents were municipal residents, the other half from unincorporated areas). County residents seem to be happy with police, parks, storm water control, and many other aspects of government services.

But how did the County and its communities reach such high levels of satisfaction? Does the trend continue to rise or is it time to be looking at major reinvestments in County communities to assure longevity in the “right direction?”

- ! **This satisfaction is further reflected in the relatively low familiarity with County government facilities in Clayton.** People seem to be getting satisfactory government services closer to home—e.g., municipal governments, school districts, satellite County government offices. This raises important questions about the potential acceptance of County government involvement in local reinvestment initiatives. That is, what role can County government play which continues to reinforce the high level of satisfaction with “local” government?
- ! **County residents support expansion and diversification of transportation systems.** Respondents were very supportive of, for example, expansion of both Lambert Airport and MetroLink within St. Louis County. This certainly has reinvestment implications, although many of them are being addressed independently by the airport and Bi-State Development Agency.

- ! **Parks and recreation sites and services also demonstrated a strong preference for expansion and improvement**— even to the point of willingness on the part of survey respondents to support a related tax increase. Based on this support, is it possible that other reinvestment issues, if appropriately planned and presented, can receive similar backing?
  
- ! **Economic development within St. Louis County, however, received relatively low marks** from the survey, perhaps reflecting County residents' perceptions that growth is taking place in St. Charles County or that the City of St. Louis "gets all the attention." Economic development in a developed jurisdiction typically implies redevelopment. The lack of perception of an aggressive County-level economic development program might reflect citizen concerns that reinvestment initiatives are necessary but currently inadequate (or poorly visible).
  
- ! **These concerns may also be reflected in the survey's finding that almost two-thirds of the respondents want something done about "urban sprawl"** (a phrase which is never defined, however). Sprawl is, in effect, urban or suburban growth within which St. Louis County was, for a few decades, a national leader. But growth at the outer parts of an urban region typically leaves behind aging buildings and declining socioeconomic standards.

"Doing something about urban sprawl" in St. Louis County, therefore, may reflect a desire by County residents to see more resources expended on formerly highly vibrant areas in order to discourage outward migration. The various levels and numbers of governments in St. Louis County are not particularly bothersome to County residents. Survey respondents were, on the whole, unclear as to whether it is "better" to live in a municipality or in an unincorporated area. The level of satisfaction with County government as a local government provide, therefore, is not

significantly different than with municipalities. An increasing role for County government in supporting municipal services, therefore, seems appropriate since the County is already performing well as a local government, too.

- ! **Despite a trend toward more incentive based redevelopment, ignorance of incentive programs among County residents is high.** Is this because incentive based development is not yet widespread (although it captures the headlines more readily than market based growth)? Or is it because people don't want to really believe that St. Louis County and its municipalities need to be relying on incentives in order to upgrade buildings and facilities? Do people need to be informed better about the aging and changing conditions in the County in order to prepare them for greater use of incentives?

## RESIDENT SURVEY RESULTS

- ' **High Quality of Life.** A desire for St. Louis County to at least maintain its already high quality of life. To do so requires a continuous flow of reinvestment resources, just as the growth patterns of the past brought a continuous flow of investments in houses, roads, and commercial structures.
- ' **Support for Reinvestment Initiatives.** County residents appear willing to support reinvestment if properly planned, packaged, and managed. The survey further suggests that County government is highly regarded and should be an active participant in the County's

## County Government Officials

Senior elected and appointed officials of St. Louis County government met for a day of discussion and brainstorming in February 1999, to identify key strategic planning issues from their perspectives. With regard to reinvestment, a number of themes emerged.

! **Quality of life, expressed in a variety of ways, was very important.** Attracting and retaining residents and businesses in the face of demographic and economic change coupled with aging buildings and infrastructure requires requisite investments to assure that the quality of life in St. Louis County remains extraordinarily high.

! **Fragmentation of government and service providers showed up in various ways among the government officials.** Fragmentation can promote parochialism which, in turn, can shun community changes which affect the whole county if immediate and tangible benefits are not obvious to the local community. Growing pockets of poverty can feed this parochialism and fragmentation by encouraging government leaders to prevent poorer households from entering the community—when the better approach is likely to be cooperative efforts of all communities.

! **Outside threats include economic downturns for which St. Louis County must be prepared** despite the fact that the national economy has been strong for about the longest time in its history. History also teaches that the business cycles will go downward. There are also the threats of urban decline on the county's borders—although it doesn't take leaving the county to find ample examples of "inner city" decay. In short, appropriate reinvestment strategies in neighborhoods, business centers, and residents can prepare St. Louis County for the ups and downs of the business cycle and the uncertainties of adjacent jurisdictions.

! **Internal County government themes**

**focused on how well St. Louis County government is managed and on the resources it has to provide services.** It is generally recognized by county officials that county government is well run. This was reinforced by the telephone survey and by many of the community forums. At the same time, improvements can be made in terms of internal communications, setting and acting on priorities, and strengthening the funding base. This leads to opportunities in terms of better utilization of service providing technology, more efficient management (including some agency and department consolidations), and assuring that good employees are hired and retained. Thus, reinvestment in County government is as important as reinvestment in declining areas if the County is to have a more secure future. Resistance to change within County government, partisan politics, and loss of revenues can threaten such improvements, however.

## Community Forums

Nine community forums were held throughout St. Louis County in April 1999 to solicit discussion and ideas from County residents. Each forum included small group facilitation on the strengths, weaknesses, opportunities, and threats facing the County. This led to an identification of "critical issues" on which each evening's participants voted. This enabled the consultants to set apart priority issues from those which, while interesting, did not receive consensus acknowledgment. The themes leading to the establishment of Reinvestment in Older Communities included the following: Neighborhood Stabilization, Urban Sprawl, Economic Development, Housing, and Infrastructure. Combined, the themes shown above received the highest proportion of votes during the community forums among 17 critical issues. All of the above imply a certain amount of reinvestment in order to improve or maintain the quality of life in the communities of St. Louis County.

While St. Louis County is all but fully developed and, therefore, no longer in need of combating sprawl within its own borders, it can be a victim of the

negative impacts of continued suburban expansion in the face of almost stable population numbers. Under that circumstance, expansion necessarily means abandonment and underutilization of already developed areas, a phenomenon already apparent in parts of St. Louis County (e.g., Lemay, parts of the Normandy Municipal Council area, and even some of the older shopping centers along I270).

Growth at the suburban fringe can be discouraged by improvements to existing neighborhoods and commercial centers within St. Louis County. This would make more of the County more desirable to market forces which might otherwise seek "new" areas of development.

Economic Development which was poorly rated by respondents to the telephone survey. Clearly, there is a perception that more needs to be done to encourage economic reinvestment in St. Louis County. St. Louis County remains the biggest single concentration of jobs and businesses in the metropolitan area and the State of Missouri, yet there are ample examples of economic decline and obsolescence. The community recognizes this and seeks to have a strategic focus on attracting economic resources to formerly vibrant areas.

Housing is a theme which, interestingly, garnered relatively little support although it was consistently raised at the community forums. The issue is centered around the need for affordable alternatives within the County.

Infrastructure, likewise, was not a top of the mind theme among community forum participants but, when mentioned, captured a degree of interest which should be addressed in a reinvestment program. Certainly, reinvestment in neighborhoods or in economic development should naturally include infrastructure components.

## **PUBLIC INPUT THEMES**

### **Neighborhood Stabilization**

- ' Crime
- ' Community Development
- ' Decaying neighborhoods
- ' Neighborhood stabilization
- ' Safety
- ' Better law enforcement
- ' Declining land values
- ' Code enforcement
- ' Occupancy permits

### **Urban Sprawl**

- ' Unregulated growth, land use controls
- ' More and improved open space
- ' Constant movement west
- ' Pro-active planning
- ' Growth management
- ' Uneven allocation of resources
- ' Growth at the expense of other areas
- ' Loss of middle class
- ' Urban growth boundaries
- ' Costs of urban sprawl

### **Economic Development**

- ' Need for responsible economic development (tax base, job opportunities)
- ' Commercial & residential redevelopment
- ' Empty buildings
- ' Encouraging more business
- ' Not business friendly
- ' Lack of quality commercial (office parks over fast food)

### **Housing**

- ' Quality of housing in unincorporated St. Louis County and municipalities
- ' Affordable Housing
- ' Equal distribution of low income housing
- ' Problems with government/low income housing (Section 8 housing )

### **Infrastructure**

- ' Aging Infrastructure
- ' County Infrastructure- North County

# The County's Involvement in Reinvestment in Older Communities

---

---

## Historical Background

Traditionally, St. Louis County has conducted planning studies at a variety of scales and for different purposes. The County has employed a General Plan since the early 1940s. The General Plan is required by the County's Charter. In 1985, the community area study process was initiated as an extension of the General Plan. The area studies are focused on a detailed analysis of an area of unincorporated County to identify guidelines for future decisions of the County Planning Commission and County Council related to land use and zoning.

The studies establish a range of possibilities for these decisions to provide some predictability to developers and residents alike. The entire process is conducted in an open format of meetings structured to gain awareness of local sentiments while disseminating information to promote a better understanding of County Government and land use regulations.

Since 1995, planning studies have taken a different course from previous area studies. They have relied on an ad hoc source of citizen involvement rather than a formal appointment of an Advisory Committee.

## Obstacles to Reinvestment

Over the last several years, the St. Louis County Department of Planning has engaged in a number of community planning initiatives, usually in conjunction with other County departments and agencies. Beginning with Project Lemay in the early 1990s, the Department of Planning has led planning efforts in the unincorporated communities of Affton, Lemay, and Spanish Lake, as well as being involved in CastlePoint. All of these planning efforts have focused on older areas in need of concentrated services and redevelopment.

With each of these community planning projects, there is an expectation a plan will be developed, and that the plan will be implemented. The willingness of residents, businesses, and other community stakeholders to participate in a planning process is limited without seeing tangible results for their efforts. Without the ability to implement, the county's credibility is diminished and the benefit to the community is negligible. To date, funding of these community initiatives has been problematic for a number of reasons:

The County's account-based budgeting does not provide for the flexibility needed in funding interdepartmental projects;

Project costs cannot always be anticipated a year or more in advance to coincide with the county's budget cycle. The nature of these projects is that needs and priorities cannot be identified until the community actually participates in the planning process.

The lack of access to project funds, capital funds, or matching dollars for grants makes it difficult to implement plan objectives and limits the county's ability to take advantage of leveraging state, federal, and private dollars.

A new approach to funding a community planning initiatives and their implementation is needed. This approach should take into account the interdepartmental nature of community planning efforts; the need for flexibility, particularly in light of unanticipated costs; and the need for implementation funds, such as capital improvement dollars.

# Best Practices From Around the Country: Reinvestment In Older Communities

---

---

## Asset-Based Planning

Historically, efforts to revitalize communities have operated from a deficit perspective. That is, communities determined their deficiencies and needs in order to define the scale of the “problem.” Asset-based planning, on the other hand, starts with the things that currently work well within the community, or the assets that the community can build upon. Asset-based planning, as an approach to redevelopment, brings together the three disciplines of neighborhood planning, community organizing, and economic development, and attempts to mold them into a single methodology for community revitalization (Mourad).

The key to revitalization through asset-based planning is mobilizing whatever assets exist among residents and within the community as a whole. The end product of an asset-building effort is a healthy local economy characterized by the re-circulation of money, high rates of employment among residents, patronization of local businesses by neighborhood households, and an active, connected community.

## Community Development Corporations (CDCs)

Community-based development is a movement born of the poverty programs and policies of the 1960s. Now, community-based development is an industry of considerable strength that is quietly transforming lives and communities across America. Community-based development is a uniquely American force in the best traditions of social and economic institutions.

Community Development Corporations (CDCs) are non-profit organizations sharing several common characteristics. They are typically indigenous to the communities they serve, multi-disciplined, based on sound economic practices, and focused on outcomes

benefitting businesses and the community.

The 1999 census of CDCs by the National Congress for Community Economic Development (NCCED) shows that there was a 64% increase in the number of CDCs in America after 1994. To date, there are about 3,600 CDCs. Over the entire 30-year progress of CDCs, as measured by the NCCED, there have been the following aggregate accomplishments:

- ! 71 million square feet of commercial and industrial space developed
- ! \$1.9 billion in loans outstanding (at the end of 1997) to 59,000 small and micro-businesses (attesting to the smallness of these businesses is the average outstanding loan of only about \$32,000)
- ! 247,000 private sector jobs created
- ! 550,000 units of affordable housing built or renovated, nearly 40 % of which was completed in the four years prior to the 1999 census

The convergence of public policy shifts and the forces of an unprecedented growth economy in recent years has created conditions in which CDCs are positioned to be critical agents of economic change and important instruments for implementing public policy.

## Church-Based Support of CDCs and Related Efforts

Support of CDC growth by St. Louis County can help to leverage scarce County and municipal resources into much stronger community development programs. Many CDCs are church-based or church sponsored. Churches usually have vested interests in revitalizing their communities because it is difficult to move a church and congregations often have close ties to the community. Notable among church-based efforts have been St. Louis organizations: Churches United for Community Action, Congregations Allied for Community Improvement, and Churches

Committed to Community Concerns (National Housing Institute).

These church members of these organizations recognized that they had been combating the ill effects of “urban sprawl” for many years by ministering to increasing numbers of poor residents and dealing with the effects of increasing crime and drug usage. Uniting their resources to seek regional and state policy changes seemed a natural outgrowth. Their key goal, of course, is to reverse the disinvestment and abandonment devastating so many inner-city neighborhoods.

## Weed and Seed Programs

The U.S. Department of Justice sponsors Operation Weed and Seed. The first step of the program is to “weed” out violent crime, gang activity, drug use, and drug trafficking” in a targeted area. The follow-up step is to then “seed” the area with economic development. The Weed and Seed strategy recognizes the importance of linking and integrating federal, state, and local law enforcement efforts with federal, state, and local social services, and private sector and community efforts to maximize the impact of existing programs and resources (Council for Urban Economic Development).

All of the above are expected to be undertaken simultaneously as opposed to concentrating on crime reduction for a period of time and then shifting attention strictly to economic development. Tried primarily in inner city neighborhoods, there may be

### ELEMENTS OF WEED AND SEED

- Law enforcement
- Community policing
- Prevention, intervention, and treatment
- Neighborhood restoration and economic development

applications for troubled suburban communities as

well. A key example is the Northwest Austin neighborhood in Chicago, Illinois where an astounding three quarters of the residents are under age 25. Such an age cohort breeds violence and gang behavior and thwarts attempts to attract stable economic development. Through a Weed and Seed program coordinated by the South Shore Bank of Chicago, the Northwest Austin neighborhood has successfully mobilized a campaign for city infrastructure repairs and improvements focused around Austin High School. Given the demographics of the community, it was deemed most important to focus attention on the area around the high school because it is the principal concentration for activity for youths. Indications are that the program is bearing fruit. The high school is a “Safe Haven” center which offers constructive programs for children of all ages after school. Moreover, school attendance and test scores have improved.

The Weed and Seed program in Syracuse, New York, focuses on changing a negative perception of the target area—as task which has proven more difficult than battling the reality. While crime is down, economic development is still hindered because of long lingering perceptions of the neighborhood’s demise. Presently, local business people are promoting the area for reinvestment. But without the combined efforts of the Weed and Seed program, there would be nothing to promote.

St. Louis County communities, if carefully evaluated, can also benefit from such a program. It will be important, however, to selected communities which have serious crime problems. This is important both so that justice and police resources have a large leveraging impact and also so that deteriorated neighborhoods which are not subject to high crime are not mistakenly perceived as such.

## Pre-Measuring Key Market and Economic Characteristics

Most urban neighborhoods which have experienced major decreases in economic and social viability are also under served by key retail and related commercial services. A number of researchers have

found, however, that these neighborhoods have substantial buying power, despite low per capita incomes, due to their relatively high densities, a very high propensity to consume, and an abundance of income support programs, such as social security, food stamps, and welfare (Council for Urban Economic Development).

An approach to identifying such communities in St. Louis County would involve County government officials in identifying under-served communities based on distance traveled for convenience shopping, for instance, compared to the ability to support/pay for convenience goods and services. Promoting identified communities as good opportunities for developers and retailers could help to stem the tide of further decline which is often fed by a lack of services such that potential new residents are discouraged from moving in.

## Smart Growth Efforts

A frequent lament among central cities, and increasingly among older suburbs, is that cheaper land, lower taxes, and government subsidized services in newly developing suburbs and outlying areas lure middle class families and businesses away from urban core and older suburban areas. The premise of the argument focuses typically on the federal and state subsidies for highway development around existing developed areas. Newly constructed highways, in turn, allow people to move out of developed areas and into new homes which have the advantages of low maintenance and, many times, modern functionality. Moreover, federal and state income tax deductions for property taxes and mortgage interest payments encourage the purchase of ever more expensive homes in order to maximize the tax benefits. This discourages investment in existing homes because their values are typically lower. Financially, it behooves a home buyer to "move up" in price and quality due to the income tax benefits.

Currently, Smart Growth movements across the country are underway to combat the effects of subsidized out migrations, although the agendas can sometimes "border on the radical (Garland)." The movements are increasingly made up of coalitions of

central city and inner suburban officials backed by downtown business executives, environmentalists, church leaders, and farmers.

A key objective of Smart Growth efforts is to cause wealthy enclaves to place property tax revenues in regional pools that would be used, among other things, to redevelop abandoned properties. There would also be an end to policies such as infrastructure subsidies that fuel urban sprawl. Smart Growth policies often also include efforts to define urban growth limits.

If ex-urban growth is curbed, according to the Smart Growth argument, middle class families and businesses will remain in the inner core. Regional transit systems and affordable housing, meanwhile, would more readily bring poorer city residents to jobs and homes in the suburbs, reducing the concentration of poverty in inner cities.

As a result of such pressures, the State of Oregon enforces urban growth boundaries. The Minneapolis-St. Paul area in the State of Minnesota instituted a tax base sharing system many years ago to pool taxes from new development throughout the region. And corporations in Pittsburgh are urging a metropolitan-wide sales tax to finance new riverfront projects which will encourage more downtown economic development. The St. Louis region is replete with similar programs already in place. These include the several inter-jurisdictional, regional taxing programs to support, for instance, the St. Louis Community College, the Zoo-Museum District, the Bi-State Development Agency, and the Metropolitan Sewer District. But more could possibly be done by St. Louis County in greater coalition with other urban and suburban interests in the metropolitan area.

The State of Maryland passed its own Smart Growth and Neighborhood Conservation Action in 1997 with the following key provisions which are aimed at promoting existing developed areas (Brookings Institute):

- ! Establishes "priority funding areas" which tie fiscal accountability to responsible development and planning in targeted areas;
- ! Facilitates the clean up of brownfields to encourage redevelopment;

- ! Limits adverse impacts of sprawl on agricultural lands;
- ! Encourages targeted job creation and economic development with job tax credits in targeted areas; and
- ! Promotes short and efficient commutes to work by creating the Live Near Your Work Program providing a minimum \$3,000 grant to families that purchase homes in targeted neighborhoods near their places of work.

## Revised Building Codes for Renovation of Existing Buildings

New Jersey has a new set of building codes devoted solely to the renovation of buildings, an initiative which suggests possibilities for St. Louis County as well. Renovation accounts for half of New Jersey's construction industry, but prior building codes required that a renovation costing more than half of a building's replacement value meant the entire building had to be brought up to the code requirements for new buildings—a costly and discouraging endeavor.

The new standards were developed over two years involving state officials and a thirty member committee coordinated by Rutgers University, a state university. The regulations divide rehabilitation work into four categories: repair, renovation, alteration, and reconstruction. Each category carries its own code requirements. The new codes were developed for two reasons:

- ! The potential market for rehabilitation projects includes 500,000 commercial buildings in New Jersey and 2.3 million houses.
- ! The state wants to encourage redevelopment of older areas of the state rather than promote urban sprawl.

## University Students as Affordable Consultants to Neighborhood Businesses

Over the years, a number of universities have taken an institutional approach to combat the decline in communities at their gates by using students to provide consulting services for economic development organizations and businesses. A key organization in this respect is Students for Responsible Business (SRB) founded in 1993 by business students interested in supporting socially responsible business practices. SRB members now come from 75 colleges and universities across the country. The organization sponsors a range of activities including conferences, career services, and paid internships. The internships are typically with both nonprofit and for-profit organizations (Council on Urban Economic Development).

Every year, the SRB markets its services through the National Congress for Community Economic Development (NCCED) with a goal of identifying a critical mass of students, organizations, and sponsors in any one city or area to make the program work. Interns are paid with contributions from local sponsors. Examples suggest the potential outcomes if St. Louis County were to become involved in SRB or create a similar, local program.

Examples of successful SRB efforts indicate how such a program can encourage existing businesses not only to stay in business but to stay in their local community. Three Harvard students provided a detailed cost analysis to a waste disposal and recycling company in Boston. The students evaluated company books to identify cost effective operations and to suggest future pursuits. A second team of Harvard students helped a restaurant owner to better track revenue and expenses. The students observed operations and then initiated improvements. They standardized meal portions, wrote job descriptions, produced a training video, and helped purchase new software. At Loyola College in Baltimore, students prepared a marketing plan for a transportation engineering firm.

## Expanding Housing Development and Housing Choices

The City of Richfield, Minnesota, an inner-ring suburban community in the Minneapolis-St. Paul area, has used a variety of creative approaches to expand and diversify housing choices. The bulk of Richfield's housing was constructed just after WWII. Population peaked in the 1970s but has been declining ever since (Minnesota Chapter of the American Planning Association). In the early 1990s, Richfield realized it needed to provide more modern housing choices and replace lost and obsolete housing if it was to remain a vital city. Fifty years after WWII, families wanted larger, contemporary homes and other kinds of choices like condominiums and townhouses.

The City thus developed the "Richfield Rediscovered" Program. "Richfield Rediscovered" consists of new construction and remodeling components:

- ! The new construction component buys substandard homes from willing sellers, demolishes the homes, and sells the lots to builders who have already lined up buyers for newly constructed homes, typically with considerably higher values than the previous structures.
- ! The remodeling component offers homeowners the technical assistance of remodeling and design advisors, an annual remodeling fair, and one stop financing through local lenders. There is also a no interest loan available to individuals who remodel their homes with projects exceeding \$30,000.

The "Richfield Rediscovered" Program required not only money and political backing, but also changes to the zoning and subdivision regulations. Most of the new and renovated homes are bigger than their predecessors. In fact, many of the original houses had one story and the most efficient way to add living space is to remodel by adding a second story. The City of Richfield Planning Commission also reduced front setback requirements to allow homeowners to add front porches and additional living space.

As of early 1998, the "Richfield Rediscovered" program had resulted in the construction of 70 new

homes and remodeling of 30 homes. The average home value rose 29%, from \$82,600 in 1990 to \$106,400 in 1997.

Given the post-World War II character of many of the inner-ring St. Louis County homes, a similar program might be initiated. As older residents move out, the County and/or cooperating municipalities could purchase groups of homes and attract homebuilders to construct modern housing. Likewise, loan programs and other efforts aimed at improving the existing housing stock can be initiated more aggressively.

# Defining St. Louis County's Role in Reinvestment in Older Communities

While many communities in St. Louis County face the challenges of decline or socioeconomic change, not all of them necessarily need or want St. Louis County involvement. Some may want only very limited involvement, such as assuring that appropriate street maintenance, public safety, and public health issues are addressed in the "distressed" communities. Moreover, St. Louis County government may not want to direct its resources to suburban municipalities which should otherwise be able to manage reinvestment issues themselves—except inasmuch as certain ongoing County level programs are maintained.

But others may want or need deeper involvement by the County in order to assure that there are sufficient resources. And St. Louis County may want to intervene in order to prevent unnecessary spread of disinvestment problems and socioeconomic disarray.

How does the County determine where it should intervene? Some performance standards would be useful. Such standards would help the County determine the degree of decline which has taken place or could take place without intervention. They would also enable the County to estimate how much of its resources could and should be devoted to certain communities and which types of programs might be most appropriate.

Most existing standards in use in the United States involve various measures of poverty, crime, and economic obsolescence. Some of these measures are statistically objective (e.g., census-measured population decline or personal income changes) while others have a degree of subjectivity (e.g., determinations of blight for eligibility for use of certain redevelopment tools like tax abatement or tax increment financing).

## TYPES OF FUNDING NEEDED FOR REINVESTMENT PROJECTS

- ' **Professional Services:** Architecture, Landscape Architecture, Urban Design, Market Studies, and Survey Research.
- ' **Project Implementation:** a) Small improvements, under \$5,000 Identification signs, banners, street furniture, community gardens, cleanups, newsletters. b) Major improvements Sidewalks, street repairs, street lights, fountains, property acquisition.
- ' **Matching Funds:** Matching funds are needed to leverage grant monies which

## Legislative Reinvestment Tools

### ! **The Neighborhood Preservation & Rebuilding Communities Act**

As part of St. Louis County's 1998 legislative agenda, a proposal was offered to give tax breaks to homeowners in older neighborhoods who repair or renovate their homes. The bill was originally drafted to apply only to St. Louis County. The bill provided for a 25% state tax credit for the rehabilitation of any single family, owner occupied home that are more than forty years old and are located within a census block group in which the median household income is equal to or below the County median income. It was passed by the Missouri Legislature in 1999.

### ! **Community Improvement District**

A community improvement district (CID) is a special benefit district that allows groups of property owners to assess and tax themselves for community

improvement and services within their district. District projects may include public capital improvements, certain private capital improvements, and special services.

The CID legislation was created by the Missouri Legislature in 1998. Management of a CID is under the direction of a district board which, depending on the petition, may be appointed by the St. Louis County Executive with the consent of the County Council or elected by qualified voters of the district. Community improvement districts are independent political subdivisions.

A valid petition must be submitted to the governing body (St. Louis County) requesting establishment of the district. The petition is valid if it specifies the size, area, and duration of the district, the maximum rate of taxes which may be imposed, and the method and maximum rate of assessment. In order to have a valid petition, it must be signed by property owners collectively owning more than 50% of the assessed value of the real property within the boundaries of the proposed district and property owners representing 50% per capita of all owners of real property within the boundaries of the proposed district. After a public hearing, the CID is either approved or denied by the governing body.

The petition creating the district will also outline the maximum rates of real property taxes that may be submitted to qualified voters for approval, the maximum rates of special assessments and respective methods of assessments, any limitations on the revenue generation of the district, and limitations of the borrowing capacity of the district. Prior to levying taxes, an election must be held through a mailin ballot. A majority vote is required. The levy cannot exceed the rate stated on the petition without a vote of property owners. Taxes are collected and redistributed in the same manner as real property taxes.

### **! Redevelopment Overlay District Zoning**

The existing zoning ordinance for St. Louis County was written primarily for greenfield development. In other words, undisturbed areas of the County where development did not currently exist. As the County reaches full development, redevelopment of existing

sites becomes increasingly complex as the zoning ordinance does not address these situations. Property owners face constraints when trying to make changes to their commercial properties in order to remain viable entities and are unable to meet all current Zoning Ordinance requirements such as parking.

Special provisions in the Zoning Ordinance are needed to accommodate renovations and changes to existing developments, as well as redevelopments and new developments in older inner-suburban areas. The Department of Planning is currently drafting a new redevelopment overlay district to address the unique problems and conditions found in older commercial areas.

# References and Resources

---

---

Attitude Research Company Survey for St. Louis County Planning. St. Louis, March 1999.

Brookings Institution. "Brookings Center on Urban Metropolitan Policy Highlight of State Efforts Towards Growth Management". Online posting. May 1997. [www.brook.edu/es/es/urbancen/growth.htm](http://www.brook.edu/es/es/urbancen/growth.htm).

Council for Urban Economic Development. "CDC's- Coming of Age: NCCED Census Reports on Community-Based Development" in Revitalizing Neighborhoods. May 1999.

Council for Urban Economic Development, "A Place for MBA's in the Neighborhood" in Revitalizing Neighborhoods July 1997.

Council for Urban Economic Development. "Planting Seeds of Hope n Neighborhoods of Despair" in Revitalizing Neighborhoods September 1998.

Garland, Susan B. and Peter Galuszka. "The 'Burbs Fight Back". Business Week June 2, 1997.

Miller, Jonathan D. and Myron Orfield. "Suburbs in Flux". Urban Land. The Urban Land Institute March 1998.

Minnesota Chapter of the American Planning Association. "Expanding Housing Choice in a First-Ring Suburban Community" in Planning Minnesota Online April 1998. <http://mnapa.com>

Mourad, Moustafa and Howard Ways. "Comprehensive Community Revitalization: Strategies for Asset Building". Proceedings of the National American Planning Association Planning Conference. The Enterprise Foundation 1998.

National Housing Institute. "St. Louis Congregations Challenge Urban Sprawl" January/February, 1998. [www.nhi.org](http://www.nhi.org).

Orfield, Myron. "The Need for Coalition" Boston

Review 1998.

Porter, Michael. "How Now Downtown?" in Revitalizing Neighborhoods. The Council for Urban Economic Development January 1999.

Seaver, Darcy, Bill Morrish, and Rip Rapson. "Old Suburbs in New Times: Repositioning Post-WWII Suburbia" The Commissioner. American Planning Association, Summer 1998.

St. Louis County Department of Planning. "St. Louis County: Challenges of the 21<sup>st</sup> Century." Strategic Planning Retreat. February 26, 1999.