

Creating Whole Communities:

Enhancing the Capacity of Community Development Nonprofits in the St. Louis Region



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Last but not least we want to thank the executive directors of community-based nonprofits who filled out our survey and agreed to be interviewed (all respondents are listed in Appendix B). We know how busy they are and how difficult it was to find the time to help us with our research. We have been inspired by talking to them and seeing firsthand the innovative ways they are lifting up their communities. We hope this research will help to improve the community development system in St. Louis – making community development nonprofits even more effective at “creating whole communities” across the St. Louis region.

Cover Images:

Left: Old North St. Louis

Top middle, top right and bottom right: Youth engaged in their community with Skinker DeBaliviere Community Council.

Bottom middle: Youth working with Angel Baked Cookies

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I. Introduction: Origin and Purpose of the Report

St. Louis is a great region. With its historic architecture, affordable brick frame housing stock, tight knit communities, impressive parks, amazing cultural institutions, great universities and friendly people, St. Louis combines the amenities of a big metropolitan area with the comfort and friendliness of a small town.

Development trends in the region, however, are undermining our advantages. According to the 2010 census the City of St. Louis lost 29,000 people in the previous decade and even many parts of suburban St. Louis County are losing population. As a result of the decentralization of population, the historic investments in the core of our region are accessible to fewer people and the flight of more affluent households has left behind areas of concentrated poverty with shrunken opportunities for the families left behind. Inner parts of the region lack the jobs to support the housing, resulting in abandonment of valuable housing stock. We are undermining the great historical legacy of our built environment. St. Louis has the dubious distinction of being a major exporter of used bricks.¹

Even prosperous outlying suburbs are harmed by this development pattern. Jobs are plentiful in newly developing suburbs but affordable housing is in short supply. As a result, many lower wage workers must commute long distances -- often with little access to public transit. Not only is this a burden on these workers and their families, but it also generates traffic congestion and air pollution that harms the entire region.²

How can the St. Louis region build on its assets and create communities that work for everyone? This is not a matter of pitting the central city against the suburbs or of imposing one rigid plan for development on all communities. We can and should have many different kinds of communities. Some families prefer a suburban lifestyle characterized by low population density and lots of green space. Working families should be able to afford that lifestyle if they want it. At the same time, many people, especially young singles and empty nesters, prefer living in more compact, pedestrian friendly neighborhoods.

The older parts of the region have the “bones” -- a classic street grid with mixed land uses and neighborhood retail – to support a pedestrian friendly, transit-oriented lifestyle. Residents of the St. Louis metropolitan area should be able to choose to live in pedestrian friendly communities, if they want. The choice is hollow, however, if urban neighborhoods are burdened by concentrated poverty and all that entails, including high crime, fiscally stressed local governments, and poorly performing schools.

As the Des Lee Professor of Community Collaboration and Public Policy Administration at UMSL, one of the authors of this report, Todd Swanstrom, has long puzzled about what could be done to encourage more balanced development in the St. Louis region. About a year ago, he convened a series of focus groups to advise him on how to use the resources of his endowed professorship to address the issue. Among the many recommendations that came out of these meetings, three stood out:

1. **St. Louis needs to increase its capacity for *strategic* community development.** Strategic community development requires going beyond housing to provide all of the amenities that make neighborhoods attractive places to live in.³ Communities need to think strategically about how to jumpstart the market by *creating whole communities* where people want to live because all their basic needs are addressed. A whole community is a place with:
 - a diverse housing stock that meets the needs of the local workforce, as well as households at different life stages;
 - multiple transportation options (autos, transit, bicycling, walking);
 - successful schools;
 - sustainable energy practices;
 - vibrant public spaces;
 - strong civic participation.

2. Strategic community development requires a supportive community development system.

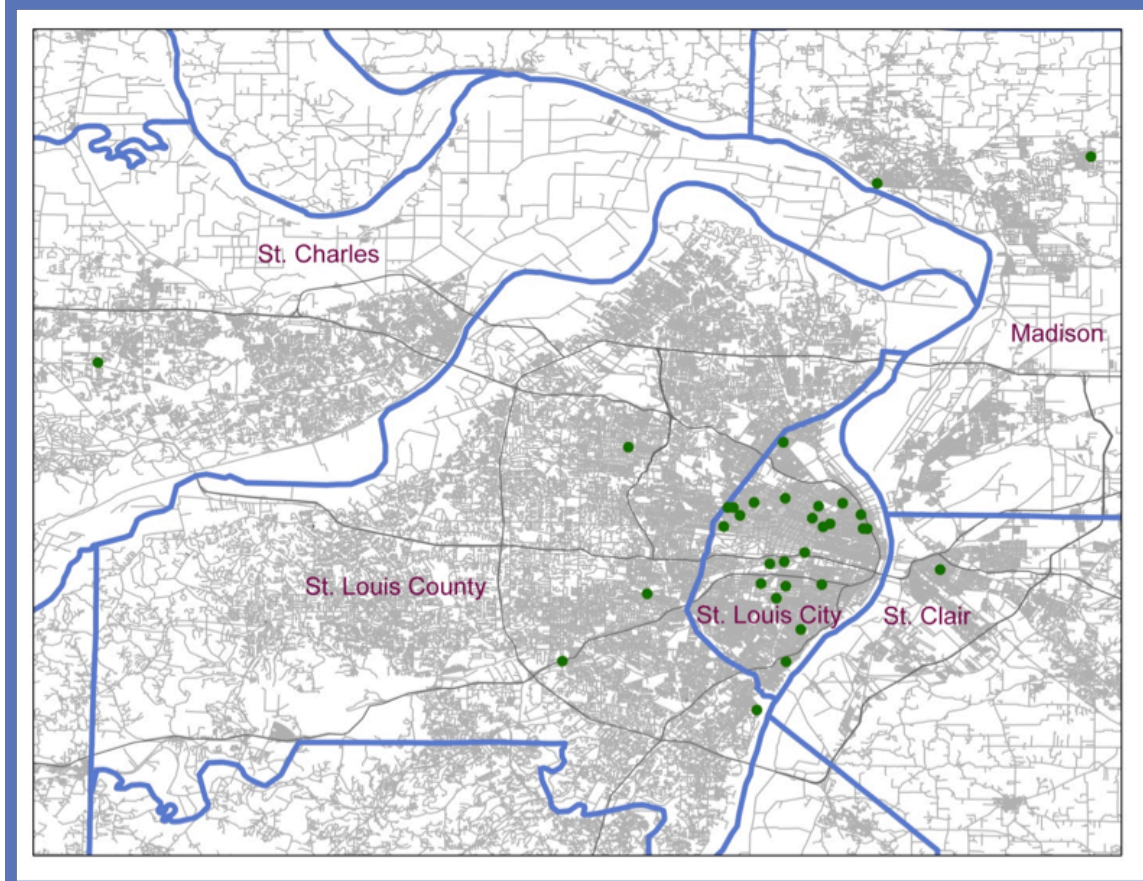
Governments cannot revitalize communities alone. They need to mobilize the resources, expertise, and local knowledge of the private and nonprofit sectors. An effective community development system also requires collaboration across governments and across policy silos (housing, economic development, education, transit, etc.).

3. We need to increase the capacity of community development corporations (CDCs) to do this important work for the region.⁴ CDCs are nonprofits (usually 501c3s) controlled by the residents of one geographical area and dedicated to a place-based strategy for that geography. Top-down community development does not work. There is no substitute for grassroots organizations that have extensive local knowledge and can mobilize stakeholders in the area behind a plan for revitalization. By focusing on place-building, CDCs adapt disconnected policies, grants, and loan products to the unique needs of each community.

Many metropolitan areas have associations of CDCs that facilitate the spread of best practices in community development and give CDCs a seat at the table when community development policies are made.⁵ A group of leaders in community development in the St. Louis region (see Appendix A) worked with the Public Policy Research Center at the University of Missouri-St. Louis to conduct a survey of community development nonprofits in the region.⁶ This report is based on that survey, which was designed both to evaluate the condition of CDCs in the region and to gather their thoughts on what they need to do their work more effectively.

Hundreds of nonprofits in the St. Louis region work on community development issues. Most of them, however, do not have a place-based strategy and instead provide services to individuals, wherever they live, or address issues that cut across communities, such as sustainable energy practices or public transit. Our goal was to survey all nonprofits that are committed to revitalizing a defined geography, what are commonly called community development corporations (CDCs). We began with a list of over 300 “community development nonprofits” (501C3s) obtained from the State of Missouri and with the help of RHCD and our Advisory Committee winnowed that down to 45 that we concluded were still active and met our definition of place builders. We achieved a 76 percent return rate on our survey (34/45). Of those who responded to our survey, 70.6 percent identified

Map 1: Location of Survey Respondents



themselves as “community development corporations” and 94.1 percent reported that they worked wholly or partly within a defined geography.⁷ Map 1 shows the location of the 34 nonprofits that answered our survey.⁸ We list all the survey respondents in Appendix B.

We conducted our survey online, using SurveyMonkey. The questionnaire was based on a national survey of CDCs conducted by the National Alliance of Community Economic Development Association (NACEDA) and adapted to conditions in St. Louis.⁹ To encourage frankness we insured respondents that no individual responses would be released without their permission. Our results rely entirely on the answers provided by our respondents; we did not independently confirm their answers – though where answers were incomplete or inconsistent we probed further by phone or in person.

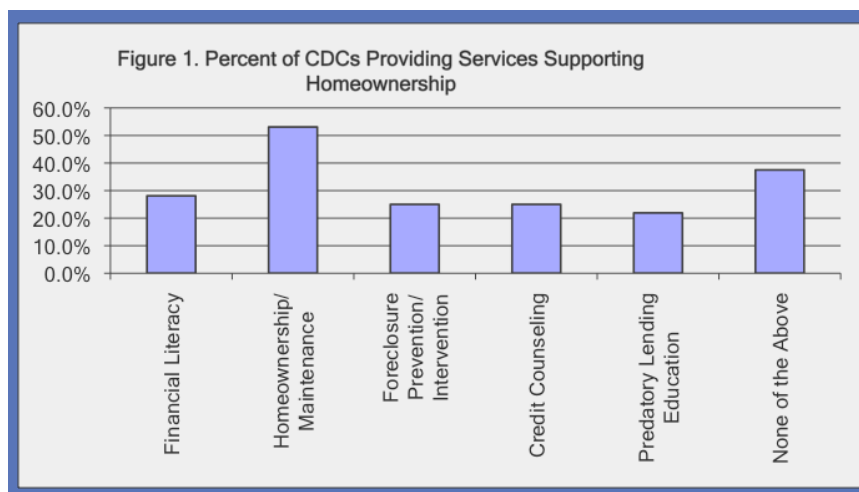
We followed up the survey with one-on-one interviews, frequently accompanied by neighborhood tours. Despite the lack of resources and a down real estate market, we were impressed by the hard work and innovative programs of the over 30 CDCs we personally visited. Under trying circumstances, lacking adequate resources, and with limited administrative capacity CDCs are doing innovative work that is making a difference in their communities. They have their ears to the ground and they are adapting their strategies to the unique needs in each community. We highlight innovative and effective CDC initiatives in this report in our “Shining the Light” boxes.

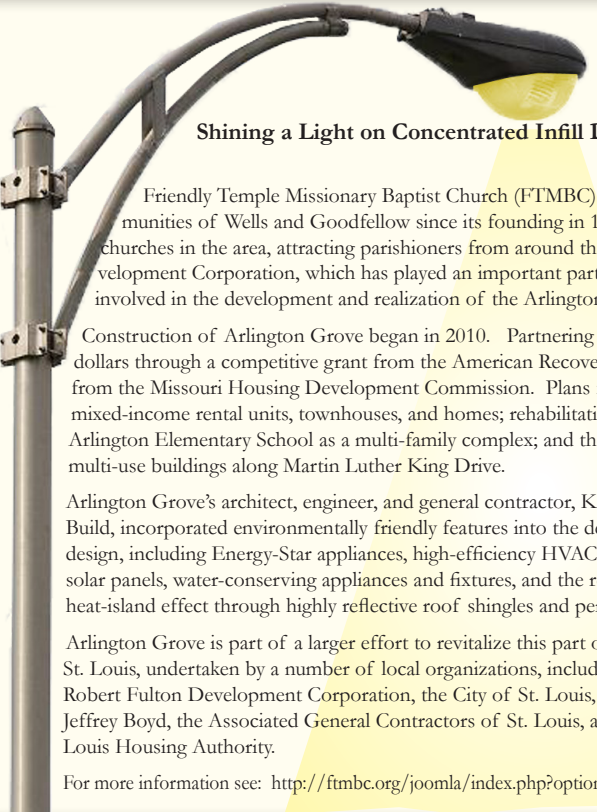
The 34 CDCs that answered the survey were invited to a meeting on September 29th to create a network of community development nonprofits in the region. This report was released at that meeting. We hope the network will help build a stronger community development system in St. Louis. The ultimate goal is to enable all residents of the St. Louis area to have an equal opportunity to live in communities where they can realize their full potential.

II. Housing

Clearly, the condition of housing is crucial to the success of any neighborhood and housing is one of the most common issues that CDCs engage with. Over 88 percent of our respondents identified themselves as a “housing developer” and almost half engaged in “home repair.”

The type of housing work done by our survey respondents varied with local market conditions. In disadvantaged neighborhoods, CDCs focus, appropriately, on preserving existing housing through rehab and repair. If they build new housing, they do it as part of a broader plan, clustering housing on strategic blocks that are supported by other neighborhood initiatives. In transitional communities with stronger, yet still fragile, housing markets, CDCs often produce new infill units that can prevent urban blight from spreading. In relatively strong communities, CDCs like the Shaw Neighborhood Housing Corporation concentrate on marketing the neighborhood. In communities with the strongest market





Shining a Light on Concentrated Infill Development


Friendly Temple Missionary Baptist Church (FTMBC) has had a long-standing relationship with the surrounding communities of Wells and Goodfellow since its founding in 1955. With about 8,000 members, FTMBC is one of the largest churches in the area, attracting parishioners from around the region. In 1996 FTMBC helped create the Robert Fulton Development Corporation, which has played an important part in helping the community, primarily by being one of the parties involved in the development and realization of the Arlington Grove project.

Construction of Arlington Grove began in 2010. Partnering with McCormack Baron Salazar, FTMBC secured \$10 million dollars through a competitive grant from the American Recovery and Reinvestment Act (2009) and a further \$41 million dollars from the Missouri Housing Development Commission. Plans for the development include creating one-hundred and twelve mixed-income rental units, townhouses, and homes; rehabilitation of the Arlington Elementary School as a multi-family complex; and the creation of multi-use buildings along Martin Luther King Drive.

Arlington Grove's architect, engineer, and general contractor, KAI Design & Build, incorporated environmentally friendly features into the development's design, including Energy-Star appliances, high-efficiency HVAC systems, solar panels, water-conserving appliances and fixtures, and the reduction of heat-island effect through highly reflective roof shingles and pervious paving.

Arlington Grove is part of a larger effort to revitalize this part of the City of St. Louis, undertaken by a number of local organizations, including FTMBC, Robert Fulton Development Corporation, the City of St. Louis, Alderman Jeffrey Boyd, the Associated General Contractors of St. Louis, and the St. Louis Housing Authority.

For more information see: http://ftmbc.org/joomla/index.php?option=com_content

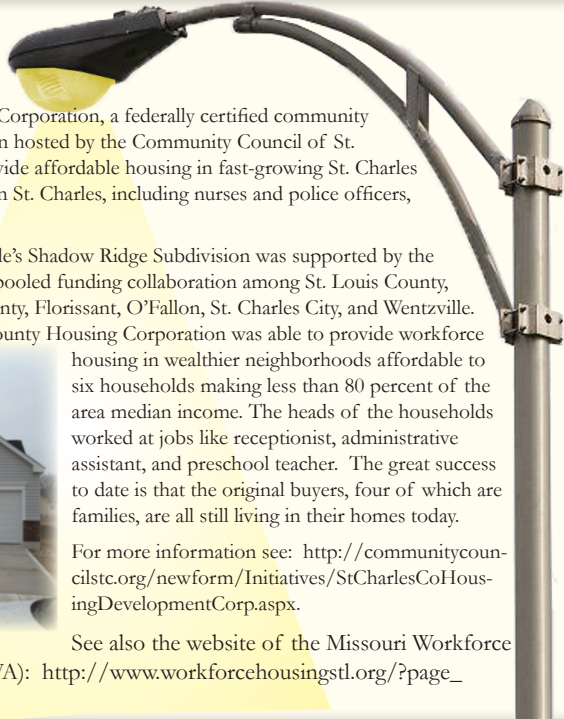


Arlington Elementary School

demand for housing, such as job-rich suburbs in St. Charles, building affordable workforce housing is the highest priority. Many CDCs in older parts of the region focus on stabilizing rental properties and energy efficiency is a high priority for groups across the region.

Production of New Units for Homeownership

The CDCs we surveyed reported producing 532 new units of housing over the past three years. In a down real estate market, this is a significant number.¹⁰ Approximately 28 percent of these units were sold to individual families. The economic recession and tight credit has made homeownership difficult for many families. Our CDCs were active in helping families to become responsible homeowners, with 53 percent providing counseling for



Shining a Light on Workforce Housing

The St. Charles County Housing Corporation, a federally certified community housing development organization hosted by the Community Council of St. Charles, has been working to provide affordable housing in fast-growing St. Charles County. Many people who work in St. Charles, including nurses and police officers, cannot afford to live there.

The inaugural project in Wentzville's Shadow Ridge Subdivision was supported by the St. Louis HOME Consortium, a pooled funding collaboration among St. Louis County, St. Charles County, Jefferson County, Florissant, O'Fallon, St. Charles City, and Wentzville. Using this support, St. Charles County Housing Corporation was able to provide workforce housing in wealthier neighborhoods affordable to six households making less than 80 percent of the area median income. The heads of the households worked at jobs like receptionist, administrative assistant, and preschool teacher. The great success to date is that the original buyers, four of which are families, are all still living in their homes today.

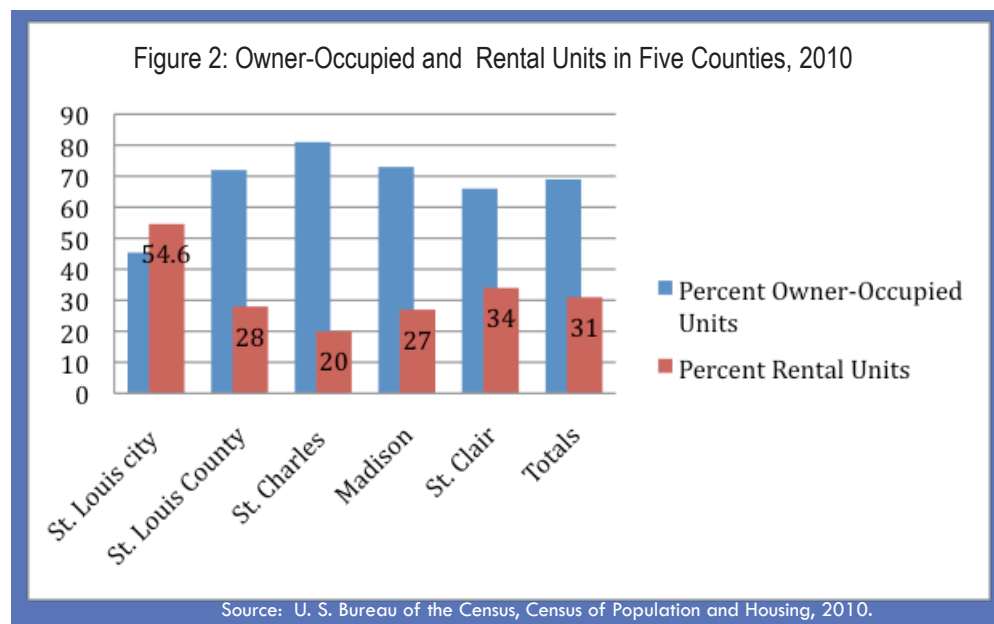
For more information see: <http://communitycouncilstc.org/newform/Initiatives/StCharlesCoHousingDevelopmentCorp.aspx>.

See also the website of the Missouri Workforce Housing Association (MOHWA): http://www.workforcehousingstl.org/?page_id=11.



homeownership/maintenance and 25 percent providing foreclosure counseling (Figure 1). Eight CDCs provided downpayment assistance for home purchase.

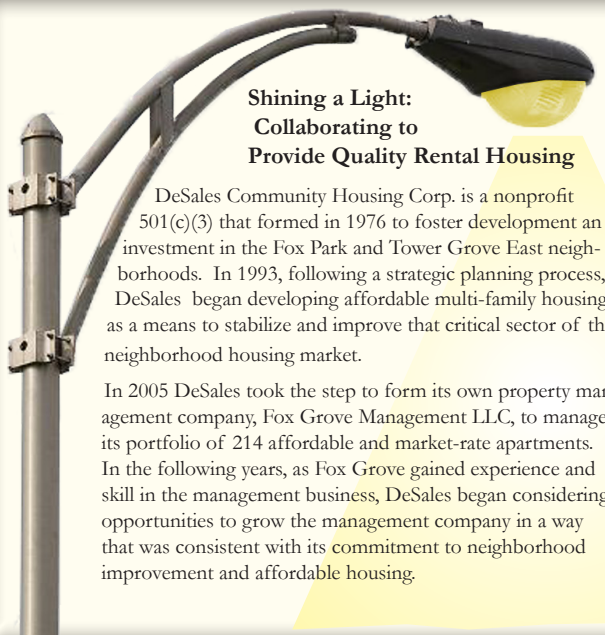
The type of housing produced varied by place. In older, disadvantaged neighborhoods CDCs produced



mostly infill rental housing. The homes are designed to fit in with the older housing stock in the neighborhood, often row houses or single-family homes with garages in the back alley. In suburban locations, on the other hand, the focus is on building suburban-style homes that are more affordable to people who work in the area.

Rental Housing

In the wake of the foreclosure crisis, maintaining an adequate supply of affordable rental housing is especially challenging. With incomes declining, landlords have found it more difficult to sustain sufficient rental income to provide adequate maintenance.¹¹ Some families have been forced out of their homes by a foreclosure and must now rent. For many households (the young, the elderly, low income) rental housing is more appropriate and sustainable than homeownership. Irresponsible absentee landlords can milk properties without adequately maintaining the properties or screening the tenants. Poorly



**Shining a Light:
Collaborating to
Provide Quality Rental Housing**

DeSales Community Housing Corp. is a nonprofit 501(c)(3) that formed in 1976 to foster development an investment in the Fox Park and Tower Grove East neighborhoods. In 1993, following a strategic planning process, DeSales began developing affordable multi-family housing as a means to stabilize and improve that critical sector of the neighborhood housing market.

In 2005 DeSales took the step to form its own property management company, Fox Grove Management LLC, to manage its portfolio of 214 affordable and market-rate apartments. In the following years, as Fox Grove gained experience and skill in the management business, DeSales began considering opportunities to grow the management company in a way that was consistent with its commitment to neighborhood improvement and affordable housing.

In 2009 Fox Grove entered into a management agreement with Northside Community Housing, Inc. to manage 63 affordable homes that the non-profit owns in The Ville neighborhood of north St. Louis. Since then Fox Grove has taken on management of additional units for Northside, including the 40-unit Dick Gregory Place Apartments that will be completed in 2011. That project was developed by Northside in partnership with The Greater Ville Neighborhood Preservation Commission.

In 2010 DeSales was approached by two non-profits that each owned small affordable multi-family properties in the Carondelet neighborhood in far south St. Louis. For different reasons both organizations wished to sell their properties but also wanted to ensure that the properties would continue to be well managed and maintained. DeSales agreed to acquire the properties and Fox Grove would manage them.

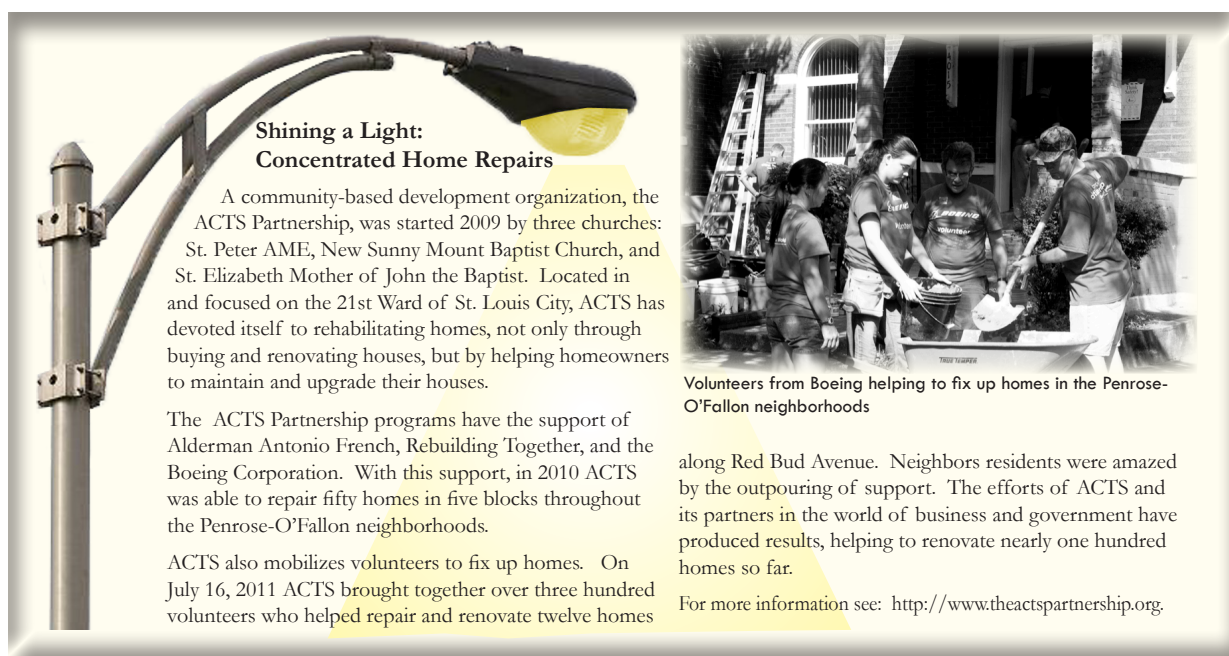
Today Fox Grove manages over 400 multi-family units. The management business has allowed DeSales to build working relationships with other community-based organizations and it provides financial support to DeSales and its mission.

For more information see: <http://www.desaleshousing.com/>.

maintained rental housing can bring down a whole neighborhood. Research shows that as little as 3 to 5 percent abandoned properties can generate contagious abandonment that can bring the whole neighborhood down.¹²

Most of the new units developed by our CDCs were for rental (72 percent). The concentration of St. Louis CDCs on rental housing is close to the national average for CDCs (78 percent).¹³ Figure 2 shows the proportion of owner-occupied and rental units in the five counties where most of our CDCs operate. Overall, only 32 percent of the housing is rental but in the areas where most of the CDCs are located the proportion of rental units is higher. In the City of St. Louis a majority (55 percent) of the units are rental.

Many of our CDCs have taken up the challenge of owning and maintaining rental housing. Many have partnered with the Regional Housing and Community Development Alliance (RHCD), which has the financial wherewithal to purchase poorly maintained rental properties in their communities in an effort to stabilize them. Managing scattered-site rental housing is challenging. Most CDCs usually contract out rental management. DeSales Community Housing Corp. formed a subsidiary, Fox Grove Management, which has developed considerable expertise in this area. A serious problem in disadvantaged neighborhoods is frequent moves caused by renters unable to meet monthly payments due to a crisis, such as job loss or a major illness. These moves disrupt the community and undermine the ability of children to succeed in school.¹⁴ To address this problem, 31 percent of our CDCs provide rental assistance.



**Shining a Light:
Concentrated Home Repairs**

A community-based development organization, the ACTS Partnership, was started 2009 by three churches: St. Peter AME, New Sunny Mount Baptist Church, and St. Elizabeth Mother of John the Baptist. Located in and focused on the 21st Ward of St. Louis City, ACTS has devoted itself to rehabilitating homes, not only through buying and renovating houses, but by helping homeowners to maintain and upgrade their houses.

The ACTS Partnership programs have the support of Alderman Antonio French, Rebuilding Together, and the Boeing Corporation. With this support, in 2010 ACTS was able to repair fifty homes in five blocks throughout the Penrose-O'Fallon neighborhoods.

ACTS also mobilizes volunteers to fix up homes. On July 16, 2011 ACTS brought together over three hundred volunteers who helped repair and renovate twelve homes

Volunteers from Boeing helping to fix up homes in the Penrose-O'Fallon neighborhoods

along Red Bud Avenue. Neighbors residents were amazed by the outpouring of support. The efforts of ACTS and its partners in the world of business and government have produced results, helping to renovate nearly one hundred homes so far.

For more information see: <http://www.theactspartnership.org>.

Housing Rehab and Repair

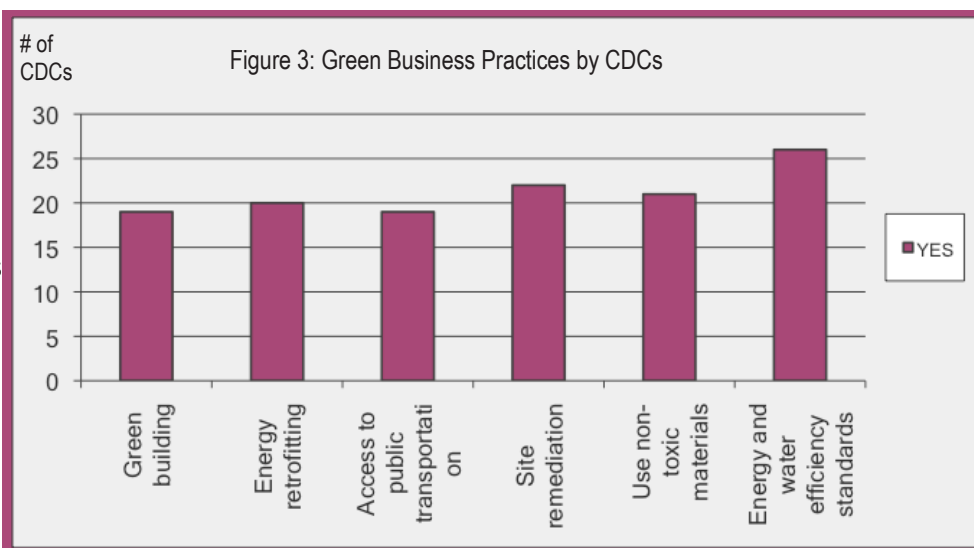
Support for housing rehab and repair is crucial for older metropolitan areas like St. Louis. The St. Louis area has a valuable legacy of well-designed homes, built many decades ago by skilled craftsmen, usually out of locally made brick. This older housing stock, however, is expensive to maintain. A leaky roof will soon produce rapid damage throughout the structure. Many elderly prefer to “age in place” but if they cannot afford to maintain their homes, they will be forced to move – often with negative effects on their physical and psychological health.¹⁵

There are two challenges for home repair and maintenance: 1) lack of resources; 2) lack of confidence

in the neighborhood. Low-income households often lack the resources to adequately maintain their homes. The cost of bringing a property fully up to code can be \$50,000 or more, which is prohibitive for low-income families. Even if households have the resources to invest in home repair, however, they will hesitate if they believe they will not recoup their investment when they sell their home. When homeowners see their neighbors fixing up their homes, they are more likely to invest in their own home. Housing rehab programs that are targeted geographically and coordinated with other programs can reverse the negative investment psychology in neighborhoods.¹⁶

According to our survey, CDCs rehabbed or repaired over 600 units of housing in the past three years.

Rebuilding Together, a national organization that relies heavily on volunteers, reported doing repairs on another 600 units in the St. Louis region. (Some of these units may double count units reported by our CDCs). Rebuilding Together has partnered with CDCs, such as the ACTS Partnership, to target rehab work in specific neighborhoods.



CDCs also provide cash assistance for housing rehabilitation, with 37.5 percent reporting that they provided cash assistance for home repair and 25 percent providing cash assistance for weatherization. The federal and state historic preservation tax credit programs are important sources of funds for the rehabilitation of historic properties, although the federal historic tax credit's use is limited to rental properties. Nineteen percent of our respondents reported using historic preservation tax credits. Low-income housing tax credits can also be used to rehabilitate rental housing. Thirty-two percent of our respondents reported using low income housing tax credits.¹⁷ It is important to note that CDCs do not carry out tax credit projects by themselves but almost always partner with RHCD or a private developer. These programs not only provide resources for fixing up the aging housing stock but the developer fees also support the operations of CDCs. It is likely that the State Legislature will reduce Missouri tax credit programs in the near future as part of Governor Nixon's effort to balance the state budget.¹⁸

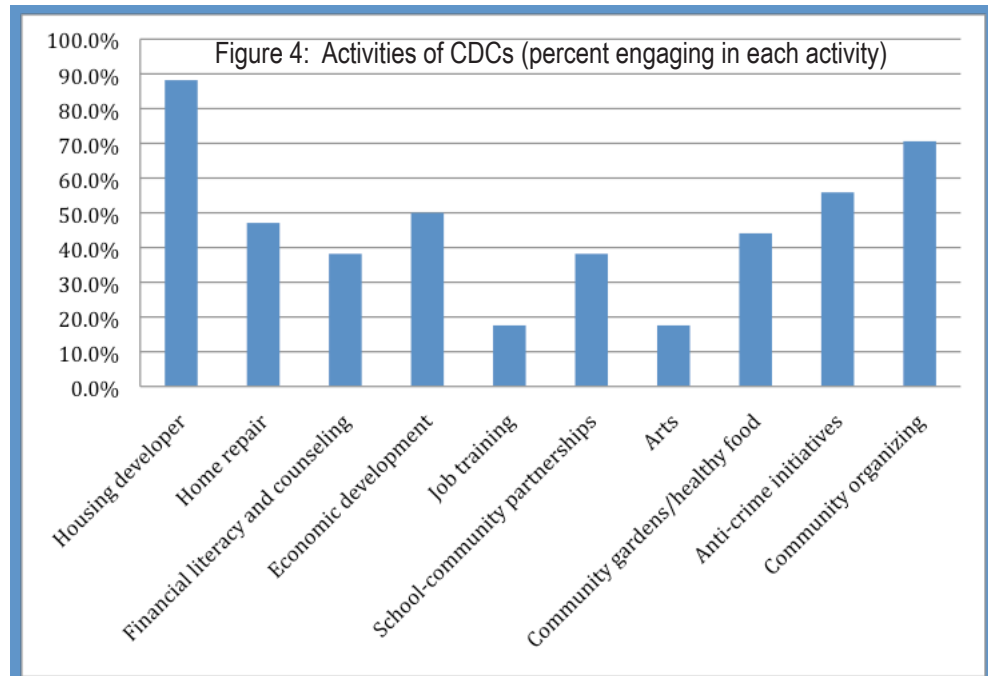
Energy Efficient Housing

We normally think of housing as physical shelter. But housing also has operating costs. The climate in St. Louis makes it necessary for homeowners to heat their homes in the winter and air-condition them in the summer. This is a significant burden, especially for low-income families. According to the Bureau of Labor Statistics Consumer Price Index, the cost of "fuels and utilities" for housing in the St. Louis metropolitan area has almost doubled since 1982-84 (+96.7 percent).¹⁹ If homeowners or renters can cut their utility bills, they will have more money to spend with local businesses, creating a positive multiplier effect on the local economy.

As Figure 3 shows, many CDCs incorporate green building practices into their work. The most common green practices are applying standards for energy and water efficiency, enhancing access to public transportation, and doing site remediation. Energy retrofiting is practiced by two-thirds of those who answered the question.

The Community Action Agency of St. Louis County (CAASTL), which works throughout St. Louis County, reported doing 1,500 home repairs, mostly for weatherization. Weatherization, which usually involves an energy audit and the implementation of repairs with a short repayment period, such as caulking and insulation, is practiced by many CDCs in St. Louis.

Twenty-five percent report providing cash assistance for weatherization. In some cases, CDCs aggressively market area-wide weatherization or other repair programs, thus making them part of a place-based strategy. Lemay Housing Partnership, for example, works with CAASTL to concentrate weatherization work in the area.



III. Economic Development and Jobs

While quality affordable housing is very important, a more pressing issue facing many disadvantaged communities is a lack of jobs and income. Jobs are not only an issue for adults but increasingly an issue for youth. According to Algernon Austin of the Economic Policy Institute, in 2000, 45 percent of America's teens were employed during the summer; in the summer of 2011 only about 25 percent of teens had a job. He calls this drop in employment "the worst teen summer employment rate since World War II."²⁰ Understanding these dynamics for adults and youth in many neighborhoods across the region, CDCs have begun to make economic development and jobs a major part of their work.

Organizations demonstrated this focus on economic development in their survey responses. Of the 34 organizations surveyed, 50 percent of them engage in some form of economic development and another 18 percent provide job training (Figure 4). CDCs have also brought jobs to neighborhoods by developing 23,000 square feet of office space and 51,000 square feet of retail space over the last three years.

Interviews with survey respondents uncovered four primary approaches to economic development in the St. Louis region:

1. Create the physical infrastructure and environment needed to foster private investment;
2. Develop retail space and attract businesses;
3. Start and run small businesses;
4. Provide education and job training linked to job openings.

1. Creating a Business Environment/Fostering Private Investment

Park Central Development Corporation, covering parts of the Central West End and all of Forest Park Southeast, has fostered economic development through physical infrastructure improvements and

Shining a Light: Energy Efficient Homes

Founded in 1986, the Saint Louis chapter of Habitat for Humanity has grown exponentially in its capacity, not only in building individual homes but also to revitalize the communities they work in through focused siting. So far Habitat has built 313 homes, and is one of the most active Habitat for Humanity chapters in the nation. Furthermore, Habitat has been at the leading edge of building energy efficient houses since 2008 when it committed itself to following and surpassing LEED standards for certification. LEED, or Leadership in Energy and Environmental Design, is an internationally-recognized green building certification system.



LEED Certification is a marker not only of a home being built from sustainable materials, but also recognizes meeting criteria for variety of energy standards, including location, sustainable siting, efficiency in water, energy, and heat when the home is in use, on. Since committing to the LEED standards, Habitat has become the nation's leading producer of Platinum LEED homes, having built fifty-one in the past three years. In 2009 Habitat St. Louis won the Home Depot Foundation Award for Excellence for Affordable Housing Built Responsibly.

Their efforts have had significant benefits, not only for communities but also for households like the Thomas family's. Thanks to Habitat's use of an air-tight foundation and clean air exchange, the Thomas' young son has gained a new lease on life following a life-long and often debilitating struggle with asthma.

For more information see: <http://www.habitatstl.org/>.

Shining a Light: Social Entrepreneurship

Social enterprise is a growing sector defined by organizations that both aim to meet a social good and meet the demands of the market. St. Louis is home to one such social enterprise meeting what many call a "double bottom line".

Seeing a need for youth employment in their community, North Grand Neighborhood Services (NGNS) began a social enterprise called Angel Baked Cookies. Angel Baked Cookies is much more than a cookie company. The mission is to provide employment, small business training, and social support for youth throughout their teenage years. In a community where less than 50 percent of children graduate from high school, 100 percent of Angel Baked Cookies youth have graduated from high school. The social enterprise is just as proud to see all their participants graduate from high school as they are to see youth receive a pay check. Each part of the mission is as important as the other.

While every youth at Angel Baked Cookies has a story, one of the more prominent involves a student from the program whose friend was killed in a shooting. After the death, this student was on the verge of dropping out of school. Through the support provided from other youth at Angel Baked Cookies, this student not only graduated but did so with honors. Since graduation the student has gone on to full-time employment in the food service industry. North Grand Neighborhood Services started the Angel Baked Cookies business with the whole person in mind and continues to provide both personal and economic support to North St. Louis youth.

For more on Angel Baked Cookies please visit: <http://www.angelbaked.org/>.



safety. The streetscape along Manchester between Kingshighway and Vandeventer, known as “The Grove,” has dramatically improved in recent years. A walk down Manchester reveals new sidewalks, trashcans, murals, and an increased police presence. Along with these improvements, new businesses have moved into the neighborhood and buildings have been rehabbed. Public investment has leveraged new private investment.

Carondelet Avenue Housing Corporation has taken a similar approach on one of their major economic corridors, Broadway. Recently, Carondelet Housing Corporation worked with the City of St. Louis to do sidewalk and façade improvements. The goal is to improve the conditions of the commercial corridor to attract more customers for existing businesses and bring new businesses to the street. Carondelet Housing Corporation has also started a program to promote industries between Broadway and the Mississippi River, which employ many neighborhood residents.

2. Developing Commercial Real Estate

In neighborhoods with weaker commercial markets, it is not enough for CDCs to just fix up the infrastructure and provide amenities. A few organizations have actually built commercial real estate and enticed businesses to move into their neighborhoods. One example of this type of economic activity is Beyond Housing’s development and leasing of a 16,000 square foot *Save A Lot* grocery store. This grocery store is the first for the City of Pagedale in over 40 years. A second phase of development is underway including a senior building with retail space and a full service bank.

Old North St. Louis Restoration Group (ONSLRG) has also engaged in economic development through its partnership with RHCDA. RHCDA redeveloped the former 14th Street pedestrian mall into Crown Square—a national award-winning historic restoration of 33,500 square feet of commercial space and 80 mixed-income apartments. With new small businesses taking root, Crown Square is the first commercial development in the Old North St. Louis neighborhood in over 30 years. ONSLRG has also created a new grocery co-op in the neighborhood.

Shining a Light: Community Building through Community Events

On Saturday, July 23, 2011 Skinker DeBaliviere Community Council (SDCC), its affiliate, the West End Arts Council (WEAC), and the Skinker DeBaliviere MLK Celebration Committee, hosted three free MLK Arts Workshops for neighborhood youth ages 7-17. The workshops were led by three local artists—Bob Hansman (drawing and painting), Lois Ingram (photography), and Kathi Bentley (theater). All of the workshops focused on the theme of living out Dr. Martin Luther King, Jr.’s message by weighing the good and bad choices that people make in their lives and their communities.

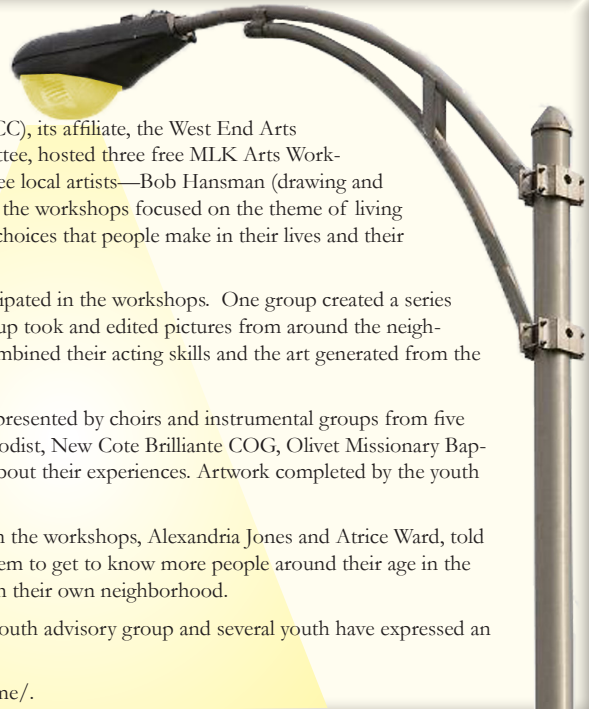
A diverse group of about 20 youth from around the neighborhood participated in the workshops. One group created a series of murals, one of which is now hanging in the SDCC office, another group took and edited pictures from around the neighborhood, and the final group wrote and presented a performance that combined their acting skills and the art generated from the drawing/painting and photography workshops.

Later that evening SDCC and WEAC hosted a BBQ concert. Music was presented by choirs and instrumental groups from five neighborhood churches—Grace & Peace Fellowship, Grace United Methodist, New Cote Brillante COG, Olivet Missionary Baptist, and St. Roch. During the BBQ Concert three came on stage to talk about their experiences. Artwork completed by the youth was on display throughout the evening.

At the August SDCC board meeting, two of the youth that participated in the workshops, Alexandria Jones and Atrice Ward, told the board about their experiences. Both said that the workshop helped them to get to know more people around their age in the community and that it was great to go to an event that was actually held in their own neighborhood.

As a result of this event, committee members have discussed forming a youth advisory group and several youth have expressed an interest in participating.

For more information see: <http://skinkerdebaliviere.wordpress.com/home/>.



3. Starting Small Businesses

Some CDCs have been very entrepreneurial in the realm of economic development. These endeavors strive to be both profitable and to help address social concerns in the community. For instance, Riverview West Florissant Development Corporation has embarked on a program which hires youth in the neighborhood to cut the lawns of seniors. Not only does this program employ youth and keep properties well groomed but it has also played a role in crime reduction. With an 80 percent crime reduction during summer months, the success of this initiative has caught the eye of the Federal Probation Office, who wants to help expand the program.²¹

Jubilee Christian Development Corporation, located on North Grand, has started a home repair business, Jubilee Services. Recognizing the need for more job opportunities for the community, Jubilee Services provides employment to those who attend and live around Jubilee Christian Church. Jubilee Services works throughout St. Louis and provides targeted home repair services for the Jubilee Christian Development Corporation's community work.

4. Education and Job Training

Founded in 1985, Emerson Park Development Corporation (EPDC) in East St. Louis, has attracted over one hundred million dollars in investment for the Emerson Park area of East Saint Louis. Through their Youthbuild Charter High School and Education to Careers partnership with the Metro East Education to Careers organization they are tackling the issue of education and job training. Metro East Education to Careers is a comprehensive work placement and education program that has contracts with over 80 businesses. It takes referrals from Emerson Park's Tomorrow's Builders Youthbuild Charter School and connects them with job placements suited to their interests and skills. EPDC offers youth who have dropped out of school a chance to not only finish high school but acquire quality employment.

Shining a Light: Arts and Community Revitalization

Rebuild Foundation has been working within the Hyde Park community for the last year and a half to be a part of the neighborhood and engage the imagination of Most Holy Trinity Catholic School and Academy students. This summer Rebuild Foundation had the rare opportunity to bring people together from all over the St. Louis area representing various geographies, interests, skill sets and backgrounds, to work on reclaiming an abandoned historic home in the North Side neighborhood of Hyde Park.



Through the work of many hands this historic home was turned into an Art Studio space for local youth. As a community project, the historic home and its creative impetus has brought many people together.

Dayna Kriz, of Rebuild Foundation, said, "One of the most exciting parts of my work has been watching and being a part of the future Art Studio's re-building process. I've gotten to watch walls be built by Hyde Park residents and out of town artists working with one another, a Most Holy Trinity

student and a Washington University graduate architecture student hammering nails together. The creative process that is taking place has made room for people and various forms of vision to inform the final trajectory of this building. Imagination and friendship are alive in this building's walls."

For more on Rebuild Foundation please visit: <http://rebuild-foundation.org/index.html>

EPDC gives nearly 150 students per year a chance to learn about careers they are interested in through "job shadowing" and a jobs fair enables local businesses to recruit future employees from the students in both the YouthBuild and Tomorrow's Builders programs. Employers also are offered the opportunity to discuss their fields, and what their professions demand, with students.

On the North Side of St. Louis, Community Renewal and Development is connecting teenagers from the



Mural on South Broadway by local artist Vesna Delevska

JeffVanderLou community to construction jobs. This partnership with local minority contractors provided ten youth with quality jobs recycling building materials. Community Renewal and Development uses this summer employment opportunity as a chance to instill in youth a strong work ethic, give them experience in a trade, and provide them with a badly needed paycheck.

IV. Quality of Life

Along with housing and economic development, a third focus area of CDCs is quality of life for neighborhood residents. The term “quality of life” includes community events, arts and music, school-community connections, healthy food options, opportunities for active living, strong social relationships, and crime prevention. CDCs are working to create a stronger sense of community and foster the kinds of amenities -- from live music to bike paths to playgrounds -- that people are looking for when they decide where to live.

Figure 4 shows the wide range of activities that CDCs engage in. Almost 40 percent of CDCs engage in a school-community partnership, 18 percent use the arts to build community and revitalize neighborhoods, 44 percent work with residents on community gardens and access to healthy food, 56 percent engage in anti-crime initiatives, and 70 percent partake in community organizing to bring residents together around issues facing their neighborhoods. Examples of organizations initiating these types of efforts in the St. Louis area include:

- Rebuild Foundation uses photography to engage youth in the community through their Urban Expressions program;
- Beyond Housing partners with the Normandy School District in a comprehensive community initiative called 24:1;
- Carondelet Community Betterment Federation beautified Broadway with a mural depicting the history of the community;
- Riverview West Florissant Development Corporation gives youth a voice in neighborhood issues through the creation of youth community governing boards.

People increasingly want to live in places where they can walk, bicycle, or take public transit to jobs, shopping and an array of other amenities, such as good schools, arts institutions, restaurants, and vibrant, safe public spaces. Alongside assets such as community engagement, educational opportunity, and personal growth and empowerment, CDCs are also focusing on the physical infrastructure of neighborhoods. This



Riverview West Florissant's Youth Community Board)

renewed interest in pedestrian-friendly environments that can support an active, healthy lifestyle and a strong sense of community is just one of many assets the region's older urban neighborhoods have to offer.

A good example is St. Vincent's Greenway which Great Rivers Greenway is constructing from the History Museum in Forest Park to beyond the University of Missouri-St. Louis campus. A 7-mile long, 10-foot wide pedestrian and bicycle path, the St. Vincent Greenway is designed to enhance social capital, environmental stewardship, and economic development in the communities it runs through. A number of CDCs located along St. Vincent's Greenway, including the Skinker DeBaliviere Community Council and Beyond Housing, are collaborating with Great Rivers Greenway to enhance the benefits of the greenway. Recognizing that parts of the trail run through areas without a CDC, Great Rivers Greenway has helped to establish the St. Vincent's Greenway CDC. Although in a very early stage, the goal of St. Vincent's Greenway CDC is to involve neighborhood residents in revitalizing their community in conjunction with the greenway. The idea of using a greenway to revitalize disadvantaged communities is cutting edge community development.

V. The Organizational Capacity of CDCs

With their flexibility, local knowledge, and ability to win buy-in from local stakeholders, CDCs are essential to "creating whole communities" in the St. Louis region. There is no substitute for having organizations on the ground that can work with local stakeholders to devise a plan for revitalizing communities.

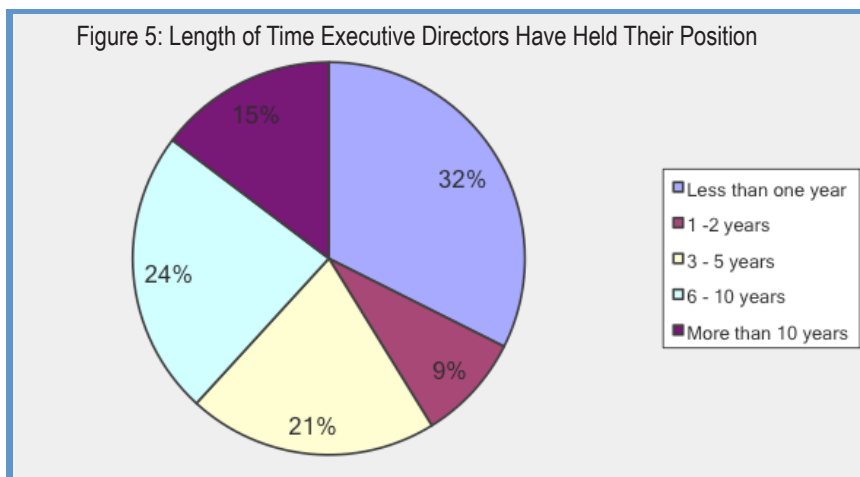
CDC capacity has two main components: 1) *organizational capacity* -- the ability of individual CDCs to get the job done -- which depends on leadership, financial resources, organizational competence, and planning capacity; and 2) *civic capacity*, the ability of CDCs to partner with each other and with external institutions, such as governments, banks, and foundations, to mobilize resources and implement supportive public policies. We will first discuss the organizational capacity of our CDCs and then follow that with a discussion of one aspect of civic capacity, collaboration among CDCs in the region.

The organizational capacity of the CDCs we surveyed varies tremendously. One factor is the leadership experience. Community development is a demanding profession that takes years to learn. Running a nonprofit is challenging and getting to know a community well takes years. Most development deals have multiple layers of subsidy and CDC staff need to understand a wide array of complex public policies.

As Figure 5 shows, 32 percent of the CDCs executive directors have been in office less than one year. CDC directors who have been in office less than a year will usually be climbing up a steep learning curve. On the other hand, our survey shows that 38 percent of CDC executive directors have been in office for six years or more.

Other things being equal, the organizational capacity of CDCs with experienced executive directors will be greater than CDCs with inexperienced leadership.

The varied organizational capacity of CDCs also shows up in other survey results. As Figure 6 shows, 44 percent of St. Louis-area CDCs were established before 1988.²² Those



organizations have all had at least 23 years of experience working in their neighborhoods. On the other hand, almost one-quarter of our CDCs are less than six years old. New CDCs can do excellent work but, other things being equal, they will need to work harder to get to know the area and establish working relationships.

Area CDCs also vary significantly in size. Most (41 percent) are quite small, with two or fewer fulltime employees (Figure 7). St. Louis has fewer large CDCs than other parts of the nation. According to a recent survey, 48 percent of CDCs nationwide have more than ten employees; in comparison, only 21 percent of CDCs in St. Louis have more than ten employees.²³

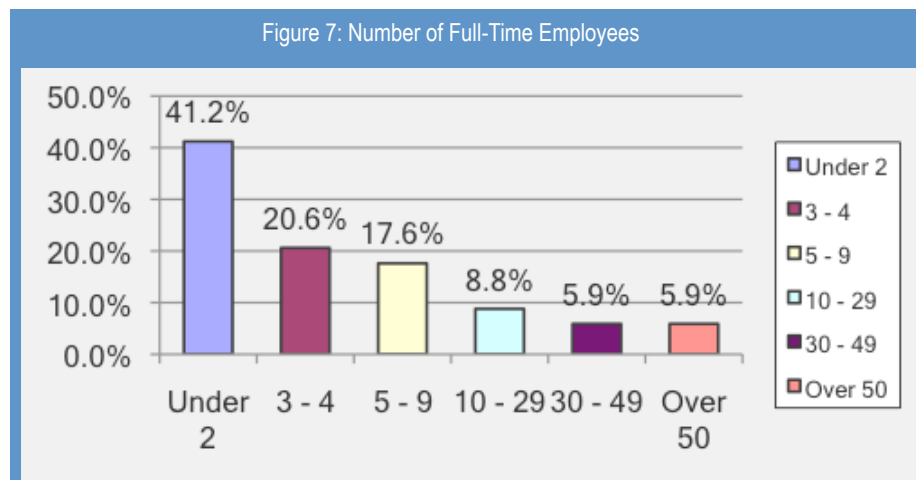
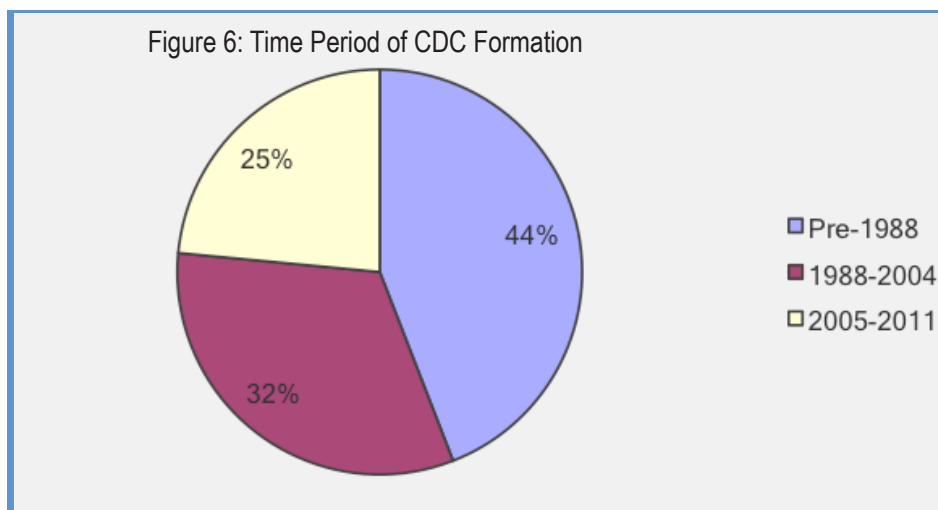
Similarly, most of the CDCs we surveyed have relatively modest budgets (Figure 8). Just over 21 percent have budgets under \$100,000 a year. Almost half have budgets between \$100,000 and \$500,000. Only a few have budgets over a \$1 million.²⁴

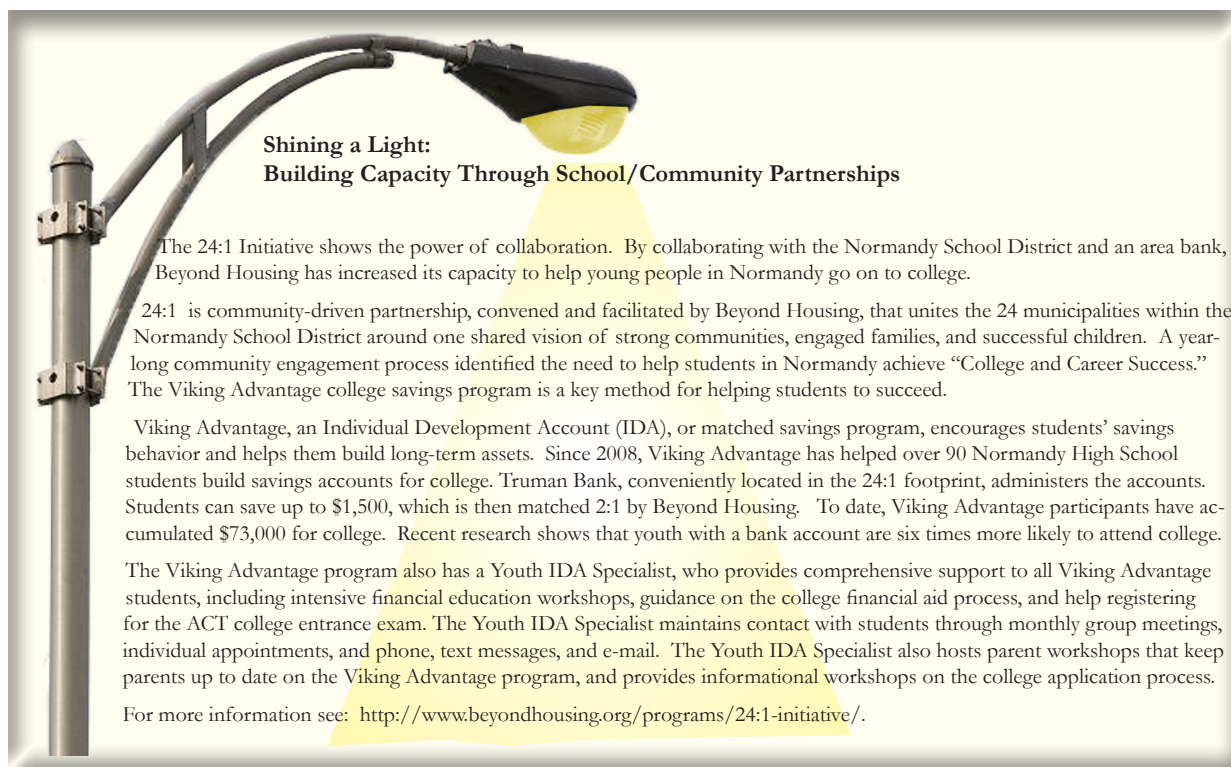
Large and small organizations each have their own strengths and weaknesses. In small organizations, staff must be “jacks of all trades” – able to perform multiple functions. Small CDCs are flexible and nimble, able to quickly shift existing employees to meet changing needs. Larger CDCs may not be as nimble, but they will generally be more professional and efficient because they will be able to hire specialists and achieve economies of scale.

CDCs draw upon many different sources of income for their operating expenses. On average our CDCs reported relying upon government grants for about half of their income (Figure 9). Foundation and private sector (corporate) giving each represent only about 15 percent of the average CDC’s budget. Fees and other income, such as rental income, cover about 28 percent of their budgets.²⁵ Below we look more closely at three sources of funding: 1) government grants; 2) foundation and private sector grants; 3) fees and social entrepreneurship.

Government Funding of CDCs

On average, our CDCs rely upon government grants for about half of their operating





income. Eleven of our respondents rely upon government funding for 75 percent or more of their income and two are completely dependent on government funding. On the other hand, six CDCs receive no government funding at all. These tend to be faith-based CDCs that rely upon private donations and volunteers. North Grand Neighborhood Services, for example, is affiliated with the Catholic Church and receives no government funding.

Much of the government funding for CDCs in St. Louis is pass-through grant monies from the federal government. The most common sources of federal funding are Community Development Block Grant (CDBG), received by 20 of the CDS we surveyed, and HOME, received by 19 CDCs.²⁶ The developer fees on Low-Income Housing Tax Credit (LIHTC), Historic Preservation Tax Credit (HTC) and New Market Tax Credit (NMTC) projects are an important source of operating revenue for many groups:

- LIHTC: 11 CDCs
- HTC: 6 CDCs
- NMTC: 4 CDCs

Six groups have also used AmeriCorps/Vista volunteers in the past three years.

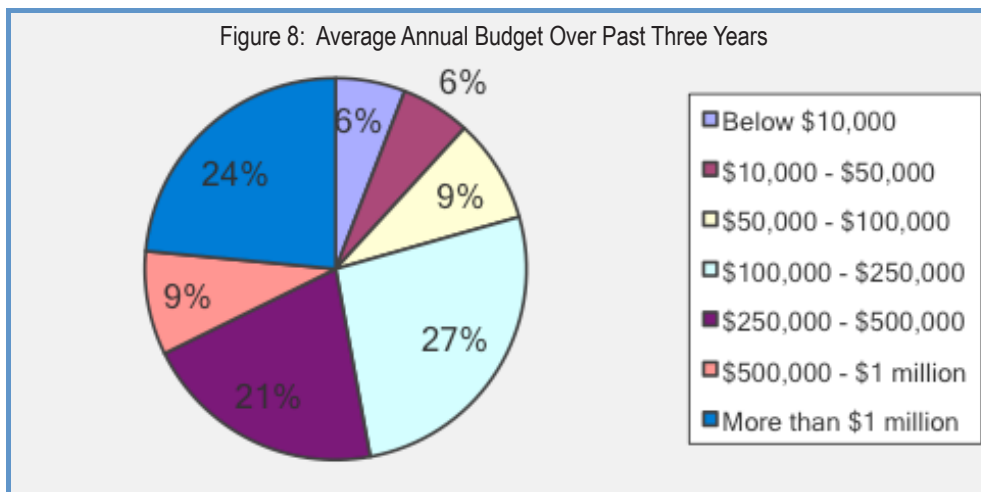
The state of Missouri provides little direct support for CDCs. The one exception is that seven CDCs reported receiving assistance from the Missouri Housing Trust Fund. Established by the State Legislature in 1994, the Trust Fund is supported by a \$3 recording fee on all real estate documents filed in the State of Missouri. The program is targeted toward very low income individuals and families and is administered by the Missouri Housing Development Commission (MHDC).²⁷ MHDC is an important institution for St. Louis CDCs because it also allocates low-income housing tax credits, funded both by the federal government and the state of Missouri.

All local jurisdictions with a population of more than 50,000 are entitlement jurisdictions and receive direct allocations of CDBG funds. Small local jurisdictions receive CDBG funds passed through the state to fund their programs. The City of St. Louis received approximately \$19.8 million in 2010 and St. Louis County approximately \$5.5 million.²⁸ Other entitlement jurisdictions in the area include St. Charles County, St. Charles City, and Florissant in Missouri; in Illinois they include Madison and St. Clair counties

as well as Belleville and East St. Louis.

According to the City of St. Louis 2010 *Consolidated Plan* CDBG funding is directly provided to nineteen “Community Based Development Organizations,” ten of which are CDCs that participated in our survey.²⁹ Although many aldermen collaborate effectively with CDCs in their ward, the tradition of dividing

a significant portion of CDBG funds into 28 wards fragments community development policy making and politicizes decision making. To our knowledge, with the exception of a small amount of funding for the Community Resource and Development Corporation in Wellston, no County CDBG funds go directly to CDCs.



The City of St. Louis does commit some local funds to community development through a Use Tax on purchases from out of town businesses that are placed in a Housing Trust Fund which is then allocated by the Affordable Housing Commission. The funds are used to provide grants and loans to non-profit agencies and housing developers for programs and developments for persons earning 80 percent or less of the area median income.³⁰ Eight of our CDCs reported using the St. Louis City Housing Trust Fund over the past three years. It is worth noting that local governments in the region support CDCs in many other ways, such as by allocating tax abatements and donating vacant land.

Local and state governments provide important support for CDCs. The City of St. Louis’s Housing Trust Fund is the only major locally raised financial aid for CDCs in the region. In 2002, however, at the request of Mayor Slay, the voters approved a measure that limited trust fund support for housing to \$5 million a year. The State of Missouri has provided significant financing tools through its tax credits that are used for developments from which CDCs can receive fees, but with the encouragement of Governor Nixon, the Missouri Legislature is considering cuts in these programs.

The federal government provides the lion’s share of government funding for CDCs. The Budget Control Act of 2011, signed by President Obama in August, calls for cutting \$917 billion from federal spending in the next ten years, and requires at least another \$1.2 trillion in deficit reduction, most of which will undoubtedly be realized by spending cuts. Federal funding for housing and community development will almost certainly be cut significantly in the years ahead. Facing looming cuts in federal, state, and local support, CDCs will need to diversify their funding to nongovernmental sources to survive.

Foundation and Private Sector Support for CDCs

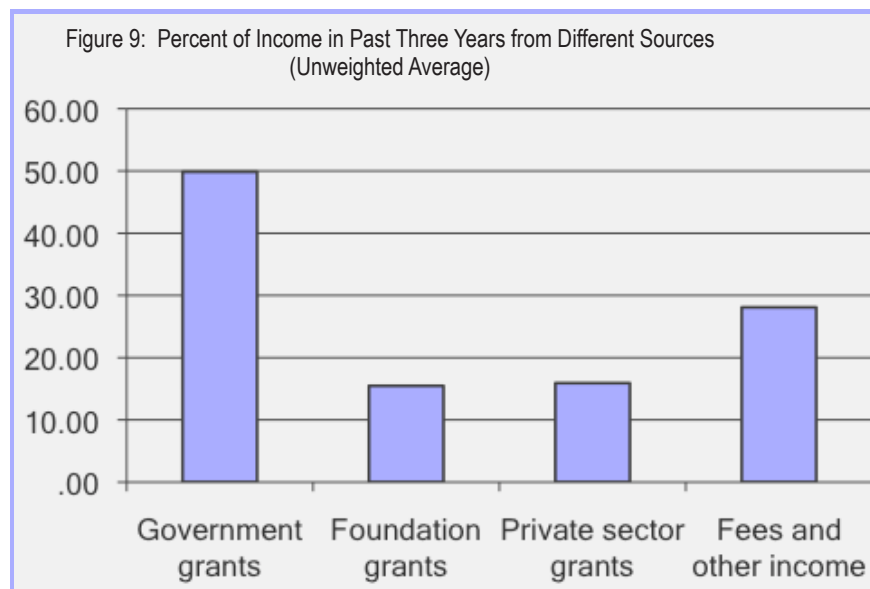
Although 55 percent of our CDCs reported receiving funding from foundations in the past three years, on average foundation grants represent only 15 percent of their fundraising. A weakness for community development in St. Louis is that the region does not have a large community foundation that supports place-based community development.³¹ CDCs reported receiving slightly more of their funding from

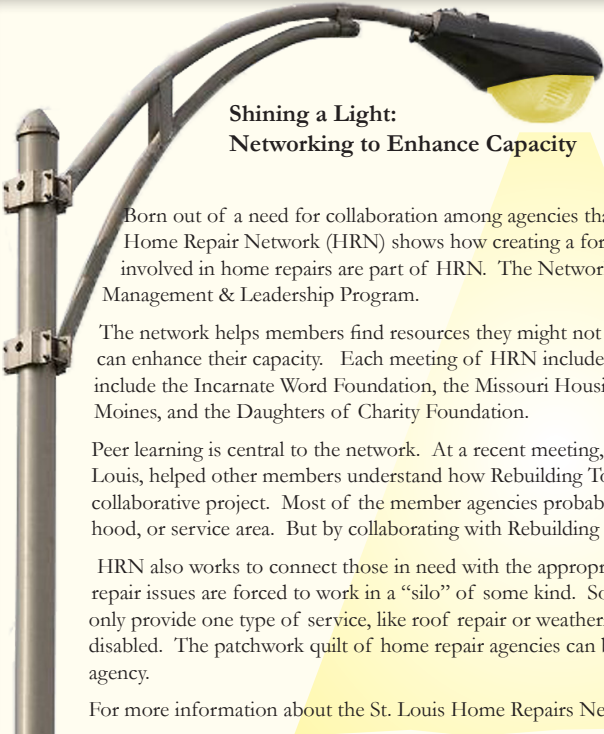
private sector grants (16 percent) than from foundations (15 percent). The four banks cited most often for supporting CDCs were:

- Commerce Bank: 8 CDCs
- Bank of America: 5 CDCs
- PNC: 5 CDCs
- US Bank: 5 CDCs

Like local foundations, national foundations have also not invested heavily in community development in St. Louis. Two national foundations have been active for decades in building the capacity of CDCs around the country: the Local Initiatives Support Corporation (LISC) and Enterprise Community Partners. According to our survey, only one CDC received support from the LISC and only two worked with Enterprise over the past three years. By contrast, nationwide, 23 percent of CDCs reported receiving support from LISC and 19 percent said they were helped by Enterprise.³²

We interviewed an official with Enterprise Community





**Shining a Light:
Networking to Enhance Capacity**

Born out of a need for collaboration among agencies that perform home repair services for low-income clients, the St. Louis Home Repair Network (HRN) shows how creating a formal network can enhance capacity. Currently, more than 50 agencies involved in home repairs are part of HRN. The Network is coordinated by the University of Missouri-St. Louis' Nonprofit Management & Leadership Program.

The network helps members find resources they might not have previously considered and exposes them to programs that can enhance their capacity. Each meeting of HRN includes a presentation by a "funder" of some kind. Previous presenters include the Incarnate Word Foundation, the Missouri Housing Development Commission, the Federal Home Loan Bank of Des Moines, and the Daughters of Charity Foundation.

Peer learning is central to the network. At a recent meeting, Jessie Conner, the program manager for Rebuilding Together St. Louis, helped other members understand how Rebuilding Together can be a resource for other member agencies through a collaborative project. Most of the member agencies probably never considered bringing Rebuilding Together to their neighborhood, or service area. But by collaborating with Rebuilding Together, they can expand their services and increase their capacity.

HRN also works to connect those in need with the appropriate agency. Many agencies that assist low-income clients with home repair issues are forced to work in a "silo" of some kind. Some agencies can only operate in a certain geographic area, some only provide one type of service, like roof repair or weatherization, and others can only serve certain groups, like seniors or the disabled. The patchwork quilt of home repair agencies can be confusing to clients. HRN helps match those in need to the right agency.

For more information about the St. Louis Home Repairs Network, see: <http://www.stlhomerepairnetwork.org/>.

Partners to ask why they were not more involved in St. Louis. The main reasons were that St. Louis CDCs did not have the capacity to execute the kinds of projects Enterprise was interested in funding and that local governments and foundations in the region were not partnering with CDCs to increase their capacity. CDCs in the St. Louis area will not be able to win substantial national foundation funding until they increase their capacity, which will, in turn, require less dependence on political largesse and greater support for capacity building from local governments and foundations.

Fee Income and Social Entrepreneurship

In the face of limited support from governments and foundations, many CDCs have become entrepreneurial in raising revenues to cover operating expenses. According to our survey, fee income represented 28 percent of revenues on average, almost twice the proportion of CDC funding coming from foundations or private grants.

Our survey did not delve further into sources of fee income but we did discuss income generating projects by CDCs in our interviews. Many CDCs own rental housing. In most cases they took over rental housing because absentee landlords were not taking care of it and it was blighting the neighborhood. Some CDCs, such as Beyond Housing and DeSales, reported that they are able to make a modest profit from the ownership and management of rental housing and that this provides a steady source of income. Owning rental housing is not always profitable. In the present weak economy, CDCs in the most disadvantaged neighborhoods sometimes have problems finding qualified tenants. One advantage today is that CDCs can contract with Fox Grove Management to manage their rental properties, accessing economies of scale and expertise that are lacking in a single CDC. Despite the low prices and interest rates, CDCs should venture into the rental housing market only with great care.

An entrepreneurial way to generate revenue for the activities of CDCs is to enact special taxing districts. Funds raised by special taxing districts cannot be used for general CDC operations but they can be used to support revitalization activities of CDCs. Park Central Development Corporation has formed a series of special taxing districts that fund important work. The Grove Community Improvement District raises funds to develop a comprehensive plan and address



Top left and bottom images: Youth participate in Angel Baked Cookies. Top right image: Youth engaged in their community with Riverview West Florissant Development Corporation

the needs along Manchester Avenue, such as enhancing security, improving the infrastructure, and marketing the businesses along Manchester Avenue.³³

Finally, many CDCs put on special events that have the dual purpose of bringing the community together and raising funds for the CDC. Skinker DeBaliviere Community Council, for example, put on a series of concerts last summer to showcase local talent, build community, and raise funds.

With declining government and foundation grants CDCs will need to emphasize social entrepreneurship more in the future. It is a risky strategy but one that can pay off. Business start ups by CDCs must meet the “double bottom line”: they must satisfy the demands of the marketplace at the same time that they address equity concerns and community needs. Done right, business ventures by CDCs can turn a profit while addressing pressing needs in the community.

VI. Building Civic Capacity: CDC Networks

Creating whole communities requires an effective community development *system*, or *network*, built on trust and collaboration across the public, private, and nonprofit sectors.³⁴ Besides CDCs, the key actors in the community development system are governments, banks, developers, foundations, real estate agents, financial intermediaries, and neighborhood organizations. We did not survey the other actors in the community development system in St. Louis; we surveyed only CDCs.

As part of our survey, however, we did ask CDCs to name the organizations that they “collaborated with on a regular basis.” We then analyzed these collaborations using network analysis software, UCINET. Figure 10 displays the CDC network in St. Louis – with a line drawn from the CDC to each organization listed as a regular collaborator.³⁵

The outstanding characteristic of the CDC network in St. Louis is that it is very decentralized. In fact, many CDCs do not collaborate on a regular basis with any other CDCs. CDCs on the outskirts of the network have localized neighborhood networks and report few regular relationships with other CDCs in the network. The decentralized community development network in St. Louis is probably encouraged by governmental fragmentation in St. Louis – the 28 wards in the City and the 91 municipalities in the County.

A decentralized network has strengths. Not being dependent on a few nodes or central actors, the network is not susceptible to damage if one of those institutions fails. Decentralized networks are resilient in the face of challenges. The CDCs in St. Louis have dug in at the local level, they have established robust local collaborations, and they are not dependent on one institution. Decentralized networks, however, also have weaknesses. In order for institutions to learn from each other network researchers argue that they need to be connected by one or two steps. “Six degrees of separation” does not work; two degrees of separation or less are needed to share crucial information and learning. If this is true, many CDCs in St. Louis will not be able to learn from each other. Best practices in community development will not easily spread across the system, because many CDCs are not directly connected to each other. As we found out from our interviews, CDCs often do not know what other CDCs are doing – even those located next door to them.

One important exception to the extreme decentralization of the St. Louis CDC network is RHCD, a central node with ties to more CDCs than any other institution (see Figure 10). Many CDCs link to each other through RHCD. Network theorists argue that the most important actors in any network are “boundary spanners,” those who connect one network to another network.³⁶ Boundary spanners are

Organizations CDC Report Collaborating with on a Regular Basis

The diagram illustrates a complex network of organizations in St. Louis, Missouri, that collaborate with the CDC on a regular basis. The organizations are represented by blue squares, and the connections between them are shown by black lines. The network is organized into several clusters, with lines connecting related entities. Key clusters include:

- Housing and Community Development:** Missouri Housing Development Commission, St. Louis Equity Fund, St. Louis County Office of Community Development, Beyond Housing, Inc., Hermandy School District, The Villa Commission, Northside Community Housing, Inc., The Acts Partnership, Rebuilding Together - St. Louis, Garden District Commission, Decades Community Housing Corporation, Candoriel Community Betterment Federation and Candoriel Housing Corporation, Ducttown South Community Corporation, Urban League, UJA/MASA, Community Development Administration, Gateway 180, COVAM, Jubilee Community Church, Jubilee Christian Development Corp., Daughters of Charity, College Hill Collaborative, Churches, CTS, Lutheran Housing Support Corporation, Emerson Park Development Corporation, Catholic Urban Programs, Lestee Baker, East St. Louis Township, East Side Health District, East Loop Special District, West End Neighborhood, Loop Special District, Delaware Place Association, St. Louis Assoc. of Community Organizations (SLACO), Member CEOs, City of St. Peter, City of St. Charles, City of O'Fallon, HOVIE Consortium, Habitat for Humanity Saint Louis, 18BNV, Construction Prep Center, Community Council of St. Charles, St. Louis City Councilors, Area Agency on Aging, St. Louis City Councilors, Neighborhood Stabilization, Grand Oak Hill Community Corporation, St. Louis Metropolitan Police Dept., Grove Community Improvement District, Park Central Development Corporation, Washington University Medical Center, CNE, Southeast Special Business District, CNE, South Special Business District, West Loop Special District, St. Michael's, St. George, Cornerstone Corporation, Herembae.
- Education and Training:** United Way, Local Utilities, Salvation Army, Juvenile Justice and Law Enforcement, St. Louis County School District, Louis County Government, Community Action Agency of St. Louis County (CAASTLC), Housing Authority of St. Louis County, Equal Housing Opportunity Commission, Metropolitan Training Center, Westlawn Business Chamber, Human Development Corporation, Gateway Community Development Corp. of Bethel and Madison Co., Madison Community Development, APPROACHABLE HOUSING DEVELOPMENT CORPORATION, MADISON COUNTY HOUSING AUTHORITY, ILLINOIS HOUSING DEVELOPMENT AUTHORITY.
- Health and Social Services:** Grace Hill Settlement House, Youth in Need, YWCA, Urban Strategies, Grace Hill Health Centers, St. Louis Public Schools, UHP, Webster University, Maryville University, St. Louis University, West Loop Special District, St. Michael's, St. George, Cornerstone Corporation, Herembae.
- Business and Industry:** St. Louis City, St. Louis County, Service International, World Changers, Reviewer West Florissant Development Corporation, Emerson Park Development Corporation, Catholic Urban Programs, Lestee Baker, East St. Louis Township, East Side Health District, East Loop Special District, West End Neighborhood, Loop Special District, Delaware Place Association, St. Louis Assoc. of Community Organizations (SLACO), Member CEOs, City of St. Peter, City of St. Charles, City of O'Fallon, HOVIE Consortium, Habitat for Humanity Saint Louis, 18BNV, Construction Prep Center, Community Council of St. Charles, St. Louis City Councilors, Area Agency on Aging, St. Louis City Councilors, Neighborhood Stabilization, Grand Oak Hill Community Corporation, St. Louis Metropolitan Police Dept., Grove Community Improvement District, Park Central Development Corporation, Washington University Medical Center, CNE, Southeast Special Business District, CNE, South Special Business District, West Loop Special District, St. Michael's, St. George, Cornerstone Corporation, Herembae.
- Government and Public Services:** Missouri Housing Development Commission, St. Louis Equity Fund, St. Louis County Office of Community Development, Beyond Housing, Inc., Hermandy School District, The Villa Commission, Northside Community Housing, Inc., The Acts Partnership, Rebuilding Together - St. Louis, Garden District Commission, Decades Community Housing Corporation, Candoriel Community Betterment Federation and Candoriel Housing Corporation, Ducttown South Community Corporation, Urban League, UJA/MASA, Community Development Administration, Gateway 180, COVAM, Jubilee Community Church, Jubilee Christian Development Corp., Daughters of Charity, College Hill Collaborative, Churches, CTS, Lutheran Housing Support Corporation, Emerson Park Development Corporation, Catholic Urban Programs, Lestee Baker, East St. Louis Township, East Side Health District, East Loop Special District, West End Neighborhood, Loop Special District, Delaware Place Association, St. Louis Assoc. of Community Organizations (SLACO), Member CEOs, City of St. Peter, City of St. Charles, City of O'Fallon, HOVIE Consortium, Habitat for Humanity Saint Louis, 18BNV, Construction Prep Center, Community Council of St. Charles, St. Louis City Councilors, Area Agency on Aging, St. Louis City Councilors, Neighborhood Stabilization, Grand Oak Hill Community Corporation, St. Louis Metropolitan Police Dept., Grove Community Improvement District, Park Central Development Corporation, Washington University Medical Center, CNE, Southeast Special Business District, CNE, South Special Business District, West Loop Special District, St. Michael's, St. George, Cornerstone Corporation, Herembae.

in the best position to gather insights from different settings and combine them in innovative ways. Boundary spanners drive innovation. RHCDCA fulfills this function by bringing cutting edge community development practices into the network and linking CDCs in St. Louis to networks of outside actors who can finance new development.

In conclusion, CDCs in St. Louis already do a great deal of collaborating, but they collaborate mostly with actors in their own neighborhoods. These networks of trust and collaboration are invaluable and should be nurtured. CDCs, however, also need to collaborate with each other and with networks outside the region. Denser ties among CDCs in the region would not only facilitate the spread of best practices, but it would also enable CDCs to recognize their collective interests in more supportive administrative practices and policies, by governments as well as other funders. Finally, CDCs in St. Louis need to deepen their connections with national community development networks.

VII. Conclusion: Lifting Up the Community Development System in St. Louis

Nonprofit community development groups are doing valuable work across the St. Louis region. They are not just providing affordable housing, they are working to *create whole communities* – places with diverse housing stock, pedestrian friendly neighborhoods, successful schools, attractive public spaces, and a civically engaged population. Whole communities strengthen the whole region.

The capacity for CDCs to do the challenging work of creating whole communities varies tremendously across the region. Many suburban areas that need to be stabilized and lifted up have no nonprofits with a place-based strategy. Although they are doing good work, many CDCs are too small and lack the administrative capacity and access to financing that is needed to address the scale of the issues facing their communities.

Despite the fact that they vary so much in size and in the communities they work in, CDCs in the St. Louis region are part of an industry with a common set of challenges. For the most part, CDCs in this region do not have a common identity, nor do they regularly collaborate with each other. CDCs need to set high professional standards and then “sell” themselves as a professional industry doing important work that needs more community-wide support. A central goal should be to give young people more opportunities to enter the profession of community development and climb ladders of responsibility to leadership positions in community and economic development.

Community development nonprofits in the St. Louis area seem to face a dilemma: On the one hand, they can be small, nimble, and grassroots-oriented (which most are) but they lack the professionalism and resources to adequately address the scale of the problems. On the other hand, if CDCs grow larger, they can become more efficient but then they risk becoming rigid and losing touch with the grassroots. Clearly, many CDCs need to become larger – both in their staff and budgets and in the geographical scale of their activities. In general, the perceived conflict between size and efficiency is a false dilemma. By collaborating with each other, lobbying for more supportive policies, and contracting out key functions that benefit from economies of scale, CDCs can retain their grassroots orientation while realizing the efficiency and professionalism that this challenging work requires.

Endnotes

¹ For an insightful documentary on the role played by locally made brick in the building of St. Louis and the problem of brick thieves today, see the recently released documentary, “Brick by Chance and Fortune;” information at official website: <http://www.stlbrickfilm.com/>.

² For evidence about the shortage of workforce housing in parts of the St. Louis region see the research done by East-West Gateway Council of Governments: <http://www.ewgateway.org/pdffiles/library/housing/workforcehsg-042310.pdf> and *Affordable Housing for the Region’s Workforce* (FOCUS St. Louis, August 2005), available at: <http://www.focus-stl.org/LinkClick.aspx?fileticket=IZKC65ttUwQ%3d&tabid=65>.

³ For insights into community development strategy in weak market cities, see Paul C. Brophy and Kim Burnett, *Building a New Framework Community Development in Weak Market Cities* (Denver, CO: Community Development Partnership Network, 2003).

⁴ A 2003 Brookings study compared the “civic infrastructure” of community development in three cities: St. Louis, Cleveland, and Indianapolis. The study counted about 100 CDCs in Cleveland compared to 20 in St. Louis and concluded that functions performed by housing nonprofits in other cities are usually run by government in St. Louis. The city and the state have created generous housing tax credit programs but “[t]his spending ... is not well coordinated in the absence of robust network of CDCs.” William T. Bogart, *Civic Infrastructure and the Financing of Community Development*, A Discussion Paper Prepared for the Brookings Institution Center on Urban and Metropolitan Policy, 2003.

⁵ The National Alliance of Community Economic Development Associations (NACEDA) (see <http://www.naceda.org/>) now has 41 members, 9 of which are city associations. Most associations are state networks of CDCs. Missouri has no state association of CDCs. For this report we consulted with CDC associations in Indiana: Indiana Association for Community Economic Development: <http://www.iaced.org>; Memphis: Community Development Council of Greater Memphis: <http://www.livablememphis.org/>; Philadelphia: Philadelphia Association of Community Development Corporations: <http://www.pacdc.org/>; Cleveland: Cleveland Neighborhood Development Coalition: <http://www.cndc2.org/>; Massachusetts: Massachusetts Association of Community Development Corporations: <http://www.macdc.org>; New Jersey: Housing and Community Development Network of New Jersey: <http://www.hcdnnj.org/>; and Minneapolis/St. Paul: Metropolitan Consortium of Community Developers: <http://www.mccdmn.org>.

⁶ In July 2010 the endowment of the Des Lee Professor of Community Collaboration and Public Policy Administration at UMSL was used to fund a fulltime community development specialist, Karl Guenther, to conduct research and staff a regional network of community development nonprofits.

⁷ Some of our respondents, such as CAASTL and Rebuilding Together, are not strictly place-based. However, they all support place-based work. Habitat for Humanity does not work in one community but it has a place-based strategy focused on certain communities. For all findings we only report results for those who answered the question. In all cases the data refers to the most recent three-year period, unless we indicate otherwise.

⁸ We discuss selected findings in this report; the full survey results are available from the authors upon request.

⁹ *Rising Above: Community Economic Development in a Changing Landscape*, National Alliance of Community Development Associations (NACEDA), June 2010; available at: http://www.naceda.org/sites/default/files/Rising%20Above_Final%20NACEDA%20Census%20Report.pdf.

¹⁰ According to our calculations only 2,096 new units of housing were built in St. Louis County for the years 2008 – 2010 and only 243 were built in St. Louis City during that period. Source: St. Louis County Assessor, Master Assessor Database, March of 2011 and St. Louis City Assessor, Assessor Data File, April of 2011 (calculations by Will Winter, PPRC). Since most of the units reported in our survey were located in these two counties, CDCs were involved in a significant share of the new housing built during this period. The CDC share is much smaller in the other counties (St. Charles, St. Clair, and Madison).

¹¹ Joint Center for Housing Policy of Harvard University, *Rental Market Stresses: Impacts of the Great Recession on Affordability and Multifamily Lending*, The President and Fellows of Harvard University, July 2011; available at: http://www.jchs.harvard.edu/publications/rental/jchs_what_works_rental_market_stresses.pdf.

¹² Allan Mallach, *Bringing Buildings Back: From Abandoned Properties to Community Assets* (Montclair, New Jersey: National Housing Institute, 2006), p. 9.

¹³ *Rising Above: Community Economic Development in a Changing Landscape*, p. 15.

¹⁴ For a synthesis of the research on the negative effects of mobility on success in school, see Arthur J. Reynolds, Chin-Chih Chen, and Janette E. Herbers, *School Mobility and Educational Success: A Research Synthesis and Evidence on Prevention* (July 2009); available at: <http://fcd-us.org/resources/school-mobility-and-educational-success-research-synthesis-and-evidence-prevention>.

¹⁵ The literature on the negative effects of people being forced to move out of their homes is voluminous. For a summary, see Mindy Thompson Fullilove, *Root Shock: How Tearing Up City Neighborhoods Hurts America, and What We Can Do About It* (New York: Random House, 2004).

¹⁶ Charles Buki & Elizabeth Humphrey Schilling, "The Right Interventions to Restore Confidence in Weak Markets," *Planetizen*, February 4, 2010.

¹⁷ The state of Missouri and St. Louis have ranked near the top in the nation in investments in historic preservation. In 2004, for example, the National Park Service cited Missouri as #1 in state activity using the federal tax incentives program. National Park Service, *Federal Tax Incentives for Rehabilitating Historic Buildings: Annual Report for Fiscal Year 2004* (National Park Service, February 2005); available at: http://www.dnr.mo.gov/shpo/NPS_report_2004.pdf.

¹⁸ For background on these tax credit programs in Missouri and recommendations to Governor Nixon for cuts, see *Report of the Missouri Tax Credit Review Commission*, July 2010; available at: <http://tcrc.mo.gov/pdf/TCRCFinalReport113010.pdf>.

¹⁹ <http://www.bls.gov/ro7/cpistl.htm>.

²⁰ Algernon Austin, "Get Teens Back to Work: Why the Federal Government Must Invest Now in Teen Jobs," Economic Policy Institute, July 25, 2011; available at:

<http://www.spotlightonpoverty.org/ExclusiveCommentary.aspx?id=0418662d-948b-4047-8e1c-5f093e5709b9>.

Recent federal Bureau of Labor Statistics data supports this concern: the share of young people (16-24) who were employed in July 2011 (48.8 percent) was the lowest July rate on record since the series began in 1948; available at: <http://www.bls.gov/news.release/youth.nr0.htm>. (July is the peak month for employment of young people.)

²¹ Information from interview with Antoinette Cousins, Executive Director of River West Florissant Development Corporation.

²² This is almost the same percentage of CDCs that were founded before 1988 according to a national survey (43 percent). *Rising Above: Community Economic Development in a Changing Landscape*, NACEDA (June 2010): http://www.naceda.org/sites/default/files/Rising%20Above_Final%20NACEDA%20Census%20Report.pdf.

²³ *Rising Above: Community Economic Development in a Changing Landscape*.

²⁴ Our CDC data includes several organizations that employ staff and spend considerable money on activities that are not aimed at revitalizing particular places, such as CAASTL and Grace Hill Settlement House. Given this flaw in our data, the data reporting on the largest CDCs needs to be discounted – emphasizing even more the relatively small size of most CDCs in St. Louis.

²⁵ Percentages do not add to 100 because of over-reporting by respondents. These are unweighted averages for all our respondents, small CDCs counting just as much as large CDCs.

²⁶ CDBG is a federal block grant established in 1974 that provides funding to local governments primarily for the purpose of revitalizing low- and moderate-income neighborhoods. As a block grant, it gives local governments wide discretion in how the funds are spent. Established in 1990, HOME provides formula grants to states and localities to provide affordable housing for low-income families. HOME sets aside a certain amount of funding for qualified community development nonprofits.

²⁷ For more information go to: http://www.mhdc.com/housing_trust_fund/MHTF-info.htm.

²⁸ *St. Louis Consolidated Plan: Five Year Strategy* (November 2009), p. 4; available at: <http://stlouis-mo.gov/government/departments/community-development/documents/upload//2010-14ConsolidatedPlan.pdf>.

²⁹ *St. Louis Consolidated Plan*, p. 18. We were never able to locate a copy of the City of St. Louis's CDBG budget. The lack of transparency restricts policy deliberation and accentuates fragmented and narrowly politicized decision making, we believe.

³⁰ Forty percent of the City Housing Trust Fund's annual expenditures must go to programs/projects that benefit households at or below 20% of area median income. For more information on the city's trust fund see the

Affordable Housing Commission website: <http://stlouis-mo.gov/government/departments/affordable-housing/index.cfm>.

³¹ The Danforth Foundation invested significant resources in community development through its Sustainable Neighborhoods and Jeff Vanderlou initiatives, among others. But in recent years it has moved out of funding community development and is spending down its endowment largely in support of the plant sciences. By contrast, the Cleveland Foundation gave over \$50 million to community development efforts between 1989 and 1998, including \$13.8 million specifically for capacity building of CDCs through Neighborhood Progress, Inc (NPI). See Jeffrey S. Lowe, *Rebuilding Communities the Public Trust Way: Community Foundation Assistance to CDCs, 1980-2000* (Lexington Books: Lanham, MD, 2006, p. 49.

³² *Rising Above: Community Economic Development in a Changing Landscape*, p. 27.

³³ For more information, see http://www.fpsedc.org/ManchesterCID_376.aspx.

³⁴ For a compelling case that housing policy in the United States has shifted from centralized government control to decentralized networks that take a holistic approach to community development, see David J. Erickson, *The Housing Policy Revolution: Networks and Neighborhoods* (Washington, D.C.: Urban Institute Press, 2009).

³⁵ We are well aware of the limitations of the data. We have data only on reported collaborations, not actual collaborations. We made no effort to corroborate the collaborations reported by our respondents. Nevertheless, we believe the data does reflect existing collaborations and shows what collaborations are prominent in the minds of CDCs, itself an important piece of information.

³⁶ We thought it was significant that governments were not mentioned as regular collaborators with CDCs. From our interviews with CDC staff it became clear that they generally view governments as “regulators” not “collaborators.” We believe this hinders the effectiveness of the community development system in St. Louis.

Appendix A: Advisory Committee

Stephen Acree

Susan Andersen

Rick Bonasch

Ernecia Coles

Antoinette Cousins

Justine Craig-Meyer

Kay Gasen

Sal Martinez

John McClusky

Kimberly McKinney

Sister Mary Ann Nestel

Thomas Pickel

Cassandra Scott

Dan Sise

Sean Thomas

Eleanor Tutt

Lucille Walton

Appendix B: Contact Information for Participating Organizations

ACTS Partnership
4449 Red Bud Avenue
Saint Louis, MO 63115
(314) 769-9000
<http://www.theactspartnership.org/>

Affordable Housing Development Corp.
200 West 3rd Street, Suite 205
Alton, IL 62202
(618) 465-9850, ext. 205
<http://www.ahdcil.org/>

Beyond Housing
4156 Manchester Avenue
Saint Louis, MO 63110
(314) 533-0600
<http://www.beyondhousing.org/>

Carondelet Community Betterment Foundation
6408 Michigan Avenue
Saint Louis, MO 63111
(314) 752-6339
<http://www.carondelethousing.org>

Community Action Agency of St. Louis County
2709 Woodson Road
Saint Louis, MO 63114
(314) 863-0015
<http://www.caastlc.org>

Community Council of St. Charles
1054 Rondale Court
Dardenne Prairie, MO 63368
(636) 978-2277
<http://www.communitycouncilstc.org/>

Community Renewal and Development
2754 Bacon Street
Saint Louis, MO 63106
(314) 289-9900

Community Resource and Development Organization
6317 Dr. Martin Luther King Drive
Saint Louis, MO 63121
(314) 389-7475

Cornerstone Corporation
6030 Etzel Avenue
Saint Louis, MO 63112
(314) 726-2273
<http://www.cornerstone-housing-ministry.org/>

DeSales Community Housing Corporation
2759 Russell Boulevard
Saint Louis, MO 63104
(314) 776-5444
<http://www.desaleshousing.com/>

Dutchtown South Community Corporation
4204 Virginia
Saint Louis, MO 63111
(314) 352-4865
<http://www.dutchtownsouth.org/>

Emerson Park Development Corporation
1405 State Street
East Saint Louis, IL 62205
(618) 874-1671
<http://www.emersonpark.org/>

Appendix B: Contact Information for Participating Organizations (continued)

Gatekeepers Community Development
Corporation of Bethalto & Madison Counties
107 Logan Street
Bethalto, IL 62010
(618) 979-9490
<http://www.gatekeeperscdc.org/>

Grand Oak Hill Community Corporation
4168 Juniata Street
Saint Louis, MO 63116
(314) 865-5530
<http://www.grandoakhill.org/>

Habitat for Humanity – Saint Louis
3763 Forest Park Avenue
Saint Louis, MO 63108
(314) 371-0400
<http://www.habitatstl.org/>

LeMay Housing Partnership, Inc.
320 East Ripa Street
Saint Louis, MO 63125
(314) 631-9905
<http://www.lemayhousing.org/>

Metro St. Louis Coalition for Inclusion and Equity
(M-Slice)
3243 N. 19th Street
St. Louis MO 63107

North Grand Neighborhood Services
3636 North Market
Saint Louis, MO 63113
(314) 535-6467
<http://www.ngns.org>

Park Central Development
4512 Manchester, Suite 100
Saint Louis, MO 63110
(314) 535-5311
<http://www.fpsedc.org/>

Rebuilding Together – Saint Louis
357 Marshall Avenue, Suite 2
Webster Groves, MO 63119
(314) 918-9918
<http://www.rebuildingtogether-stl.org/>

Grace Hill Settlement House
2600 Hadley
Saint Louis, MO 63106
(314) 584-6900
<http://www.gracehill.org/>

Great Rivers Greenway
6174-A Delmar Boulevard
Saint Louis, MO 63112
(314) 436-7009
<http://www.grgstl.org/>

Jubilee Christian Development Corporation
4321 North Grand Boulevard
Saint Louis, MO 63107
(314) 533-5400
<http://www.jubileecommunitychurch.vpweb.com/>

Lutheran Housing Support
1333 South Kirkwood
Saint Louis, MO 63112
(800) 248-1930
<http://www.lcms.org/>

Northside Community Housing, Inc.
4067 Lincoln Avenue
Saint Louis, MO 63113
(314) 531-0310
<http://www.northsidecommunityhousing.org/>

Old North St. Louis Restoration Group
2700 North 14th Street
Saint Louis, MO 63106
(314) 241-5031
<http://www.onsl.org>

P Rebuild Foundation
2010 Mallinckrodt
Saint Louis, MO 63107
(314) 329-7544
<http://www.rebuild-foundation.org/>

Appendix B: Contact Information for Participating Organizations (continued)

Riverview West Florissant Development Corporation
6085 West Florissant
Saint Louis, MO 63136
(314) 382-9000
<http://www.rwfdc.org/>

Robert Fulton Development, Inc.
5508 Dr. Martin Luther King Drive
Saint Louis, MO 63112
(314) 367-5508
<http://www.ftmbc.org/>

St. Louis Association of Community Organizations
5888 Plymouth Avenue
Saint Louis, MO 63112
(314) 361-9406

Shaw Neighborhood Housing Corporation
4067 Shenandoah Avenue
Saint Louis, MO 63110
(314) 773-7429
<http://www.shawhousing.org/>

Skinker-DeBaliviere Community Council
6008 Kingsbury Avenue
Saint Louis, MO 63112
(314) 862-5153
<http://www.skinkerdebaliviere.wordpress.com/>

Southwest Garden Neighborhood Association
4950 Southwest Avenue
Saint Louis, MO 63110
(314) 772-6082
<http://www.southwestgarden.org/>

UJAMAA Community Development Corporation
and Black Family Land Trust, Inc.
3033 North Euclid Avenue, Building No. 3 – Suite
208
Saint Louis, MO 63115
(314) 382-4440