ECONOMIC JUSTICE

ACTION PLAN

A STRATEGY TO EMPOWER, DEVELOP, AND TRANSFORM THE CITY OF ST. LOUIS THROUGH A VIBRANT, JUST, AND GROWING ECONOMY IN WHICH ALL PEOPLE CAN THRIVE.

SEP 2022

Prepared for the St. Louis Development Corporation

SLDC

ST. LOUIS DEVELOPMENT CORPORATION

An Introduction from Neal Richardson

SLDC has more resources now than ever before and is making major changes to why, where, and how they deploy them.

Why? The primary reason for these changes is that Economic Justice must be served to St. Louisans without any further delay. Serving Economic Justice looks like bringing varied economic opportunities to areas and populations that have been denied them in the past. Economic stability for the entire city cannot be achieved without intentional investments in and for those that have been ignored.

Where? SLDC will accomplish this by focusing most money, assets, and time in historically disinvested and marginalized neighborhoods. The various parts of the city are prioritized in the Economic Justice Index, which will guide SLDC's efforts. A secondary justification for the geographic shift is that parts of the city that are currently growing will indirectly benefit from investments in disinvested neighborhoods; however, serving Economic Justice is the primary reason for this policy change.

How? This will be achieved by doing three things in the order they appear below:

1. SLDC will **listen and create a culture of servant leadership** geared toward rapid response times, providing accurate information so local parties can pursue ideas, and avoiding unnecessary barriers for projects in disinvested neighborhoods. The most basic function of an economic development organization is to empower developers, residents, and nonprofits to pursue their ideas to completion. SLDC should focus on increasing the number of projects entering the project pipeline and that begins with attentive customer engagement..

2. SLDC will **advocate** on behalf of large and small projects in disinvested neighborhoods. With limited exceptions for projects that are not feasible or harmful, staff time should be spent vigorously pursuing projects proposed by highly localized developers, residents, and nonprofits. SLDC should focus on increasing the velocity of projects through the project pipeline in disinvested neighborhoods by advocating for them at every step of the process.

3. SLDC will **invest in** projects and efforts in disinvested neighborhoods. The power to make change belongs to developers, residents, and nonprofits that have a stake in the future of each neighborhood. SLDC can help build this power by supporting highly localized parties so they can pursue projects and build wealth for themselves and their stakeholders.

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The Role of the St. Louis Development Corporation

Translating Strategies into Action

To adopt real change, SLDC must implement new policies, programs, and key actions to prioritize economic justice in the City of St. Louis. This Economic Justice Action Plan divides these action steps into three strategic pillars: ***economic empowerment***, ***equitable & inclusive development***, and ***neighborhood transformation***. Each pillar is critical to the future of our city and the region at large and, together, represent the role SLDC can play in the future of St. Louis.

Transforming generations of injustice starts with the careful reorganization of SLDC and a commitment to transparency so that everyone understands where and how SLDC invests in projects. The SLDC staff, Board, and partners must first take action to prioritize economic justice so that they are prepared to take on this work.

Recognizing that SLDC cannot achieve true economic justice alone, this Action Plan is intentionally created to be inclusive of the work of regional partners, all of which will have to come to the table to make real change.

The Case for Economic Justice

The Community Asked for Change

The Economic Justice Action Plan is built with community voices at its core, incorporating insight from many local businesses, community partners, and residents. The engagement strategy was designed with the understanding that a significant amount of community feedback had already been solicited during the creation of the Equitable Economic Development Framework, as well as a number of other regional plans that have been completed over the past seven years. Additional plans reviewed include: Action St. Louis People's Plan, Equitable St. Louis CBA Guidebook, Ferguson Commission Report, GEO Futures, The Gravois Jefferson Plan, Health Equity Works: Dismantling the Divide, and the STL 2030 Jobs Plan.

The project team reviewed all of these plans and identified actions that either specifically listed SLDC as the accountable body and/or aligned with the Pillars of Economic Justice. The hours of public feedback that contributed to the development of these Calls to Action informed a prioritization survey to help the project team understand what was still feeling most urgent and most important to the community.

SURVEY RESULTS

- The SLDC Prioritization Survey, conducted between November 15 and December 31, 2021, gave community members an opportunity to share their voices regarding equitable development and economic justice within the region.
- The survey was drafted using the Calls to Action from the various regional plans the project team reviewed, asking respondents to indicate how important each action was. A diverse array of more than 400 respondents completed the survey.
- Respondents were racially and geographically diverse and represented nearly every neighborhood in the City.

TOP PRIORITIES FROM COMMUNITY

The survey asked respondents to provide feedback related to 29 priorities spread across the Pillars of Economic Justice. In order to rank priorities, the project team used a weighted average system to identify which Calls to Action were most important to respondents. A score closest to 5 indicates an "Essential" ranking and a score closer to 4 indicates a "High Priority" ranking. Below are the top ten Calls to Action identified in the survey, indicating they are the most urgent and impactful.

	SOURCE PLAN	CALL TO ACTION	NOT A PRIORITY	LOW PRIORITY	MEDIUM PRIORITY	HIGH PRIORITY	ESSENTIAL	DON'T KNOW	WEIGHTED AVERAGE
1	*Equitable Economic Development Framework*	Ensure that neighborhoods are included in — and help lead — planning and development efforts in their community moving forward	2.20%	1.65%	12.12%	29.20%	52.89%	1.93%	**4.31**
2	*Gravois-Jefferson Historic Neighborhoods Plan*	Expand home repair services to elderly, low and middle-income homeowners through low-interest loans and grants	1.93%	2.48%	12.12%	32.51%	49.04%	1.93%	**4.27**
3	*People's Plan & Ferguson Commission*	Invest in the public transportation system to increase efficiency and connections for riders	3.56%	3.01%	11.51%	28.49%	52.60%	0.82%	**4.25**
4	*People's Plan & Ferguson Commission*	Invest in transportation assets that will more easily connect residents to employers	2.38%	4.51%	13.30%	27.79%	50.83%	1.19%	**4.22**
5	*Dismantling the Divide & Ferguson Commission*	Increase affordable housing options in areas of opportunity (areas of low crime, low poverty, with access to jobs and transportation)	3.43%	3.43%	14.00%	30.29%	47.71%	1.14%	**4.17**
6	*Dismantling the Divide*	Establish clear systems in the City of St. Louis that give impacted community members a strong voice in the development that happens in their neighborhoods	2.55%	3.12%	15.58%	31.16%	46.46%	1.13%	**4.17**
7	*Gravois-Jefferson Historic Neighborhoods Plan*	Work collaboratively with the City to ensure code enforcement and housing quality expectations are clear and enforced fairly	2.57%	4.86%	19.14%	33.43%	39.14%	0.86%	**4.03**
8	*People's Plan*	Require developers to be innovative and proactive by creating programs to employ the local community when receiving incentives from SLDC	4.74%	5.21%	17.30%	32.70%	39.57%	0.47%	**3.98**
9	*Equitable Economic Development Framework*	Expand existing workforce development programs for the construction industry by targeting the various populations (i.e. dislocated workers and formally incarcerated returning citizens)	2.35%	3.29%	21.88%	41.18%	31.06%	0.24%	**3.96**
10	*Equitable Economic Development Framework*	Build small developer and construction firm capacity via training, financing, technical assistance, and programming support	1.89%	5.41%	20.81%	36.76%	32.43%	2.70%	**3.95**

Residents want to see change in our city, striving for economic justice city-wide.

Economic Justice

means that people and neighborhoods that have been, and in many cases still are, intentionally and legally under-invested, are now the focus of investment and attention. The term consists of two parts that are worth defining separately.

ECONOMIC

refers to the economy, which is a large, complex set of interrelated activities that, if it is efficient, should allow businesses to sell goods and earn profits, allow consumers to find goods and patronize businesses, and allow the labor force to earn sufficient wages to fulfill their basic needs and participate in the system. If the economy is inefficient, there will be large gaps in individual earnings and wealth, unrealized potential in the labor force, resource scarcity, and the inability of the participants to meet their basic needs. Closing the gaps in an equitable way means providing extra resources and attention to under-invested populations and neighborhoods and not just providing them equally across the City.

JUSTICE

In the economic context, justice can simply mean fairness and it is primarily concerned with the capability of people to achieve the lives they value. This document is built on the fact that many people were and currently are intentionally denied this capability due to unjust policies and institutions. Pursuing economic justice means ensuring residents have the capability to achieve lives they value and not just leaving it up to chance and privilege.

> ***"The opposite of poverty is not wealth. In too many places, the opposite of poverty is justice."***
>
> *- Bryan Stevenson*

CORRECTING GENERATIONS OF DISINVESTMENT

One key aspect of serving justice is to identify past mistakes and acknowledge their impacts. There were many intentionally discriminatory policies and programs carried out during the twentieth century, but the one that is most frequently cited, particularly in St. Louis, is the use of intentional "redlining" policies by private lending institutions and federal government agencies. This practice, often associated with maps created by the Home Owners' Loan Corporation in the late 1930s, encouraged lending in predominantly white neighborhoods and marked non-white neighborhoods as "hazardous" and undesirable.

Racially motivated language and policies encouraging discriminatory housing and lending practices are well-documented, including in the Federal Housing Administration's Underwriting Manual (1936). The manual laid out underwriting principles related to establishing barriers, both natural and physical, to protect against "adverse influences" from "industrial uses, lower-class occupancy, and inharmonious racial groups." The manual also stated that it is virtually impossible to "induce a higher social class" once the character of the neighborhood is established. These policies, and many others, were unapologetically racist and had massive implications for St. Louis and its predominantly Black neighborhoods.

BLACK HOUSEHOLDS HAVE 1/10TH THE WEALTH OF WHITE HOUSEHOLDS

White HH Wealth $$$$$$$$$$$

Black HH Wealth $

BLACK EMPLOYEES MAKE ON AVERAGE 48% OF A WHITE EMPLOYEE

White Earnings $$$$$$$$$$$

Black Earnings $$$$$

HOMES IN PREDOMINANTLY BLACK ZIP CODES ARE WORTH LESS THAN ¼ OF THOSE IN PREDOMINANTLY WHITE ZIP CODES

White Home Value

Black Home Value

BLACK APPLICANTS ARE MORE LIKELY TO BE DENIED MORTGAGE OR BUSINESS LOAN, AND CHARGED HIGHER INTEREST RATES

White Homebuyers

Black Homebuyers

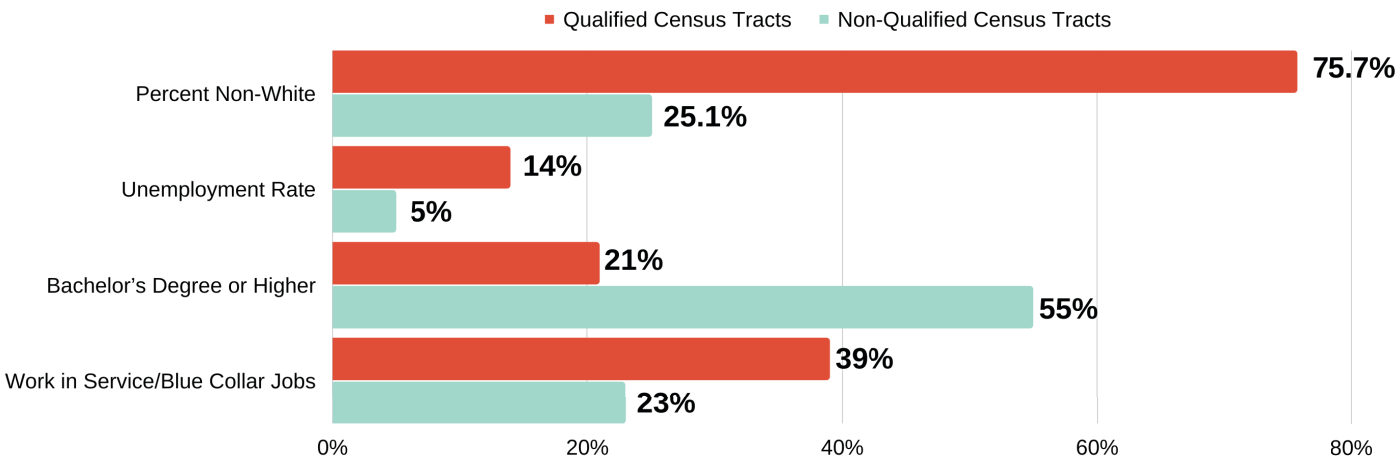
ST. LOUIS LOST OVER 17,000 RESIDENTS FROM 2010-2020 INCLUDING MORE THEN 27,000 BLACK RESIDENTS.

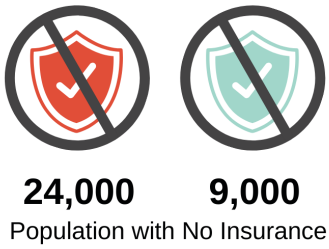
The racial disparities caused by these systems continue to exist in large parts of St. Louis, particularly impacting Black communities and other communities of color. Moving forward, achieving economic justice will require the same intentionality that those racist policies utilized, bringing racial equity, economic development, and investment to North St. Louis and historically Black neighborhoods.

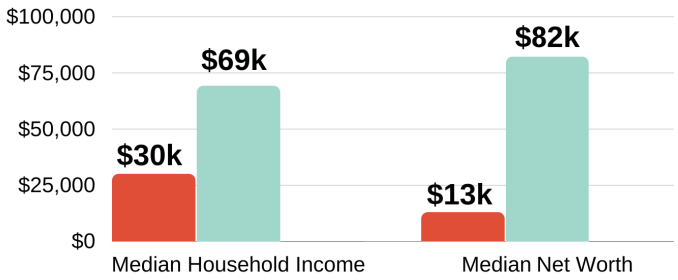
WORKING TO REPAIR IMPACTS OF COVID-19

The COVID-19 pandemic harmed and continues to burden families in St. Louis, particularly those living in areas that saw historic disinvestment and are home to the majority of St. Louis' Black residents. Hundreds of years of harm were only amplified during the pandemic, furthering the divide between access to success and economic opportunity in communities in St. Louis.

Qualified Census Tracts are often used to identify areas of need at a highly localized level. They must have 50% or more households with 60% of the Area median Gross Income or a poverty rate of 25% or more. These indicators illustrate why families and individuals within parts of St. Louis were especially vulnerable to the negative impacts of the pandemic and require the deployment of additional resources and continued investment.







> ***"It is apparent that in our current economy not everyone benefits equally from economic prosperity. The wealth resulting from growth in jobs, businesses, and real estate development is not evenly distributed in our society and people of color bear the brunt of economic downturns."***
>
> *- International Economic Development Council*

ECONOMIC JUSTICE INDEX

Economic Justice Index

To begin to understand where economic justice is needed in St. Louis, the Economic Justice Index was created. The Economic Justice Index is made up of a variety of indicators that seek to measure needs and opportunities.

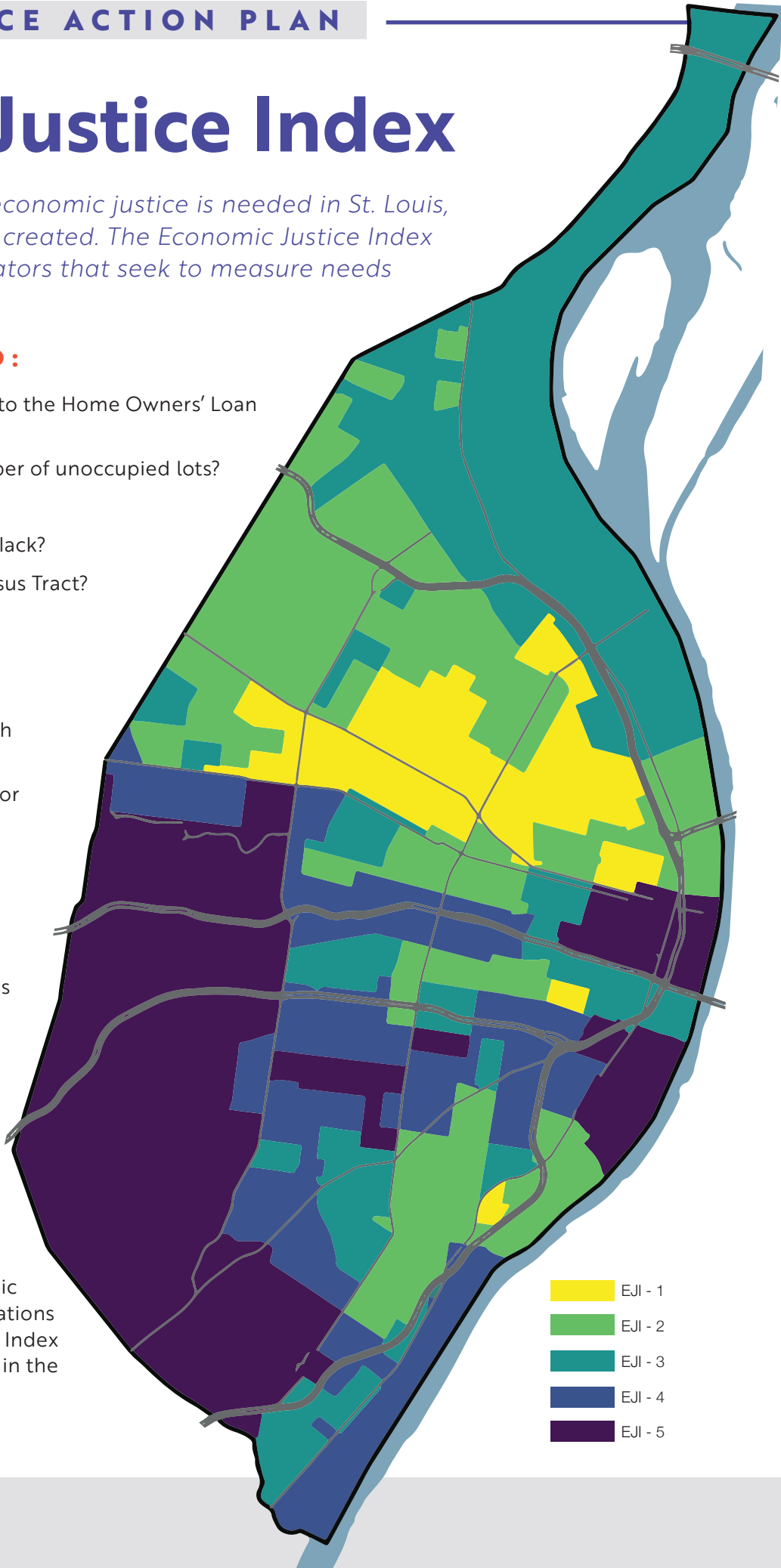
INDICATORS OF NEED:

- Was the area "redlined" according to the Home Owners' Loan Corporation maps?
- Does the area contain a high number of unoccupied lots?
- Is the unemployment rate high?
- Are the residents predominantly Black?
- Is the area in a HUD Qualified Census Tract?

INDICATORS OF OPPORTUNITY:

- Is there a Commercial Corridor with ongoing construction activity?
- Is there an Opportunity Zone and/or Historic District?
- Are Opportunity Sites present?
- Does the area contain grassroots organizations like a Community Development Corporation?
- Is there an existing Special Business District, Community Improvement District, Tax Increment Financing District, or Transportation Development District?

The areas with the lowest scores on the Economic Justice Index represent areas that have high need and high opportunity. This Index can help SLDC determine where and how to make investments that will prioritize economic justice in St. Louis. Several recommendations about how to use the Economic Justice Index and how often to revisit it are included in the Action Plan.



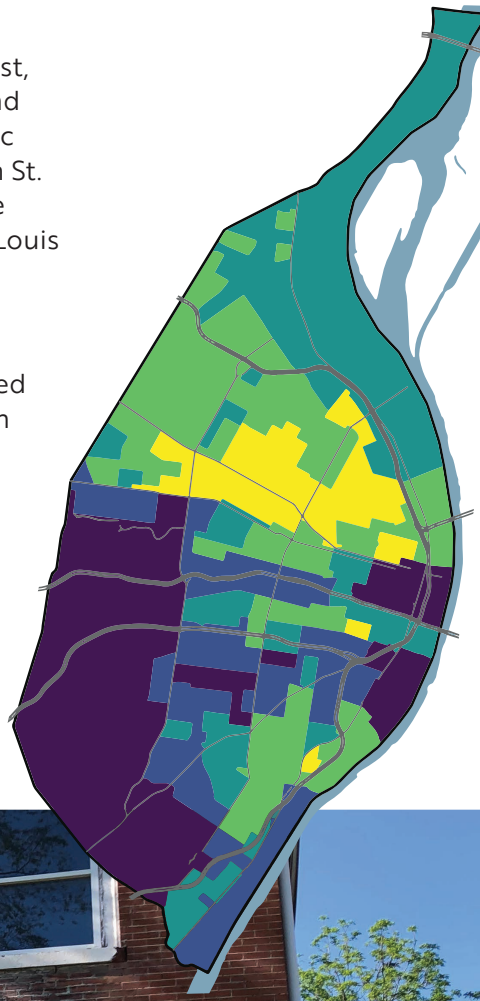
It is recommended that SLDC concentrate its efforts in EJI-1 and EJI-2, offering incentives, workforce development opportunities, and support for local organizations. Additional recommendations for these areas are provided throughout the Action Plan.

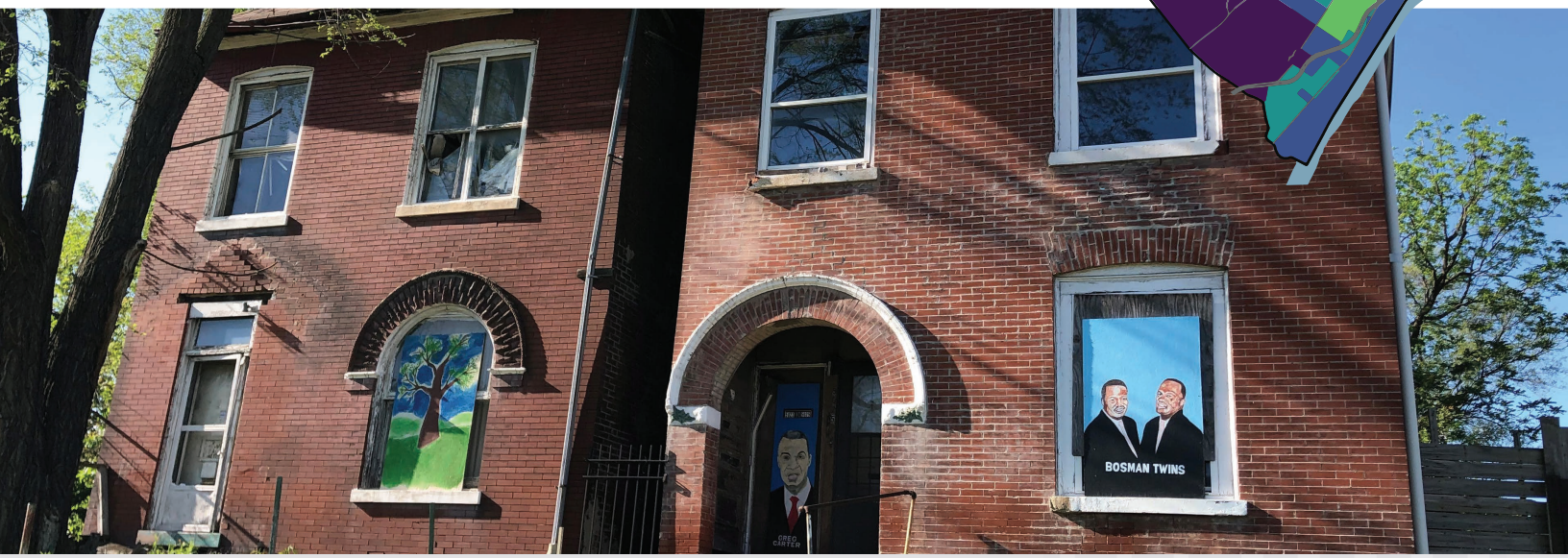
EJI 1

As the Economic Justice Index Map depicts, these areas are concentrated in North St. Louis primarily west of Interstate 70 and east of Union Blvd both north and south of Dr. Martin Luther King Blvd. The concentrations, shown in yellow and noted as EJI-1, are primarily in the neighborhoods immediately north of Downtown including Columbus Square, St. Louis Place, Old North, and Hyde Park neighborhoods and those that line Dr. Martin Luther King Blvd. in the Jeff Vanderlou, Vandeventer, The Ville, Greater Ville, Lewis Place, Kingshighway East, Kingshighway West, Fountain Park, Academy, Hamilton Heights, and parts of the West End neighborhood. Other pockets falling in EJI-1 or EJI-2 on the Economic Justice Index noting high need and opportunity are located in South St. Louis in Gravois Park, Dutchtown, and Marine Villa. These areas share many of the same characteristics as those of high need in North St. Louis and should also be priority focus areas for SLDC.

EJI 2

Noted in light green, EJI-2 areas are generally surrounding those noted as EJI-1 and share many of the same characteristics of extremely high need with some capacity for implementation. To the south, this is exclusively in the greater Dutchtown area. Another concentration of EJI-2 is found in the central part of the City in LaSalle Park, the Gate District, and Tiffany neighborhoods bordering Chouteau to the north. In North St. Louis, areas identified as EJI-2 include a large swath of the northwest part of the City, those bordering the river, east of I-70, and pockets just north of the Midtown neighborhood.





EJI 3

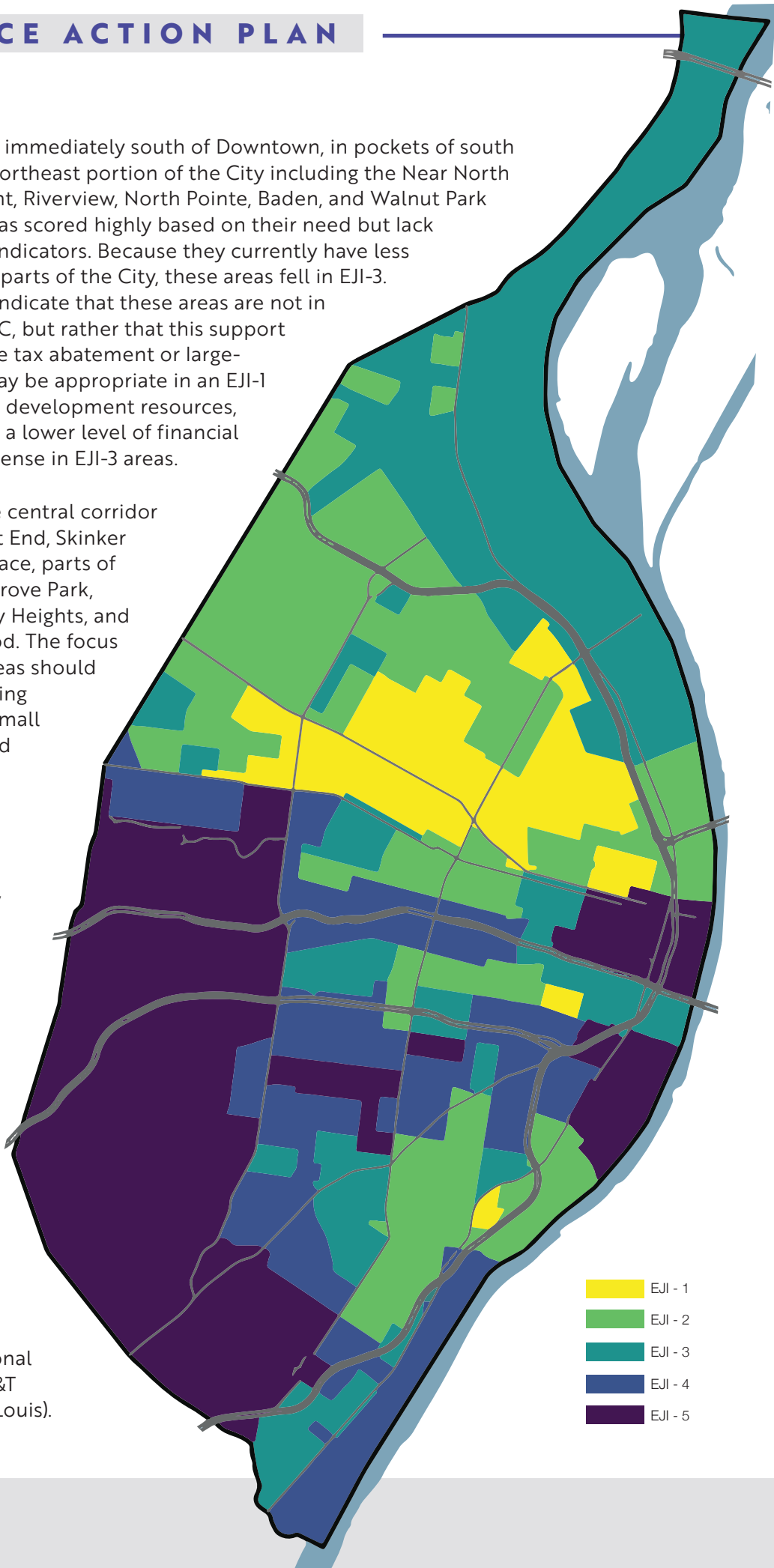
EJI-3 is present in the area immediately south of Downtown, in pockets of south St. Louis city, and on the northeast portion of the City including the Near North Riverfront, North Riverfront, Riverview, North Pointe, Baden, and Walnut Park neighborhoods. These areas scored highly based on their need but lack some of the opportunity indicators. Because they currently have less capacity than some other parts of the City, these areas fell in EJI-3. This delineation is not to indicate that these areas are not in need of support from SLDC, but rather that this support may look differently. While tax abatement or large-scale incentive support may be appropriate in an EJI-1 area, additional workforce development resources, industrial investment, and a lower level of financial support may make more sense in EJI-3 areas.

EJI 4

EJI-4 includes much of the central corridor including the Central West End, Skinker DeBaliviere, DeBaliviere Place, parts of south city around Tower Grove Park, Lafayette Square, McKinley Heights, and the Bevo Mill neighborhood. The focus of SLDC's work in these areas should be geared toward supporting workforce development, small business development, and encouraging affordable housing.

EJI 5

EJI-5 areas include much of Southwest City, Soulard, and Downtown. These areas were shown to have lower need and both historically and currently are supported through traditional lending. Encouraging jobs, supporting workforce development, small-business ownership, and ensuring affordable housing should be the focus of SLDC in these parts of the City. SLDC should also seek to support key catalytic projects in these areas that will spur additional private investment (i.e. AT&T Building in Downtown St. Louis).



Economic Justice Action Plan

5 PRIMARY GOALS

1. Strengthen Neighborhoods
2. Close The Wealth Gap
3. Improve Health & Educational Outcomes
4. Expand The Tax Base
5. Grow The City's Population

3 PILLARS

The Economic Justice Action Plan proposes an unprecedented investment in under-invested communities in St. Louis—particularly North City—and is comprised of three strategic pillars: ***economic empowerment, equitable & inclusive development***, and ***neighborhood transformation***. Each pillar is critical to the future of our city and the region at large.

EMPOWER

business empowerment
workforce development
educational justice

$31M
initial ARPA commitment
+
$30M
phase 2 commitment
=
$61M
investment in Economic Empowerment

DEVELOP

incentive reform site assembly & development commercial corridor revitalization

$27M
initial ARPA commitment
+
$50M
phase 2 commitment
=
$77M
investment in Equitable & Inclusive Development

TRANSFORM

neighborhood capacity building
vacancy & environmental justice
housing accessibility

$38M
initial ARPA commitment
+
$70M
phase 2 commitment
=
$108M
investment in Neighborhood Transformation

$246 MILLION *invested in economic justice before December 31, 2026*

"Each community has its own strengths, assets and capacity to build from."

Implementation Strategies

The work of stabilizing and lifting neighborhoods is expensive, but there are more funds available now than ever before to make an impact.

CONCENTRATED REAL ESTATE INVESTMENT

SLDC will take an aggressive development and redevelopment strategy in concentrated areas for at least 20 years using a variety of incentives and resources. The goal is to utilize LRA property and retain public/non-profit ownership of certain assets to maintain permanent affordability during and after build out. SLDC-staffed agencies may purchase privately-owned properties for this purpose too, but should utilize ones they already own first. CDCs, faith-based organizations, and other non-profit developers are a key piece of this strategy because they may be tasked with project origination, maintaining affordable properties, and providing support to residents throughout implementation and stabilization. SLDC can lead by deploying capital, leveraging private investment, and releasing LRA-owned properties for development of affordable residential and commercial properties, but CDCs and non-profit organizations should be tasked with long-term maintenance and ownership of the assets.

The strategy of transferring ownership from the LRA and City to CDCs, non-profit organizations, and developers should be done in an intentional way that returns unoccupied property to productive use and local ownership is encouraged where possible. Relinquishing control and ownership to local organizations and developers where it makes sense will also free up SLDC resources and staff to focus on deploying funds and properties to leverage development elsewhere in the City. As much as possible, construction and development should be led by small developers and M/WBE contractors and businesses to create a substantial pool of change makers able to bring independent, neighborhood-focused change. Over time, the development environment will take on a life of its own and be less reliant on SLDC and external players to stabilize blocks and neighborhoods.

A FOCUS ON COMMERCIAL DEVELOPMENT

There is little hope of creating a sustainable development environment without private, market-rate construction. In addition to using LRA properties, developers and businesses of varying capacities may require incentives to build or occupy space. Use of CID, TIF, and other financing tools will generate a sustainable pool of money to spur further development and offset increased housing costs for current residents. In the early years of the strategy, it is important that SLDC encourage market-rate, taxable development to ensure funds are generated for the future. The feasibility gap for development will be difficult to overcome, but this can be done using a variety of funding sources.

SLDC should plug the feasibility gap by providing incentives and offering low-cost financing for the developers and/or future homebuyers. SLDC can accomplish this in various ways:

- Provide incentives for minority developers, CDCs, and homebuyers
- Aid in assembling holdout properties near LRA concentrations
- Provide low-cost financing options through NMTC revolving loan
- Provide local tax credit (for syndication) to "right to return" homebuyers
- Encourage employers to provide down payment assistance for homebuyers
- Pursue tax abatement, tax increment financing, and use of other statutory incentive tools

STRENGTHEN RESIDENTIAL HOUSING ACCESSIBILITY

The long-term reinvestment strategy plans for thousands of new residents moving to the City by 2030. Where are all these new residents going to come from? SLDC should encourage people to return to the City by annually granting households a transferable earnings and payroll tax credit that they can use themselves or sell to another individual or business to provide equity for their home purchase. This program would likely be utilized by major employers with significant earnings and payroll tax liabilities. Each household should recoup those costs to the City in less than 3-5 years through their own earnings, property, and sales tax contributions. These households should be encouraged into market-rate housing that is incentivized by SLDC so they generate additional revenue to be used for further development within the area.

St. Louis has an amazing, diverse housing stock dating back to the late 1800's. While some of the area's housing is in good condition, in other areas, decades of disinvestment and intentional neglect have resulted in a lack of housing options for residents. Priority should be placed by SLDC and other city leaders to increase the diverse mix of housing, creating mixed-income neighborhoods that allow all to thrive. SLDC should partner with local organizations and developers to encourage housing that adds new options to the market, increasing the variety across the city and creating neighborhoods that provide access to housing for all St. Louisans.

MARKET-RATE HOUSING: Market rate properties are non-subsidized properties, for which residents pay market rate rents or purchase properties at market value.

WORKFORCE HOUSING: Workforce housing is housing that is affordable for those earning between 80% and 120% of area median income, or AMI. Households in workforce housing typically earn too much to qualify for programs under HUD but are often unable to afford most quality market-rate apartments. Workforce Housing is sometimes called "Attainable Housing" and is often geared towards people like teachers and municipal employees.

AFFORDABLE HOUSING: Affordable Housing is considered housing for which the occupant is paying no more than 30 percent of their income for gross housing costs, including utilities.

SUBSIDIZED HOUSING: Subsidized Housing is a generic term covering all federal, state, or local government programs that reduce the cost of housing for low- and moderate-income residents. Housing can be subsidized in numerous ways—giving tenants a rent voucher, down payment assistance, reduced interest on a mortgage, giving tax credits to encourage investment in low- and moderate-income housing, authorizing tax-exempt bond authority to finance the housing, providing ongoing assistance to reduce the operating costs of housing and others. Subsidized simply means that rents are reduced because of a government program.

> ***"The first step to ameliorating this imbalance in wealth is to understand the roots and patterns of structural, or systemic, racism. This can help us to not repeat the same mistakes and instead create a path of greater racial equity moving forward. ."***
>
> *- International Economic Development Council*

MAXIMIZE COMMUNITY BENEFIT

As part of SLDC's overall investment and development strategy, neighborhood control should be encouraged and stressed. This can be achieved by SLDC financially supporting local organizations and assisting in the completion of neighborhood plans to identify catalytic investments. Concentrated investment around existing transit lines will help improve and strengthen neighborhood mobility connections and workforce mobility. SLDC must transition their relationship with real estate development to one that works with the community to achieve mutual benefit.

Utilizing incentives to facilitate impactful development is one of SLDC's most powerful tools. That being said, it is a tool that can easily be abused by providing too many benefits to a developer and taking away valuable resources from the community. Moving forward, it will be crucial that SLDC minimize the negative impact on the community, grow the economy, and add new residents to the City of St. Louis.

Community Benefits should be strongly considered for incentivized projects per the strategies outlined in this Action Plan. Large developers and businesses negotiate their own incentive packages and SLDC should encourage contributions to the Affordable Housing Trust Fund (similar to strategies with development projects in the central corridor of the City), to infrastructure improvements, mandated hiring practices, or other identified needs. In this way, SLDC will encourage targeted reinvestment paired with the achievement of community goals and the fulfillment of community needs.

ESTABLISH THE ECONOMIC JUSTICE FUND

PURPOSE: The Economic Justice Fund will address the disproportionate impacts of COVID-19 and decades of disinvestment on low-to-moderate income individuals to build wealth and community, addressing the long-term and lasting impacts of historic disinvestment in much of the City of St. Louis.

FUNDING: Initial seed funding will be provided by the American Rescue Plan Act (ARPA) and therefore must abide by the provisions governing those dollars. Additional funding for the Economic Justice Fund will require substantial private and philanthropic support.

GOVERNANCE STRUCTURE: SLDC will manage the Economic Justice Fund and the SLDC Board of Directors will approve all expenditures from the Fund. SLDC will establish a governance structure to set priority projects/initiatives, align private and philanthopic capital to sustain and grow economic justice efforts, review the status of priority projects/initiatives, and provide ongoing reports to community stakeholders and public officials.

THE ECONOMIC JUSTICE FUND WILL FOCUS ON THE IMPLEMENTATION OF THE ECONOMIC JUSTICE ACTION PLAN, ALLOWING FOR ADDITIONAL RESOURCES TO BE LEVERAGED FOR MAXIMUM IMPACT.

THE 3 PILLARS

Economic Empowerment

Invest in an ecosystem that provides opportunities for businesses to launch, grow, and sustain their operations. Create the workforce of the future through mentorship, training, and quality jobs.

$31M	+	$30M	=	$61M
initial ARPA commitment		*phase 2 commitment*		*investment in Economic Empowerment*

Increasing St. Louisans' economic agency requires a multi-pronged strategy that combines workforce development, business empowerment, and educational justice. These build capacity for young people, for those who are unemployed or underemployed, for people seeking growth in their careers, and for entrepreneurs in the community. Investing in economic empowerment makes the city an attractive place to start new businesses and bring quality jobs. An ecosystem that supports economic growth and resilience offers the chance for learning and mentorship, accessing capital and technical assistance, and engaging in networking. This is particularly true among minority and women-owned enterprises, as well as other under-served residents and borrowers in the community.

SLDC can build on existing efforts to promote economic justice by targeting these three key areas of focus: workforce, business, and educational empowerment. The organization is poised to form new partnerships and facilitate programs that build up workforce development opportunities and effectively leverage incentives. They should streamline efforts to provide resources and capital to small businesses and ensure a spectrum of financing is available to firms as they launch, grow, and sustain their businesses long-term. Educational justice ensures a strong future for the city, investing resources in the youth so that they see possibilities for them as residents of St. Louis.

"Don't forget to focus on the high-paying trades, educating youth on the community value and wealth-creating benefits of these careers."

SMALL BUSINESS EMPOWERMENT & SUPPORT

Build a World-Class Small/Women/Minority-Owned Business Ecosystem

1 *Establish an Economic Empowerment Center (EEC) in the City of St. Louis to support and provide resources to small business ecosystem*

- Allocate $1.5M of the Economic Justice Fund to fund initial programming, staff, and on-site programs at the EEC.
- Add 2 full-time positions to the Certification Department and place these staff members at the EEC to provide services.
- Hire a Center Manager who will work with businesses and community members on-site and will coordinate the work of various SLDC employees and partner organizations.
- Rotate staff from the Compliance Team and Business Assistance Center to provide access to these services and resources at the EEC.
- Hire a full-time Grant Specialist to secure additional funding for programming at the EEC to support small-business owners.
- Utilize the Digital Doors online platform to share information and communicate with business owners and community members.
- Fund ongoing EEC costs through licensing and fees as programs and services grow.
- Create a "Business Hotline" phone number and email that provides easy access to EEC resources and city processes without having to be in person. This email/phone should be monitored during work hours by EEC employees.
- Reorganize and reimagine the Business Assistance Center to better serve the small business ecosystem.
- Continue the partnership with the Maryville Works program.

CASE STUDY

KANSAS CITY, MO KC BIZCARE

The City of Kansas City, MO launched a virtual one-stop shop for doing business in Kansas City called KC BizCare. This portal provides information about obtaining a business license, registration requirements, community technical assistance resources, and details about existing business grant and loan programs.

SMALL BUSINESS EMPOWERMENT & SUPPORT

2

Leverage existing technical assistance programs to assist small, minority, and woman-owned businesses (S/W/MBEs) with certification, licensing, tax support, marketing, legal, and other professional services.

- Partner with existing organizations in St. Louis to offer a variety of on-site workshops at the EEC to increase the capacity of existing businesses.
- Contract with the Small Business Empowerment Center and other entrepreneur service organizations to provide back-office support to small businesses within the Empowerment Zone and qualified census tracts.
- Support the St. Louis Small Business Ecosystem work to continue to provide resources to small business owners.

CASE STUDY

AKRON, OH MINORITY
CONTRACTOR CAPITAL ACCESS PROGRAM

The Minority Contractor Capital Access Program (MCCAP) is a collaboration between the Western Reserve Community Fund and the Akron Urban League that provides financial and technical assistance to Akron and Summit County-based minority, women, LGBTQ+, Veteran and Disabled-owned businesses in the construction trades. Eligible businesses apply and are evaluated based on need, experience, and growth potential. Once accepted, those businesses are given the opportunity to apply for financial assistance in the form of short-term loans to pay for costs related to specific construction contracts. This short-term financing can help a construction business scale up and manage the cash flow challenges of the construction draw process.

SMALL BUSINESS PARTNERS

Inclusive economic development should incorporate the knowledge, resources, and willingness of actors from diverse sectors to make access to affordable capital, financial services, and technical assistance more easily obtainable to communities of color and other historically disenfranchised groups. The aim of this approach is simple; target financial and technical resources in a culturally competent manner in order to equalize the opportunity for individuals to build, retain, and pass along generational wealth. Critical actors in this work include Minority Depository Institutions (MDIs), Community Development Financial Institutions (CDFIs), and minority-led business accelerators.

Both St. Louis Community Credit Union (SLCCU) and the Small Business Empowerment Center (SBEC) are strategically aligned and uniquely positioned to address the challenges detailed above for diverse entrepreneurs and small business owners through their assortment of lending tools and expertise. Cooperatively, these partners have launched a comprehensive SBA and conventional business lending platform capable of funding loans as small as $10,000 up to $5 million. Accompanying these loan products is a full range of technical assistance services.

SMALL BUSINESS EMPOWERMENT & SUPPORT

3 *Create a robust network of small business lending and grant offerings to support businesses and economic development efforts.*

- Establish a revolving loan fund to provide small, women-owned, and minoritiy-owned business entities, and non-profits with low-interest loans and long-term capital to start up, mobilize projects, and scale operations. Set aside $2 million from the American Rescue Plan Act to provide the initial funding for this revolving loan fund.
- Hire a full time Business Services Manager who will be responsible for running the revolving loan fund and leading the Business Assistance Center..
- Determine the number of additional Business Development Officers and lending staff that are needed to support increased lending capacity.
- Continue to facilitate direct, low interest, subordinated loans to qualified small businesses in the City through the Local Development Company
- Allocate $5M of Economic Justice Fund toward a new grant program to provide $5,000 grants to reach as many small businesses as possible.
- Partner with the St. Louis CDFI Coalition to discuss the accessibility of capital and identify potential gaps in services.
- Utilize the database created by StartupSTL to offer information about all small business resources, financing, technical assistance, and lending programs. Post this database on the SLDC website and create information flyers to distribute at key City offices, CDCs and Neighborhood Associations.
- Engage local community and minority-owned banks on an annual basis to discuss access to capital landscape and identify potential gaps in services.

CASE STUDY

INVEST ATLANTA SMALL BUSINESS PROGRAMS

Invest Atlanta offers a comprehensive set of 11 small business loan programs to small businesses located in the City of Atlanta. Loans range from $3K to $5M depending on the needs of the small business and the nature of their loan request. Invest Atlanta hosts a single loan application on their website to facilitate easy communication between staff and potential borrowers. The host regular workshops to learn learning how to apply for funding and also produce a one-page informational flyer that is distributed to key partners and business service providers across the City of Atlanta.

SMALL BUSINESS EMPOWERMENT & SUPPORT

4

Work with community partners to offer a community-based real estate program to provide M/WBE developers with access to capital, technical assistance, and mentorship to ensure buildings are redeveloped for and by neighborhood residents/businesses.

- Cultivate a partnership with the Urban Land Institute's Real Estate Diversity Initiative (REDI) program to regularly offer their curriculum at the EEC to minority developers and individuals interested in real estate in the City of St. Louis.
- Utilize the database of existing M/WBE's to identify the individuals and business owners best fit for the REDI program and begin to create a pipeline of participants.
- Coordinate with the existing Contractor Loan Fund through Rise CDFI to offer expanded access to capital for businesses in the construction industry.
- Fund these efforts and any necessary staffing through private and philanthropic support.

WORKFORCE DEVELOPMENT

Train & Connect Workforce to Quality Jobs

1 *Expand the training, accreditation and apprenticeship pipeline, focusing on healthcare professionals, education professionals, transportation and logistics, advanced manufacturing, and the geospatial industry.*

- Utilize partner agencies and non-profit organizations to offer training, accreditation, and apprenticeship programs, serving as the connection between residents and existing opportunities. Replace with:
- Hire a Workforce Manager that will lead workforce development initiatives, working as a liaison with workforce providers to develop training programs, cultivating partnerships with existing agencies, and coordinating long-term funding.
- Hire a full-time Workforce Specialist who will support the Workforce Manager and be the "front-line" individual connecting residents to available opportunities.
- Continue to participate in the Midwest Urban Strategies Group to share regional strategies, best practices, and funding opportunities related to regional workforce development.
- Develop a database of all local unions, including information about apprenticeship and workforce development programs and make available through the EEC and SLDC website
- Work with schools, employers and workforce agencies to develop Career Literacy programs that expose students and young adults to opportunities to pursue a variety of family sustaining career pathways.

WORKFORCE DEVELOPMENT

2

Form strategic partnerships with major employers and educational institutions in the St. Louis region to win federal grants and facilitate job connections for our residents.

- Work with large companies in the City of St. Louis to encourage investment in existing job training programs provided at the Economic Empowerment Center (EEC).
- Coordinate with the Incentives and Compliance Departments to ensure that new developments and large expansions projects encourage and support the employment of city residents.
- Join the St. Louis Anchor Action Network to ensure SLDC is engaging with major employers in the City to support workforce development opportunities.

3

Focus on the expansion of commercial and industrial development in employment centers to bring livable-wage jobs to the City of St. Louis.

- Partner with workforce agencies to offer workforce development and training programs to connect residents to employment and training opportunities.

CASE STUDY

KENTUCKY WORKFORCE DEVELOPMENT

The Kentucky Cabinet for Economic Development administers the Bluegrass State Skills Corp. (BSSC), which assists businesses in establishing industry-specific training programs through grants and tax credit programs. The Skills Training Investment Credit program provides tax credits to offset a portion of approved costs to support skills training to qualified companies. During FY 2021, Skilled Training Investment Credits were issued for $907,010 to 18 companies for 4,087 trainees. Businesses operating in key industries are eligible, including manufacturing, agribusiness, technology, hospital operations, etc.

EXPAND EDUCATION

Expand Access to Quality Education and Economic Opportunity for All Ages

1 *Partner with SLATE, St. Louis Public Schools (SLPS), and St. Louis Youth Jobs to build a year-round youth-to-jobs program.*

- Work with SLATE to market both short-term occupational skills-training programs and long-term training programs (nursing, community college, etc.) directly to SLPS students.
- Workforce Manager will host quarterly meetings with SLATE, SLPS, and St. Louis Youth Jobs to discuss partnership opportunities and work toward a broader youth workforce development strategy.
- Workforce Manager will facilitate developer partnerships with SLPS and/or existing training programs to facilitate on-site training during the construction phase and/or after project completion.
- Work with schools, employers and workforce agencies to develop Career Literacy programs that expose students and young adults to opportunities to pursue a variety of family sustaining career pathways.

2 *Promote educational institutions as community anchors by protecting and strengthening schools located in EJI-1 and EJI-2 areas and creating a plan for reuse of schools that are identified for possible closure by SLPS.*

- Collaborate with neighborhoods to understand the supplemental uses of public school buildings that promote community agency, such as polling locations or community meeting places.
- Work with SLPS leadership to establish clear communication practices for both possible and imminent school closures and offer SLDC resources to help plan for the implications of the possible loss of the community anchor.
- Partner with SLPS to create a pipeline for closed school buildings to be transferred to neighborhood associations, CDCs, or other community-based organizations for immediate reuse or redevelopment to prevent building vacancy and loss of community capacity.

CASE STUDY

DELI STAR, St. Louis, Missouri

When the Deli Star Corporation invested in a new headquarters in St. Louis, a historic community benefits agreement (CBA) was developed between Deli Star and St. Louis Public Schools (SLPS). Several workforce development goals were included in the CBA and offer a road map for future agreements.

WORKFORCE DEVELOPMENT TRAINING: *Deli Star will host an annual 2-day special "SLPS Edition" of its ongoing internal collaborative learning platform known as Deli Star University.*

EMPLOYMENT OPPORTUNITIES: *While conducting hiring activities, Deli Star will ensure that resumes received from SLPS graduates who are above the age of 18 and otherwise qualified receive priority review. Applicants who participated in the SLPS Edition of Deli Star University will be given extra consideration.*

SLPS FOUNDATION CONTRIBUTION: *Deli Star will make a one-time cash contribution to the SLPS Foundation, as well as promote awareness of the Foundation through opportunities for its employees and visitors to the Deli Star premises to make donations and implementing a "round-up for SLPS Foundation" option on invoices and/or a similar insert in sample shipments to highlight Deli Star's commitment to SLPS, education, and reducing food insecurity.*

EXPAND EDUCATION

3

Invest in adult education and literacy, including technology training and digital literacy programs to enable participation in the 21st-century economy and help bridge the digital divide.

- Meet with TechSTL quarterly to discuss what SLDC's role can look like related to technology training and digital literacy.
- Offer public access to computers and high-speed internet at the EEC through the on-site digital lab.
- Consider requiring the installation of high-speed internet or internet accessibility (such as a computer lab) in large developments located in areas with low digital access.
- Partner with community stakeholders to offer adult education workshops at the EEC focused on digital literacy.
- Work with the St. Louis Public Library to connect residents to existing internet resources offered through the library system (hot spots, tablets, etc.).

CASE STUDY

THE KALAMAZOO PROMISE

The Kalamazoo Promise program began in 2005 and was a first of its kind program offering students in the Kalamazoo Public Schools the opportunity to attend college, tuition-free at any in-state, two-year or four-year public college or university if they met the stated residency requirements and graduate from one of the local high schools. The Kalamazoo program has been a success, with eligible students increasing their college enrollment by 9-11% within one year of high school graduation. Other College Promise programs have emerged across the country, many of which including additional requirements. Much of the research around these programs indicates that if college access, as opposed to college choice, is the goal, the Kalamazoo model is the ideal to follow.

Significant research regarding funding and organizational involvement is needed prior to rolling out a College Promise program in St. Louis, but it is a worthwhile step to investigate as a way to encourage St. Louis Public School students to complete high school and go on to additional higher education.

> ***"Economic development has played a role, even if inadvertently, in perpetuating inequality. Yet economic developers can be part of the solution, working to reduce barriers and increase opportunities for communities of color through the more equitable distribution of wealth in these communities."***
>
> *- International Economic Development Council*

EXPAND EDUCATION

4 *Acquire and facilitate the redevelopment of unoccupied school buildings for the economic advancement of historically under-invested residents, businesses, and neighborhoods.*

- Work with the St. Louis Public School's real estate team and local neighborhood associations to create a plan for the future of existing unoccupied SLPS buildings within EJI-1 and EJI-2 Areas that recommends reuse options based on community needs and building conditions.
- Support the acquisition of unoccupied schools to facilitate redevelopment and reuse.

CASE STUDY

Community Forge Pittsburgh

In Pittsburgh, eight individuals collaborated in an effort to convert Johnston Elementary School, which had sat unoccupied since 2013, into a community asset. In 2017, they purchased the school building and collaborated with local residents to create a plan for the school that promoted youth learning, supported employment opportunities and business development, and remained accessible to former students. These efforts evolved into Community Forge, which since its opening in 2018 has hosted over 100 free community events, supported over 40 entrepreneurs and small businesses, piloted several economic development programs for artists and entrepreneurs, and supported neighborhood youth through a youth leadership council.

Community Forge offers an entrepreneurship skills course, a business incubator program, and a computer and technology pathways program. The facility also supports entrepreneurs through the Hub, which provides networking opportunities, business services, and co-working and meeting spaces. The former school playground is maintained as a community resource and public park that is regularly used by community members. The building also provides space for local organizations to offer programs and services to the community, such as childcare or after school and summer programs, and other organizations have office spaces in the building. Community Forge utilizes work-trade agreements in order to offer about 65% of building tenants affordable rents in exchange for volunteer hours. About 75% of building renovations were done by Community Forge staff or community members, with the founders volunteering over 10,000 hours in 2018.

CASE STUDY

AFTER SCHOOL DETROIT

In 2020, the City of Detroit Planning and Development Department led a year-long effort to determine reuse options for the 39 city-owned unoccupied schools based on building conditions, neighborhood characteristics, market conditions, and historical significance. The project resulted in an extensive report and interactive website, both of which provide the public and potential developers with detailed information regarding the schools, recommendations for reuse, and, in some instances, development scenarios that included proposed floor and site plans and a financial overview of estimated redevelopment costs, net operating income, post-development value, and funding gaps.

Property Information available for each school included: Building and lot size; History of construction, rehabilitations, and additions; Existing floor plans with the age of core building components; Primary areas of building distress and the required repairs; History of the school; Photographs of current conditions.

Neighborhood Information for each school included: Walkability and proximity to transit; Proximity to commercial corridors, schools (active and unoccupied), and community amenities within one mile of the school; Condition of properties on adjacent blocks, including unoccupied and Detroit Land Bank Authority properties; Construction activity within one mile; Demographic trends in the neighborhood.

OUTCOMES & IMPACT

The following outputs/impacts are aligned with ARPA funding through 2026.

SMALL BUSINESS EMPOWERMENT & SUPPORT

Build a World-Class Small/Women/Minority-Owned Business Ecosystem

- Serve ***1,000 individuals*** at the EEC per year.
- Help 150 new minority-owned businesses secure business licenses.
- Offer at least 30 workshops at the EEC per year.
- Provide gap funding to ***25 businesses*** through the revolving loan fund.
- Create a robust network of at least ***10 minority developers*** in the City of St. Louis.

WORKFORCE DEVELOPMENT

Train & Connect Workforce to Quality Jobs

- Connect ***500 city residents*** to new training and job-skill development opportunities.

EXPAND EDUCATION

Expand Access to Quality Education and Economic Opportunity for All Ages

- Provide internet access to ***1,000 residents*** in the City of St. Louis at the Economic Empowerment Center.
- Reuse at least 2 unoccupied (recently or long-term) schools as new community resources.
- Present training and educational opportunities to every SLPS high school annually.
- Offer a year round financial and digital literacy program at the ECC each year.

Neighborhood Transformation

Leverage community assets to transform physical, social, and economic aspects of historically disinvested neighborhoods to build their collective capacity and wealth-building opportunities.

$38M
initial ARPA commitment

+

$70M
phase 2 commitment

=

$108M
investment in Neighborhood Transformation

Economic justice at the neighborhood level requires place-based strategies that are supported by adequate resources accessible to those who need them most. Investment must be directed to quality housing, areas of economic and commercial activity, and the land on which the community is built. Each of these components is critical to transforming neighborhoods for the better. A long history of wealth extraction, disinvestment, and environmental damage has created significant challenges that disproportionately affect communities of color. However, there are equally as many opportunities to address these issues.

Actions focus on building capacity and wealth within neighborhoods via increased homeownership, anti-displacement, reactivation of unoccupied land, equitable transit options, urban agriculture, home repair, and more. These tactics can be understood as strategies to advance housing justice, environmental justice, and commercial corridor revitalization. Partnering with other organizations and city departments will be necessary for transformative action across St. Louis. SLDC - and especially the Land Reutilization Authority (LRA) located within the agency - have a strong leadership role to play city-wide in working toward these goals.

MOVING OUR LANGUAGE FROM VACANCY TO OCCUPANCY, FROM A LIABILITY TO AN ASSET,FROM A RESPONSIBILITY TO AN OPPORTUNITY

VACANCY → OCCUPANCY

Capacity building work through a justice lens requires starting from a strengths-based framework rather than a deficit-based mindset. When mentioning what have traditionally been referred to as vacant parcels, the term shifts to “unoccupied” to signal an intentional effort to move these properties from a liability to an asset and from a responsibility to an acknowledge and valued opportunity.

NEIGHBORHOOD CAPACITY BUILDING

Invest in Neighborhood Planning and Community-Driven Implementation

1 *Deploy SLDC staff to support neighborhood planning processes and align financial resources and partnerships for implementation of community-driven plans*

- Hire 7 Neighborhood Managers that will provide direct support and coordination between SLDC and neighborhood organizations and residents.
- Hire 2 additional focused support staff that will support the Project Connect and Small Business efforts in neighborhoods.
- Hold regular meetings between the Neighborhood Managers and leadership of CDCs in their footprint.
- Ensure Neighborhood Managers attend the public neighborhood meetings in their footprint to understand existing capacity and inform residents and leadership of the role of neighborhood managers.

"Create ownership and partnership opportunities in our communities for residents when giving incentives to developers."

NEIGHBORHOOD CAPACITY BUILDING

2

Strengthen neighborhood-based organizations and community development corporations (CDCs) through grants, forgivable loans, organizational capacity support, and mentorship with established organizations.

- Utilize Neighborhood Managers to connect organizations and residents with additional resources, including City resources related to opening a business, securing permits or licensing, and façade grant opportunities.
- Utilize funding to assist CDCs with capacity building and operations.
- Utilize a portion of the $37M corridor funding to work with CDCs to implement catalytic projects that fulfill community needs.
- Expand investment in the Missouri Main Street program to empower residents to drive commercial development along streets and community nodes.
- Work with Invest STL to provide more robust funding to CDCs. Seek outside funding from large corporate funders and major foundations to support the on-the-ground community development work of CDCs.

3

Work with community partners to identify priority buildings for stabilization and development and support projects that meet community needs.

- Work with PDA and community organizations to identify important buildings and create a plan for their future use.
- Prioritize investment in historic buildings by leveraging the Historic Preservation Fund to support this work, prioritizing historic buildings.
- Focus this work on priority corridors and areas identified through the Economic Justice Index.
- Coordinate with the LRA to facilitate the development of LRA properties in neighborhoods.

OCCUPANCY & ENVIRONMENTAL JUSTICE

Activate the City's Unoccupied Land to Accelerate Growth

1 *Modernize the LRA to allow it to better fulfill its mission of managing properties and returning them to productive use.*

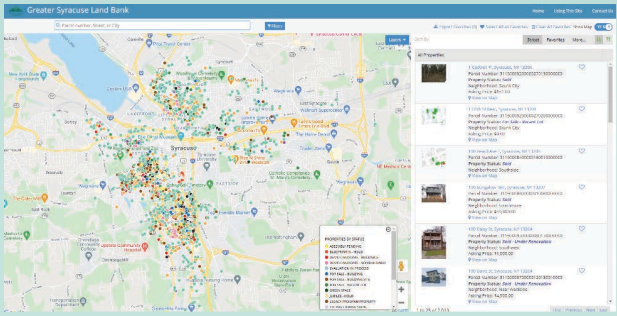
- Prepare and adopt a new Operating Plan for the LRA that includes the agency's goals and corresponding performance measures, programs, and budget for the coming year. Re-evaluate this plan annually.
- Publish an annual report that measures the LRA's progress toward its goals in the operating plan.
- Hire up to 4 staff to reflect the realignment of the organization.
- Utilize $15M in State ARPA funds to conduct a full inventory of LRA's properties.
- Work with the Collector of Revenue to inventory tax-delinquent property and develop strategic enforcement mechanisms for LRA properties.
- Develop a new LRA website, linked from the SLDC website, which contains the STL Vacancy Map, allows for online applications and payments, and details the process of buying LRA property.
- Request additional operating funds for LRA from the Board of Aldermen.
- Integrate all LRA data into the new CityWorks platform (currently Geo St. Louis) to better understand land availability and provide a more transparent and accessible tool to the public.

CASE STUDY

GREATER SYRACUSE LAND BANK

The Greater Syracuse Land Bank has an interactive mapping portal that includes up-to-date information about unoccupied properties. The database includes the following information about each unoccupied parcel:

Parcel Number
Asking Price
Renovation Estimate
Property Status
Neighborhood
Structure Type
In Homeownership
Choice Program Y/N
Number of Bedrooms
Number of Bathrooms
Number of Half-Baths
Number of Stories
Building Total Square Footage
Year Built
Parcel Total Square Footage
Parcel Width
Parcel Length
Zoning District
Acquisition Date
Full Written Description
Interior and Exterior Photos
Lead Disclosure
Contract & Application for Purchase



OCCUPANCY & ENVIRONMENTAL JUSTICE

2 *Fund land maintenance and clean-up, environmental remediation, and clearing of unoccupied lots for strategic redevelopment and empower neighborhood-based organizations' participation and inclusion in the stewardship of LRA properties*

- Implement a new process that informs CDC's and Neighborhood Associations of newly acquired LRA properties and allowed them to be put on "hold pending expression of interest".
- Work with the Vacancy Collaborative to advocate for additional funding for vacancy work in the City of St. Louis.
- Leverage EPA funds and available programs to remediate and prepare unoccupied properties for sale.

3 *Work with other City Departments to improve the city code enforcement process.*

- Proactively connect residents with resources to resolve violations. Leverage existing home repair resources to do this.
- Create a process map of the existing code enforcement system including existing steps and places for improvement.

OCCUPANCY & ENVIRONMENTAL JUSTICE

4 *Fund building stabilization through preservation and rehabilitation when possible, and quality demolition or deconstruction when necessary.*

- Provide grants and forgivable loans for projects in historic buildings and neighborhoods within Qualified Census Tracts and EJI-1 and EJI-2 areas.
- In qualified census tracks and EJI 1 and EJI 2 areas, assist PDA and other relevant departments in the establishment of additional historic districts in St. Louis
- Define a demolition standard to assess condition of LRA properties and create a strategy for future demolition decisions.
- Formalize existing partnership with the Building Division to continue the stabilization and board-up efforts on LRA properties.
- Define a comprehensive maintenance program that includes target standards for maintenance and stabilization for all properties in the LRA inventory.
- Work with the Cultural Resources Office and Preservation Board to utilize the 2014 "demolition by neglect" ordinance to target the owners of historic buildings to bill owners for emergency repairs.

5 *Invest in urban agriculture, community open spaces, greenways, and green infrastructure.*

- Strengthen the LRA garden lease program and work with neighborhood organizations to protect and develop community-driven food production in designated areas.

CASE STUDY

LAND BANK OF KANSAS CITY, MO

The KCMO Land Bank has established a set of internal policies and procedures related to demolition, including a 50-point checklist for each structure that categorizes structures into one of three categories.

1. *Structures receiving 35 points and above are slated for top-priority demolition.*
2. *Structures receiving 15-35 points may be demolished based on the availability of resources and may also be sold for less than 2/3 market value, based on the value of repairs required.*
3. *Structures receiving less than 15 points will be maintained and must be sold for 2/3 market value or more.*

The demolition checklist includes a variety of criteria which add and subtract points depending on the indicator:

- *Unoccupied lot can be combined with adjoining Land Bank property.*
- *Repair cost to value ratio (based on Repair Estimate form adopted by KCMO).*

St. Louis should pursue a similar demolition criteria checklist that also includes indicators relating to the preference of local Community Development Corporations and compliance with Official City or Neighborhood Plans.

CASE STUDY

STAY MIDTOWN PROGRAM - DETROIT, MI

Stay Midtown is a residential retention program targeted toward Midtown's working class population, offering rental assistance for eligible Midtown residents that are experiencing a housing cost burden due to a recent increase in rent. Residents qualifying for help receive up to $4,500 over a three-year period to bring their total housing expenses down to 30% of their income, a level considered normal under federal guidelines. A little over $400,000 is available to pay incentives, with funding coming from the Kresge Foundation, Ford Foundation and the specialized lender Capital Impact Partners, which also helped design the program.

HOUSING ACCESSIBILITY

Expand Access to Homeownership and Safe, Stable, and Affordable Housing

1 *Increase the pipeline of homeownership and affordable housing opportunities for residents.*

- Establish the Housing Development Fund and utilize $15M of seed money to fill appraisal gaps for homebuyers in distressed markets.
- Engage local and national philanthropic institutions to provide ongoing funding to the Housing Development Fund to create a home ownership grant program for residents in EJI-1 and EJI-2 areas, filling the appraisal gap in key neighborhoods.
- Offer mortgage assistance in historically redlined neighborhoods to promote market-rate homeownership to public sector employees and individuals who moved from the City of St. Louis since 2010.
- Design an inclusionary housing incentive policy to support the development of mixed-income neighborhoods by promoting workforce and low-income rental housing units.
- Offer home buying information and mortgage technical assistance through the Economic Empowerment Center. Ensure at least one staff member knowledgeable of homebuying resources is working primarily out of the EEC to provide access to and guidance through housing assistance services.
- Continue offering the Low-Income Housing Fund which prioritizes low-income housing development in higher-income areas. Seek additional funding for this program.
- Support existing residents with $15k down payment assistance programs for city workers, teachers, police, firemen, and others.
- Facilitate the Post-Secondary Student Housing Program in partnership with local institutions to increase educational attainment opportunities and provide targeted housing financial assistance.

CASE STUDY

PROPERTY TAX ABATEMENT WITH HOME REPAIR PROGRAM - KANSAS CITY, MO

The Economic Development Corporation of Kansas City (EDCKC) through the Land Clearance for Redevelopment Authority (LCRA) offers homeowners the opportunity for a property tax abatement, allowing those who live within a designated Urban Renewal Area (URA) within the city limits of Kansas City, MO to apply to have property tax rates locked in for a period of 10 years. To qualify for the residential property tax abatement, property taxes must be current and paid in full. Additionally, a minimum of $5,000 for repairs and construction must be performed, addressing exterior conditions first. These repairs could include foundation repair, fixing a damaged roof or soffits, upgrading deteriorated electrical or plumbing systems, HVAC upgrades, window replacement, and exterior paint.

HOUSING ACCESSIBILITY

2 *Fund the production and preservation of housing as diverse as our city.*

- Prioritize $4M of ARPA funding devoted to the development of affordable rental units for households that do not exceed 30% AMI.
- Use $10M from American Rescue Plan Act to create a revolving loan fund to finance the creation of additional affordable housing with M/WBE developers in EJI-1 and EJI-2 areas.
- Leverage existing Prop NS funds to rehab LRA properties and develop affordable housing throughout the City.
- Actively market LRA land that is cleared and zoned for residential development.
- Support the Missouri Low Income Housing Tax Credit and the State Historic Tax Credit programs to ensure their continued survival by providing testimony, lobbying assistance, and support as needed.
- Require affordable housing set-asides for market-rate residential or mixed-use developments.
- Collaborate with MHDC to align priorities and support strategic projects in the City of St. Louis.
- Activate the Residential Renovation Loan Commission to direct tax delinquent properties from public auction for the development of additional housing options.
- Require affordable housing set-asides for market-rate residential or mixed-use developments in EJI 4 & EJI 5.

CASE STUDY

MULTI-FAMILY PROPERTY TAX EXEMPTION - SEATTLE, WA

Seattle's Multifamily Property Tax Exemption (MFTE) is available as an incentive program in all areas of Seattle zoned for multi-family and provides up to a 12-year tax exemption on new multifamily buildings in exchange for setting aside between 20% and 25% of a project's units as income and rent-restricted for 10 years.

RESIDENTIAL RENOVATION LOAN COMMISSION

Pursuant to Chapter 67 of the Revised Statutes of Missouri, the City of St. Louis may establish a Residential Renovation Loan Commission, which has the authority to fund renovation activities and is required by the authorizing statute to support homeownership for low-income residents. The Commission may own and sell property, it may select contractors and may, broadly, do all other things necessary to implement and administer the residential renovation program authorized by Sections 67.970 to 67.983 RSMo. Any renovated homes sold by this entity, which were bought from the LRA, must be sold to persons who qualify for low-income housing ownership benefits under federal or state law or both. At least 75% of all residences sold by this entity must also meet the same stipulation with respect to persons who qualify for low-income housing ownership benefits.

This entity can be funded from sources of revenue available to the City in order for it to begin operations. SLDC should work with the City to determine how to create and fund this entity as another way to support homeownership in the City of St. Louis.

3 *Invest in anti-displacement efforts to retain long-term City residents, low-to-moderate income residents, and elderly households.*

- Work with the City of St. Louis to create a formalized rental assistance program that assists residents that are experiencing a housing cost burden. Tie this program to Circuit Breaker Policy so that eligible funds can be reimbursed.
- Allocate a portion of Economic Justice Fund to support rental assistance through low-interest loans.
- Utilize the Property Assessed Clean Energy (PACE) program to reduce energy costs and increase affordability for residents of rental properties and privately owned homes.
- Work with Community Development Administration (CDA) to market the existing Healthy Home Repair Program to eligible households with information available on the SLDC website and through the Economic Empowerment Center.
- Consider granting Tax Abatement for homes that qualify for Healthy Home Repair Program to lessen the burden of increasing property taxes on long-term residents, especially in EJI-1 and EJI-2 areas.

CASE STUDY

PORTLAND, OR RIGHT TO RETURN PROGRAM

The N/NE Neighborhood Housing Strategy is a Portland Housing Bureau initiative to address displacement in North and Northeast Portland through investments in new affordable housing, home ownership opportunities, and home retention programs for longtime residents. In January 2015, community advocacy for affordable housing in the rapidly gentrifying area culminated in a $20 million housing plan from the City of Portland. The City's commitment to housing opportunities for the N/NE Portland community has grown to more than $70 million since then.

A central feature of the strategy is the N/NE Preference Policy, which prioritizes current and former longtime residents of N/NE Portland with generational ties to the community for the City's affordable housing investments. The policy was created to address the harmful impacts of urban renewal by giving preference to housing applicants who were displaced, are at risk of displacement, or are the descendants of families displaced due to urban renewal in N/NE Portland. To be eligible for the down payment assistance loans or to access affordable rental units, applicants must meet income qualifications (30-60% AMI) regardless of preference points or priority status.

SLDC should consider a similar program in partnership with the City of St. Louis to assist first-time homebuyers who were displaced from EJI-1 and EJI-2 areas in the City over the past several decades. Support for these individuals returning to their former neighborhoods helps achieve economic justice and attract residents back to the City. Many of these residents left because of a lack of economic opportunity and the persistence of neighborhood decline. The City should have a program that presents an opportunity to build wealth for those that return to the City as neighborhoods stabilize and transform. In addition, SLDC should work with the City to establish other "right to return programs" such as providing up to 100 households each year with a transferable tax credit of $10,000 if they can provide proof of previous residency in St. Louis.

OUTCOMES & IMPACT

The following outputs/impacts are aligned with ARPA funding through 2026.

NEIGHBORHOOD CAPACITY BUILDING

Invest in Neighborhood Planning and Community-Driven Implementation

- At least 10 neighborhoods have a neighborhood plan from within the past 10 years
- Neighborhood Managers have held at least ***100 community/partnering convenings***
- At least ***1,000 residents*** have participated in the community planning process
- At least 5 CDC's receive substantial support from SLDC
- Continued investment in Main Street Programs

OCCUPANCY & ENVIRONMENTAL JUSTICE

Transform the City's Unoccupied Land From a Liability to an Asset

- Receive additional funding from the Board of Aldermen for LRA operations
- At least ***10% of LRA unoccupied lot inventory has been stabilized***, and/or activated
- Increase the land used for greenways, community gardens, or other green uses

HOUSING ACCESSIBILITY

Expand Access to Homeownership and Safe, Stable, and Affordable Housing

- Development of at least ***1,000 additional housing units***.
- Offer at least 40 homebuyer education sessions (pre-and post-closing) through partner organizations
- Provide ***access to home repair*** assistance programs to at least 100 residents
- Provide access to the PACE program for at least 100 residents

Equitable & Inclusive Development

Leverage real estate development and business retention, expansion, and attraction ("BREA") efforts to catalyze equitable and inclusive economic growth.

$27M
initial ARPA commitment

+

$50M
phase 2 commitment

=

$77M
investment in Equitable & Inclusive Development

Real estate development is a key determinant of community well-being, impacting the character and capacity of neighborhoods for decades into the future. A city's development patterns and priorities drive outcomes for businesses and residents alike, and past development choices often act as a barrier to creating livable places in the present-day. St. Louis needs principles, policies, and processes that are purposefully directed toward advancing economic justice. Adopting this strategy will set a course for correcting historical decisions that have exacerbated social inequalities and lay a pathway for equitable and inclusive development in the years to come.

Community-driven development approaches, incentives rooted in community need, and improved data collection and transparency support this vision. Providing channels for neighborhood groups, citizens, and small businesses to have genuine and impactful participation can improve the decisions shaping development. Agency-level tactics based on current, community-scale data and public input will be more reflective of the needs and opportunities for change and growth. Actively sharing information, updating policies, and creating openings for engagement serve the larger goal of economic justice. SLDC should position real estate development as an economic engine to drive a robust and resilient economy through equitable, transparent, and accountable community engagement practices, benefits agreements, incentive structures, and data collection. These actions are aligned around a strategy of achieving equitable and inclusive development in every neighborhood.

ECONOMIC DEVELOPMENT INCENTIVE REFORM

Design a More Equitable, Transparent and Accountable Economic Model

1 *Employ consistent principles, policies, and processes to ensure all incentivized and subsidized real estate development and BREA projects are aligned with Economic Justice Action Plan priorities*

- Develop a new equitable economic development incentive model, inclusive of national best practices, in partnership with Baker Tilly.
- Create an online platform that allows for online submission of the application, electronic form completion, online payment of any fees, and completion of annual reports. The platform should be interactive and allow for the integration of application information into a collaborative spreadsheet that allows both the applicant and SLDC to view and update information.
- Incorporate into the online platform a method of collecting and tracking data and establish a procedure for staff to analyze and publish summaries to the public.
- Create a system of review by relevant departments to streamline application review and to ensure requests align with all applicable ordinances and plans for both the city and neighborhoods.
- Ensure projects are included in the project pipeline map and incorporate data from active and completed projects into the annual Economic Justice Scorecard.

2 *Incorporate public input and community benefits into major real estate development and BREA projects*

- Post Draft LCRA agenda at least 5-days ahead of the meeting to ensure transparency.
- For projects exceeding $50M in total project cost or those receiving incentive valued over $5M, at least one public meeting should be held in the neighborhood where the project is located, or the developer must demonstrate public engagement that it has undertaken.
- Create a "menu of options" that can be offered to developers during negotiations to maximize community benefits.
- Post all recordings for public development board meetings (Port, LCRA, LRA, IDA, LDC) via SLDC YouTube page within a week of the meeting being held.

BREA = Business Retention, Expansion, and Attraction

3

Update redevelopment agreements to include M/WBE standards, clawbacks, and robust reporting requirements.

- Require annual reports from all incentive recipients with a development budget greater than $1M. The annual reports should gather standardized information from each recipient including anything required by the Development Agreement associated with the specific project, applicable metrics required by State Law, and a standardized set of metrics for SLDC's tracking purposes.
- Ensure consistent tracking even when a development is sold.
- Enforce penalties for non-compliance with annual reporting requirements.

STANDARDIZED METRICS

How many jobs existed?

What was average salary of those employees?

What is the total investment made to date?

What is the occupancy of the building?

4

Perform City of St. Louis and St. Louis County disparity study to revise M/WBE and workforce development requirements/ ordinances for real estate development projects over $1M.

NEIGHBORHOOD INVENTORY

As part of the neighborhood planning processes, PDA should produce a neighborhood inventory for each geography, providing suggested needs and priority projects that can be included in future CBAs. The data should be collected in cooperation with BPS, Streets Dept, Aldermen, CDCs, and a public input portal and stored in an interactive format such as a web map through ArcGIS Online so that field teams and GIS staff can perform regular updates to keep a running list of needed improvements for budgetary and planning purposes. Project Inventories could include things like:

STREET & ALLEY IMPROVEMENTS

- *Repaving*
- *Restriping*
- *Traffic Calming*
- *Alley Repaving*

SIDEWALK IMPROVEMENTS

- *Sidewalk Paving*
- *Street Trees/Landscaping*
- *Pedestrian Scale*
- *Street Lighting*
- *Street Furniture*
- *ADA Curb Improvements*

TRANSIT IMPROVEMENTS

- *Transit Shelters*
- *Trash Cans*
- *Benches*

ECONOMIC DEVELOPMENT INCENTIVE REFORM

5 *Invest in data and transparency around incentives.*

- Investigate needed upgrades to technology system at SLDC offices so board meetings can be recorded and published online in a timely manner.
- Work with the building division to develop a city-wide property registry to ensure information about properties is up-to-date and available.
- Aggregate information about TIF Districts, Chapter 99, CID, SBD, planning areas, incentives, and other public funding programs and integrate this data into existing public-facing platforms, such as the Assessor's Property Search and Geo St. Louis.
- Work with PDA to create and publish an online city-wide development and community asset map.
- Employ a GIS analyst that will work in the Incentives Department to track and make accessible all data related to incentive projects.
- Continue the partnership with Mastercard to improve data management and usage.

EDGE PROJECT SCORECARD

TOTAL JOBS	40,718
TOTAL CAPITAL INVESTMENT	$7,590,734,238
NUMBER OF PILOTS APPROVED	134
MWBE/LOSB TARGET SPENDING*	$836,370,293
AVERAGE WAGE (PILOTS ONLY)	$62,678
AVERAGE PILOT TERM	10 YEARS
LOCAL TAX REVENUES GENERATED	$1,783,251,293
TOTAL TAX ABATED	$809,500,899
BENEFIT TO COST RATIO	2.20
INCENTIVE AMOUNT PER JOB PER YEAR	$3,139
NUMBER OF TIFS APPROVED	5
NUMBER OF LOANS APPROVED	78
TOTAL LOAN AMOUNT	$4,914,330
NUMBER OF BONDS APPROVED	11
TOTAL BOND AMOUNT	$540,737,850
NUMBER OF OTHERS APPROVED	221

*APPLIES TO PILOTS APPROVED PRIOR TO JULY 1, 2017

CASE STUDY

MEMPHIS EDGE PROJECT DATABASE

The Economic Development Growth Engine (EDGE) for Memphis & Shelby County hosts a project database on their website with a scorecard on the projects they have approved for financing and incentives. Users can see a detailed description, metrics, and applicable documents for each project as well as view the combined data for all EDGE activities. Information can be sorted by project, financing type (TIF, Bond, Loan), or location.

PROACTIVE SITE ASSEMBLY & DEVELOPMENT

Identify, Assemble, and Stabilize Property to Attract Catalytic Development

1

Strategically acquire private and public property for the redevelopment of contiguous sites to meet community needs. Where needed, clear and remediate land and fund site preparation and infrastructure improvements to attract development.

- Concentrate on blocks where LRA/LCRA own a high percentage of parcels. Market these parcels collectively to master developers that can facilitate large-scale residential redevelopments that prioritize community assets.
- Target priority corridors and intersections with opportunities for 4-corner commercial development with the goal of creating additional neighborhood-scale, mixed-use, and walkable corridors with transit access.
- Target key properties and surface parking lots in Downtown and adjacent areas that are currently underutilized and ideal for more dense development (both residential and commercial).
- Conduct an analysis of the susceptibility to change of key areas to ensure property assemblage only occurs where development is likely in the near-term.
- Assemble and prepare industrial sites to create opportunities for new manufacturing jobs.

2

Proactively market parcels and development opportunities identified as community priorities to developers with incentives with pre-established guidelines.

- Work with the team at SLDC to market these opportunities to minority-developers in the City of St. Louis.
- Market unique and high potential development opportunities nationally.
- Stabilize and complete pre-development of properties already owned by an SLDC agency or the City to include, but not limited to, Wellston Loop Station, Sara Lou Cafe, Club Imperial, Chuck Berry House, Municipal Courts, and the former St. Louis Metropolitan Police Headquarters.

COMMERCIAL CORRIDOR REVITALIZATION

Remove Barriers and Expand Equitable Access to Economic Growth through the Development of Commercial Corridors

1 *Invest in infrastructure improvements to create safer connections between neighborhoods.*

- Ensure needed infrastructure investments are incorporated into future Development Agreements.
- Require investment in adjacent transportation assets for developments seeking incentives with a total project cost exceeding $10M.
- Prioritize infrastructure improvements that connect Downtown and the surrounding neighborhoods.
- Allocate a portion of the Economic Justice Fund to invest in infrastructure in EJI-1 and EJI-2 areas to encourage development.
- Prioritize using Tax Increment Financing to finance costs related to infrastructure, such as street paving, streetlights, sidewalk improvements, and improving public places.
- Encourage use of CID/ TDD to invest in ongoing infrastructure needs in alignment with neighborhood plans.

INTEGRATING TRANSIT INTO REDEVELOPMENT AGREEMENTS

Designating LRA properties for transit hubs and transit-oriented amenities now will pay dividends in the long run as EJI-1 and EJI-2 areas build out and redevelop. For areas where this is not possible (or where LRA properties are scarce or poorly situated), stipulating that a redevelopment project require such amenities through the associated Redevelopment Agreement may achieve the same objective.

Just as Redevelopment Agreements often require infrastructure investment in the form of utilities, sidewalks, and street paving, SLDC should integrate improvements to transit stops into future Redevelopment Agreements for projects over $10M in total estimated project cost. For a relatively small investment, these developments can have a large impact on the rider experience and transit access. Integrating rider amenities such as benches, bike racks, and shelters can help improve the experience and encourage the use of public transportation.

SLDC should coordinate with Bi-State Development to identify public transit needs. Incorporating Bi-State Development into the planning for the Economic Empowerment Center will help ensure that transit riders have access to needed services.

COMMERCIAL CORRIDOR REVITALIZATION

2 *Develop the MLK corridor into an innovation, cultural, arts, and business district that promotes the advancement of Black residents and businesses.*

- Open the Economic Empowerment Center on the MLK corridor to offer access to resources to residents.
- Facilitate the redevelopment of commercial buildings on the corridor by incentivizing those that will offer low-cost rental options to local business owners.
- Utilize ARPA funding to implement the Great Streets roadway improvements, seeking to create a dense, pedestrian-safe environment with increased transit access.

CASE STUDY

SET UP SHOP – ANCHORAGE

The Anchorage Community Land Trust (ACLT) focuses their efforts on community wealth building through investments in commercial corridors and supporting and developing strong, locally-owned small businesses. Though originally formed to work with the community of Mountain View as a more traditional community land trust with some added focus on economic development, for the past five years ACLT has expanded its work to include five communities in northern Anchorage and prioritizes economic development ahead of real estate development. ACLT focuses on four strategies: organizing, neighborhood improvements, targeted programs, and real estate. ACLT commits to being involved with the neighborhoods and communities in which they work longterm and empowers residents to guide their priorities and focus their work. The ACLT portfolio consists of a number of commercial properties, but the commercial properties are intended to support their economic development goals and the desires of the communities.

Set Up Shop, ACLT's primary economic development program, offers training, technical assistance, and financial lending programs for entrepreneurs and small businesses. Set Up Shop offers six-week training courses for cohorts of 10-15 people, and has graduated 17 cohorts since the program began. Additionally, Anchorage Online Bootcamp is a free program offered through Set Up Shop that helps businesses improve their online presence. Set Up Shop also supports entrepreneurs through a lending program that provides small business loans for entrepreneurs. The loans are targeted at businesses and entrepreneurs that cannot access traditional capital due to market constraints or credit challenges, and since its inception, the program has lent over $300,000. Additional consultation support is provided through Set Up Shop at discounted rates or pro-bono to help individually address the needs of each entrepreneur or business. Set Up Shop also supports businesses in finding real estate for their work through consultations, lease reviews, leasing out CLT property, and other services.

ACLT has broken out of the traditional land trust model to address the needs of the northern Anchorage community. ACLT focuses on building generational wealth from within neighborhoods and supports this with their emphasis on supporting small businesses and entrepreneurs. These efforts are then complemented by the ACLT's land ownership, allowing the lease of commercial space at affordable rental rates.

COMMERCIAL CORRIDOR REVITALIZATION

3 *Support commercial development in the core of Downtown, Downtown West, and Near North Side.*

- Continue to offer the façade improvement program to assist property owners with renovation and improvement of retail façades.
- Incentivize retail development in these areas to activate street frontage and provide services for residents.
- Utilize ARPA dollars to stabilize large unoccupied buildings in Downtown and help facilitate future renovations.
- Support the development of new products to the residential market (i.e., live-work units, micro-units, etc.).

OUTCOMES & IMPACT

The following outputs/impacts are aligned with ARPA funding through 2026.

ECONOMIC DEVELOPMENT INCENTIVE REFORM

Design a More Equitable, Transparent and Accountable Economic Model

- Utilize incentives to attract or facilitate ***10 new commercial or industrial developments*** in EJI-1 or EJI-2 areas.
- Employ consistent principles, policies, and processes to ensure incentivized real estate development is aligned with Economic Justice Action Plan priorities.
- Seek to incorporate at least 1,000 community members into public input sessions related to major real estate development projects each year.
- Update redevelopment agreements to include M/WBE standard, clawbacks, and robust reporting requirements.

PROACTIVE SITE ASSEMBLY & DEVELOPMENT

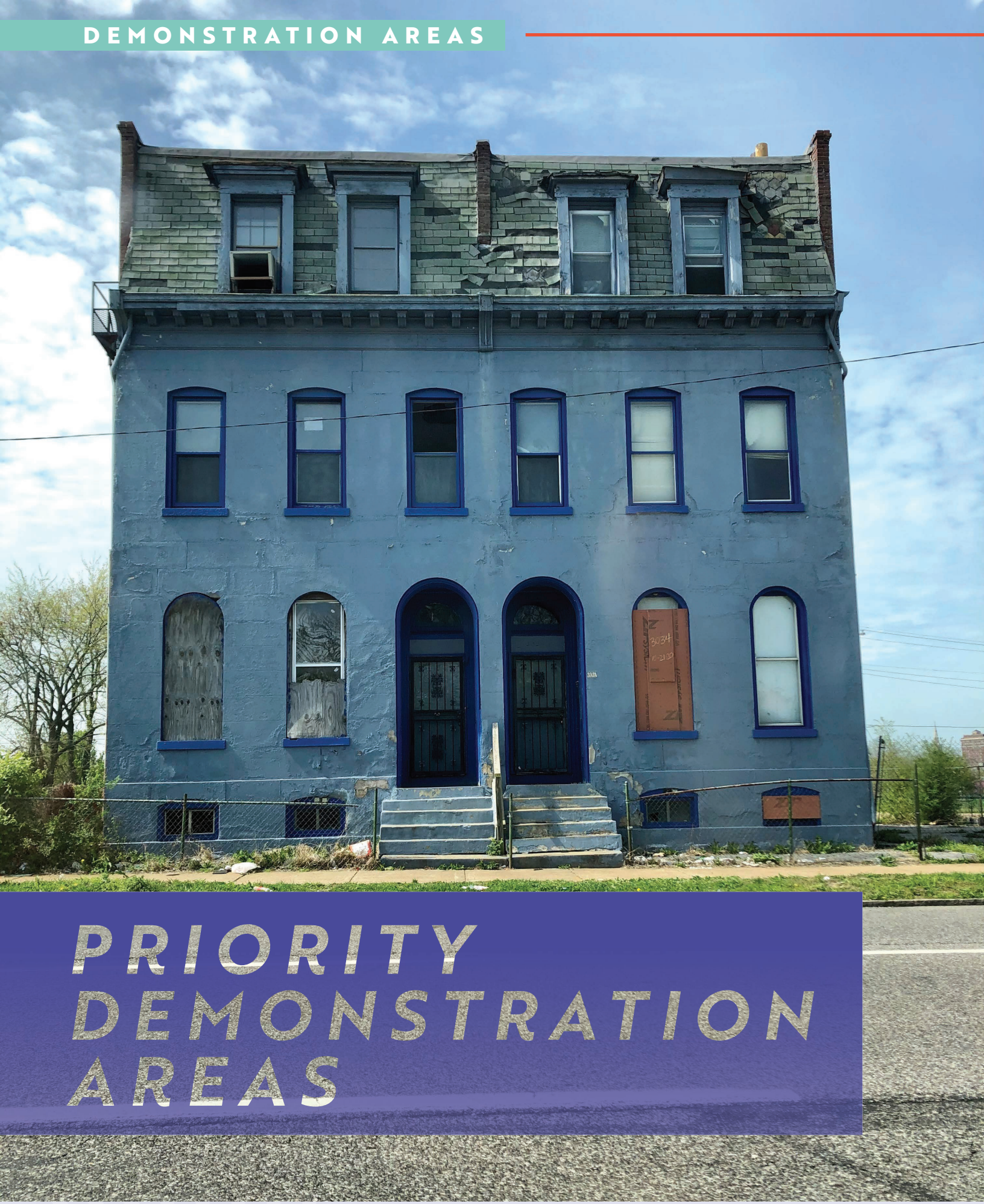
Identify, Assemble, and Stabilize Property to Attract Catalytic Development

- ***Assemble at least 2 sites*** suitable for community-focused commercial development.
- Identify and stabilize priority redevelopment sites throughout the city including Wellston Loop Station, Sara Lou Cafe, Club Imperial, Chuck Berry House, Municipal Courts, and the former St. Louis Metropolitan Police Headquarters.
- Actively assemble underutilized industrial parcels to create larger "ready to build" sites of more than 5 acres able to support the creation of accessible quality jobs.
- Acquire residential properties in high priority areas (according to factors like 50-75% existing LRA ownership; proximity to existing assets/ community assets; increased likelihood of attracting redevelopment).

COMMERCIAL CORRIDOR REVITALIZATION

Remove Barriers and Expand Equitable Access to Economic Growth through the Development of Commercial Corridors

- Reduce office and retail vacancy in Downtown, Downtown West, and Near North Side by 10%.
- Reduce commercial vacancy by 10% in key north city commercial corridors identified in Board Bill 82.
- Support access to affordable for-sale housing options in areas proximate to these corridors through the Housing Stabilization and Neighborhood Access Revolving Loan Fund.
- Complete Project Connect area street improvements including the Jefferson Corridor, Cass Avenue, 20th Street, St. Louis Avenue, and 22nd Street.
- Support the expansion of Northside/ Southside MetroLink to provide better access to downtown from north and south St. Louis neighborhoods along its route.



PRIORITY DEMONSTRATION AREAS

Demonstration Areas

To illustrate how SLDC will advance the five primary goals of the Economic Justice Action Plan, several demonstration areas were selected, each representing differing degrees of disinvestment, low occupancy, and overall need. Additionally, each demonstration area covers primarily EJI-1 and EJI-2 areas to ensure investment is made in corridors and neighborhoods that have a combination of opportunity and need.

TO FOCUS SLDC'S DEVELOPMENT EFFORTS AND BETTER UNDERSTAND HOW ECONOMIC JUSTICE CAN BE ACHIEVED, FOUR DEMONSTRATION AREAS WERE SELECTED –

MLK CORRIDOR, WALNUT PARK, DUTCHTOWN, AND PROJECT CONNECT.

The demonstrations show what is possible by focusing public and private investment along commercial corridors and adjacent neighborhoods. SLDC will use a combination of local statutory incentive tools and federal and state programs to leverage private, taxable development that will generate additional public funds dedicated to further empowerment and transformation. The objective of this approach is two-fold: to stabilize the local real estate market to support private and unsubsidized investment and to empower residents and businesses to grow personal and neighborhood wealth.

In the demonstration areas, dedicated investment in new construction and renovation of unoccupied lots and buildings will be necessary to increase demand and attract private, taxable real estate investment. Additional funding will be utilized to support residents and property owners in updating and investing in their own properties. SLDC will also prioritize resident and business empowerment programs in the demonstration areas, including those that will ensure residents have the opportunity to increase their income and build wealth through homeownership and business ownership. Combined, these initial public investments will help stabilize these neighborhoods, spur growth, and ultimately attract further private investment and generate additional public revenue for further reinvestment nearby.

Although SLDC's Economic Justice Action Plan will be utilized throughout the City in the years to come, the demonstration areas provide an opportunity to explore what each of the Plan's three pillars looks like in practice. We will demonstrate Equitable & Inclusive Development in the Dr. Martin Luther King Drive ("MLK") Corridor and Walnut Park area, Economic Empowerment in Dutchtown, and Neighborhood Transformation in the neighborhoods around Project Connect and Walnut Park.

- *Equitable & Inclusive Development on the MLK Corridor and in Walnut Park*
- *Economic Empowerment in Dutchtown*
- *Neighborhood Transformation in the Project Connect neighborhoods*

Martin Luther King Blvd

The Dr. Martin Luther King Drive corridor is home to thousands of long-time St. Louis residents and many businesses and institutions. The corridor stretches from north of Downtown to the western city limits crossing the city from east to west for nearly 6 miles. While the corridor was once a thriving street lined with businesses and a dense residential environment, due to systemic factors like redlining and white flight, the street today lacks vibrancy and economic strength. Much of the land is unoccupied and there is significant LRA land ownership in the area. Residents, on average, have a lower household income than the city as a whole and the area lacks job opportunities and access to workforce development. This area scored extremely high on the indicators regarding need.

The presence of organizations that add capacity to the area helped the corridor score well in terms of opportunity indicators. North Newstead Association, Tandy Neighborhood Improvement Association, Tabernacle Community Development Corporation, Ville Collaborative, Revitalization 2000 Inc., Northside Community Housing, Inc., Park Central Development Corporation, Friends of Fountain Park, Better Family Life, Kingshighway Center SBD, Hamilton Heights Neighborhood Organization, Inc., and the Wellston Loop Community Development Corporation all have a footprint in this area and provide a great deal of potential support for future investment.

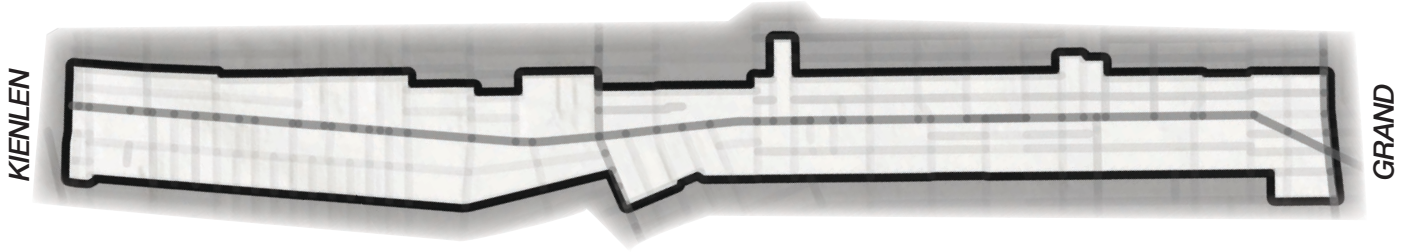
The portion of the MLK corridor utilized as a demonstration area stretches from North Grand Boulevard to the east to the St. Louis City limit to the west. The demonstration area includes the commercial corridor itself, as well as two blocks to both the north and south to include a mixture of commercial and residential land uses. With recent investment by SLDC and others, the corridor has the potential to create a strong, connected north St. Louis.

3,924
RESIDENTS

1,916
JOBS

$55,000
MEDIAN HOME VALUE

40%
VACANT LOTS



At its core, equitable real estate development reduces the disparity in market demand in neighborhoods that have faced systemically racist development, lending, and investment practices through the dedication of significant local, federal, and philanthropic funds. In addition to focusing on geography to advance equity, an inclusive approach will prioritize local and minority developers, contractors, and businesses to ensure that minority and resident stakeholders have an opportunity to financially benefit from revitalization and build wealth.

Though the high level of vacancy and public ownership of land and buildings along the MLK corridor can be seen as a weakness, it provides an opportunity for SLDC to leverage public and philanthropic funds to convert LRA lots and buildings back into productive use in partnership with Community Development Corporations or other local or nonprofit entities with sufficient capacity. This strategy has three primary benefits: long-term affordability, local control, and increased capacity of local organizations.

One important piece of the Equitable and Inclusive Development Pillar deals with preventing displacement as the local real estate market stabilizes and grows. Rent and sale prices of residential units and commercial spaces will follow the market and over time could place these spaces out of reach for current residents and businesses. The creation of permanently affordable units is most feasible prior to the increase in property values and utilizing land that is already publicly owned. This approach does not exclude LRA lots from being sold for private, taxable residential or commercial development, but it does mean that a certain number of units could be preserved for long-term affordability to combat displacement.

Local control is a key aspect of Economic Justice because the opportunity to plan and control urban development has been historically denied to those at the local level. As a result, partnership with mission-driven and community-driven developers such as CDCs will ensure that development responds to the needs and interests of residents and the community.

Capacity building of CDCs and other local organizations is crucial to ensuring the ability of a community to continue these efforts beyond the initial phases of investment. Through their partnerships, SLDC will strive to help local organizations create sustainable revenue streams that will allow these organizations to continue to engage with the neighborhoods they represent and contribute to or lead projects that result in lasting, community-driven transformation.

Another integral piece of developing the MLK corridor is the utilization of statutory tools such as Tax Increment Financing ("TIF") and Community Improvement Districts ("CIDs") to produce revenue for future projects and programs. Currently, SLDC has access to significant funds through the American Recovery Plan Act ("ARPA") that will be used to advance Economic Justice. However, these funds only provide a temporary boost and, if spread evenly throughout the City, may not result in significant long-term gains for neighborhoods.

Through the use of TIF and CIDs, the investment of ARPA funds in the short-term into taxable development projects with a portion of that revenue captured by TIF and CID can develop long-term public revenue set aside for economic justice. This revenue could be used to help expand CDC capacity, invest in affordable housing, attract additional private investment, or any number of other possibilities. The same principle would apply to the use of Opportunity Zones, New Market Tax Credits, Historic Tax Credits, and any other tools that could support the development of taxable projects in TIFs and CIDs.

EQUITABLE & INCLUSIVE DEVELOPMENT

Economic Development Incentive Reform in Action on the MLK Corridor

Making the incentive process more accessible to businesses and developers will assist development along the MLK Corridor. A more expedient incentive process can reduce additional costs on incentive recipients and other efforts that ensure smaller, community-based, or minority-owned developers have greater access to incentives. Equitable and inclusive development is dependent upon expanding the pool of potential incentive recipients beyond those that typically have access to, and the capacity to apply for, incentives.

An online platform for ease of access, data tracking on projects, and the display of a project pipeline map to improve transparency are all ways that more equitable and inclusive development can occur.

As neighborhood plans are completed along the MLK corridor, a menu of options for community benefits will ensure the wishes of the community are incorporated into incentive agreements without delaying projects unnecessarily. For larger projects exceeding $50M in total project cost, at least one public meeting will be held to incorporate public feedback into the process. Additionally, incentive recipients exceeding $1M in total project cost will require annual reports to track any applicable metrics such as jobs created or retained, average wage, total investment to date, and M/WBE participation, if applicable. In order to improve transparency, a publicly accessible, user-friendly online platform will track data on projects underway and in the pipeline. Data collection and tracking along the MLK corridor will be important to answer two primary questions: (1) where do we incentivize projects and (2) how are we doing? Factors influencing the "where to incentivize" question would include:

- Where is there a concentration of LRA lots?
- Where is there an existing concentration of business and development activity?
- Where does the neighborhood want to see development?

Factors influencing the "how are we doing" question would include:

- Is there a sufficient number of affordable units?
- Have community benefits been secured?
- How many jobs have been created and at what wage?
- What was the total investment?
- Does the CDC or other neighborhood-level entity have greater capacity?

Proactive Site Assembly & Development in Action on the MLK Corridor

The prevalence of LRA-owned lots and buildings is an opportunity for developing permanently affordable properties and helping CDCs and other neighborhood entities build capacity. For the lots with development potential, SLDC will pursue funding options for remediating buildings and sites where possible to lower the barrier for future development. Ultimately, if a small number of LRA lots are what's holding a development back, they should be sold or exchanged. If a few private lots are left on an otherwise LRA-owned block, SLDC will explore using TIF, CID, or other funds, to assemble the lots into a larger site.

The strategic acquisition of lots for future development should be done in accordance with neighborhood plans and the City's strategic land use plan. SLDC's Neighborhood Managers will frequently communicate and perform outreach with local developers, CDCs, and businesses to make connections or SLDC to pursue and assist. Neighborhood Managers will be SLDC's ears on the ground to connect projects with resources, such as information on eligibility and approval processes for particular funding sources. A clear database of LRA-owned properties, a map of incentive areas, and guides for approval processes will be the tools of the Neighborhood Managers.

Commercial Corridor Revitalization in Action on the MLK Corridor

Along MLK, and other corridors throughout the City, a "Corridor First" model will be the target of SLDC's targeted investments. One of the City's greatest strengths is its neighborhoods, and many of them have vibrant commercial corridors at their center. A Corridor First model focuses on commercial investment along existing transit and auto transportation routes first and then uses the resulting momentum to assist in residential revitalization.

By using a combination of TIF and CID, among other local tools, SLDC can attract investment to commercial corridors and build a foundation of commercial and mixed-use development that will generate revenue for future projects. That revenue can be used to fund additional projects, help CDCs build capacity, and create below market-rate opportunities for housing and small businesses. SLDC will require an investment into adjacent transportation assets for incentivized projects that exceed $10M in total costs. This will ensure that corridors have safe and comfortable transit facilities to make the new developments accessible to everyone.

"Businesses need access to capital at reasonable rates."

MLK Corridor by the Numbers

The MLK demonstration area currently contains approximately 4,000 residents, 218 businesses, and 1,916 jobs. About 40% of lots and 30% of structures are unoccupied. For this demonstration, it is assumed that within a 20-year timeframe, ***around 50% of the unoccupied lots and buildings will be occupied.*** A number of LRA-owned properties are scattered throughout the corridor and their development will be incentivized first, followed by privately owned unoccupied properties whenever possible.

Through concentrated investments using public, private, and philanthropic funds and strong partnerships, SLDC can target the construction of ***28 new housing units*** and 13,000 commercial square feet, and the ***renovation of 18 housing units*** and 7,500 commercial square feet on average ***every year along the MLK corridor***. This number will vary depending on available funding and interest in the market. It is also assumed that there will be development occurring without SLDC's assistance during this timeframe as the market strengthens.

To achieve this pace of development, an estimated $15.5M will need to be invested by public and private partners in Year 1 and development costs are expected to rise to $24.5M by Year 20. While traditional bank financing and developer equity will cover a portion of this investment each year, until the market stabilizes, developers will likely depend on public or philanthropic funding to cover the remaining gap. This gap funding will come from a combination of local incentives, federal programs, tax credits, and the Economic Justice Fund.

Quantifying the gap between feasible development and the current real estate market along the MLK corridor is vital to this effort so that SLDC can pursue fundraising, budgeting, and partnerships to fill the need. The ratio of the cost of development to the value of the newly constructed or renovated property was used as a proxy for arriving at a target figure. In Year 1, the gap is roughly 50% of the total investment made, or around $7.9M. By Year 20, the gap is expected to shrink to approximately 23% of the total investment, or $5.5M due to property values and rents rising faster than construction and renovation costs.

Developing 50% of the MLK corridor by Year 20 would ***require approximately $394M*** in 2022 dollars from private, public, and philanthropic sources. The cumulative gap during that 20-year timeframe would total $144M and that should serve as a target for SLDC for fundraising, partnerships, and local incentive programs. The use of a TIF and CID along the MLK corridor could generate approximately $68M from these proposed investments for use in incentivizing additional projects, funding CDC capacity, and financing infrastructure improvements.

To serve Economic Justice along the MLK corridor, SLDC must assist in attracting private and public investment to an area that has been disinvested for decades, and it must ***empower residents and businesses to participate in economic growth*** and have their voices heard. By reserving some LRA properties for affordable residential and commercial opportunities, SLDC is ensuring that many residents and businesses will have the chance to stay and build wealth.

Along the MLK corridor over 20 years, it is projected that SLDC can influence the creation of ***204 affordable housing units*** and provide ***93,000 square feet of affordable commercial space*** for local entrepreneurs. In addition to these units, SLDC can influence the construction and renovation of 575 housing units and approximately 300,000 square feet of market-rate commercial space housing nearly 200 new businesses and 650 new jobs. With appropriate redevelopment agreements and policies in place, M/WBE firms will have the opportunity to build wealth and grow from the construction spending in the area and the City's business assistance grants, loans, and services will allow entrepreneurs and businesses to find a home in the corridor.

ESTIMATED COSTS	YEAR 1	YEAR 5	YEAR 10	YEAR 20
New Home Construction	$ 8.4M	$ 9M	$ 10M	$ 12M
Cumulative New Home Construction	$8.4M	$ 43.7M	$ 91.9M	$ 204M
Home Renovation	$ 3M	$ 3.2M	$ 3.6M	$ 4.3M
Cumulative Home Renovation	$ 3M	$ 15.6M	$ 33M	$73.2M
Commercial New Construction	$ 2.6M	$ 2.8M	$ 3.1M	$ 3.8M
Cumulative New Construction	$ 2.6M	$ 13.8M	$ 29M	$ 64.5M
Commercial Renovation	$ 1.3M	$ 1.4M	$ 1.6M	$ 1.9M
Cumulative Commercial Renovation	$ 1.3M	$ 7M	$ 15M	$ 33M
Total Construction & Renovation	$ 15.3M	$ 16.4M	$ 18.3M	$ 22M
Total Cumulative Construction & Renovation	$ 15.3M	$ 81M	$ 172M	$ 394M

OUTCOMES

IN 20 YEARS, THE MLK CORRIDOR COULD HAVE...

5,949
RESIDENTS

2,409
HOUSING UNITS

2,564
JOBS

232
ANNUAL CONSTRUCTION JOBS

$145.9M
WAGES GENERATED

417
BUSINESSES

831,000 SF
COMMERCIAL SPACE

94,000 SF
AFFORDABLE COMMERCIAL SPACE

NEW TAXES IN YEAR 20:

$34.9M
TAXABLE SALES

$10.8M
REAL PROPERTY TAXES GENERATED

$3.3M
SALES TAX GENERATED

$7.6M
EARNINGS AND PAYROLL TAX GENERATED

The Walnut Park West and Walnut Park East neighborhoods are located at the northern edge of the City of St. Louis, directly abutting St. Louis County. The neighborhoods are southwest of W. Florissant Avenue and east of Interstate 70. The two neighborhoods are split by Riverview Blvd. The neighborhoods are almost entirely residential in nature, with pockets of commercial activity on the edges. The area is adjacent to Calvary Cemetery and, in its early days, was comprised of mostly agricultural land. The turn of the century brought significant development and the area was developed into a dense, working-class residential community.

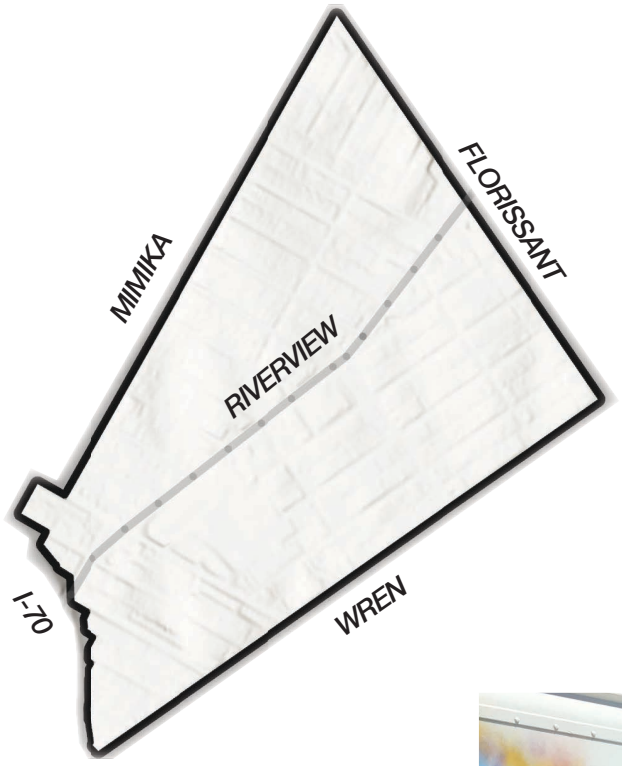
Both neighborhoods are more than 90% African American and have seen little investment in recent years. There is significant vacancy and very little commercial activity. In addition, housing values and median incomes remain far lower than much of the City. As a result, this area scored high in terms of need on the Economic Justice Index. Riverview-West Florissant Development Corporation and North Newstead Association both provide services to residents in the area providing some capacity for the implementation of future projects. The Cure Violence Program was also deployed in Walnut Park beginning in 2021 and has shown early signs of success, reducing violence significantly. With strong neighborhood partners, this part of St. Louis City is ripe for additional investment.

2,578
RESIDENTS

247
JOBS

$67,419
MEDIAN HOME VALUE

25%
VACANT LOTS



The portion of the neighborhoods used as a demonstration area stretches from W. Florissant Avenue to the northeast to I-70 to the southwest and is centered on Riverview Blvd. Northwest Middle School and Gregory Carter Park are both included within the boundary. This area includes portions of EJI-2 and EJI-3, with significant need and less existing capacity.

These neighborhoods represent an opportunity to see Equitable and Inclusive Development in action, bringing in many of the strategies outlined for the MLK Corridor further north to another area that has shown a strong community desire for investment.

"Place viable businesses in the community... there are too many Family Dollars and General Dollars."

Walnut Park by the Numbers

The Walnut Park demonstration area currently contains approximately 2,578 residents and only 247 jobs. About 25% of lots are unoccupied. For this demonstration, it is assumed that within a 20-year timeframe, ***around 50% of the unoccupied lots and buildings will be occupied.*** A number of LRA-owned properties are scattered throughout the area and their development will be incentivized first, shortly followed by privately owned unoccupied properties whenever possible.

Similar to the strategy for the MLK corridor, concentrated investments should be made using public, private, and philanthropic funds and strong partnerships. SLDC can target the construction of ***9 new housing units*** and 5,000 commercial square feet, and the ***renovation of 11 housing units*** and 5,000 commercial square feet on average ***every year within the Walnut Park area.*** This number will vary depending on available funding and interest in the market. It is also assumed that there will be development occurring without SLDC's assistance during this timeframe as the market strengthens.

To achieve this pace of development, an estimated $7M will need to be invested in Year 1 and development costs are expected to rise to $8.9M by Year 20 as construction costs rise, but the neighborhood projects change from new construction-heavy to renovations and maintenance. Until the market stabilizes, developers will likely depend on public or philanthropic funding to cover the remaining gap that traditional lending will not finance. This gap funding will come from a combination of local incentives, federal programs, tax credits, and the Economic Justice Fund.

Quantifying the gap between feasible development and the current real estate market within the Walnut Park demonstration area is vital to this effort so that SLDC can pursue fundraising, budgeting, and partnerships to fill the need. Similar to the MLK corridor, the ratio of the cost of development to the value of the newly constructed or renovated property was used as a proxy for arriving at a target figure. In Year 1, the gap is roughly 51% of the total investment made, or around $2.7M. By Year 20, the gap is expected to shrink to approximately 16% of the total investment, or $1.4M due to property values and rents rising faster than construction and renovation costs.

Developing 50% of the area by Year 20 would ***require approximately $151M*** in 2022 dollars from private, public, and philanthropic sources. The cumulative gap during that 20-year timeframe would total $46.8M and that should serve as a target for SLDC for fundraising, partnerships, and local incentive programs. By using a targeted TIF and CID in the area, an additional $21.6M could be generated for use incentivizing additional projects, funding CDC capacity, and financing infrastructure improvements.

To achieve Economic Justice in Walnut Park, SLDC must assist in attracting private and public investment to an area that has been disinvested for decades, and it must ***empower residents and businesses to participate in this economic growth and have their voices heard***. By reserving some LRA properties for affordable residential and commercial opportunities, SLDC can ensure that many residents and businesses will have the chance to stay and build wealth.

Over 20 years, it is projected that SLDC can influence the creation of ***76 affordable housing units*** and provide ***5,700 square feet of affordable commercial space*** for local entrepreneurs in the Walnut Park area. In addition to these units, SLDC can influence the construction and renovation of 472 housing units ***and approximately 47,000 square feet of market-rate commercial space*** housing nearly 23 new businesses. With appropriate redevelopment agreements and policies in place, M/WBE firms will have the opportunity to build wealth and grow from the construction spending in the area.

ESTIMATED COSTS	YEAR 1	YEAR 5	YEAR 10	YEAR 20
New Home Construction	$ 2.7M	$ 2.9M	$ 3.2M	$ 3.9M
Cumulative New Home Construction	$2.7M	$ 14M	$ 29.5M	$ 65.6M
Home Renovation	$ 2.6M	$ 2.8M	$ 3.1M	$ 3.8M
Cumulative Home Renovation	$ 2.6M	$ 13.8M	$ 27.4M	$62.8M
Commercial New Construction	$ 1M	$ 200K	$ 0M	$ 0M
Cumulative New Construction	$ 1M	$ 3.7M	$ 3.7M	$ 3.7M
Commercial Renovation	$ 825K	$ 893K	$ 269K	$ 328K
Cumulative Commercial Renovation	$ 825K	$ 3.8M	$ 6.1M	$ 9.1M
Total Construction & Renovation	$ 7M	$ 7.1M	$ 7.2M	$ 8.9M
Total Cumulative Construction & Renovation	$ 7M	$ 36.4M	$ 69.9M	$ 151.2M

OUTCOMES

IN 20 YEARS, THE WALNUT PARK AREA COULD HAVE...

3,672
RESIDENTS

1,316
HOUSING UNITS

454
JOBS

84
ANNUAL CONSTRUCTION JOBS

$17.6M
WAGES GENERATED

50
BUSINESSES

75,471 SF
COMMERCIAL SPACE

5,740 SF
AFFORDABLE COMMERCIAL SPACE

NEW TAXES IN YEAR 20:

$2.3M
TAXABLE SALES

$3.8M
REAL PROPERTY TAXES GENERATED

$223K
SALES TAX GENERATED

$796K
EARNINGS AND PAYROLL TAX GENERATED

Dutchtown Neighborhood

The Dutchtown neighborhood is on the south side of the City of St. Louis and is one of the densest areas in the city. Dutchtown is home to a diverse population, a variety of historic architecture, a growing business district, and several well-known local businesses. The neighborhood includes several major corridors including Jefferson, Chippewa, Meramec, Compton, and Grand, creating a mix of small-scale neighborhood commercial land uses and a dense mix of residential housing stock.

According to the 2020 census, the Dutchtown neighborhood is home to over 15,000 residents with a majority minority population. Over a quarter of the population is under 18. Unlike other parts of the city, Dutchtown's building stock is largely intact with very few unoccupied lots, minimal public ownership, and a small-scale development pattern. Though there has been a resurgence of investment in the commercial corridors and historic housing in recent years, the neighborhood still struggles with occupancy, with roughly a quarter of housing units being unoccupied. Increased unemployment numbers and a higher-than-average crime rate have contributed to Dutchtown's increased need for investment. The neighborhood placed very highly on the indicators related to need.

4,097
RESIDENTS

747
JOBS

67
BUSINESSES

Lutheran Development Group, Dutchtown South Community Corporation, Dutchtown Main Streets, and the Dutchtown Community Improvement District all service the Dutchtown area and provide additional capacity for the implementation of projects, increasing their opportunity score. As a result, the area falls within EJI-1 and EJI-2 according to the Economic Justice Index and provide an opportunity for strategic investment and support by SLDC and others.

Economic Justice pertains to more than just real estate development. Ultimately, for residents and businesses to benefit from economic growth, SLDC and its partners have to provide opportunities for personal and entrepreneurial growth. Along with the tasks outlined under the Equitable & Inclusive Development pillar, this demonstration area shows how the Economic Empowerment pillar will be pursued in the Dutchtown area and others.

ECONOMIC EMPOWERMENT

Small Business Empowerment & Support in Action in Dutchtown

For SLDC, small business empowerment starts with aggressively pursuing a world-class Minority and Women-owned Business Enterprise (M/WBE) ecosystem and putting a physical location for economic empowerment where it is needed, starting at Sumner High School in North St Louis. The Economic Empowerment Center (EEC) will serve businesses, whether they are certified M/WBE's or not, with dedicated and rotating staff. The EEC plans to hire 2 new employees to help M/WBE's with certification in addition to a Center Manager to run day-to-day activities and engage with partner organizations and community members.

The EEC will also have rotating staff from the City's Small Business Assistance Center and M/WBE Compliance team. Other hires will include a Grant Specialist to secure funding for programming at the EEC that supports small businesses. The Center will also generate revenue from fees and licensing for its various programs and services as it grows. SLDC also acknowledges that strictly relying on a physical location is not an option today and that virtual participation must be a priority to meet people where they are and avoid time-consuming trips and costly travel for small business owners. Businesses located in the Dutchtown demonstration area will be able to travel to the EEC or attend virtual workshops to help grow their business.

Another key element of the EEC project is that SLDC cannot offer everything a small business needs to pursue growth and build wealth, but through key partnerships, the EEC can host a range of services and resources. The EEC will partner with existing organizations to offer a variety of on-site and virtual workshops to help businesses build their capacity. Specifically, a contract with the Small Business Empowerment Center (SBEC) will provide back-end support to small businesses.

SLDC will also leverage various small business loan and grant programs at its disposal to assist the small businesses involved with the EEC and elsewhere. A revolving loan fund with an initial investment of $2M will be established to provide long-term and startup capital for small businesses. A full-time Business Services Manager will be responsible for this program and additional Business Development Officers will be hired to increase lending capacity. The Local Development Company (LDC) will continue to offer direct, low-interest loans to businesses.

There is a growing small business ecosystem solidifying along Meramec Street in the Dutchtown neighborhood that consists of entrepreneurs that represent the diversity of the neighborhood. There are two main examples of how private and nonprofit enterprises are driving small business startup and innovation activity in Dutchtown: the Urban Eats food incubator, shared kitchen, and marketplace and The Wink, a retail incubator. Urban Eats provides kitchen space for food-related businesses at a price they can afford and a food hall for them to sell their goods and develop their business. Across the street from the shared kitchen, The Wink, located in the historic Winkelmann building, follows a similar model as Urban Eats by allowing retail businesses a chance to have a storefront at an affordable price. These establishments aid small businesses as they go through the City's approval process, and provide affordable space for entrepreneurs to occupy as they are starting their businesses. There are grassroots organizations all over the City, like Urban Eats and The Wink that have the expertise to fulfill many actions described in this Plan and SLDC will partner with these to expand the City's capacity to help small businesses.

One program currently available to aspiring real estate developers is the Real Estate Diversity Initiative (REDI) which seeks to expand the relatively small pool of minority developers in the City. Supporting initiatives like REDI will enable SLDC to serve in an advocacy and financier role to support grassroots real estate development, particularly among minority developers. SLDC can use its existing database of M/WBE's to identify likely candidates for participation in this initiative and others like it.

Through partnerships with local organizations and supportive resources, SLDC will expand its capacity and avoid duplication of services wherever possible.

Workforce Development in Action in Dutchtown

A minimal amount of growth in homeownership and entrepreneurship will take place without SLDC taking an aggressive approach to workforce development. It is also true that the threat of gentrification will be heightened if the economic mobility of the City's most vulnerable residents does not improve. That is why it is vital that SLDC pursue stronger partnerships with partner agencies that offer accreditation, apprenticeship programs, and training to residents. The first step in this process is to hire a Workforce Manager to oversee the performance of SLDC's workforce initiatives and ensure progress is being made.

The Workforce Manager will also pursue strategic partnerships with major employers and educational institutions in the St. Louis region to facilitate job connections for St. Louis' youth and labor force. SLDC and the Workforce Manager will prioritize marketing around connecting youth and the existing labor force with jobs connections and training programs. Through existing organizations working in Dutchtown such as the Cure Violence Initiative, Employment Connection, and the Thomas Dunn Learning Center, SLDC should seek to partner and expand capacity to reach additional residents and offer existing workforce services.

Expand Education in Action in Dutchtown

The Dutchtown neighborhood is the youngest neighborhood in the City of St. Louis with a high number of residents under 18 and a population in high need of additional educational resources. As a means toward investing in the economic empowerment of residents, strategic investment in the educational aspects under the control or influence of SLDC would be prudent.

SLDC should work with SLATE and STL Youth Jobs, two existing functions of City government, to offer additional youth-to-jobs programming, ensuring residents of the Dutchtown area and others have the opportunity to successfully transition from school to the workforce. Forming a close relationship with the St. Louis Public Schools will be a crucial part of coordinating these resources, ensuring that on-site training and information can be offered through the school buildings themselves, bringing the resources directly to the students.

Promoting educational institutions as community anchors will also be particularly important in the priority areas of the City of St. Louis. Where possible, SLDC should seek to collaborate with SLPS to plan for the future of school buildings that are currently in use and consider what is possible for those that are currently unoccupied. By utilizing Neighborhood Managers as the on-the-ground presence of SLDC, the organization can better work to find solutions for these buildings so they no longer sit unoccupied, creating safety issues for nearby residents.

The Economic Empowerment Center should also play a role in furthering SLDC's commitment to education by offering high-speed internet and access to education related programming. Through a continued partnership with TechSTL, the organization should pursue involvement in the installation of public wifi and internet where possible as part of re-development projects and large public investments. While education is not directly in SLDC's purview, it is an important part of economic justice and their commitment to economic empowerment, so the organization should seek to partner with others to make positive steps toward offering resources to residents and ensuring investments by SLDC further this cause.

Dutchtown Neighborhood by the Numbers

The area shown in the map currently contains almost 4,097 residents, 67 businesses, and 747 jobs. Very few lots are unoccupied and most of the unoccupied buildings are privately owned. These privately owned buildings will need to be purchased by agencies affiliated with SLDC, a partner CDC, or nonprofit developer in order to secure them for affordable housing in the long-term.

It is assumed through concentrated investments using public, private, and philanthropic funds and aggressively pursuing partnerships that SLDC can influence the construction of ***8 new housing units***, renovation of 13 homes, construction of 4,000 commercial square feet, and ***renovation of 4,000 square feet on average every year*** until unoccupied building and unoccupied lot inventory runs out. This number will vary depending on the availability of funds and interest in the market. It is also assumed that there will be development occurring without SLDC's assistance during this timeframe as the market strengthens.

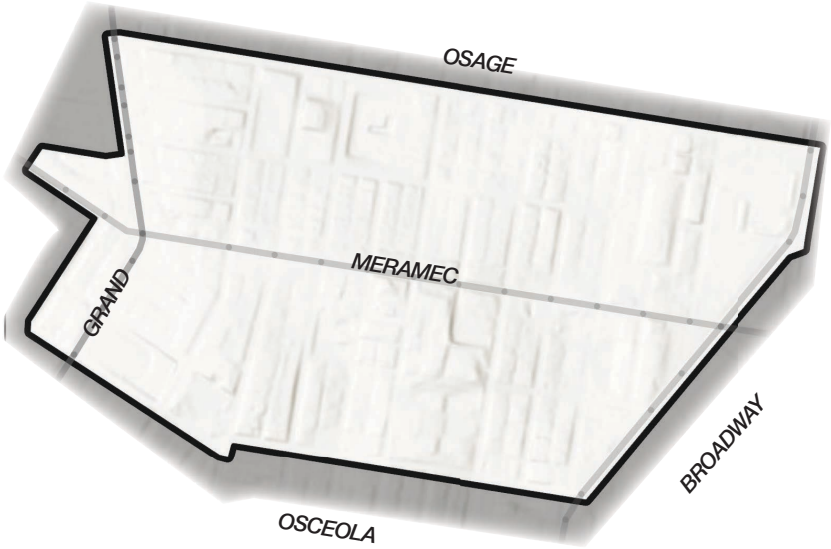
To achieve this pace of development, an estimated ***$7.4M will need to be invested in Year 1*** and development costs are expected to decline to $2.9M by Year 20 due to most unoccupied lots and buildings being full. Each year, it is assumed that traditional bank financing and developer equity will cover a portion of all the investments made, but since this market is currently depressed, the investments will likely depend on non-private funding to cover the remaining gap. This will come from a variety of local incentive tools, federal programs and tax credits, and money from private philanthropic investments through SLDC.

Quantifying the gap between feasible development and the current real estate market in Dutchtown is vital to this effort so that SLDC can pursue fundraising, budgeting, and partnerships to fill the need. A ratio of the cost of new construction/renovation to the value of the newly constructed/renovated property was used as a proxy for arriving at a target figure. The value gap in Year 1 is roughly 41% of the total investment made, or around $3M. This includes projects that are entirely done with non-private funds, particularly those done by CDCs and other nonprofit development entities.

By Year 20, the gap is expected to be eliminated entirely as a portion of the total investment due to property values and rents rising faster than construction and renovation costs. In terms of a dollar amount, the gap in Year 1 is roughly $3M out of $7.4M invested and the gap in Year 20 is $0.00 out of $2.9M invested. One reason the gap is negligible in Year 20 is because the neighborhood will be fully built out and no gap for new construction will need to be filled. The value gap for renovations, already lower than that of new construction projects, will be all that remains to fill in the final years of the sequence.

Fully building out the Dutchtown demonstration area by Year 20 would ***require approximately $123M*** in 2022 dollars from private, public, and philanthropic sources. The cumulative gap during that 20-year timeframe would total $19M. That gap should serve as a target for SLDC for fundraising, partnerships, and local incentive programs. During that same timeframe, a TIF and CID in Dutchtown would generate approximately $26.4M for use on incentivizing projects, funding CDC capacity, and financing infrastructure improvements.

To further Economic Justice in Dutchtown, SLDC must empower residents and businesses to participate in economic growth to build wealth and have their voices heard. By purchasing private, unoccupied property, SLDC and it's affiliated agencies can ensure affordable opportunities for residents and businesses to stay and build wealth.



ESTIMATED COSTS	YEAR 1	YEAR 5	YEAR 10	YEAR 20
New Home Construction	$ 2.4M	$ 2.5M	$ 0M	$ 0M
Cumulative New Home Construction	$ 2.4M	$ 11.2M	$ 11.2M	$ 11.2M
Home Renovation	$ 2.8M	$ 3.2M	$ 3.6M	$ .9M
Cumulative Home Renovation	$ 2.8M	$ 15.5M	$ 32.8M	$ 69.6M
Commercial New Construction	$ .8M	$ .8M	$ .9M	$ 1.1M
Cumulative New Construction	$ .8M	$ 4.1M	$ 8.7M	$ 19.4M
Commercial Renovation	$ .9M	$ .5M	$ .5M	$ .6M
Cumulative Commercial Renovation	$ .9M	$ 3.4M	$ 6.2M	$ 12.6M
Total Investment (Incl Startup Costs and Acquisition)	$ 7.4M	$ 7.7M	$ 5.6M	$ 2.9M
Total Cumulative Investment (Incl Startup Costs and Acquisition)	$ 7.4M	$ 37.2M	$ 64.2M	$ 123.7M

OUTCOMES

In Dutchtown over 20 years, it is projected that SLDC can influence the creation of 76 affordable housing units and provide 25,200 square feet of affordable commercial space for local entrepreneurs. In addition to these units, SLDC can encourage the construction and renovation of 206 market-rate housing units and approximately 84,000 square feet of market-rate commercial space housing nearly 62 new businesses and 136 new jobs. With a focus on workforce development in Dutchtown, many more residents will be able to move up the economic ladder and benefit from growth in their neighborhood.

IN 20 YEARS, DUTCHTOWN COULD HAVE...

4,737
RESIDENTS

2,623
HOUSING UNITS

883
JOBS

29
ANNUAL CONSTRUCTION JOBS

$51.6M
WAGES GENERATED

149
BUSINESSES

147,000 SF
COMMERCIAL SPACE

25,000 SF
AFFORDABLE COMMERCIAL SPACE

NEW TAXES IN YEAR 20:

$6M
TAXABLE SALES

$4.8M
REAL PROPERTY TAXES GENERATED

$.6M
SALES TAX GENERATED

$2.9M
EARNINGS AND PAYROLL TAX GENERATED

Project Connect Area

The National Geospatial Agency is currently constructing a new $1.7 billion, 700,000 square-foot headquarters in north St. Louis. Following a series of buy-outs, investments by the federal government, and relocations of long-time residents, the neighborhoods in and around Project Connect are undergoing tremendous change. As part of a broader effort to plan for these neighborhoods in the future, the Project Connect neighborhoods have come together to ensure future development reflects the current and future needs of residents.

The Project Connect demonstration area is bound on the north by Hebert, east by 19th, south by Carr, and west by Glasgow and is centered on the new government facility being built in the area.

Given high vacancy, high poverty rates, and historic disinvestment, this area scored highly on the indicators of the Economic Justice Index evaluating need and provides a significant opportunity to deploy an equitable economic development strategy as the neighborhood continues to receive investment. The North Newstead Association, North Corridor Collaborative, and Old North St. Louis Restoration Group all have a presence in the area and provide an increased level of capacity for future development efforts.

Pursuing Economic Justice means giving power to neighborhoods, organizations, and residents that have historically been denied a chance to determine their own future. SLDC is committed to empowering local organizations and residents to play a large role in determining the future of their neighborhood. This demonstration area is ideal for depicting how the pillar, Neighborhood Transformation, could impact an area in St. Louis.

3,310
RESIDENTS

471
JOBS

$39,000
MEDIAN HOME VALUE

59%
VACANT LOTS

NEIGHBORHOOD TRANSFORMATION

Neighborhood Capacity Building in Action in the Project Connect Neighborhoods

SLDC will hire seven Neighborhood Managers, each with their own footprint, to provide direct support and coordination between SLDC and neighborhood organizations like community development corporations (CDCs) and nonprofit developers. These Neighborhood Managers will maintain frequent communication with anyone that is pursuing a project or initiative in the Project Connect area to ensure they know about SLDC resources, can apply for assistance, and meet with SLDC staff. These managers will hold regular meetings with leadership at local CDCs and neighborhood organizations in their footprint. They will prioritize prompt communication and passionate customer service to avoid unnecessary delays.

SLDC will commit $2.5M in revolving loan funds to support CDC and neighborhood organization capacity building and utilize a portion of the $37M in corridor funding to help them implement catalytic projects. SLDC will also continue to pursue partnerships through the Missouri Main Street program to empower residents and local leadership to drive development in their neighborhood. Finally, SLDC will work with Invest STL to provide more robust assistance to CDCs and neighborhood organizations in the Project Connect area. SLDC will focus on corridors and concentrations of opportunity sites in the Project Connect area to prioritize projects there and build a foundation for future growth.

By focusing on capacity building of residents and existing organizations, SLDC will help to facilitate neighborhood transformation in the Project Connect area and others.

Vacancy & Environmental Justice in Action in the Project Connect Neighborhoods

Vacancy and environmental justice play a huge role in the potential of neighborhoods in St. Louis. With thousands of vacant properties existing as liabilities currently, SLDC needs to reevaluate LRA and pivot these properties to become assets in neighborhoods, opportunities for future redevelopment and investment in people.

The LRA and its assets are at the core of this action plan and SLDC will create a new Operating Plan that includes the agency's goals, performance metrics, programs, and budget. An annual report will be published to inform the public of the progress the agency is making to build trust and expand transparency. To accomplish these additional annual and ongoing tasks, 4 additional staff will be hired.

A new LRA website will be created to provide the public and development community with fully up-to-date information on available lots, ongoing projects, and details about the LRA lot purchase process. Additional funds will be requested from the Board of Aldermen to accomplish this and LRA data will be integrated into the City's open data portal to be more accessible to the public. Neighborhood Managers will provide information on LRA lots that could potentially be used for locally driven development projects.

CDCs and neighborhood organizations should have the first right of refusal for LRA properties to help them pursue their projects and guide development at the neighborhood level. Local leaders and residents will be proactively connected with resources to help them resolve property violations that plague their neighborhoods. To assist in this endeavor, a process map of the code enforcement system will be created to assist in grassroots enforcement.

To promote historic preservation in the Project Connect area and beyond, SLDC will prioritize incentives for historic buildings and more closely partner with the Building Division to assess conditions of LRA properties and assist with stabilization efforts. Action will be taken to hold absentee property owners of historic buildings to account for violations and emergency repairs.

Housing Accessibility in Action in the Project Connect Neighborhoods

In addition to expanding the capability of residents to build wealth through greater employment and entrepreneurship opportunities, SLDC will encourage homeownership and secure housing for residents in the Project Connect area. Housing accessibility in this area is threefold: providing homeownership opportunities for residents, creating a diverse housing stock, and investing in anti-displacement to keep residents in their homes. With significant vacancy in the Project Connect neighborhoods, ensuring housing accessibility will be crucial to the area's overall success and ability to transform.

SLDC should engage partner organizations and funders to offer mortgage assistance, fill the appraise gap, and offer down-payment assistance to ensure residents have homeownership opportunities. A focus should be placed on created mixed-income neighborhoods to create opportunities across the income spectrum. These resources should be offered at the EEC and online, creating multiple ways for residents to access these tools.

In order to add residents to the City of St. Louis, SLDC should focus on adding new housing units. The organization should prioritize $4M of ARPA funding to the development of affordable rental units for households that do not exceed 30% AMI, use $10M from ARPA to create a revolving loan fund to finance the creation of additional affordable housing with M/WBE developers in EJI-1 and EJI-2 areas, leverage existing Prop NS funds to rehab LRA properties and develop affordable housing throughout the City, and require affordable housing set-asides in market-rate developments. In addition, the organization should work to support existing resources such as the Missouri Low Income Housing Tax Credit and the State Historic Tax Credit programs to ensure their long-term existence.

With a major project like the National Geospatial Agency being developed in the Project Connect area, concerns about displacement and potential gentrification are already top-of-mind. In order to ensure low-to-moderate income residents and elderly households can stay in their homes and in the City of St. Louis, SLDC should work with existing resources to create a formal rental assistance program. Other resources such as the Property Assessed Clean Energy (PACE) program and Healthy Home Repair Program offerings should continue to be marketed to residents, with a focus on the Project Connect area in conjunction with future development.

Project Connect Area by the Numbers

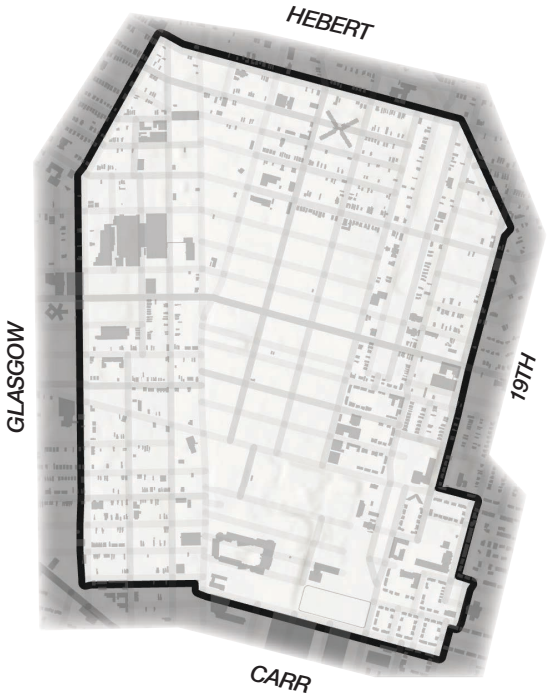
The Project Connect demonstration area currently contains almost 3,306 residents, 71 businesses, and 2,297 jobs. There are very few LRA-owned lots compared to the MLK Corridor. Most of the existing unoccupied properties were obtained by Paul McKee's various development entities as part of the Northside Regeneration project. These privately owned buildings will need to be obtained by SLDC or a partner CDC or nonprofit developer in order to secure them for affordable housing in the long-term or assembled for a different private developer to secure.

It is assumed through concentrated investments using public, private, and philanthropic funds and aggressively pursuing partnerships that SLDC can influence the construction of ***25 new housing units, renovation of 15 housing units***, construction of 10,000 commercial square feet, and renovation of 10,000 square feet on average every year in the Project Connect area until unoccupied building and unoccupied lot inventory runs out. This number will vary depending on the availability of funds and interest in the market. It is also assumed that there will be development occurring without SLDC's assistance during this timeframe as the market strengthens.

To achieve this pace of development, an estimated ***$16.3M will need to be invested in Year 1*** and development costs are expected to rise to $23.8M by Year 20 due to most unoccupied lots and buildings being full. Each year, it is assumed that traditional bank financing and developer equity will cover a portion of all the investments made, but since the market is depressed, the investments will likely depend on non-private funding to cover the remaining gap. This will come from a variety of local incentive tools, federal programs and tax credits, and money from the Economic Justice Fund.

Quantifying the gap between feasible development and the current real estate market in the Project Connect area is vital to this effort so that SLDC can pursue fundraising, budgeting, and partnerships to fill the need. A ratio of the cost of new construction/renovation to the value of the newly constructed/renovated property was used as a proxy for arriving at a target figure. The value gap in Year 1 is roughly 43% of the total investment made, or around $6.9M. This includes projects that are entirely done with non-private funds, particularly those done by CDCs and other nonprofit development entities.

By Year 20, the gap is expected to shrink considerably as a portion of the total investment due to property values and rents rising faster than construction and renovation costs. In terms of a dollar amount, the gap in Year 1 is roughly $6.9M out of $16.3M invested and the gap in Year 20 is $5M out of $23.8M invested.



Building out a significant portion of the Project Connect demonstration area by Year 20 would require ***approximately $387M in 2022 dollars*** from private, public, and philanthropic sources. The cumulative gap during that 20-year timeframe would total $123.6M, which should serve as a target for SLDC for fundraising, partnerships, and local incentive programs. During that same timeframe, a TIF and CID in the area would generate approximately $56M for use on incentivizing projects, funding CDC capacity, and financing infrastructure improvements.

To serve Economic Justice in Dutchtown, SLDC must empower small-scale developers and CDCs to develop affordable housing, expand their capacity, and

build power at the neighborhood level. By obtaining private, unoccupied property, SLDC can ensure affordable opportunities for residents and businesses to stay and build wealth. In the Project Connect area over 20 years, it is projected that SLDC can influence the creation of 223 affordable housing units and provide 112,350 square feet of affordable commercial space for local entrepreneurs. In addition to these units, SLDC can influence the construction and renovation of 520 market-rate housing units and approximately 262,150 square feet of market-rate commercial space housing nearly 155 new businesses and 611 new jobs.

ESTIMATED COSTS	YEAR 1	YEAR 5	YEAR 10	YEAR 20
New Home Construction	$ 2.4M	$ 8.1M	$ 8.9M	$ 10.9M
Cumulative New Home Construction	$2.4M	$ 33.9M	$ 77M	$ 177.1M
Home Renovation	$ 3.3M	$ 3.6M	$ 4M	$ 4.9M
Cumulative Home Renovation	$ 3.3M	$ 17.5M	$ 36.9M	$82M
Commercial New Construction	$ .9M	$ 2.1M	$ 2.3M	$ 2.9M
Cumulative New Construction	$ .9M	$ 9.3M	$ 20.7M	$ 47.4M
Commercial Renovation	$ 2.1M	$ 2.2M	$ 2.5M	$ 3M
Cumulative Commercial Renovation	$ 2.1M	$ 10.9M	$ 22.9M	$ 51M
Total Investment (Incl Startup Costs and Acquisition)	$ 9.6M	$ 17.4M	$ 19.3M	$ 23.8M
Total Cumulative Investment (Incl. Startup Costs & Acquisition)	$ 9.6M	$ 77.1M	$ 169.8M	$ 387.4M

OUTCOMES

IN 20 YEARS, PROJECT CONNECT AREA COULD HAVE...

5,323
RESIDENTS

2,292
HOUSING UNITS

2,908
JOBS

224
ANNUAL CONSTRUCTION JOBS

$166.9M
WAGES GENERATED

226
BUSINESSES

676,700 SF
COMMERCIAL SPACE

111,900 SF
AFFORDABLE COMMERCIAL SPACE

NEW TAXES IN YEAR 20:

$28.2M
TAXABLE SALES

$8.7M
REAL PROPERTY TAXES GENERATED

$2.7M
SALES TAX GENERATED

$9M
EARNINGS AND PAYROLL TAX GENERATED

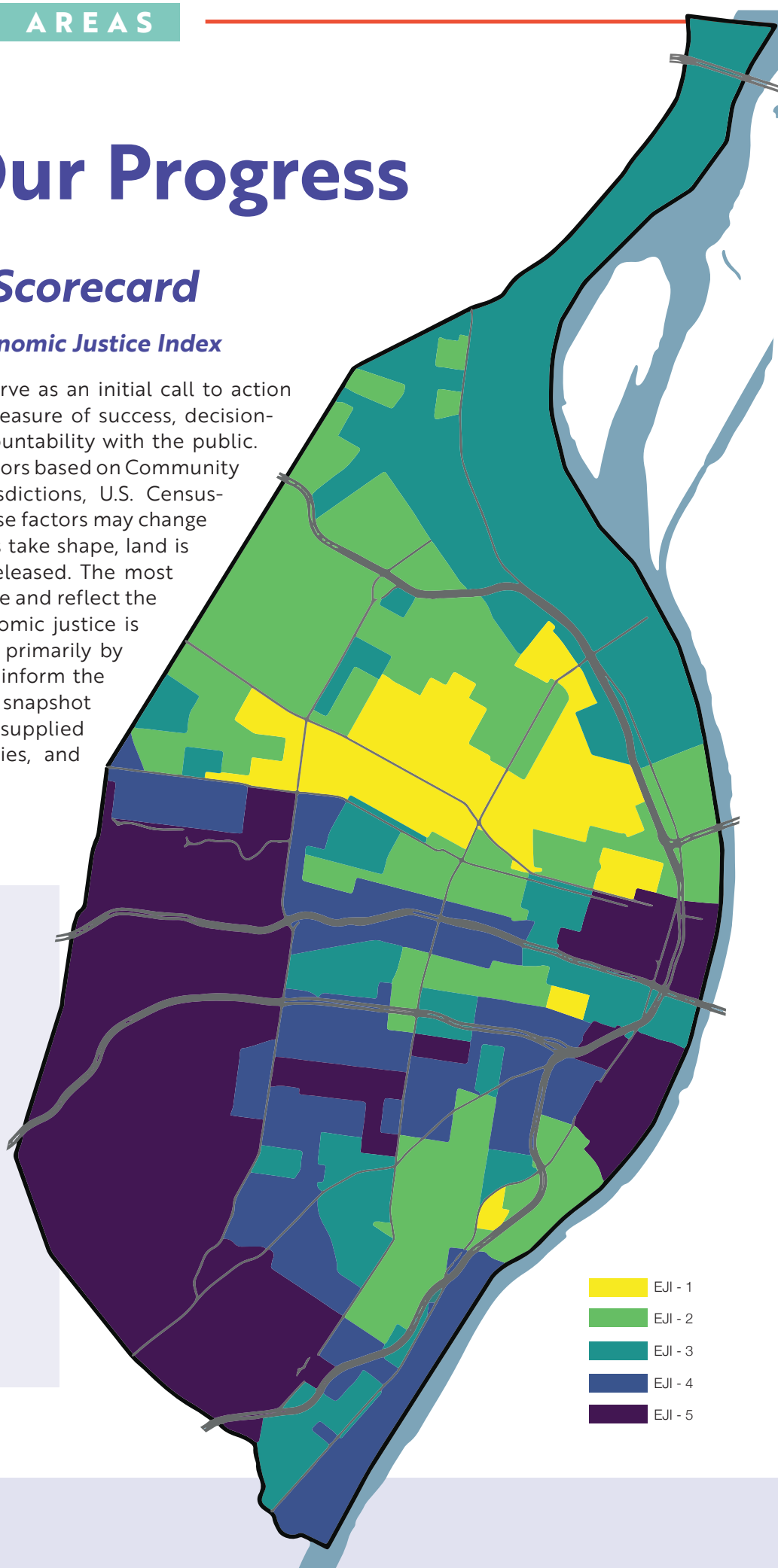
Tracking Our Progress

Economic Justice Scorecard

Tracking Progress Using the Economic Justice Index

The Economic Justice Index should serve as an initial call to action for SLDC, and over time, become a measure of success, decision-making tool, and way to improve accountability with the public. The Index incorporates a mixture of factors based on Community Development Corporation (CDC) jurisdictions, U.S. Census-based records, land utilization, etc. These factors may change slightly over time as new organizations take shape, land is developed, and new Census data is released. The most effective way to keep the Index accurate and reflect the progress SLDC is making toward economic justice is to ensure that the Index is populated primarily by the City's own data. The Index should inform the Economic Justice Scorecard, an annual snapshot of St. Louis based on real-time data supplied by the City departments and agencies, and collected and aggregated by SLDC.

THE ECONOMIC JUSTICE INDEX SHOULD SERVE AS AN INITIAL CALL TO ACTION FOR SLDC, AND OVER TIME, BECOME A MEASURE OF SUCCESS, DECISION-MAKING TOOL, AND WAY TO IMPROVE ACCOUNTABILITY WITH THE PUBLIC.



Data that is already collected and should be regularly used to update the Index comes from a variety of City offices and agencies, including:

- *COLLECTOR OF REVENUE:* Through the collection of the City's earnings and payroll taxes, the Collector of Revenue is the keeper of real information, not estimates, related to household earnings tied to each individual earner's address.
- *COMPTROLLER:* The Comptroller's Office has access to the sales activity of individual businesses throughout the City and their locations, and the License Collector's office maintains a database of active business licenses throughout the City.
- *LOCAL DEVELOPMENT COMPANY:* Is a private, not-for-profit staffed by SLDC and, lends to small businesses and has access to the loan amount, information about the recipient, and the location of the business.
- *BUILDING DIVISION:* The Building Division grants building, demolition, and repair permits to individuals and businesses throughout the City.
- *COMMUNITY DEVELOPMENT ADMINISTRATION:* The CDA promotes the production of new and rehabilitated housing for low and moderate-income individuals.

The list of potentially useful data points from the City's own departments is long and they should be collected, anonymized, and aggregated to census block boundaries to secure confidentiality. Taking these steps will ensure the most accurate Economic Justice Scorecard.

"You can pray until you faint, but unless you get up and try to do something, God is not going to put it in your lap."

- Fannie Lou Hamer

Acknowledgements

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Stephen Davis | VP, Strategic Partnerships & Initiatives

Zachary Wilson | VP, Economic Development Incentives

David Meyer | Associate City Counselor

Council of Development Finance Agencies

PGAV

Key Strategic Group

SLDC Board

Mayor's Office, City of St. Louis

Board of Aldermen, City of St. Louis

St. Louis Public Schools

Comptroller's Office, City of St. Louis

Baker Tilly

The many St. Louis Community members who attended town halls and answered survey questions

SLDC

ST. LOUIS DEVELOPMENT CORPORATION

"Equity, diversity, inclusion, and belonging are not just about a person, it's really being embedded into the culture and fabric of organizations, communities, and businesses to create transformational impact for all."

- Daffney Moore

SLDC

ST. LOUIS DEVELOPMENT CORPORATION

www.economicjusticestl.org

PGAV

KSG

KEY STRATEGIC GROUP