

SEGREGATION IN ST. LOUIS: **DISMANTLING THE DIVIDE**

RECOMMENDATIONS



Editor's note: The following policy recommendations are excerpted from Chapter 7 of the community report, *Segregation in St. Louis: Dismantling the Divide*.

For over a century, African Americans in the City of St. Louis and St. Louis County have endured housing policies and development strategies that have trapped generations of some families in segregated and disinvested neighborhoods.

Despite the Civil Rights Movement, despite landmark U.S. Supreme Court housing decisions originating in St. Louis, and despite the Fair Housing Act of 1968, segregation continues to persist nationwide. In St. Louis, impoverished mostly African American communities continue to exist within miles of great wealth among predominantly white communities.

Disinvestment in low-income and African American neighborhoods has led to significant inequities in access to quality, affordable housing in areas of opportunity; employment and health care; strong schools; nutritious food and essential household goods; effective public transportation; and critical social networks.

Exclusionary zoning and its accompanying lack of affordable housing in wealthier suburbs make it nearly impossible for working-class African American families and struggling families of all backgrounds to move to areas of opportunity in our region. The situation has left children and families behind in impoverished neighborhoods where they must cope with environmental health hazards and debilitating trauma caused by poverty and crime. Despite the resilience and ingenuity of families seeking better opportunities, many avenues to opportunity are blocked. Skewed development incentives also prevent critical investment from helping these neighborhoods improve into areas with more opportunity.

In 2014 *For the Sake of All: A Report on the Health and Well-Being of African Americans in St. Louis and Why It Matters for Everyone* found factors such as quality and length of education, lack of economic opportunity, and isolated and segregated neighborhoods harmed African Americans' health and well-being. The report found African Americans suffer from chronic diseases and other illnesses at much higher rates than white St. Louisans living in different neighborhoods. Life expectancy among predominantly white and black neighborhoods less than 10 miles apart can vary by as many as 18 years.

This report builds upon these prior findings, showing that affordable housing is a key factor determining the health and well-being of the entire region. It illustrates the ways in which our region is racially and economically divided by a lack of affordable housing in areas of opportunity. Racial boundaries established through years of policy and practice influence where people feel safe and included. As a result,



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African Americans sometimes feel less safe or welcome at community events like St. Louis Cardinals games or in specific neighborhoods in the St. Louis region. Similarly, whites and African Americans deeply mourn the loss of once vital St. Louis neighborhoods that have declined due to flight and disinvestment.

White, middle-class families often give up on living in more diverse urban areas because they lack quality schools, forcing them into a segregated suburban housing market in distant areas of St. Louis County and beyond. Once there, longer commutes and traffic jams are the norm for families dependent on highways and cars to get to work. Suburban life, with its larger lots and lack of walkable downtown areas, causes residents to shop and access services in strip malls, reducing community life. Vibrant, diverse communities in North St. Louis County face uncertain futures due to a lack of financial and community incentive to keep middle-class families of all racial groups in these neighborhoods.

Despite decades of scholarship, litigation, and legislation to address the mechanisms that have enabled segregation, many policies and systems remain that perpetuate the region's divisions.

The problem of segregation can be solved. New policies, programs and incentives, and better enforcement of current policies can reverse the effects of more than a century of damaging housing policy. We can reshape our communities to be more diverse, inclusive, and prosperous for everyone.

1 AFFORDABLE HOUSING

a Create an Affordable Housing Trust Fund for St. Louis County

The Problem:

In the past three decades, smaller single family homes and older apartment complexes have morphed into unplanned and sub-standard low-income housing in many parts of North St. Louis County and some parts of South St. Louis County. Many of these deteriorating homes are isolated from public transportation. They also require expensive upkeep that landlords will not make due to the declining value of the properties. Tenants and homeowners cannot afford to make repairs and improvements on their own, and the financial risk of investing in the area results in an inability to obtain loans for repairs. Mortgage lending, particularly in areas that were once redlined, remains minimal. This contributes to an unstable renter and homeowner market, with continued deterioration of homes and neighborhoods affecting the well-being of residents. Efforts to spark development of low-income housing in wealthier areas lack local incentives and often face significant resident resistance in the form of NIMBYism (Not in My Back Yard).

The Strategy:

Encourage St. Louis County lawmakers and officials to establish an Affordable Housing Trust Fund either through the re-allocation of existing resources or the establishment of new sources. Consider a voter campaign to establish a small sales tax to generate revenues for the trust fund. Earmark resources for a variety of projects, including development of new mixed-use housing in areas of economic opportunity; a fund for home and rental improvements; assistance for utility and other housing expenses; and expanded transportation infrastructure to connect existing affordable housing to areas of economic opportunity.



In St. Louis: Affordable housing funding

A coalition of community nonprofits was recently established to advocate for increased funding of the Affordable Housing Trust Fund in the City of St. Louis. In 2016 the trust fund, though not fully funded, helped restore 47 affordable, energy-efficient homes in the historic Fox Park and Tower Grove neighborhoods of St. Louis for recent Bhutanese refugees rebuilding their lives in St. Louis. According to Community Builders Network of Metro St. Louis, affordable housing trust funds have been proven to stabilize communities, increase property values in low-income areas, reduce crime rates, build wealth, and remediate lead exposure.

b Comply with voter-mandated regulations to fully fund the Affordable Housing Trust Fund in the City of St. Louis, and increase contributions to the fund

The Problem:

In 2002, City of St. Louis voters approved an annual \$5 million appropriation to an Affordable Housing Trust Fund. The trust fund enables non-profit housing organizations to secure grants and low-interest loans to build new homes, repair or modify rental homes for people with disabilities, and provide rent, mortgage, and utilities subsidies to keep people in their homes. Despite the law, the trust fund has not been fully funded since the 2011 fiscal year. New sources of revenue that could fund it have been diverted to other development projects, including a failed initiative to build a professional soccer stadium.

The Strategy:

Build a broad coalition to appeal directly to the St. Louis Board of Aldermen about the intent of the trust fund and its potential impact on reducing homelessness, neighborhood instability, child trauma, poor educational outcomes, and crime in neighborhoods most in need of resources and interventions.



In Detroit: Greenlining mortgage-lending

The Detroit Home Mortgage Initiative enabled banks to grant second mortgages to homebuyers to bridge the “appraisal gap,” a situation in which a house’s listing price is higher than its appraisal. Detroit has experienced a 25% increase in new home mortgages since the inception of the program.

C Create a Greenlining Fund, enabling high loan-to-value lending to help low-income families obtain mortgages for home ownership and combat the legacy of redlining

The Problem:

From the close of the Great Depression into the 1940s the Federal Housing Administration graded urban neighborhoods in terms of mortgage risk through the mapping of American cities. Red areas marked neighborhoods that were home to mostly African American residents. They were ranked with a “D,” indicating that they represented the highest risk for banks and other lenders. African Americans wanting to buy homes in their “redlined” neighborhoods could not get bank mortgages and were subject to predatory lending that emerged in place of federally backed home loans. African Americans were unable to build equity in their homes in these neighborhoods. This hobbled their ability to accumulate wealth. Working- and middle-class whites in the post-World War II era were given many lending incentives to buy affordable homes while African Americans and other ethnic and minority groups were not. Even though redlining was outlawed by the Fair Housing Act of 1968, many of today’s areas of racially concentrated poverty in St. Louis exist within the original redlined areas. Maps of current-day mortgage lending show little, if any, lending happening in those neighborhoods. The Delmar Divide did not occur by accident. African American home ownership remains exceptionally low in these neighborhoods. In many cases, tenants are paying total rent on devalued houses that far exceed the potential sale price. Yet, they are unable to secure bank mortgages to purchase homes in their current neighborhoods because sale prices exceed appraised values.



The Strategy:

Support the St. Louis Equal Housing and Community Reinvestment Alliance (SLEHCRA) and others in efforts to establish a Greenlining Fund supported by the banking and philanthropic community. The fund would foster homeownership for lower-income residents in redlined areas by issuing mortgages in excess of the appraised value of the home. Greenlining would enable renters to break free of high rents on depressed homes and build equity in home ownership. Home ownership stabilizes neighborhoods and is attractive to outside investment.

d Increase affordable housing options in areas of opportunity

The Problem:

Most affordable housing in the City of St. Louis and St. Louis County exists in impoverished communities disconnected from jobs, quality schools, and other vital resources. The situation makes it harder for poor families without cars or efficient transportation to gain and maintain employment. This leaves too many families isolated in disinvested neighborhoods vulnerable to generational poverty. Efforts are being spearheaded by Missouri's current governor to significantly cut or cap the state's use of Low-Income Housing Tax Credits, a critical incentive to develop affordable housing.

The Strategy:

Mobilize fair housing advocates and others to convince state lawmakers to maintain Missouri's existing Low-Income Housing Tax Credits. Issue incentives to entice landlords and developers to create significant affordable housing in areas of opportunity through the acceptance of Housing Choice Vouchers and other supports. Provide further incentive for Low-Income Housing Tax Credit projects to be built in areas of opportunity, and reduce or eliminate the requirement for community approval for project proposals. Support organizations like Ascend STL Inc., an organization that works with families to help them secure affordable housing in areas of better opportunity. The organization's Mobility Connection program partners specifically with families who participate in the Housing Choice Voucher Program to help them utilize Housing Choice Vouchers in neighborhoods in which less than 10% of families live below the poverty level.

e Eliminate housing discrimination based on source of income in St. Louis County

The Problem:

Currently, landlords and property owners in St. Louis County can refuse to accept tenants who pay their rent with a Housing Choice Voucher. This steers most low-income renters into impoverished areas of clustered affordable housing in St. Louis County and severely limits their access to communities with jobs, quality schools, and other resources.



In Memphis, Chicago, and New York City: Protecting users of housing choice vouchers

Source of income anti-discrimination laws have been enacted in many cities and some states around the country. Urban areas with such laws include Memphis, Chicago, Washington, D.C., and New York City. A 2011 report prepared by Lance Freeman of Columbia University for the U.S. Department of Housing and Urban Development found greater utilization of housing choice vouchers in areas with such protections in place.

The Strategy:

Propose a "source of income" law in St. Louis County that forbids landlords or property managers from rejecting rentals to tenants who receive housing subsidies or other supports. Provide greater enforcement and education on a similar law passed in the City of St. Louis.

2 EQUITABLE DEVELOPMENT AND ALLOCATION OF RESOURCES

a Support efforts in the City of St. Louis and St. Louis County to reform TIF and other public tax incentive programs to ensure optimal community input, transparency, and implementation

The Problem:

Tax increment financing (TIF), tax abatement, and other economic development tools are often misused in St. Louis to finance development in already thriving areas. These areas are typically wealthier, predominantly white neighborhoods, most notably in the central corridor of the City of St. Louis and St. Louis County. For example, a new apartment building housing an upscale grocery chain in the Central West End was given a TIF incentive around the same time that a local chain supermarket pulled-out of the high-need Fairground Park neighborhood about four miles to the northeast. Not only do many African Americans in our region lose out on the opportunity for investment in their neighborhoods, they remain separated from new employment opportunities. In some cases, these incentives have been used to displace historic African



Nationwide: A watchdog for TIF transparency

The use of TIFs and other development incentives is being scrutinized nationwide. Good Jobs First is a national policy resource center promoting accountability regarding economic development. It encourages “smart growth” to prevent suburban sprawl that can lead to segregation. The organization has a “subsidy tracker” enabling grassroots groups from around the country to access data on development incentives nationwide. Good Jobs First further provides “best practices” regarding development, fairness, and job growth for working families.

American neighborhoods existing amid wealthier communities. Kirkwood, for example, approved \$17 million in TIF financing for a shopping center that includes a Walmart and a Target. This development displaced the majority of residents in Meacham Park, an African American neighborhood dating from the late 1800s.

The Strategy:

Support the community engagement, education, and policy advocacy of Team TIF, which encourages a tiered approach to housing and development tax incentives so that they are used in neighborhoods that need them most. Incentives also should be regulated to prevent the reduction of affordable housing and the displacement low-income residents.

- b Motivate businesses, philanthropies, and others in the private sector to support a regional Community Reinvestment Fund. The Fund would equitably invest in all neighborhoods dealing with economic hardship via grants, low interest loans, and tax abatement**

The Problem:

Decades of inequitable housing policies and practices have led to disinvestment in neighborhoods in St. Louis, leaving mostly African American residents with a cascade of

burdens. They include deteriorating housing, environmental hazards, vacant buildings, limited educational opportunities, lack of local businesses and employment, and crime. Residents often lack resources to address these problems and draw investment to their communities. Though some specific St. Louis area neighborhoods have rebounded in the past three decades, they have had the support and investment of well-resourced private partners such as hospitals and universities in their footprints.

The Strategy:

Support the efforts of Invest STL to create a unified Community Reinvestment Fund backed by the private sector in St. Louis to commit to projects in disinvested neighborhoods lacking strong anchor institutions to invest and foster progress. The fund would provide technical support, foster community engagement, and support innovative grassroots solutions that focus on a neighborhood’s strengths and needs.



In St. Louis, Cleveland, and New Orleans: Public-private partnerships for investment

Cleveland, Portland, Washington D.C., New Orleans, and Oregon have developed public-private partnerships to fund local community development organizations with comprehensive neighborhood improvement plans. The national organization Urban Strategies, Inc. has used a similar funding model to spark community development in neighborhoods throughout the country, including the construction of a community-focused child care center in the Murphy Park neighborhood in the City of St. Louis.

c Establish a Community Benefits Agreement policy in the City of St. Louis and St. Louis County that gives neighborhood residents legal leverage to demand particular neighborhood improvements and remediation from developers

The Problem:

Developers of large-scale projects value low-income neighborhoods for their sometimes cheaper land and depressed housing values, which enable them to quickly accumulate larger tracts of land. Residents are easily displaced through buy-outs or eminent domain, and the final development product does little to enhance the surrounding neighborhood. Sometimes, developers and city planners target pockets of affordable housing within up-and-coming neighborhoods for re-development, which can lead to the displacement of lower-income residents. The residents often move to more isolated affordable housing in areas of less opportunity.

The Strategy:

A Community Benefits Agreement policy in the St. Louis region would empower local residents to negotiate with developers on specific neighborhood improvements and mitigations to be done in conjunction with a proposed development in their neighborhood. Residents would have the power to sign off on a negotiated contract with a developer, legally binding the company to fulfilling the agreement.



**In cities nationwide:
Creating community benefits agreements**

Community benefits agreements first started in Southern California but have since been promoted in Atlanta, Boston, Denver, Los Angeles, Miami, Milwaukee, Minneapolis/St. Paul, New York City, San Diego, Seattle, and elsewhere. In Los Angeles, a community benefits agreement was negotiated prior to the construction of the Los Angeles Sports and Entertainment District, a large multipurpose project that included the Staples Center arena. The agreement stipulated mandatory creation of living wage jobs in the entertainment district as well as construction of some affordable housing and seed money for additional housing projects.

3 HOUSING AND NEIGHBORHOOD STABILITY

a Diminish the spiraling damage to lower income children and families from evictions and illegal lockouts by building support and infrastructure to provide housing services, legal representation, and better tenant protections

The Problem:

Evictions from rental housing plague low-income families in the St. Louis region, particularly among poor, African American communities. They post a red flag on an individual's credit and rental history, regardless of whether the circumstances behind the eviction were fair or not. Families facing homelessness through evictions are typically forced into a secondary rental housing market of substandard homes in areas of very low economic opportunity, poor transportation options, and underperforming schools, all contributing to deepening poverty and inequity.

Those summoned to eviction court in both the City of St. Louis and St. Louis County rarely come with legal representation. During the process most are steered by court administrators to sign on-the-spot documents presented by the landlord's attorney without a clear understanding that those agreements prevent them from arguing a case before a judge and still result in an eviction.

Illegal lockouts also create problems for renters in the City of St. Louis and St. Louis County. In these cases, landlords or property managers do not take required legal action to evict a tenant, but instead replace locks or padlock rental units. Tenants, unaware of legal recourse, face immediate homelessness and often lose all of their possessions. Police officers are often uncertain about whether they can intervene.

The Strategy:

Build a preventative, community-based social service support system with housing and utility assistance programs that includes onsite social workers, housing placement specialists, and attorneys to assist with housing matters *before* an eviction lawsuit is filed by a landlord. The program would help mediate disputes between landlords and tenants and reduce the risk of evictions and homelessness.



In St. Louis: School-based eviction prevention

In the wake of the Great Recession, the American Recovery and Reinvestment Act released temporary funding in 2009 through the U.S. Department of Housing and Urban Development to prevent homelessness. The City of St. Louis utilized \$8.2 million in funds to create a program called Hope Is Moving In. The program partnered with local agencies to send housing caseworkers into four geographically diverse public schools and a downtown charity to better engage residents at risk of eviction and homelessness and match them with assistance. The program was not sustained through federal funding, but was considered a model for the prevention of evictions and homelessness.

Require that the existing Legal Services of *Eastern Missouri Landlord Handbook* be provided by landlords to tenants at the beginning of each lease term to ensure that tenants have current information about their legal rights.

Create tenant self-help materials to be placed on court websites and in local courts so that tenants can raise affirmative defenses and counterclaims in response to eviction lawsuits filed by landlords. Such self-help materials and forms are already available to landlords.

b Protect tenants by eliminating unfair local nuisance ordinances which disproportionately put domestic violence survivors and people of color in low-income or transitional neighborhoods at greater risk for eviction, homelessness, and poverty

The Problem:

Nuisance ordinances have been passed in parts of St. Louis County and have been on the books in the City of St. Louis. The ordinances vary but are intended to stabilize neighborhoods and deter crime such as drug dealing out of houses. Properties can be deemed a “nuisance” after several police calls are made to the same property. Landlords are then at risk of losing

their rental license unless they evict the tenant. In some cases, tenants evicted from nuisance properties are prohibited from renting in that jurisdiction for a specific period of time.

But nuisance ordinances can often be discriminatory. They may particularly harm domestic violence survivors who must call the police or other authorities for protection. Nuisance ordinances can also unfairly affect tenants dealing with high crime in their neighborhood or who are caring for relatives with behavioral health issues that are difficult to manage. In general, nuisance ordinances discriminate against renters who are more likely to need emergency services, more likely to have police or criminal legal system contact, and less likely to have legal representation in housing matters.

The Strategy:

Mobilize to remove existing nuisance ordinances from the books. Discontinue the practice of proposing and passing these laws.



In St. Louis, New York, and Pennsylvania: Fighting discriminatory nuisance ordinances

In 2016 the U.S. Department of Housing and Urban Development issued legal guidance on local nuisance ordinances, warning of their potential to discriminate against domestic violence survivors and others in need of emergency services in violation of the Fair Housing Act. The American Civil Liberties Union has filed lawsuits in Florida, Missouri, New York, and Pennsylvania arguing nuisance laws discriminate against vulnerable tenants and victims of crimes, including domestic violence survivors.



c Establish “Consciously Inclusive Communities” to unite neighbors in focused action to make their communities welcoming and accessible in terms of income and racial and ethnic diversity to build ties that support human development and connection

The Problem:

Our long history of segregation continues to hold back the St. Louis region. Restrictive racial covenants and exclusionary laws and policies brought middle-class white neighbors together to keep African Americans and lower income residents out of their communities. The legacy of these policies and practices has created a St. Louis so thoroughly separated that its divides are palpable to recent transplants and visitors. Though there are established and emerging diverse communities such as University City, Maplewood, Creve Coeur, and small enclaves in North St. Louis County that stand as exceptions, inclusion has not been a regional priority. Vibrant communities provide opportunities for *all* residents to flourish and capitalize on

the creativity and connection that everyday interactions across difference facilitate. Thoughtfully executed, such communities could also serve as a much-needed answer to the social isolation and sense of disconnection in our contemporary society. To the extent that they are multi-generational, they could also provide an opportunity for older adults to remain engaged as they “age in place” in the context of a supportive community.

The Strategy:

Mobilize residents in areas of opportunity and in neighborhoods that have the capacity to rebound from prior population loss or disinvestment to become “Consciously Inclusive Communities,” where individuals and families from different racial and ethnic, economic, and generational backgrounds commit to inclusion and cooperation. Encourage vital personal connections and shared decision-making to increase understanding, with the shared belief that compassionate and welcoming communities enhance health, wellness, and life satisfaction for everyone.

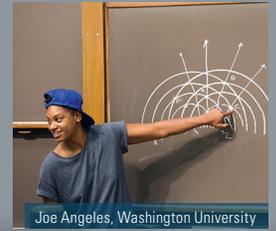


Nationwide: Co-housing for inclusive communities

Residents often lament the loss of daily interaction and friendship in their neighborhoods due to the demands of the modern world. For some, this has led to an increasing interest in cooperative housing arrangements that are intentionally multi-generational and emphasize stronger neighborhood interaction and community ties. One way to achieve this is through co-housing, in which neighbors may have a shared gathering space for meals and agree to other types of supportive activities. According to *The New York Times*, there are 165 co-housing communities in the United States and another 140 in planning stages. It would be a powerful influence in St. Louis if such communities focused on inclusion and racial and economic diversity.



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Conclusion

Change is possible. There are multiple organizations that are already working to enact these recommendations to improve access to affordable housing, break the boundaries of segregation, and increase opportunity for all residents in our region regardless of income or race.

These include ArchCity Defenders, Ascend STL Inc., Community Builders Network of Metro St. Louis, Empower Missouri, Invest STL, Metropolitan St. Louis Equal Housing Opportunity Council (EHOC), Team TIF, and many others. Several of these organizations partnered to produce this report. They share a vision of a stronger, more inclusive place that ultimately will break free of the segregation that has harmed our region. They envision a united St. Louis that will be a stronger, healthier, and more economically successful place for all those who call it home. They need our support in making that vision a reality.

Final Thoughts

We hope this report presents the information that the people of the St. Louis region need to understand our history, our present challenges, and the action needed to move forward.

Partners



Improving the health and well-being of African Americans in St. Louis and why it matters for everyone



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