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Exhibit E – Factor 3 Soundness

State of Missouri

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EXHIBIT E – FACTOR 3 SOUNDNESS

Consultation

Since the Great Recession, the St. Louis region has invested extensively in community engagement and comprehensive planning. The primary initiative, in terms of macro analysis, is the Regional Plan for Sustainable Development, a \$4.7 million grant awarded to East-West Gateway Council of Governments by the U.S. Department of Housing and Urban Development (HUD). This initiative, known as OneSTL, hosted 94 public meetings involving over 2,000 residents and multiple governments, non-profits, and private partners. Key themes identified in this process included collaboration, prosperity and preparedness.

Although OneSTL serves as a sound guiding document, the region consists of many communities with distinct identities and needs. Regional collaborations are now engaged in a micro-level analysis of these unique marketplaces to understand and serve them more accurately. One example is the \$474,000 Wellston Choice Neighborhoods Planning Grant, funded by HUD. Key challenges identified to date include employment, safety, education and severe blight. This two-year planning process will be completed in November 2015 when the final plan is submitted to HUD. They anticipate continued planning and implementation over the next five years.

A similar planning initiative that highlights the importance of physical, economic, and social enhancement is the Ferguson Commission, a \$1.35 million community engagement effort funded by the State of Missouri. This public engagement effort used citizen polling and public meetings to identify disparities and opportunities related to housing, infrastructure, education, race, and economic prosperity in North St. Louis County (*Refer to Attachment A, MOAttAPartnerDocumentation.pdf, pg. AttA-7; Ref: [MOAttE08TargetAreaNorthCounty.pdf](#)*). Citizens' specific concerns include access to banking services and capital, the

rebuilding/revitalization of the area, employment, and concentrated housing for the poor.

Extensive engagement, planning, and resource gathering for these specific citizen concerns will continue through September 2015. Feedback and participation is vital to addressing the unmet needs stemming from the disaster in the areas of housing, infrastructure and economic revitalization.

Stakeholders

Through current planning initiatives, technical analysis, and inclusive collaboration, the County has shaped concepts and ideas for the National Disaster Resilience Competition (NDRC) (*Refer to MOAttDConsultationSummary.pdf*). The proposal adheres to the Community Development Block Grant (CDBG) national objectives (benefiting low-to-moderate income (LMI) persons, preventing or eliminating blight, or meeting other community development needs having a particular urgency) by proposing to implement an array of eligible activities. In addition, the detailed engagement has created a framework that focuses on our region's most vulnerable populations (LMI) and their geographic susceptibility (blight) to natural and manmade disasters. The unmet need indicated by survey is evidence that vulnerable populations experience far greater recovery times and compounded stress due to pre-existing stressors. “[T]he welfare impact of a disaster does not only depend on the physical characteristics of the event or its direct impacts in terms of lost lives and assets. Welfare impacts also depend on the ability of the economy to cope, recover, and reconstruct and therefore to minimize aggregate consumption losses.” (*Source: [Economic Resilience: Definition and Management](#), Hallegatte S., May 2014*). Hallegatte also points out that “macroeconomic resilience [...] is the ability to limit the magnitude of immediate production losses for a given amount of asset losses[...] and the ability to reconstruct and recover” and that “micro-economic resilience depends on the

distribution of losses; on households' vulnerability, such as their pre-disaster income and ability to smooth shocks over time with savings, borrowing, and insurance, and on the social protection system, or the mechanisms for sharing risks across the population.”

Macro- and micro-economic resilience have become glaringly important when assessing patterns of recurring floods, tornadoes, and severe storms in North St. Louis County. The Storm Prediction Center Tornado, Wind and Hail database confirms recurring tornado paths in this area (Ref: [MOAttE07TornadoHistory.pdf](#)). North St. Louis County also contains several small creeks (Coldwater and Maline) that subject residents to recurring flash flooding and toxic runoff from nuclear waste sites upstream. Implications in this sub-county target area are compounded by the pre-existing stressors of persistent of low to moderate income (62.47%, Census 2010) and high unemployment rates (17.9%, Census 2010). Wealth and income, two primary tools for achieving economic resilience, are far less prevalent when compared to the county as a whole, (33.68% LMI and 5.3% unemployment, Census 2010). The proposed NDRC approach focuses on efforts aimed at enhancing macro- and micro-economic resilience through strategic investment that will improve access to economic tools (i.e. job training and placement, quality early childhood learning programs, youth mentoring, and public transportation) for the county’s most vulnerable populations. The macro-economy will fare better during a disaster as the result of ongoing pre-disaster wealth building for LMI residents.

Concepts

Key concepts to support macro- and micro-economic resilience include: creating new, strategically located, quality mixed-income housing; investing in adaptive reuse of existing housing; establishing small neighborhood resource centers throughout North St. Louis County; creating cross-jurisdictional, regional resilience education and collaboration; and

establishing a regional resilient Healthy Neighborhoods strategy. All concepts will continue to develop projects through a robust communications and citizen engagement strategy.

Co-Benefits

Through continued planning, measurable outcomes to scale will be identified for each project. The goal is that these projects lead to an increase in household wealth and decrease in poverty and that the micro outcomes bolster macro-economic resilience by reducing the loss in economic consumption during and after a disaster.

The county's two current comprehensive planning initiatives: Choice Neighborhoods and the Ferguson Commission are being utilized to develop two housing prototypes designed to promote residents' economic and physical resilience through wealth-building at the household level. The first prototype includes creating new, strategically located, quality mixed-income housing and the second consists of investing in adaptive reuse of existing multi-family, affordable housing.

Both developments are integrating: 1) a mixed income intent; 2) connectivity to public transportation; 3) early-childhood education and job training facilities within one mile; 4) sustainable and resilient construction standards; and 5) on-site family case management and service coordination.

Community Development Objectives, Cross Disciplines and Interdependencies

Many communities struggling from a lack of economic diversity often resort to redevelopment efforts focused on land banking and relocation of existing residents to make way for more affluent populations. The county however, will pursue a different approach by addressing poverty in place, hence making existing residents the focus. Existing residents will be provided new services and housing first while the investment team simultaneously works to

attract economic and demographic diversity. HUD promotes the positive outcomes of mixed-income communities, which include increases in household income, workforce participation rates, dramatic drops in crime, improved student test scores, and increased property values.

Another resilience feature of the proposed mixed-income communities is their transit-oriented nature. In New York City, Washington and Atlanta governing officials have utilized light-rail public transit as a catalyst for new and desirable housing. Transit Oriented Developments have been proven impactful for both families living within and for the larger economy. The Center for Housing Policy (2014) reports “for every one dollar invested in public transportation, four dollars in economic returns is generated through job creation, further development, increased business and sales tax revenue and less energy consumption and environmental pollution.” (Source: [Reconnecting America Policy Brief](#), p.2). Residents in the vicinity will become resilient with access and availability to nearby goods and services in the event of a disaster.

Resilience and sustainable construction and zoning standards will be integrated into these developments. Construction standards will be designed to increase household income and foster a healthy built environment. In an in-depth analysis of 52 newly constructed and rehabilitated affordable housing projects using Enterprise Green Communities Criteria were documented as saving each occupant total lifetime utility costs of \$3,709 with associated construction costs of \$3,546. (Ref: [Enterprise Green Communities Criteria](#) (2012), p.5). The MacArthur Foundation (2008) reported that people with lower socioeconomic status tend to live in buildings with poor environmental quality, which directly links to poor health outcomes. (Source: [Socioeconomic Status and Health](#)).

Considering approximately 73 percent of the county’s housing stock was built prior to

lead-based paint regulations enacted in 1978, it is fair to assume many low income families living in the inner-suburban ring (*Ref: [MOAttE09AgeofHousing.pdf](#)*) are vulnerable to lead poisoning and other toxic building materials which have previously gone unregulated. New construction and extensive renovation not only creates an environment absent of toxic building materials, it also provides an opportunity to zone in a manner that promotes healthy living through mitigation efforts such as recreational green space, rain gardens, urban gardens, stream bank bio swales, and adequate tree canopy. Through these projects, best practices for resilience will also be sought to influence long-term changes within current building and zoning regulations and policies across the region.

The inclusion of support services for low-income residents is also vital to resilience. Considering that 28 percent (2010 Census) of the population in the target area is under 18, services are a top priority. Furthermore, through community engagement processes, the Choice Neighborhoods and Ferguson Commission teams have uncovered many absent services in addition to gaps in the existing. To address this pitfall, the county plans to provide place-based operational support for case management and service coordination. Case management provides a vital linkage from needs to the appropriate service solutions. Services will include, but are not limited to: youth mentoring, after-school activities, parenting classes, financial and homeowner education, and job training.

Another approach to achieving resilience through wealth-building at the household level is the establishment of small neighborhood resource centers in North St. Louis County. The centers will include: 1) job training programs conducive to the regional economy; 2) connectivity to public transportation; 3) coordinated job placement with regional employers; 4) access to quality early childhood care for program participants; 5) small business incubator space; 6)

community garden; 7) on-site case management; 8) financial and asset building services; and 9) warehouse space for disaster preparedness and response supplies. The centers, with a few modifications, will be modeled off the St. Louis Metropolitan Education Training (MET) Center.

The MET Center is the region's premier job training and skill development center. Located in the Choice Neighborhoods planning area, this adaptive reuse was once home to Wagner Electric Company. The strategic location of the MET Center in Wellston, adjacent to a light-rail public transportation stop, ensures accessible and reliable transportation for resident participants. Other components of the MET Center that can be replicated to foster wealth building include: an early childhood learning center for participants (a two-generational approach); and a small business incubator for graduates of the MET entrepreneurship program.

Each year, 7,000 people access MET Center's 16 different programs. More than 600 individuals benefit from the center's financial literacy services with more than 18,000 directly resulting transactions performed by the St. Louis Community Credit Union annually. In addition, more than 2,200 clients participate in job training/search and work support services, of which about 75 percent are placed in a job upon completion of the program. Upwards of 90 percent find employment after completing special programs such as the Diesel Technician Training. MET Center graduates find jobs that pay an average of \$9.00 per hour, which is \$1.50 above Missouri's minimum wage. High job placement rate is due to the 700 partnerships the MET Center has forged with local employers and the programs' conduciveness to the regional economy. The St. Louis regional economy has experienced growth in the last five years in business and management services and health care both of which both are signature programs at the MET Center.

The MET Center also serves as a support services hub and continuum to employment and

education by working with 21 partners throughout the region, including employment agencies, community colleges, school districts and non-profits. Through its open enrollment process, the MET Center works to sequence and bundle services by determining the programs and support services that best help each client achieve economic self-sufficiency. Each client is assigned a case manager and financial literacy coach who crafts a tailored training and employment plan, a financial plan, and a transportation plan to ensure the client can access the training and employment opportunities proposed. The case manager serves as the point of contact as the client moves through various programs located within the center and the region.

Finally, a key component making the MET Center successful is its investment in an integrated database system. Not only do MET Center and its partners follow the progress of clients through various programs, adjusting and responding to needs or challenges as they arise, but they also track outcomes of clients for more than a year after they move on from the center. This allows MET Center, its partners, and investors to compare placement rates upon graduation to placement rates several months later, and adjust the Center's programming as needed.

Cross-Jurisdictional

In a more collective effort to build resilience into the region's community planning and bricks-and-mortar development is the creation of a cross-jurisdictional, regional Healthy Neighborhoods and Economic Resilience Collaboration (HNERC) inclusive of a strategy and plan. The HNERC will be modeled using the Medellin Collaboration on Urban Resilience. The world collaboration, sponsored by Rockefeller consists of nine organizations working together to strengthen the resilience of all cities and human settlements around the world. This concept applies accurately to the St. Louis region, which serves approximately three million residents within 166 municipalities in seventeen counties. The multi-disciplinary collaboration will be

made up of the regions governmental, institutional, private and non-profit professionals that are currently working to strengthen local resilience.

The HNERC will focus its resilience strategy around:

- Common approaches and tools to help governments assess their strengths, vulnerabilities and exposure to natural and manmade threats;
- Identifying existing and innovative finance mechanisms, including risk-based instruments, to reduce exposure and vulnerability to shocks and increase communities' adaptive capacity;
- Facilitating direct sharing of best practices and knowledge enhancement;
- Forging public-private partnerships across sectors.

As illustrated in the projects previously outlined, community engagement is vital in the areas of planning, implementation, and outcome development. A comprehensive approach to developing the HNERC strategy and plan will also undergo consensus-building. A series of public engagement sessions including needs assessments, gaps analyses, surveys, stakeholder interviews, focus groups, charrettes and public meetings will be facilitated over a two-year timeframe to collect, synthesize, and tabulate information. Technical analysis including a literature review, case study analysis, mapping, site surveying, and data collection will also be conducted. Participating entities will also be asked to sign a Memorandum of Understanding pledging their involvement and commitment to this strategy and plan. Adoption by participating local governments and applicable institutions (i.e., school districts) across the region is one of three intended outcomes. The second is incremental implementation of recommended policies, programs, and development. The third and final is maintenance of a shared data collection and measurement system, which will report on accomplishments over time.