

ST. LOUIS

Affordable Housing
Report Card ✕ ✓ □



A Brief Synopsis

AIN'T

NOTHIN'

GOIN' UP

BUT THE

RENT



2021

“Conscious choices created our “geography of inequity” in St. Louis. Conscious choices can also help to reshape it.”

-Segregation in St. Louis: Dismantling the Divide

TO BE
SILENT
IS TO BE
COMPLICIT

Foreword

We cannot discuss affordable housing in the St. Louis region without considering race.

Race has sculpted St. Louis' social geography and physical infrastructure, dividing Black and white families both physically and economically, just as the Mississippi River has carved the land between Illinois and Missouri. This “geography of inequity” was created intentionally throughout many decades by those in power and reinforced, sometimes unintentionally, by systems and infrastructure. Policies that encouraged white flight, housing discrimination against Black residents, and preferential lending led to racial segregation that negatively impacts Black St. Louisans to this day. St. Louis continues to be one of the most segregated metropolitan areas in our nation. Wealth, health and longer life expectancy, employment opportunities, and political power are pooled in majority white neighborhoods. Even though majority Black neighborhoods are rich in culture and experience, they also have significantly higher concentrations of substandard housing, vacant properties, illegal dumping, lead pollution, and other conditions that negatively impact health.

It is important to understand that many of the issues we face regarding race and housing in St. Louis were created intentionally by those in power. Racial segregation was codified by a 1916 racial segregation ordinance. Even though the US Supreme Court overturned the ordinance the following year, surreptitious forms of segregation — such as “racial covenants,” where homeowners signed legal contracts promising to never sell their home to a Black person — prevented neighborhood integration, and banning affordable housing — such as apartment buildings — became commonplace. Black residents were steered away from white neighborhoods when seeking housing, and planners sited highways to further isolate Black neighborhoods.

The concentrated areas of poverty we see particularly in North St. Louis exist because of historic and continued segregation of the St. Louis region based upon race and social class. Redlining, economic disinvestment, and outright neglect have caused majority Black communities to unequally bear the burden of substandard housing, as well as the accompanying health disparities and social consequences caused by lead pollution, illegal dumping, and air pollutants. This disinvestment often contributes to the lack of amenities in these neighborhoods, including grocery stores, health care facilities, and green spaces, which creates a cycle of poor health that further perpetuates intergenerational poverty.

A significant proportion of overall wealth in the U.S. is linked to home ownership. But redlining historically shut Black residents out of the housing market through racist home lending practices and housing policies that prevented Black residents from receiving loans to purchase or update properties. Black applicants are still more than twice as likely to be denied a home improvement loan than white applicants and three times as likely to be denied a home mortgage loan than white applicants, most frequently on the basis of their credit history. In 2019, white residents were nearly twice as likely as Black residents to be homeowners in both St. Louis County and St. Louis City.

While a lack of quality and affordable housing for lower income residents affects people of all races and ethnicities in our region, we cannot release this Affordable Housing Report Card without acknowledging St. Louis' specific history and context of racial segregation and its pervasive effects.

*Jenny Connelly-Bowen
Community Builders Network*

*Lacy Cagle, Sunni Hutton, and Jenn DeRose
Blackrock Consulting*



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About

The St. Louis Affordable Housing Report Card quantifies the need for affordable housing in the St. Louis region and provides guidance on how to assess the impact of programs and policies supporting affordable housing. We know from prior research by For the Sake of All, that high quality and affordable housing access in the St. Louis region is a key cause of inequities. Driven by this fact, the Affordable Housing Trust Fund Coalition decided to dig further into the current state of affordable housing in St. Louis City and St. Louis County.

With generous support from Deaconess Foundation, this report card was commissioned by the Community Builders Network of Metro St. Louis for the Affordable Housing Trust Fund Coalition. URBNRX served as the lead consultant on the project with support from Osiyo Design + Engagement.



Acknowledgments

This report would not be possible without the encouragement and support of many affordable housing stakeholders in the St. Louis region.

Affordable Housing Trust Fund Coalition, including representatives from:

- ArchCity Defenders
- Bridge Builders CDC
- Capital Impact Partners
- Carrollton Bank
- City of St. Louis Affordable Housing Commission
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- Cornerstone CDC
- DeSales Community Development
- Development Strategies
- DOORWAYS
- Flourish Properties, LLC
- Gateway Housing First
- Generate Health
- Homes for All St. Louis
- Legal Services of Eastern Missouri
- Metropolitan St. Louis Equal Housing and Opportunity Council
- Metro Transit
- New Hope Missionary Baptist Church

- Northside Community Housing
- Park Central Development
- Peace Weaving Wholeness
- Peter & Paul Community Services, Inc
- Rebuilding Together St. Louis
- RedKey Realty
- Rise Community Development
- Sanctuary In The Ordinary
- SHED
- SLACO
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- Blackrock Consulting
- Molly Metzger
- John Cruz

Designed by:

- URBNRX
- Osiyo Design + Engagement

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Inspired by the HousingNOLA Affordable Housing Report Card

Introduction

What is the St. Louis Affordable Housing Report Card?

The St. Louis Affordable Housing Report Card is an accountability tool for achieving affordable housing goals of the St. Louis region. A report card is a point-in-time measurement of success based on a system of shared goals and outcomes. This brief shares a series of relevant baseline data related to affordable housing, suggests ways to measure outcomes, and offers analyses where data is available, with the full explanation of findings available online at www.affordablestl.com.

How were metrics identified?

Potential themes of the Report Card were identified through:

- Review of affordable housing report cards from peer cities,
- Insights from coalition meetings, nine focus groups and one-on-one interviews with Affordable Housing Trust Fund Coalition members, and
- Alignment with concurrent affordable housing studies and strategic plans led by the City of St. Louis and Saint Louis County.

The nine themes explored included affordable housing preservation, new construction of affordable housing, displacement, housing residents with special needs, housing quality, fair housing, renter mobility, affordable housing financing, and neighborhood quality of life. For each theme, consultants identified data sources, potential metrics for review by focus groups of coalition members, residents, and other affordable housing stakeholders. The coalition recommended the Report Card focus more on demand-side themes that center the affordable housing needs of homeowners and tenants.

What is the future for this project?

The Affordable Housing Trust Fund Coalition commits to tracking changes in metrics and sharing through an annual report and updating its website. It is our hope that this effort continues to be supported by regional stakeholders as an accountability tool for affordable housing creation, preservation, and quality of life improvement.

In the future, the Affordable Housing Trust Fund Coalition will adopt additional affordable housing goals and commitments based on the data outlined in this report. At that time, the Report Card will serve as a place to document progress on these commitments by member organizations.

What this project isn't.

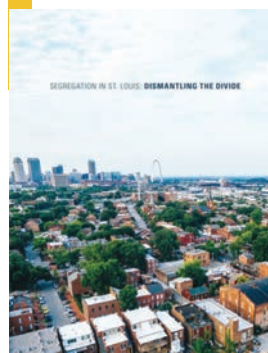
This Report Card is not set in stone or in its final form. It is a work in progress that will evolve in response to the needs of the community, the leadership of the Affordable Housing Trust Fund Coalition, and growing commitments to accountability from affordable housing stakeholders.

Learn more.

This brief is just the highlights from our full report. For the complete analyses, including graphs, maps, and tables, go to our companion website at:

www.affordablestl.com

**From "St. Louis: Dismantling the Divide"
released by For the Sake of All in June of 2018**



"The Fair Housing Act of 1968 outlawed redlining. But the practice created persistently poor and segregated neighborhoods in St. Louis."

Themes Explored

Stakeholder focus groups were held on the themes listed here, with those in green appearing in the final report. Themes in blue require further research and additional data sources to be included in future report cards.

Preserve Existing Affordable Housing

Preserve the subsidized and naturally-occurring affordable housing stock that currently exists in the St. Louis region for both homeowners and renters.

Increase New Supply of Affordable Housing

Increase production of affordable housing units for purchase and rent by public agencies and private developers.

Prevent Displacement and Support Housing Stability

Prevent housing displacement caused by unaffordable increases in costs such as property taxes for homeowners or through rising rents and substandard housing conditions for renters.

Improve Quality of Housing

Improve the quality of affordable housing through energy efficiency and addressing home health issues such as mold and lead-based paint for both homeowners and renters.

Increase Access to Affordable Housing Financing

Increase access to affordable housing financing through increased funds, aligned standards, and simplified/shared/streamlined applications.

Promote Mobility to Areas of Opportunity

Promote renter mobility to areas of opportunity, to decrease the concentration of public housing, and to decrease the segregation of housing voucher program participants.

Improve Quality of Life in Affordable Neighborhoods

Improve quality of life for residents of affordable neighborhoods through better access to amenities and living-wage jobs, and reduced disparities in health, education, environmental quality, personal security, and civic engagement outcomes.

Enforce Fair Housing Policies

Eliminate housing discrimination of federally protected classes, in addition to sexual orientation, gender identification, and marital status. Federally protected classes include race, color, national origin, religion, sex, age, or disability.

Increase Accessibility for Residents with Special Needs

Increase accessibility to rental housing with supportive services for our most vulnerable residents with special needs, including seniors, veterans, and people with disabilities.

! Yellow call-out boxes highlight any racial disparities that have been identified.

ABOUT THE STRUCTURE OF THIS BRIEF:

This report brief is just that - a brief look at the data collected and analyzed to determine the current state of affordable housing in St. Louis City and County. Each section is meant to provide a quick overview, highlights from the findings, and a limited snapshot of the data analysis. A comprehensive look at all the data gathered is available online at: www.affordablestl.com



2021 Grade for Affordable Housing

How should we measure our progress towards achieving affordable housing in St. Louis?

The Affordable Housing Trust Fund Coalition’s goal is to increase the number of households that have affordable housing. When our region has achieved its affordable housing goal, no household will be burdened by the cost of their housing.

For the purposes of this scorecard, housing cost burden includes both rent burden for renter-occupied households and housing cost burden for owner-occupied households. A renter-occupied household is described as “rent burdened” when the household pays more than 30 percent of its income on gross rent, which includes the contracted rent and utilities. An owner-occupied household is described as “housing cost burdened” when the household pays more than 30 percent of its income on selected housing costs, including mortgage, taxes, utilities, and fees.

Origin of the 30 Percent Rule

Three years after being the first African-American elected to the U.S. Senate post-reconstruction, Senator Edward Brooke authored an amendment to the 1968 Fair Housing Act (which he co-wrote with Senator Walter Mondale) to mandate public housing rent to be set to no more than 25 percent of a resident’s income. In 1981, Congress raised the upper limit to 30 percent of household income.

We have disaggregated housing cost burden by income level, tenure, race, and geography. The grade for achieving affordable housing for each group is the inverse of the percentage of households experiencing housing cost burden. The data show that low-income households, renters, and Black households are all more likely to be housing-cost burdened in St. Louis.

Grading Equation

100%
Households

**% Households
with Housing
Cost Burden**

**% Households
with Affordable
Housing**

Grading Scale

Letter Grade	Numerical Grade
A	90-100%
B	80-89%
C	70-79%
D	60-69%
F	<59%

What is AMI?

AMI stands for Area Median Income – or the middle point of incomes in a geographical region with 50% of all household incomes falling below the AMI and the other 50% above. The AMI used in this report card is based on the St. Louis Metropolitan Statistical Area (MSA), which includes twelve counties across Missouri and Illinois.

Affordable Housing Grades for St. Louis City & County

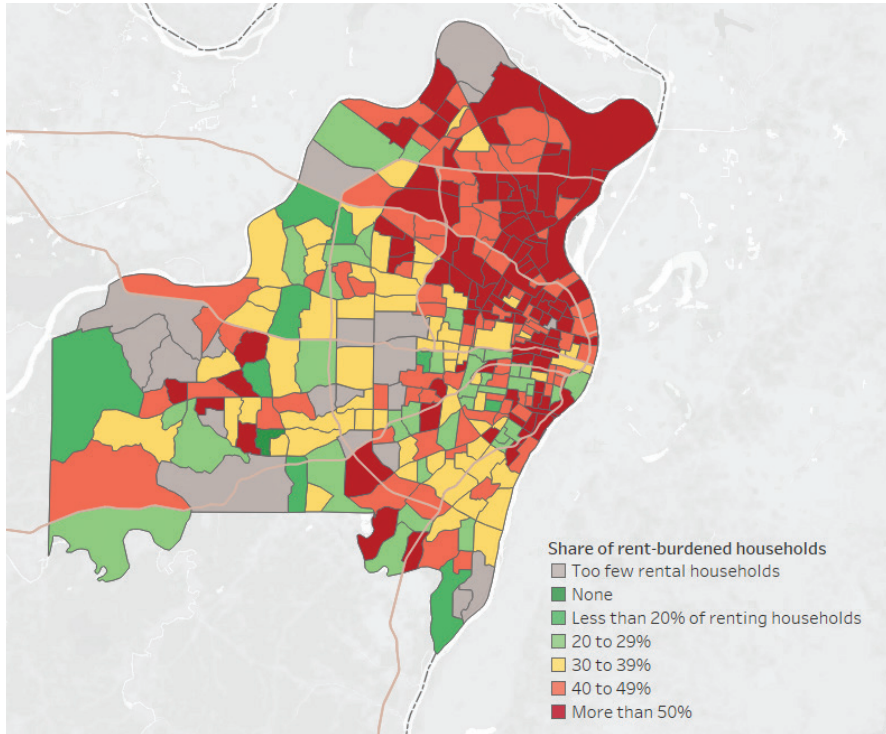
Affordable Housing Grades for St. Louis City & County, 2021

HUD Comprehensive Housing Affordability Strategy (CHAS) data;
Custom tabulation of 2013-2017 American Community Survey

Group	Percentage of Households with Housing Cost Burden	Percentage of Households with Affordable Housing	Letter Grade
All Households	29%	71%	C
<i>Income Level</i>			
0-30% AMI	78%	22%	F
31-50% AMI	68%	32%	F
51-80% AMI	33%	67%	D
81-100% AMI	15%	85%	B
More than 100% AMI	4%	96%	A
<i>Household Type</i>			
Renters	44%	56%	F
Homeowners	21%	79%	C
<i>Race</i>			
White Households	23%	77%	C
Black Households	44%	56%	F
White Renters	39%	61%	D
Black Renters	55%	45%	F
White Homeowners	18%	82%	B
Black Homeowners	28%	72%	C

AMI = AMI stands for Area Median Income – or the middle point of incomes in a geographical region with 50% of all household incomes falling below the AMI and the other 50% above. The AMI used in this report card is based on the St. Louis Metropolitan Statistical Area (MSA), which includes twelve counties across Missouri and Illinois.

Housing Cost Burden Rates in St. Louis City & County



Renters

Housing Cost Burden for Renters by Share in St. Louis City and County, 2019

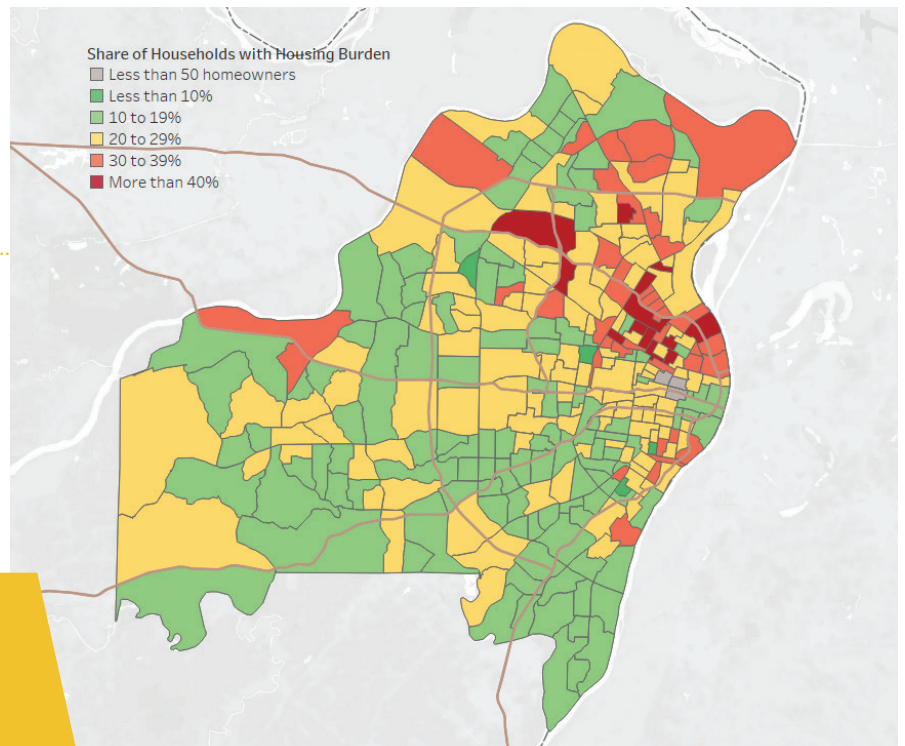
In North City and County, the majority of renters experience housing cost burden. More than 50% of renters in red census tracts are paying 30% or more of their monthly income on housing costs.

Note: North St. Louis City and County census tract populations are nearly all majority Black.

Homeowners

Housing Cost Burden for Homeowners by Share in St. Louis City and County, 2019

Homeowners in general have more affordable housing. There are still pockets in North City and County where the majority of homeowners experience housing cost burden.



2x

In 2019, white residents were nearly twice as likely as Black residents to be homeowners in St. Louis City and County.



Assessing Need for Affordable Housing

Purpose

One of the challenges for affordable housing advocates is quantifying the need for affordable housing and setting concrete goals for housing policy and programs. A solid assessment can inform policy that supports and incentivizes the specific kinds of housing development that will meet our community's needs.

We have developed an affordable housing demand model to quantitatively estimate the number of housing units needed to produce affordable housing for the entire population of St. Louis City and St. Louis County. It takes into account existing housing supply and estimates current household demand in order to calculate the unmet affordable housing demand.

Because different households have different needs based on their household income and the size of their household, it is important to be able to disaggregate demand by housing cost and the number of bedrooms. This model is designed to be replicable by housing advocacy groups, government agencies, and for-profit and non-profit housing developers both here in St. Louis region and in other communities from across the country. See step-by-step methodology for the demand model on our website: www.affordablestl.com

Building a Demand Model

Geography

Our housing demand model includes St. Louis City and Saint Louis County, which includes 88 separate municipalities and 10 unincorporated areas.

Time frame

Our affordable housing model is designed to estimate **current** affordable housing needs. In order to amend this model to predict future demand, changes in affordable housing demand and supply must be estimated. Changes in demand are based on the rate of change in population.

Changes in supply are based on the rate of change in new construction and the rate of change in property obsolescence (ex. demolitions, multi-unit to single-unit conversions). Commissioners of future strategic planning should determine a time frame most relevant to their efforts.

Stakeholder Engagement

URBNRX held several meetings with members of the Affordable Housing Trust Fund Coalition and representatives from City and County Housing Strategic Planning efforts. During these meetings, the methodology and assumptions for the demand model were presented and discussed.

Precedent

The St. Louis Affordable Housing Demand Model was inspired by the affordable housing demand model developed by HousingNOLA for New Orleans. *This model was initially shared in the HousingNOLA 10 Year Strategy and Implementation Plan for a More Equitable New Orleans.*¹

Data

The key factors to estimating unmet demand are (1) households, by income and tenure, and (2) housing units, by monthly cost and bedroom type.

The St. Louis Affordable Housing Demand Model uses the following data sources:

- ACS 2015-2019 5-year estimates
- 2013-2017 CHAS data from HUD²
- Special Tabulations data from HUD³
- 2010 Census

Demand Model Components

- Defining Affordability
- Estimating Affordable Housing Supply
- Estimating Affordable Housing Demand
- Comparing Supply and Demand

1. <http://flux.modiphy.com/files/view/14208>

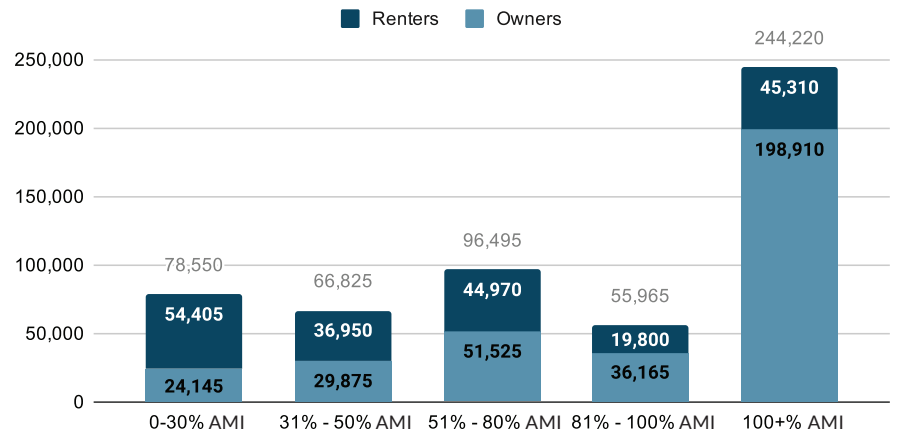
2. https://www.huduser.gov/portal/datasets/cp/CHAS/bg_chas.html

3. <https://www.huduser.gov/portal/datasets/spectabs.html>

Defining Affordability

This report card uses the U.S. Department of Housing and Urban Development’s (HUD) definition of “affordable.” For renters, affordability means paying less than 30% of their income on housing, including rental and utility payments. For homeowners, affordability means paying less than 30% of their income on mortgage, utility, property taxes, and insurance payments. HUD uses Area Median Income (AMI) categories to provide a baseline definition of household income to support their housing policy and analysis. There are 78,000 households in our region are in the lowest income bracket. Of those, 69% are renters and 31% are homeowners.

Distribution of Households by Ownership Status and Income Bracket in St. Louis City & County



For each income group, based on a 3-person household, we have identified the best match for affordable housing costs using the thresholds available from the American Community Survey:

- **0-30% AMI:** Affordable housing for families with incomes less than \$22,400 costs less than \$549 per month.
- **31-50% AMI:** Affordable housing for families with incomes between \$22,400 and \$37,350 costs less than \$999 per month.
- **51-80% AMI:** Affordable housing for families with incomes between \$37,350 and \$59,700 costs less than \$1,499 per month.
- **81-100% AMI:** Affordable housing for families with incomes between \$59,700 and \$74,700 costs less than \$1,999 per month.

These thresholds are nearly identical for homeowner housing costs as reported in the American Community Survey, with the exception of the lowest income bracket where we use the cost threshold of \$599 instead of \$549.

Estimating Affordable Housing Supply

To estimate the supply of affordable housing, we use American Community Survey estimates of housing units by ownership status, gross rent or housing costs, and bedroom count. For each household income threshold, we calculated the number of units affordable to that household by adding the count of rental units that rent at levels below their affordability threshold.

For renters paying monthly rent, there are:

- 19,460 units less than \$549
- 118,019 units less than \$999
- 181,738 units less than \$1,499
- 194,168 units less than \$1,999

For homeowners paying a monthly mortgage, there are:

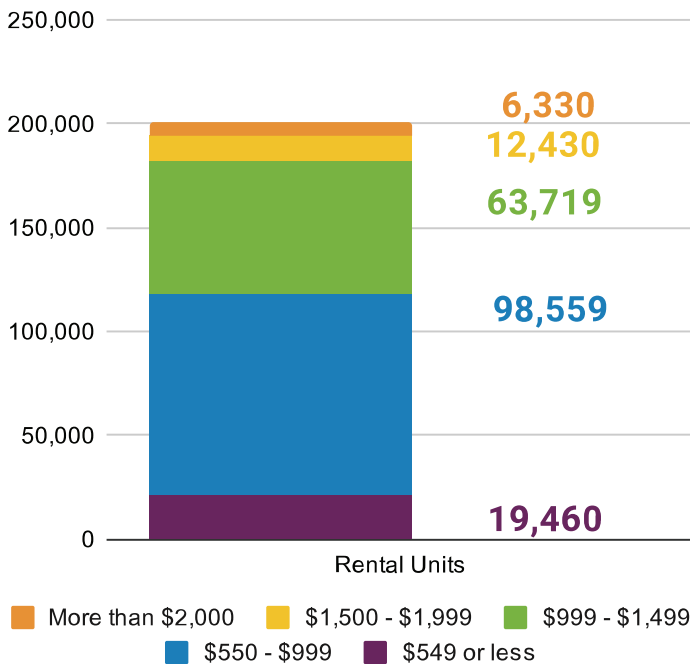
- 71,612 units less than \$599
- 144,294 units less than \$999
- 229,523 units less than \$1,499
- 280,672 units less than \$1,999

10x Renters with budgets of \$2,000 per month for rent have the choice of 10 times as many units than renters with budgets less than \$550 for rent.

Renters

Number of Housing Units by Gross Rent, St. Louis City and County, 2019

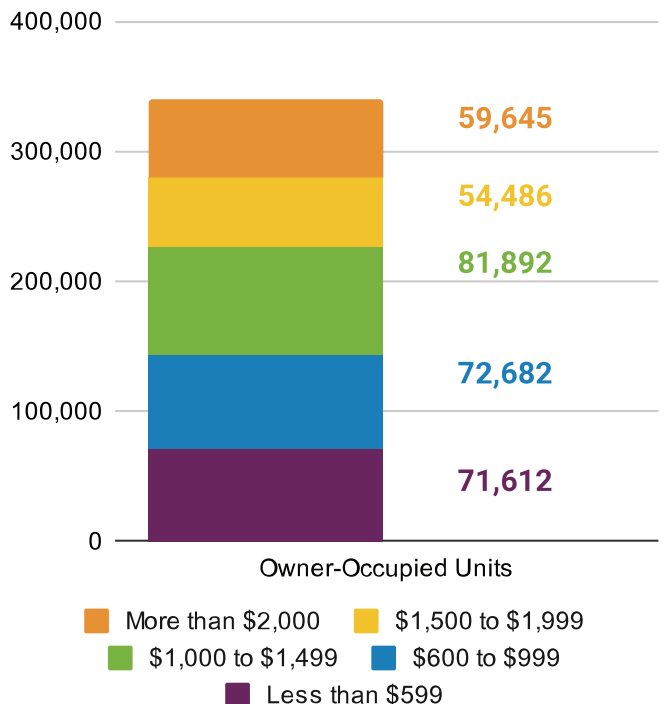
Total Rental Housing Units: 200,498



Homeowners

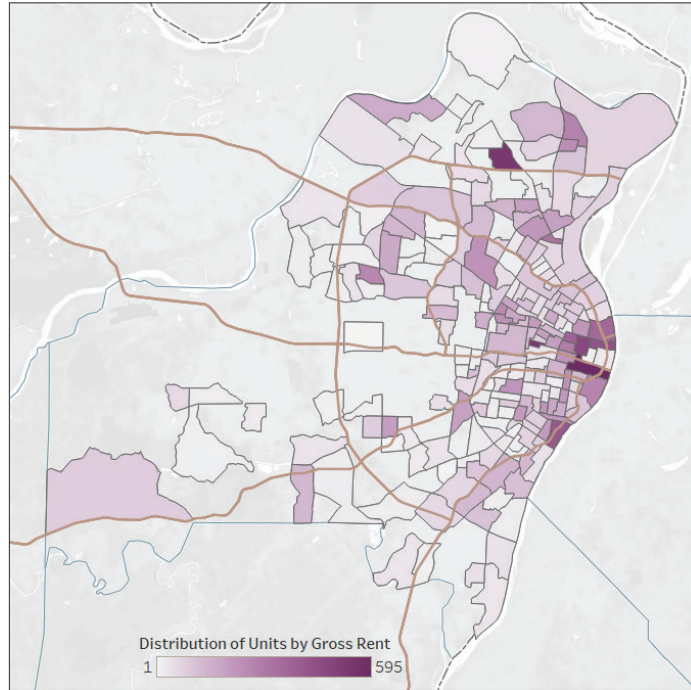
Number of Housing Units by Monthly Housing Cost, St. Louis City and County, 2019

Total Housing Units: 340,317

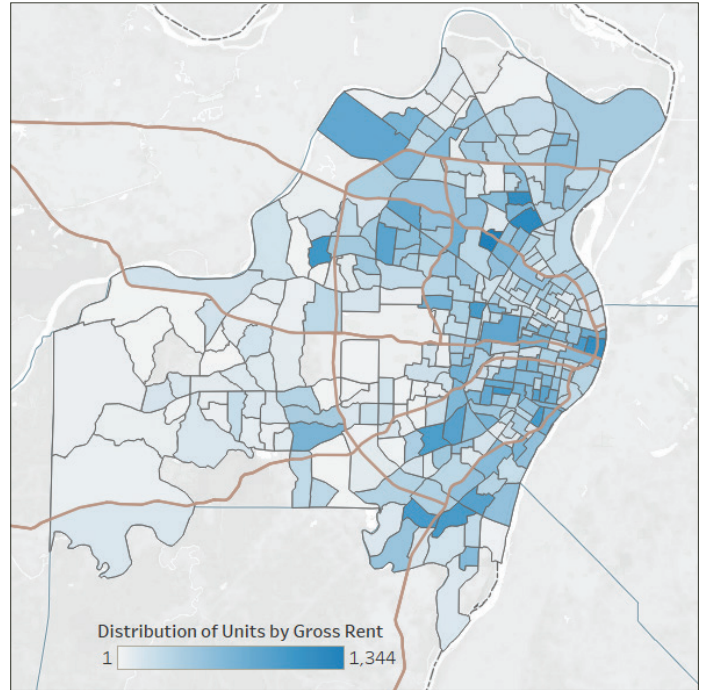


Distribution of Rental Housing Units by Gross Rent

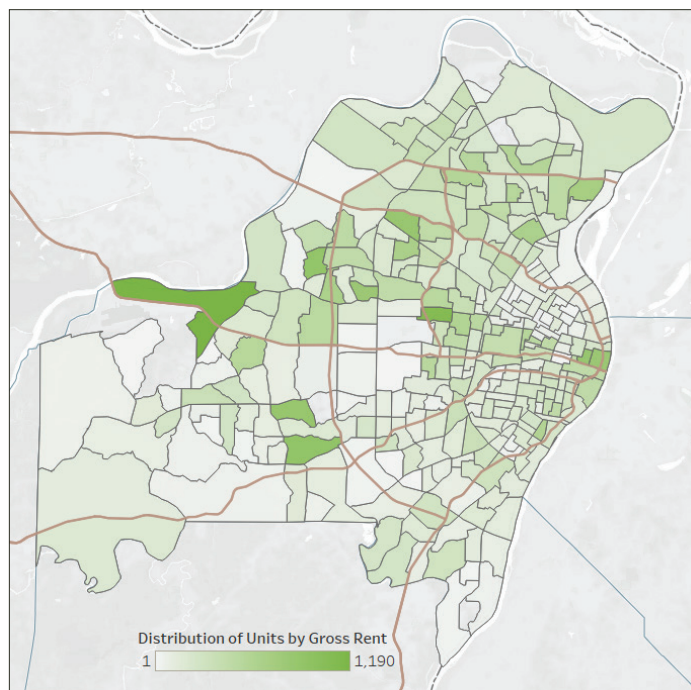
Number of households paying less than \$550 in rent
(affordable to 30% AMI)



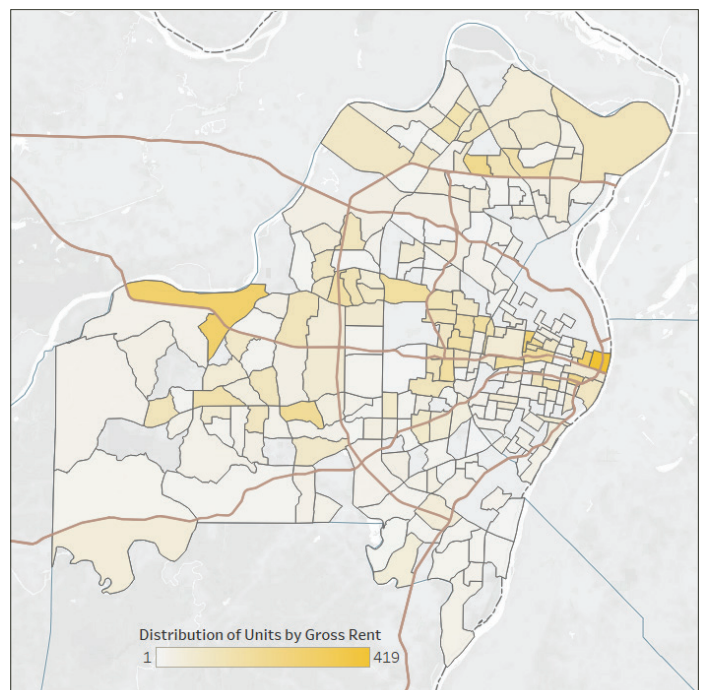
Number of households paying \$550-\$999 in rent
(affordable to 50% AMI)



Number of households paying \$1,000-\$1,499 in rent
(affordable to 80% AMI)



Number of households paying \$1,500-\$1,999 in rent
(affordable to 100% AMI)



Note: the legend for each map varies according to the maximum number of units available in a census tract. This is a design decision so that concentration is most clear to the reader for each rental bracket.

Estimating Affordable Housing Demand

To estimate the demand for affordable housing, we need to calculate the number of renter and homeowner households that need studio, 1-, 2-, or 3+ bedroom units. The number of bedrooms needed by a household vary based on the number of people living in the household, their ages, and their relationship to one another. In addition to estimating minimum needs, our model uses assumptions to estimate when members of a household would share a room. For example, we assume a married couple will share a room and if they don't have children at home, that means they would need a one-bedroom unit.

When multiple children are in the home, we assume half of households would have two children share a room. For these estimates, we use the custom tabulations of American Community Survey data created for HUD, including CHAS (Comprehensive Housing Affordability Strategy) data and "Special Tabulations" data used by HUD's Economic and Market Analysis Division (EMAD). Assumptions around the relationship between household size and household types were developed from 2010 Census data.

Number of Households by Income Level in St. Louis City and County
2019 American Community Survey 5-year estimates, CHAS

Household Income	Number of Households		
	Homeowner	Renter	TOTAL
Less than 30% AMI	24,145	54,405	78,550
31-50% AMI	29,875	36,950	66,825
51-80% AMI	51,525	44,970	96,495
81-100% AMI	36,165	19,800	55,965
Greater than 100% AMI	198,910	45,310	244,220
TOTAL	340,615	201,430	542,045

Affordable Demand for Rental Units in St. Louis City & County
Calculated from 2019 American Community Survey 5-year estimates

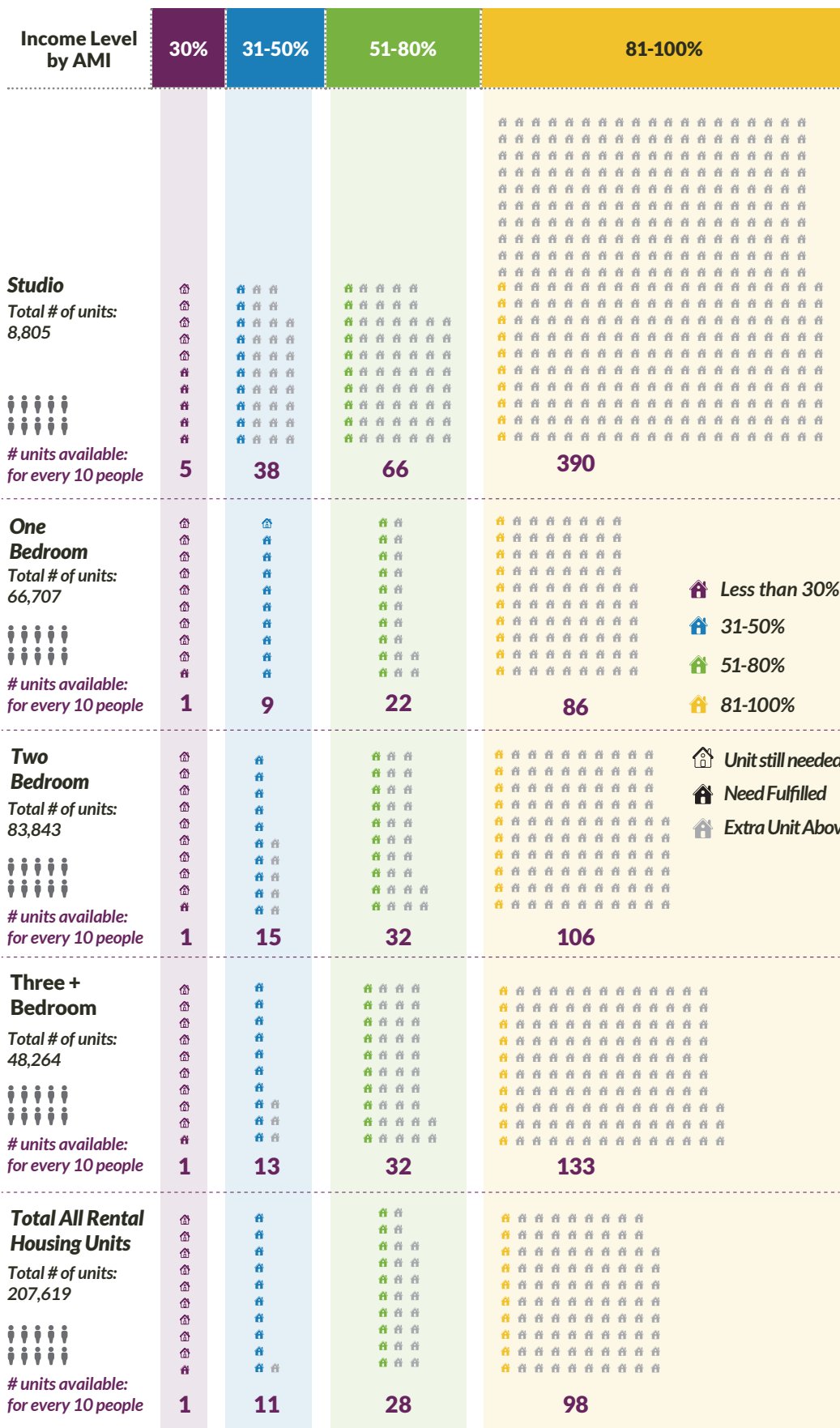
Household Income	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Less than \$19,999	1,438	40,881	10,735	3,491	368
\$20,000-\$34,999	897	27,760	10,479	3,432	364
\$35,000-\$44,999	430	14,009	5,731	2,104	246
\$45,000 - \$59,999	468	16,776	8,797	2,897	316
\$60,000-\$99,000	429	18,310	12,869	4,590	522
More than \$100,000	170	9,009	7,680	2,656	300

Affordability Snapshot

Affordable Rental Housing Demand and Supply by Income Group for St. Louis City and County, 2020

Income Level	Less Than 30% AMI	31-50% AMI	51-80% AMI	81-100% AMI
Who is this?	A Child Care Worker	An Emergency Medical Technician	A Paralegal	An Electrician
What is their annual income?*	\$0 - \$22,400	\$22,401 - \$37,350	\$37,251 - \$59,700	\$59,700-\$74,700
What share of renters make this income?	27%	18%	22%	10%
How much rent can they afford?	\$560/mo or less	\$934/mo or less	\$1,493/mo or less	\$1,878/mo or less
THE DEMAND What is the demand for affordable rental housing?	<p>~54,000 Households</p> <p>3% studio 72% 1-Bed 19% 2-Beds 7% 3+ Beds</p>	<p>~37,000 Households</p> <p>2% studio 65% 1-Bed 24% 2-Beds 9% 3+ Beds</p>	<p>~45,000 Households</p> <p>2% studio 60% 1-Bed 28% 2-Beds 10% 3+ Beds</p>	<p>~20,000 Households</p> <p>1% studio 48% 1-Bed 36% 2-Beds 14% 3+ Beds</p>
THE SUPPLY What is our current supply of affordable rental housing?*	<p>~19,000 Units</p> <p>10% studio 61% 1-Bed 19% 2-Beds 10% 3+ Beds</p>	<p>~118,000 Units</p> <p>6% studio 45% 1-Bed 37% 2-Beds 12% 3+ Beds</p>	<p>~182,000 Units</p> <p>4% studio 44% 1-Bed 35% 2-Beds 17% 3+ Beds</p>	<p>~194,000 Units</p> <p>4% studio 42% 1-Bed 35% 2-Beds 19% 3+ Beds</p>
Findings	<p>~35,000 Need Gap</p> <p>There is not enough affordable rental housing. We are short 28,000+ 1-bedroom units, 7,000 2-bedroom units, and 1,900 3+-bedroom units.</p>	<p>~81,000 Surplus</p> <p>There is enough affordable rental housing for this group, but they compete with the 0-30% AMI group for available units.</p>	<p>~137,000 Surplus</p> <p>There is enough affordable rental housing for this group, but they compete with the 80-100% AMI group for available units.</p>	<p>~174,000 Surplus</p> <p>There is enough rental housing for this group, but they compete with the 100%+ AMI group for available units.</p>

*Family of 3; **Supply of affordable housing for each income group is additive (adds the supply from lower income groups)



Demand vs. Supply

Reading This Chart

For every 10 people looking for housing at this income level, there are __#__ units available.



Important Considerations When Viewing this Chart

1. A significant portion of the most affordable, unsubsidized units are likely to be substandard housing.
2. This chart is based on cumulative availability. People of higher income levels can compete for units at any price, with the exception of regulated, subsidized units. This means that any model likely underestimates the competition for lower-priced units.

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

[35,000] Renters who fall in the 0-30% AMI group face a supply shortfall of approximately 35,000 units based on the available data. Although the data might show a sufficient supply for renters between 30-80% AMI, they still compete for the same units with higher income renters looking for the lowest rents available.



Theme 1: Preserving Existing Affordable Housing

The strategies in this section discuss what we are doing as a region to make housing more affordable. Our ability to measure these activities provides a guidepost to achieving our goal of affordable housing for all. The preservation of existing affordable housing is key towards reducing the risk of our region losing affordable units at a faster rate than we can replace them. The majority of our most affordable housing was built to last a lifetime... but it's now onto its second generation.

In the first theme of this Report Card, we review four aspects of preserving existing affordable housing, including:

- 1.1 Maintaining Quantity**
- 1.2 Improving Quality**
- 1.3 Preventing Displacement**
- 1.4 Financing Rehabilitation and Repair**

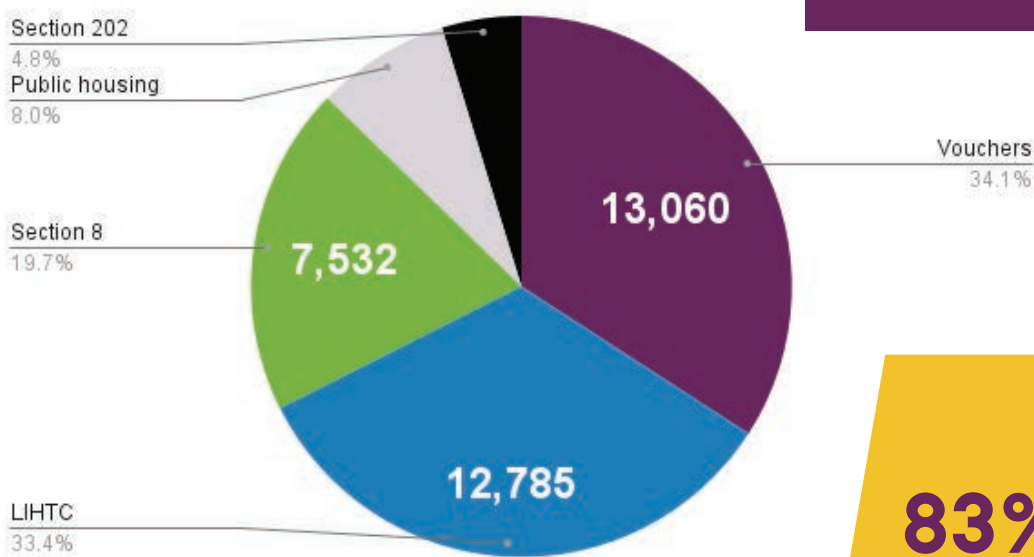
Strategy 1.1

Maintaining Quantity

Affordable housing preservation is achieved when subsidized and naturally occurring affordable housing opportunities continue to be available over time. Subsidized housing units are affordable housing units whose construction, operations, occupancy, and/or maintenance are subsidized by the federal government. These units can be managed by either local government entities or private owners. The primary types of subsidized housing available in the St. Louis region include:

- Housing Choice Vouchers
- Low Income Housing Tax Credits (LIHTC)
- Section 8 Rental Assistance
- Public Housing
- Section 202 Housing

Subsidized Housing in St. Louis City & County, 2019



Data Source: HUD's Picture of Subsidized Housing, 2020.

HIGHLIGHTS

38,000

- There are approximately 38,000 affordable housing units supported by federal and state subsidies in St. Louis City and County.

34%

- Housing Choice vouchers are the most common form of affordable housing, equaling 34% of all subsidized units.

82%

- 82% of households living in subsidized housing make less than \$20,000 in annual household income (less than 30% AMI).

27%

- Only 27% of households that earn less than 30% AMI have access to a federally funded or protected affordable housing unit.

34%

- Of those residing in subsidized housing in St. Louis City and County, 1/3 are age 62 and older.

83%

There are nearly 51,870 residents of subsidized housing in the St. Louis region. 83% are Black, 11% are white, and 6% are other races.

Strategy 1.2

Improving Quality

Affordable housing preservation is achieved when properties are maintained and units are both functional and accessible. Housing quality refers to both the physical condition of the housing unit and the quality of the physical and social environment where the home is located. Housing quality is one of the most important measures of success to the members of the Affordable Housing Trust Fund Coalition; however, it is one of the most difficult to measure given a lack of timely and meaningful data collection at the federal level or suitable data reporting at the local level. In this section we discuss our ability to measure housing quality in terms of:

- Housing Conditions
- Accessibility

HIGHLIGHTS

25%

- 25% of all St. Louis renter households are experiencing severe housing problems. A household will be recorded as having severe housing problems if the housing unit lacks complete kitchen facilities or plumbing facilities, if the household is overcrowded, and/or if the household is severely cost-burdened.

88,000

- There are nearly 88,000 people in the St. Louis region with disabilities that impact their ability to walk.

2,000

- However, there are only 2,000 subsidized affordable housing units designed for people with disabilities of any kind.

3x

In the St. Louis region, Black residents are nearly three times as likely to have a disability than the general population. This means the lack of accessible housing disproportionately negatively impacts them.



Strategy 1.3

Preventing Displacement

Affordable housing preservation is achieved when displacement of existing low-income residents is prevented. Displacement occurs when residents are forced to move from their homes through formal or informal evictions for renters or foreclosures and tax sales for homeowners.

In this section we discuss our ability to measure displacement and the impact of prevention efforts in terms of:

- Rising Rents
- Evictions
- Foreclosures
- Tax Sales
- Rental, Mortgage, and Utility Assistance
- Property Tax Relief
- Community Ownership

! Evictions and foreclosures are concentrated in majority-Black areas of the City and County.

HIGHLIGHTS

18,000

- There were nearly 18,000 evictions in St. Louis City and County in 2019 and 2020.

25,345

- St. Louis City and County have 25,345 households that are behind on rent, with an average rent debt of \$2,725 per household.

11%

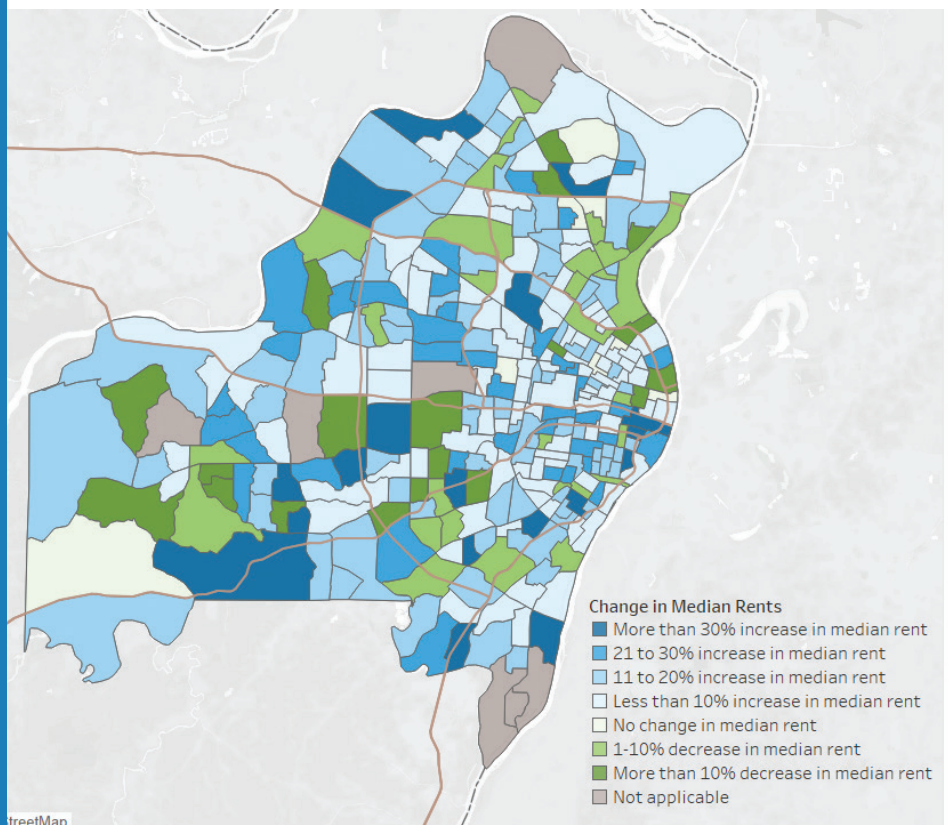
- Rents have risen 11% overall in both St. Louis City and County in 5 years. Median rent for studios went up 18-20%, followed by 14% price increase for 1-bedrooms.

-70%

- Eviction rates were reduced by 70% between 2019 and 2020, in large part due to local and federal eviction moratoriums during the COVID-19 pandemic.

Rising Median Rents from 2015 to 2019

Rapidly rising rents are an indicator that displacement of lower-income households is more likely to occur. The dark blue areas of this map show where median rent increased by more than 30% in a 5-year period, and appear throughout the St. Louis region.

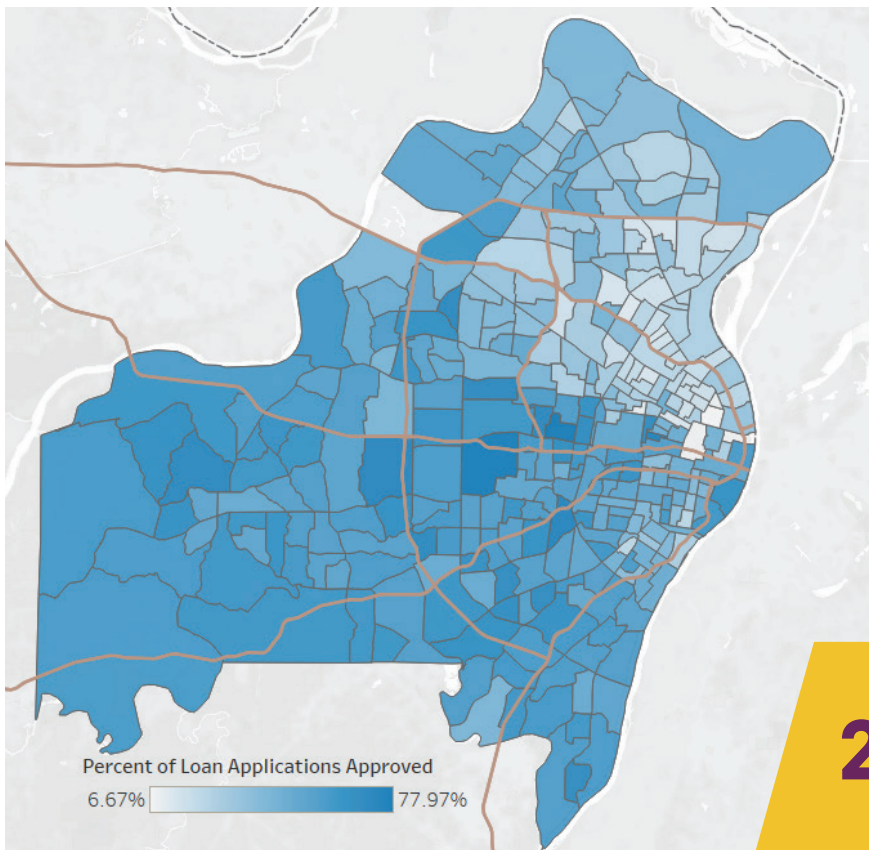


Strategy 1.4

Financing Rehabilitation & Repair

Preserving existing affordable housing requires financing for home repair and rehabilitation. A common rule of thumb is that property owners should plan to spend 1-2% of the home's value on annual maintenance. This section will discuss the resources available to homeowners, landlords, and multifamily property managers, such as public housing authorities. These resources include:

- Capital funds and maintenance for public housing authorities
- Resyndication for LIHTC developments
- Home repair grants for low-income homeowners
- Home improvement loans for homeowners
- Home refinance loans for homeowners
- Energy efficiency assistance for households



Percent of Home Improvement Loan Applications Approved 2019-2020

According to Home Mortgage Disclosure Act data, there were 4,137 applications for home improvement loans in St. Louis City and County in 2020. A total of \$219 million dollars in home improvement capital was deployed in our region. 93% of loan applications were for primary residences, while 5% were used for investment properties.

Home improvement loan applications were approved at low rates in North City and North County, as well as the Dutchtown, Gravois Park neighborhoods of South St. Louis City. A total of 82% of home improvement loans were for properties located in Saint Louis County.

2x

Black applicants were more than twice as likely to be denied a home improvement loan than white applicants in 2020.

HIGHLIGHTS

4,137

- There were 4,137 applications for home improvement loans in St. Louis City and County in 2020

5 Years

- The City's Healthy Home Repair program has a wait list of over 5 years with over 1,250 applicants.



Photo of new rehab for affordable housing on Chippewa.



Theme 2: Building New Affordable Housing Opportunities

Building new affordable housing opportunities is necessary to reduce the unmet demand for affordable housing in our region. For affordable housing to help families thrive, not just survive, housing opportunities must be located in places where they want to live. To increase housing stability, affordable housing options must include homeownership.

In the second theme of this Report Card, we will be reviewing three aspects of building new affordable housing opportunities, including:

- 2.1 Increasing Quantity**
- 2.2 Supporting Mobility**
- 2.3 Financing for New Construction & Homeownership**

Strategy 2.1

Increasing Quantity

A critical component towards building new affordable housing opportunities is increasing the quantity of new units. New construction of rental housing occurs predominantly in higher rent categories, with very limited subsidies for new construction of affordable units. While research suggests increased housing supply at all levels can improve affordability in the long term, in the short-term new construction has both a supply effect and an amenity effect.

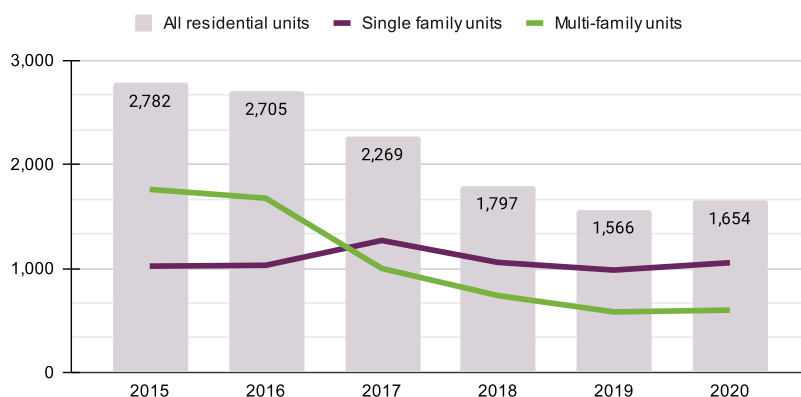
Supply effect: *New construction creates additional competition in higher-rent segments of the market, slowing price growth for higher-rent units.*

Amenity effect: *New construction attracts additional amenities, increasing demand for the neighborhood and increasing price growth for lower-rent units.*

In addition to new construction, creating inclusionary zoning policies and providing more housing vouchers can increase the number of properties that are affordable.

In this section, we review what we know today about quantities of new affordable housing being built in St. Louis City and County in terms of:

- All new housing units
- Units in new multi-family buildings
- New subsidized affordable housing units
- New public housing units



HIGHLIGHTS

13,000

→ In the past 6 years, St. Louis has added nearly 13,000 new housing units, most of which are non-subsidized and are affordable only to high-income households.

-40%

→ The number of new housing units being built annually has decreased by 40% since 2015.

10%

→ An estimated 10% of all new housing units were built using an affordable housing subsidy since 2015.

New Housing Construction in St. Louis City & County, 2015-2020

In recent years, roughly half of all housing units built were single family homes. The other half of units were built in multi-family buildings with more than five units. Newly constructed two- and four-unit buildings are very rare in the region, only making up 1-2% of new builds.

www.affordablestl.com

Strategy 2.2

Supporting Mobility

The purpose of housing mobility programs are to help low-income households (typically families with children) move to housing units of their choice, in areas with higher performing schools, lower crime rates, and/or better jobs. The primary tool to support household mobility in our region is the Housing Choice Voucher program, which provides rental assistance to low-income households to access housing in the private market. Housing vouchers are the most common form of subsidized housing in the St. Louis region.

Housing Choice vouchers, of all forms of subsidized housing, are the most likely to be used or located in majority-Black census tracts, where Black residents are more than 50% of

the area’s population. Section 8 Project-based vouchers, which are only allowed to be used in designated housing developments, are the form of subsidies that are most likely to be used in a majority-white census tract.

This section discusses ways in which we can measure success for housing mobility programs like vouchers, including:

- Supply of Housing Choice Vouchers
- Household Choice: Effectiveness of Vouchers
- Regional Support for Mobility

Distribution of Subsidized Housing by Census Tracts in St. Louis City and County, 2020

HUD’s Picture of Subsidized Households, 2019 American Community Survey 5-yr estimates

	Majority-Black	Majority-White	No Majority
Households	26%	69%	4%
Households w/ any Subsidy	67%	26%	6%
Housing Choice Vouchers	76%	18%	6%
Section 8	49%	47%	3%
Public Housing	73%	12%	13%
LIHTC	62%	35%	3%

HIGHLIGHTS

13,060

→ There are 13,060 Housing Choice vouchers in use in St. Louis City and County.

2.2%

→ 2.2% of all households use a Housing Choice voucher in the St. Louis region.

42%

→ 42% of Housing Choice vouchers are used in five municipalities in North Saint Louis County: Florissant, Ferguson, Spanish Lake, Jennings, and Bellefontaine Neighbors.

9.2%

→ Only 9.2% of voucher holders live in census tracts considered “High Opportunity Areas.”

The largest municipalities that do not have any households that use Housing Choice vouchers are Wildwood, Clayton, Town and Country, Ladue, and Brentwood.

Strategy 2.3

Financing for New Construction and Homeownership

Building new affordable housing opportunities requires financing for land acquisition, demolition, construction, and rehabilitation of formerly blighted properties or properties with non-residential past. This section will discuss the resources available to nonprofit and for-profit developers, as well as to prospective homeowners that seek mortgage financing for home purchases. These resources include:

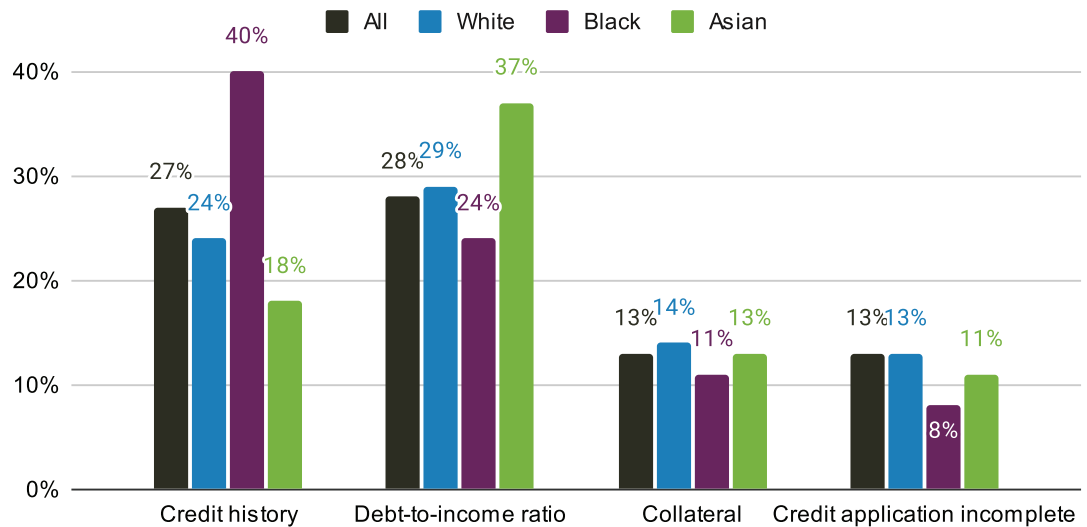
This section discusses ways in which we can measure success for housing mobility programs like vouchers, including:

- Subsidies for affordable housing developers: LIHTC, HOME, CDBG, and AHTF
- Grants for vacant property stabilization for Land Reutilization Authority: Prop NS
- Home purchase loans for homebuyers
- Homebuyer assistance programs.

3x

Black applicants are three times as likely to be denied a home mortgage loan than white applicants, most frequently on the basis of their credit history.

Reasons for Home Loan Denial by Race in St. Louis City & County, 2020



HIGHLIGHTS

19,997

- 19,997 mortgages were originated in 2020 with 13,579 to white applicants and 2,325 to Black applicants.

\$42%

- The dollar value of tax credits allocated to St. Louis developers in 2020 met 42% of local annual demand for affordable housing financing.

\$33.8 million

- There were \$33.8M of subsidies for construction or major rehabilitation of affordable housing projects located in St. Louis City and County in 2020.

\$4.9 billion

- \$4.9 billion dollars in home mortgage capital was deployed in the St. Louis region in 2020.



Accountability Recommendations

In order to better measure success for affordable housing goals, we have the following recommendations for data collection or reporting for various institutions. We recommend...

Data Recommendations

Strategy 1.1

- Saint Louis County develops the equivalent of St. Louis City's Vacant Property Explorer.
- Saint Louis County begins tracking the number of residential demolitions completed by municipalities within Saint Louis County.
- St. Louis Housing Authority and Housing Authority of Saint Louis County report the number of public housing units that are off-market for maintenance.

Strategy 1.2

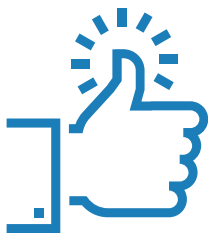
- Housing Authorities estimate total maintenance needs for public housing portfolios.
- Housing Authorities report annual data on tenant complaints of housing conditions and crime reports.
- City of St. Louis disaggregates data on residential code violations by tenant-occupied residential properties.
- Saint Louis County aggregates data on residential code violations from municipalities.
- City and County inspect private housing stock for accessibility requirements.
- Housing Authorities survey housing voucher holders on need and access to accessible units.
- City and County use and assist in maintaining Vacancy Collaborative database tracking block captains, neighborhood associations, and community development corporations.
- HUD disaggregates data on severe housing problems by race.

Strategy 1.3

- The City's Collector of Revenue publishes data about the number of property tax suits filed, the amount owed, and the number of tax sales completed in their Open Data Portal.
- City and County governments report the number of applicants and recipients of rental or mortgage assistance, disaggregated by race and geography.
- The Missouri Department of Revenue reports the number of applicants and recipients of property tax relief programs, disaggregated by race and geography.
- The Coalition tracks the number of affordable housing units protected through community ownership models.

Strategy 1.4

- The City and County governments aggregate and report the number of applicants and recipients of home repair grant programs administered across the region, disaggregated by race, income level, and geography.
- The Missouri Department of Social Services reports the number of households that applied and were assisted with energy efficiency programs, disaggregated by race, income level, and geography.



Strategy 2.1

- SLDC and Saint Louis County track asking rents for new construction.
- SLDC and County track asking price of for-sale new construction.
- Saint Louis County publishes number of housing units built using HOME, CDBG, and AHTF (when active) dollars
- Saint Louis County tracks the number of residential building permits at a smaller level of geography, such as zip code or Census Tract for Unincorporated Saint Louis County.

Strategy 2.2

- Housing Authorities track the number of applications reviewed and vouchers issued annually.
- Municipalities track the number of landlords accepting housing vouchers.
- The Coalition tracks which municipalities offer source of income protections.
- The Coalition tracks which municipalities support inclusionary zoning.

Strategy 2.3

- MHDC publishes data about its homebuyer assistance programs disaggregated by geography, race, and household income.
- The Gateway Neighborhood Fund should plan to publish data disaggregated by geography, race, and household income.
- SLDC maintains a public database of affordable housing development projects across subsidy programs.

Recommendations for Future Research

In the course of researching the Affordable Housing Report Card priorities, Coalition members and the consultants identified many more areas of research than what could be completed for this initial report.

We recommend that future editions of the St. Louis Affordable Housing Report Card include an addendum on the following topics:

1. Regional Financial Support for Affordable Housing related to...

- Homelessness prevention and shelters
- Tenant education and homebuyer counseling
- Neighborhood stabilization
- Transitional housing
- Rent/Mortgage/Utility subsidies
- Energy efficiency
- Improving access to neighborhood amenities
- Fair housing

2. Housing Special Populations: Special need populations identified by the coalition include...

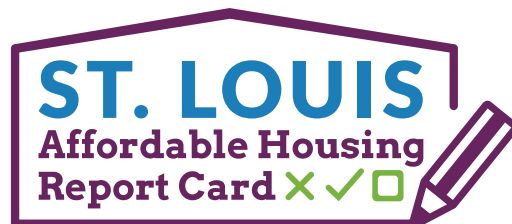
- Senior residents
- Residents with physical disabilities
- Residents with mental disabilities
- Residents experiencing chronic homelessness
- Residents with drug addictions
- Residents for whom English is a second language
- Survivors of domestic violence
- Young adults aging out of foster care
- Formerly incarcerated individuals re-entering society
- Veterans
- Very large families
- Fixed-income

For most of these groups, we can estimate the size of the population. For very few of these groups are we able to identify housing that is built specifically to meet their needs.





View of Compton Heights and Tower Grove East looking south.



Full data analysis and interactive maps available online at:

www.affordablestl.com