

COMMUNITY LAND TRUST

Business Plan Executive Summary

for St. Louis



Overview

Through funding from the Missouri Department of Conservation, Green City Coalition (GCC) engaged The Rome Group to refine a model for a new Community Land Trust (CLT) and to develop its business plan. Community Land Trusts (CLTs) are organizations that hold and steward land in perpetuity for the benefit of the residents of the communities where they work. CLTs are led by community members and provide resources to help residents build safe, vibrant, healthy communities where long-time residents thrive alongside new residents. The Community Land Trust in St. Louis will be a vehicle for improving quality of life and sparking economic development in parts of the city that have lacked investment over time to address vacancy through community-led development of green space infrastructure, residential and commercial development.

The Community Land Trust in St. Louis will begin working in the neighborhoods where GCC has been working to develop community green spaces. The CLT will expand incrementally, engaging residents in additional neighborhoods and providing support for an expanded menu of development and other programming in neighborhoods that have focused on green space development to date. The land trust will increase in staff size from one full time staff in its first year – the Executive Director, working in partnership with the Green City Coalition team – to five full-time staff working in seven neighborhoods by year five. The CLT’s operating budget will increase from about \$170,000 in its first year to nearly \$750,000 in its fifth year.

GREEN CITY COALITION
FOCUS NEIGHBORHOODS
& DEVELOPMENT SITES



GREEN CITY COALITION

is a formal partnership between the City of St. Louis, St. Louis Development Corporation, Missouri Department of Conservation, and Metropolitan St. Louis Sewer District working collaboratively with member organizations and neighbors to convert vacant and abandoned properties to new community-owned green spaces that promote healthy, biodiverse, and resilient neighborhoods. GCC is not a stand-alone entity and is staffed by an interdisciplinary and inter-organizational team.

greencitycoalition.org

Business Plan Summary

Based on the feedback from the discovery phase of this project, The Rome Group recommends the following model for the CLT. The business model emphasizes community and economic development, creates clear expectations for residents' leadership and involvement, describes programming that is responsive to the needs of communities, and takes a phased approach to establishing the trust and the development of green spaces, housing, and commercial spaces in neighborhoods with high rates of vacancy.

Mission

The mission of the CLT is to spur economic development and investment in neighborhoods across the St. Louis region through resident-led conversion of vacant properties to occupied buildings and community green spaces that ensure a high quality of life for residents across St. Louis.

Vision

The vision of the CLT is that communities and their residents have self-determination, leading the process of building resilient neighborhoods where they can live, work, and thrive.

Goals and Objectives

The CLT will be a vehicle for sparking economic development in the parts of the St. Louis region that have lacked investment and help build thriving communities where long-time and new residents alike will want to live and work. The land trust will be the mechanism through which neighborhoods reverse decline, build power, and create opportunities that will allow St. Louis residents to build wealth and determine their own futures.

The ways in which the organization will achieve these important goals are as follows:

Green Spaces and Green Infrastructure

Transforming vacant land to temporary and permanent green space; engaging residents to design green spaces that protect residents' health, create community gathering spaces, and make housing and other community assets more sustainable. ***The goal is to increase community resilience and improve quality of life for residents.***

Housing

Creating accessible and attractive rental properties for residents at all income levels; assisting residents and potential residents on their journey to homeownership; and providing current homeowners opportunities to build equity in their homes, increase property values, and stay in the neighborhoods they have stewarded for, in some cases, decades. ***The goal is to promote additional activity in these neighborhoods that can attract new residents without displacing existing community members.***

Businesses and Investment Opportunities

Working with residents, developers, and investors to determine which assets and services the community needs; providing pathways to business ownership for members of the community; and creating employment opportunities for residents in the neighborhood and beyond. ***The goal is to increase personal and family wealth for residents.***

Community Engagement and Self-Determination

Centering community members in the development of the community land trust; prioritizing the opportunities they believe are most needed in their neighborhoods; and building deep trust and relationship with those neighborhoods by putting community interests before all other interests. ***The goal is to center community voice, interests, and needs in the land trust's operations.***

What The Land Trust Will Do

The land trust will use a phased approach as it establishes the organization, hires staff, and raises startup funds. The initial activities of the land trust will build on the recent work of Green City Coalition in the Walnut Park, Wells Goodfellow, Baden, and College Hill neighborhoods. The CLT will eventually assume much of GCC's work, fostering relationships with residents and community leaders, maintaining green spaces, and establishing partnerships with government and private service providers. Residents in these neighborhoods will be first to learn about and advise the CLT about its goals and its programs.

Once fully operational and fully staffed, the CLT will have four core functional areas: (1) creating and maintaining green infrastructure, (2) (3) facilitating residential and commercial development =, and (3) supporting housing and (4) connecting with and strengthening the community. The land trust will employ a combination of the following strategies shown below to spark economic development and help residents lead neighborhood transformation. The strategies will be determined by each community and will be explored throughout each neighborhood's initial planning process. For example, attracting residents is of key concern in neighborhoods with high rates of vacancy, but neighborhoods experiencing high rates of speculative development may be more concerned with preventing displacement.

The CLT will acquire an initial infusion of at least 200 parcels through an agreement with the Land Reutilization Authority (LRA), the City of St. Louis's land bank, at no cost per an existing agreement. Further LRA transfers will occur under a new agreement. The CLT will also acquire land from private owners of vacant and abandoned properties in neighborhoods of interest.

What The Land Trust Will Do

Category	Strategy
Creating and Maintaining Green Spaces & Green Infrastructure	The CLT will create green infrastructure to provide community gathering places, beautify neighborhoods, manage stormwater, improve air quality, mitigate urban heat island effects and meet other community needs.
	The CLT will hire teams to create and maintain green infrastructure in their neighborhoods, ensuring a consistent presence of CLT staff. Local Resident applicants who apply for jobs will receive priority consideration.
Facilitating Residential and Commercial Development	The CLT will facilitate partnerships with residents, community advocates and organizations, and public and private sector entities to identify opportunities to rehabilitate existing structures and develop new ones for residences and businesses.
	The CLT will monitor and facilitate agreements and transactions that advance the community's best interests, prioritize best practices in community development, and create opportunities for investment and business ownership.
	The CLT will create and steward an advisory committee to provide guidance on development, which will include experts in community development, real estate, business, and construction.
	Residences developed on land that the CLT owns will be available for rental and purchase. Rentals and single-family homes will be focused on mixed income developments, with the majority of units available at or below market rate.
Supporting Housing	The CLT – largely through its partnerships with community organizations – will assist prospective homeowners with the process of purchasing a home in the CLTs catchment (e.g., providing assistance on financing and credit repair).
	The CLT will administer programs to ensure existing homeowners can remain in their neighborhoods, including support for renovation, home improvement, and maintenance (including green and energy efficient alternatives), and assistance with property taxes and fees.
	60% or more of the CLT board will be comprised of residents and community members from the neighborhoods where the CLT works.
Connecting with and Strengthening the Community	Community leadership opportunities will be ongoing and include positions on working groups and committees as the CLT grows.
	The CLT staff will maintain and deepen community relationships in the neighborhoods where it works through regular attendance at neighborhood and ward meetings, maintaining a presence in the community, and prioritizing opportunities to hear from and plan with residents.
	The CLT will create partnerships with service providers and community organizations to offer wrap-around services for residents in the focus neighborhoods. These organizations' involvement will run the gamut from board seats, to formal agreements for service delivery to residents, to membership on advisory committees.

Implementation

Year One

PRIORITIES: Establishing the organization; land acquisition; outreach and community engagement; fundraising; board development; advisory group formation; partnership with Green City Coalition

POSITIONS: Executive Director

Year Two

PRIORITIES: Land acquisition; outreach and community engagement; fundraising; building a green jobs program, green infrastructure maintenance; advisory group formation

POSITIONS: Executive Director, Land Manager, Outreach Specialist

Year Three

PRIORITIES: Outreach and community engagement; fundraising; green infrastructure maintenance; property basic maintenance; residential development pilot.

POSITIONS: Executive Director, Land Manager, Outreach Specialist, Development Director.

Year Four

PRIORITIES: Outreach and community engagement; fundraising; green infrastructure maintenance; basic property maintenance; residential, green, and commercial development (depending on new neighborhoods' needs); support for existing residents

POSITIONS: Executive Director, Land Manager, Outreach Specialist, Development Director, Housing Specialist

Year Five

PRIORITIES: Outreach and community engagement; fundraising; green infrastructure maintenance; basic property maintenance; residential, green and commercial development; support for housing; land acquisition

POSITIONS: Executive Director, Land Manager, Outreach Specialist, Development Director, Housing Specialist

Implementation

Governance

By year five, the land trust will be community-led, with a board that is divided into three segments, with two thirds representing people in the communities where the land trust works. One-third of the board will eventually be composed of residents of the land trust properties, one-third will be community members from the neighborhoods where the CLT operates, and one-third will represent the public. The public may be represented by a mix of funders, financial institutions, advocates from citywide or statewide organizations, and public officials whose work is relevant to the CLT (e.g., housing authority, city planning, human services).

In the early years of the CLT, the seats that will eventually be allocated to residents will be filled with residents and community-based organizations who work in the community. Once a certain number of housing units are occupied, the CLT residents will assume these seats on the board of directors. As the number of CLT neighborhoods grows, the organization may grow to include working groups, or advisory committees to ensure inclusion of every community, while keeping the size of the board manageable.

Membership

The CLT will be a membership organization to ensure accountability to the communities where the land trust works. Membership in CLTs is not a major source of revenue, but a way to invite the community to have buy in and control. Dues are pay-what-you-can and may be as little as \$1 a year. CLT members will be residents of the neighborhoods where the CLT is operating, representatives of community-based organizations working in those communities and will eventually include residents living in the housing established by the CLT. Residents of other St. Louis communities interested and invested in the land trust's work (these may be residents of neighborhoods in which the land trust will work in the future) may also join. Community land trust members will elect the community and resident board members. Members will also be informed of volunteer and employment opportunities that the CLT offers and will form the core of committees and working groups as the CLT grows.

Operating Budget

The budget shown below is based on best practices for establishing and sustaining nonprofits. It is also informed by The Rome Group's knowledge of the local philanthropic community and what levels of support are feasible from various sources of funding.

CLT Start-up Operating Budget	Year 1	Year 2	Year 3	Year 4	Year 5	Notes
Portfolio Assumptions						
# of vacant properties held		200	210	220	230	Approximately 200 properties initially
# of homes				10	20	
# of commercial properties held					5	
Operating Expenses						
Executive Director	\$91,000	\$93,730	\$96,542	\$99,438	\$102,421	\$70,000 salary, 30% benefits; 3% annual increase
Neighborhood Engagement & Outreach Coordinator		\$78,000	\$80,340	\$82,750	\$85,233	\$60,000 salary, 30% benefits, 3% annual increase
Land Manager		\$65,000	\$66,950	\$68,959	\$71,028	\$60,000 salary, 30% benefits, 3% annual increase
Development Director			\$78,000	\$80,340	\$82,750	\$60,000 salary, 30% benefits, 3% annual increase
Housing Specialist				\$78,000	\$80,340	\$60,000 salary, 30% benefits, 3% annual increase
Neighborhood Stipends (seasonal and part-time)	\$25,000	\$25,000	\$50,000	\$100,000	\$150,000	Initially supported by GCC staff, green jobs program will grow each year.
Land Acquisition		\$40,000	\$41,200	\$42,436	\$43,709	Based on ten acquisitions per year at LRA prices; 3% increase annually
Land Management Equipment		\$30,000	\$30,900	\$31,827	\$32,782	Estimate; 3% increase annually
Program Costs (education seminars, trainings)	\$5,000	\$5,000	\$7,500	\$7,500	\$10,000	
Professional Fees (legal, fundraising, accounting)	\$100,000	\$100,000	\$50,000	\$50,000	\$50,000	
Office Supplies & Materials	\$5,000	\$5,150	\$5,305	\$5,464	\$5,618	Based on 25% of GG's costs, 3% increase
Meeting Expenses	\$4,869	\$5,015	\$5,165	\$5,320	\$5,480	Based on 25% of Gateway Greening cost; 3% increase annually
Technology	\$3,000	\$6,000	\$3,000	\$3,000		Based on \$3,000 per staff person
Office Furniture		\$6,000	\$2,000	\$2,000		Based on \$2,000 per person
Information Technology	\$3,793	\$3,907	\$4,024	\$4,145	\$4,269	Based on 25% of GG's costs, 3% increase
Occupancy	\$9,906	\$10,203	\$10,509	\$10,825	\$11,150	Assumes new entity will be housed in shared space with existing organization; Based on 25% of GG cost; 3% increase annually
Insurance	\$8,146	\$8,390	\$8,642	\$8,901	\$9,168	Based on 50% of GG's costs, 3% increase
Travel	\$1,881	\$1,937	\$1,996	\$2,055	\$2,117	Based on 25% of Gateway Greening cost; 3% increase annually
Depreciation		\$6,000	\$6,180	\$6,365	\$6,556	Based on land equipment 5 year depreciation, 3% increase
Total Operating Expenses	\$257,595	\$489,333	\$548,253	\$689,325	\$752,620	

Operating Budget

The budget shown below is based on best practices for establishing and sustaining nonprofits. It is also informed by The Rome Group's knowledge of the local philanthropic community and what levels of support are feasible from various sources of funding.

Operating Revenues	Year 1	Year 2	Year 3	Year 4	Year 5	Notes
Portfolio Revenues						
Housing Cooperative Leasing Fees Estimate				\$3,000	\$6,000	basing this on \$25/unit/month starting with 10 units, doubling each year after year three - estimate
Earned Revenue						
Developer Fees					\$50,000	
Contributed Income						
Grants	\$100,000	\$250,000	\$250,000	\$500,000	\$500,000	
Individual Contributions	\$25,000	\$75,000	\$100,000	\$100,000	\$100,000	
Membership Fees		\$250	\$300	\$350	\$400	
Government						
State of Missouri	\$250,000	\$250,000	\$200,000	\$150,000	\$150,000	
Alderman Funds		\$25,000	\$25,000	\$25,000	\$25,000	
SLDC and/or Affordable Housing Trust Fund						
City of St. Louis						
Metropolitan St. Louis Sewer District						
Total Operating Revenues	\$375,000	\$600,250	\$575,300	\$778,350	\$831,400	
Total Operating Reserves	\$117,405	\$228,322	\$255,360	\$344,394	\$423,174	6 months operating reserves

Conclusion

The CLT model has been shown to be a successful approach for the redevelopment and re-investment of similar neighborhoods around the country. CLTs can be a tool for invigorating and activating residents, providing the resources to fulfill their vision for the neighborhoods they call home.

The CLT has the potential to restore parts of the city that have suffered decades of disinvestment through its city-wide and partner-rich approach to vacancy and neighborhood transformation - beginning with the communities themselves. The first five years reflected in this plan are only the start, providing the foundation for an organization that can help facilitate systemic change with members of communities in the lead role.