



BRIDGES | FALL 2000

<https://www.stlouisfed.org/publications/bridges/fall-2000/classroom-in-the-heartland-european-group-studies-missouris-rural-economy>

Classroom In The Heartland: European Group Studies Missouri's Rural Economy

Jeff Joiner

They certainly were a long way from home. The small groups of women and men who gathered around picnic tables along the Washington, Mo., riverfront spoke mostly French, Italian and English as they discussed issues transcending the miles.

Part of the European Rural University, the group of college professors, government officials and other policymakers came all the way from their home countries in Europe to learn how Missourians deal with a changing rural economy.

"The way we do things in America is very different, and they're interested in seeing that and sharing ideas," says Jim Scott, director of the Community Policy Analysis Center at the University of Missouri and the person responsible for bringing what he calls "a learning community of Europeans" to Missouri.

Normally members of the European Rural University travel throughout member countries to study community development and farming issues. But for the first time the group is touring the United States and, specifically, Missouri. Funded in part by the European Union, the ERU ventured across the Atlantic to study how Americans deal with changes in the farm economy, as well as issues such as urban sprawl and protecting local culture.

"Europeans value maintaining rural villages, and they value keeping farmers on the land," says Scott. "The physical space that we have is so expansive, we think we can just spread out. The space in many European settings is constrained, so it's more community-based, where we're more concerned with the individual."

This year's European Rural University tour was made up of members from Northern Ireland and the Republic of Ireland, England, Denmark, France, Germany and Italy. Also participating in the week-long tour were Americans and Canadians from university agriculture extension agencies and rural sociology departments. The Federal Reserve Bank of St. Louis also participated in the tour.



The theme of the Missouri tour, which began in St. Louis and traveled along the Missouri River valley to Kansas City, is "A Sense of Time, A Sense of Place." A tour along the state's namesake river fit that idea, Scott says.

The European group learned that Missourians share many of their same concerns about providing economic opportunities in rural areas without destroying the environment.

"You build communities best when it's around your heritage and when you respect that sense of timing and place," he says. "The Missouri River was the key to our westward expansion—and at a time when the

Europeans came here and formed our culture in many ways. And so all along the way we've seen places that have been affected most by the presence of the river."

The visitors were shown historic Missouri River towns like St. Charles, Washington and Hermann, all reminiscent of European villages. It was clear that both the United States and Europe share many of the same concerns about providing economic opportunities in rural areas without destroying the environment.

The tour of rural Missouri actually began in an urban setting at the world-renowned Missouri Botanical Gardens in St. Louis. The group also stopped in St. Charles to view tourist areas surrounding the city's historic district and to discuss the impact of urban development and inner-city decline on surrounding rural areas.

That impact is being felt at the Riegel Dairy Farm outside Washington, where the group talked with the members of the Riegel family about the challenges of staying in the dairy business amidst increasing pressure from development. That growth affects everything, from buying farmland to hiring help to milking cows.

The Europeans and their hosts continued along the river, visiting Stone Hill Winery in Hermann, the Capitol in Jefferson City, the Horticulture and Agroforestry Research Center in New Franklin and the small Cooper County town of Blackwater, which refused to die when its historic business center was slated for demolition.

The tour concluded in Kansas City with a visit to the Arabia Steamboat Museum. The Europeans not only experienced a visual journey along the Missouri River, but also enjoyed the state's many sounds and tastes. From folk ballads about the Big Muddy while dining at the Governor's Mansion, to traditional fiddle tunes in Columbia and jazz with a little barbecue in Kansas City, the visitors were treated to the breadth of the state's culture and history.

"A highlight of the trip was to see and encounter the Mississippi and the Missouri rivers, because they are mythical rivers to us. They are jazz. They are the construction of America, really," says Josy Richez-Battesti, president of the European Rural University and a French university professor. "The rivers are the concentrated essence of the United States."

For Richez-Battesti, who studies rural and farm policies in her native country, visiting Missouri broke several stereotypes and confirmed others she held about America.

"A sense of place is part of the title of this itinerary, and that came across to me very strongly. I have thought Americans weren't very attached to their places and that they would just get in the RV vehicles and move around every five years," Richez-Battesti says.

And although there was plenty of evidence that the family farm is still alive in Missouri, Richez-Battesti was disturbed by what she describes as large-scale industrial agriculture in the state.

"Missouri is very agricultural and very rural, but there is a large industrial type of agriculture that predominates."

Richez-Battesti and her fellow travelers will take home their impressions of a rural state struggling with a number of issues. Those Missourians who participated will be taken to a gathering of the more than 500 members of the European Rural University in Ireland next spring. And a second tour of the United States is in the works.

That meeting will conclude the efforts of these two dozen world travelers who came together to share ideas and e-mail addresses.

"One of the things I did want to see come out of the tour was the building of relationships and an understanding that we do share many of the same issues," says Vickie Rightmyer, a research analyst at the University of Missouri's Community Policy Analysis Center.

"I think that happened. People are sharing and talking about what has worked and what hasn't, whether they're in Ireland or Missouri."

This article was first published in Rural Missouri, August 2000 issue. The article is reprinted here with the magazine's permission.



BRIDGES | FALL 2000

<https://www.stlouisfed.org/publications/bridges/fall-2000/community-development-group-transforms-arkansas-town>

Community Development Group Transforms Arkansas Town

The small neighborhood known as Argenta, in downtown North Little Rock, Ark., was once a thriving, vital community, fueled by good, stable jobs through the nearby railroad. Residents enjoyed a bustling Main Street commercial district only a few blocks away. Unfortunately, the environment of safety and stability changed in the 1980s as long-time residents began to pass away or move from the neighborhood, leaving their properties vacant. Many of these properties were acquired by absentee landlords, and the area began a rapid downward spiral.

The decline in home-owning residents led to a dramatic increase in crime. Argenta became one of the most dangerous areas of the city.

In the early 1990s, after two murders occurred in the neighborhood, residents declared they had had enough. Property owners and stakeholders joined together and demanded change. With hard work, determination and the support of public- and private-sector partners, Argenta Community Development Corporation (CDC) was formed for the purpose of reclaiming the ravaged neighborhood. As a result, miraculous changes have taken place in just 10 years.

The focus of the Argenta CDC has been to purchase and rehabilitate substandard properties. More than 70 buildings have been purchased to date. Half of these are single-family homes, renovated and sold to first-time buyers.

Other properties have been renovated for residential and commercial rental. By providing supportive home-buyer services such as pre-purchase counseling, mortgage loan pre-qualification, down-payment grants and access to low-interest mortgage financing, Argenta CDC has made homeownership a reality for more than 100 families in Central Arkansas. The CDC was instrumental in getting its neighborhood placed on the National Register of Historic Places in 1993.

Today, the Argenta community has shed its dark past. Gangs and drug dealers have been replaced with young families and children playing safely in their yards. Previously condemned buildings are now tidy, attractive homes. Crime rates in the area are now among the lowest citywide, and property values have skyrocketed as a result of the CDC. Argenta is truly a community again.

The Argenta CDC is quick to point out that this dramatic turnaround would not have occurred without the support of the community at large. CDC leaders recognized early that they would need help to achieve the results they envisioned, so they actively identified key stakeholders in the area. As a result, the CDC was able to form



house2



house1

The historic Mosley House (circa 1917) in one example of the 74 downtown properties purchased for renovation by Argenta CDC.



This boarding house was built in the 1920's for transient railroad workers. After renovation by Argenta CDC, it will be offered for lease as a mixed-use building (living quarters upstairs, quiet business downstairs).

mutually beneficial partnerships with both public and private entities, including several area financial institutions. Regions Bank, Superior Bank, Metropolitan Bank, Pulaski Bank, Bank of the Ozarks, Firststar Bank and Firststar CDC have all provided support to the CDC. Additionally, the city of North Little Rock, Union Pacific Railroad, State Farm Insurance, the Arkansas Real Estate Foundation, Local Initiatives Support Corporation and Neighborhood Reinvestment Corporation (NRC) have been vital supporters along the way.

With so much success under its belt, you might expect Argenta CDC to take a break, but that is not the case. The CDC recently purchased 31 scattered-site rental units in dire need of rehabilitation. These properties, most of which are more than 70 years old, represented the area's greatest remaining source of criminal activity and blight. The nearly \$3 million project is the single largest restoration initiative ever assembled in the downtown historic district.

For a project of this magnitude, Argenta CDC turned again to its partners for support. NRC has provided development grants. The city of North Little Rock has pledged support from its CDBG allocation. Firststar Bank has provided first mortgage and construction financing, and Firststar CDC bought into the project as a tax-equity partner. (See chart for project financing breakdown.)



Neighborhood residents, who serve on the CDC Board of Directors, take a hands-on approach to housing development

The CDC and its partners kicked off this massive project in May. Affordable rental units will be available for occupancy by the end of this year.

The cooperation between Argenta CDC, area financial institutions, local governments and others is a powerful example of what can be accomplished when resources are pooled for the betterment of a community. If you would like more information on Argenta CDC, call (501) 374-0622. E-mail can be sent to argentacdc@aol.com.

Argenta Scattered-Site Restoration Project

Firststar CDC	\$1,737,810
Firststar—first mortgage	719,815
Neighborhood Reinvestment Corporation	190,000
City of North Little Rock	155,000
River City Development Company	64,645
Total	\$2,867,270



BRIDGES | FALL 2000

<https://www.stlouisfed.org/publications/bridges/fall-2000/partnership-spark-louisville-neighborhoods-revitalization>

Partnership Spark Louisville Neighborhood's Revitalization

Lisa J. Locke

Is it possible to turn a neighborhood of blight, poverty, crime and despair into one of virtue, optimism and splendor? This is exactly what is happening in the Park DuValle community in western Louisville.

The Park DuValle neighborhood is the former site of 1,100 barracks-style public housing units known as Lang and Cotter Homes. In 1996, due to a public/private-sector partnership, the public housing units were demolished to make way for a community based on the "new urbanism" concept. Some of the principles of "new urbanism" include: a return to traditional neighborhoods, with homes, schools and a town center within minutes' walking distance; mixed-income housing; narrow, tree-lined streets; and a self-governing neighborhood organization.



The end result of Park DuValle's revitalization will be a diverse neighborhood, with families of mixed incomes and more than 1,000 traditional-style homes.

Partnerships have been key to the success of the Park DuValle Revitalization Project. The idea for the project grew from a vision of the Empowerment Zone Community Board and the Park DuValle Neighborhood Advisory Council. Their vision was "a return to neighborhoods ... and a demise of the massive, concentrated public housing of the 1950s that have become warehouses for families entrapped in poverty."

With better communities in mind, the U.S. Department of Housing and Urban Development, the Housing Authority of Louisville, the City of Louisville and concerned residents came together and developed a plan for a \$180 million mixed-income neighborhood. Some of the financing for the project includes: \$31.4 million from regular public housing monies, \$20 million from HOPE VI and \$13 million from the Community Development Block Grant Fund. In addition, other financial partners made large tax credit investments in support of the revitalization initiative.

The revitalization project is slated to develop over several phases, which include mixed-income rental units, single-family homes, a senior citizen complex, a town center and a health center. The end result will be a diverse neighborhood, with families of mixed incomes and over 1,000 traditional-style homes. Thanks to the involvement of good developers, willing financial institutions and supportive local government, Park DuValle is now a neighborhood of new possibilities.



The vision of groups involved in the Park DuValle project includes "a return to neighborhoods ... and a demise of the massive, concentrated public housing of the 1950s."



BRIDGES | FALL 2000

<https://www.stlouisfed.org/publications/bridges/fall-2000/spanning-the-region>

Spanning the Region

Two Arkansas Cities Targeted in Brownfield Cleanup Project

The Environmental Protection Agency (EPA) has selected Pulaski County, Ark., to receive designation as a brownfield pilot project. The program's goal is to assess brownfield sites and to test cleanup and redevelopment models. The Pulaski County project will receive \$200,000 in funding over the two-year period. Pulaski County was also selected for additional funding to assess brownfield properties that will be used as green space.

The pilot is targeting two cities in Pulaski County: Little Rock and North Little Rock. The sister cities have sprawled into suburban greenfields since World War II and their urban cores are being abandoned. The cities are facing many obstacles in redeveloping this core. Although both cities have started an ambitious downtown/river area redevelopment, the nature of the brownfields locations and their associated liabilities are a major deterrent to the urban core redevelopment.

The objective of the pilot program is to survey the target area to provide private developers and public agencies with thorough data on development sites. It also plans to coordinate long-term municipal redevelopment plans with the brownfields data.

The additional green space funding will assist the cities in plans for an integrated park/recreational system that will connect both city centers to the downtown library. Conceptual plans call for a botanical garden, esplanades and overlooks along both banks of the Arkansas River, as well as a marina, a boat launch, the proposed Central Arkansas Aquarium, an entertainment center and further development of the riverfront parks. Finally, the plan calls for the two city parks to be joined by the abandoned Rock Island Rail Bridge, which will be converted into a pedestrian walkway.

For more information on this program, contact Metroplan in Little Rock at (501) 340-8305 or the U.S. EPA-Region 6, Regional Brownfields Team.

KHC Pre-development Loan Program Offers Assistance to Nonprofit Organizations

The Kentucky Housing Corporation (KHC) recently set up a Pre-development Loan Program to spur affordable housing construction. Pre-development expenses, such as architectural and engineering fees, appraisals, permits and land holding costs, pose a stumbling block for many developers. The new program offers loans of up to \$100,000 at 3 percent interest to assist with these expenses.

To qualify, a nonprofit developer must be proposing a rental development financed by KHC. The development can either be new construction or acquisition with rehabilitation. Borrowers must provide bank letters of credit, property mortgages or other acceptable security as collateral.

To apply, call Karen Jones, (502) 564-7630 or 1-800-633-8896, ext. 331, or e-mail kjones@kyhousing.org.

Nonprofit's Name Change Reflects Organization's New Focus

The Ecumenical Housing Production Corporation has helped St. Louis families achieve an improved family life, community living and financial independence for the last 20 years. Recently, the organization changed its name to Beyond Housing to reflect its new, broader goal--rebuilding communities.

In conjunction with governments, other nonprofits and faith organizations, Beyond Housing provides scattered-site, single-family affordable housing with the goal of achieving a more rapid assimilation into each neighborhood. Beyond Housing's value-added approach includes a tailored package of services such as job training, home maintenance assistance and education financing.

Chris Krehmeyer, Beyond Housing's executive director, says this holistic approach is essential in helping low-income families achieve self sufficiency. "We have to deal with the issues the families face in their communities, or we'll find ourselves back in 10 years doing it all over again."

Beyond Housing has enjoyed phenomenal success in the Castle Point neighborhood in north St. Louis County and is beginning new endeavors in north University City and Pagedale.

For more information about Beyond Housing, call (314) 862-8130 or visit its web site at www.beyondhousing.org.

Two New Venture Capital Funds

Technology 2020, a not-for-profit organization based in Oak Ridge, Tenn., recently announced two investment opportunities. The TennesSeed Fund I and the Appalachian Corridor Technology Fund are venture capital funds for high-tech and other small business start-ups throughout the state of Tennessee and the Appalachian Corridor. Both funds are structured to meet a particular market demand and to provide not only loans, but also equity investments in small businesses. Technology 2020 will provide oversight for these two funds.

In addition, TennesSeed Fund I is designated as a Small Business Investment Company (SBIC), and the Appalachian Corridor Technology Fund has a pending Community Development Financial Institution (CDFI) certification. Both funds offer opportunities for financial institutions to make investments that will benefit small businesses in their area.

For more information about either fund, contact Don Welty of Technology 2020 at (865) 220-2028.

1999 HMDA and CRA Data

Reports of 1999 mortgage lending activity, required by the Home Mortgage Disclosure Act (HMDA), and small farm and community development lending, required by the Community Reinvestment Act, are available now.

For HMDA statements on individual lenders, contact lenders directly. For aggregate reports, contact the central depository in each MSA, which can be obtained by calling the FFIEC at (202) 872-7500 or visiting their web site at www.ffiec.gov/. For individual and aggregate reports in a variety of formats, request an order form by calling (202) 452-2016, or fax a request for an order form to (202) 452-6497. The order form is also available at www.ffiec.gov/hmda/orderform.htm. The order form gives descriptions of the various reports, prices and formats. Advance orders may be placed to be filled when data become available.



BRIDGES | FALL 2000

<https://www.stlouisfed.org/publications/bridges/fall-2000/resources>

Resources

Equity Capital for Rural Communities

Developed by the Appalachian Regional Commission (ARC), this publication outlines the need for development venture capital funds in rural and distressed communities, explores how these funds differ from traditional venture capital funds and presents specific investment opportunities within Appalachia. For copies, call Ray Daffner, ARC's Entrepreneurship Initiative manager, (202) 884-7777 or rdaffner@arc.gov.

Identity Theft: Protect Yourself

Produced by the Boston Fed, this video explains how consumers can protect their vital financial information. The video also outlines what consumers should do if they suspect their identity has been stolen. VHS-format copies are available for \$7.50 each by calling 1-800-409-1333 or writing the Federal Reserve Bank of Boston, Public and Community Affairs Department, Attention: Identity Fraud Video, P.O. Box 2076, Boston, MA, 02106-2076. Please make checks or money orders payable to the Federal Reserve Bank of Boston. Payment must be received when ordering.

When Bad Things Happen to Your Good Name

Produced by the FTC and other government agencies, this booklet informs consumers about how to prevent and recover from identity theft. It is available by contacting Colleen Tressler, FTC, (202) 326-2368. More information about identity theft is available at www.ftc.gov/bcp/edu/microsites/idtheft.

Purchase Options for Consumers

This pamphlet, produced by the Chicago Fed, lists pros and cons of payment methods, including cash, checks, credit cards, debit cards, personal computers and automated transactions. To order copies, call (312) 322-8232.

Keys to Vehicle Leasing: A Consumer Resource

This computer program, which can be downloaded from the Federal Reserve Board's web site at www.federalreserve.gov/pubs/leasing, addresses the differences in buying vs. leasing, assessing lease costs, comparing lease offers and negotiating lease terms. The program also includes information on the Consumer Leasing Act and its companion regulation (Regulation M and commentary), a comprehensive glossary, a leasing quiz and frequently asked questions.

Effective Practices in Community Development Finance and the Community Development Resource Guide

Both of these publications can be downloaded from the OCC's web site at www.OCC.treas.gov. To purchase the set for \$15, call the Communications Division at (202) 874-4960.