Community Reinvestment Act Joint Public Hearing, August 12, 2010
Individual Presentations: Romona Taylor Williams

[Applause]

Romona Taylor Williams:
Last but not least. Good afternoon. My name is Romona Taylor Williams, and I am the Executive Directive for Metro Saint Louis Coalition for Inclusion and Equity. And we call ourselves M-SLICE. It is an honor--And it is an honor and I'm thankful for Dr. Timothy to speak to you this afternoon about CRA and its significance to creating equitable and livitable--livable and sustainable low to moderate income communities.

In particular, my purpose here today is to relate how CRA will play a major role in the president's Sustainable Communities Initiative, SCI, that focuses on regional planning and development around housing transportation and energy. A key component of SCI is the planning and implementation of development strategies must be conducted in an equitable and inclusive manner throughout the entire process. The importance of CRA in the redevelopment in low to moderate income communities as specifically urban and communities of color cannot be--oh, can might be over stated.

Needless to say, historically, the community reinvestment act has been the most treasured asset and friend to low and moderate income communities and the organizations that work to improve them. However, as in life, the time comes when we must conduct personal assessment to see if we're meeting our personal and professional goals. It is now that time to reassess CRA to analyze its weakness and strength and determine as an industry how it can be improved to better served its original intent. The weight of an urbanism and smart growth enthusiast had shifted the landscape of urban development. Baby boomers who are now empty nester and no longer in need of mega houses, four car garages, and three acres lots and find downtown living more palatable.

Environmentalist in their quest to curve urban sprawl and reduce the carbon food perimeter, are finding solace in traditional urban neighborhoods. Historic preservationists are flocking to the inner cities to take advantage of declined property values, properly tax abates--abatement incentives and to save our national treasures, while local jurisdictions are struggling to increase the tax abates and stand ready to maneuver unprecedented--let me have some glasses on here—

[Laughter]

-- to maneuver unprecedented tax credit deals for wealthy developers who promise unsubstantiated jobs and upscale redevelopment that often result in mass exodus of the indigenous residents. As the result, CRA has become in many instances a foe rather than a friend to low and moderate income communities and communities of color. Developers readily take advantage of these communities by using socioeconomic demographic data gleaned from that census to justify blinding and subsequent tax incentives such as TIF, increment financing.

Banks subsequently invest in these development projects because their hostile appeal for CRA investment is--in targeted low income census tracks but not necessarily in the low income people who live in there. We foresee this practice escalating as communities across the color gear up for the sustainable communities initiative that purports the fused livability principles into a cache of housing transportation and energy development. Some may well view SCI as a euphemism for 70-style urban renewal as buzz words like transit oriented development, renew memories of failed urban renewal practices. The Saint Louis, MSA is a prime example of current urban planning and redevelopment trends. In north--In particular, the north side, the community where I live. And I'll shift my comments briefly to a personal perspective.

As a season community and economic development practitioner upon my arrival to Saint Louis in January 2006, I readily realized the absence of an equitable community reinvestment system in North Saint Louis. The housing stock was severely deteriorated with no evidence of building code enforcement. Payday lenders were as prominent as liquor stores and churches, little to know affordable housing development had taken place in years, say, for HOPE VI projects, community facilities were outdated and more surprisingly there were no community development corporations engaging in traditional community development activities. You see, since 1975, the north side experienced strategic and systematic divestment and response to a plan known as the "Team Four Plan." The following statement is taken from the introduction of the document. The plan, in fact, does not so much team four in its plan. As it is, the plan of the city fathers in the big business entries they represent. In November 1973, two bills were proposed to the Board of Audit made by two gentlemen. The bills--The two bills were designed to preserve 74,000 buildings on the south side by destroying 70,000 houses in North Saint Louis. The bills clearly deemed as stated that the north side where the great majority of Saint Louis black population lives to be an insignificant residential area not worthy of special maintenance efforts. Throughout the north side, we can see the result of this philosophy of abandoned buildings and deteriorating north neighborhoods. Already fire boxes have been removed. Street cleaning has been decreased and other city services have been cut.

Although the city never officially adapted to Team Four Plan, the recommended suggestions of depleting the housing stock by 75,000 units and the denial of the central services were implemented. Thirty plus years later, the north side today resembles Bombay route and the current socially--socioeconomic indicators are comparable to third-world conditions. The local banking community was surely a part of those big businesses. The city founder represented and subsequently played a major role in the demise of the north side. Even after CRA's enactment, local banks failed to invest, lend, and provide services in the north side of Saint Louis. And although there are branches receiving deposits from the communities, physical and social environments are indicative of gross despair treatment in lending and investment.

I began meeting with Mira Tanna, Deputy Director of Metro Saint Louis Equal Housing Council, EHOC, the fair housing agency to discuss my observations and learn there wasn't an entity whose mission was to oversee CRA. Our discussion led to the establishment of the Saint Louis Equal Housing and Community Reinvestment Alliance, SLEHCRA, which was formed systematically and systemically examine bank CRA performance throughout the region. Not surprisingly, the SLEHCRA findings were stunning relative to bank CRA performance in African-American communities. In fact, the findings were so off the radar screen and disclose some banks assessment areas were craftily drawn in that bowtie to exclude low income areas in North Saint Louis city North County and East Saint Louis, again, all with high concentrations of African-Americans. And I'm gonna skip to [laughter]--my time out?

[Inaudible Remark]

[Laughter]

Romona Taylor Williams:

Okay. Alright. But I must say this. Lastly, FDIC released this unbanked survey in December 2009 which surveyed 20 US MSAs of which the Saint Louis, Missouri, Illinois, MSA was amongst. Saint Louis was found to have the highest percentage of unbanked and/or under-banked African Americans in the country. Given that, the findings of the unbanked study, FDIC has stepped in to help us to organize a task force that is called--and they kicked off on July 29th, it's called the "Saint Louis Regional Unbanked Task Force" to work on increasing the bankability of African-Americans in the region targeting the north side as a pilot. Given both FDIC and SLEHCRA's findings of bank to spare a treatment relative to communities of color, it is imperative that CRA be modernized to include race as a defining indicator to measure how and if local banks are engaged in equitable investments, lending, and services to low and moderate income track--census tracks. Thank you very much.