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Saturday March 26, 2022, 3437 Osage 2W, St. Louis, MO. 63118

Open House: 10:00-12:00,

Press Conference and Dedication: 10:30-11:15

Jeff Buck: Welcome to all. Statement of our purpose and motives.

Anthony D'Agostino: The "need".

Jim Lutz: Our renewed effort (2019-22) and strategy.

Jim Roos: Purchase & rehab costs. Thank the Affordable Housing Commission and Midwest Bank Centre for financing. Thank our many individual donors and interest free lenders.

Tenant, contractor, and neighbor comments

Martha Boyd: 18 years in 1W while the building and neighborhood deteriorated.

Edward White, contractor who did most of the work in three apartments.

Terrill Woodson, In 1E Nov 2020 to June 2021 and in 2E since February 2022.

Abdullah & Bibi Abid & 4 children, Afghan Refugees. In 1E since December 2021

Ericalynn Brown and/or Isaiah D'Lorenzo, adjacent property owners & resident.

Alder Cara Spencer: Her 20th ward includes both Osage and 3835 Michigan.

Richard Neitzel: Announce \$140k of debt forgiveness on 79 rent suits that Neighborhood Enterprises filed when still in business. Called "Satisfactions of Judgements".

Irv Hamilton: Thank Jim for 50 years working on affordable housing and Judy for helping, and SITO's plan for fund raising and hiring their successor(s)

Teresa Danieleley: Dedicate 3437 Osage & 3835 Michigan.

ST. LOUIS POST-DISPATCH

SELECTIVE REHAB

Approach provides affordable housing at lower cost, less disruption



CHRISTIAN GOODEN, CGOODEN@POST-DISPATCH.COM

Elijah Johnson, right, and Ed White, independent general contractors, place a drywall panel for measurement Monday in a Dutchtown apartment kitchen as the tenant of 17 years sits in the next room. Jim Roos, a longtime landlord in the St. Louis area, with a loan from the city's Affordable Housing Commission, is rehabbing multifamily properties in the neighborhood and advocating for a new approach to the way funds are spent. Tenants remain in the units during and after the improvement.

BY JACOB BARKER
St. Louis Post-Dispatch

ST. LOUIS — Jim Roos has been called a gadfly, a “discredited activist,” even a slumlord.

His fight 20 years ago against the Missouri Botanical Garden-led demolition and redevelopment of the former McRee Town neighborhood — a project that led to the acquisition through eminent domain of two dozen of his rental properties — first

put him in the spotlight.

He became better known, after that, for the giant “End Eminent Domain Abuse” sign that for years greeted commuters entering downtown from Gravois Avenue. When City Hall tried



Roos

to remove the sign, the ensuing legal fight garnered headlines for years and drew national interest from free speech activists, ending with a Roos court victory. (The sign has since been painted over.)

Needless to say, he hasn't made many friends at City Hall over the years.

But the past was set aside last month, when the city's Affordable Housing Commission ap-

proved an \$80,000, interest-free loan to Roos' nonprofit organization, Sanctuary in the Ordinary, to rehab two properties — six units total — in south St. Louis' Dutchtown neighborhood.

It's a small piece of the \$5.3 million of local funds the commission committed to affordable housing, homelessness and other services this year. But for

Roos, it's an endorsement of a model to maintain affordable housing that he and others in community development say is needed. And it's a continuation of work Roos has always maintained is his mission: providing decent rental property to lower-income people.

The buzzword in the industry is "selective rehab" — basically, finding properties that need substantial work and updates but not gut renovations.

"Our approach produces very good, quality units for roughly one-third of the cost of gut rehab or new construction," Roos said outside a four-family on Osage Street that his nonprofit acquired last year and is in the process of updating. "It helps people that need it, and it's efficient."

It's working for Martha Boyd, who has lived for 18 years in one of the units in the Osage Street building Sanctuary in the Ordinary acquired last year and is fixing up. She's getting new kitchen cabinets and new windows that she hopes will finally keep her heating bills in check.

"I was just used to that," she said of her apartment's draftiness.

'A major impact'

Roos said Boyd, like many other longtime renters, can be like "a frog in hot water" and not notice as their homes fall down around them. It doesn't take too much public subsidy to nonprofits like his to make improvements to neglected rental properties that can make a big difference both for tenants and the neighborhoods they live in.

Already, an Afghan refugee family has moved into one of the Osage Street units, placed there by the International Institute. Another resident is preparing to move in to a just-finished unit, Roos said. Rent for one of the renovated two-bedroom units will be about \$750 per month.

Those in the affordable housing and community development space say Roos has a point about the need for more selective rehabs. Some have even joined his cause.

"My experience is this is a way and an additional tool that can be done for community revitalization and could have a

major impact for lower-income people to have good rental housing that's properly managed as well as having a positive impact on the neighborhoods where it's located," said Jim Lutz, who led housing development projects for RISE Community Development for 30 years and now serves on Sanctuary in the Ordinary's board.

The other big affordable housing tool out there — low-income housing tax credits — almost exclusively fund new construction and gut rehabs. And there aren't enough credits to go around, Lutz said, with maybe enough to build a few hundred units throughout the region in a given year.

"Because of the way it's structured, it's incredibly expensive," Lutz said. "It works itself out because you get a great end product, but you can't do much of it. And it takes two, two-and-a-half years from the time you submit an application."

Lutz pointed to the Osage property and the other on Michi-

gan Avenue that Sanctuary in the Ordinary rehabbed in a matter of months with just a low-interest loan of \$80,000.

"Eighty grand would be spit in a tax credit deal," Lutz said.

Nonprofit model

Tom Pickel, at DeSales Community Development, another nonprofit housing developer, agreed there's merit to Roos' push to support nonprofits working on selective rehabs.

"There's no doubt that there's not enough block grant money or enough (low-income housing tax credits) to go around to meet the need," Pickel said. "Getting the local policymakers to recognize selective rehab as one tool in the box is important."

Across a neighborhood like Dutchtown, among the city's densest, there are countless properties like the one on Osage Street, said Lutz, a former resident of the neighborhood for 20 years. But there really isn't yet the public financing infrastructure to

help nonprofits fix up the structures before they deteriorate to the point of needing a gut rehab. Banks can be hesitant to lend in certain parts of town.

"It's all conventional (loans)," Lutz said. "Other than that, if you can get something from the Affordable Housing Commission, and this is unusual that they did this, but other than that there is no place to go."

Selective rehabs have been how the Tower Grove Neighborhoods Community Development Corp. has stabilized buildings and maintained affordable units in the neighborhoods where it works. But it has been able to obtain conventional loans because of the strength of the neighborhoods in which it works.

"They have to be in the right markets to be able to get loans to do the work," said Executive Director Sean Spencer.

He pointed to a new loan fund recently launched by RISE, which aims to finance small developers that struggle to obtain capital.

Funds like that, Spencer hopes, will help support selective rehab projects across the city in neighborhoods where obtaining loans is more difficult.

Lutz said he hopes the city establishes a revolving loan fund to support nonprofits doing smaller rehabs. Other nonprofit developers, he believes, would quickly get on board.

"If we can put this program together, it's an easy pitch to make to go to the nonprofits," Lutz said. "If we're going to have any real impact, we can't just do six units at a time."

Roos said he's on the hunt for another property to start on next. He's 78 now, so he won't be doing it for too much longer. But he's trying to do as many as he can.

"If we don't stabilize and care for the people who are renters, how are we going to make the neighborhood attractive to live in?"

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2-8-22



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Ed White, an independent general contractor, and Elijah Johnson (obscured) remove aging cabinetry Monday in a Dutchtown apartment kitchen as Martha Boyd, a tenant of 17 years, sits in the next room.