

# THE HOOD

Neighborhood Enterprises  
in partnership with  
Sanctuary in the Ordinary

A Semi-annual Newsletter for our Friends in the Community

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## SITO Targets Southside Neighborhood for Development

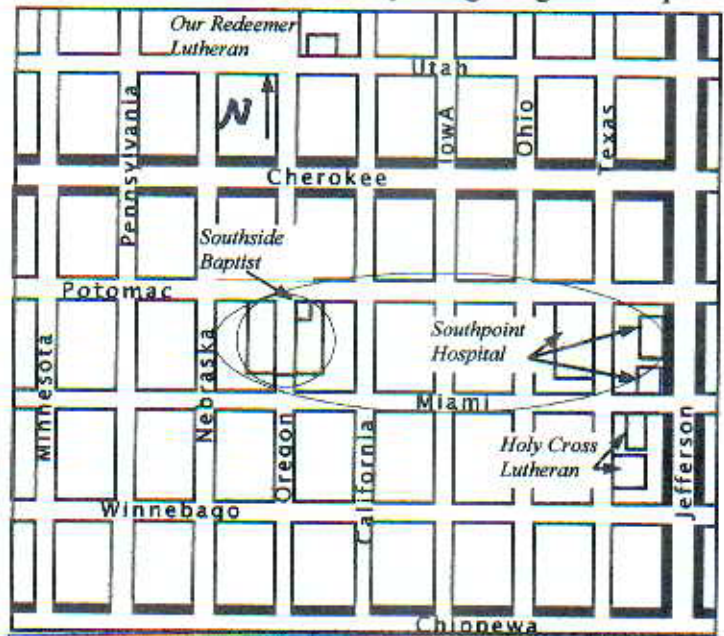
The 3500 block of Oregon is an island of desolation in an already struggling part of south St. Louis. One block south of the Cherokee Strip and five blocks west of Jefferson Avenue, it is a short city block of mostly abandoned two and four family buildings. A 10-foot high wrought iron fence rises up at the south end of the street to prevent cars or pedestrians from plunging over the concrete retaining wall to Miami street below. The street is actually less an island than a peninsula, one way in and one way out, like the privacy streets in the exclusive parts of St. Louis—with none of the security.

At the north end of the 3500 Oregon block is the century-old Southside Baptist Church, now attended by a handful of elderly members frightened of the neighborhood in general and in particular the street at whose entrance the church stands like a benign but helpless guardian. A resident of the neighborhood was recently asked about what might help to stabilize this particular block. "Burn it down!", he growled.

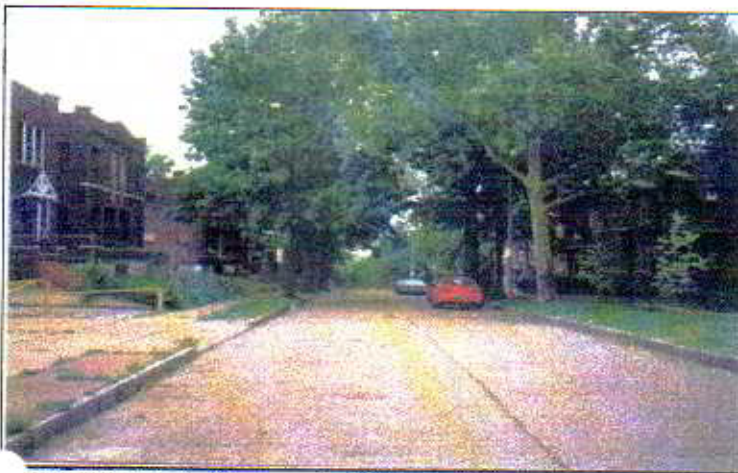
Invisible to the members of Southside Baptist and the rest of the neighborhood, Sanctuary in the Ordinary and Neighborhood Enterprises have already established a foothold on the 3500 block of Oregon which may become the centerpiece of a larger SITO/NE effort in this historically Lutheran neighborhood. The genesis of this new venture began where many housing stories begin—with families looking for apartments.

"We heard about Oregon originally through the people who were trying to get out", says Jim Roos, president of Neighborhood Enterprises. "Some of the ten-

ants came to us looking for apartments and they were telling us about how bad this block was." On his first visit to investigate the block with SITO board member, Richard Neitzel, the problems were apparent. "It was like going from purgatory to hell", says Neitzel. "Trash was everywhere fed by overflowing city containers, half the buildings were abandoned, and it was obvious the whole block was terrorized by a big drug house operat-



SITO's new target area includes a primary focus on the 3500 block of Oregon (circle) and a secondary focus stretching east to Jefferson Avenue (ellipse).



The 3500 block of Oregon looking south from the entrance to the street at Potomac. At the far end is just visible the 10-foot high wrought iron fence which is its southern boundary. Below that fence is another 10-foot high concrete retaining wall.

ing almost in the middle of the street."

The drug house was owned by a property owner who had completely lost control of it as well as a two-family directly across the street. Sinking under a load of debt and other management problems, the property owner immediately responded when Roos offered to take over management of the buildings. "Those two buildings in the middle of the block provide the key to the rest of block," says Roos. "Stabilize them, and you have a shaky foothold on the rest."

Roos began by preparing one of the townhouses (the least distressed) across from the drug house for tenancy. The whole building was secured to prevent vandalism. With the basic systems still healthy, cleanup, painting, and miscellaneous repairs, were all that was required. Grass was planted on the bare front lawn and maintenance staff began visiting the building regularly both to

pick up trash and establish a visible presence. Because it was a highly prized larger unit, a stable tenant could easily be located in spite of the neighborhood.

In the meantime, eviction proceedings were begun



*With the tenants evicted, the four-family "drug house" and the area around it are deserted and quiet.*

on the four tenants in the drug house across the street. Other vacant buildings on the street were secured, and the slow process of talking to tenants and landlords in other buildings began. "Once I started working on the block, I began getting leads,"

says Roos. "You just keep following the leads."

One such lead was to a two-family that had been repossessed by a bank. The brother of an NE maintenance worker was looking for an investment property in the city. A meeting was arranged with the real estate company, and the building was purchased for \$15,000. Another such lead was provided by the pastor of Southside Baptist. The owner of three decent, occupied four-families on the dead end of the block had offered to sell one of his buildings at a bargain basement price to a church member.

To truly make an impact on the block and the neighborhood would require a ready source of cash to purchase buildings that come up at foreclosure sales and then repair the better units in those buildings. Roos estimates foreclosure buildings will be available for \$10,000-\$20,000. (NE purchased 3531 Oregon at a foreclosure sale at the end of May for \$21,000.)

Roos plans to solicit loans from SITO/NE community partners. The loans will be for two year terms at 5% interest, slightly better than CD rates. The goal would be to raise \$100,000 in cash locally. "These small loans have in the past enabled us to quickly purchase and repair distressed buildings, and get them occupied," says Roos. "When they are occupied, we refinance them in packages of four or five buildings and repay the individuals who made the loans. For example, this month Heartland Bank lent SITO \$195,000 for permanent financing on 14 units in five

buildings done in this way."

It is a formula that Roos has used for 30 years in McRee Town, the primary location of most SITO/NE properties. Can it be done faster on the 3500 block of Oregon and perhaps help to first stabilize and then turn around a rapidly deteriorating neighborhood?

The key to the larger project may lie in the neighborhood's own history. Just six blocks to the east of Oregon street is Holy Cross Lutheran Church and School, one of the first Lutheran churches in St. Louis. Two blocks straight north is Our Redeemer Lutheran Church. Around the corner from Holy Cross is the former Lutheran Hospital, now Southpoint Hospital owned by Tenet Health Care. Across Jefferson is Concordia Publishing House of the Lutheran Church-Missouri Synod. "With so much of our support coming from the Lutheran community," says Neitzel, "we think a project targeting this historic neighborhood could generate a lot of enthusiasm."

Whatever the outcome, the 3500 block of Oregon provides a valuable "laboratory" in which to test affordable housing strategy. Initial efforts on Oregon reconfirm that neighborhoods are not unlike plants. Both sometimes appear to be dead or dying—beyond help. Yet with patience, nourishment, cultivation, pruning and weeding, plants—and neighborhoods—can make remarkable recoveries in relatively short periods.



*In the middle of the picture is the second NE-managed house (with white door) directly across from the drug house. NE recently purchased the house at a foreclosure sale for \$21,000. After only six months, the block is remarkably changed with problem tenants gone and the trash removed.*

*Neighborhood Enterprises Inc. is a property management company formed in 1970 for the purpose of providing safe, affordable housing for low income people.*

*Sanctuary in the Ordinary (SITO) is a not-for-profit (501C3) housing ministry formed in 1992 to advocate for, and produce affordable housing. SITO is gradually becoming owner of most of the properties managed by Neighborhood Enterprises.*

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