

TOWER GROVE COMMUNITY DEVELOPMENT CORPORATION

2023 ANNUAL REPORT



"I cried." After eight years as board president, Janice Drake literally handed over the keys to Tower Grove Community Development Corporation (TGCDC) to longtime Vice President Jason Kempf (top photo). Mentors and volunteers shape our professional lives in a nonprofit, and they help us meet our goals. Trusting relationships are developed and the idiosyncrasies of personalities exposed. After decades leading ground level-change and promoting investment in Southwest Garden neighborhood on the Southwest Garden Housing Corporation board of directors, Drake was an early supporter of combining three community development corporations (Shaw Housing Corporation, Southwest Garden Housing Corporation, and Grand Oak Hill CDC) into Tower Grove CDC. She led our board with a tight meeting

agenda (no longer than 60 minutes!) and encouraged creativity and innovation. She always put the organization and the mission-driven work first and held our board members and staff accountable. Personally, she made me a better leader and pushed me to grow our impact year after year. Thanks to Janice Drake and all our board members for the years of dedicated service to our community (bottom photo).

I hope you enjoy our 2023 Annual Report knowing you have a partner in the community.

Sean Spencer

Executive Director, TGCDC



Table of Contents

DEVELOPMENT UPDATE	2
2023 ASSET MANAGEMENT REPORT	8
2023 TENANT SURVEY	9
HOMESCREEN ANNUAL REPORT	.10
FIVE-YEAR BUSINESS PLAN GOALS/STRATEGY	. 12
2023 INCOME	. 13
LANDLORD & REHABBER TRAINING: THE END OF AN ERA	. 14
2023 FUNDRAISER	. 16
NOT-FOR-PROFIT CONSULTING: BEVO MILL	. 18
ENERGY ACTIVITIES	. 19
REAUTIEVING AND MAINTAINING THE GRAND MEDIANS	20



Development

CROSSROADS SENIOR LIVING UPDATE

Tower Grove Community Development Corporation

(TGCDC) and Lutheran Senior Services (LSS) were awarded the final tax credit funding needed to proceed with a new mixed-income senior housing development in the heart of South St. Louis City. The total project will cost \$21 million.

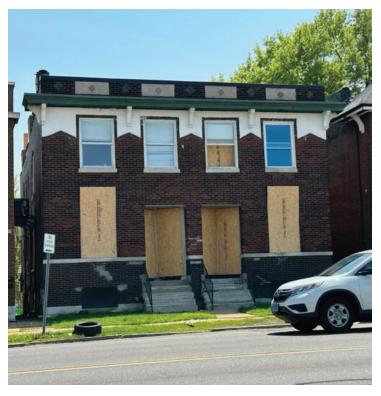
Funding for this project, known as Crossroads Senior Living at Bevo Mill, will come from local and state government sources, Affordable Housing Commission, Community Development Administration, LSS, Missouri Housing Development Commission, as well a multi-million-dollar award from the Federal Department of Housing and Urban Development. Thanks to St. Louis Equity Fund as our tax credit investor. The project will create 64 affordable and market-rate apartments for older adults and will employ four full-time staff members. Thank you to all project supporters.

The site for the new building, in the Bevo Mill neighborhood, was made available through a donation from Midwest BankCentre. Once completed, LSS will manage the property.

The project closed on Feb. 2, 2024, and construction will take 18 months. A waiting list will be released six months prior to completion of construction.













BEFORE AFTER

3804 GRAVOIS AVE.

3804 Gravois Ave. is a conversion of a

dilapidated and nuisance two-townhouse property into four newly renovated affordable homes! The building located at 3804 Gravois Ave. became a target for TGCDC several years ago. As the owner and developer of 3800 Gravois Ave. (https://www.towergrovecdc.org/news/2019/7/8/tgncdc-makes-a-splash-at-3800-gravois-with-mixed-usedevelopment), the adjoining four families are the

front door to the southern part of Tower Grove South neighborhood. We know the importance of properly maintained and visually pleasing properties to help attract more investment. The new tenants in the building will enjoy a fully updated and spacious home with professional in-house property management and maintenance. Rents will range from \$775–\$825 per month for 1,000-square-foot 1-bedroom units.

4063 POTOMAC AVE.

"If not us, who?" This is a question we

frequently ask ourselves when looking at potential redevelopment opportunities. One goal is to strengthen markets to a point when outside developers become incentivized to make investments in renovating properties. However, in some cases and in already strong markets, we take on long-vacant properties with complicated pasts and uncertain futures. We understand what it means to live next to or on a block with a blighted property where grass is tall, break-ins are common, and the nuisance is real. 4063 Potomac Ave. sat vacant and boarded up on a quiet Tower Grove South

neighborhood street for over a decade. The home went to tax sale multiple times; each time the buyer walked away from the property due to a tangled web of title issues due to a bankruptcy and unengaged mortgage holder. TGCDC identified the problem property and contacted Legal Services of Eastern Missouri (LSEM) to file a lawsuit to gain possession. Without TGCDC's intervention and our partnership with LSEM, 4063 Potomac Ave. would have continued as a neighborhood nuisance and eventually would have been lost. Now we have a tax-generating, renovated home and new stakeholders in our community.

BEFORE

AFTER

















BEFORE

AFTER

3629 HYDRAULIC AVE.

3629 Hydraulic Ave. was a long-vacant

nuisance property with an out-of-state owner in Tower Grove South. TGCDC's goal was to purchase the property and restore it to affordable-rate housing. The property was horribly damaged due to time, weather, and squatters over the years. TGCDC completed a gut renovation and created two beautiful 2-bedroom rental apartments.

During construction a new partnership was created with a local nonprofit organization, Opportunity House. Opportunity House uses a community-based approach toward supporting unhoused young adults by providing housing, creating stability, encouraging growth, and building community. We are proud to be partnering with Opportunity House by transforming 3629 Hydraulic Ave. into their first housing site. It will become home to 4 unhoused young adults who identify under the LGBTQIA+ umbrella. Opportunity House will provide counseling, life skills training, and financial support to these young adults to create stability and opportunities for education and employment. For more information on Opportunity House, please visit their website at https://opportunityhousestl.org/lgbtqia-youth-housing/.

3644 BAMBERGER AVE.

For over 60 years, the Norath

family occupied both floors of the wellkept two family building located at 3644 Bamberger Ave. in Tower Grove South. The matriarch, Ann Marie Norath, recently passed away, and the close-knit family had to make a difficult decision about what to do with the beloved home. Over the years, the 3600-3700 block of Bamberger Ave. has had challenges. In 2014, TGCDC set out to stabilize the area as a result of our research for the TGCDC framework and vision plan. Calls for service decreased from 397 in 2014 to 115 in 2019. This equates to a 71% drop in calls for service over a five-year period. The Norath family recognized the positive changes TGCDC brought to their block and offered the property to us. TGCDC completed the purchase in August 2023 and made \$40,000 in immediate repairs of deferred maintenance. The most attractive part of the building is the untouched and beautiful interior woodwork!

Thank you to the Norath family for presenting the opportunity to continue the maintenance and functionality of the home, and thank you to PNC Bank for the grant to help with the renovation.

TGCDC now owns and operates 44 affordable rental units in 14 buildings south of Gravois in Tower Grove South. The average rent is around \$550 for a one-bedroom apartment. TGCDC takes pride in professionally managing and maintaining homes in safe and attractive neighborhoods—one home and one block at a time.





3623 HYDRAULIC AVE.

TGCDC spent about \$90,000, much of the fundraiser income, on a new TPO roof, major tuck-pointing, demo and rebuilding front façade from the foundation to the second floor. The appraisal has been ordered and the interior renovation will be completed in 2024. The property will be two affordable 2 bedroom/1 bath units.

CO-WORKING SPACE

TGCDC has fully leased our small office co-working space on the second floor of our headquarters located at 2337 S. Kingshighway, St. Louis, MO 63110. The recent departure of our former tenant, Prosperity Connection, to a larger space downtown opened the opportunity to reimagine the existing 2,500 square feet. The co-working space offers a kitchen, lobby, two bathrooms, and easy access from all highways and South City neighborhoods. TGCDC secured leases from Eads Investment Brokerage and House Everyone with the help from King Real Estate Advisors.



2023 Asset Management Report

In 2023, our asset manager, Kristan Nickels,

developed more partnerships in the community to help provide professionally managed and maintained housing to people who need it the most. We are proud to be partnering with Opportunity House by transforming 3629 Hydraulic Ave. into their first housing site. 3629 Hydraulic Ave. will become home to four unhoused young adults who identify under the LGBTQIA+ umbrella. Opportunity House will provide counseling, life skills training, and financial support to these young adults to create stability and opportunities for education and employment. The Immigrant and Refugee Ministry is a grassroots effort that connects volunteers with immigrants and refugees to assist them as they make their homes in St. Louis. Their support includes rental assistance, English lessons, employment support, and support

with accessing the community. In 2023 we placed our first tenant supported by the Immigrant and Refugee Ministry into 3806 Gravois Ave.

In 2023 we added eight new units of affordable housing to our portfolio. Our goal at the end of the business planning period (2025) is to deliver 111 rental units. The addition of the Crossroads senior living project in 2025 will add 64 units.

As of the end of 2023, TGCDC has 84 units of housing: 81 units accessible to people who are under 50% AMI (rentals under \$970 per month) and 25 units accessible to people under 30% AMI (rentals under \$600 per month).

We had 34 units vacated in 2023. The average makeready time for each unit and placement for a new tenant was 30 days.



2023 Tenant Survey

TGCDC manages all our affordable rental

units in-house to maintain a high level of customer service for our pool of tenants. One way to gauge our performance is by survey. In 2023, we asked our tenants for feedback. The average time tenants lease with TGCDC is four years. The longest tenant has been with us for nine years. 92% of tenants surveyed gave us over 90% or better for tenant experience and 96% of tenants rated us 100% for maintenance calls, service quality and turn-around times.



- Tower Grove CDC Tenant

2023 TENANT SURVEY FEEDBACK (25 surveys collected)

TENANCY

The average time tenants stay with TGCDC is four years. The longest tenant has been with us for nine years.

- Seriously you guys are the best property managers I have ever rented from."
- Great communication. Easy to use app."

TENANT EXPERIENCE

Nineteen tenants gave TGCDC a 10 out of 10 ranking for their tenant experience. Four tenants gave a score of nine, and the remaining two ranked us at eight.

- I am very grateful for TGCDC. Thank you all for making vacant properties into beautiful homes!"
- **6** You guys have been the best!!"

COMMUNICATION AND MAINTENANCE

Twenty-four tenants scored our communication and maintenance response as a 10 out of 10. The remaining tenant gave us a nine.

John is great. I have actually learned a great deal from him on how things work. It is empowering and I really appreciate it!"

WHAT CAN WE DO TO IMPROVE YOUR TENANT EXPERIENCE?

- I appreciate how you actually screen tenants so I feel safe in my home. I wish you guys owned all the properties so that we would be guaranteed great neighbors as well."
- Yall are amazing! Nothing but love for ya!"

HomeScreen Annual Report

HomeScreen had its highest-volume year

ever, processing 3,323 total applications in 2023. We onboarded 195 new landlords to the HomeScreen platform; now it is used by over 1,500 landlords with over 7,100 units. One of the landlords we onboarded last year is Westhab Inc., an affordable housing provider with 35 multi-family properties in Westchester County, New York, and New York City. We processed a small amount of applications for Westhab Inc. in 2023 after months of onboarding and training, and we expect to process over 300 applications for the provider in 2024. After this year, we are 55% of the way to our five-year goal of onboarding 750 new landlords by 2026.

We used ARPA funding distributed through the Affordable Housing Trust Fund to host quarterly recruiting sessions for ARCH by HomeScreen: At-risk Renters' Connection to Housing. We onboarded 59 new landlords to ARCH last year and have 228 total landlords participating, and we secured housing for 30 households through ARCH in 2023. Approved applications came from 13 different nonprofit organizations, including two from Places for People, who shared their stories here: https://www.myhomescreen.org/happening/2023/11/21/gratitude-for-arch-by-homescreen.

We also hosted quarterly information sessions for our nonprofit users, including a recorded training session for software updates that launched in October.

The ARCH software updates were funded through a \$50,000 grant from Community Solutions,

which operates the Built for Zero homelessness initiative. The updates included best practices from Community Solutions for property engagement as well as a searchable map, applications delivered by email directly to the ARCH applicants, and streamlined data collection of the supportive services provided by the nonprofit agency.

In 2023, we also applied for and secured a three-year \$100,000 grant from U.S. Bank. The grant will support general HomeSceen operations and create a new referral system to create new homeowners through homebuyer courses and credit-building services. This new program will strengthen our partnership with Prosperity Connection (PC) by preparing HomeScreen applicants with credit issues for homeownership in the future through PC's programs. In 2023 we made 350 referrals (10% of all HomeScreen applicants) to Prosperity Connection's one-on-one financial coaching program. We can report that those HomeScreen applicants who engaged in PC's coaching have increased their credit scores by an average of 46 points.

Finally, HomeScreen secured a \$50,000 grant to support ARCH in 2024 through the Community Development Administration. Our primary goal is to recruit more landlords with more properties so that we can offer more choices to our nonprofit partners that are looking for housing for those they serve.















HOUSING **PLACEMENTS**

406

96

Nonprofit housing registered

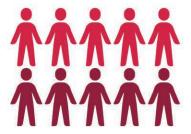
liasions Nonprofit organizations from throughout the region

227

473

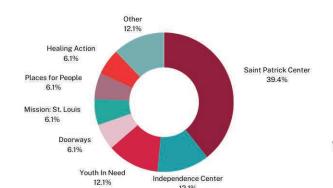
Participating landlords

Total properties



32 OUT OF 63

Applications approved for housing



13

ORGANIZATIONS

With approved applications

Five-Year Business Plan, Goals & Strategy

GOAL ONE

Develop a minimum of 111 rental units and increase availability of affordable single-family homes

GOAL TWO

Increase landlord and tenant satisfaction through effective use of HomeScreen

- Objective 2A: Professionally process 35,065 tenant screening applications
- Objective 2B: Add 3,000 Prosperity Connection referrals for personal financial training
- Objective 2C: Add 750 new landlords
- Objective 2D: Implement a new rent reporting option to help improve clients' credit scores
- Objective 2E: Increase Arch by HomeScreen network of users to 500
- Objective 2F: List 2000 properties for 'At Risk' tenants and place 200
 'At Risk' people into stable homes

GOAL THREE

Professionally deliver education and consulting services for neighborhood stabilization efforts

Objective 3A: Offer landlord/rehabber training

GOAL FOUR

Support neighborhood revitalization and stabilization efforts in areas outside of service

Objective 4 A: Consult with other CDCs and nonprofits
 Strategy: Spend up to 10 hours per month consulting

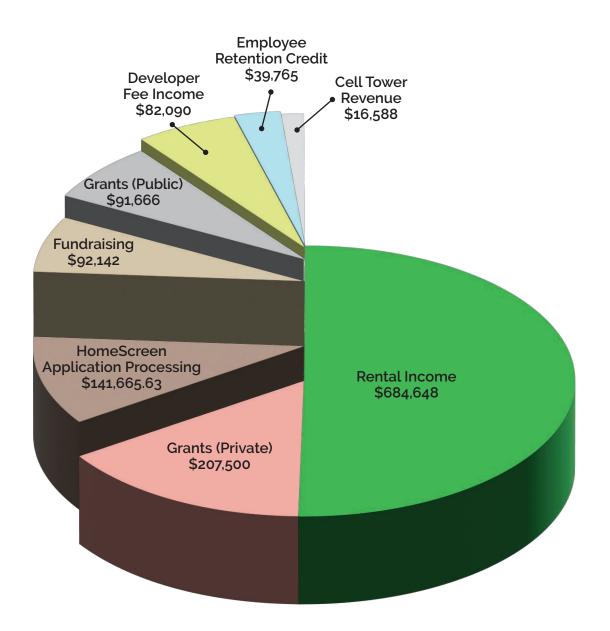
GOAL FIVE

Enhance TGNCDC residents' experience through supportive services

- Objective 5A: Develop a printed and online directory of service providers and community resources
- Objective 5B: Advocate for energy efficiency and conservation efforts
- Objective 5C: Collaborate on home repair programs in service area



2023 Income



Total Revenue \$1,356,058

69
989
352

Landlord & Rehabber Training

THE END OF AN ERA

The 2023 Landlord & Rehabber Training

program was delivered in collaboration with North Newstead Association, the STL Vacancy Collaborative, and the Saint Louis University student-led Real Estate Investment Club. The program was delivered both in-person and on Zoom, with sessions at the Saint Louis University Busch Student Center. Attendance totaled 293.

This program was created more than 30 years ago by a few determined volunteers, including Floyd Wright, Carol Rullo, and Barbara Beck, who formed the Southwest Garden Property Owners Association. This group met at the Missouri Botanical Garden and discussed concerns of the day facing rental property owners in the area. They celebrated property improvements, which were shared through photo boards created by Floyd Wright and input from the developer. Participants helped stabilize the community and contributed to the formation of the Gardenside Subdivision Special Business District.

When Tower Grove CDC formed in 2014, the Property Owners group morphed into the Landlord Training Program. Under TGCDC, the program took on a more educational focus with professional speakers and topics, targeted to rental property owners and developers in South St. Louis. In 2018, TGCDC partnered with North Newstead Association, targeting the entire city for delivery of educational programming for landlords, and in 2020 the STL Vacancy Collaborative joined.

From 2015 to 2023 the program drew 3,789 participants, who received information and resources on property management best practices, financing, cash flow, scope of work, permits, inspections, zoning, landlord-tenant law, Land Reutilization Authority (LRA), tax sales, insurance, historic tax credits, tax abatement, evictions, mediation, fair housing, leases, tenant screening, advertising and showing a rental unit, bookkeeping, nuisance and abandonment lawsuits, housing and utility assistance programs, renovations that bring the best return on investment, and much more.

The program helped inspire and educate new and seasoned real estate investors, property managers, and landlords across our region, along with drawing landlords to HomeScreen and ARCH (At-risk Renters' Connection to Housing) programs.







North Newstead Association



900 **TOWER GROVE** COMMUNITY DEVELOPMENT CORPORATION











Feb. 22, 2022 - Landlord & Rehabber Training - Funding Sources for RE Acquisition & Rehab









- 1. 2023 Landlord Training Sessions flyer.
- 2. Screenshot of online landlord traing session featuring Steve Bahru of CIBC Bank, Colleen Hafner (TGCDC board member and RISE Interim Director, Dana Gray (TGCDC Community Outreach Coordinator).
- 3. Sandy Grbac acceped an award from Floyd Wright in the early gos. Wright presented awards for real estate investments and community service in the Southwest Garden neighbohood with photo boards and in person celebrations. Wright is dearly missed from our board and neighborhoods.







- Stacy Clay (center) accepts the award for Joe Ambrose from First Bank for his TGCDC Community Impact Award. TGCDC Board President Janice Drake (left), TGCDC Executive Director Sean Spencer (second from left), and TGCDC Vice President Jason Kempf (right).
- Congratulations to Better Bevo Now Neighborhood Association President, David Tallent (center), for his TGCDC Community Service Award. TGCDC Board President Janice Drake (left), TGCDC Executive Director Sean Spencer (second from left), and TGCDC Vice President Jason Kempf (right).
- 3. Former 14th Ward Alderwoman Carol Howard (center), received a resolution on behalf of St. Louis City Alderwoman Schweitzer (second from right); TGCDC Board President Janice Drake (left), TGCDC Executive Director Sean Spencer (second from left), and TGCDC Vice President Jason Kempf (right).

2023 Fundraiser

Thanks to the more than 135 people who attended our Sustaining Housing Dreams fundraiser on October 26 at Das Bevo in the Bevo Mill neighborhood. A huge THANKS to Midwest BankCentre and Draper and Kramer for their Presenting Sponsorships. And thanks to the dozens of other sponsors who helped raise \$96,245 to help with property acquisition along the South Grand Corridor south of Utah Street.

We're excited to start making investments to remove blight and to build affordable housing on one of

the most frequently used mass transit routes in the region. Congrats to former 14th ward alderwoman Carol Howard, who received a resolution on behalf of St. Louis City from Ald. Schweitzer; congrats to Joe Ambrose from First Bank for his TGCDC Community Impact Award; and congrats to Better Bevo Now Neighborhood Association President, David Tallent, for his TGCDC Community Service award. In addition to the fundraising, the event was an incredible night of food, drinks, recognition, and connecting.

THANK YOU TO OUR SPONSORSHIP PARTNERS

PRESENTING SPONSORS





EXCELLENCE AWARD SPONSORS



OLD ORCHARD









SUPPORTING SPONSORS





INCARNATE

FOUNDATION



ARCHITECTURE INTERIOR DESIGN ENGINEERING PLANNING









BRICK BY BRICK SPONSORS



JASON KEMPF



KATIE AND VIHAR SHETH

JEFFREY MCGEE

EVENT SPONSORS









DENISE PHELABAUM AND CRAIG EVANS





SEAN SPENCER





SOMMER PROPERTY INVESTMENTS

LEE KLING

NANCY GEORGEN





Not-for-Profit Consulting: Bevo Mill

As a part of the Tower Grove CDC business

plan, we agreed to provide consulting services to other not-for-profit entities free of charge. One service we provided was to the Bevo Mill CID. TGCDC completed an inventory of vacant property within the Bevo Community Improvement District, identifying for-sale and for rent properties, the property owner or

agent's contact information, and photographed the vacant addresses. There were 168 addresses and 34 are for sale or potentially vacant, a 20% vacancy. This information can inform the Bevo CID about what buildings to target for occupancy and what types of businesses could be attracted to the area.

Energy Activities

TGCDC staffer Dana Gray

presented and moderated a workshop titled Energy Efficiency for All-Energy & Housing Justice at the Midwest Climate Summit at Washington University in St. Louis. Members of the Energy Efficiency for All coalition from Missouri, Michigan, Minnesota, and Illinois highlighted effective advocacy accomplished through building collective power, to ensure all renters can live in homes that are affordable and healthy. The panel and audience discussed how collective efforts of non-profits, institutions, and municipalities can support disadvantaged communities' transition to affordable,



energy efficient, health-sustaining housing. Energy Efficiency for All coalitions have achieved significant accomplishments in the last nine years, notably moving hundreds of millions of dollars into energy efficiency programs that benefit those in affordable, multi-family housing across 12 states. It has also helped build 12 state coalitions composed of organizations that are on the ground advocating for policies and programs to support eliminating burdens related to both housing and energy. The collective efforts have increased available funding from utility companies and state energy offices by \$769 million for retrofitting housing—increasing energy efficiency, comfort, and affordability.

In Ameren's PSC filing for an extension of their energy efficiency rebate program, TGCDC requested an incentive for white roofs for the income-eligible program and easier access to energy data. Historical energy usage data has been collected on three buildings in the TGCDC rental portfolio where energy saving measures were implemented. The Energy Resources Group is working with the data to create graphs so energy savings can be easily discerned. TGCDC presented to Community Builders Network members on the energy saving measures made at three of TGCDC's buildings, outlining the utility incentives, the walk-through audit, the scope of work, time frame, costs, and financing options.

Dana assumed the role of Missouri state lead for the MO – Energy Efficiency for All coalition (MO-EEFA). She helps coordinate statewide stakeholder meetings focused on energy concerns of community members with low incomes, convening reps from the Missouri Public Service Commission, the Missouri Division of Energy, the Missouri Office of the Public Counsel, Renew Missouri, Midwest Energy Efficiency Alliance, LISC KC, Metropolitan Congregations United, Homes for All St. Louis, KC Tenants, Consumers Council of Missouri, and others.

To understand rising costs for housing providers and renters, utility rates were compiled for the past 10 years for electricity, natural gas, water, and sewer in St. Louis City.

TGCDC and the MO-EEFA collation are tracking energy efficiency incentives through the Inflation Reduction Act (IRA) and have filed comments with the state and federal energy departments to ensure programs meet the needs of affordable housing. We learned from the Missouri Division of Energy that our state will apply for federal IRA funding in January 2025, so funding may be available in late 2025 for property owners.

Beautifying and Maintaining the Grand Medians 2023-2024

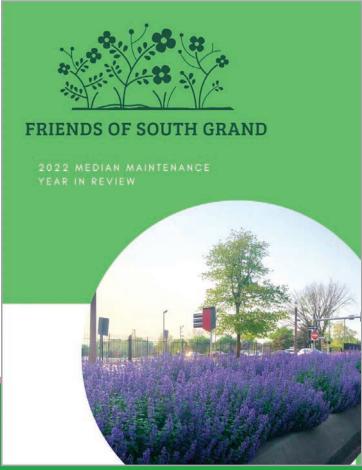
Friends of South Grand is a community-based

effort led by DeSales Community Development, Tower Grove Community Development Corporation, and South Grand Community Improvement District. The program aims to raise funds for a three-year period to clean up, improve, and maintain the South Grand medians between Arsenal and I-44.

The South Grand medians are the entrance to our historic neighborhoods, and their current appearance is unpleasant. They send the wrong message to people visiting our area.

The mission of Friends of South Grand is to raise resources from the South City community to ensure there is regular, professional maintenance of our gateway boulevard.

We raised \$18,828.06 and had \$24,886 in expenses. We are working on raising \$31,000 for 2024 (last committed year) while working on a long-term solution for ongoing maintenance.





Conclusion

"It is amazing what you can accomplish if you do not care who gets the credit," said Harry S. Truman.

Tower Grove CDC faced many challenges in 2023, including a delayed closing for Crossroads, costing the budget \$370,000 and, in addition, \$100,000 worth of approved grants designated for HomeScreen and ARCH by HomeScreen, which were pulled in January 2023. We have a small but mighty staff. Many have been with TGCDC for 10 years, and many have worked to improve our city for decades more. When faced with adversity and uncertainty, they went to work, plugged our financial holes, completed challenging real estate projects, and found creative ways to move the work forward with the understanding that none of the opportunities is

given nor guaranteed. Our mission-driven work must be approached with a high level of thought, creativity, persistence, and consistency. Most importantly, we need to deliver measurable outputs and outcomes that benefit our GREAT city.

Sean Spencer

Executive Director, TGCDC

Left to Right: Kristan Nickels (Asset Manager), Dana Gray (Community Outreach Coordinator), Denise Evans (Board Treasurer), Vihar Sheth (Board Member), Jillian Guenther (Board Member), Sean Spencer (Executive Director), Janice Drake (Board President), Ella Gross (HomeScreen Manager), Caitlin Sterman (HomeScreen Coordinator), Adam Drake (Landlord Support Specialist), Jason Kempf (Vice President), Colleen Hafner (Board Member), Blake Hamilton (Board Secretary), Ray Flojo (Board Member), Jeffrey McGee (Board Member).





2337 S. Kingshighway Blvd. St. Louis, MO 63110 ph 314.944.1914 fax 314.865.2540 web www.towergrovecdc.org TGCDC is a 501(c)(3) not-for-profit corporation.







