



ST. LOUIS RENTAL IMPROVEMENT FUND

A Home Repair Program



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St. Louis REALTORS® is the voice for real estate in the Greater St. Louis area.



The St. Louis Housing Solutions Coalition brings together housing providers, stakeholders, and community members to foster positive change and shape a brighter future for housing.

VISION

Promote accessible housing options citywide and to foster a vibrant and inclusive community.

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Executive Summary

Like many cities across the country, St. Louis struggles with a lack of housing, specifically affordable housing for renters. In addition to the low housing inventory, the city is experiencing the consequences of an aging housing stock, which requires additional attention and investment with each year that passes. As local housing becomes more expensive to maintain, many homeowners

and housing providers find themselves unable to afford the upkeep and repairs needed to maintain a habitable property, leading to disrepair and vacancy. This expensive maintenance ultimately leads to a reduction in housing available to buy or rent, resulting in a further lack of affordable options for St. Louis City residents. According to the [St. Louis Affordable Housing Report Card](#), this has a particularly damaging effect on renters in the region.

In addition to an increasingly expensive and aging housing stock, St. Louis City is faced with budgetary constraints that make hiring and retaining a sufficient number of building inspectors needed to enforce habitability compliance nearly impossible. These combined factors have added to a climate in which additional regulations and fines will have little impact on addressing the affordable housing challenge city residents face.

Learning from the Success of Incentivized Behavior

Traditionally, St. Louis City (the City) has engaged in a penalty-based model that seeks to regulate, monitor, and subsequently punish if a housing provider is found to be in violation. The structure of this model is challenged by a lack of necessary building inspectors needed to ensure compliance.

Innovative methods for addressing these housing challenges can be found in Philadelphia, Pittsburgh, and a statewide program in Pennsylvania. These programs have all experienced success by using an incentive-based model to spur action by local homeowners and housing providers. Over the past four decades, the State of Pennsylvania and its largest city, Philadelphia, have created a constellation of home repair programs that provide funding to homeowners and housing providers to upgrade aging housing stock. These programs have benefited both urban and rural communities and



have proved politically popular with constituents. Demand for these home repair programs is high, with the primary challenge being the lack of adequate funding to meet demand. Philadelphia, like St. Louis, faces many of the same challenges as it struggles with an aging and expensive housing stock and a scarcity of building inspectors, making enforcement of regulations and penalization difficult. Given the similarities between the housing stock in St. Louis and Philadelphia, the City should consider adopting home repair programs that borrow elements from Philadelphia's uniquely successful approach.

There are several potential benefits to adopting home repair programs in St. Louis modeled after those in Pennsylvania:

- 1. Improving housing quality.** These programs provide resources for both residents and housing providers to address important maintenance needs, resulting in improved living conditions and a more modernized housing stock.
- 2. Neighborhood revitalization and public safety.** Home repair programs like these lift up low-income neighborhoods and help their residents contribute to the revitalization of distressed areas. Additionally, Philadelphia's home repair program has had a demonstrable impact on reducing crime on blocks where repairs took place.

- 3. Economic impact.** By making public investments in housing infrastructure, the city can stimulate the local economy, create good-paying jobs, support residents committed to the neighborhood, and enhance property values in low-income neighborhoods.
- 4. Reduction in vacancies.** As properties are renovated and become more desirable, other potential homeowners may be prompted to invest in the neighborhood, thereby reducing the number of vacant and blighted properties, stabilizing population loss, and improving the appearance of under-resourced neighborhoods.

A Rental Improvement Fund for St. Louis City

Based on its research, the St. Louis Housing Solutions Coalition recommends that the City of St. Louis adopt a program similar to Philadelphia's Neighborhood Preservation Initiative and specifically the Rental Improvement Fund. This incentive-based program creates a neighborhood campaign and funding mechanism focused on the safety and welfare of residents and property owners alike.

The benefits of a Rental Improvement Fund are numerous. The funding would provide access to capital for St. Louis property owners

and housing provider populations who may be overlooked in traditional bank settings. It would allow property owners to create and maintain additional affordable housing units, thereby expanding housing opportunities across the city. The fund would also aid in the success of small and local housing providers who have a stake in the success of their community. And finally, a Rental Improvement Fund would increase safety and affordability for renters and residents across St. Louis City.

Overview of Model Programs



There are several home repair programs and funding mechanisms in place in Pennsylvania that can provide excellent models for similar efforts in St. Louis. Models from Philadelphia can provide guidance on programmatic and funding approaches. The work of implementing these programs is also worth exploring further and Pittsburgh's implementation approach, noted on page 12, may be worth modeling. .

Basic Systems Repair Program

More than 40 years ago, Philadelphia launched the [Basic Systems Repair Program \(BSRP\)](#) to help low-income homeowners repair electrical, plumbing, heating, and roof damage to their homes.¹

The program is popular with residents, and as a result, participants have faced waiting lists of four years or more before work could begin on their homes. Over the decades, the City of Philadelphia has increased BSRP funding several times to accommodate the growing demand and reduce these waiting lists.² In 2024, applicants face an average wait time of approximately six months on work that typically requires six months to complete, resulting in a one-year process from application to completion.³

The BSRP's \$40 million annual construction budget facilitates over 2,500 home repairs a year at an average cost of approximately \$16,000 per home.

Adaptive Modifications Program

After the City of Philadelphia's success with the BSRP, it established additional repair programs to assist homeowners and renters.

In 1991, the City of Philadelphia created the [Adaptive Modifications Program \(AMP\)](#), which assists low-income individuals with disabilities who need to make accessibility modifications to their homes or apartments. These modifications often include making kitchens and bathrooms more accessible, installing stairway elevators and wheelchair lifts and ramps, creating barrier-free showers, and widening doorways.

The AMP serves approximately 300 clients annually, providing \$20,000 in modifications per client on average.

Neighborhood Preservation Initiative

In 2021, the Philadelphia City Council passed legislation establishing the [Neighborhood Preservation Initiative \(NPI\)](#), which included \$400 million in bonded funding over four years for several different programs to support owners' and renters' ability to remain in their homes, improve housing quality, and promote homeownership.

NPI provides funding to existing low-income housing programs like the BSRP and AMP, grants to help first-time homebuyers with their first purchase, a guaranteed income pilot program providing rental assistance to residents on public housing wait lists, a driveway repair program, and permanent housing options for previously

unhoused individuals, among many other programs.

The NPI legislation was sponsored by Councilperson (now Mayor) Cherrelle Parker⁴ who sought to provide assistance to residents of lower- to middle-income neighborhoods who did not qualify for programs such as the BSRP.⁵

Rental Improvement Fund

The [Rental Improvement Fund \(RIF\)](#) launched in 2023 after a months-long pilot and is partially funded by the NPI. Rather than providing assistance to homeowners and renters, the RIF provides forgivable loans to landlords for repairs and maintenance on their properties. The RIF offers a 10-year forgivable loan of up to \$24,999 per property and a 15-year zero-interest loan of up to \$50,000 per unit. Under the \$9 million program, the maximum loan for a single landlord is \$100,000, and only small landlords (those owning 15 or fewer rental units across no more than five properties) are eligible.

RIF participants can use the money to repair roofs, windows, and doors. They can also use the funding for asbestos, mold, and lead remediation as well as electrical and plumbing improvements and other repairs.

¹ [Basic Systems Repair Program brochure](#), Philadelphia Housing Development Corporation

² George Russell video clip 3:05-4:13

³ George Russell video clip 4:16-5:02

⁴ [Philadelphia City Council Bill #210203](#)

⁵ George Russell video clip 15:26-16:07

Landlords qualify for loan forgiveness or the zero-interest rate by capping annual rent increases at no more than three percent during the loan term.⁶

The [Landlord Gateway](#)—a recently launched online portal—provides Philadelphia landlords with a centralized location for all of the City’s property management processes, requirements, and guidance.

Whole-Home Repairs Program

Finally, the Pennsylvania legislature established the [Whole-Home Repairs Program \(WHRP\)](#) in July 2022 with an unprecedented \$125 million appropriation in the State budget using federal American Rescue Plan Act funds. The bipartisan legislation was supported by a broad coalition of landlords and renters, community organizations, and environmental organizations, and it received near-unanimous bipartisan support in the legislature⁷. Building on existing federal, state, and local home repair and weatherization programs, the WHRP was designed to fill three main gaps:

1. WHRP provides grants for homeowners’ repair work and forgivable loans with affordability restrictions to small landlords so that they can make habitability repairs and upgrades for energy efficiency and accessibility.
2. WHRP allocates resources for program support staff to help eligible applicants navigate the process and access the right programs in the right order to maximize their access to holistic repairs.
3. WHRP provides resources to increase workforce training and retention in home repair and weatherization programs and supports pre-apprenticeship programs. WHRP also provides cash stipends to trainees to help build the workforce needed for home repairs.⁸

The WHRP is run by the Philadelphia Housing Development Corporation (PHDC), which also runs the BSRP, the AMP, and other housing

programs. Throughout Pennsylvania, a mixture of county government agencies and nonprofits are responsible for the WHRP’s administration⁹, and participants must apply through a local administrator.

Along with supporting whole-home repair, accessibility, and weatherization programs in communities across all of Pennsylvania, the WHRP legislation provided funding for Philadelphia’s RIF and the Philadelphia Energy Authority’s [Built to Last \(BTL\)](#) program, which combines home repair, energy conservation, and healthy homes programs into a coordinated service package to make homes more affordable, healthier, and safer places to live.

⁶ “PHDC Launches Rental Improvement Fund,” *Southwest CDC Globe Times*, August 23, 2023

⁷ [HB 1421 Votes](#), Pennsylvania General Assembly website

⁸ Whole-Home Repairs Program Landing Page, Senator Nikil Saval

⁹ Whole-Home Repairs Program Agency List, Pennsylvania Dept. of Community & Economic Development



Program Successes

Philadelphia's need to revitalize housing stock and increase the supply of affordable housing is greater than that of most cities. As of 2018, the city featured some of the nation's oldest housing stock: the median age of a house there was 93 years old, nearly 30 years older than the median across the country.¹⁰ Like St. Louis, Philadelphia's housing affordability challenge is primarily one of low-income rather than expensive housing. While Philadelphia's median rent is not high compared to other large cities (ranking 21st out of the 30 largest cities according to the Census Bureau's 2019 American Community Survey), its median household income is comparatively lower, ranking only 28th out of the 30 largest cities, ahead of only Memphis and Detroit.¹¹

The post-Covid-19 pandemic creation of Pennsylvania's and Philadelphia's home repair programs represented both an attempt to alleviate the affordable housing crisis exacerbated by the pandemic and to build upon the successful paradigm established by the Basic System Repair Program and the Adaptive Modifications Program. All of these programs have centered around providing positive incentives for homeowners and landlords to improve the housing stock rather than using punitive measures and regulations designed to punish wrongdoers: in simpler terms, a "carrot" versus a "stick" approach.

A "carrot" approach. There were many reasons that Philadelphia adopted a carrot approach, including the fact that, like St. Louis, the city has very limited housing inspectors to enforce

regulations effectively¹², as well as the fact that citizens vastly prefer receiving tangible benefits from local governments (such as fixing leaky roofs and upgrading plumbing) to receiving threats and fines. Also, a carrot approach proved to be less politically fraught than a stick approach, as there has been little to no opposition to these programs in Pennsylvania from business groups, landlords, tenant groups, or partisans on either side of the aisle.

Public acceptance. The newer programs have not been in place long enough for there to be long-term studies of their effects; however, we can observe that the programs have been extremely popular with the public. Demand for the Whole-Home Repairs Program is high throughout the state, with wait lists in urban, suburban, and rural counties. To address that demand, Pennsylvania Governor Josh Shapiro included \$50 million in additional funding for the program in his FY25 budget.¹³

Broader influence. The WHRP has also inspired federal legislation. The bipartisan Whole-Home Repair Act ([S. 3871](#)) was introduced by U.S. Senators John Fetterman (D-PA) and Cynthia Lummis (R-WY) on March 5, 2024. The bill would

¹⁰ ["Old homes, high poverty make Philadelphia housing less than affordable for some."](#) WHYY, July 25, 2018

¹¹ [Philadelphia Center City District Housing Report](#), February 2022

¹² Saval staff video clip, 5:34-6:07; 5:00-5:30; 17:35-18:05

¹³ ["What Shapiro's budget pitch could do for Pennsylvania's rural communities."](#) Spotlight PA, Feb. 19, 2024



create a five-year national pilot program based on Pennsylvania's WHRP and would provide grants to homeowners and forgivable loans to landlords to implement home repairs.¹⁴ The bill has been endorsed by the Housing Assistance Council, National NeighborWorks Association, LISC, Habitat for Humanity, Council for Affordable and Rural Housing, National Low Income Housing Coalition, National Housing Law Project, People's Action, National Association of Towns and Townships, Window and Door Manufacturers Association, and Pennsylvania Stands Up.¹⁵

Crime reduction. A 2021 study of the Basic Systems Repair Program by three professors at the University of Pennsylvania analyzed more than 13,000 homes on over 6,000 Philadelphia city blocks over the course of seven years to see whether there was any association between home repairs in low-income neighborhoods and neighborhood crime. The study concluded that blocks where residents participated in the program experienced a 21.9 percent reduction in crime compared to blocks where homeowners had applied but where no repairs were performed. Furthermore, increasing the number of homes repaired on a given block was associated with further decreases in crime rates.¹⁶

Influence of interventions. Another study in Philadelphia, led by the same researchers and unrelated to the BSRP, was conducted from 2017 to 2020. It found that providing remediations—such as new window and door installations, trash pickup, and removing weeds at abandoned homes in predominantly Black and low-income neighborhoods—led to an 8.43 percent reduction in monthly weapons violations, a 13.12 percent reduction in gun assaults, and a 6.96 percent reduction in shootings on blocks where all of those interventions were conducted.¹⁷ The study found that blocks where abandoned homes received only trash cleanup and weeding showed no change in gun violence compared to blocks with no interventions. This suggests that relatively inexpensive investments in fixing those abandoned homes, and moving beyond simple trash collection, can be a cost-effective method of improving public safety and health.

¹⁴ [“Senators Fetterman and Lummis Introduce Bipartisan ‘Whole-Home Repair Act,’”](#) National Low Income Housing Coalition, March 11, 2024

¹⁵ [“Fetterman, Lummis Introduce Bipartisan Bill to Scale Pennsylvania’s Whole-Home Repairs Program to the National Level,”](#) Sen. Fetterman Press release, March 5, 2024

¹⁶ [“Association between Structural Housing Repairs for Low-Income Homeowners and Neighborhood Crime,”](#) by Eugenia C. South, MD1,2; John MacDonald, PhD2,3; Vincent Reina, PhD

¹⁷ [“Abandoned House Repairs Reduced Nearby Gun Violence,”](#) Penn Today, Dec. 5, 2022





Biggest Challenges

Implementing the Whole-Home Repairs Program statewide came with some hiccups and confusion regarding the program's regulations.

Rent monitoring. Media reports indicated that several counties chose not to participate in the landlord forgivable loan portion of WHRP because of concerns about the requirement that they monitor the rents charged for 15 years to ensure that housing remains affordable.¹⁸ However, those concerns did not stop those counties from participating in the program overall. Eventually, 64 out of 67 counties in the state opted to participate, representing program adoption across a wide variety of communities with various approaches to program administration.¹⁹

Prevailing wage implications. Another challenge involves Pennsylvania's prevailing wage law, which requires that any public works projects costing \$25,000 or more be completed using labor at the state prevailing wage. That amount was enshrined into state law in 1961 and has not been adjusted for inflation since.²⁰ Although the WHRP legislation allows for grants of up to \$50,000 per home, many counties decided to cap their grants at \$25,000 to avoid having to pay the prevailing wage. The prevailing wage in Philadelphia is much higher than anywhere else in the state, which has disincentivized work on homes with the most serious repair needs.²¹

Funding. Program administrators report that the biggest challenge the Basic Systems Repair Program faces has been funding, not finding contractors, signing up residents, or clearing administrative hurdles. Furthermore, they report that elected officials really appreciate the program because it is seen as a visible, effective method of constituent service.²²

¹⁸ [“Demand for Pennsylvania's Whole-Home Repairs Program has been overwhelming, but more funding is on hold,”](#) Spotlight PA, Dec. 11, 2023


¹⁹ Saval staff video

²⁰ [“Pennsylvania's Prevailing Wage Law Raises Abandoned Mine Reclamation Costs By 25 Percent,”](#) PA Environment Digest, May 30, 2008

²¹ George Russell video clip, 8:22-9:47

²² George Russell video clip, 13:29-14:01



An aerial photograph of a city, likely St. Louis, showing a dense residential area with many brick houses. The left half of the image is covered by a dark, semi-transparent overlay. The right half shows the same scene in full color and brightness. The text 'Action Housing Example' is overlaid on the dark left side.

Action Housing Example

An Alternative Approach to Home Repairs

Contrasting with Philadelphia, where the Whole-Home Repair Program is housed within the city government, Pennsylvania's second-largest city, Pittsburgh, and its home county, Allegheny County, chose to administer the program through a local nonprofit. Action Housing, which was established by Pittsburgh civic leaders in 1957, is the city's largest nonprofit developer.²³ The organization was well suited to administer the WHRP because it had already been running the region's weatherization program for 25 years, had good relationships with both city and county governments, and had existing partnerships with local contractors and community organizations who would be needed to implement the program.²⁴

One innovative approach that Action Housing took to the WHRP was to allocate funding on a randomized basis rather than a typical first-come, first-served approach. This randomized approach promotes equity in access to the program and still allows for prioritization of households with young children, seniors, those in need of accessibility modifications, and those in certain historically disinvested and redlined neighborhoods.²⁵

One advantage to administering WHRP through a nonprofit rather than a government agency is that contractors can avoid governmental pass-throughs and be paid for their work more quickly. This has been a great selling point

when recruiting contractors, particularly MWBEs who lack the financial capacity to absorb long payment delays.²⁶ In addition, contractors do not have to receive MWBE certification or achieve the usual MWBE goals for city projects to participate. However, since Action Housing has its own diversity practices in place and because they already had established relationships with MWBEs across the region, 66 percent of contractors currently participating in the WHRP program are either MBE or WBE, which far surpasses goals in either Pittsburgh ([18 percent MBE, 7 percent WBE](#)) or St. Louis ([25 percent MBE, 5 percent WBE](#)) and is a remarkable accomplishment.²⁷

Although Action Housing administers the WHRP for Allegheny County, the county owns the data of applicants and established a [public dashboard](#) to share comprehensive data from the program. On the dashboard, the public can view maps of where applications were submitted, percentages of applications approved, the types of repairs being done, and the stage of project completion, among other information. This dashboard is an excellent model of transparency for home repair programs which other cities and counties would do well to emulate.

²³ [Action Housing website](#)

²⁴ Dan Sullivan video, 5:02-7:32

²⁵ [Allegheny County Whole-Home Repairs Program Local Guidelines](#), Action Housing website

²⁶ Dan Sullivan video, 8:36-10:09

²⁷ Dan Sullivan video, 12:07-12:57



Adopting Home Repair Programs in St. Louis



There are several potential benefits to adopting home repair programs in St. Louis modeled on those in Pennsylvania:

1. **Improving housing quality.** These programs provide resources for both residents and landlords to address important maintenance needs, resulting in improved living conditions and a more modernized housing stock.
2. **Neighborhood revitalization and public safety.** Home repair programs like these lift up low-income neighborhoods and help their residents contribute to the revitalization of distressed areas. Additionally, Philadelphia's home repair program has had a demonstrable impact on reducing crime on blocks where repairs took place.
3. **Economic impact.** By making public investments in housing infrastructure, the city can stimulate the local economy, create good-paying jobs, support residents committed to the neighborhood, and enhance property values in low-income neighborhoods.
4. **Reduction in vacancies.** As properties are renovated and become more desirable, other potential homeowners may be prompted

to invest in the neighborhood, thereby reducing the number of vacant and blighted properties, stabilizing population loss, and improving the appearance of under-resourced neighborhoods.

We believe that the City of St. Louis, with its current forward-looking leadership on the Board of Aldermen and in the Mayor's office, is well positioned politically to emulate Philadelphia's example. A broad array of nonprofit home repair providers have recently joined forces to establish the Home Repair Network in St. Louis. These organizations are doing tremendous work across the city and yet are working at capacity and are in constant pursuit of critical repair funding. A program like Philadelphia's Whole-Home Repair Program could provide valuable organizational and financial support to this nascent network and its well-established members.

It is vital that elected leaders in the city, and potentially the region, engage with and inform the public about the benefits of home repair programs. These early steps will build critical political support and encourage residents to imagine the programs' positive effects PRIOR TO placing a price tag on the programs or discussing

funding mechanisms. Once the concept has buy-in and support from stakeholders, conversations about cost and funding mechanisms will be both necessary and more productive.

Potential funding mechanisms, from most feasible to least feasible, include:

- City appropriation, starting with a pilot program
- Bonding
- Private/philanthropic funding
- Regional funding through East-West Gateway, which would allow other cities and counties to establish their own home repair programs
- State tax credits
- Creation of a state program to fund home repair similar to Pennsylvania
- Federal funding if or when national whole-home repairs legislation passes

The Current State of Home Repair in St. Louis

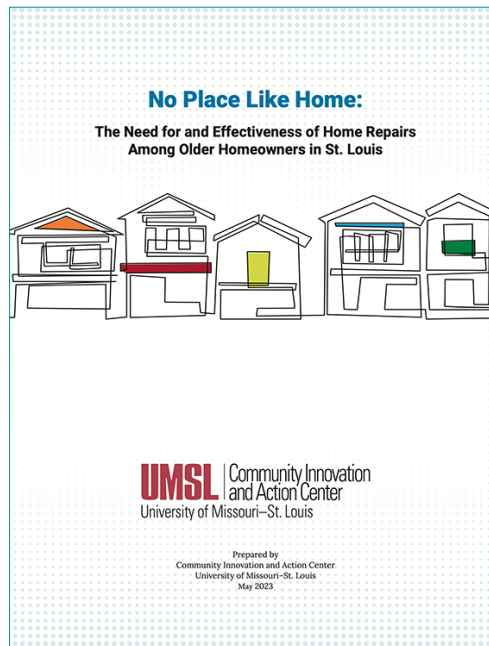
Home Repair Network. At the time of this report, the St. Louis Home Repair Network (HRN) has formed and is in its early years. The HRN is a coalition of nonprofit organizations committed to providing free and low-cost home repairs throughout across St. Louis. The coalition is working to unite the city's home repair efforts to operate more efficiently and effectively assisting homeowners in receiving the repair support they need, promoting aging in place, and helping build generational wealth.

The founding members of HRN include:

- [Beyond Housing](#)
- [Carondelet Housing Development](#)



- [New City Fellowship](#)
- [City of St. Louis Community Development Administration](#)
- [Habitat for Humanity – St. Louis](#)
- [Mission St. Louis](#)
- [Dream Builders 4 Equity](#)
- [North Newstead Association](#)
- [Paraquad](#)
- [Park Central Development](#)
- [Rebuilding Together St. Louis](#)
- [Sustainable Housing & Equitable Development \(SHED\)](#)
- [St. Andrew's Senior Solutions](#)
- [Urban League of Metropolitan St. Louis](#)



Research highlighting the need for home repair. Researchers at the University of Missouri–St. Louis, led by Professor Todd Swanstrom, worked to uncover the scope of the unmet need for home repairs in St. Louis. In addition to quantifying the unmet repair needs for older homeowners specifically at \$302 million, the research found that the average cost of needed repairs was \$13,023, and the most common needed repairs were electrical outlet installations and weatherization repairs. Many older homeowners also lack properly functioning air conditioning, which can be deadly in a heat wave. To read the full report: [No Place Like Home: The Need for and Effectiveness of Home Repairs Among Older Homeowners in St. Louis](#).

“Without a viable citywide home repair system in St. Louis, our city stands to lose valuable housing stock and, more importantly, displace households who can be quickly overwhelmed by the scale of repairs our city’s older homes require.”

—Aaron Williams, Rebuilding Together St. Louis board member

Conclusion



We recommend that St. Louis leaders consider both the Philadelphia approach to home repairs, which involves a robust funding mechanism and a city agency administering the program, and the Pittsburgh approach, if a suitable nonprofit can be found to administer the program and MWBE goals can realistically be achieved.

We recommend including both grants to homeowners and tenants similar to the Basic Systems Repair Program and the Adaptive Modifications Program and forgivable loans for landlords similar to the Rental Improvement Fund.

We also recommend that if the program is implemented, program administrators consider adopting Action Housing's model.

Alongside the home-repair programs, St. Louis should also consider adopting mechanisms that can provide repairs and cleanup at abandoned homes to further improve the quality of neighborhoods and reduce the gun violence that often plagues neighborhoods with high building vacancies.

Through robust and well-funded home repair programs, St. Louis has a tremendous opportunity

to improve housing quality, increase public safety, provide a service that will be popular with residents, and increase citizens' confidence in the City's ability to govern effectively. We hope that elected leaders will take advantage of this opportunity to take the lead in this important policy area. Like Philadelphia, St. Louis can provide a shining example of forward-thinking urban revitalization to cities across the country while better serving and supporting the people who call St. Louis home.

