

Expanded Funding to Stabilize City-Owned Abandoned Properties

PROPOSITION NEIGHBORHOOD STABILIZATION

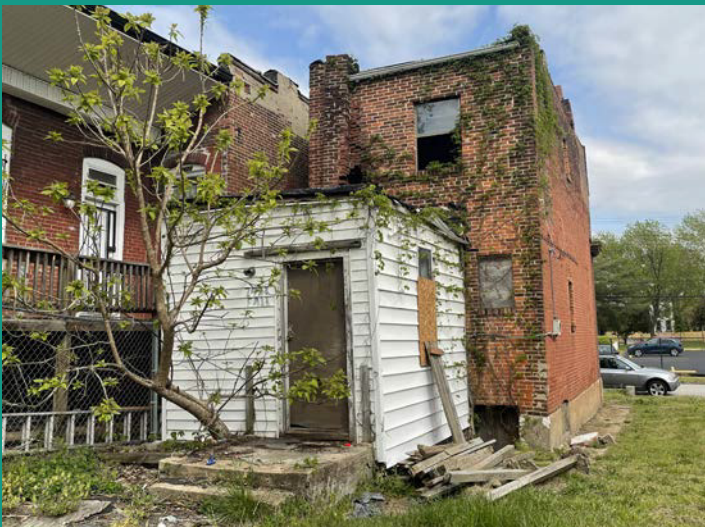
The Proposition NS (“Neighborhood Stabilization”) Program was created by a community-driven ballot measure that St. Louis voters approved in 2017. It authorizes the City to issue up to \$6 million per year in bonds so the Land Reutilization Authority (LRA) can make targeted, code-compliant stabilizations to one- and two-family buildings in its inventory. The idea was simple: act early—before years of neglect make rehabilitation financially or physically impossible. Each project is capped at roughly \$30,000 in eligible work, limiting the scope to essential exterior and structural repairs.

Since work began in 2020, the program has completed 180 stabilizations, and 112 of those properties have been sold out of LRA’s inventory. But only about 10 have been fully rehabbed and re-occupied. That gap reflects both long-standing market conditions—deep appraisal gaps, scarce rehab capital, and the cumulative effects of disinvestment—and the program’s own constraints. A \$30,000 stabilization slows deterioration, but it rarely changes the underlying math of a full rehab in weak-market neighborhoods. Without deeper financing tools or complementary disposition strategies, most stabilized structures will not make the leap from “stabilized” to “occupied.” Still, when paired with strong place-based capacity, Prop NS can function exactly as voters intended: a first step on the path from abandonment to reuse.

North Grand Neighborhood Services (NGNS) offers a clear example. The Jeff-Vander-Lou-based nonprofit purchased a Prop NS-stabilized building on the 2400 block of Fall Avenue with the intent to rehab it and sell it at an affordable price point to a buyer earning around 80% AMI. NGNS has worked in the neighborhood since 2005, and its sustained focus on reclaiming vacant housing has helped drive local vacancy down from roughly 50% to about 10% over two decades.

Early on, NGNS identified two intertwined challenges: widespread vacancy and limited job opportunities for neighborhood youth. They responded by supporting youth entrepreneurship through Angel Baked Cookies and by launching the Solomon Project, which combines home repair assistance, vacant-building rehab, and new construction to stabilize the existing community. Their model is resource-intensive, but NGNS makes it work through a deep volunteer network and strong partnerships with regional high schools. Students gain hands-on trade experience in classrooms and on active construction sites, and the organization gains high-quality labor that would otherwise be cost-prohibitive. Skilled tradespeople also donate specialized work, saving hundreds of thousands of dollars over time. Local real estate agents help navigate grants and funding tools, stretching limited resources even further. As Board President Joe Feld puts it, “We have very limited resources. We’re blessed with great volunteers. That’s our strongest asset.” NGNS is now working on its 29th project.

Margins in nonprofit housing development are notoriously thin—often negative—so any avoided cost matters. That’s where Prop NS becomes a strategic fit. “We cannot take a big loss,” Feld notes. “The fact that Prop NS allowed a contractor to put up to \$30,000 in and get the house in a stable form, of which then an organization like us can take it over and run with it, was a perfect fit.” For groups like NGNS, Prop NS isn’t just another program—it’s a crucial early intervention that makes community-rooted redevelopment possible where the private market alone never will.



Before (left) and after (right) photos of the rehabilitation of a home on the 2400 block of Fall Avenue. Photos courtesy of St. Louis Development Corporation.

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