

REDEVELOPMENT COMMISSION MEETING

January 24, 2011

The regular meeting of the City of Mishawaka Redevelopment Commission was called to order at 6:30 p.m., Monday, January 24, 2011, in Room 205, City Hall, 600 East Third Street, Mishawaka, Indiana. Commissioners Eberhart, O'Dell, Troiola, Mammolenti, Gebo, and Stillson were present. Also in attendance: Lory Timmer, Community Development Director; Kari Myers, Administrative Planner; and John Gourley, Legal Counsel.

Commissioner Troiola moved to approve the minutes of the January 3, 2011 meeting.

Commissioner Gebo seconded; motion carried.

Lory Timmer presented the following Resolution for consideration.

RESOLUTION 2011-2: ACQUIRING THE PROPERTY AT 514 GRAND BOULEVARD

Mrs. Timmer was contacted by AAA Credit Union regarding this property. It was a foreclosure that had gone back to the credit union, and they were eager to sell it. The average of two independent appraisals placed the property's value at \$22,000. She offered AAA Credit Union \$15,000, and they accepted. If the Commission approves the acquisition of the property, closing will take place on January 31st. CDBG-R funds will be used for acquisition and demolition. CDBG-R requires that the cleared lot be used for low-moderate income housing, so the lot will likely become a First Time Homebuyer house site. Commissioner Gebo moved to approve Resolution 2011-2. Commissioner Mammolenti seconded; motion carried.

Mrs. Timmer updated the Commissioners on the projects listed below:

TIF UPDATES

Memorandum of Understanding (MoU) with IronWorks of Mishawaka

The most recent MoU with IronWorks expired on December 31, 2010. A new memorandum will be presented for the Commission's consideration at the February 28th meeting. In addition, the Department is currently assessing the parcels that lie outside the original MoU area. More property has been purchased in the River Center area since the first agreement with IronWorks was approved in 2006 and it is time to divide up the parcels south of Front Street into bundles of

parcels suitable for development, and issue Requests for Proposals.

Main Street - Church Street Improvements

A drawing depicting the improvements to Main Street and Church Street was presented.

NEIGHBORHOOD PROGRAMS

Mishawaka River Center Apartments

Mrs. Timmer said the asbestos abatement is complete. The total cost for removal was \$89,675, which is far less than the \$200,000 we anticipated spending. The pipes will be drained of water, and utilities will be shut off until we begin pre-construction activities.

On January 6th, the Indiana Housing and Community Development Authority (IHCDA) issued the results of their preliminary reviews of all the tax credit applications. We were asked to provide clarification regarding removal of an underground storage tank and the asbestos abatement activities. These were considered minor corrections, and did not result in our application losing points. From this point forward, there will be no communication from IHCDA regarding the applications until they announce their funding decisions on February 25th, 2011.

Neighborhood Stabilization Program (NSP) Grant

Three of the 17 homes acquired with NSP funds are currently being rehabbed:

- 717 W. 7th - Rehab work has begun
- 718 W. 7th - Rehab work has begun
- 313 W. 8th - Rehab work has begun

The work is anticipated to be complete in March. The homes will be used in the City's Lease-to-Own Self-Sufficiency Program, however, if a First Time Homebuyer expressed a preference to have one of the rehabbed homes, we would be willing to sell them.

A building inspector with IHCDA inspected the home at 501 W. 6th Street on January 21st. Every house that we build or rehabilitate using NSP funds is required to be inspected at completion by IHCDA to ensure that it meets minimum building standards, and the Sixth Street house met those standards.

The final properties at the northeast corner of West Sixth and Wells Streets were demolished the week of January 17th. The site is currently being replatted into two lots. Those parcels will be donated to Habitat for Humanity for construction of two 2-story homes in 2011.

NSP Resale Deed Restriction: 530 West Sixth Street

The NSP program requires that any house that has NSP dollars invested in it have a resale deed restriction recorded. This restriction states that the property can only be purchased by low-moderate income households for a length of time that is based on the amount of NSP money invested. This is known as the “period of affordability”. If the NSP investment is less than \$15,000, then the period of affordability is 5 years. If the investment is \$15,000-\$40,000, the then period of affordability is 10 years. If the investment is over \$40,000, then the period of affordability is 15 years. We provided a \$50,000 subsidy for the construction of the Habitat House at 530 W. 6th Street, so we are recording a resale deed restriction that states the house must be sold to a low-moderate income family if it is sold within the 15 year affordability period.

NSP3 Grant Application

IHCDA was recently granted \$8.3 million as part of the Neighborhood Stabilization Program Phase 3 (NSP3). Because this is a relatively small amount for the entire state, IHCDA opted to invite specific communities to compete for the funds. They chose cities that received NSP1 funds and were familiar with program regulations. They also chose cities that had high rates of foreclosures and vacancies based on data from HUD. Eleven communities met all those requirements, and Mishawaka was among them, so we were invited to apply.

IHCDA will award 4-5 grants, with a maximum award amount of \$2 million. Applicants must match 25% of their award with local dollars. Applications are due to IHCDA on January 31st. A mandatory site visit is required before an application can be submitted, and we had our visit on January 13th. I am submitting a request for \$850,000, based on our capacity and Habitat’s capacity. All the money from NSP1 must be spent by March 2013, and 50% of all funds from NSP3 must be spent by March 2013; the balance has to be spent by March 2014. The maximum number of properties we can add to our build schedule and Habitat’s in that time frame is 13, so that is the number I’m proposing to complete. If awarded the \$850,000, we will match it with

\$334,450 in CDBG and HOME funds. Awards will be announced on February 25th, 2011.

FIRST TIME HOMEBUYER PROGRAM

Jeff Moser has completed the house at 501 W. 6th Street. Closing on the property took place on January 21st. The lot will be landscaped and a privacy fence will be installed as soon as weather permits.

Because this property received a \$37,500 NSP subsidy, the period of affordability is 10 years. If the new owner sells the house within the next 10 years, she must sell it to a low-moderate income household.

Mrs. Timmer said we have recently had difficulty getting our clients qualified for a private mortgage. Program Coordinator Dave Thomas and Mrs. Timmer met with Horizon Bank to discuss the possibility of partnering with them on the program. We intend to present a Memorandum of Understanding with Horizon Bank to the Commission at the February 28th meeting.

CDBG SUBRECIPIENTS

Due to an increase in the number of students that qualify for their after school program at Liberty Elementary School, Boys and Girls Club has an operating deficit. They approached the Mayor's office with a request for \$16,000. We already grant the Boys and Girls Club \$20,000 annually. Mrs. Timmer said she reviewed the 2010 CDBG budget and feels that we can give them \$5,000 without going over our 15% cap on public service funding. For 2010 we granted \$58,500 to public service agencies. This represents 11.6% of our grant. If we provide an additional \$5,000 to Boys & Girls Club, our public service funding increases to \$63,500, or 12.6%, so we're still below the 15% maximum. Commissioner O'Dell moved to approve giving the Boys and Girls Club an additional \$5,000. Commissioner Mammolenti seconded; motion carried. Commissioner Stillson said he would provide feedback to the Commission as to how the programs benefit the students.

ANYTHING BROUGHT BEFORE THE COMMISSION

Mrs. Timmer brought up the idea of possibly changing the meeting time to earlier in the evening. The Commissioners discussed the idea and decided to discuss further at next month's meeting.

NEXT MEETING

The next regular meeting of the Redevelopment Commission will be Monday, February 28th, 2011 at 6:30 p.m. in room 205.

The meeting was adjourned at 7:04 p.m.

Respectfully submitted:

Approved:

Kari Myers, Administrative Planner

M. Gilbert Eberhart, President

Lory L. Timmer, Community Development Director