

Community Development Department

David B. Thomas, Director

The City of Mishawaka's Department of Community Development works to create vibrant neighborhoods and communities through revitalization and redevelopment efforts. At the core of this mission is the goal of providing every resident of our community access to a decent, safe, suitable and affordable living environment. The Department works to achieve this goal by:

- Creating, rehabilitating and maintaining the City's affordable housing;
- Creating homeownership opportunities for low to moderate income families;
- Investing in neighborhood public improvements such as streets, curbs, sidewalks;
- Seeking opportunities to partner with local organizations to leverage resources;
- Pursing new and innovative opportunities to sustain the high quality of life in our community.

Staff

The Department of Community Development is currently staffed by four full-time employees. David Thomas was promoted from his position as NSP Coordinator in April of 2012 to the Director's position, taking over for Interim Director, Ken Prince. Laura Raygoza was hired in May, 2012 as the NSP Coordinator that was vacated by Mr. Thomas in April, 2012. Marilyn Nelums continues her role as Program Coordinator. Roger Shields maintains his current role as Program Construction Coordinator.

*...providing every resident of our
community access to a decent,
safe, suitable and affordable
living environment*

Community Development Department staff facilitates and manages redevelopment and revitalization programs, working with City officials and other City Departments to implement the development activities approved by the Mayor, Common Council, and Redevelopment Commission.

Redevelopment Commission

The Redevelopment Commission serves as the governing body for the Department of Community Development. The Commission is made up of five voting members and one non-voting member who are each appointed to a one-year term by the Mayor and Common Council.

The following Commissioners served on the Mishawaka Redevelopment Commission in 2012:

M. Gilbert Eberhart	President
Gary O'Dell	Vice-President
M. Wayne Troiola	Secretary
Jim Pingel	Member
Kris Ermeti	Member
Larry Stillson	Member (Non-Voting)

Commissioner Wayne Troiola decided not to seek another appointment and resigned from the Commission at the end of 2012. We are grateful for Commissioner Troiola's long-standing service and wish him well. The Common Council has appointed Bill Buraczewski to replace former Commissioner Troiola for 2013.

For 2013, the following Commissioners have been appointed to serve:

M. Gilbert Eberhart	President
Gary O'Dell	Vice-President
Kris Ermeti	Member
Jim Pingel	Member
Bill Buraczewski	Member
Larry Stillson	Member (Non-Voting)

Officers will be elected at the January 28th, 2013 Redevelopment Commission Meeting.

2010-2014 Housing and Community Development (HCD) Plan

Every five years the Department of Community Development, in conjunction with the City of South Bend and St. Joseph County, is required to submit a comprehensive plan to the U.S. Department of Housing and Urban Development (HUD). This plan indicates the priority needs and objectives to support strong neighborhood revitalization activity in St. Joseph County. For the City of Mishawaka, it details where and how the Department of Community Development intends to spend CDBG funds for a five-year period, the current cycle being 2010 - 2014.

The City of Mishawaka's plan targets the Milburn Boulevard Neighborhood for revitalization activities during the current HCD cycle. It was designed to supplement work performed in the area by the City's Code Enforcement and Engineering Departments. Through 2014, the majority of the City's CDBG, CDBG-R, HOME and NSP1 funds are being directed toward this neighborhood that is bordered by the St. Joseph River, Panama/18th Street, Ironwood Drive and Union Street.

*The City of Mishawaka plan targets
the Milburn Boulevard Neighborhood
for revitalization activities*

The Milburn Boulevard Neighborhood Improvement Plan includes spot blight elimination, new construction, affordable housing and public infrastructure improvements. The plan was approved and accepted by HUD in April 2010.



A key component of the HCD Plan, the Analysis of Impediments to Fair Housing in St. Joseph County, was completed in June 2010. The report identified barriers to fair housing choices in St. Joseph County and made recommendations to address the specific impediments. The analysis was approved and accepted by HUD in July 2010. In 2011, the Department continued to work on the priority areas identified by the plan. No changes to the plan are anticipated in 2013.

Funding Sources

The City of Mishawaka Department of Community Development's programs, staff and administrative costs are funded by grants from the U.S. Department of Housing and Urban Development (HUD). The Department is the administrator of the grants and uses the funds to operate programs targeted in specific Mishawaka neighborhoods.

Community Development Block Grant (CDBG)

As a CDBG entitlement community, the City of Mishawaka receives annual grants from HUD to provide decent housing, a suitable living environment, and expanded economic opportunities for low-to-moderate income residents. In 2012 we were granted \$422,612 to focus on those directives, and we responded with the following programs: Spot Blight Elimination; Lease-to-Own Self Sufficiency; Summer of Service; Owner-Occupied Home Rehabilitation; Public Infrastructure Improvements; and Public Service Agency funding. As outlined in the HCD plan, activities funded with CDBG monies are focused on the Milburn Boulevard Neighborhood through 2014.

Home Investment Partnership (HOME)

HUD provides Home Investment Partnership (HOME) grants to local governments specifically to create affordable housing. The City received \$137,000 in HOME funds in 2012. The City of Mishawaka utilizes HOME funds to assist qualified families acquire homes through the First Time Homebuyer Program. Typically this activity occurs throughout the City on scattered in-fill sites. 2012 funds will be used to assist First Time Homebuyer builds at 426 W. 10th and 2604 Milburn and to subsidize a Habitat for Humanity build.

Neighborhood Stabilization Program (NSP 1)

The Neighborhood Stabilization Program (NSP 1) was established by HUD for the purpose of stabilizing areas that suffer from home foreclosures and vacancies. In 2009 the City of Mishawaka was awarded \$2,000,000 in NSP1 funds from HUD through the Indiana Housing and Community Development Authority (IHEDA). 2012 marked the close of our NSP 1 spending. The need for neighborhood stabilization funding in Mishawaka is driven by the number of foreclosures and vacant and abandoned properties concentrated in specific areas. The intent of the Community Development Department's NSP1-funded project is to reinvigorate Mishawaka's center-city neighborhood as part of our ongoing River Center redevelopment master plan. This project has been enthusiastically supported by area residents and our local business community.

The NSP 1 target area was bordered by Marion Street, Tenth Street, Harrison Street and Merrifield Avenue. The Department chose this area by using HUD Area Income Limits, Federal Reserve Home Mortgage Disclosure Act (HMDA) data and United States Postal Service (USPS) vacancy rates. In addition, a compilation of data predicting estimated foreclosure, abandonment and 18-month problem foreclosure rates was consulted. Population data was obtained from the U.S. Census Bureau, and information on vacant structures was provided by the City of Mishawaka's Department of Code Enforcement. A City-sponsored Housing Condition Survey indicated concentrated areas of substandard housing.

The selected neighborhoods represent the most densely populated area of Mishawaka. While the target area represents only 3.9% of the City in terms of area, it houses 18% of the City's total population. Steps taken to reduce problems caused by vacant and abandoned homes in this specific area will positively impact the greatest number of low to moderate income residents in particular, and greatest concentration of Mishawaka citizens in general. The NSP1 funds were successfully used in the timeframe allowed and the properties have been added to our list of properties for Habitat and First Time Homebuyer builds.

Our original NSP 3 allocation in 2011 was \$1,184,450.00. We continued our use of NSP 3 funds in our target area in 2012 by drawing down \$248,502.22 for procurement and demolition, as well as subsidizing Habitat for Humanity. In 2012 we acquired and/or demolished 511 W. 6th, 611 E. Broadway, 513 E Broadway, and 422 E. Grove. Each of

these properties were blighted, vacant, foreclosed structures and were a detriment to the neighborhood. Each of these sites will be used to accommodate low-to-moderate income housing in the future.

At the close of 2012 we have drawn down \$76,731.23 in subsidies for Habitat for Humanity builds at 550 W. 6th Street, 616 W. Battell, and 511 W. 6th. NSP 3 funds can continue to be drawn until March 2014.

Community Development Programs

Utilizing the City's funding from the U.S. Department of Housing and Urban Development, the Community Development Department administers a variety of programs that serve the needs of low to moderate income residents while stabilizing City neighborhoods.

First Time Homebuyer Program

Since its inception in 2004, the City's First Time Homebuyer Program, with funding from HOME grants awarded by the St. Joseph County Housing Consortium, has built a total of thirty-two (32) homes. The Department acquires and demolishes vacant, substandard property, constructs a home on the cleared lot, and provides down payment and closing cost assistance in the form of a forgivable loan. The Department partners with Place Builders and The McColleston Group to construct the homes. In addition to our building partners, 1st Source Bank, Horizon Bank, and Mutual Bank work with the City to provide private mortgages and other funding for the program. Not only does the First Time Homebuyer Program provide an additional housing option for moderate income families, it clears blighted properties to make way for new construction homes in our older neighborhoods, revitalizing communities and increasing the City's tax base.

...2012 brought in many applicants for the First Time Homebuyer Program

As with the year prior, 2012 brought in many applicants for the First Time Homebuyer Program. It was determined with many applicants that their credit scores and/or household income levels prohibited them from participating in the First Time Homebuyer Program. However, we were able to find 2 applicants that did meet all of the requirements and were happy to start building their homes in 2012.

Program homes are being constructed at 2604 Milburn and 126 W. 10th for two very anxious and grateful first time homebuyers. We also began the pre-construction process for homes at 426 W. 10th and 519 W. 6th street. We are beginning the construction process on these homes prior to having qualified applicants in order to meet the need of our NSP 3 contract which has a completion date of March 2014. Any properties that have NSP 3 funding tied to them must be completed, sold, and closed out by March 2014 to avoid penalty.

First Time Homebuyer Program



2604 Milburn – Before (meth house)



2604 Milburn – Current (mid construction)



126 W. 10th – Before



126 W. 10th – Current (mid construction)

2011 HOME funds were carried-over and combined with 2012 HOME dollars. These dollars have been programmed to fund one (1) Habitat for Humanity build and two (2) First Time Homebuyer builds.

The Department markets the First Time Homebuyer Program through the City website, its Facebook page, local service clubs, and through The Communicator, which goes out to Mishawaka Utilities customers.

Lease-to-Own Self-Sufficiency Program

As 2012 drew to a close we were able to find three tenants for our self-sufficiency projects at 717 W. 7th Street, 718 W. 7th Street, and 313 W. 8th Street. While these homes are occupied, the City is effectively a landlord until the occupants fulfill their agreement with the City to purchase the property. As per each contract, the occupant pays a rent amount to the city each month while attending courses at Greenpath, Inc. These courses educate them in the basics of homeownership, financial responsibility, and how to repair their credit. After two years of renting/leasing, the occupant is obligated to obtain a private mortgage and purchase the home from the City.



313 West Eighth Street

Spot Blight Elimination

The Community Development Department works to maintain the high quality of life in Mishawaka neighborhoods by eliminating vacant, deteriorating properties. In most cases, new First Time Homebuyer or Habitat for Humanity homes are constructed on the cleared lots. In 2012, the Department acquired 13 properties, mostly in the NSP3 and CDBG target areas, in an effort to eliminate spot blight in a focused, strategic manner.

The NSP1, NSP3, and CDBG target areas represent the oldest neighborhoods in the City. Mishawaka was incorporated as a village in 1833 on the banks of the St. Joseph River. The location was an abundant source of bog iron, and heavy manufacturing facilities sprang up along the river, prompting Indiana's governor to proclaim that Mishawaka was "the Pittsburgh of the West". People were drawn to the area for work, including many immigrants from Belgium, Italy and Poland. They settled in neighborhoods surrounding the manufacturing sites on the river, and the homes they built, most now 100+ years old, make up the residential component of the area we are targeting with grant funding. Many descendants of the early Mishawaka



717 West Seventh Street

residents still reside in these neighborhoods. The district is historically significant to the City from both economic development and cultural heritage perspectives.



718 West Seventh Street

The City of Mishawaka and residents of the target areas share a pride in the history of their neighborhoods. Many residents were employed by the Uniroyal plant and have lived in its surrounding neighborhoods for decades. However, as the population has aged, the homes they once owned and cared for have been inherited, sold, and in many cases converted into rental units or neglected. Nevertheless, faith in the neighborhood remains strong, and mixed among the dilapidated abandoned buildings are many well-maintained homes. Residents are not

giving up on their older neighborhoods. The tide of blight caused by vacant and abandoned homes is being reversed, while new families are given the opportunity to live in the revitalized center city area. The residential improvements, mixed-use commercial development in the River Center/Ironworks, planned public improvement projects, such as the Riverwalk and conversion of the former Mishawaka Furniture store into senior apartments, will complement and enhance one another, revitalizing the older center-city and enriching the quality of life for Mishawaka's residents.

In 2012, four structures were purchased from neighborhoods throughout the City. Following is a recap of properties and our plans for the future of each site.

422 E. Grove - This property sat vacant and in disrepair for many years. The owner of the property had plans for rehabilitation that never came to fruition. We were able to purchase the property from the homeowners and plan to use this lot for a First Time Homebuyer build.

502 W. 6th Street – This is the site of the former Squad's 2nd Precinct, which had been a fixture on this corner for many years. After years of being a successful business, the tavern closed down sometime in late 2010 and entered into foreclosure. It was condemned in early 2012. In October of 2012, the Department of Redevelopment was able to purchase this property and two adjacent lots at auction. This lot will be used for single family, low to moderate income housing.

407 S. West Street – This property was a nuisance case for the city's Code Department for many years. It sat in a state of disrepair for many years and was in desperate need of structural, electrical, and plumbing repairs. This property was acquired in October 2012 at auction along with the vacant lot to the west of it. We have been approached by two

neighbors who might have an interest in purchasing this property. We also have the option to build a low to moderate income single family residence on this lot.

Vacant lot adjacent to 407 S. West Street – This lot was purchased as part of the 502 W. 6th and 407 S. West Street transaction. This is a vacant lot that has no value as it sits. The neighbor to the west has expressed interest in the property. It can also be re-platted, if necessary, and joined with 407 W. 6th Street to create a more suitable lot.

Summer of Service Program

In the fall of 2006, the City of Mishawaka began a partnership with Rivervalley Church and Vineyard Community Church to create the program now known as Summer of Service. In 2012, the City again joined efforts with local faith-based organizations to complete service and repair projects on eight homes in the Mishawaka community. Community Development provided funding for materials to repair eight homes that were referred to the Summer of Service committee by the City's Code Enforcement Department.

824 E. Lawrence



Before



After

824 E. Lawrence: The house was in need of scraping and painting. First United Methodist Church volunteered for this job and also performed some minor landscaping and also repaired a broken garage door.

225 Ardennes Ave.



Before



After

225 Ardennes Ave: Another substandard case brought to us by our Code Enforcement Department. This home had aluminum siding with peeling paint that was beyond repair. In order to fix the issues, the siding had to be ripped down and we had to install new vinyl siding. Epic Church was tasked with this job and did excellent work.

They went above and beyond the call of duty by re-landscaping, trimming bushes, fixing the fence, and doing minor electrical repairs in the garage. Epic took it upon themselves to donate the money, time, and manpower necessary to complete the repairs beyond what we could afford. The results of their hard work can clearly be seen in the final product.

2428 Normandy



Before



After

2428 Normandy: This was yet another substandard case brought to us by our Code Enforcement Department. Our SOS Partners from Michiana Community Church of God performed a miracle on this home. The aluminum siding was peeling off in chunks as big as a basketball and the soffit and fascia was in desperate need of repair to keep animals from making their way into the home. The volunteers re-sided the entire house, repaired the soffit and fascia, landscaped, and cleared the property of a tremendous amount of overgrowth.

This house had been a thorn in the side of area residents for many years and had drawn the attention of code on a number of occasions. Now the home blends into one of our city's most historic subdivisions.

724 Somerset



Before



After

724 Somerset – The City of Mishawaka Code Department brought another substandard garage case to our attention. The garage had peeling paint and a broken garage door which needed to be addressed. We had a volunteer from Epic Church and Christian Builders, LLC help our department with this small project. This small project was a big help to the homeowners who expressed their gratitude to our department many times.

The Summer of Service Student Weekend encourages youth volunteers to connect with the community, beautify the city, and touch the lives of Mishawaka residents. The Community Development Department, along with the City's Parks Department, partnered with churches to bring students together to complete projects throughout the City.

On the weekend of June 15th- 17th, 250 students from churches throughout Northern Indiana picked up trash,



weeded and applied mulch at City Hall, Shiojiri Niwa, Wilson Park Warming House, Crawford, Twin Branch, and Merrifield Parks, and collected debris along the fence-line bordering the Police Station. The students assisted the Parks Department by painting the interiors and exteriors of City park restrooms and storage rooms and cleaned up trash in our City Parks.

A group of very talented young kids painted a beautiful

mural on the south side of the Merrifield Pool replicating the new Mishawaka Avenue Bridge.



Public Infrastructure Improvements

In 2012, the Department funded the removal and replacement of approximately 3,250 linear feet of curb and sidewalk repair as part of an project on Merrifield, south of 4th Street.

Habitat for Humanity of St. Joseph County Partnership

The Community Development Department considers its partnership with Habitat for Humanity of St. Joseph County to be one of its most effective and rewarding associations. In 2012, the City continued its collaboration with Habitat. Utilizing CDBG and NSP funds, 4 vacant, substandard properties were replaced with new in-fill homes constructed by Habitat for Humanity of St. Joseph County.



511 W. 6th Street



203 E. 11th Street

The City, utilizing these federal program funds, typically provides development subsidies of \$30,000 - \$55,000 per home. This ensures that the houses built are architecturally appropriate and possess the necessary amenities to blend into existing neighborhoods. Three homes in 2012 were subsidized in part by the City. Homes were constructed at the following addresses:

511 W. 6th Street, 550 W. 6th, and 203 W. 11th

These home-builds are also not possible without the participation of volunteers. The following groups participated in builds in Mishawaka in 2012:



550 W. 6th Street

First Source Bank
Healy Group
Beutter Family Charitable Trust
Old National Bank
St. Joseph High School
Riley High School
Penn High School
Marion High School
Notre Dame Students
HRP Construction
Roth Wherly Graber Realty

The new homes provide affordable housing for low to moderate income families, replace blighted structures with new construction, increase neighborhood homeownership rates, stabilize the community and increase the City's tax base. In 2013, the City looks to expand our partnership with Habitat for Humanity of St. Joseph County. Specifically, the City is hopeful to partner with Habitat for building on some of the residual properties that remain from the construction of the Main Street underpass. The Redevelopment Commission took ownership of these underpass properties in October 2012 and is working to re-plat the parcels to determine the best use of each lot.

Mishawaka Re-Store

In May of 2012, the Redevelopment Commission entered into a Memorandum of Understanding with Habitat for Humanity of St. Joseph County to facilitate the rehabilitation of the former Frank's Nursery Building located at 5225 North Grape Road. Habitat acquired the property with the intent of creating a Re-Store that, over time, will generate funds used for future single family residential building projects.

The Redevelopment Commission purchased easement interest in the property for \$390,000. As a result of the easement purchase, Habitat agreed to conduct 9 single family residential builds in the City of Mishawaka Northwest TIF area over the next three years. As part of the Memorandum, Habitat agreed to use proceeds from the Re-Store and other sources in lieu of the normal subsidy provided by the City for each home. Currently, the City normally provides a \$40,000 subsidy for one story homes, and a \$50,000 subsidy for two story homes.

The Commission viewed the agreement as beneficial, not only from a rehabilitation of a commercial building perspective, but also felt the agreement provided an outlet for single family home sites that were created from the assembly of residual pieces of property that were acquired as part of the Main Street Underpass project, that have yet to go through the disposal process.

CDBG Public Service Agency Funding

The Community Development Department helps fund public agencies that provide services to Mishawaka residents. The following organizations were allocated a total of \$57,000 in CDBG funds in Program Year 2012:

YMCA Before and After School Program	\$7,000
Family and Children's Center	\$9,500
REAL Services Adult Guardianship Program	\$5,000
REAL Services Older Adult Crime Victim Program	\$5,000
Boys and Girls Club	\$26,500
Penn Township Food Pantry	\$4,000

Mishawaka Main Junior High Apartments

As the population of Mishawaka ages, a need has been demonstrated for more affordable senior housing. In 2010 the Redevelopment Commission, on behalf of the City, submitted an application to the Indiana Housing and Community Development Authority to receive Rental Housing Tax Credits for the conversion of the former Mishawaka Furniture store into senior apartments. This project has been reported on for a number of years, and in December of 2012 the occupancy permit was issued signifying that tenants can now occupy the building. Ziolkowski Construction from South Bend is completing punch list items and the resulting total construction cost for the project was 7.6 million dollars. An increase in the cost of the project resulted from unknown structural deficiencies and unforeseen conditions, typical when renovating a 100 year old building that hadn't had significant investment in a quarter century.

As indicated last year, when the project was bid in the fall of 2011, bids came in significantly higher than estimated. As a result, the Redevelopment Commission increased the amount of City Tax Increment Funds that would be available to complete the project. Originally, it was anticipated that 1.7 million dollars in Tax Increment Funds would be required. As part of their role as developer for the project, the amount of Tax Increment



View of the renovated exterior, November of 2012

Funds committed to the project increased to 3.9 million dollars. With the close to 5 million dollars in tax credits for the project, the actual TIF expenditure on the

construction contract was approximately 2.6 million rather than the 3.9 million that was required to be budgeted.



Interior view of a renovated apartment

Now complete, the apartments will provide independent housing for low to moderate income citizens who are at least 55 years of age. By providing adaptive reuse of a historic landmark, this project aids in the preservation and stabilization of Mishawaka's downtown and central business district. It is anticipated that the building will serve as a landmark to the downtown for the next 100 years and will continue as an important example of civic architecture for our community. Upon completion of

construction, the building was deeded to the Community Development Corporation of Mishawaka and is managed and operated by the Mishawaka Housing Authority.

Mishawaka River Center Development Agreements

In 2012, the City of Mishawaka continued working with Prime Development and Retail Property Development on efforts to redevelop the former Uniroyal site. Although no additional development agreements were created in 2012, the Ironworks Commercial Building located at the intersection of Ironworks Drive and Mill Street, adjacent to Robert C. Beutter Riverfront Park did receive its first tenants after years of vacancy. Umbaugh Financial Consultants and Afdent Family Dentistry both leased office space in 2012. The first floor of the building, despite the economic climate and typical failure rate for restaurants, continues to receive a lot of interest. The City is hopeful that the restaurant space will be leased in 2013 and that activity associated with it will spark renewed interest in these prime properties.

In 2012, the Redevelopment Commission also conducted multiple executive sessions concerning the disposal/development of the former Uniroyal properties. In early summer, the Commission made the decision to let the previous Memorandums of Understanding between Prime Development and Retail Property Development expire at the end of 2012. The general intent of the Commission is to re-focus on the disposal and development of the property now that the economy seems to be slowly but steadily recovering. The Commission will further evaluate plans and the density of the desired end uses before creating new or replacement Memorandum's of Understanding with a developer.

Center for Hospice

In the summer of 2012, the Redevelopment Commission entered into a Memorandum of Understanding to allow for the development of an institutional campus for the Center for Hospice and Palliative Care. The campus is located to the south of Madison Street and will extend from Pine Street to Central Park. The plan includes the phased construction of a



Center for Hospice Campus administrative facility, currently under construction

a new hospice house, community bereavement center, palliative care center, and administrative/support services. Presently the administrative functions for Center for Hospice are dispersed in multiple locations in the region. Approximately 70 employees are intended be housed at this facility to start, with an opportunity for growth over time.

The total quantity of new construction proposed by the Center for Hospice is approximately 40,000 square feet. The administrative portion is currently under construction and is intended to be complete and occupied by the summer of 2013. The remaining structures will be built as funding becomes available over time. In working through the master planning process with City staff, it was requested that Center for



Site Plan - Mishawaka Center For Hospice Campus, showing the proposed Riverwalk extension and drive connection to Central Park from Cedar Street

Hospice provide sufficient parking to meet their average daily need. During special events or meetings, the intent is that parking would overflow into the public parking provided for Central Park. The City is currently extending a drive to Central Park and is doubling the amount of available parking close to the campus adjacent to the fish ladder.