

## **Department of Community Development**

*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-moderate income families;
- Investing in neighborhood public improvements such as streets, curbs, sidewalks;
- Seeking opportunities to partner with local organizations to leverage resources;
- Pursuing 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. The Director, David Thomas, is supported by four, full time employees. Roger Shields has been serving as the Construction Manager for the department since 1997 and has played a vital role in the First-Time Homebuyer Program and Summer of Service Program. Marilyn Nelums, Program Coordinator, has been in her position since August of 2011, and handles client intake, Summer of Service coordination, and many other filing and bookkeeping tasks throughout the department. Laura Raygoza, NSP Coordinator, is the newest member of the department and has handled the Neighborhood Stabilization Program (NSP) grants. These grant funds have been utilized to subsidize Habitat for Humanity projects, rehabilitation projects for our Self-Sufficiency Program, and our First Time Homebuyer Program.

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 2013:

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

No members announced their resignation in 2013 and the Redevelopment Commission members will remain the same in 2014 with Gary O'Dell replacing Jim Pingel as Vice-President.

Officers were elected at the January 30th, 2014 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 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/18<sup>th</sup> Street, Ironwood Drive and Union Street.

The Milburn Boulevard Neighborhood Improvement Plan includes spot blight elimination, new construction of 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 2013, the Department continued to work on the priority areas identified by the plan. No anticipated changes to the plan are anticipated in 2014.

### **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 at 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 2013 we were granted \$470,758 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 \$135,963 in HOME funds in 2013. 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. The department used a total of \$262,691 in 2013, which included remaining funds from 2012 to assist First-Time Homebuyer construction at 426 W. 10<sup>th</sup> Street and 2604 Milburn Blvd.

### **Neighborhood Stabilization Program (NSP 1)**

March of 2013 marked the close of our NSP 1 grant. 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 two million dollars in NSP1 funds from HUD through the Indiana Housing and Community Development Authority (IHCDA). 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 timeline allowed and the properties have been added to our list of properties for Habitat and First-Time Homebuyer construction.

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 2013 by drawing down \$470,835. Since the inception of NSP 3, we have drawn down a total of \$833,045 for subsidizing Habitat for Humanity builds throughout the City and construction of First-Time Homebuyer houses. In 2013 we constructed First-Time Homebuyer homes at 519 W. 6<sup>th</sup>, 426<sup>th</sup> W. 9<sup>th</sup>, 513 Broadway, 410 W. 9<sup>th</sup>, and 422 E. Grove.

At the close of 2013 we have drawn down \$146,273 in subsidies for Habitat for Humanity builds at 550 W. 6<sup>th</sup> Street, 616 W. Battell, and 511 W. 6<sup>th</sup>. NSP 3 funds can continue to be drawn until March 2014. At that point the program will close and we do not expect any more NSP funding to be available.

### **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 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

*... We had such an influx of approved applications in 2013 that we approved three families on a waiting list for future homes*

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.

As in the prior year, 2013 brought in many applicants for the First-Time Homebuyer Program. It was determined with many applicants that credit scores and/or household income levels prohibited them from participating in the First-Time Homebuyer Program. However, we were able to find many applicants that did meet all of the requirements and were happy to start building their homes in 2013. We had such an influx of applications in 2013 that we approved three families on a waiting list for future homes.

Program homes are being constructed at 422 E. Grove, 513 Broadway, and 410 W. 9<sup>th</sup>. These homes will be complete before the end of February 2014. We also completed builds at 2604 Milburn, 426 W. 9<sup>th</sup>, and 126 W. 10<sup>th</sup>. We began 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. The influx of qualified applicants soon followed and we are happy to be able to say that the families will be in these homes in the first week 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 a penalty.

2012 HOME funds were carried over and combined with 2013 HOME dollars. These dollars have been programmed to fund two First-Time Homebuyer homes and one Habitat for Humanity subsidy.

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.

**First-Time Home Buyer Program**



*126 W. 10th – Before*



*126 W. 10th – Current*



*2604 Milburn – Before (meth house)*



*2604 Milburn – Current*



*519 W. 6th – Before*



*519 W. 6th – After*

## First-Time Home Buyer Program



*426 W. 9th – Before*



*426 W. 9th – After*



*422 E. Grove – Before*



*422 E. Grove - Current*



*513 E. Broadway – Before*



*513 E. Broadway – Current*

## **Summer of Service Program**

In the fall of 2006, the City of Mishawaka began a partnership with River Valley Church and Vineyard Community Church to create the program now known as Summer of Service. In 2013, the City joined efforts with local faith-based organizations to complete service and repair projects on three properties in Mishawaka. Community Development provided funding for materials to repair three properties that were referred to the Summer of Service committee by the City's Code Enforcement Department.

**314 E. 8<sup>th</sup> Street:** The garage at this structure had been noticed to be substandard in the Winter of 2012 due to peeling paint, rotted fascia, and overall disrepair. Our Summer of service group, headed by First United Methodist Church, provided volunteer labor to scrape the peeling paint, do light construction repair, and repaint the existing structure. Unfortunately, the owner of this home suffered a broken hip prior to our volunteers arrival and was unable to see the work that was done for her. She passed away shortly after we finished the project, but a warm "thank you" was passed on by her family to our Department, the City of Mishawaka, and the volunteers that made the project come together.

**806 E. 10<sup>th</sup> Street:** Oak Creek Church and its volunteers spent two weekends painting and repairing one of the oldest homes in that part of town. The owner had grown up in that house with her parents and takes pride in the appearance of her home. The people from Oak Creek Church were able to help out the homeowner by power-washing, scraping, and painting this old foursquare home and bring it back to life. They went above and beyond the call of duty by coming back for a second weekend to do some light construction work, as well.

The homeowner expressed her gratitude to our department and to Oak Creek Church many times and was very thankful for the work that was done on behalf of the City of Mishawaka.

**1923 Homewood:** Again, the First United Methodist volunteer group, as well as a group from River Valley Church came together to scrape, paint, patch siding, replace portions of gutter, and do general repair to both the house and the garage. The homeowner was never too busy to lend a hand with the work and was overwhelmed by the amount of support that she was given.

**Summer of Service 2013**



*314 E. 8th - Before*



*314 E. 8th - After*



*806 E. 10th - Before*



*806 E. 10th - After*



*1923 Homewood - Before*



*1923 Homewood - After*

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 15<sup>th</sup>-16<sup>th</sup>, 350 students from churches throughout Northern Indiana picked up trash, weeded and applied mulch at Hums Park, Rose Park, Hillis Hans, and Battell Park, and collected debris along the fence line bordering the Police Station.

Although it rained quite a bit that weekend, the kids, along with the help of Dana DeBroadt, were able to paint a mural on the side of the Mishawaka Food Pantry. Along with the mural, the students spent the day reframing, recovering, and painting the boarded-up windows at the pantry. They also repainted the block wall on the west side of the building. The Food Pantry proved to be a great partner on this project along with the Penn Township Trustee.



## 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. In 2013, the City continued its collaboration with Habitat for Humanity. Utilizing CDBG, HOME, and NSP funds, one vacant, substandard property was replaced with a new in-fill home constructed by Habitat for Humanity of St. Joseph County.

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. The property subsidized with HOME funding was 514 Grand Blvd. 2013 also brought us the opportunity to transfer one of our self-sufficiency properties at 717 W. 7<sup>th</sup> Street to Habitat for Humanity. This allowed a Habitat family to immediately move into a home that had been rehabbed using our NSP1 Funding back in 2011. Our tenant moved out of the home and a Habitat tenant moved in within weeks. This speaks to the partnership, and creative thinking that Habitat exhibits. It was a win for all involved.

### First-Time Homebuyer Program



*514 Grand – Before*



*514 Grand – After*

These home-builds are not possible without the participation of volunteers. The following groups participated in builds in Mishawaka in 2013:

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 2014 the City looks to expand our partnership with Habitat for Humanity of St. Joseph County. Specifically, the City is hoping to partner with Habitat for some of the empty residual lots that remain from the construction of the Main Street

underpass. The Redevelopment Commission took ownership of these underpass properties in October 2012 and has gone through the process of re-platting the parcels into buildable commercial and residential lots. In January 2014 the Department and the Redevelopment Commission will begin the public disposal process for the newly re-platted parcels. Public notice will be made and the Commission will begin accepting bids at the regularly scheduled meeting in March, 2014. Included in this public notice will be the bid information for the retired firehouse at 2319 Lincolnway East.

### **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 \$69,000 in CDBG funds in Program Year 2013:

- YMCA Before and After School Program \$7,000
- REAL Services Adult Guardianship Program \$6,500
- REAL Services Older Adult Crime Victim Program \$6,500
- Boys and Girls Club \$31,500
- Housing Assistance Office \$7,500
- Penn Township Food Pantry \$10,000