



OFFICE OF THE CITY CLERK
BIANCA L. TIRADO, CITY CLERK

COMMUNITY INVESTMENT

FEBRUARY 12, 2024 4:00 P.M.

Committee Members Present: Troy Warner, Ophelia Gooden-Rodgers, Sherry Bolden-Simpson, Rachel Tomas Morgan, Citizen Member Kaine Kanczuzewksi

Committee Members Absent:

Other Council Present: Karen White, Dr. Oliver Davis

Others Present: Bianca L. Tirado, Danica Kulemeka, Elivet Quijada-Navarro, Victoria Stowell, Jenna Throw

Presenters: Erik Glavich, Caleb Baur, Michael Serac

Agenda:

[Bill No. 09-24](#)- TIF- EDC Forgivable Loan (Real America) Ordinance

Committee Chair Troy Warner called to order the Community Investment Committee meeting at 4:00p.m. He gave a brief overview of the agenda.

Please note the attached link for the meeting recording:

<https://docs.southbendin.gov/WebLink/browse.aspx?dbid=0&mediaid=380566>

Bill no. 09-24- TIF EDC Forgivable Loan (Real America) Ordinance

Erik Glavich, Director of Growth and Opportunity, 14th floor of the County-City Building gave a presentation concerning Bill No. 09-24, an ordinance provides authorization to move forward with a forgivable loan for Real America LLC and Legacy 25, Inc. for the Diamond View and Stadium Flats Project. The City has been working with Real America for a few years. Last year Real America received affordable housing tax credits for this project. Three (3) new buildings in which one (1) will be affordable housing. In this immediate area there's a few developments

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moving forward that are similar like The Monreaux. This process is the same as past projects. This process of forgivable loan allows developers to finish the project in the tight timeline created with the affordable housing tax credit. For the process to move forward the Council needs to affirm the forgivable loan.

The project is a mixed housing of affordable and market rate housing. The affordable housing, Diamond View will have sixty (60) units. Stadium Flats will have two (2) buildings with forty-five (45) units. The total project will cost roughly thirty-five (\$35) million dollars.

For Diamond View, all sixty (60) units will be available at or below eighty percent (80%) area median income (AMI). For the affordable units, eighteen (18) units will be rented out at thirty percent (30%) AMI which is three hundred and twenty-five to four hundred and thirty-three dollars (\$325-\$433). Twelve (12) units will be rented at fifty percent (50%) AMI which is six hundred and thirty-six to eight hundred and sixty-three dollars (\$636-\$863). Twelve units will be rented out at seventy percent (70%) AMI which is nine hundred and thirty-six dollars to one thousand two hundred and ninety-three dollars (\$933-\$1,293). And eighteen (18) units will be rented out at eighty (80%) AMI which is one thousand one hundred to one thousand five hundred dollars (\$1,100-\$1,500). The units in Diamond View are a mix of one (1), two (2) and three (3) bedroom apartments.

The City is supporting this project with a three million eight hundred thousand (\$3,800,000) forgivable loan in which five hundred and fifty thousand dollars (\$550,000) is dedicated to Diamond View and three million two hundred and fifty thousand dollars (\$3,250,000) is dedicated to Stadium Flats. The rest of the funds needed, over twenty-one million dollars (\$21,000,000) come from private investment. The competition of the project will be thirty-six months (36) after closing on the TIF loan.

This past summer the Council approved the abatements for the project, the Economic Development Commission approved the TIF to move forward and now it comes to the Council to finalize. After this there's just the Redevelopment Commission, with the timeline to break ground in March.

Mike Serac, Executive Vice President of Real America, 8250 Dean Road, Indianapolis IN 46240, thanked Mr. Glavich for the presentation and then spoke of the unit bedrooms in Diamond Stadium. Then expressed excitement on how the project will blend with existing projects in the area.

Chair Troy Warner asked if any Committee members had questions for the petitioners.

Vice Chair Rachel Tomas Morgan asked Mr. Glavich on how many other cases we have used a forgivable loan for.

Eric Glavich stated that they most recently did this loan for the South Bend Chocolate Factory, Indiana Dinosaur Museum, and The Monreaux.



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Citizen Member Kaine Kanczuzewksi asked Mr. Glavich if there were any downsides with using the forgivable and if this loan style will become more prevalent.

Caleb Baur, Executive Director of Community Investment, with offices on the 14th floor of the County-City Building; stated that yes it will be for TIF projects because of the tight deadline on the tax credit a forgivable loan allows the project to proceed without delays.

Chair Warner opened up for questions from the full council. Seeing none he then opened it up to members of the public.

Murray Miller, St. Joe Valley Building Trade, 23698 W. Western Avenue, South Bend IN, 46619, asked on if there will be a local building team for the project.

Lakeyue Williams, 709 South 25th Street, South Bend IN, 46615, requested the petitioner to go back to the rental rates and asked if there was any concern that one thousand one hundred to one thousand five hundred dollars (\$1,100-\$1,500) affordable for the area considering salaries.

Eric Glavich explained how AMI calculations were developed based on HUD calculations of median income and fair market rates. This ranges for one (1) bedroom to three (3) bedrooms.

Michael Serac, spoke on how they encourage local contractors to bid on the work and that they are currently actively soliciting for contractors for this project. Speaking on affordable housing, the rental limits are based on HUD but someone could qualify for the eighty (80) percent range for a one (1) bedroom while paying less than one thousand one hundred dollars (\$1,100) depending on the area market.

Chair Warner asked Mr. Glavich to put Mr. Miller in touch with Real America and then turned to the Committee for any questions or motions.

Vice Chair Tomas Morgan moved for Bill *No. 09-24* to be sent to the full Council with a favorable recommendation. Citizen member Kanczuzewksi seconded the motion.

Councilmember Gooden-Rodgers *Aye*

Councilmember Bolden-Simpson *Aye*

Council Vice Chair Tomas Morgan- *Aye*

Council Chair Warner- *Aye*

Citizen Member Kanczuzewksi- *Aye*

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With no further business, Chair Troy Warner adjourned the Community Investment Committee meeting at 4:22p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Troy Warner', written over a light blue horizontal line.

Troy Warner, Committee Chair

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