



## South Bend Common Council

227 W, Jefferson Blvd. Room 441 - County-City Building, South Bend, IN 46601

### The Collective Power of Engagement & Intentional Collaboration

August 22, 2019

### Southeast Neighborhood – 466 Works Community Development Corporation

Use this to outline/summarize the concept of your proposal

1. A description of proposed plan and how it relates to the Common Council/City's basic purpose and mission:

Three groups work together to revitalize the Southeast neighborhood: SOAR, 466 Works Community Development Corporation and the Bowman Creek Educational Ecosystem program which is associated with the University of Notre Dame Center for Civic Innovation. The current goal of the partners is to continue the progress and to increase the number of decent quality homes in the neighborhood. With the help of various city programs, 466 Works will have constructed seven new homes in the neighborhood by this time next year. Two homes have been built and sold to new homeowners, two are currently under construction and three additional homes have funding and will be constructed in 2020. While this is a good start, there are still many vacant lots in the neighborhood and existing homes that need renovation.

2. Why this plan is needed:

The Southeast neighborhood is located between Sample, Ewing, Michigan and Miami Streets. There are over 200 vacant lots and many homes that need rehabilitation within these neighborhood boundaries. Some of the homes can be rehabilitated using market rate funding without city assistance. Other homes are too dilapidated and need subsidies to be habitable. Other homes may need to be demolished because the costs of rehab are too great.

In addition to housing, the neighborhood needs institutions to provide a community gathering space and services for residents. The United Way is proposing to build a neighborhood center/early childhood education facility at the corner of Dubail and Fellows Streets. This

facility would provide quality day care for preschoolers in the area and a meeting spot for adults as well. The United Way is currently doing fundraising for this center.

A third priority in the area is Bowman Creek. The area shown in the attached map is within the boundaries of the 100 Year Flood Plain. It would be ideal if the city could obtain control of the flood plain lots through the tax sale and eventually demolish these homes. The houses are deteriorating and lenders are cautious about making loans because of the location within the flood plain. Once the buildings are removed, the area could be converted back to a creek which would improve drainage in the area and provide a natural resource area for neighbors.

3. The human and financial resources needed to implement the plan (in detail):

- The new construction homes will require subsidies of about \$100,000 - \$120,000 per house.
- The rehabilitated homes will need subsidies of \$30,000 a house or more, depending on the rehab costs.
- The flood plain acquisition could be implemented as homes become available through the tax sale. The purchase cost would be limited to legal work and closing costs. The house demolition would cost \$10,000 to \$15,000 depending on the size of the homes. There will be some maintenance costs to holding the lots until they are available.
- The United Way day care center already has TIF funds allocated to the project.

4. What will this mean to the Common Council/City in opportunities and cost in 1 to three years:

The Southeast neighborhood would be stronger and would provide decent housing for residents with a range of incomes. This would increase the tax base of the city. The neighborhood is limited in size and eventually will be stabilized and there will be limited need for special subsidy programs going forward.

5. An alternative plan/other options:

Funds are limited. If all these options cannot be funded immediately, fewer homes could be built or rehabilitated. This would stretch the development process out to a longer time period but even a smaller program would produce positive momentum. The flood plain properties should be purchased as they become available, since it will be more costly to purchase the property from new owners or owners that have no interest in selling.