



# OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

## COMMUNITY INVESTMENT

APRIL 10, 2023, 5:10 P.M.

Committee Members Present: Rachel Tomas Morgan, Troy Warner, Henry Davis Jr., Eli Wax, Kaine Kanczuzewski

Committee Members Absent: Tom Kurzhal

Others Present: Dawn Jones, Victoria Trujillo, Justin LePla, Bob Palmer

Presenters: Eric Glavich, Director of Growth and Opportunity  
Mark Neal, Bradley Company  
Tina Patton, Cross Community Inc.

Agenda: Bill No. 23-17 — Confirming Resolution for an Eight-Year (8) Development Real Property Tax Abatement  
Substitute Bill No. 23-18 — Declaratory Resolution for a Five-Year (5) Single-Family Residential Real Property Tax Abatement

Members marked with an asterisk (\*) are present digitally

Please note the attached link for the meeting recording:

<https://docs.southbendin.gov/WebLink/browse.aspx?dbid=0&mediaid=364118>

Committee Chair Rachel Tomas Morgan called to order the Community Investment Committee meeting at 5:10 p.m.

### **Bill No. 23-17 — Confirming Resolution**

Eric Glavich, Director of Growth and Opportunity within the Department of Investment with offices on the fourteenth (14<sup>th</sup>) floor of the County-City building, presented the bill for a mixed-use development real property eight-year (8) abatement. The private investment for this phase of development is fourteen million seven hundred thousand dollars (\$14,700,000) and is projected to create at least nine (9) new full-time jobs for the residences and the public spaces that include event spaces and a restaurant. The current taxes for the area containing the apartment units are forty-two thousand dollars (\$42,000) per year. The first (1<sup>st</sup>) year of the new abatement, after the completion of the project, is estimated to be seventy-two thousand six hundred seventy-four dollars (\$72,674) in paid taxes.

Committee Chair Tomas Morgan held the public hearing, and nobody spoke.



Citizen Member Kaine Kanczuzewski inquired about the planned common elements of the project.

Eric Glavich responded that the developer indicated that plans have not been finalized, however, a concept plan for the seventh (7<sup>th</sup>) floor including a public restaurant and bar area, meeting spaces, and an outdoor area was provided in the meeting package. In addition, the seventh (7<sup>th</sup>) floor will house amenities for residents.

Councilmember Hamann inquired whether any of the current public amenities on the street level will be changing.

Mark Neil, Bradley Company, offices at 112 West Jefferson Boulevard, Suite 300, responded that the street-level amenities belonging to the hotel will not be changing.

Committee Vice-Chair Warner motioned to forward Bill No. 23-17 to the full Council with a favorable recommendation, which was seconded by Committee Member Henry Davis Jr. and carried by a vote of five (5) ayes, with one (1) committee member absent.

Committee Chair Tomas Morgan– <i>Aye</i>	Council Member Wax– <i>Aye</i>
Committee Vice-Chair Warner – <i>Aye</i>	Citizen Member Kurzhal– <i>Absent</i>
Council Member Davis – <i>Aye</i>	Citizen Member Kanczuzewski– <i>Aye</i>

**Substitute Bill No. 23-18 — Declaratory Resolution**

Committee Vice-Chair Warner motioned to accept Substitute Bill No. 23-18, which was seconded by Committee Chair Tomas Morgan and carried by a vote of five ayes, with one (1) committee member absent.

Committee Chair Tomas Morgan– <i>Aye</i>	Council Member Wax– <i>Aye</i>
Committee Vice-Chair Warner – <i>Aye</i>	Citizen Member Kurzhal– <i>Absent</i>
Council Member Davis – <i>Aye</i>	Citizen Member Kanczuzewski– <i>Aye</i>

Eric Glavich presented the declaratory resolution for a single-family residential tax abatement for the vacant lots at 724 and 726 Harrison Avenue currently owned by Cross Community, Inc., a non-profit organization. Cross Community, Inc., will build two (2) new two-story (2) homes on the vacant lots, in accordance with the City’s preapproved plans, to be sold to homebuyers who have gone through a financial homebuying/homeownership program. The abatement will be transferred to the homeowner after purchase. The current estimated tax per vacant property is one hundred dollars (\$100). The estimated assessed value of the homes after construction is one hundred and seventy-nine thousand dollars (\$179,000) and the estimated annual tax is two thousand one hundred thirty dollars (\$2,130). The bill proposes a five-year (5) abatement of approximately nine thousand dollars (\$9,000).

Tina Patton of Cross Community Inc., 707 Sherman Avenue, South Bend, Indiana, presented the affordable housing program on the northwest side of South Bend. In conjunction with the





City, a pilot subsidy program has been created to offer gap funding for individuals who want to live in the neighborhood. The bedrock of the program is a home buyers program to help individuals manage their finances and repair their credit. This program is offered in partnership with multiple banks in the community. There have been approximately one hundred twenty-five (125) families who have participated in the program and have purchased homes. There is intent to redevelop the community with the purchase of thirty-five (35) lots to build homes for individuals in the program. The goal is to help homeowners build legacy for themselves and stay in their homes after purchase. The abatement will assist them in making long-term homeownership a reality. Each home that is constructed already has a homeowner before construction begins.

Committee Chair Tomas Morgan requested questions from the Committee.

Citizen Member Kanczuzewski inquired about what gap financing entails.

Tina Patton responded that the average cost to build a house is two hundred forty thousand dollars (\$240,000) to two hundred fifty thousand dollars (\$250,000) and the City provides funding for the difference in building cost and appraisal.

Citizen Member Kanczuzewski inquired whether abatements can be accounted for by the banks appraising the properties as an incentive to offer longer abatements.

Eric Glavich responded that City Code only allows for five-year (5) abatements. It was noted that assessed value estimates are limited and do not indicate what an appraised value might be.

Committee Chair Tomas Morgan requested questions from the Council.

Councilmember Hamann inquired whether the educational program prepares homeowners for having to pay taxes once the abatement period ends.

Tina Patton responded that this has been built into the program to ensure that the pilot program is successful, and homeowners are able to remain in their homes and build generational wealth.

Council Member Hamann inquired whether the homes qualify for the free sewer and water hookup program.

Tina Patton responded that they do qualify for this program.

Councilmember Lee commented that this program is what affordable housing should look like and will help rebuild the community of Harrison.

Councilmember White commented that this is a very exciting project for the community and the change is already noticeable.



Committee Member Wax inquired whether there are restrictions on sales or if the property value exceeds the initial assessment value does the excess revert back to the City due to the gap funding.

Tina Patton responded that there are deed restrictions that the homes must be owner-occupied and that owners must live in the home for at least three years. Funds are not reverted to the City.

Committee Member Warner inquired about the estimated mortgage for one of these homes.

Tina Patton responded that the property subject to the bill has a mortgage of approximately nine hundred dollars (\$900).

Committee Chair Tomas Morgan held the public hearing, and nobody spoke.

Committee Vice-Chair Warner motioned to send Substitute Bill No. 23-18 forward with a favorable recommendation, which was seconded by Committee Chair Tomas Morgan and carried by a vote of five (5) ayes, with one (1) committee member absent.

Committee Chair Tomas Morgan – <i>Aye</i>	Council Member Wax – <i>Aye</i>
Committee Vice-Chair Warner – <i>Aye</i>	Citizen Member Kurzhal – <i>Absent</i>
Council Member Davis – <i>Aye</i>	Citizen Member Kanczuzewski – <i>Aye</i>

With no further business, Committee Chair Rachel Tomas Morgan adjourned the Community Investment Committee meeting at 5:45 p.m.

Respectfully Submitted,

Rachel Tomas Morgan, Committee Chair

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