



# OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

## COMMUNITY INVESTMENT

APRIL 27, 2022, 5:30 P.M.

### Committee Members Present:

Rachel Tomas Morgan, Henry Davis Jr., Kaine Kanczuzewski, Thomas Kurzhal, Eli Wax,

### Others Present:

Dawn M. Jones, Bob Palmer, Michael Divita, Kylie Connell, Kenneth Hardy, Allison Mynsberge, Alkenya Aldridge, Caleb Bauer, Gemma DiCarlo, Kathy Schuth, Santiago Garces, Brian Donoghue, Marlaina Johns

### Agenda:

Call to Order and Introductory Comments

Briefing — Department of Community Investment 2021 Annual Report

Questions

Community Investment Leadership Transition

Comments and Sending Forth

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=354568>

Committee Chair Rachel Tomas Morgan called to order the Community Investment Committee meeting at 5:30 p.m.

### **Briefing – Department of Community Investment 2021 Annual Report**

Executive Director of the Department of Community Investment for the City of South Bend, Santiago Garces, noted the macroeconomic impacts of the COVID-19 pandemic. In 2021, efforts began to recover from the pandemic which included the restoration of the economy. Between 2020 and 2021, thirty-nine (39) business licenses were not renewed as the businesses permanently closed due to the pandemic's impact.

The unemployment rate is lower than pre-pandemic levels according to the Oxford Economics data; however, there has also been a reduction in labor force participation due to factors such as illness, death, retirement, or lack of child care access. It was noted that the pandemic affected approximately five (5) years of growth, though the City of South Bend's GDP has recovered in the past year. The main constraining factor regarding growth is population, as more people will positively impact growth.



Caleb Bauer noted that the innovation grants for restaurants was developed in partnership with the South Bend Regional Chamber of Commerce to reimburse restaurants that purchased items or equipment to keep customers and employees safe during the pandemic. Restaurants in the South Bend region were sent a letter to inform them of the program, and in-person outreach was also done. A total of one hundred and thirty-eight (138) grants were awarded with a two-thousand-dollar (\$2,000) grant for each eligible restaurant. Most grants were utilized for cleaning products, carryout support, or to establish new safety protocols. It was noted on the report that fifty-six (56) of the one hundred and thirty-eight (138) restaurants are owned by women. Two (2) videos are available on YouTube that highlight two (2) restaurants that were awarded the grant.

The COVID-19 recovery revolving loan fund program was initiated by funding of seven million dollars (\$7,000,000) million from the Economic Development agency. The loan will be distributed to businesses impacted by the pandemic and the funds should be distributed by the end of the summer. Approximately two hundred and three (203) businesses have applied for the loan; however, several businesses revoked their application as they preferred a grant instead of a loan which must be repaid. New frameworks were developed to lend to smaller businesses, and observations from the program will be implemented in the opportunity fund and other programs. Approximately less than one million dollars (\$1,000,000) remains, as the majority of the loan has been distributed.

Highlights of the recovery revolving loan fund program were shared:

- Supported CJs Pub with extending the new Pub Sauce line of business
- Sunrise Café: building acquisition and improvements
- Meraki Beauty: acquisition of property and improvements
- Chimichurri: acquisition of property and improvements
- Neveria Tres Mangos: a fifty-thousand-dollar (\$50,000) loan towards working capital
- Supported improvements and growth in: South Main St, Mishawaka, DTSB, Western, Lincolnway West, and other locations.

The third (3<sup>rd</sup>) program is the Linden Avenue pop-up markets to promote local businesses. Approximately five hundred (500) residents attended the markets with an average amount of eleven dollars (\$11) spent. Additional pop-up market events will be held on June 11, July 16, September 10, and October 8, 2022.

### **Questions**

The floor was opened to questions or comments regarding the annual report.

Councilmember Eli Wax noted that there have been significant changes to the Department of Community Investment over the last several years and inquired how code enforcement is managed.

Caleb Bauer noted that code enforcement has been renamed to neighborhood services and enforcement and it is under the neighborhoods team jurisdiction. Pam Myer, the Director of

Neighborhoods, oversees the neighborhoods team which consists of neighborhood services and enforcement and the neighborhood development team.

Santiago Garces noted that there are several properties around the City that are in violation of the code due to zoning and other issues. Regular meetings are held to discuss the issues, and outreach has been done to match people with housing issues with programs that could assist them. A pilot program will be developed to assist people in disposing their trash correctly and efficiently.

Councilmember Eli Wax inquired if outreach has been effective in reducing code violations.

Santiago Garces responded that there have been atypical trends in code violations in the past several years due to the pandemic, including an increase in illegal discarding of waste. Data illustrating the impact of new measures to mitigate code violations should be available next year.

It was noted that there are assigned staff that conduct housing and structural inspections and staff that conduct environmental inspections.

In a response to an inquiry, Santiago Garces noted that landlord registration is a program that has been paused due to a legal challenge. Enforcement actions have been undertaken for RSVP despite the pause in the landlord registration program. With a resident's consent, an inspection is done after residents report unsafe conditions. If landlord has not rectified a safety issue, fines are issued. Unpaid penalties can be sent to collections or legal action can be initiated. The City of South Bend can foreclose or place a lien on a property on a case-by-case basis.

Councilmember Kaine Kanczuzewski inquired about the development of pre-designed homes for vacant lot infill.

Caleb Bauer responded that the pre-approved plans will be released in the summer of 2022 and the planning team has been developing proposals for various types of housing. The plan should reduce architecture costs and streamline the approval process for zoning.

The pre-approved plans were developed in conjunction with contractors, and it has been used in cost estimations for the construction of new housing.

Councilmember Hamann highlighted feedback she received regarding the infilling of homes. It was noted that the two hundred-thousand-dollar (\$200,000) cost is beyond affordable housing and smaller models were preferred. She inquired if additional plans can be obtained to reduce costs and whether multiple builds can be implemented per city lots.

Santiago Garces noted that the team will be working on a two-townhome (2) model. The value that a person is willing to pay is lower than the property value which has been an issue. Affordability is also a challenge. Most new constructions have attempted to address the appraisal gap. The team has focused on building houses with several units to generate multiple income streams. The zoning code permits up to four units in a lot plus an accessory dwelling unit. AARP looks for accessory dwelling units to support seniors, as it allows independent living in close proximity to other family members.

Councilmember Hamann inquired if the pop-up market events can be done more frequently to address the needs of certain communities.

Santiago Garces responded that requests have been sent to the mayor and other officials requesting assistance to build infrastructure to accommodate pop-up markets. Several businesses that had started as pop-up markets could potentially become established and support retail stores or restaurants on Linden Avenue.

In response to an inquiry, Santiago Garces noted that there are opportunities to identify strategies to mitigate dumping and discarding of waste.

**Community Investment Leadership Transition**

Caleb Bauer will assume the Executive Director’s responsibilities upon Santiago Garces’ departure. The selection of the next Executive Director will be at the mayor’s discretion. The Director of Business Development has resigned, and the position title has changed to the “Director of Growth and Opportunity”. The position has been posted on the City of South Bend’s website.

**Comments and Sending Forth**

Councilmember Hamann thanked Santiago Garces for his patience and thanked him for his contributions. Councilmember Eli Wax extended his well wishes to Santiago Garces on his next endeavor. Councilmember Kaine Kanczuzewski thanked Santiago Garces for his contributions to the City of South Bend. Committee Chair Rachel Tomas Morgan thanked Santiago Garces for his leadership and contributions during the pandemic and acknowledged their accomplishments over the past two years.

Santiago Garces expressed his gratitude to the Council, Community Investment Committee, and community.

With no further business, Committee Chair Rachel Tomas Morgan adjourned the Community Investment Committee meeting at 6:24 p.m.

Respectfully Submitted,



Rachel Tomas Morgan, Committee Chair

NOTICE FOR HEARING AND SIGHT IMPAIRED PERSONS  
Auxiliary Aid or Other Services may be Available upon Request at No Charge.  
Please give Reasonable Advance Request when Possible