



OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

PERSONNEL AND FINANCE COMMITTEE

SEPTEMBER 14, 2022, 5:00 P.M.

Committee Members Present:	Chair Sheila Niezgodski, Vice-Chair Eli Wax, Rachel Tomas Morgan, Troy Warner, Henry Davis Jr.
Others Present:	Sharon L. McBride, Karen White, Canneth Lee, Pam Meyer, Bob Palmer, Justin LePla, Victoria Trujillo, Jordan Gathers, Erik Glavich, Wilson Barrett
Presenter:	Caleb Bauer, Acting Executive Director, Department of Community Investment
Agenda:	<u>2023</u> Department of Community Investment (DCI) Budget Presentation

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=357457>

Committee Chair Sheila Niezgodski called to order the Personnel and Finance Committee at 5:00 p.m.

Department of Community Investment Budget Hearing

Committee Chair Niezgodski outlined the budget preparation and approval process.

Caleb Bauer, Acting Executive Director of the Department of Community Investment (DCI), with offices on the fourteenth (14th) floor of the County-City building, articulated the department's core mission, which includes stimulating investment in South Bend by attracting businesses, creating economic opportunities for residents, and strategically planning neighborhoods.

Caleb Bauer provided an overview of the DCI's current organizational structure, emphasizing recent integrations that consolidated the former Department of Code Enforcement into the neighborhoods team under Chief Neighborhoods Officer, Pam Meyer. This restructuring now includes SBARC (Animal Resource Center), Neighborhood Services and Enforcement (formerly Code Enforcement), Neighborhood Grants, and a specialized Neighborhood Grants Specialist Team managing federal grants, alongside the Neighborhood Health and Housing Team overseeing programs such as Rental Safety Verification Program (RSVP) and housing counseling.

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Caleb Bauer proceeded to outline proposed organizational changes and 2023 budget requests. Key initiatives include augmenting staff with an RSVP inspector to manage workload and ensure compliance with rental unit certifications. He proposed establishing a new zoning specialist role to bolster enforcement of Board of Zoning Appeals decisions and facilitate proactive engagement with applicants. Another proposed addition was a workforce development coordinator aimed at expanding programs such as Upskill South Bend and fostering pathways in advanced manufacturing to enhance residents' employability for local job opportunities. As part of these changes, Caleb Bauer also mentioned plans to eliminate a senior financial specialist position in the Building Department, replacing it with an Administrative Assistant I role to streamline administrative functions.

Reflecting on achievements from the current year, Caleb Bauer underscored initiatives that positively impacted South Bend's economic landscape and community well-being. Looking ahead to 2023, he outlined goals focused on strengthening partnerships for workforce development with local agencies and educational institutions such as Ivy Tech and Indiana University South Bend (IUSB). He also addressed potential economic developments, including the Ultium plant in New Carlisle, emphasizing aligning workforce training efforts with upcoming job opportunities for maximum community benefit and economic growth.

Caleb Bauer highlighted several key achievements aligned with the Mayor's strategic focuses. The DCI implemented the sewer lateral reimbursement policy with the Department of Public Works, supporting infill housing development by covering up to twenty thousand dollars (\$20,000) in costs. They launched the Neighborhood Ignite Grants, offering up to ten thousand dollars (\$10,000) for neighborhood organization-selected projects. Additionally, they released seven (7) pre-approved plans for missing middle housing and developed four neighborhood plans for Kennedy Park, Near West Side, Rum Village, and Northeast Neighborhood. The department installed nine (9) electric vehicle chargers in downtown parking garages and worked with eighteen (18) nonprofits to provide sustainability upgrades through the EASSI program.

Caleb Bauer noted the seventy-five thousand dollars (\$75,000) planning grant to develop a financial empowerment blueprint for South Bend, addressing the racial wealth gap, and awarded one hundred and thirty-eight thousand dollars (\$138,000) in neighborhood corridors matching grants for façade improvements for small businesses. The Pathways program trained over one hundred and fifty (150) participants in industrial maintenance and advanced manufacturing skills, while Upskill South Bend funded certifications for twenty-three (23) residents, including solar installer certifications. The department completed significant commercial demolitions at 1636 Lincoln Way West and the Wilson Shirt Factory, with the latter funded by the Environmental Protection Agency (EPA). They enrolled twenty-six (26) homes in the LEAD grant program and secured additional funding for its extension, as well as an EPA grant for brownfield assessments.

In response to COVID-19, Caleb Bauer noted that the DCI utilized a six-point-nine-million-dollar (\$6.9 million) revolving loan fund from the EDA, generating one hundred and eighty-eight (188) new jobs and retaining one hundred and thirteen (113) jobs. They provided rent and utility assistance to three hundred and eight (308) households, awarded sixty (60) small business emergency grants, and one hundred and thirty-eight (138) innovation grants for restaurant safety improvements. Key performance indicators included six hundred and sixteen (616) jobs announced from City-supported projects, two hundred and fifty-seven million dollars (\$257 million) in private investments committed, increased RSVP inspections, and four hundred and

seventy (470) kilowatts of solar panels added through City-sponsored programs. The department remains focused on implementing eighteen point seven million dollars (\$18.7 million) in American Rescue Plan funds, emphasizing maximizing their impact.

Caleb Bauer presented the 2023 proposed budget, highlighting a one-point nine percent (1.9%) increase from 2022. The budget includes a three percent (3%) structural wage increase for employees. Significant changes involve reallocating positions from the Legacy Community Investment Subdivision to neighborhoods and sustainability subdivisions. The Building Department's budget is set to rise by six-point three percent (6.3%), driven by capital expenditures and a four-point nine percent (4.9%) increase in salaries and wages. Other services and charges will see increases due to higher costs for repairs, maintenance, and fuel.

The Community Investment Team's budget will decrease by nine-point two percent (9.2%) due to reallocated positions, although there will be minor increases in repair, maintenance, supply costs, and professional services funding. The Neighborhood Subdivision will see increased funding for debt service and education/training to maintain certifications, while the Sustainability Subdivision will have moderate increases in salaries, wages, and fringe benefits.

Caleb Bauer noted that capital expenses for 2023 will include the purchase of various vehicles for different departments and one hundred thousand dollars (\$100,000) allocated for Complete Streets Projects to improve intersections. Strategic initiatives continue with support for public art, housing, brownfield remediation, and historic preservation grants. The Neighborhood Subdivision will develop two new neighborhood plans and continue the Monroe Park plan, while funding for the homelessness strategy will return to 2021 levels.

New programs such as commercial recycling, Greener Homes, and Solarize initiatives will be introduced to enhance infrastructure. Housing initiatives will address appraisal gaps, with a study showing an average gap of fifty thousand dollars (\$50,000). The City will also support sewer lateral reimbursements, waive system development charges, and offer pre-approved plans for new construction.

Economic development projects in TIF districts are projected to generate significant revenue, with key projects including two million dollars (\$2 million) for low-income housing tax credits, three hundred thousand dollars (\$300,000) for the Ward Bakery adaptive reuse, four point five million dollars (\$4.5 million) for street rebuilding, and three million dollars (\$3 million) for the Fire Station 8 renovation. Ongoing initiatives such as the Neighborhood Corridors Grant and the Vacant Building Credit Enhancement Program will continue, along with the South Bend 2045 Comprehensive Plan.

Caleb Bauer noted new pilot programs such as a twenty-five-thousand-dollar (\$25,000) fund for dead tree removal to protect private property. He also noted that the potential four hundred-million-dollar (\$400 million) investment in the Beacon Integrative Health and Lifestyle District could create five hundred and fifty (550) full-time jobs and add two hundred and forty (240) housing units, structured parking, and commercial space.

Committee Chair Niezgodski opened the floor to questions from committee members.

Councilman Warner acknowledged the extensive responsibilities of the DCI and commended Caleb Bauer for his responsiveness and effective leadership. Councilman Warner expressed



concern about overworking the DCI team and inquired about staffing vacancies and the ability to implement ARP programs without additional staff.

Caleb Bauer responded, acknowledging turnover and the addition of new team members, and emphasized the importance of not overburdening staff, which has delayed some program rollouts.

Committee Vice Chair Wax echoed praise for Caleb Bauer's responsiveness and informative presentation. He raised a question about the City's neighborhood plans, noting that while targeted neighborhoods receive project funding, others could also benefit from lighter, less intensive programs such as lamppost lighting.

Caleb Bauer agreed, stating that the City plans to include more neighborhoods in future projects, potentially using shorter formats for community input and ensuring transparency about upcoming neighborhood plans. He emphasized the goal of extending attention and benefits to more areas, not just those with existing neighborhood plans.

Committee Member Tomas Morgan asked whether the EASSI program would continue to have additional cohorts moving into 2023.

Caleb Bauer confirmed, explaining that the proposed budget funds would allow for two EASSI cohorts per year. He also mentioned plans to re-envision the program as solar tax credits become available for nonprofits in 2023, which can cover up to thirty percent (30%) of the cost of solar panel installations as either a tax credit or an upfront rebate. Caleb Bauer affirmed that they plan to continue the EASSI program into the foreseeable future.

Committee Member Tomas Morgan also inquired about efforts to recoup the costs of demolitions, specifically referencing the Lincoln Way West demolition.

Caleb Bauer explained that the cost of demolition would be levied as a special assessment on the property tax bill. Given the likelihood that these property taxes will remain unpaid, the property may move into the tax sale process. He emphasized the priority of intervening on large commercial properties before they pose a public safety risk and announced an upcoming initiative to hold property owners accountable before properties reach a demolition state.

Committee Member Davis Jr. questioned why the Dead Tree Removal Pilot Program was under Caleb Bauer's department instead of the Parks Department.

Caleb Bauer clarified that their department manages unsafe building law hearings and proposed using the same process for dead trees that threaten private property. While the Parks Department handles trees affecting the right of way, the forestry team would assess the trees and send the case to Caleb Bauer's team for a hearing process. If a demolition order is issued, they would initiate an emergency contract to remove the tree, with the forestry team assisting in bid specifications.

Councilwoman Hamann expressed her interest in the vacant building credit enhancement and the Dead Tree Removal Pilot Program. She then asked about the home repair program, mentioning recurring community concerns. Specifically, Councilwoman Hamann highlighted issues with work inspections before final payment to contractors, the number of required appraisals, and potential problems with upfront payments.

Caleb Bauer acknowledged these concerns and responded by discussing potential improvements for 2023. He mentioned that the previous program required three contractor quotes for all work,

and they are considering alternatives such as using the public bid process for bundles of similar repairs to ensure timely and quality results while maintaining access for smaller contractors.

Regarding inspections, Caleb Bauer explained that focusing on a few large repairs would reduce the inspection burden for their team. For the payment issue, he noted they are exploring ways to help contractors who cannot cover large repair costs upfront, possibly through financing opportunities from their existing program or other financial institutions. This would help contractors manage costs until they receive payment upon contract completion. Caleb Bauer emphasized that these concerns are being actively addressed.

Committee Chair Niezgodski inquired whether the community initiatives that were previously under DCI are now proposed to move to Venues, Parks and Arts.

Caleb Bauer confirmed that these initiatives, which were initially in the mayor's office, are proposed to move to Venues, Parks and Arts.

Council President McBride thanked the team for the presentation and expressed excitement about the council's initiatives coming to fruition.

Councilwoman White appreciated the comprehensive report and acknowledged the work with David Buggs and the Nexus Center. She highlighted the challenge contractors face in needing working capital upfront for the home repair program and asked about steps to address this.

Caleb Bauer explained they are exploring solutions to help contractors with working capital, potentially through financing opportunities that cover costs until contract completion.

Councilman Lee asked how to improve the home repair program to get work done faster and attract more contractors.

Caleb Bauer discussed a two-tiered approach: preserving individual quotes for small contractors and using the public bid process for multiple homes to attract larger contractors. Lee also inquired how many of the six point nine million dollars (\$6.9 million) in loans were given to minority-owned or women-owned businesses. Caleb Bauer responded that out of twenty-six (26) loans, ten (10) were awarded to minority-owned businesses, nine (9) to women-owned businesses, and one (1) to a veteran-owned business. He also mentioned the revolving loan program still has about three million dollars (\$3 million) available for lending.

Committee Chair Niezgodski asked about the current status of the senior financial position in the building department.

Caleb Bauer replied that Laura Althoff previously held the position but was promoted, and the position will be eliminated. Committee Chair Niezgodski also asked about the new grant amount for the LEAD program. Caleb Bauer responded that it is over two point five million dollars (\$2.5 million).

The floor was opened for public comment in favor or against the presentation.

Wilson Barrett, 110 South Niles Avenue, commended Caleb Bauer for his impressive presentation but raised concerns about leadership continuity within the community investment division due to the significant turnover among key leaders over the past seven (7) years.



Wilson Barrett shifted focus to accountability within the redevelopment commission, highlighting recent unsuccessful projects such as the Traeger site, 228 Sycamore property, and 300 LaSalle development issues. He questioned whether there were adequate resources and enforcement mechanisms in place to manage these situations effectively.

Caleb Bauer acknowledged the challenges and emphasized the City's commitment to holding developers accountable for meeting their contractual obligations and ensuring taxpayer funds are used responsibly.

Wilson Barrett further raised questions about zoning enforcement and the allocation of resources for inspectors to handle code violations promptly.

Caleb Bauer outlined proactive measures taken when zoning violations are identified, including new proposals for a zoning specialist position to improve enforcement. He also stressed the balance between supporting development and enforcing City ordinances, noting the complexities involved in maintaining compliance across the City.

As the public portion concluded, Committee Chair Niezgodski transitioned to council members for their additional comments.

Committee Member Warner highlighted ongoing efforts by the redevelopment commission to audit past agreements and ensure compliance. He noted progress made in addressing non-compliance issues and underscored the City's role as stewards of taxpayer dollars. The discussion also touched on fairness in enforcement across all development projects receiving tax abatements, with assurances that all projects would be reviewed impartially.

In closing, Committee Chair Niezgodski expressed optimism about upcoming community projects, including the Nexus Center and solar initiatives by La Casa de Amistad. The meeting ended with a commitment to transparency and accountability in future City developments and projects benefiting South Bend residents.

With no further business, Committee Chair Sheila Niezgodski adjourned the Personnel and Finance Committee meeting at 6:41 p.m.

Respectfully Submitted,

Sheila Niezgodski, Committee Chair

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