

Public Hearing On Increasing Housing Development

HB 1001 / IC 36-7-4.3

**Joint Community Investment and
Zoning & Annexation Committee**

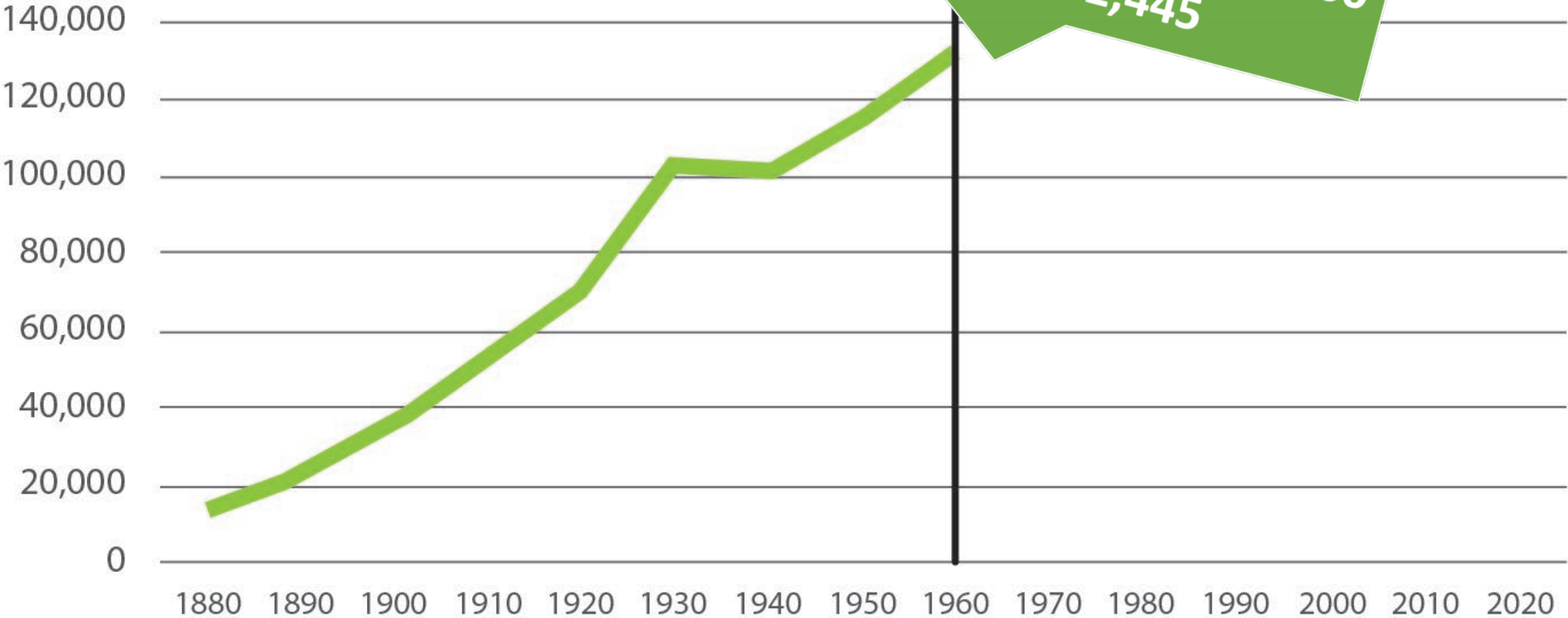
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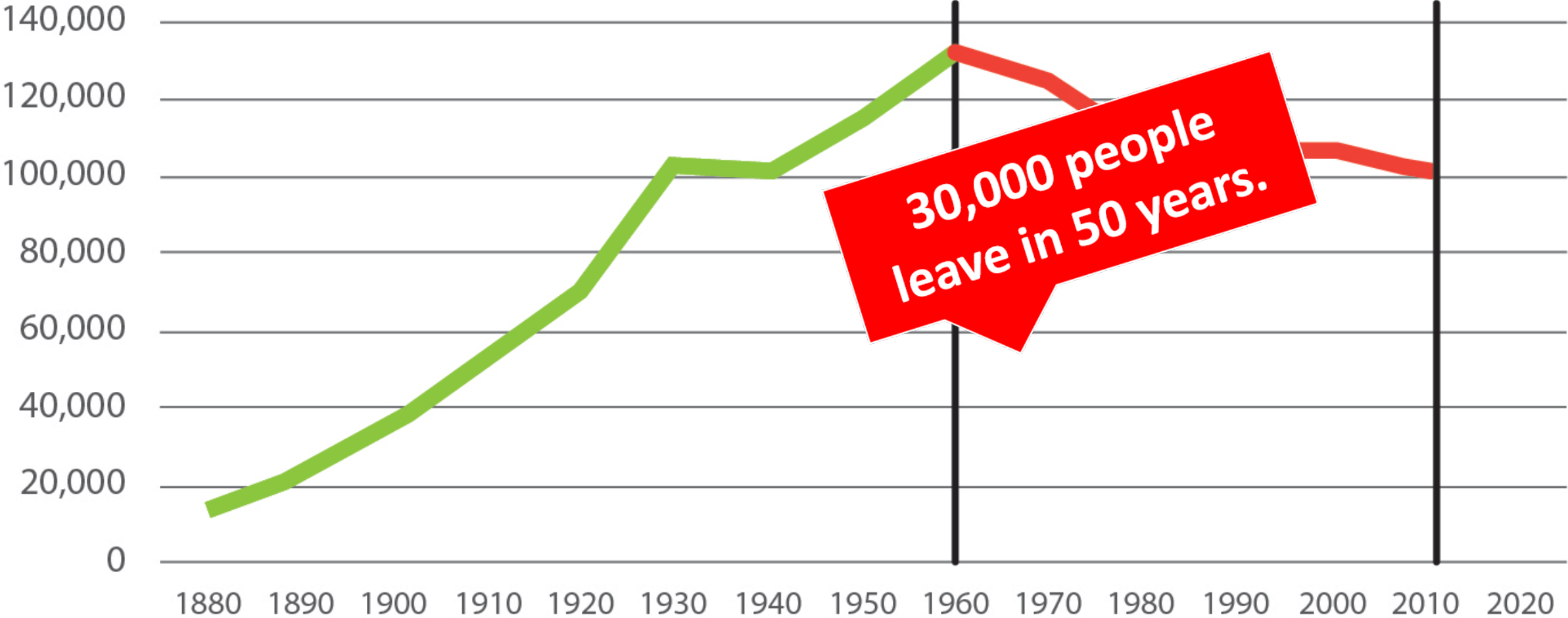
JUL 28 2026

Bianca Tirado
City Clerk, South Bend, IN

South Bend Population



South Bend Population





America's Dying Cities

Published Jan 21, 2011 at 2:15 PM EST

Updated Feb 09, 2011 at 3:22 PM EST

More than 50 years ago, South Bend, Ind., was a hub of manufacturing, largely due to the presence of the Studebaker car company. But by the early 1960s, the company had closed up shop in South Bend for good, plunging this area into a long and steep downturn that continues today, though it's a bit more muted than in previous decades. What is particularly troubling for this small city is that the number of young people declined by 2.5% during the previous decade, casting further doubt on whether this city will ever be able to recover.

Total Population (2009): 104,215

Proportion Under 18 (2009): 24.8%

Change in Total Population (2000-2009): -3.9%

Change in Residents Under 18 (2000-2009): -2.5 percentage points

Newsweek

America's Dying Cities

Published Jan 21, 2011 at 2:15 PM EST

Updated Feb 09, 2011 at 1:15 PM EST

More than 50 years ago, South Bend, Ind., was a hub of manufacturing for the Studebaker car company. But by the early 1960s, the company had moved on, leaving the city in bad luck, plunging this area into a long and steep downturn that continues to this day, worse than in previous decades. What is particularly troubling for this small city is that its population has declined by 2.5% during the previous decade, casting further doubt on whether this city will ever be able to recover.

...casting further doubt on whether this city will ever be able to recover.

Total Population (2009): 104,215

Proportion Under 18 (2009): 24.8%

Change in Total Population (2000-2009): -3.9%

Change in Residents Under 18 (2000-2009): -2.5 percentage points

Mindset



No one is coming to save you...

No one is coming to save you.

We must figure out how to address our housing challenges and then do the things necessary to drive change. For South Bend this means taking a **proactive** approach.

- Hiring staff to manage change
- Land control / acquisition
- Neighborhood planning & engagement
- Code reform
- Fostering development partnerships
- Addressing infrastructure cost
- Elevating design expectations

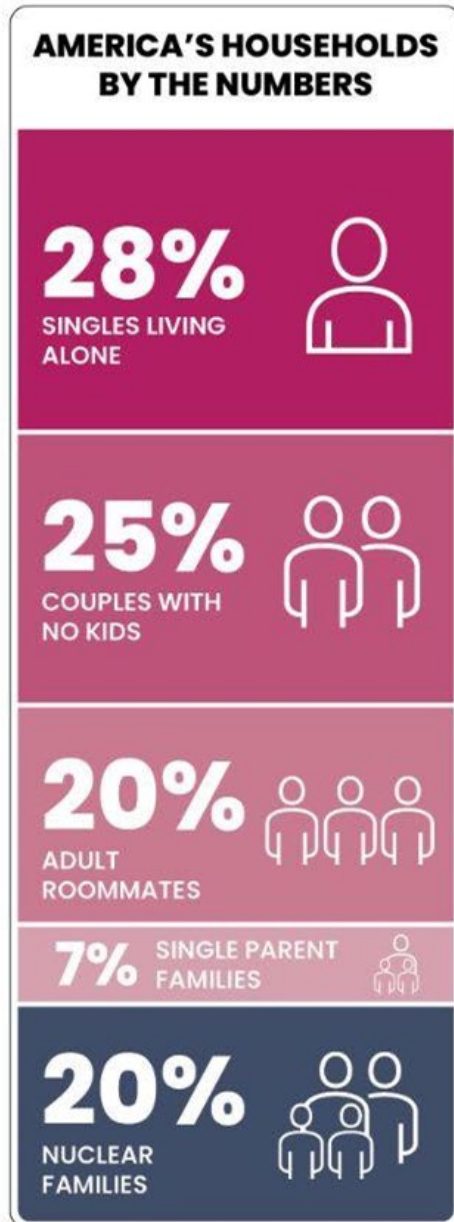
Our Challenge

Our Challenge

1. We need more people to be competitive in a national market.
2. New development must be financially productive for the city.
3. We must heal our city primarily through infill development.
4. Something is not always better than nothing.



Demographics – who we are vs. what we build



In 2023,
more than
80%
of U.S.
households
are not
traditional
nuclear
families



But,
72%
of U.S. housing
units cater to
traditional
nuclear
families

Demographics – who we are vs. what we build

75%

of households in the
U.S. have no children
in 2025

Demographics – who we are vs. what we build

74%

of U.S. housing starts in
2024 were single family
homes

Demographics – changing reality

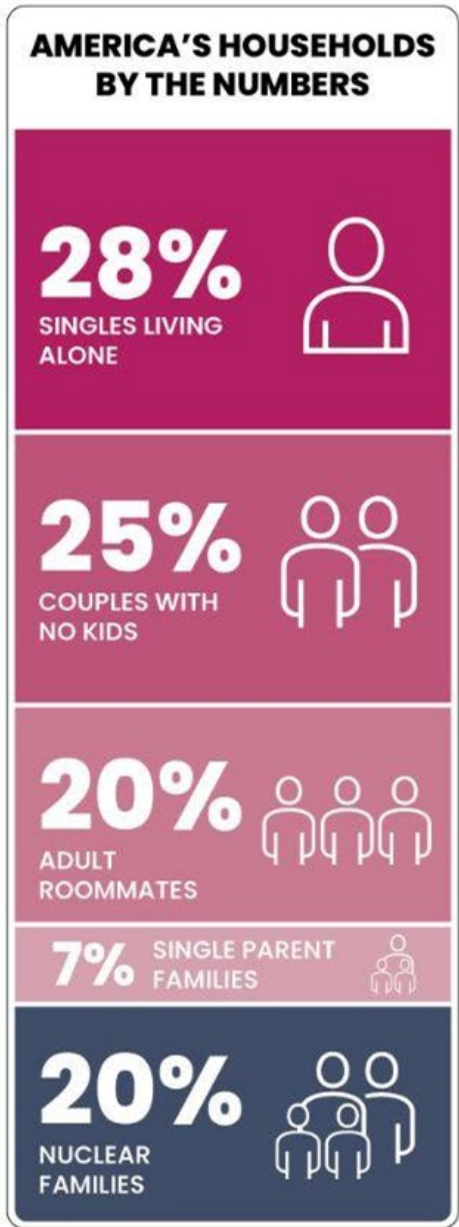
	1950	2024
Number of people per household	3.8	2.5
Average square feet of new single-family home	983	2,647
Square feet of living space per person	292	1,058



3.6x

Sources: U.S. Census.
AARP Publication: The ABCs of ADUs.
National Association of Homebuilders “Cost of Constructing a Home - 2024” Eric Lynch 2025

Demographics – who we are vs what we build

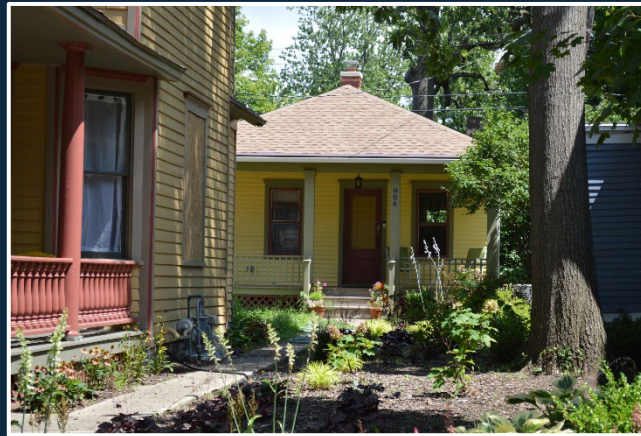


We need more, smaller units.

80% of U.S. households are not traditional nuclear families



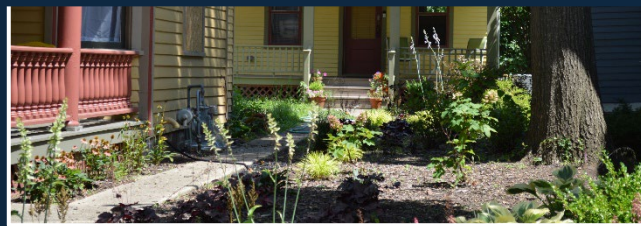
But, 72% of U.S. housing units cater to traditional nuclear families





This is what we used to build to address our housing needs.

- neighborhood scaled
- financially productive
- affordable (*with calibrated codes)
- addresses demographic changes



 realtor.com® + WSJ

Housing Market Ranking

2026

Rank	Metro	Pop.	Unemployment Rate (%)	Median Home Listing Price, March 2026
1	South Bend-Mishawaka, Ind.-Mich	324,538	4.3%	\$317,450

“We regard Mayor Mueller’s administration as one of the most clearly pro-housing in the state, making (and continuing) innovative moves to address access and affordability.”

Chris Watts

Vice-President, Public Affairs
Indiana Association of Realtors

Rank	City	Pop.	Unemployment Rate (%)	Median Home Listing Price, March 2026
1	South Bend-Mishawaka, Ind.-Mich	324,538	4.3%	\$317,450

Agenda

- What is this meeting for and why are we having it?
- What has South Bend done to support housing development?
- What barriers does the state want us to address?
- What else should we do?

Why are we having this meeting?

House Bill 1001: Original Intent

- Preempt local zoning for small scale development
- Provide religious institutions with development power
- Mixed-use by right in commercial areas
- Single stair reform
- Elevator size



Courtesy of [Indiana Capital Chronicle](#)

House Bill 1001: Passed Version

- Requires local governments to submit housing progress reports to the State
- Creates a state study committee to look at “Yes In God’s Backyard” policy
- Limits growth of permit fees
- Requires local governments to hold a public hearing on how the zoning ordinance could be changed to support housing development



Courtesy of [Indiana Capital Chronicle](#)

What is this hearing for?

- Required for the housing progress report
- Identifying and reducing barriers to housing
- Funding and future opportunities



**What has South Bend done to
support housing development?**



South Bend Zoning Ordinance

South Bend, Indiana

Supporting Housing Development

- Zoning Ordinance Reform
 - Presented rules clearly
 - Allowed ADUs by right on all properties
 - Created U2 zoning district for missing middle housing
 - Simplified development standards



Supporting Housing Development

- Infrastructure Assistance
 - Sewer lateral reimbursement
 - Curb and sidewalk
- Partnerships with organizations
- Small-scale developer ecosystem
- Preapproved plans



Pre-Approved Building Plans

- 91 units in 68 buildings permitted

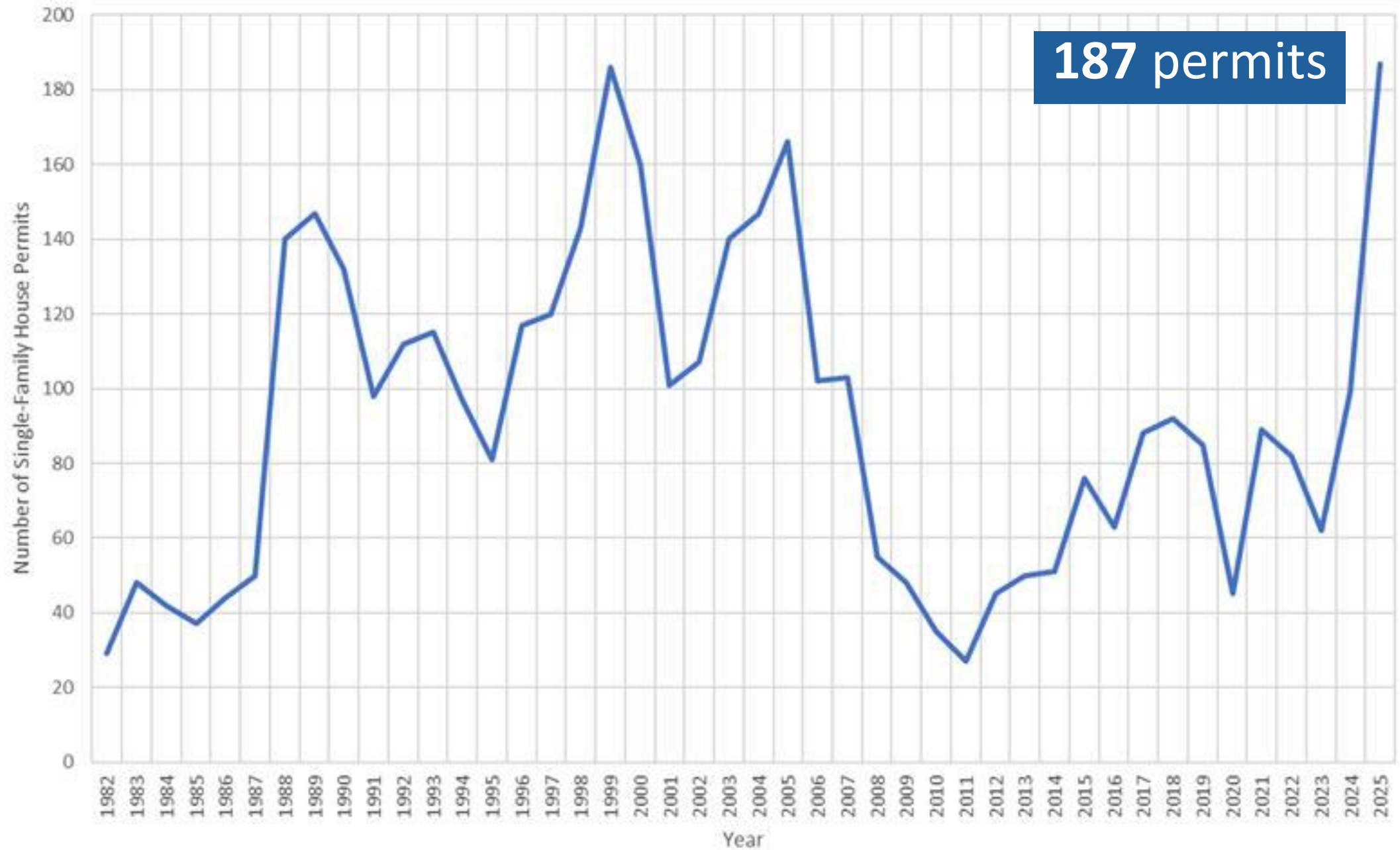
Bungalow



Detached Houses

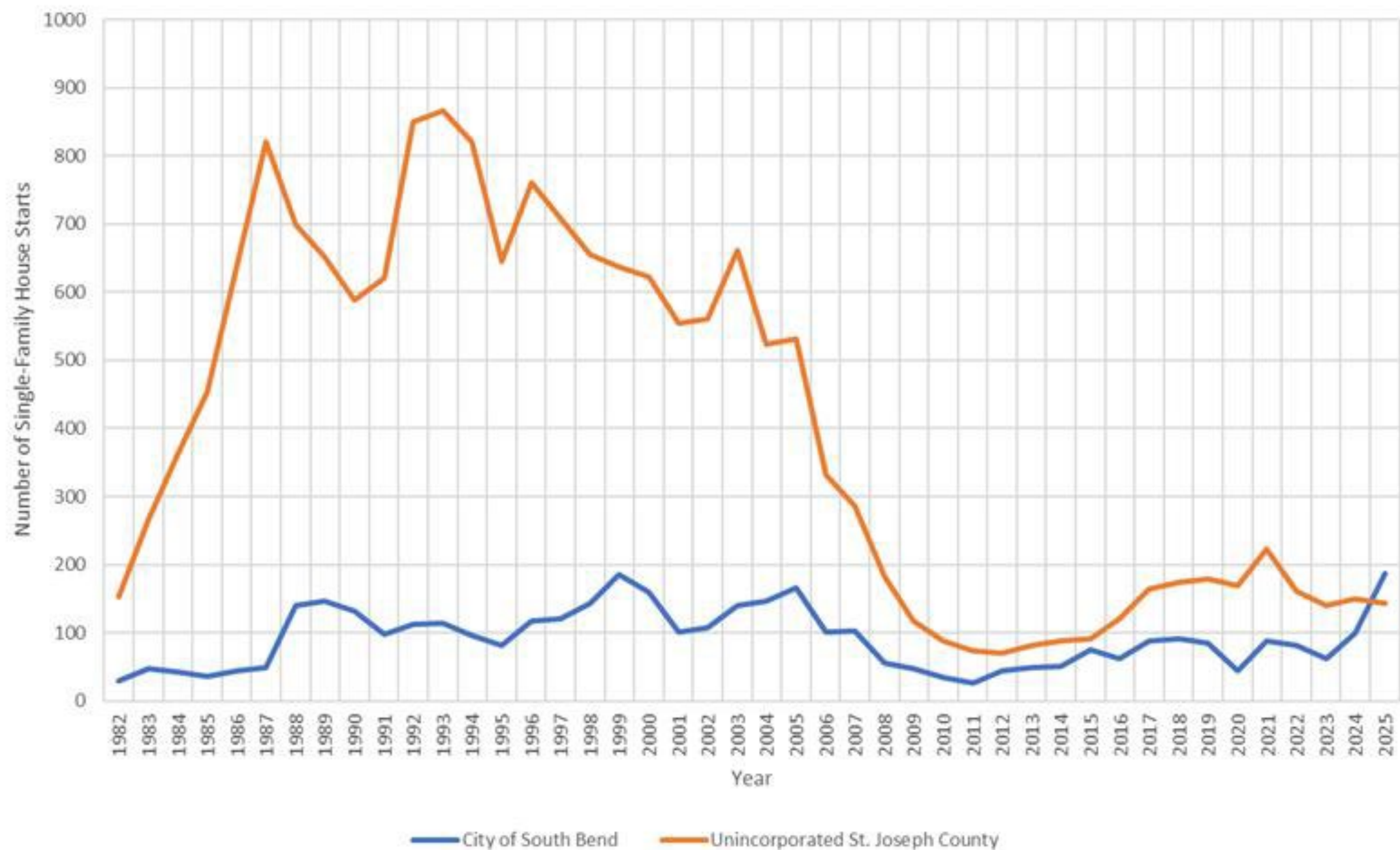


City of South Bend Single-Family House Permits



187 permits

Single-Family House Starts



ADUs

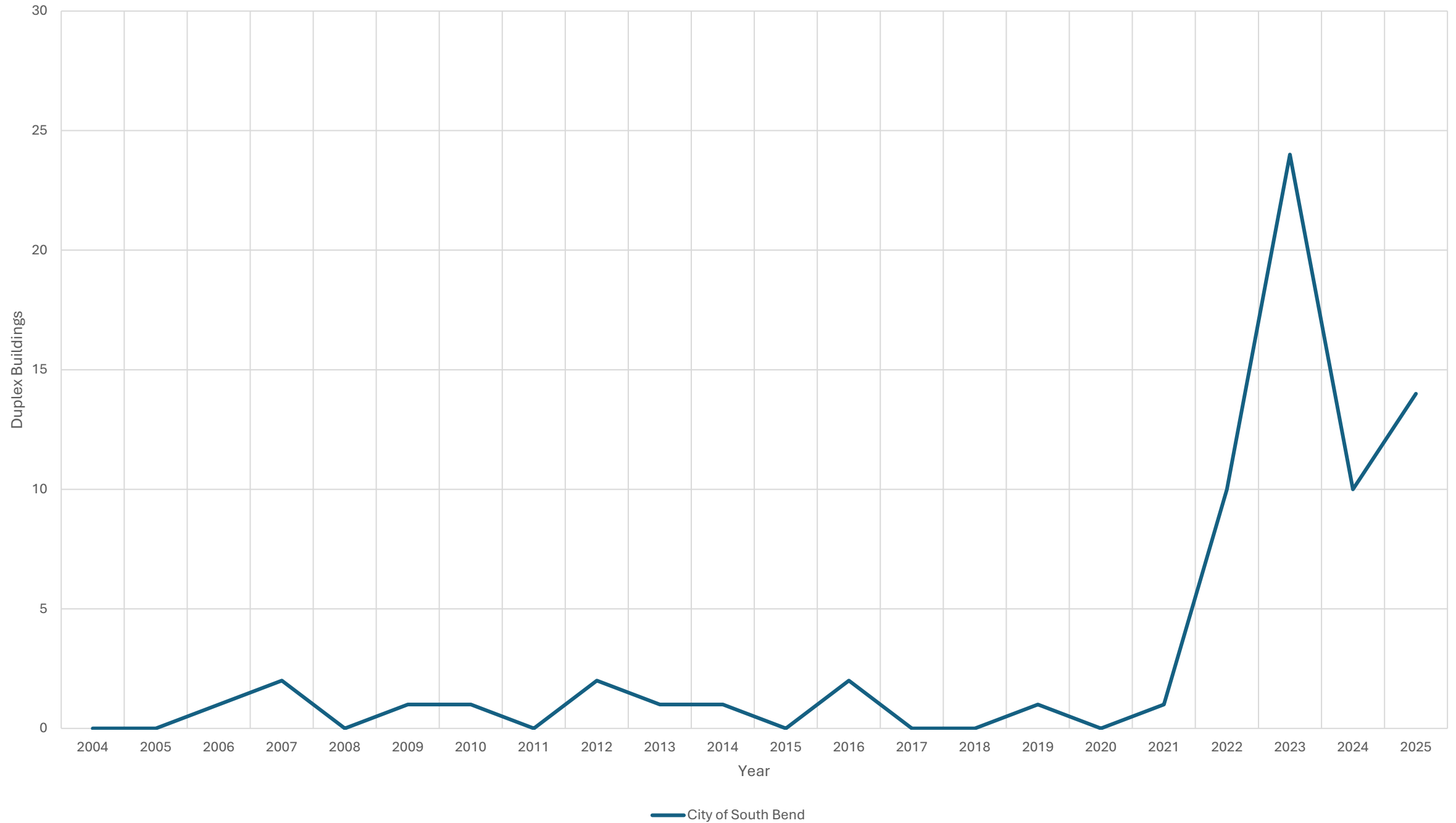


Duplexes

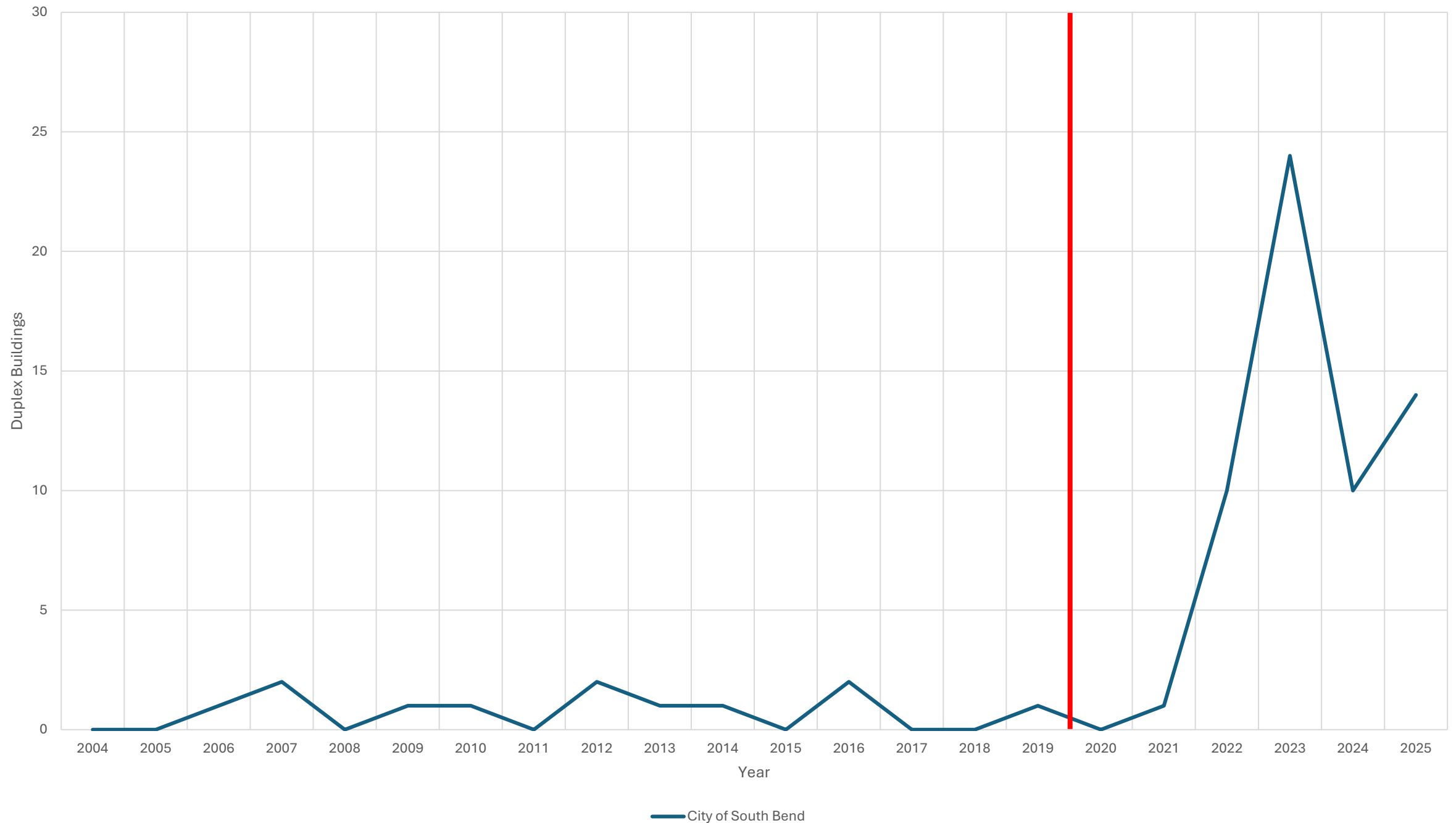
Today's starter home



City of South Bend Duplex Buildings Permitted



City of South Bend Duplex Buildings Permitted



Small Multi-Unit



Large Multi-Unit

18 major projects
in pipeline



New Infill Neighborhoods



**What barriers does the state
want us to address?**

House Bill 1001: Passed Version

- Requires local governments to submit housing progress reports to the State
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- Limits growth of permit fees
- **Requires local governments to hold a public hearing on how the zoning ordinance could be changed to support housing development**



Courtesy of [Indiana Capital Chronicle](#)

What barriers does the state want us to address?

1

Higher Density in
Single Unit
Districts

2

Accessory
Dwelling Units

3

Adaptive Reuse

4

Floor Area Ratio

5

Development
Standards

6

Impact Fee Zones

7

Permitting

8

Tax Abatements

9

Vacant Land

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We Don't Regulate this

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Vacant Land

1 Providing for higher density development of duplexes, triplexes, and fourplexes in areas designated for single family homes.

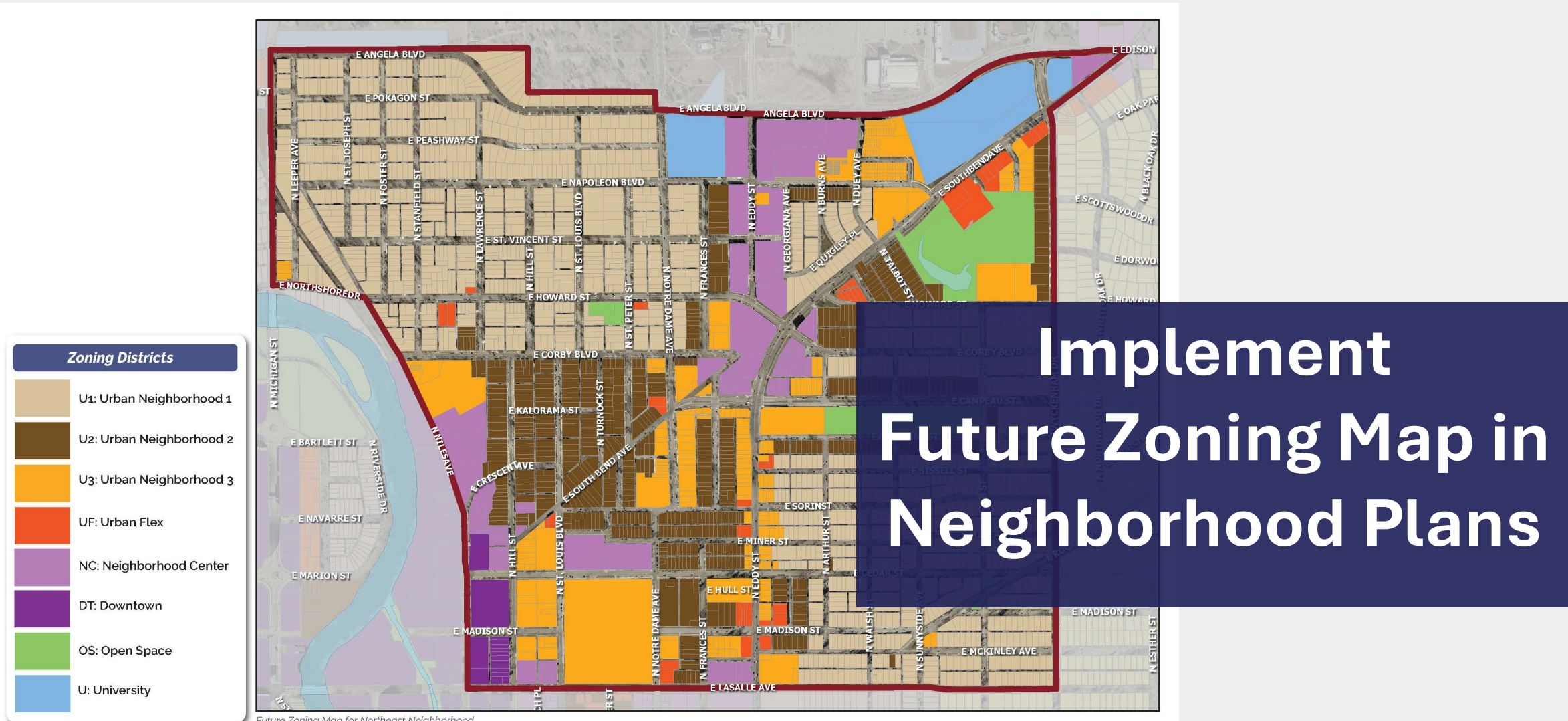


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What More Can Be Done?



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✓ **Missing Middle U2 District**



Land Use Map



Duplex by right

What barriers does the state want us to address?

1

Higher Density

✓ Missing Middle U2 District

- ✗ Land Use Map
- ✗ Duplex by right

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Vacant Land

2 Constructing other housing types including accessory dwelling units and manufactured and modular housing.



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- Remove residency requirements for ADUs
- Residency requirements may be banned by the state in 2028



2 Constructing other housing types including accessory dwelling units and manufactured and modular housing.

✓ ADUs permitted throughout city



ADUs by right

What barriers does the state want us to address?

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Higher Density

✓ Missing Middle U2 District



Land Use Map



Duplex by right

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Accessory Dwelling Units

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ADUs by right

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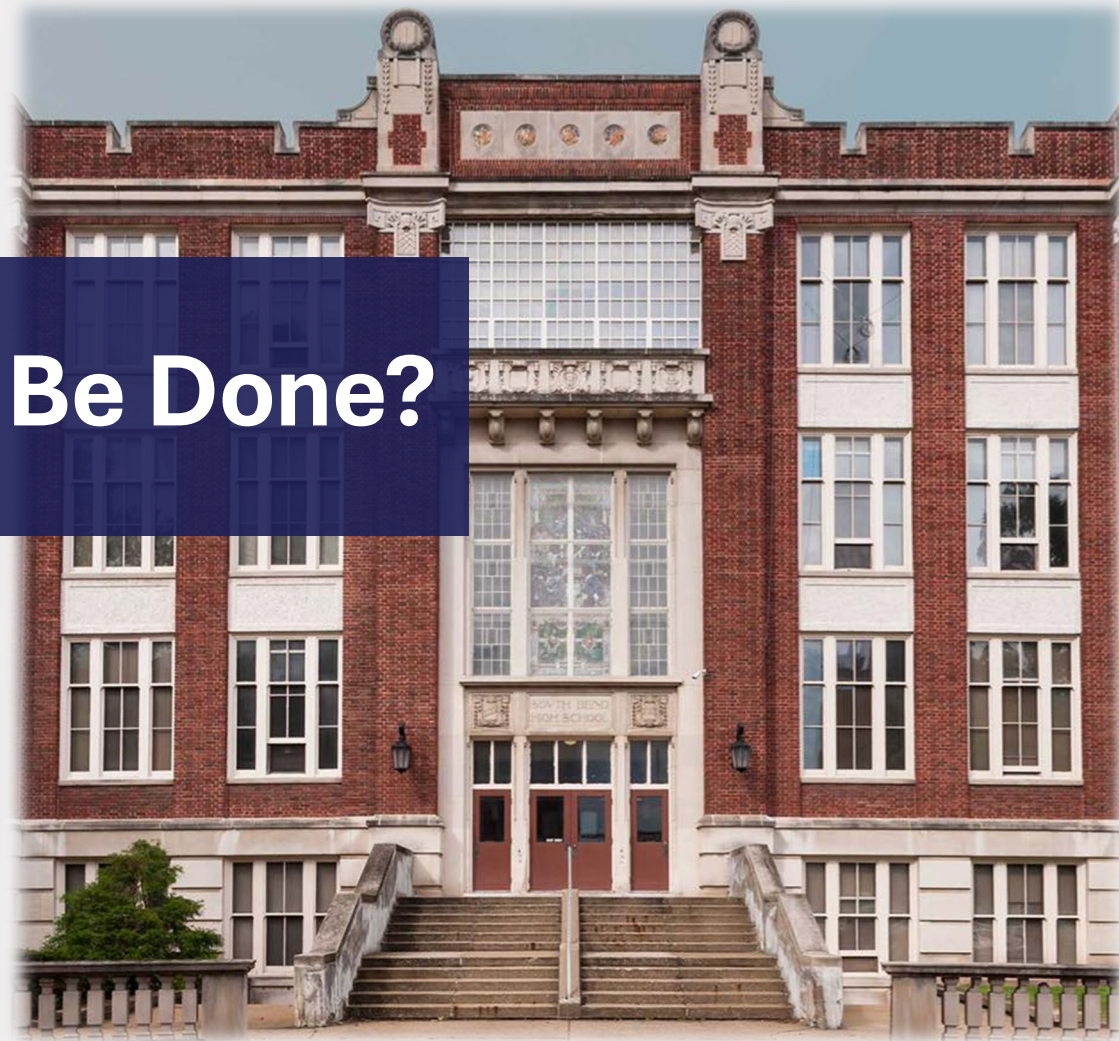
Vacant Land

3 Adaptive reuse of commercial buildings for residential use



3 Adaptive reuse of commercial buildings for residential use

What More Can Be Done?



3 Adaptive reuse of commercial buildings for residential use

Explore Commercial District (C) Adaptive Reuse with Standards



3 Adaptive reuse of commercial buildings for residential use

✓ DT, NC, & UF Districts permit this



Add C District

What barriers does the state want us to address?

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Higher Density

✓ Missing Middle U2 District



Land Use Map



Duplex by right

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Accessory Dwelling Units

✓ ADUs permitted throughout city



ADUs by right

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Adaptive Reuse

✓ DT, NC, & UF

Districts permit this



Add C District

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Floor Area Ratio

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Vacant Land

5 Waiving or eliminating regulations such as requirements

- Garage Size & Placement
- Steeper Roof Pitch
- Minimum Lot size & Square Footage
- Greater Setbacks
- Off-Street Parking
- Design standards that restrict code-compliant material
- Property height limitations



5 Waiving or eliminating regulations such as requirements

- Garage Size & Placement
- ~~Steeper Roof Pitch~~ We don't regulate this
- Minimum Lot size & Square Footage
- Greater Setbacks
- ~~Off-Street Parking~~ We don't regulate this
- Design standards that restrict code-compliant material
- Property height limitations



5 Waiving or eliminating regulations such as requirements

- **Garage Size & Placement**
- Minimum Lot size & Square Footage
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- **Minimum Lot size & Square Footage**
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- Garage Size & Placement
- Minimum Lot size & Square Footage
- Greater Setbacks
- Design standards that restrict code-compliant material
- **Property height limitations**



5 Waiving or eliminating regulations such as requirements

✓ Existing standards are more permissive than most places

What barriers does the state want us to address?

1

Higher Density

✓ Missing Middle U2 District

- ✂ Land Use Map
- ✂ Duplex by right

2

Accessory Dwelling Units

- ✓ ADUs permitted throughout city
- ✂ ADUs by right

3

Adaptive Reuse

- ✓ DT, NC, & UF Districts permit this
- ✂ Add C District

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Floor Area Ratio

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Development Standards

- ✓ Existing standards are more permissive

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Vacant Land

7 Streamlining or shortening the permitting processes and timelines

- South Bend is in the **top 10%** of approval speed in the country (source: Pew Trust)
- Compliant 1- and 2-unit housing permits are often approved within **24 hours**
- Compliant apartment housing is zoning approved within **7 days**



7 Streamlining or shortening the permitting processes and timelines

✓ Among the fastest permitting processes in the country

What barriers does the state want us to address?

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Permitting

✓ Among the fastest permitting processes in the country

8

Tax Abatements

9

Vacant Land

8 Property tax abatements to enable housing



- Since January 1, 2020, the City has participated in abatements resulting in:
 - **652 units** of housing completed or under construction
 - **309 Affordable units** of housing

8 The city also does...



- Forgivable Loans and Grants for Affordable Housing
- Direct Support to LIHTC
- Sewer Lateral Reimbursement
- Sidewalk & Lamppost Rebates
- Small Scale Developer Assistance

8 **Property tax abatements to enable housing**

✓ City already does this and more

What barriers does the state want us to address?

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- ✖ Land Use Map
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Permitting

✓ Among the fastest permitting processes in the country

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Tax Abatements

✓ City already does this and more

9

Vacant Land

9 Donating vacant land for affordable housing



- Since January 1, 2020, the City has transferred **171 parcels and 28 acres** of land
- This has resulted in
 - **572 units** of housing completed or under construction
 - **527 Affordable units** of housing

9 Donating vacant land for affordable housing



- Since January 1, 2020, the City has transferred **171 parcels and 28 acres** of land
- This has resulted in
 - **572 units** of housing completed or under construction
 - **527 Affordable units** of housing
- **And the Land Bank**

9 Donating vacant land for affordable housing

✓ City already does this

What barriers does the state want us to address?

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✓ Missing Middle U2 District

- ✂ Land Use Map
- ✂ Duplex by right

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Accessory Dwelling Units

✓ ADUs permitted throughout city

- ✂ ADUs by right

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Adaptive Reuse

✓ DT, NC, & UF Districts permit this

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Development Standards

✓ Existing standards are more permissive

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Permitting

✓ Among the fastest permitting processes in the country

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Tax Abatements

✓ City already does this and more

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Vacant Land

✓ City does this

Recommendations:

- **Permit Two-Unit dwellings by right in Urban Neighborhood 1**
- **Adopt the Land Use Maps from the Neighborhood Plans**
- **Remove Owner Occupancy Requirement for Ancillary Dwelling Units**
- **Allow Mixed-Use Developments in Commercial Zone Parcels**



A nighttime photograph of the Illinois State Capitol building. The central focus is the large, dark, domed roof of the capitol, which is topped with a flagpole flying the American flag. The dome's base features several arched windows that are illuminated from within, casting a warm glow. The building is flanked by tall, modern skyscrapers with lit windows. In the foreground, the city streets are visible, with streetlights and traffic signals. A semi-transparent dark blue banner with white text is overlaid across the middle of the image.

Here's how the State can help.

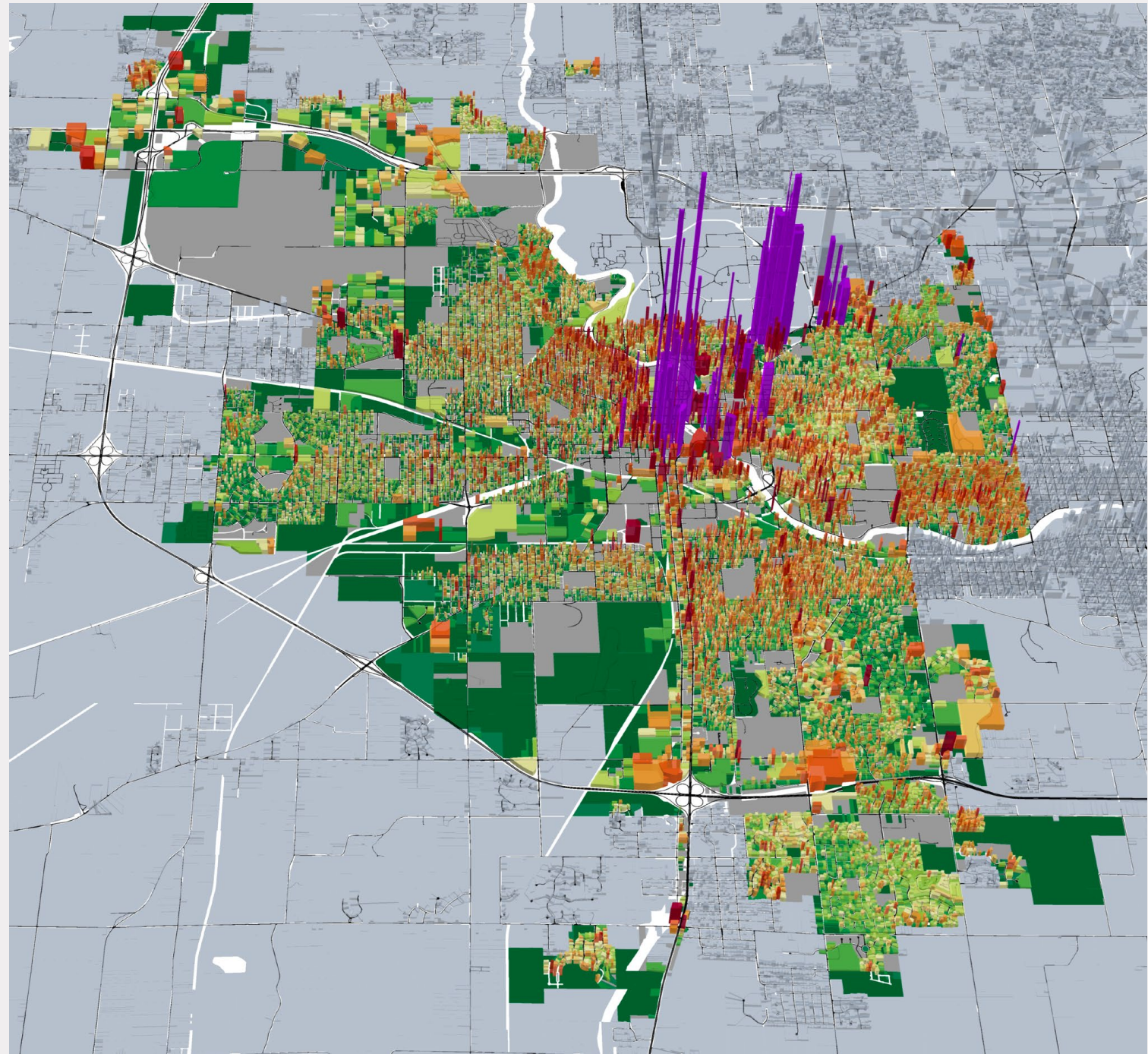
Code Reform

- Building Code Reform
- Fire Code Reform
- Elevator Reform



Financial Reforms

- Better align assessment values with market values, particularly the true value of land
- Split-rate property tax option (Kentucky)
- Condo warranty reform
- Revolving loan fund to support missing middle housing



Incentives

- Infrastructure Grants
- Transportation Funding
- Preapproved Plans Grants
- Infill Housing Funding



Questions

Public Hearing & Discussion