

9. HOUSING

Introduction

Housing is generally defined as: (1) buildings or other shelters in which people live; (2) a place or dwelling to live; or (3) the provision of lodging or shelter. In the context of residential areas, Housing can take various forms and types, ranging from apartments, condominiums, and villas, to single family homes and duplexes.

Prior to World War II, most housing in the United States was confined to inner cities or densely settled areas. With the increased availability of low cost housing loans and the ever increasing reliance on the automobile, many new home buyers began to move away from the central city and thus served as pioneers of the era of "suburbia". This trend increased throughout the 1950's -1980's, leaving much of the inner city housing stock to deteriorate, particularly in the older, pre-automobile oriented cities and urban areas.

Most recently, the continued aging of the US population, particularly the "baby boomer" era, has resulted in the need to shift the attention of housing policy to meet an ever-changing demographic.

Process

Civic Alliance members reviewed public feedback on community issues and then met with or surveyed a number of key stakeholders in the community. After further research and discussion they decided on the following as key issues for this topic area. City staff provided technical support.

Statement 1

Substandard housing and properties adversely affect the marketability of our older and historic neighborhoods.

Facts and Supporting Information

- Substandard housing: a residential dwelling that, due to physical condition, doesn't provide safe and sanitary housing.
- Older neighborhoods: those neighborhoods where a majority of structures were built more than 50 years ago.
- Historic neighborhoods are defined as those neighborhoods that are within a recognized national or local historic district.
- The Historic Preservation Commission of South Bend / St. Joseph County defines an historic district as a geographically definable area with a significant concentration of buildings united by past events, design, material or related historical associations. (Source: *Historic Preservation Commission of South Bend / St. Joseph County Website, 2005*, <http://community.michiana.org/historic/about/about.html>)
- There are 8 Historic Districts within South Bend; a ninth district is currently being established. There are approximately 1,000 homes within those districts. (Source: *HPC Website, 2005*)
- There were 46,230 housing units in South Bend in 2000: 68% (31,278) were built prior to 1960, of which 29% (13,256) prior to 1940. (Source: *2000 US Census (sample data)*)
- "In the case of the American cities in the 1990s, urban age, as determined by housing stock, is one of the most powerful determinants of city growth. The average growth rate for cities in which more than 40 percent of the building stock is more than 62 years old was -1.2 percent." (Source: *The Brookings Institution Center on Urban and Metropolitan Policy, 2001, "City Growth and the 2000 Census: Which Places Grew, and Why?"*, pg. 11)
- From 1991 to 1999 there was an increase of 5,440 houses needing minor repair and an increase of 280 houses needing major repair. (Source: *City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004*, pg. 23).
- Between 1990 and 2000, the number of vacant houses in South Bend decreased from 3,497 to 3,441. However, the number of homes vacant for reasons other than for rent, for sale, rented or sold but not occupied, or seasonal houses increased from 741 to 1036 (Source: *US Census, 1990 and 2000*)
- As of Oct 22, 2004, there were approximately 250 people on the waiting list for the City's CDBG-funded Home Improvement Program for low-income homeowners. (Senior Housing Specialist, Division of Community Development, 2004)
- In 2004, environmental citations increased over 2003 in the following areas: litter, loose trash, graffiti, and grass over 9-inches tall and weeds on vacant lots. ("Violations Summary Report," *Environmental Complaints, 1/04/04 thru 10/25/04, Department of Code Enforcement*)
- Ninety percent of all the housing units built prior to 1960 are expected to contain lead-based paint, a serious health hazard for children. (Census 2000) South Bend is on the Centers for Disease Control's list of communities with at least 500 potentially lead poisoned children. (Source: *St. Joseph County Health Department, City Plan Stakeholder Report, 2004*, pg.1)
- (Source: *City Plan Stakeholder Report, 2004*) identified deteriorating housing as a challenge facing the community:
 - South Bend Police Department: "A growing concern for the health of our neighborhoods is the increasing number of housing stock which is problematic and/or deteriorating. The city must have the means to hold property owners responsible for maintaining properties that encourages healthy, vibrant and responsible neighborhoods." (pg.2)
 - Historic Preservation Commission: "Encouraging property owners to properly maintain an aging building stock is and will continue to be a challenge." (pg.4)
- South Bend's renter occupied housing rate has increased from 14,393 units (35%) to 15,854 (37%) from 1990 to 2000. (Source: *1990 and 2000 US Census*)
- There are 3,000 Section 8 housing choice program vouchers in South Bend available through the South Bend Housing Authority (SBHA), compared to 330 available through the Mishawaka Housing Authority and 224 available through the Housing Assistance Office in the county. (Source: *Housing Assistance Office of South Bend Representative, 2004*)
- When the South Bend Housing Authority (SBHA) approves leasing of a unit, the following HUD requirements must be met: (1) The unit is eligible; (2) The unit has been inspected by the SBHA and passes HQS; (3) The lease is approvable and includes the lease

addendum; (4) The rent to owner is reasonable (*Source: US Department of Housing and Urban Development, Housing Choice Voucher Program Guidelines*)

- “It is evident that a large portion of the City’s aging housing stock is under stress as owners are having greater difficulty in maintaining their residences in a manner that would keep property values steady...” “.....many houses are falling prey to speculators and income property investors perpetuating the deterioration of (South Bend’s) housing stock” (*Source: City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 10*).

Strengths and Opportunities

- The Neighborhood Development Guide (NDG) identifies 29 neighborhood associations within the City of South Bend (*Source: Neighborhood Resources Corporation Neighborhood Development Guide, 2004*)
- Neighborhood Resources Corporation (NRC) exists as an organization that builds and strengthens neighborhood organizations.
- The historic districts in the city contain hundreds of beautiful, graceful, well-maintained homes.
- All historic districts have minimum maintenance standards. In addition, some districts have developed additional requirements based on Department of Interior guidelines for historic districts. All of these standards have been incorporated into the City’s Municipal Code. (*Source: Historic Preservation Commission of St. Joseph County / South Bend*)
- Department of Code Enforcement cites a variety of housing violations ranging from structural defects to basic housing repairs.
- The South Bend Home Improvement Program (SBHIP) assists low to moderate income applicants with repairs to their homes.
- The Building Blocks Grant facilitates projects that beautify or physically improve neighborhoods for public benefit and viewing.
- Housing Development Corporation - assists low to moderate income renters by providing decent, safe, sanitary rental housing.
- The Model Block Initiative - focuses public resources and activities in a small area through a comprehensive approach that results in an improved residential area, increased private investment, and resident involvement
- Residential Enhancement Program (REP): intended to encourage private investment by home owners, and foster exterior improvements that enhance the appearance, quality, and value of homes in targeted areas, primarily Neighborhood Partnership Service Areas.
- Rebuilding Together of St. Joseph County improves the quality of housing stock for the elderly, low-income and disabled.
- Local community development corporations, including South Bend Heritage Foundation, Near Northwest Neighborhood, and the Northeast Neighborhood Revitalization Organization participate in housing rehabilitation and building
- Lead Task Force, a coalition headed by the St. Joseph County Health Department, working toward the elimination of lead-based paint hazards in the City by 2010.
- Debuted in 2001, the City of South Bend Clean City Trash Container Program will be distributed to all South Bend residents in 2005.
- Code Enforcement Adopt a Block Program: focuses several cleanup efforts in a predefined area with neighborhood assistance

Benefits of Addressing the Issue

- Increased maintenance of properties can alleviate blighted areas by decreasing neighborhood instability, and raising market values.
- Neighborhoods will become a more attractive and viable choice to a more diverse group of home owners and renters.
- Developers and builders will give greater consideration to the economic viability of infill housing.
- Older neighborhoods will be given the opportunity to compete more favorably with fringe areas and suburbs.
- Added attention to property maintenance will lead to an increased neighborhood awareness and civic pride.

Stakeholders

The following stakeholders were consulted:

- Community Homebuyers Corporation
- Housing Assistance Office of South Bend

- Housing Development Corporation
- LaSalle Area Neighborhood Association
- Michiana Income Property Owners Association
- Near Westside Neighborhood Organization
- Northeast Neighborhood Revitalization Organization
- Rental Property Owners Association of South Bend
- South Bend Heritage Foundation
- South Bend Housing Authority
- University of Notre Dame
- Westside Neighborhood Organization

General stakeholder reaction:

Most stakeholders interviewed felt that due to the growing number of absentee landlords, a lack of tenant education opportunities, and increasing age of the population the number of properties in need of maintenance was likely to grow. Some stakeholders felt that absentee landlords who do not maintain their property are a growing problem as they can be hard for the tenant to locate to report repairs or get the landlord to fix something. Selected individual stakeholder comments are listed below:

- An overabundance of unoccupied and substandard properties adversely affects the market value of all neighborhoods.
- HUD has driven the amount charged for rent up because of the amount of rent they will pay. When HUD first started Section 8 was 30% of their budget. It is now 75% of their budget.
- There is a lack of involvement in neighborhoods, even when a neighborhood association is present.
- Absentee landlords are a growing problem. Some live out of town and just pay property taxes and collect rent.
- Tenants evicted from one property can go from property to property unless landlords report evictions to Housing Authority and to the Credit Bureau, and unless landlords check with the Credit Bureau.
- There is a preponderance of greedy and irresponsible landlords.
- The advancing age of the population contributes to some homeowners being unable to physically and financially care for their property.
- There should be seminars to educate homeowners and renters about personal responsibility.

Statement 2

Neighborhood stability and market values are adversely affected by abandoned and unoccupied structures.

Facts and Supporting Information

- Between 1990 and 2000, the number of vacant houses in South Bend decreased from 3,497 to 3,441. However, the number of homes vacant for reasons other than for rent, for sale, rented or sold but not occupied, or seasonal houses increased from 741 to 1036. (Source: 1990 and 2000 US Census)
- In 2003: Code Enforcement demolished 30 houses and 22 accessory buildings; boarded up 489 structures (Source: South Bend Department of Code Enforcement, 2003 Annual Report)
- Houses are abandoned for many reasons, such as: abandonment by the owner because the repair cost of a house exceeds its present value; owner bankruptcy; an elderly person vacating the home without finding subsequent owner or occupier; mortgage foreclosure.
- There were more than 1400 foreclosures in St. Joseph County in 2003, a 450% increase from 1998 and a 1400% increase from the early 1990's (Source: WNDU-TV report, 2004, "Home Foreclosures at all-time high")
- The number of foreclosures within the City of South Bend has nearly doubled in the last few years from 438 in 2001 to 860 in 2004. (Source: St. Joseph County Sheriff Civil Division, Sheriff Sale data, 2001-2004)
- Many of these foreclosures and bankruptcies involve out-of-state finance companies.
- Homes remain vacant for reasons such as: the owner cannot find a new tenant or purchaser of the home; an owner cannot afford to pay to rehab the house to make it suitable for a buyer or renter; the owner lives out of the city or state and has little incentive to sell or rehab the house.
- (Source: City Plan Stakeholder Report, 2004) identified deteriorating housing as a challenge facing the community:
 - South Bend Police Department: "A growing concern for the health of our neighborhoods is the increasing number of housing stock which is problematic and/or deteriorating. The city must have the means to hold property owners responsible for maintaining properties that encourages healthy, vibrant and responsible neighborhoods." (pg.2)
 - Historic Preservation Commission: "Encouraging property owners to properly maintain an aging building stock is and will continue to be a challenge." (pg.4)
- "It is evident that many houses are falling prey to speculators and income property investors perpetuating the deterioration of (South Bend's) housing stock" (Source: City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 10)
- Number of vacant, deteriorated structures can become gathering places for criminal elements and be a danger for nearby residents and visitors. Over time if these problems are not addressed civic life and civility in the neighborhood begins to deteriorate along with the structures.
- Boarded-up, uncared for properties affect neighborhood vitality, crime prevention, and commercial vitality. (Source: Center for Environmental Studies, Brown University "Using GIS to evaluate effectiveness of housing renovation", Website, <http://envstudies.brown.edu/Thesis/2002/coletta/background/abandonedcrime.htm>)
- Abandoned properties attract squatters, drug use, and vandalism in the neighborhood. (Source: Center for Environmental Studies, Brown University Website)

Strengths and Opportunities

- The Neighborhood Development Guide (NDG) identifies 29 neighborhood associations within the City of South Bend. (Source: Neighborhood Resources Corporation Neighborhood Development Guide, 2004)
- Neighborhood Resources Corporation (NRC) exists as an organization that builds and strengthens neighborhood organizations
- The Neighborhood Partnership Center Program facilitates physical neighborhood improvements through targeted improvements.
- The historic districts in the city contain hundreds of beautiful, graceful, well-maintained homes
- Department of Code Enforcement cites a variety of housing violations ranging from structural defects to basic housing repairs.

- Code Enforcement has demolished 377 structures between 1999 and 2003 (see adjoining table) (*Source: Dept of Code Enforcement, 2003 Annual Report*)

Dept of Code Enforcement Demolitions by Year and Structure type

Structure Type	1999	2000	2001	2002	2003	Total
Houses	43	30	46	42	30	191
Accessory Buildings	26	22	62	45	22	177
Commercial Buildings	2	3	3	0	1	9
Total	71	55	111	87	53	377
<i>Source: Department of Code Enforcement 2003 Annual Report</i>						

- Michiana Income Property Owners Association and Rental Property Owners Association of South Bend serve as landlord/tenant groups.
- The South Bend Home Improvement Program assists low to moderate Income applicants with repairs to their homes.
- The Building Blocks Grant facilitates projects that beautify or physically improve neighborhoods within the City of South Bend for public benefit and viewing.
- Housing Development Corporation assists low to moderate income renters by providing decent, safe, sanitary rental housing.
- The Model Block Initiative focuses public resources and activities in a small area through a comprehensive approach that results in an improved residential area, increased private investment, and resident involvement
- Residential Enhancement Program (REP): The REP is intended to encourage private investment by home owners, and foster exterior improvements that enhance the appearance, quality, and value of homes in targeted areas of the City, primarily the Neighborhood Partnership Service Areas.
- Rebuilding Together of St. Joseph County assists in the improvement the quality of housing stock through rehabilitation efforts
- Local community development corporations, including South Bend Heritage Foundation, Near Northwest Neighborhood, and the Northeast Neighborhood Revitalization Organization participate in housing rehabilitation and building
- Code Enforcement Adopt a Block Program with neighborhood assistance, focuses several cleanup efforts in a predefined area
- Southeast Neighborhood Development Plan a comprehensive redevelopment that aggressively transformed the Southeast neighborhood from blocks of dilapidated, vacant homes to a mix of single family dwellings and apartment units. In 2004, the plan was featured as a model for other cities across at the NLC Showcase of Cities national convention in Indianapolis. (Mayor's State of the City, 2004)
- In the former Oliver Plow complex, approximately vacant 40 buildings (approximately 900,000 square feet) have been demolished by the City of South Bend to date, while in the former Studebaker Plant, approximately 2.5 million square feet of buildings either have been or will be demolished in as part of the redevelopment process. Approximately 16.5 million dollars have been spent for both projects. (*Source: City of South Bend Economic Development Specialist, 2005*)

Benefits of Addressing the Issue

- Neighborhoods will become a more attractive and viable choice to a more diverse group of home owners and renters.
- Developers and builders will give greater consideration to the economic viability of infill housing.
- Older neighborhoods will be given the opportunity to compete more favorably with fringe areas and suburbs.
- Added attention to property maintenance will lead to an increased neighborhood awareness and civic pride.
- Reducing vacant houses and structures result in increased neighborhood safety and lower the attractiveness for problem elements.

Stakeholders

The following stakeholders were consulted:

- City of South Bend Department of Code Enforcement

- City of South Bend / St. Joseph County Building Department
- Habitat for Humanity of St. Joseph County
- Historic Landmarks Foundation of Indiana
- Historic Preservation Commission of South Bend / St. Joseph County
- LaSalle Area Neighborhood Association
- Near Westside Neighborhood Organization
- Northeast Neighborhood Revitalization Organization
- South Bend Heritage Foundation
- Westside Neighborhood Organization

General stakeholder reaction:

Most stakeholders felt that this issue would gain importance as property tax increases and foreclosures would force additional abandonment. These stakeholders also felt that predatory lenders also contributed to the issue. Selected individual stakeholder comments are listed below:

- An overabundance of unoccupied and substandard properties adversely affects the market value of all neighborhoods.
- The increased rate of foreclosures due to financial stress compounds the already high number of abandoned and unoccupied buildings.

Statement 3

Existing funding and staffing levels are not in place for Code Enforcement to proactively assist in the improvement of South Bend's neighborhoods.

Facts and Supporting Information

- The primary goal of Code Enforcement is to ensure the health and safety of all South Bend residents through a systematic, yet sensitive, enforcement of South Bend's ordinances, including housing and property codes. (Source: Department of Code Enforcement Website: <http://www.ci.south-bend.in.us/code/code.htm>)
- The total code enforcement staff has 20 members, including 9 inspectors.
- Each citizen complaint is investigated by a Code Inspector. In addition, Inspectors assigned to specific areas cite violations as they tour their territories. The Inspector verifies a code violation and issues a written notice to the property's owner describing the problem, asking the owner to comply within 5 days. If there is no compliance, the Clean-Up Crew will clean the property and the property owner will be billed for the cost of clean-up. Minimum charge is \$111.00. (Source: Department of Code Enforcement, 2005, Website: <http://www.ci.south-bend.in.us/code/code.htm>)
- Code Enforcement's Authority comes from South Bend's Municipal Code: Most of these codes deal with safety issues, though some do address aesthetics. Their ability to enforce standards is limited. Vacant properties are often the result of foreclosures; vacant, foreclosed properties are often problematic due a lack of clear title. Code Enforcement cannot deal with vacant homes unless they fall into disrepair and present a visible violation of the Municipal Code. Code Enforcement's computer software is outdated; much of the work in the office and by the Inspectors is done largely with paper. The Department's electronic databases are incomplete due to lack of staff to do input; in addition, the software is incompatible with other systems, like GIS. (Source: Stakeholder Meeting with Catherine Brucker, Director of the Department of Code Enforcement 2004)
- Code Enforcement brought 12,044 cases to public hearing between 1999 and 2003 (See table below for details) (Source: Dept of Code Enforcement, 2003 Annual Report)

Dept. of Code Enforcement - Housing Cases Brought into Public Hearing 1999-2003

Violation	1999	2000	2001	2002	2003	Total
Repair	613	597	523	529	416	2855
Demolition	245	228	385	217	134	1209
Civil Penalty	537	499	499	510	399	4190
Vacate and Seal	136	115	77	75	97	4690
Total	1531	1439	1484	1331	1046	12944

Source: Department of Code Enforcement 2003 Annual Report

- There were 46,230 housing units in South Bend in 2000: 68% (31,278) were built prior to 1960, of which 29% (13,256) prior to 1940. (Source: 2000 US Census (sample data))
- From 1991 to 1999 there was an increase of 5,440 houses needing minor repair and an increase of 280 houses needing major repair. (Source: City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 23).
- Between 1990 and 2000, the number of vacant houses in South Bend decreased from 3,497 to 3,441. However, the number of homes vacant for reasons other than for rent, for sale, rented or sold but not occupied or seasonal houses increased from 741 to 1036. (Source: US Census 2000)
- Some properties, especially near universities, have too many unrelated people living in a house or an apartment. A number of the landlords do not cooperate with Code Enforcement in disclosing how many people live in a house or an apartment. (Source: Stakeholder Meeting with Catherine Brucker, Director of Code Enforcement, 2004)

- “It is evident that many houses are falling prey to speculators and income property investors perpetuating the deterioration of (South Bend’s) housing stock” (Source: *City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 10*).
- In the absence of more stringent regulations against unresponsive and irresponsible property owners, current code procedures often lead to the ultimate outcome of building demolitions (Source: Stakeholder Comments on Current Conditions Report - Draft 2, January 10, 2005)
- A three-year Urban Land Institute advisory services study of six low-income inner-city neighborhoods revealed that “it is not the inadequate garages and backyards or the lack of cul-de-sacs that contribute most strongly to suburban flight. It is crime and the decline of public schools; it is the poor quality of infill development, the lack of code enforcement, and the blight that erode neighborhood vitality.” (Source: Municipal Research and Services Center of Washington, 1997, *Infill Development Strategies for Shaping Livable Neighborhoods*, <http://www.mrsc.org/Publications/textfill.aspx>)

Strengths and Opportunities

- Education, beginning in our school system at the middle and high schools levels that teaches repair and maintenance of property, instilling the importance of personal and civil responsibility and economics of homeownership.
- Code Enforcement responsibilities also include animal control , environmental (non-structural) cleanups, and abandoned vehicles
- Code Enforcement “Adopt a Block “ Program with neighborhood assistance, focuses several cleanup efforts in a predefined area
- Recent housing legislation has emphasized personal responsibility and accountability by adding stronger and more enforceable fines.
- Training and cross-utilization of other city departments (such as the V.I.P., Fire, Police and Building departments) have augmented Code Enforcement Department’s resources
- Debuted in 2001, the City of South Bend Clean City Trash Container Program will be distributed to all South Bend residents in 2005.
- The South Bend Home Improvement Program assists low to moderate Income applicants with repairs to their homes.
- The Building Blocks Grant facilitates projects that beautify or physically improve neighborhoods for public benefit and viewing.
- The Model Block Initiative focuses public resources and activities in a small area through a comprehensive approach that results in an improved residential area, increased private investment, and resident involvement
- Residential Enhancement Program (REP): The REP is intended to encourage private investment by home owners, and foster exterior improvements that enhance the appearance, quality, and value of homes in targeted areas of the City, primarily the Neighborhood Partnership Service Areas.
- Rebuilding Together of St. Joseph County assists in the improvement the quality of housing stock through rehabilitation efforts
- Local community development corporations, including South Bend Heritage Foundation, Near Northwest Neighborhood, and the Northeast Neighborhood Revitalization Organization participate in housing rehabilitation and building

Benefits of Addressing the Issue

- With increased resources; code enforcement can concentrate on a preventative strategy
- It is more cost effective to save and restore existing neighborhoods than to let them disintegrate
- Proactive code enforcement stabilizes neighborhoods, by adding to the increased maintenance of housing stock
- Increased maintenance of housing stock leads to a reduced number of demolitions and a preservation of neighborhoods
- Improved housing stock condition reduces the number of substandard rental properties, absentee speculators and landlords, abandoned, unoccupied and substandard buildings and gives transitional neighborhoods a better chance of surviving

Stakeholders

The following stakeholders were consulted:

- City of South Bend Department of Code Enforcement
- City of South Bend / St. Joseph County Building Department

- Historic Landmarks Foundation of Indiana
- Historic Preservation Commission of South Bend / St. Joseph County
- Homebuilders Association of St. Joseph Valley
- Housing Assistance Office of South Bend
- LaSalle Area Neighborhood Association
- Michiana Income Property Owners Association
- Near Westside Neighborhood Organization
- Northeast Neighborhood Revitalization Organization
- Rental Property Owners Association of South Bend
- South Bend Heritage Foundation
- Westside Neighborhood Organization

General stakeholder reaction:

The majority of stakeholders interviewed or surveyed agreed that Code Enforcement was doing an acceptable job, although some felt that their efforts were unfairly concentrated in certain areas and that the process should provide a quicker response. Some stakeholders felt that currently Code Enforcement does a very good job with the resources it has, but needs to be given support and "status of importance" equal - or close to - that given the Fire and Police departments. Selected individual stakeholder comments are listed below:

- Code needs to expand to "outer limits" of the city.
- Things get caught up in red tape.
- The time between a citation and a response is too long.
- Code is unresponsive. Houses are left unpainted and trash remains. Permits are not always displayed.
- Code goes after landlords when it's the tenant.
- They (Code) are most effective in areas with a high percentage of owners that live in surrounding homes.
- There is not consistent enforcement. It seems low income neighborhoods are targeted.
- It's hard to tell a landlord/tenant to be responsible when Code Enforcement is limited primarily to residential problems, and many residential areas are dotted with commercial eyesores, vacant lots, etc.
- Enforcement is limited to primarily residential problems, and many residential areas are dotted with commercial eyesores, vacant lots, etc.

Statement 4

Property tax reassessment has placed disproportionate financial burden on South Bend's property owners, especially in the older and historic neighborhoods.

Facts and Supporting Information

- Older neighborhoods are defined as those neighborhoods where a majority of structures were built more than 50 years ago.
- Historic neighborhoods are defined as those neighborhoods that are within a recognized national or local historic district
- The Historic Preservation Commission of South Bend / St. Joseph County defines an historic district as a geographically definable area with a significant concentration of buildings united by past events, design, material or related historical associations. (Source: *Historic Preservation Commission of South Bend / St. Joseph County Website, 2005*, <http://community.michiana.org/historic/about/about.html>)
- There are 8 Historic Districts within South Bend; a ninth district is currently being established. There are approximately 1,000 homes within those districts. (Source: *HPC Website, 2005*)
- Under Indiana's old property tax (assessment) system, which a state court ruled unconstitutional, some older homes were entitled to a depreciation factor of up to 80% regardless of their market value. The new system is intended to make people with like-valued property pay the same amount in property taxes to support governmental services. Historic neighborhoods are getting a disproportionate burden of this tax shift. The higher taxes may make historic properties harder to sell. If property owners appeal their assessments successfully, they may try to sell and move out of historic areas. (Source: *South Bend Tribune, 2003, "Older homes see big tax hikes"*)
- The 2004 property tax rate (4.99%) for the portion of South Bend within Portage Township is among the very highest in the state of Indiana. (Source: *South Bend Tribune, 2004, "Abatements, exemptions affect tax rates"*)
- Landlords will be one the groups hardest hit by the reassessment. Some landlords may be forced to scale back on repairs and improvements to their properties as profits will be reduced as it may prove difficult for them to raise rents to cover the tax increase. If unable to cover costs, landlords may be forced to sell properties, or on more severe cases where they are unable to find buyers, they may abandon properties altogether.
- Between 1990 and 2000, the number of vacant houses in South Bend decreased from 3,497 to 3,441. However, the number of homes vacant for reasons other than for rent, for sale, rented or sold but not occupied, or seasonal houses increased from 741 to 1036. (Source: *US Census 2000*)
- There were more than 1400 foreclosures in St. Joseph County in 2003, a 450% increase from 1998 and a 1400% increase from the early 1990's (Source: "WNDU-TV report, 2004 "Home Foreclosures at all-time high")
- The number of foreclosures within South Bend has nearly doubled in the last few years from 438 in 2001 to 860 in 2004. (Source: *St. Joseph County Sheriff Civil Division, Sheriff Sale data, 2001-2004*)
- The property tax reassessments will likely force the number of foreclosures to increase significantly; as homeowners, particularly those with low or fixed incomes, will be unable afford both mortgage and property tax payments.
- "It is evident that many houses are falling prey to speculators and income property investors perpetuating the deterioration of (South Bend's) housing stock" (Source: *City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 10*)
- Definition of Predatory Lending: When creditors, brokers or home improvement contractors are engaging in deception or fraud, manipulating the borrower through aggressive sales tactics, or taking unfair advantage of a borrower's lack of understanding about loan terms. These practices are often combined with loan terms that, alone or in combination, are abusive or make the borrower more vulnerable to abusive practices. (Source: *Allen Fishbein and Harold Bunce, 2001, Subprime Growth and Predatory Lending, pg. 280*)
- "When predatory lenders foreclose on homes, they often sell them too cheaply to investors who turn an owner-occupied into a rental property. Not only do predatory mortgage practices hurt individuals, but they can hurt whole neighborhoods." (Source: *South Bend Tribune, 2003, Editorial - "Indiana needs an effective predatory loan law"*)

- The number of tax exempt properties within the City of South Bend has been steadily increasing resulting in a shift of the property tax burden to owner occupied properties. (Source: *South Bend Tribune, 2004, "Abatements, exemptions affect tax rates"*)
- Tax-exempt properties comprise 37.6% of the land area in downtown South Bend (Source: *City of South Bend GIS analysis, 2004*)
- A concentration of non-profit facilities that do not pay property taxes are located in downtown South Bend and adjacent areas; places such as educational institutions, hospitals, and other social service providers serve the population of an area larger than within the city limits of South Bend, though South Bend taxpayers are responsible for the entire property tax burden. (Source: *South Bend Tribune, 2004, "Abatements, exemptions affect tax rates"*)
- About 3,700 of the City's 48,000 parcels are tax exempt; these parcels comprise approximately 31 percent of South Bend's land area (Source: *City of South Bend GIS analysis, 2004*)
- Assessment values are in part based upon a neighborhood factor that is based upon the median sale value of homes within a specified area (Source: *Portage Township Assessor's Office*)

Strengths and Opportunities

- The homestead property tax credit is a percentage reduction in a taxpayer's net property tax liability attributable to the residential portion of the property. (Eligible properties include owner occupied residences only.) The homestead credit percentage is set at 20 percent for 2003 and thereafter. (Source: *Indiana Department of Local Government Finance*)
- There are additional tax credits for elderly (over 65 years of age), military veterans, and mortgage exceptions.
- The Historic Landmarks Foundation of Indiana formed a property tax relief force in 2002 to study ways to reduce the negative effect the tax changes will have on owners of older properties.
- Tax credits are available at the state and local level for historic structures through the US Secretary of State restoration guidelines. (Source: *South Bend Tribune, 2003, "Older homes see big tax hikes"*)
- A new Indiana state law enacted in January 2005 now permits annual adjustment of property values for taxation purposes and is designed to shield taxpayers from sudden increases in property values between reassessments. (Source: *South Bend Tribune, 2005, "Yearly assessment rule in place"*)
- "St. Joseph County has acknowledged that the latest property tax reassessment did not treat landlords fairly... The county believes it has come up with a new formula to assess rental units for tax purposes. These reassessments will at least effect small rental units, buildings with four or fewer apartments...The new rental formula, ties the value to the amount of rent a specific building brings in." (Source: *WNDU-TV report, 2004 "Property Tax Relief for Local Landlords"*)
- Michiana Income Property Owners Association and Rental Property Owners Association of South Bend serve as landlord/tenant groups.
- The South Bend Home Improvement Program assists low to moderate Income applicants with repairs to their homes.
- The Model Block Initiative focuses public resources and activities in a small area through a comprehensive approach that results in an improved residential area, increased private investment, and resident involvement
- Residential Enhancement Program (REP): The REP is intended to encourage private investment by home owners, and foster exterior improvements that enhance the appearance, quality, and value of homes in targeted areas of the City, primarily the Neighborhood Partnership Service Areas.
- Rebuilding Together of St. Joseph County improves the quality of housing stock for the elderly, low-income and disabled.
- Local community development corporations, including South Bend Heritage Foundation, Near Northwest Neighborhood, and the Northeast Neighborhood Revitalization Organization participate in housing rehabilitation and building.

Benefits of Addressing the Issue

- Lessened opportunities for property investments and speculation, due to decreased foreclosures and abandonment
- Increased opportunity for property owners to invest in properties through routine and cosmetic maintenance
- Neighborhoods will become a more attractive and viable choice to a more diverse group of home owners and renters.
- Developers and builders will give greater consideration to the economic viability of infill housing.
- Older neighborhoods will be given the opportunity to compete more favorably with fringe areas and suburbs.

Stakeholders*The following stakeholders were consulted:*

- Habitat for Humanity of St. Joseph County
- Homebuilders Association of St. Joseph Valley
- Housing Assistance Office of South Bend
- LaSalle Area Neighborhood Association
- Michiana Income Property Owners Association
- Near Westside Neighborhood Organization
- Northeast Neighborhood Revitalization Organization
- Portage Township Assessors Office
- Rental Property Owners Association of South Bend
- South Bend Heritage Foundation
- Saint Joseph County Assessors Office
- University of Notre Dame
- Westside Neighborhood Organization

General stakeholder reaction:

Nearly all Stakeholders agreed that reassessment did have a greater impact on inner city neighborhoods and that some of the residents in these neighborhoods have been placed under greater financial constraints as a result. Some stakeholders also suggested that this change would help lend to increased disinvestment in these neighborhoods. Selected individual stakeholder comments are listed below:

- The impact on older neighborhoods has been severe. (Portage Twp. Assessor)
- The new tax reassessment did not affect newer homes much because they are closer to market value to start with. They can also get tax abatements for new construction.
- The determination of market value has a lot to do with appraisals by brokers, realtors, and mortgage people. They need to be accurate. (Portage Twp. Assessor)
- The county seat always has a lot of tax free real estate. Just to name a few: IVY Tech, courthouses, fire, police, hospitals, etc.
- Property tax reassessment has eliminated incentives that once helped encourage reinvestment.
- Property tax reassessment has also eliminated “discretionary income” credits that many current owners of older homes used for maintenance and repair.
- Tax abatement is a good idea. Having to get paperwork in before pulling the work permit is a bit arbitrary.
- People feel defeated.
- The loss of funds used for repairs have gone to taxes.
- Some people have to make a decision to pay taxes, pay heat, or buy medications.
- The new system doesn’t pick up on economics of the community.
- The tax rate in Granger and Osceola is lower than South Bend.

Statement 5

The current housing stock in many of South Bend's neighborhoods does not contain a sufficient variety of types, amenities, and price ranges.

Facts and Supporting Information

- South Bend does not provide a competitive advantage with surrounding communities and an opportunity for future homeowners to consider the city a viable option.
- With a lack of condominiums, lofts, and villas, the existing housing stock in South Bend does not adequately address the needs of young professionals, families without children, retirees, and many others.
- Due to the limited variety of housing stock types and lack of older homes upgraded with modern amenities, older neighborhoods cannot compete with the expectations of new home buyers
- The St. Joseph County Zoning Ordinance requires that residential lot sizes in the county be a minimum of 15,000 square feet, unless in a subdivision utilizing municipal water and sewer, where the minimum permitted lot size may be reduced to 9,000 sq ft. (aka the 1/2 acre rule). Whereas the South Bend Zoning Ordinance allows for a maximum residential lot size of 6,000 sq ft. (Source: *St Joseph County Zoning Ordinance*) The advantage of municipal utilities and larger lots has caused developers and home buyers to move to the city fringe.
- “Creative places attract and retain residents, workers, and businesses by offering an array of affordable housing options, valuable live/work opportunities, and successful community programs that encourage investment in certain areas of the city.” (Source: *America's Most Livable Communities* - <http://www.mostlivable.org/criteria.html>)
- South Bend's owner occupied housing rate has decreased from 65% to 63% from 1990 to 2000. (Source: *1990 and 2000 US Census*)
- There is a trend of retirees pulling up stakes in the suburbs and moving back to downtown areas of the city. In the next six years, downtowns are expected to grow even grayer as the 76 million baby boomers begin to enter retirement. Retirees want to be close to hospitals, doctors, restaurants, theaters, etc. Another reason retirees are moving back to the cities is to ward off social isolation. (Source: *Peg Tyre, Seniors & the City, Newsweek, October 11, 2004, pgs. 44-45*).
- There is a lack of emergency, temporary, and transitional housing within the City of South Bend. There are several agencies that provide emergency shelter to the homeless including: The Center for the Homeless; Hope Rescue Mission; YWCA; Life Treatment Center; God Cares Ministries; Dolly's House; Salvation Army; and the Catholic Worker's House. However, for the individual or family seeking shelter but not in need of the programming or faith-based structure provided by many of these agencies, there are limited options. This niche of demand often comes from the following circumstances: fire, domestic abuse, overcrowding, family disputes, unemployment, or simply new residents or transitional residents to the area. The Morningside Hotel, once located at the corner of Colfax and William Streets once served this purpose informally, until it was destroyed by fire in the early 1990's.
- The Academy of Political Science published an articles on a study where families were drawn from a total of fifty-eight residential and supportive service facilities for homeless families located in ten cities, including South Bend, IN. (Source: *The Academy of Political Science, Political Science Quarterly, Volume 114, Number 2, Summer 1999*)
 - All cities statistics: Ninety-five percent of heads of household in shelter surveyed are female - 81% are currently single. Over half (56%) of homeless families cited a combination of the following reasons for turning to a shelter: a disagreement with someone else in the household (31%), domestic violence (22%), or overcrowded living quarters (19%). Sixteen percent of homeless families cited job loss or reductions in public assistance as a cause of their homelessness. Only 7%, however, cited physical housing problems, such as substandard housing or a one-time emergency such as a fire.
 - Among parents who lived with a spouse or partner, more than three-quarters (76%) left for domestic violence, overcrowding, or disagreement reasons. Even more significant is the fact that domestic violence alone was cited by more than half (57%) of these homeless parents.
- The Housing Assistance Office of South Bend receives 1-2 inquiries per day for temporary or emergency housing. (Source: *South Bend Housing Assistance Office*)

- Housing is an issue with recruiting Notre Dame Faculty. Faculty from traditional urban campuses often wants an urban setting so it is harder to recruit them to Notre Dame. (Source: Stakeholder Meeting, 2004)
- “In 2030, about half of the buildings in which Americans live, work and shop will have been built after 2000. The nation had about 300 billion square feet of built space in 2000. By 2030 the nation will need about 427 billion square feet of built space to accommodate growth projections. About 82 billion of that will be replacement of existing space and 131 will be new space. Thus, 50 percent of that 427 billion will have to be constructed between now and then. While these projections may seem overwhelming, they also demonstrate that nearly half of what will be the built environment in 2030 doesn’t even exist yet, giving the current generation a vital opportunity to reshape future development.” (Source: The Brookings Institution Metropolitan Policy Program, “Toward a New Metropolis”, 2004, The Opportunity to Rebuild America, pg. v)

Strengths and Opportunities

- According to second-quarter 2004 statistics released by the National Association of Realtors, the South Bend-Mishawaka area had the lowest resale value of 128 metro areas the association tracks across the country with the median price at \$93,800. (Source: *South Bend Tribune, 2004, “Two sides of affordable housing”*)
- There is a need for the city to work with private developers to provide infrastructure for new housing.
- There are buildings downtown that can be converted to lofts and condos.
- Housing in South Bend offers sewer and water - not wells and septic systems.
- Because the cost of living is lower in the South Bend area more people have additional money to spend on things other than a mortgage, including restaurants and stores in the area. More businesses are likely to relocate here because of the cost of living in relatively low. (Source: *South Bend Tribune, 2004, “Two sides of affordable housing”*)
- Major developers are already constructing homes for aging boomers in some cities. (Source: *Peg Tyre, Seniors & the City, Newsweek, October 11, 2004, pgs. 44-45*)
- With the exception of apartment units, downtown has a limited market-rate housing development. Whether through new construction or revitalization in downtown over the last twenty years, “niche” units such as lofts, condominiums, and villas, could be developed to further housing choices (Source: *City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 9*).
- The historic districts in the city contain hundreds of beautiful, graceful, well-maintained homes
- Residential Enhancement Program (REP): The REP is intended to encourage private investment by home owners, and foster exterior improvements that enhance the appearance, quality, and value of homes in targeted areas of the City, primarily the Neighborhood Partnership Service Areas.
- Local community development corporations, including South Bend Heritage Foundation, Near Northwest Neighborhood, and the Northeast Neighborhood Revitalization Organization participate in housing rehabilitation and building
- Residential Tax Abatement Program - through a reduction or decrease in the amount, degree, intensity or worth in the taxes assessed on a residential property, the program serves as an incentive to encourage new residential building.

Benefits of Addressing the Issue

- With a greater choice available to potential homebuyers, the city can more effectively compete with surrounding communities.
- Modern amenities such as new kitchens, baths, attached garages would be available in both new and old construction
- More established neighborhoods can offer a combination of new construction, modern amenities, and, built-in intangibles.
- Diversified housing stock creates a more diversified income and population
- More medium and higher income individuals and families increases the amount of disposable (spending) income
- Increased property investment leads to higher property values

Stakeholders

The following stakeholders were consulted:

- Community Homebuyers Corporation
- Habitat for Humanity of St. Joseph County
- Homebuilders Association of St. Joseph Valley
- Housing Assistance Office of South Bend
- Housing Development Corporation
- LaSalle Area Neighborhood Association
- Michiana Income Property Owners Association
- Michiana's Finest Bank
- Near Westside Neighborhood Organization
- Northeast Neighborhood Revitalization Organization
- Portage Township Assessors Office
- Rental Property Owners Association of South Bend
- South Bend - Mishawaka Association of Realtors
- Saint Joseph County Assessors Office
- Teacher's Credit Union
- Trustcorp Mortgage
- University of Notre Dame
- Westside Neighborhood Organization

General stakeholder reaction:

Most stakeholders agreed that, when compared with surrounding areas, the city is somewhat lacking in overall diversity of housing choice. Some stakeholders felt that this was more of a perception as the city's neighborhood amenities are not well marketed. Selected individual stakeholder comments are listed below:

- If the city became a developer and homebuilders thought they could make money then they will come.
- South Bend has had their head in the sand if they don't think their competition is within 30-40 miles. Surrounding communities like Walkerton, North Liberty, and Niles have sewers and water too.
- South Bend needs villa projects aimed at 45/50+ year olds.
- We have to have attractive expensive homes close to attractive simple, decent homes. That's where we have to be in 20 years.
- South Bend needs loft type housing available downtown for young professionals 25-35 years of age.
- I'm a realtor and have had people ask for quality upscale villas in a good downtown location. They are forced to look elsewhere.
- South Bend needs to do a better job marketing its assets.
- There are many people who enjoy living in the city limits and enjoy the amenities the city offers. The neighboring communities are sometimes more affordable.
- It is a perception that neighboring areas are more attractive. South Bend has the potential to compete and provide the same type of development that is appealing to the public.
- Most people are attracted to homes/businesses/roads, etc. that are "new". The surrounding areas are relatively new construction. Surrounding areas are perceived as "safe and clean", whereas South Bend is perceived as quite the opposite.
- From City Plan discussion Web site: "I've often thought the way to effect change in South Bend would be to persuade the city to designate one area as a New-Urbanist area then try to build that critical mass in that one area." (RLK posted 10/13/04)
- There are buildings in South Bend that could be used for temporary housing if only they were identified.
- (South Bend) needs supervised complexes for transient needs like apartment buildings, etc. not houses.

Statement 6

Many first-time homebuyers are not prepared for the financial responsibility required for the purchase and maintenance of a home.

Facts and Supporting Information

- First-time homebuyer is defined as a household who has not owned its principal place of residence within the last three years.
- A large portion of the “buying public” is uneducated in the economic requirements (credit scores, debt to income ratio and collections) and responsibilities of homeownership.
- Definition of Predatory Lending: engaging in deception or fraud, manipulating the borrower through aggressive sales tactics, or taking unfair advantage of a borrower’s lack of understanding about loan terms. These practices are often combined with loan terms that, alone or in combination, are abusive or make the borrower more vulnerable to abusive practices. (*Allen Fishbein and Harold Bunce, 2001, Subprime Growth and Predatory Lending, pg. 280*)
- “When predatory lenders foreclose on homes, they often sell them too cheaply to investors who turn an owner-occupied into a rental property. Not only do predatory mortgage practices hurt individuals, but they can hurt whole neighborhoods.” (*Source: Editorial - South Bend Tribune, 2003, “Indiana needs an effective predatory loan law”*)
- “Predatory lending generally occurs in the sub-prime mortgage market, where most borrowers use the collateral in their homes for debt consolidation or other consumer credit purposes. Most borrowers in this market have limited access to the mainstream financial sector” (*Allen Fishbein and Harold Bunce, 2001, Subprime Growth and Predatory Lending, pg. 280*)
- Predatory lending has reached an unacceptable level in South Bend and fosters a high rate of foreclosures, property abandonment and substandard properties.
- “Indiana has faced some of the highest foreclosure rates in recent years. Mortgage experts placed the blame for the high rates on predatory lenders who loaned more money on houses than what they were worth, or for which the lender could legitimately qualify” (*Source: South Bend Tribune, 2004, “Help Line to aid those on brink of foreclosure”*)
- In the Northern Indiana bankruptcy district, the number of bankruptcies rose by 17.5% since 2001, the fourth largest increase in the nation. Overall, the rate of bankruptcy increase in Indiana was more than twice the national average in 2002. *Source: Editorial - South Bend Tribune, 2003, “Indiana needs an effective predatory loan law”*)
- Available grants and other programs are aimed towards the low-mod income levels and do not address the needs of the middle income property owners and buyers. “Much of the City’s and community’s resources have been directed to that”. (*Source: City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 24*).
- Increasing consumer debt leaves less money for other living expenses, including medical bills, rent, mortgage payments and home repairs/renovations.
- Consumer debt has more than doubled from about \$780 billion in 1992 to nearly \$2 trillion in 2003. (*Source: Survey of Consumer Finances, US Federal Reserve, 2003*)
- Credit card debt has tripled between 1989 and 2001, from \$238 billion to \$692 billion. The average family holds \$4,126 in credit card debt, compared with \$2,697 in 1989. At the same time, the savings rate steadily declined and the number of people filing for bankruptcy has jumped 125% (*Source: Survey of Consumer Finances, US Federal Reserve, 2003*)
- “We think of the 90’s as a great boom time but the reality is low and middle income middle income families did not see the financial gains. More and more families were forced to live paycheck to paycheck with no savings or nest egg to cover disasters, which could be something as ordinary as a car repair” - (*Source: South Bend Tribune, 2004, “Strapped and Trapped”*)
- “Credit card companies have done a 360. The companies now target the financially at risk - students, low-income families and the elderly” (*Source: South Bend Tribune, 2004, “Strapped and Trapped”*)

Strengths and Opportunities

- The Youth Financial Literacy Program, initiated in 2003 through the Robinson Community Learning Center, teaches the value of managing personal and business finances by improving the financial habits of teens, including avoiding predatory lending. (*Source: South Bend Tribune, 2003, “Students learn value of money”*)

- In 2004, the Indiana General Assembly passed a House Bill (the Homeowner Protection Act) to curb predatory lending practice, by placing new restrictions on high-cost mortgages, adding a homeowner's protection unit in the attorney general's office, and funding for financial literacy. (Source: *South Bend Tribune, 2004, "Tense Session had it's successes"*)
- In 2004, the Momentive Consumer Credit Counseling Service, a not-for-profit agency, began operation of the Mortgage and Foreclosure Helpline in Northern Indiana. The helpline is a toll free number (866-722-WAIT) where a homeowner can get advice about loan documents, refinancing or foreclosures. (Source: *South Bend Tribune, 2004, "Help line to aid those on brink of foreclosure"*)
- The Housing Development Corporation, through the REWARD program, provides credit counseling, homeownership training, and budget training to first time homebuyers.
- The Community Homebuyers Corporation provides financing to first-time homebuyers. Loan rates are competitive and grants are available to eligible clients.
- Additional programming and counseling services for first time homebuyers is available through the Housing Assistance Office of South Bend, the South Bend Housing Authority, and a number of local banking and lending institutions.
- There is an opportunity for willing groups of landlords and lenders to go into schools and talk to students about responsibilities of renting or owning a house.

Benefits of Addressing the Issue

- Increased education of first-time homebuyers will lead to an environment less appealing to absentee investors and speculators.
- The market for predatory lending will continue to decrease, as potential customers will seek more appropriate options.
- Increased education for future homebuyers will not only assist with the home financing process, but provide better credit awareness as a preventative measure.

Stakeholders

The following stakeholders were consulted:

- Community Homebuyers Corporation
- Housing Development Corporation
- LaSalle Area Neighborhood Association
- Michiana Income Property Owners Association
- Michiana's Finest Bank
- Near Westside Neighborhood Organization
- Northeast Neighborhood Revitalization Organization
- South Bend Heritage Foundation
- South Bend - Mishawaka Association of Realtors
- Teacher's Credit Union
- Trustcorp Mortgage

General stakeholder reaction:

Nearly all stakeholders felt this was a significant issue and that efforts were needed to combat predatory lending. Some felt that the status associated with owning a home often has a negative influence on the home buying decision. Selected individual stakeholder comments are listed below:

- There are down payment assistance programs through the City of South Bend's non-profit partners.
- There are good people with job stability and good credit, but no money.
- The biggest obstacle is credit history. They have a good income and good job history. Medical bills are a big problem.

- Obtaining financing to purchase homes has become so easy with predatory lending that almost anyone can purchase a home regardless if they are ready to be homeowners.
- Financing is available. However the predatory lenders seem to send these same people into foreclosure.

Statement 7

Current banking guidelines used to obtain financing for renovation and repair are prohibitive.

Facts and Supporting Information

- Funds for restoration, when available, are likely to come with much higher interest rates and down payments
- Renovation loans, based on future value of older/historical homes, are unavailable or extremely difficult to obtain. (Stakeholder Meeting)
- The consensus from those lending institutions interviewed was that South Bend lacked qualified remodeling contractors who would meet the banking guidelines necessary to receive a construction loan. Some of these same institutions stated they would be hesitant to give construction loans to homeowners who have little or no knowledge of construction. When homeowners often fail to complete the work, the home value at the end of remodeling does not meet the appraised value based upon the loan value. (Source: Stakeholder Meeting, 2004)
- Few, if any, programs are available to educate realtors/bankers on the values of owning older/historical homes and living in older/historical neighborhoods.
- “It is evident that a large portion of the City’s (South Bend) aging housing stock is under stress as owners are having difficulty in maintaining their residences in a manner that would keep property values steady.” (Source: City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 10).
- “In the case of the American cities in the 1990s, urban age, as determined by housing stock, is one of the most powerful determinants of city growth. The average growth rate for cities in which more than 40 percent of the building stock is more than 62 years old was -1.2 percent.” (Source: The Brookings Institution Center on Urban and Metropolitan Policy, 2002, “City Growth and the 2000 Census: Which Places Grew, and Why?”, pg. 11)
- From 1991 to 1999 there was an increase of 5,440 houses needing minor repair and an increase of 280 houses needing major repair. (Source: City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, September 2004, pg. 23).
- Available grants and other programs are aimed towards the low-mod income levels and do not address the needs of the middle income property owners and buyers. “Much of the City’s and community’s resources have been directed to that”. (Source: City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 24).
- Alternatives to conventional loans; i.e.: grants and other programs are extremely limited (especially for use of “like” materials in renovations and repairs of older/historical homes).
- As of Oct 22, 2004, there were approximately 250 people on the waiting list for the City’s CDBG-funded Home Improvement Program for low-income homeowners. (Source: Senior Housing Specialist, Division of Community Development, 2004)
- Increasing consumer debt leaves less money for other living expenses, including medical bills, rent, mortgage payments and home repairs/renovations.
- “Indiana has faced some of the highest foreclosure rates in recent years. Mortgage experts placed the blame for the high rates on predatory lenders who loaned more money on houses than what they were worth, or for which the lender could legitimately qualify” (Source: South Bend Tribune, 2004, “Help Line to aid those on brink of foreclosure”)
- Current “checklists” used by lenders/realtors/appraisers to “set value” of homes are based on qualities of new construction, but used to evaluate all homes.
- “It is evident that many houses are falling prey to speculators and income property investors perpetuating the deterioration of (South Bend’s) housing stock” (Source: City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 10).
- Boarded-up, uncared for properties affect neighborhood vitality, crime prevention, and commercial vitality. (Source: Center for Environmental Studies, Brown University, 2002, “Using GIS to evaluate effectiveness of housing renovation”, Website, <http://envstudies.brown.edu/Thesis/2002/coletta/background/abandonedcrime.htm>)

- Abandoned properties attract squatters, drug use, and vandalism in the neighborhood. (Source: Center for Environmental Studies, Brown University, 2002, "Using GIS to evaluate effectiveness of housing renovation", Website, <http://envstudies.brown.edu/Thesis/2002/coletta/background/abandonedcrime.htm>)

Strengths and Opportunities

- The South Bend Home Improvement Program assists low to moderate Income applicants with repairs to their homes.
- The Building Blocks Grant facilitates projects that beautify or physically improve neighborhoods for public benefit and viewing.
- Housing Development Corporation assists low to moderate income renters by providing decent, safe, sanitary rental housing.
- The Model Block Initiative focuses public resources and activities in a small area through a comprehensive approach that results in an improved residential area, increased private investment, and resident involvement
- Residential Enhancement Program (REP): The REP is intended to encourage private investment by home owners, and foster exterior improvements that enhance the appearance, quality, and value of homes in targeted areas of the City, primarily the Neighborhood Partnership Service Areas.
- Rebuilding Together of St. Joseph County assists in the improvement of housing stock quality through rehabilitation efforts
- Local community development corporations, including South Bend Heritage Foundation, Near Northwest Neighborhood, and the Northeast Neighborhood Revitalization Organization participate in housing rehabilitation and building
- Lead Task Force, a coalition headed by the St. Joseph County Health Department, working toward the elimination of lead-based paint hazards in the City by 2010.

Benefits of Addressing the Issue

- Older and historic neighborhoods will benefit through increased investment.
- Neighborhoods will become a more attractive and viable choice to a more diverse group of home owners and renters.
- Developers and builders will give greater consideration to the economic viability of infill housing.
- Older neighborhoods will be given the opportunity to compete more favorably with fringe areas and suburbs.
- Added attention to property maintenance will lead to an increased neighborhood awareness and civic pride.
- Increased maintenance of housing stock leads to the preservation of neighborhoods, including architecturally significant structures, older homes and buildings that were, and are, an important part of South Bend's unique "fabric" of culture, neighborhoods and downtown.

Stakeholders

The following stakeholders were consulted:

- Community Homebuyers Corporation
- Housing Development Corporation
- LaSalle Area Neighborhood Association
- Michiana Income Property Owners Association
- Michiana's Finest Bank
- Near Westside Neighborhood Organization
- Northeast Neighborhood Revitalization Organization
- South Bend Heritage Foundation
- South Bend - Mishawaka Association of Realtors
- Teacher's Credit Union
- Trustcorp Mortgage

General stakeholder reaction:

Most stakeholders agreed this was a significant issue, particularly for homes in older neighborhoods. Selected individual stakeholder comments are listed below:

- The advancing age of the population contributes to some homeowners being unable to physically and financially care for their property.
- Older homes especially don't fit the conventional idea of what's "needed".
- If lenders felt safer about their investment, banks would be willing to loan money. People have to show the value.
- There are people with job stability and good credit, but no money.
- Some people have difficulty securing funding for maintenance and repair of their property because of credit problems. This is especially true for small investors with good intentions.
- "When the market is 'working', people take care of things. When it isn't they don't." (Historical Preservation Commission)
- Most banks are happy to provide home equity loans; nonetheless, this is problematic because they are only willing to loan what the home is currently worth. Banks and other lending institutions are unable, or unwilling, to see the big picture of what a home "will" or "could" be worth once restored. Therefore, it is very difficult to actually obtain money for a restoration.
- Lenders said it is more difficult to get loans to fix historic houses. Home re-modelers would require large down payments.

Statement 8

Preservation of the historical, architectural, and character of South Bend's neighborhoods is very challenging.

Facts and Supporting Information

- Older neighborhoods: those neighborhoods where a majority of structures were built more than 50 years ago.
- Historic neighborhoods are defined as those neighborhoods that are within a recognized national or local historic district.
- The Historic Preservation Commission of South Bend / St. Joseph County defines an historic district as a geographically definable area with a significant concentration of buildings united by past events, design, material or related historical associations. (Source: *Historic Preservation Commission of South Bend / St. Joseph County Website, 2005*, <http://community.michiana.org/historic/about/about.html>)
- There are 8 Historic Districts within South Bend; a ninth district is currently being established. There are approximately 1,000 homes within those districts. (Source: *HPC Website, 2005*)
- “Strategies need to be developed so that South Bend neighborhoods can become, and also remain, a location of residential choice in St. Joseph County” (Source: *City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 23*).
- Absence of diverse housing in South Bend's central business district and inner city neighborhoods limits the appeal to many prospective residents who might otherwise choose to live within the city's other neighborhoods
- Deteriorating Infrastructure; sidewalks, street lighting, landscaping, etc., diminishes market value of older and historic neighborhoods
- Lack of “daily needs” type retail (grocery, drug stores, etc.) detracts from the appeal of living in South Bend's downtown & historic neighborhoods
- “In the case of the American cities in the 1990s, urban age, as determined by housing stock, is one of the most powerful determinants of city growth. The average growth rate for cities in which more than 40 percent of the building stock is more than 62 years old was -1.2 percent.” (Source: *The Brookings Institution Center on Urban and Metropolitan Policy ,2001, “City Growth and the 2000 Census: Which Places Grew, and Why ?”, pg. 11*)
- (Source: *City Plan Stakeholder Report, 2004*) identified deteriorating housing as a challenge facing the community:
 - South Bend Police Department: “A growing concern for the health of our neighborhoods is the increasing number of housing stock which is problematic and/or deteriorating. The city must have the means to hold property owners responsible for maintaining properties that encourages healthy, vibrant and responsible neighborhoods.” (pg.2)
 - Historic Preservation Commission: “Encouraging property owners to properly maintain an aging building stock is and will continue to be a challenge.” (pg.4)
- South Bend's renter occupied housing rate has increased from 14,393 units (35%) to 15,854 (37%) from 1990 to 2000. (Source: *1990 and 2000 US Census*)
- “It is evident that a large portion of the City's (South Bend) aging housing stock is under stress as owners are having difficulty in maintaining their residences in a manner that would keep property values steady.” (Source: *City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg.10*).
- There are not a sufficient number of local public agencies actively promoting the value of ownership in historic and older neighborhoods.
- The concentration of subsidized and below market housing in older and historic neighborhoods limits the ability to effectively keep these neighborhoods economically and socially balanced, and thus attractive to buyers and investors
- “...it can be safely said that the City (of South Bend) has lacked a cohesive strategy to address the condition of its housing stock. ...the private market has not been successful in maintaining a large segment of the housing stock and having it remain viable and competitive.” (Source: *City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 23*).

- “South Bend’s high average age of housing stock needs special and creative attention. Adaptive reuse, selective demolition and historic preservation ... need to be considered through creative solutions” (Source: *City of South Bend Neighborhood Strategic Planning Team (NSPT) Housing Analysis Final Report, 2004, pg. 26*).
- “In 2030, about half of the buildings in which Americans live, work and shop will have been built after 2000. The nation had about 300 billion square feet of built space in 2000. By 2030 the nation will need about 427 billion square feet of built space to accommodate growth projections. About 82 billion of that will be replacement of existing space and 131 will be new space. Thus, 50 percent of that 427 billion will have to be constructed between now and then. While these projections may seem overwhelming, they also demonstrate that nearly half of what will be the built environment in 2030 doesn’t even exist yet, giving the current generation a vital opportunity to reshape future development.” (Source: *The Brookings Institution Metropolitan Policy Program, “Toward a New Metropolis”, 2004, The Opportunity to Rebuild America, pg. v*)

Strengths and Opportunities

- South Bend’s older & historic neighborhoods provide a mix of large/medium/small homes; helping to keep neighborhoods stable and cohesive, allowing people to upgrade, downsize or move within the area
- The city’s rich mix of older residential housing stock provides a unique opportunity for South Bend to successfully compete for home buyer dollars and needs to be promoted and protected from inappropriate development and alterations.
- Older & historic neighborhoods allow and promote a diversity of income and culture and through tourism, could become a viable source of significant revenue for the city of South Bend.
- It is more cost effective to save and restore existing neighborhoods than to let them disintegrate.
- Education, via informational resources and free workshops on the care and maintenance of older homes offered by Historic Landmarks Foundation of Indiana, and the Historic Preservation Commission.
- Education, beginning in our school system at the middle and high schools levels, which teach repair and maintenance of property, instilling the importance of personal and civic responsibility and economics of homeownership.
- Encourage formation of more Local Historic Districts where appropriate, as statistically this has been proven a valuable tool in preventing and reversing neighborhood deterioration, while improving market value.

Benefits of Addressing the Issue

- Increased maintenance of properties can alleviate blighted areas by decreasing neighborhood instability, and raising market values.
- Neighborhoods will become a more attractive and viable choice to a more diverse group of home owners and renters.
- Developers and builders will give greater consideration to the economic viability of infill housing.
- Older neighborhoods will be given the opportunity to compete more favorably with fringe areas and suburbs.
- Added attention to property maintenance will lead to an increased neighborhood awareness and civic pride.
- Increased maintenance of housing stock leads to the preservation of neighborhoods, including architecturally significant structures, older homes and buildings that were, and are, an important part of South Bend’s unique “fabric” of culture, neighborhoods and downtown.

Stakeholders

The following stakeholders were consulted:

- Community Homebuyers Corporation
- Historic Landmarks Foundation of Indiana
- Historic Preservation Commission of South Bend / St. Joseph County
- Housing Development Corporation
- LaSalle Area Neighborhood Association
- Michiana’s Finest Bank

- Near Westside Neighborhood Organization
- Northeast Neighborhood Revitalization Organization
- South Bend Community School Corporation
- South Bend Heritage Foundation
- Teacher’s Credit Union
- Trustcorp Mortgage
- Westside Neighborhood Organization

General stakeholder reaction:

Most stakeholders were in agreement with this issue. Selected individual stakeholder comments are listed below:

- Encourage formation of more Local Historic Districts where appropriate, as statistically this proven a valuable tool in preventing and reversing neighborhood deterioration, while improving market value
- Lenders said it is more difficult to get loans to fix historic houses. Home re-modelers would require large down payments.
- Self-contractors are more risky.
- We need an appreciation for historic housing.
- Tax assessment affected many people in older neighborhoods. Many people in older homes already “maxed out” with mortgage payments, now cannot afford these payments. Many will be forced into foreclosure. We foresee a lot of foreclosures in the near future.
- Property tax reassessment has eliminated incentives that once helped encourage reinvestment.
- Property tax reassessment has also eliminated “discretionary income” credits that many current owners of older homes used for maintenance and repair.
- Our current historical neighborhoods allows/promotes diversity of income brackets...these neighborhoods can, and do, accommodate low-income up to highest income levels comfortably.
- (There is a need to) dispel the widespread misconception that historic designation is complicated and too stringent.

Statement 9

The South Bend Community School Corporation's negative reputation influences some families to seek housing outside the corporation district

Facts and Supporting Information

- In addition to the South Bend Community School Corporation (SBCSC), there are five school districts within St. Joseph County: John Glenn School Corporation; New Prairie United School Corporation; Penn-Harris-Madison School Corporation (PHM); School City of Mishawaka; and Union-North United School Corporation
- In 2003-2004, the SBCSC has the highest enrollment among the 6 school districts in the county, and 5th in the State of Indiana, with 21,667 students (*Source: Indiana Department of Education, 2004*)
- School District reputation (safety, test scores, graduation rate, suspension / expulsion rate) is often a deciding factor when families are searching for a place to live.
- In 2003-2004, SBCSC ranked highest among the 6 school districts in the county and 7th in the State of Indiana, in the number of suspensions and expulsions per 100 students, with 37.2%, School City of Mishawaka ranked second at 19.8%. (*Source: Indiana Department of Education, 2004*)
- Since 1988, the Indiana Department of Education has required that all third, sixth, eighth, and 10th graders in the state take the Indiana Testing for Educational Progress, better known as ISTEP. (*Source: Indiana Department of Education, 2004*)
- In 2003-04, SBCSC had the lowest ISTEP passing rate among the 6 school districts in the county, and ranked 293 in the state, at 41%. School City of Mishawaka was second lowest at 56%. Among county school districts, PHM had the highest passing rate at 77%. (*Source: Indiana Department of Education, 2004*)
- Since 2000-01, the SBCSC has ranked last among the 6 county school districts in attendance (Indiana Department of Education, 2004).
- In 2003, the SBCSC graduation rate in the state ranked 297th out of 319 corporations, including private and parochial school districts (*Source: Indiana Department of Education, 2004*)
- In 2003, the SBCSC ranked number four in the state for total expenses per student per year out of the 319 total school districts in Indiana (*Source: Indiana Department of Education, 2004*).
- The School Corporation does not effectively market itself.
- "It is undeniable. Our scores must be better," remarks (Dr. Joan) Raymond, (Superintendent of the SBCSC). "It does tell the community that this isn't a good school system. Their scores are so low and this is horrifically unfair. I don't think there's any question that testing is overemphasized. Having said that, however, that is where it is, and we have to live with it. It is the measure of our success." (*Source: WNDU-TV report, 2004, "South Bend Test Scores Deplorable"*)
- Most standardized tests are regarded unfavorably by qualified teachers. The tests measure the temporary retention of low-level skills and soon-to-be-forgotten facts. (*Source: Realtor Magazine Online, 2000, "Sell schools, not test scores", Realtor Magazine Online, 1/1/00*)
- In a 2003 survey conducted by the National Association of Realtors, the following factors were rated as having the highest influence on neighborhood choice: Neighborhood: 62%, Close to Friends/Family: 33%, Close to Job/Schools: 32%, School: 17%, and Shopping Centers: 14%.
- A three-year Urban Land Institute advisory services study of six low-income inner-city neighborhoods revealed that "it is not the inadequate garages and backyards or the lack of cul-de-sacs that contribute most strongly to suburban flight. It is crime and the decline of public schools; it is the poor quality of infill development, the lack of code enforcement, and the blight that erode neighborhood vitality." (*Source: Municipal Research and Services Center of Washington, 1997, Infill Development Strategies for Shaping Livable Neighborhoods, <http://www.mrsc.org/Publications/textfill.aspx>*)
- Existing vocational programs are not fully marketed
- At a meeting organized by the Holiday Corporation, where many St. Joseph County home builders were in attendance, the growth of the Northwest area of the county was discussed. When Holiday Corporation hired consultant asked what would be an obstacle in the growth of the housing market in that area, where Holiday is planning a 800 acre development (Waggoner Farm), the majority of those

in attendance stated that the South Bend School Corporation will have a negative impact on the growth of housing in that area. (Mike Urbanski, Garden Homes, Holiday Corp meeting, 2005)

Strengths and Opportunities

- School Corporation and employers in the city need to cooperate in preparing the students to be gainfully employed and viable contributors to the community.
- “Every school has its own strengths that might not be noted on test scores. Perhaps the strength is in the area of fine arts, community service or foreign languages. Maybe the athletic program is higher on your list of priorities than the music program. The point is to make the decision based on the whole of the school’s offering, not just on test scores.” (New homes Online, Homebuying through the Years, Website: <http://www.newhomemag.com/news/buyers/shore.html>)
- South Bend School Corporation needs to market itself to the Chamber of Commerce, realtors, employers etc.
- Studebaker Primary School will be changed into a vocational school
- Low student to teacher ratio is comparable to surrounding school districts
- Since 2000-01, the SBCSC has experienced an overall increase in their gradation rate, while other school districts in the county have experienced a decrease over the same period of time. (See table below)

Graduation Rate by St. Joseph County School District 2001-2004

	2000-01	2001-02	2002-03	2003-04*
South Bend Community School Corp	66.8%	83.4%	71.2%	80.3%
School City of Mishawaka	84.2%	91.6%	93.4%	78.3%
Penn-Harris-Madison School Corp	73.2%	95.5%	87.4%	84.0%
John Glenn School Corp	94.9%	98.7%	93.7%	93.8%
New Prairie United School Corp	88.4%	91.0%	94.4%	N/A
Union-North United School Corp	89.3%	92.5%	81.1%	83.6%
State of Indiana	90.1%	91.1%	91.1%	89.8%
(Source: Indiana Department of Education)				*based upon preliminary data

Benefits of Addressing the Issue

- More effective marketing of the SBCSC successes will assist with drawing additional families into the corporation school district
- Those groups (realtors, employees, St. Joseph County Chamber of Commerce), who have the greatest impact on the home buying decision, particularly for newcomers to the area, will be more informed.
- More medium and higher income individuals and families increases the amount of disposable (spending) income
- Increased property investment leads to higher property values

Stakeholders

The following stakeholders were consulted:

- Homebuilders Association of St. Joseph Valley
- Housing Assistance Office of South Bend
- Portage Township Assessors Office
- South Bend Community School Corporation
- South Bend Heritage Foundation
- South Bend - Mishawaka Association of Realtors
- Saint Joseph County Assessors Office
- University of Notre Dame

General stakeholder reaction:

All interviewed stakeholders were either in agreement that the image of the SBCSC had a significant influence on the local home buying decision or felt the issue was attributed to the school corporation's failure to market themselves aggressively enough.

- The school system plays a large factor in where people choose to live and our system needs major repair. We are losing many families that choose to relocate to the Penn-Harris-Madison (PHM) District.
- The root of the problem (living in urban areas) is the school district.
- Taxes and schools are big issues.
- The SBCSC has a bad image, but it's not as bad as people think.
- Student successes do not draw attention.
- The SBCSC cannot control what the media focuses on.
- The care of parents has not changed, it's the availability.
- The GQE (Graduate Qualifying Exam to graduate) affects curriculum. It creates a two-tiered system.
- Families are looking at schools when deciding where to live.
- According to a realtor, people feel schools are in turmoil. People don't like South Bend because of the school corporation.
- School test scores are available at the click of a mouse. Relocating buyers go to PHM and want no part of the SBCSC.
- The public schools have been a terrible problem for too long.

Statement 10

The perception of South Bend as an unsafe community adversely effects the desirability and marketability of the city's housing stock.

Facts and Supporting Information

- There are a few neighborhoods with a high crime rate that negatively influence the entire city.
- Some people are not educated sufficiently on the facts and react irresponsibly when relating to the level of criminal activity
- The overall crime rate in the City of South Bend has declined by more than 26% since 1995, with violent crimes down more than 21% and property crimes down nearly 27% over that same period of time. See table below for details. Source: (1996 - 2002: U.S. Dept of Justice, Bureau of Justice Statistics and 2003 - 2004:South Bend Police Department, memo from Chief Thomas Fautz to Board of Public Safety, 1/7/2005)

South Bend Police Department, Part I Crimes Rates: 1995 thru 2004										
Year	Index offense Rate (total)	Violent Crime Rate					Property Crime Rate			
		Violent Crime Total	Murder	Rape	Robbery	Aggravated assault	Property Crime Total	Burglary	Larceny	Motor vehicle theft
1995	9,444.1	924.3	24.5	81.1	366.9	451.8	8,519.8	2,269.3	5,583.6	666.8
1996	10,140.7	957.7	20.6	87.1	479.8	370.1	9,183.1	2,698.7	5,795.6	688.7
1997	9,326.3	822.3	15.9	66.3	348.1	392.0	8,504.0	2,142.1	5,697.3	664.6
1998	8,901.3	761.2	13.6	70.9	348.6	328.2	8,140.1	2,005.9	5,400.2	734.0
1999	8,806.4	782.8	17.0	75.9	356.5	333.5	8,023.6	2,254.5	5,052.2	716.9
2000	7,882.1	739.4	11.1	63.1	360.0	305.2	7,142.7	1,790.5	4,684.2	668.0
2001	8,548.4	832.2	19.7	73.1	456.4	283.0	7,716.2	1,810.5	5,250.7	655.0
2002	7,720.3	771.7	18.8	87.5	333.2	332.2	6,948.5	1,718.5	4,689.7	540.2
2003	7,214.3	727.7	15.2	73.9	307.0	331.6	6,486.6	1,625.9	4,354.7	506.0
2004	6,946.2	722.0	9.5	67.3	325.9	319.3	6,224.2	1,473.4	4,240.1	510.7
% change, 1995 - 2004	-26.45	-21.89	-61.33	17.05	-11.16	-29.32	-26.94	-35.07	-24.06	-23.41

Source: 1996 - 2002: U.S. Dept of Justice, Bureau of Justice Statistics
Source: 2003 - 2004:South Bend Police Department, memo from Chief Thomas Fautz to Board of Public Safety, 1/7/2005
* Crime rate per 100,000 population. Population source: U.S. Census. Estimates used for 2001-2004.

- Area Connect, which lists the South Bend Crime Statistics and Crime Index, shows that the overall South Bend Crime Index is twice the National Average. (Source: Area Crime at southbend.areacconnect.com/crime1.htm)
- The 2001 FBI Uniform Crime Report (released 11/02) indicates that South Bend has 2.1 times the Property Crimes (burglary, larceny & auto theft) than does the National Average city per 100,000 population. (Source: 2001 FBI Uniform Crime Report)
- South Bend crime rates are high when compared against national statistics, but when compared in our region with other cities, we compare more favorably.
- Mishawaka is at 2.35 times the National Average in Property Crimes, whereas South Bend is at 2.1 (Source: 2001 FBI Uniform Crime Report)

- “Some communities have achieved impressive results through neighborhood and architectural design techniques which reduce the opportunity for crime rather than rely on expensive mechanical (e.g., locks and alarms) or personnel-intensive (guards) approaches.” (Source: *Municipal Resource Center of Washington, 1997, Infill Development Strategies for Shaping Livable Neighborhoods*, <http://www.mrsc.org/Publications/textfill.aspx>)
- A three-year Urban Land Institute advisory services study of six low-income inner-city neighborhoods revealed that “it is not the inadequate garages and backyards or the lack of cul-de-sacs that contribute most strongly to suburban flight. It is crime and the decline of public schools; it is the poor quality of infill development, the lack of code enforcement, and the blight that erode neighborhood vitality.” (Source: *Municipal Research and Services Center of Washington, 1997, Infill Development Strategies for Shaping Livable Neighborhoods*)
- The results of an unscientific survey conducted by Downtown South Bend (DTSB) of 638 individuals between July and November 2004 revealed, “those who work and live downtown perceived the downtown as being safer, both day and night, than did visitors.....(Laura) Guy (DTSB Director) said more people from surrounding areas, such as Mishawaka and Granger, are visiting downtown, but the district’s perception of being a high-crime area lingers with those who have yet to experience downtown attractions. (Source: *South Bend Tribune, 2005, “More Mild than Wild”*)
- Of the 638 people surveyed, 587 responded and of these: 56% were visitors, 37% were employees, 17% were residents, 18% were business owners, 13% were students, and 6% were building owners. (Source: *Downtown South Bend Survey Analysis, 2005*)

DTSB Downtown Survey (Selected Responses by Group in Percent)

	Positive	Negative	Neutral	No Response
<i>How safe do you feel walking in Downtown South Bend during the daytime?</i>	79	6	15	1
Employees	82	6	12	1
Residents	81	6	12	0
Visitors	75	8	17	1
Business Owners	86	3	11	0
Building Owners	85	12	3	0
Students	72	7	21	0
<i>How safe do you feel walking in Downtown South Bend during the nighttime?</i>	33	38	28	1
Employees	31	38	31	1
Residents	53	25	21	1
Visitors	28	43	28	1
Business Owners	37	31	31	1
Building Owners	41	25	34	0
Students	30	44	26	0

Source: *Downtown South Bend Survey Analysis, 2005*

Strengths and Opportunities

- The South Bend Police Department has actively pursued, and been awarded, federal grants to acquire the latest technologies to create crime tracking and analysis systems and to establish a crime lab which is recognized as one of the best in the region.
- The South Bend Police Department runs several highly regarded programs (such as Volunteers in Policing, Project Marc, Citizen’s Police Academy, Shop-A-Cop, among others).
- Volunteers in Police Service and Civilian Police Academies (100+ Volunteers).
- South Bend Weed and Seed Alliance
- Crime Prevention Neighborhood Watch Program supports neighbors organizing together to detect and deter crime.

- South Bend Police Department Regional Crime Statistics Meetings offer crime statistics and trends for discussion on a monthly basis in each of the city's four quadrants.
- The Neighborhood Development Guide (NDG) identifies 29 neighborhood associations within the City of South Bend. (*Source: Neighborhood Resources Corporation Neighborhood Development Guide, 2004*)
- Neighborhood Resources Corporation (NRC) exists as an organization that builds and strengthens neighborhood organizations
- The City has a number of active business associations
- Downtown South Bend Ambassadors Program - bicycle riding and pedestrian staff hired by DTSB to provide presence in downtown.

Benefits of Addressing the Issue

- South Bend will be a more viable option for housing choice in the area.
- Potential new residents will be more educated in the reality of crime.
- Older neighborhoods will be given the opportunity to compete more favorably with fringe areas and suburbs.
- More medium and higher income individuals and families increases the amount of disposable (spending) income
- Increased property investment leads to higher property values

Stakeholders

The following stakeholders were consulted:

- Homebuilders Association of St. Joseph Valley
- Housing Assistance Office of South Bend
- Housing Development Corporation
- Portage Township Assessors Office
- South Bend Heritage Foundation
- South Bend - Mishawaka Association of Realtors
- Saint Joseph County Assessors Office
- University of Notre Dame

General stakeholder reaction:

Most stakeholders agreed that the perception was inaccurate, but acknowledged that it had a strong influence over the local home buying decision.

- We need to change image. People are afraid to live here.
- There is a perception that crime is rampant in South Bend, but it is not.
- There are more muggings at University Park Mall than in downtown South Bend.
- Mishawaka refuses to release crime statistics.
- According to a realtor, crime is a big factor to people buying houses.