

Union at Crescent, an Affordable Housing Community from The Annex Group,[®] Helps Combat Bloomington's Housing Crisis

Housing Crisis in Bloomington, Indiana

The number of renters in the United States continues to surpass historic highs, which is causing a surge in demand that has resulted in significant pressure placed on the affordable housing supply nationwide.

Within the city of Bloomington, Indiana, there was a deficit in affordable, multifamily housing available for rent. In fact, affordable housing has been an ongoing issue in Bloomington, as the housing demand repeatedly outpaces its housing supply in the market. With its student population continuously growing year over year due to the prominence of Indiana University, its average rents and single-family home prices are measured as the highest in Indiana.

City Looks for Affordable Housing Partners

As a result of the dire need for more affordable housing solutions, Bloomington Mayor John Hamilton prioritized the creation of affordable housing in 2016 and committed to making it a pillar of his administration's efforts.

"Our administration has been working diligently to provide solutions to our city's affordable housing market and foster the development of housing at many levels of income and ability," said Mayor Hamilton.

To combat the local affordable housing crisis, Mayor Hamilton connected with The Annex Group[®] to discuss potential solutions given the Indianapolis-based company's vast housing portfolio valued at more than \$500 million.

"Affordability is a broad term that encompasses a range of housing options from subsidized housing for special populations to workforce housing," said Kyle Bach, CEO of The Annex Group[®]. "With projections showing the number of households and overall population of Bloomington will increase as average incomes decrease, we recognized a dire need to expand affordable housing options within the city."

A market study completed by Lea & Co. on July 18, 2017 for the Bloomington area revealed that at the time, the city only contained 14 units of affordable housing for every 100 residents that fall between 50% and 70% of the Area Median Income (AMI).

With this in mind, The Annex Group® and the city of Bloomington designed a project that was not only appealing to the community, but provided high-quality living and was economically viable to many levels of income and ability.

Enter: Union at Crescent

The rents were developed to be substantially below comparable market rents, providing a tenant rent advantage for low- to moderate-income households. In addition to providing quality housing, the 8-acre project is also in close proximity to large-scale retail sites and Indiana University, which is convenient from a convenience standpoint for residents wishing to be close to work and entertainment.

“The strength of our partnerships and trust between all of the team members played a pivotal role in guiding this project from finance to completion,” said Bach. “The city of Bloomington’s unanimous support and unwavering commitment truly helped propel this development forward.”

Given the legislation passed in 2017 for the Affordable Housing Credit Improvement Act, this project serves as one of the first in Indiana to utilize the new income averaging tool via Tax Reform for affordable housing. As a result, the project was financed through the Low-Income Housing Tax Credit (LIHTC) program under the 4% credit and multifamily housing tax-exempt bonds.

“Bloomington is a special place to us, but it has been notoriously difficult to find an affordable place to live there,” said Jana Hageman, CEO of T&H Investment Properties, a project partner. “We were honored to work with City Council and the Mayor’s office to create a place people are proud to call home, Union at Crescent. Knowing that this property has provided a community to people who felt they had no place to go is rewarding, and we’re thrilled with its success.”

Within weeks of opening, Union at Crescent was at 82 percent capacity and on-track to be fully-leased in early 2021.

Resident Response

“Union at Crescent feels like home because the apartments are more spacious than past apartments I’ve lived in. This is also a secure building (you have to use a key fob to swipe the door sensor to come in, so it keeps unwanted people out). I also like that you care about keeping up the property.”

“It was impossible to find affordable housing before finding Union at Crescent. This community feels very much like home to us. We get to have our whole family together under one roof, and the staff is also very welcoming – almost like a second family.”