

Union at Wiley, an Affordable Housing Community from The Annex Group®, Addresses Housing Shortage in Iowa

The Housing Shortage in Cedar Rapids, Iowa

A lack of affordable housing has been an issue in the Cedar Rapids, Iowa area for many years, for multiple reasons. Before the pandemic, unemployment rates in the area were below the national average (2.8 percent in February 2020 compared to the United States' average of 3.6 percent), according to Iowa Workforce Development. As people were hired, the population of people who could afford and needed rental housing increased, but housing availability didn't follow suit.

Then, with the onset of COVID-19, thousands of people lost their jobs, leaving an even larger segment of the population needing a truly affordable place to live, as many people were forced to scale back.

On top of the pandemic, the area experienced a devastating derecho in August 2020 damaging businesses and homes, and cutting power to almost everyone living in the area. Many people were displaced, further intensifying the need for housing in the area.

"Affordable housing needs have continued to climb in the Cedar Rapids area due to the impact of COVID-19 and the derecho," said Kyle Bach, CEO of The Annex Group®. "But even before these issues, many housing communities were fully leased or nearly-fully leased already. This indicates the problem has intensified in recent years but has been in existence for much longer."

Iowa Governor Kim Reynolds found housing to be a key area where improvement was needed, according to the [Governor's Economic Recovery Advisory Board report](#) that was released in early 2021. According to the report, housing is the largest opportunity for rapid economic recovery and growth for families and communities, and affordable housing will be critical, with 38.6 percent of renters having to spend greater than the recommended 30 percent of their income on housing.

The occupancy rates of existing low-income housing tax credit (LIHTC) housing have been historically high. A study done in 2020 estimated those existing communities were consistently between 95 and 98 percent leased. Additionally, the population in the Cedar Rapids area is on the rise. Projections show a 15.6 percent increase from 2011 to 2025, meaning significantly more people will be entering the housing market in the future.

After ample research into the existing affordable housing market and various growth trends, [The Annex Group](#)®—a leading workforce, affordable and student housing developer—developed plans for an affordable housing community to offset the city’s housing need.

Project Collaborators Work Together

In order to create a community that was convenient, high-quality, comfortable and affordable, The Annex Group tapped multiple organizations to assist. Partners on the project include [Sebree Architects](#) for architecture, [Crockett Engineering](#) and Ament Design for engineering, [CREA](#) as the syndicator, [Cedar Rapids Bank and Trust](#) as the debt partner, [Summit LIHTC Consulting](#) as the LIHTC consultant, and [Hayes Gibson Property Services](#) for property management. The Annex Group is the construction arm and general contractor for this project.

Enter: Union at Wiley

Funding for the affordable housing community Union at Wiley has closed, and construction is now underway. Union at Wiley will be located on nearly eight acres at 4227 21st Ave. SW. in Linn County and feature 180 units including one, two and three-bedroom options. The community is made available to residents who earn up to 60 percent of the area median income (AMI).

Amenities will include a clubhouse with entertainment space, a gaming area, playground, fitness center, dog park, and ample off-street and carport parking options.

Three of the area’s top 20 employers (General Mills, Hy-Vee, and Grant Wood Area Education Agency) are within one mile of the community, with multiple other employers within a few miles drive, making the location ideal for local workers. Transportation is also readily-available through the City of Cedar Rapids Transit, with a bus stop within steps of the community that provides travel throughout the Cedar Rapids metro area.

The \$31.85 million property is expected to open in May 2022.

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