



CITY OF
BLOOMINGTON

HOUSING AND NEIGHBORHOOD DEVELOPMENT

Housing Report

HAND Department

November 3, 2021

Common Council Meeting

Affordable Housing: Background

- ❖ Since 2016, the City of Bloomington has engaged community and development partners to tackle the issue of affordable housing:
 - Total units created: 4,607 units; 9,387 bedrooms
 - Affordable units created: 1,132 units; 1,672 bedrooms
- ❖ There has been a strong focus on long-term affordability for both multi- and single-family units - for both rental and home ownership affordable housing.
- ❖ Work is being done with a great sense of urgency to address this ongoing challenge in our community.

Guiding Questions for Affordable Housing

1. How are we assisting those who are most at risk of housing insecurity, such as the unhoused in our community?

This question and associated goals will largely be informed by the 2021 Housing Insecurity Working Group's Heading Home Initiative Plan. The City is also providing \$1.2 M in 2021 ARPA funds to this initiative, in addition to \$1.5 M just approved in 2022 budget.

2. What are we doing to keep residents (renters or owners) in their homes if they want to remain in them?
3. How are we increasing the production of rental and owner-occupied affordable homes in Bloomington for future residents?

Affordable Housing: Rental Challenges

- ❖ **Affordability:** 60% of rental households in Monroe County are cost-burdened (which means they spend more than 30% of monthly income on housing). *Bloomington is the most rental cost-burdened metro area in the state.*
- ❖ **Insecurity:** The eviction rate in Monroe County is 3.04 per 100 households, which is lower than some surrounding counties, but still fairly average in the region.
- ❖ **Policy:** Impacts of Senate Enrolled Act (SEA) 148

Source: Prosperity Indiana



Stabilizing Renters is Key to Equitable Recovery



	Indiana	Monroe County
Households behind on rent	85,000	2,757
Children in behind HHs	102,000	1,600
Total Rent Debt	\$154.7M	\$5.5M
Rent Debt per HH	\$1,800	\$2,100
% ERA Distributed	13%	N/A
Eviction Filings* since 3/15/20	63,981	1,062

Source: nationalequityallies.org, based on 8/18-9/13 Census Household Pulse
Note: all data are estimates

*Source: EvictionLab data through 10/9/21

Rental Housing: Solutions

City and community efforts to increase awareness of rental assistance:

- ❖ Public outreach (events and convening of stakeholder group)
- ❖ Availability of computer labs
- ❖ Mailer to property owners and agents
- ❖ MCAA/BBOR upcoming event

Monroe County Rental Assistance as of 11/1/21 (via IERA):

- ❖ Households assisted: 537
- ❖ Rental assistance: \$2,400,936
- ❖ Utility assistance: \$123,294
- ❖ Total paid and obligated: \$5,921,877
 - *includes eligible 12-month period rent amount*



Rental Housing: Solutions and Equity

HAND Rental Inspections - 2021 YTD

- ❖ 3-year permits: 1,167 properties; 6,448 units
- ❖ 4-year permits: 591 properties; 1,844 units
- ❖ 5-year permits: 682 properties; 2,023 units
- ❖ **Results snapshot:** 2,300+ life safety violations cited

Fair Housing practices (City Legal/Human Rights Commission)

Bloomington Housing Authority RAD Project:

- ❖ \$70 M renovation of entire 312-unit portfolio by BHA
 - \$62,000 - \$112,000 per unit investment range
 - HAND/CDBG is assisting with sidewalks, ramps and solar panels



CITY OF
BLOOMINGTON
HOUSING AND NEIGHBORHOOD DEVELOPMENT

Housing Development Fund (HDF) Update

- ❖ The HDF is a tool providing solutions for **both affordable rental and ownership** housing - promoting long-term affordability for those at 80% or less of Area Median Income (AMI).
- ❖ Created in 2017 by ordinance 17-03.
- ❖ Revenue sources:
 - Developer contributions
 - Community Foundation/Housing Trust Fund
 - Interest Income
 - Loan repayments
 - Recover Forward Funds



HDF Projects 2017-2021

Funding Year	Agency	Request	Grant/Loan	#Affordable Units/Subsidy Per Unit
2021	Shared Appreciation Program	\$27,402	0%/100%	Individual Homeownership
2021	Shared Appreciation Program	\$36,052	0%/100%	Individual Homeownership
2020	Cooperative Housing 921 West 9 th Street Bloomington Cooperative Living	\$120,000	0% Grant 100% Loan	18 SRO units \$6,667 per Unit

Funding Year	Agency	Request	Grant/Loan	#Affordable Units/Subsidy Per Unit
2020	Rev. Butler & Walnut Woods (BHA) 1308 West 11 th Street 894 East Miller Drive	\$215,000	0% Grant 100% Loan	116: 1,2,3 Bdrm Units \$1,853 per Unit
2018	West 10th Street Lot (City of Blgtn.) 1100 West 10 th Street	\$6,000	0% Grant 100% Loan	Single Family Home \$6,000 for Lot
2018	Switchyard Apartments 1901 S. Rogers Street South Central Indiana Housing Opps.	\$35,421	100% Grant 0% Loan	8: 1,2 Bdrm Units \$4,428 per Unit
2018	Cooperative Housing 404 West Kirkwood Avenue Bloomington Cooperative Living	\$159,000	0% Grant 100% Loan	20 SRO units \$7,950 per Unit
2017	Union At Crescent 1200 North Crescent Rd Mecca Properties	\$500,000	50% Grant 50% Loan	102: 1,2,3 Bdrm Units \$4,902 per Unit

Housing Development Fund: Summary

❖ Total spent from HDF (2017–2021):	\$883,875
❖ Total affordable units created:	266
❖ Fund balance (housing initiatives):	\$1,005,971
➤ Shared Appreciation Program Balance:	\$386,545
❖ Outstanding Commitments (BHA, HFH):	\$415,000
❖ Current expected revenue (developer):	\$1,688,000
❖ Balance to allocate:	\$226,426

Bloomington Hospital Site Redevelopment

- ❖ 24-acre site will become property of the City of Bloomington no later than the end of 2023.
- ❖ Opportunities in coming years for both rental and owner-occupied housing:
 - Redevelopment of historic Kohr Administration Building could provide 40 units of affordable housing.
 - Overall goals call for 20% affordability of housing across the site; The Administration will examine project economics in order to prioritize sustainability and facilitate a diversity of housing stock and commercial space.
 - Site master plan and financial analysis have housing numbers projected at around 800 units.

Affordable Housing: Ownership Challenges

- ❖ **Affordability:** Housing prices in Monroe County are up 12% from one year ago, with an average mortgage payment of around \$875 - reminder, that's just the mortgage. The median sales price of a home in our county is around \$250,000.
 - **Doesn't count: insurance, utilities, property taxes, maintenance, possible HOA fees.**
- ❖ **Availability:** Can our residents - or future residents - find a house at the median sales price (or below) - and are those homes available in the City of Bloomington?
 - \$250,000 and under (~in City): 68
 - \$200,000 and under: 36
 - \$150,000 and under: 9

Sources: National Association of Realtors and BBOR, 10/26/21



CITY OF
BLOOMINGTON

HOUSING AND NEIGHBORHOOD DEVELOPMENT

Home ownership: Solutions

Federal Funds: HOME and CDBG

- ❖ Funding sources designed build community development infrastructure and social services, but can also fund new home construction (HOME) - rental and owner-occupied.
- ❖ Helps construct Habitat for Humanity homes and infrastructure, provides owner-occupied rehabs and assists in down payment/closing cost purchases.

City funds: Recover Forward & Housing Development Fund

- ❖ Down payment/closing cost and Shared Appreciation Home Ownership programs have started helping individuals meeting income guidelines purchase homes in Bloomington. Four individuals have been helped so far in 2021 - with more on the way.

Summit Hill Community Development Corporation - prospective community land trust partner

- ❖ \$250,000 in 2021 ARPA funds is dedicated for seed money; \$250,000 more in 2022.
- ❖ Consultant engaged to help with organizational development.

UDO

- ❖ Recent changes allow for more diverse and dense housing stock in the City. Includes incentives for affordable housing.



Affordable Housing Numbers

Total affordable units since 2016:

- ❖ 1,132 units (average of 189 per year)
 - Includes Retreat @ Switchyard and Habitat homes)
- ❖ 1,672 beds

2020 Bloomington Housing Study Goals for 2030:

- ❖ 2,592 more units by 2030 (average of 236 per year)
 - 1,555 owner-occupied (970 “affordable”)
 - 1,037 rental (808 “affordable”)
- ❖ NOTE: goals can be fluid depending on market and population; these goals include housing at various price points, are not all “affordable”, and are not necessarily new production goals.

Our strategy

Information to help inform us

- ❖ 2018 City Comprehensive Plan (Chapter Five: Housing & Neighborhoods)
- ❖ 2020 Bloomington Housing Study
- ❖ Affordability data (federal guidelines & “Working Hard, Falling Behind” report)
- ❖ Economics, supply chain and property availability
- ❖ **Proactive communication** with community and potential development partners to identify areas for affordable housing development

Tools

- ❖ Hamilton Administration Affordable Housing Team, Council, Boards & Commissions
- ❖ Financial programs (federal, state and local) - and new federal dollars
- ❖ UDO incentives and sites for development
- ❖ Community land trust development & hospital site redevelopment

Questions?

Rental assistance link:

www.indianahousingnow.org



**CITY OF
BLOOMINGTON**
HOUSING AND NEIGHBORHOOD DEVELOPMENT