

DEVELOPMENTS

Posted on: July 01, 2018

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RURAL FINALIST

Affordable Housing, Grocery Store Fill Need in Indiana Town

The Mercantile adds 26 affordable units in downtown Alexandria.

By [Christine Serlin](#)

Dubbed Smalltown USA by the federal government during World War II for being a typical model town, Alexandria, Ind., has received a boost with the opening of The Mercantile—26 affordable housing units and a new full-service grocery store.

THE MERCANTILE

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Alexandria, Ind.

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affordable housing serves families and individuals earning between 30% and 50% of the area median income.

It also removed a structural wall in the interior space of the grocery store and replaced all the utilities to provide a modern and energy-efficient space for new owners, Verlin and Tenley Horner. This marks their third store in the area.

In addition to the new housing and grocery store, Heintzelman says the development, which was completed in December, is spurring other activity in the neighborhood, such as a new furniture store across the street.

He also adds that strong equity pricing made a big impact on the \$6.9 million development. Indiana Housing and Community Development Authority allocated the low-income housing tax credits and provided supplemental loan funds for the grocery store. Cinnaire was the tax credit equity provider, and the Federal Home Loan Bank of Indianapolis provided Affordable Housing Program funds through member Old National Bank, which also contributed a loan. The city of Alexandria also provided a 10-year 75% property tax abatement to support the project.

PROJECT DETAILS

Developer: Milestone Ventures

Architect: Kovert Hawkins Architects

Major Funders: Indiana Housing and Community Development Authority; Cinnaire; Federal Home Loan Bank of Indianapolis; Old National Bank; city of Alexandria

“This is a three-story building right in the heart of downtown Alexandria, which has suffered a lot of disinvestment over the years,” says Charles Heintzelman, principal at Milestone Ventures.

The building had once housed a family-owned grocery store, which shuttered after 78 years in 2014, leaving the rural town’s residents with few shopping choices.

“Downtown was faced with a big empty hole,” says Heintzelman.

Indianapolis-based Milestone Ventures rose to the challenge to bring back life to the city block. It converted the second and third floors of the building into 20 one- and two-story bedroom units and added three two-story duplexes on the northwest corner of the block, where once stood a single-family home. The