

### III. Housing Need

In determining housing need, it is first important to establish how this analysis is different than the determination of housing demand, as the two terms are often used interchangeable, despite their very different meanings. Housing demand is the total number of households in a defined market area that would potentially move into the proposed new or renovated housing units. These households must be of the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth, turnover, those living in substandard conditions, rent over-burdened households and demolished housing units. Housing need simply refers to units required in the market area to accommodate household growth, homeless people and households that are substandard. It is possible that a community may have an unmet *demand* for moderate or high end housing and people may very well *want* to live in such housing, but there no *need* since those people are already have reasonably housing. Vogt Santer Insights represents need through the use of the following formula:

**Housing need = homeless + substandard housing stock + the cost over burdened households - lowest income students)**

Since this analysis represents a moment in time, housing growth need not be factored in to the equation, yet all of the other variables mentioned must be analyzed. The methods by which those variables were calculated are outlined below.

#### **Homeless Population**

The homeless represent a population that has a definitive housing need. They are not generally factored into standard demand calculations, because they exist outside of the traditional housing spectrum. They also often require some level of social intervention before they enter stable housing, making their potential assimilation more difficult to predict or to plan the development of new housing around.

In order to determine where the homeless are physically located, the baseline homeless population will be established by using 95% of the 594 sheltered and unsheltered individuals counted during the 2009 summertime survey of the homeless and dividing this population into a pro rata share equal to the size of population in the Cities of Urbana and Champaign. Only 95% of the population will be used because the homeless are transient and a small population may be in other municipalities. This remaining 5% will be added to the housing needs for Champaign County, excluding the City of Champaign, City of Urbana and Village of Rantoul. The focus is on the Cities of Champaign and Urbana because

of the homeless' tendencies to congregation in the built environment, in proximity to resources. The computation distributes the homeless in the following fashion.

### **Homeless Distribution**

MUNICIPALITY	HOMELESS
CITY OF CHAMPAIGN	364
CITY OF URBANA	201
CHAMPAIGN COUNTY (BALANCE)	29
<i>TOTAL</i>	<i>594</i>

Source: City of Champaign, Vogt Santer Insights, Ltd.

Again, the homeless are recognized as being transient, as well as occasionally being seasonally mobile. However for the purposes of this analysis and in an attempt to be equitable to the various municipalities, it is necessary to logically delineate the homeless by community. With 364 homeless, the City of Champaign is home to well over half of this population. Urbana has approximately one-third of the homeless population with 201 individuals and the balance of Champaign County has 29 homeless people.

### **Substandard Housing**

Determining the amount of housing that is substandard first necessitates defining the term, as different communities often have different definitions of what is substandard. Some municipalities have linked the state of a property's insulation directly to whether or not it is substandard. Insulation standards and practices were not as thorough in the past as they are today, so many properties were under insulated. Insulation also begins to fail within eight years of its manufacture date and continues to degrade over time. This means that properties 30 or 40 years old that have not been adequately renovated are now virtually unprotected from the extreme temperatures experienced during the Illinois winter and summer. A lack of insulation leads directly to significantly higher utility bills, which in turn can quickly create a housing cost burden for lowest income households. This methodology is logical, but VSI has chosen instead to examine the 2000 decennial Census, which accounts for substandard housing and defines it as housing that lacks plumbing, a kitchen, is vacant and dilapidated as well as mobile homes. This Census information was projected to 2010 and identified the following substandard units.

## Champaign County Substandard Housing

MUNICIPALITY	SUBSTANDARD HOUSING UNIT PROJECTIONS	% OF UNITS SUBSTANDARD WITHIN MUNICIPALITY
CITY OF CHAMPAIGN	1,912	6.60%
CITY OF URBANA	1,449	9.46%
VILLAGE OF RANTOUL	1,196	23.19%
CHAMPAIGN COUNTY (BALANCE)	4,546	16.35%
<i>TOTAL</i>	<i>9,104</i>	<i>11.78%</i>

Source: U.S. Census, ESRI, Vogt Santer Insights, Ltd.

Through these Census projections, it can be stated that approximately one in every nine housing units in Champaign County is considered substandard. Most of these units can be found dispersed throughout Champaign County and can be attributed to vacant structures, mobile homes and units that lack kitchens. The Village of Rantoul also has a proportionately high amount of substandard housing and can point to the same issues found in the balance of Champaign County for the reasons.

### **Cost Overburden**

HUD defines being overburdened by housing costs as exceeding more than 30% of a household's gross income on rent and basic utilities. Vogt Santer Insights' research, coupled with national data and analysis indicates that approximately two-thirds of all cost overburdened households are low-income renters making less than \$20,000 per year. The remaining one-third of cost overburdened households are either renters of middle or higher incomes or homeowners. These households can be considered overburdened voluntarily either because they are intentionally living beyond their means or they can afford to spend more than 30% of their income on housing without compromising other economic priorities and expenditures.

This analysis identified the projected number of households earning less than \$20,000 per year in the City of Champaign, City of Urbana, Village of Rantoul and the balance of Champaign County and applied the 66% cost overburdened ratio to them. The following chart represents the results of that computation.

## Champaign County Cost Overburdened Households

MUNICIPALITY	NUMBER OF COST OVERBURDENED HOUSEHOLDS
CITY OF CHAMPAIGN	4,730
CITY OF URBANA	2,939
VILLAGE OF RANTOUL	416
CHAMPAIGN COUNTY (BALANCE)	1,113
<i>TOTAL</i>	<i>9,198</i>

Source: U.S. Census, ESRI, Vogt Santer Insights, Ltd.

Champaign County has a total of 9,198 cost overburdened households. The highest number of cost overburdened households, 4,730, exists in the community with the largest population, the City of Champaign. The City of Urbana's 2,939 cost overburdened households is the second largest with the Village of Rantoul having the least number of cost overburdened households at 416. The remainder of the 1,113 households are distributed throughout the balance of Champaign County.

### **Student Housing**

Students make up a significant amount of the lowest income renter population and must be eliminated from the population count when computing housing need. Although they are lowest income renter households, they tend not to exhibit any of the social challenges, generational poverty and underemployment. They are often being supported by their parents, student loans or scholarships that supplement their academic, shelter and food costs. However, the entire student body cannot simply be extracted from the demographics, as not all of them impact the count of lowest income households that are permanent to Champaign County. Different types of students are at different points in their lives and therefore may not all be lowest income or renters. VSI estimates that 10% of full-time graduate and undergraduate students fall within that category.

The following table summarizes the 2010 estimates for on- and off-campus student housing at the University of Illinois, based on autumn 2010 semester statistics and information gathered from the University Housing department.

**University Of Illinois at Urbana-Champaign  
2010 Off-Campus Student Household Estimates**

FALL 2010	STUDENT HOUSING CALCULATIONS
<b>TOTAL CURRENT (2010) ENROLLMENT (HEADCOUNT)</b>	41,949
LESS TOTAL OF PART-TIME STUDENTS IN 2010	- 1,204
EQUALS TOTAL FULL-TIME ENROLLMENT IN 2010	= 40,745
LESS CURRENT ON-CAMPUS HOUSING CAPACITY (DORMS & APARTMENTS)	- 11,321
LESS STUDENT CAPACITY OF GREEK HOUSING	- 6,700
LESS PRIVATE CERTIFIED HOUSING	- 2,879
EQUALS FULL-TIME STUDENTS LIVING OFF-CAMPUS IN APARTMENTS OR HOUSES IN 2010	= 19,845
DIVIDED BY THE AVERAGE STUDENT HOUSEHOLD SIZE PER OUR FIELD SURVEY AND HISTORICAL STUDENT HOUSING DATA FOR CHAMPAIGN COUNTY	/ 2.03
EQUALS CURRENT OFF-CAMPUS, UNDERGRADUATE STUDENT HOUSEHOLDS	= 9,775
PERCENTAGE OF STUDENTS HOUSEHOLDS EARNING LESS THAN \$20,000	90%
CURRENT OFF-CAMPUS, UNDERGRADUATE STUDENT HOUSEHOLDS EARNING LESS THAN \$20,000	= 8,798

Source: University of Illinois at Urbana-Champaign, ESRI, Vogt Santer Insights, Ltd.

Research and national enrollment statistics indicate that people are most likely to attend college when they are aged 18 through 25. We also know that most of the student body lives in either the City of Champaign or the City of Urbana. An analysis of the demographics tells us that 63% of all 18 through 25 years olds who live in the Cities of Champaign or Urbana are in the City of Champaign. Therefore, we can conclude that 5,543 of the 8,798 off-campus, full-time undergraduate student households live in the City of Champaign and 3,215 live in the City of Urbana. Clearly, a portion of students are local commuters and some have chosen to live in Savoy, Rantoul or other communities throughout Champaign County. However, without access to more specific University data, those specific numbers cannot be derived. Instead, we are confident in our belief that the overwhelming majority of the student body is located in either the Cities of Urbana or Champaign.

It should be noted that students living in University-owned housing, private certified housing, fraternities and sororities are not part of the tradition Census tabulations organized by household. Instead, they are counted by the Census as living in group quarters. Group quarters are defined as a type of housing in which unrelated groups of people reside. That is the basis for their extraction from the calculations made above.

## Conclusions

The various components that comprise housing need have been calculated and can be applied to the housing need formula in order to determine the need for additional lowest income housing. The end result of these calculations is exclusively a determination of lowest income housing because moderate to high end housing is not needed, when using the definition of housing need. Furthermore, people do not need to own housing. Their need is predicated solely on a requirement to have decent, safe housing that they can reasonably afford.

### 2010 Housing Need

	CITY OF CHAMPAIGN	CITY OF URBANA	VILLAGE OF RANTOUL	CHAMPAIGN COUNTY (BALANCE)
<i>2010 HOMELESS DISTRIBUTION</i>	364	201	-	29
<i>2010 SUBSTANDARD HOUSING</i>	1,912	1,449	1,196	4,546
<i>2010 COST OVERBURDENED HOUSEHOLDS</i>	4,730	2,939	416	1,113
<i>2010 OFF CAMPUS STUDENT POPULATION</i>	(5,543)	(3,215)	-	-
<b><i>2010 HOUSING NEED</i></b>	<b>1,463</b>	<b>1,374</b>	<b>1,612</b>	<b>5,688</b>

Source: U.S. Census, ESRI, University of Illinois at Urbana-Champaign, City of Champaign, Vogt Santer Insights, Ltd.

The effect of the student population in both the Cities of Champaign and Urbana is significant. If left in the housing need numbers, the students would be responsible for overstating need by nearly four times in the City of Champaign and by over twice as much in the City of Urbana. Nevertheless, housing need is still great in those two communities as well as in Rantoul. The balance of Champaign County has an extraordinary housing need that stems largely from its concentration of substandard housing. The 5,688 countywide units needed make up 56.1% of the 10,137 units needed throughout Champaign County, inclusive of the City of Champaign, the City of Urbana and the Village of Rantoul.