

IV. Public Housing Authority

The Wagner-Steagall Act of 1937, sometimes referred to as the Housing Act of 1937, was a part of New Deal legislation that allowed for local Public Housing agencies to use federal subsidy dollars to improve living conditions for lowest income families. From 1938 through 1941, a tremendous number of housing agencies were created in order to access these dollars, including the Housing Authority of Champaign County (HACC), which was formed in 1939.

Currently, the Housing Authority of Champaign County manages 427 units at eight multifamily housing sites. Four of these sites are in the City of Champaign, three are in Urbana and one is in Rantoul. The housing authority also has a portfolio of 16 scattered site properties, all of which are in located in the City of Champaign, giving them a grand total of 443 Public Housing units with no vacancies and a waiting list of 77 households.

HACC Waiting List by Bedrooms

BEDROOMS	HOUSEHOLDS ON WAITING LIST
1	48
2	16
3	8
4	3
5	2

Source: Housing Authority of Champaign County

In addition to these specific locations, the Housing Authority also manages a portfolio of 1,237 Housing Choice Vouchers (HCV). These Vouchers are applied throughout Champaign County in the following numbers:

Housing Choice Vouchers

COMMUNITY	NUMBER	SHARE
CHAMPAIGN	724	58.5%
URBANA	392	31.6%
RANTOUL	100	8.1%
SAVOY	11	0.9%
MAHOMET	5	0.4%
TOLONO	2	0.2%
VILLA GROVE	1	0.1%
ST. JOSEPH	1	0.1%
SIDNEY	1	0.1%
TOTAL	1,237	100.0%

Source: Housing Authority of Champaign County

The City of Champaign has nearly 58.5% of all regional Housing Choice vouchers. The highest concentration of vouchers is located in the area between Planning Areas 19 and 1, with strong concentration in Planning Areas 8 and 9. The balance of the city's vouchers are scattered throughout Champaign.

The City of Urbana has 31.7% of the Housing Choice Vouchers, with a high concentration in Community Development Target Area 56.1. The rest of the vouchers are spread throughout Urbana fairly evenly.

Combined, these two communities contain over 90% of all voucher holders in Champaign County, despite accounting for 58.3% of the county's population.

Rantoul is the only other community with a significant number of Housing Choice Vouchers, having 100, or 8.1%, of the countywide total. This is proportionate with the size of its population, as its 12,007 residents comprise 6.2% of Champaign County's population. Most of these vouchers are found south of State Route 136 on either side of Maplewood Drive in Census Block Group 102.03.

The Housing Choice Voucher system has a waiting list of 676 households. This suggests that the current Housing Choice Voucher system is meeting less than 65% of the income eligible community's requests. This is not due to a lack of landlords who will accept the vouchers, but an insufficient number of vouchers to meet the housing assistance requests. Additional state or federal resources would significantly mitigate this backlog of households seeking housing.

A map of the City of Champaign's Planning Areas can be found on Page D-101 and a map of the City of Urbana's Community Development Target Areas can be found on Page D-102.

City of Champaign

The City of Champaign has four of the eight HACC housing developments located within its borders. Dorsey Homes is located in Planning Area 8. Its 67 units were built in 1952. Washington Square, a 104-unit senior property built in 1980, is located in Planning Area 2. Also in Planning Area 2 is the 16-unit Columbia Place, which opened in 1962. The 84-unit Skelton Place development was constructed in 1966 and can be found in Planning Area 8.

HACC Housing Developments Located In the City of Champaign

MAP I.D.	NAME	ADDRESS	CITY	UNITS	YEAR BUILT
29	DORSEY HOMES	1102 NORTH MCKINLEY AVENUE	CHAMPAIGN	67	1990
36	WASHINGTON SQUARE	108 WEST WASHINGTON STREET	CHAMPAIGN	104	1980
38	COLUMBIA PLACE	503 EAST COLUMBIA AVENUE	CHAMPAIGN	16	1962
59	SKELTON PLACE	302 SOUTH SECOND STREET	CHAMPAIGN	84	1966

Source: Housing Authority of Champaign County

The City of Champaign is home to all 16 scattered site units owned by the Housing Authority of Champaign County. Of these units, 62.5% fall within Planning Area 2, almost encircling Columbia Place. Two units are located in both Planning Areas 1 and 5, one unit is in Planning Area 4 and one unit is in Planning Area 9 just a few blocks from Dorsey Homes.

HACC Scattered Site Properties Located In the City of Champaign

MAP I.D.	ADDRESS
A	409 WEST BEARDSLEY STREET
B	403 EAST BEARDSLEY STREET
C	503 EAST BEARDSLEY STREET
D	512 EAST COLUMBIA AVENUE
E	611 EAST COLUMBIA AVENUE
F	206 WEST ELLS AVENUE
G	208 WEST ELLS AVENUE
H	508 EAST EUREKA STREET
I	1002 NORTH 6 TH STREET
J	811 NORTH WILLIS STREET
K	411 EAST VINE STREET
L	607 EAST VINE STREET
M	108 EAST ROPER STREET
N	110 EAST ROPER STREET
O	915 NORTH 4 TH STREET
P	1106 NORTH 6 TH STREET

Source: Housing Authority of Champaign County

City of Urbana

With three housing developments and 136 units, the City of Urbana has the second most number of HACC-owned housing in Champaign County.

A 104-unit building, Steer Place, opened in 1972. It is located in the south-central part of Urbana, in Census Tract 57.00. Dunbar Court is in Community Development Target Area 53.5, but its 26 units literally share a border with Champaign Planning Area 2. The only other HACC housing development in Urbana is Hayes Homes. It was built in 2008 and is only six units.

HACC Housing Developments Located In the City of Urbana

MAP I.D.	NAME	ADDRESS	CITY	UNITS	YEAR BUILT
33	DUNBAR COURT	1208 NORTH WRIGHT STREET	URBANA	26	1952
100	HAYES HOMES	401 EAST HIGH STREET	URBANA	6	2008
116	STEER PLACE	1202 EAST HARDING DRIVE	URBANA	104	1972

Source: Housing Authority of Champaign County

There are no scattered site properties owned by the Housing Authority in Urbana, although the majority of the units found in the City of Champaign are within three blocks of the Urbana border.

Rantoul

Rantoul is home to one HACC multifamily property, Youman Place. This property was built in 1966 and has 20 units.

HACC Housing Developments Located In the Village of Rantoul

MAP I.D.	NAME	ADDRESS	CITY	UNITS	YEAR BUILT
7	YOUMAN PLACE	308 NORTH MAPLEWOOD DRIVE	RANTOUL	20	1966

Source: Housing Authority of Champaign County

There are no scattered site HACC properties in Rantoul.

Champaign County

All HACC owned properties, whether multifamily developments or scattered site properties, are within the municipal boundaries of the Cities of Urbana and Champaign and the Village of Rantoul. The county, and the municipalities that comprise it, should consider non-traditional locations for any HACC housing opportunities that arise.

Future HACC sites should be located near current job centers or future growth corridors. It is important for residents to have easy access to employment so that a disproportionate amount of their income is not spent on transportation, nor a disproportionate amount of time spent on public transportation.

The majority of regional jobs can be found in the Cities of Champaign and Urbana, where the largest employer, the University of Illinois at Urbana-Champaign is found. The University and other large employers such as Kraft Foods, Christie Clinic, Carle Foundation Hospital and Provena Covenant Medical Center are already located in the built environment and are accessible to lower income residents. Many new jobs have been created along the Urbana-Champaign perimeters and are a function of their proximity to the I-74, I-57 and I-72. These corridors will continue to see an increased number of jobs in both the service and office segments, as well as housing growth. These areas would make excellent HACC housing locations.

Rantoul's commitment to industrial growth and its bevy of available sites is a well conceived strategy that is likely to yield job growth in the future. Currently, Jeld-Wen Windows & Doors and Bell Sports are responsible for 1,200 jobs, a number that is likely to increase as the economic recovery proceeds. The community has also shown a commitment to economic diversity in its population, indicating that it is a good choice for future HACC housing. However, Rantoul is outside of the service area of the Champaign-Urbana Mass Transit District, which suggests that only households that are not transit dependent should be placed in a theoretical future development in Rantoul.

Senior Housing Needs

An examination of the potential viability of new affordable senior housing was examined for the four geographies that have served as the basis for this analysis; the City of Champaign, the City of Urbana, the Village of Rantoul and Champaign County. Demographic data projections were generated for each of these units of local government. This data was then refined by age, tenure and income to provide a forecast of potential support for a new affordable senior project. For the purposes of this analysis, we considered all households age 55 and older, which is the Federal minimum under the Low Income Housing Tax Credit (LIHTC) program. We also determined a select income band for households that would most likely support a Low Income Housing Tax Credit project.

Any potential LIHTC project will have to target a specific income band within a given market area. As this is a preliminary analysis and not project specific, we have used an income band that will include the households most likely to support a senior LIHTC project. Each income band is based on the Area Median

Household Income (AMHI) as established by HUD. Although the potential senior development does not have a specific project description, we have made several assumptions to determine the minimum and maximum allowable incomes.

To determine the *maximum* allowable income, we can assume there will be one- and two-bedroom units that will serve up to two-person senior households. As such, we have determined the maximum allowable household income will be based on a two-person household. Furthermore, we assume that LIHTC units will not target households earning more than 60% of the Area Median Household Income. Each community has its own maximum allowable income for this criteria based on the median household income as established by HUD. In Champaign County, income is limited to \$31,200 for a two-person household that is renting (or wants to rent) a unit at 60% AMHI. We identified this maximum income level for each community.

To determine the *minimum* required income, we must first determine the minimum yearly gross rent (rent plus tenant-paid utilities) that a potential property may offer. As there is no project concept, we have assumed a lowest gross rent for a project. For the purposes of this analysis, we assume that most non-subsidized LIHTC communities will not target households with incomes below 40% of AMHI. As such, we have determined the maximum allowable gross rents for one-bedroom units targeting households at 40% AMHI for each community that are based on maximum gross rents published by HUD. For example, Champaign County has a maximum gross rent of \$599 for a one-bedroom unit.

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%, with 40% being common for senior housing developments. As we are assuming the potential project will have a lowest gross rent based on the maximum gross rent for one-bedroom units targeting households with incomes of up to 40% of AMHI, we can determine what the minimum annual household expenditure (rent plus tenant-paid utilities) at a potential project will be. For example, in Champaign County, the lowest gross rent of \$599 will yield an annual household expenditure of \$7,188. We applied a 40% rent-to-income ratio to the minimum annual household expenditure, which yields a minimum annual household income requirement. In Champaign County, the minimum annual household expenditure of \$7,188 would require a minimum annual household income of \$23,960 when the 40% rent-to-income ratio is applied. Naturally, a higher minimum income could yield a narrower band of income eligibility, while a lower minimum income would increase the band of income eligibility.

This process of determining the maximum and minimum allowable income was completed for each community in this analysis. Vogt Santer Insights Ltd. then projected the number of households that will have incomes between the minimum and maximum allowable incomes for each PMA based on age and tenure. For example, the income band for Champaign County is \$23,960 to \$31,200.

Once the universe of qualified households was established, we applied a potential capture rate to each base. This capture rate is based on Vogt Santer Insights' previous experience with senior Tax Credit developments in markets nationwide and senior housing market analysis benchmark standards. Naturally, there are markets where higher capture rates can be achieved and conversely, markets where lower rates are achievable. For this analysis we determined the capture rate for all communities based on the number of age- and income-qualified senior *renter* households, while also considering the number of age- and income-qualified *owner* households in each market area. The number of qualified owner households is significant to new construction Tax Credit projects because senior homeowners may opt to downsize from their current living choice to seek a more leisurely and maintenance free lifestyle. For the purposes of this analysis, we have conservatively applied a 15.0% capture rate to the number of projected age- and income-qualified renter households within each of the PMAs to estimate the potential number of supportable units in 2010.

Finally, Vogt Santer Insights identified existing non-subsidized *senior* LIHTC units within a given market area. These units will be the primary competition for any proposed project and must be deducted from the total support. The net result is the potential unmet demand within each market area. Note that no general occupancy apartments were considered as competitive units in this preliminary analysis, although senior renters may reside at these properties. The table below summarizes this process.

PRIMARY MARKET AREA	TOTAL AGE- AND INCOME-QUALIFIED HOUSEHOLDS*		APPLY A 15.0% RENTER ONLY CAPTURE RATE**	EXISTING COMPETITIVE RENTAL UNITS	POTENTIAL UNMET DEMAND FOR RENTAL UNITS
	RENTERS	OWNERS			
CITY OF CHAMPAIGN	153	428	21	0	10-15
CITY OF URBANA	93	218	32	0	30-40
VILLAGE OF RANTOUL	75	144	11	0	10-15
CHAMPAIGN COUNTY (balance)	126	613	19	140	0

Source: ESRI, Vogt Santer Insights, Ltd.

*Based on 40% maximum one-bedroom rents and two-person maximum incomes at 60% of AMHI per community

**Potential number of supportable units in the market

Based on this analysis, the City of Champaign, City of Urbana and Village of Rantoul have all demonstrated very limited market support for non-subsidized senior Tax Credit units. The demand for such units in the county and in the southwestern part of the City of Champaign is already met by Parkview Apartments in Savoy, although some demand continues to exist in the northern part of the City of Champaign. The 140 units have 9.3% vacancy rate, indicating that supply is exceeding demand for these types of units at this location. The City of Urbana has adequate demand for a 30- to 40-unit non-subsidized senior project, while the Village of Rantoul only has demand for 10 to 15 units. Unfortunately, it is unlikely that a 10 to 15 unit project would receive Tax Credits, unless it was positioned to absorb demand from other parts of Champaign County.

Vogt Santer Insights Ltd. located Tax Credit units in Champaign County; however, these units operate under the HUD Section 8 and Rural Development 515 programs. Senior residents with little to no income can qualify to live at these projects and only be required to pay up to 30% of their adjusted gross incomes as rent. As such, these subsidized properties will not be competitive with a Low-Income Housing Tax Credit property.

It should be noted that these figures are *preliminary* and would require further analysis to determine the exact number of qualified households that could support a *specific* project within each area. Factors such as proposed rents, unit styles, surrounding land uses, proximity to site community services and economic conditions would all have to be carefully considered before determining if a specific project were indeed feasible within a given market. In addition, there is the potential that we may have missed a potential competitor in these markets that would affect our projection of net support.