



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Mayor Laurel Lunt Prussing

FROM: Elizabeth H. Tyler, FAICP, Community Development Director

DATE: April 7, 2011

SUBJECT: Regional Housing Study - Update

Background

The Grants Management Division serves the City of Urbana and the surrounding community by overseeing several grant funding pools which augment the Council's goal of improving the quality of life for residents through intergovernmental cooperation and promoting the provision of affordable housing. The City of Urbana serves as the lead entity for the Urbana HOME Consortium, which consists of the City of Champaign, the City of Urbana, and Champaign County, and works to implement affordable housing initiatives in the community.

In order to better assess the current housing needs in the community, a Regional Housing Task Force (Task Force) was created in 2009, which includes the Urbana HOME Consortium members, the Village of Rantoul, and the Housing Authority of Champaign County. The Task Force agreed that there was a need for additional data on the current housing stock and market conditions, which would serve to augment data already provided by the Department of Housing and Urban Development (HUD) and the US Census Bureau, in the hopes that the data would provide direction for future affordable housing initiatives.

The Task Force put out a Request for Consultant Proposals (RFP) for a Regional Housing Study, with the City of Champaign acting as lead entity in procuring proposals. As a result of the RFP, three proposals were received by May 2010, and the Task Force selected Vogt Santer Insights, Ltd. (VSI), of Columbus, Ohio for the study. VSI was selected because of their staff expertise, their understanding of conducting housing gaps analyses and its value for comparative analysis throughout the County, their GIS capabilities and their access to other data sources for more detailed analysis.

During the November 8, 2010 meeting of the Committee of the Whole, representatives of VSI presented an overview of the study process and provided a preliminary draft of the Executive Summary of the Regional Housing Study for Council's information. The information was similarly presented to the Champaign County Board and to the Champaign City Council.

The Task Force also solicited online surveys from the public, and focus group meetings were held throughout the area during the third week of November 2010 in Rantoul, Champaign and Urbana to share key findings from the process. This provided an opportunity for public input regarding local or regional strategies to address housing needs in Champaign County. An analysis of the public comment and focus group input was completed by City of Champaign staff and is attached.

The Task Force continued to work with VSI on procuring a finalized report, and in December 2010 VSI presented a completed draft for review. The full report contains over 1000 pages of data and analysis. Suggestions have been made concerning the format and content of the report, and the review process has continued over the past several months. A finalized report is expected to be released in May 2011. Copies will be provided upon request once the final report is released, and the document will also be made available on the City of Urbana website.

Preliminary Results

The report has been organized into four sections to provide a detailed and comprehensive analysis of the current housing stock, as well as a projection of the housing need over the next five years. The topics covered include: a market analysis, an overview of the housing need in the community, a separate public housing analysis, as well as a section on the barriers, constraints, and strategies to implementing affordable housing initiatives. This overview provides the highlights for the City of Urbana. The full document includes data for all of Champaign County, as well as a detailed analysis of each entity on the Task Force.

Housing Stock

The Housing Stock section includes a market analysis and outlines the housing demand expected throughout Champaign County through 2015. The analysis incorporated all multifamily rentals with twenty or more units, new for-sale housing, condominium developments that have been active within the last ten years, and a field survey of the current housing stock that was conducted between the months of July and November 2010. Based on the analysis provided in the report, VSI estimates that there will be a total demand of 167 new multifamily rental units for low-income persons in Urbana from 2010 through 2015 (see page II-22 of the report).

The City's projected single-family demand could generate up to 72 new home sales annually across all price points. There is currently a surplus of single-family homes and available lots on the market, particularly for units price at or above \$400,000 (see page II-51). The report also indicates that there is a two-year supply of condominiums available, given the recent sales trends (see page II-54). No new homes are expected to be built at the price range of \$140,000 and below, suggesting that the market is not currently supporting affordable single-family housing development.

Housing Need

Within the Housing Need section of the report, the consultant takes into account the difference between market *demand* and housing *need* in order to provide a more accurate picture of the affordable housing projections pertaining to specific subsets of the population that are sometimes overlooked in a traditional market analysis. The housing need refers to units required in the

market area to accommodate household growth, homeless people and households that are substandard. This analysis takes a different approach to projecting the number of units needed in the community, as indicated below:

$$\text{Housing need} = \text{homeless} + \text{substandard housing stock} + \text{the cost overburdened households} - \text{lowest income students}$$

The consultants focused on the Cities of Champaign and Urbana for the analysis of the homeless population, due to the increased social services and support networks available in a higher density, urban area. Based on the data gathered during the 2009 summertime survey conducted by the Continuum of Care, a total of 594 persons were homeless at the time the survey was taken. The report estimates that approximately one-third, or 201 persons, are homeless in the City of Urbana.

Substandard housing, for the purposes of the analysis, adheres to the definition of substandard units provided by the US Census Bureau. This definition accounts for housing that lacks plumbing, kitchen facilities, is currently vacant or dilapidated, or is a mobile home. Based on a projection of the 2000 US Census data, VSI indicates that approximately 1,449 units are substandard in the City of Urbana, representing 9.46% of all substandard units in Champaign County.

HUD defines “overburden” as housing costs which exceed 30 percent of a household’s gross income on rent and basic utilities. Approximately two-thirds of those who are cost overburdened were represented by low-income renters earning less than \$20,000 per year. According to the report, the remaining one-third is represented by households whose incomes are above the low-income limit. An estimated 2,939 low-income renter households are cost overburdened in Urbana. A total of 9,198 are overburdened throughout the County.

The consultants removed the student population from the analysis for the purpose of calculating the estimated housing need in the area. Based on the data present for the homeless population, substandard housing, and overburdened households, VSI calculated the 2010 (current) housing need in Urbana at an estimated 1,374 households.

Public Housing Authority

Included in the general overview of public housing needs in the countywide area is a breakdown of the Housing Choice Vouchers by jurisdiction. The report indicates that an estimated 31.6 percent of housing vouchers have been redeemed in the Urbana city limits, which includes approximately 392 households. An analysis of the market demand for senior Low-Income Housing Tax Credit projects indicated that Urbana demonstrated very limited market support for non-subsidized senior Tax Credit units. Much of the demand for elderly housing has been absorbed by developments in Savoy.

Barriers, Constraints, and Strategies

VSI summarized the barriers to affordable housing below:

“The barriers to affordable housing that exist in Champaign County are not uncommon in small to medium-sized communities. It is not an unwillingness to engage in affordable

housing development by either the public or private sector, but the lack of resources required for successful developments to occur. This resource deficiency tends to manifest itself around three categories; production capacity issues, financial challenges or cost impediments to the individual(s) in the household.”

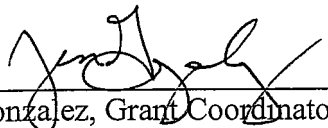
Potential strategies suggested by the consultant to eliminate these affordability barriers include: land donations, land banking, community land trusts, inclusionary zoning, increased density zoning, expedited permitting, a revised impact fee structure, and modular or manufactured housing options. Financial options also included the following: loans, bond financing, equity investments, grants, tax abatements and rebates, tax increment financing, housing trust funds, coordination with nonprofits or faith-based organizations, as well as seeking investment from foundations maintaining permanent endowment or other philanthropic investments. As for solutions offered to those individuals struggling to overcome affordability barriers, VSI recommends mortgage downpayment/closing cost assistance, affordability gap grants or forgivable loans, mortgage credit certificates, lease-purchase programs, and limited equity cooperative housing.

A survey of the priority homeless needs in the community indicated that the transient nature of homeless persons does not tie them to any particular community. VSI recommends creating supportive serve agreements with other agencies in the community, continual assessment of supportive service agency needs, and alternative transportation methods for homeless persons in the community.

Draft Publication

A final copy of the report will be made available once it has been approved by each of the Task Force members, hopefully by May 2011. The report will be provided on the City of Urbana website, and staff will provide copies upon request. Grant Management staff is available to take public comment or to answer any questions regarding the report.

Memorandum Prepared By:



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Grants Management Division

Attachments:

1. Draft Regional Housing Study – Urbana Highlights
2. Focus Group, Survey and Interview Analysis



Vogt Santer
Insights

Champaign County Regional Housing Study

Champaign County, Illinois



Effective Date

DECEMBER 1, 2010

Job Reference Number

7135BH



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Executive Summary

Vogt Santer Insights, Ltd. (VSI), a national real estate market research firm based in Columbus, Ohio, has completed a Regional Housing Study for the Housing Authority of Champaign County, the Champaign County Regional Planning Commission, the City of Champaign, the City of Urbana and the Village of Rantoul. This study consists of an analysis of existing housing conditions as well as trends and strategies for housing development for the following geographies: Champaign County, the City of Champaign, City of Urbana and the Village of Rantoul.

The following is a summary of the report. Additional detail supporting each section can be found in the full report.

Rental Housing Demand Projection

The following table outlines an estimate of support for new rental units by geography in Champaign County and the communities studied. To calculate demand, we have considered new income-appropriate household growth and replacement or renovation of existing product. We illustrate overall demand as well as demand once the student rental population is removed from the computations. Both are presented for review.

		MEDIAN HOUSEHOLD INCOME*		
		0%-30% AMHI	31%-50% AMHI	51%-80% AMHI
CHAMPAIGN COUNTY	MULTIFAMILY DEMAND INCLUDING STUDENTS 2010-2015	642	342	272
	MULTIFAMILY DEMAND EXCLUDING STUDENTS 2010-2015	180	342	272
CITY OF CHAMPAIGN	MULTIFAMILY DEMAND INCLUDING STUDENTS 2010-2015	342	150	101
	MULTIFAMILY DEMAND EXCLUDING STUDENTS 2010-2015	50	150	101
CITY OF URBANA	MULTIFAMILY DEMAND INCLUDING STUDENTS 2010-2015	195	86	56
	MULTIFAMILY DEMAND EXCLUDING STUDENTS 2010-2015	25	86	56
VILLAGE OF RANTOUL	MULTIFAMILY DEMAND INCLUDING STUDENTS 2010-2015	42	42	56

Source: Vogt Santer Insights, Ltd.

*As a percentage of the overall median household income established by the Department of Housing and Urban Development.

Demand for new rental units is reasonably strong throughout the various income strata that exist in Champaign County, irrespective of whether the student population is considered

Single-Family Housing Demand

Based on our evaluation of the characteristics of Champaign County and historical sales volume of single-family homes within the area, we estimate the county could generate up to 386 *new* home sales annually in the near term. Note that to achieve maximum levels in various sale price categories requires the market to offer all price points, locations and product alternatives. For this reason, the actual sales by price point rarely exceed the projection of support except when supply exceeds demand. Following is demand for new single-family homes by geography:

	INCOME RANGE	HOME SALES PRICE	QUALIFYING HOUSEHOLDS	CAPTURE RATE	ANNUAL DEMAND	
					UNITS	DISTRIBUTION
CHAMPAIGN COUNTY	\$30,000-\$39,999	LESS THAN \$140,000	7,998	0.008	64	16.6%
	\$40,000-\$49,999	\$140,000-\$199,900	7,631	0.011	84	15.8%
	\$50,000-\$74,999	\$200,000-\$299,900	13,428	0.009	121	31.3%
	\$75,000-\$99,999	\$300,000-\$400,000	11,621	0.006	70	24.1%
	\$100,000+	\$400,000+	9,359	0.005	47	12.2%
			TOTAL		386	100.0%
CITY OF CHAMPAIGN	\$30,000-\$39,999	LESS THAN \$140,000	2,840	0.008	23	16.5%
	\$40,000-\$49,999	\$140,000-\$199,900	2,581	0.011	28	20.1%
	\$50,000-\$74,999	\$200,000-\$299,900	5,674	0.009	51	36.7%
	\$75,000-\$99,999	\$300,000-\$400,000	3,689	0.006	22	15.8%
	\$100,000+	\$400,000+	2,981	0.005	15	10.8%
			TOTAL		139	100.0%
CITY OF URBANA	\$30,000-\$39,999	LESS THAN \$140,000	1,894	0.008	15	16.5%
	\$40,000-\$49,999	\$140,000-\$199,900	1,507	0.011	17	20.1%
	\$50,000-\$74,999	\$200,000-\$299,900	2,830	0.009	25	36.7%
	\$75,000-\$99,999	\$300,000-\$400,000	1,444	0.006	9	15.8%
	\$100,000+	\$400,000+	1,126	0.005	6	10.8%
			TOTAL		72	100.0%

Source: Vogt Santer Insights, Ltd.

In Rantoul, we did not identify any single-family home subdivisions that have been active within the last 10 years. Currently, the single-family home market in Rantoul consists of the sale of existing homes. Until demand grows, developers will likely avoid building an inventory of new homes in Rantoul.

It should also be noted that annual support levels are generally not cumulative. In most markets, if there is support for new single-family homes at a particular price point or concept and they are not offered in a specific area, households may leave the area seeking this housing alternative, defer their purchase decision or seek another housing alternative. We anticipate many potential buyers who would be attracted to a for-sale product have either delayed their purchases (reflecting pent-up demand) or opted for an existing single-family home alternative offered in the market.

Condominium Housing Demand

Based on our evaluation of the demographic characteristics of Champaign County and historical absorption trends, the area has the potential to absorb up to 78 new condominium units priced from \$140,000 to over \$400,000 annually. It is important to note that this *potential* demand includes the entire county. By geography, this includes support for 26 units in the City of Champaign. We did not find any support in the City of Urbana or the Village of Rantoul at this time.

These support figures assume a wide variety of condominium housing choices exist, including price, location and concept. Given this assumption, it is possible that any one development could capture a reasonable share of this demand. The optimal support figure can only be achieved in an overbuilt market. The relatively low projection is indicative of the historic housing slump in the U.S. as well as reflecting the current sales performance of new condominiums in Champaign County.

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 interchangeably, 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 overburdened 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 is no *need* since those people are already reasonably housed. Vogt Santer Insights represents need through the use of the following formula:

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

The following is an estimate of housing *need* within the geographies studied in Champaign County:

2010 HOUSING NEED

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

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 Urbana. Nevertheless, housing need is still as great in those two communities as it is 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.

Public Housing

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 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.

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.

The City of Champaign has nearly 58.5% of all Housing Choice Vouchers located within the city limits, while the City of Urbana has 31.6% of the Vouchers. Combined, these two communities contain over 90% of all Voucher holders in Champaign County, despite only 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 to the size of its population, as its 12,007 residents comprise 6.2% of Champaign County's population.

Lowest Income and/or Minority Concentrations

Vogt Santer Insights concludes that the overwhelming majority of both lowest income and minority populations are located in the City of Champaign and City of Urbana. The heaviest concentrations of both groups appear to be located around a portion of the two cities' shared border, specifically, the area bound by Interstate 74, North Goodwin Avenue, University Avenue and North Market Street. This is also an area where the majority of Public Housing assets can be found, including a significant concentration of Housing Choice Vouchers. Deconcentrating the existing Public Housing and ensuring that new affordable housing is not concentrated in the area would be good ways to begin mitigating the real and perceived effects that come with concentrated poverty. Obviously, this is a community-based decision.

The Hispanic population is the fourth largest in Champaign County behind Whites, Blacks and Asians. The City of Champaign has the highest concentrations of Hispanic people in the City in Planning Areas 3, 4 and 5, where Hispanic people represent between 14.1% to 32.3% of the total population. These locations are also near regional job centers where the likelihood of finding employment is higher. The desire to be in proximity to jobs is also the likely reason that several block groups in the rural northern part of the county have a Hispanic population between 7% to 14%, as many agricultural and light industrial jobs can be found in these locations. The infusion of new Hispanic households will create additional demand for housing, especially in proximity to these job centers.

Barriers to the Production of Affordable Housing

The barriers to affordable housing that exist in Champaign County are not uncommon in small to medium-sized communities. It is not an unwillingness to engage in affordable housing development by either the public or the private sector, but the lack of resources required for successful developments. This resource deficiency tends to manifest itself around three categories: production capacity issues, financial challenges or cost impediments to the individual(s) in the household.

Potential Strategies to Eliminate Affordability Barriers

Most of the common barriers that impede the development of affordable housing do not exist today as an attempt to deliberately exclude a specific class of people. They are often unintended consequences that result from market forces or broad public policy decisions. There are many ways that the various municipalities could support additional affordable housing, as the three following categories describe.

Production Solutions

Local government can assist by removing encumbrances and streamlining the regulatory process in order to accommodate affordable housing. Suggested actions include: land donation, land banking, land trusts, building development capacity, inclusionary zoning, expediting permitting and revising impact fees.

Financial Solutions

Over the years, a variety of tools have been created that are considered to be mutually beneficial to individuals, municipalities and lenders. As it relates to affordable housing, the system can break down very quickly; if no one is occupying housing, the municipalities are not realizing their goals and the financial services industry becomes weaker since it is not engaging consumers in its product line. Each scenario is different, but one, or several, of the tools may need to be applied to help an affordable housing project come to fruition, including loans, grants, bond financing, tax incentives and utilization of non-profits/foundations.

Cost to the Individual Solutions

Even when great care has been taken to ensure that housing is made affordable, and some of the production and financial tactics described above have been applied, housing costs may still not be affordable to prospective occupants. Methodologies such as down payment assistance, closing costs, Rental Assistance, lease/purchase homes and addressing the affordability gap are designed to benefit the resident directly.

Examination of Homelessness

In August 2009, a countywide survey of homeless persons was conducted where 136 persons, or 23% of the Champaign County homeless population, reported chronic homelessness. HUD defines a chronically homeless person as “an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years.”

Transitional homelessness occurs when housing continuity is interrupted by a catastrophic event such as natural disaster, foreclosure, eviction or other domestic incident. When individuals have access to homeless-oriented services, they are usually able to locate and obtain other stable housing. The 2009 survey indicates that 14% of homeless individuals would fall into this category in Champaign County.

Episodic homelessness refers to circumstances in which persons have recurrent short-term problems with housing. These people often have unstable domestic relationships, substance abuse problems and/or they are underemployed. Approximately 20% of homelessness in Champaign County is considered episodic in nature.

I. Introduction

A. PURPOSE

The purpose of this study is to evaluate the existing real estate market conditions within Champaign County, Illinois for the Champaign County Regional Housing Study. This report will include data and analysis as defined in the requirements of the Housing Needs Assessment and the Housing Market Analysis for the study area. Vogt Santer Insights (VSI) will review and analyze demographic trends (population, households and housing), community resources, competitive activities, future growth potential, housing gap analysis, barriers to affordable housing and best practices within Champaign County. The study is part of the Consolidated Planning process for Champaign County. Ms. Kerri Spear, a city official with the City of Champaign initiated this report on July 16, 2010.

B. METHODOLOGIES

Methodologies used by VSI during this study include the following:

- Site Evaluation: A field analyst visits the subject projects (and their communities) to document: location and layout, surrounding land uses, environmental nuisances (hazards and impediments), visibility (outward and inward), accessibility, community services (shopping, health care, recreation, employment, entertainment, education and public safety), crime (comparisons to national levels) and project specific information (unit breakdown, unit size, population served, amenities, structure type and occupancy performance). This comprehensive assessment helps to identify the projects' strengths and weaknesses and to determine future use of the projects.
- Submarket Area Delineations: A total of four (4) submarkets were identified in the Champaign County study area.
 - City of Champaign
 - City of Urbana
 - Village of Rantoul
 - Champaign County
- The defined submarkets evaluate macro housing conditions, including demographic trends, current rental housing conditions, projected demand estimates, historical for-sale trends and projected demand of for-sale product. For this study, submarkets were determined by using governmental boundaries at the request of the client.

Additional analysis was provided for all four submarkets based upon Census geography and the City of Champaign's 36 planning areas and the City of Urbana's five Community Development Target Areas (CDTA).

- Demographic Analysis: Demographic characteristics and trends of submarkets, and their county and state are comparatively evaluated. This demographic assessment uses the most recently issued Census information, as well as projections that determine the characteristics of the market in future years. Demographic factors that are analyzed include: population, households, housing units, income, age, lifestyle segments, occupancy, tenure, education, household composition and size, crime and commuting.
- Field Surveys: Field surveys for each product type of interest (single-family homes, condominiums, apartments and senior residential care components) are performed in person by our field analysts. These property surveys are used to measure the overall strength of markets by evaluating tenant mix, vacancies, lease rates, sales prices, absorption rates and overall product quality of comparable and competing properties. This compiled property information forms the basis for supply analyses.
- Planned and Proposed Projects: A review of building statistics and interviews with governmental building officials help to identify planned and proposed properties that would likely impact the projected submarket housing conditions. Planned and proposed projects are in different stages of development, so it is important to establish the likelihood of construction, timing of openings and market impact.
- Demand Analyses: Demand for residential uses is determined by estimating the share of households by household income level in the submarket that is likely to respond to the housing uses. Projected demand estimates aid in identifying a void in the housing market for a particular product type.
- Need Analysis: Housing need was determined by quantifying the homeless population, adding in substandard housing stock plus the cost of over burdened households and subtracting lowest income student households.

C. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to determine the current conditions in the Champaign County Regional Housing Study area and to also analyze macro-housing conditions among all rental and for-sale residential components within Champaign County. Vogt Santer Insights relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, Vogt Santer Insights makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Vogt Santer Insights is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the properties that are the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

Any reproduction or duplication of this report without the express approval of the Champaign County Regional Housing Study project team, its assignees or Vogt Santer Insights is strictly prohibited.

D. SOURCES

Vogt Santer Insights uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 1990 and 2000 Census on Housing
- Applied Geographic Solutions
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Ribbon Demographics, LLC
- Environmental Research Systems Institute (ESRI)
- Urban Decision Group, LLC
- U.S. Bureau of Labor Statistics

II. Housing Stock

A. INTRODUCTION

The segments that constitute a housing market can be broken down into two components – rentals and for-sale housing. Rentals generally refer to multifamily complexes but single-family rentals certainly do exist. For-sale housing refers to both the sales of existing homes and new home sales. Home sales refer to both single-family homes and condominiums.

For this analysis, we examine the market for multifamily rentals with 20 or more units and the market for new for-sale housing. It would be too cumbersome to survey multifamily housing under 20 units and there is more than an adequate supply of large multifamily complexes in Champaign County.

The for-sale housing survey consists of new single-family and condominium developments that have been active within the last 10 years. An analysis of new home sales provides a good window into the health of the overall housing market. New home sales have a direct impact on existing home sales because homebuyers are generally vacating existing homes in favor of new homes. This creates a buying opportunity at lower income levels and thus satisfies housing needs at this level without necessitating new construction at this price point.

For the housing stock analysis, we surveyed properties throughout Champaign County between July 2010 and November 2010. We will first present the multifamily rentals analysis for Champaign County, the City of Champaign, the City of Urbana and the Village of Rantoul. This will be followed by the for-sale housing analysis for those same areas.

B. MULTIFAMILY RENTAL ANALYSIS

1. CHAMPAIGN COUNTY MULTIFAMILY RENTAL SUPPLY AND DEMAND

Champaign County Multifamily Rental Supply

The distributions of the area housing stock within Champaign County in 2000 and estimated for 2010 are summarized in the following table:

HOUSING STATUS	2000 (CENSUS)		2010 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL-OCCUPIED	70,596	93.8%	77,287	90.3%
OWNER-OCCUPIED	39,328	55.7%	42,474	55.0%
RENTER-OCCUPIED	31,268	44.3%	34,813	45.0%
VACANT	4,683	6.2%	8,291	9.7%
TOTAL	75,279	100.0%	85,578	100.0%

Source: 2000 Census; ESRI; Urban Decision Group; Vogt Santer Insights, Ltd.

Based on a 2010 update of the 2000 Census, of the 85,578 total housing units in the market, 9.7% were vacant. In 2010, it was estimated that homeowners occupied 55.0% of all occupied housing units, while the remaining 45.0% were occupied by renters. The share of renters is considered high and represents a good base of potential renters in Champaign County, where most college students rent their residence while they attend college.

In Champaign County, we identified and personally surveyed 126 conventional housing projects containing a total of 13,912 units within the County. These rentals have a combined occupancy rate of 95.5%, a high rate for rental housing. Among these projects, 102 are non-subsidized (market-rate and Tax Credit) projects containing 12,206 units. These non-subsidized units are 95.1% occupied. The remaining 24 projects contain 1,706 government-subsidized units, which are 98.7% occupied. There are 132 additional units under construction in the County.

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT UNITS	OCCUPANCY RATE
MARKET-RATE	92	11,310	568	95.0%
MARKET-RATE/TAX CREDIT	5	468	21	95.5%
MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED	1	120	0	100.0%
TAX CREDIT	4	427	11	97.4%
TAX CREDIT/GOVERNMENT-SUBSIDIZED	2	306	0	100.0%
GOVERNMENT-SUBSIDIZED	22	1,281	22	98.3%
TOTAL	126	13,912	622	95.5%

The rental housing market in Champaign County is performing well with a 95.6% overall occupancy rate. Note that we consider the 95.6% occupancy rate to be stable for an entire county.

The following tables summarize the breakdown by program and bedroom type for all of the housing units surveyed within Champaign County.

MARKET-RATE						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
STUDIO	1.0	303	2.7%	6	2.0%	\$458
ONE-BEDROOM	1.0	3,055	26.8%	119	3.9%	\$662
ONE-BEDROOM	1.5	8	0.1%	0	0.0%	\$629
TWO-BEDROOM	1.0	2,960	26.0%	143	4.8%	\$762
TWO-BEDROOM	1.5	954	8.4%	64	6.7%	\$779
TWO-BEDROOM	2.0	1,158	10.2%	65	5.6%	\$992
TWO-BEDROOM	2.5	241	2.1%	6	2.5%	\$1,137
THREE-BEDROOM	1.0	358	3.1%	36	10.1%	\$787
THREE-BEDROOM	1.5	743	6.5%	44	5.9%	\$888
THREE-BEDROOM	2.0	174	1.5%	17	9.8%	\$1,081
THREE-BEDROOM	2.5	51	0.4%	0	0.0%	\$965
THREE-BEDROOM	3.0	335	2.9%	25	7.5%	\$1,145
FOUR-BEDROOM	1.0	5	0.0%	0	0.0%	\$1,780
FOUR-BEDROOM	2.0	303	2.7%	19	6.3%	\$1,582
FOUR-BEDROOM	2.5	103	0.9%	2	1.9%	\$2,623
FOUR-BEDROOM	3.0	216	1.9%	13	6.0%	\$1,078
FOUR-BEDROOM	4.0	390	3.4%	11	2.8%	\$1,520
FOUR-BEDROOM	4.5	20	0.2%	2	10.0%	\$1,980
FIVE-BEDROOM	2.0	20	0.2%	0	0.0%	\$1,862
FIVE-BEDROOM	2.5	1	0.0%	0	0.0%	\$2,188
TOTAL MARKET-RATE		11,398	100.0%	572	5.0%	-

TAX CREDIT, NON-SUBSIDIZED						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	155	19.2%	6	3.9%	\$578
TWO-BEDROOM	1.0	376	46.5%	16	4.3%	\$688
TWO-BEDROOM	1.5	72	8.9%	1	1.4%	\$724
THREE-BEDROOM	1.0	51	6.3%	2	3.9%	\$749
THREE-BEDROOM	1.5	21	2.6%	0	0.0%	\$794
THREE-BEDROOM	2.0	120	14.9%	3	2.5%	\$921
FOUR-BEDROOM	2.0	13	1.6%	0	0.0%	\$880
TOTAL TAX CREDIT		808	100.0%	28	3.5%	-

SUBSIDIZED TAX CREDIT						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
STUDIO	1.0	4	0.9%	0	0.0%	N/A
ONE-BEDROOM	1.0	343	80.7%	0	0.0%	N/A
TWO-BEDROOM	1.0	24	5.6%	0	0.0%	N/A
TWO-BEDROOM	1.5	34	8.0%	0	0.0%	N/A
THREE-BEDROOM	2.5	20	4.7%	0	0.0%	N/A
TOTAL SUBSIDIZED TAX CREDIT		425	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
STUDIO	1.0	39	3.0%	0	0.0%	N/A
ONE-BEDROOM	1.0	676	52.8%	8	1.2%	N/A
TWO-BEDROOM	1.0	165	12.9%	14	8.5%	N/A
TWO-BEDROOM	1.5	223	17.4%	0	0.0%	N/A
TWO-BEDROOM	2.0	14	1.1%	0	0.0%	N/A
THREE-BEDROOM	1.0	48	3.7%	0	0.0%	N/A
THREE-BEDROOM	1.5	88	6.9%	0	0.0%	N/A
THREE-BEDROOM	2.0	12	0.9%	0	0.0%	N/A
FOUR-BEDROOM	1.0	8	0.6%	0	0.0%	N/A
FOUR-BEDROOM	1.5	4	0.3%	0	0.0%	N/A
FOUR-BEDROOM	2.0	4	0.3%	0	0.0%	N/A
TOTAL SUBSIDIZED		1,281	100.0%	22	1.7%	

The market-rate units were 95.0% occupied and the Tax Credit units were 96.5% occupied. The subsidized Tax Credit units are 100.0% occupied and the government-subsidized units are 98.3% occupied. This high occupancy rate among all subsidized projects indicates a strong market for lowest income housing.

The following tables summarize the breakdown of market-rate and Tax Credit units surveyed within the county. Below is the distribution of units surveyed by year built for Champaign County.

YEAR BUILT	PROJECTS	UNITS	VACANCY RATE
BEFORE 1970	15	2,166	5.3%
1970 TO 1979	35	4,133	6.0%
1980 TO 1989	10	653	2.9%
1990 TO 1999	17	2,341	3.1%
2000	2	228	21.1%
2001	5	433	4.6%
2002	1	320	6.3%
2003	6	641	5.5%
2004	3	149	0.7%
2005	0	0	0.0%
2006	4	769	2.3%
2007	1	259	1.5%
2008	1	24	0.0%
2009	1	20	0.0%
2010*	1	70	0.0%
TOTAL	102	12,206	4.9%

*As of August

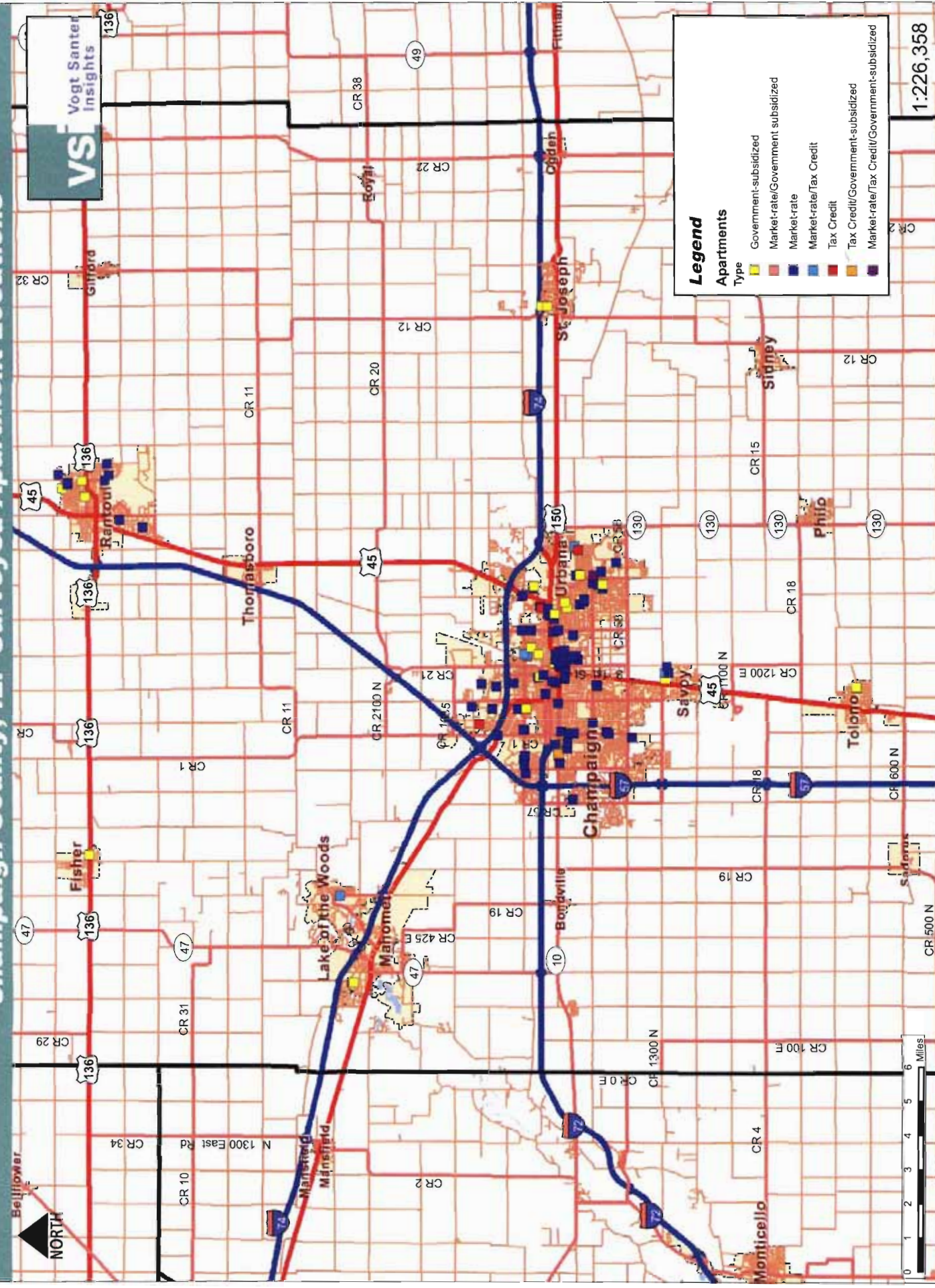
Nearly 52% of all apartments surveyed were built prior to 1980. These older apartments have a vacancy rate of 5.8%, higher than the overall market.

The Champaign County apartment market offers a wide range of rental product, in terms of price point and quality. The following table illustrates the rent range by bedroom type as well as the median rent for the non-subsidized apartments.

BEDROOM TYPE	GROSS RENT		
	LOW	HIGH	MEDIAN
STUDIO	\$380	\$958	\$458
ONE-BEDROOM	\$408	\$1,355	\$657
TWO-BEDROOM	\$448	\$2,192	\$824
THREE-BEDROOM	\$515	\$1,940	\$911
FOUR+-BEDROOM	\$558	\$3,620	\$1,556

Median gross rents range from \$458 to \$1,556. This large differential in the median rents illustrates the market's ability to support multiple types of rental housing.

Champaign County, IL: Surveyed Apartment Locations



Legend

Apartments Type

- Government-subsidized
- Market-rate/Government subsidized
- Market-rate
- Market-rate/Tax Credit
- Tax Credit
- Tax Credit/Government-subsidized
- Market-rate/Tax Credit/Government-subsidized



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Champaign County Multifamily Rental Demand

CHAMPAIGN COUNTY AFFORDABLE HOUSING DEMAND							
	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%	
I. GROWTH DEMAND							
HOUSEHOLD-BASED:	\$0 -	\$21,031 -	\$28,041 -	\$35,051 -	\$42,061 -	\$56,081 -	
	\$21,030	\$28,040	\$35,050	\$42,060	\$56,080	\$70,100	
2010 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	14,413	4,184	3,435	2,877	3,781	2,149	
2015 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	13,982	4,191	3,470	2,943	3,997	2,455	
ESTIMATED ANNUAL INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH	-86	1	7	13	43	61	
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-431	7	35	66	216	306	
II. TOTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET							
2010 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	14,413	4,184	3,435	2,877	3,781	2,149	
(+) NEW INCOME QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-431	7	35	66	216	306	
(=) TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS IN 2015	13,982	4,191	3,470	2,943	3,997	2,455	
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED 95.0% OCCUPIED) MARKET	14,718	4,412	3,653	3,098	4,207	2,584	
III. EXISTING RENTAL PRODUCT							
TOTAL OCCUPIED TARGETED RENTAL UNITS 2015	13,982	4,191	3,470	2,943	3,997	2,455	
(+) ESTIMATED NUMBER OF VACANT UNITS (VACANCY %)	187	62	62	62	124	124	
(=) NET EXISTING RENTAL PRODUCT	14,169	4,253	3,532	3,005	4,121	2,579	
IV. TOTAL SUPPLY AND DEMAND							
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET	14,718	4,412	3,653	3,098	4,207	2,584	
(-) TOTAL NET EXISTING TARGETED RENTAL PRODUCT	14,169	4,253	3,532	3,005	4,121	2,579	
(+) 2.5% OF EXISTING RENTAL PRODUCT BUILT PRIOR TO 1970*	93	31	31	31	62	62	
(=) TOTAL TARGETED UNITS NEEDED OVER PROJECTION PERIOD (5 YEARS)	642	190	152	124	148	67	

*Based on share of income-qualified renter households up to 100% AMHI; 2.5% is multiplied by five to get total replacement units over 5-year projection period.



2. CITY OF CHAMPAIGN MULTIFAMILY RENTAL SUPPLY AND DEMAND

Multifamily Rental Supply

The distributions of the area housing stock within the City of Champaign in 2000 and estimated for 2010 are summarized in the following table:

HOUSING STATUS	2000 (CENSUS)		2010 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL-OCCUPIED	27,071	95.0%	28,966	91.7%
OWNER-OCCUPIED	12,823	47.4%	13,532	46.7%
RENTER-OCCUPIED	14,248	52.6%	15,434	53.3%
VACANT	1,437	5.0%	2,608	8.3%
TOTAL	28,508	100.0%	31,574	100.0%

Source: 2000 Census; ESRI; Urban Decision Group; Vogt Santer Insights, Ltd.

Based on a 2010 update of the 2000 Census, of the 31,574 total housing units in the market, 8.3% were vacant. In 2010, it was estimated that homeowners occupied 46.7% of all occupied housing units, while the remaining 53.3% were occupied by renters. The high share of renters is the result of the presence of the University of Illinois student renters as most college students rent their residence while they attend college.

We identified and personally surveyed 63 conventional housing projects containing a total of 6,575 units within the city limits. These rentals have a combined occupancy rate of 95.7%, a high rate for rental housing. Among these projects, 58 are non-subsidized (market-rate and Tax Credit) projects containing 6,102 units. These non-subsidized units are 95.4% occupied. The remaining five projects contain 473 government-subsidized units, which are 100.0% occupied. There are 16 additional units under construction in the city.

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT UNITS	OCCUPANCY RATE
MARKET-RATE	54	5,717	264	95.4%
MARKET-RATE/TAX CREDIT	2	100	5	95.0%
TAX CREDIT	2	285	11	96.1%
TAX CREDIT/GOVERNMENT-SUBSIDIZED	2	306	0	100.0%
GOVERNMENT-SUBSIDIZED	3	167	0	100.0%
TOTAL	63	6,575	280	95.7%

The following table summarizes the breakdown by program and bedroom type for all of the housing units surveyed within the City of Champaign.

MARKET-RATE						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
STUDIO	1.0	159	2.8%	6	3.8%	\$487
ONE-BEDROOM	1.0	1,589	27.7%	65	4.1%	\$662
TWO-BEDROOM	1.0	1,465	25.6%	71	4.8%	\$829
TWO-BEDROOM	1.5	472	8.2%	18	3.8%	\$899
TWO-BEDROOM	2.0	752	13.1%	49	6.5%	\$992
TWO-BEDROOM	2.5	152	2.7%	2	1.3%	\$1,137
THREE-BEDROOM	1.0	142	2.5%	5	3.5%	\$860
THREE-BEDROOM	1.5	255	4.4%	8	3.1%	\$1,122
THREE-BEDROOM	2.0	34	0.6%	1	2.9%	\$1,191
THREE-BEDROOM	2.5	51	0.9%	0	0.0%	\$965
THREE-BEDROOM	3.0	213	3.7%	21	9.9%	\$1,145
FOUR-BEDROOM	1.0	5	0.1%	0	0.0%	\$1,780
FOUR-BEDROOM	2.0	164	2.9%	10	6.1%	\$1,760
FOUR-BEDROOM	2.5	55	1.0%	0	0.0%	\$2,623
FOUR-BEDROOM	4.0	204	3.6%	8	3.9%	\$1,436
FIVE-BEDROOM	2.0	20	0.3%	0	0.0%	\$1,862
FIVE-BEDROOM	2.5	1	0.0%	0	0.0%	\$2,188
TOTAL MARKET-RATE		5,733	100.0%	264	4.6%	-

TAX CREDIT, NON-SUBSIDIZED						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	7	1.9%	2	28.6%	\$502
TWO-BEDROOM	1.0	186	50.4%	8	4.3%	\$644
TWO-BEDROOM	1.5	29	7.9%	1	3.4%	\$757
THREE-BEDROOM	1.0	51	13.8%	2	3.9%	\$749
THREE-BEDROOM	1.5	21	5.7%	0	0.0%	\$794
THREE-BEDROOM	2.0	72	19.5%	3	4.2%	\$930
FOUR-BEDROOM	2.0	3	0.8%	0	0.0%	\$711
TOTAL TAX CREDIT		369	100.0%	16	4.3%	-

SUBSIDIZED TAX CREDIT						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
STUDIO	1.0	4	1.3%	0	0.0%	N/A
ONE-BEDROOM	1.0	224	73.2%	0	0.0%	N/A
TWO-BEDROOM	1.0	24	7.8%	0	0.0%	N/A
TWO-BEDROOM	1.5	34	11.1%	0	0.0%	N/A
THREE-BEDROOM	2.5	20	6.5%	0	0.0%	N/A
TOTAL SUBSIDIZED TAX CREDIT		306	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
STUDIO	1.0	14	8.4%	0	0.0%	N/A
ONE-BEDROOM	1.0	92	55.1%	0	0.0%	N/A
TWO-BEDROOM	1.0	15	9.0%	0	0.0%	N/A
TWO-BEDROOM	2.0	14	8.4%	0	0.0%	N/A
THREE-BEDROOM	1.0	12	7.2%	0	0.0%	N/A
THREE-BEDROOM	2.0	12	7.2%	0	0.0%	N/A
FOUR-BEDROOM	1.5	4	2.4%	0	0.0%	N/A
FOUR-BEDROOM	2.0	4	2.4%	0	0.0%	N/A
TOTAL SUBSIDIZED		167	100.0%	0	0.0%	

The market-rate units were 95.4% occupied and the Tax Credit units were 95.7% occupied. The subsidized Tax Credit units are 100.0% occupied and the government-subsidized units are 100.0% occupied. The absence of vacant subsidized units indicates a strong demand for lowest income housing.

The following maps illustrate the distribution of the surveyed multifamily rentals in the City of Champaign. For additional information on these surveyed properties, please see Addendum A – Field Survey of Conventional Rentals.

Champaign (North), IL: Surveyed Apartment Locations

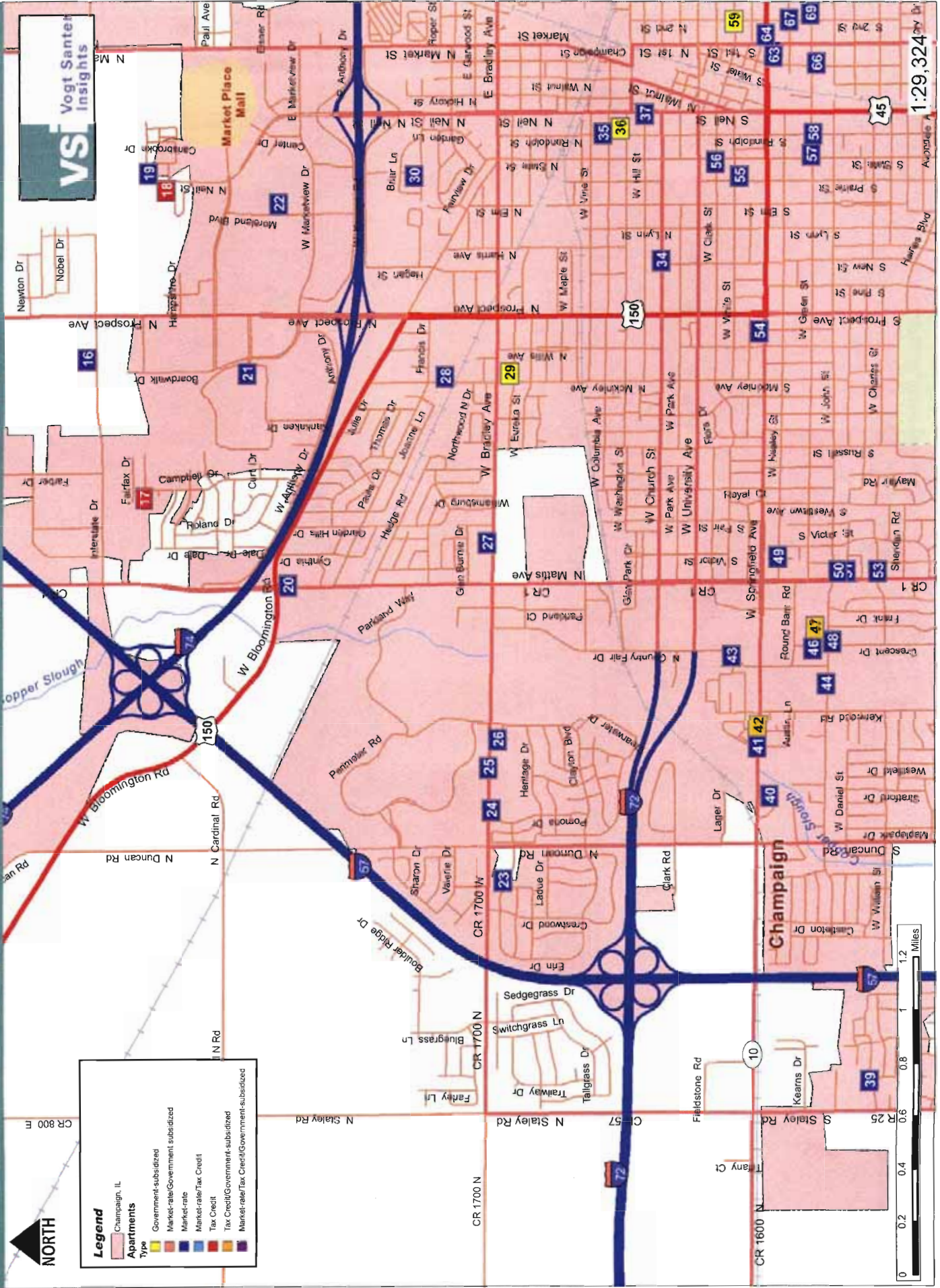


Legend

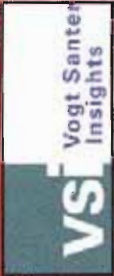
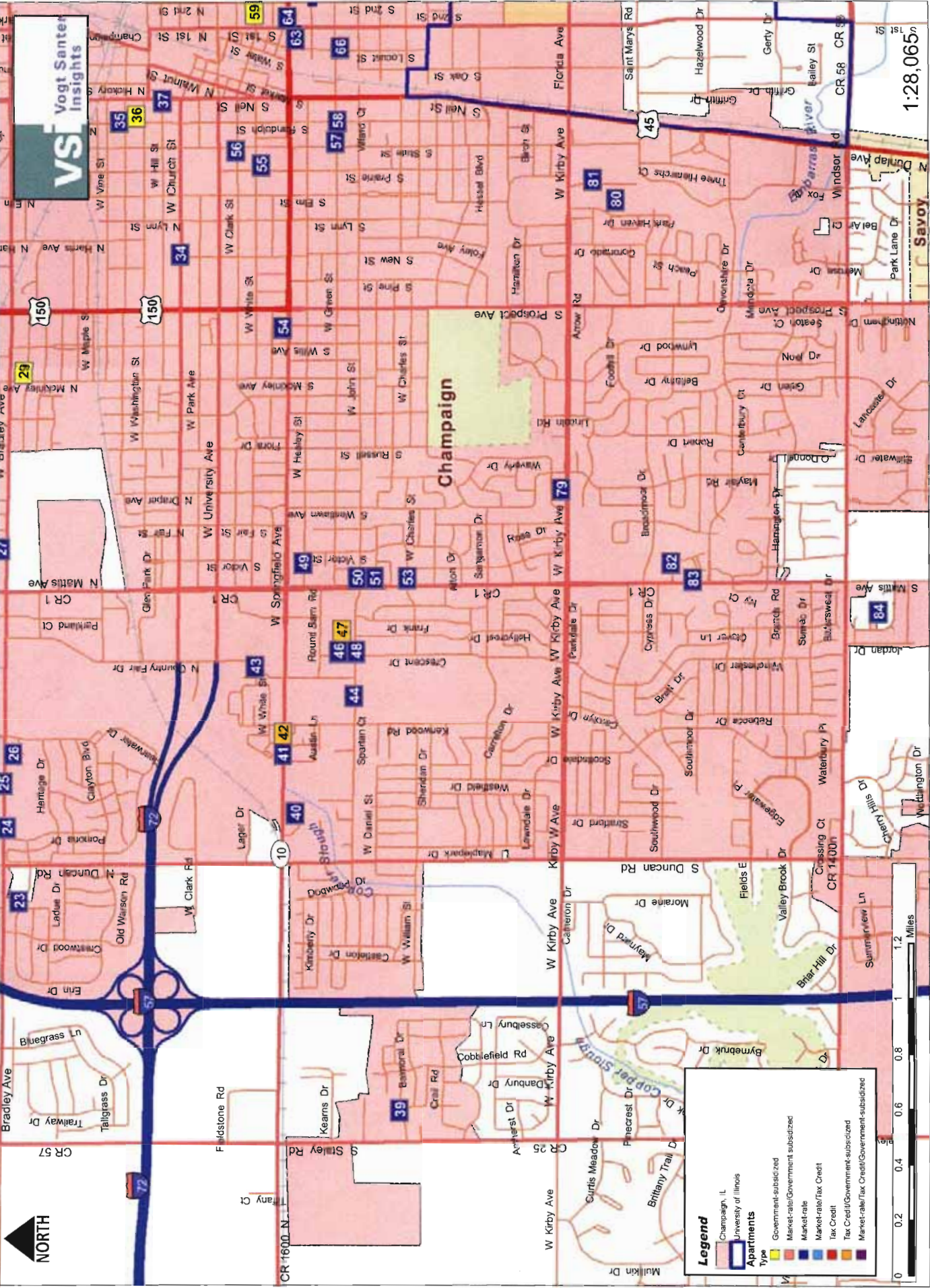
Champaign, IL

Apartment Type

- Government-subsidized
- Market-rate/Government-subsidized
- Market-rate
- Market-rate/Tax Credit
- Tax Credit
- Market-rate/Tax Credit/Government-subsidized



Champaign (South), IL: Surveyed Apartment Locations



1:28,065

City of Champaign Multifamily Rental Demand Analysis

CITY OF CHAMPAIGN AFFORDABLE HOUSING DEMAND									
	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%			
I. GROWTH DEMAND HOUSEHOLD-BASED:									
2010 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	\$0 - \$21,030	\$21,031 - \$28,040	\$28,041 - \$35,050	\$35,051 - \$42,060	\$42,061 - \$56,080	\$56,081 - \$70,100			
2015 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	7,368	1,858	1,404	1,105	1,396	813			
ESTIMATED ANNUAL INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH	7,194	1,877	1,431	1,141	1,487	920			
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-35	4	5	7	18	21			
	-174	19	27	36	91	107			
II. TOTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET									
2010 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	7,368	1,858	1,404	1,105	1,396	813			
(+) NEW INCOME QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-174	19	27	36	91	107			
(=) TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS IN 2015	7,194	1,877	1,431	1,141	1,487	920			
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED 95.0% OCCUPIED MARKET	7,573	1,976	1,506	1,201	1,565	968			
III. EXISTING RENTAL PRODUCT									
TOTAL OCCUPIED TARGETED RENTAL UNITS 2015	7,194	1,877	1,431	1,141	1,487	920			
(+) ESTIMATED NUMBER OF VACANT UNITS (VACANCY %)	84	28	28	28	56	56			
(=) NET EXISTING RENTAL PRODUCT	7,278	1,905	1,459	1,169	1,543	976			
IV. TOTAL SUPPLY AND DEMAND									
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET	7,573	1,976	1,506	1,201	1,565	968			
(-) TOTAL NET EXISTING TARGETED RENTAL PRODUCT	7,278	1,905	1,459	1,169	1,543	976			
(+) 2.5% OF EXISTING RENTAL PRODUCT BUILT PRIOR TO 1970*	47	16	16	16	31	31			
(=) TOTAL TARGETED UNITS NEEDED OVER PROJECTION PERIOD (5 YEARS)	342	87	63	48	53	23			

*Based on share of income-qualified renter households up to 100% AMHI; 2.5% is multiplied by five to get total replacement units over 5-year projection period.



Vogt Santer
Insights

Student Households Effect on Lower Income Demand

Students comprise a significant amount of the low income renter population and must be acknowledged as a separate part of the population count when computing housing demand. Although they are low income renter households, they tend not to exhibit any of the social challenges, generational poverty and underemployment present with other low income rental households. 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 low 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 low income or renters. VSI estimates that 10% of full time graduate and undergraduate students fall within that category. The balance is then computationally eliminated. The following section is the multi-family rental demand for the City of Champaign with the student households removed.

City of Champaign Multifamily Rental Demand Analysis (Excluding Students)

CITY OF CHAMPAIGN AFFORDABLE HOUSING DEMAND - LESS STUDENT POPULATION									
	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%			
I. GROWTH DEMAND HOUSEHOLD-BASED:	\$0 -	\$21,031 -	\$28,041 -	\$35,051 -	\$42,061 -	\$56,081 -			
	\$21,030	\$28,040	\$35,050	\$42,060	\$56,080	\$70,100			
2010 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	1,825	1,858	1,404	1,105	1,396	813			
2015 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	1,651	1,877	1,431	1,141	1,487	920			
ESTIMATED ANNUAL INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH	-35	4	5	7	18	21			
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-174	19	27	36	91	107			
II. TOTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET									
2010 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	1,825	1,858	1,404	1,105	1,396	813			
(+) NEW INCOME QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-174	19	27	36	91	107			
(=) TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS IN 2015	1,651	1,877	1,431	1,141	1,487	920			
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED 95.0% OCCUPIED MARKET	1,738	1,976	1,506	1,201	1,565	968			
III. EXISTING RENTAL PRODUCT									
TOTAL OCCUPIED TARGETED RENTAL UNITS 2015	1,651	1,877	1,431	1,141	1,487	920			
(+) ESTIMATED NUMBER OF VACANT UNITS (VACANCY %)	84	28	28	28	56	56			
(=) NET EXISTING RENTAL PRODUCT	1,735	1,905	1,459	1,169	1,543	976			
IV. TOTAL SUPPLY AND DEMAND									
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET	1,738	1,976	1,506	1,201	1,565	968			
(-) TOTAL NET EXISTING TARGETED RENTAL PRODUCT	1,735	1,905	1,459	1,169	1,543	976			
(+) 2.5% OF EXISTING RENTAL PRODUCT BUILT PRIOR TO 1970*	47	16	16	16	31	31			
(=) TOTAL TARGETED UNITS NEEDED OVER PROJECTION PERIOD (5 YEARS)	50	87	63	48	53	23			

*Based on share of income-qualified renter households up to 100% AMHI; 2.5% is multiplied by five to get total replacement units over 5-year projection period.

3. CITY OF URBANA MULTIFAMILY RENTAL ANALYSIS

City of Urbana Multifamily Rental Supply

The distributions of the area housing stock within the City of Urbana in 2000 and estimated for 2010 are summarized in the following table:

HOUSING STATUS	2000 (CENSUS)		2010 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL-OCCUPIED	14,327	93.9%	15,322	89.8%
OWNER-OCCUPIED	5,468	38.2%	5,870	38.3%
RENTER-OCCUPIED	8,859	61.8%	9,452	61.7%
VACANT	936	6.1%	1,740	10.2%
TOTAL	15,263	100.0%	17,062	100.0%

Source: 2000 Census; ESRI; Urban Decision Group; Vogt Santer Insights, Ltd.

Based on a 2010 update of the 2000 Census, of the 17,062 total housing units in the market, 10.2% were vacant. In 2010, it was estimated that homeowners occupied 38.3% of all occupied housing units, while the remaining 61.7% were occupied by renters. The high share of renters is the result of the presence of the University of Illinois student renters as most college students rent their residence while they attend college.

We identified and personally surveyed 30 conventional housing projects containing a total of 3,537 units within the City. These rentals have a combined occupancy rate of 95.3%, a high rate for rental housing. Among these projects, 22 are non-subsidized (market-rate and Tax Credit) projects containing 3,025 units. These non-subsidized units are 94.4% occupied. The remaining eight projects contain 512 government-subsidized units, which are 100.0% occupied. There are 92 additional units under construction in the City's municipal boundaries.

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT UNITS	OCCUPANCY RATE
MARKET-RATE	19	2,802	168	94.0%
MARKET-RATE/TAX CREDIT	1	152	0	100.0%
MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED	1	120	0	100.0%
TAX CREDIT	1	70	0	100.0%
GOVERNMENT-SUBSIDIZED	8	393	0	100.0%
TOTAL	30	3,537	168	95.3%

Other than the market-rate housing segment, all other rental housing types are 100.0% occupied indicating a need for more affordable housing in the City of Urbana.

The following tables summarize the breakdown by program and bedroom type for all of the housing units surveyed within Urbana.

MARKET-RATE						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
STUDIO	1.0	15	0.5%	0	0.0%	\$514
ONE-BEDROOM	1.0	883	31.2%	41	4.6%	\$643
TWO-BEDROOM	1.0	889	31.4%	45	5.1%	\$762
TWO-BEDROOM	1.5	90	3.2%	22	24.4%	\$867
TWO-BEDROOM	2.0	398	14.0%	16	4.0%	\$989
THREE-BEDROOM	1.0	24	0.8%	12	50.0%	\$853
THREE-BEDROOM	1.5	26	0.9%	0	0.0%	\$914
THREE-BEDROOM	2.0	108	3.8%	16	14.8%	\$1,026
THREE-BEDROOM	3.0	72	2.5%	2	2.8%	\$1,277
FOUR-BEDROOM	2.0	139	4.9%	9	6.5%	\$1,582
FOUR-BEDROOM	2.5	4	0.1%	2	50.0%	\$1,200
FOUR-BEDROOM	4.0	186	6.6%	3	1.6%	\$1,556
TOTAL MARKET-RATE		2,834	100.0%	168	5.9%	-

TAX CREDIT, NON-SUBSIDIZED						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	48	25.1%	0	0.0%	\$578
TWO-BEDROOM	1.0	64	33.5%	0	0.0%	\$688
TWO-BEDROOM	1.5	43	22.5%	0	0.0%	\$724
THREE-BEDROOM	2.0	26	13.6%	0	0.0%	\$894
FOUR-BEDROOM	2.0	10	5.2%	0	0.0%	\$880
TOTAL TAX CREDIT		191	100.0%	0	0.0%	-

SUBSIDIZED TAX CREDIT						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	119	100.0%	0	0.0%	N/A
TOTAL SUBSIDIZED TAX CREDIT		119	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
STUDIO	1.0	25	6.4%	0	0.0%	N/A
ONE-BEDROOM	1.0	285	72.5%	0	0.0%	N/A
TWO-BEDROOM	1.0	12	3.1%	0	0.0%	N/A
TWO-BEDROOM	1.5	47	12.0%	0	0.0%	N/A
THREE-BEDROOM	1.0	8	2.0%	0	0.0%	N/A
THREE-BEDROOM	1.5	12	3.1%	0	0.0%	N/A
FOUR-BEDROOM	1.0	4	1.0%	0	0.0%	N/A
TOTAL SUBSIDIZED		393	100.0%	0	0.0%	

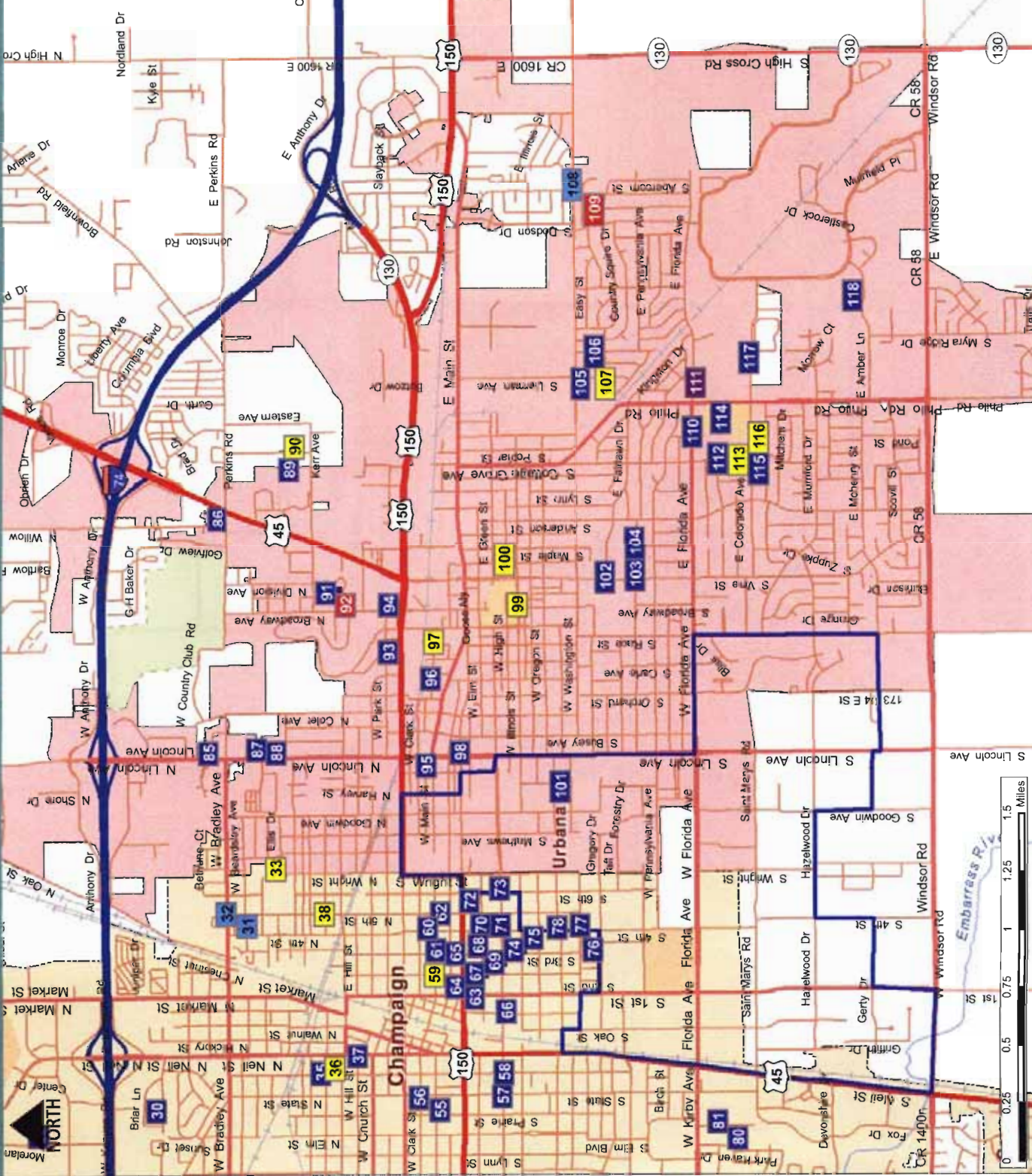
The market-rate units are 94.1% occupied and the Tax Credit units are 100.0% occupied. The subsidized Tax Credit units are 100.0% occupied and the government-subsidized units are 100.0% occupied. The lack of vacancies in both the Tax Credit and subsidized units indicates a strong demand for lowest income housing.

Urbana, IL: Surveyed Apartment Locations



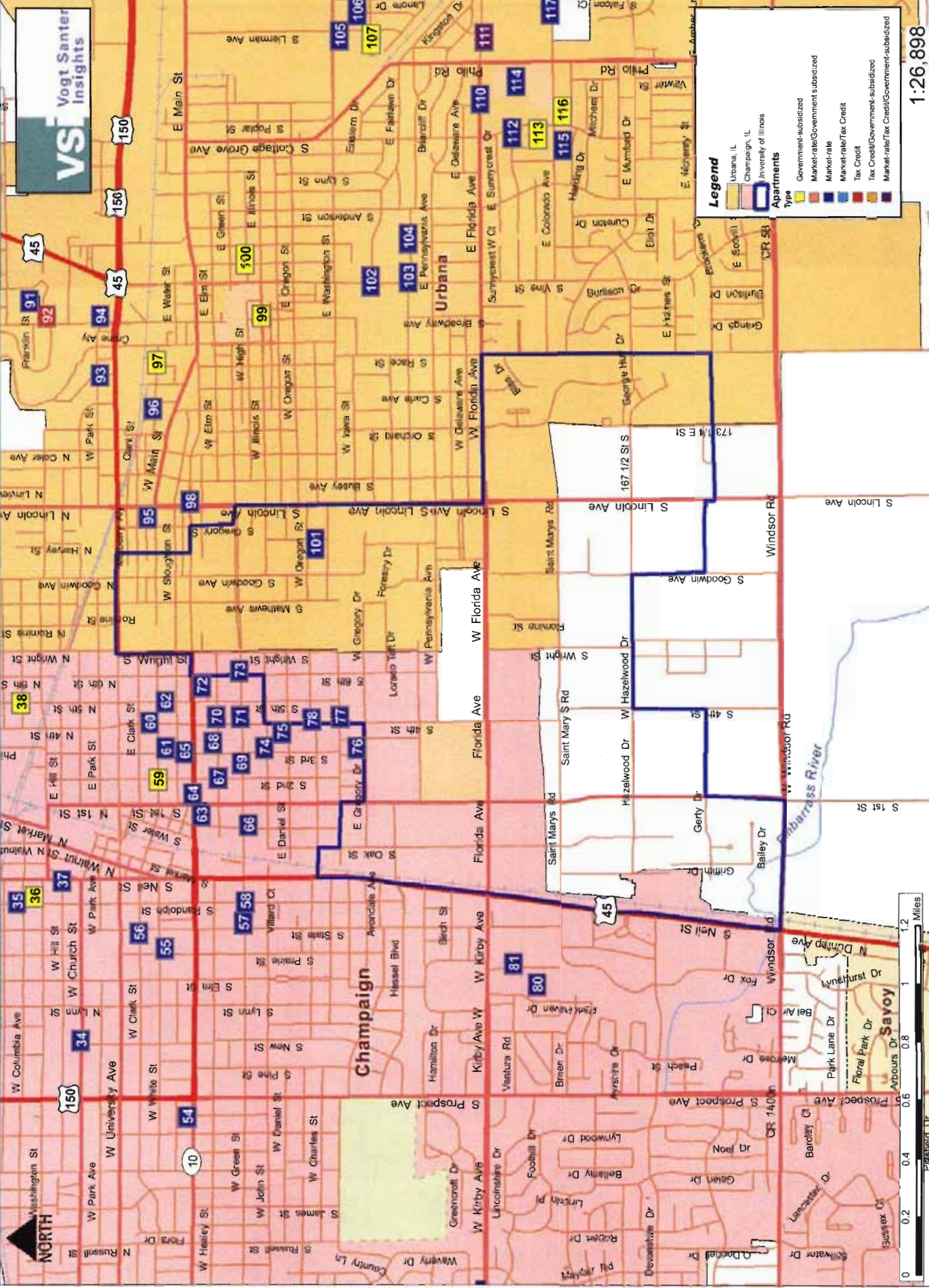
Legend

- Urbana, IL
- University of Illinois
- Apartment Type
- Government-subsidized
- Market-rate/Government-subsidized
- Market-rate
- Market-rate/Tax Credit
- Tax Credit
- Market-rate/Tax Credit/Government-subsidized
- Market-rate/Tax Credit/Government-subsidized



1:37,384

Champaign-Urbana (University of Illinois), IL: Surveyed Apartment Locations



City of Urbana Multifamily Rental Demand Analysis (Excluding Students)

		CITY OF URBANA AFFORDABLE HOUSING DEMAND - LESS STUDENT POPULATION						
		0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%	
I. GROWTH DEMAND HOUSEHOLD-BASED:		\$0 - \$21,030	\$21,031 - \$28,040	\$28,041 - \$35,050	\$35,051 - \$42,060	\$42,061 - \$56,080	\$56,081 - \$70,100	
2010 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS		1,363	1,150	955	796	935	388	
2015 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS		1,222	1,164	972	822	1,009	449	
ESTIMATED ANNUAL INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH		-28	3	3	5	15	12	
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)		-141	14	17	26	74	61	
II. TOTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET								
2010 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)		1,363	1,150	955	796	935	388	
(+) NEW INCOME QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)		-141	14	17	26	74	61	
(-) TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS IN 2015		1,222	1,164	972	822	1,009	449	
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED 95.0% OCCUPIED MARKET		1,286	1,225	1,023	865	1,062	473	
III. EXISTING RENTAL PRODUCT								
TOTAL OCCUPIED TARGETED RENTAL UNITS 2015		1,222	1,164	972	822	1,009	449	
(+) ESTIMATED NUMBER OF VACANT UNITS (VACANCY %)		50	17	17	17	34	34	
(-) NET EXISTING RENTAL PRODUCT		1,272	1,181	989	839	1,043	483	
IV. TOTAL SUPPLY AND DEMAND								
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET		1,286	1,225	1,023	865	1,062	473	
(-) TOTAL NET EXISTING TARGETED RENTAL PRODUCT		1,272	1,181	989	839	1,043	483	
(+) 2.5% OF EXISTING RENTAL PRODUCT BUILT PRIOR TO 1970*		11	4	4	4	7	7	
(=) TOTAL TARGETED UNITS NEEDED OVER PROJECTION PERIOD (5 YEARS)		25	48	38	30	26	-3	

*Based on share of income-qualified renter households up to 100% AMHI; 2.5% is multiplied by five to get total replacement units over 5-year projection period.



City of Urbana Multifamily Demand

CITY OF URBANA AFFORDABLE HOUSING DEMAND									
	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%			
I. GROWTH DEMAND HOUSEHOLD-BASED:									
2010 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	\$0 - \$21,030	\$21,031 - \$28,040	\$28,041 - \$35,050	\$35,051 - \$42,060	\$42,061 - \$56,080	\$56,081 - \$70,100			
2015 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	4,578	1,150	955	796	935	388			
ESTIMATED ANNUAL INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH	4,437	1,164	972	822	1,009	449			
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-28	3	3	5	15	12			
	-141	14	17	26	74	61			
II. TOTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET									
2010 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	4,578	1,150	955	796	935	388			
(+) NEW INCOME QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-141	14	17	26	74	61			
(-) TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS IN 2015	4,437	1,164	972	822	1,009	449			
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED 95.0% OCCUPIED MARKET	4,671	1,225	1,023	865	1,062	473			
III. EXISTING RENTAL PRODUCT									
TOTAL OCCUPIED TARGETED RENTAL UNITS 2015	4,437	1,164	972	822	1,009	449			
(+) ESTIMATED NUMBER OF VACANT UNITS (VACANCY %)	50	17	17	17	34	34			
(-) NET EXISTING RENTAL PRODUCT	4,487	1,181	989	839	1,043	483			
IV. TOTAL SUPPLY AND DEMAND									
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET	4,671	1,225	1,023	865	1,062	473			
(-) TOTAL NET EXISTING TARGETED RENTAL PRODUCT	4,487	1,181	989	839	1,043	483			
(+) 2.5% OF EXISTING RENTAL PRODUCT BUILT PRIOR TO 1970*	11	4	4	4	7	7			
(=) TOTAL TARGETED UNITS NEEDED OVER PROJECTION PERIOD (5 YEARS)	195	48	38	30	26	-3			

*Based on share of income-qualified renter households up to 100% AMHI; 2.5% is multiplied by five to get total replacement units over 5-year projection period.



4. VILLAGE OF RANTOUL MULTIFAMILY RENTAL SUPPLY AND DEMAND ANALYSIS

Village of Rantoul Multifamily Rental Supply

The distributions of the area housing stock within the Village of Rantoul in 2000 and estimated for 2010 are summarized in the following table:

HOUSING STATUS	2000 (CENSUS)		2010 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL-OCCUPIED	5,327	86.5%	5,158	79.9%
OWNER-OCCUPIED	2,705	50.8%	2,560	49.6%
RENTER-OCCUPIED	2,622	49.2%	2,598	50.4%
VACANT	830	13.5%	1,297	20.1%
TOTAL	6,157	100.0%	6,455	100.0%

Source: 2000 Census; ESRI; Urban Decision Group; Vogt Santer Insights, Ltd.

Based on a 2010 update of the 2000 Census, of the 6,455 total housing units in the market, 20.1% were vacant. In 2010, it was estimated that homeowners occupied 49.6% of all occupied housing units, while the remaining 50.4% were occupied by renters.

We identified and personally surveyed 11 conventional housing projects containing a total of 1,644 units within the Village. These rentals have a combined occupancy rate of 95.0%, a high rate for rental housing. Among these projects, eight are non-subsidized (market-rate and Tax Credit) projects containing 1,511 units. These non-subsidized units are 94.5% occupied. The remaining three projects contain 133 government-subsidized units, which are 100.0% occupied. There are no additional units under construction in the Village.

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT UNITS	OCCUPANCY RATE
MARKET-RATE	8	1,511	83	94.5%
GOVERNMENT-SUBSIDIZED	3	133	0	100.0%
TOTAL	11	1,644	83	95.0%

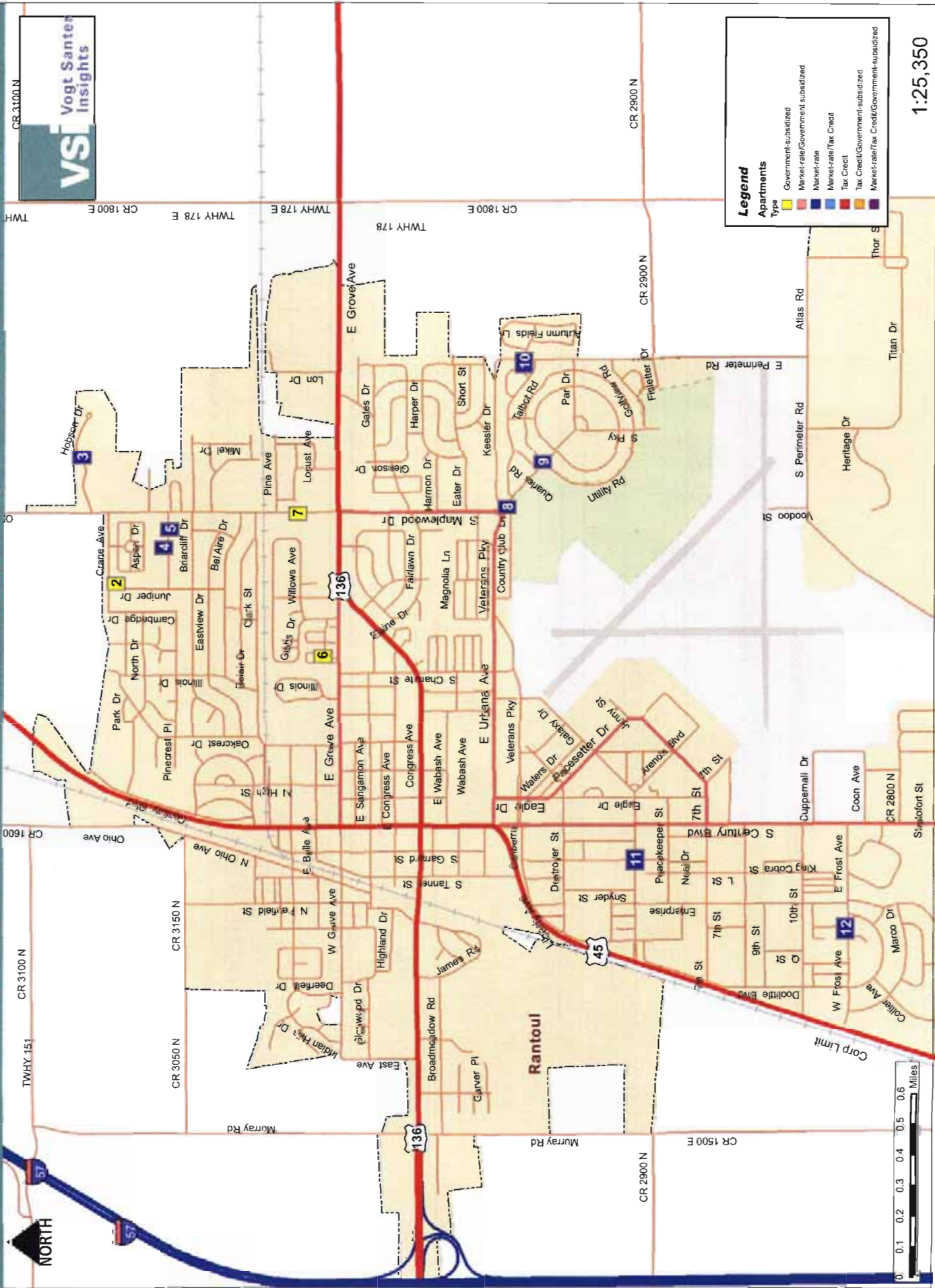
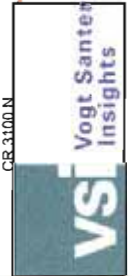
The following table summarizes the breakdown by program and bedroom type for all of the housing units surveyed within Rantoul.

MARKET-RATE							
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT	
ONE-BEDROOM	1.0	147	9.7%	2	1.4%	\$443	
TWO-BEDROOM	1.0	239	15.8%	5	2.1%	\$559	
TWO-BEDROOM	1.5	304	20.1%	22	7.2%	\$674	
THREE-BEDROOM	1.0	197	13.0%	8	4.1%	\$694	
THREE-BEDROOM	1.5	462	30.6%	36	7.8%	\$789	
FOUR-BEDROOM	2.5	44	2.9%	0	0.0%	\$888	
FOUR-BEDROOM	3.0	118	7.8%	10	8.5%	\$907	
TOTAL MARKET-RATE		1,511	100.0%	83	5.5%	-	

GOVERNMENT-SUBSIDIZED							
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT	
ONE-BEDROOM	1.0	61	45.9%	0	0.0%	N/A	
TWO-BEDROOM	1.0	40	30.1%	0	0.0%	N/A	
THREE-BEDROOM	1.0	28	21.1%	0	0.0%	N/A	
FOUR-BEDROOM	1.0	4	3.0%	0	0.0%	N/A	
TOTAL SUBSIDIZED		133	100.0%	0	0.0%		

The market-rate units were 94.5% occupied. The government-subsidized units were 100.0% occupied.

Village of Rantoul, IL: Surveyed Apartment Locations



1:25,350

Village of Rantoul Housing Multifamily Rental Demand

VILLAGE OF RANTOUL AFFORDABLE HOUSING DEMAND							
	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%	
I. GROWTH DEMAND HOUSEHOLD-BASED:							
	\$0 - \$21,030	\$21,031 - \$28,040	\$28,041 - \$35,050	\$35,051 - \$42,060	\$42,061 - \$56,080	\$56,081 - \$70,100	
2010 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	677	359	303	272	397	204	
2015 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	613	342	295	269	402	221	
ESTIMATED ANNUAL INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH	-13	-3	-2	-1	1	3	
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-64	-17	-8	-3	5	17	
II. TOTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET							
2010 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	677	359	303	272	397	204	
(+) NEW INCOME QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-64	-17	-8	-3	5	17	
(-) TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS IN 2015	613	342	295	269	402	221	
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED 95.0% OCCUPIED MARKET	645	360	311	283	423	233	
III. EXISTING RENTAL PRODUCT							
TOTAL OCCUPIED TARGETED RENTAL UNITS 2015	613	342	295	269	402	221	
(+) ESTIMATED NUMBER OF VACANT UNITS (VACANCY %)	25	8	8	8	17	17	
(-) NET EXISTING RENTAL PRODUCT	638	350	303	277	419	238	
IV. TOTAL SUPPLY AND DEMAND							
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET	645	360	311	283	423	233	
(-) TOTAL NET EXISTING TARGETED RENTAL PRODUCT	638	350	303	277	419	238	
(+) 2.5% OF EXISTING RENTAL PRODUCT BUILT PRIOR TO 1970*	35	12	12	12	23	23	
(=) TOTAL TARGETED UNITS NEEDED OVER PROJECTION PERIOD (5 YEARS)	42	22	20	18	27	18	

*Based on share of income-qualified renter households up to 100% AMHI; 2.5% is multiplied by five to get total replacement units over 5-year projection period.



C. NEW FOR-SALE HOUSING ANALYSIS

The health of a housing market can be effectively gauged by monitoring the supply and demand for new housing. The availability of existing homes is directly dependent upon a healthy market for new homes. As demand for new homes increases, homeowners will vacate their existing homes when moving into a new home. This creates opportunities for those seeking an existing home, which eventually translates into home buying opportunities for lowest income homebuyers and renters.

Support for new for-sale housing within Champaign County is based upon the area's ability to capture the component of buyers seeking this housing alternative. The for-sale housing market has benefited in recent years from the historically low interest rate environment. However, an influx of foreclosures, decline in the economy and sales of existing homes within established housing developments have dampened the market for new for-sale housing.

From August, 2010 to October, 2010, Vogt-Santer Insights conducted an extensive field survey of new for-sale housing in Champaign County. The following section explains the dynamics of the new for-sale housing market and explores the opportunities for new for-sale housing within Champaign County.

County Demographics and Affordability

The current demographic profile will yield insight into the potential to support for-sale housing within Champaign County. The 2000 Census reported a population of 179,667 and a total of 70,596 households within Champaign County. The current year estimate of the county's population has grown to 195,296 people in 77,287 households. By 2015, the population is expected to grow to 198,711 and the number of households is expected to be 79,327, an increase of 2,040 households. In addition to a healthy, growing population base, the county is expected to see incomes rise in the future. The current year's median household income is estimated to be \$48,197 and that is expected to rise to \$55,087 in 2015.

Demand for for-sale housing is established by: estimating the share of households in the County who are likely to respond to a new single-family development, external support or households new to the County and the likelihood that existing developments can capture a share of this demand. Capture rates are based upon the historic performance of other, well-developed markets, as well as a projection of the share that will respond to new housing given a choice.

To project this share, an analysis of income levels, tenure characteristics and other socioeconomic data is conducted. The following represents a distribution of income levels within the County in 2010 for all households:

Champaign County Income Distribution

INCOME LEVEL	ALL HOUSEHOLDS	
	NUMBER	DISTRIBUTION
LESS THAN \$30,000	24,254	31.4%
\$30,000 - \$39,999	7,998	10.3%
\$40,000 - \$49,999	7,631	9.9%
\$50,000 - \$74,999	16,424	21.2 %
\$75,000 - \$99,999	11,621	15.0%
\$100,000 AND OVER	9,359	12.1%
TOTAL	77,287	100.0%

Source: Vogt Santer Insights, Ltd., Urban Decision Group, LLC, ESRI

For the purposes of this analysis, we conservatively assume that a homebuyer will be required to make a minimum down payment of \$10,000, or 10.0%, of the purchase price for the purchase of a new home. Further, we assume that a reasonable down payment will equal approximately 35.0% to 45.0% of a household's annual income. The following represents the potential purchase price by income level (assuming a fixed rate of 6.0% financed over a period of 30 years):

Household Income and Purchase Price

INCOME LEVEL	DOWNPAYMENT	MAXIMUM PURCHASE PRICE
\$30,000-\$39,999	\$15,000	\$100,000-\$140,000
\$40,000-\$49,999	\$20,000	\$140,000-\$200,000
\$50,000-\$74,999	\$25,000	\$200,000-\$300,000
\$75,000-\$99,999	\$30,000	\$300,000-\$400,000
\$100,000 AND OVER	\$35,000	\$400,000+

Source: Vogt Santer Insights, Ltd.

Naturally, there are cases where a household can afford a higher down payment to purchase a more expensive home or a household purchases a less expensive home even though it could afford a higher purchase price. This broad analysis provides the basis in which capture rates can be applied to estimate the *potential* annual sales of single-family homes within the County.

There are currently over 85,000 housing units in Champaign County. Of these, there are over 42,000 that are owner-occupied, which equates to 49.6% of all housing units. In 2010, over 71.0% of owner-occupied housing structures are valued over \$100,000, while only 26.6% are valued over \$200,000 and just 10% are valued over \$300,000. The following table illustrates estimated housing

values based on the 2000 Census and 2010 estimates for owner-occupied housing units within Champaign County.

Champaign County Home Values

ESTIMATED HOME VALUES	2000 (CENSUS)		2010 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT
LESS THAN \$20,000	1,951	5.0%	1,899	4.5%
\$20,000 TO \$39,999	2,096	5.3%	1,221	2.9%
\$40,000 TO \$59,999	4,529	11.5%	1,925	4.5%
\$60,000 TO \$79,999	7,252	18.4%	2,741	6.5%
\$80,000 TO \$99,999	7,205	18.3%	4,521	10.6%
\$100,000 TO \$149,999	9,494	24.1%	11,327	26.7%
\$150,000 TO \$199,999	3,832	9.7%	7,547	17.8%
\$200,000 TO \$299,999	2,005	5.1%	7,069	16.6%
\$300,000 TO \$399,999	558	1.4%	2,115	5.0%
\$400,000 TO \$499,999	243	0.6%	1,069	2.5%
\$500,000 TO \$749,999	105	0.3%	724	1.7%
\$750,000 TO \$999,999	22	0.1%	203	0.5%
\$1,000,000 & OVER	36	0.1%	113	0.3%
TOTAL	39,328	100.0%	42,474	100.0%
MEDIAN HOME VALUE	\$90,647		\$139,419	

Source: 2000 Census; ESRI; Urban Decision Group; Vogt Santer Insights, Ltd.

New For-Sale Housing Supply and Demand

Vogt Santer Insights' survey of new for-sale housing included condominiums and single-family home subdivisions that have been active at some point within the last 10 years. Both single-family homes and condominiums were analyzed at the macro and micro scales. In the following analysis, we will examine supply and demand within the entire County and the City of Champaign and City of Urbana, as well as the Village of Rantoul.

1. CHAMPAIGN COUNTY FOR-SALE HOUSING SUPPLY AND DEMAND

Champaign County Single-Family Home Supply

From January 2000 to September 2010, there were a total of 4,120 new homes built and lots sold in Champaign County. The vast majority of those homes are considered production homes – homes of similar size and style that are quickly built by a single homebuilder. Less than 20% of the new homes built were estate homes – custom built homes on larger than average lots. The following table compares the type of home and the sales by year since 2000.

Champaign County Single-Family Home Sales by Year

YEAR	PRODUCTION	ESTATE	TOTAL	MONTHLY SALES
2000 TO 2004	1,132	171	1,303	21.7
2005	613	109	722	60.2
2006	568	91	659	54.9
2007	429	93	522	43.5
2008	324	67	391	32.6
2009	262	65	327	27.3
2010	179	17	196	16.3
TOTAL	3,507	613	4,120	

Source: Vogt Santer Insights, Ltd.

The height of the Champaign County single-family housing market occurred in 2005 when there were 722 new homes and lots sold which equates to 60.2 homes and lots sold per month. The following year mirrored similar performance when 659 homes and lots were sold, or a total of 54.9 sales per month. New home and lots sales have declined each year since. The 2010 year-end new home sales projection is just 22, reflecting the impact of the national housing crisis.

Within Champaign County, there is a current inventory of 1,879 single-family homes and lots. A detailed listing of the current new home inventory can be found in Addendum C – Field Survey of Single Family Homes. The following table, which reflects an estimate of the home value that might be built on a lot, summarizes the existing inventory by price point.

Champaign County Single-Family Home Inventory

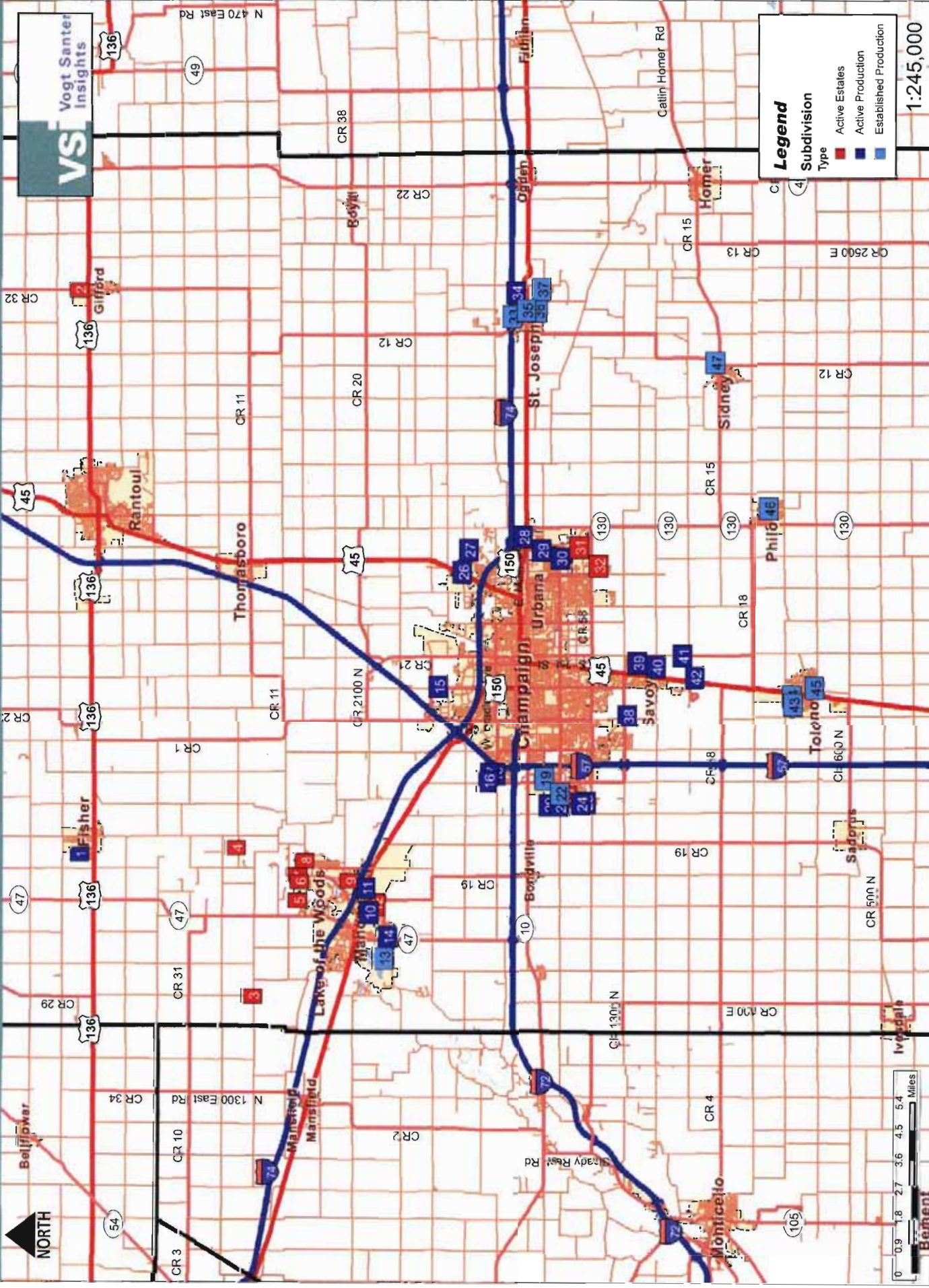
PRODUCT AFFORDABILITY	EXISTING INVENTORY
LESS THAN \$140,000	86
\$140,000-\$199,900	307
\$200,000-\$299,900	360
\$300,000-\$400,000	424
\$400,000+	702
TOTAL	1,879

Source: Vogt Santer Insights, Ltd.

Over 37% of the available homes and lots are for price points that exceed \$400,000. However, only 5% of current homes are valued above \$400,000. That may be an indication of pent-up demand but not enough to justify the large inventory of such homes. There are 667 existing homes and lots available for homes valued between \$140,000 and \$299,900. The majority of existing homes in the County are valued in this price range; therefore, we expect this inventory to diminish quicker than the higher and lower price points.

There are several new developments that exist on the urban fringe of the City of Champaign and City of Urbana. However, Mahomet, Tolono and St. Joseph have both active and established developments within their city limits. The map on the following page shows the location of these developments.

Champaign County, IL: Surveyed Single-family Subdivision Locations



Legend

Subdivision Type

- Active Estates
- Active Production
- Established Production

1:245,000

Please note the map codes displayed on the map refer back to the codes used to identify properties within the field survey in Addendum C. Addendum C contains detailed maps for each of the cities and villages that contain surveyed subdivisions. In addition, Addendum C contains detailed information such as tax and school district, amenities, lot density and sales by builder to name a few.

Champaign County Single-Family Home Demand

Based upon the capture rates established in well-developed single-family markets, our analysis of new single-family home sales within Champaign County, demographic characteristics, other available housing choices, interviews with realtors and examination of housing trends, we have applied capture rates to the distribution of household income to estimate the potential demand for *new* single-family housing in Champaign County. Note that support for single-family homes in Champaign County is primarily internal (within the County).

Champaign County Single-Family Home Demand

INCOME RANGE	HOME SALES PRICE	QUALIFYING HOUSEHOLDS	CAPTURE RATE	ANNUAL DEMAND	
				UNITS	DISTRIBUTION
\$30,000-\$39,999	LESS THAN \$140,000	7,998	0.008	64	16.6%
\$40,000-\$49,999	\$140,000-\$199,900	7,631	0.011	84	15.8%
\$50,000-\$74,999	\$200,000-\$299,900	13,428	0.009	121	31.3%
\$75,000-\$99,999	\$300,000-\$400,000	11,621	0.006	70	24.1%
\$100,000+	\$400,000+	9,359	0.005	47	12.2%
TOTAL				386	100.0%

Source: Vogt Santer Insights, Ltd.

Based on our evaluation of the characteristics of Champaign County and historical sales volume of single-family homes within the area, we estimate the County could generate up to 386 *new* home sales annually in the near term. Note that to achieve maximum levels in various sale price categories requires the market to offer all price points, locations and product alternatives. For this reason, the actual sales by price point rarely exceed the projection of support except when supply exceeds demand.

It should also be noted that annual support levels are generally not cumulative. In most markets, if there is support for new single-family homes at a particular price point or concept and they are not offered in a specific area, households may leave the area seeking this housing alternative, defer their purchase decision or seek another housing alternative. We anticipate many potential buyers who would be attracted to the proposed concept have either delayed their purchases (reflecting pent-up demand) or opted for an existing single-family home alternative offered in the market.

Within Champaign County, there is a current inventory of 1,879 single-family homes\lots. The following table compares the annualized demand by current available product:

Champaign County Single-Family Home Demand\Inventory

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET INVENTORY
LESS THAN \$140,000	64	86	22
\$140,000-\$199,900	84	307	223
\$200,000-\$299,900	121	360	239
\$300,000-\$400,000	70	424	354
\$400,000+	47	702	655
TOTAL	386	1,879	1,493

Source: Vogt Santer Insights, Ltd.

The above table details the Net Annualized Demand for 2010 *only*. The net annualized demand (NAD) in 2010 for Champaign County is a current surplus of 1,493 homes. We estimate that there is a surplus at all price points. Given the current economic recession, this is not surprising. The greatest surplus of units is for product (or lots that would accommodate a product) of \$400,000 or more. Based on current absorption rates, we estimate about a four-year supply of single-family lots within Champaign County.

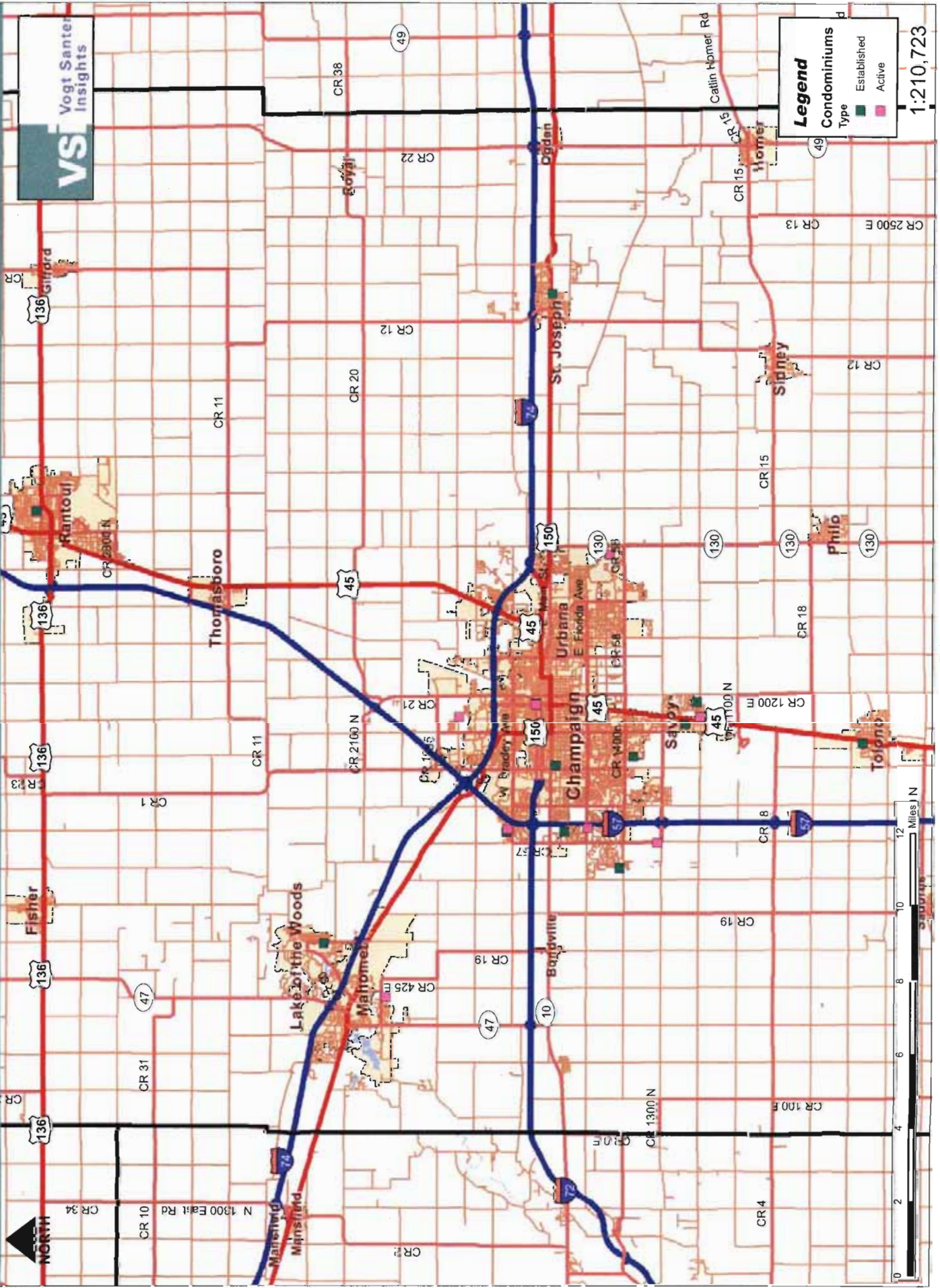
The smallest inventory is for product price at less than \$140,000. While a product strategy could be to develop this product, few builders can make this price point profitable without additional public subsidies.

In general, it is our opinion that the market is adequately served by the builders in the market area and there is little need to address this segment of the market.

Champaign County Condominium Supply

In Champaign County, we identified a total of 20 condominium developments. The 20 surveyed condominium/fee-simple projects include 12 developments with 569 units that were sold between July 2001 and September 2010. These projects are categorized as established. The remaining eight projects are active with unsold condominium product. The active developments total 335 units, of which 252 have been sold. There is an inventory of 83 unsold units and another 228 units are planned. A detailed explanation of the developments that were surveyed as well as maps that illustrate the locations of these facilities can be found in Addendum B. The map on Page II-35 shows the locations of the facilities that were surveyed. The map codes correspond to the facilities listed in Addendum B.

Champaign County, IL: Condominium Locations



Legend

Condominiums

Type

- Established (Green square)
- Active (Pink square)

1:210,723

The following table illustrates the status of properties included in our survey.

Champaign County Status of Condominium Projects

PROJECT STATUS	NUMBER OF PROJECTS	UNITS			
		TOTAL	SOLD	AVAILABLE	PLANNED
ACTIVE	8	335	252	83	228
ESTABLISHED	12	569	569	0	0
TOTAL	20	904	821	83	228

Source: Vogt Santer Insights, Ltd.

There are a total of 83 properties ready for-sale in Champaign County with an additional 228 planned units. In order to gain an understanding of the monthly absorption rate, we must first examine historical sales of condominiums. The following table lists the condominium sales by year since 2000.

Champaign County Condominium Sales by Year

YEAR	ESTABLISHED PHASES	ACTIVE PHASES	TOTAL	MONTHLY ABSORPTION
2000 TO 2004	196	0	196	3.3
2005	96	21	117	9.8
2006	120	32	152	12.7
2007	50	47	97	8.1
2008	40	80	120	10.0
2009	28	51	79	6.6
2010	31	21	52	5.8
TOTAL	561	252	813	6.3

Source: Vogt Santer Insights, Ltd.

Between July 2001 and September 2010, a total of 813 condominium units were sold among the area projects. This is an average of 6.3 units monthly. The highest number of condominium units sold in any one year occurred in 2006, when 152 units, or 18.5% of the total, were sold.

The following table summarizes the area condominium absorption trends among properties within Champaign County.

Champaign County Condominium Absorption

AVERAGE MONTHLY ABSORPTION (UNITS PER MONTH)	DISTRIBUTION OF CONDOMINIUM PROPERTIES			
	ESTABLISHED		ACTIVE	
	NUMBER	PERCENT	NUMBER	PERCENT
< 0.5	102	17.9%	17	6.7%
0.5 TO 0.9	117	20.6%	104	41.3%
1.0 TO 1.9	350	61.5%	131	52.0%
2.0 >	0	0.0%	0	0.0%
TOTAL	569	100.0%	252	100.0%

Source: Vogt Santer Insights, Ltd.

Given recent sales trends there is less than a one year supply of existing condominium units. The construction of the planned units would create and additional three years of supply.

Champaign County Condominium Demand

Based on our evaluation of the demographic characteristics of Champaign County and historical absorption trends, the area has the potential to absorb up to 78 new condominium units priced from \$140,000 to over \$400,000 annually. It is important to note that this *potential* demand includes the entire County. These figures also assume a wide variety of condominium housing choices exist, including price, location and concept. The optimal support figure of 78 units can only be achieved in an overbuilt market. The projection of 78 units is indicative of the historic housing slump in the U.S. as well as reflecting the current sales performance of new condominiums in Champaign County.

Within the Champaign County market, there is a current inventory of 83 condominium units. Furthermore, there are 228 planned units among eight active projects. The following table compares the annualized demand by available product:

Champaign County Condominium Demand

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET ANNUALIZED DEMAND	PLANNED UNITS
LESS THAN \$140,000	17	0	17	0
\$140,000-\$199,999	33	45	-12	182
\$200,000-\$299,999	40	37	3	46
\$300,000-\$399,999	12	1	11	0
\$400,000+	9	0	9	0
TOTAL	111	83	28	228

Source: Vogt Santer Insights, Ltd.

The Net Annualized Demand (NAD) in 2010 for Champaign County reflects a deficit of 28 units. A surplus for units only exists for homes priced between \$140,000 and \$199,999. There are also an additional 182 units planned in this price category indicating nearly a six-year supply. Considering current sales trends, there is less than a one-year supply of existing units, yet planned and proposed projects could provide over a three-year supply. Further, the existing inventory and planned units can not respond to the concept of offering all product demand, locations and concept to maximize optimal demand. The individual decisions of people involve a multitude of factors, such as location, price or even an emotional feeling about a prospective home, and cannot be predicted with 100% accuracy.

Champaign County For-Sale Housing Summary of Findings

Champaign County as a whole has nearly a four-year supply of new single-family homes and lots. In addition, there is a one year supply of new built condominiums with a three-year supply planned for construction. At the macro level (Champaign County), the market for new is adequately served. Should economic conditions improve in the short-term, the existing supply should be absorbed which will stimulate the market for existing homes and spur interest amongst local developers that are keen on building inventory.

2. CITY OF CHAMPAIGN FOR-SALE HOUSING SUPPLY AND DEMAND

City of Champaign Single-Family Home Supply

From January 2000 to December 2009, there were a total of 1,682 new homes built and lots sold in the City of Champaign. A total of 1,586 of these were production-style homes while just 96 were estate-style homes. The following table compares the type of home and the sales by year since 2000.

YEAR	PRODUCTION	ESTATE	TOTAL	MONTHLY SALES
2000 TO 2004	334	19	353	5.9
2005	328	21	349	29.1
2006	325	19	344	28.7
2007	275	18	293	24.4
2008	178	11	189	15.8
2009	146	8	154	12.8
TOTAL	1,586	96	1,682	

The height of the City of Champaign housing market occurred in 2005 when there were 349 new homes and lots sold which equates to 29.1 homes and lots sold per month. This is roughly half of all new home sales for the entire county. The following year 344 homes and lots were sold, or a total of 28.7 sales per month. New home and lots sales have declined each year since. In 2009, the last full year of sales data, there were just 154 new homes built in the City of Champaign.

Within the City of Champaign, there is a current inventory of 610 single-family homes and lots. The price range for production homes starts at \$124,667 and goes all the way to \$499,000. There is a healthy mix of price points within this range. A detailed listing of the current new home inventory can be found in Addendum C – Field Survey of Single Family Homes. The following table, which reflects an estimate of the home value that might be built on a lot, summarizes the existing inventory by price point.

City of Champaign Single-Family Home Inventory

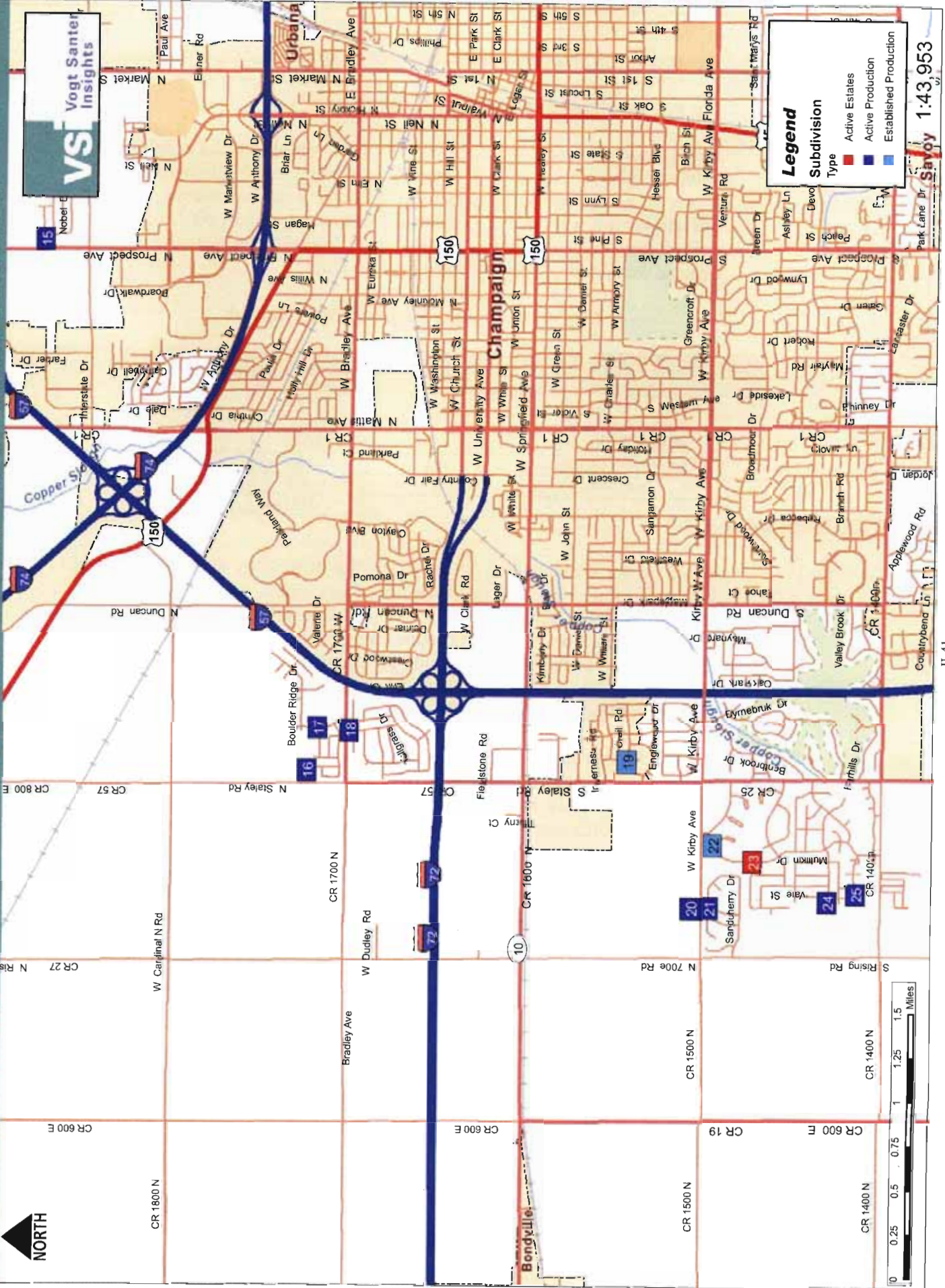
PRODUCT AFFORDABILITY	EXISTING INVENTORY
LESS THAN \$140,000	0
\$140,000-\$199,900	253
\$200,000-\$299,900	83
\$300,000-\$400,000	65
\$400,000+	161
TOTAL	562

Source: Vogt Santer Insights, Ltd.

There is a paucity of new for-sale homes priced below \$140,000. Homebuyers seeking a product at or below this price range must choose from the inventory of existing homes. However, the market has a healthy inventory of homes in the \$140,000 to \$199,900 price range. It makes sense that this is the price range that developers have targeted because the average home value in the City for 2010 is in this range - \$164,666.

All of the developments surveyed in the City of Champaign are located on the west and northwest parts of town. The availability of affordable land is the primary reason developers chose these locations. The map on Page II-41 displays the locations of the surveyed developments. Please note, the map codes displayed on the map refer back to the codes used to identify properties within the field survey in Addendum C. Addendum C contains detailed maps for each of the cities and villages that contain surveyed subdivisions. In addition, Addendum C contains detailed information such as tax and school district, amenities, lot density and sales by builder to name a few.

Champaign, IL: Surveyed Single-family Subdivision Locations



Legend

Subdivision Type

- Active Estates
- Active Production
- Established Production

Scale: 1:43,953

City of Champaign Single-Family Home Demand

Based upon the capture rates established in well-developed single-family markets, our analysis of new single-family home sales within the City of Champaign, demographic characteristics, other available housing choices, interviews with realtors and examination of housing trends, we have applied capture rates to the distribution of household income to estimate the potential demand for *new* single-family housing in the City.

City of Champaign Single-Family Demand

INCOME RANGE	HOME SALES PRICE	QUALIFYING HOUSEHOLDS	CAPTURE RATE	ANNUAL DEMAND	
				UNITS	DISTRIBUTION
\$30,000-\$39,999	LESS THAN \$140,000	2,840	0.008	23	16.5%
\$40,000-\$49,999	\$140,000-\$199,900	2,581	0.011	28	20.1%
\$50,000-\$74,999	\$200,000-\$299,900	5,674	0.009	51	36.7%
\$75,000-\$99,999	\$300,000-\$400,000	3,689	0.006	22	15.8%
\$100,000+	\$400,000+	2,981	0.005	15	10.8%
TOTAL				139	100.0%

Source: Vogt Santer Insights, Ltd.

Based on our evaluation of the characteristics of the City of Champaign and historical sales volume of single-family homes within the area, we estimate the County could generate up to 139 *new* home sales annually in the near term. Note that to achieve maximum levels in various sale price categories requires the market to offer all price points, locations and product alternatives. For this reason, the actual sales by price point rarely exceed the projection of support except when supply exceeds demand.

It should also be noted that annual support levels are generally not cumulative. In most markets, if there is support for new single-family homes at a particular price point or concept and they are not offered in a specific area, households may leave the area seeking this housing alternative, defer their purchase decision or seek another housing alternative. We anticipate many potential buyers who would be attracted to the proposed concept have either delayed their purchases (reflecting pent-up demand) or opted for an existing single-family home alternative offered in the market.

Within the City of Champaign, there is a current inventory of 610 single-family homes/lots. The following table compares the annualized demand by current available product:

City of Champaign Single-Family Home Inventory\Demand

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET INVENTORY
LESS THAN \$140,000	23	45	22
\$140,000-\$199,900	28	124	96
\$200,000-\$299,900	51	23	-28
\$300,000-\$400,000	22	257	235
\$400,000+	15	161	146
TOTAL	139	610	471

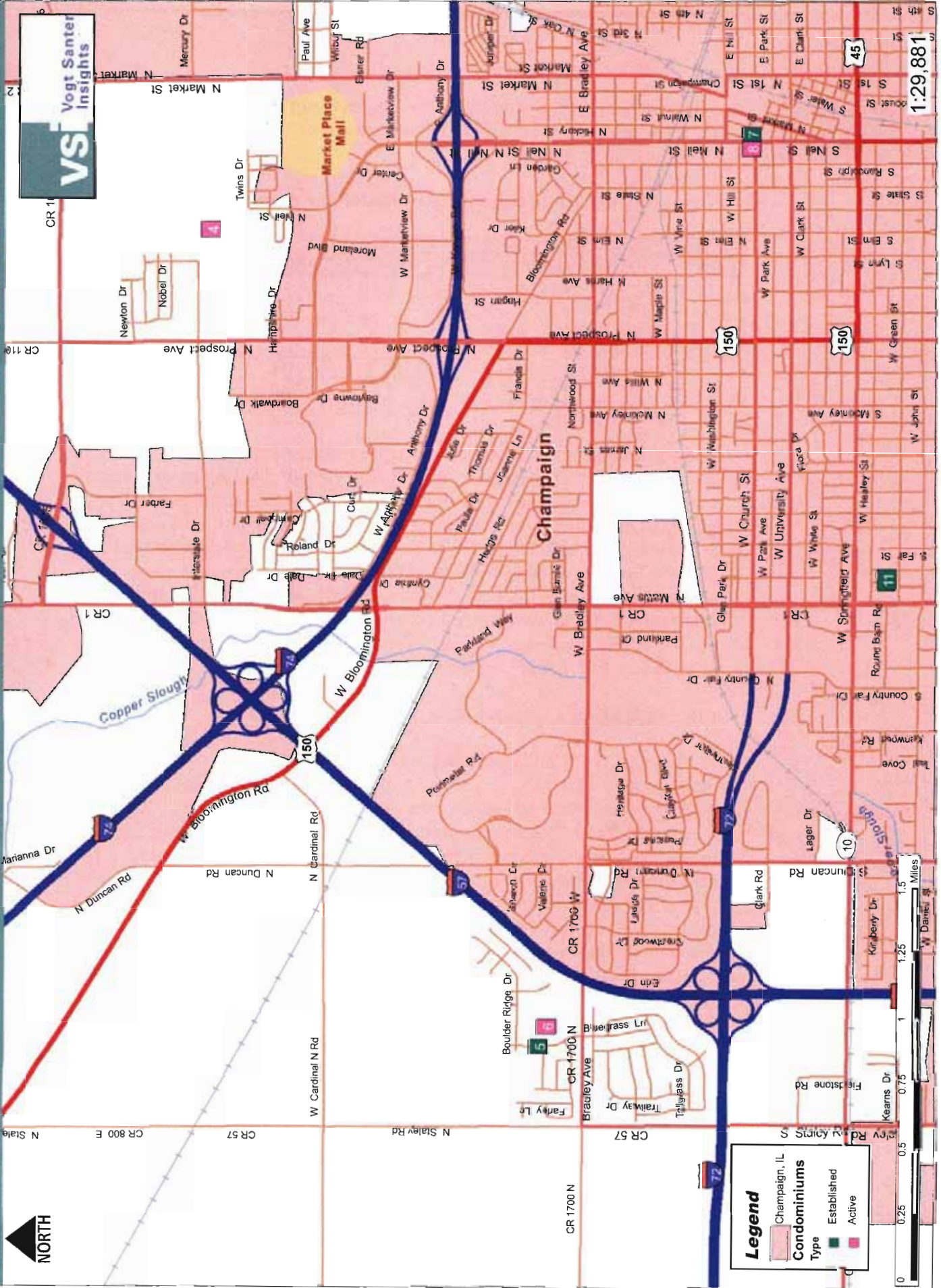
Source: Vogt Santer Insights, Ltd.

The above table details the Net Annualized Demand for 2010 *only*. The net annualized demand (NAD) in 2010 for the City of Champaign is a current surplus of 471 homes and lots. We estimate that there is a surplus at all price points. Given the current economic recession, this is not surprising. The greatest surplus of units is for product (or lots that would accommodate a product) between \$300,000 and \$400,000. Based on current absorption rates, we estimate about a three- to four-year supply of single-family lots within Champaign. Many developers have overbuilt high-end homes due to their belief that this segment of the market is deeper than it is. This trend has been observed by VSI in many other markets.

City of Champaign Condominium Supply

In the City of Champaign, we identified a total of 11 condominium developments. The 11 surveyed condominium/fee-simple projects include six developments with 440 units that were sold between July 2001 and September 2010. These projects are categorized as established. The remaining five projects are active with unsold condominium product. The active developments total 179 units, of which 119 have been sold. There is an inventory of 60 unsold units and another 130 units are planned. A detailed explanation of the developments that were surveyed as well as maps that illustrate the locations of these facilities can be found in Addendum B. The map on the following page shows the locations of the facilities that were surveyed in the City of Champaign. The map codes correspond to the facilities listed in Addendum B.

Champaign (North), IL: Condominium Locations



1:29,881

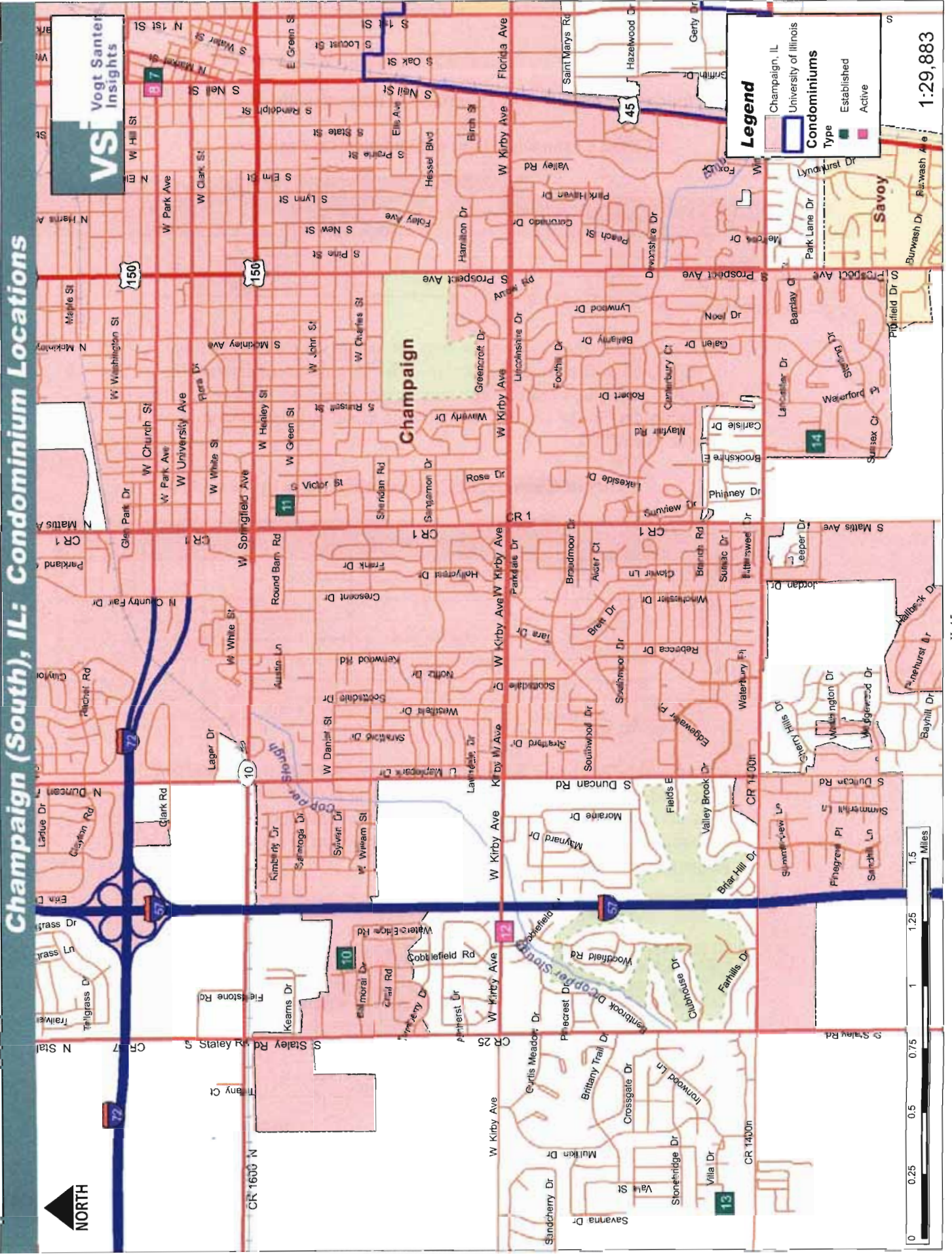
Champaign (South), IL: Condominium Locations



Legend

- Champaign, IL
- University of Illinois
- Condominiums
- Type
- Established
- Active

1:29,883



The following table illustrates the status of properties included in our survey.

City of Champaign Status of Condominium Projects

PROJECT STATUS	NUMBER OF PROJECTS	UNITS			
		TOTAL	SOLD	AVAILABLE	PLANNED
ACTIVE	5	179	119	60	130
ESTABLISHED	6	440	440	0	0
TOTAL	11	619	559	60	130

Source: Vogt Santer Insights, Ltd.

There are a total of 60 properties ready for sale in the City of Champaign with an additional 130 planned units. In order to gain an understanding of the monthly absorption rate, we must first examine historical sales of condominiums in the City. The following table lists the condominium sales by year since 2000.

City of Champaign Condominium Sales by Year

YEAR	ESTABLISHED PHASES	ACTIVE PHASES	TOTAL	MONTHLY ABSORPTION
2000 TO 2004	149	0	149	2.5
2005	71	21	92	7.7
2006	97	12	109	9.1
2007	27	9	36	3.0
2008	36	49	85	7.1
2009	25	17	42	3.5
2010	27	11	38	4.2
TOTAL	432	119	551	4.3

Source: Vogt Santer Insights, Ltd.

Between July 2001 and September 2010, a total of 551 condominium units were sold among the area projects. This is an average of 4.3 units monthly. This accounts for two-thirds of all condominium sales in the City. The following table summarizes the area condominium absorption trends among properties within the City of Champaign.

City of Champaign Condominium Absorption Trends

AVERAGE MONTHLY ABSORPTION (UNITS PER MONTH)	DISTRIBUTION OF CONDOMINIUM PROPERTIES			
	ESTABLISHED		ACTIVE	
	NUMBER	PERCENT	NUMBER	PERCENT
< 0.5	24	5.5%	19	15.4%
0.5 TO 0.9	61	14.0%	104	84.6%
1.0 TO 1.9	350	80.5%	0	0.0%
2.0 >	0	0.0%	0	0.0%
TOTAL	435	100.0%	123	100.0%

Given recent sales trends there is slightly more than a one-year supply of existing condominium units. The construction of the planned units would create an additional two years of supply.

City of Champaign Condominium Demand

Based on our evaluation of the demographic characteristics of the City of Champaign and historical absorption trends, the area has the potential to absorb up to 26 new condominium units priced from \$140,000 to over \$400,000 annually. These figures also assume a wide variety of condominium housing choices exist, including price, location and concept. The optimal support figure of 26 units can only be achieved in an overbuilt market. The projection of 26 units is indicative of the historic housing slump in the U.S. as well as reflecting the current sales performance of new condominiums in the City of Champaign as well as all of Champaign County.

Within the City of Champaign market, there is a current inventory of 60 condominium units. Furthermore, there are 130 planned units among five active projects. The following table compares the annualized demand by available product:

City of Champaign Condominium Demand/Inventory

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET ANNUALIZED DEMAND	PLANNED UNITS
LESS THAN \$140,000	7	0	7	0
\$140,000-\$199,999	11	24	-13	102
\$200,000-\$299,999	11	35	-24	28
\$300,000-\$399,999	4	1	3	0
\$400,000+	3	0	3	0
TOTAL	36	60	-24	130

Source: Vogt Santer Insights, Ltd.

The Net Annualized Demand (NAD) in 2010 for Champaign County reflects a surplus of 24 units. A surplus for units exists for homes priced between \$140,000 and \$299,999. There are also an additional 130 units planned in this price category indicating nearly a five-year supply. Considering current sales trends, there is a one-year supply of existing units.

City of Champaign For-Sale Housing Summary of Findings

The City of Champaign has a four-year supply of new single-family homes and lots. In addition, there is a one-year supply of new built condominiums with a two-year supply planned for construction. It is our opinion that the City of Champaign's new housing market is adequately served. Should economic conditions improve in the short term, the existing supply should be absorbed, which will stimulate the market for existing homes and spur interest amongst local developers that are keen on building inventory.

3. CITY OF URBANA FOR-SALE HOUSING SUPPLY AND DEMAND

City of Urbana Single-Family Home Supply

From January 1995 to December 2009, there were a total of 804 new homes built and lots sold in the City of Urbana. A total of 551 of these were production-style homes while 253 were estate-style homes. The following table compares the type of home and the sales by year since 2000.

City of Urbana Home Sales by Year

YEAR	PRODUCTION	ESTATE	TOTAL	MONTHLY SALES
1995 TO 1999	14	5	19	0.3
2000 TO 2004	290	113	403	6.7
2005	89	38	127	10.6
2006	76	25	101	8.4
2007	22	32	54	4.5
2008	32	21	53	4.4
2009	28	19	47	3.9
TOTAL	551	253	804	

Source: Vogt Santer Insights, Ltd.

The height of the City of Urbana housing market occurred in 2005 when there were 127 new homes and lots sold, which equates to 10.6 homes and lots sold per month. The following year 101 homes and lots were sold, or a total of 8.4 sales per month. New home and lots sales have declined each year since. In 2009, the last full year of sales data, there were just 47 new homes built in the City of Urbana – mimicking a pattern of declining new home sales throughout the County.

Within the City of Urbana, there is a current inventory of 890 single-family homes and lots. The price range for production homes starts at \$168,000 and goes to \$329,000. In addition, there are estate homes available that start around \$240,000 and go up to \$600,000. When estate homes and production homes are both considered, the result is a healthy mix of price points to

choose from. A detailed listing of the current new home inventory can be found in Addendum C – Field Survey of Single Family Homes. The following table, which reflects an estimate of the home value that might be built on a lot, summarizes the existing inventory by price point.

City of Urbana Single-Family Home Inventory

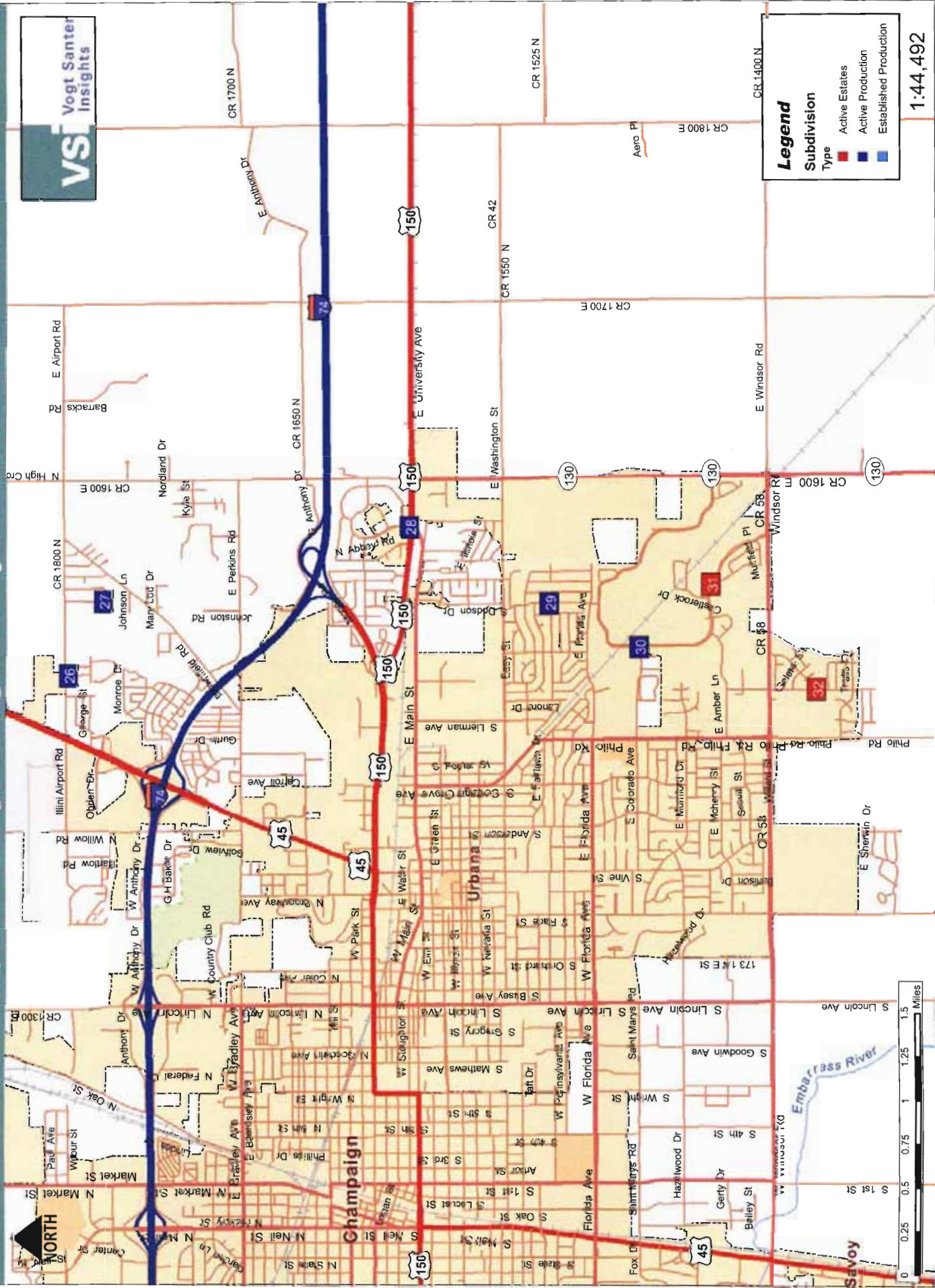
PRODUCT AFFORDABILITY	EXISTING INVENTORY
LESS THAN \$140,000	0
\$140,000-\$199,900	68
\$200,000-\$299,900	94
\$300,000-\$400,000	156
\$400,000+	555
TOTAL	873

Source: Vogt Santer Insights, Ltd.

There are no new for-sale homes priced below \$140,000. Homebuyers seeking a product at or below this price range must choose from the inventory of existing homes. However, the market has a decent inventory of homes in the \$140,000 - \$299,900 price range.

The map on Page II-50 displays the locations of the surveyed developments. Please note, the map codes displayed on the map refer back to the codes used to identify properties within the field survey in Addendum C. Addendum C contains detailed maps for each of the cities and villages that contain surveyed subdivisions. In addition, Addendum C contains detailed information such as tax and school district, amenities, lot density and sales by builder to name a few.

Urbana, IL: Surveyed Single-family Subdivision Locations



Legend

Subdivision Type

- Active Estates
- Active Production
- Established Production

1:44,492

City of Urbana Single-Family Home Demand

Based upon the capture rates established in well-developed single-family markets, our analysis of new single-family home sales within the City of Urbana, demographic characteristics, other available housing choices, interviews with realtors and examination of housing trends, we have applied capture rates to the distribution of household income to estimate the potential demand for *new* single-family housing in the City.

City of Urbana Single-Family Demand

INCOME RANGE	HOME SALES PRICE	QUALIFYING HOUSEHOLDS	CAPTURE RATE	ANNUAL DEMAND	
				UNITS	DISTRIBUTION
\$30,000-\$39,999	LESS THAN \$140,000	1,894	0.008	15	16.5%
\$40,000-\$49,999	\$140,000-\$199,900	1,507	0.011	17	20.1%
\$50,000-\$74,999	\$200,000-\$299,900	2,830	0.009	25	36.7%
\$75,000-\$99,999	\$300,000-\$400,000	1,444	0.006	9	15.8%
\$100,000+	\$400,000+	1,126	0.005	6	10.8%
			TOTAL	72	100.0%

Source: Vogt Santer Insights, Ltd.

Based on our evaluation of the characteristics of the City of Urbana and historical sales volume of single-family homes within the area, we estimate the City could generate up to 72 *new* home sales annually in the near term. Note that to achieve maximum levels in various sale price categories requires the market to offer all price points, locations and product alternatives. For this reason, the actual sales by price point rarely exceed the projection of support except when supply exceeds demand.

It should also be noted that annual support levels are generally not cumulative. In most markets, if there is support for new single-family homes at a particular price point or concept and they are not offered in a specific area, households may leave the area seeking this housing alternative, defer their purchase decision or seek another housing alternative. We anticipate many potential buyers who would be attracted to the proposed concept have either delayed their purchases (reflecting pent-up demand) or opted for an existing single-family home alternative offered in the market.

Within Urbana, there is a current inventory of 873 single-family homes and lots. The following table compares the annualized demand by current available product.

City of Urbana New Single-Family Home Demand/Inventory

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET INVENTORY
LESS THAN \$140,000	15	0	-15
\$140,000-\$199,900	17	68	51
\$200,000-\$299,900	25	94	69
\$300,000-\$400,000	9	156	147
\$400,000+	6	555	549
TOTAL	72	873	786

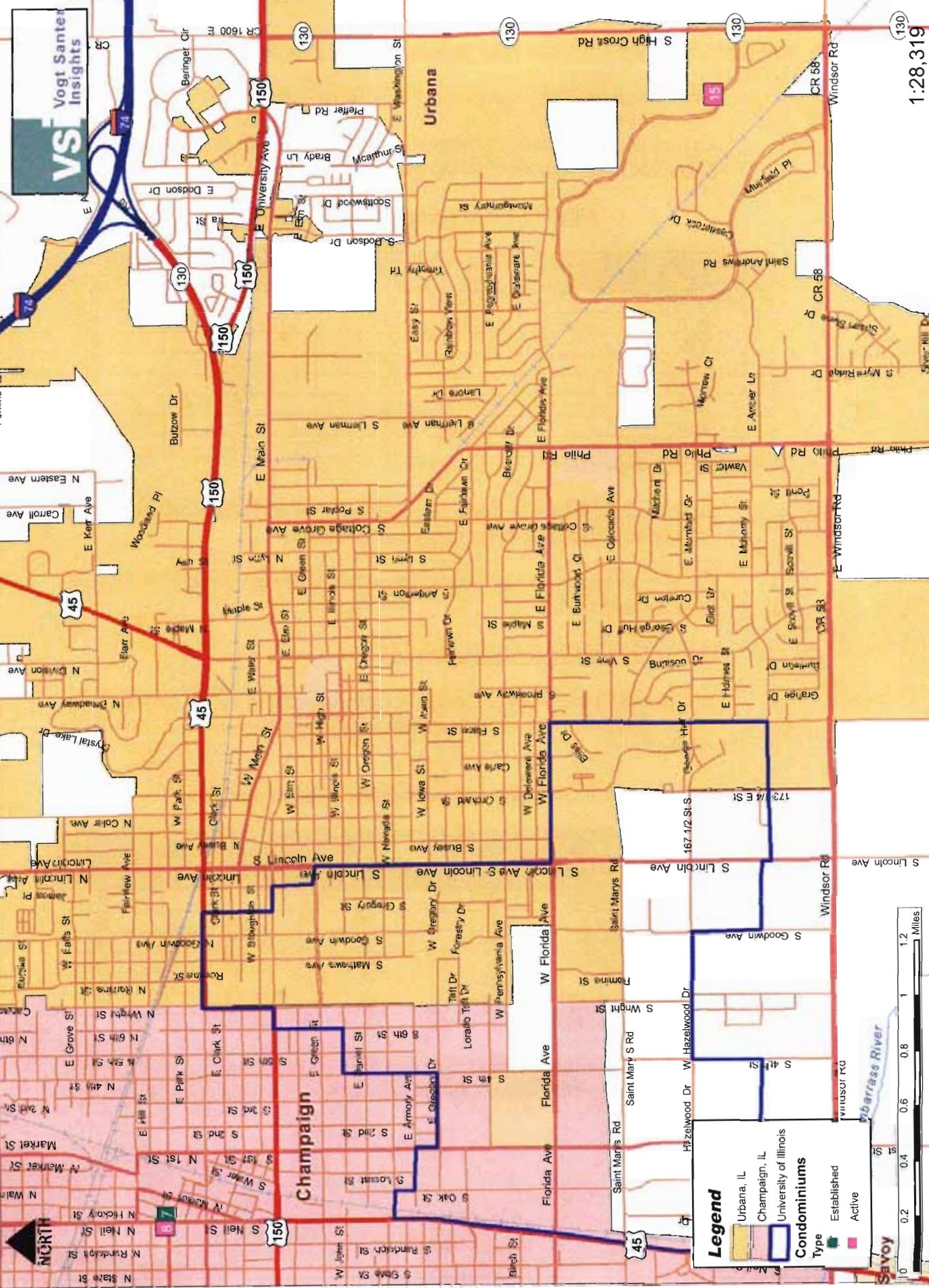
Source: Vogt Santer Insights, Ltd.

The preceding table details the Net Annualized Demand for 2010. The net annualized demand (NAD) in 2010 for Urbana is a current surplus of 786 homes and lots. We estimate that there is a surplus at all price points except for those homes priced less than \$140,000 – this demand can be absorbed by the inventory of existing homes on the market. The greatest surplus of units is for product (or lots that would accommodate a product) priced greater than \$400,000. Based on current absorption rates, we estimate about an eight- to nine-year supply of single-family lots within Urbana.

City of Urbana Condominium Supply

In the City of Urbana, we identified one condominium development that has been active in the last 10 years. This single project first went on sale in August 2006 and has sold 73 units since then. There remain 19 unsold units. A detailed explanation of this development and others within the County that were surveyed, as well as maps that illustrate the locations of these facilities can be found in Addendum B. The map on Page II-53 shows the location of the development that was surveyed in the City of Urbana. The map codes correspond to the facilities listed in Addendum B.

Urbana, IL: Condominium Locations



Legend

- Urbana, IL (Yellow background)
- Champaign, IL (Pink background)
- University of Illinois (Blue background)
- Condominiums (Blue outline)
- Type:
 - Established (Green square)
 - Active (Pink square)



1:28,319

There are a total of 19 properties ready for-sale in the City of Urbana and there are no planned units. In order to gain an understanding of the monthly absorption rate, we must first examine historical sales of condominiums in the City. The following table lists the condominium sales by year since 2000.

City of Urbana Condominium Sales by Year

YEAR	ESTABLISHED PHASES	ACTIVE PHASES	TOTAL	MONTHLY ABSORPTION
2000 TO 2004	0	0	0	0.0
2005	0	0	0	0.0
2006	0	5	5	0.4
2007	0	25	25	2.1
2008	0	19	19	1.6
2009	0	19	19	1.6
2010	0	5	5	0.6
TOTAL	0	73	73	0.6

Source: Vogt Santer Insights, Ltd.

Between July 2001 and September 2010, a total of 73 condominium units were sold. This is an average of 0.6 units monthly.

Given recent sales trends there is more than a two-year supply of existing condominium units.

City of Urbana Condominium Demand

Within the Urbana market there is a current inventory of 19 condominium units. The following table compares the annualized demand by available product:

City of Urbana Condominium Demand/Inventory

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET ANNUALIZED DEMAND	PLANNED UNITS
LESS THAN \$140,000	4	0	4	0
\$140,000-\$199,999	7	19	-12	0
\$200,000-\$299,999	6	0	6	0
\$300,000-\$399,999	1	0	1	0
\$400,000+	1	0	1	0
TOTAL	19	19	0	0

Source: Vogt Santer Insights, Ltd.

The Net Annualized Demand (NAD) in 2010 Urbana shows no overall deficit or surplus; however, there is a surplus for units priced between \$140,000 and \$199,999.

City of Urbana For-Sale Housing Summary of Findings

The City of Urbana has an eight- to nine-year supply of new single-family homes and lots; however, the majority of these are priced in excess of \$400,000. In addition, there is a two-year supply of new built condominiums. It is our opinion that the City of Urbana's new housing market is over-served in the market for homes priced above \$400,000 and adequately served in the other price points.

4. VILLAGE OF RANTOUL FOR-SALE HOUSING SUPPLY AND DEMAND

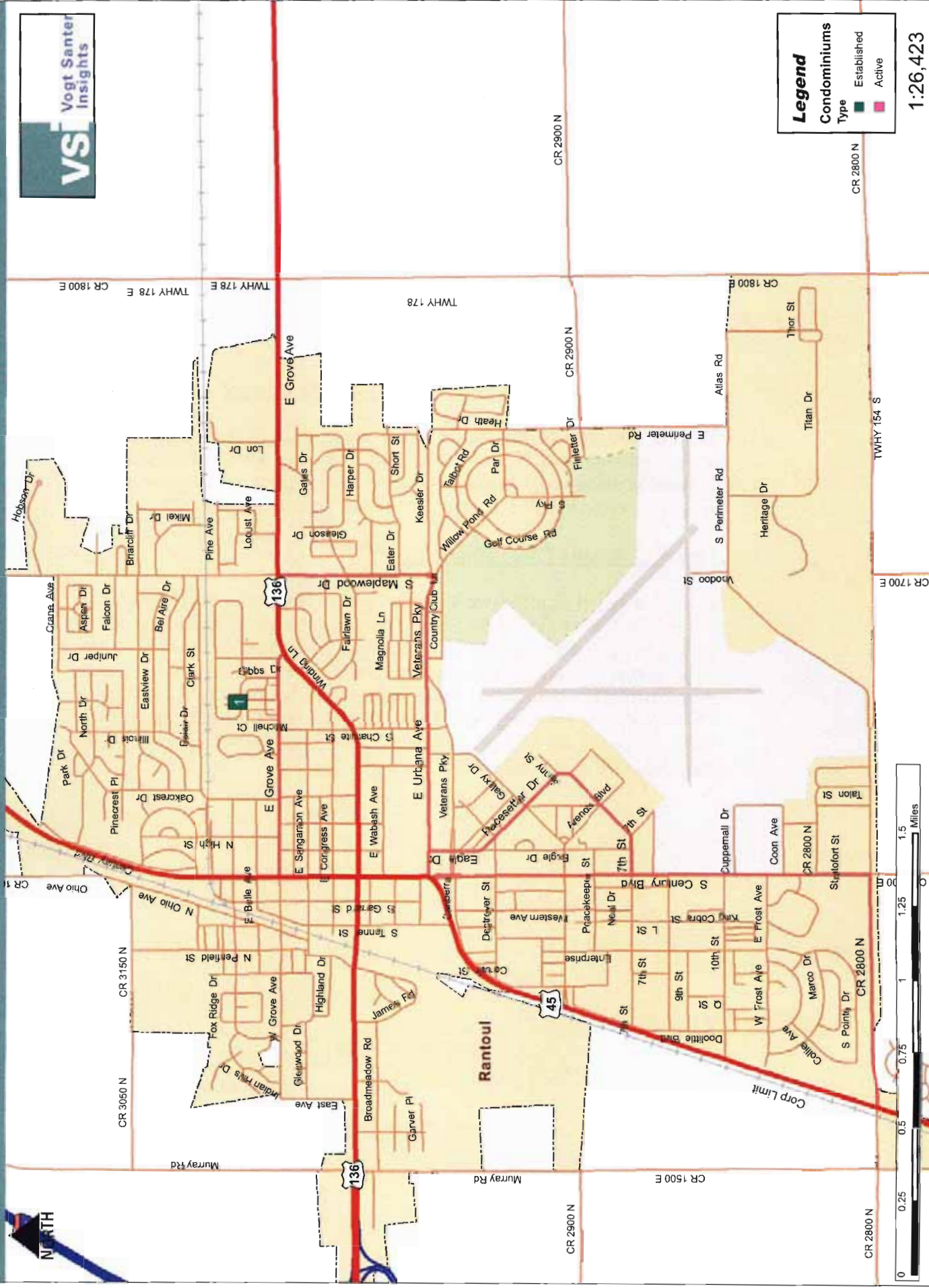
Village of Rantoul Single-Family Home Supply & Demand

We did not identify any single-family home subdivisions that have been active within the last 10 years. Currently, the single-family home market in Rantoul is made up of existing homes. Until demand picks up, developers will likely avoid building an inventory of new homes in Rantoul.

Village of Rantoul Condominium Supply

In the Village of Rantoul, we identified one condominium development that has been active in the last 10 years. This single project first went on sale in July 2001 and has sold all 36 of its units. A detailed explanation of this development and others within the County that were surveyed as well as maps that illustrate the locations of these facilities can be found in Addendum B. The map on the following page shows the location of the development that was surveyed in the Village of Rantoul. The map codes correspond to the facilities listed in Addendum B.

Rantoul, IL: Condominium Locations



Legend
Condominiums
Type
Established (Green square)
Active (Pink square)

1:26,423



There are no properties ready for-sale in the Village of Rantoul and there are no planned units. In order to gain an understanding of the monthly absorption rate, we must first examine historical sales of condominiums in the Village. The following table lists the condominium sales by year since 2000.

Village of Rantoul Condominium Sales by Year

YEAR	ESTABLISHED PHASES	ACTIVE PHASES	TOTAL	MONTHLY ABSORPTION
2000 TO 2004	16	0	16	0.3
2005	13	0	13	1.1
2006	3	0	3	0.3
2007	2	0	2	0.2
2008	0	0	0	0.0
2009	1	0	1	0.1
2010	1	0	1	0.1
TOTAL	36	0	36	0.3

Source: Vogt Santer Insights, Ltd.

Between July 2001 and September 2010, a total of 36 condominium units were sold. This is an average of 0.3 units monthly.

Village of Rantoul Condominium Demand

Since there are no active condominium developments - there is no inventory, therefore, the net annualized demand is equal to the annual demand as displayed in the following table:

Village of Rantoul Condominium Demand/Inventory

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET ANNUALIZED DEMAND	PLANNED UNITS
LESS THAN \$140,000	2	0	2	0
\$140,000-\$199,999	3	0	3	0
\$200,000-\$299,999	2	0	2	0
\$300,000-\$399,999	1	0	1	0
\$400,000+	0	0	0	0
TOTAL	8	0	8	0

Source: Vogt Santer Insights, Ltd.

Because demand across all price points is so low, opportunities for developers to create new product are few and far between. It is likely that developers will wait for the housing market to improve before considering any new development. New developments are also likely to be very conservative in the timing of construction in an effort to avoid a glut of unsold product.

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 overburden by housing costs 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 a 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	SUBSTANDARD HOUSING UNIT PROJECTIONS
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
TOTAL CURRENT (2010) ENROLLMENT (HEADCOUNT)	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 students 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)	-	-
<i>2010 HOUSING NEED</i>	1,463	1,374	1,612	5,688

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.

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 Planning Area 24 with strong concentrations in Planning Areas 10 and 11. 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 10. 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 10.

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 11 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 1973. 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 2007 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	2007
116	STEER PLACE	1202 EAST HARDING DRIVE	URBANA	104	1973

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.

V. Barriers, Constraints and Strategies

A. LOWEST INCOME AND/OR MINORITY CONCENTRATIONS

Like many communities throughout the Midwest, both ethnic minorities and lowest income households are often found in proximity to one another. Although this is a result of several generations of public policy decisions, migration patterns and population displacement, the concentration of poverty is not considered to be desirable for our community. Distributing lower income households throughout a city or a region can create better access to job centers, reduce the stress on individual schools or even entire school districts, as well reduce concentrated criminal activity.

City of Champaign

Some of Champaign's lowest incomes can be found in Campustown. Low student incomes, defined by those student households with incomes less than \$25,000 per year, are often overlooked in demographic analysis. Students are a group with high levels of unemployment, albeit often by choice, and their earning potential is often lower while matriculating than at other points in their professional lives. Lower incomes can also be found in the Central Business District and the northern part of Planning Area 2, near Douglass Park.

The City's non-white population is heavily concentrated in Planning Area 2. Those who identify themselves as white comprise less than 20% of the residents in this area. Planning Area 10, south of the railroad right-of-way, and Planning Area 4, south of West Bradley Avenue, are areas where minorities represent between 60% and 80% of the population. Planning Areas 9 and 26 have approximately the same size white and non-white populations. White households make up between 60% and 80% of Planning Areas 4, 6, 12, 13, 14, 18 and 35, while the balance of the City's geography has a non-white population of less than 20%.

A map of the City's Planning Areas can be found on Page D-101.

City of Urbana

As in the City of Champaign, a significant portion of the community's lowest household incomes are either on campus or immediately adjacent to the east in an area heavily populated by students. There is overlap between the lowest income Block Groups (annual household incomes less than \$25,000) and several target areas, which are based upon Block Group boundaries from the 2000 Census. This overlap occurs in target areas 53.2 and 53.3. The balance of Urbana's Community Development Target Areas (CDTAs), areas where the City is focusing

revitalization efforts, are found in Block Groups with annual income levels between \$25,001 and \$50,000.

Urbana's highest concentration of non-white households is located north of University Avenue and west of Lincoln Avenue in CDTAs 53.2 and 53.5. These areas have a population that is less than 20% white. In CDTA 53.3 and the Central Business District, the non-white population is still the majority, accounting for between 60% and 80% of the residents.

A map of the Community Development Target Areas can be found on Page D-102.

Village of Rantoul

Rantoul's median household incomes by Census Tract fall into two categories: \$25,001 to \$50,000 and \$50,001 to \$75,000. The majority of the lower subset can be found north of State Route 136 in Census Tract 101.00. Higher household incomes are found in the core of Rantoul's geography, specifically Tracts 102.01, 102.03 and 103.00.

There is no Census Tract or Block Group in Rantoul that has a concentration of a non-white population. The northeast edge of the community near Eastlawn Elementary School has a non-white population of between 40% and 60%. The core of Rantoul, south of State Route 136 and east of State Route 45, has a white population of between 60% and 80%; as does the area west of Interstate 57. The rest of Rantoul is more than 80% white.

Champaign County

Excluding the Cities of Champaign and Urbana, there is little lowest income household concentration because the population is largely rural, and a focused accumulation of lowest income households is more difficult to achieve due to low densities that are inherent in rural communities. However, Ayers, South Homer, Brown, Ludlow, Rantoul, Somer and Urban townships have median household incomes between \$25,001 and \$50,000. While this is not considered lowest income, it is the lowest income strata seen outside of the county's urban core.

Hispanic Population

The Census Bureau collects information about many different cohorts. One of the most important and useful for demographers is the data associated with race. The definition of what is considered a race has changed over time, but currently the Census recognizes the following races:

Racial Categories In The Census

CENSUS RECOGNIZED RACES	DEFINITION
White Alone	A person having origins in any of the original peoples of Europe, the Middle East, or North Africa. It includes people who indicate their race as White or report entries such as Irish, German, Italian, Lebanese, Near Easterner, Arab or Polish.
Black Alone	A person having origins in any of the Black racial groups of Africa. It includes people who indicate their race as Black, African-American, or Negro, or provide written entries such as African-American, Afro-American, Kenyan, Nigerian or Haitian.
American Indian Alone	A person having origins in any of the original peoples of North and South America (including Central America) and who maintain tribal affiliation or community attachment.
Asian Alone	A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand and Vietnam. It includes Asian-Indian, Chinese, Filipino, Korean, Japanese, Vietnamese and Other Asian.
Pacific Islander Alone	A person having origins in any of the original peoples of Hawaii, Guam, Samoa or other Pacific Islands. It includes people who indicate their race as Native Hawaiian, Guamanian or Chamorro, Samoan, and Other Pacific Islander.
Some Other Race Alone	Includes all other responses not included in the White, Black or African-American, American Indian and Alaska Native, Asian and Native Hawaiian and Other Pacific Islander race categories described above. Respondents providing write-in entries such as multiracial, mixed, interracial, We-Sort, or a Hispanic/Latino group (for example, Mexican, Puerto Rican, or Cuban) in the "Some other race" category are included here.
Two or More Races	People may have chosen to provide two or more races either by checking two or more race response check boxes, by providing multiple write-in responses, or by some combination of check boxes and write-in responses.

Source: U.S. Census

Although people of Latino/Hispanic ancestry could declare themselves “some other race”, the Census’ racial categorization would not allow for an accurate count of Hispanic people, as “some other race” is an unknown. The Census does allow for a declaration of Hispanic ethnicity for a person of Cuban, Mexican, Puerto Rican, South or Central American or other Spanish culture or origin regardless of race. This means that a person has an opportunity to indicate that they are “Hispanic or Latino” or “Not Hispanic or Latino”. If they claim the former, they can also indicate an associated race as illustrated in the following table.

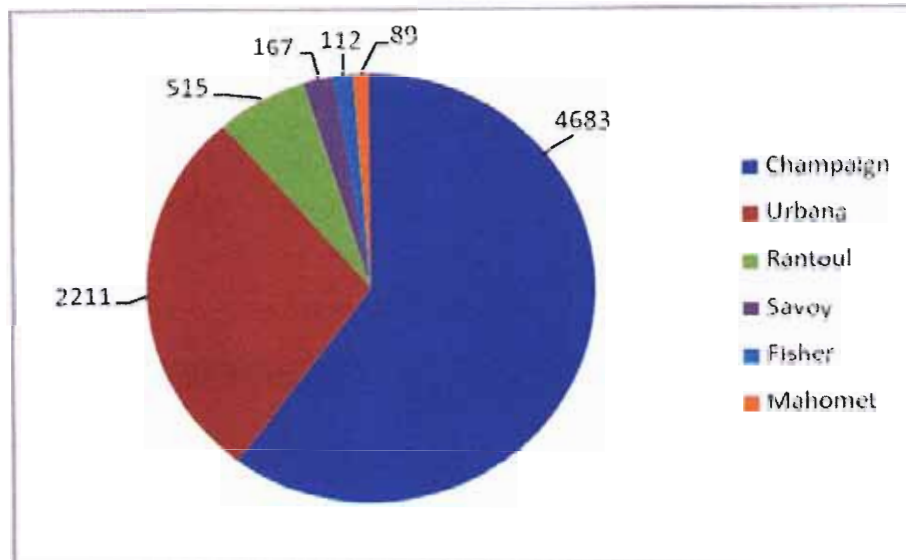
Hispanic/Latino Races

HISPANIC ORIGIN
HISPANIC WHITE
HISPANIC BLACK
HISPANIC AMERICAN INDIAN
HISPANIC ASIAN
HISPANIC PACIFIC ISLANDER
HISPANIC OTHER RACE
HISPANIC TWO OR MORE RACES

Source: U.S. Census

Champaign County has a 2010 projected Hispanic population of 8,025, representing approximately 4.1% of the total population. Just over 47% of people identify themselves as Hispanic White, while nearly 40% call themselves Hispanic Other. Nearly 97% of Hispanic people live in six communities; Champaign, Urbana, Rantoul, Savoy, Fisher and Mahomet as illustrated by the following graph.

Six Largest Hispanic Populations in Champaign County



Source: ESRI

The remaining 3% of the Hispanic population is distributed among 17 different municipalities.

The 4,683 Hispanic people who live in the City of Champaign comprise 58.4% of Champaign County's total Hispanic population and 6.4% of the city's total population. The City of Urbana is home to over one-fourth of the county's Hispanic population with its 2,211 Hispanic residents. This amount is fewer than 5.5% of Urbana's total population. The Village of Rantoul has the third highest Hispanic population in Champaign County with 515, or 4.4%, identifying themselves as ethnically Hispanic.

Conclusions

We concluded that the overwhelming majority of both lowest income and minority populations are located in the Cities of Champaign and Urbana. The heaviest concentrations of both groups appear to be located around a portion of the two cities shared borders. Specifically, the area bounded by Interstate 74, North Goodwin Avenue and the two railroad rights-of-way. This is also an area where the majority of Public Housing assets can be found, including a significant concentration of Housing Choice Vouchers. Deconcentrating the existing Public Housing and ensuring that new affordable housing is not concentrated in the area would be good ways to begin mitigating the real and perceived effects that come with concentrated poverty.

Latino/Hispanic Conclusions

The Hispanic population is the fourth largest in Champaign County behind Whites, Blacks and Asians. The City of Champaign has the highest concentrations of Hispanic people in the county in Planning Areas 3, 4 and 5, where Hispanic people represent between 14.1% to 32.3% of the total population. These locations are also near regional job centers where the likelihood of finding employment is higher. The desire to be in proximity to jobs is also the likely reason why several block groups in the rural northern part of the county have a Hispanic population between 7% and 14%, as many agricultural and light industrial jobs can be found in these locations. The infusion of these new Hispanic households create additional demand for housing, especially in proximity to these job centers.

B. BARRIERS TO THE PRODUCTION OF AFFORDABLE HOUSING

Within Champaign County over the past 10 years, 297 units in four projects have been developed to serve lowest to middle income households. Savoy's Parkview Apartments is a 176-unit senior development that represents over half of the new affordable housing developed throughout the county. The City of Champaign's Douglass Square and Urbana's Crystal View Townhomes and Hayes Homes represent the balance of these new units. Parkview is a large structure that contains on-site amenities for seniors under the same roof as their residences. These amenities include a computer room, game room, library, fitness center and two beauty salons. The other three properties consist of a series of two-story buildings that integrate into the existing development patterns of the neighborhoods in which they are located. All four projects have been well received, but the development of affordable housing is often more complicated than the development of market-rate properties because of a series of intrinsic barriers.

The barriers to affordable housing that exist in Champaign County are not uncommon in small to medium sized communities. It is not an unwillingness to engage in affordable housing development by either the public or the private sector, but the lack of resources required for successful developments to occur. This resource deficiency tends to manifest itself around three categories; production capacity issues, financial challenges or cost impediments to the individual(s) in the household.

Production

These types of barriers can be either financial or non-financial. Non financial barriers include inadequate or insufficient sites, lack of access to labor, lack of access to materials, inability to procure adequate infrastructure, lack of neighborhood or municipal support or a simple deficiency of knowledge regarding affordable housing production. Financial barriers include labor costs (prevailing wage can be an issue), land costs, material costs, relocation costs (some activities can trigger the Uniform Relocation Act) and other associated development costs.

Financial

Affordable housing as a public policy began when communities concluded that despite their state of employment, education or other factors, individuals were still unable to overcome the costs associated with occupying housing. These costs are driven by local supply and demand issues as well as total development costs. Access to reasonably priced capital for the developer and the occupant, as well as knowledge about short- and long-term incentives, can also affect the housing finances.

Cost to the Individual

This challenge is less prevalent in rental housing, especially multifamily, but it still can occur. Housing costs are generally considered to be excessive when the rent or mortgage (including taxes and insurance) plus utilities exceed 30% of the occupant's gross income. When housing costs exceed this parameter, the housing is no longer considered affordable. Obviously, income varies from person to person and from family to family, so market-rate housing can have a sliding scale of affordability. Housing that has received some sort of subsidy such as HOME, CDBG or LIHTC, becomes affordable by virtue of the subsidy stream it is required to serve.

C. POTENTIAL STRATEGIES TO ELIMINATE AFFORDABILITY BARRIERS

Most of the common barriers that impede the development of affordable housing do not exist today as an attempt to deliberately exclude a specific class of people. They are often unintended consequences that result from market forces or broad public policy decisions. There are many ways that the various municipalities could support additional affordable housing, as the three categories below describe. For example, newer homes that attract residents from the built environment would be more difficult to build without;

1. *Interstate Highway System* – America’s largest public works project has been in perpetual construction/repair for nearly 60 years. It allowed for a deconcentration of the population to occur and for less intense land uses to become status quo.
2. *Utilities* – Even with the access to greenfields that the interstates provide, conventional development could not occur without a significant public investment in infrastructure. Water, sewer and electricity are all imperative, to say nothing of the desirable nature of natural gas and telecommunications.

This shift of wealth to the periphery, common in late 20th century American communities, left a higher concentration of lowest to middle-income households in the built environment. This in turn focused housing policy on specific parts of the community instead of the community at large. Since focusing resources and policy efforts on areas with the greatest percentage of at risk people is logical, this is the policy that was pursued. The following tools attempt to broaden the scope of potential solutions.

Production Solutions

Local government can assist with removing encumbrances and streamlining the regulatory process in order to proliferate affordable housing. These efforts, coupled with economic or tax incentives, can help to more readily engage both the public and private sector. The suggested actions include:

Land donation – Land deeded to a municipality, non-profit or other quasi-public entity could be used for affordable housing, thereby decreasing total development costs. This is difficult to plan a succinct strategy around, since the acquisition of donated land is rarely predictable.

Land banking – Establish a multiple municipality land bank that can patiently hold property with the short to medium term goal of developing affordable housing. If such an organization is capitalized by multiple municipalities, it

would have a larger jurisdiction in which to work, allowing for greater flexibility to achieve its goals and be able to more easily assist with the development of affordable housing in communities that currently have little to no affordable units.

Community Land Trusts – Acquire and hold a significant parcel(s) in a gentrifying or Greenfield community with the intention of developing it in the future as affordable housing. When the time for development arrives, affordable housing could be developed through conventional means, or the Land Trust may continue to exist as a land holder. A scenario might be created that would enable lower income people to own homes on land in the Trust through long-term renewable ground leases. The homeowner leases the land, but owns and holds the deed to their home. Without having to finance land costs, the housing that is developed would be even more affordable for residents.

Madison, Wisconsin, is one community that has successfully implemented a Community Land Trust for nearly 20 years. In a city where the median housing sales price is nearly \$200,000, the Trust model keeps housing perpetually affordable to households under 80% of area median income.

Lack of development capacity – Establish a multiple municipality entity that uses its resources to hire a savvy development staff and administer funds to develop affordable housing, or work to enhance the capacity of existing Community Development Housing Organizations (CHDOs). Both strategies strive to achieve the same end goal; an increase in the amount of affordable housing through the acquisition/rehabilitation or new construction of homes. Current activities are not comprehensive enough to impact the local need for additional affordable housing.

Inclusionary zoning – Requiring a certain percentage of units in any new development to be affordable to occupants at or below a specific income level. Some communities have created voluntary inclusionary zoning ordinances while others have made the concept mandatory. Not surprisingly, the mandatory programs create more affordable housing units. Highland Park, Illinois, has an inclusionary zoning law that mandates a 20% affordability component in any development of five or more units. In Madison, Wisconsin, projects of more than 10 units must sell 15% of the units at affordable prices.

Increased density zoning – This type of zoning is already in place around the University, but it can be expanded to include other neighborhoods and communities. This does not have to take place by replicating the multistory buildings found along East Springfield Avenue. It could consist of new subdivisions platted as Traditional Neighborhood Developments that create walkable environments with public spaces and other amenities. Fall Creek Place in Indianapolis, Indiana, and the Peninsula Neighborhood in Iowa City, Iowa, are two regional examples of such developments.

Expedited permitting – The creation of “permit ready” house plans for use on certain sites could expedite the development of homes and lower their total cost. This has been an effective tool for the development of affordable housing in Portland, Oregon. Different designs are approved for different parts of town, thereby ensuring that each approved design is architecturally appropriate and will blend in with the built environment.

In Columbus, Ohio, a “One-Stop-Shop” was created to streamline the regular process that directly impacts housing production and its affordability. These efforts include zoning, building and development codes as well as the permitting and approval process.

Revised impact fee structure – Since most residential development is not economically sustainable without public sector intervention, implementation of impact fees for new development could help the municipalities of Champaign County offset their infrastructure costs. A percentage of the money generated from impact fees could be used to create an affordable housing loan fund, whereby developers interested in helping to achieve the region’s housing goals could have access to low cost capital. To further incentivize development, impact fees could be diminished or eliminated in affordable or inclusionary housing developments.

If impact fees are not pursued, they cannot be reduced. The City of Dayton, Ohio, targeted seven neighborhoods for property tax reductions. If a homeowner were to buy a residence in the prescribed area, the homeowner would receive a 100% residential tax abatement for five years, decreasing by 20% over the next four years. A homeowner that chose to renovate his/her home, deferred increases realized in property taxes for 15 years.

Modular or manufactured housing – Modern modular and mass produced infill housing no longer has the stigma associated with early manufacturing processes. Homes can be positioned above full basements, be traditional in appearance and tend to range in size from 800 to 3,000 square feet. Because they are mass produced and assembled at the construction site, cost savings can be realized. A two-story, 1,400 square foot, neo-traditional house can commonly ship in four pieces (two for the first floor and two for the second floor) and be set in a matter of hours.

Financial Solutions

Over the years, a variety of tools have been created that are considered to be mutually beneficial to individuals, municipalities and lenders. This interaction can break down very quickly in the affordable housing marketplace; if no one is occupying housing, the municipalities are not realizing their goals and the

financial services industry becomes weaker since it is not engaging consumers in its product line. Each scenario is different, but one, or several, of the tools listed below may need to be applied to help an affordable housing project come to fruition.

Loans – Local lenders and/or municipalities can make capital available at a discounted rate if it is being used at any point in the affordable housing development process.

Bond Financing – Bonds can only be issued by a few entities, but, since they only require interest payments until maturity, they can serve as a way to finance affordable housing activities. This is similar to Illinois' Rental Housing Support Program that the Housing Authority has used in conjunction with the Illinois Housing Development Authority.

Equity investments – The most common equity investing in affordable housing comes through the Low-Income Housing Tax Credit program. Administered by the state, the program allows private investors to trade equity investments for tax benefits. The investors realize their tax goals, and the affordable housing developers have money to buy down development costs, thereby keeping rents affordable. This program is common throughout Illinois, but local municipalities should attempt to influence investment locations as much as possible so that long-term policy goals can be achieved.

Grants – Grant dollars can be used to offset the development gap, the amount between total development cost and the appraised value. No developers will create affordable housing if they are guaranteed to lose money; therefore, the municipality should eliminate that risk.

Tax abatements and rebates – Partial or complete tax abatements can be given to affordable housing units. This lowers the cost to occupy a unit, thereby lowering the housing burden and freeing up resources to be spent elsewhere.

Tax Increment Financing – Creating a Tax Increment Financing (TIF) district can be a wise strategy when property values are low in a community. The TIF freezes current values and any increases in property taxes are funneled into a special fund. This fund can only be used for certain public purposes, but in Illinois, one of those purposes is the creation of affordable housing.

Housing trust funds – Establishment of a trust fund with a dedicated funding source could allow for a full range of housing activities to occur. These activities might include predevelopment costs, rental assistance, housing counseling, handicapped accessibility modifications, rehabilitation, home repair and new construction.

Nonprofits – Tax exempt non-profits have the ability to raise funds that are not available to private sector companies or to municipalities. These additional resources can be used to offset costs.

Faith-based organizations – Like non-profits, faith-based organizations are tax exempt and can access funds that the for-profit private sector and the public sector cannot. However, due to the ecclesiastical nature of their work, they also have the ability to tap into their congregations or other like minded churches as a way to expand their agenda, which they see as mission driven.

Foundations – Many foundations have a permanent endowment and make philanthropic investments based upon income earned from the endowment. These organizations usually adhere to a specific mission that governs the distribution of these funds. The following list represents a partial inventory of those foundations that make annual investments in affordable housing;

- The Annie E. Casey Foundation
- The John D. and Catherine T. MacArthur Foundation
- The Kresge Foundation
- The McKnight Foundation
- The Rockefeller Foundation
- W.K. Kellogg Foundation
- Ford Foundation
- Robert Wood Johnson Foundation
- Surdna Foundation
- AARP Foundation
- Bill & Melinda Gates Foundation
- Citi Foundation

Cost to the Individual Solutions

Even when great care has been taken to ensure that housing is made affordable, and some of the production and financial tools described above have been applied, housing costs may still not be affordable to prospective occupants. Methodologies such as down payment assistance, closing costs, rental assistance, lease/purchase homes and addressing the affordability gap are designed to benefit the resident directly.

Rental Assistance – The most common form of rental assistance is the Housing Choice Voucher, formerly known as the Section 8 voucher. Having possession of such a voucher ensures that a resident will pay an exceptionally diminished amount for rent, possibly \$0, based upon income. There are currently over 1,200 Vouchers in Champaign County and the program has a waiting list of over 600

households. This indicates that there is a significant additional need for Housing Choice Vouchers in the community.

Mortgage Down Payment and Closing Cost – Sometimes a developer, although more likely a municipality, will utilize funds to pay for a homeowner's down payment and/or closing costs. Removal of these costs may eliminate the only practical constraint to home ownership. This practice is common place and is used Kansas City, Missouri; Columbus, Indiana; and Pittsburgh, Pennsylvania, among other locations.

Affordability Gap – Sometimes a buyer can only qualify for a mortgage that is less than the list price of a home. A municipality could intervene and make up this difference through a forgivable soft second mortgage. The mortgage would have to have a restrictive covenant regarding resale and an affordability term imbedded in it in order to ensure that the funds invested continue to have a valid public purpose. Soft second mortgages are common and are used by regional municipalities such as Columbus, Ohio; St. Paul, Minnesota; and Detroit, Michigan.

Mortgage Credit Certificates - Homebuyers would receive a Mortgage Credit Certificate from the Illinois Housing Finance Agency that could be used to reduce the household's tax burden every year for the life of the mortgage loan. With Mortgage Credit Certificates, a percentage of what the borrower pays in mortgage interest becomes a tax credit that can be deducted dollar-for-dollar from the income tax liability. The balance of the mortgage interest continues to qualify as an itemized tax deduction.

Lease/Purchase – For those who cannot purchase a home, the Lease/Purchase model allows the occupants to live in a house, typically for no more than three to five years, as renters before having to close on the home. Rent payments are often structured to pay down the municipality's subsidized mortgage with a portion of rent occasionally going into escrow so that adequate money will be available to cover closing costs and transfer fees. A different, long-term lease purchase approach is taken by some municipalities. Pioneered by the City of Cleveland, Ohio, occupants of rental housing are given the right of first refusal to purchase homes as they exit the 15 year Tax Credit compliance period. The homes have little debt (\$6,000 to \$16,000) compared to other homes on the open market, making them more financially appealing to prospective buyers. Cleveland has seen 90% of its Lease Purchase Program participants purchase their homes.

Limited Equity Cooperative Housing – This type of housing was popular in the 1960s and 1970s throughout the United States, but until recently, had fallen out of favor. Ann Arbor, Michigan, has successfully implemented limited equity cooperative housing. It is also being considered for several developments in Columbus, Ohio.

A project would be structured with a developer (for-profit, non-profit or municipality) taking and maintaining ownership of a multifamily building. The developer would be responsible for the long term debt on the project, which is desirable since it is presumed that the developer will have stronger credit than the residents. Residents buy shares of the building, which give them the right to occupy a specific space. Shareholder’s monthly payments are akin to rent and cumulatively help the owner service the project’s debt; however, this is considered a form of homeownership. Shareholders will be allowed to keep a percentage of the equity that accrues as mortgages are paid down and real estate values increase. This is useful for people who are close to achieving homeownership, but lack the economic stability for a conventional mortgage.

D. EXAMINATION OF HOMELESSNESS

The HUD-prescribed matrix below provides a summary of the nature and extent of homelessness in Champaign County.

ESTIMATED UNMET NEED - CALCULATED FROM COMBINED SURVEYS			RELATIVE PRIORITY
INDIVIDUALS			
BEDS	EMERGENCY SHELTER	4	Medium
	TRANSITIONAL HOUSING	25	High
	PERMANENT HOUSING	85	High
	TOTAL	114	
PERSONS IN FAMILIES WITH CHILDREN			
BEDS	EMERGENCY SHELTER	6	High
	TRANSITIONAL HOUSING	40	High
	PERMANENT HOUSING	60	High
	TOTAL	106	

Source: Survey of Homeless Persons in Champaign-Urbana, conducted August, 2009.

In August 2009, a countywide survey of homeless persons was conducted where 136 persons, or 23% of the Champaign County homeless population, reported chronic homelessness. HUD defines a chronically homeless person as “an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years”.

Transitional homelessness occurs when housing continuity is interrupted by a catastrophic event such as a natural disaster, foreclosure, eviction or other domestic incident. When individuals have access to homeless or supportive services, these persons usually are able to locate and obtain stable housing. The 2009 survey indicates that 14% of homeless persons would fall into this category in Champaign County.

Episodic homelessness refers to circumstances in which persons have recurrent short term problems with housing. These people often have unstable domestic relationships, substance abuse problems and/or they are underemployed. Approximately 20% of homelessness in Champaign County is considered episodic in nature.

The Urbana-Champaign Continuum of Care (COC) has surveyed homeless persons in Champaign County several times during the past decade in an effort to accurately count the number of homeless individuals and families, to better understand the causes of homelessness and to plan services that would effectively address the needs of this population. In summary, the 2009 summertime survey reported that in one week Champaign County had approximately 594 homeless persons, of which 236 were adults and 358 were children.

Priority Homeless Needs

While need for homeless facilities tends to increase during poor economic times, Champaign County still has a large unmet need for facilities serving homeless individuals and homeless families with children. The homeless subpopulations are depicted in the following HUD-prescribed Continuum of Care Homeless and Special Needs Populations and Subpopulations Chart.

**Table 1A
Homeless and Special Needs Populations**

Continuum of Care: Housing Gap Analysis Chart

	Current Inventory	Under Development	Unmet Need/ Gap
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Individuals

		35	0	52
Beds	Emergency Shelter	196	0	31
	Transitional Housing	90	11	52
	Permanent Supportive Housing	321	11	135
	Total			

Persons in Families With Children

		23	0	11
Beds	Emergency Shelter	138	16	9
	Transitional Housing	46	0	50
	Permanent Supportive Housing	207	16	70
	Total			

Continuum of Care: Homeless Population and Subpopulations Chart

Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Number of Families with Children (Family Households):				
1. Number of Persons in Families with Children	37	145	0	182
2. Number of Single Individuals and Persons in Households without children	31	82	13	126
(Add Lines Numbered 1 & 2 Total Persons)	68	227	13	308
Part 2: Homeless Subpopulations	Sheltered		Unsheltered	Total
a. Chronically Homeless	6		2	8
b. Seriously Mentally Ill	35			
c. Chronic Substance Abuse	54			
d. Veterans	15			
e. Persons with HIV/AIDS	1			
f. Victims of Domestic Violence	15			
g. Unaccompanied Youth (Under 18)	0			

**Table 1B
Special Needs (Non-Homeless) Populations**

SPECIAL NEEDS SUBPOPULATIONS	Priority Need Level High, Medium, Low, No Such Need	Unmet Need	Dollars to Address Unmet Need	Multi- Year Goals	Annual Goals
Elderly	High	1,761			
Frail Elderly	High	460			
Severe Mental Illness	Medium	100			
Developmentally Disabled	Medium	100			
Physically Disabled	High	4,361			
Persons w/ Alcohol/Other Drug Addictions	Medium	370			
Persons w/HIV/AIDS	Medium	296			
Victims of Domestic Violence	Medium	100			
Other		100			
TOTAL		7,648			

Source: City of Champaign

Homeless Strategic Plan

During the last decade, service providers, local governments and healthcare providers have been dedicated to the implementation of a comprehensive system of housing programs and supportive services for homeless assistance in the Champaign-Urbana area. The providers formed a Continuum of Care group that meets monthly to discuss the needs of the homeless population and to chart a course of action to address the homelessness problem.

Almost all of the agencies that provide services to the homeless and near homeless population are located within the Cities of Champaign and Urbana, but accommodate and serve persons throughout Champaign County. Rural Champaign County agencies are generally branches of services whose main offices are located within these two cities. The local Continuum of Care serves the City of Urbana, City of Champaign, the Village of Rantoul and Champaign County.

It is important to note that the homeless population does not recognize or respect political boundaries. Although the largest concentrations of homeless individuals tend to be found in downtown Champaign, downtown Urbana and the University District, it is acknowledge that they are not necessarily tied to any particular community. The agencies and organizations that provide social and supportive services offer help to homeless individuals regardless of their last known address. In that sense, the data for Champaign and Urbana was jointly compiled and is included within this report.

The Continuum of Care System that serves the homeless residents of Champaign County has a four pronged plan to address homelessness;

Step 1 – Prevention - Actions are taken to prevent persons from losing their housing and becoming homeless.

Step 2 - Outreach, Intake, Assessment and Advocacy - Intake/assessment workers and case managers employed by area agencies identify homeless persons and attempt to connect them with services available in the community. They also provide outreach to persons at risk of becoming homeless and encourage them to seek services that will allow them to remain housed and live self-sufficiently.

Step 3 – Provide Emergency Shelter - Individuals residing in emergency shelters are provided with interim housing and encouraged to move to transitional housing. Agencies that provide transitional housing also provide the supportive services necessary to move persons back to self-sufficiency.

Step 4 - Permanent Housing - Help people move to permanent supportive housing or stable affordable housing.

The availability of affordable housing in Champaign County is still an issue with a high level of unmet need. Needs have continued to increase, enhanced by the recession and associated unemployment. Even if the need had remained constant over the past year, the Continuum of Care indicates that the community is deficient by 135 beds in its emergency shelters for individuals.

Transitional and emergency shelter housing for families with children is another urgent area of need, as there are 70 families in Champaign County who cannot be accommodated by the current capacity level. If these issues are properly addressed now, the necessary changes can be made to prevent the need for both temporary and permanent affordable housing from growing to an unmanageable level.

A definite need was recognized a year ago, but several factors indicate that the need has only increased over time. Various social service organizations in the area were contacted to determine if there had been any change in the level of unmet needs. No one contacted believed that the needs had decreased. Several said there were no significant increases in homeless populations or their needs, and some stated that they noticed greater needs in some areas.

Factors indicating increased need include:

- An especially urgent need for affordable housing for people of low and extremely low income levels (31% to 50% and 0% to 30% of AMHI).
- Increases in rental and utility assistance requests when unemployment benefits expire.
- An increased number of homeless children in the local school district.

More people are turning to local food pantries. One pantry (Wesley Evening Food Pantry) was previously serving 500 to 700 people where it currently serves 1,200 to 1,400 people.

The Eastern Illinois Foodbank, which provides items to local pantries, estimated a 20% increase in the number of people served over the past year.

Salvation Army's Stepping Stone Shelter has seen a definite increase in men staying at the shelter over the past year. Turning away up to 10 men seeking lodging per night, the facility has been very close to, if not at, capacity (48 beds) for at least eight months.

The Greater Community AIDS Foundation has seen an increase in HIV positive individuals, along with an increase in clients' unemployment rates, leading to greater numbers becoming homeless. When working for minimum wage, even those people with jobs cannot afford housing.

Accessibility for the disabled has always been a housing issue, but now there is also a significant increase in the lack of affordable housing for the disabled. New developments are more physically accessible, but rents of approximately \$1,200 make them financially inaccessible. Due in part to a lack of hard units, individuals completing reintegration programs often have nowhere to live.

E. BEST PRACTICES EXAMINATION

The Continuum of Care that has been established to serve the homeless population in Champaign County provides an excellent framework to address the needs of this vulnerable population. However, an examination of best practices and alternative methodology could strengthen local systems and lead to a more responsive network.

The two largest factors that have contributed to the rise in homelessness over the past several decades are the shortage of affordable housing and an increase in poverty. If these two issues could be addressed before people become homeless, a substantial part of the current homeless population could remain adequately housed. Ample and diverse affordable housing opportunities near job centers are an effective pre-homelessness mitigation technique. Other conditions can trigger homelessness or affect the amount of time a person remains homeless. Such conditions include:

- Mental illness
- Substance abuse
- Domestic violence
- Housing challenges (foreclosure, eviction)
- Societal re-entry after prison release
- Natural disaster
- Lack of employment opportunities
- Lack of affordable health care
- Disability
- Relationship breakdown

Some of these factors must be addressed before an individual or family can reasonably move from homelessness back into stable housing. Once these factors are addressed, other best practices can be employed that to mitigate homelessness.

Intake and Assessment

The intake process serves two very important functions: obtaining documentation to determine applicant eligibility for program services and providing the opportunity to collect information to preliminarily assess the suitability of the applicant for program services.

The intake process, and the determination of an applicant's suitability, represents an opportunity to gather information about potential participants, as well as to explain program services, objectives and expectations. The participant must have a clear understanding of the services offered, the time it will take to work through a program, etc., so that they have total commitment to the program. During this process, it will be important to analyze to what degree potential participants are engaged and committed to participate in job training and employment, and conclude that their expectations for employment are realistic. A skills and interest assessment test might be useful to administer during the intake process to help guide discussions with the applicant.

Education and Training

Although participant assessment may indicate a need for educational attainment, the participant's circumstances may rule out this type of instruction, unless some arrangement is made for income and housing support while the individual is involved in basic skills instruction. Grants or other supportive services may need to be applied.

Some individuals may have experienced failure in previous efforts to address basic skills deficiencies (i.e., dropped out of high school, training opportunities, etc.). This may result in applicants entering the program with low self-esteem and lack confidence in their ability to succeed within an educational setting.

The results of the basic skills tests conducted during the assessment process should provide a detailed picture of the participant's deficiencies, as well as some strengths that could be used to one's advantage. Test results should be discussed with each participant and a discussion should ensue explaining how the test results could impact his/her training and employment opportunities. During these discussions, a realistic plan for addressing basic skills deficiencies should be developed. Both the applicant and the intake staffer should buy into the plan. The plan should be tailored to the individual, clearly defining all objectives as well as the time frame and intensity of the training the individual is expected to undertake to reach his or her goals.

Job Placement

The ultimate goal of most employment and training programs is for participants to secure and retain positions consistent with their training that provide wages that enable them to be self sufficient. This goal applies to homeless participants as well.

In order to be successful, skill set development, job search and job placement activities must focus on both the participant and conditions within the local labor market. The participant's attitude will require encouragement and advise to maintain a positive attitude and be prepared to persevere in his/her job search. Regarding the labor market, placement assistance services must try to compensate for the availability of job opportunities appropriate to each participant in the market, as well as developing and maintaining relationships with employers so that there is access to ample employment opportunities appropriate for the skill sets of the employees.

The issue of quality job placement must also be considered. Two competing philosophies exist regarding this issue. One is the notion that any job is better than no job, as participants need to develop work habits, earn income and begin to stabilize their lives. Jobs with amenities such as retirement benefits, health care or significant career advancement will come after the participant has more experience. The other school of thought suggests that focusing on pre-employment training in order to strengthen the candidate so much that he or she could obtain a job with health insurance and a greater career arc creates the opportunity for greater long-term success. There is no definitive conclusion concerning which policy is superior, although the latter is more difficult to achieve in a slow economy, due to the lack of those types of jobs.

Housing

While the need to incorporate housing strategies into the overall individualized service strategy may seem obvious, it is not necessarily one of the services with which employment and training programs are familiar. This stage of the continuum of housing includes four main types;

- Emergency shelters are short-term facilities that provide a place to sleep. Some shelters are open 24 hours per day, while others have a set evening arrival time and morning departure time. Admission to shelters is usually open, but capacity is almost always limited, especially in the winter months. Many are only available on a first-come first-served basis or may limit the maximum number of days that a person may stay. Although these shelters focus on providing temporary shelter, they may also provide some referral services (health care, sundries, clothing or transportation services) and occasionally may provide case management.
- Transitional housing is a type of semi-permanent housing that generally allows residents to stay for no more than 12 to 18 months. It is designed to segue between an emergency shelter and other forms of more permanent housing. As such, it has ready access to supportive services for residents, many of which are available on-site. Transitional housing also

requires that residents work and save a portion of their earnings so that they will have a small savings to facilitate the shift to the next type of housing on the continuum.

- Subsidized permanent rental housing is a way in which public funds are used to create housing for below market rate. This allows people to afford housing that is generally better than what they could otherwise afford. These projects are most often subsidized through the Low-Income Housing Tax Credit (LIHTC) program for housing developments and the Housing Choice Voucher (formerly Section 8) program that subsidizes households. Other housing choices may be developed by the local housing authority or developed as Single Room Occupancy (SRO) units.
- When an individual or household has stabilized to the point where these transitional housing types are no longer required, then the move to unsubsidized permanent housing occurs. This involves the rental or purchase of housing units that are reacting to market forces, not responding to subsidy. Individuals may remain in unsubsidized permanent housing as long as they meet the requirements established in the rental or purchase agreement. This is the final step in the successful reintegration of formerly homeless individuals into the housing continuum.

Supportive Services

Supportive services, while not the primary focus of most homeless advocacy agencies, are often crucial to success for homeless participants. Child care, access to transportation, health care and other challenges can prevent a formerly homeless participant from completing job training or successfully being placed in a job. Transportation tends to be the greatest challenge since many new jobs are often now created on the fringe of the community, far from the supportive services and housing that participants require.

Create Supportive Service Agreements with Other Agencies in the Community

Supportive services must be in place before entering job training or employment programs for participants so that they have greatest potential for success. Such relationships must be strong, since the goals of the respective organizations are interrelated. If inter-organizational relationships are difficult to create, consider lobbying public officials to mandate such relationships and force efficiencies within the social service system.

Continual Assessment of Supportive Service Agency Needs

Through the identification of supportive service agency needs and challenges, the potential for participant success can be greatly enhanced. A break down in substance abuse counseling or interpersonal relationship therapy can delay, if not derail, a participant's pathway to successful job training, placement and stable housing.

Assist Eligible Participants with Supportive Services Access

Ensuring that supportive service case managers are well trained can be the difference between success and failure for many program participants. Proper training can ensure that case managers can appropriately deal with the challenges associated with the transitional homeless population as well as having the knowledge to connect the participants with the various state, federal and local programs. Knowing what conditions, whether physical or economic, must be present for a participant to access food stamps, Medicaid, health clinics, etc. is also paramount to the success of participants. Development of a best practices manual, complete with contact information for similar or related agencies, would prove useful.

Transportation

As previously mentioned, access to transportation is the single greatest deterrent to maintaining steady employment. A reliance on public transportation may not always be possible, especially in places like Champaign County that have limited service. Therefore, alternative methods must be employed, such as carpooling, ride sharing, private transportation services or employer-based transport.

Coordinate With Both Mental Health and Substance Abuse Treatment Programs

The general population tends to have less of a need for substance abuse and mental health treatment than does the homeless population. In order to address this need, some homelessness programs have attempted to maintain their own counselors on staff. It is difficult to maintain a high quality staff with diverse skill sets during this climate of limited resources. Many believe that access to resources will never be as great as it was in the 1990s, so the more opportunity to share resources with other organizations, while diminishing duplicity and redundancy, the better. These aforementioned diminishing resources have also resulted in long waits for mental health and substance abuse treatment.

Geographic Location

A stigma is often associated with homeless shelters, supportive housing developments, SROs and other types of transitional housing. Concerns about the behavior of residents, their impact on the existing community and their potential effect on property values are often collectively referred to as NIMBY (Not In My Back Yard). Yet it is critical that this vulnerable and transit dependent populations be located close to supportive services and/or job centers.

One effective solution that has worked for The Commons At Grant in Columbus, Ohio, is a good neighbor agreement between the housing's owner and the community. The agreement stipulates that the building must be physically well maintained, safety concerns will be addressed by creating a block watch program and by discouraging loitering, the conduct and behavior of residents will be monitored to ensure that they do not interfere with the quiet enjoyment of others in the neighborhood and communication with the community will be frequent and open. This agreement went a long way in alleviating the NIMBY feelings being expressed and it provided a framework to define roles and responsibilities for both the housing provider and the community at large.

Housing Study, October 2010 Focus Group, Survey and Interview Analysis

Conceptual Description of the Study

In an effort to better understand housing in Champaign County a Regional Housing Study Task Force was developed. The Task Force is comprised of organizations within Champaign County: City of Champaign, Champaign County Regional Planning Commission, Housing Authority of Champaign County, Village of Rantoul, and City of Urbana. To provide a comprehensive examination of Champaign County the Task Force contracted with Vogt Santer Insights (VSI), a real estate research firm. VSI provided a thorough analysis through quantitative data collection. It was the intent of the Task Force to supplement the research that VSI provided with a qualitative study of public input from a cross-section of community members and service providers throughout Champaign County.

Research Methods

The Regional Housing Task Force conducted their research simultaneously as VSI conducted their research. It was determined through Task Force group consensus to gather qualitative research through two methods; focus groups and a qualitative online narrative survey. However, during two scheduled focus groups the format was modified and interviews were conducted instead. Daily Bread Focus group clients chose not to participate in a focus group setting, but instead completed a paper copy of the online survey.

Our intent was to recognize common themes and patterns through qualitative means as opposed to gathering generalized data. Identifying concepts through review of the data allowed for analysis of the text. Selected members from the Task Force reviewed all notes from the focus groups, results from the survey and interview comments to ascertain common concepts, patterns and themes. The information for each method was used independently for analysis because of the varying dynamics among the three different types of qualitative research methods used. In conclusion a review of the combined analyzed data provides a content rich summary highlighting the overall findings.

Focus Group Methods

Because the Task Force felt it was imperative that all community members had an opportunity to participate; the focus groups were open to the public for participation. Though focus groups participants are typically a homogenous group that have been identified and invited, it was felt that housing is a topic that all community members could identify with and therefore considered a common group. To meet this desired requirement of an open focus group, various media methods from the Task Force were utilized (See Appendix A) to provide notice to the communities of Champaign County.

The focus group discussion guide was developed keeping in mind the participating groups may be diverse in their housing experience. Through a process of team input, six discussion guide questions were chosen covering a broad range of housing topics (See Appendix B). The focus groups were held in various locations in Champaign County and at various times of the day in an

effort to offer a variety of opportunities for participation. The Task Force provided the facilitator, greeter, and note-taker for each focus group. Prior to the start of each focus group the facilitator reviewed the following; organizations that comprise the Regional Housing Task Force, purpose of a housing discussion, and future study sessions along with open houses where the preliminary findings of the Comprehensive Housing Study will be available for public viewing and comments. Discussion notes were taken during each focus group and submitted for analysis. To allow for anonymity participants were only identified by a corresponding number during the focus groups and within the discussion notes.

Online Survey Method

For those community members that were not able to participate in a focus group or an interview, the online survey provided an opportunity to share their thoughts and experiences on housing. To maintain similarity and consistency among all qualitative methods it was decided the focus group discussion guide questions would be used for the online survey as well. Two questions were added to the online survey (See Appendix C). The City of Champaign's website was the host for the online survey and was advertised through various means (See Appendix A). We allowed this survey method to be completed by paper copy as well. This allowed participation from those who did not have internet access.

Interview Method

The interviews were conducted by Task Force members using the discussion guide questions to elicit responses. The interviewer conveyed to the participant that all information would be confidential and no identifying information would be used. Notes were taken by the interviewer and submitted for analysis.

Demographic survey

A demographic survey (See Appendix D) was developed by the Task Force to supplement the qualitative research. This information was not intended for quantitative statistics; instead it provided an opportunity to compliment the findings by observing the participant characteristics and resident location. Participants of the focus groups, interviewees, and survey participants (online and paper form) were asked to complete the demographic survey.

In regards to the online and paper copy demographic survey; if the respondent failed to complete a minimum of one word within the narrative portion, the demographic survey was discarded to not skew the characteristic findings.

FOCUS GROUPS

We held 6 focus groups consisting of 2 or more participants. During each focus group the participants were asked to complete the demographic survey. There were a total of 45 focus group participants and we received a total of 41 demographic surveys. All surveys were included in the demographic summary though not completed at 100%. Some participants chose not to take the survey.

Common Themes

There were four topics that were identified throughout the focus groups. Within each topic common themes were recognized and are highlighted to reveal the most prevalent expressed content by the focus group participants. The four topics identified were: homelessness, affordability/barriers, community and education. The following summary highlights the themes that were prevalent through the focus group discussions.

Summary of Findings

Though the participants in the focus groups were diverse in regards to housing experiences, the findings indicate that the issues on housing are relevant and important to many. Some of the participants came from public or social service providers and readily shared their experiences regarding homelessness and housing. Conversely, the opportunity to hold a focus group at a men's transitional facility, TIMES Center, provided additional perspectives and experiences. Common themes and patterns emerged from the combination of all focus groups.

When homelessness was discussed among the various groups it was evident that the majority of participants believed there should be efforts made to decrease the amount of people living in homeless conditions. They felt that the community as a whole may not recognize the homeless because they are "invisible" and that increased community awareness was needed. Additionally, there was common perception of the type of extenuating circumstances that might occur leading a person or family to become homeless such as; lack of income, mental health issues, addictions, previous evictions and previous criminal history, specifically felonies. The lack of appropriate shelters for families (men with children, women with children, or parents with children) was mentioned time and time again. Participants stressed the need for linkages, or a clearinghouse of social service providers, that would assist the homeless and near homeless suggesting there are gaps or lack of service awareness. Additionally, there was a common thread of belief that an increased local economic toll occurs when there is an increase in the homeless population.

Jobs were a common theme that ran throughout all topics. Whether it was the reason for alternative transportation (mass transit) both locally and between County communities, or a barrier to obtaining quality housing, jobs and job training was felt to be a factor to many housing issues discussed.

Overall, it was felt there is a need for more affordable housing and rents are inflated. The perception of some was that landlords are attributing to the housing issues. When discussing the barriers to acquiring quality and affordable housing a common thread was found; poor credit history, fixed income, high debt and criminal history.

Another overwhelming response was the desire for community involvement on the neighborhood scale. Participants would like to see an increase of community led changes that could result in increased neighborhood camaraderie and pride. Living in a neighborhood that provides enriching activities, parks and local necessities, such as a grocery store is considered important. In addition, neighborhood safety was an important quality however; it was common for participants to feel that housing affordability sometimes directly corresponded with neighborhood safety.

Education of various types was suggested to help alleviate the impediments that keep people from either owning a home or obtaining a quality rental, in addition to assisting those who are homeless or near homeless. Some of the types of education suggested were; job skills training, financial literacy and homeownership responsibility.

Focus Group Demographic survey results

1. You live:	
a. In a home you have bought or are buying	18
b. In a home that your rent or lease	2
c. At a friend or relatives home	0
d. In a shelter	18
e. Other	0
2. Have you ever been homeless?	
a. Yes	17
b. No	20
3. Has a lender ever sent you notice of pending foreclosure?	
a. Yes	0
b. No	36
4. Have you ever had to leave your home due to foreclosure?	
a. Yes	0
b. No	35
5. Have you ever been evicted from a rental?	
a. Yes	5
b. No	30
6. Is your current living arrangement affordable?	
a. Yes	27
b. No	1
7. Is your current living arrangement desirable?	
a. Yes	17
b. No	13

Population by zip code

- 61801 – 1
- 61802 – 1
- 61820 – 20
- 61821 – 5
- 61822 – 2
- 61866 – 4

ONLINE SURVEY & WRITTEN SURVEY

We examined 302 online survey responses and 15 paper copy survey responses for a total of 317 responses. 55 online survey respondents were discarded due to the absence of any written comments. There were 9 questions in the online survey that allowed for a narrative response with unlimited word count.

Common Themes

In reviewing the survey narrative there were several topics with correlating themes that were identified. Narrative responses were coded according to an accepted methodology. Patterns in these responses were discovered and the themes below highlight the patterns seen. Quotes are used to exemplify the patterns and not to highlight any one particular response. Through a comprehensive review of the survey responses three topics were identified; homelessness, neighborhood characteristics and home affordability. The following is a summary of the themes that were identified within these topics.

Summary of findings

Homelessness was considered a significant problem for Champaign County throughout the respondent's comments. About an equal number of respondents felt that it was an invisible problem. A smaller percentage stated that they were not sure about the issue of homelessness. Those that felt it was not a problem fell into a small minority. A variety of words were used in response to the survey question that asked to describe homelessness. The overall majority of one word answers were acutely negative such as "dire", "appalling", "troubling" and "terrifying". It was apparent throughout the review of the survey that homelessness was an issue that should not be ignored and that action by the community was required to move towards a direction that would result in a decrease or elimination of homelessness. A response from the survey provides a summation of a common concept seen; homelessness is "a pressing problem that needs wide spread cooperation between government, non-profits, faith based groups and businesses to be adequately addressed".

Another common theme revolved around community actions which should be taken to combat homelessness and fell mainly among three categories. The first category involved the opportunities of personal improvement through job assistance, training and education which were considered to be lacking within the community. The second category was the need for more quality affordable housing. Thirdly, additional social services, mostly mental health, alcohol and drug counseling were considered needed including the improvement of linkages for those social services that currently exist. Additionally, a common theme arose that suggested there was a need for more emergency and transitional shelters with a focus on families and children.

The majority of the respondents stated that homelessness has a negative impact on the community as a whole by making it a less desirable place to live or visit. It was suggested that homelessness gives the appearance that the community does not care about its citizens with specifically children being highlighted as a population that is adversely affected. In addition, respondents said that homelessness puts a strain on available resources and a loss of economic development which negatively affects the entire community. Another common thread

throughout the survey was that an increase of crime will be the result of an increase in homelessness.

A variety of desired neighborhood characteristics arose from the survey responses. Neighborhood safety was an overarching theme that was present through multiple survey questions. A widespread comment concerned the significant role in which safety plays when people choose where to live especially when families with children are considered. This topic was predominately mentioned as the number one factor; however, there was a significant number of respondents that expressed affordability may have to take precedence over safety. Some felt that there was a direct correlation between the cost of a home and neighborhood safety, suggesting the higher the rent or home value results in increased safety.

The value placed on neighborhood amenities was substantial. Alternative transportation such as a bus-line was recognized as a very valuable asset for a community especially for those that lack personal transportation access. The proximity to neighborhood services such as parks, grocery stores, and quality schools was a desire expressed frequently throughout the survey comments revealing a compelling theme that suggests these amenities become a factor in home choice. Following is a comment by a survey respondent that expresses a prevalent viewpoint: “Keeping neighborhood services such as grocery stores, schools and parks in the local neighborhoods promotes sustainability, neighborhood pride, and the support of businesses”.

In describing a quality neighborhood there was a strong desire by the respondents to have the overall condition to be desirable. The frequent qualities noted were; well kept yards & landscaping, established trees, sidewalks, street lighting and infrastructure in good repair.

There was a considerable widespread theme throughout the survey that commented on a need for more affordable quality housing both in rentals and homeownership. The lack of quality affordable rentals was strongly expressed. It was suggested, but to a lesser degree, that rental rates are inflated due to the presence of student housing. Additionally, there was noted concern for specific populations that find it more difficult to find a suitable rental; those with a criminal background – specifically those with a history of a felony conviction, minimum wage and part-time employees, and those with a poor credit rating.

In regards to homeownership, it was suggested the lack of jobs and poor credit history prohibit people from owning their home, in addition to lack of fiscal literacy, the high cost of housing and the lack of personal funds that are needed for a home mortgage. Many respondents felt that affordability was relative to the person’s income. A specific comment taken from the survey is noteworthy to highlight on the issue of home affordability; “Affordability must be defined in the long term, not month to month.”

Online and Paper Demographic survey results

1. You live:
 - a. In a home you have bought or are buying 195
 - b. In a home that your rent or lease 46
 - c. At a friend or relatives home 10

d. In a shelter	4
e. Other	4
2. Have you ever been homeless?	
a. Yes	28
b. No	235
3. Has a lender ever sent you notice of pending foreclosure?	
a. Yes	13
b. No	249
4. Have you ever had to leave your home due to foreclosure?	
a. Yes	7
b. No	256
5. Have you ever been evicted from a rental?	
a. Yes	18
b. No	234
6. Is your current living arrangement affordable?	
a. Yes	228
b. No	33
7. Is your current living arrangement desirable?	
a. Yes	227
b. No	31
8. Population by zip code	

61801 – 81
61802 – 24
61820 – 38
61821 – 38
61822 – 25
61826 – 1
61849 – 1
61853 – 25
61866 – 5
61872 – 1
61873 – 4
61874 – 11
61877 – 3
61880 – 2
62656 – 1
Blank – 1

INTERVIEWS

Five personal interviews were conducted as a result of either low attendance or lack of willingness to participate in a group setting. The interviewers used the focus group discussion guide to conduct the interview. Two out of the five interviewed completed the demographic survey. Due to what little information these would provide in understanding the summary of the

interview findings, and to keep anonymity, the demographic interview surveys are not part of this report.

The interview responses were evaluated using the same qualitative method that was used for the focus groups by reviewing the interview notes. Due to the small number of interviews conducted it would be expected that common themes and patterns may be less likely observed. This was the case in our experience. However, the interviews provided great additional insight into the overall findings and therefore summarized as a whole.

Summary of Findings

The interviews provided an opportunity to learn more about a person's perception of homelessness, housing and desired neighborhood characteristics. Rental concerns crossed over a couple of the interviews. It was felt that acquiring housing is more difficult for some than others. For instance, those that have been recently released from jail/prison are not able to obtain housing. The cost of rentals was stated to be overpriced and unattainable for many. It was mentioned that some people are only able to afford rent leaving very little for necessities such as food and clothing. Another rental issue expressed was that people can only find affordable rentals in an unsafe neighborhood.

Homelessness was felt to be an unseen problem and that more shelters are needed. However, it was suggested that additional social services are also required, increased employment opportunities and education are needed to help those that are homeless, in addition to having a "clearinghouse" for social services. One interview noted that there is no place for the disabled homeless and feels that they should be "taken care of" more appropriately.

Neighborhood amenities were found to be very valuable especially buses and grocery stores for people who do not have transportation. In addition, the overall appearance of a neighborhood is very important in determining the quality of a neighborhood.

CLOSING SUMMARY

In a review of the qualitative summaries collectively there are many commonalities that can be recognized and highlighted.

Homelessness was seen as present, though invisible, is considered a significant problem and is seen as adversely affecting the economic status of the community. As noted throughout the summaries a large majority of the participants suggested a number of strategies that they felt could improve homelessness. However, jobs, job training and improved educational opportunities were strongly observed as a widespread need to combat not only homelessness, but improve the community overall.

There were barriers noted that keep people from acquiring a safe and affordable home. The barriers most recognized throughout all data were; lack of quality affordable homes, poor credit, low income/lack of employment, previous criminal history and mental health issues including drug and alcohol addictions. These barriers were addressed in the summaries of each data collection method.

Neighborhoods were recognized as a very important part of community life. The overall appearance, the availability of local amenities and safety were key components to what people look for in a place to live. However, it was also widely recognized that affordability for some must take precedence over amenities and safety. Overall data suggested a need for more affordable housing that provided these mentioned amenities including safety.

Concern for children and families were mentioned on a frequent basis throughout all data suggesting a high value is placed on this specific portion of the public. Whether that was relayed as a need for additional shelters specifically for families, the importance of a neighborhood school for children, or the need for safe neighborhoods, they are recognized as an important part of our community.

The summation of data that has been provided by the many participants and respondents from Champaign County can be a valuable tool in gaining an understanding of the housing issues within our communities and neighborhoods.

The issue of housing affordability is a pressing topic that can be appreciated throughout our analysis. This study was to ascertain common thoughts and perceptions throughout Champaign County and therefore no information was provided to the participants and or respondents. However, for the purpose of recognizing what the general industry standards are for affordable housing the Task Force felt it was valuable to include this information post analysis. Housing affordability is considered the percentage of a household income that is applied to rent or a mortgage; anything above the recommended standard would be considered as a housing burden. Rental cost would be considered affordable when the monthly gross rent including tenant-paid utilities is 30% of income. “According to the Federal Housing Authority, monthly mortgage payments [payment, interest, taxes and interest] should be no more than 29% of gross income.”¹

LIMITATIONS OF THE STUDY

As with any qualitative study there will always be limitations, the goal is to assure they are kept to a minimum.

With volunteer focus groups, survey and interview processes there is an opportunity for a self selection process to occur. However, attention was given to obtain a diverse number of respondents to alleviate this as much as possible. The number of focus groups, survey and interview participants provided this study with an opportunity to reach a number of community members throughout Champaign County. This allowed for an improved opportunity of diversity among the participants and respondents.

Because all of our participants and respondents were anonymous volunteers we were unable to identify if a person participated in both a focus group and an online survey. Despite this limitation, searching for common themes and concepts through coding in combination to the

¹ <http://www.hud.gov/offices/hsg/sfh/buying/buyhm.cfm> (November 2010)

large amount of data reviewed would lessen the likelihood for significantly skewed data if indeed people participated in both.

And lastly, this qualitative research method of analysis for common concepts and themes gives way too little to no recognition regarding the least commonly noted perception or thought. We acknowledge that all responses and contributions are valuable, however, those least mentioned fall out of the methods used for this particular analysis.

Appendix A

Methods of outreach for focus groups

- Postcards mailed to neighborhood leaders in planning areas located near Douglass Branch Library, Champaign.
- Email blast to City of Champaign neighborhood leaders and key stakeholders in Rantoul.
- Information placed on Cable channel 5 (local Champaign) and 6 (local Urbana).
- Email notice sent to the City Council members of Champaign.
- Flyers displayed at Daily Bread, TIMES Center, City of Urbana website, Village of Mahomet website.
- Postcard sent to Church of Living God and the Vineyard Church
- Postcards distributed to Salem Baptist Church, Restoration Urban Ministries and Empty Tomb
- Postcards distributed and displayed at Douglass Branch Library, Champaign.
- Flyers distributed to Continuum of Care members and Council of Providers to the Homeless

Methods for outreach for Online Survey

- Survey website link provided on the City of Champaign, Village of Mahomet and City of Urbana's website.
- Postcards with survey website address delivered to Restoration Urban Ministries.
- Email notice of survey website address sent to the Regional Office of Education, Continuum of Care members and Council of Providers
- Postcards with survey website address distributed at the Urbana's Farmers Market

Appendix B

Regional Housing Study Focus Group Discussion Guide

Homelessness - What is your perception of homelessness in Champaign Co.?

Additional prompts: How would you describe the issue of homelessness in Champaign Co.?

How does the issue of homelessness affect Champaign Co.?

Homelessness - What type of actions do you feel are needed to decrease/eliminate homelessness in Champaign Co.?

Additional prompts:

How can homelessness be decreased or eliminated in Champaign Co.?

Describe what steps can be taken to decrease or eliminate homelessness in Champaign Co.?

Renting/Buying – How do you feel the quality of nearby services such as schools, human services, bus line and grocery stores/pharmacies impact where you choose to live (renting or buying)?

Additional prompts:

Describe how important public amenities (bus, grocery stores, pharmacies etc) are to you when you are choosing a location to live?

When you are choosing a home to live in (rent or purchase) how much do you consider the things such as schools, bus line, grocery stores etc. in the decision of choosing a place to live and why?

Renting - Do you feel there are quality affordable rentals available for everyone who is in need of housing? Why or Why not

Additional prompts:

Describe the availability of rentals in our community that are considered affordable and of quality.

How affordable are quality rentals in our community?

Homeownership - What barrier(s) keep people from owning their own home?

Additional prompts:

Describe the types of roadblocks that make it difficult or impossible for people to purchase a home.

Why are people unable to buy a home?

Homeownership/Renting - What identifies a neighborhood as an “affordable” neighborhood in determining where you choose to live?

Additional prompts:

How do people decide what is an affordable neighborhood when they are finding a home to rent or buy?

Describe an affordable neighborhood

Appendix C
Online and Paper Survey Questions

1. You live:
 - In a home you have bought or are buying
 - In a home that you rent or lease
 - At a friend or relatives home
 - In a shelter
 - Other
2. Have you ever been homeless?
 - Yes
 - No
3. Has a lender ever sent you notice of pending foreclosure?
 - Yes
 - No
4. Have you ever had to leave your home due to foreclosure?
 - Yes
 - No
5. Have you ever been evicted from a rental?
 - Yes
 - No
6. Is your current living arrangement affordable?
 - Yes
 - No
7. Is your current living arrangement desirable?
 - Yes
 - No
8. My zip code is: _____
9. How would you describe the issue of homelessness in Champaign Co.?
10. What type of actions do you feel are needed to decrease homelessness in Champaign Co?
11. How does the issue of homelessness affect a community?
12. Does neighborhood safety play a role in determining where people will choose to rent?
Why or why not.
13. How important is the quality of nearby services such as schools, a bus line, grocery stores and pharmacies when looking for a home to rent? Why or why not.
14. Do you feel there are quality affordable rentals available for everyone who is in need of housing? Why or why not?
15. What keeps people from owning their own home?
16. What identifies a neighborhood as a “quality” neighborhood in determining where to build or buy a home?
17. What identifies a neighborhood as an “affordable” neighborhood in determining where to build or buy a home?

Appendix D

Demographic Survey Provided to Focus Group and Interview Participants

1. You live:
 - In a home you have bought or are buying
 - In a home that you rent or lease
 - At a friend or relatives home
 - In a shelter
 - Other
2. Have you ever been homeless?
 - Yes
 - No
3. Has a lender ever sent you notice of pending foreclosure?
 - Yes
 - No
4. Have you ever had to leave your home due to foreclosure?
 - Yes
 - No
5. Have you ever been evicted from a rental?
 - Yes
 - No
6. Is your current living arrangement affordable?
 - Yes
 - No
7. Is your current living arrangement desirable?
 - Yes
 - No
8. My zip code is: _____

Focus Groups Themes

Homelessness	Affordability/Barriers	Community	Education
<p>Homelessness is attributed to mental health, drugs, previous evictions and felons.</p> <p>The Homeless are invisible.</p> <p>There is a need for increased services for the near homeless and the non-traditional homeless i.e. couch surfing, staying a relative's home etc.</p> <p>The lack of jobs or the low wages that a job provides plays a large role in the cause of homelessness.</p> <p>There is a Lack of shelters & services for families, specifically women and women with children.</p> <p>There is a lack of linkages for social services for the homeless.</p> <p>Homelessness has a negative economic impact on the community through an increased strain on social service agencies, public service agencies, schools and medical facilities.</p>	<p>A person's job (income) will dictate where they live.</p> <p>The quality of a home is relative to the cost - the lower the cost, the lower the quality.</p> <p>There is a need for low income housing and rent assistance.</p> <p>Housing barriers were: poor credit history, fixed income, previous criminal convictions, and high personal debt.</p> <p>Some landlords contribute to housing issues that are seen as negative.</p> <p>The costs of rentals are inflated.</p>	<p>There is a desire for neighborhood pride and involvement through local cultural events, activities, schools and the appearance of the neighborhood.</p> <p>Walkable communities are important.</p> <p>There needs to be an increased awareness in the community of services available to its residents.</p> <p>Alternative types of transportation are important to a neighborhood.</p> <p>An affordable neighborhood may not be a safe neighborhood.</p> <p>There is a need to provide public transportation between communities within Champaign County.</p>	<p>There is a need for financial education that includes homeownership.</p> <p>There should be a recognizable definition of homelessness and the community should be educated on the topic of homelessness.</p> <p>The public should be encouraged and educated on how to participate in the decisions of the community, i.e. civic engagement.</p> <p>There is a need for jobs skills training and skills matching to assist people with obtaining jobs.</p>

**Dates of Scheduled Focus Groups: September 20, 28, 29; October 4, 6, 12. Year 2010*

**Total # of Group Participants: 45*

Survey Themes

Homelessness	Neighborhood	Affordability
<p>Homelessness is a significant problem.</p> <p>Homelessness is seen as invisible.</p> <p>Homelessness can be combated through the following interventions and strategies:</p> <ul style="list-style-type: none"> • Job assistance and job skills training and improved access to educational opportunities that lead to successful employment. • More affordable housing. • Increase of social services and improvement of linkages. • Increase of shelters, including those that service families. <p>Homelessness gives the impression of an apathetic community.</p> <p>Homelessness affects the communities as a whole by making it appear as a less desirable place to live and visit.</p> <p>Homelessness is an economic drain on the community.</p> <p>An increase of crime will occur with an increase of homelessness.</p>	<p>Neighborhood Safety plays a significant role when a person chooses a place to live.</p> <p>Affordability may take precedence over safety.</p> <p>There is a direct correlation between the cost of home and the neighborhood crime rate.</p> <p>Nearby neighborhood services are strikingly important.</p> <p>A bus line is a valuable asset to a neighborhood.</p> <p>Neighborhood schools were identified as a vital part of a quality neighborhood, especially for families.</p> <p>Neighborhood characteristics that are important: well kept yards/landscaping, established trees, sidewalks, street lighting and general infrastructure in good repair.</p>	<p>There are not enough affordable quality rentals available for everyone in need of housing.</p> <p>High rents are attributable to inflated rents due to student housing.</p> <p>There are specific populations that have a more difficult time successfully acquiring a place to live; those with previous convictions, minimum wage job employees, part-time employees and those with a poor credit history.</p> <p>Barriers to affordable housing are; lack of jobs, high cost of housing, and the lack of fiscal literacy.</p>

**Survey results were obtained from September 24 through October 13, 2010.*

**Total # total respondents analyzed: 262*