

2018-2019 Preliminary Project Assessment (PPA) Market Data and Metrics Chart Illinois Housing Development Authority

The following details the market data and metrics used when assessing the Market Need for all PPA submittals. The chart is divided by the different PPA review categories and the data and indicators used to examine each category are discussed:

| Review Category | Criteria Reviewed | Source of Information | Consideration |
|---|--|---|---|
| Existing Unit Approvals and Performance & On-The-Ground Indicators | Authority-Funded projects in PMA - number of units / number of units serving same population as proposed | Authority active portfolio and Authority Board approvals | General picture of Authority's investment in PMA |
| | Newly approved Authority - funded units (recently constructed and placed in service or Board approved but not-yet constructed) | Authority active portfolio and Authority Board approvals | Approved projects in the PMA that are not-yet constructed or rented may negatively impact the PPA market (particularly if the projects serve the same populations) as the market may need to stabilize before additional units are approved |
| | Occupancy levels / wait-list levels at active Authority projects in PMA / underperformance due to reported lack of demand | Internal project monitoring by Authority; Phone calls to property managers | Occupancy levels in PMA below 80% (especially when serving same tenant type as proposed) are considered to be problematic. |
| | Blight | HUD Aggregate of USPS Administrative Data on Address Vacancies http://huduser.org/portal/datasets/usps.html See process posted on IHDA.org | To be used to objectively demonstrate on-the-ground conditions that may indicate the need for new housing units or rehabilitation of existing units within an area. |
| | Age of Housing Stock | American Community Survey (ACS) 5-year estimates | |
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| Affordable Rental Concentrations | Authority market share (units funded by the Authority in the PMA / total rental units in PMA) | Authority active portfolio and Authority Board approvals; and American Community Survey (ACS) 5-year estimates | An Authority market share over 10% is considered to be high and may negatively impact the PPA review. Low rental concentrations may mitigate negative impact. |
| | <u>Affordable market share</u> (Unduplicated units funded by the Authority, HUD, HUD Public Housing and USDA-RD in the PMA / total rental units in PMA) | Authority active portfolio and Authority Board approvals; published lists of HUD Multifamily, HUD Public Housing and USDA-RD developments; and ACS 5-year estimates | A market share over 20% is considered to be high and may negatively impact the PPA review. Low rental concentrations may mitigate negative impact. |
| | <u>Affordable rental concentrations</u> (actual rents, regardless of subsidy in project census tract (or census tract + adjacent census tracts)) | <i>Affordable Rental Unit Survey</i> (published on the Website) a catalog of estimated numbers of affordable (to a variety of income levels) units for every census tract in Illinois regardless of rental subsidy – uses ACS 5-Year Estimates | An affordable rental unit concentration for income levels targeted by the proposed that exceed 60% of the total units is considered high and may negatively impact the PPA market review. |

| Review Category | Criteria Reviewed | Source of Information | Consideration |
|--|--|---|---|
| Social and Economic Viability (Review of demographic indicators for the PMA) | Growth (household and population) | ACS 5-year estimates | Overall negative trending and sharp year-to-year declines may negatively impact PPA market review |
| | Poverty rate (people in poverty, families in poverty) | ACS 5-year estimates | Poverty Levels exceeding 20% for PMA may negatively impact PPA market review. Similarly, low poverty rates and high local household Income levels may indicate opportunity within the PMA |
| | Low-Mod. Local household income compared to Area Median Income and / or Illinois median income | Local median income as a share of area median income from ACS 5-year estimates of median household income and median family income | |
| | Wage Deserts / Wage Abundance | Determined by Census Tract utilizing LODES data from the US Census Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics and Liveable wage Data from the ACS 5-Year estimates | TO BE PUBLISHED VIA POLICY MAP ON THE IHDA WEBSITE. ALSO IN SCORING |

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| Rent-burden and extreme rent-burden | ACS 5-year estimates | Higher than average levels may indicate need for rent-restricted housing within market |
| Employment / unemployment Rate | ACS 5-year estimates; and/or Bureau of Labor Statistics Area Unemployment Statistics Annual and Monthly Estimates | Access to jobs is considered an indicator of opportunity and projects located in PMAs with low unemployment, high labor force participation rates, and high number of local jobs may be considered favorably |
| Laborforce participation rate | | |
| Number of jobs Located in PMA | US Census Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics | |
| Jobs to population ratio (number of jobs per 100 people) in PMA | ACS 5-year estimates; US Census Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics | |
| Households with Housing Choice Vouchers (HCV) | HUD's 'A Picture of Subsidized Households' | |
| Educational attainment and school performance | ACS 5-year estimates; Local school performance indicators as available and as appropriate (PLEASE NOTE: ADDITIONAL EDUCATION PERFORMANCE DATA IS NOW BEING REQUESTED AS PART OF THE MARKET STUDY SUBMITTED WITH ALL APPLICATIONS FOR IHDA FUNDING) | Education levels and school performance are considered indicators of opportunity |
| Crime statistics (if available and needed) | Various data sources, Authority Asset Management records | High crime rates may impact ability to achieve and maintain full occupancy |