

2022-2023 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:

I) Existing Unit Approvals and Performance & On-The-Ground Indicators		
Criteria Reviewed	Source of Information	Consideration
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.
SRN Units Proposed	PAIR Data showing the number of persons on the waiting list and unit type of interest	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	

II) Affordable Rental Concentrations

Criteria Reviewed	Source of Information	Consideration
<p>Authority market share: (units funded by the Authority in the PMA/ total rental units in PMA)</p>	<p>Authority active portfolio and Authority Board approvals; and American Community Survey (ACS) 5-year estimates</p>	<p>The Authority considers a market share over 10% to be high and may negatively impact the PPA review. Additionally, IHDA shares over 15% in areas with above average (by set aside) rental units may be required to submit Community Revitalization documents that show the proposed is part of local efforts.</p>
<p>Affordable market share: (Unduplicated units funded by the Authority, HUD, HUD Public Housing and USDA-RD in the PMA / total rental units in PMA)</p>	<p>Authority active portfolio and Authority Board approvals; published lists of HUD Multifamily, HUD Public Housing and USDA-RD developments; and ACS 5-year estimates</p>	<p>A market share over 20% is considered to be high and may negatively impact the PPA review. Low rental concentrations may mitigate negative impact.</p>
<p>Affordable rental concentrations: (actual rents, regardless of subsidy in project census tract (or census tract + adjacent census tracts)</p>	<p><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</p>	<p>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.</p>

III) Social and Economic Viability

(Review of demographic indicators for the PMA)

Criteria Reviewed	Source of Information	Consideration
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	
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
Labor force 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'	Demonstrates local participation in HCV subsidy program. May indicate a concentration of subsidies in the rental market
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 submission)	Education levels and school performance are considered indicators of opportunity

