City of CHAMPAIGN

REPORT TO CITY COUNCIL

FROM: **Joan Walls, City Manager**

DATE: **January 9, 2026**

SUBJECT: **HOUSING NEEDS ANALYSIS AND STRATEGY UPDATE SS 2026-001**

A. Introduction: The purpose of this Study Session is to provide City Council with an update on the progress of the City's comprehensive housing study, the Housing Needs Analysis and Strategy.

B. Action Requested: The Administration recommends Alternative 1 which would allow City Council to provide feedback on the initial findings from the Housing Needs Analysis and Strategy and guide the work moving forward to completing the study, including developing the strategies.

C. Prior Council Action:

- In 2009 (SS 2009-74), City Council directed staff to release an RFP for a Regional Housing Study, which involved the City of Urbana, the Village of Rantoul, Champaign County Regional Planning Commission (CCRPC), and the Housing Authority of Champaign County (HACC).
- In 2010 (CB 2010-150 and CB 2010-151), City Council authorized entry into a contract with Vogt Santer Insights as the consultant to complete the Regional Housing Study.
- In 2010 (SS 2010-066), a draft of the Executive Summary from the Regional Housing Study was shared with City Council, which identified a need for nearly 1,500 units in Champaign.
- In late 2023 and early 2024 (SS 2023-029 and CB 2024-001), City Council adopted the 2023-2025 goal, "Our City Supports our Vibrant, Diverse Neighborhoods" which includes the key project to "Expand programs to preserve the City's housing stock and bridge the affordability gap between household incomes and escalating housing costs."
- In 2025 (SS 2025-004), City Council was presented with a progress report on the 2023-2025 goals, which named conducting the Housing Needs Analysis and Strategy as the first step toward the goal of expanding housing preservation and affordability.
- In March 2025 (SS 2025-010), City Council was presented with an overview of the proposed process for the Housing Needs Analysis & Strategy and directed staff to move forward in selecting a consultant.
- In August 2025 (CB 2025-148), City Council authorized entry into a contract with RDG Planning and Design as the consultant to lead the Housing Needs Analysis and Strategy.

D. Summary:

- The Housing Needs Analysis and Strategy is the City of Champaign's first comprehensive housing study in fifteen years, providing data and insights necessary to quantify Champaign's housing needs and create a plan to meet them.
- The Housing Needs Analysis and Strategy is being conducted with RDG Planning and Design (RDG), a firm with experience conducting housing studies in university cities.
- To conduct the Housing Needs Analysis, staff and RDG have collected, analyzed, and mapped data related to housing availability and affordability, conducted nine listening sessions with stakeholder groups, and released two surveys – one open to the public and one open to landlords and housing providers.
- The results of the data analysis and engagement efforts have resulted in seven key takeaways, which range from Champaign having a very low (2%) vacancy rate, needing to build over 7,000 housing units by 2035, and requiring greater accountability for landlords regarding housing conditions and costs.
- Next steps include moving forward with the completion of the Housing Needs Analysis and Strategy. This will involve setting housing goals, identifying policies and strategies to meet the goals, and preparing the final study document.
- Staff anticipate the Housing Needs Analysis and Strategy will be completed in May 2026, at which point it will be presented to City Council for approval.

E. Background:

1. Project Purpose and Connection to City Council Goals. The City of Champaign is conducting its first comprehensive housing study in fifteen years, the Housing Needs Analysis and Strategy. Cities across the country, including Champaign, have experienced increased costs to rent and buy a home, rising numbers of residents experiencing homelessness, and a lack of housing choice and supply. The purpose of the Housing Needs Analysis and Strategy is to quantify and understand the housing needs of Champaign residents in greater depth, and propose a roadmap of policies, strategies, and partnerships to work toward meeting the identified needs. Ensuring there is adequate supply across housing types, price ranges, and tenures contributes to the City Council goal, "Our City Supports our Vibrant, Diverse Neighborhoods." The Housing Needs Analysis and Strategy will provide the information necessary to take a data-driven approach to developing programs and policies related to housing issues.

2. March 2025 Study Session. In March 2025, City staff presented Council with a proposed plan for conducting the Housing Needs Analysis and Strategy, which began with posting a Request for Qualifications (RFQ) for consultant services. RDG Planning and Design (RDG), a firm based out of Omaha, Nebraska, was selected based on their experience conducting housing studies in university cities across the nation and their expertise related to data analysis and stakeholder input. Staff began working with RDG in August 2025. The Scope of Work approved with the contract for RDG is attached as Attachment A.

3. Housing Needs Analysis Process. Staff collaborated with RDG to identify a process that would balance quantitative data collection and analysis with stakeholder and community input. The following paragraphs outline the project process.

a. Technical Team. Housing is complex and involves a variety of different actors. To ensure that the Housing Needs Analysis and Strategy is grounded in industry and community realities, a small Technical Team made up of private and public partners meet periodically to provide input on the project's process. The Technical Team is made up of City staff from the Neighborhood Services and Planning and Development Departments, the Champaign County Regional Planning Commission, Royse + Brinkmeyer, and the Champaign County Association of Realtors.

b. Data Collection and Analysis. A major part of the process involves collecting data related to housing production, affordability, and availability. Various public, local, and proprietary data sources were collected to present a robust picture of housing in Champaign, including building permits, assessment values, vacancy rates, rental rates, home sales, and short-term rentals, among others. Data was analyzed for trends over time and geography, and projections were made regarding population trends and housing unit demand through 2035. Projections were separated into student and community (non-student) demand. See Attachment B for related data visualizations and maps.

c. Listening Sessions. Gaining a holistic picture of housing in Champaign requires more than just quantitative data. Hearing from service providers, housing providers, and community stakeholders is an important part of ground-truthing the data and gaining further insight. Nine focus group-style listening sessions were held in early November and December, with participation from 50 individuals representing 42 different organizations. See Attachment C for a list of listening session participants. RDG also facilitated a discussion with a University Urban Planning class to hear from undergraduate students about their housing experiences. Listening sessions took the format of small group facilitated discussions between stakeholders working in similar fields, allowing for both staff and stakeholders to ask questions of one another and share experiences and observations. Staff also solicited input from the Neighborhood Services Advisory Board at their September meeting.

d. Surveys. To gather further public input, two community surveys were made available starting in mid-October. The first is a landlord and housing provider survey, geared toward gaining insight on vacancy rates, challenges in building and maintaining units, and reasons for rent increases. This survey currently has 33 responses from landlords representing a total of 7,940 units (35% of all rental units). The second survey is open to the public, and asks about current housing costs and concerns, as well as desires for the future in terms of housing tenure and type. This survey currently has 562 responses. The surveys have been promoted at events such as the Developers' Forum and Champaign County Community Coalition, sent out through stakeholder newsletters, shared on social media, and featured in news outlets like Smile Politely, the News-Gazette, and WCIA. The surveys are also posted on an Engage Champaign page for the project, serving as a landing point for project updates. Both surveys will remain open through the early spring. Once the surveys close, a report of the results will be compiled and shared with Council in the presentation of the final Housing Needs Analysis and Strategy.

4. Preliminary Findings. Results from the data analysis and input from the listening sessions made clear that the City of Champaign needs to build more housing, particularly non-student housing, to keep up with population growth and increase the low vacancy rate. The analysis has also provided a more data-driven understanding of the local challenges. The following paragraphs explain major takeaways from the analysis, as well as their supporting data points. See Attachment B for additional context, maps, and charts.

a. Champaign has a very low 2% housing vacancy rate. The industry standard for a healthy vacancy rate, as confirmed by RDG, usually ranges from 5-7%, meaning Champaign's vacancy rate is extremely low. Rates below 5% indicate a market where housing supply cannot keep up with demand. Results from the landlord survey indicate a 1.4% vacancy rate, which was confirmed by landlords expressing that their units are fully leased and move quickly off the market, as well as residents (including students) having a difficult time finding units to rent. Housing providers shared that their tenants are staying in their units longer, rather than moving every couple of years or so, likely due to the tight housing market and the fear of not being able to find another unit in a certain location or price range. An increased vacancy rate would allow for more housing choices, and in other cities, has led to stabilized rental rates as housing providers experience more competition for tenants.

b. Champaign needs to build over 7,000 units of housing by 2035, with 9% of units oriented toward student housing. The most pressing need for housing in Champaign is in the non-student market. Champaign needs to build an average of 584 units of non-student housing annually through 2030 to reach a vacancy rate of 4.3%, and an average of 667 units of non-student housing annually from 2030 to 2035 to reach a vacancy rate of 6.5% while keeping up with population growth. By 2035, this would result in a total of 6,460 units of non-student housing built. While Champaign has averaged 505 permitted units annually over the last decade, nearly 60% of these units have been student housing. Meeting the housing unit needs for non-student populations will require a shift toward building for non-student populations in areas beyond the University District. The specific breakdown of the tenure type, location, price point, and housing type for these units will be identified in the next step of the study, the Housing Needs Strategy.

Though Champaign has built many units geared toward students over the last decade, increasing University enrollment has led to a low vacancy rate in student housing. Champaign will need to build an average of 50 student housing units annually through 2030 to reach a vacancy rate of 3.5%, and an average of 70 units annually from 2030 to 2035 to reach a vacancy rate of 5.0%. Like with non-student housing, the annual need increases from 50 units from 2025 to 2030 up to 70 units from 2030 to 2035 to consider population growth and the need to increase the vacancy rate. By 2035, this would result in 548 units of student housing built. This projection assumes that University enrollment will stabilize and not grow at the same rapid pace that it has over the last decade. This finding debunks a common refrain in the community that the student housing market is overbuilt, and many new buildings are largely unoccupied.

c. Rental costs are increasing due to market demand and increased costs for housing providers. Across the board, tenants and landlords are concerned about increasing costs. Initial survey results indicate that housing costs and utility costs are two of the main financial concerns for residents, and that affordability is a main consideration in making housing decisions. Median gross rent in Champaign has increased by 50% since 2010, which is much higher than comparable university towns. For tenants, the rapid increase of rental rates means being cost burdened, or spending more than 30% of their income on rent, and increased difficulty finding a unit, as many landlords require tenants to have three times the rent in monthly income. Survey responses indicated that 79% of landlords increased rents in the last twelve months, and they identified increased insurance costs, increased maintenance costs, and market conditions to be the main reasons for rent increases. Housing providers shared that construction costs are up about 30% since 2020, which also contributes to higher rents in new builds. Higher interest rates impact the construction cost of new units as well.

d. Predatory landlord practices affect tenants' ability to afford housing. Though not a universal practice, instances of predatory landlord practices came up in listening sessions and survey responses from students, residents, and service providers. One concern included residents reporting various fees driving up their rental costs, such as online portal fees, high application fees, and various unanticipated fees that were historically part of rent such as property expenses for sewer and trash. Another concern identified was the lack of accountability for landlords when housing conditions deteriorate, and a need for additional tenant protections.

e. Deferred maintenance worsens housing conditions. Housing providers shared in listening sessions that maintenance of older units is often deferred in this tight housing market. For example, tenants find an affordable unit, which likely means it is older and possibly in poorer shape, and will stay in the unit as long as possible due to the difficulty of finding another affordable unit. Major maintenance or remodels will be deferred until the tenant moves out, resulting in an aging housing stock in need of reinvestment. This comes back to the low vacancy rate and general lack of housing supply – without other options, tenants face few viable housing choices and landlords lack pressure to make improvements to their units.

In extreme examples locally, deferred maintenance and ultimately abandonment has led to hundreds of affordable housing units being taken off-line due to condemnation in the broader community. Examples include Champaign Park Apartments in Champaign (504 units) and Havenstone Apartments in Urbana (approximately 70 units).

f. There is a need for increased affordable and supportive housing infrastructure. Historically, housing for those with low- to moderate-incomes has been difficult to finance and build, and most often is reliant upon competitive public subsidies such as the Low-Income Housing Tax Credit (LIHTC). There are also housing choice vouchers available through the Housing Authority of Champaign County (HACC), allowing a tenant to find a unit in the private market and have their rent payments subsidized. However, over 4,000 families are on the HACC voucher waitlist, and an increasing

percentage of Champaign residents (55%) are cost burdened, meaning their housing is not affordable to them. HACC's affordable units face challenges with maintenance and unit turnover, reporting a current occupancy rate of only 75-80%. "Affordable" can be defined widely, and the range of affordability can change throughout an individual's life, but ensuring the construction and preservation of units with rents below the current market rate is essential to ensuring that all residents, regardless of income, have housing options.

Along with an increase in the number of affordable units, there is also a need for additional support services, case management, and legal aid. Finding housing, particularly if one has accessibility needs, has had an eviction, or has a criminal record, can be extremely complex and difficult. Ensuring that wraparound and support services are available is an important part of helping individuals find housing and allowing individuals to stay housed while facing difficult situations, such as job loss or medical issues.

g. Residents are "stuck" at their current spot on the housing continuum. Though talk of housing may evoke thoughts of a single-family home or apartment building, housing encompasses a wide continuum of tenures and housing types, ranging from permanent supportive and transitional housing all the way to homeownership. Movement across this continuum is essential to increasing the housing stability of residents and opening-up units on the more affordable and supportive end for those who need them. Repeatedly in listening sessions, service providers and housing providers reported residents remaining in their current housing situation for longer than in the past due to a lack of unit availability at the next step of the housing continuum. This is true in the rental market, with the low vacancy rate, but also on the ownership side, as Champaign County had a 1.8-month supply of inventory for sale in September 2025, which is a measure of the inventory of homes for sale at the end of a given month, divided by the average monthly pending sales from the last twelve months. The National Association of Realtors considers a six-month supply of inventory to be ideal as it results in moderate price appreciation. An inventory of less than six months, like what Champaign is experiencing, leads to rapid price inflation, decreasing the affordability of homeownership. This results in residents being "stuck" along certain parts of the continuum, which can look like a resident wanting to move from transitional to affordable housing but facing long waitlists, a renter looking to buy their first home, but not finding something in their budget, or a homeowner thinking about downsizing, but not finding a home type and size that meets their needs.

5. Next Steps. These initial findings will inform work moving forward on the strategy portion of the Housing Needs Analysis and Strategy, which will identify programs, policies, and initiatives for meeting the identified housing needs. RDG and City staff will work together to identify the goals and strategies, while incorporating input from the Technical Team, listening sessions, and survey results. The table below outlines next steps.

January – February 2026	Set housing goals, including a breakdown of what the housing unit needs will look like by tenure type, price point, location, and housing type. Continue with engagement and promotion of the surveys through tabling at events, utilizing targeted social media ads, and creating advertisements to post in MTD buses.
February – March 2026	Using the identified housing goals, staff, stakeholders, and RDG will collaborate to generate a list of possible strategies, identify partners, and funding sources (if applicable).
March – April 2026	Preparing the final Housing Needs Analysis and Strategy document.
May 2026	Presenting the final document to stakeholders and to City Council for approval and moving into the implementation of the Housing Needs Analysis and Strategy.

F. Alternatives:

1. Direct staff to continue working on the second component of the Housing Needs Analysis and Strategy, which includes setting housing goals, identifying strategies and policies to meet those goals, and returning to Council in May 2026 for final approval.

2. Provide alternative direction to staff.

G. Discussion of Alternatives:

Alternative 1 directs staff to continue working on the second component of the Housing Needs Analysis and Strategy, which includes setting housing goals, identifying strategies and policies to meet those goals, and returning to Council in May 2026 for final approval.

a. Advantages

- The Housing Needs Analysis and Strategy will be the City's first strategic housing plan in fifteen years, updating dated information.
- Addressing the affordability and availability of the City's housing stock is a key project under the City Council Goal, "Our City Supports our Vibrant, Diverse

Neighborhoods."

- The Housing Needs Strategy will serve as a roadmap toward meeting the identified housing needs, ensuring that the findings in the Housing Needs Analysis are made actionable.
- Community engagement throughout the project process will provide stakeholders and residents to provide input and ideas for the future of Champaign's housing stock.

b. Disadvantages

- The Housing Needs Analysis and Strategy will require staff time and resources, which some might prefer to be directed toward other Council goals.

Alternative 2 would provide alternative direction to staff.

a. Advantages

- City Council could provide alternative direction to staff on how to complete the Housing Needs Analysis and Strategy.

b. Disadvantages

- The Housing Needs Analysis and Strategy will provide urgently needed information and strategies regarding how to meet housing needs. Delaying the project will hold up City progress on housing issues.
- Delays progress on a City Council goal, "Our City Supports Vibrant, Diverse Neighborhoods."
- Could result in the Housing Needs Analysis becoming a plan that sits on the shelf instead of being used as an actionable roadmap, as the completion of the Housing Needs Strategy intends.

H. Community Input: As stated above, community input was gathered through a series of stakeholder listening sessions and two surveys. The project has also been guided by the Technical Team, made up of public and private sector partners. Community input will be an important part of this project moving forward, as staff continue promoting the survey and having conversations with stakeholders about the feasibility of proposed strategies. Information about the project is posted on Engage Champaign, serving as a platform for residents to learn more. Members of the public will have an additional opportunity to provide input at the January 13, 2026, Council meeting when this topic is discussed.

I. Budget Impact: The cost of the contract with RDG to complete the Housing Needs Analysis and Strategy is $99,400. A total of $250,000 has been established in the FY 25/26 budget to complete this project, and after the completion of this project, the remaining funds will be used for strategy implementation where appropriate.

J. Staffing Impact: Two Community Development Specialists, the Neighborhood Programs

Manager, and the Neighborhood Services Director have all contributed to the management of this project and of the consultant, for an estimated total of 800 hours. The bulk of staff time has come from the two Community Development Specialists in the form of collecting and cleaning local datasets, coordinating listening sessions, creating communications materials for the project, and promoting the survey. Staff from the Neighborhood Services Department will continue to collaborate with RDG through the completion of the project.

Prepared by:

Lauren Weber
Community Development Specialist

Prepared by:

Rob Kowalski, FAICP
Neighborhood Services Director

Attachments:

A. RDG Scope of Work
B. Housing Needs Analysis Slide Deck
C. Listening Session Participants

HOUSING NEEDS ANALYSIS & STRATEGY
RDG SCOPE OF WORK WITH CHANGE ORDER 1
NOVEMBER 21, 2025

The following section is a written description of RDG's approach to the project based on the Consultant Tasks outlined in the RFP and RDG's experience.

Traditionally, the process focuses on three key components:

- Discovery - studying, listening, and learning
- Defining gaps and establishing goals
- Establishing the strategies and actions to move forward

PROJECT MANAGEMENT

Management Team

This may be one individual or a group from the City that will be the point of contact for our team. RDG recommends meeting every other week for check-ins on progress, to confirm materials for presentation to the Technical Team, and to ensure milestones are met. These meetings may be short touch points, and all will be done by video conference.

Technical Team

RDG will meet at least three times with the Technical Team to review progress, findings, and recommendations. The Technical Team should consist of the Management Team and housing stakeholders and be no larger than 5 to 6 individuals. The meetings will allow the team to plan engagement, validate data, and review deliverables. RDG will attend several in-person and others may be virtual.

Deliverables:

- Meeting presentations and minutes
- Monthly progress reports

City Responsibilities:

- Identify Technical Team members
- Initial communication with Technical Team members

TAKS 1: HOUSING STOCK - CITY ATLAS

RDG will assemble data as identified in the RFP and in support of key community housing priorities in a variety of formats including charts, graphs, and a City Atlas. Understanding where development has been occurring, what that development looks like, and how that matches the demographic and economics will help to define specific policies and strategies at a citywide and neighborhood level. The objective is to assemble and analyze basic data related to population trends, product types, and clustered characteristics in the community. Components of this data that can be illustrated in an atlas format or as informative graphics include, but are not limited to:

- Appraisals and value
- Household characteristics
- Vacant lots
- Age of housing
- Employment characteristics
- Zoning
- Housing occupancy
- Affordable housing
- Development/land suitability for housing
- Student housing clusters (this data could be further refined through assistance from the University and/or a landlord survey)
- Number of beds or units for homeless or those transitioning out of homelessness

From this list RDG will work with the Management Team to identify what data should be mapped for Urbana. In addition to this data RDG will review all existing studies and review the Zoning and Subdivision Ordinance.

TASK 2: RESIDENT DEMOGRAPHICS

RDG will review completed studies and existing state and local ordinances and policies. Review will include all the data and studies identified in the RFP. The work will be reviewed with the Management and Technical Teams to validate and identify gaps. RDG will use several different data sources to evaluate Champaign and how the City compares to similarly sized communities in Illinois and surrounding states, including:

- American Community Survey and 2020 Census data

- Placer.ai (location analysis tool to understand housing and commuting patterns, and more)
- Urban Footprint (comprehensive spatial data and analysis technology)
- ESRI Community Analyst
- Local building permit data provided by the City
- Assessor and Community Development data
- MLS reports for the past three to five years
- University enrollment data
- Bureau of Labor Statistics
- Federal Reserve Data
- AirDNA
- Local Housing Authority data
- Point in time counts and inventories of current shelter beds

All of these resources along with the community input will help answer all of these questions outlined in the RFP.

TASK 3: COMMUNITY AND STAKEHOLDER INPUT

The engagement process will supplement the data collection and market analysis to create a holistic picture of housing in the city and surrounding area. An engagement process will assist in answering some of the questions listed in the RFP but must also help stakeholders understand the role different partners play to create a strong housing market. Execution of the community engagement process will be done in close partnership with the city. The two most important components will include:

A. Listening Sessions

RDG proposes a series of targeted listening sessions at the beginning of the process. Each session should include up to 10 people per session. RDG will participate in up to eight in person sessions held over a two-day period. Invited stakeholders should include:

- Builders and developers
- Real estate agents and the lending community

- Major employers
- Public sector –city and county representatives
- Economic development agencies
- Social service agencies, including homeless service providers, and non-profits
- Neighborhood representatives
- Underrepresented groups
- Young professionals and senior citizens
- University Students

Staff may choice to hold additional sessions or one-on-one meetings with stakeholders. If RDG is unable to attend these (via Zoom or in-person during a planned trip), RDG will provide ideas on questions to consider or necessary support material.

B. Market Surveys

There are many questions that data sources cannot answer and are best understood through surveys of residents and employees. RDG will work with staff to develop questions and a distribution strategy. The broad survey will gather information on the current market, local/regional needs, and support for potential policy directions. Residential and work zip codes will be tracked to understand the distribution of participants. While these are not statistical surveys, they provide another avenue for people to provide input.

- The Housing Stock Analysis and Listening Sessions may identify the need for a Landlord Survey. This survey will help better understand the rental market, specifically occupancy and rental rates. For these surveys, questions include the number of units, rental rates, vacancy rates, and comments on the market.

Additionally, RDG will assist staff in developing targeted outreach which may include:

- Holding input tables at local food banks
- Attending ESL classes with a translator to hear people's housing challenges
- Attending regularly scheduled senior citizen organization meetings to educate and get input
- Meeting with tenants that have experienced homelessness through local non-profit contacts

- Meeting with college classes

TASK 4: DEMAND & AFFORDABILITY ANALYSIS

Following the review of demographic and housing data and discussions with stakeholders, we use our own projection modeling to complete housing and economic inventories and forecasts. The work will answer questions outlined in the RFP and include:

- Ten year population and development forecasts based on demographic trends and development activity
- Affordability analysis based on the set standard of housing costs accounting for only 30% of any household's income
- Projected housing demand for all types of housing with a specific emphasis on affordable cost ranges, transitional housing, and shelter beds for homeless populations.
- Costs of housing development and demand impacts on the economy
- Housing demand by occupancy type
- Housing demand by price point, pinpointing housing needs today and in the future
- Special population demands, including transitional, permanent supportive, and senior housing demand

Deliverables:

- Summary of findings/themes from listening sessions
- If desired, draft surveys for review, final surveys for distribution, and reports on survey results
- Meeting minutes
- Draft report that includes all demographic, housing, and economic items identified above or during the engagement process

City Responsibilities:

- Assist with identifying and collecting local sources of data including building permit and assessor/GIS data
- Identify meeting locations
- Identify listening session participants (Technical Team assists)

- Invitations to participate in listening sessions
- Assist with distribution and advertisement of surveys
- Review draft sections within 30 days of receiving

TASK 5: OPPORTUNITY MAPPING & GOALS

Strategic goals will be developed based on the community input, market analysis, and physical assessment of Champaign. These goals will be organized around opportunities, gaps, and issues.

Opportunity Map

The Opportunity Map will identify opportunities that influence the market, the ability to attract and retain households, and support new housing growth. During this step, RDG will review housing across the area by car, analyze the atlas data, review the neighborhood plans, and the City's Comprehensive Plan. This will include identifying distressed areas, opportunity sites, and new development areas. Ultimately, the purpose of this review is to identify potential development and redevelopment areas in the community and opportunities for policies and regulations that will support the development of more appropriate housing. Findings will be combined with citizen feedback to create an Opportunity Map.

Issues or Gaps

Building on the data and community input RDG will work with staff and the Technical Team to identify gaps or issues at play in the market today. The gaps likely make the delivery of necessary housing products more difficult and identification begins to lay the groundwork for addressing those issues.

Strategic Housing Goals

From the identified opportunities and gaps, we work with staff and the Technical Team to establish strategic housing goals. These goals should be clearly stated and measurable.

TASK 6: HOUSING STRATEGIES

The final report will outline strategies and policies with an implementation schedule that identifies:

- Responsible parties
- Key partners
- Funding sources

These strategies will meet the expectations outlined in the RFP. This work will be done in close partnership with staff and reviewed by the Technical Team for feedback.

Implementation Workshop

RDG will hold an implementation workshop with the Technical Team to discuss viable strategies, funding, partners, zoning updates, and where to begin. Traditionally, strategies address:

- Gaps in the market
- Organizational and housing delivery systems
- Program approaches
- Strategies for affordable housing
- Rehabilitation and neighborhood development
- Regulatory approaches and strategies

TASK 7: FINAL REPORT AND ACTION PLAN

RDG will make refinements to the draft document based on feedback from the Management and Technical Teams. The final document will include all elements in the scope with graphics, maps, implementation schedules, and summary points for easy understanding.

Stakeholder and Meeting Presentations

Following the completion of a draft plan and review by the Technical Team, RDG will present study results to stakeholders in a public meeting in addition to presentation to Council. The presentation is open to participants in the stakeholder groups, officials, and other interested members of the public.

Deliverables:

- Draft chapter summarizing opportunities, issues, and housing goals
- Opportunity map(s)
- Draft recommendations for review by Technical Team members
- Final report for review and approval
- Print document as determined
- All ArcGIS data files used in the document and PDF maps

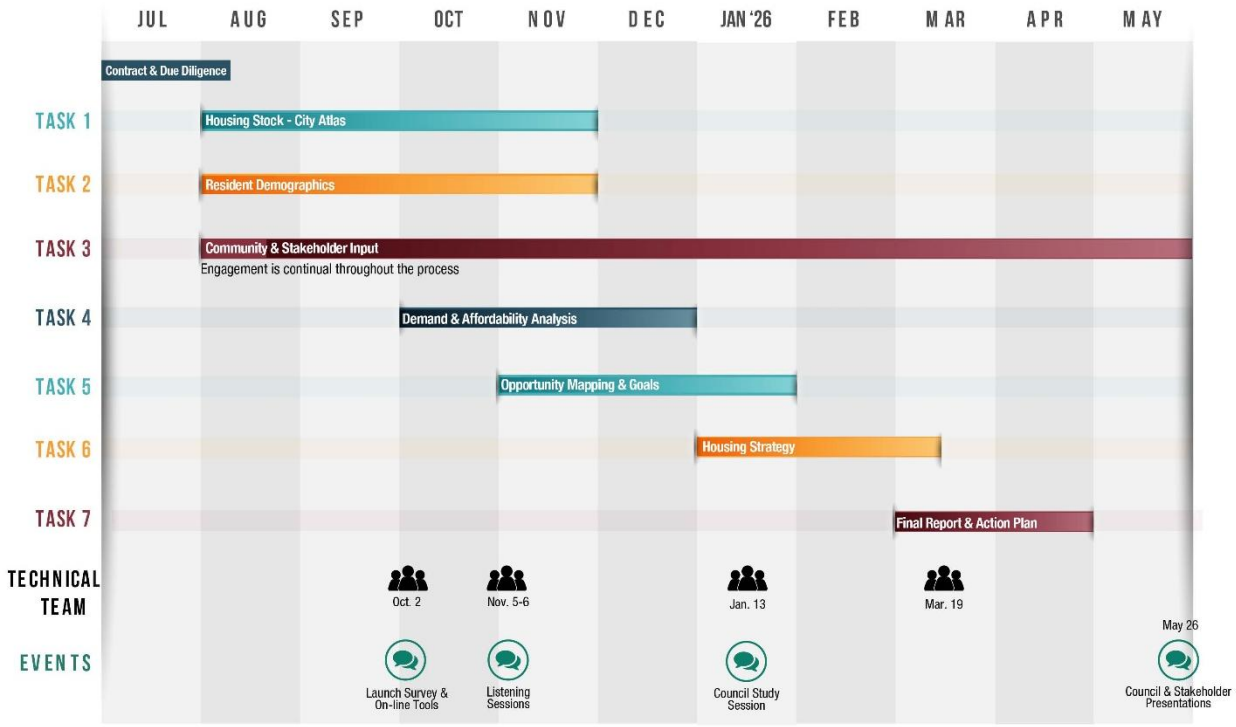
- Stakeholder input summaries
- Meeting presentations

City Responsibilities:

- Review draft sections and map(s) within 30 days of receiving
- Logistics for final acceptance and any stakeholder presentations
- Any required public notices

TIMELINE

The timeline below outlines the estimated project schedule for each task.



BUDGET

The budget below outlines costs for each task in the proposed scope of work.

TASK	FEE BREAKDOWN
Task 1: Housing Stock Community Atlas	$16,000
Task 2: Resident Demographics	$14,000
Task 3: Community & Stakeholder Input	$18,000
Task 4: Demand & Affordability Analysis	$10,000
Task 5: Opportunity Mapping & Goals	$10,000
Task 6: Housing Strategy	$10,000
Task 7: Final Report	$8,000
Reimbursable Expenses (travel and lodging)	$13,400
Total Not-to-Exceed	**$99,400**



CITY OF CHAMPAIGN

HOUSING NEEDS ANALYSIS AND STRATEGY

Council Study Session

January 13th, 2026

RDg PLANNING ● DESIGN

AGENDA

DRAFT

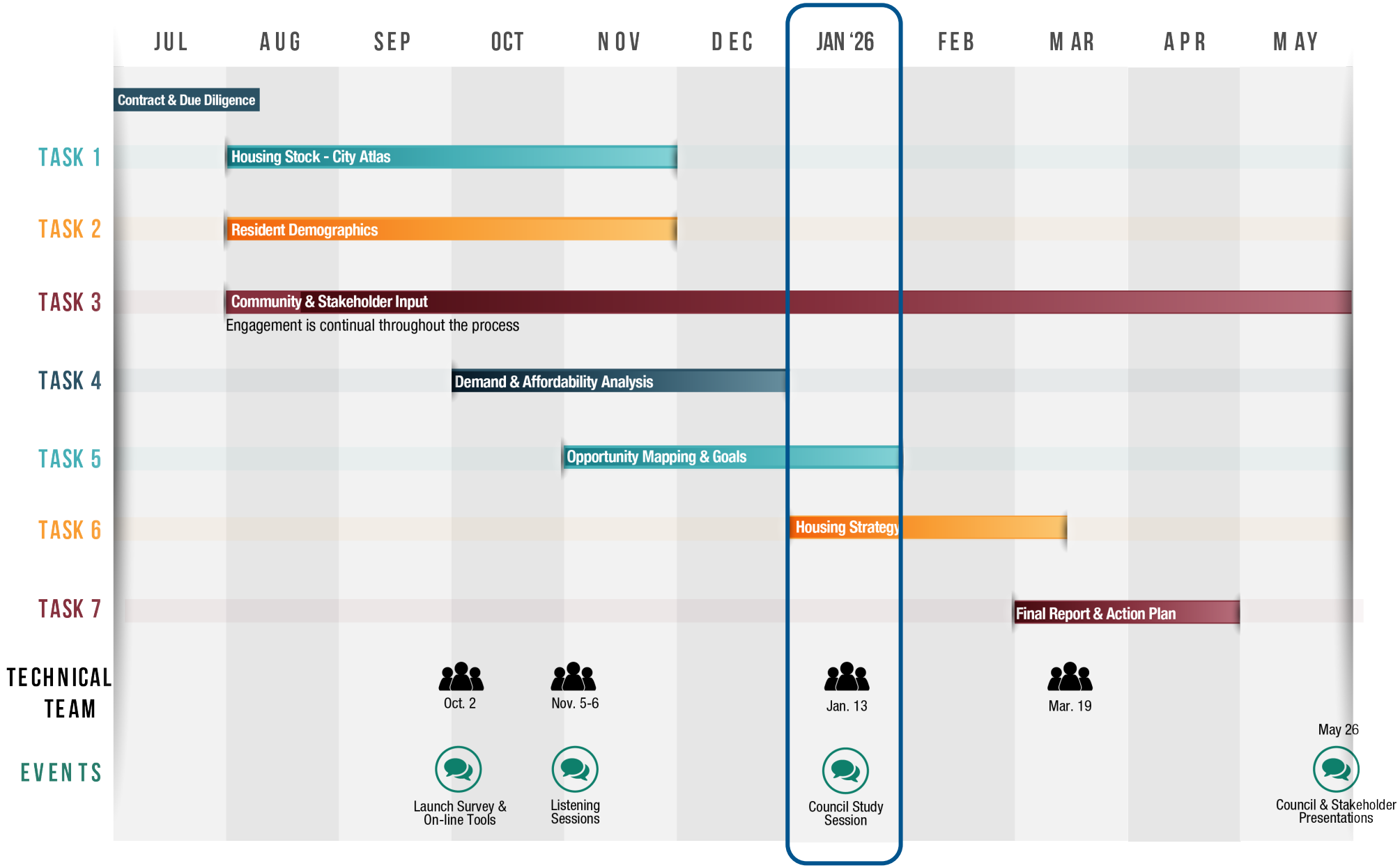
- **Project Overview**
- Data Snapshot
- Needs Analysis
- Engagement
- Next Steps

PROJECT OVERVIEW

- **What is a Housing Study?**
  - Give policy makers and housing developers a guidebook and a toolkit to ensure a healthy and functioning housing market that offers safe, affordable housing to all residents.
  - Make specific policy and program recommendations to address issues and challenges facing the housing market.
  - Create a private market response to housing needs.
- **What has been done?**
  - In Progress Downtown Champaign Plan
  - 2025-2026 Annual Action Plan
  - 2025-2029 Consolidated Master Plan
  - 2021 Champaign Tomorrow Comprehensive Plan
  - 2014 Analysis of Impediments to Fair Housing
  - 2011 Champaign Tomorrow Comprehensive Plan
  - 2010 Regional Housing Study
  - Missing Middle Housing and ADU Guide
  - Neighborhood and Corridor Plans
  - And more…

PROJECT OVERVIEW | SCHEDULE

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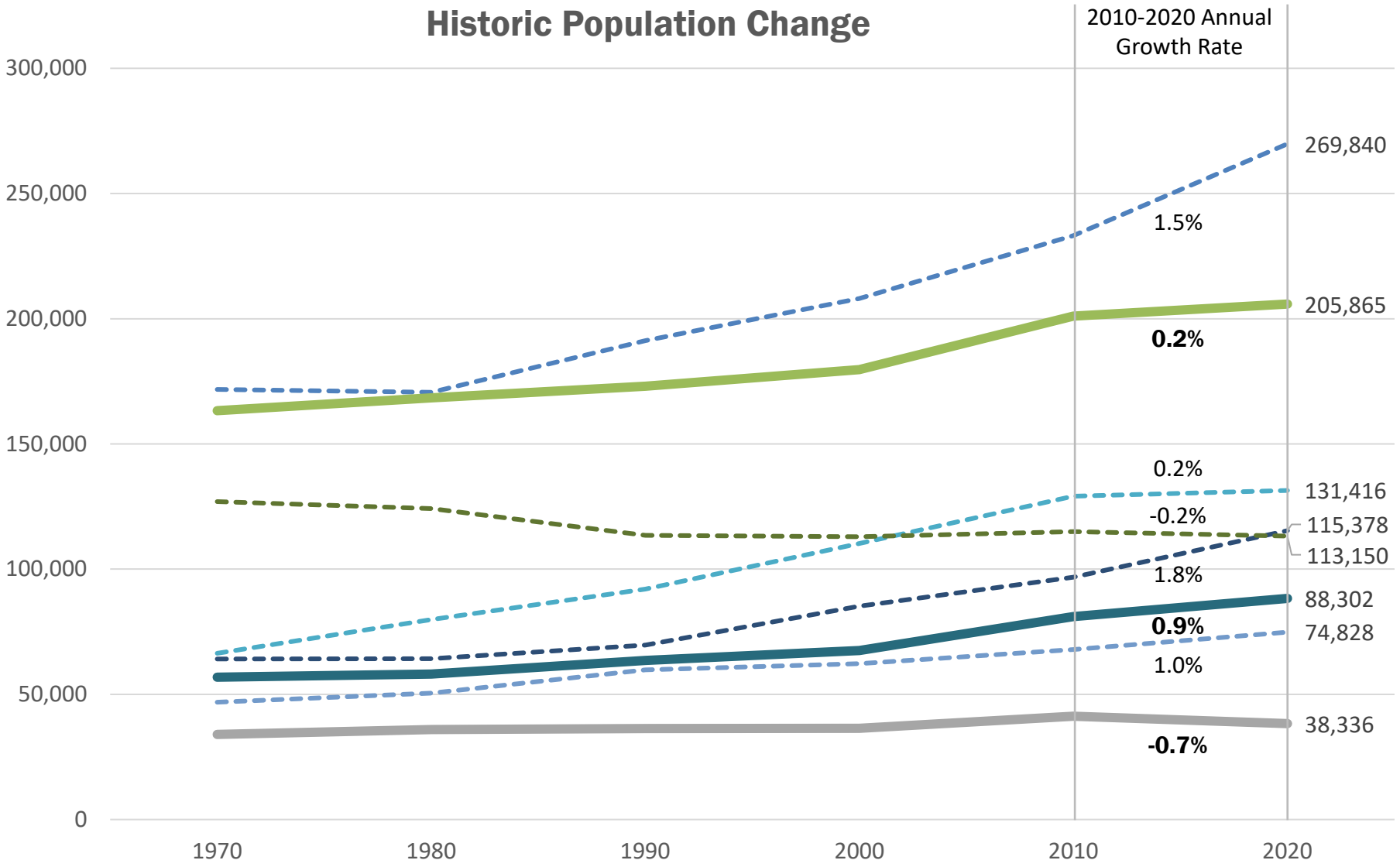
AGENDA

DRAFT

- Project Overview
- **Data Snapshot**
- Needs Analysis
- Engagement
- Next Steps

DATA SNAPSHOT | POPULATION TRENDS

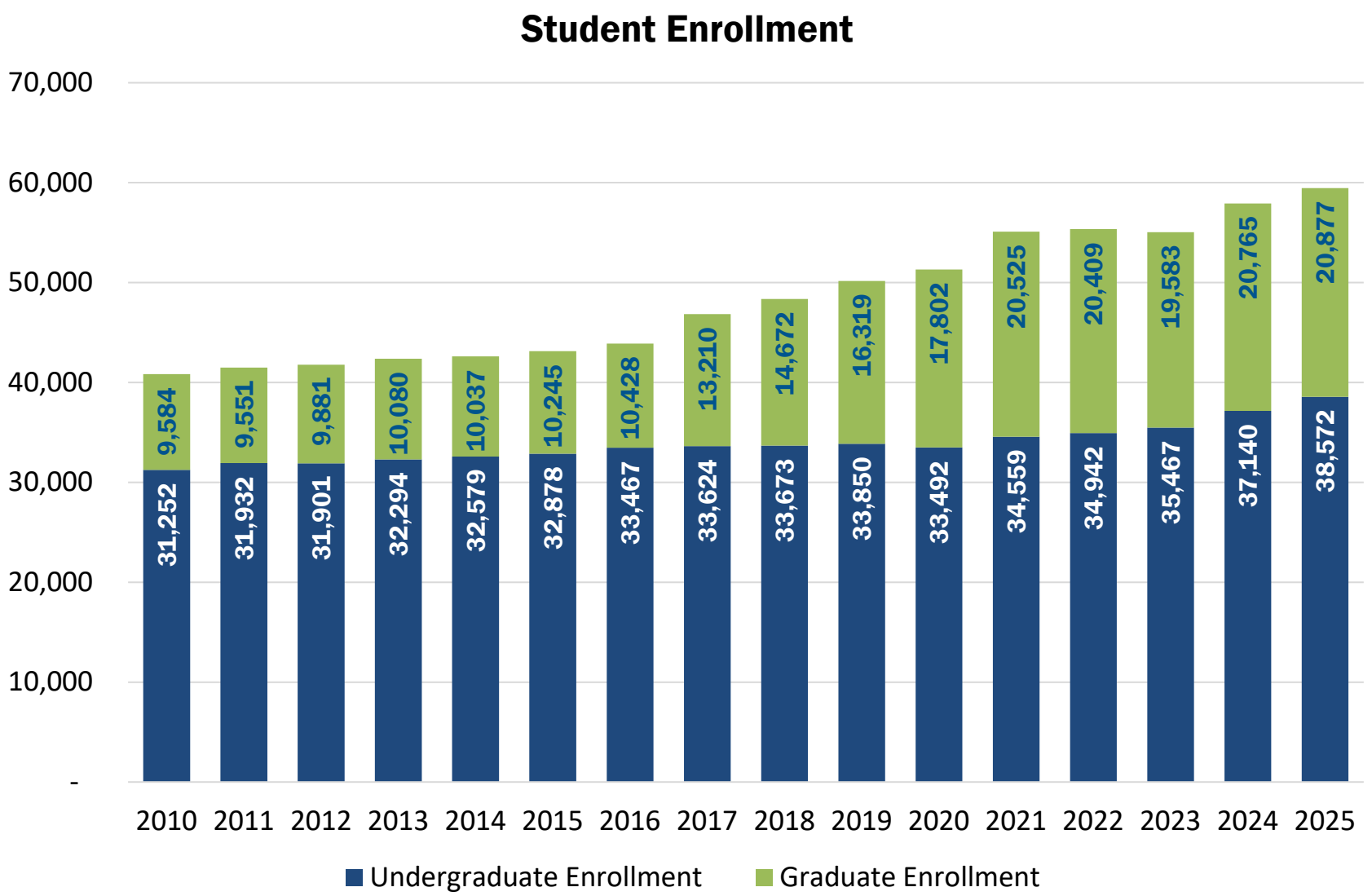
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- *Champaign is growing in correlation with university enrollment, comparable to other university towns*

DATA SNAPSHOT | STUDENT POPULATION TRENDS

DRAFT



- *17% growth between 2000 and 2010*
- *25% growth between 2010 and 2020*
- *Foreign enrollment is about 25% of total population, consistent over the last decade with slight fluctuations.*

DATA SNAPSHOT | AGE TRENDS

DRAFT

Predicted vs. Actual Population					
Age Group	**Actual 2010**	**Predicted 2020**	**Actual 2020**	**Difference**	**% Variance**
0-14	16,098	34,849	16,993	-17,856	-51.2%
15-19	15,006	5,126	15,257	10,131	197.7%
20-24	29,116	4,695	25,821	21,126	449.9%
25-34	20,450	43,737	21,794	-21,943	-50.2%
35-44	11,124	20,228	12,698	-7,530	-37.2%
45-54	11,184	10,872	10,108	-764	-7.0%
55-64	9,579	10,465	10,490	25	0.2%
65-74	4,754	8,145	8,263	118	1.4%
75-84	3,398	3,237	3,559	322	9.9%
85+	1,596	1,792	1,655	-137	-7.6%
Total	122,305	143,146	126,638	-16,508	-11.5%

- *This analysis applies standard birth & death rates and assumes no one moves in or out.*
- *Without students removed, the model predicts a higher proportion of young adults and children.*
- *Key takeaways:*
  - *The out-migration of those in their 40s and 50s*
  - *The in-migration of retirees*

DATA SNAPSHOT | GROWTH FORECAST

DRAFT

Champaign + Urbana Permanent Population Growth					
	AGR*	2020	2025	2030	2035
Natural Growth	0.00%	126,638	134,802	143,150	148,736
2000-2010 AGR	1.68%	79,592	86,525	94,062	102,255
2000-2020 AGR	0.53%	79,592	81,735	83,935	86,194
Project Annual Growth (without students)	1.00%	79,592	83,652	87,919	92,404
Projected Annual Growth (with students)	1.00%	126,638	130,698	134,965	139,450

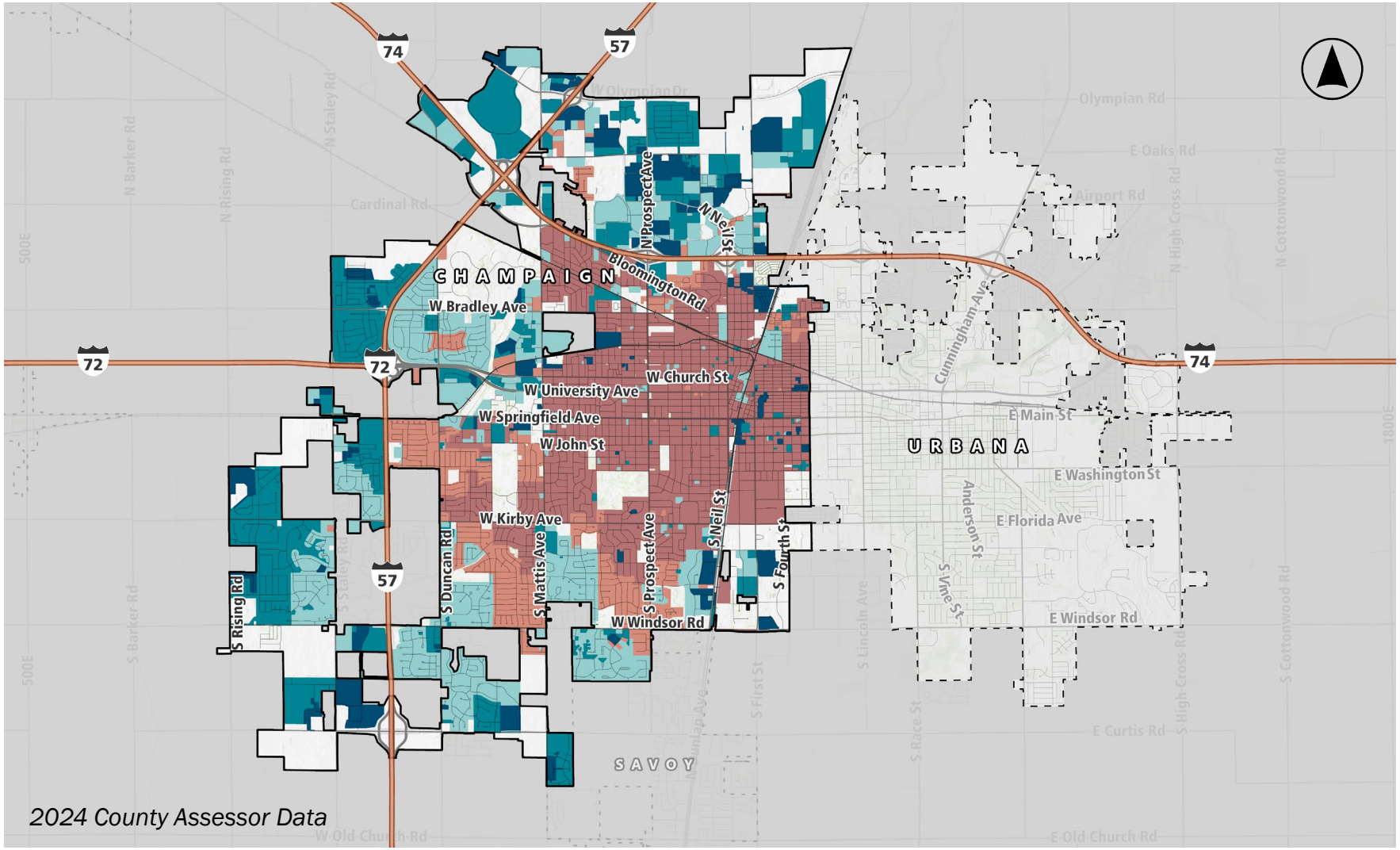
- *Except for the natural growth scenario, each growth rate is based on permanent resident population (without students). Student population is added back in after growth calculations.*
- *For planning purposes, a 2035 projected population of 139,450 will be used.*

**AGR stands for "average growth rate"*

SUBDIVISION RECORD DATE | HOUSING AGE

DRAFT

Subdivision Record Date



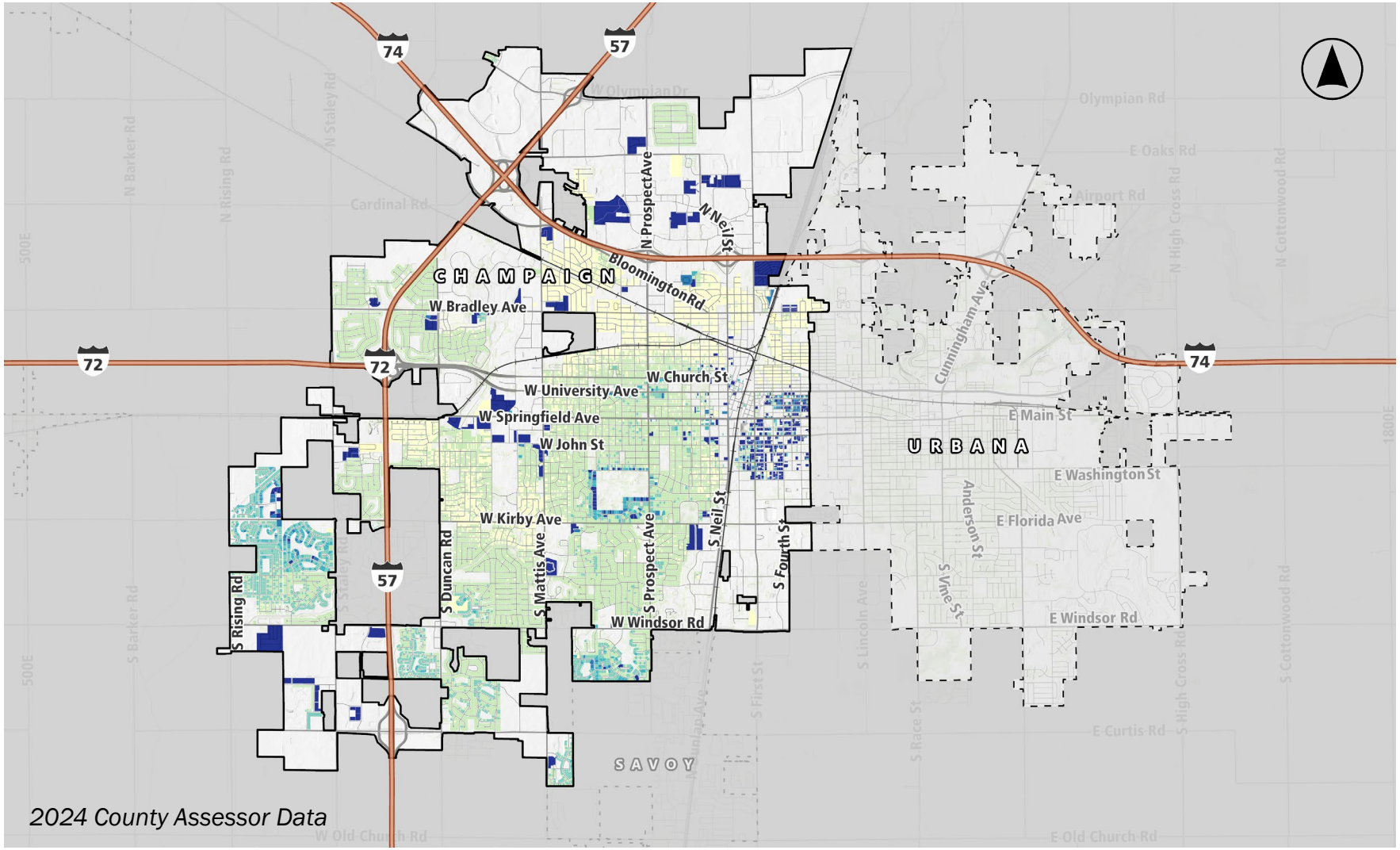
Subdivision Record Date

- Before 1960
- 1960 - 1980
- 1980 - 2000
- 2001 - 2010
- After 2010

DATA SNAPSHOT | HOUSING COSTS

DRAFT

Appraised Value



2024 County Assessor Data

Appraised Value

- Less than $50,000
- $50,001 - $150,000
- $150,001 - $250,000
- $250,001 - $350,000
- $350,001 - $450,000
- Over $450,000

DATA SNAPSHOT | HOUSING COSTS

DRAFT

Appraised Value Per Acre



- *Value per acre concentrated near campus town demonstrates the value of high-density multi-family.*
- *Although future construction should add more housing variety, value to acre is a key consideration.*

Appraised Value Per Acre

Single-Family

Multi-Family

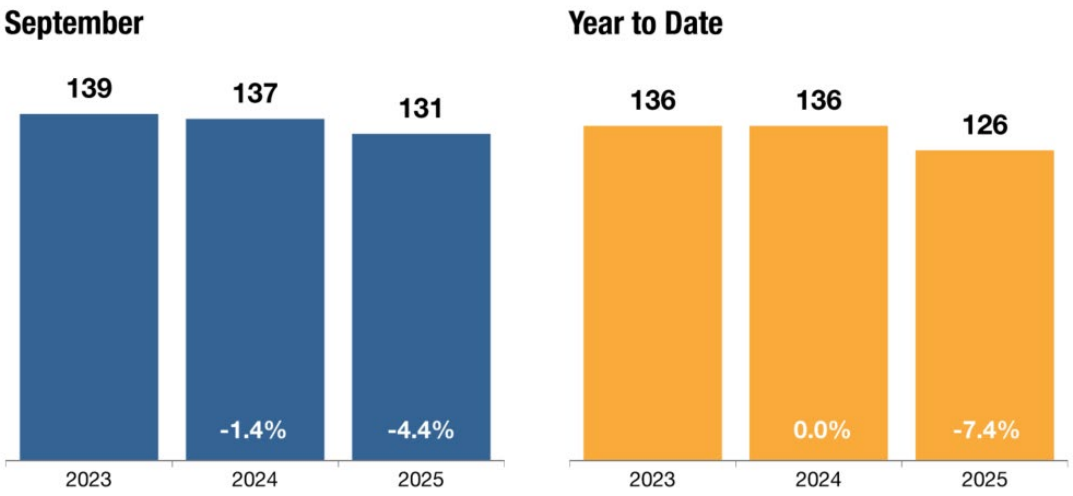
DATA SNAPSHOT | HOUSING COSTS

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A higher number on the affordability index means greater affordability. For example, an index of 126 means the median household income was 126% of what is necessary to quality for the median-priced home.

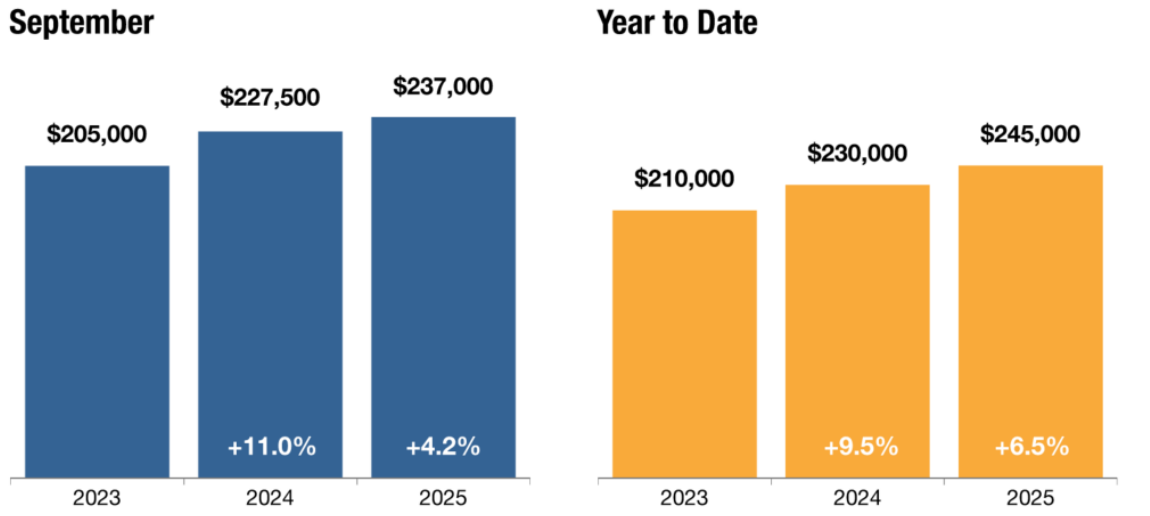
Housing Affordability Index

This index measures housing affordability for the region. For example, an index of 120 means the median household income was 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. **A higher number means greater affordability.**



Median Sales Price

Median price point for all closed sales, not accounting for seller concessions, in a given month.



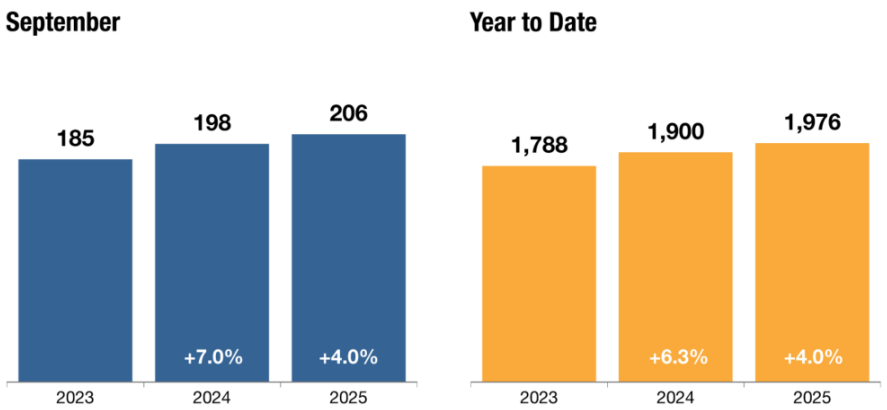
County MLS Data

DATA SNAPSHOT | HOUSING SUPPLY

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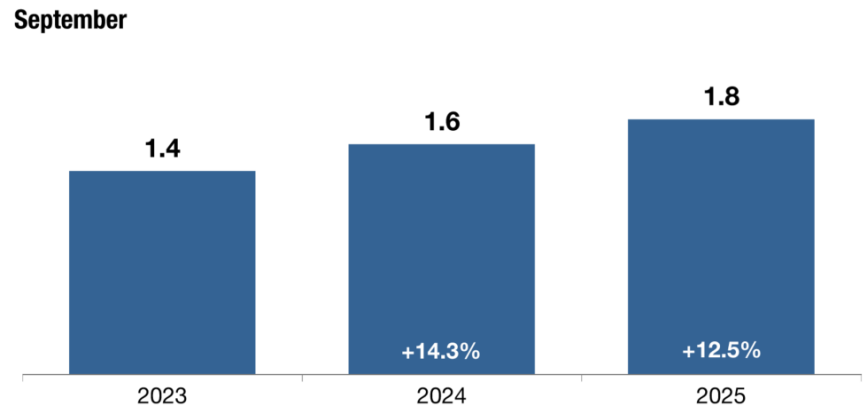
New Listings

A count of the properties that have been newly listed on the market in a given month.



Months Supply of Inventory

The inventory of homes for sale at the end of a given month, divided by the average monthly pending sales from the last 12 months.



Historical Months Supply of Inventory



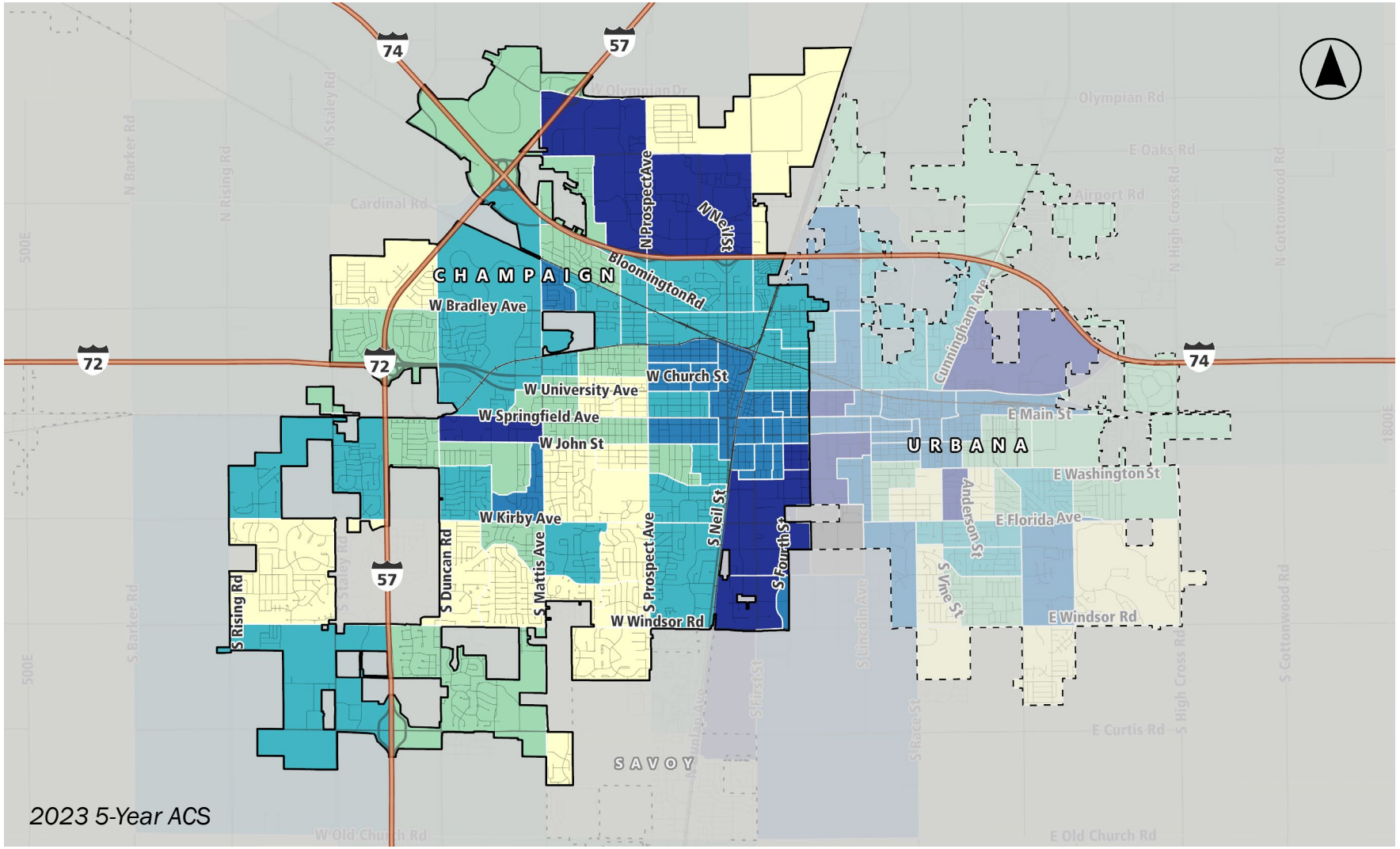
County MLS Data

- *The National Association of Realtors notes that a six-month supply is generally associated with moderate price appreciation and a lower supply tends to result in more rapid price inflation.*

DATA SNAPSHOT | TENURE

DRAFT

Percent Renter-Occupied



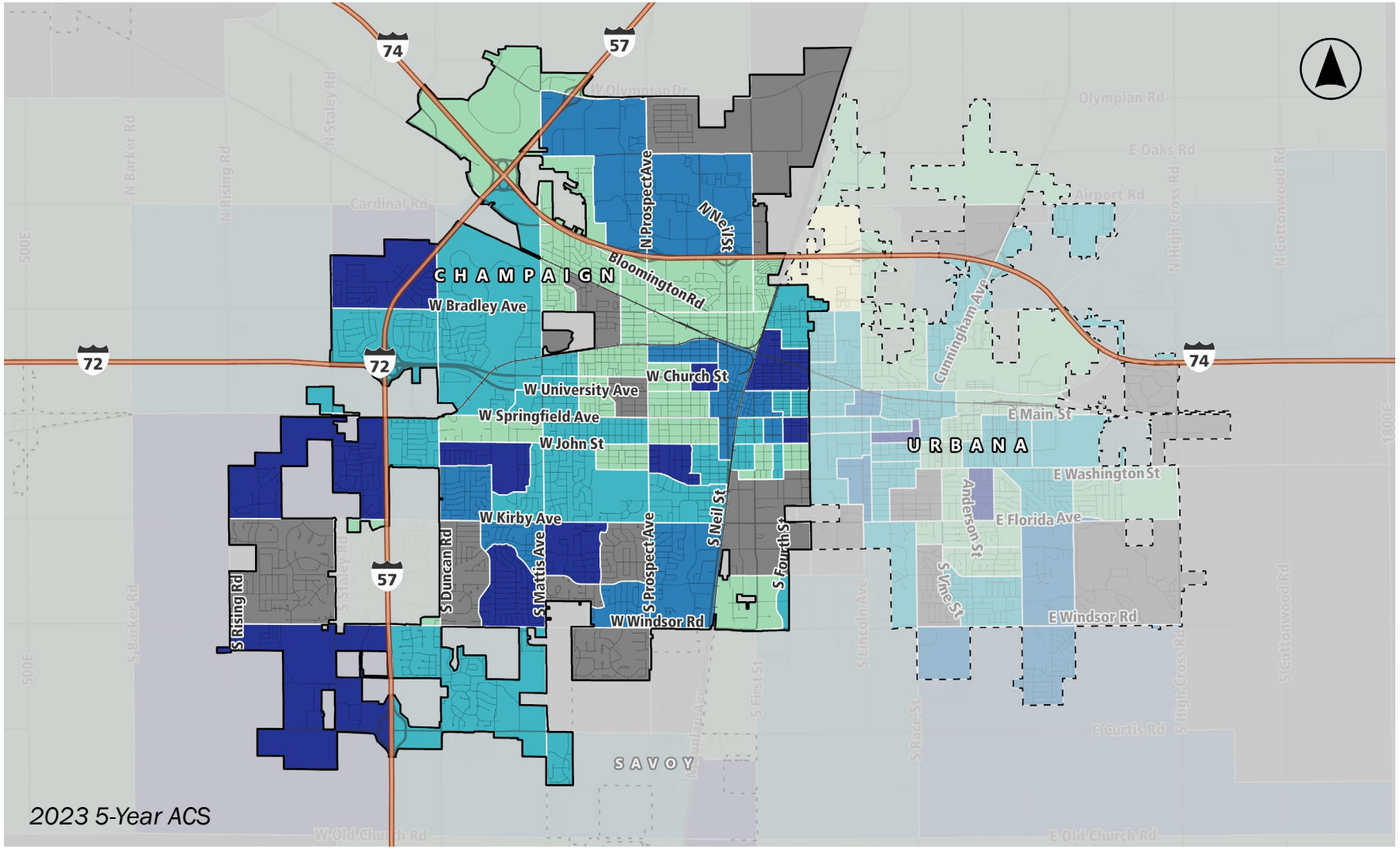
2023 5-Year ACS

- *The inverse of these reflect owner-occupied areas*

DATA SNAPSHOT | HOUSING COSTS

DRAFT

Median Contract Rent - $933



2023 5-Year ACS

- *Grey areas reflect blocks where the sample of rental properties is too small (or has a higher proportion of university-owned properties)*

DATA SNAPSHOT | HOUSING COSTS

DRAFT

Housing Cost Comparison (2010-2023)			
2010-2023	**% Change Median Income**	**% Change Median Home Value**	**% Change Median Gross Rent**
Madison, WI	46.5%	57.5%	60.7%
Champaign, IL	43.4%	33.2%	49.5%
West Lafayette/Lafayette, IN	35.9%	73.0%	49.4%
Iowa City, IA	41.3%	54.9%	47.6%
Bloomington/Normal, IL	32.8%	29.2%	44.0%
Peoria, IL	28.0%	25.6%	42.2%
Urbana, IL	31.2%	30.6%	32.4%

- *Champaign's rental costs have increased by 50% since 2010. This is much higher than comparable university towns including Urbana which only increased 32%.*
- *Much of this is driven by increased cost of student housing.*
- *Rental cost burden is comparable across communities. Champaign has a slightly higher rental cost burden compared to Urbana, however Urbana's owner-occupied cost burden is higher.*

DATA SNAPSHOT | VALUE TO INCOME RATIO

DRAFT

Value to Income Ratio (2010 – 2023)				
	2010	2015	2020	2023
West Lafayette/Lafayette, IN	4.3	4.1	4.5	5.5
Iowa City, IA	4.3	4.4	4.7	4.8
Madison, WI	4.2	3.9	3.9	4.5
Urbana, IL	4.1	4.7	4.2	4.1
Champaign, IL	3.7	3.6	3.4	3.5
Bloomington/Normal, IL	2.9	2.9	2.7	2.8
Peoria, IL	2.6	2.7	2.5	2.5

- *Value ratios over 3 often indicate affordability issues. Cities with large student populations tend to have higher ratios. Champaign's is likely lower due to few single-family owner-occupied homes being built.*

AGENDA

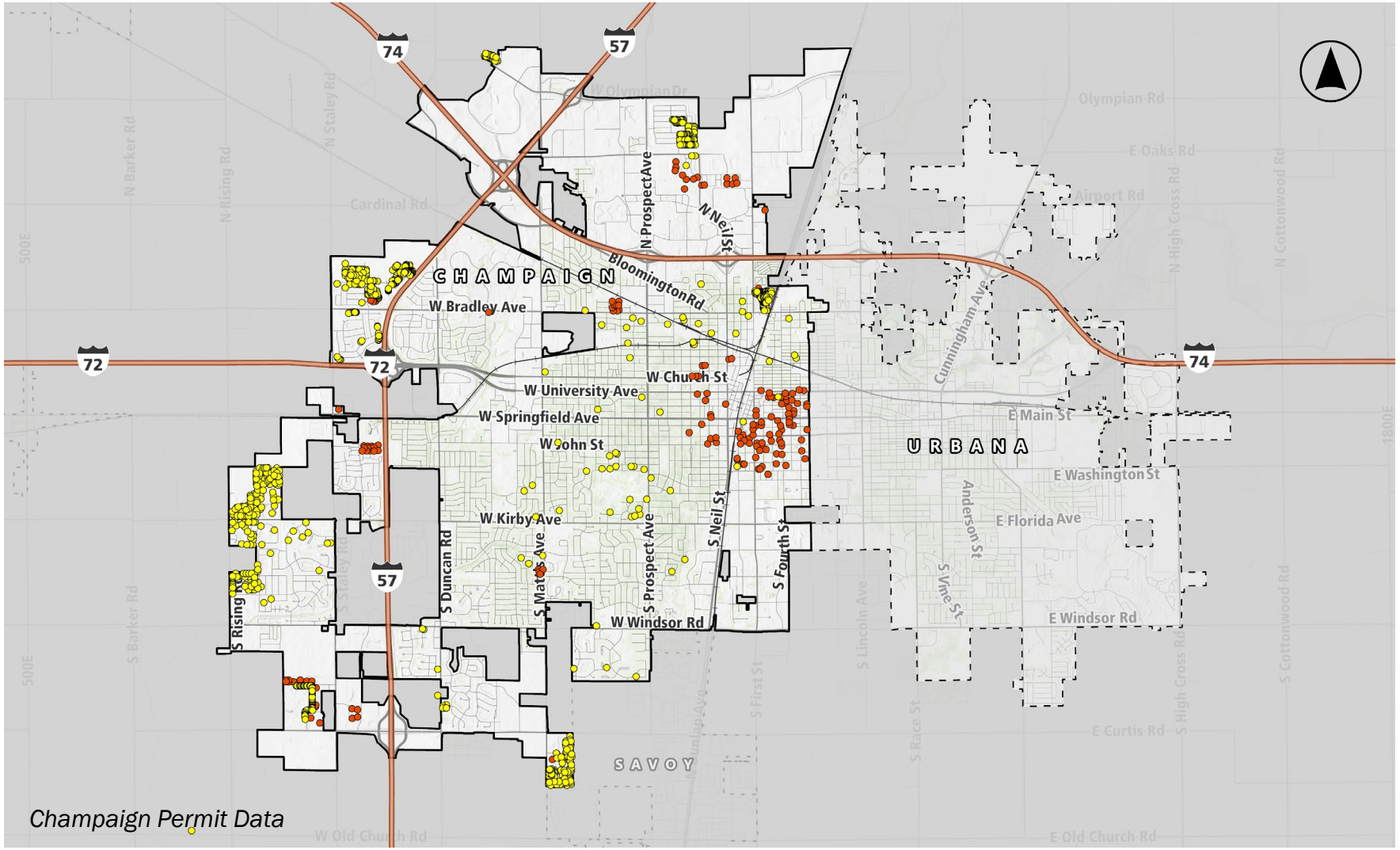
DRAFT

- Project Overview
- Data Snapshot
- **Prelim Demand Forecasts**
- Engagement
- Next Steps

PRELIM DEMAND FORECASTS | BUILDING PERMITS

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Building Permits by Unit Type



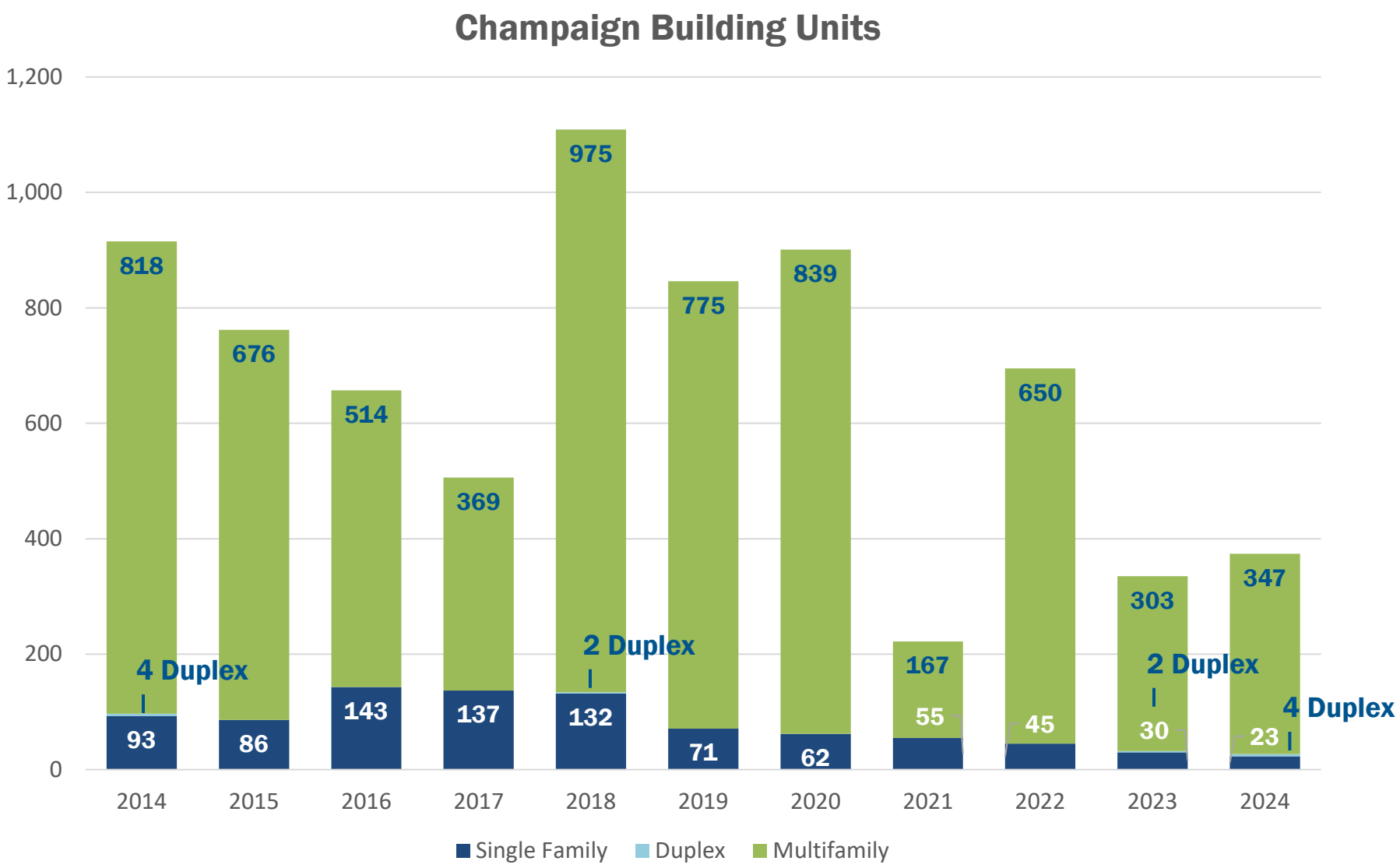
Champaign Permit Data

Building Permits by Unit Type

- **Single-Family**
- **Multi-Family**

PRELIM DEMAND FORECASTS | BUILDING PERMITS

DRAFT



- *Champaign averaged 505 units permitted since 2020*
- *Urbana averaged ~50 permits per year over the same period, mainly single-family units.*

PRELIM DEMAND FORECASTS | VACANCY RATE

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Vacancy Rate

- *Community listening sessions and landlord survey data show a much lower vacancy rate compared to Census – 1.4% of nearly 8,000 units represented.*
- *For planning purposes, a rate of 2% will be used.*

DATA SNAPSHOT | DEMAND FORECAST

DRAFT

Housing Demand Summary				
	2025	2030	2035	Total
Urbana + Champaign Population	130,698	134,965	139,450	
Household Population	115,792	119,572	123,546	
Average People Per Household	2.13	2.13	2.13	
Household Demand at End of Period	54,307	56,080	57,944	
Projected Vacancy Rate	2.0%	4.3%	6.5%	
Unit Needs at End of Period	55,415	58,569	61,972	
Replacement Need (total lost units)		626	522	1,148
Cumulative Need During Period		3,676	3,924	7,600
Average Annual Construction (Total)		687	785	
Average Annual Construction (Champaign)		584	667	
Champaign Share of Cumulative Need				6,460

Calculations include Champaign and Urbana

Key Assumptions

- *No change in people per household*
- *2% vacancy rate, ideally closer to 6.5% by 2035*
- *Approximately 90 units lost per year*
- *Champaign accounts for ~85% of housing unit demand*

DATA SNAPSHOT | STUDENT DEMAND FORECAST

DRAFT

Housing Demand Summary – Students Only				
	2025	2030	2035	Total
Urbana + Champaign Population	130,698	130,698	130,698	
Student Population	50,242	50,242	50,242	
Average People Per Household	2.00	2.00	2.00	
Household Demand at End of Period	25,121	25,121	25,121	
Projected Vacancy Rate	2.0%	3.5%	5.0%	
Unit Needs at End of Period	25,634	26,032	26,443	
Replacement Need (total lost units)		0	0	0
Cumulative Need During Period		320	411	731
Average Annual Construction (Total)		66	82	
Average Annual Construction (Champaign)		50	70	
Champaign Share of Cumulative Need				548

Calculations for student demand only

Key Assumptions

- *Demand generated by increasing vacancy over time*
- *Champaign makes up about 75% of student housing market demand*

AGENDA

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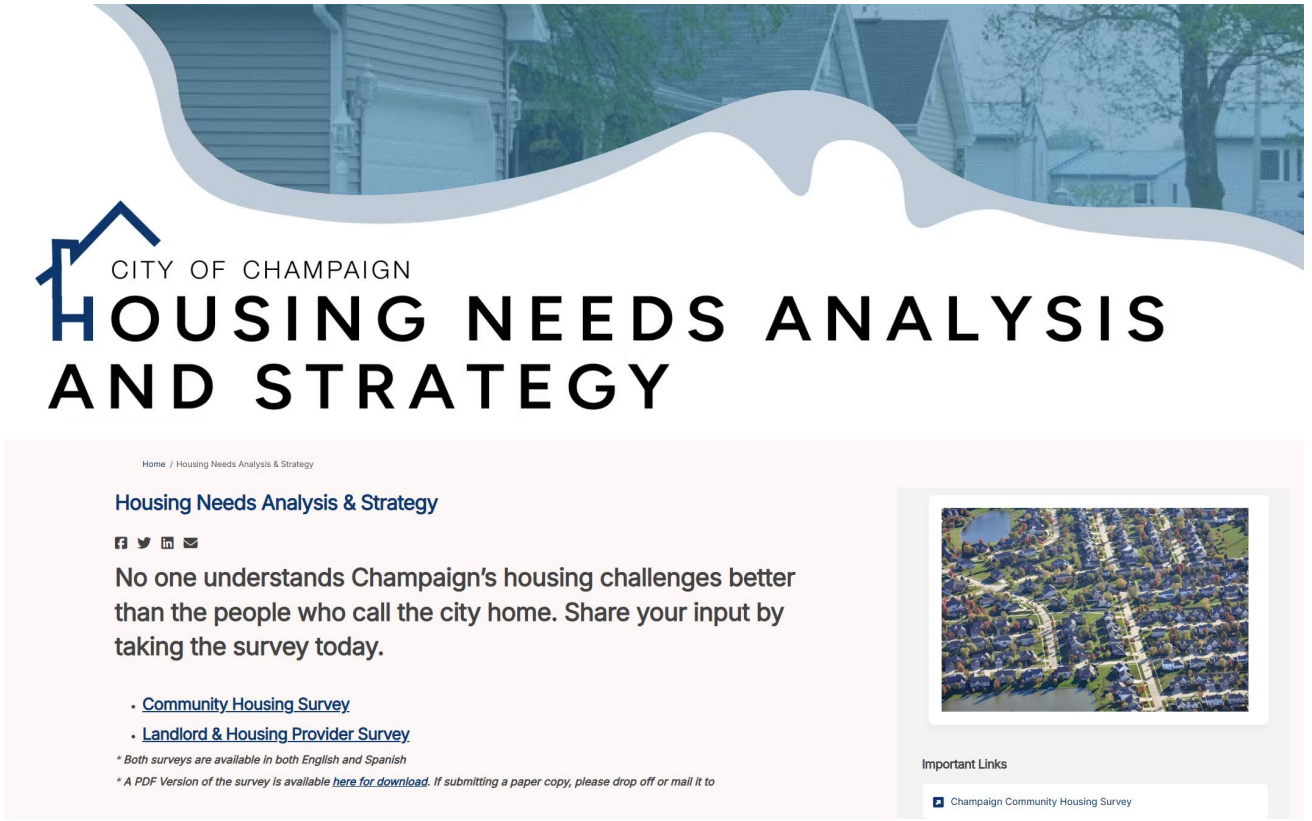
- Project Overview
- Data Snapshot
- Prelim Demand Forecasts
- **Engagement**
- Next Steps

ENGAGEMENT | PROCESS

DRAFT

Listening Sessions

- Housing Providers
- Support Service Providers
- Residents & Community Groups
- Healthcare & Social Services
- Business & Economic Development
- Education & Institutions
- Local & County Agencies
- Short Term Rental Operators
- Developers



https://engagechampaign.org/housing-study

ENGAGEMENT | HACC

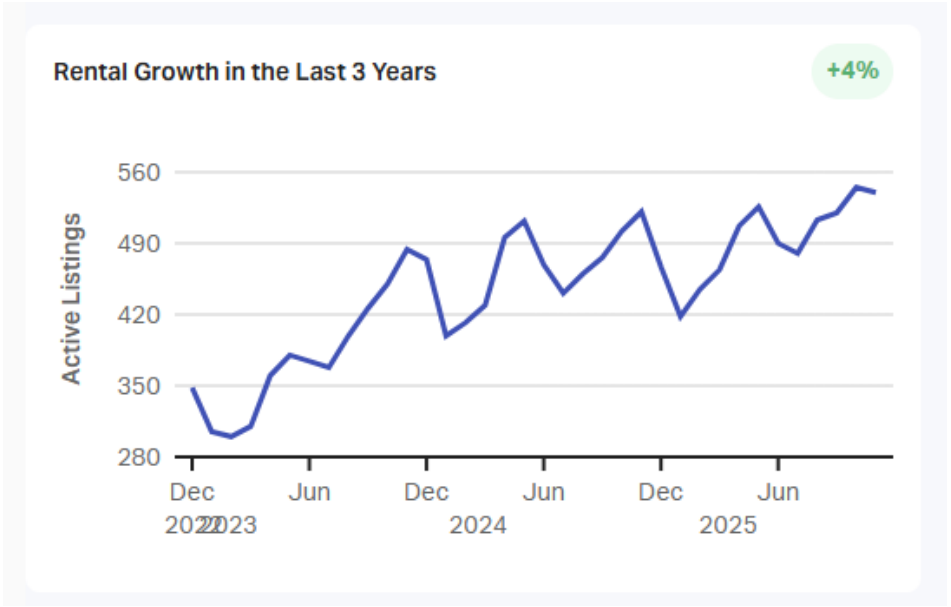
Housing Authority Key Takeaways

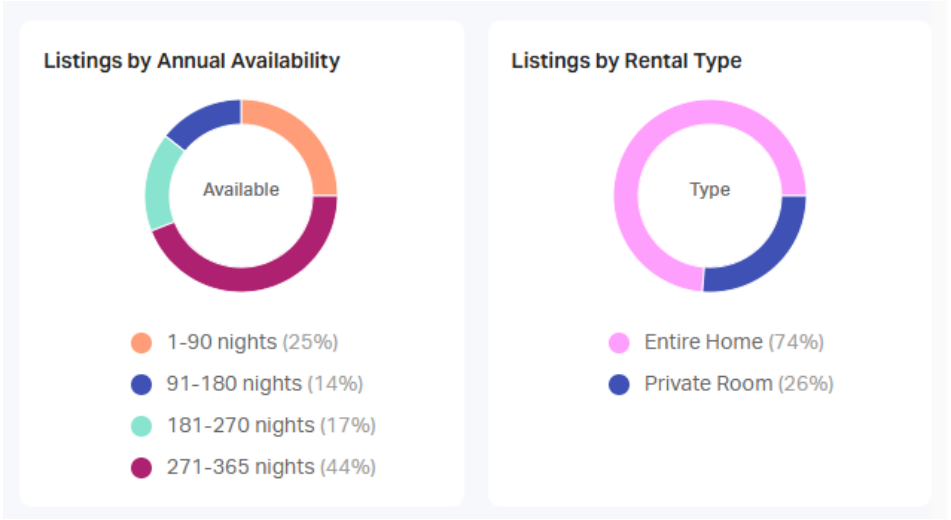
- **Unit Breakdown**
  - 24 properties, 1,295 units, 1,871 tenant-based vouchers, 3,166 total households served
  - 2 to 3-bedroom units are the most popular type
- **Vacancy**
  - 2024 HACC report suggests units are 90-100% occupied. According to listening sessions with staff, this is closer to 75-80% occupied
  - Senior disabled tenants are ~98% occupied
- **Turnover Challenges**
  - Cost of maintenance and availability of materials and labor
  - Condition the units are left in, $15K-$30K in repairs typical
  - At the worst, units are vacant 2-3 months
  - In 2025, 30 vouchers were ported into Champaign County, while 36 were ported out.
- **Demand**
  - 4,000 families on the waiting list, opened in August of last year
  - ~70% of folks who applied are Champaign County residents
  - Wait list is higher because the County overestimated attrition. Work requirements (30 hours/week, up from 25 hours in 2025) improve housing stability and lower tenant turnover.

ENGAGEMENT | SHORT TERM RENTAL

Short Term Rental Operator Takeaways

- **Primary Market:**
  - University visitors, vet visitors, Carle patients, new residents still looking for homes, seasonal workers. Hard to stay booked after fall university demand.
- **Market Conditions:**
  - 540 active listings, 4% increase since last year, ~50% increase since December 2022
  - Operators feel oversaturation in the market, and advisors are not recommending as investment opportunity
  - Insurance stays are the most lucrative, but last-minute bookings are most common
  - There is a resident demand for mid-term rentals not being met (between 6 and 12 months). However, STR operators don't see this trends and main short-term rental platforms are not compatible with mid-term booking structures
- **In Comparison:**
  - Champaign-Urbana Airbnb market is about 0.6% of total housing units. Comparisons are difficult to make due to AirDNA's market boundaries, which aren't aligned with typical geography.



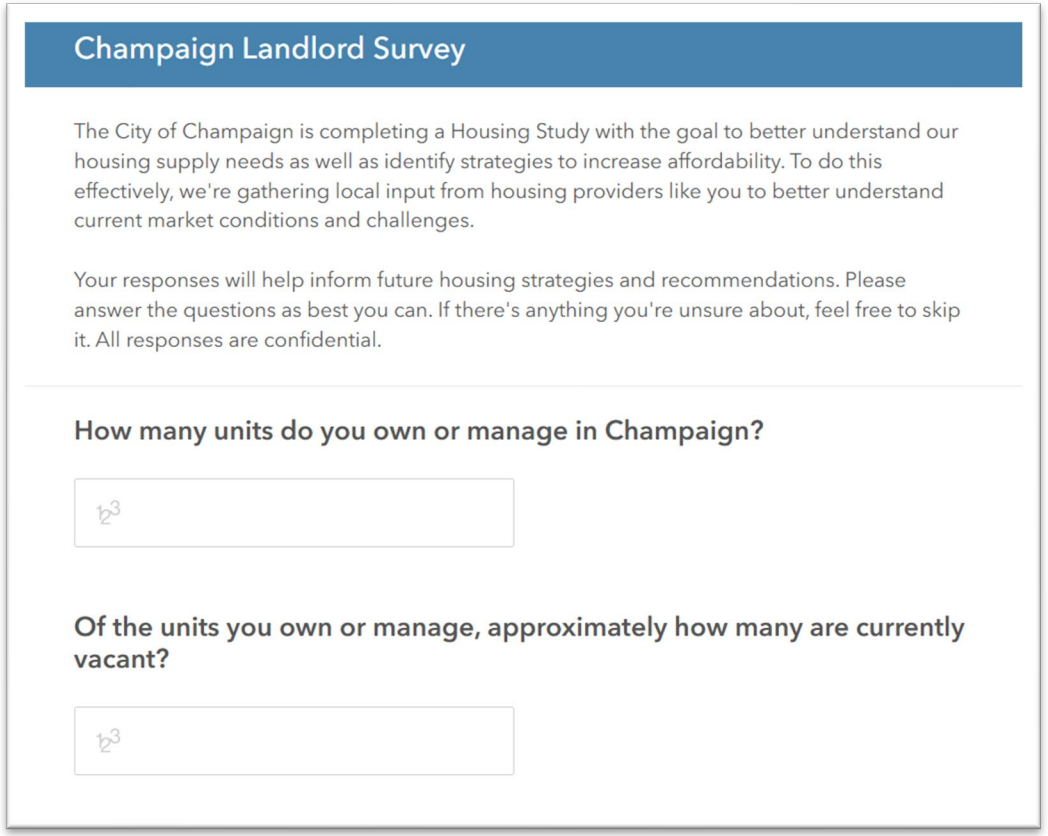


ENGAGEMENT | SURVEY OUTCOMES

DRAFT

Landlord Survey

- **Objective**
  - Gather insights from housing providers to better understand rental market conditions, tenant dynamics, and barriers.
- **Response Rate**
  - 33 landlords representing just under 8,000 units (~35% of rental housing units)
- **Key Takeaways**
  1. Estimated 1.4% vacancy rate
  2. 79% of landlords raised rents in the last 12 months
  3. Primary reasons for raised rent include insurance costs, increased maintenance costs, and market conditions

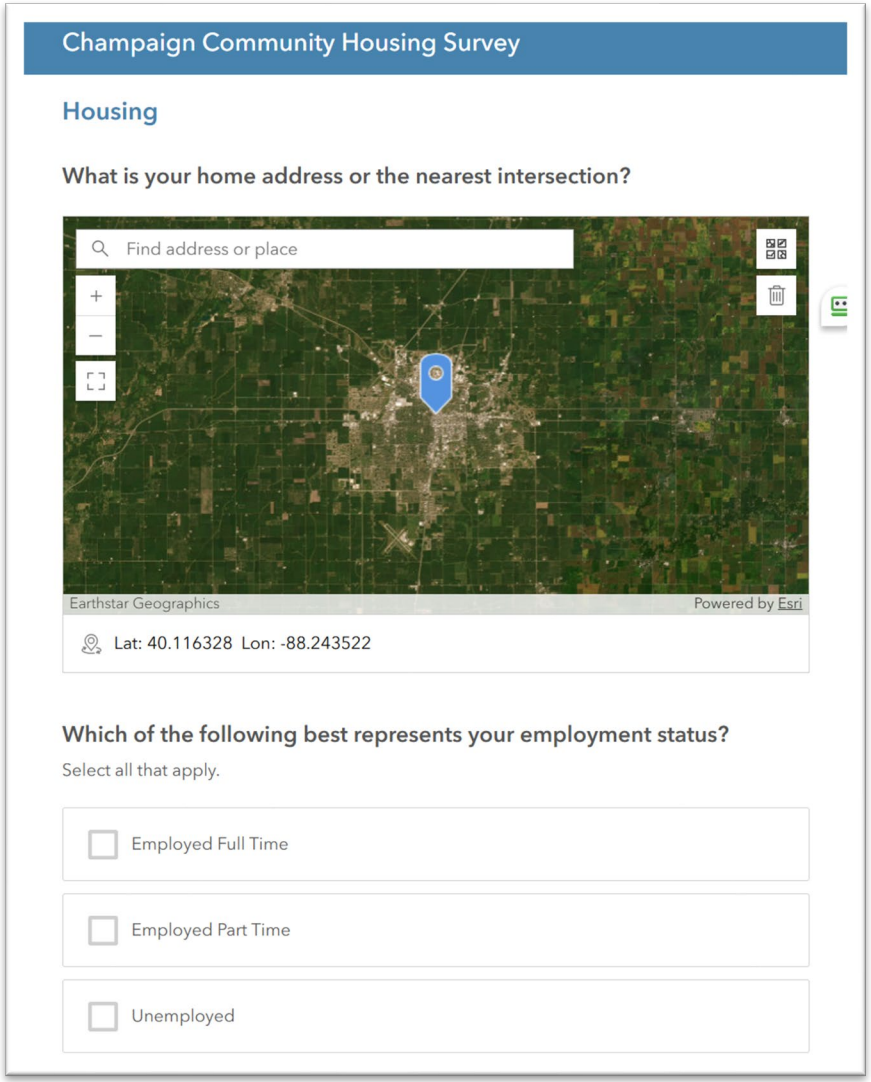


ENGAGEMENT | SURVEY OUTCOMES

DRAFT

Community Housing Survey

- **Objective**
  - Understand residents' housing experiences and preferences. Identify key concerns and assess factors influencing housing choices.
- **Response Rate**
  - 562 community housing survey responses
  - 52% of responses come from renters, 40% are from homeowners, 8% are in other living situations
- **Key Takeaways**
  1. Main concerns by residents are housing costs, utility costs, upkeep by landlords, and property taxes
  2. Affordability, housing type, number of bedrooms, and neighborhood character were main considerations in housing decisions



ENGAGEMENT | EMERGING THEMES

DRAFT

1. Access & Affordability

- Affordable housing scarce for families, seniors, students, and medically fragile individuals.
- Short-term rental demand high among foreign students, faculty, and young professionals.
- 50% rent increase, upfront costs and credit checks block access.

2. Barriers to Development

- Construction costs up ~30% since 2020
- Limited lot availability, redevelopment and infill dominate
- Rising maintenance and insurance costs
- Code hinders adaptive reuse; Short vacancy periods trigger costly compliance.
- Density and parking reforms improve feasibility.

4. Market Dynamics

- Extremely low vacancy rate, limited movement
- Increased student enrollment
- Demand for ownership options walkable to downtown
- Housing options hinder employee recruitment and retention

ENGAGEMENT | EMERGING THEMES

DRAFT

4. Health & Housing Interconnection

- Lack of accountability for poor housing conditions

5. Equity & Inclusion

- Racial discrimination, eviction history, and criminal records limit access.
- Anti-affordable housing sentiment
- Professionals relocating for inclusive communities.

6. Systemic Gaps

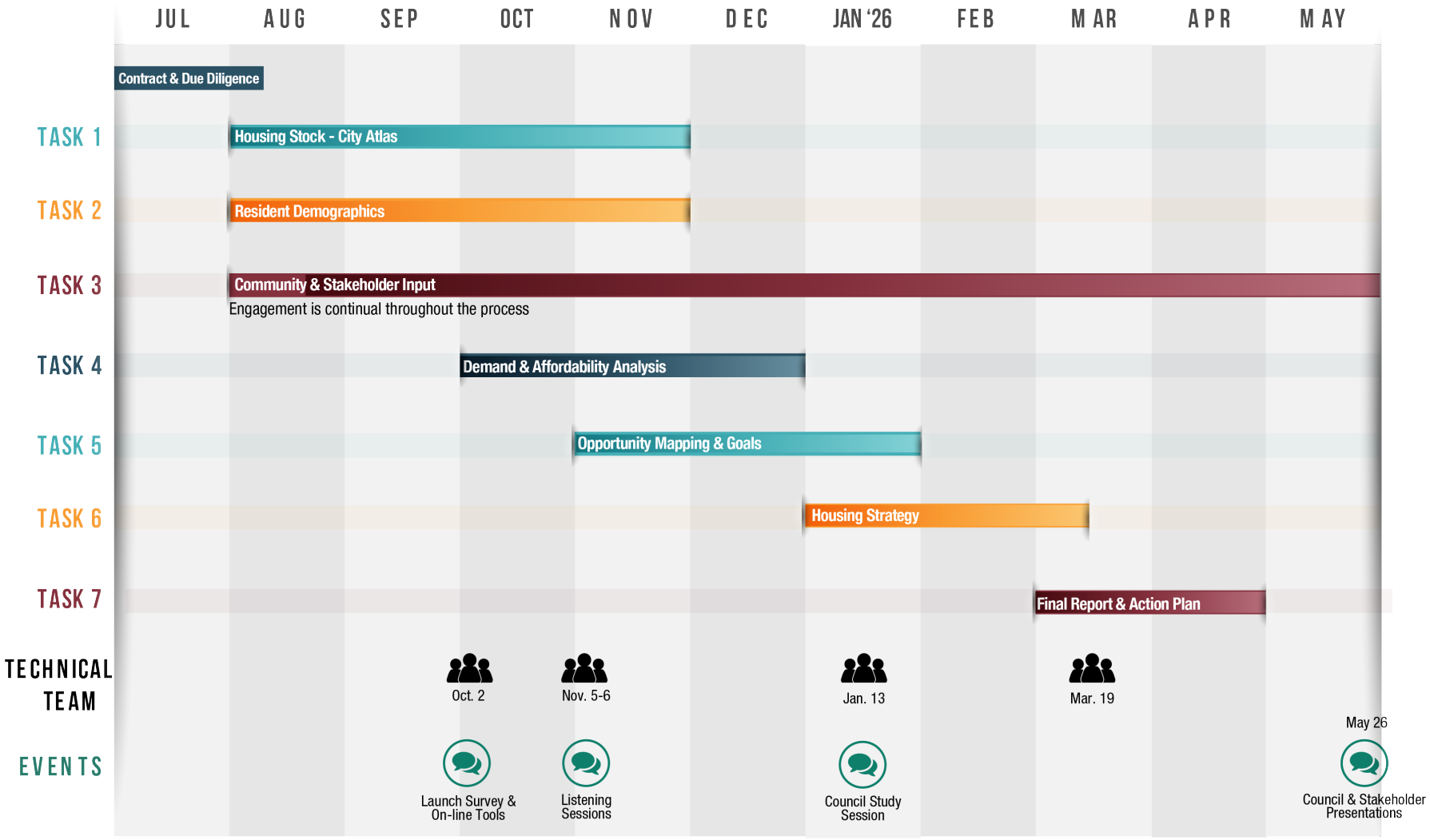
- Eviction prevention and legal aid essential.
- Delays in inspections and unclear housing authority processes.
- Housing authority waitlists long and poorly managed.
- Funding instability (HUD freezes) disrupts programs.
- Case management critical for stability.

ANALYSIS TAKEAWAYS

- **Vacancy is much lower than census estimate, closer to 2%**
- **Gridlock exists along certain points in the housing continuum due to lack of supply**
- **Champaign needs to build over 7,000 units of housing by 2035 with about 9% oriented toward student housing.**
- **High incidence of raised rent due to market demand and increased cost (including building, insurance, maintenance)**
- **A few bad actors in predatory landlord practices, high demand and low turnover of units results in little maintenance and poor housing conditions**
- **Increased need for affordable and supportive housing infrastructure, deeper understanding of the County's barriers as a housing provider is needed**

NEXT STEPS

DRAFT



- ***Housing Strategy development, including detailed development program by unit type and cost***
- *Draft Final Report & Action Plan*
- *Council presentation*

Housing Needs Analysis and Strategy Listening Session Participants

Listed alphabetically by organization

Name	Organization
Michelle Stallmeyer	Busey Bank/Community Revitalization Group
Jonathan Woods	Carle Health
Julianna Sellett	Carle Health
Kathy Shannon	Champaign City Council
Carly McCrory-McKay	Champaign County Economic Development Corporation
Claudia Lenhoff	Champaign County Healthcare Consumers
Robert Davies	Champaign-Urbana Public Health District
Anna Hough	Champaign County Regional Planning Commission
Kat Trotter	City of Champaign Planning and Development Department
TJ Blakeman	City of Champaign Planning and Development Department
Shaya Robinson	City of Champaign Township/Strides Shelter
Nick Olsen	City of Urbana Community Development Services Department
Nathan Shoemaker	Community Property Management (CPM)
Katie Harmon	Continuum of Service Providers to the Homeless
Ariel Davenport	Cunningham Township
Marco Price	Cunningham Township
Adani Sanchez	CUurbanism/City of Champaign Plan Commission
Heather Livingston	Developmental Services Center (DSC)
Terri Reifsteck	Experience Champaign Urbana
Tom Hagensick	Fairlawn Real Estate
Evan Alvarez	Family Service of Champaign County
Allison Garrett	Habitat for Humanity
Chad Hoffman	Habitat for Humanity
Jennifer Clemens-Ferguson	Housing Authority of Champaign County
Lily Walton	Housing Authority of Champaign County
Katie Difanis	Housing Authority of Champaign County
Nick Ward	Joel Ward Homes
Travis Heath	JSJ Property Management
Roger Shi	JSM Living
Emma Shimanovsky	Land of Lincoln Legal Aid
Angela Boley	Land of Lincoln Legal Aid
Billie Jo Blanton	Promise Healthcare
Michael Markstahler	RDI Properties
Dave Kellerhalls	Rosecrance
Katie Pruitt	Royse + Brinkmeyer
Stephanie Funkhouser	Royse + Brinkmeyer
Kenyon Sivels	The Salvation Army
Bill Peifer	Signature Homes
David Huber	Small/incremental scale housing developer
Kenneth Waterbury	Short-term rental provider

Dawna Nelson	Short-term rental provider
Todd Thornston	TLT Properties
PJ Trautman	Trautman Real Estate Agency & Appraisal
Siân Butcher	UIUC Department of Geography & GIS
Charlotte Bauer	UIUC Graduate College
Dana Cohen	UIUC Office of the Provost
Dana DeCair	UIUC Student Affairs
Angela Ward	Unit 4 School District
Javaite Burton	United Way of Champaign County
Andy Hutson	University Group