

ISSUE 2

2026 TRENDS IN GOVERNMENT MULTI-FAMILY HOUSING CONSTRUCTION:

HOW AGENCIES ARE RESPONDING
TO THE GROWING DEMAND FOR
AFFORDABLE, ACCESSIBLE HOUSING



Suburban Chicago Mayors, Village Boards, County Chairmen, and Township Officials are seeing pressure from their communities to deliver affordable housing that works. This housing is not what it used to be. It is now for seniors, for workers, and for growing families.

At the same time, funding models, financing work, and tenant needs are evolving. In 2026, more local governments in the Collar Counties around Chicago will join their peers like Bellwood and Leyden Township in West Suburban Cook County and break ground on their own housing developments than ever before. Those leaders are already thinking about what “workforce housing” really means. They are defining what is required in terms of long-term durability, community fit, and smarter project delivery.

From adapting to zoning changes to designing for aging in place, this guide outlines the five trends shaping public-sector housing projects for Illinois in 2026.

THE NUMBERS BEHIND THE NEED

142,000 HOMES MISSING TODAY:
Illinois currently faces a statewide shortage of roughly 142,000 homes. [\(Source\)](#)

227,000 UNITS NEEDED BY 2030
To keep with demand over the next five years, the state must build at least 227,000 new housing units. [\(Source\)](#)

A RAPIDLY AGING DEMOGRAPHIC
The number of Illinoisans aged 60 and older is projected to grow to 3.6 million by 2030, meaning seniors will soon make up 25% of the state’s entire population. [\(Source\)](#)



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WORKFORCE HOUSING IS BECOMING A PRIORITY

Municipalities are moving past the old model of isolated affordable housing. The focus is now on where people actually live and work. Cities, towns, and villages are prioritizing new developments near transit lines, employment hubs, and downtown corridors.

Affordability alone is not enough. Location is now part of the promise to attract and retain essential workers. Teachers, first responders, and service workers need to live within a reasonable distance of their jobs.

Agencies are using these developments as tools for economic retention. By placing housing near train stations and business districts, local governments reduce commute times and traffic congestion. This approach integrates working families into the fabric of the community rather than pushing them to the outskirts.

BELLWOOD GATEWAY

In Bellwood, Illinois, the future of workforce housing is already rising. The Bellwood Gateway Development, built and developed by F.H. Paschen, transforms the site of the former village hall into 71 modern homes for the “missing middle”. These are homes for teachers, first responders, and healthcare workers who earn too much for subsidies but struggle with market rates.

This \$43 million project offers a blueprint for creative financing. By combining a state grant with Illinois’ first-ever use of workforce housing bonds, Paschen and village leaders made the numbers work without deep federal subsidies. With commercial space and easy transit access, Gateway proves that local governments can deliver high-quality housing that keeps essential workers in the community.



ZONING CHANGES ARE CREATING NEW OPPORTUNITIES

Old zoning codes often blocked the exact type of housing communities need most. That is changing. Local governments are relaxing zoning rules to promote mixed-income and mid-density projects.

Officials are updating codes to allow for mid-rise buildings and mixed-use developments that blend retail with residential units. This shift allows for density without changing the character of a neighborhood. It

makes projects financially viable that previously would not have worked.

These changes allow for “missing middle” housing. “Missing middle” housing fits naturally into existing blocks and includes structures like duplexes, fourplexes and courtyard buildings. For construction partners, this requires flexibility and the ability to manage sites with tight footprints and close neighbors.

SENIOR HOUSING IS ADAPTING FOR AGING IN PLACE

The suburbs are graying. The old image of cul-de-sacs filled exclusively with young families is shifting. [According to recent US Census data](#), from 2023 to 2024 alone, Illinois residents aged 65 and older increased by 62,500, while the under-18 population dropped by over 26,000.



A DEMOGRAPHIC SHIFT: WHY THE SUBURBS ARE GRAYING

METRO CHICAGO IS DOUBLING

The number of adults aged 65 to 84 in the Chicago metro area is expected to double by 2040. (“2024 Area Plan on Aging”. City of Chicago - Chicago Area Agency on Aging)

THE TREND IS ACCELERATING:

In just one year (2023–2024), Illinois gained 62,500 residents aged 65 and older, while the under-18 population dropped by more than 26,000. (“United States Census Data”)

[The Chicago Metropolitan Agency for Planning reports](#) that the number of adults aged 65 to 84 in the metro Chicago area is expected to double by 2040. Double. That’s not a distant projection. No. It is a demographic tidal wave already taking hold in places like Tinley Park, Wheeling, Lockport, Elmhurst and Arlington Heights.

And, the implications are profound.

[AARP reports that nearly 90% of these seniors want to “age in place”](#). That means, they’d prefer to remain in the towns they’ve called home for decades. Yet, many of our suburban communities lack the housing infrastructure that supports this goal. For seniors with mobility challenges or fixed incomes, the dream of staying close to their roots becomes increasingly out of reach.

F.H. PASCHEN



90% OF SENIORS WANT TO AGE IN PLACE

This evolving reality has created both urgency and opportunity for suburban leaders. From Antioch to Aurora, and from Joliet to Elgin, mayors, city managers, and county executives are starting to confront this new normal: the needs of their communities are changing rapidly. And permanently.

To make the idea of “Aging in Place” possible, housing infrastructure must catch up. New projects are moving beyond traditional nursing home models to prioritize universal design. This means zero-step entries, wider doorways, and layouts that accommodate mobility aids as a standard spec.

Site selection is also critical. Developments are now being planned in walkable surroundings near pharmacies, grocery stores, and medical centers. This approach keeps residents independent longer and reduces the pressure on local social services.

When it comes to finishes, construction teams and senior community developers are now installing advanced safety features and accessible fixtures as standard spec, not as special add-ons.



LEYDEN SENIOR APARTMENTS

In West Suburban Cook County, the Leyden Senior Apartments are setting a new standard for aging in place.

Set to open in 2026, this 80-unit development in Franklin Park offers a mix of one- and two-bedroom homes specifically designed for seniors aged 62 and older.

A key feature of the project is the integration of the new Carl Fiorito Senior Center. Located on the same site, this one-story community hub will provide residents with immediate access to social programs, wellness activities, and vital services without leaving the property.

Part of the “Moving Mannheim Forward” initiative, the project revitalizes vacant land into a community asset.

By combining affordable housing with on-site support, F.H. Paschen and Leyden Township are creating a campus where seniors can maintain their independence while staying connected to the community they love.

TENANT NEEDS ARE CHANGING UNIT DESIGN

The era of the standard one-bedroom box is fading. Housing must now account for multi-generational households, digital connectivity, and mental health factors.

Families are combining households to share costs and care duties. This requires flexible layouts with more bedrooms and distinct zones for privacy. At the same time, high-speed internet is now a utility as essential

as water. Buildings must be wired to support remote work and education for every unit.

Building designs are also prioritizing natural light and shared green spaces. Architects and owners acknowledge the link between housing quality and mental wellness. Construction partners must adapt to these more complex interior scopes to deliver units that feel like homes, not temporary stops.

THE NEW STANDARD FOR UNIT INTERIORS: THREE FEATURES TENANTS EXPECT IN 2026



MULTI-GENERATIONAL PRIVACY

It is no longer just about adding a bedroom. New layouts are incorporating “dual primary suites” and sound-buffered “privacy wings” that allow grandparents, parents, and children to live together without living on top of each other.



REMOTE WORK INFRASTRUCTURE:

A desk in the corner doesn't cut it. Units are now being designed with dedicated, acoustically treated “flex nooks” and hardwired high-speed data points to support reliable work-from-home setups.



FLEXIBLE OPEN CONCEPTS

While open sightlines remain popular for safety and connection, the trend is shifting toward “zoned” open plans. These designs use flooring changes or partial walls to define distinct areas for dining and living, preventing the space from feeling like one loud, chaotic room.

LONG-TERM MAINTENANCE IS IN THE SPOTLIGHT

Capital budgets are tight, but operating budgets are tighter. Funders are asking how buildings will perform 15–30 years out, not just how they will open on day one.

Public owners are looking at the total cost of ownership. They are choosing durable materials like masonry and high-performance windows that withstand decades of wear. Energy-efficient systems

are being installed to keep utility bills manageable for tenants and owners alike.

The goal is a building that looks and functions well in 2050. This shifts the focus during the bid process. It is not just about the lowest initial price. It is about selecting materials and systems that reduce the need for constant repairs and costly overhauls down the road.

THE MATH OF DURABILITY: WHY “TOTAL COST OF OWNERSHIP” MATTERS

THE MAINTENANCE MULTIPLIER

Experienced multifamily operators now budget 15–20% above standard estimates for maintenance reserves, knowing that interconnected systems in dense housing create a “multiplier effect” where one failure cascades into others. (*“The 5 Hidden Costs of Multifamily Investments” published by Essex Three-Twelve (Chicago Multifamily Brokerage)*)

THE HIGH COST OF NEGLECT

Poor maintenance practices don't just look bad; they are expensive. Neglected systems can increase a building's energy consumption by 30–60%, whereas proactive preventive maintenance can reduce energy use by 10–20%. (*Preventive Maintenance and Energy Efficiency Report” published by New Buildings Institute (NBI) and Top Tier Energy*)

EFFICIENCY PAYS BACK FAST

Adopting the latest energy standards for high-rise multifamily projects costs less than \$20 per unit upfront but pays for itself in energy savings in under two months. (*“How New Federal Policy Raises the Bar for Energy-Efficient Housing”. Published By: RMI (Rocky Mountain Institute), citing data from HUD, USDA, and Pacific Northwest National Laboratory (PNNL)*)

LIFECYCLE SAVINGS

Building to higher durability and energy standards (like the 2021 IECC) generates over \$2,300 in net operational savings per unit over the building's lifespan, proving that higher initial specs lower the long-term burden on taxpayers. (*“National Cost Effectiveness of the Residential Provisions of the 2021 IECC (Report PNNL-31019)” published by Pacific Northwest National Laboratory (PNNL) for the U.S. Department of Energy*)

Housing is personal, but for local governments, it is also a direct promise to their citizens.

F.H. Paschen understands the stakes. We bring the experience needed to navigate funding requirements, manage tight schedules, and deliver quality communities. Whether it is a renovation of an existing asset or a new development for the workforce, we know how to build for the future.

Let's build housing that strengthens your community.





5515 N. East River Rd. Chicago, IL 60656
www.fhпасchen.com | 773.444.3474