



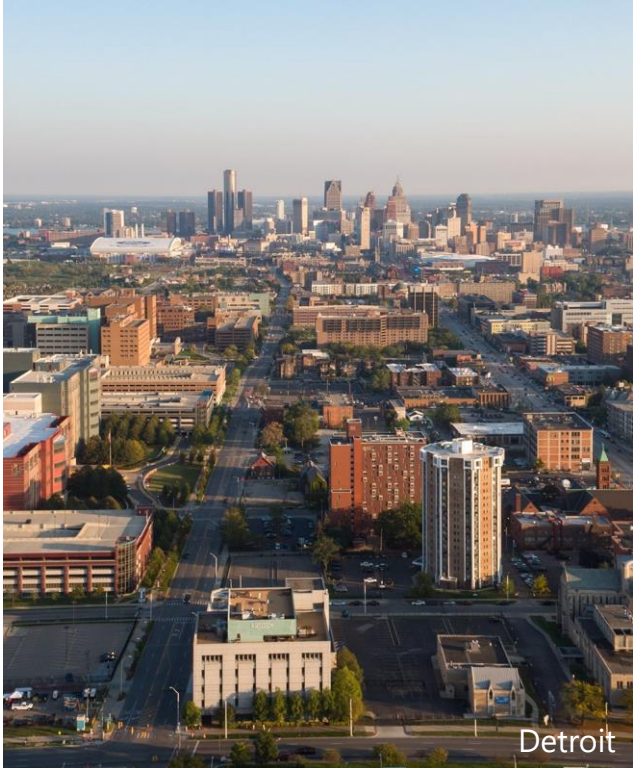
EL PASO REGIONAL HOUSING PLAN

Presentation to Council

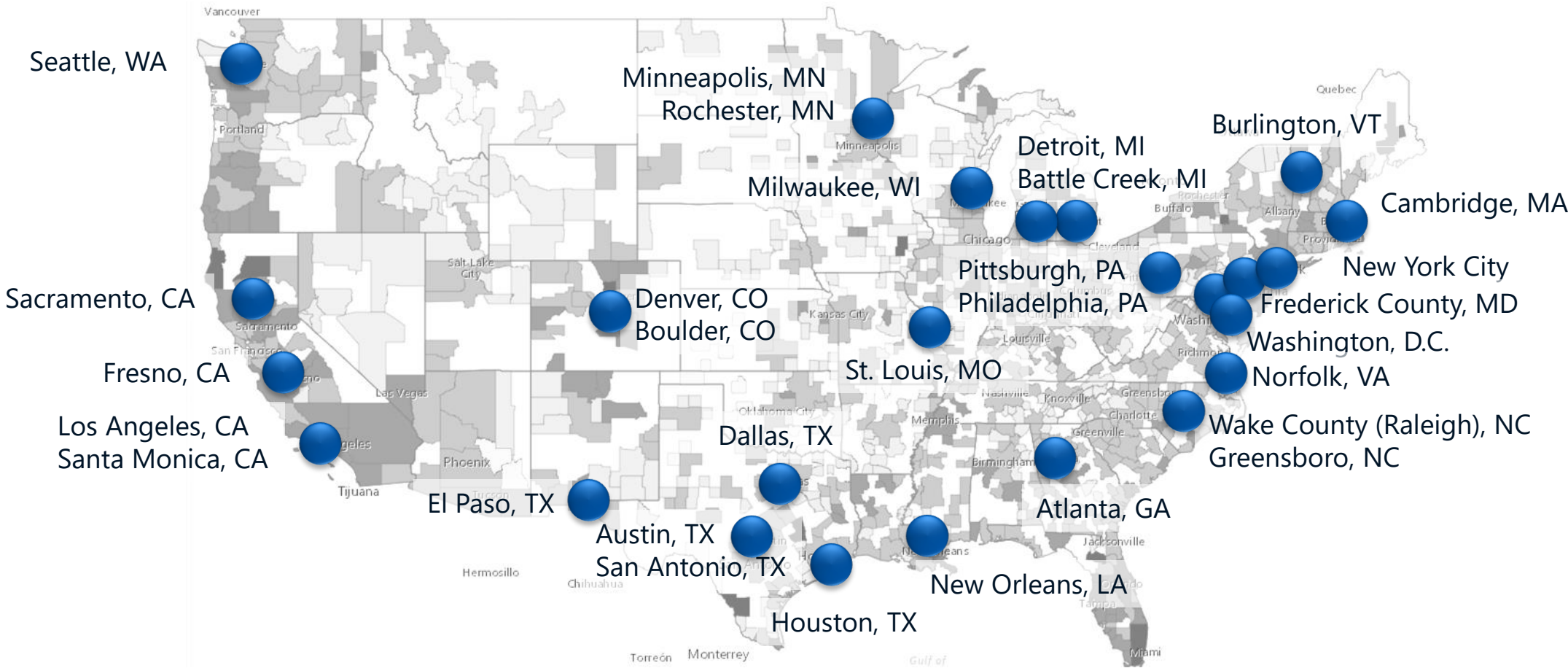
October 1, 2019

HR&A
Analyze. Advise. Act.

HR&A is an economic development and real estate consulting firm working at the intersection of the public and private sectors

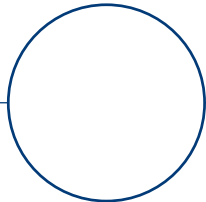


The Housing Affordability practice works in a variety of markets, where affordability issues are longstanding or are newly emerging

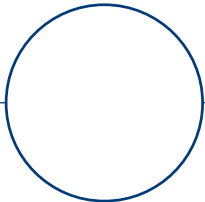


OVERVIEW OF THE REGIONAL HOUSING PLAN

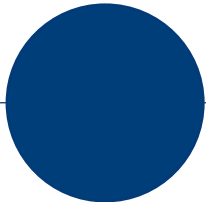
The El Paso Regional Housing Plan **provides a framework for the City of El Paso (the City), the Housing Authority of the City of El Paso (HACEP), El Paso County (the County), and local governments** throughout the region to collaborate and address their shared housing challenges.



ANALYSIS OF EXISTING AND
POTENTIAL TOOLS



PRELIMINARY
RECOMMENDATIONS



RECOMMENDATIONS

REGIONAL HOUSING PLAN APPROACH

Challenge

Housing Affordability

Goal

Meet the Needs of All Residents

Tools

Dedicate Public Resources
Redesign Programs

Economic Sustainability

Support Economic Growth

Revise Incentives

Conduct Joint Planning



REGIONAL HOUSING CHALLENGES

Challenge

Housing Affordability

- El Paso faces a growing **shortage of affordable rental housing** for those earning less than \$30K a year.
- Despite affordable home values, **homeownership in El Paso is declining.**

Goal

Meet the Needs of All Residents

Tools

Dedicate Public Resources
Redesign Programs

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EL PASO'S SHORTAGE OF AFFORDABLE RENTAL HOUSING IS GROWING

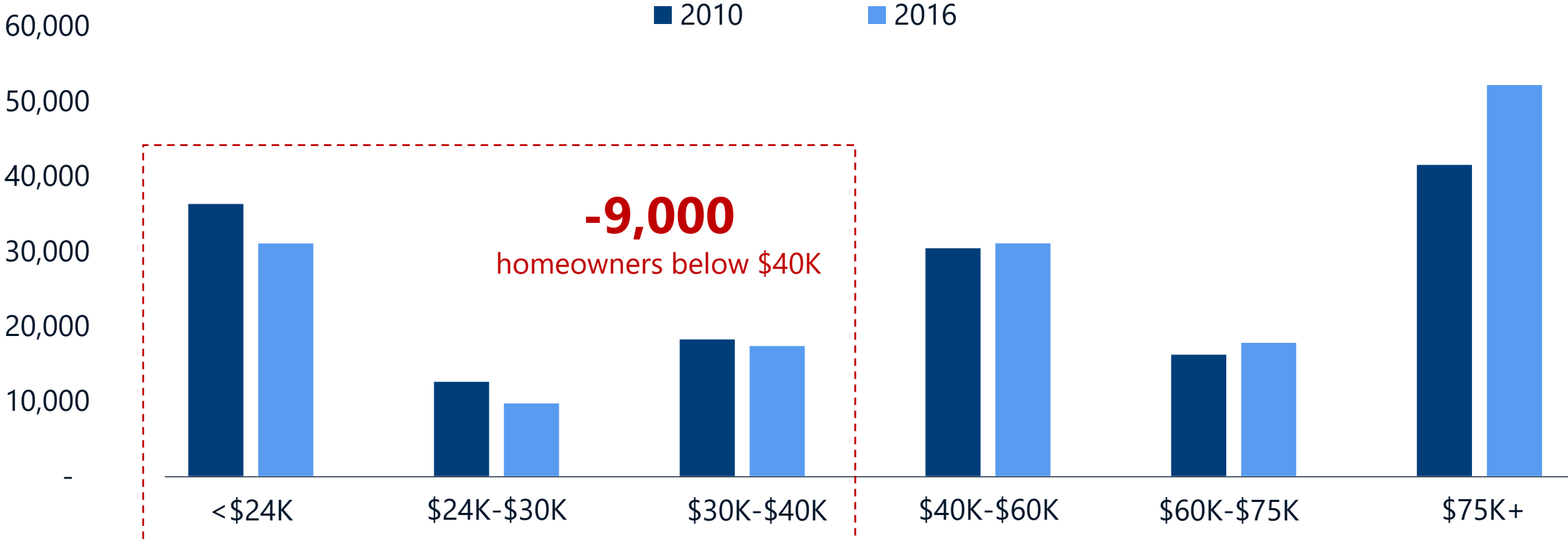
Rental Supply Gap for Households Earning Below \$30K, 2016-2025



Source: PUMS 2010, 2016 5 Year Estimates

DESPITE RELATIVELY AFFORDABLE HOME VALUES, HOMEOWNERSHIP IN EL PASO IS DECLINING

Homeowner Household Income, 2010-2016



Source: PUMS 2010, 2016 5 Year Estimates

REGIONAL HOUSING CHALLENGES

Challenge

Housing Affordability

Economic Sustainability

- Regional housing development patterns are **not fiscally sustainable.**
- Current housing development patterns undermine El Pasoans **quality of life and contribute to neighborhood disinvestment.**

Goal

Meet the Needs of All Residents

Support Economic Growth

Tools

Dedicate Public Resources
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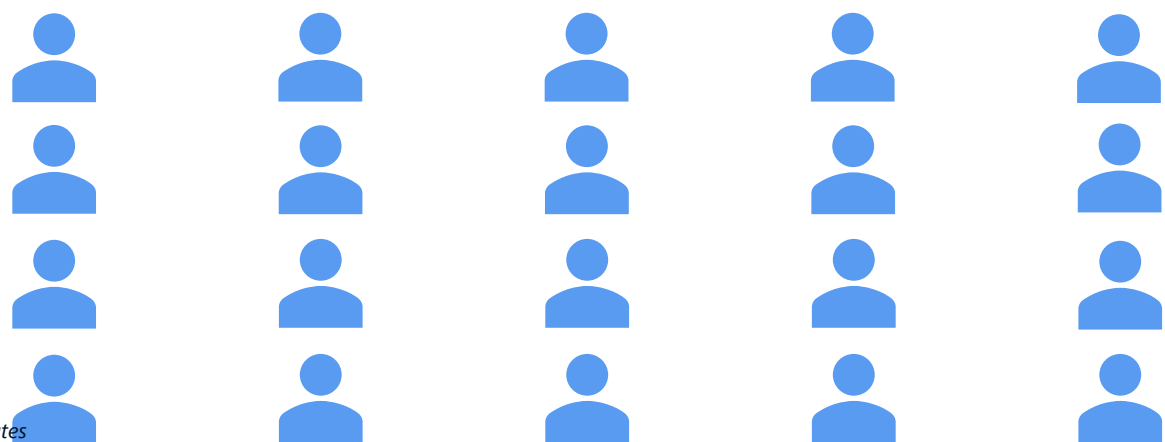
REGIONAL DEVELOPMENT PATTERNS ARE NOT FISCALLY SUSTAINABLE

New Households versus Housing Unit Development, 2011-2017

New Housing Units



New Households



10K
Unit surplus

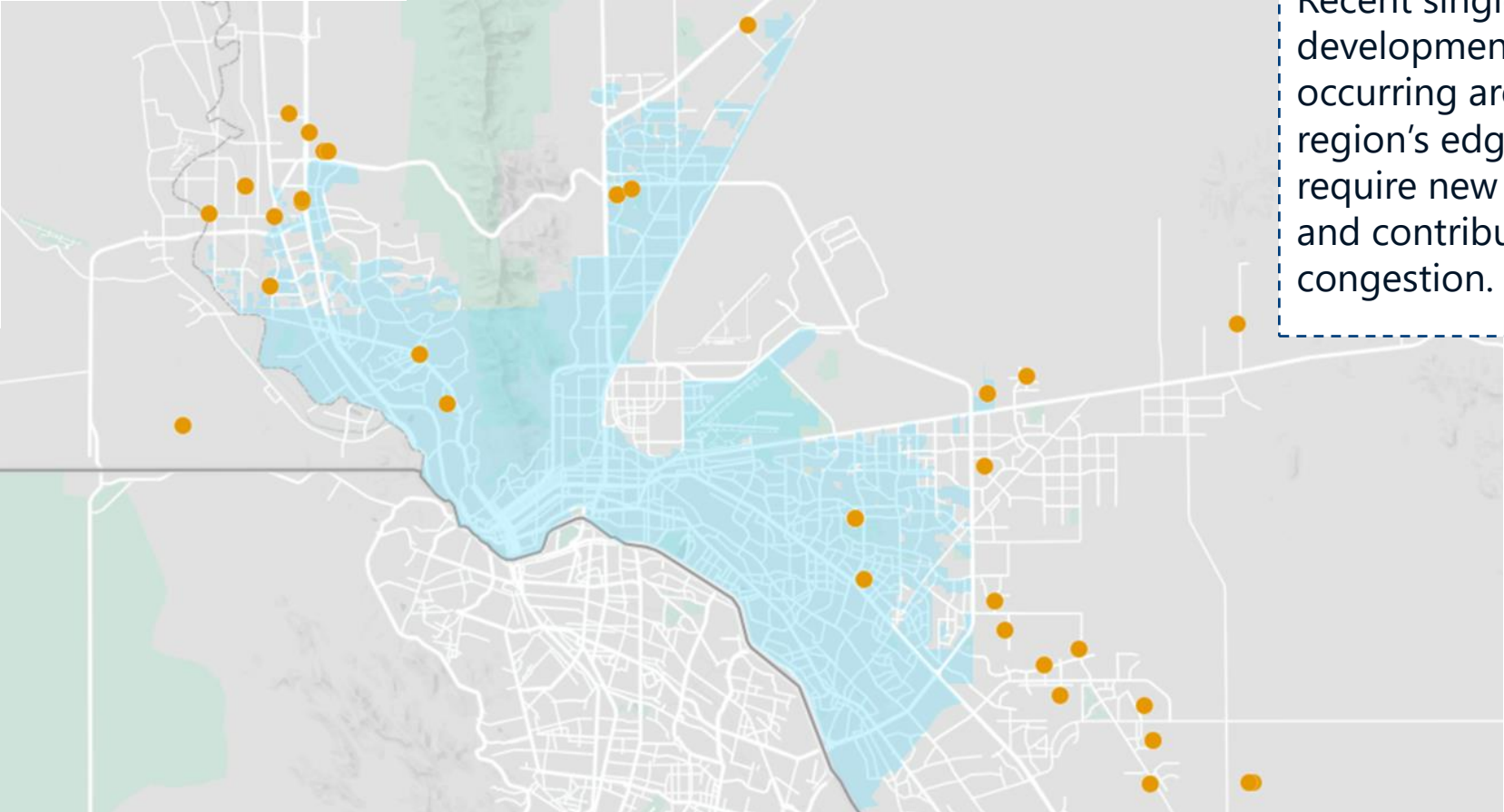
Overbuilding along the edge contributes to disinvestment in the core

Source: 2011, 2017 ACS 5 Year Estimates

GROWTH PATTERNS DRIVE HOUSING QUALITY AND REVITALIZATION CHALLENGES IN CORE NEIGHBORHOODS

Regional New Home Development

-  City of El Paso Infill Incentive Area
-  Actively Selling New Home Communities



Recent single-family developments are largely occurring around the region's edges, in areas that require new infrastructure and contribute to congestion.

Source: New Home Source
HR&A Advisors, Inc.

REGIONAL HOUSING GOALS

Challenge

Housing Affordability

Economic Sustainability

Goal

Meet the Needs of All Residents

Support Economic Growth

- **Expand the production of rental housing** to meet the growing need of residents
- **Increase access to homeownership** to allow more households to achieve the American Dream

Tools

Dedicate Public Resources
Redesign Programs

Revise Incentives
Conduct Joint Planning

REGIONAL HOUSING GOALS

Challenge

Housing Affordability

Economic Sustainability

Goal

Meet the Needs of All Residents

Support Economic Growth

- **Encourage fiscally sustainable development** throughout the region
- **Revise development incentives** to encourage development in areas with existing infrastructure and public investments
- **Engage in joint planning** between the City, County and school districts

Tools

Dedicate Public Resources
Redesign Programs

Revise Incentives

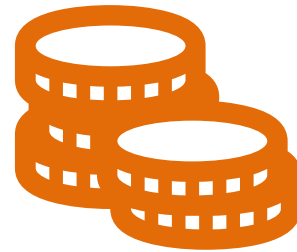
Conduct Joint Planning

THERE ARE THREE TYPES OF ACTIONS NECESSARY TO SUPPORT THE IMPLEMENTATION OF TOOLS



Modify Programs

- Adjust rules and practices for existing housing programs
- Establish new housing programs



Dedicate Resources

- Establish new sources of funding to support affordable housing
- Commit other public assets, such as land



Establish Partnerships

- Form partnerships with established entities, such as El Paso County and HACEP
- Create working groups to push to regional solutions

REGIONAL HOUSING TOOLS

Challenge

Housing Affordability

Goal






Meet the Needs of All Residents

Tools

Dedicate Public Resources

Housing Trust Fund  
 Public Land Sale Policy  

Redesign Programs

9% Low Income Housing Tac Credit Local Support Criteria 
 4% Low Income Housing Tax Credit Funding 
 Down Payment Assistance 
 Financial Counselling 
 Home Renovation Programs 

Economic Sustainability

Support Economic Growth

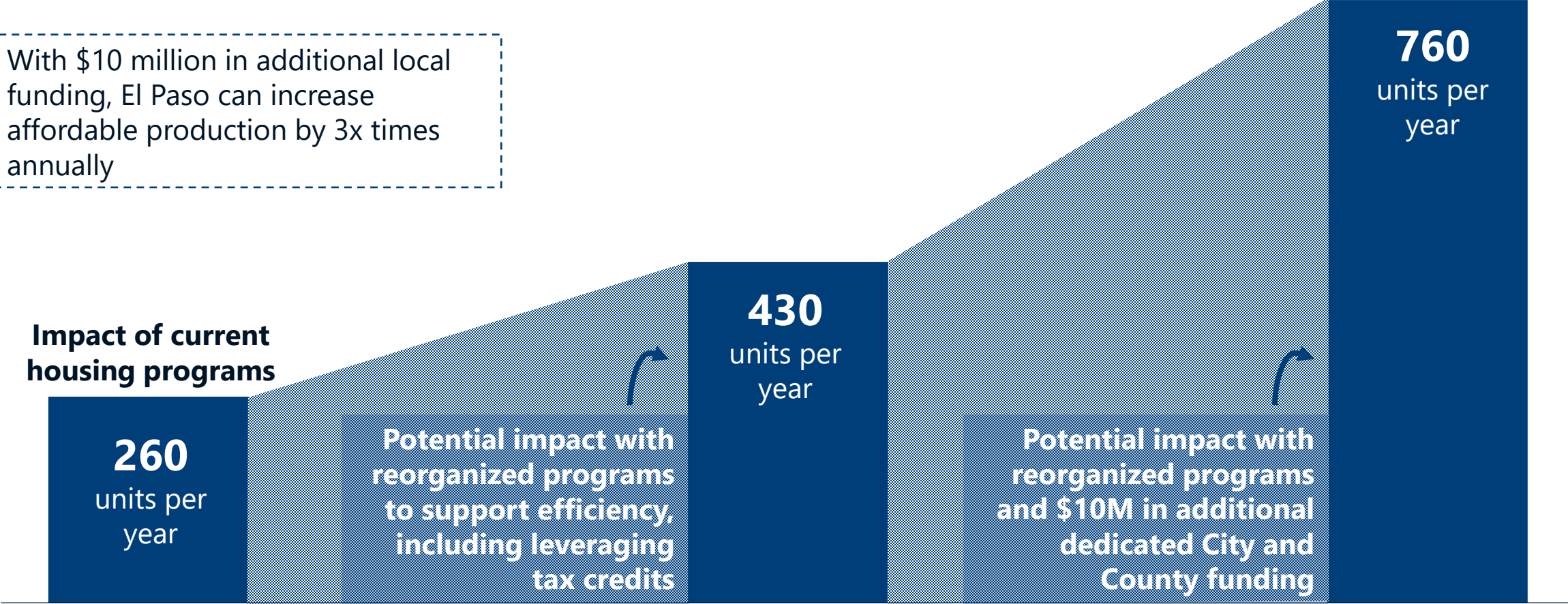
Revise Incentives

Conduct Joint Planning

HOUSING PRODUCTION GOALS

Affordable Unit Production

With \$10 million in additional local funding, El Paso can increase affordable production by 3x times annually



Source: City of El Paso
HR&A Advisors, Inc.

REGIONAL HOUSING TOOLS

Challenge

Housing Affordability

Economic Sustainability

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Support Economic Growth




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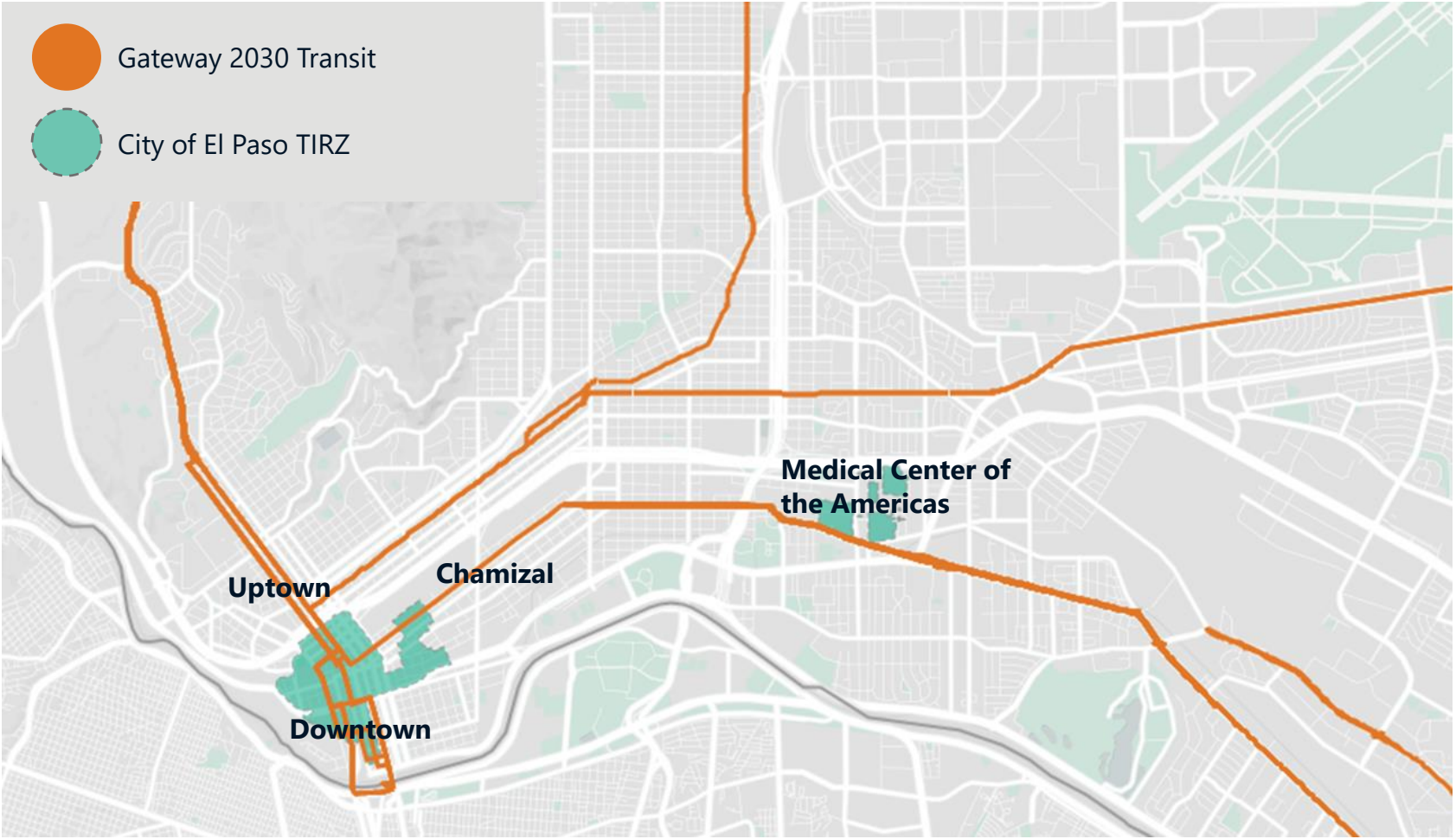
- Public Land Sale Policy  
- Joint Tax Abatement 
- Joint TIRZ 
- Tax Abatement for Restoring Properties  
- Housing Renovation Program 
- Development Approval 

Conduct Joint Planning

- Small Area Plans  
- Joint Housing Task Force 

FOCUS INVESTMENTS IN PRIORITY AREAS

El Paso Priority Investment Areas



Downtown: Residential development is part of ongoing redevelopment efforts

Uptown: Plan for housing development in an emerging neighborhood

MCA: Build on the strength of existing institutional and employment anchors to grow neighborhood density

Chamizal: Plan for a near term focus on homeownership and neighborhood stability

Rural Areas: Use small area plans to meet emerging needs in rural communities



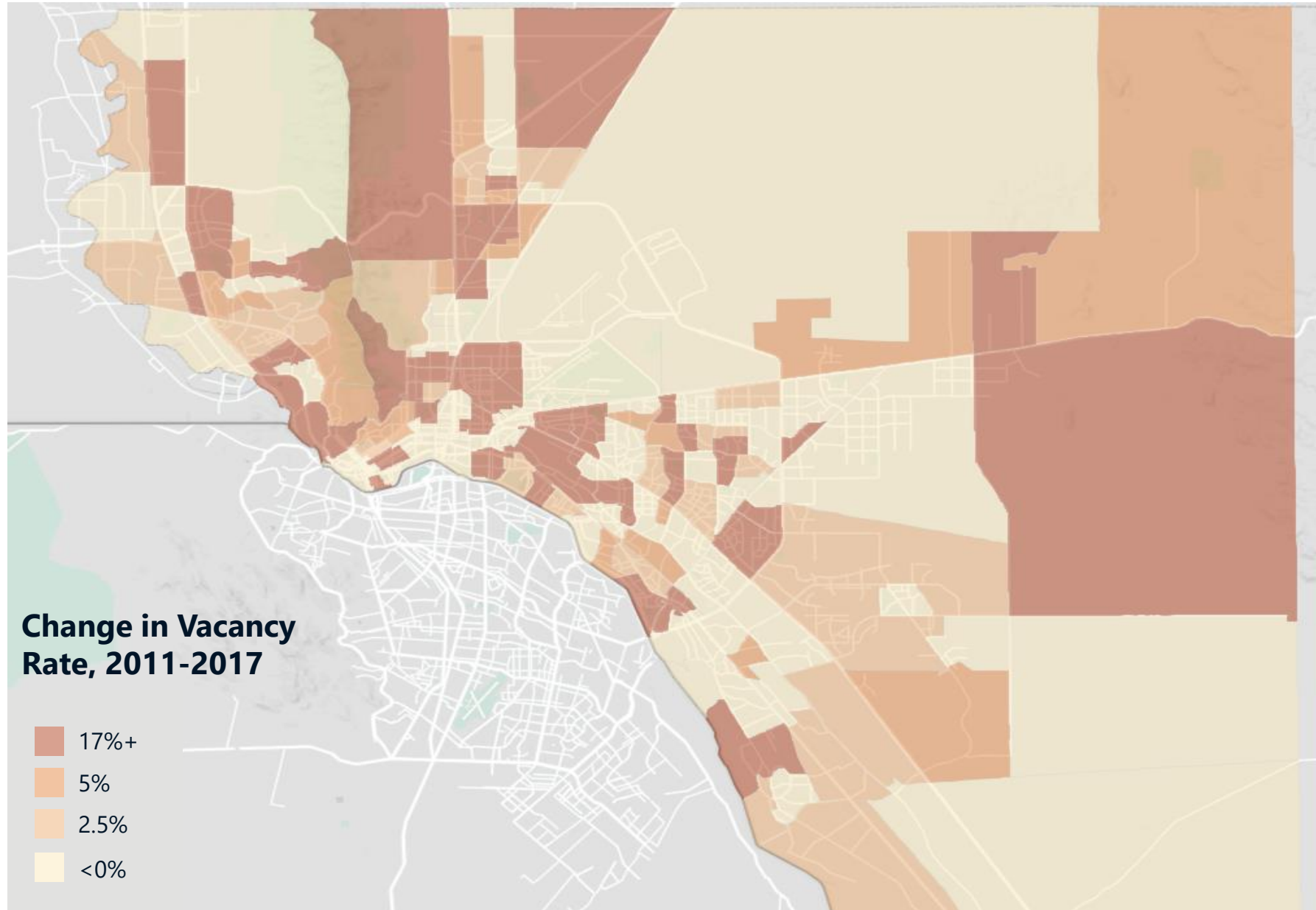
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VACANCY RATES HAVE INCREASED THROUGHOUT EL PASO COUNTY








Opportunities

- Adjacent to Downtown
- Significant existing residential population, public land, and soft sites
- Streetcar, transit, parks, and recreation center among other public amenities
- Close to University of Texas at El Paso

Challenges

- Cut off from Downtown by Interstate 10 and railyard

UPTOWN

-  TIRZ
-  City Owned Property (improved)
-  Gateway 2030 Transit






Opportunities

- Existing public investments in BRT, Medical Center, and Texas Tech University Health Sciences Center
- Existing TIRZ & planned expansion
- MCA Expansion

Challenges

- Limited development sites near BRT and Medical Center
- Train tracks and interstates limit connectivity to adjacent neighborhoods

MEDICAL CENTER OF THE AMERICAS

-  TIRZ
-  City Owned Property (improved)
-  Gateway 2030 Transit



Opportunities

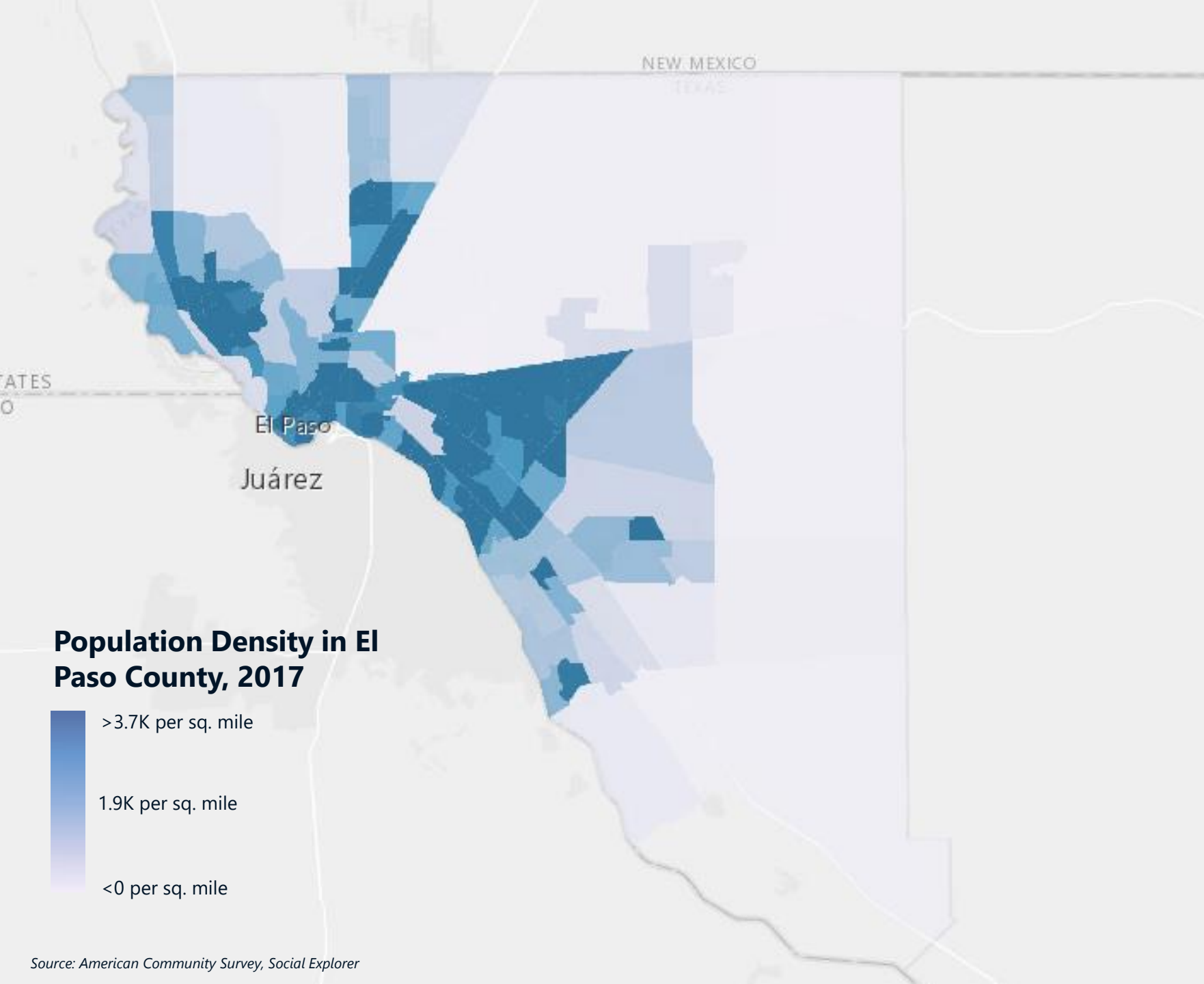
- Between Downtown and MCA
- Planned Alameda light rail extension will anchor growth
- Support homeownership opportunities for existing renters
- Invest in repairing legacy homes

Challenges

- Historically underserved neighborhood with significant poverty

CHAMIZAL

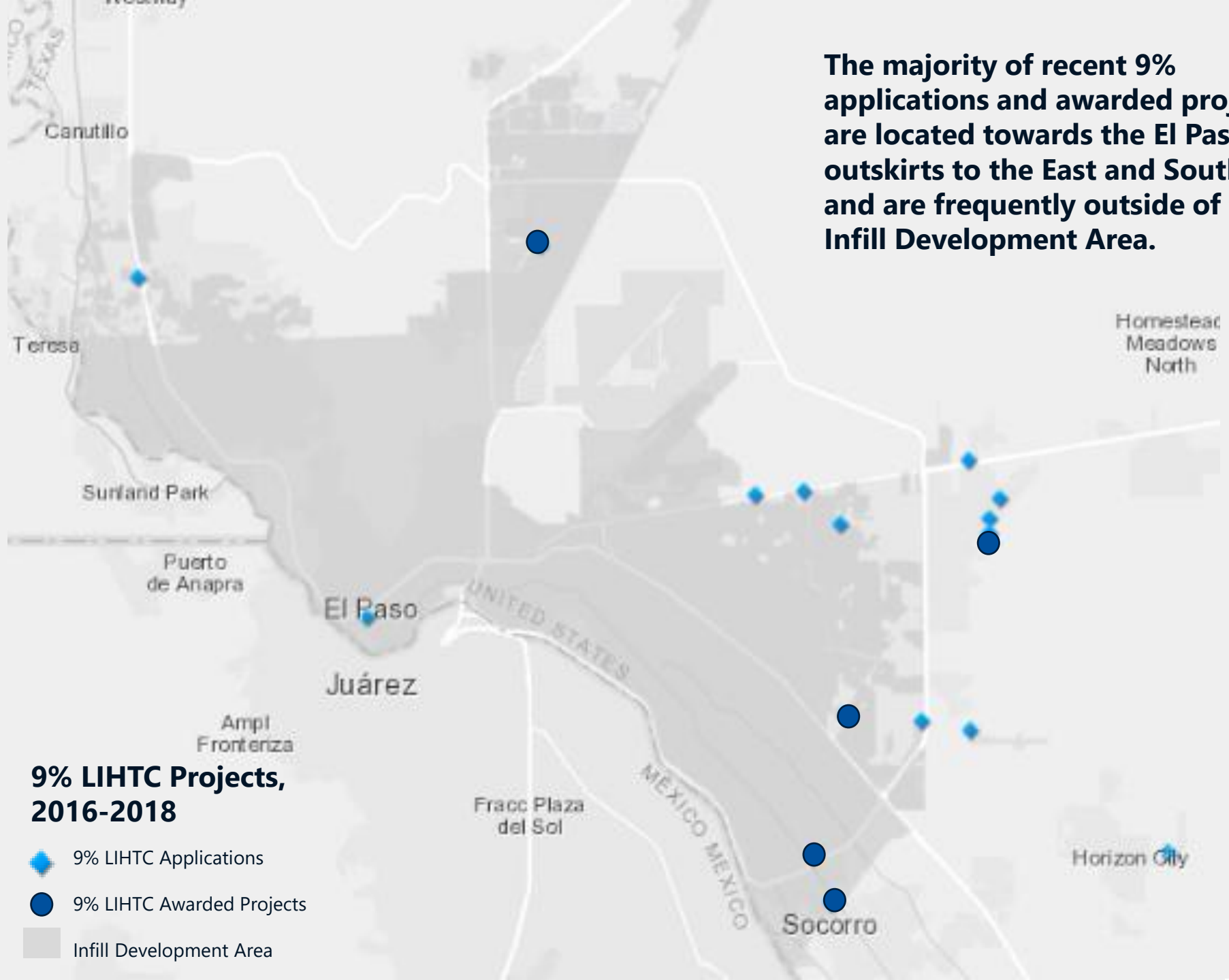
- City Owned Property (improved)
- Gateway 2030 Transit



El Paso County should identify priority rural communities for local planning.

- El Paso County has numerous colonias, small rural communities, and municipalities
- Small area plans can help the County understand the needs and priorities of these communities, and guide investment in housing, infrastructure, services, and commercial development.
- The County should work with local residents and community advocates to identify priority communities for planning.

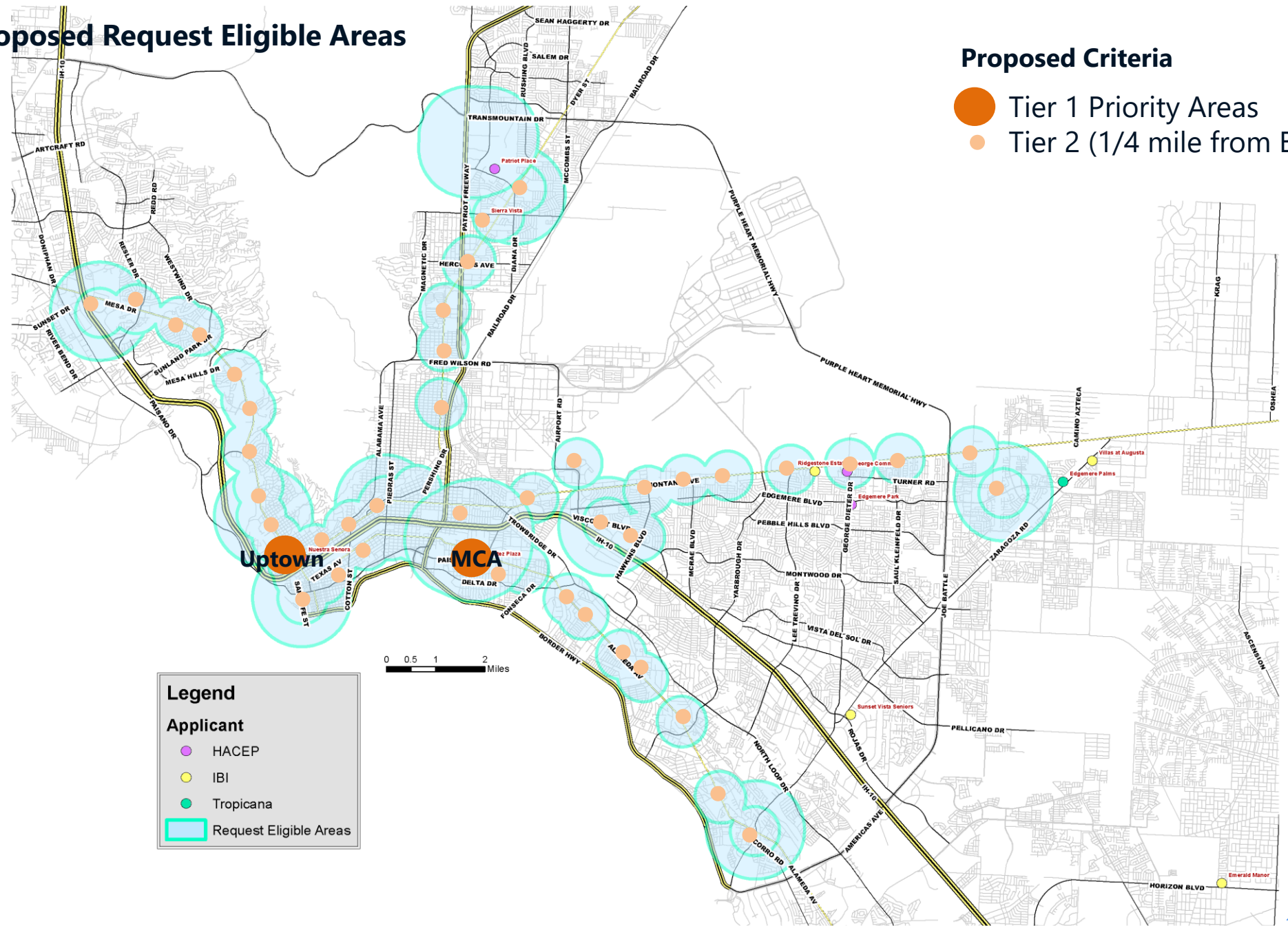
The majority of recent 9% applications and awarded projects are located towards the El Paso's outskirts to the East and Southeast, and are frequently outside of the Infill Development Area.



**9% LIHTC Projects,
2016-2018**

- ◆ 9% LIHTC Applications
- 9% LIHTC Awarded Projects
- Infill Development Area

Current and Proposed Request Eligible Areas



Proposed Criteria

- Tier 1 Priority Areas
- Tier 2 (1/4 mile from BRT Station)

Legend

Applicant

- HACEP
- IBI
- Tropicana
- Request Eligible Areas