El Paso’s Impending Housing Crisis
The legacy of public housing in El Paso has ensured that our city’s most vulnerable citizens have a place to call home. Declining federal revenues have placed these vital civic properties on a trajectory toward becoming uninhabitable structures. Public housing needs a new sustainable model. The numbers tell the story:

1941
El Paso’s public housing stock is rapidly aging. Many of these properties have pervasive, costly-to-remove asbestos. Our oldest property was built in 1941.

40,000
Some 40,000 of El Paso’s citizens count on HACEP for a place to live through public housing, the Housing Choice Voucher program, and tax credit programs. Public housing alone provides homes for 7,800 local children, 2,000 seniors, 1,600 families with disabilities, and 185 formerly homeless veterans.

$16 Million
Federal funding for public housing continues to decrease annually. Since 2008, more than $16 million ($16,086,876) has been eradicated from HACEP revenue.

$55 Million
HACEP communities require a capital investment of $80 million over the next five years, with federal funds projected at only $25 million, creating a shortfall of $55 million. $200 million is needed over the next 20 years to barely maintain our public housing properties at current levels.

"We have a responsibility to protect our most vulnerable citizens: our children, seniors, people with disabilities. That is our moral obligation. But there is an economic justification too – we all pay when the basic needs of our citizens are unmet."

– John Lynch
Former New Hampshire Governor
The Rental Assistance Demonstration (RAD) is a central part of the U.S. Department of Housing and Urban Development’s (HUD) strategy to preserve the nation’s rapidly aging and deteriorating stock of deeply affordable rental housing.

- HUD gives ownership of city’s public housing to HACEP
- Allows HACEP to use proven financing to rehab and replace housing to meet citizen-driven demand
- Allows HACEP to utilize LIHTC (low-income housing tax credits) to secure access to public housing
- Aligns with citizen feedback and Goals 6.1 and 6.2 from Plan El Paso

By opening up access to 9% and 4% federal housing tax credits and to private capital (tax credit equity, debt), HUD is allowing HACEP to redevelop properties in order to preserve or create public housing units and other affordable apartments (e.g., Section 8 New Construction, tax credit).

HACEP’s application to convert its housing stock to RAD properties makes El Paso no longer vulnerable to future cuts in federal funding for low income housing capital improvement and operational needs!

PREPARING FOR RAD’S SUCCESS

- In August 2013, HACEP submitted an application to HUD to convert 6,346 public housing units to local ownership through RAD
- HACEP has prepared a comprehensive strategy to support its 40,000 residents during the remodeling phase of the RAD conversion
- Clearance to proceed to secure financing expected from HUD within 45-90 days
- HACEP to submit LIHTC applications for the 9% tax credits to Texas Department of Housing and Community Affairs (TDHCA), should the City of El Paso provide the requested six-year letter of support
- Construction to begin at the end of 2014

HOW RAD BENEFITS EL PASO

- Budget neutral solution to a critical problem—no cost to local taxpayers
- $500 million investment brought to El Paso
- $1 billion local economic impact
- 6,346 revitalized public housing units that improve city image and civic pride
- Safer living conditions free of environmental and safety hazards common in older public housing units
- HUD gives ownership of public housing to HACEP
- Vibrant, mixed income and mixed use neighborhoods
- Improve home valuations across city for surrounding residents
- Addresses an urgent need for capital improvements
- A revitalized city in keeping with Plan El Paso
- Public housing will now feature LEED Silver energy efficiency
THE FACES OF HACEP

ABOUT HACEP

- Public housing in El Paso is twice as safe as the safest large city in the U.S.
- The highest performing Public Housing Agency (PHA) in the U.S.
- Consistently achieved “High Performer” status from the U.S. Department of Housing and Urban Development (HUD)
- Widely regarded as one of the most financially sound public housing authorities in the U.S., having earned an unqualified financial audit with no findings for two consecutive years
- Operates a $91 million budget, with more than $207 million in net assets
- Is the largest public housing authority in Texas and the 14th largest in the United States

- Employs nearly 450 El Pasoans
- Currently, 6% of El Paso residents receive HACEP-sponsored housing assistance
- Builds at costs competitive with private developers while also providing amenities (air conditioning, playgrounds)
- Offers programs to help residents transition out of poverty and into home ownership
- Provides the city’s housing safety net for some of our community’s most vulnerable citizens
- Infuses $9 million annually into the local economy through capital construction and renovation projects and $30 million to private landlords who participate in the Housing Choice Voucher Program

HACEP NEEDS YOUR SUPPORT!

HACEP is the largest entity in the City that provides safe, decent, and affordable housing to families earning less than 30 percent of area median income. In fact, 73 percent of our public housing families are considered extremely low income. Other developers can rent their affordable units to a fraction of these families. A successful El Paso RAD initiative is dependent on a strong partnership between HACEP and the City of El Paso to secure 9% Low Income Housing Tax Credits (LIHTC) from the Texas Department of Housing and Community Affairs (TDHCA). This commitment will ensure a $500 million infusion of capital into El Paso, at no cost to local tax payers, that will translate into a $1 billion economic impact. Therefore, HACEP respectfully requests a resolution from the City of El Paso by which HACEP will receive the City’s exclusive support of its annual 9 percent tax credit applications to the Texas Department of Housing and Community Affairs for funding cycles 2014 through 2019. This will ensure the long-term viability of affordable housing to El Paso’s most vulnerable population for decades to come.