



Housing Issues in Cameron County

How Can Our Community Respond to Rising Prices?



AFFORDABILITY, ACCESSIBILITY, AND SUSTAINABILITY

Photos: Flickr, @luzimages (instagram), Tahuastega (palmtalk)

HOUSING ISSUES IN CAMERON COUNTY

HOUSING CRISIS IN THE RGV

The Rio Grande Valley faces a housing crisis. A perfect storm of factors has combined to block first-time homebuyers from entering the market. For low-to-moderate income families, the path to homeownership is now longer and increasingly difficult. It is essential that elected officials and government policymakers take action to address the effects of the crisis. While rising interest rates and higher-than-ever market prices are here to stay for the foreseeable future, there are steps to be taken to try and mitigate the worst impacts and to stabilize access to the American dream of homeownership for hard working families.

BARRIERS TO HOUSING

In the United States, homeownership is the most viable path to building wealth. Here at cdc, this fact inspires all that we do. Affordable housing is more than a slogan: it's a call to ensure people not only have a place to live but that they also have the means to build generational wealth for their families. Despite rising rental and utility rates and an overall increase in the cost of living, Texas' minimum wage remains stagnant at \$7.25/hr. According to the National Low Income Housing Coalition, a person earning minimum wage would have to work anywhere from 61-80 hours a week in order to afford a one-bedroom apartment in Cameron County. This does not account for utilities, food, and other necessities. Despite the median income of Cameron County being \$41,200, many families make anywhere from \$20K-\$30K. Cost of living adjustments are due in workplaces; families should not have to spend more than 30% of their wages on rent. Spending more income on rent means less money for transportation, food, supplies, and other necessities.

THE MYTH OF AFFORDABILITY

According to the Texas A&M Real Estate Center, the Brownsville-Harlingen Metro is the least affordable in Texas. Much ink is spilt covering Austin or other urban centers with ever-increasing living costs, yet it is South Texas that is in dire need of attention. There is a myth of affordability that overlooks this region's median household income of \$48k. This, combined with the current median price of a starter home being \$166K, roughly 40% more than it was before the pandemic, has resulted in a freeze in first time buyers entering the market. Lastly, it is important to understand that there is no increase in supply on the horizon. Home construction is at standstill due to the frozen demand and a recent study pegged the Brownsville-Harlingen metro as seventh worst in the nation in housing underproduction.

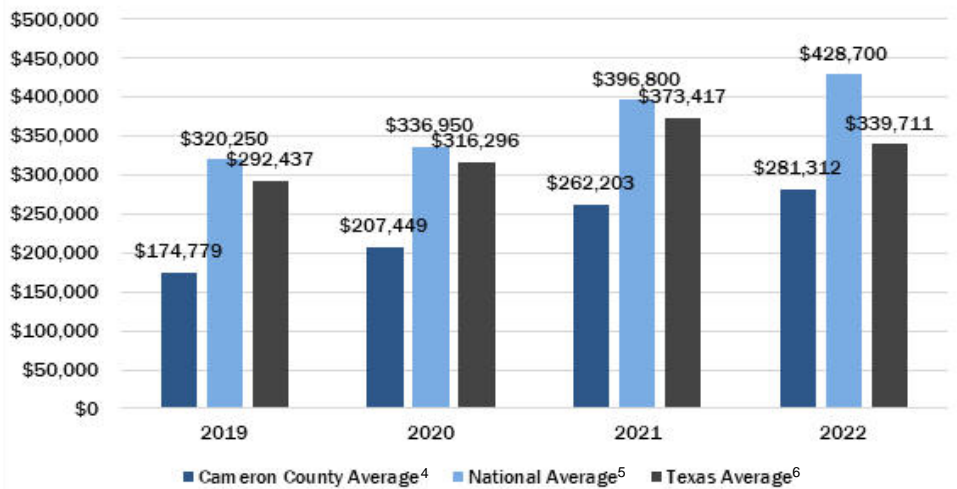
Affordable housing is more than a slogan: it's a call to ensure people not only have a place to live but that they also have the means to build generational wealth for their families.

None of these problems will solve themselves. What follows is an issues guide that offers solutions elected officials can advocate for to bring immediate relief to the families of Cameron County seeking access to homeownership and potential solutions to affordable housing in both the single-family and multifamily markets. cdc looks forward to being a resource and partner for any elected official seeking to take leadership in the current housing crisis.

Single-Family Housing Issues

Homeownership, Affordability, and Sustainability

AVERAGE HOME PRICE



For Cameron County & Texas Average: Texas A&M University Real Estate Research Center
National Average: St. Louis Federal Reserve Bank Economic Research

Median home prices rose dramatically from 2020-2021, at the height of the COVID-19 pandemic, more than any other year.

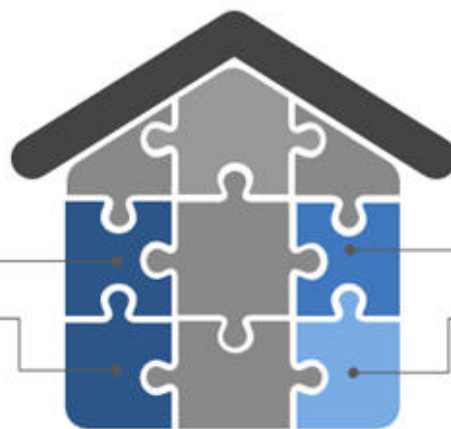
Cameron County is disproportionately affected by these price hikes as the county is one of persistent poverty.

- In 2021, the Brownsville-Harlingen MSA had a median price growth of 24.4%.
- The median price growth is the second highest in Texas, trailing behind the Austin-Round Rock Area
- Lack of units, supply chain issues, and the price of land are all factors negatively affecting the housing market in the RGV.

SINGLE-FAMILY ISSUES: POLICY RECOMMENDATIONS

Utilize public lands for housing construction of quality, affordable homes.

The CoB and Cameron County should offer down-payment assistance to potential low-to-moderate income homebuyers. A sizeable commitment would also stimulate the construction of more starter units.



Congress should revive the proposal of a Housing Supply Fund with funds designated to assist state and local government in constructing new homes.

Follow up inquiries on how to strengthen the Community Reinvestment Act with actions that create more liquidity and investment into persistent poverty counties.

BUILDING WEALTH THROUGH HOMEOWNERSHIP

Homeownership is key to building wealth. The cycle of rent and price hikes makes it difficult for a potential homebuyer to save money as their monthly payments do not give them anything but a roof over their head for another month or so. They do not get a tangible asset at the end of their lease because they are not paying to own. A lack of savings also leads to a multitude of issues if a household experiences a disruption in their income or in cases of lay-offs or a financial crisis, a financial devastation. This leads to failure to pay rent, which leads to eviction, which can lead to homelessness. This is the reality for many people who live paycheck-to-paycheck and are renters.

GENERATIONAL WEALTH AND INEQUALITY IN THE U.S.

Owning a home means securing an asset that can be passed down, creating generational wealth. This asset can be passed down to children, sold for a profit, or used as a rental property to build wealth through renting. A mortgage, as opposed to a renter's lease, is an investment into an asset that does not usually depreciate; housing is a necessity for everyone.

Access to affordable housing whether it is through renting or owning a home helps to bridge the wealth gap in the U.S. In addition to this, affordable and stable housing promotes social mobility in which a household is able to move up the socioeconomic ladder and into the median-income earning population.

HEALTH EFFECTS OF SUBSTANDARD HOUSING

Homeownership provides housing stability and quality housing for families and children. Housing instability and poor housing conditions negatively affect cognitive development in children and performance in school. Substandard air quality, a product of mold and asbestos, lead to health issues which disrupts the development of children. In both adults and children, substandard or insecure housing leads to "toxic stress" where living conditions affect their ability to sleep, leading to cognitive deficiencies. Adequate and stable housing affects every aspect of a person's well-being from their ability to sleep at night to their ability to find stable employment.

SOCIOECONOMIC EFFECTS OF AFFORDABLE HOUSING

According to the U.S. Interagency Council on Homelessness, access to affordable and stable housing reduces the likelihood of homelessness and has a positive effect on employment opportunities, performance in school, and cognitive development in children. Affordable housing development not only provides low-income families with stable, low-cost housing, but directly and indirectly creates jobs. The physical creation of these affordable housing units requires labor through construction and maintenance of the housing complex. Affordable housing bolsters the economy of the surrounding community through increased consumerism in a given area.

Multi-Family Housing Issues

Renting In Cameron County



Cameron County & Fair Market Price: Rent Data/Census
National: Statista

There is a shortage of mixed-income where rent prices are adjusted to each household's income. Market price rental units are too expensive for a single person, but many do not qualify for housing vouchers or income-restricted rent.

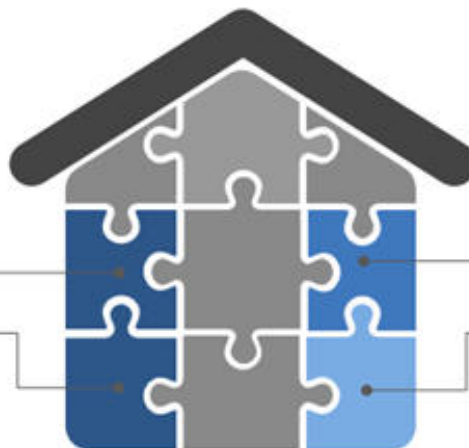
What is available is decades-old and lacks the security and amenities of modern apartment complexes.

- Renting is a stepping stone to homeownership, but this cannot be realized if the price of rent is too expensive or if someone lives paycheck to paycheck, which is common.
- Rental assistance for median-income earning households would ease the burden of rising rent prices.
- Mixed-income multi-family units promotes affordable, stable housing for everyone regardless of income.

MULTI-FAMILY ISSUES: POLICY RECOMMENDATIONS

Permanent rental assistance for low-to-moderate income households.

Expanded public policy, or "inclusionary zoning" that increases the availability of multi-family affordable housing units.



Increase in multi-family apartment complexes for low-to-moderate income families and individuals.

More investment in preexisting, outdated multi-family apartment complexes.

Resources

cdcb | come dream. come build.
901 E Levee St, Brownsville, TX 78520
www.cdcb.org
tel: (956) 541-4955

hacb | brownsville housing authority
2606 Boca Chica Blvd, Brownsville, TX 78521
www.hacb.us
tel: (956) 541-8315

hha | harlingen housing authority
219 E Jackson St, Harlingen, TX 78550
www.harlingenha.org
tel: (956) 423-2521

gnsh | good neighbor settlement home
1254 E Tyler St, Brownsville, TX 78520
www.goodneighborsettlement.org
tel: (956) 542-2368

