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A study of affordable housing in Brownsville, Texas: Challenges and opportunities

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*A Study of Affordable Housing
in Brownsville, Texas:
-Challenges and Opportunities-*



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CONDUCTED BY
**THE CROSS BORDER INSTITUTE FOR REGIONAL
DEVELOPMENT**

**THE UNIVERSITY OF TEXAS AT BROWNSVILLE AND TEXAS
SOUTHMOST COLLEGE**

FOR
**THE DEPARTMENT OF PLANNING AND COMMUNITY
DEVELOPMENT
CITY OF BROWNSVILLE**



Brownsville, Texas July 2004



*A STUDY OF AFFORDABLE HOUSING
IN BROWNSVILLE, TEXAS:
CHALLENGES AND OPPORTUNITIES*



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A CBIRD (Cross Border Institute for Regional Development)
The University of Texas at Brownsville and Texas Southmost College
Report

for

The City of Brownsville Planning Department and Community Development

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Table of Contents

	Page
Executive Summary	1
Section I. Introduction to the Study	3
Section II. Affordable Housing: A National Issue With Local Implications	8
Section III. The Regional Context: Affordable Housing on the Border, Cameron County and Brownsville	12
Section IV. City of Brownsville Housing Profile	17
Section V. Presentation of Survey Data	21
Section VI. Policy Perspectives, Insights, Challenges and Opportunities.....	35
Section VII. Data Collection and Analysis Methodology.....	41
Bibliography.....	I
Vitas.....	II

List of Tables

	Page
Table 1	11
Table 2	12
Table 3	13
Table 4	14
Table 5	15
Table 6	17
Table 7	18
Table 8	18
Table 9	18
Table 10	18
Table 11	19
Table 12	19
Table 13	19
Table 14	20
Table 15	21
Table 16	21
Table 17	21
Table 18	22
Table 19	22
Table 20	22
Table 21	23
Table 22	23
Table 23	23
Table 24	24
Table 25	24
Table 26	24
Table 27	24
Table 28	24
Table 29	25
Table 30	25
Table 31	25
Table 32	25
Table 33	25
Table 34	26
Table 35	26
Table 36	26

.....

List of Tables Continue....

	Page
Table 37 About Home Owners.....	28
Table 38 Brownsville New Residences.....	29
Table 39 Years living at present home.....	29
Table 40 Prior Residential Arrangements.....	29
Table 41 Why did you choose the subdivision.....	30
Table 42 Do you feel that you paid a fair price for the size of your house.....	30
Table 43 Do you know the interest rate for your home loan?.....	30
Table 44 Are your monthly mortgage payments affordable?.....	30
Table 45 How is the overall quality of you house?.....	31
Table 46 Was it difficult for you to buy your house?.....	31
Table 47 What was the major barrier you faced in purchasing your house?.....	31
Table 48 City of Brownsville New Residential Permits 2002-2003.....	32
Table 49 Perception of affordable housing in Brownsville.....	33

Graphs, Figures and Maps

		Page
Graph 1	Percent of People with Housing Problems and who lack Health Insurance by Income in the U.S. in 2001.....	9
Graph 2	Number of People with Housing Problems and Food Insecurity by Income-to-Poverty Ratio in the U.S. in 2001.....	9
Graph 3	Number of Low Income People with Housing Problems by Income segments in the U.s. in 2001.....	9
Graph 4	Number of Low Income People with Moderate Burden & and Severe Cost Burden by Income Segments in the U.S. in 2001.....	10
Graph 5	Minorities Account for Growing Share in the Home-Buying Market (New Homes).....	10
Graph 6	Minorities Account for Growing Share of the Home-Buying Market (Existing Homes).....	10
Graph 7	Median Household Income- Regional Comparison: 1998.....	13
Graph 8	TWC Unemployment Rates for Selected Cities.....	14
Graph 9	Population in Poverty, 1999. Rio Grande Valley and Balance of State.....	15
Graph 10	Household Size, 2000.....	17
Graph 11	Brownsville Building Permits (New Residences).....	29
Graph 12	Cameron County April 2004 Foreclosures.....	36
Figure 1	Affordable Housing Model.....	4
Map 1	Cameron County Map.....	12
Map 2	Residential Patterns of Non-home Owners.....	28
Map 3	Residential Preference of Non-home Owners.....	40

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The overriding charge from the Department of Planning and Community Development to CBIRD was to identify the issues impacting the development, availability and conditions of affordable housing in Brownsville. Of concern was whether there was a sufficient stock of affordable housing to meet the needs of the city burgeoning population. The CBIRD research team decided that in order to present the question within a context that it would first provide a national, regional and then local overview of the status of affordable housing and how it is being observed and evaluated by other researchers. Also, the 1997 report, *Bordering the Future*, from the Texas State Comptroller, served as a baseline for the various regional perspectives that appear throughout this report.

This report is one of the first that has been done on a local level that makes use of primary data that was generated through the use of extensive field based interviews by the research team. This primary data provided the researchers with a reference base to guide its use and analysis based on national findings from major housing research institutes. From such a point the team began to generate an accurate overview of housing in Brownsville. The key findings from this study may also be considered a baseline since no such data was found to exist at the local level as the research design unfolded.

The major findings of this study are provided in detail in Sections IV and V and focused policy perspectives and recommendations are delineated in the Summary Section for the consideration of the City of Brownsville. Among the most significant findings, out of a multitude of such are, the following:

- The concern of whether there is affordable housing in Brownsville is unfounded. There is sufficient affordable housing inventory and more being built to accommodate the city's needs for the next ten years.
- What should be of concern, to the city, is that there is in reality what one could consider "an affordable housing buying frenzy" in Brownsville. There is much interest in home ownership by non-homeowners and much is being done by both developers and the mortgage loan industry to accommodate this interest.
- Of concern to CBIRD is the way that affordable housing is being marketed and mortgage loan being made to a population that by all economic indicators is rather shaky in its financial stability. The question here is: Will new and recent homebuyers be able to maintain the mortgage payments and other financial burdens [insurance, maintenance, upkeep, taxes, etc.] when their familial income profiles are such that a forthcoming disaster may be waiting to happen?
- Research found and reiterated by CBIRD lead us to state that the Brownsville pool of potential homebuyers is comprised of very uninformed and misinformed families that have not being sufficiently educated or trained to fully understand the full measure of homeownership.
- The data leads CBIRD to state that neither the city nor the not-for-profit community is doing an adequate job of preparing their shared home buying constituencies to participate effectively in both the home buying and homeownership experience. An accompanying issue is whether these families will be able to maintain a housing debt burden of less than the recommended 30% if major catastrophic conditions were to emerge in their lives.
- The economic and social constructs of this community are such that it continues to demonstrate one of the most erratic employment trends of any major metropolitan area in this state and nation. Without a stable economic anchor, the catalyst to sustain an affordable housing construction mode may be in jeopardy in Brownsville.



- The research also found that while there is much current construction in Brownsville that the inner city portion of this community continues to receive little to scant attention from either for profit or not-for-profit developers. A possible outcome here may be that a ring of affordable housing may eventually surround Brownsville which encloses an inventory of decaying, substandard and dilapidated homes in the older neighborhoods of this city. The City is encouraged to revisit, review and update its strategic planning for neighborhood development which were set forth in the 1990's and which have been largely ignored in such locales as Buena Vida and the downtown area of Brownsville.
- The final observation, to be shared here, is the scarcity of a “social infrastructure plan” by which developers and the city’s leadership are providing each new sub-division with the appropriate, necessary and corresponding social services and facilities such as parks, fire substations, police sub-stations and emergency medical services. Field observations by CIBRD indicate an absence of these quality of life elements and which should be part and parcel of the booming affordable housing construction that is present in Brownsville at this point in time.

The purpose of this assessment was to identify the status quo of affordable housing stock in the city and to generate data to guide the city's policy planning and development of strategies to expand housing, which is either owned or rented, for low to moderate income residents.

The Cross Border Institute for Regional Development [CBIRD] was commissioned by the Department of Planning and Community Development of the City of Brownsville, Texas to conduct an assessment of affordable housing within the city limits of its governance jurisdiction. The purpose of this assessment was to identify the status quo of affordable housing stock in the city and to generate data to guide the city's policy planning and development of strategies to expand housing, which is either owned or rented, for low to moderate income residents. This study design [delineated further in the Data Collection and Methodology Section] was directed to explore and address the following items:

- The current social conditions: demographics, national, state and regional variables, immigration, economics, education, etc., that are impacting the demand for housing.
- The factors that are impacting and affecting home ownership.
- The geographic distribution of current housing construction.
- The identification of barriers to the participation of the "typical Brownsville resident" in the affordable housing market.
- The generation of data to provide policy recommendations to guide the city's ongoing strategies to provide affordable housing to all residents.

A guiding principle to this study is the use of a succinct definition of affordable housing as a reference point. In its 1997 report, *Bordering the Future*, the Texas State Comptroller provided the following definition of affordable housing as it addressed issues of development along the Texas-Mexico border. The definition is as follows:

"According to federal definitions, families lack safe, decent, affordable housing if they experience overcrowding, or house more than 1.5 people per room, have inadequate plumbing or kitchen facilities, or face excessive costs, which are considered more than 30 percent of household income for housing."

The American Housing Survey, as referenced by the National Low Income Housing Coalition (2004), found that there were 36,900,000 households in the United States (or 31% of the total of households) that had housing problems in 2001.

The researchers also found another variation to this definition from an affordable housing study that was conducted by the state of Florida's Alachua County Department of Growth Management. The add-on to the definition was, "the participation in federal or state programs that allow for a higher percentage of income to be devoted to rent or mortgage payments." This definition was used to guide the process by which the appropriate survey instruments were designed and guidance for this phase of the activity was obtained from Mr. Shawn Woodin, Senior Planner with Alachua County Florida's Affordable Housing Planning Team.

A needs assessment, by its very nature, is conducted to ascertain conditions or functions within an environment that an organization wants to address through policy based programmatic responses. In conducting an assessment, of a function within a municipality, in this instance affordable housing in Brownsville, one has to look at the big picture, i.e., the context [the environment]. The environment which affects affordable housing is very broad in scope and the researchers had to consider national, state, regional and local variables such as demographics, the flexible national and bi-national economy, migration, and the nature and character of the south Texas region and its proximity and close social, cultural, economic and political relationship to Mexico, specifically Brownsville's border twin city of Matamoros.

To guide its data collection CBIRD developed a series of selected questions and issues as focus items to hone in on those elements and others that require discovery. These items reflect the cumulative professional experience of the research team, prior CBIRD research efforts, and an understanding of those factors that impact housing as a critical variable in community development at all levels of the geographic spectrum: local, regional, state, national and binational. Field research and the development and use of survey instruments to gather data require the precursor training and experience in such projects. The CBIRD research teams has the demonstrated successful experience and track record in conducting the required scope of work [see attached vitas] to undertake the scope of work that is reflected in this study.

The cumulative experience and demonstrated research in addressing similar social constructs, such as affordable housing or neighborhood development, led the CBIRD research team to design a model which it believes provides a context to review and evaluate the issue at hand. This Affordable Housing Nexus Model [Figure 1] is similar to CBIRD's Environmental Scan Model which it used to evaluate the quality of life in the Buena Vida Barrio (2003). The Nexus Model represents those elements that the researchers purport as being necessary to describe factors that are evident in the environment and which are essential guides for studying affordable housing in this city.

Figure 1. Affordable Housing Nexus Model



As the research process unfolded the researchers used this model to develop the research design, to guide the research references, to develop the survey instruments and finally to guide the data analysis. CBIRD proposes that the continuous sustainability of affordable housing in Brownsville is impacted by these intervening dynamic variables that emerged from both its precursor work to set the research framework and from its analysis. These variables are as follows [in no particular order]:

1. **Social Infrastructure** represents those quality of life support services that provide for a community's sense of safety, well being and continuous development. These include parks, libraries, fire and police sub-stations, and emergency medical services.
2. **Environmental Stability** contains such items as quality of air, water and soil along with the necessary physical infrastructure such as sewage, drainage and flood control.
3. **Migration** is a reference to the inward and outward migration of individuals to

the community and whose presence or absence will be reflected in housing starts, marketing and related events such as media campaigns or mortgage lending practices.

4. **Community Development** reflects those activities that are undertaken as both policy and practice by a city or a not-for-profit agency to impact the quality of life of a community where residents work and live. Some of these functions and activities may include neighborhood centers, family outreach, after school programs or day care which supplements the inter-family support system that is present here on the border.
5. **Mortgage Lending** as an intervening variable reflects all of the different home loans financing strategies that are being used by this industry to get the potential pool of home buyers into a home.
6. **Strategic Vision** refers to shared and collaborated events that reflect a process that tells all stakeholders that the public policy brokers, mortgage lenders and not-for-profit agencies/organizations share a common road map for what affordable housing is, should be, must be or can be in response to the shared clientele.
7. **Strategic Planning** is the end and ongoing product and process of the vision and reflects an understanding of the public and private agencies of their capacity to act on those priority items that emerge from data and which compete for limited resources. In many ways, a good strategic plan reflects an organization's appreciation of what it should not be doing and also for how it has chosen to address the challenges and opportunities to respond to the needs of its community.
8. **Leadership Development** is a evident process by which the homeowners become vested stakeholders of the quality of life of their communities through a learning process by which become their own best advocates and which may result in homeowner association to speak before governance oversight bodies on commonly shared issues and concerns.
9. **Advocacy** refers to the process by which a data based position is both developed and presented before vested interests such as developers, mortgage lenders, governmental oversight agencies or government agencies at large.
10. **Educational Development** is the acquisition of resources of all types by which both home owners and future homeowners become aware, informed and sophisticated about the essential elements of homeownership which extend beyond the closing experience at the title company.
11. **Infrastructure Development** is a reference to the investment in and construction of highways, roadways, curbs, sewage, lighting and such that connect and anchor all ongoing residential development to a certain traffic core. It goes beyond these typical items to include utilities, water pumping stations, recreational outlets and of course those construction projects that are undertaken by the private sector such as malls and shopping outlets.
12. **Economic Stability** is a reference to a key element in the sustainability mix in that a working and investing community is a linchpin to a sustainable affordable housing market which is financed through mortgage lenders.
13. **Residential Development** refers to both construction that is undertaken on pristine land which is platted and all infield construction [streets, sidewalks, curbs, etc.] is begun at the onset or to construction which seeks to recover disenfranchised communities which are residing in substandard, dilapidated or even condemned properties.

If these variables are vibrant and inter-connected, a continuous framework is developed that will lead to a stable environment which nurtures and encourage affordable housing in Brownsville. A continuous outcome of this model is that a collaborating environment is set in motion that reflects both a shared vision and commitment by all vested stakeholders to the life of the total community.

Francis Fukuyama, in his treatise on world economic prosperity, **Trust** (1995) states that, “economists assert that one can know what is useful only by what people reveal to be useful by their choices-hence the concept of *revealed preference*.” This research study was undertaken, in part, to obtain and generate data by which residents of Brownsville could reveal their preferences about affordable housing. The following are those priority focus issues/questions that the CBIRD research team chose as the means to reveal these preferences and to address its data collection and analysis as the conduit to respond to the city’s charge:

- What does “affordable housing” mean in Brownsville?
- Is there affordable housing in Brownsville?
- What factors define the nature of affordable housing in Brownsville?
- What are the demographic and geographic factors that impact the development of affordable housing in Brownsville?
- What economic factors have impacted, are impacting and will continue to impact the stock of affordable housing in Brownsville?
- Who is constructing affordable housing in Brownsville?
- What type of housing can Brownsville residents afford to rent or own in relation to their economic wherewithal?
- Where has affordable housing been constructed in Brownsville and is there a correlation between these housing stocks and the needs of families that are residing in substandard or dilapidated housing?
- Where affordable housing should be constructed in Brownsville and what factors dictate that consideration?
- What are the distinct and shared roles of the City of Brownsville’s administration and elected officials, the private sector: banks, finance and mortgage companies and non-profit agencies in the development and implementation of an affordable housing strategy for this community?
- What are the expectations of international immigrants and intra-state and out of state migrants to this city for housing and how will their expectation determine the development of affordable housing in Brownsville?
- What is the age of the housing stock in Brownsville and how much of it is affordable or in need of modifications to make it affordable?
- How have Community Development Block Grant resources been used to develop and expand the quality and quantity of affordable housing stocks in Brownsville and in what locales have these expenditures taken place?
- How many affordable residences, both single and multi-family, have been constructed and sold or rented to families or individuals in economic distress?
- From the perspectives of the various stakeholders, what are the most important housing challenges facing this community over the next five to ten years?
- What are the critical barriers to successfully meeting the challenges for affordable housing in Brownsville, Texas?
- What are the alternative ways to overcome these barriers and which are most suitable for this community?
- How many Brownsville residents are eligible for Section 8 Housing but unavailable to rent such properties due to the level of qualified and certified housing stock as defined by HUD criteria?
- What are the barriers to affordable housing?
- What has been the impact of federal funds on affordable housing in Brownsville?

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There was one key item of interest to the research team that could not be attended to during the time frame of the study. This item was the guiding vision that is shared by the city's commissioners and mayor about affordable housing in Brownsville. The spring of 2004 was the political season for nearly every elected governmental position in this region and the necessary time and conflicting demands on the schedule of the city leaders impeded their full participation. This item may be addressed later in the summer through small focus group interviews with the commissioners and mayor. The research team was only able to schedule sufficient time for interviews with two commissioners before it had to begin its analysis.

Affordable housing is being addressed by the City of Brownsville at a time that this issue is of concern to two prominent housing policy research national organizations: Harvard University's Joint Center for Housing Studies (2003) and the National Low Income Housing Coalition (2004).

Affordable housing is being addressed by the City of Brownsville at a time that this issue is of concern to two prominent housing policy research national organizations: Harvard University's Joint Center for Housing Studies (2003) and the National Low Income Housing Coalition (2004). Both of these institutions have completed recent studies that provide housing data and policy perspectives that closely relate to those of concern to the City of Brownsville and the Cross Border Institute for Regional Development. It is imperative that the data from these two studies be delineated in this study. **America's Neighbors: The Affordable Housing Crisis and the People it Affects** by the National Low Income Housing Coalition (2004) and Harvard's 2003 report, **The State of the Nation's Housing** provided a solid reference guide to CBIRD. Harvard sets forth an optimistic forecast that the national housing market is, "well positioned for another solid decade" while also sounding a cautionary overtone when it states, "that both low and moderate income households will continue to have difficulty finding affordable housing. This is the critical concern to the City of Brownsville and which CBIRD will describe in succinct terms in this report.

The National Low Income Housing Coalition provides data that, to an extent, underscores Harvard's cautionary forecast. Among the issues that it set forth, which are reflected in microcosm at the state, and regional level of many of the fifty states include the following:

- 95 million people, one third of the nation, had housing problems [high cost burden, overcrowding, poor quality, or homelessness] in 2001.
- 65 million people with housing problems are low income as defined by the aforementioned federal criteria. This low income cohort makes up 24% of the U.S. population and two-third of the individuals with housing problems.
- 78% of extremely low income people (household income at or less than 30% of the area median) have housing problems or 23 million people which equals to 8.6% of the U.S. population.
- Housing cost burden is the most frequently experienced housing problem in that 87% of low income people with

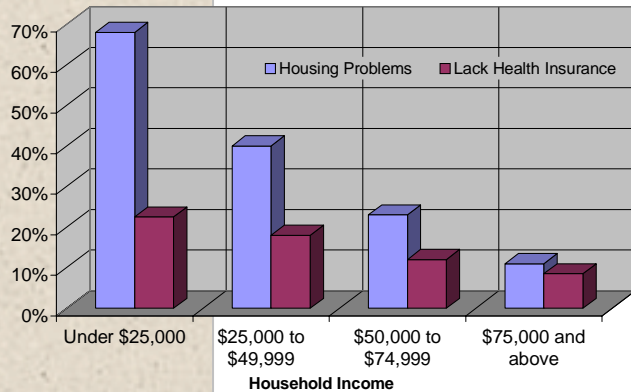
this problem have a high housing cost burden.

- Homeownership does not insulate low income people from housing problems. There are 30.2 million low income people with housing problems in owner households, while 33.7 million low income people with housing problems live in houses that are rented.
- While children make up 29% of all low income people, 32% of the low income people with housing problems are children. Children tend to be over-represented among extremely low income people with severe housing cost burdens.

There are also other corollary issues to consider here as they impact Brownsville's citizens. The Homeless Coalition puts forth a proposition which must be considered here and that is, "the lack of health insurance, food insecurity and housing problems are interrelated. In Graph 1 and 2 the data demonstrate that there is a relationship between income, the absence of health insurance and food insecurity to housing problems among those individuals having median family income under \$50,000. The four counties of south Texas have one of the highest percentage of families without health insurance, the highest participation of school children in the free breakfast and lunch school programs and one of the highest poverty rates in the nation (Henneberger, 2001., CBIRD, 2003) These intervening factors and their implications for affordable housing development and its sustainability need to be continually evaluated by public policy brokers as they consider the future of housing in this region and municipality.

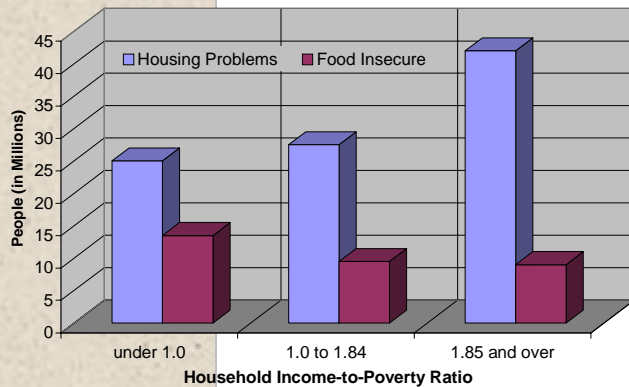
Section II. Affordable Housing: A National Issue with Local Implications

Graph 1. Percent of People With Housing Problems and Who Lack Health Insurance by Income in the U.S. in 2001



Source: Harvard University - The State of the Nation's Housing, 2003

Graph 2. Number of People With Housing Problems and Food Insecurity by Income-to-Poverty Ratio in the U.S. in 2001



Source: Harvard University - The State of the Nation's Housing, 2003

of the nation's most deprived region when measured against the standard social indicators which measure development [economic stability, education, health, and leadership]. The data, as represented in Graph 2 presents another way of evaluating the situation from CBIRD's benchmarking study.

The data represented in Graph 3 also provides a mirror image of potential local problems, in the housing market, that could emerge in this

CBIRD (2003) provided data in its benchmarking of Cameron County and Matamoros that presented a composite of a region in distress due to its ranking as one of the nation's most deprived region when measured against the standard social indicators which measure development [economic stability, education, health, and leadership].

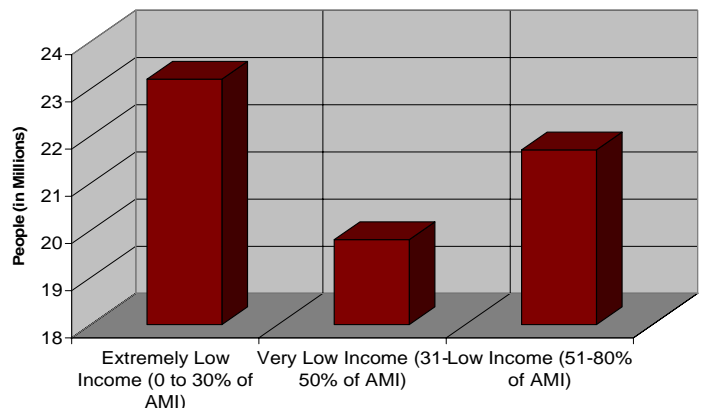
city if poverty rates persist. The impact of poverty as a persistent negative impediment to the upward progression of low income homeowners is a national concern which merits local assessment. These data show that 35.9% of individuals with extremely low income (23,200,000), from 31% to 50% of those with very low income (19,800,000) and low income (51%

to 80%) or 21,700,00 will have persistent problems in maintaining their homeownership status.

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The impact of poverty, as a persistent negative impediment to the upward progression of low income homeowners, is a national concern which merits local assessment. CBIRD (2003) provided data in its benchmarking of Cameron County and Matamoros that presented a composite of a region in distress due to its ranking as one

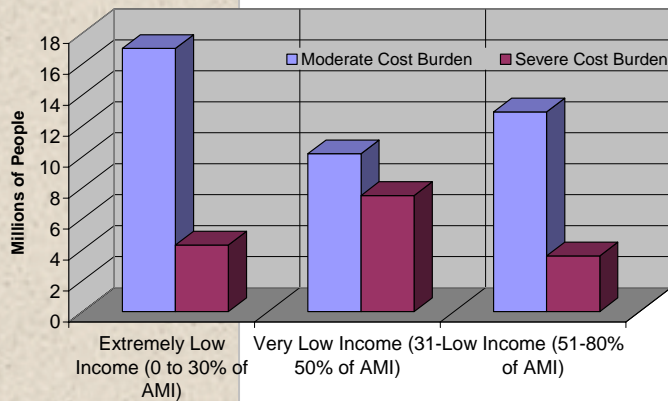
Graph 3. Number of Low Income People with Housing Problems by Income Segments in the U.S. in 2001



Source: National Low Income Housing Coalition, 2004.

Section II. Affordable Housing: A National Issue with Local Implications

Graph 4. Number of Low Income People with Moderate Cost Burden and Severe Cost Burden by Income Segments in the U.S. in 2001



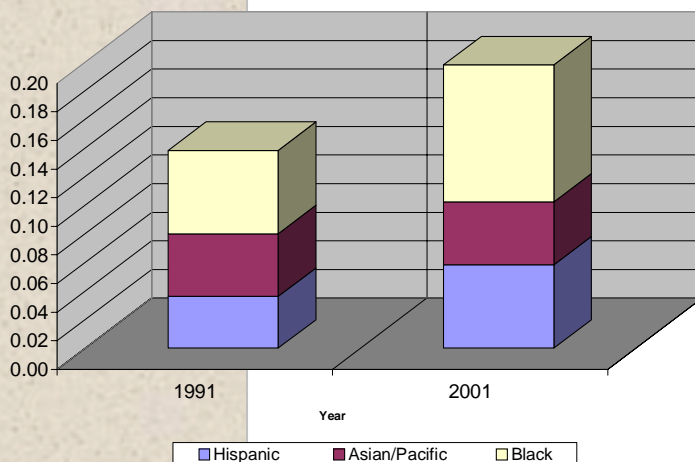
Source: Harvard University - The State of the Nation's Housing, 2003

Immigrants are expected to contribute more than one-quarter of this net increase and [ethnic] minorities fully two-thirds. The growing influence of minorities on housing markets was already evident in 2001, when they accounted for 32 percent of recent first time buyers and 42 percent of all renters.” (Harvard, 2003)

Both the Harvard and Housing Coalition studies agree on the fact that, “the most prevalent housing problem is housing cost burden” which occurs when a family is spending over 30% of its net income on housing [mortgage, insurance, taxes, utilities and maintenance]. The supporting data for this issue is contained in Graph 4. Simply put, the lower a household income is, the greater are its risk of having a severe cost burden to maintain homeownership.

The Harvard study puts forth two issues which have local serious implications for how the

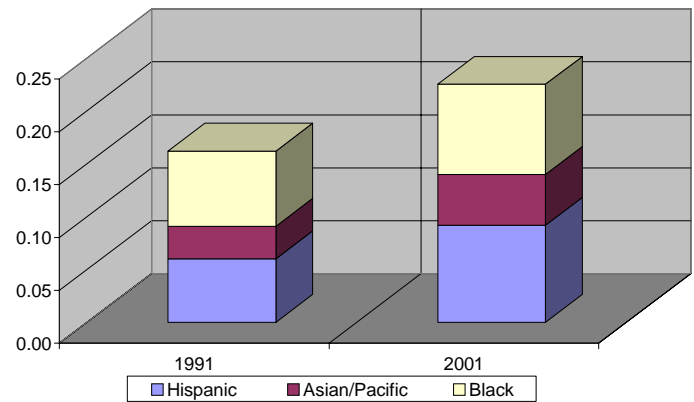
Graph 5. Minorities Account for a Growing Share of the Home-Buying Market (Percent of Buyers for New Homes)



City of Brownsville and the home mortgage and financing industries may have to respond to within the economic context of this region. These two issues are:

- First, is the growing number of loans with weak credit histories to borrowers who ten years ago were denied access to credit and which may result in an increase in both default and foreclosure rates.
- The second serious risk factor may be the

Graph 6. Minorities Account for a Growing Share of the Home-Buying Market (Percent of Buyers for Existing Homes)



Source: Harvard University - The State of the Nation's Housing, 2003

serious and dramatic jump in the number of homeowners spending more than 30% of their income on housing related costs.

The Harvard and Housing Coalition studies share similar outlooks on other challenges and opportunities for affordable housing. Of particular note is the following statement from Harvard:

“Household growth, the primary driver of housing demand, may well exceed 12 million between 2000 and 2010. Immigrants are expected to contribute more than one-quarter of this net increase and [ethnic] minorities fully two-thirds. The growing influence of minorities on housing markets was already evident in 2001, when they accounted for 32 percent of recent first time buyers and 42 percent of all renters.” (Harvard, 2003)

The data in both Graphs 5 and 6 show that ethnic minorities will account for 19.8% of new home purchases and 22.5% of the purchasing of existing properties on the market.

When this house buying forecast is matched with the demographic data in Table 1, which reflects an increase in the minority population's share of the age tiers under age 65, it is obvious that these populations will be a force to consider in the economy which is strongly anchored to home building.

Table 1. The Minority Share of Households Will Increase Across All Age Groups

Age Group	2000	2010	2020
Under Age 35	32.60%	36.40%	39.90%
Age 35-44	28.10%	34.80%	38.30%
Age 45-54	23.90%	29.00%	35.70%
Age 55-64	21.50%	24.10%	28.80%
Age 65 and Over	15.40%	18.70%	21.60%

Source: The State of the Nation's Housing, 2003

This data also show [Table 1] that minority populations will comprise 71.2% of the under-44 years of age cohorts and only 18.7% of the retirement age tier in 2010. Essentially this means that the ethnic minorities, if their economic capacity continues to expand, will be in the home buying market well into 2020 and beyond.

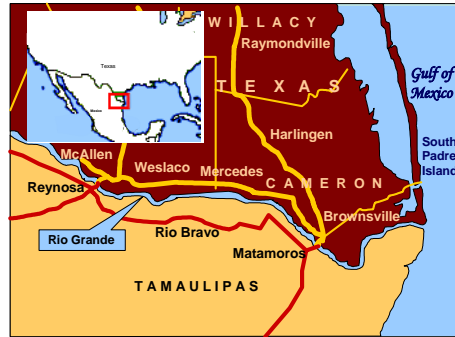
These observations and forecasts are significant in that in a community, such as Brownsville, where Mexican-Americans and immigrants comprise over 90% of the population, the impact will be observable and its outcomes measurable by the local stakeholders in the regional economy. Of significant is the corresponding forecast by Harvard that, "minorities are on track to add 7.5 million households between 2000 and 2010 and another 7.8 million between 2010 and 2020." Again, the overwhelming ethnic demographic composition of Brownsville will be fuel for this growth.

Section III. The Regional Context: Affordable Housing on the Border, Cameron County and Brownsville

The South Texas region where the city of Brownsville is located is by all indicators one of the most socially deprived in the United States.

In the previously cited report, *Bordering the Future*, the following observation is made about housing and the corollary issues that were considered by CBIRD as it undertook this study:

Map 1. Cameron County Map



Source: CBIRD, UTB/TSC, 2004

Brownsville is the county seat of Cameron County and along, with its neighboring county, Hidalgo, has been identified as being at the bottom of the social indices that measure community capacity. [Table 2]

“The Texas Border region is in the throes of a housing crisis. Only one house is built for every two that are needed. Some 400,000 residents--nearly one in three Border workers--earn less than what it takes to afford a house or apartment, compared to one in seven non-Border workers. State housing programs have not filled the gap, because they typically lend residents funds to buy homes they could not otherwise afford, instead of promoting construction of homes workers can afford on their own. Government-funded housing programs focus on families in extraordinarily difficult circumstances, whether along the U.S.-Mexico border or in Dallas, Lubbock, or San Antonio. Rapid population growth, lagging wages compared to the cost of housing, and the shortage of innovative approaches all contribute to the dilemma.

Opportunities are emerging, however, for tangible gains based on the simple idea of building truly affordable housing. The alternative--a Border region where more and more residents lack safe, decent, affordable homes--is unacceptable. Affordable housing has been hard to come by in the Border region mainly because the rapidly growing population remains poor. From 1995 to 2020, the area's population is expected to increase by almost 60 percent, from 4 million to 6.3 million. And the poverty rate--more than 29 percent in 1993 compared to 20 percent for the state--is not expected to fall significantly any time soon.”

While these conditions were rather glaring in 1997, the data from this report will show that there have been some changes in the housing situation in Brownsville and will identify those factors that are driving this change. The data that follows show that some of the economic and demographic shifts have come to be, some have been modified and some, to this region's continued disenfranchisement, have remained constant, on the downside.

Table 2 - National Rankings: U.S. Counties (Population over 250,000 – 220 Total)

	Cameron	Hidalgo
Poverty Rankings		
Percent of People Below Poverty Level	1	2
Percent under 18 below Poverty Level	1	3
Percent 65+ Below Poverty Level	2	1
Education Rankings		
Less Than a High School Diploma	2	1
Percent of High School Graduate or Higher	219	220
Percent of People with a Bachelor's Degree or More	212	217
Economy Rankings		
Percent in Labor Force	219	220
Median Household Income	220	218
Median Family Income	220	219
Median Value	218	219
Other Related Issues		
Fertility of Unmarried Women: All women with Birth	134	182
Fertility: Rate per 1,000 Women 15 to 19 Years Old	44	1
Percent of Children Under 6 with All Parents in Work Force	220	219
Speaking a Language Other than English	2	1
Speaking Spanish at Home	2	1
Percent Owner-Occupied Housing Units	114	179
Median Monthly Housing Cost for Renters	219	220
Median Monthly Housing Cost for Mortgaged Owners	219	217

Source: CBIRD Cameron County/Matamoros At the Crossroads, 2003

Section III. The Regional Context: Affordable Housing on the Border, Cameron County and Brownsville

While the balance of Texas's population grew at a 23% rate from 1990 to 2000, Cameron County's population increased at a 29% rate and Brownsville's population increased at a 41% rate

The following admonishment of the Texas Comptroller from 1997 has to be considered as one looks at the regional data. This observation was that, "It might seem obvious that surging growth and poverty explain the widespread failure of residents to buy or rent quality housing. But such a simplistic assessment overlooks other key factors." These factors are described in the data analysis section of this report.

As previously noted, there has been tremendous population growth in this region and nowhere is this more evident than in Cameron County, Brownsville and its Mexican sister city of Matamoros. While the balance of Texas's population grew at a 23% rate from 1990 to 2000, Cameron County's population increased at a 29% rate and Brownsville's population increased at a 41% rate [Table 3]. The data also show that Matamoros also has a tremendous demographic shift at a 38% rate, a rate greater than the balance of its parent state of Tamaulipas which grew at a 22% rate.

- An increase of both its documented and undocumented Mexican residents since it is a major point of entry to the United States.
- An increase in intra-state migration as more American citizens relocate to this region to work or to retire and these populations are coming with expectations for support services that were the norm in their former place of residence.
- The city is experiencing demands on both its social and physical infrastructure as more stress is placed on its health, welfare, educational, and recreational resources as well as on its transportation system, utilities, and the very bridges that are used to cross the border.
- An increase in crime which places more demands on local, state and federal law enforcement and judicial systems.
- A need for the development of a complementary social infrastructure (health clinics, neighborhood centers, family development sites, libraries, fire and police substations) in close proximity to an increased demands for housing which has resulted in new subdivisions that now occupy land that was listed as agricultural or vacant space in the 2000 census.

Table 3. Population Change (1990, 2000, 2002)

	1990	2000	2002	1990 - 2000 Growth	1990-2000 % Changed	2000 - 2002 Growth	2000-2002 % Changed
Cameron County	260,120	335,227	353,561	75,107	29%	18,334	5.20%
Brownsville	98,962	139,722	150,425	40,760	41%	10,703	7.70%
Matamoros	303,293	418,141	n/a	114,848	38%	n/a	n/a

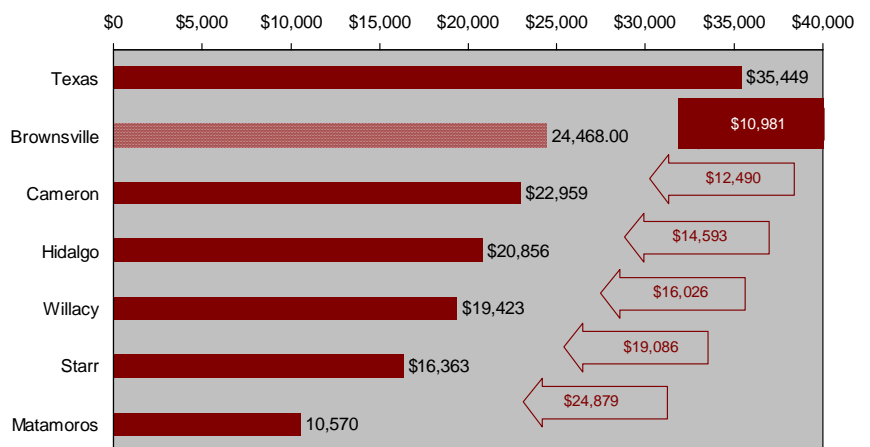
Source: U.S. Census Bureau, 1990, 2000 and July 1 2002 estimates; Mexico INEGI 2000

While the economy of this region appears to be on the rise, it is not evident from the data that gauges median family income [Graph 7]. Cameron County and Brownsville still lag behind the state median income of \$35,449 by a nearly \$15,000 to \$12,500 gap. Matamoros has a rather low median income of \$10,570

This demographic growth has many implications for Brownsville, among those being:

While the economy of this region appears to be on the rise, it is not evident from the data that gauges median family income [Tables 7]. Cameron County and Brownsville still lag behind the state median income of \$35,449 by a nearly \$15,000 to \$12,500 gap.

Graph 7. Median Household Income-Regional Comparison: 1998



Source: CBIRD. Cameron County and Matamoros Benchmarking Study, 2002

Section III. The Regional Context: Affordable Housing on the Border, Cameron County and Brownsville

which provide an incentive for Mexican citizens to work in low paying jobs as day laborers, housekeepers, landscapers and in the food processing industry as well as in the construction industry in Brownsville and its surrounding communities. What can be stated here is that this region's median family income has consistently stayed at between 35% to 45% less than that of the balance of Texas.

The binational region is one which is rather erratic in its economic behavior as reflected by its earnings and unemployment profiles. This region has been susceptible to the closing of several garment manufacturing plants and also to the downturn of the Malquiladora industry [Federal Reserve Bank, 2003]. Of concern here is that this economy is one which will impact the housing market since many Brownsville and South Texas residents rely on a binational economy to sustain their household median income. Also, the relocation of Malquiladoras to Asia may have repercussions for an already expanding Northern Mexico population which was drawn to the border for employment in Malquiladoras and which may become part of a demographic overflow to Texas. This overflow may contribute to an already volatile immigration issue that is having significant international repercussions for both the Fox and Bush administrations.

The most recent quarterly report [January to March, 2004.

When one considers poverty as the key indicator of a community's vitality and capacity, then it appears that Brownsville, as well as the balance the Rio Grande Valley, is at risk.

[Graph 8 and Table 4] from the Texas Workforce Commission, (TWC) presents an economic scenario which conveys an unemployment rate that is highest in the state. The researchers have collated data that

presents the quarterly averages for the January, 2002 to January, 2004 span and it shows that Brownsville has consistently led the state and other border cities in unemployment.

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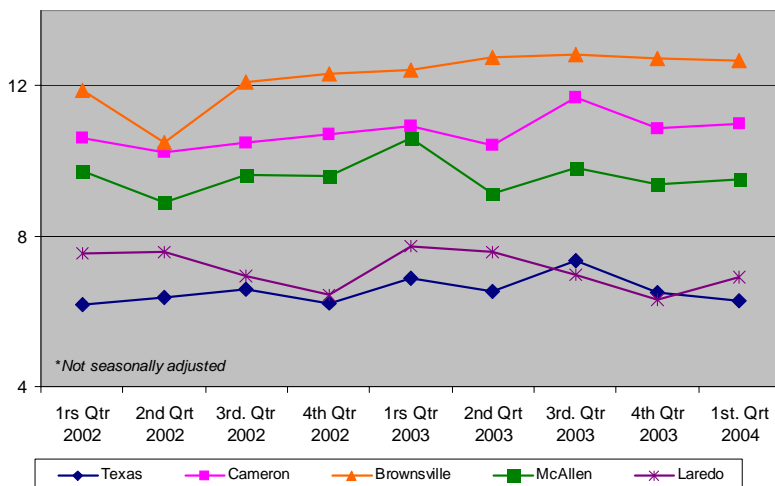
Table 4. TWC Unemployment for Selected Cities

	Texas	Cameron	Selected Border Cities		
			Brownsville	McAllen	Laredo
1st Qtr 2004	6.27	11	12.67	9.5	6.9
1st Qtr 2003	6.87	10.93	12.43	10.6	7.73
2nd Qtr 2003	6.53	10.43	12.77	9.13	7.57
3rd Qtr 2003	7.37	11.7	12.83	9.83	6.97
4th Qtr 2003	6.5	10.87	12.73	9.37	6.3
1rs Qtr 2002	6.17	10.6	11.87	9.73	7.53
2nd Qtr 2002	6.37	10.23	10.5	8.9	7.57
3rd Qtr 2002	6.6	10.5	12.1	9.63	6.93
4th Qtr 2002	6.2	10.7	12.33	9.6	6.43

(Not Seasonally Adjusted)
Source: Texas Workforce Commission, Tx Labor Market Info., 2004

CBIRD's data assessment is disconcerting and one which it wishes to share with the city's policy stakeholders, the construction industry and the mortgage industry. The erratic Brownsville economy should send up warning flags since home buyers may be in vulnerable employment situations that do not offer long-term security and put their homeownership at peril. Table 5 data show that 61% of this MSA working population is not able to afford a two bedroom house. If the economy does not offer a stable and consistent wage base for potential buyers or recent homeowners then the housing market may also start to behave erratically. The outcomes may include an expanded foreclosure rate, vacant properties, and a diminished inventory for taxing purposes.

Graph 8. TWC Unemployment Rates for Selected Cities



Source: Texas Workforce Commission, Texas Labor Market Information, 2004

Data from Graph 9 show that this is one of the most impoverished areas in the United States. The poverty rate in Brownsville is almost

Section III. The Regional Context: Affordable Housing on the Border, Cameron County and Brownsville

identical to that of Cameron county and Willacy and almost as high as that of Hidalgo county. When one considers poverty as the key indicator of a community's vitality and capacity, then it appears that Brownsville, as

The data from the Border Coalition [Table 5] show that it is not high housing costs that have been causing the housing affordability problems along the Texas-Mexico but rather the low household incomes in this region. The data from the field surveys and feedback from mortgage lenders and bankers will shed some light on this situation in the data analysis section of this report. There is another issue to consider here and that is the use of alternative housing construction to multiple family apartments which are the norm in large urban centers such as Dallas, Houston and Dallas. Such an option may result in more property development issues and crowding than this community is ready or willing to respond to. If housing stock is not available in sufficient amounts then a new generation of permanent or very mobile renters such as those present in the Buena Vida Barrio may begin to emerge in Brownsville.

Table 5: Housing Affordability on the Texas Border (1999)

	Texas	Brownsville, Harlingen & San Benito	El Paso	Laredo	McAllen, Edinburg & Mission
Median renter income	\$26,117	\$17,046	\$20,708	\$19,086	\$17,980
1 Bed Room FMR*	\$433/mo.	\$408/mo.	\$426/mo.	\$354/mo.	\$369/mo.
2 Bed Room FMR*	\$556/mo.	\$510/mo.	\$505/mo.	\$465/mo.	\$423/mo.
Annual Income needed to afford 1Bed Room	\$17,314	\$16,320	\$17,040	\$14,160	\$14,760
	\$10.16/hr.	\$7.85/hr.	\$8.19/hr.	\$6.81/hr.	\$7.10/hr.
Annual Income needed to afford 2 Bed Room	\$22,234	\$20,400	\$20,200	\$18,600	\$16,920
	\$10.69/hr.	\$9.81/hr.	\$9.71/hr.	\$8.94/hr.	\$8.13/hr.
% unable to afford 1BR	34%	48%	42%	38%	42%
% unable to afford 2BR	42%	61%	48%	48%	47%

* Note: Fair Market Rental

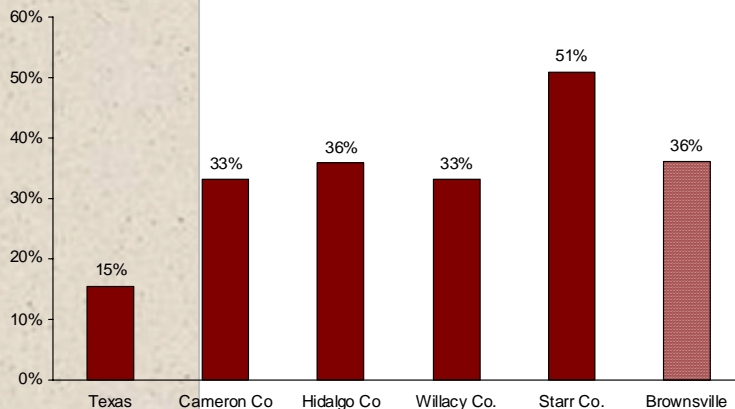
Source: Border Low Income Housing Coalition Website: <http://www.bordercoalition.org/>

well as the balance the Rio Grande Valley, is at risk. The risk here is to this city's tax base capacity and its ability to fund the corresponding social infrastructure that will be necessary to sustain a vibrant housing market. The key to economic development along the Texas-Mexico border, according to John Henneberger (2000) is to create wealth that can filter down to encompass the lower tier of the economic strata. He refers to this dynamic, "as an "autocorrect" which may be brought on by market forces as the growing border economy prompts wealth to filter down into the community."

The data in Table 5 also demonstrate that border cities have rent rates that are much lower than those of the balance of the state as normed to HUD's Fair Market Rental Index [FMR]. These rents, while lower, according to the Border Coalition are still too high if the renter were to consider paying the same monthly rate for a mortgage of a similar size of accommodations. The data also indicates that the Brownsville, Harlingen and San Benito MSA has a tendency to be less affordable than the balance of the border MSA's. It appears that 61% of Brownsville residents can not afford to purchase a two bedroom house and 48% can not afford a one bedroom residence. Older homes that could be for sale in the inner city, such as Buena Vida, present another problem in that many lack plumbing or updated electrical utilities and a large percentage are substandard or dilapidated.

Another observation, from previous CBIRD research [The Buena Vida Barrio, 2003], is the absence of any single or even multiple family construction in what could be considered the inner city of Brownsville. The city of Brownsville emphasized the area which borders downtown and encompasses the Buena Vida barrio as a distressed neighborhood in need of housing. This situation was a focused action item of its HUD Enterprise Strategic Plan in 1994 yet to-date,

Graph 9. Population in Poverty, 1999. Rio Grande Valley and Balance of State



Source: CBIRD. Cameron County and Matamoros Benchmarking Study, 2002.

Section III. The Regional Context: Affordable Housing on the Border, Cameron County and Brownsville

little and next to nothing in terms of inner city construction has been actualized.

CBIRD's Buena Vida Barrio (2003) data and its subsequent analysis showed an area where much infrastructure investment has already been made by the city and where there are sufficient vacant lots for the construction of single family dwellings. The emphasis of recent construction appears to be on land on the parameters of the city where pristine vacant property can be platted in a contiguous format for what must be easier development. Also, the absence of a significant number of CDC's or Community Development Corporation or Community Based Organizations [CBO's] in Brownsville has resulted in a scarcity of options to generate a catalyst for inner city development.

Without a significant number of 501C-3 agencies or other not-for-profit agencies there will be little competition for the city's HUD Community Development Block Grant allocation. If such a situation continues then there may be little, if any, motivation to redirect or direct any construction efforts toward Brownsville's inner city's housing and residential stock which is in various stages of deterioration. CBIRD has referred to this area as a pseudo inner city colonia in which the renters have no hope of owning the dilapidated and sub-standard houses that they live in. This inner city area may be ripe for designation as TIRZ-Tax Investment Redevelopment Zone as one option for the city to consider for its development if a developer with sufficient financial wherewithal is willing to undertake such a venture in collaboration with the city and other interested parties.

The policy challenge here for municipal and county governments as well as all levels of education, and non-profit agencies in Cameron county and specifically in Brownsville is to articulate a data based economic and housing development plan which reflects a collaboration among both public and private sector stakeholders. There is no evidence of such a reference document or a shared vision

for regional development that will sustain a long term economy which can support an increasing demand for affordable housing. Another action item to consider here is the implementation of a cluster type of analysis which covers all elements of this community which contribute and impact its social well being. At present there is no community action plan that is based on a focused assessment of Brownsville's assets, challenges and opportunities to respond in a timely manner to the many demands it will face to serve the affordable housing needs of a growing population. This is a population core which has been shown to be at risk and in need of a support services network to ensure its continued viability in the binational economy.

The policy challenge here for municipal and county governments as well as all levels of education, and non-profit agencies in Cameron county and specifically in Brownsville is to articulate a data based economic and housing and development plan which reflects a collaboration among both public and private sector stakeholders.

Section IV. City of Brownsville Housing Profile

The present construction boom will add more houses to be taxed but if the rate from 2000 remains constant then the gross collected taxes will remain stagnant while the demands for infrastructure, police and fire protection as well as emergency medical services increase as new residents migrate to this region and occupy these houses.

In this section an overview of Brownsville's housing characteristics will be provided as a precursor to the data analysis and review which will follow in section V of this study. What is evident in the data from Graph 10 is that Brownsville and Cameron County continue to deviate from the state as has been demonstrated in prior data. The balance of the state has more household (+30%) with only two occupants while Cameron County has only 25% and Brownsville has only 20% of households with only two occupants. It is in the three occupants per household that the balance of the state, Cameron County and Brownsville have identical percentage of about 17%. The household size for both Cameron County and Brownsville is at a higher concentration at the four occupants (17% for the County and 19% for the City) while the state average number of occupants per household starts to decline with four occupants being the highest (15%) and less than 5% in the six or seven occupant tier. What the data show is that Brownsville has a higher concentration of occupants per household than the balance of the state or of Cameron County.

In Table 6, which provides data of the date that residences were constructed, the researchers decided to use 1990 the benchmark as for analysis. This benchmark allows a review of those structures that have been constructed and occupied since the 1990 census which is the most often used point of reference for the 2000 census. The data show that there are less

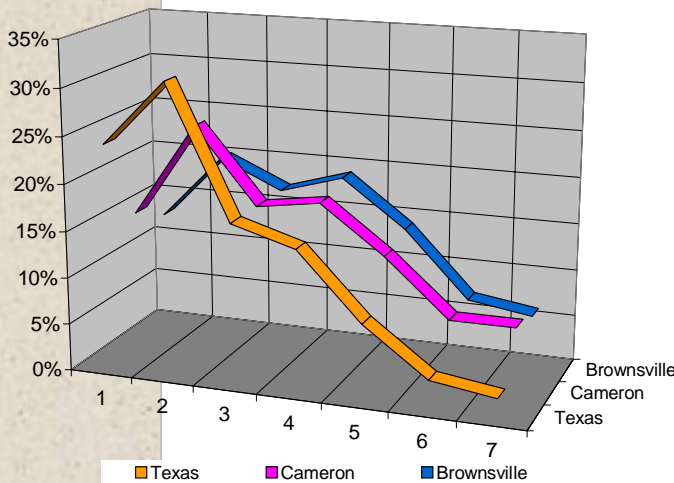
Table 6. Structure Built Tenure

	Texas		Cameron		Brownsville	
	Number	%	Number	%	Number	%
Total:	7,393,354	100%	97,267	100%	38,224	100%
Owner occupied:	4,717,294	64%	65,854	68%	23,453	61%
Built 1999 to March 2000	173,778	2%	2,816	3%	946	2%
Built 1995 to 1998	528,071	7%	8,025	8%	2,882	8%
Built 1990 to 1994	395,351	5%	7,329	8%	2,882	8%
Renter occupied:	2,676,060	36%	31,413	32%	14,771	39%
Built 1999 to March 2000	56,602	1%	676	1%	284	1%
Built 1995 to 1998	198,729	3%	3,381	3%	1,876	5%
Built 1990 to 1994	171,632	2%	2,247	2%	1,042	3%

Source: 2000 U.S. Census Bureau

owner occupied residences in Brownsville (61%) and that Cameron County (68%) has more owners occupying their properties than the balance of the state (64%). The data also indicate that both Cameron county and Brownsville share the same percentage of owner built structures (8%) which is slightly higher than the 7% for the balance of the state. Essentially this also means that, on average, there has been more construction in this region than in the balance of the state. The data for renter occupied structures, built since 1990, show that Brownsville has constructed more renter based properties than both the balance of the state or of Cameron County. The cumulative totals for the ten period are identical for the balance of the state and Cameron County (6%) and Brownsville has a +3% edge with a 9% construction rate for rental properties.

Graph 10. Household Size 2000



Source: U.S. Census Bureau, 2000

Section IV. City of Brownsville Housing Profile

Table 7. Year Householder moved into unit

	Texas		Cameron		Brownsville	
	Number	%	Number	%	Number	%
Occupied Housing Units	7,393,354	100	97,267	100	38,224	100
1999 to March 2000	1,842,731	24.9	19,792	20.3	8,352	21.9
1995 to 1998	2,233,669	30.2	27,422	28.2	10,527	27.5
1990 to 1994	1,126,526	15.2	15,451	15.9	6,071	15.9
1980 to 1989	1,030,476	13.9	16,626	17.1	6,353	16.6
1970 to 1979	630,749	8.5	9,036	9.3	3,699	9.7
1969 or earlier	529,203	7.2	8,940	9.2	3,222	8.4

Source: U.S. Census Bureau, 2000

The inward and out-migration within this region is evident in the year that the current householders first occupied the residence as shown in Table 7. If one uses the time frame from 1990 to March 2000, as reported by the

TABLE 8. Median Year Household moved into unit

	Texas	Cameron	Brownsville
Total	1996	1995	1995
Owner occupied	1992	1991	1990
Renter occupied	1999	1998	1998

Note: Median year householder first occupied the residence

Source: U.S. Census Bureau, 2000

U.S. Census Bureau, the data show that 64% of the balance of Cameron County houses and 65.3% of Brownsville houses were first occupied during that time. The median year of tenure by householders was 1991 for balance of Cameron County and 1990 for Brownsville [Table 8]. It can also be inferred from the data that the older houses in both Brownsville and the balance of Cameron County have not changed owners as consistently as those built after 1990.

Table 9 provides data on the size of housing structures in both the balance of Cameron

Table 9. Rooms per Housing Structure

	Cameron		Brownsville	
	Number	%	Number	%
1 room	3,510	2.9	1,497	3.6
2 rooms	11,666	9.7	4,383	10.5
3 rooms	20,323	17	7,721	18.4
4 rooms	24,849	20.8	7,435	17.8
5 rooms	27,900	23.3	9,586	22.9
6 rooms	16,986	14.2	6,199	14.8
7 or more rooms	14,420	12.1	5,059	12.1
Median	4.5	(X)	4.5	(X)

Source: U.S. Census Bureau, 2000

County and Brownsville, when measured by number of rooms per house. This data shows that a significant number of houses in Brownsville (32.5%) have at least three rooms while only 29.6% of houses in the balance of Cameron County fall within those numbers. This data might validate an earlier statement by the CBIRD researchers that the majority of construction may be away from the inner city of Brownsville where older houses, with less rooms are located. The cumulative percentage for houses with 4 to 6 rooms is almost the same for both balance of Cameron County (55.5%) and Brownsville (58.3%). The percentage of houses with 7 or more rooms is identical (12.1%) for both entities and the median of 4.5 rooms for housing structure is also identical. The data could also be telling us that much of the construction on the periphery of Brownsville's city limits may consist of larger structures with the same being said for structures in the balance of Cameron County.

Table 10 provides data that shows that there are still some houses in both Brownsville and Cameron County that lack basic plumbing facilities and while the numbers are low, these

Table 10: Residences Lacking Plumbing or Kitchen Facilities

	Texas		Cameron		Brownsville	
	Number	%	Number	%	Number	%
Lacking plumbing	103,586	1.3	2,869	2.4	804	1.9
Lacking kitchen	119,072	1.5	2,803	2.3	789	1.9

Source: U.S. Census Bureau, 2000

are still higher than in the balance of the state. The same ratio are almost identical for those residences that lack complete kitchen facilities which should be a concern for both the public safety and health hazards that such present to the residences and their neighbors. In its 2002 assessment of the Buena Vida Barrio CBIRD researchers found that in that neighborhood 10% of the residences did not have bathroom facilities and that 11% lacked kitchen facilities. It would be safe to assume that most of the residences lacking these two facilities are located within the older inner city of Brownsville.

The data from Table 11 show that there are still residences in both Brownsville and the balance of Cameron County that consist of a single room which serves as the bedroom, kitchen, and living room for the occupants.

This data shows that a significant number of houses in Brownsville (32.5%) have at least three rooms while only 14.3% of houses in the balance of Cameron County fall within those numbers..

Section IV. City of Brownsville Housing Profile

The data does not provide any numbers as to how many occupants may be in this one room structure. CBIRD's Buena Vida study showed that this was not an uncommon occurrence in a neighborhood where residents were mostly

Table 11. Bedrooms per Housing Structure

	Cameron		Brownsville	
	Number	%	Number	%
No bedroom	5,219	4.4	2,386	5.7
1 bedroom	23,274	19.5	8,462	20.2
2 bedrooms	38,731	32.4	12,137	29
3 bedrooms	41,511	34.7	14,918	35.6
4 bedrooms	9,098	7.6	3,240	7.7
5 or more bedrooms	1,821	1.5	737	1.8

Source: U.S. Census Bureau, 2000

temporary in their residential status. The percent of housing structures with either one, two or three bedrooms is not statistically different between the city (84.8) and the balance of the county (86.6).

What is rather interesting, in this data, is the small number of structures with five or more bedrooms which may be considered both too expensive or a luxury for many residents of this region.

The real estate median tax rate in this part of the state is significantly lower than in the balance of the state [TABLE 12]. The present construction boom will add more houses to be taxed but if the rate from 2000 remains constant then the gross collected taxes will

Table 12. Median Real State Taxes

	Texas	Cameron	Brownsville
Median real estate taxes	\$1,393	\$846	\$974

Source: U.S. Census Bureau, 2000

remain stagnant while the demands for infrastructure, police and fire protection as well as emergency medical services increase as new residents migrate to this region and occupy these houses.

The value of housing structures that were built and surveyed by the U.S. Census Bureau in 2000 is one which reflects a clustering of houses with values of less than \$100,000. The percentage of houses under \$100,000 in value in the balance of Cameron County was 84.5% and in Brownsville the percentage was 88.2% while the balance of the state was at a 63.3% rate [TABLE 13]. This clustering can be interpreted as representing a realization and an acceptance by developers and the mortgage lending industries that the economic wherewithal is insufficient, in this region, to support the construction of homes of a greater value than \$100,000. In both Brownsville (46.8%) and the balance of Cameron County (47.1), there is a significant percentage of houses that cost less than \$50,000. The impact of such low value housing stock has implications for all taxing entities in city and county, since the base is not increasing at a

Table 13. Value of Housing.

	Texas		Cameron		Brownsville	
	Number	%	Number	%	Number	%
*Owner-occupied units	3,849,585	100	51,922	100	20,258	100
Less than \$50,000	875,444	22.7	24,449	47.1	9,488	46.8
\$50,000 to \$99,999	1,561,509	40.6	19,400	37.4	8,391	41.4
\$100,000 to \$149,999	700,830	18.2	4,596	8.9	1,476	7.3
\$150,000 to \$199,999	335,179	8.7	1,945	3.7	528	2.6
\$200,000 to \$299,999	223,968	5.8	975	1.9	220	1.1
\$300,000 to \$499,999	104,821	2.7	410	0.8	121	0.6
\$500,000 to \$999,999	37,697	1	93	0.2	18	0.1
\$1,000,000 or more	10,137	0.3	54	0.1	16	0.1
Median (dollars)	82,500	(X)	53,000	(X)	53,000	(X)

*Specified

Source: U.S. Census Bureau, 2000

rate to sustain increasing demands of the infrastructure once the developers complete their construction projects.

In Table 14, the researcher isolated the most recent data from the Real Estate Center at Texas A&M University which provides an overview of changes, both positive and negative in the value of houses for sale in the four largest border cities. The data, for the first quarter of 2004, show that there was a significant drop in the average price of houses in Brownsville from March of 2003. There was a drastic downturn in house prices in February, 2004 to \$74,000 and an upsurge in March to \$87,500 yet the average price for residences is at an average of \$81,700 for 2004 which is 8% down from the annual average for 2003. The issue of affordability needs to be considered here since the average price for

This community is one where the value of housing is less than \$100,000 on average with more small houses with less than five rooms being constructed.

residential property may still be out of the range for the average wage earner in Brownsville. Another consideration may be that while there may be houses being constructed that these may be in the lower price ranges resulting in a decrease in the average price per structure.

Table 14: Median Price of Homes for Sale

MLS Area	Mar-04	Feb-04	Mar-03	Mar 04-	Year-to-Date	
				Mar 03	% Chg	2004
Brownsville	87,500	74,000	90,700	-4	81,700	-8
El Paso	89,000	89,600	86,100	3	90,400	3
Laredo	-	-	103,300	-	-	-
McAllen	-	88,900	-	-	87,300	-
Texas	125,600	124,200	125,700	0	123,500	0

Source: Real Estate Center at Texas A&M University. March, 2004

Overall there are several perspectives to share about the status of housing stock in Brownsville. Among those are: 1.) There is much evident construction in this city, 2.) There is a diminishing value in the gross value of properties in this community since more less expensive houses are being built thus driving down the average value of the stock, 3.) This community is one where the value of housing is less than \$100,000 on average with more small houses with less than five rooms being constructed. 4.) Since the average price per houses is low and Brownsville has a low residential property tax rate then the generation of revenues from property taxes might not be sufficient to support the infrastructure to sustain the expanded population, and 5.) the issue of an unstable economy may be an intervening variable that may have a recurring destabilizing impact on the housing market in this city.

Due to the absence of prior studies, on the status of affordable housing in Brownsville, the researchers decided that it was necessary to obtain primary data from the target population [potential home buyers and recent homeowners] so that this report would provide the city with timely and current perspectives to guide its policy planning.

Homeownership apparently results in a commitment to generate more income to cover the costs of maintaining this status.

In order to set the appropriate context for this study, the CBIRD relied on national, state and regional data sources to identify both historical and current perspectives and issues about affordable housing. Due to the absence of prior studies, on the status of affordable housing in Brownsville, the researchers decided that it was necessary to obtain primary data from the target population [potential home buyers and recent homeowners] so that this report would provide the city with timely and current perspectives to guide its policy planning. The analysis of these comprehensive data bases and reference resources provide much guidance for the development and use of survey instruments to collect Brownsville based data to respond to the critical issues/questions that were previously cited in Section I. The data, from the various sources, including extensive field surveys follows with corresponding tables, charts and graphs and related narratives to explain the outcomes from this research endeavors.

Data Collection Overview:

Survey questionnaires were used to collect data at two public sites: The Sunrise Mall of Brownsville on Saturday, February 28, 2004. The second site was the Highway 77 Flea Market on the 21st, 22nd, and 28th of February, 2004. The research design and process is provided as in section VII.

The following tables 15 and 16 show the number of the initial sample and the final sample that provided the necessary data for analysis:

Table 15. Original, Preliminary and Discarded Number

	Total Sample		Surveys Discarded	
Renters	404	54%	97	24%
Owners	342	46%	35	10%
Total	746	100%	132	18%

Source: CBIRD Affordable Housing Survey, 2004

Table 16: Final Field Survey Sample

*Sample Used		
Homeowners	307	50%
Renters	307	50%
*Total	614	82%
Tot. Respondents	746	100%

Source: CBIRD Affordable Housing Survey, 2004

Profile of Sample Population

The analysis, of survey data, will show a strong correlation to that for the same population in other locales: national, state and regional. Essentially, the data presented in this report is validated since it mirrors finding from other corresponding research and it presents positive statistical correlations to similar findings to other research endeavors that addressed affordable housing policy issues.

Homeownership Tenure and Age Characteristics

Participating respondents were individuals with 10 or less years of home ownership in Brownsville as well as non-home owners living in the city. The ages ranged from 18 to 75 years.

Employment Status:

The Texas Workforce Commission's 2004 first quarter report showed an unemployment rate of 12.67% for Brownsville. Table 17 shows that the sample unemployment rate was

Table 17. Employment Status

	Non owners	Owners
40 Hours	59	64.1
Less than 40 Hours	17.6	12.4
Unemployment	12.7	8.8
Disabled	1	2.9
Self Employed	8.1	8.8
Other	1.6	2.9
Total	100	100

Source: CBIRD Affordable Housing Survey, 2004

identical for non-home owners and 8.8% for home-owners. The data also demonstrates that there is a higher employment rate for homeowners (8.8. %) than non-homeowners (12.7%). Also, more home owners work at least 40 hours per week than non-homeowners. Homeownership apparently results in a commitment to generate more income to cover the costs of maintaining this status.

Homeownership has economic costs that require income from two wage-earners and this consideration may prohibit the participation of single individuals in homeownership in Brownsville at this time.

The data reflects age characteristics that mirror those of Brownsville home owners in that nation wide the average age is 39.5 years and here the average is 38 years. Again, this data comes from the aforementioned HUD 4th Quarter report.

Marital Status:

The marital status of the respondents shows [Table 18] that a higher percentage of homeowners are married (80.1%) while only 50.2% of non-owners were married. Also, smaller number of homeowners (10.7%) had

Table 18. Marital Status

	Non owners	Owners
Never Married	35.5	10.7
Married	50.2	80.1
Separated	5.9	2.3
Divorced	6.5	5.5
Widow(er)	1	0.7
Common Law	1	0.3
Other	1	0.3
Total	100	100

Source: CBIRD Affordable Housing Survey, 2004

never been married while 35.5% of non-owners had never been married. This data show that homeownership is more a function of marriage and commitment than it is for single individuals. Also, homeownership has economic costs that require income from two wage-earners and this consideration may prohibit the participation of single individuals in homeownership in Brownsville at this time.

Income:

The income data from the respondents provides some interesting points for consideration. Among those being: 1.) Homeowners have higher mean and median incomes than do non-owners, 2.) Owners who are immigrants also have a higher mean and median income than non-owners, and 3.) The income standard deviation of non-owners and owners is almost identical (\$25,355 [non-owners] to \$25,446 [owners] that some of this cohort could buy houses if certain unresolved issues are present such as credit history, indebtedness or erratic employment.

Table 19. Household Income

	Non Owners	Owners	Owners Immigrants
Mean	\$29,123	\$37,565	\$31,778
Median	\$20,000	\$31,000	\$26,000
Mode	\$12,000	\$20,000	\$30,000
Std. Deviation	\$25,355	\$25,446	\$20,169

Source: CBIRD Affordable Housing Survey, 2004

The sample data also show that a significant percentage of Brownsville non-owner natives have income levels sufficient enough to afford purchasing homes in the current housing market. Of this cohort, 55.17% have annual incomes of more than \$30,000 and over 39.9% are earning more than \$40,000. This situation leads CBIRD to state that there is a sufficient base of potential home buyers in Brownsville that is not participating in the home owner market at this time but could in the future if more focused marketing efforts are directed toward this pool. The sample of the Brownsville immigrant data also shows a population that has the economic wherewithal to participate in the home buying market. Of this population cohort, 28.74% is earning over \$30,000 annually and 10% has an annual income of over \$40,000. The sample data reinforces the economic viability of home owners since 72.46% are earning over \$30,000 annually and

This situation leads CBIRD to state that there is a sufficient base of potential home buyers in Brownsville that is not participating in the home owner market at this time but could in the future if more focused marketing efforts are directed toward this pool.

Table 20. Household Income (percentage)

	Non-Owners		Owners	
	Immigrant	Native	Immigrant	Native
12,000	34.5	16.7	13.7	12.6
20,000	36.8	28.1	25.3	15
30,000	18.4	15.3	23.2	16.9
40,000	6.9	15.8	13.7	14.5
50,000	1.1	6.4	6.3	15
50,000 Plus	2	18	18	26
Total Percentage	100	100	100	100
More than 30K	28.74	55.17	61.05	72.46
More than 40K	10.34	39.9	37.89	55.56

Source: CBIRD Affordable Housing Survey, 2004

37.89% is earning over \$40,000.

Income Spent on Housing: Rent vs. Mortgage Payment

Those respondents that had mortgages have a higher monthly housing cost as reflected in their mortgage payment [Table 21] than did renters. The mean average for mortgage holder versus those paying rent is significantly higher (+\$219) as is the median (+\$200). These numbers do not take into consideration other miscellaneous costs associated with home ownership such as unanticipated repairs, maintenance, and tax increases. All of these factors may be seen as negative intervening variables that would cause a renter to seriously weigh the cost benefits of home ownership against those of renting.

Table 21. Income spent on Housing

	Rent	Mortgage
Mean	395	614
Median	375	575
Mode	250	650
Std. Deviation	155	293

Source: CBIRD Affordable Housing Survey, 2004

Demographic Characteristics of Sample Respondents:

Occupants Per Housing Unit

The occupancy of residences shows [Table 22] a distinct pattern of more concentrated numbers of occupants in non-owned residences. There are more instances of between 3 to 5 occupants in owned residents than in non-owned ones. The occupancy concentration begins to deviate at an occupancy rate of 6 or more with the edge going to non-owned residences. This data

Table 22. Number of Persons in household

	Non owners	Owners
1	6.5	3.6
2	13.7	8.8
3	22.8	19.2
4	23.1	31.3
5	16.9	22.8
6	8.8	8.1
7	3.6	3.3
8	2.6	2.3
9	1	0.7
10	0.7	-
11	0.3	-
Total	100	100

Source: CBIRD Affordable Housing Survey, 2004

shows that 17% of the non-owned residences have more than 6 people living in the

Table 23. Member in household working

# of Persons	Non owners	Owners
0	4.9	1.6
1	38.6	35.9
2	40.5	49.7
3	12.4	7.2
4	2	4.6
5	1.3	1
7	0.3	-
Total	100	100

Source: CBIRD Affordable Housing Survey, 2004

households versus 14% for owners. This slight differential may be due to more occupants living in a rental unit.

Employment Characteristics

The data show [Table 23] that there were more two wage earners in owned households than in non-owned households [49.5% to 40.5%]. What the data shows, that is of significance here, is that both non-owners and home owners are employed so there is no evidence that this sample of Brownsville residents is composed of unemployed individuals.

Educational Profiles:

This table [Table 24] presents some of the most interesting and perplexing data about education and the role that it may or not have in determining home ownership. Overall the data show that non-homeowners represent a higher percentage of both high school/GED's and college/university attendance. The home owners have a slight edge in the attainment of at least a bachelor's degree and an insignificant advantage in post-bachelor's educational attainment. There are several plausible explanations for what this data represents and among those are, 1.) The older age of home owners may also be representative of an age cohort that did not participate in education to the degree that the younger non-home owners have, 2.) The non-owners may be waiting until they are more advanced or stable in their employment or income capacity, 3.) Finally, non-owners may be unwilling to assume the long-term debt that home ownership represents in this unstable economy.

Overall the data show that non-homeowners represent a higher percentage of both high school/GED's and college/university attendance.

Table 24. Level of Education

Level	Non owners	Owners
8th grade or less	9.4	13.4
Some high school	12.4	12.7
High School / GED	24.4	21.6
Technical / Vocational	6.5	7.2
Some college	32.6	27.5
Bachelors Degree	13.4	16
Higher	1.3	1.6
Total	100	100

Source: CBIRD Affordable Housing Survey, 2004

Residential Tenure in the United States:

The 1992-1996 periods of Mexico's unstable economy and political conditions are magnified, to a degree, in the high percentage of both owners and non-owners in the 7.5 years to 11.5 years timeframe [Table 25]. The other peak in immigration occurred in 1982 and this data is reflected, to a degree, in both the high numbers of both non-owners and owners who have been in the United States at least 19.5 years.

Table 25. Years living in the U.S.A.

# of Years	Non owners	Owners
1.5	7.6	5.2
3.5	12	7.2
5.5	6.5	7.2
7.5	9.8	10.3
9.5	12	12.4
11.5	13	10.3
13.5	7.6	7.2
15.5	8.7	14.4
17.5	3.3	11.3
19.5	19.6	14.4
Total	100	100

Source: CBIRD Affordable Housing Survey, 2004

Gender and Age Characteristics:

According to the respondents' data, there are more females non-owners and more males

Table 26. Respondents Gender

	Non owners	Owners
Female	58.6	54.7
Male	41.4	45.3
Total	100	100

Source: CBIRD Affordable Housing Survey

homeowners [Table 26]. Also, the data reflects age characteristics that mirror those of the nation wide average age of 39.5 years. Brownsville homeowners have a lower average age of 38 years.

Table 27. Respondents Age

	Non Home-owners	Owners
Mean	31	38
Median	30	37
Mode	21	31
Std. Deviation	8	10

Source: CBIRD Affordable Housing Survey, 2004

Size of Accommodations:

The data show [Table 28] that non-home owners occupy residences with two or less bedrooms (49.3%), while only 17.4% of owners live in house with two or less bedrooms. The most telling data here is in the three bedroom residences in which owners live at a higher percent (63%) than non-owners (33.4%). What is evident here is the fact that there are either very few apartments or single family rental properties with more than three bedrooms or that builders are not constructing many properties with over three bedrooms. This data reinforces U.S. Census 2000 data that was previously presented in Table 9 that show that Brownsville residences rarely have more than three bedrooms. Data from HUD's 4th Quarter, 2003 report, **U.S. Housing Market Conditions** also show that on average most homes that are being sold in Brownsville have three or less bedrooms and not many have over six rooms in total.

Table 28. Bedrooms

	Non owners	Owners
1	10.9	1.0
2	38.4	16.4
3	33.4	63.0
4	15.6	16.7
5	1.3	2.3
6	0.3	0.7
Total %	100	100

Source: CBIRD Affordable Housing Survey, 2004

This data provides feedback that is of concern to CBIRD in that an overwhelming majority of the respondents, who had been looking for affordable housing, had not accessed any type of home-buyer assistance services or programs either from the non-profit or private sector.

83.5% of the respondents had no knowledge of either private or non-profit organizations or agencies that were providing assistance to expand their understanding of the essential elements of home ownership. This situation could result in a significant cadre of uninformed, misinformed or misled buyers who do not fully understand what it means to go beyond the closure phase of buying a house.

Attached or Detached Garages

The data shows that garages are present more often in owned than non-owned properties. Also, to be considered here, is that the absence of the cost of a garage to a property may effect the gross cost of that property. This feature may be a consideration for both developers and potential buyers as they evaluate the cost of a house and its affordability.

Table 29. Garage as Part of Residence

	Non owners	Owners
With Garage	33.1	58.8
No garage	66.9	41.2
Total	100	100

Source: CBIRD Affordable Housing Survey, 2004

Feedback from Non-Homeowner Respondents:

The following tables present data collected from respondents that are not currently buying a house or making a mortgage payment.

Present Residential Arrangements:

Are the Brownsville home buyers fully aware of what they are getting into when they purchase a home?

Table 30. Non-owners Residential Arrangements

	Frequency	Percent
Renting	198	64.7
Living with relatives	102	33.3
Living with friends	2	0.7
Other	4	1.3
Total	306	100

Source: CBIRD Affordable Housing Survey, 2004

There were 306 respondents which fit into a non-ownership status and who had differing residential arrangements. Of the 306, 64.7% or 198 were renting, 102 or

33.3% were living with relatives and there is a very small percentage of individuals that was living with friends or maybe in what may be equivalent to what is commonly known as a co-op housing arrangements.

Home Buying Interest:

Of the respondents, a majority, 52.1% of 307 was interested in buying a home because they could stop renting and begins to build equity. There were 62 or 20.2% that indicated that they were not presently in a position to buy due to low income or insufficient funds for the down-payment.

Respondents In the Market:

Only 30% of the respondents surveyed were actively looking to purchase a house at the time of the survey. 70% were not in the market.

Table 31. Would you like to buy a house?

	Frequency	Percent
Not at all	16	5.2
Not at present	34	11.1
Maybe	35	11.4
Yes	160	52.1
Yes, but I can't	62	20.2
Total	307	100

Source: CBIRD Affordable Housing Survey, 2004

Table 32. Are you In the home buying process?

	Frequency	Percent
Yes	90	30
No	210	70
Total	307	100

Source: CBIRD Affordable Housing Survey

Of the respondents [Table 33], 20% had previously tried to buy a house; half of those did it within the last 12 months. There was a 13% home loan denial rate, and most of these were because of a negative credit history.

Housing Support Services Outreach

This data provides feedback that is of concern to CBIRD in that an overwhelming majority of

Table 33. Have you tried to buy a house before?

	Frequency	Percent
Yes	63	20.6
No	243	79.4
Total	306	100

Source: CBIRD Affordable Housing Survey

the respondents, who had been looking for affordable housing, had not accessed any type of home-buyer assistance services or programs either from the non-profit or private sector. There were some efforts, to obtain home buying assistance, by 14.3% of the

There is apparently very little awareness, of the home buying process being created through the efforts of municipal and non-profit agencies.

Section V. Brownsville Affordable Housing: Presentation of Survey Data

respondents but some stated that they did not receive the assistance they wanted. A small percentage (5.6%) did not even want any type

Table 34. Have you looked for home-buying assistance?

	Frequency	Percent
Not at all	244	80
No, I do not want it	17	5.6
Yes, they gave me information	31	10.2
Yes, but I couldn't get assistance	13	4.3

Source: CBIRD Affordable Housing Survey, 2004
of assistance.

Knowledge About Home-Buying Assistance Programs



The data show [Table 35] that there is a significant number of potential homebuyers that did not know about the number and type of home buying assistance programs in Brownsville.

83.5% of the respondents had no knowledge of either private or non-profit organizations or agencies that were providing assistance to expand their understanding of the essential elements of home ownership. This situation could result in a significant cadre of uninformed, misinformed or misled buyers who do not fully understand what it means to go beyond the closure phase of buying a house. Also, CBIRD would recommend that the City increase its efforts to find out and monitor the level and type of information that is being disseminated in the market place.



Table 35. Do you know about home-buying assistance programs in Brownsville?

	Frequency	Percent
Yes	50	16.5
No	253	83.5
Total	303	100

Source: CBIRD Affordable Housing Survey, 2004

Types of Advertisement

The researchers were interested in identifying every media type that is being used by mortgage companies, developers and real estate agencies to attract potential home buyers. The respondents were asked which types of media they had accessed to obtain information about the Brownsville housing market. The most frequent responses were:

newspapers (21%), television (14%), posters (6.6%), billboards (4.3%), and the highest number had been aware of all the assortment of advertisement (38%). What is evident is that this region is inundated with bilingual and sometime Spanish only language advertisements in all media. Some samples are provided of the newspaper, flyers and posters that are being used by different agencies, developers and real estate agents to market affordable housing in this region.

Table 36. Types of home-buying Ads most seen by respondents

	Frequency	Percent
Posters	20	6.6
Radio	10	3.3
Circulars/Mailers	9	3
Billboards	13	4.3
Newspapers	64	21
TV	44	14.4
Other	13	4.3
None	16	5.2
Several	116	38
Total	305	100

Source: CBIRD Affordable Housing Survey, 2004



Section V. Brownsville Affordable Housing: Presentation of Survey Data



Mission Mortgage
of San Antonio

- Pre-Qualified in 2 Hours
- 106% Financing Available
- No Down Payment on Purchases or New Construction
- No Fees Charged Upfront
- Lowest Rates in the Valley
- We Offer Excellent Customer Service.
- We Work for the Customer
- Refinance Now and Save
- Refinance/Cashout, and Use Money As You Wish
- Poor Credit OK


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Freddie Layton
Senior Loan Officer

low income and isolated areas of the community. There is apparently very little awareness, of the home buying process being created through the efforts of municipal and non-profit agencies.

The fact that over 83% of the respondents had no knowledge of home buying assistance programs should be strongly reviewed by the city and the non-profit agencies that purport to serve this target client base. It is also evident that the private and public developers are very active in their advertisement efforts to the degree that the discounted rates and low interest rates overshadow the long term effects, either negative or positive, of home ownership. A critical consideration and question here is: Are the Brownsville home buyers fully aware of what they are getting into when they purchase a home? Does the \$500 total monthly price that is being advertised also take into consideration the following home sustainability requirements: insurance, maintenance, costs of unforeseen repairs or disasters, or landscaping.



Refinance Now!

If your mortgage interest rate is
9%, 10%, 11%, 12% or higher...
We can help you lower the rate!
Call us at
554-7711

We approve loans other lenders deny!
Take a cashout on your home equity
to invest in other property,
consolidate bills, go on vacation, etc.
Se habla español.

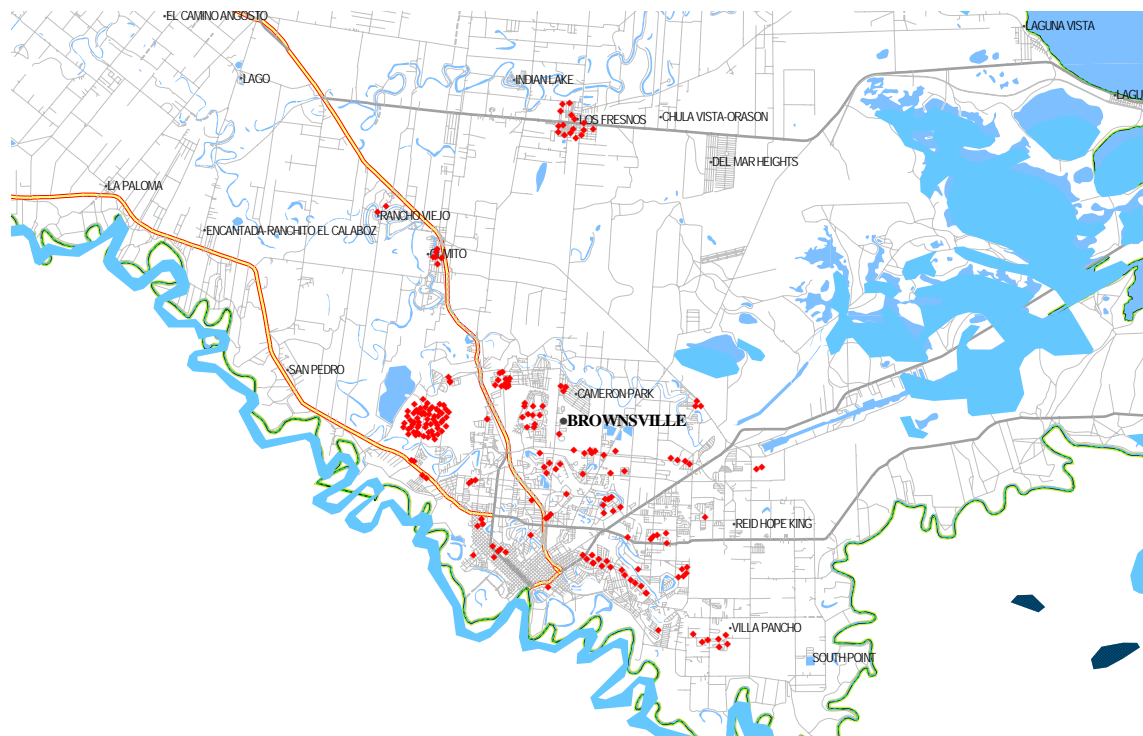
BUTLER MORTGAGE
OF SAN ANTONIO
Formerly Mission Mortgage

Impressions about Home Buying Outreach and Education

The aforementioned data show a mixed effort at both creating a potential pool of home buyers and an obvious scarcity of efforts to develop an informed and educated home buying public. CBIRD's research team had much interaction with and feedback from some public service agencies and private lenders: banks and mortgage firms, about their outreach efforts to develop educated home buyers. This feedback was provided in the strictest confidence and is shared without any references to the source for the benefit of the provider. The feedback shows that there is much being done by several banks through community forums and dissemination of flyers and brochures in neighborhoods, especially in

In Map 3, CBIRD has plotted the non-homeowner respondents' stated choices of where they preferred to reside. The responses show that there are four different geographic preferences and these include: One-outside of Brownsville, preferably in Los Fresnos or the Olmitos and Rancho Viejo corridor, Two-in the area north of Alton Gloor, both west and east of I-77, Three-in the area bounded by 802 on the north, Boca Chica on the south and Highway 281, both southeast and southwest of Brownsville, and Four-in the area just south of downtown. There was little demonstrated interest in residing in the downtown area since there were few houses available and there was an absence of amenities such as shopping and recreation such as movie theatres and parks in that part of the city.

Map 3. Residential Preference of Non-home Owners



Source: CBIRD, Brownsville Affordable Housing Survey, 2004

**Data from Homeowner Respondents:
Ten Years in Residence**

Table 37. Home Owners

	Years Living in the house	How much interest on loan?	Span of time [months] between being in the market and	In how many places did you look before buying your
Mean	4.6	7.2	13.4	3.6
Median	4	6.6	12	3
Mode	1	6	24	3
Std. Deviation	3.035	2.03767	9.156	1.692

Source: CBIRD Affordable Housing Survey, 2004

Overall Characteristics:

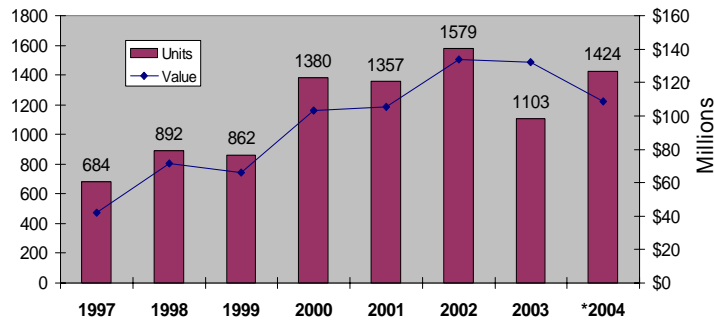
Of the respondents, [Table 37] that were homeowners, the average years in tenure at their residence was less than five years [4.64], the mean interest of 7.2% indicates that these respondents obtained their mortgages during a period of higher than present rates, the data also show that these homeowners were in the market for housing for just over a year (13.4 months) and that they limited their search for housing in a limited numbers of neighborhood (3.59).

Section V. Brownsville Affordable Housing: Presentation of Survey Data

New Housing Trends and Forecast: 1997-2004

This data has a strong correlation to the analysis that CBIRD conducted of residential permits from the City for the period from 1997 to 2004. Using 1999, as the baseline, an upward trend in home construction begins to

Graph 11. Brownsville Building Permits (New Residencies)



Source: City of Brownsville Permitting Department, 2004

CBIRD provides a forecast for 22% annual increase in Brownsville residential construction for 2004 and may even be higher since traditionally the first quarter is the slowest in terms of economic indicators.

unfold except for a slight downturn in 2003. CBIRD provides a forecast for 22% annual increase in Brownsville residential construction for 2004 [Graph 11] and this may even be higher since traditionally the first quarter is the slowest in terms of economic indicators.

Value of New Housing Stock:

The value of new homes [Table 38], which are being constructed in Brownsville, is projected by CBIRD to be at \$76,191 per unit which is less than the overall value of both new and used homes in Brownsville which is currently estimated to be at \$87,500 for the first quarter of 2004. This new home value supports the statement that was made earlier that lower priced houses are being built and sold in Brownsville than larger and more expensive houses.

Table 38. Brownsville New Residences

Year	Units	Value	Avg.		Cumulative Total Units	Change	
			Units	Avg. Value		#	%
1997	684	\$ 42,226,901	57	\$ 61,735	684		
1998	892	\$ 71,424,140	74	\$ 80,072	1,576	208	30
1999	862	\$ 66,080,314	72	\$ 76,659	2,438	(30)	(3)
2000	1,380	\$ 103,165,171	115	\$ 74,757	3,818	518	60
2001	1,357	\$ 105,342,548	113	\$ 77,629	5,175	(23)	(2)
2002	1,579	\$ 133,708,226	132	\$ 84,679	6,754	222	16
2003	1,103	\$ 132,171,771	92	\$ 119,829	7,857	(476)	(30)
*2004	1424	\$ 108,496,364	119	\$ 76,191	9,281	321	29

*2004 units and value estimated- first quarter 356 units with 27M value
Source: City of Brownsville Permits Department, 2004. Collated by CBIRD

Tenure in Residence

The data presented here show [Table 39] that 63.1% of the respondents, that were homeowners, had lived at their present residence less than five years.

Table 39. Years living at present home

Years	Frequency	Percent	Cumulative
			Percent
1	56	18.2	18.2
2	52	16.9	35.2
3	29	9.4	44.6
4	26	8.5	53.1
5	31	10.1	63.2
6	22	7.2	70.4
7	22	7.2	77.5
8	20	6.5	84
9	18	5.9	89.9
10	31	10.1	100
Total	307	100	

Source: CBIRD Affordable Housing Survey, 2004

Prior Residential Arrangements:

The data show [Table 40] that a significant percent of new homeowners (49%) were renting immediately prior to purchasing their homes. The next larger percentage is made individuals that were living with relatives (27.3%) and 19.4% had previously owned homes.

Table 40. Prior Residential Arrangements

	Frequency	Percent	Cumulative
			Percent
Renting	149	49	49
Living with relatives	83	27.3	76.3
Living with friends	5	1.6	78
Had a house	59	19.4	97.4
Other	8	2.6	100
Total	304	100	

Source: CBIRD Affordable Housing Survey, 2004

Neighborhood Choices:

The newest homeowners [Table 41] made their housing choices based on four overriding factors: 1.) That the neighborhood was nice and offered a sense of safety, 2.) Proximity to work, 3.) Affordable and finally, 4.) It was close to family and friends. It should be noted that affordability was not the primary reason for where a house was purchased but rather that it was in a safe area and close to work. The proximity to friends and family may reflect the regional and cultural affinity that

residents of this area have for their extend relationships.

Table 41. Why did you choose the subdivision?

	Frequency	Percent	Cumulative Percent
Nice /Safe area	90	29.6	29.6
Close to work	58	19.1	48.7
Close to family /	43	14.1	62.8
Close to shopping	9	3	65.8
Affordable	51	16.8	82.6
Other	18	5.9	88.5
Several	35	11.5	100
Total	304	100	

Source: CBIRD Affordable Housing Survey, 2004

Price and Affordability Factors:

Of the 304 respondents that had purchased a home within the last ten years, 79.3% [Table 42] believed that they had paid a fair price for their house. By whatever measure one uses, this is a very high level of perception for a variable that has a significant economic consideration.

There was a significant percentage (25.1%) or one in four, which believed that their home purchase has been a difficult experience.

Table 42. Do you feel that you paid a fair price for the size of your house

	Frequency	Percent	Cumulative Percent
Yes	241	79.3	79.3
No	44	14.5	93.8
Do not know	19	6.3	100
Total	304	100	

Source: CBIRD Affordable Housing Survey, 2004

Interest Rates:

The interest rate, [Table 43] which has a considerable impact on the overall cost of a mortgage loan, was known by 53.9% of the recent homeowners but interestingly enough, 35.2% did not know what the interest rate was on their mortgage loan. Nearly 10.9% of the respondents had built their houses and had no verifiable outstanding debt so the issue of interest rate and thus was not a point to ponder by them.

Table 43. Do you know the interest rate for your home loan?

	Frequency	Percent	Cumulative Percent
Yes	164	53.9	53.9
No	107	35.2	89.1
We built it	33	10.9	100
Total	304	100	

Source: CBIRD Affordable Housing Survey, 2004

Mortgage Payments Affordability:

The issue of monthly payments [Table 44], as being affordable, was not viewed as an impediment to home buying since over 52.6% saw their payments as affordable, 26% did not offer feedback that was overly negative and 8.9% saw their payments as not too affordable. It should be noted here that there were also 19.4% of the respondents who lived in residences that had no mortgage payments and this may reflect that either the houses were very low priced when first purchased and easy to pay off or that some of these houses were built over a period of time by the owners. Using previously cited data in the interest category, it can be said that 8.5% bought their homes and paid them in a shorter time than the term of their mortgage.

Table 44. Are your monthly mortgage payments affordable?

	Frequency	Percent	Cumulative Percent
Very affordable	21	6.9	6.9
Affordable	118	38.8	45.7
Somewhat	79	26	71.7
Not too	7	2.3	74
Not at all	20	6.6	80.6
It is paid	59	19.4	100
Total	304	100	

Source: CBIRD Affordable Housing Survey, 2004

Quality of Housing Stock:

The quality of housing [Table 45] was perceived as being good to very good by over 76.5% of the respondents and the negative perceptions are not so high as to indicate an overall dissatisfaction by the general public. Only 5.6% has a negative impression of the quality of their houses.

The interest rate, which has a considerable impact on the overall cost of a mortgage loan, was known by 53.9% of the recent homeowners but interestingly enough, 35.2% did not know what the interest rate was on their mortgage loan.

Table 45. How is the overall quality of your house?

	Frequency	Percent	Cumulative Percent
Very Good	93	30.4	30.4
Good	141	46.1	76.5
Somewhat	55	18	94.4
Not too	11	3.6	98
Bad Quality	6	2	100
Total	306	100	

Source: CBIRD Affordable Housing Survey, 2004

Level of Difficulty toward Homeownership

The data show [Table 46] that 59.7% of the respondents encountered a degree of difficulty in purchasing their homes. There was a significant percentage (25.1%) or one in four, which believed that their home purchase has been a difficult experience.

Table 46. Was it difficult for you to buy your house?

	Frequency	Percent	Cumulative Percent
Very	27	8.8	8.8
Difficult	50	16.3	25.2
More or	106	34.6	59.8
Not too	52	17	76.8
Not at all	71	23.2	100
Total	306	100	

Source: CBIRD Affordable Housing Survey, 2004

Barriers to Homeownership:

Two of the overriding negative impediments to homeownership have traditionally been the size of down payment or lack thereof (23.8%) or a bad credit history (22.5%) [Table 47]. These two critical variables have dissipated in the present housing market in which mortgage loans are being extended to individuals with bad credit, no credit or with no funds for a down payment. As one mortgage lender told the researchers, “if you are breathing when you walk in, we will make you a mortgage loan.” Some of the advertisements even convey to prospective homebuyers that a bad credit history or the lack of funds for a down payment will not affect their ability to obtain a mortgage loan.

Table 47. What was the major barrier you faced in purchasing your house?

	Frequency	Percent	Cumulative Percent
Down Payment	71	23.8	23.8
Credit History	67	22.5	46.3
Lack of Money	39	13.1	59.4
Several	40	13.4	72.8
Employment	8	2.7	75.5
Excessive Debt	8	2.7	78.2
Immigration	3	1	79.2
Other	8	2.7	81.9
None	54	18.1	100
Total	298	100	

Source: CBIRD Affordable Housing Survey, 2004

Residential Building Permits by Developer or Individual Share

The data for the 2002-2003 [Table 48] calendar year provides the most recent overview of the percentage share of permits by selected categories. The large developers accounted for 29% of the issued permits but this data does not include the construction of houses that may have been undertaken on behalf of the Community Development Corporation of Brownsville (CDCB). CDCB will subcontract with large developers, who meet their qualifications, to construct houses in neighborhoods that are being developed by these same large developers. In several instances the collaboration between CDCB is conveyed through shared advertisement that mentions both entities.

There were also a significant number of residential construction permits issued to individual property owners (198 or 14% of the total) who may have built the homes on their own or did their own subcontracting. The other category of residential permits represents the highest concentration (599 or 41% of the total) and these may be representative of many small individual contractors that are building houses in small increments.

The City of Brownsville is continuing to invest both fiscal and human resources to expand the infrastructure in response to demands placed on street and main thoroughfares due to increased traffic.

As one mortgage lender told the researchers, “if you are breathing when you walk in, we will make you a mortgage loan.” Some of the advertisements even convey to prospective homebuyers that a bad credit history or the lack of funds for a down payment will not affect their ability to obtain a mortgage loan.

Table 48. City of Brownsville New Residential Permits 2002-2003

Builder	# of Permits	Total Permits	\$ Value	% of Total	AVG Price
Casa Linda Individual Property Owners	254	17%	\$12,525,201	7%	49,312
CDCB Contractors	198	14%	\$8,862,179	5%	44,758
Obra Homes	143	10%	\$10,822,742	6%	75,684
Simmons	88	6%	\$5,493,000	3%	62,420
Armadillo	87	6%	\$4,165,788	2%	47,883
Other	84	6%	\$6,752,800	4%	80,390
Total Permits in City	599	41%	\$139,591,345	74%	233,041
	1,453	100%	\$188,213,055	100%	129,534

Source: Community Development Corporation of Brownsville Web site. April, 2004

City of Brownsville Infrastructure Investment to Support Residential Development

The infrastructure: sewage, curbs and streets, is a crucial component of the sustainability of the quality of life of a community and its new developments. The data, provided by CBIRD, show a city that has undergone tremendous demographic shifts and corresponding residential construction to accommodate the increasing population. The City of Brownsville is continuing to invest both fiscal and human resources to expand the infrastructure in response to demands placed on street and main thoroughfares due to increased traffic. The Brownsville Herald [March 19th/20th of 2004] provided these summaries of ongoing road repairs and expansion:

“This year, 30 more streets in Brownsville will be repaired as part of a seven-year paving and repair program by the city. The program began in 2002 after Brownsville voters approved a \$35 million bond issue in 2001. The program earmarked \$5 million a year for seven years plus \$1 million additionally funded by a Community Development Block Grant. Some of the streets slated for repair this year are, E. Elizabeth, West 15th, Wellington, Condesa, Morningside, E. 31st, Jefferson, Rockwell, Lindale, Parkdale, Robinhood, West 13th, Pinar del Rio, Guadalajara, Queensway, East Harding, East Grant, Dukie and Villa Verde. [Brownsville Herald]

Road crews and engineers are cracking their knuckles as they gear up to break ground for

the new road that will run four miles east and west. In the next few years, the new path will provide a much needed link between West Alton Gloor Boulevard and FM 511 on the east side. The four-lane road will impose a change of plans for residents at a trailer park. Several trailer homes will be relocating due to construction of the new Morrison Road in North Brownsville. The road will provide relief for Expressway 77/83 as a new back road to Sunrise Mall, Sunrise Commons and Springmart Properties. Part of the existing Morrison Road goes under the expressway and east for about a half-mile. Already on the road are an Academy Outdoors store and a church. According to Brownsville Metropolitan Planning Organization figures, the 120-foot-wide roadway is expected to carry the loads of 21,033 vehicles daily and gradually increase as sections of the road are added. Highway construction and the traffic bottlenecks around the Sunrise Mall and Sunrise Commons areas prompted city officials to place Morrison Road on the priority list. The piece of Morrison Road connecting the expressway to Pablo Kisel Road will be ready this summer.”

The need to upgrade the Brownsville’s outdated infrastructure will continue to be a challenge according to the city leadership. Of concern to CBIRD is how the city will continue to respond to the fiscal requirements for new infrastructure and for the maintenance and repair of the existing one during a time of limited resources from all levels of government and to other demands to its tax revenues.

Of concern to CBIRD is how the city will continue to respond to the fiscal requirements for new infrastructure and for the maintenance and repair of the existing one during a time of limited resources from all levels of government and to other demands to its tax revenues.

***Summary Observations from the
Survey Data:***

The general assessment of whether there is sufficient affordable housing in Brownsville, from both owner and non-owner respondents is mixed. The owners believe that there is just the right amount (46.4%) while the non-owners (36.8%) did not agree, to this degree, to this situation. As to whether there was sufficient affordable housing, the non-owners (47.4%) did not believe such to be the case wherein, 37.6% of the owners shared the impression that there was sufficient affordable housing. What is obviously conveyed, in the data, is that if you are a homeowner the issue of whether there is sufficient affordable housing is of a lesser or no concern to you. Of course, if you are indeed searching for affordable housing then you will evaluate this critical issue much differently. It comes down to where you stand or in this instance, where you live.

The general assessment of whether there is sufficient affordable housing in Brownsville, from both owner and non-owner respondents is mixed.

quarter is usually the slowly economic point in a full year's economic index.

- The value of “new” residential construction in Brownsville has diminished from 2003's average value of \$119,829 to a 2004 (to-date) average value of \$76,191. This value downturn may reflect a correction by developers to the buying capacity of Brownsville's market.
- A vast majority (79.3%) of the respondents, who had purchased homes within the past ten years, believed that they paid a fair price for their property.
- The recent homeowners also believed that they could afford their monthly mortgage payment.
- There is much interest [but not an overwhelming one] and a corresponding response from potential home buyers to the current residential construction boom in Brownsville. 52% of the non-homeowner respondents are interested in buying a home but a higher percentage (70%) was not interested or actively looking at purchasing a home at the time of the survey in February of 2004. This situation could result in a surplus of new houses and maybe a diminishing sales index with a resulting marketing strategies that make home buying even easier for normally non-qualified families.
- There seems to be an evident correlation between marital status and homeownership. A significant percent of homeowners are married (80.1%). This may indicate a commitment to a stable familial environment and also an awareness of the positive effects of ownership on the economy of the family. Also, homeowners appear to work more and have a stable employment status.
- Homeowners have a greater mean income than do Non-home owners but an interesting point here is that home-owners immigrants have slightly a higher average income than do Non home-owners native residents. This fact led us to believe that a about 55% (the ones making over

Table 49. Perception of affordable housing in Brownsville

	Non owners	Owners
There is too much	7	8.5
Right amount	36.8	46.4
Not enough	47.4	37.6
Not at all	8.9	7.5
Total	100	100

Source: CBIRD Affordable Housing Survey, 2004

There are several precursor observations that require perspectives and insights from the researchers to provide the city with a timely overview of how the issue of affordable housing is imbedded in the primary data that emerged from the field research component of this study. These items include the following:

- Affordable housing is being constructed in Brownsville by a variety of developers and CBIRD has forecasted an increase of 321 houses [2004 (1424) and 2003 (1,103)] or a +22.5% increase from 2003. This forecast also allows for a greater increment due to the fact that it is based on first quarter 2004 housing start and this

Section V. Brownsville Affordable Housing: Presentation of Survey Data

Homeowners allocate and spend a greater portion of their income on housing than do renters and it can be said that renters will have more flexibility in income but less stability in residential status.

Very few of the respondents were aware of or ever came into contact with home ownership assistance support services or information resources from either the non-profit sector or from municipal agencies.

Without the corresponding education and home buying training there may be a generation of buyers who may not fully comprehend the complexities of homeowner.

\$30,000) of Non home-owners might be able to pay for a mortgage.

- Homeowners allocate and spend a greater portion of their income on housing than do renters and it can be said that renters will have more flexibility in income but less stability in residential status.
- Non-homeowners appear to have a higher educational profile which may mean that they are still in the educational pipeline or that homeowners may be representative of a cohort that did not have full or extensive educational resources within the past decade.
- A significant share (64.7%) of non-homeowners were renting while 33.3% were living with relatives.
- The recent homeowners expressed a significant degree of difficulty in their purchase of a home and they identified several barriers which are reflected nationally. The two most significant were a bad credit history or the scarcity of funds for a down-payment.
- The immigrant and legal resident cohort is highly represented in the both the homeowner and non-homeowner categories and this status may be representative of immigration from Mexico that was driven by that nation's unstable political and economic climate of the 1990's and even early 1980's.
- Brownsville home construction does not offer many alternatives as to the size of the residence since there are very few houses with more than three bedrooms.
- There is much home construction being undertaken by small firms or individuals as seen in the numbers of housing permits for this cohort which exceeds those of the major developers.
- There appears to be a general misunderstanding of the home buying process and all of its corresponding intricacies by those respondents that were actively in the market. This fact is reflected that nearly 54% of the

respondents did not know the interest on their mortgage which is a key consideration in the debt ratio of a family's economic capacity.

- Very few of the respondents were aware of or ever came into contact with home ownership assistance support services or information resources from either the non-profit sector or from municipal agencies.
- The private mortgage companies and banks appear to be doing more in terms of educational and community outreach to create an educated consumer than are non-profit or municipal agencies.
- Mortgage companies and banks are doing everything possible, in terms of financing options, to attract new home buyers with loans being extended to individuals with bad credit histories or no evident credit history and resources for a down payment. Families with those negative characteristics are qualifying for home loans that were not available to them ten years ago.
- There appears to be a focused marketing strategy by developers in this region to draw potential buyers which may require more introspection by the various stakeholders to the housing market. The advertisements, both in Spanish and English, are very enticing and make the home buying experience a rather simple one. The hook is laden with many attractive options that bear some due diligence by the city. Without the corresponding education and home buying training there may be a generation of buyers who may not fully comprehend the complexities of homeowner.

These factors, if evaluated individually would present a disjointed analysis of Brownsville's housing market. As a cumulative representation, the data, both primary and secondary, leads CBIRD to provide several policy perspectives, observations and recommendations in the next section.

Research that addresses social constructs must be undertaken without any preconceived notions or conclusions as what is to be found in the natural and vibrant environment where data is found. The extensive analysis of secondary data and diverse social policy opinions and insights from reputable sources provided the researchers with a guide for its research plan. CBIRD believes that its research design, along with the collective research experience of the team has provided the necessary grounding to generate the following select critical policy perspectives, insights, challenges and opportunities for the consideration of the leadership of the City of Brownsville. These items are herein submitted for the review, consideration and further dissemination of the Office of Planning and Community Development as its director reviews affordability housing within the context of the community's quality of life and its economic well-being:

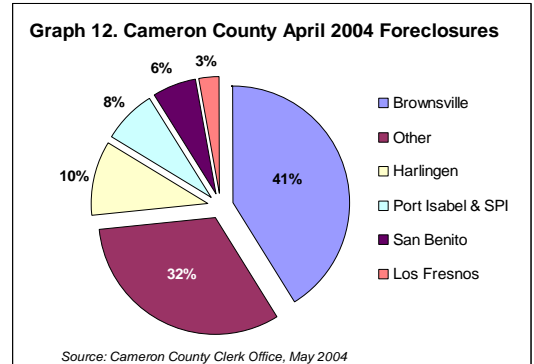
1. The social and economic constraints that were identified in the groundbreaking report, **Bordering the Future**, in 1997 by the Office of the Texas State Comptroller have not been ameliorated to a significant degree in Brownsville over the past seven years. These findings were reaffirmed and reiterated by CBIRD its 2002 Benchmarking Study of Cameron County and Matamoros.
2. Brownsville's economy presents a significant challenge to the future of all essential elements of development and its ability to provide a tax base to anchor its infrastructure. Over the past two calendar years, this city has had the highest unemployment rate of any city in the state and this rate has never dropped beneath a 10.5% level.
3. Brownsville demographic growth will not abate and it will continue to move upward to a rate that may level out but which will not bottom out. The +41% population growth from 1990 to 2000 has set a benchmark that grounds a continuous and dynamic population. CBIRD will be evaluating the upcoming mid-decade report from the U.S. Census Bureau to determine the impact of this population

growth on this region's social and economic infrastructure.

4. The need for affordable housing is present in this region and principally in Brownsville and that pool of potential homeowners will continue to grow and will not diminish as the population of the city continues its extraordinary growth.
5. The presence of an undereducated and ill prepared workforce in both South Texas and Brownsville will present a negative strand that will offer a continuous detraction to the economic foundation necessary for a long term and sustainable housing market.
6. Migration to this city and south Texas, and to the nation as a whole, will continue to present challenges to developers, support services, the infrastructure and the administration and elected leadership of this city. These challenges need to be evaluated and responded to within the context of the assets that these new residents bring to this region and it would be an error to evaluate the immigrant population within a negative social construct.
7. As has been noted in other research, which has been delineated in this study, ethnic minorities will make up a greater percentage of the home buying market for the long-term and Brownsville, due to its ethnic demography will play a major role in responding to this challenge.
8. Related issues of nutrition and health insurance have to be considered by all social services providers, educational institutions and city services departments since this region clearly demonstrates an at-risk population with these propensities. Data, that has been previously shared in this report, show that this region has an extra-ordinary number of children without health insurance and almost all school age children participate in the school districts' free breakfast and lunch programs. These two indices have been correlated to a population that is very much in the poverty strata. For such a population to remain in this condition will be a deterrent to this city's prosperity.

9. Another consideration is that much of the local workforce is employed in hourly labor for which there is no corresponding health or life insurance, long-term disability insurance and certainly, an absence of retirement benefits. These conditions do not provide for a workforce that can be fully invested in this city's economic competitive advantage.
10. A national concern has been the number of low income individuals with housing problems due to an over-extended burden on their housing costs from limited wages and salaries. It is imperative that the city evaluate the mortgage lending practices of the housing industry so that families do not wind up spending over 30% of their net income on housing related expenses.
11. The housing affordability indicators for the Texas border provided data that indicated that 61% of Brownsville's residents could not afford to purchase a two bedroom house in year 2000. CBIRD's research shows that affordable housing is no longer an issue since all rules and constraints have been literally dissolved by lenders and developers. While this may appear to be a positive factor for the community, one need to be cautious in taking such a stance since the buyers may be heading toward financial dire straits that they do may not know how to navigate.
12. CBIRD's has presented primary data that show that overall the Brownsville home buying market is comprised of buyers that are both ill prepared and uninformed about the essential elements of homeownership. There is a high interest in getting into homeownership but unfortunately there is also a very high percentage (80%) that had never accessed a home buying support services or educational awareness seminars or received any information to help them make an informed purchase.
13. The current rush to buy homes in Brownsville is of concern to CBIRD since developers, mortgage companies and banks are extending home loans to families whose credit index would have

prohibited their participation in home loan programs at any point within the past ten years. The concern here is that these individuals may be in a foreclosure or tax lien situation within the next three years [Graph 12]. If such a condition comes to be the negative consequences will not only be devastating to these families but also to a regional economy that has been shown to be weak and erratic in its behavior.



14. The city may have to consider the development of a social infrastructure plan which responds to the emerging needs of new neighborhoods for fire stations, police substations, emergency medical services, libraries and recreational parks. New sub-divisions have been emerging at a faster pace that the city is capable of keeping up in terms of the tax resources to construct needed support service venues.
15. The city and the not-for-profit support services agency may have to expand their efforts to develop a better educated home buying Brownsville resident.
16. From CBIRD's on-site confidential interviews it would appear that mortgage lenders are apparently doing more educational outreach to the potential home buyers than are either the city or not-for-profit agencies.
17. The city has made and is making a concerted effort to maintain and expand the physical infrastructure within its jurisdiction. Of concern here is that the demand and visible deterioration on streets, curbs, sewage and other utilities

may continue to challenge the city's fiscal wherewithal to respond in a timely manner to more usage due to an expand population.

18. The fact that Brownsville has a lower average tax rate than either the balance of Cameron County or the state may not bode well for its tax revenues. This situation becomes more critical when one considers that the value of the average home in the city has dropped by 8% in one year while more houses are being constructed. The data tells CBIRD that disproportionately lower cost housing structures are being built than higher priced properties. While the present construction boom may appear as a large blimp on the economic radar screen, it also leads CBIRD to state that either less affluent residents and immigrants are relocating to Brownsville or that the demand for homes priced at a greater than a \$100,000 range will not be the norm for this community. Another consideration here is that the present wage structure in this region is not resulting in more buyers with more flexible and fluid financial resources to invest in housing.
19. The national data tells CBIRD that children make up 29% of all low income people and that conversely, 32% of low income families with housing problems are children. This data was reaffirmed in CBIRD's Buena Vida study and the demography of south Texas families mirrors the national data in that this area's population is among the youngest in the nation. The correlation between these factors should be continually gauged and evaluated by policy brokers within the city and by the mortgage lending communities. To ignore such trends may prove to be disastrous to the well being of families and the quality of life of this city.
20. The scarcity of community based organizations (CB)'s) and Community Development Corporations (CDC's) does not bode well for the residents in that there are limited support systems to meet their social, health, educational, child care and related quality of life needs. CBIRD would also recommend that the city consider encouraging the founding of more CDC's to respond to unmet needs. It appears that the majority of Community Development Block Grant funds are going to one agency, the Community Development Corporation of Brownsville (CDCB). CDCB has done an outstanding job of meeting some of the needs of under-served citizens for affordable housing. That is not the issue here. What needs to be considered is that the most disenfranchised neighborhood and the greatest need for affordable housing, Buena Vida, is being further isolated and insulated by the absence of any construction of homes for citizens in housing distress. What may be needed is a CDC which is dedicated to inner city affordable housing development.
21. The city might consider revisiting, reviewing and updating its decade old (June, 1994) strategic plan for the HUD Enterprise Community application which addressed its affordable housing concern in great detail. CBIRD believes that there is much merit in what was set forth and which needs to be updated to reflect current challenges and opportunities. This report, along with the City's Housing Consolidated Plan, should be updated and revised since the stated scope of work of both documents may serve as baselines to guide further action plans.
22. The City might also consider the use of its enforcement authority to either raze or require the upgrading of the multitude of properties, 62% of which are occupied by renters, in Buena Vida that it has deemed as dilapidated or substandard. Such action would result in either more land for development within this disenfranchised community or improved rental properties.
23. The city might also consider an allocation of its CDBG funds to support an ongoing housing education and awareness programs that is active and continuous in its scope.
24. Another consideration is for the city to appoint a City Wide Housing Taskforce to investigate the findings of this report and put forth an action plan that considers the homebuyer as the most important element of the housing enterprise. This taskforce

could be composed of members from mortgage and banking, the county government, educational, CBO's, CDC's and other such vest policy stakeholders. along with a neutral facilitator to guide the process toward an action plan that is normed to accountability measures. CBIRD would also recommend that no elected official serve on this taskforce so that it scope of work is not seen as have political currency but rather the benefit of the end clientele: the citizens of Brownsville, Texas.

25. The CBIRD research conducted an ongoing environmental scan of the city's construction sites by driving and visiting sub-divisions, barrios and neighborhoods at all geographic points within Brownsville from November, 2003 to May, 2004. Its observations lead CBIRD to state that the majority of home construction is along the following corridors: 802 from highway 281 to highway 511; from South Padre Island Boulevard to the east to Southmost and to Boca Chica; Alton Gloor, both east to 511 and west to 281, west of highway 77 and just south of Alton Gloor. There is also construction of both sides of north Paredes Line Road from 802 toward Los Fresnos. Also, there is evident construction in unincorporated surrounding areas such Cameron Park and Olmitos. There was little evident construction of houses in the areas that are normally considered the older sections of Brownsville including the Southmost area except for the Naranjal subdivision, which presents an interesting mix of contractor and owner permitted construction. The research team observed little to no construction, except for remodeling, in southwest Brownsville, in Buena Vida and along Palm Boulevard, in Rio Viejo or in Los Ebanos.

26. The data does not allow CBIRD to state unequivocally that all of the housing that is being constructed is "affordable" but it is being purchased and financed as previously noted in this report. Of concern here is, again, that little visible housing construction is taking place in other than the aforementioned sections of Brownsville. It appears that it is more

convenient to construct new homes, in other than the older sections of Brownsville, since there is still much land which is affordable within the city limits.

27. The challenge to the city and construction as well as the mortgage industries is to maintain an ongoing housing plan that meets the needs of the economic mix of its diverse constituencies. The concern here is: *How can Brownsville develop the value of its housing stock to both meet the demand for affordable homes while increasing the tax base to generate sufficient resources to meet the infrastructural and support service requirements of its citizens.*

The charge to CBIRD from the City of Brownsville's Department of Planning and Community Development was to identify and report on the status of affordable housing in the city. To casual observers it would appear that there is insufficient affordable housing in this city based on assumptions that they may have from the negative economic indicators and location of Brownsville at the extreme southern tip of Texas. CBIRD's analysis of both secondary and primary data lead the researcher team to state unequivocally that such is not the case. If anything there is a construction and home loan boom in this community and throughout south Texas.

The issue that has now surfaced is one which concerns the stability and reality of this affordable housing boom. CBIRD has severe reservations that this market is one built on a foundation of sand, to use a construction analogy, and which may be building up to a balloon that is being inflated with too much uncontrolled air and could blow up. The factors that are grounding the expansion of the affordable housing markets are those that CBIRD referenced from other research on the same topic. The key considerations are these:

The economy of this region, and principally Brownsville, continues its two year trend of being both erratic and unstable with a demonstrated unemployment rate that is consistently the highest in the state. Another issue, that may need both reflection and due diligence by the city, is the matter of the mortgage industry and its willingness to provide home loans to families with a demonstrated history of a weak to poor credit and earnings history. The advertisements, which CBIRD has included in this report, should give any reasonable policy stakeholder pause to think about the messages that are being conveyed and that the means of home financing may justify the ends. One must also consider the side of the home mortgage industry and developers in that they have responded to a market that was in need of their services. A balance approach needs to be considered, for the long term, when the impact of affordable housing is measured by referencing the business practices of these industries. CBIRD can not state that it found any intent or practices that were evidently directed at misleading the buyers. What should

be said is that both the buyer and seller are in a position to create a mutually beneficial relationship experience that does result in a positive homestead for families in need.

The issues for consideration by the city's elected leadership, from both an economic and public policy perspectives, is that this current frenzy to get everyone into an affordable home may result in either more foreclosures or tax liens and eventually these may have a negative impact on the local economy. Unfortunately, the parties that may suffer the most may be the very people that are being offered a "once-in-a-lifetime opportunity" to get into a home of their own. Many homebuyers may be under the mistaken impression that they are safer when they are homeowners. Both, the Harvard University and the National Low Income Housing Coalition, offer cautionary admonishments that this may be the most risky enterprise for low income, uneducated and misinformed families that are first time homebuyers. This may be an admonishment that the city's leadership may wish to consider as it evaluates the breadth and scope of what has been presented in this report on affordable housing by the Cross Border Institute for Regional Development.

In planning the data collection design the research team relied on recommended procedures and processes that were designed by HUD in 1996 in its publication, **Mapping Your Community: Using Geographic Information to Strengthen Community Initiatives**. HUD presented a data collection guide for identifying census data commonly used in neighborhood analysis. This research guide was successfully applied to CBIRD's assessment of the Buena Vida Barrio which is one of Brownsville's oldest communities.

For the purpose of this study, the research team also decided to focus on the discovery and assessment of descriptive statistics that would be readily found within existing public data bases and records. The availability of extensive data from the U.S. Census Bureau and from local government agencies gave the researchers access to sources that were not available as recently as 1990. After much consideration of the appropriate data to address the research issues, it was decided that primary data needed to be collected, collated and analyzed to answer certain the questions, cited in Section II, that were localized and of interest to the city. A reliance on secondary data would not do so a complementary survey instrument was designed and used to collect and analyze the data to fully attend to the concerns and issues that had been identified on a national, state and regional scale.

The issue of affordable housing is one that is owned by many stakeholders within this community as have been delineated in Section V. As such, different data collection techniques will be considered and used by the researchers in carrying out the needs assessment. Among the techniques to be used are:

Surveys:

- A general population survey that represents a randomized cross-section of the community that is either interviewed or completes a survey.
- A target population survey that will be used to obtain more specific feedback from policy brokers and governance organizations.
- Service provider surveys to gather data from community based organizations that are providing direct and indirect housing support services.
- Key informant surveys of a small sample of community stakeholders whose opinions and perspectives on social issues are critical to the development of a shared vision for affordable housing.

Secondary Analysis of Existing Data:

This process will involve the analysis of community information that has been previously collected from different sources such a minutes of city commission meetings, reports and planning documents from different public and private agencies, strategic plans of non-profit housing development agencies, annual reports and audits of different agencies from state or federal oversight department such as HUD, Texas Department of Housing and Community Development, the Environmental Protection Agency and other such entities.

Analysis of Social Indicators Data:

This process will involve the analysis of statistical data on indicators that is located in local, regional and national data bases which provide timely data on economics, demographics, educational, housing, etc. The challenge here is to identify and establish correlations between these data and the focus of the needs assessment.

Review of Managerial and Administrative Records:

The data to be collected and analyzed here is that which is obtained and maintained by government and social services agencies on client characteristics, services provided, services requested, referrals, follow-up data and outcomes. The challenge here is to interpret the data so that it represents a correlation to the issue of affordable housing.

Map the Community:

This technique will be used to provide a graphic representation of both demographic and residential patterns that are then related to the data that has been collected through the other processes

Research Process Activities:

- Development of data collection schematic.
- Collection and collation of current demographic, geographic and economic data.
- Collection and collation of resource data from private, public and not-for-profit agencies such as audits, annual reports, strategic plans, minutes of meetings, etc.
- Development of statistically valid survey instruments for various cohorts.
- Development and implementation of interview samples and related schedules.
- Conducting field interviews and focus groups.
- Attendance at meetings of stakeholders groups to obtain first hand impressions of housing related issues and data.
- Development of mapping parameters to demonstrated residential patterns.
- Entry of all collected data to a secure server.
- Ongoing duplication of all data, reports, reviews of same and filing of all reference materials.
- Analysis of all data and creation of corresponding tables, charts, maps, etc.
- On-going writing of field notes, interview notes and continuous inter-research team dialogue on weekly findings.
- Meeting with staff of the Brownsville Planning and Community Development Department on an on-going basis.
- Final formatting, writing, editing and printing final copy of report.

Sample Size

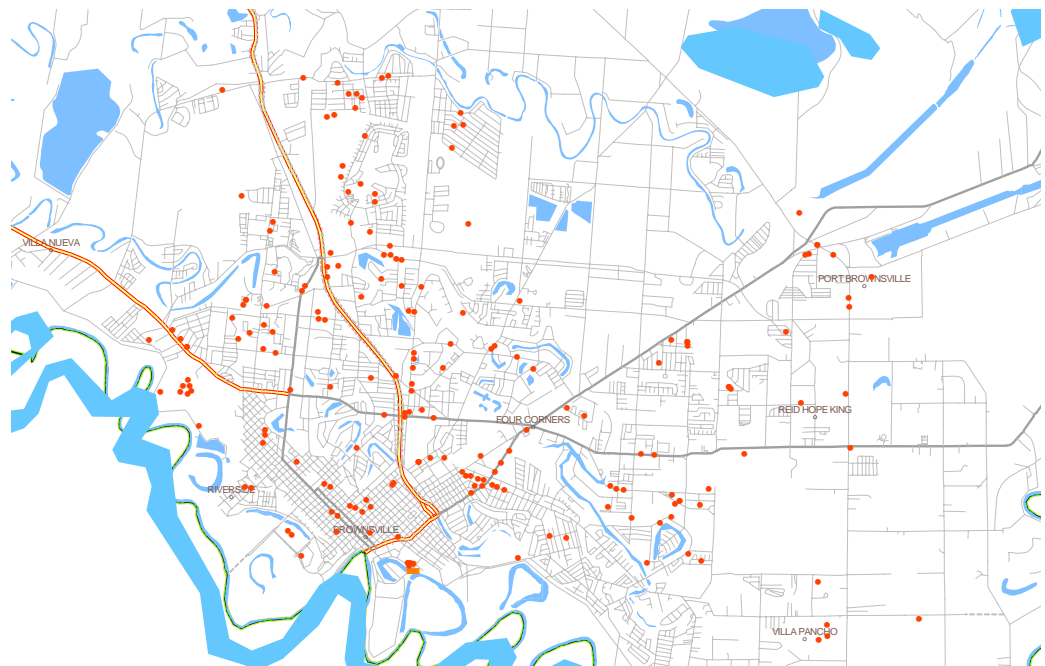
Brownsville used to have a total of 41,210 households in year 2000 according to the census. 24 371 home owners and 16,839 were non home owners.

For this study, the samples size was calculated using an electronic sample size calculator available on-line (Creative, 2004), and corroborated with the sample size calculator of Raosoft (2004) also accessible on the Internet.

Based on household populations mentioned above, a confidence level of 95% and confidence interval of 5.56 resulted in sample sizes of 307 for home owners and 305 for non-homeowners survey participants. A 50 percent was chosen for determination of the general level of accuracy.

Map 2 provides an overview of where the respondents resided at the time of the field surveys. The fact that the respondents were not clustered in significant concentration, they were all over the city, affirms CBIRD's efforts to provide and analyze survey data that would provide a balance of insights from the interviewees.

Map 2. Residential Patterns of Non-home Owners



Source: CBIRD, Brownsville Affordable Housing Survey, 2004

Survey Processes:

Questionnaires, to gather primary data, were used at two public sites: The Sunrise Mall of Brownsville on Saturday February 28, 2004. The second site was the 77 Flea Market on the 21st, 22nd, and 28th of February, 2004. These two sites were selected for two reasons: 1.) The Flea Market provided a broader economic sample of participants and 2.) The mall provided access to a narrower economic sample since it attracts buyers with selective responses to shopping

alternatives. Also both sites, the researchers believe, offered access to the diverse economic and demographic profiles of Brownsville.

Data Analysis:

The data that was generated by this research was tabulated and analyzed using SPSS [Statistical Package for the Social Sciences]. The design of the various questionnaires [Both bilingual and single language: Spanish or English] was guided by a statistically validated survey instrument that was used by a research team which conducted a similar study for the Alachua County Housing Board of County Commissioners in Gainesville, Florida in 2003. This comprehensive affordable housing study can be found at the following website:

http://www.growth-management.alachua.fl.us/housing/housing_docs/Alachua. All data from the interviews was entered to a master depository and all tabulations that were run were quantitatively validated. The researchers also corresponded with the research team leader, Mr. Shawn Woodin, to clarify certain items and a complete set of the field survey instrument was mailed to CBIRD for its review and use as appropriate.

Secondary data and its appropriate use, was reviewed and evaluated by the research team by cross referencing and identifying corresponding data sources to confirm or reaffirm reports from local, state or federal agencies, from institutions of higher education or from foundations. A majority of the demographic data was obtained from the U.S. States Census Bureau, the U.S. Department of Housing and Urban Affairs or from previous CBIRD studies.

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Baltazar Arispe y Acevedo, Jr., Ph.D.

Dr. Baltazar Arispe y Acevedo, Jr. brings thirty-five years of experience at all levels of education, government service and in the public sector to his current role as the Executive Director of the Cross Border Institute for Regional Development (CBIRD). CBIRD is a policy research institute and regional think-tank that is component of the University of Texas at Brownsville and Texas Southmost College. The target region of CBIRD's activities includes the thirteen counties of South Texas and the two Northern states of Mexico, Tamaulipas and Nuevo Leon.

Dr. Acevedo's extensive career demonstrates his life long commitment to addressing quality of life issues in both urban and rural communities. He began his career as a kindergarten teacher in the Migrant Education Programs in Michigan and has taught at the high school level and in universities in Texas and Michigan. He has experience in every facet of policy development, institutional advancement and in the development and analysis of public policies to assess social impact. Dr. Acevedo has also served as a college dean, a director for workforce and economic development and was the founding president of the College Without Walls for the Houston Community College System from 1991-96.

Dr. Acevedo has extensive demonstrated successful experience in working with under-served communities through his work as a consultant for the United States Department of Housing and Urban Development, as counselor with the Job Corps, and as a teacher of GED and Adult Basic Education. He has also served as a policy analyst for both the U.S. Department of Education and for HUD. In his academic assignments Dr. Acevedo has been the Dean of Student at the University of Houston-Downtown, on faculty at Western Michigan University, Grand Valley State University, Southern Methodist University and the director of the National Institute of Education Post-doctoral Research Institute at the University of Texas at Austin. Dr. Acevedo currently serves on the Council of Scholars with the College of Education at the Arizona State University in Tempe, Arizona.

He has published extensively in public policy, demographics, diversity and in the areas of technology and workforce/economic development. He has also served his community as a member of over forty boards among those being Habitat for Humanity and the Michigan Governor's Education Taskforce. Dr. Acevedo has also made over one hundred presentations to academic, public and governmental organizations. In addition to these activities, Dr. Acevedo has served as a consultant to VERIZON Communications, Southwestern Bell Corporation, HUD, the Hispanic Border Leadership Institute at Arizona State University, the Meadows Foundation, the U.S. Department of Education, and the Texas Coordinating Board for Higher Education, the cities of Dallas, Houston, Albuquerque, El Paso, Waco and Oklahoma City as well as the Anti-Defamation League, the Hispanic Association of Colleges and Universities and the Annenberg Foundation

He holds a baccalaureate degree in Social Science Education (History and Political Science) from Southwest Texas State University (1969), a Masters of Science in Curriculum from Western Michigan (1974) and a Ph.D. in Higher Education Management and Research from the University of Texas at Austin (1979). Dr. Acevedo has also completed four post-doctoral assignments with HEW, the American Council of Education, The League for Innovation, The American Association of Community Colleges and held a pre-doctoral research assignment in public policy research with the National Institute of Education and was assigned to the Southwest Educational Development Laboratory in Austin as part of his doctoral studies at the University of Texas at Austin.

Ignacio E. Rodriguez, M.A.

Ignacio E. Rodriguez has 25 years of professional career in government agencies, private enterprises, as well as non-for-profit organizations. His interest for investigative activities is being manifest at the Cross Border Institute for Regional Development working as Research Analyst for the last three years doing data search, processing, and revision of demographics, economic, and educational issues on both sides of the Texas-Mexico border. Before, he has directed bicultural training for dislocated workers on computer literacy, office occupations, and language skills acquisition. Currently is also Adjunct Faculty for the School of Liberal Arts at The University of Texas at Brownsville and Texas Southmost College.

Mr. Rodriguez has participated in the first benchmarking study for the Southernmost County in the U.S. and the Northeastern part of Mexico addressing economic aspects of all industry tendencies, including, demographics, and socio-economic history. Has contributed for a report on all Texas border counties regarding NAFTA impact on people and vehicles traffic as well as its impact on public infrastructure, taking in account distressed conditions this region faces in view of demographic explosion and the need to tighten security aspects at ports of entry. He also has published studies on economic and marketing matters for agricultural products of the region including staple crops and produce.

He is very competent using computers and related devices which has given to him a competitive advantage in dealing with Internet search and data downloading, making Power Point based presentations, web page authoring, spreadsheets mastering, as well as graphs and figures design for insertion on written reports. Lately Mr. Rodriguez has started teaching a combination of web-based and classroom courses, a mixture of traditional and innovative media as a method of instructional delivery, in an effort to get his students into the latest technology-based educational environment. In the same way, he is taking full online doctoral-level courses.

Through his life, he has traveled extensively as a student and later conducting business in Mexico and United States. Also, have done some business trips to South American countries including Colombia, Uruguay, Argentina, and Brazil.

Ignacio E. Rodriguez holds a Bachelors Degree in Business with emphasis on International Trade and a Masters Degree in Government from The University of Texas at Brownsville. Currently is pursuing his Doctoral Degree in Innovative Education from Monterrey Tech and the University of British Columbia. Moreover, back in 1978 obtained Bachelor of Science in Agriculture from the University of Agriculture Chapingo, Mexico.

Being a complete bi-literate professional, holds also a unique bicultural trait because was raised in Mexico later making a career in United States. In consequence, he had the chance to become bilingual in English and Spanish, which in turn allowed him to pursue and attain a Professional Certificate in Translation and Interpretation from The Texas Southmost College and the University of Texas at Brownsville.

Ignacio E. Rodriguez is a team contributor toward work effectiveness, sound administration, customer service, and technology application.

Oralia De los Reyes, M.B.A.

Oralia De Los Reyes is currently Research Analyst at The Cross Border Institute for Regional Development at The University of Texas at Brownsville and Texas Southmost College, in charge of collecting and collating primary and secondary data and Information from community, government and private sources either from the Internet as from printed and library sources. She has participated for several economic studies on South Texas and Northern Mexico including a regional assessment for industry clusters and an infrastructure related report on Texas border counties. She collaborated on an inner city environmental scanning regarding social and economic status of a mainly Hispanic U.S. Census tract in Brownsville, Texas.

Oralia De Los Reyes holds a Masters in Business Administration from The University of Texas at Brownsville and Texas Southmost College, as well as a Bachelor of Science in Industrial Engineering from The Matamoros Institute of Technology and Higher Education in Mexico. Getting graduated with outstanding GPA scores, got the necessary recognition to be included in the Cross Border Institute for Regional development in the research position she holds at present time. Currently De Los Reyes is pursuing her bilingual teacher certification while working on her pre-requirement classes toward her Doctoral Degree.

Her mastering of computer related software includes high proficiency on spreadsheets, Power Point, Internet research for data collection, web page design, word processors, as well as geographic mapping software. Major areas of experience in data collection are demographics, economic indicators, social characteristics, and education performance reports. She participated in a complete survey process from questionnaire design to the actual implementation and data processing and analysis, including graphical representation of numerical tendencies.

De Los Reyes has accumulated 10 years of professional career in the private and public sectors of the Texas Mexico Border, having worked in the unique environment of the Manufacturing/Maquiladora Industry in Brownsville, Texas and Matamoros, Mexico. Her experience as a Material's Coordinator and Industrial Engineer at worldwide known corporations such as Phillips Technologies and Sunbeam-Oster Household Products have imprinted a sense of team-oriented individual as well as the efficiency and effectiveness approach for assignment performance.

In addition, she also has accumulated some experience on teaching adults in the fields of Math and Sciences at the elementary and secondary levels, as well as English as Second Language in Mexico. She is fluent in Spanish and bi-literate given her educational credentials in The United States and Mexico.



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