

ENVISION EL PASO HOUSING NEEDS ASSESSMENT

City Council Update

November 17, 2025



**Economic & Planning
Systems, Inc.**
The Economics of Land Use

DENVER
LOS ANGELES
OAKLAND
SACRAMENTO

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SCOPE OF WORK

Project objective is to develop strategies to increase production of both market rate and affordable housing in El Paso while addressing risk of displacement and housing insecurity.

Today:

- Existing Housing Inventory and Gaps Analysis

Future Discussions:

- Defining Housing Affordability
- Housing Policies and Tools

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Deliverables:

- Housing Inventory and Gaps Report
- Housing Strategy Report
- Housing Conditions and Targets

SCHEDULE

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OUTREACH AND ENGAGEMENT OVERVIEW

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Working Group

- Consisted of neighborhood organizations, housing advocates/experts, and housing providers
- Periodic meetings at key milestones

Community Organizations

- Invited community organizations providing housing and related services
- Two focus group meetings – one at initial stages (6/17) and one with initial findings (8/25)

Developers

- Prominent housing developers with experience in multiple product types
- Individual developer interviews (6/17-7/10)
- Presentation to group of developers as part of FLUM efforts (8/25)

Design Professionals

- Working in the design of both new construction and reuse/restoration, utilizing
- Two focus group meetings – one at initial stages (6/18) and one with initial findings (8/25)

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DEMOGRAPHICS TRENDS

DEMOGRAPHIC TRENDS

Stagnant population yet growing employment

Aging population and loss of children

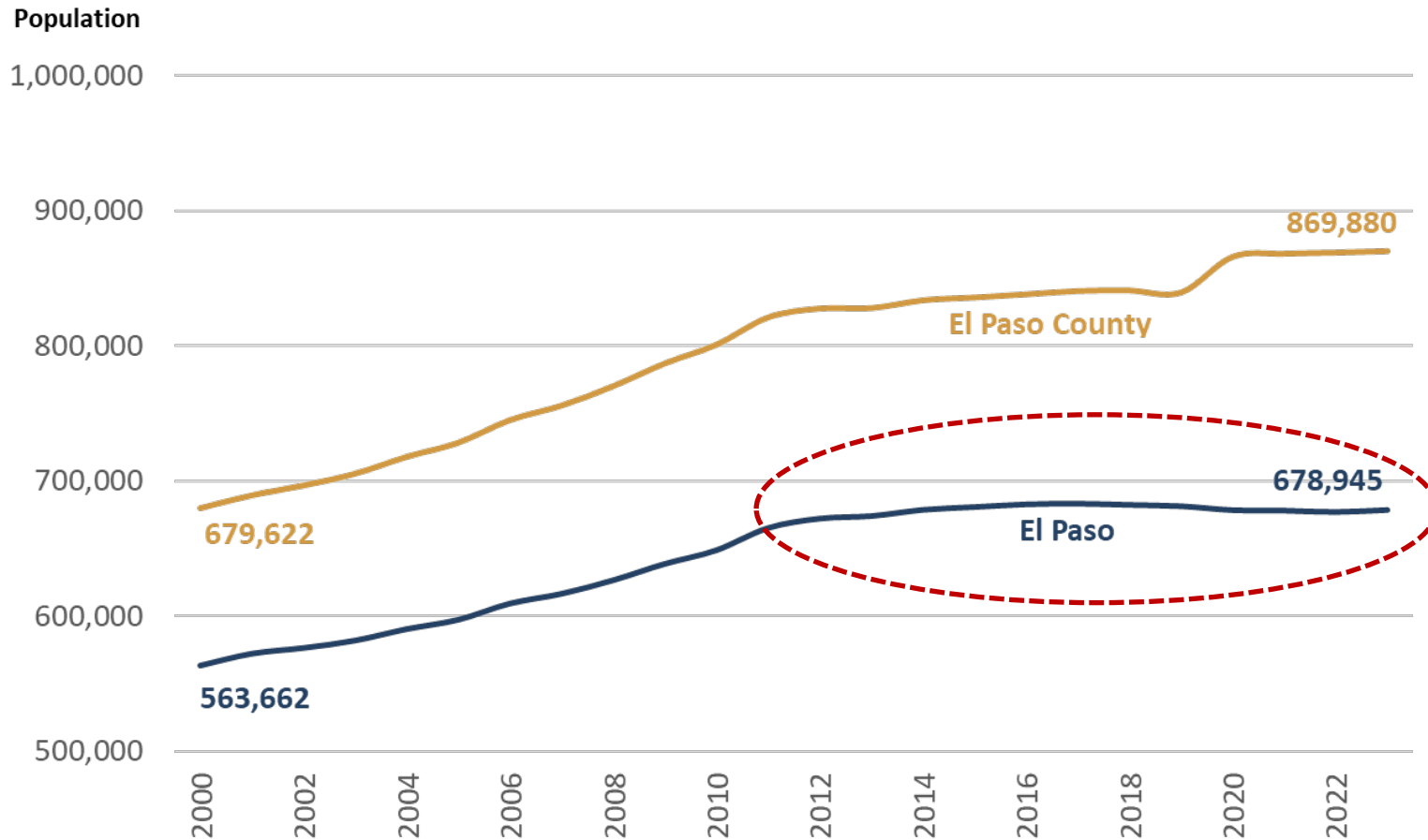
Growing diversity of household types

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POPULATION GROWTH SLOWS

- Population growth in City has stagnated since 2010



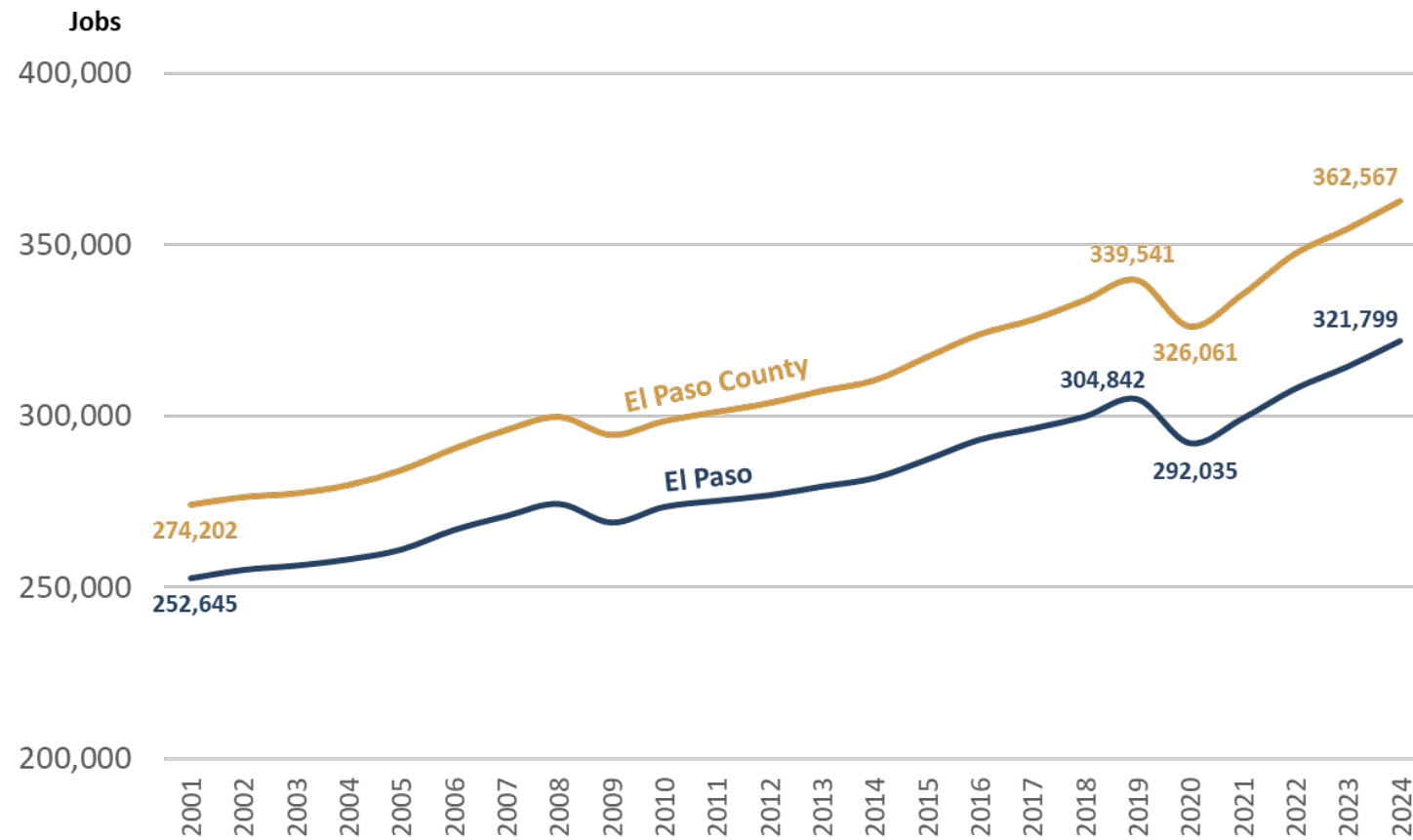
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Source: US Census Population and Housing Unit Estimates Tables; Economic & Planning systems

STRONG JOB GROWTH CONTINUES

El Paso has continued to add jobs and has surpassed pre-pandemic levels



Source: Jobs EQ; Economic & Planning Systems

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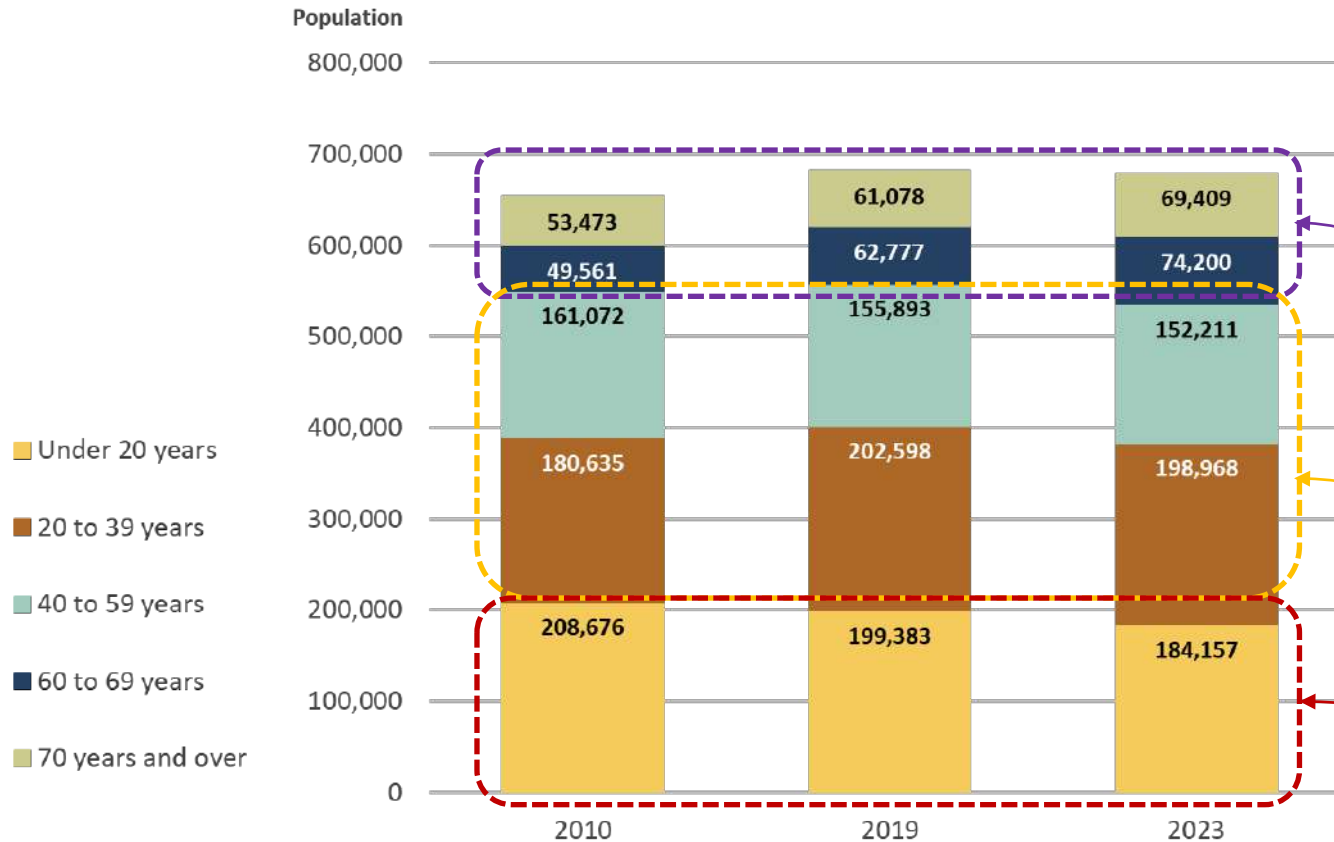
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SHIFTING DEMOGRAPHICS

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El Paso Population by Age Cohort, 2010-2023



Source: ACS 1-Year Estimates; Economic & Planning Systems

Increase in older adult population (over 60 years old) ↑

Worker age population flat →

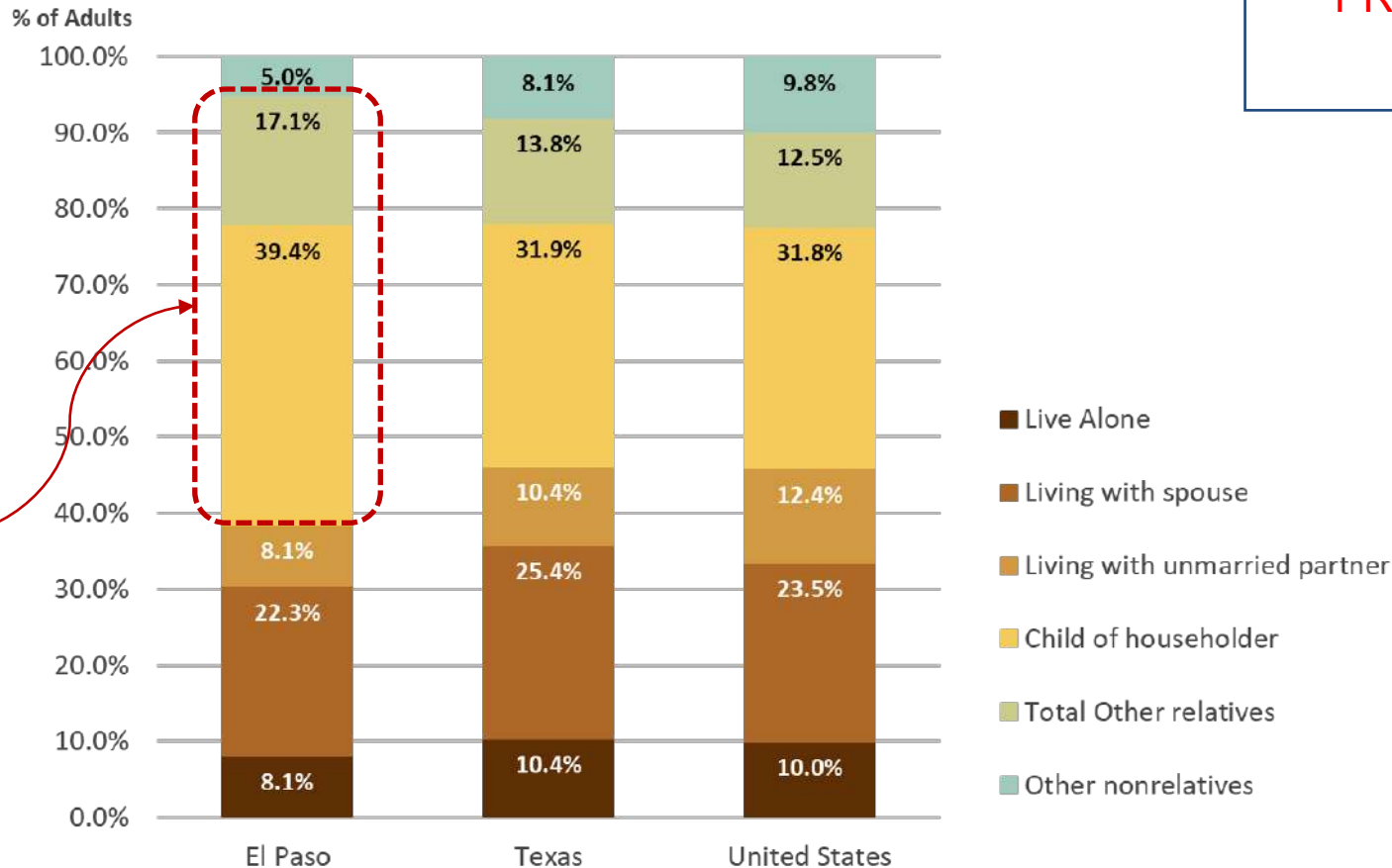
Loss of younger residents (under the age of 20 years) ↓

MULTIGENERATIONAL HOUSEHOLDS PERSIST

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Household Status Residents Age 18-34, 2023



57% of residents aged 18-34 live with their parents or relatives

Source: ACS 1-Year Estimates; Economic & Planning Systems

DEMOGRAPHIC TRENDS IMPACT

Stagnant population yet growing employment

- More workers living outside the City but commuting in for work
- Neighboring cities maturing into stand-alone cities

Aging population and loss of children

- Aging population needs a greater diversity of housing options
- Less young workers moving to El Paso and more families choosing to live outside of City
- School District is losing enrollment and closing schools making existing neighborhoods less attractive for families

Growing diversity means need for more diverse housing

- Majority of housing stock oriented towards family households
- Lack of adequate housing options means either having to select substandard options or look for options outside the City

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HOUSING PRODUCTION

HOUSING PRODUCT TRENDS

More housing being built outside City

Less housing being built overall

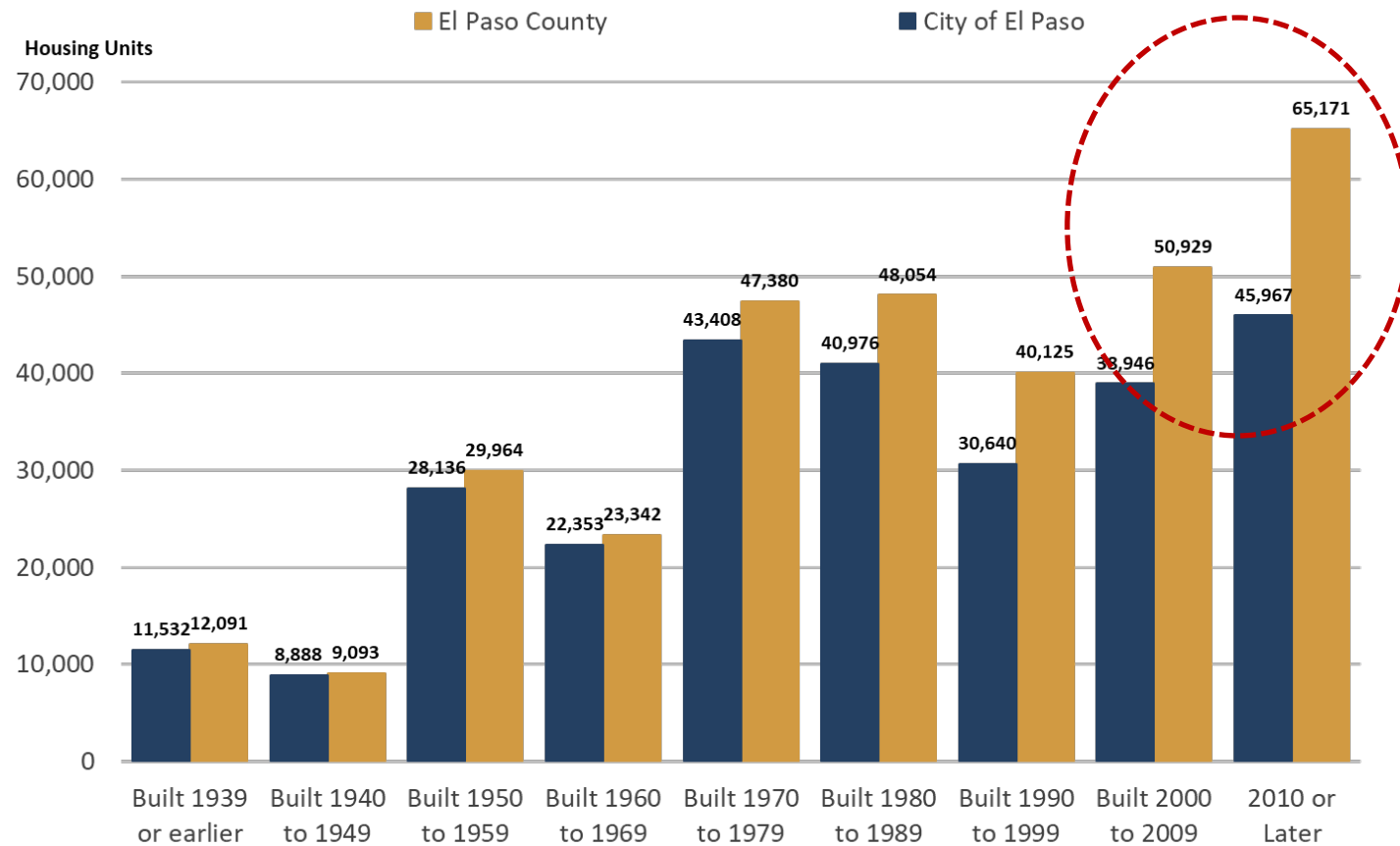
Housing prices spiking

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NEW HOUSING OCCURRING OUTSIDE CITY

Housing Units by Decade Built



Source: ACS 1-Year Estimates; Economic & Planning Systems

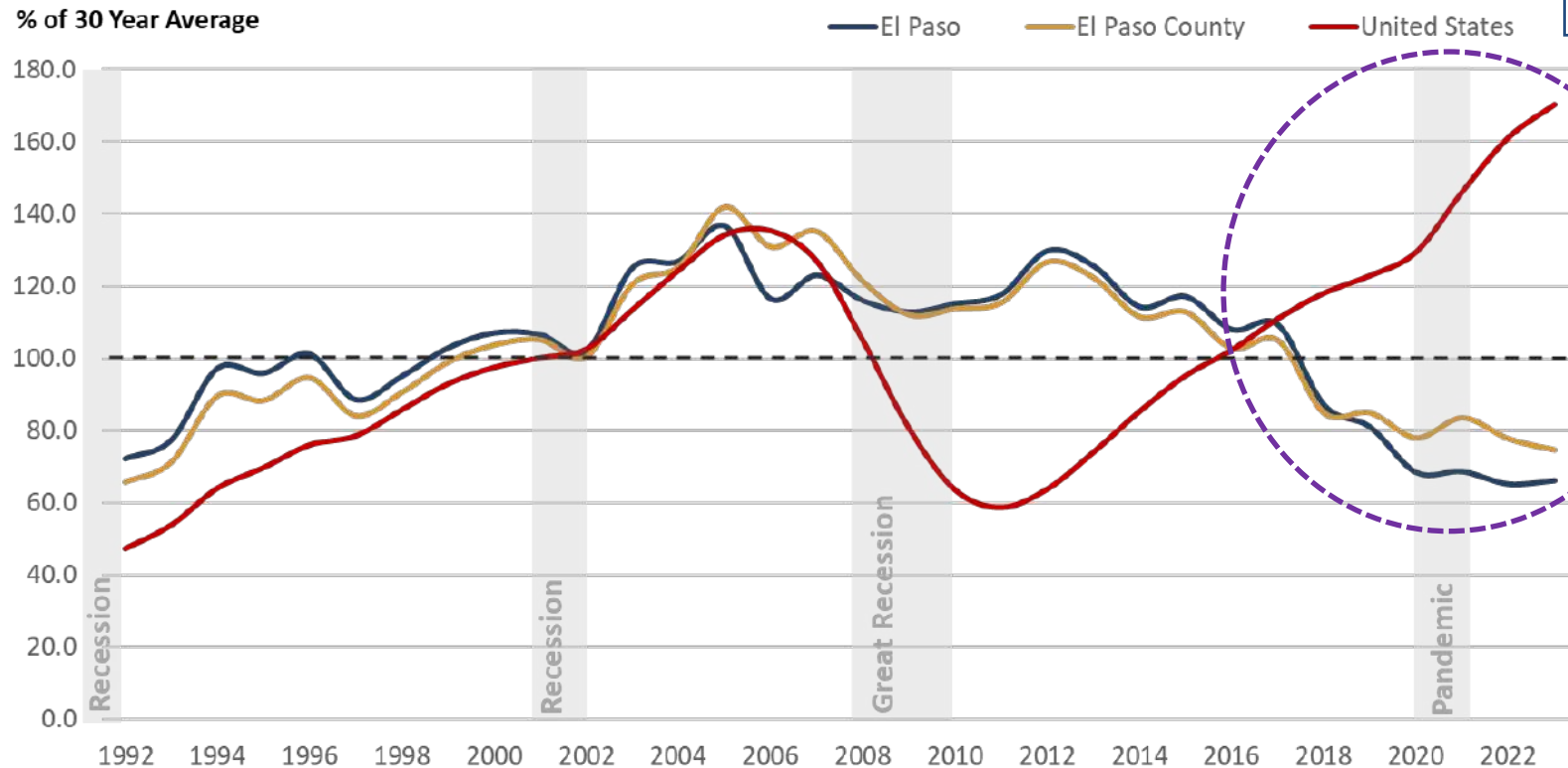
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- Much greater share of housing is being built outside of the City
- 31,000 housing units built in the County outside of the City since 2000

DECREASING RATE OF HOUSING PRODUCTION

Annual Housing Unit Permits as a % of 30-Year Average



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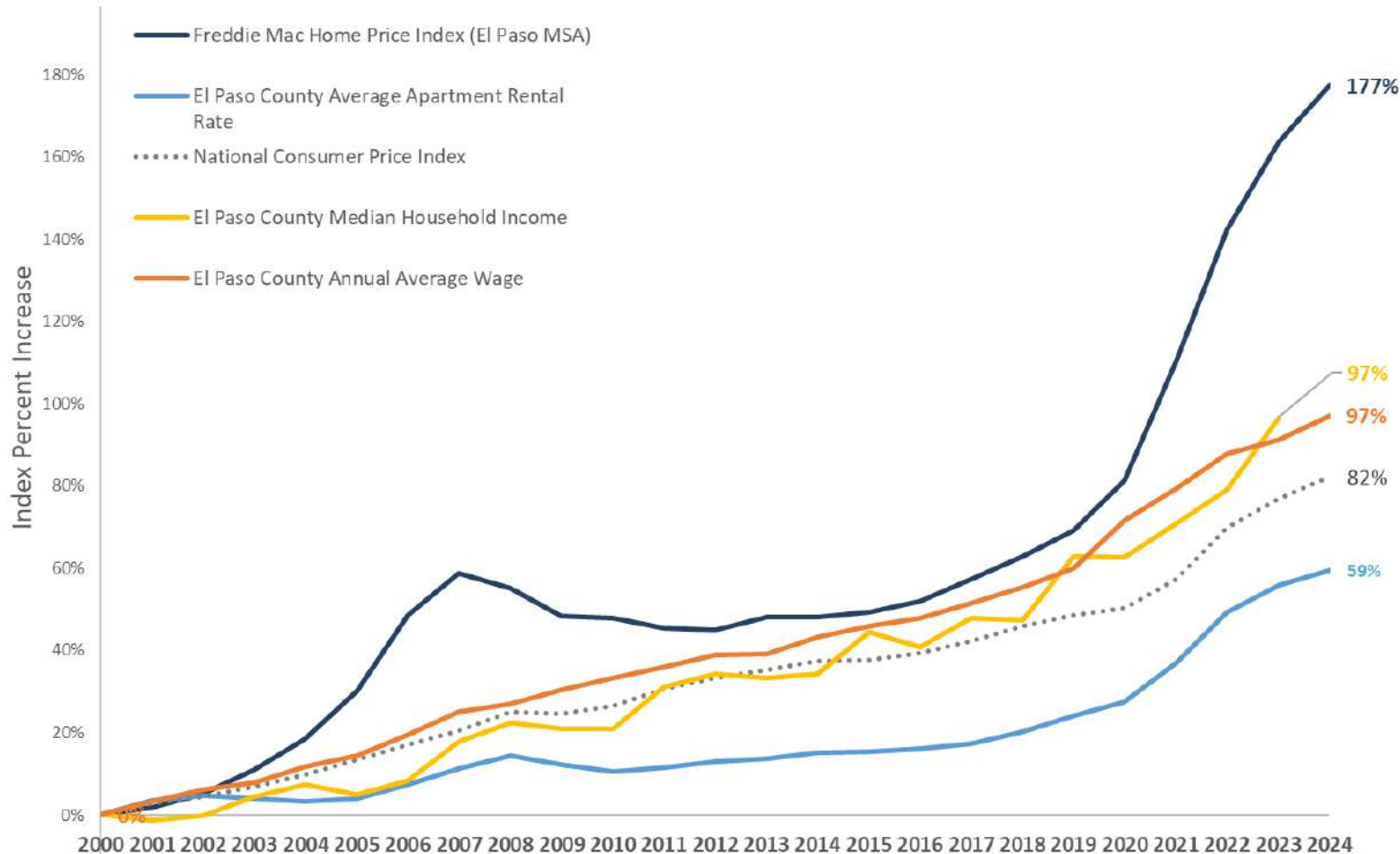
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- The rate of housing permitting in the City and County has been slowing steadily since 2012.
- Reduced housing development despite growing economy
- Out of line with US

Source: Building Permit Survey; Economic & Planning Systems

HOUSING COSTS SPIKED SINCE 2020

Home Price and Rental Rate Change Index, 2000 to 2024



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- Price of homes has spiked in region since 2020
- Price of homes has grown at significantly faster rate than wages, incomes, inflation

PRODUCTION TRENDS IMPACT

Housing built outside City

- Annexation law changes means City has to compete with ETJ and neighbors for housing production
- Developers finding it cheaper/easier to go outside City and buyers not finding value proposition for being in the City

Slow housing production

- Decreasing production despite growing economy
- Buyers/renters competing for less housing options

Housing Costs Spiked

- Increasing demand with decreasing supply means higher prices
- Rapid price increases most impactful on vulnerable populations

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HOUSING GAPS

AREA MEDIAN INCOME DEFINITION

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- **Area Median Income** is defined by US Department of Housing and Urban Development (HUD) at the County/Metro Area geography to set qualifying income limits for Federal Housing and Social Support Programs
- AMI varies depending number persons in the households

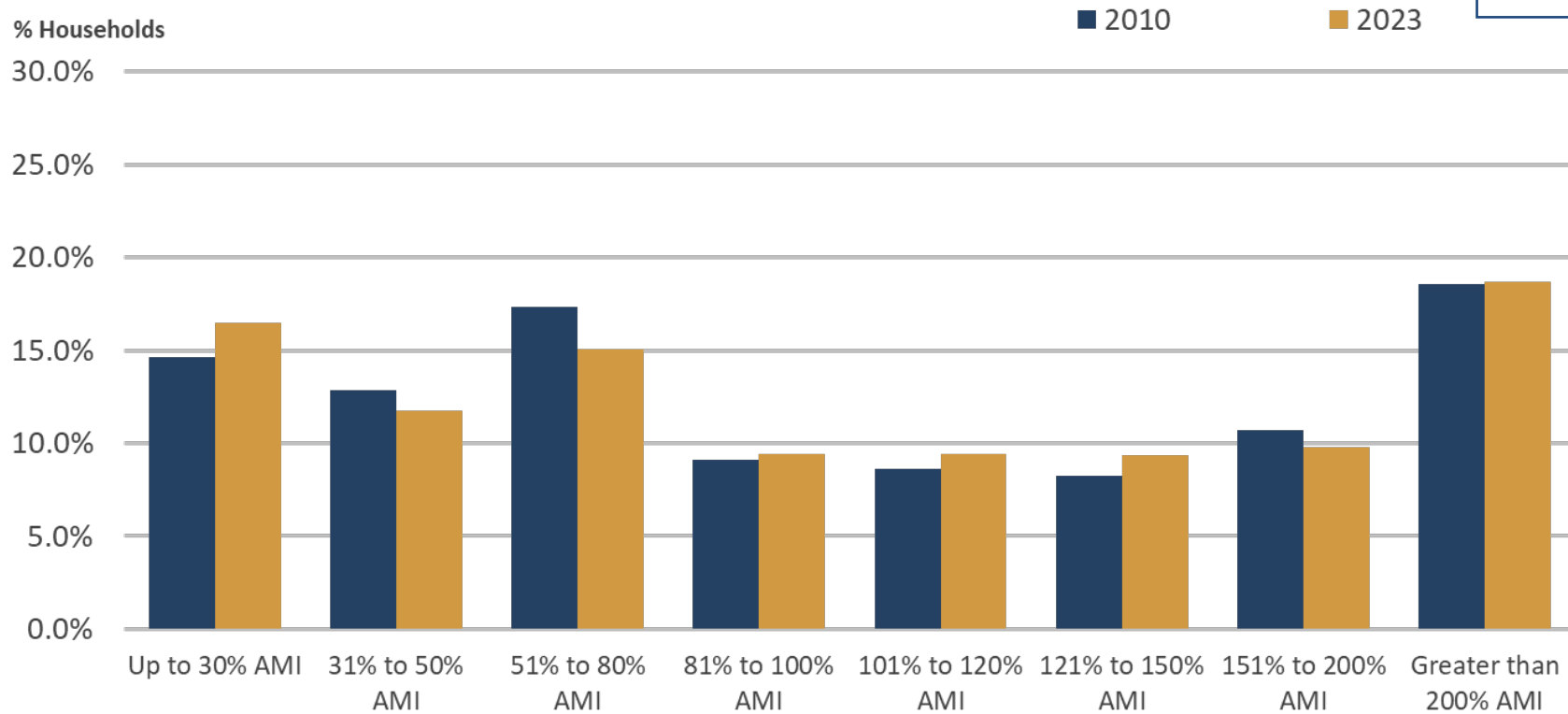
Area Median Income for region (i.e., 100% of AMI)

- **\$63,600** for a 2-person HH in 2025
- **\$71,500** for a 3-person HH in 2025

PERCENT OF HOUSEHOLDS BY AMI

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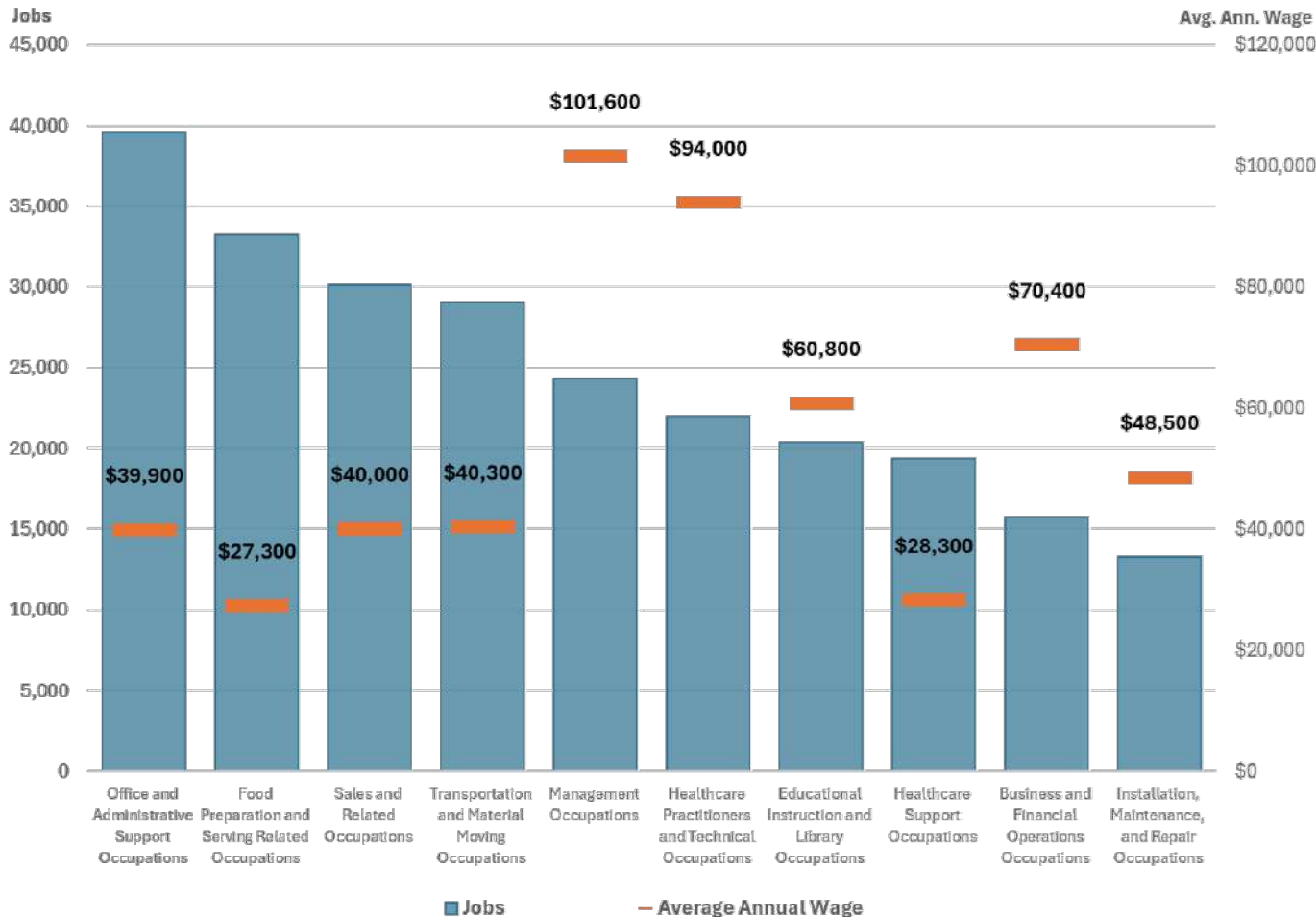
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Source: ACS 1-Year Estimates, HUD, Economic & Planning Systems

HOUSEHOLD INCOMES TO WAGES/JOB

Total Jobs and Annual Average Wage by Top 10 Occupations



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- \$51,900 - Average Annual Wage for all occupations
- \$36,900 - Average Annual wage for four largest occupations
 - 41% of jobs in City
- Estimated HH Income
 - \$69,416 (all occupations)
 - 103% of AMI
 - \$49,320 (top 4 occupations)
 - 73% of AMI

HOUSING COSTS TO HOUSEHOLD INCOME

HOMEOWNERSHIP

Median Sale Price

\$250,000



Household Income Needed

\$85,500



Median Household Income

\$63,600

RENTAL

Median Annual Rent

\$19,200
(\$1,600/mo)



Household Income Needed

\$64,000



Median Household Income

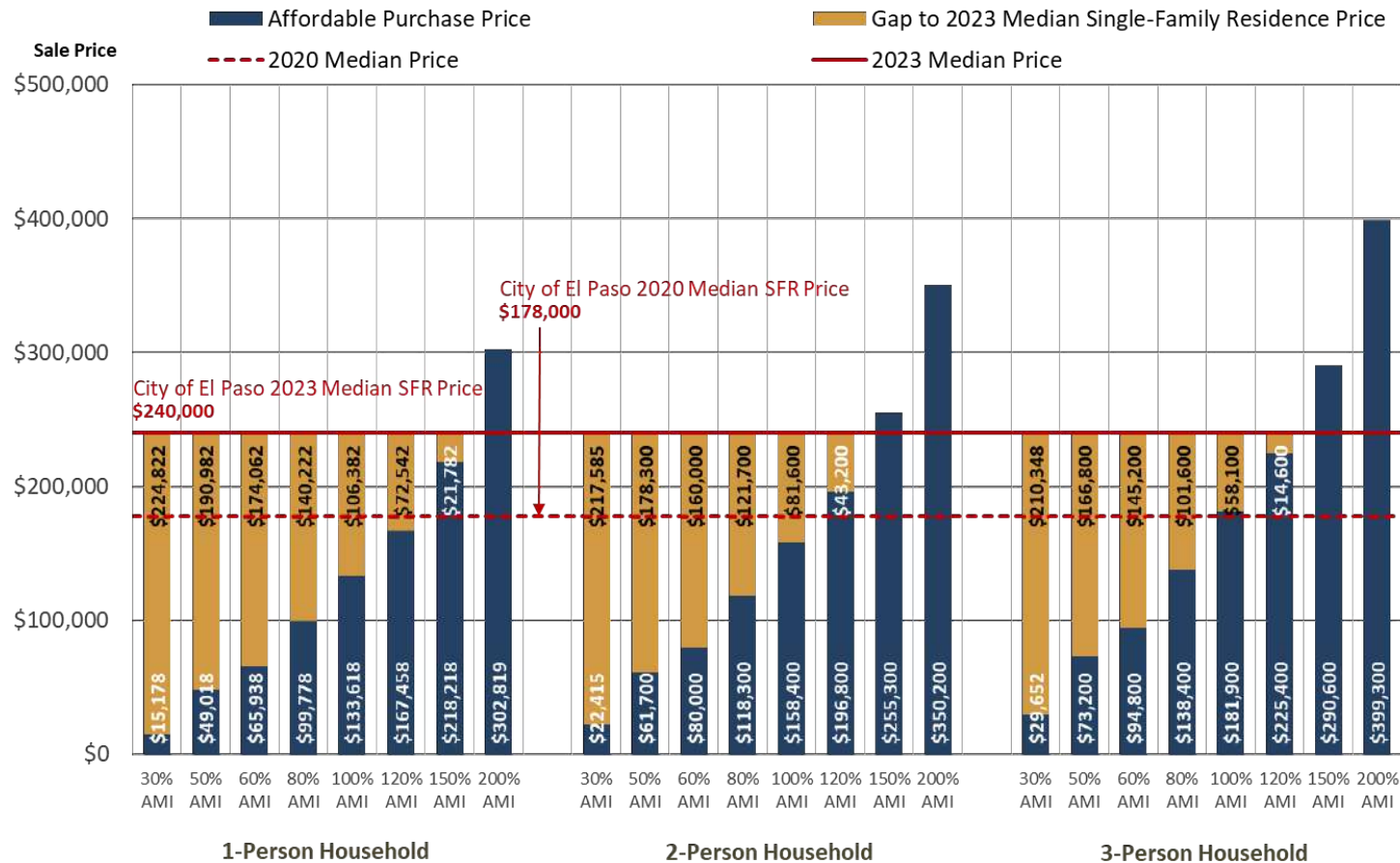
\$63,600

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SINGLE-FAMILY HOMEOWNERSHIP BECOMING LESS AFFORDABLE

Single-Family Sale Price vs. AMI



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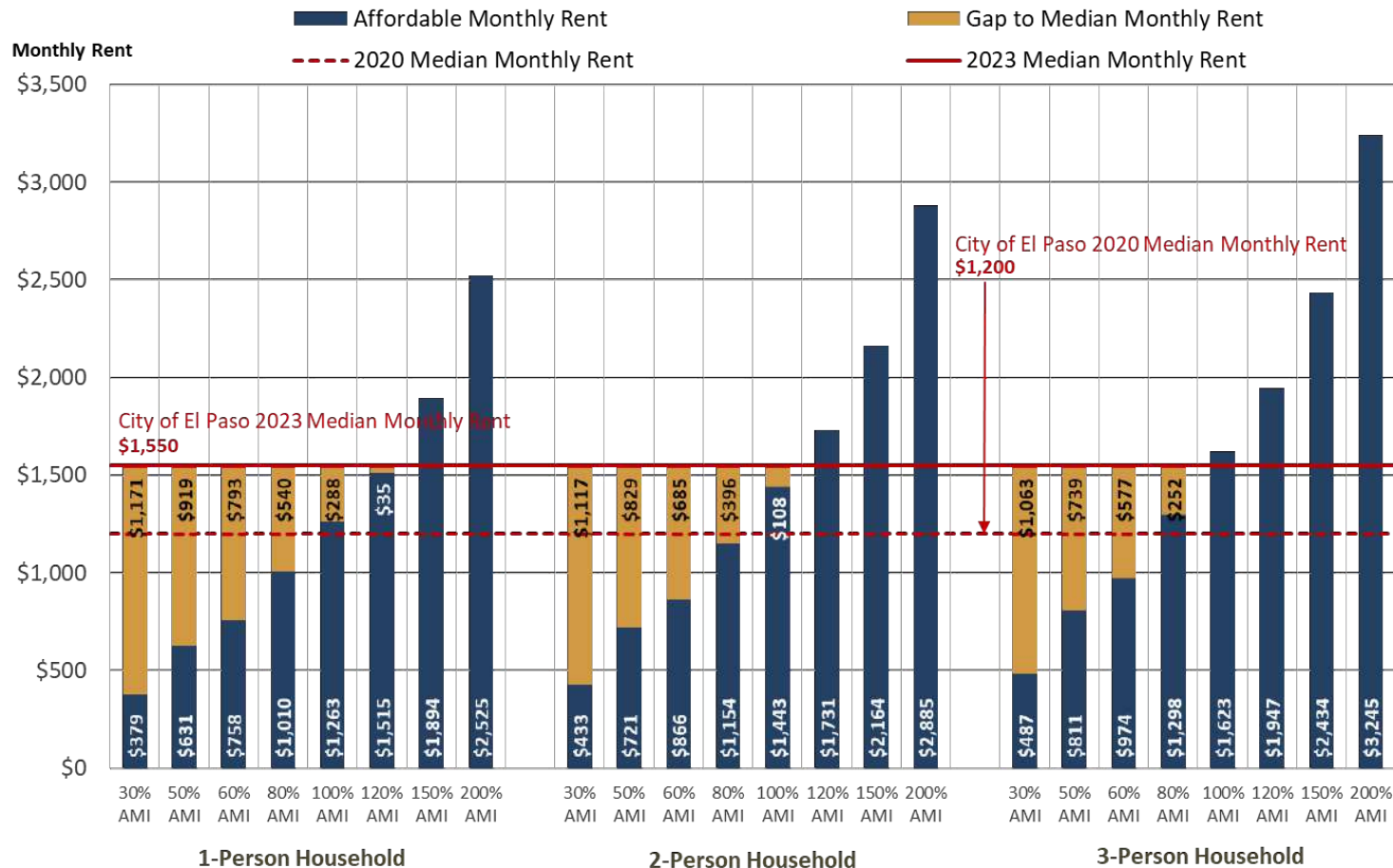
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- Annual income needed to afford median single family home price increased from \$63,500 in 2020 to \$83,700 in 2023 (for 2-person HH)
- Need to earn 145% of AMI to afford median single-family home (2-person HH)

Note: HUD 2023 Income Limits used to maintain consistency with the use of 2023 sale prices
 Source: HUD Income Limits, City of El Paso, Multiple Listing Service (MLS), Economic & Planning Systems
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RENTAL AFFORDABILITY BECOMING MORE CHALLENGING

Rental Rates vs. AMI



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- Rental affordability gaps now exist for median income households
- Need to earn 105% of AMI to afford rental unit (2-person HH)

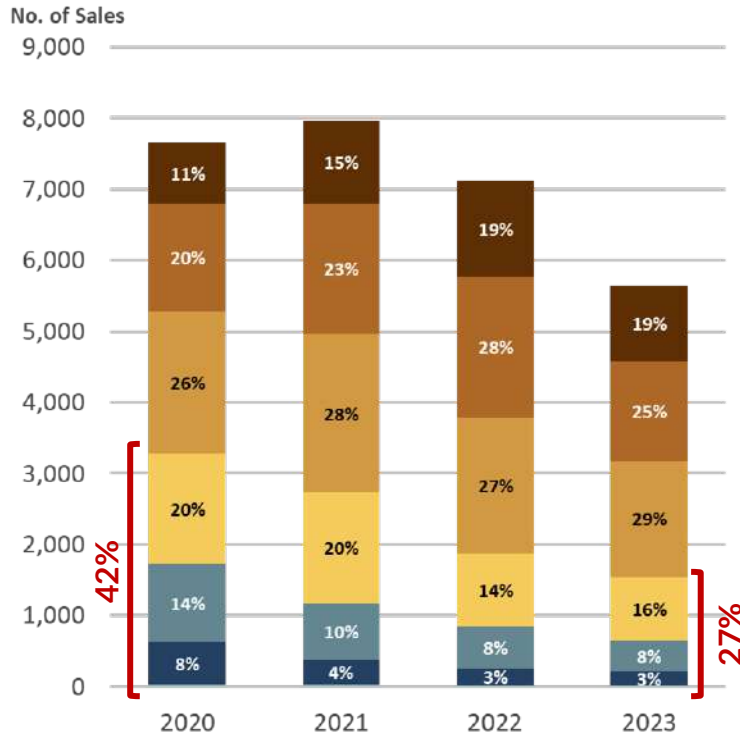
Note: HUD 2023 Income Limits used to maintain consistency with the use of 2023 rents
 Source: HUD Income Limits, City of El Paso, Multiple Listing Service (MLS), Economic & Planning Systems
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INCREASING PRICES/RENTS MEAN LESS UNITS AFFORDABLE FOR LOWER INCOME HOUSEHOLDS

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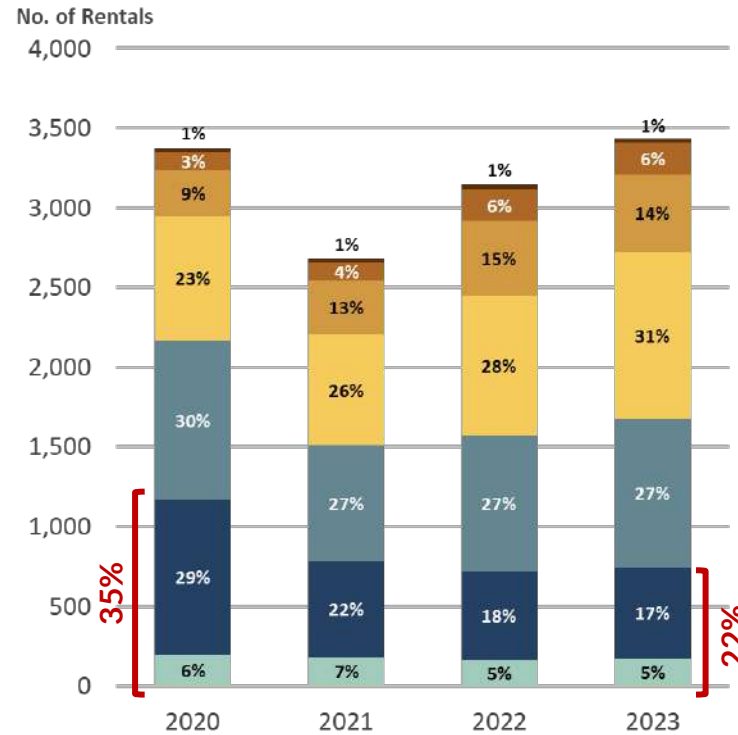
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HOMEOWNERSHIP



Source: City of El Paso, Multiple Listing Service (MLS), Economic & Planning Systems

RENTAL



Source: City of El Paso, Multiple Listing Service (MLS), Economic & Planning Systems

- Greater than 200% AMI
- 151% to 200% AMI
- 121% to 150% AMI
- 101% to 120% AMI
- 81% to 100% AMI
- 51% to 80% AMI
- 31% to 50% AMI
- Up to 30% AMI

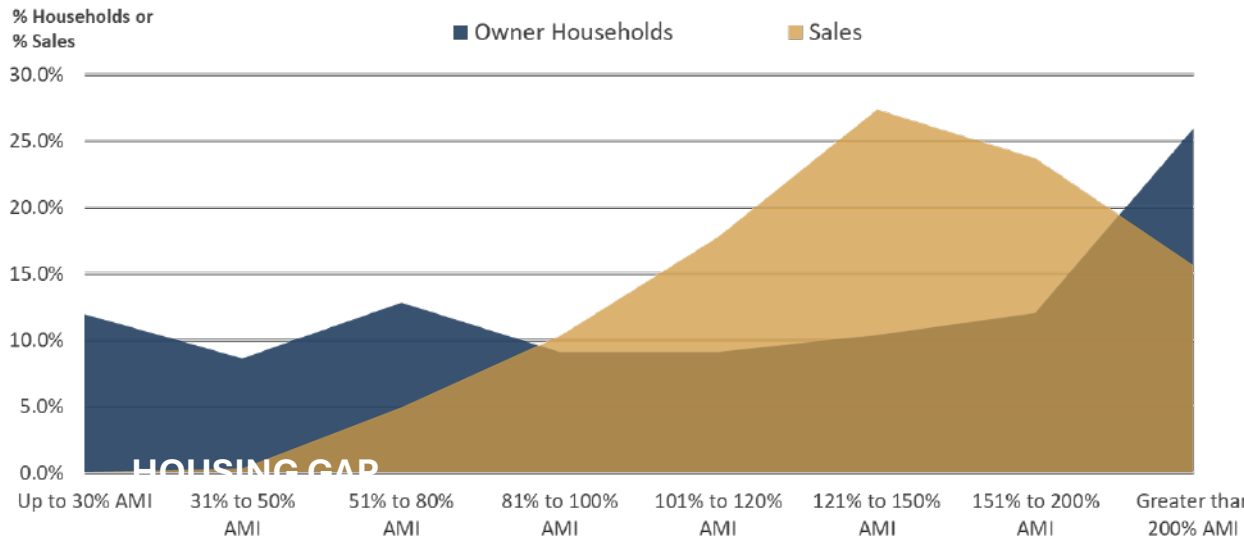
HOUSING GAPS

- Greatest need for affordable housing options is for households **earning less than 80% of AMI**
 - Lack of rental options below 80% of AMI;
 - Lack of ownership options below 100% of AMI
- The majority of housing stock is rented or sold in same price ranges
- Gaps also exist at higher end of market (i.e. **lack of newly built market rate housing options**) which increases competition for medium and lower income households

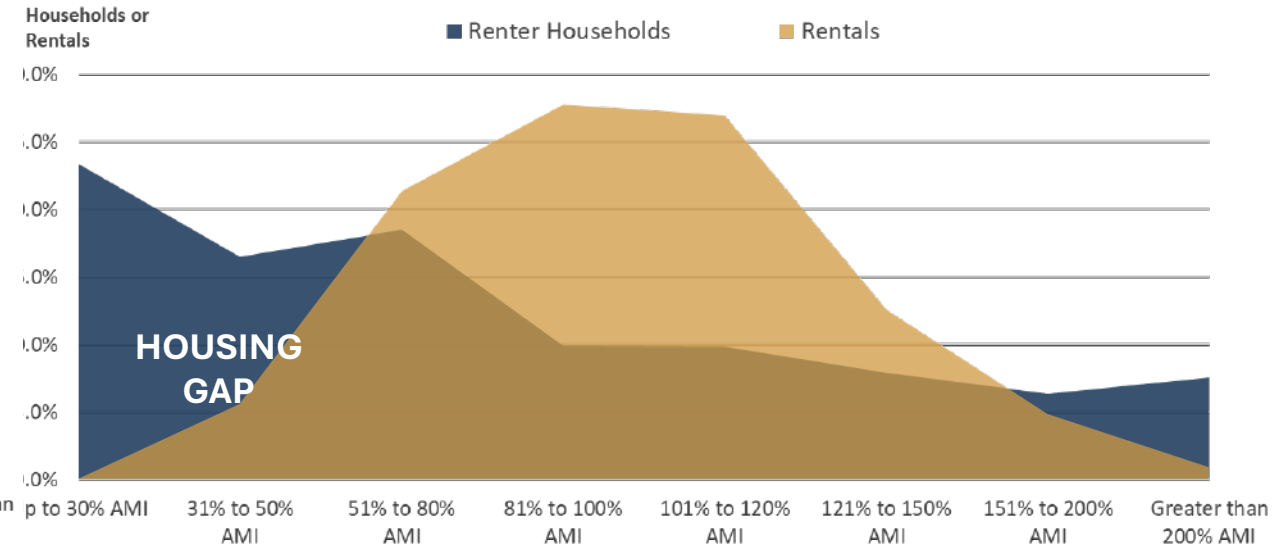
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HOMEOWNERSHIP



RENTAL



Note: Rentals represent % of total rental listings that were available from 2020 to 2023
 Source: City of El Paso, Multiple Listing Service (MLS), ACS 1-Year Estimates, Economic & Planning Systems

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HOUSING NEEDS

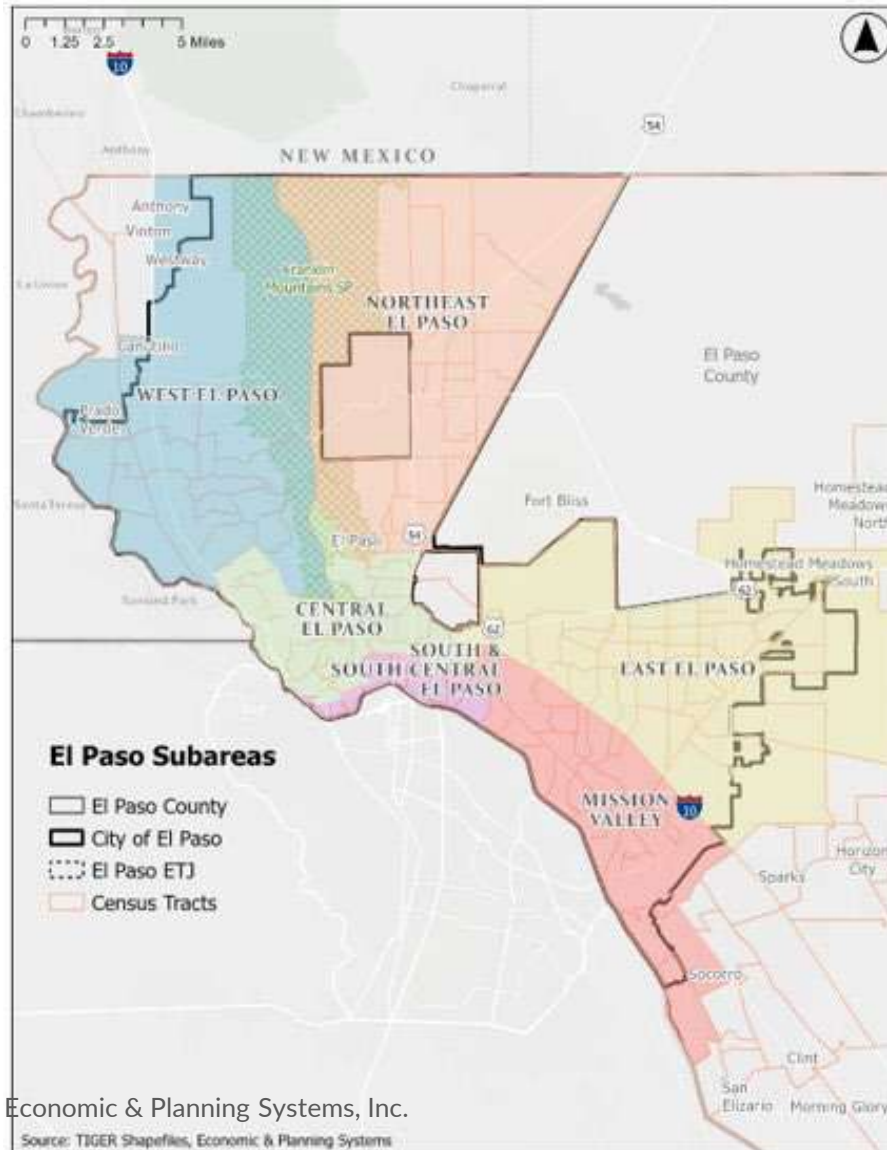
HOUSING NEEDS ASSESSMENT

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A lack of housing options for all types of residents results in housing issues for the most vulnerable residents which produces housing needs

- “Catch Up” Needs
 - Current gaps in housing based on the presence of housing issues
- “Keep Up” Needs
 - Projected housing needs based on forecast employment growth to prevent housing issues
- Housing needs were estimated for City and six subareas



CATCH UP HOUSING NEEDS

Catch Up Housing Needs by Type

Description	Total	% of Total
Overcrowding		
Number of overcrowded units	10,576	
Adjustment Factor	<u>100%</u>	
Units needed	10,576	57.6%
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Temporary Housing		
HH in temporary housing	601	
Adjustment Factor	<u>100%</u>	
Units needed	601	3.3%
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Unhoused Populations		
Unhoused Individuals and Families	638	
Adjustment Factor	<u>100%</u>	
Units needed	638	3.5%
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Commuting		
Number of in-commuters	10,580	
Target relocation %	<u>73.8%</u>	
Units needed	6,557	35.7%
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Total Units Needed	18,372	100.0%

Source: ACS 1-Year Estimates, HUD Point-In-Time Estimates, El Paso Coalition for the Homeless, JobsEQ, LEHD, U.S. Census Transportation Planning Products (CTPP), Economic & Planning Systems

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- Estimated Catch Up Need is **18,300 units** based on existing housing issues

Housing Issues

- Overcrowding
- Temporary Housing
- Unhoused Population
- Long Commuting

COMPONENTS OF CATCH UP NEEDS

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HOUSING ISSUES PRODUCE NEEDS

- Low housing production and lack of available units at affordable prices leads to more adults living with their parents/relatives, other families, roommates → this can lead to **overcrowding**
- It can also lead to residents moving outside the City, far from their work location, for housing resulting in long **commute** distances
- It can also lead to residents forced into **temporary housing conditions**, like living in their vehicle or “couch-surfing”
- Unstable and temporary housing conditions can lead to residents becoming **unhoused**

STRATEGIES TO ADDRESS CURRENT NEEDS

- Preservation of existing housing options
 - Example Programs: Emergency repair assistance or rental assistance, tenant protections, supportive housing programs, tax exemptions
- Improvement to underutilized housing and building stock
 - Example Programs: Support for adaptive reuse, accessory dwelling units, home repair/rehab grants, vacant building programs
- New housing options production
 - Example Programs: Affordable housing financial support, housing or land trusts, infill incentives, removal of regulatory barriers

KEEP UP HOUSING NEEDS

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Keep Up Needs by Subarea

Description	Employment ¹		Projected Housing Need (2025-2035)	
	Count	Share	Count	Share
South Central El Paso	13,002	4.3%	740	4.3%
Central El Paso	63,961	21.0%	3,641	21.0%
North El Paso	18,096	5.9%	1,030	5.9%
East El Paso	135,368	44.4%	7,706	44.4%
South El Paso	35,608	11.7%	2,027	11.7%
West El Paso	38,915	12.8%	2,215	12.8%
Total	304,950	100.0%	17,360	100.0%

- Need of **17,360 new units** over next 10 years to keep up with forecast employment growth
- Needs spread over diversity of household incomes based on estimated wages of new jobs
- Need is distributed to subareas based on existing employment concentration in each subarea

¹ Job counts may differ from city totals due to data source and year
 Source: Longitudinal Employer-Household Dynamics (LEHD) Economic & Planning Systems

COMPONENTS OF KEEP UP NEEDS

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EMPLOYMENT GROWTH RESULTS IN KEEP UP NEEDS

- As the economy continues to grow and add jobs in the future, this will add **demand** to an already constrained housing market
- Housing is needed at a variety of price points to address **housing needs** for workers earning different wages
- Housing is needed in a variety of locations near jobs centers

STRATEGIES TO ADDRESS KEEP UP NEEDS

- Allowing housing in more areas with more flexibility for housing product types and densities
- Reduction of regulatory requirements
- Improvements to development approval process
- More tools to address upfront costs of development for developers and home builders and the City

DIVERSITY OF HOUSING NEEDS

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Description	City of El Paso Total Housing Need			% Total
	Owner	Rental	Total	
Extremely Low Income (<30% AMI)	0	3,018	3,018	8.4%
Very Low Income (31 - 50% AMI)	0	4,929	4,929	13.8%
Low Income (51% - 80% AMI)	2,671	8,013	10,684	29.9%
Moderate Income				
81% - 100% AMI	852	2,556	3,408	9.5%
101% - 120% AMI	1,367	1,367	2,735	7.7%
Middle Income				
121% - 150% AMI	2,034	2,034	4,069	11.4%
Upper Income				
151% - 200% AMI	2,673	891	3,564	10.0%
201% - 250% AMI	1,045	348	1,393	3.9%
Greater than 250% AMI	1,448	483	1,931	5.4%
Total	12,091	23,640	35,731	100.0%

Income/rent restricted rental housing
~20% of total housing need

Mixed-Income rental and deeply subsidized for-sale attached product
~30% of total housing need

Market-rate rental and attached for-sale units
~30% of total housing need

Luxury rental and single-family for-sale
~20% of total housing need

Note: Figures may not sum due to rounding

Source: ACS 1-Year & 5-Year Estimates, HUD Point-In-Time Estimates, JobsEQ, LEHD, CTPP, Economic & Planning Systems

ADDRESSING HOUSING OPTION NEEDS

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Affordable Housing 20%

Income Range:

- Below 50% of AMI

Housing Products:

- Public housing
- housing vouchers
- Low-income housing tax credit projects
- Other income restricted rental housing projects

Locations:

- All subareas

Mixed-income rental and Affordable for-sale - 30%

Income Range:

- 50% to 80% of AMI

Housing Products:

- Mixed Market Rate/Affordable Rental
- Affordable/Income restricted for-sale condos/townhomes
- Small rental units/ADUs

Locations:

- Across all subareas

Middle Market/First Time Buyers – 30%

Income Range:

- 80% to 150% of AMI

Housing Products:

- Market rate apartments
- For-sale compact single family, duplexes, townhomes and condominiums

Locations:

- Near job centers
- Most need in East El Paso

Luxury/Move Up Buyers 20%

Income Range:

- Above 150% of AMI

Housing Products:

- Luxury apartments
- Larger lot or large single-family homes
- Higher-end for-sale townhomes and condos

Locations:

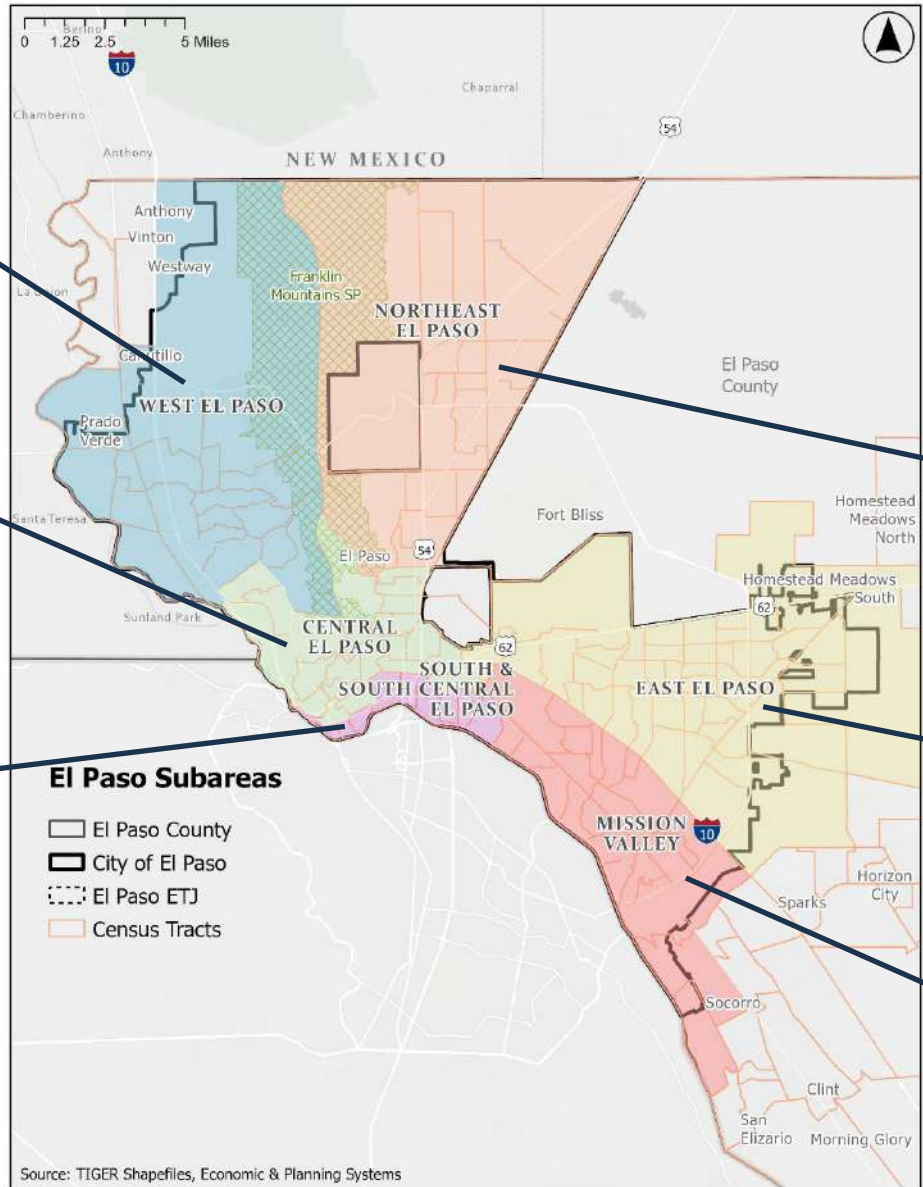
- Supportive market in Central, Northeast, and West El Paso

NEEDS BY AREA

West
 Catch Up: 3,320
 Keep Up: 2,215

Central
 Catch Up: 2,203
 Keep Up: 3,641

South/S. Central
 Catch Up: 636
 Keep Up: 740



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Northeast
 Catch Up: 3,088
 Keep Up: 1,030

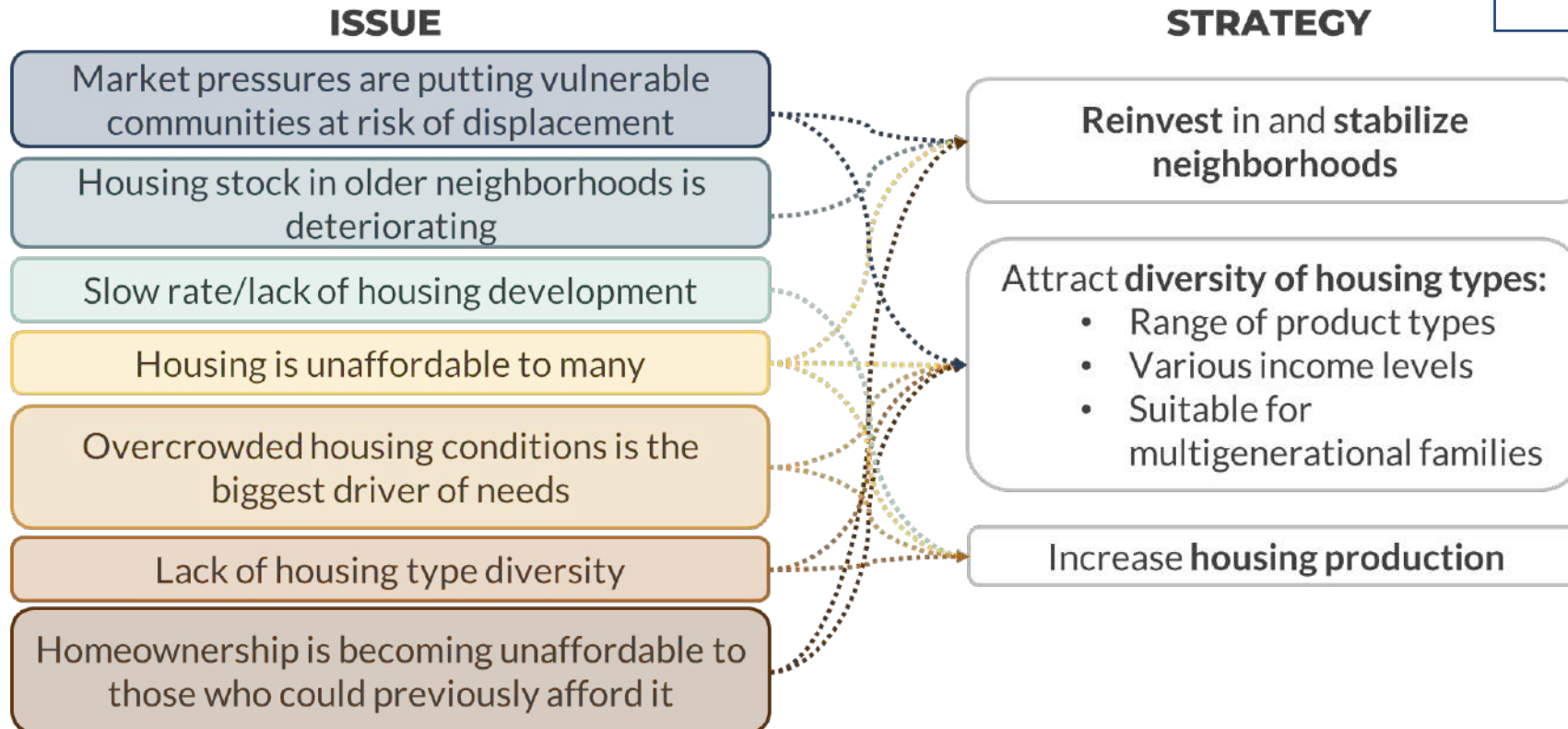
East
 Catch Up: 6,557
 Keep Up: 7,706

Mission Valley
 Catch Up: 2,568
 Keep Up: 2,215

HOUSING ISSUES AND STRATEGIES

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NEXT STEPS

- Develop recommendations for strategies to address issues
- Vet/refine strategies with staff and working group
- Develop Housing Strategy Report
 - El Paso definition of affordability
 - Policies, actions, and tools
- Housing Dashboard
 - Real-time dashboard tracking housing conditions and progress to goals

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QUESTIONS

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