



NEWS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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State housing agency makes \$1.3 million investment in El Paso County for homeownership, home repair help

(AUSTIN) — The Texas Department of Housing and Community Affairs (TDHCA) has announced funding awards totaling \$1.3 million to one local community and two nonprofit organizations serving El Paso County that will help fund home repairs benefiting three dozen low income residents and the local economy, as well as a unique housing assistance program helping colonia households become property owners.

TDHCA awarded \$375,000 in home repair assistance funds each to the city of Socorro and the El Paso Collaborative for Community and Economic Development to help repair or replace a total of 36 homes owned and lived in by income eligible residents; and \$500,000 to La Organizacion Progresiva de San Elizario, a nonprofit organization serving the community of San Elizario, to help convert the contracts for deed of five area residents into a traditional home mortgage loan.

“TDHCA is the key Texas agency for affordable housing. With these awards, we will repair homes for vulnerable citizens to help them achieve the American dream,” said State Senator Eliot Shapleigh. “Often our citizens don’t have the funds to make the necessary home repairs themselves or resources to convert their contract for deed to a conventional mortgage. We commend TDHCA for this award and their commitment to El Paso County.”

“Repairing substandard housing is a critical mission of the Department, as it helps preserve homeownership and brings stability to entire neighborhoods,” said Tom Cardenas, TDHCA Board member and a resident of El Paso. “TDHCA is confident that our home repair funds will have a lasting impact on these households, as well as the local economy through payroll funds and increased taxes and fees.

“By the same account,” he continued, “contracts for deed rob too many families of both the joy and benefits of owning property. We are proud to assist in converting these contracts for deed and help these families achieve ownership. The benefits and advantages will greatly benefit them and the community in which they live.”

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Both awards were made through TDHCA's HOME Investment Partnerships (HOME) Program, which provides grants and loans to help eligible local governments, qualifying nonprofit agencies, for-profit entities, and public housing agencies provide safe, decent, affordable housing to low income families

Home repair assistance may include roof repair or replacement, as well as repairs to the electrical and plumbing systems. If a home has deteriorated to the point it no longer is cost effective to repair, it may be demolished and replaced either by a traditional "site built" home or a manufactured home. Only homes owned and lived in by income eligible residents may be assisted; rent homes are not eligible for repairs.

Contract for Deed conversion funds helps colonia residents become property owners by converting their contract for deed into a traditional mortgage. Unlike a conventional mortgage loan, where the borrower is continually building equity in the property, a contract for deed does not allow for property rights until the homebuyer has paid the purchase price in full and receives title to the property.

After the contract for deed has been converted to a traditional mortgage, the program provides colonia residents with the opportunity to rehabilitate their homes, bringing them up to Colonia Housing Standards and improving the entire community.

The U.S. Department of Housing and Urban Development is the funding source for the HOME Program. The contract-for-deed conversion program targets households earning 60 percent or less of the area median family income (AMFI), while the home repair program serves households at or below 80 percent AMFI. For El Paso County, this equals an annual income of \$26,160 and \$34,900, respectively, for a family for four.

About The Texas Department of Housing and Community Affairs

The Texas Department of Housing and Community Affairs is the state agency responsible for affordable housing, community services, energy assistance, and colonia housing programs. The Department annually administers more than \$400 million through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.