2020 HOUSING AND ECONOMIC DEVELOPMENT NEEDS ASSESSMENT

for the Federal Home Loan Bank of Dallas

Prepared by the National Low Income Housing Coalition

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Definitions

The following definitions are used throughout this report:

AMI - Area Median Income. In this report, the AMI is the *state's* median family income. Using standard HUD practices, AMI is adjusted for different family sizes in the analyses of households (by income level) and housing needs.

ELI Household - Extremely Low-Income, income less than poverty guideline or 30% of AMI, whichever is higher

VLI Household - Very Low-Income, ELI-50% of AMI.

Low-Income Household - 51-80% of AMI.

Middle-Income Household – 81% to 100% of AMI.

Not Low-Income Household - Greater than 80% of AMI.

Housing Cost Burden – Spending more than 30% of household income on housing and utilities.

Severe Housing Cost Burden – Spending more than 50% of household income on housing and utilities.

Overcrowded – Having more than one person per room in a household.

Lacking Complete Facilities – A unit that lacks at least one of the following facilities: 1) a sink with a faucet; 2) a stove or range; 3) a refrigerator; 4) hot and cold running water; 5) a flush toilet; and 6) a bathtub or shower. All facilities must be located in the house, apartment or mobile home, but they need not be in the same room. A home with only a microwave or portable heating equipment such as a hot plate or camping stove is not considered to have complete kitchen facilities. An icebox is not considered a refrigerator.

Alternative Financial Services – Financial services typically offered as an alternative to the mainstream financial services available at banks and credit unions, including: money orders, check cashing, international remittances, payday loans, refund anticipation loans, rent-to-own services, pawn shop loans, or auto title loans.

Unbanked – A household without a checking or savings account at an insured financial institution such as a bank or credit union.

Underbanked – A household which has a checking or savings account at an insured institution and has also used alternative financial services in the past 12 months.

Executive Summary

Housing and economic conditions in the Federal Home Loan Bank of Dallas District (Arkansas, Louisiana, Mississippi, New Mexico, and Texas; hereafter referred to as "the District") broadly improved between 2015 and 2018, as the United States continued to be in one of the longest economic expansions in its history. Yet significant challenges remained for housing and economic development. The onset of the coronavirus pandemic and its economic fallout have resulted in an abrupt end to this period of growth and have exacerbated pre-existing problems. In what follows, we summarize our findings regarding these challenges and identify priorities for future housing and economic development efforts.

Population

Overall, populations in the District states are remaining relatively stable or growing, though there is significant growth in shares of adults over 65. Louisiana and Mississippi were the only District states to lose population, with each showing marginal (0.2%) population loss since 2015. At the other end of growth spectrum, Texas saw a 4.5% increase in its population, far higher than the national growth rate of 1.8%. Following a national trend, all District states saw their population of seniors aged 65 and older grow between 2015 and 2018 and Texas was the only state to gain population under the age of 18.

Aging populations require additional public investments in health, social services, and transit, while also necessitating changes to the housing stock that will permit aging in place. These investments will strain tax bases if the growth in the older adult population outpaces economic growth in the District's communities. This could pose an issue in the many rural communities experiencing population loss.

District states, except Texas, have continued to lose rural population since 2010, while gaining in urban population. These trends reflect a national trend of rural population loss and urban population gain. Texas, however, experienced both rural and urban population growth. It's urban population growth of 15.8% between 2010 and 2018 far outstripped that of Arkansas, which had the second highest growth in urban population among the District states at 7.5%. The rural population in Texas grew by 2.3% in the same time period. Mississippi and Arkansas currently have the highest relative shares of rural population with 55.3% and 39.9%, respectively. Texas and Louisiana have the highest relative shares of urban population with 88% and 82.9%, respectively.

The loss of population in rural communities creates one set of challenges for housing and economic development in these areas, while population growth in urban areas

creates another set of challenges. Rural communities in the District must potentially contend with dwindling economic growth, declining tax revenue, and difficulty attracting investment in an aging housing stock. Urban communities experiencing population growth in the District must potentially contend with escalating housing costs and subsequent displacement of long-term residents. The survey results indicate FHLB members and community partners are well-positioned to address these issues as they are representative of communities across the urban-rural *continuum*.

The District states are home to diverse populations in terms of both race and ethnicity. Apart from Arkansas, Whites account for a lower share of the population in each state than they do nationally. Texas (39.6%) and New Mexico (49.1%) have particularly large shares of Hispanics in their populations, while Louisiana (32.2%) and Mississippi (37.8%) have particularly large shares of Blacks in their populations. Nationally, Blacks account for 12.3% of the population and Hispanics account for 18.3% of the population. Given the District's high degree of racial and ethnic diversity, careful attention must be paid to addressing both historic and current inequities in housing and economic development.

The District states are also relatively diverse in terms of ability status. Nationally, 12.6% of the non-institutionalized population has a disability. The District states have disability rates ranging from 11.4% in Texas to 17.7% in Arkansas. Texas is the only District state with a disability rate below the national figure. The prevalence of disability in the District states suggests the need to carefully consider housing accessibility and inclusive employment opportunities in allocating resources to housing and economic development efforts.

Housing

The U.S., including the District states, was in the grips of an affordable housing crisis well before the onset of the pandemic. Both the rental and homeownership markets were tight with rising rents and home prices outpacing incomes. The economic shock from the pandemic will jeopardize the housing stability of many renters and homeowners in the District as their incomes are disrupted. Longer-term impacts on housing stability are particularly uncertain as federal interventions such as enhanced unemployment assistance and the eviction moratorium for federally-assisted housing are set to expire in summer 2020, but the duration of the economic disruption caused by the pandemic is unknown. What we do know is that millions of households were on the edge of or already experiencing housing instability before the pandemic, and that keeping people housed is vital to both their economic prospects and public health.

Rental Housing

Respondents to the survey consistently ranked unaffordable rents, poor quality, and a lack of housing options for vulnerable populations as the greatest challenges for rental housing in the District. Our analysis of data from the American Community Survey fully corroborated respondents' perceptions about unaffordable rents, particularly for the lowest income households. There is a shortage of rental homes affordable and available to extremely low-income and very low-income households in all of the District states. In New Mexico and Texas, this shortage even exists for low-income households. As a result of this lack of affordable housing, there are over 2.4 million cost-burdened renter households in the District and approximately half of them are severely cost-burdened. Nearly 74% of these severely cost-burdened households are extremely low-income. Our findings also suggest that the supply of low-cost rental units is shrinking across the District.

While not an issue covered in the survey, overcrowding in rental housing has taken on new urgency as an issue during the pandemic. Households with more members than rooms face potential difficulty in self-isolating within their own homes. Our analysis of American Community Survey data suggest the lowest-income and Hispanic households are particularly vulnerable to overcrowding. In Texas, for example, 18.1% of extremely low-income Hispanic renter households are overcrowded.

The shortage of affordable housing is directly implicated in the homelessness present in the District. After years of progress in reducing homelessness in the U.S., recent years have seen a reversal of that progress. Arkansas, New Mexico, and Texas have all seen growth in their homeless populations since 2015, while Louisiana and Mississippi have witnessed declines. The 23.3% growth in New Mexico's homeless population in this time period stands out among the District states as particularly disturbing. People experiencing homelessness, who tend to be older and more likely to have underlying medical issues than the general population, are extremely vulnerable during the pandemic as overcrowded shelters grapple with how to implement appropriate social distancing. Housing the homeless is now, more than ever, potentially a matter of life and death.

The most basic and direct solution to the District's rental affordability challenges lies in the funding of affordable housing programs like AHP and rental assistance. Producing rental housing affordable to the lowest income renters assists those most severely impacted by cost-burdens, helps to expand the overall supply of rental housing, ensures the lowest income households have access to decent quality units, helps alleviate overcrowding, and ends homelessness. While producing new affordable housing is a key long-term strategy for affordability, many renters will also need emergency rental assistance in the immediate future to ensure their housing

stability and health during the economic fallout from the pandemic. Pairing AHP funded units with rental assistance is also key to creating the deep affordability needed to serve the lowest-income renters. In the longer-term, funding for rental housing production should be prioritized for projects that contribute to disaster resiliency in the face of climate change. Deed-restricted affordable housing is essential to preventing displacement

Homeownership

The District states followed similar trends to the rest of the country regarding homeownership between 2015 and 2018. Apart from New Mexico, the homeownership rate for the District states stayed mostly the same or increased between 2015 and 2018. Homeowners in the District states also enjoyed improved housing stability between 2015 and 2019 with declines in 30-day and 90-day mortgage delinquencies.

Many homeowners and aspiring homeowners, though, faced challenges even before the pandemic and economic fallout. Our survey results indicate that the lack of affordable housing stock for low- to moderate-income buyers, difficulty in qualifying for a mortgage, and down payment and closing costs were the top barriers to homeownership in the District. The inability to make needed home repairs also ranked highly as a challenge.

The relatively high incidence of cost-burden and severe cost-burden among lower-income homeowners is concerning in the economic aftermath of the pandemic. The rate of cost-burdens and severe cost-burdens are actually higher among extremely low-income homeowners with mortgages than among extremely low-income renters in every District state. Cost-burdened homeowners in the District are also more likely to be Black or Hispanic. Cost-burdened homeowners, many of whom may have little or no emergency savings, are potentially at an acute risk of default or foreclosure if faced with a sudden loss of income. Given the racial and ethnic disparities in homeowner cost-burdens, defaults and foreclosures could disproportionately impact Black and Hispanic homeowners, eroding gains made in narrowing the homeownership gap in recent years.

Overcrowding is also a public health concern for homeowners in the District. Like renters, lower-income and Hispanic homeowners are more likely to live in overcrowded conditions. This poses a particular risk for those households during a pandemic. In the long-term, assisting these homeowners with expanding their current home or purchasing a larger home might help them to become more resilient to future threats from infectious disease.

Ultimately, given the current economic circumstances, homeownership efforts in the District may need to focus more on stabilizing current homeowners than growing

homeownership opportunities in the economic aftermath of the pandemic. Resources to provide direct financial assistance, mortgage counseling, and assistance with critical repairs should be prioritized to help stabilize homeowners now and throughout the recovery process. More must also be done in the longer-term to ensure the resiliency of homeowners in the face of growing climate-induced disasters.

Economic Development

Unemployment and poverty declined, while wages grew in every District state between 2015 and 2018. Nevertheless, there were underlying economic vulnerabilities in the District before the pandemic arrived. BLS and Census data indicate that the District still suffered from lower wages, higher unemployment, and higher levels of poverty compared to many other parts of the country. BLS data and qualitative feedback on the survey also underscore the District's heavy reliance on low-wage, service industry jobs. These jobs, particularly those in the food and accommodations industry, have been particularly hard-hit by the pandemic.

Like the rest of the country, new unemployment claims have soared in the District states. That so many workers in the District rely on low-wage work suggests they are particularly vulnerable to disruptions in their income. The prevalence of underbanked and unbanked households in the District is further cause for concern in this regard, as many of these households likely have difficulty maintaining emergency savings. While it is still too early to know the longer-term economic consequences of the pandemic, the existing economic conditions in the District and early employment indicators are not a basis for optimism.

Looking towards longer-term economic development challenges, survey respondents ranked the need for workforce development programs and a lack of skilled labor as the top two challenges for economic development in the District. These challenges were corroborated, at least in part, by the projected growth in jobs such as nursing that often require a college degree and the relatively low share of adults in the District with a college degree. Almost 33% of the U.S. population over age 25 has at least a bachelor's degree, while that figure ranges in the District from a low of 23.2% in Mississippi to a high of 30.3% in Texas. However, despite the projected growth of some living-wage occupations, job growth across the District still appears to be concentrated in low-wage work.

Immediate economic development efforts in the District should likely prioritize assistance to stabilize workers and small businesses most impacted by the pandemic. In the longer-term, the economic disruption caused by the pandemic may offer an opportunity to retrain displaced workers for living-wage occupations expected to grow in coming years such as nursing, trucking, and management. Investments in workforce development programs should prioritize those with a track record of

placing graduates into living-wage jobs, a priority highlighted by respondents to the survey.

Finally, greater efforts must be made to engage underbanked and unbanked households with mainstream financial services to provide a basis for building savings. Savings are critical to weathering economic disruptions and preparing for wealth building opportunities such as homeownership. Given adequate internet access, online banking may provide greater access to mainstream financial services in underserved communities that lack physical proximity to banks or credit unions. Credit unions also have an important role to play in reengaging individuals with credit issues or a history of poor financial standing.

Housing Priorities

- **Provide deeply affordable rental housing.** There is a basic need for rental housing affordable to extremely low-income and very low-income renters in every District state. Even the state with the least severe shortage for extremely low-income renters had only 55 affordable and available units for every 100 extremely low-income renter households.
- **Keep people housed.** The states have an immediate need for interventions that promote housing stability during the pandemic and subsequent economic recovery. For homeowners, this might be in the form of financial assistance, mortgage counseling, or assistance with critical repairs if resources are limited. Renters will need emergency rental assistance. Keeping people housed is important for both economic and public health reasons.
- **Expand the supply of permanent supportive housing (PSH).** Homelessness is on the rise in much of the District. Congregate shelters are struggling to meet demand for temporary emergency shelter and practice social distancing during the pandemic. The pandemic makes it clear that access to permanent housing is fundamental to the health of entire communities.
- **Promote sustainable homeownership opportunities.** While preventing defaults and foreclosures is the clear priority given current circumstances, facilitating homeownership opportunities is still an important goal. In some communities, and given the right household circumstances and support, homeownership can be a more attractive option than renting for low- to moderate-income households. Homeownership, under the right conditions, can also play a role in narrowing the racial wealth gap.
- **Promote accessible housing.** The District is home to an aging population and a relatively high share of people with disabilities. Supporting home modifications for older homeowners and those with disabilities, as well as universal design in rental housing will promote independent living for these populations and prevent institutionalization.
- **Make communities more resilient to disasters.** There is a longer-term, but urgent need to promote resilience to future disasters in the face of climate change. Many renters and homeowners still haven't recovered from recent disasters like Hurricane Harvey. These households still need assistance to recover and mitigate against future disasters. At the same time, expanding the supply of deed-restricted affordable housing and community land trusts makes communities more resilient to economic displacement from disasters.

Economic Development Priorities

- **Stabilize small businesses.** Small businesses will likely find it much more difficult to cope with the economic disruption of the pandemic than larger firms. While the federal government is providing some level of support through the CARES Act, funding levels and continued availability are uncertain. Continued support will likely be needed throughout the duration of the recovery.
- **Support vulnerable workers.** Assistance to small businesses can help workers. However, those who are laid-off or furloughed will need assistance through unemployment. The federal unemployment supplement is set to expire in summer 2020, significantly reducing support for unemployed workers provided by unemployment insurance. There will likely to a need to continue supplementing what are normally meager unemployment benefits. Unemployed workers can also benefit from retraining.
- **Support substantive workforce development.** Workforce development efforts should focus on education for living-wage occupations such as nursing, trucking, and management that are expected to grow in the District. These efforts could take the form of supporting vocational training or college programs that place graduates in jobs. Having an educated workforce also makes communities more attractive to investment from outside firms without sacrificing future tax revenue for incentives.
- **Improve access to mainstream financial services.** Many people in the District are unbanked or underbanked, because they lack physical access to mainstream financial services or have a history of poor financial standing. Access to online banking services may help resolve issues with physical access, while credit unions have an important role to play in engaging people underserved by traditional financial institutions.

Introduction

The FHLB Dallas' 2020 Housing and Economic Development Needs Assessment combines quantitative analysis with a survey of members and community partners to create a comprehensive picture of housing and economic conditions across the District and provide critical feedback regarding FHLB Dallas programs. The goal of the assessment is to facilitate evidence-based decision-making for FHLB Dallas' community investments.

The quantitative data for the assessment are largely drawn from the 2015 and 2018 American Community Survey (ACS), the Bureau of Labor Statistics (BLS), the Federal Deposit Insurance Corporation (FDIC), and state and local resources throughout the District. In partnership with FHLB Dallas, we surveyed FHLB Dallas' members and community partners to better understand the barriers to homeownership, affordable rental housing, and economic development (see Appendices E and F for surveys). The survey supplements the quantitative assessment of housing and economic development needs with invaluable local perspectives. A set of appendices containing the data tables that inform the assessment are included at the end of the report. The appendices are organized by geography and subject matter.

Nearly all the data for the 2020 assessment were collected prior to the COVID-19 and public health crisis. Most of the member and community partner surveys were completed just prior to or in the early weeks of the pandemic. Respondents, therefore, made few references to it. Where possible, the assessment includes current employment and economic indicators. We recognize, however, that this is a time of great economic uncertainty.

Past Reports

The 2020 Housing and Economic Development Needs Assessment is the sixth needs assessment completed by the National Low Income Housing Coalition (NLIHC) for FHLB Dallas. The following is a summary of the previous assessments.

The 2006 assessment primarily focused on the effects of the 2005 hurricanes on the District's Gulf Coast states. One of the main findings of the 2006 report was that the 2005 storms exacerbated existing housing and economic problems by damaging housing stock and disrupting fragile industries. At the time, there was much optimism that the resulting investment in the area would go a long way towards revitalizing the region and addressing some longstanding housing affordability and quality problems. Another primary finding from the 2006 assessment focused on low wages as the primary cause of housing problems, rather than a limited supply of affordable

housing units. Finally, the assessment captured a strong preference among District residents for owning rather than renting.

The 2010 assessment focused on the housing crisis and economic recession that began in 2007. The new themes that emerged included a need for stable rental housing affordable to the lowest income households, particularly in rural communities and for populations with special needs like the elderly and disabled. Another new challenge was the high and variable utility and insurance costs inhibiting the ability of people to repair and maintain their homes. On the economic development side, vocational training and job-readiness programs were identified as a priority, along with a need to improve the quality of elementary and secondary education throughout the District.

The 2012 assessment indicated that many of the existing problems in the District were getting worse. Unemployment was increasing, rents were rising, incomes were falling, and industries were shrinking. More people were living in poverty. An emphasis in 2012 was on the need for safe and affordable housing in rural areas. However, many interviewees identified a lack of local nonprofit developers with the capacity to undertake this work. This was the first assessment where interviewees mentioned an increasing desire for renting. An emphasis on job training and education continued, but additional discussion was given to attracting high-wage jobs and focusing job training on fields with higher wages.

The 2014 assessment identified encouraging trends as the housing market and economy continued to slowly recover from the Great Recession. Falling unemployment rates, job growth, and a surge in multifamily construction were all noted as positive developments, though declining median household income remained a concern. The assessment also made note of a booming oil and gas industry supporting strong economic growth in Texas, Eastern New Mexico, and Louisiana. Affordable housing, housing quality, and education remained significant concerns.

The most recent assessment, conducted in 2017, observed an economic recovery well underway following the Great Recession. Sharp declines in oil prices, however, presented challenges for economic growth and public revenues in several District states. The 2017 assessment also noted persisting challenges with housing affordability, homeownership, poverty, low wages, and job growth concentrated in low wage occupations across the District. There was also an apparent mismatch between educational and vocational resources and employment opportunities for District residents. Many District residents also appeared to lack access to mainstream financial institutions and services.

Between the last assessment and early 2020, the U.S. economy continued to improve. Incomes increased, poverty declined, and unemployment decreased. The overall economy was by many measures performing extremely well at the beginning of 2020. The stock market was hitting record highs, while unemployment was at a record low 3.5% as of February 2020 (BLS, 2020a; Phillips 2020).

Events took a dramatic turn in March 2020 as a result of the COVID-19 public health crisis. Efforts to control the virus necessarily took the form of mandatory stay-at-home orders and the closure of non-essential services and businesses in many states. In the first four weeks of widespread closures between March 15 and April 10, more than 20 million people filed new unemployment claims (Shierholz, 2020), exceeding the total number of claims made over the first 50 weeks of the Great Recession (Dadayan & Charleston, 2020). The unemployment rate climbed into the double-digits by April and May. The nation's economic environment is now very much uncertain.

Income, Poverty, and Employment

In real dollars, median household income increased from $58,849 to $61,937 (5.2%) between 2015 and 2018, the most recent year for which annual data are available. Much of these gains were realized between 2015 and 2017, with a smaller increase between 2017 and 2018. Significant income disparities exist by race. Black and Hispanic households had 2018 annual median incomes of $41,361 and $51,450, respectively, and White and Asian households had median incomes of $70,642 and $87,194 (U.S. Census Bureau, 2019).

The official poverty rate declined from 13.5% to 11.8% between 2015 and 2018, while the family poverty rate declined from 11.6% to 9.7% (U.S. Census Bureau, 2019). The year 2018 marked the first time the poverty rate was significantly lower than 2007, the year prior to the Great Recession. Poverty rates declined across racial and ethnic groups. Between 2015 and 2018, the poverty rate declined one percentage point for non-Hispanic Whites, 3.3 percentage points for Blacks, and 3.8 percentage points for Hispanics. Significant racial disparities still exist. Poverty levels for Blacks (20.8%) and Hispanics (17.6%) remain far higher than for non-Hispanic Whites (8.1%) (U.S. Census Bureau, 2019). The poverty rate also remains exceedingly high for adults 25 and over with no high school diploma (25.9%), adults under 65 with disabilities (25.7%), and female-headed households (24.9%). Over 38.1 million Americans remained in poverty as of 2018, including almost 11.9 million children.

The unemployment rate declined from 5.7% in January 2015 to 3.9% in December 2018, continuing its decline from the Great Recession peak of 9.9% in 2010 (BLS, 2020a). The unemployment rate declined during this time by 3.7 percentage points

for Blacks, 2.3 percentage points for Hispanics, 1.5 percentage points for Whites, and 0.7 percentage points for Asians. The unemployment rate continued its decline to 3.5% by February 2020. Significant disparities remained, however. In February 2020, the unemployment rate was 5.8% for Blacks, 4.4% for Hispanics, 3.1% for Whites and 2.5% for Asians.

Since February, the employment situation has grown dramatically worse with the unemployment rate and the number of unemployed persons climbing by 9.8 percentage points and 15.2 million, respectively, by May (BLS, 2020b). The unemployment rate now stands at 13.3% with 20,958,000 workers unemployed. These figures likely undercount true unemployment as they exclude workers who have not looked for work in at least four weeks. The pandemic has also created data collection challenges for the Bureau of Labor Statistics that are potentially leading to the underreporting of the official unemployment rate (BLS, 2020b).

Prior to current economic downturn, forty-four percent of American workers aged 16 to 64 worked in low-wage jobs (Ross & Bateman, 2019). Many of the country's most prevalent occupations are low-wage work that does not provide adequate income for a worker to afford necessities like housing. Twelve of the country's largest occupations pay a median wage that is less than what a full-time worker needs to earn to afford a modest one-bedroom apartment without spending more than 30% of their income on housing, a common measure of housing affordability (NLIHC, 2020a). The $7.25 federal minimum-wage, moreover, isn't indexed to inflation and hasn't been raised in over a decade. It has lost 17% of its real value since 2009 (EPI, 2019).

The BLS (2020c) also found that 54% of jobs in the industries most impacted by the pandemic (restaurants and bars, personal care, travel and transportation, entertainment, select retail, and select manufacturing) provide wages ranking in the bottom 20% across the country. Subsequent analysis from NLIHC indicates that 60% of the lowest income renters in the labor force are employed in these industries (NLIHC, 2020b). These households and, more broadly, communities that are heavily reliant on these industries are acutely vulnerable to economic disruption from the pandemic.

Housing

New rental housing construction remains close to its highest levels in 30 years, while production of ownership units has remained at a near historical low for the past ten years (JCHS, 2019; JCHS, 2020). Possibly reflecting these construction trends, the period from 2015 to 2018 saw a small rise in the rental vacancy rate from 5.9% to 6.1% and a small decrease in the ownership vacancy rate from 1.8% to 1.5%.

Housing costs remain a challenge for U.S. households. Nearly 31% percent of all U.S. households were housing cost-burdened in 2018, spending more than 30% of their incomes on housing costs, while 14.9% were severely cost-burdened, spending more

than half of their incomes on housing (Appendix C). These figures represent a decline in cost-burdens and severe cost burdens by1.8 percentage points and 0.9 percentage point since 2015.

Approximately 46.6% of all renter households were cost-burdened in 2018 compared to 26.0% of owner households with mortgages, while 24.7% of renter households were severely cost-burdened compared to just 10.8% of owner households with mortgages (Table 1). Lower income households of both tenures are significantly more likely to be housing cost-burdened, though the lowest income owners with mortgages are more likely to be cost-burdened or severely cost-burdened than renters. Nearly 86% of extremely low-income renter households were cost burdened and 70.8% were severely cost-burdened in 2018 compared to 98.4% and 90.2% of extremely low-income owner households with mortgages, respectively. Extremely low-income renter households, however, represent 7.7 million (72%) of all renter households with severe cost-burdens, while extremely low-income owner households represent only 2.1 million (40.2%) of all owner households with severe cost-burdens.

Table 1: Cost-Burdens by Tenure

	Homeowners		Renters	
	% With cost-burden	% With severe cost-burden	% With cost-burden	% With severe cost-burden
Extremely Low-Income	98.4%	90.2%	85.7%	70.8%
Very Low-Income	89.6%	54.2%	77.0%	32.9%
Low-Income	60.8%	18.6%	46.0%	7.8%
Not Low-Income	11.6%	1.7%	9.6%	0.8%
All	26.0%	10.8%	46.6%	24.7%

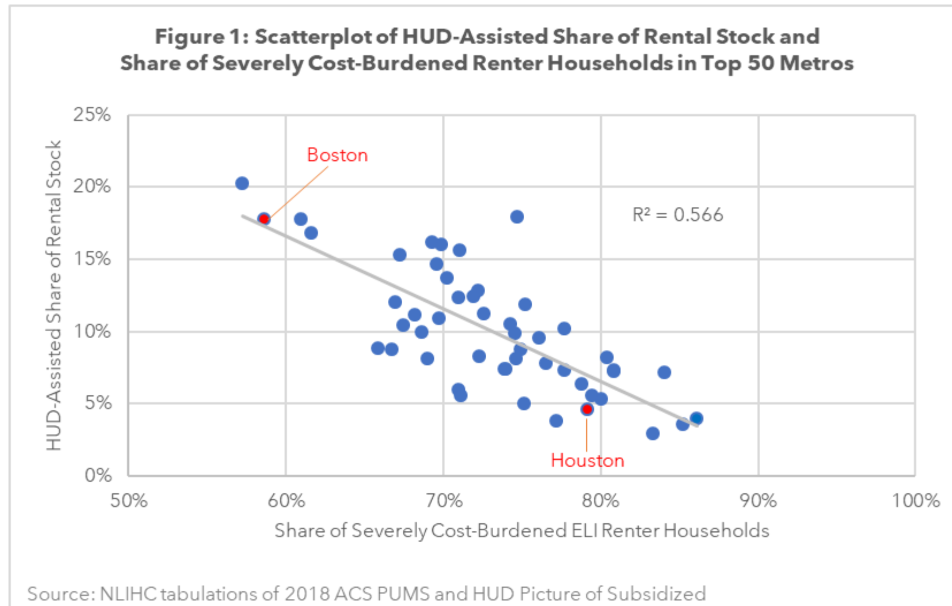
Aside from income, the private rental market and the availability of subsidies are what largely determine housing affordability for the lowest-income renters. Absent public subsidy, the private market is unable to produce new rental housing affordable to these households. Rents affordable to the lowest-income households typically do not cover development and operating costs for new housing. The result of high development costs in many locations is that new rental construction in the private market mostly caters to higher-income renters. The average asking monthly rent in a new apartment building in 2018, for example, was $1,670, far higher than what an extremely low-income renter could afford (Joint Center for Housing Studies, 2019). At the same time, housing subsidies are only available for 1 in 4 qualifying households (Fischer & Sard, 2017).

The scarcity of subsidies and unaffordable new construction in the private market mean low-income renters typically rely on private-market housing that "filters down"

in relative price as it ages. The filtering theory holds that new market-rate development for higher-income households results in a sequence of household moves that helps lower-income households. Higher-income households move into new, more expensive homes when they are constructed, leaving behind their older, lower cost housing. Middle-income households move into the vacated properties, leaving behind their own, even older lower cost housing. The process is assumed to eventually increase the availability of older and lower-priced housing for low-income renters.

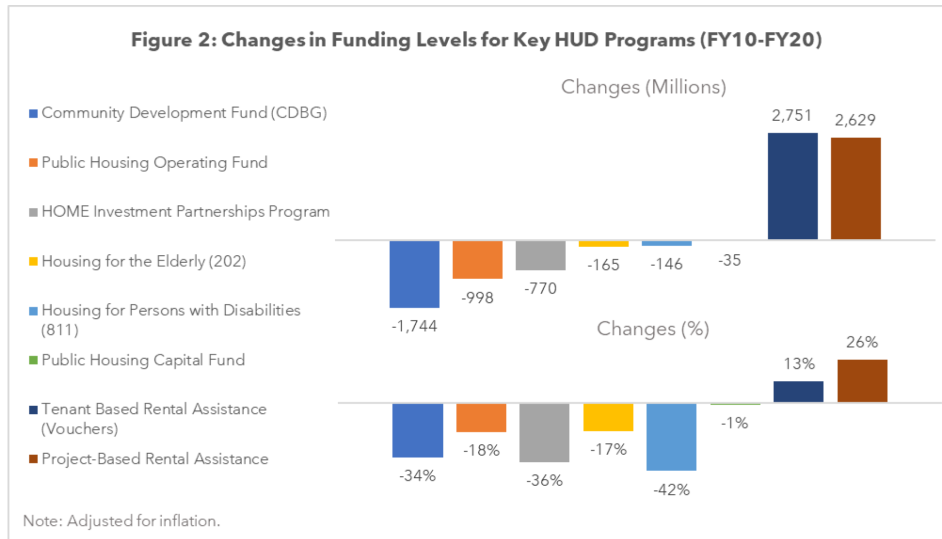
This downward filtering, however, fails to produce an adequate supply of rental homes affordable to the lowest income renters. In strong markets, owners have an incentive to redevelop their properties to receive higher rents from higher-income households, which results in the upward filtering of rental homes. At the same time, in weak markets, owners have an incentive to abandon their rental properties or convert them to other uses when rental income is too low to cover basic operating costs and maintenance. In the five years between 2012 and 2017, 3 million rental homes priced under $600 per month in constant 2017 dollars were lost, while the number of rental homes renting for more than $1,000 per month increased by more than five million (Joint Center for Housing Studies, 2020). Adjusting for inflation during this time period, $600 was the monthly rent affordable to a household with a $24,000 annual income without exceeding a 30% housing cost-to-income ratio. This level of income was also roughly the poverty guideline for a family of four. In many communities, particularly rural ones, the poverty guideline is commonly the threshold for an extremely low-income family.

Because of these dynamics in the private rental market, subsidies are needed to address the housing challenges facing the lowest-income renters. The availability of housing subsidies is a strong predictor of severe-cost burdens among extremely low-income renter households. Figure 1 shows that metropolitan areas with a higher share of HUD-subsidized housing, for example, have a lower prevalence of severe cost-burdens among extremely low-income renter households. In the Boston metropolitan area, for example, HUD-subsidized housing accounts for 18% of the rental stock, while 59% of extremely low-income renter households are severely cost-burdened. In contrast, HUD-subsidized housing accounts for just 5% of the rental housing stock in the Houston metropolitan area, while 79% of extremely low-income renter households are severely cost-burdened. This relationship between the share of HUD-subsidized housing in metropolitan areas and the prevalence of severe cost-burdens among ELI renters holds true even after controlling for rental vacancy rates, the share of rental housing in multifamily buildings, and the age of the housing stock.



The need to invest in affordable rental housing is mounting. The U.S. has a shortage of approximately 7.5 million rental homes affordable and available to extremely low-income and very low-income renters (NLIHC, 2020c). Homelessness is also on the rise after many years of progress, growing 2.7% between 2018 and 2019 (HUD, 2020). Meanwhile, the existing affordable housing stock is in dire need of preservation. Almost 150,000 Public Housing units need reinvestment and nearly 300,000 publicly supported rental homes are at risk of being lost from the affordable stock over the next five years (NHPD, 2020). Yet Congress has failed to sufficiently expand housing assistance despite a clear need for housing subsidies that spans nearly every community in the U.S. HUD subsidies have failed to reach at least 70% of eligible households since the early 1980s (JCHS, 2018).

Progress has been made in increasing funding for key HUD programs since the 2017 needs assessment for FHLB Dallas. The FY 2018 HUD budget, for example, saw a 10% increase over FY 2017 levels. Figure 2, however, shows relative declines in funding for key HUD programs over the last decade despite recent gains.



Homeownership continues to be the preferred form of housing tenure in the U.S. The homeownership rate increased from 63.1% in 2015 64.0% in 2018. This increase in the homeownership rate occurred across all racial and ethnic groups, though significant racial and ethnic gaps in homeownership remain. The homeownership rate for non-Hispanic white households was 72.0% in 2018, compared to 52.7% for Native Americans and Alaskan Natives, 45.1% for Hispanic households and 41.2% for Black households. A recent survey, moreover, found that 71.5% of current renters would prefer to own their home (Federal Reserve Bank of New York, 2019). Current homeowners also enjoyed increased housing stability between 2015 and 2019 with 90-day delinquencies declining from 2.1% to 0.9% and 30-day delinquencies declining from 2.7% to 2.3% (CFPB, 2020).

Despite low interest rates and historic economic growth, increased demand and limited new construction have resulted in a tightening ownership market. Increasing labor shortages, growing costs for construction materials, rising land costs, and regulatory issues are all widely cited as constraining the supply of new homes for sale and contributing to this tightness in the ownership market (NAHB, 2019; JCHS, 2019; Urban Institute 2020). On the demand side, growth in median sales prices for existing homes outpaced growth in median income for seven consecutive years by 2018, also contributing to affordability challenges for homebuyers (JCHS, 2019). The median sales price for an existing single-family home was $261,600 in 2018 (JCHS, 2019).

Many prospective low to moderate income homebuyers simply lack adequate savings for a down payment on their first home. In some instances, financial assistance with down payments could help bridge the affordability gap for these potential homebuyers. Providing down payment assistance of just $3,500 could increase the share of prospective homebuyers with sufficient income and savings who could afford a home from 7% to 17% (JCHS, 2019). Researchers have also found that many first-time homebuyers are unaware of existing resources for down payment

assistance and that greater awareness of such programs is needed (Urban Institute, 2018).

Existing housing and economic challenges have been exacerbated by disasters. During the three-year period between August 2016 and August 2019, nine disasters in the U.S. caused damages of at least $10 billion each, including wildfires in California, flooding in Louisiana, and Hurricanes Harvey, Irma, Maria, Florence, and Michael (NOAA, 2019). These losses reflect significant interruptions to both housing and employment for residents of impacted communities. Climate change, moreover, will lead to more frequent and intense disasters resulting in mounting economic losses and threats to life (NOAA, 2020; USGCRP, 2018).Planning for the future housing and economic development needs of Gulf Coast states in the District will require careful consideration of impending impacts from climate change.

Finally, as with employment, the housing situation changed dramatically with the onset of the pandemic and its economic fallout. A recent NLIHC (2020b) analysis found that, as a result of the pandemic and economic disruption, 12.7 million renter households below 80% AMI likely need housing assistance at a monthly cost of $9.9 billion. A recent Census Bureau "Household Pulse Survey" implemented between May 28 and June 2 indicates that, among all renters, over 20.4 million (31%) have no confidence or only slight confidence in their ability to pay their rent next month (U.S. Census Bureau, 2020). The survey also suggests that 13.1 million (13.5%) homeowners with a mortgage and 3.7 million (29.5%) of those with income below $35,000 have no confidence or only slight confidence in making their mortgage payment next month (U.S. Census Bureau, 2020).

While the situation is already dire for many homeowners and renters, it could become much worse in the coming months with the end of the federal unemployment insurance supplement and expiring federal, state, and local eviction *moratoria*. Affordable housing providers might also be facing challenges as their tenants struggle to make rent, leaving them short of critical operating income. Decisive federal action is needed to prevent an unprecedented eviction crisis for tenants and address mounting economic challenges for affordable housing organizations that could threaten their ability to provide housing.

Arkansas

Population and Demographics

Between 2015 and 2018, Arkansas's total population increased by 1.2% to 3,013,825 people. The median age in 2018 was 38.1 for the state, and 42.6 for the state's rural regions. Residents 65 years and older accounted for 16.8% of the state's population and represented 19.4% of the rural population (University of Arkansas Department of Agriculture 2019). Arkansas had the second-highest share of older adults of the five states in the District.

The rural population decreased by 2.5% while the urban population grew 6.5% between 2010 and 2017. Fifty of the fifty-two counties in the state that experienced population declines during this time period were rural. Rural areas saw a decrease in population ranging from 0.4 percentage points in the Highlands to 5.7% in the Delta between 2010 and 2017 (University of Arkansas Department of Agriculture 2019).

From 2015 to 2018, the racial demographics of the state changed slightly. The population was 72.1% white in 2018, down 0.9 percentage points from 2015. The Black share of population declined as well, down from 15.7% to 15.1%. The Hispanic share of the population increased by 0.6 percentage points to 7.6%.

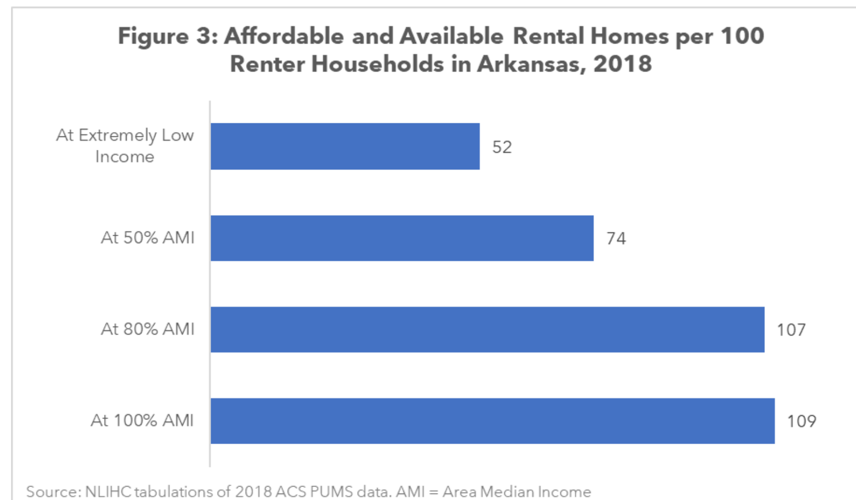
Of the noninstitutionalized civilian population in Arkansas, 17.7% had a disability in 2018, significantly higher than the 12.6% in the U.S. Arkansas has the highest share of residents with a disability among the District states.

Housing Conditions

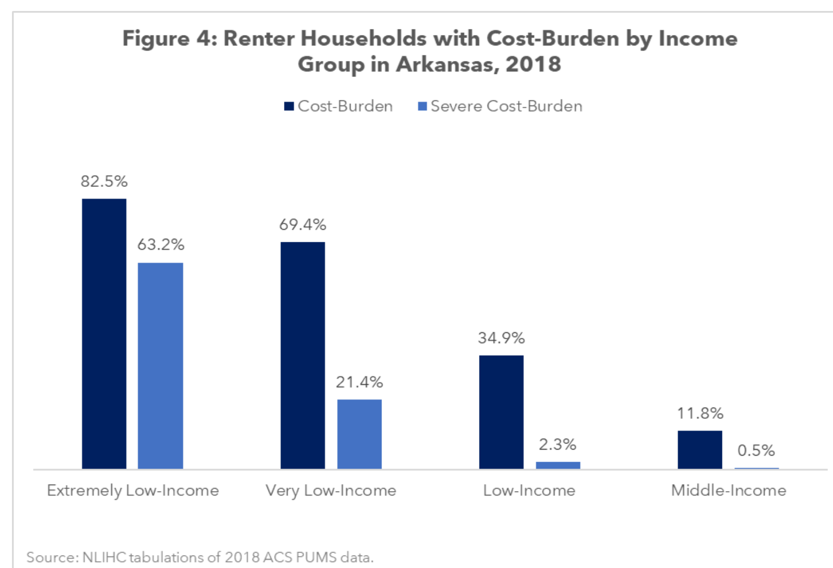
Nearly 400,000 (or 34.6%) of Arkansas' 1.2 million households were renters in 2018. Households of color were more likely than white households to be renters: 57.8% of Black households, 53.4% of Hispanic households, and 28.7% of white households were renters.

Arkansas continues to have an affordable rental housing shortage. Though the state has approximately 120,350 rental homes affordable for extremely low-income renters, many of them are occupied by higher-income households. The state has a shortage of 55,362 affordable and available rental units for extremely low-income renters, having only 52 affordable and available units per every 100 extremely low-income renter households (Figure 3) (NLIHC, 2020c). The state has 74 affordable and available rental units for every 100 very low-income renter households with incomes

below 50% of AMI, and 107 affordable and available rental units for every 100 low-income households with incomes below 80% of AMI.



The shortage of affordable rental homes in the state result in significant cost-burdens for extremely low-income and very low-income renters. Of the 121,491 extremely low-income renters, 82.5% were cost-burdened and 63.2% were severely cost-burdened in 2018 (Figure 4). Very low-income renters also had high rates of cost burdens, with 69.4% considered cost-burdened and 21.4% severely cost-burdened. Nearly 35% of low-income renter households were cost-burdened in 2018, but only 2.3% were severely cost-burdened.



A recent report by the Joint Center for Housing Studies indicates that the overall number of low-cost rental units in Arkansas is declining through upward filtering, demolition, or conversion. The number of units with monthly contract rents under $600 (jn real dollars) decreased by approximately 41,000 (or 12.2%) between 2012

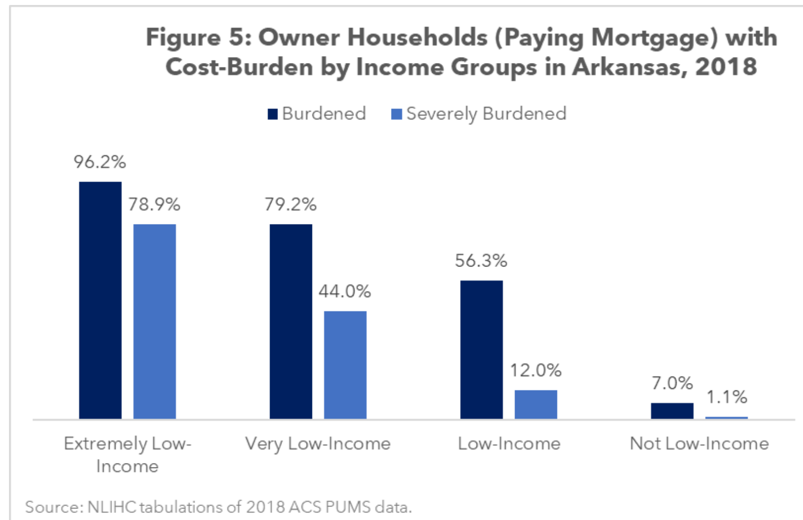
and 2017 (JCHS 2020). Adjusting for inflation, $600 was the monthly rent affordable to a household with a $24,000 annual income in this period, roughly the poverty guideline for a family of four, without exceeding a 30% housing cost-to-income ratio. In many areas, particularly rural areas, the poverty guideline is commonly the threshold for an extremely low-income family.

Given the shortage and on-going loss of low-cost rental units, there is a need to preserve the existing affordable housing stock. Arkansas has 49,555 federally assisted units through HUD, USDA, or the Low Income Housing Tax Credit. Approximately 8.3% of this stock, or more than 4,000 units, may be at risk of being lost to physical deterioration or expiring affordability restrictions in the next five years (National Housing Preservation Database, 2020).

The incidence of households in overcrowded housing increased from 2.7% in 2015 to 3.1% in 2018, representing an additional 4,500 homes considered overcrowded. Overcrowding was more prevalent in rental units (5.9%) than in owner-occupied units (1.6%). Extremely low-income and low-income renters had the highest prevalence of overcrowding at 8.2% and 6.1%, respectively. People of color were more likely to experience overcrowding compared to whites: 13.4% of Hispanic households (13.5% of Hispanic renters), 4.4% of Black households (6.7% of Black renters), and 2.0% of white households (4.3% of white renters) were overcrowded.

Arkansas' homeownership rate was 65.4% in 2018, higher than the national rate of 63.9%. Homeownership rates differed significantly by race and ethnicity: 71.3% for white households, 46.6% for Hispanic households, and 42.2% for Black households.

Affordability is also a challenge for some homeowners in Arkansas. Among extremely low-income homeowners with mortgages, 96.2% were cost-burdened and 78.9% were severely cost-burdened in 2018 (Figure 5). Of very low-income homeowners making mortgage payments, 79.2% were cost-burdened and 44% were severely cost-burdened. Among low-income homeowners with mortgages, 56.3% were cost-burdened and 12% were severely cost-burdened. Slightly more than 20% of white homeowners were cost-burdened and 8.5% were severely cost-burdened; 26.4% of Black homeowners were cost-burdened and 12.2% were severely cost-burdened; and 17.5% Hispanic homeowners were cost-burdened and 5% were considered severely cost-burdened.



Between January 2015 and January 2019, the 30 to 89-day mortgage delinquency rate for Arkansas decreased by 0.3 percentage points to 3.1%. The 90+ day delinquency rate decreased by 0.8 percentage points to 1.2% during the same time frame. As of June 2019, the 30 to-89-day delinquency rate had fallen to 2.4%, and the 90+ day delinquency rate to 1%. Compared to the national rate in June, Arkansas' 30 to 89-day delinquency rate was 0.7 percentage points higher, and its 90+ day rate was 0.3 percentage points higher (CFPB 2020).

The 2019 Annual Homelessness Assessment Report (AHAR) documented 2,717 people experiencing homelessness in Arkansas on a given night in January 2019, a 6.1% increase since 2015. Forty-nine percent (1,331) were unsheltered, which means they were sleeping in a place not intended for sleeping like a park or car. Of the 2,717 people, 2,303 were individuals and 414 were in families. As of 2019, Arkansas had 1,917 year-round emergency shelter and transitional housing beds. Since 2015, the state has gained 176 rapid rehousing and 483 permanent supportive housing beds, but lost 230 emergency shelter, 339 transitional, and 328 other permanent housing beds (HUD 2020).

Data regarding the impact of the pandemic on housing stability are limited. According to the Census Bureau's most recent Household Pulse Survey, 38% of renter households in Arkansas and 46% of those earning less than $35,000 a year reported having no confidence or only slight confidence in being able to make the next month's rent. Twelve percent of all homeowners and 40% of those earning less than $35,000 a year indicated they had no confidence or only slight confidence in being able to pay their mortgage.

Economic Conditions

The average weekly wage in Arkansas increased by 7.7% between 2015 and 2018, from $781 to $841 (Table 2). Compared to the other states in the FHLB Dallas district,

Arkansas had the second lowest average weekly wage. The state's median household income increased by approximately 6.2%, from $44,337 to $47,062 in real dollars. The state's median household income was about 24% lower than the national median. The rural counties of the state rank even lower for income, earning 35% less than the national median (University of Arkansas Department of Agriculture 2019). By race, median income was $50,831 for white households, $46,047 for Hispanic households, and $30,768 for black households (US Census Bureau 2018).

Table 2: Selected Economic Characteristics of Arkansas and the United States, 2018

Economic Characteristics	Arkansas	National
Average Weekly Wage	$841	$1,100
Median Household Income	$47,062	$61,937
Poverty Rate (Individuals)	17.20%	13.10%
Poverty Rate (Youth Under 18)	24.70%	18.00%
Unemployment Rate*	4.80%	4.40%
Educational Attainment (High School+)	87.20%	88.30%
Educational Attainment (Bachelor's Degree+)	23.30%	32.60%
Banking Status (Unbanked)**	7.50%	6.50%
Banking Status (Underbanked)**	19.00%	18.70%
Banking Status (Fully Banked)**	70.00%	68.40%
Lacking Mainstream Credit**	28.00%	19.70%

*As of March, 2020
**Data from 2017

The poverty rate for individuals decreased from 19.1% in 2015 to 17.2% in 2018. Despite the decrease, Arkansas's poverty rate was 4.1 percentage points higher than the national rate. The poverty rate for youth under the age of 18 declined from 27.2% in 2015 to 24.7% in 2018. The poverty rate for youths was 6.7 percentage points higher than the national rate. Racial disparities also exist. The poverty rate was 13.5% for whites, 23.8% for Hispanics, and 23.8% for Blacks (US Census Bureau 2018).

The state's unemployment rate decreased from 4.3% in December 2015 to 3.6% in December 2018. In February 2020, the unemployment rate was 3.5%. However, as a result of Covid-19, 27,756 workers filed new unemployment claims during the week of March 28, representing an increase of about 300% from the previous week (at 9,275). An additional 62,086 claims were filed during the week of April 4, and 35,629 were filed during the week of April 11. While the number of claims decreased to 24,236 for the week of April 18, the total number of new unemployment insurance

claims over the four weeks was 148,400 (U.S. Department of Labor Employment and Training Administration 2020). In comparison, only 8,481 claims were made in the month of January. By April 2020, the unemployment rate had increased to 10.2% (BLS, 2020d).

The state Department of Workforce Development projected the state would add 143,011 jobs between 2016 and 2026. The occupations projected to grow the most included home health and personal care aides (10,390 additional jobs), fast food workers and counter (6,870), retail salespersons (4,840), registered nurses (3,860), heavy and tractor-trailer truck drivers (3,550), and nursing assistants (3,340) (Table 3). The ten occupations projected to grow the most account for 27.5% of the state's projected job growth (Projections Central 2018). Most are low-skill jobs, defined by little-to-no formal education requirements and little on-the-job training, except for positions such as registered nurses and heavy and tractor-trailer drivers. Job growth is also not evenly distributed throughout the state, with most job growth occurring in Workforce Development Areas in or near urban areas (Arkansas Department of Workforce Services 2018).

Table 3: Top Projected Occupations, Median Hourly Wages, and Required Education for Arkansas, 2016-2026

Occupation Name	SOC Code	Projected Change	Median Wage	Required Education
Home Health and Personal Care Aides	31-1100	10,390	$10.45	High School Diploma
Fast Food and Counter Workers	35-3023	6,870	$10.60	None
Retail Salespersons	41-2031	4,840	$10.99	None
Registered Nurses	39-1141	3,860	$29.01	Bachelor's Degree
Heavy and Tractor-Trailer Truck Drivers	53-3032	3,550	$19.92	Postsecondary/ Nondegree
Nursing Assistants	31-1131	3,340	$12.32	Postsecondary/ Nondegree
General and Operations Managers	11-1021	2,720	$34.09	Bachelor's Degree
Farmers, Ranchers, and Other Agricultural Managers	11-9013	2,580	$28.05	High School Diploma
Waiters and Waitresses	35-3031	2,430	$9.41	None
Stockers and Order Fillers	53-7065	2,320	$11.90	High School Diploma

Sources: Projections Central (2018), Bureau of Labor Statistics (2020)

The share of Arkansas adults with at least a high school degree increased from 85.4% to 87.2% between 2015 and 2018, the highest among the District states, but still lower than the national share of 88.3%. The share of adults with at least a bachelor's degree increased from 21.8% to 23.3%, significantly lower than the national share of 32.6%.

In 2017, 7.5% of Arkansas's households were unbanked, which was one percentage point higher than the national share. Nineteen percent of the state's households were underbanked in 2017, which was 0.3 percentage points higher than the national share. The share of unbanked and underbanked households in the state improved (decreased) between 2015 and 2017. Twenty-eight percent of Arkansas households did not use mainstream credit like credit cards, mortgages, or bank loans in 2017, compared to 19.7% of U.S. households (Federal Deposit Insurance Corporation 2017).

Louisiana

Population and Demographics

Louisiana's population of more than 4.6 million people declined marginally by 10,746 (0.23%) between 2015 and 2018. The share of population under the age of 18 was 23.6% in 2018 and the share of population 65 years or older was 15.5%, giving it the second lowest share of older adults among the District's states. Louisiana had the second lowest median age of the states in the District at 37.3.

Between 2010 and 2018, Louisiana's population growth was concentrated in urban areas, which increased by 4%. The rural population declined by 3.3% to 749,722 in 2018 (USDA-ERS 2020).

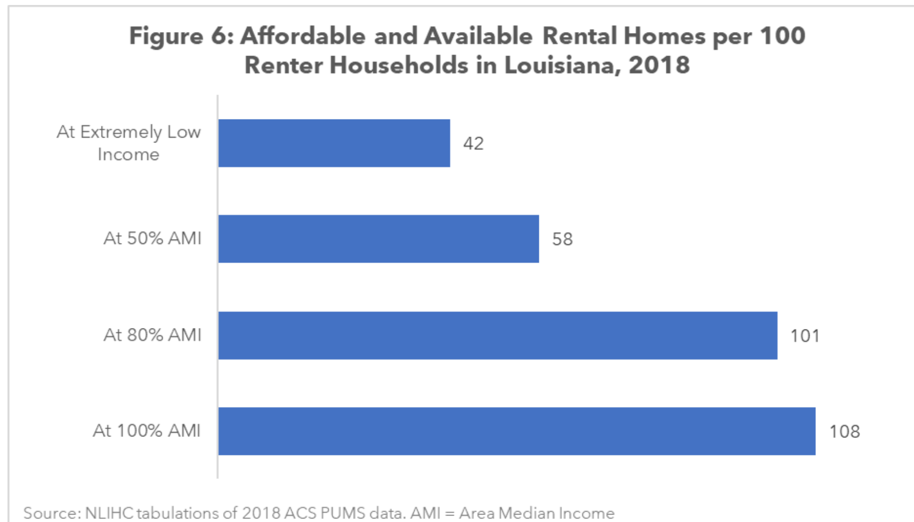
Louisiana's population was 58.4% white, 32.2% Black, and 5.1% Hispanic. The share of Black population was more than double the national share and second highest amongst the District's states. Between 2015 and 2018, the state's foreign-born population increased by 8,658, or 4.6%, to 195,027 in 2018.

The share of the non-institutionalized population with a disability was 15.4% in 2018. This share was higher than the national share of 12.6%, it but was the second lowest of the District's states.

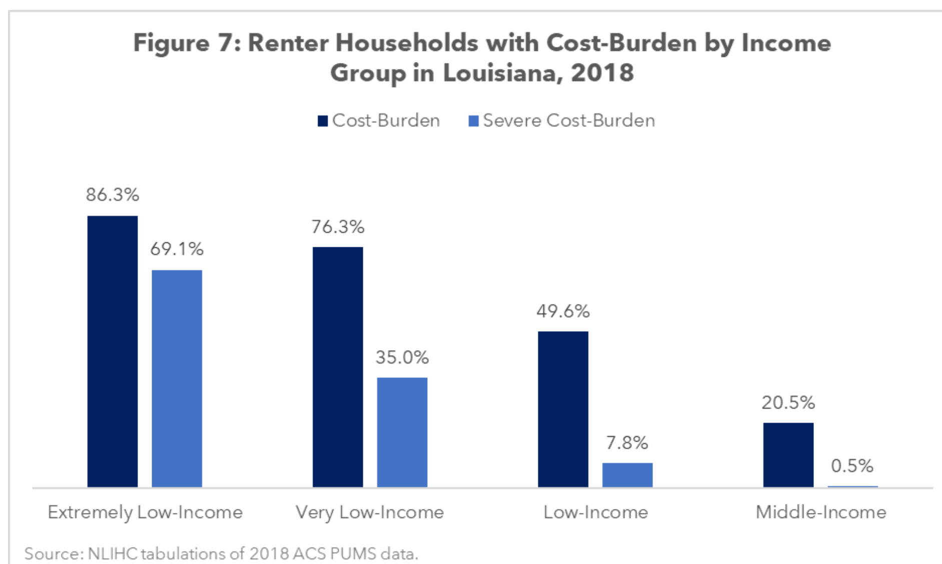
Housing Conditions

Of the 1.7 million households in Louisiana, 34.5% of them are renters. The rentership rate declined by 0.9 percentage points between 2015 and 2018, but it was second highest amongst the District states. As in other areas throughout the country, people of color were more likely than white households to be renters: 60% of Hispanic households, 53.4% of Black households, and 23.3% of white households were renters in 2018.

Low-income renters in Louisiana have limited access to affordable housing. The state has a deficit of 105,214 affordable and available rental units for extremely low-income renter households, leaving only 42 affordable units available per every 100 extremely low-income renter households (Figure 6). The state has 58 units affordable and available per every 100 very low-income renter households with incomes below 50% of AMI.



Extremely low-income renters are the most impacted by cost-burdens and severe cost-burdens (Figure 7). Extremely low-income renters accounted for more than half of all cost-burdened renters and nearly three-quarters of all severely cost-burdened renters in the state. In 2018, 86.3% of extremely low-income renters were cost-burdened and 69.1% were severely cost-burdened; 76.3% of very low-income renters were cost burdened and 35% were severely cost burdened; and 49.6% of low-income renters were cost-burdened and 7.8% were severely cost-burdened. Racial disparities in affordability also exist: 59.7% of Black renters are cost-burdened and 33.2% are severely cost-burdened, 54.4% of Hispanic renters are cost-burdened and 34.7% are severely cost-burdened, and 42.3% of white renters are cost-burdened and 22.4% are severely cost-burdened.



Like other states in the District and throughout the country, Louisiana is losing low-cost rental units with monthly rents less than $600 to upward filtering, demolition, or

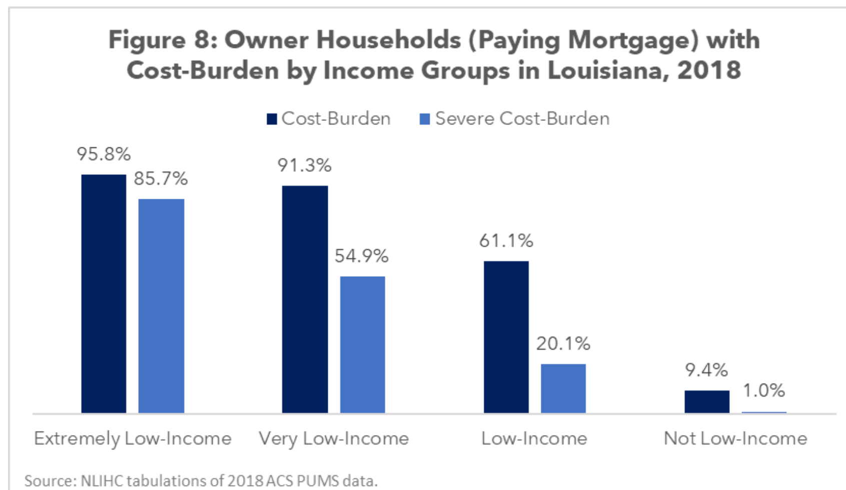
conversion. Between 2012 and 2017, the state lost 54,000 of the low-cost units (JCHS 2020). In real terms, $600 was the monthly rent affordable to a household with a $24,000 annual income in this period, roughly the poverty guideline for a family of four, without exceeding a 30% housing cost-to-income ratio. In addition, 6,879 or 7.8% of the 87,061 federally-supported affordable rental units in Louisiana are at risk of being lost due to deterioration or expiring affordability restrictions. This demonstrates a need for greater efforts to preserve currently existing affordable units in the state (National Housing Preservation Database, 2020).

Nearly 1.3% of rental units in Louisiana lacked a kitchen or complete plumbing, indicators of significantly inadequate housing. Nearly 2.2% of extremely low-income renters and 1.4% of very low-income renters lived in housing without these complete facilities, compared to 0.8% of renters who were not low-income. White renters (1.8%) were more likely than Black (1.0%) or Hispanic renters (0.6%) to live in homes without complete facilities.

More than 4% of renters lived in overcrowded housing conditions. The prevalence of overcrowding differed significantly by race: 10.5% of Hispanic renters, 4.6% of Black renters, and 2.3% of White renters lived in overcrowded housing.

Of the 1.7 million households in Louisiana, 65.5% were owner-occupied in 2018, an increase of 0.9 percentage points from 2015. Homeownership rates differed significant by race: 46.6% of Black households, 40.0% of Hispanic households, and 76.7% of white households were homeowners in 2018.

Many homeowners struggle with affordability (Figure 8). Among extremely low-income homeowners with mortgages, 95.8% were cost-burdened and 85.7% were severely cost-burdened in 2018. Of very low-income homeowners paying a mortgage, 91.3% were cost-burdened and 54.9% were severely cost-burdened. Race also played a role in cost burdens among homeowners. Of white homeowners with mortgages, 21.6% were cost burdened and 9.6% were severely cost-burdened. Comparatively, 37.5% of black homeowners with mortgages were cost-burdened and 18.8% were severely cost-burdened. Among Hispanic homeowners paying a mortgage, 39.8% were cost burdened, and 15.5% were severely cost-burdened.



Louisiana's rate of 30 to 89-day delinquencies in mortgage payments was 4.3% in both January 2015 and January 2019. The rate declined to 3.1% in June 2019, but remained significantly higher than the U.S. delinquency rate of 1.7%. It was the second highest rate among the five states in the District.

The 90+ day mortgage delinquency rate decreased from 2.5% in January 2015 to 1.8% in January 2019 to 1.3% in June 2019 (CFPB 2020). Louisiana's 90+ day delinquency rate remained higher than the national rate of 0.7% and tied with Mississippi for the highest among the five District states.

Only 0.3% of Louisiana homeowners lived in housing without complete plumbing or kitchen in 2018. Extremely low-income homeowners, however, were approximately five times more likely than other homeowners to live in housing with incomplete facilities (1.0% vs. 0.2%).

Overcrowded housing conditions affected 1.3% of Louisiana homeowners in 2018. Extremely low-income (2.0%) and low-income homeowners (1.6%) were more likely than other homeowners to live in overcrowded housing. Approximately 6.5% of Hispanic homeowners, 2.3% of white homeowners, and 1.2% of Black homeowners lived in overcrowded housing.

HUD's 2019 Annual Homelessness Assessment Report documented 2,941 people experiencing homelessness in Louisiana on a given night in January 2019, representing a 27.9% decrease since 2015. Unsheltered homeless sleeping in places not intended for sleep represented 33.1% of the total homeless population. Of the 2,941 homeless, 82.1% (2,416) were individuals and 17.9% (525) were in families. The number of beds available for people experiencing homelessness decreased by 1,320 since 2015, with 2,708 total beds in 2019. Of the beds lost, 140 were emergency and 1,193 were transitional. The state gained 928 rapid rehousing and 1,034 permanent supportive housing beds since 2015 (HUD 2020).

In terms of the pandemic's impact on housing stability in Louisiana, 29% of renter households and 38% of those earning less than $35,000 a year recently reported having no confidence or only slight confidence in being able to make the next month's rent (U.S. Census Bureau, 2020). Fifteen percent of all homeowners and 34% of those earning less than $35,000 a year indicated they had no confidence or only slight confidence in being able to pay their mortgage.

Economic Conditions

Income, Poverty, and Employment

The average weekly wage in Louisiana increased by 4.6% to $931 between 2015 and 2018. The state's mean weekly wage was 15.4% less than the national average. In real dollars, Louisiana's median household income decreased to $47,905, an insignificant decline of 0.8%, between 2015 and 2018. Louisiana's median household income was 23% less than the national median in 2018, but it was the second highest among the District states (Table 4). Median household income was $58,632 for white households, $44,169 for Hispanic households, and $29,508 for Black households (U.S. Census Bureau, 2018).

Table 4: Selected Economic Characteristics of Louisiana and the United States, 2018

Economic Characteristics	Louisiana	National
Average Weekly Wage	$931	$1,100
Median Household Income	$47,905	$61,937
Poverty Rate (Individuals)	18.60%	13.10%
Poverty Rate (Youth Under 18)	26.20%	18.00%
Unemployment Rate*	6.90%	4.40%
Educational Attainment (High School+)	85.80%	88.30%
Educational Attainment (Bachelor's Degree+)	24.30%	32.60%
Banking Status (Unbanked)**	14.80%	6.50%
Banking Status (Underbanked)**	21.40%	18.70%
Banking Status (Fully Banked)**	60.00%	68.40%
Lacking Mainstream Credit**	37.20%	19.70%

*As of March, 2020
**Data from 2017

The poverty rate in Louisiana decreased by one percentage point between 2015 and 2018 to 18.6%. It remains 5.5 percentage points higher than the national poverty rate. The poverty rate for youth under the age of 18 was 26.2% in 2018, which was 8.2

percentage points higher than the national rate of 18.0%. The poverty rate was 12.2% for whites, 22.6% for Hispanics, and 32.3% for Blacks (U.S. Census Bureau, 2018).

The unemployment rate for the state before Covid-19 was relatively high, despite significant improvement since the last assessment. The unemployment rate declined from 6.1% to 4.7% between December 2015 and December 2018. As a result of Covid-19, the number of weekly unemployment insurance filings increased significantly in Louisiana in early 2020. Prior to the pandemic, the number of filings was around 1,500 per week. For the week ending March 21, 72,438 new claims had been filed in that one week. For the weeks ending March 28 and April 4, 97,400 and 100,621 new claims had been filed, respectively (U.S. Department of Labor and Training Administration, 2020). In total, from the week ending March 21 to April 18, 442,035 new claims for unemployment insurance had been filed. As of April 2020, Louisiana's unemployment rate was 14.5% (BLS, 2020d).

The Louisiana Workforce Commission projected 168,150 new jobs in the state between 2016 and 2026, with three supersectors contributing 45.5% of the jobs. The healthcare and social assistance industry is projected to add 33,988 jobs, a majority of which are personal care aide and registered nurse positions. Accommodations and food services is expected to add 24,593 jobs, with 6,090 of them being fast food workers. Retail trade is the third highest contributing industry, projected to add 17,847 jobs in the state by 2026 (Louisiana Workforce Commission 2018). The ten occupations with the largest projected growth are expected to account for nearly 30% of all job growth in the state (Table 5) (Projections Central, 2018).

Table 5: Top Projected Occupations, Median Hourly Wages, and Required Education for Louisiana, 2016-2026

Occupation Name	SOC Code	Projected Change	Median Wage	Required Education
Home Health and Personal Care Aides	31-1120	13,230	$9.03	High School Diploma
Fast Food and Counter Workers	35-3023	6,090	$9.06	None
Registered Nurses	29-1141	6,080	$30.79	Bachelor's Degree
Retail Salespersons	41-2031	5,380	$10.85	None
Laborers and Freight, Stock, and Material Movers, Hand	53-7062	4,420	$12.69	None
Waiters and Waitresses	35-3031	4,190	$8.81	None
Food Preparation Workers	35-2021	3,850	$8.93	None
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	37-2011	3,370	$10.02	None
General and Operations Managers	11-1021	3,250	$46.31	Bachelor's Degree
Maintenance and Repair Workers, General	49-9071	2,790	$17.10	High School Diploma

Sources: Projections Central (2018), Bureau of Labor Statistics (2020)

As of 2018, 24.3% of adult Louisianans had attained a bachelor's degree or higher. The state is nearly 6.3 percentage points behind the national share of adults with a bachelor's degree. The share of adults with at least a high school education has continued to increase, but the state's rate of 85.8% was slightly lower than the national share of 88.3%.

The share of Louisiana households who were unbanked (14.8%) was more than double the national share of 6.5% in 2017. Approximately 21.4% of the state's households were underbanked, compared to 18.7% of all households nationally. More than 37% of households did not use mainstream credit in the previous 12 months, making it the state with the second highest share of households not using mainstream credit in the nation (FDIC 2017).

Mississippi

Population and Demographics

Mississippi's population of nearly three million people changed very little (-0.2%) between 2015 and 2018. During this same period, the number of older adults aged 65 and older grew by 7.6% from 440,961 to 474,423, while the number of children under the age of 18 declined by 3.1% from 728,007 to 705,722. Older adults accounted for 15.9% of Mississippi's population in 2018, which gave Mississippi the third highest share of older adults among the District states. Youth under the age of 18 accounted for 23.6% of Mississippi's population. The state's median age was 37.7 in 2018.

Mississippi lost 2.7% of its rural population and gained 4.8% in its urban population between 2010 and 2018. The state had the third highest loss of rural population and the second highest gain of urban population among the District states. Mississippi's rural communities accounted for 53.4% of the state's total population in 2018 and urban communities accounted for 46.6%.

Between 2015 and 2018, the racial and ethnic composition of Mississippi's population remained largely unchanged. Blacks account for 37.8% of the state's population and Hispanics account for 2.9%. Whites account for 56.4% of the population, a small decline of 0.6 percentage points since 2015. Mississippi's foreign-born population declined by 1.9% from 72,258 in 2015 to 70,860 in 2018. The non-citizen share of the foreign-born population declined from 66.6% to 62.5%, while the naturalized citizen share of the foreign-born population increased from 33.4% to 37.5%.

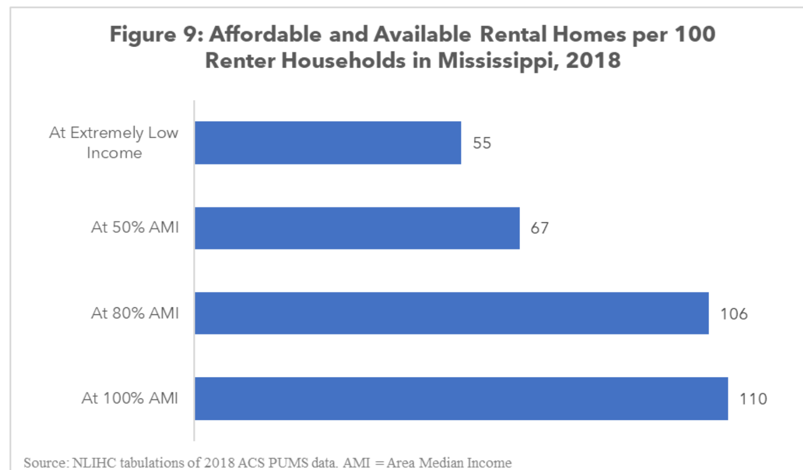
Approximately 16.5% of the non-institutionalized population in Mississippi had a disability compared to 12.6% of the non-institutionalized U.S. population in 2018. Mississippi has the second highest proportion of residents with a disability among the District states.

Housing Conditions

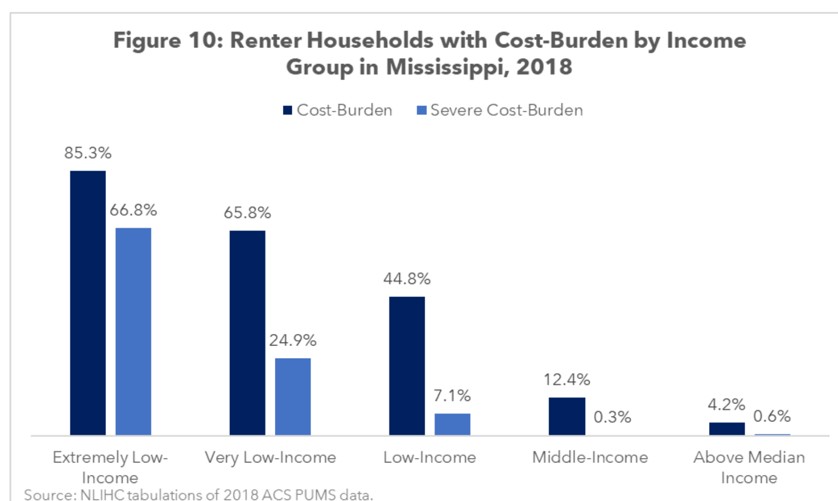
Of the 1.1 million households in Mississippi, 31.9% are renters, the lowest rentership rate of the District states. Housing tenure varies significantly by race and ethnicity: 21.8% of white households, 46.3% of Black households, and 61.3% of Hispanic households are renters. Fifty-one percent of all households of color are renters.

Mississippi renters, especially those with the lowest incomes, face widespread challenges with affordability. The state has a shortage of 52,513 rental homes affordable and available to extremely low-income renter households. Only 55 rental homes are affordable and available for every 100 extremely low-income renter households in Mississippi (Figure 9). Sixty-seven rental homes are affordable and

available for every 100 very low-income renter households with incomes up to 50% of AMI.



Extremely low-income households are the most impacted by housing cost-burdens and severe housing cost-burdens. Nearly 84% of Mississippi's 94,036 severely cost-burdened renter households are extremely low-income. Among extremely low-income renter households, 85.3% are cost-burdened and 66.8% are severely cost-burdened (Figure 10). Among very low-income households, 65.8% are cost-burdened and 24.9% are severely cost-burdened. Nearly 45% of low-income renter households are cost-burdened and 7.1% are severely cost-burdened. People of color are more likely than white households to be cost-burdened: 30.4% of Black renter household, 29.1% of all non-white renter households, and 22.8% of non-Hispanic white renter households are severely cost-burdened.



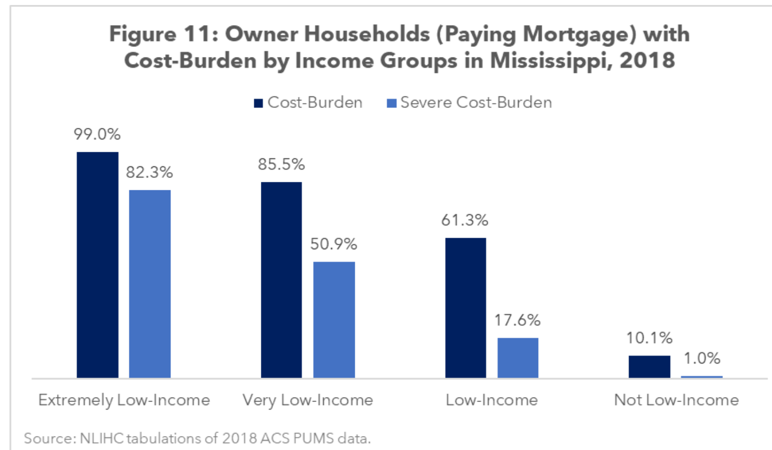
Like other areas across the country, the number of low-cost rental units is declining. Mississippi has lost approximately 32,000 rental units with contract rents below $600 between 2012 and 2017, representing a loss of 10.3% (JCHS, 2020). These units were likely lost to a combination of upward filtering, demolitions, and conversions.

Assuming a household should not spend more than 30% of its income on housing, these rents were affordable to households earning approximately $24,000, which was roughly the federal poverty guideline for a family of four. The loss of these units makes it even more challenging for extremely low-income renters to find an affordable rental home.

Overcrowding, where a household includes more than one person per room, impacts 4.5% of Mississippi renter households. Extremely low-income, very low-income, and low-income renters are more likely than non-low-income renters to live in overcrowded housing. People of color are also more likely to live in overcrowded housing conditions: 12.6% of Hispanic renters, 5.1% of Black renters, and 2.6% of white renters.

Mississippi has the highest rate of homeownership among the five states in the District at 68.1%. The state's homeownership rate increased by 0.9 percentage points between 2015 and 2018. As in the rest country, significant racial disparities exist with regard to homeownership. The homeownership rate is 78.2% for Non-Hispanic white households, 53.7% for Black households, and 48.4% for all non-white households.

Among homeowners currently paying a mortgage, 24.4% are cost-burdened and 10.2% are severely cost-burdened. Affordability challenges are most prevalent among extremely low-income, very low-income, and low-income households (Figure 11). Cost-burdens and severe cost-burdens are even more prevalent among lower income homeowners with mortgages than they are among lower income renters. Ninety-nine percent of extremely low-income homeowners with mortgages in Mississippi are cost-burdened and 82.3% are severely cost-burdened. More than eighty-five percent of very low-income homeowners with mortgages are cost-burdened and 50.9% are severely cost-burdened. Even among low-income homeowners with mortgages, 61.3% are cost-burdened and 17.6% are severely cost-burdened. Homeowner affordability challenges also differ by race: 33.7% of Black homeowners with mortgages are cost-burdened and 14.6% are severely cost-burdened, 20.5% of white homeowners with mortgages are cost-burdened and 8.6% are severely cost-burdened.



The 30 to 89-day mortgage delinquency rate in Mississippi, an early indicator of economic distress, declined 0.1 percentage points between January 2015 and January 2019 from 5.6% to 5.5%. It declined further to 3.8% by June 2019, but it remained the highest delinquency rate among the five states in the District and significantly higher than the national 30 to 89-day delinquency rate of 1.7%. Mississippi's 90+ day delinquency rate declined 2.0 percentage points from 3.3% to 1.3% between January 2015 and June 2019. It was tied with Louisiana for the highest 90+ day delinquency rate among the five states in the District and 0.6 percentage points higher than the national rate (CFPB, 2020).

Mississippi homeowners also face issues with housing quality and overcrowding. Only 0.7% of homeowners occupy a home with incomplete facilities (i.e. lacking a kitchen or complete plumbing), while 1.3% report overcrowding (i.e. more than one person per room in home). Mississippi, along with Louisiana, has the lowest incidence of overcrowding among the District states. In 2018, extremely low-income homeowners were 3.5 times more likely than homeowners in general to have incomplete facilities and nearly twice as likely to live in overcrowded housing conditions.

Not everyone in Mississippi is fortunate enough to have a home. There were 1,184 people experiencing homeless in Mississippi as of the most recent Point-in-Time (PIT) count (HUD, 2020). Approximately 40.9% of the people experiencing homeless were unsheltered. Homelessness declined by 40.3% and veteran homelessness declined by 65% since 2015, making Mississippi the District state with the greatest overall progress in reducing both total and veteran homelessness in recent years. These results are partly attributable to a shift from prioritizing temporary shelter assistance (Emergency Shelter, Transitional Housing, and Safe Haven housing) to prioritizing long-term housing assistance (Rapid Re-Housing, Permanent Supportive Housing, and Other Permanent Housing). Between 2015 and 2019, Mississippi lost 405 (-27%) temporary shelter beds and added 1,355 (235.2%) long-term housing beds.

The pandemic is threatening housing stability for both renters and homeowners in Mississippi. Forty-five percent of all renter households and almost half of those earning less than $35,000 a year recently reported having no confidence or only slight confidence in being able to make the next month's rent (U.S. Census Bureau, 2020). Meanwhile, 23% of all homeowners and 42% of those earning less than $35,000 a year indicated they had no confidence or only slight confidence in being able to pay their mortgage.

Economic Conditions

The average weekly wage for Mississippi increased by 5.6% to $750 between 2015 and 2018. Compared to the national average wage of $1,100, the state's average was 31.8% lower. Mississippi had the lowest average weekly wage among the states in the District. Between 2015 and 2018, median household income increased, by 6.3% to $44,717. It was second to Arkansas in having the lowest median household income for the District and was nearly $20,000 lower than the national median (Table 6). Median household income was $55,820 for white households, $45,232 for Hispanic households, and $30,612 for Black households (U.S. Census Bureau, 2018).

Table 6: Selected Economic Characteristics of Mississippi and the United States, 2018

Economic Characteristics	Mississippi	National
Average Weekly Wage	$750	$1,100
Median Household Income	$44,717	$61,937
Poverty Rate (Individuals)	19.70%	13.10%
Poverty Rate (Youth Under 18)	27.80%	18.00%
Unemployment Rate*	5.30%	4.40%
Educational Attainment (High School+)	85.40%	88.30%
Educational Attainment (Bachelor's Degree+)	23.20%	32.60%
Banking Status (Unbanked)**	15.80%	6.50%
Banking Status (Underbanked)**	22.50%	18.70%
Banking Status (Fully Banked)**	57.40%	68.40%
Lacking Mainstream Credit**	37.70%	19.70%

*As of March, 2020

**Data from 2017

The state's poverty rate decreased from 22.0% to 19.7% between 2015 and 2018. Mississippi's poverty rate was more than 6.5 percentage points higher than the national poverty rate of 13.1%. Amongst the five District states, Mississippi had the highest poverty rate. For youth under the age of 18, the poverty rate declined from

31.3% to 27.8%, but was the highest among the states in the district. The poverty rate for whites was 11.9%, 24.2% for Hispanics, and 30.7% for Blacks (US Census Bureau, 2018).

Unemployment in the state decreased from 6.2% in December 2015 to 5.1% in December 2018. Unemployment filings, however, increased significantly during March and April 2020 as a result of Covid-19. In the week ending March 28, workers filed 32,015 new unemployment insurance claims, an increase of 26,496, or approximately 480%, from the previous week. Between the week ending March 28 and the week ending April 18, more than 160,000 unemployment claims had been filed with the state. In comparison, fewer than 5,000 had been filed in the month of January (U.S. Department of Labor Employment and Training Administration, 2020). As of April 2020, the unemployment rate in Mississippi was 15.4% (BLS, 2020d).

From 2016 to 2026, Projections Central projected an increase of 63,240 jobs in Mississippi. The top occupations are anticipated to include food preparation and serving workers (4,080 jobs), registered nurses (2,960), personal care aides (2,510), retail salespersons (2,270), and waiters and waitresses (2,240) (Table 7). Altogether, the top ten projected occupations represent 36.1% of all projected job growth (Projections Central 2018). Most of the positions are low-skill and low-wage, except for general and operations manager and registered nurse positions (MDES, 2018).

Educational attainment for the state improved since 2015. The share of adults with at least a high school diploma increased from 83.5% to 85.4%, still lower than the national rate of 88.3%. The share of adults with a bachelor's degree or higher increased by 2.4 percentage points to 23.2%. Compared to the national rate of 32.6%, the state is significantly behind in higher educational attainment.

Table 7: Top Projected Occupations, Median Hourly Wages, and Required Education for Mississippi, 2016-2026				
Occupation Name	**SOC Code**	**Projected Change**	**Median Wage**	**Required Education**
Fast Food and Counter Workers	35-3023	4,080	$9.01	None
Home Health and Personal Care Aides	31-1120	3,820	$9.85	High School Diploma
Registered Nurses	29-1141	2,960	$28.17	Bachelor's Degree
Retail Salespersons	41-2031	2,270	$10.86	None
Waiters and Waitresses	35-3031	2,240	$9.03	None
Laborers and Freight, Stock, and Material Movers, Hand	53-7062	2,090	$11.76	None
General and Operations Managers	11-1021	1,930	$30.39	Bachelor's Degree
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	37-2011	1,780	$9.91	None
Cooks, Restaurant	35-2014	1,650	$10.79	None
First Line Supervisors of Food Preparation and Serving Workers	35-1012	1,240	$12.63	High School Diploma

Sources: Projections Central (2018), Bureau of Labor Statistics (2020).

In 2017, 15.8% of the state's households were unbanked, which was 3.2 percentage points higher than in 2015. The percentage of households who were underbanked, however, decreased by three percentage points to 22.5%. These rates are significant worse that the national unbanked (6.5%) and underbanked (18.7%) rates. Also, 37.7% of Mississippi households had not used mainstream credit in the past 12 months, the highest rate in the nation (FDIC, 2017).

New Mexico

Population and Demographics

New Mexico's population of 2.1 million people grew by 0.5% between 2015 and 2018. The population of adults aged 65 and older grew by 11.5% to 368,480, while the population under the age of 18 declined by 3.8% to 480,237. In 2018, adults aged 65 and over accounted for 17.6% of New Mexico's population, giving New Mexico the highest share of older adults among the District's states. New Mexico had the lowest share of people under the age of 18 at 22.9%.

Between 2010 and 2018, New Mexico's rural population decreased by 0.3%, while its urban population increased by 2.8%. These changes reflect national trends of stagnant or declining rural populations. Rural areas accounted for 32.8% of New Mexico's population in 2018, while urban areas accounted for 67.2%.

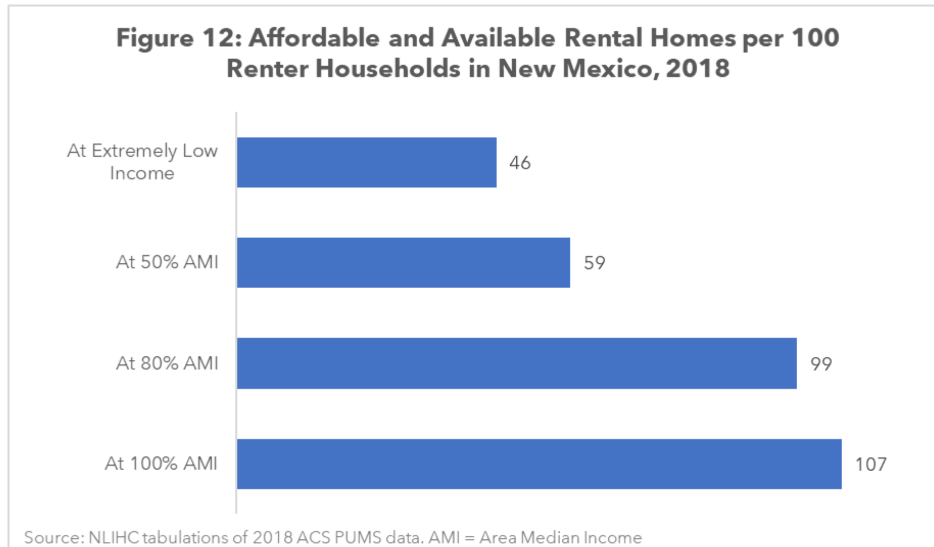
Between 2015 and 2018, the share of the population that was Hispanic grew from 48.0% to 49.1%, the share that was white declined from 38.3% to 36.9%, and the share that was Black remained at 1.9%. Native Americans account for 9.6% of the state's population, significantly higher their 0.9% share of the U.S. population. New Mexico's foreign-born population grew by 0.8% during this same period. The share of the foreign-born population who were naturalized citizens grew from 36.3% to 41.1%.

While people with disabilities accounted for 12.6% of the noninstitutionalized U.S. population in 2018, they accounted for 15.8% of the population in New Mexico.

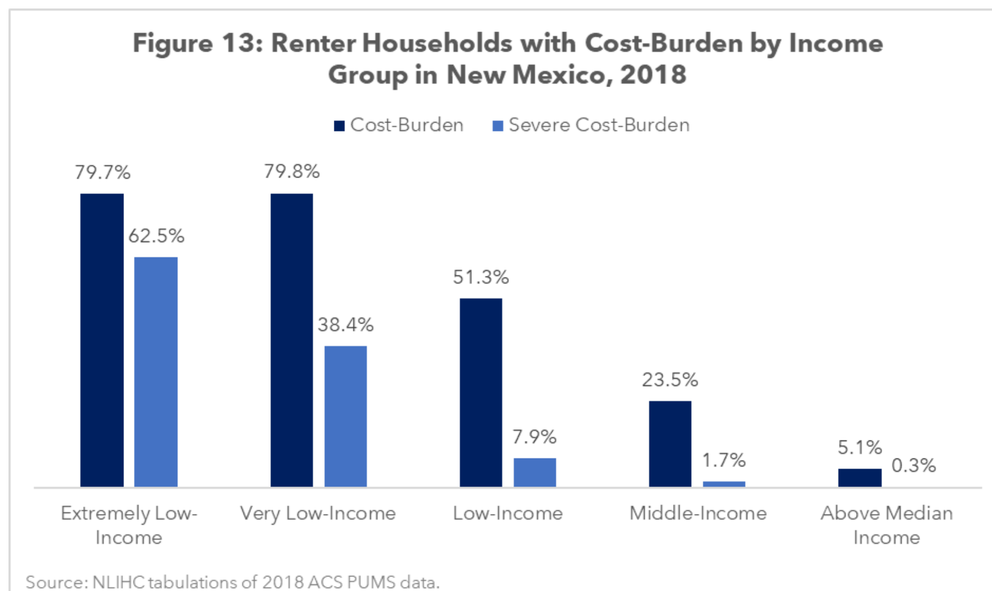
Housing Conditions

The share of households who rent grew by 1.8 percentage points between 2015 and 2018. Approximately 33.8% of New Mexico's 794,092 households are now renters, which is still the second lowest share among the five District states. Nearly 29% of non-Hispanic white households rent, compared to 37.5% of non-white households.

New Mexico has a shortage of 41,113 rental homes affordable and available to extremely low-income renters. The state has only 46 affordable and available rental homes for every 100 extremely low-income renter households, 59 affordable and available rentals for every 100 renter households with incomes up to 50% of AMI, and 99 affordable and available rentals for every 100 households with incomes up to 80% of AMI (Figure 12).



This shortage means that many renters in New Mexico struggle to afford rent. Nearly half of renter households (46.2%) are cost-burdened and almost a quarter (23.9%) are severely cost-burdened. Of the state's 64,306 severely cost-burdened renter households, 73.3% are extremely low-income. Nearly 80% of extremely low-income renters are cost-burdened and 62.5% are severely cost-burdened (Figure 13). Cost-burdens are also common among very low-income and low-income renter households. Nearly 80% of very low-income renters and 51.3% of low-income renters are cost-burdened. Cost-burdens vary by race and ethnicity. Among non-white renter households, 48.3% are cost-burdened and 25.9% are severely cost-burdened. Among non-Hispanic white renter households, 42.2% are cost-burdened and 20.3% are severely cost-burdened.



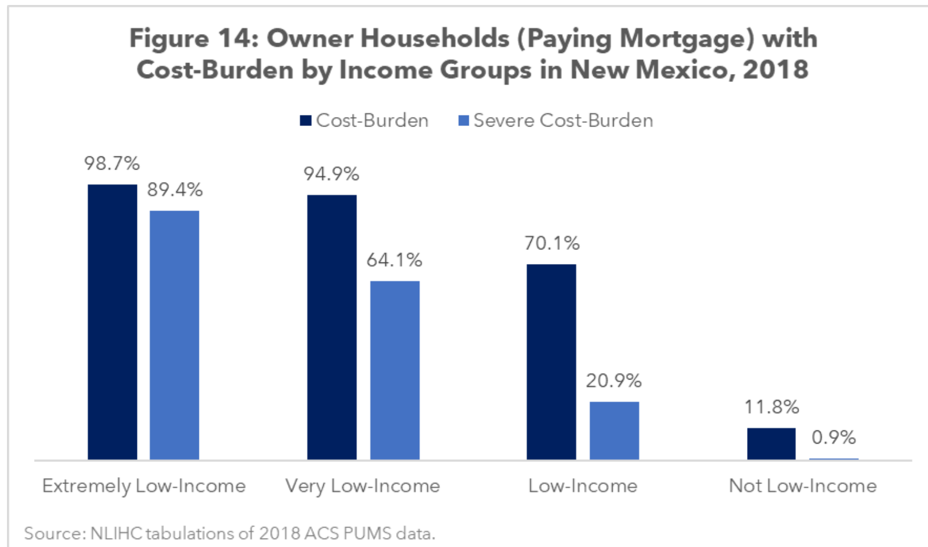
As in other areas across the country, the number of rental units with monthly contract rents under $600 has continued to decline. New Mexico has lost approximately 18,000 low-cost rental units between 2015 and 2018 to upward filtering, demolitions, or conversions, representing a loss of 6.5% (JCHS 2020). Six hundred dollars was the monthly rent affordable to a household with a $24,000 annual income in this period, roughly the poverty guideline for a family of four, without exceeding a 30% housing cost-to-income ratio. In many areas, particularly rural areas, the poverty guideline is commonly the threshold for an extremely low-income family. There is a need to preserve the current affordable stock, particularly for the lowest income households.

Approximately 2.4% of renter households reside in units without complete kitchen or plumbing. Extremely low-income renters were 1.8 times more likely to have incomplete facilities than renters in general.

Approximately 5.6% of the state's renters live in overcrowded housing, the third highest rate among the District's states. Overcrowding is most prevalent among non-white renters at 7.6%, compared to 1.8% of non-Hispanic white renters. The rental households with the largest share of overcrowding were extremely low-income, with 9.2% of these renters living overcrowded housing conditions.

Of New Mexico's 794,092 households, 66.2% are homeowners. The homeownership rate in New Mexico declined by 1.8 percentage points between 2015 and 2018. The state currently has the second highest homeownership rate among the five District states. Like elsewhere, a significant homeownership gap exists in terms of race and ethnicity. The homeownership rate for non-Hispanic white households is 71.4% compared to 62.5% for non-white or Hispanic households. New Mexico has the highest homeownership rate for non-white or Hispanic households in the District.

Among New Mexico's homeowners with mortgages, 29.3% are cost-burdened and 12.8% are severely cost-burdened. As with renters, cost-burdens are most prevalent among extremely low-income, very low-income, and low-income homeowners (Figure 14). Cost-burdens and severe cost-burdens are more prevalent among extremely low-income homeowners with mortgages than among extremely low-income renters. Nearly 99% of extremely low-income homeowners with mortgages are cost-burdened and 89.4% are severely cost-burdened. Nearly 95% of very low-income homeowners with mortgages and 70% of low-income homeowners with mortgages are cost-burdened.



The 30 to 89-day mortgage delinquency rate in New Mexico, an early indicator of economic distress, declined 0.1 percentage points between January 2015 and January 2019 from 2.7% to 2.6%. As of June 2019, the 30 to 89-day mortgage delinquency had declined to 1.9%. Compared to the other District states, New Mexico had the lowest 30 to 89-day delinquency rate, which was 0.2% lower than the national rate. The 90+ day delinquency rate declined 1.2 percentage points from 2.3% to 1.1% between January 2015 and January 2019. It declined further to 0.9% by June 2019 (CFPB 2020).

Slightly more than 1% of New Mexico homeowners reside in homes with incomplete plumbing or kitchen. Extremely low-income homeowners had the highest share of incomplete facilities at 5.7%. Non-white or Hispanic homeowners were 4 times more likely to have incomplete facilities than non-Hispanic white homeowners (1.6% vs 0.4%)

Nearly 3% of homeowners lived in overcrowded housing conditions. Extremely low-income homeowners had the highest share of overcrowding at 5.9%. Non-white or Hispanic homeowners were more likely to live in overcrowded housing than white homeowners (4.2% vs. 1.3%).

The number of people experiencing homelessness in New Mexico on a given night in January 2019 was 3,241, which represented a 23.3% increase from 2015. This was the highest rate of increase of any state in the District. 36.7% were unsheltered, sleeping in places not intended for sleep.

At the same time, New Mexico saw an increase of 188 (8.3%) temporary shelter beds (Emergency Shelter, Transitional Housing, and Safe Haven housing) and 729 (30.6%) long-term housing beds (Rapid Re-Housing, Permanent Supportive Housing, and Other Permanent Housing) since 2015. New Mexico gained the fewest long-term

housing beds of any state in the District next to Arkansas and was the only state to increase its temporary shelter beds. New Mexico's continued emphasis on temporary shelter beds and anemic support for long-term housing solutions appear to be undermining its ability to address homelessness (HUD, 2020).

Finally, the pandemic and it economic fallout are threatening the housing stability of both renters and homeowners in New Mexico. Forty-one percent of all renter households and 54% of those earning less than $35,000 a year recently reported having no confidence or only slight confidence in being able to make the next month's rent, while 18% of all homeowners and 43% of those earning less than $35,000 a year indicated the same regarding their mortgage payments.

Economic Conditions

Between 2015 and 2018, New Mexico's average weekly wage increased by 6.2% to $793 (Table 8). The state's average wage was 23.4% less than the national average. Median household income, in real dollars, decreased slightly by 1.7% to $47,169. In 2018, median household income was $58,891 for white households, $39,325 for Hispanic households, $34,764 for American Indian households, and $29,629 for Black households (U.S. Census Bureau, 2018).

Table 8: Selected Economic Characteristics of New Mexico and the United States, 2018

Economic Characteristics	New Mexico	National
Average Weekly Wage	$793	$1,100
Median Household Income	$47,169	$61,937
Poverty Rate (Individuals)	19.50%	13.10%
Poverty Rate (Youth Under 18)	26.30%	18.00%
Unemployment Rate*	5.90%	4.40%
Educational Attainment (High School+)	85.40%	88.30%
Educational Attainment (Bachelor's Degree+)	27.70%	32.60%
Banking Status (Unbanked)**	11.40%	6.50%
Banking Status (Underbanked)**	22.20%	18.70%
Banking Status (Fully Banked)**	63.00%	68.40%
Lacking Mainstream Credit**	28.10%	19.70%

*As of March, 2020
**Data from 2017

Between 2015 and 2018, the state's poverty rate declined from 20.4% to 19.5%, or 6.4 percentage points higher than the national rate. For youth under the age of 18, the poverty rate declined from 28.6% to 26.3%, which was the second highest youth poverty rate among states in the District. In 2018, the poverty rate was 11.7% for whites, 23.1% for Hispanics, 26.7% for Blacks, and 33.6% for American Indians (U.S. Census Bureau 2018).

The unemployment rate for New Mexico decreased from 6.5% in December 2015 to 4.9% in December 2018. In February 2020, unemployment for the state was at 4.8%, a minimal change from December 2018. As a result of Covid-19, however, unemployment has dramatically increased in New Mexico. In the weeks prior to the coronavirus, weekly filings were around 650-700. Following the closure of businesses due to the pandemic, weekly filings reached an apex of 28,182 during the week of March 28. Between the week ending March 28 and the week ending April 18, 86,645 new unemployment insurance claims had been filed (BLS, 2020d). The unemployment rate in New Mexico reached 11.3% in April (BLS, 2020d)

From 2014 to 2018, the state had a net growth of 5,500 jobs. The industries that gained more than 1,000 jobs were education and health services (3,025), leisure and hospitality (1,750), and professional and business services (1,825). The industry that lost more than 1,000 jobs during this time was government (-1,100) (New Mexico Department of Workforce Solutions 2019).

Occupational projections anticipate 57,580 new jobs between 2016 and 2026. The occupations with the greatest projected job growth include home health and personal care aides (13,110), fast food workers (3,550), registered nurses (2,280), general and operations managers (1,220), and waiters and waitresses (1,090) (Table 9). The top ten occupations make up 43.3% of the projected job growth. Most of these jobs have low median wages and minimal education requirements, except for registered nurses and general and operations managers (Projections Central, 2018).

The share of adults with at least a high school diploma increased from 84.6% to 85.4% between 2015 and 2018. The rate in 2018 was 2.9 percentage points lower than the national rate. The percentage of adults with at least a bachelor's degree was 27.7% in 2018. New Mexico had the second highest share of adults with a bachelor's degree among the District states, but was 4.9 percentage points behind the national share. A 2019 report found that New Mexico had the lowest quality public education system among the 50 states and DC. New Mexico had some of the highest dropout rates and some of the lowest math and reading test scores in the country (McCann 2019).

Table 9: Top Projected Occupations, Median Hourly Wages, and Required Education for New Mexico, 2016-2026				
Occupation Name	**SOC Code**	**Projected Change**	**Median Wage**	**Required Education**
Home Health and Personal Care Aides	31-1120	13,110	$10.39	High School Diploma
Fast Food and Counter Workers	35-3023	3,550	$9.43	None
Registered Nurses	29-1141	2,280	$35.18	Bachelor's Degree
General and Operations Managers	11-1021	1,220	$42.98	Bachelor's Degree
Waiters and Waitresses	35-3031	1,090	$8.96	None
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	37-2011	1,060	$11.41	None
Medical Assistants	31-9092	1,020	$14.73	Postsecondary/ Nondegree
Cooks, Restaurant	35-2014	820	$11.61	None
Customer Service Representatives	43-4051	780	$14.26	High School Diploma
Construction Laborers	47-2061	750	$15.38	None/High School Diploma

Sources: Projections Central (2018), Bureau of Labor Statistics (2020).

In 2017, 11.4% of New Mexico households were unbanked, which was 4.9 percentage points higher than the national share. More than 22% of households were underbanked. More than 28% of households did not use mainstream credit in the previous 12 months, which was 8.4 percentage points higher than the national share (FDIC 2017).

Texas

Population and Demographics

Between 2015 and 2018, Texas's population grew by 1,232,731 people, or 4.5%. During the same period, the U.S. population grew by 1.8%. Texas is the only state in the District growing faster than the U.S. overall. The population under 18 years of age grew by 2.6% to 7.4 million, while the population 65 years and older grew by 11.7% to 21.3 million. Texas was the only state in the District where the youth population grew between 2015 and 2018, and it also experienced the largest growth in its senior population.

The state's rural population continued to grow, though population growth in urban areas continued to far outpace it. Between 2010 and 2018, the rural population grew by 67,739 (2.3%), while the urban population grew by 3,487,992 (15.8%) (USDA-ERS, 2020). In 2018, Texas's rural population accounted for 10.7% of its total population, while the urban population accounted for 89.3%. Texas is the most urban state in the District in terms of its population.

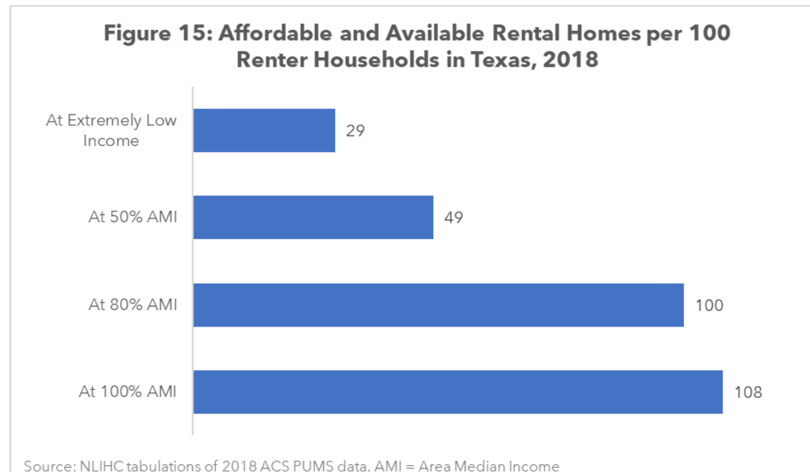
Texas's population grew increasingly diverse in terms of race, ethnicity, and foreign-born status between 2015 and 2018. The Hispanic share of the population grew from 38.9% to 39.6% and the Black share of the population grew 11.7% to 11.9%. The White share of the population declined from 42.9% to 41.4%. The foreign-born population grew from 4,671,295 to 4,928,025, or by 5.5%. The share of the foreign-born population who identified as naturalized citizens grew from 35.8% to 37.7%, while the share of the foreign-born population identifying as non-citizens declined from 64.2% to 62.3%.

Housing Conditions

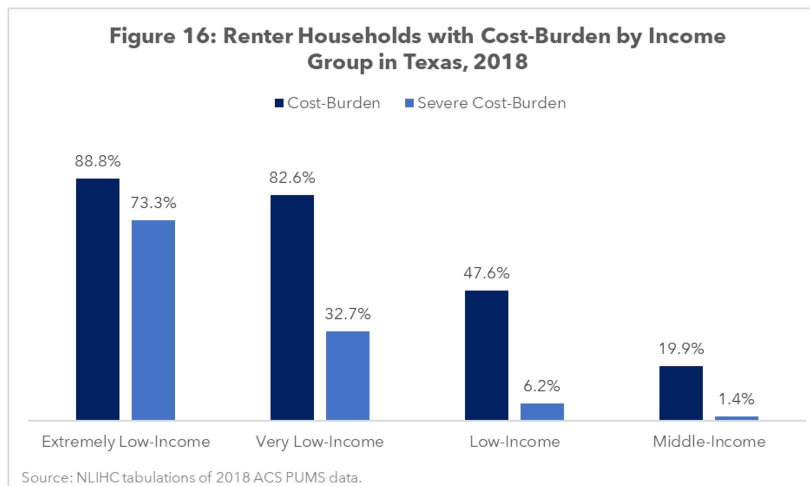
There are nearly 9.8 million households in Texas and 38.2% of them are renters. The rentership rate has declined by 0.7 percentage points since 2015. Texas has the highest rentership rate among the District states, likely due to its greater number of large cities compared to the other states. Cities tend to have more renters.

Renters in Texas, particularly those with the lowest incomes, face significant affordability challenges. Texas has a shortage of 611,181 rental homes affordable and available to extremely low-income renter households. The state has only 29 affordable and available rental homes for every 100 extremely low-income renter households (Figure 15). The state has 49 affordable and available rental homes for every 100 very low-income households with incomes up to 50% of AMI. [1]

[1] There is a shortage of 7,128 rental homes affordable and available to renter households at the 80% of AMI threshold in Texas, though this is not reflected in Figure X due to rounding.



Many renters in Texas struggle with cost-burdens. Extremely low-income households are the most likely to have the greatest struggle. Nearly 89% of extremely low-income renters, 82.6% of very low-income renters, and 47.6% of low-income renters are cost burdened (Figure 16). More than 73% of extremely low-income renters are severely cost-burdened. In fact, nearly three-quarters of the state's severely cost-burdened renters are extremely low-income.



Texas has a need to preserve and protect its current stock of affordable housing. The state lost approximately 515,000 rental units with monthly contract rents below $600 between 2012 and 2017 to upward filtering, demolitions, or conversions, representing a loss of 16.2% (JCHS 2020). Assuming a household should not spend more than 30% of its income on housing, these rents were affordable to households earning approximately $24,000, which was roughly the federal poverty guideline for a family of four. The loss of these units makes it even more challenging for poor renters to find an affordable rental home.

At the same time, 6.2% (21,025) of the state's 340,346 federally-assisted affordable rental units are at risk of being lost to physical deterioration or expiring affordability restrictions in the next five years (National Housing Preservation Database, 2020).

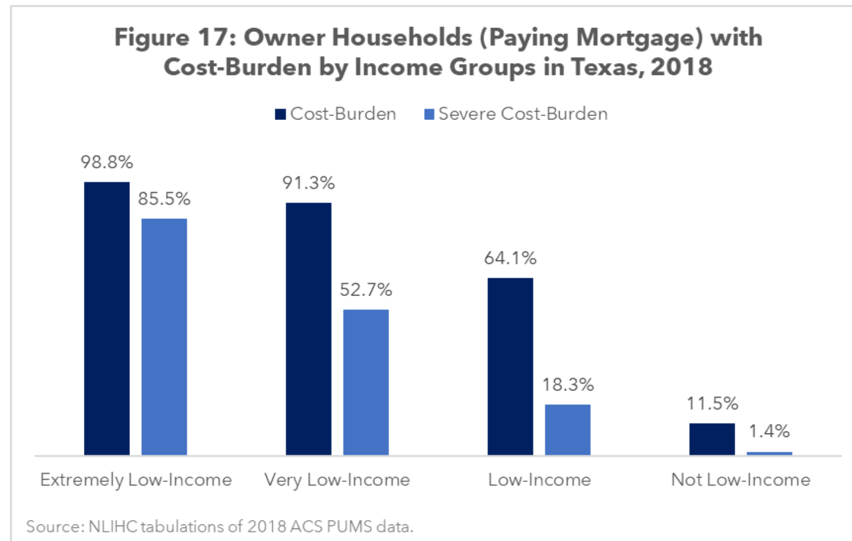
Beyond affordability, some renters in Texas face issues with housing quality and overcrowding. Approximately 1.6% of Texas renter households have either an incomplete kitchen or incomplete plumbing. Extremely low-income renters are more likely to have incomplete facilities (2.6%) than renters in general. White renters were also more likely to have incomplete facilities (2.6%).

More than 7.4% of renters live in overcrowded housing conditions, which is the highest incidence of renter-overcrowding among the District's states. Extremely low-income renters had the highest share of overcrowding at 10.8%. More than thirteen percent of Hispanic renters live in overcrowded housing, compared to 4.7% of Black households and 2.8% of non-Hispanic white households.

Texas's homeownership rate is 61.8%, which has increased by 0.7 percentage points since 2015. Texas has the lowest homeownership rate among the District's states. Texas, like the country, has significant racial and ethnic disparities in homeownership: 70.2% of non-Hispanic white households are homeowners, compared to 56.3% of Hispanic households and 39.1% of Black households.

Among current homeowners paying a mortgage, 25.6% are cost-burdened and 10% are severely cost-burdened. Like renters, cost-burdens and severe cost-burdens are most prevalent among extremely low-income, very low-income, and low-income homeowners (Figure 17). Nearly 99% of extremely low-income homeowners with mortgages and 91.3% of very low-income homeowners with mortgages are cost-burdened, while 85.5% and 52.7% are severely cost-burdened. Extremely low-income and very low-income homeowners account for more than 68% of all severely cost-burdened homeowners with a mortgage in the state.

Cost-burdens also vary by race and ethnicity: 33.1% of Hispanic homeowners with a mortgages are cost-burdened and 12.9% are severely cost-burdened, 32.2% of Black homeowners with mortgages are cost-burdened and 13.6% are severely cost-burdened, 22.0% of white homeowners with mortgages are cost-burdened and 8.6% are severely cost-burdened.



The 30 to 89-day mortgage delinquency rate in Texas declined 0.4 percentage points between January 2015 and January 2019 from 3.5% to 3.1%. As of June 2019, the 30 to 89-day delinquency rate had declined to 2.4%. The rate was 0.7 percent points higher than the national rate, but it tied with Arkansas for the second lowest among the states in the District. The 90+ day delinquency rate declined from 1.9% to 0.8% between January 2015 and June 2019 (CFPB, 2020).

Texas has the highest incidence of homeowners living in overcrowding housing among the District states at 3.0%. Overcrowding is more prevalent among Hispanic homeowners (7.7%) than Black (1.3%) or non-Hispanic white (1.0%) homeowners. Extremely low-income homeowners are more than twice as likely as homeowners in general live in an overcrowded home (6.5%).

On a given night in January 2019, 25,848 people in Texas were experiencing homelessness, of whom 2,118 (8.2%) were unsheltered. Between 2015 and 2019, the homeless population grew by 2,170 people (9.2%), but the unsheltered homeless population declined by 5,368 people (-72%). The unsheltered population is defined as sleeping in places not intended for sleep like parks, the streets, or cars.

Between 2015 and 2019, Texas lost 2,541 (12.2%) of its temporary shelter beds (Emergency Shelter, Transitional Housing, and Safe Haven housing) and gained 6,150 (39.5%) longer-term housing beds (Rapid Re-Housing, Permanent Supportive Housing, and Other Permanent Housing). Texas' efforts to transition from temporary shelter to longer-term housing solutions may be helping to reduce its unsheltered homeless population, even though overall homelessness has increased (HUD, 2020).

The economic fallout from the pandemic is impacting housing stability for both homeowners and renters in Texas. Thirty-three percent of all renter households and 49% of those earning less than $35,000 a year recently reported having no

confidence or only slight confidence in being able to make the next month's rent. Among homeowners, 20% reported no confidence or only slight confidence in being able to make the next month's rent as did 39% of those earning less than $35,000 a year.

Economic Conditions

The average weekly wage for workers increased by 5.9% to $1,127 between 2015 and 2018 (Table 10). Median household income, in real dollars, increased to $60,629, an increase of 3.2%. Median household income by race was: $74,509 for non-Hispanic white households, $48,175 for Hispanic households, and $45,545 for Black households (U.S. Census Bureau, 2018).

Table 10: Selected Economic Characteristics of Texas and the United States, 2018

Economic Characteristics	Texas	National
Average Weekly Wage	$1,127	$1,100
Median Household Income	$60,629	$61,937
Poverty Rate (Individuals)	14.90%	13.10%
Poverty Rate (Youth Under 18)	21.10%	18.00%
Unemployment Rate*	4.70%	4.40%
Educational Attainment (High School+)	84.00%	88.30%
Educational Attainment (Bachelor's Degree+)	30.30%	32.60%
Banking Status (Unbanked)**	9.50%	6.50%
Banking Status (Underbanked)**	24.20%	18.70%
Banking Status (Fully Banked)**	60.50%	68.40%
Lacking Mainstream Credit**	24.00%	19.70%

*As of March, 2020
**Data from 2017

The poverty rate in Texas decreased to 14.9%, down one percentage point since 2015. Despite the decrease, the state's poverty rate was 1.8 percentage points higher than the national rate of 13.1%. The poverty rate declined for youth under the age of 18 from 23% to 21.1%, but it increased for older adults aged 65 and older from 10.3% to 11.1%. In 2018, the poverty rate was 8.5% for whites, 19.6% for Blacks, and 20.9% for Hispanics (U.S. Census Bureau, 2018).

Texas's unemployment rate declined from 4.4% in December 2015 to 3.7% in December 2018. In February, unemployment was 3.5%. Unemployment, however,

increased dramatically as a result of the pandemic. In the weeks prior to the pandemic, new weekly unemployment filings ranged between 13,000 and 16,000. Filings jumped from 16,176 for the week ending March 14 to 155,426 for the week ending March 21. All told, 1.3 million unemployment insurance claims were filed in Texas between the week ending March 21 and the week ending April 18 (Department of Labor Employment and Training Administration, 2020). By the end of April 2020, the unemployment rate in Texas reached 12.8% (BLS, 2020d).

Between 2015 and 2018, the number of jobs in the state increased by 724,300. Most of the state's job growth occurred in the following sectors: health care and social assistance (99,500), accommodations and food services (94,100), professional, scientific, and technical (75,400); and construction (62,700). The four sectors accounted for 45.8% of all new jobs during this time (Texas Workforce Commission, 2020).

The state is projected to gain 2.1 million net new jobs between 2016 and 2026. The occupations projected to grow the most include food prep workers (111,820 new jobs), home health and personal care aides (108,430), retail salespersons (54,940), waiters and waitresses (51,520), and registered nurses (50,830). The positions with higher-than-average wages, such as registered nurses, heavy and tractor-trailer truck drivers, and general and operations managers tend to also require either postsecondary training or a Bachelor's (Projections Central, 2018).

Table 11: Top Projected Occupations, Median Hourly Wages, and Required Education for Texas, 2016-2026

Occupation Name	SOC Code	Projected Change	Median Wage	Required Education
Fast Food and Counter Workers	35-3023	111,820	$9.68	None
Home Health and Personal Care Aides	31-1120	108,430	$9.68	High School Diploma
Retail Salespersons	41-2031	54,940	$11.41	None
Waiters and Waitresses	35-3031	51,520	$9.04	None
Registered Nurses	29-1141	50,830	$35.29	Bachelor's Degree
Customer Service Representatives	43-4051	35,840	$15.75	High School Diploma
Heavy and Tractor-Trailer Truck Drivers	53-3032	32,270	$20.97	Postsecondary/ Nondegree
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	37-2011	31,880	$11.64	None
General and Operations Managers	11-1021	31,810	$47.63	Bachelor's Degree
Cooks, Restaurant	35-2014	30,220	$12.53	None

Sources: Projections Central (2018), Bureau of Labor Statistics (2020)

Educational attainment rates for Texas have improved since 2015. As of 2018, the percentage of Texans with a bachelor's degree increased to 30.3%, an increase of 1.9 percentage points. The share of adults with at least a high school diploma increased to 84%, up from 82.4% in 2015. Compared to national educational attainment rates, Texas is behind. The share of its population with bachelor's degrees is 2.3 percentage points lower than the national share, and the share of its population with at least a high school degree is 4.3 percentage points lower than the national share.

Households in Texas are less likely than U.S. households in general to use mainstream financial institutions. Texas has seen an increase in its unbanked population. In 2017, 9.5% of households were unbanked, three percentage points higher than the national share. More than 24% of households were underbanked, 5.5 percentage points higher than the national rate. Twenty-four percent of Texas households also lack mainstream credit, which is 4.3 percentage points higher than the national rate (FDIC 2017).

Survey Results

NLIHC worked with FHLB Dallas to develop and implement an online survey of stakeholders. The survey was designed to provide insights into the housing and economic development priorities and challenges facing FHLB Dallas's members and community partners. It also included items to gauge respondents' familiarity with and obtain feedback on the Bank's programs. The FHLB-member version included additional items about three FHLB programs only relevant to members. NLIHC sent the survey to a total of 50 community partners and 24 members identified by the FHLB Dallas. NLIHC sent an initial email and four subsequent reminders between February 18, 2020 and March 20, 2020.

Forty-eight surveys were completed for a total response rate of 64.9% with an additional five surveys partially completed (Table 12). Results are presented in aggregate for members and community partners across the District unless otherwise specified.

Table 12: Survey Respondents

	Community Partners	Members	Total
Emailed	50	24	74
At Least Partially Completed	36	17	53
Completed	33	15	48
Partially Completed Rate	72.0%	70.8%	71.6%
Completed Rate	66.0%	62.5%	64.9%

Survey Participants

Survey respondents represented a range of stakeholder institutions in the housing and economic development fields. Among FHLB-member respondents, nine (52.9%) were from commercial banks and thrifts, one (5.9%) was from a credit union, three (17.6%) were from community development financial institutions (CDFIs), and four (23.5%) represented state housing agencies. Among community partner respondents, three (8.3%) were from for-profit housing organizations, 19 (52.8%) were from non-profit housing organizations, four (11.1%) were from local Housing Authorities, one (2.8%) was from an economic development organization or agency, and 9 (25%) identified as "other." Respondents indicating "other" included representatives from government, financial institutions, non-profit advocacy, faith-based services, and consulting. A much larger share of responding community partner organizations appear to focus on housing than on economic development.

Respondents indicated that their institutions serve a range of geographies within the District. Six (11.3%) respondents represented institutions primarily serving Arkansas, 11 (20.8%) represented institutions primarily serving Louisiana, 10 (18.9%) were from

institutions primarily serving Mississippi, nine (17%) were from institutions primarily serving New Mexico, and 17 (32.1%) represented institutions primarily working in Texas. The vast majority (88.7%) of respondents were from institutions with a regional focus, serving more than one county or parish. Respondents' institutions also provided services across the urban-rural *continuum* with 48 (90.6%) serving urban areas, 32 (60.4%) serving suburban areas, and 40 (75.5%) serving rural areas. Twenty-six respondents (49.1%) serve all three areas, 13 (24.5%) serve only urban or suburban areas but not rural areas, and four (7.5%) serve only rural areas.

What Housing and Economic Development Challenges Do Members and Community Partners Face?

Respondents uniformly reported a lack of affordable housing in their institutions' service areas and many also reported a lack of jobs. Almost 40% of respondents indicated that their service areas had enough jobs but insufficient affordable housing, while 58.5% of respondents indicated their areas had neither sufficient jobs nor affordable housing. In response to an open-ended question regarding housing and economic development needs in their communities over the next five years, more than half of respondents focused solely on affordable housing needs, 41% provided general answers addressing both housing and economic development and just 7% focused on the need for economic development. The broad consensus among respondents focusing on housing was the need for more housing affordable to households at 60% AMI or below, seniors, and people with disabilities. These respondents also expressed concerns about declining government resources. The most common concern among all respondents was a need for greater resources.

The survey asked about specific challenges for homeownership, rental housing, and economic development in respondents' communities. Respondents were asked to rank a set of potential challenges in each topic area and were given opportunities to provide open-ended feedback.

For the issue of homeownership, respondents were asked to rank 12 challenges related to homeownership from the most to the least significant. Table 13 displays the 12 challenges and the average rankings for each. The "lack of affordable housing stock for low- to moderate-income buyers" was, on average, ranked the most significant challenge for homeownership followed by the "inability to qualify for a mortgage" and the "inability to afford down payment and/or closing costs." The "inability to make needed home repairs" also ranked highly as a challenge.

Inability to make home modifications for disabled family members and high or rising flood insurance costs were, on average, the least significant challenges. The aging Baby Boomer generation and climate change may make these challenges more widespread and significant in the future.

Table 13: Homeownership Challenges	
Challenge	**Average Ranking**
Lack of affordable housing stock for low- to moderate-income buyers	2.35
Inability to qualify for home mortgage	3.61
Inability to afford down payment and/or housing costs	3.76
Inability to make needed home repairs	4.92
Lack of basic financial literacy	5.59
Rising property values resulting in increased property taxes for long-time residents	7.63
Inability to modify the home to meet the needs of an aging family	7.68
Vacant/abandoned housing, other blight	7.94
Lack of infrastructure such as schools, jobs, shopping, and transit	8.00
Inability to modify the home to meet the needs of a disabled family member	8.08
High or rising flood insurance costs	8.63

Twenty-four respondents provided additional open-ended feedback about homeownership challenges in their communities. Many of these comments reinforced the challenge of financial barriers to homeownership mentioned above and expanded on related issues such as employment, wages, and the rising cost of living. Other comments revealed additional challenges, most prominently the poor quality of the homeownership stock and difficulty with recovering from disasters. Some respondents cited barriers to the construction of for-sale homes such as a lack of adequate infrastructure (e.g. roads, sewer, water, etc.), as well as state and local anti-growth policies. A few comments also highlighted a lack of homeownership opportunities near medical services.

Respondents were then asked to rank 11 challenges for rental housing. Unaffordable rents, poor quality, and a lack of housing options for vulnerable populations were consistently ranked as the greatest challenges (Table 14). The suitability of the rental stock for people with disabilities and seniors were ranked, on average, as the fourth and fifth most significant challenges. This marks a difference from the homeownership challenges where accessibility for seniors and people with disabilities were ranked as relatively less significant. Respondents were least concerned about the size of available rentals.

Table 14: Rental Challenges	
Challenge	**Average Ranking**
Rents are not affordable for many in the community	2.65
Rental stock is generally in poor repair	3.83
Available rental stock does not offer options for the homeless, victims of domestic violence, or those in recovery, etc.	4.71
Available rental stock is not suitable for people with disabilities	5.57
Available rental stock is not suitable for aging renters	5.96
Lack of basic financial literacy	5.98
Lack of neighborhood infrastructure such as schools, jobs, shopping, transit	6.32
Available rental stock is not compatible with population density of community	7.11
Vacant/abandoned housing, other blight	7.23
Available rentals are too small for most renters	8.83
Available rentals are too large for most renters	10.44

Twenty-one respondents provided open-ended feedback about rental housing challenges. Many of the comments reemphasized challenges from the rankings such as affordability and the poor quality of the rental housing stock. Several comments addressed issues related to mobility, highlighting deficits in access to transportation and proximity to employment. Still other comments focused on landlord-tenant issues and a lack of adequate tenant protections.

The survey asked respondents to rank nine different local barriers to affordable housing development from most to least significant. The top three barriers were all directly related to inadequate funding. Limited public subsidies was ranked, on average, as the most significant barrier followed by a lack of gap financing and limited ongoing subsidies for operating support (Table 15). Local zoning and regulations, and NIMBYism from public officials were ranked as the two least significant barriers. Nineteen respondents provided open-ended feedback regarding barriers to development and, of their comments, 16 further emphasized funding challenges.

Table 15: Barriers to Development	
Barrier	**Average Ranking**
Limited public subsidies for development	3.37
Lack of gap financing	4.29
Limited ongoing subsidies for operating support	4.41
Material costs	4.96
Limited private sources of capital	5.11
NIMBYism from private citizens	5.37
Labor costs	5.62
Local zoning and regulations	6.4
NIMBYism from public officials	6.42

Respondents were asked to rank 19 challenges pertaining to economic development in their communities. The need for workforce development programs and a lack of skilled labor for available jobs were identified as the most significant challenges for economic development. The need to address crime and safety issues ranked third highest among the challenges (Table 16). A lack of transit options and a need to attract new businesses also ranked highly. The need for the environmental remediation of brownfields and a lack of service industry jobs were ranked as the least significant challenges.

Table 16: Economic Development

Challenge	Average Ranking
Need for workforce development programs	5.31
Lack of skilled labor for available jobs	6.98
Need to address Crime/Safety	7.96
Need to attract new businesses	8.17
Lack of transit / public transportation	8.35
Need for infrastructure repairs/development	8.57
Access to healthy food	8.65
Need for neighborhood economic development	9.23
Need support for entrepreneurs (programs, funding, training, site, location)	9.27
Small businesses lack access to capital	9.56
Need to expand existing businesses	9.61
Need to eliminate blight	10.73
Lack of manufacturing jobs	11.46
Need for broadband internet service/access	11.49
Lack of professional/office jobs	12.17
Need for Main Street/downtown redevelopment	12.21
Lack of service industry jobs	12.52
Need to address contaminated/hazardous land (Brownfields)	14.40

Ten respondents provided open-ended feedback on economic challenges in their communities. Respondents primarily focused on the prevalence of low-wage work and the lack of high-quality employment training programs leading to living-wage jobs. Other comments reflected concerns ranging from population loss and the erosion of the tax base to the impact of climate change in the Gulf Coast region. One respondent summarized frustrations with the economic development *status quo* in the region as follows: "We need to change the paradigm on what is successful economic development. Besides giving tax abatements, we feel industry, retail or manufacturing, should be investing in their workers, offering a living wage, health insurance, tuition assistance and investing in housing and transportation of their workers." Most respondents completed the survey prior to or during the early weeks of the Covid-19 pandemic, so we received few comments about the current economic crisis.

Disasters like Hurricane Harvey and the Covid-19 pandemic pose significant challenges for both housing and economic development efforts in the region. Although respondents were not asked to rank challenges related to disaster recovery, the survey provided an opportunity for open-ended feedback on this topic. The comments focused on inadequate funding and poor coordination from FEMA for communities recovering from Hurricanes and flooding. Some comments also focused on the lack of organizational capacity of local non-profits and faith-based organizations providing recovery assistance. One comment highlighted the need for the coordinated evaluation of disaster impacts and more pre-disaster planning.

Member and Community Partner Feedback on FHLB Programs

The survey also asked both members and community partners for feedback about FHLB Dallas programs, including: the Affordable Housing Program (AHP), the Homebuyer Equity Leverage Partnership (HELP), the Special Needs Assistance Program (SNAP), the Disaster Rebuilding Assistance (DRA) program, and the Housing Assistance for Veterans (HAVEN) program. FHLB members were also asked about the Community Investment Program (CIP) and Economic Development Program (EDP), the Partnership Grant Program (PGP), and the Small Business Boost (SBB) program.

Respondents were asked about their familiarity with each of the programs. Over 81% of FHLB members were very or extremely familiar with HELP or SNAP (Table 17). Among community partners, just 48.5% had the same familiarity with HELP and 44.1% had the same familiarity with SNAP. Community partners (88.6%) were a little more likely to be very or extremely familiar with AHP than members (82.3%).

Nearly 44% of FHLB members were very or extremely familiar with DRA or HAVEN compared to just 35.3% and 32.4%, respectively, of community partners. Over 38% of community partners were not at all familiar with DRA compared to 18.8% of members. Among programs specific to FHLB-members, members appeared to be most familiar with PGP. Members were least familiar with SBB, which should be unsurprising given that it is a new program.

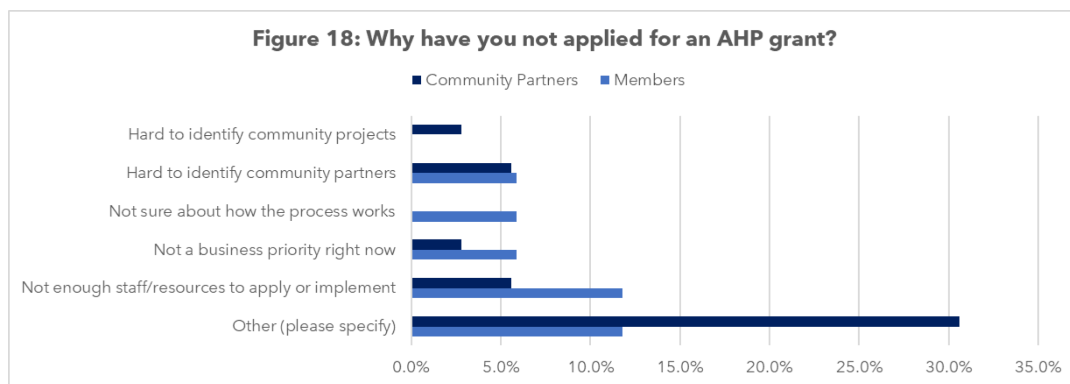
Table 17: Community Partner and Member Familiarity with FHLB Programs

	Community Partners					Members				
Program	Extremely	Very	Somewhat	Only a Little	Not at All	Extremely	Very	Somewhat	Only a Little	Not at All
Affordable Housing Program (AHP)	60.0%	28.6%	8.6%	0.0%	2.9%	64.7%	17.6%	11.8%	5.9%	0.0%
Homebuyer Equity Leverage Partnership (HELP)	31.4%	17.1%	28.6%	5.7%	17.1%	62.5%	18.8%	0.0%	12.5%	6.3%
Special Needs Assistance Program (SNAP)	26.5%	17.6%	32.4%	0.0%	23.5%	68.8%	12.5%	0.0%	6.3%	12.5%
Disaster Rebuilding Assistance Program (DRA)	20.6%	14.7%	23.5%	2.9%	38.2%	18.8%	25.0%	25.0%	12.5%	18.8%
Housing Assitance for Veterans (HAVEN)	20.6%	11.8%	26.5%	17.6%	23.5%	25.0%	18.8%	37.5%	0.0%	18.8%
Community Investment Program (CIP) and Economic Development Program (EDP)	n/a	n/a	n/a	n/a	n/a	6.3%	18.8%	43.8%	31.3%	0.0%
Partnership Grant Program	n/a	n/a	n/a	n/a	n/a	66.7%	6.7%	6.7%	13.3%	6.7%
Small Business Boost	n/a	n/a	n/a	n/a	n/a	0.0%	26.7%	13.3%	33.3%	26.7%

The survey asked members and community partners about whether they had applied for AHP or utilized the other programs. Over 67% of all respondents had applied AHP funds in the last five years. SNAP had the highest utilization rate among the non-AHP programs at 32.7%. FHLB members were generally more likely to have experience using FHLB programs available to both members and community partners. Seventy-five percent of members had used SNAP compared to just 12.1% of community

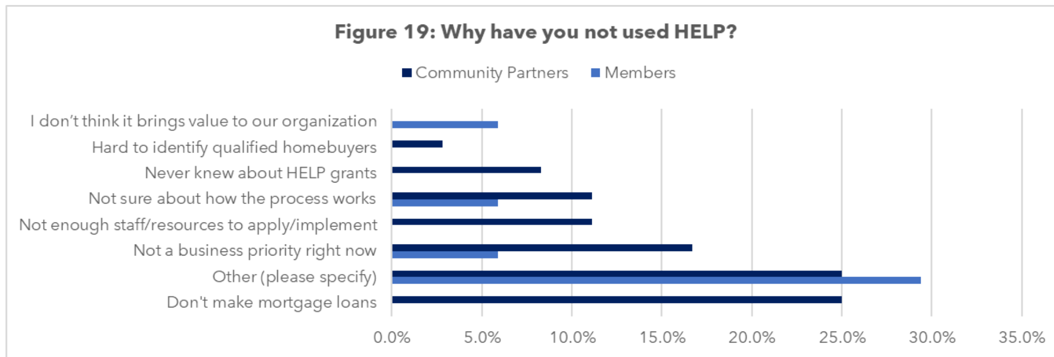
partners, 62.5% of members had used HELP compared to 11.4% of community partners, 31.3% of members had used HAVEN compared to 2.9% of community partners, and 25% of members had used DRA compared to none of the community partners. Among the three programs specific to members, PGP had the highest utilization at 66.7%, while the utilization of CIP/EDP was 37.5% and utilization SBB was 6.7%.

Respondents were given the opportunity to select why they hadn't applied for or used an FHLB program from a pre-defined list of reasons. Over 5% of community partner respondents and 11.8% of FHLB member respondents identified a lack of adequate staff or resources to apply for AHP (Figure 18). Almost 12% of members and 30.6% of community partners indicated reasons other than those included on the survey questionnaire. Among the respondents who chose "other", eight commented that AHP was not relevant to their organization, while four indicated issues with the timing of funding or the scoring of projects.

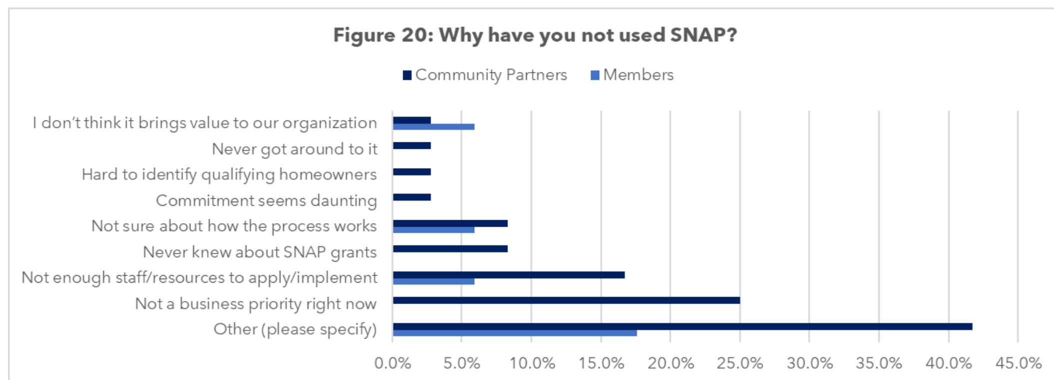


Regarding HELP, 25% of community partners responded they don't make mortgage loans, 16.7% indicated HELP wasn't a business priority, and 11.1% were unsure of how the program worked or cited insufficient staff or resources to apply (Figure 19). Twenty-five percent of community partner respondents and almost 30% of member respondents indicated reasons other than those on the survey's pre-defined list for not using the program. Again, most respondents answering "other" indicated the question did not apply to them, or that the program was unnecessary in their context.[2]

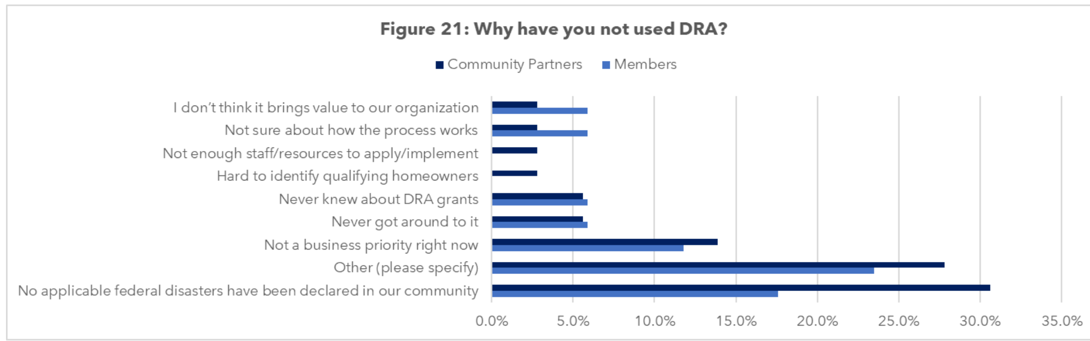
[2] Many respondents who selected 'other' on this and subsequent items saw 'not a business priority' (from the pre-defined response list) as meaning something other than the program being irrelevant or unnecessary for their organization.



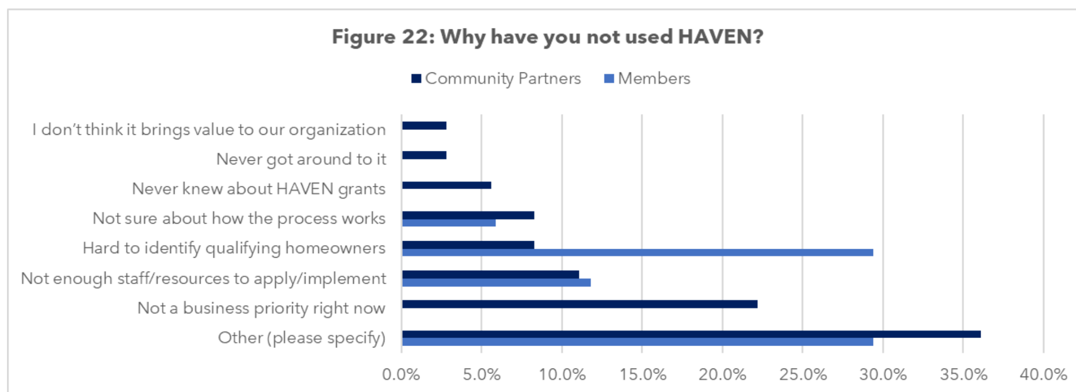
In regard to SNAP, 25% of community partners said that it wasn't a current business priority and 16.7% identified insufficient staff or resources to apply (Figure 20). Almost 42% of community partners and 17.6% of members indicated reasons other than those on the survey for not participating. Among the other reasons provided, most indicated the program was not relevant for the respondent. A few respondents, however, cited an extremely limited application window as their primary reason for not applying.



With regard to DRA, 17.6% of members and 30.6% of community partners indicated that no applicable federal disasters had been declared in their communities (Figure 21). Almost 12% of members and nearly 14% of community partners indicated DRA wasn't currently a priority for their business. More than 23% of members and almost 28% of community partners indicated other reasons for not using DRA. Most indicated that the program was not applicable to their organization. Several respondents, however, expressed concerns with the difficulty of the application process or perceived narrowness of selection criteria.



Over 22% of community partners indicated HAVEN was not a current business priority, while 29.4% of members thought it was hard to identify qualifying homeowners for the program (Figure 22). More than 11% of both members and community partners cited a lack of staff or resources as their reason for not utilizing HAVEN. Almost 30% of members and 36.1% of community partners cited reasons other than those listed on the survey for not participating in the program. Nearly all these respondents indicated HAVEN was not relevant to their organization's work. One respondent, though, provided this insight: "Local veteran organizations perceive that we are trying to market to them or sell products. It has been difficult to penetrate this segment."



Member respondents also provided feedback on why they hadn't utilized the three member-specific programs, though the response rate was low for these items. Almost 18% of member respondents indicated they hadn't used CIP/EDP due to insufficient staff or resources, while 35.3% provided reasons other than those defined on the survey for not using CIP/EDP. The latter commented that the program was either irrelevant to their organization, or that it didn't make financial sense for their organization. Nearly 18% of member respondents indicated they "never got around to" applying for SBB, or had insufficient staff or resources for it. Twenty-three and a half percent were not sure how SBB works, which is unsurprising given the newness of the program. Another 23.5% of respondents indicated a reason other than those in the survey for not using SBB. One respondent expressed doubt whether their potential borrowers would qualify, another thought the program was unnecessary for them, and another needed training for their lenders to identify prospective borrowers.

Finally, respondents were asked about the usefulness of FHLB programs except for AHP. Among respondents who had used funding from the programs available to both members and community partners, nearly all indicated the programs were extremely or very useful. One respondent for SNAP and one for HAVEN indicated the programs were only a little useful. No respondents who had received funding thought any of these programs were not at all useful. Regarding the member-specific programs, all recipients who had received funding indicated the programs were extremely, very, or somewhat useful. None of them described the programs as only a little or not at all useful.

Among respondents who hadn't utilized a given program, the two programs most likely to be perceived as very or extremely useful were DRA (46.6%) and HELP (31.5%) (Table 18). SNAP and HAVEN were most likely to be identified as not at all useful at 30.3% and 27.9%, respectively. Yet at the same time, 30.3% and 25.6% of respondents identified SNAP and HAVEN as very or extremely useful.

Table 18: Perceived Usefulness of FHLB Programs for Members and Community Partners Who Haven't

Program	Extremely	Very	Somewhat	Only a Little	Not at All
Homebuyer Equity Leverage Partnership (HELP)	22.9%	8.6%	28.6%	17.1%	22.9%
Special Needs Assistance Program (SNAP)	18.2%	12.1%	21.2%	18.2%	30.3%
Disaster Rebuilding Assistance Program (DRA)	24.4%	22.2%	15.6%	15.6%	22.2%
Housing Assitance for Veterans (HAVEN)	16.3%	9.3%	23.3%	23.3%	27.9%
Member-Specific Program	**Extremely**	**Very**	**Somewhat**	**Only a Little**	**Not at All**
Community Investment Program (CIP) and Economic Development Program (EDP)	10.0%	10.0%	40.0%	20.0%	20.0%
Partnership Grant Program	20.0%	20.0%	20.0%	20.0%	20.0%
Small Business Boost	14.3%	21.4%	42.9%	0.0%	21.4%

Regarding member-specific programs, 40% of FHLB members who hadn't utilized those programs thought PGP would be very or extremely useful and 35.7% felt the same about SBB. Members were more ambivalent about CIP/EDP with just 20% finding CIP/EDP very or extremely useful.

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