

Southwest Border Colonias:

Housing & Sustainable Development in the 21st Century



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A Regional Conference on Habitat III
University of Texas at El Paso
June 22-23, 2016

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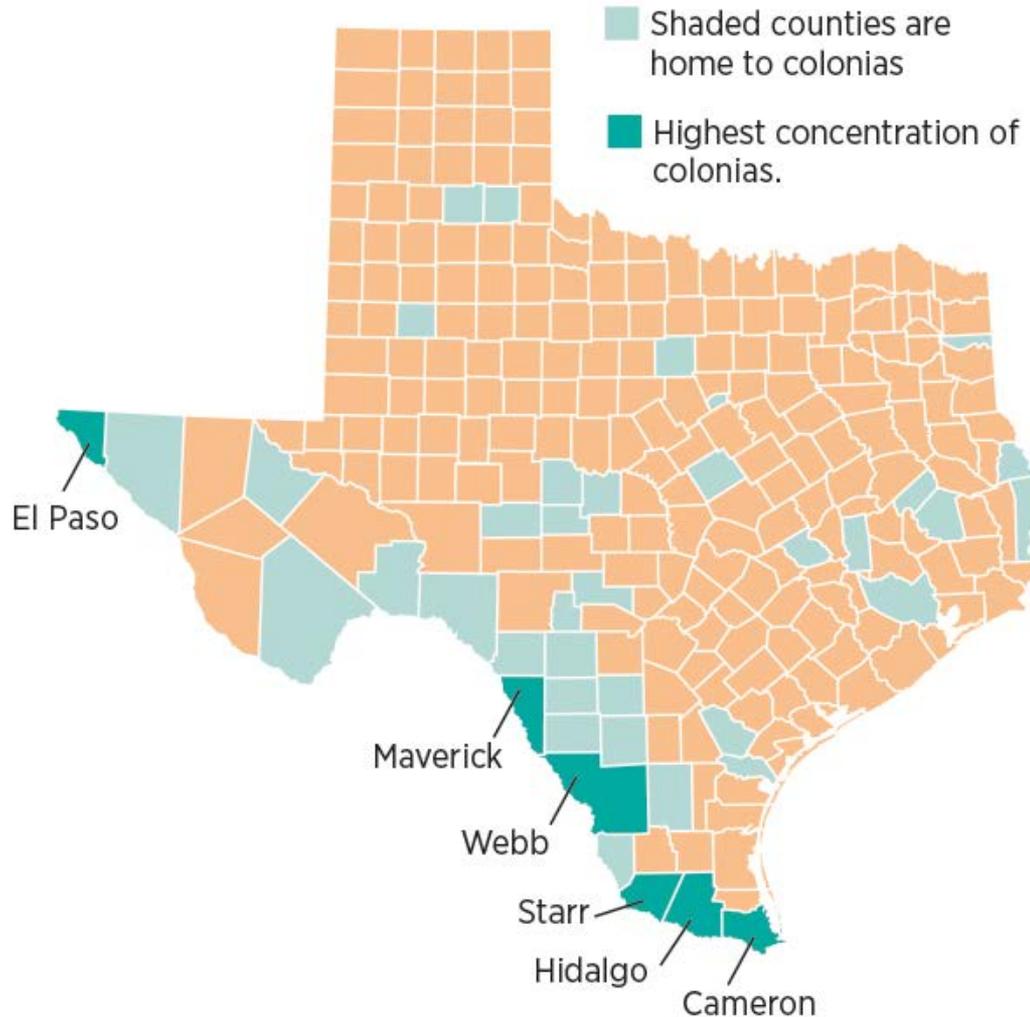
What is a Colonia?



In Spanish, the term "colonia" means a **community** or **neighborhood**.

The Texas Office of the Secretary of State defines a colonia as a residential area along the Texas-Mexico border that may lack necessities such as potable water, sewer systems, electricity, paved roads and safe housing.

Counties with Colonias in Texas



Las Colonias in the 21st Century

Progress Along the Texas-Mexico Border ▶

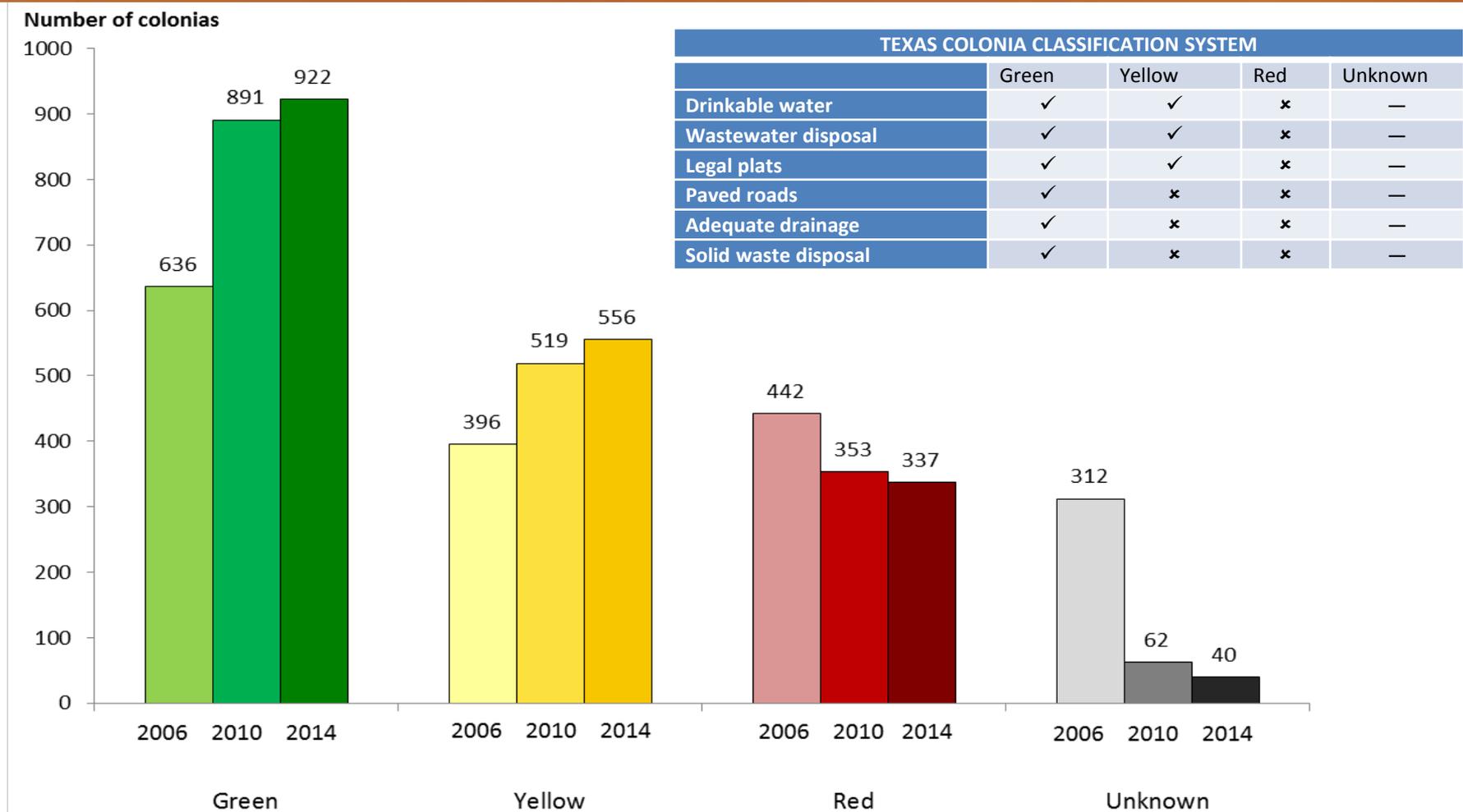


Methodology ▶



Federal Reserve Bank of Dallas
Community Development

Infrastructure Improving in Border Colonias



Federal Reserve Bank of Dallas. Data Source: Office of the Secretary of State

Infrastructure: Potable Water

- 51.7% of colonias in Webb County do not have access to potable water. In just the 6 counties, 38,000 people don't have safe drinking water (10%).
- Texas A&M Colonias Program works with colonia residents on water filtration through ceramic filters made out of clay and saw dust.
- Filters can purify 2.5 liters of water each hour, making it 99.9% clean and 100% drinkable.



Juan Galvan of the Laredo Texas A&M Colonias Program with a Texas A&M Proyecto de Agua ceramic water filter.

Homeownership in the Colonias

- Colonia housing is often self-built over time as the residents' finances allow

According to the Texas Department of Housing and Community Affairs Contract for Deed Prevalence Project (Ward, et. al. 2012):

- The homeownership rate in Texas colonias is 77 percent, above the state average of 64.8 percent
- Contract for Deed purchases still common and interest rates range from 15-18 percent, preventing colonia homeownership in many cases from serving as an asset building tool
- Only 11.7 percent used a bank or credit union to finance their purchase



A sign advertising lots for sale in Hidalgo County.
Photo credit: Federal Reserve Bank of Dallas

The Model Subdivision Rules & the “New Colonias”

A “Model Subdivision” in Hidalgo County with residents living in colonia-like conditions.

Photo credit: Federal Reserve Bank of Dallas



- Increased price of lots leading to unsafe and substandard housing
- Legal subdivisions with homes not able to connect to infrastructure
- Increased financial burden on residents to bring their homes up to code and pay fees for noncompliance
- Developer financed lots using warranty deeds, long-term financing (up to 30 years), adjustable interest rate of 12.95 percent (Olmedo, Ward)

Housing Today: Hybrid & Mixed Quality



A home on a cement foundation in Valle Hermosa, Starr County.



An example of a hybrid home in Hidalgo County: An RV or mobile home with a wooden or cinder block structure attached.



TDHCA Bootstrap Program home, completed by AYUDA, in El Paso, Texas.

Photo credits: Federal Reserve Bank of Dallas

Housing Today: Hybrid & Mixed Quality



Multiple dwellings on one lot in Little Mexico near Alamo, Hidalgo County. Photo credit: Federal Reserve Bank of Dallas



Home in colonia in Cameron County where resident is truck driver. Photo credit: Federal Reserve Bank of Dallas



A hybrid home in a Hidalgo County Colonia. Photo credit: Federal Reserve Bank of Dallas

Demand for Affordable Housing Exceeds Supply

- Need for safe and affordable housing currently exceeds the capacity of housing organizations due to a lack of capital.
- Community Housing Development Organizations serving the colonias:
 - Lower Valley Housing Corporation (El Paso County)
 - AYUDA (El Paso County)
 - Community Dev. Corp. of Brownsville (Cameron County)
 - Proyecto Azteca (Hidalgo County)
 - El Paso Collaborative (El Paso County),
 - Architectural Charities of Texas (Cameron County)
 - Habitat for Humanity-Laredo (Webb County)



Residents working on a Lower Valley Housing Corp. home in El Paso County. Neighbors help each other build 65% of their homes.

Thousands of people are on waiting lists for affordable homes across the southwest border region

Contracts for deed remain common in the colonias

Only 11.7 percent of colonia residents used a bank or credit union to finance their purchase

Only seven Community Housing Development Organizations serve colonia residents

800 "new colonias" or model subdivisions have proliferated since 1990 along the border region

30 percent of residents in model subdivisions face repossession, in some cases up to 50 percent

