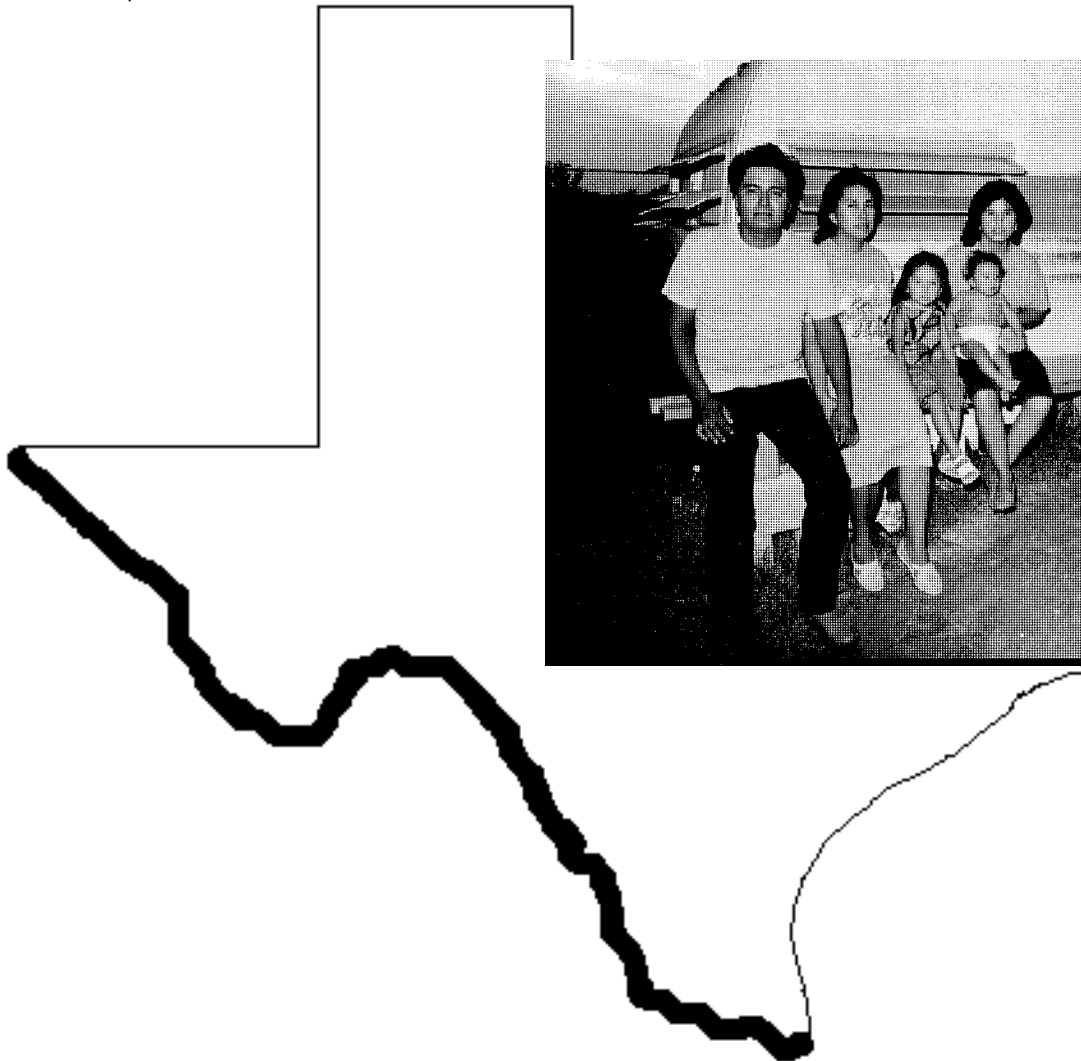


Border Housing and Community Development Partnership

A proposed partnership of government, community and individuals to improve housing, community and economic conditions in the colonias and barrios of the Texas - Mexico border area

Presented to Governor Ann Richards by the Border Low Income Housing Coalition

June, 1993



This report was prepared by the Border Low Income Housing Coalition in Spring, 1993 with assistance from the Texas Low Income Housing Coalition.

Cover photo:

Valentin Garcia and family in front of the small trailer which is their home in the South Tower Colonia in Hidalgo County. Mr. Garcia is one of the founding board members of the nonprofit corporation, Proyecto Azteca. The organization is a prototype for the self help approach to community renewal advanced in the Border Housing and Community Development Partnership. It is the spirit of the Garcia family, and thousands like them in the border region, upon which this Partnership is based.

Preface

The popular description for much of the area on both sides of the United States border with Mexico is that “it’s like a Third World country.” Instead of documenting the extreme poverty of the region once again, the Border Housing & Community Development Partnership outlines a plan to eliminate it.

The problems of the border require attention beyond the modest scope of this Partnership. The Partnership represents an immediate starting point - which should be put into effect right away.

The Texas IAF Network has outlined in a broader manner the long term financial needs of the border region in their Border Investment Plan. That plan merits support from government officials.

This paper is the result of a series of discussions of an ad hoc group of more than fifty government policy makers, local officials, low income residents of border barrios and colonias, and representatives of nonprofit organizations such as housing authorities, community action agencies, and housing and community development advocacy organizations. Those individuals who participated in these discussions are listed below.

We accept Governor Ann Richards’ challenge to create a New Texas that includes those too long left behind, and we accept President Bill Clinton’s call to “reinvent America” in this particular part of our country. We are counting on their leadership and help. There is no better place or opportunity to produce a dramatic difference in the lives of the impoverished than in the barrios and colonias of the United States - Mexico border.

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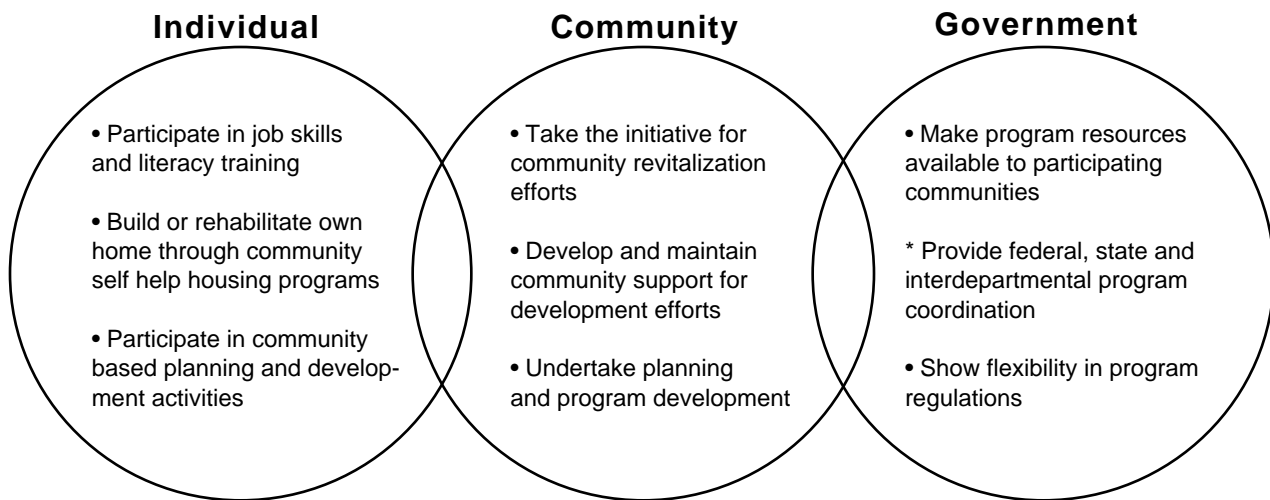
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Executive Summary

The Border Housing and Community Development Partnership envisions an effort by individuals, communities and government in which each partner is responsible for specific contributions to improve the basic living standards and economy of the border colonias and barrios by the year 2000.

The Partnership is based on the premise that long term solutions to barrio and colonia problems aren't possible without the active participation of residents and community organizations in developing the solutions. Where viable institutions don't exist, they must be created.

Responsibilities



This Partnership between low income residents of the border area, community based organizations and government at the state and federal levels offers a solution to the poverty of border barrios and colonias based on better use of existing governmental resources and the self help contributions of border residents' time and labor. It will work only when and where all three partners are prepared to participate together.

Indeed, self help on the part of residents and community organizations is a fundamental aspect of all housing and economic activities described in more detail later. Only residents and organizations that demonstrate broad-based willingness to participate in self help programs will be eligible for access to government resources such as job and skills training, literacy programs, housing grants and loans, and participation in public works employment programs. Individuals and communities become eligible to receive these benefits by taking both individual and community action to join the Partnership.

The goal of the Partnership is to help individuals gain the skills to improve their family housing, education, and economic conditions and to provide a climate in which community improvements such as infrastructure and housing can be developed through community-controlled activities.

The Partnership is designed to exploit an important social condition that is apparent throughout the border region: the degree of motivation for self improvement, which is demonstrated by the high number of very poor people who struggle to build their own homes. The colonia phenomenon preys on this intense desire for self improvement, and couldn't exist without it. The Partnership provides a better way for families and individuals to channel this positive energy into community self control and self improvement, without relying solely on government initiatives and resources.

For its part, government must insure that its assistance and programs are made available in a simple, direct and understandable manner. The basis for receiving public help on an individual and community basis must be logical and understood by everyone, especially low income community members.

To insure that the participation of low income people and their community based institutions is secured in every aspect of the programs which affect them, federal and state governments should review and strengthen requirements for citizen participation in all programs which affect low income people, and make an affirmative effort to secure their involvement in the planning processes and allocation of funds.

The Partnership will address eleven needs with specific activities. Unless otherwise noted, these activities are on a three-year timetable.

- One** **Empower local residents** and communities to solve their problems. Support the development of 50 new community based organizations in barrios and colonias on the border.
- Two** **Enforce laws** to prevent development of more colonias. Stop the future development of colonias without proper infrastructure.
- Three** Coordinate government assistance and comprehensive **planning** by establishing a complete database of housing, economic and social characteristics of border barrios and colonias, and by developing and implementing a master planning process to provide infrastructure, jobs and housing at the colonia level.
- Four** Correct substandard **infrastructure** or provide it. Potable water and adequate wastewater treatment and disposal must be provided to every barrio and colonia by 1996; adequate streets by the same date.
- Five** Establish and implement a comprehensive **community renewal** program to rebuild neighborhoods in 20 of the worst colonias and barrios, with adequate safeguards for the rights of the residents.
- Six** Identify and **reduce environmental health hazards** by the year 1996, by medical and environmental research, provision of health care and targeting major environmental hazards.
- Seven** Establish 10 owner-builder **self help housing** centers in six counties to develop new homes and rehabilitate substandard housing. Provide 1,000 lots in barrios for homesteading. Create 3,000 new public housing units in the border area. Provide rent support for 10,000 additional families in the border area.
- Eight** Provide **financing** for 3,000 owner-builder self help housing units affordable to families at 30 percent of Median Family Income. Refinance 5,000 existing contracts for deed.
- Nine** Establish new high quality, low cost **subdivisions**. Create or recycle 6,500 lots in new subdivisions and urban areas affordable to families at or below 30 percent of area median family income.
- Ten** Provide **jobs** skills and literacy training for low income border residents. Provide 3,500 persons employment through self help programs.
- Eleven** Create **economic development** opportunities for low income border residents. Provide 2,000 persons employment through public works set aside contracts. Provide 300 persons with retail business start up assistance.

Needs Analysis

An assessment of the housing and community development problems on the U.S. - Mexico Border indicates the problems are probably the most severe in the nation and growing rapidly.

The need to act to address social problems on the border is made more important by the pending North American Free Trade Agreement. Economic displacement of the poor and increased demands for land and infrastructure which result from NAFTA must be abated by a proactive program.

The needs and conditions of the border area have been documented in several studies:

Overview:

Office of Governor Ann W. Richards, *Governor's Border Working Group*, January, 1993

Cost Estimate for Border Development:

Texas IAF Network, *Vision for Border Investment Plan*

Water and Waste Water Infrastructure Needs:

Texas Water Development Board, *Water and Waste Water Needs of Colonias in Texas*, 1993

Housing:

Governor's Border Working Group Report, Housing Subcommittee, *Housing Needs of the Border Region*, 1992

MET, Survey of Housing of Farmworkers in El Paso, 1987

MET, Survey of Housing of Farmworkers in Eagle Pass, 1991

Texas Department of Housing & Community Affairs, *Comprehensive Housing Assistance Strategy*, 1992

Colonias:

U.S. General Accounting Office, Resources Community and Economic Development Division Report B-240765, November 5, 1990

U.S. House of Representatives, Committee on Hunger, *Colonias: A Third World Within Our Borders*, One Hundred First Congress, Eagle Pass, TX, May 15, 1989, Serial No. 101-6

LBJ School of Public Affairs, Lower Rio Grande Policy Report Project: *Colonias in the Lower Rio Grande Valley of South Texas: A Summary Report*, 1977

Human Service Needs:

Texas Department of Human Services, Office of Strategic Research and Development, *The Colonias Fact Book: A Survey of Living Conditions in Rural Areas of South Texas and West Texas Border Counties*, June, 1988

There are huge gaps in the available data which prevent a full assessment of the needs of the border region, particularly in the areas of housing, human services and the environment.

One thing is clear from the work that has been done, existing government intervention has been inadequate. There are structural difficulties preventing local access to existing public programs. Meeting the border region's housing and community development needs will require new government resources, revised institutional approaches, and creation of incentives to empower local communities to assume the initiative for solving the problems.

Funding

The Partnership relies primarily on redirecting underutilized or ineffectively utilized resources to finance the activities. It also leverages significant amount of reduced cost labor of low income people with government funds. Projects requiring the use of existing, added or new funding are noted in the text of the report. Details on these funding needs are provided at the end of the report in the section titled Fiscal Notes.

Partnership Objectives, Activities and Goals

Thirteen activities in the Partnership are designed to achieve four objectives. The goals for each activity are listed below the activity in italics. Unless otherwise noted these are three year goals.

Objective 1 - Empowerment, enforcement, coordination, and planning

Activity A - Empower local residents and communities to solve their problems

- *Support the development of 50 new community based organizations in barrios and colonias on the border.*

Activity B - Enforce laws to prevent development of more colonias

- *Stop the future development of colonias lacking proper infrastructure.*

Activity C - Coordinate government assistance and comprehensive planning

- *Establish a complete database of housing, economic and social characteristics of colonias and barrios on the border.*
- *Develop and implement a master planning process for providing infrastructure, jobs and housing on a colonia/ barrio level.*

Objective 2 - Infrastructure, community renewal, and hazard abatement

Activity D - Provide missing or correct substandard infrastructure

- *Provide potable water to every barrio and colonias by the year 1996.*
- *Provide adequate wastewater treatment and disposal to every barrio and colonia by the year 1996.*
- *Provide adequate streets to every colonia and barrio by the year 1996.*

Activity E - Comprehensive renewal of selected colonias and barrios

- *Establish and implement a comprehensive community renewal program to rebuild 20 of the worst colonias and barrios.*

Activity F - Abate existing and prevent new environmental hazards

- *Establish a system to collect and analyze data on the environment and environmental health conditions.*
- *Establish at least three community-based environmental centers along the border to coordinate the collection of environmental health information and develop strategies to eliminate environmental hazards.*
- * *Improve the availability of health care for those suffering from environmental health problems.*
- * *Eliminate known environmental hazards that are major threats to the health of colonia and border residents.*

Objective 3 - Land & housing reform, financing, rehabilitation & development

Activity G - Develop new homes and rehabilitate substandard housing

- *Establish 10 owner-builder self help housing centers in 6 counties.*
- *Provide 1,000 lots in barrios for homesteading.*
- *Create 3,000 new public housing units in the border area.*
- *Provide rent support for 10,000 additional families in the border area.*
- *5,000 new or reconstructed housing units development by community development corporations.*
- *5,000 units rehabilitated by community development corporations.*

Activity H - Land purchase financing reform and provide affordable mortgage finance

- *Refinance 5,000 existing contracts for deed.*
- *Provide financing for 3,000 owner-builder self help housing units affordable to families at 30% of MFI.*

Activity I - Establish new high quality, low cost subdivisions

- *Create or recycle 6,500 lots in new subdivisions and urban areas affordable to families at or below 30% of area median family income.*

Objective 4 - Provision for economic development

Activity J - Provide jobs skills and literacy training for low income border residents

- *Provide 3,000 persons employment through self help programs.*

Activity K - Create economic development opportunities for low income border residents

- *Create 20 worker owned and community based construction companies employing 500 persons.*
- *Create 20 worker owned and community based firms to manufacture housing components such as roof trusses, cabinets, windows and doors, caliche and concrete building blocks, etc. employing 500 persons.*
- *Create 10 worker owned and community based modular housing plants to build homes and sub-housing units such as lavatories, kitchens and walls employing 500 persons.*

Activity L - Create Entrepreneurial Opportunities for Colonia and Barrio Residents

- *Support 1,000 micro-enterprises.*
- *Support 300 small businesses.*

Activity M - Expand Job Opportunities with Border Companies

- *Provide comprehensive training to 10,000 persons.*
- *Place 10,000 persons in permanent jobs with border companies.*

Defining a New Partnership for the New Texas

This plan is based on a new partnership of individual low income persons, community based organizations and government which seeks to :

- make better use of existing resources through regulatory and program reform; and
- develop community based institutions which can solve problems of the border.

The Partnership consists of several initiatives in the areas of adult literacy, jobs skills training, financial counseling, home mortgage loans, land refinance loans, new subdivision development, nonprofit rental housing development, environmental clean up, public housing development and modernization, comprehensive community renewal, and job cooperatives.

Self Help

The social condition which makes this Partnership work is the unique spirit of low income residents of the border region. Families are highly motivated for self improvement as demonstrated by the high number of very poor people who build their own homes. This individual-community-government "Partnership" will provide the opportunity and resources for individual and community self control and self improvement. Instead of relying solely on government initiative to provide improvements, the Partnership will produce individual and community improvement through individual and community initiative.

The purpose of the Partnership is to help individuals gain the skills to improve their family housing, education, and economic conditions and to provide a climate in which community improvements such as infrastructure and housing can be developed through community level initiatives.

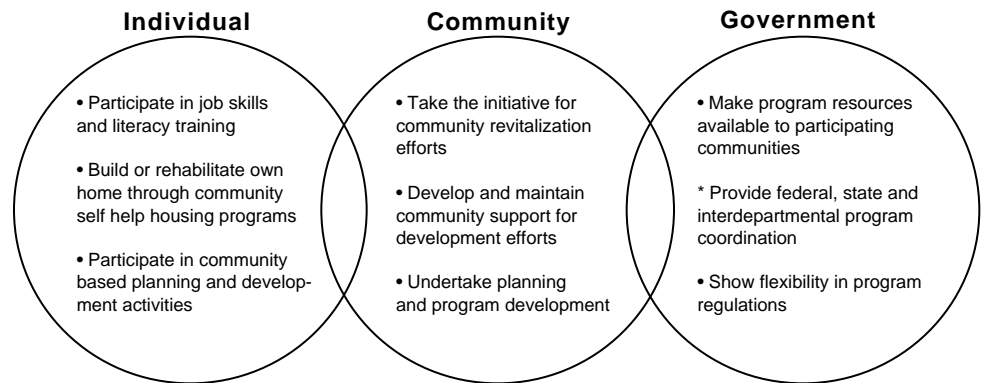
All activities in the border Partnership are intended to provide resources and incentives to low income people to engage in "self help" housing and economic development activities through community level nonprofit organizations.

Develop Viable Community Problem Solving Institutions

For residents to be empowered to solve problems

at the community level on a continuing basis, the barrios and colonias must develop viable local problem solving institutions which provide for the maximum feasible participation of low income citizens. Public financial support will be provided to barrios and colonias which demonstrate a broad-based resident willingness to participate in these self help programs by organizing a sponsor committee or nonprofit organization.

The Partnership rewards both individual and community initiative by offering an opportunity to access governmental resources in the form of job and skills training, literacy programs, housing grants and loans and participation in public works employment programs. The only way individuals and communities are eligible to receive these benefits is by taking both individual and community action to join the Partnership.



Simple, Clear, Understandable Program Guidelines

Government assistance and programs must be made available in a simple, direct and understandable manner. The basis for receiving public help on an individual and community basis must be logical and understood by everyone, especially low income people.

To insure participation of low income people and their community based institutions is secured in every aspect of the programs which affects them, both the federal and state governments will review and strengthen requirements for citizen participation. There will be an affirmative effort to secure involvement in the allocation of funds and planning processes. Local governments and nonprofit groups applying for funds which fail to show such active and meaningful involvement will not receive funding.

Roles of individuals and organizations

This initiative is a partnership between low income residents of the border area, community based organizations, including neighborhood groups, nonprofit organizations, community action agencies, housing authorities and government at the state and federal levels.

The Partnership will only operate when and where all three partners are prepared to participate together. The illustration on the preceding page shows the responsibilities of each member of this Partnership.

- Individual

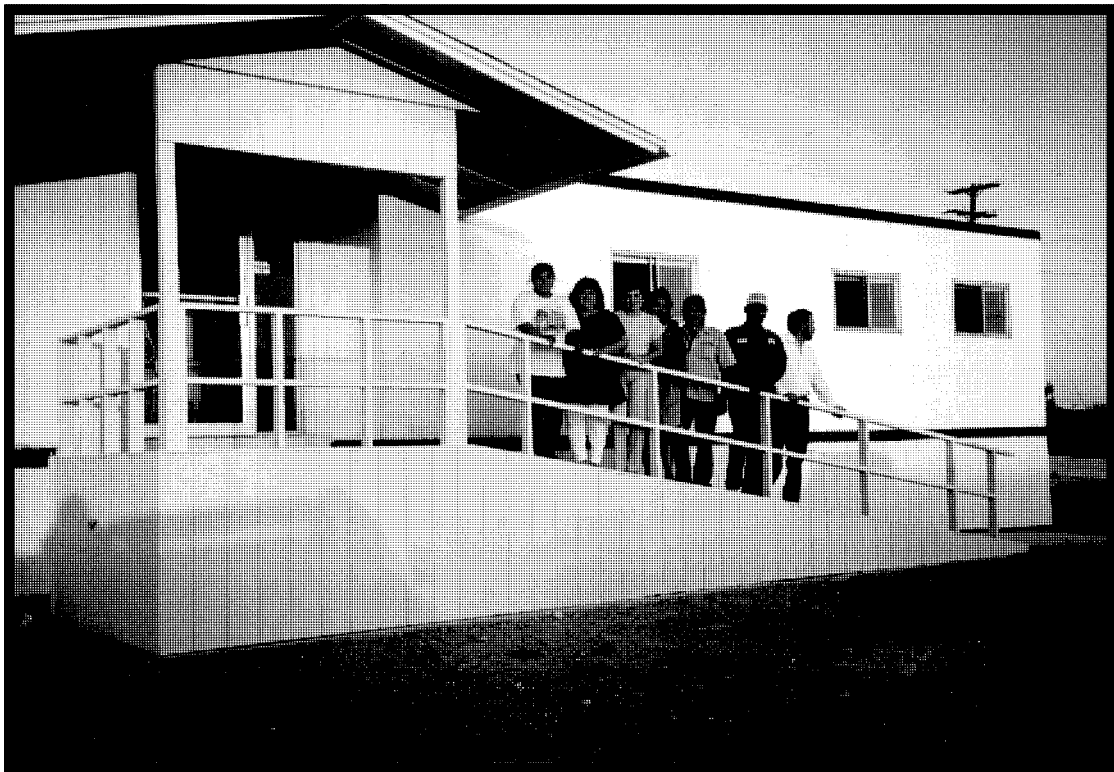
The involvement of the individual is essential because the Partnership leverages the efforts of the poor to contribute their time and labor to reduce the cost to the government to provide housing, community development and economic development support. Through their involvement individuals are empowered to gain the skills, experience and access to basic financial resources necessary to rise from an impoverished condition while working to improve the condition of the entire community.

- Community

The Partnership will support the development of viable local community based organizations which will organize the participation of individuals. These institutions will address physical, economic and social problems beyond the scope and duration of the Partnership. As these institutions gain experience they will provide the vision and initiative for solving many different problems in the community. In the past, problem solving has been the sole responsibility of government. Total reliance on government has not proven to be effective in solving the vast problems of the poor in the geographically large border region. The effort to grow viable, community based, problem solving institutions, accountable to the poor, is a principal outcome of the Partnership.

- Government

The final partner, state and federal government, will provide the improved regulatory environment, planning and targeted financial resources to fund the Partnership.



THE BOARD OF DIRECTORS OF THE LA GLORIA DEVELOPMENT CORPORATION OF EL CENIZO, TEXAS IS PICTURED ABOVE. STRENGTHENING LOCAL NONPROFIT PROBLEM SOLVING INSTITUTIONS, MADE UP OF LOW INCOME RESIDENTS, LIKE THE LA GLORIA DEVELOPMENT CORPORATION IS A MAJOR GOAL TO THE PARTNERSHIP.

OBJECTIVE 1 - Empowerment, enforcement, coordination and planning

Activity A - Empower local residents and communities to solve their problems

GOAL: Support the development of 50 new community based organizations in barrios/colonias.

The Partnership builds permanent local problem solving institutions and empowers low income residents with the experience and skills to solve individual and community problems as individuals or through these institutions. The vehicle for accomplishing this is the barrio or colonia based nonprofit organization known as "a qualified community based organization."

A "qualified community based organization" is democratically accountable to the low income residents of the particular colonia or barrio it serves. This is the only organization which can request assistance to permit the colonia or barrio it represents to participate in the Partnership.

An organization that has the technical and administrative capacity to undertake these programs may apply and receive program support directly. A qualified community based organization that lacks the technical or administrative capacity to carry out some or all of the programs may participate through a "cooperating nonprofit organization" such as a community action agency, a housing authority, or other nonprofit organization. Housing authorities and community action agencies have been engaged in developing innovative new approaches to providing housing in the border region. The existing infrastructure of housing authorities and community action agencies can provide a capacity base for getting this initiative up and running in a short amount of time.

In order to meet the Partnership's goal of establishing self sufficient local problem solving institutions, the cooperating nonprofit organizations will be provided assistance in organizing qualified community based organizations in colonias and barrios where they do not now exist. VISTA workers will be assigned to assist cooperating nonprofit organizations in organizing qualified community based organizations. [see Fiscal Note 1]

The goal of the Partnership will be to establish several qualified community based organizations in every county along the border. Groups in both rural and urban areas will be established.

The key to encouraging broad participation among the low income people and communities will be to establish model organizations which will demonstrate the advantages of participation to neighbors in other, nonparticipating barrios and colonias. These examples will serve as a marketing mechanism to encourage expansion of the program.

New institutions to support empowerment

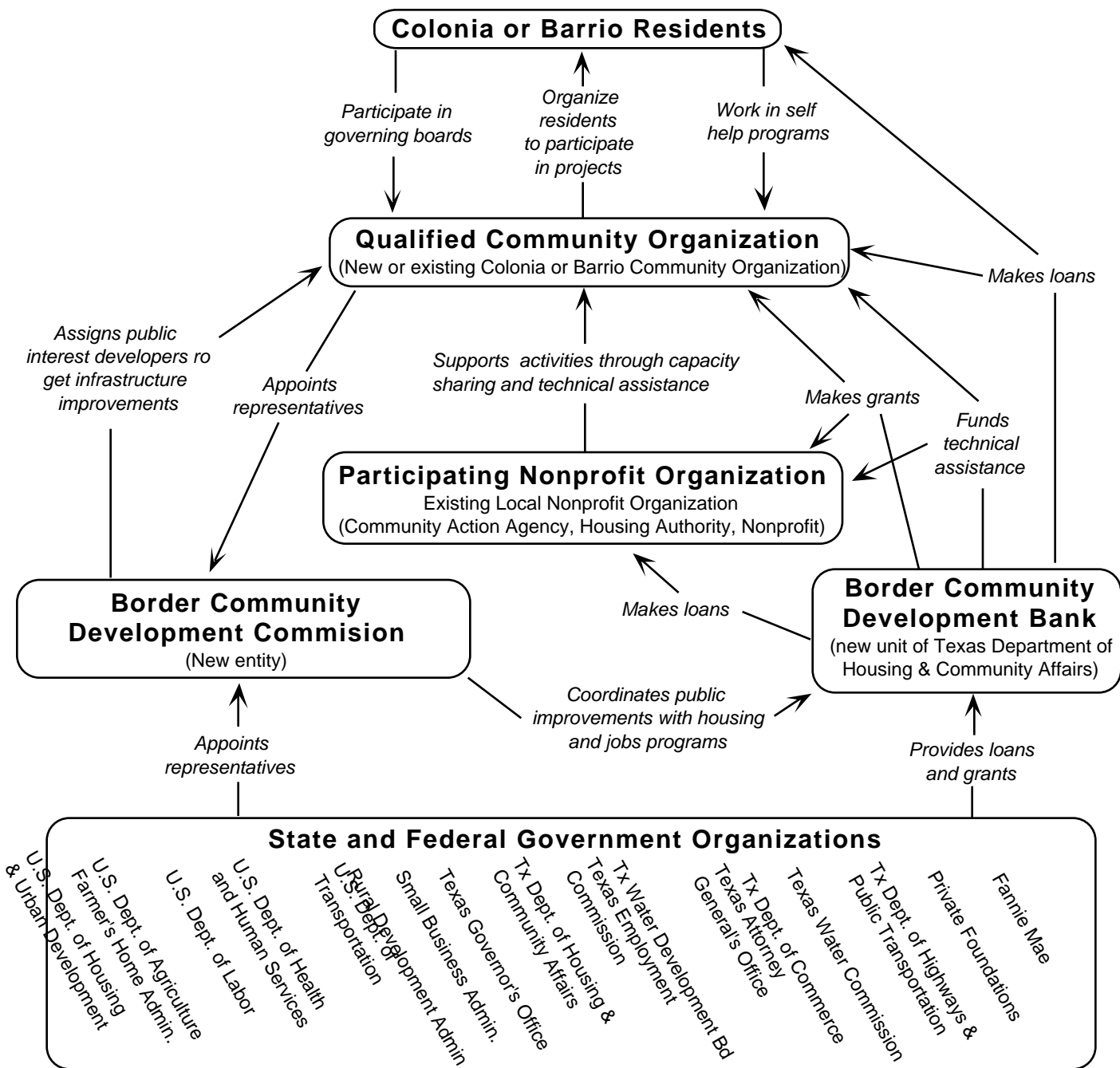
Two new institutions will support the cooperating nonprofit organizations and the qualified community based organizations: the Border Community Development Bank and the Border Community Development Commission.

The Border Community Development Bank will be established under the Texas Department of Housing and Community Affairs. It will make loans and grants to the nonprofit organizations and qualified low income individuals from a variety of federal and state sources.

The Border Community Development Commission will be a policy coordinating body composed of representatives of each federal and state agency with any responsibility for housing, community or economic development for low income people on the border. Also serving on the commission will be representatives directly appointed by qualified community based organizations. The Commission's responsibility will be to provide analysis and comprehensive planning for the housing and community development needs of the border and to resolve policy coordination problems among the agencies seeking to address those needs.

The Border Community Development Commission will also engage professional "public interest developers" who will assume responsibility for securing missing infrastructure in colonias and barrios participating in the Partnership. These developers will assist the communities in making application for funds to secure water, wastewater, streets and other public improvements which the original private developer of the community failed to provide. The "public interest developer" is a planner, grant writer, advocate and coordinator working for the colonia or barrio to secure the missing public services and infrastructure.

Organizational Relationships



Activity B - Enforce laws to prevent development of more colonias

GOAL: Stop the future development of colonias lacking proper infrastructure.

The development and building out of colonias is proceeding at an alarming rate. The cost to the public of extending utility lines to remote colonias, paving roads, undertaking flood control projects, rehabilitating grossly substandard housing, curing titles, etc. will far exceed the cost of providing decent affordable housing options in the first place. By ignoring the problem government is incurring incalculable debt which future generations will be forced to pay for in both social and development costs.

Efforts must be undertaken to stop the development of substandard subdivisions while simultaneously increasing the supply of decent, affordable housing through the strategies set out in Objective 3. Steps to slowing the growth of substandard colonias are:

- Streamline enforcement provisions of existing laws to encourage local enforcement efforts.

The enforcement provisions of the state's Economically Distressed Areas Program (EDAP) are found in the Water Code (§16.352 - 16.354) and in the Local Government Code (§232.0049 and §232.005). These sections need to be streamlined so that they are consistent with each other, so that they grant full authority to local prosecutors and allow them to collect attorneys fees and civil penalties when they prevail in these cases.

- Require accountability in enforcement of model subdivision rules by counties.

Before filing for EDAP funds, a political subdivision must adopt the Model Rules. However, the current application for funds only require that the political subdivision simply check off that the model rules have been adopted.

A political subdivision's eligibility for EDAP funds is predicated in part on its enforcement of the Model Rules, yet there is no reporting requirement or accountability mechanism built into the Texas Water Development Board's application process or in the Model Rules. The Water Development Board should

require reporting of waivers of water and sewage requirements by the county, reporting of enforcement actions taken by local prosecutors and reporting of funds budgeted by the county for enforcement actions.

- The Office of the Texas Attorney General (OAG) should provide assistance to local prosecuting attorneys who file enforcement actions against unscrupulous developers and should serve as a resource to those attorneys. In addition the OAG should continue to take an active role in filing actions against developers in EDAP counties and give priority to those types of consumer protection cases.

- State legislation should be passed to:

- Grant private litigants a private cause of action allowing them to file individual law suits against developers who sell lots in unrecorded subdivisions.

- Amend the Contract of Sale Statute to prohibit developers who have purchased property on a contract for sale from dividing the property and reselling it on a contract for sale.

- Grant counties ordinance making authority and the ability to establish enforceable building codes.

- Require deed of trust conversion of contracts for sale with 50% equity and require accounting and statements. Permit OAG enforcement of these contracts.

- Require the recording of all contracts for deed with the county clerk.

- The State should study the adoption of a model building code for the border area which includes standards for houses built in unincorporated areas. This study should be developed in cooperation with low income residents of the affected areas. It should recognize that much of the building, including plumbing and electrical will be done by owner-builders who may not have advanced skills and training, so it should provide simple requirements necessary to protect the safety of the residents of the structure without imposing unnecessary costs on the builders.

Activity C - Coordinate government assistance and comprehensive planning

- GOALS:
- *Establish a complete database of housing, economic and social characteristics of colonias and barrios on the border.*
 - *Develop and implement a master planning process for providing infrastructure, jobs and housing on a colonia/barrio level.*

Extreme poverty, large distances and the wide dispersal of colonias and barrios combine to make planning and government coordination very difficult. Local cities and counties have occasionally prepared community profiles of barrios and colonias within their boundaries. Yet no coordinated needs assessment, much less comprehensive planning has been undertaken.

Establish a complete community database

The Texas Water Development Commission has begun to assemble a colonia information database. Field surveyors have plotted the location of 1,193 colonias within 150 miles of the US -Mexico border on maps. The Governor's Office has completed a report on some needs.

Planning and analysis is also needed to identify the programmatic and financial resources to meet the border needs. All available resources should be identified along with problems in existing programs which prevent the full utilization of resources. The Texas Office of State-Federal Relations should be assigned lead responsibility for identifying underutilized federal resources. The Texas Comptroller's Office has provided audits of other government programs and would be engaged for this purpose through the Partnership. [see Fiscal Note 2]

The Border Community Development Commission would expand the local and state efforts to document the location and needs of low income communities. Each colonia and low income barrio would be identified and its physical and social characteristics analyzed. The Commission would develop a detailed needs analysis based on this new database. An inventory of services available to the area including housing, social services, transportation, employment services, etc. would be conducted and updated on a regular basis.

A master planning process for service delivery

The Commission would assess the capacity of local nonprofit delivery mechanisms and target special technical and organizing assistance to underserved areas. Based on this needs analysis a resource allocation plan would be prepared for each of these low income communities. The Commission would pay special attention to areas which are not participating in the Partnership and would likely be particularly underserved by existing programs.

The Border Community Development Commission would consist of:

*Governor's Office
Texas Attorney General's Office
Texas Department of Commerce
Texas Department of Housing & Community Affairs
Texas Water Commission
Texas Water Development Board
Texas Department of Highways and Public Transportation
Texas Department of Commerce
Texas Employment Commission
Texas Health Department
U.S. Department of HUD
U.S. Department of Health and Human Services
U.S. Department of Labor
U.S. Environmental Protection Agency
U.S. Department of Transportation
U.S. Department of Agriculture, Farmer's Home Administration
Rural Development Administration
Small Business Administration
Fannie Mae
Private Foundations
Local Government Officials
Representatives of Institutions of Higher Education
Representatives on qualified and cooperating nonprofit organizations and other low income people*

The actual allocation of housing related resources should take place through the state and local Comprehensive Housing Assistance Plans and the proposed State Housing Plan. Through these documents the State and local governments should set annual housing production and rehabilitation goals consistent with the overall goals proposed in the Partnership. The CHAS planning process will allow the State the flexibility to make annual adjustments in the programs and provide the public an annual report on the actual number of housing units assisted during the previous twelve months. [see Fiscal Note 3]

The CHAS development process should provide for adequate public hearings in the border region prior to the development of the annual housing goals and after draft proposed goals are developed to allow affected low income people, housing authorities, community action agencies and nonprofits the opportunity to speak to local needs.

The State Housing Plan should integrate local housing plans which receive direct federal housing or community development funding and adjust the balance of state allocations to meet unmet needs.

OBJECTIVE 2 - Infrastructure, community renewal, and hazard abatement

Activity D - Provide missing or correct substandard infrastructure

- GOALS:
- Provide potable water to every barrio and colonias by the year 1996.
 - Provide adequate wastewater disposal to every barrio and colonia by the year 1996.
 - Provide adequate streets to every colonia and barrio by the year 1996.

Among the many problems facing the border region colonias and barrios, the lack of basic infrastructure is one of the most pressing. Steps have been taken to address the problem through the provision of state bond funds for water and sewer. Yet, for a variety of reasons, the needed infrastructure is being provided at an unacceptably slow pace. Further, the amount of funds for water and wastewater services is far less than that required to correct the problem.

Fully fund infrastructure needs

The State, the Farmer's Home Administration and the Environmental Protection Agency must better coordinate resources to ensure that infrastructure is provided in the least amount of time. Both the state and federal governments must allocate additional funds to guarantee that all families have access to water and safe wastewater disposal and treatment facilities by no later than 1996. [see Fiscal Note 4]

According to estimates of the Texas Water Development Board \$692 million (1992) dollars are required to provide adequate water and wastewater service, including necessary plumbing and connection fees. The Texas Water Development Board states that a source has not been identified for \$341 million of these needed funds.

Several additional actions which would help to address the problem should be carried out through this Partnership:

- Recent analysis of the Texas Water Development Board's colonias survey indicates that not all the colonias in the border region have been identified. Colonias which were not platted or were sold by metes and bounds were often missed in the Texas Water Development Board's survey. The survey should be expanded to include these colonias lacking water and wastewater facilities so that accurate cost estimates are available and accurate data is available for planning purposes. The Texas Water Commission, through its Consumer and Utility Assistance Division, should consider contracting to do the update. [see Fiscal Note 5]

Provide for other infrastructure needs

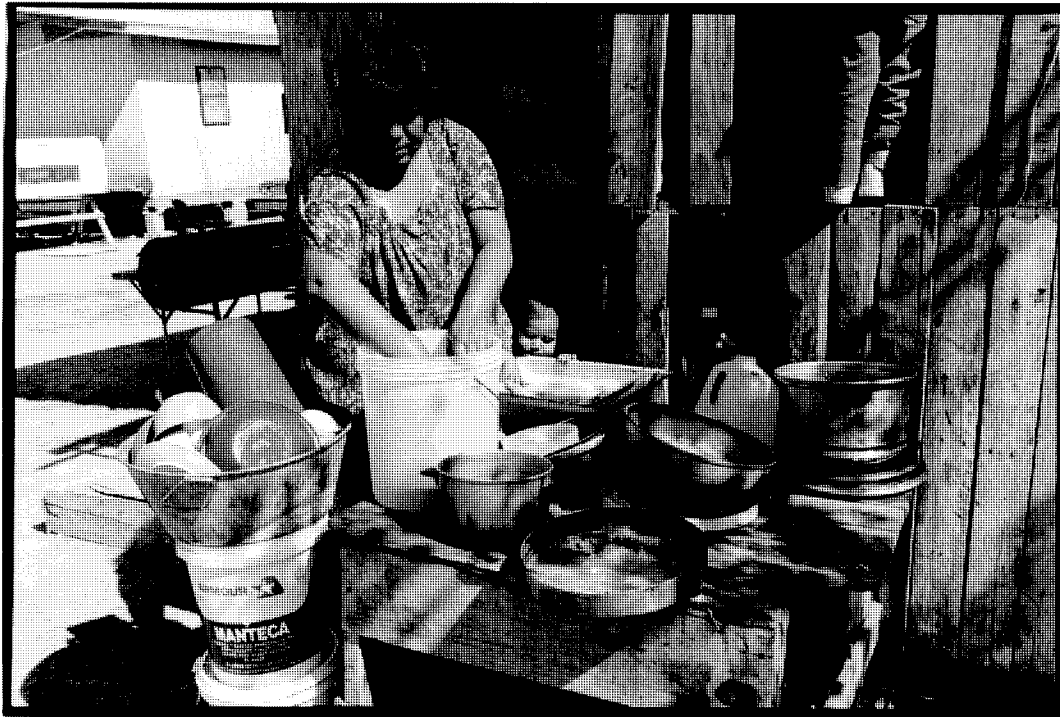
- While water and wastewater provisions are the most immediate infrastructure needs, there are also other basic needs in the barrios and colonias. The Border Community Development Commission should survey other needed infrastructure including paving, drainage and provide overall community planning. These other infrastructure needs should be prioritized in cooperation with the residents of the barrios and colonias and integrated into the programs of this Partnership. [see Fiscal Note 6]

- The CDBG programs of state and local entitlement communities should prioritize basic human needs (safe drinking water, adequate wastewater disposal and treatment, and affordable housing) over the provision of non-critical streets, bridges and other projects. The state and communities should provide a clear and absolute priority to projects which serve the critical needs of the low income barrios and colonias over the general needs of the local community. The Border Community Development Commission should work with the state and local governments to incorporate the needs of the colonias and barrios identified through the comprehensive planning process in the state's and local communities' annual CDBG Final Statements.

- The process for applying for and securing EDAP funds is controlled by private engineer/consultants and employees of the Texas Water Development Board. The process should include provisions to involve community organizations in the planning process.

Support alternative technologies for wastewater

- Permitting and constructing alternative wastewater disposal and treatment techniques using proven low-cost technology is an absolute necessity. It must be recognized that the wastewater disposal and treatment needs of the border region cost so much that full provision of these services using currently "preferred techniques" (conventional gravity sewer systems and sewage treatment plants) will take many years to achieve. Alternative wastewater disposal and treatment systems have been designed and implemented in many



BORDER RESIDENTS WHO LACK WATER AND SEWER MUST WASH DISHES AND CLOTHES OUTDOORS WITH WATER HAULED FROM TOWN. THERE IS AN IMMEDIATE NEED TO ADDRESS THIS FUNDAMENTAL HEALTH AND SAFETY PROBLEM THROUGH THE PROVISION OF REGULAR INFRASTRUCTURE AND ALTERNATIVE WASTEWATER TECHNOLOGIES.

localities outside Texas.

The barrier to effecting these technologies is the failure of the State of Texas (specifically the Texas Water Development Board) to adopt acceptable criteria to implement these systems, regardless of the Legislature's directive in 1989 (S.B. 2) to consider these low-cost options, first. Several of these wastewater systems should be tested on a trial basis in remote colonias where conventional wastewater disposal and treatment is not financially viable. The Texas Water Development Board and the U.S. Environmental Protection Agency should jointly provide funding for ten test projects using various technologies and the Texas Water Commission should provide system design criteria review within 30 days. The Texas Water Commission should monitor and sample effluent from the test projects intensively over a period of two years. [see Fiscal Note 7]

Interim results based on one year performance of the test projects, combined with an evaluation of similar projects in other parts of the country should serve as a basis for implementing a second test phase of successful techniques on a larger scale.

Support local self help solutions

- The state and the U.S. Rural Development Administration should jointly establish a \$200,000 yearly grant program to provide technical assistance training at the colonia level for groups of colonia residents who want to "owner install" alternative and on-site sewage facilities using self help approaches, such as those developed by the Rensselaerville Institute of New York. [see Fiscal Note 8]

When a qualified nonprofit colonia group requests assistance from the county owner-builder housing center, a non-profit technical assistance contractor, hired through this program, will be notified. The contractor will conduct an assessment of the need, the appropriate alternative and/or on-site wastewater treatment technology, and the colonia or barrio's ability to pay for such facilities. The goal is to help the communities analyze their ability to pay for services and prevent the construction of facilities that would exceed people's ability to pay for such services. Thus, the contractor will identify and assist the qualified community-based organization in securing the appropriate financing mechanism for the project.

EDAP funds should be made available for the program through the Border Community Development Bank. Additionally, RDA should provide a set-aside of funds from its water and wastewater program for rural colonias along the Texas-Mexico Border for this purpose. EPA should require the establishment of a \$500,000 loan/grant fund from the \$50 million grant awarded to the Texas Water Development Board to provide on-site wastewater treatment facilities (i.e. septic tanks) in colonias and make the funds available for projects assisted by a non-profit contractor.

These funds would provide for the cost of materials and septic tanks installed under this project. Jobs to do trenching and hole digging would be contracted back through the jobs set-aside program described under objective four.

- The State Comptroller should review the application and funding procedures of the state EDAP program to make recommendations for ways the provision of infrastructure development can be accelerated along the border. The state should adopt a time line for the flow of projects from initial application to completion of construction. Projects should be tracked in terms of this optimal time line to identify additional resource needs and program barriers to prompt implementation. [see Fiscal Note 9]

Provide adequate technical assistance

Furthermore, the State of Texas, through the Consumer and Utility Assistance Division of the Texas Water Commission, the Rural Development Administration (USDA) through its training and technical assistance grants program, and the Office of Community Services (U.S. Dept. of HHS) through its Community Services Block Grant Discretionary Authority, should fund the establishment of three temporary (non-profit) Colonias Infrastructure Development Support Teams along the border.

These Infrastructure Development Support Teams should be strategically located in South Texas (Edinburg), the Mid-River Region (Laredo), and West Texas (El Paso). The purpose of the teams would be to help the local colonia communities, water/wastewater service providers, and local governments through the facility development process to provide potable water and wastewater disposal and treatment services to every barrio and colonias by the year 1996.

This assistance would include, but would not be limited to, needs assessments, planning, application submission and tracking, project implementation and administration, and other services, at no cost to the community or the service providers. The provision of non-profit Infrastructure Development Support Teams

would shift the facility development process along the border to a proactive needs-based driven approach, instead of the current engineer-driven approach.

- Local governments and water/wastewater service providers need more qualified staff to plan and implement infrastructure development locally. The lack of staff at the county level is one of the major delaying mechanisms impeding the provision of infrastructure.

The Border Community Development Commission should make an application to the Office of Community Services of the U.S. Department of Health and Human Services, the Rural Development Administration of the U.S. Department of Agriculture, the state's Community Development Block Grant program (CASA), and the Consumer and Utility Assistance Division of the Texas Water Commission for funding to assign additional non-profit, contracted rural community assistance coordinators (Colonias Infrastructure Development Support Teams) to colonia and barrio infrastructure projects at the county and service provider level. [see Fiscal Note 10]

Wastewater Management Districts/Zones.

Small towns, rural housing developments (i.e. colonias), or urban fringe areas with wastewater disposal problems face a unique combination of technical and financial problems which complicate development or expansion of water pollution control facilities.

Many small communities rely on septic tanks for sewage treatment. However, experience with this technology has varied. Along the border and especially in South Texas, widespread failure of septic systems has led to odor problems and serious health hazards in some communities. For these reasons the addition of more septic systems appears to be an undesirable option in some cases.

While experience has shown that most septic systems failures are the result of poor design, construction, or maintenance, these matters have traditionally been left to the homeowner who, in most cases, is unprepared to deal with them. Currently, there is no assistance with maintenance or performance monitoring available to the owners of septic systems.

At some point in the near future, the financial resources available to develop infrastructure along the border will be even more limited. Inflation will continue to push capital and operating costs of conventional gravity sewer systems and sewage treatment plants to levels beyond the economic means of very low income residents of colonias.

In addition, because of the low housing densities in the remote, isolated colonias, infrastructure

development will require greater lengths of sewer line per home than are necessary in more densely populated urban communities. The cost of construction of conventional gravity sewer systems places an even greater economic burden on colonia homeowners. While state and federal grants and low-interest loan programs may help to offset a portion of capital cost of building these systems, all operating and maintenance cost are borne solely by the users. Thus, rural colonia communities must seek wastewater systems that have reasonable operating cost as well as low capital development costs.

More importantly, the lack of local management hampers the efforts of homeowners to deal effectively with their wastewater problems, particularly in unincorporated areas. To deal effectively with wastewater problems, small rural communities need low-cost technology and a local management structure which can focus on their specific problems. This public management body need not own the facilities, but it must be capable of certifying proper installation and operation, monitoring water quality, establishing a user charge costs recovery program politically accountable to the consumers, and assuring unlimited access to all facilities.

Active local management is essential to successful use of alternative wastewater technology in rural communities. Careful planning, construction, and maintenance of these facilities is important and most homeowners are not qualified to do these things unassisted.

Regions should have the authority to establish wastewater management districts and/or zones where necessary. These districts would be empowered to assist in the development and maintenance of public and private wastewater treatment facilities within the district or zone.

The wastewater management district concept originated in California in an attempt to facilitate orderly use of low cost alternative technologies in unsewered areas.

District boundaries need not conform to other political boundaries such as city limits, or townships, but could be drawn to include any area where there is need



NO WATER OR WASTEWATER SERVICE MEANS UNSANITARY CONDITIONS SUCH AS OUTHOUSES, PIT PRIVIES, OUTDOOR BATHING AND FOOD PREPARATION ALL ALONG THE BORDER AREA.

for wastewater management. Unincorporated communities, unsewered suburban areas, small towns, lake side developments, or combinations of these can be organized as wastewater management districts or zones. Ideally, the district would be administered by a regional board of trustees composed of members of current water supply entities or by appointed trustees by the local county governments. Operating funds would be obtained through a service fee charged property owners within the district or zone.

The functions undertaken by a wastewater management district would vary with local needs. The specific tasks performed by district personnel would be selected by the administrative body of the district. Some activities which might be performed are as follows: planning and design, construction inspection, maintenance inspection and performance monitoring,

financing, ownership, and regulatory enforcement.

Public Interest Developers

• The Border Community Development Commission will also engage professional “public interest developers” who will assume responsibility for application for and development of missing infrastructure in colonias and barrios participating in the Partnership. It is important to recognize that subdivisions are properly developed and improvements are secured only when there are persons who are responsible for securing these improvements. Usually this person is the developer of the subdivision. In the case of colonias, the developer did not secure these improvements. Someone must now assume this responsibility for those colonias which lack basic services and utilities or the improvements will simply not take place. [see Fiscal Note 11]

These developers will assist communities in making application and securing water, wastewater, streets and other public improvements which the original private developer of the community failed to make provision for. The “public interest developer” is a planner, grant writer, advocate and coordinator, working for the colonia or barrio to secure the missing public services and infrastructure.

Better utilization of existing funds

• CDBG funds, particularly new, one time funds made available under any economic stimulus packages should be prioritized for infrastructure improvements. The infrastructure programs funded with CDBG funds should require the use of workers trained under the self help programs of the Partnership who are residents of the affected areas. Through these programs the dollars available for infrastructure improvements would revolve in the barrio/colonia economy in the form of wages.

• Housing improvements or new construction are often prohibited from being undertaken in some communities because of the absence of necessary infrastructure. Without adequate water and sewer services, federal grants cannot be used to build or rehabilitate housing nor can loans be secured. Persons with state approved well water must be eligible for housing assistance from HUD and FmHA.

The Border Community Development Commission should coordinate water and sewer improvements with housing refinance and other community development and improvements. This could be effected through the

joint planning process between the BCDC and the qualified community based organizations.

• In providing new or expanded water systems, special consideration must be provided to not simply placing pipe in the ground, but also the long term management capacity and administration of the water and/or wastewater system. The long term viability of rural and small community water and sewer service systems depends on informed decision makers who have the confidence, technical assistance and support to properly manage financial operations, establish capital operations for future improvements and operate and manage the system in accordance with the Clean Water Act and the Safe Drinking Water Act.

Government must provide training and capacity building for the management of the water and wastewater utilities. Particular attention must be given to establishing capacity of the small rural suppliers. To effect this a combination of capacity grants and technical assistance must be funded through state and federal funds. [see Fiscal Note 12]

• RDA should reassess their Water and Wastewater Disposal Program and target the limited program funds to the neediest communities. RDA should establish an objective of streamlining the time and paper work required to secure assistance under the program. RDA should develop an application guidebook and provide financial assistance to communities during the lengthy application process to reimburse consultants and cover other expenses.

• The Texas Department of Transportation should carry out a study of street and drainage needs of low income barrios and colonias in the border area and develop cost estimates and identify funding sources to address those needs.

• A program, modeled after the Texas Water Development Board's EDAP Program, should be created to provide loans and grants for street and drainage improvements. This program would target areas where resources are inadequate to meet the needs and where 80 percent or more of the dwellings are occupied. The program should be administered by TDHCA and funding would be available only if the water and sewer is in place.

• The Texas Legislature should adopt a law requiring developers to provide adequate streets and drainage facilities in order for their subdivision to be platted.

Activity E - Comprehensive renewal of selected colonias and barrios

GOAL: • *Establish and implement a comprehensive community renewal program to rebuild or restore 20 of the colonias and barrios with adequate safeguards for the rights of the residents.*

The survey of colonias conducted by the Texas Water Development Board identified a number of colonias where the cost of water and wastewater services would be far in excess of the value of the land and improvements in the colonias. Residents, public officials, and colonia based community organizations with technical assistance from the public and private sectors should address these serious problems. These communities should receive special attention to coordinate services and to promote a comprehensive revitalization as opposed to piece-meal implementation of infrastructure, housing and other programs.

There are also barrios in urban areas where infrastructure and/or housing conditions are substandard to the extent that the cost of rehabilitation would exceed the cost of redeveloping the area. Traditionally these areas have been cleared of housing and redeveloped through public and private action into nonresidential areas.

The loss of these communities and the housing they contain is unacceptable. Yet no program exists for the comprehensive renewal of barrios and colonias which fall into these categories.

Many barrios along the Rio Grande River are historic settlements of Mexican American presence in Texas. The Texas Historical Commission should be involved in the plans for development which affect historic sites along the border. NAFTA adoption will increase pressures to develop infrastructure and bring other forms of development. Barrios must be protected against involuntary displacement by this development.

Community organization and neighborhood planning are critical for these communities to be revitalized. Widespread citizen participation and training of residents is critical in all phases of the process of community revitalization. This is best accomplished through an accountable qualified or participating non-profit organization which can provide leadership in the redevelopment efforts.



ISOLATED, OWNER-BUILT HOMES, EMPLOYING SUBSTANDARD DESIGN AND SALVAGED BUILDING MATERIALS ARE COMMON IN THE BORDER REGION.

Activity F - Identify and reduce environmental health hazards to residents by 1996

- GOALS:
- *Establish a system to collect and analyze data on the environment and environmental health conditions.*
 - * *Establish at least three community-based environmental centers along the border to coordinate the collection of environmental health information and develop strategies to eliminate environmental hazards.*
 - * *Improve the availability of health care for those suffering from environmental health problems.*
 - * *Eliminate known environmental hazards that are major threats to the health of colonia and border residents.*

Environmental health issues are of tremendous concern to colonia residents and other people living along the border. The tangible epidemic of anencephaly reported in Cameron County is one of the most visible, but not the only, alarming indicator of environmental problems affecting public health in this area. A high number of children along the border suffer from chronic severe asthma. There are extremely high rates of sanitation related disease among colonia residents. Among farm worker families, an unusually high number of children are born with birth defects, such as incomplete limbs. Incidence of pesticide poisoning occur regularly among farm workers and colonia residents.

Laying ground work through data collection

While the ultimate goal is to eliminate all environmental health hazards in the border region, the objective during the next few years is to lay the ground work needed to improve the environment and to eliminate some of the more obvious hazards to the health of residents of colonias and barrios.

The first step in dealing with border environmental health problems is the collection and analysis of data on both the environment and environmental health along the border. Current efforts to discover the cause of the anencephaly and other neural tube birth defects occurring along the border are hindered by the lack of reliable, comprehensive data on water and air quality, the number of birth defects, and other basic information about the border area. This lack of data greatly impedes efforts to determine the cause of border health problems and improve border health.

Data collection efforts should involve federal and state agencies as well as Texas universities and private organizations and researchers. Data collection should be systematic and on-going with the aim to create a reliable, assessable base of information to be used to assess and improve border health.

Specifically these actions should be undertaken:

- Collect and analyze data on air quality. There is currently almost no data available about air quality in the lower Rio Grande Valley. More work has been done in

El Paso, but information is still inadequate. The Texas Air Control Board should establish a comprehensive, on-going surveillance system to monitor air quality along the border, including air emissions from plants located on the Mexican side of the border.

- Collect and analyze data on pesticide use on both sides of the border. Currently Texas law requires records of pesticide use to be stored, but they are not being compiled into any usable form. Mexican pesticide use will most likely be harder to determine.

- Collect and analyze data on treated drinking water available in cities. Health experts have expressed concern over the amount of chemicals needed to treat very contaminated water taken from the Rio Grande and used for drinking water along the border.

- Establish a birth defect register. A reliable system is needed for documenting such serious health problems.

- Collect clinical screening data on workers and residents to determine the extent of environmental and occupational health problems occurring on both of the lower Rio Grande. Although medical and scientific experts acknowledge environmental health problems in the border area, little progress has been made in documenting the extent of these problems.

Establish border environmental centers

- Survey border residents and medical records in order for epidemiologists to document the extent of diseases, such as certain types of cancer, birth defects, and respiratory problems that are occurring at unusually high rates. These studies can also point to suspected causes which need to be investigated.

Although a variety of agencies and institutions will be involved in collecting data, we recommend that environmental centers be established to coordinate and correlate the environmental and health information collected by various sources. We recommend the establishment of three or more environmental centers—one in the El Paso area, one in the Brownsville-McAllen area, and one in the Laredo area. These environmental centers should be community-based with boards that

include local residents, health care providers, and environmentalists. The role of the Environmental Centers would include:

- to undertake environmental and health investigations,
- to coordinate the work of various institutions and investigators,
- to establish a data base and library of environmental and health information collected for the area.
- to work with local government, industry, agriculture, workers, and residents to devise strategies for eliminating environmental hazards and gaining broad public support for these efforts.

Improve low income health care

Access to health care for low-income persons living in colonias and barrios needs to be improved. Because many low-income border residents lack adequate access to health care, environmental health problems often go untreated until they are so severe that emergency treatment is required. Adequate health care needs to be accessible to low income families. Border health care providers need special training in the

recognition, diagnosis, and treatment of environmental illness, such as pesticide poisoning and toxic exposures.

Eliminate known environmental hazards

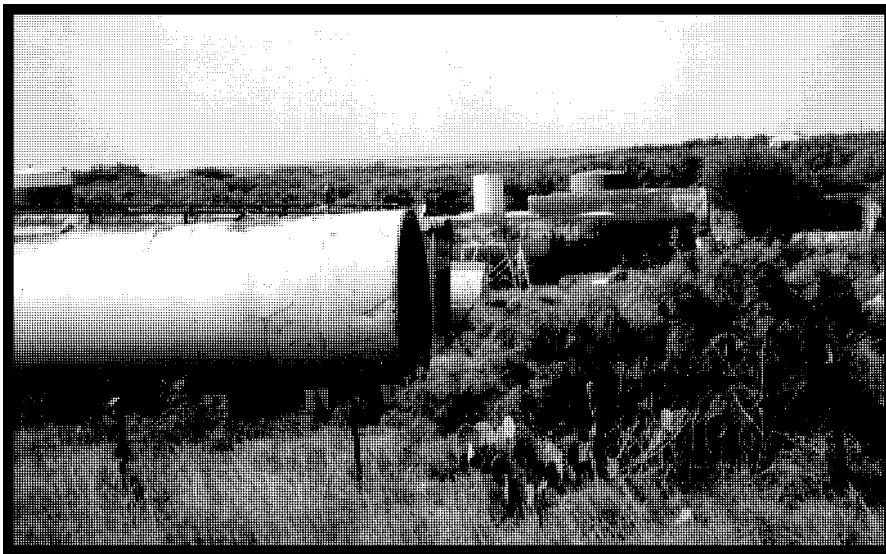
Finally, efforts need to be made to eliminate hazards that are major threats to the health of border residents. In some cases the elimination of these problems is complex because there are no clear alternatives. In areas such as waste disposal, reduction of chemicals, and reduction of toxic emissions, we recommend that pilot projects be funded and implemented to demonstrate methods of eliminating hazards.

The design and implementation of these projects should be done by local community organizations. When possible, such programs should be combined with training and employment programs for border residents. Environmental education programs, directed at workers, industry, and the medical community, as well as the general public, should be included as part of the effort to eliminate environmental hazards.

For other border environmental health issues, both the hazards and alternatives are clear. The following environmental hazards should be eliminated:



BORDER RESIDENTS FACE MANY ENVIRONMENTAL HAZARDS INCLUDING FREQUENT FLOODING AFTER RAINS DUE TO IMPROPER DRAINAGE.



IMPROPER STORAGE OF CHEMICALS IN UNMAINTAINED DRUMS IS ONE OF MANY BORDER ENVIRONMENTAL HAZARDS.

- Stop aerial spraying of pesticides in urban areas, rural residential areas, and near schools and playgrounds. There is wide-spread exposure to pesticides because of drift and other problems with aerial spraying along the border. In some cases, this results in acute injuries and illness among residents. Often such pesticide exposure is suspected to be the cause of chronic health problems, such as severe asthma in children and high rates of certain cancers. Although reduction of pesticide usage in agriculture will take a long period of time to fully accomplish a good initial effort would be to eliminate aerial spraying in those areas.

- Stringently enforce existing laws concerning disposal of hazardous wastes and clean up contaminated areas. There have been on-going problems with illegal disposal of hazardous wastes, such as disposed in public landfills. As the border area becomes more industrialized and hazardous waste increases, additional state and federal resources are needed to stop illegal disposal. Clean-up efforts need to be funded and implemented in contaminated areas along the border, including several severely contaminated sites that have received "superfund" designation but no clean-up efforts.

- Provide a system of solid waste disposal for all colonia residents. Currently most colonia residents do not have an adequate means to dispose of their household wastes. Often wastes are either burned or simply dumped on an out-of-the-way road. Before undertaking enforcement efforts to stop this illegal disposal, local, county and state government need to work together to provide colonia residents a legal and affordable method of solid waste disposal.

- Stop outdoor burning of wastes and agricultural burning, including burning of sugar cane. There is a large amount of open air burning taking place in Texas.

Part of this is illegal trash burning. However, most of it comes from agricultural burning; such as brush and sugar cane. Particulate emissions from burning create special problems, because burning tends to be concentrated both in time and location. Such burning intensifies respiratory problems and is a suspected factor in high rates of chronic asthma among children living along the border.

- Reduce hazardous emissions from industrial sources on both sides of the border. Strict enforcement of existing laws are needed on the U.S. side of the border. In addition, efforts need to be made to improve enforcement in Mexico and possibly to enact new international agreements that deal with border areas, such as El Paso/Juarez or Brownsville/Matamoros, as single environmental areas with uniform standards and enforcement.

- Border Community Development Commission and EPA would cooperate to identify, assess and plan abatement of environmental hazards within targeted neighborhoods and colonias.

- Undertake all clean up efforts by providing jobs to program trainees.

- Where improperly designed local wastewater systems have been installed a mechanism will be established to address the problem. Where a colonia identifies the problems they can go to the Infrastructure Development Support Teams identified in Activity D to develop a local solution.

- Fund a human health risk assessment program for environmental exposure to water borne pollutants.

- Fund a Texas Border Monitoring Program that coordinates point source discharges, nonpoint sources and ambient water quality monitoring.

OBJECTIVE 3 -

Land and housing reform, financing, rehabilitation and development

Activity G -

Develop new homes and rehabilitate substandard housing

- GOALS:
- *Establish 10 owner-builder self help housing centers in 6 counties.*
 - *Provide 1,000 lots in barrios for homesteading.*
 - *Create 3,000 new public housing units in the border area.*
 - *Provide rent support for 10,000 additional families in the border area.*
 - *5,000 new or reconstructed housing units development by community development corporations.*
 - *5,000 units rehabilitated by community development corporations.*

Massive substandard housing conditions leave many low income border residents in a condition of virtual homelessness. In colonias and barrios, containing thousands of houses, living conditions are as bad as those in any third world country.

Housing conditions in many colonias and barrios of the border region are only experienced in other areas of the country in cases of natural disaster. In such cases they would be ameliorated with an outpouring of emergency government and private charitable assistance. In Texas these conditions have been allowed to persist unchanged for generations.

The North American Free Trade Agreement (NAFTA) has the potential to significantly increase the population on both sides of the border and increase the existing crisis in affordable housing in the border region. Commercial and industrial growth will also compete for limited government resources, particularly water and sewer. In this competition, low income housing can be expected to lose.

The most needy of the families experiencing a housing crisis in the border region are too poor to be served by the private sector housing market. In 1990, two-thirds of the border counties had poverty rates in excess of 30 percent, while one-third experienced rates of poverty of over 40 percent. Hidalgo and Starr counties in the Lower Rio Grande Valley of South Texas reported poverty rates in 1990 of 51.7 percent and 62.1 percent respectively, by far among the highest of any county in the state. The City of Brownsville has the highest poverty rate of any city in the country among cities with a population of more than 50,000. The total number of persons living in poverty in Texas Region 6 was an incredible 679,908 in 1990. This was an increase of 278,981 persons since 1980.

There is a compelling case for dealing with this housing crisis. Housing is a major initiative of the Partnership. The existing housing stock should be conserved through rehabilitation and repair. Increasing the stock of both single and multi-family housing means increasing the capacity of community-based nonprofit organizations to sponsor, develop, own and maintain

affordable housing.

The complete, long term solution to the border's housing problems will require substantial new public resources. As in other initiatives of the Partnership, the immediate approach to housing is based primarily on reform of existing programs to make them work in the context of the border region.

In summary, the Partnership proposes that programs must be restructured to devote resources to very low income people, emphasize self help efforts and link housing programs with job training and economic development.

The housing initiatives will be discussed in two parts – owner housing initiatives and rental housing initiatives. Separate sections will explain a model self help housing program and another will suggest recommendations for the critically important and severely troubled Farmers Home Administration rural housing programs in Texas.

General housing program reforms

The following are the general changes in existing housing programs proposed by the Partnership. These changes are followed by lists of specific initiatives for owner occupied and rental housing.

- The Border Community Development Commission should develop and publish an affordable housing needs estimate for the border area.

Using 1990 census data and local studies the state should develop concrete estimates of the housing needs of various income groups in the border region. Statistical models should be developed to project future area housing needs to aid in planning and resource allocation. These needs estimates should take into account the low and moderate income population living in cities, rural areas and the colonias. [see Fiscal Note 14]

These studies should estimate the number of new affordable units and the maximum rent levels required to meet the current and projected housing needs of the



THE BORDER REGION CONTAINS TENS OF THOUSANDS OF SUBSTANDARD HOUSES, YET LITTLE GOVERNMENT HOUSING ASSISTANCE MAKES IT TO THE BARRIOS AND COLONIAS. THERE IS A NEED TO SUPPORT EXISTING HOUSING DELIVERY MECHANISMS SUCH AS PUBLIC HOUSING AUTHORITIES WITH ADDITIONAL FUNDING AND TO CREATE NEW COMMUNITY BASED HOUSING DELIVERY INSTITUTIONS.

area. The studies should also estimate the number of substandard units requiring rehabilitation. Cost estimates for the needed housing should be reported by county.

The results of the studies should be published for use by nonprofit organizations, local, state and the federal government.

- Foster the development of less costly housing designs specifically adapted to the border region.

Academic institutions, the nonprofit community and private architects should collaborate to design simple, cost effective and low maintenance housing plans and make these plans available free of charge to owner-builders in the border region. The use of modular and manufactured housing techniques should be studied and demonstrated in model programs. Government's role should consist of providing seed funds, sponsoring design competitions to develop new housing designs and technologies, and producing a "how to build manual."

- Low Income Housing Tax Credits should be reformed through federal legislation to allow the state to "cash out" a portion of its available credits. This would allow more flexibility in developing housing along the border where viable tax credit development deals are not being brought forward. The state should also provide its technical assistance and "pooling" efforts to secure

more utilization of tax credits for smaller scale, nonprofit developments.

- The State Legislature should allow local option use of the 1/2 cent sales tax by counties and cities for low income housing production and rehabilitation.

- The State Legislature should permit local option the use of the bed tax for low income housing.

- The Border Community Development Commission should promote innovative public and nonprofit housing delivery models by surveying housing approaches which have been undertaken along the border. It should then publish a description of these innovative approaches including the funding sources along with contact persons in the implementing organizations. [see Fiscal Note 15]

- The capacity on the part of local housing sponsors to apply for and utilize the available federal housing funds should be increased by providing capacity building grants through the state housing trust fund. [see Fiscal Note 16]

A number of federal housing programs must be applied for, developed and operated by local nonprofit organizations. The State should enter into a partnership with nonprofits to see that strong, capable nonprofit groups exist to serve the border region.

- The State of Texas must provide the necessary

matching funds to secure all available federal housing dollars. Many sources of federal housing dollars require a local match to leverage federal funds. The match could be in the form of a direct match such as required under the HOME program, in which the state is required to put up \$1 for every \$3 it is entitled to receive. In some cases the match is required simply to get a project through the predevelopment phase so that it may qualify for funding.

The Texas Housing Trust Fund was created by the Legislature to provide a source of match funds to local governments, nonprofits and low income individuals. The Housing Trust Fund should be funded at a \$30 million per year level to allow it to fully leverage all available funds.

- Better utilize government owned foreclosed housing units with provision for donation of any units owned by HUD, FmHA, or VA valued at less than \$35,000 to participating nonprofit organizations.
- Transfer all suitable RTC owned properties to public agencies or nonprofit organizations.
- Expand the development capacity of locally-based nonprofit organizations by increasing technical assistance resources. Also permit the provision of FmHA-supported technical assistance according to objective measures of housing need (i.e., numbers of ill-housed farmworkers compared to available housing resources) rather than restricting FmHA technical assistance only to areas without existing labor housing units.

Owner Occupied Housing

There are many different housing needs present in the border region. One of the largest groups of low income families, and one which represents a considerable portion of colonia and barrio residents, are those traditional families who possess the physical resources to build their own houses.

Cultural attitudes in the region emphasize the desire for home ownership and self help efforts to construct homes. This calls for an adjustment in traditional government housing programs to meet these demands.

Existing government housing models generally build houses for low income families using private paid contractors. The presence in the border region of a large number of families willing and able to contribute labor to solve their own housing problem demands that housing programs be altered to take advantage of this situation. The fortunate result may be the significant reduction of the per unit cost of providing affordable housing.

Explanation of Self Help Owner-Builder Housing Program

The principal owner occupied housing initiative of the Partnership is a self help owner-builder approach which has been successfully implemented on a small scale in the border region by groups such as Proyecto Azteca in San Juan, Mission Service Project in Mission and Lower Valley Housing Corporation in Fabens

Each group's approach differs slightly. The funding for each program is from a variety of sources and at times the funding is unstable. A commitment must be made to create a government funding and regulatory environment which encourages approaches such as those practiced by these groups. The tasks to create that environment are outlined below. An explanation of the approach of one organization is provided later in this section.

In order to permit the large scale implementation of self help owner-builder housing in the border region the following actions need to be undertaken.

- Owner-Builder Housing Resource Centers would be established in each county and operated by qualified or cooperating nonprofits. These centers would also take loan applications for construction, rehabilitation and refinancing as outlined in Activity H. [see Fiscal Note 17]
- Model designs for low cost owner-builder homes which meet FHA or FmHA standards would be available free of charge through Owner-Builder Housing Resource Centers along with "how to build" manuals.
- Tool lending libraries would be established through Owner-Builder Housing Resource Centers.
- Centers should be partially funded and technical assistance provided through the FmHA self help housing program.

• Create programs that would explicitly encourage the joint application of Department of Labor job training funds and federal housing resources. JTPA funds should be leveraged with housing rehabilitation monies available from FmHA (HPG) and HUD (HOME Investment Partnerships). On-the-job training of building trade skills could be provided with JTPA resources while repairing substandard homes and dwellings. Several model programs successfully combining job training and housing repair monies already exist and are operated by Rio Grande Valley nonprofits.

Rental Housing

Increasing the stock of affordable multi-family housing available to low income persons is also important. Colonias exist principally because of a lack

of affordable housing in urban areas. Traditional public housing and rental assistance needs to be greatly expanded to serve the area's large rapidly increasing poverty population.

As noted earlier, the number of persons in poverty in the border region increased by 278,991 from 1980 to 1990. During the same time period there has been virtually no increase in public housing units.

The border region is home for a large portion of the state's migrant farm worker population. The combination of the high unemployment rate, very low incomes and requirements for "in stream" migrant housing combine to make the housing needs of this population especially acute.

- Expand the number of Public Housing Authority units by 3,000 and modernize existing units using JTPA owner-builder graduates. [see Fiscal Note 22]

- Authorize an incremental increase of 10,000 Section 8 certificates. [see Fiscal Note 23]

- Identify multifamily projects subject to FmHA or HUD mortgage prepayment and provide technical support to nonprofits to intervene to preserve these units as housing for low income families. [see Fiscal

Note 24]

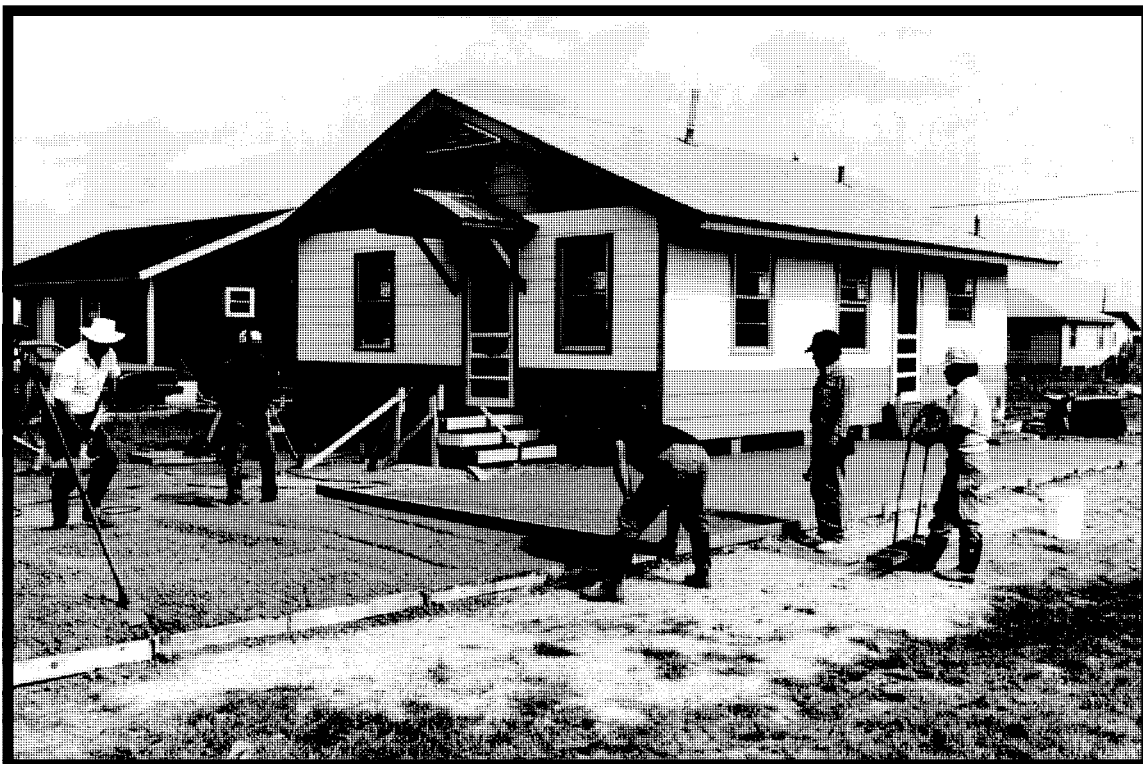
- The State Legislature should establish and fund a Rural Rental Housing Authority with a specific mandate to implement housing efforts to meet the unmet housing needs of residents living in areas not served by a public housing authority. [see Fiscal Note 25]

This authority would be able to provide housing assistance to families living outside areas now served by housing authorities, conduct housing planning activities for these areas, and attract federal housing funds to meet area housing needs.

- TDHCA should target tax credits to FmHA 515 projects in the area which serve families rather than exclusively serving elderly populations.

A Model Self Help Housing Program

Proyecto Azteca illustrates the self help, owner-builder model promoted by the Partnership. Proyecto Azteca was organized by low-income colonias residents of Hidalgo County who wanted to help solve housing problems themselves. The Board of Directors, as residents of the colonias, understand that in the majority of cases residents of the colonias want to take an active



OWNER-BUILDERS IN THE PROYECTO AZTECA PROGRAM POUR THE DRIVEWAY FOR A HOME THEY HAVE JUST BUILT. TOTAL COST OF THE HOUSE AND SEPTIC SYSTEM FOR THIS HOUSE WAS \$13,200. PROYECTO AZTECA WILL BUILD FIFTY HOMES THIS YEAR. ORGANIZATIONS LIKE THIS WOULD BUILD 1,000 NEW HOMES A YEAR THROUGH THE PARTNERSHIP.

role not only in planning, but in building the houses. This program seeks to empower colonia residents with the skills and resources to solve their housing and employment problems.

Before Proyecto Azteca became active, the main problems facing low income home owners in Hidalgo County who were building their own homes were in three areas:

1) Substandard materials were utilized in construction of homes and rehabilitation of these homes was not prudent, nor did the construction meet FHA or FmHA standards necessary for mortgage financing.

2) Almost none of the owner-builder households had a deed to their property. They had purchased their lots under a contract for deed which denied them any equity in the property until they made the final contract payment. Thus, they could not use their lot to secure a loan to build a house. In most cases they paid 14% to 16% interest rate on the contract price.

3) The median family income was about \$6,500 a year for most families in these selected areas.

In spite of these housing problems, federal, state, or local housing assistance has not historically gone to these families.

A new approach was needed to address the housing problems in these areas. Replacement housing was needed, refinancing was required to secure the families' interest in their property through a deed of trust and a lower interest rate, monthly housing payments had to be lowered at the same time replacement housing was being provided, and job skill retraining had to be offered to help the families' employment prospects.

The house built under this program had to be functional, efficient, durable, meet all code requirements, house a family of seven, and cost a family less than \$100 per month. Proyecto Azteca designed a house which meets all federal, state and local building standards and can be built for under \$13,500. It is a 720 square foot, conventionally wood framed, 3 bedroom, one bath home.

The training workers receive is viewed by Proyecto Azteca as being equally as valuable as the fact that their living conditions are improved significantly by the new home. Farm work in south Texas is sporadic in nature and unemployment in the colonias is at least 47%. Although it is not anticipated that all participants will become fully employed in the construction industry, the new construction skills they acquire will enable them to supplement their agricultural labor with construction labor. The construction industry is characterized by temporary and part-time employment and this should complement the seasonal employment of the farm

laborer.

The houses are constructed off-site and moved onto their permanent location on a truck. This permits the family for whom the replacement house is built to remain living in their current house until the replacement house was ready. It allows the houses to be constructed at a central location. There are more than 700 colonias located across Hidalgo County. In terms of job training, it is far more effective to have all the trainees together rather than scattered at different job sites. Materials for the homes can be purchased in bulk at a better price and can be secured at a central location. The same holds true for power tools which are vital to further increasing the efficiency of the project.

Once the houses are completed, an insured and bonded local house mover transports them to the owner-builder's lot.

While each community participating in the Partnership will have its own approach, each will rely on self help labor to reduce housing costs. Proyecto Azteca and other nonprofit organizations have demonstrated the feasibility of this approach.

Farmer's Home Administration Housing Program Reform

The housing programs of the U.S. Department of Agriculture's Farmers Home Administration are generally well designed to meet the needs of rural residents in the border region. Yet too few eligible low income residents have received assistance from FmHA housing programs.

Our analysis indicates that the major barrier to low income border resident's access to these programs lies in the administrative practices and policies of the Texas state office of the Farmers Home Administration. A secondary problem exist in certain national policies which are preventing program access by border residents.

Reform of the FmHA Texas office and removal of regulatory barriers will contribute in a major way to providing housing for low income border residents. Our suggestions are set forth below.

- FmHA must be reoriented from a farmer's assistance agency to a rural assistance agency. The fundamental management and philosophical problems with the Texas state FmHA office must be addressed so that all available rural housing funds are available to eligible low income border residents.

- FmHA Texas should utilize the state's entire allocation of low-income and very-low-income loan funds instead of routinely turning back as much as 40 percent of these limited resources for other states to



OVERCROWDED CONDITIONS ARE WIDESPREAD IN BORDER REGION BARRIOS AND COLONIAS. THESE CONDITIONS CAN SOMETIMES POSE A DIRECT THREAT TO THE SAFETY OF RESIDENTS.

use. The FmHA Section 502 program is particularly underutilized. It can provide loans to very low income families at interest rates as low as 1%.

- Given FmHA Texas' poor performance in utilizing housing dollars targeted to the poor, the Governor's Office should more actively pressure the FmHA state office, with assistance and support from the Texas congressional delegation, to fully utilize the state's low-income and very-low-income housing allocations for all applicable FmHA programs. Appropriate inquiries regarding loan and grant-making procedures, eligibility standards, prospective borrower contact, and denials should be conducted and results made publicly available. Results of an annual performance review of FmHA Texas housing assistance programs needs to be conducted by state government and should be made public.

- There should be a Congressional hearing on the underutilization of funds by FmHA in Texas. Continuing Congressional oversight of programs should take place to ensure that there is full and effective utilization of available funds.

- Credit worthiness standards used in evaluating the repayment ability of low income families should consider past performance in making rental payments and resolving other financial obligations. FmHA should

also make allowances in credit review of applicants for the sporadic yet predictable nature of compensation paid for agricultural labor.

- All FmHA 514/516 and 515 projects should be built by owner-builder JTPA graduates trained through the programs of the Partnership.

- FmHA staff, and those in county offices in particular, should make concerted efforts to learn about the needs for improved housing among farm workers in their areas. FmHA staff should also better familiarize themselves with the unique characteristics of farm work, its seasonal nature, compensation practices and the hard work involved. FmHA should then take the insights gained from these efforts and apply them when making evaluations regarding the credit-worthiness, commitment and seriousness of farm working families applying for loan assistance from FmHA. Furthermore, special efforts should be made to reach farm workers in each FmHA service area with information on the availability of credit through FmHA. This information and contact should be made in Spanish where required.

- Establish housing lending goals for county and district FmHA offices based on housing need in the area and include performance in meeting these goals in the evaluation of county office and district office performance.

- FmHA's application process is too difficult and complicated for persons with low incomes and little education. Simplify and streamline the FmHA loan application process to make it more accessible to potential borrowers. Provide 502 loan packaging contracts to nonprofit groups serving colonias. [see Fiscal Note 19] Issue rules authorizing payment for packaging of Section 502 loans. The 1987 Housing Act authorized such payments throughout Title V for public and nonprofit agencies. Final rules have been issued for the Section 504 and 515 programs, but FmHA has yet even to propose rules for Section 502.

- Establish a regular meeting with housing providers serving colonias to work out problems in bringing FmHA housing assistance to the area.

- Set up a demonstration program to provide 502 loans for colonias residents monitored out of the national FmHA office. [see Fiscal Note 18]

- Establish easier credit qualifications for borrowers seeking 502 loans of less than \$20,000.

- Provide for refinancing contracts for deed under 502 and permit payment history under a contract for deed to establish credit worthiness.

- Allow 502 loan servicing contracts with nonprofit

housing developers. [see Fiscal Note 20]

- Expedite consideration of additional FmHA funded self help applications in the border region.

- Speed up elimination of the subdivision approval process.

- FmHA county supervisors are afforded too much discretion in the evaluation of eligibility factors such as "credit worthiness" and "stability of income." Repeal the credit history rules published in FY 1991.

- County supervisors may discourage applicants from filing applications. Maintain a log of housing loan inquiries with information concerning the borrowers race, sex, name and address and nature of inquiry.

- FmHA should establish an aggressive education program to train county and district personnel on housing issues in rural areas in consultation with qualified nonprofit organizations such as the Housing Assistance Council.

- FmHA regulations requiring county supervisors to assist applicants with the application process and provide counseling both before and during loan terms are often overlooked. Establish evaluation and monitoring standards to ensure such efforts take place



THE S. BARTLETT FARM LABOR HOUSING PROJECT, OPERATED BY THE LAREDO HOUSING AUTHORITY IS AN EXAMPLE OF THE HIGH QUALITY HOUSING WHICH CAN BE MADE AVAILABLE TO FARMWORKERS THROUGH FmHA PROGRAMS. UNFORTUNATELY TOO FEW SUCH UNITS HAVE BEEN CREATED IN THE BORDER REGION.

and provide training to FmHA employees.

- Increase the state's funding allocation — for the last two years Texas has received just over \$1 million in FmHA Housing Preservation Grant (Sec. 533) funds allowing only about 400 home repairs (with an estimated \$2,500 on average per repair) for the entire state. [see Fiscal Note 21]

- Substantially increase the funding levels for FmHA farm labor housing and rural rental housing and establish defined and measurable targets (set-asides) for directing resources to meeting housing needs of farm workers in colonia areas. [see Fiscal Note 26]

- Establish and enforce a timetable for reviewing completed funding preapplications for Section 514/516 housing similar to that already in place for Section 515 housing (i.e., review of 515 preapplications must be completed within 45 days of receiving completed package).

- Complete the final rule authorizing Housing Preservation Grants for rehabilitation of renter-occupied housing. Presently HPG funds are not made available to finance badly needed repair work for multi-family rental units.

- Expand affordability of multi-family housing through Rental Assistance payments. Funding for Rental Assistance must increase to match the need for rental subsidies among farm working families who

usually earn incomes which are too low to cover costs required to develop and operate even the most modest multi-family housing. [see Fiscal Note 27]

- Encourage the development of FmHA 514/516 farm labor housing and 515 rural rental housing development through provision of predevelopment grants to nonprofits. [see Fiscal Note 28]

- Texas is threatened with losing thousands of 515 multifamily rental units through existing FmHA prepayment regulations. Require approval of actual prepayment of multiple family housing loans be made in the FmHA national office. Provide a priority, where weighted points are equal, to Section 515 applicants who agree not seek guaranteed equity loans after year 20. Such a priority will save the government millions of additional subsidy dollars without removing the right of applicants to gain equity loans (applicants can forego the priority and, if funded, be potentially eligible for the equity loan after year 20). Permit the use of excess reserves pre-December 21, 1979 Section 515/518 projects be used as incentives to retain these projects in the FmHA low-income portfolio.

- Concern exists on the possible racial discrimination by some operators of 515 rental projects. Implement access to tenant files in the AMAS computer system. FmHA has no record of Section 515 tenant information since 1985, a violation of Section 562 of the Housing and Community Development Act of 1987.

Activity H - Institute land purchase finance reform and provide affordable mortgage finance

- GOALS:
- Refinance 5,000 existing contracts for deed.
 - Provide financing for 3,000 owner-builder self help housing units affordable to families at 30% of MFI.

The absence of conventional mortgage credit for home and lot purchases and for home improvements has led to a highly exploitative system of private credit centered around the contract for deed. This method of property conveyance has produced a system which is virtually feudal in its effect on the poor families living in the border region. Under the contract for deed no equity is transferred to the buyer until the final payment is made. Improvements erected on a property purchased under a contract for deed are subject to being lost, along with the equity they represent until the last payment is made. These contracts cannot be used by the buyer to secure a home improvement or home construction loan. Interest rates charged for purchase of a lot under a contract for deed are sometimes quite high (12-14% in many occasions).

There is another problem in attracting bank capital into the area. Most property owned by low income families does not appraise to FHA standards.

While the process of low income families building their own houses represents an important way in which housing costs can be kept down, it sometimes produces other problems. The significant and growing stock of owner built housing in the border region, owned by lower income families very often fails to meet FHA or FmHA construction and quality standards. The owner-builder self help housing initiative will help to fix this problem. But many existing houses were not built to code. This results in the houses being ineligible to be financed with government insured mortgages. Even conventional financing is largely unavailable because FHA standards are increasingly applied to conventional loans.

Provide mortgage credit alternatives to contract for deed financing

Without any ability to obtain mortgage credit, home improvement loans cannot be obtained nor can houses be sold by their original owners except through owner financing. This will produce long term financial and social problems for the families who own these houses.

The Texas Department of Housing and Community Affairs, HUD and FmHA must do their job to ensure that affordable mortgage credit is available to low income

borderfamilies, in urban and rural areas, to buy, construct and improve housing. This is an outline of a program to provide this credit. The centerpiece of the Partnership's initiative to do this is the establishment of the Border Community Development Bank. [see Fiscal Note 29]

The Concept of a Border Community Development Bank

Community Development Banks take different forms in different regions of the country in response to local needs. The Border Community Development Bank is a public lender and grant maker for projects related to the Border Housing and Community Development Partnership. It is a nonprofit organization operated by the Texas Department of Housing and Community Affairs, governed by the Board of Directors of TDHCA.

Qualified and Participating Community Based Organizations will be eligible to apply to the Bank for loans and grants to carry out projects through the Partnership. Low income residents of the colonias and barrios will be able to borrow directly from the Bank for loans to build a home, refinance an existing debt, including contract for deed, make home improvements, and secure funds for economic development ventures.

The Bank will create a secondary market for the loans to nonprofit organizations and individuals through the use of TDHCA's tax exempt bond authority, through securing direct grants from the state and federal government, and will provide reduced interest and credit enhanced loans by using CDBG, residual value bond funds, Fannie Mae, tax credits, and other funds. It will be a direct FmHA lender for all FmHA single family loans, including Sec. 502 Very Low Income Loans under a special agreement with FmHA. It will package FmHA multi-family loans.

The bank will provide start up and expansion loans for neighborhood retail and manufacturing ventures undertaken by low income people through the Partnership process.

Better underwriting and loan servicing

An important aspect of the Bank's lending policy will be the promulgation of loan forms and underwriting

criteria which will enhance opportunities for lending to individuals and families of very low income. The Bank will redefine credit worthiness based on the borrower's track record of paying on contract for deed. The Bank will have a loan committee consisting of low income people, nonprofits, private bankers, TDHCA agency staff and elected officials

The Bank will implement a new loan servicing system which recognizes the need for more intensive interaction with lower income borrowers both before and after the loan.

The Bank will contract with local participating nonprofit organizations to prequalify, take applications and package loans from low income people in their areas. It will also establish credit and debt counseling and loan servicing contracts with local participating nonprofit groups.

Other changes necessary to provide land and housing financing for low income border residents include the following.

- Amend the Federal Mortgage Revenue Bond rules to permit colonias residents to better utilize the program.

Legislative relief should be sought from the prohibition on financing (or refinancing, to eliminate the contract for deed) the acquisition cost of land. There should be an amendment to Section 143(k)(3) of the Code to provide that the limitations on "acquisition cost" (excluding the cost of land "which has been owned by the mortgagor for at least two years before the date on which construction of the residence begins") will not apply to land originally acquired by the mortgagor under an installment sale agreement if the mortgagor's family income is less than \$15,000 per year.

- Increase protection for colonia residents through state law changes providing protection from contract for deed abuses as set out in Activity B.

- The state will enact legislation to require the recording of all contracts for deed with the county clerk to prevent land sale abuses.

- Develop a public education campaign about contracts for deed through the Legal Services Organizations and the Attorney General's Office. [see Fiscal Note 30]

- Fannie Mae should provide a secondary market for colonia refinance loans and new home construction loans written on the basis of the new flexible underwriting criteria set out above.



CONTRACT FOR DEED FINANCING CRIPPLES LOW INCOME HOMEBUYERS THROUGH HIGH INTEREST RATES, NO EQUITY AND AN INABILITY TO USE PROPERTY TO SECURE HOME CONSTRUCTION OR IMPROVEMENT FINANCING.

Activity I - ***Establish new high quality, low cost subdivisions***

GOAL: • Create or recycle 6,500 lots in new subdivisions and older neighborhoods affordable to families at or below 30% of area median family income.

A supply of buildable lots, affordable to very low income people, with proper infrastructure must be made available as an alternative to substandard colonias.

The initiative in this area of the Partnership proposes that qualified and participating nonprofit organizations develop 5,000 new lots for sale to low income families in their local communities. These lots would be located in subdivisions with proper infrastructure and sold at prices affordable to very low income families. Lots would be financed through loans from the Border Community Development Bank. All housing and land loans would have sliding interest rates based on the FmHA 502 formula.

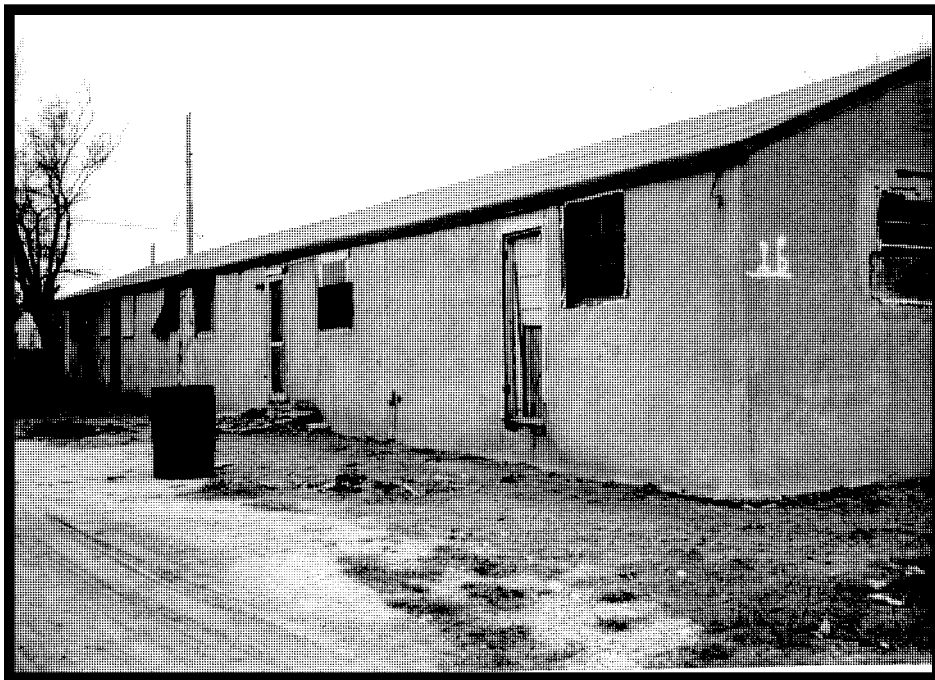
The areas where new subdivisions would be developed would be approved and prioritized through the planning process of the Border Community Development Commission. New subdivisions would be eligible to form nonprofit community development organizations and undertake self help housing and other programs on the same basis that existing barrios and colonias can participate.

A parallel initiative would support the recycling of unused lots in urban barrios through a program which would allow participating nonprofit organizations to acquire these lots into a "land bank." The urban nonprofit

groups would make the lots available to self help housing participants in the self help, owner-builder housing program operated by the nonprofits. This program would recycle 1,500 urban lots.

An alternative to the over priced, high interest rate lots sold by private colonia developers needs to be introduced into the market in the border area. These new subdivisions can be developed with financing through low interest loans made available by the Border Community Development Bank and the FmHA Sec. 523 loan fund. Loans would be combined into a single pool by the Border Community Development Bank. Local groups would be provided with one set of criteria for obtaining a subdivision development loan. This effort combines or blends funds into a lendable loan pool and deals with nonprofits who bring in completed loan applications. [see Fiscal Note 31]

The Urban Land Bank can be financed with revolving funds available through the CDBG program. The introduction of this superior, more affordable housing product in the urban market will reduce the market for lots in substandard colonias and will bring down artificially high prices in these areas. Use should also be made of new authority from state proposed tax redemption foreclosure bill which allows governments to turn over tax delinquent land to nonprofits. [see Fiscal Note 32]



THE FAILURE OF THE FARMERS HOME ADMINISTRATION TO FUND THE NECESSARY FARM LABOR HOUSING PROJECTS MEANS MIGRANT FARMWORKERS ARE FORCED TO LIVE IN SUBSTANDARD BARRACKS LIKE THIS ONE. THESE BARRACKS WERE ORIGINALLY BUILT TO HOUSE PRISONERS OF WAR DURING THE SECOND WORLD WAR.

ACTIVITY 4 - Provision for Economic Development

Activity J - Provide jobs skills and literacy training for low income border residents

GOAL: • *Provide 3,000 persons employment through self help programs.*

As this Partnership is implemented of the coming years, substantial amounts of capital will be invested in infrastructure and housing in the colonias and barrios of the border region. The value of this capital can be multiplied many times if the institutional framework is in place and if low income residents are provided the necessary training.

Installation of infrastructure and construction of homes will create jobs. In addition, these activities can support community enterprises such as local construction companies, companies to connect houses to new water and waste water systems, companies to build modular bathroom units for existing homes, wholesale building material operations, cabinet shops, etc.

This Partnership seeks to build economic opportunity through job training, work experience and leverage of public resources. One of the centerpieces of the Partnership is the self help owner-builder housing program described under the preceding objective. This program provides training and work experience in the area of construction to the participants. The program relies on the availability of Job Training Partnership Act

funds to train the workers. There is a critical need for substantially more JTPA authority to be transferred to the border region to allow more self help housing programs to be started. [see Fiscal Note 33]

The models for self help housing developed by Mission Service Project and Proyecto Azteca would be undertaken on a much larger scale. Three thousand families would participate in the program over a three year period. The program would be expanded to include a housing rehabilitation program for those who already have a house but need to participate in jobs/ education skills program and who need major home repairs to their homes so that they meet building codes.

Because many low income residents lack a high school education and some lack good English skills, the training program will incorporate GED and English as a second language programs under the self help program. Training in job search skills will also be integrated into the curriculum.

The program would be implemented through the self help owner-builder housing training centers to be developed in ten locations in six counties along the border.

Activity K - Create community housing construction enterprises and jobs

- GOAL:
- Create 20 worker owned and community based construction companies employing 500 persons.
 - Create 20 worker owned and community based firms to manufacture housing components such as roof trusses, cabinets, windows and doors, caliche and concrete building blocks, etc. employing 500 persons
 - Create 10 worker owned and community based modular housing plants to build homes and sub-housing units such as lavatories, kitchens and walls employing 500 persons.

Tens of thousands of housing units need to be built or rehabilitated in the colonias and barrios on the Texas-Mexico Border. While many of these units can be owner-built or owner-rehabilitated, many thousands will need to be contractor built. Utilizing community and worker-owned enterprises can build the skills of colonia and barrio residents in construction, management, and marketing. In addition, profits earned by these firms can be reinvested in the colonias and barrios and raise the standard of living of the worker-owners. Further, these firms can compete with other contractors to construct buildings outside the colonias and barrios bringing new capital into these communities.

- The owner-builders and rehabbers will need building components such as cabinets, windows and doors. The manufacture of these by colonia and barrio residents will create jobs and allow those expenditures to recycle in the communities.

- The Texas Department of Commerce, and the Small Business Administration, in cooperation with the Border Community Development Commission will

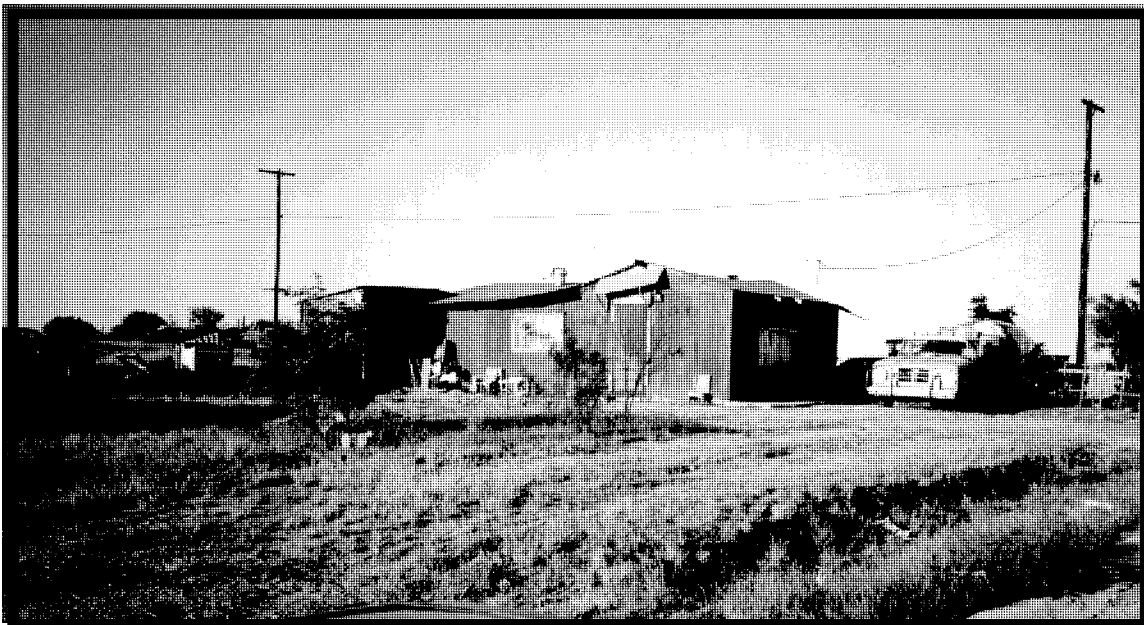
establish special revolving loan funds and grant programs to capitalize community enterprises.

- JTPA, HUD and the University of Texas will establish a management training school for colonia and barrio residents to train them to manage community and worker owned enterprises.

- ACTION, through VISTA, will establish a Mentor program which will match persons with extensive business experience with the appropriate community enterprises.

- JTPA will fund training for employees of community manufacturing firms.

- The Texas Department of Commerce, the Small Business Administration, RDA, EDA, and the National Coop Bank will fund a Research and Development Center to develop products and assist firms in establishing manufacturing processes. Texas A&M, UT, and Texas A&I will loan faculty to the Center. The Center will be cooperatively owned by the community and worker-owned enterprises.



LOW INCOME BORDER RESIDENTS ARE TRAPPED IN A CYCLE OF POVERTY WHERE A LACK OF EMPLOYMENT WHICH PAYS A LIVING WAGE FORCES FAMILIES INTO MASSIVELY SUBSTANDARD HOUSING. GROWING UP IN OVERCROWDED AND SUBSTANDARD HOUSING MAKES EDUCATIONAL GOALS DIFFICULT TO FULFILL. LACK OF A GOOD EDUCATION MEANS THE INABILITY TO OBTAIN A GOOD JOB.

Activity L - Create Entrepreneurial Opportunities for Colonia and Barrio Residents

GOAL: • Support 1,000 micro-enterprises.
 • Support 300 small businesses.

Many home-based informal businesses providing a broad range of goods and services exist in barrios and colonias throughout the border region. These “micro-enterprises” range from plumbing to tortilla making to auto repair to dress making to baby sitting to vegetable gardening.

They are often operated on a barter basis and are frequently not thought of as businesses but as ways to “make ends meet.” Many of these micro-businesses can become substantially more effective with small infusions of capital and business technical assistance and training.

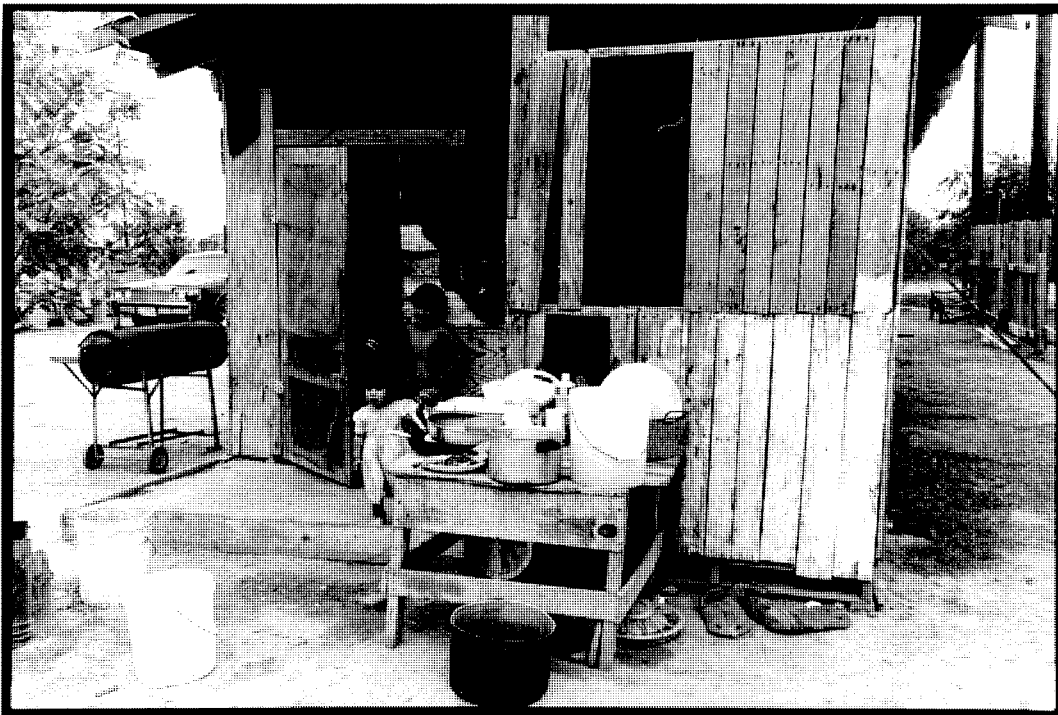
- The Texas Department of Commerce, Texas Department of Agriculture, Small Business Administration, and the Rural Development Administration should fund the operation of a micro-

enterprise development program and should capitalize a micro-enterprise revolving loan fund.

- The Texas Department of Commerce, Texas Department of Agriculture, SBA, and RDA should fund entrepreneurship training programs and small business technical assistance and training programs, and should develop a venture capital and revolving loan fund to provide financing to existing and start-up businesses owned and operated by colonia and barrio residents.

- The Texas Department of Commerce, SBA, and RDA should fund business incubators to provide low-cost nurturing environments for new and young barrio and colonia businesses.

- The Border Commission should work closely with Maquilador firms and other border companies to encourage them to purchase goods and services from colonia and barrio enterprises.



ECONOMIC EMPOWERMENT OF LOW INCOME FAMILIES IN THE BORDER REGION MEANS PROVIDING JOB TRAINING AND JOB SET-ASIDES IN PUBLIC FUNDED PROGRAMS TO HELP PEOPLE GAIN THE ECONOMIC MEANS TO RISE FROM POVERTY.

Activity M - Expand Job Opportunities with Border Companies

- GOAL:
- Provide comprehensive training to 10,000 persons .
 - Place 10,000 persons in permanent jobs with border companies .

If NAFTA is implemented, the employment base in the border area can be expected to grow over the next several years. Colonia and barrio residents should be trained and placed in those jobs as they become available. The job training needs to be comprehensive and targeted. The training should include English and Spanish language literacy, GED, and college credit where appropriate. The training should be targeted to real present and future jobs as determined by quality research and projections. Placements should be targeted to companies with quality work environments and opportunities for advancement.

- The Texas Department of Commerce, in cooperation with the Border Community Development Commission, will develop and provide start up funds for micro economic development programs including small retail operations to permit residents to establish new businesses to serve low income neighborhoods in which they live. The program will link the construction of retail space in the neighborhoods with job skills training programs to reduce the cost of retail space. [see Fiscal Note 34]

- Local infrastructure improvements would also be undertaken to the maximum extent possible with JTPA trained crews. The result would be a "Closed-Loop Program Jobs System" in which public spending for improvements was retained in wages within the barrio or colonia.

- The U.S. Department of Labor will be requested

to expand the JTPA period for program participants with a CETA like public service initiative to provide up to one year of work experience beyond the JTPA training period. [see Fiscal Note 35]

- The Texas Employment Commission (TEC) will establish and support crews of construction workers who graduate from the JTPA self help housing programs. TEC will provide crew leader training in management and paper work. TEC will make job linkages for the crews to public works set asides and private sector opportunities. [see Fiscal Note 36]

- The Border Community Development Commission will coordinate with agencies and local governments to develop public works set aside programs. CDBG, public housing construction and modernization, and other federal programs would set aside labor contracts for program graduates of JTPA self help housing programs. Wage costs would be subsidized with the new CETA type grant which would reduce the cost of providing these important public improvements. The Texas Employment Commission would coordinate notification of jobs availability. [see Fiscal Note 37]

- TEC, Texas Department of Commerce, local JTPA programs will establish training programs with compensation based on job placement performance including number placed, wage and benefit package, and work status of employees after one and two years.

Action Steps to Implement Partnership

This is a list of the actions required to be undertaken to implement the Partnership. Actions are listed under the agency responsible for carrying the action out. In cases where an action must be undertaken by or coordinated with more than one agency, the actions are listed under each agency. The activity of the Partnership

which the action supports is noted in brackets at the end of the action description. In cases where more than one agency is responsible for the action, each agency involved in the action is abbreviated in capital letters at the end of the action statement.

ACADEMIC INSTITUTIONS

1) Establish a management training school for colonia and barrio residents to train them to manage community and worker owned enterprises. *[Activity K] DOL, HUD, ACADEMIC INSTS*

ACTION

1) Assign VISTA workers to assist cooperating nonprofit organizations in organizing qualified community based organizations. *[Activity A]*

2) Establish a Mentor program which will match persons with extensive business experience with the appropriate community enterprises. *[Activity K]*

ALL AGENCIES

1) All participating agencies appoint a member and cooperate with the Border Community Development Commission in its role as a policy coordinating body with responsibility for housing, community and economic development for low income people on the border. *[Activity A]*

BORDER COMMUNITY DEVELOPMENT BANK

1) Provide that qualified and participating nonprofit organizations develop in their local communities 5,000 new lots for sale to low income families. These lots would be located in subdivisions with proper infrastructure and would be sold at prices affordable to very low income families. Lots would be financed through loans from the Border Community Development Bank. *[Activity I] BCDC, BCDB, FMHA*

BORDER COMMUNITY DEVELOPMENT COMMISSION

1) Engage professional "public interest developers" who will assume responsibility for application for funds for development of missing infrastructure in colonias and barrios participating in the Partnership. *[Activity A]*

2) Secure legislation to grant private litigants a private cause of action allowing them to file individual law suits against developers who sell lots in unrecorded subdivisions. *[Activity B] LEG, GOV, BCDC*

- 3) Amend the Contract of Sale statute to prohibit developers who have purchased property on a contract for sale from dividing the property and reselling it on a contract for sale. *[Activity B]*
- 4) Grant counties the power of ordinance making authority and the ability to establish enforceable building codes. *[Activity B]*
- 5) Require deed of trust conversion of contracts for deeds with 50% equity and require accounting and statements. Permit OAG enforcement of these contracts. *[Activity B]*
- 6) Require the recording of all contracts for deed with the county clerk. *[Activity B]*
- 7) Expand the local and state efforts to document the location and needs of low income communities in the border region. *[Activity C]*
- 8) Assess the capacity of local nonprofit delivery mechanisms and target special technical and organizing assistance to underserved areas. *[Activity C]*
- 9) Based on a needs analysis of colonia and barrio conditions a resource allocation plan would be prepared for each of these low income communities. *[Activity C]*
- 10) Survey the needed infrastructure to include paving, drainage and provide overall community planning. *[Activity D]*
- 11) Work with the state and local governments to incorporate the needs of the colonias and barrios identified through the comprehensive planning process in the state's and local communities' annual CDBG Final Statements. *[Activity D] BCDC, TDHCA*
- 12) EDAP funds should be made available through the Border Community Development Bank grant for a program to provide technical assistance training at the colonia level for groups of colonia residents who want to "owner install" alternative and on-site sewage facilities using self help approaches. *[Activity D]*
- 13) Make an application to the Office of Community Services of the U.S. Department of Health and Human Services, the Rural Development Administration of the U.S. Department of Agriculture, the state's Community Development Block Grant program (CASA), and the Consumer and Utility Assistance Division of the Texas Water Commission for funding to assign additional non-profit, contracted rural community assistance coordinators. *[Activity D] BCDC, HHS, RDA, WC, TDHCA*
- 14) Engage professional "public interest developers" who will assume responsibility for application for and development of missing infrastructure in colonias and barrios participating in the Partnership. *[Activity D]*
- 15) Coordinate water and sewer improvements with housing refinance and other community development and improvements. *[Activity D]*
- 16) Work with qualified community based organizations to identify twenty communities to be targeted for comprehensive renewal over the three year period. *[Activity E]*
- 17) The process of identifying the communities to be targeted for comprehensive renewal would be coordinated with the office of the Attorney General. *[Activity E] BCDC, OAG*
- 18) Cooperate to identify, assess and plan abatement of environmental hazards within targeted neighborhoods and colonias. *[Activity F] BCDC, EPA*
- 19) Develop and publish an affordable housing needs estimate for the border area. *[Activity G]*
- 20) Promote innovative housing delivery models by surveying housing approaches which have been undertaken along the border. Publish a description of these innovative approaches including the funding sources along with contact persons in the implementing organizations. *[Activity G]*

21) All FmHA 514/516 and 515 projects should be built by owner-builder JTPA graduates trained through the programs of the Partnership.

Establish a regular meeting with housing providers serving colonias to work out problems in bringing FmHA housing assistance to the area. *[Activity G] FMHA, BCDC*

23) The areas where new subdivisions would be developed would be approved and prioritized through the planning process of the Border Community Development Commission. *[Activity I]*

25) Loans would be combined into a single pool by the Border Community Development Bank. Local groups would be provided with one set of criteria for obtaining a subdivision development loan. *[Activity I]*

27) Work closely with Maquilador firms and other border companies to encourage them to purchase goods and services from colonia and barrio enterprises. *[Activity L]*

29) Coordinate with agencies and local governments to develop public works set aside programs. CDBG, public housing construction and modernization, and other federal programs would set aside labor contracts for program graduates of JTPA self help housing programs. Wage costs would be subsidized with the new CETA type grant which would reduce the cost of providing these important public improvements. The Texas Employment Commission would coordinate notification of jobs availability. *[Activity M]*

22) Provide that qualified and participating nonprofit organizations develop in their local communities 5,000 new lots for sale to low income families. These lots would be located in subdivisions with proper infrastructure and would be sold at prices affordable to very low income families. Lots would be financed through loans from the Border Community Development Bank. *[Activity I] BCDC, BCDB, FMHA*

24) Support the recycling of unused lots in urban barrios through a program which would allow participating nonprofit organizations to acquire these lots into a "land bank." These new subdivisions can be developed with financing through low interest loans made available by the Border Community Development Bank and the FmHA Sec. 523 loan fund *[Activity I] HUD, BCDC*

26) Establish special revolving loan funds and grant programs to capitalize community enterprises. *[Activity K] TDOC, SBA, BCDC*

28) Develop and provide start up funds for micro economic development programs including small retail operations to permit residents to establish new businesses to serve low income neighborhoods in which they live. *[Activity M] TDOC, BCDC*

CONGRESS

1) Both the state and federal governments must allocate additional funds so that all families have access to water and safe wastewater disposal and treatment facilities by no later than 1996. *[Activity D] GOV, CONG, LEG*

3) Low Income Housing Tax Credits should be reformed through federal legislation to allow the state to "cash out" a portion of its available credits. *[Activity G]*

2) Provide \$150,000,000 each year for five years in expanded mortgage revenue bond authority for new mortgage loans, home improvement loans and to refinance mortgages and land sales contracts. *[Activity G]*

4) FmHA must be reoriented from a farmer's assistance agency to a rural assistance agency. *[Activity G] CONG, FMHA*

5) Increase the state's funding allocation for the FmHA Housing Preservation Grant program. *[Activity G] FMHA, CONG*

6) Actively pressure the FmHA state office to fully utilize the state's low-income and very-low-income housing allocations. *[Activity G] GOV, CONG*

7) Hold a Congressional hearing on the underutilization of funds by FmHA in Texas. *[Activity G]*

8) Amend the Mortgage Revenue Bond rules to permit colonias residents to better utilize the program. *[Activity H]*

FANNIE MAE

1) Provide a secondary market for colonia refinance loans and new home construction loans written on the basis of the new flexible underwriting criteria set out in Activity H. *[Activity H]*

GOVERNOR

1) Establish the Border Community Development Bank under the Texas Department of Housing and Community Affairs. *[Activity A] GOV, TDHCA*

2) Streamline enforcement provisions of the model subdivision ordinance to encourage local enforcement efforts. *[Activity B] LEG, GOV, OAG*

3) Study the adoption of a model building code for the border area which will include standards for houses built in unincorporated areas. This study should be developed in cooperation with low income residents of the affected areas. *[Activity B] TDHCA, GOV, LEG*

4) Regions should have the authority to establish wastewater management districts and/or zones where necessary. These districts would be empowered to assist in the development and maintenance of public and private wastewater treatment facilities within the district or zone. *[Activity D] GOV, LEG, WDB*

5) Authorize additional water and wastewater bonds to fully fund required infrastructure identified by Water Development Board Survey. *[Activity D] GOV, LEG*

6) A program, modeled after the Texas Water Development Board's EDAP Program, should be created to provide loans and grants for street and drainage improvements. *[Activity D] GOV, LEG*

7) Adopt a law requiring developers to provide adequate streets and drainage facilities in order for subdivisions to be platted. *[Activity D] GOV, LEG*

8) Revise the Urban Renewal Statute to grant condemnation powers to county governments to deal with worst case colonias. *[Activity E] GOV, LEG*

9) Stop aerial spraying of pesticides in urban areas, rural residential areas, and near schools and playgrounds. *[Activity F] GOV, LEG*

10) Implement legislation to require all counties to provide solid waste management services to all persons in the county and to permit the assessment of fees for the service. *[Activity F] GOV, LEG*

11) Fund a human health risk assessment program for environmental exposure to water borne pollutants. *[Activity F] EPA, LEG, GOV*

12) Fund a Texas Border Monitoring Program that coordinates point source discharges, nonpoint sources and ambient water quality monitoring. *[Activity F] EPA, LEG, GOV*

13) Allow local option use of the 1/2 cent sales tax by counties and cities for low income housing production and rehabilitation. *[Activity G] GOV, LEG*

14) Permit local option the use of the bed tax for low income housing. *[Activity G] GOV, LEG*

15) The Housing Trust Fund should be funded at a \$30 million per year level to allow it to fully leverage all available funds. *[Activity G] GOV, LEG*

16) Establish and fund a Rural Rental Housing Authority with a specific mandate to implement housing efforts to meet the unmet housing needs of residents living in areas not served by a public housing authority. *[Activity G] GOV, LEG*

RESOLUTION TRUST CORPORATION

1) Transfer of all suitable RTC owned properties to public agencies or nonprofit organizations. *[Activity G]*

TEXAS ATTORNEY GENERAL

1) Provide assistance to local prosecuting attorneys who file enforcement actions against unscrupulous developers and serve as a resource to those attorneys. Continue to take an active role in filing actions against developers in EDAP counties and give priority to those types of consumer protection cases. *[Activity B]*

2) Streamline enforcement provisions of the model subdivision ordinance to encourage local enforcement efforts. *[Activity B] LEG, GOV, OAG*

3) Develop a public education campaign about contracts for deed through Legal Services Organizations and the Attorney General's Office. *[Activity H]*

TEXAS COMPTROLLER'S OFFICE

1) Provide audits of government programs to identify underutilized resources. *[Activity C]*

2) Review the application and funding procedures of the state EDAP program to make recommendations for ways of infrastructure development can be accelerated along the border. The state should adopt a time line for the flow of projects from initial application to completion of construction and projects should be tracked in terms of this optimal time line to identify additional resource needs and program barriers to prompt implementation. *[Activity D]*

3) Results of an annual performance review of FmHA Texas housing assistance programs conducted by state government should be made public. *[Activity G]*

TEXAS DEPARTMENT OF COMMERCE

1) Fund a Low Income Economic Research and Development Center to develop products and assist firms in establishing manufacturing processes. Texas A&M, UT, and Texas A&I will loan faculty to the Center. The Center will be cooperatively owned by the community and worker-owned enterprises. *[Activity K] TDOC, SBA, RDA*

2) Fund the operation of a micro-enterprise development program and capitalize a micro-enterprise revolving loan fund. *[Activity L] TDOC, SBA, and RDA*

3) Fund entrepreneurship training programs and small business technical assistance and training programs. Develop a venture capital and revolving loan fund to provide financing to existing and start-up businesses owned and operated by colonia and barrio residents. *[Activity L] TDOC, SBA, and RDA*

4) Fund business incubators to provide low-cost nurturing environments for new and young barrio and colonia businesses. *[Activity L] TDOC, SBA, and RDA*

5) Establish training programs with compensation based on job placement performance including number placed, wage and benefit package, and work status of employees after one and two years. *[Activity M] TEC, TDOC*

TEXAS DEPARTMENT OF HEALTH

- 1) Collect and analyze data on air quality. *[Activity F] DOH, HHS*
- 2) Collect and analyze data on pesticide use on both sides of the border. *[Activity F] DOH, HHS*
- 3) Collect and analyze data on treated drinking water available in cities. *[Activity F] DOH, HHS*
- 4) Establish a birth defect register. *[Activity F] DOH, HHS*
- 5) Collect clinical screening data on workers and residents to determine the extent of environmental and occupational health problems occurring on both of the lower Rio Grande. *[Activity F] DOH, HHS*
- 6) Survey border residents and medical records in order for epidemiologists to document the extent of diseases, such as certain types of cancer, birth defects, and respiratory problems that are occurring at unusually high rates. *[Activity F] DOH, HHS*
- 7) Establish three or more environmental centers—one in the El Paso area, one in the Brownsville-McAllen area, and one in the Laredo area. These environmental centers should be community-based with boards that include local residents, health care providers, and environmentalists. The role of the Environmental Centers would include:
 - to undertake environmental and health investigations,
 - to coordinate the work of various institutions and investigators,
 - to establish a data base and library of environmental and health information collected for the area, and
 - to work with local government, industry, agriculture, workers, and residents to devise strategies for eliminating environmental hazards and gaining broad public support for these efforts. *[Activity F] DOH, HHS*
- 8) Access to health care for low-income persons living in colonias and barrios needs to be improved. *[Activity F] DOH, HHS*
- 9) Fund pilot projects to demonstrate methods of eliminating environmental hazards. The design and implementation of these projects should be done by local community organizations. When possible, such programs should be combined with training and employment programs for border residents. Environmental education programs, directed at workers, industry, and the medical community, as well as the general public should be included as part of the effort to eliminate environmental hazards. *[Activity F] DOH, EPA*
- 10) Stringently enforce existing laws concerning disposal of hazardous wastes and clean up contaminated areas. *[Activity F] DOH, EPA*
- 11) Stop outdoor burning of wastes and agricultural burning, including burning of sugar cane. *[Activity F] DOH, EPA*
- 12) Reduce hazardous emissions from industrial sources on both sides of the border. Strict enforcement of existing laws is needed on the U.S. side of the border. In addition, efforts need to be made to improve enforcement in Mexico and possibly to enact new international agreements that deal with border areas. *[Activity F] DOH, EPA*

TEXAS DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION

- 1) Carry out a study of street and drainage needs of low income barrios and colonias in the border area, develop cost estimates and identify funding sources to address those needs. *[Activity D]*

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

1) Establish the Border Community Development Bank under the Texas Department of Housing and Community Affairs. *[Activity A] GOV, TDHCA*

3) Study the adoption of a model building code for the border area which will include standards for houses built in unincorporated areas. This study should be developed in cooperation with low income residents of the affected areas. *[Activity B] TDHCA, GOV, LEG*

5) CDBG funds, particularly new, one time funds made available under any economic stimulus packages should be prioritized for infrastructure and housing. The programs funded with CDBG funds should require the use of workers trained under the self help programs of the Partnership. *[Activity D] HUD, TDHCA*

7) Academic institutions, the nonprofit community and private architects should collaborate to design simple, cost effective and low maintenance housing plans and make these plans available free of charge to owner-builders in the border region. *[Activity G]*

Government's role should consist of providing seed funds, sponsoring design competitions to develop new housing designs and technologies, and producing a "how to build manual." *[Activity G]*

9) Target tax credits to FmHA 515 projects in the area which serve families rather than exclusively elderly populations. *[Activity G]*

11) Pledge CDBG loan repayments for credit enhancement for twenty years. *[Activity G]*

13) Model designs for low cost owner-builder homes which meet FHA or FmHA standards would be available free of charge through Owner-Builder Housing Resource Centers. *[Activity G] TDHCA, HUD, FMHA*

15) Identify multifamily projects subject to FmHA or HUD mortgage prepayment and provide technical support to nonprofits to intervene. *[Activity G] HUD, FMHA, TDHCA*

2) Provide \$3,000,000 in capacity building assistance to nonprofit groups and community organizations each year for five years through the state housing trust fund. *[Activity A]*

4) Allocate housing resources to the area through the Comprehensive Housing Assistance Plans and the proposed State Housing Plan. Work with the State and local governments to set annual housing productions and rehabilitation goals consistent with the overall goals proposed in the Partnership. *[Activity C]*

6) The CHAS development process should provide for adequate public hearings in the border region prior to the development of the annual housing goals and after draft proposed goals are developed to allow affected low income people, housing authorities, community action agencies and nonprofits the opportunity to speak to local needs. *[Activity C]*

8) Increase the capacity on the part of local housing sponsors to apply for and utilize the available federal housing funds by providing capacity building grants through the state housing trust fund. *[Activity G]*

10) Route \$15,000,000 each year through the state housing trust fund to provide equity grants and low interest loans through the Border Community Development Bank. *[Activity G]*

12) Owner-Builder Housing Resource Centers would be established in each county and operated by cooperating nonprofits. *[Activity G] HUD, FMHA, TDHCA*

14) Tool lending libraries would be established through Owner-Builder Housing Resource Centers. *[Activity G] TDHCA, HUD, FMHA*

16) Create programs that would explicitly encourage the programmatic linkage of Department of Labor job training funds and federal housing resources. *[Activity G] TDHCA, HUD, FMHA, DOL*

17) Require all CDBG programs in the border region to contract with JTPA graduates to construct the public improvements. *[Activity K] TDHCA, HUD*

18) Assign priority in the State's CDBG allocation in the Jobs Stimulus package to the Border Community Development Bank for development grants. Allocate additional portions of the State's regular allocation each year for a border housing and micro economic development partnership. *[all activities]*

TEXAS LEGISLATURE

1) Streamline enforcement provisions of the model subdivision ordinance to encourage local enforcement efforts. *[Activity B] LEG, GOV, OAG*

2) Study the adoption of a model building code for the border area which will include standards for houses built in unincorporated areas. This study should be developed in cooperation with low income residents of the affected areas. *[Activity B] TDHCA, GOV, LEG*

3) Regions should have the authority to establish wastewater management districts and/or zones where necessary. These districts would be empowered to assist in the development and maintenance of public and private wastewater treatment facilities within the district or zone. *[Activity D] GOV, LEG, WDB*

4) A program, modeled after the Texas Water Development Board's EDAP Program, should be created to provide loans and grants for street and drainage improvements. *[Activity D] GOV, LEG*

5) Adopt a law requiring developers to provide adequate streets and drainage facilities in order to have subdivisions platted. *[Activity D] GOV, LEG*

6) Authorize additional water and wastewater bonds to fully fund required infrastructure identified by Water Development Board Survey. *[Activity D] GOV, LEG*

7) Revise the Urban Renewal Statute to grant condemnation powers to county governments to deal with worst case colonias. *[Activity E] GOV, LEG*

8) Stop aerial spraying of pesticides in urban areas, rural residential areas, and near schools and playgrounds. *[Activity F] GOV, LEG*

9) Implement legislation to require all counties to provide solid waste management services to all persons in the county and to assess fees for the service. *[Activity F] GOV, LEG*

10) Fund a human health risk assessment program for environmental exposure to water borne pollutants. *[Activity F] EPA, LEG, GOV*

11) Fund a Texas Border Monitoring Program that coordinates point source discharges, nonpoint sources and ambient water quality monitoring. *[Activity F] EPA, LEG, GOV*

12) Allow local option use of the 1/2 cent sales tax by counties and cities for low income housing production and rehabilitation. *[Activity G] GOV, LEG*

13) Permit local option use of the bed tax for low income housing. *[Activity G] GOV, LEG*

14) The Housing Trust Fund should be funded at a \$30 million per year level to allow it to fully leverage all available funds. *[Activity G] GOV, LEG*

15) Establish and fund a Rural Rental Housing Authority with a specific mandate to implement housing efforts to meet the unmet housing needs of residents living in areas not served by a public housing authority. *[Activity G] GOV, LEG*

TEXAS EMPLOYMENT COMMISSION

1) Assign staff to coordinate the public works jobs program with available JTPA trained workers. *[Activity K]*

2) Establish and support crews of construction workers who graduate from the JTPA self help housing programs. TEC will provide crew leader training in management and paper work. TEC will make job linkages for the

3) Establish training programs with compensation based on job placement performance including number placed, wage and benefit package, and work status of employees after one and two years. *[Activity M] TEC, TDOC*

crews to public works set asides and private sector opportunities. *[Activity M]*

TEXAS OFFICE OF STATE-FEDERAL RELATIONS

1) Take lead responsibility for identifying underutilized federal resources. *[Activity B]*

TEXAS WATER COMMISSION

1) Provide design criteria review of proposed low technology wastewater disposal demonstration projects within 30 days. The Texas Water Commission should monitor and sample effluent from the test projects intensively over a period of two years. *[Activity D]*

2) Through the Consumer and Utility Assistance Division of the Texas Water Commission, the Rural Development Administration (USDA) through its training and technical assistance grants program, and the Office of Community Services (U.S. Dept. of HHS) through its Community Services Block Grant Discretionary Authority, should fund the establishment of three temporary (non-profit) Colonias Infrastructure Development Support Teams along the border. *[Activity D] WC, RDA, HHS*

TEXAS WATER DEVELOPMENT BOARD

1) Require reporting of waivers granted by the county of water and sewage requirements. Report enforcement actions taken by local prosecutors and report on funds budgeted by the county for enforcement actions. *[Activity B]*

2) The survey of colonias should be expanded to include colonias missed in the original survey that lack water and wastewater facilities so that accurate cost estimates and data is available for planning purposes. *[Activity D]*

3) The process for EDAP fund application should include provisions to involve community organizations in the planning process. *[Activity D]*

4) Jointly establish a \$200,000 yearly grant program to provide technical assistance training at the colonia level for groups of colonia residents who want to "owner install" alternative and on-site sewage facilities using self help approaches. *[Activity D] WDB, RDA*

5) Regions should have the authority to establish wastewater management districts and/or zones where necessary. These districts would be empowered to assist in the development and maintenance of public and private wastewater treatment facilities within the district or zone. *[Activity D] GOV, LEG, WDB*

6) Government must provide training and capacity building for the management of the water and wastewater utilities. *[Activity D] RDA, WDB*

7) Jointly provide funding for ten test low technology wastewater disposal projects using various technologies. *[Activity D] WDB, EPA*

8) Require the establishment of a \$500,000 loan/grant fund from the \$50 million grant awarded to the Texas Water Development Board to provide on-site wastewater treatment facilities (i.e. septic tanks) in colonias and make the funds available for projects assisted by a non-profit contractor. *[Activity D] EPA, WDB*

U.S.D.A., FARMERS HOME ADMINISTRATION

- 1) Texas should utilize the state's entire allocation of low-income and very-low-income FmHA loan funds. *[Activity G]*
- 2) Credit worthiness standards used in evaluating the repayment ability of low income families should consider past performance in making rental payments and resolving other financial obligations. *[Activity G]*
- 3) FmHA staff, and those in county offices in particular, should make concerted efforts to learn about the needs for improved housing among farm workers in their areas. *[Activity G]*
- 4) Establish housing lending goals for county and district FmHA offices based on housing need in the area and include performance in meeting these goals in the evaluation of county office and district office performance. *[Activity G]*
- 5) Simplify and streamline the FmHA loan application process to make it more accessible to potential borrowers with limited technical ability. *[Activity G]*
- 6) Set up a demonstration program to provide 502 loans for colonias residents monitored out of the national office. *[Activity G]*
- 7) Establish easier credit qualifications for borrowers seeking 502 loans of less than \$20,000. *[Activity G]*
- 8) Provide for refinancing contracts for deed under 502 and permit payment history under a contract for deed to establish credit worthiness. *[Activity G]*
- 9) Provide 502 loan packaging contracts to nonprofit groups serving colonias. *[Activity G]*
- 10) Issue rules authorizing payment for packaging of Section 502 loans. *[Activity G]*
- 11) Allow 502 loan servicing contracts with nonprofit housing developers. *[Activity G]*
- 12) Expedite consideration of additional self help applications in colonias areas. *[Activity G]*
- 13) Speed up elimination of the subdivision approval process. *[Activity G]*
- 14) Repeal the credit history rules published in FY 1991. *[Activity G]*
- 15) Maintain a log of housing loan inquiries with information concerning the borrowers race, sex, name and address and nature of inquiry. *[Activity G]*
- 16) Establish an aggressive education program to train county and district personnel on housing issues in rural areas in consultation with qualified nonprofit organizations such as the Housing Assistance Council. *[Activity G]*
- 17) Establish evaluation and monitoring standards to ensure such efforts take place and provide training to FmHA employees. *[Activity G]*
- 18) Substantially increase the funding levels for FmHA farm labor housing and rural rental housing and establish defined and measurable targets (set-asides) for directing resources to meeting housing needs of farm workers in colonia areas. *[Activity G]*
- 19) Permit greater access to FmHA rural rental housing by income-eligible farmworkers where FmHA farm labor housing does not exist. *[Activity G]*
- 20) Establish and enforce a timetable for reviewing completed funding preapplications for Section 514/516 housing similar to that already in place for Section 515 housing. *[Activity G]*
- 21) Complete the final rule authorizing Housing Preservation Grants for rehabilitation of renter-occupied housing. *[Activity G]*
- 22) Funding for Rental Assistance must increase to match the need for rental subsidies among farm working families who earn incomes nearly always too low to cover costs required to develop and operate even the most modest multi-family housing. *[Activity G]*
- 23) Encourage the development of FmHA 514/516 farm labor housing and 515 rural rental housing development through provision of predevelopment grants to
- 24) Require approval of actual prepayment of multiple

family housing loans be made in the FmHA national office. *[Activity G]*

25) Provide a priority, where weighted points are equal, to Section 515 applicants who agree not to seek guaranteed portfolio. *[Activity G]*

27) Implement access to tenant files in the AMAS computer system to address concerns which exist on the possible racial discrimination by some operators of 515 rental projects.. FmHA has no record of Section 515 tenant information since 1985, a violation of Section 562 of the Housing and Community Development Self Help Program support\$1,000,000

29) Commit to fund the construction of five Section 514/ 516 Farm Labor housing projects in the border region cooperating nonprofits. *[Activity G] HUD, FMHA, TDHCA*

31) Model designs for low cost owner-builder homes which meet FHA or FmHA standards would be available Owner-Builder Housing Resource Centers. *[Activity G] TDHCA, HUD, FMHA*

33) Increase the state's funding allocation for the FmHA support to nonprofits to intervene. *[Activity G] HUD, FMHA, TDHCA*

35) Donate any units owned by HUD, FmHA, or VA training funds and federal housing resources. *[Activity G] TDHCA, HUD, FMHA, DOL*

U.S.D.A., RURAL DEVELOPMENT ADMINISTRATION

1) Reassess the Water and Wastewater Disposal Program and target the limited program funds to the neediest communities. RDA should establish an objective of streamlining the time and paper work required to secure assistance under the program. RDA should develop an application guidebook and provide for groups of colonia residents who want to "owner install" alternative and on-site sewage facilities using self help approaches. *[Activity D] WDB, RDA*

equity loans after year 20. *[Activity G]*

26) Permit the use of excess reserves pre-December 21, 1979 Section 515/518 projects be used as incentives to retain these projects in the FmHA low-income Act of 1987. *[Activity G]*

28) Commit the following yearly allocation of FmHA funds for the next three years to the border region: *[Activity G]*
Section 502 funds\$35,000,000
Section 504 funds\$25,000,000
Section 515 funds\$25,000,000
Loans for subdivision development\$20,000,000
each year for three years. *[Activity G]*

30) Owner-Builder Housing Resource Centers would be established in each county and operated by free of charge through Owner-Builder Housing Resource Centers. *[Activity G] TDHCA, HUD, FMHA*

32) Tool lending libraries would be established through Housing Preservation Grant (Sec. 533) program. *[Activity G] FMHA, CONG*

34) Identify multifamily projects subject to FmHA or HUD mortgage prepayment and provide technical valued at less than \$35,000 to participating nonprofit organizations. *[Activity G] HUD, VA, FMHA*

36) Create programs that would explicitly encourage the programmatic linkages of Department of Labor job

financial assistance to communities during the lengthy application process to reimburse consultants and cover other expenses. *[Activity D]*

2) Jointly establish a \$200,000 yearly grant program to provide technical assistance training at the colonia level

3) Government must provide training and capacity building for the management of the water and wastewater utilities. *[Activity D] RDA, WDB*

4) Through the Consumer and Utility Assistance Division of the Texas Water Commission, the Rural Development Administration (USDA) through its training and technical assistance grants program, and the Office of Community Services (U.S. Dept. of HHS) through its Community Services Block Grant Discretionary Author-

ity, should fund the establishment of three temporary (non-profit) Colonias Infrastructure Development Support Teams along the border. *[Activity D] WC, RDA, HHS*

5) Fund a Low Income Economic Research and Development Center to develop products and assist firms in establishing manufacturing processes. Texas A&M, UT, and Texas A&I will loan faculty to the Center. The Center will be cooperatively owned by the community- and worker-owned enterprises. *[Activity K] TDOC, SBA, RDA*

6) Fund a Low Income Economic Research and Development Center to develop products and assist firms in establishing manufacturing processes. Texas A&M, UT, and Texas A&I will loan faculty to the Center. The Center will be cooperatively owned by the community- and worker-owned enterprises. *[Activity K] TDOC, SBA, RDA*

7) Fund the operation of a micro-enterprise development program and capitalize a micro-enterprise revolving loan fund. *[Activity L] TDOC, SBA, and RDA*

8) Fund entrepreneurship training programs and small

U.S. DEPT. OF COMMERCE, SMALL BUSINESS

~~ADMINISTRATION~~ assistance and training programs, and develop a venture capital and revolving loan fund to provide financing to existing and start-up businesses owned and operated by colonia and barrio residents. *[Activity L] TDOC, SBA, and RDA*

1) Fund business incubators to provide low-cost nurturing environments for new and young barrio and colonia businesses. *[Activity L] TDOC, SBA, and RDA*

3) Fund entrepreneurship training programs and small business technical assistance and training programs, and develop a venture capital and revolving loan fund to provide financing to existing and start-up businesses owned and operated by colonia and barrio residents. *[Activity L] TDOC, SBA, and RDA*

2) Fund the operation of a micro-enterprise development program and capitalize a micro-enterprise revolving loan fund. *[Activity L] TDOC, SBA, and RDA*

4) Fund business incubators to provide low-cost nurturing environments for new and young barrio and colonia businesses. *[Activity L] TDOC, SBA, and RDA*

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

1) Through the Consumer and Utility Assistance Division of the Texas Water Commission, the Rural Development Administration (USDA) through its training and technical assistance grants program, and the Office of Community Services (U.S. Dept. of HHS) through its Community Services Block Grant Discretionary Authority, should fund the establishment of three temporary (non-profit) Colonias Infrastructure Development Support Teams along the border. *[Activity D] WC, RDA, HHS*

3) Collect and analyze data on pesticide use on both sides of the border. *[Activity F] DOH, HHS*

5) Establish a birth defect register. *[Activity F] DOH, HHS*

7) Survey border residents and medical records in

2) Collect and analyze data on air quality. *[Activity F] DOH, HHS*

4) Collect and analyze data on treated drinking water available in cities. *[Activity F] DOH, HHS*

6) Collect clinical screening data on workers and residents to determine the extent of environmental and occupational health problems occurring on both of the lower Rio Grande. *[Activity F] DOH, HHS*

8) Establish three or more environmental centers—one in the El Paso area, one in the Brownsville-McAllen area, and one in the Laredo area. These environmental centers should be community-based with boards that include local residents, health care providers, and environmentalists. The role of the Environmental Centers would include:

- to undertake environmental and health investigations,

order for epidemiologists to document the extent of diseases, such as certain types of cancer, birth defects, and respiratory problems that are occurring at unusually high rates. [Activity F] DOH, HHS

9) Access to health care for low-income persons living in colonias and barrios needs to be improved. [Activity F] DOH, HHS

- to coordinate the work of various institutions and investigators,
- to establish a data base and library of environmental and health information collected for the area,
- to work with local government, industry, agriculture, workers, and residents to devise strategies for eliminating environmental hazards and gaining broad public support for these efforts. [Activity F] DOH, HHS

be prioritized for infrastructure and housing. The programs funded with CDBG funds should require the use of workers trained under the self help programs of the

U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

1) CDBG funds, particularly new, one time funds made available under any economic stimulus packages should

Partnership who are residents of the affected areas. [Activity D] HUD, TDHCA

per year in the region. [Activity G]

4) Expand the number of Public Housing Authority units & modernize existing units using JTPA Owner-Builder

6) Model designs for low cost owner-builder homes which meet FHA or FmHA standards would be available free of charge through Owner-Builder Housing Resource

8) Identify multifamily projects subject to FmHA or HUD mortgage prepayment and provide technical support to nonprofits to intervene. [Activity G] HUD, FMHA,

10) Create programs that would explicitly encourage the programmatic linkages of Department of Labor job training funds and federal housing resources. [Activity

12) Establish a management training school for colonia and barrio residents to train them to manage community and worker owned enterprises. [Activity K] DOL, HUD, ACADEMIC INSTS

funds and federal housing resources. [Activity G] TDHCA, HUD, FMHA, DOL

2) There is a need for substantially more JTPA authority

2) Fund 3,000 additional public housing units each year in the region. [Activity G]

3) Provide 10,000 incremental Section 8 certificates graduates. [Activity G]

5) Owner-Builder Housing Resource Centers would be established in each county and operated by cooperating nonprofits. [Activity G] HUD, FMHA, TDHCA Centers. [Activity G] TDHCA, HUD, FMHA

7) Tool lending libraries would be established through Owner-Builder Housing Resource Centers. [Activity G] TDHCA, HUD, FMHA TDHCA

9) Donate any units owned by HUD, FmHA, or VA valued at less than \$35,000 to participating nonprofit organizations. [Activity G] HUD, VA, FMHA G] TDHCA, HUD, FMHA, DOL

11) Require all CDBG programs in the border region to contract with JTPA graduates to construct the public improvements. [Activity K] TDHCA, HUD

U.S. DEPARTMENT OF LABOR

1) Create programs that would explicitly encourage the joint application of Department of Labor job training

to be transferred to the border region. [Activity J]

3) Provide JTPA work experience funds for self help housing and literacy training. Fund 12,000 positions per year. [Activity J]

- 4) Provide a new CETA type work experience program to extend job experience time for JTPA program graduates and use this to supplement the cost of labor on infrastructure projects. *[Activity K]*
- 6) Expand the JTPA period for program participants with a CETA like public service initiative to provide up to one year of work experience beyond JTPA training period. *[Activity M]*

- 5) Establish a management training school for colonia and barrio residents to train them to manage community and worker owned enterprises. *[Activity K] DOL, HUD, ACADEMIC INSTS*

U.S. ENVIRONMENTAL PROTECTION AGENCY

- 1) Jointly provide funding for ten test low technology wastewater disposal projects using various technologies. *[Activity D] WDB, EPA*

- 2) Require the establishment of a \$500,000 loan/grant fund from the \$50 million grant awarded to the Texas Water Development Board to provide on-site wastewater treatment facilities (i.e. septic tanks) in colonias and make the funds available for projects assisted by a non-profit contractor. *[Activity D] EPA, WDB*

be combined with training and employment programs for border residents. Environmental education programs, directed at workers, industry, and the medical community, as well as the general public, should be

- 3) Pilot projects should be funded and implemented to demonstrate methods of eliminating environmental hazards. The design and implementation of these projects should be done by local community organizations. When possible, such programs should be included as part of the effort to eliminate environmental hazards. *[Activity F] DOH, EPA*

posal of hazardous wastes and clean up contaminated areas. *[Activity F] DOH, EPA*

- 4) Stringently enforce existing laws concerning dis-

- 5) Stop outdoor burning of wastes and agricultural burning, including burning of sugar cane. *[Activity F] DOH, EPA*

on both sides of the border. Strict enforcement of existing laws is needed on the U.S. side of the border. In addition, efforts need to be made to improve enforcement in Mexico and possibly to enact new

- 6) Reduce hazardous emissions from industrial sources international agreements that deal with border areas. *[Activity F] DOH, EPA*

- 8) Fund a Texas Border Monitoring Program that coordinates point source discharges, nonpoint sources and ambient water quality monitoring. *[Activity F] EPA, LEG, GOV*

- 7) Fund a human health risk assessment program for environmental exposure to water borne pollutants. *[Activity F] EPA, LEG, GOV*
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U.S. VETERANS ADMINISTRATION

- 1) Donate any units owned by HUD, FmHA, or VA valued at less than \$35,000 to participating nonprofit organizations. *[Activity G] HUD, VA, FMHA*