

HOUSE RESEARCH ORGANIZATION

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focus report

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Colonias Legislation: History and Results

Since the late 1980s, the Texas Legislature has enacted a series of bills and resolutions to resolve problems associated with the development of colonias. This report reviews the legislative history of colonias over the past 10 years, focusing on the substance and intent of major pieces of legislation. It also looks at evaluations of the effectiveness of these measures and reviews ideas for future colonia legislation.

The word *colonia* means “neighborhood” in Spanish. Texans use it to describe low-income communities in unincorporated subdivisions that lack paved roads and basic services such as water, wastewater treatment, and electricity. The Texas Water Development Board estimates that there are 1,500 colonias in Texas with an estimated population of 400,000. Almost all colonias are located in counties bordering Mexico, and the vast majority of colonia residents are Hispanic. The 1990 U.S. census reported that 85 percent of colonia residents are U.S. citizens or legal residents. Nearly 43 percent of colonia residents live below the poverty level, while 42 percent of adults have not received an education beyond the ninth grade.

Colonias have existed along the Texas-Mexico border for many decades. They have increased significantly in number since the beginning of the *maquiladora* program in 1962. That program, established by the Mexican government to bring manufacturing jobs to the country’s northern frontier, led to large-scale migration of Texans and Mexicans to the border region to look for work.

Colonias formed when new arrivals in Texas’ border cities could not locate affordable housing. Land developers who saw the demand for new housing bought land outside city limits, where regulations and standards for residential development were minimal or nonexistent. Families bought unserviced, subdivided lots from developers under contracts for deed (CFDs), an alternative form of land financing used in rural areas. The down payment and monthly payments under a CFD are less expensive than under a mortgage. However, the seller retains legal title to the land until the buyer pays the full price. Until very recently, the seller could reclaim the land and any improvements on it in the event of late payment without going through formal foreclosure.

Colonia families live in inexpensive, prefabricated trailers or build their own homes using cheap, locally available materials. These homes often do not meet common health and safety standards. To entice families to buy lots, many colonia developers promised to install basic services at a later date but never fulfilled those promises. The lack of services has led to serious threats to the health and safety of the residents of colonias and of surrounding areas. The rates of infectious diseases resulting from the lack of adequate sewage treatment are especially high. Colonias also lack schools, garbage collection, fire protection, and emergency medical services.

During the 1980s, colonias began to attract attention from policy-makers because of efforts by local community activists, the encroachment of colonias upon border-city limits, and an increasing national focus on the border region due to Mexico’s entry into the General Agreement

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on Tariffs and Trade. Reports emerged during this time comparing the dangerous health and safety conditions in colonias to those found in developing countries.

Since 1989, the Texas Legislature has enacted several major laws related to colonias. These laws have focused on two major goals: delivering water and wastewater services to colonia residents to attend to their immediate health and safety concerns and stopping the proliferation of colonias through tougher enforcement of development standards. A third goal, important but less articulated, is to educate colonia residents on their rights as homeowners and to help them improve the physical and contractual conditions under which they live.

Efforts thus far have received mixed evaluations. State legislative attention to colonias over the past 10 years has produced tangible improvements for some colonia residents, but the majority of residents continue to live in unsanitary conditions. There has been substantial criticism of the manner in which some state agencies have implemented colonia-related legislation. The agencies note that the prospects for quick and easy solutions have always been low, given the scale and complexity of the problems facing colonia residents. However, the agencies report significant progress in many areas after a slow start.

Water and Wastewater Service

Before 1987, the state government was not involved in providing water and wastewater services to colonias. The enactment of **SB 585** in 1987 authorized the Texas Water Development Board (TWDB) to provide grants and loans for water and wastewater services to residents in economically distressed areas. TWDB funded only one no-interest loan with this authority, which did not come with financing to support new grants or loans. A new funding source was needed to provide water and wastewater services to colonias on a large scale.

Senate Bill 2 (1989)

SB 2 created the Economically Distressed Areas Program (EDAP) to provide water and wastewater services to colonia residents who could not afford them. It authorized TWDB to issue \$100 million in general-obligation bonds, subject to voter approval of a constitutional amendment, to invest in local bonds issued by cities, counties, and water-supply corporations. The law made these local entities responsible for submitting proposals for water and wastewater service projects. Applicants for EDAP funds must be in a county that borders Mexico or in a county that has income levels 25 percent below the state average and unemployment levels 25

percent above the state average. Colonias are eligible if at least 80 percent of the lots were occupied as of September 1, 1989.

SB 2 also required counties and cities to adopt Model Subdivision Rules (“model rules”) to make applicants in those counties and cities eligible for EDAP funding. State agencies developed the model rules on the basis of guidelines provided in the legislation. These guidelines require strict safety and sanitary standards for the provision of water and wastewater services. They require water and wastewater services to be installed for any new rural residential subdivision. Developers must install such services before seeking final plat approval, or else provide a bond or other financial guarantee to cover the cost of service provision in case they are unable to fulfill their obligation.

Texas voters in November 1989 approved **SJR 5**, a constitutional amendment that authorized \$500 million in general-obligation bonds for water projects statewide. The amendment reserved 20 percent of the bonds, or \$100 million, for colonia projects as authorized by **SB 2**. In 1991, the Legislature adopted and voters approved **SJR 34** to increase to 50 percent the total percentage of **SJR 5** money dedicated to colonias. This increased the total bond funds for EDAP to \$250 million. The same year, **HB 2318** authorized TWDB to use an additional \$20 million in bonds for EDAP projects and \$9 million in general revenue for EDAP project planning and research.

Other laws related to provision of water and wastewater service

In 1991, enactment of **SB 818** established the Colonia Plumbing Loan Program to offer low-interest loans to colonia residents for individual home hookups to water and wastewater systems and for indoor plumbing improvements. The U.S. Environmental Protection Agency provides funding for this program.

In 1993, **HB 997** raised the maximum grant-to-loan ratio for EDAP projects from 75 percent to 90 percent. Entities receiving EDAP funds now would have to repay a maximum of 10 percent of the funds instead of 25 percent. The law also encouraged the formation of regional projects to seek EDAP funds for greater efficiency, and lowered the EDAP occupancy requirement for colonias to 50 percent for funding requests that were part of a regional project.

In 1995, **HB 2875** allowed EDAP projects to continue to receive funding even if the counties where they were located became ineligible after the application was submitted. Counties could lose their eligibility for EDAP funds if they were not on the border and their unemployment or per-capita income figures improved beyond the limits set by **SB 2**.

Commonly Used Terms in Texas Law

Colonia

The only definition of *colonia* in Texas statutes is found in the Government Code, sec. 2306.581(1), relating to the determination of eligibility for the use of self-help centers. It defines a colonia as a geographic area in a county that has some part located within 150 miles of the Texas-Mexico border and that meets the following criteria:

- a majority of the population is classified as low-income and very low-income as determined by the federal Office of Management and Budget;
- it qualifies as an economically distressed area (see below); and
- it has the “physical and economic characteristics of a colonia” as determined by the Texas Water Development Board (TWDB).

The Texas Department of Housing and Community Affairs also uses this definition to determine eligibility for other Community Development Block Grant programs. The agency uses a slightly broader definition to determine eligibility for contract-for-deed education under SB 336, which enlarges the affected area to 200 miles from the Texas-Mexico border and includes incorporated areas with fewer than 5,000 people.

Economically Distressed Area

Three sections of the Water Code define an economically distressed area in terms of eligibility for EDAP funds. Sec. 15.001(11)(A) defines an economically distressed area as “an area in which water supply or sewer services are inadequate to meet minimal needs of residential users as defined by [TWDB] rules and in which financial resources are inadequate to provide water supply or sewer services that will satisfy those needs.” Subheading (11)(B) also defines an area as economically distressed if it meets criteria for and receives federal funding designated for colonias.

Sec. 16.341(2)(C) narrows the definition to areas in which 80 percent of the dwellings were occupied as of June 1, 1989. Under Sec. 17.921(1)(C), the occupancy requirement drops to 50 percent if “common or regional facilities” are involved in providing services in conjunction with state financial assistance.

Model Subdivision Rules (“model rules”)

Current law lists no specific set of model rules. Water Code, sec. 16.343, created by SB 2 in 1989 and amended by subsequent legislation, establishes guidelines for what the model rules in EDAP-eligible counties must contain. The model rules must:

- assure availability of adequate drinking-water supply and sewer facilities in compliance with health and environmental standards;
- prohibit the establishment of lots of five acres or less without adequate water and wastewater services;
- prohibit the construction of more than one detached single-family house per lot; and
- establish distances by which houses must be set back from roads or property boundaries.

State agencies developed specific model rules for counties based on these guidelines, and TWDB printed the rules for distribution. Counties were required to incorporate these rules into their subdivision regulations, either to obtain EDAP funding or to comply with HB 1001 requirements. Some cities voluntarily adopted the rules specifically to obtain EDAP funds.

Since enactment of SB 2, some guidelines suggested in the Water Code have been incorporated in other parts of the code. For example, some platting requirements for HB 1001 counties in Local Government Code, subchapter B, sec. 232.023 are variations on the model rules enforced in EDAP counties. These requirements sometimes are mistakenly called “model subdivision rules” even though they did not originate from SB 2.

Evaluations of water and wastewater service provision

Since 1989, more than 41,000 residents in 69 colonias have benefitted from water and wastewater projects completed through EDAP. TWDB estimates that another

111,000 residents will receive services through projects already under construction or approved, and an estimated 130,000 residents could receive services through projects in the planning stages. The board hopes to approve all final plans by 2001 and estimates that construction on all projects will be complete by 2006.

The development of EDAP-funded projects has been slower than anticipated. Advocates for colonia residents have criticized TWDB for failing to ensure prompt, high-quality service delivery by local governments and engineering companies. They say that conflicts between water-supply jurisdictions over service areas have led to lengthy delays and inconsistent quality, while TWDB has been unwilling or unable to resolve such conflicts. Furthermore, in the colonias that received services, many residents could not afford individual home hookups to water and wastewater systems funded by EDAP. Although TWDB has required mandatory home hookups for EDAP participants since 1995, colonia advocates contend that the board has not provided enough financial assistance for residents who cannot afford hookups.

In response, TWDB officials have noted many inherent difficulties in implementing such a vast program from scratch. They say that problems with interpreting and enforcing the model rules, combined with the lack of expertise and initiative at the local level in applying for EDAP funds, have contributed to the slow start of the program. A 1996 interim report by the Senate International Relations, Trade, and Technology Committee agreed with these assessments, and also identified the board's statutory inability to initiate programs as an obstacle to timely service delivery.

The completion rate for EDAP projects has improved dramatically in the past few years. Furthermore, in February 1999, TWDB announced its intention to allocate about \$10 million of federal money for individual home hookups through the Colonia Wastewater Treatment Assistance Program. This should lead to noticeable improvements in the lives of many colonia residents as EDAP runs its course. However, colonia advocates note that the program will not have enough funds to serve at least 100,000 colonia residents currently not on schedule to receive services. TWDB has no plans to ask for additional funding for water and wastewater services in colonias.

Stopping Colonia Proliferation

SB 2 established a functional mechanism for funding water and wastewater service projects in colonias. However, the law did not succeed in stopping colonia proliferation. The Legislature enacted new laws to enhance the enforcement capabilities of state and local governments. The most important measures to stop the proliferation of colonias were enacted through HB 1001 in 1995.

House Bill 1001 (1995)

HB 1001 made several changes to the laws on the enforcement of Model Subdivision Rules. It amended the Local Government Code to regulate subdivisions in "affected counties," defined as counties within 50 miles of an international border and that meet EDAP income and unemployment criteria. The law required affected counties to apply the model rules to residential subdivisions of four or more lots outside the extraterritorial jurisdictions (ETJs) of cities, regardless of whether an affected county had EDAP applicants located within its boundaries. It also prohibited sales in affected counties of subdivided lots that lack water and wastewater services and are not platted according to the model rules, except by a resident or a purchaser under contract. This prohibition includes unsold lots in existing colonias.

The law added new requirements for rural residential subdivisions in these counties. Subdividers must describe in detail, in English and Spanish, how and when they intend to provide water and wastewater services. Their plats must be certified by a registered surveyor or engineer to ensure that water and wastewater services will meet model-rule standards and that sufficient drainage will be provided. The law prohibited the connection of water and wastewater services to rural residential subdivisions not platted according to the new requirements. It also prohibited delivery of natural gas and electric service to subdivisions without water and wastewater services.

HB 1001 strengthened the enforcement power of the Office of the Attorney General (OAG) over model-rule violations through specific provisions in the Local Government Code and increased the civil and criminal penalties for violating model-rule ordinances. The law strictly limited counties' authority to grant exemptions to the subdivision laws. It authorized the OAG to bring suit in Travis County to reduce the state's litigation costs and to avoid local prejudices. The law toughened the conflict-of-interest provisions for participation in subdivision matters by commissioners court members, prohibited developments in recognized flood plains, and authorized individual lot buyers to sue a developer who did not deliver services in the time and manner promised.

Other laws related to stopping colonia proliferation

In 1991, enactment of **SB 1189** required that all new subdivided lots of five acres or less must comply with the model rules, an increase from the previous threshold of one acre or less.

In 1993, **HB 2079** authorized counties to solicit the help of the OAG in enforcing state health and safety laws related to nuisance violations and on-site sewage facilities. The law also allowed the OAG to request injunctions against violations of county subdivision rules in established developments and to sue for damages when violations occurred after the effective date of the law. In 1993, Attorney General Dan Morales created a colonias “strike force” and initiated a number of lawsuits and injunctions against developers for violating subdivision rules. In 1994, the OAG also brought suit against Maverick County for not enforcing state subdivision laws.

In 1995, **SB 542** authorized counties to cancel approved subdivision developments filed before September 1, 1989, upon clear demonstration that no attempt to develop the land had occurred since 1989.

In 1997, state lawmakers enacted **SB 570**, requiring counties more than 50 miles from the international border, yet eligible for EDAP funds under unemployment and income measures, to adopt several provisions of HB 1001 and the Model Subdivision Rules. These provisions include requirements for engineer certification of plats and financial guarantees for water and wastewater services in new rural residential subdivisions, as well as the prohibition against providing services to unplatted or improperly platted lots. This law closed an unintentional loophole created by HB 1001, which did not mandate these provisions for EDAP-eligible counties outside the border region.

Also in 1997, **SB 1512** permitted certain colonia residents to apply for utility services even if their colonia had not been platted and certified to comply with the Model Subdivision Rules. Eligible residents must have bought their property before September 1, 1995, and begun building a home before May 1, 1997.

Evaluations of efforts to stop colonia proliferation

The OAG believes that HB 1001 effectively has stopped new colonia developments in counties affected by the law. These counties now have enforcement authority similar to that of home-rule municipalities over development standards. The law enhanced the enforcement capabilities of the OAG and county authorities through increased penalties, clearer authority to prosecute for model-rule violations, and the ability to bring suit in Travis County. Strict enforcement of the platting laws and the model rules is necessary, in the opinion of the OAG, to prevent unscrupulous developers from exploiting loopholes as they have done in the past.

The OAG also acknowledges difficulties in interpreting the law’s requirements. For example, cities and counties along the border have disputed who is responsible for enforcing the model rules within municipal ETJs. The OAG has found it necessary to hold meetings in border areas to let local governments and residents know who is responsible for enforcing development standards in a given area. The law’s limited area of effect prevents mandatory enforcement of some platting requirements in EDAP-eligible counties outside the border region, as well as in some border counties.

Colonia advocates note that the prohibition against providing any services to noncompliant subdivisions has hampered the ability of colonia residents to improve their living conditions. Before HB 1001, colonia residents could obtain gas and electric services even if they did not have water and wastewater services. A fundamental problem with HB 1001 among advocates is the attempt to impose legal restrictions on service delivery without providing additional resources to help colonia residents comply with restrictions and improve their standard of living. The exceptions to the prohibition of utility hookups under SB 1512 were welcome, they say, but were not sufficient to address the problem.

Education and Assistance

Three major laws enacted in 1995 were designed to improve the well-being of colonia residents through education and assistance with contracts for deed (CFDs). The Texas Department of Housing and Community Affairs (TDHCA) is primarily responsible for implementing these measures.

CFD conversion

HB 2726 instructed TDHCA to convert CFDs held by colonia residents into mortgages. The intent was to allow residents to earn equity on their lot payments and to give them greater security against losing their homes. The law authorized the issuance of \$20 million in tax-exempt bonds for fiscal 1996 and 1997 to finance the conversions.

TDHCA has not implemented the CFD conversion program authorized by HB 2726. The agency said it could not issue the necessary bonds because of lack of investor interest in the rate of return and because it could not find an adequate loan servicer. The project finally developed by the agency in 1996 was rejected by the Bond Review Board. After the failure of the program, a rider was attached to the General Appropriations Act for fiscal 1998-99 that required TDHCA to spend at least \$4 million to convert at least 400 CFDs.

Colonia advocates have criticized TDHCA for failing to implement the program and have questioned the agency's commitment to resolving problems in colonias over the past four years. The agency acknowledges past problems with this issue and has resolved to implement a successful conversion program of its own. Since October 1998, it has completed 29 CFD conversions at a cost of more than \$500,000 and has allocated more than \$5 million to convert 451 contracts before April 2000.

Consumer information on CFDs

SB 336 required developers who used CFDs in EDAP counties within 200 miles of the international border to provide written information in English and Spanish to buyers regarding their contracts. The information provided must include the financial terms of the agreement and an annual accounting sheet listing how much has been paid on the property and how much is still owed. The law also required developers to register all CFDs with the county clerk. If a buyer has paid at least 40 percent of the value of the property or made at least 48 consecutive payments, the seller cannot cancel the contract for one missed payment. SB 336 also required TDHCA to develop a program to educate consumers on property contract transactions.

The information requirements created by SB 336 have helped many colonia residents understand their rights as property buyers. The law has reformed the elements of the CFD most susceptible to abuse by unscrupulous developers, especially the provision that prevents the cancellation of a contract after 40 percent of the purchase price has been paid. TDHCA's Office of Colonia Initiatives notes that the use of CFDs has declined significantly in counties affected by SB 336, according to informal contacts with developers.

TDHCA has trained more than 1,150 colonia residents, developers, educational institutes, local government officials, and justices of the peace on CFDs, at a cost to the agency of \$80,000. It also has established links with nonprofit organizations to improve its educational outreach. These parties are expected to continue the educational process throughout colonia communities. However, colonia advocates worry about the potential for large-scale noncompliance by developers, especially given the lack of monitoring and enforcement efforts by state and local governments. They also are concerned that the provision requiring developers to provide annual financial statements is not being applied to contracts in force before the effective date of SB 336, leaving the majority of colonia residents without such information.

Self-help centers

SB 1509 called for TDHCA to establish five self-help centers in specific colonias in Cameron, Hidalgo, Starr, Webb, and El Paso counties, with the option to establish centers in other colonias in future years. The centers would help educate colonia residents on how to build and maintain houses safely, how to obtain loans and grants for housing, and how to obtain improvements in utility services and infrastructure. TDHCA now administers these centers in cooperation with advisory committees of colonia residents.

As of April 1999, TDHCA had spent more than \$4.3 million to finance the five self-help centers mandated by SB 1509. Colonia advocates point to the centers in Cameron and Hidalgo counties as successful centers that are integrated into the communities they are supposed to serve. They also note that the other centers have not developed as successfully and are of limited value to nearby residents.

Colonia advocates have criticized TDHCA for mismanaging the legislative directive of SB 1509 because of the unequal development of the self-help centers. The agency notes that the rapid development of the Cameron and Hidalgo centers is linked to relatively better conditions in the colonias in these counties, including greater access to water and wastewater services. The agency is working to improve the effectiveness of the less successful centers and intends to allocate an additional \$4.4 million in federal funds to the program over the next two years.

Prospects for Future Policy Changes

A number of proposals would affect the future direction of colonias policy.

Accountability

Secretary of State Elton Bomer and others have recommended actions to promote greater accountability in providing water and wastewater services and to improve enforcement measures against colonia proliferation. Proposals for the 1999 legislative session include:

- stationing ombudsmen in six EDAP counties to ensure that colonia residents' needs are met efficiently;
- requiring monthly progress reports to TWDB from entities that use EDAP money;
- authorizing TWDB to participate in the engineering and contracting process for EDAP projects to ensure

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State and Federal Funding Sources

The following describes the major sources of funding to implement the legislative policies discussed in this report. Dollar amounts listed for programs may include funds that have been allocated but not yet spent.

The **Economically Distressed Areas Program (EDAP)**, administered by the Texas Water Development Board (TWDB), has received nearly \$600 million in state and federal funds since 1989. (See table below.) State funds for EDAP come from \$250 million in general-obligation bonds approved under SJR 5 and SJR 34 and from \$29 million in bonds and general revenue authorized by HB 2318. Most of these funds may be used only to install water and wastewater systems.

The **Colonia Wastewater Treatment Assistance Program (CWTAP)** is a line item in the federal budget that allocates federal funds for colonias. TWDB has allocated \$300 million in CWTAP funds to EDAP projects since 1993. Until 1999, CWTAP funds could be used only to install wastewater systems. The renewal of the federal line item for fiscal 1999 and 2000 permitted the use of funds to install water systems and to hook up individual homes to water and wastewater systems. CWTAP funds may be used in colonias within 100 kilometers (62 miles) of the Texas-Mexico border.

The **Colonia Plumbing Loan Program (CPLP)**, also administered by TWDB, was funded by a one-time \$15 million appropriation from the U.S. Environmental Protection Agency. It provides low-interest loans to colonia residents for individual home hookups to water and wastewater systems and for home plumbing

improvements. As of 1998, about \$4.6 million of the loans had been spent. CPLP funds are available to EDAP-eligible counties and cities that have adopted the Model Subdivision Rules for EDAP and that have adopted water emergency and drought contingency plans in accordance with federal regulations.

The Texas Department of Housing and Community Affairs (TDHCA) administers federal **Community Development Block Grants (CDBG)** for colonia programs. Ten percent of CDBG funds are set aside for installation of water and wastewater systems, individual home hookups, and affordable housing construction and renovation, and 2.5 percent of the funds are set aside for self-help centers. Eligible projects must be located in counties within 150 miles of the Texas-Mexico border that are not part of a metropolitan area with more than 1 million inhabitants. Total CDBG funding allocated to colonias since 1990 is \$38.6 million, including \$8.7 million for self-help centers.

The **Contract for Deed Conversion** program, administered by TDHCA, has received about \$5 million in state and federal funds since 1997. TDHCA has contributed \$2.5 million of this amount in taxable mortgage revenue funds.

Congress established the **HOME** program to aid the creation of affordable housing. Grants are available for people at or below 80 percent of the average median family income for their area. TDHCA has allocated \$2.5 million of HOME funds to colonia residents to refinance contracts for deed since 1998.

Status of EDAP Construction Projects

(dollar amounts in millions, estimates in italics)

Project status	Number	Amount spent for planning and construction	Number of colonias served	Population served
Completed	19	\$ 70.2	69	41,601
Under construction	13	113.6	169	61,889
Committed to plans	20	125.0	146	49,168
Total approved	52	\$308.8	384	152,658
Planning grants awarded	38	\$282.7	642	130,556
Total projected	90	\$591.5	1,026	283,214

Source: Texas Water Development Board, *EDAP Project Status Report*, January 31, 1999.

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- timely, high-quality service delivery;
- requiring OAG investigators to spend time in the field to identify noncompliance with the Model Subdivision Rules; and
- granting border counties the option of establishing planning commissions to review and approve subdivision plats.

Exemptions and minimum standards

Colonia advocates, supported by the secretary of state, want the Legislature to permit limited exemptions to the Model Subdivision Rules to allow colonia residents to receive utility services and perform self-help improvements without a plat. They believe that the strict development codes created by HB 1001 often are an impediment to improving the lives of colonia residents. They say the codes should be waived in specific cases where the residents clearly would benefit, as long as the OAG has the power to reject any proposed exemptions.

Dr. Peter Ward of the University of Texas at Austin has proposed adoption of a new set of temporary minimum standards for colonia development. The purpose of these minimum standards is to facilitate less expensive home construction and service provision without violating health

and safety standards. The minimum standards are needed, Ward says, to increase population densities in colonia settlements. According to Ward, this would improve the development of social infrastructure, including local businesses and schools, and would lower the per-unit cost of providing water and wastewater service.

Root causes of colonias

Some observers would like to change the policy focus to address the root causes of colonia development, such as poverty, low levels of education, rapid population growth, and the lack of affordable housing. In last year's *Bordering the Future* report, the Comptroller's Office recommended increasing the supply of new housing that low-income residents can afford through publicly funded incentives to make affordable home construction profitable to private builders. TDHCA has requested \$750,000 to develop a plan for building 40,000 homes along the border, which would meet 40 percent of the estimated need for affordable housing in the region. Measures to improve economic and educational opportunities also are recommended to address the needs of an underskilled and underemployed border population.

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