

**BIG  
IDEAS**

CHILDREN IN THE SOUTHWEST

# Commissioning Youth

Addressing Housing and Child  
Welfare in the Colonias Region

by

**Moises Loza, Executive Director  
Stefani Cox, Research Assistant**

Housing Assistance Council



**FIRST FOCUS**

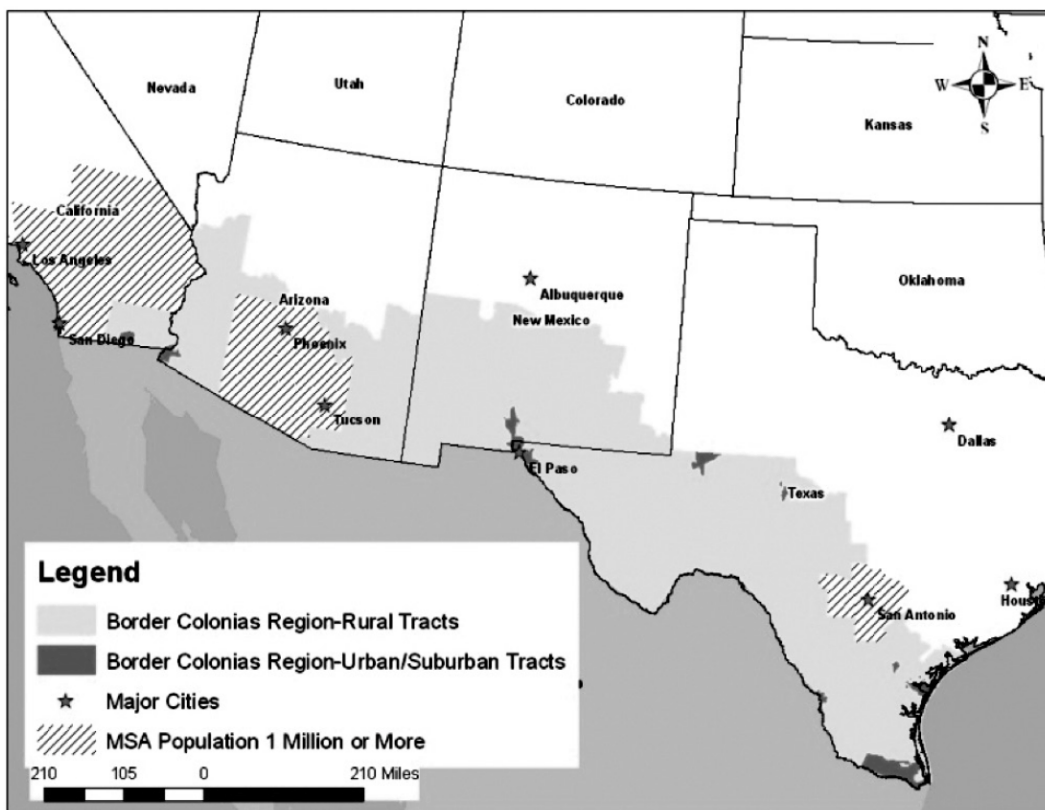
*MAKING CHILDREN & FAMILIES THE PRIORITY*

The American Southwest is distinct from the rest of the nation through a number of characteristics, such as climate, population demographics, and community settlement patterns. Within the greater Southwest lies another distinct geographic area, the colonias region. The colonias region is a predominantly rural area along the U.S.-Mexico border that experiences high rates of poverty in comparison to the rest of the U.S., as well as concerns with housing infrastructure, credit, and housing quality. The region is predominantly Hispanic, and has a higher percentage of youth than the nation overall.

A home is the foundation of family life, and poor housing conditions can have a strong, negative impact on the lives of children. These impacts are particularly strong in the colonias region, which has a history of housing and infrastructure struggles. To address these issues, we recommend the creation of a Colonias Regional Commission, to leverage resources and help facilitate improved housing conditions for families and children within the region.

## The Colonias Region

For the purposes of this article the colonias region is identified by the Cranston-Gonzalez National Affordable Housing Act of 1990. According to this definition, colonias are “any identifiable community (i.e., with defined boundaries) within 150 miles of the United States-Mexico border in Arizona, California, New Mexico and Texas, that was in existence before November 28, 1990, excluding metropolitan statistical areas with populations exceeding one million.”<sup>1</sup> (see Map 1).



Map 1. The Border Colonias Region and Rurality

The colonias region has a higher percentage of children than the nation as a whole. Within the region, 29.2 percent of the population is under age 18, while in the U.S. overall only 24.0 percent of the population is under 18.<sup>ii</sup> Because the region has a higher percentage of youth, social and economic factors pertaining to youth should play a prominent role in area politics and policy decisions. Policies that generally act in favor of family wellbeing should be advanced, since policies that act to improve family welfare in the region will also work toward the best interests of youth.

## Housing and Infrastructure in the Colonias Region

The colonias region has long struggled with housing and infrastructure difficulties. In Texas, the state with the largest colonia land area, colonias developed mainly through the contract-for-deed system beginning in the 1950s.<sup>iii</sup> Under this system, real estate owners sold parcels of undeveloped land at low-cost to poor, often immigrant, households and individuals flocking to the region. Many homebuyers in the colonias have bad or no credit combined with low access to traditional bank financing, making seller-financing the only alternative. Borrowers obtain no equity through the contract-for-deed system, as land ownership remains with the seller until the total purchase price, often including a high rate of interest, is paid.<sup>iv</sup> Contract-for-deed land parcels often had little or no access to water/sewer systems or electricity. Frequently houses were constructed on these land parcels in a portion-by-portion manner, as each year a household saved enough money to add on to the lot. Thus, in many cases, housing in colonias was developed through incremental growth rather than under a comprehensive development plan.



Dona Ana County, New Mexico (2010)

Other colonias states have a different development history than Texas. While colonias in Texas proliferated due to poor land regulation and tend to consist almost entirely of a Hispanic population, colonias in California are typically older, more ethnically diverse settlements that have deteriorated over time.<sup>v</sup> Regardless of their formation process, colonias across all states share similar housing difficulties:

- **Infrastructure.** Housing units within the colonias are more than twice as likely to lack complete plumbing as homes in the U.S. overall.<sup>vi</sup> Other infrastructure challenges within the colonias include lack of electricity and paved roads.<sup>vii</sup> Many colonias were developed on less-desired land, often within floodplains<sup>viii</sup>, meaning that housing in these regions are frequently subjected to environmental hazards that contribute to unsafe, unsanitary conditions and rapid deterioration. Such physical instability in a home is challenging to a child, both emotionally and in regards to health.
- **Crowding.** Crowded living conditions for a family mean less individual space for a child to sleep or conduct activities such as homework. Within the colonias region, household crowding (defined as having more than one person per room) is much more common than rates of crowding nationwide. In the U.S. overall, only 3.1 percent of units are crowded, while in the colonias region, over twice as

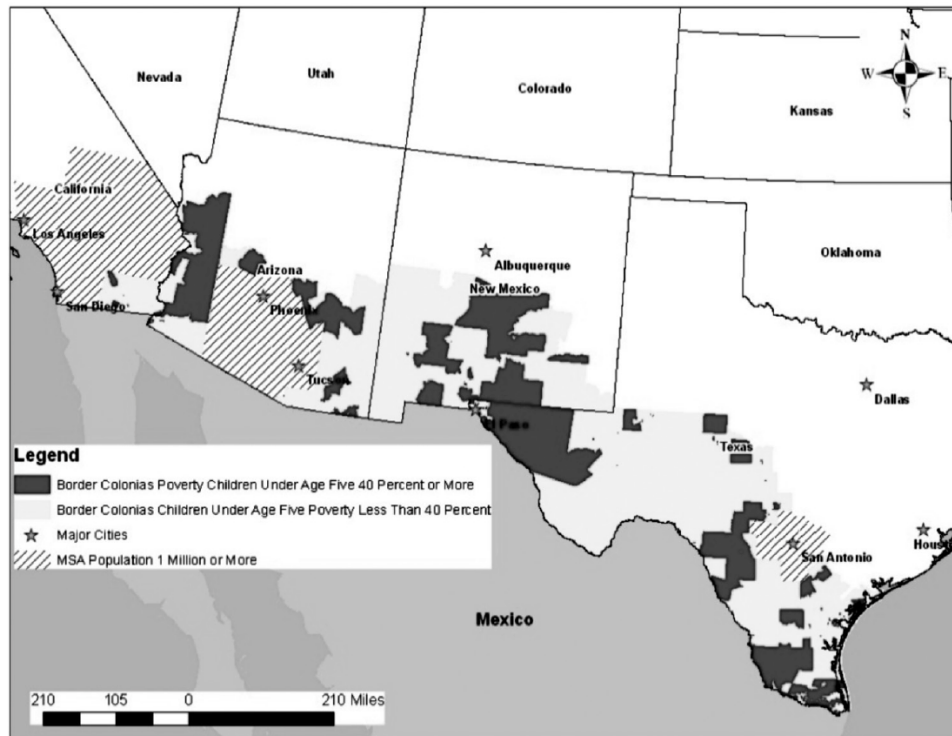
many homes are crowded, at 7.1 percent. Among minorities in the colonias, the crowding rate is even higher, at 10.2 percent.<sup>ix</sup>

- **Housing Instability.** It is difficult to estimate how widespread the contract-for-deed lending system is within the colonias region due to the relative anonymity of the process, but it has certainly had a large impact on colonia development. Contract-for-deed lending can seem attractive to homebuyers because it may allow them to access credit when they otherwise would not be able to qualify for a loan. However, when a mortgage is not backed by a third-party entity, risk protection is greatly reduced and the potential for shady business practices increases.<sup>x</sup> Even under the best conditions, contract-for-deed financing provides very little support if a buyer begins to default, meaning the entire investment can be lost even after a good payment history. In addition to the risk posed by contract-for-deed lending, homes owned by racial and/or ethnic minorities, especially Hispanic individuals, are more likely to be financed under contract-for-deed than homes owned by non-minorities.<sup>xi</sup> High financial losses through failed contract-for-deed lending can bring instability to both individual families and overall communities.

Research suggests that low-income families face credit difficulties at a higher rate than middle- and upper-class Americans,<sup>xii</sup> and the colonias region is no exception. Studies of the Texas border area have noted a prevalence of erratic incomes and a mistrust of traditional financial institutions<sup>xiii</sup> which, along with fewer financial opportunities in rural areas,<sup>xiv</sup> may be a factor in pushing residents into subprime lending options. In contrast to traditional financial sources, subprime lenders may offer services that do not require financial documentation,<sup>xv</sup> and that seem more accommodating of erratic forms of income.

Subprime lending is a risky venture for families with children. While these loans may seem appealing at the outset, they are frequently accompanied by high fees and confusing penalties that trap borrowers.<sup>xvi</sup> Subprime loans can strain the financial resources of a family to the breaking point.

Poverty is an underlying contributor to most colonia housing issues. Youth in the colonias region are much more likely to be poor than their counterparts in the nation as a whole. Families within the colonias region are twice as likely to have a child in poverty as families in the U.S. overall.<sup>xvii</sup> Map 2 below shows that a large percentage of colonias regions have under age 5 poverty rates of over 40 percent. Such high poverty rates at such an early age must be addressed.



Map 2. Under 5 Poverty Rate in the Colonias Region

## A Colonias Commission

In consideration of the myriad housing and poverty challenges throughout the colonias, youth in the region would be well served by the development of a Colonias Regional Commission. A regional commission is a governmental, multi-jurisdictional planning entity that seeks to promote socioeconomic wellbeing within its area. The Appalachian Regional Commission (ARC) is an example of an interstate regional commission currently in existence. Other examples of interstate regional commissions have included the Lower Mississippi Delta Development Commission and the Four Corners Regional Commission. Commissions do not have a particular political affiliation, and thus serve as a forum for cross-sector and cross-political collaboration.

Regional commissions typically have several community development goals. For instance, the ARC's focus areas include community infrastructure, asset-based development, and health, among several others.<sup>xviii</sup> The regional nature of the commission allows for area key players and commission members to identify the most pressing yet geographically relevant socioeconomic issues.

An examination of ARC's impact shows that commissions have a large potential to positively impact the lives of youth. Children's welfare is an intersectional issue, influenced wherever a policy or program aims to impact family social and economic wellbeing. Infrastructure improvements that enable the head of a family to get to work more efficiently, or business initiatives that enable that person to work for better pay will positively impact children in the family through increased financial resources for necessities such as food, healthcare,

and clothing. One evaluation of 32 ARC-funded water and sewer projects found that the activities created 6,966 new jobs, and retained 7,160 jobs.<sup>xix</sup> As such, while past commissions may not have specifically had a children’s focus area, they have all done important work of improving child wellbeing.

Connections have been made throughout the past few decades indicating a correlation between certain aspects of the built environment and physical and mental health.<sup>xx</sup> Housing conditions are particularly extreme in the colonias region where a large proportion of residents are children. With these factors in mind, a central component of any proposed Colonias Regional Commission would be a youth program area to address the specific concerns and needs of this vulnerable population. While a commission’s strengths lie in being able to solve problems from an intersectional standpoint, having a specific youth program area will help ensure that children’s needs are at the forefront of all discussions and policy decisions.

The youth program area should actively seek youth participation. A variety of avenues could allow for such participation. For instance, the commission could have a council of youth to formulate policy ideas and evaluate policy proposals. The commission could also seek youth participation through focus groups about critical issues such as transportation-oriented development, housing financing, and access to quality education and health resources. As much as parents, advocacy groups, and government officials can be well-informed about youth issues, there is no replacement for direct youth voices from their daily living experiences.

### The YouthBuild Example

The U.S. Department of Labor runs an innovative program called YouthBuild USA that the Colonias Regional Commission should seek to incorporate into its structure. YouthBuild recruits low-income and at-risk youth as active participants in improving their communities through community development work and education.

YouthBuild’s website shows low activity within the border area, indicating that the colonias region could serve to benefit from such program resources. The Colonias Regional Commission should seek to host a region-wide YouthBuild program, sponsored through local nonprofit organizations and specifically targeted to improving poor housing conditions in the area.

(For more information, see: <https://youthbuild.org/>)

## A Powerful Potential for Change

A colonias regional commission could impact change in the area through several important types of activities:

- **Financial support.** The commission could garner resources to offer financial support to local initiatives that simply need more funding to be most effective. For example, the commission could target grant or loan money from federal sources to rehabilitate or remodel existing home units. With children’s issues as a central tenant of the commission’s plans, financial support would go toward the programs that benefit families most.
- **Educational resources.** A regional commission could also gather or create educational resources relevant to youth welfare in the colonias region. Because of its interstate nature, the commission would be in a better position than other nonprofit, local government, or private entities to convene leaders across the entire colonias land area. Educational opportunities could include training and technical assistance resources for developers of affordable housing, or credit counseling resources for

community-based groups. Overall, these educational resources should be geared toward helping families improve their housing quality and affordability.

- **Research.** A final key strength of a regional commission would be the ability to initiate and compile targeted youth and family research on the colonias area. The colonias region varies significantly from state to state, yet many commonalities of culture, housing, and poverty issues tie the region together. Much of the colonias research thus far has been developed on a state-by-state basis, while larger-scale, regional analyses have been few and far between. Regional research could help identify more of these commonalities, as well as help shape policy priorities for children in the area.

In performing the types of activities outlined above, the colonias commission and its youth program area should promote certain priorities:

- **Culturally appropriate solutions.** The colonias commission would support culturally appropriate solutions to family housing issues. For example, the Hispanic homeownership rate within the colonias region is 34.2 percent higher than the Hispanic homeownership rate of the nation overall.<sup>xxi</sup> As such, policies that address the overwhelming regional need for quality, affordable homeownership units will be more valuable to youth and their families than policies that focus heavily on rental housing.
- **Supporting local advocacy.** In order to be most effective, a colonias commission would need to recognize and support the already strong local advocacy and empowerment of various colonias communities. For example, community-based nonprofits such as Proyecto Azteca in Texas and Tierra del Sol Housing Corporation in New Mexico, advocate for comprehensive community development that will benefit low-income, minority families. The commission would provide a forum for these well-organized, empowered groups to collaborate, as well as shift the dialogue from a community to a regional level. These community organizations and local government should be a central voice in designing youth policy for the colonias area. Working together can amplify these individual voices into a more powerful force for change. Instead of advocating from the outside-in, a commission would hopefully create an opportunity for already well-organized advocates to incorporate themselves into governmental processes at a broader level.
- **Long-term planning.** Part of the benefit of a commission is the ability to support and develop projects that involve long-term planning. In the day-to-day functioning of many local nonprofit, government, or private organizations it can be difficult to find the time or resources to spend on projects with little short-term payoff, even if the project's long-term benefits align with organization goals. For instance, many affordable housing developers find it challenging to build using the most environmentally-friendly materials and building practices, due to additional initial costs. Such houses



Dona Ana County, New Mexico (2010)

are often more energy efficient in both hot and cold weather, which allows families to save on heating and air conditioning costs over time. These increased savings could potentially lead to a larger percentage of household income being spent on nutritious food, adequate healthcare, and other necessities for healthy child development. A commission could help strategize for and gather the resources to help create more opportunities for “green” building.

- **Long-term funding.** Long-term planning can also facilitate the pursuit of long-term funding that is difficult to leverage at the level of community-based organizations and local government. Multi-year grants and federal funding become more accessible community development sources with a larger entity such as a commission.
- **Current issues.** Foreclosure patterns from the housing crisis showed that national economic disasters can have regional impacts.<sup>xxiii</sup> The institution of a commission could be used in future times of economic distress to rapidly work toward a regional solution, rather than trying to address such large problems on a state-by-state basis.

## The Youth Program Area

Program areas within a commission provide the opportunity to focus on specific regional issues. A youth program area would bring families and children to the forefront of the conversation and could improve youth welfare by addressing some of the most important issues for the younger population in the colonias region:

- **Single-parent families.** The colonias region has a much higher percentage of female-headed households with a child in poverty (52.3 percent) than nationwide (37.5 percent).<sup>xxiii</sup> Addressing poverty in single-parent households may require different strategies than addressing the same issue within two-parent households. Understanding the financial resource and time constraints of single-parenting is crucial for the development and implementation of housing and infrastructure assistance.
- **Mixed-Status Households.** It is impossible to divorce the social and economic landscape of the U.S. colonias region from its proximity to Mexico. Due to immigration patterns and policy, a number of undocumented or mixed immigration status families live in the states that make up the colonias region.<sup>xxiv</sup> Households with one or more members who are undocumented face additional challenges in dealing with housing. Credit is more difficult to obtain when official documentation is unavailable, and without the ability to build up good credit, residents of the region may be tempted to turn to subprime lending alternatives. Additionally, mixed status families may not be eligible for federally funded affordable housing programs. The youth program area could work on initiatives to assist mixed-status families in accessing safe, affordable homeownership and rental options.
- **Multi-lingual families.** English language proficiency and overall literacy rates vary among Latinos. In order to facilitate comprehension of the complicated processes and technical language involved in buying or renting a home, the youth program area should develop a multi-lingual approach to housing counseling and community development, as well as facilitate financial and mortgage literacy.

Through a nuanced understanding of these core family dynamics that arise in the colonias region, the youth program area would embody a powerful potential for change. The unique perspective that youth and their advocates bring of families and their daily challenges would be a source of energy to create and lobby for policies that promote youth and family welfare. With such a perspective, these policies might include alternative home financing models for very-low income families, increased financial literacy opportunities,



and wider availability of multi-lingual resources throughout the rental and homeownership processes. Positive advances with these kinds of policies could lead to improved housing and financial conditions for many families, as well as related improvements in overall child health and wellbeing.

Youth and their advocates would likely also understand that ultimately child well-being is an intersectional issue that requires a cross-sector approach. Some neighborhood-level factors that are not specific to the purchase, rental, or maintenance of housing unit itself must also be addressed. Children and families must have the ability to safely navigate their environment and obtain necessary local support resources in order to stay active and healthy. Thus issues of housing discussed within the youth program area could also lead to broader, beneficial changes in colonia community development.

## A Focus on the Future

This article is meant to serve as an outline for the creation of a Colonias Regional Commission. In reality, the plan for such an undertaking would be far more complicated and require much more in-depth planning. However, we hope that the ideas outlined throughout the paper illustrate a cursory view of what such a commission could look like.

Above all, it is important to remember that the colonias region is a place of optimism for the future, especially among youth. This optimism is central to envisioning change and generating solutions. By making youth, housing, and infrastructure into priorities, the commission would improve the welfare of the greater Southwest and improve living conditions within this region of persistent poverty.

*Photographs taken by HAC staff.*

---

<sup>i</sup> HUD Office of Community Planning and Development Notice. *Guidelines for Administering the State Community Development Block Grant (CDBG) Colonias Set-Aside*. April 17, 2012. Accessed May 21, 2012. <[portal.hud.gov/hudportal/documents/huddoc?id=11-01cpdn.doc](http://portal.hud.gov/hudportal/documents/huddoc?id=11-01cpdn.doc)>.

<sup>ii</sup> HAC tabulations of 2010 Census data.

<sup>iii</sup> Federal Reserve Bank of Dallas. *Texas Colonias: A Thumbnail Sketch of the Conditions, Issues, Challenges, and Opportunities*. Accessed May 21, 2012. <<http://www.dallasfed.org/assets/documents/cd/pubs/colonias.pdf>>.

<sup>iv</sup> Ibid.

<sup>v</sup> Mukhija, Vinit, and Monkkonen, Paavo. *Federal Colonias Policy in California: Too Broad and Too Narrow*. 2006. Accessed May 21, 2012. <<http://content.knowledgeplex.org/kp2/cache/documents/2542/254228.pdf>>.

<sup>vi</sup> HAC tabulations of 2006-2010 American Community Survey (ACS) data.

<sup>vii</sup> State Energy Conservation Office. *Colonias Projects*. Accessed May 21, 2012.

<sup>viii</sup> Federal Reserve Bank of Dallas. *Texas Colonias: A Thumbnail Sketch of the Conditions, Issues, Challenges, and Opportunities*. Accessed May 21, 2012. <<http://www.dallasfed.org/assets/documents/cd/pubs/colonias.pdf>>.

<sup>ix</sup> HAC tabulations of 2006-2010 American Community Survey (ACS) data.

<sup>x</sup> Myslajek, Crystal. Risks and Realities of the Contract for Deed. The Federal Reserve Bank of Minneapolis. January 1, 2009. Accessed June 20, 2012. <[http://www.minneapolisfed.org/publications\\_papers/pub\\_display.cfm?id=4098](http://www.minneapolisfed.org/publications_papers/pub_display.cfm?id=4098)>.

<sup>xi</sup> Ibid.

<sup>xii</sup> Weller, Christian E. *Access Denied: Low-Income and Minority Families Face More Credit Constraints and Higher Borrowing Costs*. August 2007. Accessed May 21, 2012.

<sup>xiii</sup> Texas Department of Housing and Community Affairs. *Home Mortgage Credit Characteristics of Underserved Areas: A State of Texas Market Study*. August 2002. Accessed May 21, 2012. <<http://www.tdhca.state.tx.us/housing-center/docs/02-MktStdy-020903.pdf>>.

- 
- <sup>xiv</sup> Singleton, et al. *Subprime and Predatory Lending in Rural America: Mortgage Lending Practices That Can Trap Low-Income Rural People*. Fall 2006. Accessed May 21, 2012. <<http://www.ruralhome.org/storage/documents/predatoryandsubprime.pdf>>.
- <sup>xv</sup> Texas Department of Housing and Community Affairs. *Home Mortgage Credit Characteristics of Underserved Areas: A State of Texas Market Study*. August 2002. Accessed May 21, 2012. <<http://www.tdhca.state.tx.us/housing-center/docs/02-MktStdy-020903.pdf>>.
- <sup>xvi</sup> Singleton, et al. *Subprime and Predatory Lending in Rural America: Mortgage Lending Practices That Can Trap Low-Income Rural People*. Fall 2006. Accessed May 21, 2012. <<http://www.ruralhome.org/storage/documents/predatoryandsubprime.pdf>>.
- <sup>xvii</sup> HAC tabulations of 2006-2010 American Community Survey (ACS) data.
- <sup>xviii</sup> Appalachian Regional Commission. Accessed May 21, 2012. <<http://www.arc.gov>>.
- <sup>xix</sup> BizMiner/Brandow Company Inc. and EDR Group. *Program Evaluation of the Appalachian Regional Commission's Infrastructure and Public Works Projects*. October 2007. Accessed May 21, 2012. <[http://www.arc.gov/assets/research\\_reports/ProgramEvaluationofARCInfrastructureandPublicWorksProjects.pdf](http://www.arc.gov/assets/research_reports/ProgramEvaluationofARCInfrastructureandPublicWorksProjects.pdf)>.
- <sup>xx</sup> Hood, Ernie. *Dwelling Disparities: How Poor Housing Leads to Poor Health*. *Environmental Health Perspectives* 113(5): A310-A317. May 2005. Accessed May 21, 2012. <<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1257572/>>.
- <sup>xxi</sup> HAC tabulations of 2006-2010 American Community Survey (ACS) data.
- <sup>xxii</sup> RealtyTrac®. *National Real Estate Trends*. Accessed May 24, 2012. <<http://www.realtytrac.com/trendcenter/>>.
- <sup>xxiii</sup> HAC tabulations of 2006-2010 American Community Survey (ACS) data.
- <sup>xxiv</sup> Passel, Jeffrey and Cohn, D'Vera. *Unauthorized Immigrant Population: National and State Trends, 2010*. February 1, 2011. Accessed May 21, 2012. <<http://www.pewhispanic.org/2011/02/01/unauthorized-immigrant-population-brnational-and-state-trends-2010/>>.