

OFFICE OF THE SECRETARY OF STATE
STATE OF TEXAS
and
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
OFFICE OF COLONIA INITIATIVES

COLONIA RESIDENT ADVISORY COMMITTEE
MEETING

11:30 a.m.
Tuesday,
May 23, 2006

1st Floor Conference Room
Hidalgo County Urban County Program
1916 Tesoro Boulevard
Pharr, Texas

PRESIDING:

H.S. BUDDY GARCIA, Deputy Secretary of State

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P R O C E E D I N G S

1
2 MR. MESA: My name is Mike Mesa. I'm the
3 deputy director for the urban county programs. I know
4 there's a lot of important business that needs to be
5 discussed. I just wanted to formally welcome you to our
6 office and tell you that we really appreciate the work and
7 the input that you put forth in addressing some of these
8 issues with the colonias.

9 And please know that our office is always here
10 to assist you in any endeavor that you choose to pursue to
11 better the quality of life in these colonias. So again,
12 thank you.

13 And I apologize that our director's not here
14 today, but she's in commissioner's court right now. But
15 anyway, I hope you have a very productive day, and good
16 luck to you all.

17 MR. GARCIA: Thank you, Mike. Mike, we'll be
18 in contact with you after the recommendations are
19 developed -- with you and the county clerk.

20 MR. MESA: Great.

21 MR. GARCIA: Good morning. My name is Buddy
22 Garcia. I'm the Deputy Secretary of State of Texas. In
23 addition to being the administrators of all voting and the
24 place where all the business and corporate filings are
25 housed, the Secretary of State's office is also, by

1 executive order and by the legislature, authorized to be
2 the coordinators of all border commerce and of colonias.

3 We have a mandate by the legislature to meet
4 with the residents, advisory folks, yourselves, and the
5 Department of Housing and Community Affairs in trying to
6 develop recommendations, which we will in turn deliver to
7 the legislature for their consideration.

8 So as many of you all know, I'm here with the
9 director of the Department of Housing and Community
10 Affairs for the State's colonia division, as well as
11 flanked by ombudsman of the Secretary of State's office,
12 who will be introducing themselves, I assume. If we could
13 have you all introduce yourselves.

14 The purpose of today is to try to develop
15 recommendations and make face-to-face contact so that you
16 all will know you we are -- and that the recommendations,
17 in addition to dialog and communication, will be improved.

18 With that, I will leave -- give the mike over
19 to Homer Cabello.

20 MR. CABELLO: Gracias. Thank you. [speaking
21 Spanish.]

22 MR. CABELLO: Okay. Mr. Jones.

23 MR. JONES: Dewitt Jones, Starr County.

24 MR. CABELLO: Starr County.

25 MR. GARCIA: Raul Garcia with the planning

1 department, Cameron County.

2 MR. KEITH: Richard Keith with Community
3 Development Corporation of Brownsville.

4 MS. VEGA: Paolina Vega, the subdivision
5 coordinator for Cameron County.

6 MS. VILLARREAL: Anna Villarreal, the self-help
7 coordinator for Starr County.

8 MS. BEAS: Elisa Beas, director [inaudible] for
9 Starr County.

10 MR. MONTALVO: Gonzalo Montalvo, self-help
11 center, Starr County.

12 MS. JUAREZ: Blanca Juarez for the Secretary of
13 State office in Starr County.

14 MS. CABALLERO: [speaking Spanish].

15 MS. GARCIA: [speaking Spanish].

16 MR. LONGORIA: [speaking Spanish].

17 MR. SAUCEDA: Enrique Saucedo, [speaking
18 Spanish].

19 MS. SAUCEDA: Perla Saucedo, [speaking
20 Spanish].

21 MS. SANCHEZ: Leticia Sanchez, [speaking
22 Spanish].

23 MR. SANCHEZ: Julio Sanchez, [speaking
24 Spanish].

25 MS. MEDINA: [speaking Spanish].

1 MS. MORENO: Yolanda Moreno, [speaking
2 Spanish].

3 FEMALE VOICE: [speaking Spanish].

4 MS. GRIMALDO: [speaking Spanish].

5 FEMALE VOICE: [speaking Spanish].

6 MR. GOMEZ: Good morning. I'm Roy Gomez, USDA
7 rural development.

8 MR. SOLANO: Jorge Solano, [speaking Spanish].

9 MR. ZUNIGA: Eduardo Zuniga, [speaking
10 Spanish].

11 MS. RODRIGUEZ: [speaking Spanish].

12 MR. CABELLO: Are you going to let him through
13 the -- [speaking Spanish].

14 MR. ARIZMENDI: David Arizmendi, [speaking
15 Spanish].

16 MALE VOICE: [inaudible], colonia coordinator
17 for [inaudible].

18 MS. AYALA: Yesenia Ayala, and I'm with the
19 Office of Colonia Initiatives. Just a little note:
20 [speaking Spanish].

21 MR. CABELLO: [speaking Spanish].

22 MR. GARZA: David Garza. I'm with Proyecto
23 Azteca.

24 MR. CABELLO: Webb County.

25 Come on in, Paul. Please introduce yourselves.

1 MR. MARTINEZ: Sure. Paul Martinez, Webb
2 County self-help center director.

3 MS. ALLRED: Cassie Allred, Webb County self-
4 help center.

5 MS. SOLANO: Carlota Solano.

6 (Pause.)

7 MR. CABELLO: Are you all going to want to also
8 make some comments from the self-help center or the
9 county? You're more than welcome to make comments as
10 to what the needs and the concerns that we're facing in
11 the colonias -- we can take into consideration when the
12 report is being written and so it can be submitted on
13 Buddy's behalf.

14 (Several speaking at once.)

15 MR. SAUCEDO: [speaking Spanish.]

16 MR. GARCIA: One idea that may have reached its
17 time in regard to your comments on transportation -- I've
18 heard ideas of the Rio Grande Valley considering a public
19 transportation system, maybe even a public train of some
20 sort.

21 The old train lines that run along, you know,
22 military highway, the old highway 83, could be converted
23 if there was a public effort. It would take a couple of
24 county -- multicounty area.

25 But it may be a possibility, because your point

1 is well taken. The Senators Lucio and Hinojosa have
2 talked about this issue for awhile, where there's no --
3 there are no buses. There's no -- maybe some type of
4 public transportation has reached its time.

5 But I agree with you. I think that's the
6 number-one issue.

7 [speaking Spanish.]

8 But your points are well taken. And I think
9 that's a good way to start this, because that should be
10 the beginning of our recommendations.

11 MR. CABELLO: *Gracias*, Enrique.

12 MS. AYALA: We have some new people here.

13 MR. CABELLO: We have new people. We're
14 introducing ourselves.

15 MS. PEREZ: Liliana Perez, [speaking Spanish].

16 MR. CABELLO: Leticia Sanchez.

17 MS. SANCHEZ: [speaking Spanish].

18 [Discussion in Spanish between Mr. Cabello and
19 Ms. Sanchez].

20 MR. SANCHEZ: [speaking Spanish].

21 (Several people speaking at once.)

22 MR. SOLANO: [speaking Spanish].

23 [Discussion between Mr. Cabello and Mr. Solano
24 in Spanish].

25 MR. GARCIA: Garbage collection falls under the

1 county. Right?

2 MR. CABELLO: Well, it's a solid waste pickup.
3 And, well, it can fall under the counties, but the
4 cities -- that's not within the city's ETJ or city
5 limits to then go out and -- what we do in Webb County --
6 we buy -- they rent containers, and we strategically put
7 them in the colonias so people can go throw the trash
8 there instead of burning them or --

9 MR. GARCIA: Who puts the containers -- the
10 state?

11 MR. CABELLO: Well, through our program through
12 the colonia self-help centers on the colonia that they
13 work with.

14 But that's one way we addressed it. Am I
15 correct, Paul?

16 MR. MARTINEZ: Yes.

17 MR. CABELLO: Okay.

18 MR. GARCIA: And is that something that you
19 would recommend, Paul, for other areas?

20 MR. MARTINEZ: It's not something you go and
21 keep all the time. We already implemented a weekly trash
22 pickup. You know, the trash men were -- each household.
23 So we do have a pickup.

24 MR. GARCIA: Do you have prohibitions against
25 burning?

1 MR. MARTINEZ: Yes. And then the county has
2 their court enforcers, you know. Now -- because none
3 of -- they have the pickup service, the trash pickup,
4 weekly. Plus we do cleanup campaigns, you know, once or
5 twice a year to help pick up, you know, the big stuff.

6 So there shouldn't be any reason for them to --
7 you know, to start burning trash.

8 MR. CABELLO: But that is something that the
9 self-help center -- contract with the private company, or
10 is it run by the county on the government's pickup?

11 MR. MARTINEZ: The counties do it now.

12 MR. CABELLO: The county's doing it.

13 MR. MARTINEZ: Yes, the counties. Yes.

14 MR. CABELLO: So the county.

15 MR. MARTINEZ: And when we started, we were
16 going to buy the trash bins for them, you know, and then
17 the county would put in -- going every week and picking up
18 the trash and so forth.

19 MR. CABELLO: What kind of rates are we looking
20 at for colonia residents?

21 MR. MARTINEZ: I don't know if they're being
22 charged yet for it or not.

23 MR. CABELLO: Okay. No idea?

24 MR. MARTINEZ: No.

25 MR. GARCIA: Could you get me that, just --

1 MR. MARTINEZ: Yes.

2 MR. GARCIA: -- so we can model that? If --

3 MR. MARTINEZ: Sure.

4 MR. GARCIA: -- anything, that sounds like a
5 good idea.

6 MR. CABELLO: Just kind of put it with all the
7 other research that we do, and we can talk about it.

8 MR. GARCIA: And if we recommend that to the
9 legislature, we need to make sure that -- whatever the
10 situation is at Webb County, if we can recreate that
11 elsewhere.

12 MR. CABELLO: Could you do us a little writeup,
13 Paul?

14 MR. MARTINEZ: Sure.

15 MR. GARCIA: Thank you.

16 MR. CABELLO: All right. David, you're the
17 next one on the list.

18 Yes, ma'am.

19 MS. AYALA: I'm sorry. I would like to
20 appreciate today Ms. Blanca Villalpando, from Senator
21 Lucio's office.

22 MS. VILLALPANDO: Good morning.

23 MR. CABELLO: Do you want to say anything on
24 behalf of the --

25 MS. VILLALPANDO: No.

1 MR. CABELLO: No. Okay.

2 MS. VILLALPANDO: I'm here to observe, just
3 like you guys are.

4 MR. CABELLO: Okay. Thank you.

5 David, welcome.

6 MR. ARIZMENDI: Thank you. David Arizmendi.
7 I'm the executive director of Azteca.

8 First of all, let me thank the Secretary of
9 State's office and TDHCA for holding this hearing. I
10 think we need more and more of these, because as you can
11 see reflected in the testimony so far, you are getting a
12 wealth of information about what are some of the real
13 issues confronting the communities. So I commend you for
14 having these hearings. And hopefully, we'll have them
15 more often.

16 I would also recommend that you have a --
17 either a translation system here so those that speak only
18 English have the capacity to be able to be understood by
19 those that only speak Spanish to ensure that the
20 information flows both ways.

21 And I think that's critical. It is especially
22 important as it relates to the record, because if this --
23 establishing a record as to the issues, we need to ensure
24 that that information is captured.

25 I will begin by basically trying to put the

1 current situation into context, because I think it reveals
2 the importance of some of the issues that are being
3 confronted.

4 It was about a week ago that we had some
5 terrible winds here. And we can always tell when
6 something bad happens, because we get inundated with
7 applications. For example, in Pueblo de Palmas -- because
8 I think because of its location, whether it's winds or
9 whether it's tornadoes, they'll always get hit.

10 So we have right now a whole number of
11 applications where trailers are just totally demolished.
12 So one of the recommendations that I would recommend to
13 you is that we need an emergency system of being able to
14 respond to these disaster kind of scenarios that occur in
15 colonias, mainly because the structures that are there --
16 doesn't take much to wipe them out.

17 But also that most of the new colonias now --
18 most people are buying these dilapidated trailers in the
19 hopes that they will soon build. And most of them are
20 catching either on fire or, when there are small winds,
21 they totally get destroyed, because they're not in any
22 shape to be able to withstand that.

23 So I would recommend that you explore that
24 possibility. How do we respond to these emergency
25 situations? Because when we look at housing, it's more of

1 a long-term strategy rather than a short-term strategy.

2 The second issue I want to talk to you today --
3 is about revisiting this thing called Senate Bill 1001
4 that we passed back in 1995. As you recall, that was
5 supposedly the solution to the colonia problem. And that
6 was the basic idea where we saw the developer as being the
7 bad guy. And we thought that if we passed this
8 legislation, that in fact, the colonia issue would be
9 resolved.

10 And specifically, the Senate Bill 1001
11 essentially said they would make it illegal for any
12 developer to sell land that was undeveloped, that was
13 unplotted, that it had to have the infrastructure. It had
14 to have streets. It had to have septic tank. It had to
15 have electricity.

16 And I think the bill did some good, but it
17 didn't solve the affordable-housing problem. And I think
18 that there's this misconception that Senate Bill 1001
19 somehow resolved the colonia issue. Now --

20 MR. CABELLO: Which is to say it addressed the
21 issue of the colonias, but it didn't address the reason
22 why they were created in the first place --

23 MR. ARIZMENDI: Right.

24 MR. CABELLO: -- is what you're saying. Okay.

25 MR. ARIZMENDI: It addressed the

1 infrastructural issue, but there were some repercussions
2 to that. Your average lot right now is 17 to \$20,000.
3 Naturally, if you're a developer and you're having to do
4 half-acre lots with paved streets, with water and
5 electricity, it's not going to cost you \$5,000. The cost
6 is passed on to the buyer.

7 And so if you look at the issue of
8 affordability, although you have lot now that has the
9 infrastructure, it is now more expensive. So you're
10 forcing families to -- two or three families to buy a lot
11 instead of one.

12 You have a very high foreclosure rate, because
13 these are being done at 14 to 18 percent interest rates,
14 because that's -- they're still financed by the developer.
15 So most of the payments that are being made are going to
16 interest.

17 So -- and then there's no factor in terms of
18 affordability. In other words, they don't look at your
19 income-to-debt ratio in determining whether you qualify
20 for this. They basically said, you know, I mean, the land
21 becomes the collateral. And so there's no risk as far as
22 the developer's concerned, because they just pick up the
23 land again, and they resell it.

24 So there's -- you know, so there's a number of
25 people who really cannot afford that payment, but in fact

1 have a way to get in to buy land. But they can't sustain
2 it in the long haul.

3 So my recommendation with respect to that issue
4 of the lot is that you have contract-for-deed funds
5 available. That -- the developers aren't stupid. They
6 have figured a way around it. And now they have --
7 they --

8 There's not a lot of that left, but there is a
9 need to refinance these lots in order for people to be
10 able to afford -- as Jorge reflected, if he could just
11 make the same payment he's making now, but that would
12 include some kind of a house -- would make a difference.

13 Because the 14 to 18 percent is just making it
14 difficult. The reason most people are buying little
15 trailers is because they're waiting to build, because they
16 can't build right now given that lot payment, which is
17 very challenging to sustain.

18 So I would say if somehow you can reshift that
19 contract-for-deed money into -- making it available for
20 refinancing and trying to get people out of those
21 situations where they can -- so they can build.

22 MR. CABELLO: Can I add something to that?
23 Last session -- we have a rider to our appropriations bill
24 where we have to do contract-to-deed conversions. In that
25 session, we were trying to include a refinance proponent.

1 Because what's happening -- the developers
2 don't want to get paid off -- and they've told me --
3 because they can't -- when they get paid off, they can't
4 invest that money into today's market and get 14, 16, 18
5 percent return.

6 So what the developers are doing -- they're
7 converting them themselves to get away from the state
8 program. And so --

9 MR. ARIZMENDI: Right. I mean, they're not
10 subject to contract-for-deed legislation, because they've
11 reshifted the paperwork. But the --

12 MR. GARCIA: And if I could go back a little
13 bit further. You brought up house -- Senate Bill 571 from
14 1995. I was on Senator Lucio's staff at the time. I was
15 part of the people that helped put that together. And I
16 can tell you, you're right.

17 The point was never -- it was to end
18 unscrupulous development. It was not, as -- your point is
19 well taken -- to find a better way to make housing more
20 affordable. It was to prevent colonias from
21 proliferating, from developing.

22 The -- it was understood even back then though
23 that if you set up these certain regulations, it's going
24 to make housing even harder to obtain. And if you're low
25 income, you still have to live somewhere. Just because

1 you raise the standards or you have a standard now that
2 says no colonias are developed -- where do those people
3 go?

4 So your point is -- since '95, it was
5 understood that what the legislature was trying to do was
6 stop the development of colonias. And the only place they
7 could hit were the developers. And that's where that was
8 aimed.

9 But your -- but where we go from here and how
10 we make housing more affordable -- I think that is not
11 only a colonia issue -- a statewide issue that, quite
12 frankly, government does not really tackle.

13 They have never tried to, in my estimation --
14 with the exception of -- because of what colonia money's
15 available to help the health risks or to help bring
16 water/wastewater -- address the bigger picture of how do
17 we solve affordable housing.

18 In fact, the federal government has been --
19 probably been the main lead on that. And I don't mean to
20 be speaking out of turn on what you all are doing, but I
21 think that your point is very real, that -- but I don't
22 think government has really tried to tackle that. You
23 know, how do we get them real housing that can afford it.

24 And maybe it's a combination of the goal of
25 trying to work with developers, but maybe we need to

1 figure out a way to have the developers be a part of the
2 solution, because they feel just as much like the build-it
3 or bond-it program doesn't work for them.

4 So the legislature created this. They knew
5 this was going to be a part of the problem. And I do not
6 know -- and maybe we can get some recommendations for them
7 out of this forum.

8 But I don't know if the legislature has any
9 intention of trying to help the bigger -- the more serious
10 problem of low-income housing and safe housing statewide.
11 That's not only just the colonia; it's statewide. I don't
12 think anyone's ever addressed here, so maybe you can add
13 to that, Homer.

14 MR. CABELLO: Well, I mean, there are a lot of
15 things that go through my mind. But in reference to
16 housing, the majority of our -- 99 percent of our funds
17 are from the federal government -- or federally authorized
18 to issue bonds and things of that nature.

19 Now, what the general revenue -- there's so
20 many competing issues out there, but our agency gets like
21 \$3 million which we use up through the Office of Colonia
22 Initiatives. Getting more housing trust fund dollars --
23 but then you have to compete with all the other issues
24 that are out there and then try to leverage with the
25 private sector.

1 Maybe we don't do a hundred percent financing.
2 Maybe we do where the families can pay x. Maybe we can
3 put this amount of -- zero percent interest and marry it
4 with the private sector so you can stretch those dollars
5 out. I mean, there's a lot of models out there. And I
6 think you do that already with your programs.

7 One thing that David didn't talk about when he
8 introduced himself: They manage our colonia self-help
9 center program, but they also manage ten, 12 other
10 programs.

11 And one of the other programs that they just
12 recently got back into is our Texas Boot Strap Program,
13 which is funded with the general revenue fund. And that
14 is one of the core things that he does is self-help
15 construction.

16 And I don't know if you want to talk about that
17 a little bit, David, just so he'll know the price of homes
18 that you're building, so he can get a --

19 MR. ARIZMENDI: Sure.

20 MR. CABELLO: -- better idea and --

21 MR. ARIZMENDI: I think that the modus of
22 Proyecta Azteca is really at the core of the solution,
23 which is really to leverage the assets within the
24 community. And that's really the people's willingness to
25 build their own homes.

1 Proyecto Azteca is founded under the belief
2 that the people themselves are already building their
3 homes, and so they have that determination. And so what
4 we do is we pool what we call a ganda [phonetic] of six to
5 ten families working together to build ten homes.

6 Now, we build them offsite, for the main reason
7 that most people are living on their lot, and we would
8 have to make them homeless. In the case where we purchase
9 lots, we do build brick homes.

10 And what we discovered is the whole issue of
11 self-help is more than about reducing cost. It's about
12 neighbors working together, helping each other. And
13 through that process, they begin to understand what
14 community's all about and how one affects community and
15 community affects you.

16 And as you'll be seeing, some of the committee
17 members that are here -- we are following up the issue of
18 housing with forming what we call community associations,
19 which is neighborhood associations.

20 Because if housing is the foundation from which
21 to build the future, then we got to provide those
22 linkages. They are connected to health, to
23 transportation, to all of the other elements that we call
24 living that are -- extend beyond housing, the issue of
25 education and the children, the issue of parks and

1 recreation.

2 So if you look at the [Spanish] that we have
3 built -- we have one in Southside, and we now are
4 organizing another one in Pueblo de Palmas -- is -- the
5 idea is that you have learned to work together in housing.
6 Now you can continue working on other factors that are
7 affecting your community.

8 Because what we discovered is providing housing
9 gives you the base, but unless you have those linkages,
10 that's where you're going to get stuck. And so we have
11 decided to take the next step, which is to build that
12 infrastructure that is essential for them to build to move
13 forward.

14 And I think that's one of the things that we
15 have to do here. As you can see -- that the people come
16 here to testify before me -- they understand their issues,
17 and they understand the solution. And they're trying to
18 say, How do we create a partnership with you?

19 Because I think that the greatest resource we
20 have is the people themselves. But we have to involve
21 them in such a way that they become partners. We have to
22 stop this delivery system where we are the providers and
23 they are the clients.

24 We have to change the scenario, because we will
25 never have enough resources. We got to figure how do we

1 do the things that they are having difficult -- do -- but
2 not to do the things that they can do for themselves. And
3 that's really the -- where the -- where we have to go on
4 finding the solutions.

5 If people are already building their homes,
6 then what is the mechanism that we can provide, whether
7 it's the labor end of the self-help center or whether it's
8 financing -- how do we create that infrastructure that
9 already exists -- how do we support it; how do we
10 strengthen it?

11 Because I think that that's ultimately where
12 the solution lies. And we have to explore those
13 mechanisms, those avenues.

14 Let me go back to the issue of the self-help
15 center. When that legislation was passed, the -- that
16 legislation -- I think that was in '97. Right?

17 MR. CABELLO: Senate Bill 1509 in '95.

18 MR. GARCIA: '97.

19 MR. ARIZMENDI: '97.

20 MR. GARCIA: No. 1001 was '95. The self-help
21 followed Boot Strap.

22 MR. CABELLO: No. He's right.

23 MR. ARIZMENDI: '97 we did the electricity
24 bill --

25 MR. GARCIA: Right. It was --

1 MR. ARIZMENDI: -- and the plotting bill.

2 MR. GARCIA: Senators Zaffirini and Lucio were
3 the co-sponsors.

4 MR. ARIZMENDI: Yes. He's right. '97 was the
5 electricity bill and the planning bill. That legislation
6 identified five counties which were clearly identified as
7 the ones having the most colonias. And there was a
8 certain set-aside of money that was supposed to come to
9 those.

10 Since then, there are other counties who have
11 requested to be part of that. And I am sure, given the
12 nature of the border and the economy, that they're in need
13 just like the other five. But the question I have, and
14 something that we have to look at, is that the pie didn't
15 get any bigger.

16 You've added two counties. And I'm not saying
17 they don't need it. I'm just saying that the pie didn't
18 get bigger. And as you -- I am sure there are other
19 counties who are going to come forward. And if -- we need
20 to find a way to include them.

21 But as you begin to diminish the pie in terms
22 of the slice -- where it reaches a point where it
23 undermines the concept of the self-help center, which is
24 to focus and to transform communities -- well, you don't
25 have investment to really make that change. We have to be

1 fully aware.

2 You either have to figure out some other
3 mechanism to include them, or you have to go back and say,
4 We need the pie to get bigger, because at some point,
5 we're going to get to the point where we can't really make
6 the impact that we need to make. And that was the whole
7 idea of focusing, on selecting colonias and focusing.

8 The other issue that I want to recommend to you
9 as it relates to the self-help center is this. That bill
10 was founded under the concept of Senate Bill 1001, which
11 meant that we dealt with the problem of colonias. So that
12 bill limits to the selection of the five colonias, to
13 colonias that existed prior to 1995.

14 Okay. The reality is that the colonias with
15 the greatest need are the new ones. Pueblo de Palmas --
16 and if you take Highway 107 towards La Jolla -- you need
17 to drive over there just to see how bad that situation is.

18 MR. GARCIA: How are new colonias developed?
19 The reason why they were set up before '95 was because it
20 was anticipated after the law passed, there wouldn't be
21 any more colonias developed, at least from a developer
22 standpoint.

23 MR. ARIZMENDI: But that's what I was talking
24 about earlier. You got lots, but the housing is worse,
25 actually.

1 MR. CABELLO: I think the issue here -- and I
2 think Senator Lucio's tried this the last several
3 sessions -- was that there's no building-code requirements
4 within the counties. And so while they -- while model --
5 while the model subdivision rules requires a developer to
6 develop lots with the infrastructure that you talked
7 about --

8 MR. ARIZMENDI: Right.

9 MR. CABELLO: But there's no building codes to
10 enforce what type of housing and the construction types
11 and up to what standards. And that's what this gentleman
12 was talking about over here. But my question to that
13 gentleman over there was we need to find a balance
14 where --

15 MR. GARCIA: Standards aren't outpricing
16 everybody.

17 MR. CABELLO: Where it makes it unaffordable
18 for the families and --

19 MR. ARIZMENDI: Right. Well, that's a
20 dangerous slope, because what we tend to get is the
21 enforcement and not the resource. And there lies the
22 problem.

23 Housing is actually worse. And what makes it
24 worse is because the lots are more expensive. It's harder
25 to buy a lot and to begin to built, because most of your

1 payment has to go towards the lot.

2 So what you have now -- and I think it is going
3 to later become an environmental problem -- is most people
4 buying these dilapidated trailer as temporary housing
5 until they can build. And these things go up on fire all
6 the time.

7 MR. CABELLO: Maybe some -- a recommendation --
8 and I -- I'm just thinking top of my head here -- that
9 manufactured homes cannot be sold unless they meet a
10 certain standard, because --

11 MR. ARIZMENDI: Well, these are not. These are
12 like -- the winter -- Texan -- come -- and has a little
13 trailer. And he's -- it's not good anymore. And they
14 like sell it, and somebody who has nothing buys it for a
15 thousand dollars or a couple thousand dollars. And it's
16 like that's housing, at least for the short haul. And --

17 MR. GARCIA: Let me back up a little bit.

18 MR. ARIZMENDI: -- it's better than being on
19 the street. That's --

20 MR. GARCIA: First of all, you made some points
21 about the self-help set-aside money. I'm afraid that
22 situation may be getting worse before it gets better,
23 because the legislature -- we don't make these decisions.
24 The legislature, who came up with this, last time --
25 yes -- added more counties.

1 And there's a push to make the self-help money
2 available statewide, because people that live elsewhere
3 have seen the success of the program that passed and said,
4 We have poor people; we have colonias; I want something
5 like that.

6 The problem -- you're right -- is that there's
7 no more money, and so the slice that you get is less. The
8 legislature's very aware of that. In fact, the
9 legislators who passed this, I think, are most aware. Yet
10 now I think Nueces County's now added as a county that's
11 eligible.

12 And I told Senator Hinojosa -- I said, Look, if
13 you don't add money or legislation that changes the way
14 that's funded, it just comes at the expense of the border.
15 In fact, I think the legislature across the state is
16 saying, Well, why do the colonias get this help, and we
17 have poor people too? We want that.

18 And then that means there isn't enough money
19 for anybody. What little resource -- but be aware,
20 because that's a situation that is around the corner. And
21 I think it's important that our legislators -- the board
22 legislators are aware of this situation, which we will
23 recommend to them.

24 But your point is right. I mean, that very
25 little bit of money's coming at the expense of you guys,

1 of the border. How do we leverage assets and sell the
2 community and do what you're talking about -- of showing
3 how to take the next step, the model subdivision, the Boot
4 Strap Program -- all of this to the next stage?

5 I'd be happy to help you get there or at least
6 sell the obvious arguments -- that you are right to
7 consider the fact that this is a program that is going to
8 keep diminishing as long as the rest of the state decides
9 they want to continue to tap into that. Either that or
10 put more money into it. The legislature's going to have
11 to find more money.

12 So I'd be happy to suggest that the set-aside
13 is not enough and that the money comes, if you spread it
14 out, at the expense of the border.

15 But ultimately, the legislature decides that.
16 And they have, up until now, decided that -- this is what
17 I hear from the legislators that are not from the border.
18 Well, why should they get all that when I have poor people
19 in my county too? I want that too.

20 It's almost, since '95, been a challenge of
21 sorts to fight out these people. And now it's becoming
22 harder and harder. So that's going to be, I think, an
23 obvious recommendation we need to make -- is that at least
24 the legislature be aware of what they're doing, which is
25 taking that money out.

1 On the building-code requirements lacking and
2 how expensive it is to build a house, I don't know. I
3 think you're right on what the problem is, but I don't see
4 any remedy from the legislature.

5 What I have seen is the understanding is there,
6 but the price is going to continue to go up if the lot
7 price goes up -- and because of the value of -- someone's
8 living in the trailer is not really considered. Maybe we
9 need to make this point clearer to the legislature, but it
10 seems to me they were aware from the beginning it was
11 going -- more regulations makes the cost go up.

12 MR. ARIZMENDI: Let me just say that there is a
13 political reality, and we're always faced with it as we
14 look at legislation, because, you know, if you represent
15 Dallas or Houston, you're going to pull for your people.
16 And I think that the political landscape is that the
17 border doesn't have the political strength.

18 And I think we've had to bargain in the past.
19 But I think that one important factor that we have to look
20 at is to ensure that we don't create an illusion. And I
21 think to a certain degree we have -- is that -- this idea
22 that the colonia problem has been taken care of.

23 I think part of creating the idea of the will
24 and the idea that we need to continue investing has to do
25 with making them aware that the problem has not been

1 resolved and to begin to address those factors and --
2 bringing reality to them.

3 Because I think there's this concept. And a
4 lot of it has to do with all the press that happened back
5 then. As you recall, the attorney general sued a bunch of
6 developers. But if you look at the result of those
7 lawsuits, they ended nowhere. It was all PR.

8 If you look at even when HUD Secretary Cisnero
9 came down and said, We're going to propose a hundred
10 million dollars for the colonias -- and never came --
11 nobody came to tell the public that that hundred million
12 never came.

13 So there's this illusion here, this perception
14 that somehow, somehow there's this huge investment into
15 colonias and somehow -- like what did you do with all that
16 money, and how come you haven't fixed the problem. The
17 reality is the problem -- neglected for so long that it's
18 not going to happen overnight. It's going to require a
19 long-term strategy.

20 But let me go -- let me just say --

21 MR. GARCIA: Wait. Before you go on, I have to
22 answer that.

23 MR. ARIZMENDI: Sure.

24 MR. GARCIA: Because I don't hear that. What I
25 hear from -- a lot of times is not that the colonia

1 problem is handled and it's gone away. I hear more from
2 people who don't think it's a proprietary responsibility
3 of government to solve.

4 And if we're solving it to some degree or we
5 have addressed it on the border, that's more than other
6 people have received.

7 I don't get from most of the people that I talk
8 to that all these things are going to the colonia and it
9 should be -- it's done. What I get from people is why
10 are -- why is government paying for that. That's not a
11 government responsibility; it's a personal responsibility.

12 And the political landscape has changed in that
13 sense from when these things started under the Ann
14 Richards administration to the more conservative ideals
15 that are in charge now. I don't see anything other than
16 the political strength of the border being very
17 individual.

18 There is not a push from El Paso to
19 Brownsville, whether it be out of voters or the
20 legislature, to do these things together. A lot of times
21 it's in their own areas.

22 And -- but you're right. What has ultimately
23 happened, I think, is that people have lost interest in
24 the colonias overall. The legislature -- they say, Well,
25 we've already done things for them. Why should we

1 continue?

2 And I get -- the resistance I get is from all
3 of the people who say, Why should government get involved?
4 That's not our proprietary responsibility. We have other
5 issues. And so -- because of their constituents, as you
6 mentioned, that don't get the benefit of that.

7 MR. ARIZMENDI: Right.

8 MR. GARCIA: So maybe that is a perception that
9 people believe down here, that the -- that because of the
10 press and all -- that people think it's gone away. What I
11 deal with are people who don't think it's their
12 responsibility and that government shouldn't be doing
13 anything, at least at the state level.

14 So that's the fight you really have is that
15 people who are saying, Enough is enough -- and you can
16 ask -- Senator Lucio even has to tell me that, that he
17 has -- he's worn out his welcome when it comes to coming
18 up with more bills on legislation for colonias, because
19 they say, We don't want to do that.

20 They want to put money into jobs, or they want
21 put money into job creation and let people handle that
22 sort of thing on their own. So there's a philosophical
23 difference there.

24 I didn't mean to cut you off. I just wanted to
25 make sure --

1 MR. ARIZMENDI: No. I --

2 MR. GARCIA: -- that you knew that, because
3 there is a very real push against what you're saying. But
4 I don't think it's for different reasons. I think a lot
5 of people don't think government should get involved.

6 MR. ARIZMENDI: Yes. No. I understand.

7 So on my issue -- on the issue of self-help,
8 the recommendation that I would have for you is this, that
9 the legislation should really reflect reality by allowing
10 the self-help centers to be able to assist any colonia,
11 regardless of when they were built, because by limiting us
12 to the 1995 and before -- is not allowing us to really
13 focus on the greatest need, which is in the new colonias.
14 And a lot of it is really focused not on infrastructure
15 but on housing, which is really the core of the problem.

16 And I want to finish my comments in trying to
17 also bring an issue -- and I'm going to use the issue of
18 the trash as an example of it. People in the colonias and
19 people -- poor people in general want to be just like
20 everybody else. They don't want to be any better. They
21 just want to have the same chance, the same opportunity.

22 One of the things that I would caution you --
23 is where we create these novel situation for the poor
24 rather than figuring out how do we bridge them; how do we
25 transition them to being like everybody else.

1 I'll give you an example. The issue of trash
2 is a problem in many of the colonias. One good example is
3 how Colonia Sunius [phonetic] dealt with it in Rio Grande
4 City in Los Lomas, by bringing in the private sector and
5 saying, What will it take for you to come in here to pick
6 up trash?

7 And the company said, It's not cost effective
8 for me to go in and do ten families or 20 families. It
9 just -- it doesn't work. You're going to have to give me
10 at least half of this colonia to make it work. The people
11 that sell went door to door and convinced the people, and
12 they have more than half, and they will bring services.

13 The problem with doing these bins or these
14 other things is that it's not sustainable. What happens
15 when that funding doesn't exist anymore, or who's going to
16 ensure that the trash -- I know in other towns where the
17 trash isn't put in the bin -- then it's just left there on
18 the side.

19 In other words, I think we have to create
20 models that are sustainable. And to a certain degree, we
21 have to look at the private market. How do we make them
22 functional within the context?

23 The cost to this company who said, I'll come
24 in, but I would have to charge you so much, because I'm
25 only expecting so many people -- so the issue there is how

1 do you leverage the people's willingness to make it work.

2 And so I would say -- not just involving trash
3 but all the other programs -- how do you involve people to
4 the extent that they can make the system function.

5 And last, I want to say that as Secretary of
6 State being in charge of trying to address the issue of
7 coordination with colonias -- certainly, in Hidalgo
8 County, you need a lot of work. There is no -- as far as
9 I know, there is very little or no coordination going on.
10 We --

11 MR. GARCIA: Coordination of what?

12 MR. ARIZMENDI: Coordination as the issues of
13 colonias and housing. We are involved with a number of
14 organization, and we have not been involved with your
15 office at all.

16 MR. GARCIA: Well, we're not the housing
17 department.

18 MR. ARIZMENDI: Housing or otherwise.

19 MR. GARCIA: You've never been involved with
20 the ombudsman of Hidalgo County?

21 MR. ARIZMENDI: No.

22 MR. GARCIA: Do you know who they are?

23 MR. ARIZMENDI: Yes. Well, I know a lot of
24 them. But there's no coordination. So to the extent that
25 you are being in -- being charged with coordination, we --

1 I guess we need to define what exactly that means.

2 MR. GARCIA: There's a definition in the
3 legislature that created the ombudsman of what we do and
4 who we're supposed to coordinate with. This legislation
5 that brought us here today, Senate Bill 1202, was an
6 effort to try and combine the office of the Secretary of
7 State, which is primarily been water/wastewater --
8 collaboration -- water-development board of the counties
9 with the department of housing.

10 Because prior to that, it had not been -- prior
11 to this session, it had not been --

12 MR. ARIZMENDI: So maybe because we're housing,
13 we're not part of that. I don't know.

14 MR. GARCIA: That's right.

15 MR. ARIZMENDI: Okay.

16 MR. GARCIA: But it hadn't -- but that's what
17 we're trying to do here today is figure out the best way
18 we can just address colonia issues, coordinate with
19 everything that you need.

20 MR. ARIZMENDI: Okay.

21 MR. GARCIA: And so yes. This is what this is
22 an effort to be. Now, that's news to me though, that in
23 another capacity, that you hadn't -- that you -- if we
24 haven't been satisfactorily coordinating other issues
25 beyond housing, then that's -- I need to know that too.

1 But that's what this effort is about, because
2 the legislature wanted to see just all the agencies
3 dealing with colonias to work together.

4 MR. ARIZMENDI: One issue that I did forget to
5 mention on the self-help center, I think, is critical.
6 The legislation purposely addressed the issue of political
7 system. The legislature specifically said that no
8 governmental entity was supposed to run the self-help
9 centers.

10 However, as I understand, there is some
11 counties who actually are -- who are supposed to be the
12 awarding entity -- are the ones running the program. Is
13 that, in fact, correct?

14 MR. CABELLO: Well, they do a lot of the
15 administration, but they have nonprofit organizations to
16 carry out the activity. The one I think you're talking
17 about is Starr County. And they do have a county employee
18 that is at the self-help center, but they award --

19 MR. ARIZMENDI: But it's not actually doing the
20 programs?

21 MR. CABELLO: Well, the county then works with
22 the nonprofits to carry out the activities. But it has
23 been a concern. I will be --

24 MR. ARIZMENDI: Because they have two roles.
25 They're the awarding entity, are they not, under this

1 structure?

2 MR. CABELLO: Well, we award the county.

3 Right.

4 MR. ARIZMENDI: Right.

5 MR. CABELLO: But the other situation that we
6 have -- or the legislation specifically says community-
7 action agencies, housing authorities or nonprofit. That's
8 what the legislation states. And in some instances, the
9 community-action agency is part of the county, so the
10 perception is that the county is running it.

11 Now, my discussion with these two counties is
12 that I feel that a lot of times the community-action
13 agency may have inside knowledge. And when they release
14 an RFP, are we giving a fair opportunity for our nonprofit
15 to apply?

16 And that's an ongoing struggle that we deal
17 with. As these contracts expire or are starting to
18 expire, I need to feel comfortable that we're giving all
19 organizations a fair opportunity to apply for those funds.

20 MR. ARIZMENDI: Right. But also, if they're
21 the monitoring agency -- how do you monitor yourself?

22 MR. CABELLO: Well, they have checks and
23 balances like the county auditor's office and other
24 divisions of county government. And then we review it,
25 the way I've noticed state agency -- that monitors.

1 But --

2 MR. ARIZMENDI: Okay.

3 MR. GARCIA: One thing I'd like to add, going
4 back to your comments about not only the self-help
5 centers -- we're concentrating on colonias since '95 to
6 the present -- or even, for that matter, garbage or
7 housing. What works?

8 You mentioned political. I think it would be
9 something that we may want to consider, that if these are
10 issues that we know statewide legislators are going to
11 want to address in their own areas, maybe we can come up
12 with concepts that will sell itself, and say, These are
13 ideas that -- long-term garbage is a problem in your area,
14 rural areas, what have you -- that we can sell to the
15 legislature -- the whole -- as good ideas for the whole
16 state, instead of looking at it as the colonias or the
17 border only.

18 And you embrace -- you say, We have good ideas,
19 and this will work for all of you all, but you all -- the
20 legislature have to pass it. That would -- politically,
21 as you mentioned, when you have strength in numbers, then
22 you have a number of people who have the benefit of
23 signing something or voting for it, because they're going
24 to take something back home with them too.

25 MR. ARIZMENDI: Right.

1 MR. GARCIA: And so, granted, it makes it a
2 bigger scale. But there's no reason why some of these
3 concepts addressing the housing, addressing long-term
4 garbage collection in a bigger pool -- way of making
5 cheaper -- why those wouldn't work in every county --

6 MR. ARIZMENDI: Right.

7 MR. GARCIA: -- not just limited to colonias,
8 even though they may have derived from our experience
9 here.

10 That may be an idea that we can sell a little
11 easier to the whole state and say, Well, now why don't you
12 all vote for that? Because it's no longer them voting for
13 something they send to the board that they -- they have
14 problems of their own too.

15 But you raise a good point, because I don't
16 think you're -- the long-term was a big scenario, pig
17 picture there. It was just something to do because they
18 needed to do something.

19 Now that the issue is such that you're
20 saying -- and I believe you -- that the colonias and your
21 colonias are problems that need addressing -- their
22 understanding, anyway, was that there wouldn't be any
23 new -- the way they pass their law, new colonias created.

24 MR. ARIZMENDI: Right.

25 MR. GARCIA: And if that update needs to be

1 made to them, I guarantee you statewide there's -- what I
2 hear, anyway, is that we have these problems all over the
3 state.

4 So our hope is that if we can find a way to
5 sell the model to everyone, then there's a very good
6 chance -- of course, the funding is always the issue. But
7 that's going to be the political side, I think, that we'd
8 get help on.

9 Very good stuff there. Very good
10 recommendations. And I --

11 MR. ARIZMENDI: Thank you very much.

12 MR. GARCIA: -- appreciate the opportunity to
13 show you that we will be involved.

14 MR. ARIZMENDI: Thank you.

15 MR. CABELLO: Thank you, David.

16 MS. AYALA: [speaking Spanish].

17 MR. GARCIA: One other thing. If we're not --
18 if somebody doesn't understand and we need to interpret,
19 we can do that here. I mean, we can do that. I think
20 that's another good point.

21 MR. CABELLO: Right. And I talked to them
22 before the --

23 [speaking Spanish].

24 MS. GRIMALDO: [speaking Spanish].

25 [Discussion between Mr. Cabello and Ms.

1 Grimaldo in Spanish].

2 MR. CABELLO: She was talking about street
3 lighting, police patrolling.

4 MR. GARCIA: I mean, it's -- it would be nice.
5 I mean, those are all issues that we just don't have
6 resources for at the state level. But it's all real
7 stuff, I mean, the parks and all that. I don't know.

8 Do you have anything else to add?

9 MR. CABELLO: No. I think our last session
10 Representative Gonzalez passed a bill where if we do
11 street improvement, there's a lighting component.

12 MR. GARCIA: She didn't fund it.

13 MR. CABELLO: It didn't fund it? So -- okay.

14 MR. GARCIA: The problem with the lighting was
15 she passed a bill that said that the streetlights have to
16 be included, but that it costs -- they -- there's nobody
17 paying for the electricity of the lights.

18 MR. CABELLO: Oh, okay.

19 MR. GARCIA: And so how do you pay for the
20 lights and -- if the primary concern is drainage, you
21 know, something like that. It's really hard to focus on
22 aesthetics when we're dealing with some other issues
23 dealing with health and getting people ambulance and buses
24 and -- piece at a time. And the rest of the state has the
25 same issues.

1 MS. Grimaldo: [speaking Spanish].

2 [Discussion between Mr. Cabello and Ms.
3 Grimaldo in Spanish].

4 MR. CABELLO: David Garza. How you doing?

5 MR. GARZA: Good.

6 MR. CABELLO: Good.

7 MR. GARZA: Good morning.

8 MR. CABELLO: Good afternoon.

9 MR. GARZA: Is it afternoon? Good afternoon,
10 for the record. My presentation will cover lot
11 acquisition as it relates to creating affordable-housing
12 opportunities. My comments are mainly directed to TDHCA,
13 as they are the state entity directly involved with
14 housing. And David Arizmendi brought this issue up and
15 addressed it. And perhaps I can add a little more context
16 and perspective to this area.

17 Proyecto Azteca -- that lot acquisition is a
18 major issue in addressing affordable housing in colonias.
19 In this brief presentation, I will provide background
20 information and describe how it has become more difficult
21 for colonia residents to purchase a lot, and also how
22 purchasing a lot has placed a strain on creating viable
23 affordable-housing opportunities.

24 Colonia -- approximately 5 percent of Proyecto
25 Azteca's waiting list have -- colonia residents have their

1 lots paid -- have a lot or have their lot at least paid
2 halfway off. We have witnessed an increased number of
3 people who do not have lots or not -- or -- able to
4 purchase a lot.

5 And I think it's also important to consider the
6 context of the legislation passed in '95, which prohibits
7 developers from selling lots in existing colonias without
8 water and wastewater treatment services. This law,
9 designed to protect the consumers, has also made it more
10 difficult for colonia residents to purchase a lot, as the
11 prices have been passed on to the consumer.

12 We did an analysis about a year ago on the
13 lots -- of rural lots in the colonias, and we used three
14 sources. We looked at a realtor's multiple-listing
15 database -- with our contacts with individual developers,
16 and also just by reviewing rural lots in the local paper,
17 the Monitor.

18 And we came up with an average half-acre lot in
19 Hidalgo County at 19,260. And this was a year ago. But
20 this also needs to be considered in the context, as
21 brought up here before today -- that the interest rates
22 are approximately 14 percent.

23 So what happens, in essence, is a purchaser of
24 a lot is paying mostly interest. And I brought an example
25 of a real-estate lien note. This one, particularly, was

1 for -- principal amount was 13,400. And if you look at a
2 sample amortization schedule, the buyer's paying -- on
3 \$200 payment, the buyer's paying \$156 in interest and \$51
4 or 25 percent in principal. And also -- so that's an
5 example of the high interest payment.

6 MR. GARCIA: Can I give you -- I hate to
7 belabor this point, but a little context. The reason why
8 they passed this law that said there had to be water and
9 wastewater -- it was not -- and they understood it was
10 going to raise the prices.

11 The push was because of the fear there were
12 going to be waterborne diseases. Our semi-arid area of
13 the border -- that there would be -- if -- without water
14 and wastewater, certain health problems.

15 That's what -- I know to us here it's a public
16 service or -- should be government providing this, because
17 that's the right thing to do, human interest. But the
18 reason the government got involved was because they wanted
19 to cease people living in areas where they were drinking
20 bad water, where there was diseases coming out --
21 tuberculosis, a number of other things -- that they were
22 trying to prevent from moving upward.

23 So the idea was emphasis on water/wastewater
24 being required. And what's happened, I think, in the ten
25 years is now the costs of affording a home have increased

1 exponentially almost, and maybe we need to address that.

2 And ultimately, the rationale was not intended,
3 I think, just to get people into housing. It was intended
4 to prevent disease. And it has turned into a bigger
5 thing, the colonias and housing and a whole bunch of --
6 over the past ten years.

7 But initially, the reason why the federal
8 government got involved and then the state government got
9 involved was to prevent disease. That's why -- and
10 ultimately, this has elapsed, and now we're ten years
11 later looking back going, Maybe we should have done things
12 differently.

13 But I just wanted to give you that context,
14 because I think it appears -- more and more I'm hearing
15 that the cost of this '95 legislation is -- actually
16 changed dramatically the amount of money it takes to build
17 a house.

18 But it was intended to help people be
19 healthier. It wasn't intended to try and make people get
20 easier, cheaper living. And now it's actually made it
21 more expensive, from what you're saying.

22 Your point's right though. If you're not
23 paying any on the principal, you're never going to pay off
24 the house.

25 MR. CABELLO: And I think the concept of --

1 it's House Bill 1001. I mean, the -- what the state has
2 invested to bring in water and wastewater is hundreds and
3 hundreds of millions of dollars. And I think by passing
4 these laws, it'll prevent -- from those type of
5 investments -- to invest in other types of activity.

6 I know in Webb County, for many years, they're
7 working on acquiring the right of ways and moving fences
8 back and electrical lines and gas lines and some
9 manufactured homes. And we're just barely getting the
10 water right now. I'm not sure if it's in yet, but I know
11 the pipes were there.

12 So it's -- in hindsight, yes. But I think a
13 lot of it was diseases. Also, with the investment that
14 the state had to put -- and the federal government. I
15 mean, it was in excess of a billion dollars.

16 MR. GARCIA: And probably another billion
17 needed --

18 MR. CABELLO: Easy.

19 MR. GARCIA: -- for that.

20 MR. CABELLO: Yes.

21 MR. GARCIA: But I just wanted to make sure you
22 knew that that was the context. You're right on, though,
23 and I think -- and most people will know that that's --
24 that is going to be a real challenge.

25 MR. GARZA: Well, and I think, you know, if

1 you're going to look at addressing the lots and the
2 infrastructure, you got to look at the big picture of
3 housing, because that's why people are purchasing lots.
4 So they need to be addressed simultaneously.

5 Another comment I have is that under the HBA
6 program, the -- it requires purchasing of lots for CHDO
7 eligible activities. And the amount they have set aside
8 was -- is \$10,000. And I think that needs to be looked
9 at, increasing that amount, because it's difficult to
10 implement without a big investment on an organization's
11 part.

12 So I just wanted to make a comment on that,
13 that that involves also lot prices. And in general, I
14 just -- adding more context, we normally purchase ten to
15 15 lots per year, mainly using our sources of HAK shop
16 [phonetic] funds and also TDHCA self-help center funds.

17 And we're building about 70 homes a year, so we
18 have to target primarily those families who have lots or
19 who have a decent amount paid off. And it takes the
20 applicants much longer to get selected into the programs.
21 As a gentleman said earlier, it took him five years.

22 So in addressing colonia housing, lot
23 acquisition needs to be addressed. And it's become more
24 difficult for colonia residents to purchase due to the
25 increased cost and the interest rate.

1 And then it's placed an additional strain on
2 creating true affordable housing, which we try to do,
3 given that the families will have a lot payment, a
4 mortgage payment, and also taxes and insurance. Families
5 are paying about twice the amount on their lot, roughly,
6 than what they're paying for their mortgage and their
7 taxes and insurance with us.

8 So I think my comment is housing is a necessity
9 for colonia residents, and lot acquisition must also be
10 addressed -- and that the state is currently mandated to
11 spend no less than 4 million on contract for deed. And I
12 think in some parts of the state, it's -- I'm not sure
13 whether certain regions have the need for that funding.

14 And I think my recommendation is to have --
15 consider an alternative program providing lot-acquisition
16 assistance and also maybe to help those who have purchased
17 a lot get out of the excessive interest rates, the
18 interest-rate trap.

19 I think this would be a very valuable, viable
20 program for the state to help colonia residents meet their
21 housing needs. Thank you.

22 MR. CABELLO: Thank you, David. Appreciate the
23 comments.

24 Hortencia Medina.

25 MS. MEDINA: [speaking Spanish].

1 I'll give you an example. The issue of trash
2 is a problem in many of the colonias. One good example is
3 how Colonia Sunius [phonetic] dealt with it in Rio Grande
4 City in Los Lomas, by bringing in the private sector and
5 saying, What will it take for you to come in here to pick
6 up trash?

7 And the company said, It's not cost effective
8 for me to go in and do ten families or 20 families. It
9 just -- it doesn't work. You're going to have to give me
10 at least half of this colonia to make it work. The people
11 that sell went door to door and convinced the people, and
12 they have more than half, and they will bring services.

13 The problem with doing these bins or these
14 other things is that it's not sustainable. What happens
15 when that funding doesn't exist anymore, or who's going to
16 ensure that the trash -- I know in other towns where the
17 trash isn't put in the bin -- then it's just left there on
18 the side.

19 In other words, I think we have to create
20 models that are sustainable. And to a certain degree, we
21 have to look at the private market. How do we make them
22 functional within the context?

23 The cost to this company who said, I'll come
24 in, but I would have to charge you so much, because I'm
25 only expecting so many people -- so the issue there is how

1 have more input as to how these dollars are to be spent?
2 So that might be a recommendation for us to consider.

3 Mr. Almazan.

4 MR. GARCIA: I don't know how the county judges
5 will feel about that, but --

6 MR. CABELLO: Well, it's part of the federal
7 requirement to get public input. And they must publish in
8 the newspaper the public notices, but --

9 MR. GARCIA: I'm all for it. I think it makes
10 a lot of sense.

11 MR. CABELLO: Mr. Almazan.

12 MR. ALMAZAN: [speaking Spanish].

13 [Discussion between Mr. Cabello, Mr. Garcia and
14 Mr. Almazan in Spanish].

15 MR. CABELLO: Mr. Jones.

16 MR. JONES: Dewitt Jones, self-help center from
17 Starr County. We have several issues that we'd like to
18 discuss about. However, I'd like to have Elisa address
19 these issues.

20 MR. CABELLO: Elisa. All right.

21 MR. JONES: Elisa.

22 MS. BEAS: [speaking Spanish].

23 MR. CABELLO: I think you're talking about the
24 colonia ID where they identify -- going to -- they
25 identify colonias.

1 MS. BEAS: [speaking Spanish].

2 MR. CABELLO: So what you're saying --

3 MS. BEAS: A reassessment of the study.

4 MR. CABELLO: Reassess it, but create a
5 definition of when it's no longer classified a colonia, so
6 the limited funds can be --

7 MS. BEAS: Would substandard housing --
8 designated as a colonia? Because you'll never get over
9 substandard housing.

10 MR. CABELLO: Okay.

11 MR. GARCIA: No. I don't think substandard
12 housing -- well, I don't know. Can you all address --
13 these are my ombudsmen over here.

14 MS. BEAS: Oh, I don't know. I know the Starr
15 County ombudsman, Blanca Juarez. Besides being my
16 neighbor -- well, about a few blocks away --

17 [speaking Spanish].

18 MS. JUAREZ: Elisa, I think that what you're
19 talking about is the classification of colonia. And you
20 already -- we had a meeting already to see what we're
21 doing. And I think that's where we're going to identify
22 the colonias -- that they're no longer colonias, because
23 they have the infrastructure and also the housing
24 improvements. I think that's what she's talking about,
25 but --

1 MR. GARCIA: A good point, though, that if it's
2 just substandard, even with water and wastewater --

3 MS. BEAS: We have colonias -- have received
4 previous drainage, sewer, water. Some homes have been
5 rehabilitated. But when does it stop being a colonia?
6 When do you stop --

7 MS. CABALLERO: When do you stop classifying it
8 as a colonia? I think there's two things that you need to
9 take into consideration -- is first of all, you take into
10 consideration -- that is a lot of the colonia definitions
11 are based on funding.

12 And so if you start declassifying them and
13 putting them out of that colonia category -- as I
14 remember, the definition of a colonia is basically -- if
15 you look at it in general terms, it's a community. It's a
16 community of residents that live there that have no
17 different needs than other communities.

18 I think this -- in terms of addressing
19 infrastructure, physical infrastructure and social
20 infrastructure, it may be to the best interest of that
21 colonia to stay identified as a colonia, because that's
22 where your funding is tapped into, because we realize that
23 in terms of physical infrastructure, we would address the
24 roads and the paving and the water and the drainage, but
25 we still know there's housing issues; we know there's

1 health and human-service issues; there's workplace issues;
2 and there are employment issues.

3 So if you look at taking them out of the realm
4 or out of -- declassifying them, then I think, in my
5 opinion, it's probably -- the road is probably a lot
6 longer.

7 I think that -- we're starting to look at long-
8 term and trying to make sure that what is important to
9 some agency -- that the state's classified as a colonia --
10 may be that they may be tapped into -- they may be
11 eligible to tap into some kind of funding that may address
12 education, that may address health and human-service
13 needs, and not necessarily the physical need of the
14 colonia.

15 We may get to the point in the future -- not in
16 the near future, but -- where your housing needs and your
17 physical-infrastructure needs may be addressed, but your
18 social needs may still need to be addressed, because those
19 issues are not going to go away by declassifying them.

20 MR. LONGORIA: That's one of the things that's
21 happening with the new colonias as well, what we call the
22 new colonias, the Pueblo de Palmas that are being
23 established that are relatively new. They do have paved
24 roads. They do have septic tanks. They do have water.
25 They do have electricity.

1 But yet they're still substandard in the fact
2 that their housing is substandard, and they're removed
3 physically -- there's a physical barrier to the services
4 in the community.

5 And we've been hamstrung by not being able to
6 provide services to them, because they don't fit the
7 traditional definition of colonia. So the reverse is also
8 the -- is also true -- is when do they stop being a
9 colonia -- but when does a colonia start being a colonia
10 for the new ones?

11 MR. CABELLO: I've always felt that there's
12 different tiers of colonias. I've always felt that -- I
13 mean, colonias should be classified in different tiers.
14 You have some that don't have the infrastructure, some
15 that need this, some that need the housing, some that need
16 some social stuff.

17 And I think that we need to identify those --
18 classify them into those tiers, because I think what the
19 legislature -- but I think what they want to see is ten
20 years ago we had so many at this tier, but ten years
21 later, we don't have that many at this tier, but this is
22 where we have the most. Maybe we need to start focusing
23 on these types of issues.

24 MS. CABALLERO: Not only focusing on that,
25 Homer; excuse me. We're also focusing -- are we adding?

1 And so if we are adding, we have dealt with the -- you
2 know, the implementation of what the [inaudible] rules in
3 subchapter B.

4 But you're correct in saying, you know, do we
5 add these -- which I don't term new colonias; I call them
6 subdivisions, because from our end of it, their focus is
7 on water and wastewater. These services are being
8 provided.

9 Now, in terms of housing, in terms of
10 everything else, it is a colonia, because you're going to
11 have substandard housing, and you're going to have other
12 needs. But you are correct; I think there does need to be
13 some kind of level identification of where each one is at.

14 MR. CABELLO: Right.

15 MR. LONGORIA: [speaking Spanish].

16 MS. BEAS: [speaking Spanish].

17 MR. JONES: [speaking Spanish].

18 Get more people involved.

19 MR. CABELLO: Anything else, Elisa?

20 MS. BEAS: I don't think so. I think
21 affordable housing is deeper than just construction and a
22 lot. Affordable housing has a lot to do with --

23 MR. CABELLO: Funding --

24 MS. BEAS: -- credit managing, savings, what
25 type of job you have, your income, because we just went

1 through that with the down-payment assistance program, and
2 a lot of people were ineligible to -- because of their
3 credit rating, no credit -- that it's low credit.

4 MR. CABELLO: Bad credit.

5 MS. BEAS: Bad credit.

6 MR. CABELLO: Right.

7 MS. BEAS: Bankruptcy. So it's --

8 [speaking Spanish].

9 MR. CABELLO: Right.

10 MS. BEAS: Gracias.

11 MR. CABELLO: Thank you, Elisa.

12 Keith. I mean, Richard. I saw Richard Keith.

13 Backwards.

14 MR. KEITH: That's right. Happens all the
15 time.

16 MR. CABELLO: I'm sorry, Richard.

17 MR. KEITH: I wanted to thank you for having us
18 here today.

19 [speaking Spanish].

20 MR. KEITH: I'm just here to speak in favor of
21 the state's continued support of both the colonias and
22 development of the conditions of the colonias and the --
23 and housing in the colonias and the state support of
24 affordable housing at the level of the whole state.

25 With respect to the question of whether the

1 state has a legitimate role or a vested interest in
2 supporting the colonias, in investing money in the
3 colonias, I think it still really does.

4 It's true that the popularity of the colonias
5 as a hot-button issue has passed, to some extent, from
6 where it was, you know, in the late '80s, early '90s. But
7 our colonia self-help center in Cameron County, for
8 example, focuses -- it has a targeted focus on ten
9 specific colonias.

10 But we have over a hundred colonias in the
11 county. And sure, those ten colonias have received some
12 assistance, and that assistance has been really beneficial
13 to the conditions that people live in in those colonias.

14 But what about those other 90 plus colonias,
15 many of which, in our county -- and, you know, this is
16 replicated all up the border, you know, to El Paso, from
17 side to side of the state -- continue to -- many of those
18 colonias continue to have very poor conditions indeed.

19 The, you know, instances of public health, you
20 know, communicable diseases, food-borne illness,
21 waterborne illness, has been -- I mean, it's been
22 shocking. It's -- you -- all you have to do is just read
23 the literature in the public-health community to see that
24 there are instances of not only tuberculosis, like someone
25 mentioned in Starr County, but also cholera.

1 You know, we have -- we continue to have
2 cholera outbreaks. And, you know -- but, you know,
3 bringing it back to the question of whether we should be,
4 you know, supporting the colonias in particular, not just
5 poor areas of the state -- is that outbreaks of cholera
6 don't occur in other areas of the state.

7 The state has a vested interest in continuing
8 to support the colonias --

9 MR. GARCIA: And that used to be the selling
10 point for the colonias.

11 MR. KEITH: It needs to continue to be the
12 selling point.

13 MR. GARCIA: And as we have kind of morphed
14 into it being an issue of poverty or housing -- that's why
15 the rest of the state is saying, Well, we want in on this.

16 MR. KEITH: Right.

17 MR. GARCIA: And I think your point's well
18 taken -- is that if it got back to that -- but a lot of
19 people don't realize that that was the motivating factor
20 originally, that it was to prevent --

21 MR. KEITH: Right.

22 MR. GARCIA: -- outbreaks. And that might be a
23 way to sell it again. I don't think the popularity's
24 lacking. I just think there's certain -- as I mentioned
25 earlier, a certain philosophy that government's

1 continue?

2 And I get -- the resistance I get is from all
3 of the people who say, Why should government get involved?
4 That's not our proprietary responsibility. We have other
5 issues. And so -- because of their constituents, as you
6 mentioned, that don't get the benefit of that.

7 MR. ARIZMENDI: Right.

8 MR. GARCIA: So maybe that is a perception that
9 people believe down here, that the -- that because of the
10 press and all -- that people think it's gone away. What I
11 deal with are people who don't think it's their
12 responsibility and that government shouldn't be doing
13 anything, at least at the state level.

14 So that's the fight you really have is that
15 people who are saying, Enough is enough -- and you can
16 ask -- Senator Lucio even has to tell me that, that he
17 has -- he's worn out his welcome when it comes to coming
18 up with more bills on legislation for colonias, because
19 they say, We don't want to do that.

20 They want to put money into jobs, or they want
21 put money into job creation and let people handle that
22 sort of thing on their own. So there's a philosophical
23 difference there.

24 I didn't mean to cut you off. I just wanted to
25 make sure --

1 minimum conditions, you know, to protect itself as a body,
2 you know.

3 MR. GARCIA: But you see what's happened. Last
4 session, for example, there was legislation that passed
5 requiring streetlights to be put in the colonias. Didn't
6 have anything to do with health. People around the state
7 are saying, Why should we put streetlights into a
8 community when no one puts streetlights into any other
9 community in the rest of the state?

10 That's an aesthetic thing, you know. Granted,
11 there is some very real benefit to having it. But when
12 you start going down that road of folks that need things
13 because we don't have them here, then people on the street
14 are going, We don't have those things either, and is that
15 a government responsibility?

16 We have -- the people themselves that are
17 passing the bills, that are passing the laws, the
18 legislators, have gotten away from the focus being on the
19 selling point -- being the health side of it, because
20 there's other needs.

21 The point was well taken, the last speaker --
22 that part of the problem isn't just housing. It's credit
23 counseling. It's income. It's a number of things. But
24 that's the problem statewide. And so -- and the state has
25 never addressed that.

1 So how do you remedy the fact that the people
2 who are trying to help the colonias themselves, the ones
3 who are passing bills, are passing bills for things that
4 are not health driven.

5 MR. CABELLO: Or unique to the colonias.

6 MR. GARCIA: Yes, or unique to them. Then
7 everyone else around the states says, Well, we have those
8 problems too, and no one's paying for it.

9 MR. CABELLO: I hear those -- I mean, I'm
10 always questioned --

11 MR. KEITH: Oh, yes.

12 MR. CABELLO: -- on those issues --

13 MR. KEITH: And those are legitimate questions
14 for the state to be asking itself.

15 I just wanted to point out and -- to kind of
16 remind ourselves that although we have been putting some
17 focus on the colonias, you know, for years now, there are
18 many colonias that continue to exist, you know, with
19 populations living in them where they don't have drainage,
20 where they don't have, you know, adequate water/wastewater
21 or electricity.

22 You know, they're spotty at best -- electricity
23 services -- and that those colonias are going to need
24 to -- in order to protect the -- you know, the rest of us,
25 really, they're going to need development. And as they

1 continue -- they're going to need, you know, those first
2 steps of basic sanitation.

3 And then they're going to need increased
4 development in -- with respect to their housing conditions
5 and community conditions as a whole, of course, as do
6 other parts of the state.

7 There may be some point in the development of a
8 colonia in which it should be considered alongside other
9 poor areas around the state. But the floor, I think,
10 is -- for the lowest-level colonias is lower than it is
11 for the floor of the poor colonia -- or of the poor
12 communities around other parts of the state.

13 MR. CABELLO: I think one point that Buddy
14 drove home today was there's a lot of issues that the
15 border shares with other parts of the state. And the
16 colonia in the past had been able to distinguish itself
17 from other parts of the state -- that they were facing and
18 other parts of the state weren't facing. Those were the
19 third-world conditions, diseases.

20 And what's happened the last several years is
21 that additional set-asides or additional programs are
22 being -- are trying to be passed that is not
23 distinguishing itself -- different from other parts of the
24 state. They're common needs, that is, throughout the
25 state.

1 And I think what I hear Buddy saying -- that if
2 you want to continue those efforts for the colonias, we --
3 and I say we as in -- we must distinguish ourselves
4 differently as to -- we're having these issues that other
5 parts of the state is not. And therefore, we need to
6 continue that focus.

7 And I think that is what you're --

8 MR. GARCIA: Or the point you made, which is
9 it's for the health of the rest of the country, that it's
10 in everyone's best interests that we invest in the
11 colonias first and foremost and do it well. I think that
12 driving factor is no longer, even from the best well-
13 intentioned legislators -- no longer the selling point
14 anymore. It is now the fact that we have poor people who
15 need services.

16 MR. KEITH: Right.

17 MR. GARCIA: And the rest of the state can very
18 easily say, regardless of your definition of what that
19 floor is, We've got poor people too, and here -- up until
20 now, the government has never -- that's never been their
21 responsibility. Government doesn't come in because
22 you're -- you choose to buy a house in a neighborhood that
23 doesn't have certain conditions. They don't come in to
24 fix it. That's a private decision.

25 And yet the colonias seem to have a

1 problem is handled and it's gone away. I hear more from
2 people who don't think it's a proprietary responsibility
3 of government to solve.

4 And if we're solving it to some degree or we
5 have addressed it on the border, that's more than other
6 people have received.

7 I don't get from most of the people that I talk
8 to that all these things are going to the colonia and it
9 should be -- it's done. What I get from people is why
10 are -- why is government paying for that. That's not a
11 government responsibility; it's a personal responsibility.

12 And the political landscape has changed in that
13 sense from when these things started under the Ann
14 Richards administration to the more conservative ideals
15 that are in charge now. I don't see anything other than
16 the political strength of the border being very
17 individual.

18 There is not a push from El Paso to
19 Brownsville, whether it be out of voters or the
20 legislature, to do these things together. A lot of times
21 it's in their own areas.

22 And -- but you're right. What has ultimately
23 happened, I think, is that people have lost interest in
24 the colonias overall. The legislature -- they say, Well,
25 we've already done things for them. Why should we

1 you know, things like the housing trust fund and work to
2 expand the housing trust fund to -- you know, to provide
3 for increased, you know, numbers of families that we can
4 help.

5 We need to continue to support the state Boot
6 Strap Program and think creatively about how to retool the
7 state Boot Strap Program to meet the rising costs of
8 construction and lot acquisition, as David Garza and David
9 Arizmendi were mentioning. These are very serious issues
10 in our work. And from what David Garza, it's also a
11 serious issue in their work as a nonprofit housing
12 developer.

13 Just to continue to keep the focus on improving
14 housing conditions -- and that's just along the border.
15 That's all around the state. There is a place for state-
16 level programs of that kind, and there is also a
17 legitimate place for certain targeted efforts in the
18 colonias themselves as a special entity.

19 You know, it doesn't have to be one or the
20 other. There are many programs that can thrive on the
21 state level -- and, you know, in an equitable way, to
22 benefit poor -- and -- poor families and families living
23 in difficult housing conditions around the state, so --

24 MR. CABELLO: Thank you, Richard.

25 MR. KEITH: Thank you.

1 MR. CABELLO: Appreciate your comments.

2 MR. KEITH: Thanks very much.

3 MR. GARCIA: Yes. And remember this when
4 session comes around. We want to come -- so you can come
5 testify before the legislature.

6 MR. KEITH: Thank you.

7 MR. CABELLO: We don't have any more --
8 [speaking Spanish].

9 MS. SOLANO: [speaking Spanish].

10 MR. SOLANO: [speaking Spanish].

11 [Ms. Solano and Mr. Solano alternate in
12 Spanish].

13 MR. MARTINEZ: Paul Martinez. One of the
14 things -- and we have the same policy that most of -- all
15 these colonias have. One of the things that we have --

16 MR. CABELLO: He's with the Webb County self-
17 help center.

18 MR. MARTINEZ: -- are the multiple dwellings.
19 53 percent of my occupied lots are multiple dwellings with
20 two, three to four houses per lot, you know.

21 MR. GARCIA: What was the percent?

22 MR. MARTINEZ: 53 percent. So it really cuts
23 the amount of people that, you know, you can service. --

24 MR. CABELLO: Overcrowding conditions is --

25 MR. MARTINEZ: Yes.

1 MR. CABELLO: One of the things with the
2 passage of 1001 that -- with the more developments of
3 colonias -- there's hardly no more vacant lots in the
4 colonias. They've been built on. Is that --

5 MR. MARTINEZ: Yes. They're basically --
6 they're all occupied. They've got a lot of business out
7 there. One of the biggest things I heard, you know --
8 restrictions, you know, getting court enforcers out there,
9 because I know -- you know, you have all these people
10 putting out junkyards in the colonias, you know.

11 I think, you know -- well, at least Webb County
12 has been, you know, going out there and making them, you
13 know, put these fences -- you know, and cleaning up, some
14 of them. And you have them right next door to a house and
15 so forth. So you have, you know, health issues, you know,
16 snakes, rodents and stuff like that, you know, inside or
17 next door to where kids play.

18 I know that was one of the issues that we
19 talked about, health issues. That's why we think -- and
20 the multiple dwellings, you know, also contribute to that,
21 because you have four or five families living in little
22 type quarters.

23 And the houses are dilapidated, you know. But
24 we can't service them. We can't help them or anything at
25 all.

1 MR. CABELLO: Because you got to move all four
2 of them out and just leave one there.

3 MR. MARTINEZ: And leave one there, you know.
4 And some of these lots are big enough to, you know, be
5 able to hold two or three houses there. But since, you
6 know, we're not allowed to at least help one of them, you
7 know, they all, you know -- the houses stay the same, you
8 know.

9 That's one of the biggest problems that we
10 face, you know, in our colonias. And I know right now
11 that we're bringing in the water. I mean, I think the
12 contract for the water line is going out by the end of the
13 month or the beginning of next month.

14 I know that's one of the issues -- of how many
15 meters, you know, they're allowed to put per lot. And,
16 you know, right afterwards, I know -- and beneath this --
17 one of the areas that already has water -- as soon as the
18 water connections were put in and septic tanks were
19 provided, the other houses that were on the property
20 illegally connected to that service.

21 See, so you're going to have that also, you
22 know, in these areas. As soon as you have the water
23 available there and the sewer services, if you only
24 provided one per household, as soon as you leave, these
25 people are going to just plug into it, you know,

1 illegally. And you might create problems there again.

2 So be honest, one of the issues that -- I think
3 that should be addressed somehow -- it needs -- it's going
4 to have to be addressed. And for housing -- for us to --
5 you know, to be able to at least service one person, you
6 know, in the household -- because most of these people are
7 not people making business as far as renting the houses.

8 It's theirs sons, their son-in-laws, daughters
9 living on the property. So --

10 MR. GARCIA: What's the size of the lot that
11 allows multiple dwellings?

12 MR. CABELLO: Well, it's a different situation,
13 because in the -- in most cities, you have zoning. And in
14 some cities, they'll let you do three single-family units
15 on one lot.

16 But because the county doesn't have zoning,
17 what happens is the funding -- for example, in our case,
18 with HUD, if we want to help them with our HUD dollars,
19 HUD -- its rules and regs state that it's only one family
20 per lot. And it's difficult for us to assist the colonia
21 residents in the rural areas, because there's multiple
22 units.

23 And then you got the issue, well, you have
24 multiple houses, but the local rules state there's only
25 one meter per house -- per lot. And that's what he's

1 talking about. They start hooking in illegally. Then we
2 can't come in with our housing dollars. It's just a
3 Catch-22 all the way around.

4 MR. GARCIA: Those are federal rules that are
5 in place for arbitrarily trying to figure out a way to --

6 MR. RAUL GARCIA: I'm Raul Garcia with Cameron
7 County. The reason I -- over here because we have a
8 similar problem that their county has. It's under current
9 ORCA funding for first-time water, sewer with multiple
10 dwelling.

11 Eventually we will only be able to serve two
12 families where there were actually three units in the
13 property, simply because of -- it's the county rules of
14 criteria of the health department only allowing two septic
15 tanks, which is required, you know, for us to connect
16 water lines for the property.

17 I guess rules that come down from the health
18 department from the state down to the local level.

19 MR. CABELLO: That's a water and wastewater
20 issue, then.

21 MR. GARCIA: But there's -- I mean, there's
22 multiple jurisdictions we're talking about, whether it be
23 the feds or the state or -- it doesn't sound like it's --
24 there's an easy fix. And if multiple dwellings exist,
25 they have to make a decision of whether they're going to

1 do it on their own or if they're going to accept help --
2 assistance, which means that they would have to clear out
3 into one dwelling. Right?

4 MR. CABELLO: And what the families --

5 And, Paul, correct me. I mean, what you guys
6 tell me is that the families say, You know what? Forget
7 it, because we can't kick off four families, so we just
8 won't be connected to the water.

9 MR. GARCIA: Well, it will become a dilemma.
10 And eventually, like Paul said, we will actually be
11 illegally connecting to, hopefully, two meters. And
12 eventually, that other two family, which is family, you
13 know -- eventually will connect illegally.

14 MR. MARTINEZ: Yes. And you have the same
15 thing with electrical. I mean, you've seen mobile homes
16 burn down because of the electric -- you know, the wires
17 not being able to, you know, hold the currents on them,
18 and because you do have three houses connected to one
19 meter.

20 MR. GARCIA: And I'm assuming that's what the
21 government's trying to do is not so much make it hard on
22 families, but get them to comply for their own safety or
23 for their own health or for whatever -- that the rules are
24 in place. I mean, they might have been arbitrary, maybe.

25 But what I'm trying to figure out is where's

1 the remedy here. If you can't divide these families or
2 you're not going to be able to get them to want to comply
3 with the law, what are we left with? I mean, how do we
4 fix that?

5 MR. CABELLO: What are some --

6 MR. GARCIA: What's your recommendation?

7 MR. MARTINEZ: My -- well, mine would be -- you
8 know, some of the reasons that they can't comply is
9 because they can't subdivide, because there's no water and
10 sewer. Some of these lots are big enough where you could
11 probably divide the lot and get something where you can
12 have two lots, you know, and have two houses.

13 MR. CABELLO: They're not going to prevent them
14 from subdividing, because there's no zoning out there.
15 Correct?

16 MR. MARTINEZ: Yes. But you have the water and
17 sewer in place before they can --

18 MR. GARCIA: You're supposed to have it in
19 place before you move in.

20 MR. MARTINEZ; Yes. So they'll let you go back
21 and replot.

22 MR. CABELLO: The local authorities --

23 MR. MARTINEZ; Yes. You can't replot, not yet.

24 MR. GARCIA: Replot? Is that --

25 MR. MARTINEZ: Yes. You can't replot. When

1 it's replotted, then you'll have your title to your piece
2 of property, you know --

3 MR. CABELLO: But you can't just subdivide that
4 one --

5 MR. MARTINEZ; Not legally.

6 MR. CABELLO: -- lot without having to redo the
7 whole plat.

8 MR. MARTINEZ: Right.

9 MS. CABALLERO: Yes, because then you're going
10 to be in violation of the model subdivision --

11 MR. CABELLO: Model subdivisions. Right.

12 MS. CABALLERO: Subchapter B of the local
13 government code allows family partition, but the model-
14 subdivision rules do not.

15 MR. CABELLO: Right. So --

16 MS. CABALLERO: Yes. And that's one of the
17 biggest problems that we're seeing. And I know it's in
18 Cameron. And I'm glad to see that --

19 MR. CABELLO: So do we need a tweak? I mean,
20 do we need to submit a recommendation about the model-
21 subdivision rules to be able to address some of these
22 multiple units? I mean, is that --

23 MS. GARCIA: That's one of the items that we're
24 going to recommend to the tricounty network meeting that
25 is composed of Starr County, Hidalgo and Cameron. But the

1 plan department and the local officials are bringing it
2 up, that particular concern.

3 What is the current law, and what is the
4 recommendation? So that we will submit to --

5 MR. GARCIA: And you have a recommendation then
6 for that --

7 MS. GARCIA: Yes.

8 MR. GARCIA: -- how to address this, how to fix
9 it?

10 MS. GARCIA: And the wheel doesn't have to be
11 reinvented. They can probably put waivers in place. If
12 you meet this criteria -- and then you should be
13 example -- planning and recording. But you have to make
14 sure that it doesn't create another development or that
15 you're not creating it so you can sell it in the future.
16 And we developed recommendation where we put it in place.

17 MR. LONGORIA: What the county's afraid of --
18 the county where they set up the network meeting -- is
19 they're afraid of allowing the family partition, but then
20 down the road somebody within that family partition
21 saying, I want to resubdivide my piece, thus creating
22 another colonia situation.

23 So what they suggested was that the model-
24 subdivision rule be tweaked to allow family partitions to
25 only a certain number of lots or only to a -- to have a

1 cap on the number of lots that they can be subdivided.
2 That way you don't have somebody subdividing and then
3 resubdividing because they fell out of favor.

4 MR. CABELLO: And that recommendation's
5 submitted to --

6 MS. GARCIA: It will be submitted to our office
7 at the end of the summer.

8 MR. CABELLO: So submit it to Buddy, though,
9 and you can --

10 MR. GARCIA: Well, within this context, though,
11 we will be able to utilize it within the CRAC --

12 MS. GARCIA: Yes. We don't want to dispose it
13 yet, because we still want to go back to the committee and
14 make sure it's what we understood. It's --

15 MR. CABELLO: Well, it's a good idea. It's
16 something to think about.

17 MS. GARCIA: -- a consensus. But it's coming
18 from the three counties itself. And it's not coming out
19 of the new bill, but rather -- use something in place.
20 That is a waiver that if you meet this criteria, you
21 should be acceptable, as long as you still meet, you know,
22 local government coding, et cetera.

23 MR. GARCIA: And you guys think that's a good
24 idea.

25 MR. MARTINEZ: Yes. And maybe perhaps by the

1 size of a lot --

2 MS. GARCIA: Exactly. Size of lot.

3 MR. MARTINEZ: -- you know, and that they take
4 one or two --

5 MS. CABALLERO: But one thing that we do have
6 to remember is that there's TCEQ regulations, which was
7 what Buddy was saying earlier. You have state regs, and
8 you have federal regs. And so, you know, that is a
9 recommendation. But are we going to have then, you know,
10 look at the federal regs or the TCEQ regs --

11 MR. GARCIA: Well, what we -- like on the
12 situation that we have, illegal subdivision within a
13 certification-of-determination area that was verified by
14 the city, it's a family that is subdivided within this
15 area and this -- on a half acre. What we get from TCEQ is
16 that you can only have two units and two septic tanks. So
17 that's going to exclude another family.

18 So if we can find a way for the third family --
19 those units were there from the very beginning.

20 MS. CABALLERO: That has to do with the
21 engineer that did the --

22 MR. GARCIA: That's another matter.

23 MR. GARCIA: You'd have to put the septic tanks
24 and -- well, look, anything's better than what we have
25 here. And as long as we come back with -- and maybe in

1 their wisdom, the legislature comes up with some way to
2 tinker with it to make everybody happy, the agency, the
3 feds, whoever.

4 But, I mean, we need compliance. I mean, we
5 need to figure out a way to make it work. We can't just
6 have these rules that nobody addresses, that nobody
7 follows.

8 MR. LONGORIA: What we've asked the counties to
9 do at the last network meeting was to keep track of the
10 number of family-partition situations like this that are
11 coming in their door so that that can be documentation for
12 the legislators to say, Let's go forward and tweak the
13 document -- these rules. So that would be --

14 MS. CABALLERO: And I think it was a serious
15 concern in Hidalgo County.

16 MR. LONGORIA: It is. Yes, because they're
17 getting a steady flow.

18 MS. CABALLERO: Because you were there --

19 MR. CABELLO: [speaking Spanish].

20 MS. GOMEZ: [speaking Spanish].

21 [Discussion in Spanish between Ms. Gomez and
22 Mr. Longoria].

23 MR. GARCIA: And who owns the private lane?

24 MR. LONGORIA: One of the residents of the
25 colonia. He bought it --

1 [Mr. Longoria and Ms. Garcia talking over each
2 other].

3 MR. ALMAZAN: [speaking Spanish].

4 MR. LONGORIA: And it's not just a pool. It's
5 impossible -- you know, it's a dangerous place.

6 MR. ALMAZAN: [speaking Spanish].

7 MR. GARCIA: Just follow up --

8 MR. LONGORIA: I'll continue -- it's been --
9 [speaking Spanish].

10 MR. CABELLO: Pete, you've been real quiet,
11 sir.

12 MR. DE LA CRUZ: [speaking Spanish].

13 MR. GOMEZ: Roy Gomez from USDA rural
14 development.

15 MR. CABELLO: Yes, sir.

16 MR. GOMEZ: Just in listening to everything we
17 had here today, certainly the USDA supports TDHCA and
18 Secretary of State. We work real close with Yesenia and
19 Eunice and are here to support -- we have several programs
20 like the Boot Strap Program where we can leverage funds.

21 And everybody increases the home ownership
22 opportunities, and everybody wins. And I think that's the
23 key, where you need several players involved. No one
24 agency is going to come up with all the solutions. And
25 yes, there are some that are more important than others.

1 But regardless of which ones you tackle, it's working
2 together.

3 The tricounty meetings have been helpful in
4 bringing the agencies together and seeing what's available
5 out there. Maybe somebody has technical-assistance money.
6 Many somebody has land-acquisition money and so forth.
7 But as far as USDA rural development is concerned, we're
8 here to support the state in any programs that we can to
9 continue to improve the qualify of life for our colonial
10 residents.

11 MR. GARCIA: And that may be a recommendation
12 also in itself, that for too long jurisdictional
13 boundaries have prevented a combination of services.
14 Texas A&M has colonia programs. Several churches,
15 probably nonprofits have colonia programs.

16 The state, the fed -- and we don't work
17 together, because we have our orders from the legislature.
18 And the federal government tells people like yourselves --
19 and gives you rules. Perhaps that recommendation should
20 be made, that there needs to be a concerted effort between
21 all jurisdictions.

22 That is a technical problem, I guess, when it
23 comes to regional issues, but definitely when it comes
24 down to how we're going to solve the issues of finance or
25 how we're going to solve the issues of community. There

1 needs -- we need to work together.

2 MR. GOMEZ: I think these ladies have done a
3 real good job in identifying at least the local partners
4 and seeing who can bring what to the table. And maybe it
5 needs to be done -- I don't know if it's been done up and
6 down the border, but locally I know it helps. It doesn't
7 hurt; that's for sure.

8 And we may be doing, you know, better work and
9 things like that -- to where we join efforts. We're able
10 to do more with less. Like the Boot Strap Program --
11 that, to me -- self-help, you know. We're real -- we work
12 with Proyecto. We give technical-assistance money.

13 But we also work with housing authorities and
14 things like that. To me, the more money that we can get
15 like that, the better. Leverage funds, equity.
16 Everybody's involved. It's a good program.

17 MR. CABELLO: The Boot Strap Program, Buddy, is
18 a statewide program.

19 MR. GARCIA: And it sells itself. I think
20 that's why. If anything, one thing that we're not talking
21 about here today is there are some areas where the colonia
22 populations aren't as high along the border, and they kind
23 of get left out, because the legislation -- at least the
24 state legislation -- was drafted for the most populated
25 areas of colonias.

1 And so there's some legitimate claims that if
2 you're in a colonia and you're in an area like Presidio
3 County or somewhere that you don't really have as much
4 access -- but one thing at a time.

5 My fear -- and I don't mind who I tell it to --
6 I said -- is that whatever program -- NAFTA, colonias,
7 what have you -- that are intended to help the border
8 become cash cows for other parts of the state or even
9 other parts of Mexico or the United States.

10 And they take those -- because of the
11 success -- we've -- what moderate success we've had --
12 they take what little resources we have away. And so I
13 always lecture to whoever listens, legislators, otherwise,
14 get your arms around what we have -- and make the
15 argument, as mentioned earlier, of why that needs to stay
16 right where it is -- and don't let people take it away
17 from -- what little we have.

18 And then secondly, to sell the argument that
19 how we can maximize the money we have, leverage our
20 assets -- because that's going to be the best way to sell
21 any new programs.

22 I hope you know the ultimate result of all this
23 is not only going to be for our benefit, the colonias
24 benefit, but to raise the awareness of the rest of the
25 state of what it is that's going on and why this is not

1 enough.

2 I mean, obviously what I've heard here today is
3 there's more problems than anyone realizes out there --
4 have never been addressed. And people do believe that,
5 for the most part at the legislature -- that, well, you
6 know, enough of that. We've done the colonia stuff. Now
7 what about the rest of the state?

8 You know, they barely even scratch the surface
9 on some of these. So I don't know what you do about
10 garbage collection. I don't know what you do about the
11 living conditions, that if they don't improve -- how do
12 you get people health care?

13 If there's no public transportation, what are
14 you going to do? You can't get there. It doesn't make
15 any sense that you have these services in a clinic that's
16 all centrally located inside of the city if you can't get
17 there.

18 So your points are well taken, and we're going
19 to put it all in the report. We're going to go to El Paso
20 as well. And hopefully now we're merging our various hats
21 that we wear. We can argue very successfully a little bit
22 stronger.

23 And thanks to the senator for everything he's
24 done, because he helped in a way to godfather some of
25 these things at the beginning. But we obviously have a

1 long way to go. So if you don't mind reporting back to
2 him and to the committee what we've done and where we --
3 that we will follow up, because we're going to actually
4 need your help on this too.

5 MR. CABELLO: The other component, Buddy,
6 that -- when we go to El Paso, I would like to hear more
7 about the effect on this of the *promotoras* as to how they
8 work, because they're out there in the colonias and --
9 [speaking Spanish].

10 MR. ALMAZAN: [speaking Spanish].

11 [Ms. Villalpando and Mr. Almazan speaking
12 Spanish].

13 MR. CABELLO: [speaking Spanish].

14 You want to make any closing remark? We --

15 MR. GARCIA: That was it. That was all I had
16 to say was that I'm very appreciative. I've learned a
17 lot. [speaking Spanish].

18 And please, if you haven't already identified
19 myself, the -- ourselves, the ombudsman for the Secretary
20 of State's office. If you all -- we'll follow up, but
21 these are our representatives down here.

22 (Whereupon, at 2:45 p.m., the meeting was
23 adjourned.)

1 And there's a push to make the self-help money
2 available statewide, because people that live elsewhere
3 have seen the success of the program that passed and said,
4 We have poor people; we have colonias; I want something
5 like that.

6 The problem -- you're right -- is that there's
7 no more money, and so the slice that you get is less. The
8 legislature's very aware of that. In fact, the
9 legislators who passed this, I think, are most aware. Yet
10 now I think Nueces County's now added as a county that's
11 eligible.

12 And I told Senator Hinojosa -- I said, Look, if
13 you don't add money or legislation that changes the way
14 that's funded, it just comes at the expense of the border.
15 In fact, I think the legislature across the state is
16 saying, Well, why do the colonias get this help, and we
17 have poor people too? We want that.

18 And then that means there isn't enough money
19 for anybody. What little resource -- but be aware,
20 because that's a situation that is around the corner. And
21 I think it's important that our legislators -- the board
22 legislators are aware of this situation, which we will
23 recommend to them.

24 But your point is right. I mean, that very
25 little bit of money's coming at the expense of you guys,

COLONIA RESIDENT ADVISORY COMMITTEE MEETING

TUESDAY

MAY 23, 2006

11:00 AM

County of Hidalgo

Urban County Program Building

Sign In Roster

Name	Address	Organization	STARR Co
Dewitt Myers	Box 77 Camargo, TX	Dir - self help	CRAC member
Marta Velasco	1801 W. Jefferson Hwy	TX SOS - Hidalgo	
Enice Garcia	2501 N. Closter Blvd	TX SOS - Hidalgo	
Roel R Gomez	2514 S I Rd Edinburg, TX	USPA - RD	
Anna M. Villarreal	6163 FM 1430 R.G.C	Self Help Coordinator	
Gonzalo Montalvo	6163 FM 1430 R.G.C	Self Help Center	
Eliaz. Beas	401 N. Britton Ave, Ste 407,	TRIC - Starr Co.	
Jaime Longoria	2501 N. Closter, Edinburg	TX SOS - Hidalgo	
Maria J Grimaldo	702 Anaya rd Pharm	Community Person	
Elija Araujo	7814 Alondra Pharm	community Person	
Yolanda Moreno	125 E. Denny Pharm TX	ARISE	
Martina Medina	125 E. Denny Pharm TX	ARISE	
Guillermina Rdz	313 San Angelo Alameda	Azteca	
Jorge Solano	17702 Queen Palm	Comite Pueblo de Palmas	
Eduardo Zuniga	4400 N. Rodriguez St Edin	Proyecto Azteca	
Lety Sanchez	1500 Cathy Lane	comite aguila azteca	
Julio Sanchez	1500 Cathy Lane	comite aguila azteca	
Perla Saucedo	1520 Cathy	Comite aguila Azteca	
Enrique Saucedo	1520 Cathy	Comite Aguila Azteca	
Raul Garcia	461 Harrison St	Comarca County	

COLONIA RESIDENT ADVISORY COMMITTEE MEETING

TUESDAY
MAY 23, 2006
11:00 AM
County of Hidalgo
Urban County Program Building

Sign In Roster

Name	Address	Organization
Paolina Vega	805 W Price Rd Brownsville, TX 78521	Cameron County Engr.
Lorenz G. [unclear]	Proyecto Azteca	
RICHARD KEITH	CDC OF BROWNSVILLE	901 E LEVEE, BROWNSVILLE
David Garcia	Proyecto Azteca	
Uana Alfred	Webb Co. Self Help	
Hector Solan	" "	
ERLON SOLAN	" "	
PAUL MARTINEZ	" "	
Liliana Perez	6953 Q Rd.	M.H.P.
Blanca Villalobos	500 S. Kansas, Webster	Sen. Lucio's Office
Elsa Valdez	3115 S. Casa Linda St. McAllen TX 78503	M. H. P.
Lourdes Prado	15139 Campocruz	L.V.P.E.
Monica Gomez	544 San Tanna	LUPC.
BLANCA NUÑEZ	101 S. WASHINGTON ST RGG, TX	SOS
Ilda Sifuentes	316 S. Closner Edinburg	TRIA
Yaret Olesini	316 S. CLOSNER Edinburg	TRIA
Pere Rodriguez	PO Box 408 - Pharr	TRI
Yasenia Ayala	2723 W. University Dr. Edinburg, TX 78539	TDHCA

COLONIA RESIDENT ADVISORY COMMITTEE MEETING

TUESDAY
MAY 23, 2006

11:00 AM

County of Hidalgo
Urban County Program Building

Sign In Roster

Name	Address	Organization
✓ Enrique Saucedo	1520 KATHY ST.	comite Aguilá Azteca south side village Alamo tx.
Leticia Sanchez	1500 cathy lane	comite Aguilá Azteca south side village Alamo tx
Julio Sanchez	1500 cathy lane	south side village Alamo tx
Jorge Solano	1770? Queen Palm	Comite Pueblo de Palmas
David Arizondo	5107 S 27 San Tanita	proyecto azteca
Maria Brimaldo	707 ANAYA RD.	ARISE community person
David Garza	P.O. BOX 57 SAN JUAN TX 78589	Proyecto Azteca
Antonia Medina	7625 Steve LN	Deignada de la Comunida
José Luis Amador	9301 ALASKA RD	CRAC CAMERON
Quint Jones	Box 776 Occidental	STAR Co. Del.
		PROYECTO AZTECA